

EXHIBIT A

Water Resources Planning Recommended Schedule for Focused Discussions

Given the amount of information in the January 2012 Draft County-wide Master Water Plan (MWP) and details associated with water resources planning efforts, the following is a recommended schedule, and accompanying discussion, for returning to your Board with focused discussions on high priority topics.

Topic	Month
Paso Basin	February 28, 2012
Integrated Regional Water Management Program	Spring 2012
Groundwater/Watershed Management	Spring 2012
State Water Project	Spring/Summer 2012

Paso Robles Groundwater Management Plan

On March 22, 2011, your Board approved a resolution of intent to participate in the development of a Groundwater Management Plan (GMP) for the Paso Robles Groundwater Basin (Basin). The City of Paso Robles, in close coordination with Basin stakeholders, led the preparation of the GMP, which addresses groundwater conditions, identifies local and basin-wide groundwater issues, and outlines voluntary measures to protect groundwater resources within the plan area, consistent with the Groundwater Management Planning Act of 2002 (SB1938). On February 28, 2012, your Board will be considering whether to adopt the GMP and associated staff direction related to its implementation. The GMP is available online at www.slocountywater.org via the Paso Robles Groundwater Basin link.

By adopting the GMP, the District would be confirming its commitment to participate in the implementation of the GMP, eligible for applicable grants, and, assuming stakeholder support, formally establishing the Steering Committee for leading efforts related to the voluntarily implementation of the GMP by Basin stakeholders.

Integrated Regional Water Management (IRWM) Program

Both Proposition 50, the “Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002” and Proposition 84, the “Safe Drinking Water, Water Quality, and Supply, Flood Control, River and Coastal Protection Bond Act of 2006” were passed by California voters and authorized the Legislature to appropriate grant funds for the State’s Integrated Regional Water Management (IRWM) program. The IRWM Program encourages local agencies to work cooperatively to manage local and imported water supplies to improve quality, quantity, and reliability by providing

guidelines for effective planning and grant opportunities. Your Board has acted in support of the District's continued participation and leadership role for the county in IRWM efforts by:

- 1) adopting the IRWM Plan developed for our region¹
- 2) authorizing the Public Works Director to submit and administer grant applications and agreements, and
- 3) approving the Memorandum of Understanding between IRWM program participants in the county which outlines the way in which IRWM program efforts will be coordinated amongst signatories, the Water Resources Advisory Committee (WRAC) and the District as the lead agency (collectively, the Regional Water Management Group or RWMG).

Consequently, the District has recently been awarded \$10.4M in IRWM project implementation grants for the Los Osos Wastewater Project, the Flood Control Zone 1/1A Waterway Management Program and the Nipomo Supplemental Water Project. Staff will be bringing grant agreements with the State and the three project proponents to your Board for approval when they are finalized later this spring. A condition of receiving the grant is to update the IRWM Plan to meet current State standards for IRWM plans within two years of executing the grant agreements. In order to be eligible for the next implementation project grant opportunity, the District would need to demonstrate progress on the IRWM Plan update. The MWP has consolidated much of the information related to water supply in the county that can be directly used for the IRWM plan update, which will also provide an opportunity for addressing comments on the January 2012 draft of the MWP. Therefore, it is recommended that staff return to your Board in spring 2012 for a focused discussion on the IRWM program covering:

- 1) the approach with the Plan update,
- 2) whether to consolidate and update water supply and demand information on an ongoing basis in the IRWM Plan instead of the MWP,
- 3) the relationship of the IRWM Plan with other planning efforts, such as the Resource Management System,
- 4) what future MWPs should cover, and
- 5) a recommendation to hire a consultant to develop a Proposition 84 Round 2 Step 1 implementation grant application.

Concurrently, staff is coordinating with the RWMG to develop a planning grant application which is due to the State on March 9, 2012. Consistent with WRAC support during their February 1, 2012 meeting, the application will include a grant allocation request for planning efforts associated with the Plan update, watershed planning efforts and salt and nutrient management/recycled water planning efforts. Your Board will be considering sending this application as the lead agency for the RWMG on February 28, 2012. Discussions during this item will serve as an introduction to the focused discussion item in spring 2012.

¹ Our IRWM region, which is the San Luis Obispo County boundary, was approved by the State in May 2009.

Groundwater/Watershed Management

The County's Resource Management System has been instrumental in identifying groundwater/watershed issues in the county and programs to address them, particularly for the unincorporated areas of the county. Most recently, water use efficiency programs have been implemented on the Nipomo Mesa and in the Los Osos community. Similar programs are under development for the Paso Robles Groundwater Basin. As a result of staff direction at the Board's hearing to consider the level of severity for the Nipomo Water Conservation Area in 2007, the approved recommendations in the 2009 and 2010 Resource Summary Reports and approved actions in the Paso Robles Groundwater Basin Resource Capacity Study, staff will be working toward improving the overall groundwater monitoring program and engaging in particular management efforts in the Paso Robles Groundwater Basin and Santa Maria Valley Groundwater Basin as outlined in Exhibit "B". Specifically, your Board will be considering adopting the Paso Robles Basin Groundwater Management Plan and the approach to updating the Basin computer model on February 28, 2012.

Similar to the RMS, the MWP identifies areas where information is lacking (i.e. outdated basin yield analyses or limited information for assessing environmental water demand) or where watershed/basin management efforts are not well established. Your Board may also consider having a focused discussion on groundwater/watershed management issues covering the District's role and authority in groundwater/watershed management efforts, how that role and authority relates to the RMS and other local water resources management efforts, funding mechanisms, and priorities. In anticipation of grant opportunities in late spring 2012 via the Local Groundwater Assistance Program and requests from local agencies to cost share/participate in groundwater/watershed management projects, staff recommends scheduling the focused discussion for spring 2012.

Central Coast Branch of the State Water Project

Consistent with your Board's direction during the update on the status of this MWP on September 22, 2009, staff has been coordinating with State Water Subcontractors and the Central Coast Water Authority (CCWA)² to evaluate opportunities to optimize the use of the capacity of the Central Coast Branch of the State Water Project. This discussion can be found in Section 4.7.8 of the MWP. A capacity assessment of the Coastal Branch was recently completed³ and while it finds that excess capacity exists, the contract between CCWA and the District specifies a numerical amount of water each entity receives, and would therefore need to be re-negotiated to incorporate terms for the use of any excess pipeline capacity. It is recommended that your Honorable

² The Central Coast Water Authority is the Joint Powers Authority that operates and maintains the Central Coast Branch of the State Water Project under contract with the State Department of Water Resources and represents Santa Barbara County State Water participants.

³ The final State Water Coastal Branch Capacity Study report is available under the State Water quicklink at www.slocountywater.org.

Board have a focused discussion in summer 2012 on State Water issues covering the process for determining the best use of the excess allocation and capacity, capacity information, informal requests for State Water, reliability information, financial information and policy considerations.