

**Exhibit 2 (1 of 2)**  
**Water Management Strategies in San Luis Obispo**

| <b>Area</b> | <b>Conditions</b>  | <b>Existing Management Activities</b>  | <b>Programs Attempted</b>   | <b>Under Consideration</b>                         | <b>Possible Actions</b>  | <b>Issues</b>  |
|-------------|--|--|---|--|--|--|
| <b>1</b>    | North coast—small, coastal basins with marginal yields. Subject to withdrawal permits.   | Most basins currently managed by SWRCB permits.  | Currently managed by SWRCB permits.   | Coastal Commission reviewing planning area update  | Basins probably too small for AB3030; permit management most likely; Santa Rosa Creek may benefit from formal agreements; Cambria CSD and San Simeon CSD would be appropriate agencies for initiation. | Modified SWRCB permits. Environmental demands will increase.   |
| <b>2</b>    | Cayocus—small basins, Whale Rock reservoir.  | Whale Rock management controls most water in area  |   |  | Continued management for Whale Rock  |  |
| <b>3</b>    | Morro Bay watershed—Chorro and Los Osos basins. Two medium urban areas depend on groundwater. Los Osos basin is complex and a study is underway. | Los Osos CSA (#9) is local agency. City of Morro Bay is appropriate agency for management of Chorro basin area.  | Sewer in Los Osos is in process-- would add significant quantities to basin | Los Osos basin study underway                      | Los Osos is prime candidate for AB 3030. Will require considerable effort to establish.  | Cost of sewer is very high, strong local opposition  |
| <b>4</b>    | San Luis Obispo—includes portions of Edna Valley, contributes to San Luis Obispo Creek.  | City of San Luis Obispo lost lawsuit for damages resulting from over-pumping basin   |   | The Edna basin is awaiting results of a DWR study. | Appropriate for investigation. City demands must be coordinated with agriculture.  | Agricultural demands increasing in Edna Valley. Has long been believed to be in overdraft. Additional vineyards will exacerbate. |
| <b>5</b>    | Upper Edna Valley, Lopez, Arroyo Grande Valley   | Several municipal purveyors in AG valley. Lopez is most significant water source for area. Subject to local control. AG currently subject to certain cooperative arrangements. |   |  | Management plan would assist with many necessary efforts.  | Lopez Lake retrofit will require modifications in water supply for several years. Nitrates in AG valley from agriculture.        |
| <b>6</b>    | Nipomo—Large basin, agricultural and residential use. This is a portion of the Santa Maria Groundwater Basin.                                    | Santa Maria Water Conservation District has AB3030 plan.   | AB 3030 was attempted by Nipomo CSD—received strong opposition.             |  | Key is inclusion of Black Lake and other large residential users with CSD and ag users.  | As development increases on mesa, higher likelihood of serious disputes.   |
| <b>7</b>    | Cuyama—sparsely developed upper watershed to Santa Maria basin   |  |   |  | Agricultural concerns should be polled.  | May not have appropriate vehicle (public agency) for initiation.   |
| <b>8</b>    | California Valley. Small community and agriculture. Natural groundwater quality issues.  |  |   |  | Uncertain of feasibility of management plan.   | Water quality west of Soda Lake is poor.   |
| <b>9a</b>   | Salinas River. Paso Robles basin—  | North County Water Task Force  |   | Agreements among                                   | Can support multiple plans,  | In the next decade, this   |

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|-------------|---|--|---------------------------|--|---|--|
|             | considerable mix of urban and agricultural demands              | is important step towards agreements.                            |                           | various purveyors first step in development of comprehensive management plans. | unless agencies can cooperate in plan development. Should be a high priority for this area. | area will require considerable effort to manage groundwater competition. It is a possible target for adjudication. |
| <b>9b</b>   | Creston—agricultural water demands.                             |  |                           |  |   | Continued expansion of agricultural demands will increase need for management.                                     |
| <b>9c</b>   | Upper portion of Paso Robles basin. Large agricultural demands. |  |                           |  | Area is large enough to support multiple AB3030 plans.                                      | May lack sufficient public agency resources.   |
| <b>10</b>   | Nacimiento Lake---supply for Monterey and SLO Counties          | Reservoir under control of Monterey County Water Resource Agency |                           |  |   | Disputes regarding Nacimiento water.   |



## Addendum

### Water Purveyors of San Luis Obispo County

The following table lists most of the water purveyors in the County of San Luis Obispo. The center column identifies the Water Planning Area where most or all of the purveyor's service area is located. The third column identifies the geographic location of the service area (some references are to the nearest identifiable community). These purveyors would constitute the groups most likely involved in water management activities.

#### Water Purveyors

| Purveyor/Owner Name                              | WPA | Location                          |
|--|-----|-----------------------------------|
| <b>Cities</b>                                    |     |                                   |
| City of Arroyo Grande                            | 5   | Arroyo Grande                     |
| City of Grover Beach                             | 5   | Grover Beach                      |
| City of Paso Robles                              | 9a  | Paso Robles                       |
| City of Pismo Beach                              | 5   | Pismo Beach                       |
| City of San Luis Obispo                          | 4   | San Luis Obispo                   |
| <b>Districts</b>                                 |     |                                   |
| Avila Beach Community Services District          | 4   | Avila Beach                       |
| California Valley Community Service District     | 8   | California Valley                 |
| Cambria Community Service District               | 1   | Cambria                           |
| Heritage Ranch Community Service District        | 10  | Heritage Ranch                    |
| Nipomo Community Service District                | 6   | Nipomo                            |
| Oceano Community Service District                | 5   | Oceano                            |
| San Simeon Acres Community Service District      | 1   | San Simeon                        |
| Templeton Community Service District             | 9a  | Templeton                         |
| Garden Farms County Water District               | 9a  | Garden Farms                      |
| County Waterworks District No. 1 San Miguel      | 9a  | San Miguel                        |
| County Waterworks District No. 8 Santa Margarita | 9a  | Santa Margarita                   |
| <b>County Service Areas</b>                      |     |                                   |
| County Service Area No. 9 – Los Osos             | 3   | Los Osos                          |
| County Service Area No.10 Cayucos                | 2   | Cayucos                           |
| County Service Area No. 16 Shandon               | 9c  | Shandon                           |
| <b>Private</b>                                   |     |                                   |
| Atascadero Mutual Water Company                  | 9a  | Atascadero & unincorporated areas |
| S & T Mutual Water Company                       | 3   | Los Osos                          |
| Southern California Water Company                | 3   | Los Osos                          |
| Southern California Water Company                | 5   | Los Ranchos/Edna                  |
| Southern California Water Company                | 6   | Nipomo                            |
| McNamara Water Supply                            | 9a  | Atascadero                        |
| Paso Robles Beach Water Association              | 2   | Cayucos                           |
| Morro Rock MWC                                   | 2   | Cayucos                           |
| Nacimiento Water Co                              | 10  | Nacimiento                        |
| Durand Water Co                                  | 9a  | Paso Robles                       |

| <b>Purveyor/Owner Name</b>      | <b>WPA</b> | <b>Location</b>           |
|---------------------------------|------------|---------------------------|
| Adelaide Estates MWC            | 9a         | Paso Robles               |
| Almira Water Assn               | 9a         | Kiler Canyon              |
| Green River MWC                 | 9c         | Whitley Gardens           |
| Town Creek Water Supply         | 9a         | Allen Road, Paso Robles   |
| McNamara Water Supply           | 9a         | Atascadero                |
| Red Wind Foundation             |            | Carrisa Hwy               |
| Via Condias Water Supply        | 9a         | San Miguel                |
| Atascadero Lake                 | 9a         | Atascadero                |
| Babe Ruth Trailer Park          | 9a         | Paso Robles               |
| Black Mtn RV Resort             | 9b         | Calf Canyon Hwy           |
| Los Robles M.H. Estates         | 9a         | Paso Robles               |
| Mustang Mobile Village          | 9a         | 4700 Templeton Road       |
| Rancho Colina M.H. Park         | 9a         | Atascadero                |
| Resthaven M.H. Park             | 9a         | Paso Robles               |
| Rinconada Trailer Park          | 9a         | Santa Margarita           |
| Santa Margarita Lake Campgrnd   | 9a         | Santa Margarita Lake Road |
| Cal-Shasta Club, Inc.           | 9a         | Running Deer Ranch Road   |
| Christmas Cove Co.              | 9a         | Lynch Canyon Road         |
| Hazard Water Supply             | 9a         | Bradley                   |
| Laguna Vista Boat Club, Inc.    | 10         | Nacimiento Shores Road    |
| North Shore Club, Inc           | 10         | Bradley                   |
| South Shore Village Club        | 10         | Running Deer Ranch Road   |
| Atascadero State Hosp. Water    | 9a         | Atascadero                |
| Bee Rock Store Water Supply     | 9a         | Bradley                   |
| Bow Valley Aquiland Wtr. Supply | 9a         | Atascadero                |
| CDF-Simmler Fire Station        | 8          | California Valley         |
| California Valley Water         | 8          | California Valley         |
| Camp Emanuel Water Supply       | 11         | Creston                   |
| Camp Wantala Water Supply       | 9a         | Las Politas Road          |
| Carrisa Plains Elem School      | 8          | California Valley         |
| Creston Elementary School       | 11         | Creston                   |
| El Paso de Robles School        | 9a         | Paso Robles               |
| Ritchie's Water Supply          | 9a         | Atascadero                |
| Loading Chute Restaurant        | 11         | Creston                   |
| Long Branch Saloon              | 11         | Creston                   |
| Moe Water Supply                | 9a         | Paso Robles               |
| The Hillhouse Water Supply      | 9a         | Atascadero                |
| Pete Johnson Chevrolet          | 9a         | Paso Robles               |
| Phillips Elem School            | 9c         | Whitney Gardens Drive     |
| Pleasant Valley Elem School     | 9a         | San Miguel                |
| Port-a-Port West                | 9a         | Paso Robles               |
| Pozo Saloon                     | 9a         | Pozo                      |
| San Paseo Truck Stop            | 9a         | North of Paso Robles      |
| Santa Lucia School              | 9a         | Templeton                 |
| Shandon Rest Stop               | 9c         | Shandon                   |
| Hearst Corp-Cholame Store       | 9c         | Cholame                   |
| Shan-Val Hills Vineyard         | 9a         | Templeton                 |

| <b>Purveyor/Owner Name</b>    | <b>WPA</b> | <b>Location</b>     |
|-------------------------------|------------|---------------------|
| Wine World Estates            | 9a         | east of Paso Robles |
| Mustang Springs MWC           | 9a         | Paso Robles         |
| 7X Youth Ranch                | 1          | Cypress Mtn Road    |
| Arroyo Grande Mushroom Farm   | 6          | Arroyo Grande       |
| Ball Tagawa Growers           | 5          | Arroyo Grande       |
| Biddle Regional County Park   | 5          | Arroyo Grande       |
| Black Lake Canyon Wtr. Supply | 6          | Nipomo              |
| Blue Sky Water Assn.          | 5          | Arroyo Grande       |
| Branch Elementary School      | 5          | Arroyo Grande       |
| Callender Water Assn          | 6          | Arroyo Grande       |
| Country Hills Estates         | 6          | Arroyo Grande       |
| Deer Valley                   | 5          | Arroyo Grande       |
| Fowler Mobile Home Estates    | 5          | Arroyo Grande       |
| Grande Mobile Home Manor      | 5          | Arroyo Grande       |
| Greenheart Farms              | 6          | Arroyo Grande       |
| Heritage Lane MWC             | 6          | Arroyo Grande       |
| Hetrick Water Co.             | 6          | Arroyo Grande       |
| Ken Mar Gardens               | 6          | Arroyo Grande       |
| La Mesa Water Co              | 6          | Arroyo Grande       |
| Lopez Recreational Area       | 5          | Lopez Lake          |
| Mesa Dunes MH Estates         | 5          | Arroyo Grande       |
| Mutual Water Assn             | 5          | Arroyo Grande       |
| Newsom Spring MWC             | 5          | Arroyo Grande       |
| Nunes Water Supply            | 5          | Arroyo Grande       |
| Oak Park Manor                | 5          | Arroyo Grande       |
| Rancho Nipomo Water Co.       | 6          | Arroyo Grande       |
| Sweet Springs Mobile Park     | 5          | Arroyo Grande       |
| Talley Farms Labor Housing    | 5          | Arroyo Grande       |
| Terra De Oro Water Co.        | 5          | Arroyo Grande       |
| Varian Ranch MWC              | 5          | Orcutt Road         |
| Vista De Las Flores Wtr Co    | 5          | Arroyo Grande       |
| Woodland Park                 | 5          | Arroyo Grande       |
| Circle II (Tract 1323)        | 5          | Grover Beach        |
| Guadalupe Cooling             | 6          | Guadalupe           |
| Clearwater Nursery            | 6          | Nipomo              |
| Cuyama Lane Water Co          | 6          | Nipomo              |
| Dana Elementary School        | 6          | Nipomo              |
| La Colonia Water Assn         | 6          | Nipomo              |
| Laguna Negra (Tract 610)      | 6          | Nipomo              |
| Mesa Mutual Water Co          | 6          | Nipomo              |
| Rim Rock Water Co             | 6          | Nipomo              |
| Santa Maria Speedway          | 6          | Nipomo              |
| Speeding, Inc.                | 6          | Nipomo              |
| True Water Supply             | 6          | Nipomo              |