Appendix G
Supply Reliability Data Provided by CCWA

March 29, 2011

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City of Buellton

Carpinteria Valley
Water District

City of Guadalupe

City of Santa Barbara

City of Santa Maria

Goleta Water District

Montecito Water District

Santa Ynez River Water
Conservation District,
Improvement District #1

Associate Member

La Cumbre Mutual
Water Company

Subject: Central Coast Water Authority
2010 Urban Water Management Plan Update

Dear Richard:

The California Urban Water Management Planning Act requires every urban water supplier to prepare and adopt an Urban Water Management Plan (UWMP). An urban water supplier is defined as a public water system supplying 3,000 customers or delivering 3,000 acre-feet annually. The Central Coast Water Authority (CCWA) is classified as a wholesale urban water supplier. As such, CCWA is required to prepare an UWMP and is also required to provide projections of the volume of water to be delivered in the future to the retail urban water suppliers for a range of water-year types.

CCWA staff has reviewed the Department of Water Resources (DWR) report entitled "The State Water Project Delivery Reliability Report 2009" and obtained reliability data from DWR that is specific to Santa Barbara County. Following the estimation protocol described in the UWMP Guidelines and the DWR Reliability Report, CCWA prepared an estimated projection for future water deliveries for a variety of water-year types. This estimate is attached for your use. An excel file will also be emailed to you separately for your use in developing your own projections, if you need to utilize different scenarios than provided in the CCWA estimate.

Also, as required by the UWMP Act, retail urban water suppliers that rely upon a wholesale agency for a source of water supply must provide the wholesale water agency with water use projections for that source of water in five-year increments for 20 years. Accordingly, we would appreciate your agency providing this information by April 15, 2011.

If you have any question, please call me at 805-688-2292, ext 228.

Sincerely,

John Brady
Operations Manager/Engineer

255 Industrial Way
Buellton, CA 93427-9565
(805) 688-2292
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36826

Table 1 CCWA Table A Reliability Estimate

Year	Long Term Average	Single Dry Year 1977	2-year drought 1991-1992	2-year drought 1990-1991	4-year drought 1929-1932	4-year drought 1989-1992	6-year drought 1929-1934	6-year drought 1987-1992
2010	63%	6%	26%	35%	34%	36%	34%	38%
2015	63%	7%	26%	32%	34%	35%	34%	36%
2020	62%	8%	26%	30%	35%	34%	35%	34%
2025	61%	9%	26%	27%	35%	34%	35%	33%
2030	61%	10%	26%	24%	36%	33%	36%	31%
2035	60%	11%	26%	21%	36%	32%	36%	29%

Table 2 Maximum Table A Amount in Selected Drought Conditions

Drought Condition	2010	2015	2020	2025	2030	2035
Long Term Average	11,254	11,143	11,032	10,922	10,811	10,700
Single Dry Year 1977	995	1,171	1,348	1,524	1,701	1,877
2-year drought 1991-1992	4,708	4,696	4,684	4,672	4,660	4,648
2-year drought 1990-1991	6,272	5,764	5,257	4,750	4,243	3,736
4-year drought 1929-1932	6,004	6,092	6,179	6,267	6,354	6,442
4-year drought 1989-1992	6,375	6,241	6,107	5,972	5,838	5,703
6-year drought 1929-1934	6,036	6,110	6,184	6,258	6,332	6,406
6-year drought 1987-1992	6,733	6,437	6,141	5,845	5,549	5,253

City of Santa Maria

Contractor Table A Amount:	17,820

Appendix H
Santa Maria Valley Groundwater Basin Stipulation

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SANTA CLARA

SANTA MARIA VALLEY WATER CONSERVATION DISTRICT, Plaintiff, v. CITY OF SANTA MARIA, et al., Defendants. AND RELATED CROSS-ACTIONS AND ACTIONS CONSOLIDATED FOR ALL PURPOSES	SANTA MARIA GROUNDWATER LITIGATION Lead Case No. CV 770214 (CONSOLIDATED FOR ALL PURPOSES) [Consolidated With Case Numbers: CV 784900; CV 785509; CV 785522; CV 787150; CV 784921; CV 785511; CV 785936; CV 787151; CV 784926; CV 785515; CV 786791; CV 787152; CV 036410] San Luis Obispo County Superior Court Case Nos. 990738 and 990739 [Assigned to Judge Jack Komar for All Purposes]

STIPULATION (JUNE 30, 2005 VERSION)

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I. INTRODUCTION -- ALL MANAGEMENT AREAS

The Stipulating Parties hereby stipulate and agree to entry of judgment containing the terms and conditions of this Stipulation.

A. Parties and Jurisdiction

1. Plaintiff and Cross-Defendant Santa Maria Valley Water Conservation District ("District") is a water conservation district organized under California Water Code section 74000, *et seq*. The District does not pump Groundwater from the Basin.

2. Defendants, Cross-Complainants and Cross-Defendants the City of Santa Maria ("Santa Maria"), City of Guadalupe ("Guadalupe"), Southern California Water Company ("SCWC"), Nipomo Community Services District ("NCSD"), Rural Water Company ("RWC"), City of Arroyo Grande ("Arroyo Grande"), City of Pismo Beach ("Pismo Beach"), City of Grover Beach ("Grover Beach") and Oceano Community Services District ("Oceano") rely, in part, on Groundwater to provide public water service to customers within the Basin.

3. Cross-Defendant County of San Luis Obispo ("San Luis Obispo") is a subdivision of the State of California. Cross-Defendant San Luis Obispo County Flood Control and Water Conservation District ("SLO District") is a public entity organized pursuant to the laws of the State of California. Neither San Luis Obispo nor SLO District pumps Groundwater from the Basin.

4. Cross-Defendant County of Santa Barbara ("Santa Barbara") is a subdivision of the State of California. Santa Barbara does not pump Groundwater from the Basin.

5. Numerous other Cross-Defendants and Cross-Complainants are Overlying Owners. Many of these Overlying Owners pump Groundwater from the Basin, while others do not currently exercise their Overlying Rights. Those Overlying Owners who are Stipulating Parties are identified on Exhibit "A".

6. This action presents an *inter se* adjudication of the claims alleged between and among all Parties. This Court has jurisdiction over the subject matter of this action and over the Parties herein.

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B. Further Trial

The Stipulating Parties recognize that not all Parties have entered into this Stipulation and that a trial will be necessary as to all non-Stipulating Parties. No Stipulating Party shall interfere or oppose the effort of any other Stipulating Party in the preparation and conduct of any such trial. All Stipulating Parties agree to cooperate and coordinate their efforts in any trial or hearing necessary to obtain entry of a judgment containing the terms and conditions of this Stipulation. No Stipulating Party shall have any obligation to contribute financially to any future trial.

C. Definitions

As used in this Stipulation, the following terms shall have the meanings herein set forth:

1. *Annual or Year* – That period beginning January 1 and ending December 31.

2. *Annual Report* – The report prepared and filed with the Court annually for each Management Area.

3. *Appropriative Rights* – The right to use surplus Native Groundwater for reasonable and beneficial use.

4. *Available State Water Project Water* – The amount of SWP Water an Importer is entitled to receive in a given Year based upon the California Department of Water Resources final Table A allocation.

5. *Basin* - The groundwater basin described in the Phase I and II orders of the Court, as modified, and presented in Exhibit "B".

6. *Developed Water* – Groundwater derived from human intervention as of the date of this Stipulation, which shall be limited to Twitchell Yield, Lopez Water, Return Flows, and recharge resulting from storm water percolation ponds.

7. *Groundwater* – Twitchell Yield, Lopez Water, Return Flows, storm water percolation, Native Groundwater and all other recharge percolating within the Basin.

8. *Importer(s)* – Any Party who brings Imported Water into the Basin. At the date of this Stipulation, the Importers are Santa Maria, SCWC, Guadalupe, Pismo Beach, and Oceano.

9. *Imported Water* – Water within the Basin, originating outside the Basin that absent human intervention would not recharge or be used in the Basin.

10. *Lopez Project* – Lopez Dam and Reservoir located on Arroyo Grande Creek, together with the associated water treatment plant, delivery pipeline and all associated facilities, pursuant to State Water Resources Control Board permit No. 12814 (A-18375) and pending application No. A-30826.

11. *Lopez Water* – Groundwater within the Basin derived from the operation of the Lopez Project.

12. *Management Areas* – The three areas within the Basin that have sufficient distinguishing characteristics to permit the water resources and facilities of each area to be individually managed. The Management Areas are: the Northern Cities Management Area, the Nipomo Mesa Management Area, and the Santa Maria Valley Management Area, as shown on Exhibit "C".

13. *Management Area Engineer* – The individual(s) or consulting firm(s) that are hired to prepare the Monitoring Plan(s) and Annual Report(s) for one or more of the Management Areas.

14. *Monitoring Parties* – Those Parties responsible for conducting and funding each Monitoring Program.

15. *Monitoring Program* – The data collection and analysis program to be conducted within each Management Area sufficient to allow the preparation of the Annual Report.

16. *Native Groundwater* – Groundwater within the Basin, not derived from human intervention, that replenishes the Basin through precipitation, stream channel infiltration, tributary runoff, or other natural processes.

17. *New Developed Water* – Groundwater derived from human intervention through programs or projects implemented after the date of this Stipulation.

18. *New Urban Uses* – Municipal and industrial use which may occur on land that, as of January 1, 2005, was located: 1) within the boundaries of a municipality or its sphere of influence, or within the process of inclusion in its sphere of influence; or 2) within the certificated

service area of a publicly regulated utility. The New Urban Use areas are identified in Exhibit "D". New Urban Uses does not include the current DJ Farms development within Guadalupe City limits (including Santa Barbara County APN 113-080-18, 113-080-24).

19. *Nipomo Mesa Management Area or NMMA* – That Management Area shown on Exhibit "C".

20. *Nipomo Mesa Management Area Technical Group* – The committee formed to administer the relevant provisions of the Stipulation regarding the Nipomo Mesa Management Area.

21. *Northern Cities Management Area* – That Management Area which is part of Zone #3 of the San Luis Obispo County Flood Control and Water Conservation District as shown on Exhibit "C".

22. *Northern Cities* – Arroyo Grande, Pismo Beach, Grover Beach and Oceano.

23. *Northern Parties* – The Northern Cities, the Overlying Owners within the Northern Cities Management Area, San Luis Obispo and the SLO District.

24. *Overlying Right* – The appurtenant right of an Overlying Owner to use Native Groundwater for overlying, reasonable and beneficial use.

25. *Overlying Owner(s)* – Owners of land overlying the Basin who hold an Overlying Right.

26. *Party* – Each Person in this consolidated action, whether a Stipulating Party or a non-Stipulating Party.

27. *Person* – Any natural person, firm, association, organization, joint venture, partnership, business, trust, corporation, or public entity.

28. *Public Hearing* – A hearing after notice to all Parties and to any other person legally entitled to notice.

29. *Return Flows* – Groundwater derived from use and recharge within the Basin of water delivered through State Water Project facilities.

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30. *Santa Maria Valley Management Area* – That Management Area shown on Exhibit "C".

31. *Severe Water Shortage Conditions* – Those conditions, as separately defined in a Severe Water Shortage Response Plan for each Management Area, that trigger certain discretionary and mandatory responses by the Stipulating Parties upon order of the Court.

32. *Severe Water Shortage Response Plan* – The discretionary and mandatory responses for each Management Area that are to be implemented when Severe Water Shortage Conditions exist.

33. *State Water Project Water* or *SWP Water* – Water imported through the State of California State Water Resources Development System pursuant to Division 6, Part 6, Chapter 8, of the California Water Code.

34. *Stipulating Party* – A Party that has signed this Stipulation, as listed in Exhibit "A", or its heirs, executors, administrators, trustees, successors, assigns, and agents.

35. *Storage Space* – The portion of the Basin capable of holding water for subsequent reasonable and beneficial uses.

36. *SWP Contract(s)* – Those series of contracts that entitle the Importers to use SWP facilities to bring Imported Water into the Basin.

37. *Twitchell Management Authority* or *TMA* – The committee formed to administer the relevant provisions of the Stipulation regarding the Santa Maria Valley Management Area.

38. *Twitchell Participants* – Those Stipulating Parties holding rights to Twitchell Yield.

39. *Twitchell Project* – Dam and reservoir authorized by Congress as the "Santa Maria Project" on September 3, 1954 (Public Law 774, 83d Congress, ch. 1258, 2d session, 68 Stat. 1190) and located on the Cuyama River, approximately six miles upstream from its junction with the Sisquoc River, pursuant to that certain License For Diversion And Use of Water, License No. 10416, issued by the State Water Resources Control Board.

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40. *Twitchell Water* – Groundwater derived from operation of the Twitchell Project.

41. *Twitchell Yield* – The total amount of Groundwater allocated annually to the Twitchell Participants.

II. EXHIBITS

The following Exhibits are attached to this Stipulation and incorporated herein:

1. *Exhibit "A"*, list identifying the Stipulating Parties and the parcels of land bound by the terms of this Stipulation.

2. *Exhibit "B"*, Phase I and II Orders, as modified, and the attached map depicting the Santa Maria Basin.

3. *Exhibit "C"*, map of the Basin and boundaries of the three Management Areas.

4. *Exhibit "D"*, map identifying those lands as of January 1, 2005: 1) within the boundaries of a municipality or its sphere of influence, or within the process of inclusion in its sphere of influence; or 2) within the certificated service area of a publicly regulated utility; and a list of selected parcels that are nearby these boundaries which are excluded from within these areas.

5. *Exhibit "E"*, 2002 Settlement Agreement between the Northern Cities and Northern Landowners.

6. *Exhibit "F"*, the agreement among Santa Maria, SCWC and Guadalupe regarding the Twitchell Project and the TMA.

7. *Exhibit "G"*, the Court's Order Concerning Electronic Service of Pleadings and Electronic Posting of Discovery Documents dated June 27, 2000.

8. *Exhibit "H"*, the form of memorandum of agreement to be recorded.

III. DECLARATION OF RIGHTS -- ALL MANAGEMENT AREAS

The terms and conditions of this Stipulation set forth a physical solution concerning Groundwater, SWP Water and Storage Space, consistent with common law water rights priorities.

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A. Recognition of Priority of Overlying Rights

Except as expressly modified by the settlement agreement among the Northern Parties (Exhibit "E"), all Overlying Owners that are also Stipulating Parties have a prior and paramount Overlying Right, whether or not yet exercised.

B. Prescriptive Rights

As to the Stipulating Parties, no Party has proved prescriptive rights to any Native Groundwater. Future use by the Stipulating Parties will not be adverse and will not ripen into a prescriptive right as between the Stipulating Parties.

C. Appropriative Rights

Consistent with the specific provisions governing each Management Area, the Stipulating Parties owning and exercising Appropriative Rights have the right to the reasonable and beneficial use of Native Groundwater that is surplus to the reasonable and beneficial uses of the Stipulating Parties that are Overlying Owners. New appropriative uses shall be subordinate to existing appropriations and shall be prioritized on a first in time, first in right basis.

D. Developed Water Rights

The Stipulating Parties owning Developed Water or New Developed Water have the right to its reasonable and beneficial use, consistent with the specific provisions governing each Management Area. The right to use Developed Water is a right to use commingled Groundwater and is not limited to the corpus of that water.

E. Rights to Storage Space

The Court shall reserve jurisdiction over the use of the Storage Space, and any Party may apply to the Court for the approval of a project using Storage Space. The Court must approve any project using Storage Space before any Party can claim a right to stored water from that project. The Stipulating Parties agree that Groundwater derived from Developed Water is exempt from the Court approval requirements of this Paragraph.

F. Other Surface Water Rights

Nothing in this Stipulation affects or otherwise alters common law riparian rights or any surface water rights, unless expressly provided in this Stipulation.

IV. PHYSICAL SOLUTION – ALL MANAGEMENT AREAS

A. Authority

Pursuant to Article X, section 2 of the California Constitution, the Stipulating Parties agree that the Court has the authority to enter a judgment and physical solution containing the terms and conditions of this Stipulation. Unless the Court imposes this physical solution, potential changes in water use could affect Basin adequacy and integrity. The Declaration of Rights is a component of this physical solution.

B. Purposes and Objectives

The terms and conditions of this Stipulation are intended to impose a physical solution establishing a legal and practical means for ensuring the Basin's long-term sustainability. This physical solution governs Groundwater, SWP Water and Storage Space, and is intended to ensure that the Basin continues to be capable of supporting all existing and future reasonable and beneficial uses. This physical solution is: 1) a fair and equitable basis for the allocation of water rights in the Basin; 2) in furtherance of the mandates of the State Constitution and the water policy of the State of California; and 3) a remedy that gives due consideration to applicable common law rights and priorities to use Groundwater and Storage Space, without substantially impairing any such right.

C. Basin Management Areas

Development and use of Groundwater, SWP Water and Storage Space have historically been financed and managed separately in three Management Areas. For example, only the Northern Parties have paid for, managed, and benefited from the Lopez Project; whereas only Santa Maria Valley parties have paid for, managed, and benefited from the Twitchell Project. In contrast, the Nipomo Mesa parties have not been involved in the funding or management of either the Twitchell or Lopez Projects.

The Stipulating Parties agree that Groundwater, SWP Water and Storage Space can be more efficiently allocated and managed in three Management Areas, given the physical, geographical, political, economic, and historic conditions. The three Management Areas, as shown on Exhibit "C," are as follows: Northern Cities Management Area; Nipomo Mesa Management

Area; and Santa Maria Valley Management Area. The Stipulating Parties intend that management through three Management Areas will preserve the Basin's integrity.

D. Groundwater Monitoring

1. *Monitoring Program*. A Monitoring Program shall be established in each of the three Management Areas to collect and analyze data regarding water supply and demand conditions. Data collection and monitoring shall be sufficient to determine land and water uses in the Basin, sources of supply to meet those uses, groundwater conditions including groundwater levels and quality, the amount and disposition of Developed Water supplies, and the amount and disposition of any other sources of water supply in the Basin. The Northern Cities Management Area shall not be required to include in its Monitoring Program or Annual Reports quantification of groundwater recharge from the Lopez Project or storm water percolation ponds, unless the Court orders inclusion of this information.

Within one hundred and eighty days after entry of judgment, representatives of the Monitoring Parties from each Management Area will present to the Court for its approval their proposed Monitoring Program. The Management Area Engineers shall freely share available well data, groundwater models, and other products and tools utilized in monitoring and analysis of conditions in the three Management Areas, consistent with the confidentiality provisions of this Stipulation.

Absent a Court order to the contrary, all Stipulating Parties shall make available relevant information regarding groundwater elevations and water quality data necessary to implement the Monitoring Program approved for their respective Management Area. The Monitoring Parties shall coordinate with the Stipulating Parties to obtain any needed data on reasonable terms and conditions. Metering may only be imposed on Stipulating Parties upon a Court order following a showing that such data is necessary to monitor groundwater conditions in the Basin, and in the case of an Overlying Owner, that Overlying Owner has failed to provide information comparable to that provided by other Overlying Owners. The confidentiality of well data from individual owners and operators will be preserved, absent a Court order or written consent.

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2. *Monitoring Parties*. The Monitoring Parties are as follows:

(a) Santa Maria Valley Management Area – The Twitchell Management Authority.

(b) Northern Cities Management Area – The Northern Cities.

(c) Nipomo Mesa Management Area – The NMMA Technical Group.

3. *Annual Reports*. Within one hundred and twenty days after each Year, the Management Area Engineers will file an Annual Report with the Court. The Annual Report will summarize the results of the Monitoring Program, changes in groundwater supplies, and any threats to Groundwater supplies. The Annual Report shall also include a tabulation of Management Area water use, including Imported Water availability and use, Return Flow entitlement and use, other Developed Water availability and use, and Groundwater use. Any Stipulating Party may object to the Monitoring Program, the reported results, or the Annual Report by motion.

4. *Management Area Engineer*. The Monitoring Parties may hire individuals or consulting firms to assist in the preparation of the Monitoring Programs and the Annual Reports. Except as provided below for the Santa Maria Valley Management Area, the Monitoring Parties, in their sole discretion, shall select, retain and replace the Management Area Engineer.

E. New Developed Water

1. Stipulating Parties in each Management Area may prepare and implement plans to develop, salvage or import additional water supplies.

2. The Stipulating Parties that pay, or otherwise provide consideration, for New Developed Water are entitled to use it to the extent the New Developed Water augments the water supplies in that Management Area. If more than one Stipulating Party finances or participates in generating New Developed Water, rights to the supply of New Developed Water shall be proportional to each Stipulating Party's financial contribution or other consideration, or as otherwise mutually agreed to by the participating Stipulating Parties. This paragraph does not apply to Return Flows.

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3. The Stipulating Parties who desire to claim New Developed Water supplies must bring a motion, and obtain an order from the Court, quantifying and allocating the rights to the New Developed Water, before they have the prior right to the New Developed Water.

F. Severe Water Shortage Response

This physical solution sets forth a Severe Water Shortage Plan for each Management Area which is intended to provide an effective response to Severe Water Shortage Conditions that may develop within each or all of the Management Areas. The specific Severe Water Shortage Plans for each Management Area are incorporated herein and made a part of the physical solution.

V. PHYSICAL SOLUTION: PROVISIONS SPECIFIC TO SANTA MARIA VALLEY MANAGEMENT AREA

As supplemented by the provisions of this Stipulation that apply to all Management Areas, the following terms govern rights to Groundwater, SWP Water and Storage Space in the Santa Maria Valley Management Area.

A. Water Rights to Sources of Supply

1. *Overlying Rights*. The Stipulating Parties who are Overlying Owners within the Santa Maria Valley Management Area each have the prior and paramount right to use Native Groundwater. Subject to Paragraph V(C)(2)(b)(vi), all Overlying Rights are appurtenant to the overlying land and cannot be assigned or conveyed separate or apart from those lands.

2. *Appropriative Rights*. The Parties listed in Exhibit "A" are the owners of Appropriative Rights exercised in the Santa Maria Valley Management Area. Each Appropriative Right is limited to Native Groundwater that is surplus to reasonable and beneficial uses of the Stipulating Parties that are Overlying Owners in the Santa Maria Valley Management Area. New appropriative uses shall be subordinate to existing Appropriative Rights and shall be prioritized on a first in time, first in right basis.

3. *Developed Water*. The Stipulating Parties owning Developed Water have the right to its reasonable and beneficial use, subject only to the Severe Water Shortage Plan. On an annual basis, the Stipulating Parties shall have the right to the reasonable and beneficial use of Developed Water that is surplus to the reasonable and beneficial uses of the owners of that

Developed Water. The right to use Developed Water is a right to use commingled Groundwater and is not limited to the corpus of that water.

(a) New Developed Water. The ownership and use of New Developed Water shall be subject to Court order.

(b) Twitchell Water.

(i) *Amount.* The Twitchell Project annually provides a variable amount of Developed Water that augments the Groundwater in the Santa Maria Valley Management Area. Twitchell Yield is thirty-two thousand acre-feet per year ("afy").

(ii) *Division of Twitchell Yield.* Twitchell Yield shall be divided as follows: 80% to Santa Maria, SCWC and Guadalupe, and 20% to the Overlying Owners within the District who are Stipulating Parties.

a. The Twitchell Yield allocated to Santa Maria, SCWC and Guadalupe is suballocated pursuant to the agreement among Santa Maria, SCWC and Guadalupe, as attached and incorporated herein as Exhibit "F".

b. The Twitchell Yield allocated to the Overlying Owners who are Stipulating Parties within the District shall be equally allocated to each acre of land within the District owned by these Stipulating Parties. Concurrently with the execution of this Stipulation, each of these Stipulating Parties shall report their acreage of overlying land within the District on a parcel specific basis. Within one hundred and twenty days of the effective date of this Stipulation, the Management Area Engineer shall create a list of all the Stipulating Parties and their respective allocation of the Twitchell Yield.

(iii) *Recapture of Twitchell Yield.* The right to use Twitchell Yield is a right to use commingled Groundwater and is not limited to the corpus of that water.

(iv) *Transfer of Twitchell Yield.* Twitchell Yield may be transferred, temporarily or permanently, only between Stipulating Parties and the transfer market shall be as open and competitive as practical. A memorandum of agreement summarizing each transfer shall be filed with the Court and provided to the TMA. Any such memorandum of agreement shall state the Parties to the transfer, the amount of Twitchell Yield transferred, the price per acre-

foot, and the Party responsible for the financial obligation associated with the Twitchell Yield.

(v) *Carryover*. Any portion of Twitchell Yield that is not used in a given Year shall not be carried over into the following Year.

(c) State Water Project Water.

(i) *Import and Use of State Water Project Water*. Santa Maria, SCWC and Guadalupe all have SWP Contracts. Santa Maria will import and use within the Santa Maria Valley Management Area not less than 10,000 acre-feet each Year of Available SWP Water, or the full amount of Available SWP Water if the amount physically available is less than 10,000 acre-feet in a given Year under Santa Maria's SWP Contract. Guadalupe will import and use within the Santa Maria Valley Management Area a minimum of 75% of its Available SWP Water. SCWC will import and use within the Basin all its Available SWP Water. Santa Maria, SCWC and Guadalupe will not voluntarily relinquish or terminate their current SWP Contracts, and shall seek renewal of these SWP Contracts.

(ii) *Return Flows*.

a. Fixed Amount. The Return Flows available to each Importer is fixed based on a percentage of the annual amount of SWP Water the Importer uses within the Basin. The fixed percentage for each importer is as follows: (a) Santa Maria 65%; (b) SCWC 45%; and (c) Guadalupe 45%. The percentage provided to SCWC and Guadalupe shall be adjusted through a Court order if: a) either entity increases its use of water imported into the Basin, b) the applicable method of wastewater treatment and discharge to the Basin is altered, or c) good cause is shown.

b. Recapture. The right to use Return Flows does not attach to the corpus of SWP water deliveries or the treated SWP wastewater discharged into the Basin but is a right to use the commingled Groundwater. The Importer's right to Return Flows is assignable in whole or in part, subject to necessary accounting.

c. Quantification of Return Flows. Return Flows equal the total amount of SWP Water used by the Importer in the prior five Years, divided by five, and then multiplied by the Importer's percentage as provided in Paragraph V(A)(3)(c)(ii)(a) above.

d. Carryover. Any portion of Return Flows that is not used in a given Year shall not be carried over into the following Year.

B. Monitoring and Management

1. *Status of Management Area*. Current Groundwater and SWP Water supplies are sustaining existing water uses. Changes in land and water use and demographic conditions can be expected to occur, possibly resulting in changes in water supply or demand requirements.

2. *Need for Monitoring*. Monitoring and reporting of changes in land and water use and demographic conditions are necessary to ensure that water supplies continue to be sufficient to support water uses.

3. *Monitoring Program*.

(a) Annual Report: Content and Processing.

The Annual Report shall include an analysis of the relationship between projected water demands and projected water supplies.

(i) The Annual Report shall be prepared and signed by the Management Area Engineer, and shall be simultaneously submitted to the Court and the TMA.

(ii) Within forty-five days of submission, the TMA shall hold a noticed public hearing to take comments on and consider for adoption the Annual Report. No later than forty-five days from the date of the public hearing, the TMA shall submit to the Court its recommendations regarding the Annual Report.

(iii) Within one hundred and twenty days of the date of the submission of the Annual Report to the Court, it shall conduct a noticed hearing on the Annual Report. Any Party may submit comments on the Annual Report. After the hearing, the Court shall accept the Annual Report or direct its modification.

(b) Management Area Engineer

(i) Absent the unanimous consent of the TMA, the Management Area Engineer shall not concurrently be employed by any Party holding rights to use Groundwater in the Santa Maria Valley Management Area.

(ii) The Management Area Engineer shall initially be the engineering firm of Luhdorff & Scalmanini. Luhdorff & Scalmanini shall be the Management Area Engineer for a minimum of the shorter of five years from the date of this Stipulation or the date upon which Mr. Joseph Scalmanini discontinues full time work for that firm.

(iii) The TMA shall employ the following process to replace the Management Area Engineer:

a. The TMA shall solicit candidates for Management Area Engineer through a public process. All submissions and candidate materials shall be available to any Party upon request. The TMA shall conduct its interview through a public process to the extent practical, and include District and Overlying Owner representatives in the candidate review process.

b. Once a short list of candidates (less than five) for Management Area Engineer is obtained, the TMA shall hold a noticed public hearing to take comments on and consider the candidates for Management Area Engineer. The TMA shall make a reasonable effort to select the Management Area Engineer with a unanimous vote. If the TMA unanimously endorses a candidate, that nominee shall be recommended to the Court. Otherwise, the short list of candidates shall be submitted.

c. The Court shall appoint the Management Area Engineer following a noticed hearing.

4. *Funding*. The TMA shall pay for the Monitoring Program for the Santa Maria Valley Management Area, which includes the cost of the Management Area Engineer and the Annual Report. The cost of the Monitoring Program shall be divided among the Twitchell Participants on the same basis as the allocation of their Twitchell Yield.

C. Response to Varying Conditions

1. *Early Response to Avoid Severe Water Shortage Conditions*. If the Management Area Engineer determines that projected demands are expected to materially exceed projected water supplies, then the Management Area Engineer may recommend programs and projects to augment the Management Area's water supplies. The Stipulating Parties will collabo-

rate on a response based upon current conditions, but absent Severe Water Shortage Conditions, implementation of programs and projects will not be mandated.

The Stipulating Parties may voluntarily participate in any recommended program or project, either through financial or other contributions. The Stipulating Parties that contribute to such a program or project shall have a priority to the water supplies generated by that program or project with Court approval. The Stipulating Parties agree to aggressively pursue New Developed Water sources, including necessary funding.

2. *Severe Water Shortage Conditions and Response*.

(a) Determination. Severe Water Shortage Conditions shall be found to exist when the Management Area Engineer, based on the results of the ongoing Monitoring Program, finds the following: 1) groundwater levels in the Management Area are in a condition of chronic decline over a period of not less than five Years; 2) the groundwater decline has not been caused by drought; 3) there has been a material increase in Groundwater use during the five-Year period; and 4) monitoring wells indicate that groundwater levels in the Santa Maria Valley Management Area are below the lowest recorded levels.

(b) Response.

(i) If the Management Area Engineer determines that Severe Water Shortage Conditions exist within the Santa Maria Valley Management Area, the Management Area Engineer shall file and serve, as part of its Annual Report, findings and recommendations to alleviate such shortage conditions or the adverse effects caused by such water shortage.

(ii) Upon the filing of the Annual Report, the Court shall hold a noticed hearing regarding the existence and appropriate response to the Severe Water Shortage Conditions. If, after that hearing, the Court finds that Severe Water Shortage Conditions exist in the Santa Maria Valley Management Area, the Court shall first order all use of Groundwater to be limited to: (a) for Guadalupe, Santa Maria and SCWC, their Developed Water; (b) entitled Stipulating Parties to their New Developed Water; and (c) for the Overlying Owners, the Native Groundwater plus any Developed Water to which individual Overlying Owners are entitled.

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(iii) The Court may also order Stipulating Parties to address specific adverse effects caused by the Severe Water Shortage Conditions. The responses may include, but are not limited to: (a) measures recommended in the Annual Report and the related Court proceedings; and (b) other measures intended to address localized problems in the Santa Maria Valley Management Area directly related to the Severe Water Shortage Conditions.

(iv) The Court may adjust the Groundwater use limitations imposed on any Stipulating Party(ies) who implement programs or projects providing additional water supplies within the Santa Maria Valley Management Area.

(v) If the Court finds that Management Area conditions have deteriorated since it first found Severe Water Shortage Conditions, the Court may impose further limitations on Groundwater use. If the Court imposes further limitations on Groundwater use, a Stipulating Party shall be exempt from those limitations to the extent: (a) the Stipulating Party can demonstrate that it has already implemented limitations in its Groundwater use, equivalent to those ordered by the Court; or (b) the Stipulating Party can demonstrate that further limitations would not avoid or reduce the deteriorating conditions.

(vi) During Severe Water Shortage Conditions, the Stipulating Parties may make agreements for temporary transfer of rights to pump Native Groundwater, voluntary fallowing, or the implementation of extraordinary conservation measures. Transfers of Native Groundwater must benefit the Management Area and be approved by the Court.

D. <u>Management and Administration of the Twitchell Project</u>

1. *<u>Operational Parameters</u>.* All Twitchell Project operations (operation and maintenance and capital projects) will be performed consistent with the following parameters (Operational Parameters):

(a) Maximize recharge of the Santa Maria Valley Management Area from Twitchell Water, including without limitation, the avoidance of impacts on recharge resulting from ongoing accumulation of silt to the maximum extent practical.

(b) Operate the Twitchell Project in accordance with the requirements of applicable law including, without limitation, the requirements of the Bureau of Reclamation

and Army Corps of Engineers.

(c) Operate the Twitchell Project in accordance with industry standards and best management practices.

2. *Twitchell Project Manual.*

(a) The TMA will hire and pay for a professional engineering consulting firm with expertise in dam and reservoir operations and maintenance, acceptable to the District and the TMA, to develop an integrated operation and maintenance procedure manual ("Twitchell Project Manual") and provide recommendations for capital and maintenance projects that are consistent with the Operational Parameters.

(b) The District shall hold one or more public hearings to solicit input regarding the content of the Twitchell Project Manual.

(c) Within eighteen months of entry of the judgment, the TMA and the District shall adopt a final Twitchell Project Manual.

(d) Any disagreement between the District and the TMA regarding the content of the final Twitchell Project Manual shall be presented for Court review and determination pursuant to the judicial review provisions provided in this Stipulation.

(e) The District will exercise its discretionary authority to conduct all its operation and maintenance activities for the Twitchell Project in accordance with the Twitchell Project Manual.

3. *Twitchell Project Funding.*

(a) District will maintain its current operation and maintenance (O&M) assessments. These funds will be used for District staff salaries, property, equipment, rent, expenses, and other day-to-day operations, and will be expended consistent with the Twitchell Project Manual to the extent it is applicable.

(b) The TMA will separately fund, administer, construct and manage any additional Twitchell Project expenses or projects, including Capital Improvement Projects (see below) and O&M, (Extraordinary Project Operations) consistent with the Twitchell Project Manual. The TMA and the District will make reasonable efforts to work cooperatively to imple-

ment Extraordinary Project Operations.

(c) Consistent with the provisions of this Paragraph V(D), the District and the TMA shall be responsible for ensuring the ongoing operational integrity of the Twitchell Project and the maintenance of the Twitchell Yield. The Stipulating Parties expect that this ongoing responsibility may involve significant expenditures. Within 120 days of the effective date of this Stipulation, and annually thereafter, the Twitchell Participants shall establish an operating budget for the TMA to fund its responsibilities set forth in this Stipulation. For the first five years following the PUC approval as provided below, the TMA's annual budget shall be established at an amount between $500,000 to $700,000. Following the initial budgeting period, the TMA shall set its budget in three- to five-year increments, as it deems necessary to meet its obligations to preserve the Twitchell Yield. Any unused revenues shall be segregated into a reserve account, for future funding needs of the Twitchell Project. The Stipulating Parties agree to cooperate and coordinate their efforts to enable the TMA to fulfill its responsibilities as provided in this Stipulation.

4. *Twitchell Management Authority*.

(a) The TMA shall be comprised of one representative of each of the following parties: Santa Maria, Guadalupe, Southern California Water Company, the District, and Overlying Landowners holding rights to Twitchell Yield.

(b) Only those parties holding an allocation of Twitchell Yield shall be voting members of the TMA. Voting shall be based on each party's proportionate allocation of Twitchell Yield.

(c) The TMA shall be responsible for all the Extraordinary Project Operations.

(d) The TMA shall be responsible for developing proposals for Capital Improvement Projects relating to the Twitchell Project. Capital Improvement Projects shall mean projects involving the expenditure of funds for the improvement or enhancement of the Twitchell Project, but shall not include normal operation, maintenance or repair activities.

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(e) Upon the development of a proposal for a Capital Improvement Project, the TMA shall, in cooperation with the District, hold one or more public hearings to solicit input.

(f) Following the public hearing process, the TMA may vote on whether to implement the Capital Improvement Project.

(g) The cost of TMA-sponsored Extraordinary Project Operations and Capital Improvement Projects shall be divided among Twitchell Participants on the same basis as the allocation of their Twitchell Yield.

(h) The District shall assume operation and maintenance responsibility for any TMA sponsored Capital Improvement Project to the extent practical within the District's day-to-day operations.

5. *Regulatory Compliance*. The TMA or the District shall provide advance notice to the Court and all Parties of the initiation of any regulatory proceeding relating to the Twitchell Project.

6. *Existing Contracts*. The Twitchell Reservoir Project will continue to be governed by and subject to the terms and conditions of the December 1955 agreement between the District and the Santa Barbara County Water Agency and nothing in this Stipulation is intended to modify the rights or obligations provided in that agreement. To the extent that the approval of Santa Barbara County Water Agency or the United States Bureau of Reclamation is required in connection with the implementation of this Stipulation, the Stipulating Parties agree to work cooperatively to obtain such approval(s).

E. New Urban Uses – Santa Maria Valley Management Area

1. New Urban Uses shall obtain water service from the local public water supplier. The local public water supplier shall provide water service on a reasonable and non-discriminatory basis.

2. New municipal and industrial uses on land adjacent to or within one-quarter mile of the boundary line depicted in Exhibit D shall comply with any applicable Corporations Code provisions and negotiate in good faith to obtain water service from the local

public water supplier, before forming a mutual water company to provide water service.

3. No modification of land use authority. This Stipulation does not modify the authority of the entity holding land use approval authority over the proposed New Urban Uses.

4. New Urban Uses shall provide a source of supplemental water to offset the water demand associated with that development. For the purposes of this section, supplemental water shall include all sources of Developed Water, except: i) Twitchell Water, ii) storm water percolation ponds existing as of the date of entry of the judgment, or iii) Overlying Owners' right to use of surplus Developed Water.

VI. PHYSICAL SOLUTION: PROVISIONS SPECIFIC TO NIPOMO MESA MANAGEMENT AREA

As supplemented by the provisions of this Stipulation that apply to all Management Areas, the following terms shall apply to the Nipomo Mesa Management Area.

A. Supplemental Water

1. *MOU*. NCSD has entered into a Memorandum of Understanding ("MOU") with Santa Maria which contemplates the wholesale purchase and transmission from Santa Maria to the NMMA of a certain amount of water each Year (the "Nipomo Supplemental Water"). All water delivered pursuant to the MOU for delivery by NCSD to its ratepayers shall be applied within the NCSD or the NCSD's sphere of influence as it exists at the time of the transmission of that water.

2. The NCSD agrees to purchase and transmit to the NMMA a minimum of 2,500 acre-feet of Nipomo Supplemental Water each Year. However, the NMMA Technical Group may require NCSD in any given Year to purchase and transmit to the NMMA an amount in excess of 2,500 acre-feet and up to the maximum amount of Nipomo Supplemental Water which the NCSD is entitled to receive under the MOU if the Technical Group concludes that such an amount is necessary to protect or sustain Groundwater supplies in the NMMA. The NMMA Technical Group also may periodically reduce the required amount of Nipomo Supplemental Water used in the NMMA so long as it finds that groundwater supplies in the NMMA are not

endangered in any way or to any degree whatsoever by such a reduction.

3. The Stipulating Parties agree to support (and, conversely, not to oppose in any way or to encourage or assist any other Person or party in opposing or challenging) the implementation of the MOU, which includes environmental and regulatory permits and approvals, the approval of a wholesale water supply agreement between Santa Maria and NCSD, and the alignment and construction of a pipeline and related infrastructure necessary to deliver the Nipomo Supplemental Water from Santa Maria to the NMMA ("Nipomo Supplemental Water Project"). ConocoPhillips retains the right to object to or provide input on the alignment of any pipelines associated with the Nipomo Supplemental Water Project if they might interfere with the location of existing ConocoPhillips pipelines. The Stipulating Parties retain their rights to be compensated for any interest or property acquired in implementing the Nipomo Supplemental Water Project.

4. NCSD and Santa Maria shall employ their best efforts to timely implement the Nipomo Supplemental Water Project, subject to their quasi-judicial obligations specified for administrative actions and in the California Environmental Quality Act.

5. The enforcement of the provisions of Paragraph VI(D) below is conditioned upon the full implementation of the Nipomo Supplemental Water Project, including the Yearly use of at least 2,500 acre-feet of Nipomo Supplemental Water (subject to the provisions of Paragraph VI(A)(2) above) within the NMMA. In the event that Potentially Severe Water Shortage Conditions or Severe Water Shortage Conditions are triggered as referenced in Paragraph VI(D) before Nipomo Supplemental Water is used in the NMMA, NCSD, SCWC, Woodlands and RWC agree to develop a well management plan that is acceptable to the NMMA Technical Group, and which may include such steps as imposing conservation measures, seeking sources of supplemental water to serve new customers, and declaring or obtaining approval to declare a moratorium on the granting of further intent to serve or will serve letters. In the event that it becomes apparent that the Nipomo Supplemental Water will not be fully capable of being delivered, any Stipulating Party may apply to the Court, pursuant to a noticed motion, for appropriate modifications to this portion of the Stipulation and the judgment entered based upon the

terms and conditions of this Stipulation, including declaring this Paragraph VI to be null and void, and of no legal or binding effect.

6. Once the Nipomo Supplemental Water is capable of being delivered, those certain Stipulating Parties listed below shall purchase the following portions of the Nipomo Supplemental Water Yearly:

NCSD - 66.68%

Woodlands Mutual Water Company - 16.66%

SCWC - 8.33%

RWC - 8.33%

B. <u>Rights to Use Groundwater</u>

1. ConocoPhillips and its successors-in-interest shall have the right to the reasonable and beneficial use of Groundwater on the property it owns as of the date of this Stipulation located in the NMMA ("ConocoPhillips Property") without limitation, except in the event the mandatory action trigger point (Severe Water Shortage conditions) described in Paragraph VI(D) (2) below is reached. Further, any public water supplier which provides water service to the ConocoPhillips Property may exercise that right subject to the limitation described in Paragraph VI(D)(2).

2. Overlying Owners that are Stipulating Parties that own land located in the NMMA as of the date of this Stipulation shall have the right to the reasonable and beneficial use of Groundwater on their property within the NMMA without limitation, except in the event the mandatory action trigger point (Severe Water Shortage Conditions) described in Paragraph VI(D)(2) below is reached.

3. The Woodlands Mutual Water Company shall not be subject to restriction in its reasonable and beneficial use of Groundwater, provided it is concurrently using or has made arrangements for other NMMA parties to use within the NMMA, the Nipomo Supplemental Water allocated to the Woodlands in Paragraph VI(A)(5). Otherwise, the Woodlands Mutual Water Company shall be subject to reductions equivalent to those imposed on NCSD, RWC and SCWC, as provided in Paragraph VI(D)(1-2).

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C. **NMMA Technical Group**

1. The NMMA Technical Group shall include representatives appointed by NCSD, SCWC, ConocoPhillips, Woodlands Mutual Water Company and an agricultural Overlying Owner who is also a Stipulating Party.

2. The NMMA Technical Group shall develop a Monitoring Program for the NMMA ("NMMA Monitoring Program"), which shall be consistent with the Monitoring Program described in Paragraph IV(D). The NMMA Monitoring Program shall also include the setting of well elevation and water quality criteria that trigger the responses set forth in Paragraph D below. The Stipulating Parties shall provide monitoring and other production data to the NMMA Technical Group at no charge, to the extent that such data has been generated and is readily available. The NMMA Technical Group shall adopt rules and regulations concerning measuring devices and production reports that are, to the extent feasible, consistent with the Monitoring Programs for other Management Areas. If the NMMA Technical Group is unable to agree on any aspect of the NMMA Monitoring Program, the matter may be resolved by the Court pursuant to a noticed motion.

3. The NMMA Technical Group meetings shall be open to any Stipulating Party. NMMA Technical Group files and records shall be available to any Stipulating Party upon written request. Notices of the NMMA Technical Group meetings, as well as all its final work product (documents) shall be posted to groups.yahoo.com/group/NipomoCommunity/

4. The NMMA Technical Group functions shall be funded by contribution levels to be negotiated by NCSD, SCWC, RWC, ConocoPhillips, and Woodlands Mutual Water Company. In-lieu contributions through engineering services may be provided, subject to agreement by those parties. The budget of the NMMA Technical Group shall not exceed $75,000 per year without prior approval of the Court pursuant to a noticed motion.

5. Any final NMMA Technical Group actions shall be subject to *de novo* Court review by motion.

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D. Potentially Severe and Severe Water Shortage Conditions

1. Caution trigger point (Potentially Severe Water Shortage Conditions)

(a) Characteristics. The NMMA Technical Group shall develop criteria for declaring the existence of Potentially Severe Water Shortage Conditions. These criteria shall be approved by the Court and entered as a modification to this Stipulation or the judgment to be entered based upon this Stipulation. Such criteria shall be designed to reflect that water levels beneath the NMMA as a whole are at a point at which voluntary conservation measures, augmentation of supply, or other steps may be desirable or necessary to avoid further declines in water levels.

(b) Responses. If the NMMA Technical Group determines that Potentially Severe Water Shortage Conditions have been reached, the Stipulating Parties shall coordinate their efforts to implement voluntary conservation measures, adopt programs to increase the supply of Nipomo Supplemental Water if available, use within the NMMA other sources of Developed Water or New Developed Water, or implement other measures to reduce Groundwater use.

2. Mandatory action trigger point (Severe Water Shortage Conditions)

(a) Characteristics. The NMMA Technical Group shall develop the criteria for declaring that the lowest historic water levels beneath the NMMA as a whole have been reached or that conditions constituting seawater intrusion have been reached. These criteria shall be approved by the Court and entered as a modification to this Stipulation or the judgment to be entered based upon this Stipulation.

(b) Responses. As a first response, subparagraphs (i) through (iii) shall be imposed concurrently upon order of the Court. The Court may also order the Stipulating Parties to implement all or some portion of the additional responses provided in subparagraph (iv) below.

(i) For Overlying Owners other than Woodlands Mutual Water Company and ConocoPhillips, a reduction in the use of Groundwater to no more than 110% of

the highest pooled amount previously collectively used by those Stipulating Parties in a Year, prorated for any partial Year in which implementation shall occur, unless one or more of those Stipulating Parties agrees to forego production for consideration received. Such forbearance shall cause an equivalent reduction in the pooled allowance. The base Year from which the calculation of any reduction is to be made may include any prior single Year up to the Year in which the Nipomo Supplemental Water is transmitted. The method of reducing pooled production to 110% is to be prescribed by the NMMA Technical Group and approved by the Court. The quantification of the pooled amount pursuant to this subsection shall be determined at the time the mandatory action trigger point (Severe Water Shortage Conditions) described in Paragraph VI(D)(2) is reached. The NMMA Technical Group shall determine a technically responsible and consistent method to determine the pooled amount and any individual's contribution to the pooled amount. If the NMMA Technical Group cannot agree upon a technically responsible and consistent method to determine the pooled amount, the matter may be determined by the Court pursuant to a noticed motion.

(ii) ConocoPhillips shall reduce its Yearly Groundwater use to no more than 110% of the highest amount it previously used in a single Year, unless it agrees in writing to use less Groundwater for consideration received. The base Year from which the calculation of any reduction is to be made may include any prior single Year up to the Year in which the Nipomo Supplemental Water is transmitted. ConocoPhillips shall have discretion in determining how reduction of its Groundwater use is achieved.

(iii) NCSD, RWC, SCWC, and Woodlands (if applicable as provided in Paragraph VI(B)(3) above) shall implement those mandatory conservation measures prescribed by the NMMA Technical Group and approved by the Court.

(iv) If the Court finds that Management Area conditions have deteriorated since it first found Severe Water Shortage Conditions, the Court may impose further mandatory limitations on Groundwater use by NCSD, SCWC, RWC and the Woodlands. Mandatory measures designed to reduce water consumption, such as water reductions, water restrictions, and rate increases for the purveyors, shall be considered.

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(v) During Severe Water Shortage Conditions, the Stipulating Parties may make agreements for temporary transfer of rights to pump Native Groundwater, voluntary fallowing, or the implementation of extraordinary conservation measures. Transfer of Native Groundwater must benefit the Management Area and be approved by the Court.

E. <u>New Urban Uses</u>

1. Within the sphere of influence or service area. New Urban Uses shall obtain water service from the local public water supplier. The local public water supplier shall provide water service on a reasonable and non-discriminatory basis.

2. Outside the sphere of influence or service area. New municipal and industrial uses on land adjacent to or within one quarter mile of the boundary line depicted in Exhibit D shall comply with any applicable Corporations Code provisions, including good faith negotiations with the local water purveyor(s), prior to forming a mutual water company to provide water service.

3. The ConocoPhillips property, owned as of the date of this Stipulation and located within the NMMA, is not in the sphere of influence or service area, nor is it in the process of being included in the sphere of influence, of a municipality or within the certificated service area of a publicly regulated utility as of the date of this Stipulation, nor is it adjacent to or in close proximity to the sphere of influence of a municipality or the certificated service area of a publicly regulated utility as of the date of this Stipulation, as those terms are used in Paragraphs VI(E)(1 and 2).

4. No modification of land use authority. This Stipulation does not modify the authority of the entity holding land use approval authority over the proposed New Urban Uses.

5. New Urban Uses as provided in Paragraph VI(E)(1) above and new municipal and industrial uses as provided in Paragraph VI(E)(2) above shall provide a source of supplemental water, or a water resource development fee, to offset the water demand associated with that development. For the purposes of this Paragraph, supplemental water shall include all sources of Developed Water or New Developed Water.

VII. PHYSICAL SOLUTION: PROVISIONS SPECIFIC TO NORTHERN CITIES MANAGEMENT AREA

These terms, supplemented by the provisions of this Stipulation that apply to all Management Areas, govern water rights and resources in the Northern Cities Management Area.

1. Groundwater Monitoring. Groundwater monitoring in the Northern Cities Management Area will be conducted by the Northern Cities in the manner described above.

2. Lopez Project. The Lopez Project will continue to be managed by the SLO District. The Northern Cities and Landowners will continue to bear costs of the Lopez Reservoir and no costs of the Twitchell Reservoir.

3. Independent Management Per Settlement Agreement.

(a) Existing Groundwater, SWP Water and Storage Space in the Northern Cities Management Area will continue to be allocated and independently managed by the Northern Parties in accordance with the Northern Cities and Northern Landowners' 2002 Settlement Agreement (Exhibit "E") for the purpose of preserving the long-term integrity of water supplies in the Northern Cities Management Area. That Settlement Agreement initially allocates 57% of the safe yield of groundwater in Zone 3 to the farmers and 43% to the cities; and it provides *inter alia* that any increase or decrease in the safe yield will be shared by the cities and landowners on a pro rata basis. That Settlement Agreement is reaffirmed as part of this Stipulation and its terms are incorporated into this Stipulation, except that the provisions regarding continuing jurisdiction (¶ 4), groundwater monitoring, reporting, and the Technical Oversight Committee (¶¶ 7-20) are canceled and superseded by the provisions of this Stipulation dealing with those issues.

(b) Without the written agreement of each of the Northern Cities, no party other than Northern Parties shall have any right to:

(i) pump, store, or use Groundwater or surface water within the Northern Cities Management Area; or

(ii) limit or interfere with the pumping, storage, management or usage of Groundwater or surface water by the Northern Parties within the Northern Cities

Management Area.

(c) For drought protection, conservation, or other management purposes, the Northern Parties may engage in contractual transfers, leases, licenses, or sales of any of their water rights, including voluntary fallowing programs. However, no Groundwater produced within the Northern Cities Management Area may be transported outside of the Northern Cities Management Area without the written agreement of each of the Northern Cities.

4. Current and future deliveries of water within the spheres of influence of the Northern Cities as they exist on January 1, 2005 shall be considered existing uses and within the Northern Cities Management Area.

VIII. INJUNCTION – ALL MANAGEMENT AREAS

A. Use Only Pursuant to Stipulation

Each and every Stipulating Party, their officers, agents, employees, successors and assigns, are enjoined and restrained from exercising the rights and obligations provided through this Stipulation in a manner inconsistent with the express provisions of this Stipulation.

B. Injunction Against Transportation From the Basin

Except upon further order of the Court, each and every Stipulating Party and its officers, agents, employees, successors and assigns, is enjoined and restrained from transporting Groundwater to areas outside the Basin, except for those uses in existence as of the date of this Stipulation; provided, however, that Groundwater may be delivered for use outside the Basin as long as the wastewater generated by that use of water is discharged within the Basin, or agricultural return flows resulting from that use return to the Basin.

C. No Third Party Beneficiaries

This Stipulation is intended to benefit the Stipulating Parties and no other Parties. Only a Stipulating Party may enforce the terms of this Stipulation or assert a right to any benefits of, or enforce any obligations contained in this Stipulation.

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IX. RESERVED JURISDICTION – ALL MANAGEMENT AREAS

A. Reserved Jurisdiction; Modifications, Cancellations, Amendments

Jurisdiction, power and authority are retained by and reserved to the Court as set forth in this Paragraph. Nothing in the Court's reserved jurisdiction shall authorize modification, cancellation or amendment of the rights provided under Paragraphs III; V(A, E); VI(A, B, D); VII(2, 3); VIII(A); IX(A, C); and X(A, D) of this Stipulation. Subject to this limitation, the Court shall make such further or supplemental orders as may be necessary or appropriate regarding the following:

1. enforcement of this Stipulation;
2. claims regarding waste/unreasonable use of water;
3. disputes between Stipulating Parties across Management Area boundaries;
4. interpretation and enforcement of the judgment;
5. consider the content or implementation of a Monitoring Program;
6. consider the content, conclusions, or recommendations contained in an Annual Report;
7. consider Twitchell Project operations, including, but not limited to: i) the content of the Twitchell Project Manual; ii) TMA or District compliance with the Twitchell Project Manual; iii) decisions to implement Extraordinary Project Operations; or iv) the maintenance of Twitchell Yield;
8. claims of localized physical interference between the Stipulating Parties in exercising their rights pursuant to this Stipulation; provided, however, rights to use Groundwater under this Stipulation shall have equal status; and
9. modify, clarify, amend or amplify the judgment and the Northern Parties Settlement Agreement; Provided, however, that all of the foregoing shall be consistent with the spirit and intent of this Stipulation.

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B. Noticed Motion

Any party that seeks the Court's exercise of reserved jurisdiction shall file a noticed motion with the Court. Any noticed motion shall be made pursuant to the Court's Order Concerning Electronic Service of Pleadings and Electronic Posting of Discovery Documents dated June 27, 2000, attached and incorporated as Exhibit "G". Any request for judicial review shall be filed within sixty days of the act or omission giving rise to the claim. Upon a showing of good cause, the Court may extend the sixty-day time limitation.

C. *De Novo* Nature of Proceeding

The Court shall exercise *de novo* review in all proceedings. The actions or decisions of any Party, the Monitoring Parties, the TMA, or the Management Area Engineer shall have no heightened evidentiary weight in any proceedings before the Court.

D. Filing and Notice

As long as the Court's electronic filing system remains available, all Court filings shall be made pursuant to Exhibit "G". If the Court's electronic filing system is eliminated and not replaced, the Stipulating Parties shall promptly establish a substitute electronic filing system and abide by the same rules as contained in the Court's Order.

X. MISCELLANEOUS PROVISIONS – ALL MANAGEMENT AREAS

A. Unenforceable Terms

The Stipulating Parties agree that if any provision of this Stipulation or the judgment entered based on this Stipulation is held to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force and effect; provided, however, any order which invalidates, voids, deems unenforceable, or materially alters those Paragraphs enumerated in Paragraph IX(A) or any of them, shall render the entirety of the Stipulation and the judgment entered based on this Stipulation voidable and unenforceable, as to any Stipulating Party who files and serves a motion to be released from the Stipulation and the judgment based upon the Stipulation within sixty days of entry of that order, and whose motion is granted upon a showing of good cause.

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B. Water Quality

Nothing in the Stipulation shall be interpreted as relieving any Stipulating Party of its responsibilities to comply with state or federal laws for the protection of water quality or the provisions of any permits, standards, requirements, or orders promulgated thereunder.

C. Duty to Cooperate

The Stipulating Parties agree not to oppose, or in any way encourage or assist any other party in opposing or challenging, any action, approval, or proceeding necessary to obtain approval of or make effective this Stipulation or the judgment to be entered on terms consistent with this Stipulation.

D. Stipulating Parties Under Public Utilities Commission Regulation

1. To the extent allowed by law, SCWC and RWC shall comply with this Stipulation, prior to obtaining California Public Utilities Commission ("PUC") approval. If the PUC fails to approve SCWC's and RWC's participation or fails to provide approval of the necessary rate adjustments so that SCWC and RWC may meet their respective financial obligations, including the participation in Developed Water projects, Monitoring Programs, TMA and as otherwise provided in this Stipulation, shall render the entirety of the Stipulation and those terms of any judgment based on this Stipulation invalid, void and unenforceable, as to any Stipulating Party who files and serves a notice of rescission within sixty days of notice by SCWC or RWC of a final PUC Order.

2. Any Party, or its successors or assigns, agreeing to become a new customer of SCWC or RWC, or an existing customer proposing to increase its water use through a change in land use requiring a discretionary land use permit or other form of land use entitlement, that has not executed reservation contracts for supplemental water as specified in Exhibit F will provide the following, once approved by the PUC:

(a) If in the Santa Maria Valley Management Area, a water resource development fee as specified in Exhibit F or a source of supplemental water sufficient to offset the consumptive demand associated with the new use as provided in Paragraph V(E); or

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(b) If in the NMMA, a water resource development fee, or a source of supplemental water sufficient to offset the consumptive demand associated with the new use.

3. Any Person who is not engaged in a New Urban Use and who agrees to become a customer of SCWC or RWC shall retain its right to contest the applicable water resource development fee, should that fee ever become applicable to that Person.

E. Designation of Address, for Notice and Service

Each Stipulating Party shall designate the name, address and e-mail address, if any, to be used for purposes of all subsequent notices and service, either by its endorsement on the Stipulation for entry of judgment or by a separate designation to be filed within thirty days after execution of this Stipulation. This designation may be changed from time to time by filing a written notice with the Court. Any Stipulating Party desiring to be relieved of receiving notices may file a waiver of notice on a form approved by the Court. The Court shall maintain at all times a current list of Parties to whom notices are to be sent and their addresses for purposes of service. The Court shall also maintain a full current list of names, addresses, and e-mail addresses of all Parties or their successors, as filed herein. Copies of such lists shall be available to any Person. If no designation is made, a Stipulating Party's designee shall be deemed to be, in order of priority: i) the Party's attorney of record; ii) if the Party does not have an attorney of record, the Party itself at the address specified.

F. No Loss of Rights

Nothing in this Stipulation shall be interpreted to require or encourage any Stipulating Party to use more water in any Year than is actually required. As between the Stipulating Parties, failure to use all of the water to which a Stipulating Party is entitled hereunder shall not, no matter how long continued, be deemed or constitute an abandonment or forfeiture of such Stipulating Party's rights, in whole or in part.

G. Intervention After Judgment

Any Person who is not a Party or successor to a Party, who proposes to use Groundwater or Storage Space, may seek to become a Party to the judgment through a petition for intervention. The Court will consider an order confirming intervention following thirty days notice to the

Parties. Thereafter, if approved by the Court, such intervenor shall then be a Party bound by the judgment as provided by the Court.

H. Stipulation and Judgment Binding on Successors, Assigns, etc.

The Stipulating Parties agree that all property owned by them within the Basin is subject to this Stipulation and the judgment to be entered based upon the terms and conditions of this Stipulation. This Stipulation and the judgment will be binding upon and inure to the benefit of each Stipulating Party and their respective heirs, executors, administrators, trustees, successors, assigns, and agents. This Stipulation and the judgment to be entered based the terms and conditions of this Stipulation shall not bind the Stipulating Parties that cease to own property within the Basin, or cease to use Groundwater. As soon as practical after the effective date of this Stipulation, a memorandum of agreement referencing this Stipulation shall be recorded in Santa Barbara and San Luis Obispo Counties by Santa Maria, in cooperation with the Northern Cities and SCWC. The document to be recorded shall be in the format provided in Exhibit "H".

I. Costs

No Stipulating Party shall recover any costs or attorneys fees from another Stipulating Party incurred prior to the entry of a judgment based on this Stipulation.

J. Non-Stipulating Parties

It is anticipated that the Court will enter a single judgment governing the rights of all Parties in this matter. The Stipulating Parties enter into this Stipulation with the expectation that the Court will enter, as a part of the judgment, the terms and conditions of this Stipulation. This Stipulation shall not compromise, in any way, the Court's legal and equitable powers to enter a single judgment that includes provisions applicable to the non-Stipulating Parties that may impose differing rights and obligations than those applicable to the Stipulating Parties. As against non-Stipulating Parties, each Stipulating Party expressly reserves and does not waive its right to appeal any prior or subsequent ruling or order of the Court, and assert any and all claims and defenses, including prescriptive claims. The Stipulating Parties agree they will not voluntarily enter into a further settlement or stipulation with non-Stipulating Parties that provides those non-Stipulating Parties with terms and conditions more beneficial than those provided to similarly

situated Stipulating Parties.

K. Counterparts

This Stipulation may be signed in any number of counterparts, including counterparts by facsimile signature, each of which shall be deemed an original, but all of which shall together constitute one and the same instrument. The original signature pages shall be filed with Court.

L. Effective Date

This Stipulation shall be effective when signed by the Stipulating Parties listed on Exhibit "A" and accepted by the Court.

Party	**Signature, title, and date**	**Parcels Subject to Stipulation**
Attorney of Record	**Approved as to form:** By:_____ Date:_____	

PROOF OF SERVICE

I am a resident of the State of California, over the age of eighteen years, and not a party to the within action. My business address is HATCH & PARENT, 21 E. Carrillo Street, Santa Barbara, California 93101.

Pursuant to the Court's Order dated June 28, 2000, I, Gina Lane, did the following:

- Posted the following document at approximately 4:30 p.m. on June 30, 2005.

  STIPULATION (JUNE 30, 2005 VERSION)

- Mailed a Notice of Availability to all parties (designating or defaulting to mail service) on the current website's service list.

I am readily familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on June 30, 2005, at Santa Barbara, California.

Gina Lane

GINA M. LANE

Appendix I
City of Santa Maria 2010 Water Quality Report

City of Santa Maria 2010

WATER QUALITY REPORT

This report provides information regarding the quality of water for the City of Santa Maria during 2010. Included are details about where your water comes from, what it contains, and how it compares to State standards. Your health, safety, and environment are our number one priority.

CITY OF SANTA MARIA
Utilities Department
(805) 925-0951 ext. 7270

2065 E. Main Street • Santa Maria, CA 93454
TDD 800-735-2929 (English) • 800-855-3000 (Spanish)
www.ci.santa-maria.ca.us

Este informe contiene información muy importante sobre su agua para beber. Tradúzcalo ó hable con alguien que lo entienda bien.

WATER SUPPLY: The City of Santa Maria is committed to producing the highest quality drinking water from our two sources of supply: City water wells located in the Santa Maria Airport area, and State Water treated at the Polonio Pass Water Treatment Plant by the Central Coast Water Authority and delivered to the City of Santa Maria via the Coastal Branch Aqueduct. In 2010, the City received about 77 percent of its water from the State Water Project.

WATER QUALITY: The City of Santa Maria routinely checks water quality from the source right to your home. Please see the other side of this sheet, which summarizes test results dating from 2007 through 2010, and shows that the **City of Santa Maria met all State and Federal drinking water standards in 2010.**

All drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the U.S. Environmental Protection Agency Safe Drinking Water Hotline at 1-800-426-4791.

In order to ensure that tap water is safe to drink, the U.S. Environmental Protection Agency and the California Department of Public Health (CDPH) prescribe regulations that limit the amount of certain contaminants in water provided by public water systems. CDPH regulations also establish limits for contaminants in bottled water that provide the same protection for public health.

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons, such as people undergoing chemotherapy, people who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. Centers for Disease Control (CDC) guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Safe Drinking Water Hotline at 1-800-426-4791.

SOURCE WATER ASSESSMENT: A drinking water source assessment for the City of Santa Maria was completed in January 2003. The City's water sources were considered most vulnerable to the following activities: runoff and leaching from fertilizer use, septic tanks, and sewage, and erosion of natural deposits. You may request a summary of the assessment at the City of Santa Maria Utilities Department, 2065 E. Main Street, Santa Maria, CA 93454, or by contacting the City of Santa Maria at (805) 925-0951 extension 7270.

WATER SYSTEM SECURITY: Multiple levels of safety are implemented to protect the City of Santa Maria's drinking water system. These measures are part of our ongoing operation, and ensure the safe treatment and delivery of water. Rest assured that a system is in place to protect your drinking water.

CONTAMINANTS: Sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally-occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity. Contaminants that may be present in source water include:

Microbial contaminants, such as viruses and bacteria that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife;

Inorganic contaminants, such as salts and metals that can be naturally-occurring or result from urban storm water runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming;

Pesticides and herbicides that may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses;

Organic chemical contaminants, including synthetic and volatile organic chemicals that are byproducts of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff, and septic systems; and

Radioactive contaminants that can be naturally occurring or the result of oil and gas production and mining activities.

ABOUT LEAD: If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. The City of Santa Maria is responsible for providing high quality drinking water, but cannot control the variety of materials used in household plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 20 seconds to two minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline, 1-800-426-4791, or at http://www.epa.gov/safewater/lead.

ABOUT NITRATE: Nitrate in drinking water at levels above 45 ppm is a health risk for infants of less than six months of age. Such nitrate levels in drinking water can interfere with the capacity of an infant's blood to carry oxygen, resulting in a serious illness. Symptoms include shortness of breath and blueness of the skin. Nitrate levels above 45 ppm may also affect the ability of the blood to carry oxygen in other individuals, such as pregnant women and those with certain specific enzyme deficiencies. If you are caring for an infant, or you are pregnant, you should ask advice from your health care provider.

COMMENTS? Your comments are important to us and may be heard at any regular meeting of the Santa Maria City Council, which meets the first and third Tuesday of each month at 6:30 p.m. in the City Hall Council Chambers, 110 E. Cook Street, Santa Maria. For more information about this report, or for any questions related to your drinking water, please call the Water Resources Manager or the Regulatory Compliance Coordinator at (805) 925-0951 extension 7270. ■

2010 WATER QUALITY INFORMATION

PRIMARY DRINKING WATER STANDARDS--Mandatory Health-Related Standards

Parameter	Units	State MCL	PHG (MCLG)	PURCHASED STATE PROJECT WATER RANGE	PURCHASED STATE PROJECT WATER AVERAGE	LOCAL GROUNDWATER (f) RANGE	LOCAL GROUNDWATER (f) AVERAGE	MAJOR SOURCES
Turbidity *(a)*	NTU	TT = 0.3		0.03-0.12	100% < 0.3	NA	NA	Soil runoff
Aluminum *(b)*	ppb	1000	600	ND-180	90	ND	ND	Residue from water treatment; erosion of natural deposits
DISTRIBUTION SYSTEM MONITORING								
Total Chlorine Residual	ppm	MRDL = 4.0	MRDLG = 4.0	Average = 2.1 (Range = 0.7-2.8)				Measure of the disinfection of the water
Total Coliform Bacteria *(c)*	NA	see note (c)	(0)	0-2.5%	0.2%	0-1.0%	0.8%	Naturally present in the environment
Fluoride (treated water) *(d)*	ppm	2	1	Average = 0.94 (Range = 0.69-1.18)				Erosion of natural deposits; additive to promote strong teeth
Total Trihalomethanes *(e)*	ppb	80	NA	Average = 38 (Range = 19-51)				Byproduct of drinking water chlorination
Haloacetic Acids *(e)*	ppb	60	NA	Average = 13 (Range = 9-18)				Byproduct of drinking water chlorination
Nitrate as NO_3	ppm	2	2	Average = 5 (Range = 2-28)				Leaching from fertilizers; erosion of natural deposits
SECONDARY DRINKING WATER STANDARDS--Aesthetic Standards								
Chloride	ppm	500	NA	43-162	83	29-64	52	Runoff/leaching from natural deposits; seawater influence
Odor Threshold	Units	3	NA	1	1	1-2	1	Naturally-occurring organic materials
Specific Conductance	µS/cm	1600	NA	Average = 605 (Range = 358-795)				Substances that form ions when in water; seawater influence
Sulfate	ppm	500	NA	93	93	320-530	431	Runoff/leaching from natural deposits; industrial wastes
Total Dissolved Solids	ppm	1000	NA	200-615	328	720-1000	881	Runoff/leaching from natural deposits
Turbidity	NTU	2	NA	Average = 0.1 (Range: <0.1-0.45)				Soil runoff
ADDITIONAL PARAMETERS (Unregulated)								
Alkalinity (Total) as $CaCO_3$	ppm	NA	NA	Average = 91 (Range = 65-124)				Runoff/leaching from natural deposits; seawater influence
Boron	ppb	NL = 1000	NA	ND	ND	120-200	153	Runoff/leaching from natural deposits; seawater influence
Calcium	ppm	NA	NA	Average = 38 (Range = 18-61)				Runoff/leaching from natural deposits; seawater influence
Hardness (Total) as $CaCO_3$	ppm	NA	NA	70-170	107	470-830	653	Leaching from natural deposits
Magnesium	ppm	NA	NA	17	17	50-79	66	Runoff/leaching from natural deposits; seawater influence
pH	pH units	NA	NA	Average = 7.7 (Range = 7.5-7.8)				Runoff/leaching from natural deposits; seawater influence
Potassium	ppm	NA	NA	3.2	3.2	3.0-3.9	3.3	Runoff/leaching from natural deposits; seawater influence
Sodium	ppm	NA	NA	82	82	57-76	64	Runoff/leaching from natural deposits; seawater influence
Vanadium	ppb	NL = 50	NA	ND	ND	3.8-7.7	4.95	Runoff/leaching from natural deposits; combustion of fossil fuels

LEAD AND COPPER SAMPLING PROGRAM - SAMPLING OCCURRED IN JULY 2010

Parameter	Units	Samples Collected	90th Percentile Level Detected	Number of Sites Exceeding AL	AL	PHG	MAJOR SOURCES
Copper	ppm	30	NA	0	1.3	0.3	Plumbing system corrosion; erosion of natural deposits
Lead	ppb	30	NA	0	15	0.2	Plumbing system corrosion; erosion of natural deposits

ABBREVIATIONS, DEFINITIONS, AND NOTES

Notes:

(a) Turbidity (NTU) measures the cloudiness of the water and is a good indicator of the effectiveness of State Water filtration. The performance standard is less than 0.3 NTU in 95% of measurements taken every 15 minutes and not to exceed 1.0 NTU at any time. Turbidity as delivered is listed in the Secondary Standards.

(b) Aluminum also has a Secondary MCL of 200 ppb.

(c) Total coliform MCL: No more than 5.0% of the monthly samples may be Total Coliform positive.

(d) Fluoride is added to the water to help prevent cavities. Target fluoride levels are set by California Department of Public Health.

(e) Compliance based on the running quarterly annual average of distribution system samples.

(f) Water quality information from individual wells includes samples collected from 2007-2010.

Abbreviations

AL = Regulatory Action Level
NA = Not Applicable
ND = Not Detected
NL = Notification Level
NTU = Nephelometric Turbidity Units
ppb = parts per billion, or micrograms per liter (µg/L)
ppm = parts per million, or milligrams per liter (mg/L)
TT = Treatment Technique
µS/cm = microsiemens per centimeter (unit of specific conductance of water)

Definitions:

Maximum Contaminant Level (MCL): The highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as close to the PHGs (or MCLGs) as is economically and technologically feasible. Secondary MCLs are set to protect the odor, taste, and appearance of drinking water.

Maximum Contaminant Level Goal (MCLG): The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs are set by the U.S. Environmental Protection Agency.

Maximum Residual Disinfectant Level (MRDL): The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.

Maximum Residual Disinfectant Level Goal (MRDLG): The level of a drinking water disinfectant below which there is no known or expected risk to health.

Primary Drinking Water Standard (PDWS): MCLs and MRDLs for contaminants that affect health along with their monitoring and reporting requirements, and water treatment requirements.

Public Health Goal (PHG): The level of a contaminant in drinking water below which there is no known or expected risk to health. PHGs are set by the California Environmental Protection Agency.

Regulatory Action Level (AL): The concentration of a contaminant which, if exceeded, triggers treatment or other requirements that a water system must follow.

Secondary Drinking Water Standards (SDWS): MCLs for contaminants that affect taste, odor, or appearance of the drinking water. Contaminants with SDWSs do not affect your health at the MCL level.

Appendix J
City of Santa Maria Draft Water Shortage Contingency Plan and Draft Resolution

DRAFT
Water Shortage Contingency Plan – City of Santa Maria

May 2011

City of Santa Maria

Utilities Department

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Chapter 1 - Introduction

Introduction

The Urban Water Management Planning Act, which is contained within Division 6, Part 2.6 of the California Water Code, sections 10610 through 10656 as last amended by Senate Bill 318, requires an urban water shortage contingency analysis which includes the following elements:

(a) Stages of action to be undertaken by the urban water supplier in response to water supply shortages, including up to a 50 percent reduction in water supply, and an outline of specific water supply conditions which are applicable to each stage.
(b) An estimate of the minimum water supply available during each of the next three water years based on the driest three-year historic sequence for the agency's water supply.
(c) Actions to be undertaken by the urban water supplier to prepare for, and implement during a catastrophic interruption of water supplies including California Urban Water Management Planning Act Page 9 August 1, 2003, but not limited to, a regional power outage, an earthquake, or other disaster.
(d) Additional, mandatory prohibitions against specific water use practices during water shortages, including, but not limited to, prohibiting the use of potable water for street cleaning.
(e) Consumption reduction methods in the most restrictive stages. Each urban water supplier may use any type of consumption reduction methods in its water shortage contingency analysis that would reduce water use, are appropriate for its area, and have the ability to achieve a water use reduction consistent with up to a 50 percent reduction in water supply.
(f) Penalties or charges for excessive use, where applicable.
(g) An analysis of the impacts of each of the actions and conditions described in subdivisions (a) to (f) inclusive, on the revenues and expenditures of the urban water supplier, and proposed measures to overcome those impacts, such as the development of reserves and rate adjustments.
(h) A draft water shortage contingency resolution or ordinance
(i) A mechanism for determining actual reductions in water use pursuant to the urban water shortage contingency analysis.

This document fulfills the requirements of this section of the Urban Water Management Act and provides a concrete mechanism for dealing with acute or chronic water shortages, regardless of the cause. The Urban Drought Guidebook, 2008 updated edition, prepared by the State of California Department of Water Resources, Office of Water Use Efficiency and Transfers was used as a resource in preparing this plan.

The City's policy is to maximize use of all of its water resources, each to its best application, to maintain water supply under varying levels of availability, with a focus on ensuring public health and safety.

This plan has been developed in collaboration with a Water Shortage Response Team that consists of City staff from the Utilities and Finance Departments, along with assistance from the City Attorney's Office.

Background

The City of Santa Maria is located in the Santa Maria Valley of Santa Barbara County, about 180 miles north of Los Angeles. The City has cool winters and mild summers with an average annual rainfall of about 13 inches. The rainy season is from November to March and low humidity occurs from the months of May to October. The moderately hot and dry weather during the summer months typically results in moderately high water demand during this time.

The City provides water distribution services to the City and nearby areas outside the city limits. The City's population that is served within the boundaries is estimated at 99,553 in 2010 and is expected to reach 118,900 by 2035. The service area boundary includes developed and undeveloped land to the west, south, and east of the City's center. A portion of the City's service area lies outside the city limits, within unincorporated areas of Santa Barbara County. The service area is primarily characterized by residential and commercial land use.

Chapter 2 – Water Supply

Sources of Supply

Historically, the City has pumped water from the Santa Maria Valley Groundwater Basin (Basin) as its primary water supply. The City began receiving State Water Project (SWP) water from the Central Coast Water Authority (CCWA) in 1997. The SWP water augments local groundwater supplies and is generally higher quality water.

The City's rights to rely on Basin water resources (for pumping and recharge) are governed by a settlement agreement (Stipulation) finalized before the Santa Clara County Superior Court (Santa Maria Valley Water Conservation District vs. City of Santa Maria, et al., Case no. 770214). Groundwater supply information is based on this Stipulation (commonly known as the "Santa Maria Groundwater Adjudication").

Under the Stipulation, the City derives its water supply from (1) imported water from the State Water Project (SWP) and the associated return flows that may be recaptured from the Santa Maria Groundwater Basin, (2) assigned rights to groundwater from the Santa Maria Groundwater Basin, and (3) a share of the yield of Twitchell Reservoir operations.

The imported water supply is obtained from the SWP through a contract with CCWA. Groundwater is pumped from a total of seven active groundwater wells in the Basin. The City's usable wells have a total normal year active capacity of 23,426 acre-feet per year (ac-ft/yr). The average production between 2005 and 2010 was 3,378 ac-ft/yr.

Water supply availability has not in the past nor is expected in the future to be affected by season. For instance, there is no evidence of decreased well field production in the summer months. For State Water, allocation is based on the calendar year. Early predictions of the final allocation are released before the start of the calendar year, but tend to be conservative estimates. The final allocation may not be issued until May. However, careful balancing of water resources, groundwater, carryover water, and State Water allow for the water use to be spread throughout the year.

Table 1 shows the planned water supplies for the City of Santa Maria.

Table 1: Planned Water Supplies for the City of Santa Maria[1]

Source	2015	2020	2025	2030	2035
Purchased Water from SWP[2]	11,227	11,048	10,870	10,870	10,692
Groundwater[3]	12,795	12,795	12,795	12,795	12,795
Twitchell Yield/Commingled Groundwater[4]	14,300	14,300	14,300	14,300	14,300
Return Flows from SWP water[5]	7,297	7,181	7,066	7,066	6,950
Recycled Water	0	0	0	0	0
Total	45,619	45,324	45,031	45,031	44,737

1. Unit of measure ac-ft/yr
2. Volumes shown in 2015, 2020, 2025, 2030, and 2035 are based on the long term reliability factor of 63%, 62%, 61%, 61%, and 60%, respectively from the State Water Project Delivery Reliability 2009 Report.
3. Groundwater supplies are based on appropriative rights in Santa Maria Groundwater Basin as defined in the Stipulation. Pursuant to the Court's Phase 5 Tentative Decision, the City has been assigned 5,100 ac-ft/yr prescriptive rights, which are included in this figure.
4. Further details can be found in Exhibit F of the Groundwater Stipulation
5. Pursuant to the Stipulation, the City is entitled to recapture 65% of its SWP use in the basin.

Table 2 shows the water wells available to meet water demand in the City. Total production capability out of the City's active production wells is 23,426 ac-ft/yr.

Table 2: City of Santa Maria Groundwater Wells

Well	Capacity, gpm	Alternate Power?	Quality Issues?
5H	600	Capable	Yes – Nitrate above MCL, irrigation only
9S	1,800	No	Yes – Nitrate above MCL
10S	2,500	Capable	No
11S	2,150	Yes	No
12S	2,500	Capable	No
13S	2,500	Yes	No
14S	2,500	Yes	No

Supply Availability

The City's water supply portfolio under various scenarios is presented in Table 3. This table shows maximum water rights, and the impacts of the long-term expected yield, a multi-year drought, and a worst case single-year drought.

Table 3: City of Santa Maria Water Supply Portfolio

	State Water Project		Groundwater		
Description	**CCWA**	**Return**	**Appropriative**	**Twitchell**	**Total**
Water Rights/Contracts	17,820	11,583	12,795	14,300	56,498
	100%	65%	100%	100%	100%
Long-Term Yield	10,692	6,950	12,795	14,300	44,737
	60%	65%	100%	100%	58%
Multi-Year Drought	6,059	3,938	9,596	14,300	33,893
	34%	65%	75%	100%	44%
Worst Case Drought	1,247	3,938[1]	6,398	14,300	22,756
	7%	65%	50%	100%	35%

1. Return flows are based on the total amount of SWP water used by the City in the prior five years, divided by five and then multiplied by 0.65.

Upon development, agricultural prescriptive rights are unable to be assigned or conveyed separate or apart from these lands. As a result, the reduction in the amount of irrigated agriculture increases the reliability of the City's appropriative rights, as these rights are limited to water that is surplus to the reasonable and beneficial uses of the overlying landowners. In addition, as agricultural interests choose to sell their Twitchell rights, the City may be in a position to purchase them.

The Groundwater Settlement Stipulation requires that the Management Area Engineer prepare an annual report that summarizes the results of the Monitoring Program, changes in groundwater supplies, and any threats to Groundwater Supplies. The 2010 annual report indicates that there is no severe water shortage in the Santa Maria Valley Management Area as of 2009.

Minimum Supply

The Urban Water Management Act requires an estimate of the minimum water supply available during each of the next three water years based on the driest three-year historic sequence for the City of Santa Maria's water supply.

Table 4 summarizes the minimum volume of water available from each source during the next three years based on the lowest single year historical allocation of State Water in 2011, return flows based on 65% of the average of the last five years of State Water delivery, and 100 percent reliability of developed supply (Twitchell Yield).

The City of Santa Maria's supply is expected to exceed water demand from 2012 to 2014

Table 4: Water Supply Availability - 2012-2014

	2012	2013	2014
SWP	6,059	6,059	6,059
Twitchell Yield	14,300	14,300	14,300
Groundwater	12,795	12,795	12,795
Return Flows	3,938	3,938	3,938
Total	37,092	37,092	37,092
Anticipated Demand	13,617	13,654	13,781

Recent Improvements in Supply and Reliability

The City has taken several steps in recent years to bolster its ability to supply local groundwater. Well 11S was previously not connected to the well header that delivers groundwater to the City's Blending and Disinfection Facility. As a result, Well 11S was not considered available for normal daily supply because its water did not receive the benefit of blending and chemical addition that would make its supply consistent with the remainder of the domestic supply. In 2008, a pipeline was constructed to connect Well 11S to the well header, and now Well 11S supply can be blended and chemically treated through the blender. Well 11S is now considered equivalent to the other major production wells in terms of its availability for normal water supply.

The City has rehabilitated and reactivated Well 5H, which was an old production well that was removed from service because of high nitrate and hardness. The well has been repurposed as an untreated groundwater supply to irrigate large landscaped areas in the vicinity of the Civic Center. Although this water supply is not available for domestic purposes, it helps to alleviate the demand for potable supply, particularly in the high demand summer months, when irrigation demands peak. Work is underway to extend this secondary water system to additional large irrigation areas at schools and parks to further alleviate demand on the potable water supply.

The City has begun installing a fixed base meter reading system. This new meter reading system reduces water demand by identifying customer side leaks.

The City is working to procure additional State Water through San Luis Obispo or Santa Barbara counties to augment its existing allocation, using existing infrastructure. This additional allocation will bolster imported water supply in low allocation years, helping the City to provide a higher quality water supply even in years when State Water supply is low.

The City continues to work with the community to encourage water conservation on a voluntary basis. Water conservation activities include bus ads, water conservation kits, soil moisture meters, shower timers, toilet tank banks, and other promotional items.

These projects and programs increase the number of wells available for groundwater production, maximize groundwater production to its best use, reduce reliance on any one pipeline, electrical system, or well, and assist in allowing the City of Santa Maria to successfully meet municipal water needs in acute or chronic water shortage conditions.

Chapter 3 Water Demand

Historical Water Demand

Water demand in the City of Santa Maria has gradually increased as population has increased. However, as a result of conservation measures, the per capita water use has dropped considerably over time. Per capita water use has dropped from over 200 gallons per capita per day before the year 1990 to under 140 gallons per capita per day in 2009.

Future Water Demand

Future water demand is expected to increase due to an increase in population and an expansion of service area, but per capita use is expected to decrease as a result of the Governor's 20 by 2020 initiative to reduce the State's urban water use by 20 percent by the year 2020.

Population increase was derived from the Santa Barbara County Association of Governments' Regional Growth Forecast from 2005 through 2040. Table 5 shows the population increase through 2035 for the City of Santa Maria.

The Governor's 20 by 2020 initiative includes a per capita water use target for 2020 of 122 gallons per capita per day with an interim goal of 138 gallons per capita per day by the year 2015. This initiative is a major driver in the potable water demand for the City. Using the anticipated population growth for the City and the 20 by 2020 target per capita water use, an anticipated water use has been determined for the City of Santa Maria. Table 5 also shows the anticipated potable water demand through 2035, taking into account the 20 by 2020 initiative goals.

Table 5: City of Santa Maria Projected Population and Water Demand

Year	2015	2020	2025	2030	2035
Population	102,300	109,500	116,700	118,300	118,900
Potable Water Demand, AF	12,983	13,922	14,437	15,041	15,117

Other impacts to the City's water portfolio include groundwater sales to the Orcutt area, interagency potable water exchanges with Golden State Water Company, and water sales to the Nipomo Community Services District. Orcutt groundwater sales are a sale of groundwater rights and are not impacted by the City's water supply infrastructure. Except for the first 20 AF per year, Golden State's potable water exchanges involve an exchange of Golden State's State Water allocation for the City's potable water supply.

Nipomo water sales, however, involve potable water delivery and utilize the City's water supply infrastructure. The agreement between Nipomo and the City requires that the City deliver and Nipomo pay for a minimum 2,000 AF for the first 10 years of delivery, 2,500 AF for years 11 through 19, and 3,000 AF for deliveries from year 20 through the end of the agreement. Using these numbers, Table 6 shows the water demand taking into account all of the obligations of the City for potable water supply.

Table 6: Total Water Demand

	2015	2020	2025	2030	2035
City of Santa Maria Demand	12,983	13,922	14,437	15,041	15,117
Nipomo CSD Demand	2,000	2,000	2,500	2,500	3,000
Golden State Demand	20	20	20	20	20
Orcutt Water Sales (Return Flows)	473	600	800	900	900
System Losses	623	668	712	722	725
Total	16,099	17,210	18,469	19,183	19,762

Chapter 4 Supply and Demand Assessment

The City has a healthy water supply portfolio that is sufficient to meet projected demands through 2035, even in a worst-case drought year. However, the City's use of its available groundwater for domestic supply can be impacted by nitrate. In the event that drinking water standards cannot be met with the use of available wells, the City may need to take action to reduce water demand to assure a safe drinking water supply until water treatment can be implemented.

A review of water use by customer class shows a consistent seasonal demand by industrial customers, a slight increase in summer months by multi-family customers, and a large seasonal difference between summer and winter months for both commercial and single-family customers. As expected, meters dedicated to landscape irrigation also show higher water demand during warmer months.

Landscape irrigation would be considered less critical than other water uses, including public health and safety, basic sanitation, and domestic supply. For the year 2009, demand during the months of January through March was used to calculate an average essential water demand for single-family, multi-family, and commercial accounts. The remainder, which is assumed to be landscape irrigation in the warmer months, is considered to be non-essential watering.

Table 7: Comparison of Essential and Non-essential Water Demand

	Amount	
Customer Class	**Essential**	**Non-Essential**
Single Family	5,804	1,231
Multi-Family	2,016	304
Commercial	2,100	662
Industrial	334	0
Landscape	0	1,037
Total	10,254	3,234

A 24 percent reduction in use can be realized by cutting out non-essential water use, which in this case is defined as landscape watering.

Chapter 5 Supply Augmentation

Additional State Water Supply

Several mechanisms exist for augmenting the State Water supply, including dry year water purchases from local purveyors in the Santa Barbara/San Luis Obispo area or from other State Water Contractors. During particularly dry years, available supplies are limited, and the pricing structure is dependent on the number of interested buyers, making State Water more expensive as additional buyers are interested. State Water purchases are most cost effective when necessary to meet water quality requirements. The City maintains a dry-year water reserve fund of $200,000 per year for State Water purchases to be used when the State Water allocation is low. Unspent funds in wet years are allowed to accumulate so that sufficient funds are available in dry years for necessary water purchases.

In addition, the City continues to work to secure additional Table A supply. While this water has no additional pipeline capacity associated with it, and cannot be delivered when the City receives its full allocation of State Water, it does bolster State Water availability when the allocation is low.

The City has an interconnection with Golden State Water Company, which serves the Orcutt community to the south of the City. In emergencies, the City can request water from Golden State Water Company to address a short term water shortage or water quality issue.

Additional Groundwater Supply

As the City grows, development will occur in areas that were previously agricultural properties. Agricultural fields have prescriptive rights to groundwater that cannot be assigned or conveyed separate or apart from these lands. As a result, the reduction in the

amount of irrigated agriculture increases the reliability of the City's appropriative rights, as these rights are limited to water that is surplus to the reasonable and beneficial uses of the overlying landowners.

The City of Santa Maria has not been in a position to need additional groundwater supplies, but as development occurs the City may find it beneficial to work with other local groundwater users, namely agricultural interests, to secure additional water rights.

Groundwater Treatment

As the City continues to grow, groundwater treatment may become necessary to ensure that the water supply meets drinking water standards. Several studies have evaluated the feasibility and cost of groundwater treatment for the City's groundwater supply.

Chapter 6 Demand Reduction

The City of Santa Maria has numerous mechanisms for encouraging conservation and reducing demand. These mechanisms are described below.

Tiered Rates

The City's existing four-tier water rate structure promotes conservation. The first 5 units are available at the base rate. The cost of the next 5 units is an additional 19%. The cost of the next 5 units is an additional 17%, and the cost of any water used over 15 units is at the highest tier, at an additional 14%.

Landscape Irrigation

The supply and demand assessment in Chapter 4 discusses the relationship between landscape irrigation and other water uses. An evaluation of water demand patterns indicates that landscape irrigation comprises over 20 percent of the metered water used. The City's fixed base water meter reading program enables the City to evaluate landscape irrigation trends to identify customers whose water use is out of the typical range for irrigation. Audits of these customers provide an opportunity for water conservation.

Customer Side Leak Detection

Fixed base meter reading, which allows water meters to be read hourly, provide the City with a mechanism for identifying customer leaks. Based on results from the City's initial three months of meter reading on 2,500 installed fixed base meters, the City was able to reduce water waste through customer leaks by 2.5 AF. Extrapolated out to full City

deployment over an entire year, the City anticipates that it can reduce demand by 87 AF per year in leaked water.

Water Conserving Fixtures

Since 1992, new homes have been installed with low-flow toilets. Installation of water conserving fixtures in newer housing developments has played a major role in the drop in the per capita water demand from 1992 to the present. Replacement of old fixtures with newer water conserving fixtures continues to occur, since non-water conserving toilets are no longer available. As additional development occurs, the per capita water demand will continue to drop, which will help the City meet the 20 x 2020 initiative.

Public Media Campaigns

The City of Santa Maria Utilities Department regularly produces public media campaigns to encourage City residents to conserve water. In the past three years, public media campaigns have included bus ads, water awareness campaigns, and participation in local community events.

Water Waste Ordinance

The City's municipal code contains language that prohibits water waste. The language is provided below:

Section 8-10.32. Waste: Leaking facilities.

(a) Each and every consumer shall maintain in good repair all his water pipes, faucets, valves, plumbing fixtures or any other appliances, at all times to prevent waste of water.
(b) Where any consumer willfully neglects to make such necessary repairs, the water shall be shut off and sealed by the Utilities Department and shall not be turned on again until repairs have been made to the satisfaction of the Department, and a turn-on fee as provided in the Schedule of Fees and Charges within this Code is paid by the consumer to the City. (Prior Code § 20-47 (part); Ord. 2005-01, eff. 3/3/05)

Section 8-10.33. Waste: Sprinkling.

Where any consumer willfully and negligently wastes water through the misuse of sprinklers or any other facilities, the water may be shut off and sealed by the Utilities Department, and shall not be turned on again until a turn-on fee as provided in the Schedule of Fees and Charges within this Code is paid by the consumer to the City.

Water Shortage Allotments

Because of the City's semi-arid Mediterranean climate, a significant amount of the City's water demand is associated with landscape irrigation. Water use during the winter months is indicative of essential water use, such as for bathing, cooking, and sanitary purposes, whereas the water use in summer in excess of the essential water use calculated

from the winter months is indicative of landscape watering. An allotment can be calculated based on the average water use for the winter months. The most restrictive allotment would be calculated from January through March, when little landscape irrigation is expected. To create less restrictive allotments, additional months on either side of this three month period can be added to provide more latitude. Assuming a single family residence has four occupants, a per capita allotment is established for variance purposes.

The fixed base meter reading program database enables the City to watch water use on a weekly basis to ensure that residences are staying within their water allotment. Accounts that exceed their allotment for the week can be flagged, enabling the City to identify the accounts and notify the residents that they have exceeded their allotment. The notification can include information on how to obtain a variance for households with extra members. Households with five or more members can apply for and receive a per capita increase in their allotment for any person who is a dependent of the head of household or can prove residency

Chapter 7 Water Shortage Contingency Plan

Defining a shortage

Chronic shortages can be determined by calculating the difference between anticipated demand and available supply. Groundwater rights and Twitchell yield are considered to be 100 percent available in years when the annual report of hydrogeologic conditions indicates that there is no water shortage in the Santa Maria Valley management area. In years when the annual report indicates a shortage, a percentage available will be determined based on the report findings. Anticipated demand will be determined, to demonstrate the necessary level of reduction to ensure sufficient supply for the demand. If the total demand is less than the available supply, then no chronic shortage exists, and no demand reduction is necessary. Otherwise, the City Council will announce a chronic water shortage and implementation of the Water Shortage Contingency portion of this plan. Table 8 shows an example calculation for the current year.

Table 8: Calculating Available Supply and Demand

2011	State Water[1]	Return Flow[2]	Appropriative[3]	Twitchell[4]	Total
Available	14,082	9,593	12,795	14,300	50,770
	City[5]	**Nipomo[6]**	**GSWC[7]**	**Orcutt[8]**	**Total**
Demand	13,366	0	20	166	14,863

1. State Water availability is the sum of the allocation plus any carryover from the previous year
2. Return flows are calculated as 65% of last five years' average State Water delivered
3. In years with no groundwater shortage, the total is 12,795 ac-ft/yr
4. In years with no groundwater shortage, the total is 14,300 ac-ft/yr
5. Calculate the City's anticipated demand by multiplying last year's production by 1.02%
6. Request this figure from Nipomo Community Services District.
7. The Water Exchange Agreement between the City of Santa Maria and Golden State Water Company allows for 20 ac-ft/yr of the City's State Water supply to be delivered through the interconnection before the exchange arrangement takes place.
8. Orcutt water sales are documented through Business Services

Short term shortages occur when the water supplies cannot be delivered to meet demand, either because of electrical or mechanical failures of production or delivery equipment, excess demand such as fire flows or because of water quality issues. These can be caused by equipment failure, or as a result of a catastrophic event, such as an earthquake, wind or rain storm, terrorist activity, or water quality issues. To determine if a short term shortage exists, calculate the difference between the capacity of the available production facilities and the latest water demand figures available. Taking into consideration the blended water nitrate concentration, available reservoir storage, and the anticipated equipment outage, determine if the water demand can be met. If not, refer to the Summary of Actions for Catastrophic events for actions to be considered to address the situation.

Action Stages

The City of Santa Maria has developed actions to be undertaken during chronic water supply shortages, including up to a 80 percent reduction in water supply. Table 9 describes the water supply shortage stages and conditions. The stages will be implemented during water supply shortages according to shortage level, ranging from minimal to 10 percent shortage in Stage I to 50 percent shortage in State IV. The stage determination and declaration during a water supply shortage will be made by the City, as discussed in the section,

Defining a Shortage.

Table 9: Water Supply Shortage Stages

Stage	Water Shortage Supply Conditions	Percent Shortage	Resulting Supply
0	No Risk	0-50	34,133-37,925 AF/yr
1	Minimum Risk	51-60	30,340-34,133 AF/yr
2	Moderate Risk	61-70	26,548-30,340 AF/yr
3	Critical Risk	71-80	18,963-26,548 AF/yr

The resulting supply even at Stage 3 is above the anticipated demand in 2035 of 19,762 ac-ft/yr. As a result, it is not anticipated that the City of Santa Maria will reach the point at which action stages will need to be implemented to address long term drought conditions. However, in the event that a short term or catastrophic failure occurs that limits the City's ability to deliver water, the action stages are available for implementation.

Stage 0

Under Stage 0, no additional conservation action is required due to availablility of adequate supplies to meet the demand. The resulting supply at Stage 0 with 50 percent shortage in supply in 2035 (normal year) would result in supply of 24,868 ac-ft/yr, which is above the anticipated demand in 2035 of 19,762 ac-ft/yr. As a result, it is not anticipated that the City of Santa Maria will reach the point at which action stanges will need to be implemented to address long term drought conditions. However, in the event that a short term or catastrophic failure occurs that limits the City's ability to deliver water, the action stages are available for implementation.

Stage 1

Options for addressing a 51-60 percent shortfall of demand include increasing enforcement of the water waste ordinance, increasing the public media campaign informing the public of the Stage 1 condition, and making water audits available to customers, especially those whose water use is well outside the normal range for its customer class. In addition, the City will continue to use the reporting options available in its Fixed Base Meter Reading database to identify customers with apparent customer side leaks, and inform them of the potential leak. This combination of steps will help ensure that sufficient supply is available to meet needs with a comfortable margin of safety. Stage 1 conditions do not significantly negatively affect revenues.

Stage 2

At Stage 2, water supply very closely matches water demand, with very little to no margin of safety. Options for addressing a 61-70 percent shortfall include all of the steps in Stage 1, including establishing an allotment for single family residences, and reducing landscape meter use by half. The Stage 2 allotment is based on the average water use from the previous January through July time period. Households and those responsible for landscape meters that exceed their allotments in a given week will be notified. If the account exceeds the allotment a second week, a flow restricting orifice will be installed in the meter to reduce the pressure and restrict flow, both of which aid in water use reduction. Since residential meters account for 67 percent of all water use, and 50 percent of residential water use is landscape, Stage 2 actions are expected to reduce water demand by at least 10 percent. In addition, a dry year water fund has been established to purchase additional water supplies from other SWP contractors to help augment supply and reduce the negative impact on revenue. Revenue impacts that do occur will be addressed using water fund reserves or deferring non-critical capital projects.

Stage 3

Twitchell Yield and Return Flows are two water supplies that are protected in all except the worst of severe water shortage conditions in the Santa Maria Valley, In the Stipulation, these two developed supplies are given priority in severe water shortage years. Stage 3 conditions can occur only if State Water is unavailable for multiple years and no water is released from Twitchell Reservoir for groundwater recharge, both of which are unprecedented conditions by themselves, and highly unlikely to occur simultaneously.

Options for addressing an unlikely 71 to 80 percent shortfall include all of the steps in Stages 1 and 2, except that the Stage 3 allotment is based on the average water use from the previous January through May time period, Accounts that exceed their allotment will have the same notification and flow restricting devices installed as listed in Stage 2. Stage 2 actions are expected to reduce water demand by about an additional 5 percent and additional water supplies will be purchased to augment supplies by 5 percent. Stage 2 conditions can negatively affect revenue and will be addressed using water fund reserves and deferring non-critical capital projects.

Other Mandatory Prohibitions

In addition to the restrictions placed on metered water use, other water use practices that will be prohibited during water shortages include the City's systematic water main flushing. In addition, street sweeping will be prohibited from using the City's domestic supply.

Catastrophic Supply Interruption Plan

A catastrophic supply interruption can occur when the City loses one or both of its main water supplies. The likelihood of experiencing a loss of both supplies simultaneously is low. For instance, local power outages may limit use of groundwater, but will not affect imported water delivery.

If the available supply is insufficient to meet the demand and water quality requirements, an emergency notification will be sent to all water customers, using the City's Blackboard Connect phone system, to inform them of the condition. The message will include the expected duration of the condition, and restrictions on water use for the duration of the condition. For instance, a wind storm that disrupts power for two days may include a request to forego landscape irrigation until power is restored.

Power Outages

The City can continue to supply State Water to its distribution system in the event of a power outage. Even if State Water is not available, the City can supply water from its three largest production wells using generator power, for a total production of 10.8 MGD, which is sufficient to meet essential water demand. Depending on the expected length of the outage, the City will evaluate the amount of storage available, the production with available supplies, and the projected demand to determine whether the existing demands can be met while the outage persists. If not, the City can contact the largest water users, including the City's Recreation and Parks Department, to determine if demand on large meters, such as for large irrigated landscapes like parks and schools, can be reduced sufficiently to last through the expected outage. If not, the City will attempt to call all water users within the City using its Connect CTY system to request that non-essential water use be curtailed until the outage is addressed. As most power outages tend to be localized, the City can request mutual aid from adjacent water agencies for use of portable generators to power two additional production wells to meet higher demands.

Earthquakes

Earthquakes present the greatest threat to the ability to supply water. An earthquake can cause structural or mechanical failure or chemical release at a treatment facility due to containment failure or a rupture of a pipeline in the distribution system with a subsequent drop in system pressure, and the potential for severe localized flooding or contamination. While isolating severed pipelines minimizes the flooding risk, water supply is a critical element of earthquake response, both for maintaining positive pressure to control contamination, and for fire control.

To the extent possible, water production will be maintained. State Water supply may not be impacted by the earthquake and can remain operational unless damage to facilities

prevents its delivery. The City owns three portable emergency power generators to operate three production wells to provide essential water supply to the City.

Distribution system integrity will be checked, starting with the largest transmission lines. Water main breaks will be isolated to the smallest area as soon as possible. Breaks on lines that feed larger areas will be prioritized. Isolations will be mapped, along with known fires, to track how to best maintain operation.

To the greatest extent possible, alternate water supply will be available to customers in affected regions. Water can be pumped from one location and delivered to central areas for distribution by container if the distribution system has failed or is contaminated. Regular communication with the community on the status of its water supply will be necessary to ensure that essential water needs are met.

Prohibitions, Penalties, and Consumption Reduction Methods

The Act requires an analysis of mandatory prohibitions, penalties, and consumption reduction methods against specific water use practices, which may be considered excessive during water shortages.

The City can set forth water use violation fines, charges for removal of flow restrictors, as well as establish the period during which mandatory conservation and rationing measures will be in effect. In addition to the restrictions placed on metered water use, other water use practices that will be prohibited during water shortages include the City's systematic water main flushing. In addition, street sweeping will be prohibited from using the City's domestic supply. Table 10 summarizes the various prohibitions and the stages during which the prohibition becomes mandatory.

Table 10: Water Shortage Contingency - Mandatory Prohibition

Examples of Prohibitions	Stage When Prohibition Becomes Mandatory
Using potable water for street washing	3
Using "landscape only" meters	3
Allowing customer side leaks to go unfixed	2
Systematic flushing to clean pipelines	3

Based on the requirements of the Act, Table 11 summarizes the methods that can be used by the City to enforce a reduction in consumption, where necessary. As mentioned earlier, various water conservation programs have been initiated the City and the County to reduce the water demand. Additional measures can be phased in to provide additional demand reductions and increase public awareness of the need to conserve water. Conservation is a permanent and long-term application used within the City at all times. Moreover, the County adopted the Regional Program in 1990 to promote water conservation within Santa Barbara County.

Table 11: Water Shortage Contingency - Consumption Reduction Methods

Consumption Reduction Method	Stage when Method Takes Effect	Projected Reduction (%)
Fix customer side leaks	1	1%
Water use audits	1	2%
Restrict landscape watering based on January-July use	2	10%
Restrict landscape watering based on January-May use	3	5%
Upgrade irrigation systems	All Stages	10%
Reduce irrigation requirements by converting traditional landscape to a water-conserving one	All Stages	15%
Public education/information programs	All Stages	N/A
Demand reduction program	All Stages	N/A
Water conservation kits	All Stages	N/A
Plumbing fixture replacement	All Stages	4%
Install high-efficiency retrofit kits	All Stages	N/A
Conduct audits	All Stages	N/A
Replace antiquated lines, heads, and valves	All Stages	N/A

The City sets forth penalties for violations of prohibited uses mentioned previously. Table 12 summarizes the penalties and charges and the stage during which they take effect. The penalties consist of a written warning and a surcharge for the violation. A flow-restrictor or possible shutoff may be imposed after three violations.

Table 12: Penalties and Charges

Penalties or Charges	Stage When Penalty Takes Effect
Flow restriction orifices for customers not meeting Stage 2 allocations	2
Flow restriction orifices for customers not meeting Stage 3 allocations	3

Revenue Impacts

Revenue reduction due to reduced water usage will cut into reserves during the shortage, and will be reflected in future rate setting discussions in order to re-establish acceptable fund reserve levels after the water shortage period is over. The City's existing pro forma

already reflects the resulting revenue drop associated with past conservation and therefore is already accounted for in establishing future rate adjustments. In addition, the Water Resources annual budget includes a minimum $200,000 fund for purchasing additional water supplies in dry years. Funds not spent are carried over into future years to build up a reserve for purchasing more water or to help offset the impacts of revenue loss.

Since additional water supplies are either purchased or pumped and require only disinfection or fluoridation, there are little additional operations and maintenance costs to augment water supplies.

Monitoring Plan Effectiveness

Fixed base meter reading facilitates monitoring water use. Hourly meter readings for each account are stored in a database. Reports can be produced with ease and reviewed as often as once a day to observe trends and identify problem accounts. Electronic notification of accounts using the City's Blackboard Connect phone system allows for a cost effective and labor efficient mechanism for informing the customer about their water usage.

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RESOLUTION NO. 20__-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING AND ADOPTING THE WATER SHORTAGE CONTINGENCY PLAN

WHEREAS, Section 10632 of the California Water Code requires the City to maintain a draft water shortage contingency plan as part of its Urban Water Management Plan, for the purpose of having the document prepared to implement in the event of a water supply shortage; and

WHEREAS, the City maintains this draft Water Shortage Contingency Plan to provide a guidance document for management of water shortages within the City; and

WHEREAS, the draft Water Shortage Contingency Plan was previously in draft form in order that it may be adjusted to address a specific shortage if needed prior to adoption; and

WHEREAS, The City offered opportunity for public comment on the draft Water Shortage Contingency Plan as part of its development of the Urban Water Management Plan 2010 update; and,

WHEREAS, City of Santa Maria's current combined water allocation is less than 50 percent of its maximum potential supply, and the City needs to implement the Water Shortage Contingency Plan under these conditions; and,

WHEREAS, The City of Santa Maria has not made substantive changes to Water Shortage Contingency Plan since its preparation and public review,

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Santa Maria does hereby:

1. Approve and adopt the Water Shortage Contingency Plan.

2. Authorize the City Manager, and/or his designee, to implement the requirement elements of the plan in order to carry out the effective and equitable allocation of water resources during the current water shortage.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Santa Maria held this (date).

_____
Mayor

ATTEST:

_____
Chief Deputy City Clerk

APPROVED AS TO FORM:

BY:_____

City Attorney

CONTENTS:

BY:_____

Department Head

BY:_____

City Manager