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**COUNTY OF SAN LUIS OBISPO
DEPARTMENT OF PLANNING AND BUILDING
STAFF REPORT**

Agricultural Preserve Review Committee

MEETING DATE November 3, 2025	CONTACT/PHONE Blaine Reely Director -Groundwater Sustainability breely@co.slo.ca.us	APPLICANT N/A	FILE NO. N/A
SUBJECT Presentation by the County of San Luis Obispo Director of Groundwater Sustainability on the Paso Robles Groundwater Basin Multi-Benefit Irrigated Land Repurposing (MILR) Program and Fallowed Land Registry Platform (Platform) recommended amendments to the Rules of Procedure.			
RECOMMENDED ACTION None			
ENVIRONMENTAL DETERMINATION TBD			
LAND USE CATEGORY Agriculture	COMBINING DESIGNATION None	ASSESSOR PARCEL NUMBER N/A	SUPERVISOR DISTRICT(S) 1,2,4,5
PLANNING AREA STANDARDS: None Applicable		LAND USE ORDINANCE STANDARDS: Section 22.30.204 – Paso Basin Agricultural Offset Ordinance (Ag Offset Ordinance)	
EXISTING USES: Irrigated Agriculture			
SURROUNDING LAND USE CATEGORIES AND USES: Agriculture / Rural Residential			
OTHER AGENCY / ADVISORY GROUP INVOLVEMENT: None			
TOPOGRAPHY: Variable		VEGETATION: Variable	
PROPOSED SERVICES: None required		ACCEPTANCE DATE: N/A	
ADDITIONAL INFORMATION MAY BE OBTAINED BY CONTACTING THE DEPARTMENT OF PLANNING & BUILDING AT: COUNTY GOVERNMENT CENTER □ SAN LUIS OBISPO □ CALIFORNIA 93408 □ (805) 781-5600 □ FAX: (805) 781-1242			

PROJECT REVIEW

The County Department of Groundwater Sustainability is currently developing the Paso Robles Groundwater Basin Multi-Benefit Irrigated Land Repurposing (MILR) Program and Fallowed Land Registry Platform (Platform). The MILR Program will provide a pathway to reduce groundwater pumping in the Paso Robles Groundwater Basin through voluntary fallowing or otherwise repurposing irrigated land to other less water-intensive uses. Key considerations of the MILR Program include:

- MILR Program and Fallowed Land Registry Platform are intended to work in concert with other SGMA efforts to achieve Basin sustainability (Balance).
- Intended to concentrate on commercial-scale irrigated agriculture.
- Developed as an alternative to mandatory pumping reductions.
- Intended to prioritize pumping reductions near communities whose drinking water wells have been impacted or are threatened.

The initial phase of the program will involve irrigators that wish to voluntarily enroll their farming unit into the Platform. An important consideration in developing the voluntary phase of the MILR Program will be to ensure that overlying landowners that choose to fallow or otherwise repurpose irrigated lands are not adversely impacted by their decision under current or future regulations over which the County of San Luis Obispo or the other Groundwater Sustainability Agencies have control.

The MILR Program and Platform is intended to benefit owners of commercially irrigated agricultural lands (> 2 acres), which have been commercially irrigated within the previous 2- years and are eligible for an on-site agricultural offset clearance or 5 -AFY agricultural offset exemption under the County of San Luis Obispo Land Use Ordinance Section 22.30.204, referred to as the Paso Basin Agricultural Offset Ordinance (Ag Offset Ordinance). Participation of this landowner group will require compliance with the requirements of the Williamson Act.

Eligible lands shall be those with existing irrigated annual or rotational crop production, where satisfactory evidence is shown that those crops have been planted and irrigated within the last two (2) years, using groundwater pumped from the Basin, excluding the Atascadero sub-basin, as defined by The Department of Water Resources Bulletin 118. Eligible lands shall be identified as Farming Units. A Farming Unit shall be a collection of contiguous or semi-contiguous agricultural properties, which are greater than two (2) acres in total, that are managed as a single irrigated farming operation. The boundaries of the eligible lands shall overlie the Basin (excluding the Atascadero sub-basin).

When implemented the Platform will serve as a user interface for agricultural irrigators within the Paso Robles Groundwater Basin (Basin) to register the portions of their farming units that they intend to voluntary fallow or otherwise repurpose their irrigated lands to

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to
5 years

changed to 5 years

reduce groundwater consumption. The platform will also be used by the County, and Basin Groundwater Sustainability Agencies (GSAs), to document the presence of fallowed lands, evaluate the impacts to the Basin from fallowing, verify the presence of fallowed lands, and provide valuable information for the sustainable management of the Basin.

Site and Area Characteristics

The Basin is identified by the Department of Water Resources (DWR) in Bulletin 118 as Subbasin No. 3-004.06. The Basin is part of the greater Salinas Valley Basin in the Central Coastal region of California. The Basin lies entirely within San Luis Obispo County. The basin includes the City of Paso Robles and unincorporated areas of the County including Shandon, Creston, San Miguel, Cholame, and Whitley Gardens. In 2022, approximately 92 percent of groundwater extracted from the Paso Basin was for agricultural irrigation uses. The Basin, as defined in the Groundwater Sustainability Plan (GSP), encompasses an area of approximately 436,240 acres, or 681 square miles and is entirely within San Luis Obispo County. The watershed, which includes the area that drains the surface water to the Basin, encompasses a much larger area. The Basin is classified by DWR as a high priority groundwater basin with critically over drafted conditions.

Over the past 40 years, the Paso Robles area has seen dramatic changes in agricultural practices as well as persistently dry hydrologic cycles that have negatively affected the underlying Basin. Since 1998, approximately 700,000 acre-feet have been depleted from storage within the Basin. This critical water resource supports over \$1 billion in agricultural production annually and is a key asset for regional tourism.

Agricultural irrigation represents approximately 90 percent of the Basin groundwater use, so any sustainable plan primarily requires less water use by growers. This is challenging since wine grapes, which are the largest crop produced in the basin and a key part of the economy, are already a good agricultural choice requiring less water per acre than most crops. Ultimately, the problem is a result of too much irrigated acreage in production. The GSP presents the concept of a fallowing program to reduce acreage.

Economics in the agricultural industry, and particularly in the wine grape industry, are becoming increasingly difficult, which is resulting in growers having to make difficult decisions regarding their farming practices. In the Basin, there has been a movement within the industry to curtail irrigation, and fallow previously irrigated vineyards. These practices are expected to occur more commonly in the foreseeable future. The Basin GSAs believe that the implementation of the Basin Fallowed Land Registry will provide a user-friendly platform for owners and operators of irrigated agricultural lands to voluntarily register those fields within a farming unit that are proposed to be fallowed or otherwise repurposed to other less water-intensive uses which will benefit the Basin to help achieve sustainability. An important consideration in developing the voluntary Fallowed Land Registry will be to ensure that overlying landowners that choose to fallow or otherwise repurpose irrigated lands are not adversely impacted by their decision under current or future regulations over which the

County of San Luis Obispo or the other Groundwater Sustainability Agencies have control. The County of San Luis Obispo adopted an Agricultural Offset Ordinance pre-dating SGMA using its land use authority that restricts the planting of new or expanded irrigated crop production within the Paso Basin area. This ordinance was intended to be an interim measure until GSP implementation can achieve basin sustainability and is currently set to terminate on January 1, 2028. The majority of commercial irrigated agriculture overlying the Paso Basin is within the unincorporated County and subject to the Agricultural Offset Ordinance restrictions.

Compliance with the Williamson Act and the Rules of Procedure

To ensure compliance with the Williamson Act and the Rules of Procedure, staff recommends a minor amendment to the Rules of Procedure to recognize that participation in the MILR Program and Fallowed Land Registry Platform shall not disqualify a property currently under contract. Staff recommends adding Footnote 11 to apply to irrigated land under contract.

TABLE 1 MINIMUM OWNERSHIP SIZES FOR QUALIFICATION AND MINIMUM PARCEL SIZES FOR CONVEYANCE OF LAND & NEW LAND DIVISIONS		
Minimum Acreage¹		
Natural Resources Conservation Service Land Capability Classification	To Qualify²	To Convey Existing Parcels³ or Create New Parcels
20 or 40-Acre Minimum Preserve Size^{4, 11}		
Class 1 ⁵	10	20
Class 2 ⁵	10	40
Irrigated Classes 3, 4, 6, 7 with Orchards or Vineyards ⁶	20	40
All Other Irrigated Classes 3 & 4	40	40
Mixed Irrigated & Non-irrigated Use ⁷	10/20/40	80/160
160 or 320-Acre Minimum Preserve Size		
Non-Irrigated Classes 3 & 4	160	160
Classes 6 & 7	320 ⁸	320
Class 8	NA ⁹	320

11. Participation in the MILR Program and Fallowed Land Registry Platform, or another County-approved fallowing program, shall not disqualify a property currently under contract where qualification is based on irrigated soils. A property that elects to participate in such a program shall be deemed compliant with the minimum parcel size requirements in Table 1.

Agricultural Preserve Review Committee
Paso Robles GW Basin MILR Program / Fallowed Land Registry Platform
Page 5

Report prepared by Blaine Reely, Director of Groundwater Sustainability and reviewed by
County Counsel