



May 2, 2024

TO: LOCSD Board of Directors

FROM: Ron Munds, General Manager

SUBJECT: **Agenda Item 6B – 05/02/2024 Board Meeting**
Proposed Amendments to the County of San Luis Obispo Growth Management Ordinance for Los Osos.

DESCRIPTION

San Luis Obispo County, Basin Management Committee (BMC) and water purveyor staff members have been discussing the Los Osos Community Plan (LOCP) update, the County's Growth Management Ordinance (GMO) and the County's Title 19 amendments for the past year. As the Board is aware, the Title 19 amendments were finalized and adopted in February 2024 and are now in effect. This report summarizes the status of the County's efforts to complete the update of the LOCP with the California Coastal Commission's recommended changes and the development and implementation strategy to allow for limited growth through amendments to the GMO as it relates to Los Osos.

STAFF RECOMMENDATION

Staff recommends that the Board adopt the following motion:

Motion:

- 1. I recommend that the Board conceptually support the proposed changes to the County of San Luis Obispo's Growth Management Ordinance as it relates to Los Osos; and***
- 2. If supported, authorize the Board President to sign either as an individual agency or a joint agency letter of support to the County.***

DISCUSSION

The LOCP has been under review by the California Coastal Commission (Commission) since its adoption by the Board of Supervisors back in December 2020. Since that time, the Commission and County staff have been meeting to discuss how to resolve the water issues that surfaced during the update process to the plan. Recently, Commission staff conveyed to the County that their hydrogeologist's analysis and understanding of the data, methodology and assumptions for the data, relating to Los Osos Groundwater Basin sustainability provides sufficient confidence that a maximum growth rate of one percent per year may be established for Los Osos. It is anticipated that the Coastal Commission staff's growth rate recommendation will be made to the Coastal Commission at a public meeting in June 2024 (likely June 12th, 13th, or 14th).

The County reached out to the three water purveyors (Golden State Water Company, S&T Mutual Water Company and the District) to work together to develop an implementation strategy for the maximum allowable growth rate of one percent per year as recommended by the Commission. The implementation

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strategy would be recommended to the Board of Supervisors for amendments to the County's Growth Management Ordinance, as it relates to Los Osos.

A key point in the water purveyor/County discussions was establishing safeguards to ensure the health of the groundwater basin over time. To this end, it was agreed that in addition to the implementation strategy summarized below, it would be recommended that the Title 19 Retrofit-to-Build Program should remain codified and continue to be enforced unless the program is determined to no longer be a necessary or appropriate component of the management strategy for a sustainable Los Osos Groundwater Basin.

Additionally, it is being recommended that the strategy include an annual consultation with the BMC. Procedurally, each year a recommendation from County staff to the Board of Supervisors to update the annual growth rate would include input from the BMC. The BMC would provide the input to the Groundwater sustainability Director, Blaine Reely, who would then provide technical memorandum as part of the recommendation to the Board of supervisors.

The implementation strategy would include safeguards using the following metrics to ensure the groundwater basin's sustainability over time:

Rolling Average	Basin Yield Metric	Growth Rate
5 years	80%	1.0%
5 years	81%	0.8%
5 years	82%	0.6%
5 years	83%	0.4%
5 years	84%	0.2%
5 years	85%	0.0%

A five-year rolling average was chosen after careful consideration of the impacts of wet and dry years on the Basin Yield Metric. Both extremely wet years and dry years can dramatically influence the Basin Yield Metric up or down if a shorter averaging period is used.

It is also important to remember that the requirement for any new development to proceed, it must comply with the County's Title 19 requirements to offset the estimated water of a development at a 2:1 ratio therefore being water use neutral and placing no new demand on the groundwater basin. Requiring offsets also adds another level of oversight on evaluating the groundwater basin's health over time.

Next Steps

The County has provided the following draft timeline for incorporating the proposed changes recommended in this report:

1. May: LOCSD, GSWC, and S&T provides letter of support (ideally joint letter) regarding our discussed growth management approach.
2. June 12th, 13th, or 14th: Coastal Commission takes action on suggested modifications at their public meeting.
3. September: County Board takes action on suggested modifications from Coastal Commission and on joint (LOCSD-GSWC-S&T-County) growth management approach.
4. October/November: Coastal Commission certifies LCP amendment and joint growth management approach goes into effect.

Staff is planning on bringing a water report to the Board at the June meeting. The report will include an update on the past winter's rainfall totals, total water production, average per capita water use and any change regarding the water shortage stage to be implemented for the upcoming year.