



Notice of Special Meeting
NACIMIENTO PROJECT COMMISSION

SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
THURS., APR. 23, 2020 – 4:00 PM

In accordance with the directives provided by Governor Newsom (Executive Order N-29-20), this meeting will be conducted as a phone-in and web-based meeting. Members of the public may participate via conference call and webinar.

Phone line: +1 (872) 240-3311

Access Code: 149-503-597

Webinar: <https://global.gotomeeting.com/join/149503597>

Public comments can be submitted to: wthomson@co.slo.ca.us

For more information: <https://www.slocounty.ca.gov/Departments/Public-Works/Forms-Documents/Committees-Programs/Nacimiento-Project-Commission.aspx>

AGENDA

- I. **CALL TO ORDER** (Roll Call, Quorum Count & Flag Salute)
- II. **PUBLIC COMMENT** **To address the NPC on non-agenda items; each subject to three-minute time limit.*
- III. **MEETING MINUTES** (Recommend Approval)
 - A. Naci Commission, Feb. 27, 2020
- IV. **COMMISSION INFORMATIONAL ITEMS** (No Action Required): None
- V. **PRESENTATIONS** (No Action Required): None
- VI. **COMMISSION ACTION ITEMS** (No Subsequent Action by BOS Required): None
- VII. **COMMISSION ACTION ITEMS** (Action Subsequently Required by BOS):
 - A. FY 2020-21 Nacimiento Water Operating Fund Budget
- VIII. **FUTURE AGENDA ITEMS DESIRED BY COMMISSION**
Next Commission Meeting: May 28, 2020

ATTACHMENTS

1. NP Commission Minutes – Feb. 27, 2020
2. Staff Report: FY 2020-21 Nacimiento Water Operating Fund Budget

CONTACT: *All Americans with Disabilities Act (ADA) accommodations shall be promptly reviewed and resolved.*

Persons who require accommodations for any audio, visual or other disability in order to review an agenda, or to participate in the meeting per the ADA, are encouraged to request such accommodation 48 hours in advance of the meeting from Wes Thomson at (805) 781-5252.



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NACIMIENTO PROJECT COMMISSION

SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

***** CONFERENCE CALL / WEBINAR ONLY *****

THURS., APR. 23, 2020 – 4:00 PM

Important Notice Regarding COVID-19 Based on guidance from the California Department of Public Health and the California Governor's Officer, in order to minimize the spread of the COVID-19 virus, please note the following:

1. The meeting will only be held telephonically and via internet via the number and website link information provided on the agenda. After each item is presented, Commission Members will have the opportunity to ask questions. Participants on the phone will then be provided an opportunity to speak for 3 minutes as public comment prior to Commission deliberations and/or actions or moving on to the next item. The chat function on the webinar may also be used to submit comments and ask questions and will be verbalized by staff during the public comment period for each item. How to use the chat function will be demonstrated at the beginning of the meeting.
2. The Commission's agenda and staff reports are available at the following website:
<https://www.slocounty.ca.gov/Departments/Public-Works/Forms-Documents/Committees-Programs/Nacimiento-Project-Commission.aspx>
3. If you choose not to participate in the meeting and wish to make a written comment on any matter within the Commission's subject matter jurisdiction, regardless of whether it is on the agenda for the Commission's consideration or action, please submit your comment via email or U.S. Mail by 5:00 p.m. on the Monday prior to the Commission meeting. Please submit your comment to Wes Thomson at wthomson@co.slo.ca.us. Your comment will be placed into the administrative record of the meeting.
4. If you choose not to participate in the meeting and wish to submit verbal comment, please call (805) 781-5252 and ask for Wes Thomson. If leaving a message, state and spell your name, mention the agenda item number you are calling about and leave your comment. The verbal comments must be received by no later than 9:00 a.m. on the morning of the noticed meeting and will be limited to 3 minutes. Every effort will be made to include your comment into the record, but some comments may not be included due to time limitations.

Mailing Address:

Attn: Wes Thomson
County Government Center, Room 206
San Luis Obispo, CA 93408

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**NACIMIENTO PROJECT COMMISSION
MEETING MINUTES**

February 27, 2020

CLERK (District): Mark Chiaramonte

QUORUM: YES
(5/5 Seats & Voting Share > 51%)

COMMISSIONERS PRESENT (Voting Share %)

Paso Robles (33%): John Hamon (Chair)
Templeton CSD (2%): Wayne Petersen (Vice Chair, Chair Elect)
Atascadero MWC (17%): Grigger Jones (Vice Chair Elect)
City of SLO (28%): Andy Pease
District (20%): John Peschong

1. CALL TO ORDER

The regular quarterly meeting of the Nacimiento Project Commission was held on Thursday, February 27, 2020, at 4:00 P.M., at the Templeton CSD Office, with John Hamon being in the Chair, and Mark Chiaramonte present as the Clerk. Quorum established.

Wayne Peterson and Grigger Jones were elected by the Commission to be in the 2020 Chair and Vice Chair officers respectively. *Motion for approval: Pease; Seconded: Peschong; All approved.*

The Commission received the staff report on the annual Conflict of Interest filing (Form 700).

2. PUBLIC COMMENT: *None.*

3. REVIEW OF PREVIOUS MEETING MINUTES

Minutes from November 2019 were presented and approved without changes.
Approved by all as submitted.

4. COMMISSION INFORMATIONAL ITEMS

Utilities Division Manager's Report

The report of the Utilities Division Manager was received and placed on file.

Second Quarter Operations Budget Report

Joanne Hilker, Finance Manager for the District, reported on the second quarter operations budget for fiscal year 2019-20; the report was received and placed on file.

5. PRESENTATIONS (NO ACTION REQUIRED): *None.*

Joanne Hilker, presented on the proposed operations budget for fiscal year 2020-21; the report was received and placed on file.

6. COMMISSION ACTION ITEMS (NO SUBSEQUENT ACTION BY BOS REQUIRED): *None.*

7. COMMISSION ACTION ITEMS (ACTION SUBSEQUENTLY REQUIRED BY BOS): *None.*

Joanne Hilker, submitted request to cancel reserves for a mid-year budget adjustment FY 2019-20 to address the North Salinas River Crossing Pipeline Repair project; approved as submitted. *Motion for approval: Hamon; Seconded: Peschong; All approved.*

8. FUTURE AGENDA ITEMS DESIRED BY COMMISSION:

The Commission requested status updates (when available) on the Salinas crossing repairs and status of legal effort; include updates on MCWRA's Interlake Tunnel Project and San Antonio Dam Spillway repairs when there's more to share.

The meeting was adjourned by Petersen at 4:27 P.M.

Wes Thomson, Secretary

NACIMIENTO PROJECT COMMISSION
FY 2020-21 Nacimiento Water Operating Fund Budget
(Commission Action Item – Board of Supervisors Action is Subsequently Required)

TO: Nacimiento Project Commission
FROM: Public Works Finance Division
VIA: Mark Chiaramonte, Utilities Division Manager
DATE: April 23, 2020
SUBJECT: Agenda Item VII.A – FY 2020-21 Nacimiento Water Operating Fund Budget

The Proposed Budget is prepared by the San Luis Obispo County Flood Control and Water Conservation District staff (Department of Public Works). The budget is based on the full allocation of 17,500 acre-feet of Nacimiento Water.

The Fiscal Year 2020-21 Nacimiento Operating budget (budget) is progressing through the following levels of review:

Dec, Jan, Feb: Discussions regarding projects with the Nacimiento Technical Support Group (TSG).
January 9, 2020: Summary Level review with TSG.
February 19: Electronic distribution to the TSG and Finance Committee.
February 27: Hard copy distribution to the Commission with briefing.
March 12: Presentation to the TSG and Finance Committee for review and discussion. TSG recommended forwarding the budget as-is to the Commission for endorsement.
April 23: Presentation to the Commission and a formal vote of endorsement.
June 2020: Budget Hearings by the Flood Control and Water Conservation District Board of Supervisors.

(Continued on next page)

A summary of the FY 2020-21 budget by category is displayed in Table 1 (excerpt from the Budget Book Transmittal, page i.)

| TABLE 1 By Category | 2019-20 Budget | 2020-21 Budget | Dollar Change | % Change |
|-----------------------------------|-----------------------|-----------------------|--------------------------|---------------------|
| Operations and Maintenance | | | | |
| Billable Routine | \$ 2,764,837 | \$ 3,623,501 | \$ 858,665 | |
| Billable Non-Routine | 1,148,994 | 436,400 | (712,594) | |
| Total Billable O&M | \$ 3,913,832 | \$ 4,059,900 | \$ 146,071 | 4% |
| Billable Capital Outlay/Reserves | 990,000 | 1,333,000 | 343,000 | |
| Billable Debt Service | 11,485,842 | 11,488,221 | 2,379 | |
| Total Participant Billings | \$ 16,389,674 | \$ 16,881,121 | \$ 491,450 | 3% |
| | | | | |
| Variable Energy [a] | 2,549,082 | 2,483,456 | (65,626) | -3% |

[a] Variable Energy is displayed as a reference amount only. Variable Energy is not included in installment billings to Participants, but rather billed quarterly based upon actual usage.

A summary of the FY 2020-21 installment billings by Participant is displayed in Table 2 (excerpt from the Budget Book Transmittal, page ii.)

| TABLE 2 Installment Billings by Participant [b] | 2019-20 Budget | 2020-21 Budget | Dollar Change | % Change |
|--|-----------------------|-----------------------|--------------------------|---------------------|
| City of Paso Robles | \$ 5,833,814 | \$ 6,042,328 | \$ 208,514 | 3.6% |
| Templeton CSD | 372,401 | 385,856 | 13,455 | 3.6% |
| Atascadero MWC | 3,587,945 | 3,691,045 | 103,101 | 2.9% |
| City of San Luis Obispo | 6,542,033 | 6,704,519 | 162,486 | 2.5% |
| CSA 10 | 14,078 | 15,233 | 1,155 | 8.2% |
| Bella Vista Mobile Home Park | 3,500 | 3,784 | 284 | 8.1% |
| SMR Mutual Water Co | 35,901 | 38,356 | 2,455 | 6.8% |
| Participant Installment Billings | 16,389,672 | 16,881,122 | 491,450 | 3.0% |

[b] Variable Energy is not included in installment billings to Participants, but rather billed quarterly based upon actual usage.

Total Installment Billings to Participants (Table 2):

Total billings to participating agencies increased from the prior year budgeted billings by \$491,450 or 3.0%.

Billable Routine Operations and Maintenance and Variable Energy (Table 1):

Routine Operations and Maintenance billings are \$858,665 higher than the prior year budget primarily due to an anticipated increase in construction litigation costs.

While the Variable Energy budget is not included in the installment billings to Participants, we include the budget/estimate in the table for reference. Budgetary/estimated amounts are slightly lower than the prior year budget based upon requested deliveries to the participating agencies and related energy pumping costs.

Billable Non-Routine Operations and Maintenance (Tables 1 and 3) (excerpt from the Budget Book Transmittal, page iii.)

Non-Routine billings are \$712,594 lower than the prior year budget due to changes in the following projects, based on discussions with the Technical Support Group.

| TABLE 3 | 2019-20 Budget | 2020-21 Budget | Dollar Change |
|---|---------------------------|---------------------------|--------------------------|
| <u>Billable Non-Routine O&M</u> | | | |
| MISC. FIBER OPTIC REPAIR (BILLABLE) | \$ 6,500 | \$ 6,500 | \$0 |
| SANTA MARG. CREEK BRIDGE PIPE RELOCATION | 620,000 | 220,000 | (400,000) |
| INTAKE PUMP SYSTEM IMPROVEMENTS | c.f. | c.f. | 0 |
| INTAKE PS SLOPE AND DRAINAGE REPAIR | 110,000 | c.f. | (110,000) |
| POWER MONITORING AT INTAKE | 30,000 | c.f. | (30,000) |
| SCADA EFFORTS AT BOOSTER STN O&M | 382,495 | 102,401 | (280,094) |
| MATERIALS STORAGE CORRAL | 0 | 7,500 | 7,500 |
| UNANTICIPATED NON ROUTINE PROJECT | 0 | 100,000 | 100,000 |
| Subtotal | \$ 1,148,995 | \$436,401 | (\$ 712,594) |

c.f.: carry forward remaining budget from prior year to continue the project

Billable Capital Outlay and Reserves (Tables 1 and 4) (excerpt from the Budget Book Transmittal, page iii.)

Capital and Reserve billings increased \$343,000 from the prior year budget, based on discussions with the Technical Support Group.

| TABLE 4 | 2019-20 Budget | 2020-21 Budget | Dollar Change |
|---|---------------------------|---------------------------|----------------------|
| Billable Capital Outlay | | | |
| SANTA YSABEL PUMP SYSTEM EFFICIENCY PROJECT | 500,000 | 0 | (500,000) |
| CONTRIBUTION TO RESERVES | 490,000 | 1,333,000 | 843,000 |
| Subtotal | \$ 990,000 | \$ 1,333,000 | \$ 343,000 |

The significant change in budget in this category is to the Contributions to Reserves, from the “normal” \$490,000 level (as originally recommended by the Nacimiento Commission on November 19, 2009) up to \$1,333,000. During fiscal year 2019-20, a leak occurred on the pipeline, necessitating the creation of the unanticipated project “North Salinas River Crossing Pipeline Repair.” In order to create initial project budget, \$4,181,600 (100%) of the Reserves was transferred into the project in the middle of FY 2019-20, reducing the reserves balance to zero. To begin re-building reserves for unanticipated occurrences, the technical support group recommended a higher level of contributions than “normal.” It was possible to increase contributions to reserves up to \$1,333,000, while holding the overall increase in billings to participating agencies to a 3% cumulative increase (Table 2.)

Not shown above is \$103,750 of capital outlay, funded from reserves, which is budgeted annually as a contingency should a mid-year emergency expenditure become necessary.

Billable Debt Service (Table 1):

Debt service payments reflect the payment schedule from the 2018 bond refinancing. Billable debt service is essentially flat from the prior fiscal year.