

**ATASCADERO AREA SUBBASIN
REPLY TO COMMENTS IN OPPOSITION OF PROPOSED BOUNDARY
MODIFICATION**

INTRODUCTION

One letter, from the City of Paso Robles, was received by Templeton Community Services District (District) expressing their opposition to efforts to formally designate the Atascadero Area Subbasin as a separate and distinct groundwater basin from the main Paso Robles Area Subbasin. Additionally, two comments were submitted to the Atascadero Basin website by concerned private individuals, neither of whom live within the Atascadero Area Subbasin. The letter from the City of Paso Robles and the two comments are presented separately as part of the application to modify the basin boundary.

A similar thread runs through the City's letter of opposition and the two submitted comments and can be summarized through the following three issues of concern:

- Groundwater flow in the Salinas River alluvium (underflow) across the proposed basin boundary argues against a hydrologic separation
- Groundwater sustainability is best achieved through basin-wide collaboration, not conflicting Groundwater Sustainability Agency(s)
- Incomplete notification of the rural landowners within the proposed Atascadero Area Subbasin

A response to each of these points are provided, below.

ISSUE #1. GROUNDWATER FLOW IN THE SALINAS RIVER ALLUVIUM ACROSS THE PROPOSED BASIN BOUNDARY ARGUES AGAINST A HYDROLOGIC SEPARATION

The District and most of the Atascadero Area Subbasin stakeholders believe that this statement is incorrect for many reasons. As described in detail in the *Technical Report, Atascadero Area Subbasin Basin Boundary Modification Application* (submitted separately), the basin boundary of the Atascadero Area Subbasin, as well as the formally-recognized Paso Robles Area Subbasin, is based on the presence or absence of the water-bearing Paso Robles Formation. Although the alluvial sediments of the Salinas River are a critically important component for groundwater production, streamflow recharge, and streamflow discharge, the presence of alluvial sediments, and the underflow within the sediments, does not form the basis for basin boundary delineation. Most formally defined groundwater basins throughout the state have river (underflow) systems that flow across the basin boundary and provide an important source of recharge, without constituting a part of the boundary definition. Furthermore, it is important to note that the underflow of the Salinas River, which flows through the Atascadero Area Subbasin and the Paso Robles Area Subbasin and northward into the Salinas Valley Basin, is a fully appropriated stream regulated by the State Water Resources Control Board (SWRCB). Regulation of the underflow by the SWRCB means that the important underflow resource, as both a supply source and a source of basin recharge, will not and cannot be modified through implementation of a GSP. Indeed, the separation of the Atascadero Area Subbasin and development of a separate GSA and GSP will ensure that the proper focus is applied to the

whole hydrologic system and the current volumes of underflow flowing across the northern boundary of the Atascadero Area Subbasin into the Paso Robles Area Subbasin are maintained.

With respect to the assertion that the recent court decision in *Steinbeck Vineyards #1, LLC, et al. v. County of San Luis Obispo, et al.* indicated that the science did not support a separation, it is clear from the judge's ruling that the ruling was limited to determining whether the court would dismiss the quiet title claims against the District and AMWC by the landowner plaintiffs in the Paso Robles Subbasin. The ruling has no effect on the basin boundary modification request.

ISSUE #2. GROUNDWATER SUSTAINABILITY IS BEST ACHIEVED THROUGH BASIN-WIDE COLLABORATION, NOT CONFLICTING GROUNDWATER SUSTAINABILITY AGENCY(S)

The District and the Atascadero Area Subbasin stakeholders are in complete agreement with this statement. The District believes, however, that separation of the Atascadero area from the main part of the Paso Robles Basin will significantly enhance the ability of the Atascadero area stakeholders to sustainably manage the new subbasin, in contrast to the difficulties faced by the Paso Robles Basin stakeholders. It is important to note, however, that the difficulties faced by the Paso Robles Basin stakeholders to develop a sustainability plan is not the impetus for the District and the Atascadero Subbasin stakeholders to apply for a basin boundary modification; the sole incentive for the Atascadero area stakeholders is to create a structure that will continue the effective basin management that has sustained the subbasin for the past 20 years, and that will continue to operate at a high level of sustainability through the 20-year SGMA implementation period.

Creating separate subbasins (Atascadero Area Subbasin and Paso Robles Area Subbasin) will not create a new or additional conflict between the two areas, because close coordination will be required to account for flows across the subbasin boundary. There is no difference in how agencies or individuals will be represented in a GSA with respect to a basin boundary modification. The only difference is that they will be part of the Atascadero Area Subbasin which has been sustainably managed and will continue to be sustainably managed, rather than be part of the Paso Robles Subbasin, which has seen significant water level declines and uncertainty on future management strategies. In fact, these uncertainties were reinforced on March 8, 2015 when the formation vote of the Paso Robles Water District was resoundingly rejected by the stakeholders in the Paso Robles Subbasin, and funding for sustainable groundwater management activities was also rejected.

Separating the Atascadero Area Subbasin from the Paso Robles Subbasin through the Basin Boundary Modification process included in the SGMA would result in the following benefits:

- Atascadero Area Subbasin water managers can:
 - Continue to support sustainable groundwater management in the Atascadero Area Subbasin in a cost-effective and efficient manner
 - Continue to achieve sustainable management of the groundwater resources of their subbasin by complying with the requirements and schedule identified by the SGMA

- Continue to coordinate with the groundwater management activities in the Paso Robles Subbasin to support their pursuit of sustainable groundwater management
- Avoid State Water Board intervention in the Atascadero Area Subbasin
- DWR would gain a successful basin boundary modification that creates a new subbasin that is sustainably managed, consistent with the intent of SGMA.

ISSUE #3. INCOMPLETE NOTIFICATION OF THE RURAL LANDOWNERS WITHIN THE PROPOSED ATASCADERO AREA SUBBASIN

The District made a concerted effort to provide widespread outreach of the full process over the past several months, not only to inform the general public but to provide notice for the required public hearing on March 1, 2016. As described in separate documentation submitted as part of this application, significant efforts were expended at multiple public forums to inform the public and interested parties that the Atascadero Subbasin stakeholders were proceeding with this endeavor. Both the District and Atascadero Mutual Water Company extended multiple outreach efforts to the public to inform them and, frankly, to hopefully enlist support. These efforts seemed to be successful, as the large majority of public comment at the March 1 public hearing spoke in favor of the basin boundary modification (only the City of Paso Robles opposed the basin boundary modification at the District Board meeting and public hearing). As noted earlier, the two comments provided by the general public in opposition to the basin boundary modification were from residents that do not reside within the area of the proposed Atascadero Area Subbasin.

With respect to the concern expressed by the two general public comments that a number of residents that would be included in the new separated basin would be left to fend for themselves without adequate agency representation, it is important not to confuse the basin boundary modification process with sustainable basin management. In many basins and subbasins throughout the State, there are “white” or “unmanaged” areas that are not located within a district to represent them. The SGMA requires that these areas be provided the opportunity to participate in their local GSA formation and GSP development and implementation, often through County participation because of their geographic extent and land use authority. This approach to addressing the participation of the residents not located within a district is unaffected by the basin boundary modification process.