

Section F. Regional Priorities

IRWM Plan Standard:

“Include short-term and long-term priorities for implementation of the Plan. Discuss the process for modifying priorities in response to regional changes.”

The San Luis Obispo regional priorities are designed to meet the collective needs of the region. As discussed in Section E, the projects that ranked highest in terms of addressing the most regional goals and objectives form the basis of the integration and regionalization process. Section E also presented the regional water management programs that have been developed around those high ranking projects. This section will discuss how the water management programs and the integration and regionalization process will be used for the development of immediate, short and long term implementation priorities of the IRWMP.

F1. Immediate-Term Implementation Priorities

The immediate-term priorities are defined as those projects, plans and programs that were identified as high-ranking and are ready to proceed to implementation within the next two years. As shown in Table F1.1, there are immediate implementation priorities within each water management program. The following five immediate-term implementation programs, made up of eighteen (18) projects, have been defined:

Water Quality Program

- Los Osos Community Wastewater Project
- Nipomo CSD Salt Management Program
- Morro Bay NPDES Illicit Discharge Detection and Elimination Ordinance
- Southland Wastewater Treatment Facility Upgrade

Water Supply Program

- Master Water Plan
- Nacimiento Water Project
- Morro Bay Desalination Facility Upgrade
- Nipomo CSD Supplemental Water Project

Ecosystem Preservation and Enhancement Program

- Morro Bay Estuary Comprehensive Conservation and Management Plan
- Agriculture and Open Space Element
- Conservation Element
- Wetland and Vernal Pool Mapping
- Morro Bay Harborwalk
- Low Impact Development Program

Groundwater Monitoring and Management Program

- Chorro and Morro Groundwater Basin Management Plans

Flood Management Program

- Flood Management Plan
- Flood Control Zone 1/1A Waterway Management Program
- Flood Control Zone 9 Waterway Management Program

Table F1.1 Implementation Priorities

	Project/Plan	Readiness	Score	Implementation Priority		
				Immediate	Short	Long
Water Quality	Nipomo CSD Salt Management Program	2008	37.1	●		
	Morro Bay NPDES Illicit Discharge Detection and Elimination Ordinance	2008	30.3	●		
	Los Osos Community Wastewater Project	2009	52.8	●		
	Southland Wastewater Treatment Facility Upgrade	2009	37.9	●		
	Morro Bay Wastewater Treatment Facility Upgrade	2012	49.1		●	
	San Simeon Wastewater Treatment Facility Upgrade	2012	34.2		●	
	South San Luis Obispo County Sanitation District Facility Upgrade	Concept	42.9			●
Water Supply	Master Water Plan	Ongoing	50.0	●		
	Nacimiento Water Project	2007	32.1	●		
	Morro Bay Desalination Facility Upgrade	2008	37.1	●		
	Nipomo CSD Supplemental Water Project	2009	34.2	●		
	San Luis Obispo Reclamation Facility Upgrade	2010	37.9		●	
	Paso Robles Reclamation and Recharge Program	Concept	41.2			●
	Desalination Study	Concept	42.5			●
Ecosystem	Morro Bay Estuary Comprehensive Conservation and Management Plan (CCMP)	Ongoing	68.5	●		
	Agriculture and Open Space Element	Ongoing	52.4	●		
	Conservation Element	Ongoing	51.2	●		
	Wetland and Vernal Pool Mapping	Ongoing	38.7	●		
	Morro Bay Harborwalk	2007	32.1	●		
	Low Impact Development Program	2008	46.3	●		
Groundwater	Chorro and Morro Groundwater Basin Management Plans	2007	54.3	●		
	Groundwater Recharge Optimization Program	Concept	45.8			●
	Groundwater Management Ordinance Study	Concept	44.9			●
	Edna Valley Groundwater Basin Study	Concept	32.1			●
Flood	Flood Management Plan	2007	51.8	●		
	Flood Control Zone 1/1A Waterway Management Program	2007	44.8	●		
	Flood Control Zone 9 Waterway Management Program	2008	44.8	●		

Identification of the immediate-term implementation programs is critical to meeting the needs for the San Luis Obispo region. The immediate-term programs have been identified as having the most significant impact on meeting the highest priority needs of the watershed and are ready to proceed. With limited funding resources, the focus of the regional agencies must be on those projects that can provide the greatest degree of

benefit. For these reasons, these programs make up the immediate-term implementation programs.

Based on their ability to meet multiple IRWMP goals and objectives, readiness to proceed, and consistency with the Proposition 50 funding priorities, eight of the immediate-term implementation projects will be considered for inclusion in the San Luis Obispo Proposition 50 Implementation Grant Application. These projects are:

	Project	Readiness	Score	Program Linkages				
				Water Quality	Water Supply	Ecosystem	Groundwater	Flood
Water Quality	Los Osos Community Wastewater Project	2009	52.8	●	●	●	●	
	Southland Wastewater Treatment Facility Upgrade	2009	37.9	●	●	●	●	
Water Supply	Nacimiento Water Project	2008	32.1	●	●		●	
	Morro Bay Desalination Facility Upgrade	2008	37.1	●	●	●	●	
	Nipomo CSD Supplemental Water Project	2009	34.2	●	●		●	
Ecosystem	Morro Bay Estuary CCMP Chorro Creek Ecological Reserve Restoration Project	2008	32.1	●		●		●
Flood	Flood Control Zone 1/1A Waterway Management Program	2007	44.8	●		●		●
	Flood Control Zone 9 Waterway Management Program	2008	44.8	●		●		●

The following is additional discussion as to why these critical projects are the San Luis Region’s top priority and why they will be considered for the Proposition 50 Implementation Grant Application.

Los Osos Community Wastewater Project

The Los Osos wastewater project is the region’s highest IRWM project priority. The project is needed to help eliminate pollution that is resulting from septic discharge of wastewater and the impacts to the groundwater supply and the Morro Bay National Estuary, which includes a recently designated State Marine Reserve. In addition to

helping resolve water quality impacts from local urbanization, and helping to resolve the long-standing enforcement action that was initiated by the Central Coast Regional Water Quality Control Board in 1983, the Los Osos wastewater project has addition IRWM benefits. Those benefits include water supply enhancements that will result from re-use of treated wastewater where appropriate combined with disposal of non-reuse wastewater in a manner that enhances groundwater management and conjunctive use of supplies. The project's benefits include ecosystem protection by eliminating existing wastewater disposal practices, and as required by the California Coastal Commission, the project will include maintenance of existing wetlands as changes occur in groundwater hydrology.

The project is also supported through-out the region for IRWM grant funds as our #1 priority. At the July 2007 meeting of the San Luis Obispo County Water Resource Advisory Committee, which includes representatives of all seven (7) cities in our region, local Community Services Districts, private water purveyors, and environmental and agricultural constituents, the wastewater project was unanimously selected as the #1 project priority. Chairman Mike Winn, elected representative from the Nipomo Community Services District, recognized the need to obtain grant funding for Los Osos, which the County intends to target for the benefit of disadvantaged persons within the community. The cost of compliance with water quality regulations, which drive the need for the project, exceeds affordability standards established by the U.S. Environmental Protection Agency, and the ability to obtain grant funds are needed to help address fiscal impacts and to support local funding efforts, including the Proposition 218 assessment funding vote that is required by Assembly Bill 2701 (Blakeslee) and scheduled for fall of 2007 by the County of San Luis Obispo.

The Los Osos Wastewater Project addresses the following Proposition 50 program preferences:

- Integrated project with multiple benefits
- Supports and improves local and regional water supply reliability
- Contributes expeditiously and measurably to the long-term attainment and maintenance of water quality standards
- Eliminates or significantly reduces pollution in impaired waters and sensitive habitat areas, including ASBSs
- Safe drinking water and water quality project that serves disadvantaged persons

Southland Wastewater Treatment Facility Upgrade
Nipomo CSD Supplemental Water Project

The Santa Maria Groundwater Basin is in the final stages of adjudication with recognized threats of overdraft and seawater intrusion. Concurrently, the County Board of Supervisors, through the County's Resource Management System, has certified the water supply for the Nipomo Mesa, the Santa Maria Groundwater Basin, as being in a Level of Severity III situation, as it is being utilized at or near capacity. The Nipomo CSD's projects to upgrade their wastewater treatment facility and secure supplemental water work together to address these critical problems. The wastewater treatment facility upgrade will reduce nitrate discharge and add tertiary treatment components to allow for

irrigation recycling and aquifer storage and recovery. Implementation of this project will provide opportunities for ecosystem enhancement and improved water supply reliability by recharging streams and groundwater with higher quality water. Treatment facilities and a pipeline to transfer 3,000 to 6,200 acre feet of supplemental water per year from the Santa Maria Basin will be constructed to resolve overdraft of groundwater in the Nipomo Mesa Groundwater Management Area. This project integrates water supply reliability and groundwater management strategies through inter-agency cooperation. Grant assistance for implementation of these projects would provide opportunities to benefit disadvantaged persons and address environmental justice issues within the Nipomo Community.

The Southland Wastewater Treatment Facility Upgrade and Nipomo CSD Supplemental Water Project address the following Proposition 50 program preferences:

- Integrated projects with multiple benefits
- Support and improve local and regional water supply reliability
- Contribute expeditiously and measurably to the long-term attainment and maintenance of water quality standards
- Eliminate or significantly reduce pollution in impaired waters and sensitive habitat areas, including ASBSs
- Safe drinking water and water quality projects that serve disadvantaged persons

Nacimiento Water Project

The Nacimiento Water Project is an important “backbone” facility supporting local and regional water supply reliability, facilitating conjunctive use opportunities to manage groundwater supplies and improve groundwater quality from the disadvantaged community of San Miguel all the way down to San Luis Obispo. Since only about 61% of the supply is committed to contracting parties, its capacity will meet additional supply reliability needs far into the future, proactively mitigating the potential for groundwater basin litigation.

The Nacimiento Water Project addresses the following Proposition 50 program preferences:

- Integrated projects with multiple benefits
- Support and improve local and regional water supply reliability
- Contribute expeditiously and measurably to the long-term attainment and maintenance of water quality standards
- Safe drinking water and water quality projects that serve disadvantaged persons

Morro Bay Desalination Facility Upgrade

Morro Bay Estuary CCMP Chorro Creek Ecological Reserve Restoration Project

Chorro Creek is a critical component of the Morro Bay watershed that both replenishes the limited groundwater supply available for the City of Morro Bay and riparian users, and discharges to the Morro Bay National Estuary. Sedimentation and high nitrate spikes in the watershed and basin have decreased the reliability and quality of the water in the

Morro Bay watershed and National Estuary. The City of Morro Bay's Desalination Facility Upgrade project and the Morro Bay Estuary Program's Chorro Creek Ecological Reserve Restoration Project from the CCMP work together to improve conditions in the Morro Bay watershed. The desalination upgrade will allow Morro Bay use the facility conjunctively with the groundwater basin to ensure safe drinking water is provided to its constituents. The sedimentation project will ensure that Chorro Creek provides high quality water for basin replenishment and estuary ecosystem needs.

The Morro Bay Desalination Facility Upgrade and Morro Bay Estuary CCMP Chorro Creek Ecological Reserve Restoration Project address the following Proposition 50 program preferences:

- Integrated projects with multiple benefits
- Support and improve local and regional water supply reliability
- Contribute expeditiously and measurably to the long-term attainment and maintenance of water quality standards
- Eliminate or significantly reduce pollution in impaired waters and sensitive habitat areas, including ASBSs

Flood Control Zone 1/1A Waterway Management Program
Flood Control Zone 9 Waterway Management Program

Both the Arroyo Grande Creek (Zone 1/1A) and San Luis Creek (Zone 9) are habitat for the endangered Steelhead fish, flow through urban areas and are prone to flooding problems. The Waterway Management Programs integrate vegetation management, flood control infrastructure construction and maintenance, stormwater management and ecosystem preservation and restoration water resource management strategies to protect water quality and communities, including the disadvantaged community of Oceano, in the Flood Control Zones.

The Flood Control Zone 1/1A and Flood Control Zone 9 Waterway Management Programs address the following Proposition 50 program preferences:

- Integrated projects with multiple benefits
- Contribute expeditiously and measurably to the long-term attainment and maintenance of water quality standards
- Eliminate or significantly reduce pollution in impaired waters and sensitive habitat areas, including ASBSs
- Water quality projects that serve disadvantaged persons

As progress is made in the implementation of the immediate-term programs and projects, there may be a shift in the regional needs and priorities. Therefore, there must be a process for consideration of other watershed projects or new projects for elevation into the immediate-term implementation priority. The process for consideration of these shifting needs, priorities and projects is described in Section F4.

F2. Short-Term Priorities for Plan Implementation

Short-term priorities are defined as those action items that will be ready to proceed within 3 to 5 years. As shown in Table F1.1, there are short-term implementation priorities in only two of the five water management programs. The following two short-term implementation programs, made up of three (3) projects, have been defined:

Water Quality Program

- Morro Bay Wastewater Treatment Facility Upgrade
- San Simeon Wastewater Treatment Facility Upgrade

Water Supply Program

- San Luis Obispo Reclamation Facility Upgrade

Although the three short-term priority projects meet many of the same objectives as the immediate-term Southland Wastewater Treatment Facility Upgrade project, the short-term projects will not be ready for implementation until 2010 or later and are, therefore, a short-term priority. As the Southland Wastewater project moves towards implementation, the short-term projects will be elevated to immediate priority water recycling projects in the region.

F3. Long-Term Priorities for Plan Implementation

Long-term IRWM Plan priorities are defined as those action items that will be ready to proceed within 6 to 20 years. Long-term regional water management needs all reflect the importance of maximizing limited water resources for the San Luis Region and include implementation of the IRWM Plan and identified water management strategies. These include water conservation, conjunctive use, and groundwater banking; increasing supply reliability by reducing dependence on imported water and addressing water quality issues; and pursuing coordination/cooperation with other agencies that are outside of the Region to create greater opportunities for mutually beneficial integrated regional water resources management.

The most significant long-term priority is for the region to continue to work together to ensure that the goals and objectives of the IRWMP are met and that changes in regional priorities and needs are reflected in future updates to the IRWMP. For the IRWM Plan to be effective in the long-term, it must be a “living” document. The region is committed to this long term process and will accomplish this through an adaptive management process as described in Section F4. As the immediate and short-term implementation proceeds, many projects from the current set of regional water management programs will be implemented. Thus, as progress is made, the remaining projects will need to be reviewed and re-prioritized and new projects will be accepted for incorporation into the process.

There are many projects that make up the long-term implementation program. These projects fall into two categories:

1. Long-Term High Ranking IRWMP Implementation Project
2. Long-Term Medium or Low Ranking IRWMP Implementation Project

The first grouping consists of those projects that meet many IRWMP objectives and, therefore, ranked high but are not yet ready to proceed. Many of these projects are in the concept phase but are recognized for their ability to be designed to meet many IRWMP objectives. This category includes the following six projects:

Water Quality Program

- South San Luis Obispo County Sanitation District Facility Upgrade

Water Supply Program

- Paso Robles Reclamation and Recharge Program
- Desalination Study

Groundwater Monitoring and Management Program

- Groundwater Recharge Optimization Program
- Groundwater Management Ordinance Study
- Edna Valley Groundwater Basin Study

The second grouping consists of projects that scored in the medium or low IRWMP priority as designated in Table E1.3. These projects may not meet many IRWMP objectives but are critical for an individual agency or subregion and may be implemented independent of the IRWMP. Independent implementation of these projects could have an impact on the needs and priorities of the region and would have to be considered through the Adaptive Management Process when reassessing the priorities for the region. These projects remain on the list of long-term implementation watershed projects until such time that a reassessment of the project priorities through the Adaptive Management Process warrants an elevation to the immediate or short-term IRWMP program or removal from the list.

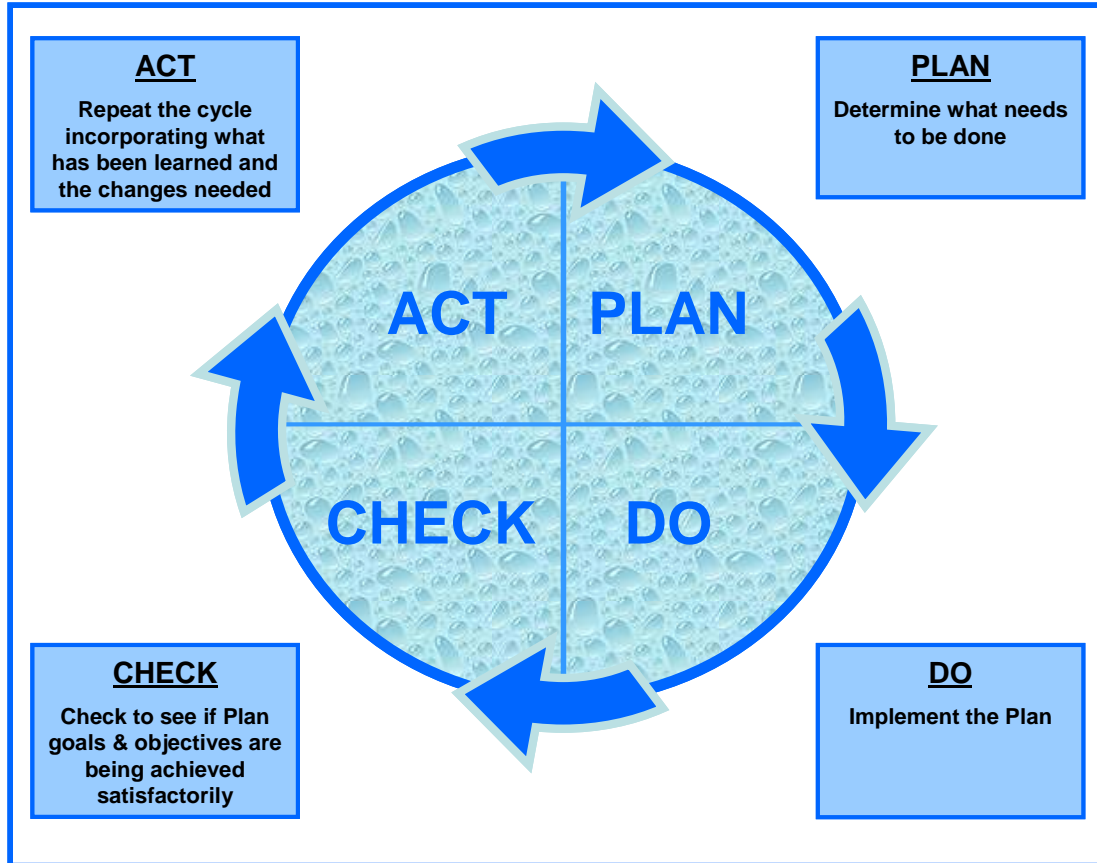
F4. Process for Modifying Priorities in Response to Change

An adaptive management (“learn by doing”) approach will be employed to evaluate Plan performance and to adapt the Plan as needed to incorporate what has been learned during the implementation process. The PLAN, DO, CHECK, ACT (PDCA) closed feedback loop is a tool that can be used to assure continuous improvement and adaptive management in integrated regional water resource management. Figure F4.1 illustrates how to use the PDCA Tool.

The following is a five year work plan for updating this Plan.

Plan Year	Fiscal Year	IRWM Plan Update Activities
#1	2006-07	Review the plan's goals, objectives, strategies, and priorities with stakeholders. Amend Plan.
#2	07-08	No later than January 1, 2008, complete the four (4) plan components that are described in the region's Planning Grant proposal.
#3	08-09	Prepare a status report on plan activities and an interim scorecard. Identify alternative strategies that may enhance implementation efforts.
#4	09-10	Evaluate the results of Plan efforts; prepare the scorecard and compare to baseline developed in Plan Year #1.
#5	2010-11	Update the Plan, its goals and objectives, refine integration strategies, rank new priorities, and consider other changes

Figure F4.1 PDCA Tool for IRWMP Adaptive Management



The San Luis Obispo Region IRWMP was developed based on analysis of regional needs and defined project benefits. As implementation proceeds, regional needs may change and actual project benefits and outcomes may vary from expectations. An adaptive management process will enable flexible decision making that can account for these variables and provide future updates to the IRWMP. Adaptive management using a PLAN, DO, CHECK, ACT (PDCA) approach ensures future decisions are informed by actual experience gained from implementation and that modifications will be made to existing priorities and projects to allow the IRWMP to remain optimally effective.

Water management in the region can be viewed as a system that will respond to IRWMP implementation. Measuring these responses requires a set of monitoring tools or key indicators. Periodic assessments of the effectiveness of IRWMP implementation will be performed by comparing actual project responses to expected responses. These assessments will be supported by a monitoring program. This monitoring program will be supported by data collected by existing monitoring activities, such as the Resource Management System and Master Water Plan, and supplemented with additional measures as necessary.

The State's Project Assessment and Evaluation Plan (PAEP) format will be used to develop the IRWMP implementation monitoring program. The planned monitoring,

assessment and performance measures will aid in the demonstration that the projects will meet their intended goals, achieve measurable outcomes, and provide value to the State of California. Assessments may show that the programs and projects meet, exceed or fall short of expectations.

Based on the results of these assessments, adjustments to regional priorities or project sequencing may be necessary. This could result in a change of composition of programs or in the development of new programs. In turn, performance criteria and monitoring systems will be updated to allow future assessments to provide comparisons most valuable for measuring implementation responses that are appropriate for the updated set of implementation projects. Performance measures proposed for assessing implementation responses described in Section I – Technical Analysis and Plan Performance.

Regional priorities may change in response to both IRWMP implementation outcomes and to evolving regional water management needs. The project monitoring and assessment process described Section I will guide modifications to the IRWMP based on observed implementation results. The continuing stakeholder process will allow for IRWMP updates to reflect changes in local water management needs and priorities. Changes may also be necessary to respond to updates to City and County General Plans, or other newly completed local planning documents.

As discussed above, it is anticipated that projects will be reprioritized again in 2010, which provides time for projects to be completed and allows for incorporation of new projects. The integration and regionalization process, described in Section E, will be used to re-evaluate the priorities. The process was developed to be easily re-applied to any set of projects.

However, the Region will not wait until 2010 to alter project sequencing or make other implementation changes. For example, the Los Osos Community Wastewater Project is a high-priority, immediate-term project that is intended to meet a critical water quality objective for the region. However, the project is very contentious with potentially significant implementation hurdles including the successful approval of a Proposition 218 assessment. If the County of San Luis Obispo's Prop 218 assessment vote is turned down by the community, it is unlikely that the project can begin implementation at any time in the foreseeable future and would therefore shift from an immediate-term priority to a short-term priority. These changes will be addressed in the status report and alternative strategies that may enhance implementation efforts will be identified. The status report and recommended implementation changes will be prepared in 2008, as identified in the five year workplan.