



**Nacimiento Project Commission
Notice of Meeting and Agenda
Thursday, November 21, 2013 – 4:00 pm
Templeton Community Services District Offices**

1. Call to Order
 - a. Call to Order, Roll Call, and Flag Salute
2. Public Comment
This is the opportunity for members of the public to address the Commission on items that are not on the agenda, subject to a three minute time limit.
3. Meeting Notes from August 22, 2013
(RECOMMEND APPROVAL)
4. COMMISSION INFORMATION ITEMS – written reports with brief verbal overview by staff or consultant. No action is required.
 - a. Utilities Division Manager’s Report
 - b. First Quarter Operations Budget Update
 - c. Participating Agencies’ Options for Subscribing to Full Allocation
5. PRESENTATIONS – no action required.
None
6. COMMISSION ACTION ITEMS
(No Subsequent Board of Supervisors Action Required)
 - a. 2014 Calendar of Activities
 - b. Surplus Water Declaration for Water Year 2014
 - c. Surplus Water Pricing for Water Year 2014
7. COMMISSION ACTION ITEMS
(Board of Supervisors Action is Subsequently Required)
None
8. FUTURE AGENDA ITEMS DESIRED BY COMMISSION

Commissioners
Judy Dietch, Chair, Templeton CSD

Frank Mecham, Vice Chair, SLO County Flood Control & Water Conservation District

John Hamon, City of El Paso de Robles

Grigger Jones, Atascadero MWC

Kathy Smith, City of San Luis Obispo

**Next Commission meeting scheduled for
Thursday, February 13, 2014, at 4:00 pm at
Templeton Community Services District Offices**

Nacimiento Project Commission
November 21, 2013
Agenda Item 3 – Meeting Notes from August 22, 2013

Agenda Item 1.a – Call to Order, Roll Call, Flag Salute

Chairperson Dietch convened the meeting at 4:00 p.m.

Commissioners Present:

Chairperson Judith Dietch, Templeton Community Services District
Vice-Chairperson Frank Mecham, San Luis Obispo County Flood Control and Water Conservation District
John Hamon, City of Paso Robles
Grigger Jones, Atascadero Mutual Water Company
Carlyn Christianson, City of San Luis Obispo

Staff Present:

Paavo Ogren, Dean Benedix, Scott Duffield - District
John Neil - Atascadero Mutual Water Company
Wade Horton, Dean Furukawa - City of San Luis Obispo

Agenda Item 2 – Public Comment

There were no public comments.

Agenda Item 3.a – Meeting Notes from May 23, 2013

The meeting notes from the May 23, 2013 Commission Meeting were unanimously approved without corrections.

Agenda Item 4 –Commission Informational Items

Agenda Item 4.a – Utilities Division Manager's Report

Dean Benedix reviewed the report and asked the Commission if there were any questions or comments on items within the report. The Commission had questions regarding the warranty and repair of the Santa Ysabel Pump Station motors. Dean explained that the warranties have expired. Dean also said that it appears the second burnout of the motor was due to poor insulation on the re-wound motors and that the repair company has taken full responsibility and will repair them again at no cost.

There were no other questions or comments on the Utilities Division Manager's Report.

Agenda Item 4.b – Participating Agencies Subscribing to Full Allocation and Options for use of Unexpended Construction Funds

Paavo Ogren introduced this ongoing discussion item and presented a staff report. Paavo suggested that the next steps could be for each agency to review and discuss internally and with their governing body. Paavo also indicated that additional environmental review would necessary to move forward.

The City of Paso and AMWC indicated they will discuss and take to their governing body. The City of SLO indicated they will do the same but that the timeframe to do so is in about 4-6 months with a final decision in 8-10 months.

The Commission asked if City of SLO chooses not to participate, can the other agencies move forward. Paavo replied yes, but reminded the Commission that the financial aspects would change also. Agencies should discuss this with their governing body as well.

The Commission requested the District prepare and send a letter to each Participant requesting they discuss and present to their respective governing body. The Commission also requested a financial analysis of the scenario where City of SLO does not participate.

Agenda Item 4.c – Water Availability Program for Lands with Dry Wells

Dean Benedix reviewed the staff report which presented that emergency water be delivered primarily via agency potable water systems (potable option), then secondarily and if needed, Nacimiento water (non-potable option). The Commission received the staff report without further action.

Agenda Item 5 – Presentations

None

Agenda Item 6 – Commission Action Items (No subsequent Board of Supervisors action required)

Agenda Item 6.a – Stenner Canyon Hydroelectric Plant

Dean Benedix presented the staff report recommending approval of a proposal from Hollenbeck Consulting to perform an initial reconnaissance feasibility assessment of a project that would use Nacimiento and Salinas water to generate power from an existing turbine owned by the City of San Luis Obispo.

Motion was made by Commissioner Jones to approve the recommendation. Motion was seconded by Commissioner Hamon. Motion was approved unanimously.

Agenda Item 7 – Commission Action Items (Subsequent Board of Supervisors action required).

None

Agenda Item 8 – Future Agenda Items Desired by Commission

In regards to Agenda Item 4.b – Participating Agencies Subscribing to Full Allocation and Options for use of Unexpended Construction Funds:

- The Commission requested the District prepare and send a letter to each Participant requesting they discuss and present to their respective governing body.
- The Commission requested a financial analysis of the scenario where the City of SLO does not participate.

Chairperson Dietch adjourned the meeting at 4:41 p.m.

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Nacimiento Project Commission
November 21, 2013
Agenda Item 4.a – Utilities Division Manager’s Report

1. Construction Contracts Status Update

A summary of construction contract recent activities are as follows:

Spec 2 (Facilities): Mediation was held June 20, 2013, and was unsuccessful.

All other construction contracts are closed.

2. Operations Report

Total pumping from the Intake Pump Station in October was 528.41 AF. The system was switched over to bypass operation mode (SYPS shut down) on October 23 since AMWC deliveries were shut down. All scheduled preventative maintenance was completed.

Santa Ysabel Pump Station

The AFD motor for Pump #2 was reinstalled and tested and has been performing well with no apparent issues. The AFDs for both motors were adjusted to peak at 85% of maximum speed which allows the flow control valve to open wider thereby reducing cavitation. This further reduced heat in the motor and full load amps. John Hollenbeck has completed his investigation of the check valve damage and is developing alternatives to running with the valves pinched. John is working on a technical memorandum that we anticipate will be discussed at the December TSG meeting. The check valve on Pump #3 constant speed motor has been removed and was found to be extremely worn beyond repair. It is suspected that the other check valves are in similar condition.

Several other significant items to note this month are:

- An extensive USA locate request was performed on Templeton Road in preparation for a chip seal project. The fiber optic locating wires from the excavated pull boxes have been brought to the surface.
- Since the last meeting, one other leak has been discovered along Southern California Pipeline’s (SCP) section of pipeline. Staff has now identified three such leaks; approximate stations 2025+00, 2036+00, and 2450+00. Staff has recently inspected all of SCP sections of pipeline and did not identify any other leaks at this time. SCP has responded and will hire Whitaker to provide a work plan and complete the repairs.
- EnerNOC has installed their monitoring devices necessary for participation in demand response events at Intake and Santa Ysabel. The devices will be installed at Rocky Canyon this month.

3. Outside Agency Issues

Monterey County Water Resources Agency: Reservoir status as reported by MCWRA is 25% percent full, or 95,690 acre-feet, as of October 31, 2013. Nacimiento releases were reported as 60cfs. If available, a current report from the MCWRA Reservoir Operations Committee will be presented at the meeting.

New Participants:

- Santa Margarita Ranch - Nothing new to report/status remains unchanged: Awaiting preliminary design from Santa Margarita Ranch. A like-contract will be developed by District staff.
- HRCSD – The design plan submitted by HRCSD’s engineer has been accepted with exceptions noted. Those exceptions relate to HRCSD obtaining easements, CEQA approval, and noting that the flow meter shall be approved by the District. The District is also developing a wheeling contract in accordance with the Water Delivery Entitlement Contracts in conjunction with County Counsel. The next step is to complete development of the wheeling contract.
- Pollard Family Trust – Nothing new to report/status remains unchanged: Pollard Family Trust has received a “conditional will serve” from Paso Robles Beach Mutual Water Company to wheel water through their system. The District is developing a reimbursement agreement for District services associated with their request for 10 AFY.

4. Invasive Species Prevention Program

On October 11th, SLO District and Monterey County Staff collaborated with the lead representatives of private lakeside communities and private ramps around Lake Nacimiento to help prepare for the 2014 boating season. The meeting proved to be a beneficial gathering that brought forward many fresh and effective ideas that will help promote communication and team building, but more importantly, how we can strengthen our prevention efforts to protect Lake Nacimiento from invasive mussels.

Resident Vessel Program Update

In November, SLO District has planned the final quality control visit of 2013 at one of the six communities in the Resident Vessel Program. With 155 vessels enrolled in the program, SLO District will have audited 10% or more of those vessels by the end of this year (our current program goal). Re-enrollment for the Resident Vessel Program has begun. Many residents have anxiously taken the opportunity to sign up early for a program that deems to be beneficial for them, our volunteer screeners, and Lake Nacimiento. During the month of December, residents who qualify for the program will be receiving their new certificate and sticker which proves that they are enrolled in the program for 2014.

Attachment B4 is a summary of the mussel monitoring sites and Lopez Lake, Santa Margarita Lake, Nacimiento Lake, and San Antonio Lake vessel inspection program for the month of September. These reports are collected monthly by District staff and distributed to the cooperating agencies, local private lakeside communities and ramps, and others including representatives of the Participants. Christopher Alakal and Jeff Britz were not on the distribution list to receive the report but will be added.

5. California Department of Public Health Inspection

As reported to the TSG in October, the California Department of Public Health (CDPH) performed a routine and comprehensive system "sanitary survey" inspection of the Nacimiento Project facilities. We have received their inspection report which indicated they found no issues of concern with the system or its operation. Additionally, we have submitted to the CDPH a draft "Watershed Sanitary Survey" report. This report is being finalized. A required 5-year update of this initial Watershed Sanitary Survey will be due to the CDPH by March 31, 2017.

6. 18-inch Pipe Rupture

Nothing new to report.

7. Stenner Canyon Hydroelectric Plant

Nothing new to report.

8. Paso Robles Groundwater Basin Issues

This is a time for discussion regarding the adoption of an urgency ordinance by the County Board of Supervisors on August 27, 2013, and direction to County staff. Follow up discussions at the pleasure of the Commission.

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Nacimiento Project Commission
November 21, 2013
Agenda Item 4.b First Quarter Operations Budget Update

TO: Nacimiento Project Commission

FROM: Wendy Hall, Administrative Services Manger

**VIA: Dean Benedix, Utilities Division Manager
Nacimiento Technical Support Group**

SUBJECT: First Quarter Operations Budget Update

DATE: November 21, 2013

Figures summarizing the Quarterly Operating Fund Budget are provided for your information (Attachment 4.b). Actual expenditures (less variable energy) are at 16% with 25% of the year elapsed. Variable energy is high due to the summer months pumping. Several line items are high due to SCADA issues, pump issues and unforeseen leak repairs.

If you have any questions please feel free to contact me at either (805) 781-5295 or via e-mail at whall@co.slo.ca.us. Staff will be available to answer specific questions at the meeting.

Attachment 4.b

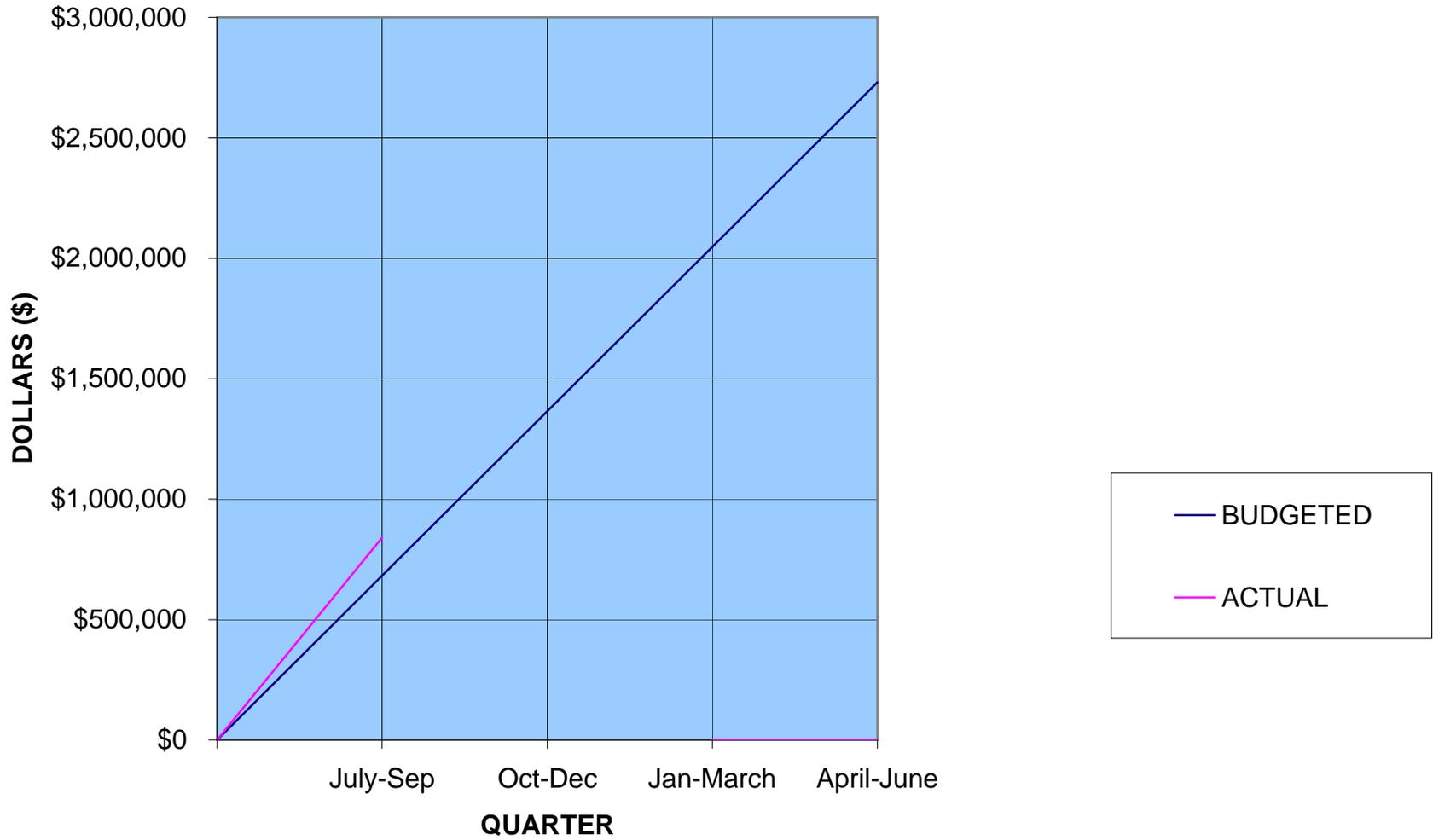
Nacimiento Water Operating Fund Operation and Maintenance FY 2013-2014

		Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total	% of Budget	Actual Variance
	WBS Element	FY 2013-14	July-Sep	Oct-Dec	Jan-March	April-June			
Routine Operation and Maintenance									
Master Water Contract	300420.01.03	\$227,480					\$0.00	0.0%	\$227,480.00
Variable Energy Costs	300420.03	\$832,673	\$512,122.80				\$512,122.80	61.5%	\$320,550.20
Water Conservation Management	300420.04	\$1,042	\$0.00				\$0.00	0.0%	\$1,042.00
Water Quality Analysis	300420.05	\$80,781	\$8,447.73				\$8,447.73	10.5%	\$72,333.52
Water Quality Support	300420.06	\$136,448	\$26,716.30				\$26,716.30	19.6%	\$109,731.93
Regulatory Agency/Department of Public Health	300420.02	\$37,352	\$24.15				\$24.15	0.1%	\$37,327.85
Invasive Species/Quagga Mussels	300420.09.02/06.01	\$154,392	\$26,056.56				\$26,056.56	16.9%	\$128,335.49
Environmental Mitigation	300420.09/09.01	\$29,399	\$0.00				\$0.00	0.0%	\$29,399.00
Utilities Operations and Office Engineering	300420.07	\$325,187	\$33,436.04				\$33,436.04	10.3%	\$291,750.96
Lakeside Contracts	300420.01.05	\$25,818	\$701.22				\$701.22	2.7%	\$25,116.78
Water Rights	300420.01.04	\$0	\$0.00				\$0.00	0.0%	\$0.00
General Accounting	300420.01	\$138,211	\$10,747.07				\$10,747.07	7.8%	\$127,463.93
County wide Overhead	300420.01.01	\$26,123	\$6,704.00				\$6,704.00	25.7%	\$19,419.00
Contributions to ISF/New Equipment	300420.01.02	\$0	\$0.00				\$0.00	0.0%	\$0.00
General Units	300420.10	\$26,727	\$11,810.08				\$11,810.08	44.2%	\$14,916.92
Unit A, Intake Pump Station	300420.10.A	\$154,872	\$42,356.91				\$42,356.91	27.3%	\$112,515.09
Unit A1, Camp Roberts Tank	300420.10.A1	\$38,237	\$2,350.54				\$2,350.54	6.1%	\$35,886.46
Unit B, Santa Ysabel Pump Station	300420.10.B	\$108,110	\$117,809.50				\$117,809.50	109.0%	(\$9,699.50)
Unit C, Pipe, Monterey Road to Wellsona	300420.10.C	\$24,230	\$1,739.20				\$1,739.20	7.2%	\$22,490.80
Unit C1, Pipe, Monterey Road/Wellsona	300420.10.C1	\$23,267	\$3,892.43				\$3,892.43	16.7%	\$19,374.57
Unit D, Pipe, Paso Turnout to Templeton CSD	300420.10.D	\$16,065	\$1,942.47				\$1,942.47	12.1%	\$14,122.53
Unit E, Pipe, Templeton CSD to Atascadero MWC	300420.10.E	\$15,280	\$1,048.99				\$1,048.99	6.9%	\$14,231.01
Unit F, Pipe, Atascadero MWC to Rocky Canyon Tank	300420.10.F	\$15,609	\$1,186.37				\$1,186.37	7.6%	\$14,422.63
Unit F1, Rocky Canyon Tank	300420.10.F1	\$13,209	\$4,151.26				\$4,151.26	31.4%	\$9,057.74
Unit F2, Rocky Canyon Pump Station	300420.10.F2	\$111,945	\$8,814.45				\$8,814.45	7.9%	\$103,130.55
Unit G, Rocky Canyon PS to Route 58/Maria Avenue	300420.10.G	\$15,244	\$6,102.21				\$6,102.21	40.0%	\$9,141.79
Unit G1, Route 58/Maria Ave. to Cuesta Tunnel Tank	300420.10.G1	\$16,625	\$223.43				\$223.43	1.3%	\$16,401.57
Unit G2, Cuesta Tunnel Tank	300420.10.G2	\$22,475	\$675.09				\$675.09	3.0%	\$21,799.91
Unit H, Cuesta Tunnel	300420.10.H	\$1,720	\$956.83				\$956.83	55.6%	\$763.17
Unit H1, Cuesta Tunnel to San Luis Obispo Turnout	300420.10.H1	\$36,399	\$907.43				\$907.43	2.5%	\$35,491.57
Unit T-2, City of Paso Robles Turnout	300420.10.T2	\$20,105	\$3,065.04				\$3,065.04	15.2%	\$17,039.96
Unit T-4, Templeton CSD Turnout	300420.10.T4	\$15,967	\$514.08				\$514.08	3.2%	\$15,452.92
Unit T-6, Atascadero MWC Turnout	300420.10.T6	\$18,968	\$3,495.75				\$3,495.75	18.4%	\$15,472.25
Unit T-11/11a, City of San Luis Obispo Turnout	300420.10.T11/T11a	\$20,294	\$2,036.97				\$2,036.97	10.0%	\$18,257.03
Reimbursable Billings	300420.11	\$0	\$343.34				\$343.34	N/A	(\$342.85)
Total Routine Operation and Maintenance		\$2,730,255	\$840,378.24	\$0.00	\$0.00	\$0.00	\$840,378.24	30.8%	\$1,890,219.63
Non-Routine O&M									
Misc. Fiber Optic Repair		\$25,850	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$25,850.00
Booster Station Upgrade (1)		\$141,550	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$141,550.00
Total Non-Routine Operation and Maintenance		\$167,400	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$167,400.00
Capital Outlay									
		\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00
Total Capital Outlay		\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00
Grand Total		\$2,897,655	\$840,378	\$0	\$0	\$0	\$840,378	29.0%	\$2,057,620

(1) Project Rolled to FY 2013-2014

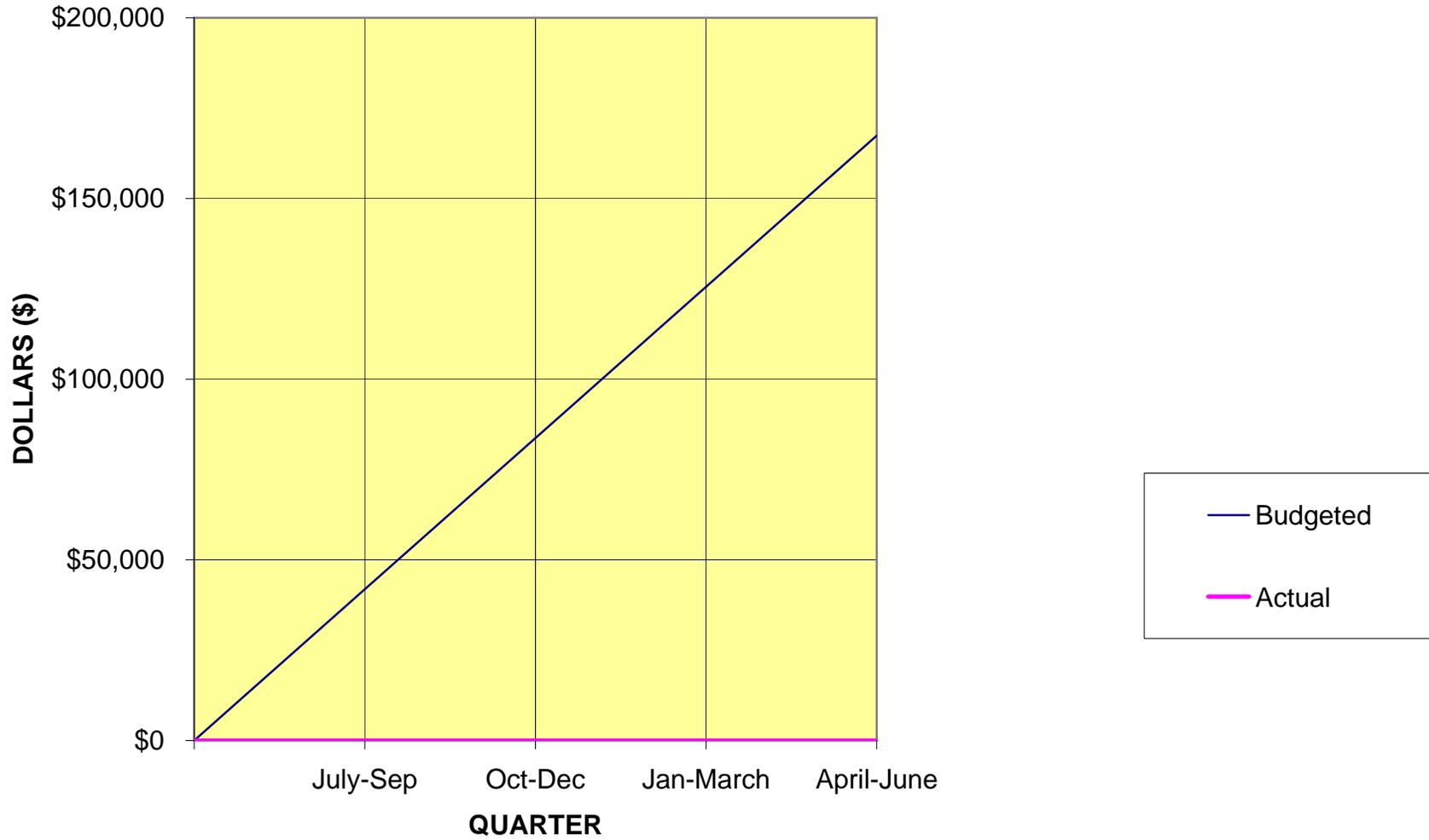
Attachment 4.b

Total Routine Operations and Maintenance



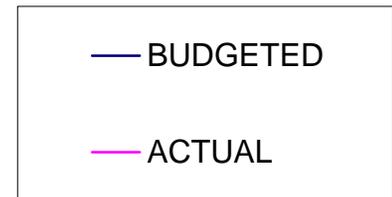
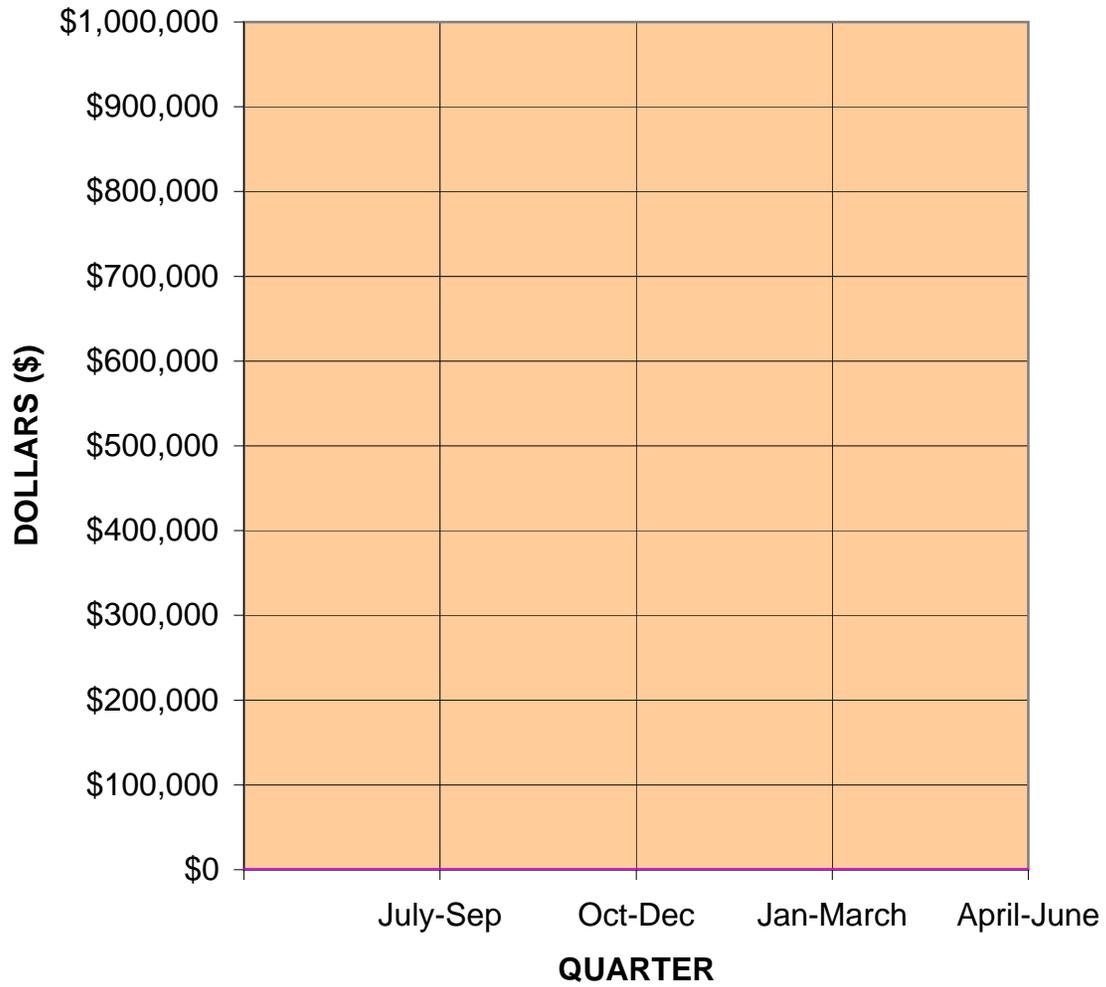
Attachment 4.b

Total Non-Routine Operations and Maintenance



Attachment 4.b

Total Capital Outlay



Nacimiento Project Commission
 November 21, 2013
Agenda Item 4.c – Participating Agencies’ Options for Subscribing to Full Allocation

TO: Nacimiento Project Commission

FROM: Dean Benedix, Utilities Division Manager

VIA: Paavo Ogren, Public Works Director

SUBJECT: Participating Agencies’ Options for Subscribing to Full Allocation

DATE: November 21, 2013

Background

At your August 22, 2013 meeting, the use of unexpended construction funds and several options were discussed. Separate discussions at that meeting involved some or all of the participating agencies subscribing to the full water allocation available from Nacimiento Lake. Your Commission asked staff to work with the TSG to finalize the participation scenarios, develop financial analyses, and return to the Commission with an update.

Discussion

The TSG and Commission have identified three scenarios of subscribing to additional water allocation. These three scenarios are identified in the next table. Scenario A is a proportionate increase of all reserve water by all participants. Scenario B is a proportionate increase of all reserve water by all participants except SLO. Scenario C is a proportionate increase of reserve water with SLOs share remaining in reserve.

Acre Feet Scenarios

Agency	Current	Scenario A	Scenario B	Scenario C
City of Paso Robles	4,000	6,525	7,885	6,525
Templeton CSD	250	408	493	408
Atascadero MWC	2,000	3,262	3,943	3,262
City of SLO	3,380	5,514	3,380	3,380
CSA 10	25	41	49	41
Sub-total	9,655	15,750	15,750	13,616
Reserve Capacity	6,095	0	0	2,134
Total	15,750	15,750	15,750	15,750

The TSG, Commission, and the District have previously discussed several other issues that should be considered:

Financial Considerations

District staff has recently completed an allocation of actual project costs now that the project and related repairs have been substantially completed. While actual project costs came in under budget in total, the contracts require that the actual project costs be allocated to determine the participant's share of final project costs. We anticipate that we will true up prior billings (based on estimated costs) to final costs in connection with the Fiscal Year 14/15 budget process. The final costs are reflected in the "current" columns in the accompanying tables below and will be vetted by the TSG in the next few months.

While some participant shares increased and others decreased, we are happy to inform your Commission that variances from estimated shares were minimal. No participant's share increased more than 0.7%. Excellent results considering estimates were made in 2007.

The next two tables present the financial implications associated with the three scenarios identified above. As can be seen, while there are incremental total cost increases with subscribing to additional water, the cost per acre foot is dramatically reduced. District staff is working with agency staff on strategies to mitigate any annual cost increases over the short term.

Cost Per Acre Foot*

Agency	Current	Scenario A	Scenario B	Scenario C
City of Paso Robles	\$1,148	\$756	\$741	\$841
Templeton CSD	\$1,181	\$789	\$800	\$786
Atascadero MWC	\$1,425	\$936	\$930	\$1,039
City of SLO	\$1,696	\$1,131	\$1,366	\$1,453
CSA 10	\$181	\$207	\$593	\$522
Total	\$1,396	\$924	\$924	\$1,038

Total Annual Costs*

Agency	Current	Scenario A	Scenario B	Scenario C
City of Paso Robles	\$4,590,787	\$4,932,376	\$5,844,208	\$5,486,456
Templeton CSD	\$295,370	\$321,761	\$394,584	\$320,725
Atascadero MWC	\$2,850,940	\$3,054,707	\$3,667,412	\$3,391,122
City of SLO	\$5,733,089	\$6,234,644	\$4,616,711	\$4,909,965
CSA 10	\$4,534	\$8,484	\$29,057	\$21,416
Total	\$13,474,720	\$14,551,972	\$14,551,972	\$14,129,684

* Excludes variable energy costs - Current variable energy costs are estimated at \$300 per acre foot

Capacity Considerations

The Project was designed for conveyance of the Reserved Capacity based on the proportional Delivery Entitlement Share of the Initial Participants. The District is in the process of evaluating the capacity of the “as-constructed” Project. This will identify any capacity limitations that should be considered.

Environmental Considerations

The District is in the process of coordinating efforts with the Initial Participants. In as much as the three scenarios would not result in any direct physical changes to the project, it follows that a single-topic Supplemental Environmental Impact Report (SEIR) addressing growth inducement effects is the appropriate document required by CEQA. The District would be the Lead Agency under CEQA and would prepare the SEIR for the use of the District and the other Participants as required.

Initial Participant Agency Consideration

The Commission requested the District provide a written request to each agency requesting their consideration and discussion of option and implementation strategies. After review and discussion of a draft of the letter at the November 7 TSG meeting, the TSG suggested the letter not be sent out until the financial analyses of the scenarios has had a final vetting through the TSG.

Next Steps

The skeleton of a tentative project schedule outlining the work efforts associated with these considerations and other tasks is included herein as Attachment 4.c. Depending on several factors, it may be possible to advance several of the tasks concurrently as opposed to linearly as shown. The District anticipates working with the TSG to progress the work efforts associated with these tasks and returning to the Commission as appropriate.

Nacimiento Project Commission
November 21, 2013
Agenda Item 6.a – 2014 Calendar of Activities
(Commission Action – No Subsequent Board Action Required)

TO: Nacimiento Project Commission
FROM: Dean Benedix, P.E., Utilities Division Manager
SUBJECT: 2014 Calendar of Activities
DATE: November 21, 2013

Recommendation

Accept the proposed 2014 Calendar of Activities and use this as a guide for planning the coming year's Project meetings.

Discussion

Attachment 6.a is the draft 2014 Calendar of Activities noting dates for both the Nacimiento Project Commission and the Technical Support Group. We are still planning on monthly TSG meetings plus quarterly Commission meetings. Notice that there is a special meeting of the Commission proposed for April 17, 2014, to approve the budget, which is necessary to mesh into the overall San Luis Obispo County special districts' budgeting process.

Financial Considerations

Staff support to the accompanying meeting schedule has been budgeted in the Nacimiento Water Operating Fund FY 13/14 budget.

Results

Sustaining monthly TSG meetings and quarterly Commission meetings will maintain open dialogue with Participants and allow the District to adhere to its reporting requirements per the Water Delivery Entitlement Contracts.

* * *

Attachment 6.a

Nacimiento Project Commission 2014 Calendar of Activities

<p>JAN</p> <p>TSG – meet on Thursday, Jan 9, 2014 at 2:00 pm in Atascadero</p> <p>Commission – Dark</p>	<p>FEB</p> <p>TSG – meet on Thursday, Feb 13, 2014 at 2:00 pm in Paso Robles</p> <p>Commission – meet on Thursday, Feb 27, 2014 at 4:00 pm in Templeton</p> <p>Reminder: Elect Chair and Vice Chair, distribute draft Budget & COI forms</p>	<p>MAR</p> <p>TSG & Finance Committee – meet on Thursday, Mar 13, 2014 at 2:00 pm in San Luis Obispo</p> <p>Commission – Dark</p>
<p>APR</p> <p>TSG – meet on Thursday, Apr 10, 2014 at 2:00 pm in Atascadero</p> <p>Commission – special meeting on Thursday, April 17, 2014, at 4:00 pm in Templeton (budget approval)</p>	<p>MAY</p> <p>TSG – meet on Thursday, May 8, 2014 at 2:00 pm in Paso Robles</p> <p>Commission – meet on May 22, 2014, at 4:00 pm in Templeton</p>	<p>JUN</p> <p>TSG – meet on Thursday, Jun 12, 2014 at 2:00 pm in San Luis Obispo</p> <p>Commission – Dark</p>
<p>JUL</p> <p>TSG – meet on Thursday, Jul 10, 2014 at 2:00 pm in Atascadero</p> <p>Commission – Dark</p>	<p>AUG</p> <p>TSG – meet on Thursday, Aug 14, 2014 at 2:00 pm in Paso Robles</p> <p>Commission – meet on Thursday, Aug 28, 2014 at 4:00 pm in Templeton</p>	<p>SEP</p> <p>TSG – meet on Thursday, Sep 11, 2014 at 2:00 pm in San Luis Obispo</p> <p>Commission – Dark</p> <p>Reminder: Request water delivery schedules and determine cost of Surplus Water</p>
<p>OCT</p> <p>TSG – meet on Thursday, Oct 9, 2014 at 2:00 pm in Atascadero</p> <p>Commission – Dark</p> <p>Reminder: Notify Participants of Surplus Water availability. Order for releases to MCWRA</p>	<p>NOV</p> <p>TSG – meet on Thursday, Nov 6, 2014 at 2:00 pm in Paso Robles</p> <p>Commission – meet on Thursday, Nov 20, 2014 at 4:00 pm in Templeton</p> <p>Reminder: Next Year Calendar of Activities</p>	<p>DEC</p> <p>TSG – meet on Thursday, Dec 11, 2014 at 2:00 pm in San Luis Obispo</p> <p>Commission – Dark</p>

N:\NWP\Commission\General\2014 Calendar of Activities.doc.

Nacimiento Project Commission
November 21, 2013
Agenda Item 6.b – Surplus Water Declaration for Water Year 2014
(Commission Action – No Subsequent Board Action Required)

TO: Nacimiento Project Commission

FROM: Scott Duffield, Project Manager

VIA: Dean Benedix, Utilities Division Manager

SUBJECT: Surplus Water Declaration for Water Year 2014

DATE: November 21, 2013

Recommendation

Declare 9287 acre-feet of Surplus Water available for Water Year 2014.

Discussion

Provisions of the delivery entitlement contract address water pricing and declaration of available Surplus Water. Article 12(A) states that:

(A) District Determination of Amount of Surplus Water; Reserve Pool; Turn-Back. The District shall notify All Participants of the total amount of Surplus Water, if any, available for a Water Year on or about the first day of the then-current Water Year, and once so declared by the District, said amount shall not be changed without first obtaining the consent of All Participants. Surplus Water purchased by the Participant will be delivered to the Participant in the same manner provided for in the delivery of the Participant's Delivery Entitlement and to the extent that all of said Surplus Water purchased is not in fact taken by the Participant by the end of the Water Year in question, then such undelivered amount of Surplus Water shall revert to the District and shall not thereafter be available to the Participant.

Since the Water Year runs from October 1st to September 30th (e.g., Water Year 2014 is October 1, 2013, through September 30, 2014), it is time for the District to make the notification regarding Surplus Water.

Surplus Water is defined as Reserve Water plus Turn-Back Pool Water as follows:

Reserve Water = Nacimiento Reservoir Water – Prior Commitment Water – Total Delivery Entitlement Obligation

17,500 – 1,750 – 9,655 for Water Year 2014 = **6,095 AF**

Turn-Back Pool Water = Total Delivery Entitlement Obligation – Participant Delivery Requests

9,655 – 6,463 for Water Year 2014 = **3,192 AF**

Surplus Water = Reserve Water + Turn-Back Pool Water

6,095 + 3,192 for Water Year 2014 = **9,287 AF**

Reserve Pool Water = Portion of Reserve Water remaining after satisfying provisions of Article 29(A) – Use of Reserve Water (i.e., to alleviate permanent shortages, to alleviate temporary shortages, to satisfy obligations to Reserve Water Customers, for additional water to Participants and Other Participants, and for New Participants).

6,095 - 0 for Water Year 2014 = **6,095 AF**

The District hereby notifies All Participants of the total amount of Surplus Water available and said amount shall not be changed without consent of All Participants. The Reserve Pool Water portion of Surplus Water is hereby offered to Participants as follows:

Participant	Delivery Entitlement Share (AFY)	Water Year 2014 Delivery Requests	Proportional Offer of Reserve Pool Water for Water Year 2014 (acre-feet)
City of el Paso de Robles, T2	4,000	808	2,525.1
Templeton CSD, T4	250	250	157.8
Atascadero MWC, T6	2,000	2000	1,262.6
City of San Luis Obispo, T11	3,380	3380	2,133.7
CSA 10A, T11	25	25	15.8
TOTAL =	9,655	6463	6,095

Reserve Pool Water shall be offered and re-offered per Article 12(B)(1) until all of the Reserve Pool Water has been sold. Turn-Back Pool Water may only be offered so long as no Reserve Pool Water remains.

Once All Participant water needs are satisfied by either delivery of Delivery Entitlement or Surplus Water, then the San Luis Obispo District “shall use its best efforts to temporarily lease the Reserved Capacity Water” (Article 30).

In its role to administer the Reserve Pool and Turn-Back Pool program, the Utilities Division has prepared a separate Surplus Water Pricing staff report for inclusion in the Commission’s November 21, 2013, agenda package.

In addition, staff has attached a copy of the spreadsheet report “Water Delivery Entitlement Contract Reporting” hereto. The report details the delivery requests for each of the Participants for Water Years 2014, 2015, and 2016.

This item was presented to the TSG on November 7, 2013. The TSG had no comments on this item.

Financial Considerations

Declaration of the amount of Surplus Water for Water Year 2014 carries with it no direct financial impact. Turn-Back Pool Water, and related terms for future Reserve Water Customer agreements have been set to policy. It was agreed that in the beginning years of operations the District will use budget estimates, however, when a full year of operations has elapsed the calculation would be based on prior year actual to set water pricing as stated in the Delivery Entitlement contracts. Revenues from sale of such water would be credited back to Participants and the District per the terms of the delivery entitlement contracts.

Results

Declaring Surplus Water for the current water year will put into motion Reserve Pool and Turn-Back Pool water offers and allow the District to entertain agreements with Reserve Water Customers.

Attachment: Attachment 6.b - Water Delivery Entitlement Contract Reporting

* * *

Attachment 6.b

Water Delivery Entitlement Contract Reporting

Article 7 - Water Delivery Amounts and Schedule - PRELIMINARY, DATED 10/1/13

Water Years: 2014, 2015, and 2016

Note: Water Year is October 1 through September 30, thus, WY 2014 is Oct 1, 2013 through Sep 30, 2014.

Note: Items in blue are manual inputs

THIS REPORT IS BEST VIEWED IF PRINTED ON 11X17 PAPER



NWP NACIMIENTO WATER PROJECT
San Luis Obispo County Flood Control & Water Conservation District

Project Summary			
Water Year:	2014	2015	2016
Nacimiento Reservoir Water (AF):	17,500.0	17,500.0	17,500.0
Prior Commitment Water (AF):	1,750.0	1,750.0	1,750.0
Total Delivery Entitlement Obligation (AF):	9,655.0	9,655.0	9,655.0
Participant Delivery Requests (AF):	6,463.0	7,464.0	6,760.0
Reserve Water (AF):	6,095.0	6,095.0	6,095.0
Turn-Back Pool Water (AF):	3,192.0	2,191.0	2,895.0
Surplus Water (AF):	9,287.0	8,286.0	8,990.0
Reserve Water Customer Obligations (AF):	0.0	0.0	0.0
Reserve Pool Water (AF):	3,192.0	2,191.0	2,895.0
Reserve Water requested (AF):	0.0	0.0	0.0

Participant	Unit T2 - Paso Robles							Unit T4 - Templeton CSD					Unit T6 - Atascadero MWC					Unit T11 - San Luis Obispo					Unit T11a - CSA10A												
	Delivery Amount (acre-feet)			Maximum Flow Rate (cfs)	Begin HH:MM	End HH:MM	Max capable = 9.03 cfs	Delivery Amount (acre-feet)			Maximum Flow Rate (cfs)	Begin HH:MM	End HH:MM	Max capable = 1.03 cfs	Delivery Amount (acre-feet)			Maximum Flow Rate (cfs)	Begin HH:MM	End HH:MM	Max capable = 8.29 cfs	Delivery Amount (acre-feet)			Maximum Flow Rate (cfs)	Begin HH:MM	End HH:MM	Max capable = 5.10 cfs	Delivery Amount (acre-feet)			Maximum Flow Rate (cfs)	Begin HH:MM	End HH:MM	Max capable = 0.04 cfs
	Normal Delivery	Reserve Water Request	Total Delivery Amount					Normal Delivery	Reserve Water Request	Total Delivery Amount					Normal Delivery	Reserve Water Request	Total Delivery Amount					Normal Delivery	Reserve Water Request	Total Delivery Amount					Normal Delivery	Reserve Water Request	Total Delivery Amount				
OCT	0.0	0.0	0.0	0.00	0:00	0:00		23.8	0.0	23.8	0.39	0:00	0:00		250.0	0.0	250.0	8.29	0:00	0:00		310.0	0.0	310.0	5.10	0:00	0:00		2.3	0.0	2.3	0.04	0:00	0:00	
NOV	0.0	0.0	0.0	0.00	0:00	0:00		23.0	0.0	23.0	0.39	0:00	0:00		0.0	0.0	0.0	0.00	0:00	0:00		308.0	0.0	308.0	5.10	0:00	0:00		2.3	0.0	2.3	0.04	0:00	0:00	
DEC	0.0	0.0	0.0	0.00	0:00	0:00		9.0	0.0	9.0	0.39	0:00	0:00		0.0	0.0	0.0	0.00	0:00	0:00		145.0	0.0	145.0	5.10	0:00	0:00		1.0	0.0	1.0	0.02	0:00	0:00	
JAN	0.0	0.0	0.0	0.00	0:00	0:00		8.3	0.0	8.3	0.39	0:00	0:00		0.0	0.0	0.0	0.00	0:00	0:00		165.0	0.0	165.0	5.10	0:00	0:00		1.0	0.0	1.0	0.02	0:00	0:00	
FEB	0.0	0.0	0.0	0.00	0:00	0:00		22.0	0.0	22.0	0.39	0:00	0:00		0.0	0.0	0.0	0.00	0:00	0:00		288.0	0.0	288.0	5.10	0:00	0:00		2.3	0.0	2.3	0.04	0:00	0:00	
MAR	0.0	0.0	0.0	0.00	0:00	0:00		23.8	0.0	23.8	0.39	0:00	0:00		0.0	0.0	0.0	0.00	0:00	0:00		310.0	0.0	310.0	5.10	0:00	0:00		2.3	0.0	2.3	0.04	0:00	0:00	
APR	0.0	0.0	0.0	0.00	0:00	0:00		23.0	0.0	23.0	0.39	0:00	0:00		0.0	0.0	0.0	0.00	0:00	0:00		308.0	0.0	308.0	5.10	0:00	0:00		2.3	0.0	2.3	0.04	0:00	0:00	
MAY	0.0	0.0	0.0	0.00	0:00	0:00		23.8	0.0	23.8	0.39	0:00	0:00		0.0	0.0	0.0	0.00	0:00	0:00		310.0	0.0	310.0	5.10	0:00	0:00		2.3	0.0	2.3	0.04	0:00	0:00	
JUN	199.0	0.0	199.0	4.46	0:00	0:00		23.0	0.0	23.0	0.39	0:00	0:00		250.0	0.0	250.0	8.29	0:00	0:00		308.0	0.0	308.0	5.10	0:00	0:00		2.3	0.0	2.3	0.04	0:00	0:00	
JUL	205.0	0.0	205.0	4.46	0:00	0:00		23.8	0.0	23.8	0.39	0:00	0:00		500.0	0.0	500.0	8.29	0:00	0:00		310.0	0.0	310.0	5.10	0:00	0:00		2.3	0.0	2.3	0.04	0:00	0:00	
AUG	205.0	0.0	205.0	4.46	0:00	0:00		23.8	0.0	23.8	0.39	0:00	0:00		500.0	0.0	500.0	8.29	0:00	0:00		310.0	0.0	310.0	5.10	0:00	0:00		2.3	0.0	2.3	0.04	0:00	0:00	
SEP	199.0	0.0	199.0	4.46	0:00	0:00		23.0	0.0	23.0	0.39	0:00	0:00		500.0	0.0	500.0	8.29	0:00	0:00		308.0	0.0	308.0	5.10	0:00	0:00		2.3	0.0	2.3	0.04	0:00	0:00	
TOTALS	808.0	0.0	808.0					250.0	0.0	250.0				2,000.0	0.0	2,000.0					3,380.0	0.0	3,380.0					25.0	0.0	25.0					

Participant	Unit T2 - Paso Robles							Unit T4 - Templeton CSD					Unit T6 - Atascadero MWC					Unit T11 - San Luis Obispo					Unit T11a - CSA10A												
	Delivery Amount (acre-feet)			Maximum Flow Rate (cfs)	Begin HH:MM	End HH:MM	Max capable = 9.03 cfs	Delivery Amount (acre-feet)			Maximum Flow Rate (cfs)	Begin HH:MM	End HH:MM	Max capable = 1.03 cfs	Delivery Amount (acre-feet)			Maximum Flow Rate (cfs)	Begin HH:MM	End HH:MM	Max capable = 8.29 cfs	Delivery Amount (acre-feet)			Maximum Flow Rate (cfs)	Begin HH:MM	End HH:MM	Max capable = 5.10 cfs	Delivery Amount (acre-feet)			Maximum Flow Rate (cfs)	Begin HH:MM	End HH:MM	Max capable = 0.04 cfs
	Normal Delivery	Reserve Water Request	Total Delivery Amount					Normal Delivery	Reserve Water Request	Total Delivery Amount					Normal Delivery	Reserve Water Request	Total Delivery Amount					Normal Delivery	Reserve Water Request	Total Delivery Amount					Normal Delivery	Reserve Water Request	Total Delivery Amount				
OCT	103.0	0.0	103.0	4.46	0:00	0:00		23.8	0.0	23.8	0.39	0:00	0:00		0.0	0.0	0.0	0.00	0:00	0:00		310.0	0.0	310.0	5.10	0:00	0:00		2.3	0.0	2.3	0.04	0:00	0:00	
NOV	0.0	0.0	0.0	0.00	0:00	0:00		23.0	0.0	23.0	0.39	0:00	0:00		0.0	0.0	0.0	0.00	0:00	0:00		308.0	0.0	308.0	5.10	0:00	0:00		2.3	0.0	2.3	0.04	0:00	0:00	
DEC	0.0	0.0	0.0	0.00	0:00	0:00		9.0	0.0	9.0	0.39	0:00	0:00		0.0	0.0	0.0	0.00	0:00	0:00		145.0	0.0	145.0	5.10	0:00	0:00		1.0	0.0	1.0	0.02	0:00	0:00	
JAN	0.0	0.0	0.0	0.00	0:00	0:00		8.3	0.0	8.3	0.39	0:00	0:00		0.0	0.0	0.0	0.00	0:00	0:00		165.0	0.0	165.0	5.10	0:00	0:00		1.0	0.0	1.0	0.02	0:00	0:00	
FEB	0.0	0.0	0.0	0.00	0:00	0:00		22.0	0.0	22.0	0.39	0:00	0:00		0.0	0.0	0.0	0.00	0:00	0:00		288.0	0.0	288.0	5.10	0:00	0:00		2.3	0.0	2.3	0.04	0:00	0:00	
MAR	0.0	0.0	0.0	0.00	0:00	0:00		23.8	0.0	23.8	0.39	0:00	0:00		0.0	0.0	0.0	0.00	0:00	0:00		310.0	0.0	310.0	5.10	0:00	0:00		2.3	0.0	2.3	0.04	0:00	0:00	
APR	0.0	0.0	0.0	0.00	0:00	0:00		23.0	0.0	23.0	0.39	0:00	0:00		0.0	0.0	0.0	0.00	0:00	0:00		308.0	0.0	308.0	5.10	0:00	0:00		2.3	0.0	2.3	0.04	0:00	0:00	
MAY	0.0	0.0	0.0	0.00	0:00	0:00		23.8	0.0	23.8	0.39	0:00	0:00		0.0	0.0	0.0	0.00	0:00	0:00		310.0	0.0	310.0	5.10	0:00	0:00		2.3	0.0	2.3	0.04	0:00	0:00	
JUN	420.0	0.0	420.0	8.20	0:00	0:00		23.0	0.0	23.0	0.39	0:00	0:00		500.0	0.0	500.0	8.29	0:00	0:00		308.0	0.0	308.0	5.10	0:00	0:00		2.3	0.0	2.3	0.04	0:00	0:00	
JUL	433.0	0.0	433.0	8.20	0:00	0:00		23.8	0.0	23.8	0.39	0:00	0:00		500.0	0.0	500.0	8.29	0:00	0:00		310.0	0.0	310.0	5.10	0:00	0:00		2.3	0.0	2.3	0.04	0:00	0:00	
AUG	433.0	0.0	433.0	8.20	0:00	0:00		23.8	0.0	23.8	0.39	0:00	0:00		500.0	0.0	500.0	8.29	0:00	0:00		310.0	0.0	310.0	5.10	0:00	0:00		2.3	0.0	2.3	0.04	0:00	0:00	
SEP	420.0	0.0	420.0	8.20	0:00	0:00		23.0	0.0	23.0	0.39	0:00	0:00		500.0	0.0	500.0	8.29	0:00	0:00		308.0	0.0	308.0	5.10	0:00	0:00		2.3	0.0	2.3	0.04	0:00	0:00	
TOTALS	1,809.0	0.0	1,809.0					250.0	0.0	250.0				2,000.0	0.0	2,000.0					3,380.0	0.0	3,380.0					25.0	0.0	25.0					

Participant	Unit T2 - Paso Robles							Unit T4 - Templeton CSD					Unit T6 - Atascadero MWC					Unit T11 - San Luis Obispo					Unit T11a - CSA10A												
	Delivery Amount (acre-feet)			Maximum Flow Rate (cfs)	Begin HH:MM	End HH:MM	Max capable = 9.03 cfs	Delivery Amount (acre-feet)			Maximum Flow Rate (cfs)	Begin HH:MM	End HH:MM	Max capable = 1.03 cfs	Delivery Amount (acre-feet)			Maximum Flow Rate (cfs)	Begin HH:MM	End HH:MM	Max capable = 8.29 cfs	Delivery Amount (acre-feet)			Maximum Flow Rate (cfs)	Begin HH:MM	End HH:MM	Max capable = 5.10 cfs	Delivery Amount (acre-feet)			Maximum Flow Rate (cfs)	Begin HH:MM	End HH:MM	Max capable = 0.04 cfs
	Normal Delivery	Reserve Water Request	Total Delivery Amount					Normal Delivery	Reserve Water Request	Total Delivery Amount					Normal Delivery	Reserve Water Request	Total Delivery Amount					Normal Delivery	Reserve Water Request	Total Delivery Amount					Normal Delivery	Reserve Water Request	Total Delivery Amount				
OCT	221.0	0.0	221.0	3.74	0:00	0:00		23.8	0.0	23.8	0.39	0:00	0:00		0.0	0.0	0.0	0.00	0:00	0:00		310.0	0.0	310.0	5.10	0:00	0:00		2.3	0.0	2.3	0.04	0:00	0:00	
NOV	0.0	0.0	0.0	0.00	0:00	0:00		23.0																											

Nacimiento Project Commission
November 21, 2013
Agenda Item 6.c – Surplus Water Pricing for Water Year 2014
(Commission Action – No Subsequent Board Action Required)

TO: Nacimiento Project Commission

FROM: Scott Duffield, Project Manager

VIA: Dean Benedix, Utilities Division Manager

DATE: November 21, 2013

SUBJECT: Surplus Water Pricing

Recommendation

We recommend that your honorable Commission receive and accept this surplus water pricing staff report for the record and for use in considering the sale of surplus water to other potential participants (including third parties). District staff has developed this report to illustrate a simplified version of the process for surplus water determinations and cost development.

Discussion

The Water Delivery Entitlement Contract (WDEC) language establishes the process for the District's annual determination of the amount of surplus water available for sale and the process to determine the cost per acre foot (AF) for said surplus water.

The information provided in this report is a condensed form of the language within the WDEC and was drawn from a number of articles in the WDEC including Articles 12, 16, 29, and 30. The discussion provided herein should be considered informational only and the original WDEC should be referenced in any legal matters relating to surplus water as discussed in this report.

Surplus Water Determination

Annually, on or before October 1st, District staff will calculate the quantity and cost of surplus water available for deliveries to the Participants or others. The total amount of water available to the Project is 15,750 AF but as of this report the Participants have contracted for only 9,655 AF of that amount. The remaining 6,095 AF is therefore considered to be reserve water (one of two components of surplus water).

During the current water year the Participants have requested only a portion (6,463 AF) in deliveries out of the total 9,655 AF available, and therefore the remaining balance of 3,192 AF is considered to be turnback pool water (the second component of surplus water).

Using this current year example detailed above, the total amount of surplus water is 9,287 AF (i.e. surplus water = reserve water plus turnback pool water, or $9,287 \text{ AF} = 6,095 \text{ AF} + 3,192 \text{ AF}$). The total amount of surplus water is now available for sale to the Participants or others that may be interested in purchasing the water, with one caveat. The reserve water must be sold off in its entirety prior to the sale of any turnback pool water.

Reserve Water Pricing

The cost of reserve water to each Participant consists of two components:

- 1) Operations and maintenance costs per AF of reserve water for the prior year
- 2) Variable energy costs associated with the delivery of the reserve water.

For Non-Participants a third component (Debit service) is added:

- 3) Debt service costs per AF for reserve water delivered for the current year.

Turnback Pool Water Pricing

The cost of turnback pool water to each Participant consists of two components:

- 1) Operations and maintenance costs per AF based on prior year average O&M costs for the delivery of all delivery entitlements
- 2) Variable energy costs associated with the delivery of turnback pool water.

For Non-Participants a third component (Debit service) is added:

- 3) Debit service costs per AF for turnback pool water delivered for the current year.

Attachment 6.c – Nacimiento Surplus Water summarizes water year 2014 surplus water costs based on the agreed upon terms in the Water Delivery Entitlement Contracts.

Attachments: Attachment 6.c – Nacimiento Surplus Water

* * *

Attachment 6.c

Nacimiento Surplus Water FY 2013-14

Participant	AFY	Reserve Water Costs for Participants Total ⁽¹⁾ with Turnout Costs	Reserve Water Costs for Participants Total ⁽¹⁾ less Turnout Costs	Reserve Water Costs/Reserve Water Customers Total ⁽²⁾ with Turnout Costs	Reserve Water Costs/Reserve Water Customers Total ⁽²⁾ less Turnout Cost
City of El Paso De Robles	4,000	\$107	\$106	\$1,212	\$1,189
Templeton CSD	250	\$148	\$125	\$1,902	\$1,862
Atascadero MWC	2,000	\$128	\$125	\$1,451	\$1,444
City of SLO	3,380	\$166	\$165	\$1,743	\$1,733
County Service Area 10	25	\$166	\$165	\$1,743	\$1,733
Turn- back Pool Water ⁽³⁾		\$143		\$1,897	

(1) Pursuant to Article 12 (B) of the Delivery Entitlement Contract, this is the pricing cost of Surplus Water for existing and other participants.

(2) Pursuant to Article 29(D) and 30, Reserve Water customers pay to the District the largest net revenue practicable, and not less than participants that utilize the same unit or units for the delivery of water.

(3) Pursuant to Article 12(B), no "Turn- back pool " water shall be sold by the District so long as any Reserve Pool Water remains unsold. Turn-back Pool Water is the portion of the Delivery Entitlement which the Participant does not request to be delivered for the water year in question.

Debt Service Calculation		Net Annual Debt Service Amount (less Turnout Costs)	Debt Service per AF less %Turnout Costs
Paso	4,000	\$4,330,098.80	\$1,082.52
Templeton	250	\$434,261.16	\$1,737.04
Atascadero	2,000	\$2,638,433.94	\$1,319.22
SLO	3,380	\$5,301,450.86	\$1,568.48
CSA 10	25		\$1,568.48
Total	9,655	\$12,704,244.75	