



NWP NACIMIENTO WATER PROJECT

San Luis Obispo County Flood Control & Water Conservation District

**Nacimiento Project Commission
Notice of Meeting and Agenda
Thursday, February 25, 2016 – 4:00 pm
Templeton Community Services District Offices**

1. Call to Order
 - a. Call to Order, Roll Call, and Flag Salute
 - b. Nomination and Election of Commission Officers
 - c. Conflict of Interest Filing
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 (RECOMMEND APPROVAL)
 - a. From November 19, 2015
4. COMMISSION INFORMATION ITEMS – written reports with brief verbal overview by staff or consultant. No action is required.
 - a. Utilities Division Manager’s Report
 - b. Second Quarter Operations Budget Update
 - c. Southern California Pipeline Litigation Update
5. PRESENTATIONS – no action required.
 - a. FY 2016/17 Nacimiento Water Operating Fund Draft Budget
6. COMMISSION ACTION ITEMS
(No Subsequent Board of Supervisors Action Required)
None
7. COMMISSION ACTION ITEMS
(Board of Supervisors Action is Subsequently Required)
None
8. FUTURE AGENDA ITEMS DESIRED BY COMMISSION

Commissioners

Carlyn Christianson, Chair, City of San Luis Obispo

John Hamon, Vice Chair, City of El Paso de Robles

Frank Mecham, SLO County Flood Control & Water Conservation District

Judy Dietch, Templeton CSD

Grigger Jones, Atascadero MWC

**Next Commission meeting scheduled for
Thursday, April 21, 2016 at 4:00 pm at
Templeton Community Services District Offices**

Nacimiento Project Commission
 February 25, 2016
Agenda Item 1.b – Nomination and Election of Commission Officers
 (Commission Action – No Board of Supervisors Action Subsequently Required)

TO: Nacimiento Project Commission

FROM: Brian Uder, Project Manager

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

DATE: February 25, 2016

In accordance with the Commission’s adopted Rules of Procedure, the Commission is to elect a Chair and Vice-Chair at the first meeting of each year. Terms of office are for one year.

Appointed Commissioners for 2016 by each Participant and the District are (confirm):

San Luis Obispo County Flood Control & Water Conservation District (also representing CSA 10A)	Frank Mecham
City of el Paso de Robles	John Hamon Steven Martin, Alternate Commissioner
City of San Luis Obispo	Carlyn Christianson Dan Carpenter, Alternate Commissioner
Atascadero Mutual Water Company	Grigger Jones John Neil, Alternate Commissioner
Templeton Community Services District	Judith Dietch Gwen Pelfrey, Alternate Commissioner

During calendar year 2015, Commissioner Carlyn Christianson served as Committee Chair and Commissioner John Hamon served as Vice-Chair. Nominations and elections for 2016 will be held at the February 25, 2016, Commission meeting.

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Nacimiento Project Commission
February 25, 2016
Agenda Item 1.c – Statement of Economic Interests – Form 700
(Information Only – No Action is Required)

TO: Nacimiento Project Commission
FROM: Brian Uder, Project Manager
VIA: Dean Benedix, P.E., Utilities Division Manager
DATE: February 25, 2016

This is a reminder for Commissioners and Alternate Commissioners to file a Statement of Economic Interests - Form 700, pursuant to the Commission's adopted Conflict of Interest Code. Additionally, Commissioners and Alternate Commissioners assuming and leaving appointment must file the appropriate form within 30-days of the event.

The County Clerk-Recorder's office maintains a list of Form 700 filers so if an email address is on file, Commissioners and Alternate Commissioners should have received an email in February that explains the filing process. The deadline to file the annual Statement of Economic Interest – Form 700 is April 1.

Additional information may be found at the Clerk-Recorder website and the Fair Political Practices Commission website shown below:

www.slocounty.ca.gov/clerk

<http://www.fppc.ca.gov/>

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Nacimiento Project Commission
February 25, 2016
Agenda Item 3.a – Meeting Notes from November 19, 2015

Agenda Item 1 – Call to Order

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

Chairperson Carlyn Christianson convened the meeting at 4:00 p.m.

Commissioners Present:

Chairperson Carlyn Christianson, City of San Luis Obispo

Vice Chairperson John Hamon, City of Paso Robles

Judith Dietch, Templeton Community Services District

Grigger Jones, Atascadero Mutual Water Company

Frank Mecham, San Luis Obispo County Flood Control and Water Conservation District

Commissioners Absent: None.

Staff Present:

Dean Benedix, Brian Uder - District

Jeff Briltz - Templeton Community Services District

John Neil – Atascadero Mutual Water Company

Carrie Mattingly, Aaron Floyd, Dean Furukawa - City of San Luis Obispo

Agenda Item 2 – Public Comment

There were no public comments.

Agenda Item 3 – Meeting Notes

Agenda Item 3.a – Meeting Notes from August 27, 2015

The meeting notes from the August 27, 2015 Commission meeting were unanimously approved without corrections.

Agenda Item 4 – Commission Informational Items

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

In regards to the Nacimiento River Crossing Pipe Repair, the District will be moving forward with preparing an engineering assessment to evaluate issues associated with the lost maximum capacity of the pipeline, and additional energy requirements of the system. Teichert filed a suit against their sub-contractor on the Nacimiento River crossing slip-lining and the District/Teichert suit has been transferred to Contra Costa County for neutrality. Pipeline operation will continue in normal mode, and not be changed to bypass mode, due to delivery requests by Paso Robles through the winter months. MCWRA has proposed a deep water intake for the Interlake Tunnel Project to address the white bass

problem. This will potentially increase the project cost above the current \$63M estimate. Concerns continue to be voiced by various entities regarding the lowering of the intake and how the project would be operated. No operational reports have been presented by MCWRA to date. Commissioner Mecham asked if there would be an opportunity to weigh in on the EIR, Dean answered that yes, even with no funding or storage capacity involvement, there would be involvement by SLO County Flood Control & Water Conservation District in the EIR process.

Agenda Item 4.b – Surplus Water Declaration for Water Year 2016

Dean reviewed this item. There were no other comments or questions.

Agenda Item 4.c – Surplus Water Pricing for Water Year 2016

There were some questions regarding the Attachment 4.c – Nacimiento Surplus Water Costs. Dean clarified that Surplus Water is required to be sold at a cost the market would bear, that is not less than the costs that participants pay that utilize the same unit or units for the delivery of water. Also, the difference between the cost with and without turnout was clarified. The “with turnout” cost is higher and would be for an entity that would need to install a turnout to be able to deliver water, and “without turnout” would be for an entity that could deliver water through an existing turnout.

Agenda Item 4.d – First Quarter Operations Budget Update

A correction to the subject line on page 11 was noted, it was corrected to “First Quarter Operations Budget Update”. There was some discussion on what will be the next large project cost, which is anticipated to be an upgrade to the SCADA equipment.

Agenda Item 4.e – Update on the Reserve Water Project

The District received a request from the four major Participants for full allocation of the Reserve Water and provided a 60-day notice to the remaining one Participant (CSA 10A) per the contract requirements. The District has also notified all of the EIR Entities that the District has received a request for full allocation. The two EIR Entities with existing requests for Reserve Water (Bella Vista and Santa Margarita Ranch) will be given notice of a requirement to provide their buy-in fee by a date in December if they wish to purchase Reserve Water. Clarification was asked on who owns the Surplus Water in Lake Nacimiento. The District has the primary agreement with MCWRA for 17,500 acre-feet, but has no allocation of that water. Doug Filliponi was present and stated that Santa Margarita Ranch would be purchasing 81 AF of Reserve Water, 67 AF for their cluster development and 14 AF for other uses.

Agenda Item 6.a – 2016 Calendar of Activities

The calendar was unanimously approved without corrections. On the meeting agenda there was one correction noted: The next Commission meeting date on page 1 was corrected to Thursday, February 25, 2016.

Chairperson Carlyn Christianson adjourned the meeting at 4:45 p.m.

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Nacimiento Project Commission
February 25, 2016
Agenda Item 4.a – Utilities Division Manager’s Report
(Information Only – No Action is Required)

TO: Nacimiento Project Commission

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

SUBJECT: Utilities Division Manager’s Report

DATE: February 25, 2016

PROJECT UPDATES

1. Nacimiento River Crossing Pipe Repair

The District has filed a suit seeking full reimbursement of all damages and repair costs from the original Pipeline Contractor, Teichert Construction. The suit has been transferred to Contra Costa County. A Case Management Conference is scheduled for the 2nd of next month for initial discussion on advancing the suit.

An engineering assessment to evaluate issues associated with the lost maximum capacity of the pipeline and required additional power usage is nearing completion and will be submitted to the District’s consultant counsel before the end of March. Copies will be available after it is complete through each participants counsel.

2. Operations Report

Deliveries through January 2016 totaled 1937.81 acre feet for the water year starting on October 1, 2015 as shown on Page 3. Actual monthly deliveries by month are shown, as well as the Delivery Requests as provided to Monterey County Water Resources Agency in advance of the water year. This table will be provided to the TSG and your commission as part of all future agenda packages for participants’ information.

3. Lake Nacimiento & Monterey County Water Resources Agency (MCWRA) Activities

The December 2015 and January 2016 storms resulted in an increase of just over 20,000 AF to Lake Nacimiento to 83,600AF as of February 18.

The Monterey County Water Resources Agency Board of Supervisors recently approved an environmental consultant contract to support the Tunnel project preliminary design work to a point where a 218 election could be held. They did not, however, approve the preliminary design consultant contract due to potentially conflicting issues associated with a proposed State grant which may fund a portion

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

of the project, and the MCRA current proposal to develop the tunnel as a turnkey Design/Build project. The grant possibility will be evaluated over the next few months, after which time further recommendation from the MCRWRA to their Board will be made.

District/County staff will maintain ongoing communications with the TSG members and update the Commission at each meeting regarding developments associated with the Tunnel project.

The MCWRA has established a Reservoir Operations Policy Subcommittee to meet bi-monthly to update the Nacimiento and San Antonio Dam Operations Policies, last updated in 2000 and 2001 respectively. The purpose is to bring current the MCRWA operation policies and procedures up to date specifically to include:

- i. National Marine Fisheries Service Biological Opinion of June 21, 2007.
- ii. Salinas Valley Water Project Flow Prescriptions for Steelhead Trout in the Salinas River
- iii. State Water Resources Water Control Board water rights permit 21089

Dean Benedix (Scott Duffield as alternate) will be attending these meetings with the goal of cooperative involvement and assuring San Luis Obispo's water resource interests are recognized and protected.

4. Reserve Water Project

The District anticipates taking the approval of distribution of all Reserve Water to the Board of Supervisors on April 19. This is predicated on all agency's approval bodies finalizing their approval in time for the District to complete this agenda item. (April 1). The final distribution of reserve water and costs are shown on the table below:

Participant	Acre Feet per Year			
	Original	New	Change	Buy In Fee
Paso Robles	4,000	6,488	2,488	\$ (450,830)
Templeton	250	406	156	\$ (30,575)
Atascadero	2,000	3,244	1,244	\$ (377,010)
City of SLO	3,380	5,482	2,102	\$ (792,812)
CSA 10A	25	40	15	\$ (16,739)
Santa Margarita Ranch	0	80	80	\$ 1,458,099
Bella Vista MHP	0	10	10	\$ 209,867
	9,655	15,750	6,095	0
Capacity	17,500	17,500		
Prior Comtmt.	<u>1,750</u>	<u>1,750</u>		
Reserve	6,095	0		

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

Nacimiento Water Project 2016 Delivery Report

Deliveries¹														
	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	TOTAL	
City of Paso	233.91	204.66	88.80	42.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	570.20	
Ops Water														
TCSD	37.58	38.18	10.49	8.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	95.00	
Ops Water														
AMWC	251.40	13.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	265.17	
Ops Water														
City of SLO	303.45	251.10	230.92	221.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1007.44	
Ops Water														
CSA 10A	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
TOTALS	826.34	507.71	330.21	273.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1937.81	
Cumulative	826.34	1334.05	1664.26	1937.81	1937.81	1937.81	1937.81	1937.81	1937.81	1937.81	1937.81	1937.81		

Requests²														
	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	TOTAL	
Deliveries	966.75	551.00	382.00	401.25	516.00	561.75	551.00	561.75	1306.00	1320.75	1320.75	986.00	9425.00	
Reserve Water	750.00	400.00	150.00	175.00	200.00	450.00	550.00	550.00	800.00	800.00	800.00	700.00	6325.00	
TOTALS	1716.75	951.00	532.00	576.25	716.00	1011.75	1101.00	1111.75	2106.00	2120.75	2120.75	1686.00	15750.00	
Cumulative	1716.75	2667.75	3199.75	3776.00	4492.00	5503.75	6604.75	7716.50	9822.50	11943.25	14064.00	15750.00		

ALL VALUES IN ACRE-FEET (AF)

Notes:

1. Deliveries input from monthly report provided by North County Operations.
2. Requests as submitted to MCWRA
3. Ops Water (Operations Water) is water sent through the turnout for operation & maintenance needs and not counted against Participants' Delivery Entitlement

Nacimiento Project Commission
February 25, 2016
Agenda Item 4.b – Second Quarter Operations Budget Report
(Information Only – No Action is Required)

TO: Nacimiento Project Commission

FROM: Wendy Hall, Administrative Services Manager

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

SUBJECT: Second Quarter Operations Budget Update

DATE: February 25, 2016

Figures summarizing the Quarterly Operating Fund Budget are provided for your information. Actual expenditures are at 43.8% with 50% of the year elapsed.

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

Agenda Item 4.b - Second Quarter Operations Budget Report

Nacimiento Water Operating Fund Operation and Maintenance FY 2015-2016

	Budget		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total	% of Budget	Actual Variance
	FY 2015-16		July-Sep	Oct-Dec	Jan-March	April-June			
WBS Element									
Routine Operation and Maintenance									
Master Water Contract	300420.01.03	\$204,730	\$0.00	\$0.00			\$0.00	0.0%	\$204,730.00
Variable Energy Costs	300420.03	\$1,583,974	\$225,211.73	\$582,825.82			\$808,037.55	51.0%	\$775,936.45
Water Conservation Management	300420.04	\$0	\$207.35	\$0.00			\$207.35	0.0%	(\$207.35)
Water Quality Analysis	300420.05	\$179,179	\$8,651.98	\$19,019.55			\$27,671.53	15.4%	\$151,507.47
Water Quality Support	300420.06/.06.01.03/.06.02/.06.03	\$0	\$10,861.71	\$15,260.71			\$26,122.42	N/A	(\$26,122.42)
Regulatory Agency/Department of Public Health	300420.02	\$38,248	\$0.00	\$0.00			\$0.00	0.0%	\$38,248.00
Invasive Species/Quagga Mussels	300420.09.02/.06.01/.06.02	\$155,998	\$20,111.07	\$33,201.81			\$53,312.88	34.2%	\$102,685.12
Environmental Mitigation	300420.09/09.01	\$38,188	\$82,212.57	\$9,939.89			\$92,152.46	0.0%	(\$53,964.46)
Utilities Operations and Office Engineering	300420.07	\$286,474	\$33,382.89	\$35,974.89			\$69,357.78	24.2%	\$217,116.22
Lakeside Contracts	300420.01.05	\$23,834	\$2,249.65	\$538.76			\$2,788.41	11.7%	\$21,045.59
Water Rights	300420.01.04	\$0	\$0.00	\$0.00			\$0.00	0.0%	\$0.00
General Accounting	300420.01	\$158,677	\$20,593.68	\$23,550.33			\$44,144.01	27.8%	\$114,532.99
County wide Overhead	300420.01.01	\$53,980	\$0.00	\$32,998.00			\$32,998.00	61.1%	\$20,982.00
Contributions to ISF/New Equipment	300420.01.02	\$0	\$0.00	\$0.00			\$0.00	0.0%	\$0.00
General Units	300420.10	\$95,417	\$33,689.58	\$48,555.92			\$82,245.50	86.2%	\$13,171.50
Unit A, Intake Pump Station	300420.10.A	\$198,131	\$40,246.07	\$99,083.27			\$139,329.34	70.3%	\$58,801.66
Unit A1, Camp Roberts Tank	300420.10.A1	\$40,677	\$7,442.69	\$65,909.26			\$73,351.95	180.3%	(\$32,674.95)
Unit B, Santa Ysabel Pump Station	300420.10.B	\$140,975	\$32,670.49	\$40,635.24			\$73,305.73	52.0%	\$67,669.27
Unit C, Pipe, Monterey Road to Wellsona	300420.10.C	\$25,168	\$1,382.10	\$4,335.40			\$5,717.50	22.7%	\$19,450.50
Unit C1, Pipe, Monterey Road/Wellsona	300420.10.C1	\$24,074	\$8,217.68	\$2,319.79			\$10,537.47	43.8%	\$13,536.53
Unit D, Pipe, Paso Turnout to Templeton CSD	300420.10.D	\$16,607	\$1,105.25	\$1,572.99			\$2,678.24	16.1%	\$13,928.76
Unit E, Pipe, Templeton CSD to Atascadero MWC	300420.10.E	\$15,790	\$1,481.77	\$1,087.54			\$2,569.31	16.3%	\$13,220.69
Unit F, Pipe, Atascadero MWC to Rocky Canyon Tank	300420.10.F	\$16,149	\$1,081.51	\$175.49			\$1,257.00	7.8%	\$14,892.00
Unit F1, Rocky Canyon Tank	300420.10.F1	\$13,718	\$3,032.34	\$3,422.45			\$6,454.79	47.1%	\$7,263.21
Unit F2, Rocky Canyon Pump Station	300420.10.F2	\$111,375	\$42,313.84	\$32,027.96			\$74,341.80	66.7%	\$37,033.20
Unit G, Rocky Canyon PS to Route 58/Maria Avenue	300420.10.G	\$15,730	\$4,487.16	\$6,683.27			\$11,170.43	71.0%	\$4,559.57
Unit G1, Route 58/Maria Ave. to Cuesta Tunnel Tank	300420.10.G1	\$17,359	\$11,685.40	\$5,563.35			\$17,248.75	99.4%	\$110.25
Unit G2, Cuesta Tunnel Tank	300420.10.G2	\$23,489	\$2,794.71	\$2,120.40			\$4,915.11	20.9%	\$18,573.89
Unit H, Cuesta Tunnel	300420.10.H	\$1,766	\$0.00	\$901.88			\$901.88	51.1%	\$864.12
Unit H1, Cuesta Tunnel to San Luis Obispo Turnou	300420.10.H1	\$37,195	\$3,006.33	\$12,580.44			\$15,586.77	41.9%	\$21,608.23
Unit T-2, City of Paso Robles Turnout	300420.10.T2	\$40,926	\$5,784.30	\$4,174.03			\$9,958.33	24.3%	\$30,967.67
Unit T-4, Templeton CSD Turnout	300420.10.T4	\$11,893	\$3,854.99	\$3,576.12			\$7,431.11	62.5%	\$4,461.89
Unit T-6, Atascadero MWC Turnout	300420.10.T6	\$15,130	\$923.44	\$924.57			\$1,848.01	12.2%	\$13,281.99
Unit T-11/11a, City of San Luis Obispo Turnout	300420.10.T11/T11a	\$23,305	\$8,661.65	\$4,578.89			\$13,240.54	56.8%	\$10,064.46
Reimbursable Billings	300420.11	\$0	\$16,250.79	\$1,671.64			\$17,922.43	N/A	(\$17,922.43)
Nacimiento Reserve Water Project	300420.12	\$0	\$0.00	\$0.00			\$0.00	N/A	\$0.00
Total Routine Operation and Maintenance		\$3,608,156	\$633,594.72	\$1,095,209.66	\$0.00	\$0.00	\$1,728,804.38	47.9%	\$1,879,351.62
Non-Routine O&M									
Misc. Fiber Optic Repair		\$25,850	\$0.00	\$0.00			\$0.00	0.0%	\$25,850.00
Booster Station Upgrade		\$53,460	\$0.00	\$0.00			\$0.00	0.0%	\$53,460.00
5 Year Intake Inspection		\$121,000	\$0.00	\$0.00			\$0.00	0.0%	\$121,000.00
5 Year Pipeline Close Interval Potential Survey		\$104,200	\$0.00	\$0.00			\$0.00	0.0%	\$104,200.00
Total Non-Routine Operation and Maintenance		\$304,510	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$304,510.00
Capital Outlay									
Stenner Canyon Hydro Plant	300512	\$10,340	\$0.00	\$0.00				0.0%	\$10,340.00
Naci River Crossing Ultimate Capacity	300561	\$25,850	\$0.00	\$0.00				0.0%	\$25,850.00
Total Capital Outlay		\$36,190	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0%	\$36,190.00
Grand Total		\$3,948,856	\$633,595	\$1,095,210	\$0	\$0	\$1,728,804	43.8%	\$2,220,052

Nacimiento Project Commission
February 25, 2016
Agenda Item 4.c – Southern California Pipeline Litigation Update
(Information Only – No Action is Required)

TO: Nacimiento Project Commission

FROM: Brian Uder, Project Manager

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

SUBJECT: Southern California Pipeline Litigation Update

DATE: February 25, 2016

On February 2, 2016, in the case of *SLO County Flood Control & Water Conservation District v So. Cal. Pipeline Constr. Co.*, the parties informally agreed to settle the case for \$120,000. The Defendant has taken its motion to change venue off the calendar. There are some final papers that need to be completed to finalize the settlement, but the major terms of the settlement have been agreed upon.

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Nacimiento Project Commission
February 25, 2016
Agenda Item 5.a – FY 2016/17 Nacimiento Water Operating Fund Draft
Budget
(Information Only – No Action is Required)

TO: Nacimiento Project Commission

FROM: Wendy Hall, Administrative Services Manager

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

SUBJECT: FY 2016/17 Nacimiento Water Operating Fund Draft Budget

DATE: February 25, 2016

Copies of the draft Fiscal Year 2016-2017 Nacimiento Water Operating budget will be provided at the Commission meeting February 25, 2016. On March 10, 2016, the Nacimiento TSG and Finance Committees will meet with District staff at 2:00 p.m. in San Luis Obispo to discuss the draft budget. Subsequently, on April 21, 2016 the Nacimiento Project Commission will conduct its annual special budget meeting to consider approval of the 2016-2017 Proposed Budget.

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