

**Addendum to the EIR  
for the  
County of San Luis Obispo  
Shandon (CSA 16) State Water Turnout Project  
ED 90-649 (300462)**

Background

County Service Area No. 16 (CSA 16) was formed in 1968 by the County of San Luis Obispo Board of Supervisors to provide water service, structural fire protection, sewer service and street lighting for the community of Shandon, CA. According to the 2010 census, Shandon has a population of 1,295 persons.

The CSA 16 water system consists of 4, 6, 8, and 10-inch asbestos, PVC and ductile iron distribution pipeline, 27 fire hydrants, two groundwater wells and a 212,000 gallon bolted steel storage tank. The existing system serves a total of 340 water meters and the community consumes approximately 150 acre-feet per year (AFY), equating to an approximate average daily demand of 134,000 gallons per day (gpd) and maximum daily demand of 335,000 gpd.

CSA 16's only water source is groundwater from the Paso Robles Groundwater Basin. Its two wells pump water from the basin into the distribution system and to the storage tank. The wells have a combined capability of pumping approximately 1,152,000 gpd.

CSA 16's connection to the State Water Project was evaluated in the March 1992 Final Environmental Impact Report for the State Water Project Coastal Branch Phase II Local Lines and Facilities. The proposed amount of water was 233 acre feet (CSA 16 ultimately contracted for 100 acre feet, but has not yet constructed the necessary pipeline connection). The Final EIR identified significant impacts related to geology and soils; that is, seismic effects on the pipeline and corrosive soils impacts on the pipe materials. Both of these impacts were considered mitigable through standard engineering design. The Final EIR also identified potentially significant, and not fully mitigable, impacts to schools as a result of growth stemming from the provision of an excess supply of water. However, with the level of growth in the community coupled with the reduction in the amount of State Water actually contracted for (100 acre feet, vs 233), it appears that the project would not result in an excess supply. Also, any new growth that does occur in the area would be governed by the recently adopted Community Plan.

Project Need

CSA 16 has several significant reasons to substantiate implementation of this project. The reasons are listed as follows and described in detail below:

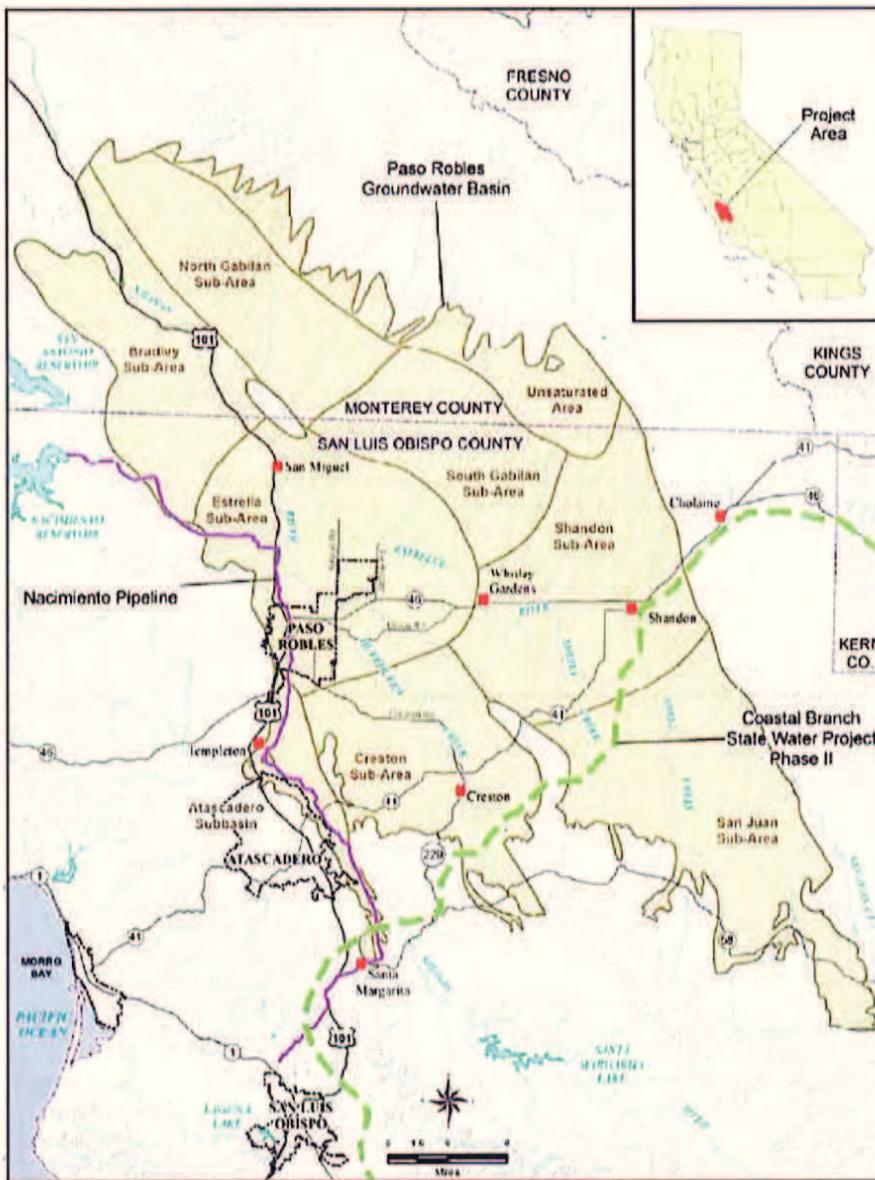
- Paso Robles Groundwater Basin Water Level Declines
- Competing Water Rights
- Water Supply Reliability
- Lost Water Allocation Expenses

Paso Robles Groundwater Basin Water Level Declines.

The Paso Robles Groundwater Basin (Basin) is located in northern San Luis Obispo County (County) and southern Monterey County, encompassing an approximate area of 790 square miles

(see Figure 1). The Basin supplies water for 29 percent of the County's population and 40 percent of the County's agricultural production. Most of the municipal, industrial, commercial, domestic and agricultural entities (including individual users) in the Basin area rely exclusively on groundwater to meet water demands. Likewise, CSA 16's water demands are solely met by pumping from the Basin.

In 2011, the County Board of Supervisors certified the Basin as a Level of Severity III water supply, in accordance with the designations provided by the County's Resource Management System. This is the most severe designation that can be given to a water supply and is only designated when the amount of consumption has reached the dependable supply of the resource or dependable supply will be depleted before new supplies are developed. The Basin's severity designation is a result of several studies prepared over the last decade that show that groundwater use has increased over the last 30 years to the point where Basin outflows (including groundwater pumping) will soon be greater than Basin inflows (recharge).



In addition to comparing Basin inflows to outflows, the Paso Robles Groundwater Basin Management Plan (March 2011) shows significant declines in the Basin's groundwater levels since 1980. For the Shandon Subarea, the portion of the Basin containing CSA 16, groundwater elevations declined by about 65 feet from 1981 to 2009 (rainfall over this period was slightly above average). From 2006 to 2009 alone, groundwater levels declined by about 30 feet in response to a combination of increasing water demands met by groundwater. Other subareas of the Basin experienced even more significant groundwater level declines.

The recent Basin severity designation and studies have given CSA 16 reason to be concerned that the Basin (CSA 16's only water supply source) may not be able to reliably meet their current and future water demands.

**Figure 1. Paso Robles Groundwater Basin**



**Figure 2. Aerial View of Site.**

Competing Water Rights. With the Basin's groundwater levels declining and studies showing that the Basin is close to exceeding its yield, CSA 16 faces the potential of competing for groundwater rights with other entities that may have superior rights. As currently interpreted, California water rights indicates that overlying groundwater rights are superior to appropriative groundwater rights. Overlying groundwater rights are the rights of a property owner with property located above a common aquifer to reasonable use of that aquifer. CSA 16's groundwater rights are considered appropriative groundwater rights. Thus, if there is not a surplus in the Basin after all reasonable and beneficial overlying rights are satisfied, CSA 16's appropriative groundwater rights could potentially be challenged by entities with overlying groundwater rights.

Water Supply Reliability. Since CSA 16 relies solely on groundwater for their water supply, the community of Shandon is at risk. With the Basin near its yield, groundwater may no longer be a reliable water source to supply CSA 16's existing or build-out water needs in the future. Thus, CSA 16 would greatly benefit by diversifying their water portfolio. The addition of another water source to CSA 16's supply would provide reliability, drought buffer and would enhance the community's and County's ability to manage and protect the Basin as a water supply source for multiple entities.

The need to diversify CSA 16's water portfolio becomes even more apparent when consideration is given to the following risks associated with groundwater:

- Drought – Groundwater levels typically decrease during drought years because water demands remain constant (or increase) while groundwater recharge rates decrease. While this phenomenon does not significantly impact CSA 16's ability to pump groundwater (CSA

16's wells are deep enough to account for lower groundwater levels), the fact that the Basin is near its yield during non-drought periods does present potential significant impacts. In other words, CSA 16's groundwater pumping during drought years could deplete the Basin's water levels beyond natural replenishment, putting the future of their sole water source at risk.

- Water Quality/Contamination – Groundwater is susceptible to contamination from outside sources and can sometimes experience water quality issues. Groundwater water quality issues normally worsen as basin levels drop because contaminants become more concentrated. With the Basin water levels decreasing, Shandon's water quality could become too bad to treat for drinking water.
- Climate Change – The threat of climate change has also posed a risk to groundwater supply. Temperature increases and changes in storm patterns have the potential to make the Basin's supply increasingly more unreliable, leaving CSA 16 without a reliable backup water supply.

Lost Water Allocation Expenses. In 1992, the CSA 16 Advisory Committee supported the execution of agreements between the San Luis Obispo County Flood Control and Water Conservation District (District) and CSA 16 to obtain an allocation of 100 AFY from the State Water project (SWP) and between the District and Central Coast Water Authority (CCWA) to construct and pay for SWP water treatment facilities. These agreements represent CSA 16's effort to maintain a reliable water supply, recognizing that the existing and future demands on the Basin put their only water supply at risk.

When the agreements were signed in 1992, CSA 16 was prepared to construct a turnout facility to provide connection of the CSA 16 water distribution system to the SWP and access to the 100 AFY allocation. Issuance of the final SWP water costs in 1995, however, proved to be much more costly than originally anticipated. These higher costs resulted from unanticipated construction difficulties encountered by DWR during SWP construction and a smaller initial agency participation in the SWP. As a result, CSA 16 determined that it was not financially feasible to participate in the SWP at that time and turnout facilities were not constructed. Even without the capability to receive and use it, CSA 16 has continued to maintain and pay for their SWP allocation in hopes that turnout facility construction and SWP water treatment costs would become feasible in the future.

The costs for maintaining the 100 AFY SWP water allocation currently accounts for roughly one quarter of CSA 16's overall yearly expenses. The only benefit CSA 16 receives for this cost is the opportunity to access the water in the future. Recent estimates show that the costs for CSA 16 to receive the treated SWP water would only increase this percentage by roughly eight percent. This percentage increase includes costs from CCWA and DWR for water treatment, water delivery and SWP facility maintenance. It also includes savings from anticipated reduction in groundwater pumping and treatment. It does not include turnout facility construction costs.

#### Proposed Project

The proposed Shandon State Water Turnout Project is a new turnout facility that will connect the existing CSA 16 water distribution pipeline (10-inch, PVC) to the existing Coastal Branch, Phase II State Water Project pipeline (48-inch, steel) near the intersection of San Juan Road and Toby Way in Shandon, CA. The turnout facility will be designed to receive 100 AFY spread equally over each month of the year. Construction of the facility will generally consist of the following (see the attached CSA 16 Turnout Project Exhibit):

- Piping connection to an existing 10-inch flange stubbed from the 48-inch SWP pipeline
- Construction of an approximate 15'x24' underground concrete vault to house the turnout equipment
- Installation of turnout equipment, including piping, an actuated flow control valve, isolation valves, flow meter, air release valves and drain valves
- Installation and programming of control equipment for incorporation into the existing SWP Supervisory Control and Data Acquisition (SCADA) system, including connection to the existing SWP fiber optic line running parallel to the SWP pipeline
- Installation of electrical equipment, including connection to existing power, and backup power supply equipment
- Piping connection to the existing CSA 16 10-inch PVC pipeline
- Upgrades to CSA 16 well water treatment facilities to provide chloramine treatment to match SWP water treatment (existing CSA 16 well treatment is chlorine and mixing the two treatments can cause health hazards)

The connection will entail the construction of a turnout vault located adjacent to the State Water Pipeline on the northeast corner of Toby Way at San Juan Road, approximately ¼ mile east of the community of Shandon. The connection will be made at the point where the existing main line between the community and the water storage tank crosses the State Water pipeline. Although the site is currently on the border of a fallow alfalfa field, it is entirely within the existing State Water pipeline easement; no new right-of-way or new easements are required. The total area of construction disturbance would be less than 1 acre.

The purpose of the project is to reduce groundwater pumping and a portion of Shandon's contribution to the lowering water table, diversify supply as a means to ensure a higher level of water security, and improve the overall quality of municipal supply. Key project drivers include:

- The County Master Water Plan records a decline in groundwater levels in the Shandon area of 65 feet between 1981 and 2009.
- At the time of the 1992 FEIR, Shandon (CSA16) had a population of 454 people, and was using 102 acre feet of water per year from groundwater supplies. According to the 2010 census, the current population is 1,200. Water use has increased to 180 acre feet per year.
- The new water main constructed with the new water tank in the late 1990's crosses over the State Water line. Connecting the community to State Water would involve construction only at the connection, limiting costs and impacts.
- The Shandon Community Plan, adopted by the Board on April 3, 2012, requires new development to provide additional water (not Shandon's 100 AF of State Water) for new development. Therefore, the Plan addresses State Water related growth inducement concerns by both limiting the use of State Water, and by controlling any other growth that may occur in the area.

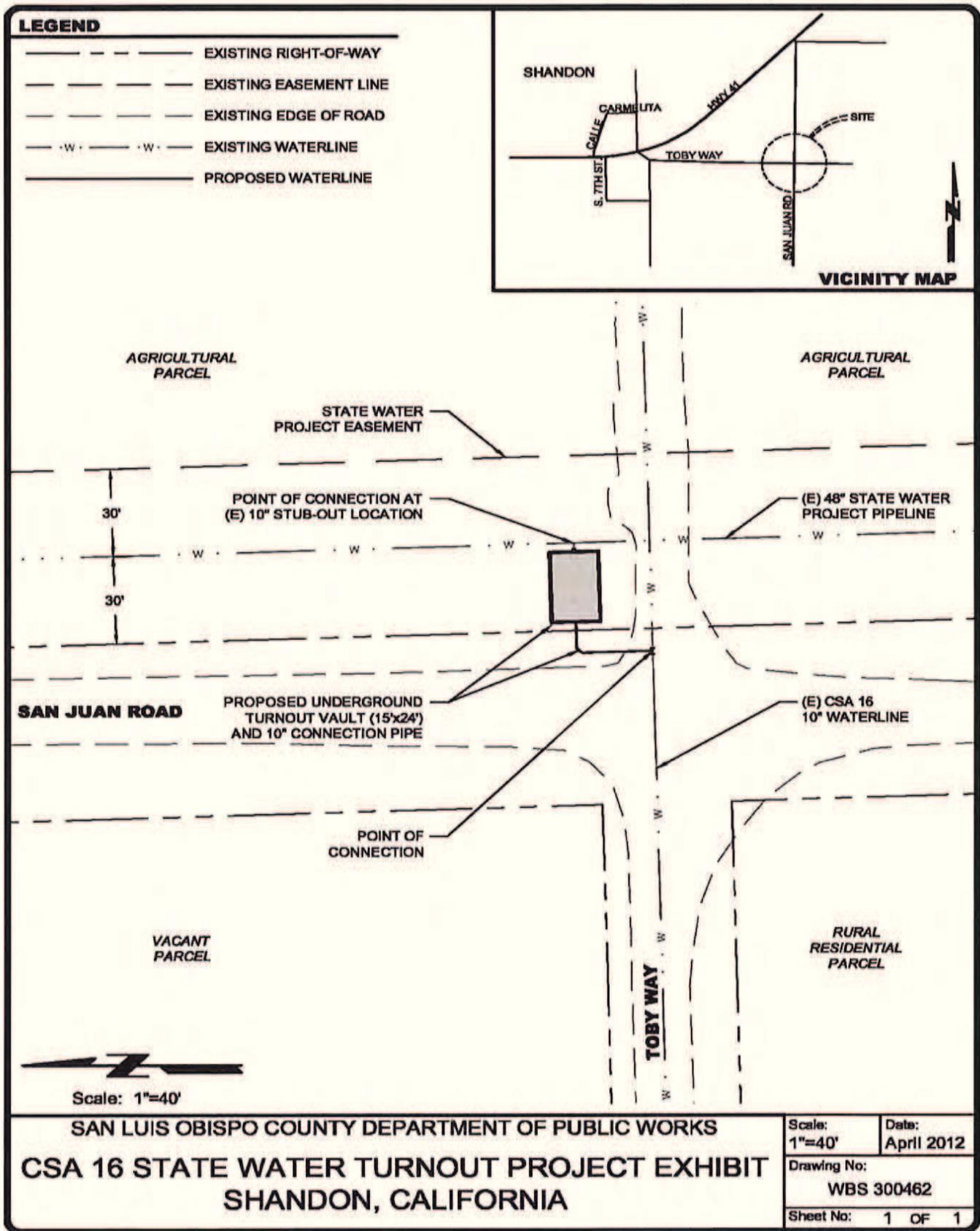


Figure 3

The changes to the project since the 1992 EIR was approved constitute a minor modification of the project description. This Addendum addresses whether or not the Project, as modified, has the potential to result in a previously undisclosed significant effect on the environment.

The California Environmental Quality Act (CEQA) defines a "significant effect on the environment" as a "substantial, or potentially substantial, adverse change in the environment." The Project, as proposed, would not result in any impacts to previously undisclosed resources. The proposed Project will require a very small area of disturbance within the area originally considered for the 1992 proposal.

The EIR includes the following discussion regarding San Joaquin kit fox:

No sensitive biological resources were detected in or adjacent to this proposed alignment. Although this alignment lies within the range of San Joaquin kit fox, habitat within the alignment does not appear to be suitable for denning by this species. Soils are compacted and often alkaline, and the only available habitat is a narrow strip between the existing paved road and a fenceline bordering residences.

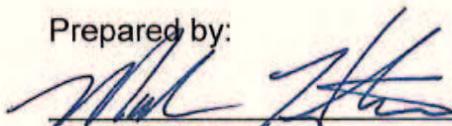
Effects of the Change in the Project Description

The modification to the project does not add acreage to the original project. The change in the project description is a reduction in total volume of water requested (100 AF vs. 233 AF). The project location will avoid new adverse effects on sensitive species by working entirely within the existing right of way in a road shoulder area bordering an agricultural field. The decreased water volume contracted for will result in an incremental decrease in school impacts associated with new development.

Conclusion

The Project, as modified, would not result in any significant impacts on the environment. Further, the approved FEIR originally issued in 1992 is still adequate because the changes to the Project are minor and would not result in any new significant impacts.

Prepared by:

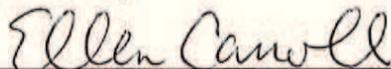


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11/01/12

Date

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11.7.2012

Date