ATTACHMENT 7: PROGRAM PREFERENCES

1.0 HUMAN RIGHT TO WATER

One of the primary goals of the San Luis Obispo County Flood Control and Water Conservation District (District) and San Luis Obispo County (SLO County) is to address the human right to water, which entitles every human "the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes."[1] In response to the drought on a regional scale, the District and SLO County Board of Supervisors has directed staff to form a multi-department task force[2] to coordinate drought monitoring, impact assessments, responses to emergency health and human safety, and public communication and outreach in the region. The task force aligns with and regularly corresponds with the State Office of Emergency Services and local communities to ensure all people within SLO County have access to water. The District serves as the lead agency for the region's IRWM Program and works with the Regional Water Management Group to implement the region's plan for sustainable water resources management, which includes implementing projects to ensure all people within the County have access to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes. In addition to the County-wide efforts, within this proposal all five projects directly address the Human Right to Water with the 2014 drought.

San Simeon is one of two communities in SLO County to declare a Stage 3 water emergency. A hydrogeological report is currently underway and per conversations with engineers preparing this report, initial findings indicate that San Simeon is at risk of running out of water before the end of 2014. This community relies solely on groundwater that is greatly affected by drought. If no alternate source is provided, this community could be without water. The proposed project directly addresses this concern. This project would put in place infrastructure to distribute reclaimed water, which is already being treated at an existing recycled water treatment facility. This reclaimed water would decrease non-potable demands on the community's water supply, saving scarce potable water for human consumption.

Cambria is the second community in SLO County to declare a Stage 3 water emergency. The Cambria Community Services District (CCSD) also relies solely on groundwater and the CCSD's Board of Directors determined that "the demands and requirements of water consumers cannot be satisfied without depleting the water supply of the CCSD to the extent that there would be insufficient water for human consumption, sanitation, and fire protection" [3]. Water is expected to run out in fall 2014. The proposed project will directly address the threat to the Human Right to Water by implementing an indirect water reuse project to supply an additional 250 AFY of water. Groundwater down gradient of wastewater treatment plant effluent percolation ponds will be treated in an Advanced Water Treatment Facility and injected upstream of CCSD's municipal supply wells.

Heritage Ranch is the third community at risk of not meeting the Human Right to Water. This community relies solely Nacimiento Reservoir water. While it is unlikely that this reservoir will run out of water, it is possible that they will stop releasing reservoir water to the Nacimiento River. Heritage Ranch Community Services District's (HRCSD's) water intake facility is on the Nacimiento River. Thus if reservoir releases stop, as they have threatened to with the current and historical droughts, this community will be without water for human consumption. The proposed project would provide a permanent facility to allow HRCSD access to their share of Nacimiento Reservoir water no matter whether the Nacimiento River is flowing.

Santa Margarita is also at risk of not providing affordable and accessible water for human consumption. Currently this community relies on two groundwater wells. The majority of their water comes from one shallow aquifer, greatly impacted by drought. Their smaller well, taps into a deep, low yield aquifer, which is also drought affected. Already with the current drought, the groundwater level is low enough to have triggered an alert water status, putting in place voluntary water reductions. No viable, low-cost alternative exists, besides the proposed project, to provide this community with water if the drought continues.

The Chorro Valley Communities are also at risk of not meeting the human right to water if State Water (SW) continues to be unavailable. Currently SW is the main, and sometimes, only source of water for these communities. While sufficient water exists to meet 2014 demands, water supplies are uncertain in

[1] Assembly Bill No. 685, Approved by the Governor, September 25, 2012.
[2] http://www.slocounty.ca.gov/admin/Drought_Update.htm
[3] Cambria Community Services District Resolution No. 04-2014, January 2014. 2014 06 06 CCSD EWSP Prop 84 PSP Table 9 - questions 1, 2, and 3.doc

2015 if SW allocations continue to be low or non-existent. The proposed intertie is the only sustainable, low cost alternative to provide these communities with affordable water if drought conditions continue.

2.0 PROGRAM PREFERENCES

The Proposal was developed with the Program Preferences in mind. The Program Preferences were given special attention by local stakeholders, as they relate to integrated water management objectives defined in the California Water Code and implementing legislation of the State. **With a high degree of certainty, the multi-beneficial strategies of the Proposal will achieve the results desired by the goals of the Program Preferences,** as described below. Project strategies were developed through the San Luis Obispo IRWM Region (Region) planning process in an attempt to integrate the regional needs and to address applicable State Program Preferences. The five projects in the Proposal were selected based upon: meeting implementation requirements; achieving one or more IRWM Plan goals and objectives; need; benefit to disadvantaged communities; and stakeholder consensus. The five projects are:

- Project 1: Intertie between CSA 23 (Santa Margarita) and Atascadero Mutual Water Company (AMWC) and Garden Farms Community Services District (GFCSD)
- Project 2: Heritage Ranch Community Services District (HRCSD) Emergency Water Turnout
- Project 3: Cambria Community Services District (CCSD) Emergency Water Supply
- Project 4: San Simeon Community Services District (SSCSD) Small Scale Recycled Water Project – Purple Pipe Distribution
- Project 5: Nacimiento-Salinas-California Men's Colony (CMC) Water Treatment Plant Emergency Intertie

The discussion below demonstrates how the Proposal meets the Program Preferences and describes the breadth and magnitude to which the Program Preferences will be met.

2.1 Includes Regional Projects or Programs - *Projects 1 & 5 address this program preference.*

Development of the Proposal was a collaborative process with stakeholders representing a wide range of interests. The stakeholders considered the Region's needs and IRWM Plan objectives to identify a suite of projects critical to the regional water resource management efforts. The selected projects also represent a diverse suite of projects located throughout the region. Projects 1 and 5 best demonstrate the benefits of regional program implementation. These projects further a comprehensive regional watershed approach to resource management by providing more regional flexibility for water sources.

Project 1 connects the water supplies of the Santa Margarita Community (CSA 23), Atascadero Mutual Water Company, and Garden Farms Community Water District. This interconnection of water systems allows for regional distribution of water during times of drought and provides for greater reliability in the water supply.

On a larger countywide scale, Project 5 connects the Nacimiento Reservoir in the North County to the California Men's Colony Water Treatment Plant and associated Chorro Creek Reservoir. With this intertie, four of the five major water supply reservoirs within SLO County would be connected. These reservoirs are: Nacimiento, Salinas, Chorro, and Whale Rock. This greater interconnectedness of reservoirs would help enhance water reliability throughout the region and allow for water exchanges and wheeling of water between communities who are served by all the reservoirs as well as State Water.

2.2 Integrate Water Management Programs and Projects Within a Hydrologic Region or Other Region Identified by DWR - *Projects 1, 3, 4 & 5 address this Program Preference.*

With cyclical droughts, declining groundwater levels, degradation of surface and groundwater quality, and the limited availability of surface water supplies, it is important for stakeholders in the Region to effectively manage available water resources. The focus on this orchestrated water resource management allows the region to better protect the public health and safety, maintain viable ecosystems, improve water resources availability through optimization of supply sources, and improve surface and groundwater quality to ensure its usability for generations to come.

To that end, the majority of projects in this Proposal help integrate water management in the San Luis Obispo IRWM Region. Stakeholders in this region recognize the critical need to provide water supply flexibility throughout the region to combat local droughts and reduce dependency on groundwater.

Both intertie projects (Projects 1 and 5) provide this regional supply flexibility and allow for movement of diverse water resources throughout the IRWM region. The two recycled water projects (Projects 3 and 4) offset the use of stressed groundwater supplies by providing an alternate, sustainable water resource.

2.3 Effectively Resolve Significant Water-Related Conflicts Within or Between Regions - *Projects 2 & 5 address this program preference.*

Project 2 will provide HRCSD a reliable access point to their allocated Nacimiento Reservoir water. Without this access point, a conflict of interest exists at times when reservoir levels are low. When reservoir levels fall below 687.8 feet (the minimum pool level), river releases will stop, leaving HRCSD without water. The flow of water to the river is controlled by Monterey County Water Resources Agency (MCWRA) and any release of water at or below the minimum pool level requires the authorization of SLO County. To preserve the remaining water supply for other existing users, MCWRA may not want to release water for river flow, especially if only some of that released water makes it into HRCSD's river intake facility. This conflict of interest can easily be fixed by providing a direct access point for HRCSD to Nacimiento Reservoir water. This is exactly what the proposed project will do.

Project 5 also resolves a water conflict between regions. Currently the Chorro Valley communities rely mainly on SW. If SW is unavailable, like it was for part of this year, these communities' water supplies are severely restricted. While limited water exists in their one existing groundwater well and the small Chorro Reservoir, in the event of no SW, most of the required water for these communities would need to be supplied by Whale Rock Reservoir. Already Whale Rock Reservoir supplies water to the City of San Luis Obispo, Cayucos, and Cal Poly. It is currently at 50% capacity and has a relatively small and low producing 20.3 square mile watershed. Whale Rock is fully subscribed between the existing users and it would be difficult for this reservoir to sustainably provide for all of the Chorro Valley communities during times when SW is unavailable. If SW is unavailable, conflict exists between Whale Rock Reservoir users due to the reservoir's limited resources. Project 5 would alleviate this conflict by providing an alternative water source for the Chorro Valley communities in times of drought.

2.4 Contribute to Attainment of One or More of the Objectives of the CALFED Bay-Delta Program - *Project 5 addresses this Program Preference.*

CALFED's Water Supply Reliability Program is achieved through five program elements: Conveyance, Storage, Environmental Water Account, Water Use Efficiency, and Water Transfers. Through partnerships with local and regional agencies, these programs seek to increase water supplies, ensure efficient use of water resources, and add flexibility to California's water system.

The Region's Water Supply goal states: "Maximize the accessibility to existing and supplemental water supplies in the Region through the utilization of existing infrastructure and development of new infrastructure and agreements."

Implementation of Project 5 will meet the Region's goals for maximizing accessibility as well as meeting CALFED's objectives to add flexibility by reducing dependency on SW through constructing an intertie to provide access to Nacimiento Reservoir water, an alternate, local water source. SW is supplied by water imported from Northern California via the Delta and subsequent infrastructure. This reduced demand on SW, and thus the Delta, during times of drought is in line with the CALFED Bay-Delta Program objectives.

2.5 Address Critical Water Supply or Water Quality Needs of DACs Within the Region - *Project 4 addresses this Program Preference.*

The Region recognized several local water resources needs, including the need to help address critical water supply and quality needs in San Simeon, a local disadvantaged community (DAC). DACs by their nature of being low-income areas have difficultly funding and making resources available to identify alternatives for critical water supply and quality needs and implement solutions to address those needs.

The community of San Simeon is solely dependent upon groundwater. The majority of San Simeon's residents are low-income households, meeting the criteria as a DAC by having incomes below the State's DAC threshold of $48,706. The community needs to implement the project included in this Proposal in the immediate future or they face the inability to provide water for their residents.

The proposed Project 4 will provide infrastructure to supply needed water to this community. With Project 4, piping will be put in place to distribute reclaimed water for non-potable use within the community. This

additional water supply will preserve existing groundwater for potable use. Without this project, it is likely that the disadvantaged community of San Simeon will run out of water this year.

2.6 Effectively Integrate Water Management With Land Use Planning - *Project 4 address this Program Preference.*

Collaboration between land use planners and water managers is an important component to effective resource management. Oftentimes integrating land and water planning creates systems that are more efficient and sustainable. Land use management is directly tied to the California Water Plan in efforts to reduce green house gas (GHG) emissions and provide climate change adaptation. Reducing water demand through wastewater and stormwater recycling projects as well as recharging and protecting groundwater resources encourages growth and sustainable development. Flood management and ecosystem preservation are also intersection points for land and water management. Finally, preserving water quality through land management of runoff benefits water managers in their efforts to provide water affordably. Project 4 directly demonstrates the integration of water management and land use planning.

Project 4 puts in place infrastructure to more sustainably utilize existing water resources. By distributing reclaimed water to commercial and irrigation uses in the area, SSCSD will preserve their potable groundwater resources. Because of this, San Simeon may be able to lift their building moratorium, which currently prevents growth in the region. This project will also help the community better adapt to climate change and reduce their green house gas emissions. Without this project, reclaimed water would be distributed via water trucking, an unsustainable option with high greenhouse gas impacts.

2.7 Are Part of an IRWM Plan that Helps the Region Reduce Reliance on the Sacramento-San Joaquin Delta for Water Supply – *All projects address this Program Preference.*

Project 5 directly addresses this program preference by reducing dependency on SW and instead utilizing water resources within SLO County. The other 4 projects, help to meet the objectives of the Region's Plan, which when met, help to reduce dependence on the Delta.

The Region's Plan includes two Water Supply objectives and one Groundwater Monitoring and Management objective (listed below) that relate to the goal of reducing dependence on Delta water by either optimizing the use of the Delta water when it is available or look to other sources of supply.

- *Water Supply Objective 1: Maximize the accessibility to existing and supplemental water supplies in the Region through the utilization of existing infrastructure and development of new infrastructure and agreements.*
- *Water Supply Objective 2: Diversify water supply sources, including the use of recycled and desalinized water.*
- *Groundwater Monitoring and Management Objective 1: Evaluate and implement groundwater recharge and/or banking programs or efforts to increase the conjunctive-use opportunities within the Region, where technically feasible and cost-effective.*

All five of the proposed projects address at least one of these objectives to reduce dependence on Delta water. Projects 1 and 5 are both intertie projects that help maximize accessibility to water within the region, thus directly addressing water supply objective 1. Project 2 also addresses this water supply objective by enhancing the reliability of Nacimiento Reservoir water for the Heritage Ranch community. Projects 3 and 4 are both recycled water projects, which directly address the call to use recycled or desalinated water, water supply objective 2. Project 3 also recharges groundwater with higher quality water, addressing groundwater monitoring and management objective 1.

2.8 Address Statewide Priorities

The Proposal also addresses the statewide priorities listed below with a high degree of certainty.

2.8.1 Drought Preparedness - *All projects address this Statewide Priority.*

All of the projects in the Proposal directly address the statewide priority of drought preparedness. All five projects provide an alternative water resource for their communities and offer more flexibility and security in times of drought. The majority of the communities with projects in the Proposal are at risk of running out of water during this 2014 drought. The proposed projects directly mitigate this concern.

Project 1 and 5 are intertie projects that bring alternative water resources to their respective communities. Project 5 in particular, not only provides benefit to local communities in the area, but also provides a much broader regional benefit. Project 5 will connect four of the five reservoirs in SLO County. In times of drought, especially localized drought, this interconnectedness is vital to drought preparedness. It allows for water wheeling from communities with more water to communities without water. Project 2, directly addresses drought preparedness by building the infrastructure necessary for HRCSD to access allocated Nacimiento Reservoir water during drought. Without this project, severe drought conditions could stop flows to the Nacimiento River, preventing Heritage Ranch from obtaining water. Project 3 and Project 4 are both recycling water projects that provide drought preparedness through the creation of a more sustainable water supply that is less affected by drought. By creating and distributing these alternative water sources, these communities can more reliably provide water during future drought conditions.

2.8.2 Use and Reuse Water More Efficiently - *Projects 3 & 4 address this Statewide Priority.*

CCSD and SSCSD are two communities that rely solely on groundwater. During the 2014 drought, these groundwater resources have been dangerously depleted to the point that both communities are at risk of not being able to provide the water necessary for human consumption by the end of this year. To combat this reality, both communities have turned to water reuse. SSCSD has already constructed a recycled water facility. However, as a disadvantaged community they do not have the funds to provide a distribution network for the reclaimed water they currently produce. Project 4 of the Proposal would provide this disadvantaged community with the needed funds to construct this piping network. CCSD has been considering a recycled water facility since before the 1990s. They understand that their community does not have many options when it comes to water resources. With the 2014 drought, the severity of their situation has become apparent. Due to this, CCSD has fast tracked a recycled water facility project and has already spent a significant amount of money to design and begin construction on this advanced water treatment facility. Both CCSD and SSCSD realize the importance of reusing water and projects to provide these communities with that needed recycled water are included in this Proposal.

2.8.3 Climate Change Response Actions - *Projects 3 & 4 address this Statewide Priority.*

The alternative to Projects 3 and 4 is to truck water to the Cambria and San Simeon communities. According to the Pew Center on Global Climate Change, over a quarter of U.S. GHG emissions come from transportation[4]. Trucking water to these communities is costly and not in line with statewide priorities to reduce GHG emissions. The implementation of Projects 3 and 4 will prevent the need for water trucking and thus aid in GHG reductions. In addition, these projects both implement recycled water, which is called out as a method of reducing climate change impacts and GHG emissions.

2.8.4 Protect Surface Water and Groundwater Quality - *Projects 3 &4 address this Statewide Priority.*

Both Cambria and San Simeon are at risk for seawater intrusion that severely degrades groundwater quality. Implementation of Projects 3 and 4 relieves the burden on the groundwater basins and prevents further intrusion.

2.8.5 Ensure Equitable Distribution of Benefits - *Projects 1, 4 & 5 address this Statewide Priority.*

San Simeon is a disadvantaged community and Project 4 addresses the need for alternative supplies so that safe drinking water needs are met. Project 1 ensures safe drinking water for Santa Margarita, a small community of 2,700 people, and Project 2 ensures safe drinking water for Heritage Ranch, also a small community of 3,500 people. Project 5 provides a safe drinking water supply to Chorro Valley users, including the California Men's Colony, a state prison. The prison inmates are a vulnerable population.

[4] Greene, D. and Plotkin, S., *Reducing Greenhouse Gas Emissions from U.S. Transportation,* Pew Center on Global Climate Change, January 2011, http://cta.ornl.gov/cta/Publications/Reports/Reducing_GHG_from_transportation[1].pdf