



NWP NACIMIENTO WATER PROJECT

San Luis Obispo County Flood Control & Water Conservation District

**Nacimiento Project Commission
Meeting and Agenda
Thursday, November 15, 2012 – 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 23, 2012
(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 w/ AB 2443
 - b. First Quarter Project Budget and Water Quality Budget
 - c. Heritage Ranch request for an emergency turnout
 - d. Request from the Santa Margarita Ranch to become a Project Participant
5. PRESENTATIONS – no action required.
 - a. Discussion regarding increasing Project Participant’s Delivery Entitlements
6. COMMISSION ACTION ITEMS
(No Subsequent Board of Supervisors Action Required)
 - a. 2013 Calendar of Activities
7. COMMISSION ACTION ITEMS
(Board of Supervisors Action is Subsequently Required)
 - a. TJ Cross Contract Amendment for Quagga Mussel Program Support
8. FUTURE AGENDA ITEMS DESIRED BY COMMISSION

Commissioners

John Hamon, Chair, City of El Paso de Robles

Judy Dietch, Vice Chair,
Templeton CSD

Grigger Jones, Atascadero MWC

Andrew Carter, City of San Luis Obispo

Frank Mecham, SLO County
Flood Control & Water
Conservation District

**Next Commission meeting scheduled for
Thursday, February 21, 2013, at 4:00 pm at
Templeton Community Services District Offices**

Nacimiento Project Commission
November 15, 2012
Agenda Item 3 – Meeting Notes from August 23, 2012

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

Vice-Chairman Dietch convened the meeting at 4:02 p.m.

Commissioners Present: Chairman John Hamon, City of Paso Robles
 Vice-Chairman Judith Dietch, Templeton Community Services
 District
 Frank Mecham, San Luis Obispo County Flood Control and Water
 Conservation District
 Grigger Jones, Atascadero Mutual Water Company
 Andrew Carter, City of San Luis Obispo

Agenda Item 2 – Public Comment

There are no public comments.

Agenda Item 3.a – Meeting Notes from April 19, 2012

Commissioner Mecham moved to approve the meeting notes from the May 24, 2012, Commission Meeting, and Commissioner Carter seconded the motion. Motion passed unanimously.

Agenda Item 4 –Commission Informational Items

Agenda Item 4.a – Project Management Report

Project Status Update

Mr. Benedix updated the Commission that mediation for the Teichert case is scheduled for December 18, 2012 and that mediation for the Mountain Cascade case is scheduled for September 12, 2012. Commissioner Mecham asked if there is an anticipated date when the project will be considered final. Mr Benedix stated that once the Intake pipe repair is completed and the Unit C1 inspection is completed the project construction can be considered final.

Unit C1 Inspection

Commissioner Hamon asked when the Unit C1 inspection work was going to start and if it is going to require road closures. Mr. Benedix explained that the tentative schedule is to start work September 4, 2012, and that the work will require lane shifts and flagman controlled lane closures but that the road will remain open. Commissioner Mecham suggested that the public be notified of the work and anticipated traffic impacts. Mr. Benedix stated the work is anticipated to take approximately six weeks.

Operations Report

Mr. Benedix gave a brief summary of the operations report and explained that one issue that came up this summer was that the air conditioning units shut down apparently due to the high demand to cool the pump station equipment. This was an isolated one time incident and the air conditioning units will be inspected more frequently through the summer months. Mr. Benedix also stated that there have been several USA marking requests and that the District is tracking them with the budget.

Nacimiento Reservoir Status

Mr. Benedix gave a brief summary of the reservoir status and data obtained from the Monterey County Water Resources Agency.

Outside Agency Issues

Mr. Benedix stated that Paavo Ogren continues to represent the District at the monthly Reservoir Operations Committee meetings and that the District and MCWRA continue to negotiate outstanding issues.

Mr. Ogren explained that the District was contacted by Rob Rossi, and that Mr Rossi expressed interest in using Nacimiento water for frost protection of vineyards at Santa Margarita Ranch. Mr. Ogren stated that one challenge is that the Water Delivery Entitlement Contracts (WDEC) are municipal contracts and that there is a provision that all contracts shall be “like / kind” contracts. Another challenge is that Mr. Rossi would request a small amount of water (<5AF) but that it would be delivered for a short duration (peaking). Mr. Ogren also explained that if Mr. Rossi wanted to use the water right away, the use of reserve/surplus water may be a possibility as a temporary use. Mr. Ogren explained that further discussion and research by Rossi and the District is necessary, specifically in relation to the EIR and the WDEC. Mr. Ogren suggested this item be included on a future Commission Agenda.

Invasive Species Prevention Program

See Agenda Item 6.a

18” Pipe Rupture

Mr. Benedix gave a brief update on the pipe rupture that occurred April 13, 2012, near Santa Margarita Ranch. The pipe section will be sent to a metallurgical testing laboratory retained by the District and testing will be coordinated by the District’s pipe expert with observation by District personnel. Mr Benedix explained that the pipe manufacturer may want to perform their own tests or split samples with the District.

Unit C1 Pipe Inspection

Mr. Benedix gave a brief update on the pipe inspection work and stated that a change order has been issued to Teichert to provide access to the pipe so that it can be inspected. The pipe will be closed up using new manway sections that will be welded connections. Mr. Benedix explained that the pipe inspection needs to be completed prior to the December 2012 mediation with Teichert. Commissioner Hamon asked why a change order was issued to Teichert. Mr. Benedix explained that the Construction Manager (Jacobs) and Teichert may have some role but that all parties have reserved their rights pending the outcome of the inspection and mediation.

Water Delivery Shutdowns Coordination

Mr. Benedix gave a summary of the anticipated water delivery shutdowns related to several upcoming projects as follows:

Unit C1 Pipe Inspection: Starting September 4, 2012, for approximately six weeks.

Intake Pipe Repair: TBD

Salinas Line (Caltrans): Talking w/Caltrans to start in Spring 2013 for approximately six weeks.

Agency Web Access to SCADA Screens

Mr. Benedix stated that access to the screens is available to all Agencies.

Water Quality Work Effort Budget Report

Mr. Benedix stated that this item was discussed with the TSG at the August 9, 2012 meeting and will report to the TSG quarterly regarding this item.

Agenda Item 5 – Presentations

There are no presentations.

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

Agenda Item 6.a – Invasive Species Prevention Program

Carolyn Berg presented a staff report to the Commission recommending support of a modified approach to the Resident Vessel Program (RVP) to allow participation by eligible lakeside residents that share easement rights to a common ramp, provided that owners of at least 75% of the properties with easement rights to the ramp sign the RVP's private ramp participation resolution. Commissioner Jones moved to support the recommendation, seconded by Commissioner Carter, and was approved unanimously.

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

Agenda Item 7.a – District County Fiber Optic MOU

Paavo Ogren presented a staff report to the Commission recommending approval of the Fiber Optics MOU with modifications that the Commission deems appropriate. Mr. Ogren explained that staff attempted to address the Commission's questions and comments from the May 24, 2012 meeting within the MOU, and that development of the "Whereas" within the MOU, and the exhibits attached to the staff report provide an outline of the fiscal elements. Mr. Ogren also explained that staff and the TSG discussed an option to address third party revenue sharing at a later time, and to add language to the MOU that speaks to that option. Mr. Ogren reviewed the proposed language presented in the staff report that speaks to third party revenue being addressed at a later time. The Commission suggested that the MOU be approved so that the County (ITD) can move forward with their projects. Commissioner Jones suggested the WDEC do not speak to third party revenues and that if third party revenues are ever being developed then the WDEC should be revised to allow that. The Commission agreed with that approach and all supported approval of the MOU with revised language to that effect.

Agenda Item 7.b – Intake Pipe Repair Status

Dean Benedix presented a staff report to the Commission recommending approval of a contract amendment to Black & Veatch for \$0.00 and a construction contract with OCI, a wholly owned subsidiary of Black & Veatch, for \$0.00. Mr. Benedix explained that we are proceeding in this manner because Black & Veatch does not have a contractor's license. Commissioner Mechem moved to approve the recommendation, seconded by Commissioner Jones. Recommendation was approved unanimously.

Agenda Item 8 – Future Agenda Items Desired by Commission

- 1) Water Allocation - Issues if all water is allocated to Initial Participants
- 2) Potential new Participant - Santa Margarita Ranch (Rob Rossi)

Chairman Hamon adjourned the meeting at 5:20 p.m.

* * *

Submitted by Scott Duffield, Project Manager

Nacimiento Project Commission
November 15, 2012
Agenda Item 4.a – Utilities Division Manager’s Report

PROJECT UPDATES

Construction Contracts Status Update

A summary of construction contract recent activities are as follows:

Spec 2 (Facilities): Mediation was scheduled to be held September 12, 2012; however, the parties participated in a conference call instead because there are several outstanding warranty issues yet to be addressed that would effect the mediation. The parties agreed to address the warranty issues and have a follow up conference call in late October to discuss the progress. Mediation is rescheduled for December 5, 2012.

Spec 3 (Pipeline North): The District is progressing forward with defense of the contractor’s Complaint filed September 29, 2011, pending information obtained by completion of the Unit C1 pipeline inspection that was not inspected during Project construction. Mediation is scheduled for December 18, 2012.

Operations Report

The pipeline is still offline and no water has been delivered this month. Staff this month has performed routine and preventative maintenance as scheduled. The erosion at the Intake Pump Station was repaired and staff laid down jute and hydro seeded the area. The new gear box for the 16” valve at Santa Ysabel has been ordered and delivery is expected by the end of the month.

Nacimiento Reservoir Status

Reservoir status as reported by MCWRA is 34 percent full, or 129,008 acre-feet, as of November 1, 2012. MCWRA releases are reported as 60 cfs. See also Attachment C (MCWRA reservoir operations report ending October 23, 2012).

Outside Agency Issues

Monterey County Water Resources Agency:

- Negotiations were finalized with Monterey County Water Resources Agency on the following issues:
 - The temporary construction easement for the intake remediation repairs was obtained.
 - The MCWRA claim regarding the prior temporary construction easement was dropped
 - Settlement of the charges for stream gages was completed
Additional details will be provided to the Commission at the meeting.

New Participants:

- Santa Margarita Ranch – The District has provided information to Santa Margarita Ranch’s consultant so that they may further develop their request for a small amount of Nacimiento water (see Agenda Item 4.d)
- Lewis Pollard Family Trust – The District has provided a “buy-in” cost estimate to Lewis Pollard Family Trust based on their recent request for obtaining approximately a 9 acre-foot allocation for the Bella Vista Mobile Home Park in Cayucos. This area was included in the original project EIR for an allocation of up to 30 acre-feet.
- HRCSD – The District received a letter from HRCSD requesting an emergency connection to the Nacimiento pipeline. The HRCSD anticipates using the connection only for emergency situations. Further discussion is needed (see Agenda Item 4.c).

Invasive Species Prevention Program

Agenda Item 7.a. Regarding a proposed change to T. J. Cross Engineer’s contract, which seeks Commission support for an amendment to facilitate transition of the consultant’s efforts to new District staff being assigned to Program efforts.

Prevention Program. District Staff, Misty Pontes and Carolyn Berg, and TJ Cross Engineers, Robin Dickerson, met with private ramp Program Coordinators on October 10, 2012. The Coordinators provided feedback on the successes and challenges of the 2012 program year¹ and possible improvements for next year’s program. Meeting highlights included:

- Coordinators advocate for specific rules on how screeners are expected to handle difficult decisions (e.g. whether to accept rental boats from elsewhere or not).
- Send more frequent program communications, possibly through social media (e.g. citations issued, program successes, inspection reminders).
- Coordinators seek consistency of inspection procedures at all ramps.
- Limited Level I Screener training classes will be offered next year targeting ramps with limited volunteer screeners available and/or for new seasonal staff.

District Staff will meet with representatives of Monterey County Parks Department and Water Resources Agency, and the Nacimiento Regional Water Management Advisory Committee (NRWMAC) to begin 2013 program planning in mid-November.

Assembly Bill (AB) No. 2443. Assembly Member Williams introduced AB 2443 (Vessel Registration Fee: Mussel Infestation Prevention Program) in February 2012. The bill was later amended by the State Senate and Assembly. The Bill was approved by the Governor and chaptered by the State Senate on September 23, 2012. It will:

¹ The Mussel Prevention Program refers to the program in terms of “program years” or “boating seasons”, which start in May (e.g. 2012 program year refers to May 2012 to April 2013).

- Create a technical advisory group;
- Increase vessel registration fees to implement and administer mussel monitoring, inspection, and infestation prevention programs; and
- Create Revolving Fund (of added fees) to cover State program costs and create grant funding for regions implementing Mussel Prevention Plans.

A copy of AB 2443 is included after this report as Attachment A.

18-inch Pipe Rupture

The ruptured section of pipe was delivered to the materials testing laboratory, Element Materials Technology of Huntington Beach on Wednesday August 29, 2012. The physical testing is anticipated to start the first or second week of November and is being coordinated by the District's consultant. A representative of the District will observe the testing and the contractor and pipe manufacturer will also be notified of the testing schedule and report data once available.

The District has initiated design of the permanent repair of the ruptured section of pipe that was temporarily repaired with non-restrained joints. The permanent repair will consist of restrained joints and will utilize the existing pipe section. A pressure monitoring device is proposed to be tapped into the air relief valve tap located approximately seventy five feet from the location of the rupture. The pressure monitoring device could be a local data recorder or a telemetry unit and could be simple to very technical depending on the intended use. The TSG suggests the results of the tests on the ruptured section of pipe be known before we move forward with implementation of the repairs and the pressure monitoring device. The cost of the permanent repair is estimated to be \$9500. The cost of the pressure monitoring device is dependant on the desired features of the device, a basic unit costs around \$500. The TSG suggests that bookend estimates be obtained for the device and that a followup discussion take place with them.

Unit C1 Pipe Inspection

Teichert completed dewatering of the pipeline and has made access to the pipeline at six locations. The initial inspection of the interior of the pipeline has been performed.

Intake Pipe Repair

At their September 11, 2012 meeting, the Board of Supervisors approved Amendment No. 27 to the Agreement for Professional Engineering Services with Black & Veatch Corporation in the amount of \$0.00; and approved and executed a contract for the repair of the Nacimiento Water Project Intake Pipe, with Overland Contracting Inc., Black & Veatch's subsidiary, for the Contract Price of \$0.00, consistent with your Commission's approval on

The latest schedule update shows the installation subcontractor mobilization on November 27, 2012, with start up to be completed by March 21, 2013. There is one shutdown period, DEC 7, 2012 – MAR 20, 2013. There is a possibility of intermittent water deliveries during the shutdown; however, once the restoration of the hydraulic

pip ing starts, deliveries will not be available until start-up and testing is complete. Consequently, agencies should not anticipate deliveries between December 7, 2012 and March 20, 2013.

Fiber Optic Update

The County and Flood Control District approved the fiber optic MOU at their September 25 meeting which was presented and approved by your Commission at your August 23, 2012 meeting. Subsequently, the County General Services Department presented a discussion to the Board of Supervisors on October 16, 2012 regarding the County's strategic planning on fiber optic availability within San Luis Obispo County. Attached is a copy of the Information Technology letter to the Board addressing the October 16, 2012 presentation. The TSG, at their November 1 meeting, suggested that the information presented to the County Board of Supervisors also be presented to your Commission at a scheduled future date. If your Commission desires to have a presentation on the County's strategic planning on fiber optic availability, staff will schedule it for the February or May 2013 agenda.

County of San Luis Obispo



TO: Board of Supervisors

FROM: Information Technology / Guy Savage
(805) 781-5200

DATE: 10/16/2012

SUBJECT: A presentation and strategic planning on fiber optic availability within San Luis Obispo County.

RECOMMENDATION

It is recommended that your Board receive the presentation on fiber optic strategic planning for discussion and provide direction that your Board deems appropriate.

DISCUSSION

The County of San Luis Obispo relies heavily on digital communications to execute the daily operations of County government. The majority of the digital communications between County offices traverse fiber optic communications lines. By increasing the general awareness of how fiber works, what the County owns, and the resultant opportunities, County officials can make more informed decisions.

As noted in the presentation provided on February 1, 2011, providing effective access to the Internet using broadband technologies has been described as the great infrastructure challenge of the early 21st Century. Broadband access and fiber optics are important to San Luis Obispo County as they affect the safety and health of citizens, improve delivery of governmental services, and support economic prosperity. During the meeting of February 1, 2011, your Board requested that a follow up presentation be made on the progress of expansion of the County of San Luis Obispo's fiber optic infrastructure. The follow up was delayed until such time as the Nacimiento Water Project Memorandum of Understanding could be completed.

The Federal Communications Commission (FCC) defines broadband as an average connection speed of 4 megabits per second (mbps) download and 1mbps upload. To put the FCC definition in perspective, a typical family vacation electronic photo album of 100 pictures would take approximately 13 minutes to download and over an hour to upload. While generally meeting the FCC definition with an average speed of 4mbps, the United States currently ranks 25th in average Internet connection speed in the world behind countries such as South Korea (34mbps), Sweden (22mbps), Netherlands (21mbps), and Japan (18mbps). California ranks 13th in the nation with average download speeds around 5mbps. However, average upload speeds within California are a paltry 1.3mbps. Overall, San Luis Obispo County fares slightly better than state averages.

The County's fiber optic infrastructure is built upon three primary backbones: Unified Metropolitan Area Network (UMAN) joint powers authority owned fiber, Level 3/WilTel negotiated fiber, and Nacimiento Water Project partnership fiber. Lateral connections from these backbones are being created to connect County offices to the County's infrastructure. To date, the County's backbones and lateral connections have been built for, or are restricted to, governmental and public education uses. Consequently, unused fiber cannot be sold, leased, or otherwise repurposed for commercial uses. At the same time, commercial entities within San Luis Obispo County are continuing to build-out their local fiber infrastructure. Companies such as Digital West, Charter, Time Warner, AT&T, and Verizon, have various plans to add or expand privately-owned fiber networks for business and homeowner use within the county. In many cases, these privately-owned fiber networks will be connected to the Trans-Pacific fiber which has landing sites in Morro Bay, San Luis

Obispo, and Grover Beach. However, expansion is slow because the county lacks the necessary population densities required to make it commercially viable for large commercial carriers to invest in building the latest technologies. The biggest obstacle to expanding fiber cabling is the cost of the construction.

Local government can encourage communications investments through partnerships with other public organizations, private entities, or by making the permitting and construction processes more attractive. For instance, the County could encourage private investment by enacting a "dig policy" that notifies local providers whenever the County will be digging trenches or putting in underground infrastructure. Carriers might be willing to supplement the cost of the dig provided they are given the opportunity to lay fiber optics in the trench prior to it being filled. Similarly, by partnering with other local government entities, cities, the State of California, or federal government agencies, the County could increase access between County buildings while simultaneously improving connectivity for our community partners and lowering individual investment costs.

In summary, San Luis Obispo County citizens and businesses receive broadband services that are slightly better than the majority of Americans. However, the United States is critically behind the rest of the world. Forging partnerships and adopting policy changes takes time. By encouraging public and private investment in fiber optic projects, the County can increase connectivity for citizens and businesses in a cost effective manner.

OTHER AGENCY INVOLVEMENT/IMPACT

All County departments rely on fiber optic technologies to execute daily operations.

FINANCIAL CONSIDERATIONS

There are no financial considerations at this time.

RESULTS

Strategy discussions will enhance communications between your Board and staff while providing an opportunity for your Board to provide feedback and direction that promotes enhanced safety and health of citizens, improved delivery of governmental services, and economic prosperity of the County.

Attachment A
AB 2443

AMENDED IN SENATE AUGUST 21, 2012
AMENDED IN SENATE JULY 6, 2012
AMENDED IN SENATE JUNE 19, 2012
AMENDED IN ASSEMBLY MAY 3, 2012
AMENDED IN ASSEMBLY APRIL 16, 2012
AMENDED IN ASSEMBLY APRIL 9, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2443

Introduced by Assembly Member Williams

February 24, 2012

An act to add Article 1.3 (commencing with Section 675) to Chapter 5 of Division 3 of the Harbors and Navigation Code, and to amend Sections 9853 and, 9860, and 9863 of the Vehicle Code, relating to vessels.

LEGISLATIVE COUNSEL'S DIGEST

AB 2443, as amended, Williams. Vessels: registration fee: Quagga and Zebra Mussel Infestation Prevention Program.

Existing law establishes various programs administered by, among other agencies, the Department of Fish and Game and the State Lands Commission, to prevent aquatic invasive species introduction and manage the spread and impacts of aquatic invasive species in state waters. Existing law prohibits, except as authorized by the Department of Fish and Game, a person from possessing, importing, shipping, or transporting in the state, or from placing, planting, or causing to be

placed or planted in any water within the state, dreissenid mussels, which are regulated by the department as an invasive species.

Existing law requires the owner of a vessel, as described, to register the vessel with the Department of Boating and Waterways (department), in accordance with prescribed requirements. Existing law establishes a registration fee for vessels and applies certain fee increases to that registration fee.

This bill would impose an additional fee in specified amounts, as determined by the department, on a vessel required to pay that registration fee. The bill would require the department, in determining the fee, to consult with a technical advisory group, which would be established by the department. The bill would require funds from the fee to be used to, among other things, implement and administer dreissenid mussel monitoring, inspection, and infestation prevention programs, as prescribed. The bill would require the department to adopt an emergency regulation to prescribe procedures for the collection and use of the fee.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) Quagga and zebra mussels, nonnative dreissenid mussels
4 introduced in the United States from Europe in 1988, pose an
5 immediate and significant threat to California’s water supply, flood
6 control, power generation, and aquatic recreation infrastructure.
7 Once established in a body of freshwater, quagga and zebra mussels
8 latch onto pipes, valves, screens, irrigation canals, and gates, often
9 in quantities that severely impede the movement of water and the
10 necessary operation of other critical water management
11 infrastructure.

12 (b) Quagga and zebra mussel infestation poses tremendous
13 financial burdens on local governments and local economies.
14 Between 2000 and 2010, widespread zebra mussel infestation of
15 the Great Lakes region resulted in over \$5 billion in economic
16 impacts. Were it to become infested, California’s Lake Tahoe alone
17 would likely incur economic impacts of over \$20 million annually.

1 (c) Quagga and zebra mussel infestations have been identified
2 in 25 bodies of freshwater in California, most within the southern
3 California region. These infestations threaten additional water
4 management and recreational facilities throughout southern
5 California as well as facilities across the state. Facilities threatened
6 with infestation include, but are not limited to, agricultural water
7 management infrastructure in the central valley, drinking water
8 facilities in the central coast and north coast regions, power
9 generation infrastructure in the Sierra Nevada, and flood control
10 facilities throughout California's watersheds.

11 (d) Existing law prohibits the possession, importation, shipment,
12 transportation, planting, or placement of quagga and zebra mussels
13 in any water within the state.

14 (e) An urgency exists due to the tremendous water management
15 impacts and state and local government costs associated with
16 quagga and zebra mussel infestation.

17 (f) The fees required by Article 1.3 (commencing with Section
18 675) of Chapter 5 of Division 3 of the Harbors and Navigation
19 Code, as determined by the Department of Boating and Waterways,
20 are solely for the reasonable regulatory costs incident to performing
21 investigations and inspections necessary to prevent and control
22 the infestation of California waters by quagga and zebra mussels.

23 (g) It is therefore the intent of the Legislature that fees required
24 by Article 1.3 (commencing with Section 675) of Chapter 5 of
25 Division 3 of the Harbors and Navigation Code as determined by
26 the Department of Boating and Waterways, shall not exceed the
27 cumulative reasonable regulatory costs incident to performing
28 investigations and inspections necessary to prevent quagga and
29 zebra mussel infestation.

30 SEC. 2. Article 1.3 (commencing with Section 675) is added
31 to Chapter 5 of Division 3 of the Harbors and Navigation Code,
32 to read:

33

34 Article 1.3. Quagga and Zebra Mussel Infestation Prevention
35 Fee
36

37 675. (a) In addition to the fees imposed pursuant to paragraphs
38 (1) and (2) of subdivision (b) of Section 9853 or Section 9860 of
39 the Vehicle Code, there shall also be imposed an additional quagga

1 and zebra mussel infestation prevention fee in an amount to be
2 determined by the department as follows:

3 (1) The additional prevention fee imposed with the registration
4 fee collected pursuant to paragraph (1) of subdivision (b) of Section
5 9853 of the Vehicle Code shall be not more than ten dollars (\$10).

6 (2) The additional prevention fee imposed with the registration
7 fee collected pursuant to paragraph (2) of subdivision (b) of Section
8 9853 of the Vehicle Code shall be not more than twenty dollars
9 (\$20).

10 (3) The additional prevention fee imposed with the registration
11 fee collected pursuant to Section 9860 of the Vehicle Code shall
12 be not more than twenty dollars (\$20).

13 (b) In determining the amount of the fee imposed pursuant to
14 this subdivision, the department shall establish, and consult with,
15 a technical advisory group consisting of interested persons,
16 including, but not limited to, recreational boating and reservoir
17 operation representatives. The members of the advisory group
18 shall be appointed by the director.

19 (c) The department shall adopt an emergency regulation to
20 prescribe procedures for the collection and use of the quagga and
21 zebra mussel infestation prevention fee for the purposes of this
22 article. The emergency regulations shall include rules for
23 administering the grants awarded pursuant to Section 676.

24 (d) All revenues collected from the fee shall be deposited into
25 the Harbors and Watercraft Revolving Fund, and shall be expended
26 solely for the purposes set forth in Section 676.

27 (e) The fee established by this section shall not apply to vessels
28 that are used exclusively in marine waters.

29 676. (a) All moneys deposited in the Harbors and Watercraft
30 Revolving Fund pursuant to Section 675 shall be available, upon
31 appropriation by the Legislature, for the following purposes:

32 (1) For reasonable costs, ~~not to exceed 3 percent of total~~
33 ~~revenues~~, incurred by the department associated with determining
34 the prevention fee and adoption of regulations pursuant to Section
35 675, and with administering the grants pursuant to subdivision (b).

36 (2) (A) For reasonable costs, not to exceed 15 percent of the
37 remaining revenues deposited into the fund, of the Department of
38 Fish and Game for implementation of subparagraph (A) or (C) of
39 paragraph (2) of, or paragraph (1) of, subdivision (a) of Section
40 2301 or Section 2302 of the Fish and Game Code in those areas

1 of the state where a dreissenid mussel infestation prevention plan
2 has not been implemented.

3 (B) The amount specified in subparagraph (A) is in addition to
4 moneys available pursuant to subdivision (d) of Section 85.2.

5 ~~(4)~~

6 (3) An amount not less than 85 percent of the remaining
7 revenues deposited into the fund shall be made available for grants
8 to entities subject to subdivision (a) of Section 2302 of the Fish
9 and Game Code for the reasonable regulatory costs incident to the
10 implementation of a dreissenid mussel infestation prevention plan
11 implemented either before or after January 1, 2013, that is
12 consistent with the requirements of Section 2302 of the Fish and
13 Game Code.

14 (b) For the purposes of awarding grants pursuant to paragraph
15 ~~(4)~~ (3) of subdivision (a), the department shall do all of the
16 following:

17 (1) Give priority to dreissenid mussel infestation prevention
18 plans that are consistent with Section 2302 of the Fish and Game
19 Code and that also include visual and manual inspection standards
20 and other infestation prevention procedures consistent with either
21 the Department of Fish and Game's Invasive Mussel Guidebook
22 for Recreational Water Managers and Users, dated September
23 2010, or the Natural Resource Agency's Aquatic Invasive Species
24 Management Plan, dated January 2008, or subsequently adopted
25 guidebooks and management plans.

26 (2) Take into consideration the benefits of regional-scale
27 dreissenid mussel infestation prevention plans.

28 (3) Take into consideration the unique economic, ecological,
29 and recreational impacts to rural and urban reservoirs from
30 dreissenid mussel infestation.

31 (c) For purposes of this article, reasonable regulatory costs
32 include costs associated with the investigation and inspection of
33 a conveyance for the presence of dreissenid mussels prior to contact
34 with a reservoir, as defined in Section 6004.5 of the Water Code.
35 None of the revenues collected pursuant to subdivision (a) of
36 Section 675 shall be used for any purpose other than those
37 explicitly authorized by this section.

38 (d) For the purposes of this section, conveyances include boats
39 and other watercraft, and associated vehicles, containers, and
40 trailers that may carry or contain adult or larval dreissenid mussels.

1 (e) As a condition of receiving grant funding pursuant to this
2 section, an entity shall report to the department data, as deemed
3 appropriate by the department, regarding dreissenid mussel
4 prevention and inspection programs implemented with the funding.

5 677. This article does not preempt a special district, city,
6 county, or joint powers authority from adopting local regulations
7 or ordinances related to the prevention and eradication of invasive
8 aquatic species.

9 SEC. 3. Section 9853 of the Vehicle Code is amended to read:

10 9853. (a) The owner of each vessel requiring numbering by
11 this state shall file an initial application for a number with the
12 department or with an agent authorized by the department on forms
13 approved by the department. The forms shall be prepared in
14 cooperation with the Department of Boating and Waterways. The
15 application shall contain the true name and address of the owner
16 and of the legal owner, if any, and the hull identification number
17 of the vessel as may be required by the department. The application
18 shall be signed by the owner of the vessel and shall be accompanied
19 by a fee of nine dollars (\$9), in addition to the fees required under
20 subdivision (b), except that an owner of a vessel registered outside
21 this state who is submitting an application for registration in this
22 state shall pay a fee of thirty-seven dollars (\$37), in addition to
23 the fees required under subdivision (b).

24 (b) (1) Whenever the fee for original registration of a vessel
25 becomes due between January 1 and December 31 of any
26 even-numbered year, the application shall be accompanied by a
27 fee of ten dollars (\$10), in addition to any other fees that are then
28 due and payable.

29 (2) Whenever the fee for original registration of a vessel
30 becomes due, or is filed with the department, between January 1
31 and December 31 of any odd-numbered year, the application shall
32 be accompanied by a fee of twenty dollars (\$20) in addition to any
33 other fees that are then due and payable.

34 (c) ~~(1)~~The department shall additionally collect a quagga and
35 zebra mussel infestation prevention fee in an amount established
36 by the Department of Boating and Waterways pursuant to Section
37 675 of the Harbors and Navigation Code.

38 ~~(2) Notwithstanding Section 9863, after deducting the amount~~
39 ~~of its administrative costs incurred in connection with the collection~~
40 ~~of the fee specified in this subdivision, the department shall deposit~~

1 fees collected pursuant to this subdivision into the Harbors and
2 Watercraft Revolving Fund as required by Section 675 of the
3 Harbors and Navigation Code for expenditure as provided in
4 Section 676 of that code.

5 (d) The department shall provide documentation of its
6 administrative costs pursuant to this section to the Department of
7 Boating and Waterways.

8 SEC. 4. Section 9860 of the Vehicle Code is amended to read:

9 9860. (a) Certificates of number shall be renewed before
10 midnight of the expiration date by presentation of the certificate
11 of number last issued for the vessel or by presentation of a potential
12 registration card issued by the department.

13 (b) The fee for renewal shall be twenty dollars (\$20) for each
14 two-year period, and shall accompany the request for renewal.

15 (c) If the certificate of number and potential registration card
16 are unavailable, the fee specified in Section 9867 shall not be paid.

17 (d) ~~(1)~~ The department shall additionally collect a quagga and
18 zebra mussel infestation prevention fee in an amount established
19 by the Department of Boating and Waterways pursuant to Section
20 675 of the Harbors and Navigation Code.

21 ~~(2) Notwithstanding Section 9863, after deducting its~~
22 ~~administrative costs incurred in connection with the collection of~~
23 ~~the fee specified in this subdivision, the department shall deposit~~
24 ~~fees collected pursuant to this subdivision into the Harbors and~~
25 ~~Watercraft Revolving Fund as required by Section 675 of the~~
26 ~~Harbors and Navigation Code for expenditure as provided in~~
27 ~~Section 676 of that code.~~

28 (e) The department shall provide documentation of its
29 administrative costs pursuant to this section to the Department of
30 Boating and Waterways.

31 SEC. 5. Section 9863 of the Vehicle Code is amended to read:

32 9863. (a) Except as required under ~~subdivision~~ *subdivisions*
33 (b) *and (c)*, and except moneys collected under Section 9875, fees
34 received pursuant to this chapter shall be deposited in the Harbors
35 and Watercraft Revolving Fund and, notwithstanding Section
36 13340 of the Government Code, are continuously appropriated,
37 without regard to fiscal years, for the administration of this chapter
38 by the department. Funds in the Harbors and Watercraft Revolving
39 Fund derived pursuant to this chapter in excess of the amount
40 determined by the Director of Finance, from time to time, to be

1 necessary for expenditure for the administration of this chapter,
2 notwithstanding Section 13340 of the Government Code, are
3 continuously appropriated to the Department of Boating and
4 Waterways, without regard to fiscal years, for expenditure in
5 accordance with Section 663.7 of the Harbors and Navigation
6 Code.

7 (b) Funds derived from imposition of the biennial registration
8 fee under paragraph (2) of subdivision (b) of Section 9853, or
9 under *subdivision (b) of Section 9860*, shall be distributed as
10 follows:

11 (1) One-half shall be continuously appropriated pursuant to
12 subdivision (a).

13 (2) One-half shall be allocated, upon appropriation, to the
14 Department of Boating and Waterways for expenditure in support
15 of programs under the department's jurisdiction.

16 (c) *Funds derived from the imposition of the quagga and zebra*
17 *mussel prevention fee under subdivision (c) of Section 9853, or*
18 *under subdivision (d) of Section 9860, shall be distributed as*
19 *specified in Section 676 of the Harbors and Navigation Code.*

O



WATER RESOURCES AGENCY

MEMORANDUM

Monterey County

DATE: October 24, 2012

TO: Reservoir Operations Committee

FROM: Howard Franklin

SUBJECT: Reservoir Release Update

RESERVOIR ELEVATION / STORAGE: As of the date of this memorandum, San Antonio Reservoir is at approximately 742.65 feet mean sea level (msl), 170,093 acre-feet of storage. Nacimiento Reservoir is at elevation 743.55 feet msl, 130,228 acre-feet of storage. San Antonio Reservoir is currently at 51% of storage capacity and Nacimiento Reservoir is at 34% of capacity.

RESERVOIR RELEASES: October 19, 2012 marked the end of the 2012 Diversion Season at the Salinas River Diversion Facility (SRDF). With a full impoundment behind the inflatable dam, a minimum of 2 cfs will be bypassed to the Salinas River Lagoon for 29 days (October 20th thru November 17th).

Releases from both reservoirs have been adjusted to support summer recession steelhead passage flow investigations in the Salinas River, and steelhead habitat surveys in the Nacimiento River. Once these efforts are completed, releases from both reservoirs will be reduced to minimum fisheries flows.

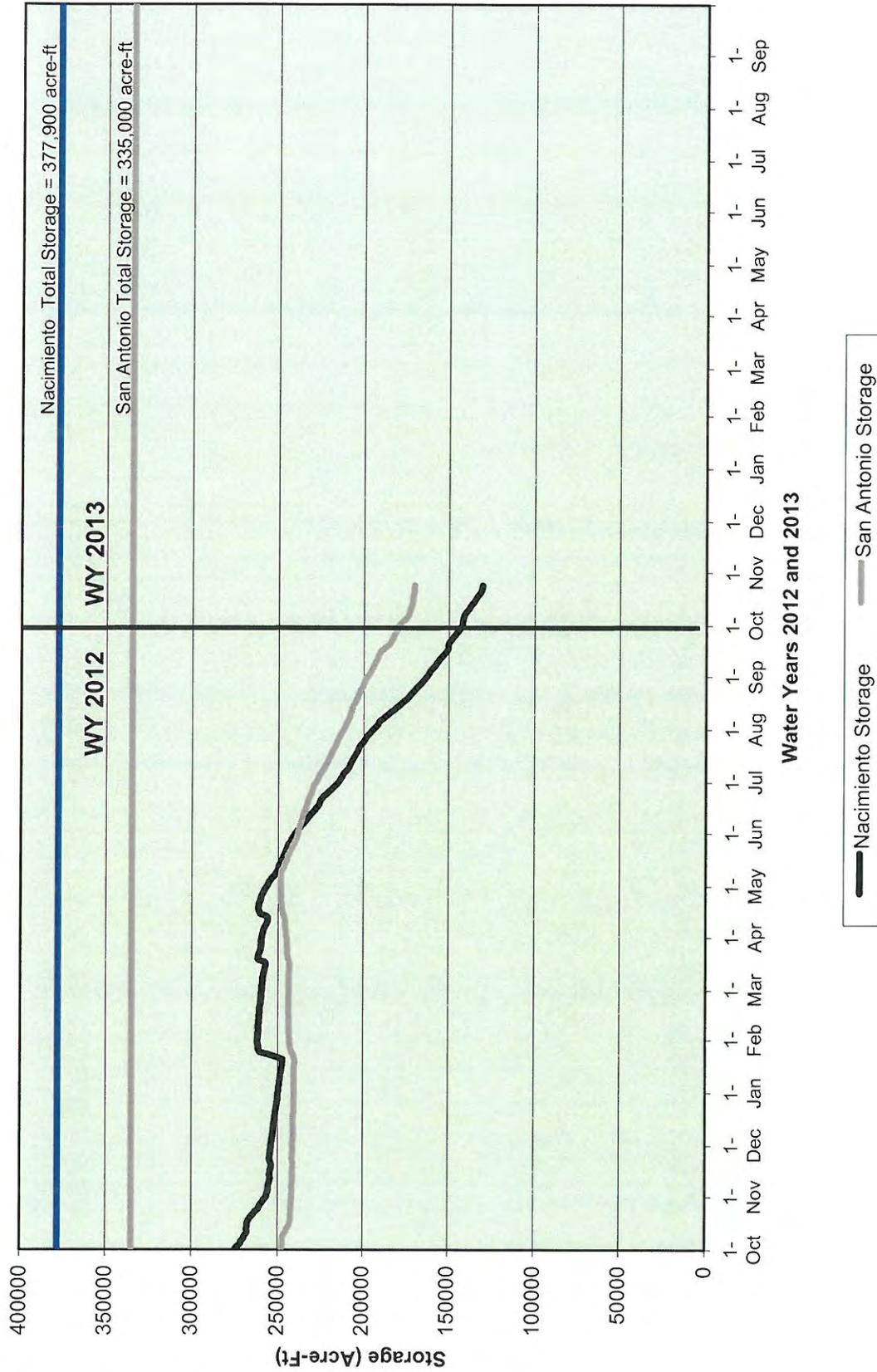
Current releases are as follows:

Nacimiento Reservoir:	60 cfs
San Antonio Reservoir:	90 cfs

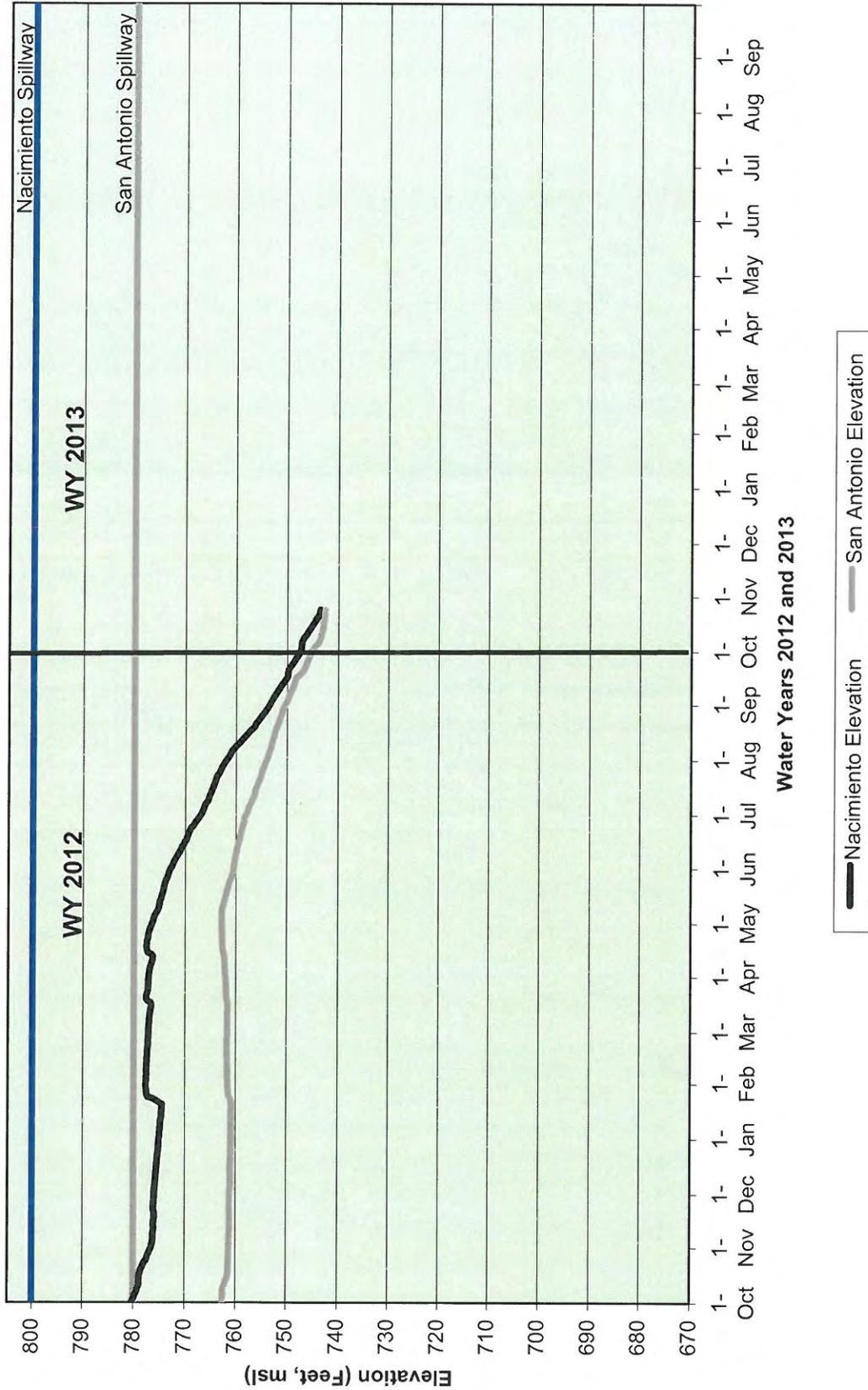
Total releases from both reservoirs to the Salinas River are approximately 150 cfs. As of the date of this memorandum the following “provisional” flows have been recorded by the USGS and/or Agency:

- Salinas River near Spreckels: 21 cfs (decreasing)
- Salinas River near Chualar: 64 cfs (decreasing)
- Salinas River near Soledad: 147 cfs (decreasing)
- Salinas River near Bradley: 179 cfs (decreasing)

Reservoir Storage



Reservoir Elevation



MONTEREY COUNTY WATER RESOURCES AGENCY

PRELIMINARY - Estimated Elevation/Storage/NWP Diversions; after October 1st

10/24/2012

RESERVOIR RELEASE SCHEDULE FOR 2012

	NACIMIENTO										SAN ANTONIO				
	Combined Releases (cfs)*	Combined Releases (ac-ft)	Evap. Losses (ac-ft)**	Reservoir Releases (cfs)*	Reservoir Releases (ac-ft)	NWP Orders (ac-ft)	NWP Diversions (ac-ft)	Storage (ac-ft)	Elev. (ft)	Evap. Losses (ac-ft)**	Reservoir Releases (cfs)*	Reservoir Releases (ac-ft)	Storage (ac-ft)	Elev. (ft)	
1/1/2012	73	4,526	489	63	3,906	776	207	249,780	775.1	324	10	620	240,285	761.0	
2/1/2012	70	4,060	970	60	3,480	1,023	247	261,590	777.6	840	10	580	243,140	761.6	
3/1/2012	194	12,000	1,567	184	11,380	1,037	213	259,265	777.1	1,288	10	620	243,580	761.7	
4/1/2012	266	15,960	1,111	256	15,360	1,134	192	259,265	777.1	1,036	10	600	245,340	762.1	
5/1/2012	408	25,296	2,888	263	16,306	1,392	273	256,010	776.4	3,138	145	8,990	248,420	762.8	
6/1/2012	512	30,720	3,330	374	22,440	1,734	246	239,280	772.7	3,669	138	8,280	238,350	760.5	
7/1/2012	590	36,580	3,505	362	22,444	1,961	583	213,930	766.8	4,071	228	14,136	227,545	758.0	
8/1/2012	619	38,378	2,982	410	25,420	1,936	709	193,418	761.7	3,494	209	12,958	211,210	753.9	
9/1/2012	592	35,520	2,034	325	19,500	1,407	52	162,203	753.3	2,467	267	16,020	197,288	750.3	
10/1/2012	346	21,452	1,302	200	12,400	1,261	1,261	142,055	747.4	1,623	146	9,052	178,783	745.2	
11/1/2012	70	4,200	620	60	3,600	1,258	1,258	127,092	742.5	843	10	600	168,108	742.1	
12/1/2012	70	4,340	390	60	3,720	766	766	121,614	740.7	506	10	620	166,665	741.6	
TOTALS:		233,032	21,190		159,956	15,685	6,007			23,297		73,076		741.3	

* Mean daily flow for the month in cubic feet per second.

** Evap. Losses estimated from long term pan evaporation data at Nacimiento and San Antonio Reservoirs.

1. Nacimiento Reservoir storage capacity 377,900 acre feet.

2. San Antonio Reservoir storage capacity 335,000 acre feet.

3. Reservoir Operations Committee may make release considerations for fish spawn and holiday periods to benefit recreation.

4. Shaded areas represent periods when elevations are influenced by inflow/runoff; releases may include flood control releases.

5. Preliminary Schedule assumes no inflow to reservoirs after May 1st.

6. "NACIMIENTO "NWP Diversions" are San Luis Obispo County - Nacimiento Water Project conveyance facilities diversions. Max. allowable diversions for water year (Oct. 1 - Sept. 30) are 15,750 ac-ft.

NOTES:

ATTACHMENT 4

Nacimiento Project Commission
November 15, 2012
Agenda Item IV.b – Quarterly Operating Budget Update
(Information Only – No Action Required)

**TO: Nacimiento Project Commission
Nacimiento Technical Support Group**

FROM: Wendy Hall, Administrative Services Manager

VIA: Dean Benedix, Utilities Division Manager

SUBJECT: Quarterly Project Budget Update

DATE: November 15, 2012

Overall, the Quarterly Operating Fund Budget expenditures were 14.5% for the first quarter.

Routine Operation and Maintenance expenditures were 14.7% of the annual budget. This includes 23% expended for all Water Quality laboratory budgeted services during this first quarter. A detailed summary report of water quality service budgeted line items and expenditures follows this report.

There were no expenditures in the Non-Routine or Capital Outlay categories of the first quarter's budget.

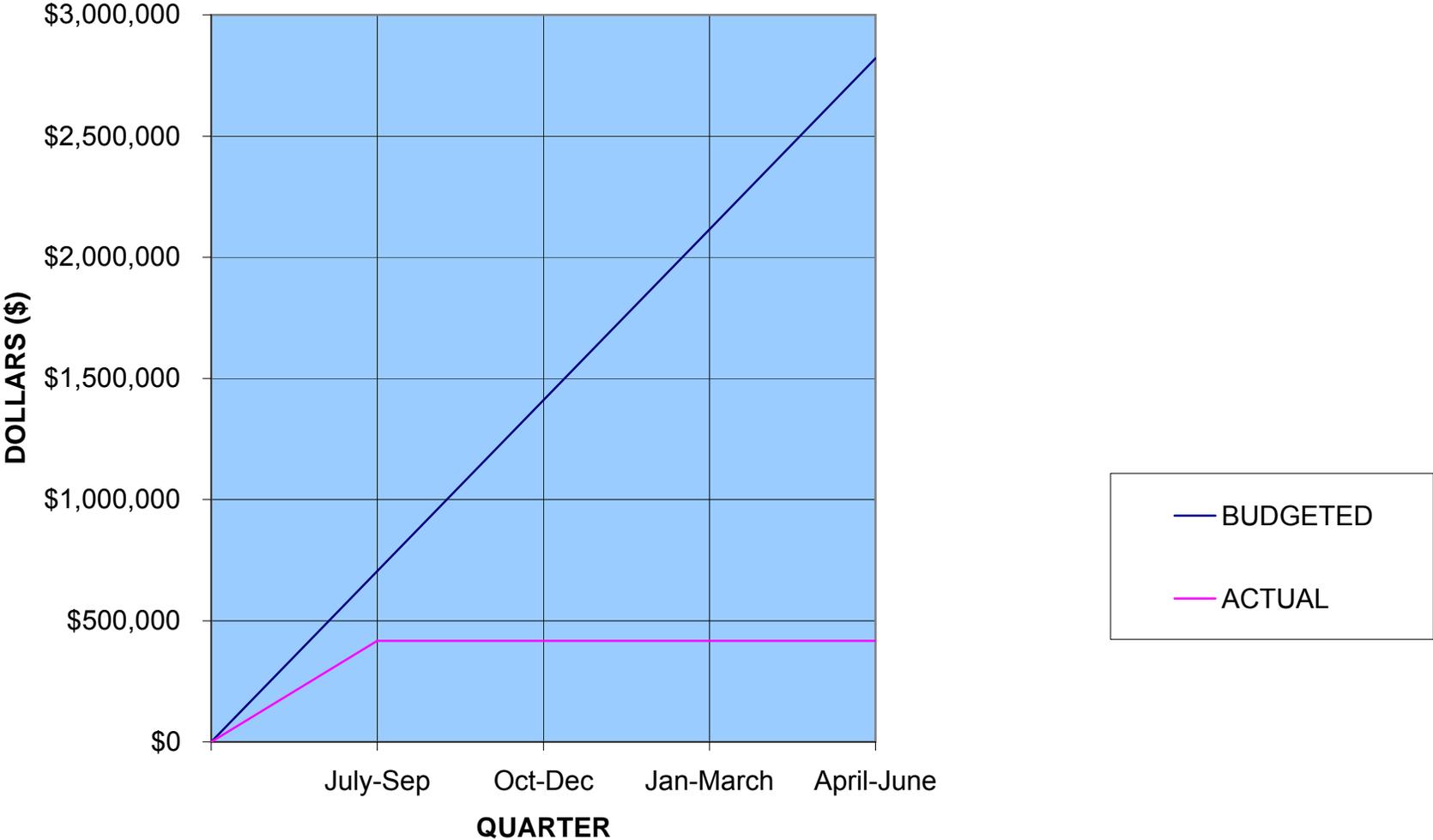
Attached is a detailed summary tabulation of budget line item expenditures for the Operations and Maintenance budgets.

Nacimiento Water Operating Fund
Operation and Maintenance
FY 2012-2013

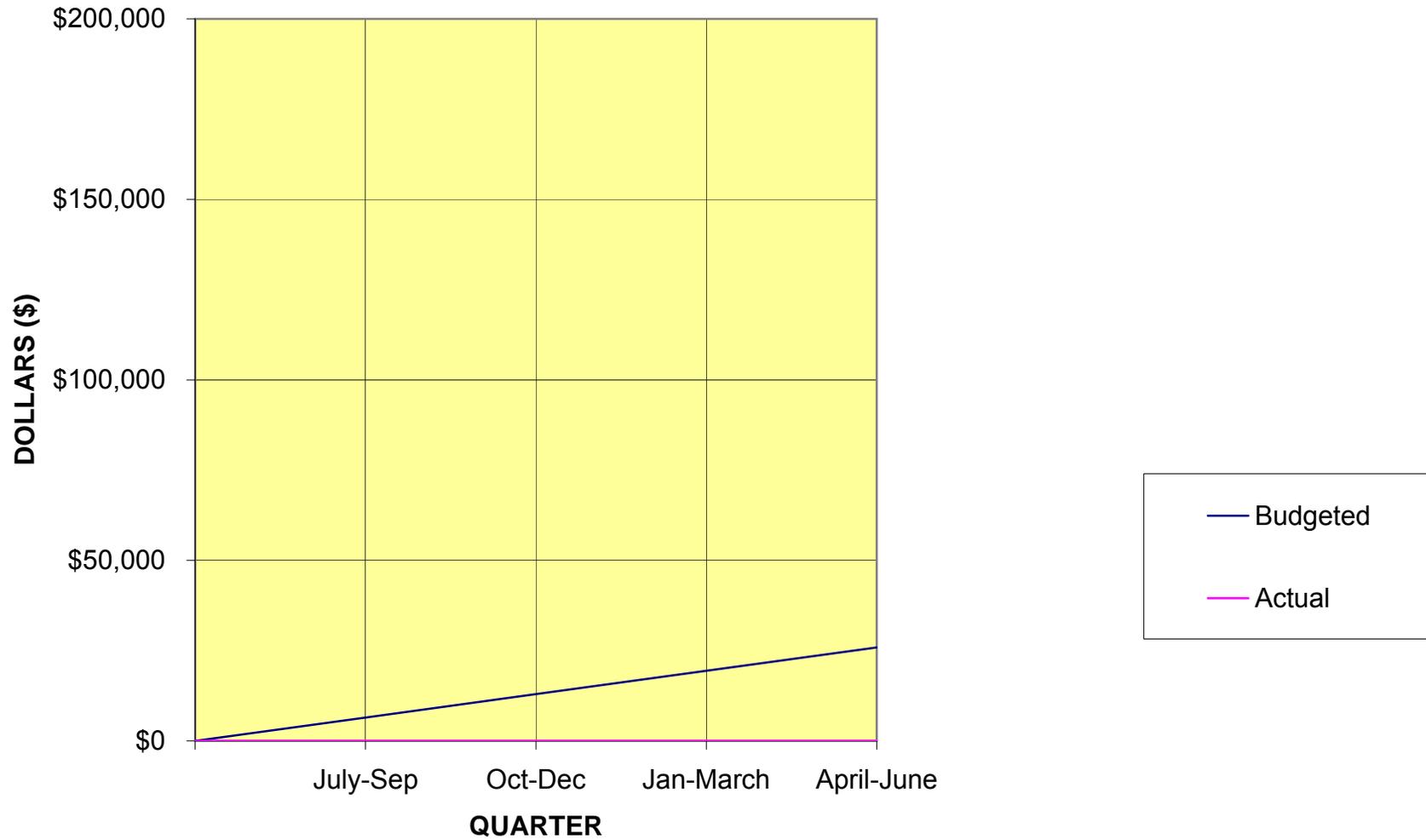
		Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total	% of Budget	Actual Variance
	WBS Element	FY 2012-13	July-Sep	Oct-Dec	Jan-March	April-June			
Routine Operation and Maintenance									
Master Water Contract	300420.01.03	\$227,500	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$227,500.00
Variable Energy Costs	300420.03	\$687,700	\$160,998.96	\$0.00	\$0.00	\$0.00	\$160,998.96	23.4%	\$526,701.04
Water Conservation Management	300420.04	\$3,100	\$148.72	\$0.00	\$0.00	\$0.00	\$148.72	4.8%	\$2,951.28
Water Quality Analysis	300420.05	\$174,967	\$39,880.46	\$0.00	\$0.00	\$0.00	\$39,880.46	22.8%	\$135,086.54
Water Quality Support	300420.06	\$191,033	\$43,381.27	\$0.00	\$0.00	\$0.00	\$43,381.27	22.7%	\$147,651.45
Regulatory Agency/Department of Public Health	300420.02	\$37,400	\$3,775.25	\$0.00	\$0.00	\$0.00	\$3,775.25	10.1%	\$33,624.75
Invasive Species/Quagga Mussels	300420.09.02/06.01	\$227,400	\$22,288.41	\$0.00	\$0.00	\$0.00	\$22,288.41	9.8%	\$205,111.59
Environmental Mitigation	300420.09/09.01	\$43,700	\$170.36	\$0.00	\$0.00	\$0.00	\$170.36	0.4%	\$43,529.64
Utilities Operations and Office Engineering	300420.07	\$297,900	\$32,336.51	\$0.00	\$0.00	\$0.00	\$32,336.51	10.9%	\$265,563.49
Lakeside Contracts	300420.01.05	\$32,157	\$1,812.29	\$0.00	\$0.00	\$0.00	\$1,812.29	5.6%	\$30,344.71
Water Rights	300420.01.04	\$25,000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$25,000.00
General Accounting	300420.01	\$141,000	\$19,128.90	\$0.00	\$0.00	\$0.00	\$19,128.90	13.6%	\$121,871.10
County wide Overhead	300420.01.01	\$61,800	\$11,154.00	\$0.00	\$0.00	\$0.00	\$11,154.00	18.0%	\$50,646.00
Contributions to ISF/New Equipment	300420.01.02	\$3,650	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$3,650.00
General Units	300420.10	\$21,000	\$1,384.07	\$0.00	\$0.00	\$0.00	\$1,384.07	6.6%	\$19,615.93
Unit A, Intake Pump Station	300420.10.A	\$153,700	\$17,023.97	\$0.00	\$0.00	\$0.00	\$17,023.97	11.1%	\$136,676.03
Unit A1, Camp Roberts Tank	300420.10.A1	\$32,600	\$1,759.62	\$0.00	\$0.00	\$0.00	\$1,759.62	5.4%	\$30,840.38
Unit B, Santa Ysabel Pump Station	300420.10.B	\$104,000	\$22,208.67	\$0.00	\$0.00	\$0.00	\$22,208.67	21.4%	\$81,791.33
Unit C, Pipe, Monterey Road to Wellsona	300420.10.C	\$24,000	\$1,157.27	\$0.00	\$0.00	\$0.00	\$1,157.27	4.8%	\$22,842.73
Unit C1, Pipe, Monterey Road/Wellsona	300420.10.C1	\$22,000	\$5,313.51	\$0.00	\$0.00	\$0.00	\$5,313.51	24.2%	\$16,686.49
Unit D, Pipe, Paso Turnout to Templeton CSD	300420.10.D	\$15,000	\$1,190.88	\$0.00	\$0.00	\$0.00	\$1,190.88	7.9%	\$13,809.12
Unit E, Pipe, Templeton CSD to Atascadero MWC	300420.10.E	\$15,000	\$794.19	\$0.00	\$0.00	\$0.00	\$794.19	5.3%	\$14,205.81
Unit F, Pipe, Atascadero MWC to Rocky Canyon Tank	300420.10.F	\$15,100	\$486.06	\$0.00	\$0.00	\$0.00	\$486.06	3.2%	\$14,613.94
Unit F1, Rocky Canyon Tank	300420.10.F1	\$12,600	\$2,880.89	\$0.00	\$0.00	\$0.00	\$2,880.89	22.9%	\$9,719.11
Unit F2, Rocky Canyon Pump Station	300420.10.F2	\$111,200	\$5,057.39	\$0.00	\$0.00	\$0.00	\$5,057.39	4.5%	\$106,142.61
Unit G, Rocky Canyon PS to Route 58/Maria Avenue	300420.10.G	\$15,000	\$1,551.04	\$0.00	\$0.00	\$0.00	\$1,551.04	10.3%	\$13,448.96
Unit G1, Route 58/Maria Ave. to Cuesta Tunnel Tank	300420.10.G1	\$19,000	\$12,482.26	\$0.00	\$0.00	\$0.00	\$12,482.26	65.7%	\$6,517.74
Unit G2, Cuesta Tunnel Tank	300420.10.G2	\$25,000	\$2,631.26	\$0.00	\$0.00	\$0.00	\$2,631.26	10.5%	\$22,368.74
Unit H, Cuesta Tunnel	300420.10.H	\$1,800	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$1,800.00
Unit H1, Cuesta Tunnel to San Luis Obispo Turnout	300420.10.H1	\$30,700	\$2,709.99	\$0.00	\$0.00	\$0.00	\$2,709.99	8.8%	\$27,990.01
Unit T-2, City of Paso Robles Turnout	300420.10.T2	\$5,700	\$343.13	\$0.00	\$0.00	\$0.00	\$343.13	6.0%	\$5,356.87
Unit T-4, Templeton CSD Turnout	300420.10.T4	\$11,600	\$501.59	\$0.00	\$0.00	\$0.00	\$501.59	4.3%	\$11,098.41
Unit T-6, Atascadero MWC Turnout	300420.10.T6	\$15,800	\$1,386.05	\$0.00	\$0.00	\$0.00	\$1,386.05	8.8%	\$14,413.95
Unit T-11/11a, City of San Luis Obispo Turnout	300420.10.T11/T11a	\$15,200	\$1,168.81	\$0.00	\$0.00	\$0.00	\$1,168.81	7.7%	\$14,031.19
Total Routine Operation and Maintenance		\$2,820,307	\$417,105.78	\$0.00	\$0.00	\$0.00	\$417,105.78	14.8%	\$2,403,200.94
Non-Routine O&M									
Misc. Fiber Optic Repair		\$25,900	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$25,900.00
Booster Station Upgrade (1)		\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$0.00
Total Non-Routine Operation and Maintenance		\$25,900	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$25,900.00
Capital Outlay									
Intake Errosion Repair	300486	\$28,000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$28,000.00
Total Capital Outlay		\$28,000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$28,000.00
Grand Total		\$2,874,207	\$417,106	\$0	\$0	\$0	\$417,106	14.5%	\$2,457,101

(1) Project Rolled to FY 2012-2013

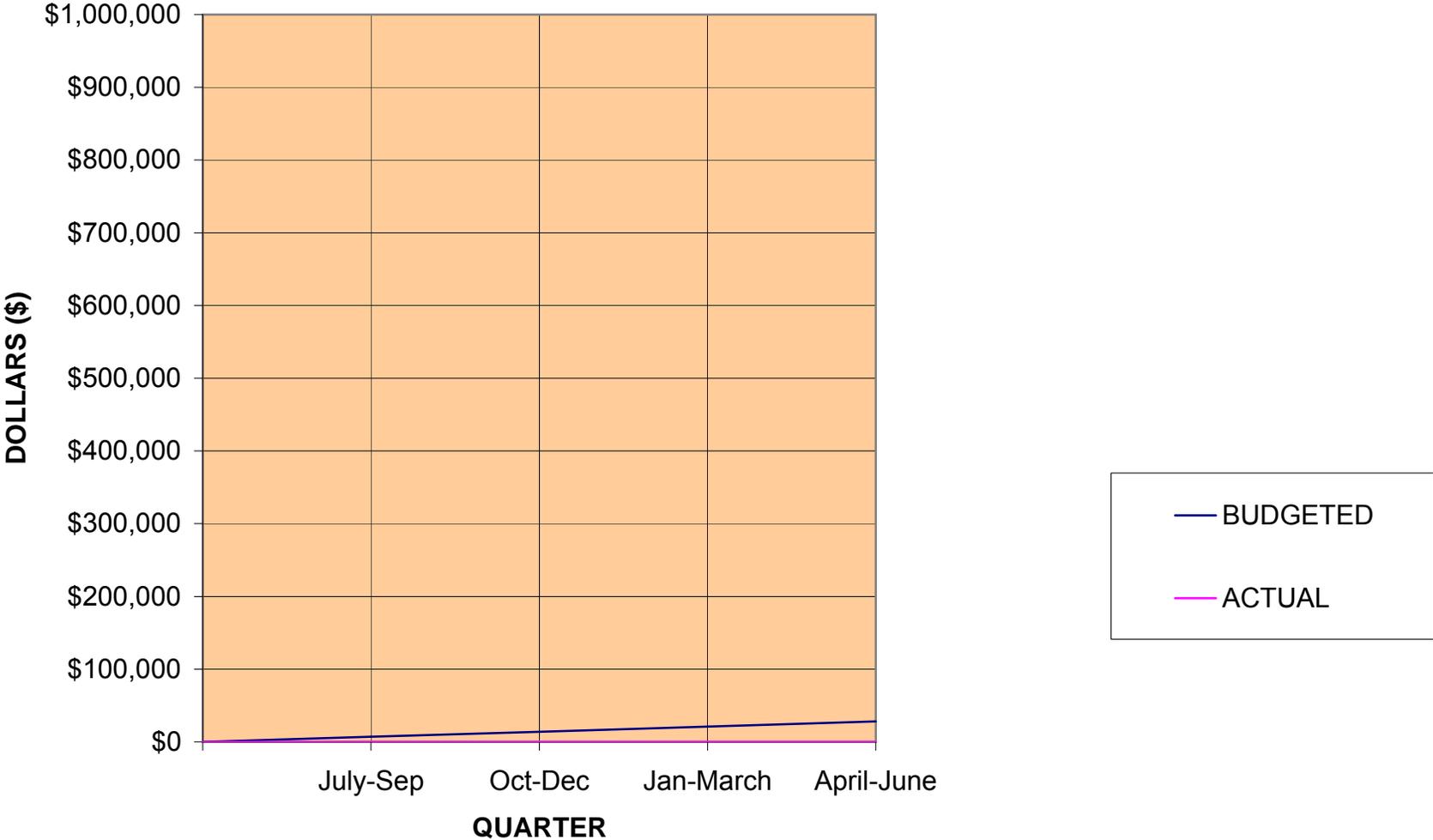
Total Routine Operations and Maintenance



Total Non-Routine Operations and Maintenance



Total Capital Outlay





SAN LUIS OBISPO COUNTY
DEPARTMENT OF PUBLIC WORKS

Paavo Ogren, Director

County Government Center, Room 207 • San Luis Obispo CA 93408 • (805) 781-5252

Fax (805) 781-1229

email address: pwd@co.slo.ca.us

TO: Nacimiento Project Commission

FROM: Lisa Wallender, Water Systems Chemist

VIA: Dean Benedix, Utilities Division Manager

SUBJECT: Report on Water Quality Work Efforts for First Quarter of FY2012-13

DATE: November 15, 2012

Attached please find a financial report on water quality work efforts in support of the Nacimiento Water Project for the first quarter of FY2012-13 (July 1 – Sept 30, 2012). Overall, 23% of the budget was expended in the first quarter.

Primary accomplishments during this quarter include the following.

- Conducted routine monthly compliance monitoring
 - Sample collection and analysis
 - Reporting to CDPH and agencies
- Conducted routine monthly source water protection activities
 - Sample collection and analysis
 - Reservoir inspections
 - Reporting to CDPH and agencies
- Conducted routine monthly operations monitoring
 - Reservoir profile sample collection and analysis
 - Pipeline sampling and analysis
 - Reporting to agencies
- Unit C1 inspection activities
 - NPDES compliance – pipeline discharges
 - Tracked inspection activities and advised staff
 - Reporting to RWQCB
 - Routine compliance and operational monitoring
 - Adjusted planned work in accordance with pipeline shutdowns
 - Special reporting to CDPH
- Trained new staff on Nacimiento-specific sample collection and reservoir inspection procedures
- Finished first draft of initial Watershed Sanitary Survey report, sent to reviewers
- Budget reporting to TSG

- Developed, discussed and presented monthly expenditure spreadsheets and descriptive information
- Work efforts categorized and will be monitored in 5 primary areas:
 - Regulatory Compliance
 - Operations Support
 - Non-Scheduled Work Efforts
 - Special Projects
 - Project Support

Nacimiento Project Water Quality Work Efforts for FY2012-13 Q1
(7/1/2012 - 9/30/2012)

WBS #	Regulatory Compliance Work Efforts	Budgeted	Spent		Field Work		Program Management					Analytical Testing		Other	
					Sampling	Inspection	Meetings	WQ/Data Review	Report Prep	Training	Supervision	Budget Prep/Rept	In-house	Subcontract	Mileage & Materials
300420.05.02	Analyses	\$ 78,000	\$ 20,130	26%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,750	\$ 2,380	\$ -
300420.06.02	Labor and Equipment	\$ 75,000	\$ 8,307	11%	\$ 478	\$ 3,088	\$ -	\$ 2,534	\$ 2,096	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 111
<i>Regulatory Compliance Work Efforts - major elements include: T22 Monitoring - monthly/annual/triennial - sampling, analysis, data review, reports LT2 Monitoring - manage schedule, sampling, analysis, reporting (Cryptosporidium) Source Water Assessment & Protection - facility inspections, sampling, analysis, etc. RWQCB - NPDES - field inspections, staff conferrals, reporting CDPH - ARDWP - consultation, data collection, reporting Program Management - logistics and technical support</i>															
Total		\$ 153,000	\$ 28,437	19%											

WBS #	Operations Support	Budgeted	Spent		Field Work		Program Management					Analytical Testing		Other	
					Sampling	Inspection	Meetings	WQ/Data Review	Report Prep	Training	Supervision	Budget Prep/Rept	In-house	Subcontract	Mileage & Materials
300420.05.03	Analyses	\$ 97,000	\$ 20,940	22%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,140	\$ 1,800	\$ -
300420.06.03	Labor and Equipment	\$ 68,500	\$ 3,316	5%	\$ 1,488	\$ -	\$ -	\$ 1,706	\$ -	\$ -	\$ 122	\$ -	\$ -	\$ -	\$ -
<i>Operations Support - major elements include: Intake Selection - field sampling, analysis, data interpretation, staff conferrals Intake Integrity Verification - sampling, analysis, data review Consumer Assurance (Hg) - sampling, analysis, data review Pipeline & Tank Monitoring - analysis, data interpretation Program Management (logistics and technical support)</i>															
Total		\$ 165,500	\$ 24,256	15%											

WBS #	Non-scheduled Work Efforts	Budgeted	Spent		Field Work		Program Management					Analytical Testing		Other	
					Sampling	Inspection	Meetings	WQ/Data Review	Report Prep	Training	Supervision	Budget Prep/Rept	In-house	Subcontract	Mileage & Materials
300420.05.04	Analyses	\$ -	\$ -	--	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
300420.06.04	Labor and Equipment	\$ -	\$ 17,772	--	\$ -	\$ -	\$ -	\$ 8,480	\$ -	\$ -	\$ -	\$ 9,292	\$ -	\$ -	\$ -
<i>Non-scheduled Work Efforts - unanticipated work efforts not included in budget</i>															
Total		\$ -	\$ 17,772	---											

WBS #	Special Projects	Budgeted	Spent		Field Work		Program Management					Analytical Testing		Other	
					Sampling	Inspection	Meetings	WQ/Data Review	Report Prep	Training	Supervision	Budget Prep/Rept	In-house	Subcontract	Mileage & Materials
300187.08.25.C1	Unit C1 Pipe Inspection	\$ -	\$ 2,798	---	\$ 49	\$ -	\$ -	\$ 458	\$ 49	\$ -	\$ 2,242	\$ -	\$ -	\$ -	\$ -
300420.05.01.01	Mussel Analysis	\$ -	\$ -	---	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
300420.06.01.01	Mussel Monitoring and Reporting (labor and equipment)	\$ 12,000	\$ 824	7%	\$ 49	\$ -	\$ -	\$ -	\$ 244	\$ -	\$ 366	\$ -	\$ -	\$ -	\$ 166
300420.06.01.02	Mussel Prevention and Response (labor only, re-assignments pending)	\$ 59,450	\$ 3,414	6%	\$ -	\$ -	\$ 586	\$ 923	\$ -	\$ -	\$ 1,901	\$ -	\$ -	\$ -	\$ 5
300420.06.01.03	EPA Mercury Mine and Lake Remediation	\$ 17,500	\$ 585	3%	\$ -	\$ -	\$ -	\$ 585	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
300420.09.02.A	Resident Vessel Program Project Management	\$ -	\$ 310	---	\$ -	\$ -	\$ 310	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
300420.09.02.E	Resident Vessel Program Training Coordination	\$ -	\$ 331	---	\$ -	\$ -	\$ 47	\$ -	\$ -	\$ 279	\$ -	\$ -	\$ -	\$ -	\$ 6
Total		\$ 88,950	\$ 8,263	9%											

WBS #	Project Support	Budgeted	Spent		Field Work		Program Management					Analytical Testing		Other	
					Sampling	Inspection	Meetings	WQ/Data Review	Report Prep	Training	Supervision	Budget Prep/Rept	In-house	Subcontract	Mileage & Materials
300420.06	Administrative Project Management and General Project Support	\$ 30,000	\$ 5,798	19%	\$ 1,548	\$ -	\$ 810	\$ 2,102	\$ -	\$ -	\$ 556	\$ 692	\$ -	\$ -	\$ 90
Total		\$ 30,000	\$ 5,798	19%											

Grand Total Budgeted (with Mussel Monitoring/Mussel Prevention) \$ 437,450
Grand Total Budgeted (without Mussel Monitoring/Mussel Prevention) \$ 366,000 \$ 84,525 23%

Nacimiento Project Commission
November 15, 2012
Agenda Item 4.c – Heritage Ranch CSD Water Connection Request
(Information only – No action required)

TO: Nacimiento Project Commission
FROM: Scott Duffield, Project Manager
VIA: Dean Benedix, Utilities Division Manager
SUBJECT: Heritage Ranch CSD Water Connection Request
DATE: November 15, 2012

Recommendation

It is our recommendation that the Nacimiento Project Commission receive an update on developing an emergency turn out for Heritage Ranch Community Services District (HRCSD), and development of a contract with HRCSD as a Wheeling Customer.

Background

This item was presented to the Commission on May 28, 2009, by HRCSD General Manager, John D’Ornellas and HRCSD Engineer, John Wallace. Their desire was to secure an emergency tie-in to the Nacimiento Water pipeline to enhance reliability of deliveries of their water entitlement when lake levels were at or below minimum pool and other events when downstream releases are suspended by Monterey County Water Resource Agency (MCWRA). The Commission was supportive of the tie-in and suggested that connection design options be developed, and that compensation also be considered.

Discussion

In order to reinstate the 2009 efforts, letters dated October 15, 2012, and October 30, 2012, (attached) were received from HRCSD. Also attached is the staff report previously provided to your Commission dated May 29, 2009, and the minutes from that agenda item. In May 2001, HRCSD wells in the Nacimiento River washed out due to large releases from Nacimiento Reservoir, which also illustrates the need for the emergency turnout.

The HRCSD has a reservation of 1,100 cfs of Nacimiento water for use within their service boundaries which encompass the community of Heritage Ranch. As a “lakeside user”, HRCSD did not participate in the development of the pipeline project.

Nevertheless, as stated in their request, they have identified the need for an emergency connection for several reasons, including the following:

- To provide water during times when there is no flow to the Nacimiento River due to low lake levels.
- To provide water during times when there is no flow to the Nacimiento River due to extended maintenance shutdowns of the outlet works by Monterey County Water Resource Agency.
- To provide water in the event the primary water delivery system is damaged or fails.
- To provide water as required by the California Department of Public Health and Cal Fire.

The HRCSD request can be provided pursuant to California Water Codes, and Article 30(B) of the Water Delivery Entitlement Contracts (WDEC), which state:

Water Code Section 1810

1810. Notwithstanding any other provision of law, neither the state, nor any regional or local public agency may deny a bona fide transferor of water the use of a water conveyance facility which has unused capacity, for the period of time for which that capacity is available, if fair compensation is paid for that use, subject to the following:

(a) Any person or public agency that has a long-term water service contract with or the right to receive water from the owner of the conveyance facility shall have the right to use any unused capacity prior to any bona fide transferor.

(b) The commingling of transferred water does not result in a diminution of the beneficial uses or quality of the water in the facility, except that the transferor may, at the transferor's own expense, provide for treatment to prevent the diminution, and the transferred water is of substantially the same quality as the water in the facility.

(c) Any person or public agency that has a water service contract with or the right to receive water from the owner of the conveyance facility who has an emergency need may utilize the unused capacity that was made available pursuant to this section for the duration of the emergency.

(d) This use of a water conveyance facility is to be made without injuring any legal user of water and without unreasonably affecting fish, wildlife, or other instream beneficial uses and without unreasonably affecting the overall economy or the environment of the county from which the water is being transferred.

WDEC Article 30(B)

“Wheeling of Water. If at any time during the term of this Contract, the District conveys water to any Wheeling Customer, said Wheeling Customer shall be required to pay the District for such conveyance and delivery service in a manner and at prices which will return to the District the largest net revenue practicable, but in no event shall such conveyance be effected at charges less than those applicable to the conveyance of Delivery Entitlement through the same Unit or

Units. In determining the appropriate charges for water conveyed and delivered for a Wheeling Customer, the District shall take into account the particular Unit or Units through which conveyance of such water occurs, shall compare the Operation and Maintenance Costs and Capital Projects Installment Debt Service apportionable to such Unit or Units with Nacimiento Project Costs, and shall further compare the amount of water conveyed for Wheeling Customers through such Unit or Units with the amount of Nacimiento Project Water conveyed for the Participant and for the Other Participants through such Unit or Units for the same period of time. The District hereby covenants and agrees not to enter into any contract with a Wheeling Customer for the conveyance of water with a term to exceed one (1) year.”

Attached is an article from “California Planning & Development Report,” which provides a summary of a legal case on the subject of Wheeling Charges, which we believe to be consistent with Article 30(B).

Other Agency Involvement/Impact

HRCSD will be responsible to cover all costs associated with the construction of the emergency turnout, including CE QA compliance, securing right-of-way, obtaining permits, contract development, and other related costs.

County Counsel will assist in the development of a contract with HRCSD as a Wheeling Customer.

The California Department of Public Health (CDPH) and Cal Fire support an emergency water connection for HRCSD.

The Technical Support Group will be engaged in reviewing the development of the technical and contractual aspects and will be provided updates at subsequent meetings.

Financial Considerations

The cost of water deliveries to HRCSD as a Wheeling Customer have been tentatively estimated to be \$936 per acre foot for operations, maintenance, and Debt Services, plus \$161 per acre foot for variable energy costs.

As turnout efforts proceed, these estimates will be presented and reviewed with the TSG for consistency with WDEC Article 30(B). The cost of the turnout improvements has not been estimated.

Next Steps

- Cost Reimbursement Agreement is approved by HRCSD to reimburse Nacimiento budget for costs of developing the Wheeling Agreement and Emergency Turnout (Feb. 2013).

- District develops project schedule and budget estimates, and reviews with TSG and provides to HRCSD (May 2013).
- Wheeling Agreement is developed (Summer 2013).
- Final review with the Technical Support Group (Summer 2013).
- Return to Commission for consideration (Summer 2013).
- Present to Board of Supervisors for consideration (Summer 2013).
- Final design complete (Dec. 2013).
- Permitting (2013/2014).
- Construction (2014 or 2015 depending on Environmental Permitting).

ATTACHMENTS:

ATTACHMENT A - HRCSD letters dated October 15 and 30, 2012

ATTACHMENT B - May 28, 2009, Commission agenda item and minutes

ATTACHMENT C - Article from California Planning & Development Report



Heritage Ranch Community Services District

4870 Heritage Road, Paso Robles, California 93446
(805) 227-6230 • Fax (805) 227-6231
www.heritageranchcsd.com

October 15, 2012

Paavo Ogren, San Luis Obispo County Public Works Director
County Government Center
Public Works Department
San Luis Obispo, CA 93408

Subject: Emergency Water - Nacimiento Water Project

Dear Mr. Ogren:

The Heritage Ranch Community Services District (District) is requesting an emergency turnout water connection to the Nacimiento Water Project (NWP). This request is only for a short-term limited water supply through the NWP. The District requests cost information and participation in an agreement for access to our current Nacimiento water entitlement in the event water is not supplied in the Nacimiento River.

As you know, the District has a reservation of 1,100 afy of Nacimiento water for use within our service boundaries which encompass the community of Heritage Ranch. We are currently under contract with the San Luis Obispo County Flood Control and Water Conservation District for 889 afy of Nacimiento water. Our actual water use for the 2011 year was 548 acre feet. The District's request is for a turnout or valve to deliver an emergency water supply so we may continue to receive our water entitlement during conditions that do not allow water to flow into the Nacimiento River. This emergency water request is intended to maintain the health and safety of the community of Heritage Ranch during a period of no water in the Nacimiento River.

The community of Heritage Ranch has historically accessed its water allocation via the stream flow of the Nacimiento River. Our shallow gallery wells are located 1 mile downstream of the Nacimiento Dam. The flow of water to the river is controlled by Monterey County Water Resources Agency (MCWRA) until the reservoir reaches the upper minimum pool boundary of 687.8 feet at which time all reservoir releases may stop. Any release of water at the minimum pool requires the authorization of San Luis Obispo County. This situation has never occurred and water has always flowed in the river. However, the community has come very close in the past with discussions in 2009 between MCWRA and San Luis Obispo County regarding reduced/no flow in the river.

In addition, MCWRA has the option to stop flow down the river wherever they repair or maintain the lower outlet work of the dam. The District's water supply is totally dependent on a flow of water in the Nacimiento River directly below the dam. There is no viable groundwater basin in or around Heritage Ranch.

The proposed turnout would provide an emergency short term water supply for Heritage Ranch. The District would only utilize the turnout or valve in the event of no water release from the existing outlet works on the Nacimiento Dam. It is anticipated this event would be short term to allow other water pumping systems to be established in the reservoir, repair of any broken structures on the dam, or the eventual rising of reservoir water levels from rainfall. The use of the NWP would be temporary and only needed to supply water for fire protection and the health and safety of the community. During these circumstances the District would implement its water conservation ordinance that severely restricts water use throughout the community. Both the California Department of Public Health (CDPH) and Cal Fire support an emergency water supply for Heritage Ranch and CDPH is also requiring HRCSD to provide a backup emergency water source, so it is mandated by CDPH as well.

The District requests your input on an agreement based on the short term emergency water supply needs and in view of the protection of public health. Please advise on the cost factors as well as an agreement for how and when we can proceed on a turnout valve on the NWP. Please contact me or District Engineer, Steve Tanaka, Wallace Group, with any questions. Thank you.

Sincerely,



John D'Ornellas
General Manager
Heritage Ranch Community Services District

cc: HRCSD Board of Directors
Steve Tanaka, Wallace Group



Heritage Ranch Community Services District
4870 Heritage Road, Paso Robles, California 93446
(805) 227-6230 • Fax (805) 227-6231
www.heritageranchcsd.com

Gallery Well Damage - March 2011

October 30, 2012

Background

1. On February 26, 1990, Heritage Ranch Community Services District (HRCSD) was created by a resolution adopted by the San Luis Obispo County Board of Supervisors. HRCSD provides water, wastewater, and solid waste services to the community of Heritage Ranch.
2. The community consists of 1,750 residential home water services, a public school, and a small commercial center. The population is approximately 4,200 people. Master plan build-out of the community is 2,900 residences with a population of 5,800 people.
3. HRCSD's only water source is the Nacimiento Reservoir via the Nacimiento River. HRCSD's raw water intake facility is a series of shallow infiltration "gallery wells" located under the Nacimiento River approximately 3,000 feet downstream of the Nacimiento Dam. Wells consist of three 60-foot long (16" diameter) well screens laid horizontally under the river bed, under approximately 8-feet of rock and engineered bedding and native material.
4. In 1993 the HRCSD obtained a Safe Drinking Water Loan through the California Department of Water Resources and constructed a water treatment plant. This treatment plant was designed and constructed with the use of the gallery well intake system.
5. The gallery well system has been the only water intake system for Heritage Ranch since the community's creation. Gallery well #1 was installed in the early 1970s, and improved in 1993. Gallery Wells #2 and #3 were installed in 2003. These gallery wells are designed for the full build-out of Heritage Ranch. The water production/yield through the existing gallery wells is dependent upon a variety of factors including river flow rate and turbidity.
6. The HRCSD water treatment plant is a "direct filtration" plant that requires engineered media filtration at the water intake. HRCSD water is defined as "groundwater under the direct influences of surface water". Loss of the gallery wells will require a water sedimentation basin and conversion of the system into a "conventional" water treatment plant.

7. The Nacimiento Reservoir is located in San Luis Obispo County but operated by the Monterey County Water Resources Agency (MCWRA). MCWRA operates the reservoir for flood protection and water distribution to the Salinas Valley.
8. HRCSD has contracts with the San Luis Obispo County Flood Control and Water Conservation District as part of SLO County Nacimiento Water entitlement totaling 889 acre feet of water per year. Total water reserved for Heritage Ranch from the Nacimiento entitlement is 1,100 afy.
9. MCWRA historically had state and federal limits on how much water could be stored in the Nacimiento Reservoir during the year. These limits imposed by the State Division of Safety of Dams and the Federal Energy Regulatory Commission regulated flood capacity in the reservoir. These rules became known as the “Reservoir Rule Curve” and limited the amount of water that could be stored in the reservoir during the winter season. The Salinas Valley Water Project eliminated the Reservoir Rule Curve. MCWRA modified the spillway in 2009 with a new mechanical gate that allows a faster release of water from the reservoir.

HRCSD Gallery Well Damage

1. The Nacimiento Reservoir reached 100% capacity (elevation 800') in early 2011. On March 26, 2011, at approximately 10:30 p.m., MCWRA lowered the new spillway gate and suddenly increased the water flow in the river from a release of 400 cubic feet second (cfs) to 8,100 cfs of water in less than three hours and sustained a flow over 6,000 cfs until 10:00 a.m. Sunday morning, March 27, 2011. MCWRA did not notify HRCSD of the high release prior to the event. Previous historic high releases were approximately 5,000 cfs.
2. The high release of water damaged all the HRCSD's water wells in the Nacimiento River. The filtration media above the wells was removed resulting in a loss of turbidity reduction and the air grid system was demolished. This damage required HRCSD to perform emergency repairs to the well system the week of October 10, 2011. Without these repairs HRCSD would not have been able to meet State water quality standards during the winter season. Total cost of repairs including engineering, permits, and construction was \$375,000.
3. HRCSD Engineers for the gallery well project estimate the high flow scoured the river bottom and removed upwards of three to four feet of river bed material downstream of the Nacimiento Dam at the gallery well site. During the repair project the wells were lowered three feet to allow sufficient cover to position the media and riverbed above the well screens.

Current Status

1. The HRCSD gallery well system is operating correctly again after the repairs and media replacement.
2. HRCSD has corresponded and met with MCWRA regarding the March 26 high flow event. MCWRA has indicated, in writing, that high flow events over 5,000 cfs will be the norm not the exception for the future. They have indicated that a flow of 25,000 cfs can occur in the future if (when) the Nacimiento Reservoir reaches an elevation of 801 feet.
3. HRCSD Engineers indicate there is no design for a gallery well intake that can function in both low flows (10 cfs) and high flows (10,000 cfs).

Solutions

1. A continuous and regulated flow (less than 5,000 cfs) of water from the Nacimiento Dam to the Nacimiento River is the best solution to insure water intake at the HRCSD gallery wells.
2. Provide an emergency connection to the Nacimiento Project that allows HRCSD to access its Nacimiento water entitlement during periods when no water flows in the River or when the gallery wells incur damage.
3. Provide a direct pipeline connection for HRCSD to the Nacimiento Reservoir through the MCWRA lower outlet works on the Nacimiento Dam.
4. Upgrade the HRCSD water treatment plant into a conventional treatment plant that can accommodate raw water with the loss of the gallery wells.
5. The HRCSD has submitted a funding application to the Department of Water Resources for a Safe Drinking Water State Revolving Fund loan/grant to improve the water treatment plant. This application is under review and final funding approval is anticipated in the Spring of 2013.



John D'Ornellas
General Manager
Heritage Ranch Community Services District

Nacimiento Project Commission
May 28, 2009

**Agenda Item V.b – Conveyance to Heritage Ranch Community Services District
(Presentation)**

TO: Nacimiento Project Commission
FROM: Christine Halley, P.E., Nacimiento Project Engineer
VIA: John R. Hollenbeck, P.E., Nacimiento Project Manager
DATE: May 28, 2009

Heritage Ranch Community Services District operates with the Nacimiento River as their single source of water to serve approximately 1,750 service connections (4,200 people). They seek a back-up means of accessing their entitlement during periods of low lake level. Heritage Ranch CSD wishes to provide background on their water situation and discuss how the Nacimiento Water Project may play a role in enhancing the reliability of community water supply.

Background

Heritage Ranch holds an 1,100 AFY entitlement¹ to water from Lake Nacimiento with the San Luis Obispo County Flood Control and Water Conservation District (District) per the terms of a series of agreements dating back to March 20, 1972. This entitlement is part of the District's 1,750 AFY lakeside set-aside adopted by the Board of Supervisors in February 2004 which in turn is part of the District's overall 17,500 AFY entitlement.

Water demand at Heritage Ranch CSD has increased from 477 AFY in 2001 to 625 AFY in 2007.² The CSD captures its lake entitlement through infiltration gallery wells situated approximately 0.4 miles below the face of the dam (Refer to **Figure 1**). This is a series of perforated pipes installed approximately 8 feet deep into the Nacimiento River bed. Water is then treated at the CSD's water treatment plant located adjacent to the Nacimiento River.

Heritage Ranch CSD is located in Water Planning Area 10 per the District's water planning data base. The San Luis Obispo County 2008 Resource Management System report lists no "Level of Severity" for either water supply or the water system, an indication that no resource constraint has been recognized by the Planning Dept in this planning document.

Heritage Ranch CSD did not participate in the planning stages of the Nacimiento Water Project nor are they listed in "Exhibit B" to the water delivery entitlement contracts. The CSD approached the District four years ago regarding possible water deliveries off of the proposed pipeline. The ability of the

¹ Under review now by Nacimiento Water Project staff.

² Source: "Heritage Ranch CSD Draft Water Conservation Plan" by The Wallace Group dated June 2008.

infiltration gallery relies on lake releases to capture adequate water flow. In situations where releases cease³, the CSD fears it will be unable to meet community water needs.

Note that the dam operator, Monterey County Water Resources Agency, is required to maintain environmental lake releases at all times when the lake level exceeds 689 feet, NAGD29. When lake levels fall below this elevation, only the District has the right to order release of water within its 17,500 AFY entitlement.⁴ Under that condition, lakeside users, including Heritage Ranch CSD, may continue to take their annual entitlement and the Nacimiento Water Project may continue to make its Participant deliveries. At present, Heritage Ranch CSD has no other means of capturing its entitlement other than the gallery wells.

The CSD has considered various means of increasing the reliability of water supplies, one of which is securing an emergency connection to the Nacimiento Water Project facilities. Heritage Ranch CSD has yet to render an opinion as to the manner in which water delivery is addressed in existing agreements with the District. Topics to research include 1) What points of delivery are stated in the agreements? and; 2) At what flow rate (i.e. is peaking allowed)? From there, the District could examine the contemplated capacity sought in the Intake Facility and Unit A.

Regardless of the terms of the District/CSD agreements, California State Water Code Section 1810 provides some guidelines as to when local public agencies must make unused water conveyance capacity available, subject to fair compensation, to a bona fide transferor. It is anticipated that there is unused capacity in the Intake Facility and in Unit A during the start-up years of the Project. Heritage Ranch CSD's proposed point of diversion from the Nacimiento Water Project is likely the planned pump-out or a nearby air-vac valve connection to the pipeline (refer to **Figure 1**).

In concept, Heritage Ranch CSD's proposed project is to construct a metered connection to the Nacimiento Water Project and utilize that connection only in times of emergency to allow the CSD to access its entitlement to Lake Nacimiento water. The District would analyze the cost to convey the proposed entitlement and establish the "fair compensation" for such conveyance. The CSD would have to draft necessary agreement amendments, demonstrate CEQA compliance, secure right-of-way as-needed, and any water rights/permits deemed necessary.

Contractual Considerations

The Nacimiento Water Project delivery entitlement contracts foresaw the use of Reserved Capacity. A "Wheeling Customer" is defined as an entity to which the District conveys water, other than Nacimiento Project Water. Heritage Ranch CSD's proposed wheeling of water is other than the 15,750 AFY amount such that they would be considered a Wheeling Customer. Article 30 – Use of Reserved Capacity, however, limits contracts with Wheeling Customers to a term of one year:

ARTICLE 30: USE OF RESERVED CAPACITY

(B) Wheeling of Water. If at any time during the term of this Contract, the District conveys water to any Wheeling Customer, said Wheeling Customer shall be required to pay the District for

³ Releases by gravity from the reservoir would cease if the lake falls to elevation 670 feet NAGD29. A volume of 10,300 acre-feet still would reside behind the dam.

⁴ Source: 1959 agreement between MCWRA and SLO County Flood Control and Water Conservation District.

such conveyance and delivery service in a manner and at prices which will return to the District the largest net revenue practicable, but in no event shall such conveyance be effected at charges less than those applicable to the conveyance of Delivery Entitlement through the same Unit or Units. In determining the appropriate charges for water conveyed and delivered for a Wheeling Customer, the District shall take into account the particular Unit or Units through which conveyance of such water occurs, shall compare the Operation and Maintenance Costs and Capital Projects Installment Debt Service apportionable to such Unit or Units with Nacimiento Project Costs, and shall further compare the amount of water conveyed for Wheeling Customers through such Unit or Units with the amount of Nacimiento Project Water conveyed for the Participant and for the Other Participants through such Unit or Units for the same period of time. The District hereby covenants and agrees not to enter into any contract with a Wheeling Customer for the conveyance of water with a term to exceed one (1) year.

The CSD seeks a long-term arrangement for wheeling of water. This could be accomplished by:

1. Annual consideration for renewal of a wheeling agreement between the District and Heritage Ranch CSD
2. Amendment to the delivery entitlement contract allowing for longer term wheeling arrangements
3. Execution of an agreement for mutual aid during an emergency
4. Amending the definition of "Nacimiento Project Water" to include Heritage Ranch CSD's entitlement
5. Heritage Ranch CSD becoming a New Participant
6. Other

The Project Manager seeks Participant input on these options and ideas on how to approach this wheeling request.

Financial Considerations

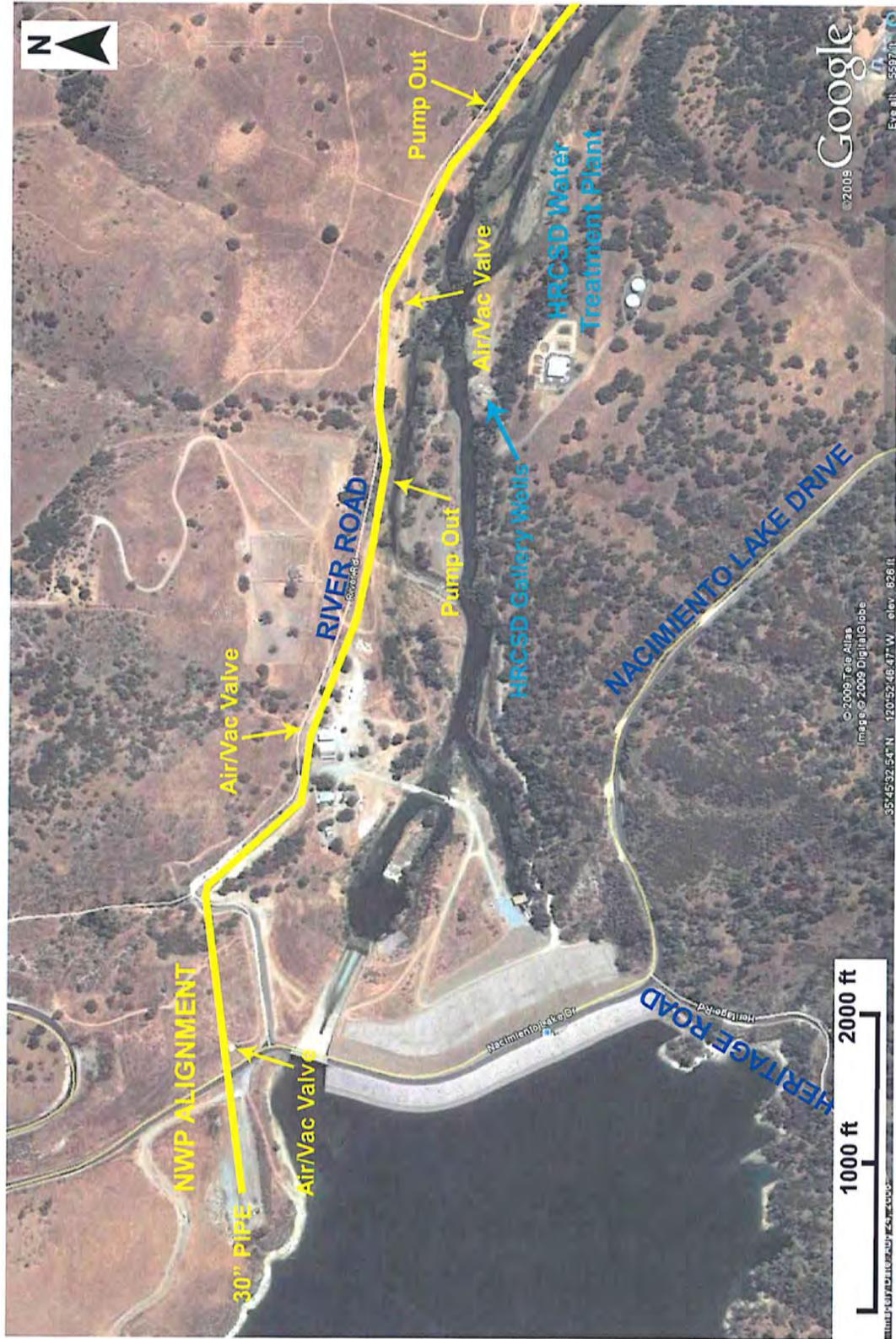
Depending on the manner in which conveyance to the CSD is approached, the Project Manager will work with Public Works accounting staff to determine the charges for water conveyed.

Next Steps

- A. Seek Nacimiento Project Commission input on the proposed arrangement.
- B. Gather additional information and an updated proposal from Heritage Ranch CSD
- C. Determine the charges for water conveyed
- D. Return the item to the Commission for action

* * *

ALTERNATIVE DELIVERY TO HERITAGE RANCH CSD



PIPELINE LAYOUT NEAR HERITAGE RANCH CSD
MAY 12, 2009

Nacimiento Project Commission

Agenda Item III – Meeting Notes from May 28, 2009

I. Call to Order, Roll Call and Flag Salute

Chairman Romero convened the meeting at 4:01 pm.

Commissioners Present: Chairman Dave Romero, City of San Luis Obispo
Vice Chairman David Brooks, Templeton CSD
John Hamon, City of Paso Robles
Grigger Jones, Atascadero MWC
Frank Mecham, SLO County Flood Control & Water
Conservation District

III. Meeting Notes from Prior Meeting

Commissioner Romero moved to approve the meeting notes for February 26, 2009; Commissioner Brooks seconded; passed unanimously.

IV. Project Manager's Report

Ed Weyrauch, Jacobs, reported on construction status for each of the five contractors.

John Hollenbeck reported on the April 9, 2009, Technical Support Group route tour. Chairman Romero asked if trenching was behind schedule and John Hollenbeck replied that pipeline work should complete by November 2009. Commissioner Hamon asked if the bore and jack started on Wellsona Road and John Hollenbeck replied that yes it had started and is on schedule to complete in mid June. Commissioner Brooks commented on a recent agricultural tour that received good feedback.

The elected official's meeting with Monterey County Water Resources Agency is set for June 18, 2009, at 3:00 pm at Lake Nacimiento. Commissioners will send Chairman Romero as their representative to participate in that meeting.

With regard to Project schedule, construction is advancing such that the District is on (and probably ahead) of the planned schedule for completion.

V. Presentations

California Men's Colony

John Hollenbeck introduced this item, noting that California Men's Colony (CMC) wishes to present the concept to the Commission as they move forward with seeking funding within their internal budget process. Bill Cook, special consultant to CMC, was present to answer any questions by Commissioners. Mr. Cook explained that the West Facility has a need for an estimated 400 AFY of water supply. CMC plans to activate an old groundwater well and to use Nacimiento supplies as supplemental water. Commissioner Jones asked about the likelihood of receiving funding for participation and Mr. Cook replied that funding approval is likely, particularly with local (Commission) support for participation. Chairman Romero clarified that Whale Rock Reservoir is also delivered to CMC and Mr. Cook confirmed that 400 AFY Whale Rock entitlement is in place. He went on to say that the plan would be to treat Nacimiento supply at the existing

CMC water treatment plant. Commissioner Mecham asked about turnout location and Mr. Hollenbeck mentioned possible locations south of the Cuesta Grade portal:

1. Immediately south of the portal
2. At a "T" in the existing City of San Luis Obispo pipeline, or
3. Other

As for timing, this request could be processed at any time that CMC is prepared to comply with Delivery Entitlement Contract terms and to fund participation.

Chairman Romero asked about easement needs and Mr. Cook replied that the desire is to use an existing pipeline. Commissioner Brooks asked if the plan would be to use Nacimiento water or "pass thru" their treatment plant and supply to others. He was concerned how the bylaws relate to this if that was the case. Mr. Cook replied that CMC would use the NWP water and that they do provide water to customers in the choro valley including County Operations on Kansas Avenue, Camp SLO, and others.

Commissioner Hamon asked if there were enough Reserve Capacity to meet this request and Mr. Hollenbeck replied yes, there is 6,095 AFY Reserve Capacity available as of this date.

Overall, the Commission expressed general support for a potential buy-in by CMC.

Heritage Ranch CSD

John Hollenbeck introduced the topic of a potential delivery point to Heritage Ranch Community Services District (HRCSD). CSD General Manager John D'Ornellas and District Engineer John Wallace were present to represent HRCSD which presently receives its Nacimiento Lake water via gallery wells in the Nacimiento River bed. The desire is to secure an emergency tie-in point to enhance reliability of deliveries particularly when lake levels are low. Mr. Wallace described HRCSD service area and stated that an 1,100 AFY entitlement is now in place. Essentially, water is released by MCWRA at the low level outlet works such that water is "dumped" on the gallery wells.

Vice Chairman Brooks asked about valve control and liability. Mr. Wallace responded that Participants would have control of the valve and that liability should be investigated.

Commissioner Mecham asked how many potential service connections exist in the HRCSD service area and Mr. Wallace replied that the County's General Plan would dictate that. He estimated 2,100 service connections.

Chairman Romero asked if a siphon had been considered and Mr. Wallace described that option as not too feasible.

Commissioner Mecham recommended that the District look seriously at the requested HRCSD turnout and Commissioner Jones agreed. Chairman Romero pointed out that compensation should be considered and Commissioner Brooks echoed that sentiment. Mr. Hollenbeck encouraged HRCSD to investigate a variety of design approaches.

VIII. Future Agenda Items Desired by Commission

None mentioned.

Chairman Romero adjourned the meeting at 5:10 pm.

Submitted by Scott Duffield



[Home](#)

Water: Ruling for Met Water District Strikes at 'Water Wheeling' Plans

1 July 2000 - 12:00am

[CP&DR Staff](#) | [Legal Digest](#) | Vol. 15 No. 07 Jul 2000

The Metropolitan Water District won a round of a lawsuit over the price it charges for conveying private transfers of water. A three-judge panel of the Second District Court of Appeal, Division Five, ruled that Metropolitan can include its capital investment and other system-wide costs when figuring the fee it charges for handling water transfers.

The appellate court overturned the decision of San Francisco Superior Court Judge Laurence Kay, who had ruled Metropolitan improperly included costs unrelated to the actual water transfer. The appellate panel sent the case back to Kay for further proceedings.

The ruling is potentially a blow against the private water market that many public officials, farmers, speculators and developers hope to nurture. In 1986, the Legislature adopted "water wheeling" statutes (Water Code §§1810-1814) that prohibit public water agencies from withholding use of their canals and pipelines when unused capacity is available and fair compensation is paid. The idea is to encourage transfers of water from land with excess water rights, such as certain farms, to growing urban areas.

In January 1997, Metropolitan established a wheeling rate of \$141 per acre foot for its member agencies, regardless of the water's source, how far the water would travel or the facilities used. Representatives of all 27 member agencies — except the San Diego County Water Authority — voted for the rate. The San Diego agency is counting on buying water on the open market to help meet future needs.

To get court validation for its wheeling rate, Metropolitan filed a lawsuit against seven parties, including the San Diego County Water Authority, Imperial Irrigation District, private water developer Cadiz Inc., and a few Native American tribes. But Judge Kay ruled that Metropolitan could not set a fixed wheeling rate in advance of a particular transaction and without regard to the specific proposal. He also held that Metropolitan could not include system-wide costs, such as expenses for constructing reservoirs and administrative buildings.

On appeal, San Diego County Water Authority and other defendants argued that wheeling rates should be determined on a "point-to-point" basis that accounts only for the facilities used. But Metropolitan contended that because a private water transfer could displace a sale to a member agency, Metropolitan's other agencies would get stuck with a higher proportionate share of system-wide costs, thus subsidizing the water transfer.

In a detailed opinion, the court found "neither the plain language of the wheeling statutes nor the legislative history supports a conclusion as a matter of law that system-wide costs cannot under any circumstances be included in a wheeling rate calculation. ... The Legislature did not utilize language which is consistent with defendants' theory that only 'point-to-point' costs may be recovered."

"In short," wrote Presiding Justice Paul Turner, "the Legislature did not intend that the impact of the wheeling statutes should be to cause a water conveyance system owner to lose money or to subsidize wheeling transfers."

The panel sent the case back to the lower court to determine whether Metropolitan's wheeling rate meets the definitions of "fair compensation" and reasonableness within §1813. However, the case could become moot depending on the outcome of pending legislation. Senate Bill 1973 (Perata) would give the Public Utilities Commission authority to determine what factors can be included in wheeling rates.

The Case:

Metropolitan Water District of Southern California v. Imperial Irrigation District, No. B119968, 00 C.D.O.S. 4206, 2000 Daily Journal D.A.R. 5615, filed May 30, 2000.

The Lawyers:

For Metropolitan: N. Gregory Taylor, MWD, (213) 217-6115.

For Imperial: David Osias, Allen, Matkins, Leck, Gamble & Mallory, (619) 233-1155.

For San Diego County Water Authority: Daniel Hentschke, SDCWA, (619) 682-4113.

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Nacimiento Project Commission
November 15, 2012

Agenda Item 4.d – Request of the Santa Margarita Ranch / Rossi Living Trust

(Information only – No action required)

TO: Nacimiento Project Commission

FROM: Scott Duffield, Project Manager

VIA: Dean Benedix, Utilities Division Manager

SUBJECT: Request from the Santa Margarita Ranch to become a Project Participant

DATE: November 15, 2012

Recommendation

That your Commission receives the staff report and discusses as your Commission deems appropriate.

Discussion

Attached is a request from the Santa Margarita Ranch on behalf of the Rossi Living Trust to become a Project Participant in accordance with Article 29 of the Water Delivery Entitlement Contracts (WDEC's). Staff agrees with the reference in the request to Article 29 that has preserved the ability for those listed in Exhibit "B" of the WDEC's to participate in the project upon receiving approval by the Board of Supervisors subject to the following requirements identified in Article 29:

- The quantity of Reserve Water and the capacity to deliver the water must exist.
- A "Like-Contract" must be used that has the same terms as the existing WDEC's.
- Payment to the District of a "Purchase of Reserve Water Delivery Entitlement and Reserved Capacity Fee" is required. (This is credited to the existing Participants and results in a reduction in costs to existing participants).
- The District shall not execute a Like Contract if it would cause a conflict with the status of any of the Project's Tax Exempt bonds pursuant to Internal Revenue Code of 1986, Section 103(a).

The following are the next steps involved:

- The applicant will need to approve a reimbursement agreement to pay for the costs of processing the request, developing the like-kind Water Delivery Entitlement Contract, and designing, permitting and constructing the turn-out and appurtenant facilities.
- Staff will review the request with County Counsel and County Planning to confirm consistency with Article 29 and other County requirements that may exist – i.e. primarily involving environmental review and permitting.
- Staff will review details of the request with the Nacimiento Technical Support Group to ensure that any questions that may surface about the consistency with Article 29 are fully considered and brought to your Commission for review.
- Status updates will be provided to your Commission.

Lastly, Exhibit “B” of the WDEC’s identifies “Santa Margarita Ranch Mutual Water Company.” As a result, the processing of the request presumes involving the Mutual Water Company.

ATTACHMENT: Santa Margarita Ranch Request for Nacimiento Water Entitlement

* * *



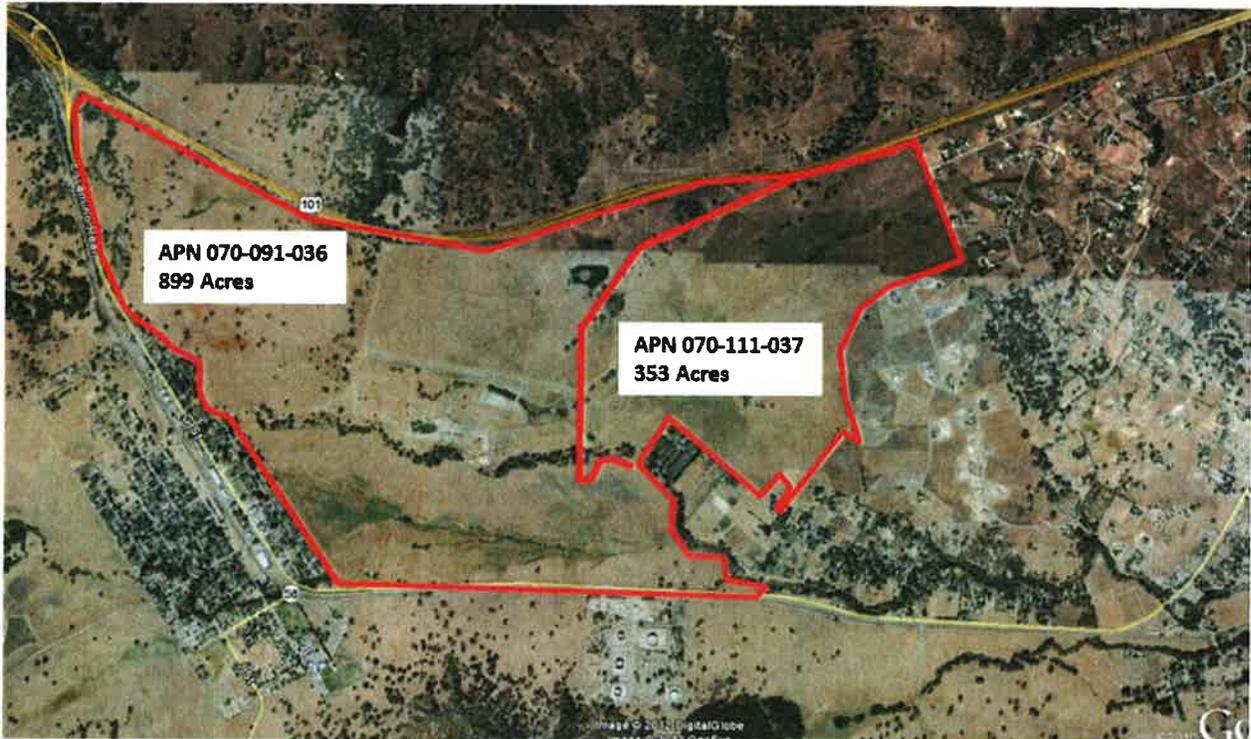
Date: November 6, 2012

To: Paavo Ogren, Public Works Director

From: Santa Margarita Ranch, on behalf of the Robin L. Rossi Living Trust

Re: Request for Nacimiento Like-Kind Water Contract

Please accept this letter as a request by Santa Margarita Ranch on behalf of the Robin L. Rossi Living Trust to receive a portion of the Santa Margarita Ranch Nacimiento Water Entitlement. The Trust is specifically requesting service to APN 070-091-036 (899 acres - Rossi Living Trust) and APN 070-111-037 (353 acres - Rossi Living Trust, Steve and Shelly Rossi and Luke Rossi).



Background:

Santa Margarita Ranch is a +/- 14,000 acre property comprised of multiple parcels and ownerships. The Ranch surrounds the community of Santa Margarita. The Santa Margarita Ranch is a unique property in that it has specific General Plan Standards that outline the process for which future development will occur on the property. These General Plan Standards were a result of a Community Mediated Settlement Agreement that was brokered between a previous ownership and community members from Santa Margarita and neighboring communities on October 10, 1995. From that mediation, the General Plan

Standards were established outlining the allowed residential density, non-residential development allowances, and development standards for the Ranch.

Exhibit from the Salinas River Area Plan for Santa Margarita Ranch:

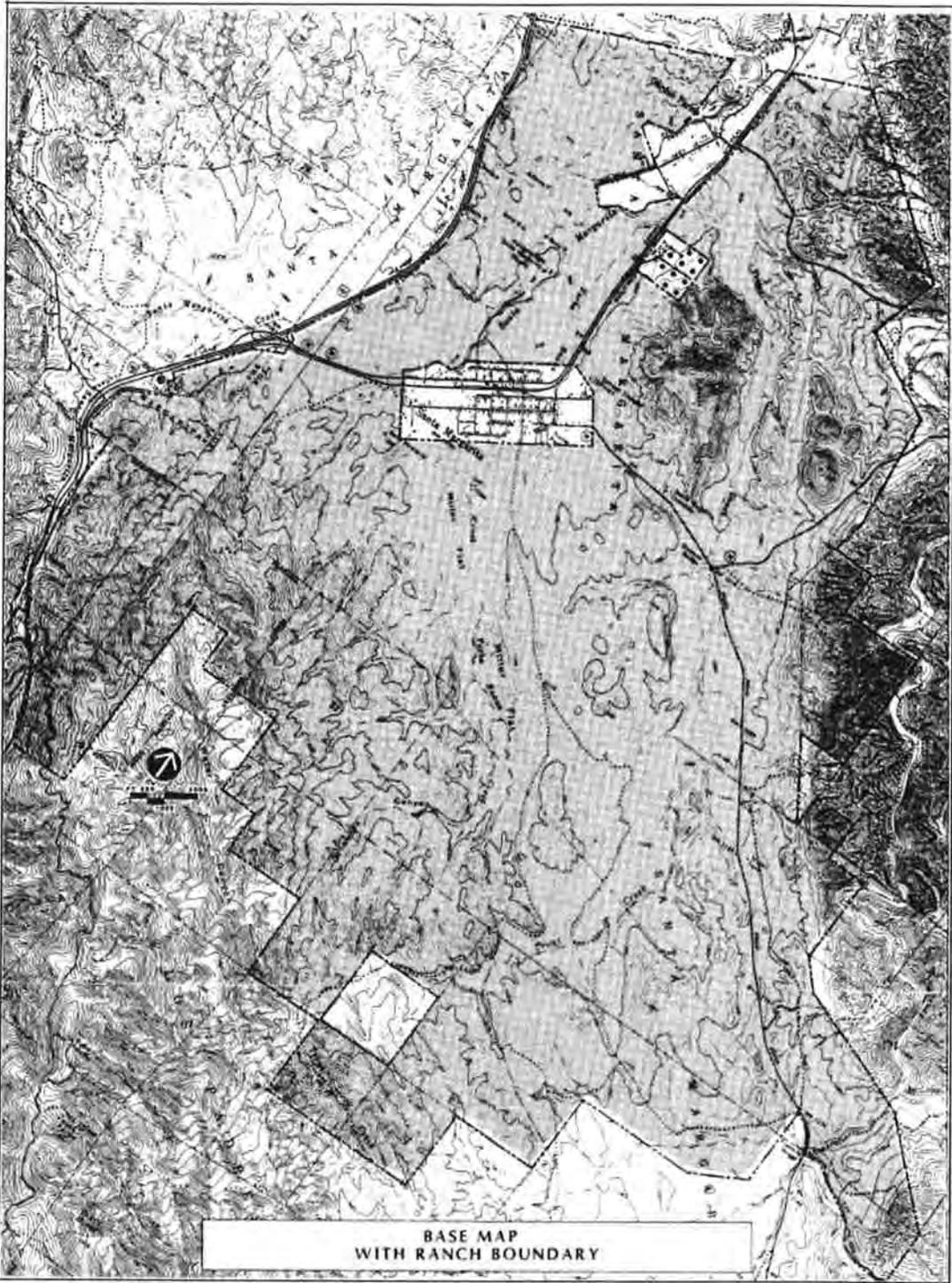


Figure 104-24: Santa Margarita Ranch - Rural

In

In 1992, the County Board of Supervisors decided to contract only a portion of the 25,000 afy allotment available to the County from the State Water Project supplies. Following that decision the County began planning for serving the County's future supplemental water needs through the use of the Nacimiento Water Project (NWP). The objective of the NWP is to provide a reliable supplemental water source for a variety of users within SLO County by supplementing the local ground and surface water supplies with a new surface water source.

In 1995 a Notice of Preparation (NOP) was issued for an Environmental Impact Report (EIR) on the NWP. The timing of these preliminary evaluations and the beginning of the EIR process ran concurrently with the aforementioned community discussion/ agreements regarding the Santa Margarita Ranch.

The previous ownership and the community recognized that there was a benefit to have Nacimiento Water available as a supplemental water supply for future activities on the Ranch. Therefore, the owners of the Santa Margarita Ranch requested the Ranch (13,562 acre portion thereof) be included as a subscriber in the Nacimiento EIR. The Santa Margarita Ranch was included in the Final EIR for the NWP that was ultimately certified in December of 2003. The Nacimiento allocation of water to the Santa Margarita Ranch included in the Naci EIR was 200 afy of water/year.

The water needs of the Santa Margarita are described in Section 2.2 of the EIR as follows:

“Development plans for the Ranch call for some residential and recreation facilities as well as the expanded vineyard planting. Ranch owners seek Nacimiento Water deliveries to provide a reliable, good quality water for potable needs throughout the Ranch.”

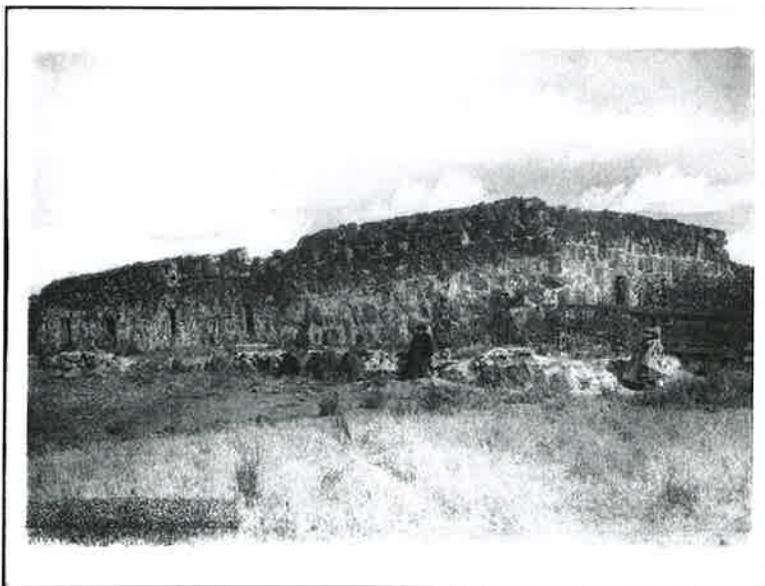
Request:

The “Trust” is requesting four (4) acre feet of annual water delivery (afy) , two (2) afy for each parcel. This four (4) afy is assumed to be a portion of the original 200 afy allotted to the Ranch.

Purpose:

The water will be used for domestic purposes including fire protection for existing, historical structures and future structures. Historic structures at the Ranch Headquarters' include the Asistencia, the 'adobe' Ranch House, the Wells Fargo Building, the Tank House, and various other outbuildings.

The Asistencia, part of the Mission system, dates back to the later 1700's. It was structurally upgraded in 2005 to support the 1904 Barn built over the “Mission ruins”. The other historic Ranch buildings date back to the mid to later 1800's. The Ranch House is currently, among other uses, home to a museum that includes irreplaceable historical and pre-historical artifacts, and the Asistencia is used for weddings and community events. A reliable pressurized fire water supply would ensure the continued protection of these historic resources.



Delivery:

The EIR originally anticipated a water connection to the Ranch at Wilhelmina Avenue in Santa Margarita. At that time the Nacimiento Water Line was proposed to run on the east side of El Camino Real along the railroad tracks. The alignment was later modified to run the pipeline along the west side of El Camino Real and through the ranch north of town. The waterline is located in both the public right-of-way and on the Ranch property.

The Trust is proposing to accept the water untreated through a portion of the line at the existing turn out located on Yerba Buena Avenue, "within the ranch property". The installation of the water line will not result in environmental impacts as it will be installed within the existing shoulder adjacent to the existing ranch roadway, using the existing bridge that crosses Yerba Buena Creek. (See attached exhibit) It will run the length of the existing roadway to a point of connection into the existing fire water supply system.

Authority to Receive Water:

The Ranch qualifies for use of Nacimiento Water because it included as a Water Purveyor in the NWP EIR and because it was listed in "Exhibit B" of the August 17, 2004 Nacimiento Water Delivery Entitlement Contract. Since the Santa Margarita Ranch was listed in "Exhibit B" of the original contract, it has the right to become a New Participant and may enter into a Like-Kind Contract. Unlike Like-Kind Contracts for New Participants that were not listed in Exhibit B, the New Participants that were listed in Exhibit B are not required to consult with the Nacimiento Project Commission or other participants. Approval of the Contract is subject to the sole review and approval of the County Board of Supervisor's.

Excerpt From Article 29 of the Nacimiento Water Delivery Entitlement Contact dated August 17th 2004:

Contract with such New Participant, provided that said New Participant shall, in addition to the payments required under the Like-Contract, pay to the District a Purchase of Reserve Water Delivery Entitlement and Reserved Capacity Fee as described above herein. However, notwithstanding the foregoing sentence, each entity listed on Exhibit B hereto shall have the right to become a New Participant, and the District may enter into a Like-Contract with such New Participant, on any day after the last day of the Design Phase without consultation with the Commission or written approval from any portion of All Participants, provided, that said New Participant shall, in addition to the payments required under its Like-Contract, pay to the District a Purchase of Reserve Water Delivery Entitlement and Reserved Capacity Fee as described above herein. The District shall apply the Purchase of Reserve Water Delivery Entitlement and Reserved Capacity Fee received from any New Participant as a proportionate credit to the

Although the approval of the Like-Kind contract is not subject to the purview of the Nacimiento Water Commission the request is being brought forward to the Commission as an information item and as courtesy request by the Trust.

Purveyor:

The EIR listed the 'purveyor' for the Ranch as the Santa Margarita Ranch, Santa Margarita Ranch Mutual Water Company, and the Santa Margarita Ranch Mutual Waterworks interchangeable in various places through-out the EIR. Santa Margarita Ranch Mutual Water Company was listed as the purveyor in "Exhibit B" of the Original Water Delivery Contract dated August 17th 2004. The Trust maintains ownership of a portion of the Ranch property that was described in the EIR (+/-1,250 acre portion of the 13,562 acres), therefore the Trust intends to accept the four (4) afy on behalf of the Santa Margarita Mutual Water Company.

Previous Approval to Allow the Ranch to accept Untreated Nacimiento Water:

This request for four (4) afy of water for use on the Ranch is the second time the use of Nacimiento Water has been approved on the Ranch. In 2008 the Board of Supervisor's approved an Ag Cluster (Tract 2586) on a +/-3,778 acre portion of the Ranch southeast of the Community of Santa Margarita. The project approval included 111 clustered residential lots and three (3) agricultural parcels totaling 3,620 acres. One of the conditions of approval of Tract 2586 was that the Santa Margarita Ranch off-set their ground water use to serve the future residences through the purchase and land application of Nacimiento Water.

Further Review:

The Trust commits to working with the County on further details as required through the preparation of the individual Like-Kind contract. Any construction activities will be subject to the appropriate CEQA review and as with any other Like-Kind Contract holder, the Trust will be required to pay the applicable costs associated with becoming a participant in the project.

Future Requests:

In addition to receiving water for domestic purposes under the provisions of a "Like-Kind" Contract, the Trust anticipates submitting a future request for five (5) afy of water under a "Reserve" Contract for purposes of vineyard frost protection. The use for this water would include a larger peaking factor instead of a constant flow. The peak flow period would occur in times when the demand for Nacimiento Water is at its lower levels (January – April). The Trust expects to submit this request mid-2013.

Conclusion:

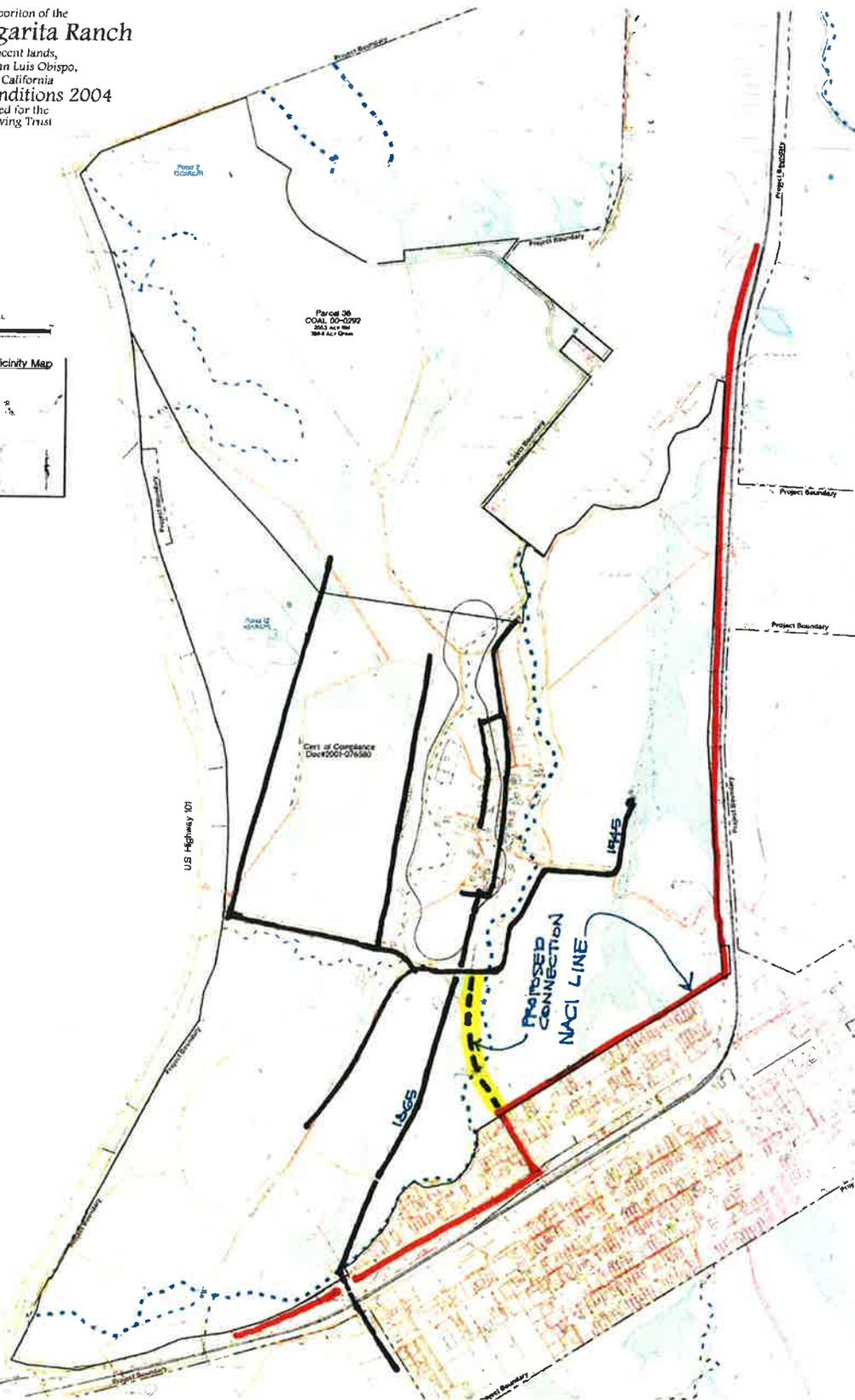
The Robin L. Rossi Living Trust looks forward to working with your Department on acquiring Nacimiento Water for limited domestic fire flow purposes to ensure the protection and preservation of the Historical Ranch Structures. We also look forward to future opportunities where the use of Nacimiento Water on the Ranch would be mutually beneficial to the Ranch, the Community, and the County. Please advise us if you have any questions or require additional information.

Rob Rossi
Santa Margarita Ranch
On behalf of the Robin L. Rossi Living Trust

Map of a portion of the
Santa Margarita Ranch
 and adjacent lands,
 County of San Luis Obispo,
 State of California
Existing Conditions 2004
 Prepared for the
 Resti Living Trust



**RANCH HDR
 WATER SYSTEM**



Prepared by
WAGMAN SURVEYS, INC.
 400 Broadway, Suite 200
 San Luis Obispo, California 93401
 805-238-2772

Nacimiento Project Commission
November 15, 2012
Agenda Item 5.a – Discussion regarding increasing Project Participants’
Delivery Entitlement
(Information only – No action required)

TO: Nacimiento Project Commission

FROM: Scott Duffield, Project Manager

VIA: Dean Benedix, Utilities Division Manager

SUBJECT: All Reserve Water to Participants’ Delivery Entitlement

DATE: November 15, 2012

Recommendation

That your Commission receives the staff report and presentation, discuss issues, and refer back to the Nacimiento Technical Support Group for follow-up technical review as your Commission deems appropriate.

Discussion

At the August 23, 2012 meeting, the Commission inquired about a scenario under which all project participants increased their delivery entitlements so that the project becomes fully subscribed and what issues would need to be considered if such action is pursued. Staff has prepared five (5) attachments to provide an overview of the following issues that may need to be considered, along with others that may be identified:

- **Proportional Increase in Entitlement Shares – Attachment “A”**

Attachment “A” provides a calculation of the increase that would result if all Participants increased their water delivery entitlements proportionally. Attachment “A” also provides the language of Article 29 of the Water Delivery Entitlement Contracts (WDEC), which addresses the process and rights of each Participant to increase its Entitlement Share and for others to participate in the project.

- Environmental Impact Report Issues - Attachment “B”

Attachment “B” provides a comparison of the entitlements that were included in the Projects Environmental Impact Report (EIR) versus the actual entitlements shares contracted for in the WDEC’s . Since the project’s physical impacts associated with its construction are complete, the primary issue that we believe would need to be addressed is the growth inducing impact, which was previously determined to be “Significant, Unavoidable and Adverse.” It is important to note, however, that this impact will be different for each community. If all existing participants increase their entitlement shares, then the need to prepare a supplemental EIR would be more likely. In contrast, if only one agency increases their entitlement share, then only an addendum to the prior EIR may be possible. In essence, if a supplemental EIR is necessary for any agency due to the technical evaluation of the California Environmental Quality Act (CEQA), then it would be required if all agencies increase their shares proportionally and concurrently. Consistent with the project’s original CEQA evaluation and EIR, Public Works staff will need to work closely with staff of all of the participating agencies in determining the appropriate level of review needed to comply with CEQA. Also, since all agencies would need to adopt appropriate CEQA findings.

- Financial Issues – Attachment “C”

Attachment “C” provides an estimate of the financial impact if participating agencies increased their entitlement shares proportionally. The estimated increase in participant costs in total is approximately \$1 million. Article 17(B)(5) of the WDEC’s provides that the County Flood Control District (District) shall contribute a portion of its general property tax revenues, and the WDEC’s were negotiated on the basis that the tax contribution would be reduced and inevitably discontinued as the project’s participation increases and is ultimately fully subscribed. Consequently, pursuant to Article 17(B)(5), the tax contribution would not be provided by the District if the participating agencies fully subscribe for the Reserve water. This fiscal impact will change over time, and presumably increase, as property taxes increase. Attachment “C” also illustrates that the cost per acre foot of water will decrease as participants increase their entitlements.

- Capacity Issues – Attachment “D”

Attachment “D” provides a summary of existing contract flows, measured in “cubic feet per second.” In addition to Delivery Entitlement Shares, which provide the annual amount that each participant is subscribing, the “cfs” amount specifies the instantaneous rate of flow for each participant, which

includes a “peaking factor.” Consequently, each participant would need to evaluate the peaking factor that they would desire, and the instantaneous rate of flow desired, in the event that water delivery entitlements are increased.

- Other Issues – Attachment “E”

The sale of Reserve Water and Surplus Water are addressed in Article 12 of the WDEC’s. Those contract provisions provide that the revenues from the sale of Surplus, Reserve or Turn-back Water to third parties would be used to reduced costs to the participating agencies, and do not allow the Participants to directly purchase Surplus Water and to resell it to 3rd parties without the prior consent of the District and all other Participants. During WDEC negotiations, these contract provisions were developed to prevent any one of the participating agencies from benefitting from the sale to a 3rd party while the project was not fully subscribed. In the event that the project becomes fully subscribed, County staff can support contract modifications to Article 12 that might be more appropriate for a fully subscribed project.

On an annual basis, Article 12 does provide each agency with the ability to purchase more than its existing entitlement share.

ATTACHMENTS:

- Attachment A - Proportional Increase in Entitlement Shares
- Attachment B - Environmental Impact Report Issues
- Attachment C - Financial Issues
- Attachment D - Capacity Issues
- Attachment E - Other Issues

* * *

ATTACHMENT A

Proportional Increase in Entitlement Shares – Attachment A

Table 1 illustrates the Participants’ current Delivery Entitlement, Delivery Entitlement Share, and “fully subscribed” Delivery Entitlement if all Reserve Water was distributed in proportion to the respective Delivery Entitlement per Article 29.

Table 1

Participant	Delivery Entitlement	Delivery Entitlement Share	Fully Subscribed Delivery Entitlement	Increase to Delivery Entitlement
	afy		afy	afy
Paso Robles City	4,000	41.429	6,525	2525
Templeton CSD	250	2.589	408	158
Atascadero MCW	2,000	20.715	3,263	1263
San Luis Obispo City	3,380	35.008	5,514	2134
CSA 10A-Cayucos	25	0.259	40	15
Reserved for Lakeside Use	1,750		1,750	0
Total	11,405		17,500	6095
Available Amount	6,095		0	0

Why might this be an issue?

There would be no Reserve Water; therefore no New Participants

Key points to consider:

- If participants increase entitlements, should others who were included in and helped pay for the EIR be provided a final opportunity to become Project Participants pursuant to Article 29(C)?
- If all existing Participants increased their entitlements proportional to current entitlements, then the fee identified in Article 29(B) may be “non-applicable.”

Applicable WDEC Articles

- Article 29(A)(4)
- Article 29(B)
- Article 29(C)

See following pages

ATTACHMENT A

ARTICLE 29: USE OF RESERVE WATER

The District may use the District's Reserve Water as follows:

(A) Priorities. The District shall use the District's Reserve Water in the following order of priority:

(1) For the alleviation of any permanent water shortage described in Article 14(B) hereof;

(2) For the alleviation of any temporary water shortage described in Article 14(A) hereof;

(3) For the satisfaction of the District's obligations to each of the Reserve Water Customers;

(4) For adding to and supplementing the Delivery Entitlements for the Participant and/or the Other Delivery Entitlements for the Other Participants who are Initial Participants as provided for by Article 6(D) herein;

(5) For additional and New Participants (defined in paragraph (C) below) who were not Initial Participants;

(6) For such other purposes as the District deems useful and beneficial to the Nacimientto Project.

(B) District's Sale of Reserve Water/Reserved Capacity by Amending Participant's Contract and/or the Like-Contracts of Other Participants who were Initial Participants. In the event that the Participant, or any Other Participant who was an Initial Participant, desires to purchase additional capacity in the Nacimientto Facilities and additional rights to have a portion of Reserve Water conveyed and delivered to the Participant and to the extent that the amount of Reserve Water and Reserved Capacity is sufficient to do so, the District and the Participant may amend this Contract (or, in the case of an Other Participant, the Like-Contract), *provided* that the District shall not enter into any such amendment which provides terms more favorable than those presently existing in this Contract, and in each Like-Contract, and *provided* that the Participant shall, in addition to the payments required under the Like Contract, pay to the District a fee (the "Purchase of Reserve Water Delivery Entitlement and Reserved Capacity Fee") amounting to a sum which will reasonably compensate the District for the Participant's Unit Percentage Share of the Total Nacimientto Project Construction Costs plus the costs of any Additional Capital Projects which are necessary or convenient for the conveyance and/or delivery of the Delivery Entitlement. The District shall apply the Purchase of Reserve Water Delivery Entitlement and Reserved Capacity Fee as a credit to the obligations of the Participant and the Other Participants based on their respective Unit Percentage Share. However, the District shall not so amend this Contract without having first provided sixty (60) days written notice to each Other Participant of the fact that the Participant has applied to the District for such an amendment to this Contract and providing each such Other Participant an opportunity to likewise apply for an additional

ATTACHMENT A

Delivery Entitlement of Reserve Water/Reserved Capacity. In the event that Other Participants shall also apply to the District at the time of Participant's application for additional Delivery Entitlements of Reserve Water, then to the extent that there is not sufficient Reserve Water or Reserved Capacity to satisfy all of the applications for additional Delivery Entitlements, the Participant and all Other Participants applying for additional Delivery Entitlements shall be granted additional Delivery Entitlements in proportion to their respective Delivery Entitlements existing at the time of the applications.

(C) District's Contract(s) for All or a Portion of Reserve Water and Reserved Capacity by Execution of Like-Contracts with New Participants who were Not Initial Participants. In the event that an entity desires to become a New Participant, acquiring rights to capacity in the Nacimiento Facilities and rights to have conveyed and delivered to the New Participant a portion of Reserve Water, and to the extent that the amount of Reserve Water and the District's Reserved Capacity is sufficient to do so, then the District, after consulting with the Nacimiento Project Commission, and after receiving the written approval from that portion of All Participants holding, in the aggregate, at least fifty-five percent (55%) of the total of all delivery entitlements to Nacimiento Project Water existing at that time, may enter into a Like-Contract with such New Participant, *provided* that said New Participant shall, in addition to the payments required under the Like-Contract, pay to the District a Purchase of Reserve Water Delivery Entitlement and Reserved Capacity Fee as described above herein. However, notwithstanding the foregoing sentence, each entity listed on Exhibit B here to shall have the right to become a New Participant, and the District may enter into a Like-Contract with such New Participant, on any day after the last day of the Design Phase without consultation with the Commission or written approval from any portion of All Participants, *provided*, that said New Participant shall, in addition to the payments required under its Like-Contract, pay to the District a Purchase of Reserve Water Delivery Entitlement and Reserved Capacity Fee as described above herein. The District shall apply the Purchase of Reserve Water Delivery Entitlement and Reserved Capacity Fee received from any New Participant as a proportionate credit to the obligations of the Participant and the Other Participants (excluding the New Participant) based on the Participant's and the Other Participants' Unit Percentage Shares. Notwithstanding the foregoing, or any other provision of this Contract, the District shall not execute a Like-Contract with a New Participant if such execution would result in any of the Tax-Exempt Obligations being treated as an obligation not described in Section 103(a) of the Internal Revenue Code of 1986, as amended, by reason of classification of such Tax-Exempt Obligation as a "private activity bond" within the meaning of Section 141 of said Code.

ATTACHMENT B

ENVIRONMENTAL IMPACT REPORT ISSUES – Attachment B

Table 2 illustrates the EIR allocations, and the Participants' current Delivery Entitlements, and "fully subscribed" Delivery Entitlements if all Reserve Water was distributed in proportion to their current Delivery Entitlements.

Table 2

Water Purveyor or Participant	EIR Allocation	Delivery Entitlement	Delivery Entitlement Share	Fully Subscribed Delivery Entitlement
	afy	afy		afy
San Miguel CSD	610	0	0	
Paso Robles City	4,000	4,000	41.429	6,525
Templeton CSD	250	250	2.589	408
Atascadero MCW	3,000	2,000	20.715	3,263
Santa Margarita Ranch	200	0	0	0
CSA 23-Santa Margarita	100	0	0	0
San Luis Obispo City	3,380	3,380	35.008	5,514
Camp San Luis Obispo	200	0	0	0
San Luis CUSD-Morro Bay	55	0	0	0
CSA 10A-Cayucos	80	25	0.259	41
Lewis Pollard Trust	50	0	0	0
Morro Rock MWC-Cayucos	30	0	0	0
CSA 22-Airport Area	890	0	0	0
Fiero Lane WC-Airport Area	30	0	0	0
Edna Valley MWC-Airport Area	700	0	0	0
SLO County (Contingency)	2,625		0	0
Reserved for Lakeside Use	1,300	1,750		1,750
Total	17,500	11,405		17,500
Available Amount	0	6,095		0

Why might this be an issue?

The additional Delivery Entitlement might be considered a growth inducing impact.

Key Points to consider:

- The Final EIR for the Nacimiento Water Project identified Growth Inducement as a "Significant, Unavoidable Adverse Impact". The District and public agency participants reflected this result in their respective CEQA findings.
- Increasing water entitlements would result in increasing the magnitude of the already identified growth impacts, therefore, a Supplemental EIR would likely need to be prepared to address the increased water allocations.

ATTACHMENT B

ENVIRONMENTAL IMPACT REPORT ISSUES (cont.)

Key Points to consider (cont.):

- In the absence of any physical expansion of the pipeline itself, the Supplemental EIR would be limited to the single issue of Growth Inducement. Because of the unique way in which the original EIR is structured, the Supplemental EIR would essentially consist of an update to the various numbers calculated from general plans, population projections, etc.. The findings would very likely remain the same.
- Minor physical changes could be accommodated in the Supplemental EIR if they are located in areas already disturbed by the current project or already evaluated in the original EIR.
- If only one or two entities decided to increase their water allocations it is possible that the CEQA scope could be reduced, depending on the specific amounts and agencies involved.
- CEQA and supporting case law prescribes the District as the Lead Agency for preparation of the EIR, however, given the topic's relationship to community plans, close coordination between the District and affected public agency staffs would be essential.

ATTACHMENT C

FINANCIAL ISSUES – Attachment C

Table 3 illustrates the Participants’ current Delivery Entitlement and costs, and “fully subscribed” Delivery Entitlement if all Reserve Water was distributed in proportion to their respective Delivery Entitlement per Article 29 and costs.

Table 3

Water Purveyor	Delivery Entitlement	Current Costs	Cost/af	Fully Subscribed Delivery Entitlement	Increased Costs	New Cost/af
	afy			afy		
Paso Robles City	4,000	\$4,684,328	\$1,171	6,525	\$414,293	\$781
Templeton CSD	250	\$358,214	\$1,433	408	\$25,893	\$942
Atascadero MCW	2,000	\$3,175,890	\$1,588	3,263	\$207,147	\$1,037
San Luis Obispo City	3,380	\$6,213,415	\$1,838	5,514	\$350,078	\$1,190
CSA 10A-Cayucos	25	\$8,281	\$331	41	\$2,589	\$267
Reserved for Lakeside Use	1,750	\$32,157	\$18	1,750	\$0	\$18
Total	11,405	\$14,472,285		17,500	\$1,000,000	
Available Amount	6,095			0		

Note: Costs are based on FY 2012-2013 budget

Why might this be an issue?

Participant cost would increase because the County tax contribution (credit) to the Project would end.

Key Points to consider:

- The increased cost of Delivery Entitlement is the loss of the County tax contribution
- Variable energy costs if/when additional Delivery Entitlement is requested
- The County tax contribution would be utilized to further the efforts of other water resource programs or projects that the District is working on.

Applicable WDEC Article

- Article 17(B)(5)

ATTACHMENT C

ARTICLE 17: CONTRACT PAYMENTS

B(5) If, in any Fiscal Year, the Nacimiento Water Fund of the District receives its allocated portion of the *ad valorem* taxes levied on the real property within the County of San Luis Obispo under the authority of Article XIII A, Section 1(a) of the California Constitution, then the District shall apply said apportioned amount received by the District to the reduction of Reserved Capacity Construction Cost Component and the District shall continue to do so in each Fiscal Year in which the District receives such apportioned amounts up to and until the said Reserved Capacity Construction Cost Component is paid. The District shall credit to the Participant the Unit Percentage Share of said apportioned tax proceeds received by the Nacimiento Water Fund of the District, less any amounts (i) which the District is obligated to pay under the terms of the Master Water Contract and/or (ii) any amounts which are not received or retained by the District because of the operation of the Community Redevelopment Law (California Health and Safety Code Sections 33000 *et seq.*) or any other applicable law.

ATTACHMENT D

CAPACITY / INSTANTANEOUS FLOW ISSUES – Attachment D

Water Purveyor	Delivery Entitlement	Contract Flow Rate	Contract Volume	Design Flow Rate	Fully Subscribed Delivery Entitlement
	afy	max cfs	max af/mo	max cfs	afy
Paso Robles City	4,000	9.03	537.0	12.90	6,525
Templeton CSD	250	1.03	62.5	1.27	408
Atascadero MCW	2,000	8.29	500.0	10.22	3,263
San Luis Obispo City	3,380	5.10	310.0	8.36	5,514
CSA 10A-Cayucos	25	0.04	2.3	0.04	41
Reserved for Lakeside Use	1,750				1,750
Total	11,405	23.49	1411.8	32.79	17,500
Available Amount	6,095	9.30	559.2	0	0

Why might this be an issue?

Contracts would be amended to reflect the additional Delivery Entitlement.

Key Points to consider:

- Allocations should take capacity limitations into consideration.
- Article 6 (not attached) addresses delivery entitlement covenants, rates of flow, and pressure.

ATTACHMENT E

Other Issues – Attachment E

ARTICLE 12: SURPLUS WATER

(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 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.

(B) Sale of Surplus Water by District; Rates. From the Surplus Water held by the District, the District shall first sell any and all of the Reserve Pool Water portion of the Surplus Water. No Turn-Back Pool Water shall be sold by the District so long as any Reserve Pool Water remains unsold.

(1) Sale of Reserve Pool Water. The District shall offer the Reserve Pool Water to the Participant and to Other Participants pro rata in proportion to their respective Delivery Entitlement Share and Other Delivery Entitlement Shares. Any amounts of Reserve Pool Water not purchased by an Other Participant shall be re-offered to the Participant, if it purchases its pro rata share of Reserve Pool Water, and the Other Participants purchasing Reserve Pool Water pro rata according to their respective Delivery Entitlement Share and Other Delivery Entitlement Shares until all of the Reserve Pool Water has been sold.

(a) Price for Reserve Pool Water. For Reserve Pool Water, the Participant shall pay to the District the sum of the following:

(1) The portion of the Operation and Maintenance Costs attributable to the Reserve Pool Water and incurred by the District in the immediately preceding Water Year per acre-foot; plus

(2) The Variable Energy Costs incurred by the District for the delivery of the Reserve Pool Water as calculated in Article 16 (C)(2) hereof.

(b) Revenues from Sale of Reserve Pool Water. All revenues derived by the District from the sale of Reserve Pool Water shall be applied as a credit against the obligations of the Participant and the Other Participants in proportion to the Delivery Entitlement Share and the Other Delivery Entitlement Shares of the Participant and the Other Participants, respectively.

ATTACHMENT E

(2) Sale of Turn-Back Pool Water. The District shall offer the Turn-Back Pool Water to the Participant and to the Other Participants pro rata in proportion to their Delivery Entitlement Share and Other Delivery Entitlement Shares, respectively.

(a) Price for Turn-Back Pool Water. For the Turn-Back Pool Water, the Participant shall pay to the District the sum of the following:

(1) The average of the Operation and Maintenance Costs incurred by the District in the immediately preceding Water Year per acre-foot for the delivery of the Delivery Entitlement and the Other Delivery Entitlements to the Participant and to the Other Participants, respectively; plus

(2) The Variable Energy Costs incurred by the District for the delivery of the Turn-Back Pool Water as calculated in Article 16(C)(2) hereof.

(b) Revenues from Sale of Turn-Back Pool Water. All revenues derived by the District from the sale of Turn-Back Pool Water shall be applied as a credit against the obligations of those Participants contributing to the Turn-Back Pool Water and in the proportion to the amount each Participant contributes to the Turn-Back Pool Water in the Water Year, if at all.

(C) If the Participant shall commit in writing to purchase such Surplus Water from the District, the Participant shall be obligated to pay for such Surplus Water, whether or not the Participant accepts delivery of the Surplus Water, so long as such Surplus Water was available for the period in question. Neither the Participant nor any Other Participant shall resell Surplus Water on a wholesale basis at any time to persons or entities not a party to this Contract or to Like-Contracts, without the prior written consent of the District and all Other Participants; provided, however, that this provision is not intended to limit the sales of Surplus Water to the end customers of the Participant.

(D) The District may offer to sell and deliver any Surplus Water not purchased by the Participant or the Other Participants to any other prospective purchaser without right of renewal, in a manner and at prices which will return to the District the largest Net Revenue practicable for the benefit of the Nacimiento Facilities, but in no event at prices less than those at which such Surplus Water is offered to the Participant, unless the Participant is first tendered such Surplus Water by the District at the lower price in writing, and in each case, attempting to recapture the Operation and Maintenance Costs, the Variable Energy Costs and the Capital Projects Installment Debt Service attributable to the volume of Surplus Water actually purchased by such third parties, at the highest price the market will then bear.

Nacimiento Project Commission
November 15, 2012

Agenda Item 6.a – 2013 Meeting Calendar

(Commission Action – No Subsequent Board Action Required)

TO: Nacimiento Project Commission

FROM: Dean Benedix, P.E., Utilities Division Manager

DATE: November 15, 2012

Recommendation

Accept the proposed 2013 Calendar of Activities and use this as a guide for planning the coming year's Project meetings.

Discussion

Attached is the 2013 Calendar of Activities noting dates for both the Nacimiento Project Commission and the Technical Support Group. Notice that there is a special meeting of the Commission proposed for April 18, 2013, 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 12/13 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.

* * *

Nacimiento Project Commission 2013 Calendar of Activities

<p>JAN</p> <p>TSG – meet on Thursday, Jan 10, 2013 at 2:00 pm in Atascadero</p> <p>Commission – Dark</p>	<p>FEB</p> <p>TSG – meet on Thursday, Feb 14, 2013 at 2:00 pm in Paso Robles</p> <p>Commission – meet on Thursday, Feb 28, 2013 at 4:00 pm in Templeton</p> <p>Reminder: Elect Chair and Vice Chair at first Commission meeting, distribute draft Budget</p>	<p>MAR</p> <p>TSG & Finance Committee – meet on Thursday, Mar 14, 2013 at 2:00 pm in San Luis Obispo</p> <p>Commission – Dark</p>
<p>APR</p> <p>TSG – meet on Thursday, Apr 11, 2013 at 2:00 pm in Atascadero</p> <p>Commission – special meeting on Thursday, April 18, 2013, at 4:00 pm in Templeton (budget approval)</p>	<p>MAY</p> <p>TSG – meet on Thursday, May 9, 2013 at 2:00 pm in Paso Robles</p> <p>Commission – meet on May 23, 2013, at 4:00 pm in Templeton</p>	<p>JUN</p> <p>TSG – meet on Thursday, Jun 13, 2013 at 2:00 pm in San Luis Obispo</p> <p>Commission – Dark</p>
<p>JUL</p> <p>TSG – meet on Thursday, Jul 11, 2013 at 2:00 pm in Atascadero</p> <p>Commission – Dark</p>	<p>AUG</p> <p>TSG – meet on Thursday, Aug 8, 2013 at 2:00 pm in Paso Robles</p> <p>Commission – meet on Thursday, Aug 22, 2013 at 4:00 pm in Templeton</p>	<p>SEP</p> <p>TSG – meet on Thursday, Sep 12, 2013 at 2:00 pm in San Luis Obispo</p> <p>Commission – Dark</p>
<p>OCT</p> <p>TSG – meet on Thursday, Oct 10, 2013 at 2:00 pm in Atascadero</p> <p>Commission – Dark</p>	<p>NOV</p> <p>TSG – meet on Thursday, Nov 7, 2013 at 2:00 pm in Paso Robles</p> <p>Commission – meet on Thursday, Nov 21, 2013 at 4:00 pm in Templeton</p>	<p>DEC</p> <p>TSG – meet on Thursday, Dec 12, 2013 at 2:00 pm in San Luis Obispo</p> <p>Commission – Dark</p>

N:\NWP\Commission\General\2013 Calendar of Activities.doc.

Nacimiento Project Commission
November 15, 2012
Agenda Item 7.a – TJ Cross Contract Amendment
(Commission Action – Subsequent Board Action Required)

TO: Nacimiento Project Commission
FROM: Carolyn Berg, Water Resources Staff Engineer
Courtney Howard, Water Resources Senior Engineer
VIA: Dean Benedix, Utilities Division Manager
DATE: November 15, 2012

Recommendation

It is our recommendation that the Nacimiento Project Commission support Amendment No. 5 to the Agreement for Consulting Services with TJ Cross Engineers, Inc. to provide mussel prevention support services through June 30, 2013 at an additional cost of \$35,000.

Discussion

The District originally entered into an Agreement with TJ Cross Engineers, Inc. (TJ Cross) in February 2005 to assist with the implementation of the Nacimiento Water Project. On February 23, 2012, your Commission supported Amendment No. 4 to the Agreement for Consulting Services with TJ Cross (see **Attachment B**) to continue Mussel Prevention Program (Program) efforts. At that time, your Commission was presented with and discussed a Resident Vessel Program designed to address local resident vessels, and TJ Cross Amendment No. 4. Amendment No. 4 extended TJCross' contract to December 31, 2012 to provide for continued Program planning and implementation through 2012, including development of the Resident Vessel Program. It also provided for TJ Cross' expertise in supporting multi-year strategic planning and interagency coordination to transition this program into a sustainable, District-operated, long term program. Your Commission supported the extension of these services and this strategy. Amendment No. 5 (Attachment A) seeks approval of the TJ Cross contract to continue Program efforts and direction on the approach to the amendment.

Consultant to Staff Transition. In response, Staff has assigned the day-to-day responsibilities of the Resident Vessel Program administration to newly-hired Water Quality lab technicians as a collateral duty. This approach to staffing Program efforts provides greater commitment of Water Quality laboratory resources to daily permit and administration tasks. This will allow the time available for Public Works Engineering resources to focus more on the overall Program development, strategy and oversight, and less on the routine communications, processing of applications, training, etc. This approach establishes a transition that will reduce the need for consultant resources.

Nevertheless, this is a multi-year Program, requiring refinement of Program strategies and coordination with multiple agencies and community groups. TJ Cross staff has demonstrated expertise in the Program planning, development, implementation, and coordination with multiple agencies and stakeholders. Their knowledge of the project and participants provides them with an awareness of the issues needing to be addressed to maximize the success of the Program. Amendment No. 5 would allow time to transition TJ Cross' tasks and an understanding of these Program complexities to the Water Quality lab technicians. TJ Cross' continued assistance to plan, implement, and provide guidance to the Program over the coming months will ensure that the Program does not lose momentum and therefore, does not put the lake and system at undue risk.

2013 Program and Contract Amendment Options. The 2013 Program is expected to continue in a ramp-by-ramp approach to vessel screening, involving coordination with the hundreds of trained screeners, many agencies and private ramp communities/ landowners, and Monterey County. TJ Cross would undertake the tasks outlined in **Amendment 5 – Scope of Services**, though overall compensation and time of completion will depend on the approach to the contract amendment. Since approximately \$38,000² remains in TJ Cross' current work authorization for Program efforts, staff is seeking direction on the approach for amending the contract. Three options are summarized below and presented in **Table 1** for consideration.

1. **Option A:** Use the remaining Amendment No. 4 budget through March 2013, only requesting a time extension amendment to contract. This approach would have District Staff coordinating the full program during its busiest time – the months leading up to Memorial Day; or
2. **Option B:** Authorize a time extension and an additional \$35,000 to extend TJCross program support through June 2013 (see **Attachment A**). This approach keeps TJCross staff engaged through the busiest timeframe and offers a strong bridge to a District staffed program; or
3. **Option C:** Authorize a time extension and an additional \$71,000³ to extend TJCross program support through December 2013.

Staff recommends Amendment No. 5 Option B as it will provide the newly hired Water Quality lab technicians an opportunity to participate in 2013 Program planning, while having the support of TJ Cross engineers during this critical stage. Beyond June 2013, Program activities are generally routine and should be manageable by District Staff. A draft Amendment No. 5, based upon Staff's recommendation of Option B, is included for your consideration.

Support of a contract amendment and subsequent approval by the Board of Supervisors will allow the 2013 Program development and implementation to continue with TJ Cross available to support District Staff.

² Invoices (through 10/12/2012) under Amendment No. 4 approved compensation.

³ Option B estimate (+\$35,000) + \$6,000/mo x 6 mos (July to December 2013) = +\$71,000.

Table 1. TJ Cross Amendment No. 5 Options.

Option	Date of Completion	Change from Amendment No. 4 Time for Completion	Compensation (Amendment & Overall) ⁴	Change from Amendment No. 4 Compensation
Amendment No. 4	December 31, 2012	None	Amend: \$106,000	\$0
			Overall: \$926,000	
Amendment No. 5 Option A	March 31, 2013	+ 3 months	Amend: \$0	\$0
			Overall: \$926,000	
Amendment No. 5 Option B	June 30, 2013	+ 6 months	Amend: \$35,000	+\$35,000
			Overall: \$961,000	
Amendment No. 5 Option C	December 31, 2013	+12 months	Amend: \$71,000	+\$71,000
			Overall: \$997,000	

Other Agency Involvement/Impact

Nacimiento Water Project: The Technical Support Group reviewed and recommended approval of the amendment and associated scope of services at their November 1, 2012 meeting. They recommend proceeding with Option B.

Lake Nacimiento: MCPD and MCWRA (owner and operator of the lake), the NRW MAC, and lakeside communities, residents, and boaters have developed a close working relationship with District and TJ Cross staff during the Program startup. Providing consistency in program management during 2013 will foster continued success in prevention program startup.

County Counsel will review the attached Amendment No. 5 as to legal form and effect.

Financial Considerations

The cost of the proposed contract amendment is included in the approved FY 2012-2013 budget; therefore, there is not a need for a budget adjustment. The costs will be funded in the FY 2012-13 Nacimiento Operation and Maintenance Fund (2200002000) and represents a continuation of the existing program and the existing support from TJ Cross.

These prevention efforts, while complex in the program’s initial years of operation, aim to avoid the possible additional operation and maintenance costs imposed by a mussel infestation of Lake Nacimiento. Added cost of mussel control could be \$10-million to \$54-million over a 16-year period (*Operational Impact of Mussel Infestation*, TJ Cross Engineers, October 2011).

⁴ These are time-and-materials estimates. Actual costs will depend on events that unfold during the year with individual ramps, volunteer screeners, new infested lake listings, and stakeholder meetings.

Results

Approval of the recommended action will result in a well-coordinated and continually successful Mussel Prevention Program, and ensure a healthy, safe, well-governed community.

Attachments:

Attachment A – Draft TJ Cross Engineers, Inc. Amendment No. 5

Attachment B – TJ Cross Engineers, Inc. Amendment No. 5 Option B Cost Estimate (through June 2013)

Attachment A

**AGREEMENT FOR
ENGINEERING CONSULTING SERVICES
NACIMIENTO WATER PROJECT ENGINEERING SUPPORT
AMENDMENT NO. 5**

The SAN LUIS OBISPO FLOOD CONTROL & WATER CONSERVATION DISTRICT (DISTRICT) and T.J. CROSS ENGINEERS, INC. (ENGINEER) hereby agree to amend the following articles of the Agreement for Engineering Consulting Services (AGREEMENT) dated February 8, 2005 as follows:

1. **Scope of Work.** Exhibit A has been revised and is attached hereto.
2. **Time for Completion of Work.** The second sentence of the first paragraph is hereby amended as follows:

“It is understood that ENGINEER’S project engineering services may extend through design, construction, start-up, and operation of the Nacimiento Water Project and that this work authorization is intended to extend to June 30, 2013.”

3. **Payment for Services:** Exhibit B has been revised and is attached hereto. Under Paragraph 3a, “Compensation,” the first sentence of the first paragraph is hereby amended as follows:

“DISTRICT shall pay to ENGINEER as compensation in full for all work required by this Agreement a sum not to exceed \$926,000 as follows:

Agreement dated Feb '05	\$100,000
Amendment No. 1 dated Nov '05	+\$220,000
Amendment No. 2 dated Jul '07	+\$0
Amendment No. 3 dated Sep '07	+\$500,000
Amendment No. 4 dated Dec '11	+106,000
<u>Amendment No. 5 dated Dec '12</u>	<u>+\$35,000</u>

TOTAL AUTHORIZATION = \$961,000”

All provisions of the Contract not affected by this Amendment No. 5 shall remain unchanged and in full force and effect. In the event of any conflict between the provisions of this Amendment No. 5 and the provisions of any lower-numbered amendment, the provisions of this Amendment No. 5 shall prevail.

The effective date of this Amendment No. 5 is the date of its execution.

ATTEST:

County Clerk and Ex-Officio Clerk of the
Board of Supervisors, San Luis Obispo County Flood
Control and Water Conservation District,
State of California
Date: _____, 2012

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

By: _____
Chairperson of the Board
San Luis Obispo County Flood
Control and Water Conservation District,
State of California
Date: _____, 2012

**APPROVED AS TO FORM AND LEGAL
EFFECT:**

WARREN R. JENSEN
County Counsel

By: _____
Deputy County Counsel
Date: _____, 2012

ENGINEER

By: _____
Timothy B. Couch
Title: Principal
Date: _____, 2012

AGREEMENT FOR
ENGINEERING CONSULTING SERVICES
NACIMIENTO WATER PROJECT ENGINEERING SUPPORT
AMENDMENT NO. 5

Revised Exhibit A
Scope of Services

Since August 2004, TJCross Engineers, Inc. has provided project engineering and management services for the Nacimiento Water Project. As requested, TJCross will extend engineering support services for the project into the operations phase, particularly with regard to invasive species (quagga and zebra mussel) prevention efforts at Lake Nacimiento, as directed by the Utilities Division Manager. The scope of services is hereby amended to include the following activities:

1. Represent the Flood Control District in dialogue with its invasive species prevention partners, Monterey County and Monterey County Water Resources Agency.
2. Provide monthly written update of activities for the Nacimiento Water Project Technical Support Group and Commission.
3. Provide presentations to community groups and other stakeholders.
4. Provide up to two days of Level I training sessions for private ramp volunteers at venues near Lake Nacimiento. Venues assumed to be at public facilities including demonstration boats provided at no direct cost to TJCross. Maintain rosters of trained volunteers, coordinate with Monterey agencies to issue certificates, screener stamps, and training materials.
5. Prepare 2012/13 invasive species prevention program schedule and prepare agenda materials for partner meetings and conference calls pertaining to schedule adherence.
6. Prepare outreach materials in support of invasive species prevention efforts.
7. Sustain dialogue with the 30+ private ramp coordinators around Lake Nacimiento. Distribute program documents to ramp coordinators and inspectors.
8. Prepare written plan for future regional inspection stations to include events leading up to station start-up, timeframe, and estimated program costs.
9. Facilitate transition of primary tasks to District staff by end of contract period.

10. Other services in support of invasive specie prevention at Lake Nacimiento.

The nature of these services is dynamic and is largely dependent upon the number of ramps and volunteers active in the program. For this reason, TJCross proposes to provide these services on a time-and-materials basis in accordance with Exhibit B – Engineer’s Rate Schedule.

AGREEMENT FOR
ENGINEERING CONSULTING SERVICES
NACIMIENTO WATER PROJECT ENGINEERING SUPPORT
AMENDMENT NO. 5

Revised Exhibit B
Engineer's Rate Schedule

TJCross proposes to provide services on a time-and-materials basis in accordance with the attached rate schedule with hourly rates subject to annual adjustments of up to 4%. The basis for the January 2013 through December 2013 fee estimate is reflected on the attached table.

* * *