



Nacimiento Project Commission Notice of Meeting and Agenda

**Thursday, February 25, 2010 – 4:00 pm
Templeton Community Services District Offices**

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| <p>I. Call to Order First Meeting of the Year</p> <ul style="list-style-type: none">a. Call to Order, Roll Call, and Flag Saluteb. Nomination and Election of Commission Officers <p>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.</p> <p>III. Meeting Notes from November 19, 2009
(RECOMMEND APPROVAL)</p> <p>IV. COMMISSION INFORMATION ITEMS – written reports with brief verbal overview by staff or consultant. No action is required.</p> <ul style="list-style-type: none">a. Project Management Reportb. Project Schedulec. Project Budget <p>V. PRESENTATIONS – no action required.</p> <ul style="list-style-type: none">a. FY 2010/11 Nacimiento Project Draft Budgetb. Nacimiento Lake Chapter 11.20 Ordinance Revisions <p>VI. COMMISSION ACTION ITEMS
(No Subsequent Board of Supervisors Action Required)</p> <ul style="list-style-type: none">a. Revised Project Budget – Design and Construction Phases <p>VII. COMMISSION ACTION ITEMS
(Board of Supervisors Action is Subsequently Required)</p> <ul style="list-style-type: none">a. Pressure Monitoring and Reporting Instrumentation Proposed to be Constructed by Construction Contract No. 300187.08.02, Facilities <p>VIII. FUTURE AGENDA ITEMS DESIRED BY COMMISSION</p> | <p>Commissioners</p> <p>Dave Romero, Chair, City of San Luis Obispo</p> <p>David Brooks, Vice Chair, Templeton CSD</p> <p>John Hamon, City of El Paso de Robles</p> <p>Grigger Jones, Atascadero MWC</p> <p>Frank Mecham, SLO County Flood Control & Water Conservation District</p> |
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**Next Commission meeting scheduled for
Thursday, April 22nd, at 4:00 pm at
Templeton Community Services District offices**



Nacimiento Project Commission
February 25, 2010

Agenda Item I.b – Nomination and Election of Commission Officers
(Commission Action – No Board of Supervisors Action Subsequently Required)

TO: Nacimiento Project Commission
FROM: Christine M. Halley, P.E., Nacimiento Project Engineer
VIA: John R. Hollenbeck, P.E., Nacimiento Project Manager
DATE: February 25, 2010

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

Appointed Commissioners for 2010 by each Participant and the District are:

San Luis Obispo County Flood Control & Water Conservation District (also representing CSA 10A)	Frank Mecham
City of el Paso de Robles	John Hamon Duane Picanco, Alternate Commissioner
City of San Luis Obispo	Dave Romero Andrew Carter, Alternate Commissioner
Atascadero Mutual Water Company	Grigger Jones John Neil, Alternate Commissioner
Templeton Community Services District	David Brooks Judith Dietch, Alternate Commissioner

During calendar year 2009, Mayor Dave Romero served as Committee Chair and Director David Brooks served as Vice-Chair. Nominations and elections for 2010 will be held at the February 25, 2010, Commission meeting.

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Nacimiento Project Commission
February 25, 2010
Agenda Item III – Meeting Notes from November 9, 2009

I. Call to Order, Roll Call and Flag Salute

Chairman Romero convened the meeting at 4:02 pm.

Commissioners Present: Chairman Dave Romero, City of San Luis Obispo
Vice Chairman David Brooks, Templeton CSD
John Hamon, City of Paso Robles
Grigger Jones, Atascadero MWC

III. Meeting Notes from Prior Meeting

Commissioner Brooks moved to approve the meeting notes for August 27, 2009; Commissioner Hamon seconded; passed 4-0.

IV. Project Manager's Report

Construction Status. John Hollenbeck, Nacimiento Project Manager, briefly discussed the Spec 4 contract closeout and the \$50,000 incentive awarded for completing the contract ahead of schedule. Spec 1 Intake is 99.9% complete and intends to execute the Notice of Completion on December 15, 2009, pending receipt of all final items and the final change order crediting the District \$406,200. Spec 3 Pipeline North will lay the last portion of pipe this week and continues to take the proper precautions for an archaeological burial site found several weeks ago. Spec 5 Pipeline South continues toward contract completion. Spec 2 Facilities is approaching startup and testing, with Rocky Canyon Pump Station and Tank start up scheduled for January 2010, Santa Ysabel Pump Station shortly after, and the entire Project start up slated for April 2010.

Status of Project Team. Mr. Hollenbeck interviewed the Construction Manager, Johnnie Overton, who may replace Edwin Weyrauch during the Project startup period; however, Mr. Weyrauch will remain available to assist with contract close-out. The CM, environmental team, and contractors were able to coordinate completion of all stream and river crossings prior to October 31, 2009. And as construction winds down, the Design team's Operation and Maintenance Manual and as-built drawings review ramps up.

Outside Agency Issues. *MCWRA* - Mr. Hollenbeck noted that the District received a log boom payment free of restrictions from Monterey County WRA (\$291,536.11). The District responded to MCWRA thanking them for the partial payment and describing the amount still owed to the District. On another front, Paavo Ogren has taken a seat on the MCWRA Reservoir Operations Committee. Lastly, Mr. Hollenbeck described the order for release of the District's full entitlement in Water Year 2010 (October 1, 2009 – September 30, 2010). This will ensure that the District's full entitlement is available throughout the 12 month period, as described in the 1959 Agreement.

Camp Roberts – Camp staff has identified several road improvements to consider for the \$125,000 easement compensation promised in the MOA: Boy Scout Road, Nacimiento Road, and Tower Road. Upon the final decision by the end of this month, Teichert will implement said work.

PG&E - A \$9 million authorization was released by PG&E to proceed with the full service planning improvements in support of the Intake Pump Station. Staff will continue to report progress toward that end.



New Participants - Mr. Hollenbeck and Mrs. Halley discussed the potential new participants', California Men's Colony, Lewis Pollard Family Trust, and Heritage Ranch CSD, status. None of these interested parties are ready to move forward at this time; however, Mrs. Halley will remain in contact with all parties.

Mussels - Ms. Berg provided a brief update on mussels. After the October 2, 2009, elected official's meeting, the District and MCWRA began working collaboratively on implementing the Lake protection program. MCWRA is currently on track to implement the initial watercraft inspection program by March 31, 2010. Monterey County Supervisor Simon Salinas has demonstrated more involvement in the proposed program. Following a November 30, 2009, staff meeting will be an elected official's meeting on January 22, 2010. Commissioners reiterated their expectation that affected agencies approach the Lake protection program with a sense of urgency. The group received favorable feedback about the effectiveness of the San Luis Obispo County mussel prevention programs at Santa Margarita and Lopez Lakes.

Governor Schwarznegger vetoed Assembly Bill 804 on the basis that indemnifying waterbody managers if mussel infestations occur, simply because they have prevention *plans* in place, failed to align with current California and federal laws' intent.

Schedule and Budget - Mr. Hollenbeck highlighted the special Commission meeting scheduled for April 22, 2010, during which the Commission will be asked to approve the Project budget. As for construction, the Project is ahead of schedule and under budget. Mrs. Halley provided a revised version of the budget status report ending October 31, 2009, that correctly identifies the remaining budget as \$29,646,184.

V. Presentations

Project Operations Overview. Mr. Hollenbeck presented the planned transition from the Project construction phase into the operations phase. To ease into this transition, Rick Meeks, Supervising Operator, has become heavily involved in the Project and will assist Black & Veatch in creating the O&M and Standard Operating Procedures manuals.

VI. Commission Action Items

FY 2010/11 Nacimiento Project Budget Format and Proposed Policies for Funding Operating Reserves and Capital Reserve Costs. Mr. Clemens, District financial administrator, described the schedule, process, and format for the Project budget, as presented in the Commission packet. Commissioner Jones moved to adopt a policy for maintaining operating reserves in the Operation and Maintenance Cost fund as follows:

- Interest revenue would initially be used to build up the fund balance
- Goal is to maintain operating reserves at or about 20-percent of the annual operations & maintenance budget
- Once operating reserves reach the desired level, future interest revenue could be used to offset Participant billings.
- No additional Participant billings are proposed to create an operating reserve.

Commissioner Jones' motion also included adoption of a Capital Reserve Cost policy as follows:

- Sufficient capital reserves are to be held for the anticipated facility repair and replacement as described in the memorandum dated November 16, 2009, "Capital Reserve Costs Funding



Proposals” by Carolyn Berg. “Scenario 3” suggests a Capital Reserve contribution of \$490,000 per year.

- The annual reserve amount stated above would apply in Years 1 through 4. In Year 5, the District is to reevaluate planned facility repair and replacement such that future Capital Cost Reserves will be based more closely on the then-current capital improvement plan for the Nacimiento Water Project.

Commissioner Hamon seconded this motion (4-0 in favor of motion).

Surplus Water Declaration for Water Year 2010. Mr. Hollenbeck explained Surplus Water as defined in the delivery entitlement contracts, which includes Reserve Water and Turn-Back Pool Water. Commissioner Jones moved to declare 12,560.8 acre-feet of Surplus Water available for Water Year 2010. Doing so triggers steps by the District to offer water for sale as stated in the delivery entitlement contracts. Commissioner Hamon seconded this motion (4-0 in favor of motion).

Letter to California Department of Fish and Game. Per the Commission’s request, District staff created a letter asking for CDFG support for the mussel prevention program being implemented at Lake Nacimiento. Chairman Romero requested that he have the opportunity to edit the letter prior to signing. Commissioner Brooks moved to authorize Chairman Romero to edit said letter on the Commission’s behalf and to send it to the CDFG. Commissioner Jones seconded this motion (4-0 in favor).

VII. Commission Action Items

Mr. Hollenbeck detailed the District’s obligation to meet certain environmental mitigation requirements, including oak tree replacement and monitoring. The Project construction fund (Environmental Mitigation line item budget) will cover this seven year maximum mitigation period and \$425,000 anticipated cost. Each Participant will have an opportunity to propose a site for planting within their community, if desired, as San Luis Obispo did. Commissioner Brooks noted that this is a perfect opportunity for good media exposure and asked that staff consider issuing a press release. Commissioner Brooks moved to support the expenditure of \$425,000 in oak tree mitigation efforts and recommend to the Board of Supervisors that arrangements be made for mitigations. Commissioner Hamon seconded this motion (4-0 in favor).

VIII. Future Agenda Items Desired by Commission

None mentioned.

Chairman Romero adjourned the meeting at 5:32 pm.

Submitted by Carolyn Berg



Nacimiento Project Commission
February 25, 2010
Agenda Item IV.a– Project Management Report
(Information Only – No Action Required)

PROJECT ISSUES

Construction Status

The Facilities Contractor (Spec 2) has not yet procured the pumps for the Intake Pump Station because the Contractor's pumping system submittal has not been approved as required by the Contract Documents. The Contract Substantial Completion date of August 2010 is unlikely to be met. Assuming the Contractor can obtain submittal approval in the next few weeks, a Substantial Completion date of October 2010 is more realistic.

On January 25, 2010, a start-up coordination meeting was held with SLO County operations staff, the contractor, engineer, designer and other team members present. Many items relative to the start-up plan were discussed and it was determined that weekly start-up coordination meetings would start on February 18, 2010.

The North Pipeline Contractor (Spec 3) continues miscellaneous testing and site restoration along its pipeline route. Punch list inspections are being performed and Contractor is responding to these lists.

The South Pipeline Contractor (Spec 5) continues pipe installation in the vicinity of Turnout T-11 at the SLO water plant, at the connection to the Cuesta Tunnel barrel, and installation of the valve vault and appurtenances.

The Spec 5 Contractor – Southern California Pipeline Construction, Inc. (SCPC) is under investigation by the California Department of Industrial Relations for alleged violations of the Public Contract Code associated with the prevailing wage payments to employees. A Civil Wage and Penalty Assessment has been filed against SCPC and the District has a Statutory Withholding Obligation of about \$1.6 million mandated by the Department of Industrial Relations. The performance bond agency has been notified of this action by the Department of Industrial Relations and Jacobs. In addition, several subcontractors of SCPC have filed Stop Notices regarding the monies owed them by SCPC. The Contractor is continuing to perform work on the Project.

Status of Project Delivery Team Activities

Construction Management – Johnnie Overton has assumed the position of Construction Manager for Jacobs Engineering Group Inc. Activities center around pump station readiness and pipeline pressure testing. Jacobs is also working with Mountain Cascade to prepare the start-up plan. Jacobs is also working toward Contract Closeout with the Intake, Pipeline North, and Pipeline South Contractors, although dates are not finalized yet. The work necessary before Contract Closeout is complete includes Contract WORK completion, preliminary punch list items identification and resolution, final change orders settlement, final payment application approval, final walk through, and general acceptance of each Contract and its WORK.



Design Activities – Black & Veatch’s support activities revolve primarily around submittal review for the Intake Pumps. Other key items on Black & Veatch’s horizon include preparation of the Operation and Maintenance Manual and the Standard Operating Procedures Manual.

Environmental Compliance Activities – ESA submitted the required annual report pertaining to fairy shrimp impacts, continues coordination of the Native American remains found on Camp Roberts, and is nearing completion of the tally of oak impacts.

With regard to oak mitigations, the District is making arrangements with the City of San Luis Obispo to establish 150 coast live oaks on property in the vicinity of Stenner Creek. A memorandum of understanding is in progress to encumber an estimated \$97,000 of the \$425,000 budget designated for oak tree mitigations. The Board date has yet to be established for consideration of the MOU.

Native American Remains Returned to Rest

Refer to the attached article dated February 17, 2010, from The Tribune pertaining to the reinterment of Native American remains on Camp Roberts. Commissioner Grigger Jones, Project Manager John Hollenbeck, and Project Engineer Scott Duffield attended the ceremony.

Outside Agency Issues

Monterey County Water Resources Agency – See below for an update on invasive mussel issues.

Project Manager John Hollenbeck has substituted for Paavo Ogren at two meetings of the MCWRA’s Reservoir Operations Committee. He will update the group on other points of dialogue with MCWRA.

PG&E – PG&E’s General Construction group is on track to have the new circuit to the Heritage Planning Area in place and operational before the 2010 Memorial Day holiday weekend. Until then, staged Intake Pump start-up is necessary (i.e. no concurrent starts) such that starting currents are limited to 90 amps at 4,160 volt. The Mountain Cascade start-up team is aware of this limitation and timeframe.

New Participants – The series of agreements needed to extend service to the Lewis A. Pollard Family Trust, Cayucos, remain underway at the County. An amendment to the Water Treatment Agreement is next, then an agreement between the Trust and County Service Area 10 WTF. Staff targets the end of 2010 for this agreement series.

County Public Works staff was contacted by a California Mens Colony representative regarding their sustained interest in buying into the Nacimiento Water Project. Representative Bill Cook asked Will Clemens whether the Flood Control District would entertain some type of payment plan in lieu of the customary up-front buy-in fee. A payment term of perhaps 10 years was mentioned. District staff is conducting due diligence into the financial pros and cons of such an arrangement. For example, the bond insurer would likely have review authority over any new contract. Any specific proposal will be scheduled as a business item at an upcoming meeting.

Heritage Ranch Community Services District proposed a means of getting direct supplies from MCWRA's low level outlet works. That plan along with their legal opinion as to point of delivery obligations is under review by the County Utilities Division.

Fiber Optics Reimbursement from County ITD - The District computed the incremental cost reimbursement from the General Services Agency, Information Technology Division (ITD) based on the construction line-item bid values and any change orders for four of the five construction contracts: Facilities, and Pipelines North, Central, and South. The total construction value for the fiber optic system for these four construction contracts is presently priced at \$3,654,250, whereas the Engineer's Opinion of Probable Cost at the conclusion of design predicted a price of \$2,900,000. The incremental value attributed to ITD's shared participation in the Project is computed at \$569,000. The soft incremental costs of design, construction administration, and general administration are being computed based on project records. These incremental costs are expected to be less than the soft cost percentages discussed at the Commission meeting of October 26, 2006, meeting. The Project Manager will advise your Commission of the final soft incremental costs once they have been finalized.

Invasive Species Prevention

Elected officials met on January 22, 2010, with Supervisor Frank Mecham and Mayor Dave Romero representing the Nacimiento Project Commission. The group agreed in concept to the approach of enforcing a CLEAN, DRAIN, DRY policy for boaters for the 2010 recreation season. This means requiring a self-certification with screening inspection at every public ramp and private ramps alike. Public education, program staffing, additional enforcement/patrol, and volunteer screeners at private ramps are all part of this year's approach. In January, the group agreed to:

1. Seek congressional support. (Commissioner Frank Mecham subsequently spoke to Congressman Kevin McCarthy's office.)
2. To address internal ballast boats, consider rejecting such watercraft that originate from counties with infected lakes.
3. Monterey County Parks Department to evaluate recreational fee increases for 2010 to fund a portion of the prevention program.
4. SLO County to consider Monterey County's input into ordinance revision scheduled for SLO County Board of Supervisors' action in Q1 2010. (Refer to Agenda Item V.b.)
5. Staff to provide more detail for the \$533,000 program cost estimate and suggest philosophy for cost assignment by lake and by agency. Initial cost sharing thoughts are that overall program cost is 50/50 San Antonio and Nacimiento; Nacimiento portion is 50/50 Monterey and SLO. Work to secure funding for full program and scale-back according to final amount.
6. Concentrate initially on public outreach; Watershed Advisory Committee will play role in overall program oversight.

The elected official's were to have met again on February 19, 2010, however, a draft document originating from MCWRA hours before the planned meeting demonstrated a marked departure from the discussion of January 22, 2010. Specifically, MCWRA increased the program cost



estimate from \$533,000 to more than \$642,000, with the suggestion that San Luis Obispo County bear nearly half of the total costs for the two lake program, not just half of the Lake Nacimiento costs. Commissioners Mecham and Romero elected to cancel the meeting to allow time for staff to come to alignment before involving the elected officials.

Meanwhile, Christine Halley and Robin Dickerson, TJCross Engineers, participated in the first private ramp outreach on February 13, 2010. Cal Shasta board member Phil Humfrey made arrangements for that 120 member group to discuss the 2010 mussel prevention plan and begin a more formal private ramp outreach program. The Nacimiento Water Project team will continue its private ramp outreach in the coming months.

Last, the District's Water Resource Advisory Committee received a report on this topic at their February 3, 2010, meeting and concluded that while the proposed 2010 Boating Season prevention program suggests some interagency progress, it lacks the level of risk reduction the WRAC had originally pushed for. The WRAC intends to recommend that the District's Board of Supervisors work with San Luis Obispo County and Monterey County to implement a full inspection and decontamination program no later than 2011. The WRAC suggests that funding should include state and federal grants, boater fees, and Project monies.

Nacimiento Reservoir Status

Reservoir status as reported by MCWRA is 46-percent full, or 174,116 acre-feet as of February 22, 2010. Lake levels continue to rise since the recent storm activity over the watershed.

Administration of Surplus Water

On November 19, 2009, the Commission declared 12,560.8 acre-feet of Surplus Water available for Water Year 2010. The County Utilities Division will administer the Surplus Water and Reserve Pool for the Project. Refer to the attached illustration. The following is the proposed schedule for key administrative steps.

July 1st to August 31st – Initiates and completes the year-end budget process for the prior fiscal year and determines budget actual by September 1st.

September 1st to September 30th – Determines cost of Surplus Water based on budget actual.

October 1st – District receives preliminary water delivery schedules from Participants and subsequently makes adjustments, etc. as detailed in Article 7.B.

District declares: 1) the amount of the Reserve Pool Water portion of the Surplus Water that is available, 2) the pro-rata shares available to each Participant and 3) the cost of that water per acre-foot.

Participants submit to District a preliminary water delivery schedule which sets forth the amounts, rates and times of the conveyance and delivery of the Delivery Entitlement for each month of next succeeding three (3) water years (Article 7.A).

Participants initiate process to determine how much (if any) surplus water each Participant wishes to purchase.

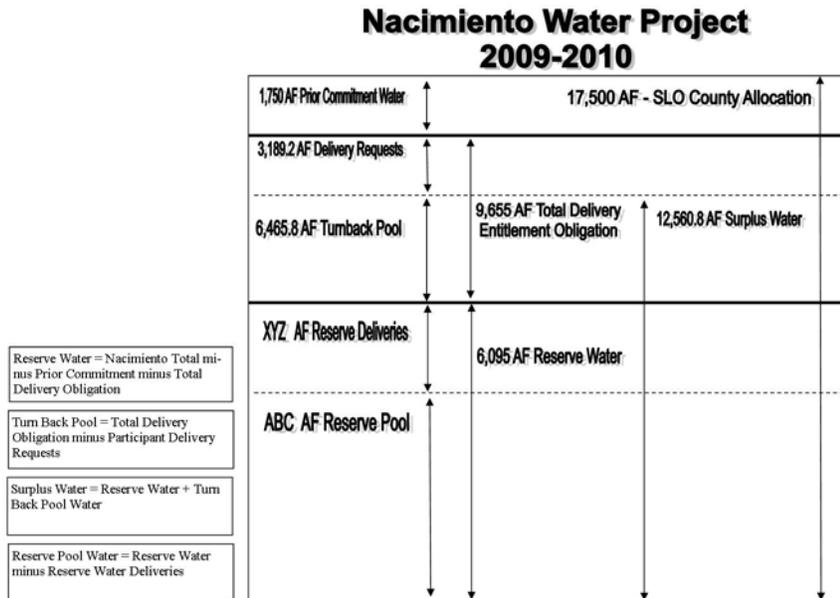


October 1st and beyond

- Receives Participant requests for Reserve Pool Water.
- Reoffers any Reserve Pool Water not purchased to Participants until all Reserve Pool Water has been sold.
- After selling all Reserve Pool Water, offers Turn Back Pool Water to Participants on a pro rata basis.
- Can offer to sell and deliver any unsold Surplus Water to any other prospective purchasers.

The schedule of Reserve Water and Reserve Pool administrative steps for the current water year is to set the price of Surplus Water (i.e. Reserve Pool Water and Turn-Back Pool Water) based on the draft budget. A later pricing adjustment may be needed once the budget is adopted.

Papich Construction approached the Project Manager about construction water for the planned Highway 1 Caltrans work. Papich would need to tap the ductile-iron pipe section near the Santa Margarita park-and-ride lot (Unit G1). The TSG’s input was that this would be a good use of available water and that the District/Commission should entertain this as a Reserve Water Customer.



D.Bird, 5 February 2010

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Tribune, The (San Luis Obispo, CA)

2010-02-17

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Page: A1

REMAINS RETURNED TO REST
TRIBE REBURIES BONES UNCOVERED DURING BUILDING OF
NACIMIENTO WATER PROJECT

Melanie Cleveland
mcleveland@thetribunenews.com

In an unprecedented move, the Salinan tribe invited reporters, Roman Catholic priests and Army soldiers to a sacred native reburial ceremony Tuesday at Camp Roberts.

The skeleton of an adult Salinan man, between 35 and 45 years old, along with bone fragments of another human, were uncovered last November while crews were digging a pipeline for the Nacimiento Water Project, according to Clinton Blount, an anthropologist and president and cofounder of Albion Environmental. A team of Albion anthropologists removed the bones in December while the pipeline work was completed at the camp. After studying the bones and other archaeological remnants, such as fire-cracked rocks and stone flakes, they believe the bones were of Salinans who had been quarrying stones for cutting tools and arrows. Because no other human remains were uncovered, the team did not believe the area was used by a large community nor was it a large burial ground, Blount said.

About 40 people, half of whom were Salinans, gathered to listen to John Burch, co-leader in the Salinan tribal council, perform a purification ritual, complete with burning sage, before the final reinterment ceremony.

"I know our ancestors came back today for a reason -- to offer us an opportunity," he said. A blast of ammunition boomed from Army maneuvers nearby on Camp Roberts, which is a training ground for artillery.

"I see the ancestors agree," he said, with a laugh. "We believe they have brought this gift for us to unwrap, a present of peace, harmony and goodwill."

The Salinans hope the ceremony will draw attention to their desire to have federal recognition, something the tribe has been working toward for many years, tribe spokesman Chris Molina said.

"We are only state-recognized, and because of that, we do not have the authority to take care of our own and get our ancestors reinterred here," he said. "It is our hope one day that we will have the (federal) recognition we need to gather all the

bones that are out there, dug up and on shelves in places like Cal Poly or Berkeley, and return them back in the ground, where we feel they belong."

The Salinans are believed to have lived near Nacimiento River for as many as six to eight thousand years, Blount said. The anthropologists are still waiting for the results of carbon dating to determine the age of the remains, but they feel certain the bones predate the arrival of the Spaniards in the late 1700s, because they found no evidence, such as glass beads or other Spanish artifacts, at the site.

The missions of San Antonio and San Miguel were established in Salinan territory in 1771 and 1797. The mission's early counts of Indian baptisms numbered in the thousands. Tribal rolls today number about 600, Burch said. One of the tribal leaders, Gary Pierce, said the priests were invited to the ceremony as a peace offering. Some critics of the Catholic Church think it was responsible for the demise of the Salinan culture and the people themselves. "It's a misconception that the Padres used Indians for slaves," Pierce said. "They offered their missions as sanctuaries to Salinans who had bounties on their heads."

Camp Roberts, a California Army National Guard installation, encompasses 42,000 acres in San Luis Obispo and Monterey counties.

The spot for the final burial of the Salinan ancestors was underneath oak trees and green steep hills about a hundred feet above the river and about seven miles from Highway 101.

The bones were placed in a plywood box about 3 1/2-feet-long by 2-feet-wide and lowered gently into a small rectangular hole about 4-feet deep.

After two priests baptized the remains, a female Salinan elder gave a blessing: "We are the gathering of Indians. We pray that you now then go ahead. Fly into the world beyond. Go and be happy."

The brown paper bags that had held the bones were placed on top of the coffin in the hole and were burned. Then the anthropologists took shovels and filled in the grave.

The Rev. Larry Gosselin of San Miguel Mission said, "Certain things need to be buried here, but we recognize that the grave is not the end. It is a door, a gate to something new."

Nacimiento Project Commission
February 25, 2010
Agenda Item IV.b– Project Schedule
(Information Only – No Action Required)

The accompanying construction schedule is current as of November 2009.



Activity ID	Activity Description	Orig Dur	Rem Dur	%	Early Start	Early Finish	2007 2008 2009 2010																																																			
							2007													2008													2009													2010												
Contract No.1 - Intake																																																										
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	768*	0*	100	25OCT07A	30NOV09A																																																				
A1440	Intake Shaft Construction	199*	0*	100	12NOV07A	21AUG08A																																																				
A1530	Microtunnel Installation	32*	0*	100	02SEP08A	15OCT08A																																																				
A1760	Commissioning - Contract No. 1	246*	0*	100	12DEC08A	30NOV09A																																																				
Contract No.2 - Pump Stations, Tanks, SCADA, etc																																																										
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	760*	242*	75	19NOV07A	05NOV10																																																				
A2410	Construction - Rocky Canyon Pump Station & Tank	591*	165*	95	31MAR08A	21JUL10																																																				
A2660	Construction - Cuesta Tunnel Tank	385*	24*	95	01JUL08A	05JAN10																																																				
A2240	Construction - Santa Ysabel Pump Station	432*	79*	90	14JUL08A	23MAR10																																																				
A2120	Construction - Camp Roberts Tank	377*	59*	95	01SEP08A	23FEB10																																																				
A1950	Construction - Intake Pump Station	410*	183*	40	12JAN09A	16AUG10																																																				
A2900	Commissioning - Contract No. 2	163*	163*	0	24MAR10	05NOV10																																																				
Contract No.3 - Pipeline North																																																										
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 (A, A1, C, C1)	649*	123*	95	07NOV07A	24MAY10																																																				
A3170	Commissioning - Contract No. 3	86*	86*	0	25JAN10	24MAY10																																																				
Contract No.4 - Pipeline Central																																																										
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)	491*	0*	100	19OCT07A	22SEP09A																																																				
A3590	Commissioning - Contract No. 4	35*	0*	100	04AUG09A	22SEP09A																																																				
Contract No.5 - Pipeline South																																																										
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)	636*	102*	93	26OCT07A	23APR10																																																				
A3930	Commissioning - Contract No. 5	89*	89*	0	25JAN10	23APR10																																																				

 Early Bar
 Progress Bar

CSX2

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

Sheet 1 of 1

Data Date
 Run Date

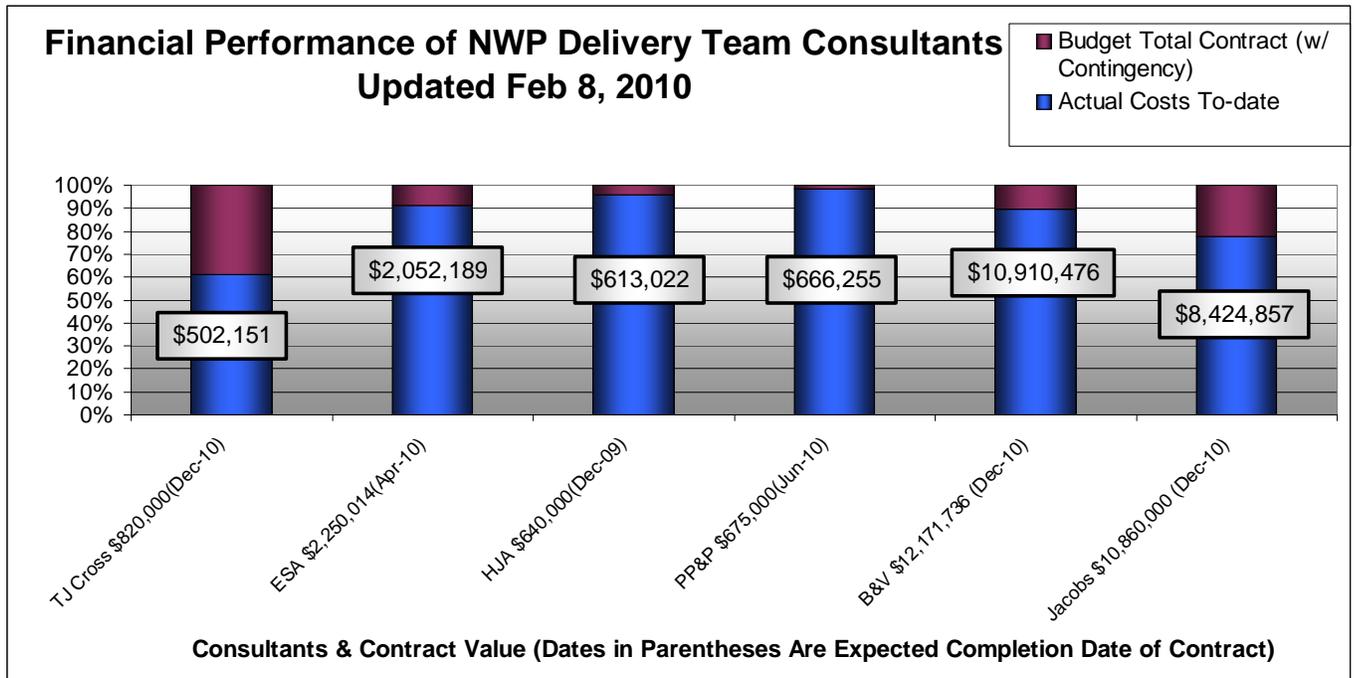
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Nacimientto Project Commission
 February 25, 2010
Agenda Item IV.c– Project Budget
 (Information Only – No Action Required)

Design and Construction Phase Budget

The Project Budget Report through January 31, 2010, for the Design and Construction phase of the Project is presented as Agenda Item VI.a, where staff recommends adjustments to certain line items of the budget.

The financial performance of consultants is illustrated in the following graphic. Refer to Item V for a presentation of the draft Fiscal Year 2010/11 budget.



Operation and Maintenance Phase Budget

Please refer to Agenda Item No. V.a for a presentation of the first annual Operation and Maintenance Phase Budget for the new Nacimientto Water Project.

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Nacimiento Project Commission
February 25, 2010
Agenda Item V.a - FY 2010/11 Nacimiento Project Draft Budget
(Presentation - No Action Required)

TO: Nacimiento Project Commission

FROM: Will Clemens, Public Works Administrator

VIA: John R. Hollenbeck, P.E., Nacimiento Project Manager

DATE: February 25, 2010

As discussed at the Commission's meeting in November 2009, the Flood Control District's fiscal year runs from July 1st to June 30th such that we are currently in fiscal year 2009/2010 (FY 09/10). Article 4(C) of the delivery entitlement contracts states that "...the District shall determine the amount of Capital Reserves necessary for the Nacimiento Facilities for the upcoming Water Year and shall prepare its draft annual budget by no later than March 1 to reflect such Capital Reserves".

In November, staff familiarized the Commission with the budget format. Today, staff presents the draft budget to the Commission which includes the Capital Reserve Cost policy adopted by the Commission at the November 19, 2009, meeting. The District will adhere to the following schedule through adoption of the proposed Project budget:

February 25, 2010	Present proposed FY 2010/11 budget to Commission
March 11, 2010	Convene meeting of TSG and Finance Committee to review the proposed budget and discuss Participant comments
April 8, 2010	Return to TSG with any revisions to proposed budget
April 22, 2010	Special meeting of Commission to approve budget per Article 4(C) of the delivery entitlement contracts
Early May 2010	Include FY 2010/11 Nacimiento Water Project budget in Board of Supervisor's overall budget for consideration
June 2010	Board of Supervisors Budget Hearing

By way of reference, estimated annual operations and maintenance costs as-stated in the "Cost Summary Report" dated August 17, 2007, prepared by Black & Veatch were \$3,638,555.

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Nacimiento Project Commission
February 25, 2010
Agenda Item V.b – Nacimiento Lake Chapter 11.20 Ordinance Revisions
(Presentation - No Action Required)

TO: Nacimiento Project Commission

FROM: John R. Hollenbeck, P.E, Nacimiento Project Manager

VIA: Paavo Ogren, Public Works Director

DATE: February 25, 2010

Chapter 11.20 of the San Luis Obispo County Code establishes rules and regulations for the safe and peaceful use of Nacimiento Lake. It addresses such topics as permits and fee schedules, camping and vessel regulations, penalties for violation, and more.

San Luis Obispo County staff has been working with Monterey County Parks Department staff in recent months to propose revisions to this chapter of the County Code. This chapter of the County Code was last revised in 1976. The purposes of the 2010 proposed revisions are primarily to:

1. Clarify the role of Monterey County Parks Department and sheriff in enforcement of the ordinance
2. Establish a requirement for local inspection certification such as for invasive species (mussel) prevention
3. Put into place stiffer penalties for violations.

The proposed amendments are designed to better position both San Luis Obispo County and Monterey County for enforcement of invasive specie prevention measures.

Notice that in the proposed revisions that San Luis Obispo County and the San Luis Obispo County Flood Control & Water Conservation District retain all regulatory powers over County waters and the Nacimiento area. It clears up any ambiguity that may have existed regarding enforcement by Monterey County Parks Department and Sheriff's Department staff, although it does not mandate Monterey County to do or implement anything specifically.

This item is brought to the Commission as a presentation item. The intent is to keep the Commission informed as to the ongoing dialogue with Monterey County agencies and steps that support the invasive specie prevention efforts. This is scheduled for San Luis Obispo County Board of Supervisors consideration (i.e. the first reading) in March 2010.



Nacimiento Project Commission
February 25, 2010

Agenda Item VI.a – Revised Project Budget – Design and Construction Phases
(Commission Action – No Subsequent Board Action Required)

TO: Nacimiento Project Commission
FROM: John R. Hollenbeck, P.E., Nacimiento Project Manager
DATE: February 25, 2010

Recommendation

We recommend that your honorable Commission approve the revised Nacimiento Water Project Budget Report presented herein, which redistributes monies among those budget categories where improved knowledge of expenditure warrants such redistribution.

Discussion

The Project Budget Report through January 31, 2010, is presented enclosed with this agenda item. On or about every year, a line item adjustment is proposed to your Commission for consideration. Your Commission last approved a revised budget for the Design and Construction Phases of the Project in August 2009. The proposed changes to the budget are described in Table VI-1.

The overall budget of the Project presented within sums to about \$177.4M, which is about \$0.8M greater than the budget adjustment report presented in February 2009. The \$0.8M increase is caused by correcting an error in the budget report that was first incorrectly presented back in the July 2007, budget report. The error reduced the Construction Phase contingency by an amount equal to the Design Phase Reserve and Design Phase Variance. The correct method for presenting the Design Phase Reserve and Variance is a full-value variance as presented in the enclosed report (see value of \$750,609 in Design Phase Summary line.) The Design Phase Reserve may or may not be spent, and this will remain unknown until the end of the construction. Design Phase elements that are still active include environmental, PG&E service, and right-of-way. The Project Manager's expectations are that the majority of the Design Phase Reserve will not be spent, but instead will be realized as savings to the Project.

Financial Considerations

The corrected overall Project budget is about \$177.4M. The proposed line item adjustments to the budget will allow for more accurate tracking of individual budget items.



Table VI-1. Proposed Line Item Adjustments to Nacimiento Water Project Budget Report

Line Item	Proposed New Budget Value	Discussion
DESIGN PHASE COSTS		
Project Management	\$2,450,000	Add \$104,251 to more closely reflect actual expenditures of this line item.
Property Acquisition	\$1,700,000	Reduce \$200,000 based to more closely reflect actual expenditures
Construction Management	\$669,173	Add \$64 to correct error from the with compensation value given in Agreement for Professional Construction Management Services
PG&E Service Extension	\$300,000	Add \$200,000 to budget for possible charges from PG&E if pump stations do not use sufficient electricity in the first year. Expect to eventually receive these monies back, but not until during the O&M Phase.
Design Phase Reserves	\$720,103	Reduce \$104,315 as the net affect of the above line item adjustments.
CONSTRUCTION PHASE		
Project Management	\$4,858,563	Added \$170,000 for truck (\$45,000) and sanitary survey and recreation plan update (\$125,000).
Environmental Mitigation	\$3,180,221	Reduced \$1,319,779 based on following: Moved \$364,779 to Construction Contingency to offset change orders that were environmental mitigation work. Moved \$955,000 to Professional Services Contingency to offset costs to JEG for additional environmental monitoring and data collection work.
Construction Management	\$10,190,827	Added \$1,975,000 to CM Services, equal to adding \$1,020,000 for JEG services, and adding \$955,000 for Environmental Monitoring Services (work done by ESA and managed by JEG).
Construction Contracts	\$129,820,722	Added \$5,993,953 to construction contract budget, which breaks down as follows: Added \$5,849,248 for change orders to all construction contracts. Added \$369,705 reimbursement cost to Paso Robles for repaving North and South River Road. Reduce Spec 1 \$75,000 for not earning the Incentive Provision Reduce Spec 3 \$100,000 for not earning the Incentive Provision Reduce Spec 5 \$50,000 for not earning the Incentive Provision
Contingency	\$5,680,826	Reduced \$6,819,174 , as the net affect of the above line item adjustments.

Results

Approval of the proposed budget line items will provide the Project Team a more accurate tracking of actual expenditures, thus giving management the tools needed to successfully manage the District’s largest capital project.

**Nacimiento Water Project
Project Budget Reporting
Report Ending Period: 1/31/10**

	Revised Budget PROPOSED FEBRUARY 2007	Cost to Date thru 1/31/10	Remaining Budget	Projected Total Cost as of 2/25/2010	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	\$ 2,072,001.48	\$274,866	\$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	\$ 30,830.25	\$269,170	\$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	\$1,473,685	\$88,315	\$1,562,000	\$0	Hammer-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	\$ 1,623,986.61	\$76,013	\$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	\$17,651,529	\$1,248,471	\$18,149,391	\$750,609	
Construction Phase Costs						
Project Management	\$4,858,563	\$ 3,352,287.38	\$1,506,276	\$4,840,505	\$18,058	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	\$3,180,221	\$ 20,310.75	\$3,159,910	\$150,000	\$3,030,221	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.)
Construction Management, includes Environmental Monitoring, Materials Testing & Surveying	\$10,190,827	\$ 7,569,065.59	\$2,621,761	\$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	\$ 2,141,287.73	\$1,058,712	\$3,200,000	\$0	Black & Veatch's construction phase services.
Construction Contracts	\$129,820,722	\$ 121,054,842.40	\$8,765,880	\$129,820,722	\$0	BASED ON CONSTRUCTION BIDDING + CHANGE ORDERS
District Controlled Contingency Construction Phase Contingency and Reserve (NOTE 1)	\$5,680,826		\$5,680,826	\$5,680,826	\$0	Recommended contingency for construction change orders, prof service changes, and other Project reserve. Excludes the carryover of unused Design Phase reserves.
SUMMARY - CONST. PHASE	\$156,931,159	\$134,137,794	\$22,793,365	\$153,882,880	\$3,048,279	
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	\$177,375,159	\$153,333,323	\$24,041,836	\$173,576,271	\$3,798,888	

Positive Projected Variance indicates costs are under the revised line item budget.
Recent Update: February 9, 2010

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

Nacimiento Project Commission
February 25, 2010

**Agenda Item VII.a – Pressure Monitoring and Reporting Instrumentation
Proposed to be Constructed by Construction Contract No. 300187.08.02, Facilities
(Commission Action –Subsequent Board Action Required)**

TO: Nacimiento Project Commission

FROM: John R. Hollenbeck, P.E., Nacimiento Project Manager

DATE: February 25, 2010

Recommendation

We recommend that your honorable Commission support the processing of Change Order No. 013 for Construction Contract No. 300187.08.02, Facilities, (herein referred to as “Facilities Contract”) that will be before the Board of Supervisors (Board) of the San Luis Obispo County Flood Control and Water Conservation District (District) on March 2, 2010, in the amount of \$395,000, for the installation of additional construction work to install pressure monitoring and reporting instrumentation at nine locations along the pipeline conveyance.

Discussion

The purpose of the additional work for the Facilities Contract is to add instrumentation to the pipeline system that will detect and record sudden pressure fluctuations called hydraulic transients, sometimes known as “water hammer.” Hydraulic transients in long pipeline systems are extremely damaging to pipelines when the pressure is significantly greater than or less than the design pressure of the pipe. Design features have been specified within the Nacimiento Water Project’s (Project’s) contract documents to avoid the propagation of damaging hydraulic transients; nevertheless, several case histories exist where hydraulic transients had been occurring over periods of time but were unknown to the operators of the pipeline until a sudden and catastrophic rupture (pipe break) occurred. Consequential, nearby facilities (e.g., roads, bridges, utilities, homes, commercial centers, etc.) can be damaged unexpectedly resulting in significant repair costs. In order to minimize these risks, additional protection measures should be added to the Project that would alert the operating staff if a severe hydraulic transient is occurring in the pipeline.

The additional work specified within Change Order No. 013 involves the installation of pressure recordation devices, known by the manufacturer as TP-1, at several locations along the pipeline. The TP-1 devices remotely monitor the pressure fluctuations within the pipeline, and when a hydraulic transient is experienced (either a small or large pressure change), the devices begin to record the instantaneous pressure changes in fractions of a second (e.g., 100 readings in one second). The importance of this data collection is to allow engineering and operator staff, within the Public Works Department, to perform forensic investigation to understand the cause and effect of a hydraulic transient, and then perform any necessary changes to the pipeline system (e.g., slowing the speed of closing or opening a valve) so that the hydraulic transient does not occur again. If approved by the



Board, the TP-1 devices will be installed in advance of the construction contractor beginning the startup and testing of the conveyance system, presumed to begin in the fall of 2010.

Each TP-1 device is synchronized with a master clock so the contractor (during startup and testing) and the District's operators and engineers (post construction) can understand the time element of the recorded pressure data at each location. The TP-1 devices provide valuable information to the operators of the Project to assure damaging transients are not occurring, and further to alert them to transient situations so they can be corrected.

The TP-1 device is new technology that District staff was exposed to at a pipeline conference in 2008; several months after your Board awarded the construction work to the construction contractor Mountain Cascade, Inc. Since Mountain Cascade is providing all instrumentation and controls including the Supervisory Control and Data Acquisition (SCADA) system for the project, and Change Order No. 013 represents only 1.5% of their original bid, it neither affects the overall character of their work, nor does it unreasonable alter the cost of their worth, and therefore is allowable under California Public Contract requirements. Adding this device to the Project's pipeline system will provide risk protection of the District's asset.

Change Order No. 13 modifies the Facilities Contract agreement by increasing the Contract Price by \$395,000, but does not change the contract time. This change is being brought to your Commission because the work is an addition to the existing work rather than a change to existing work and the District's Board will make findings via a resolution why adding this work to the Facilities Contract is in the best interest of the public rather than bid the work separately. These findings are:

- (a) Given the unique circumstances of this project, and the work required by Change Order No. 13, the soliciting of competitive proposals for the work described in Change Order No. 13 would cause an incongruity in the Project, would delay the Project, and would not serve the public's interest.
- (b) The nature of the improvements to be constructed by Change Order No. 13, and the constructions services to be provided therein, are of such a nature that the soliciting of competitive proposals by the District would be unavailing and would not produce an advantage to the District, or the members of the public served by the District.
- (c) The additional work included in Change Order No. 13, is consistent with the character and nature of the work originally included in contract No. 300187.08.02.

Other Agency Involvement

Your Technical Support Group was given a verbal report on the TP-1 devices at their February 11, 2010, meeting and support the District's recommendation to add this work to the Facilities Contract.



Financial Considerations

This subject change order is funded through the District’s Nacimiento Water Project Fund. The Project Budget includes contingency money to manage change orders, and this change is within the Project Budget. Approving the change order will modify the agreement for the Facilities Contract as follows:

	<u>Contract Price</u>	<u>Contract Times</u>
Original Contract Value	\$25,588,000.00	1,120 days
Previously Approved Change Orders	\$165,070.00	5 days
Change per Change Order No. 13	\$395,000.00	0 days
Changed Contract Values	\$26,148,070.00	1,125 days

Results

Approval of the recommended action will result in continued progress of the construction related activities for this construction contract, will provide the public with risk mitigation and protection for this \$176-million water delivery investment, and will contribute to the efficient delivery and continuity of this construction project.

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