
Municipal Service Review Determinations for the Shandon – San Juan

Water District

1. Growth and population projections for the affected area

The SSJWD serves a sparsely populated agricultural area in northeastern unincorporated San Luis Obispo County, where precise population data is unavailable due to the District's irregular boundaries. Regional forecasts suggest slow growth in the broader North County region—rising from 35,460 in 2025 to 36,961 by 2060 at an annual rate of 0.12%—with SSJWD expected to remain low-density and largely shaped by land use and resource planning.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence

SSJWD's SOI and service area boundary includes one area that meets the definition of a DUC as outlined in Government Code Section 56033.5. This area—Northeast County DUC Area #1—is inhabited and has a Median Household Income (MHI) that is less than 80 percent of the statewide MHI, qualifying it as a DUC. Although this DUC was identified, SSJWD does not provide public facilities or services related to wastewater, municipal or industrial water, or structural fire protection. Therefore, no infrastructure deficiencies affecting a DUC would result from changes to the SSJWD's SOI or service area boundary.

3. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies

The District's main purpose at formation was to enable participating landowners to comply with the Sustainable Groundwater Management (SGMA) Act by creating a water district that could also serve as a Groundwater Sustainability Agency (GSA) under SGMA. In addition to its role as a GSA, the District is authorized to provide all services under Water Code Section 34000, with the exception of exportation of water and sewer services. At present, it appears that the District has the capacity to fulfill its GSA under SGMA. As a member of the Paso Basin Cooperative Committee (PBCC), SSJWD contributed to the development of the Paso Robles Subbasin Groundwater Sustainability

Plan (GSP), which was approved by the California Department of Water Resources in June 2023. SSJWD has played a key role in advancing several important projects and management initiatives, including an Economic Impact Study on irrigated agriculture in the Paso Robles region, a Stormwater Capture and Groundwater Recharge Feasibility Study, the development of a 3D Geologic Model, and the establishment of a comprehensive groundwater level monitoring network. The District's capacity is further demonstrated through its participation in the GSP's five-year evaluation, submitted in January 2025. Overall, SSJWD demonstrates adequate capacity to carry out its groundwater management responsibilities under SGMA.

4. Financial ability of agencies to provide services

To assess the District's financial health, key indicators, including Operating Ratio, Liquidity Ratio, and Net Position, were analyzed. Operating Ratio, which compares annual operating revenues to operating expenses, remained below 1.0 in four of the five years, suggesting stable financial performance and a consistent ability to generate positive operating margins. Liquidity Ratio, which measures current assets relative to current obligations, also remained strong across all five years, reflecting adequate short-term financial health. The District's Net Position, representing the difference between total assets and total liabilities, increased by 48 percent over the five-year audited period, a strong indicator of long-term financial growth and stability. Overall, these financial indicators suggest that SSJWD is in a financially healthy state with adequate financial resources to deliver its services.

5. Status of and opportunities for shared facilities

The SSJWD participates in the Paso Robles Area Groundwater Authority (Authority), which was formed by a Joint Exercise of Power Agreement (JPA) in March 2025. The Authority replaces the prior Memorandum of Agreement and establishes a formal structure for implementing the Groundwater Sustainability Plan. SSJWD's participation in the Authority enhances efficiency, reduces duplication of efforts, and strengthens the District's ability to meet SGMA requirements.

6. Accountability for community service needs, including governmental structure and operational efficiencies

SSJWD is governed by a five-member Board of Directors, each elected to a four-year term. The Board holds regular meetings on the fourth Wednesday of each month at 9:00 AM. The District posts its agendas in compliance with the Brown Act and maintains an up-to-date website in compliance with Senate Bill 929.

7. Any other matter related to effective or efficient service delivery

There are no other matters related to the efficiency of services.

Sphere of Influence Determinations for the Shandon – San Juan Water

District

1. Present and planned land uses in the area, including agricultural and open-space lands.

The present and planned land uses within the service area of SSJWD are guided by the County's General Plan. The entirety of the District falls within the Agricultural land-use designation. Reaffirmation of the District's coterminous SOI is recommended.

2. Present and probable need for public facilities and services in the area.

Given the predominantly agricultural nature of the SSJWD and its primary function as a Groundwater Sustainability Agency representation, there is no present and probable need for public facilities and services in the area. The District's role is focused on groundwater management rather than direct service provision. Reaffirmation of the District's coterminous SOI is recommended.

3. Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

At present, it appears that the District has the capacity to fulfill its responsibilities as a Groundwater Sustainability Agency (GSA) under the Sustainable Groundwater Management Act (SGMA). As a member of the Paso Basin Cooperative Committee (PBCC), SSJWD contributed to the development of the Paso Robles Subbasin Groundwater Sustainability Plan (GSP), which was approved by the California Department of Water Resources in June 2023. The District's capacity is further demonstrated through its

participation in the GSP's five-year evaluation, submitted in January 2025. The evaluation reported encouraging trends, including rising groundwater levels attributed to above-average rainfall, enhanced data collection efforts, and progress in policy implementation. To support long-term GSP execution and improve regional coordination, a new governance entity—the Paso Robles Area Groundwater Authority—was established in March 2025 through a Joint Powers Agreement. This Authority replaces the PBCC and will oversee GSP implementation, funded primarily through groundwater extraction fees. Overall, SSJWD demonstrates adequate capacity to carry out its groundwater management responsibilities. Reaffirmation of the District's coterminous SOI is recommended.

4. Existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

There are no social or economic communities of interest within the District service area boundary.

5. For an update of the sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere.

One DUC was identified within the SSJWD service area boundary, as seen in Figure 1. Although this DUC was identified, SSJWD does not provide public facilities or services related to wastewater, municipal or industrial water, or structural fire protection, and therefore, no infrastructure deficiencies to a DUC would result from changes to the SSJWD's SOI or service area boundary. Reaffirmation of the District's coterminous SOI is recommended.