



## Nacimiento Project Commission Notice of Meeting and Agenda

**Thursday, November 20, 2008 – 4:00 pm**  
**Templeton Community Services District Offices**

- I. 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 28, 2008  
(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 Schedule
  - c. Project Budget
  - d. 2009 Meeting Calendar
- V. PRESENTATIONS – no action required.
  - a. Last Seating of Original Commission
- VI. COMMISSION ACTION ITEMS  
(No Subsequent Board of Supervisors Action Required)
  - a. Amendment to Commission By-Laws
  - b. Amendment to Commission Conflict of Interest Code
  - c. Proposal for Memorial
- VII. COMMISSION ACTION ITEMS  
(Board of Supervisors Action is Subsequently Required)
  - a. (none)
- VIII. FUTURE AGENDA ITEMS DESIRED BY COMMISSION

Commissioners

**Harry Ovitt, Chair**, SLO County  
Flood Control & Water  
Conservation District

**Dave Romero, Vice Chair**, City of  
San Luis Obispo

**David Brooks**, Templeton CSD

**Grigger Jones**, Atascadero MWC

**Frank Mecham**, City of El Paso  
de Robles

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**Next Commission meeting scheduled for**  
**Thursday, February 26, 2009, at 4:00 pm at**  
**Templeton Community Services District offices**

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Nacimiento Project Commission  
November 20, 2008  
**Agenda Item III – Meeting Notes from August 28, 2008**

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**I. Call to Order, Roll Call and Flag Salute**

Chairman Ovitt convened the meeting at 4:00 pm.

Commissioners Present: Chairman Harry Ovitt, SLO County Flood Control & Water Conservation District  
Vice Chairman Dave Romero, City of San Luis Obispo  
David Brooks, Templeton CSD  
Grigger Jones, Atascadero MWC

**II. Public Comment – None.**

**III. Meeting Notes from Prior Meetings**

Commissioner Brooks pointed out that Item III was incorrectly labeled on the April 23, 2008, meeting notes. It should read “Meeting Notes from ~~February 28~~ April 23, 2008 Meeting”. Item IV should be labeled “~~Election of Commission Officers~~ Project Manager’s Report”. Commissioner Brooks moved to approve the meeting notes as amended; Commissioner Romero seconded; passed unanimously.

**IV. Project Manager’s Report**

Ed Weyrauch of Jacobs reported that approximately 22 miles of pipeline are installed to date and that the lake tap is scheduled for September 9, 2008. Grading at the Cuesta Tunnel tank is to be completed this week. The second quarter of 2010 is the likely date for Project deliveries.

John Hollenbeck reported that the District received the long-awaited Camp Roberts easement document and that it specified a \$125,000 payment or in-lieu services on Camp. General discussion ensued regarding a preference for in-lieu services as that locally benefits Camp Roberts as opposed to sending funds off to Sacramento perhaps to augment a general fund.

ESA, the District’s environmental and permit support firm, hosted a quality control session with District staff, Jacobs, and contractor representatives on August 27, 2008. This was an opportunity for team partners to discuss permit compliance thus far and to set the stage for handling permit issues during the remainder of the Project construction.

John Hollenbeck is to issue the promised 9-month advance notice to PG&E in September. This notice confirms the timeline for required service at the intake pump station.

Correspondence with potential New Participants is to be included in the November 2008 meeting packet.

Commissioner Romero asked if completion of the intake pump station could be accelerated to advance the start-up date. Early completion bonuses are already in place to provide such incentive.

**VI. Commission Action Items (No Subsequent Board of Supervisors Action Required)**

Will Clemens, District accounting staff, briefly reviewed the proposed approach to calculating the “Buy-In Fee”. The Commission asked if the approach had been reviewed by legal staff and Mr Clemens replied that such review would take place when an actual buy-in were underway. The group recalled that if each Participant sought its share of the Reserve Water simultaneously, that the net cost



to each Participant to convert Reserved Water to Delivery Entitlement would be \$0. One advantage of such an approach would be ownership of increased water supply at no additional community cost. Environmental impacts of such an approach would need to be addressed as well as the contract terms prohibiting sale of Nacimiento water to entities outside of each Participant's service areas. Commissioner Jones moved to approve the proposed approach to calculating the Buy-In Fee; Commissioner Romero seconded; passed unanimously.

Christine Halley presented the proposed shift to quarterly Commission meetings. Commissioner Brooks moved to amend the Commission Rules of Procedure for quarterly meetings; Commissioner Romero seconded; motion passed 4-0 (note that the required 4/5 vote of the Commission was obtained). A revised meeting calendar is to follow.

**VII. Commission Action Items** (Subsequent Board of Supervisors Action Required)

John Hollenbeck reported that the City of Paso Robles seeks cash reimbursement for the Nacimiento pipeline segment that it designed and installed as part of the City's 13<sup>th</sup> Street Bridge construction. Since the delivery entitlement contracts do not address such instances, the Project Manager would bring back terms of a proposed agreement between Paso and the District authorizing that cash payment. On a related item, Doug Monn, Paso Public Works Director, suggested that the City and the District work together to coordinate re-paving North and South River Roads. The City's contractor would place final pavement at the conclusion of all utility work and the City would bear the cost of increasing the cross-section to a higher pavement index. The actual cost apportionment is not yet known. Commissioner Romero moved to proceed with the cash reimbursement to Paso Robles and to coordinate repaving North and South River Roads; passed unanimously.

**VIII. Future Agenda Items Desired by Commission**

None requested.

Chairman Ovitt adjourned the meeting at 4:40 pm.

*Submitted by Christine Halley*



Nacimiento Project Commission  
November 20, 2008  
**Agenda Item IV.a– Project Management Report**  
(Information Only – No Action Required)

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**PROJECT ISSUES**

**Construction Status**

The summary construction report for October 2008 is attached. Overall, installation of the Pipeline Central and South sections are ahead of schedule while the Pipeline North section experienced delays associated with Camp Roberts access and other issues. The microtunnel operation at Lake Nacimiento was successfully complete as of October 11, 2008; however, remaining work at the Lake Intake is behind schedule. Work on tanks, pump stations, and other facilities is getting back on track with the replacement of the Rocky Canyon Tank ring foundation.

The replacement foundation ring for the Rocky Canyon Tank has been demolished and the new ring was poured in mid-November. Site grading at both the Cuesta Tank and the Camp Roberts Tank sites is complete and the forms are to be set at Camp Roberts during the week of November 17, 2008.

The unexploded ordnance sweep across Camp Roberts is complete for this construction season's work. Pipe installation is to initiate in December 2008.

Jacobs expects OSHA's approval for Teichert to resume work at the site of the accident in Paso Robles by November 21, 2008. Teichert crews have recently been completing trench paving on sections of their work corridor.

Whitaker has completed installation of the Central Pipeline section and has successfully hydrotested all but one section of the line. Jacobs is seeing favorable hydrotesting results across-the-board.

Southern California Pipeline is underway with the bore-and-jack operation under Highway 101 near the crest of Cuesta Grade. No contaminated soils or groundwater encountered thus far.

Work in Stenner Creek Road is causing traffic delays and road closure is planned for late November. Southern California Pipeline crews have been alerted to the status of the City of San Luis Obispo's Salinas supply line that parallels their construction route and are required to have a shut-off plan in place as construction proceeds.

The dewatering plan for the Salinas River jack-and-bore operation near Santa Clara Road failed. Microtunneling may be an option however, options that require use of pressurized bentonite are not permitted during the permit black-out period. Options are being evaluated now.

Laura Cooper and Bob Lewis of Jacobs are filling in for Ed Weyrauch as he recovers from surgery.



## **Portal Selection Procedure**

Your Technical Support Group has made progress on the Portal Selection Procedure, a document that outlines the method to be applied in selecting a lake portal from which to release waters. The portal selection has a direct bearing on water quality delivered to each Participant's turnout so this is a noteworthy Project matter. Attached is the procedure as developed with the TSG.

## **Status of Project Delivery Team Activities**

**Right of way** – Terms of the easement affecting a vineyard along the Project corridor have been settled along with encroachment into Texas Road. Favorable progress has been made on other open acquisitions. Settlement with Monterey County Water Resources Agency is still pending.

**Construction Management Activities** – Jacobs staff is keeping pace with the construction activities outlined above.

**Environmental Permitting Activities** – Designers submitted a revised plan pertaining to the steelhead trout pond near the crest of Cuesta Grade and the ESA team submitted comments on that plan. When complete, District staff will include the final plan in the biological assessment for this and other crossings as part of the National Marine Fisheries Service permit process.

The ESA environmental monitoring team worked with the construction team to discern the extent of construction activities that could take place within the permit restriction window.

Archaeological artifacts were encountered on Boy Scout Road within Camp Roberts and the construction team responded by shifting the pipeline alignment to avoid disturbance. Finds on Tassajara Creek Road were safely set aside for replacement at the completion of construction. This approach was coordinated with local Native American tribal representatives.

## **Outside Agency Issues**

**State Legislature** – Paso Robles seeks a legislative sponsor for an amendment to the Health & Safety Code. Refer to the attached letter dated October 21, 2008, requesting Assemblyman Blakeslee's sponsorship.

**Invasive Mussel Inspections** – San Luis Obispo County park rangers inspected County lake sites and report no findings of invasive mussel infestations for October 2008. Three boats were rejected from entry at the Santa Margarita Lake recreation area in October 2008 for having water in the bilge/hull or in the live well/bait tank. The District reaches out to Monterey County Water Resources Agency to encourage better enforcement of inspection and infestation prevention steps.

**MCWRA and PG&E** – No news to report with either entity.

**New Participants** – As requested at the August 2008 Commission meeting, attached is correspondence with three parties interested in possible Project participation.

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# Additional Construction Progress Photos

INTAKE – Upper section of 48” stainless steel snorkel pipe (#1) and pre-cast trench.



## Program Summary Schedule

Activity ID	Activity Description	Orig Dur	Rem Dur	%	Early Start	Early Finish	2007	2008	2009	2010
<b>Contract No. 1 - Intake</b>										
A1102	Pre Construction Activities - Contract No. 1	107'	0'	100	01MAY07A	01OCT07A	█			
A1120	Contract No. 1 (Intake) Bid Period:	53'	0'	100	01MAY07A	16JUL07A	█			
A1320	Contract No. 1 - Intake	460'	87'	85	25OCT07A	26JAN09	█	█		
A1440	Intake Shaft Construction	27'6"	27"	95	12NOV07A	10DEC08		█		
A1580	Lake-Top Operations & Underwater Work	225'	17"	63	11JAN08A	25NOV08		█		
A1530	Microtunnel Installation	66'	22"	20	02SEP08A	03DEC08			█	
A1760	Commissioning - Contract No. 1	36'	36"	0	04DEC08	26JAN09				█
<b>Contract No. 2 - Pump Stations, Tanks, SCADA, etc</b>										
A1155	Pre Construction Activities - Contract No. 2	64'	0'	100	02JUL07A	01OCT07A	█			
A1310	Contract No. 2 Bid Period	33'	0'	100	02JUL07A	16AUG07A	█			
A1745	Contract 2 - Pump Stations & Tanks	628'	384'	15	19NOV07A	05MAY10		█	█	
A2410	Construction - Rocky Canyon Pump Station & Tank	346'	194'	15	31MAR08A	06AUG09		█	█	
A2660	Construction - Cuesta Tunnel Tank	244'	157'	20	01JUL08A	15JUN09		█	█	
A2240	Construction - Santa Ysabel Pump Station	291'	202'	10	14JUL08A	18AUG09		█	█	
A2120	Construction - Camp Roberts Tank	199'	199'	0	03NOV08	13AUG09			█	
A1950	Construction - Intake Pump Station	202'	202'	0	15DEC08	29SEP09			█	
A2840	Overall System Startup Testing	53'	53'	0	19AUG09	02NOV09				█
A2900	Commissioning - Contract No. 2	182'	182'	0	19AUG09	05MAY10				█
<b>Contract No. 3 - Pipeline North</b>										
A1195	Pre Construction Activities - Contract No. 3	84'	0'	100	01MAY07A	29AUG07A	█			
A1200	Contract No. 3 (PL North) Bid Period:	56'	0'	100	01MAY07A	19JUL07A	█			
A2670	Contract No. 3 - Pipeline North (Units A, A1, C)	605'	353'	35	07NOV07A	23MAR10		█	█	
A3170	Commissioning - Contract No. 3	0'	0'	0	29APR10	29APR10				█
<b>Contract No. 4 - Pipeline Central</b>										
A1239	Pre Construction Activities - Contract No. 4	85'	0'	100	01MAY07A	29AUG07A	█			
A1240	Contract No. 4 (PL Middle) Bid Period:	61'	0'	100	01MAY07A	26JUL07A	█			
A3250	Contract No 4 Pipeline Central (Units D, E, F)	518'	253'	90	19OCT07A	29OCT09		█	█	
A3590	Commissioning - Contract No. 4	82'	82'	0	07JUL09	29OCT09				█
<b>Contract No. 5 - Pipeline South</b>										
A1278	Pre Construction Activities	85'	0'	100	01MAY07A	29AUG07A	█			
A1280	Contract No. 5 (PL South) Bid Period:	68'	0'	100	01MAY07A	02AUG07A	█			
A3560	Contract No 5 Pipeline South (Units G, G1, H)	529'	269'	88	26OCT07A	20NOV09		█	█	
A3930	Commissioning - Contract No. 5	206'	206'	0	03FEB09	20NOV09				█

Early Bar  
 Progress Bar

CSX2 Sheet 1 of 1 Data Date 01 NOV 08  
 San Luis Obispo Flood Control And Water Conservation District Run Date 10 NOV 08 11:02  
 Nacimiento Water Project  
 Construction Summary Schedule

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



Prepared for:

**John Hollenbeck**  
 San Luis Obispo County Flood Control & Water Conservation District  
 Nacimiento Water Project  
 NWP Project No. 300187.08

### SUMMARY CONSTRUCTION REPORT NO. 11

Reporting Period: 10/1/08 to 10/31/08  
 October 2008

- Construction – Team Effort**
- Bid Package 1 – Lake Intake
  - Bid Package 2 – Facilities
  - Bid Package 3 – Pipeline North
  - Bid Package 4 – Pipeline Central
  - Bid Package 5 – Pipeline South

Submitted by:

JACOBS  
 Laura Cooper, Construction Manager  
 3650 La Cruz Way, Suite D  
 Paso Robles, CA 93446  
 805 434 – 0601

**Nacimiento Water Project**  
(Contract 300187.08)

**Project Value:** \$176,057,695  
**Designer:** Black & Veatch  
**Final Completion:** November 5, 2010

**Prior Month's Main Accomplishments:**

- Installed intake shaft pipe supports PS-3 and PS-4.
- Set-up of tunnel boring machine at Lake Intake.
- Milestone #1 (mid river HDD) for Central Pipeline.
- Jack & bore casing under Santa Ysabel Creek.
- Paving repairs at Booster Pump Station frontage road.

**Work Completed This Month:**

- Installed intake shaft pipe supports PS-2.
- Completed horizontal micro-tunnel at Lake Intake.
- Installed Gate 10 at Camp Roberts.
- Completed mainline installation of Pipeline Central.7699



*Pouring retaining wall sections at Cuesta Tank*

**Milestones:**

System operationally tested and pumping water by December 2010

**Construction Progress:**

- Installed approximately 156,170 feet of pipeline through October. (26,174) feet for the North Pipeline and 74,700 feet for the Central Pipeline and 55,296 feet for the South Pipeline).
- Completed testing of 74,343 feet of pipeline.
- Completed repaving of 79,939 feet of pipeline trench.

**Lake Intake**  
(Contract 300187.08.01)

**Contract Value:** \$20,852,138  
**Contractor:** James W. Fowler Co.  
**Final Completion:** January 25, 2009

**Prior Month's Main Accomplishments:**

- Installed intake shaft pipe supports PS-3 and PS-4.
- Set-up tunnel boring machine.

**Work Completed This Month:**

- Installed intake shaft pipe support PS-2.
- Completed horizontal micro-tunnel.
- Demobilization of MTBM
- Set intake pipe sections 1 & 2 of 4

**Budget:**

- \$16,859,998 in payment requests
- \$38,538 in changes through this month



*Picking 48 inch stainless steel intake pipe for placement at Intake*

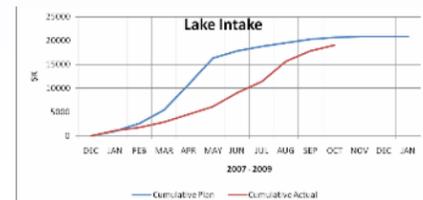
**Schedule:**

The remaining work for the hydraulic power unit, installation of the intake pipe and connection to the tunnel, the project is behind schedule. Substantial completion currently delayed from 11/25/2008 to 1/5/2009.

**Progress:**

Work in Place - \$19,108,465.58  
% Complete – 91.8  
Time Used – 82.1%

**Scheduled Budget vs. Approved Invoice:**



**Facilities**  
(Contract 300187.08.02)

**Contract Value:** \$25,546,468  
**Contractor:** Mountain Cascade, Inc.  
**Final Completion:** November 5, 2010

**Prior Month's Main Accomplishments:**

- Site piping at Cuesta Tank and Rocky Canyon Pump Station.
- UXO investigation of Camp Roberts Tank Site.

**Work Completed This Month:**

- Demo of tank ring and continued piping at Rocky Canyon.
- Site excavation of Camp Roberts Tank Site and installation of Gate 10.
- Work on retaining wall at Cuesta Tank.

**Budget:**

- \$2,542,802 in payment requests
- (\$41,532) in changes through this month



*Grading site for Camp Roberts tank*

**Schedule:**

The contractor is currently behind schedule, progress at Rocky Canyon has been disrupted by having to replace the tank ring beam and pump bases.

**Progress:**

Work in Place - \$3,594,198.50  
% Complete – 15.3  
Time Used – 34.4%

**Scheduled Budget vs. Approved Invoice:**



**Pipeline North**  
(Contract 300187.08.03)

**Contract Value:** \$39,894,852  
**Contractor:** Teichert Construction  
**Final Completion:** March 23, 2010

**Prior Month's Main Accomplishments:**

- Installed 7,699 feet of pipe

**Work Completed This Month:**

- Pipe installation on North River Road completed.
- Pipe on South River Road ongoing – 1,889 feet installed.

**Budget:**

- \$10,873,810 in payment requests
- \$1,539,607 in changes through this month



*Setting welders box for pipe connection on South River Road*

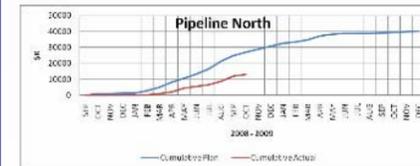
**Schedule:**

Contractor continued pipe installation through Paso Robles on South River Road. Pipe installation completed overland, west of North River Road. Site investigation and layout continued on Camp Roberts; progress has been slowed by coordinating pipe deliveries with access to overland areas.

**Progress:**

Work in Place - \$13,319,529.80  
% Complete – 32.9  
Time Used – 43.7%

**Scheduled Budget vs. Approved Invoice:**



**Pipeline Central**  
(Contract 300187.08.04)

**Contract Value:** \$22,671,077  
**Contractor:** Whitaker Contractors, Inc.  
**Final Completion:** October 29, 2009

**Prior Month's Main Accomplishments:**

- Installed 9,288 feet of pipe
- Tested 12,758 feet of pipe
- Paved 6,650 feet of pipe trench

**Work Completed This Month:**

- Completed mainline installation, 2,200 feet
- Tested 1,700 feet of pipe
- Paved 4,750 feet of pipe trench

**Budget:**

- \$19,403,794 in payment requests
- (\$26,023) in changes through this month



*Grinding asphalt during early morning on El Pomar Road*

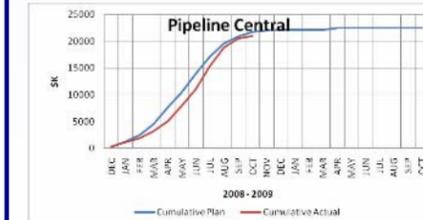
**Schedule:**

The contractor is well ahead of schedule, and completed mainline pipe installation next month. The tie-ins, testing and fiber optic system and appurtenance work is expected to complete in December.

**Progress:**

Work in Place - \$20,967,016.90  
% Complete – 93.5  
Time Used – 51.3%

**Scheduled Budget vs. Approved Invoice:**



**Pipeline South**  
(Contract 300187.08.05)

**Contract Value:** \$16,869,531  
**Contractor:** Southern California Pipeline  
**Final Completion:** November 21, 2009

**Prior Month's Main Accomplishments:**

- Installed 11,630 feet of pipe
- Paved 4,500 feet of pipe trench

**Work Completed This Month:**

- Installed 5,496 feet of pipe
- Paved 2,982 feet of pipe trench
- Tested 2,600 feet of pipe

**Budget:**

- \$9,922,296 in payment requests
- \$536,937 in changes through this month



*Sheet pile installation for bore pit at Salinas River Crossing*

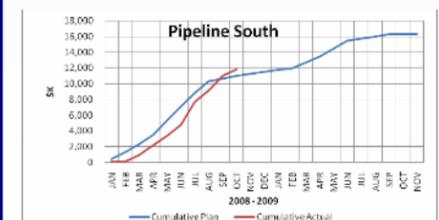
**Schedule:**

Contractor is ahead of schedule and installed pipe overland to the railroad tracks south of the Cuesta Grade, in very difficult terrain. After 15 October work sites are limited due to environmental constraints. Work on Santa Margarita/HWY 58 and on Stenner Creek Rd. will start in mid-November.

**Progress:**

Work in Place - \$11,923,835.60  
% Complete – 72.4  
Time Used – 50.5%

**Scheduled Budget vs. Approved Invoice:**



**Nacimiento Water Project  
Portal Selection Procedure**  
Revised November 13, 2008

*The District will attempt to meet Participant requests to the extent possible, but it is understood that the District holds final responsibility and authority over portal selection.*

*This portal selection procedure is intended as a starting point once the system goes into operation. Interaction among District and Participant operations staff is planned and will influence the manner in which such operational decisions are made. The procedure outlined herein is intended as a starting point to be build upon by affected parties. It is likely that the first two years of operation will require regular meetings with Participant and District operators to select the release portal and observe behavior of treatment plants and delivery systems. This operations meeting could be a sub-group of the TSG or conducted as part of our scheduled TSG discussions. With that said, the initial procedure is as follows:*

Routine Change in Portal Prompted by District

1. County lab to analyze raw water quality data at the lake and make a recommendation for portal selection to the District operations staff. Note that water quality data may be available to Participants via the Project SCADA system.
2. District operations staff to alert Participants as to any proposed change in portal. District will attempt to give at least one business day's notice to Participants. At this point, both a SCADA alert and phone contact or e-mail message are planned.
3. If no objections raised, proceed with change of portal.
4. If an objection is raised, District will evaluate and make a final decision. All Participants will be advised as of the decision, likely by e-mail.

Change Requested by Participant

1. Participant may request change in portal in response to a District alert or based on independent review of water quality data.
2. District staff would evaluate the request and either alert Participants as noted above and proceed with the proposed change of portal, or discuss further with the requesting Participant.

In Case of Conflict

In the event that Participants call for release from differing portals, the District will investigate the reasoning behind the requests and make a portal selection based on the following considerations, in order of priority:

- Meeting primary maximum contaminant levels
- Compliance with acute public health issues (turbidity)
- Compliance with chronic public health issues (disinfectant by-products)
- Meeting secondary maximum contaminant levels
- Treatment costs

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The TSG most recently reviewed and commented on this procedure during their November 13, 2008, meeting and indicated support for the steps outlined above.





# CITY OF EL PASO DE ROBLES

*"The Pass of the Oaks"*

OFFICE OF THE  
MAYOR

October 21, 2008

Assemblyman Sam Blakeslee  
State Capitol, Room 4117  
Sacramento, CA 95814

SUBJECT: Health & Safety Code Amendment  
Request for Sponsorship

Dear Assemblyman Blakeslee:

Water from Lake Nacimiento is on schedule for delivery to Paso Robles, Atascadero, Templeton, and San Luis Obispo by mid-2010. While construction is progressing well, along with Paso Robles' design of its local water treatment plant, one legislative issue remains outstanding.

The California Health & Safety Code must be amended to allow for the proposed treatment approach for Nacimiento deliveries.

Please consider sponsoring this code amendment so that Paso Robles and other Nacimiento Water Project participants may benefit from these deliveries. \$178 million of local funds have been invested in this critical water supply project and the proposed Health & Safety Code amendment will allow Central Coast communities to efficiently treat Nacimiento waters.

Attached is more information regarding the proposed code amendment for your use. Please let me know if you need further background on this topic, or status information on the Nacimiento Water Project overall.

On behalf of the City of el Paso de Robles and other Nacimiento Water Project Participants, I thank you in advance for considering this legislative sponsorship.

Sincerely,

Frank Mecham  
Mayor



# CITY OF EL PASO DE ROBLES

*"The Pass of the Oaks"*

## **Nacimiento Water Project and Lopez Lake Requested Health & Safety Code Amendment**

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An amendment to the California Health and Safety Code is sought to allow for alternative treatment technologies for waters delivered from Lake Nacimiento.

The proposed amendment would allow alternative treatment technologies that are currently recognized by the State as effective in reliably meeting drinking water standards. This amendment is necessary for Paso Robles to proceed with operation of its phased treatment plant.

Further, Zone 3 of the San Luis Obispo County Flood Control & Water Conservation District seeks to include Lopez Lake in the contemplated amendment. This is discussed further below.

### **Background**

California Health and Safety Code Section 115825 states that bodily contact recreation (i.e. swimming, waterskiing, etc.) is not allowed in reservoirs used for drinking water. Such an approach was valid decades ago before water treatment reached today's level of reliability and sophistication. Many reservoirs have since been exempted from this section of the Code. In fact, Nacimiento Reservoir was granted a similar exception years ago (Section 115841). At that time, it was understood that full conventional water treatment would be needed to kill/remove pathogens prior to use as drinking water. The actual Nacimiento code language calls for "coagulation, flocculation, sedimentation, filtration, and disinfection" which, at the time, constituted full conventional treatment.

Today, alternative treatment technologies are recognized as meeting the intent of the Code, without necessarily including the coagulation, flocculation, and sedimentation steps listed above.

### **Paso Robles' Situation**

The City of el Paso de Robles is designing a surface water treatment plant to treat Nacimiento Reservoir water and plans to operate a membrane filtration system. A smaller scale (i.e. 2 million gallon per day), direct filtration process is planned, allowing the plant to be expanded over time. Following this simplified membrane filtration approach is considerably less costly to the public and requires that the wording of Health and Safety Code Section 115841 be amended.

### **Lopez Lake**

On a similar vein, Lopez Lake is another San Luis Obispo County reservoir that is utilized for swimming and waterskiing. Lopez complies with the recreation restriction by maintaining a separate, terminal reservoir upstream of its water treatment plant that is restricted from recreation. There are water quality benefits to by-passing the terminal reservoir, at least seasonally; however, an amendment to the Water Code is needed to permit this operational mode.

## Proposed Code Language

An amendment is proposed to include Lopez Lake in the exception and to allow alternative treatment technologies to be employed by Paso Robles and other recipients of Nacimiento water. Draft proposed language for Section 115841 is:

"115841. Recreational activity in which there is bodily contact with the water by any participant shall continue to be allowed in Nacimiento Reservoir and Lopez Lake in accordance with all of the following requirements :

"(a) Any agency that removes water from ~~the~~ either reservoir for domestic use shall comply with any, or at a minimum, one of the following with regard to the water removed:

(1) The water subsequently receives complete water treatment in compliance with all applicable department regulations, including coagulation, flocculation, sedimentation, filtration, and disinfection, or an alternative filtration system that complies with all applicable department regulations and requirements before being used for domestic purposes."

## Timing

Amending the Health and Safety Code to allow alternative treatment would set the stage for the necessary permitting of the proposed Paso Robles filtration system and will provide flexibility to every other Nacimiento Participant that treats Nacimiento deliveries. Including Lopez Lake would broaden the regional public benefit of the proposed Code amendment.

At this point, Paso Robles seeks a legislative sponsor for the proposed Code amendment such that the amendment is processed in time for the filtration system start-up in mid-2010.

## Contacts

Mayor Frank Mecham  
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City of el Paso de Robles  
1000 Spring Street  
Paso Robles, CA 93446  
(805) 237-3861  
[dmonn@prcity.com](mailto:dmonn@prcity.com)

Dean Benedix, PE, Utilities Division Manager  
San Luis Obispo County Public Works Dept  
County Government Center, Room 207  
San Luis Obispo, CA 93408  
(805) 781-5252  
[dbenedix@co.slo.ca.us](mailto:dbenedix@co.slo.ca.us)



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

**San Luis Obispo County FC&WCD**  
 John R. Hollenbeck, P.E.  
 Nacimiento Project Manager

**Commissioners**  
 Harry Ovitt, SLO County FC&WCD  
 Frank Mecham, City of Paso Robles  
 David Brooks, Templeton CSD  
 Grigger Jones, Atascadero MWC  
 Dave Romero, City of San Luis Obispo

July 10, 2008

California Men's Colony  
 c/o Mr. Bill Cook  
 1632 Carla Court  
 San Luis Obispo, CA 93401

Subject: Participation Inquiry in the Nacimiento Water Project

Dear Mr. Cook

On May 9, 2008, you inquired with the San Luis Obispo County Flood Control and Water Conservation District (District) to learn what the costs might be to the California Men's Colony (Agency) if the Agency joined the Nacimiento Water Project (Project) as a New Participant. Our Accounting Division has performed computations utilizing our Cost Allocation Model to develop estimates for the Project "Buy-in Fee" (formally known as the "Purchase of Reserve Water Delivery Entitlement and Reserved Capacity Fee".) Our model is programmed to reflect the terms and conditions of our Like-Contract provisions for the delivery of Project Water to Participants. A summary of the Agency's requested water deliveries and the projected Buy-In Fee are summarized in the following table. Many variables will affect the actual delivered water costs to all Participants, so please consider the following as an estimate at this point in Project development.

Annual Entitlement Delivery Evaluated (Acre-Feet)	Peaking Factor	Project Buy-In Fee (Range) (July 2008 Dollars)	Estimated First-Year O&M Costs (Range)
200	1.1	\$4.5 million to \$5.0 million	\$70,000 to \$80,000
400	1.1	\$8.8 million to \$9.6 million	\$140,000 to \$160,000

\* We have assumed your point of delivery would be at the end of Unit H for purpose of this evaluation.

\*\* Peaking Factor of 1.1 is standard delivery (11 months per year, or 12 divided by 11). Other Peaking Factor values are equal to 12 divided by number of months requested for delivery.

The Buy-In Fee would be payable at the time of executing a Water Delivery Entitlement Contract (WDEC). Additional annual operation and maintenance costs are a requirement of the WDEC and are due as specified within WDEC.

The District would be happy to provide you with a draft WDEC. Please submit a request if you desire a draft copy.

We realize that you must take into consideration many factors in evaluating alternative water supplies. Please refer to the **attached** "Frequently Asked Questions about Nacimiento Water Project Participation" for a discussion on several factors that might interest your agency.

**Status of the Nacimiento Water Project**

As of the posting of this letter, the Project is in the Construction Phase. Project milestones are to complete the construction, startup and testing by the end of 2010.

**Requesting Delivering Entitlement**

Please refer to the attached Frequently Asked Questions for the contact information.

**California Men's Colony Participation**

The Agency is not listed in the Project's Final Environmental Impact Report; thus, participation in the Project will require at least a 55-percent approval from that portion of All Participants participating in the Project at the time when a WDEC is being processed. Furthermore, the Agency will need to meet the requirements of being a water-distributing public agency. This detail will need to be reviewed relative to the Agency.

We hope you find the information provided to be useful in your business decisions associated with the Nacimiento Water Project. Please do not hesitate to contact the undersigned at (805) 781-1288, or Project Engineer Mrs. Christine Halley at (805) 305-0159 if we can be of immediate assistance to you.

Sincerely,



JOHN R. HOLLENBECK, P.E.  
Nacimiento Project Manager

Enclosure

c: Nacimiento Project Commission (via TSG members)  
~~Mrs. Christine Halley~~, TJ Cross  
Mr. Will Clemens, District  
Ms. Wendy Hall, District

File: Project File No. D.4.5

## Lewis C. Pollard Family Trust

Attn: John Hollenbeck  
c/o Doug Bird  
San Luis Obispo County  
Public Works Department

July 21, 2008

Dear Mr. Hollenbeck,

Lewis C. Pollard and the Pollard Family Trust request that you provide for an allocation of 25 acre feet of water from the Nacimiento Water Project for our properties in Cayucos, California. Thank you for your attention to this matter.

Sincerely,



Lewis C. Pollard  
Trustee

cc. Jim Buttery

SMR MUTUAL WATER COMPANY

750 Pismo Street • San Luis Obispo, California 93401  
Telephone: (805) 543-4333 • Facsimile: (805) 543-4220  
E-Mail: rossi@rossi-ent.com

September 22, 2008

Mr. John Hollenbeck  
NACIMIENTO WATER PROJECT  
County Government Center  
Public Works Department, Room 207  
San Luis Obispo, California 93408

RE: Santa Margarita Ranch Tract 2586 Ag Cluster  
200-Acre Feet Entitlement/Nacimiento Water

Dear John:

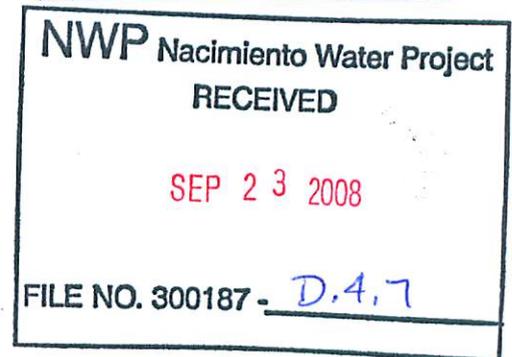
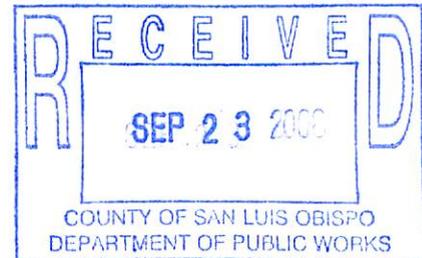
*CC: NWP TSG  
P. Dgren, PW  
W. Clemens, PW*

This letter is our formal request to contract for the first fifteen (15) A.F. of an estimated fifty (50) A.F. needed to supply Tract 2586 when approved. This is a portion of Santa Margarita Ranch's two hundred (200)-acre foot allotment of Nacimiento Water.

Tract 2586's first phase of forty (40) homes is predicted to use approximately .6-acre feet annually per home. We anticipate that Phase I may begin in 2010, when Nacimiento Water will be available. Santa Margarita Ranch (Ranch) will use all or a portion of this allotment for existing agriculture until the homes are built to utilize it, the excess will be stored in the groundwater basin.

After Phase I is occupied, the actual consumption for these homes can be determined, for the amount needed for the remaining phases.

Tract 2586 consists of one hundred eleven (111) residential lots plus three (3) larger Ranch parcels which may include future wineries. Nacimiento Water delivery is intended to be exchanged for groundwater used for domestic use of the residences. Existing Ranch water resources will continue to supply our agricultural operations and the needs of these three ranches.



Mr. John Hollenbeck  
September 22, 2008  
Page 2

As the Ranch proceeds with other subsequent land use entitlements, the approximately one hundred fifty (150)-acre feet remaining will be "contracted" for "domestic" purposes, again reserving Ranch water resources for both agricultural and recreational purposes.

If you have any questions, please let us know.

Best Regards,



ROB ROSSI  
President

*RLR/pe*

cc: Bill Robeson, County Department of Planning and Building  
Pacific Improvement, LLC  
Major Domo, LLC  
Paul G. Metchik, Esq.

Nacimiento Project Commission  
November 20, 2008  
**Agenda Item IV.b– Project Schedule**  
(Information Only – No Action Required)

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The accompanying construction schedule is current as of October 28, 2008.



Activity ID	Activity Description	Orig Dur	Rem Dur	%	Early Start	Early Finish	Gantt Chart (2007-2010)																																																			
							2007	2008	2009	2010																																																
<b>Contract No.1 - Intake</b>																																																										
A1102	Pre Construction Activities - Contract No. 1	107*	0*	100	01MAY07A	01OCT07A																																																				
A1120	Contract No. 1 (Intake) Bid Period:	53*	0*	100	01MAY07A	16JUL07A																																																				
A1320	Contract No. 1 - Intake	460*	118*	65	25OCT07A	26JAN09																																																				
A1440	Intake Shaft Construction	253*	27*	95	12NOV07A	06NOV08																																																				
A1580	Lake-Top Operations & Underwater Work	225*	40*	63	11JAN08A	25NOV08																																																				
A1530	Microtunnel Installation	43*	22*	20	02SEP08A	30OCT08																																																				
A1760	Commissioning - Contract No. 1	59*	59*	0	31OCT08	26JAN09																																																				
<b>Contract No.2 - Pump Stations, Tanks, SCADA, etc</b>																																																										
A1155	Pre Construction Activities - Contract No. 2	64*	0*	100	02JUL07A	01OCT07A																																																				
A1310	Contract No. 2 Bid Period	33*	0*	100	02JUL07A	16AUG07A																																																				
A1745	Contract 2 - Pump Stations & Tanks	628*	407*	15	19NOV07A	05MAY10																																																				
A2410	Construction - Rocky Canyon Pump Station & Tank	323*	194*	15	31MAR08A	06JUL09																																																				
A2660	Construction - Cuesta Tunnel Tank	221*	157*	20	01JUL08A	12MAY09																																																				
A2240	Construction - Santa Ysabel Pump Station	281*	225*	10	14JUL08A	18AUG09																																																				
A2120	Construction - Camp Roberts Tank	199*	199*	0	01OCT08	13JUL09																																																				
A1950	Construction - Intake Pump Station	202*	202*	0	15DEC08	29SEP09																																																				
A2840	Overall System Startup Testing	53*	53*	0	19AUG09	02NOV09																																																				
A2900	Commissioning - Contract No. 2	182*	182*	0	19AUG09	05MAY10																																																				
<b>Contract No.3 - Pipeline North</b>																																																										
A1195	Pre Construction Activities - Contract No. 3	84*	0*	100	01MAY07A	28AUG07A																																																				
A1200	Contract No. 3 (PL North) Bid Period:	56*	0*	100	01MAY07A	19JUL07A																																																				
A2870	Contract No. 3 - Pipeline North (Units A, A1, C)	605*	376*	35	07NOV07A	23MAR10																																																				
A3170	Commissioning - Contract No. 3	0*	0*	0	29APR10	28APR10																																																				
<b>Contract No.4 - Pipeline Central</b>																																																										
A1238	Pre Construction Activities - Contract No. 4	85*	0*	100	01MAY07A	29AUG07A																																																				
A1240	Contract No. 4 (PL Middle) Bid Period:	61*	0*	100	01MAY07A	26JUL07A																																																				
A3250	Contract No 4 Pipeline Central (Units D, E, F)	518*	276*	90	19OCT07A	29OCT09																																																				
A3590	Commissioning - Contract No. 4	82*	82*	0	07JUL09	29OCT09																																																				
<b>Contract No.5 - Pipeline South</b>																																																										
A1278	Pre Construction Activities	85*	0*	100	01MAY07A	29AUG07A																																																				
A1280	Contract No. 5 (PL South) Bid Period:	66*	0*	100	01MAY07A	02AUG07A																																																				
A3560	Contract No 5 Pipeline South (Units G, G1, H)	529*	292*	68	26OCT07A	20NOV09																																																				
A3930	Commissioning - Contract No. 5	206*	206*	0	03FEB09	20NOV09																																																				

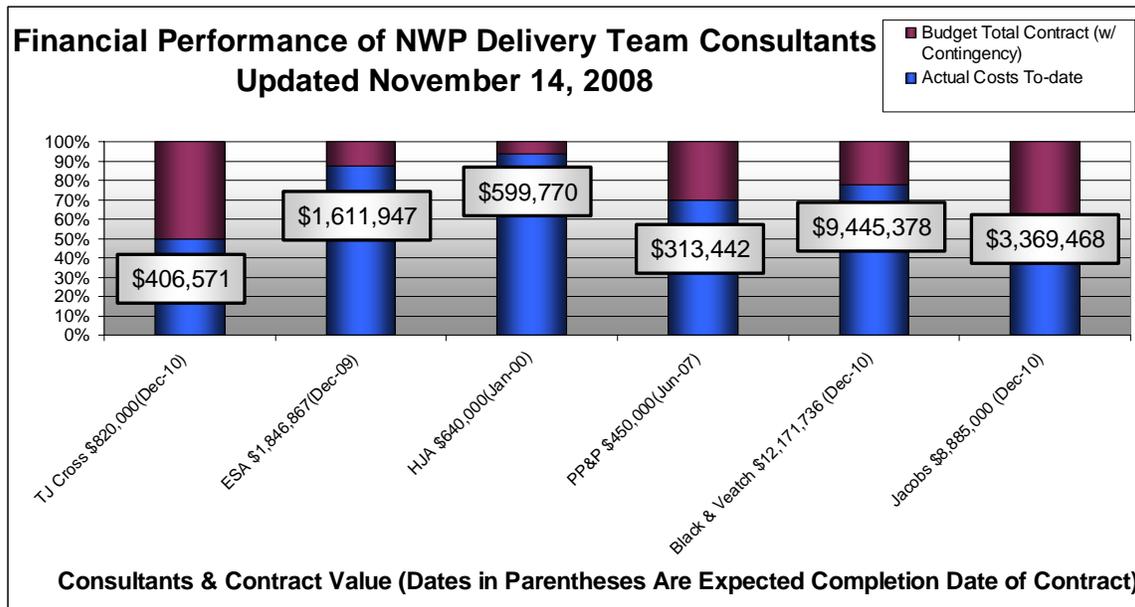
 Early Bar  
 Progress Bar

CSX2  
 San Luis Obispo Flood Control And Water Conservation District  
 Nacimiento Water Project  
 Construction Summary Schedule

Sheet 1 of 1  
 Data Date 01OCT08  
 Run Date 28OCT08 15:58

Nacimiento Project Commission  
 November 20, 2008  
**Agenda Item IV.c– Project Budget**  
 (Information Only – No Action Required)

Attached is the most recent Project Budget Report through October 2008. The Financial Performance of consultants is illustrated in the following graphic.



**Nacimiento Water Project  
Project Budget Reporting  
Report Ending Period: 10/31/08**

	Revised Budget Approved AUGUST 2007	Cost to Date thru 10/31/08	Remaining Budget	Projected Total Cost as of 8/8/07	Projected Variance (Budget Vs. Projected Cost)	Comments
<b>Design Phase Costs</b>						
Project Management	\$2,341,564	\$2,309,437	\$32,126	\$2,341,564	\$0	Includes County Project Manager, VE, support staff, TJCross support, finance team, legal fees, and County overhead allocation during Design Phase. Adjusted to better align with actual costs to date.
AD-15 Process (Preparation for Bidding)	\$93,000	\$113,057.01	(\$20,057)	\$93,000	\$0	Reproduction and mailing of Contract Docs, addenda, and other bid phase correspondence, utilizing ASAP Reprographics.
Environmental	\$1,415,000	\$1,632,318.11	(\$217,318)	\$1,415,000	\$0	ESA-Includes design assistance, permit applications, agency coordination. Amendments authorized for EIR Addendum and extended cultural resource efforts.
PG&E Service Extension	\$100,000	\$5,170.00	\$94,830	\$100,000	\$0	Estimate to extend power to proposed facilities. Load-shedding approach less capital costly.
Right of Way Consulting Services	\$1,375,000	\$1,103,960	\$271,040	\$1,375,000	\$0	Hamner-Jewell contract plus allowance for appraisal, title reports by others, and Special Counsel. Includes court hearings for orders of possession.
Property Acquisition	\$2,500,000	\$989,552.32	\$1,510,448	\$2,500,000	\$0	8/06-Revised acquisition budget.
Construction Mgt/Constructability Review	\$650,000	\$669,109.19	(\$19,109)	\$650,000	\$0	Initial CM services authorization est Nov 2006 @ \$735,000. Reduced to \$650,000 Aug 2008 as est of expenditures during the Design Phase
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.
				<b>Total Variance=</b>	<b>\$0</b>	
Design Phase Budget Reserve (NOTE 1)	\$1,386,637		\$1,386,637	\$1,386,637		
<b>SUMMARY - DESIGN PHASE</b>	<b>\$18,900,000</b>	<b>\$16,192,718</b>	<b>\$2,707,282</b>	<b>\$18,900,000</b>		
<b>Construction Phase Costs</b>						
Project Management	\$4,688,563	\$1,570,464.64	\$3,118,098	\$4,688,563	\$0	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
Environmental Mitigation	\$4,500,000	\$20,310.75	\$4,479,689	\$4,500,000	\$0	Estimated as \$100,000 per mile for pipeline realignments, special construction techniques, and other costs incurred due to unforeseen environmental issues.
Construction Management, including Materials Testing & Surveying	\$5,835,000	\$2,786,545.50	\$3,048,455	\$5,835,000	\$0	Based on Jacobs construction management services fees.
Post-Design Services by Designer	\$3,200,000	\$606,613.12	\$2,593,387	\$3,200,000	\$0	Black & Veatch's construction phase services.
Environmental Monitoring (this work is added into Jacob's CM Agreement)	\$2,400,000	\$-	\$2,400,000	\$2,400,000	\$0	Includes cost for cultural and biological monitors during construction including Jacobs' mgt fee. Value negotiated with ESA per revised memo from TJ Cross 8-16-07
Construction Contracts	\$123,876,769	\$63,979,422.97	\$105,977,155	\$123,876,769	\$0	BASED ON CONSTRUCTION BIDDING
District Controlled Contingency Construction Phase Contingency and Reserve (NOTE 1)	\$11,113,363	\$0	\$11,113,363	\$11,113,363	\$0	Recommended contingency for construction change orders, prof service changes, and other Project reserve. Excludes the carryover of unused Design Phase reserves.
<b>SUMMARY - CONST. PHASE</b>	<b>\$155,613,695</b>	<b>\$68,963,356.98</b>	<b>\$132,730,147</b>	<b>\$155,613,695</b>	<b>\$0</b>	
<b>Prior Expenses</b>						
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.
			\$0	\$0	\$0	
<b>TOTAL PROJECT</b>	<b>\$176,057,695</b>	<b>\$86,700,075</b>	<b>\$135,437,428</b>	<b>\$176,057,695</b>	<b>\$0</b>	

Positive Projected Variance indicates costs are under the revised line item budget.  
Recent Update: November 6, 2008

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



Nacimiento Project Commission  
 November 20, 2008  
**Agenda Item IV.d- 2009 Project Calendar**  
 (Information Only – No Action Required)

*Revised September 7, 2008*

<p><b>JAN</b></p> <p><b>TSG</b> – meet on Thursday, Jan 8, 2009 at 2:00 pm in Atascadero</p> <p><b>Commission</b> – Dark</p>	<p><b>FEB</b></p> <p><b>TSG</b> – meet on Thursday, Feb 12, 2009 at 2:00 pm in Paso Robles</p> <p><b>Commission</b> – meet on Thursday, Feb 26, 2009 at 4:00 pm in Templeton</p> <p><b>Reminder: Elect Chair and Vice Chair at First Commission Meeting</b></p>	<p><b>MAR</b></p> <p><b>TSG</b> – meet on Thursday, Mar 12, 2009 at 2:00 pm in San Luis Obispo</p> <p><b>Commission</b> – Dark</p>
<p><b>APR</b></p> <p><b>TSG</b> – meet on Thursday, Apr 9, 2009 at 2:00 pm in Atascadero</p> <p><b>Commission</b> – Dark</p>	<p><b>MAY</b></p> <p><b>TSG</b> – meet on Thursday, May 14, 2009 at 2:00 pm in Paso Robles</p> <p><b>Commission</b> – meet on Thursday, May 28, 2009 at 4:00 pm in Templeton</p>	<p><b>JUN</b></p> <p><b>TSG</b> – meet on Thursday, Jun 11, 2009 at 2:00 pm in San Luis Obispo</p> <p><b>Commission</b> – Dark</p>
<p><b>JUL</b></p> <p><b>TSG</b> – meet on Thursday, Jul 9, 2009 at 2:00 pm in Atascadero</p> <p><b>Commission</b> – Dark</p>	<p><b>AUG</b></p> <p><b>TSG</b> – meet on Thursday, Aug 13, 2009 at 2:00 pm in Paso Robles</p> <p><b>Commission</b> – meet on Thursday, Aug 27, 2009 at 4:00 pm in Templeton</p>	<p><b>SEP</b></p> <p><b>TSG</b> – meet on Thursday, Sep 10, 2009 at 2:00 pm in San Luis Obispo</p> <p><b>Commission</b> – Dark</p>
<p><b>OCT</b></p> <p><b>TSG</b> – meet on Thursday, Oct 8, 2009 at 2:00 pm in Atascadero</p> <p><b>Commission</b> – Dark</p>	<p><b>NOV</b></p> <p><b>TSG</b> – meet on Thursday, Nov 5, 2009 at 2:00 pm in Paso Robles</p> <p><b>Commission</b> – meet on Thursday, Nov 19, 2009 at 4:00 pm in Templeton</p>	<p><b>DEC</b></p> <p><b>TSG</b> – meet on Thursday, Dec 10, 2009 at 2:00 pm in San Luis Obispo</p> <p><b>Commission</b> – Dark</p>



Nacimiento Project Commission  
November 20, 2008  
**Agenda Item V– Last Seating of Original Commission**  
(Information Only – No Action Required)

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The original Nacimiento Project Commission convened for the first time on August 26, 2004:

**Harry Ovitt**, Chairman – SLO County Flood Control & Water Conservation District  
**Dave Romero** – City of San Luis Obispo  
**Frank Mecham** – City of El Paso de Robles  
**Grigger Jones** – Atascadero Mutual Water Company  
**David Brooks** – Templeton Community Services Director

Much has transpired in the four years since the Commission began its oversight of the Nacimiento Water Project – completion of design, moving through the Opt-Out Period, sale of revenue bonds, and significant progress into construction. These original five Commissioners have left an indelible mark on Central Coast water resources and established a model of well-governed public works for generations that follow.

We pause for a moment of thanks during the November 20, 2008, meeting for the contributions of the original five Commissioners and plan to take a moment for words of appreciation especially to Chairman Ovitt and Commissioner Mecham whose elected terms with their participating agencies draw to a close in 2008. Plan on a group photograph, too.

\* \* \*



# Nacimiento Project Commission

November 20, 2008

## Agenda Item VI.a – Amendment to Commission By-Laws

(Commission Action – No Board of Supervisors Action Subsequently Required)

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**TO:** Nacimiento Project Commission  
**FROM:** John R. Hollenbeck, P.E., Nacimiento Project Manager  
**VIA:** Paavo Ogren, Director, Department of Public Works  
**DATE:** November 20, 2008

### Recommendation

Amend the Nacimiento Project Commission By-Laws to align with the current wording of Article 33 of the Delivery Entitlement Contracts.

### Discussion

The initial By-Laws adopted by the Commission in 2004 contained the text of Article 33 as stated in the Delivery Entitlement Contracts executed in that same year. Later amendments to the Delivery Entitlement Contracts changed the wording of that article; however, the By-Laws have not yet been amended to keep pace with the updated wording.

This proposed amendment to the By-Laws is worded such that it references Article 33 *as amended*, avoiding the need to repeat this administrative step in the future.

### 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 the current wording of the Delivery Entitlement Contract results in a better-coordinated set of governing documents.

\* \* \*



**Commission By-Laws**  
**Adopted October 2004**  
**Proposed Amendment 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.

(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 Nacimientto 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 writing 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

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."~~"In connection with its approval of this Contract, the Participant has appointed a representative of the Participant to sit on the Nacimiento Project Commission. 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. The total number of votes that may be cast on any issue or proposition considered by the Commission shall be the sum of the number of Commissioners. The Commission member representing the District shall be entitled to vote in proportion to the number of Commissioners. The Commissioners representing the Participant and the Other Participants shall share the remaining votes in proportion to the Delivery Entitlement of the Participant and of each of the Other Participants.~~

~~"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; 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 alters or returns to the Commission any~~

~~item or proposition approved by the Commission, the Board shall set forth in writing its findings that caused the Board 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.”~~

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.
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 ~~3~~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 Nacimiento Project Manager 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.

Nacimiento Project Commission  
November 20, 2008

**Agenda Item VI.b – Amendment to Commission Conflict of Interest Code**  
(Commission Action – No Board of Supervisors Action Subsequently Required)

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**TO:** Nacimiento Project Commission  
**FROM:** Christine Halley, Nacimiento Project Engineer  
**DATE:** November 20, 2008

**Recommendation**

Amend the Nacimiento Project Commission Conflict of Interest Code to extend to Alternates to the Commissioners.

**Discussion**

The Conflict of Interest Code adopted in October 2004 omitted Alternates from the terms of disclosure. This proposed amendment would extend to designated Alternates for each Participant.

**Other Agency Involvement**

Commissioners representing each Participant are asked to vote on this matter.

**Financial Considerations**

None.

**Results**

Including Alternates in the Conflict of Interest Code promotes open governmental activities in the eyes of the public that we serve.

\* \* \*



**Commission Conflict of Interest Code**  
**Adopted October 2004**  
**Proposed Revision November 20, 2008**

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

**List of Designated Positions Subject to the  
Provisions of the Commission’s Conflict of Interest Code**

People holding the Designated Positions listed below (“filers”) shall comply with this Nacimiento Project Commission’s Conflict of Interest Code, and will disclose the financial-interests required for the indicated Disclosure Category.

Disclosure Category

1. Interests in real property located in whole or in part within the boundary of the San Luis Obispo County Flood Control and Water Conservation District (“District”). The District’s boundary is the same as the County boundary.
2. Investments in and income from any business entity doing business within the District engaged in:
  - a. The acquisition, sale, lease or development of real estate within the District.
  - b. Construction or design of civil engineering projects, either as a contractor or subcontractor.
3. Investments in and income from any business entity which in the past one year period has furnished products or services to the District or, because of the type of product or service supplied, may with reasonable foreseeability provide products or services to the District in the next one year period.
4. Income of any business entity in which the filer or spouse owns a 10% or greater interest, which income is derived from a client or customer who with reasonable foreseeability could be materially affected by a District decision in which the filer participates. The filer must report the names of such clients or customers if the filer’s pro-rated share of gross receipts from such client or customer was greater than \$10,000.

Designated Positions

Disclosure Category

Officials

Commissioners and Alternate Commissioners 1, 2, 3, 4

County Employees

Director of Public Works 1, 2, 3, 4

Project Manager 1, 2, 3, 4

**Nacimiento Project Commission**  
**November 20, 2008**  
**Agenda Item VI.c – Proposal for Memorial**  
(Commission Action – No Board of Supervisors Action Subsequently Required)

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**TO: Nacimiento Project Commission**  
**FROM: Christine Halley, Nacimiento Project Engineer**  
**DATE: November 20, 2008**

**Recommendation**

Approve funding for a memorial in honor of Jacob Gaines and Manuel Villagomez who lost their lives in the construction of the Nacimiento Water Project.

**Discussion**

On October 2, 2008, tragedy struck during nighttime construction of the pipeline reach through the City of Paso Robles. The Nacimiento Water Project is asked to join Teichert in erecting a memorial (possibly a stone bench and commemorative plaque) honoring the men who died in that accident. The memorial would be placed in a grassy area alongside the road. Paso Robles staff proposes a layout and will return to the Commission with a rendering for their review.

**Other Agency Involvement**

Paso Robles will follow its municipal code terms with respect to placement of such a memorial. The Commission is asked to purchase the bench and plaque and Teichert would install it.

**Financial Considerations**

Estimated costs to fabricate the memorial range from \$10 to 20,000. If approved, this would be funded from the Construction Phase Contingency Fund, in which \$2 million remains as of October 31, 2008.

**Results**

This gesture would serve as a reminder of the seriousness of this undertaking and provide a place for family members and others to honor the memory of Jacob and Manuel.

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