

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS
GENERAL MANAGER



DATE: April 21, 2017

AGENDA ITEM E-1

APRIL 26, 2017

CONSIDER RESPONDING TO THE COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISOR'S SUSTAINABLE GROUNDWATER MANAGEMENT ACT FUNDING POLICY SHIFT

ITEM

Discuss possible response by Nipomo Community Services District to the San Luis Obispo County Board of Supervisor's decision to modify their policy on the Sustainable Groundwater Management Act and direct staff as needed. [RECOMMEND CONSIDER POSSIBLE RESPONSE AND DIRECT STAFF]

BACKGROUND

At your Board's March 22, 2017, Board Meeting, staff presented for the Board's consideration a resolution recommending the County of San Luis Obispo ("County") to act as the Groundwater Sustainability Agency ("GSA") for the fringe areas of the Santa Maria Groundwater Basin ("Basin") within the Nipomo Community Services District ("NCSD") boundaries. Within that staff report [Attachment A], background information was provided regarding the Sustainable Groundwater Management Act ("SGMA") and the requirement to form a GSA was explained.

The County Board of Supervisors ("Supervisors") adopted a SGMA strategy on January 13, 2015 [Attachment B]. The Supervisors modified this document on May 24, 2016, November 1, 2016, and again on March 7, 2017. The latest revision caused some communities in the County to react because of the Supervisor's policy change regarding GSA program funding. A significant policy modification to the strategy, "Policy Statement 3." found on page 9 of 16 under "Policy Statement 3a. Financial Strategies", redirects the costs of the GSA program for the first 5 years from those parcels within the GSA to the entire County's population. This policy shift was reaffirmed at the County's April 4th Supervisor's meeting when, for the second time, Supervisors voted to modify their SGMA strategy to shift the cost burden of the program in this manner. Supervisors had voted in favor of the policy shift at their March 7, 2017, meeting but due to procedural controversy, elected to revisit the issue at its April 4th Supervisor's Meeting.

The Board of Directors of two Community Services Districts ("CSD"), Oceano CSD and Cambria CSD, the cities of San Luis Obispo and Paso Robles, as well as agencies and individuals throughout the County have submitted letters of opposition after evaluating the County's policy shift. Letters from the CSDs and cities are attached for your review [Attachment C]. A primary argument sited throughout these transmittals is the perceived inequity of the County's

action. The County is paying GSA program costs where it may be more appropriate for these costs to be borne by property owners within the GSA boundaries who directly benefit from the GSA program.

The County has published a basin-by-basin estimate of the distribution of costs to develop and begin implementation of a Groundwater Sustainability Plan (“GSP”) for the six groundwater basins included in the County’s GSA [Attachment D]. The summary of costs table identifies \$5.3 million coming from the Flood Control District, \$4.8 million from other entities, leaving a balance of \$6.1 million in unidentified coverage for the total cost estimate of \$16.3 million. It is unclear where the balance of these funds is accounted for in the County’s budget as requests for information have not yet been provided.

Your Board may or may not decide to weigh in on the County’s policy shift outlined in the County’s adopted SGMA strategy. The County will be adopting their budget for Fiscal Year 2017-18 in June 2017. The Supervisors would evaluate County-wide programs and setting budgets to support their goals and objectives during this time.

FISCAL IMPACT

There is no direct fiscal impact to NCSO other than the financial burden it may carry to support the costs of the GSA. The District holds fee title on three parcels within the fringe area of the Santa Maria basin. These parcels would be subject to any future assessment deemed necessary by the County to cover the costs associated with maintaining the GSA.

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.

- 1.6 Continue to monitor and participate in water supply issues and programs with other local and regional organizations

RECOMMENDATION

Staff recommends your Board discuss the County’s shift in policy regarding its SGMA compliance strategy and come to consensus on what actions to take, if any, and provide staff with direction.

ATTACHMENTS

- A. NCSO March 22, 2017, Agenda Item E-1, Consider Alternatives...SGMA...
- B. San Luis Obispo County, Dept. of Public Works, SGMA Strategy
- C. CSD/City Letters of Opposition to County GSA Funding Strategy Shift
- D. County Summary of Cost Tables for GSPs Implementation w/Map

April 26, 2017

ITEM E-1

ATTACHMENT A

TO: BOARD OF DIRECTORS
FROM: MARIO IGLESIAS
GENERAL MANAGER
DATE: MARCH 17, 2017

**AGENDA ITEM
E-1**

MARCH 22, 2017

**CONSIDER ALTERNATIVES FOR COMPLYING WITH THE
SUSTAINABLE GROUNDWATER ACT OF 2014 AND CONSIDER
AUTHORIZING THE COUNTY OF SAN LUIS OBISPO TO ACT AS
GROUNDWATER SUSTAINABILITY AGENCY FOR THE FRINGE
AREAS OF THE SANTA MARIA GROUNDWATER BASIN**

ITEM

Review and consider alternatives for complying with the Sustainable Groundwater Act of 2014 and select an alternative that benefits the residents served by the Nipomo Community Services District ("NCSD"), including authorization of the County of San Luis Obispo to act as the Groundwater Sustainability Agency for the fringe area of the Santa Maria Groundwater Basin [RECOMMEND APPROVE RESOLUTION AUTHORIZING THE COUNTY OF SAN LUIS OBISPO TO SERVE AS THE EXCLUSIVE GROUNDWATER SUSTAINABILITY AGENCY WITHIN THE FRINGE AREAS OF THE SANTA MARIA GROUNDWATER BASIN WITHIN THE NIPOMO COMMUNITY SERVICES DISTRICT BOUNDARIES]

BACKGROUND

The Sustainable Groundwater Management Act of 2014 ("SGMA") was signed by the Governor in September 2014, became law on January 2015, and amended by SB13 effective January 2016. The law requires that identified medium and high priority groundwater basins within the State of California be managed by a Groundwater Sustainable Agency ("GSA") on or before June 30, 2017. The Santa Maria Groundwater Basin ("Basin") is one of six groundwater basins in San Luis Obispo County ("County") that is considered medium or high priority by the California Department of Water Resources ("DWR").

SGMA established a new structure for managing California's groundwater resources at a local level by local agencies. A GSA is responsible for developing and implementing a Groundwater Sustainability Plan ("GSP") to meet the sustainability goal of the basin to ensure that it is operated within its sustainable yield, without causing undesirable results. Each GSA will need to develop a GSP by January 31, 2022. Groundwater basins may have single or multiple GSA's and single or multiple GSP's. Basins are subject to regulation by DWR in the event a GSA is not formed by local, eligible agencies.

The County's Public Works Department has been actively engaging cities, community services districts, water purveyors, agricultural interests and other stakeholders in an outreach effort to communicate the requirements of SGMA. Based on the findings and recommendations of this outreach effort, the County is moving forward with the formation of a GSA for the non-adjudicated portion of the Santa Maria Basin ("Basin") defined by DWR's Bulletin 118. While a majority of the Basin is exempt from SGMA as a result of the Basin Litigation and Judgment, there are "fringe areas" geographically contiguous to the Basin that are not included in the

adjudication [Attachment A]. NCSD boundaries extend over the fringe areas on the east side of Highway 101 as depicted in the attached map.

NCSD is a "local agency" as that term is defined by SGMA, and as such is authorized to form a GSA to manage groundwater resources in the fringe area and within its jurisdictional boundaries in accordance with SGMA and other applicable laws and authorities.

The decision by a local agency to form an independent GSA or to allow the County to assume that responsibility over its jurisdictional boundary is influenced by the unique circumstance of each agency. There are at least two factors to evaluate when deciding whether or not an agency chooses to form or participate in a GSA: maintaining land use authority over the GSA defined area and exercising control over groundwater extraction in the defined area. NCSD has no land use authority built into its governance, and does not utilize the fringe areas for water production or have plans for future groundwater extractions from the fringe areas of the Basin.

A review of the potential operation and administrative impacts of SGMA on NCSD and the extensive requirements of the GSA to manage the basin were undertaken by staff. Concerns over relinquishing to the County the opportunity to form or participate in a GSA and the authority over the fringe area for groundwater extraction are further expressed below. The GSA:

1. Could potentially place limitations on groundwater extractions should groundwater management protection measures dictate such an action. As stated above, NCSD does not plan on utilizing this section of the basin because it does not provide sufficient water productivity to make the fringe areas economically viable as a source of supply. There are two district wells in the fringe area. Both of these wells are out of service and have not been used in over 10 years.
2. Will have the authority to impose fees on groundwater extractions. GSAs will also have the ability to levy and collect taxes, assessments and charges as already provided by law. NCSD would be subject to extraction fees if it were to begin pumping water from the area. It could also be subject to fees assessed by the GSA but these fees are anticipated to be limited to fees paid by all parcels in the fringe area. The District holds three parcels in fee in the fringe area and these parcels could be subject to a GSA assessment should one be established.

NCSD or any other affected governmental agency must inform the County of their intent to allow the County to manage areas of the GSA within their jurisdiction or form an independent GSA that would work cooperatively with the County's GSA.

Staff has reviewed SGMA and considered the advantages and disadvantages to the community served by NCSD and concluded the potential cost and ongoing effort to form a GSA and manage the fringe areas of the Basin exceed the benefit. As a result, it is recommended that NCSD not exercise its option to form a GSA, but instead authorize and recognize the County as the exclusive GSA within the fringe areas of the Basin within NCSD boundaries. The attached resolution is provided for your Board's consideration [Attachment B].

FISCAL IMPACT

The financial impacts on NCSD for complying with SGMA are largely unknown. The County Public Works Department put together a summary of cost estimates for the six medium and high priority basins within the County [Attachment C]. For the Santa Maria Basin, the cost for the first five years is estimated at \$463,523 per year and \$250,000 from 2022 and beyond. If NCSD does not form a GSA, it will be subject to the County's discretion to exercise those means described and allowed in SGMA for collection of fees necessary to execute the GSP and administrate the program.

At its March 7, 2017 meeting, the San Luis Obispo County Board of Supervisors committed to paying for the first five years of the program for unincorporated areas in the County under certain conditions. There is some uncertainty tied to the County Board of Supervisors commitment. It is anticipated at some point in the future NCSD would be subject to fees to support the GSA. It is further anticipated that these fees would be equal to but no greater than fees paid by similar parcel owners within the GSA. NCSD holds three parcels in fee within the fringe areas: the quad tank site on Dana Foothill Road, the administration office site on Wilson Street, and the Savage Well site on West Dana Street.

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.

- 1.6 Continue to monitor and participate in water supply issues and programs with other local and regional organizations

RECOMMENDATION

Staff recommends that your Board receive the report and consider approving a resolution authorizing the County of San Luis Obispo to serve as the exclusive groundwater sustainability agency within the fringe areas of the Santa Maria Basin within the Nipomo Community Services District boundaries.

ATTACHMENTS

- A. County of San Luis Obispo Map: DWR Bulletin 118 – Santa Maria Groundwater Basin – Conceptual GSA Model
- B. Resolution 2017-XXXX Authorizing the County of San Luis Obispo to Serve as the Exclusive Groundwater Sustainability Agency Within the Fringe Areas of the Santa Maria Groundwater Basin Within the Nipomo Community Services District Boundaries
- C. County of San Luis Obispo: Table 2A, Summary of Costs Across All Unincorporated Areas

April 26, 2017

ITEM E-1

ATTACHMENT B

Sustainable Groundwater Management Act (SGMA) Strategy

San Luis Obispo County Department of Public Works

Adopted January 13, 2015

Revisions or Addenda on:

May 24, 2016

November 1, 2016

March 7, 2017



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- 3. SGMA Background Information**
 - a. Association of California Water Agencies SGMA Materials:
 - i. Summary
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 - iv. Implementation Deadlines
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A. Introduction

California Senate Bills 1168 and 1319, and Assembly Bill 1739, signed by the Governor in September 2014, together comprise the “Sustainable Groundwater Management Act” (SGMA)¹. SGMA is ground breaking in that it requires local agencies to manage groundwater “...in a manner that can be maintained during the planning and implementation horizon without causing undesirable results”². SGMA, which took effect on January 1, 2015, provides for the preparation and implementation of Groundwater Sustainability Plans for all water basins in the State³, with High and Medium priority basins placed on a statutory schedule for identification of a Groundwater Sustainability Agency/Agencies (GSA), development of a Groundwater Sustainability Plan/Plans (GSP), and achieving sustainability. Based on the 2014 Final Basin Prioritization by the State Department of Water Resources (DWR), there are five⁴ high and medium priority groundwater basins mapped in San Luis Obispo County:

1. Paso Robles (High)
2. Santa Maria (High)
3. Los Osos (High)
4. San Luis (Edna) Valley (Medium)
5. Cuyama Valley (Medium)

B. Overarching Strategy

SGMA establishes the GSA process whereby local public agencies may organize themselves for the purpose of achieving sustainable groundwater management for the benefit of the community in and for the long term. Therefore, the overarching strategy is to:

Establish community focused GSA’s based on cooperative interagency and stakeholder relationships in order to comply with Sustainable Groundwater Management Act requirements.

C. Action Steps

1 Various amendments to SGMA became effective January 1, 2016 (e.g. revisions to Water Code Sections 10723.6(b).

2 CA Water Code Section 10721(u)

3 Groundwater basins and basin boundaries are defined by the State Department of Water Resources in Bulletin 118

4 In October 2016, DWR approved a modified basin boundary to create a new subbasin of the Salinas Valley Groundwater Basin, referred as Bulletin 118 Basin No. 3-004.11 Atascadero Area Subbasin. Consistent with Water Code Section 10722.4(c), DWR will reassess statewide basin prioritization in early 2017. Pending the re-prioritization, the number of basins subject to SGMA in San Luis Obispo County could change.

1. Groundwater Sustainability Agencies

SB1168 (Pavely) and AB1739 (Dickinson) both include: *“The Legislature finds and declares as follows: (6) Groundwater resources are most effectively managed at the local or regional level.”* To further this finding, SGMA requires the establishment of “Groundwater Sustainability Agencies” (GSAs), which are defined as *“...one or more local agencies that implement the provisions of this part [SGMA].”*⁵ Agencies eligible under SGMA to be or join a GSA include *“a local public agency that has water supply, water management, or land use responsibilities within a groundwater basin.”*⁶ In addition, a *“water corporation regulated by the Public Utilities Commission may participate in a groundwater sustainability agency if the local agencies approve.”*⁷

Although SGMA allows individual agencies to act as the GSA for the part of a basin that underlies that agency’s jurisdiction, and provides for multiple GSAs within a single basin, it is clear that the statute intends for local agencies to work cooperatively to satisfy SGMA requirements. This includes making the most efficient use of resources, including staff, consultants, and funding. It is also preferable for multiple agencies to form a limited number of GSAs so that stakeholders (the public, other agencies, private water purveyors) can effectively participate in all phases of the development and implementation of groundwater sustainability plans that affect their interests.

Therefore, this strategy focuses first and foremost on building GSAs with willing and eligible partner agencies, as defined in SGMA, as the first and key step. GSAs should be organized with the understanding that all other actions required under SGMA will be accomplished either through the GSA or as a result of the groundwater sustainability plan prepared by the GSA.

Further, it is recognized that there is no “one size fits all” for GSAs that will be formed to address groundwater management in San Luis Obispo County. As the interests of each agency and the community served and/or represented by each agency will differ among basins, it is expected that each GSA may have its own unique structure as necessary to accomplish the requirements of SGMA.

5 CA Water Code section 10721(j) [part]

6 CA Water Code section 10721(m)

7 CA Water code section 10723.6(b). Per revisions to SGMA (effective January 1, 2016), Water Code Section 10723.6(b) has been revised as follows: *“A water corporation regulated by the Public Utilities Commission or a mutual water company may participate in a [GSA] through a memorandum of agreement or other legal agreement. The authority provided by this subdivision does not confer any additional powers to a nongovernmental entity.”*

2. Organizational Agreements

In San Luis Obispo County, *“any local agency or combination of local agencies overlying a groundwater basin may elect to be a groundwater sustainability agency for that basin.”*⁸ Pursuant to section 10723.6 of the CA Water Code, a combination of local agencies may form a groundwater sustainability agency by using any of the following methods:

- (1) A joint powers agreement.
- (2) A memorandum of agreement or other legal agreement.

Numerous potential issues will likely arise as local agencies negotiate the details of Joint Powers Agreements/Joint Powers Authorities (JPAs) or Memorandums of Agreement (MOAs). One difficulty in formulating these agreements will be that the end result, implementation of the groundwater sustainability plan, will be unknown in as much as the plans will not yet be written.

Therefore, this strategy will focus first on establishing agreements that are initially intended to further the development and approval of the groundwater sustainability plans. Any such agreements will acknowledge the potential need to amend or replace the agreement once the details of the groundwater sustainability plans are known. The resultant management requirements of the groundwater sustainability plan will then form the basis for the interagency agreement that guides the actions of the GSA. The initial agreements must also conform to the regulations promulgated under SGMA by DWR, once they are adopted.

3. Groundwater Sustainability Plans

This strategy acknowledges that each GSA in San Luis Obispo County may have a unique structure, defined by the needs and interests of each participating agency and the community served and/or represented by each agency. Likewise, each Groundwater Sustainability Plan (GSP) will be defined by the conditions present in each groundwater basin, along with the benefits provided by that water.

Therefore, this strategy acknowledges that there is no “one size fits all” for GSPs that will be developed to manage individual groundwater basins in San Luis Obispo County. As the needs of each groundwater basin and the community dependent on groundwater will differ among basins, it is expected that each GSP may have its own unique approach as necessary to accomplish the requirements of SGMA.

⁸ CA Water Code section 10723(a)

4. Stakeholder Involvement

Section 10723.2 of the California Water Code requires that *“The groundwater sustainability agency shall consider the interests of all beneficial uses and users of groundwater, as well as those responsible for implementing groundwater sustainability plans. These interests include, but are not limited to, all of the following:*

- a) *Holders of overlying groundwater rights, including:*
 - 1) *Agricultural users.*
 - 2) *Domestic well owners.*
- b) *Municipal well operators.*
- c) *Public water systems.*
- d) *Local land use planning agencies.*
- e) *Environmental users of groundwater.*
- f) *Surface water users, if there is a hydrologic connection between surface and groundwater bodies.*
- g) *The federal government, including, but not limited to, the military and managers of federal lands.*
- h) *California Native American tribes.*
- i) *Disadvantaged communities, including, but not limited to, those served by private domestic wells or small community water systems.*
- j) *Entities listed in [CA Water Code] Section 10927 that are monitoring and reporting groundwater elevations in all or a part of a groundwater basin managed by the groundwater sustainability agency.”*

Therefore, this strategy includes the maximum feasible outreach to all potentially affected stakeholders.

D. Schedule

SGMA includes a detailed schedule for both information, guidelines, and regulations to be promulgated by the State as well as deadlines for actions by local agencies. Both a Time Line and an Implementation Deadlines Table are included in the appendices. Key dates applicable to this strategy include:

When	Who	What
January 1, 2016	CA Department of Water Resources	Adopt regulations for basin boundary adjustments
June 1, 2016	CA Department of Water Resources	Adopt regulations for evaluating GSPs and GSA agreements
January 1, 2017	CA Department of Water Resources	Publish groundwater sustainability best management practices
June 30, 2017	Local agencies in Medium & High Priority Basins	Establish GSAs
January 31, 2020	GSAs in medium- and high-priority basins in critical overdraft	Adopt GSPs and begin managing basins under GSPs
January 31, 2022	GSAs in other medium- and high- priority basins	Adopt GSPs and begin managing basins under GSPs
January 31, 2040	GSAs in medium- and high-priority basins in critical overdraft	Achieve groundwater sustainability goals
January 31, 2042	GSAs in other medium- and high- priority basins	Achieve groundwater sustainability goals

E. Priorities

SGMA requires that the organization of GSAs, development and implementation of GSPs, and achievement of sustainability, all occur on a defined time line. There are currently five⁹ groundwater basins in San Luis Obispo County that are subject to the prescribed timelines, either all or in part (High = Paso, Los Osos, Santa Maria, Medium = San Luis, Cuyama).

At the same time, there are 17 other designated groundwater basins in the County that, because they are designated as either “low” or “very low” priority by the State, are not mandated to comply with the prescribed timelines. However, SGMA provides that development of GSAs and GSPs is optional for these basins. Among the “low” priority basins are those serving Cambria (Santa Rosa Valley, San Simeon Valley), and Morro Bay (Chorro Valley, Morro Valley). These and other similarly situated agencies may request other agencies’, including the County and the San Luis Obispo County Flood Control and Water Conservation District, to participate in a voluntary SGMA process. Given the issues and time lines already presented by the current high and medium priority basins, full attention⁹ to these potential requests will present challenges to both fiscal and staff resources.

Therefore, this strategy provides that those basins designated by the State as high and medium priority will receive first priority for the resources necessary to meet the statutory deadlines. Additional capacity will be invested in additional groundwater basins as it is available.

⁹ See Footnote 4.

F. Fiscal Implications

Existing fiscal resources, primarily that of the San Luis Obispo County Flood Control and Water Conservation District general fund, are likely sufficient to initiate agency and stakeholder outreach necessary to form the initial GSA's. Costs associated with fully developing the information necessary to prepare a GSP will depend on the level of involvement of the GSA partner agencies, the amount of information already available in a particular groundwater basin, and the level of investment required to reach stakeholder agreement.

Therefore, this strategy applies a pay-as-you go approach focused on developing GSAs as described above. Once sufficient information is developed to accurately estimate the costs of finalizing GSA agreements, cost sharing agreements with the other GSA members will be sought. At the same time, it is anticipated that grant opportunities will be offered by the State, pursuant to the recently voter approved *Water Quality, Supply, and Infrastructure Improvement Act of 2014* (Proposition 1). This strategy includes seeking the maximum feasible funding through grant applications, and intends that sufficient FCWCD general funds be reserved to provide any necessary local match attributable to Flood Control Agency participation.

G. Staffing

Analysis of existing Public Works staffing resources shows a deficit when compared to existing and future water resource management needs. Public Works will present an organizational and funding plan for the Board of Supervisors, designed to establish adequate staffing levels within an appropriate organizational framework. These issues will be considered within the context of the Board's existing strategic planning and budgeting framework, and are therefore not a part of this SGMA strategy.

H. Addenda to SGMA Strategy

The following table includes a list of adopted addenda to the SGMA Strategy:

No.	Title	Date Adopted/ Revised
1	County Participation Preferences for GSA Agreements	Adopted 11/1/2016, Revised 3/7/2017

1. Addendum No. 1: County Participation Preferences for GSA Agreements

Policy Statement 1. Interests Potentially Represented by County on GSAs.

The County supports participating on a GSA in a basin in order to represent one or more of the following key roles and/or authorities:

- **Interest 1:** Representation of County Service Area(s),
- **Interest 2:** Representation of otherwise unrepresented beneficial uses/ users of groundwater (e.g. rural domestic, agricultural, environmental, etc. as defined by SGMA),
- **Interest 3:** Land use authority,
- **Interest 4:** Well construction permitting authority, and/or
- **Interest 5:** Integration and alignment of the County's discrete management actions (e.g. groundwater export ordinance) to the GSA's basin-wide, comprehensive management actions.

Policy Statement 2. County Preferences on Legal Agreement Type.

The County supports the agreement type that makes the best sense for a particular GSA, while protecting the County and interest(s) represented by the County to the greatest extent possible under the circumstances in the basin.

- The County recognizes that the GSA agreement type selected will be driven by basin-specific needs and entity negotiations.
- Both Memoranda of Agreement (MOA) and Joint Powers Agreements (JPA) offer certain benefits and challenges.

Policy Statement 3. County Preferences on Key Elements of GSA Agreements.

The County supports governance and finance strategies that are fair, equitable, and acceptable to potential partner entities and affected basin users, recognizing that "no one size fits all" and that agreement elements may vary with each basin.

Policy Statement 3a. Financial Strategies

~~The County, either as a partner on a GSA or on its own, supports pursuing a funding mechanism (subject to all applicable Constitutional and other legal requirements) supported by and funded by the affected landowners and/or extractors. Should long-term funding mechanisms for County SGMA costs not be approved by the affected landowners and/or extractors, the County would no longer be a GSA or GSA member.~~

- ~~The County acknowledges that basin users, as those subject to SGMA, should pay their fair share of SGMA compliance. The County supports evaluating and considering land use and/or pumping (to the extent known and/or that it can be estimated) to determine~~

~~fair financial strategies, while minimizing costs to de minimis (domestic) extractors,¹⁰ consistent with SGMA's treatment of said users.~~

- ~~The County acknowledges that it may be challenging for GSAs to identify startup and ongoing funding sources. As such, the County advocates that GSAs pursue grants and other funding sources to the greatest extent feasible to offset local costs.~~
- Fund as a part of the FY 2017/2018 County Budget.
- ~~Depending on the results of the November 1, 2016 Flood Control District Board's Budget Policy discussion, the County may pursue a loan from the Flood Control District to provide interim funding for GSA startup costs through 2018/19. It is intended that this funding would be reimbursed upon a successful Prop 218 proceeding, and/or identification of another funding source.~~
- ~~Depending on the results of the November 1, 2016 Flood Control District Board's Budget Policy discussion, the Flood Control District may contribute funding towards initial funding proceedings and/or specific technical studies. If approved by the Flood Control District Board, the County supports negotiating use of that funding as a credit against any County cost share in GSA efforts.~~
- ~~The County supports including agreement terms to allow member entity withdrawal and/or GSA termination, should the GSA be unsuccessful in identifying ongoing funding sources and/or in securing independent funding through a Prop 218 proceeding.~~

Policy Statement 3b. Membership and Participation on Governing Boards

The County supports 1) fair and equitable representation in decision making processes of GSAs that include participation by the County and/or an alternative, stakeholder-driven eligible entity, and 2) adequate consultation between any GSA efforts and related County authorities and/or planning/ management efforts.

- ~~To the extent that eligible entities and basin users are supportive of the County's involvement in SGMA implementation, the County would intend to join-form a GSA to represent any and all of the interests identified in Policy Statement 1 (above) in a manner consistent with other Policy Statements.~~
- The County acknowledges that landowners and/or registered voters may prefer to form an eligible entity to ensure their representation on a GSA. The County supports landowner ~~and registered voter~~-driven eligible entity formation processes. As such, if an eligible entity is formed by December 31, 2017, the County may decide (in consultation with such agency and the other participants in the GSA) that it no longer needs to participate in the GSA ~~(depending on e.g. within~~ the boundary (ies) of the newly formed agency).
- The County advocates for fair and equitable representation in the decision-making process (relating to Interests 1 and 2), and adequate consultation with the County as GSA efforts relate to County authorities, and planning/ management efforts (relating to Interests 3, 4, and 5).

¹⁰ Water Code Section 10721 (e) "De minimis extractor" means a person who extracts, for domestic purposes, two acre-feet or less per year.

- Fair and equitable representation could be accomplished in a number of ways, such as through inclusion of appointed seats on a GSA board for certain beneficial user interests¹¹ (e.g. domestic well users, agricultural users, environmental users of groundwater), or through a robust public process and formation of representative advisory committees, and should be negotiated by the eligible entities in each basin.
- Adequate consultation can be accomplished by a GSA's close coordination with the appropriate County processes (e.g. participation in and review of updates to the County General Plan).
- Significant GSA decisions should require a greater majority vote.
- For basins where the County is one partner on a multi-agency GSA/GSP effort; GSAs should use third party staff and resources to develop and implement GSPs, to the greatest extent possible. This will allow each entity's interest to remain independent during GSP development.
- For basins where the County is the sole acting GSA, County staff could act as staff to the GSA, ~~to the extent there are staff and resources to do so.~~

¹¹ Water Code Section 10723.2 "The groundwater sustainability agency shall consider the interests of all beneficial uses and users of groundwater, as well as those responsible for implementing groundwater sustainability plans. These interests include, but are not limited to, all of the following: interests include, but are not limited to, all of the following: (a) Holders of overlying groundwater rights, including (1) Agricultural users. (2) Domestic well owners. (b) Municipal well operators. (c) Public water systems. (d) Local land use planning agencies. (e) Environmental users of groundwater. (f) Surface water users, if there is a hydrologic connection between surface and groundwater bodies. (g) The federal government... (h) California Native American tribes. (i) Disadvantaged communities.... (j) Entities ...that are monitoring and reporting groundwater elevations..."

Appendix 1

Affected Areas and Agency Descriptions

(Basin information excerpted from San Luis Obispo County Master Water Report 2012 and Paso Robles Basin Model Update 2014)

a. Cuyama Groundwater Basin

The Cuyama Valley Groundwater Basin underlies the southeast corner of San Luis Obispo County and extends into Santa Barbara, Ventura, and Kern Counties. The Basin encompasses approximately 147,200 acres (230 square miles), of which approximately 32,600 acres (51 square miles) are within San Luis Obispo County. The basin underlies the valley drained by the Cuyama River and is bounded on the north by the Caliente range and on the Southwest by the Sierra Madre Mountains. Recharge to the basin comes primarily from seepage from Cuyama River, deep percolation of precipitation, and residential/agricultural return flows.

Basin groundwater users include oil field operators, residential, and agricultural. Perennial yield for the entire basin has been estimated between 9,000 and 13,000 AFY. A safe yield of 10,667 Acre Feet per Year (AFY¹²) was estimated in 1992 (Baca et al., 1992). Total groundwater pumpage is about 40,592 AFY, resulting in a deficit of 30,532 AFY (Anderson et al., 2009).

Potential local public agency GSA members in the Basin include the Counties of Santa Barbara, Ventura, and Kern, along with the New Cuyama Community Services District, in addition to the County and Flood Control District.

b. Santa Maria Groundwater Basin

The Santa Maria Valley Groundwater Basin encompasses approximately 184,000 acres (288 square miles), of which approximately 61,220 acres (95.7 square miles) is within San Luis Obispo County. This groundwater basin underlies the Santa Maria Valley in northern Santa Barbara and southern San Luis Obispo Counties. The basin also underlies Nipomo and Tri-Cities Mesas, Arroyo Grande Plain, with sub-basins in the Nipomo, Arroyo Grande and Pismo Creek Valleys. The basin is bounded on the north by the San Luis and Santa Lucia Ranges, on the east by the San Rafael Mountains, on the south by the Solomon Hills and the San Antonio Creek Valley Groundwater Basin, on the southwest by the Casmalia Hills, and on the west by the Pacific Ocean.

¹² One acre foot equals 325,851 gallons, enough water to cover 1 acre one foot deep.

The majority of the Santa Maria Valley Groundwater Basin has been adjudicated since 2005, and is listed as such in SGMA. Therefore, a GSP for the Basin will apply only to those areas not included in the adjudication, which are the Nipomo, Arroyo Grande and Pismo Creek Valleys.

Potential local public agency GSA members in the applicable Basin areas include the Nipomo Community Services District, the City of Arroyo Grande, and the City of Pismo Beach, in addition to the County and Flood Control District.

c. San Luis Groundwater Basin

The San Luis Obispo Valley Groundwater Basin encompasses approximately 13,800 acres (21.6 square miles). The Basin is bounded by the Santa Lucia Range, the San Luis Range and the Los Osos and Edna faults. The safe yield of the San Luis Valley Groundwater Basin was determined in a 1991 study based on elements of recharge and discharge, and in a 1997 study using elements of recharge and discharge, the length of drought periods and the recovery time following them, and an assessment of the behavior of the basin. The 1991 study reported a value of sustained yield of 5,900 AFY. A 1997 DWR study reported a long-term dependable yield value for the San Luis Valley Sub-basin at 2,000-2,500 AFY, and a long-term dependable yield value for the Edna Valley Sub-basin at 4,000-4,500 AFY.

A potential local public agency GSA member in the Basin is the City of San Luis Obispo, in addition to the County and Flood Control District.

d. Los Osos Groundwater Basin

The Los Osos Valley Groundwater Basin encompasses approximately 10 square miles, of which 3.3 square miles underlie the Morro Bay estuary and sand spit, and 6.7 square miles underlie the communities of Los Osos, Baywood Park, and the Los Osos Creek Valley. The basin is bounded by the Pacific Ocean, and elsewhere by relatively impermeable rocks. The southern basin boundary also runs parallel to the main strand of the Los Osos fault. 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.

The three local water purveyors, 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). At the point in time where the Basin (or a

portion of the Basin) concludes the adjudication process¹³, that portion would no longer require or be subject to a GSP provided that the adjudication determines the rights to extract groundwater for that entire portion of the Basin. There are no potential public agency GSA members in the area of the Basin that is currently outside the adjudication process except for the County and Flood Control District.

e. Paso Robles Groundwater Basin¹⁴

The Paso Robles Groundwater Basin is located in both Monterey and San Luis Obispo counties and roughly 800 square miles in size. Roughly one-third of the areal extent of the Paso Robles Groundwater Basin extends into Monterey County. 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. Groundwater in the basin is found in alluvium and in the Paso Robles Formation. Water users in the basin include municipalities, communities, rural domestic residences, and agricultural users. The major municipal water purveyors include the Atascadero MWC, City of Paso Robles, Templeton CSD, CSA 16-1 (Shandon), and San Miguel Community Services District (San Miguel CSD). The San Luis Obispo County Environmental Health Department also identified 36 small commercial and community water systems that extract groundwater from the basin. Overlying users include rural domestic residences and agricultural users. The perennial yield of the Paso Robles Groundwater Basin is estimated to be 89,700 AFY. Annual average change in groundwater storage for the period 1981-2011 is estimated at -2,400 AFY.

Potential local public agency GSA members in the Basin include the future Paso Robles Basin Water District, the City of Paso Robles, City of Atascadero, San Miguel CSD, and Templeton CSD, in addition to the County.

¹³ On October 14, 2015, Judge Martin J. Tangeman of the San Luis Obispo Superior Court signed an order approving the Stipulated Judgment and the Updated Basin Management Plan for the Los Osos Groundwater Basin.

¹⁴ See Footnote 4.

Appendix 2

Maps

- a. Countywide Groundwater Basins
- b. Five High and Medium Priority Basins
- c. Cuyama Groundwater Basin
- d. Santa Maria Groundwater Basin
- e. San Luis Groundwater Basin
- f. Los Osos Groundwater Basin
- g. Paso Robles Groundwater Basin

***NOTE: Removed for this Board staff report.
However, these materials are available on:
www.slocountywater.org/sgma**

Appendix 3

SGMA Background Information

- a. Association of California Water Agencies SGMA Materials:
 - i. Summary
 - ii. Fact Sheet
 - iii. Frequently Asked Questions
 - iv. Implementation Deadlines
 - v. Time Line

***NOTE: Removed for this Board staff report.
However, these materials are available on:
www.slocountywater.org/sgma**

April 26, 2017

ITEM E-1

ATTACHMENT C



Date: March 30, 2017

To: San Luis Obispo County Board of Supervisors

From: Board of Directors, Oceano Community Services District

Via: Karen White, Board President *Karen M. White*

Subject: Comments on April 4, 2017 County Agenda Item #28 described as "reconsider the funding policy that was discussed on March 7, 2017 with regard to the Sustainable Groundwater Management Act (SGMA) Strategy and provide direction for amendments on financial planning of SGMA implementation and groundwater sustainability governance."

The Board of Directors of the Oceano Community Services District (OCSD) held a special meeting on March 30, 2017 to consider providing comments to items #27 and #28 included on your agenda for April 4, 2017. Separate comment letters are provided for each item.

Certainly the OCSD Board of Directors recognizes the important role of the San Luis Obispo County Flood Control and Water Conservation District (County) in supporting regional water resource management efforts. We expend more than 50% of our annual water fund budget purchasing Lopez and State Water supplies from the County and may have the most reliable community water portfolio in the County. We believe that the partnering efforts of the special districts, cities, private water purveyors and the county has been critical over the past several decades to help meet our needs and those of other local agencies.

Our separate comment letter on the alleged Brown Act violation expresses our concerns in your rush to act on March 7, 2017. Our comments on policy related issues follow, and are organized into two categories. The first set of questions and concerns directly relate to Oceano CSD. The second set relates to overall regional water management efforts.

The following topics are followed by our policy related questions and concerns.

Oceano Specific Questions and Concerns –

- Groundwater Modeling Commitments
- County Mandates

Regional Efforts –

- Timing
- Input from WRAC
- Consequences - Fiscal, Programs and Projects
- Other Policy Considerations



The Oceano CSD obtains groundwater from the Northern Cities Management Area of the Santa Maria Groundwater Basin. We pay costs associated with the management of the basin, which include development of annual reports and other water resource actions. In recent years, we have implemented adaptive management strategies to reduce groundwater pumping while also increasing water we have in surface storage during the drought. We are supporting development of reclaimed water through the City of Pismo Beach and the South San Luis Obispo County Sanitation District to help improve reliability of groundwater supplies.

Groundwater Modeling Commitments

Can the County confirm that implementing SGMA policy changes will not divert existing designated reserves established by the County to fund a groundwater model for the Santa Maria Groundwater Basin, including the Northern Cities Management Area and Nipomo Mesa Management Areas; that those fiscal commitments will be maintained, and that the County will follow through in its existing commitment to develop the model similar to the model that the County developed for the Paso Robles Groundwater Basin?

County Mandates

If the Board of Supervisors is going to change water resource fiscal policies, then why not also consider the fiscal impact of existing County mandates imposed on special districts? Current County policy has mandated the Oceano Community Services District pay the cost of relocating water and wastewater lines to accommodate the County's Highway One Drainage Project, which the County is implementing with Caltrans. For the same project, the County allocated Community Development Block Grant funds to itself for County costs but not community costs incurred by OCSD. The SGMA funding policy changes have the effect of subsidizing water management costs for certain constituents although existing mandates continue to be imposed on special districts to help pay for County projects.

Regional Water Resource Efforts

In addition to specific concerns relating to Oceano CSD, we also have concerns relating to overall water resource management issues.

Timing

Why did the Board feel it was necessary to take action on March 7th? Our understanding is that the SGMA deadline for June 30, 2017 is important to identify who will act as Groundwater Sustainability Agencies (GSA's)? We further understand that the County is not mandated to be a GSA. In addition to numerous other details that will need to be addressed in the near future, the plan development, and funding details, have subsequent deadlines. Why does the Board need to take action on April 4, 2017? Why not allow time for the Water Resource Advisory Committee to review, develop input and provide recommendations?



Consequences – Fiscal, Programs and Projects

- A. What are the fiscal consequences of the policy changes approved on March 7th? The County staff report identifies costs associated with SGMA but does not identify the impact on fiscal reserves, the annual budget, or other countywide water resource and flood control projects and programs.
- B. Do the policy funding changes only apply to Fiscal Year 2017-18? Revised Policy Statement 3a. Financial Strategies explicitly states “Fund as part of the FY 2017/18 County Budget” but the deletion of other language from the prior policy could imply that the County funding will continue to subsidize SGMA costs in future years. What is the intent of the Board of Supervisors on funding consequences after 2017/18?
- C. Is the funding in the 2017/18 County Budget coming from the County or the Flood Control and Water Conservation District?

Overall, the Oceano CSD Board of Directors understands the importance of the County's support for initial SGMA efforts. We are concerned that your actions on March 7th did not fully address policy impacts and other implications and may have unintended consequences, we therefore request that your reconsideration on April 4, 2017 is continued until issues and concerns are addressed and time is provided for review, input and recommendations from your Water Resource Advisory Committee.

CAMBRIA COMMUNITY SERVICES DISTRICT

DIRECTORS:

AMANDA RICE, President
GREG SANDERS, Vice President
JIM BAHRINGER, Director
MICHAEL THOMPSON, Director
HARRY FARMER, Director



OFFICERS:

JEROME D. GRUBER, General Manager
MONIQUE MADRID, District Clerk
TIMOTHY J. CARMEL, District Counsel

Cambria CA 93428

Telephone

Facsimile

March 30, 2017

The Honorable John Peschong, Chair and
Members of the Board of Supervisors
County of San Luis Obispo
County Government Center
1055 Monterey Street
San Luis Obispo, CA 93408

Re: Proposed County Formation of a Groundwater Sustainability Agency (Sustainable Groundwater Management Act)

Dear Chair Peschong and Members of the Board of Supervisors:

This letter is intended to convey to you the official position of the Cambria Community Services District (“CCSD”) Board of Directors (“Board”), adopted at a special meeting of the Board convened on March 30, 2017, regarding the Board of Supervisors proposal to fund the creation of a Groundwater Sustainability Agency (“GSA”) pursuant to the state Sustainable Groundwater Management Act (“SGMA”). For the reasons discussed below, the CCSD Board is opposed to formation and funding of a GSA as currently proposed.

The CCSD Board believes that County formation of a GSA represents a sharp departure from the SGMA Strategy adopted by the Board of Supervisors on January 13, 2015 and revised on May 24, 2016. Specifically, the adopted SGMA Strategy relies on local stakeholders to formulate plans for and manage the groundwater basins that require formulation of plans and management under the SGMA. As proposed, Policy No. 1 in the SGMA Strategy Addendum will be amended to state that, “The County intends to form a GSA to represent any and all of the interests [within the affected groundwater basin] in a manner consistent with all other policy statements.”

As currently proposed, the GSA would manage the Paso Robles Groundwater Basin, among other matters. The CCSD Board believes that the stakeholders within the Paso Robles Groundwater Basin including, but not limited to, landowners, public water agencies and consumers of groundwater should work collaboratively to create a GSA to manage the basin. We understand that the current proposal would require the annual expenditure of between \$1.6 million and \$2.2 million of County general fund money for three years to develop a plan for management of the basin. After the plan is adopted, there would be ongoing general fund expenditures to manage the basin and enforce the provisions of the plan.

We note that the Board of Supervisors spent considerable time, effort and money on a proposal to manage the Paso Robles Groundwater Basin. The Board of Supervisors, Local Agency Formation Commission and the State Legislature developed the proposal, including the means to pay for creation of a plan for

management of the basin groundwater in accordance with the SGMA. Unfortunately, the carefully crafted county proposal was rejected during a special election in March of 2016.

The CCSD Board believes that, as a policy, this would be an inappropriate use of general funds. Any GSA expenditures ought to be paid for by the direct beneficiaries of a GSA and its groundwater management plan. The stakeholders within the Paso Robles Groundwater Basin ought to bear the financial burden for groundwater management within the basin because they will benefit from creation and implementation of a plan. The general fund money that would be allocated to the proposed GSA and formulation of a groundwater management plan for the Paso Robles Groundwater Basin should be used instead to pay for more urgently needed projects throughout the county, including projects within the North Coast area.

As the agency charged with development and management of water resources, including management of those portions of the two watersheds from which water for the town of Cambria is extracted, the CCSD Board believes it is inappropriate for the Board of Supervisors to use general fund money to benefit the stakeholders within another watershed in the county. The CCSD receives no such subsidy. With very limited resources, the CCSD must develop and implement groundwater management plans on its own. We are aware of no rational public policy that justifies Cambrians subsidizing the stakeholders within the Paso Robles Groundwater Basin, as the proposed GSA will do.

We urge the Board of Supervisors to reject the strategy changes for funding and creation of a GSA as proposed and to confirm the policies set forth in the SGMA Strategy as adopted.

Sincerely,



Amanda Rice
President
Cambria Community Services District
Board of Directors



Office of the City Council

San Luis Obispo, CA 93401-3249

slocity.org

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APR - 3 2017

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Board of Supervisors
San Luis Obispo County

Forwarded
to the
Clerk Recorder

March 30, 2017

County of San Luis Obispo
Board of Supervisors
1055 Monterey, Room D430
San Luis Obispo, CA 93408-1003

Re: Sustainable Groundwater Management Act Policy Change

Dear Supervisors:

On behalf of the City of San Luis Obispo, I would like to express concern with the recent policy change regarding the Sustainable Groundwater Management Act. The use of County revenues to fund the formation and management of a Groundwater Sustainability Agency (GSA) for only those who reside in the unincorporated areas is inequitable.

Further, the decision to limit the ability of an independent GSA to assess a tax or fee over the entire groundwater basin proposes that residents of the City of San Luis Obispo pay for management of the basin twice – once through taxes paid to the County and a second time through an assessment, regulatory fees and/or rates on incorporated areas. This inequity in cost sharing for basin management will greatly lower the likelihood of a vote passing in the incorporated areas to secure a long-term funding mechanism for the GSA. Our staff advises that without a funding source, the viability of the approved GSA is questionable.

The recent policy change may require the San Luis Obispo City Council to revisit our action on March 7 to form a GSA with the County and other local entities since the County's action completely alters the agreement cooperatively worked on by City and County staff for over a year. This will further hinder compliance with the June 30, 2017 deadline imposed by the State to form a GSA, and maintain local control of our groundwater resource.

We appreciate your consideration of the impacts of this decision and revisit any action that would undermine the principles and foundation upon which our Council agreed to participate in the formation of the GSA.

Sincerely,

Heidi Harmon
Mayor

Cc: San Luis Obispo City Council



CITY OF EL PASO DE ROBLES
"The Pass of the Oaks"

RECEIVED

OFFICE OF THE
MAYOR

**EACH SUPERVISOR
RECEIVED COPY**

**Forwarded
to the
Clerk Recorder**

Steven W. Martin
Mayor, City of Paso Robles
1000 Spring Street
Paso Robles CA 93446

March 29, 2017

Supervisor John Peschong
CC: San Luis Obispo County Board of Supervisors
1055 Monterey Street
San Luis Obispo CA 93408

Dear Supervisor Peschong,

I am concerned about your Board's action to fund the organization and management of a Groundwater Sustainability Agency (GSA) in the unincorporated areas of our County without securing additional revenue sources to pay for that program. This new policy, enacted without public input, will impact the County's provision of services to citizens in the incorporated cities disproportionately and unfairly. Reportedly, up to \$6.6-million will be re-programmed from Flood Control and the General Fund to pay for this.

As you are aware, the City of Paso Robles is in the process of forming and funding a GSA congruent with city boundaries and will also participate in a second GSA with Templeton and Atascadero. Others are also forming and funding GSAs. To date, Paso Robles has done more to conserve and protect local water resources than any entity, public or private, in San Luis Obispo County. Our citizens have committed \$144-million to the development and delivery of Nacimiento Lake supplies. They have funded new water and wastewater treatment facilities at a cost of more than \$54-million. They have supported the \$17-million construction of a water recycling plant which, within 18 months, will have the capacity to re-use as much water as the city pumps from the Paso Robles aquifer each year. An \$11-million Purple Pipe distribution system will soon be designed. Additionally, since 2008 our residents have complied with aggressive local mandatory and voluntary conservation programs saving 4.5-billion gallons of water.

In my opinion it is unfair to use County revenues collected from Paso Robles citizens and used for existing County services to pay for those who do not wish to be responsible for the cost of complying with the formation of State-mandated GSAs in their areas. It is wrong to expect Paso Robles residents to sacrifice County services so others may be relieved of their financial responsibilities. It is also poor planning and represents an arbitrary redistribution of resources that is not consistent with sound, conservative financial policy.

You and I have discussed and agreed upon the need for additional public safety services, anti-drug efforts, anti-gang programs and transportation improvements in the North County. If the Board of Supervisors affirms its decision to fund a GSA in the unincorporated areas without new sources of revenue these programs may be negatively affected. Furthermore, issues already exist between the County and the City regarding flood control service. You should be aware of the hundreds of thousands of dollars in damage done to public and private property as the result of the County's failure to prevent debris from being swept into the City during storms over the last two years.

Because our City Council will not meet again until April 4, I have not had the opportunity to place this matter before the entire City Council so they and the entire community can express their positions. Thus, this letter represents only my opinion. I am happy to forward the results of discussions by the entire Council when they occur.

In the meantime, I respectfully request the Board of Supervisors consider these points and the input of other citizens in this matter.

Sincerely,



Steven W. Martin
Mayor, City of Paso Robles
Cc: Paso Robles City Council

April 26, 2017

ITEM E-1

ATTACHMENT D

ATTACHMENT A

TABLE 1A: Summary of Costs Across "White Areas" of Unincorporated Parts of Basins

Revised on 2/24/2017

This table summarizes the calculations from the following Table 1B and provides basin-by-basin estimates of the distribution of costs to develop and begin implementation of GSPs in the "white areas". "White areas" is a map reference to areas not within an existing or proposed water management entity other than the County itself. The left side of the table summarizes total costs for the GSP Development Phase (first 3 - 5 years), the right side shows the same costs on an annualized basis.

"WHITE AREAS" OF UNINCORPORATED AREA SGMA FUNDING SCENARIO
Annualized Cost in "White Areas" of Unincorporated Parts of Basin
Transition to Implementation

BASIN	GSP Development Phase Cost (1),(2)	Flood Control District Funding	Funding Provided by Other Entities (2)	Cost to "White Areas" of Unincorporated Parts of Basin	GSP Development Phase					Transition to Implementation		
					FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022 and beyond		
Cuyama Basin	3,217,615	1,090,000	1,914,854	212,762	70,921	70,921	70,921	100,000	100,000	100,000	100,000	
Los Osos Basin	3,217,615	840,000	0	2,377,615	792,538	792,538	792,538	250,000	250,000	250,000	250,000	
Paso Robles Basin	2,245,000	1,040,000	819,400	385,600	128,533	128,533	128,533	320,000	320,000	320,000	320,000	
SLO Basin	3,217,615	900,000	1,506,450	811,165	162,233	162,233	162,233	162,233	162,233	162,233	350,000	
Santa Maria Basin	3,217,615	900,000	0	2,317,615	463,523	463,523	463,523	463,523	463,523	463,523	250,000	
Atascadero Basin	1,215,000	615,000	588,000	12,000	2,400	2,400	2,400	2,400	2,400	2,400	5,000	
Totals	\$16,330,460	\$5,385,000	\$4,828,703	\$6,116,757	\$1,620,148	\$1,620,148	\$1,620,148	\$1,298,156	\$1,298,156	\$1,298,156	\$1,275,000	

(1) Estimates for Paso, Atascadero, and SLO have been refined by working groups. SLO refinements have been applied to Los Osos, Santa Maria and Cuyama.

(2) Estimates do not include partner agencies in-kind services. Costs would increase if partner agencies reduce contribution, and/or if number of anticipated partner agencies decreases.

ATTACHMENT A

TABLE 1B: Detailed Costs Across "White Areas" of Unincorporated Parts of Basins

Revised on: 2/24/2017

Table Description

This table describes cost sharing under the County's SGMA Strategy and based on current negotiations with partner entities. The table focuses on the GSP development phase cost estimates, and contributions provided to cover these costs. Contributions include support costs by the Flood Control District, contributions by other partner entities, and negotiated cost sharing by basin users in the unincorporated areas not already represented by another entity ("white areas"). The table also shows conceptual cost estimates for ongoing GSA administration/operation and GSP implementation over the 20-year implementation phase. These costs have been annualized to facilitate discussion. It is important to note that the draft budgets for each basin are subject to change as staff and partner entities continue to refine and develop basin budgets for GSA operation, GSP development, and GSP implementation. However, these values reflect the latest draft budgets and potential cost sharing, provided for update purposes.

	Cost Share of Total Remaining Costs								
	GSP Development Phase Cost ^{2,3}	FCD Direct Contribution ⁴	Remaining GSP Development Phase Cost	Cost Share of Other Entities ⁵	Estimated Funding Provided by Other Entities ⁵	Estimated Funding Provided in "White Areas"	Annual Cost after GSP Adoption ⁷	Estimated Funding Provided by Other Entities ⁵	Estimated Annual Funding Provided in "White Areas"
Cuyama Basin	\$3,217,615	\$1,090,000	\$2,127,615	90%	\$1,914,854	\$212,762	\$1,000,000	\$900,000	\$100,000
Los Ocos Basin ¹	\$3,217,615	\$840,000	\$2,377,615	0%	\$0	\$2,377,615	\$250,000	\$0	\$250,000
Paso Basin	\$2,245,000	\$1,040,000	\$1,205,000	68%	\$819,400	\$385,600	\$1,000,000	\$680,000	\$320,000
SLO Basin	\$3,217,615	\$900,000	\$2,317,615	65%	\$1,506,450	\$811,165	\$1,000,000	\$650,000	\$350,000
Santa Maria Basin ¹	\$3,217,615	\$900,000	\$2,317,615	0%	\$0	\$2,317,615	\$250,000	\$0	\$250,000
Atascadero Basin	\$1,215,000	\$615,000	\$600,000	98%	\$585,000	\$12,000	\$250,000	\$245,000	\$5,000
Totals	\$16,330,460	\$5,385,000	\$10,945,460		\$4,828,703	\$6,116,757	\$3,750,000	\$2,475,000	\$1,275,000

	Annualized Costs for "White Areas" of Unincorporated Areas					Ongoing Annual Cost for 20 Year Implementation
	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022	
Cuyama Basin	\$70,921	\$70,921	\$70,921	\$100,000	\$100,000	\$100,000
Los Ocos Basin ¹	\$792,538	\$792,538	\$792,538	\$250,000	\$250,000	\$250,000
Paso Basin	\$128,533	\$128,533	\$128,533	\$320,000	\$320,000	\$320,000
SLO Basin	\$162,233	\$162,233	\$162,233	\$162,233	\$162,233	\$350,000
Santa Maria Basin ¹	\$463,523	\$463,523	\$463,523	\$463,523	\$463,523	\$250,000
Atascadero Basin	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$5,000
Totals	\$1,620,148	\$1,620,148	\$1,620,148	\$1,298,156	\$1,298,156	\$1,275,000

NOTES:

- 1 Assume boundary change requests denied, GSPs required
- 2 Estimates for Paso Basin, Atascadero and SLO Basins have been refined by working groups; assume SLO Basin refined estimate for Los Ocos, Santa Maria and Cuyama Basin
- 3 Estimates do not include partner agencies in-kind services. Costs would increase if partner agencies reduce contribution, and/or if number of antipolluted partner agencies decreases
- 4 Use of FCD budget and reserves for in-kind staff, and specific SGMA technical and start-up efforts, does not include FY 16/17 & prior contributions
- 5 Other-eligible entities could include: other counties, special districts, cities, etc. Draft allocations are pumping based, under negotiation
- 6 Anticipated share based on various factors including pumping estimates; subject to negotiation
- 7 Annual costs for implementation of the GSPs over 20 years are highly speculative; assumed higher annual cost for stressed or larger basins; does not include infrastructure projects

ATTACHMENT A
TABLE 2A: Summary of Costs Across All Unincorporated Areas

Revised on 2/24/2017

This table summarizes the calculations from the following Table 2B and provides basin-by-basin estimates of the distribution of costs to develop and begin implementation of GSPs across all unincorporated areas of a basin. The left side of the table summarizes total costs for the GSP Development Phase (first 3 - 5 years), the right side shows the same costs on an annualized basis.

ALL UNINCORPORATED AREA SGMA FUNDING SCENARIO
Annualized Cost in All Unincorporated Areas
Transition to Implementation

GSP Development Phase

BASIN	GSP Development Phase Cost ^{(1),(2)}	Flood Control District Funding	Funding Provided by Other Entities ⁽²⁾	Cost to All Unincorporated Areas	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022 and beyond
Cuyama Basin	3,217,615	1,090,000	1,595,711	531,904	177,301	177,301	177,301	250,000	250,000	250,000
Los Osos Basin	3,217,615	840,000	0	2,377,615	792,538	792,538	792,538	250,000	250,000	250,000
Paso Robles Basin	2,245,000	1,040,000	180,750	1,024,250	341,417	341,417	341,417	850,000	850,000	850,000
SLO Basin	3,217,615	900,000	115,881	2,201,734	440,347	440,347	440,347	440,347	440,347	950,000
Santa Maria Basin	3,217,615	900,000	0	2,317,615	463,523	463,523	463,523	463,523	463,523	250,000
Atascadero Basin	1,215,000	615,000	450,000	150,000	30,000	30,000	30,000	30,000	30,000	62,500
Totals	\$16,330,460	\$5,385,000	\$2,342,342	\$8,603,118	\$2,245,126	\$2,245,126	\$2,245,126	\$2,283,870	\$2,283,870	\$2,612,500

(1) Estimates for Paso, Atascadero, and SLO have been refined by working groups. SLO refinements have been applied to Los Osos, Santa Maria and Cuyama.

(2) Estimates do not include partner agencies in-kind services. Costs would increase if partner agencies reduce contribution, and/or if number of anticipated partner agencies decreases.

ATTACHMENT A

TABLE 2B: Detailed Costs Across All Unincorporated Areas

Revised on 2/24/2017

Table Description

The table summarizes cost sharing between incorporated and unincorporated areas in each basin. The table focuses on the GSP development phase cost estimates. Contributions include support costs by the Flood Control District, Cities, and the unincorporated area. The table also shows conceptual cost estimates for ongoing GSA administration/operation and GSP implementation over the 20-year implementation phase. These costs have been annualized to facilitate discussion.

It is important to note that the draft budgets for each basin are subject to change as staff and partner entities continue to refine and develop basin budgets for GSA operation, GSP development, and GSP implementation. However, these values reflect the latest draft budgets and potential cost sharing, provided for update purposes.

	FCD Direct Contribution to GSA Startup				Remaining GSP Development Phase Cost	GSP Development Phase (3 - 5 Yrs)			Cost Share of Total Remaining Costs		
	GSP Development Phase Cost ^{2,3}	GSP Development Contribution to GSA Startup ⁴	FCD Direct Contribution to GSA Startup ⁴	FCD Direct Contribution to GSA Startup ⁴		Estimated Funding Provided by Incorporated Entities ⁵	Cost Share of Unincorporated Areas ⁵	Estimated Funding Provided in All Unincorporated Areas	Annual Cost after GSP Adoption ⁷	Estimated Funding Provided by Incorporated Entities ⁵	Estimated Funding Provided in All Unincorporated Areas
Cuyama Basin	\$3,217,615	\$1,090,000	\$2,127,615	\$2,127,615	\$1,595,711	75%	\$531,904	\$1,000,000	\$750,000	\$250,000	
Los Osos Basin ¹	\$3,217,615	\$840,000	\$2,377,615	\$2,377,615	\$0	0%	\$2,377,615	\$250,000	\$0	\$250,000	
Paso Basin	\$2,245,000	\$1,040,000	\$1,205,000	\$1,205,000	\$180,750	15%	\$1,024,250	\$1,000,000	\$150,000	\$850,000	
SLO Basin	\$3,217,615	\$900,000	\$2,317,615	\$2,317,615	\$115,881	5%	\$2,201,734	\$1,000,000	\$500,000	\$950,000	
Santa Maria Basin ¹	\$3,217,615	\$900,000	\$2,317,615	\$2,317,615	\$0	0%	\$2,317,615	\$250,000	\$0	\$250,000	
Atascadero Basin	\$1,215,000	\$615,000	\$600,000	\$600,000	\$450,000	75%	\$150,000	\$250,000	\$187,500	\$62,500	
Total	\$16,330,460	\$5,385,000	\$10,945,460	\$10,945,460	\$2,342,342		\$9,603,118	\$3,750,000	\$1,137,500	\$2,612,500	

	Annualized Costs for All Unincorporated Areas GSP Development & Implementation Phases						
	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022	Ongoing Annual Cost for 20 Year Implementation	
Cuyama Basin	\$177,301	\$177,301	\$177,301	\$250,000	\$250,000	\$250,000	
Los Osos Basin ¹	\$792,538	\$792,538	\$792,538	\$250,000	\$250,000	\$250,000	
Paso Basin	\$341,417	\$341,417	\$341,417	\$850,000	\$850,000	\$850,000	
SLO Basin	\$440,347	\$440,347	\$440,347	\$440,347	\$440,347	\$950,000	
Santa Maria Basin ¹	\$463,523	\$463,523	\$463,523	\$463,523	\$463,523	\$250,000	
Atascadero Basin	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$62,500	
Total	\$2,245,126	\$2,245,126	\$2,245,126	\$2,283,870	\$2,283,870	\$2,612,500	

NOTES

- 1 Assume boundary change requests denied, GSPs required
- 2 Estimates for Paso Basin, Atascadero and SLO Basins have been refined by working groups; assume SLO Basin refined estimate for Los Osos, Santa Maria and Cuyama Basins
- 3 Estimates do not include partner agencies in-kind services. Costs would increase if partner agencies reduce contribution, and/or if number of anticipated partner agencies decreases.
- 4 Use of FCD budget and reserves for in-kind staff, and specific SGMA technical and start-up efforts; does not include FY 16/17 & prior contributions
- 5 Incorporated entities would include cities, while unincorporated entities could include: other counties, special districts, etc.; Draft allocations are pumping based; under negotiation.
- 6 Anticipated share based on various factors including pumping estimates; subject to negotiation
- 7 Annual costs for implementation of the GSPs over 20 years are highly speculative; assumed higher annual cost for stressed or larger basins; does not include infrastructure projects

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