

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 9/22/2015	(3) CONTACT/PHONE Mark Hutchinson, Deputy Director (805) 781-5458	
(4) SUBJECT Submittal of resolution granting a One-Time Extension of time for Lopez Water Contractors and State Water Contractors to submit proposed amendments to their water delivery schedules for Water Year 2014-2015 and authorizing the Director of Public Works to amend the delivery schedules consistent with the submitted written requests for proposed amendments; and Declaration of Surplus Water; and Receive an Update on the Status of the Low Reservoir Response Plan for Zone 3 of the San Luis Obispo County Flood Control and Water Conservation District (Lopez Project). Districts 3 and 4.			
(5) RECOMMENDED ACTION It is recommended that the Board acting as the Board of Supervisors for the San Luis Obispo County Flood Control and Water Conservation District: <ol style="list-style-type: none"> <li>1. Adopt the attached resolution granting a one-time extension of time for Lopez Water Contractors and State Water Contractors to submit proposed amendments to their water delivery schedules for Water Year 2014-2015 and authorizing the Director of Public Works to amend the delivery schedules consistent with the submitted written requests for proposed amendments; and</li> <li>2. Declare Surplus Water as described in Article 4, Sections (C) and (D) of the Lopez Water Supply Contracts, in an amount of 1626 acre feet; and</li> <li>3. Receive an update on the status of the Zone 3 Low Reservoir Response Plan (LRRP) adopted by your Board on December 16, 2014.</li> </ol>			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input checked="" type="checkbox"/> Board Business (Time Est. <u>20 min</u> )			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW David E. Grim			
(18) SUPERVISOR DISTRICT(S) District 3 District 4			

Reference: 15SEP22-BB-1

# County of San Luis Obispo



TO: Board of Supervisors  
FROM: Public Works  
Mark Hutchinson, Deputy Director  
VIA: Wade Horton, Director of Public Works  
DATE: 9/22/2015

SUBJECT: Submittal of resolution granting a One-Time Extension of time for Lopez Water Contractors and State Water Contractors to submit proposed amendments to their water delivery schedules for Water Year 2014-2015 and authorizing the Director of Public Works to amend the delivery schedules consistent with the submitted written requests for proposed amendments; and Declaration of Surplus Water; and Receive an Update on the Status of the Low Reservoir Response Plan for Zone 3 of the San Luis Obispo County Flood Control and Water Conservation District (Lopez Project). Districts 3 and 4.

## **RECOMMENDATION**

It is recommended that the Board acting as the Board of Supervisors for the San Luis Obispo County Flood Control and Water Conservation District:

1. Adopt the attached resolution granting a one-time extension of time for Lopez Water Contractors and State Water Contractors to submit proposed amendments to their water delivery schedules for Water Year 2014-2015 and authorizing the Director of Public Works to amend the delivery schedules consistent with the submitted written requests for proposed amendments; and
2. Declare Surplus Water as described in Article 4, Sections (C) and (D) of the Lopez Water Supply Contracts, in an amount of 1626 acre feet; and

Receive an update on the status of the Zone 3 Low Reservoir Response Plan (LRRP) adopted by your Board on December 16, 2014.

## **DISCUSSION**

Zone 3 of the San Luis Obispo County Flood Control and Water Conservation District (District) consists of the Lopez Dam and Reservoir, Water Treatment Plant, and water distribution system that delivers water to the Cities of Arroyo Grande, Pismo Beach, and Grover Beach, Oceano Community Services District, and County Service Area 12 (Avila Valley) (see Attachment 1).

## Retro-Active Water Accounting Change

At the beginning of the Lopez 2015-16 water year (April) several Zone 3 agencies identified a water management opportunity due to the implementation of the Low Reservoir Response Plan that was adopted by your Board in December of 2014. Under the Low Reservoir Response plan agencies may “carry over” any of their unused Lopez water from the previous year. Consequently, agencies that subscribe to both Zone 3 water and State Water requested a retro-active water accounting change to effectively exchange Lopez water used in 2014 for a like amount of unused State Water. In doing so their quantity of unused Lopez water would increase and thereby increase their amount of “carry over” water available in 2015-16. This exchange is possible because during the spring of 2014, State Water above what was requested was moved into Lopez Reservoir for the benefit of State Water subcontractors connected to the Lopez system in case State Water Project deliveries were shut down.

In order to affect this retro-active water accounting change all agencies must consent to a one-time modification of the provision in the water supply contracts for both Lopez and State Water (like contracts) requiring that requests for changes to deliveries occur *prior* to delivery. As this is a retro-active request for a change in deliveries, written consent from all agencies is needed. On May 6, 2015 a letter and consent form was sent to all agencies taking Zone 3 water, State Water, or both, requesting written consent to this one-time extension. As of August 24th, written consent from all agencies (Oceano, Pismo, Arroyo Grande, and Grover Beach) as well as all the State Water sub-contractors except for County Service Area 12 (Avila) was received. CSA 12’s consent is before your Board in a separate Board item for approval today. Attachment 2 contains the letter sent to the agencies, summary table of approvals and the executed consent forms from each of the agencies.

Three agencies have requested to participate in this water management opportunity – Oceano CSD, City of Pismo Beach, and Avila Beach CSD. Table 1 below shows the results of the retro-active water accounting change while under the LRRP if the requests are granted. This water accounting change for 2014 will in turn affect the annual declaration of Lopez surplus water required by the contracts.

**TABLE 1: Results of Retro-Active Water Accounting Change**

<b>Retro-Active Water Accounting Change For Water Year 2014-2015</b>		
<b>Agency</b>	<b>Carry Over Before</b>	<b>Carry Over After</b>
Pismo Beach	0	505
Oceano CSD	132	459
Avila Beach CSD	37	52

Although there is no change in “wet” water in the reservoir, the accounting exchange will clarify ownership of the water (moves the water from a Flood Control District State Water category to individual Zone 3 agency carryover accounts), providing participating agencies more assurance as they plan for continued drought. At the same time, water sales between Zone 3 Agencies is a more straightforward process than a District State Water to non-State Water participant sale, should the need arise.

## Declaration of Surplus Water

Every year the District declares surplus water according to the water supply contracts for Zone 3 of the District. Because of the proclamation of a local drought emergency on March 11, 2014 and pursuant to concerns about how Surplus Water is calculated, on August 19, 2014 the Board directed that *“any changes in calculations come to the Board for a decision and not at the staff level.”* Therefore, the 2015 surplus water declaration is being brought forward to the Board.

The Zone 3 water supply contracts define surplus water as *“The portion of the Safe Yield for Project water remaining after distributions of water during the said previous Water Year”* (Article 4 (D)). The declaration of surplus water does NOT mean that there is an amount of “excess” water in the reservoir; in short, surplus water is water that was saved from the previous year’s municipal entitlements and downstream releases. The water supply contracts specify that surplus water is offered to the Zone 3 agencies in proportion to their participation in the project; this year’s surplus is 1,626 AF, ***if the one-time retroactive water accounting change is approved***, as shown in Table 2.

**TABLE 2: Zone 3 2015 Surplus Water with Retroactive Water Accounting Change  
- 1626 Acre-Feet**

Contractor	Entitlement AF	Entitlement Delivered AF	Surplus Generated (Unused Entitlement)	Entitlement %	Surplus Available by Entitlement % (x 1626 AF)
Arroyo Grande	2290	2290	0	50.6	822
Pismo Beach	892	845	47	19.7	320
Grover Beach	800	800	0	17.6	287
Oceano CSD	303	0	303	6.7	109
CSA 12 (Avila)	245	82	163	5.4	88
<b>Sub Totals</b>	<b>4530</b>	<b>4017</b>	<b>513</b>	<b>100 %</b>	<b>1626</b>
Downstream Releases	4200	3087	1113		0
<b>Total</b>	<b>8730</b>	<b>7104</b>	<b>1626</b>		<b>1626</b>

(All amounts have been rounded to the nearest whole number)

## Low Reservoir Response Plan Update

However, the above declaration of Surplus Water is a contractual formality this year as all of the Zone 3 agencies, together with the Board of Supervisors, have adopted the Low Reservoir Response Plan (LRRP). The LRRP provides for three temporary changes to the declaration of “Surplus Water”:

1. Savings resulting from reductions in downstream releases below 4,200 acre feet will not be counted as surplus water, and

2. Any surplus water generated by an individual agency will only be available for use by that agency, and
3. Each agency may “carry over” any of its unused water from the previous year (subject to evaporation losses).

The amount of water available will vary depending on the total amount of water stored in the reservoir. Above 15,000 entitlements are at 100%. However, that number decreases by 10% (applied to the agency’s entitlement only) if the reservoir reaches 15,000 acre feet in storage. On May 21, 2015, the Zone 3 Advisory Committee voted to recommend enacting the adaptive management strategy in the LRRP and reduce entitlements by 10%, anticipating the reservoir dropping to the 15,000 acre foot level by the end of the year. Therefore, the water supply for water year 2015-2016 is summarized below:

**Table 3: Zone 3 2015-2016 Available Water Supply Under the LRRP (and Incorporating Retro-Active Water Accounting Change)**

<b>Contractor</b>	<b>Entitlement with 10% reduction (A)</b>	<b>Carryover from 14-15 (B)</b>	<b>Water Accounts by Agency Below 15,000 AF (C)</b>
Arroyo Grande	2,061	881	2942
Pismo Beach	803	505	1308
Grover Beach	720	394	1114
Oceano CSD	273	459	732
CSA 12	221	289	510
<b>Totals</b>	<b>4078</b>	<b>2528</b>	<b>6606</b>

(All amounts shown have been rounded to nearest whole number)

Notes: (C) = (A) + (B)

**Other Agency Involvement/Impact**

At their March 19, 2015 meeting the Zone 3 Advisory Committee adopted the recommendation that the Board of Supervisors:

- Declare Surplus Water as described in Article 4 Sections (C) and (D) of the Water Supply Contracts, in the amount of 1,231<sup>1</sup> acre feet, or as adjusted by final year-end water accounting, and (Vote was 5-1 with the Oceano Community Services District dissenting).<sup>2</sup>

<sup>1</sup> 1,231 was the surplus amount prior to the retroactive water accounting change.

<sup>2</sup> Oceano’s dissent was based on a desire to delay the surplus declaration pending action on the retroactive water accounting change.

- Continue to implement the Low Reservoir Response Plan pursuant to the Board's Resolution 2014-377 adopted on December 16, 2014. (Vote was unanimous)

At their May 21, 2015 meeting they adopted the following recommendation:

- To support efforts by Zone 3 Contractors to re-characterize 2014 water (also known as the one-time retro-active water accounting change) from "Lopez Water" to "State Water" in order to maximize water management opportunities. Approved by consensus.

The recommended actions today are consistent with the Zone 3 Advisory Committees' recommended actions.

### **Financial Considerations**

The water supply contracts for Zone 3 are described as "take-or-pay", meaning essentially that all of the costs of the system are paid for by the Zone 3 agencies, at percentages based on the amount of entitlement water in their respective contracts, plus their distance down the delivery system. Under the LRRP there is no surplus water to distribute at a particular cost, only the carry over water generated by that agency and available to that agency so there are no additional costs associated. The water accounting change will result in additional variable energy costs to the three participating Agencies of approximately \$200/AF for State Water.

### **RESULTS**

Approval and execution of the contract provision that will affect a one-time water accounting change, Declaration of surplus water and continued implementation of the LRRP will enhance management of water supplies to Zone 3 of the San Luis Obispo County Flood Control and Water Conservation District to help mitigate a water supply emergency, thereby promoting a livable community.

### **ATTACHMENTS**

1. Attachment 1 – Summary of Zone 3 Contractors Entitlement
2. Attachment 2 – Retro-Active Water Accounting Change Documentation
3. Resolution granting a One-Time Extension of time for Lopez Water Contractors and State Water Contractors to submit proposed amendments to their water delivery schedules for Water Year 2014-2015 and authorizing the Director of Public Works to amend the delivery schedules consistent with the submitted written requests for proposed amendments.

Reference: 22SEP15-BB-1

File: CF 340.101.01

L:\UTILITIES\SEP15\BOS\Declaration of Surplus Water & Water Acct Change & LRRP brd ltr.docx.MH.mj:jb

Attachment 1

Summary of Zone 3 Contractors Entitlement

<b>TABLE 1: ZONE 3 LOPEZ PROJECT CONTRACTORS</b>		
<b>Contractor</b>	<b>Entitlement in Acre Feet/Year</b>	<b>% Share</b>
City of Arroyo Grande	2,290	50.55
City of Pismo Beach	892	19.69
City of Grover Beach	800	17.66
Oceano Community Services District	303	6.69
County Service Area 12 (Avila and Avila Valley	245	5.41
<b>Sub Totals</b>	<b>4,530</b>	<b>100</b>
Downstream Releases	4,200	
<b>Total (Safe Yield)</b>	<b>8,730</b>	



SAN LUIS OBISPO COUNTY  
**DEPARTMENT OF PUBLIC WORKS**

Wade Horton, Director

County Government Center, Room 206 • San Luis Obispo CA 93408 • (805) 781-5252

Fax (805) 781-1229

email address: [pwd@co.slo.ca.us](mailto:pwd@co.slo.ca.us)

May 6, 2015

City of Pismo Beach  
Oceano Community Services District  
City of Grover Beach  
City of Arroyo Grande  
County Service Area 12

**Subject: Request for Agreement not to Object to One-Time Extension of Time**

Dear Zone 3 Water Contractor:

Last month Zone 3 contractors were notified of a water management opportunity regarding entitlements of State Water and Lopez Water, both delivered through the Zone 3 distribution system. With the implementation of the Low Reservoir Response Plan for the Lopez system agencies now have the opportunity to “carryover” unused Lopez water in an agency specific water account. Consequently, agencies that are subscribed to both Zone 3 and State Water have inquired about the ability to implement a retroactive water accounting change to effectively exchange Lopez water used in 2014 for a like amount of unused State Water. This exchange is possible because during the spring of 2014 State Water was moved into Lopez Reservoir for the benefit of State Water subcontractors connected to the Lopez turnout. Therefore, this exchange could be accommodated using the stored State Water in Lopez Reservoir.

In order to affect any requested water accounting changes, a key process needs to occur, because it requires the Flood Control District to extend the period of time within which an agency can request an amendment to its water delivery schedule for the water year ending on March 31, 2015:

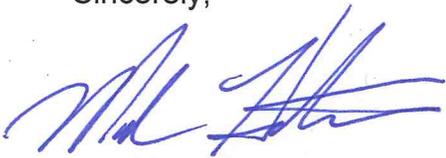
Both the Water Supply Contracts for Lopez Water and the Water Supply Agreements for State Water do not permit after-the-fact changes in water deliveries at the request of the agency. Article 8 paragraph (c) (3) of the State Water agreement states *“The water delivery schedule may be amended by the District upon the District’s initiative or upon the Contractor’s written request. Proposed amendments shall be submitted by the Contractor within a reasonable time before the desired change is to become effective, and shall be subject to review and modification by the District in like manner as the schedule itself”* [underline added]. Article 9 paragraph (C) of the Lopez contract states *“Proposed amendments to such schedules shall be submitted by the Agency within a reasonable time prior to the date the desired change is to become effective, and they shall be subject to review and modification by the District in the same manner as the preliminary water schedule described in paragraph (B) above”* [underline

added]. However, the Flood Control District can extend the time period within which each agency can request an amendment to the water delivery schedules pursuant to Article 8 paragraph (c) (3) of the State Water agreement and Article 9 paragraph (C) of the Lopez contract provided that none of the agencies object to said extension. In addition, Article 23 (C) of the Lopez contracts state that any amendment to said contracts must be approved by the unanimous written consent of all agencies.

Therefore, this letter seeks your written agreement not to object to the one time extension of the time period within which each agency can request an amendment to its water delivery schedule for the water year ending on March 31, 2015 (see attached). Your response by May 19 would be greatly appreciated, however, if you need more time to process an official response please let us know.

If you have any questions about this opportunity or would like to discuss this process further, please contact me at (805) 781-5458 or mhutchinson@co.slo.ca.us.

Sincerely,



MARK HUTCHINSON  
Director of Public Works

c Wade Horton, Director of Public Works

File: CF 970.01.01

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### Summary of Consent for Waiver of Contract Provision

Agency	Zone 3 Entitlement AF	SWP Allocation AF	Total	Consent Approval Received Zone 3	Consent Approval Received SW	Participate Y or N
San Luis Obispo Flood Control and Water Conservation District	NA	25,000		Need BOS Approval	Need BOS Approval	NA
Pismo Beach	892	1240	2132	✓	✓	Y
Arroyo Grande	2290	NA	2290	✓	NA	NA
Oceano	303	750	1053	✓	✓	Y
Grover Beach	800	NA	800	✓	NA	NA
CSA 12	245	NA	245	Need BOS Approval	NA	NA
Avila Beach CSD	68.31	100	168.31	NA	✓	Y
Avila Valley Mutual	12	20	32	NA	✓	N
San Luis Coastal	5	7	12	NA	✓	N
San Miguelito MWC	NA	275	275	NA	✓	NA

**CONSENT TO ONE-TIME EXTENSION  
UNDER ARTICLE 8 PARAGRAPH (c) (3)  
OF THE STATE WATER SUPPLY AGREEMENTS**

The San Luis Obispo County Flood Control and Water Conservation District ("Flood Control District") offered each agency that is a party to both a Lopez Water Supply Contract and a State Water Supply Agreement (the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District) the opportunity to request a modification to their water delivery schedules for the prior year on or before May 31, 2015. These agencies may receive an additional benefit under the carryover provisions of the recently enacted Lopez Low Reservoir Response Plan by decreasing their Lopez water deliveries and increasing their State water deliveries during the prior year.

The AVILA VALLEY MUTUAL WATER COMPANY ("Agency") hereby affirms, that is, has no objection to and will not challenge the Flood Control District's one-time extension of the period of time within which the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District can request an amendment to their water delivery schedules for the prior year (year ending on December 31, 2014) pursuant to Article 8 Paragraph (c) (3) of the State Water Supply Agreements.

Joe Rappa  
Signature

5/8/15  
Date

JOE Rappa  
Name - Print

AVMWC BOARD MEMBER  
Title

**CONSENT TO ONE-TIME EXTENSION  
UNDER ARTICLE 8 PARAGRAPH (c) (3)  
OF THE STATE WATER SUPPLY AGREEMENTS**

The San Luis Obispo County Flood Control and Water Conservation District (“Flood Control District”) offered each agency that is a party to both a Lopez Water Supply Contract and a State Water Supply Agreement (the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District) the opportunity to request a modification to their water delivery schedules for the prior year on or before May 31, 2015. These agencies may receive an additional benefit under the carryover provisions of the recently enacted Lopez Low Reservoir Response Plan by decreasing their Lopez water deliveries and increasing their State water deliveries during the prior year.

The San Miguelito Mutual Water Company (“Agency”) hereby affirms that it has no objection to and will not challenge the Flood Control District’s one-time extension of the period of time within which the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District can request an amendment to their water delivery schedules for the prior year (year ending on December 31, 2014) pursuant to Article 8 Paragraph (c) (3) of the State Water Supply Agreements.

  
Signature

05-13-15  
Date

Richard L. Koon  
Name – Print

General Manager  
Title

**CONSENT TO ONE-TIME EXTENSION  
UNDER ARTICLE 8 PARAGRAPH (c) (3)  
OF THE STATE WATER SUPPLY AGREEMENTS**

The San Luis Obispo County Flood Control and Water Conservation District ("Flood Control District") offered each agency that is a party to both a Lopez Water Supply Contract and a State Water Supply Agreement (the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District) the opportunity to request a modification to their water delivery schedules for the prior year on or before May 31, 2015. These agencies may receive an additional benefit under the carryover provisions of the recently enacted Lopez Low Reservoir Response Plan by decreasing their Lopez water deliveries and increasing their State water deliveries during the prior year.

The CITY OF PISMO BEACH ("Agency") hereby affirms that it has no objection to and will not challenge the Flood Control District's one-time extension of the period of time within which the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District can request an amendment to their water delivery schedules for the prior year (year ending on December 31, 2014) pursuant to Article 8 Paragraph (c) (3) of the State Water Supply Agreements.

  
\_\_\_\_\_  
Signature

JAMES R. LEWIS  
\_\_\_\_\_  
Name - Print

5-13-15  
\_\_\_\_\_  
Date

CITY MANAGER  
\_\_\_\_\_  
Title

**CONSENT TO ONE-TIME EXTENSION OF TIME  
UNDER ARTICLE 9 PARAGRAPH (C)  
OF THE LOPEZ WATER SUPPLY CONTRACTS**

The San Luis Obispo County Flood Control and Water Conservation District ("Flood Control District") offered each agency that is a party to both a Lopez Water Supply Contract and a State Water Supply Agreement (the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District) the opportunity to request a modification to their water delivery schedules for the prior year on or before May 31, 2015. These agencies may receive an additional benefit under the carryover provisions of the recently enacted Lopez Low Reservoir Response Plan by decreasing their Lopez water deliveries and increasing their State water deliveries during the prior year.

The CITY OF PISMO BEACH ("Agency") hereby affirms that it has no objection to and will not challenge the Flood Control District's one-time extension of the period of time within which the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District can request an amendment to their water delivery schedules for the prior Water Year (Water Year ending on March 31, 2015) pursuant to Article 9 Paragraph (C) of the Lopez Water Supply Contracts.

  
\_\_\_\_\_  
Signature

5-13-15  
\_\_\_\_\_  
Date

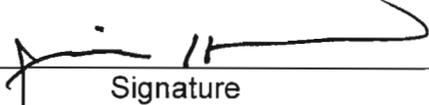
JAMES R. LEWIS  
\_\_\_\_\_  
Name - Print

CITY MANAGER  
\_\_\_\_\_  
Title

**CONSENT TO ONE-TIME EXTENSION OF TIME  
UNDER ARTICLE 9 PARAGRAPH (C)  
OF THE LOPEZ WATER SUPPLY CONTRACTS**

The San Luis Obispo County Flood Control and Water Conservation District ("Flood Control District") offered each agency that is a party to both a Lopez Water Supply Contract and a State Water Supply Agreement (the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District) the opportunity to request a modification to their water delivery schedules for the prior year on or before May 31, 2015. These agencies may receive an additional benefit under the carryover provisions of the recently enacted Lopez Low Reservoir Response Plan by decreasing their Lopez water deliveries and increasing their State water deliveries during the prior year.

The City of Arroyo Grande ("Agency") hereby affirms that it has no objection to and will not challenge the Flood Control District's one-time extension of the period of time within which the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District can request an amendment to their water delivery schedules for the prior Water Year (Water Year ending on March 31, 2015) pursuant to Article 9 Paragraph (C) of the Lopez Water Supply Contracts.

  
\_\_\_\_\_  
Signature

5/26/15  
\_\_\_\_\_  
Date

Jim Hill  
\_\_\_\_\_  
Name – Print

Mayor  
\_\_\_\_\_  
Title

**CONSENT TO ONE-TIME EXTENSION  
UNDER ARTICLE 8 PARAGRAPH (c) (3)  
OF THE STATE WATER SUPPLY AGREEMENTS**

The San Luis Obispo County Flood Control and Water Conservation District ("Flood Control District") offered each agency that is a party to both a Lopez Water Supply Contract and a State Water Supply Agreement (the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District) the opportunity to request a modification to their water delivery schedules for the prior year on or before May 31, 2015. These agencies may receive an additional benefit under the carryover provisions of the recently enacted Lopez Low Reservoir Response Plan by decreasing their Lopez water deliveries and increasing their State water deliveries during the prior year.

The Avila Beach Community Services District ("Agency") hereby affirms that it has no objection to and will not challenge the Flood Control District's one-time extension of the period of time within which the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District can request an amendment to their water delivery schedules for the prior year (year ending on December 31, 2014) pursuant to Article 8 Paragraph (c) (3) of the State Water Supply Agreements.



Signature

MAY 29-15

Date

Steve Waldron

Name – Print

Vice-President

Title

**CONSENT TO ONE-TIME EXTENSION OF TIME  
UNDER ARTICLE 9 PARAGRAPH (C)  
OF THE LOPEZ WATER SUPPLY CONTRACTS**

The San Luis Obispo County Flood Control and Water Conservation District ("Flood Control District") offered each agency that is a party to both a Lopez Water Supply Contract and a State Water Supply Agreement (the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District) the opportunity to request a modification to their water delivery schedules for the prior year on or before May 31, 2015. These agencies may receive an additional benefit under the carryover provisions of the recently enacted Lopez Low Reservoir Response Plan by decreasing their Lopez water deliveries and increasing their State water deliveries during the prior year.

The City of Grover Beach ("Agency") hereby affirms that it has no objection to and will not challenge the Flood Control District's one-time extension of the period of time within which the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District can request an amendment to their water delivery schedules for the prior Water Year (Water Year ending on March 31, 2015) pursuant to Article 9 Paragraph (C) of the Lopez Water Supply Contracts.

  
\_\_\_\_\_  
Signature

JOHN P. SHOALS

\_\_\_\_\_  
Name – Print

  
\_\_\_\_\_  
Date

MAYOR

\_\_\_\_\_  
Title

Attest:

  
\_\_\_\_\_  
Donna L. McMahon, City Clerk

**CONSENT TO ONE-TIME EXTENSION OF TIME  
UNDER ARTICLE 9 PARAGRAPH (C)  
OF THE LOPEZ WATER SUPPLY CONTRACTS**

The San Luis Obispo County Flood Control and Water Conservation District ("Flood Control District") offered each agency that is a party to both a Lopez Water Supply Contract and a State Water Supply Agreement (the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District) the opportunity to request a modification to their water delivery schedules for the prior year on or before May 31, 2015. These agencies may receive an additional benefit under the carryover provisions of the recently enacted Lopez Low Reservoir Response Plan by decreasing their Lopez water deliveries and increasing their State water deliveries during the prior year.

The Oceano Community Services District ("Agency") hereby affirms that it has no objection to and will not challenge the Flood Control District's one-time extension of the period of time within which the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District can request an amendment to their water delivery schedules for the prior Water Year (Water Year ending on March 31, 2015) pursuant to Article 9 Paragraph (C) of the Lopez Water Supply Contracts.

  
\_\_\_\_\_  
Signature

8-24-2015  
\_\_\_\_\_  
Date

MART LUCKEY  
\_\_\_\_\_  
Name – Print

PRESIDENT, BOARD OF DIRECTORS  
\_\_\_\_\_  
Title

**CONSENT TO ONE-TIME EXTENSION  
UNDER ARTICLE 8 PARAGRAPH (c) (3)  
OF THE STATE WATER SUPPLY AGREEMENTS**

The San Luis Obispo County Flood Control and Water Conservation District ("Flood Control District") offered each agency that is a party to both a Lopez Water Supply Contract and a State Water Supply Agreement (the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District) the opportunity to request a modification to their water delivery schedules for the prior year on or before May 31, 2015. These agencies may receive an additional benefit under the carryover provisions of the recently enacted Lopez Low Reservoir Response Plan by decreasing their Lopez water deliveries and increasing their State water deliveries during the prior year.

The OCEANO COMMUNITY SERVICES DISTRICT ("Agency") hereby affirms that it has no objection to and will not challenge the Flood Control District's one-time extension of the period of time within which the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District can request an amendment to their water delivery schedules for the prior year (year ending on December 31, 2014) pursuant to Article 8 Paragraph (c) (3) of the State Water Supply Agreements.

  
\_\_\_\_\_  
Signature

8-25-2015  
\_\_\_\_\_  
Date

MARY LUCEY  
\_\_\_\_\_  
Name - Print

PRESIDENT, BOARD OF DIRECTORS  
\_\_\_\_\_  
Title

**CONSENT TO ONE-TIME EXTENSION  
UNDER ARTICLE 8 PARAGRAPH (c) (3)  
OF THE STATE WATER SUPPLY AGREEMENTS**

The San Luis Obispo County Flood Control and Water Conservation District ("Flood Control District") offered each agency that is a party to both a Lopez Water Supply Contract and a State Water Supply Agreement (the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District) the opportunity to request a modification to their water delivery schedules for the prior year on or before May 31, 2015. These agencies may receive an additional benefit under the carryover provisions of the recently enacted Lopez Low Reservoir Response Plan by decreasing their Lopez water deliveries and increasing their State water deliveries during the prior year.

The San Luis Coastal Unified School District ("Agency") hereby affirms that it has no objection to and will not challenge the Flood Control District's one-time extension of the period of time within which the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District can request an amendment to their water delivery schedules for the prior year (year ending on December 31, 2014) pursuant to Article 8 Paragraph (c) (3) of the State Water Supply Agreements.

  
\_\_\_\_\_  
Signature

6-8-15  
\_\_\_\_\_  
Date

Ryan Pinkerton  
\_\_\_\_\_  
Name – Print

Assistant Supt.  
\_\_\_\_\_  
Title

# BEFORE THE BOARD OF SUPERVISORS

*of the*

## SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

\_\_\_\_\_ day \_\_\_\_\_, 20\_\_

PRESENT: Supervisors

ABSENT:

**RESOLUTION NO. \_\_\_\_\_**

### **RESOLUTION GRANTING A ONE-TIME EXTENSION OF TIME FOR LOPEZ WATER CONTRACTORS AND STATE WATER CONTRACTORS TO SUBMIT PROPOSED AMENDMENTS TO THEIR WATER DELIVERY SCHEDULES FOR WATER YEAR 2014-2015 AND AUTHORIZING THE DIRECTOR OF PUBLIC WORKS TO AMEND THE DELIVERY SCHEDULES CONSISTENT WITH THE SUBMITTED WRITTEN REQUESTS FOR PROPOSED AMENDMENTS**

The following Resolution is hereby offered and read:

**WHEREAS**, the San Luis Obispo County Flood Control and Water Conservation District (“District”) constructed, owns and operates the Lopez Dam and Reservoir, the Lopez Water Treatment Facilities, and the Lopez Water Conveyance System; and

**WHEREAS**, the District and the City of Grover Beach, the City of Pismo Beach, the City of Arroyo Grande, the Oceano Community Services District and County of San Luis Obispo Service Area No. 12 (collectively, “Zone 3 Contractors”) entered into Water Supply Contracts in 1966 and amended in August 2000 providing that the District shall supply certain quantities of water to the Zone 3 Contractors, and providing that the Zone 3 Contractors shall make certain payments to the District, and setting forth the terms and conditions of such supply and payment (collectively, the “Lopez Water Supply Contracts”); and

**WHEREAS**, County Service Area No. 12 (“County”) has entered into subcontracts with a number of agencies, including Avila Valley Mutual Water Company, Avila Beach Community Services District, and San Luis Coastal Unified School District (collectively, “Lopez Water Supply Subcontractors”) pursuant to which the County delivers a portion of its Lopez Entitlement to each Lopez Water Supply Subcontractor; and

**WHEREAS**, the Lopez Water Supply Contracts provide that the amounts, times and rates of delivery of Lopez water to each Zone 3 Contactor shall be in accordance with a water delivery schedule; and

**WHEREAS**, on or before October 1 of each Calendar Year, each Lopez Water Supply Contractor is to submit a preliminary water delivery schedule to the District, indicating the amounts of water desired during each month of the succeeding three (3) Water Years; and

**WHEREAS**, on or before January 1 of each Calendar Year, the District shall determine and furnish to the each Lopez Water Supply Contractor a water delivery schedule for the next succeeding Water Year, which shall show the amounts of water to be delivered to the Zone 3 Contractor; and

**WHEREAS**, a water delivery schedule may be amended by the District upon request by a Zone 3 Contractor; and

**WHEREAS**, proposed amendments shall be submitted by a Zone 3 Contractor within a reasonable time prior to the date the desired change is to become effective; and

**WHEREAS**, on December 16, 2014, the District adopted a resolution adopting certain policies and procedures set forth in the Low Reservoir Response Plan (LRRP) for the San Luis Obispo County Flood Control and Water Conservation District Zone 3; and

**WHEREAS**, under the LRRP, each Zone 3 Contractor may “bank” or “carry over” its unused Entitlement from the prior Water Year; and

**WHEREAS**, the District has also entered into Water Supply Contracts with a number of agencies, including the Avila Valley Mutual Water Company, the Avila Beach Community Services District, the San Luis Coastal Unified School District, the San Miguelito Mutual Water Company, the City of Pismo Beach and the Oceano Community Services District (collectively, “State Water Subcontractors”) providing that the District shall supply certain quantities of State Water Project water to the State Water Subcontractors and setting forth the terms and conditions of such supply and payment (collectively, the “State Water Supply Subcontracts”); and

**WHEREAS**, similar to the Lopez Water Supply Contracts, the State Water Supply Subcontracts provide that the amounts, times and rates of delivery of State water to each State Water Subcontractor shall be in accordance with a water delivery schedule; and

**WHEREAS**, on or before September 1 of each year, each State Water Subcontractor is to submit a preliminary water delivery schedule to the District, indicating the amounts of water desired during each month of the succeeding five (5) years; and

**WHEREAS**, on or before December 15 of each year, the District shall determine and furnish to each State Water Subcontractor a water delivery schedule for the next succeeding year which shall show the amounts of water to be delivered to the State Water Subcontractor; and

**WHEREAS**, a water delivery schedule may be amended by the District upon request by a State Water Subcontractor; and

**WHEREAS**, proposed amendments shall be submitted by a State Water Subcontractor within a reasonable time prior to the date the desired change is to become effective; and

**WHEREAS**, based on the provisions of the LRRP, a number of agencies that are both Lopez Water Contractors or Subcontractors and State Water Subcontractors (collectively, "Dual Contractors") requested to amend their delivery schedules in order to "exchange" Lopez water with State water delivered during the prior year; and

**WHEREAS**, District staff notified each Dual Contractor (the City of Pismo Beach, the Oceano Community Services District, the Avila Beach Community Services District, the Avila Valley Mutual Water Company, and the San Luis Coastal Unified School District) of the opportunity to request a modification to their water delivery schedules; and

**WHEREAS**, the District subsequently received formal requests from the City of Pismo Beach, the Oceano Community Services District and the Avila Beach Community Services District (collectively, "Requesting Agencies"); and

**WHEREAS**, based on the nature of the Lopez Water Supply Contracts and the State Water Supply Subcontracts, the District requested that each Lopez Water Contractor and each Dual Contractor execute a consent form affirming that it has no objection to and will not challenge the District's one-time extension of the period of time within which the Requesting Agencies can request an amendment to their water delivery schedules for the prior year; and

**WHEREAS**, each such agency has returned an executed consent form.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** by the Board of Supervisors of the San Luis Obispo County Flood Control and Water Conservation District, State of California, that:

1. The San Luis Obispo County Flood Control and Water Conservation District hereby grants a one-time extension of time for the Lopez Water Supply Contractors and Subcontractors and the State Water Contractors to submit proposed amendments to their water delivery schedules pursuant to Article 9, Paragraph (C) of the Lopez Water Supply Contracts and Article 8, Paragraph (c)(3) of the State Water Subcontracts for Water Year 2014-2015; and

2. The Director of Public Works is authorized and directed to amend the delivery schedules for the City of Pismo Beach, the Oceano Community Services District and the Avila Beach Community Services District for Water Year 2014-2015 consistent with the written requests for proposed amendments submitted by each agency.

Upon motion of Supervisor \_\_\_\_\_, seconded by Supervisor \_\_\_\_\_, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

the foregoing Resolution is hereby adopted on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Chairperson of the Board of Supervisors

ATTEST:

\_\_\_\_\_  
Clerk of the Board of Supervisors

(SEAL)

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL  
County Counsel

By:   
Deputy County Counsel

Dated: September 1, 2015

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STATE OF CALIFORNIA,        }  
County of San Luis Obispo,    }    ss.

I, \_\_\_\_\_, County Clerk and ex-officio Clerk of the Board of Supervisors of the San Luis Obispo County Flood Control and Water Conservation District, do hereby certify the foregoing to be a full, true and correct copy of an order made by the Board of Supervisors, as the same appears spread upon their minute book.

WITNESS my hand and the seal of said Board of Supervisors, affixed this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

Board  
(SEAL)

\_\_\_\_\_  
County Clerk and Ex-Officio Clerk of the  
of Supervisors

By \_\_\_\_\_  
Deputy Clerk