



**Nacimiento Project Commission
Meeting and Agenda
Thursday, November 17, 2011 – 4:00 pm
Templeton Community Services District Offices**

- I. Call to Order
 - a. Call to Order, Roll Call, and Flag Salute
- II. 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.
- III. Meeting Notes from August 25, 2011
(RECOMMEND APPROVAL)
- IV. COMMISSION INFORMATION ITEMS – written reports with brief verbal overview by staff or consultant. No action is required.
 - a. Project Management Report
 - b. Project Budget
- V. PRESENTATIONS – no action required.
 - a. None.
- VI. COMMISSION ACTION ITEMS
(No Subsequent Board of Supervisors Action Required)
 - a. 2012 Meeting Calendar
 - b. Surplus Water Declaration for Water Year 2012
 - c. Surplus Water Pricing
 - d. Amendment to Commission By-Laws
 - e. Amendment to Rules of Procedures
- VII. COMMISSION ACTION ITEMS
(Board of Supervisors Action is Subsequently Required)
 - a. None
- VIII. FUTURE AGENDA ITEMS DESIRED BY COMMISSION

Commissioners
Grigger Jones, Chair, Atascadero MWC

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

Judy Dietch, Templeton CSD

Andrew Carter, City of San Luis Obispo

Frank Mecham, SLO County Flood Control & Water Conservation District

**Next Commission meeting scheduled for
Thursday, February 23, 2011, at 4:00 pm at
Templeton Community Services District offices**



Nacimiento Project Commission
November 17, 2011
Agenda Item III – Meeting Notes from August 25, 2011

I. Call to Order, Roll Call and Flag Salute

Chairman Jones convened the meeting at 4:00 pm.

Commissioners Present: Chairman Grigger Jones, Atascadero MWC
Vice-Chairman John Hamon, City of Paso Robles – arrived late
Judith Dietch, Templeton CSD
Andrew Carter, City of San Luis Obispo
Frank Mecham, SLOCFC&WC District

There was no public comment.

III. Meeting Notes from May 26, 2011

Chairman Jones moved to approve the meeting notes for the May 26, 2011, Commission meeting; Commissioner Mecham seconded; passed unanimously.

IV. Commission Information Items

Project Status Update

John Hollenbeck noted that SPEC 2 (Facilities) completed work on July 1, 2011, and their retention was released, except a withholding of \$93,000 for liquidated damages and non-conforming work. SPEC 2 refused to sign the Notice of Completion; the District's Board of Supervisors will execute the notice unilaterally. District staff and SPEC 3 (Pipeline North) had several informal discussions to resolve claims, but SPEC 3 filed a Government Notice Section 910 of the Government Code notifying District of their intent to file a law suit. The District has not seen paperwork from said lawsuit and has yet to settle claims with SPEC 3. District staff and SPEC 5 (Pipeline South) met with a mediator on July 18, 2011. The mediator's proposal was taken to the District's Board of Supervisors' closed session discussion. Mr. Hollenbeck did not disclose the outcome, but the District has moved forward with its defense of the claim. Commissioner Mecham asked about the status of the uninspected SPEC 3 pipe. Mr. Hollenbeck stated that the inspection has not been completed yet.

Jacobs Engineering is demobilizing their office and continues its support on an as-needed basis.

Dean Benedix proposed scheduling County Counsel's attendance to Commission meetings when issues arise. Commissioners approved suggestion.

Operations Report

Mr. Benedix noted that water was delivered to TCSD and SLO during June 2011. Problems arose while delivering water: three of the four pumps at Santa Ysabel Pump Station failed (one constant speed and two variable speed pumps). Pump failure may have been caused by high temperature, either ambient or motor. Rockwell, the pump supply contractor, was able to temporarily fix the two variable speed pumps. District staff is looking into why the pumps failed. In order to deliver water to AMWC, the Santa Ysabel Pump Station must be online; therefore, the District was unable to supply requested water to AMWC. In addition, debris was discovered in the Unit T6 pressure reducing valve. District staff is determining the appropriate way to flush the system to prevent a similar problem next year



when high flows are required. The water flushed through the system to clean out the debris is considered construction water.

Mr. Benedix noted that during the same two week period, the main intake pump shut down due to a loose wire. The pump station was shut down for a day while the valve was rewired and reprogrammed; it is currently working. Mr. Benedix speculated that a voltage surge may have shut down the Intake Pump Station. District staff is looking into hiring an electrical engineer to evaluate and balance electrical system demands.

Outside Agency Issues

Monterey County Water Resources Agency: Mr. Benedix reported that Public Works Director Paavo Ogren continues to represent the District at the monthly Reservoir Operations Committee meetings.

New Participants: Mr. Benedix had nothing new to report.

Potential customer - Fiber optic Strand Use by the Federal Government: Mr. Benedix reported that County ITD has paid \$632,000 for their initial fiber optic capital contribution and for fiber use, and paid \$15,000 for necessary repairs caused by rodents. A final MOU between the District and ITD has yet to be finalized and signed.

The District is the sole owner and leaser of the fibers. The Federal Government's Defense Information Technology Contracting Organizations would like to set up a long-term lease of a minimum of 20 years for four fiber strands between Camp Roberts Tank and Templeton. District staff is working with Black & Veatch to determine how to make this lease financially beneficial for the District. Commissioner Mecham asked if there is an opportunity to make commercial use of the fibers. Mr. Benedix will ask County Counsel to consider before the November 17th meeting.

Invasive Species Prevention

2011 Prevention Program: Mr. Benedix reported that Monterey County is doing a full inspection program. The 193 volunteer screeners have been screening vessels all around the lake since Memorial Day weekend.

Mr. Benedix stated that last meeting there was a report of mussels from a fisherman; the location was inspected and no mussels were discovered. The District could consider inspecting the water through a microscope to locate mussel veligers (planktonic stage), but Mr. Benedix noted it is expensive and not very practical at this time.

Commissioner Mecham provided an update on a recent meeting with State Assemblymen Alejo and Achadjian, Supervisor Salinas, Director Hart, and Monterey and District staff. Lake County submitted a resolution requesting the Governor declare a State of Emergency due to mussel infestation. San Luis Obispo County and neighboring counties intend to take a similar resolution to the Governor and to the California Association of Counties Convention in November to get all 58 counties support. Assemblyman Katcho Achadjian could carry this legislative bill in January.

Nacimiento Reservoir Status: The reservoir status is at 87-percent full.

Project Budget

Mr. Benedix addressed the budget concerns regarding water quality analysis and testing, approximately \$310,000 for the year. Last year this line item was budgeted at \$310,000, though actual expenditures were \$150,000. This year's expenditures are trending at a similar level to last year



(\$150,000- \$180,000). AMWC requested these expenditures be tracked separately. Mr. Benedix proposed that special projects be budgeted and charged separately - in future years this process can be modified. The baseline testing includes regulatory testing regardless of the number of agencies and Participant-requested testing. When Paso Robles comes online, more water quality testing will likely occur.

V. Presentations

Summary Report on Operational Impact of Mussel Infestation

Mr. Hollenbeck reported on the possible impact of a mussel infestation at Nacimiento, more specifically whether Project's focus on mussel prevention is warranted compared to the anticipated cost of an infestation. Christine Halley, TJ Cross Engineers, looked into two modes of mussel control after an infestation: (1) chlorination of the system to kill mussels and (2) filtration to remove mussels from the system. The chlorination program appears to be a similar annual cost to prevention, plus initial capital costs. The filtration program cost appears to be greater than current prevention costs. Mr. Hollenbeck believes current prevention efforts are a wise investment and that future investments should be focused on putting in regional inspection stations.

Commissioner Mecham discussed the potential revenue generated from increasing boat registration fees through the proposed legislation to be brought to the Governor.

Acknowledgement of Gary Henderson's Retirement

Mr. Benedix noted that Gary Henderson's last TSG Meeting will be in September, after which, Mr. Wade Horton will take over as Water Utilities Manager for the City of San Luis Obispo.

Project Awards by the American Society of Civil Engineers

Mr. Hollenbeck reported that the Project received two recent accolades from the American Society of Civil Engineers (ASCE). It won Project of the Year at the local level and sectional level (Los Angeles), and is proceeding to the regional level (California) for consideration. Separately, the Project applied for a similar national level award and was selected as one of the five 2012 *Outstanding Civil Engineering Achievement (OCEA)* finalists. The OCEA award recipient will be announced March 22, 2012.

Mr. Benedix reported that John Hollenbeck was recognized as the ASCE 2011 Outstanding Civil Engineer in Government both at the local and section level.

Mr. Hollenbeck informed the Commission that District staff is writing an article on the Project to be put in the Civil Engineering Magazine.

Chairman Jones adjourned the meeting at 5:00 pm.

Submitted by Utilities Staff (via audio recording of meeting)



Nacimiento Project Commission
November 17, 2011
Agenda Item IV.a– Project Management Report
(Information Only – No Action Required)

PROJECT UPDATES

Project Status Update

The Spec 3 (Pipeline North) and the Spec 5 (Pipeline South) contracts remain open. A summary of each construction contract recent activities are as follows:

- Spec 2 (Facilities) – The District considers this construction contract to be closed; however, as previously reported the contractor is displeased with withholdings made to their last payment resulting from liquidated damages and nonconforming work. The contractor submitted a Government Code Claim received by the District on October 3, 2011. The District is working with counsel to address the claim.
- Spec 3 (Pipeline North) – The District and the contractor have not been able to reach final settlement. The contractor filed a Complaint with Superior Court on September 29, 2011. The District is progressing forward with defense of the Complaint.
- Spec 5 (Pipeline South) – The District is progressing forward with defense of the Complaint filed by the contractor.

Jacobs Engineering Group Inc (JEG): The District continues to look to Jacobs Engineering Group for several outstanding deliverables.

Operations Report

- Prousys spent several days on resolving the SCADA Communications Failure issue that occasionally occurs.
- On October 13th PG&E shut-off power to our Intake Pump Station without prior notification for a 4-hr time period. All equipment was returned to normal operating condition after power was restored.

Outside Agency Issues

Monterey County Water Resources Agency: Paavo Ogren continues to represent the District at the monthly Reservoir Operations Committee meetings.

New Participants: Nothing noteworthy to report this period.

Fiber Optic MOU with GSA IT: Nothing noteworthy to report.

Potential Customer – Fiber Optic Strand Use by Federal Government: Nothing noteworthy to report.



Invasive Species Prevention

Prevention Program. Labor Day brought the end to a successful boating season of mussel prevention at Lake Nacimiento. All vessels were screened/inspected and required to carry a signed and stamped Vessel Screening Permits. These requirements will remain in effect until the 2012 boating season, which is expected to be similar with minor changes. District staff met with private ramp coordinators to discuss the 2011 program and what changes might be necessary for the 2012 program. Overall consensus gained from these meetings indicated that the prevention program was implemented well and the residents and boaters were very protective of the lake's well being. Private ramp coordinators highlighted a concern with continuing to hold residents (full time Nacimiento boaters) to the 14-day Vessel Screening Permit expiration.

District staff met with Monterey County staff on November 9th to evaluate the 2011 season and begin planning the 2012 season. District staff utilized the information obtained at the meetings with private ramp coordinators to convey private ramp successes and concerns over the last boating season. In general, all staff noted a successful season with a high level of mussel awareness among boaters and a general sense of residents and recreators wanting to protect Lake Nacimiento. All staff present expressed the need for more time to implement the program than last year. Monterey County rangers noted a high level of compliance and only issued two citations for non-compliance at the end of the season. Staff will meet again in early December to cover 2012 program details, including the possible ways to handle resident boaters.

State of Emergency. District staff is slated to take the resolution declaring a State of Emergency due to California's mussel infestation to the District Board of Supervisors on November 22, 2011.

Nacimiento Reservoir Status

Reservoir status as reported by MCWRA is 71-percent full, or 266,505 acre-feet, as of October 18, 2011. MCWRA releases are reported as 300 cfs.

Hydroelectric Power – Unit T11

Aaron Floyd with the City of San Luis Obispo called to talk with the Nacimiento Project Manager about a PG&E program for conducting the feasibility study associated with a hydroelectric energy recovery unit at Unit T-11. The program, funded by PG&E, may pay for the study and the construction. More details are needed to understand the program, and a future presentation(s) to the TSG will be scheduled. The advantage of energy recovery at a turnout is that it will generate revenue to partially offset the Variable Energy Costs. Any energy recovery revenue is expected to be credited to the Participants in the similar fashion as the Variable Energy Costs: that policy, however, would be presented to your Commission at a future meeting.



Accolades Presented by American Society of Civil Engineers (ASCE)

The Los Angeles Section of ASCE held their awards luncheon on Saturday, October 8, 2011, at the Disneyland Hotel in Anaheim. Several Project representatives attended the event, including:

- Black & Veatch: Steve Foellmi, Project Director; Madhavan Jayakumar, Lead Mechanical; and Jim Clark, Vice President.
- San Luis Obispo County: Grigger Jones, Chairman of Nacimiento Commission; Paavo Ogren, Public Works Director, including his guests Maria Kelly, John Ogren, and Ann Phillips; John Hollenbeck, Nacimiento Project Manager, including his guests Monica Hollenbeck and Mike Curran; and Carolyn Berg, Nacimiento Staff Engineer.

The LA Section bestowed two accolades: one upon the project and one individual. The Project was named the Outstanding Private Civil Engineering Award Winner and an award was presented to both Steve Foellmi who managed the design at Black & Veatch (a private engineer company), and to John Hollenbeck with the County. John also was presented an award for the Outstanding Civil Engineer in Government, based on the nomination submitted by Carolyn Berg.



Pictured from L to R: Madhavan “Jaya” Jayakumar, Steve Foellmi, John Hollenbeck, Grigger Jones, Carolyn Berg and Paavo Ogren

Civil Engineering Magazine

The October 2011 edition of *Civil Engineering Magazine* contains the article on the Project written by John Hollenbeck, Carolyn Berg, Steve Foellmi, and Paul Kreitz.

* * *

Nacimiento Project Commission
November 17, 2011
Agenda Item IV.b– Project Budget
(Information Only – No Action Required)

The Budget Summary Report is attached, showing the Design and Construction Phase budget through October 20, 2011.

The Nacimiento Water Operating Fund Quarter Report is attached, and includes FY 2011-2012 Operation and Maintenance costs through Quarter 1 (quarter ending September 30, 2011).



TABLE 5-1. Budget Summary Report for Nacimiento Water Project

**Nacimiento Water Project
Project Budget Reporting
Report Ending Period: 9/30/2011**

| | Revised Budget: MARCH 2010 | Cost to Date thru 9/30/11 | Remaining Budget | Projected Total Cost as of 6/30/2011 | Projected Variance (Budget Vs. Projected Cost) | Comments |
|--|-------------------------------|---------------------------|---------------------|---|---|--|
| Design Phase Costs | | | | | | |
| Project Management | \$2,450,000 | \$2,298,745 | \$151,255 | \$2,419,494 | \$30,506 | Includes County Project Manager, VE, support staff, TJCross support, finance team, legal fees, and County overhead allocation during Design Phase. Revised 2/2010- Adjusted to better align with actual costs to date. |
| AD-15 Process (Preparation for Bidding) | \$113,057 | \$113,057.01 | \$0 | \$113,057 | \$0 | Reproduction and mailing of Contract Docs, addenda, and other bid phase correspondence, utilizing ASAP Reprographics. |
| Environmental | \$2,346,867 | \$2,339,848.20 | \$7,019 | \$2,346,867 | \$0 | ESA-Includes design assistance, permit applications, agency coordination. Amendments authorized for EIR Addendum and extended cultural resource efforts. |
| PG&E Service Extension | \$300,000 | \$218,476.12 | \$81,524 | \$300,000 | \$0 | Estimate to extend power to proposed facilities at \$100,000. Add \$200,000 for low energy usage in first year (2/10) |
| Right of Way Consulting Services | \$1,562,000 | \$1,487,426 | \$74,574 | \$1,562,000 | \$0 | Hamner-Jewell contract plus allowance for appraisal, title reports by others, and Special Counsel. Includes court hearings for orders of possession. |
| Property Acquisition | \$1,700,000 | \$1,623,986.48 | \$76,014 | \$1,700,000 | \$0 | 2/10-Revised acquisition budget. |
| Construction Mgt/Constructability Review | \$669,173 | \$669,109.19 | \$64 | \$669,173 | \$0 | Amendment revised Design Phase Value to \$669,173. |
| Engineering Design (Includes geotechnical, survey & Design CM) | \$9,088,800 | \$9,419,153.76 | (\$330,354) | \$9,088,800 | \$0 | Black and Veatch Corporation 11/06-Revised projected total. 8/07-revised back up to original budget pending Design Amendment |
| Finance | \$0 | - | \$0 | \$0 | \$0 | PFM, UBS, and Fulbright & Jaworski support services coded to Project Management line item above. |
| New Participant Contribution | (\$50,000) | (\$49,040) | (\$961) | (\$50,000) | \$0 | 11/06-CSA 10A buy-in fee per Article 29 of the WDEC. |
| Design Phase Budget Reserve (NOTE 1) | \$720,103 | | \$720,103 | \$0 | \$720,103 | |
| SUMMARY - DESIGN PHASE | \$18,900,000 | \$18,120,762 | \$779,238 | \$18,149,391 | \$750,609 | |

**Nacimiento Water Project
Project Budget Reporting
Report Ending Period: 9/30/2011**

| | Revised Budget: MARCH 2010 | Cost to Date thru 9/30/11 | Remaining Budget | Projected Total Cost as of 6/30/2011 | Projected Variance (Budget Vs. Projected Cost) | Comments |
|---|-------------------------------|---------------------------|---------------------|---|---|---|
| Construction Phase Costs | | | | | | |
| Project Management | \$4,858,563 | \$ 6,374,350.27 | (\$1,515,787) | \$6,425,838 | (\$1,567,275) | Includes District staff, County Counsel, intern support, TJCross support, and operator support during construction. Also includes premium for District-provided Builder's Risk Insurance and County overhead allocation. Updated 2/2010: Added \$170,000 from Prof Serv Contingency |
| Environmental Mitigation | \$1,862,757 | \$ 90,922.58 | \$1,771,834 | \$ 227,813 | \$1,634,944 | For pipeline realignments, special const tech and other costs incurred due to unforeseen enviro issues. Also used for mitigation of habitat (oak trees, SJ Kit Fox, etc). Revised 2/2010 (\$364,779 to Const Cont, \$955,000 to Prof Services Cont., and \$1,317,464 reduction to correct overall budget to Aug 2007 level) |
| Construction Management, includes Environmental Monitoring, Materials Testing & Surveying | \$10,190,827 | \$ 9,620,658.04 | \$570,169 | \$10,190,827 | \$0 | Based on Jacobs construction management services fees and ESA's Environmental Monitoring Fees through Amendment No. 8 |
| Post-Design Services by Designer | \$3,200,000 | \$ 3,404,414.50 | (\$204,415) | \$3,920,000 | (\$720,000) | Black & Veatch's construction phase services. Added \$720,000 for Amendment #23 (longer period + MOP) |
| Construction Contracts | \$130,265,722 | \$ 129,886,079.83 | \$379,642 | \$ 131,967,411.70 | (\$1,701,690) | BASED ON CONSTRUCTION BIDDING + CHANGE ORDERS |
| District Controlled Contingency Construction Phase Contingency and Reserve (NOTE 1) | \$5,235,826 | | \$5,235,826 | \$1,580,995 | \$3,654,831 | Recommended contingency for construction change orders, prof service changes, and other Project reserve. Excludes the carryover of unused Design Phase reserves. |
| | | | | | | |
| SUMMARY - CONST. PHASE | \$155,613,695 | \$149,376,425 | \$6,237,270 | \$154,312,885 | \$1,300,810 | |
| Prior Expenses | | | | | | |
| Advance Expenditures | \$513,000 | \$513,000 | \$0 | \$513,000 | \$0 | |
| Cuesta Tunnel | \$1,031,000 | \$1,031,000 | \$0 | \$1,031,000 | \$0 | Includes construction of Nacimiento Water Project pipeline section through Cuesta Tunnel and cost for 2003 EIR. |
| | | | | | | |
| TOTAL PROJECT | \$176,057,695 | \$169,041,187 | \$7,016,508 | \$174,006,276 | \$2,051,419 | |

Positive Projected Variance indicates costs are under the revised line item budget.

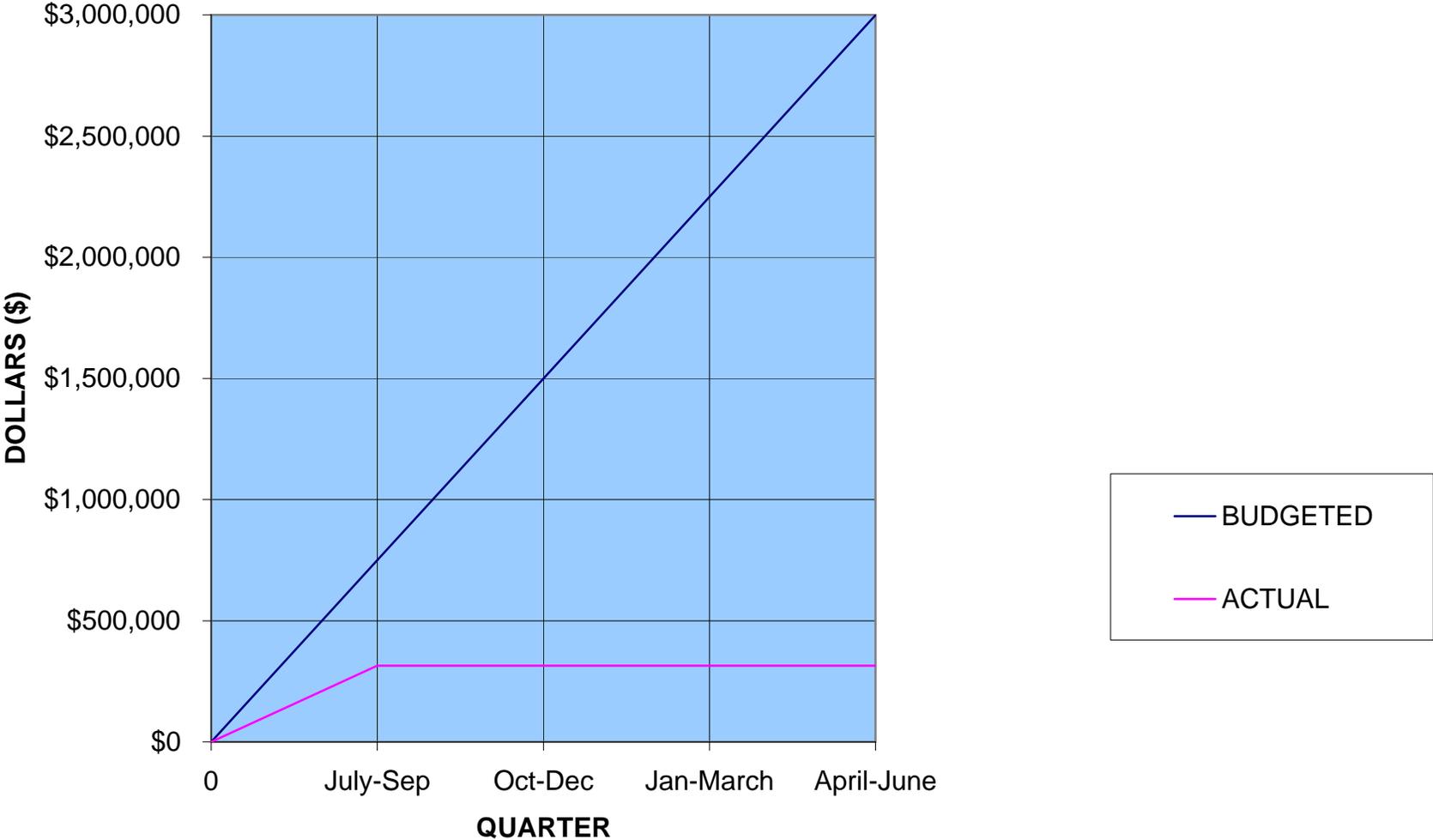
Recent Update: October 20, 2011

NOTES 1. When the Design Phase is closed, the reserves will be transferred to the Construction Phase Reserves.

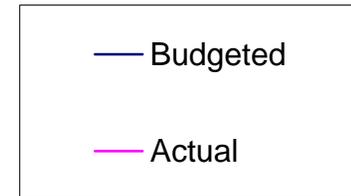
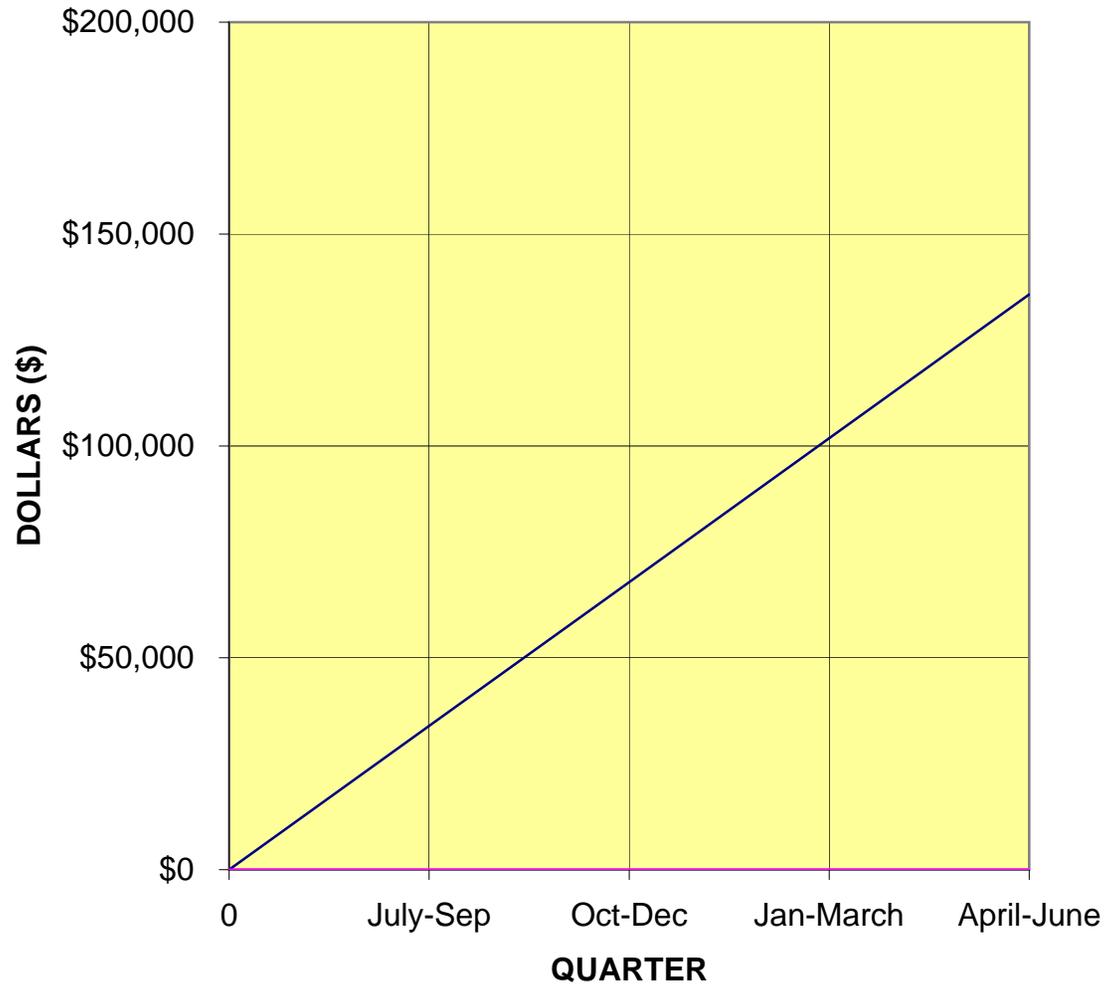
Nacimiento Water Operating Fund
Operation and Maintenance
FY 2011-2012

| | | Budget | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total |
|--|--------------------|--------------------|---------------------|---------------|---------------|---------------|---------------------|
| | WBS Element | FY 2011-12 | 0 | July-Sep | Oct-Dec | Jan-March | April-June |
| Routine Operation and Maintenance | | | | | | | |
| Master Water Contract | 300420.01.03 | \$227,480 | \$0.00 | | | | \$0.00 |
| Variable Energy Costs | 300420.03 | \$456,627 | \$117,951.89 | | | | \$117,951.89 |
| Water Conservation Management | 300420.04 | \$3,068 | \$0.00 | | | | \$0.00 |
| Water Quality Analysis | 300420.05 | \$211,345 | \$31,057.60 | | | | \$31,057.60 |
| Water Quality Support | 300420.06 | \$177,908 | \$18,028.90 | | | | \$18,028.90 |
| Regulatory Agency/Department of Public Health | 300420.02 | \$37,325 | \$0.00 | | | | \$0.00 |
| Invasive Species/Quagga Mussels | 300420.09.02 | \$278,419 | \$5,413.28 | | | | \$5,413.28 |
| Environmental Mitigation | 300420.09.01/06.01 | \$14,400 | \$32,596.53 | | | | \$32,596.53 |
| Utilities Operations and Office Engineering | 300420.07 | \$393,197 | \$10,654.40 | | | | \$10,654.40 |
| Lakeside Contracts | 300420.01.05 | \$31,507 | \$0.00 | | | | \$0.00 |
| Water Rights | 300420.01.04 | \$101,205 | \$0.00 | | | | \$0.00 |
| General Accounting | 300420.01 | \$228,633 | \$10,151.80 | | | | \$10,151.80 |
| County wide Overhead | 300420.01.01 | \$39,353 | \$11,920.00 | | | | \$11,920.00 |
| Contributions to ISF/New Equipment | 300420.01.02 | \$0 | \$0.00 | | | | \$0.00 |
| General Units | 300420.10 | \$70,647 | \$1,459.71 | | | | \$1,459.71 |
| Unit A | 300420.10.A | \$160,691 | \$26,471.88 | | | | \$26,471.88 |
| Unit A1 | 300420.10.A1 | \$35,243 | \$2,774.09 | | | | \$2,774.09 |
| Unit B | 300420.10.B | \$123,805 | \$9,856.64 | | | | \$9,856.64 |
| Unit C | 300420.10.C | \$24,626 | \$1,143.06 | | | | \$1,143.06 |
| Unit C1 | 300420.10.C1 | \$22,558 | \$5,262.18 | | | | \$5,262.18 |
| Unit D | 300420.10.D | \$16,108 | \$390.42 | | | | \$390.42 |
| Unit E | 300420.10.E | \$16,109 | \$677.30 | | | | \$677.30 |
| Unit F | 300420.10.F | \$16,108 | \$1,951.55 | | | | \$1,951.55 |
| Unit F1 | 300420.10.F1 | \$17,548 | \$1,295.78 | | | | \$1,295.78 |
| Unit F2 | 300420.10.F2 | \$95,836 | \$10,724.17 | | | | \$10,724.17 |
| Unit G | 300420.10.G | \$19,248 | \$1,385.40 | | | | \$1,385.40 |
| Unit G1 | 300420.10.G1 | \$19,248 | \$418.64 | | | | \$418.64 |
| Unit G2 | 300420.10.G2 | \$63,468 | \$2,094.95 | | | | \$2,094.95 |
| Unit H | 300420.10.H | \$3,845 | \$139.54 | | | | \$139.54 |
| Unit H1 | 300420.10.H1 | \$44,214 | \$583.36 | | | | \$583.36 |
| Unit T-2 | 300420.10.T2 | \$9,944 | \$378.66 | | | | \$378.66 |
| Unit T-4 | 300420.10.T4 | \$13,485 | \$1,112.85 | | | | \$1,112.85 |
| Unit T-6 | 300420.10.T6 | \$12,642 | \$6,716.02 | | | | \$6,716.02 |
| Unit T-11/11a | 300420.10.T11/T11a | \$13,061 | \$2,068.27 | | | | \$2,068.27 |
| Total Routine Operation and Maintenance | | \$2,998,901 | \$314,678.87 | \$0.00 | \$0.00 | \$0.00 | \$314,678.87 |
| Non-Routine O&M | | | | | | | |
| Urban Water Management Plan | | \$65,779 | \$0.00 | | | | \$0.00 |
| Misc. Fiber Optic Repair | | \$51,700 | \$0.00 | | | | \$0.00 |
| Booster Station Upgrade | | \$18,267 | \$0.00 | | | | \$0.00 |
| Total Non-Routine Operation and Maintenance | | \$135,746 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Capital Outlay | | | | | | | |
| Prior District Costs | | \$0 | \$0.00 | | | | \$0.00 |
| Capital Replacement Contingency | | \$103,400 | \$0.00 | | | | \$0.00 |
| Control Power Transformer for a -SG-1, Unit A | 300458 | \$19,646 | \$0.00 | | | | \$0.00 |
| Fiber Optic Pullbox Modification | 300459 | \$183,018 | \$25,159.15 | | | | \$25,159.15 |
| Capital Reserve/Equipment Replacement | | \$490,000 | \$0.00 | | | | \$0.00 |
| Operating Reserves | | \$39,500 | \$0.00 | | | | \$0.00 |
| Total Capital Outlay | | \$835,564 | \$25,159.15 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Grand Total | | \$3,970,211 | \$339,838 | \$0 | \$0 | \$0 | \$314,679 |

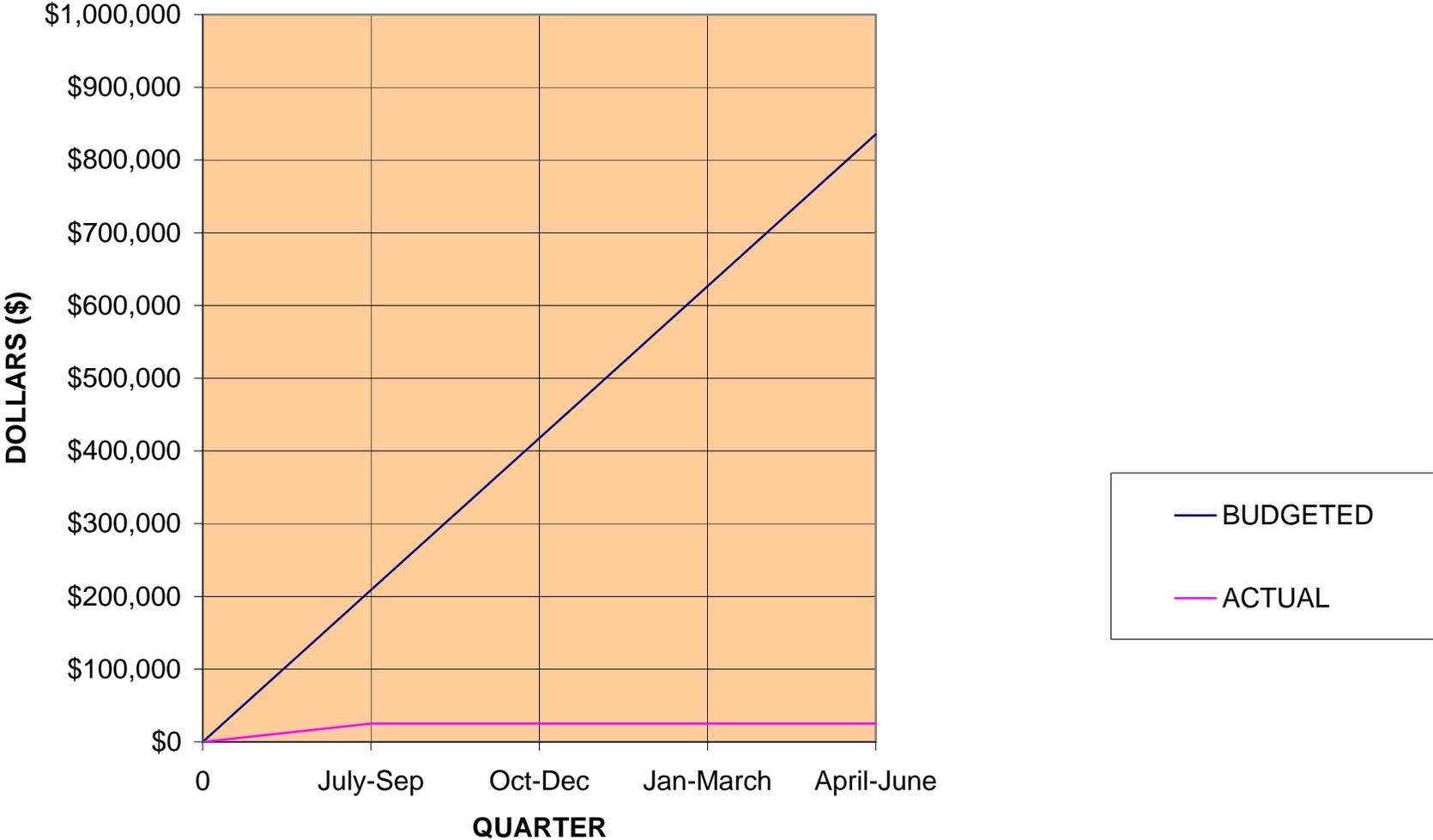
Total Routine Operations and Maintenance



Total Non-Routine Operations and Maintenance



Total Capital Outlay



Nacimiento Project Commission
November 17, 2011
Agenda Item VI.a – 2012 Meeting Calendar
(Commission Action – No Subsequent Board Action Required)

TO: Nacimiento Project Commission
FROM: Dean Benedix, P.E., Utilities Division Manager
DATE: November 17, 2011

Recommendation

Accept the proposed 2012 Calendar of Activities and use this as a guide for planning the coming year's Project meetings.

Discussion

Attached is the 2012 Calendar of Activities noting dates for both the Nacimiento Project Commission and the Technical Support Group. We are still planning on monthly TSG meetings plus quarterly Commission meetings. Notice that there is a special meeting of the Commission proposed for April 19, 2012, 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 11/12 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 2012 Calendar of Activities

| | | |
|---|---|---|
| <p>JAN</p> <p>TSG – meet on Thursday, Jan 12, 2012 at 2:00 pm in Atascadero</p> <p>Commission – Dark</p> | <p>FEB</p> <p>TSG – meet on Thursday, Feb 9, 2012 at 2:00 pm in Paso Robles</p> <p>Commission – meet on Thursday, Feb 23, 2012 at 4:00 pm in Templeton</p> <hr/> <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 8, 2012 at 2:00 pm in San Luis Obispo</p> <p>Commission – Dark</p> |
| <p>APR</p> <p>TSG – meet on Thursday, Apr 12, 2012 at 2:00 pm in Atascadero</p> <p>Commission – special meeting on Thursday, April 19, 2012, at 4:00 pm in Templeton (budget approval)</p> | <p>MAY</p> <p>TSG – meet on Thursday, May 10, 2012 at 2:00 pm in Paso Robles</p> <p>Commission – meet on May 24, 2012, at 4:00 pm in Templeton</p> | <p>JUN</p> <p>TSG – meet on Thursday, Jun 14, 2012 at 2:00 pm in San Luis Obispo</p> <p>Commission – Dark</p> |
| <p>JUL</p> <p>TSG – meet on Thursday, Jul 12, 2012 at 2:00 pm in Atascadero</p> <p>Commission – Dark</p> | <p>AUG</p> <p>TSG – meet on Thursday, Aug 9, 2012 at 2:00 pm in Paso Robles</p> <p>Commission – meet on Thursday, Aug 23, 2011 at 4:00 pm in Templeton</p> | <p>SEP</p> <p>TSG – meet on Thursday, Sep 13, 2012 at 2:00 pm in San Luis Obispo</p> <p>Commission – Dark</p> |
| <p>OCT</p> <p>TSG – meet on Thursday, Oct 11, 2012 at 2:00 pm in Atascadero</p> <p>Commission – Dark</p> | <p>NOV</p> <p>TSG – meet on Thursday, Nov 1, 2012 at 2:00 pm in Paso Robles</p> <p>Commission – meet on Thursday, Nov 15, 2012 at 4:00 pm in Templeton</p> | <p>DEC</p> <p>TSG – meet on Thursday, Dec 13, 2012 at 2:00 pm in San Luis Obispo</p> <p>Commission – Dark</p> |

Nacimiento Project Commission
November 17, 2011
Agenda Item VI.b – Surplus Water Declaration for Water Year 2012
(Commission Action – No Subsequent Board Action Required)

See attached memorandum “Surplus Water Declaration for Water Year 2012” dated November 17, 2011 from Doug Bird, Hydraulics Operations Administrator, Public Works Department, Utilities Division.

* * *





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: Doug Bird, Hydraulic Operations Administrator

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

SUBJECT: Surplus Water Declaration for Water Year 2012

DATE: November 17, 2011

Recommendation

Declare 10,275 acre-feet of Surplus Water available for Water Year 2012.

Discussion

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

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

Since the Water Year runs from October 1st to September 30th (e.g., Water Year 2012 is October 1, 2011, through September 30, 2012), it is time for the District to make the notification regarding Surplus Water. Surplus Water is defined as Reserve Water plus Turn-Back Pool Water as follows:

Reserve Water = Nacimiento Reservoir Water – Prior Commitment Water – Total Delivery Entitlement Obligation
 17,500 – 1,750 – 9,655 for Water Year 2012
6,095 AFY

Turn-Back Pool Water = Total Delivery Entitlement Obligation – Participant Delivery Requests
 9,655 – 5,476 for Water Year 2012
4,179 AFY

Surplus Water = Reserve Water + Turn-Back Pool Water
 6,095 + 4,179 for Water Year 2012
10,274 AFY

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

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

| Participant | Delivery Entitlement Share (acre-feet per year) | Delivery Requests | Proportional Offer of Reserve Pool Water for Water Year 2012 (acre-feet) |
|-------------------------------|---|-------------------|--|
| City of el Paso de Robles, T2 | 4,000 | 0 | 2,525.1 |
| Templeton CSD, T4 | 250 | 250 | 157.8 |
| Atascadero MWC, T6 | 2,000 | 2,000 | 1,262.6 |
| City of San Luis Obispo, T11 | 3,380 | 3,380 | 2,133.7 |
| CSA 10A, T11 | 25 | 25 | 15.8 |
| TOTAL = | 9,655 | 5,655 | 6,095 |

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

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

In its role to administer the Reserve Pool and Turn-Back Pool program, the Utilities Division has prepared a Surplus Water Pricing staff report for inclusion in the Commission's November 17, 2011, agenda package.

In addition, staff has attached a copy of the spreadsheet report "Water Delivery Entitlement Contract Reporting" hereto. The report details the delivery requests for each of the Participants for Water Years 2012, 2013, and 2014.

Financial Considerations

Declaration of the amount of Surplus Water for Water Year 2012 carries with it no direct financial impact. Turn-Back Pool Water, and related terms for future Reserve Water Customer agreements have been set to policy. It was agreed that in the beginning years of operations the District will use budget estimates, however, when a full year of operations has elapsed the calculation would be based on prior years actuals to set water pricing as stated in the Delivery Entitlement contracts. Revenues from sale of such water would be credited back to Participants per the terms of the delivery entitlement contracts.

Results

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

File: CF 622.10.01 General Correspondence

S:\Naci WP\Surplus Water Declaration for 2012.doc

Water Delivery Entitlement Contract Reporting

Article 7 - Water Delivery Amounts and Schedule - PRELIMINARY, DATED 10/12/11

Water Years: **2012, 2013, and 2014**

Note: Water Year is October 1 through September 30, thus, WY 2012 is Oct 1, 2011 through Sep 30, 2012.
Note: Items in blue are manual inputs



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

| Project Summary | | | |
|--|----------------|----------------|----------------|
| Water Year: | 2012 | 2013 | 2014 |
| Nacimiento Reservoir Water (AF): | 17,500.0 | 17,500.0 | 17,500.0 |
| Prior Commitment Water (AF): | 1,750.0 | 1,750.0 | 1,750.0 |
| Total Delivery Entitlement Obligation (AF): | 9,655.0 | 9,655.0 | 9,655.0 |
| Participant Delivery Requests (AF): | 5,475.5 | 5,655.0 | 8,119.5 |
| Reserve Water (AF): | 6,095.0 | 6,095.0 | 6,095.0 |
| Turn-Back Pool Water (AF): | 4,179.5 | 4,000.0 | 1,535.5 |
| Surplus Water (AF): | 10,274.5 | 10,095.0 | 7,630.5 |
| Reserve Water Customer Obligations (AF): | 0.0 | 0.0 | 0.0 |
| Reserve Pool Water (AF): | 4,179.5 | 4,000.0 | 1,535.5 |
| Reserve Water requested (AF): | 0.0 | 0.0 | 0.0 |

THIS REPORT IS BEST VIEWED IF PRINTED ON 11X17 PAPER

WATER YEAR: 2012 Delivery Entitlement = 4,000.0 AF Turn-Back Pool Water (AF) = 4,000.0 AF
 Delivery Entitlement = 250.0 AF Turn-Back Pool Water (AF) = 179.5 AF
 Delivery Entitlement = 2,000.0 AF Turn-Back Pool Water (AF) = 0.0 AF
 Delivery Entitlement = 3,380.0 AF Turn-Back Pool Water (AF) = 0.0 AF
 Delivery Entitlement = 25.0 AF Turn-Back Pool Water (AF) = 0.0 AF

| Participant | Unit T2 - Paso Robles | | | | | | Unit T4 - Templeton CSD | | | | | | Unit T6 - Atascadero MWC | | | | | | Unit T11 - San Luis Obispo | | | | | | Unit T11a - CSA10A | | | | | |
|---------------|-----------------------------|---------|--------|------------------------|-------|-------|-----------------------------|---------|--------|------------------------|-------|-------|-----------------------------|---------|---------|------------------------|-------|-------|-----------------------------|---------|---------|------------------------|-------|-------|-----------------------------|---------|--------|------------------------|-------|-------|
| | Delivery Amount (acre-feet) | | | Max capable = 9.03 cfs | Begin | End | Delivery Amount (acre-feet) | | | Max capable = 1.03 cfs | Begin | End | Delivery Amount (acre-feet) | | | Max capable = 8.29 cfs | Begin | End | Delivery Amount (acre-feet) | | | Max capable = 5.10 cfs | Begin | End | Delivery Amount (acre-feet) | | | Max capable = 0.04 cfs | Begin | End |
| | Normal | Reserve | Total | | | | Normal | Reserve | Total | | | | Normal | Reserve | Total | | | | Normal | Reserve | Total | | | | Normal | Reserve | Total | | | |
| Month | Delivery | Request | Amount | Flow Rate (cfs) | HH:MM | HH:MM | Delivery | Request | Amount | Flow Rate (cfs) | HH:MM | HH:MM | Delivery | Request | Amount | Flow Rate (cfs) | HH:MM | HH:MM | Delivery | Request | Amount | Flow Rate (cfs) | HH:MM | HH:MM | Delivery | Request | Amount | Flow Rate (cfs) | HH:MM | HH:MM |
| OCT | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 310.0 | 0.0 | 310.0 | 8.40 | 5:00 | 22:00 | 2.3 | 0.0 | 2.3 | 0.04 | 0:00 | 0:00 |
| NOV | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 306.2 | 0.0 | 306.2 | 8.40 | 6:00 | 21:00 | 2.3 | 0.0 | 2.3 | 0.04 | 0:00 | 0:00 |
| DEC | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 144.3 | 0.0 | 144.3 | 8.40 | 6:00 | 21:00 | 1.0 | 0.0 | 1.0 | 0.02 | 0:00 | 0:00 |
| JAN | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 164.6 | 0.0 | 164.6 | 8.40 | 6:00 | 21:00 | 1.0 | 0.0 | 1.0 | 0.02 | 0:00 | 0:00 |
| FEB | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 296.1 | 0.0 | 296.1 | 8.40 | 6:00 | 21:00 | 2.3 | 0.0 | 2.3 | 0.04 | 0:00 | 0:00 |
| MAR | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 310.0 | 0.0 | 310.0 | 8.40 | 6:00 | 21:00 | 2.3 | 0.0 | 2.3 | 0.04 | 0:00 | 0:00 |
| APR | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 306.2 | 0.0 | 306.2 | 8.40 | 5:00 | 22:00 | 2.3 | 0.0 | 2.3 | 0.04 | 0:00 | 0:00 |
| MAY | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 250.0 | 0.0 | 250.0 | 8.29 | 0:00 | 0:00 | 310.0 | 0.0 | 310.0 | 8.40 | 5:00 | 22:00 | 2.3 | 0.0 | 2.3 | 0.04 | 0:00 | 0:00 |
| JUN | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 500.0 | 0.0 | 500.0 | 8.29 | 0:00 | 0:00 | 306.2 | 0.0 | 306.2 | 8.40 | 5:00 | 22:00 | 2.3 | 0.0 | 2.3 | 0.04 | 0:00 | 0:00 |
| JUL | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 23.8 | 0.0 | 23.8 | 1.03 | 0:00 | 0:00 | 500.0 | 0.0 | 500.0 | 8.29 | 0:00 | 0:00 | 310.0 | 0.0 | 310.0 | 8.40 | 5:00 | 22:00 | 2.3 | 0.0 | 2.3 | 0.04 | 0:00 | 0:00 |
| AUG | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 23.8 | 0.0 | 23.8 | 1.03 | 0:00 | 0:00 | 500.0 | 0.0 | 500.0 | 8.29 | 0:00 | 0:00 | 310.0 | 0.0 | 310.0 | 8.40 | 5:00 | 22:00 | 2.3 | 0.0 | 2.3 | 0.04 | 0:00 | 0:00 |
| SEP | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 23.0 | 0.0 | 23.0 | 1.03 | 0:00 | 0:00 | 250.0 | 0.0 | 250.0 | 8.29 | 0:00 | 0:00 | 306.2 | 0.0 | 306.2 | 8.40 | 5:00 | 22:00 | 2.3 | 0.0 | 2.3 | 0.04 | 0:00 | 0:00 |
| TOTALS | 0.0 | 0.0 | 0.0 | | | | 70.5 | 0.0 | 70.5 | | | | 2,000.0 | 0.0 | 2,000.0 | | | | 3,380.0 | 0.0 | 3,380.0 | | | | 25.0 | 0.0 | 25.0 | | | |

WATER YEAR: 2013 Delivery Entitlement = 4,000.0 AF Turn-Back Pool Water (AF) = 4,000.0 AF
 Delivery Entitlement = 250.0 AF Turn-Back Pool Water (AF) = 0.0 AF
 Delivery Entitlement = 2,000.0 AF Turn-Back Pool Water (AF) = 0.0 AF
 Delivery Entitlement = 3,380.0 AF Turn-Back Pool Water (AF) = 0.0 AF
 Delivery Entitlement = 25.0 AF Turn-Back Pool Water (AF) = 0.0 AF

| Participant | Unit T2 - Paso Robles | | | | | | Unit T4 - Templeton CSD | | | | | | Unit T6 - Atascadero MWC | | | | | | Unit T11 - San Luis Obispo (BEST GUESS) | | | | | | Unit T11a - CSA10A (BEST GUESS) | | | | | |
|---------------|-----------------------------|---------|--------|------------------------|-------|-------|-----------------------------|---------|--------|------------------------|-------|-------|-----------------------------|---------|---------|------------------------|-------|-------|---|---------|---------|------------------------|-------|-------|---------------------------------|---------|--------|------------------------|-------|-------|
| | Delivery Amount (acre-feet) | | | Max capable = 9.03 cfs | Begin | End | Delivery Amount (acre-feet) | | | Max capable = 1.03 cfs | Begin | End | Delivery Amount (acre-feet) | | | Max capable = 8.29 cfs | Begin | End | Delivery Amount (acre-feet) | | | Max capable = 5.10 cfs | Begin | End | Delivery Amount (acre-feet) | | | Max capable = 0.04 cfs | Begin | End |
| | Normal | Reserve | Total | | | | Normal | Reserve | Total | | | | Normal | Reserve | Total | | | | Normal | Reserve | Total | | | | Normal | Reserve | Total | | | |
| Month | Delivery | Request | Amount | Flow Rate (cfs) | HH:MM | HH:MM | Delivery | Request | Amount | Flow Rate (cfs) | HH:MM | HH:MM | Delivery | Request | Amount | Flow Rate (cfs) | HH:MM | HH:MM | Delivery | Request | Amount | Flow Rate (cfs) | HH:MM | HH:MM | Delivery | Request | Amount | Flow Rate (cfs) | HH:MM | HH:MM |
| OCT | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 23.8 | 0.0 | 23.8 | 1.03 | 0:00 | 0:00 | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 310.0 | 0.0 | 310.0 | 8.40 | 5:00 | 22:00 | 2.3 | 0.0 | 2.3 | 0.04 | 0:00 | 0:00 |
| NOV | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 23.0 | 0.0 | 23.0 | 1.03 | 0:00 | 0:00 | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 307.8 | 0.0 | 307.8 | 8.40 | 6:00 | 21:00 | 2.3 | 0.0 | 2.3 | 0.04 | 0:00 | 0:00 |
| DEC | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 9.0 | 0.0 | 9.0 | 1.03 | 0:00 | 0:00 | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 145.4 | 0.0 | 145.4 | 8.40 | 6:00 | 21:00 | 1.0 | 0.0 | 1.0 | 0.02 | 0:00 | 0:00 |
| JAN | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 8.3 | 0.0 | 8.3 | 1.03 | 0:00 | 0:00 | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 165.7 | 0.0 | 165.7 | 8.40 | 6:00 | 21:00 | 1.0 | 0.0 | 1.0 | 0.02 | 0:00 | 0:00 |
| FEB | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 22.0 | 0.0 | 22.0 | 1.03 | 0:00 | 0:00 | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 287.5 | 0.0 | 287.5 | 8.40 | 6:00 | 21:00 | 2.3 | 0.0 | 2.3 | 0.04 | 0:00 | 0:00 |
| MAR | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 23.8 | 0.0 | 23.8 | 1.03 | 0:00 | 0:00 | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 310.0 | 0.0 | 310.0 | 8.40 | 6:00 | 21:00 | 2.3 | 0.0 | 2.3 | 0.04 | 0:00 | 0:00 |
| APR | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 23.0 | 0.0 | 23.0 | 1.03 | 0:00 | 0:00 | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 307.8 | 0.0 | 307.8 | 8.40 | 5:00 | 22:00 | 2.3 | 0.0 | 2.3 | 0.04 | 0:00 | 0:00 |
| MAY | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 23.8 | 0.0 | 23.8 | 1.03 | 0:00 | 0:00 | 250.0 | 0.0 | 250.0 | 8.29 | 0:00 | 0:00 | 310.0 | 0.0 | 310.0 | 8.40 | 5:00 | 22:00 | 2.3 | 0.0 | 2.3 | 0.04 | 0:00 | 0:00 |
| JUN | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 23.0 | 0.0 | 23.0 | 1.03 | 0:00 | 0:00 | 500.0 | 0.0 | 500.0 | 8.29 | 0:00 | 0:00 | 307.8 | 0.0 | 307.8 | 8.40 | 5:00 | 22:00 | 2.3 | 0.0 | 2.3 | 0.04 | 0:00 | 0:00 |
| JUL | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 23.8 | 0.0 | 23.8 | 1.03 | 0:00 | 0:00 | 500.0 | 0.0 | 500.0 | 8.29 | 0:00 | 0:00 | 310.0 | 0.0 | 310.0 | 8.40 | 5:00 | 22:00 | 2.3 | 0.0 | 2.3 | 0.04 | 0:00 | 0:00 |
| AUG | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 23.8 | 0.0 | 23.8 | 1.03 | 0:00 | 0:00 | 500.0 | 0.0 | 500.0 | 8.29 | 0:00 | 0:00 | 310.0 | 0.0 | 310.0 | 8.40 | 5:00 | 22:00 | 2.3 | 0.0 | 2.3 | 0.04 | 0:00 | 0:00 |
| SEP | 0.0 | 0.0 | 0.0 | 0.00 | 0:00 | 0:00 | 23.0 | 0.0 | 23.0 | 1.03 | 0:00 | 0:00 | 250.0 | 0.0 | 250.0 | 8.29 | 0:00 | 0:00 | 307.8 | 0.0 | 307.8 | 8.40 | 5:00 | 22:00 | 2.3 | 0.0 | 2.3 | 0.04 | 0:00 | 0:00 |
| TOTALS | 0.0 | 0.0 | 0.0 | | | | 250.0 | 0.0 | 250.0 | | | | 2,000.0 | 0.0 | 2,000.0 | | | | 3,380.0 | 0.0 | 3,380.0 | | | | 25.0 | 0.0 | 25.0 | | | |

WATER YEAR: 2014 Delivery Entitlement = 4,000.0 AF Turn-Back Pool Water (AF) = 1,535.5 AF
 Delivery Entitlement = 250.0 AF Turn-Back Pool Water (AF) = 0.0 AF
 Delivery Entitlement = 2,000.0 AF Turn-Back Pool Water (AF) = 0.0 AF
 Delivery Entitlement = 3,380.0 AF Turn-Back Pool Water (AF) = 0.0 AF
 Delivery Entitlement = 25.0 AF Turn-Back Pool Water (AF) = 0.0 AF

| Participant | Unit T2 - Paso Robles | | | | | | Unit T4 - Templeton CSD | | | | | | Unit T6 - Atascadero MWC | | | | | | Unit T11 - San Luis Obispo (BEST GUESS) | | | | | | Unit T11a - CSA10A (BEST GUESS) | | | | | |
|-------------|-----------------------------|---------|--------|------------------------|-------|-------|-----------------------------|---------|--------|------------------------|-------|-------|-----------------------------|---------|--------|------------------------|-------|-------|---|---------|--------|------------------------|-------|-------|---------------------------------|---------|--------|------------------------|-------|-------|
| | Delivery Amount (acre-feet) | | | Max capable = 9.03 cfs | Begin | End | Delivery Amount (acre-feet) | | | Max capable = 1.03 cfs | Begin | End | Delivery Amount (acre-feet) | | | Max capable = 8.29 cfs | Begin | End | Delivery Amount (acre-feet) | | | Max capable = 5.10 cfs | Begin | End | Delivery Amount (acre-feet) | | | Max capable = 0.04 cfs | Begin | End |
| | Normal | Reserve | Total | | | | Normal | Reserve | Total | | | | Normal | Reserve | Total | | | | Normal | Reserve | Total | | | | Normal | Reserve | Total | | | |
| Month | Delivery | Request | Amount | Flow Rate (cfs) | HH:MM | HH:MM | Delivery | Request | Amount | Flow Rate (cfs) | HH:MM | HH:MM | Delivery | Request | Amount | Flow Rate (cfs) | HH:MM | HH:MM | Delivery | Request | Amount | Flow Rate (cfs) | HH:MM | HH:MM | Delivery | Request | Amount | Flow Rate (cfs) | HH:MM | HH:MM |
| OCT | 209.3 | 0.0 | 209.3 | 3.40 | 0:00 | 0:00 | 23.8</ | | | | | | | | | | | | | | | | | | | | | | | |

Nacimiento Project Commission
November 17, 2011
Agenda Item VI.c – Surplus Water Pricing
(Commission Action – No Subsequent Board Action Required)

*See attached memorandum “Surplus Water Pricing” dated November 17, 2011, from Doug Bird,
Hydraulics Operations Administrator, Public Works Department, Utilities Division.*

* * *





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: Doug Bird, Hydraulic Operations Administrator

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

DATE: November 17, 2011

SUBJECT: Surplus Water Pricing

Recommendation

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

Summary

The table shown below (excerpted from Exhibit C) summarizes water year (October 1 to September 30) surplus water costs based on the agreed upon terms and the *Water Delivery Entitlement Contracts*.

| Participant | AFY | Fixed O&M per AF, with Turnout Costs | Fixed O&M per AF, less Turnout Costs | Variable Energy Per AF (Estimated Budget) | Reserve Water Costs for Participants Total (1) with Turnout Costs | Reserve Water Costs for Participants Total (1) less Turnout Costs | FY 2011-2012 Annualized Debt Service Per AF, with Turnout Costs | FY 2011-2012 Annualized Debt Service Per AF, less Turnout Costs | Reserve Water Costs/Reserve Water Customers Total (2) with Turnout Costs | Reserve Water Costs/Reserve Water Customers Total (2) less Turnout Cost |
|---------------------------|-------|--------------------------------------|--------------------------------------|---|---|---|---|---|--|---|
| City of El Paso De Robles | 4,000 | \$209 | \$207 | \$0 | \$209 | \$207 | \$1,105 | \$1,073 | \$1,314 | \$1,280 |
| Templeton CSD | 250 | \$288 | \$234 | \$90 | \$379 | \$325 | \$1,746 | \$1,715 | \$2,124 | \$2,040 |
| Atascadero MWC | 2,000 | \$244 | \$237 | \$126 | \$370 | \$364 | \$1,322 | \$1,299 | \$1,692 | \$1,663 |
| City of SLO | 3,380 | \$318 | \$314 | \$94 | \$412 | \$408 | \$1,576 | \$1,551 | \$1,988 | \$1,959 |
| County Service Area 10 | 25 | \$318 | \$314 | \$94 | \$412 | \$408 | \$1,576 | \$1,551 | \$1,988 | \$1,959 |
| Turn-back Pool Water (3) | | \$275 | \$261 | Actual | \$275 | \$261 | \$1,746 | \$1,715 | \$2,124 | \$2,040 |

Discussion

The *Water Delivery Entitlement Contract* (WDEC) (all italicized text are specifically defined terms in the WDEC) language establishes the process for the District's annual determination of the amount of *surplus water* available for sale and the process to determine the cost per acre foot (AF) for said *surplus water*. As with many legal contracts/agreements the exact intent of the language may not be inherently clear and District staff has undertaken to provide additional clarification in the matter of *surplus water* determinations, declarations and pricing.

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

For purposes of clarification a water balance graphic (Exhibit A) was developed to illustrate the division of the District's 17,500 AF of water into various portions or 'pools' of water. In addition, for further clarification, a description of each 'pool' is provided in Exhibit B.

Surplus Water Determination

Annually, on or before October 1st (*Water Year* is from October 1st to September 30th) District staff will calculate the quantity and cost of *surplus water* available for deliveries to the Participants or others. The total amount of water available (Participant Allocation) to the Project is 15,750 AF but as of this report the Participants have contracted for only 9,655 AF (*Total Delivery Entitlement Obligation*) of that amount. The remaining 6,095 AF is therefore considered to be *Reserve water* (one of two components of *Surplus water*).

During the current *Water Year* the Participants requested only a portion (5,476 AF) in deliveries (Delivery Request) out of the total 9,655 AF available, and therefore the remaining balance of 4,180 AF is considered to be *Turnback Pool water* (the second component of *Surplus water*).

Using this current year example detailed above, the total amount of *Surplus water* is 10,275 AF (i.e. *Surplus water* = *Reserve water* plus *Turnback Pool Water*, or 10,275 AF = 6,095 AF + 4,180AF). The total amount of *Surplus water* is now available for sale to the Participants or others that may be interested in purchasing the water, with one caveat. The *Reserve water* must be sold off in its entirety prior to the sale of any *Turnback Pool Water*.

Reserve Water Pricing

The cost of *Reserve water* to each Participant consists of two components:

- 1) *Operations and Maintenance Costs* per AF of *Reserve water* for the prior year
- 2) *Variable Energy Costs* associated with the delivery of the *Reserve water* (Note that for the current fiscal cycle, this is a budget based estimate since no prior year actuals are available).

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

- 3) *Debt Service Costs* per AF for *Reserve water* delivered for the current year.

The attached Exhibit "C" (*Surplus Water*) provides a more detailed breakdown of the specifics for developing these cost figures as well as references to the particular WDEC Articles that govern this process. Note that the cost figures in Exhibit "C" reflect the budgeted 2010-2011 costs for both *Reserve* and *Turnback Pool* water.

Turnback Pool Water Pricing

The cost of *Turnback Pool* Water to each Participant consists of two components:

- 1) *Operations and Maintenance Costs* per AF based on prior year average O&M costs for the delivery of all Delivery Entitlements
- 2) *Variable Energy Costs* associated with the delivery of *Turnback Pool* Water (Note that for the current fiscal cycle, this is a budget based estimate since no prior year actuals are available).

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

- 3) *Debit Service Costs* per AF for *Turnback Pool* water delivered for the current year

Exhibit "C" provides a table that indicates the cost per acre-foot of *Turnback Pool* water and as indicated in the table's footnote, the debt service cost per AF was calculated to be the highest cost that any of the Participant agencies would have to pay (per the terms of the WDEC). It should also be noted that these rates could be increased if your Commission so desired.

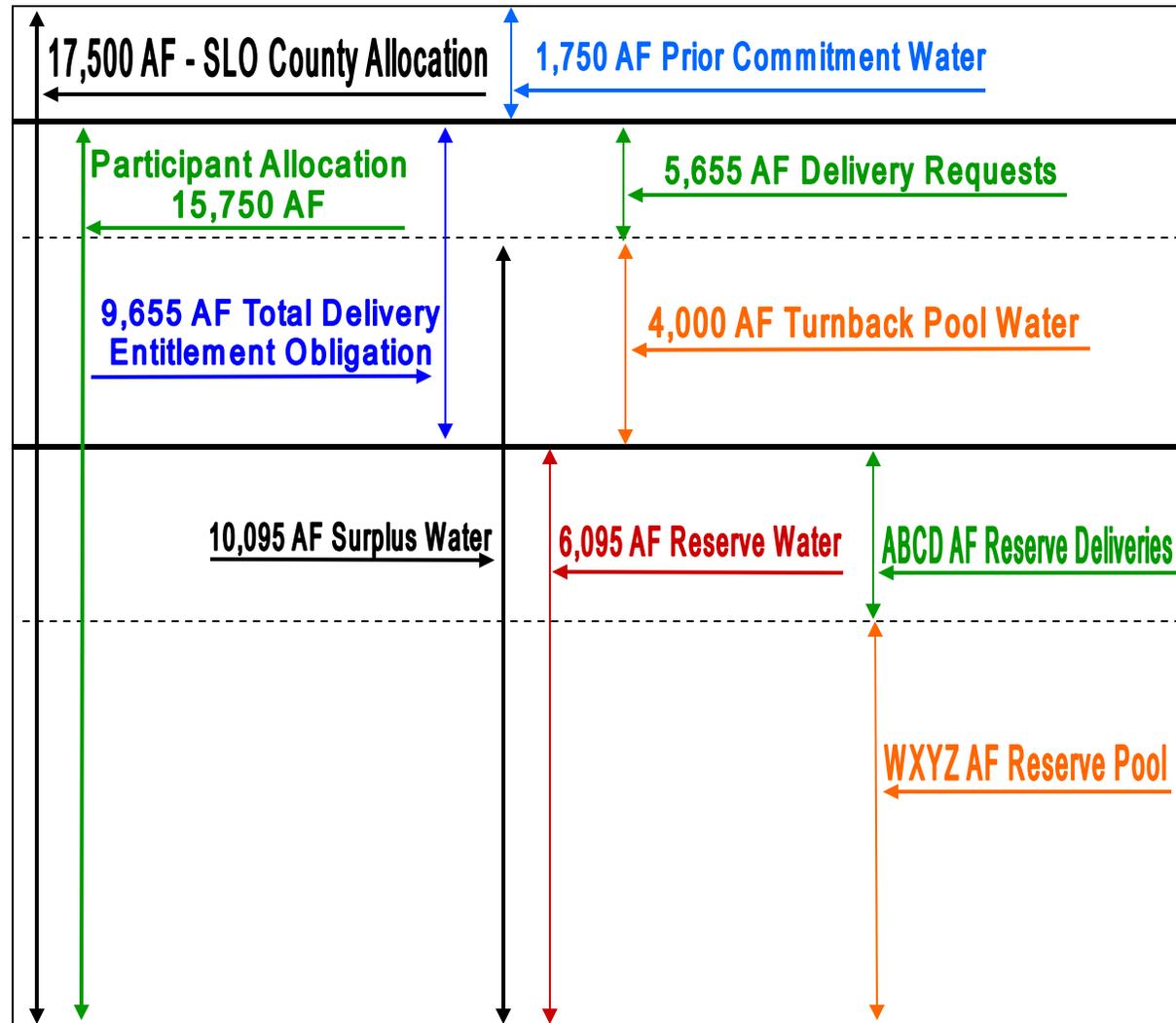
Attachments: Exhibit A – Water Supply Graphic
Exhibit B – Nacimiento Water Project Water Terminology
Exhibit C – Surplus Water

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Exhibit A

Nacimiento Water Project 2011



Reserve Water = Nacimiento Total minus Prior Commitment minus Total Delivery Entitlement Obligation Water

Turn Back Pool = Total Delivery Entitlement Obligation Water minus Participant Delivery Requests

Surplus Water = Reserve Water + Turn Back Pool Water

Reserve Pool Water = Reserve Water minus Reserve Water Deliveries

Exhibit B
Nacimiento Water Project
Project Water Terminology

- District Allocation – 17,500 acre feet, the entire allocation of Nacimiento water contracted to the District
- *Prior Commitment Water* – 1,750 acre feet, the amount of water designated for various lakeside users and not available for deliveries to the Participant agencies
- Participant Allocation – 15,750 acre feet, the amount of District Allocation remaining and available for deliveries after subtracting the Prior Commitment Water
- *Total Delivery Entitlement Obligation* – Currently 9,655 acre feet, the amount of water contracted for by the Participant agencies and that the District is obligated to deliver to the Participants upon request
- Delivery Requests – Currently 3,189.2 acre feet, the amount of water deliveries requested by the Participants for the following Water Year
- *Turnback Pool Water* – Currently 6,465.8 acre feet, the amount of the *Total Delivery Entitlement Obligation* remaining after subtracting the Delivery Request amount from the *Total Delivery Entitlement Obligation* (*Turnback Pool Water* is one of two components of the *Surplus Water* pool)
- *Reserve Water* – Currently 6,095 acre feet, the amount of Participant Allocation remaining after subtracting the Total Delivery Entitlement Obligation from the Participant Allocation (*Reserve Water* is one of two components of the *Surplus Water*)
- *Surplus Water* - Currently 12,560. 8 acre feet, the combined amount of *Turnback Pool Water* and *Reserve Water*
- Reserve Deliveries – Currently 0.0 acre feet, the amount of Reserve Water sold to the Participants or other parties
- *Reserve Pool Water* – Currently 6,095 acre feet, the amount of *Reserve Water* remaining after subtracting Reserve Deliveries

Surplus Water

Reserve Pool Water: The portion of Reserve Water remaining, if any, after the District applies and delivers the Reserve Water in accordance with the priorities set forth in Article 29(A) of the Delivery Entitlement Contract.

Article 12(B)

(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 amount of Reserve Pool Water not purchased by an Other Participant shall be reoffered to the Participant, if it purchased 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.

Article 29(D)

(c) The price charged by the District to any Reserve Water Customer for the delivery of said Reserve Water may not be less than the greater of: (i) rates that the District would charge for Surplus Water under Article 12 of this Contract delivered to that Participant geographically nearest the place where the Reserve Water Customer takes delivery of Reserve Water; (ii) the charges resulting from the application of the provisions of Article 30(A) hereof.

Article 30

(A) District's Use of Capacity in the Nacimiento Facilities for the Delivery of Reserve Water through the Nacimiento Facilities to a Reserve Water Customer. If at any time during the term of this Contract, the District conveys Reserve Water through any Unit to a Reserve Water Customer, the Reserve Water Customer shall be required to pay the District for such conveyance and delivery services 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 Reserve Water 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 Cost and Capital Projects Installment Debt Service apportionable to such Unit or Units with Nacimiento Projects Costs, and shall further compare the amount of water conveyed for Reserve Water 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.

| Participant | AFY | Fixed O&M per AF, with Turnout Costs | Fixed O&M per AF, less Turnout Costs | Variable Energy Per AF (Estimated Budget) | Reserve Water Costs for Participants Total (1) with Turnout Costs | Reserve Water Costs for Participants Total (1) less Turnout Costs | FY 2011-2012 Annualized Debt Service Per AF, with Turnout Costs | FY 2011-2012 Annualized Debt Service Per AF, less Turnout Costs | Reserve Water Costs/Reserve Water Customers Total (2) with Turnout Costs | Reserve Water Costs/Reserve Water Customers Total (2) less Turnout Cost |
|---------------------------------|-------|--------------------------------------|--------------------------------------|---|---|---|---|---|--|---|
| City of El Paso De Robles | 4,000 | \$209 | \$207 | \$0 | \$209 | \$207 | \$1,105 | \$1,073 | \$1,314 | \$1,280 |
| Templeton CSD | 250 | \$288 | \$234 | \$90 | \$379 | \$325 | \$1,746 | \$1,715 | \$2,124 | \$2,040 |
| Atascadero MWC | 2,000 | \$244 | \$237 | \$126 | \$370 | \$364 | \$1,322 | \$1,299 | \$1,692 | \$1,663 |
| City of SLO | 3,380 | \$318 | \$314 | \$94 | \$412 | \$408 | \$1,576 | \$1,551 | \$1,988 | \$1,959 |
| County Service Area 10 | 25 | \$318 | \$314 | \$94 | \$412 | \$408 | \$1,576 | \$1,551 | \$1,988 | \$1,959 |
| Turn-back Pool Water (3) | | \$275 | \$261 | Actual | \$275 | \$261 | \$1,746 | \$1,715 | \$2,124 | \$2,040 |

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

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

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

(4) Note that for the current fiscal year cycle, this is a budget based estimate since a full year of prior years actuals are not available.

Note: Prior Year O&M = (O&M - Variable Energy + Operating Reserves) / AFY of Participant

Turn-back Pool Water: The part of the Delivery Entitlement which the Participant does not request be delivered for the water year in question in accordance with Article 7, together with those portion of the Other Delivery Entitlements which are not requested to be so delivered under the correlative provisions of the effected Like-Contracts.

Article 12(B)

(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.

(D) the District may offer to sale and deliver any Surplus Water not purchased by the Participant or Other Participant 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.

| | |
|---|--------------|
| Average O&M | 275 |
| Variable Energy (actual) | |
| Participant Turn Back Pool Total | 275 |
| Debt Services per AF | 1,746 * |
| Others Turn Back Pool Total | 2,021 |

* This is calculated as the highest cost per AF, but could be increased if the Commission so desired.

Nacimiento Project Commission
November 17, 2011
Agenda Item VI.d – Amendment to Commission By-Laws
(Commission Action – No Subsequent Board Action Required)

TO: Nacimiento Project Commission
FROM: Dean Benedix, P.E., Utilities Division Manager
VIA: Paavo Ogren, Director, Department of Public Works
DATE: November 17, 2011

Recommendation

Amend the Nacimiento Project Commission By-Laws to reflect the upcoming completion of work by the Nacimiento Project Manager and transition of the Project into ongoing operations by the Public Works Department.

Discussion

The initial Rules of Procedures and By-Laws were adopted by the Nacimiento Project Commission in October 2004, and later amended on August 28, 2008, and November 20, 2008, respectively. District staff has reviewed and proposed amended language to the Commission By-Laws and Rules of Procedures. The changes reflect the upcoming completion of work by the Nacimiento Project Manager and transition of the Project into ongoing operations by the Public Works Department. During the term of employment of the Nacimiento Project Manager, he will continue to be a designee of the Public Works Director, in collaboration with the Utilities Division Manager, fulfilling roles identified in the Commission By-Laws and Rules of Procedure.

Other Agency Involvement

Commissioners representing each Participant are asked to vote on this matter with the provision that it requires a four-fifths vote to amend the By-Laws.

Financial Considerations

None.

Results

Amending the By-Laws to align with Project (and District staff) transition from the Design and Construction Phase into the Operation and Maintenance Phase will create a well-coordinated set of governing documents.

* * *



Commission By-Laws
Adopted October 2004
Amendment November 17, 2011

Deleted: November 20, 2008

San Luis Obispo County Flood Control and Water Conservation District
Nacimientto Project Commission

Commission Bylaws

1. Mission statement. It shall be the mission of the Nacimientto Project Commission to guide the development of the San Luis Obispo County Flood Control and Water Conservation District's (the "District's") and All Participants' construction and operation of the facilities needed for conveyance of water from Lake Nacimientto to water purveyors within the District. "All Participants" are entities which have executed a Nacimientto Project Water Delivery Entitlement Contract ("Entitlement Contract").
2. Rights and obligations of the Nacimientto Project Commission. The rights and obligations of the Nacimientto Project Commission are derived from the Entitlement Contracts between the District and All Participants. The specific rights and obligations of the Commission are derived from the Entitlement Contract as amended, particularly Article 33 which reads in full, as of August 28, 2007:

Article 33 Establishment of Nacimientto Project Commission.

"The Initial Participants and the District hereby establish the Nacimientto Project Commission.

(A) Commission Membership. The Commission shall have a maximum number of seven Commission seats. Each seat shall be held by a Commissioner as described herein:

(1) Commission membership shall be determined as follows: four seats shall be held by the four Initial Participants as of the Effective Date; one seat shall be held by the District representative; and a maximum of two seats shall be held by New Participants who have each executed a Like-Contract for a minimum Delivery Entitlement equal to or greater than five-hundred (500) acre-feet per year.

(2) A New Participant shall have a Commissioner on the Commission only if there is a vacant seat on the Commission and the conditions described herein are satisfied.

(3) Once the seventh seat on the Commission has been filled, the Commission membership is full and no New Participant shall appoint a Commissioner to, or have a voting right on, the Commission. Voting rights will be fixed once the seventh seat on the Commission has been filled, until such time as membership changes pursuant to Paragraph 33(E) below or the Delivery Entitlement changes for any of the Participants who are seated on the Commission.

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(4) The governing body or board of each Participant eligible for a seat on the Commission shall provide the District with written notice of the identity of the primary person (and one alternate if so desired) who will represent that Participant as a Commissioner on the Commission, and the effective date of the appointment. All Commissioners and their alternates shall annually file a Statement of Economic Interests (*Amendment Note: commonly referred to as a Conflict of Interest Statement*) with the Office of the County Clerk-Recorder. All Participants are encouraged to appoint a representative to the Technical Support Group regardless of whether they have a seat on the Commission.

(B) Commission Meetings. The District covenants and agrees to call a first organizational meeting of the Commission within thirty (30) days of the Effective Date, in accordance with law and, particularly, the provisions of the Ralph M. Brown Act. The Commission shall meet at such intervals and at such places as it shall determine.

(C) Purpose. The purpose of the Commission shall be to review and approve all substantive matters pertaining to the construction and operations of the Nacimiento Facilities, including the annual budget per Article 4(C); provided, however, that the Commission shall have no authority to contract, employ persons, or make expenditures. The Board of Supervisors may approve, alter, or return any said approval of the Commission. Furthermore, in every case that the Board of Supervisors alters or returns to the Commission any item or proposition approved by the Commission, the Board of Supervisors shall set forth in writings its findings that caused the Board of Supervisors to alter or return said item or proposition and shall do so only after holding a public hearing, at which time the Commissioners shall have the right to appear and address the Board of Supervisors.

(D) Voting. The total number of votes that may be cast on any issue or proposition considered by the Commission shall be the sum of the voting shares of the Commissioners. Each Commission has a voting share as described herein, and the sum of all Commissioners' voting shares shall equal one hundred (100). A simple majority of the voting shares is needed to pass an issue or proposition, unless specified otherwise in the Rules of Procedure or Commission By-Laws.

(1) The District's Voting Share. The voting share of the District's Commissioner shall be equal to the reciprocal of the total number of filled seats on the Commission, multiplied by one hundred (100). (*Amendment Note: As an example, if there are four (4) seated Participants, then the District's Voting Share is one-fifth (0.20) multiplied by one hundred (100) for a result of twenty (20).*)

(2) The Participant's Voting Share. The aggregate remaining number of votes for the Participants having seats on the Commission is equal to one hundred (100) less the District's Voting Share. The individual voting share of the Participant's

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Commissioner shall be the pro rata of the remaining votes in proportion to the Participant's Delivery Entitlement to the aggregate sums of all Commissioners' Delivery Entitlements. *(Amendment Note: Expanding on the example given in Article 33(D)(1), assume the four (4) Participants are known as Participant A, B, C and D, and that respectively they have 4000-, 3000-, 2000- and 1000-acre-feet of Delivery Entitlement. The Voting Share of Participant A would be (4000 acre-feet divided by 10,000 acre-feet) multiplied by (80 remaining votes) for a total of 32 votes. Similar computations for Participants B, C, and D would result in their Voting Shares equaling 24, 16, and 8, respectively.)*

(E) Vacating a Commission Membership Seat. Any of the Participants eligible to have a Commissioner (hereafter an "Eligible Participant") may choose to vacate its existing seat on the Commission or may choose not to appoint a Commissioner to the Commission if that Eligible Participant submits their request in writing to the Commission and the Commission accepts and approves the Eligible Participant's request. The written request shall be a letter or a resolution of the governing board of the Eligible Participant, confirming the request to vacate its seat on the Commission. Voting rights for all remaining Commissioners would automatically change in accordance with the requirements specified herein once the Commission has approved the vacating request.

Any Commission seat which becomes vacant shall be available to the earliest qualifying New Participant in accordance with the requirements described herein, and in the chronological order of the earliest execution of a Like-Contract.

Any Initial Participant which vacates its seat on the Commission has the right to subsequently regain a vacant seat on the Commission in accordance with the conditions described herein for a New Participant."

3. Indices of office. Each member of the Commission shall be duly appointed by the Participant the member represents. Written confirmation of the appointment shall take the form of a letter signed by a representative of the Participant's governing body or a resolution of the governing board of the Participant, confirming the appointment of the commissioner. Participant may appoint an alternate member to the Commission by the same means and that individual has the right to act in the absence of the primary member.
4. Removal from office. A Participant can remove its commissioner at will. A Participant shall appoint a replacement commissioner in accordance with the terms of section 3 of these By-Laws.
5. Commission Meetings. The Commission's meetings shall be noticed and conducted in accordance with the Ralph M. Brown Act, and in accordance with a set of written Rules of Procedures that the Commission adopts.

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6. Voting rights. Each individual commissioner's vote shall be assigned the weight as directed by Article 33 of the Nacimiento Water Supply contract, which is reproduced in full in section 2 of these By-Laws.
7. Quorum. A quorum of commissioners is necessary for a Commission meeting. A quorum shall exist if both 1) a majority of individual commissioner and 2) commissioners representing a majority of voting rights are present.
8. Duties of the Commission. The Commission shall review and approve all substantive matters pertaining to construction and operation of the Nacimiento Facilities, including the annual budget. "Nacimiento Facilities" means all those facilities comprising the water delivery and treatment facilities bringing water from the Nacimiento Reservoir to the Participants, to be purchased under the terms of the Entitlement Contracts, including without limitation, the Nacimiento Project, any Additional Capital Project, as defined in the Entitlement Contract, and the land underlying the same and any easements or similar rights associated therewith or appurtenant thereto, as they may exist from time to time. "Substantive matters" shall include all matters requiring approval by the San Luis Obispo County Flood Control and Water Conservation District Board of Supervisors. Additional duties may be assigned to the Commission by the District's Board of Supervisors.
9. Limitations on Authority. The Commission shall have no authority to contract, employ persons, or make expenditures. Notwithstanding any authority granted to the Commission, any action of the Commission may be approved, altered or returned by the San Luis Obispo County Board of Supervisors as allowed in the Entitlement Contract.
10. The San Luis Obispo County's Public Works Director, or his or her designees, shall occasionally review these By-Laws and make recommendations for change to the Commission.
11. Amendments to these By-Laws be by four-fifths vote of the Commission.

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Nacimiento Project Commission
November 17, 2011
Agenda Item VI.e – Amendment to Commission Rules of Procedures
(Commission Action – No Subsequent Board Action Required)

TO: Nacimiento Project Commission
FROM: Dean Benedix, P.E., Utilities Division Manager
VIA: Paavo Ogren, Director, Department of Public Works
DATE: November 17, 2011

Recommendation

Amend the Nacimiento Project Commission Rules of Procedures to reflect the upcoming completion of work by the Nacimiento Project Manager and transition of the Project into ongoing operations by the Public Works Department.

Discussion

The initial Rules of Procedures and By-Laws were adopted by the Nacimiento Project Commission in October 2004, and later amended on August 28, 2008, and November 20, 2008, respectively. District staff has reviewed and proposed amended language to the Commission By-Laws and Rules of Procedures. The changes reflect the upcoming completion of work by the Nacimiento Project Manager and transition of the Project into ongoing operations by the Public Works Department. During the term of employment of the Nacimiento Project Manager, he will continue to be a designee of the Public Works Director, in collaboration with the Utilities Division Manager, fulfilling roles identified in the Commission By-Laws and Rules of Procedure.

Other Agency Involvement

Commissioners representing each Participant are asked to vote on this matter with the provision that it requires a four-fifths vote to amend the Rules of Procedures.

Financial Considerations

None.

Results

Amending the Rules of Procedures to align with Project (and District staff) transition from the Design and Construction Phase into the Operation and Maintenance Phase will create a well-coordinated set of governing documents.

* * *



Commission Rules of Procedures
Adopted October 2004
Amended November 17, 2011

Deleted: August 28, 2008

San Luis Obispo County Flood Control and Water Conservation District
Nacimiento Project Commission

Commission Rules of Procedures

In order to provide for more expeditious handling of public business, these rules of procedure are adopted by the San Luis Obispo County Flood Control and Water Conservation District, Nacimiento Project Commission ("Commission) as of October 2004, and amended as of November 17, 2011. Whenever possible, these rules are to be construed generally.

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I. MEETINGS

- A. The Commission shall meet quarterly in regular session on the fourth Thursday of the selected months. All regular meetings will be open sessions in the Chambers for the Templeton Community Services District or other agreed-upon location.
- B. Business shall be conducted from 4:00 pm to 6:00 pm unless revised by a majority of voting members at a previous meeting or by consent of the Commissioners present. Business may be adjourned to 9:00 a.m. of the following day, or to a day and time as designated by the Commission.
- C. The order of business for the Commission shall be as arranged by the San Luis Obispo County's Public Works Director, or his or her designees, and Commission Chair, except for matters set for a specific time by the Commission.
- D. A matter not on the agenda will not be considered except by unanimous consent of the Commission members present unless legally required.

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II. ATTENDANCE

- A. The County Counsel or the San Luis Obispo County's Public Works Director, or his or her designees, shall be available to attend meetings of the Commission.
- B. The San Luis Obispo County's Public Works Director, or his or her designees, shall be present at all meetings of the Commission to fulfill the duties of the Clerk of the Commission, and to be available to discuss issues with the Commission.

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III. PUBLIC COMMENT

- A. All persons desiring to speak on agenda items other than hearings during the meeting, or during the Public Comments portion of the agenda, shall be invited to speak by the Chair. Persons appearing at meetings of the Commission making presentations/remarks shall first be recognized by the Chair and give their names and residences.
- B. There will be a portion of the agenda set aside for members of the public to directly address the Commission on items of interest. A total of 15 minutes will be allocated for the Public Comment period and each individual speaker will be limited to a 3 minute presentation. The Chair (or a Commission majority) may refer any issues that arise during this period to staff for appropriate action. Comments will be limited to issues over which the Commission has jurisdiction and items that were not listed on that day's agenda for public hearing. In addition, comments may not address issues relating to pending

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claims or litigation against the County or District or to matters involved in current labor negotiations.

- C. Public Comment remarks should be directed to the Chair and the Commission as a whole and not to any individual thereof. No person will be permitted to make slanderous, profane or personal remarks regarding any individual.
- D. Any member of the Commission may briefly comment at the conclusion of public comment on any issue brought up during the public comment period.

IV. PROCEDURE

- A. A Commission Order is generally a directive to County Public Works Department employees. It need not be reviewed by the Commission in writing, as it generally applies only to one specific act. Commission Resolutions must be reviewed in written form before binding action is taken.
- B. At the first regular meeting of the calendar year, a Chair and Vice Chair shall be elected from amongst its members by majority vote of the Commissioners present. Chair and Vice Chair shall preside for one year. In their absence or inability to attend, a Chair pro tem shall be selected by the members present.
- C. When a motion is made by a Commissioner, it shall be stated to the Clerk by the moving Commissioner.
- D. No question on a motion shall be debated or put unless the motion has been seconded. When a motion is seconded, it shall be stated by the Chair before debate.
- E. A motion having been stated by the Chair, shall be deemed to be in possession of the Commission, but it may be withdrawn at any time before decision or amendment with the assent of the second.
- F. When a question is under debate, no new motion shall be received unless:
 - 1. To adjourn.
 - 2. To lay on the table.
 - 3. To consider the previous question.
 - 4. To postpone to a certain date.
 - 5. To commit to committee.
 - 6. To amend.
 - 7. To postpone indefinitely.
 - 8. These motions shall have preference in the above order.
- G. A motion to adjourn or a motion to fix time of adjournment shall be decided with debate.
- H. A motion to refer or lay on the table until it is decided shall include all amendments to the main question.
- I. A motion to consider the previous question shall preclude all amendment from debate to the main question and shall be put in the form "shall the main question be put to a vote."
- J. A member called to order shall relinquish the floor unless permitted to explain, and the Commission, if appealed to, shall decide on the case, but without debate. If there is no appeal, the decision of the Chair shall be final.
- K. Upon demand of any Commission member, or at the discretion of the Chair, the vote shall be by roll call, except that the vote on all resolutions shall be by roll call.

V. COMMITTEES

- A. The Chair, with majority consent of the Commission, shall appoint committees at such times as deemed necessary for the proper conduct of the business of the Commission.

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- B. All orders of the Commission relative to committees shall specify the purpose of the committee, the length of time the committee shall serve, and the times and methods by which the committee shall report to the Commission.
- C. No committees appointed by the Chair of the Commission shall include in their membership more than two Commissioners, but may include as staff to the Committee any number of All Participant's staff or officials.
- D. The San Luis Obispo County's Public Works Director, or his or her designees, be staff to committees appointed by the Chair of the Commission pursuant to the foregoing rules and is hereby empowered to call meetings of such committees at such times as may be mutually agreed upon by the members of any such committee.

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VI. AGENDAS

- A. Agendas for the Commission will be prepared by the San Luis Obispo County's Public Works Director, or his or her designees, who, in close consultation with the Commission Chair, shall have discretion as to set the agenda.
- B. Items for a Thursday agenda shall be submitted to the San Luis Obispo County's Public Works Director, or his or her designees, by 9:00 a.m. of the preceding week's Monday (i.e. 10 days in advance of the meeting) by the person requesting the item, unless a legal holiday necessitates the moving of the agenda deadline.
- C. Agenda requests referred to in B- above shall be submitted in such form and contain such information as the San Luis Obispo County's Public Works Director, or his or her designees, shall prescribe.
- D. Any item not on the agenda may be heard at any time by the Commission with the unanimous consent of all Commission members present. However, these are to be held to an absolute minimum, are to be based on urgent circumstances, and except when otherwise provided by law must be cases in which need for the item arose subsequent to the 72 hour agenda posting requirement.
- E. Whenever deemed advisable, in order to provide a guide for Commission action, the San Luis Obispo County's Public Works Director, or his or her designees, shall recommend a course of action for items other than the Consent Agenda. (See F. hereafter.)
- F. The San Luis Obispo County's Public Works Director, or his or her designees, may list such items as deemed advisable together with a recommended course of action for each under a Consent Agenda category. The Commission may withdraw any items from the Consent Agenda in order to change the recommended course of action, and by roll call vote then approve the remainder of the Consent Agenda, or by roll call vote may approve the Consent Agenda as submitted.

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- VII. Items referred to individual departments for action and/or study by the Commission shall be routed through the San Luis Obispo County's Public Works Director, or his or her designees,. The San Luis Obispo County's Public Works Director, or his or her designees, shall inform the Commission on a quarterly basis as to the current status of such communications, and as to which departments' final reports are still outstanding.

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- VIII. The San Luis Obispo County's Public Works Director, or his or her designees, shall occasionally review these rules of procedure and make recommendations for change to the Commission.

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- IX. Amendments to these rules of procedure shall be by four-fifths vote of the Commission.

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