TO: FACILITIES/WATER RESOURCES COMMITTEE

FROM: MICHAEL S. LEBRUN MSL
GENERAL MANAGER

DATE: JANUARY 23, 2015

AGENDA ITEM 2
JANUARY 27, 2015

DISCUSS DISTRICT WATER POLICY

ITEM

Consider District water resources policy and provide staff direction [RECOMMEND CONSIDER INFORMATION AND DIRECT STAFF].

BACKGROUND

The District is constructing a supplemental water supply pipeline and otherwise preparing for increasing available water supply sources to customers for the first time in its fifty-year history. A supplemental supply of water will allow for better management of the local groundwater which is currently the only water supply to the District and entire Nipomo Mesa and greater Nipomo community.

The District's customers are making a significant investment to bring a supplemental water supply to the Mesa. The District desires to protect this investment by ensuring the supplemental water supply is used to offset existing demand as ordered by the court overseeing the area groundwater litigation.

Since current basin users are being ordered to offset existing water demand with supplemental water, all future water demands throughout the area must be met with supplemental water supply or the basin will continue to be mined (over-pumped) in an unsustainable manner.

As the Mesa's only public water purveyor, the District plays an important role in promoting good policy to protect the area's water resources. However, with limited geographic and policy authority, the District is not in a position to dictate water resources policy across the Nipomo Mesa.

The County of San Luis Obispo, through its planning and building powers controls demand for water resources associated with new/future development. The Nipomo Mesa Management Area (NMMA) Technical Group includes representatives from the area's large water users. The Group is tasked with monitoring and managing the area groundwater resources and reporting to the groundwater court.

District water policy is based on previous court and County actions regarding the use and protection of Nipomo area groundwater resources. Specifically, the June 30, 2005 Stipulation (Attachment A) addresses the development and use of the Nipomo Supplemental Water Project (Section VI Pages 21-23). The Stipulation also specifies how New Urban Uses will be watered (Section VI.E., Page 27). In May 2006, the County of San Luis Obispo adopted Ordinance 3090 (Attachment B). Ordinance 3090 establishes the Nipomo Mesa Water Conservation Area and set specific standards for watering new development across the Nipomo Mesa (Pages 1 and 2).

In late 2013 and early 2014, the District circulated a draft Water Resources Policy Statement with the goal of developing consensus and support for the Statement with all interested parties including NMMA members and San Luis Obispo County. The current version of the draft Water Resources Policy Statement (Attachment C) reflects changes from Board input, public comment, and comments received from NMMA members.

In addition to policies focused on sustaining the basin over the long-term, the District has established policy for responding to water shortages. In 2014, the District worked with NMMA purveyor members to establish Water Shortage Response Stages (Attachment D). From this work, the District developed and adopted a Water Shortage Management and Response Plan (Attachment E).

The District is currently accepting and processing applications for new water customers. The District allocates supplemental water to all development applications received after January 2008 – when the Final Judgment in the groundwater case was filed by the Court. When a development is completed and a new meter is set, the allocation is assigned and permanently removed from the District's supplemental water supply (500 AF). In 2012, the formation of a property tax assessment district to fund the supplemental water project failed and the time frame for delivery of supplemental water became uncertain. In response, the District adopted Ordinance 2012-117 suspending the processing of all applications for District water – in effect a "moratorium" on new water connections. In 2013, the Board suspended the Ordinance when the supplemental water project funding and construction schedule became solidified. On October 22, 2014, the Board reviewed the status of Ordinance 2012-117. The staff report from that meeting is provided as reference (Attachment F).

RECOMMENDATION

Staff is seeking Committee and public input on how best to protect the District's primary water supply thorough sustainable management of the local groundwater basin. Staff is seeking Committee and public input on District Water Resources Policy.

ATTACHMENTS

A. June 30, 2005 Stipulation, Table of Contents, Introduction, Definitions, Section VI Physical Solution: Provisions Specific to the Nipomo Mesa Management Area
B. SLO County Ordinance 3090
C. Draft Water Policy Statement, February 6, 2014 version
D. NMMA Water Shortage Response Stages
E. Resolution 2014-1335, Water Shortage Response and Management Plan
F. October 22, 2014 Board Meeting, Item E-4 – Staff Report

January 27, 2015

Item 2

ATTACHMENT A

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)

TABLE OF CONTENTS

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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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. Rights to Use Groundwater

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. New Urban Uses

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.

January 27, 2015

Item 2

ATTACHMENT B

0000.3090

EXHIBIT "C"

EXHIBIT LRP2005-00006:A

ORDINANCE NO. 3090

AN ORDINANCE AMENDING TITLE 22 OF THE
SAN LUIS OBISPO COUNTY CODE, THE LAND USE ORDINANCE
SECTION 22.112.020 RELATING TO THE
NIPOMO MESA WATER CONSERVATION AREA

The Board of Supervisors of the County of San Luis Obispo ordains as follows:

SECTION 1. Section 22.112.020 of the Land Use Ordinance, Title 22 of the San Luis Obispo County Code, is hereby amended by ***adding new subsection E*** to read as follows and renumbering all figures as necessary:

22.112.020 – Areawide Standards

E. **Nipomo Mesa Water Conservation Area.** The following standards apply to all land in the Nipomo Mesa Water Conservation Area shown in Figure 112-4.

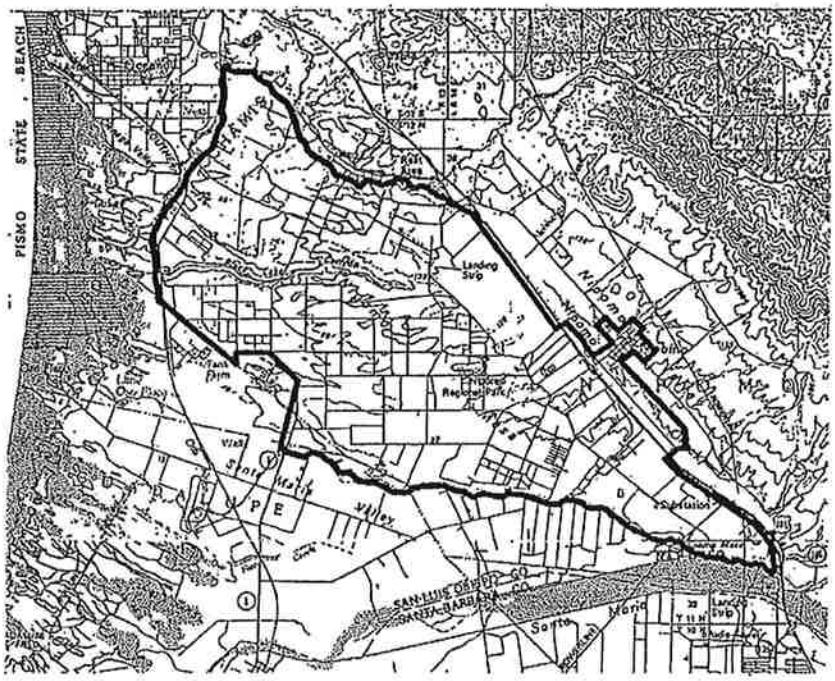


Figure 112-4 - Nipomo Mesa Water Conservation Area

1. **General Plan Amendments and land divisions.** Applications for general plan amendments and land divisions in the Nipomo Mesa Water Conservation Area shall include documentation regarding estimated existing and proposed non-agricultural water demand for the land division or development that could occur with the General Plan Amendment. If this documentation indicates that the proposed non-agricultural water demand exceeds

the demand without the requested amendment or land division, the application shall include provisions for supplemental water as follows:

a. **General Plan Amendments.** Where the estimated non-agricultural water demand resulting from the amendment would exceed the existing non-agricultural demand, the application shall not be approved unless supplemental water to off-set the proposed development's estimated increase in non-agricultural demand has been specifically allocated for the exclusive use of the development resulting from the general plan amendment, and is available for delivery to the Nipomo Mesa Water Conservation Area.

b. **Land Divisions.** Where the estimated non-agricultural water demand resulting from the land division would exceed the existing non-agricultural demand, a supplemental water development fee shall be paid for each dwelling unit or dwelling unit equivalent, at the time of building permit issuance, in the amount then currently imposed by county ordinance, not to exceed $13,200. If the development resulting from the land division is subject to payment of supplemental water development fees to an entity other than San Luis Obispo County, the amount of these other fees shall be deducted from the County fee.

2. **Landscape standards.** The standards in Chapter 22.16 apply to the following projects within the Nipomo Mesa Water Conservation Area. Only exceptions, as set forth in Subsection 22.16.020.B.2, 4, 6, and 7, are allowed within this area:

a. **Public projects.** Projects completed by a public agency that require a land use permit.

b. **New non-residential projects.** All new projects within the Recreation, Office and Professional, Commercial Retail, Commercial Service, Industrial and Public Facilities land use categories.

c. **Developer-installed.**

(1) All developer-installed landscaping in all Residential land use categories within urban or village areas.

(2) All developer-installed landscaping in all land use categories outside of urban or village areas where the parcel is 5.0 acres or less.

d. **Homeowner-installed.** All homeowner-installed landscaping for any project for which a land use permit is required.

e. **Drip irrigation.** Drip irrigation systems are required for all landscaped areas (except turf areas). The drip irrigation system shall include the following components: automatic rain shut-off device, soil moisture sensors, a separate meter for outdoor water and an operating manual to instruct the building occupant how to use and maintain the water conservation hardware.

f. **Turf area limits:** The maximum amount of turf (lawn) area shall not exceed twenty percent of the site's total irrigated landscape area. In all cases, the site's total irrigated landscape area shall be limited to 1,500 square feet.

3. **Building Permits.** Building permits issued for construction in the Nipomo Mesa Water Conservation Area shall comply with Section 19.20.240.d.

SECTION 2. The project qualifies for a Categorical Exemption (Class 7) pursuant to CEQA Guidelines Section 15307 because the actions proposed will assure the maintenance, restoration, or enhancement of a natural resource where the regulatory process involves procedures for protection of the environment.

SECTION 3. If any section, subsection, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of a court of competent jurisdiction, such decision shall not affect the validity or constitutionality of the remaining portion of this ordinance. The Board of Supervisors hereby declares that it would have passed this ordinance and each section, subsection, clause, phrase or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or portions be declared invalid or unconstitutional.

SECTION 4. This ordinance shall take effect and be in full force on and after 30 days from the date of its passage hereof. Before the expiration of 15 days after the adoption of this ordinance, it shall be published once in a newspaper of general circulation published in the County of San Luis Obispo, State of California, together with the names of the members of the Board of Supervisors voting for and against the ordinance.

INTRODUCED and PASSED AND ADOPTED by the Board of Supervisors of the County of San Luis Obispo, State of California, on the 23rd day of May, 2006, by the following roll call vote, to wit:

AYES: Supervisors James R. Patterson, Harry L. Ovitt, Jerry Lenthall, Chairperson K.H. 'Katcho' Achadjian

NOES: None

ABSENT: Supervisor Shirley Bianchi

ABSTAINING: None

Chairman of the Board of Supervisors,
County of San Luis Obispo,
State of California

ATTEST:
JULIE L. RODEWALD
County Clerk and Ex-Officio Clerk of the Board of Supervisors
County of San Luis Obispo, State of California
By: C M Christensen Deputy Clerk

[SEAL]

ORDINANCE CODE PROVISIONS APPROVED
AS TO FORM AND CODIFICATION:

JAMES B. LINDHOLM, JR.
County Counsel

By: _____
Deputy County Counsel

Dated: May 11, 2006

STATE OF CALIFORNIA)
COUNTY OF SAN LUIS OBISPO) ss

I, JULIE L. RODEWALD, County Clerk of the above entitled County, and Ex-Officio Clerk of the Board of Supervisors thereof, do hereby certify the foregoing to be a full, true and correct copy of an order entered in the minutes of said Board of Supervisors, and now remaining of record in my office.

Witness, my hand and seal of said Board of Supervisors this 9-6-06

JULIE L. RODEWALD
County Clerk and Ex-Officio Clerk
of the Board of Supervisors

By Annette Ramirez
Deputy Clerk

January 27, 2015

Item 2

ATTACHMENT C

Nipomo Community Service District

DRAFT – Water Resources Policy Statement

February 6, 2014 Version

BACKGROUND

Demand

Past and Current

Annual groundwater production across the Nipomo Mesa is reported (both metered and estimated values) in the Nipomo Mesa Management Area (NMMA) Technical Group's annual report (The NMMA Technical Group is a court appointed body whose boundaries encompass the Nipomo Mesa). The Group estimates the area's total annual production of groundwater for agricultural and urban uses back in 1975 was just over 4,000 acre-feet. In 1989, total production exceeded 8,000 acre-feet and in 2008, total pumping was estimated to be 12,600 acre-feet (4.1 Billion Gallons). In the ensuing years demand dropped somewhat and most recently began trending up again. The estimate for total production across the NMMA in 2012 is 11,260 acre-feet.

Future

San Luis Obispo County has authority over all discretionary building and land use approvals within the District service area and throughout the Nipomo Mesa area. A main driver of future water demand is development approval. The District has limited ability to deny water service to County approved development within its service area and no authority to control development or the associated increase in groundwater demand outside its service boundary.

There are significant under-developed and un-developed lands in the District and throughout the Nipomo Mesa. The area's mild climate and relatively pristine environment will likely continue to attract new residents to the area. Therefore, increased water demand from new development must be considered.

Supply

The entire Nipomo Mesa and greater Nipomo area relies on groundwater to meet 100% of current water needs. The District and two other large water companies account for about 39% of the annual groundwater pumping and supply about half of the area's residential homes and commercial businesses. The remainder of users including agriculture, residential and commercial, is supplied by private wells which access the groundwater.

District concerns for the health of the groundwater basin and long-term supply reliability date back to the mid 1980's. In the early 1990's, the customers of the District declined participation in the coastal branch of the State Water Project.

Nipomo Community Service District

DRAFT – Water Resources Policy Statement

In June 2013, the District awarded construction contracts for Nipomo Supplemental Water Project, Phase 1. The Project has a 650 acre-foot per year (AFY) capacity and is scheduled to be completed by May 2015. Phases 2 and 3 of the project will bring total capacity to 3,000 AFY and are not yet scheduled for construction.

Basis for Policy Statement

San Luis Obispo County Actions

In 2004, the County completed a Resource Capacity Study of the groundwater underlying the Nipomo Mesa that concluded the area groundwater basin was being excessively over pumped. Based on the study, the County Board of Supervisors subsequently certified a Level of Severity III (most severe level) for the area's groundwater resources. According to the County's Resource Management program: *"Level III occurs when the demand for the resource equals or exceeds its supply and is the most critical level of concern. The County should take a series of actions to address resource deficiencies before Level III is reached."*

In May 2006, the County adopted Ordinance 3090 (Attached hereto) establishing the Nipomo Mesa Water Conservation Area (NMWCA) boundaries. The Ordinance requires all land divisions within the NMWCA that lead to increased non-agricultural water demand pay a supplemental water fee. Further, Ordinance 3090 requires that amendments to the General Plan which increase non-agricultural water demand within the NMWCA be watered by imported or supplemental water. (The County defined NMWCA covers essentially the same area as the court defined NMMA.)

In December 2006, the District raised concerns over a County development approval and environmental findings which seemed to contradict Ordinance 3090. The County went ahead with approving a general plan amendment with a mitigated negative declaration and the District subsequently filed a lawsuit. On March 17, 2008, the Superior Court of the State of California issued its final judgment in the case (attached hereto). The settlement held in favor of the District's position and required the payment of a supplemental water fee deposit by the project proponent prior to recordation of a final development map.

In October 2008, the County, based on a finding of "overdraft" within the NMWCA caused by recent climatic conditions, adopted Ord. 3160 requiring that water conservation measures be implemented in new construction throughout the NMWCA.

Groundwater Lawsuit

In 1997, the Santa Maria Groundwater Basin, including the entire NMWCA defined by the County, became subject to groundwater litigation. On January 25, 2008 the court issued a Final Judgment in the case and ordered a 2005 Stipulation that had been entered into by most litigants be implemented. The

ruling was appealed. In 2012, the Appellate court sent three minor aspects of the Final Judgment and Stipulation back to the trial court. The appellant's requests for further case review by both the California and United States Supreme Courts were denied.

The 2005 Stipulation defines three management areas across the basin (Northern Cities, Nipomo Mesa, and Santa Maria Valley) and establishes membership and reporting requirements for each. The Stipulation requires that the District lead a project (the Nipomo Supplemental Water Project) to import 2,500 AFY of water to the NMMA from the City of Santa Maria (June 30, 2005 Stipulation, Section VI Physical Solution). With certain stated exceptions, the Stipulation additionally requires that all new urban water uses shall provide a source of supplemental water or a supplemental water development fee to offset the new water uses associated with that development (June 30, 2005 Stipulation Section VI.E. New Urban Uses). Developed water for new use is above and beyond the 2,500 AFY required by the Stipulation for the purpose of offsetting the existing pumping imbalance.

The Stipulation requires the NMMA Technical Group to develop a monitoring program that includes trigger points, based on well levels and water quality, for potentially severe and severe water shortage conditions (June 30, 2005 Stipulation Section VI.D). Response to water shortage conditions includes voluntary and mandatory conservation measures. Mandatory measures are to be proposed to, and approved by, the Court.

The County and all major water purveyors operating in the Nipomo Mesa area signed the Stipulation and did not appeal the Final Judgment. The District is implementing the Court's Final Judgment as it pertains to basin monitoring and supplemental water acquisition.

In spring 2006, the NMMA Technical Group's Key Well Index reached a Potentially Severe Water Shortage criterion and remains in that condition today. In the spring of 2013, following a very dry winter, the index dropped over 25% and came within a fraction of a foot from a Severe Water Shortage criterion.

WATER RESOURCES POLICY STATEMENT

The above summarized court rulings and County ordinances form the basis of the following District water resources policy:

1. In the context of the court's Final Judgment, "new" use of the groundwater basin is use associated with development approved after the Judgment was filed on January 25, 2008 and is subject to the terms of the June 30, 2005 Stipulation (P66).

2. The District added 500 AFY of capacity to the Court ordered 2,500 AFY Nipomo Supplemental Water Project. The District added the capacity in order to water new development within its services boundary. All District approved applications for new water service after January 2008 will be tentatively counted against the added 500 AF of supplemental water capacity. When a 'new' project is issued a Will Serve letter (final non-revocable commitment to serve), the allocation of water for the project will be permanently counted against the 500AF of added supplemental water project capacity.

3. Once the District has allocated 500AF of supplemental water capacity from the current supplemental water project to 'new' urban uses, no further applications for new water service will be accepted and no commitments for new water service will be made by the District unless and until additional supplemental/developed water sources are under contract.

4. Subject to the terms of the 2005 Stipulation the District will work with the County of San Luis Obispo to insure that areas outside the District services boundary and within the NMWCA/NMMA, and excepting only development within the Woodlands Specific Plan (for which 416 AFY of capacity in the Nipomo Supplemental Water Project has been specifically reserved), all new urban uses are met by a future source (in addition to the court defined Nipomo Supplemental Water Project) of supplemental water as follows:

    - Within the service boundary of Golden State Water Company (GSWC) and Rural Water Company (RWC), all new uses for water must be met by supplemental water (2005 Stipulation).
    - In areas not served by GSWC, NCSD, or RWC, subject to stated exceptions in the 2005 Stipulation, all new urban uses resulting from land divisions must pay a supplemental water fee (SLO CO Ordinance 3090). The fee must be applied to a new supply of supplemental water. All new urban uses resulting from general plan amendment must utilize new sources of supplemental/developed water (SLO CO Ordinance 3090).

5. The District will work with San Luis Obispo County to reconcile County Ordinance 3090 with the 2005 Stipulation by expanding the County Ordinance to require that all new water uses (not just that new water use resulting from property division and/or general plan amendment) pay a supplemental water fee toward new sources of supplemental water, subject to the terms of the June 30, 2005 Stipulation.

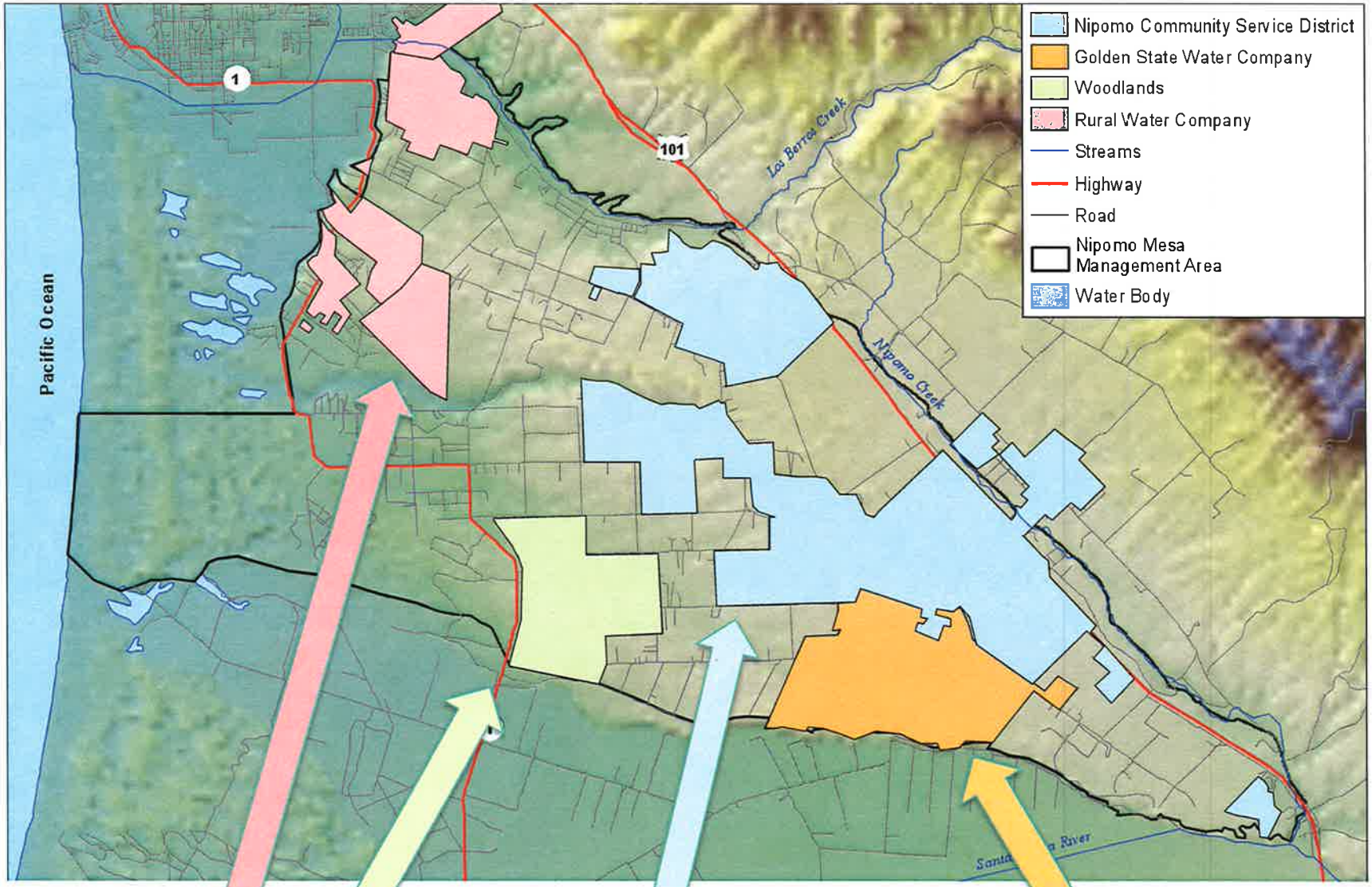
6. Supplemental water charges collected from inside the District boundary will be utilized to build out the current supplemental water project to full (3,000 AFY) capacity.

7. The District will work with the County and other area purveyors and development interests to define and acquire new sources of supplemental/developed water.

8. The District will continue to work with the County and NMMA groundwater producers to define and implement management measures that will protect area groundwater resources.

Nipomo Supplemental Water Project Allocation

Annual Acre-feet per Purveyor



January 27, 2015

Item 2

ATTACHMENT D

NMMA WATER SHORTAGE RESPONSE STAGES

Endorsed by NMMA Technical Group April 14, 2014

STAGE	GROUNDWATER SUPPLY CONDITION	RESPONSE - GENERAL DESCRIPTION*	DURATION of RESTRICTION
I	Always in place.	Voluntary measures and outreach to encourage best water management practices and conservation.	Always in place.
II	Potentially Severe Water Shortage Condition declaration pursuant to NMMA Water Shortage Condition and Response Plan.	Goal: voluntary 20% reduction in groundwater production – supported with aggressive public outreach and customer communications.	Until Potentially Severe Water Shortage Condition does not exist.
III	Severe Water Shortage Condition declaration pursuant to NMMA Water Shortage Condition and Response Plan.	Goal: 30% reduction in groundwater production – supported with mandatory conservation restrictions.	Until Severe Water Shortage Conditions no longer exist pursuant to NMMA criteria.**
IV	Severe Water Shortage Condition declaration pursuant to NMMA Water Shortage Condition and Response Plan, lasting more than 1 year from the initial declaration; or Severe Water Shortage declaration pursuant to NMMA declaration triggered by both the Key Well Index and the Coastal Area Criterion.	Goal: 50% reduction in groundwater production – supported with mandatory conservation restrictions.	Until Severe Water Shortage Conditions no longer exist pursuant to NMMA criteria.
V	Severe Water Shortage Condition declaration pursuant to NMMA Water Shortage Condition and Response Plan, lasting more than 2 years from the initial declaration, based on both the Key Well Index and Coastal Area Criterion.	Goal: 60% reduction in groundwater production – supported with mandatory conservation restrictions.	Until Severe Water Shortage Conditions no longer exist pursuant to NMMA criteria.

* This is a general descriptor. Detailed response to meeting the applicable goal is the responsibility of each NMMA purveyor. The NMMA parties acknowledge that Golden State Water Company and Rural Water Company must obtain CPUC approval and hold public hearings before implementing any aspect of this water shortage response.

** The Technical Group may determine Severe Water Shortage Conditions no longer exists when groundwater quality criteria threshold are no longer exceeded in a single measurement.

General Notes

1. Potentially Severe and Severe Water Shortage Conditions, Key Well Index and Coastal Area Criteria are defined in the NMMA Water Shortage Conditions Response Plan, April 13, 2009.
2. Reductions goals are to be based on average usage, prior to the delivery of supplemental water, as follows:
    a. For Woodlands Mutual Water Company – based on average same month production for a single year prior to declaration of Stage III.
    b. For Nipomo CSD, Golden State Water Company and Rural Water Company – based on average same month production for the five years prior to declaration of Stage III. Individual purveyors may use other baselines in their respective responses if dictated by their respective regulatory bodies.
3. Each NMMA purveyor will implement programs to meet the reduction levels.
4. When drought Stage III or higher is in effect, Managers will meet monthly to report previous months production and coordinate efforts.
5. The Technical Group may revisit and revise this response plan should conditions change and after the full implementation of the Nipomo Supplemental Water deliveries.

January 27, 2015

Item 2

ATTACHMENT E

9 April 2014
23 April 2014

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2014-1335

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT ADOPTING A WATER SHORTAGE RESPONSE AND MANAGEMENT PLAN PURSUANT TO WATER CODE § 375

WHEREAS, the Nipomo Community Services District ("District") provides water service within the District's water service area pursuant to § 61100 (a) of the Community Services District Law which provides:

> "(a) Supply water for any beneficial uses, in the same manner as a municipal water district, formed pursuant to the Municipal Water District Law of 1911, Division 20 (commencing with Section 71000) of the Water Code. In the case of any conflict between that division and this division, the provisions of this division shall prevail"; and

WHEREAS, § 61060 (b) of the Community Services District Law provides in relevant part:

> "A district shall have and may exercise all rights and powers, expressed and implied, necessary to carry out the purposes and intent of this division, including, but not limited to, the following powers:
>
> > (b) To adopt, by ordinance, and enforce rules and regulations for the administration, operation, and use and maintenance of the facilities and services listed in Part 3 (commencing with Section 61100)"; and

WHEREAS, California Water Code Section 375 States in pertinent part:

> (a) Notwithstanding any other provision of the law, any public entity which supplies water at retail or wholesale for the benefit of persons within the service area or area of jurisdiction of the public entity may, by ordinance or **resolution** adopted by a majority of the members of the governing body after holding a public hearing upon notice and making appropriate findings of necessity for the adoption of a water conservation program, adopt and enforce a water conservation program to reduce the quantity of water used by those persons for the purpose of conserving the water supplies of the public entity; and

WHEREAS, it is essential for the protection of the health, welfare, and safety of the residents of the District and the public benefit of the State of California ("State"), that the groundwater resources of the Nipomo Mesa be conserved; and

WHEREAS, Governor Jerry Brown on January 17, 2014 proclaimed that the entire State of California to be in a Drought State of Emergency; and

WHEREAS, the District's current water supply is limited to groundwater extracted from the Nipomo Mesa Management Area (NMMA) (also referred to as the Nipomo Mesa Water

Conservation Area (NMWCA) by the County of San Luis Obispo), of the Santa Maria Groundwater Basin; and

WHEREAS, the District is a party to a groundwater adjudication, Santa Maria Valley Water Conservation District v. City of Santa Maria, etc. et al., Case No. CV 770214 ("Groundwater Litigation"); and

WHEREAS, pursuant to Section VI D(1) of the June 2005 Stipulation as incorporated into the January 25, 2008 Final Judgment in the Groundwater Litigation the Nipomo Mesa Management Area Technical Group declared that a Potentially Severe water shortage condition has existed within the Nipomo Mesa Management Area since the spring of 2008 and during the intervening year, the drought continued and it is anticipated that in May of 2014 that the Nipomo Mesa Management Area Technical Group will declare a Severe water shortage condition; and

WHEREAS, the San Luis Obispo County Department of Planning and Building's 2004 Resource Capacity Study for the Water Supply in the Nipomo Mesa Area recommended a Level of Severity III (existing demand equals or exceeds dependable supply) be certified for the Nipomo Mesa Water Conservation Area (NMWCA) and that measures be implemented to lessen adverse impacts of future development (said Study and referenced documents are incorporated herein by reference); and

WHEREAS, on June 26, 2007, the San Luis Obispo County Board of Supervisors certified the waters underlying the NMWCA at a Severity Level III; and

WHEREAS, the resource protection goals of the San Luis Obispo County South County Area Plan include the following:

- Balance the capacity for growth allowed by the Land Use Element with the sustained availability of resources.
- Avoid the use of public resources, services and facilities beyond their renewable capacities, and monitor new development to ensure that its resource demands will not exceed existing and planned capacities or service levels; and

WHEREAS, District Code §3.28.020 provides:

"...all intent-to-serve letters shall be based on findings that sufficient excess water and sewer capacity exists to serve the project..."; and

WHEREAS, Water Code § 71640 of the Municipal Water Service District Law provides:

"A district may restrict the use of district water during any emergency caused by drought, or other threatened or existing water shortage, and may prohibit the wastage of district water or the use of district water during such periods for any

purpose other than household uses or such other restricted uses as the district determines to be necessary. A district may also prohibit use of district water during such periods for specific uses which it finds to be nonessential"; and

WHEREAS, the District Board of Directors has noticed this public meeting pursuant to Water Code § 375 and has considered the Staff Report and public testimony regarding the adoption of this Resolution; and

WHEREAS, The District Board of Directors wishes to set forth a Water Shortage Response and Management Plan that provides a range of alternative actions that allows for flexibility in responding to a water shortage emergency; and

WHEREAS, based on the Staff Report, staff presentation, the reports and studies referenced in this Resolution and public comment, the District Board of Directors finds that:

(a) That the Nipomo Mesa Management Area Technical Group has declared the Mesa to be in a Potentially Severe water shortage condition for the past six years; and

(b) That based upon the lack of rainfall during the winter of 2013/2014 and the increase pumping by District and other purveyors in response, it is anticipated that in the near future, Nipomo Mesa Management Area Technical Group will find that the Nipomo Mesa is in a Severe water shortage condition; and

(c) That it is necessary for the District to adopt a Water Shortage Response and Management Plan to be able to respond to the lack of available groundwater for the purpose of serving District residents.

WHEREAS, based on the Staff Report, staff presentation and public comment, the Board further finds:

A. That the purpose and intent of this Resolution is consistent with the purposes found in the Judgment and Stipulation in the Groundwater Litigation imposing a physical solution to assure long-term sustainability of the groundwater basin and the San Luis Obispo County's certification of a Severity Level III for the waters underlying the NMWCA; and

B. That adoption of the Water Shortage Response and Management Plan will provide greater assurances that there will be adequate groundwater to meet the present needs of District residents consistent with District Code §3.28.020 and the resource protection goals of the San Luis Obispo County South County Area Plan; and

C. That adopting this Resolution will further conserve the water supply for the greater public benefit, with particular regards to domestic use, sanitation and fire protection; and

D. That this Resolution adopts Rules and Regulations for the administration, operation and use of District services; and

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2014-1335

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT ADOPTING A WATER SHORTAGE RESPONSE AND MANAGEMENT PLAN PURSUANT TO WATER CODE § 375

WHEREAS, by adopting this Resolution, the District does not intend to limit other means of managing, protecting and conserving the groundwater basin by the District. Further, the District intends to work cooperatively with the NMMA Technical Group and other agencies, such as the County of San Luis Obispo, to implement regional solutions such as groundwater management and the importation of Supplemental Water to the NMMA\NMWCA; and

WHEREAS, based on the Staff Report, staff presentation and public comment, the District Board of Directors further finds this Resolution is adopted for the protection of the health, safety and welfare of District water customers who depend on the underlying groundwater basin as their source of water supply.

NOW, THEREFORE BE IT RESOLVED, DETERMINED AND ORDERED by the Board of Directors of the Nipomo Community Services District, as follows:

1. That the above recitals are true and correct.

2. The Board adopts the Water Shortage Response and Management Plan attached as Exhibit "A" to this Resolution.

3. The Board of Directors reserves the right to order or not order all of the provisions within the Water Shortage Response and Management Plan based upon the circumstances at the time that this policy needs to be enforced.

Upon motion by Director Harrison, seconded by Director Gaddis, on the following roll call vote, to wit:

AYES: **Directors Harrison, Gaddis, Blair, Vierheilig and Armstrong**
NOES: **None**
ABSENT: **None**
ABSTAIN: **None**

the foregoing resolution is hereby passed and adopted this 9th day of April, 2014.

CRAIG ARMSTRONG,
President of the Board of Directors

ATTEST:

MICHAEL S. LEBRUN
General Manager and Secretary to the Board

APPROVED:

MICHAEL W. SEITZ
District Legal Counsel

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NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2014-1335

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
REAPPROVING A WATER SHORTAGE RESPONSE AND MANAGEMENT PLAN
PURSUANT TO WATER CODE § 375

EXHIBIT "A"

NCSD WATER SHORTAGE RESPONSE AND MANAGEMENT PLAN

STAGE	GROUNDWATER CONDITION	RESPONSE ACTIONS	RELIEF OF RESTRICTIONS
I	All times	• Active outreach and education programs regarding water conservation best management practices. • Four Tier escalating water rates. • Recommended Customer Measures: o Fix all plumbing and irrigation leaks immediately. o Irrigate after 8PM and before 9AM. o Minimum to no irrigation in winter months. o Check all irrigation systems monthly. o Do not allow excessive run off. o Recirculate water in ornamental water features (fountains) • New applications for water service are accepted and processed. • Supplemental water is allocated to all new projects • New water service connections are made.	Not Applicable.
II	Potentially Severe Water Shortage Conditions exists	• More aggressive conservation outreach and education efforts. • Four-Tier escalating water rates. • Encourage customers to implement the following practices: o All Stage I Measures o Cover Swimming Pools and spas. o Do not use water to wash down exterior surfaces (e.g. driveway, deck, home) • New applications for water service are accepted and processed. • Supplemental water is allocated to new projects. • New water service connections are made.	Potentially Severe Water Shortage no longer exist.

STAGE	GROUNDWATER CONDITION	RESPONSE ACTIONS	RELIEF OF RESTRICTIONS
III	Severe Water Shortage conditions exists	• District targets a 30% reduction in production (Equating to a 752 acre foot or 245 million gallons of reduction in production on an annual basis). • Implement Stage III Drought Rates to encourage reduction in customer water demand. • Encourage customers to implement the following practices. o All Stage I and II measures. o Turn off all automated irrigation systems. o Provide minimum necessary irrigation to preserve trees and high-value landscape. o Do not drain or fill swimming pools or spas. o Do not use water for dust control or construction. o Do not use hoses to wash cars or equipment. o Turn off and drain ornamental fountains and water features • Suspend accepting applications for new water service. • Existing applications for new water service continue to be processed with allocations of supplemental water. • New water service connections are made.	Severe Water Shortage no longer exist.**
IV	Severe Water Shortage conditions exists for >1YEAR or is triggered by both the Key Wells Index and the Coastal Criterion.	• District targets a 50% reduction in production (Equating to a 1,254 acre foot reduction in production on an annual basis). • Implement Stage IV Drought Rates to encourage reduction in customer water demand. • Encourage customers to implement the following practices:	Severe Water Shortage conditions no longer exist.

STAGE	GROUNDWATER CONDITION	RESPONSE ACTIONS	RELIEF OF RESTRICTIONS
		○ All Stage I, II, and III measures. ○ Do not use District water for irrigation/outdoor uses of any sort. • New applications for water service are NOT accepted (Stage III) • Cease processing existing applications for new water service. No allocation of supplemental water is made. • New water service connections are made only to projects with preexisting service commitments.	
V	Severe Water Shortage conditions for >2 years with BOTH triggers (Key Wells Index and Coastal Area Criterion).	• District targets a 60% reduction in production. (Equating to a 1,504 acre foot reduction in production on an annual basis). • Implement Stage V Drought Rates to encourage additional reduction in customer water demand. • Declaration of a Water Shortage Emergency in accordance with CA Water Code Section 350. • Suspend all new water service connections. • Encourage customers to implement all Stage I-IV measures and to use only the absolute minimum water necessary for health and sanitation purposes. ○ All Stage I, II, and III measures. ○ Do not use District water for irrigation/outdoor uses of any sort. ○ Do not drain or fill swimming pools or spas. ○ All measures possible to reduce water use. • New applications for water service are NOT accepted (Stage III) • Existing applications for new water service are not processed (Stage IV)	Severe Water Shortage conditions no longer exist.

** The Nipomo Mesa Management Area (NMMA) Technical Group may determine Severe Water Shortage Conditions no longer exist when groundwater quality criteria threshold are no longer exceeded in a single measurement.

General Notes

1. The implementation of all rate increases and changes in the acceptance and processing of new services applications are subject to approval by the Board of Directors at the time each stage is triggered.
2. Potentially Severe and Severe Water Shortage conditions, Key Wells Index, and Coastal Criterion are as defined in the NMMA Technical Group, Water Shortage Conditions Response Plan, dated April 2009. Key criterion are as follows:

Potentially Severe Water Shortage Conditions	***Severe Water Shortage Conditions***
• *Key Wells Index less than 31.5 ft msl* • *Greater than 250 mg/l chloride in any NMMA coastal monitoring well*	• *Key Wells Index is less than 16.5 ft. msl* • *Greater than 500 mg/l chloride in any NMMA coastal monitoring well*

3. Reduction goals are a percentage of average annual production volumes for the five calendar years prior to the first year Nipomo Supplemental Water is delivered. NCSD's 2009-2013 average (2507 AFY) is used in the table above.

January 27, 2015

Item 2

ATTACHMENT F

TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN MSL
GENERAL MANAGER

DATE: OCTOBER 17, 2014

AGENDA ITEM
E-4
OCTOBER 22, 2014

ANNUAL REVIEW OF SUSPENDED DISTRICT ORDINANCE 2012-117

ITEM

Review current District policy on water service applications and processing. [RECOMMEND – CONSIDER INFORMATION AND DIRECT STAFF]

BACKGROUND

The Nipomo Community Services District (District) relies solely on groundwater underlying the Nipomo Mesa Management Area to provide water to its customers. In fact, the entire Nipomo Mesa, its businesses (agriculture, oil refinery, golf courses, general industrial, and manufacturing) and the approximately 30,000 inhabitants, relies solely on the underlying groundwater for all water needs.

On May 10, 2012, there was a successful protest of the ballot measure to form Nipomo Community Services Assessment District 2012-1. The assessment district would have raised the funds needed to build a intertie water line between Nipomo CSD and the City of Santa Maria capable of delivering 3,000 acre-feet of supplemental water to the Nipomo Mesa annually.

In light of the ballot measure's defeat, the timeline for delivery of supplemental water to the Nipomo Mesa became uncertain. Concern over the health and ever-diminishing reliability of the local groundwater basin is well documented.

Over the years, studies by the CA Department of Water Resources, the County of San Luis Obispo, the court-appointed Nipomo Mesa Management Area Technical Group and others have consistently found cause for concern for basin health and sustainability under ever increasing pumping demands.

Therefore, following the failed assessment district vote, your Board was unable to make the findings required by District Code §3.28.020, "that sufficient excess water" exists to serve new projects. Subsequently, on May 23, 2012, your Board adopted Resolution 2012-1259 suspending the processing of new application for District water service.

Then on June 27, 2012, your Board adopted Ordinance 2012-117 (attached) halting the processing of new applications for District water service effectively placing a moratorium on new water connections.

In 2013, the District completed a fourth review of supply alternatives and authorized a phased approach for building the intertie pipeline to the City of Santa Maria. On February 13, 2013, your Board authorized circulating bid documents and bid requests for Supplemental Water Project Phase 1. Following these actions, your Board approved Ordinance 2013-119 (Attached) suspending the enforcement of Ordinance 2012-117 thereby allowing a return to water service application processing.

Suspension (versus full appeal) of Ordinance 2012-117 provides your Board full flexibility to reinstitute the Ordinance should circumstances change in regard to supplemental water delivery.

Your Board awarded construction contracts for Supplemental Water Project Phase 1 on June 20, 2013 and as of today, the $17.5M Project is on schedule for completion by June 2015.

FISCAL IMPACT

Suspension of new water service halts collection of capacity charges. The District's water capacity charge for a 1-inch water meter is $17,898 of which $14,605 is put toward development of supplemental water projects.

The Phase 1 project will deliver 650-800 acre feet of supplemental water annually. Estimated capital costs for future project phases continue to increase with time.

STRATEGIC PLAN

Goal 1. WATER SUPPLIES. Actively plan to provide reliable water supply of sufficient quality and quantity to serve both current customers and those in the long-term future.

1.1 Complete Phase 1 of Supplemental Supply Projects.

Goal 6. GOVERNANCE AND ADMINISTRATION. Conduct District activities in an efficient, equitable and cost-effective manner.

6.4 Periodically review, update and reaffirm District policies and procedures.

RECOMMENDATION

Consider information and provide direction to staff.

ATTACHMENTS

A. Ordinance 2012-117
B. Ordinance 2013-119

October 22, 2014

ITEM E-4

ATTACHMENT A

ORDINANCE NO. 2012- 117

AN ORDINANCE OF THE NIPOMO COMMUNITY SERVICES DISTRICT REAFFIRMING RESOLUTION 2012-1259 SUSPENDING APPLICATIONS FOR INTENT-TO-SERVE LETTERS, SUSPENDING CHAPTER 3.05 OF THE DISTRICT CODE AND DISTRICT ORDINANCE 2009-114 RELATED TO WATER SERVICE LIMITATIONS, REPEALING DISTRICT CODE SECTION 3.04.052 AS ESTABLISHED BY DISTRICT ORDINANCE 2009-112 RELATED TO ESTABLISHING PAYMENT OF CAPACITY CHARGES FOR CERTAIN COMMERCIAL PROJECTS AND DECLARING DISTRICT CODE SECTION 3.04.053 AND SECTION 3 OF DISTRICT ORDINANCE 2010-115 RELATED TO PAYMENT OF CAPACITY CHARGES FOR CERTAIN RESIDENTIAL AND MIXED USE PROJECTS AS REPEALED PURSUANT TO THE TERMS OF SAID ORDINANCE

WHEREAS, the Nipomo Community Services District ("District") provides water service within the District's water service area pursuant to § 61100 (a) of the Community Services District Law which provides:

"(a) Supply water for any beneficial uses, in the same manner as a municipal water district, formed pursuant to the Municipal Water District Law of 1911, Division 20 (commencing with Section 71000) of the Water Code. In the case of any conflict between that division and this division, the provisions of this division shall prevail"; and

WHEREAS, § 61060 (b) of the Community Services District Law provides in relevant part:

"A district shall have and may exercise all rights and powers, expressed and implied, necessary to carry out the purposes and intent of this division, including, but not limited to, the following powers:

(b) To adopt, by ordinance, and enforce rules and regulations for the administration, operation, and use and maintenance of the facilities and services listed in Part 3 (commencing with Section 61100)"; and

WHEREAS, it is essential for the protection of the health, welfare, and safety of the residents of the District and the public benefit of the State of California ("State"), that the groundwater resources of the Nipomo Mesa be conserved; and

WHEREAS, the District's current water supply is limited to groundwater extracted from the Nipomo Mesa Management Area (NMMA) (also referred to as the Nipomo Mesa Water Conservation Area (NMWCA) by the County of San Luis Obispo), of the Santa Maria Groundwater Basin; and

WHEREAS, the District is a party to a groundwater adjudication, Santa Maria Valley Water Conservation District v. City of Santa Maria, etc. et al., Case No. CV 770214 ("Groundwater Litigation"); and

WHEREAS, pursuant to Section VI D(1) of the June 2005 Stipulation as incorporated into the January 25, 2008 Final Judgment in the Groundwater Litigation the Nipomo Mesa Management Area Technical Group has declared that a potentially severe water shortage condition exists within the Nipomo Mesa Management Area; and

WHEREAS, the San Luis Obispo County Department of Planning and Building's 2004 Resource Capacity Study for the Water Supply in the Nipomo Mesa Area recommended a Level of Severity III (existing demand equals or exceeds dependable supply) be certified for the Nipomo Mesa Water Conservation Area and that measures be implemented to lessen adverse impacts of future development (said Study and referenced documents are incorporated herein by reference); and

WHEREAS, on June 26, 2007, the San Luis Obispo County Board of Supervisors certified the waters underlying the NMWCA at a Severity Level III; and

WHEREAS, the resource protection goals of the San Luis Obispo County South County Area Plan include the following:

- Balance the capacity for growth allowed by the Land Use Element with the sustained availability of resources.

- Avoid the use of public resources, services and facilities beyond their renewable capacities, and monitor new development to ensure that its resource demands will not exceed existing and planned capacities or service levels; and

WHEREAS, District Code §3.28.020 provides:

"all intent-to-serve letters shall be based on findings that sufficient excess water and sewer capacity exists to serve the project"; and

WHEREAS, § 71640 of the Municipal Water Service District Law provides:

"A district may restrict the use of district water during any emergency caused by drought, or other threatened or existing water shortage, and may prohibit the wastage of district water or the use of district water during such periods for any purpose other than household uses or such other restricted uses as the district determines to be necessary. A district may also prohibit use of district water during such periods for specific uses which it finds to be nonessential"; and

WHEREAS, the District Board of Directors, at a public meeting on June 13, 2012, considered the Staff Report and public testimony regarding the adoption of this Ordinance; and

WHEREAS, based on the Staff Report, staff presentation, the reports and studies referenced in this Ordinance and public comment, and the failure of the recent ballot proceedings to fund and implement a Supplemental Water Project to the NMMA\NMWCA, the District Board of Directors finds that:

(a) It is currently unable to make the findings required by District Code Section 3.28.020, "that sufficient excess water --- exists to serve new projects"; and

(b) That there is a threatened or existing water shortage; and

WHEREAS, based on the Staff Report, staff presentation, the reports and studies referenced in this Ordinance, public comment and the failure of the recent ballot proceedings to fund and implement the Supplemental Water Project to the NMMA\NMWCA, the District Board of Directors further finds:

A. That the purpose and intent of this Ordinance is consistent with the purposes found in the Judgment and Stipulation in the Ground Water Litigation imposing a physical solution to assure long-term sustainability of the groundwater basin and the San Luis Obispo County's certification of a Severity Level III for the waters underlying the NMWCA; and
B. Prohibiting the issuance of new Intent-To-Serve Letters will provide greater assurances that there will be adequate groundwater to meet the present needs of the District residences consistent with District Code §3.28.020 and the resource protection goals of the San Luis Obispo County South County Area Plan; and

C. That adopting this Ordinance will further conserve the water supply for the greater public benefit, with particular regards to domestic use, sanitation and fire protection; and

D. That this Ordinance adopts Rules and Regulations for the administration, operation, and use of District services; and

WHEREAS, by adopting this Ordinance, the District does not intend to limit other means of managing, protecting and conserving the groundwater basin by the District. Further, the District intends to work cooperatively with the NMMA Technical Group and other agencies, such as the County of San Luis Obispo, to implement regional solutions such as groundwater management and the importation of Supplemental Water to the NMMA\NMWCA; and

WHEREAS, based on the Staff Report, staff presentation, and public comment, the District Board of Directors further finds this Ordinance is adopted for the protection of the health, safety and welfare of District water customers who depend on the underlying groundwater basin as their source of water supply.

NOW, THEREFORE BE IT ORDAINED, by the Board of Directors of the District as follows:

Section 1 — Intent-To-Serve Letters

District Resolution 2012-1259 Suspending The Processing Of Intent-To-Serve Letters is affirmed. All applications for new District water service are suspended and will be received and filed without priority. Chapter 3.05 of the District Code and District Ordinance 2009-114 are suspended.

Section 2 — Payment of Capacity Charges for Certain Commercial Projects

Section 3.04.052 of the District Code as established by District Ordinance 2009-112 Establishing Procedures For Payment Of District Fees For Connection Of Commercial Projects Developed On Two Or More Parcels are Repealed.

Section 3.04.051 of the District Code is modified to remove reference "Except as provided in Section 3.04.052"

Section 3 — Payment of Capacity Charges for Certain Residential and Mixed Use Projects

Section 3.04.053 of the District Code as established by District Ordinance 2010-115 Establishing Procedures For Payment Of District Fees For Connection For Residential Projects Creating Four Or More Parcels And Mixed Use Projects Under A Single Application For A Final Map That Required a Dedication Of Any Water And Sewer Improvements Pursuant To a Plan Check Inspection is repealed, pursuant to Section 3.04.053 H of Ordinance 2010-115.

Section 3.04.051 of the District Code is modified to remove reference "Except as provided in Section 3.04.052 and 3.04.053"

Section 4 of District Ordinance 2010-115 and Section 5.02.010 (4) of the District Code are reaffirmed.

Section 5 of District Ordinance 2010-115 and Section 4.03.010 of the District Code are reaffirmed.

Section 4 — Reconsideration

The District Board shall reconsider Sections 1, and 2 of this Ordinance, as part of its Regular or Special Meeting Agendas, during the month of October of this year and during the months of May and October of each succeeding year.

Section 5 — Inconsistency

To the extent that the terms of provision of this Ordinance may be inconsistent or in conflict with the terms or conditions of any prior district Ordinance(s), Motions, Resolutions (including District Resolution 2010-1199 establishing fees for processing applications for deferral of District Connection Charges), Rules, or Regulations adopted by the District, governing the same subject matter thereof, then such inconsistent and conflicting provisions of prior Ordinances, Motions, Resolutions, Rules, and Regulations are hereby repealed.

Section 6 — Incorporation of Recitals

The recitals to this Ordinance are true and correct, are incorporated herein by this reference, including the referenced documents, and constitute further findings for the implementation of the Water Service Limitations adopted by this Ordinance.

Section 7 — Severance Clause

If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional, ineffective or in any manner in conflict with the laws of the United States, or the State of California, such decision shall not affect the validity of the remaining portions of this Ordinance. The Governing Board of the District hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsection, sentence, clause or phrase be declared unconstitutional, ineffective, or in any manner in conflict with the laws of the United States or the State of California.

Section 8 — Effect of Headings in Ordinance

Title, division, part, chapter, article, and section headings contained herein do not in any manner affect the scope, meaning, or intent of the provisions of this Ordinance.

Section 9 — CEQA

The Board of Directors of the District finds that the policies and procedures adopted by this Ordinance are exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15378 (b) (2) because such policies and procedures constitute general policy and procedure making. The Board of Directors further finds that the adoption of the rules and regulations established by this Ordinance is not a project as defined in CEQA Guideline Section 15378, because it can be seen that the Suspension of Intent-To-Serve Letters and Ordinances related to payment of connection/capacity fees will not result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. The District incorporates by reference the CEQA findings in support of San Luis Obispo County Ordinance 3090, the County of San Luis Obispo's certification of a Severity Level III for the NMWCA and the District's CEQA findings supporting the adoption of Chapter 3.05. The District General Manager is directed to prepare and file an appropriate notice of exemption.

Section 10 — California Department of Fish and Game Certificate of Fee Exemption

Pursuant to § 711.4 (c)(2)A of the Fish and Game Code, the District Board of Directors finds that rules and regulations adopted by this Ordinance will

have no effect on fish and wildlife. The General Manager is authorized to file a California Department of Fish and Game Certificate of Fee Exemption.

Section 11 — Effective Date

This Ordinance shall take effect and be in full force and effect thirty (30) days after its passage. Before the expiration of the tenth (10th) day after passage this Ordinance shall be published once with the names of the members of the Board of Directors voting for or against the Ordinance in a newspaper of general circulation within the District.

Introduced on the 13TH day of June, 2012, and adopted by the Board of Directors of the Nipomo Community Services District on June 27, 2012, by the following roll call vote, to wit:

AYES: Directors Eby, Winn, Vierheilig, and Gaddis
NOES: Director Harrison
ABSENT: None
ABSTAINING: None

JAMES HARRISON,
President of the Board

ATTEST:

MICHAEL S. LEBRUN
Secretary to the Board

APPROVED AS TO FORM

JON S. SEITZ
District Legal Counsel

(ENDORSED)
FILED
JUN 28 2012
JULIE L. RODEWALD COUNTY CLERK
By Katrina Taylor
DEPUTY CLERK

Notice of Determination

To:
County Clerk
County of San Luis Obispo
1055 Monterey Street, Rm. D-120
San Luis Obispo, CA

From:
Nipomo Community Services District
PO Box 326
Nipomo, CA 93444-0326

Subject: Filing Notice of Determination

Owner of Affected Property: Prosperity within the boundary of the Nipomo Community Services District

Title/Action Taken: Approval Ordinance 2012-117

Location of Affected Property Developed and undeveloped property within the boundary of the Nipomo Community Services District

Description: Ordinance 2012 -117 Suspends further processing of applications of Intent-to-Serve letters for water service within the District's boundary and repeals and reaffirms certain Code Sections related to Capacity Charges.

This is to advise that the Nipomo Community Services District as Lead Agency has approved the above described actions on June 13, 2012, and has made the following determinations with regards to the California Environmental Quality Act.

The Board of Directors of the District finds that the policies and procedures adopted by this Ordinance are exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15378 (b) (2) because such policies and procedures constitute general policy and procedure making. The Board of Directors further finds that the adoption of the rules and regulations established by this Ordinance is not a project as defined in CEQA Guideline Section 15378, because it can be seen that the Suspension of Intent-To-Serve Letters will not result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. The District incorporates by reference the CEQA findings in support of San Luis Obispo County Ordinance 3090, the County of San Luis Obispo's certification of a Severity Level III for the NMWCA and the District's CEQA findings supporting the adoption of Chapter 3.05. The District General Manager is directed to prepare and file an appropriate notice of exemption.

Additional Information

Additional information pertaining to this Notice of Determination may be obtained by contacting Michael S. LeBrun, District General Manager at 805-929-1133.

Date: June 27, 2012

Michael S. LeBrun, General Manager

CALIFORNIA DEPARTMENT OF FISH AND GAME
CERTIFICATE OF FEE EXEMPTION

ACTION TAKEN: APPROVE ORDINANCE 2012-117

APPLICANT:
Name: NIPOMO COMMUNITY SERVICES DISTRICT
Address: 148 S. WILSON STREET
City: NIPOMO, CA 93444
Phone: (805)929-1133

DESCRIPTION - ACTION: ADOPT ORDINANCE 2012-117 SUSPENDING FURTHER PROCESSING OF APPLICATIONS FOR INTENT-TO-SERVE LETTERS FOR WATER SERVICE WITHIN DISTRICT'S BOUNDARY AND REPEAL AND REAFFIRM CERTAIN CODE SECTIONS RELATED TO CAPACITY CHARGES.

LOCATION: WITHIN THE BOUNDARIES OF THE NIPOMO COMMUNITY SERVICES DISTRICT BINDING OF EXEMPTION

FINDINGS OF EXEMPTION:

There is no evidence before this agency that the proposed project has the potential for adverse effect on the wildlife resources for one or more of the following reason(s):

( ) The project is located in an urbanized area that does not contain substantial fish or wildlife resources or their habitat.

( ) The project is located in a highly disturbed area that does not contain substantial fish or wildlife resources or their habitat.

( ) The project is of limited size and scope and is not located in close proximity to significant wildlife habitat.

( ) The applicable filing fees have/will be collected at the time of issuance of other County approvals for this project.

(x) Other: The action taken has no effect on fish and wildlife. (Fish and Game Code § 711.4 (c) (2) (A).

CERTIFICATION:

I hereby certify that the above findings are based upon the administrative record, and hearing record that the action taken on the Ordinance will not individually or cumulatively have and adverse effect on the wildlife resources, as defined in Section 711.2 of the Fish and Game Code.

Michael S. LeBrun 6/27/12

Michael S. LeBrun Date
General Manager,
Nipomo Community Services District

State of California—The Resources Agency
DEPARTMENT OF FISH AND GAME

2012 ENVIRONMENTAL FILING FEE CASH RECEIPT

RECEIPT# 427426

STATE CLEARING HOUSE # (If applicable)

SEE INSTRUCTIONS ON REVERSE. TYPE OR PRINT CLEARLY

LEAD AGENCY: Nipomo Community Services Dist. | DATE: 6/28/2012

COUNTY/STATE AGENCY OF FILING: San Luis Obispo | DOCUMENT NUMBER:

PROJECT TITLE: Approval Ordinance, 2012-117

PROJECT APPLICANT NAME: Nipomo Community Services Dist. | PHONE NUMBER: 805 (543)7272

PROJECT APPLICANT ADDRESS: P.O. Box 326 | CITY: Nipomo | STATE: CA | ZIP CODE: 93444

PROJECT APPLICANT (Check appropriate box):
☒ Local Public Agency ☐ School District ☐ Other Special District ☐ State Agency ☐ Private Entity

CHECK APPLICABLE FEES:

☐	Environmental Impact Report (EIR)	$2,919.00	$
☐	Mitigated/Negative Declaration (ND)(MND)	$2,101.50	$
☐	Application Fee Water Diversion *(State Water Resources Control Board Only)*	$850.00	$
☐	Projects Subject to Certified Regulatory Programs (CRP)	$992.50	$
☒	County Administrative Fee	$50.00	$ 50.00
☐	Project that is exempt from fees		
	☐ Notice of Exemption		
	☐ DFG No Effect Determination (Form Attached)		
☐	Other _____		$

PAYMENT METHOD:
☐ Cash ☐ Credit ☒ Check ☐ Other _____

TOTAL RECEIVED $ 50.00

SIGNATURE: X Katrina Taylor | TITLE: Deputy Clerk Recorder

WHITE - PROJECT APPLICANT YELLOW - DFG/ASB PINK - LEAD AGENCY GOLDEN ROD - COUNTY CLERK DFG753.5a (Rev. 11/11)

October 22, 2014

ITEM E-4

ATTACHMENT B

ORDINANCE NO. 2013-119

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT SUSPENDING ENFORCEMENT OF ORDINANCE NO. 2012-117

WHEREAS, the District Board of Directors previously took action to suspend processing of requests for new District water service by its adoption of Ordinance No. 2012-117; and

WHEREAS, the Board took action at its February 13, 2013 regular Board meeting to authorize bids in regards to a modified inter-tie project with the City of Santa Maria, whereby 650 acre feet of water per year will be delivered for District water service customers; and

WHEREAS, the Board of Directors took action at its February 13, 2013 meeting to approve a finance plan for the construction of said modified inter-tie project; and

WHEREAS, the Board of Directors believes that there is now a substantial likelihood that supplemental water will be brought to the District as a result of the modified Santa Maria inter- tie project

WHEREAS, the Board wishes to maintain all options in regards to reacting to changed circumstances in regards to supplemental water for the Nipomo Community Services District.

NOW, THEREFORE, BE IT ORDAINED, by the Board of Directors of the Nipomo Community Services District as follows:

Section 1 – Suspension

The Board hereby suspends enforcement of Ordinance No. 2012-117.

Section 2 — Inconsistency

To the extent that the terms of provision of this Ordinance may be inconsistent or in conflict with the terms or conditions of any prior district Ordinance(s), Motions, Resolutions, Rules, or Regulations adopted by the District, governing the same subject matter thereof, then such inconsistent and conflicting provisions of prior Ordinances, Motions, Resolutions, Rules, and Regulations are hereby repealed. All other non-suspended provisions of the Nipomo Water Code remain in force and effect

Section 3 — Incorporation of Recitals

The recitals to this Ordinance are true and correct, are incorporated herein by this reference.

Section 4 — Severance Clause

If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional, ineffective or in any manner in conflict with the laws

of the United States, or the State of California, such decision shall not affect the validity of the remaining portions of this Ordinance. The Governing Board of the District hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsection, sentence, clause or phrase be declared unconstitutional, ineffective, or in any manner in conflict with the laws of the United States or the State of California.

Section 8 — Effect of Headings in Ordinance

Title, division, part, chapter, article, and section headings contained herein do not in any manner affect the scope, meaning, or intent of the provisions of this Ordinance.

Section 9 — CEQA

The Board of Directors of the District finds that the policies and procedures adopted by this Ordinance are exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15378 (b) (2) because such policies and procedures constitute general policy and procedure making. The Board of Directors further finds that the adoption of the rules and regulations established by this Ordinance is not a project as defined in CEQA Guideline Section 15378, because it can be seen that the Suspension of Ordinance 2012-117 will not result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. The District General Manager is directed to prepare and file an appropriate notice of exemption.

Section 10 — California Department of Fish and Game Certificate of Fee Exemption

Pursuant to § 711.4 (c)(2)A of the Fish and Game Code, the District Board of Directors finds that rules and regulations adopted by this Ordinance will have no effect on fish and wildlife. The General Manager is authorized to file a California Department of Fish and Game Certificate of Fee Exemption.

Section 11 — Effective Date

This Ordinance shall take effect and be in full force immediately after its passage. Before the expiration of the tenth (10^{th}) day after passage this Ordinance shall be published once with the names of the members of the Board of Directors voting for or against the Ordinance in a newspaper of general circulation within the District.

ORDINANCE NO. 2013-119

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT SUSPENDING ENFORCEMENT OF ORDINANCE NO. 2012-117

Introduced at its regular meeting of the Board of Directors held on February 27, 2013, and passed and adopted by the Board of Directors of the Nipomo Community Services District on the 13th day of March, 2013, by the following roll call vote, to wit:

AYES: Directors Armstrong, Blair, Gaddis, and Vierheilig
NOES: None
ABSENT: Director Harrison
CONFLICTS: None

JAMES HARRISON,
President, Board of Directors

ATTEST:

MICHAEL S. LEBRUN
Secretary to the Board

APPROVED AS TO FORM:

MICHAEL W. SEITZ
Deputy District Legal Counsel

(ENDORSED)
FILED

APR 02 2013

JULIE L. RODEWALD COUNTY CLERK
BY
DEPUTY CLERK

Notice of Determination

TO:
County Clerk
County of San Luis Obispo
1055 Monterey Street, Room D-120
San Luis Obispo, CA 93408

FROM:
Nipomo Community Services District
P.O. Box 326
Nipomo, CA 93444-0326

Subject: Filing Notice of Determination

Owner of Affected Property: Prosperity within the boundary of the Nipomo Community Services District

Title/Action Taken: Approval Ordinance 2013-119

Location of Affected Property Developed and undeveloped property within the boundary of the Nipomo Community Services District

Description: Ordinance 2013-119 Suspends enforcement of Ordinance 2012-117 that suspended processing of applications of Intent-to-Serve letters for water service within the District's boundary and repeals and reaffirms certain Code Sections related to Capacity Charges.

This is to advise that the Nipomo Community Services District as Lead Agency has approved the above described actions on March 13, 2013, and has made the following determinations with regards to the California Environmental Quality Act.

The Board of Directors of the District finds that the policies and procedures adopted by this Ordinance are exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15378 (b) (2) because such policies and procedures constitute general policy and procedure making. The Board of Directors further finds that the adoption of the rules and regulations established by this Ordinance is not a project as defined in CEQA Guideline Section 15378, because it can be seen that the suspension of the enforcement of the suspension of Intent-To-Serve Letters will not result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. The District General Manager is directed to prepare and file an appropriate notice of exemption.

Additional Information

Additional information pertaining to this Notice of Determination may be obtained by contacting Michael S. LeBrun, District General Manager at 805-929-1133.

Date: March 21, 2013

Michael S. LeBrun, General Manager

(ENDORSED)
FILED
APR 02 2013
JULIE L. RODEWALD COUNTY CLERK
BY
DEPUTY CLERK

CALIFORNIA DEPARTMENT OF FISH AND GAME
CERTIFICATE OF FEE EXEMPTION

ACTION TAKEN: APPROVE ORDINANCE 2013-119

APPLICANT:
Name: NIPOMO COMMUNITY SERVICES DISTRICT
Address: 148 S. WILSON STREET
City: NIPOMO, CA 93444
Phone: (805)929-1133

DESCRIPTION - ACTION: ADOPT ORDINANCE 2013-119 SUSPENDING ENFORCEMENT OF ORDINANCE NO. 2012-117

LOCATION: WITHIN THE BOUNDARIES OF THE NIPOMO COMMUNITY SERVICES DISTRICT BINDING OF EXEMPTION

FINDINGS OF EXEMPTION:

There is no evidence before this agency that the proposed project has the potential for adverse effect on the wildlife resources for one or more of the following reason(s):

( ) The project is located in an urbanized area that does not contain substantial fish or wildlife resources or their habitat.

( ) The project is located in a highly disturbed area that does not contain substantial fish or wildlife resources or their habitat.

( ) The project is of limited size and scope and is not located in close proximity to significant wildlife habitat.

( ) The applicable filing fees have/will be collected at the time of issuance of other County approvals for this project.

(x) Other: The action taken has no effect on fish and wildlife. (Fish and Game Code § 711.4 (c) (2) (A).

CERTIFICATION:

I hereby certify that the above findings are based upon the administrative record, and hearing record that the action taken on the Ordinance will not individually or cumulatively have and adverse effect on the wildlife resources, as defined in Section 711.2 of the Fish and Game Code.

Michael S. LeBrun March 29, 2013

Michael S. LeBrun Date
General Manager,
Nipomo Community Services District

TO: FACILITIES/WATER RESOURCES COMMITTEE

FROM: MICHAEL S. LEBRUN MSL
GENERAL MANAGER

DATE: JANUARY 23, 2015

AGENDA ITEM 3
JANUARY 27, 2015

DISCUSS PROPOSED DISTRICT WATER ALLOCATION POLICY

ITEM

Consider proposed District water allocation policy and provide staff direction [RECOMMEND CONSIDER INFORMATION AND DIRECT STAFF].

BACKGROUND

The District's current water allocation policy established a limit and procedure for water service allocation for residential development. The allocation system was intended to "meter out" allocations to balance the effect of adding additional burden to the groundwater basin while providing enough allocation to support planned orderly development that would support the District's program to acquire supplemental water. The allocation policy set an overall annual water allocation limit of 32.5 AFY for residential development but exempted commercial development.

The District is now constructing a supplemental water project to increase available water supply sources to its customers. Since current groundwater basin users are being ordered to offset existing water demand with supplemental water, all future water demands throughout the area must be met with supplemental water supply. The District's supplemental water project includes a 500 AFY reservation for new development within the District's existing boundaries. A formal program to track water allocation for all new development, not just residential development, against the 500 AFY supplemental water project reservation is required to ensure that the District does not over allocate or under allocate water for new development in the future.

District monthly water charges as well as one-time connection charges are developed on the basis of meter size, i.e., meter capacity. One potential methodology would be to allocate water for new development based on meter size as follows:

Proposed Water Allocation Basis		
Meter Size	**Meter Capacity Ratio**	**Acre-Foot Allocation**
1 Inch	1	0.48
1.5 Inch	3	1.44
2 Inch	4.8	2.30
3 Inch	9	4.32
4 Inch	15	7.20
6 Inch	30	14.40

The .48 AF was developed based on actual water usage data. The meter capacity ratios are based on physical meter capacity. All new connections would be assigned an allocation based on meter size. The assigned allocation would be tracked against the District's 500 AFY of supplemental water. The allocation per meter could be adjusted as necessary as water use patterns changed.

Based on this methodology, the 500 AFY supplemental water project new development reservation would provide for approximately 1040 new 1 inch water meters or more than a 24% increase in the total water connections from the present number of 4268 active water connections. Based on an average of 50 new water connections per year over the last 10 fiscal years, staff anticipates that it could take up to 20 years, at an allocation rate of 24 AFY (50@1 inch meters X .48 AFY per meter), to fully allocate the 500 AFY.

Staff envisions the following process:

- Refining the allocation policy approach with Committee and public input today
- Further input and refinement by the Committee at a subsequent meeting, if necessary
- Presentation and discussion with Board
- Formal adoption of a revised allocation policy by the Board

FISCAL IMPACT

The proposed allocation policy would support the continued development of the District's supplemental water project, provide water for new development, and maintain fairness and equity among existing and future rate payers within the District.

STRATEGIC PLAN

Goal 1. WATER SUPPLIES. Actively plan to provide reliable water supply of sufficient quality and quantity to serve both current customers and those in the long-term future.

RECOMMENDATION

Staff is seeking Committee and public input on District water allocation policy.

ATTACHMENTS

None

TO: FACILITIES/WATER RESOURCES COMMITTEE

FROM: MICHAEL S. LEBRUN MSL
GENERAL MANAGER

DATE: JANUARY 23, 2015

AGENDA ITEM 4 JANUARY 27, 2015

DISCUSS SLO COUNTY 2012-2014 DRAFT RESOURCES SUMMARY REPORT

ITEM

The County is conducting it regular biennial review of its Resource Management System.

BACKGROUND

The following San Luis Obispo County documents are provided as background:

- Chapter 3 of Framework for Planning (Inland) - Resource Management System (excerpts)
- 2012-2014 Draft Resources Summary Report dated January 9, 2015.

RECOMMENDATION

Staff is seeking Committee and public input on the County's Summary Report.

ATTACHMENTS

A. SLO County Chapter 3: Resource Management System
B. SLO County 2012-2014 Draft Resource Summary Report

January 27, 2015

Item 4

ATTACHMENT A

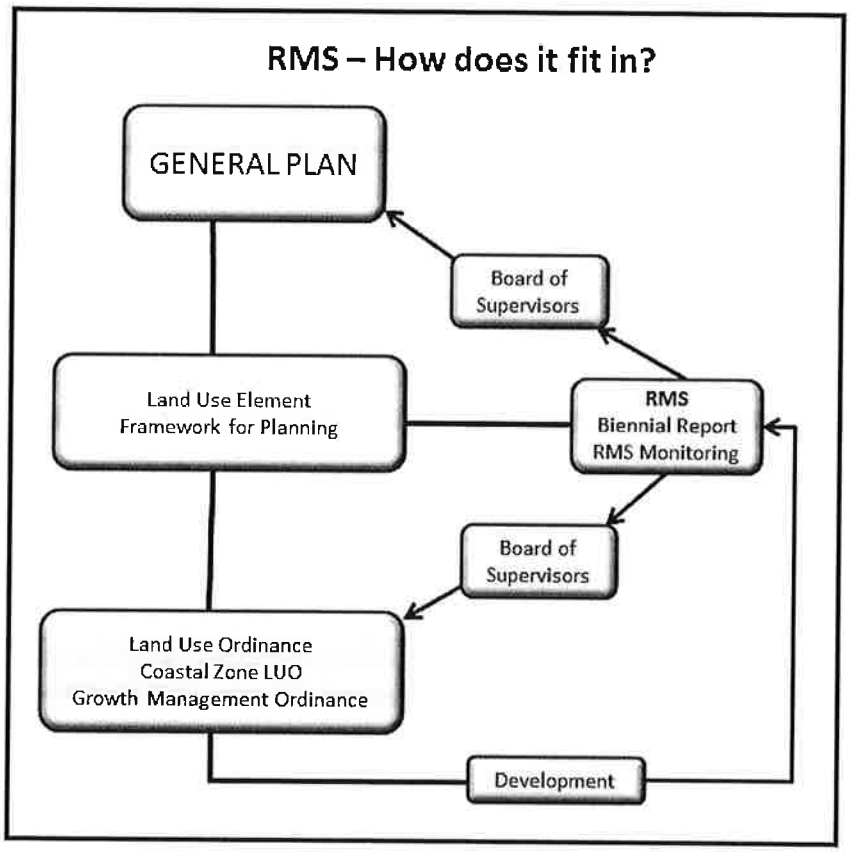
Chapter 3 of Framework for Planning (Inland) – Resource Management System – Planning Commission Recommendation - Clean

CHAPTER 3: RESOURCE MANAGEMENT SYSTEM

A. INTRODUCTION - HOW RESOURCES AND GROWTH ARE RELATED

The General Plan, its Resource Management System (RMS), and the Land Use Ordinance (LUO) work in concert to guide decisions on future development. The General Plan's Land Use Element (LUE) focuses development in specified communities and land use designations. The LUO sets minimum parcel sizes, density requirements and other standards for creation of new parcels and development of existing parcels. The RMS provides an alert system for services and resources to support the new development envisioned in and allowed by the General Plan and LUO. In that way, the RMS is essential to carrying out the General Plan's vision.

As the county enters the 21st century, the public and decision makers have become more aware of the limits of our natural resources, the cost of expanded infrastructure and its maintenance and the difficulties in finding solutions to these problems. Deficiencies in many man-made resources such as sewers, schools, police and fire protection can be overcome by upgrading or expanding such facilities. Although augmentation of man-made resources may be costly, the solutions are tangible and easily identified. This is often not the case with natural resource limitations. Solutions are not always obvious and technical data may be confusing or lacking altogether. There may also be significant, even prohibitive, costs involved in determining resource capacity and availability.



San Luis Obispo County is

experiencing problems with both natural and man-made resources (e.g. water supply and wastewater facilities). In some communities, schools are overcrowded, or are anticipated to be. Communities have also experienced problems with septic systems and water supply. In addition, many roads and freeway interchanges are nearing unacceptable levels of service, and air quality in some areas is deteriorating.

The net result of such problems has been a never-ending game of "catch-up," where rates of growth and development outstrip the upgrading and renewal of community resources. Since most resources extend beyond political boundaries, cities, special districts and the County must work together to identify their resource capacities in relation to future growth and to implement solutions to resource deficiencies.

The RMS addresses resources at a community level for certain resources that are contained within communities, for example, community parks and water systems. However, many resources, such as groundwater basins and air quality, do not respect community boundaries and need to be addressed according to the geographic boundaries of the resource.

The RMS is an informational tool to be used in carrying out the Land Use Element aims of directing development toward communities and assuring that the amount, location and rate of growth are within the sustainable capacity of resources, public services and facilities. The LUE attempts to resolve issues of population distribution and location rather than growth versus no-growth. However, temporary growth control measures could sometimes be considered in order for resource capacities to catch up with development.

Sometimes the capacity of one or more resources cannot be expanded and special growth and resource management measures are needed. Such measures are described in the following Section F under "Resource Management Techniques." These measures help provide for sustained, long-term growth, as opposed to allowing unmanaged growth ~~were~~ to continue and exceed resource capacities at market-driven rates and locations. Growth and resource management measures can also allow for the additional lead times needed to develop and implement solutions to resource capacity problems.

B. FOCUS OF THE RESOURCE MANAGEMENT SYSTEM

The focus of the RMS is on collecting data, identifying problems and helping decision-makers develop solutions to resource capacity problems.

The RMS supports the County's LUE goals by:

- Determining if the necessary resources exist;
- Identifying resources that can be readily developed to support new land uses; and
- Identifying critical points in time when decisions are needed to build facilities and avoid resource deficiencies.

The six resources/services addressed by the RMS are:

- Water Supply and Systems
- Wastewater Treatment
- Schools
- Roads and Freeway Interchanges

The RMS provides the information to plan for sustainable resources for long-term growth.

- Air Quality
- Parks

C. GOALS AND OBJECTIVES OF THE RESOURCE MANAGEMENT SYSTEM

The RMS is intended to provide information on resource capacities to guide decisions on the land uses envisioned in the LUE (e.g. community plan updates) through the following goals:

- Balancing land development and population growth with the resources required to support them.
- Avoid the use of public resources, services and facilities beyond their renewable capacities.
- Monitor new development to ensure that its resource demands will not exceed, existing and planned capacities or service levels.

The RMS objectives are:

1. Resource Conservation – To identify the sustainable capacities of the resources needed for growth and to minimize impacts of the development envisioned in the LUE on these resources.
2. Public Health and Safety - To support efforts to provide county communities with adequate supplies of water for domestic and fire suppression purposes, healthful air quality, facilities for wastewater disposal and safe streets and roads, by monitoring their capacities to accommodate development envisioned under the LUE.
3. Public Services and Facilities -To support the provision and upgrading of public services and facilities at a rate that keeps pace with population growth, by anticipating resource needs in advance of critical necessity.
4. Agricultural Lands - To encourage protection of productive agricultural land, by considering the effects of current and future development on area-wide water resources needed for agriculture.
5. Community Character - To support the diversity of life-styles and physical character in county communities by tailoring solutions to resource capacity issues so that they are specific to the community.
6. Economic Impacts - To delay or avoid the adverse economic effects of development moratoria and more severe growth restrictions through proactive management of resources.
7. Public Involvement -To provide a public forum for reaching decisions affecting community growth and development, where goals and policies can be discussed, and where such decisions are subject to public scrutiny.
8. Agency Cooperation - To establish a system that supports coordination and cooperation between the various public, quasi-public and private entities providing services and facilities.

Chapter 3 of Framework for Planning (Inland) – Resource Management System – Planning Commission Recommendation - Clean

D. RESOURCE MANAGEMENT SYSTEM FRAMEWORK

Responsible Agency

The operation of the RMS is the responsibility of the Department of Planning and Building with input from other public and private resource management entities and agencies.

Levels of Severity for Monitored Resources

The RMS is designed to deal with resource capacity issues at local and areawide scales:

- Neighborhood-level problems, such as a needed collector street
- Communitywide problems, such as the need for public sewers
- Areawide problems, such as overdraft of a groundwater basin.

The RMS uses three levels of alert (called levels of severity) – Levels I, II, and III – to identify potential and progressively more immediate resource deficiencies. The alerts are intended to occur while sufficient time is available to avoid or correct a shortage before a crisis develops.

In general, a Level of Severity III occurs when resource use meets or exceeds the capacity of the resource. For instance, when a wastewater treatment plant is operating beyond its design capacity, that particular resource operates at Level III. However, in the case of water supply, Level of Severity III occurs well before the resource capacity is reached (see Table F and the discussion in the following Section E, Resource Management System Process). Criteria for Levels I and II precede the threshold for Level III by providing lead times necessary for avoiding or correcting particular resource deficiencies.

The criteria for each resource are described in tables and text in Section F of this chapter entitled "Resource Management Issues, Criteria for Levels of Severity, and Recommended Actions". The criteria for each level of severity are not absolute, as particular community conditions or circumstances may logically support alternative criteria. Instead, they offer general guidelines for determining when resource management measures should be enacted.

Threshold population levels or dates corresponding to the three levels of severity may be defined in the LUE area plans and community plans for the resources of each area and community. A summary of the current estimated levels of severity are listed in Appendix D.

E. RESOURCE MANAGEMENT SYSTEM PROCESS

This section describes the activities that produce information to identify levels of severity, and the process for determining appropriate policy decisions in response to new information. The basic products of the information-gathering aspect of the RMS include:

- **Resource Inventories**: Data collection through the update of the LUE;
- **RMS Monitoring Program**: Periodic status reports on resource usage in areas with levels of severity;
- **Biennial Resource Summary Report**: Report prepared by the Department of Planning and Building with input from other County departments and service providers.
- **Resource Capacity Studies**: Special studies of resource usage when ordered by the Board of Supervisors upon its determination that a new level of severity has been reached through the advisory process described below.

Resource Inventories

As part of the update of the LUE, the Planning and Building Department prepares an inventory of local water supplies, wastewater disposal facilities, air quality, parks, schools and road and freeway interchange capacities for each area and community plan, as applicable. The inventories are developed jointly with the Public Works and Health Departments, Regional Water Quality Control Board, Air Pollution Control District, water purveyors and other responsible agencies. The inventories should:

1. Identify existing resources, their location, estimated quantity and quality,
2. Describe known problem areas or deficiencies,
3. Estimate populations that an existing resource can support,
4. Identify alternative or additional available resources, where known,
5. Estimate the lead time needed for correcting a previously identified deficiency,
6. Identify capital projects or other programs that can be funded and implemented within critical time periods.

Resource inventories are based upon the most current information available. However, the data for some areas of the county are of limited availability. The area and community plans indicate whether resource data mentioned are immediately usable for resource management purposes, or whether additional information is needed. Consequently, the area plan inventories can be used for some areas to indicate where problems may exist and how priorities should be set for needed resource capacity studies.

Any resource data used as the basis for general plan policies is periodically reviewed and updated as new information becomes available, through the LUE update program, capital improvement program review and RMS monitoring programs.

Monitoring Program

The Department of Planning and Building collects data, monitors resource usage, ~~to~~ updates earlier resource inventories and identifies possible corrective measures to address resource capacity issues. Status reports are part of the Biennial Resource Summary Report described below. Each report should include the following:

1. A brief synopsis of the status of resource use,
2. Any additional resource information,
3. Current and projected capacities,
4. An analysis of corrective actions, and
5. Recommendations for action.

Chapter 3 of Framework for Planning (Inland) – Resource Management System – Planning Commission Recommendation - Clean

Resource Capacity Advisory Process

When the Planning and Building Department determines that a level of severity should be established, or modified as a consequence of an LUE update, the RMS monitoring program, a Water Resource Advisory Committee recommendation, or the Biennial Resource Summary Report, it sends a memorandum to the Board of Supervisors advising it of the need to establish or modify a level of severity. An illustration of the advisory process is shown in Figure 3-1.

The Board of Supervisors will conduct a public hearing to review the data received from the Department of Planning and Building. After the initial advisory memorandum, it may be necessary to continue to issue status reports to the Board in order to keep it advised of the situation. Implementation of a program (i.e., a public works project, management techniques, etc.) would then occur only after public hearings on the resource information being used, preparation of a resource capacity study, and action by the Board, including the adoption of ordinances if necessary to address specific community resource problems.

If an affected resource is not under County jurisdiction (e.g., a community service district may have responsibility over a local water supply problem), the Department of Planning and Building sends a copy of the advisory memorandum to the responsible agency advising that a potential problem may exist, based upon data available to the County, and to urge that the agency prepare a resource capacity study. Staff contacts and recommendations to the agency should occur in advance of the agency's budget preparation process so the necessary work can be included in its financial considerations.

The following sections describe in more detail the procedures for considering and reporting each of the three levels of severity:

Level I:	Resource capacity concern
Level II:	Diminishing resource capacity
Level III:	Resource capacity met or exceeded

Levels of severity are recommended by the Planning and Building Department and certified by the Board of Supervisors through the following procedures. County staff may recommend to the Board of Supervisors or the Board may initiate specific actions to respond to levels of severity, such as special water conservation ordinances and special land use and growth limitation measures. However, such measures can only be implemented following specific approval by the Board at a public hearing.

LOS I: Resource Capacity Concern

LOS I is the earliest indication that a resource capacity problem could occur. Its threshold is intended to be early enough to provide time to avoid exceeding the capacity of the resource. LOS I is established when resource use will reach capacity in approximately the time required to expand capacity (including planning, funding and construction of a project where appropriate). Critical time periods for Level I problems for each resource are summarized in Tables F through J.

Level of Severity I is established when resource use will reach capacity in the time required to expand capacity.

Under normal circumstances, community development is intended to continue through a LOS I condition without any restrictions being enacted. Projects should still be evaluated without the LOSI determination affecting them, unless otherwise directed by the Board of Supervisors.

LOS I Procedure

When available data suggest a resource problem exists or is anticipated, the following procedure is to be used:

1. Staff forwards an advisory memorandum to the Board of Supervisors (with copies to the Planning Commission for their information). The memorandum identifies the capacity problem and enables the Board to review the data upon which the staff recommendation is based.

2. If the Board agrees that a resource capacity concern exists, it initiates preparation of a resource capacity study, if necessary. The Board may also initiate, through an ordinance, any conservation measures deemed necessary.

3. Preparation of a resource capacity study, if necessary, should be undertaken by the County department or outside agency providing the particular service or resource being considered, in cooperation with the County and any other affected agencies (such as public or private water companies, sewer districts, community service districts, school districts and incorporated cities). A resource capacity study should:

    a. Determine the capacity of the resource being studied;
    b. Identify thresholds for LOS II and III deficiencies;
    c. Identify alternate measures for avoiding a predicted resource deficiency and evaluate the feasibility (and possible funding methods) of each measure;
    d. Provide an estimated timetable for funding and completion of a public works project to correct the resource deficiency, if applicable;
    e. Recommend techniques for growth management to be used if needed to extend the resource capacity.

4. Upon completion, a resource capacity study is forwarded to the Planning Commission for public hearing. The Commission reviews study data and recommends to the Board of Supervisors as to its adequacy. Commission review should be completed and reported to the Board of Supervisors within a maximum of 40 days from when the study is first placed on the Commission agenda.

5. Upon receipt of the Planning Commission recommendation, the Board of Supervisors holds a public hearing to review the resource capacity study, and consider public testimony. The Board should determine whether the study adequately assesses the affected resource as a basis for policy decisions. The data in the certified resource capacity study is then incorporated into the County General Plan as new resource data at the next available time for processing general plan amendments.

LOS II: Diminishing Resource Capacity

A LOS II is established when the current rate of resource use will deplete the resource before its capacity can be increased. When this condition occurs, the rate of resource depletion must be decreased to avoid exceeding the resource capacity. This may be accomplished through infrastructure improvements to increase the

availability of resources, conservation, growth-management techniques, or a combination of measures. If a funding decision cannot be made, for a variety of reasons, the Board of Supervisors may choose to enact development measures to increase the lead time for avoiding the deficiency. When the Board of Supervisors finds that a resource deficiency has been corrected, any ordinance that enacted development limitation measures should be repealed or allowed to expire. Applications would then be processed and reviewed as normal.

Level of Severity II is established when the rate of resource use must be decreased to avoid exceeding the resource capacity.

LOS II Procedure

At this level:

1. Department of Planning and Building staff advises the Board of Supervisors and the Planning Commission when the capacity of a particular resource is diminishing past the point of merely being a concern. The basis for this recommendation may come from:

   a. Completion of a previously ordered resource capacity study
   b. A monitoring program
   c. A Biennial Resource Summary Report, or
   d. Information developed for the Land Use Element update.

2. The Department of Planning and Building forwards an advisory memorandum to the Board of Supervisors. Upon review of the LOS II advisory memorandum, the Board evaluates the data upon which the recommendation is based, and forwards the memorandum to the Planning Commission for a public hearing on the recommendation. The Board may also initiate a resource capacity study if more complete information is needed.

3. If the advisory memorandum is sent to the Planning Commission for a public hearing, then the Commission recommends an appropriate course of action to the Board of Supervisors. Commission review must be completed and reported to the Board within a maximum of 40 days from the first Commission hearing date.

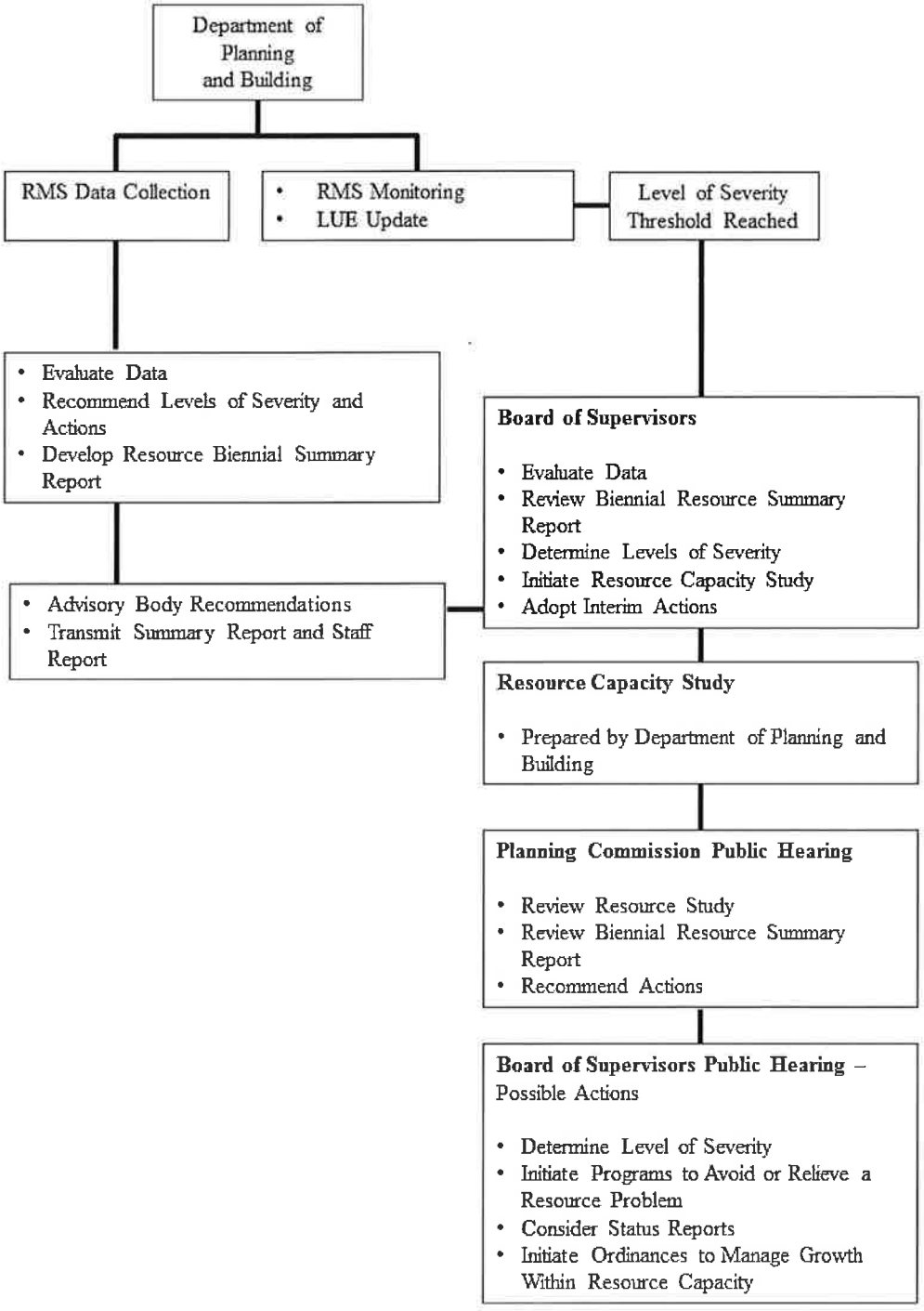
4. Upon receipt of the Planning Commission recommendation, the Board of Supervisors holds a public hearing to consider relevant resource data and public testimony, determine whether LOS II and the resource capacity study should be certified, and implement the actions recommended in the study.

5. If the Board determines that LOS II does not exist, staff is directed to either continue monitoring the resource and report back to the Board; terminate monitoring; or take other action the Board finds appropriate.

Chapter 3 of Framework for Planning (Inland) – Resource Management System – Planning Commission Recommendation - Clean

Figure 3-1

RESOURCE MANAGEMENT PROCESS



Chapter 3 of Framework for Planning (Inland) – Resource Management System – Planning Commission Recommendation - Clean

LOS III: Resource Capacity Met or Exceeded

In general, LOS III is established when the capacity (maximum safe yield) of a resource has been met or exceeded. However, in the case of water supply, Level of Severity III occurs when projected water demand over 15 years meets or exceeds the dependable supply, or when there is not enough time to correct the problem before the dependable supply is reached. At LOS III, there is a deficiency of sufficient magnitude that immediate actions may be needed to protect public health and safety. While the intention of the RMS is to avoid reaching LOS III through the proactive management of a resource, it is still possible that such a situation may occur.

With the exception of Water Supply, Level of Severity III is established when the capacity of a resource has been met or exceeded.

LOS III Procedure

The procedure for a LOS III alert is as follows:

1. An advisory memorandum is sent to the Board of Supervisors for consideration and referral to the Planning Commission. The basis of this memorandum shall come from completion of a previously ordered resource capacity study, monitoring program, Biennial Resource Summary Report, or information developed from the LUE update. The Board evaluates the advisory memorandum and the data upon which it is based. The Board should consider whether there is a need to adopt appropriate interim actions.
2. The Planning Commission holds a public hearing on the advisory memorandum. The Commission has a maximum of 40 days to hold the public hearing and report to the Board.
3. After receiving the Planning Commission report, the Board holds a public hearing to consider relevant resource data and public testimony, determine whether LOS III and the resource capacity study should be certified, and consider implementation of the actions recommended in the study.

Resource Management System Coordination

Resource inventories and resource capacity studies should clearly describe short and long-term capital improvement programs that can improve the availability of the resource. Detailed feasibility studies need to be funded to evaluate alternatives and make recommendations for the preferred capital improvement program(s) that can be permitted, funded, and constructed.

Resource capacity studies are to be forwarded to the Local Agency Formation Commission (LAFCo) for its use when considering requests for expansion of spheres of influence and spheres of service, or when considering proposed annexations to any incorporated cities. Because LAFCo definitions of "sphere of service" and "sphere of influence" correspond to the LUE definitions of urban service line and urban reserve line, respectively, such coordination is necessary to support orderly urban expansion.

Coordination between service agencies and the LUE is mandated by the Government Code (Section 65401) requirement that agencies involved in evaluating, planning or constructing major public works annually provide the County with a list of their proposed projects. The County must then prepare "...a coordinated program of proposed public works for the ensuing fiscal year." The coordinated program is then submitted to the County Planning Commission for review and a report "...as to conformity with the adopted general plan or part thereof." Participation of relevant service agencies and companies in the RMS System is encouraged to

coordinate solutions to resource problems, particularly through the capital improvement program process, also described in Chapter 8.

F. RESOURCE MANAGEMENT ISSUES, CRITERIA FOR LEVELS OF SEVERITY, AND RECOMMENDED ACTIONS

Resource Management Techniques

The methods used in the management of new growth are a) the distribution of land use categories in the LUE b) development standards in the LUO which are intended to ensure compatibility between different types of land use, and c) establishment of growth limitations in the Growth Management Ordinance, Title 26 of the County Code. It is important to recognize that the County often does not have authority over the resource or service in question. In these instances, collaboration with other agencies is essential to conserving or expanding the resource. Issues of water supply, wastewater and water systems will almost always include cooperative approaches between the County (with authority over land use and building) and the service provider (with authority over provision of water or wastewater service).

The capital improvement program also plays an important role in growth management because it determines the timing of new or expanded public facilities (such as roads, water supply and wastewater disposal systems) which enable new development at the densities planned by the LUE. There are also a variety of growth management techniques which may be appropriately used by local governments where resource limitations affect the normal operation of the private land development process.

The LUE is not intended to predetermine which techniques would be appropriate in a specific situation, since resource capacity problems can vary widely. The choice of any implementing actions is made by the Planning Commission and Board of Supervisors based on the particular resource capacity problem. Implementation of restrictions will occur after a public hearing and adoption of an ordinance to enact specific measures in a defined area. Techniques for correcting local problems are evaluated in the area plan resource inventories, advisory memoranda and resource capacity studies prepared at LOS I, II and III.

Some representative examples of methods that could be used to conserve resources and effectively intervene in different situations are summarized in the following list:

1. Density limitations to limit the number of people that could potentially reside in an area.

2. Building intensity or use limitations that would limit the potential scale and intensity of nonresidential development.

3. Target ceiling for the maximum population that could reside within resource capacities, with a limit on the corresponding number of building permits.

4. Controls on the rate of new development and subdivisions to provide more lead time for resource management decisions and for funding to be programmed where it is feasible, by limiting the annual number of permits, or to sustain growth longer under a population ceiling.

5. Phasing policies on the extension of services such as sewage disposal, and on recommended annexations.

6. Locating public improvements to influence the location and direction of growth where resources are identified to be more adequate.

7. Scheduling public capital expenditures to influence growth into more desirable areas with resource availability.

~~8.~~ Retirement of lots or development rights, or combining lots in areas with resource capacity problems.

9. Development impact fees to provide funding for necessary public facilities that will minimize the impacts of growth.

10. Revising the metric or timeframe being measured (e.g. Avila Beach Drive traffic count).

If a growth management limitation is considered as an amendment of the county's general plan or its enacting ordinances (LUO and Subdivision Ordinance), the Government Code requires specific findings concerning the efforts the county is making to implement its Housing Element and the public health, safety and welfare considerations that justify reducing the housing opportunities of the region (Government Code Section 65302.8). The State's zoning and subdivision laws include provisions that cities and counties implementing these State laws through enacting ordinances and other actions must consider their effects upon the housing needs of the region (Government Code Sections 65863.6, 65913.2, and 66412.2). The laws further require cities and counties to balance the housing needs of the region against the needs of their residents for public services and the available fiscal and environmental resources (Government Code Sections 65863.6 and 66412.2).

General Recommended Actions for Levels of Severity

When the Board of Supervisors finds that a level of severity exists, it considers and institutes any or all of the following or other actions as needed. These general actions are in addition to the more specific recommended actions for each resource as listed in the following section.

LOS I Recommended Actions

If sufficient progress is not made toward alleviating the level of severity, the Board of Supervisors may adopt an appropriate action such as the following

1. Funding of projects necessary to address the resource problem.

2. In the case of special districts, recommend to LAFCo that annexations that increase demand for the affected resource address the resource problem prior to approval.

3. The Board may impose conservation measures within the service area.

LOS II Recommended Actions Requirements

In addition to the preceding action requirements for LOS I, the Board may adopt land use policies that respond to a delay in funding for a necessary project such as the following:

1. Manage the rate of resource depletion within the affected community or area to extend the availability of the resource until such time as the project will provide additional resource capacity.

2. Initiate appropriate financing mechanisms to recover the project cost including, but not limited to, capital improvement bonds, assessment districts, developer fees, etc.

3. Use RMS information to evaluate the appropriate scale and timing of discretionary projects within the remaining resource capacity to determine whether they should be approved.

4. Enact restrictions on further land development in the area that is affected by the resource problem.

5. Enact adjustments to land use categories so that they will accommodate no more than the population which can be served by the remaining available resource, or redirect growth to communities or areas that have available resource capacity.

6. Give a higher priority to serving existing and strategically planned communities with adequate resources, streets and infrastructure, over outlying rural areas.

LOS III Recommended Actions

In addition to the preceding actions action requirements in addition to those for LOS I and II, the Board may institute measures such as the following:

1. Institute appropriate measures (including capital improvement programs) to correct the critical resource deficiency, or at least restore LOS~~I~~ II so that severe restrictions will be unnecessary. In many cases, other agencies or districts will control decisions about necessary measures. The Board of Supervisors shall only seek cooperative assistance for a certain time period, beyond which measures may be considered to enact County ordinances or standards affecting resource usage such as development restrictions.

2. Adopt growth management or other urgency measures to initiate whatever restrictions are necessary to minimize or halt further resource depletion. Restrictions enacted by means other than an urgency ordinance shall be reduced or removed after a public hearing at which the Board of Supervisors determines that LOS III no longer exists and any dangers to public health or safety have been eliminated.

3. Enact a moratorium on land development or other appropriate measures in the area that is affected by the resource problem until such time that the project provides additional resource capacity to support such development.

Issues, LOS Criteria and Recommended Actions by Resource

As resources are studied to identify their capacities and rates of use, several countywide resource policy issues become apparent. Their importance demands careful scrutiny and evaluation of alternatives. While the RMS has been designed to support improvement of local situations, long-term solutions may not be possible unless broader issues are also resolved.

Those issues are presented here only to indicate some of the major resource questions that will be facing the county in the near future. More specific resource capacity information is included in the area plans. This chapter, including the following descriptions of those issues, shall not be considered in evaluating individual development proposals or questions of land division consistency.

Each resource has unique characteristics that require a varied approach to establishing the levels of severity. For each resource, this section describes policy issues, criteria to identify when each level of severity is reached, and recommended actions. Each resource topic also includes recommended subjects for resource capacity studies that will be prepared through the RMS advisory process.

Water Supply Policy Issues

The water resources that serve the County are replenished through rainfall, the amount of which can vary significantly from year to year, or through imported water supplies. The County's water resources can be classified into the three categories below:

1. Local groundwater basins (e.g. Los Osos, Santa Maria, Paso Robles);
2. Local surface water storage and associated distribution facilities (Lopez Lake, Whale Rock reservoir, Santa Margarita Lake, Lake Nacimiento), and
3. State Water Project.

Water supplies in the county often are not geographically located in areas of water demand, and water delivery systems are not completely interconnected. Excess water in one part of the county often cannot reach those areas where it is needed without water transfers or system upgrades.

The County has limited authority to directly regulate the use of water; other tools must be identified and used to address water supply issues. Besides water conservation, management of the location, density and rate of development can minimize the increased use of groundwater and provide lead time for developing supplemental sources. However, land use measures alone can be limited as effective water management tools because they primarily affect new development.

The most basic policy issues in the County General Plan regarding county water resources are:

1. Efficient use of our existing water supplies;
2. Identifying new water resources that can be developed;
3. Maintaining groundwater for agricultural purposes per AGP11in the Agriculture Element; and
4. Improving how water is distributed.

The Conservation and Open Space Element of the County General Plan (COSE) guides what new water resources should be developed. It prioritizes water efficiencies over development of new water supplies.

The policies in the COSE include:

a. Development of new water supplies should focus on efficient use of our existing resources.

b. Use of reclaimed water, interagency cooperative projects, desalination of contaminated groundwater supplies, and groundwater recharge projects should be considered prior to using imported sources of water or seawater desalination, or dams and on-stream reservoirs.

In order to achieve strategic growth, adequate services such as water and wastewater need to be available in the urban areas where development is encouraged.

In support of the basic policy issues above and in order for continued development in the unincorporated area to be consistent with these policies, Chapter 1 of the Framework for Planning describes strategic growth and its eleven planning principles.

Strategic growth is a compact, efficient and environmentally sensitive pattern of development that provides people with additional travel, housing and employment choices. It focuses future growth away from rural areas and limited resources, closer to existing and planned job centers and public facilities where sustainable resources are available.

The General Plan acknowledges that groundwater is vital to the continued success of the agricultural sector. A policy in the Agriculture Element of the General Plan states:

AGP11: Agricultural Water Supplies.

a. Maintain water resources for production agriculture, both in quality and quantity, so as to prevent the loss of agriculture due to competition for water with urban and suburban development.

The policies mentioned above work cooperatively to:

1. Maintain groundwater for agriculture.
2. Ensure water service is available to the urbanized areas of the county; and
3. Support efficient use of water resources.

The question of agricultural and urban water use is likely to become more important over time because urban and agricultural users most often draw from a single groundwater source, and agriculture generally requires significantly more water than urban use. The Conservation and Open Space Element includes a policy that groundwater management strategies give priority to agricultural operations.

The county's primary groundwater basins that provide water to urban, rural and agricultural users are all designated LOS III: Los Osos, Santa Maria (only the portion known as the Nipomo Mesa Water Conservation Area), Paso Robles, San Simeon, and Santa Rosa). The resource capacity studies prepared for these basins identified multiple users of each basin: urban, rural and agricultural. Because the County's authority to directly regulate the use of water is limited, other tools must be identified and used to address water supply issues. The response to the LOS designation has been similar in each basin: 1) institute land use measures that allow continued urban development without increasing water demand; 2) develop an overall management plan to address water problem over the long term; and 3) implement water conservation programs.

While it is important to carefully analyze the water problems and potential solutions through the preparation of a resource capacity study, this process can take a long time to complete. In the meantime, water supply and demand can become more unbalanced, leading to groundwater basin overdraft or growing system reliability issues. The resource capacity study process can address this problem by looking at a series of standard

solutions that are used in other areas of the county.

Water Demand and Dependable Supply

Water Demand
Water demand can be defined as the total amount of water used by all sectors in a water service area or groundwater basin over a period of time. Water demand is usually expressed in acre-feet per year (afy).

The California Water Plan (2013) defines water demand as:

> *The desired quantity of water that would be used if the water were available and if a number of other factors, such as price, did not change. Demand is not static.*

Water demand in a service area or groundwater basin is calculated for all types of water users or sectors. The calculation of water demand in the RMS differs depending on what types of water users exist in the study area. For example, in the Paso Robles Groundwater Basin, water use sectors include:

- Municipal: This sector includes such jurisdictions as the City of Paso Robles and the Templeton Community Services District. The municipal water users are the only sector that meters water use and provides accurate water demand figures.

- Rural Residential: This sector is made up of residential demand outside Urban Reserve Lines and is made up almost totally of individual wells. No accurate meter readings are available from these individual water users so demand is estimated using demand assumptions. Demand assumptions are usually divided into indoor and outdoor water demand. Per capita indoor demand for new residences is relatively easy to calculate using the recently adopted Cal green building standards.

Outdoor water use is far more difficult to estimate as there are no standards to try to apply. Also, outdoor water use is chiefly dependent upon climate: coastal communities use approximately 30% of water outdoors and north county communities use approximately 60% to 65% of water use outdoors due to the differences in their climates.

- Small Community/Commercial: This sector combines small commercial water users such as wineries and golf courses with the small community systems such as Whitley Gardens and Garden Farms. The commercial sector does not report water use, so all winery water use in the basin is estimated using assumptions of gallons of water per case of wine. Small community systems do meter water use and usually report it to the County.

- Agriculture: The agricultural sector is the largest user in the basin. Demand in this sector is estimated using evapotranspiration rates of different crops and calculations of applied water requirements for the various crop types. There is also some data available from water studies conducted in the area.

Chapter 3 of Framework for Planning (Inland) – Resource Management System – Planning Commission Recommendation - Clean

Dependable Supply
The California Department of Water Resources defines dependable yield (supply):

> *The average quantity of water that can be extracted from an aquifer or groundwater basin over a period of time (during which water supply conditions approximate average conditions) without resulting in adverse effects such as subsidence, seawater intrusion, permanently lowered groundwater levels of degradation of water quality.*

The definition has several parts to it. First, it is expressed as an average and requires a period of time, not just one yearly data point. Second, it assumes average conditions, which take many years to establish. Lastly, it requires a finding that no adverse effect has resulted. Examples of adverse effects in our groundwater basins include seawater intrusion in the Los Osos Groundwater Basin and lowered groundwater levels in the Paso Robles Groundwater Basin (although the permanency of the groundwater decline has not yet been established).

Lastly, there are other similar terms used in groundwater studies such as perennial yield, safe yield and in the Los Osos Basin Management Plan, sustainable yield. It's important to use consistent terms and also to define the term that is used.

Water Supply Level of Severity Criteria and Recommended Actions

Table F
Water Supply: Level of Severity Criteria and Recommended Actions

Level of Severity	Criteria	Recommended Actions
I	Water demand projected over 20 years equals or exceeds the estimated dependable supply. LOS I provides five years for preparation of resource capacity studies and evaluation of alternative courses of action.	Institute a vigorous and verifiable water conservation program, if appropriate.
II	Water demand projected over 15 to 20 years (or other lead time determined by a resource capacity study) equals or exceeds the estimated dependable supply.	1. Institute a vigorous and verifiable water conservation program. Consider requiring replacement with low flow fixtures upon sale or remodel of properties. 2. Develop a written plan for actions to be implemented to address the situation. 3. Evaluate projects and programs that will increase water supply and/or reduce water demand.
III	Water demand projected over 15 years (or other lead time determined by a resource capacity study) equals or exceeds the estimated dependable supply OR The time required to correct the problem is longer than the time available before the dependable supply is reached.	1. Institute a vigorous and verifiable water conservation program. Consider requiring replacement with low flow fixtures upon sale or remodel of properties. 2. Either cease issuing building permits in the affected area or

		establish a program of water offsets that requires a measurable and sustainable water reduction in the affected area for both domestic and agricultural water as a condition of issuing a permit. 3. All new groundwater wells or replacement wells shall be metered and water use shall be monitored by the property owner and reported to the County. 4. Implement or continue implementation of projects and programs which will increase water supply and/or reduce water demand.

Water Supply Resource Capacity Study:

A Resource Capacity Study should: 1) inventory existing water resources available to the agency operating the system and/or within the groundwater basin boundaries; 2) document existing demand for water by all area user-groups; ~~and~~ 3) explore any conservation measures that could reasonably be imposed by the water agency or applicable regulatory authority; and 4) identify water sources that may be connected or transferred to areas in need.

Water supply studies have been conducted since 2008 for the Los Osos, Santa Maria (Nipomo Mesa Management Area) and Paso Robles groundwater basins. Los Osos is in the process of court-ordered adjudication, and the Nipomo Mesa Management Area has been adjudicated. The adjudications have resulted in cooperative groundwater management plans and discussion of importing supplemental water. The County's authority to regulate extractions from groundwater basins is limited, so it instead uses its land use and building permit authorities to address new development's demand for water.

Water Systems: Level of Severity Criteria and Recommended Actions

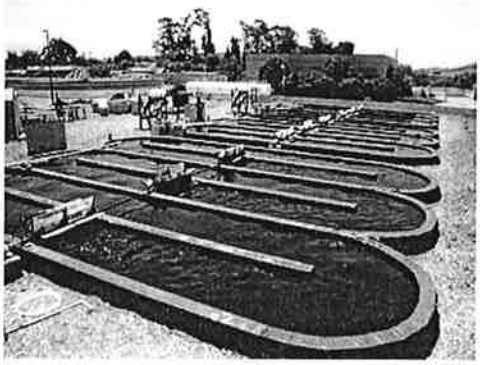
A water system is an infrastructure facility that delivers water to an end user. The water may be either potable or non-potable depending on the needs of the end user. Examples of components associated with a water system include, but are not limited to, extraction groundwater wells, well-head treatment facilities, pumping stations, water treatment facilities, water storage tanks, piping and canal conveyance systems, dams and associated appurtenances, backflow preventers, pressure regulating systems, and other associated infrastructure.

Chapter 3 of Framework for Planning (Inland) – Resource Management System – Planning Commission Recommendation - Clean

Table G
Water Systems: Level of Severity Criteria and Recommended Actions

Level of Severity	Criteria	Recommended Actions
I	The water system is projected to be operating at the design capacity within seven years. Two years would then be available for preparation of a resource capacity study and evaluation of alternative courses of action.	Institute a vigorous and verifiable water conservation program, if appropriate.
II	A five-year or less lead time (or other lead time determined by a resource capacity study) needed to design, fund and construct system improvements necessary to avoid a LOS III problem.	1. Institute a vigorous and verifiable water conservation program. Consider requiring replacement with low flow fixtures upon sale or remodel of properties. 2. Develop a written plan for actions to be implemented to address the situation.
III	Water demand equals available capacity: a water distribution system is functioning at design capacity or will be functioning at capacity before improvements can be made. The capacity of a water system is the design capacity of its component parts: storage, pipelines, pumping stations and treatment plants.	1. Institute a vigorous and verifiable water conservation program. . Consider requiring replacement with low flow fixtures upon sale or remodel of properties. 2. Either cease issuing building permits in the affected area or establish a program of water offsets that requires a measurable and sustainable water reduction in the affected area for both domestic and agricultural water as a condition of issuing a permit. 3. Begin implementation of an action plan.

Wastewater Policy Issues



As our communities are expected to handle a majority of the unincorporated area's population growth, installation and maintenance of wastewater facilities (including collection and disposal) is a vital link in the county's infrastructure.

Wastewater treatment and disposal can affect such resources and services as water quality, community development and groundwater recharge. The county's urban areas rely chiefly on

wastewater treatment plants that in many cases recharge groundwater basins with treated effluent. The rural areas of the county (and a very limited number of urban and village areas) rely on septic tank and leach field disposal methods. Similar to wastewater treatment plants, leach fields can also recharge groundwater. These benefits of wastewater service need to be maintained when new or expanded wastewater treatment facilities are planned.

Expanded wastewater service can have two divergent effects on water supply. Wastewater treatment, collection and disposal facilities can affect both quality and quantity of groundwater. Wastewater effluent can be used in lieu of potable water sources for outdoor landscaping, agricultural irrigation, and groundwater recharge. If wastewater treatment is not appropriate for the site or density of development, it can have negative groundwater quality effects (e.g. nitrates).

A second group of concerns relating to wastewater treatment and disposal involves urban infill development and expansion. A new or expanded wastewater system can induce growth into areas not planned for higher densities. On the other hand, a lack of wastewater facilities can prevent strategically planned infill development or expansion of communities. It is important to consider that growth potential can be created if sewers are constructed where none formerly existed. Decisions to construct major sewer truck lines or treatment facilities can have substantial impacts on lands traversed by new lines or in proximity to a treatment plant. The growth-inducing effects of such facility improvements must be considered in ongoing planning efforts to enable conscious land use policy decisions about the potential long-range effects of facility improvements. The extension of sewers into heretofore unsewered areas should occur in a manner consistent with the Strategic Growth Principles of the Framework for Planning.

The County does not generally have authority over wastewater treatment and disposal facilities (except in isolated cases). However, the County closely reviews wastewater project proposals by other agencies. Review and coordination enables the County to anticipate and accommodate or mitigate the effects of such projects. Such review is possible through a cooperative approach with the Regional Water Quality Control Board (RWQCB).

The RWQCB issues permits for wastewater treatment and disposal facilities. Wastewater discharges to surface waters require a National Pollutant Elimination System (NPDES) Permit. Treated wastewater discharges using land disposal are regulated using permits referred to as "Waste Discharge Requirements (WDRs). These permits have standard requirements that include submittal of a technical report prepared with public participation and reviewed and approved by all agencies having jurisdiction over the waste collection, treatment, or disposal facilities.

The required technical report includes:

a) the best estimate of when the monthly average daily dry weather flow rate will equal or exceed design capacity; and,

b) a schedule for studies, design, and other steps needed to provide additional capacity for waste treatment and/or disposal facilities before the waste flow rate equals the present design capacity.

Chapter 3 of Framework for Planning (Inland) – Resource Management System – Planning Commission Recommendation - Clean

Wastewater: Level of Severity Criteria and Recommended Actions

Table H
Wastewater: Level of Severity Criteria and Recommended Actions

Level of Severity	Treatment Plant Criteria	Recommended Actions
I	The service provider or RWQCB determines that monthly average daily flow will or may reach design capacity of waste treatment and/or disposal facilities within 4 years. This mirrors the time frame used by the RWQCB to track necessary plant upgrades.	Discuss progress on necessary plant expansions with the service provider and/or the RWQCB. The purpose of the discussions is to ensure continued availability of wastewater service for development projects that are consistent with County General Plan policies, including strategic growth and affordable housing projects.
II	RWQCB determines that the monthly average daily flow will or may reach design capacity of waste treatment and/or disposal facilities within 2 years.	Discuss progress on necessary plant expansions with the service provider and/or the RWQCB. The purpose of the discussions is to ensure continued availability of wastewater service for development projects that are consistent with County General Plan policies, including strategic growth and affordable housing projects.
III	Peak daily flow equals or exceeds the capacity of a wastewater system for treatment and/or disposal facilities.	Support RWQCB actions that seek to expand plant capacities and reduce levels of severity. Use appropriate growth management techniques to ensure continued availability of services for projects consistent with the County General Plan (e.g. strategic growth and affordable housing projects).
	Wastewater Collection System Criteria	
I	2-year projected flows equal 75% of the system capacity. A 2-year period is recommended for the preparation of resource capacity study.	Discuss progress on necessary system upgrades with the service provider.
II	• System is operating at 75% capacity OR • The five-year projected peak flow (or other flow/time period) equals system capacity OR • The inventory of developable land in a community would, if developed, generate enough wastewater to exceed system capacity.	Discuss progress on necessary system upgrades with the service provider.
III	Peak flows fill any component of a collection system to 100% capacity.	Discuss progress on necessary system upgrades with the service provider.

1. A wastewater collection system includes facilities that collect and deliver wastewater to a treatment plant for treatment and disposal (sewer pipelines, lift stations, etc.)

Chapter 3 of Framework for Planning (Inland) – Resource Management System – Planning Commission Recommendation - Clean

Wastewater: Resource Capacity Study

A Resource Capacity Study is prepared by the Department of Planning and Building with the assistance of the service provider and the RWQCB. The study should:

Inventory annual flows into the wastewater treatment plan;

- Identify any additional capacity consistent with anticipated growth projections that may be available for new connections without creating water quality problems;
- Determine potential effects of water consumption reductions on long-term plant capacity;
- Estimate timing of plant expansion.

Table I
Septic Tank Systems: Level of Severity Criteria and Recommended Actions

Level of Severity	Criteria	Recommended Actions
I	Failures occur in 5% of systems in an area or other number sufficient for the County Health Department to identify a potential public health problem.	Consult with County Health and RWQCB on actions and monitor.
II	Failures reach 15% or monitoring indicates that conditions will reach or exceed acceptable levels for public health within the time frame needed to design, fund and build a project that will correct the problem, based upon projected growth rates.	Evaluate alternatives to septic systems such as a public sewer system, a community septic system maintenance program, or a collection and disposal system to existing on-site treatment tanks.
III	Failures reach 25% of the area's septic systems or the County Health Department and RWQCB find that public health is endangered.	Design, fund and construct a public sewer system or a collection and disposal system to replace existing on-site treatment tanks. Initiate a septic system maintenance program.

1. Includes septic tank systems or small aerobic systems with subsurface disposal. Typical disposal systems include leach fields, seepage pits, or evapotranspiration mounds.

Septic Tank Systems: Resource Capacity Study:

The resource capacity study should include the following:

- Inventory the extent of existing septic tank leaching field failures and their potential water quality impacts on surface and groundwater;
- Identify the locations where septic tanks can be approved (if any) and standards for such approval;
- Evaluate the need for alternative methods of wastewater disposal, including community or package sewer treatment systems.

In areas with septic systems, identifying specific severity levels can be difficult. The Regional Water Quality Control Board (RWQCB) has primary responsibility for protecting groundwater resources and surface water bodies from wastewater pollution. The control board's "Water Quality Control Plan" notes that septic systems are sometimes seen as an interim wastewater disposal in urbanizing areas, but must often function for years before a community sewer system becomes available. The County Health Department works closely with the RWQCB in determining where potential septic problem areas may exist (i.e., increased septic system density, poor soils, high groundwater). The Health Department and RWQCB use the following criteria to identify septic system failures:

- Evidence of wastewater, or waters of wastewater origin on the ground surface;
- Plumbing fixtures that drain improperly because of a problem in individual subsurface disposal systems;
- Frequent pumping of subsurface wastewater systems for reasons other than normally scheduled maintenance;
- Persistent odors traceable to any individual subsurface wastewater system(s);
- Pollution of wells or underlying groundwater that is attributable to septic systems;
- Restricted use of plumbing fixtures to prevent occurrence of criteria one through five above.

In areas where soil percolation characteristics particularly favor the use of septic disposal fields, other problems can arise, including degradation of groundwater by nitrate buildup. That condition is of particular concern where septic systems are used over a groundwater basin serving as a community water supply. The RWQCB recommends that monitoring of surface and groundwater should be initiated to determine whether such problems are developing. Such a program would constitute a LOS I resource capacity study.

Roads (Including Highway 101), Circulation, Highway Interchanges: Policy Issues

Traffic congestion occurs in many communities of the County because levels of development exceed the capacity of existing transportation facilities. As growth continues, the County will need to accommodate increased traffic by funding road and freeway improvements and by developing alternative programs to minimize impacts to these facilities.

Roads and freeway improvements are completed through various funding mechanisms, including

1. Requirements of land use permits and land divisions
2. Traffic impact fee programs
3. State or Federal funds
4. County or property owner-initiated assessment districts
5. Countywide sales tax increase
6. Countywide motor vehicle fuel tax

The County General Plan Circulation Element includes several goals and objectives to address the timing and funding of circulation improvements, including:

- Planning transportation improvements consistent with the land use patterns allowed in the County

January 27, 2015

Item 4

ATTACHMENT B

2012 -2014

Resource Summary Report

San Luis Obispo County General Plan

DRAFT

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January 9, 2015

Contents

Tables

Tables (cont'd)

Figures

I. INTRODUCTION

Scope and Purpose

This 2012-2014 biennial edition of the Resource Summary Report (RSR) covers the fiscal years July 2012 through June 2014. The report is based on information gathered from service providers, County agencies, reports from state or regional agencies, environmental impact reports for major projects, research for the Land Use and Circulation Element Update program, and personal communications with agency staff. Additional resource information is provided by staff of community services districts (CSD), school districts, other special districts and private water companies.

The primary purpose of the RSR is to provide a comprehensive biennial summary of the state of the County's natural and human-made resources. The RSR addresses the following resources: water (system and supply), wastewater treatment, roads and U.S. Highway 101 interchanges, parks, schools and air quality. Recommended actions in the RSR may also address resource use by existing development and recommend improvements to resource infrastructure and efficiencies.

Organization of the Resource Summary Report

The RSR's assessment of resources is divided into the following topics:

- Water Supply (including surface water and groundwater resources)
- Water Systems
- Wastewater Collection and Treatment (including septic systems)
- Roads and US Hwy 101 Interchanges
- Schools
- Parks
- Air Quality

The chapters following this introductory chapter provide an overview of the above resources, including a discussion of relevant environmental and regulatory issues and the current status of resources for each service provider. The criteria for assessing the levels of severity are explained, followed by recommended Levels of Severity.

The Resource Management System

The RSR is one of the key parts of the Resource Management System (RMS), which is described in Framework for Planning, Part I of the Land Use Element of the County General Plan. The RMS provides information to guide decisions about balancing land development with the resources necessary to sustain such development. To accomplish this goal, the RMS focuses on:

- Collecting data
- Identifying problems; and
- Helping decision-makers develop solutions.

When a resource deficiency becomes apparent, several courses of action are possible to protect the public health, safety and welfare:

- The resource capacity may be expanded;
- Conservation measures may be introduced to extend the availability of unused capacity;
- Resource efficiencies may be introduced;
- Development may be restricted or redirected to areas with remaining resource capacity.

In this way, the RMS addresses development in terms of appropriate distribution, location, and timing rather than growth versus no-growth.

Resource and Infrastructure Needs

San Luis Obispo County faces serious resource and costly infrastructure challenges. These challenges include protecting groundwater levels, securing new water supplies, constructing water distribution facilities, and funding improvements to major circulation facilities such as freeway interchanges. As people continue to be drawn to the Central Coast to enjoy our beaches, rural character and quality of life, a focused effort will continue to be needed to address these resource and infrastructure constraints.

Some of our communities and rural areas have both long and short-term resource and infrastructure needs. In the case of water supply, additional supplies are potentially available to some areas, but are not being used to the fullest extent (e.g. unallocated State and Lake Nacimiento project water). Providing for resource and infrastructure needs will require both well-considered policy choices and funding of important infrastructure.

What's New In this Resource Summary Report?

In addition to providing an updated analysis of the various resources and recommended Levels of Severity, the 2012-2014 RSR differs from the 2010-2012 RSR in a number of important aspects:

- The discussion of resources and Levels of Severity is organized by resource, rather than by areas of the county. Maps and illustrations are provided where necessary for geographic context.

- An analysis of resource constraints affecting the seven incorporated cities is not included. Although certain resources serving the cities also serve the County and its many unincorporated communities, decisions made by the cities are outside the jurisdiction of the County.

- Countywide resources associated with motor vehicle miles travelled, fuel and energy use, and greenhouse gas emissions are not included because data used to generate these analyses are no longer available from Caltrans. These issues will continue to be addressed by the Conservation and Open Space Element of the County General Plan and by the County's EnergyWise Plan (climate action plan).

- The Board of Supervisors recently revised the criteria used for assessing the Levels of Severity. The revised criteria are discussed below under *Criteria for Determining Levels of Severity*.

How Was Information Gathered for this Report?

The information and data gathered for this report are requested and received from the relevant service providers and agencies and are also derived from various planning documents. Information in this report has been provided on a completely voluntary basis by service providers; as such, the report reflects the most accurate information provided to date.

Population

Population forecasts in the RSR are derived from projections prepared by the San Luis Obispo Council of Governments (SLOCOG) in July 2014.

Building Permit Data

Information regarding the number, type and distribution of building permits for residential development issued for the past two years are provided by the Department of Planning and Building.

Water System, Supply, Usage & Rates

Each July, the Public Works Department asks water suppliers and water system operators throughout the County to report on water demand and supply for their jurisdiction[1]. Staff contacts service providers who have not submitted the requested information within the requested timeframes.

As the RSR reporting system is voluntary, service providers are not obligated to respond to requests for information; however, many do. As a result, data gaps in the RSR may occur each year if requested information is not provided. The cooperation and participation of the service providers who do respond each year is greatly appreciated.[2]

Wastewater Collection and Treatment (Including Septic Systems)

The San Luis Obispo County Planning and Building Department requests information from wastewater system operators via a standard form and from the Regional Water Quality Control Board.

Roads and U.S. 101 Interchanges

The San Luis Obispo County Public Works Department provides updated information on roads and U.S. Highway 101 interchanges. In 2009, the Board of Supervisors directed staff to include the condition of interchanges in the unincorporated communities along the U.S. Highway 101

[1] In 2014 33 water providers participated in the reporting program, 33 providers participated in 2012, 28 providers participated in 2011, 26 providers participated in 2010, and 31 providers participated in 2009.

[2] Information on current water use, historical water use and water rates are taken from the Water System Reports submitted to the Public Works Department on a fiscal year basis.

corridor in the RSR. The results of these analyses may be found in the applicable section of this report. Additional interchanges may be evaluated in subsequent years.

Schools

County staff requests each school district to provide enrollment and capacity information for the past two school years: 2011-2012 and 2012-2013.

Parks

Planning staff coordinates with San Luis Obispo County Parks staff in preparing this report. Park acreage and needs are derived from the Parks and Recreation Element of the County General Plan, with updates on current developments provided by Parks staff.

Air Quality

The assessment of air quality is provided by the staff of the San Luis Obispo Air Pollution Control District.

County Population and Building Permit Data

The demand for resources is proportional to the current and future populations to be served. An estimate of future demand must account for the demand associated with new residential development that has received final building permit approval but has yet to be constructed. Population and building permit data provide an important context for the consideration of resources and resource constraints.

County Population

Table I-1 provides an estimate of the County's current (2014) and projected future population estimated by the San Luis Obispo Council of Governments for regional planning purposes. Future population is provided in five-year increments beginning in 2015 and continuing into the future to the year 2040. The seven incorporated cities in San Luis Obispo County (Arroyo Grande, Atascadero, Grover Beach, Morro Bay, Paso Robles, Pismo Beach and San Luis Obispo) account for approximately 55% of the county's total population (2010 Census). The population of the unincorporated County is concentrated the urban areas of Avila Beach, Cambria, Cayucos, Los Osos, Nipomo, Oceano, Santa Margarita, San Miguel, Shandon and Templeton.

Table I-1 -- Estimate of Present (2014) and Future County Population

	2010 US Census	2014	2015	2020	2025	2030	2035	2040
Cities	148,307	150,401	150,924	155,455	159,548	164,680	169,859	175,179
Unincorporated Areas	104,324	105,452	105,734	108,061	112,565	118,212	123,914	129,768
Population In Group Quarters	17,006	17,006	17,006	17,006	17,006	17,006	17,006	17,006
Total County	**269,637**	**272,859**	**273,664**	**280,522**	**289,119**	**299,898**	**310,779**	**321,953**

Source: SLOCOG, 2014

Building Permits for Residential Development

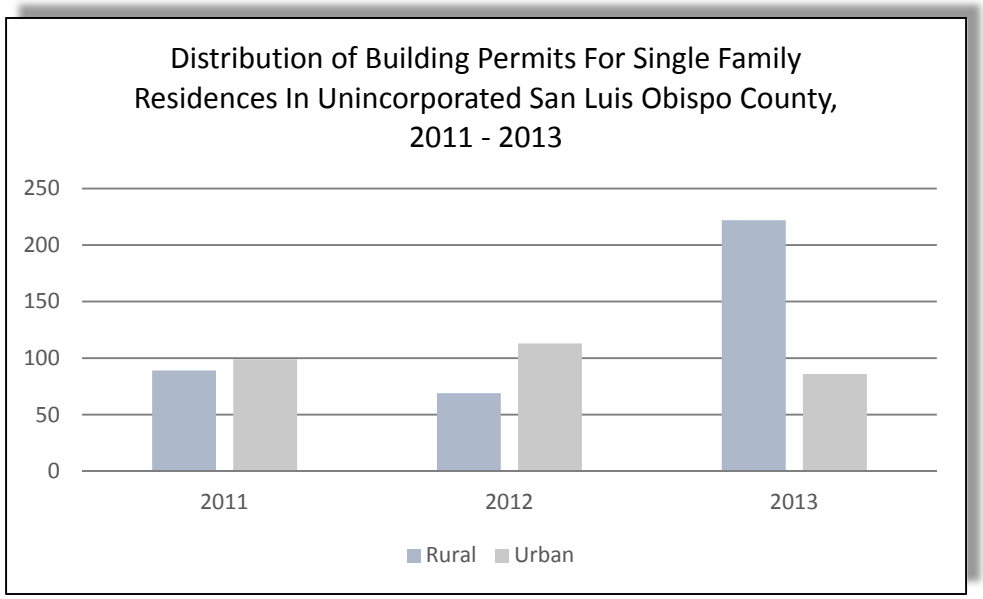
Table I-2 shows the number of building permits 'finaled" for new (or replaced) single family residences in the unincorporated County between 2000 and 2013, divided between those issued in urban versus rural areas. As shown in Table I-2 and Figure I-1, urban areas of the unincorporated County have received the largest proportion of new residences, an average of 59% urban versus 41% rural over the past 13 years. The year 2013 appears to be an anomaly with only 28% of new residences constructed in the urban areas.

Table I-2 -- Building Permits "Finaled" For Single Family Residences In the Unincorporated County, 2000 - 2013

Year	Rural	Urban	Total	% of Urban Dwelling Units
2000	277	493	770	64%
2001	230	651	881	74%
2002	366	521	887	59%
2003	327	541	868	62%
2004	437	683	1120	61%
2005	372	661	1033	64%
2006	385	521	906	58%
2007	283	512	795	64%
2008	304	422	726	58%
2009	54	72	126	57%
2010	93	144	237	61%
2011	89	99	188	53%
2012	69	113	182	62%
2013	222	86	308	28%
TOTAL	**3,508**	**5,519**	**9,027**	**59%**

Source: San Luis Obispo County Department of Planning and Building

Figure I-1 – Distribution of Building Permits for Single Family Residences



Source: San Luis Obispo County Department of Planning and Building

A key policy of the County General Plan is to direct development to existing and strategically planned communities. In addition, a key element of the SLOCOG's 2014 Regional Transportation Plan – Sustainable Communities Strategy (RTP-SCS) is to encourage development in existing urbanized areas with access to existing businesses and services.

Levels of Severity

The RMS uses three alert levels called *levels of severity* (LOS) to identify differing levels of resource deficiencies.

- **Level I** is the first alert level and occurs when sufficient lead time exists either to expand the capacity of the resource or to decrease the rate at which the resource is being depleted.

- **Level II** identifies the crucial point at which some moderation of the rate of resource use must occur to prevent exceeding the resource capacity.

- **Level III** occurs when the demand for the resource currently equals or exceeds its supply and is the most critical level of concern. In the case of water supply, LOS III occurs when either the demand projected over 15 years (or other lead time determined by a resource capacity study) equals or exceeds the estimated dependable supply, or the time required to correct the problem is longer than the time available before the dependable supply is reached. The County should take a series of actions to address resource deficiencies before Level III is reached.

The RMS identifies a variety of steps which can be taken by the Board of Supervisors when it is determined that a resource has reached a particular LOS.

It is important to distinguish between "recommended" LOS and LOS that have been certified by the Board of Supervisors. All LOS are initially the recommendations of staff based on information provided by the various service providers or recommendations from the Water Resource Advisory Committee (WRAC)[3]. These recommended LOS should be taken as general indicators of declining resource availability.

Potential solutions to declining resource availability, or "action requirements," are not automatically invoked in response to recommended LOS. If the Board of Supervisors determines that a particular resource situation is not being dealt with adequately, or that a failure to act could result in serious consequences, it sets in motion the certification process. Certification involves the completion of a *Resource Capacity Study* (RCS) which investigates the resource issue in more detail than the preliminary analysis which resulted in the "recommended" LOS. The RCS is the subject of public hearings by the Planning Commission and the Board of Supervisors. If the Board of Supervisors certifies a LOS, the appropriate “action requirements” are implemented.

Criteria for Determining Levels of Severity

The RMS defines LOS for the following resources:

- Water Supply (including groundwater and surface water)
- Water Systems
- Wastewater Collection and Treatment (including septic systems)
- Roads and Highway Interchanges

[3] The WRAC is composed of representatives of the various water resources stakeholders in the County and charged with the responsibility of advising the Board of Supervisors on water-related policy. The WRAC is composed of appointees from of each of the five supervisorial districts, as well as representatives of each of the seven cities, community services districts, resource conservation districts, agricultural, environmental and development interests, water agencies and institutions.

- Schools
- Parks
- Air Quality

The LOS for each resource are summarized below.

WATER SUPPLY

Level of Severity	Water Supply Criteria
I	Water demand projected over 20 years equals or exceeds the estimated dependable supply. LOS I provides five years for preparation of resource capacity studies and evaluation of alternative courses of action.
II	Water demand projected over 15-20 years (or other lead time determined by a resource capacity study) equals or exceeds the estimated dependable supply.
III	Water demand projected over 15 years (or other lead time determined by a resource capacity study) equals or exceeds the estimated dependable supply OR The time required to correct the problem is longer than the time available before the dependable supply is reached.

WATER SYSTEMS

Level of Severity	Water System Criteria
I	The water system is projected to be operating at the design capacity within seven years. Two years would then be available for preparation of a resource capacity study and evaluation of alternative courses of action.
II	A five-year or less lead time (or other lead time determined by a resource capacity study) needed to design, fund and construct system improvements necessary to avoid a LOS III problem.
III	Water demand equals available capacity: a water distribution system is functioning at design capacity or will be functioning at capacity before improvements can be made. The capacity of a water system is the design capacity of its component parts: storage, pipelines, pumping stations and treatment plants.

WASTEWATER TREATMENT

Level of Severity	Wastewater Treatment Criteria
I	The service provider or RWQCB determines that monthly average daily flow will or may reach design capacity of waste treatment and/or disposal facilities within 4 years. This mirrors the time frame used by the RWQCB to track necessary plant upgrades.
II	RWQCB determines that the monthly average daily flow will or may reach design capacity of waste treatment and/or disposal facilities within 2 years.
III	Peak daily flow equals or exceeds the capacity of a wastewater system for treatment and/or disposal facilities.

WASTEWATER COLLECTION SYSTEMS

Level of Severity	Wastewater Collection Criteria
I	2-year projected flows equal 75% of the system capacity. A 2-year period is Recommended for the preparation of resource capacity study.
II	System is operating at 75% capacity OR The five-year projected peak flow (or other flow/time period) equals system capacity OR The inventory of developable land in a community would, if developed, generate enough wastewater to exceed system capacity.
III	Peak flows fill any component of a collection system to 100% capacity.

1. A wastewater collection system includes facilities that collect and deliver wastewater to a treatment plant for treatment and disposal (sewer pipelines, lift stations, etc.)

SEPTIC SYSTEMS

Level of Severity	Septic Systems Criteria
I	Failures occur in 5% of systems in an area or other number sufficient for the County Health Department to identify a potential public health problem.
II	Failures reach 15% and monitoring indicates that conditions will reach or exceed acceptable levels for public health within the time frame needed to design, fund and build a project that will correct the problem, based upon projected growth rates.
III	Failures reach 25% of the area's septic systems and the County Health Department and RWQCB find that public health is endangered.

1. Includes septic tank systems or small aerobic systems with subsurface disposal. Typical disposal systems include leach fields, seepage pits, or evapotranspiration mounds.

ROADS

Level of Severity	Roads, Circulation Criteria
I	Traffic volume projections indicate that Level of Service "D" would be reached within five years.
II	Traffic volume projections indicate that Level of Service "D" would be reached within two years.
III	Traffic volume projections indicate that the road or facility is operating at Level of Service "D."

1. Level of Service “D” is the criteria threshold for urban roads. For rural roads, the criteria threshold is Level of Service “C.”

HIGHWAY INTERCHANGES

Level of Severity	Highway Interchange Criteria
I	Traffic volume projections indicate that Level of Service "D" would be reached within 10 years**.**
II	Traffic volume projections indicate that Level of Service "D" would be reached within five years.
III	Traffic volume projections indicate that the interchange is operating at Level of Service "D."

SCHOOLS

Level of Severity	Schools Criteria
I	When enrollment projections reach school capacity within seven years.
II	When enrollment projections reach school capacity within five years.
III	When enrollment equals or exceeds school capacity.

PARKS

Level of Severity	Parks Criteria
I	**Regional Parks**. The county provides between 10 and 15 acres of regional parkland per 1,000 persons in the entire county (i.e., incorporated and unincorporated population). **Community Parks**. An unincorporated community has between 2.0 and 3.0 acres of community parkland per 1,000 persons.
II	**Regional Parks**. The county provides between 5 and 10 acres of regional parkland per 1,000 persons in the entire county (i.e., incorporated and unincorporated population). **Community Parks**. An unincorporated community has between 1.0 to 2.0 acres of community parkland per 1,000 persons.
III	**Regional Parks**. The county provides less than 5 acres of regional parkland per 1,000 persons in the entire county (i.e., incorporated and unincorporated population). **Community Parks**. An unincorporated community has 1.0 acre or less of community parkland per 1,000 persons.

AIR QUALITY

Level of Severity	Air Quality Criteria
I	Air monitoring shows periodic but infrequent violations of a state air quality standard, with no area of the county designated by the state as a non-attainment area.
II	Air monitoring shows one or more violations per year of a state air quality standard and the county, or a portion of it, has been designated by the state as a non-attainment area.
III	Air monitoring at any county monitoring station shows a violation of a federal air quality standard on one or more days per year, and the county or a portion of the county qualifies for designation as a federal non-attainment area.

Changes To The Criteria for Levels of Severity

As discussed above, the LOS criteria used in the 2012-2014 RSR differ from those used in prior years. On December 16, 2014, the Board of Supervisors revised the LOS criteria, including the time frames, for certain resources. These revisions better reflect the County's experience with project development, funding and construction time lines. Table I-3 provides a summary of how the LOS used in this RSR differ from those used in prior years. In most cases, the revisions reflect changes to the time frames that trigger an LOS. Other changes were added to clarify the relationship between a LOS and the time needed to implement corrective actions. Lastly, new LOS criteria have been added for septic systems, parks and highway interchanges.

<table>
<tr><th colspan="4">Table I-3 -- Summary of Changes To Criteria for Levels of Severity</th></tr>
<tr><th>Resource</th><th colspan="3">Summary of Changes</th></tr>
<tr><td>Water Supply</td><td colspan="3">The timeframes for the projected remaining dependable water supply have been extended for each LOS as follows:
<table><tr><th>Level of Severity</th><th>Previous LOS</th><th>Revised LOS</th></tr><tr><td>LOS I</td><td>9 years</td><td>20 years</td></tr><tr><td>LOS II</td><td>7 Years</td><td>15 to 20 Years</td></tr><tr><td>LOS III</td><td>When supply equal or exceeds estimated dependable supply</td><td>Supply will equal or exceed estimated dependable supply within 15 years, OR the timeframe to correct the problem is longer than the timeframe for the remaining supply.</td></tr></table></td></tr>
<tr><td>Water Systems</td><td colspan="3">The LOS timeframes are unchanged. However, the criteria have been refined to clarify the relationship between the time required to design and implement system improvements to avoid a worsening LOS.</td></tr>
<tr><td>Wastewater Treatment</td><td colspan="3">Criteria have been revised to refer to “monthly average daily flow” rather than “peak flow.” The timeframe for reaching the LOS I threshold has been reduced from 6 years to 4 years, and for LOS II from 5 years to 2 years. Criteria for LOS III remain unchanged.</td></tr>
<tr><td>Wastewater Collection</td><td colspan="3">The criteria for LOS I remain unchanged. The criteria for LOS II have been expanded to include two additional criteria: 1) the projected 5-year flow equals system capacity, or 2) buildout of remaining developable land would exceed system capacity. LOS III is unchanged.</td></tr>
<tr><td>Septic Systems</td><td colspan="3">Prior RSRs did not have a separate LOS for septic systems.</td></tr>
<tr><td>Roads</td><td colspan="3">LOS are unchanged.</td></tr>
<tr><td>Highway Interchanges</td><td colspan="3">Prior RSRs did not have a separate LOS for highway interchanges.</td></tr>
<tr><td>Schools</td><td colspan="3">No changes.</td></tr>
<tr><td>Parks</td><td colspan="3">Levels of severity for parks were considered for the first time in the 2010-2012 RSR. However, the RSR did not establish specific LOS criteria but instead relied on the standards of the General Plan Parks and Recreation Element. The LOS for parks used in this RSR were prepared by the County Parks Department.</td></tr>
<tr><td>Air Quality</td><td colspan="3">The LOS criteria were established by the San Luis Obispo Air Pollution Control District and have been revised based on the incidence of violations of state air quality standards only. Thresholds, and timeframes for reaching the thresholds, have been eliminated.</td></tr>
</table>

Summary of Recommended Levels of Severity and Recommended Actions for 2012-2014

The LOS recommended for each resource are summarized below along with the recommended actions. There are no LOS established for cities.

Water Supply and Systems

Table I-4 -- Recommended Levels of Severity – Water Supply

Groundwater Basins and Affected Water Purveyors	**Recommended LOS**	**Recommended Actions**
Pico Creek Valley Groundwater Basin *Water Purveyors* San Simeon CSD	**III**	Continue to support efforts to improve water conservation, the efficient use of water, and water re-use. Continue to collect development impact fees for the construction of water supply infrastructure. Support efforts to develop sustainable supplemental sources of water.
San Simeon Valley Groundwater Basin Santa Rosa Valley Groundwater Basin *Water Purveyors* Cambria CSD	**III** **III**	LOS III to remain in place. Collaborate with the Cambria Community Services District to address issuance of a limited number of intent-to-serve letters and building permits based on the aggressive water conservation program developed by Maddaus. Collaborate with the Cambria Community Services District to revise the County Growth Management Ordinance to reflect the issuance of a small number of building permits for new development as part of a temporary pilot program. Collaborate with the Cambria Community Services District to prepare a CEQA determination, with the County acting as a Responsible Agency, that identifies the potentially significant impacts of a temporary, small scale pilot program to issue intent-to-serve letters and

Table I-4 -- Recommended Levels of Severity – Water Supply		
Groundwater Basins and Affected Water Purveyors	**Recommended LOS**	**Recommended Actions**
		building permits for new development.
Cayucos Valley Groundwater Basin Old Valley Groundwater Basin *Water Purveyors* CSA 10A Morro Rock Mutual Water Co. Paso Robles Water Assoc.	None None	Continue to support efforts to improve water conservation, the efficient use of water, and water re-use. Continue to collect development impact fees for the construction of water supply infrastructure. Support efforts to develop sustainable supplemental sources of water.
Los Osos Valley Groundwater Basin *Water Purveyors* Los Osos CSD S&T Mutual Water Co. Golden State Water Co.	**III**	LOS III to remain in place. Continue to support efforts to complete and implement a Basin Management Plan. Support efforts to complete the wastewater project.
San Luis Obispo Valley Groundwater Basin – San Luis Sub-basin San Luis Obispo Valley Groundwater Basin – Avila Valley Sub-basin *Water Purveyors* Avila Beach CSD Avila Valley Mutual Water Co. San Miguelito Mutual Water Co. CSA 12	None None	Support efforts to determine the safe yield of the Avila Valley Sub-basin
Santa Maria Valley Groundwater Basin – Northern Cities Management Area Santa Maria Valley Groundwater Basin – Nipomo Mesa Management Area *Water Purveyors* Nipomo CSD Woodlands Mutual Water Co. Oceano CSD	None **III**	Consider ending the Title 8 retrofit-upon-sale ordinance in the NMWCA. The program has run for four years and approximately 5% of homes have needed retrofitting. Follow the progress of the Supplemental Water Alternatives Evaluation Committee. Coordinate any needed County actions such as an AB 1600 study to quantify the

Table I-4 -- Recommended Levels of Severity – Water Supply		
Groundwater Basins and Affected Water Purveyors	**Recommended LOS**	**Recommended Actions**
		costs and benefits of the identified supplemental water project for groundwater users outside the Nipomo CSD. Collaborate with the Nipomo CSD and other stakeholders to assist in their efforts to address area wide water issues. Continue to help fund area wide water conservation through the fee on new construction.
Santa Margarita Groundwater Basin *Water Purveyors* CSA 23	**III**	Support efforts to determine the safe yield of the Santa Margarita Groundwater Basin. Support efforts to develop additional sustainable water supplies for CSA 23.
Paso Robles Groundwater Basin *Water Purveyors* San Miguel CSD CSA 16 – Shandon	**III**	LOS III for the Basin as a whole and for the Atascadero Sub-basin. Continue to support efforts to complete and implement a Basin Management Plan.
Paso Robles Groundwater Basin – Atascadero Sub-basin *Water Purveyors* Templeton CSD	**III**	LOS III for the Basin as a whole and for the Atascadero Sub-basin. Continue to support efforts to complete and implement a Basin Management Plan.
Lake Nacimiento Area *Water Purveyors* Heritage Ranch CSD Nacimiento Water Co.	None	Continue to support efforts to improve water conservation, the efficient use of water, and water re-use. Continue to collect development impact fees for the construction of water supply infrastructure. Support efforts to develop sustainable supplemental sources of water.

Water Systems

No Levels of Severity are recommended.

Wastewater

Table I-5 -- Recommended Levels of Severity – Wastewater Treatment and Septic Systems		
Wastewater Treatment	**Recommended Levels of Severity**	**Recommended Actions**
No Levels of Severity are recommended		
Septic Systems	**Recommended Levels of Severity**	**Recommended Actions**
Santa Margarita	**I**	Monitor septic system failures in the community of Santa Margarita. Maintain Level of Severity III for Los Osos until the wastewater system is completed and on-site septic systems have been decommissioned. Recommend Level of Severity III for the "prohibition zone" in the Nipomo Area. Consult with County Health and RWQCB on actions and monitor. Evaluate alternatives to septic systems such as a public sewer system, a community septic system maintenance program, or a collection and disposal system to existing onsite treatment tanks.
Shandon	None	
Los Osos	III	
Nipomo	III for the "prohibition zone".	

Roads

Table I-6 -- Recommended Levels of Severity – Roads and Interchanges		
Roadway Segment	**Recommended Levels of Severity**	**Recommended Actions**
Avila Beach Drive west of San Luis Bay Drive Price Canyon Road south of Highway 227	**I**	Monitor Levels of Service on RMS roadways and interchanges; Continue to use area circulation studies to identify roadway improvements necessary to achieve and maintain level of service "C" or better on RMS roadways and interchanges; Use the area circulation studies to inform the assessment of levels of severity and to recommend action requirements; Continue to establish and collect road impact fees; Pursue other funding options including (but not limited to) State and federal grants;
Halcyon Road south of Arroyo Grande Creek Las Tablas Road west of Duncan Road Los Osos Valley Road west of Foothill Boulevard	**II**	
South Bay Boulevard south of State Park Road Tank Farm Road west of Highway 227	**III**	
Interchanges	**Recommended Levels of Severity**	**Recommended Actions**
State HWY 46 West, SB ramps, Templeton area North Main Street SB and NB ramps, Templeton Vineyard Drive SB and NB ramps, Templeton Los Berros Road/Thompson Road NB ramps, South County Tefft Street SB ramps, Nipomo US HWY 166 SB ramps, South County	**III**	Monitor Levels of Service on RMS roadways and interchanges; Continue to use area circulation studies to identify roadway improvements necessary to achieve and maintain level of service "C" or better on RMS roadways and interchanges; Use the area circulation studies to inform the assessment of levels of severity and to recommend action requirements; Continue to establish and collect road impact fees; Pursue other funding options including (but not limited to) State and federal grants;

Schools

Table I-7 -- Recommended Levels of Severity -- Schools			
District	**School Level**	**Recommended Levels of Severity**	**Recommended Actions**
Atascadero Unified School District	Elem.	None	Continue to cooperate with the school districts to investigate ways of using existing regulations to enhance revenues available for school construction, including the formation of community facilities districts. Consult regularly with County Counsel to consider whether new legislation and court rulings regarding school impact mitigation present the County with additional policy options for helping to address the need for school facilities.
	Middle	None	
	High	None	
Belleview-Santa Fe Charter School	K-6	None	
Coast Unified School District	Elem.	None	
	Middle	None	
	High	None	
Cayucos Elementary School District	Elem.	**I**	
Grizzly Youth Academy Challenge Program	High	**II**	
Lucia Mar School District	Elem.	**II**	
	Middle	**II**	
	High	None	
Paso Robles Joint Unified School District	Elem.	None	
	Middle	None	
	High	None	
	Alt.	None	
Pleasant Valley Joint Union School District	Elem.	None	
San Luis Coastal Unified School District	Elem.	None	
	Middle	None	
	High	None	
San Miguel Joint Union School District	K - 8	None	
Shandon Joint Unified School District	Elem.	None	
	Middle	None	
	High	None	
Templeton Unified School District	Elem.	None	
	Middle	None	
	High	None	

Parks

Table I-8 -- Recommended Levels of Severity -- Parks		
Park Type and Location	**Recommended Levels of Severity**	**Recommended Actions**
Regional Parks (countywide)	None	Continue to pursue strategies for the acquisition and development of parks, including the dedication of parkland and the collection of development impact (Quimby) fees. Collaborate with County Parks to review the Parks and Recreation Project List in the Parks and Recreation Element and make recommendations to the Board of Supervisors regarding which park projects to implement. Collaborate with other potential parks operators such as CSDs and school districts to provide park and recreation opportunities. When preparing Resource Capacity Studies for parks, address the following issues: a. Provide an updated inventory of existing parkland in the affected unincorporated community. b. Document existing shortfalls in park acreage.
Community Parks		
Avila	**III**	
Cambria	**II**	
Cayucos	**III**	
Los Osos	**III**	
Oceano	**III**	
San Miguel	**III**	
Santa Margarita	**III**	
Templeton	**III**	

Air Quality

Table I-9 -- Recommended Levels of Severity -- Air Quality			
Criteria Pollutant	**Area of County**	**Recommended Levels of Severity**	**Recommended Actions**
Ozone	East County	**III**	Support APCD's efforts to address East County non-attainment.
	West County	**II**	
Particulate Matter – $PM_{2.5}$	Nipomo Mesa	**III**	Support APCD's Enforcement of Particulate Matter Reduction Plan.
	All Other Areas	**II**	
Particulate Matter – PM_{10}	Nipomo Mesa	**III**	Support APCD's Enforcement of Particulate Matter Reduction Plan.
	All Other Areas	**II**	
Sulfur Dioxide	Nipomo Mesa	**I**	Support APCD's Enforcement of the Federal Consent Decree.
Nitrogen Dioxide, Carbon Monoxide, Lead	All Areas	None	None
Toxic Air Contaminants	All Areas	None. LOS for Toxics not evaluated because toxics are not criteria pollutants and strategies are in place to mitigate impacts.	None

II. WATER SUPPLY AND WATER SYSTEMS

Level of Severity Criteria

WATER SUPPLY

Level of Severity	Water Supply Criteria
I	Water demand projected over 20 years equals or exceeds the estimated dependable supply. LOS I provides five years for preparation of resource capacity studies and evaluation of alternative courses of action.
II	Water demand projected over 15-20 years (or other lead time determined by a resource capacity study) equals or exceeds the estimated dependable supply.
III	Water demand projected over 15 years (or other lead time determined by a resource capacity study) equals or exceeds the estimated dependable supply OR The time required to correct the problem is longer than the time available before the dependable supply is reached.

WATER SYSTEMS

Level of Severity	Water System Criteria
I	The water system is projected to be operating at the design capacity within seven years. Two years would then be available for preparation of a resource capacity study and evaluation of alternative courses of action.
II	A five-year or less lead time (or other lead time determined by a resource capacity study) needed to design, fund and construct system improvements necessary to avoid a LOS III problem.
III	Water demand equals available capacity: a water distribution system is functioning at design capacity or will be functioning at capacity before improvements can be made. The capacity of a water system is the design capacity of its component parts: storage, pipelines, pumping stations and treatment plants.

Water Purveyors Serving the Unincorporated County

Water purveyors serving the unincorporated county are summarized on Table II-1 and shown on Figure II-1.

Table II-1 – Water Purveyors Serving the Unincorporated County

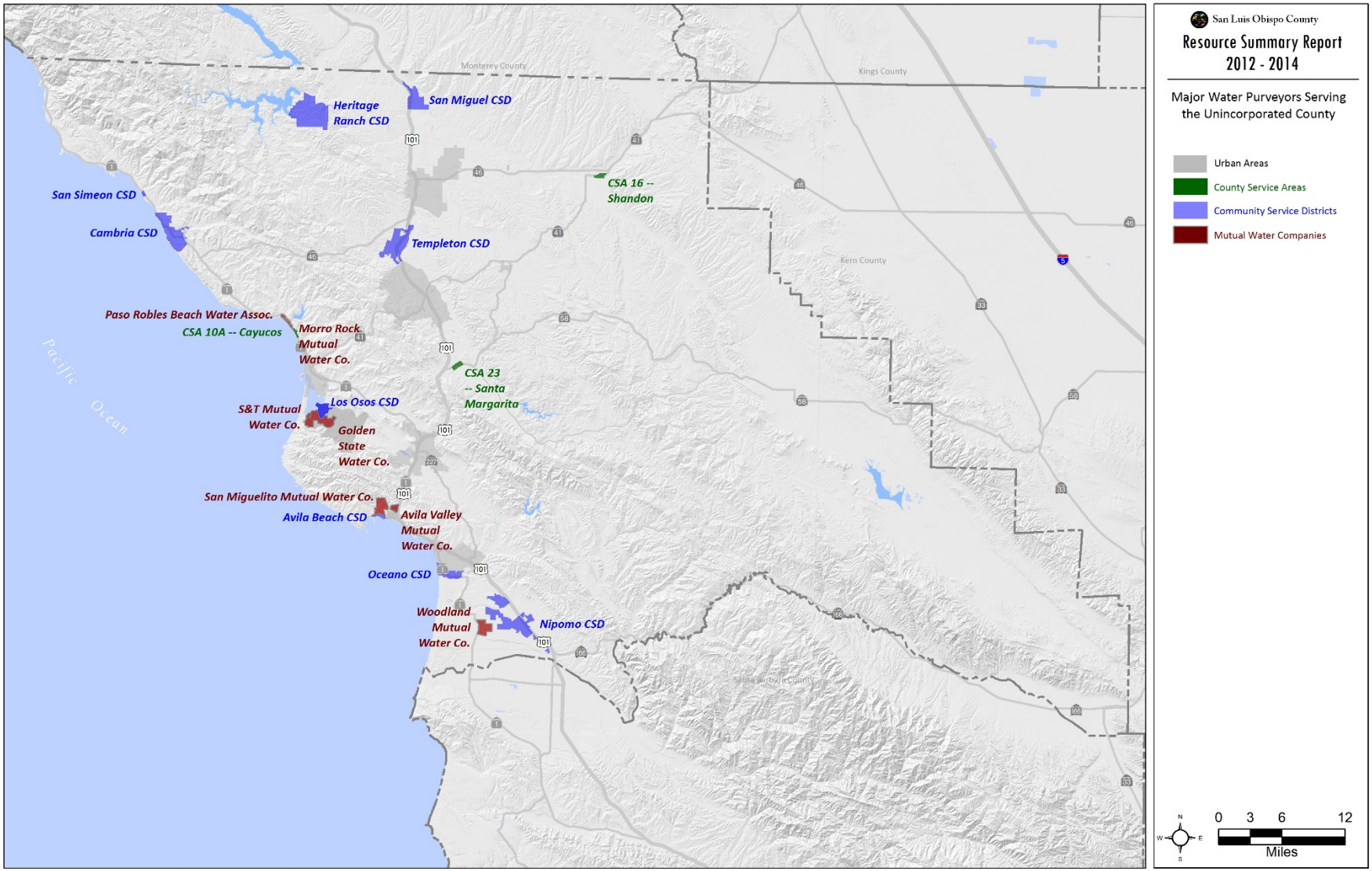
Community	Water Purveyors	Approx. Population Served (2014)	2012-13 Water Deliveries (AFY)[4]	2013-14 Water Deliveries (AFY)
Avila Beach Avila Valley	Avila CSD Avila Valley Mutual Water Co. San Miguelito Mutual Water Co. CSA 12	450 112 1.200	(1) 35.9 (1)	86.6 48.1 179.5
Cambria	Cambria CSD	6,031	(1)	555.1
Cayucos	CSA 10A Morro Rock Mutual Water Co. Paso Robles Beach Water Assoc.	2,185	110.1 115.6 151.2	112.0 115.4 149.9
Edna Valley	Golden State Water Co.	1,960	297.9	286.8
Heritage Ranch	Heritage Ranch CSD	3,500	533.6	461.3
Los Osos	Los Osos CSD Golden State Water Co. S&T Mutual Water Co.	7,086 8,824 (1)	670.8 675.5 (1)	645.1 649.8 (1)
Nipomo	Nipomo CSD Woodland Mutual Water Co.	12,484 1,200	2,376.4 864.5	2,517.0 849.3
Oceano	Oceano CSD	7,294	829.1	832.8
Santa Margarita	CSA 23	1,265	156.1	157.2
San Miguel	San Miguel CSD	2,413	309.8	312.1
San Simeon	San Simeon CSD	462	(1)	72.1
Shandon	CSA 16	1,260	109.7	142.3
Templeton	Templeton CSD	6,885	(1)	1,344.3

Source: San Luis Obispo County Flood Control and Water Conservation District, 2014
Notes:

1. No data reported.

[4] Acre feet per year. An acre-foot is 325,851.4 gallons.

Figure II-1 –Water Purveyors Discussed In This RSR



Water Resources

The following information regarding water resources serving the unincorporated county was summarized from the 2012 San Luis Obispo County Master Water Report which is available in its entirety at the County's[5] website:

http://www.slocountywater.org/site/Frequent%20Downloads/Master%20Water%20Plan/

Groundwater Resources

Groundwater basins are summarized on Table II-2 and shown on Figure II-2.

Table II-2 – Groundwater Basins

Location	Groundwater Basins/ Sub-basins	Safe Basin Yield (AFY)	Notes
San Simeon	San Carpaforo Valley	(1)	Rural and agricultural users only.
	Arroyo De La Cruz Valley	1,244	Rural and agricultural users only.
	Pico Creek Valley	120	Users include San Simeon CSD, Hearst Ranch and overlying users.
Cambria	San Simeon Valley	1,040	Users include Cambria CSD and overlying users.
	Santa Rosa Valley	2,260	Users include Cambria CSD and overlying users.
	Villa Valley	1,000	Rural and agricultural users only. Department of Water Resources estimate of safe yield from 1958. There has been no subsequent basin study to confirm or update this estimate.
Cayucos	Cayucos Valley	600	Morro Rock Mutual Water Company and Paso Robles Beach Water Association service areas overlie a portion of the basin; however, these purveyors do not pump from the Cayucos Valley basin. Department of Water Resources estimate of safe yield in 1958. There has been no subsequent basin study to confirm or update this estimate.
	Old Valley	(1)	Within the watershed of Whale Rock Reservoir. Users downstream of Whale Rock reservoir include members of the Cayucos Area Water Organization (CAWO), which include Morro Rock Mutual Water Company (Morro Rock MWC), Paso Robles Beach Water Association (PRBWA), County Service Area 10A (CSA 10A), the Cayucos Cemetery District (CCD), and two landowners.
	Toro Valley	532	Basin water users include Chevron (with agricultural tenants), and overlying residential and agricultural users.
Morro Bay	Morro Valley	1,500	Basin groundwater users include the City of Morro Bay, a cement plant, a small public water system (mobile home park), and residential and agricultural overlying users.
	Chorro Valley	2,210	Users include the City of Morro Bay, San Luis Obispo County, California State Parks, California State Polytechnic University, California National Guard, California Men's Colony, and residential and agricultural overlying users.
Los Osos	Los Osos Valley	3,200	Users include Golden State Water Company, S&T Mutual, the Los Osos Community Services District, and overlying private well users.

[5] "County" as used in this RSR includes the San Luis Obispo County Flood Control and Water Conservation District.

Table II-2 – Groundwater Basins			
Location	**Groundwater Basins/ Sub-basins**	**Safe Basin Yield (AFY)**	**Notes**
San Luis Obispo/ Edna Valley	San Luis Obispo Valley – San Luis Valley Sub-basin	2,000	A 1991 study reported a sustained yield of the entire San Luis Valley Groundwater Basin under existing conditions at 5,900 AFY. Sub-basin groundwater users include the City of San Luis Obispo; California State Polytechnic University; San Luis Coastal Unified School District; Chevron; close to two dozen small public water systems serving various commercial, industrial, and residential properties; agricultural growers; and private residences.
	San Luis Obispo Valley – Edna Valley Sub-basin	4,000	Users include Golden State Water Company, San Luis Country Club (golf course), a few small public water systems, agricultural growers, and private residences.
Avila Valley	San Luis Obispo Valley – Avila Valley Sub-basin	(1)	Users include Avila Valley Mutual Water Company and San Miguelito Mutual Water Company.
South County/ Nipomo	Santa Maria Valley -- Pismo Creek Valley Sub-basin	(1)	Users include residential and agricultural overlying users.
	Santa Maria Valley -- Arroyo Grande Valley Sub-basin	(1)	Sub-basin groundwater users include small public water systems (residential, commercial, and County park), and agricultural and residential overlying users.
	Santa Maria Valley -- Nipomo Valley Sub-basin	(1)	Sub-basin groundwater users include residential and agricultural overlying users. The Nipomo CSD operates wells within the boundaries of the sub-basin, but these wells tap the deeper fractured rock reservoirs. There is no existing estimate for the perennial yield of this sub-basin.
	Northern Cities Management Area	5,600 – 6,800	Basin groundwater users in the NCMA include City of Pismo Beach, City of Arroyo Grande, City of Grover Beach, Oceano Community Services District (Oceano CSD), small public water systems (including Halcyon Water System), Lucia Mar Unified School District, and residential and agricultural overlying users.
	Nipomo Mesa Management Area	4,800 – 6,000	Basin groundwater users in the Nipomo Mesa Management Area include Golden State Water Company, Rural Water Company, Woodlands Mutual Water Company (WMWC), ConocoPhillips, Nipomo Community Services District (Nipomo CSD), Lucia Mar Unified School District, small public water systems (serving residential, industrial and nursery/greenhouse operations), and commercial, agricultural and residential overlying users. DWR (2002) estimated the dependable yield (DWR 2002. Page ES21) at 4,800 AFY to 6,000 AFY, which was prior to the formal establishment of the NMMA.
	Santa Maria Valley Management Area	124,000	Users include agricultural and residential overlying users and a small public water system. Safe Yield in the San Luis Obispo County portion of the Santa Maria Valley was estimated between 11,100 AFY and 13,000 AFY prior to the formal establishment of the SMVMA (DWR 2002).
Huasna Valley	Huasna Valley	(1)	Basin water users are residential and agricultural overlying users.
Cuyama Valley	Cuyama Valley	10,000	Basin groundwater users in the San Luis Obispo County portion of the basin include oil field operators and residential/agricultural overlying users. There is no separate yield estimate for the San Luis Obispo County portion of the basin.
Carrizo Plain	Carrizo Plain	8,000 – 10,000	Users include agricultural and residential overlying users.
	Rafael Valley	(1)	Users include agricultural and residential overlying users
	Big Spring Area	(1)	Users include agricultural and residential overlying users

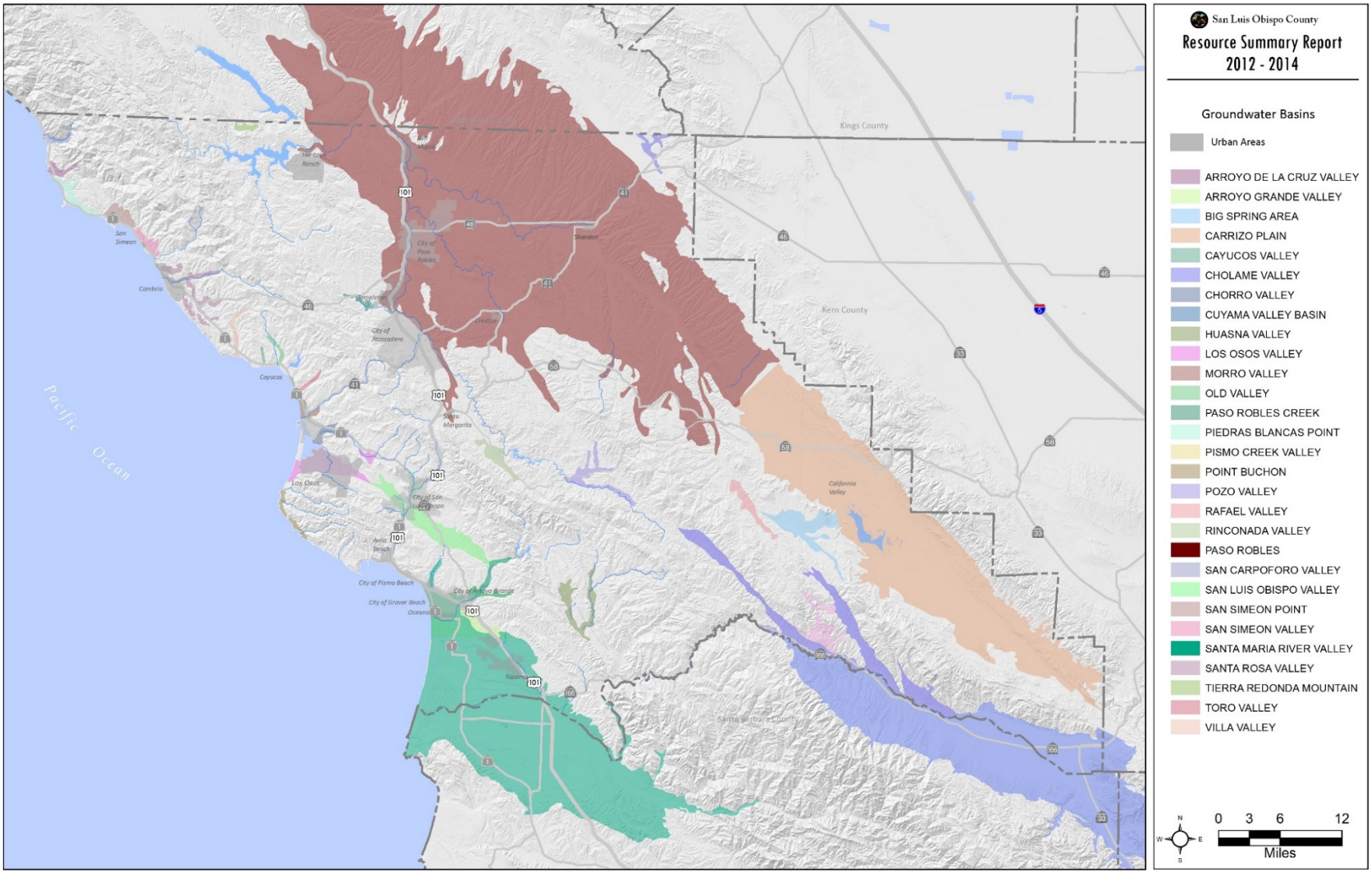
Table II-2 – Groundwater Basins			
Location	**Groundwater Basins/ Sub-basins**	**Safe Basin Yield (AFY)**	**Notes**
Santa Margarita	Santa Margarita Valley	(1)	Serves Santa Margarita by way of CSA 23. The average annual yield of the basin in the vicinity of the proposed Santa Margarita Ranch development may be in the range of 400 to 600 AFY.
	Rinconada Valley	(1)	All pumping in the basin is for agricultural purposes and by overlying users.
	Pozo Valley	1,000	There are some small public water systems in the basin. All other pumping is for residential and agricultural purposes by overlying users. Department of Water Resources estimate in 1958. There has been no subsequent basin study to confirm or update this estimate.
Atascadero/ Templeton	Paso Robles – Atascadero Sub-basin	16,400	Users include the City of Atascadero, Templeton CSD and Garden Farms.
Paso Robles	Paso Robles	97,700(2)	Water users in the basin include municipalities, communities, rural domestic residences, and agricultural users. The major municipal water purveyors include the Atascadero Mutual Water Company, City of Paso Robles, Templeton CSD, CSA 16-1 (Shandon), and San Miguel Community Services District (San Miguel CSD). Includes 16,400 AFY perennial yield from the Atascadero Groundwater Sub-basin.
Cholame	Cholame Valley	(1)	There are some small public water systems in the San Luis Obispo County portion of the basin. All other pumping is for residential and agricultural purposes by overlying users.

Source: San Luis Obispo County Master Water Report, 2012

Notes:

(1) No estimate available.
(2). The safe yield for the Paso Robles Groundwater Basin is currently being updated.

Figure II-2 – Groundwater Basins (Larger scale maps are provided with the discussion of each basin.)



Surface Water Resources Serving the Unincorporated County

State Water Project (SWP)

The California Department of Water Resources (DWR) owns and operates the State Water Project (SWP). In 1963 the San Luis Obispo County Flood Control and Water Conservation District (District) contracted DWR for 25,000 AFY of State Water. The SWP began delivering water to the Central Coast in 1997 upon completion of the Coastal Branch conveyance and treatment facilities, serving Santa Barbara and San Luis Obispo Counties. The SWP is considered a supplementary source of water supply since hydrologic variability, maintenance schedules, and repair requirements can cause reduced deliveries or complete shutdown of the delivery system. Since delivery to the Central Coast began, the SWP has provided between 50 and 100 percent of the contracted allocations, but recently, drought coupled with pumping restrictions in consideration of endangered species habitat lowered that amount to 35 percent in 2008 and 40 percent in 2009. To receive a greater portion of State Water during these shortages up to their full allocation (Water Service Amount), most agencies have entered into "Drought Buffer Water Agreements" with the District for use of an additional portion of the District's SWP allocation

Table II-2 provides a summary of SWP allocations to water purveyors serving the unincorporated county. Table II-2 lists the water service amount (WSA), drought buffer, and total reserve allocations for the County, but it also provides the average, maximum and minimum allocations based on the range of deliveries presented in Table 6.13 from the State Water Project Delivery Reliability Report 2007. The minimum, average, and maximum deliveries were 6, 66, and 100 percent of the maximum SWP Table A allocations, respectively. For long-term planning, it is assumed that SWP contractors will receive 66 percent of the maximum allocation in a given year. The District has 15,273 AFY of unsubscribed SWP allocation (District allocation (25,000 AFY) minus Total Reserved (9,727 AFY) equals 15,273 AFY), commonly referred to as the "excess allocation." Hydraulics, treatment plant capacity, and contractual terms and conditions limit how the excess allocation can be used. The County is currently evaluating the available hydraulic capacity in the treated water portion of the Coastal Branch. The following is a list of options for use of this excess allocation:

- Direct delivery after contract-revision negotiation for use of any additional capacity available in the Coastal Branch treatment and conveyance facilities;
- As additional drought buffer water;
- Permanent, multi-year or single year transfer or exchange; and/or
- As a source of either groundwater recharge or surface storage.

Table II-2 – State Water Project Water Service Amounts (AFY)
To Water Purveyors Serving The Unincorporated County

Contractor	Water Service Amount	Drought Buffer	Total	6 % Allocation Year	66-69% Allocation Year	100% Allocation Year
Oceano CSD	750	0	750	45	495	750
San Miguelito Mutual Water Co.	275	275	550	33	275	275
Avila Beach CSD	100	0	100	6	66	100
Avila Valley Mutual Water Co.	20	60	80	5	20	20
Shandon	100	0	100	6	66	100
Total:	1,245	335	1,580	95	922	1,245

Source: San Luis Obispo County Master Water Report, 2012, Table 4.5

Notes:

1. Minimum, average, and maximum allocations established in the State Water Project Delivery Reliability Report 2007 (August 2008), page 51, Table 6.13. This study used 66 percent for the average allocation year.

Many factors will affect future SWP deliveries to the County and SWP subcontractors within the County, including pumping restrictions for the Sacramento Delta and climate change. Estimating the delivery reliability of the SWP depends on many issues, including possible future regulatory standards in the Delta, population growth, water conservation, increased use of recycled water, drought buffer purchases, and water transfers. The DWR State Water Project Delivery Reliability Report 2007 (August 2008) estimates future (2027) SWP delivery reliability and incorporates the 2007 federal court ruling for Delta pumping and potential impacts of future climate change. When compared to previous reliability reports, total annual deliveries for 2027 show decreases in deliveries in most years if no actions are taken to address the factors causing the decrease in availability. It is important to recognize that actions to re-establish reliability are being evaluated by DWR State Water Contractors and other State and Federal agencies. Future actions may include new environmental efforts as well as infrastructure improvements envisioned when the SWP was originally scoped in the 1960s.

Nacimiento Water Project

The Monterey County Flood Control and Water Conservation District (now known as the Monterey County Water Resources Agency (MCWRA) constructed the Nacimiento Dam in 1957. The dam and reservoir continue to be operated by MCWRA. The lake has a capacity of 377,900 acre-feet (AF) and a surface area of 5,727 acres. Water is collected from a 365 square mile watershed that is comprised of grazing lands and rugged wilderness.

In 1959, the County secured the rights to 17,500 AFY from Lake Nacimiento, with 1,750 AFY reserved for lakeside users and the Heritage Ranch Community Services District (Heritage Ranch CSD). After a long series of studies and negotiations, the Nacimiento Water Project (NWP) was initiated. The project delivers raw lake water from Lake Nacimiento to communities within San Luis Obispo County. Water purveyors serving the unincorporated county who are participating

in the Nacimiento Water Project, along with their contracted water amounts, are listed in Table II-3.

Table II-3 – Allocation of Nacimiento Water Project To Participants Serving the Unincorporated County

Participants	Allocations (AFY)
Templeton CSD	250
CSA 10A (via exchange)[1]	25

Source: San Luis Obispo County Master Water Report, 2012, Table 4.6

Notes:

1. Discussed below under Whale Rock Reservoir.

Whale Rock Reservoir

Whale Rock Reservoir is located on Old Creek Road approximately one-half mile east of the community of Cayucos. The State Department of Water Resources supervised the project's planning, design, and construction. Construction took place between October 1958 and April 1961. The reservoir is jointly owned by the City of San Luis Obispo, the California Men's Colony, and Cal Poly. These three agencies, with the addition of a representative from the Department of Water Resources, form the Whale Rock Commission, which is responsible for operational policy and administration of the reservoir and related facilities. Day-to-day operation is provided by the City of San Luis Obispo.

Whale Rock reservoir is formed by an earthen dam and was able to store an estimated 40,662 acre-feet of water at the time of construction. The calculation of the yield available is coordinated with Salinas Reservoir using a safe annual yield computer model. The model also evaluates the effect of siltation. The Whale Rock Commission has budgeted for a siltation study to be undertaken in the near future.

Table II-4 summarizes the current capacity rights for the joint right-holders (downstream water rights are accounted for separately). Each rights-holder manages reservoir withdrawals individually from their available water storage allocation. The Whale Rock Commission tracks withdrawals and reports available volume on a monthly basis.

Table II-4 – Whale Rock Reservoir Allocations

Water Users	Percent	Allocations (AFY)
City of San Luis Obispo	55.05	22,383
Cal Poly	33.71	13,707
California Men's Colony	11.24	4,570
Total:	100	40,660

Source: San Luis Obispo County Master Water Report, 2012, Table 4.7

Several agreements establish policy for the operation of the Whale Rock system and actions of the member agencies. The downstream water rights agreement (the original 1958 agreement was amended in April 1996) define water entitlements for adjacent and downstream water users, including water purveyors serving the unincorporated County. The Cayucos Area Water Organization, one of the parties to this agreement, consists of three public water purveyors and the cemetery, all in the Cayucos area. In addition to the agencies, water entitlements were identified for two separate downstream land owners. An exchange agreement between CSA 10A and the City of San Luis Obispo (2005) allows the delivery of up to 90 AFY of the City's Whale Rock water allocation to CSA 10A in exchange for CSA 10A's purchase of an equivalent amount of Nacimiento Water for delivery to the City. The anticipated need for CSA 10A is 25 AFY at buildout.

Total Whale Rock Reservoir entitlements are summarized on Table II-5.

Table II-5 – Whale Rock Downstream Entitlements

Water Users	**Downstream Water Entitlements (AFY)**
Cayucos Area Water Organization[1]	
Paso Robles Beach Water Association	222
Morro Rock Mutual Water Co.	170
County Service Area 10A	190[3]
Cayucos-Morro Bay Cemetery District	18
Mainini Ranch[2]	50
Ogle[2]	14
Total:	664

Source: San Luis Obispo County Master Water Report, 2012, Table 4.8

Notes:

1. The referenced agreement establishes the amount of 600 AFY to CAWO. The allocations to the CAWO members are part of an internal agreement amongst the members.
2. The agencies generally receive their entitlements via pipeline from the reservoir, while the land owners' entitlement is released from the reservoir.
3. CSA 10A has procured 25 - 90 AFY of Nacimiento Water Project via exchange with City of San Luis Obispo for Whale Rock Reservoir water. Agreement provisions allow for up to 90 AFY of NWP if necessary. Nacimiento water could be delivered to Morro Rock MWC or Paso Robles Beach Water Association, as part of this arrangement.

Lopez Lake/Reservoir

The County completed the Lopez Dam in 1968 to provide a reliable water supply for agricultural and municipal needs as well as flood protection for coastal communities. Lopez Reservoir has a capacity of 49,388 AF. The lake covers 950 acres and has 22 miles of oak covered shoreline.

Allocations for Lopez Lake water are based on a percentage of the safe yield of the reservoir, which is 8,730 AFY. Of that amount, 4,530 AFY are for pipeline deliveries and 4,200 AFY are reserved for downstream releases. The dam, terminal reservoir, treatment and conveyance facilities are a part of Flood Control Zone 3 (Zone 3). Water agencies serving the unincorporated County that contract for Lopez water in Zone 3 include the community of Oceano and CSA 12

(including the Avila Beach area). Lopez Lake allocations to these purveyors are shown in Table II-6.

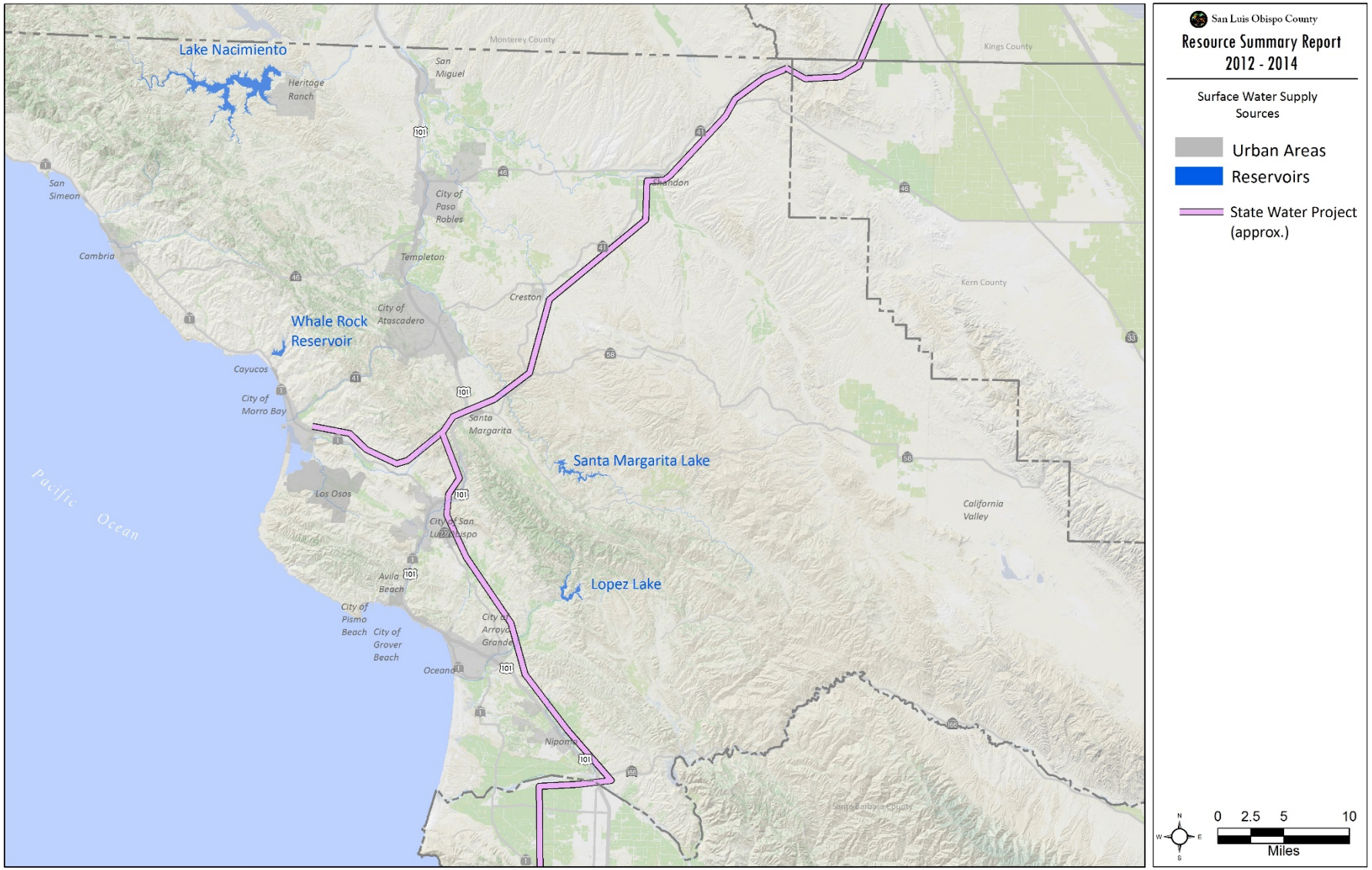
Two issues could change the amount of water available to contractors and the safe yield. The Arroyo Grande Habitat Conservation Plan, which is currently being developed, will likely require additional downstream releases. An interim downstream release schedule has reduced the amount of water available to municipalities. Changes in operation of the dam are being considered for reducing spills and optimizing future deliveries. Additionally, the City of Pismo Beach, on behalf of the Zone 3 agencies, has taken the lead on conducting a study to consider the feasibility of modifying the dam to augment capacity of the reservoir.

Table II-6 – Lopez Lake Water Allocations to Water Purveyors Serving the Unincorporated County

Water Users	**Allocations (AFY)**
Oceano CSD	303
County Service Area 12 (Avila Beach area)	241
Total:	544

Source: San Luis Obispo County Master Water Report, 2012, Table 4.9

Figure II-3 – Surface Water Supply Sources



Recommended Levels of Severity

Methodologies

Water Supply

Groundwater is the principal source of water in the County, and groundwater basins may serve multiple purveyors. Accordingly, the discussion of recommended Levels of Severity has been grouped by regions which generally coincide with the major groundwater basins. Information regarding the current status of each basin was derived from a variety of sources, including:

- The San Luis Obispo County Master Water Report, 2012
- The Draft Basin Plan for the Los Osos Groundwater Basin, August 2013
- The Paso Robles Groundwater Basin Management Plan, 2011
- The Paso Robles Groundwater Basin Computer Model, 2014
- The 2014 San Luis Obispo County Integrated Regional Water Management Plan

To determine recommended LOS for water supply, forecast demand from urban, rural, and agricultural users was projected over 15 years, 15-20 years, and 20 years and compared with the safe yield of the groundwater basins serving these users (where known). Levels of Severity were assigned based on whether the projected demand would exceed the dependable supply over these time periods.

Water Systems

To determine recommended LOS for water systems, water purveyors were asked to identify water system improvements necessary to accommodate current and projected water demand and the timeframe for the needed improvements. The timeframe for needed improvements then were compared with the LOS timeframes to assign a recommended LOS.

San Simeon/Cambria Area Water Supply and Systems

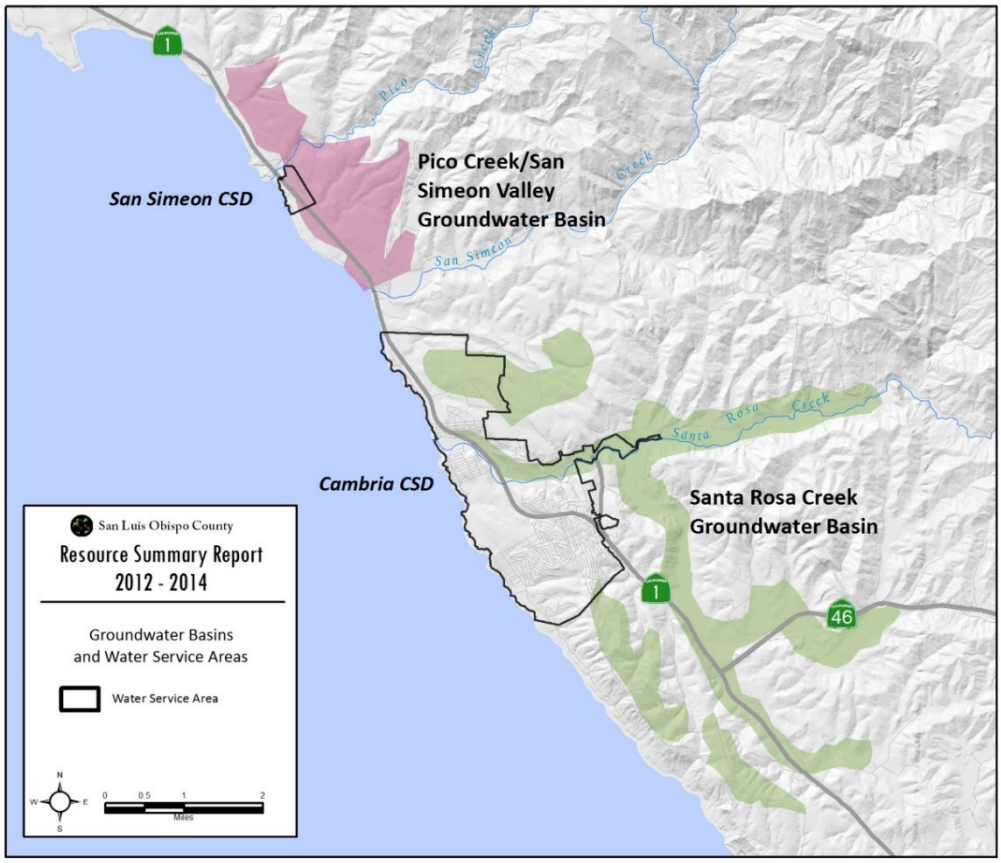


Figure II-4 – Groundwater Basins and Water Purveyors Serving the San Simeon/Cambria Area

Pico Creek Valley Groundwater Basin

According to the 2012 Master Water Report, the basin yield is estimated to be 120 AFY (Cleath, 1986). Contamination of water supply wells due to seawater intrusion is a major water quality concern in the basin (Cleath, 1986). Lowering of groundwater levels below sea level in the basin during the summer months when creek flows are absent and pumping is active can result in the landward migration of the sea water/fresh groundwater interface. Since at least the mid-1980s, sea water intrusion has occurred within the Pico Creek Valley Groundwater Basin (Cleath, 1986). Although seawater intrusion has increased salinity levels in groundwater pumped from local water supply wells, it has not degraded water quality to the point that the water is non-potable. The primary constraints on water availability in the basin include physical limitations and potential water quality issues.

Users of the basin include the San Simeon CSD, rural and agricultural operations. Seventy percent of water used by the San Simeon CSD is for commercial use (tourist/hotels). Due to the supply limitations of the Pico Creek Valley Groundwater Basin, an alternative supply is necessary to meet future demands. Water conservation measures have been fully implemented and there is minimal or no opportunity to further reduce water demands. Three water management

strategies are likely the most feasible options to consider for San Simeon CSD's future water supply:

- Recycled water
- Groundwater supply sources (other than Pico Creek Valley Groundwater Basin)
- Desalination

The Arroyo De La Cruz Groundwater Basin is a possible option for a future water supply. Unfortunately, published hydrogeologic information for this basin is compiled from older reports and may not be representative of current conditions. The safe basin yield should be determined as part of any investigation of this basin as a future water supply.

San Simeon CSD could also implement a desalination project (similar to one being constructed by Cambria CSD). The implementation challenges would be similar to those experienced by Cambria CSD.

Table II-7 – Pico Creek Valley Groundwater Basin
Existing and Forecasted Water Supply and Demand

Demand	**San Simeon CSD**	**Agriculture**	**Rural**
Current Demand (AFY)	72.1[1]	70[3]	20[3]
Forecast Demand In 15 Years (AFY)	71.1	65	35
Forecast Demand in 20 Years (AFY)	71.9	63.3	40
Buildout Demand (30 Or More Years) (AFY)	250[2]	10-60[3]	50[3]
Supply			
Pico Creek Valley Basin (AFY)	120	Uncertain[4]	Uncertain[4]
Water Supply Versus Forecast Demand	Water demand projected over 15 years will equal or exceed the estimated dependable supply.		

Sources: Water System Usage forms: July 2012 – June 2013; July 2013 – June 2014, San Luis Obispo County Master Water Report, 2012, Table 4.54

Notes:

1. See Table II-1. Demand fluctuates due to changes in tourism. Data for agriculture and rural are from 2012.
2. Most recent master plan forecasts a build-out demand of 224 AFY, but San Simeon CSD's current build-out demand estimate is 250 AFY.
3. Agricultural and rural demand calculations do not account for livestock operations, and likely underestimates actual water demands.
4. Seventy (70) AFY of Pico Creek livestock and domestic usage was reported by Hearst Holdings Inc. to the SWRCB in June 2010.
5. Population within the San Simeon area is expected to decline slightly over the next 30 years.

The groundwater basin is considered an unreliable source within the timeframes prescribed by the LOS criteria because:

- Current estimated demand from urban, rural and agricultural users (162.1 AFY) exceeds the safe yield of the basin (120 AFY).
- Forecast demand from all sources in 30 or more years is expected to be between 310 and 360 AFY which exceeds the safe yield of the basin (120 AFY).

- The combination of seawater intrusion along with lowering groundwater levels during the dry season or times of drought.

Water demand projected over 15 years will equal or exceed the estimated dependable supply.
Recommended Level of Severity III

San Simeon Valley and Santa Rosa Valley Groundwater Basins

San Simeon Valley Groundwater Basin

Water users in the basin include the Cambria CSD (discussed below under the Santa Rosa Valley Groundwater Basin) and overlying rural and agricultural users. The primary constraints on water availability in the basin include physical limitations and potential water quality issues. The State Water Resources Control Board (State Board) allows a maximum extraction of 1,230 AFY in the San Simeon Valley Groundwater Basin and a maximum dry season extraction of 370 AF (Cambria CSD Water Master Plan (WMP), 2008). Although the actual dates will vary each year depending on creek flows and rainfall occurrence, the dry season generally spans from May through October. In general, groundwater levels in the basin are typically highest during the wet season, steadily decline from these levels during the dry season, and recover again to higher levels during the next wet season. The primary constraints on water availability in the basin include physical limitations and potential water quality issues.

Santa Rosa Valley Groundwater Basin

Water users in the basin include the Cambria CSD and overlying rural and agricultural users. According to the 2012 Master Water Report, the primary constraints on water availability in the basin include physical limitations and potential water quality issues. The State Board allows a maximum extraction of 518 AFY in the Santa Rosa Valley Groundwater Basin and a maximum dry season extraction of 260 AF (Cambria CSD WMP, 2008). The California Coastal Commission defines the Santa Rosa Creek dry period as July 1 to November 20. In general, groundwater levels in the basin are typically highest during the wet season, steadily decline from these levels during the dry season, and recover again to higher levels during the next wet season. Because of these limitations, the groundwater basin is considered an unreliable source to meet existing demands during the dry season.

Due to the supply limitations of the San Simeon and Santa Rosa Valley Groundwater Basins, an alternative supply is necessary to meet existing seasonal deficits and future demands. Water conservation measures have been implemented and there is minimal opportunity to further reduce water demands. Further mandatory or emergency conservation would be used to off-set an emergency or reliability supply, not to support growth. Two water management strategies are likely the most feasible options to consider for Cambria CSD's future water supply:

- Desalination
- Recycled water

To meet the additional water supply needs and to increase water supply reliability, the Cambria CSD has constructed a seawater desalination plant to produce up to 602 AFY. The plant will operate during the dry season to augment supply during that period of high demand. A decentralized recycled water program is also planned, with an estimated 180 AFY made available for unrestricted irrigation use. Other water management strategies include further

conservation and land use management (includes low impact development and rainwater harvesting).

Table II-8 -- San Simeon Valley and Santa Rosa Valley Groundwater Basins
Existing and Forecasted Water Supply and Demand

Demand	**Cambria CSD**	**Agriculture**	**Rural**
Current Demand (AFY)[1]	555.1	640	100
Forecast Demand in 15 Years (AFY)	570.7	1,065	160
Forecast Demand in 20 Years (AFY)	583.2	1,206.7	180
Buildout Demand (30 Or More Years) (AFY)	1,009 – 1,514[2]	740-1,490	190-220
Supply			
San Simeon Valley Basin (AFY)	1,230	Uncertain	Uncertain
Santa Rosa Valley Basin (AFY)	518	Uncertain	Uncertain
Total Supply:	1,748	Uncertain	Uncertain
Water Supply Versus Forecast Demand	Water demand for the basins projected over 15 years will equal or exceed the estimated dependable supply. [3, 4]		

Sources: Water System Usage forms: July 2012 – June 2013; July 2013 – June 2014, San Luis Obispo County Master Water Report, 2012, Table 4.55

Notes:

1. See Table II-1. Current demand data for agriculture and rural are from 2012.
2. The low end of the demand range for Cambria CSD represents maintaining current conservation practices and is the lowest demand scenario from the district's water master plan.
3. Although the existing annual supply and demand indicates a surplus, the dry season extraction limit creates a seasonal supply deficit.
4. It is uncertain whether an agricultural or rural supply deficit exists. Future studies should determine which groundwater basins are used by the agricultural and rural water users.

Because of the limitations on dry weather extractions, the San Simeon Valley and Santa Rosa Valley Groundwater Basins are considered an unreliable source within the timeframes prescribed by the LOS criteria. Therefore, water demand projected over 15 years will equal or exceed the estimated dependable supply. **Recommended Level of Severity III**

San Simeon/Cambria Area Water Systems

San Simeon CSD

San Simeon CSD has considered upgrading its wastewater treatment facility to use the treated effluent as recycled water for landscape irrigation and possibly commercial uses (not for seawater intrusion barrier). By July 2012, the facility was producing Title 22 recycled water, but it will only be available to commercial trucks that connect to an on-site tank. The long-term plan is to construct a recycled water distribution system.

No significant water system limitations were identified. No recommended Level of Severity.

Cambria CSD

In an effort to enhance Cambria's major water and wastewater infrastructure and other key projects that protect the safety and quality of life for Cambrians, the CCSD has prioritized a number of Capital Improvement Projects (CIP) as well as the non-CIP Buildout Reduction Program (BRP).

The CSD continues to pursue construction of an emergency water supply by treating bracksish groundwater. The water will go through several stages of treatment to remove solids, salt, organic chemicals and other contaminants so that it is safe to drink. It will then be re-injected into the aquifer's freshwater supply. The brackish water to be treated is a combination of creek underflow, percolated wastewater treatment plant effluent, and a mix of freshwater and seawater that is within a deeper saltwater wedge. The extracted brackish water will have salt concentrations much lower than that of pure seawater. The project's intake well and treatment plant will be at least one-half mile inland from the ocean.

The San Simeon Creek Road facility will produce approximately 300 gallons per minute of potable water. This is about 1.32 acre-feet per day or nearly 40 acre-feet per month. The plant is expected to run mainly during the dry months, supplying about 240 acre-feet of water in a six-month dry season. This is about one-third of the community's normal water consumption for a full year.

No significant water system limitations were reported. No recommended Level of Severity.

Cayucos Area Water Supply and Systems

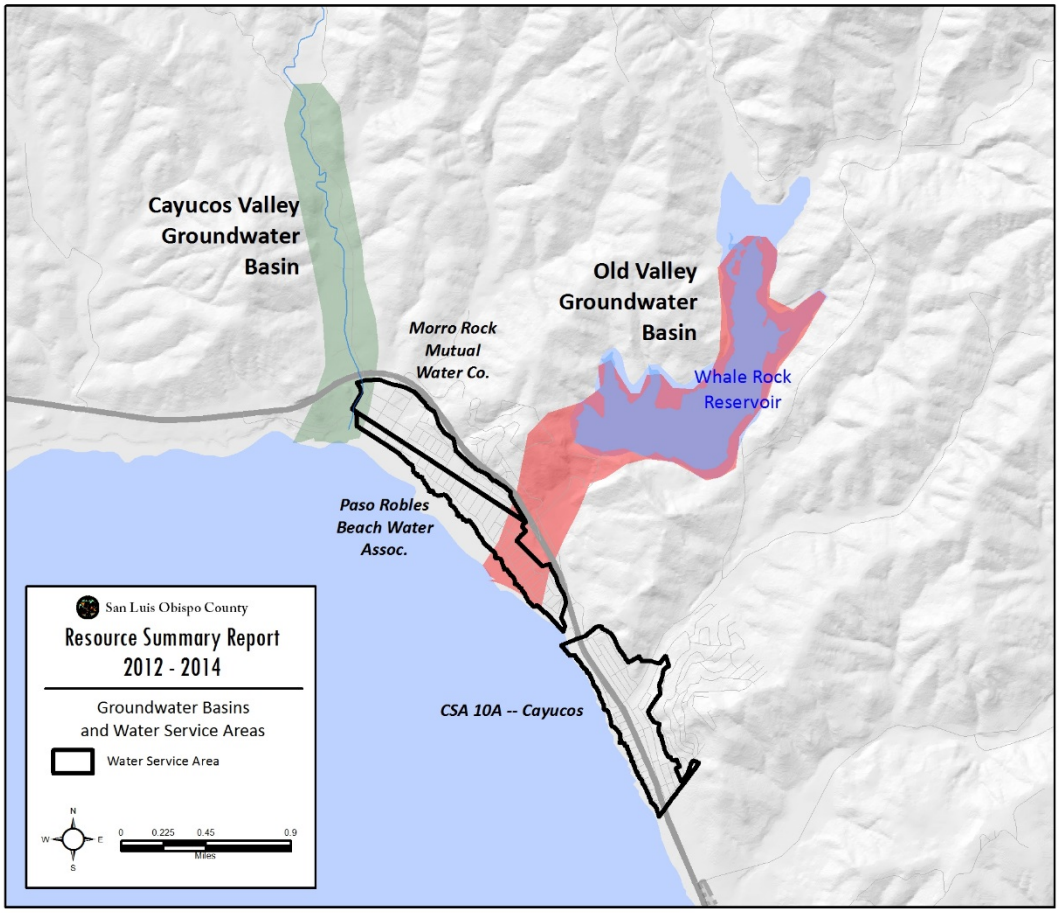


Figure II-5 – Groundwater Basins, Surface Water and Water Purveyors in the Cayucos Area

Cayucos Valley Groundwater Basin

Constraints on water availability in this basin include both physical limitations and water quality issues. Water level and well capacity declines during drought will limit the availability of the resource, while in the lower valley area; sea water intrusion will be the primary constraint.

The Morro Rock Mutual Water Company and Paso Robles Beach Water Association service areas overlie a portion of the basin; however, these purveyors do not pump from the Cayucos Valley basin. No recommended Level of Severity.

Old Valley Groundwater Basin

Basin groundwater users downstream of Whale Rock reservoir include members of the Cayucos Area Water Organization, which include Morro Rock Mutual Water Company, Paso Robles Beach Water Association, CSA 10A, the Cayucos Cemetery District, and two landowners. The combined groundwater and Whale Rock Reservoir surface water allocation for CAWO in Old Valley is 600 AFY, distributed as follows:

- Morro Rock MWC: 170 AFY
- PRBWA: 222 AFY
- CSA 10A: 190 AFY (plus 25 AFY of San Luis Obispo's entitlement via exchange for Lake Nacimiento water)
- CCD: 18 AFY
- Downstream land owners: 64 AFY

Constraints on water availability in this basin include physical limitations, water rights, and environmental considerations. Shallow alluvial deposits upstream of the reservoir are susceptible to drought impacts, having limited groundwater in storage. For the area below the reservoir, dam underflow may provide a source of recharge. Water agreements limit the amount of groundwater available to the members of CAWO and downstream landowners in Old Valley to the available sources. No recommended Level of Severity.

Whale Rock Reservoir allocations to CAWO members are sufficient to provide existing demands and meet forecast build-out demands. CSA 10A has procured an additional entitlement of 25 AFY through the Nacimiento Water Project. This water will be taken from the Whale Rock Reservoir in an exchange agreement with the City of San Luis Obispo. The agreement allows up to 90 AFY to be exchanged, which may be a way to address any future needs of the CAWO. Nacimiento Water Project water could be delivered to Morro Rock MWC or Paso Robles Beach Water Association as part of this arrangement.

Table II-9 -- Cayucos Valley and Old Valley Groundwater Basins
Existing and Forecasted Water Supply and Demand

Demand	**Morro Rock MWC**	**Paso Robles Beach Water Assoc.**	**CSA 10A**	**Cayucos Cemetery District**	**Agriculture**	**Rural**
Current Demand (AFY)[1]	115.4[1]	149.9[1]	110.1[1]	Not provided	520	80
Forecast Demand in 15 Years (AFY)	118.6	154.1	115.1	16	660	110
Forecast Demand in 20 Years (AFY)	125.9	163.5	122.2	16	706.7	120
Buildout Demand (30 Or More Years) (AFY)	164-173	207-218	220-232	17-18	430-800	130-140
Supply						
Whale Rock Reservoir (Old Valley Basin)	170	222	190	18	64	0
Nacimiento Water Project	0	0	25-90	0	0	0
SWRCB Water Diversions	3[3]	0	0	0	0	0
Cayucos Valley Basin	0	0	0	0	(4)	(4)
Total Supply:	173	222	215-280	18	Uncertain	Uncertain
Water Supply Versus Forecast Demand	Water demand for the basin projected over a period exceeding the LOS timeframe of 20 years will not equal or exceed the estimated dependable supply. Whale Rock Reservoir allocations are sufficient to provide for forecast demand.					

Sources: Water System Usage forms: July 2012 – June 2013; July 2013 – June 2014, San Luis Obispo County Master Water Report, 2012, Table 4.56

Notes:

1. See Table II-1. Current demand data for agriculture and rural are from 2012. All data are as reported separately by purveyors in 2014. Not apportioned.
2. CSA 10A has procured 25 - 90 AFY of Nacimiento Water Project via exchange with City of San Luis Obispo for Whale Rock Reservoir water. Agreement provisions allow for up to 90 AFY of NWP if necessary. Nacimiento water could be delivered to Morro Rock MWC or Paso Robles Beach Water Association, as part of this arrangement.
3. Only 3 AFY is diverted for a school and park irrigation, but up to 56 AFY is the permitted diversion from Little Cayucos Creek underflow. 56 AFY is part of the 600 AFY safe basin yield for the Cayucos Valley Basin. Due to water quality, the remaining 53 AFY could be used for domestic supply following treatment.
4. Estimated safe basin yield is 600 AFY and the majority of pumping is for agricultural or rural users, but a small public water system does serve a mobile home park.

Staff of the Department of Planning and Building estimate that General Plan buildout for Cayucos is likely to be reached by the year 2044 (in 29 years) which is beyond the timeframe of the LOS criteria. Since the forecast build-out demands will push the CAWO members to their supply limit, an alternative supply should be developed as a reliability reserve over the next ten years. The most viable option for a reliability reserve supply is the NWP, since the existing agreement with CSA 10A allows up to 90 AFY to be exchanged.

The combination of full 90 AFY NWP exchange and emergency conservation measures would provide the CAWO members with a reliable supply for the next twenty or more years. Therefore, water demand projected over a period exceeding 20 years will not equal or exceed the estimated dependable supply. No recommended Level of Severity.

Cayucos Area Water Systems

CSA 10A continues to make improvements to the overall water system to replace deteriorated and substandard waterlines and storage facilities. No significant water system limitations were reported by the other water purveyors. No recommended Level of Severity.

Los Osos Water Supply and Systems

Los Osos Groundwater Basin

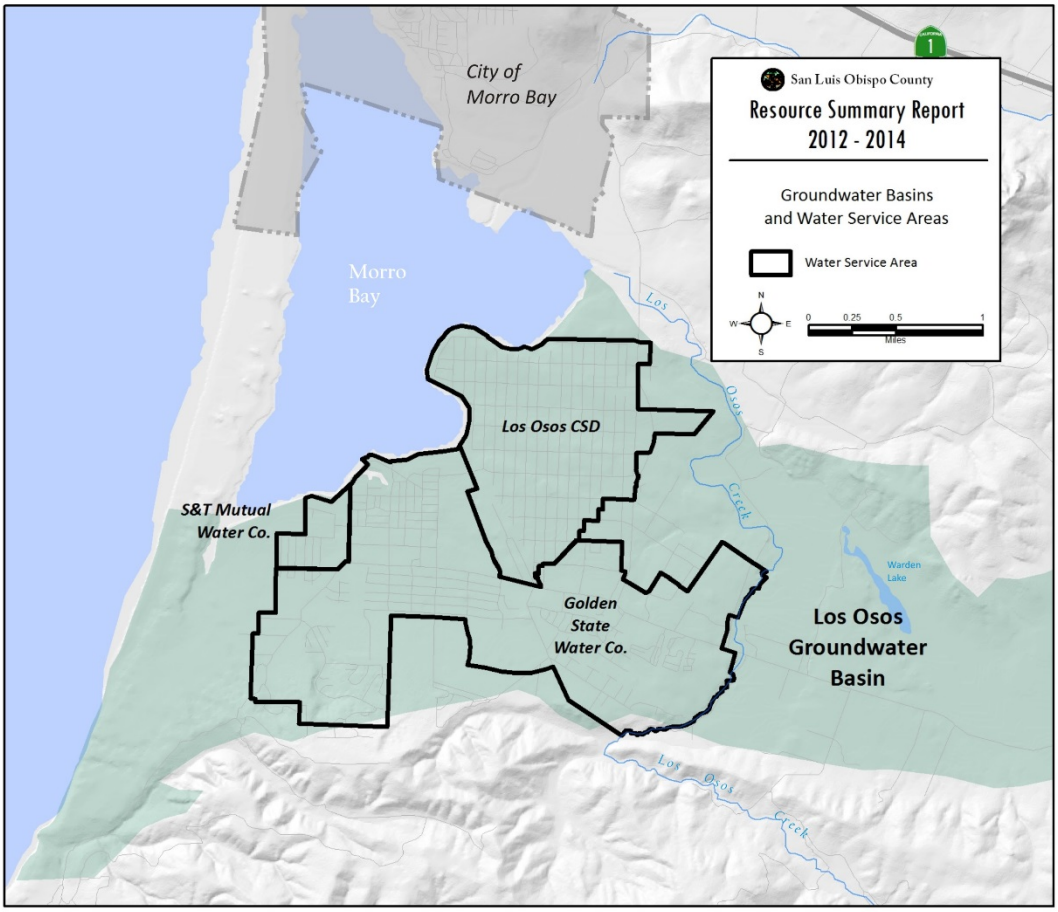


Figure II-6 – Los Osos Groundwater Basin and Water Purveyors Serving the Los Osos Area

Basin groundwater users in the Los Osos Valley basin include Golden State Water Company, S&T Mutual, the Los Osos Community Services District, and overlying private well users. Estimates of the safe yield of the groundwater basin have been developed for the current condition, with existing septic systems in place, and assuming no new water development. The safe yield estimate of the basin under current conditions is 3,200 AFY (ISJ Working Group, 2010).

According to the 2012 Master Water Report, the primary constraint on water availability in the Los Osos Valley Groundwater Basin is deteriorating water quality due to sea water intrusion and nitrate contamination. A wastewater collection, treatment and disposal system is currently under construction to address nitrate contamination of the basin.

The three local water purveyors (Golden State Water Company, S&T Mutual, the Los Osos Community Services District), along with the County of San Luis Obispo, are currently preparing a Basin Management Plan (BMP) under a court-approved Interlocutory Stipulated Judgment (ISJ Working Group). A draft of the BMP was published in August, 2013 and is being circulated for

public review and comment until December, 2014, and considers different scenarios for future water demand. The *No Further Development Scenario* assumes there is no future urban development beyond that which existed in 2010, the year of the most recent federal census. Policies of the County General Plan, the California Coastal Commission and the Regional Water Quality Control Board (RWQCB) will not allow additional development in Los Osos until the Basin is being managed on a sustainable basis. Thus the occurrence of any additional development is conditioned on the successful implementation of the BMP.

The *Buildout Development Scenario* assumes that future development in Los Osos follows the projections of the Draft Estero Area Plan (EAP). Those projections anticipate the population within the Urban Reserve Line (URL) for Los Osos to increase by roughly 35 percent through 2035, starting in 2016. Although the draft EAP for the Los Osos URL was not approved by the Coastal Commission because of water supply and other concerns, the projected level of development and population in the adopted EAP is widely considered to be unrealistic and likely to be revised downward as part of the Los Osos Community Plan update currently underway.

The No Further Development and Buildout Development Scenarios represent low and high marks for future urban water demand and the actual future demand will likely fall somewhere between these two scenarios and within the safe yield of the Basin as it changes with the implementation of the programs recommended by the Draft BMP. Programs being considered by the Draft BMP include the following:

Groundwater Monitoring Program. According to the Draft BMP, a comprehensive groundwater monitoring program is recommended to complete and consolidate data collection on groundwater resources in the Basin. The collected data will be used to inform Basin management decisions.

Urban Water Use Efficiency Program. According to the Draft BMP, improving urban water use efficiency is the highest priority program for balancing the Basin and preventing further seawater intrusion. More efficient urban water use will allow purveyors and well users to decrease the amount of groundwater extracted from the basin, thus ensuring that a sufficient amount of water remains to stabilize the freshwater-seawater interface.

Urban Water Reinvestment Program. In order to maximize the use of Basin resources, it is imperative that water used by urban consumers be reinvested in the hydrologic cycle in an appropriate manner. Accordingly, the Draft BMP promotes the increased use of recycled water for urban and agricultural water users. One of the key components of this program is implementation of the Los Osos Wastewater Project (LOWWP) expected to be completed and operating by 2016.To prevent the LOWWP from harming the Basin through additional seawater intrusion, conditions on the project require the LOWWP to reinvest all treated wastewater back into the Basin.

Basin Infrastructure Improvements. The Draft BMP recommends various infrastructure improvements to better manage the extraction, distribution, treatment and recycling of groundwater resources.

Supplemental water Program. The Draft BMP explores different options for developing sources of water other than water derived from the Basin. These sources include

rainwater harvesting, stormwater capture, greywater reuse, and groundwater desalination.

Table II-10 -- Los Osos Groundwater Basin Existing and Forecasted Water Supply and Demand

Demand	Los Osos CSD	S&T Mutual Water Co.	Golden State Water Co.	Agriculture	Rural
Current Demand (AFY)	645.1[1]	Not Provided	649.8[1]	3,290	20
Forecast Demand in 15 Years (AFY)	844.6	48	1,189.9	3,530	20
Forecast Demand in 20 Years (SFY)	911	64	1,369.9	3,610	20
Buildout Demand (30 Or More Years) (AFY)	835-1,044[2]	77-96[2]	1,384-1,730[2]	2,750-3,770	20
Supply					
Los Osos Groundwater Basin	(3)	(3)	(3)	(3)	(3)
Total Supply:	(3)	(3)	(3)	(3)	(3)
Water Supply Versus Forecast Demand	Due to seawater intrusion and nitrate contamination, the groundwater basin remains an unreliable source to meet existing demand and water demand projected over 15 years will equal or exceed the estimated dependable supply.[4]				

Sources: Water System Usage forms: July 2012 – June 2013; July 2013 – June 2014, San Luis Obispo County Master Water Report, 2012, Table 4.58

Notes:

1. See Table II-1. Current year data for agriculture and rural are from 2012.
2. The low end of the forecast demand range assumes 20 percent additional conservation (beyond what has already been accomplished) at build-out of current general plan.
3. Estimated safe basin yield is 3,200 AFY and all pumping is for urban, agricultural or rural users. Purveyors have 2,100 AFY available for their use. The remaining 1,100 AFY is used for agricultural irrigation, private domestic use, and golf course irrigation (Los Osos Groundwater Basin Update, ISJ Working Group, May 4, 2010).
4. Development of the Basin Management Plan will evaluate and identify strategies to improve basin conditions.

Through the development of the BMP, the ISJ Working Group will be evaluating and identifying the management strategies to implement, in coordination with the County's wastewater project, in order to improve conditions in the basin. However, because of seawater intrusion and nitrate contamination, the groundwater basin remains an unreliable source to meet existing demand and water demand projected over 15 years will equal or exceed the estimated dependable supply. **Recommended Level of Severity III**

Los Osos Area Water Systems

Los Osos CSD continues to make improvements to the overall water system to replace deteriorated and substandard waterlines and storage facilities. No significant water system limitations were reported. No recommended Level of Severity.

Golden State Mutual Water Co. plans to invest more than $2 million dollars in local infrastructure improvements in 2014. These improvements include water supply enhancements, distribution and ongoing improvements designed to replace old meters, mains and safety equipment. No recommended Level of Severity.

Avila Beach and Avila Valley Water Supply and Systems

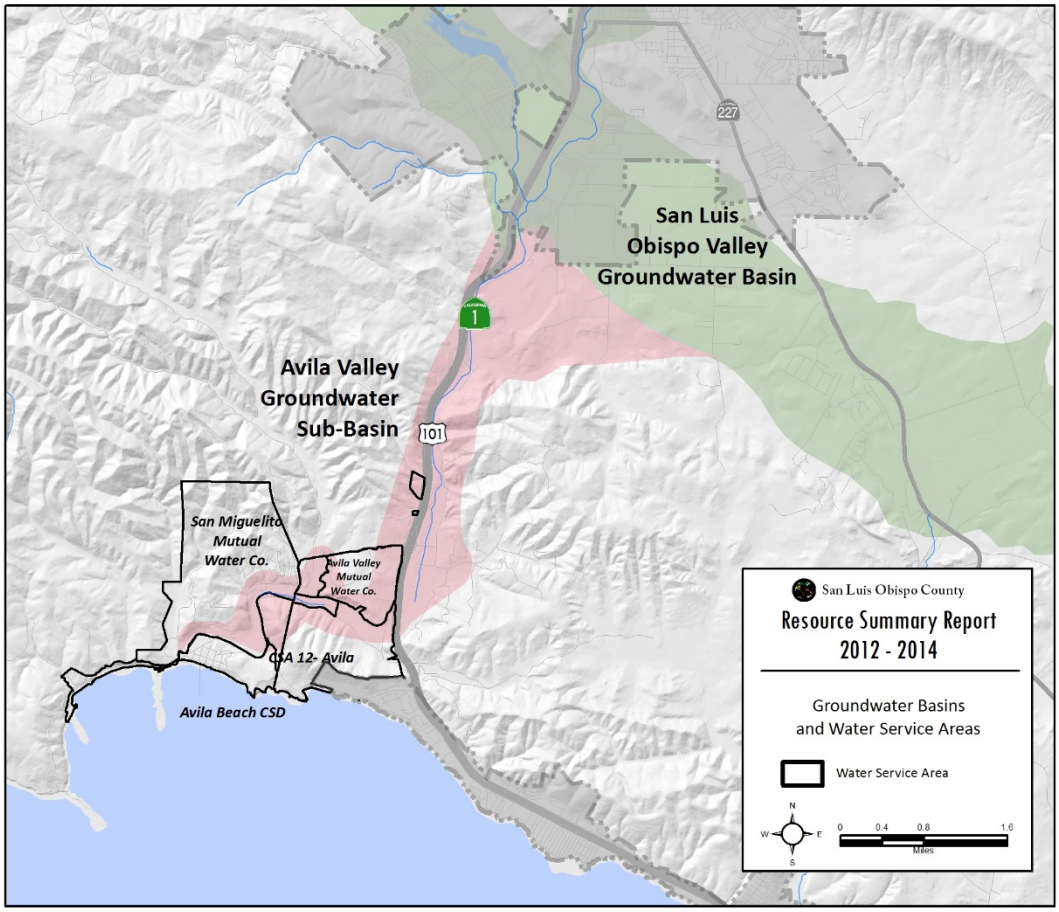


Figure II-7 -- Avila Valley Groundwater Sub-Basin and Water Purveyors

San Luis Obispo Valley Groundwater Basin – Avila Valley Sub-basin

The Avila Valley Sub-basin serves urban development in the Avila Valley as well as overlying private well users. No basin yield numbers have been published for this sub-basin. The primary constraints on water availability in the Avila Valley Sub-basin are physical limitations and environmental demand. Shallow alluvial deposits are typically more susceptible to drought impacts. Releases from the City of San Luis Obispo Water Reclamation Facility into San Luis Obispo Creek significantly offset storage losses during drought, but are also intended to support steelhead habitat. Below the Marre Weir[6], sea water intrusion is the primary constraint to water availability.

Water purveyors serving the area include the Avila Beach CSD, Avila Valley Mutual Water Co., San Miguelito Mutual Water Co., CSA 12 and Port San Luis. The San Luis Valley and Avila Valley Sub-basins do not provide a significant supply to the urban users when compared to surface

[6] The Marre Weir, located at the San Luis Obispo Creek Estuary is a metal sheet pile structure that spans the width of San Luis Obispo Creek. The purpose of the weir is to prevent saltwater incursion into the groundwater upstream. This groundwater is a principle water source for the adjacent housing development.

water supplies. The primary constraints on water availability include physical limitations, water quality issues, and environmental demand.

The State Water Project provides water to the Avila Beach CSD, Avila Valley MWC, San Miguelito MWC, and CSA 12. The SWP is considered a supplementary source of water since hydrologic variability, maintenance schedules, and repair requirements can cause reduced deliveries or complete shutdown of the delivery system. Since delivery to the Central Coast began, the SWP has provided between 50 and 100 percent of the contracted allocations, but recently, the drought coupled with pumping restrictions in consideration of endangered species habitat lowered that amount to 35 percent in 2008 and 40 percent in 2009. Lopez Lake Reservoir supplies water to Avila Beach CSD, Avila Valley MWC, and CSA 12.

According to the 2010 Master Water Report, the Avila Valley Sub-basin does not provide a significant supply to the urban users in the area when compared to surface water supplies (the State Water Project). The shallow alluvial deposits are typically more susceptible to drought impacts. Elevated nitrates are a constraint for drinking water availability in the Avila Valley Sub-basin. The reliability of the sub-basin to supplement surface supplies is uncertain because:

- The safe yield of the basin is unknown;
- Considerable variability in water deliveries from the State Water Project;

San Luis Obispo Valley Groundwater Basin – Edna Valley Sub-basin

The Edna Valley Sub-basin serves limited urban development as well as overlying private well users. Water purveyors in the Edna Valley include Golden State Water Company. The primary constraints on water availability in the Edna Valley portion of the basin are physical limitations and environmental demand. Lowering groundwater levels due to production in the basin may impact base flows to Pismo Creek, which support steelhead habitat.

According to the 2010 Master Water Report, the estimated safe yield of the sub-basin is 4,000 AFY (DWR 1997). The primary constraints on water availability in the Edna Valley portion of the basin are physical limitations and environmental demand. Lowering groundwater levels due to production in the basin may impact base flows to Pismo Creek, which support steelhead habitat. The reliability of the sub-basin is uncertain in part because future demand associated with rural and agricultural users in the sub-basin is unknown. However, the relatively small population served when compared with the safe yield of the aquifer suggests that the sub-basin will remain a reliable source. No recommended Level of Severity.

Table II-11 – San Luis Obispo Valley Groundwater Basin – Avila Valley and Edna Valley Sub-basins Existing and Forecasted Water Supply and Demand								
Demand	**Avila Beach CSD**	**Avila Valley MWC**	**San Miguelito MWC**	**CSA 12**	**Port San Luis**	**Golden State Water Co. (Edna Valley)**	**Agriculture**	**Rural**
Current Demand (AFY)	86.6[1]	48.1[1]	179.5[1]	68[2]	35[2]	286.8[1]	3,610	450
Forecast Demand in 15 Years (AFY)	107.5	44.1	232.9	68	35	335.6.4	3,865	555
Forecast Demand in 20 Years (AFY)	128.3	40.1	286.3	68	35	372.2	3,950	590
Buildout Demand (30 Or More Years) (AFY)	162-170[3]	30-32[3]	373-393[3]	65-68[3]	33-35[3]	434-482	2,810-4,120	610-660
Supply								
State Water Project[4]	66[5]	20	275	7[6]	0	0	0	0
Lopez Lake Reservoir	68	12	0	61	100	0	0	0
Avila Valley Sub-Basin[7]	0	Uncertain	118	Uncertain[8]	0	0	Uncertain[9]	Uncertain[9]
Edna Valley Sub-Basin	0	0	0	0	0	410	Uncertain[10]	Uncertain[10]
Total Supply:	134	32	393	68	100	410	Uncertain	Uncertain
Water Supply Versus Forecast Demand	Water demand projected over 20 years will not equal or exceed the estimated dependable supply. This is due primarily to a lack of information regarding the safe yield of the sub-basin.							

Sources: Water System Usage forms: July 2012 – June 2013; July 2013 – June 2014, San Luis Obispo County Master Water Report, 2012, Table 4.59

Notes:

1. See Table II-1. Current year data for agriculture and rural are from 2012.
2. 2011 data.
3. The low end of the forecast demand range assumes 5% additional conservation (beyond what has already been accomplished) at build-out for all urban users.
4. State Water Project average allocation assumed 66 percent of contract water service amount.
5. Avila Beach CSD has a 100 AFY allocation, but no drought buffer. Therefore, the 66 percent assumption for State Water Project delivery is 66 AFY.
6. Seven (7) AFY of SWP water allocated to the San Luis Coastal Unified School District.
7. No basin yield numbers have been published for the Avila Valley Sub-basin.
8. Individual water users within CSA 12 boundary could request an exemption to install a private well and pump water from the Avila Valley Sub-basin. It is unknown the number of users with private wells, but it is likely minimal.
9. No basin yield numbers have been published for the Avila Valley Sub-basin.

10. Estimated safe basin yield is 2,000 AFY and all pumping is for urban, agricultural or rural users. The City of San Luis Obispo's use is approximately 100 AFY, but the City does not consider their 500 AFY share of the safe yield as part of its water resource availability. The remaining 1,500 AFY is available for other urban users, agricultural irrigation, and private domestic use.

Recommended Levels of Severity:

San Luis Obispo Valley Groundwater Basin – Avila Valley Sub-basin. There is uncertainty regarding the safe yield of the Avila Valley Sub-basin. A conservative forecast of future demand for urban users suggests that the available supply will be equaled or exceeded at General Plan buildout. Staff of the Department of Planning and Building estimate that General Plan buildout is likely to be reached by the year 2047 (in 32 years) which is beyond the 20 year timeframe of the LOS criteria. Therefore, water demand projected over 20 years will not equal or exceed the estimated dependable supply. No recommended Level of Severity. However, this is due primarily to a lack of information regarding the safe yield of the sub-basin.

San Luis Obispo Valley Groundwater Basin – Edna Valley Sub-basin. Water demand projected over 20 years will not equal or exceed the estimated dependable supply. No recommended Level of Severity.

Avila Beach and Avila Valley Water Systems

No significant water system limitations were reported. No recommended Level of Severity.

Oceano/Nipomo Area Water Supply and Water Systems

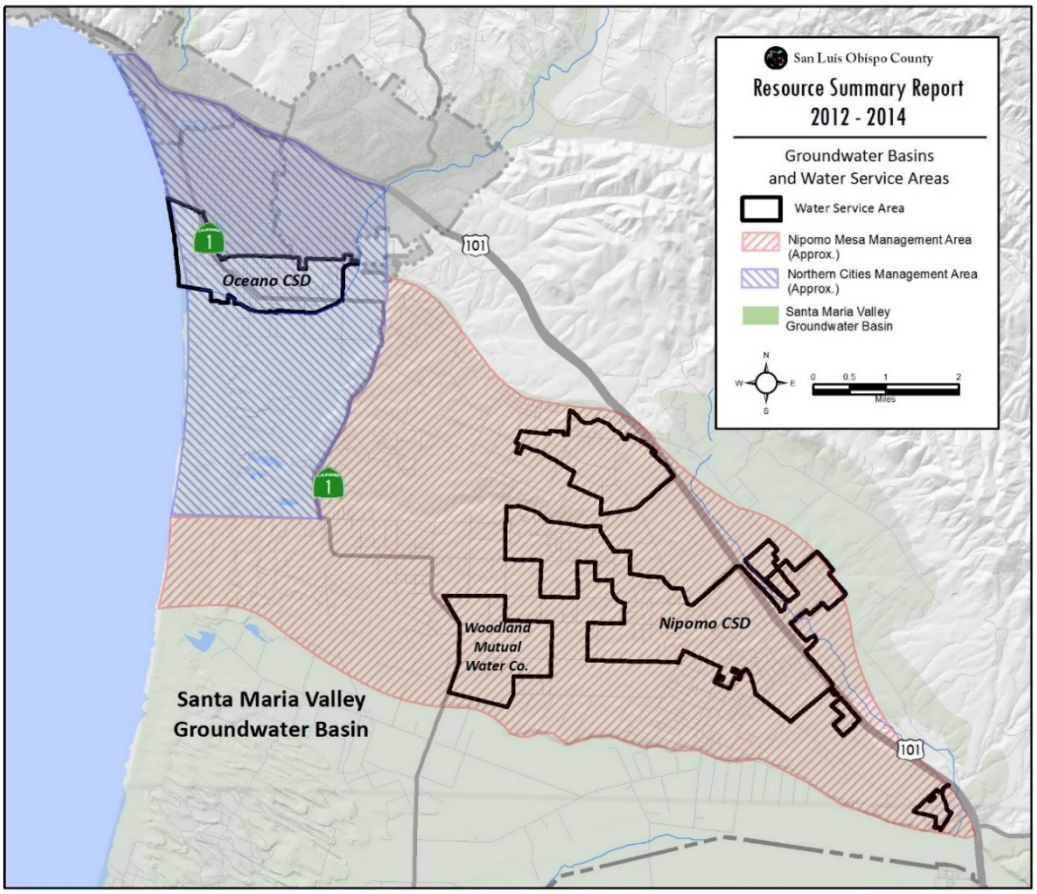


Figure 8 -- Santa Maria Valley Groundwater Basin, Management Areas and Water Purveyors

Santa Maria Valley Groundwater Basin

The Santa Maria Valley groundwater basin underlies the Santa Maria Valley in the coastal portion of northern Santa Barbara and southern San Luis Obispo Counties and serves urban users as well as overlying well users. The basin also underlies Nipomo and Tri-Cities Mesas, Arroyo Grande Plain, with sub-basins in the Nipomo, Arroyo Grande and Pismo Creek Valleys.

There are two boundaries currently in use for this basin, one defined by the California Department of Water Resources (DWR) and one defined by the Superior Court of California. The court-defined boundary was developed by a technical committee for use in basin adjudication. Three sub-basins have also been identified in San Luis Obispo County that are separated from the main basin by the Wilmar Avenue fault and are outside the area of adjudication. These are the Pismo Creek Valley (1,220 acres), Arroyo Grande Valley (3,860 acres), and Nipomo Valley (6,230 acres) Sub-basins.

The Santa Maria Valley Groundwater Basin has been adjudicated. In 2005, the Superior Court of California entered a Judgment for a basin-wide groundwater litigation case that defined three

basin management areas. These management areas are the Northern Cities Management Area (NCMA), the Nipomo Mesa Management Area (NMMA), and the Santa Maria Valley Management Area (SMVMA).

Northern Cities Management Area

The Northern Cities Management Area (NCMA) is part of the Santa Maria Valley Groundwater Basin adjudicated area. The Oceano CSD is the only water purveyor serving the unincorporated County. The 2002 Groundwater Management Agreement (the "gentlemen's agreement") among the Northern Cities which includes the cities of Arroyo Grande, Pismo Beach and Grover Beach, along with the Oceano CSD, allocates an assumed safe yield of 9,500 AFY. The safe yield included subdivisions for agricultural irrigation (5,300 AFY), subsurface flow to the ocean (200 AFY) and urban uses (4,000 AFY). It also provided that urban groundwater allocations can be increased when land within the incorporated boundaries is converted from agricultural uses to urban uses, referred to as an agricultural conversion credit, or "ag credit." The 2010 Annual Report for the Northern Cities Management Area (NCMA) summarizes the groundwater allocations for the Northern Cities as follows:

Table II-12 -- Allocation of Water Among Parties to The 2002 Northern Cities Management Agreement

Urban Area	Allotment (AFY)	Ag Credit (AFY)	Total (AFY)
Arroyo Grande	1,202	112	1,314
Grover Beach	1,198	209	1,407
Pismo Beach	700	0	700
Oceano CSD	900	0	900
Total:	4,000	321	4,321

Source: San Luis Obispo County Master Water Report, 2012, page 4-30

The Arroyo Grande Plain Hydrologic Sub-area (part of the Santa Maria Valley Groundwater Basin) provides from 30 to 100 percent of the water supply for the urban users. The only water purveyor serving the unincorporated areas of the Northern Cities Management Area is the Oceano CSD. However, the groundwater extraction rights are shared by agreement with Pismo Beach, the City of Arroyo Grande, the City of Grover Beach, and the Oceano CSD. As party to the Santa Maria Valley Groundwater Basin litigation, extraction rights may be increased or decreased at a future date. Groundwater availability in the NCMA is primarily constrained by water quality issues and water rights. The major purveyors have agreed to share the water resources through a cooperative agreement that also sets aside water for agricultural use and for basin outflow, although the amount allocated for basin outflow has been deemed unreasonably low (Todd, 2007). Following the detection of evidence of seawater intrusion in 2009, the NCMA water purveyors worked cooperatively with each other and the County to reduce groundwater pumping.

Water availability in the NCMA is primarily constrained by water quality issues and water rights. Basin sediments in the management area extend offshore along several miles of coastline, where sea water intrusion is the greatest potential threat to the supply. Low coastal groundwater levels indicated a potential for seawater intrusion that was locally manifested in sentry wells 32S/13E N02 and N03 in 2009 after 3 dry years, with levels and water quality

improving after an average rainfall year in 2010. The major purveyors have agreed to share the water resources through a cooperative agreement that also sets aside water for agricultural use and for basin outflow. Following the detection of evidence of seawater intrusion in 2009, the NCMA water purveyors worked cooperatively with each other and the District to reduce groundwater pumping. This approach included the following management strategies:

- Increased surface water use through delivery of surplus supplies from Lopez reservoir
- Expanded conservation programs and customer education
- Negotiations to secure an emergency allocation of additional State Water Project supplies, if needed
- Hydraulic evaluation and maintenance of the Lopez pipeline
- Increased groundwater monitoring
- Expanded regional cooperation

Going forward, the NCMA water purveyors plan to implement several initiatives to improve the long-term sustainability of their water supplies. These initiatives could include:

- Development of a groundwater model for the Santa Maria Valley Groundwater Basin
- Pursuit of additional permanent and emergency allocations of State Water Project supplies
- Enhanced conjunctive use of the groundwater basin
- Regional recycled water projects

Oceano CSD maintains adequate supply to meet existing and forecast build-out demands. With sufficient conservation, Oceano CSD should have adequate supply to not only meet its customer's needs, but also maintain a reliability supply. Oceano CSD's participation in the County's drought buffer program for State Water would improve water supply reliability in the event of drastic cut backs in State Water Project supplies.

Water demand projected over 20 years will not equal or exceed the estimated dependable supply for the Northern Cities Management Area. No recommended Level of Severity.

Table II-13 – Santa Maria Groundwater Basin -- Northern Cities Management Area Existing and Forecasted Water Supply and Demand			
Demand	**Oceano CSD**	**Agriculture**	**Rural**
Current Demand (AFY)	832.8[1]	2,056	38
Forecast Demand in 15 Years (AFY)	909.5	2,399	38
Forecast Demand in 20 Years (AFY)	973.9	2,513	38
Buildout Demand (30 Or More Years) (AFY)	1,277 -1,419[2]	2,742	38
Supply			
State Water Project (AFY)[3]	495[4]	0	0
Lopez Lake Reservoir (AFY)	303	0	0
Santa Maria Valley Groundwater Basin -- Arroyo Grande Plain Sub-Area (AFY)[5]	900	5,300[7]	36
Transfers[6]	-100	0	0
Total Supply:	1,598	Uncertain	Uncertain
Water Supply Versus Forecast Demand	Water demand projected over 20 years will not equal or exceed the estimated dependable supply.[8]		

Sources: Water System Usage forms: July 2012 – June 2013; July 2013 – June 2014, San Luis Obispo County Master Water Report, 2012, Table 4.60

Notes:

1. See Table II-1. Current year data for agriculture and rural are from 2012.
2. Ten percent additional water conservation (beyond what has already been accomplished) assumed for the low end of the forecast build-out demand, except for Grover Beach, which assumed 20% additional reduction.
3. State Water Project average allocation assumed 66 percent of contract water service amount.
4. Oceano CSD has a 750 AFY allocation, but no drought buffer. Therefore, the 66 percent assumption for State Water Project delivery is 495 AFY.
5. Safe yield of 9,500 AFY with subdivisions for applied irrigation (5,300 AFY), subsurface outflow to the ocean (200 AFY), and urban use (4,000 AFY). The 2002 Groundwater Management Agreement safe yield allotment for urban use is broken down per the number shown.
6. Arroyo Grande has an active agreement to purchase 100 AFY of Oceano CSD supplies from groundwater or Lopez Lake water. This temporary agreement ends in 2014.
7. Safe yield of 9,500 AFY with subdivisions for applied irrigation (5,300 AFY), subsurface outflow to the ocean (200 AFY), and urban use (4,000 AFY). The 2002 Groundwater Management Agreement safe yield allotment for urban use is broken down per the numbers shown.
8. NCMA cities, NMMA cities, County, District, and local land owners actively and cooperatively manage surface and groundwater with the goal of preserving the long-term integrity of water supplies in the NCMA and NMMA.

Nipomo Mesa Management Area

Groundwater is pumped from the Nipomo Mesa Hydrologic Sub-area that is part of the Santa Maria Valley Groundwater Basin. Litigation involving use of this groundwater basin, which began in 1997, has resulted in stipulations and judgments in 2005 and 2008. As party to the Santa Maria Groundwater Basin litigation, extraction rights for Golden State Water Company, Rural Water Company, Woodlands Mutual Water Co., ConocoPhillips and Nipomo CSD may be affected at a future date. In addition, the stipulated judgment required these users (except for ConocoPhillips) to develop alternative sources to import a minimum of 2,500 AFY. The primary

constraints on water availability in the NMMA are physical limitations to the east, water quality on the west, and water rights.

Even with additional conservation measures in place, Golden State Water Company, Rural Water Company, Woodlands MWC, and Nipomo CSD could experience supply deficits if groundwater is insufficient to meet increases in demands. To address this need, recycled water, investigating other groundwater supply sources, and increasing delivery from the Nipomo Supplemental Water Project (discussed below) are considered the most feasible water management strategy options to consider implementing.

Nipomo Supplemental Water Project. The Nipomo CSD has investigated multiple sources of supplemental water and, as a result, signed an agreement with the City of Santa Maria to pursue an intertie project. The January 5, 2010 Wholesale Water Supply Agreement established the basis for purchase and delivery of water from the City to the Nipomo CSD. The project is currently under construction. When completed, it will be capable of delivering up to 3,000 AFY and could be completed in two and a half years. Once the supplemental water system is in place, Nipomo CSD will be required to purchase 2,167 AFY of that supply. Three other water purveyors, Woodlands MWC, Golden State Water Company, and Rural Water Company will share in the project costs and will together receive one-third of the mandated minimum water delivery (833 of 2,500 AFY). The additional 500 AFY capacity has been reserved for use by the Nipomo CSD for infill but no annexations or General Plan Amendments may use this water. Additional water via the City of Santa Maria (if possible), desalination and recycled water are also being considered as a long-term alternative source for the Nipomo CSD and others in the region.

Although the Santa Maria Groundwater Basin has been adjudicated, the potential for shortfalls to purveyors and overlying users that continue to rely primarily on groundwater remains. The NMMA, the County, and local land owners actively and cooperatively manage surface and groundwater with the goal of preserving the long-term integrity of water supplies in the NMMA. However, uncertainties remain about the reliability of water resources serving the Nipomo Mesa Management Area.

Water demand projected over 15 years is projected to equal or exceed the estimated dependable supply. **Recommended Level of Severity III**

Table II-13 -- Santa Maria Valley Groundwater Basin – Nipomo Mesa Management Area
Existing and Forecasted Water Supply and Demand

Demand	**Nipomo CSD**	**Woodlands Mutual Water Co.**	**Agriculture**	**Rural**
Current Demand (AFY)[1]	2,517.0	849.3	3,800	1,700
Forecast Demand in 15 Years (AFY)	2,790.5	895.6	4,050	1,700
Forecast Demand in 20 Years (AFY)	2,906.3	932.8	4,133.3	1,700
Buildout Demand (30 Or More Years) (AFY)	2,984[2]	1,440-1,600[2]	3,800-4,300	1,700
Supply				
State Water Project (AFY)[3]	0	0	0	0
Lopez Lake Reservoir (AFY)	0	0	0	0
Santa Maria Valley Groundwater Basin -- Arroyo Grande Plain Sub-Area (AFY)[4]	0	0	0	0
Transfers[5]	0	0	0	0
Nipomo Supplemental Water Project (AFY)[6]	2,157	417	0	0
Santa Maria Valley Groundwater Basin -- Nipomo Mesa Sub-Area (AFY)	457	365	4,300	1,700
Recycled Water (AFY)	60-74	24-28	0	0
Total Supply:	2,698	810	Uncertain	Uncertain
Water Supply Versus Forecast Demand	Water demand projected over 15 years is projected to equal or exceed the estimated dependable supply. [7]			

Sources: Water System Usage forms: July 2012 – June 2013; July 2013 – June 2014, San Luis Obispo County Master Water Report, 2012, Table 4.60

Notes:

1. See Table II-1. Current year data for agriculture and rural are from 2012.
2. Ten percent additional water conservation (beyond what has already been accomplished) assumed for the low end of the forecast build-out demand, except for Grover Beach, which assumed 20% additional reduction.
3. State Water Project average allocation assumed 66 percent of contract water service amount.
4. Safe yield of 9,500 AFY with subdivisions for applied irrigation (5,300 AFY), subsurface outflow to the ocean (200 AFY), and urban use (4,000 AFY). The 2002 Groundwater Management Agreement safe yield allotment for urban use is broken down per the number shown.
5. Arroyo Grande has an active agreement to purchase 100 AFY of Oceano CSD supplies from groundwater or Lopez Lake water. This temporary agreement ends in 2014.
6. Nipomo supplemental water project includes Nipomo CSD, Woodlands MWC, Golden State Water Company, and Rural Water Company. Nipomo CSD will receive approximately 1,667 AFY and has reserved an additional 500 AFY. The other three will receive 833 AFY.
7. The NCMA cities, NMMA cities, County, District, and local land owners actively and cooperatively manage surface and groundwater with the goal of preserving the long-term integrity of water supplies in the NCMA and NMMA.

Oceano/Nipomo Area Water Systems

Nipomo CSD is currently constructing the Supplemental Water Project, described above. No other significant water system improvements or limitations were reported. No recommended Levels of Severity.

Santa Margarita Area Water Supply and Systems

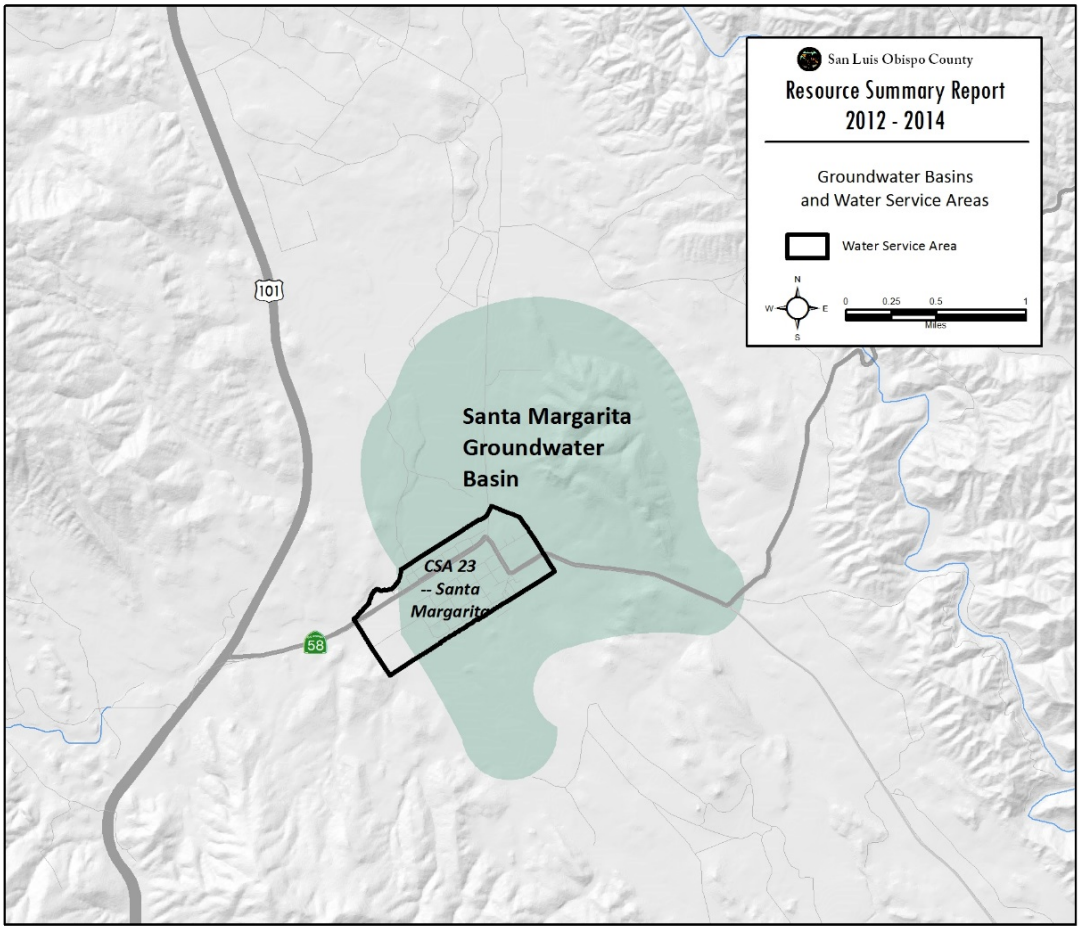


Figure 9 -- Santa Margarita Valley Groundwater Basin and CSA 23

Santa Margarita Valley Groundwater Basin

The Santa Margarita Valley Groundwater Basin includes the unincorporated town of Santa Margarita and surrounding rural residences and agricultural fields. The total drainage area associated with the basin consists of four watersheds that collectively drain in the northerly direction into the Salinas River. Water users in the Santa Margarita area include the unincorporated town of Santa Margarita and overlying users. Santa Margarita Ranch is primarily an agricultural operation, but residential subdivisions are approved on the Ranch.

The primary constraint on water availability in the Santa Margarita Valley Groundwater Basin are physical limitations. No comprehensive studies to determine the perennial yield are known to exist. Based on an evaluation of available data used for the Santa Margarita Ranch Environmental Impact Report, however, Hopkins (2006) indicated that the average annual yield of the basin in the vicinity of the proposed Santa Margarita Ranch development may be in the range of 400 to 600 AFY.

Although the Santa Margarita Creek alluvial aquifer serves as the primary source of water for the town of Santa Margarita, there is no safe yield estimate. Although the alluvial aquifer is considered to be highly productive, it is shallow in vertical extent (i.e., 50 feet thick) and therefore highly susceptible to seasonal fluctuations in groundwater levels of about 15 to 20 feet. During dry water years or extended droughts, well yields may be significantly reduced due to low groundwater levels (Todd, 2004). Recharge in the shallow alluvial deposits for a particular year is dependent on rainfall, creek stream flows, and precipitation runoff generated in the four watersheds. Wells developed in the deeper Santa Margarita Formation generally do not have sufficient yields to reliably replace the wells in the alluvial aquifer. Hydrographs of deep wells in the area indicate that groundwater levels have been trending downward for at least the last decade (Hopkins, 2006). Therefore, a conservative estimate of the reliable yield from the Santa Margarita Creek alluvial aquifer (164 AFY) has been used as the available groundwater supplies serving CSA 23 and the Santa Margarita Ranch.

Population projections prepared by staff of the Department of Planning and Building suggest that the current population of the community of Santa Margarita is about 1,273 (Table I-I). Assuming the 2014 per capita demand continues into the future, the safe yield of the Santa Margarita Creek alluvial aquifer will be reached by the year 2025 when the population is projected to reach 1,328. It should be noted that future per capita demand will likely be greater than in 2014 because of water conservation efforts imposed as a result of drought conditions which have persisted over the past three years. Water demand projected over 15 years is expected to equal or exceed the estimated dependable supply. **Recommended Level of Severity III**

Table II-14 -- Santa Margarita Groundwater Basin Existing and Forecasted Water Supply and Demand

Demand	**CSA 23**	**Santa Margarita Ranch**	**Agriculture**	**Rural**
Current Demand (AFY)[1]	157.2	1,621	1,770	240
Forecast Demand in 15 Years (AFY)	167.7	3,755.5	2,225	380
Forecast Demand in 20 Years (AFY)	170.5	4,467	2,376.7	426.7
Buildout Demand (30 Or More Years) (AFY)	173-192[2]	5,301-5,890	1,720-2,680	450-520
Supply				
San Margarita Valley Groundwater Basin (AFY)[3]	164	1,621	Uncertain	Uncertain
SWRCB Water Diversions	0	22	(4)	(4)
Total Supply:	164	1,643	Uncertain[5]	Uncertain[5]
Water Supply Versus Forecast Demand	Water demand projected over 15 years is expected to equal or exceed the estimated dependable supply. [6]			

Sources: Water System Usage forms: July 2012 – June 2013; July 2013 – June 2014, San Luis Obispo County Master Water Report, 2012, Table 4.65

Notes:

1. See Table II-1. Current year data for agriculture and rural are from 2012.

2. Ten percent water conservation assumed for the low end of the forecast build-out demand. Although the existing annual supply and demand indicates a surplus, the dry season extraction limit creates a seasonal supply deficit.
3. Although some reports indicate an average annual yield may range between 400 to 600 AFY, no comprehensive studies to determine the perennial yield are known to exist. Therefore, a conservative estimate of the reliable yield from the Santa Margarita Creek alluvial aquifer has been used as the available groundwater supplies serving CSA 23 and the Santa Margarita Ranch.
4. Diversions do not distinguish type of use. Potentially 417 AFY could be diverted for use to either agriculture or rural residential.
5. It is uncertain which basins are used and the quantity of water pumped from each basin. Future studies should invest the resources to quantify the location of and use within each basin.
6. It is likely that a deficit exists because the combined existing urban, agricultural, and rural demands exceed the Santa Margarita Valley basin yield/storage.

Santa Margarita Area Water Systems

In 2012, the County considered the construction of a physical connection between an existing water transmission pipeline (the State water pipeline) which is a component of the State Water Project and the existing local water distribution system of CSA 23. The purpose of the project (the Santa Margarita Emergency Intertie Project) was to provide properties within an assessment district access to a reliable supply of water in the event of a drought of sufficient duration and severity which would render the existing groundwater supply insufficient. Environmental review was completed in 2013 and funding options are being investigated. No recommended Levels of Severity.

Templeton/San Miguel/Shandon Water Supply and Systems

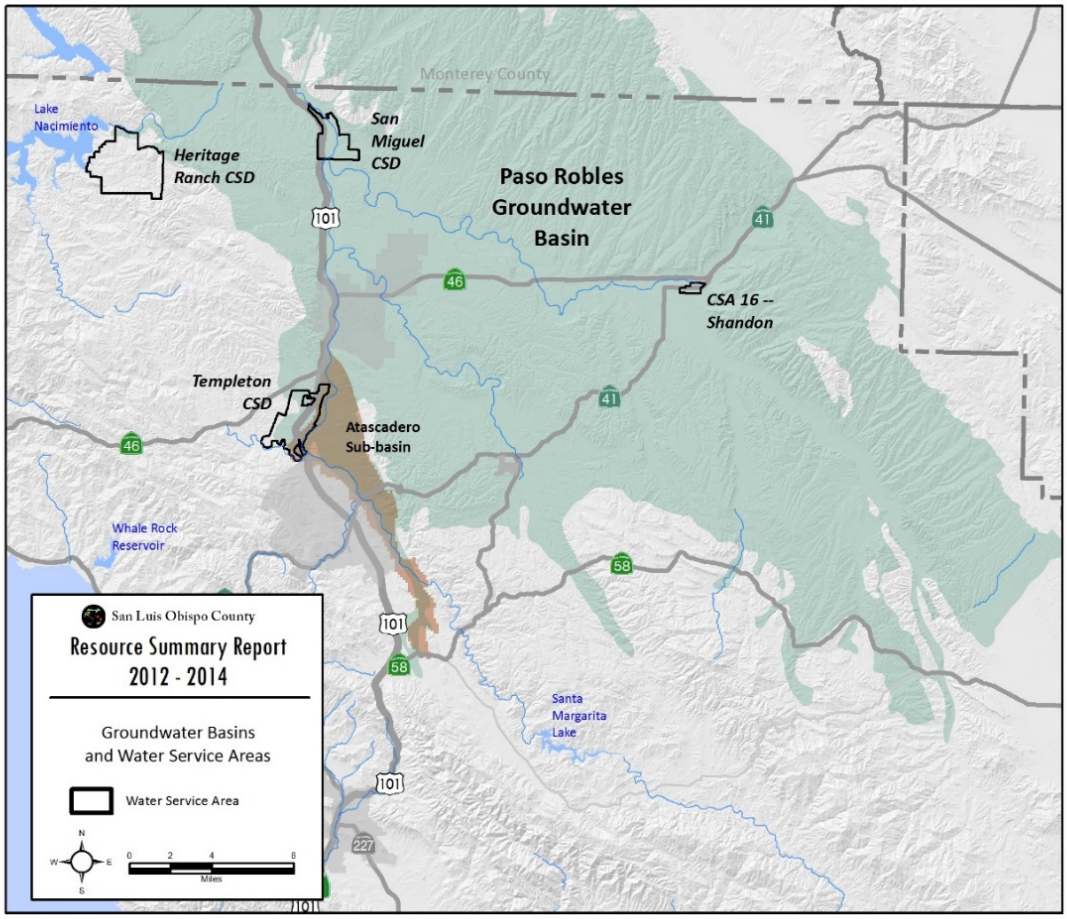


Figure II-10 -- Paso Robles Groundwater Basin, Atascadero Sub-basin and Water Purveyors

Paso Robles Groundwater Basin

The Paso Robles Groundwater Basin is located in both Monterey and San Luis Obispo counties and is 505,000 acres (790 square miles) in size. The basin ranges from the Garden Farms area south of Atascadero to San Ardo in Monterey County, and from the Highway 101 corridor east to Shandon.

Water purveyors serving the unincorporated County include the San Miguel CSD and CSA 16 which serves the Shandon area. Groundwater from the Paso Robles Groundwater Basin is the primary source of water; CSA 16 has an allocation of 100 AFY of State Water Project water (but no drought buffer), but has not developed this supply due to high cost.

Portions of the Paso Robles Groundwater Basin have experienced significant water level declines over the past 15 to 20 years (Todd 2007, Todd 2009). The area of particular concern is the Estrella subarea, primarily from the eastern part of the City of Paso Robles, eastward along the Highway 46 corridor to Whitley Gardens.

The following is a chronology of key events in the ongoing management of the Paso Robles Groundwater Basin:

- In 2005, the County, City of Paso Robles, CSA 16 – Shandon, San Miguel CSD, and approximately 20 landowners organized as the Paso Robles Imperiled Overlying Rights (PRIOR) group to participate in the Paso Robles Groundwater Basin Agreement (Agreement). Key elements of the Agreement are a clear acknowledgement that the Paso Robles Groundwater Basin was not in overdraft at the time of the agreement, and that the parties will not take court action to establish any priority of groundwater rights over another party as long as the Agreement is in effect. In addition, the parties agree to participate in a meaningful way in groundwater management activities, and to develop a plan for monitoring groundwater conditions in the groundwater basin.

- A Resource Capacity Study was completed in 2011 for the "area of concern" where groundwater levels have experienced significant declines. The RCS concluded that the groundwater basin is approaching or has reached its perennial yield. The RCS recommended groundwater monitoring, water conservation, and land use measures to address groundwater demand.

- On August 28, 2012 the Board of Supervisors awarded a contract to Geoscience, Inc. to update the computer model for the Basin. The scope of work for the project includes:

  - Updating the model to extend the period covered from 1981-1997 to 1981-2011

  - Refining the perennial (safe) yield for the Basin

  - Assessing the model input parameters that have the greatest effects on the model's simulation results to determine the certainty of model predictions

  - Evaluating the Basin's response to "growth" and "no-growth" scenarios projected over the period 2011 to 2041 (i.e. simulating how water levels would change)

- The Paso Robles Groundwater Basin Urgency Ordinance (Ordinance) was adopted on August 27, 2013. The emergency ordinance established a moratorium on new or expanded irrigated crop production, conversion of dry farm or grazing land to new or expanded irrigated crop production, as well as new development dependent upon a well in the Paso Robles Groundwater Basin unless such uses offset their total projected water use by a ratio of 1:1.

- In September, 2014 Assembly Bill 2453 (Achadjian) was signed into law amending Section 37900 of the California Water Code. The bill provides for the formation of the *Paso Robles Basin Water District* to provide a governmental framework for the management of groundwater resources within the basin. The district would be formed in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and the boundaries would be established by the San Luis Obispo County Local Agency Formation Commission (LAFCo). The bill authorizes the district to develop, adopt, and implement a groundwater management plan to control extractions from the Paso Robles Groundwater Basin.

- A Draft Final Report for the Paso Robles Groundwater Basin Computer Model Update was distributed for public review and comment on November 13, 2014. Key outcomes of the model update and calibrations include the following:

  - Updated Perennial Yield Estimate for the Basin. The period of 1982 to 2010 is representative of the historical average rainfall in the Basin area. The updated estimate for the perennial yield based on that period is 89,648 acre-feet per year (AFY). For the period of 1981 to 2011, outflows exceeded inflows to the Basin by 2,473 AF on an average annual basis (i.e. more water left the Basin than was replenished). This is updated from the preliminary results presented in December 2013, which were 89,200 AFY and 2,900 AF, respectively.

  - Future Year Simulations. The model was run to evaluate the Basin's response to "no-growth" and "growth" scenarios projected over a future thirty year period. The no-growth scenario projects that outflows would exceed inflows on an average annual basis over the thirty year period by 5,592 AFY. The growth scenario projects that outflows would exceed inflows on an average annual basis over the thirty year period by 20,900 AFY.

Preliminary results of the groundwater computer model suggest that outflows from the basin currently exceed inflows. County staff are currently (December, 2014) developing recommendations for consideration by the Board of Supervisors at its January 6, 2014 meeting. The formation of a groundwater management district is currently being considered by the various affected parties and LAFCo. In the meantime the emergency ordinance remains in effect. Water demand projected over 15 years will equal or exceed the estimated dependable supply. **Recommended Level of Severity III**

Table II-16 -- Paso Robles Groundwater Basin
Existing and Forecasted Water Supply and Demand

Demand	**San Miguel CSD**	**CSA 16 - Shandon**	**City of Paso Robles**	**Agriculture**	**Rural**
Current Demand (AFY)	312.1[1]	142.3[1]	3,569	67,610	3,590
Forecast Demand in 15 Years (AFY)	447.1	621.2	6,670	77,215	4,910
Forecast Demand in 20 Years (AFY)	492	780.8	7,704	80,416.7	5,350
Buildout Demand (30 Or More Years) (AFY)	466-582[2]	271-1,100[3]	8,422-9,772	60,740-86,820	5,570-6,230
Supply					
Paso Robles Groundwater Basin[8] (AFY)					
Paso Robles Formation (AFY)	235	147	2,856	(6)	(6)
Salinas River Underflow (AFY)	0	0	537/872[10]	738[7]	0
Other Groundwater Sources (AFY)	0	0	0	Uncertain	Uncertain
State Water Project (AFY)	0	66[4]	0	0	0
Nacimiento Project	0	0	4,000	0	0
Total Supply:	235	213	7,728	Uncertain	Uncertain
Water Supply Versus Forecast Demand	Water demand projected over 15 years will equal or exceed the estimated dependable supply.[5]				

Sources: Water System Usage forms: July 2012 – June 2013; July 2013 – June 2014, San Luis Obispo County Master Water Report, 2012, Table 4.67

Notes:

1. See Table II-1. Current year data for agriculture and rural are from 2012.
2. Twenty (20) percent additional water conservation (beyond what has already been accomplished) assumed for the low end of the forecast build-out demand for San Miguel and 10% for Paso Robles.
3. Upper end of the range reflects demand projected in accordance with the draft Shandon Community Plan should it be approved by the Board of Supervisors in the future.
4. CSA 16 has an allocation of 100 AFY of State Water Project (but no drought buffer), but has not developed this supply due to high cost. State Water Project average allocation assumed 66 percent of contract water service amount, which equates to 66 AFY.
5. Including demand in the Monterey County portion of the basin, and depending on the estimated use for the Agricultural and Rural sectors and future hydrology, basin studies are indicating that the perennial yield may be exceeded in the future. The agencies, County, District, and local land owners intend to actively and cooperatively manage the groundwater basin via the development of a Groundwater Management Plan. It is possible that a future supply deficit will exist for agriculture and rural users because the forecast agricultural and rural demands, excluding demands in the Monterey County portion of the basin, exceed the basin yield. It is uncertain how much of the rural and agricultural demand is supplied by sources outside the basin.
6. It is assumed that the majority of water supply for agriculture and rural users comes from the Paso Robles Groundwater Basin.
7. SWRCB records indicate that 738 AFY could be diverted from the Salinas River (direct diversion or underflow). It is assumed that the entire amount is used for agriculture.
8. The safe yield of the Paso Robles Groundwater Basin is currently being updated
9. It was assumed that Paso Robles currently extracts one-half of its current groundwater demand and one-half of its total future groundwater demand from the Atascadero Sub-basin.

10. The City of Paso Robles is permitted to extract up to 8 cfs (3,590 gpm) with a maximum extraction of 4,600 AFY (January 1 to December 31). For the purposes of this analysis, it was assumed that half (4,063 AFY) of the existing demand of 8,126 AFY was extracted from the Salinas River Underflow via the Thunderbird Wellfied

The Atascadero Sub-basin of the Paso Robles Groundwater Basin

The Atascadero Sub-basin is a sub-basin of the Paso Robles Groundwater Basin. The eastern boundary is the Rinconada fault. Because the fault displaces the Paso Robles Formation, the hydraulic connection between the aquifer across the Rinconada fault has been considered sufficient to warrant the classification of this area as a distinct sub-basin. Therefore, the Atascadero Groundwater Sub-basin is defined as that portion of the basin west of the Rinconada fault.

Primary constraints on water availability in the sub-basin include water rights and physical limitations. The rights to surface water flows in the Salinas River and associated pumping from the alluvium (Salinas River Underflow) have been fully appropriated by the State Water Resources Control Board (State Board) and no plans exist to increase these rights beyond the current allocations. Full appropriation implies that no additional rights to the Salinas River flows are being issued by the State Board at this time nor is any additional pumping for existing rights being granted. Therefore, the Salinas River does not represent a future source of water supply that can be developed beyond its present appropriation.

The Templeton CSD is the sole water purveyor serving the unincorporated County within the Sub-basin. Groundwater from the Atascadero Groundwater Sub-basin is the primary water supply source for the CSD; recycled water and water from the Nacimiento Water Project (NWP) are also sources. An additional source of water for Templeton CSD comes from their re-use program with disposal of treated wastewater effluent from the Meadowbrook WWTP percolation ponds. This program allows the Templeton CSD to percolate treated effluent into the groundwater basin/Salinas River Underflow and subsequently extract the same amount of water 28 months later. The Templeton CSD is also under contract to receive 250 AFY from the NWP. The Atascadero MWC is a major partner of the Nacimiento Water Project, having contracted for a 2,000 AFY allotment of this future supply.

The perennial yield of the Sub-basin was estimated in 2002 to be 16,400 AFY (Fugro, 2002). The estimated gross groundwater pumping in the Sub-basin during 2006 was determined to be 15,545 AF (Todd 2009), which is 95 percent of the Sub-basin perennial yield of 16,400 AFY. A more recent estimate based on data from the 2012 Master Water Report and data collected from the purveyors within the Sub-basin (Table II-15) suggests that water demand from urban, rural and agricultural users is currently about 22,212 AFY which exceeds the perennial yield of the Sub-basin.

Recent modeling summarized in the Paso Robles Groundwater Basin Model Update Draft Final Report (Todd, 2014) assumes the Sub-basin is hydraulically separate from the main Basin, but does not calculate a separate perennial yield or water budget (i.e., average annual inflow and outflow). An evaluation of the conceptualized aquifer system used in the Basin Model Update was inconclusive as to whether the Rinconada Fault serves as a hydraulic barrier that separates the Sub-basin from the main Basin. Accordingly, the Basin Model Update calculates the water budget for the Paso Robles Groundwater Basin as a whole inclusive of the Atascadero Sub-basin

and concludes that the perennial yield is currently being exceeded and will continue to be exceeded under a No Growth scenario.

The Atascadero Sub-basin will be included in the Basin Management Plan and groundwater management district currently being considered by the County and affected stakeholders. One of the goals of the Basin Plan is to identify a sustainable management strategy for the Paso Robles Groundwater Basin as a whole, including the Sub-basin. Further study is needed to determine the connectivity between the Sub-basin and main basin and the effect that deliveries from the Nacimiento Project will have on the perennial yield. However, because demand for water from the Paso Robles Groundwater Basin currently exceeds the perennial yield, and the hydraulic separation of the Sub-basin has not been determined conclusively, water demand projected over 15 years will equal or exceed the estimated dependable supply. **Recommended Level of Severity III**

Table II-15 -- Atascadero Sub-basin Existing and Forecasted Water Supply and Demand

Demand	**Templeton CSD**	**Garden Farms**	**Atascadero MWC**	**City of Paso Robles**	**Agriculture**	**Rural**
Current Demand (AFY)	1,344.3[1]	(5)	5,525	3,243[9]	10,620	1,480
Forecast Demand in 15 Years (AFY)	1,892.2	46.5	6,562	3,485.5	12,610	1,705
Forecast Demand in 20 Years (AFY)	1,954.8	62	6,908.3	3,566.3	13,272.3	1,780
Buildout Demand (30 Or More Years) (AFY)	2, 034-2,260[2]	48-93	6,840 – 7,600[2]	3,728	9,740-14,600	1,810-1,930
Supply						
Atascadero Groundwater Sub-basin (AFY)[3] Paso Robles Formation (AFY)[4] Salinas River Underflow (AFY)[4]	 1,050 500	 48-93 0	 3,193 3,372	 3,728[9] 4,063	 (6) 745[7]	 (6) 0
Recycled Water (AFY)	132/475	0	0	0	0	0
Nacimiento Water Project (AFY)	250	0	2,000	0	0	0
Other Groundwater Sources (AFY)	0	0	0	0	Uncertain	Uncertain
Total Supply:	1,932	48-93	8,565	4,063	Uncertain	Uncertain
Water Supply Versus Forecast Demand	Because water demand from basin currently exceeds the perennial yield, and the hydraulic separation of the Sub-basin has not been determined conclusively, water demand projected over 15 years will equal or exceed the estimated dependable supply.[8]					

Sources: Water System Usage forms: July 2012 – June 2013; July 2013 – June 2014, San Luis Obispo County Master Water Report, 2012, Table 4.66

Notes:

1. See Table II-1. Current year data for agriculture and rural are from 2012.
2. Ten (10) percent additional water conservation (beyond what has already been accomplished) assumed for the low end of the forecast build-out demand.
3. The agencies, County, District, and local land owners intend to actively and cooperatively manage the Paso Robles Groundwater Basin (which includes the Sub-basin) via the development of a Groundwater Management Plan.
4. The perennial yield was estimated to be 16,400 AFY. Extractions from the Sub-basin occur primarily from the Salinas River Underflow and deeper formations. Depending on the estimated use for the Agricultural and Rural sectors, future hydrology and whether additional Nacimiento supplies are utilized, Sub-basin studies are indicating that the perennial yield may be exceeded in the future. However, the safe yield of the Paso Robles Groundwater Basin is currently being updated.
5. No data were provided.
6. It is assumed that the majority of water supply for rural users and about 13 percent of the supply for agricultural users comes from the Sub-basin.
7. SWRCB records indicate that 745 AFY could be diverted from the Salinas River (direct diversion or underflow). It is assumed that the entire amount is used for agriculture.
8. It is uncertain whether the sources of supply outside the Sub-basin in addition to the Sub-basin itself are sufficient to sustain the level of demand.
9. It was assumed that Paso Robles currently extracts one-half of its current groundwater demand and one-half of its total future groundwater demand from the Atascadero Sub-basin.

Templeton/San Miguel/Shandon Water Systems

Future water supply for the Templeton CSD will likely come from the Nacimiento Water Project (NWP). Templeton CSD could increase its NWP allotment. Templeton CSD would percolate raw water from the NWP into the Salinas River Underflow, in a similar manner that they percolate effluent from the Meadowbrook WWTP percolation ponds (Selby Pond site). In addition, the Templeton CSD might divert additional wastewater flows to the Meadowbrook WWTP (which currently flow to the City of Paso Robles WWTP), which will allow them to increase percolation into and extraction from the Salinas River Underflow by as much as 343 AFY. However, no plans are in place to develop these sources.

No significant water system limitations were reported. No recommended Levels of Severity.

Lake Nacimiento Area Water Supply and Systems

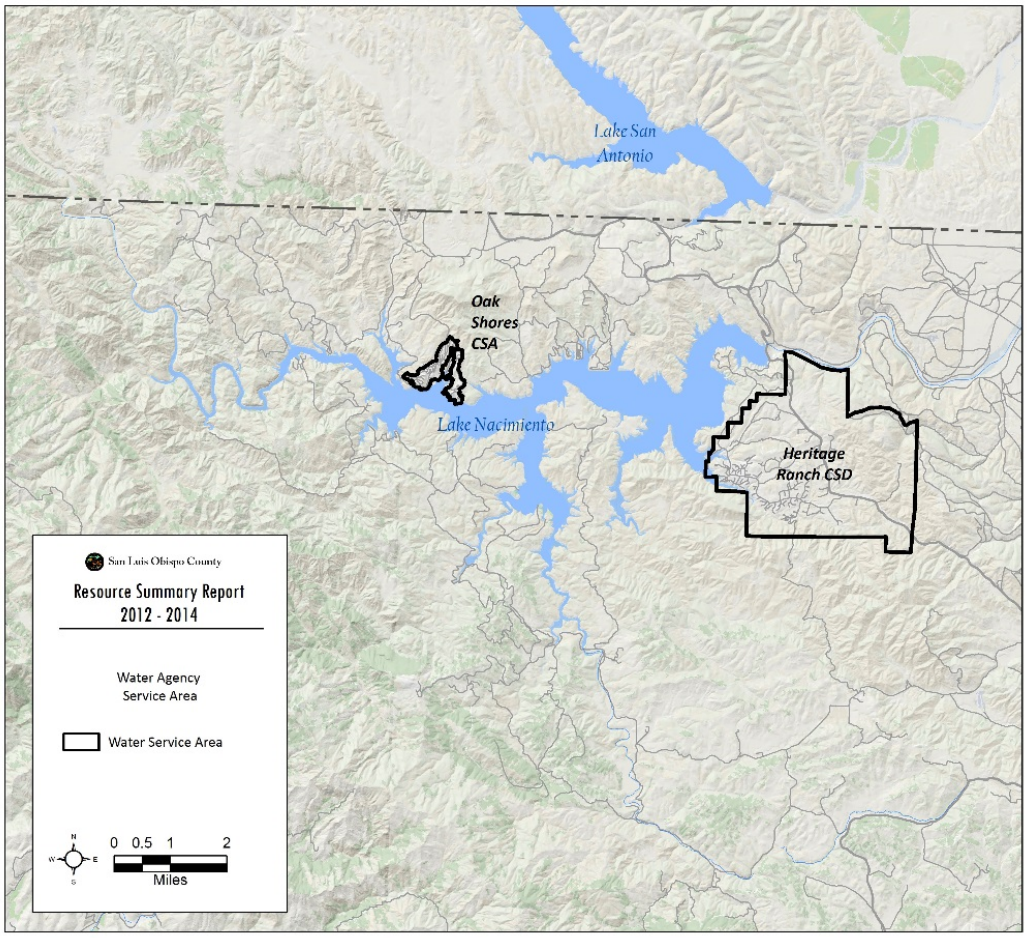


Figure II-11 – Lake Nacimiento Area and Water Service Areas

There are two water purveyors serving the Lake Nacimiento area, the Heritage Ranch CSD and the Nacimiento Water Company which serves the community of Oak Shores. The Heritage Ranch CSD has only one water supply source, the Gallery Well, which is fed via three horizontal wells located in the Nacimiento River bed just downstream of the Nacimiento Dam. Heritage Ranch CSD serves a residential community along the southern shores of Lake Nacimiento. Typically, the Nacimiento River is fed year-round by the release of water through the upper and/or lower outlet works in the dam at Lake Nacimiento. If no water is released from the lake, the Heritage Ranch CSD will not have a water supply. The 1,100 AFY of allocation of Nacimiento Reservoir water designated for use in Heritage Ranch's service area is part of the 1,750 AFY reserved for County residents in the Lake Nacimiento area.

The 1,100 AFY Nacimiento Reservoir allocation for Heritage Ranch CSD is sufficient to provide water for anticipated build-out demand, but the configuration of the delivery system leaves the Heritage Ranch CSD vulnerable to a termination in water supply in an extreme drought. If the lake's water level drops below the dam outlet (has never occurred but came to within two feet of the lower outlet works in October 1989), then Heritage Ranch CSD could temporarily lose its

water supply. Alternative sources are under consideration, including taking water directly from the lake and connecting to the Nacimiento Water Project pipeline.

The Nacimiento Water Company (NWC) serves the community of Oak Shores, which is on the banks of Nacimiento Lake. The NWC currently serves a population of 275 residents with water drawn from the lake, which is then treated prior to distribution. Plans to develop an additional 345 lots as part of Oak Shores Estates are currently on hold. The water supply allocation for Oak Shores is part of the 1,750 AFY reserved for County residents in the Lake Nacimiento area. The 600 AFY Nacimiento Reservoir allocation for the Nacimiento Water Company is sufficient to provide water for anticipated build-out demand for the Oak Shores Area.

Water demand projected over 20 years is not expected to equal or exceed the dependable supply. No recommended Level of Severity.

Table II-17 -- Lake Nacimiento Area
Existing and Forecasted Water Supply and Demand

Demand	**Heritage Ranch CSD**[1]	**Nacimiento Water Company**	**Agriculture**	**Rural**
Current Demand (AFY)	461.3	(4)	3,860	280
Forecast Demand in 15 Years (AFY)	508.8	(4)	5,490	580
Forecast Demand in 20 Years (AFY)	526.4	(4)	6,033.3	680
Buildout Demand (30 Or More Years) (AFY)	935 – 1,039[2]	(4)	4,740-7,120	730-880
Supply				
Lake Nacimiento (AFY)	1,100[2]	600[5]	0	0
Other Groundwater Sources (AFY)	0	0	(5)	(5)
SWRCB Water Diversions (AFY)	0	0	(6)	(6)
Total Supply:	1,100	600	Uncertain	Uncertain
Water Supply Versus Forecast Demand	Water demand projected over 20 years is not expected to equal or exceed the dependable supply.[3,6]			

Sources: Water System Usage forms: July 2012 – June 2013; July 2013 – June 2014, San Luis Obispo County Master Water Report, 2012, Table 4.69

Notes:

1. See Table II-1. Current year data for agriculture and rural are from 2012.
2. Heritage Ranch CSD's allocation of Lake Nacimiento is 1,100 AFY.
3. The Lake Nacimiento supply allocation is sufficient to meet forecast demands. However, if the lake's water level drops below the dam outlet (has never occurred but came to within two feet of the lower outlet works in October 1989), then Heritage Ranch CSD could lose its water supply.
4. No estimate of existing or forecast demand is available.
5. Groundwater supply sources around Lake Nacimiento are the typical sources of supply for wells that serve agricultural and rural users. There is no information describing the yield for these groundwater supplies.
6. Diversions do not distinguish type of use. Potentially 1,048 AFY could be diverted for use to either agriculture or rural residential.

7. It is uncertain whether an agricultural or rural supply deficit exists. Future studies should invest the resources to determine the basin yield for these groundwater supplies and the uses for the creek/river diversions. It is possible that the combined supplies from groundwater and creek diversions are sufficient to meet the agricultural and rural demands.

Lake Nacimiento Area Water Systems

No significant water system limitations were reported. No recommended Levels of Severity.

Summary of Recommended Levels of Severity

Water Supply

Table II-18 -- Summary of Recommended Levels of Severity	
Groundwater Basins and Affected Water Purveyors	**Recommended LOS**
Pico Creek Valley Groundwater Basin *Water Purveyors* San Simeon CSD	**III**
San Simeon Valley Groundwater Basin Santa Rosa Valley Groundwater Basin *Water Purveyors* Cambria CSD	**III** **III**
Cayucos Valley Groundwater Basin Old Valley Groundwater Basin *Water Purveyors* CSA 10A Morro Rock Mutual Water Co. Paso Robles Water Assoc.	None None
Los Osos Valley Groundwater Basin *Water Purveyors* Los Osos CSD S&T Mutual Water Co. Golden State Water Co.	**III**
San Luis Obispo Valley Groundwater Basin – San Luis Sub-basin San Luis Obispo Valley Groundwater Basin – Avila Valley Sub-basin *Water Purveyors* Avila Beach CSD Avila Valley Mutual Water Co. San Miguelito Mutual Water Co. CSA 12	None None
Santa Maria Valley Groundwater Basin – Northern Cities Management Area Santa Maria Valley Groundwater Basin – Nipomo Mesa Management Area	None **III**

Table II-18 -- Summary of Recommended Levels of Severity	
Groundwater Basins and Affected Water Purveyors	**Recommended LOS**
Water Purveyors Nipomo CSD Woodlands Mutual Water Co. Oceano CSD	
Santa Margarita Groundwater Basin *Water Purveyors* CSA 23	**III**
Paso Robles Groundwater Basin *Water Purveyors* San Miguel CSD CSA 16 – Shandon	**III**
Paso Robles Groundwater Basin – Atascadero Sub-basin *Water Purveyors* Templeton CSD	**III**
Lake Nacimiento Area *Water Purveyors* Heritage Ranch CSD Nacimiento Water Co.	None

Water Systems

No Levels of Severity are recommended.

Recommended Actions

General Recommendations

- Continue to support efforts to improve water conservation, the efficient use of water, and water re-use.
- Continue to collect development impact fees for the construction of water supply infrastructure.
- Support efforts to complete a Basin Management Plan for the Los Osos Groundwater Basin and the Paso Robles Groundwater Basin.
- Support efforts to develop sustainable supplemental sources of water.

San Simeon Valley and Santa Rosa Valley Groundwater Basins (Cambria)

1. LOS III to remain in place.

2. Collaborate with the Cambria Community Services District to address issuance of a limited number of intent-to-serve letters and building permits based on the aggressive water conservation program developed by Maddaus Water Management, Inc.

3. Collaborate with the Cambria Community Services District to revise the County Growth Management Ordinance to reflect the issuance of a small number of building permits for new development as part of a temporary pilot program.

4. Collaborate with the Cambria Community Services District to prepare a CEQA determination, with the County acting as a Responsible Agency, that identifies the potentially significant impacts of a temporary, small scale pilot program to issue intent-to-serve letters and building permits for new development.

Cayucos Valley and Old Valley Groundwater Basins (Cayucos)

1. Support efforts to secure an alternative supply as a reliability reserve, perhaps through the acquisition of an additional allocation from the Nacimiento Water Project.

Los Osos Groundwater Basin

1. LOS III to remain in place.

2. Continue to support efforts to complete and implement a Basin Management Plan.

3. Support efforts to complete the wastewater project.

San Luis Obispo Valley Groundwater Basin

1. Support efforts to determine the safe yield of the Avila Valley Sub-basin.

Santa Maria Valley groundwater Basin (Nipomo Mesa Area)

1. Consider ending the Title 8 retrofit-upon-sale ordinance in the NMWCA. The program has run for four years and approximately 5% of homes have needed retrofitting.

2. Follow the progress of the *Supplemental Water Alternatives Evaluation Committee*. Coordinate any needed County actions such as an AB 1600 study to quantify the costs and benefits of the identified supplemental water project for groundwater users outside the Nipomo CSD.

3. Collaborate with the Nipomo CSD and other stakeholders to assist in their efforts to address area wide water issues.

4. Continue to help fund area wide water conservation through the fee on new construction.

Paso Robles Groundwater Basin

1. LOS III for the Basin as a whole and for the Atascadero Sub-basin.

2. Continue to support efforts to complete and implement a Basin Management Plan.

Santa Margarita Groundwater Basin

1. Recommended LOS II.
2. Support efforts to determine the safe yield of the Santa Margarita Groundwater Basin.
3. Support efforts to develop additional sustainable water supplies for CSA 23.

III. WASTEWATER

Level of Severity Criteria

WASTEWATER TREATMENT

Level of Severity	Wastewater Treatment Criteria
I	The service provider or RWQCB determines that monthly average daily flow will or may reach design capacity of waste treatment and/or disposal facilities within 4 years. This mirrors the time frame used by the RWQCB to track necessary plant upgrades.
II	RWQCB determines that the monthly average daily flow will or may reach design capacity of waste treatment and/or disposal facilities within 2 years.
III	Peak daily flow equals or exceeds the capacity of a wastewater system for treatment and/or disposal facilities.

WASTEWATER COLLECTION SYSTEMS

Level of Severity	Wastewater Collection Criteria
I	2-year projected flows equal 75% of the system capacity. A 2-year period is Recommended for the preparation of resource capacity study.
II	System is operating at 75% capacity, OR The five-year projected peak flow (or other flow/time period) equals system capacity, OR The inventory of developable land in a community would, if developed, generate enough wastewater to exceed system capacity.
III	Peak flows fill any component of a collection system to 100% capacity.

1. A wastewater collection system includes facilities that collect and deliver wastewater to a treatment plant for treatment and disposal (sewer pipelines, lift stations, etc.)

SEPTIC SYSTEMS

Level of Severity	Septic Systems Criteria
I	Failures occur in 5% of systems in an area or other number sufficient for the County Health Department to identify a potential public health problem.
II	Failures reach 15% and monitoring indicates that conditions will reach or exceed acceptable levels for public health within the time frame needed to design, fund and build a project that will correct the problem, based upon projected growth rates.
III	Failures reach 25% of the area's septic systems and the County Health Department and RWQCB find that public health is endangered.

1. Includes septic tank systems or small aerobic systems with subsurface disposal. Typical disposal systems include leach fields, seepage pits, or evapotranspiration mounds.

Wastewater Collection and Treatment Systems

The service areas of wastewater collection and treatment system operators serving the unincorporated county are listed in Table III-1 and shown on Figure III-1.

Table III-1 – Wastewater Agencies Serving Unincorporated San Luis Obispo County

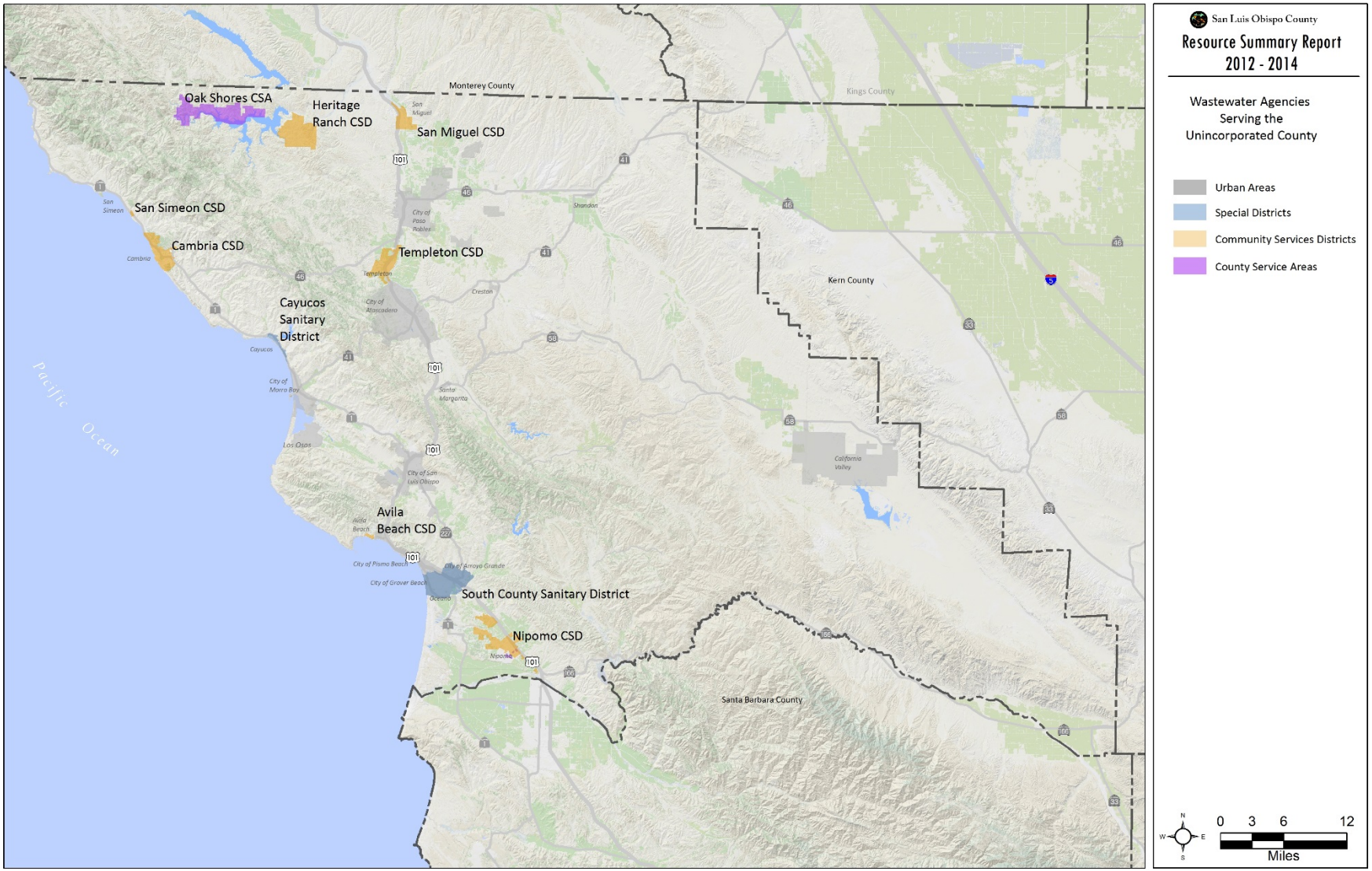
Agency	Date of Discharge Permit	Design Flow[1] (MGD)[2]	2014 Average Daily Flow (MGD)	Percent of Design Flow
Avila Beach CSD[3]	12-12-2009	0.2	0.057	29%
Cambria CSD	12-7-2001	1.0	0.67	67%
Cayucos Sanitary District[4]	12-4-2008	2.36	0.964	41%
Country Club Estates – CSA 18	10-23-2003	0.12	0.068	56%
Heritage Ranch CSD	5-5-2011	0.4	0.14	35%
Nipomo CSD – Black Lake	3-11-1994	0.10	0.052	52%
Nipomo CSD – Southland Treatment Plant	2-2-2012	0.9	0.64	71%
San Miguel CSD	7-9-1999	0.45	0.096	21%
San Miguelito Mutual Water Co.	7-14-1995	0.15	0.08	53%
San Simeon CSD[5]	12-5-2013	0.2	0.085	43%
South San Luis Obispo County Sanitation District[6]	10-23-2009	3.3	2.52	76%
Oak Shores CSA[7]	12-7-2001	0.1	0.032	32%
Templeton CSD[8]	5-11-2007	0.043	0.016	37%

Source: Regional Water Quality Control Board, 2014

Notes:

1. Design Flow = average daily dry weather flow in million gallons per day.
2. MGD = Million gallons per day
3. CSD = Community Services District
4. The Morro Bay wastewater treatment plant serves the Cayucos Sanitary District and the City of Morro Bay. By agreement, Cayucos SD is allotted 0.721 MGD of Morro Bay treatment plant capacity.
5. By agreement, Hearst Castle is allotted 0,05 MGD of the San Simeon treatment plant capacity.
6. South County Sanitary District serves the cities of Arroyo Grande and Grover Beach and the unincorporated community of Oceano.
7. CSA = County Service Area
8. By agreement, the Templeton CSD is allotted 0.40 MGD of the Paso Robles treatment plant capacity.

Figure III-1 – Wastewater Service Providers Serving Unincorporated San Luis Obispo County



Recommended Levels of Severity for Wastewater Collection and Treatment Service Providers

Methodology

The 2014 per capita wastewater generation for each service provider was determined by dividing the 2014 average daily flow by the 2014 population within each service area. The resulting quotient was then multiplied by the estimated 2020 population for each community (see Table I-1 of Chapter I) to estimate the 2020 average daily flow which was then divided by the design flow to determine the percentage. The results are presented in Table III-2. Each wastewater service provider is discussed below.

Avila Beach CSD

The Avila Beach CSD operates a wastewater collection, treatment and disposal system that serves the community of Avila Beach and Port San Luis. The treatment plant has a design flow of 0.2 MGD; current (2014) average daily flows are 0.20 MGD, or 0.057% of design capacity. Based on the projected growth in population within the CSD service area, the plant is expected to operate well below capacity for the next five years or more. There were no discharge violations reported for the period of 2012-2014. No levels of severity are recommended for either collection or treatment.

Table III-2 -- Avila Beach CSD -- Recommended Levels of Severity for Wastewater Treatment

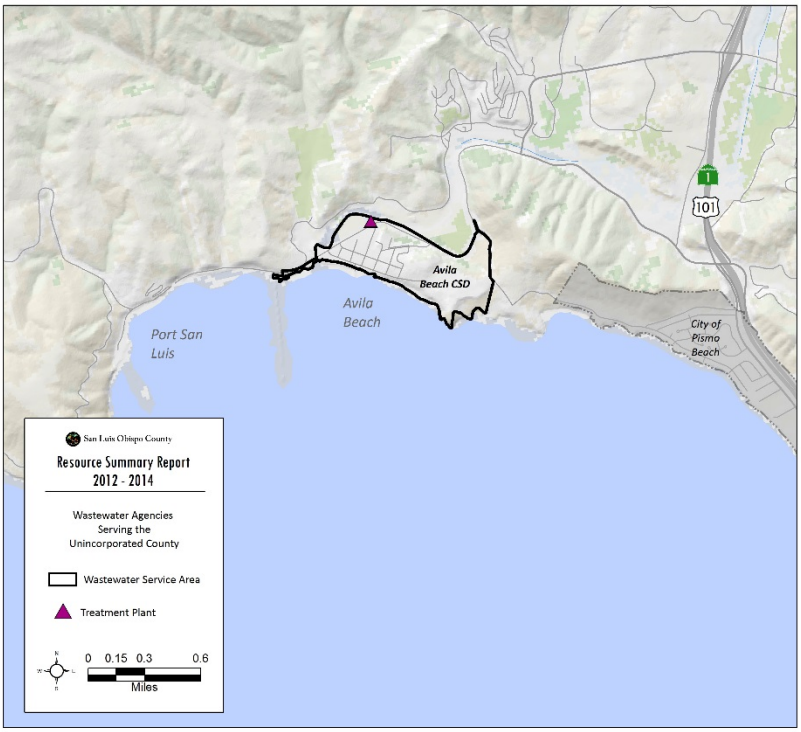
2014 Service Area Population	2014 Average Daily Flow (MGD)	2020 Service Area Population	2020 Estimated Average Daily Flow (MGD)	Design Flow[1] (MGD)[2]	Percent of Design Flow In 2020	Recommended Levels of Severity
1,484	0.057	1,542	0.059	0.2	30%	None

Sources: San Luis Obispo County Department of Public Works, 2014; Central Coast RWQCB, 2014; SLOCOG, 2014

Notes:

1. Design Flow = average daily dry weather flow in million gallons per day.
2. MGD = Million gallons per day

Figure III-1 – Avila Beach CSD Wastewater Service Area



Cambria CSD

The Cambria CSD operates a wastewater collection, treatment and disposal system that serves 6,000 residents of the community of Cambria. The treatment plant has a design capacity of 1.0 MGD; current (2014) average daily flows are 0.67 MGD, or 67% of design capacity. Based on the projected growth in population within the CSD service area, the plant is expected to operate well below capacity for the next five years or more. The CSD is implementing an ongoing program to improve the efficiency and operation of the collection and treatment systems. There were two discharge violations reported for the period of 2012-2014. Both involved temporary obstructions to wastewater collection lines which were removed. No levels of severity are recommended for either collection or treatment.

Table III-3 -- Cambria CSD -- Recommended Levels of Severity for Wastewater Treatment

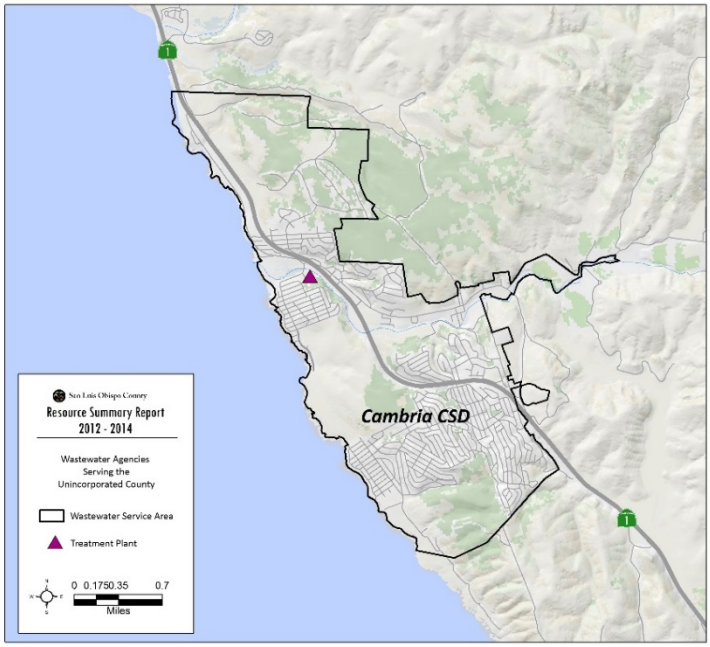
2014 Service Area Population	2014 Average Daily Flow (MGD)	2020 Service Area Population	2020 Estimated Average Daily Flow (MGD)	Design Flow[1] (MGD)[2]	Percent of Design Flow In 2020	Recommended Levels of Severity
6,032	0.67	6,054	0.672	1.0	67%	None

Sources: San Luis Obispo County Department of Public Works, 2014; Central Coast RWQCB, 2014; SLOCOG, 2014

Notes:

1. Design Flow = average daily dry weather flow in million gallons per day.
2. MGD = Million gallons per day

Figure III-3 – Cambria CSD Wastewater Service Area



Cayucos Sanitary District

The Cayucos Sanitary District (CSD) operates a wastewater collection system that serves the community of Cayucos. By agreement, Cayucos SD is allotted 0.721 MGD of the Morro Bay treatment plant capacity which has a design capacity of 2.36 MGD. Current (2014) average daily flows from the Cayucos SD and the City of Morro Bay (population 10,136) are 0.964 MGD, or 41% of design capacity.

One discharge violation was reported for the period of 2012-2014. Root intrusion caused a spill of approximately 70 gallons; no surface water bodies were affected.

The City of Morro Bay and the CSD are in the process of upgrading the wastewater treatment plant to full secondary treatment and to provide tertiary filtration capacity of 1.5 million gallons per day. The tertiary filtered effluent would meet standards for disinfected secondary recycled water and as such could be used for limited beneficial uses.

At its meeting of January 10, 2013, the California Coastal Commission voted to deny the Coastal Development Permit (CDP) for construction of an upgraded wastewater treatment plant at its existing location. In summary, the basis for denial included: Local Coastal Plan - Zoning inconsistency, failure to avoid coastal hazards, failure to include a sizable reclaimed water component and the project is located within an LCP-designated sensitive view area. At present (November, 2014) the City and CSD are considering different locations for the wastewater treatment plant (water reclamation facility). Once a preferred site is chosen a facilities master plan will be prepared which will serve as the basis for environmental review and permitting. The tentative completion date for the new facility is the fall of 2017. In the meantime, based on the projected growth in population within the CSD service area, the plant is expected to operate well below capacity for the next five years or more. No levels of severity are recommended for either collection or treatment.

Table III-4 -- Cayucos Sanitary District -- Recommended Levels of Severity for Wastewater Treatment

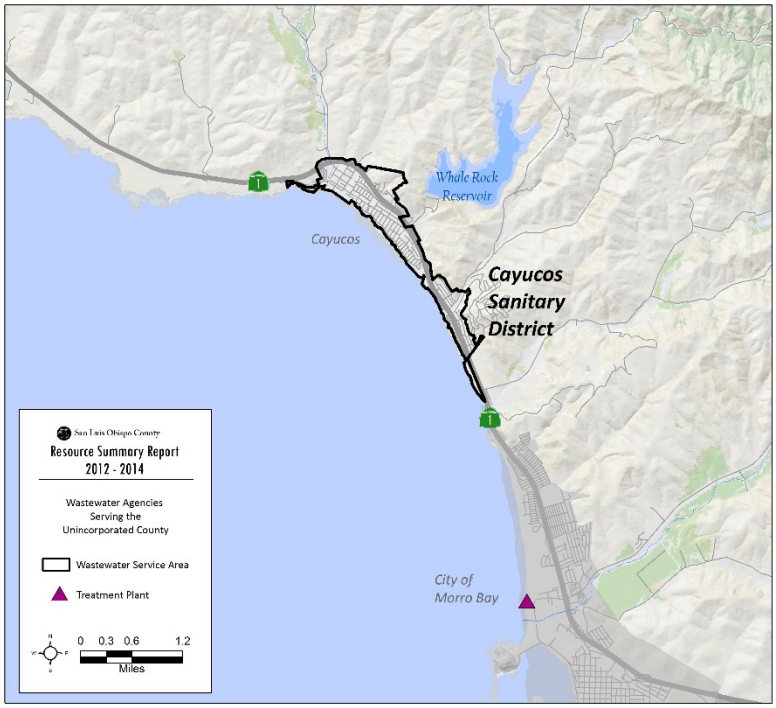
2014 Service Area Population	2014 Average Daily Flow (MGD)	2020 Service Area Population	2020 Estimated Average Daily Flow (MGD)	Design Flow[1] (MGD)[2]	Percent of Design Flow In 2020	Recommended Levels of Severity
12,710	0.964	12,825	0.973	2.36	41%	None

Sources: San Luis Obispo County Department of Public Works, 2014; Central Coast RWQCB, 2014; SLOCOG, 2014

Notes:

1. Design Flow = average daily dry weather flow in million gallons per day.
2. MGD = Million gallons per day

Figure III-4 – Cayucos Sanitary District



County Service Area 18 -- Country Club Estates

County Service Area 18 operates a wastewater collection, treatment and disposal system that serves the Country Club Estates area south of the City of San Luis Obispo. The treatment plant has a design flow of 0.12 MGD; current (2014) average daily flows are 0.068 MGD, or 56% of design capacity. Based on the projected growth in population within the service area, the plant is expected to operate well below capacity for the next five years or more. The County has no plans to expand or upgrade the collection system, treatment plant or disposal system. No levels of severity are recommended for either collection or treatment.

Table III-5 -- CSA 18 Country Club Estates -- Recommended Levels of Severity for Wastewater Treatment

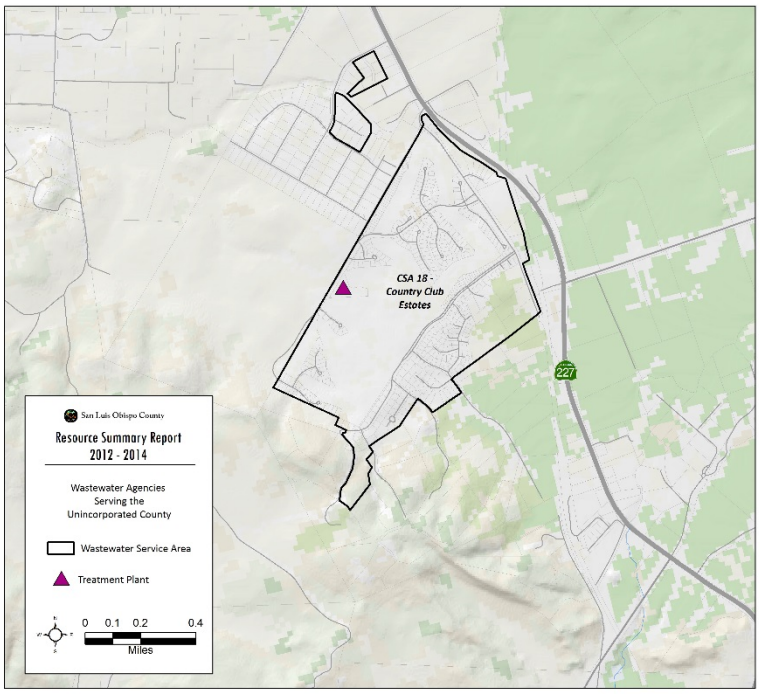
2014 Service Area Population	2014 Average Daily Flow (MGD)	2020 Service Area Population	2020 Estimated Average Daily Flow (MGD)	Design Flow[1] (MGD)[2]	Percent of Design Flow In 2020	Recommended Levels of Severity
881	0.068	916	0.070	0.12	58%	None

Sources: San Luis Obispo County Department of Public Works, 2014; Central Coast RWQCB, 2014; SLOCOG, 2014

Notes:

1. Design Flow = average daily dry weather flow in million gallons per day.
2. MGD = Million gallons per day

Figure III-5 – County Service Area 18 - Country Club Estates



Heritage Ranch CSD and Oak Shores CSA

The Heritage CSD operates a wastewater collection, treatment and disposal system that serves the community of Heritage Ranch at the east end of Lake Nacimiento. The treatment plant has a design flow of 0.4 MGD; current (2014) average daily flows are 0.14 MGD, or 35% of design capacity. Because of more stringent effluent regulations and future population growth, the CSD is investigating the need for improvements to the wastewater treatment system. The first step will involve an analysis of the current treatment plant and recommendations on what upgrades should be made to comply with future discharge regulations and to insure adequate capacity.

One discharge violation was reported for the period 2012-2014. Root intrusion caused an 1,800 gallon spill to an unpaved vacant lot next to a single family residence.

Based on the projected growth in population within the CSD service area, the plant is expected to operate below capacity for the next five years or more. No levels of severity are recommended for either collection or treatment.

Table III-6 -- Heritage Ranch CSD -- Recommended Levels of Severity for Wastewater Treatment						
2014 Service Area Population	**2014 Average Daily Flow (MGD)**	**2020 Service Area Population**	**2020 Estimated Average Daily Flow (MGD)**	**Design Flow[1] (MGD)[2]**	**Percent of Design Flow In 2020**	**Recommended Levels of Severity**
2,450	0.14	2,496	0.143	0.4	36%	None

Sources: San Luis Obispo County Department of Public Works, 2014; Central Coast RWQCB, 2014; SLOCOG, 2014

Notes:
1. Design Flow = average daily dry weather flow in million gallons per day.
2. MGD = Million gallons per day

The Oak Shores County Service Area operates a wastewater collection, treatment and disposal system that serves the community of Oak Shores on the northern shore of Lake Nacimiento. The treatment plant has a design flow of 0.10 MGD; current (2014) average daily flows are 0.032 MGD, or 32% of design capacity. Based on the projected growth in population within the service area, the plant is expected to operate well below capacity for the next five years or more. The CSA has no plans to expand or upgrade the collection system, treatment plant or disposal system.

Two discharge violations occurred during the period 2012-2014. In April, 2013, debris caused a 420-gallon spill onto an unpaved surface. In November, 2013, a leak in a force main cased a 500-gallon spill. No surface water bodies were affected in either case.

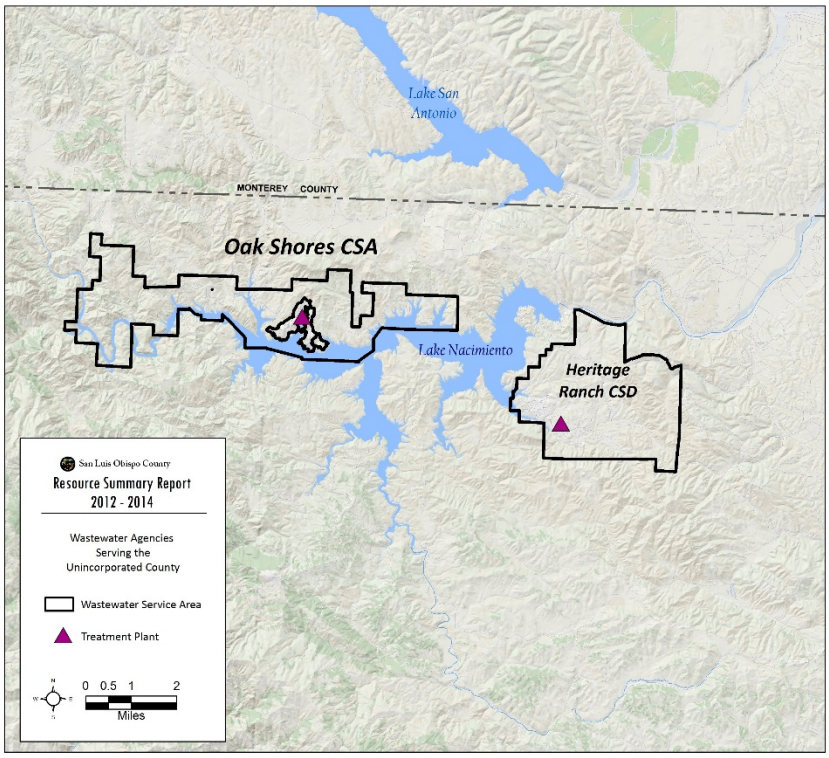
No levels of severity are recommended for either collection or treatment. See Figure III-6.

Table III-7 -- Oak Shores CSA -- Recommended Levels of Severity for Wastewater Treatment						
2014 Service Area Population	**2014 Average Daily Flow (MGD)**	**2020 Service Area Population**	**2020 Estimated Average Daily Flow (MGD)**	**Design Flow[1] (MGD)[2]**	**Percent of Design Flow In 2020**	**Recommended Levels of Severity**
348	0.032	362	0.033	0.10	33%	None

Sources: San Luis Obispo County Department of Public Works, 2014; Central Coast RWQCB, 2014; SLOCOG, 2014

Notes:
1. Design Flow = average daily dry weather flow in million gallons per day.
2. MGD = Million gallons per day

Figure III-6 – Heritage Ranch CSD and Oak Shores CSA Wastewater Service Areas



Nipomo CSD – Black Lake

The Nipomo CSD operates two wastewater collection and treatment systems: one serving the Black Lake area and one serving the Town Area of the community of Nipomo (discussed below). The Black Lake system has a design flow of 0.10 MGD; current (2014) average daily flows are 0.052 MGD, or 52% of design capacity. Based on the projected growth in population within the Black Lake service area, the plant is expected to operate well below capacity for the next five years or more. The CSD has no plans to expand or upgrade the collection system, treatment plant or disposal system. No discharge violations were reported for the period of 2012 – 2014. No levels of severity are recommended for either collection or treatment.

Table III-8 -- Nipomo CSD Black Lake -- Recommended Levels of Severity for Wastewater Treatment

2014 Service Area Population	2014 Average Daily Flow (MGD)	2020 Service Area Population	2020 Estimated Average Daily Flow (MGD)	Design Flow[1] (MGD)[2]	Percent of Design Flow In 2020	Recommended Levels of Severity
854	0.052	840	0.051	0.10	51%	None

Sources: San Luis Obispo County Department of Public Works, 2014; Central Coast RWQCB, 2014; SLOCOG, 2014

Notes:
1. Design Flow = average daily dry weather flow in million gallons per day.
2. MGD = Million gallons per day

Nipomo CSD – Southland Treatment Plant

The Nipomo CSD operates a wastewater collection, treatment and disposal system that serves the Town Area of the community of Nipomo. The treatment plant has a design flow of 0.9 MGD; current (2014) average daily flows are 0.64 MGD, or 71% of design capacity. In September, 2014, the CSD broke ground on Phase I of a three-phase upgrade to the Southland wastewater treatment plant. Phase I will improve the treatment capability of the plant but will not increase treatment capacity. Completion of all three phases of improvements (tentatively in 2-3 years, depending on the rate of population growth) will expand treatment capacity to a 1.8 MGD from its current capacity of 0.9 million gallons per day.

No discharge violations were reported for the period of 2012 – 2014.

Based on the projected growth in population within the Town Area portion of the CSD service area, along with the planned improvements to the treatment plant, the wastewater system is expected to operate below capacity for the next five years or more. No recommended levels of severity for either collection or treatment.

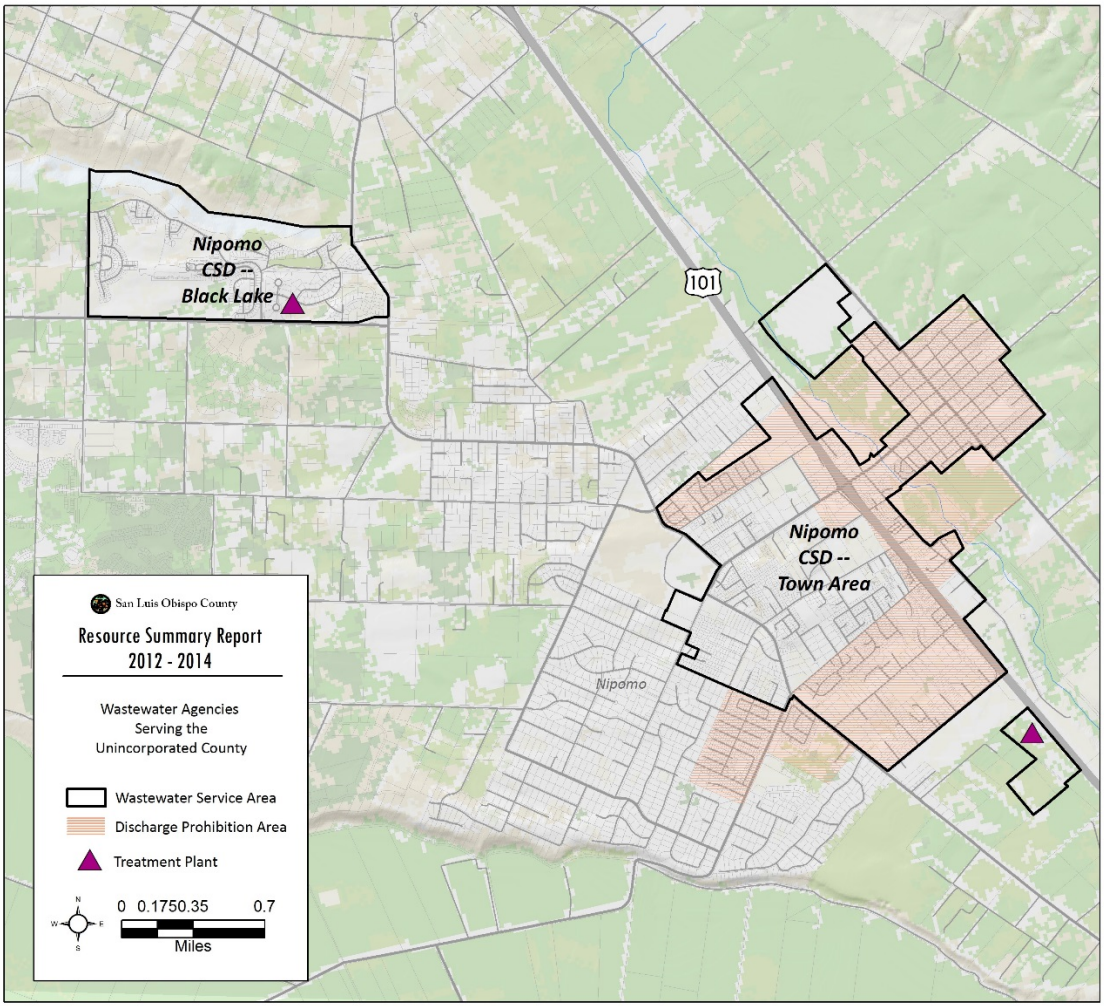
Table III-9 -- Nipomo CSD Southland Treatment Plant -- Recommended Levels of Severity for Wastewater Treatment

2014 Service Area Population	2014 Average Daily Flow (MGD)	2020 Service Area Population	2020 Estimated Average Daily Flow (MGD)	Design Flow[1] (MGD)[2]	Percent of Design Flow In 2020	Recommended Levels of Severity
15,503	0.64	15,850	0.655	0.9	73%	None

Sources: San Luis Obispo County Department of Public Works, 2014; Central Coast RWQCB, 2014; SLOCOG, 2014

Notes:
1. Design Flow = average daily dry weather flow in million gallons per day.
2. MGD = Million gallons per day

Figure III-7 – Nipomo CSD Wastewater Service Areas



San Miguel CSD

The San Miguel CSD operates a wastewater collection, treatment and disposal system that serves the community of San Miguel in northern San Luis Obispo County. The treatment plant has a design flow of 0.45 MGD; current (2014) average daily flows are 0.096 MGD, or 21% of design capacity. Based on the projected growth in population within the CSD service area, the plant is expected to operate well below capacity for the next five years or more.

No discharge violations were reported for the period of 2012 – 2014.

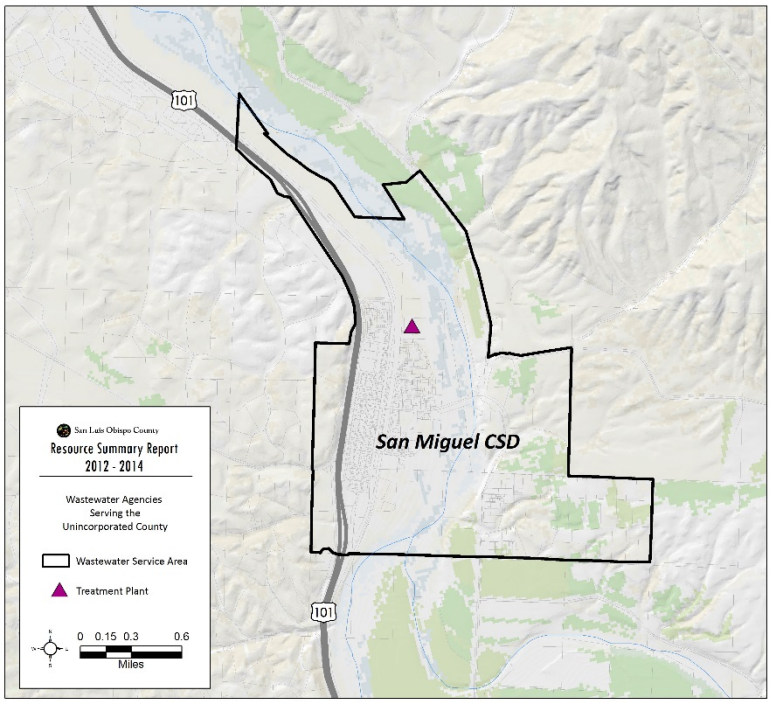
The CSD has no plans to expand or upgrade the collection system, treatment plant or disposal system. No levels of severity are recommended for either collection or treatment.

Table III-10 -- San Miguel CSD -- Recommended Levels of Severity for Wastewater Treatment						
2014 Service Area Population	**2014 Average Daily Flow (MGD)**	**2020 Service Area Population**	**2020 Estimated Average Daily Flow (MGD)**	**Design Flow[1] (MGD)[2]**	**Percent of Design Flow In 2020**	**Recommended Levels of Severity**
2,432	0.096	2,650	0.105	0.45	23%	None

Sources: San Luis Obispo County Department of Public Works, 2014; Central Coast RWQCB, 2014; SLOCOG, 2014

Notes:
1. Design Flow = average daily dry weather flow in million gallons per day.
2. MGD = Million gallons per day

Figure III-8 – San Miguel CSD Wastewater Service Area



San Miguelito Mutual Water Company

The San Miguelito Mutual Water Company (SMMWC) operates a wastewater collection, treatment and disposal system that serves a portion of the Avila Valley north of the community of Avila Beach. The treatment plant has a design flow of 0.15 MGD; current (2014) average daily flows are 0.08 MGD, or 53%% of design capacity. Based on the projected growth in population within the service area, the treatment plant is expected to operate well below capacity for the next five years or more.

There were a total of six discharge violations reported for the period 2012-2014. No surface water bodies were affected; all spills were associated with root intrusion and pipe structural problems which have since been addressed.

The SMMWC has no plans to expand or upgrade the collection system, treatment plant or disposal system. No recommended levels of severity for either collection or treatment. See Figure III-2.

Table III-11 -- San Miguelito Mutual Water Company -- Recommended Levels of Severity for Wastewater Treatment

2014 Service Area Population	2014 Average Daily Flow (MGD)	2020 Service Area Population	2020 Estimated Average Daily Flow (MGD)	Design Flow[1] (MGD)[2]	Percent of Design Flow In 2020	Recommended Levels of Severity
612	0.08	630	0.082	0.15	55%	None

Sources: San Luis Obispo County Department of Public Works, 2014; Central Coast RWQCB, 2014; SLOCOG, 2014

Notes:
1. Design Flow = average daily dry weather flow in million gallons per day.
2. MGD = Million gallons per day

San Simeon CSD

The San Simeon CSD operates a wastewater collection, treatment and disposal system that serves the community of San Simeon as well as Hearst Ranch. By agreement, Hearst Castle is allotted 0.05 MGD of the San Simeon treatment plant capacity. The treatment plant has a design flow of 0.2 MGD; current (2014) average daily flows are 0.085 MGD, or 43% of design capacity. Based on the projected growth in population within the CSD service area, the plant is expected to operate well below capacity for the next five years or more.

No discharge violations were reported for the period of 2012 – 2014.

The CSD has no plans to expand or upgrade the collection system, treatment plant or disposal system. No levels of severity are recommended for either collection or treatment.

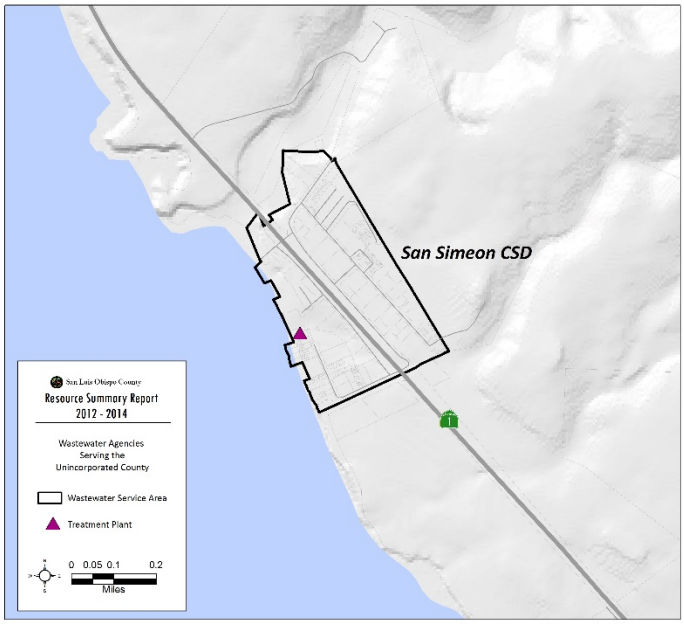
Table III-12 -- San Simeon CSD -- Recommended Levels of Severity for Wastewater Treatment						
2014 Service Area Population	**2014 Average Daily Flow (MGD)**	**2020 Service Area Population**	**2020 Estimated Average Daily Flow (MGD)**	**Design Flow[1] (MGD)[2]**	**Percent of Design Flow In 2020**	**Recommended Levels of Severity**
445	0.085	435	0.083	0.2	42%	None

Sources: San Luis Obispo County Department of Public Works, 2014; Central Coast RWQCB, 2014; SLOCOG, 2014

Notes:

1. Design Flow = average daily dry weather flow in million gallons per day.
2. MGD = Million gallons per day

Figure III-9 – San Simeon CSD Wastewater Service Area



South San Luis Obispo County Sanitation District

The South San Luis Obispo County Sanitation District (SSLOCSD) operates a wastewater collection, treatment and disposal system serving a population of about 40,000 within the cities of Arroyo Grande and Grover Beach, as well as the unincorporated community of Oceano. The treatment plant has a design flow of 3.3 MGD; current (2014) average daily flows are 2.52 MGD, or 76% of design capacity.

The District owns and operates nearly 9 miles of collection sewer referred to as the District Trunk Line. The purpose of this line is to allow for the collective transport of wastewater from the smaller municipal lines of the three member agencies to the final destination of the District's Wastewater Treatment Plant. The Trunk Line was initially constructed as part of the original District design of 1963. It is comprised of sewer pipe ranging in size from 15-30 inches in diameter.

No discharge violations were reported for the period of 2012 – 2014.

Based on the projected growth in population within the CSD service area, the plant is expected to operate well below capacity for the next five years or more. The CSD has no plans to expand or upgrade the collection system, treatment plant or disposal system. The CSD has implemented an ongoing program to monitor inflow and infiltration (I&I) to determine the sources of such flows and to implement corrective measures. No levels of severity are recommended for either collection or treatment.

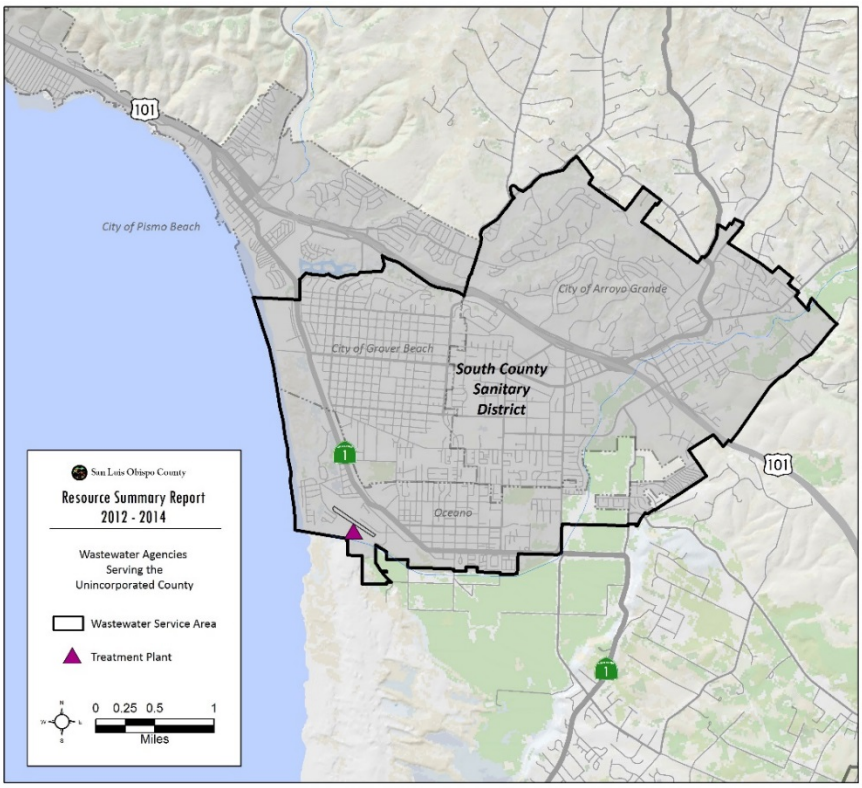
Table III-13 -- South San Luis Obispo County Sanitation District
-- Recommended Levels of Severity for Wastewater Treatment

2014 Service Area Population	2014 Average Daily Flow (MGD)	2020 Service Area Population	2020 Estimated Average Daily Flow (MGD)	Design Flow[1] (MGD)[2]	Percent of Design Flow In 2020	Recommended Levels of Severity
37,784	2.52	38,815	2.59	3.3	78%	None

Sources: San Luis Obispo County Department of Public Works, 2014; Central Coast RWQCB, 2014; SLOCOG, 2014

Notes:
1. Design Flow = average daily dry weather flow in million gallons per day.
2. MGD = Million gallons per day

Figure III-10 – South County Sanitation District



Templeton CSD – Meadowbrook Treatment Plant

The Templeton CSD operates a wastewater collection system that serves the community of Templeton. There are two wastewater tributary areas. The area on the west side of Highway 101 flows to the CSD-owned Meadowbrook Wastewater Treatment Plant. The majority of flows generated by the east side of Highway 101 is sent to the Paso Robles treatment plant. By agreement, the Templeton CSD is allotted 0.443 MGD of the Paso Robles treatment plant capacity.

The Templeton CSD system has a design flow of 0.043 MGD; current (2014) average daily flows are 0.016 MGD, or 37% of design capacity. Based on the projected growth in population within the CSD service area, the CSD portion of treatment plant is not expected to be reached for the next five years or more.

There was one reported discharge violation associated with the Meadowbrook system for the period 2012-2014. In November 2012, root intrusion caused a spill of approximately 25 gallons. No surface water bodies were affected.

In 2012, the Templeton CSD authorized staff to proceed with the design of the East Side Force Main and Lift Station Project. A number of tasks were identified and staff proceeded with the work with the assistance of consultants as required. Several of the tasks are proceeding concurrently. The Paso Robles WWTP was originally constructed in 1954 and though it has been upgraded several times, it is not capable of meeting its Waste Discharge Requirements to the extent that it has incurred significant fines for violations and a replacement of the WWTP is necessary. Paso Robles awarded the construction contract to W.M. Lyles and issued a Notice to Proceed on April 1, 2013 to build the Paso Robles WWTP replacement project. Substantial completion of the project is scheduled for October 2015.

No levels of severity are recommended for either collection or treatment.

Table III-14 -- Templeton CSD Meadowbrook Treatment Plant – Recommended Levels of Severity for Wastewater Treatment

2014 Service Area Population	2014 Average Daily Flow (MGD)	2020 Service Area Population	2020 Estimated Average Daily Flow (MGD)	Design Flow[1] (MGD)[2]	Percent of Design Flow In 2020	Recommended Levels of Severity
7,099	0.016	7,261	0.016	0.043	38%	None

Sources: San Luis Obispo County Department of Public Works, 2014; Central Coast RWQCB, 2014; SLOCOG, 2014

Notes:

1. Design Flow = average daily dry weather flow in million gallons per day.
2. MGD = Million gallons per day

Figure III-11 – Templeton CSD Wastewater Service Area

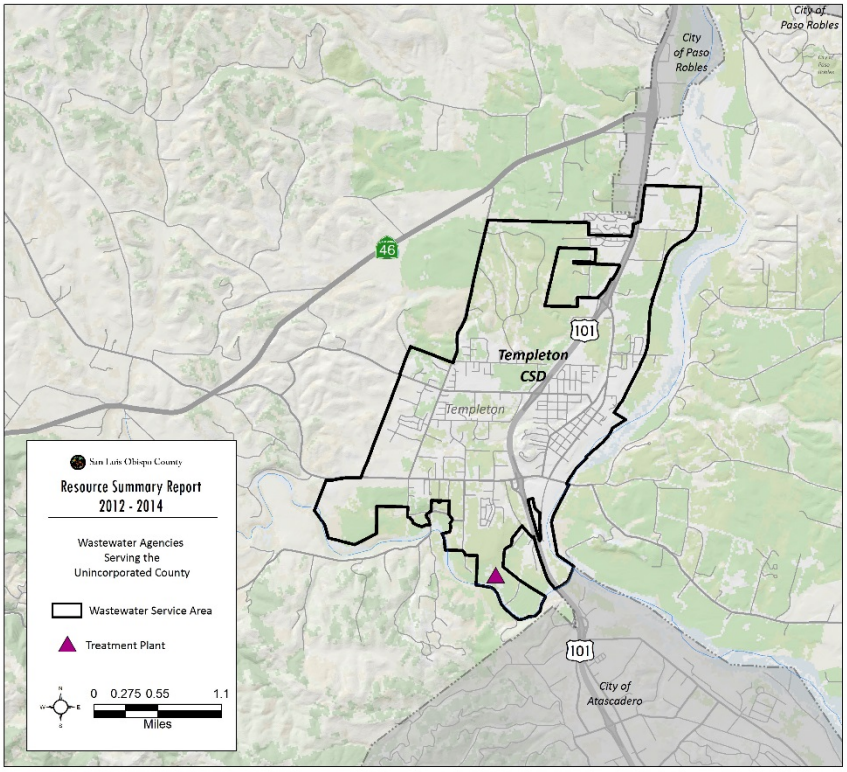


Table III-15 – Recommended Levels of Severity for Wastewater Treatment								
Agency	**2014 Service Area Population**	**2014 Average Daily Flow (MGD)**	**2014 Per Capita Average Daily Flow (MGD)**	**2020 Service Area Population**	**2020 Estimated Average Daily Flow (MGD)**	**Design Flow[1] (MGD)[2]**	**Percent of Design Flow In 2020**	**Recommended Levels of Severity**
Avila Beach CSD[3]	1,484	0.057	0.0000384	1,542	0.059	0.2	30%	None
Cambria CSD[4]	6,032	0.67	0.0001110	6,054	0.672	1.0	67%	None
Cayucos Sanitary District/Morro Bay Wastewater Treatment Plant[5]	12,710	0.964	0.0000758	12,825	0.973	2.36	41%	None
Country Club Estates – CSA 18	881	0.068	0.0000758	916	0.070	0.12	58%	None
Heritage Ranch CSD	2,450	0.14	0.0000571	2,496	0.143	0.4	36%	None
Nipomo CSD – Black Lake	854	0.052	0.0000608	840	0.051	0.10	51%	None
Nipomo CSD – Southland Treatment Plant	15,503	0.64	0.0000412	15,850	0.655	0.9	73%	None
San Miguel CSD	2,432	0.096	0.0000394	2,650	0.105	0.45	23%	None
San Miguelito Mutual Water Co.	612	0.08	0.0001285	636	0.082	0.15	55%	None
San Simeon CSD	445	0.085	0.0001910	435	0.083	0.2	42%	None
South San Luis Obispo County Sanitation District[6]	37,784	2.52	0.0000666	38,815	2.59	3.3	78%	None
Oak Shores CSA[7]	348	0.032	0.0000919	362	0.033	0.1	33%	None
Templeton CSD[8]	7,099	0.016	0.0000022	7,261	0.016	0.043	38%	None

Sources: San Luis Obispo County Department of Public Works, 2014; Central Coast RWQCB, 2014; SLOCOG, 2014

Notes for Table III-2:

3. Design Flow = average daily dry weather flow in million gallons per day.
4. MGD = Million gallons per day
5. CSD = Community Services District
6. By agreement, Hearst Castle is allotted 0,05 MGD of the San Simeon treatment plant capacity.
7. The Morro Bay wastewater treatment plant serves the Cayucos Sanitary District and the City of Morro Bay. By agreement, Cayucos SD is allotted 0.721 MGD of Morro Bay treatment plant capacity.
8. South County Sanitary District serves the cities of Arroyo Grande and Grover Beach and the unincorporated community of Oceano.
9. CSA = County Service Area
10. By agreement, Templeton CSD is allotted 0.40 MGD of the Paso Robles treatment plant capacity.

Septic Systems

Santa Margarita

The community of Santa Margarita relies entirely on individual septic systems for wastewater disposal. Septic systems have failed in some parts of the community subject to shallow groundwater levels. According to the 2013 Santa Margarita Community Plan, the location of urban densities on clay soils, combined with poor storm drainage, have created problems for successful septic system operation. In the 1970's, septic systems in Santa Margarita had a 19 percent failure rate during periods of seasonal flooding. Since then, engineered septic systems have been required by the County, and they have shown better performance. However, the County Health Department does not administer an annual septic maintenance inspection program, and the current failure rate is not precisely known.

Drainage problems still exist in Santa Margarita. However, with suitable drainage control, the long term use of septic systems could be feasible if the systems are properly maintained by owners. Development of existing lots should provide adequate areas for leach fields and drainage control. Formation of a flood control zone of benefit would enable the community to pay the necessary costs to resolve flooding problems which in turn may help maintain septic systems in the community.

Continued development of the Santa Margarita Ranch will necessitate the construction of a centralized wastewater system. The development plan for the project includes the dedication of land for a potential future sewage treatment facility of up to ten (10) acres. The capacity, features, location and timing of this potential future sewage treatment facility have not yet been determined.

Although no public data are available regarding the failure rate of existing septic systems, previous system failures suggest this is a persistent problem which could worsen over time. **Recommended Level of Severity I**

Shandon

According to the 2012 Shandon Community Plan, the community is served by individual septic tank and leach field systems with a majority located on small lots. The Community Plan requires a community wastewater system to be constructed with new development. The wastewater system improvements will consist of a backbone network of gravity sewer pipelines, lift stations, force mains, a waste water treatment facility, and percolation basins. Until a community

wastewater system is constructed, existing development may remain on their individual septic systems where the land uses are not intensified. However, existing development may be required to be connected to the community system in the future only if certain criteria are met. No levels of severity are recommended.

Los Osos

The community of Los Osos utilizes individual septic systems for wastewater disposal which has resulted in the degradation of water quality in the groundwater basin underlying the community. To address the water pollution problem and help provide a sustainable source of potable water for the community, the County began construction of the Los Osos Wastewater Project in 2012. The project will provide wastewater collection, conveyance, treatment and recycled water reuse for Los Osos. As of November, 2014, the collection system has been completed and the Water Recycling Facility is under construction with an estimated completion date of October, 2016.

The project includes nine primary pump stations, 12 pocket pump stations, pump station wet wells, 220,000 feet of gravity sewer and force main, 588 manholes, fiber optic conduit, 35,000 feet of recycled water distribution mains and 4,710 lateral connections. Individual lateral connections to the sewer main will be required after completion of the wastewater project facilities. Until the wastewater system is complete, individual septic systems will remain in use throughout the community and will continue to contribute to the degradation of groundwater quality. **Recommended Level of Severity III.**

Nipomo

Portions of the community of Nipomo are served by on-site septic systems for wastewater disposal. A survey conducted in 1975 found evidence of system failures in 55% of the on-site septic systems within portions of the community. Subsequently the Regional Water Quality Control Board adopted Resolution 78-02 which prohibits waste discharge from individual sewage disposal systems within certain portions of the Nipomo area after July, 1982. Subsequently, all properties within this “prohibition zone” and within 50 feet of the Nipomo CSD sewer main are required to connect to the sewer prior to a change of ownership. In the meantime, these properties may continue the use of on-site septic systems. The discharge prohibition zone lies within the existing wastewater service area. **Recommended Level of Severity III for the “prohibition zone” in the Nipomo area**.

Recommended Actions

- Monitor septic system failures in the community of Santa Margarita.
- Maintain Level of Severity III for Los Osos until the wastewater system is completed and on-site septic systems have been decommissioned.
- Recommend Level of Severity III for the “prohibition zone” in the Nipomo Area.
- Consult with County Health and RWQCB on actions and monitor.
- Evaluate alternatives to septic systems such as a public sewer system, a community septic system maintenance program, or a collection and disposal system to existing onsite treatment tanks.

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TERMS AND ACRONYMS

AFY	Acre Feet per Year; an acre-foot contains 325,851.429 gallons
BRP	Buildout Reduction Program
BMP	Best Management Practices
CIP	Capital Improvement Program/Capital Improvement Project
CAWO	Cayucos Area Water Organization
CCD	Cayucos Cemetery District
CDP	Coastal Development Permit
CSD	Community Services District
CSA	County Service Area
District	San Luis Obispo County Flood Control and Water Conservation District
DWR	California Department of Water Resources
EAP	Estero Area Plan
I&I	Inflow and infiltration
ISJ	Interlocutory Stipulated Judgment
LAFCo	Local Agency Formation Commission
LOS	Levels of Severity
LOWWP	Los Osos Wastewater Project
MCWRA	Monterey County Water Resources Agency
MGD	Million gallons per day
MRMWC	Morro Rock Mutual Water Company
NWP	Nacimiento Water Project
NMMA	Nipomo Mesa Management Area of the Santa Maria Valley Groundwater Basin
NCMA	Northern Cities Management Area of the Santa Maria Valley Groundwater Basin

NWC	Nacimiento Water Company
PRBWA	Paso Robles Beach Water Association
Quimby Fees	Fees collected for the acquisition of parkland.
PRIOR	Paso Robles Imperiled Overlying Rights
RCS	Resource Capacity Study
RMS	Resource Management System
RSR	Resource Summary Report
RTP-SCS	Regional Transportation Plan – Sustainable Communities Strategy
RWQCB	Regional Water Quality Control Board
Safe Yield	The maximum dependable draft that can be made continuously upon a source of water supply over a given period of time during which the probable driest period, and therefore period of greatest deficiency in water supply, is likely to occur.
SSLOCSD	South San Luis Obispo County Sanitation District
SMVMA	Santa Maria Valley Management Area of the Santa Maria Valley Groundwater Basin
SMMWC	San Miguelito Mutual Water Company
SMVGB	Santa Maria Valley Groundwater Basin
SWRCB	State Water Resources Control Board
SLOCOG	San Luis Obispo Council of Governments
SWP	State Water Project
URL	Urban Reserve Line
WMP	Water Master Plan
WMWC	Woodlands Mutual Water Company
WRAC	Water Resource Advisory Committee
WWTP	Wastewater treatment plant