

## LOS OSOS GROUNDWATER BASIN, BASIN MANAGEMENT COMMITTEE

### NOTICE OF MEETING

**NOTICE IS HEREBY GIVEN** that the Los Osos Groundwater Basin, Basin Management Committee Board of Directors will hold a **Regular Board Meeting** at **1:30 P.M.** on **Wednesday, July 21, 2021**. Based on the threat of COVID-19 as reflected in the Proclamations of Emergency issued by both the Governor of the State of California and the San Luis Obispo County Emergency Services Director, as well as the Governor's Executive Order N-29-20 issued on March 17, 2020 relating to the convening of public meetings in response to the COVID-19 pandemic, this meeting will be conducted as a phone-in/web-based meeting only. There will be no physical meeting location for this BMC Meeting. Members of the public can participate via phone or by logging into the web-based meeting.

For quick access, go to <https://us04web.zoom.us/j/778762508>  
(This link will help connect both your browser and telephone to the call)

**If not using a computer**, dial 1 (669) 900-6833 or 1 (346) 248-779 and enter **778 762 508**

All persons desiring to speak during any Public Comment can submit a comment by:

- Email at [dheimel@wsc-inc.com](mailto:dheimel@wsc-inc.com) by 5:00 PM on the day prior to the Committee meeting.
- Teleconference by phone at 1 (669) 900-6833 and enter **778 762 508**
- Teleconference by phone at 1 (346) 248-7799 and enter **778 762 508**
- Teleconference meeting at <https://us04web.zoom.us/j/778762508>
- Mail by 5:00 PM on the day prior to the Committee meeting to:  
Attn: Dan Heibel (Basin Management Committee)  
2122 9th St.  
Suite 110  
Los Osos, CA 93402

Additional information on how to submit Public Comment is provided on page 3 of this Agenda.

*Directors: Agenda items are numbered for identification purposes only and may not necessarily be considered in numerical order.*

*NOTE: The Basin Management Committee reserves the right to limit each speaker to three (3) minutes per subject or topic. In compliance with the Americans with Disabilities Act and Executive Order N 29-20, all possible accommodations will be made for individuals with disabilities, so they may participate in the meeting. Persons who require accommodation for any audio, visual or other disability in order to participate in the meeting of the BMC are encouraged to request such accommodation 48 hours in advance of the meeting from Dan Heibel at [dheimel@wsc-inc.com](mailto:dheimel@wsc-inc.com).*

### BASIN MANAGEMENT COMMITTEE BOARD OF DIRECTORS AGENDA

#### 1. CALL TO ORDER

#### 2. ROLL CALL

#### 3. BOARD MEMBER COMMENTS

Board members may make brief comments, provide project status updates, or communicate with other directors, staff, or the public regarding non-agenda topics.

#### 4. SPECIAL PRESENTATION

None

#### 5. CONSENT AGENDA

The following routine items listed below are scheduled for consideration as a group. Each item is recommended for approval unless noted and may be approved in their entirety by one motion. Any member of the public who wishes to comment on any Consent Agenda item may do so at this time. Consent items generally require no discussion. However, any Director may request that any item be withdrawn from the Consent Agenda and moved to the "Action Items" portion of the Agenda to permit discussion or to change the recommended course of action. The Board may approve the remainder of the Consent Agenda on one motion.

- a. Approval of Minutes from June 16, 2021 Meeting**
- b. 2021 Budget Update and Invoice Register**

## **6. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA**

The Basin Management Committee will consider public comments on items not appearing on the agenda and within the subject matter jurisdiction of the Basin Management Committee. The Basin Management Committee cannot enter into a detailed discussion or take any action on any items presented during public comments at this time. Such items may only be referred to the Executive Director or other staff for administrative action or scheduled on a subsequent agenda for discussion. Persons wishing to speak on specific agenda items should do so at the time specified for those items. The presiding Chair shall limit public comments to three minutes.

## **7. EXECUTIVE DIRECTOR'S REPORT**

### **8. ACTION ITEMS**

- a. Requirements, Framework and Methodology for Preparation of SJ Required Annual Report**

Recommendation: Receive information on requirements, framework, and methodology for the SJ Required Annual Report for the Los Osos Basin and provide direction to Staff.

- b. Update on Status of Basin Plan Programs**

Recommendation: Receive report and provide input to staff on future direction.

## **9. ADJOURNMENT**

**Notice of Meeting**  
**LOS OSOS GROUNDWATER BASIN, BASIN MANAGEMENT**  
**COMMITTEE**

**\*\*\*CONFERENCE CALL/WEBINAR ONLY\*\*\***

Wednesday, July 21, 2021 at 1:30 PM

**Important Notice Regarding COVID-19: Based on guidance from the California Department of Public Health and the California Governor's Office, in order to minimize the spread of the COVID-19 virus, please note the following:**

1. The meeting will only be held telephonically and via internet via the number and website link information provided on the agenda. After each item is presented, Committee Members will have the opportunity to ask questions. Participants on the phone or on the computer will then be provided an opportunity to speak for 3 minutes as public comment prior to Committee deliberations and/or actions or moving on to the next item. If a participant wants to provide public comment on an item they should select the "Raise Hand" icon on the Zoom Online Meeting platform or press \*9 if on the phone. The meeting host will then unmute the participant when it is their turn to speak and allow them to provide public comment.
2. The Committee's agenda and staff reports are available at the following website:  
[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)
3. If you choose not to participate in the meeting and wish to make a written comment on any matter within the Committee's subject matter jurisdiction, regardless of whether it is on the agenda for the Committee's consideration or action, please submit your comment via email or U.S. Mail by 5:00 p.m. on the day prior to the Committee meeting. Please submit your comment to Dan Heibel at [dheibel@wsc-inc.com](mailto:dheibel@wsc-inc.com). Your comment will be placed into the administrative record of the meeting.
4. If you choose not to participate in the meeting and wish to submit verbal comment, please call (805) 457-8833 x104 and ask for Dan Heibel. If leaving a message, state and spell your name, mention the agenda item number you are calling about and leave your comment. The verbal comments must be received by no later than 9:00 a.m. on the morning of the noticed meeting and will be limited to 3 minutes. Every effort will be made to include your comment into the record, but some comments may not be included due to time limitations.

Mailing Address:  
Attn: Dan Heibel  
Basin Management Committee  
2122 9<sup>th</sup> St.  
Suite 110  
Los Osos, CA 93402

*All Americans with Disabilities Act (ADA) accommodations shall be promptly reviewed and resolved.* Persons who require accommodations for any audio, visual or other disability in order to review an agenda, or to participate in the meeting of the Basin Management Committee per the ADA, are encouraged to request such accommodation 48 hours in advance of the meeting from Dan Heibel at (805) 457-8833 x104.

**BASIN MANAGEMENT COMMITTEE BOARD OF DIRECTORS**

**Agenda Item 5a: Minutes of the Meeting of June 16, 2021**

Agenda Item	Discussion or Action
1. CALL TO ORDER	Chairperson Ochylski called the meeting to order at 1:30 pm.
2. ROLL CALL	Daniel Heimel, Executive Director, called roll to begin the meeting. Chairperson Marshall Ochylski, Director Charlie Cote, Director Bruce Gibson and Director Mark Zimmer were present.
3. BOARD MEMBER COMMENTS	<p><b><u>Board Comment</u></b> None.</p>
4. Special Presentation	<p>Presentation from San Luis Obispo County staff regarding:</p> <ol style="list-style-type: none"> <li>1. The County’s role in land use and resource management decisions affecting Los Osos</li> <li>2. Overview and relationship of County planning documents and studies</li> <li>3. Timeline for pending County planning documents and studies</li> </ol> <p><b><u>Public Comment</u></b>  <b>Jeff Edwards:</b> Will limits on Commercial Development accompany zero growth rate? Clarify that Phase One means to complete construction of LOCSD Upper Aquifer Prog. A Well and Lower Aquifer Program C #2 Well? Phase 2: B and D? ADU: none approved so far – expecting 24 in a year is a stretch.  <b>Linde Owen:</b> 2:1 offset is taking so long to adjust? How do we know what County is doing to allow new wells/hookups? Supervisor Gibson: Clarify that State Mandated Growth Ordinance is not mandated until 2030. Water use will be much higher than estimated. 24 ADUs is too many.  <b>Vic Brown: (email)</b> Rising nitrate level: how high, how much is due to fauna and how is it monitored?  <b>Patrick McGibney:</b> Affordable Housing needed; Zero Growth Rate is confusing; Census marked population 2,000 growth since 2010; Who is County consultant, what metrics are used to approve 10 new units in Morro Shores Mobile home park.  <b>Babak Naficy:</b> Basin Plan is based on a model whose predictions have not been supported by evidence. The County can’t approve future growth in Los Osos that creates water demand. County Planning just approved 10 new Morro Shores units and the Wild Coast Farm, with demands that have not been adequately addressed.</p> <p><b><u>County Presentor Comment</u></b>  <b>Airlin Singewald:</b> Zero Growth does not apply to commercial, but to 2:1 offset and Condition 6.; 2:1 offset ensures 1:1 minimum for safety.  <b>Kylie Hensley:</b> Planning Standards in Community Plan prohibit commercial development until Phase 1 is complete, with some flexibility. Phase 1 is intended to stabilize the basin and refers to Program A and C wells. Regarding timing for water offset updates, an informal RFP for consultants is being prepared and vetted by Public Works.</p> <p><b><u>Board Comment</u></b>  <b>Heimel:</b> Not aware of recent study regarding source of rising nitrates: BMC monitors nitrates over longer term, and County monitors as part of WRRF Facility.  <b>Gibson:</b> Title 19 2:1 Offset Ordinance is example of roles/responsibilities; not intended to let Basin recover; installed in 2009 to deal with growth outside the prohibition zone;  <b>Ochylski:</b> Confirmed that no new ADUs exist on 4<sup>th</sup> Street.</p>

	<p><b>For the Record: Kylie Hensley</b> (County staff) clarified: One ADU building permit was issued before Coastal Commission took jurisdiction; approved by County under State law.</p> <p><b>Zimmer:</b> Requests to agendize items like this in future due to overwhelming content; disagrees with much content of presentation and discussion.</p> <p><b>Ochylski:</b> Agrees with Zimmer, request clarity from Heimel as to how the presentation appeared on agenda without Staff knowledge and discussion beforehand.</p> <p><b>Heimel:</b> Granted request to present; in hindsight, would have been better to vet at staff level before bringing to BMC.</p> <p><b>Gibson:</b> Water purveyors are responsible for ensuring water supply; County respects BMC responsibility to choose, as in matter of ADUs and will regarding community Plans; wants to explore what County can do to give BMC more control and commits to continue conversation in meetings to get on the same page.</p> <p><b>Zimmer:</b> 2:1 offset is not enough; projects implemented to halt seawater intrusion; need to bring another source of water to support development.</p> <p><b>Cote:</b> Agrees with Zimmer; County’s presentation message that County has sole responsibility for land use, while water purveyors are responsible to create sustainable resources in their service areas and “need to stay in their lane,” implying that BMC land use recommendations are not welcome. Hopes BMC graduates from timidity in providing opinion on land use to County. CA State ceded responsibility to BMC in stipulated judgment.</p> <p><b>Gibson:</b> Clarify that County will not dictate and supports BMC efforts by providing funding for enhanced modeling. County respects authority of each water purveyor to provide service as they seem fit.</p>
<p><b>5. CONSENT AGENDA</b></p>	
<p><b>5a. Approval of Minutes of May 19, 2021 Meeting</b></p>	<p>Review of minutes from May 19, 2021 meeting.</p> <p><b>Public Comment</b> None</p> <p><b>Board Comment</b></p>
<p><b>5b. Approval of Amended Minutes of March 25, 2021 Meeting</b></p>	<p><b>Cote:</b> Unhappy with transcript of meeting minutes; items left out, will take up with Staff. Move to Approve Consent Agenda</p> <p><b>Board Action</b> The Board of Directors approved Consent Agenda. <b>Ayes: Chairperson Ochylski, Director Cote, Director Gibson, and Vice Chairperson Zimmer</b> <b>Nays: None</b></p>
<p><b>5c. Approval of 2021 Budget Update and Invoice Register</b></p>	<p><b>Abstain: None</b> <b>Absent: None</b></p>
<p><b>6. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA</b></p>	<p><b>Public Comment</b> <b>Jeff Edwards:</b> Job posting for County Groundwater Agency Director; what does this job posting, with overlapping responsibilities, mean for Los Osos GW Basin, and specially the Committee? <b>Linde Owen:</b> Despite what County stated that no growth is occurring, County permits issued for remodels and ADUs. Title 19 has been incorrect for 12 years and County should acknowledge that it is wrong; BMC does not need another overseer; No growth until we are sure the plan is working. <b>Patrick:</b> Agree that Water Czar is not needed; taken care of by BMC; Population increase in while “no-growth” needs to be addressed; Offsets do not work.</p>

	<p><b>Babak Naficy:</b> BMC purpose is to Basin Plan and Water Efficiency is highest purpose; list of residential remedies; pg. 178 Urban Water Efficiency Measures with \$5 million set aside for this. BMC should ask County to halt permit issuance until specific plan for implementing 8.61 of Basin Plan.</p>
<p><b>7. EXECUTIVE DIRECTOR'S REPORT</b></p>	<p><b><u>Public Comment</u></b> None.</p> <p><b><u>Board Direction</u></b> Committee receives and files the Executive Director's Report.</p>
<p><b>8. ACTION ITEMS</b></p>	
<p><b>8a. Final Draft 2020 Annual Report</b></p>	<p>Recommendation: Receive the Final 2020 Annual Report and authorize submission to the Court or provide alternate direction to staff.</p> <p><b><u>Board Comment</u></b>  <p><b>Cote:</b> Is it true that BMC has made changes to Sustainable Yield Figure without Proper Process, as mandated in the stipulated judgement 4.3, p. 15? To change Sustainable Yield Figure, a full, unanimous Board vote one year in advance of the report it will be used in, is necessary?</p> <p><b>Heimel:</b> Sustainable Yield Calculations were modified at some point in prepping 2017 Annual Report, but (Heimel) was not around at that time. BMC did approve with unanimous vote; BMC does not have its own legal representations at this point, and it may be difficult for current legal people to comment.</p> <p><b>Ochylski:</b> Can legal counsel clarify the process (not substantive matters)?</p> <p><b>Jenna Stuckey:</b> Language sets up broad process; makes sense for better understood process in re-evaluating Sustainable Yield for future.</p> <p><b><u>Public Comment</u></b>  <p><b>Patrick:</b> No water savings in extraction rates after community conservation over last 10 years. The 2017 BMC approved Annual Monitoring report without voting on "hidden" sentence on p. 59 of the 2017 AMR. Basin is in overdraft for 40 years. Do not approve 2020 AMR.</p> <p><b>Jeff Edwards:</b> Model update and peer review needed. Debate on Agriculture use; specify 800 acre-feet; Make Creek discharge high priority; we don't know if Broderson will work. Look at state water; what is cost, consider for emergency purposes?</p> <p><b>Babak Naficy:</b> Sustainable Yield issue; there was no evidence to justify change in number.</p> <p><b><u>Board Direction</u></b>  <p><b>Gibson:</b> Do technical experts support current estimate, and is there any reason not to approve the report with that number? Upgrade to transient model will help coordinate understanding basin yield with metrics.</p> <p><b>Heimel:</b> Updated Sustainable Yield Estimate was developed based on metrics previously established by Basin Plan. Opportunity to develop comprehensive understanding will occur in second half of this year. Move away from making substantive changes in Annual Report, but do so once BMC and public can do their due diligence.</p> <p><b>Ochylski:</b> We need to approve and address yield estimates.</p> <p><b>Cote:</b> It is clear that mandated process has not been followed, although not deliberately; Lodge protest vote not to approve 2020 Annual Report; Important procedure violation; write letter to Court to excuse not meeting deadline.</p> </p> </p></p>

	<p><b>Zimmer:</b> Would Cote change vote if Executive Director could review and include in this Annual Report, to meet compliance deadline.</p> <p><b><u>Board Action</u></b>  The Board of Directors approved submitting the 2020 Final Draft Annual Report to the Court, but clarified that approval of the report should not be construed as “evaluating, setting or establishing” the sustainable yield under the terms of the Stipulated Judgement. Staff will review the sustainable yield estimate and major management decisions would be deferred until updated sustainable yield is reviewed and approved by the BMC through a more formal process in accordance with the requirements of the Stipulated Judgement.</p> <p><b>Ayes: Chairperson Ochylski, Director Gibson, and Vice Chairperson Zimmer</b>  <b>Nays: Director Cote</b>  <b>Abstain: None</b>  <b>Absent: None</b></p>
<p><b>8b. Update on Potential Geophysics Opportunities for the Los Osos Basin</b></p>	<p>Recommendation: Receive an update on potential geophysics opportunities for the Los Osos Basin and provide direction to staff.</p> <p><b><u>Board Comment</u></b>  <b>Gibson:</b> Excited; working with Sen. Laird to get Los Osos on the list; Support letters from purveyors and BMC would benefit; no known side effects; one-pass. LOCAC support is beneficial.</p> <p><b><u>Public Comment</u></b>  <b>Anonymous:</b> Like aerial survey idea.  <b>Deborah Howe:</b> LOCAC can write letter in support of Aerial testing; Will we automatically included in this study with a high priority status under SGMA?  <b>Linde Owen:</b> What are side-effects for electromagnetic testing?</p> <p><b><u>Board Action:</u></b>  The Board of Directors directed staff to draft a Letter to Senator Laird, on behalf of BMC, to support Aerial Electromagnetic Testing for the Los Osos Basin.</p> <p><b>Ayes: Chairperson Ochylski, Director Gibson, Director Cote and Vice Chairperson Zimmer</b>  <b>Nays: None</b>  <b>Abstain: None</b>  <b>Absent: None</b></p>
<p><b>9. ADJOURNMENT</b></p>	<p>Meeting adjourned at approximately 4:13 PM.  The next regularly scheduled meeting is Wednesday, July 21, 2021 at 1:30 PM.</p>



**Attachment 2: Invoice Register for Los Osos BMC for Calendar Year 2021**

Vendor	Invoice No.	Amount	Month of Service	Description	Budget Item	Date Executive Director Approved	Date BMC Chairperson Approved	Date BMC Approved
WSC	5337	\$11,520.00	Dec-20	Monthly Meeting Administration	1		Mar-21	
CHG	20210102	\$13,728.92	Jan-21	Annual Report Preparation	6	Mar-21		
AGP	8386	\$150.00	Jan-21	Video Production	3	Mar-21		
CHG	20210202	\$5,342.50	Feb-21	Annual Report Preparation	6	Mar-21		
WSC	5558	\$9,167.50	Jan-Mar-21	BMC Executive Director Facilitation	1		May-21	
CHG	20210303	\$17,047.50	Mar-21	Annual Report Preparation	6	Apr-21		
CHG	20210304	\$6,839.18	Mar-21	Semi Annual Seawater Intrusion Monitoring	5	Apr-21		
CHG	20210404	\$7,110.00	Apr-21	Annual Report Preparation	6	May-21		
CHG	20210405	\$11,079.62	Apr-21	Semi Annual Seawater Intrusion Monitoring	5	May-21		
CHG	20210406	\$930.00	Apr-21	LOGS Meeting and Response to Comments	4			May-21
CHG	20210506	\$870.00	May-21	Annual Report Preparation	6	Jun-21		
CHG	20210507	\$3,170.00	May-21	Semi Annual Seawater Intrusion Monitoring	5	Jun-21		
WSC	5671	\$12,027.50	Apr/May-21	BMC Executive Director Facilitation	1		Jun-21	
CHG	20210605	\$3,845.00	Jun-21	Annual Report Preparation	6	Jul-21		
CHG	20210606	\$1,240.00	Jun-21	Annual Report Preparation	6			Jul-21
	<b>2021 Total</b>	<b>\$92,547.72</b>						

To be approved

**TO:** Los Osos Basin Management Committee

**FROM:** Dan Heimel, Executive Director

**DATE:** July 21, 2021

**SUBJECT:** Item 7 – Executive Director’s Report

## Recommendations

Staff recommends that the Committee receive and file the report and provide staff with any direction for future discussions. Sections of the Executive Director’s Report that have been updated or significantly changed from the previous meeting’s version are underlined.

## Discussion

This report was prepared to summarize administrative matters not covered in other agenda items and to provide a general update on staff activities.

## Funding and Financing Programs to Support Basin Plan Implementation

**Prop 1 GWGP:** The Prop 1 GWGP Round 3 solicitation was released on July 6<sup>th</sup>, 2021 with Concept Proposals due September 7<sup>th</sup>, 2021. However, as indicated in the January 2018 BMC meeting, the State Board confirmed that sea water intrusion mitigation projects under Program C are eligible for low interest loans but are not currently eligible for grants under the Proposition 1 Groundwater Grant Program (GWGP). New wells in the upper and lower aquifer are viewed as aquifer management, not aquifer clean-up as defined by the State, therefore we will need to look for future funding rounds and other opportunities. Aquifer clean-up projects (e.g. Community Nitrate Facility, Upper Aquifer Capture and Treatment) could be considered for pursuing grant funding through this program. Unfortunately, this is the 3rd and last round for this Program and they are only looking to fund implementation projects (i.e. projects that have design, CEQA and other planning components completed and are ready for construction), not planning projects.

**IRWM:** The Program A upper aquifer well at 8th Street was submitted by Los Osos CSD to the local IRWM process in 2019 and was subsequently selected to be a part of the application for the current funding opportunity. The application for this grant was submitted in December 2019 and the Project was included in the Department of Water Resource’s July 2020 Final Funding Award List for the full grant request (\$238,000).

**Prop 1 SWGP:** The concept of urban storm water recovery at 8th and El Moro was ranked in the County Stormwater Resource Plan, and a grant opportunity may be available through the Prop 1 Storm Water Grant Program (SWGP). The application period for Round 2 of SWGP funding has closed. The Stormwater Resource Plan can be found here:

<https://www.slocounty.ca.gov/Departments/Public-Works/Committees-Programs/Stormwater-Resource-Plan.aspx>

And information about the Storm Water Grant Program can be found here:  
[https://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/swgp/prop1/](https://www.waterboards.ca.gov/water_issues/programs/grants_loans/swgp/prop1/)

**WRFP:** The State Water Resource Control Board (SWRCB) recently increased the amount for Water Recycled Program Planning (WRFP) grants from \$75k to \$150k. This could provide a grant funding opportunity to advance Basin Plan initiatives, with a reduced cost to the community of Los Osos, through preparation of a Recycled Water Facilities Planning Study (RWFPS). Potential scope items for the RWFPS could include:

- Transient Groundwater Model Development
- Soil Aquifer Treatment (SAT) Assessment
- Broderson/Creek Discharge Scenario Analysis
- Stormwater and Perched Water Recovery Project – Feasibility Study
- Adaptive Management Groundwater Modeling
- RWFPS Report Development

Recent communication with the SWRCB Representatives confirmed that this funding program is still fully funded and WRFP grants are available.

## Status of BMC Initiatives

Formalize Sustainable Yield: Updated production capacity at purveyor wells received for two of the three purveyors. Recycled water distribution updated. Will update sustainable yield for year-end 2020 and incorporate into 2021 Annual Report. Current draft BYM of 73 based on sustainable yield of 2,760 AFY from 2019 and 2020 production of 2010 AF ( $2010/2760 \times 100 = 73$ ).

Lower Aquifer Transducer Installation: Lower Aquifer Transducer Installation: In March CHG initiated requests for permission to access and install transducers in several County monitoring wells, a private well, and a purveyor well. The requests are still in process.

Basin Metric Evaluation: Analysis of alternative metric approaches in progress. This will be a separate TM for review after completion of annual report. Alternative metrics will be evaluated in 2021 and incorporate into the 2021 Annual Report. Draft TM anticipated in Summer/Fall 2021.

Recycled Water Beneficial Use Evaluation: Work on initiative to begin following completion of Annual Report preparations. Draft TM anticipated in August 2021.

## Status of Basin Plan Implementation and Funding Plans

The BMC has requested an integrated funding plan for project implementation and BMC monitoring and administration. BMC Staff and BMC Party Staff have formed a Funding and Organizational Working Group to identify and evaluate potential future funding and organization structures for the BMC and implementation of the Basin Plan. Consistent with the Basin Plan, the Working Group is identifying and evaluating funding and organizational structures that will provide a long-term mechanism for funding BMC Administration and Basin Plan Implementation

costs and that allocate costs equitably amongst all who benefit from the Basin's water resources.

The Working Group is reviewing previously completed analysis on BMC funding and organization structures, documenting the different alternatives and identifying data/information gaps that may require outside technical support. It is envisioned that the Working Group will prepare a summary of the different funding and organization structures, an outline scope of work for the Funding and Organization Study and recommended next steps for the BMC to consider for future funding of BMC Administration and Basin Plan Implementation costs.

**JPA Formation:** Staff level discussions continue to focus on the need for, and benefits of, forming a JPA, see table below, to assist with implementation of the Basin Plan.

*Table 1. JPA Formation Considerations*

<b>Pros</b>	<b>Cons</b>
• Common ownership of basin assets	• Complexity and community perception
• Ability to contract for services as an entity	• Potential for more difficulty in formal proceedings - less nimble
• GSWC can participate as a director	• More difficult to exit/change if needed
• Could cover entire limits of basin for funding	
• If carefully done, incremental costs could be limited to insurance and up-front legal expenses	
• Ability to carry-over funds from one budget year to another	

As indicated in previous meetings, it was determined that GSWC could serve as an appointed JPA director without forming a separate Mutual Water Company entity, which would simplify the process.

Discussions with BMC Party Staff indicate that the BMC Parties would like to execute the Implementation Plan initiative to first develop a roadmap for the BMC and then evaluate the potential formation of a JPA or other governance structure once there is a more defined plan for future BMC initiatives.

**Program B Implementation Process and Funding:** The existing nitrate removal facility owned by GSWC is intended to serve existing development, so it is likely that a Program B facility intended for future development would be jointly owned by either a JPA or by one of the public agencies.

- Likely next steps for the implementation of Program B projects include:
  - Technical Studies to validate and update cost estimates
  - Siting Studies to identify project locations
  - AB 1600 analysis to evaluate funding options relative to future development in coordination with the Los Osos Community Plan

- Environmental Review (CEQA)
- Land Use Permitting (e.g. Coastal Development Permits, etc.)

## Land Use Planning Process Update

### **Los Osos Retrofit-to-Build Program (Title 19 Water Offset Requirement) Update:**

The County Department of Planning and Building is in the process of hiring a consultant to update the retrofit-to-build program for Los Osos to: 1) update the water savings calculation assumptions, 2) identify initiatives to expand the program; 3) create a framework to administer new initiatives with an ongoing monitoring and reporting component; 4) estimate administrative staffing costs; 5) estimate the water savings potential remaining in Los Osos; and 6) recommend Title 19 ordinance amendments.

### **Los Osos Community Plan:**

The Los Osos Community Plan is being reviewed by the California Coastal Commission and a hearing date has not yet been scheduled. On December 15, 2020, the County Board of Supervisors adopted the Los Osos Community Plan ("LOCP") update and Final Environmental Impact Report and tentatively adopted amendments to the Growth Management Ordinance that would establish a residential growth rate for the Los Osos urban area. The LOCP policies are still subject to change based on California Coastal Commission review. If the LOCP is certified by Coastal Commission with no changes, the Growth Management Ordinance amendments to establish a growth rate for Los Osos are effective upon certification. If the LOCP requires changes, then the growth rate would need to be established at another Board hearing. The LOCP and Growth Management Ordinance policies considered by the Board on December 15 are available at: <https://agenda.slocounty.ca.gov/iip/sanluisobispo/agendaitem/details/12683>.

### Background

The Board authorized preparation of this update on December 11, 2012. A series of community outreach meetings to unveil the Community Plan were conducted in the Spring of 2015. The plan was prepared to be consistent and coordinated with the draft groundwater basin management plan and the draft Habitat Conservation Plan ("HCP"). The draft Environmental Impact Report was released on September 12, 2019; comments were due December 11, 2019. A Community Meeting on the Draft Environmental Impact Report for the LOCP, HCP, and associated Environmental Documents was held on October 28, 2019. The Final Environmental Impact Report and Public Hearing Draft were released on June 8, 2020. The Planning Commission held hearings on July 9, 2020, August 13, 2020, and October 8, 2020. At the October 8, 2020 hearing, the Planning Commission recommended approval of the Plan to the Board of Supervisors.

### **Accessory Dwelling Unit (ADU) Ordinance:**

On January 28, 2020, the Board of Supervisors considered and adopted a resolution to amend Title 22 and 23 for the replacement of the Secondary Dwelling Ordinance with a new ordinance for Accessory Dwelling Units (ADUs). The Board of Supervisors adopted amendments to Table "O" of the Coastal Framework on June 16, 2020. These amendments would allow ADUs to be established in the Community of Los Osos. The amendments to Title 23 and Table "O" of the

Coastal Framework for Planning are currently under review by the California Coastal Commission. Until such amendments are approved by the California Coastal Commission, the County will review ADU applications for consistency with State ADU law, which would allow for the construction of ADUs in the Coastal Zone. On March 12, 2021, Coastal Commission found that Los Osos ADU projects approved by the County thus far raise a substantial issue and did not hold a hearing on the question. The Commission took jurisdiction over the projects and voided the County’s prior approval. The next step in the process is the de novo hearing, which has not yet been scheduled. The Commission would prefer to take an action on the County’s proposed ADU Ordinance before taking an action on individual projects. The Commission has requested additional information from the County about the ADU Ordinance. The County is preparing a response, which includes coordinating with the Los Osos water purveyors regarding ADUs.

### Los Osos Wastewater Project Flow and Connection Update

The following table summarizes flows from the LOWRF based on the available data. Cells highlighted in yellow indicate data that was not available at the time the Executive Director’s Report was developed.

#### LOWRF Wastewater and Recycled Water Flows

Year	Month	Influent	Broderson	Bayridge	Sea Pines	Giacomazzi	Construction Water	Ag Users	Discharge/ Recycled Water Delivery Total (AF)
2021	Jan	48.7	38.0	1.1	1.7	0.0	0.0	0.1	42.6
2021	Feb	43.0	47.3	1.7	1.0	0.0	0.0	0.0	50.5
2021	Mar	47.5	47.2	1.9	1.0	0.0	0.0	0.0	50.3
2021	Apr	45.4	33.6	1.8	0.8	0.0	0.0	0.2	36.4
2021	May	46.7	40.9	1.9	0.7	0.0	0.0	0.1	41.7
2021	Jun	45.0	42.4	1.8	0.9	0.0	0.1	0.3	43.7
2021	Jul								
2021	Aug								
2021	Sept								
2021	Oct								
2021	Nov								
2021	Dec								
Total									

**Enforcement:** A list of properties that were not connected were transferred to County Code Enforcement and Notice of Violations were issued last year in Feb. 2019. That list was about 70 properties. As of 5/12/2021, the sewer service area has a 99.4% connection status with a total of 36 properties not yet connected. Of those, one is not required to connect because there is no

structure (demolished), 18 have expired building permits, and the rest have an open Code Enforcement case.

The County has assigned staff in code enforcement to Los Osos. Expired permits did not receive a Code Enforcement case because those properties have their own noticing process through the Building Department which, if not corrected, could result in a Notice of Violation.

## Water Conservation Update

**Rebate Update:** Average indoor water usage for 2019 was estimated to be 40 gpd per person and remains at that number currently.

## Cannabis and Hemp Information

**Hemp:** According to the Ag Commissioners Office there is no hemp cultivation currently registered in Los Osos.

**Cannabis:** On January 28, 2021, the County Planning Commission approved a request by Wild Coast Farms for a Coastal Development Permit / Development Plan (DRC2018-00215) and adopted the Mitigated Negative Declaration (MND) prepared for the project to allow for the phased development to establish 27,500 sf of indoor cannabis cultivation area (22,000 sf canopy); 12,600 sf of ancillary and commercial indoor nursery area; a 1,472 sf metal building for indoor ancillary processing, a cloning area, a restroom, storage, and an office; Ancillary Transport; and related site improvements (e.g., composting area, trash / recycling area, parking, general storage, etc.). A parking modification is requested to allow 9 parking spaces instead of the required 81. The project will result in the disturbance of approximately 3 acres on a 73.5 acre parcel located at 2198 Los Osos Valley Road, approximately 0.5 miles northwest of the Los Osos Valley Road/Clark Valley Road intersection and directly west of the Los Osos Wastewater Facility (LOWWF). The site is in the Agriculture land use category and within the area governed by the Estero Area Plan. The project site is outside the Los Osos Urban Reserve and the Los Osos Community Services District boundary and is within the Coastal Appeal Area.

*The Planning Commission approval has been appealed to the County Board of Supervisors. An appeal hearing date has not yet been scheduled.*

The Planning Commission hearing item documents (staff report, findings, presentation, conditions of approval, MND, etc.) are available at:

<https://agenda.slocounty.ca.gov/iip/sanluisobispo/agendaitem/details/12865>

The permit Conditions of Approval require the applicant to submit a Water Conservation Plan for review and approval by the Department of Planning and Building prior to building permit issuance to implement a water demand offset of 3.5 acre-feet per year (AFY), to be verifiable and permanent.

## Sustainable Groundwater Management Act (SGMA)

**SGMA Overview:** The SGMA took effect on January 1, 2015.<sup>1</sup> 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. Los Osos Valley Groundwater Basin (Los Osos Basin) was subject to SGMA based on the 2014 Basin Prioritization by the California Department of Water Resources (DWR) that listed the Los Osos Basin as high priority and in critical conditions of overdraft.<sup>2</sup>

**Basin Prioritization:** On December 18, 2019, DWR released the SGMA 2019 Basin Prioritizations. Basins or subbasins reassess to low or very low priority basins or subbasins are not subject to SGMA regulations. A summary of DWR's Final SGMA Prioritizations for the Los Osos Area Subbasin and Warden Creek Subbasin are listed below:

- Los Osos Area Subbasin is listed as **very low** priority for SGMA<sup>3</sup> and in critical conditions of overdraft<sup>4</sup>
  - SGMA does not apply to the portions of Los Osos Basin that are adjudicated provided that certain requirements are met (Water Code §10720.8).
- Warden Creek Subbasin is listed as **very low** priority for SGMA<sup>3</sup>

For more information on DWR's basin boundary modification and prioritization process, please visit: <https://water.ca.gov/Programs/Groundwater-Management/Basin-Prioritization>

### Additional Attachments:

1. None

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<sup>1</sup> On September 16, 2014, Governor Jerry Brown signed into law a three-bill legislative package, composed of [AB 1739 \(Dickinson\)](#), [SB 1168 \(Pavley\)](#), and [SB 1319 \(Pavley\)](#), collectively known as SGMA

<sup>2</sup> SGMA mandates that all groundwater basins identified by DWR as high- or medium-priority by January 31, 2015, must have groundwater sustainability agencies established by June 30, 2017. The act also requires that all high- and medium-priority basins classified as being subject to critical conditions of overdraft in Bulletin 118, as of January 1, 2017, be covered by groundwater sustainability plans, or their equivalent, by January 31, 2020. Groundwater sustainability plans, or their equivalent, must be established for all other high- and medium-priority basins by January 31, 2022.

<sup>3</sup> As noted by DWR, the priority for the subbasin has been set to very low (0 total priority points) as a result of conditions being met under sub-component C of the Draft SGMA 2019 Basin Prioritizations.

<sup>4</sup> Critical conditions of overdraft have been identified in 21 groundwater basins as described in Bulletin 118 (Water Code Section 12924). Bulletin 118 (updates 2003) defines a groundwater basin subject to condition of critical overdraft as: "A basin is subject to critical conditions of overdraft when continuation of present water management practices would probably result in significant adverse overdraft-related environmental, social, or economic impacts."

**TO: Los Osos Basin Management Committee**

**FROM: Dan Heimel, Executive Director**

**DATE: July 21, 2021**

**SUBJECT: Item 8a – Requirements, Framework and Methodology for Preparation of SJ Required Annual Report**

### **Recommendations**

Receive information on requirements, framework, and methodology for the SJ Required Annual Report for the Los Osos Basin and provide direction to Staff.

## Discussion

### Background

The Stipulated Judgement (SJ) and Basin Plan for the Los Osos Basin, requires the BMC Parties (County of San Luis Obispo, Golden State Water Company, Los Osos Community Services District, and S & T Mutual Water Company) to prepare and submit an Annual Report to the Court on or before 180 days after December 31 of each year. The Annual Report and associated monitoring program are necessary to accomplish the following continuing goal set forth in Section 2.4 of the Basin Plan.

1. Provide for a continuously updated hydrologic assessment of the Basin, its water resources and sustainable yield.

A critical component of meeting this goal and part of the BMC's 2021 Workplan includes reviewing and consideration of an update of estimate of the Sustainable Yield of the Basin. In the SJ and the Basin Plan, the BMC Parties agreed on a framework and methodology for estimating and updating the Sustainable Yield for the Basin and refers to it as Sustainable Yield<sub>x</sub>, where "X" represents the Sustainable Yield estimate for that year. Based on the agreed upon calculation methodology, described below, the SJ established an initial Sustainable Yield<sub>x</sub> of 2,400 Acre Feet per Year (AFY) for the Los Osos Basin based on assumptions regarding the infrastructure that was in place in 2012.

### Sustainable Yield<sub>x</sub> Methodology

As specified in the Basin Plan, the Sustainable Yield<sub>x</sub> equals the maximum amount of groundwater that may be extracted from the Basin in Year X without causing seawater to advance further inland and with no active well producing water with chloride concentrations above 250 mg/L. The amount of water that can be extracted is determined using the numeric groundwater model (Model) created for the Los Osos Basin, which is described in the next section.

## Groundwater Model

The original MODFLOW model of the Basin was developed as part of a USGS study in the mid-1980s. It was updated during the 1990s by URS and since 2000 the model has primarily been maintained and operated by Cleath-Harris Geologists (CHG). The model was peer reviewed in 2010 by Stetson Engineers. The Model utilizes USGS's SEAWAT program to simulate three-dimensional, variable-density groundwater flow. Additional information regarding the model and its development and calibration is available in Basin Plan Section 5.6.5.

## Sustainable Yield<sub>x</sub> Assumptions

There are number of key assumptions that are utilized within the Model when performing the calculation of Sustainable Yield<sub>x</sub>. These key assumptions that were included in the 2017 calculation of Sustainable Yield<sub>x</sub> are described below:

**Precipitation** – Precipitation in the model is assumed to be 17.5 inches per year. This average is based on US EPA Climate Resilience Evaluation and a base period of 1981-2010 for which the Morro Bay Fire Station rain gauge average rainfall was 17.48 inches per year.

**Stream Inflow** – Stream Inflow in the model is limited at 800 AFY and is constrained by stream bed seepage capacity to be approximately 20% of the estimated average watershed runoff.

**Recycled Water** – Recycled water delivery assumptions included in the model include 448 AFY to Broderson and 33 AFY to Bayridge Estates.

**Non-Purveyor Pumping** – Non-Purveyor pumping assumptions in the model are listed below:

Non-Purveyor Pumping Type	Assumed Pumping Rate (AFY)	Notes
Agriculture	750	
Private Domestic	220	
Sea Pines Golf Course	50	Assumed 30 AFY recycled water from Monarch WWTP
Memorial Park	50	
Community Park	0	Assumed 5 AFY recycled water

**Purveyor Pumping** – The amount of purveyor pumping included in the Sustainable Yield<sub>x</sub> calculation is iteratively determined by increasing purveyor well pumping until the 250 mg/L Chloride concentration limit at an active pumping well constraint is reached. Pumping rates for individual purveyor wells are optimized, based on available infrastructure, to shift purveyor pumping from the lower aquifer to eastern portions of the Basin and/or to the upper aquifer.

**Sea Level** – Sea level in the model is assumed to be 0 ft elevation in National Geodetic Vertical Datum of 1929 (NGVD 29) which is roughly equivalent to Mean Sea Level for the Port San Luis buoy of 2.72 ft in North America Vertical Datum of 1988 (NAVD 88).

## Sustainable Yield<sub>x</sub> Requirements

Several key requirements that the SJ specifies regarding the Sustainable Yield estimate are listed below:

- Prior to the start of each Year X following the commencement of the Stipulated Judgment, the Basin Management Committee shall establish the Sustainable Yield for that year based on the conservation implemented and Basin Plan infrastructure then developed in the Basin and the Model.
- With unanimous consent, the Basin Management Committee shall annually evaluate, confirm and set the Sustainable Yield<sub>x</sub>. Any change to the Sustainable Yield<sub>x</sub> shall be based upon the best available then existing data and evidence.
- Unless conditions warrant an adjustment as the Basin Management Committee may determine, for the first five years after entry of the Stipulated Judgment (i.e. 2015), the Basin Management Committee shall set the Sustainable Yield<sub>x</sub> at 2,400 AFY.

### *Sustainable Yield<sub>x</sub> Estimate Update Timeline*

The following is description of the timeline regarding the initial establishment and updates to the Sustainable Yield<sub>x</sub> for the Los Osos Basin by the BMC.

**2015** – The Basin Plan and SJ established the initial Sustainable Yield<sub>x</sub> estimate at 2,400 AFY.

**2016** - The 2015 Los Osos Basin Annual Report, prepared by CHG, included a Sustainable Yield<sub>x</sub> estimate of 2,450 AFY, based on infrastructure in place at the end of 2015 and was unanimously approved by the BMC at its June 30<sup>th</sup>, 2016 Meeting.

**2017** - In 2017, CHG prepared the “Basin Yield Metric response to reduced long-term precipitation in the Los Osos Groundwater Basin” Technical Memorandum, which included an updated Sustainable Yield Estimate that accounted for completion of projects in 2016 included in Programs A and C of the Basin Plan. With the completion of these programs the updated estimate of Sustainable Yield<sub>x</sub> was calculated to be 2,760 AFY. The BMC received and filed the TM at its March 15, 2017 Meeting. The 2016 Annual Report prepared by CHG included the updated Sustainable Yield<sub>x</sub> estimate of 2,760 AFY and was unanimously approved by the BMC Directors at its June 21<sup>st</sup>, 2017 BMC Meeting.

**2018** – The Sustainable Yield<sub>x</sub> estimate included in the 2017 Annual Report prepared by CHG remained at 2,760 AFY and the Annual Report was unanimously approved by the BMC at its June 20, 2018 Meeting.

**2019** – The Sustainable Yield<sub>x</sub> estimate included in the 2018 Annual Report prepared by CHG remained at 2,760 AFY and the Annual Report was unanimously approved by the BMC at its June 19, 2019 Meeting.

**2020** – The Sustainable Yield<sub>x</sub> estimate included in the 2019 Annual Report prepared by CHG remained at 2,760 AFY and the Annual Report was unanimously approved by the BMC at its June 17, 2020 Meeting.

**2021** – During the BMC’s June 16, 2021 consideration of the 2020 Annual Report, which included the Sustainable Yield<sub>x</sub> estimate of 2,760 AFY, the BMC approved submitting the 2020 Annual Report to the Court. However, in its motion approving the 2020 Annual Report the BMC clarified that approval of the report should not be construed as “evaluating, setting or establishing” the Sustainable Yield<sub>x</sub> under the terms of the SJ, directed staff to conduct a review

of the Sustainable Yield<sub>x</sub> estimate and stated that major management decisions would be deferred until updated Sustainable Yield<sub>x</sub> is reviewed and approved by the BMC through a more formal process in accordance with the requirements of the SJ.

### Proposed Sustainable Yield Update Process

To meet the requirements of the SJ to determine the Sustainable Yield<sub>x</sub> on an annual basis the following process is proposed.

1. Beginning in July of a given year, BMC Staff will evaluate the need to develop an updated Sustainable Yield<sub>x</sub> for the upcoming year based on changes in Basin Plan infrastructure, groundwater inflow or outflow parameters, the understanding of hydrogeologic or geologic features in the basin or other factors.
2. BMC Staff will then provide a recommendation to the BMC on whether or not to update the Sustainable Yield<sub>x</sub> and the reasoning for that recommendation.
  - a. If the recommendation is to update the Sustainable Yield<sub>x</sub>, then recommendations for which parameters to modify from the previous Sustainable Yield<sub>x</sub> will be provided.
    - i. If the BMC approves the proposed update to the Sustainable Yield<sub>x</sub> and the recommended update parameters, BMC Staff will perform the updated Sustainable Yield<sub>x</sub> calculation and bring the results back to the BMC for consideration and approval.
    - ii. If the updated Sustainable Yield<sub>x</sub> results are unanimously approved by the BMC then the updated Sustainable Yield<sub>x</sub> will be documented in the Annual Report for that Year.
  - b. If the recommendation is to not update the Sustainable Yield<sub>x</sub> and the BMC agrees, then the Sustainable Yield<sub>x</sub> will remain the same as the previously approved Sustainable Yield<sub>x</sub> by the BMC.
  - c. If the BMC cannot come to unanimous agreement of whether or not to update the Sustainable Yield<sub>x</sub>, the update parameters or the updated Sustainable Yield<sub>x</sub> results then the Sustainable Yield<sub>x</sub> will remain the same as the previously approved Sustainable Yield<sub>x</sub> and the BMC will provide direction to Staff on how to proceed.

### Financial Considerations

Cost associated with developing a Sustainable Yield<sub>x</sub> was included in the BMC CY 2021 Budget as part of Task 6 2020 Annual Report. However, if significant modifications to the methodology or more than one calculation is requested then additional budget may be required to complete the Sustainable Yield<sub>x</sub> calculation. There are currently contingency and Technical Support/Adaptive Management Services funds in the CY 2021 Budget that could be put toward additional effort associated with the Sustainable Yield<sub>x</sub> calculations, if desired.

**TO: Los Osos Basin Management Committee**

**FROM: Dan Heimel, Executive Director**

**DATE: July 21, 2021**

**SUBJECT: Item 8b – Update on Status of Basin Plan Infrastructure Projects**

**Recommendations**

Receive report and provide input to staff on future direction.

**Discussion**

The Basin Management Plan for the Los Osos Groundwater Basin (Plan) was approved by the Court in October 2015. The Plan provided 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 or, 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. Establish a strategy for maximizing 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 five parts, designated Programs A through D and Program M. Programs A and B 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. Program M was established in the Basin Management Plan for the development of a Groundwater Monitoring Program (See Chapter 7 of the BMP), and a new lower aquifer monitoring well in the Cuesta by the Sea area was recommended in the 2015 Annual Report and completed in December 2019. Program U is the Urban Water Reinvestment Program that addresses the use of recycled water within the Basin. The attached table provides a comprehensive project status and summary.



Program Name	Project Name	Parties Involved	BMC Budgeted Amount	Funding Status	Anticipated Planning/Pre-Construction Cost	Anticipated Capital Cost	Status/Notes
<b>Program D</b> - Shift production within the Lower Aquifer from the Western Area to the Eastern Area of the Basin							Currently being considered for deferment through Adaptative Management. BMC to review on an annual or semi-annual basis.
<b>Program M</b> – Groundwater Monitoring Plan	New Zone D/E lower aquifer monitoring well in Cuesta by the Sea	All Parties	NA	NA	NA	NA	<b>Completed</b>
<b>Program U</b> - Urban Water Reinvestment Program	Creek Discharge Program	All Parties				TBD	These activities are currently on hold.
	8 <sup>th</sup> and El Moro Urban Storm Water Recovery Project	All Parties				TBD	These activities are currently on hold.