

# San Luis Obispo County Integrated Proposal Authorization and Eligibility Requirements

## Authorization and Eligibility Requirements

Attachment 1 consists of authorization and eligibility documentation including California Water Code Section 83002.(b)(3)(B) compliance, adopted IRWM Plan consistency, California Water Code Section 525 compliance, Urban Water Management Planning Act compliance, and Groundwater Management Plan compliance.

### Authorizing Documentation

The San Luis Obispo County Flood Control and Water Conservation District (County) adopted Resolution 2010-357 on December 7, 2010 (Exhibit A) designating the Director of Public Works of the County of San Luis Obispo as an authorized representative to submit the application and execute an agreement with the State of California for an Integrated Regional Water Management Implementation Grant. Also included in Exhibit A are letters of support from the Regional Water Management Group's main advisor, the Water Resources Advisory Committee for the County, and other stakeholders in the Region, including Assemblyman Khatchik Achadjian, the Central Coast Regional Water Quality Control Board, the County Board of Supervisors, the Coastal San Luis Resource Conservation District, Morro Bay National Estuary Program, and the Sierra Club.

### Eligible Applicant Documentation

The following section demonstrates the County's applicant eligibility.

**1. Is the applicant a public agency as defined in Appendix B of the Guidelines? Please Explain.**

Yes. The applicant for the San Luis Obispo County Integrated Proposal is the San Luis Obispo County Flood Control and Water Conservation District (County). The County is a public agency, as defined in Appendix B of the Guidelines, which is defined as any city, county, city and county, special district, joint powers authority, or other political subdivision of the State, a public utility as defined in Sections 216 of the Public Utilities Code, or a mutual water company as defined in Section 2725 of the Public Utilities Code (CWC §10535)

**2. What is the statutory or other legal authority under which the applicant was formed and is authorized to operate?**

The statutory and legal authority under which the County operates is the San Luis Obispo County Flood Control and Water Conservation District Act which is contained within Section 7205 of the Uncodified California Water Acts.

**3. Does the applicant have legal authority to enter into a grant agreement with the State of California?**

Yes. The District Act authorizes the County to apply for and administer grants.

**4. Describe any legal agreements among partner agencies and/or organizations that ensure performance of the proposal and tracking of funds.**

The San Luis Obispo County Integrated Proposal includes the following three projects from the San Luis Obispo County Integrated Regional Water Management Plan (Plan):

- Los Osos Community Wastewater Project, County
- Flood Control Zone 1/1A Waterway Management Program, 1<sup>st</sup> Year Vegetation and Sediment Management Project County
- Nipomo Waterline Intertie Project, Nipomo Community Services District (CSD) (named the Nipomo Supplemental Water Project in the Plan)

As the proposal administrator, the County will ensure performance of the proposal and tracking of the funds. As the sponsor of two of the projects, the County will not require additional agreements for the implementation of those projects. For the third project, the Nipomo, a letter stating the Nipomo CSD's intent to develop an MOU with the County has been signed. The MOU will include roles and responsibilities for administration of the grant and distribution of the grant funds. The Letter of Intent is included in Exhibit B.

## **California Water Code Section 83002.(b)(3)(B) Compliance**

California Water Code Section 83002.(b)(3)(B) establishes two scenarios whereby projects within an IRWM Plan are eligible for implementation grant funding. The scenario under which this application is establishing eligibility is through the use of an IRWM Plan adopted prior to September 30, 2008. The resolutions and notifications of adoption are included as Exhibit C. Accordingly (per page 19 of the PSP), the IRWM Plan will not be submitted with this application, but is available for reference at the following website:

**[www.slocountywater.org/site/Frequent%20Downloads/Integrated%20Regional%20Water%20Management%20Plan/July%202007%20Plan%20Update/index.htm](http://www.slocountywater.org/site/Frequent%20Downloads/Integrated%20Regional%20Water%20Management%20Plan/July%202007%20Plan%20Update/index.htm)**

How the projects that are included in this proposal for implementation grant funding are consistent with the adopted IRWM Plan is described below.

## **Consistency with an Adopted Plan**

Each of the three projects proposed for funding, as listed and described below, is consistent with the adopted San Luis Obispo County Integrated Regional Water Management Plan (IRWMP).

- Los Osos Community Wastewater Project
- Flood Control Zone 1/1A Waterway Management Program, 1<sup>st</sup> Year Vegetation and Sediment Management Project
- Nipomo Waterline Intertie Project

## ***Los Osos Community Wastewater Project***

The Los Osos Community Wastewater Project was identified as an immediate priority wastewater strategy in Section D1.19 Water and Wastewater Treatment of the San Luis IRWMP. A community wastewater project has been planned for Los Osos for three decades. In 1983 the Central Coast Regional Water Quality Control Board established a wastewater prohibition zone in the coastal community of Los Osos, located on the southern boundary of Morro Bay National Estuary.

During the 1980's and 1990's, the County of San Luis Obispo led efforts to develop a community wastewater project. Concurrent with the California Coastal Commission's consideration of the County permit application, the voters of Los Osos approved the creation of the Los Osos Community Services District, which shortly thereafter took control of the wastewater project. The Los Osos CSD efforts, however unfortunate, unraveled. In 2005, after a recall, project efforts were suspended. Litigation and bankruptcy followed.

In 2006, Assembly Bill 2701 (Blakeslee, 2006) was approved unanimously by the State Assembly and State Senate, and signed by Governor Schwarzenegger on September 20, 2007. AB 2701 transferred the wastewater project authority back to the County. AB 2701 established a framework for the County to implement a project and provided protections to mitigate challenges that could lead to project failure. Currently, San Luis Obispo County is implementing project development strategies that address community concerns that resulted in the Los Osos CSD recall. Two previous projects have been planned and were almost implemented. In both cases, political pressures

and community opposition led to failure of the planned projects. Within 11 months of acting under AB 2701, the County held a Prop 218 protest hearing and received an 80% “Yes” vote on assessments of nearly \$25,000 per single family dwelling unit equivalent.

A key element of the project approach was to establish project funding through Proposition 218 assessment proceedings and conduct a co-equal CEQA analysis, prior to making specific determinations on project technologies and sites. Work efforts in 2007 included the preparation of engineering reports, including cost estimates of viable project alternatives. Those reports provided the “body of evidence” supporting the Prop 218 assessments. In 2008, the project evaluated environmental impacts and walked the community through the detailed decisions associated with site and technologies within a framework of participatory government. The final EIR was certified on September 29, 2009. On June 11, 2010, the California Coastal Commission helped the project reach a significant milestone by unanimously (11 – 0) approving a Coastal Development Permit.

The County has adopted additional strategies in public hearing to ensure a successful project. From 2007 to 2009, the County Board of Supervisors had unprecedented weekly, then monthly, hearings on the project, and continues to have quarterly project updates at the public Board of Supervisors hearings. The quarterly updates, with additional hearings for specific items, are planned to continue throughout the project

The Los Osos Community Wastewater Project was identified as a wastewater strategy in Section D1.19 Water and Wastewater Treatment of the San Luis IRWMP. While water quality is a primary purpose, several benefits exist in addition to the development of a community wastewater system.

- Ecosystem and wetlands benefits, especially to the Morro Bay National Estuary will result from the elimination of septic system discharges to the shallow groundwater and the return of high quality recycled water to the groundwater basin;
- Groundwater conflict resolution, recharge and quality benefits will result from the increased water resources and mitigation of sea water intrusion provided by the return of recycled water to the groundwater basin and the cooperative process of identifying priorities for water reuse within the basin;
- Water supply reliability will be increased through the use of recycled water for irrigation;
- Protection against seawater intrusion will result from the percolation of recycled water in leachfields and the reduction of urban pumping to meet irrigation demand; and
- Compliance with TMDLs, stormwater programs and waste discharge requirements will result from the elimination of septic system discharges to the shallow groundwater, which often contaminates nearby surface waters.

As described in the IRWMP, the Los Osos Community Wastewater Project is consistent with the following San Luis IRWMP objectives:

- Implement Inter-Agency Projects
- Expand Reclaimed Water
- Protect and Improve Source Water Quality
- Development and Implementation of TMDLs
- Implement NPDES Phase 2 Stormwater Programs
- Support NPS Plan and conditional Ag waiver
- Comply with new Waste Discharge Requirements
- Protect Ecologically Sensitive Lands
- Conserve Natural Resources
- Monitor the Region’s Groundwater Basins

- Protect Groundwater from Point and Non-Point Pollution
- Groundwater Public Outreach and Education
- Groundwater Conflict Resolution
- Groundwater Recharge with High Quality Water
- Integrate Ecosystem, Drainage, Recharge into Development

### ***Flood Control Zone 1/1A Waterway Management Program, 1<sup>st</sup> Year Vegetation and Sediment Management Project***

The Flood Control Zone 1/1A Waterway Management Program was identified as a flood management strategy in Section D1.4 Flood Management of the San Luis IRWMP. Flood Control Zone 1/1A is centered on Arroyo Grande Creek and includes communities from Arroyo Grande to Oceano. The Zone 1/1A Waterway Management Program is a comprehensive set of actions designed to increase the capacity of the leveed lower three miles of Arroyo Grande Creek while simultaneously enhancing water quality and sensitive species habitat within the managed channel. Actions include raising the height of the existing levees, managing in-channel vegetation to enhance habitat, reducing sediment deposition within the channel, implementing specific sediment removal projects, and raising the Union Pacific Railroad Bridge to accommodate higher water levels.

In addition to activities specifically addressed in the WMP relating to the Arroyo Grande Creek channel, a Memorandum of Understanding (MOU) is in place that is designed to improve watershed conditions and limit sediment delivery from upslope areas to impacted reaches of Arroyo Grande Creek such as the flood control reach of the proposed project. The County of San Luis Obispo and the County Flood Control and Water Conservation District became a signatory to the Arroyo Grande Creek Watershed MOU on April 22, 2008. The purpose of the MOU is to enhance an overall understanding of watershed issues and promote consensus between the parties in order to better protect, manage and enhance the Arroyo Grande Creek watershed.

By signing the MOU, the County showed its support for collaborative watershed management. Other signatories of the MOU include: the City of Arroyo Grande, San Luis Obispo Coastal Resource Conservation District (RCD), and the Central Coast Salmon Enhancement. The RCD and the Central Coast Salmon Enhancement have become key advocates for the MOU and are working with other resource agencies to become signatories, including: US Fish and Wildlife Service, Natural Resource Conservation Service, CA Department of Fish and Game, and CA Department of Parks and Recreation. The CA Regional Water Quality Control Board was solicited for signature, but was unable to sign and instead endorsed the MOU.

The 1<sup>st</sup> Year Vegetation and Sediment Management Project, included in this grant proposal, is one phase of the overall Waterway Management Program. The project includes continuing design, permitting and construction of the project to provide flood protection from the 5 year event. The existing channel capacity is severely reduced due to dense vegetation and accumulated sediment and can only contain the 2.8 year flood event. This project would improve the flow characteristics of the channel by reducing channel roughness through vegetation thinning and removal and would enhance geomorphic function by removing accumulated sediment, establishing a primary low-flow channel, and creating secondary overflow channels to improve flood conveyance and sediment transport. Maintenance of a primary low-flow channel, enforced by the presence of a stable riparian corridor, will improve sediment transport conditions throughout the flood control reach which will reduce the need for future maintenance/dredging and provide continued flood protection for the disadvantaged community of Oceano and the highly productive agricultural areas of Cienega Valley. Award of this grant would advance the completion date of this project approximately 10 years, from 2022 to 2012. As described in the IRWMP, the 1st Year phase is consistent with the following San Luis IRWMP objectives:

- Protect and Improve Source Water Quality
- Development and Implementation of TMDLs
- Support NPS Plan and Conditional Ag Waiver
- Protect Ecologically Sensitive Lands
- Implement Fish Friendly Projects

- Manage Public Lands Access to Promote Stewardship
- Reduce Invasive Plants and Promote Native Plants
- Distinguish Root Cause of Flooding
- Integrate Ecosystem, Drainage, Recharge in Developments
- Minimize Risk of Dam/Levee Failure
- Develop Financial Programs for Flood Projects
- Public Outreach, Education and Advocacy

### ***Nipomo Waterline Intertie Project***

The Nipomo Waterline Intertie Project (named the Nipomo CSD Supplemental Water Project in the IRWM Plan) was identified as a water transfers strategy in Section D1.20 Water Transfers of the San Luis IRWMP. The Nipomo CSD will be constructing facilities to transfer 3,000 acre feet of supplemental water per year from the City of Santa Maria to itself and three other water purveyors in order to slow the depletion of the above-sea-level groundwater in storage beneath the Nipomo Mesa Groundwater Management Area (NMMA) of the Santa Maria Groundwater Basin thereby reducing the potential for sea water intrusion, assist in stabilizing the groundwater levels in the NMMA by reducing pumping in the NMMA and increase the reliability of water supply for the four purveyors by providing a diversity of water sources.

The Nipomo Waterline Intertie Project will protect and improve the Nipomo Sub-Area groundwater basin, will deliver high quality drinking water, implement an inter-agency project, protect the groundwater resources for the region, and will help alleviate the groundwater conflicts in the region. As described in the IRWMP, the Nipomo Waterline Intertie Project is consistent with the following San Luis IRWMP objectives:

- Implement Inter-Agency Projects
- Protect and Improve Source Water Quality
- Meet Drinking Water Standards
- Conserve Natural Resources
- Monitor the Region's Groundwater Basins
- Evaluate Groundwater Banking Programs
- Protect Groundwater from Point and Non-Point Pollution
- Groundwater Public Outreach and Education
- Groundwater Conflict Resolution
- Groundwater Recharge with High Quality Water

### **California Water Code Section 525 Compliance**

Both the County and the Nipomo CSD qualify as urban water suppliers and will receive funding from the proposed grant. Both agencies have signed the self certification form for water meter compliance. These are included as Exhibit D in this attachment, and also as originals in the hard copy submittal for Attachment 13.

### **Urban Water Management Planning Act Compliance**

Both the County and the Nipomo CSD qualify as urban water suppliers and will receive funding from the proposed grant. The County prepared a 2005 update for their Urban Water Management Plan (UWMP) which was adopted by the County Board of Supervisors on December 20, 2005 (Resolution No. 2005-431). The County submitted their UWMP to the California Department of Water Resources (DWR) on January 5, 2006. The Nipomo CSD prepared an update for their UWMP on January 25, 2006. The Nipomo CSD submitted their UWMP to the California Department of Water Resources (DWR) and it was received on February 8, 2006. Per DWR's December 31, 2006 legislative report (excerpts included with Exhibit E), both UWMPs were received by DWR but had not yet been reviewed. Although DWR has not yet sent approval letters, the County and the Nipomo CSD fully anticipate having

complete DWR acceptance of their UWMPs before the DWR approves the Proposition 84 Round 1 Implementation Grant Awards. The Tables of Contents for the 2005 UWMP Updates and adoption resolutions are included as Exhibit E.

## **Groundwater Management Plan Compliance**

Of the three projects in the San Luis Obispo County proposal, the Los Osos Community Wastewater Project being implemented by the County and the Nipomo Waterline Intertie Project being implemented by the Nipomo CSD involve groundwater management, groundwater recharge, or have either positive or negative groundwater impacts.

For the Los Osos Community Wastewater Project, the County conforms to the requirements of an adjudication of water rights in the Los Osos Valley Groundwater Basin outlined in an Interlocutory Stipulated Judgment executed in 2007 and included as Exhibit F. In parallel with the wastewater project efforts, and in compliance with the Interlocutory Stipulated Judgment (Exhibit F), the urban water purveyors and the County have agreed to commit both financial and administrative resources to jointly accomplish the following future goals:

1. Establishment of a comprehensive Basin Management Plan that effectively mitigates sea water intrusion and ensures an adequate water supply for the build-out of the community. These management efforts will be guided by previously-completed hydrogeologic studies and planned additional modeling efforts.
2. Implementation of an effective monitoring program that includes routine analysis of physical and chemical data to confirm the validity of modeled basin management solutions.
3. Collaboration with the County on the wastewater project to maximize the safe yield of reclaimed water resources to the benefit of basin stakeholders.

For the Nipomo Waterline Intertie Project, the Nipomo CSD conforms to the requirements of an adjudication of water rights in the Santa Maria Valley Groundwater Basin outlined in a Judgment After Trial filed on January 25, 2008 and included as Exhibit F.

# Exhibit A

BEFORE THE BOARD OF SUPERVISORS  
*of the*  
SAN LUIS OBISPO COUNTY FLOOD  
CONTROL AND WATER CONSERVATION  
DISTRICT

Tuesday December 7, 2010

PRESENT: Supervisors Bruce S. Gibson, Adam Hill, James R. Patterson and  
Chairperson Frank Mecham

ABSENT: Supervisor K.H. 'Katcho' Achadjian

**RESOLUTION NO. 2010-357**

**RESOLUTION DESIGNATING THE DIRECTOR OF PUBLIC WORKS  
AS THE AUTHORIZED REPRESENTATIVE  
TO FILE APPLICATIONS AND EXECUTE AGREEMENTS  
FOR INTEGRATED REGIONAL WATER MANAGEMENT PROGRAM GRANTS**

The following resolution is hereby offered and read:

**WHEREAS**, the State of California has established an Integrated Regional Water Management grant program pursuant to the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Public Resource Code Section 75001 et seq.) (Also known as Proposition 84); and

**WHEREAS**, a Memorandum of Understanding (Attachment 1), which has been signed by the agencies listed in Attachment 2 and who constitute the Regional Water Management Group for the San Luis Obispo County Region as of the date of this resolution, designates the San Luis Obispo County Flood Control and Water Conservation District, as the lead agency, to submit Integrated Regional Water Management grants; and

**WHEREAS**, the Director of Public Works is especially suited to ensure that grant application materials related to water projects are prepared in a complete, efficient, and adequate manner; and

**WHEREAS**, the Director of Public Works has the authority to ensure that projects are carried out in full compliance with the applicable permits and agreements.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** by the Flood Control and Water Conservation District of the County of San Luis Obispo, State of California, that applications be made to the California Department of Water Resources to obtain Integrated Regional Water Management Planning or Implementation Grants pursuant to the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Public Resource Code Section 75001 et seq.), and to enter into agreements to receive grants for the San Luis Obispo County Region's Integrated Regional Water Management Program. The Director of Public Works of the County of San Luis Obispo is hereby authorized and directed to prepare the necessary data, make investigations, file such applications, sign the consent form required for Round 1 Implementation Grant Funding (Attachment 3), and execute grant agreements (approved as to form by County Counsel) with the California Department of Water Resources.

Upon motion of Supervisor Patterson, seconded by Supervisor Gibson, and on the following roll call vote, to wit:

AYES: Supervisors Patterson, Gibson, Hill and Chairperson Mecham

NOES: None

ABSENT: Supervisor K.H. 'Katcho' Achadjian

ABSTAINING: None

the foregoing resolution is hereby adopted.

Frank Mecham  
Chairperson of the Board of Supervisors

ATTEST:

Julie L. Rodewald  
Clerk of the Board of Supervisors

By: /s/Sandy Currens  
Deputy Clerk

APPROVED AS TO FORM AND LEGAL EFFECT:

WARREN R. JENSEN  
County Counsel

By: /s/Patrick J. Foran  
Deputy County Counsel  
Dated: 11/18/2010

STATE OF CALIFORNIA, }  
County of San Luis Obispo,

I, Julie L. Rodewald, County Clerk and ex-officio Clerk of the Board of Supervisors of the San Luis Obispo County Flood Control and Water Conservation District, do hereby certify the foregoing to be a full, true and correct copy of an order made by the Board of Supervisors, as the same appears spread upon their minute book.

WITNESS my hand and the seal of said Board of Supervisors, affixed this 10<sup>th</sup> day of December, 2010.

(SEAL)

County Clerk and Ex-Officio Clerk of the Board  
of Supervisors

By Sandy Currens Deputy Clerk.

**San Luis Obispo County**  
Integrated Regional Water Management Plan  
**Memorandum of Mutual Understandings**

**1. PURPOSE**

The purpose of this MEMORANDUM OF UNDERSTANDING (MOU) is to establish the mutual understandings between San Luis Obispo County Region partners with respect to their joint efforts towards developing an Integrated Regional Water Management Plan (IRWMP) for the San Luis Obispo County Region that will establish a unified vision of the relationships between individual goals of water quality improvement, ecosystem preservation, water supply protection, ground water management, and flood management.

**2. DEFINITIONS**

**2.1 Integrated Regional Water Management Plan (IRWMP).** A comprehensive plan for a defined geographic area, in this case the San Luis Obispo County Region, the specific development, content, and adoption of which shall satisfy requirements of California's IRWM Program and relevant codes. At a minimum, an IRWMP describes the major water-related objectives and conflicts within a region, considers a broad variety of water management strategies, identifies the appropriate mix of water demand and supply management alternatives, water quality protections, and environmental stewardship actions to provide long-term, reliable, and high-quality water supply and protect the environment, and identifies disadvantaged communities in the region and takes the water-related needs of those communities into consideration.

**2.2 San Luis Obispo County Region (Region).** The geographic area, which is coterminous with the San Luis Obispo County and the San Luis Obispo County Flood Control and Water Conservation District boundary, covered by the IRWMP.

**2.3 Local Agency.** Any city, county, city and county, special district, joint powers authority, or other political subdivision of the state, a public utility as defined in Section 216 of the Public Utilities Code, or a mutual water company as defined in Section 2725 of the Public Utilities Code.

**2.4 Regional Water Management Group (RWMG).** A group in which three or more local agencies, at least two of which have statutory authority over water supply or water management, as well as those other persons who may be necessary for the development and implementation of an IRWMP, participate by means of a joint powers agreement, memorandum of understanding, or other written agreement, as appropriate, that is approved by the governing bodies of those local agencies. The Region's RWMG Members are signatories to this MOU and may designate a representative to participate in RWMG activities.

**2.5 Regional Projects or Programs.** Projects or programs to be implemented by signatories of this MOU identified in an IRWMP that accomplish any of the following:

- (a) Reduce water demand through agricultural and urban water use efficiency.
- (b) Increase water supplies for any beneficial use through the use of any of the following, or other, means:
  - (1) Groundwater storage and conjunctive water management.
  - (2) Desalination.
  - (3) Precipitation enhancement.
  - (4) Water recycling.
  - (5) Regional and local surface storage.
  - (6) Water-use efficiency.
  - (7) Stormwater management.
- (c) Improve operational efficiency and water supply reliability, including conveyance facilities, system reoperation, and water transfers.
- (d) Improve water quality, including drinking water treatment and distribution, groundwater and aquifer remediation, matching water quality to water use, wastewater treatment, water pollution prevention, and management of urban and agricultural runoff.
- (e) Improve resource stewardship, including agricultural lands stewardship, ecosystem restoration, flood plain management, recharge area protection, urban land use management, groundwater management, water-dependent recreation, fishery restoration, including fish passage improvement, and watershed management.
- (f) Improve flood management through structural and nonstructural means, or by any other means.

**2.6 Local Projects or Programs.** Cooperative agreements between specific RWMG members for implementation of specific projects or programs that are approved by the RWMG are included in the definition of Regional Projects or Programs.

**2.6 Regional Reports or Studies.** Reports or studies relating to any of the matters described in 3.5 (a) to (f), that are identified in the IRWMP.

**2.7 Service Function.** A water-related individual service function provided by an agency, i.e. water supply, water quality, wastewater, recycled water, water conservation, stormwater/flood control, watershed planning, and aquatic habitat protection and restoration.

**2.8 Integration.** Assembling into one document the water-related management strategies, projects and plans in the Region. The first phase would be to identify water management strategies for the region and the priority projects that demonstrate how these strategies work together to provide reliable water supply, protect or improve water quality, provide watershed protection and planning, and provide environmental restoration protection. Projects and plans would be categorized and opportunities to identify regional benefits of linkages between multiple water management strategies among projects and plans of separate service functions and to see where projects and plans of separate service functions may further

interrelate, e.g. wastewater treatment and water recycling or habitat restoration.

**2.9 Water Resources Advisory Committee (WRAC).** This is the committee comprised of water purveyor, resource conservation district, environmental and agricultural representatives that was originally established in the 1940's to advise the Board of Supervisors for the San Luis Obispo County Flood Control and Water Conservation District (District) on water resource issues. The WRAC meets monthly, with the exception of July and August, and is subject to the Brown Act. The members of the WRAC with the authority to enter into an MOU are the same agencies that would comprise a RWMG to support the region's IRWM planning efforts. Therefore, RWMG Members and other regional stakeholder groups participate in the IRWMP development process by way of presentations to the Water Resources Advisory Committee (WRAC).

### **3. GOALS OF THE IRWMP**

The goals of the IRWMP are to without unfairly burdening communities, neighborhoods, or individuals:

**3.1** Protect and improve water quality for beneficial uses consistent with regional interests and the Basin Plan in cooperation with local and state agencies and regional stakeholders.

**3.2** Improve regional water supply reliability and security, reduce dependence on imported water, reduce water rights disputes and protect watershed communities from drought with a focus on interagency conjunctive use of regional water resources.

**3.3** Protect, enhance and restore the region's natural resources including open spaces; fish, wildlife and migratory bird habitat; special status and native plants; wetlands; estuarine, marine, and coastal ecosystems; streams, lakes, and reservoirs; forests; and agricultural lands.

**3.4** Monitor, protect, and improve the regions groundwater through a collaborative approach designed to reduce conflicts.

**3.5** Develop, fund, and implement an integrated, watershed approach to flood management through a collaborative and community supported process.

### **4. IRWMP PROJECT PARTICIPANTS**

Development and implementation of the Region's IRWMP is a collaborative effort undertaken by the RWMG. The RWMG is being led by the District, in partnership with other signatories to this MOU. The IRWMP will be developed in coordination with the WRAC. However, only regional projects and programs to be implemented by signatories to this MOU will be eligible for grant applications. The signatories entering into this MOU are specifying their shared intent to coordinate and collaborate on water management issues as expressed in Section 3. Goals of the IRWMP and in accordance with Section 5. Mutual Understandings. The

signatories anticipate the potential need for future agreements on specific projects or programs that may be considered for grant applications.

## 5. MUTUAL UNDERSTANDINGS

### 5.1 Need for the Region's IRWMP

5.1.1 To improve communication and cooperation between public and private agencies and minimize conflict-generated solutions.

5.1.2 To enhance our existing water management efforts by increasing stakeholder awareness of important issues, providing more opportunities for collaborative efforts and improving efficiencies in government and water management.

5.1.3 To qualify for state grants and other funding opportunities only available to those regions which have developed an IRWMP.

**5.2 Subject matter scope of the IRWMP.** The IRWMP focuses on water supply, water quality protection and improvement, ecosystem preservation and restoration, groundwater monitoring and management, and flood management as these are the most prevalent water resource issues facing the Region.

**5.3 Geographical scope of the IRWMP.** The Region for this memorandum is coterminous with the boundary of San Luis Obispo County. This is an appropriate geographic region for integrated regional water management planning because it encompasses all aspects of water management generally within the same physical, political, environmental, social, and economic boundaries.

The Salinas Valley Integrated Regional Water Management Plan region borders the Region to the north and the Santa Barbara County IRWMP region border the Region on the South. Coordination with agencies in Kern County developing an IRWMP region at the time of initial execution of this MOU will be important for identifying any water resources issues overlapping with the Region in the future.

Water resources issues that overlap with neighboring regional boundaries are either covered by existing cooperative water management plans (i.e. Nacitone Watershed Management Plan), adjudication (i.e. Santa Maria Groundwater Basin), and operational agreements (i.e. Nacimiento and Salinas Reservoirs), or there is no defining water resource management issue at this time (i.e. Kern County region boundary). All of these items are to be included in the Region's IRWM Plan consistent with the IRWMPs of neighboring regions. The RWMG will continue to coordinate with neighboring regions to address additional water resources issues in our respective IRWMPs.

### 5.4 Approach to developing and implementing the IRWMP

5.4.1 Signatories. Signatories to this MOU, including the District, that make up the RWMG are responsible for the development of the IRWMP.

5.4.2 Lead Agency. The District will act as the lead agency, ultimately responsible for the final production of the Region's IRWMP, presentations to stakeholders, submittal of IRWM grant applications,

execution of grant agreements with the State, and execution of agreements with RWMG members responsible for the implementation of projects that are awarded grants.

5.4.3 RWMG Member Responsibilities. All members, in a timely fashion, will provide information sufficient to meet State guidelines for their regional projects and programs to be included in the IRWMP and participate in the review of the IRWMP. All Members will participate in the process to select IRWMP regional projects and programs for grant applications. Members responsible for the implementation of regional projects and programs awarded grant funding will be responsible, through contract with the District, for complying with the provisions of the District's grant agreement with the State. Members will provide the District with their designated representative's contact information. Members will adopt the IRWMP in accordance with 5.5 and 5.6 below.

5.4.4 Stakeholder Participation. RWMG Members and other regional stakeholder groups participate in the IRWMP development process by way of presentations to the Water Resources Advisory Committee (WRAC). Stakeholders that are not WRAC members will be notified of when an IRWMP item will be reviewed by the WRAC. Sub-regional meetings may be required to ensure all stakeholders, including disadvantaged communities, who may not necessarily be able to attend WRAC meetings, can participate in IRWMP development.

5.4.5 IRWMP Development and Implementation. The Region's IRWMP that was adopted by the District, developed in coordination with and approved by stakeholders in 2005, and updated in 2007, will be the basis for the next and subsequent adopted IRWMPs for the Region. The RWMG will propose changes to the previous versions of the IRWMP to comply with new State guidelines and incorporate new information and projects, for review and approval in accordance with 5.5 and 5.6 below. Since a key element of the IRWM Program is integration, the RWMG will work with other WRAC Members to identify water management strategies for the region and the priority projects that demonstrate how these strategies work together to protect and improve water quality; improve regional water supply reliability and security; protect, enhance and restore the region's natural resources; monitor, protect, and improve the region's groundwater; and develop, fund, and implement an integrated, watershed approach to flood management. Regional projects and programs would be categorized and opportunities to identify regional benefits of linkages between multiple water management strategies among projects and programs of separate service functions and to see where projects and programs of separate service functions may further interrelate, e.g. wastewater treatment and water recycling or habitat restoration.

**5.5 Decision-making.** The WRAC will serve as the main advisor to the RWMG on decisions to be made on the IRWMP. Written consensus will be sought between the representatives of RWMG members in the event the need for a decision arises that cannot be brought forth to the WRAC before a decision needs to be made.

**5.6 Adoption of the IRWMP.** IRWMP approval and adoption will occur by the governing bodies of RWMG Members. IRWMP updates to meet new State guidelines, add new RWMG Members, add or remove regional projects and programs, or other updates to information do not require IRWMP re-adoption. Significant changes to the IRWMP, including revised goals and objectives, revised regional boundaries, or other changes deemed significant by the RWMG, will require re-adoption of the IRWMP.

**5.7 Non-binding nature.** This document and participation in this IRWMP effort are nonbinding, and in no way suggest that a RWMG Member may not continue its own planning and undertake efforts to secure project funding from any source. An agency may withdraw from participation at any time.

**5.8 Personnel and financial resources.** It is expected that RWMG members will contribute the resources necessary to fulfill the responsibilities in 5.4.3 above.

**5.9 Other on-going regional efforts.** Development of the IRWMP is separate from efforts of other organizations to develop water-related plans on a regional basis. As the IRWMP is developed, work products can be shared with these separate efforts to provide them with current information. Cooperative agreements between specific RWMG members for implementation of specific projects or programs are included as attachments to this MOU.

**5.10 Reports and communications.** The WRAC, an IRWM contact list and the District's website will serve as the forum for updates and correspondence relating to the development of the IRWMP.

**5.11 Termination.** Because the IRWMP will require periodic review and updating for use into the future, it is envisioned that the joint efforts of those involved will be ongoing in maintaining a living document. Thus this MOU will remain as a reflection of the understandings of the RWMG Members. As indicated, individual signatories of this MOU may terminate their involvement at any time.

## **6. SIGNATORIES TO THE MEMORANDUM OF MUTUAL UNDERSTANDINGS**

We, the undersigned representatives of our respective agencies, acknowledge the above as our understanding of how the San Luis Integrated Regional Water Management Plan will be developed.

COUNTY OF SAN LUIS OBISPO  
FLOOD CONTROL AND  
WATER CONSERVATION DISTRICT

By: BRUCE S. GIBSON  
Chairman,  
Board of San Luis Obispo County  
Flood Control and  
Water Conservation District

ATTEST:

JULIE L. RODEWALD  
Clerk of the Board of Supervisors

By: *Simon Curran*  
Deputy Clerk

APPROVED AS TO FORM AND LEGAL EFFECT:

WARREN R. JENSEN  
County Counsel

By: *Warren R. Jensen*  
Deputy County Counsel

Dated: 4/10/09

L:\MANAGMNT\APR09\BOS\IRWM MOU FC&WCD 4-21-09.doc.jd.law

San Luis Obispo County Region  
Integrated Regional Water Management Program  
Regional Water Management Group

Memorandum of Understanding Signatories

<b>Agency or Group</b>	<b>MOU Date</b>
Coastal San Luis Resource Conservation District	7/17/2009
San Luis Obispo County	4/21/2009
San Luis Obispo County Flood Control and Water Conservation District	4/21/2009
Los Osos CSD	4/20/2009
City of Morro Bay	10/1/2009
Morro Bay National Estuary Program	12/2/2009
Nipomo CSD	4/9/2009
Oceano CSD	5/27/2009
City of San Luis Obispo	8/18/2009
San Simeon CSD	6/10/2009
Upper Salinas - Las Tablas Resource Conservation District	5/28/2009

Consent Form  
IRWM Plan Update

Applicant: <Enter Name>

IRWM Region: <Enter Name>

RWMG: <Enter Name>

Date of Adoption: <Enter Date>

As the authorized representative of the above-referenced RWMG, I acknowledge and affirm that the RWMG is utilizing an IRWM Plan that was adopted on or before September 30, 2008, to meet part of the grant Eligibility Criteria for the Round 1, Proposition 84 IRWM Grant Program, Implementation Grant solicitation.

I also acknowledge that the RWMG understands that it must enter into a binding agreement with DWR to update, within two years of the execution date of the agreement, the IRWM Plan to meet the IRWM Plan standards contained in the Guidelines; and to undertake all reasonable and feasible efforts to take into account water-related needs of disadvantaged communities in the area within the IRWM region.

I further acknowledge that the RWMG understands that failure to meet the condition listed above may result in termination of the grant agreement by DWR and that DWR may demand the immediate repayment to State of an amount equal to the amount of grant funds disbursed to Grantee prior to such termination.

\_\_\_\_\_  
Name of Authorized Representative

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title of Authorized Representative

\_\_\_\_\_  
Date



Michael Winn  
Chairperson

Sue Luft  
Vice Chairperson

Courtney Howard  
Secretary

Room 207, County Government Center  
San Luis Obispo CA 93401

PH (805) 781-1016  
FAX (805) 788-2182

**Members**

- Steve Sinton  
*District 1*
- Bill Garfinkel  
*District 2*
- Marilee Hyman  
*District 3*
- Michael Winn  
*District 4*
- Della Barrett  
*District 5*
- Chuck Fellows  
*Arroyo Grande*
- Russ Thompson  
*Atascadero*
- Robert Mires  
*Grover Beach*
- Betty Winholtz  
*Morro Bay*
- Christopher Alakel  
*Paso Robles*
- Ted Ehring  
*Pismo Beach*
- John Ashbaugh  
*San Luis Obispo*
- Jim Adams  
*Cambria CSD*
- John D'Ornellas  
*Heritage Ranch CSD*
- Dan Gilmore  
*Los Osos CSD*
- Ed Eby  
*Nipomo CSD*
- Barbara Mann  
*Oceano CSD*
- John Russell  
*San Simeon CSD*
- Mike Ellison  
*San Miguel CSD*
- Jeff Hodge  
*Templeton CSD*
- Linda Chipping  
*Coastal San Luis RCD*
- Tom Mora  
*Upper Salinas RCD*
- Ray Allen  
*Agriculture At-Large*
- Lowell Zelinski  
*Agriculture At-Large*
- Jackie Crabb  
*County Farm Bureau*
- Sue Luft  
*Environmental At-Large*
- Eric Greening  
*Environmental At-Large*
- Annie Gillespie  
*Environmental At-Large*
- John Neil  
*Atascadero MWC*
- Mike Vela  
*California Men's Colony*
- John Reid  
*Camp SLO*
- Edralin Maduli  
*Cuesta College*
- Mark Zimmer  
*Golden State Water*

December 1, 2010

Honorable Frank Mecham  
Chairperson, Board of Supervisors  
County of San Luis Obispo  
976 Osos Street  
San Luis Obispo, CA 93408-2040

Subject: Proposition 84 Round 1 Integrated Regional Water Management  
Implementation Grant Application for the San Luis Obispo County  
Region

Dear Chairperson Mecham:

The County Water Resources Advisory Committee (WRAC) in its July 2010 meeting voted unanimously to support the projects to be included in a Proposition 84 Round 1 Implementation Grant Application for the Integrated Regional Water Management Program for the San Luis Obispo County Region. The WRAC in its December 2010 meeting voted unanimously to recommend that your Board authorize the Director of Public Works to submit the grant application for the San Luis Obispo County Region.

Respectfully,

MICHAEL WINN  
Chairperson, Water Resources Advisory Committee

cc: SLO County Board of Supervisors w/attachments

**Purpose of the Committee:**

To advise the County Board of Supervisors concerning all policy decisions relating to the water resources of the SLO County Flood Control & Water Conservation District. To recommend to the Board specific water resource programs. To recommend methods of financing water resource programs.

*Excerpts from WRAC By-Laws dated 3/6/07*

Assembly  
California Legislature



**KATCHO ACHADJIAN**  
ASSEMBLYMEMBER, THIRTY-THIRD DISTRICT

December 13, 2010

California Department of Water Resources  
Division of Integrated Regional Water Management  
Financial Assistance Branch  
Attn: Mr. Trevor Joseph  
PO Box 942836  
Sacramento, CA 94236-0001

**Subject: Support for the County of San Luis Obispo's Integrated Regional Water Management Plan Grant Application**

Dear Mr. Joseph,

As a member of the California state assembly representing San Luis Obispo County, I write in support of the County of San Luis Obispo Public Works Department (County) in their effort to obtain Integrated Regional Water Management (IRWM) grant funding for their region. Several important integrated water resource projects exist within the County of San Luis Obispo, especially the Los Osos Wastewater Project (LOWWP).

In the 12 years in which I previously served on the San Luis Obispo County Board of Supervisors and in my four years of service on the California Coastal Commission, I have been impressed with the planning and foresight of the County in regard to these projects.

The LOWWP includes Title 22 tertiary treatment, 100% beneficial reuse, and no ocean outfall, making the LOWWP an important water resource project within the Central Coast Region. The LOWWP will be the first wastewater system in the County of San Luis Obispo to implement agricultural reuse. Grant funding will help reduce the burden rate payers in Los Osos are expected to pay, which is currently estimated to be over 4% of Median Household Income.

Thank you for your consideration of San Luis Obispo County's IRWM application as it will address numerous water resource issues within the County of San Luis Obispo.

Sincerely,

A handwritten signature in black ink, appearing to read "Khatchik H. Achadjian".

**KHATCHIK H. "KATCHO" ACHADJIAN**  
33<sup>rd</sup> Assembly District



# California Regional Water Quality Control Board Central Coast Region



**Linda S. Adams**  
Secretary for  
Environmental  
Protection

Internet Address: <http://www.waterboards.ca.gov/centralcoast>  
895 Aerovista Place – Suite 101, San Luis Obispo, CA 93401-7906  
Phone (805) 549-3147 • FAX (805) 543-0397

**Arnold Schwarzenegger**  
Governor

December 22, 2010

California Department of Water Resources  
Division of Integrated Regional Water Management  
Financial Assistance Branch  
Attn: Mr. Trevor Joseph  
PO Box 942836  
Sacramento, CA 94236-0001

Dear Mr. Joseph:

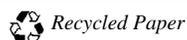
## **LETTER OF SUPPORT FOR THE COUNTY OF SAN LUIS OBISPO'S INTEGRATED REGIONAL WATER MANAGEMENT PLAN GRANT APPLICATION IN ASSOCIATION WITH THE LOS OSOS WASTEWATER PROJECT**

The Central Coast Water Board supports the County of San Luis Obispo Public Works Department (County) in their effort to obtain Integrated Regional Water Management (IRWM) grant funding for this project. Although we understand the County identifies several important integrated water resource projects, we strongly support the Los Osos Wastewater Project (LOWWP).

The community of Los Osos contains approximately 15,000 residences and is located near the Morro Bay National Estuary in San Luis Obispo County. Due to a high density of septic systems in the shallow groundwater area, the upper groundwater aquifer has demonstrated high levels of nitrate and other pollutants. Nitrate in the upper aquifer exceeds safe drinking water levels. As a result, local water purveyors have resorted to drilling deeper wells accessing an uncontaminated lower aquifer, which is now causing seawater intrusion. Currently, the Los Osos community does not have a community wastewater treatment system to address the continued discharge of septic system wastewater.

For many years the Los Osos community, with help from the County as well as the Los Osos Community Services District, has been actively pursuing a wastewater system to address existing septic system discharges and associated groundwater pollution. One of the biggest obstacles to completion of a community wastewater system has been funding. However, the County recently proposed and permitted the LOWWP, which includes Title 22 tertiary treatment allowing for 100 percent beneficial water reuse (i.e., urban and agricultural reuse) and no ocean outfall. The LOWWP will be the first wastewater system in the County of San Luis Obispo to implement an agricultural water

*California Environmental Protection Agency*



reuse program. Grant funding will help reduce the burden rate payers in Los Osos will be expected to pay, which is currently estimated to be over 4% of the median household income criterion.

Construction of the LOWWP is vital to addressing wastewater treatment and is a critical step to facilitate improving the water supply in the community. Please make the funding of the County's IRWM application a top priority, as it will address numerous water resource issues within the County of San Luis Obispo.

Sincerely,

Handwritten signature of Roger W. Briggs in black ink. The signature is cursive and includes the name "Roger W. Briggs" with a small "for" written below the first name.

Roger W. Briggs  
Executive Officer

cc:

Courtney Howard, Water Resources Engineer  
San Luis Obispo County Public Works  
County Government Center, Room 207  
San Luis Obispo, CA 93408

s:\wdr\wdr facilities\san luis obispo collos osos\letter of support irwm (121310).doc

# BOARD OF SUPERVISORS



1055 MONTEREY, ROOM D430 • SAN LUIS OBISPO, CALIFORNIA 93408-1003 • 805.781.5450

December 17, 2010

*FRANK R. MECHAM, Supervisor District One*

*BRUCE GIBSON, Supervisor District Two*

*ADAM HILL, Supervisor District Three*

*KHATCHIK H. "KATCHO" ACHADJIAN, Supervisor District Four*

*JAMES R. PATTERSON, Supervisor District Five*

California Department of Water Resources  
Division of Integrated Regional Water Management  
Financial Assistance Branch  
Attn: Mr. Trevor Joseph  
PO Box 942836  
Sacramento, CA 94236-0001

**Subject: Support for the County of San Luis Obispo's Integrated Regional Water Management Plan Grant Application**

Dear Mr. Joseph,

The Board of Supervisors strongly supports the County of San Luis Obispo Public Works Department (County) in their effort to obtain Integrated Regional Water Management (IRWM) grant funding for their region. Several important integrated water resource projects exist within the County of San Luis Obispo, especially the Los Osos Wastewater Project (LOWWP).

The LOWWP includes Title 22 tertiary treatment, 100% beneficial reuse, and no ocean outfall, making the LOWWP an important water resource project within the Central Coast Region. The LOWWP will be the first wastewater system in the County of San Luis Obispo to implement agricultural reuse. Grant funding will help reduce the burden rate payers in Los Osos are expected to pay, which is currently estimated to be over 4% of Median Household Income.

Please make the funding of the County's IRWM application a top priority, as it will address numerous water resource issues within the County of San Luis Obispo.

Sincerely,

FRANK R. MECHAM, Chairman  
San Luis Obispo County Board of Supervisors

## Coastal San Luis Resource Conservation District

---

545 Main Street, Suite B-1, Morro Bay, CA 93442 805-772-4391

December 17, 2010

California Department of Water Resources  
Division of Integrated Regional Water Management  
Financial Assistance Branch  
Attn: Mr. Trevor Joseph  
PO Box 942836  
Sacramento, CA 94236-0001

RE: San Luis Obispo County Integrated Regional Water Management Program  
(IRWMP) Implementation Grant Application

Dear Mr. Joseph:

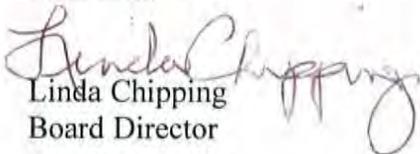
The purpose of this letter is to convey our support for the grant application submitted by the San Luis Obispo County Public Works Department for Integrated Regional Water Management Program grant funding. The County has included projects that address important water resource issues for this region. Among the projects that this grant application includes is the funding for the Zone 1/1A Arroyo Grande Creek Waterway Management Program.

The Coastal San Luis Resource Conservation District has worked closely with the County and the community residents along lower Arroyo Grande Creek for almost ten years. It is an area where the water resource and flood protection issues are very complicated. The County's Program addresses the need to provide flood protection while taking into account the protection and safeguarding of habitat and aquatic species. Funding for this program will be a vital step in addressing those goals.

The San Luis Obispo County application reflects the major commitment that has been made to improve the water resource issues of this county. Support through the IRWMP will provide the ability to move these projects forward.

Thank you for your consideration of San Luis Obispo's application.

Sincerely,

  
Linda Chipping  
Board Director



December 27, 2010

Trevor Joseph  
California Department of Water Resources  
Division of Integrated Regional Water Management  
Financial Assistance Branch  
PO Box 942836  
Sacramento, CA 94236-0001

Subject: Support for the County of San Luis Obispo's Integrated Regional Water Management Plan Grant Application

Dear Mr. Joseph,

The Morro Bay National Estuary Program strongly supports the County of San Luis Obispo Public Works Department (County) in their effort to obtain Integrated Regional Water Management (IRWM) grant funding to support the Los Osos Wastewater Project (LOWWP). The lack of effective wastewater treatment in Los Osos is polluting the groundwater that the community relies on as a sole water supply, and impacting the bay itself, which is recognized as a State and National Estuary because of its biological significance. This project is a top priority for the Estuary Program, and is called out as such in our state and federally approved Comprehensive Conservation and Management Plan for Morro Bay (CCMP).

The LOWWP includes Title 22 tertiary treatment, 100% beneficial reuse, and no ocean outfall, making the LOWWP an important water resource project within the Central Coast Region. Grant funding will help reduce the burden to rate payers in Los Osos, which is currently estimated to be over 4% of Median Household Income. The Estuary Program has contributed \$100,000 of our own limited funds to assist low income residents of Los Osos with the anticipated wastewater project expenses. We strongly encourage your support of the County's grant application for the proposed LOWWP. Grant funding of this project will allow the County to support the disadvantaged community members and fund this project, which will alleviate the ongoing pollution of the Los Osos groundwater basin and the Morro Bay State and National Estuary.

Sincerely,

A handwritten signature in black ink, appearing to read "Adrienne Harris".

Adrienne Harris  
Program Director



SIERRA  
CLUB  
FOUNDED 1892

Santa Lucia Chapter  
P.O. Box 15755  
San Luis Obispo, CA 93406  
(805) 543-8717  
[www.santalucia.sierraclub.org](http://www.santalucia.sierraclub.org)

December 21, 2010

California Department of Water Resources  
Division of Integrated Regional Water Management  
Financial Assistance Branch  
Attn: Mr. Trevor Joseph  
PO Box 942836  
Sacramento, CA 94236-0001

**Subject: Support for the County of San Luis Obispo's Integrated Regional  
Water Management Plan Grant Application**

Dear Mr. Joseph,

The Sierra Club, the nation's oldest and largest grass-roots environmental organization, strongly supports the County of San Luis Obispo in the effort to obtain Integrated Regional Water Management (IRWM) grant funding for our region. Several important integrated water resource projects exist within the County, especially the Los Osos Wastewater Project (LOWWP).

In addition to curbing the pollution of a National Estuary, the LOWWP includes Title 22 tertiary treatment, 100% beneficial reuse, and no ocean outfall, making the LOWWP an important water resource project within the Central Coast Region. The LOWWP will be the first wastewater system in the County of San Luis Obispo to implement agricultural reuse of treated effluent. Grant funding will reduce the burden Los Osos rate payers are expected to pay, which is currently estimated at over 4% of Median Household Income.

Please make the funding of the County's IRWM application a top priority, as it will address numerous water resource issues within the County of San Luis Obispo.

Sincerely,

Andrew Christie  
Chapter Director

# Exhibit B

# NIPOMO COMMUNITY

## BOARD MEMBERS

JAMES HARRISON, PRESIDENT  
LARRY VIERHEILIG, VICE PRESIDENT  
MICHAEL WINN, DIRECTOR  
ED EBY, DIRECTOR  
DAN GADDIS, DIRECTOR



# SERVICES DISTRICT

## STAFF

MICHAEL LEBRUN, INTERIM GENERAL MANAGER  
LISA BOGNUDA, FINANCE DIRECTOR/ASST. GM  
JON SEITZ, GENERAL COUNSEL  
PETER SEVCIK, P.E., DISTRICT ENGINEER

---

148 SOUTH WILSON STREET POST OFFICE BOX 326 NIPOMO, CA 93444 - 0326  
(805) 929-1133 FAX (805) 929-1932 Website address: [ncsd.ca.gov](http://ncsd.ca.gov)

---

January 3, 2011

California Department of Water Resources  
Division of Integrated Regional Water Management  
Financial Assistance Branch  
Attn: Mr. Trevor Joseph  
PO Box 942836  
Sacramento, CA 94236-0001

**SUBJECT: LETTER OF INTENT TO ENTER MOU FOR THE COUNTY OF SAN LUIS OBISPO'S  
INTEGRATED REGIONAL WATER MANAGEMENT PLAN GRANT APPLICATION**

Dear Mr. Joseph:

The Nipomo Community Services District (NCSD) strongly supports the County of San Luis Obispo Public Works Department (County) in their effort to obtain Integrated Regional Water Management (IRWM) grant funding for the region. Several important integrated water resource projects exist within the County of San Luis Obispo, especially the NCSD Waterline Intertie Project.

The NCSD Waterline Intertie Project involves the construction of an interconnect under the Santa Maria River to the City of Santa Maria water system, located in Santa Barbara County, approximately five miles of new waterlines, a pump station and a water tank designed to transport up to 3000 acre-feet of supplemental water from the City of Santa Maria to the Nipomo Mesa Water Conservation Area. The project is designed to:

1. Slow the depletion of the above-sea-level groundwater in storage beneath the Nipomo Mesa Groundwater Management Area (NMMA) of the Santa Maria Groundwater Basin to reduce the potential for sea water intrusion by using supplemental water consistent with the settlement stipulation that was incorporated into the judgment related to the adjudication of the groundwater basin.
2. Assist in stabilizing the groundwater levels in the NMMA by reducing pumping in the NMMA.
3. Augment current water supplies available to the water purveyors on the Nipomo Mesa by 3000 acre-feet per year as follows: NCSD (2169 AFY), Woodlands Mutual Water Company (415 AFY), Golden State Water Company (208 AFY) and Rural Water Company (208 AFY).
4. Increase the reliability of NCSD and regional water purveyor water supplies by providing a diversity of regional water sources.

The Nipomo Community Services District is committed to enter into a Memorandum of Understanding with the County of San Luis Obispo for administration of Proposition 84 grant funds for the construction of Waterline Intertie Project. The MOU will include:

- Roles and responsibilities of County and NCSD for administration of the grant and distribution of the grant funds for the construction of the Waterline Intertie Project consistent with the Proposition 84 grant agreement;
- Interest of the signatories that water resources are responsibly managed and conserved to the extent feasible; and
- Interest of the signatories to coordinate and share information concerning the Waterline Intertie Project.

The Nipomo Community Services District is committed to working with the County of San Luis Obispo and the other regional partners to preserve our precious water and environmental resources.

Please make the funding of the County's IRWM application a top priority, as it will address numerous water resource issues within the County of San Luis Obispo.

Very truly yours,

NIPOMO COMMUNITY SERVICES DISTRICT



Michael LeBrun, P.E.  
Interim General Manager

# Exhibit C

BEFORE THE BOARD OF SUPERVISORS  
of the  
SAN LUIS OBISPO COUNTY FLOOD CONTROL  
AND WATER CONSERVATION DISTRICT

Tuesday December 6, 2005

PRESENT: Supervisors Harry L. Ovitt, Jerry Lenthal, K.H. "Katcho" Achadjian,  
James R. Patterson and Chairperson Shirley Bianchi

ABSENT: None

RESOLUTION NO. 2005-403

RESOLUTION APPROVING THE  
INTERGRATED REGIONAL WATER MANAGEMENT PLAN

The following resolution is hereby offered and read:

**WHEREAS**, the State of California has encouraged the development of Integrated Regional Water Management Plans to address the management of California's water and water dependent resources pursuant to the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Water Code Section 79560 *et seq.*) (Also known as Proposition 50); and

**WHEREAS**, the concepts, direction, and approach to water resource management embodied in the State's guidelines closely match those of the San Luis Obispo County Flood Control and Water Conservation District; and

**WHEREAS**, in order to effectively and efficiently integrate water resource management planning objectives and implementation strategies in the five key water management areas of: Water Supply; Water Quality Protection and Improvement; Ecosystem Preservation and Restoration; Groundwater Monitoring and Management; and Flood Management; and

**WHEREAS**, The Integrated Water Management Plan identifies goals, objectives, strategies and projects designed to improve regional water supply reliability, water recycling, water conservation, water quality improvement, storm water capture and management, flood management, recreation and access, wetlands enhancement and creation, and environmental and habitat protection and improvement.

ESB

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, by the Board of Supervisors of the San Luis Obispo County Flood Control and Water Conservation District, that the Integrated Regional Water Management Plan for the San Luis Region is hereby approved, and further the Director of Public Works of the County of San Luis Obispo is hereby authorized and directed to implement the five-year update plan contained within it.

Upon motion of Supervisor Achadjian, seconded by Supervisor Lenthall, and on the following roll call vote, to wit:

AYES: Supervisors Achadjian, Lenthall, Ovitt, Patterson, Chairperson Bianchi

NOES: None

ABSENT: None

ABSTAINING: None

the foregoing Resolution is hereby adopted.

Philip Bianchi  
Chairperson of the Board of Supervisors

ATTEST:

JULIE L. RODEWALD  
Clerk of the Board of Supervisors

[SEAL] By: C. Christensen Deputy Clerk

APPROVED AS TO FORM AND LEGAL EFFECT:  
JAMES B. LINDHOLM, JR.  
County Counsel

By: James Lindholm  
Deputy County Counsel

Dated: 11/18/05

L:\Environmental\DEC05\BOS\RWMA Adoption Board Resolution.doc.lnd.mh  
STATE OF CALIFORNIA, }  
County of San Luis Obispo, } ss.

The undersigned Deputy Clerk of the Board of Supervisors certifies that, pursuant to Section 26103 of the Government Code, delivery of this document has been made on JAN - 4 2006  
**JULIE L. RODEWALD**  
County Clerk and Ex-Officio Clerk  
of the Board of Supervisors  
By: C. Christensen  
Deputy Clerk

I, JULIE L. RODEWALD, County Clerk and ex-officio Clerk of the Board of Supervisors of the San Luis Obispo County Flood Control and Water Conservation District, do hereby certify the foregoing to be a full, true and correct copy of an order made by the Board of Supervisors, as the same appears spread upon their minute book.

WITNESS my hand and the seal of said Board of Supervisors, affixed this 23rd day of December, 20 05.

(SEAL)

JULIE L. RODEWALD  
County Clerk and Ex-Officio Clerk of the Board of Supervisors

By: \_\_\_\_\_ Deputy Clerk.

C. Christensen

STATE OF CALIFORNIA )  
COUNTY OF SAN LUIS OBISPO ) ss

I, JULIE L. RODEWALD, County Clerk of the above entitled County, and Ex-Officio Clerk of the Board of Supervisors of the San Luis Obispo County Flood Control and Water Conservation District, do hereby certify the foregoing to be a full, true and correct copy of an order entered in the minutes of said Board of Supervisors, and now remaining of record on my office

Witness, my hand and seal of said Flood Control and Water Conservation District this 7/15/08

**JULIE L. RODEWALD**  
County Clerk and Ex-Officio Clerk  
of the Board of Supervisors

By *[Signature]*  
Deputy Clerk



# SAN LUIS OBISPO COUNTY DEPARTMENT OF PUBLIC WORKS

County Government Center, Room 207 • San Luis Obispo, CA 93408 • (805)781-5252

July 26, 2007

Members of the San Luis Obispo County Region  
Integrated Regional Water Management Planning

Subject: IRWM Plan Update

Dear Members of the San Luis Obispo County Region:

Upon direction of Resolution No. 2005-403 of the Board of Supervisors of the San Luis Obispo County Flood Control and Water Conservation District, the governing body of the regional agency authorized to develop, and that has responsibility for implementation of, the Integrated Regional Water Management Plan (Plan) for the San Luis Obispo County Region have implemented the first year tasks identified in the five-year schedule adopted on December 6, 2005.

Plan Year	Fiscal Year	IRWM Plan Update Activities
#1	2006-07	Review the plan's goals, objectives, strategies, and priorities with stakeholders. Amend Plan.
#2	07-08	No later than January 1, 2008, complete the four (4) plan components that are described in the region's Planning Grant proposal.
#3	08-09	Prepare a status report on plan activities and an interim scorecard. Identify alternative strategies that may enhance implementation efforts.
#4	09-10	Evaluate the results of Plan efforts; prepare the scorecard and compare to baseline developed in Plan Year #1.
#5	2010-11	Update the Plan, its goals and objectives, refine integration strategies, rank new priorities, and consider other changes

Consistent with the adopted IRWM Plan, modified goals, objectives, strategies and priorities were presented at a public workshop on May 23, 2007, and comments were incorporated. On July 18, 2007, the Water Resources Advisory Committee, which includes 29 members representing elected officials of all seven cities, other local agencies including the region's community services districts, private water purveyors, agriculture and environmental stakeholders, unanimously approved a motion supporting the updated Plan and the projects being considered for the San Luis Obispo County Region Proposition 50 IRWM implementation grant application (See Section F, Page 4).

Consistent with the adopted IRWM Plan, the District is working to complete the four (4) plan components for incorporation in to the IRWM Plan by no later than January 1, 2008. The four plan components are enhanced studies of the potential for groundwater banking, data enhancement, flood management and regional permitting.

On behalf of the District, I would also like to recognize the efforts of Courtney Howard P.E., who led our efforts.

Sincerely,

  
NOEL KING

Director of Public Works



Michael Winn                      Eric Greening                      Paavo Ogren  
Chairperson                      Vice Chairperson                      Secretary  
Room 207, County Government Center                      PH (805) 781-5269  
San Luis Obispo CA 93401                      FAX (805) 788-2182

**Members**

- Steve Sinton  
*District 1*
- Bill Garfinkel  
*District 2*
- Marilee Hyman  
*District 3*
- Michael Winn  
*District 4*
- Dan O'Grady  
*District 5*
- Chuck Fellows  
*Arroyo Grande*
- George Luna  
*Atascadero*
- John Shoals  
*Grover Beach*
- Betty Winholtz  
*Morro Bay*
- Douglas Monn  
*Paso Robles*
- Kris Vardas  
*Pismo Beach*
- Christine Mulholland  
*San Luis Obispo*
- Ken Weathers  
*Atascadero MWC*
- Henric Szopinski  
*Golden State Water Co.*
- Bryan Bode  
*Cambria CSD*
- John D'Ornellas  
*Heritage Ranch CSD*
- Steve Senet  
*Los Osos CSD*
- Bruce Buel  
*Nipomo CSD*
- Richard Searcy  
*Oceano CSD*
- Bill VanOrden  
*Templeton CSD*
- Linda Chipping  
*Coastal RCD*
- Tom Mora  
*Upper Salinas RCD*
- Chris Long  
*Camp San Luis Obispo*
- Joy Fitzhugh  
*County Farm Bureau*
- Edralin Maduli  
*Cuesta College*
- John Kellerman  
*CA Men's Colony*
- Sue Luft  
*Environmental-at-Large*
- Eric Greening  
*Environmental-at-Large*
- Rev Allen

July 26, 2007

Chairman Jerry Lenthall, District 3  
Supervisor Harry Ovitt, District 1  
Supervisor Bruce Gibson, District 2  
Supervisor "Katcho" Achadjian, District 4  
Supervisor James Patterson, District 5

Subject:                      Integrated Regional Water Management Plan Update for the San Luis Obispo County Region

Dear Supervisors,

The County Water Resources Advisory Committee in its July 2007 meeting voted unanimously to support the update to the Integrated Regional Water Management Plan for the San Luis Obispo County Region.

Respectfully,

**MICHAEL WINN**  
Chair, San Luis Obispo County Water Resources Advisory Committee

**Purpose of the Committee:**

To advise the County Board of Supervisors concerning all policy decisions relating to the water resources of the SLO County Flood Control & Water Conservation District. To recommend to the Board specific water resource programs. To recommend methods of financing water resource programs.

# NIPOMO COMMUNITY

## BOARD MEMBERS

MICHAEL WINN, PRESIDENT  
LARRY VIERHEILIG, VICE PRESIDENT  
CLIFFORD TROTTER, DIRECTOR  
ED EBY, DIRECTOR  
JAMES HARRISON, DIRECTOR



# SERVICES DISTRICT

## STAFF

BRUCE BUEL, GENERAL MANAGER  
LISA BOGNUDA, ASSISTANT ADMINISTRATOR  
JON SEITZ, GENERAL COUNSEL

---

148 SOUTH WILSON STREET POST OFFICE BOX 326 NIPOMO, CA 93444 - 0326  
(805) 929-1133 FAX (805) 929-1932 Website address: NCSD.CA.GOV

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July 26, 2007

Ms. Courtney Howard  
SLO County Public Works Dept.  
SLO County Government Center  
San Luis Obispo, CA 93408

**SUBJECT:** NCSD SUPPORT FOR 2007 SLO COUNTY IRWMP UPDATE

Dear Courtney,

The NCSD Board of Directors on July 26, 2007 voted unanimously to endorse the 2007 SLO County Integrated Regional Water Management Plan Update and agreed that they would participate in either a Proposition 50 or Proposition 84 Grant Program resulting from submission of the Update to the State.

If you have any comments, please don't hesitate to call me.

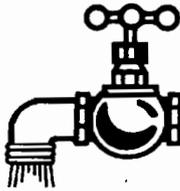
Sincerely,

NIPOMO COMMUNITY SERVICES DISTRICT

Bruce Buel  
General Manager

CC: NCSD Board of Directors  
Chronological File

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5005 EL CAMINO REAL • P.O. BOX 6075 • ATASCADERO, CA 93423 • (805) 466-2428

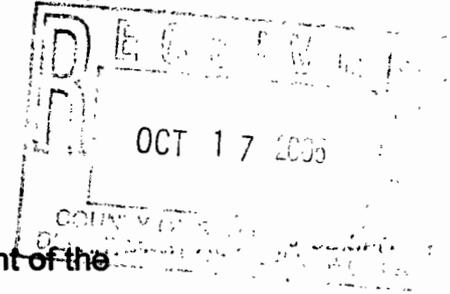
NE

# Atascadero Mutual Water Company

ESTABLISHED 1913

October 12, 2005

San Luis Obispo County Board of Supervisors  
County Government Center, Room 207  
San Luis Obispo, CA 93408



Subject: Atascadero Mutual Water Company Endorsement of the  
Integrated Regional Water Management Plan

Honorable Board Members,

At our meeting of October 12, 2005, the Atascadero Mutual Water Company Board of Directors passed a motion endorsing the County Flood Control and Water Conservation District Integrated Regional Water Management Plan. We sincerely appreciate the substantial effort put forth by County staff in the preparation of the plan.

Sincerely,

D. Frank Platz, President

City of  
Arroyo Grande



**PUBLIC WORKS**

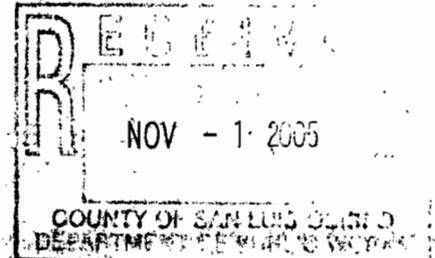
October 31, 2005

P.O. Box 550  
208 East Branch Street  
Arroyo Grande, CA 93421  
Phone: (805) 473-5440 Engineering  
FAX: (805) 473-5443

1375 Ash Street  
Phone: (805) 473-5460 Corp. Yard  
FAX: (805) 473-5462

E-Mail: [agcity@arroyogrande.org](mailto:agcity@arroyogrande.org)

Mr. Frank Honeycutt  
Senior Engineer  
Hydraulic Planning Department  
County of San Luis Obispo  
County Government Center  
1050 Monterey Street, Room 207  
San Luis Obispo, CA 93408



Subject: Integrated Regional Water Management Plan

Dear Mr. Honeycutt:

On October 11, 2005 the Arroyo Grande City Council considered the draft Integrated Regional Water Management Plan. Overall the Council was appreciative of your presentation highlighting the issues identified in the plan. As part of the Council's review, they would like to include additional steps to be taken by the City to address current water needs. Please add the following text to the paragraph regarding Arroyo Grande on page 15.

The City of Arroyo Grande is aggressively pursuing options to expand their supply. Among the options considered is participating in the Nacimiento Water Project, a new desalination facility, participation in the State Water Project, using reclaimed water, new ground water well, tiered water rate structure and participation in a ground water study.

With this modification, the City Council supports the plan and submittal of applications for Proposition 50 grant funding.

Thank you again for your presentation. If you have any questions, please give me a call.

Sincerely,

Don Spagnolo, P.E.  
Director of Public Works/City Engineer

C: City Manager  
Director of Administrative Services



# City of Grover Beach

---

Mayor John P. Shoals Mayor Pro Tem Larry Versaw  
Council Member Chuck Ashton, Council Member David Ekbohm, Council Member Stephen C. Lieberman

October 18, 2005

San Luis Obispo County Board of Supervisors  
1055 Monterey Street, Room D-430  
San Luis Obispo, CA 93408

**SUBJECT: CITY OF GROVER BEACH ENDORSEMENT OF THE  
INTEGRATED REGIONAL WATER MANAGEMENT (IRWM) PLAN**

Honorable Chair and Board Members:

At our regular meeting of October 17, 2005, the Grover Beach City Council passed a motion endorsing the County Flood Control and Water Conservation District Integrated Regional Water Management (IRWM) Plan.

The presentation of the plan by Frank Honeycutt, Water Resources Engineer for San Luis Obispo County Public Works, was very informative and thorough. It was further noted that in the event the Los Osos Wastewater Project is found to be no longer eligible for grant funding, it would have no impact the City Council's endorsement of the *entire* IRWM Plan.

We sincerely appreciate the substantial effort put forth by County staff in the preparation of the IRWM Plan.

Sincerely,

  
JOHN P. SHOALS  
Mayor  
City of Grover Beach

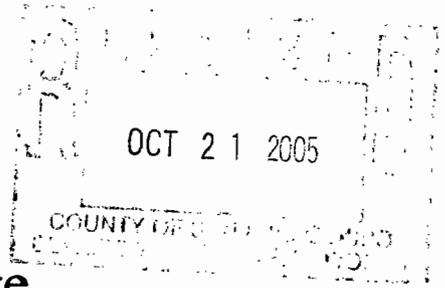
c: Paavo Ogren, Deputy Director, Public Works, County of SLO  
Frank Honeycutt, Water Resources Engineer, Public Works, County of SLO

---

154 South Eighth Street ♦ Grover Beach, California 93433 ♦ FAX (805) 489-9657 ♦ [www.grover.org](http://www.grover.org)

---

Administrative Svs./Water (805) 473-4550 ♦ Community Development - Building, Planning & Public Works (805) 473-4570  
Parks & Recreation (805) 473-4580 ♦ Human Resources (805) 473-4564 ♦ City Clerk (805) 473-4568  
City Council/City Manager (805) 473-4567 ♦ Police Administration (805) 473-4511 ♦ Fire Administration (805) 473-4590



**Transmittal Page**

**To:** Frank Honeycutt  
County Public Works

**From:** George Milanés/Margaret Falkner  
LOCSD Utilities Department

**Date:** September 15, 2005

<b>Number of Copies</b>	<b>Date of Document</b>	<b>Description</b>
1 Original	October 11, 2005	Resolution of LOCSD Board to Endorse County of San Luis Obispo Integrated Regional Water Management Plan

RESOLUTION NO.2005 - 38

A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE LOS OSOS COMMUNITY SERVICES DISTRICT  
TO ENDORSE THE COUNTY OF SAN LUIS OBISPO  
INTEGRATED REGIONAL WATER MANAGEMENT PLAN

WHEREAS, the Board recognizes the need to support the coordination with the state wide water planning efforts (i.e. California Water Plan) by seeking to align a regional roadmap for achieving sustainable water resource management with the State's Roadmap to 2030; and

WHEREAS, the Board desires to promote a strategic plan for sustainable water resource management to meet human and environmental needs, that are current and projected out into the future; and

WHEREAS, the Board acknowledges the inherent need to construct the Wastewater Project in conjunction with the development of a sustainable Ground Water Management Plan for the community; and

WHEREAS, the Board realizes the importance of a balanced approach to water resource management that will continue to rely on long-term strategies that integrate interagency and stakeholder partnerships, environmental needs with regional water reliability needs and, efficient resource management objectives and strategies, including conservation, water recycling and emergency response provisions;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE LOS OSOS COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER THE ENDORSEMENT OF THE COUNTY OF SAN LUIS OBISPO INTEGRATED REGIONAL WATER MANAGEMENT PLAN:

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

AYES: Directors Senet, Cesena, Tacker, Fouche, Schieker  
NOES: None  
ABSENT: None  
CONFLICTS: None

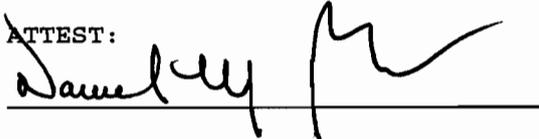
The foregoing resolution is hereby passed, approved and adopted by the Board of Directors of the Los Osos Community Services District this 11th day of October 2005.



---

Lisa Schicker, President  
Board of Directors  
Los Osos CSD

ATTEST:



---

Daniel Bleskey, Interim General Manager  
and Secretary to the Board

# NIPOMO COMMUNITY



# SERVICES DISTRICT

**BOARD MEMBERS**

LARRY VIERHEILIG, PRESIDENT  
ED EBY, VICE PRESIDENT  
JUDITH WIRSING, DIRECTOR  
CLIFFORD TROTTER, DIRECTOR  
MICHAEL WINN, DIRECTOR

**STAFF**

MICHAEL LeBRUN, GENERAL MANAGER  
LISA BOGNUDA, ASSISTANT ADMINISTRATOR  
DAN MIGLIAZZO, UTILITY SUPERVISOR  
JON SEITZ, GENERAL COUNSEL

*Celebrating 40 Years of Service 1965-2005*

---

148 SOUTH WILSON STREET POST OFFICE BOX 326 NIPOMO, CA 93444 - 0326  
(805) 929-1933 FAX (805) 929-1932 Website address NipomoCSD.com

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October 12, 1005

Board of Supervisors  
San Luis Obispo County  
County Government Center, Room 207  
San Luis Obispo, CA 93406

**SUBJECT: NIPOMO COMMUNITY SERVICES DISTRICT ENDORSEMENT OF THE  
INTEGRATED REGIONAL WATER MANAGEMENT PLAN**

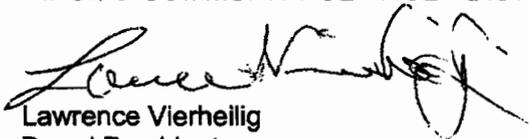
Honorable Board Members:

At our regular meeting of October 12, 2005, the Nipomo Community Services District Board of Directors unanimously passed a motion endorsing the County Flood Control and Water Conservation District Integrated Regional Water Management (IRWM) Plan. The presentation of the plan by County staff was very informative and thorough. Approval of Proposition 50 funding for this plan would be of significant importance in settling the water litigation in the South County Region.

We sincerely appreciate the substantial effort put forth by County staff in the preparation of the IRWM Plan.

Sincerely,

NIPOMO COMMUNITY SERVICES DISTRICT

  
Lawrence Vierheilig  
Board President



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

OFFICE OF THE  
MAYOR

October 31, 2005

San Luis Obispo County Board of Supervisors  
County Government Center, Room 207  
San Luis Obispo, California 93408

**SUBJECT: City of Paso Robles Endorsement of the Integrated Regional Water Management Plan.**

Honorable Board Members:

At our regular meeting of October 18, 2005, the Paso Robles City Council passed a motion endorsing the County Flood Control and Water Conservation District Integrated Regional Water Management Plan. We appreciate the effort put forth by County staff in the preparation of the Plan and we look forward to continued interagency cooperation.

Sincerely

Frank Mecham  
Mayor

TO: Frank Honeycutt  
From: B. Hagema  
Fax: 788-2182

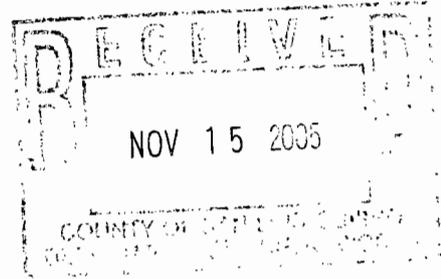


HH

**City of Pismo Beach**  
760 Mattie Road  
Pismo Beach, CA 93449  
(805) 773-4657

November 1, 2005

San Luis Obispo County Board of Supervisors  
County Government Center, Room 207  
San Luis Obispo, CA 93408



**Subject: City of Pismo Beach Endorsement of the  
Integrated Regional Water Management Plan**

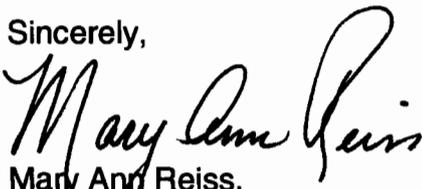
Honorable Board Members,

At our regular meeting of November 1, 2005, the Pismo Beach City Council passed a motion endorsing the County Flood Control and Water Conservation District Integrated Regional Water Management (IRWM) Plan. The presentation of the plan by your Public Works Department representative was very informative and thorough. We sincerely appreciate the effort put forth by County staff in the preparation of this Plan.

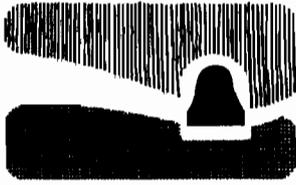
We are supportive of the Plan and the potential to receive favorable consideration for Proposition 50 funds, approved by the voters in 2002.

Thank you.

Sincerely,

  
Mary Ann Reiss,  
Mayor, City of Pismo Beach

cc: Frank Honeycutt, County Public Works Department  
Dennis Delzeit, City of Pismo Beach Public Works Director



# city of san luis OBISPO

990 Palm Street, San Luis Obispo, CA 93401-3249

September 26, 2005

San Luis Obispo County Board of Supervisors  
County Government Center, Room 207  
San Luis Obispo, CA 93408

Subject: City of San Luis Obispo Endorsement of the  
Integrated Regional Water Management Plan

Honorable Board Members,

At our regular meeting of September 20, 2005, the San Luis Obispo City Council passed a motion endorsing the County Flood Control and Water Conservation District Integrated Regional Water Management (IRWM) Plan. The presentation of the plan by Paavo Ogren, Deputy Director of Public Works for the County, was very informative and thorough. We sincerely appreciate the substantial effort put forth by County staff in the preparation of the IRWM Plan.

Sincerely,

David F. Romero, Mayor  
City of San Luis Obispo

cc: City Council, Ken Hampian, Paavo Ogren



FH

TEMPLETON COMMUNITY SERVICES DISTRICT

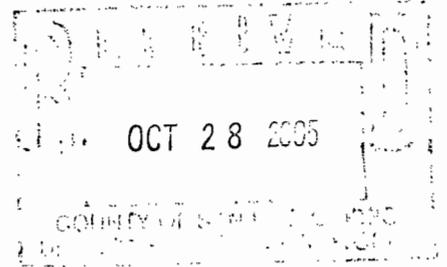
BOARD OF DIRECTORS  
John T. Gannon, President  
Robert Bergman, Vice-President  
David Brooks, Director  
Judy Dietch, Director  
Kevin Hunt, Director



STAFF  
William Van Orden, General Manager  
Laurie A. Ion, Administrative &  
Recreation Supervisor  
Jay Short, Utilities Supervisor  
Greg O'Sullivan, Fire Chief

P.O. Box 780 • 420 Crocker Street • Templeton, California 93465 • FAX (805) 434-4820 • (805) 434-4900

October 25, 2005



San Luis Obispo County Board of Supervisors  
County Government Center, Room 207  
San Luis Obispo, CA 93408

RE: Templeton Community Services District Endorsement of  
the Integrated Regional Water Management Plan

Honorable Board Members,

At our regular meeting of Tuesday, October 25, 2005, the Board of Directors of the Templeton Community Services District passed a motion endorsing the County Flood Control and Water Conservation District Integrated Regional Water Management (IRWM) Plan. The presentation of the plan by Frank Honeycutt, of the Public Works Department for the County, was very informative and thorough. We sincerely appreciate the substantial effort put forth by County staff in the preparation of the IRWM Plan.

Sincerely,

John T. Gannon, Jr. President  
Templeton CSD Board of Directors

JTG:lai



**American Society of Civil Engineers**

**San Luis Obispo Branch**

107 Capanna Court, Pismo Beach, CA 93449

Phone (805) 756-1166

Web Site: [www.asceslo.org](http://www.asceslo.org)

**San Luis Obispo  
Branch Officers**

Ed Sullivan  
*President*

Jeff Werst  
*President-Elect*

Courtney Howard  
*Vice President*

Nola Engelskirger  
*Secretary*

Greg Ray  
*Treasurer*

Thomas Korman  
*Newsletter Editor*

Nicholas Fanger  
*Assistant Editor*

Thomas Korman  
*Membership Chair*

Kari Wagner  
*Historian*

Valerie Beard  
*Past President*

November 21, 2005

Frank Honeycutt  
San Luis Obispo County Public Works Department  
County Government Center, Room 207  
San Luis Obispo, CA 93408

Dear Mr. Honeycutt,

On behalf of this year's ASCE San Luis Obispo Branch Officers, I would like to extend a warm thank you for speaking at the October meeting - San Luis Integrated Regional Water Management (IRWM) Plan.

Your presentation on the IRWM was very interesting. It was intriguing to learn about the trends in water resource management. The combined plan for water supply, flood control, and habitat preservation makes a lot of sense.

How we manage our water resources is a topic of vital importance in our county. Your discussion was timely and we thank you again for taking the time to share your project experience with our ASCE lunch group.

Sincerely,

Nola Engelskirger  
Secretary, 2005-06



# Exhibit D

California State Water Resources Control Board  
California Department of Water Resources  
California Department of Public Health



**CERTIFICATION FOR  
COMPLIANCE WITH WATER METERING REQUIREMENTS  
FOR FUNDING APPLICATIONS**

Funding Agency name: California Department of Water Resources  
Funding Program name: Integrated Regional Water Management Program  
San Luis Obispo County Flood Control and Water Conservation  
Applicant (Agency name): District  
Project Title (as shown on application form): San Luis Obispo County Integrated Proposal  
Los Osos Wastewater and Flood Control Zone 1/1A Waterway Management Program Projects

Please check one of the boxes below and sign and date this form.

As the authorized representative for the applicant agency, I certify under penalty of perjury under the laws of the State of California, that the agency is not an urban water supplier, as that term is understood pursuant to the provisions of section 529.5 of the Water Code.

As the authorized representative for the applicant agency, I certify under penalty of perjury under the laws of the State of California, that the applicant agency has fully complied with the provisions of Division 1, Chapter 8, Article 3.5 of the California Water Code (sections 525 through 529.7 inclusive) and that ordinances, rules, or regulations have been duly adopted and are in effect as of this date.

I understand that the Funding Agency will rely on this signed certification in order to approve funding and that false and/or inaccurate representations in this Certification Statement may result in loss of all funds awarded to the applicant for its project. Additionally, for the aforementioned reasons, the Funding Agency may withhold disbursement of project funds, and/or pursue any other applicable legal remedy.

Paavo Ogren  
Name of Authorized Representative  
(Please print)

Paavo Ogren  
Signature

Director of Public Works  
Title

12/16/2010  
Date

California State Water Resources Control Board  
California Department of Water Resources  
California Department of Public Health



**CERTIFICATION FOR  
COMPLIANCE WITH WATER METERING REQUIREMENTS  
FOR FUNDING APPLICATIONS**

In 2004, Assembly Bill 2572 added section 529.5 to the Water Code, providing that, commencing January 1, 2010, urban water suppliers must meet certain volumetric pricing and water metering requirements in order to apply for permits for new or expanded water supply, or state financial assistance for the following types of projects:

1. wastewater treatment projects
2. water use efficiency projects (including water recycling projects)
3. drinking water treatment projects

For the purposes of compliance with Section 529.5, a "water use efficiency project" means an action or series of actions that ensure or enhance the efficient use of water or result in the conservation of water supplies.

**Please consult with your legal counsel and review sections 525 through 529.7 of the Water Code before completing this certification.**

Applicants Affected

This requirement applies to urban water suppliers.

*"Urban water supplier" means a supplier, either publicly or privately owned, providing water for municipal purposes either directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually. An urban water supplier includes a supplier or contractor for water, regardless of the basis of right, which distributes or sells for ultimate resale to customers.*

When Certification is Required

State Water Resources Control Board (SWRCB): The application for financial assistance must include a completed and signed certification form demonstrating compliance with the water metering requirements.

Department of Water Resources (DWR) funding applications: This certification must be completed and submitted with the funding application. Check the specific proposal solicitation package for directions on applicability and submittal instructions.

Department of Public Health (DPH) Safe Drinking Water State Revolving Fund Program: This certification must be completed and submitted with the executed Notice of Acceptance of Application (NOAA).

California State Water Resources Control Board  
California Department of Water Resources  
California Department of Public Health



**CERTIFICATION FOR  
COMPLIANCE WITH WATER METERING REQUIREMENTS  
FOR FUNDING APPLICATIONS**

Funding Agency name: California Department of Water Resources

Funding Program name: Integrated Regional Water Management Program  
San Luis Obispo County Flood Control and Water Conservation

Applicant (Agency name): District

Project Title (as shown on application form): San Luis Obispo County Integrated Proposal

Nipomo Community Services District - Nipomo Waterline Intertie Project

Please check one of the boxes below and sign and date this form.

As the authorized representative for the applicant agency, I certify under penalty of perjury under the laws of the State of California, that the agency is not an urban water supplier, as that term is understood pursuant to the provisions of section 529.5 of the Water Code.

As the authorized representative for the applicant agency, I certify under penalty of perjury under the laws of the State of California, that the applicant agency has fully complied with the provisions of Division 1, Chapter 8, Article 3.5 of the California Water Code (sections 525 through 529.7 inclusive) and that ordinances, rules, or regulations have been duly adopted and are in effect as of this date.

I understand that the Funding Agency will rely on this signed certification in order to approve funding and that false and/or inaccurate representations in this Certification Statement may result in loss of all funds awarded to the applicant for its project. Additionally, for the aforementioned reasons, the Funding Agency may withhold disbursement of project funds, and/or pursue any other applicable legal remedy.

Michael LeBrun  
Name of Authorized Representative  
(Please print)

Michael LeBrun  
Signature

General Manager - NCSO  
Title

12/17/0  
Date

# Exhibit E

Urban water supplier (1)	Did the supplier submit a plan? (2)	Date supplier submitted a plan (3)	Did DWR finish its review as of 12/30/06? (4)	Is the plan complete? (5)	Date water supplier informed* (6)
Riverside City of	Yes	12/29/2005	No		
Riverside Highland Water Company	Yes	12/2 /2005	No		
Rohnert Park City of	No				
Rosamond Community Service District	Yes	12/23/2005	No		
Roseville City of	Yes	4 /5 /2006	No		
Rowland Water District	Yes	12/22/2005	No		
Rubidoux Community Service District	No				
Rubio Canyon Land and Water Association	Yes	12/27/2005	Yes	No	N/A
Sacramento City of	Yes	11/29/2006	No		
Sacramento County Water Agency	Yes	12/21/2005	Yes	Yes	8/22/2006
Sacramento Suburban Water District	Yes	12/22/2005	Yes	Yes	7/28/2006
San Benito County Water District	No				
San Bernardino City of	Yes	12/29/2005	No		
San Bernardino County - Service Area 64	No				
San Bernardino County - Service Area 70	No				
San Bruno City of	No				
San Buenaventura City of	Yes	1 /1 /2006	No		
San Clemente City of	Yes	12/22/2005	Yes	No	N/A
San Diego City of	Yes	10/23/2006	No		
San Diego County Water Authority	Yes	12/15/2005	Yes	No	N/A
San Dieguito Water District	Yes	1 /3 /2006	No		
San Fernando City of	Yes	2 /22/2006	No		
San Francisco Public Utilities Commission	Yes	12/27/2005	Yes	Yes	9/6/2006
San Gabriel County Water District	Yes	12/30/2005	Yes	No	N/A
San Gabriel Valley Fontana Municipal Water District	Yes	1 /30/2006	No		
San Gabriel Valley Water Company	Yes	11/23/2006	No		
San Jacinto City of	Yes	4 /26/2006	No		
San Joaquin County - Public Works	No				
San Jose City of	Yes	12/19/2005	Yes	Yes	7/13/2006
San Jose Water Company	Yes	11/16/2005	Yes	Yes	10/24/2006
San Juan Capistrano City of	Yes	12/14/2005	Yes	Yes	12/4/2006
San Juan Water District	Yes	12/27/2005	Yes	Yes	12/5/2006
San Lorenzo Valley Water District	No				
San Luis Obispo City of	Yes	1 /5 /2006	No		
San Luis Obispo County - Flood Control & Water Conservation District Zone 3	Yes	1 /9 /2006	No		
Sanger City of	Yes	1 /6 /2006	Yes	No	11/14/2006
Santa Ana City of	Yes	12/2 /2005	Yes	No	N/A
Santa Barbara City of	Yes	1 /3 /2006	Yes	No	10/5/2006
Santa Clara City of	Yes	12/1 /2005	Yes	Yes	11/7/2006
Santa Clara Valley Water District	Yes	11/10/2005	Yes	Yes	8/22/2006
Santa Cruz City of	Yes	3 /14/2006	Yes	Yes	12/27/2006
Santa Fe Irrigation District	Yes	12/29/2005	No		

Urban water supplier (1)	Did the supplier submit a plan? (2)	Date supplier submitted a plan (3)	Did DWR finish its review as of 12/30/06? (4)	Is the plan complete? (5)	Date water supplier informed* (6)
Manhattan Beach City of	Yes	2 /9 /2006	No		
Manteca City of	Yes	3 /27/2006	No		
Marin Municipal Water District	Yes	1 /23/2006	Yes	Yes	12/15/2006
Marina Coast Water District	Yes	1 /9 /2006	Yes	No	N/A
Martinez City of	Yes	1 /18/2006	No		
McKinleyville Community Service District	Yes	1 /3 /2006	No		
Menlo Park City of	Yes	9 /29/2006	No		
Merced City of	Yes	7 /17/2006	No		
Mesa Consolidated Water District	Yes	12/19/2005	No		
Metropolitan Water District of Southern California	Yes	12/8 /2005	No		
Mid-Peninsula Water District	Yes	2 /3 /2006	No		
Millbrae City of	Yes	12/21/2005	No		
Milpitas City of	Yes	1 /6 /2006	No		
Mission Springs Water District	Yes	2 /14/2006	No		
Modesto City of	No				
Modesto Irrigation District	No				
Mojave Water Agency	Yes	12/27/2005	No		
Monrovia City of	No				
Monte Vista Water District	Yes	1 /13/2006	No		
Montebello Land and Water Company	Yes	12/27/2005	No		
Montecito Water District	Yes	10/12/2006	No		
Monterey Park City of	Yes	7 /28/2006	No		
Morgan Hill City of	Yes	12/7/2006	No		
Morro Bay City of	Yes	12/5 /2006	No		
Moulton Niguel Water District	Yes	12/19/2005	Yes	No	N/A
Mountain View City of	Yes	12/22/2005	Yes	Yes	8/15/2006
Municipal Water District of Orange County	Yes	12/28/2005	Yes	No	N/A
Myoma Dunes Mutual Water Company	No				
Napa City of	Yes	2 /6 /2006	Yes	No	N/A
Nevada Irrigation District	Yes	1 /30/2006	Yes	No	N/A
Newhall County Water District	Yes	12/6 /2005	Yes	No	N/A
Newport Beach City of	Yes	12/29/2005	No		
<b>Nipomo Community Services District</b>	<b>Yes</b>	<b>2 /8 /2006</b>	<b>No</b>		
Norco City of	No				
North Coast County Water District	Yes	2 /9 /2006	Yes	No	N/A
North Marin Water District	Yes	3 /27/2006	No		
North of The River Municipal Water District	Yes	1 /9 /2006	Yes	No	11/14/2006
North Tahoe Public Utility District	No				
Norwalk City of	Yes	1 /24/2006	No		
Oakdale City of	No				
Oceanside City of	Yes	1 /11/2006	No		
Oildale Mutual Water Company	Yes	12/30/2005	Yes	No	5/22/2006
Olivehurst Public Utilities District	No				

**BEFORE THE BOARD OF SUPERVISORS**  
*of the*  
**SAN LUIS OBISPO COUNTY FLOOD CONTROL  
AND WATER CONSERVATION DISTRICT**

Tues day December 20, 2005

PRESENT: Supervisors Harry L. Ovitt, Jerry Lenthall, K.H. "Katcho" Achadjian,  
James R. Patterson and Chairperson Shirley Bianchi

ABSENT: None

**RESOLUTION NO. 2005-431**

**RESOLUTION ADOPTING THE 2005 URBAN WATER MANAGEMENT PLAN  
FOR THE SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER  
CONSERVATION DISTRICT ZONE 3 (LOPEZ RESERVOIR) AS REQUIRED BY THE  
CALIFORNIA URBAN WATER MANAGEMENT PLANNING ACT,  
CALIFORNIA WATER CODE DIVISION 6, PART 2.6**

The following resolution is now offered and read:

**WHEREAS** the California Legislature enacted Assembly Bill 797 (Water Code Section 10610 et seq., known as the Urban Water Management Planning Act) during the 1983-84 Regular Session, and as amended subsequently, which mandates that every retail and wholesale water supplier providing water for municipal purposes to more than 3,000 customers or supplying more than 3,000 acre feet of water annually, prepare an Urban Water Management Plan, the primary objective of which is to plan for the conservation and efficient use of water; and

**WHEREAS** the San Luis Obispo County Flood Control and Water Conservation District, Zone 3 is an urban water wholesaler providing water to a population of over 49,000; and

**WHEREAS** the Plan must be adopted by December 31, 2005, after public review and hearing, and filed with the California Department of Water Resources within thirty days of adoption; and

**WHEREAS** the County has therefore contracted with a consultant to prepare a draft Urban Water Management Plan for the Flood Control and Water Conservation District, Zone 3; and

**WHEREAS** the County circulated said Plan among local retail water suppliers contracted to receive water from Lopez Reservoir; and

**WHEREAS** the County conducted a properly noticed public hearing regarding said Plan on Tuesday, November 17, 2005; and

**WHEREAS** the County shall file said Plan with the California Department of Water Resources by January 20, 2006;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the San Luis Obispo County Flood Control and Water Conservation District, Zone 3:

B-23  
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1. That the 2005 Urban Water Management Plan is hereby approved.
2. That the Manager of the Utilities Division of the San Luis Obispo County Flood Control and Water Conservation District is hereby authorized and directed to submit the 2005 Urban Water Management Plan to the Department of Water Resources within 30 days of execution of this Resolution.

Upon motion of Supervisor Achadjian, seconded by Supervisor Lenthall, and on the following roll call vote, to wit:

AYES: Supervisors Achadjian, Lenthall, Ovitt, Patterson, Chairperson Bianchi

NOES: None

ABSENT: None

ABSTAINING: None

the foregoing Resolution is hereby adopted.

SHIRLEY BIANCHI

Chairperson of the Board of Supervisors of the San Luis Obispo County Flood Control and Water Conservation District

ATTEST:

JULIE L. RODEWALD  
 Clerk of the Board of Supervisors  
 By: C.M. CHRISTENSEN Deputy Clerk  
 [SEAL]

APPROVED AS TO FORM AND LEGAL EFFECT:

JAMES B. LINDHOLM, JR.  
 County Counsel  
 By: *James Lindholm, Jr.*  
 Deputy County Counsel

Dated: 11/22/05  
 L:\UTILITY\DEC05\UWMP RESOLUTION NO.DOC.FH:CAH

STATE OF CALIFORNIA, }  
 County of San Luis Obispo, } ss.

I, JULIE L. RODEWALD, County Clerk and ex-officio Clerk of the Board of Supervisors of the San Luis Obispo County Flood Control and Water Conservation District, do hereby certify the foregoing to be a full, true and correct copy of an order made by the Board of Supervisors, as the same appears spread upon their minute book.

WITNESS my hand and the seal of said Board of Supervisors, affixed this 21st day of December, 2005.

(SEAL)

JULIE L. RODEWALD  
 County Clerk and Ex-Officio Clerk of the Board of Supervisors  
 By: *Cmchristensen*  
 Deputy Clerk.

B-23  
 6



**SAN LUIS OBISPO COUNTY**  
**Department of Public Works**  
**Utility Division**

County Government Center, Room #207  
San Luis Obispo, CA 93408

<b>To:</b>	<b>Dave Todd</b> Office of Water Use Efficiency 901 P Street, Room 313A Sacramento, Ca 95814	<b>From:</b>	<b>Jeff Werst</b> TEL - 805.781.4480 FAX - 805.788.2182 Email - Jwerst@co.slo.ca.us
<b>Co:</b>		<b># of pages:</b>	<b>(Including cover sheet):</b>
<b>FAX:</b>	N/A	<b>Date:</b>	January 5, 2006
<b>Phone:</b>	916-651-7027		

Urgent     FYI     Please Comment     Please Reply     Please Call

**Mr Todd:**

In accordance with your request, attached to this transmittal are three hard copies of the "San Luis Obispo County Flood Control and Water Conservation District, Zone 3 Urban Water Management Plan, 2005 Update." For your convenience, the transmittal also includes three copies of a checklist with page numbers for specific Water Code Sections referenced in the document. In addition, digital copies of the documents are included in the attached cd in Adobe Acrobat format.

Do not hesitate to give me a call at the phone number listed above should you have any questions.



**SAN LUIS OBISPO COUNTY**  
**Department of Public Works**  
**Utility Division**

County Government Center, Room #207  
San Luis Obispo, CA 93408

<b>To:</b>	<b>Govt. Publications Section California State Library 914 Capitol Mall, MS E-29 P.O. Box 942837 Sacramento, CA 94237-0001</b>	<b>From:</b>	<b>Jeff Werst TEL - 805.781.4480 FAX - 805.788.2182 Email - Jwerst@co.slo.ca.us</b>
<b>Co:</b>		<b># of pages:</b>	<b>(Including cover sheet):</b>
<b>FAX:</b>	<b>N/A</b>	<b>Date:</b>	<b>January 5, 2006</b>
<b>Phone:</b>			

Urgent     FYI     Please Comment     Please Reply     Please Call

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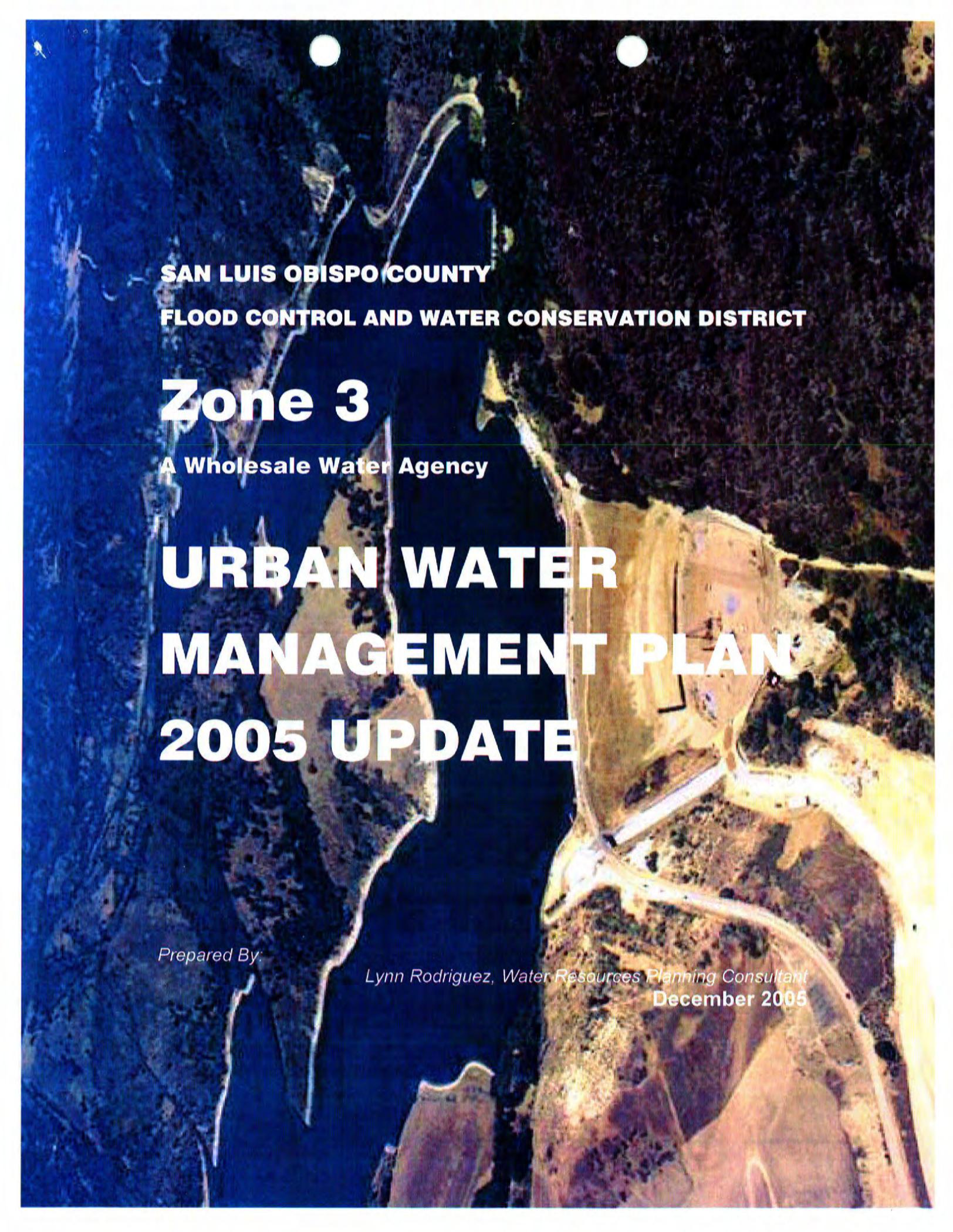
Attached to this transmittal is a copy of the "San Luis Obispo County Flood Control and Water Conservation District, Zone 3 Urban Water Management Plan, 2005 Update," in accordance with the requirements of the State Office of Water Use Efficiency and at the request of Dave Todd, Supervising Land and Water Use Analyst.

Do not hesitate to give me a call at the phone number listed above should you have any questions.

### Zone 3 - UWMP Checklist

This UWMP addresses the Water Code requirements for urban water management plans. The following checklist indicates where each Water Code requirement is addressed in the UWMP (in the order of the referenced Water Code Section).

<i>Water Code Section(s)</i>	<i>Section</i>	<i>Page Number</i>
10620(d), 10621(b), 10642	Agency Coordination and Public Participation	2
10631(a)	Service Area Information	3
10631(b)	Water Sources	7
10631(b) 1-4	Water Sources - Groundwater	9
10631(c) 1-3	Reliability of Supply	10
10631(d)	Transfer and Exchange Opportunities	12
10631(e) 1-2	Water Use by Customer Type	13
10631(f) 1-4	Water Demand Management Measures (DMMs)	15
10631(g)	Evaluation of Demand Management Measures Not Implemented	19
10631(h)	Planned Water Supply Projects and Programs	20
10631(i)	Development of Desalinated Water	20
10632	Water Shortage Contingency Plan	21
10632(a)	Water Shortage Contingency Stages of Action	21
10632(b)	Three-Year Minimum Water Supply	22
10632(c)	Catastrophic Water Supply Interruption Plan	22
10632(d-f)	Prohibitions, Penalties and Consumption Reduction Methods	23
10632(g)	Revenue and Expenditure Impacts Analysis	23
10632(h-i)	Draft Ordinance and Use Monitoring Procedure	23
10633	Recycled Water Plan	24
10634	Water Quality Impacts on Reliability	25
10635 (a-d)	Projected Normal Year And Dry Year Supply, Water Service Reliability	25
10640-45	Adoption and Implementation of UWMP	26

An aerial photograph of a coastal area, likely San Luis Obispo County, showing a river flowing through a landscape with urban development and agricultural fields. The river is dark blue, and the surrounding land is a mix of brown and green. Two white circular marks are visible at the top of the page, possibly from hole punches.

**SAN LUIS OBISPO COUNTY  
FLOOD CONTROL AND WATER CONSERVATION DISTRICT**

# **Zone 3**

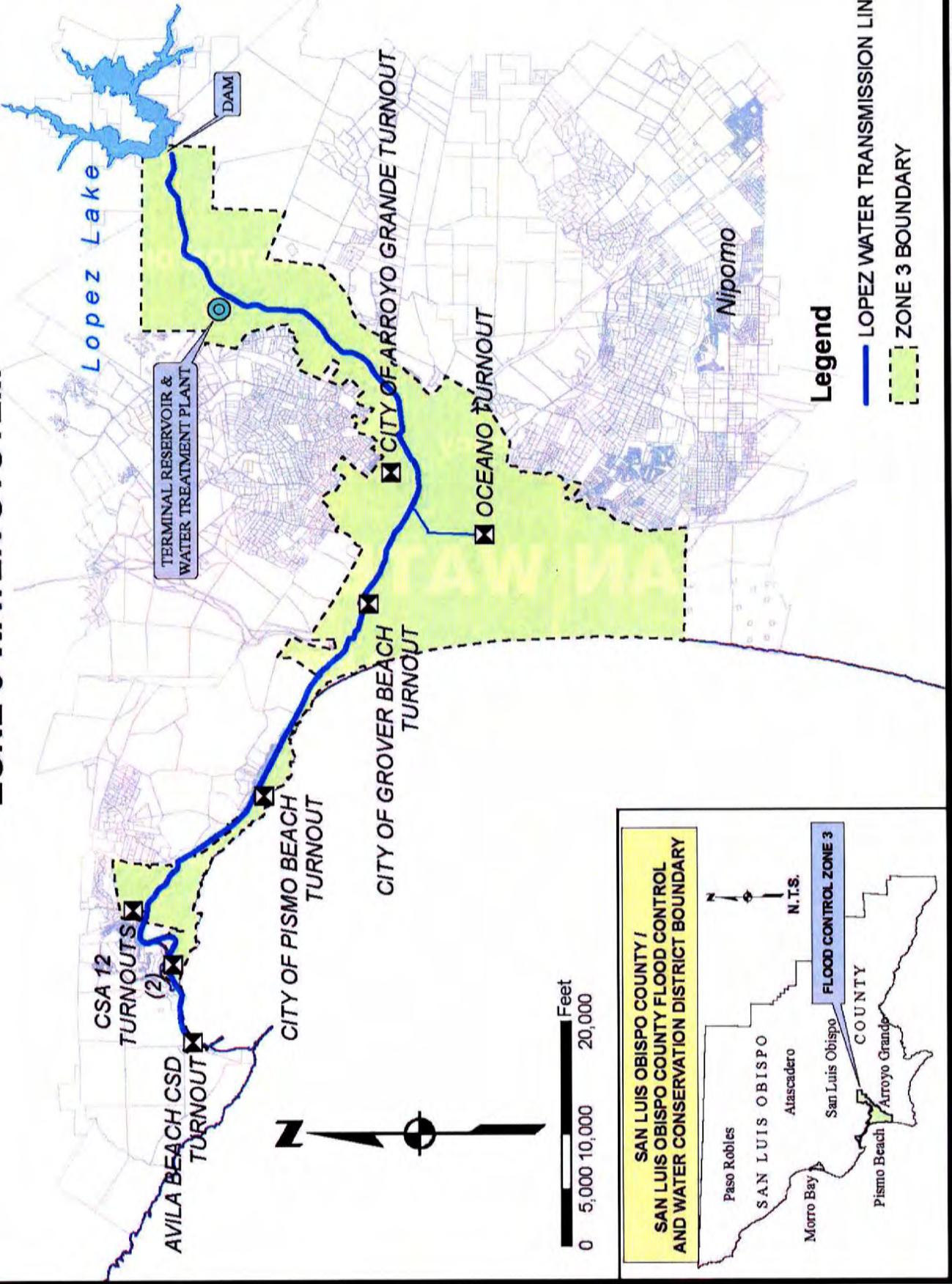
**A Wholesale Water Agency**

# **URBAN WATER MANAGEMENT PLAN 2005 UPDATE**

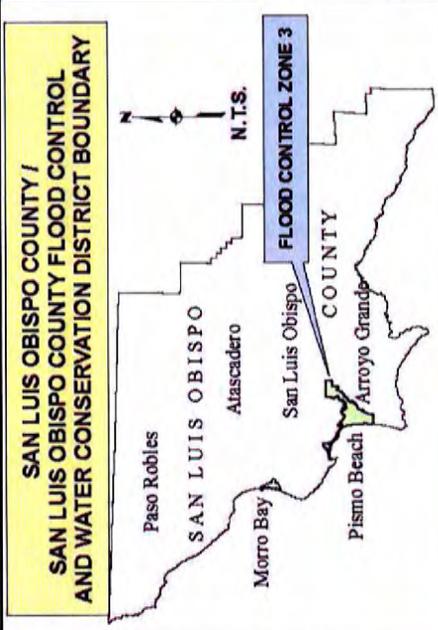
*Prepared By*

*Lynn Rodriguez, Water Resources Planning Consultant  
December 2005*

# ZONE 3 WATER SYSTEM



- Legend**
- LOPEZ WATER TRANSMISSION LINE
  - - - ZONE 3 BOUNDARY



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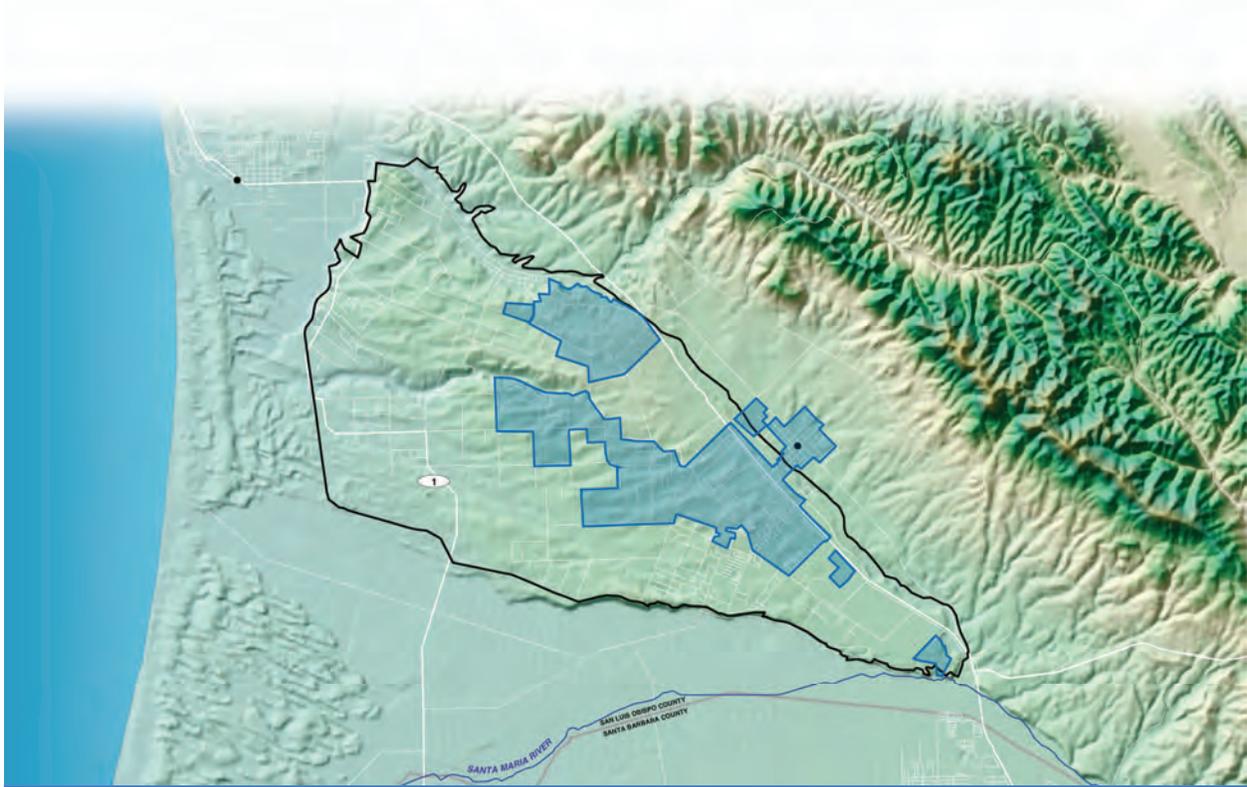
**REFERENCES..... 28**

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- Table 2. Population Projections
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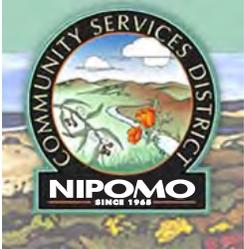
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- Appendix C. Lopez Water Supply System Drought Contingency Plan



# URBAN WATER MANAGEMENT PLAN 2005 UPDATE

Nipomo Community Services District  
148 South Wilson Street  
P.O. Box 326  
Nipomo, CA 93444-0326



Adopted January 25, 2006

---

# Urban Water Management Plan 2005 Update

Adopted January 25, 2006

Prepared for:

**Nipomo Community Services District**

Prepared by:

**SAIC Engineering, Inc.  
525 Anacapa Street  
Santa Barbara, CA 93101**

Project Manager     Meredith Clement

Project Engineer     Robert G. Beeby, P.E.



# NIPOMO COMMUNITY



# SERVICES DISTRICT

## BOARD MEMBERS

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MICHAEL WINN, VICE PRESIDENT  
JUDITH WIRSING, DIRECTOR  
CLIFFORD TROTTER, DIRECTOR  
ED EBY, DIRECTOR

## STAFF

MICHAEL LeBRUN, GENERAL MANAGER  
LISA BOGNUDA, ASSISTANT ADMINISTRATOR  
JON SEITZ, GENERAL COUNSEL

---

148 SOUTH WILSON STREET POST OFFICE BOX 326 NIPOMO, CA 93444 - 0326  
(805) 929-1133 FAX (805) 929-1932 Website address: NipomoCSD.com

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February 6, 2006

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County of San Luis Obispo  
Planning and Building Department  
Attention: Pat Beck  
San Luis Obispo County Government Offices  
San Luis Obispo, CA 93408

Dave Todd, Supervising Land and Water Use Analyst  
CA Department of Water Resources, Office of Water Use Efficiency  
Post Office Box 942836  
Sacramento, CA 94236-0001

Dear Interested Parties:

**SUBJECT: NIPOMO COMMUNITY SERVICES DISTRICT URBAN WATER MANAGEMENT PLAN 2005 UPDATE**

On behalf of Nipomo Community Service District, I am pleased to announce the adoption, on January 25, 2006, of Nipomo CSD's Urban Water Management Plan 2005 Update. The Plan was adopted in compliance with the California Urban Water Management Planning Act and consistent with that Act, the adopted plan is hereby being distributed within 30-days of adoption. The District coordinated development of the Plan with local land use agencies and made an effort to get public input to the Plan. The Plan was adopted after a hearing that was advertised in local newspapers per Section 6066 of the Government Code. A specific invitation to the hearing on the Plan was extended to San Luis Obispo County and the San Luis Obispo Local Agency Formation Commission.

Copies of the final plan are available for public review on the District's website ([Nipomocsd.com](http://Nipomocsd.com)) and at the District office (hard copy) during normal business hours.

Thank you for your interest in our water planning efforts.

Please contact the District directly if you have any questions about the Plan.

Sincerely,

NIPOMO COMMUNITY SERVICES DISTRICT

Michael LeBrun, P.E.  
General Manager

Enclosure

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# Exhibit F

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 13 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
 14 **FOR THE COUNTY OF SAN LUIS OBISPO**

16 LOS OSOS COMMUNITY SERVICES )  
 17 DISTRICT, )  
 18 Plaintiff, )  
 19 vs. )  
 20 GOLDEN STATE WATER COMPANY, S&T )  
 21 MUTUAL WATER COMPANY, COUNTY )  
 22 OF SAN LUIS OBISPO, SEA PINES GOLF )  
 COURSE, DOES 1 THROUGH 500, )  
 INCLUSIVE, )  
 23 Defendants. )

**CASE NO. GIN 040126**  
 [Assigned for All Purposes to the Honorable  
 Teresa Estrada-Mullaney]  
**INTERLOCUTORY STIPULATED  
 JUDGMENT**  
 [COMPLAINT FILED 02/13/04]

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1 **PRELIMINARY FINDINGS**

2 **A. Complaint**

3 On or about February 13, 2004, Los Osos Community Services District ("LOCSD") filed a  
4 complaint in the San Luis Obispo County Superior Court, Case No. GIN 040126 ("Complaint"),  
5 against Golden State Water Company ("GSWC"), formerly known as Cal Cities Water Company,  
6 S&T Mutual Water Company ("S&T"), Sea Pines Golf Course ("Sea Pines"), the County of San  
7 Luis Obispo ("County"), and others, seeking a declaration of the Parties' relative rights to use water  
8 resources of the Los Osos Valley Groundwater Basin ("Basin") located in San Luis Obispo County,  
9 California. The Parties entered into a Stipulation of Parties As to Standstill Agreement, which was  
10 approved by the Court on May 25, 2004 and stayed all pleadings in the litigation to allow the Parties  
11 to hold settlement discussions. No defendant has filed with the Court a responsive pleading pursuant  
12 to California Code of Civil Procedure section 430.10. GSWC filed a Motion to Transfer Action to a  
13 Neutral County or for Assignment of a Disinterested Judge from a Neutral County on March 26,  
14 2004. That motion was not heard by the Court, but was subject to the stipulation described above.  
15 The Court held several Case Management Conferences at which the Court extended the  
16 effectiveness of the standstill period under the Stipulation of Parties As to Standstill Agreement  
17 through the effective date of this Interlocutory Stipulated Judgment ("ISJ"). On or about December  
18 19, 2006, Sea Pines was dismissed as a defendant to the Complaint.

19 **B. Assembly Bill 2701**

20 On September 20, 2006, the Governor of the State of California signed Assembly Bill 2701.  
21 AB 2701 added, *inter alia*, section 25825.5 to the Government Code, subsection (c) of which  
22 provides that:

23 The [County] may undertake any efforts necessary to construct and  
24 operate a community wastewater collection and treatment system to  
25 meet the wastewater collection and treatment needs within [LOCSD].  
26 These efforts may include programs and projects for recharging  
27 aquifers, preventing saltwater intrusion, and managing groundwater  
28 resources to the extent that they are related to the construction and

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1 operation of the community wastewater collection and treatment  
2 system. These efforts shall include any services that the [County]  
3 deems necessary, including, but not be limited to, any planning,  
4 design, engineering, financial analysis, pursuit of grants to mitigate  
5 affordability issues, administrative support, project management, and  
6 environmental review and compliance services. The [County] shall  
7 not exercise any powers authorized by this section outside [LOCSD].

8 Pursuant to that statutory authorization, the County is proceeding with efforts necessary to construct  
9 and operate a community wastewater collection and treatment system in the Los Osos area.

10 **C. Resource Management System**

11 On March 27, 2007, the County certified a Severity Level III for water resources of the Basin  
12 pursuant to the County's Resource Management System. Under that County system, Level III  
13 indicates an "Unavoidable Resource Deficiency," defined as follows: "This is the most critical level  
14 of concern. Level III occurs when the capacity (maximum safe yield) of a resource has been met or  
15 exceeded. At Level III there is a deficiency of sufficient magnitude that drastic actions may be  
16 needed to protect public health and safety."

17 **D. Jurisdiction**

18 This Court has jurisdiction to enter this ISJ declaring the Plaintiff's and Defendants' ("the  
19 Parties") agreement for resource preservation and management of the Basin pursuant to the  
20 California Constitution, Article X, Section 2.

21 **E. Parties**

22 1. LOCSD is a public agency organized under the Community Services District  
23 Law, codified at California Government Code sections 61000 *et seq.*, that provides water to its water  
24 customers for municipal and industrial uses within its water service area in the unincorporated  
25 community of Los Osos.

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1           2.     GSWC is a California corporation regulated by the California Public Utilities  
2 Commission (“CPUC”) that provides water to its customers for municipal and industrial uses within  
3 its certificated service area in the unincorporated community of Los Osos.

4           3.     S&T is a California corporation organized as a mutual water company that  
5 provides water to its shareholders for municipal and industrial uses within the unincorporated  
6 community of Los Osos.

7           4.     The County is a California County that utilizes water from the Basin for  
8 irrigation of a park in the unincorporated community of Los Osos. The County is the agency that  
9 has land use authority within the unincorporated areas of the County, including those lands that  
10 overlie the Basin or otherwise receive water from the Basin. Additionally, the County is authorized  
11 pursuant to Government Code section 25825.5, as described above, to undertake efforts necessary to  
12 construct and operate a community wastewater collection and treatment system within LOCSD,  
13 including prevention of seawater intrusion and management of groundwater resources.

14           5.     There are numerous other persons who extract groundwater from the Basin,  
15 primarily for domestic or irrigation purposes. These persons have been named as Does 1 through  
16 500 in the Complaint, but have not been served.

17           6.     LOCSD, GSWC, and S&T (collectively “the Purveyors”) are dependent on  
18 the Basin as their sole source of water. In carrying out its planning duties, and its land use and  
19 development duties, the County relies on the Basin as the sole source of water for the area overlying  
20 the Basin.

21           7.     For purposes of implementation of the ISJ, the Basin Management Plan and  
22 the Interconnection Plan, the County, LOCSD, GSWC and S&T are designated as the “Parties.”

23           **F.     Importance of Groundwater**

24           Groundwater is an important water supply source for businesses, individuals and public  
25 agencies that overlie or extract groundwater from the Basin. The Parties have a mutual and  
26 collective interest in the resource preservation and management of the Basin.

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1 H. Additional components as added by the mutual consent of the Parties and other  
2 parties within the BMP who rely on Basin water resources; and

3 I. Consideration of Purveyor contributions toward funding of County-executed  
4 programs and projects for recharging aquifers, preventing or mitigating saltwater intrusion and  
5 managing groundwater resources to the extent that they are related to the County's construction and  
6 operation of the community wastewater collection and treatment system pursuant to AB 2701.

7 **III. INITIAL STUDIES**

8 A. **Basin Model.** Through efforts pre-dating the Complaint, LOCSD, GSWC and S&T  
9 have developed a preliminary computer groundwater flow model of the Basin (the "Model"). The  
10 Parties agree that the Model requires further development, including, but not limited to, calibration  
11 and peer review. Further improvement of the Model may also include the development of solute  
12 transport modeling capability, refinement of the Basin boundaries, quantification of the Basin's  
13 operational safe yield and confirmation of the total consumptive water demands within the Basin.

14 B. **Seawater Intrusion and Lower Aquifer Studies.** LOCSD received a \$220,000  
15 grant from the State of California to fund a study assessing the threat to the Basin of seawater  
16 intrusion and the origination of water that recharges the lower portions of the Basin (the "Aquifer  
17 Studies"). The results of the Aquifer Studies final report shall be integrated by the Parties into their  
18 overall data assessment, the Model and the BMP, to the extent appropriate. LOCSD has made the  
19 data and analysis from the Aquifer Studies available for use in the development of the Model and  
20 BMP.

21 C. **Additional Studies.** The Parties agree to consider developing and funding additional  
22 studies that may be necessary to characterize the Basin sufficiently to support development of the  
23 BMP. The decision to participate in and fund any particular additional study shall be at the sole  
24 discretion of each Party. The scope of any additional studies and the consultant(s) retained to  
25 complete any additional studies shall be determined by the agreement of the Parties. The Parties  
26 agree to participate in any additional study in good faith.

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1           **D.    Peer Review.** The Parties agree that they will collectively retain an additional  
2 hydrogeologic expert to conduct a peer review of the Model. The scope of the peer review will be  
3 defined by mutual agreement of the Parties.

4           **E.    Access to the Model.** The Parties agree that each of them will have full and  
5 complete access to the Model data and all associated computer codes, including any modifications  
6 made during the term of this ISJ, and that none of the Parties may claim the Model that is developed  
7 through this ISJ is protected as confidential or proprietary relative to the other Parties, whether  
8 through the attorney-client privilege or otherwise. Further, if the Parties collectively retain an expert  
9 consultant or consultants to assist in developing or reviewing the Model, the Parties agree that each  
10 Party will have full and complete access to all collectively retained consultants performing any and  
11 all work on the Model during the term of this ISJ, and no Party may claim any communication with a  
12 consultant regarding the Model is protected as confidential or proprietary relative to the other  
13 Parties, whether through the attorney-client privilege or otherwise. The preceding sentence shall not  
14 apply to any consultants retained by one or more Parties separate from this ISJ, including any  
15 consultants retained to review the work of the consultants retained by the Parties collectively.

16 **IV.   BASIN PLAN DEVELOPMENT**

17           **A.** The LOCSD has approved a consultant-prepared basin management plan (“LOCSD  
18 Plan”). The Parties intend to use the LOCSD Plan as the starting point in developing the BMP.  
19 Each of the Parties will have full and complete access to persons performing any and all work on the  
20 LOCSD Plan at the Working Group meetings referenced in Section IX below. The Parties’ goal is to  
21 have a fully executed BMP within twelve (12) months of the effective date of this ISJ.

22           **B.** The objective is to develop a BMP that contains the elements described in Section II  
23 above, which will (potentially in conjunction with a County groundwater management ordinance)  
24 serve as a physical solution for the management of Basin water resources, resolving all issues raised  
25 in the Complaint. In addition to the purposes listed in Section II above, the BMP may function as  
26 the basis for a final stipulated judgment in this lawsuit, including provisions for a watermaster whose  
27 responsibility is to oversee the ongoing implementation of and compliance with the BMP.

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1 **V. COUNTY GROUNDWATER MANAGEMENT**

2 A. The other Parties agree to work cooperatively with the County to implement its  
3 Resource Management System with respect to the Basin. The County agrees to consult the other  
4 Parties prior to taking any action related to its Resource Management System. For purposes of this  
5 agreement, such consultation shall, at a minimum, consist of reasonable advance notice by the  
6 County of any such proposed actions; reasonable consideration by the County of the viewpoints of  
7 the other Parties with respect to any such proposed actions; and a reasonable opportunity for the  
8 other Parties to provide comments, objections and suggested alternative courses of action to the  
9 County prior to final action by the County. Except as otherwise provided in this ISJ, or as otherwise  
10 provided in agreements executed pursuant to this ISJ, nothing in this ISJ shall diminish the County's  
11 authority to regulate land use and development within the lands that overlie the Basin.

12 B. The other Parties agree that this ISJ shall not preclude the County from adopting and  
13 enforcing a groundwater management ordinance with respect to the area overlying the Basin, to the  
14 extent that such ordinance is consistent with the BMP. To the extent such County ordinance may be  
15 inconsistent with the BMP, the other Parties retain the ability to object to the ordinance by all  
16 applicable methods. Prior to adopting an ordinance, the County shall consult the other Parties, with  
17 consultation to include the measures described in Section V.A. above.

18 **VI. INTERCONNECTION PLAN**

19 The Purveyors agree that they will promptly develop plans to improve existing  
20 interconnections and install additional interconnections between the GSWC, LOCSD and/or S&T  
21 water distribution systems so that in the event GSWC, LOCSD or S&T experience water quality  
22 problems or loss of groundwater production capacity in the Basin, the other Purveyors, to the extent  
23 practical, shall provide mutual assistance as necessary in responding to water quality or water  
24 quantity constraints impacting any individual system ("Interconnection Plan"). The Purveyors shall  
25 develop an agreement on the cost allocation associated with implementing the Interconnection Plan.  
26 The Purveyors shall also establish a mutually acceptable wholesale water rate for water provided  
27 through the interconnections, subject to the approvals of Section VIII below. The Purveyors shall

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1 employ their reasonable best efforts to develop the Interconnection Plan within 4 months of the  
2 Effective Date.

3 **VII. COST SHARING FOR ADDITIONAL STUDIES**

4       A. For each additional study and peer review undertaken pursuant to sections III.C and  
5 III.D above, each Party shall bear a portion of the associated costs that are not funded through grants.  
6 As of the Effective Date, the cost allocation percentages shall be twenty (20) percent for the County,  
7 thirty-nine (39) percent for LOCSD, thirty-seven (37) percent for GSWC and four (4) percent for  
8 S&T. The percentage of such costs borne by LOCSD, GSWC and S&T shall total eighty (80)  
9 percent, and shall be redetermined once every three years, beginning three years from the Effective  
10 Date, and will be based upon the percentage of groundwater production by each of those respective  
11 Parties relative to the total groundwater production by those three Parties in the prior three years.  
12 The Parties acknowledge and agree that the County's twenty (20) percent share of such costs is a  
13 County contribution toward programs and projects for recharging aquifers, preventing saltwater  
14 intrusion, and managing groundwater resources in relation to the construction and operation of a  
15 community wastewater collection and treatment system, as authorized by AB 2701.  
16 Notwithstanding any other provision of this ISJ, if there is a majority protest to the upcoming  
17 Proposition 218 process initiated by the County regarding wastewater assessments in the Los Osos  
18 Prohibition Zone, the County shall have the option of terminating its participation in this ISJ without  
19 the need for compliance with the dispute resolution process defined in this ISJ.

20       B. Prior to expenditure of any non-grant funds, the Parties contributing such funds shall  
21 develop and unanimously agree upon a budget for the activities contemplated in this ISJ, including  
22 the development and implementation of the BMP (a "Budget"). Only those expenditures anticipated  
23 in the relevant Budget shall be incurred and allocated subject to the cost-sharing provisions in this  
24 ISJ. The contributing Parties may amend the Budget from time to time based upon unanimous  
25 written consent.

26       C. Prior to the establishment of the Budget, the Parties agree to fund an interim budget  
27 of \$20,000.00, in accordance with the formula referenced in subparagraph A, above, to pay  
28 administrative costs and for such other expenditures as the Parties deem necessary.

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1           D.     One Party shall be selected as Treasurer for the Parties for each additional study.  
2 Within thirty (30) days of the adoption of a Budget, all Parties shall deposit their percentage share of  
3 the Budget with the Treasurer as advance payment toward the Budget expenses, unless otherwise  
4 agreed upon by the Parties. All invoices for Budget expenses shall be submitted to the Treasurer  
5 every thirty (30) days. The non-Treasurer Parties shall be provided full access to all documentation  
6 associated with the Budget, costs incurred and the associated invoices, upon request. All  
7 uncontested invoice amounts shall be paid within thirty (30) days. The Parties shall meet and confer  
8 as promptly as reasonably possible to resolve any contested invoice amounts. The Treasurer may, at  
9 its full discretion, suspend any further activities associated with the contested costs until the  
10 reimbursement obligation is resolved.

11           E.     The Parties acknowledge and agree that it may be in their best interests to seek  
12 funding from non-Parties for development and implementation of the BMP. Each Party agrees that  
13 it will use its best efforts to seek outside funding and cooperate in good faith to assist the other  
14 Parties in seeking outside funding.

15 **VIII. REQUIRED APPROVALS**

16           A.     The Parties acknowledge that GSWC may need to obtain approval from the  
17 California Public Utilities Commission (“CPUC”) for funding or implementation of this ISJ, the  
18 BMP or portions thereof. GSWC agrees that it will use reasonable best efforts to obtain the approval  
19 of the CPUC when required, and the other Parties agree to cooperate in good faith to assist GSWC in  
20 seeking CPUC approval. The Parties agree that in the event GSWC is unable to obtain approval  
21 from the CPUC for any funding or implementation related to this ISJ or the BMP, GSWC shall not  
22 be required to fund or implement that task, and the failure of GSWC to fund or implement that task  
23 shall not be deemed to constitute a breach of this ISJ.

24           B.     The Parties acknowledge that there may be additional third-party approvals required  
25 for funding or implementation of this ISJ or portions thereof, including LOCSD’s compliance with  
26 article XIID, section 6 of the California Constitution in approving water rate increases. The Parties  
27 agree that the Party needing such an approval will use reasonable best efforts to obtain the approval  
28 when required, and the other Parties agree to cooperate in good faith to assist the Party seeking

1 approval. The Parties agree that in the event the Party needing approval is unable to obtain approval  
2 for any funding or implementation related to this ISJ, that Party shall not be required to fund or  
3 implement that task, and the failure of that Party to fund or implement that task shall not be deemed  
4 to constitute a breach of this ISJ.

5 **IX. WORKING GROUP**

6 A. The Parties shall establish a working group (“Working Group”) that shall meet as  
7 often as necessary to fulfill the purposes of this ISJ. Each Party shall assign its representatives, as  
8 they each deem appropriate, with the goal of maintaining continuity and committing adequate  
9 resources and expertise so that the purposes of this ISJ may be achieved.

10 B. The Parties acknowledge that each of them individually has a different required  
11 approval process that may be necessary to amend this ISJ, adjust a Budget or otherwise commit to  
12 some type of performance. The Working Group shall have no authority to commit or adjust the  
13 obligations of any individual Party.

14 C. Other parties may be added to the Working Group by mutual consent of the Parties.

15 **X. FAILURE TO REACH AGREEMENT ON THE BMP**

16 A. Prior to reaching agreement on the BMP, and except as provided herein, any Party  
17 may terminate this ISJ, and reinitiate the underlying litigation as may be amended from time to time;  
18 provided, however, that this ISJ may not be terminated by any Party unless and until that Party has  
19 completed the dispute resolution process provided in Section XI. Any Party desiring to terminate  
20 this ISJ after completion of the dispute resolution process may do so by giving thirty (30) days  
21 advance written notice of termination of the ISJ to the other Parties, and filing said notice with the  
22 Court. Thirty days after giving such notice, the terminating Party shall have no further duties, rights  
23 or liabilities except for fulfilling those duties, rights or liabilities related to additional studies  
24 commenced prior to withdrawal and those obligations, duties, rights or liabilities related to the  
25 Interconnection Plan.

26 B. The effect of the filing of a notice of termination shall be as follows: (a) this ISJ shall  
27 be of no further force or effect, other than those provisions within Section XI providing for  
28 reinitiation of the underlying litigation; (b) responsive pleadings shall be filed on or before the thirty-

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1 first (31st) day following the date of filing with the court the notice of termination; (c) no Party shall  
2 have waived any rights, claims or counter-claims provided under California Code of Civil Procedure  
3 sections 430.10; (d) no Party shall be deemed to have waived any basis for objection to the  
4 Complaint, including any basis for dismissal, demurrer or motion to strike, any counter-claim, any  
5 defense or any affirmative defense; and (e) no Party shall be deemed to waive any rights, claims,  
6 counter-claims or defenses provided under California Code of Civil Procedure section 394.

7 **XI. RETAINED JURISDICTION AND DISPUTE RESOLUTION**

8 A. Jurisdiction, power and authority are retained by and reserved to the Court solely to  
9 enforce the terms of this ISJ. Nothing in the Court's reserved jurisdiction shall authorize it to modify  
10 or amend the ISJ, except with the unanimous consent of all Parties.

11 B. In the event a dispute arises between the Parties regarding the implementation of this  
12 ISJ or the acceptable terms of the BMP prior to its completion, the Parties agree to submit such  
13 disputes to mediation before an impartial mediator selected by the mutual agreement of the parties.  
14 Any Party may initiate the mediation process by providing written notice of dispute to all other  
15 Parties, setting forth the nature of the dispute and a proposed resolution. Within fifteen (15) days of  
16 receiving the notice of dispute, the Parties shall either mutually agree to a mediator, or else refer the  
17 selection of a mediator to the Court. Mediation of disputes shall commence within thirty (30) days  
18 of the selection of a mediator. If necessary, the Parties will pay for the services of the mediator in  
19 accordance with the proportions described in section VII.A above. The Parties shall make a good  
20 faith effort to resolve all disputes informally, or through mediation. Any Party participating in good  
21 faith in the mediation shall be deemed to have satisfied the requirements of the dispute resolution  
22 process, if the dispute has not been resolved within thirty (30) days after commencement of  
23 mediation.

24 C. If the Parties are unable to agree on the Court which will retain reserved jurisdiction,  
25 the Parties agree to have the San Luis Obispo County Superior Court make a determination on the  
26 GSWC motion filed on March 26, 2004. The result of that determination shall be final and binding  
27 and determine the venue for the court which shall retain jurisdiction under the BMP. The Parties  
28 agree that no appeal on that issue shall be taken.

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1           **D.**     Once a BMP is agreed to and approved by the court as determined in Section XI.C,  
2 that court shall maintain jurisdiction to enforce the BMP in accordance with its terms.

3 **XII.   GENERAL PROVISIONS**

4           **A.    Successors and Assigns.** This ISJ shall be binding upon and inure to the benefit of  
5 the Parties' respective successors and assigns.

6           **B.    Authority.** Each Party to this ISJ represents and warrants to the other Parties that it  
7 has the authority to enter into this ISJ and perform all acts required by this ISJ.

8           **C.    Applicable Law.** This ISJ shall be governed by and interpreted in accordance with  
9 the laws of the State of California. Nothing herein shall be construed to abridge the rights and  
10 obligations of the CPUC to review any action by GSWC.

11          **D.    Good Faith.** The Parties agree to exercise their reasonable best efforts and good faith  
12 to effectuate all the terms and conditions of this ISJ and to execute such further instruments and  
13 documents, as necessary or appropriate, to effectuate all of the terms and conditions of this ISJ.

14          **E.    Further Documents.** The Parties agree that they shall cooperate fully in negotiating  
15 and executing additional instruments as may be needed to implement this ISJ, or to define and  
16 delineate the responsibilities of any Party under any other agreement among the Parties in  
17 furtherance of their common interest. The Parties also agree that concurrent with the execution of  
18 this ISJ, they shall execute a confidentiality agreement, consistent with the provisions of the federal  
19 Bioterrorism Act of 2002.

20          **F.    Opinions and Determinations.** Where the terms of this ISJ provide for action to be  
21 based upon opinion, judgment, approval, review or determination of any party hereto, such terms are  
22 not intended to and shall never be construed to permit such opinion, judgment, approval, review or  
23 determination to be arbitrary, capricious or unreasonable.

24          **G.    Parties Independent.** This ISJ does not modify the authority of the Parties under  
25 their respective enabling legislation so long as the exercise of such authority does not frustrate the  
26 purpose of this ISJ or contradict the terms and conditions of a Court-approved BMP.

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1           **H.    Notices.** All notices, requests, demands and other communications under this ISJ  
2 shall be in writing and served in accordance with Code of Civil Procedure sections 1011 or 1013.  
3 Service shall be made upon the following Parties. Any Party may change its mailing address or  
4 contact person for purposes of this paragraph by giving the other Parties written notice of the new  
5 address in the manner set forth above.

6                            LOCSD:                   General Manager  
7    Los Osos Community Services District  
8    P.O. Box 6064  
9    Los Osos, California 93412

10   Jon Seitz, Special Counsel  
11   Shipsey & Seitz, Inc.  
12   1066 Palm Street  
13   San Luis Obispo, California 93401

14                            GSWC:                   Patrick Scanlon  
15   Vice President of Operations  
16   Golden State Water Company  
17   1920 W. Corporate Way  
18   Anaheim, California 92801

19   C. Wesley Strickland  
20   Hatch & Parent  
21   21 E. Carrillo Street  
22   Santa Barbara, California 93101

23                            S&T:                   David Tolley, President  
24   Board of Directors  
25   S&T Mutual Water Company  
26   P.O. Box 6391  
27   Los Osos, California 93412

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P. Terence Schubert  
1254 Marsh Street  
San Luis Obispo, CA 93401

County:

Director  
County of San Luis Obispo Public Works Department  
County Government Center  
1055 Monterey Street  
San Luis Obispo, California 93408

Warren Jensen, Chief Deputy County Counsel  
Office of County Counsel  
County Government Center  
1055 Monterey Street, Room D320  
San Luis Obispo, California 93408

I. **Modification.** This ISJ may be altered, amended or modified only by a writing executed by all Parties and approved by the Court. Each Party waives its right to claim or assert that this ISJ was modified, canceled, superseded or changed by any oral argument, course of conduct, waiver or estoppel.

DATED: 8-30, 2007

LOS OSOS COMMUNITY SERVICES  
DISTRICT

By: *Chuck Cesena*  
Chuck Cesena, President  
Los Osos Community Services District  
Board of Directors

DATED: 8-30, 2007

Approved as to Form:  
SHIPSEY & SEITZ, INC.

By: *Jon S. Seitz*  
Jon S. Seitz, Special Counsel  
Attorneys for Plaintiff, Los Osos Community  
Services District

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HATCH AND PARENT  
21 East Carrillo Street  
Santa Barbara, CA 93101

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DATED: 9/5, 2007

GOLDEN STATE WATER COMPANY

By: Denise L. Kruger  
Denise L. Kruger, Senior Vice President

DATED: 9/6, 2007

HATCH & PARENT

By: SW  
C. Wesley Strickland  
Attorneys for Defendant, Golden State  
Water Company

DATED: \_\_\_\_\_, 2007

S&T MUTUAL WATER COMPANY

By: \_\_\_\_\_  
David Tolley, President

DATED: \_\_\_\_\_, 2007

By: \_\_\_\_\_  
P. Terence Schubert  
Attorney for Defendant, S&T Mutual Water  
Company

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HATCH AND PARENT  
21 East Carrillo Street  
Santa Barbara, CA 93101

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DATED: \_\_\_\_\_, 2007

GOLDEN STATE WATER COMPANY

By: \_\_\_\_\_  
Denise L. Kruger, Senior Vice President

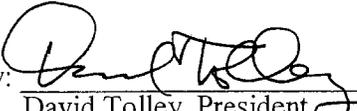
DATED: \_\_\_\_\_, 2007

HATCH & PARENT

By: \_\_\_\_\_  
C. Wesley Strickland  
Attorneys for Defendant, Golden State  
Water Company

DATED: 9-5, 2007

S&T MUTUAL WATER COMPANY

By:   
David Tolley, President

DATED: 9-5, 2007

By:   
P. Terence Schubert  
Attorney for Defendant, S&T Mutual Water  
Company

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DATED: \_\_\_\_\_, 2007

COUNTY OF SAN LUIS OBISPO

By: \_\_\_\_\_  
Chairman of the Board of Supervisors

Authorized by Board Action on \_\_\_\_\_

DATED: Sep. 10, 2007

APPROVED AS TO FORM  
AND LEGAL EFFECT:

JAMES B. LINDHOLM, JR.  
County Counsel

By: Warren R. Jensen  
Warren R. Jensen  
Chief Deputy County Counsel  
Attorneys for Defendant, County of  
San Luis Obispo

The Court hereby approves and enters this Interlocutory Stipulated Judgment.

DATED: \_\_\_\_\_

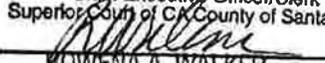
\_\_\_\_\_  
Hon. Teresa Estrada-Mullaney

SB 441079 v2:006774.0151

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**FILED**

JAN 25 2008

KIRI TORRE  
Chief Executive Officer/Clerk  
Superior Court of CA County of Santa Clara  
BY  DEPUTY  
ROWENA A. WALKER

**SUPERIOR COURT OF CALIFORNIA  
COUNTY OF SANTA CLARA**

SANTA MARIA VALLEY WATER  
CONSERVATION DISTRICT,

Plaintiff,

vs.

CITY OF SANTA MARIA, ET AL.,

Defendants.

AND RELATED CROSS-ACTIONS AND  
ACTIONS CONSOLIDATED FOR ALL  
PURPOSES

**SANTA MARIA GROUNDWATER  
LITIGATION**  
Lead Case No. 1-97-CV-770214

(CONSOLIDATED FOR ALL  
PURPOSES)

[Consolidated With Case Numbers:  
CV 784900; CV 785509; CV 785522;  
CV 787150; CV 784921; CV 785511;  
CV 785936; CV 787151; CV 784926;  
CV 785515; CV 786791; CV 787152;  
1-05-CV-036410]

San Luis Obispo County Superior  
Court Case Nos. 990738 and 990739

**JUDGMENT AFTER TRIAL**

This matter came on for trial in five separate phases. Following the third phase of trial, a large number of parties entered into a written stipulation dated June 30, 2005 to resolve their differences and requested that the court approve the settlement and make its terms binding on them as a part of any final judgment entered in this case. Subsequent to the execution of the stipulation by the original settling parties, a number of additional parties have agreed to be bound by the stipulation – their signatures are included in the attachments to this judgment.

1 The June 30, 2005 Stipulation is attached as Exhibit "1;" and all exhibits to the  
2 Stipulation are separately attached as Exhibits "1A" through "1H". The Stipulating Parties are  
3 identified on Exhibit "1A." The court approves the Stipulation, orders the Stipulating Parties  
4 only to comply with each and every term thereof, and incorporates the same herein as though  
5 set forth in full. No non-stipulating party is bound in any way by the stipulation except as the  
6 court may otherwise independently adopt as its independent judgment a term or terms that are  
7 the same or similar to such term or provision of the stipulation.

8 As to all remaining parties, including those who failed to answer or otherwise appear,  
9 the court heard the testimony of witnesses, considered the evidence found to be admissible by  
10 the court, and heard the arguments of counsel. Good cause appearing, the court finds and  
11 orders judgment as follows.

12 As used in this Judgment, the following terms shall have the meanings herein set forth:

13 Basin – The groundwater basin described in the Phase I and II orders of the court, as  
14 modified, with attachments and presented in Exhibit "1B".

15 Defaulting Parties – All persons or entities listed on Exhibit "3".

16 Imported Water – Water within the Basin received from the State Water Project,  
17 originating outside the Basin, that absent human intervention would not recharge or be used in  
18 the Basin.

19 LOG Parties – All persons or entities listed on Exhibit "2," listed under the subheading  
20 "LOG Parties".

21 Non-Stipulating Parties – All Parties who did not sign the Stipulation, including the  
22 Defaulting Parties and the LOG and Wineman Parties.

23 Parties – All parties to the above-referenced action, including Stipulating Parties, Non-  
24 Stipulating Parties, and Defaulting Parties.

25 Public Water Producers – City of Santa Maria, Golden State Water Company, Rural  
26 Water Company, the "Northern Cities" (collectively the Cities of Arroyo Grande, Pismo  
27 Beach, and Grover Beach, and Oceano Community Services District), and the Nipomo  
28 Community Services District.

1            Return Flows – All water which recharges the Basin after initial use, through the use of  
2 percolation ponds and others means, derived from the use and recharge of imported water  
3 delivered through State Water Project facilities.

4            Stipulating Parties – All Parties who are signatories to the Stipulation.

5            Stipulation – The Stipulation dated June 30, 2005 and incorporated herein as Exhibit  
6 “1,” with each of its Exhibits separately identified and incorporated herein as Exhibits “1A”  
7 through “1H”.

8            Storage Space – The portion of the Basin capable of holding water for subsequent  
9 reasonable and beneficial uses.

10           Wineman Parties – All persons or entities listed on Exhibit “2,” under the subheading  
11 “Wineman Parties”.

12           The following Exhibits are attached to this Judgment:

- 13           1.    Exhibit “1,” June 30, 2005 Stipulation and the following exhibits thereto:
  - 14           a.    Exhibit “1A,” list identifying the Stipulating Parties and the parcels of  
15 land bound by the Stipulation.
  - 16           b.    Exhibit “1B,” Phase I and II Orders, as modified, with attachments.
  - 17           c.    Exhibit “1C,” map of the Basin and boundaries of the three  
18 Management Areas.
  - 19           d.    Exhibit “1D,” map identifying those lands as of January 1, 2005: 1)  
20 within the boundaries of a municipality or its sphere of influence, or within the process of  
21 inclusion in its sphere of influence; or 2) within the certificated service area of a publicly  
22 regulated utility; and a list of selected parcels that are nearby these boundaries which are  
23 excluded from within these areas.
  - 24           e.    Exhibit “1E,” 2002 Settlement Agreement between the Northern Cities  
25 and Northern Landowners.
  - 26           f.    Exhibit “1F,” the agreement among Santa Maria, Golden State and  
27 Guadalupe regarding Twitchell Project and the Twitchell Management Authority.
  - 28           g.    Exhibit “1G,” the court’s Order Concerning Electronic Service of

1 Pleadings and Electronic Posting of Discovery Documents dated June 27, 2000.

2 h. *Exhibit "IH,"* the form of memorandum of agreement to be recorded.

3 2. *Exhibit "2,"* List of Non-Stipulating LOG and Wineman Parties and recorded  
4 deed numbers of property they owned at the time of trial.

5 3. *Exhibit "3,"* List of Defaulting parties.

6 **A declaratory judgment and physical solution are hereby adjudged and decreed**  
7 **as follows:**

8 1. As of the time of trial, LOG and Wineman Parties owned the real property,  
9 listed by assessor's parcel numbers, as presented in Exhibit 2.

10 2. The City of Santa Maria and Golden State Water Company are awarded  
11 prescriptive rights to ground water against the non-stipulating parties, which rights shall be  
12 measured and enforced as described below.

13 3. The City of Santa Maria and Golden State Water Company have a right to use  
14 the Basin for temporary storage and subsequent recapture of the Return Flows generated from  
15 their importation of State Water Project water, to the extent that such water adds to the supply  
16 of water in the aquifer and if there is storage space in the aquifer for such return flows,  
17 including all other native sources of water in the aquifer. The City of Santa Maria's Return  
18 Flows represent 65 percent of the amount of imported water used by the City. Golden State  
19 Water Company's Return Flows represent 45 percent of the amount of imported water used by  
20 Golden State in the basin.

21 4. (a) The Northern Cities have a prior and paramount right to produce 7,300 acre-  
22 feet of water per year from the Northern Cities Area of the Basin; and (b) the Non-Stipulating  
23 Parties have no overlying, appropriative, or other right to produce any water supplies in the  
24 Northern Cities Area of the Basin.

25 5. The Groundwater Monitoring Provisions and Management Area Monitoring  
26 Programs contained in the Stipulation, including Sections IV(D) (All Management Areas);  
27 V(B) (Santa Maria Management Area), VI(C) (Nipomo Mesa Management Area), and VII (1)  
28 (Northern Cities Management Area), inclusive, are independently adopted by the court as

1 necessary to manage water production in the basin and are incorporated herein and made terms  
2 of this Judgment. The Non-Stipulating Parties shall participate in, and be bound by, the  
3 applicable Management Area Monitoring Program. Each Non-Stipulating Party also shall  
4 monitor their water production, maintain records thereof, and make the data available to the  
5 court or its designee as may be required by subsequent order of the court.

6 6. No Party established a pre-Stipulation priority right to any portion of that  
7 increment of augmented groundwater supply within the Basin that derives from the Twitchell  
8 Project's operation.

9 7. The court determines that there is a reasonable likelihood that drought and  
10 overdraft conditions will occur in the Basin in the foreseeable future that will require the  
11 exercise of the court's equity powers. The court therefore retains jurisdiction to make orders  
12 enforcing the rights of the parties hereto in accordance with the terms of this judgment.

13 a. Groundwater

14 i. The overlying rights of the LOG and Wineman Parties shall be  
15 adjusted by amounts lost to the City of Santa Maria and Golden State Water Company by  
16 prescription. The prescriptive rights of the City of Santa Maria and Golden State Water  
17 Company must be measured against the rights of all overlying water producers pumping in the  
18 aquifer as a whole and not just against the LOG and Wineman Parties because adverse  
19 pumping by the said water producers was from the aquifer as a whole and not just against the  
20 non-stipulating parties. The City of Santa Maria established total adverse appropriation of  
21 5100 acre feet per year and Golden State Water Company established adverse appropriation of  
22 1900 acre feet a year, measured against all usufructuary rights within the Santa Maria Basin.  
23 The City of Santa Maria and Golden State Water Company having waived the right to seek  
24 prescription against the other stipulating parties, may only assert such rights against the non  
25 stipulating parties in a proportionate quantity. To demonstrate the limited right acquired by  
26 the City of Santa Maria and Golden State Water Company, by way of example, if the  
27 cumulative usufructuary rights of the LOG and Wineman Parties were 1,000 acre-feet and the  
28 cumulative usufructuary rights of all other overlying groundwater right holders within the

1 Basin were 100,000 acre-feet, the City of Santa Maria and Golden State Water Company  
2 would each be entitled to enforce 1% of their total prescriptive right against the LOG and  
3 Wineman Parties. That is, Golden State Water Company could assert a prescriptive right of  
4 19 annual acre-feet, and the City of Santa Maria 51 annual acre-feet, cumulatively against the  
5 LOG and Wineman Parties, each on a proportionate basis as to each LOG and Wineman  
6 Party's individual use.

7 ii. The Defaulting Parties failed to appear at trial and prove any  
8 usufructuary water rights. The rights of the Defaulting Parties, if any, are subject to the  
9 prescriptive rights of the City of Santa Maria and Golden State Water Company, as well as the  
10 other rights of said parties as established herein.

11 b. Imported Water

12 The City of Santa Maria and Golden State Water Company shall have rights to Return  
13 Flows in the amount provided above.

14 c. Northern Cities

15 The rights of all Parties in the Northern Cities Management Area shall be governed as  
16 described above on page 4, lines 21 to 24.

17 8. The LOG and Wineman Parties have failed to sustain the burden of proof in  
18 their action to quiet title to the quantity of their ground water rights as overlying owners. All  
19 other LOG and Wineman party causes of action having been dismissed, judgment is hereby  
20 entered in favor of the Public Water Producers as to the quiet title causes of action brought by  
21 the LOG and the Wineman Parties. Legal title to said real property is vested in the Log and  
22 Wineman Parties and was not in dispute in this action.

23 9. Each and every Party, their officers, agents, employees, successors and assigns,  
24 are enjoined and restrained from exercising the rights and obligations provided through this  
25 Judgment in a manner inconsistent with the express provisions of this Judgment.

26 10. Except upon further order of the court, each and every Party and its officers,  
27 agents, employees, successors and assigns, is enjoined and restrained from transporting  
28 groundwater to areas outside the Basin, except for those uses in existence as of the date of this

1 Judgment; provided, however, that groundwater may be delivered for use outside the Basin as  
2 long as the wastewater generated by that use of water is discharged within the Basin, or  
3 agricultural return flows resulting from that use return to the Basin.

4 11. Jurisdiction, power and authority over the Stipulating Parties as between one  
5 another are governed exclusively by the Stipulation. The court retains and reserves  
6 jurisdiction as set forth in this Paragraph over all parties hereto. The court shall make such  
7 further or supplemental orders as may be necessary or appropriate regarding interpretation and  
8 enforcement of all aspects of this Judgment, as well as clarifications or amendments to the  
9 Judgment consistent with the law.

10 12. Any party that seeks the court's exercise of reserved jurisdiction shall file a  
11 noticed motion with the court. Any noticed motion shall be made pursuant to the court's  
12 Order Concerning Electronic Service of Pleadings and Electronic Posting of Discovery  
13 Documents dated June 27, 2000.

14 13. The court shall exercise *de novo* review in all proceedings. The actions or  
15 decisions of any Party, the Monitoring Parties, the TMA, or the Management Area Engineer  
16 shall have no heightened evidentiary weight in any proceedings before the court.

17 14. As long as the court's electronic filing system remains available, all court  
18 filings shall be made pursuant to court's Order Concerning Electronic Service of Pleadings  
19 and Electronic Posting of Discovery Documents dated June 27, 2000, or any subsequent  
20 superseding order. If the court's electronic filing system is eliminated and not replaced, the  
21 Parties shall promptly establish a substitute electronic filing system and abide by the same  
22 rules as contained in the court's Order.

23 15. Nothing in this Judgment shall be interpreted as relieving any Party of its  
24 responsibilities to comply with state or federal laws for the protection of water quality or the  
25 provisions of any permits, standards, requirements, or order promulgated thereunder.

26 16. Each Party shall designate the name, address and e-mail address, if any, to be  
27 used for purposes of all subsequent notices and service by a designation to be filed within  
28 thirty days after entry of this Judgment. This designation may be changed from time to time

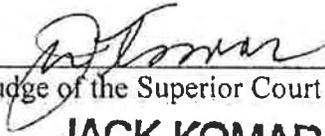
1 by filing a written notice with the court. Any Party desiring to be relieved of receiving notices  
2 may file a waiver of notice on a form approved by the court. The court shall maintain at all  
3 times a current list of Parties to whom notices are to be sent and their addresses for purposes  
4 of service. The court shall also maintain a full current list of names, addresses, and e-mail  
5 addresses of all Parties or their successors, as filed herein. Copies of such lists shall be  
6 available to any Person. If no designation is made, a Party's designee shall be deemed to be, in  
7 order of priority: i) the Party's attorney of record; ii) if the Party does not have an attorney of  
8 record, the Party itself at the address specified.

9 17. All real property owned by the Parties within the Basin is subject to this  
10 Judgment. The Judgment will be binding upon and inure to the benefit of each Party and their  
11 respective heirs, executors, administrators, trustees, successors, assigns, and agents. Any  
12 party, or executor of a deceased party, who transfers property that is subject to this judgment  
13 shall notify any transferee thereof of this judgment and shall ensure that the judgment is  
14 recorded in the line of title of said property. This Judgment shall not bind the Parties that  
15 cease to own property within the Basin, and cease to use groundwater. Within sixty days  
16 following entry of this Judgment, the City of Santa Maria, in cooperation with the San Luis  
17 Obispo entities and Golden State, shall record in the Office of the County Reporter in Santa  
18 Barbara and San Luis Obispo Counties, a notice of entry of Judgment.

19 The Clerk shall enter this Judgment.

20  
21 SO ORDERED, ADJUDGED, AND DECREED.

22  
23 Dated: January 25, 2008

  
\_\_\_\_\_  
Judge of the Superior Court  
**JACK KOMAR**