

SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors
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Agenda Number:
Prepared on: 4/26/01
Department Name: P&D
Department No.: 053
Agenda Date: 5/8/01
Placement: Departmental
Estimate Time: 1.5 hour
Continued Item: YES
If Yes, date from: 4/10/01

TO: Board of Supervisors

FROM: John Patton, Director
Planning & Development

STAFF CONTACT: John Cuykendall, Project Manager (x3560)
Dev Vrat, AICP; Supervising Planner (x2022)

SUBJECT: Orcutt Community Plan (OCP) Amendments

Recommendation(s): That the Board of Supervisors consider Planning Commission recommendations for adoption of Amendments to the Orcutt Community Plan:

1. Adopt a Resolution incorporating new and amended policies, development standards, programs and actions, and maps as part of the OCP; which exclude Water Policies (4/10/01 Board Agenda Letter, Attachment J, Exhibits 1-4);
2. Adopt a Resolution incorporating OCP water policy amendments based on one of the following options (Attachment A, Exhibit A or B):
 - a) Planning Commission recommendation that new development will not be served by new ground water extractions and will be limited to that which can be served by the Cal-Cities State Water entitlement until such time as the supply and the delivery of supplemental water (i.e., State Water) can be determined adequate by County decision-makers (Attachment A, Exhibit A), or
 - b) P&D recommendation to Planning Commission assuring that adequacy of water supply will be determined in public hearings during discretionary project review based on improved development standards (Attachment A, Exhibit B), or,
 - c) Other OCP water policy amendment(s);
3. Adopt an Ordinance amending Chapter 35, Article III of the County Code, rezoning selected parcels in Old Town Orcutt and rural agriculture within the Orcutt Planning Area (4/10/01 Board Agenda Letter, Attachment L);
4. Approve Addendum #2, dated March 7, 2001, to the 1995 Program EIR for the Orcutt Community Plan (95-EIR-01) (4/10/01 Board Agenda Letter, Attachment F);

5. Adopt the Findings including the Mitigation Monitoring and Reporting Plan and Implementation Summary (4/10/01 Board Agenda Letter, Attachments G, H, and I); and
6. If the Board chooses to adopt other OCP Water Policy amendment then direct staff to return with revised supporting documents (i.e., Addendum, Findings).

Alignment with Board Strategic Plan: The recommendation(s) are primarily aligned with Goal No. 2. A Safe and Healthy Community in Which to Live, Work, and Visit; Goal No. 4. A Community that is Economically Vital and Sustainable; and Goal No. 5. A High Quality of Life for All Residents.

1.0 EXECUTIVE SUMMARY

On April 10, 2001 the Board considered Planning Commission recommendations on the proposed Orcutt Community Plan Amendments and rezones. The Planning Commission recommended that the Board adopt all of the proposed changes with the exception of the proposed amendments to the OCP Water Policies. The Commission recommended that the Board consider instead a new OCP Water Policy. During the April 10th Board hearing Planning & Development (P&D) staff presented Planning Commission recommendations including the proposed new OCP Water Policy. P&D also presented its recommendation to the Planning Commission to the Board. After much discussion and public testimony, the Board closed public testimony and continued the hearing to May 8, 2001 with direction to staff to provide additional information on the following issues:

- State Water Project Reliability Factor
 - ? DWR reliability factor
 - ? CCWA reliability factor
 - ? Scenic Shoreline Preservation Conference Letter
 - ? Board options concerning reliability factor
- Conjunctive Use
- Cal-Cities Urban Water Management Plan reporting requirements
- P&D recommendations on text changes to OCP Water Policy Amendments

The following paragraphs provide information on each of the above bulleted issues.

2.0 STATE WATER PROJECT RELIABILITY FACTOR

At the April 10th hearing, the Board expressed concern about the State Water Project Reliability Factor and directed staff to return with additional information on the State Water Project Reliability Factor. P&D has met with staff from the Central Coast Water Authority (CCWA), County Water Agency and consulted with representatives from the State Department of Water Resources (DWR) to address issues raised by the Board on reliability. In addition, in coordination with CCWA, P&D has requested that a representative from DWR attend the May 8, 2001 Board hearing to explain the underlying assumptions used in DWR simulations in determining reliability of State water. Furthermore, the issues raised in the letter submitted by Scenic Shoreline Preservation Conference dated February 11, 2001 on State Water Project Reliability and CCWA “drought buffer” are discussed. The following paragraphs provide the additional information requested by the Board.

2.1 DWR Reliability Factor

The State Water Project is the largest public works project undertaken in the United States. The State Department of Water Resources periodically computes long-term average annual safe yield for State Water considering Project development and historical yields over a range of annual climatic conditions. The primary assumptions and criteria used in determining the DWR reliability factor are based on the 73-year hydrology (1922-1994), existing State Water Project facilities (does not include future facilities to be constructed), and all existing regulatory and operating constraints. Prior to the 1997 OCP adoption, DWR calculated the State Water Project Reliability Factor to be 79.4% through the year 2010. The 87.3% State Water reliability factor provided in the OCP is derived from the 79.4% reliability factor provided by DWR adjusted upward considering a 10% “drought buffer” also purchased by the Central California Water Authority ($110\% \times 79.4\% = 87.3\%$). The drought buffer is not a supply of water stored in the event of a drought. Instead, it is an increase in entitlement to annual State water flows. During any shortages at the State level, the 10% increased entitlement would result in 10% additional deliveries above those “cutback flows” that would occur without the drought buffer. The 87.3% factor is not “fixed” by the OCP Amendments. Instead, the OCP Amendments provide that during discretionary project approvals, decision-makers consider the appropriate reliability factor.

Many of the questions raised by the Board involve the same issues previously considered during analysis and elections on the State Water Project. The State Water Project was planned to be expanded over time to meet the State’s future growth demands. At the time of State Water approval and related elections, many people questioned the ability of the State Water Project to be developed to deliver projected flows. Other primary issues concerned State water quality and cost. Some jurisdictions now hold entitlements to water higher than their current requested deliveries, leaving excess capacity in the system. Excess entitlement may be held for future agriculture and urban growth. As other areas of California grow, these jurisdictions may request additional water under their entitlements, placing increased demands on the State Water Project.

Since adoption of the OCP, speculation concerning the long-term reliability of the State Water Project and its long-term annual safe yield continues. With the State’s dramatic growth projections, the ability of the Project to expand to meet statewide demands becomes increasingly questionable. Other factors contributing to this Statewide conversation are balancing the demands of agriculture in the San Joaquin Valley and elsewhere, increased protection of river habitats and opposition to additional dams, and flows to the San Francisco East Bay Delta. The recent litigation concerning the adequacy of the EIR for the Monterey Amendments to the State Water Contract has rekindled the controversy surrounding the DWR reliability factor for State Water. The litigation was a CEQA lawsuit concerning the adequacy of environmental analysis and did not change the State Water reliability factor. The “dicta” in the court decision did suggest that future analysis may show that the reliability factor may be as low as 50%. It may also be higher. A new EIR will be prepared by DWR for the Monterey Agreement, which will provide the analysis necessary to determine the change in the reliability factor, if any.

In March of this year, the DWR conducted a new model run on the State Water Project Reliability Factor for the Montecito Water District (MWD). MWD requested the new DWR model run as part of their Urban Water Management Plan update. The DWR model run indicates an 81% reliability factor out to the year 2020, a slight increase from the previous DWR reliability factor of 79.4% used in the OCP. MWD chose not to use the new DWR reliability factor, but instead decided to use a more conservative reliability factor developed by CCWA, which is 69% (without CCWA 10% “drought buffer”).

DWR's Kathy Kelly, Chief of the Office with the Division of State Water Project Planning will be present to provide the Board a brief presentation on what underlies the DWR simulations in determining the reliability factor and answer Board questions. Ms. Kelly oversees the simulation branch of the State Water Project.

2.2 CCWA Reliability Factor

At the April 10th hearing, CCWA presented a 69% State Water Project reliability factor, which is different than the 79.4% DWR reliability factor used by the County. CCWA indicated that this number was based on the fact that State water contractors in their planning for state water resources have been using an average annual delivery amount of 2.9 million AFY. This results in a 69% reliability factor (2.9 million AFY ÷ 4.2 million AFY = 69%). If one adds the 10% CCWA "drought buffer", the 69% reliability factor increases to 76%. CCWA has promoted the more conservative 69% number.

2.3 Scenic Shoreline Preservation Conference (SSPC) Letter

Arve Sjøvold and Carolee Krieger from SSPC submitted a letter dated February 11, 2001 and testified before the Board on April 10th expressing their concerns over the assumptions used in the DWR simulations for determining State Water Project reliability and the "drought buffer" purchased by CCWA for County of Santa Barbara State Water Project participants. At the same hearing, Dan Masnada from CCWA provided written and oral testimony to the Board concerning the February 11th SSPC letter. County staff has reviewed SSPC's letter and has met with Mr. Sjøvold. Upon additional review and consultation with County water experts, P&D feels that SSPC requests are overly conservative and concurs with CCWA's responses / comments on the State Water Project reliability factor and "drought buffer" issues raised by SSPC. In addition, staff would like to provide the Board the following information as they relate to these two issues.

State Water Project Reliability Factor: The SSPC letter questions DWR's simulations that were used as a basis in projecting the 79.4% reliability factor for State Water. It is P&D's understanding that this number was based on the average annual delivery for a 73-year period. SSPC requests that the average be based on a 7-year period, which is reflective of the driest time during the 73-year period, a worst case scenario. In addition, SSPC requests that the reliability of State Water be based on the actual record of deliveries rather than the capability of SWP to deliver. Actual deliveries fail to take into account potential deliveries of State water during any one of the sample years, when surplus State water was available for those contractors choosing not to take delivery. Therefore, SSPC's approach to use only actual deliveries definitely underestimates the true reliability of State water, since during many of those years additional State water was available for delivery if contractors had requested it.

Drought Buffer: In 1993 CCWA acquired an additional 3,908 AFY of SWP entitlement to "firm up" the reliability of each project participant's SWP contract allotment. This additional entitlement, referred to as CCWA's "drought buffer" entitlement, increases the total SWP entitlement held by CCWA by 10%. The "drought buffer" is allocated to each project participant in proportion to its SWP contract allotment. For example, the City of Santa Maria has an additional 1,620 AFY of CCWA "drought buffer" entitlement available to the City in addition to its 16,200 AFY SWP contract allotment. The "drought buffer" entitlement enjoys the same status as SWP contract entitlement. It can be used by the City as originally intended (i.e., increase the reliability of its 16,200 AF SWP contract allotment by 10%) or it can be used to supplement SWP contract allotment deliveries as if it effectively holds a 17,820 AF SWP contract allotment.

There is no requirement that the City's additional "drought buffer" allocation of State Water be pumped into the groundwater basin.

2.4 Board Options on Reliability Factor

The Board requested staff to provide options on State Water Reliability factor. Three options are presented below for the Board's consideration.

Option 1. DWR Reliability Factor (79.4% – 89%): DWR conducts model runs on a fairly frequent basis to project the reliability of State water. Previous projections showed a 79.4% reliability factor, while a March 2001 projection indicated 81% reliability. If one takes into account CCWA's 10% "drought buffer", the reliability factors increase to 87.3% and 89%, respectively. The proposed OCP Amendments allow the County to consider an appropriate reliability factor as determined by the County Water Agency on a case by case basis during the discretionary project review period. Under the proposed OCP Amendments the County would primarily rely on DWR numbers. This option does not provide a fixed reliability factor, but does provide flexibility for County decision-makers in determining an appropriate reliability factor as part of future development projects, since this number is periodically updated.

Option 2. CCWA Average Delivery Reliability Factor (69%-76%): CCWA has projected its own reliability factor independent of DWR. CCWA modified the *Bookman Edmonston Study*, which evaluated the reliability of State water using then existing DWR data for CCWA project participants to take into consideration new regulatory actions affecting State Water Project yield after the original study was completed. Based on CCWA's analysis, a more conservative assessment of State water reliability is 69%. If you take into account CCWA's 10% "drought buffer", this reliability factor increases to 76%.

Option 3. 50% Reliability Factor: Selecting a 50% reliability factor for State Water entitlements for OCP land use planning would reduce the need for alternative water supplies during dry periods (e.g., groundwater extractions, additional purchased State Water). However, the reduced reliability factor would subsequently increase the cost of housing for future residents as well as possibly increasing water rates for existing and future residents. As discussed by County Counsel, any future requirement for projects to provide more water than actually required to serve the project may raise "nexus" issues.

Staff Recommendation: The Comprehensive Planning Division has consulted with Brian Baca, Planning and Development Geologist, Rob Almy, Water Agency Manager, Dan Masnada, Central Coast Water Authority Executive Director, and the City of Santa Maria concerning this issue. Staff recommends that the Board adopt P&D recommendation to the Planning Commission with minor text changes (Attachment A, Exhibit B-1 and B-2). Under this policy the reliability factor may be determined on a case by case basis during the discretionary project review stage. In this way, any new information can be used in making the decision on an appropriate reliability factor. The Board could later conduct public hearings on the State Water Project Reliability Factor in November during the County Water Agency reports.

3.0 CONJUNCTIVE USE

Conjunctive use is the coordinated management of surface water and groundwater supplies to increase the yield of both. Conjunctive use is intended to increase total supplies and enhance water supply reliability. With importation of State Water as a supplemental water supply to the Santa Maria Valley, conjunctive use

of the basin during dry periods allows the water purveyors to ensure uninterrupted water supply service. On April 17, 2001, the Public Works Department sent a memorandum to the Board of Supervisors with an attachment that provides an overview of conjunctive use in Southern California. P&D supports the use of conjunctive use in the Santa Maria Valley, since the Santa Maria Groundwater Basin underlies the Valley. Through conjunctive use with importation of an out of basin water supply, continued overdraft of the basin can be avoided.

4.0 CAL-CITIES RESPONSIBILITY TO REPORT ON WATER SUPPLY

Cal-Cities is subject to the following water supply reporting requirements under the California Public Utilities Commission (PUC) and State law.

PUC Annual Reports

The PUC requires private water companies to provide an annual report on the amount of water used by a purveyor for the preceding year. Cal-cities provides this information in gross amounts. In discussions with Cal-Cities, this information can be fairly easily disaggregated to distinguish between amount of groundwater pumpage and use of State Water. The proposed OCP Amendments include a requirement that the developer provide this information to the County.

Urban Water Management Planning Act (UWMPA)

Under the UWMPA, which was adopted in 1983 by the California Legislature (Assembly Bill 797), urban water purveyors serving 3,000 or more customers or providing at least 3,000 acre-feet of water per year, are required to prepare and adopt an Urban Water Management Plan (UWMP). The UWMP contains information on the following:

- Historic water supply and quality for an urban area;
- Future water demand based on population projections;
- Ability of the current supply to meet future demand, in terms of quantity and quality;
- Potential alternative supplies available to the area;
- Specific conservation measures outlined in the Act as they apply to the area.

The Act further requires that the UWMP be updated every five years in order to reassess and add to previously completed plans and updates. The UWMP must be submitted to DWR every five years. In addition, the California Public Utilities Commission (CPUC) requires the UWMP be updated prior to applicable water purveyor filing for a general rate increase.

Last year, Cal-Cities prepared its 2000 UWMP to fulfill the requirements under the UWMPA. According to Cal-Cities staff, notice of the public hearing for the UWMP update was published in the Santa Maria Times on November 30, 2000 and December 7, 2000. A public meeting was held at the Lakeview Junior High School on December 19, 2000. In addition, the Santa Maria Times wrote an article about the meeting and Cal-Cities UWMP that was published in the December 20, 2000 newspaper.

SB 901

In 1995, the California legislature passed Senate Bill (SB) 901. SB 901 requires cities and counties to consult with water agencies on water supply issues before approving large development projects. This bill provided for the first time a link between land use and water supply planning.

Pursuant to SB 901, land use planning agencies (lead agency) must request that water supply agencies assess water supply issues on large scale projects with Environmental Impact Reports (EIR). The projects include the larger residential projects with 500 or more dwelling units, a shopping center employing 1,000 or more persons or an industrial development center employing 1,000 or more persons.

Water supply agencies must provide to the lead-planning agency their assessment of the proposed project within 30 days. This assessment must discuss whether the described project was included as part of the water agency's most recently adopted urban water management plan. As part of the assessment, the water agency shall indicate whether its total projected water supplies available during normal, single-dry, and multiple-dry water years included in the 20-year projection contained in the urban water management plan will meet the projected water demand associated with the proposed project, in addition to the water agencies existing and planned future uses. If the water supply is determined to be insufficient, the water agency must provide its plan for acquiring additional water supplies to the lead-planning agency. Those plans may include the estimated total costs, proposed method of financing the costs, all federal, state and local permits, approvals, or entitlements that are anticipated to be required in order to acquire and develop the additional water supplies.

If the water supply agency fails to submit an EIR assessment within 30 days without requesting an extension, it will be assumed that the water agency has no information or comments to submit.

The lead agency shall determine based on the entire record whether the projected water supplies will be sufficient to satisfy the demands of the proposed project, in addition to existing and planned future uses. If the lead agency determines that water supplies will not be sufficient, the lead agency shall include that determination in its findings.

SB 610

On February 22, 2001, Senate Bill No. 610 was introduced to require additional information be included as part of an urban water management plan for urban water suppliers whose water supply includes groundwater under SB 901.

This bill would require a city or county that determines a project is subject to CEQA to identify any public water system that may supply water for the project and to request those public water systems to assess whether its total projected water supplies will meet the projected demand associated with the proposed project. The bill would require the assessment to include an identification of existing water supply entitlements, water rights, or water service contracts held by the public water system. The bill would further require the city or county, if a public water system does not submit the assessment within 90 days, to request the DWR to submit the assessment to the city or county not later than 90 days from the date on which the request was received. The water supply assessment must be included as well as any other prescribed information in any environmental document prepared for the project pursuant to the act.

4.0 PROPOSED OCP WATER POLICY REVISIONS

Planning & Development’s recommended amendments to the OCP Water Policies, including requested revisions discussed at the April 10th hearing, are provided in Table 1 below.

Table 1
Proposed OCP Water Policies / Development Standards / Action

Note: Changes in text are denoted by underline or strikethrough.

Policy Wat-O-1: County staff shall actively assist local purveyors, users, special districts and/or regulators in the development of a long-term* supplemental** water supply to meet present and future water needs for Orcutt. However, the County shall not become a water purveyor or attempt to manage groundwater through a Groundwater Management Plan.

* “long-term” means permanent source of water for development.

** “supplemental” water means a source of water other than groundwater, unless: 1. the groundwater basin has been determined to be no longer in overdraft, 2. The use of groundwater is consistent with the final water rights judgement entered in the Santa Maria Groundwater Basin adjudication (Santa Maria Valley Water Conservation District v. City of Santa Maria, et al., Santa Clara County Superior Court Case No. CV 770214).

Prog. WAT-O-1.1: County staff shall assist the Cal Cities Water Company and the Conservation District in preparing and implementing a long-term water supply program for the community of Orcutt. This program should include pursuit of (1) long-term supplemental sources such as additional State Water entitlement and long-term exchange agreements with out-of-basin water purveyors, and (2) analysis of the availability and reliability of long-term supplemental water supplies, to be reflected in periodic reports prepared by the County Water Agency and Planning & Development.

Action WAT-O-1.4: No less often than every 5 years, County shall undertake review and publish a report on water supply issues relevant to the OPA based on available information. Said review and report shall address, at a minimum, the following issues:

- a. Identify and evaluate the factors affecting reliability of supplemental supplies. Review the effectiveness of state water entitlement “drought buffers” maintained by purveyors serving wholesale or retail customers in the OPA. Identify the known availability and use of water storage strategies, conjunctive groundwater use, or banking techniques that potentially enhance the reliability of supplemental water supplies delivered to the OPA. Report the projected range of potential state water delivery amounts to the County under drought and normal conditions for the forthcoming 5 year period, and the percentage of the County’s full entitlement that all OPA and other County purveyors have accepted and are projected to accept during that period. (CWA, with CCWA)
- b. Calculate amount of supplemental water entitlement available for new development. Identify how much of supplemental water supplies are serving existing residents and other uses in the OPA, and calculate the amount of supplemental water available for future customers and new development in the OPA. (CWA, with PDD)
- c. Review fundamental assumptions of supplemental supply availability and reliability. Identify and review the central assumptions relied upon in state predictions of future supply adequacy and reliability within the OPA such as conservation programs, management of drought buffer entitlement, and availability of storage facilities for drought buffers and/or other surplus water. Identify any instances where OPA purveyors’ actions and/or policies significantly differ from the central assumptions concerning the availability, reliability or adequacy of water supplies. (CWA)
- d. Compare projections of demand with actual consumption. Compare the projected water demand from each approved project, subdivision or area of development and the total actual consumption from these projects, subdivisions or areas of development, to the extent possible. Identify projects, subdivisions or areas of development whose actual consumption is substantially different from the projected demand. (PDD)

e. Changed conditions affecting entitlement. Report any modification of the County master and/or purveyors' state water entitlement due to master contract adjustments, reductions in entitlement or delivery due to reduced state water project system reliability, over-subscription, system failure or other changed circumstances. (CWA)

Policy WAT-O-2: In order to be found consistent with Land Use Development Policy No. 4 (LUDP#4), the water demand of new discretionary development must be offset by long-term* supplemental** water supplies that do not result in further overdraft of the local groundwater basin and that are adequate to meet the project's net water demand as determined by the County considering appropriate reliability factors as determined by County Water Agency. To demonstrate an adequate long-term supplemental water supply, projects must comply with the following development standards:

* "long-term" means permanent source of water for development.

** "supplemental" water means a source of water other than groundwater, unless: 1. the groundwater basin has been determined to be no longer in overdraft, 2. The use of groundwater is consistent with the final water rights judgement entered in the Santa Maria Groundwater Basin adjudication (Santa Maria Valley Water Conservation District v. City of Santa Maria, et al., Santa Clara County Superior Court Case No. CV 770214).

DevStd WAT-O-2.1: Prior to discretionary action by any County decision-maker on new development, the applicant shall provide one of the following:

1. A "Can and Will Serve" letter from California Cities Water Company dated before July 1997;
2. An "Intent to Serve" letter from California Cities Water Company or other water purveyor(s) including draft contract(s), if any, demonstrating to the County's satisfaction that the development's net water demand will be offset by a long-term supplemental water supply and that the development will have a continuing right to obtain water equal to that of the water purveyor's other customers. Contract(s), if any, must include terms consistent with the requirements of DevStd WAT-O-2.2.

DevStd WAT-O-2.2: Prior to discretionary action on new development, the applicant must demonstrate adequacy of the water supply proposed to serve the project, unless the applicant has satisfied DevStd WAT-O-2.1 #1 above. This demonstration shall be based on the following information which must be provided prior to application completeness:

Resources

- Provide information on project's projected gross and net demand for water. The supplemental water supply must offset the project's net water demand.
- Documentation of the reliability of the proposed water supply as projected by the Department of Water Resources (for State Water) and confirmed by the County Water Agency.
- A description of how the project will be served during drought periods. If conjunctive use of the Santa Maria Groundwater Basin is planned, demonstration that use of the basin will not contribute to long-term groundwater overdraft considering drought periods. The factual determination of overdraft contribution shall be made by the Planning & Development Department and County Water Agency.
- Provide a factual demonstration that the water purveyor has available, firm, long-term reliable water supplies which equal or exceed present demand from existing customers, projects approved for new service, and the proposed project under County review, ~~and reasonable foreseeable future projects~~. The demonstration should also show that the project use would not contribute to overdraft of the basin. The factual determination of no additional overdraft shall be made by Planning & Development and County Water Agency.
- Provide draft contract(s) with water purveyor(s), which demonstrate(s) to the satisfaction of the County that the development will be served by a long-term supplemental water source and will have a continuing right to obtain water equal to that of the water purveyor's other customers.
- Provide information on the water purveyor's existing and projected range of potential State Water and/or other supplemental water delivery amounts needed for full buildout under the water purveyor's management plan, status of conservation programs, drought buffers, and groundwater pumpage consistent with applicable state government code requirements on water reporting. Provide information on the most recent annual water deliveries from various sources in the purveyor's service area, as available from existing reports.

Facilities

- Documentation of the facilities necessary to deliver water and demonstration of permanent access to the facilities such

that uninterrupted service would be provided. The documentation must include a list and description of facilities, site plans, capacity and capital costs necessary to distribute water to the project.

- Demonstration that capital costs associated with providing service to the new development will not impact existing Orcutt development.
- Demonstration that the water supply project is designed, approved, funded and scheduled for implementation prior to tract map recordation or land use clearance.
- Describe approvals and entitlements necessary for the proposed water supply and delivery system.

DevStd WAT-O-2.3: Prior to map recordation or land use clearance, the developer must provide a Can and Will Serve letter and necessary final contract(s) consistent with the conditions of the discretionary permits and terms of the draft contract(s).

5.0 PLANNING COMMISSION RECOMMENDATION ON WATER POLICIES

As presented at the April 10th Board hearing, the Planning Commission recommended that the Board not adopt proposed amendments to the Water Policies as shown above and instead requested that the Board consider a new amendment to the water policies as follows:

Policy WAT-O-2: *New development will not be served by new groundwater extractions and will be limited to that which can be served by Cal-Cities State Water entitlement until such time as the supply and the delivery of supplemental water (i.e., State Water) can be determined adequate by County decision-makers.*

At the April 10th hearing, County Counsel expressed some concern with this policy due to its limiting effect on allowing potential conjunctive use of available water supplies (i.e., State Water and groundwater) for projects within the Santa Maria Valley and potential future nexus issues at the discretionary project stage.

Mandates and Service Levels: Preparation and maintenance of a comprehensive, long-term general plan is required under Government Code § 65300. The proposed OCP Amendments are not State mandated but would assist Santa Barbara County in resolving litigation concerning adoption of the 1997 Orcutt Plan.

Fiscal and Facilities Impacts: Costs associated with processing amendments to the Orcutt Community Plan were budgeted in P&D's FY 2000/2001 budget: 053 4050 407. Fiscal implications of implementation of the OCP Amendments on Parks, Public Works and Water Agency are unknown at this time and may be substantial.

Special Instructions: Please notice the May 8, 2001 Board hearing in the legal section of the Santa Barbara News-Press and Santa Maria Times, 10 and 5 days prior to the hearing. Also, please forward one copy of the minute order to P&D, Parks, Public Works, Flood Control, and Water Agency.

Attachment

Attachment A: Draft Resolution Amending OCP Text – Water Policies