SAN LUIS OBISPO COUNTY
DEPARTMENT OF PUBLIC WORKS
Paavo Ogren, Director

County Government Center, Room 207 • San Luis Obispo, CA 93408 • (805) 781-5252
Fax (805) 781-1229 email address: pwd@co.slo.ca.us

TO: Blue Ribbon Committee
Paso Robles Groundwater Management Plan

FROM: Paavo Ogren, Director of Public Works
County of San Luis Obispo

DATE: July 18, 2013

SUBJECT: Status Update on Efforts

Exhibit "A" is the list of direction received from the Board of Supervisors at their meeting of May 7, 2013, including the direction to return to the Board of Supervisors with a status update in August. A status update on each of the items is provided below for your Committee to consider. The update to the Board is scheduled on August 27th. An update will also be provided at your Committee's August meeting.

At the May 7th hearing, Board discussion also ensued on a possible urgency ordinance. Although the Board did not provide any specific staff direction on developing an urgency ordinance at that time, on July 9th the Board did subsequently direct staff to return in the interim (i.e. before the August 27th update) with an agenda discussion item on options for a possible urgency ordinance. That interim update is currently being scheduled for August 6, 2013. Exhibit "B" is a timeline of next steps that illustrates the consideration of a Basin Management structure and possible timing with County ordinances.

<u>May 7th Board Direction – See Exhibit "A"</u>

1. **Continue existing Basin computer modeling efforts.**

   Status:

   Courtney Howard will provide a verbal update on the timing of the modeling efforts.

2. **Proceed with the evaluation of water supply options associated with State Water and the Salinas River Corridor (noting that certain Salinas River Corridor options may also include use of Nacimiento water and other areas of the Basin).**

   Status:

   A draft of a "Request for Qualifications" (RFQ) has been prepared and is undergoing departmental review to initiate the consultant selection process for experts to assist with the evaluation of water supply options. Staff has determined that the two step process of preparing an RFQ prior to preparing a "Request for Proposals" is preferable for these work efforts rather than the single step process of only issuing a RFP. In contrast to a design project, where the scope of work is well-understood by the consulting firms and the one-step RFP process is efficient, the two-step is appropriate in evaluating water supply options for the Paso Basin since the scope of work includes several water resource concepts and is not a specific defined task such as a design of a specific project.

   The RFQ's will seek consulting teams that have the ability to evaluate complex water resource options and who can:

   a) Demonstrate an understanding of the Paso Basin and
   b) Show past success in working on surface supplies, groundwater supplies, conjunctive use programs, environmental resource and public trust doctrine requirements, State Water Board permitting requirements, benefit/cost analysis, other issues and who possess underlying technical skills.

   Depending on the number of consulting teams that submit Statement of Qualifications (SOQ's) and the ranking of the teams, a short-list will be prepared. Those short-listed teams will then be provided the opportunity to prepare Proposals in the second step after they are provided the final "Request for Proposal."

   The benefits of the two-step process include the ability to maximize the dialogue of "how to" approach the evaluation before the final RFP, and in general, the cost of consultants to prepare SOQ's is relatively inexpensive in comparison to preparing Proposals in response to RFP's. As a result, we can expect to have a greater response from more consulting teams in the first step and have a greater ability to focus with a few number of the best qualified for the second and more expensive step.

3. **Proceed with hiring a team of experts to assist in the evaluation of water district and management options.**

   Status:

   The recommendations on May 7th had evolved in the days leading to the Board discussion, and staff included this recommendation to highlight the possible need to hire experts for evaluating water district and management options. The level of legal discussions with stakeholder attorneys, and the current research underway with support of

the County Counsel's Office, is covering the expertise needed at this time – i.e. understanding the legal options for basin management is the focus of our current efforts and providing the BRC with a comparative summary is intended for your August meeting; prior to the Board of Supervisors update on August 27th. Staff has also obtained input from some on experts who may help with these efforts once the legal options are identified. Likewise, feedback from the BRC will be helpful for any specific expertise you deem important while considering options in the coming months.

4. **Report back to your Board in three months (August 2013) with the Blue Ribbon Committee's priorities and questions related to the formation of a groundwater management structure, on development of the team of experts, and related budget adjustments.**

   Status:

   The Board update is scheduled for August 27th. The Committee's priorities and questions should be discussed at your August meeting. Consideration of budget adjustments should be deferred until the scope and recommendations for consultants are determined.

5. **No follow-up needed; n/a**

6. **Identify a possible emergency program in coordination with the Nacimiento Commission**

   Status:

   Staff will be reporting back in August to the Commission on a possible emergency program, which essentially entails providing Nacimiento as an option for those who need to truck water. Coordination on this item is primarily with the County Health Agency to address the non-potable nature of the Nacimiento supply.

Additional Board Direction from May 7th:

1. **Potential fee waivers or reductions –** Staff is preparing recommendations on when fees should/should not be waived and the lost fees by providing a waiver and staff recommendations should be available for your Committee's August meeting.

2. **Low interest loans for those homeowners who need to drill wells in the affected areas –** Staff research has tentatively resulted in more opportunities when wells are for disadvantaged communities served by public agencies or non-profit water purveyors but less so for individual pumpers. Research is on-going and an update will be provided for your Committee's August meeting.

3. **Relief of County charges –** same as #1 above.

Timeline – See Exhibit "B"

The attached timeline was prepared to help illustrate the upcoming steps associated with considering Basin Management options and possible County ordinances. Because a certain level of uncertainty naturally exists with the timing of complex issues, especially when divergent opinions exist, a few highlights can be drawn from the timeline.

I. Timing and steps of considering Management Options is illustrated above the timeline and is independent of timing and steps associated with considering possible County ordinances, which are illustrated below the timeline.

II. Preliminary review of Management Options has not identified a District with the statutory authorization akin to a full set of "teeth."

III. The timeline illustrates that the sooner an election is held to determine if a District is formed, then the more time exists for such a District to provide input to the County on possible permanent ordinances. Disclaimer: The specific timing of an election will depend on the type of District that may be submitted to voters, whether the Election Code has statutory requirements on when and how such elections can be held, and the resources that may be required to conduct the vote (the County Elections Office must hold the State-wide elections as a higher priority).

IV. Steps in consideration of Management Options can likewise be extended to provide a greater period of time to evaluate options and increase the likelihood of developing greater stakeholder agreement on the preferable option (i.e. prior to any vote).

V. The timing of the Board's consideration of Ordinance(s) may vary – the direction from July 9th is that the options should be discussed with the Board prior to August 27th so that adoption could be possible on August 27th if the Board so chooses. The length of any such urgency ordinance is illustrated to be 24 months although that length could be for a shorter period of time. Although the Board did not address a "permanent" ordinance, it is illustrated on the timeline because the purpose of an urgency ordinance may include the expressed "need for time" to determine what long term direction/action is needed and a permanent ordinance is a possible subsequent action.

Exhibit "A"

May 7, 2013
Modified Staff Recommendations
(Approved by the Board)

1. Continue existing Basin computer modeling efforts.

2. Proceed with the evaluation of water supply options associated with State Water and the Salinas River Corridor (noting that certain Salinas River Corridor options may also include use of Nacimiento water and other areas of the Basin).

3. Proceed with hiring a team of experts to assist in the evaluation of water district and management options.

4. Report back to your Board in three months (August 2013) with the Blue Ribbon Committee's priorities and questions related to the formation of a groundwater management structure, on development of the team of experts, and related budget adjustments.

5. Approve appointments to the Blue Ribbon Committee as shown in Exhibit "B."

6. Identify a possible emergency program in coordination with the Nacimiento Commission.

Board of Supervisors Additions

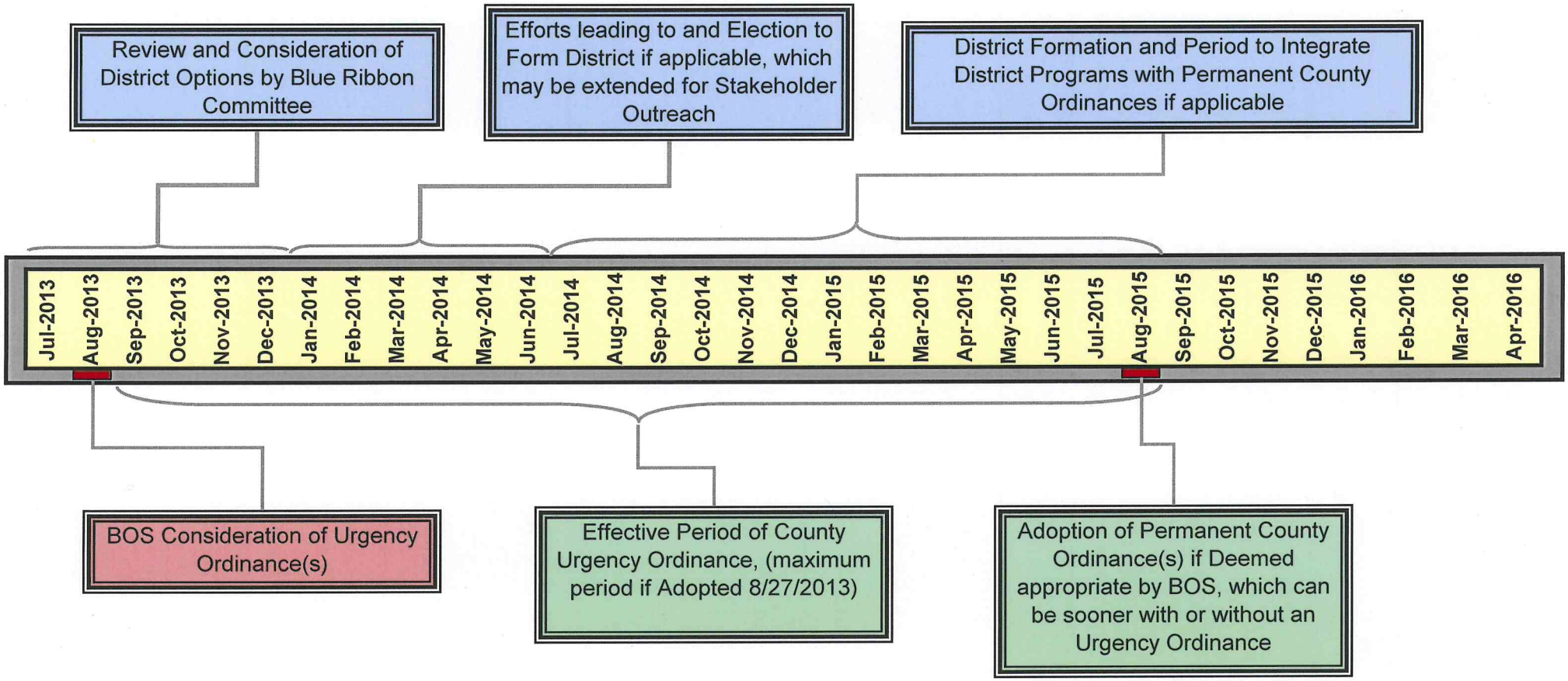
To provide immediate relief, Staff is directed to look into:

4. Potential fee waivers or reductions

5. Low interest loans for those homeowners who need to drill wells in the affected areas

6. Relief of County charges

Exhibit "B"
Paso Robles Groundwater Basin
Timeline for Creating Management Structure



Prepared by San Luis Obispo County Public Works Department

7/14/2013]