



July 6, 2020

Kylie Hensley
County of San Luis Obispo
Department of Planning & Building, Long Range Planning Division
976 Osos Street, Room 300
San Luis Obispo, CA 93408

Re: Agenda Item No. 7 re consideration of Growth Management Ordinance to establish a growth rate for new dwelling units in the Los Osos Urban Area (County File Number: LRP2011-00016 and LRP2020-00006)

Dear Ms. Hensley,

Golden State Water Company (“Golden State”) appreciates the opportunity to provide comments on the County of San Luis Obispo’s (“County”) Growth Management Ordinance for Los Osos community. The following comments build off of the letter sent by the Los Osos Basin Management Committee (“BMC”), of which Golden State is a member, to the California Coastal Commission and the County on June 21, 2017. (See Attachment A.) This letter serves to provide additional information regarding the goals, programs, metrics, and restrictions discussed in the Updated Basin Plan for the Los Osos Groundwater Basin (“Basin Plan”).

The Basin Plan was the culmination of a multi-year planning process, during which the Los Osos Community Services District (“LOCSD”), Golden State, and S&T Mutual Water Company (jointly, the “Purveyors”), as well as the County worked together to identify projects and develop goals and metrics to address management of the Los Osos Groundwater Basin (“Basin”) and ensure a sustainable water supply for the Los Osos community. Upon finalization, the Basin Plan was adopted by the San Luis Obispo County Superior Court in 2015.

The primary goals of the Basin Plan include halting seawater intrusion into the Basin and providing sustainable water supplies for existing and future needs. Although much of the Basin Plan is focused on ensuring a sustainable and affordable water supply for existing users, the Basin Plan also contemplates the requirements that need to be met before new

development should be allowed to proceed within the Basin, including completion of a Basin Infrastructure Program and satisfaction of identified Basin monitoring metrics.

As the BMC described in its June 21, 2017 letter, the Basin Infrastructure Program is divided into four parts, designated as Programs A through D. (See Basin Plan, Ch. 10.) Programs A and C are contemplated to provide a sustainable water supply for existing Basin users, while Programs B and D are intended to provide water for future development. (Basin Plan, Ch. 16.3.4.) The Purveyors—through their customers—have borne the majority of the costs associated with implementation of the Basin Plan, including the infrastructure projects associated with Basin Infrastructure Programs A and C. The infrastructure projects that fall within Programs B and D, however, have not yet been funded and there is currently no funding mechanism or fee structure in place that would ensure (as recommended by the Basin Plan) that new development pays its fair share of the costs to supply and deliver additional water. (Basin Plan, Ch. 15.3 (stating that the “Basin Plan recommends that the costs of the programs required to allow development of currently undeveloped parcels . . . be borne primarily by those property owners.”))

The Basin Plan also relies on several metrics—the Basin Yield Metric, the Water Level Metric, the Chloride Metric, and the Nitrate Metric—to assist the Purveyors in measuring the effectiveness of contemplated programs and projects. Although the most recent available data indicates that the Basin’s health is improving, as a whole these metrics have yet to show consistent improvement. For example, although the Basin Yield Metric has been met over the past four years as a result of the Purveyors’ water conservation efforts and progress made on Program A and C program projects, e.g. GSWC’s Program C Well (Los Olivos Well), the other three metrics have made inconsistent progress and have not yet reached their target levels. (See Los Osos Basin Plan 2019 Annual Monitoring Report, available at [https://www.slocounty.ca.gov/Departments/Public-Works/Committees-Programs/Los-Osos-Basin-Management-Committee-\(BMC\).aspx](https://www.slocounty.ca.gov/Departments/Public-Works/Committees-Programs/Los-Osos-Basin-Management-Committee-(BMC).aspx).) It is also important to note that the intent of the metrics is to stabilize and improve the sustainability of the water supply for the Basin’s existing water users.

Although the Basin Plan itself recognizes that the Purveyors do not have the power to wield land use authority, and that instead the authority to determine future levels of development lies with the County, the Basin Plan does discuss—and rely on—several external constraints on future development within the Basin. (See Basin Plan, Ch. 14.5.3 (stating that “[i]t is not the purpose of the Parties to determine desirable levels of future development in Los Osos through this Basin Plan; rather, it has been prepared as a water supply planning document with a primary focus on halting seawater into the Basin.”)) First, the Regional Water Quality Control Board prohibited discharges of municipal

wastewater to septic tanks within the majority of the Basin; this had the effect of precluding new development until construction of the Los Osos Wastewater Plant (“LOWWP”), which was finished in 2016. (Basin Plan, Ch. 14.5.3.) Second, the Coastal Development Permit issued for the LOWWP requires that the County demonstrate a sustainable Basin before the California Coastal Commission will allow adoption of the Los Osos Community Plan or connection of any new development to the LOWWP. (Basin Plan, Ch. 14.5.3 (stating that new development is “prohibited until the [Los Osos Community Plan] is adopted to identify appropriate sustainable buildout limits, based on conclusive evidence indicating that adequate water is available to support development of such properties without adverse impacts to ground and surface waters, including wetlands and all related habitats.”) Third, the County adopted a Level of Severity (“LOS”) III for the Basin as part of its Resource Management system (as described in Section 5.7.2 of the Basin Plan). As a result, the County is required to take this LOS determination into consideration when reviewing applications for development and a change in the current LOS would be necessary before any significant development were permitted.

In summary, and as noted in our above comments, the Basin has made progress towards supplying a stable and sustainable water supply; however, additional progress still needs to be made on developing a funding plan for Programs B and D in support of new development and ensuring that monitoring results support a clear trend towards compliance with the Basin Plan’s stated metrics.

Golden State appreciates your consideration of the information provided in this correspondence and the time County staff has already spent reviewing and digesting the Basin Plan. We would be happy to provide additional comments and/or answer any questions. Please feel free to reach out to me at (805) 349-75407 (ext. 101) or MarkZimmer@gswater.com.

Sincerely,



Mark Zimmer

General Manager, Coastal District
Golden State Water Company

Enclosure

Cc: Toby Moore, Water Resources Manager, Golden State Water Company
Paul Rowley, Vice President of Operations, Golden State Water Company

ATTACHMENT A

June 21,2017

California Coastal Commission
725 Front Street #300
Santa Cruz, CA 95060

SLO Co Dept of Planning and Building
976 Osos St #200
San Luis Obispo, CA 93401

Subject: Basin Management Committee Recommendations

To whom it may concern:

The Los Osos Basin Management Committee (LOBMC) understands that the update to the Los Osos Community Plan (part of the County's Local Coastal Program) is proceeding toward hearings before the County Planning Commission and Board of Supervisors. We write to provide you information regarding LOBMC efforts to implement actions that will create a sustainable water supply for the community. We realize that a clear and accurate description of the community's groundwater resources is fundamental to the land use planning process.

In January 2015, the Los Osos water purveyors and the County of San Luis Obispo released the Updated Basin Plan for the Los Osos Groundwater Basin (Basin Plan), detailing a series of strategies, plans and projects to manage and protect groundwater water resources in the basin. The Basin Plan is the conclusion of a multi-year planning process that first began in 2008 following the initiation of the basin adjudication.

The updated Basin Plan establishes goals, timeframes, milestones, and metrics to address basin management. The Los Osos Community Services District, Golden State Water Company and S&T Mutual Water Company, as well as the County of San Luis Obispo worked together to develop the immediate and continuing goals, and to create a framework that defines the fiscal and management authority to finance and implement the Basin Plan projects. Both the Basin Plan and the cooperative authority described in the plan were approved by the Superior Court in October, 2015. The area covered under the adjudication is termed the Plan Area in the Basin Plan (see Basin Plan Figure 10), and it fully encompasses the Urban Reserve Line.

The primary goals of the Basin Plan include halting seawater intrusion into the basin and providing sustainable water supplies for existing and future needs. Strategies outlined include:

- Implement conservation measures to minimize basin demand
- Shift pumping away from the coast and lower aquifer to halt seawater intrusion and maximize basin yield
- Beneficially use recycled water to minimize seawater intrusion

- Reserve 20 percent of basin safe yield to create a buffer to proactively protect the basin

In September 2014, California Governor Jerry Brown signed the Sustainable Groundwater Management Act (SGMA), groundwater management legislation that strengthens local management and monitoring of groundwater basins. Since the Los Osos Groundwater Basin is adjudicated, it was specifically excluded from the requirements of SGMA in the final version of the legislation. However, the Basin Plan is compliant with the substantive requirements of SGMA, and shares common goals for basin monitoring, management, and sustainability.

Basin Management Committee Activities

Pursuant to the court-approved Stipulated Judgment approved in October, 2015, the water purveyors and the County of San Luis Obispo formed a Basin Management Committee (BMC) in December, 2015. In September 2016, the BMC released its first Annual Report documenting the monitoring performed and Basin Plan progress made in 2015. The 2015 Annual Report includes:

- 2015 Groundwater Production
- The status of the basin based on the metrics set in the Basin Plan
- Framework for an Adaptive Management Plan
- Update on the basin infrastructure programs identified in the Basin Plan

The BMC meets regularly to discuss progress, establish upcoming priorities, and evaluate adaptive management measures. In November, 2016, the BMC updated the current and future water projections based on current production data. A copy of the staff note is attached for reference, but the key conclusions are summarized as follows:

- The Basin Plan projected a build-out purveyor water demand of 2,100 acre feet per year (AFY)
- Based on implemented water efficiency measures and community use patterns, the current range of estimated water demands is now revised to 1,100 to 1,500 AFY, depending on the future per capita demand and total population.

Status of Basin Infrastructure Program

The Basin Plan provides a list of projects that comprise the Basin Infrastructure Program (Program) that were put forth to address the following immediate and continuing goals:

Immediate Goals

1. Halt, and to the extent possible, reverse seawater intrusion into the Basin.
2. Provide sustainable water supplies for existing residential, commercial, community and agricultural development overlying the Basin.

Continuing Goals

1. Maximize the reasonable and beneficial use of Basin water resources.
2. Provide sustainable water supplies for future development within Los Osos, consistent with local land use planning policies.

3. Allocate costs equitably among all parties who benefit from the Basin's water resources, assessing special and general benefits.

The Program is divided into four parts, designated Programs A through D. Programs A and B are designed to shift groundwater production from the Lower Aquifer to the Upper Aquifer, and Programs C and D shift production within the Lower Aquifer from the Western Area to the Central and Eastern Areas, respectively. The following Table provides an overview of the status, as of March 2017, of the Projects that are currently moving forward or have been completed. Programs A and C are currently intended to balance the basin with the current population, and Programs B and D are generally intended for future development.

Basin Management Committee Recommendations

Future development within the Los Osos basin should be incremental and only occur after:

1. Any growth projections in the updated Los Osos Community Plan should be consistent with the water supply estimates provided in the Basin Management Plan.
2. The Community Plan should acknowledge any infrastructure projects contemplated by the Basin Plan that would require coastal planning action subject to the authority of the Coastal Commission. This provision would help expedite completion of any affected projects.
3. Amendments to the County's Growth Management Ordinance [separate from the Community Plan/LCP] should provide a growth rate for Los Osos consistent with the adaptive management provision of the Basin Plan. In particular, the rate of growth must be set so that the monitoring provisions of the Basin Plan confirms the adequacy of a sustainable water supply in support of any contemplated future growth.

The BMC is available to provide periodic input and updates concerning groundwater basin conditions and project status. The 2016 Annual Report is expected to be released by June, 2017. Please let us know if you have any questions, or if you need more information.

Sincerely,



Rob Miller, PE
Interim Executive Director of BMC
RCE 57474

Project Name	Parties Involved	Funding Status	Capital Cost	Status
Program A				
Water Systems Interconnection	LOCSD/ GSWC	Fully Funded	Construction Value: \$103,550	Project completed February 2017, with final approval in March 2017
Upper Aquifer Well (8 th Street)	LOCSD	Fully Funded	\$250,000	Well was drilled and cased in December 2016. Budget remaining \$250,000 to equip the well. Project to be completed by June 2018
South Bay Well Nitrate Removal	LOCSD	Completed		
Palisades Well Modifications	LOCSD	Completed		
Blending Project (Skyline Well)	GSWC	Fully Funded		Blending of Skyline Well and Rosina Well Project was completed. Project needed modifications to include a new nitrate removal unit. Construction is expected to commence in Spring,2017.
Water Meters	S&T	Completed		
Program B				
LOCSD Wells	LOCSD	Not Funded	BMP: \$2.7 mil	Project not initiated
GSWC Wells	GSWC	Not Funded	BMP: \$3.2 mil	Project not initiated
Community Nitrate Removal Facility	LOCSD/GSWC	Not Funded	Pending further review	GSWC's Program A project allows for incremental expansion of the nitrate facility and can be considered a first phase in Program B.
Program C				
Expansion Well No. 1 (Los Olivos)	GSWC	Fully Funded	Pending Completion	Well has been drilled and cased. GSWC is in the equipping phase. Well can be used, if needed, using on-site generator.
Expansion Wells No. 2	GSWC	Pending Funding Vote	BMP: \$2.0 mil	Property acquisition phase is on-going through efforts of LOCSD. Two sites are currently being reviewed, and both appear to be viable for new east side lower aquifer wells, Environmental studies initiated in December 2016 for expansion well #2.

Project Name	Parties Involved	Funding Status	Capital Cost	Status
Expansion Wells 3 and LOVR Water Main Upgrade	GSWC	Pending Funding Vote	BMP: \$1.6 mil	Property acquisition phase is on-going through efforts of LOCSD. Two sites are currently being reviewed, and both appear to be viable for new east side lower aquifer wells.
LOVR Water Main Upgrade	GSWC	Pending Funding Vote	BMP: \$1.53 mil	Project not initiated
S&T/GSWC Interconnection	S&T/ GSWC	Pending	BMP: \$30,000	Conceptual design

TO: Los Osos Basin Management Committee

FROM: Rob Miller, Interim Executive Director

DATE: November 16, 2016

SUBJECT: Item 7B. – Review Future Water Demand Projections for Los Osos Community Plan

Recommendations

Receive report and provide input to staff for future action.

Discussion

The population within the Los Osos Urban Reserve Line (URL) was identified in the Basin Plan as 14,159 persons based on the 2010 Census. The build-out population was estimated at 19,850 persons. The County of San Luis Obispo has issued a Public Review Draft of the Los Osos Community Plan (Plan) and is re-evaluating the build-out potential and the population within the URL. Based on more recent information, the County has updated the build-out population to be 18,747 persons based on 7,811 dwellings at 2.4 persons per dwelling. The County has also noted a downward trend in occupancy with a current estimated rate of 2.2 persons per household. In addition, the potential for a small increase in the number of total units at build-out has been identified, from a published value of 7,811 dwellings to a new value 7,887. Using the lower density and revised dwelling count, a future population of 17,352 can be calculated. For the purposes of this update, a range of 17,000 to 18,750 persons will be used for the projected build-out population within the URL.

To further understand the population within Los Osos, the following table provides a breakdown of the existing population and future build-out population for the Water Purveyors and the population outside of the water purveyor boundaries. These values were based on Census block data and should be considered approximate.

	Existing Population (2010 Census)	Build-out Population Range	
Total Water Purveyors	13,544	16,330	18,075
Estimated Population Outside of Water Purveyor Boundary	615	670 ¹	675 ²
Total	14,159	17,000	18,750

¹ Assumes 25 additional dwelling units outside of water purveyor boundaries with a household density of 2.2 persons per household.

² Assumes 25 additional dwelling units outside of water purveyor boundaries with a household density of 2.4 persons per household.

capita demand of 95 gpcd, resulting in a total future production value of 2,100 AFY. This value includes water production from private domestic wells within the URL.