



February 19, 2016

TO: LOCSD Board of Directors

FROM: Peter Kampa, Interim General Manager
Margaret Falkner, Utility Compliance Technician III
Carolyn Berg, Senior Water Resources Engineer,
San Luis Obispo County Public Works Department

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Marshall E. Ochylski

Vice President
Jon-Erik G. Storm

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Interim General Manager
Peter J. Kampa

District Accountant
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Acting Fire Chief
Steve Reeder

Battalion Chief
Tom McEwen

SUBJECT: Agenda Item 12A – 3/3/2016 Board Meeting
Adopt Resolution in Support of the County of San Luis Obispo's Pursuit of Boundary Modifications for the Los Osos Valley Groundwater Basin

DESCRIPTION

The Los Osos Community Services District as a member of the Los Osos Groundwater Basin, Basin Management Committee is asking the Board of Directors to support the County of San Luis Obispo's pursuit of boundary modifications for the Los Osos Groundwater Basin. The modification is being requested by the County of San Luis Obispo to the California Department of Water Resources (DWR).

SUMMARY STAFF RECOMMENDATION

Staff recommends that the Board adopt the following motion:

Motion: I move that the Board adopt Resolution 2016-07 in Support of the County of San Luis Obispo's Pursuit of Boundary Modifications for the Los Osos Valley Groundwater Basin.

HISTORY

The Sustainable Groundwater Management Act (Water Code §§ 10720 et seq.) (SGMA) took effect on January 1, 2015. SGMA provides new authorities to local agencies with water supply, water management or land use responsibilities and requires various actions be taken in order to achieve sustainable groundwater management in high and medium priority groundwater basins. Based on the 2014 Final Basin Prioritization by DWR, there are five high and medium priority groundwater basins located in whole or in part within San Luis Obispo County: Paso Robles (high), Santa Maria (high), Los Osos (high), San Luis Obispo (Edna) Valley (medium), and Cuyama Valley (medium).

On January 13, 2015, the Board of Supervisors adopted the SGMA Strategy and directed staff to implement the policy. The strategy provides that those basins designated by DWR as high and medium priority, including the Los Osos Basin, receive the first priority for the resources necessary to meet statutory deadlines.

Mailing Address:
P.O. Box 6064
Los Osos, CA 93412

Offices:
2122 9th Street, Suite 102
Los Osos, CA 93402

Phone: 805/528-9370
FAX: 805/528-9377

www.losososcsd.org

DWR Bulletin 118 Basin Boundary Modification Process

Among SGMA's first statutory deadlines is the deadline for DWR to update its Bulletin 118 Report and modify basin boundaries as needed to reflect DWR-approved scientific and jurisdictional information. DWR's Bulletin 118 Report maintains an inventory of the State's groundwater basins (and related basin boundaries) and was last updated in 2003. On October 21, 2015, DWR adopted regulations relating to basin boundary modification processes, consistent with SGMA (DWR Boundary Regulations). The DWR Boundary Regulations detail the required processes that a local agency must follow prior to requesting that DWR make modifications to a basin boundary based on updated scientific and/or jurisdictional information, including a requirement that a Requesting Agency¹ consider Affected Agency input.²

Los Osos Groundwater Basin Management and Related Boundary

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 (Basin Plan). Based on the best available science at the time, the Basin Plan defined a different boundary than DWR's Bulletin 118 boundary. SGMA includes a provision that provides that SGMA does not apply to the portion of the Los Osos basin that is at issue in the litigation provided that certain requirements are met. Therefore aligning the DWR Bulletin 118 and Basin Plan area boundaries will be important.

Los Osos Groundwater Basin local agencies have an opportunity to request a modification to the Bulletin 118 boundary with current scientific data. On December 14, 2015, the Los Osos Basin Management Committee took action to request that the County submit a notice of intent to explore a basin boundary modification for the Los Osos Valley Groundwater Basin. On January 5, 2016, the County Board directed staff to submit an initial notification of intent to explore a boundary modification for the Los Osos Valley Groundwater Basin to DWR³, and to coordinate with basin users to develop a boundary modification request in accordance with the DWR Boundary Regulations. On January 12, 2016, County staff submitted the initial notification to DWR that contained the revised Basin boundaries as depicted in Attachment 1 to this report.

The County contracted with Cleath-Harris Geologists Inc. to develop a technical memorandum with the necessary justification, as required by the DWR Boundary Regulations, to support a potential scientific boundary modification request. The following is an overview statement of the proposed scientific external boundary modification request:

The proposed Los Osos Valley groundwater basin is bounded on the north by Park Ridge, on the south by the Irish Hills, on the west by the Pacific Ocean, and on the east by Warden Lake. In general hydrogeologic terms, the proposed lateral basin boundary is the onshore extent of the contiguous area overlying the principal aquifers, with at least one pre-Holocene aquifer present. The proposed bottom of the basin is the base of permeable sediments, which is defined by the contiguous base of the stacked principal aquifers within the lateral basin boundary.

¹ Code of Regulations 341 Definitions (c) "Affected agency" means a local agency, as defined in Water Code Section 10721(m), whose jurisdictional area would, as a result of a boundary modification, include more, fewer, or different basins or subbasins than without the modification; (v) "Requesting agency" means the local agency that requests a boundary modification as authorized by Water Code Section 10722.2.

² Code of Regulations 344.8 Local Agency Input (b) Any affected agency or affected system that elects to support or oppose the proposed boundary modification shall provide the requesting agency with one of the following: (1) A copy of a resolution formally adopted by the decision-making body of the affected agency or affected system. (2) A letter signed by an executive officer or other official with appropriate delegated authority who represents the affected agency or affected system.

³ Code of Regulations §343.9 (a) Within 15 days of a local agency's decision to explore boundary modification, the relevant local agency shall notify the Department by written notice of its interest in exploring a boundary modification and make general information about its process publicly available by posting relevant information to the local agency's Internet Web site or by other suitable means. The initial notification shall include a brief description and preliminary map of the proposed boundary modification.

County Staff recommends that DWR consider this scientific external modification request, with exceptions noted within the context of the boundaries consistent with the final court order.

The County, as the Requesting Agency, has conducted notice and consultation efforts consistent with the DWR Boundary Regulations⁴, including providing notice to each agency with planning or management responsibilities in the basin. The County is seeking comments and formal resolutions in support or opposition of a basin boundary modification. A draft Resolution in support of the boundary adjustment is included in this report as Attachment 2.

The proposed boundary modification request is supported by the best available scientific data, within the context of the boundaries consistent with the final court order. Additionally, the County engaged basin users in review of the technical memorandum describing the proposed boundary modification.

Other Agency Involvement/Impact

Three other local water purveyors are involved: Golden State Water Company, Los Osos Community Services District, and S&T Mutual Water Company. On February 17, 2016, the Los Osos Basin management (comprised of these three purveyors and the county) took action to support the proposed boundary modification request.

This administrative process to request basin boundary modifications is established by DWR.

Financial Considerations

Costs associated with submittal of resolutions of support and engagement with Basin users are within the Flood Control District's FY 2015-16 budget. There is no anticipated direct financial impact to the District.

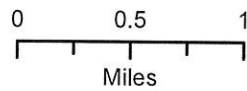
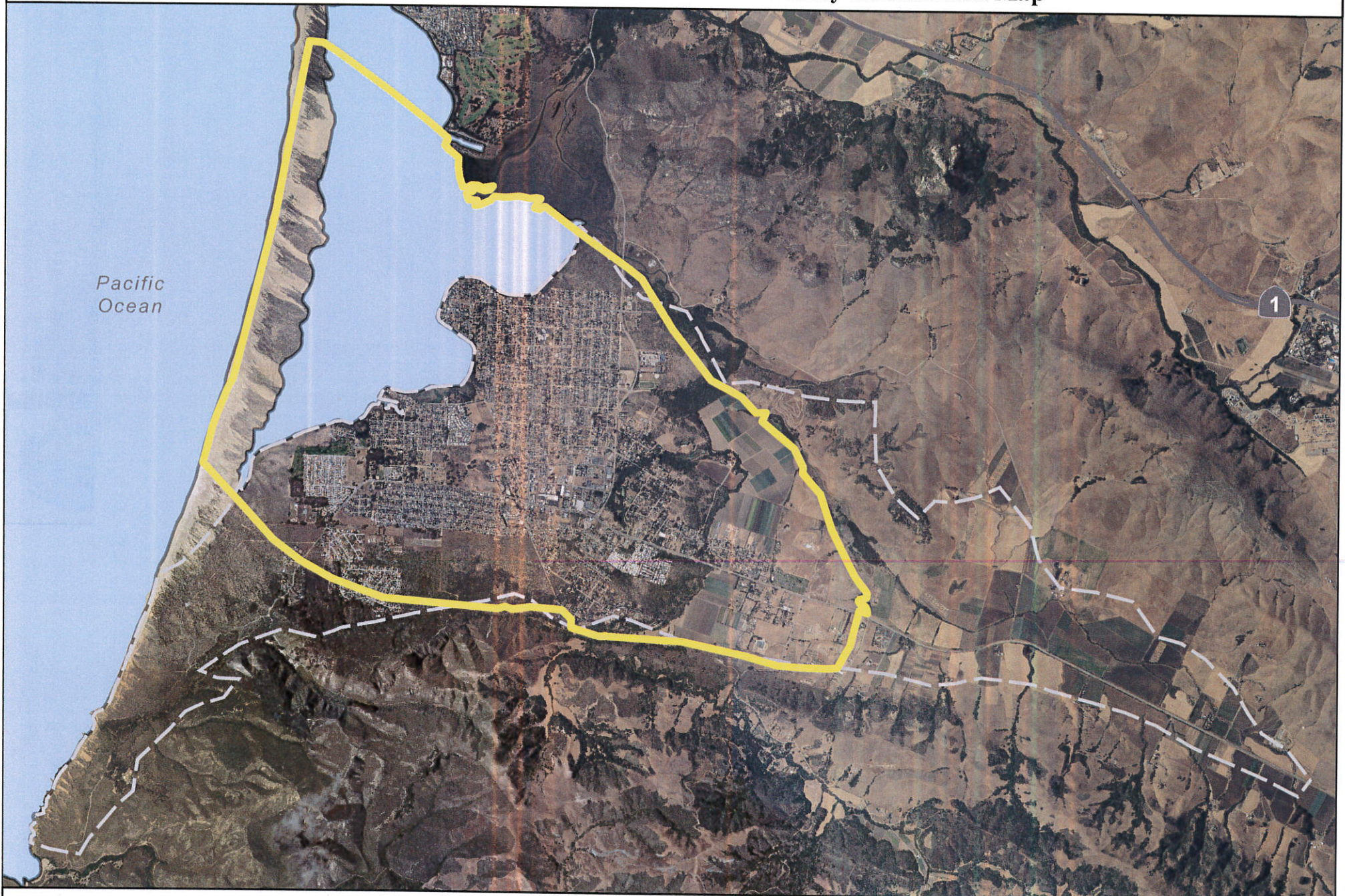
Results

Approval of the recommended action will support the County, as the Requesting Agency, in its pursuit of boundary modifications to refine the DWR Bulletin 118 basin boundary based on the best available scientific data; and the boundaries consistent with the final court order. This will provide direction to County staff, thereby contributing to a well governed community.

Attachments

1. Proposed revised Los Osos Groundwater Basin map
2. Draft Resolution in support of amended Los Osos Groundwater Basin boundaries

⁴ Code of Regulations §344.4 Each request for boundary modification shall include information demonstrating that the requesting agency consulted with affected agencies and affected systems including, but not limited to, the following:... (c) Information regarding the nature of consultation, including copies of correspondence with affected agencies and affected systems and any other persons or entities consulted, as appropriate. (d) A summary of all public meetings at which the proposed boundary modification was discussed or considered by the requesting agency, including copies of any meeting agendas or minutes, if prepared, and any notices published. (e) A copy of all comments regarding the proposed boundary modification received by the requesting agency and a summary of any responses made by the requesting agency.



Proposed Basin Boundary Modification



DWR Bulletin 118 Boundary



RESOLUTION NO. 2016-07

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE LOS OSOS COMMUNITY SERVICES DISTRICT
IN SUPPORT OF THE LOS OSOS VALLEY GROUNDWATER BASIN
BOUNDARY MODIFICATION REQUEST BY THE COUNTY OF SAN LUIS OBISPO
TO THE CALIFORNIA DEPARTMENT OF WATER RESOURCES**

The following resolution is hereby offered and read:

WHEREAS, in 2014, the California Department of Water Resources (DWR) published its Final California Statewide Groundwater Elevation Monitoring Basin Prioritization results, designating five groundwater basins located in whole or in part within the County of San Luis Obispo as high or medium priority basins: Paso Robles, Santa Maria, Los Osos, San Luis Obispo Valley, and Cuyama Valley; and

WHEREAS, the Los Osos Valley Groundwater Basin (DWR Bulletin 118 Basin No. 3-8) is designated as a high priority basin; and

WHEREAS, California Senate Bills 1168 and 1319 (2014), and Assembly Bill 1739 (2014), signed by the Governor in September 2014 and effective as of January 1, 2015, together comprise the Sustainable Groundwater Management Act (SGMA); and

WHEREAS, SGMA requires local agencies to manage groundwater in high and medium priority basins "in a manner that can be maintained during the planning and implementation horizon without causing undesirable results" (Water Code § 10721(v)); and

WHEREAS, SGMA does not apply to the basin at issue in *Los Osos Community Services District v. Southern California Water Company [Golden State Water Company] et al.* (San Luis Obispo County Superior Court Case No. CV 040126) (Groundwater Litigation) provided that certain requirements are met (Water Code § 10720.8(d)).

WHEREAS, on January 13, 2015, the Board of Supervisors, on behalf of both the County of San Luis Obispo and the San Luis Obispo County Flood Control and Water Conservation District, adopted a SGMA strategy and directed staff to implement the policy—focusing resources on implementation in high and medium priority basins first; and

WHEREAS, among SGMA's first statutory deadlines is the deadline for DWR to update its Bulletin 118 Report and modify basin boundaries as needed to reflect DWR-approved scientific and jurisdictional information; and

WHEREAS, on October 21, 2015, in accordance with Water Code §§ 10722.2 and 12924, DWR adopted emergency regulations regarding the information that must be submitted by a local agency in order to request that DWR modify the current Bulletin 118 boundaries (23 CCR §§ 340 et seq.) (DWR Boundary Regulations); and

WHEREAS, 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 (Basin Plan) for the Los Osos Groundwater Basin in the Groundwater Litigation, and created the Los Osos Basin Management Committee (BMC) to implement both; and

WHEREAS, on December 14, 2015, the BMC took action to request that the County submit a notice of intent to explore a basin boundary modification for the Los Osos Valley Groundwater Basin; and

WHEREAS, pursuant to Section 343.9(a) of the DWR Boundary Regulations, on January 5, 2016, the County Board directed staff to submit an initial notification of intent to explore a boundary modification for the Los Osos Valley Groundwater Basin to DWR, and to coordinate with basin users to develop a boundary modification request in accordance with DWR Boundary Regulations; and

WHEREAS, County staff contracted with Cleath-Harris Geologists Inc. to develop a technical memorandum with the necessary scientific justification, as required by the regulations, to support a potential scientific boundary modification request; and

WHEREAS, pursuant to Section 344.8 of the DWR Boundary Regulations, County staff communicated with affected agencies and affected systems within the basin to provide notice of the potential boundary modification request, and to provide an opportunity for such entities to support or oppose a proposed boundary modification; and

WHEREAS, pursuant to Section 344.8 of the DWR Boundary Regulations, an affected local agency that elects to support or oppose a proposed boundary modification shall provide the requesting agency with either a resolution formally adopted by the decision-making body of the affected agency; and

WHEREAS, the Los Osos Community Services District acknowledges that DWR has responsibility to review the proposed boundary modification request and has discretion to determine whether an external boundary modification or formation of a separate subbasin is appropriate.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE LOS OSOS COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

1. The Los Osos Community Services District supports the request for a basin boundary modification to the Los Osos Valley Groundwater Basin (DWR Bulletin 118 Basin No. 3-8) by the County of San Luis Obispo as depicted on the map attached hereto as Exhibit A.
2. The Interim General Manager is hereby authorized and directed to provide a signed copy of this Resolution to the County.

On the motion of Director _____, seconded by Director _____, and on the following roll call vote, to wit:

Ayes: _____
Nays: _____
Absent: _____
Conflicts: _____

The foregoing resolution is hereby passed, approved, and adopted by the Board of Directors of the Los Osos Community Services District this 3rd day of March 2016.

Marshall E. Ochylski
President, Board of Directors
Los Osos Community Services District

ATTEST:

APPROVED AS TO FORM:

Peter J. Kampa
Interim General Manager and Secretary to the Board

Michael W. Seitz
District Legal Counsel

EXHIBIT A
MAP OF PROPOSED BOUNDARY