



ZONE 3 ADVISORY COMMITTEE

San Luis Obispo County Flood Control and Water Conservation District

AGENDA

Thursday, March 19, 2026, at 10:30 A.M.

City of Pismo Beach Council Chambers
760 Mattie Rd., Pismo Beach, CA 93449

- I. CALL TO ORDER AND ROLL CALL
- II. PUBLIC COMMENT
This is an opportunity for members of the public to address the Committee on items that are not on the agenda.
- III. MEETING MINUTES
 - A. January 15, 2026, Meeting – [Attachment 1](#)
- IV. OPERATIONS REPORT
 - A. Water Plant Operations, Reservoir Storage, Downstream Releases - [Verbal Update](#)
 - B. Projected Reservoir Levels – [Attachment 2](#)
 - C. January and February Monthly Operations Report – [Attachment 3](#)
 - D. Projects Updates - [Attachment 4](#)
 - E. 2nd Quarter Budget Status Report – [Attachment 5](#)
- V. LOPEZ RECREATION REPORT
- VI. INFORMATIONAL ITEMS
- VII. ACTION ITEMS (No Subsequent Board of Supervisors Action Required)
- VIII. ACTION ITEMS (Board of Supervisors Action is Subsequently Required)
 - A. Fiscal Year 2026-27 Budget Endorsement – [Attachment 6](#)
- IX. FUTURE AGENDA ITEMS
- X. COMMITTEE MEMBER COMMENTS

Next Regular Meeting is Scheduled for
May 21, 2026, at 10:30 AM at Grover Beach, 154 S. Eighth
Agendas accessible online at www.slocounty.ca.gov/pw/zone3



**SAN LUIS OBISPO COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT
ZONE 3 ADVISORY COMMITTEE
MEETING MINUTES
THURSDAY January 15, 2026
ARROYO GRANDE**

I. CALL TO ORDER AND ROLL CALL

- **Action:** The Zone 3 Advisory Committee meeting was called to order at 10:35 AM by Aileen Loe City of Arroyo Grande
- **Action:** Roll call conducted by David Spiegel

Members in Attendance:

- Brian Talley, Agriculture
- Brad Hagemann, CSA-12
- Jules Tuggle, City of Grover Beach
- Marcia Guthrie, City of Pismo Beach
- Shirley Gibson, Oceano CSD
- Aileen Loe, City of Arroyo Grande

II. PUBLIC COMMENT

- Clarification will be sought from the clerk's office regarding whether public comment is allowed on agenda items; committee agreed to allow it in the meantime.
- Gordon Hensley (SF Coastkeeper) requested a future in-person meeting during February mediation and asked for clarification on the purpose of the County's water rights permit.
- Jessie Swanhuysen (Sycamore Law, plaintiff counsel) commented on the Ninth Circuit decision vacating the preliminary injunction and encouraged committee members to attend the February mediation. He noted ongoing proposal exchanges and requested meaningful participation from the Committee.

III. MEETING MINUTES- Attachment 1

Meeting minutes for January 15, 2026, were recommended. No questions or comments. Motion for approval: Talley; Seconded; Tuggle; All Ayes. Passed Unanimously.

No public comment.

IV. OPERATIONS REPORT

A. Water Plant Operations, Reservoir Storage, Downstream Release

- Lopez WTP operating at 3.9 MGD.
- State Water project operating at 0.2 MGD; system recently brought back online.
- Downstream release at 2.8 MGD
- Reservoir elevation at 513.26 feet; 83.5% capacity
- Total storage at 41,316 acre-feet
- Rainfall to date reported at 16.12 inches.
- New lower-flow meter installed at SWP turnout, allowing more efficient low-flow operations while maintaining full delivery capacity

B. Projected Reservoir levels- Attachment 2

- December projection report presented.
- Preliminary injunction (PI) vacated; PI flow line to be removed from projections starting next month.
- Rainfall to date is approximately 75% of average annual rainfall.

C. November and December Monthly Operations Report – Attachment 3

- Water usage tracking within expected ranges.
- No alarming trends or conservation recommendations currently.
- Spreadsheet inaccuracies noted due to new contracts.
- Staff Working toward improved reporting format, including individual agency usage sheets

D. Project Updates-Attachment 4

- **Membrane module rack replacement:** project complete; five of six racks replaced. Sixth rack installed in 2017, is performing well and replacement likely deferred into early 2030s.
- **Spillway assessment:** Alternatives analysis received from GEI; revisions pending before review by TAC
- **Geotechnical Testing and Seismic Alternatives;** DSOD requesting additional analyses, 2 D slope stability and left abutment fault analysis.

Estimated cost \$250,000. Funding strategy under development; DSOD accepting phased timeline of 2-3 years.

- **Cathodic Protection repair;** No change; comments from DWR under review.
- **Fire tank replacement:** project on hold pending future funding.
- **Urban Water Management Plan;** Due July 2026; consultants engaged; estimated cost \$60,000.

Committee/Public Comment

No questions from committee members

No public comments received on Items A-D

V. LOPEZ RECREATION REPORT

Brian Wilder, reporting period: November- December

- Seasonal visitation down (22,000 visitors).
- Preparing for March 7 Cal Poly Triathlon.
- Ongoing maintenance: docks, buoys, infrastructure, plus added tasks due to slight lake rise.
- Water tank replacement is progressing toward April 1 completion.
- Mussel inspection program continues; QZ grant renewal planned; 953 inspections, 4 rejections.
- 2,000 lbs rainbow trout stocked Jan 7.
- Staff addressing bear activity: repairs to bear-resistant trash cans and pursuing grants for replacements.

No public comment. Appreciation expressed for AIS prevention work.

Committee/Public Comment

No Public Comment

Committee member Aileen Loe expressed appreciation for staff efforts, particularly related to aquatic invasive species prevention.

VI. INFORMATIONAL ITEMS

A. 5 – Year CIP – Attachment 5

Two projects included:

- Habitat Conservation Plan: \$300k (formerly labeled “in-stream studies”).
- Lopez litigation costs: \$450k (does not include potential remediation).

- TAC requested full 5-year expansion for long-term planning.
- Document date corrected from 12/6/2024 to 12/6/2025.

- Draft HCP submitted Oct 1, 2025; agency review delayed due to staffing, funding, and federal shutdown.
- Carryforward funds remain available; full Zone 3 budget in March will show all ongoing projects and associated funds.

B. Fish Passage Feasibility Assessment – Attachment 6

- Assessment posted publicly; prepared via competitive process.
- Evaluated volitional and non-volitional steelhead passage options.
- Reservoir elevation fluctuates 62–69 ft during migration seasons, creating significant design challenges.
- Alternatives advanced:
 - Upstream: vertical slot ladder, trap-and-haul
 - Downstream: bypass pipe, guidance nets, trap-and-haul
- Mortality and oxygenated transport considerations addressed.
- Volitional passage deemed infeasible due to cost and reservoir variation; trap-and-haul recommended.
- Study cost approx. \$198,000; largely complete.

VII. ACTION ITEMS (No Subsequent Board of Supervisors Action Required)

VIII. ACTION ITEMS (Board of Supervisors Action is Subsequently Required)

IX. FUTURE AGENDA ITEMS

Schedule a site visit to Lopez Water Treatment Plant

X. COMMITTEE MEMBER COMMENTS

- Water rights permit clarification: County holds a valid permit; pursuing license; SWRCB is aware and coordinating; license issuance tied to HCP completion.
- Follow-up requested on steelhead spawning survey results from PI implementation.
- Staff noted the Fish Passage Study and advisory materials are on the county website.
- Committee requested improved public access to court documents; staff will consult County Counsel on adding links or navigation guidance.

ADJOURNMENT

- **Action:** The meeting was adjourned at 11:30 AM by Aileen Loe

Next Meeting: Scheduled for March 19, 2026, Pismo Beach

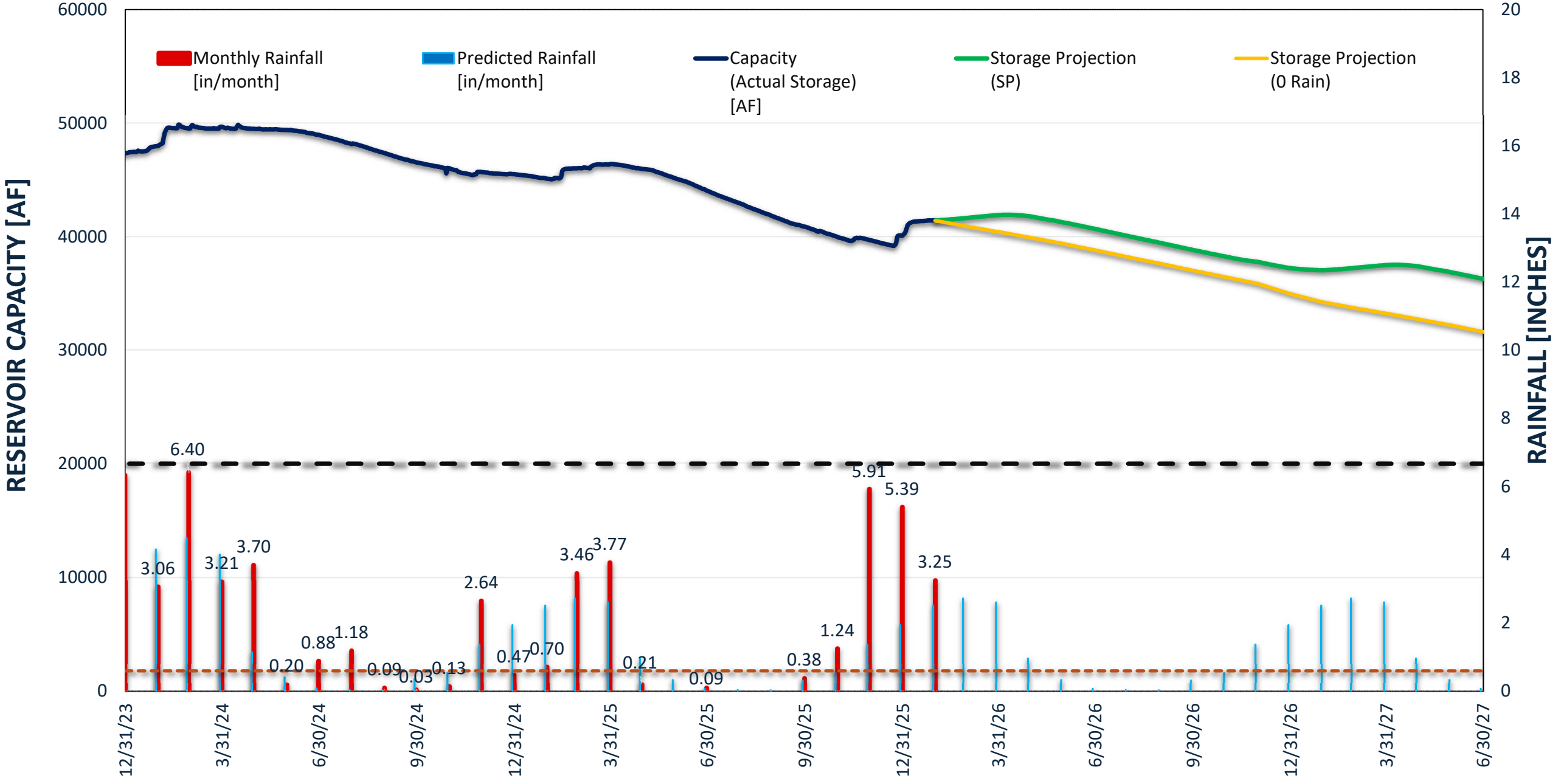
Respectfully Submitted,

Darla Budge

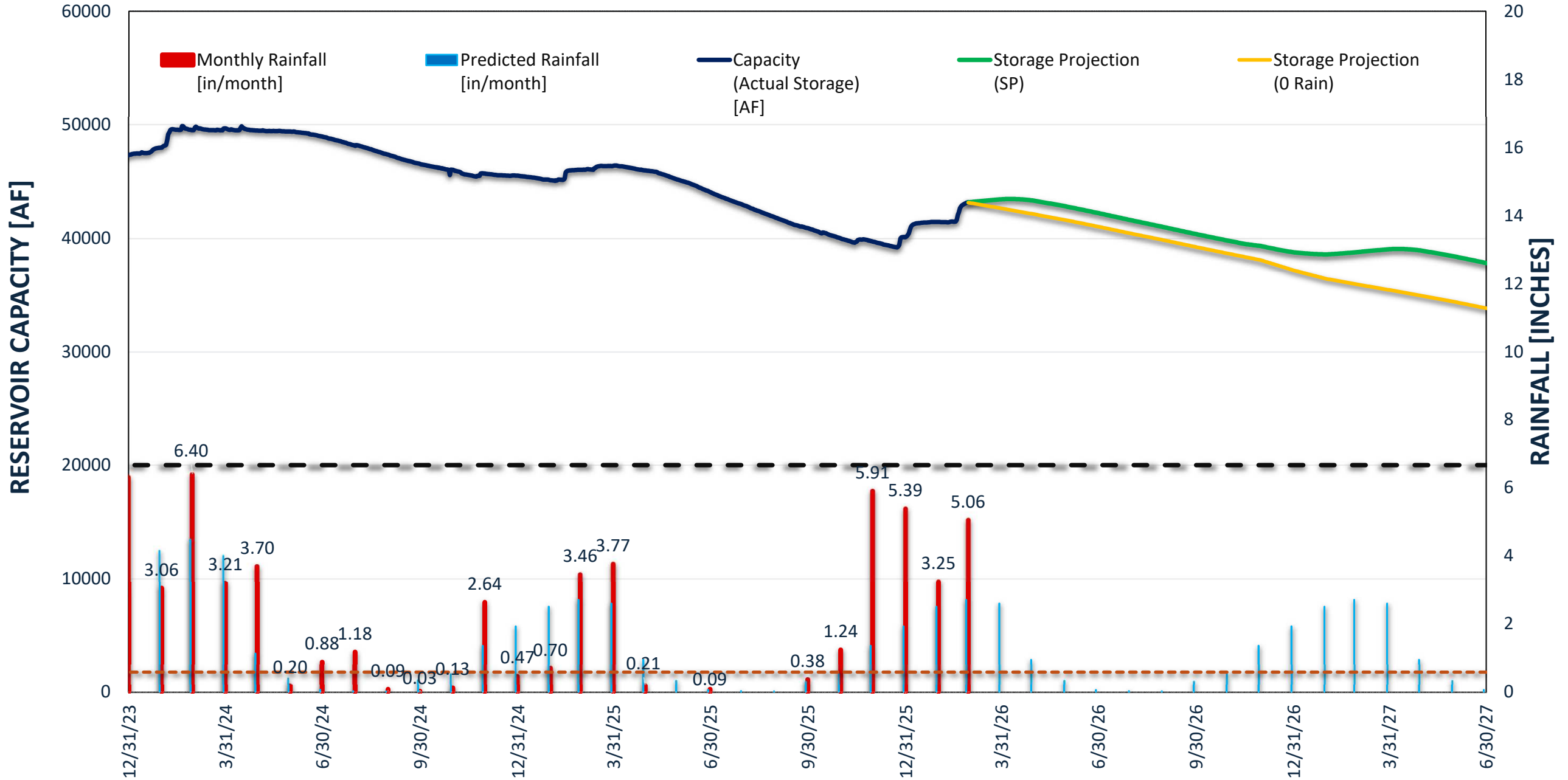
County of San Luis Obispo Public Works Department

DRAFT

LOPEZ RESERVOIR STORAGE PROJECTON CHART



LOPEZ RESERVOIR STORAGE PROJECTON CHART



**San Luis Obispo County Flood Control and Water District
Zone 3 - Lopez Project - Monthly Operations Report
January, 2026**

PROJECT WATER																					
AVAILABLE WATER (APR-MAR)						DELIVERIES															
CONTRACTOR	ENTITLEMENT	STORED PW* [subject to evaporation]	SURPLUS WATER AVAILABLE	STORAGE EVAPORATION LOSSES (WYTD)	TOTAL AVAILABLE PW	THIS MONTH						APRIL TO PRESENT									
						ENTITLEMENT		STORED PW	SURPLUS PW	DELIVERIES DURING DIE	DELIVERIES DURING SPILL	TOTAL		ENTITLEMENT		STORED PW	SURPLUS PW	DELIVERIES DURING DIE	DELIVERIES DURING SPILL	TOTAL USAGE	
						USAGE	%	USAGE	USAGE	USAGE	USAGE	USAGE	%	USAGE	%	USAGE	USAGE	USAGE	USAGE	USAGE	USAGE
AG	2290	739.71	470.33	17.43	3483	125.71	5%	0.00	0.00	0.00	0.00	125.71	4%	414.9	18%	722.21	470.33	0.00	0.00	1607.46	46%
OCS	303	118.91	0.00	0.78	421	18.42	6%	0.00	0.00	0.00	0.00	18.42	4%	266.1	88%	118.91	0.00	0.00	0.00	385.02	91%
GB	800	542.28	164.31	17.26	1489	58.83	7%	0.00	0.00	0.00	0.00	58.83	4%	580.9	73%	0.00	0.00	0.00	0.00	580.92	39%
PB	892	397.81	183.20	6.75	1466	98.75	11%	0.00	0.00	0.00	0.00	98.75	7%	511.0	57%	397.81	183.20	0.00	0.00	1091.97	74%
CSA 12	245	184.61	50.32	5.88	474	4.15	2%	0.00	0.00	0.00	0.00	4.15	1%	95.7	39%	0.00	0.00	0.00	0.00	95.69	20%
SM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL	4530	1983	868.16	48.10	7333	305.86	6.8%	0.0	0.00	0.00	0.00	305.86	4.2%	1868.60	41.2%	1238.93	653.53	0.00	0.00	3761.06	51%

STATE WATER PROJECT WATER														
CONTRACTOR	ANNUAL REQUEST**	CUMULATIVE AIE SSWPW ***	DELIVERIES											
			THIS MONTH						JANUARY TO PRESENT					
			ALLOCATION			DIE STORAGE	AIE	TOTAL	ALLOCATION		DIE STORAGE	AIE	TOTAL	
REQUEST	USAGE	%	USAGE	USAGE	USAGE	USAGE	%	USAGE	USAGE	USAGE				
AG	N/A	0.0	N/A	N/A	N/A	0.0	0.0	0.0	0.00	N/A	N/A	0.00	0.00	0.00
OCS	150.0	0.0	20.0	20.00	13.3%	0.0	0.0	20.00	20.0	13%	0.00	0.00	20.00	
GB	N/A	0.0	N/A	N/A	N/A	0.0	0.0	0.00	N/A	N/A	0.00	0.00	0.00	
PB	1000.0	0.0	0.0	0.00	0%	0.0	0.0	0.00	0.0	0%	0.00	0.00	0.00	
CSA 12	96.0	0.0	6.5	6.03	6%	0.0	0.0	6.03	6.0	6%	0.00	0.00	6.03	
SM	90.0	0.0	7.0	5.57	6%	0.0	0.0	5.57	5.6	6%	0.00	0.00	5.57	
TOTAL	1336.0	0.0	33.5	31.60	2%	0.00	0.0	31.60	31.60	2%	0.00	0.00	31.60	

DISTRICT INITIATED EXCHANGE		
PW STORAGE DURING DIE		
THIS MONTH	JAN TO PRESENT	
SW BROUGHT IN	ADDITIONAL SW BROUGHT IN	STORAGE BALANCE
N/A	N/A	N/A
0.00	0.00	0.00
N/A	N/A	N/A
0.00	0.00	0.00
0.00	0.00	0.00
N/A	N/A	N/A
0.00	0.00	0.00

CONTRACTOR	TOTAL MONTHLY DELIVERIES [AF]
AG	125.71
OCS	38.42
GB	58.83
PB	98.75
CSA 12	10.18
SM	5.57
TOTAL	337.46

DAM & OTHER OPERATIONS/DI			
	THIS MONTH	WY TO DATE	MAX CAPACITY
LAKE ELEVATION (ft)	513.39	N/A	522.60
STORAGE [AF]	41,424	N/A	49,476
MONTHLY RAINFALL [in] (Annual: July 1- June 30)	3.25	16.67	N/A
DOWNSTREAM RELEASES [AF]	526.93	4,889.45	4,200.00
LAKE TO TERMINAL [AF]	413.99	4,351.29	N/A
SPILLAGE [AF] (WY)	-	-	N/A
AG WHEELING OCEANO WATER	1.50	N/A	N/A

strict Stored SWPW	
	[AF]
PREVIOUS DISTRICT SSWPW	-36.14
DWR METER DELIVERIES	20.00
CHANGE IN STORAGE	
EVAPORATION	0.00
LOSSES DUE TO SPILL	0.00
REMAINING DISTRICT SSWPW	-16.14

WATER ACCT. AFFECTED DUE TO SPILLAGE	
	[AF]
DISTRICT SSWPW LOST DURING SPILL	0.00
CUMULATIVE SSWPW LOST	0.00
STORED PW LOST	0.00

GLOSSARY
AIE: Agency Initiated Exchange
DIE: District Initiated Exchange
N/A: Not Applicable
PW: Project Water aka Lopez Water
Stored PW: Generated from unused entitlement water at end of WY
Surplus Water: Generated from unused DS Releases at end of WY
SWP: State Water Project
SSWPW: Stored SWP Water
* Stored PW includes Declared Surplus Water
** Actual amount available is dependent on DWR's delivery %
*** Stored SWP water resulting from AIE

NOTES

1) District Initiated Exchange (DIE): In effect from February 11 - March 2, 2025 due to the LWTP shutoff; deliveries were supplemented with State Water.

2) 114.21 AF of "DIE Exchange" water (114.21 AF) was obtained by calculating the difference between the "DWR Meter Deliveries" (214 AF) and the "SWPW Usage" (99.79 AF).

3) On 4/29/25 Arroyo Grande requested all 470.33 AF of Surplus Water Available for immediate delivery

4) On 5/5/25 Pismo Beach requested all 183.2 AF of Surplus Water Available to be converted to storage after spill

5) On 5/12/25 OCS requested all 62.23 AF of Surplus Water Available to be converted to storage for immediate delivery

6) On 7/9/25 Arroyo Grande requested all 739.71 AF of Stored PW available for immediate delivery.

7) On 7/10/25 Pismo Beach requested all 330.91 AF of Stored PW available for immediate delivery.

8) On 9/15/2025 Legal clarification of DIE prompted recalculation of End of Year Stored Project Water calculations. Unused entitlement of 1,169.69 AF plus unused surplus of 751.39 AF totaled 1,921.09 AF of Lopez Water converted to storage available as of April 1, 2025.

9) Agencies requested a total of 930.39 AF of Surplus Water for the 2025-2026 Water Year.

10) On 1/15/2026 PB Requested all available Surplus to be delivered.

11) Evaporation losses for stored water have been calculated for calendar year 2025 in accordance with Article 7(B)(2)(a) of the Water Supply Contract. These losses are reflected in the Storage Evap Losses" column and reduce each Agency's available water balances, resulting in a corresponding increase in entitlement usage.

**San Luis Obispo County Flood Control and Water District
Zone 3 - Lopez Project - Monthly Operations Report
February, 2026**

PROJECT WATER																					
AVAILABLE WATER (APR-MAR)						DELIVERIES															
CONTRACTOR	ENTITLEMENT	STORED PW* [subject to evaporation]	SURPLUS WATER AVAILABLE	STORAGE EVAPORATION LOSSES (WYTD)	TOTAL AVAILABLE PW	THIS MONTH								APRIL TO PRESENT							
						ENTITLEMENT		STORED PW	SURPLUS PW	DELIVERIES DURING DIE	DELIVERIES DURING SPILL	TOTAL		ENTITLEMENT		STORED PW	SURPLUS PW	DELIVERIES DURING DIE	DELIVERIES DURING SPILL	TOTAL USAGE	
						USAGE	%	USAGE	USAGE	USAGE	USAGE	USAGE	%	USAGE	%	USAGE	USAGE	USAGE	USAGE	USAGE	USAGE
AG	2290	740	470	17	3483	122.02	5%	0.00	0.00	0.00	0.00	122.02	4%	536.9	23%	722.21	470.33	0.00	0.00	1729.48	50%
OCS	303	119	0	1	421	0.00	0%	0.00	0.00	0.00	0.00	0.00	0%	266.1	88%	118.91	0.00	0.00	0.00	385.02	91%
GB	800	542	164	17	1489	50.71	6%	0.00	0.00	4.75	0.00	55.46	4%	631.6	79%	0.00	0.00	4.75	0.00	636.38	43%
PB	892	398	183	7	1466	56.54	6%	0.00	0.00	50.01	0.00	106.55	7%	567.5	64%	397.81	183.20	50.01	0.00	1198.52	82%
CSA 12	245	185	50	6	474	5.27	2%	0.00	0.00	0.00	0.00	5.27	1%	101.0	41%	0.00	0.00	0.00	0.00	100.96	21%
SM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL	4530	1983	868	48	7333	234.54	5.2%	0.0	0.00	54.76	0.00	289.30	3.9%	2103.14	46.4%	1238.93	653.53	54.76	0.00	4050.36	55%

STATE WATER PROJECT WATER													
CONTRACTOR	ANNUAL REQUEST**	CUMULATIVE AIE SSWPW ***	DELIVERIES										
			THIS MONTH					JANUARY TO PRESENT					
			REQUEST	USAGE	%	DIE STORAGE	AIE	TOTAL	USAGE	%	DIE STORAGE	AIE	TOTAL
AG	N/A	0.0	N/A	N/A	N/A	0.0	0.0	0.00	N/A	N/A	0.00	0.00	0.00
OCS	150.0	0.0	40.0	39.53	26.4%	0.0	0.0	39.53	59.5	40%	0.00	0.00	59.53
GB	N/A	0.0	N/A	N/A	N/A	0.0	0.0	0.00	N/A	N/A	0.00	0.00	0.00
PB	1000.0	0.0	0.0	0.00	0%	0.0	0.0	0.00	0.0	0%	0.00	0.00	0.00
CSA 12	96.0	0.0	6.5	6.39	7%	0.0	0.0	6.39	12.4	13%	0.00	0.00	12.42
SM	90.0	0.0	7.0	4.31	5%	0.0	0.0	4.31	9.9	11%	0.00	0.00	9.88
TOTAL	1336.0	0.0	53.5	50.23	4%	0.00	0.0	50.23	81.83	6%	0.00	0.00	81.83

DISTRICT INITIATED EXCHANGE		
PW STORAGE DURING DIE		
THIS MONTH	JAN TO PRESENT	
ADDITIONAL SW BROUGHT IN	ADDITIONAL SW BROUGHT IN	STORAGE BALANCE
N/A	N/A	N/A
19.40	19.40	19.40
N/A	N/A	N/A
32.08	32.08	32.08
3.29	3.29	3.29
N/A	N/A	N/A
54.77	54.77	54.77

CONTRACTOR	TOTAL MONTHLY DELIVERIES [AF]
AG	122.02
OCS	39.53
GB	55.46
PB	106.55
CSA 12	11.66
SM	4.31
TOTAL	339.53

DAM & OTHER OPERATIONS				
	THIS MONTH	WY TO DATE	MAX CAPACITY	
LAKE ELEVATION (ft)	515.50	N/A	522.60	
STORAGE [AF]	200	N/A	476	87% DW
MONTHLY RAINFALL [in] (Annual: July 1- June 30)	5.06	21.73	N/A	
DOWNSTREAM RELEASES [AF]	200.12	5,089.57	4,200.00	
LAKE TO TERMINAL [AF]	222.56	4,573.85	N/A	
SPILLAGE [AF] (WY)	-	-	N/A	
AG WHEELING OCEANO WATER	1.51	N/A	N/A	

strict Stored SWPW	
	[AF]
PREVIOUS DISTRICT SSWPW	TBD
R METER DELIVERIES	105.00
CHANGE IN STORAGE	TBD
EVAPORATION	TBD
LOSSES DUE TO SPILL	0.00
REMAINING DISTRICT SSWPW	

WATER ACCT. AFFECTED DUE TO SPILLAGE	
	[AF]
DISTRICT SSWPW LOST DURING SPILL	0.00
CUMULATIVE SSWPW LOST	0.00
STORED PW LOST	0.00

GLOSSARY	
AIE:	Agency Initiated Exchange
DIE:	District Initiated Exchange
N/A:	Not Applicable
PW:	Project Water aka Lopez Water
Stored PW:	Generated from unused entitlement water at end of WY
Surplus Water:	Generated from unused DS Releases at end of WY
SWP:	State Water Project
SSWPW:	Stored SWP Water
* Stored PW includes Declared Surplus Water	
** Actual amount available is dependent on DWR's delivery %	
*** Stored SWP water resulting from AIE	

NOTES

1) District Initiated Exchange (DIE): In effect from February 11 - March 2, 2025 due to the LWTP shutdown; deliveries were supplemented with State Water.

2) DWR delivered 214 AF of SW, of which 99.79 AF was delivered to SW contractors per their SW requests. This resulted in 114.21 AF of SW available for District Initiated Exchanges (DIE).

3) On 4/29/25 Arroyo Grande requested all 470.33 AF of Surplus Water Available for immediate delivery

4) On 5/5/25 Pismo Beach requested all 183.2 AF of Surplus Water Available to be converted to storage after spill

5) On 5/12/25 OCS requested all 62.23 AF of Surplus Water Available to be converted to storage for immediate delivery

6) On 7/9/25 Arroyo Grande requested all 739.71 AF of Stored PW available for immediate delivery.

7) On 7/10/25 Pismo Beach requested all 330.91 AF of Stored PW available for immediate delivery.

8) On 9/15/2025 Legal clarification of DIE prompted recalculation of End of Year Stored Project Water calculations. Unused entitlement of 1,169.69 AF plus unused surplus of 751.39 AF totaled 1,921.09 AF of Lopez Water converted to storage available as of April 1, 2025.

9) Agencies requested a total of 930.39 AF of Surplus Water for the 2025-2026 Water Year.

10) On 1/15/2026 PB Requested all available Surplus to be delivered.

11) Evaporation losses for stored water have been calculated for calendar year 2025 in accordance with Article 7(B)(2)(a) of the Water Supply Contract. These losses are reflected in the Storage Evap Losses" column and reduce each Agency's available water balances, resulting in a corresponding increase in entitlement usage.

12) District Initiated Exchange (DIE): In effect from February 17 - March 3, 2025 due to LWTP shutdown; deliveries were supplemented with State Water.

13) In February, of the 105 AF of SW delivered by DWR, 50.23 AF was delivered to SW contractors per their requests, and the remaining 54.77 AF was used for District Initiated Exchanges (DIE).



ZONE 3 Lopez Project

San Luis Obispo County Flood Control and Water Conservation District

TO: Zone 3 Advisory Committee
FROM: David Spiegel, PE, Utilities Engineer
DATE: March 19, 2026
SUBJECT: Zone 3 Projects Update

Project Updates:

- Spillway Assessment and Investigation
 - GEI is working on Alternatives Analysis comments from County
 - Geotechnical Data Report submitted to DSOD
 - Remainder of project ~ minimum of \$300,000
- Geotechnical Testing & Seismic Alternatives Study of Terminal Reservoir Dam
 - Met with DSOD, preparing plan to address steps to move project forward
 - Geotechnical Engineering Report Complete
 - Budget ~\$500,000
- Cathodic Protection Repair Project (No Change)
 - Working on transient monitoring station plans for DWR/State water line crossing
 - System working well
 - Budget ~\$449,933
- Fire Flow Tank Replacement (on hold)
 - Reviewing grant opportunities
 - ~\$500k in Zone 3 Funds moved to Membrane Module Project, \$0 remaining
 - Budget ~\$1,400,000
- UWMP
 - Consultant is working on plan check revisions from County
 - Due date July 2026
 - Budget ~\$60,000

Complete

- Membrane Module Replacement



ZONE 3 Lopez Project

San Luis Obispo County Flood Control and Water Conservation District

- Steelhead Passage Feasibility Assessment of Lopez Dam
- Lopez Dam Flow Sensor



ZONE 3 Lopez Project

San Luis Obispo County Flood Control and Water Conservation District

March 19, 2026

MEMORANDUM

TO: Flood Control Zone 3 Advisory Committee
FROM: Kristina Borges, Accountant
SUBJECT: Flood Control Zone 3, Second Quarter Budget Status, Fiscal Year 2025-26

Recommendation

It is recommended that the Advisory Committee approve a budget increase to the litigation line item by \$900,000 for the remainder of the fiscal year. Provide direction to District staff on preferred funding source, either through additional agency billing or use of reserve funds.

The item to be received and filed.

Summary

In the tables below and the following pages of the update, please find a comparison of the budget to actual expenses for the second quarter of fiscal year 2025-26. The \$8,244,054 budget is broken into three categories: Routine Operations & Maintenance, Non-Routine Operations & Maintenance, and Capital Outlay. At the end of the second quarter, 57% of the annual budget was expended.

25/26 Budget	24/25 Budget Carryforward	Total Budget	Expenses through Q2	Budget Remaining	% of Budget Expended
7,086,127	1,157,927	8,244,054	4,670,987	3,573,067	57%

Routine O&M: This category has a budget of \$6,694,981. At the end of the second quarter, 55% of the annual budget has been expended, which leaves \$2,988,564 available for the remainder of the year. Expenses in this category are slightly above budget at this time of the year by 5%.

25/26 Budget	24/25 Budget Carryforward	Total Budget	Expenses through Q2	Budget Remaining	% of Budget Expended
6,433,727	261,254	6,694,981	3,706,417	2,988,564	55%

Non-Routine O&M: This category has a budget of \$703,202. Most of the items in this category have had the budget carried forward from the prior year to continue work efforts. At the end of the second quarter, the non-routine O&M budget was overspent by \$259,904, due in large part to the ongoing litigation costs that total \$931,831.

25/26 Budget	24/25 Budget Carryforward	Total Budget	Expenses through Q2	Budget Remaining	% of Budget Expended
557,400	145,802	703,202	963,106	(259,904)	137%



ZONE 3 Lopez Project

San Luis Obispo County Flood Control and Water Conservation District

Capital Outlay: This category has a budget of \$845,871. At the end of the second quarter, expenses were <1% of the annual budget, which leaves \$844,407 available for the remainder of the year. The unspent budget from the prior year has been carried forward for several projects and accounts for the majority of this category's budget.

25/26 Budget	24/25 Budget Carryforward	Total Budget	Expenses through Q2	Budget Remaining	% of Budget Expended
95,000	750,871	845,871	1,464	844,407	<1%

Other Agency Involvement/Impact

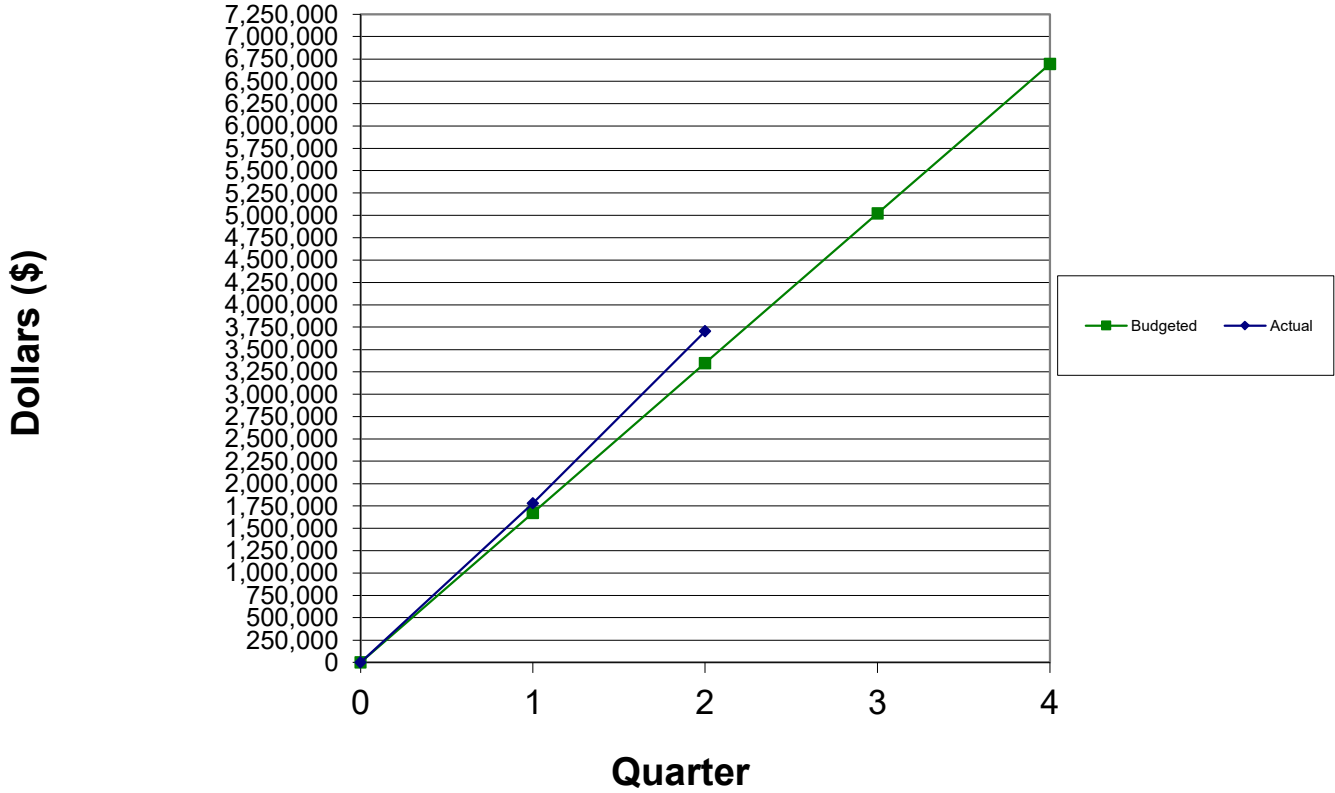
The agencies involved: City of Arroyo Grande, City of Grover Beach, City of Pismo Beach, Oceano Community Services District, and County Service Area 12. Subcontractors of CSA 12 include Port San Luis Harbor District and Avila Beach Community Services District.

Financial Consideration

All agencies are current on their payments.

Zone 3 Budget Status
2nd Quarter FY25/26

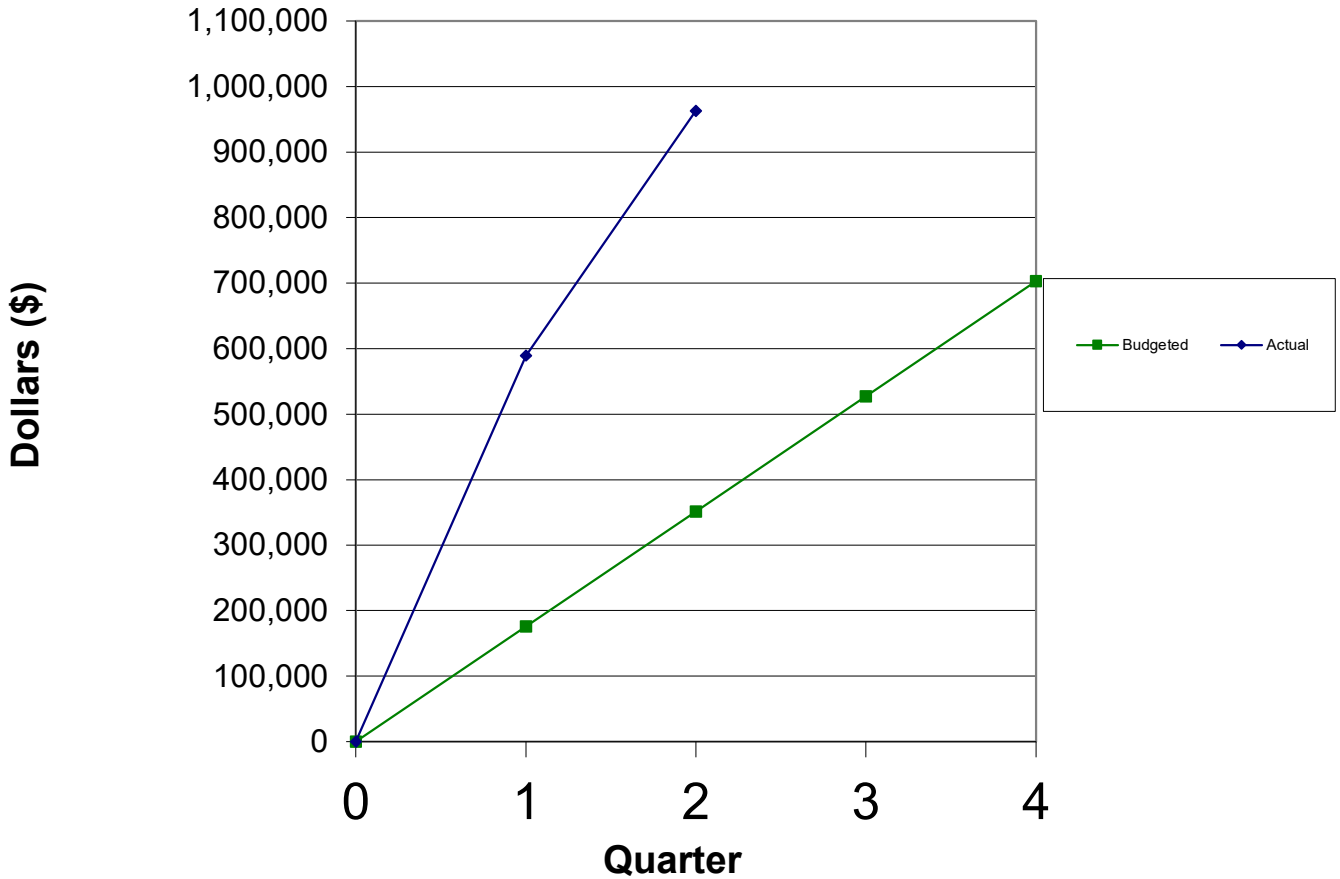
Routine Operation and Maintenance



O&M Routine Category	Total Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	Total Exp as % of Budget	Total Balance Avail
Labor Hours	25,303	-	-	-	-	-	0%	
Chemicals - Water Treatment Plant	\$ 633,816	\$ 178,607	\$ 203,741	\$ -	\$ -	\$ 382,349	60%	\$ 251,468
Water Quality Testing - Treatment Plant	\$ 51,807	\$ 15,177	\$ 12,809	\$ -	\$ -	\$ 27,986	54%	\$ 23,821
Electricity - Water Treatment Plant	\$ 319,635	\$ 95,806	\$ 73,417	\$ -	\$ -	\$ 169,223	53%	\$ 150,412
All Other Costs - Water Treatment Plant	\$ 2,196,716	\$ 447,367	\$ 577,272	\$ -	\$ -	\$ 1,024,640	47%	\$ 1,172,076
Terminal	\$ 295,934	\$ 34,578	\$ 51,684	\$ -	\$ -	\$ 86,262	29%	\$ 209,672
Main Dam	\$ 464,927	\$ 83,295	\$ 74,376	\$ -	\$ -	\$ 157,671	34%	\$ 307,256
Lopez Water Rights /HCP	\$ 936,454	\$ 428,608	\$ 285,499	\$ -	\$ -	\$ 714,107	76%	\$ 222,347
Other	\$ 1,795,693	\$ 496,990	\$ 647,191	\$ -	\$ -	\$ 1,144,180	64%	\$ 651,513
Expenses		\$ 1,780,429	\$ 1,925,988	\$ -	\$ -	\$ 3,706,417	55%	2,988,564
Budget	\$ 6,694,981	\$ 1,673,745	\$ 1,673,745	\$ 1,673,745	\$ 1,673,745	\$ 6,694,981		
Variance (over)/under		\$ (106,684)	\$ (252,243)	\$ 1,673,745	\$ 1,673,745	\$ 2,988,564		
% Variance		-6%	-15%	100%	100%			

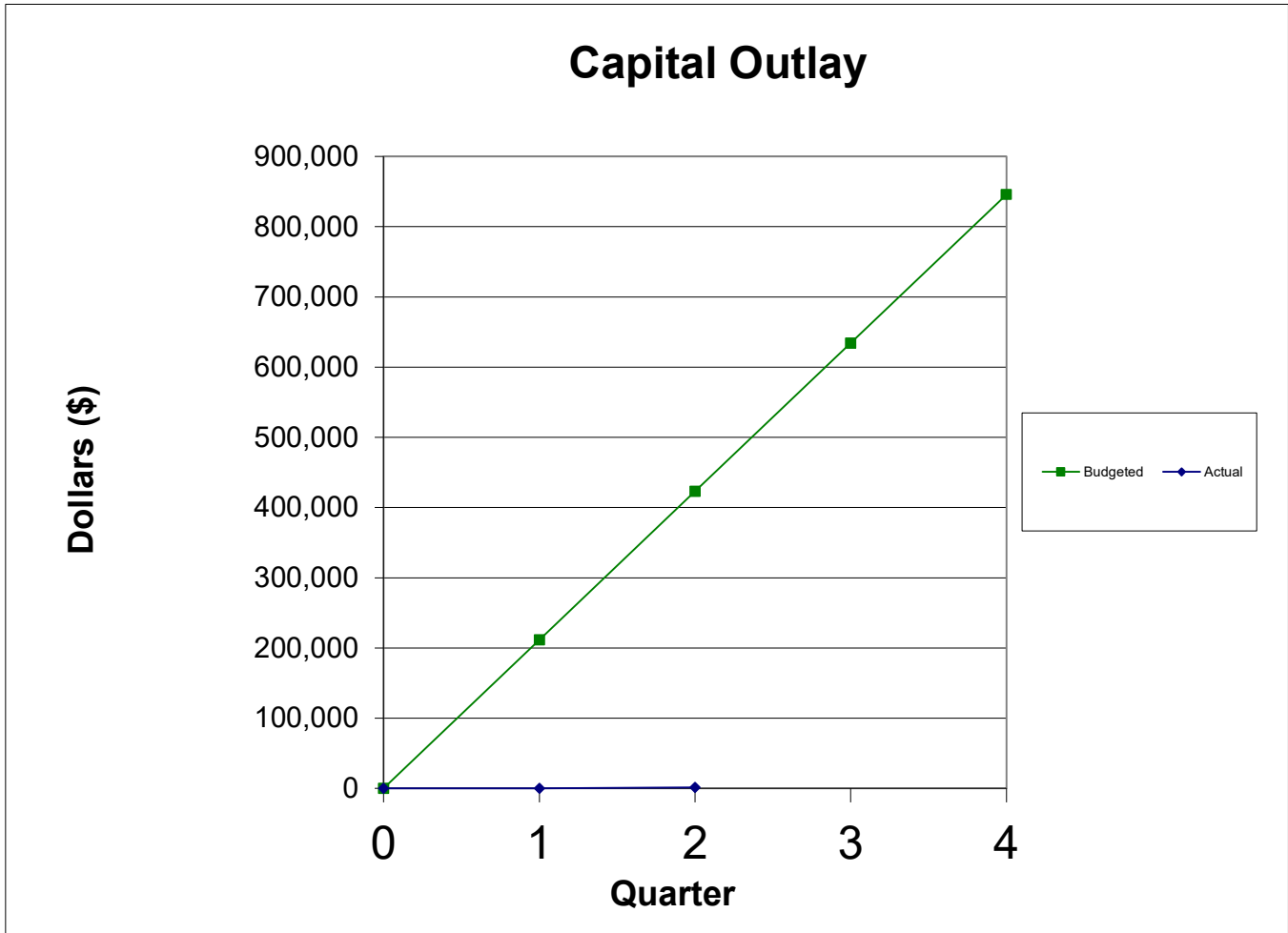
Zone 3 Budget Status
2nd Quarter FY25/26

Non-Routine Operation and Maintenance



O&M Non Routine Category	Total Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	Total Exp as % of Budget	Total Balance Avail
Cathodic Protection Maint	-	\$ -	\$ -	-	-	\$ -	0%	\$ -
Contribution to ISF/New Equip	-	\$ -	\$ -	-	-	\$ -	0%	\$ -
Geotech Test/Seismic Alt Study Terminal Dam	44,888	-	-	-	-	-	0%	44,888
Safety Upgrades to WTP	-	\$ -	\$ -	-	-	-	0%	-
Cloud Seeding Program	3,148	\$ -	\$ -	-	-	-	0%	3,148
Spillway Physical Investigation	100,914	\$ 8,245	\$ 23,029	-	-	31,275	31%	69,639
Replace Stem Wall Sludge Bed 2	-	\$ -	\$ -	-	-	-	0%	-
Lopez HCP Litigation	554,252	\$ 581,044	\$ 350,788	-	-	931,831	168%	(377,579)
Expenses		589,289	373,817	-	-	963,106	137%	(259,904)
Budget	703,202	175,801	175,801	175,801	175,801	703,202		
Variance (over)/under		(413,488)	(198,017)	175,801	175,801	(259,904)		
% Variance		-235%	-113%	100%	100%			

Zone 3 Budget Status
2nd Quarter FY25/26



Capital Outlay Projects	Total Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	% of Budget	Avail
Improved Boat Access at Term Res	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
Fireflow Tank Repair	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
Cathodic Protection Units 1-3	\$ 19,735	\$ 243	\$ -	\$ -	\$ -	\$ 243	1%	19,492
Mower	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
REPLACE CARBON FEED SYSTEM	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	0%	50,000
TBD - MEMBRANE RACK VALVE INSTALLATION	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	0%	75,000
TBD - TERMINAL DAM PEIZOMETER REPLACEMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
TBD - MEMBRANE RACK PIPE REPLACEMENT S	\$ 54,722	\$ -	\$ -	\$ -	\$ -	\$ -	0%	54,722
Upgrade EQ Pump	\$ 37,623	\$ -	\$ -	\$ -	\$ -	\$ -	0%	37,623
CARBON DIOXIDE INJECTION SYSTEM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
WTP-Membrance Filter Modules (2 Racks)	\$ 608,791	\$ -	\$ 1,220	\$ -	\$ -	\$ 1,220	0%	607,571
CHEMICAL TANK REPLACEMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -
Expenses		243	1,220	-	-	1,464	0%	844,407
Budget	845,871	211,468	211,468	211,468	211,468	845,871		
Variance (over)/under		211,224	210,247	211,468	211,468	844,407		
% Variance		100%	99%	100%	100%			

Flood Control Zone 3

Proposed Budget



Fiscal Year

2026-27



FLOOD CONTROL ZONE 3 2026-27 PROPOSED BUDGET

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February 19, 2026

MEMORANDUM

TO: Flood Control Zone 3 Advisory Committee

FROM: Katie Franco, San Luis Obispo County Public Works Finance Manager

SUBJECT: Flood Control Zone 3 - Proposed Budget FY 2026-27

The 2026-27 Flood Control Zone 3 Proposed Budget has been prepared by the County Department of Public Works for your review. The proposed budget will also be mailed to the contracting agencies' Finance Directors and Technical Advisory Committee (TAC) members and City/General Managers. An in-depth review with agency Finance Staff and Technical Staff will be held before final review by the Zone 3 Advisory Committee, scheduled for **March 19, 2026**.

A summary of changes from the 2025-26 budget to the proposed 2026-27 budget is as follows:

Description	2025-26 Budget	2026-27 Budget	Dollar Change	Percentage Change
Operations & Maintenance				
Billable Routine	6,436,876	6,585,319	148,443	2.31%
Billable Non-Routine	554,252	729,470	175,218	31.61%
Total O&M	6,991,128	7,314,789	323,661	4.63%
Billable Capital Outlay	95,000	0	(95,000)	
O&M Reserve Loan	(525,000)	0	525,000	
Designated HCP & Capital Reserves	(181,403)	0	181,403	
Total Capital Outlay/Reserves	*(611,403)	0	611,403	
Billable Debt Service	2,188,072	2,172,805	(15,267)	(0.7%)
Total Contractor Billings	\$8,567,797	\$9,487,594	\$919,797	10.74%

** Includes funding from District Funded Reserves of \$706,403, \$525,000 from O&M reserve and \$181,403 from the HCP & Capital Reserve.*

Variance Discussion:

Total contractor billings to agencies are increasing 10.74% in FY 2026–27. This figure, however, does not reflect the comparable increase in operating costs. The higher percentage is largely the result of one-time reserve funding applied in FY 2025–26 that reduced the agency billings. In FY 2025–26, agency billings were offset by a \$525,000 O&M reserve loan and \$181,403 in HCP and Capital reserve credits, for a total reserve funding of \$706,403. These funding sources decreased the prior year’s billings. Because similar reserve credits are not applied in FY 2026–27, the year-over-year comparison reflects a higher overall billing increase.

If reserves had not been used in FY 2025-26 to offset billings, the actual billings would have been \$9,274,200 increasing to \$9,487,594 in FY 2026-27 for a difference of \$213,394 or 2.49%.

The following further explains the major reasons for the changes.

Billable Routine O&M Expenditures - (Increase of 2.31%)

Routine O&M Expenditures are about \$148,000 higher than the prior year budget. The net increase in Routine O&M is due to increases in line items Countywide Overhead \$99,822, Units and Meter Stations \$121,553, Scada Efforts \$33,848, and Utilities Division Engineers \$36,029 that exceeds the decreases in several other line items. Notable budget decreases are in Lopez Water Rights/HCP (\$67,972) and Urban Water Management Plan (\$62,580).

The net difference per agency is demonstrated on page 4.

Billable Non-Routine O&M - (31.61%)

Non-Routine O&M items are for special projects and studies, as well as major maintenance efforts that run from one to three years. Capital expenditures are “pay-as-you-go” and are not typically funded through use of Flood Control Zone 3 reserves and/or other sources of funding such as grants or loans.

The Technical Advisory Committee (TAC) reviews and prioritizes the Non-Routine O&M projects in conjunction with the Capital projects when developing the 5-Year Capital Outlay Plan. This year’s projects have been reviewed and approved by the TAC prior to being included in this proposed budget.

Non-Routine O&M increases are largely attributable to required dam safety compliance work, including a Geotechnical Testing/Seismic Alternatives Study for Terminal Dam \$111,627 and a Spillway Physical Investigation requested by the Division of Safety of Dams \$84,093. These studies were not included in the prior year budget and account for the majority of the non-routine increase.

Details of each of these projects may be found on page 15.

Capital Outlay/Reserves - (100%)

Capital Outlay/Reserves reflects a significant year-over-year change because the FY 2025–26 budget included \$706,403 in district-funded reserve contributions that reduced agency billings. No comparable reserve funding is applied in FY 2026–27. In addition, no new capital projects are planned for FY 2026–27, and the scheduled \$105,000 repayment toward the prior \$525,000 O&M reserve loan has been deferred.

Billable Debt Service - (Decrease of 0.7%)

The debt service costs should remain at this level until the bonds are paid off in the year 2030 or until refinanced. Minor fluctuations in billable amounts are due to fluctuating tax estimates that are collected and dedicated toward debt service.

Reserve Policies (see pages 8-10 for projected reserve levels)

DISTRICT FUNDED RESERVES:

The balances within these reserves are derived from pre-2000 property tax revenues, and annual interest earnings and rents.

1976 – 2000: A portion of the 1% property tax established by Proposition 13 was annually apportioned to the Flood Control District. Of those Flood Control District’s funds, a portion was further segregated annually into Zone 3, although the funds are not legally restricted to use within Zone 3.

2000: Pursuant to the Zone 3 Water Contracts, the above-mentioned funds annually segregated into Zone 3 were contractually restricted to paying debt service on the Lopez Dam seismic remediation project. Therefore, funds existing in Zone 3 District Reserves since 2000 are essentially a “draw down” account utilized towards Zone 3 projects and efforts, though not legally restricted to use within Zone 3.

Operating Reserves - the District will strive to maintain an operating reserve at a minimum of 50% of routine operations and maintenance expenditures.

Designated Reserves - Reserves collected and set aside for significant scheduled maintenance and capital costs will be separately identified as part of the annual proposed budget and will be incorporated in the annual final budget only after review by the Zone 3 Advisory Committee.

The Zone 3 Advisory Committee has recommended utilizing the District Funded Designated Reserves toward the efforts shown in the following chart. Specific requests by the Advisory Committee require approval by the San Luis Obispo County Board of Supervisors either via the annual budget process or mid-year requests prior to their use.

TAC's Recommended Use

Estimated Available Balance	District Funded Designated Reserves Utilization Plan
\$0	HCP Planning & Resulting Projects (established in FY 11/12)
\$131,402	District Projects
\$131,402	TOTAL District Funded Designated Reserves Projected at 6/30/27

CONTRACTOR FUNDED RESERVES:

These reserves are funded by contributions from individual contractors or other participants of the District project. Addition to these reserves will be made via annual billings based on approved budgeted amounts. Any distributions of these reserves will be based on actual requirements. These reserves will be accounted for separately by contributor. The annual budget process will provide a statement of reserve activity. A portion of the costs of significant scheduled maintenance items or capital items, as identified in the long-range capital improvement plan, may be set aside in each annual budget of the District. Additionally, each agency may opt to establish reserves to be used to stabilize billings from year to year. Said reserves will be separately identified and will be incorporated in the annual final budget only after review by the Zone 3 Advisory Committee.

DEBT RESERVES:

Debt reserves are contractually mandated and are not addressed as part of this policy.

**Flood Control Zone 3
Funding Sources for Budget
For Fiscal Year 2026-27**

	A	B	C	D	E	F	G	H	I	J	K
1	Expenditure Type	Amount	Contractor Bills	FCZ 3 Reserves	FCZ3 Property Tax (portion of 1% Prop 13)	G.O. Tax Collection: Unincorp Areas	G.O. Tax Collection: Contracting Agencies	Interest Earnings	Rents	Other - Reimbursable	Total
2	Debt Service	\$ 3,474,780	\$2,172,805	\$ -	\$ 466,937	\$ 37,677	\$ 797,361	\$ -	\$ -	\$ -	\$3,474,780
3	O & M - Routine	6,585,319	\$6,585,319	-	-	-	-	-	-	-	\$6,585,319
4	O & M - Non-Routine	729,470	729,470	-	-	-	-	-	-	-	729,470
5	Capital Outlay	-	-	-	-	-	-	-	-	-	-
6	Sub Total	10,789,569	\$9,487,594	-	466,937	37,677	797,361	-	-	-	\$10,789,569
7	Available for Reserves	55,400	-	-	-	-	-	50,000	5,400	-	55,400
8	Grand Total	\$ 10,844,969	\$ 9,487,594	\$ -	\$ 466,937	\$ 37,677	\$ 797,361	\$ 50,000	\$ 5,400	\$ -	\$ 10,844,969

Flood Control Zone 3
Funding Sources for Budget
For Fiscal Year 2025-26

	A	B	C	D	E	F	G	H	I	J	K
1	Expenditure Type	Amount	Contractor Bills	FCZ 3 Reserves	FCZ3 Property Tax (portion of 1% Prop 13)	G.O. Tax Collection: Unincorp Areas	G.O. Tax Collection: Contracting Agencies	Interest Earnings	Rents	Other - Reimbursable	Total
2	Debt Service	\$3,471,397	\$2,188,072	\$ -	\$447,675	\$38,056	\$797,594	\$ -	\$ -	\$ -	\$ 3,471,397
3	O & M - Routine	\$6,436,876	\$6,436,876	-	-	-	-	-	-	-	\$ 6,436,876
4	O & M - Non-Routine	\$554,252	\$554,252	-	-	-	-	-	-	-	\$ 554,252
5	Capital Outlay	(\$611,403)	(\$611,403)	-	-	-	-	-	-	-	\$ (611,403)
6	Sub Total	9,851,122	\$8,567,797	-	447,675	38,056	797,594	-	-	-	\$9,851,122
7	Available for Reserves	160,200	-	-	-	-	-	155,000	5,200	-	\$ 160,200
8	Grand Total	\$ 10,011,322	\$ 8,567,797	\$ -	\$ 447,675	\$ 38,056	\$ 797,594	\$ 155,000	\$ 5,200	\$ -	\$ 10,011,322

2

Flood Control Zone 3
Funding Sources for Budget
For Fiscal Year 2026-27 vs. 2025-26

	A	B	C	D	E	F	G	H	I	J	K
1	Expenditure Type	Amount	Contractor Bills	FCZ 3 Reserves	FCZ3 Property Tax (portion of 1% Prop 13)	G.O. Tax Collection: Unincorp Areas	G.O. Tax Collection: Contracting Agencies	Interest Earnings	Rents	Other - Reimbursable	Total
2	Debt Service	\$ 3,382	\$ (15,268)	\$ -	\$ 19,262	\$ (379)	\$ (234)	\$ -	\$ -	\$ -	\$ 3,381
3	O & M - Routine	148,443	\$148,443	-	-	-	-	-	-	-	148,443
4	O & M - Non-Routine	175,218	175,218	-	-	-	-	-	-	-	175,218
5	Capital Outlay	611,403	611,403	-	-	-	-	-	-	-	611,403
6	Sub Total	938,446	919,796	-	19,262	(379)	(234)	-	-	-	938,445
7	Available for Reserves	(104,800)	-	-	-	-	-	(105,000)	200	-	(104,800)
8	Grand Total	\$ 833,646	\$ 919,796	\$ -	\$ 19,262	\$ (379)	\$ (234)	\$ (105,000)	\$ 200	\$ -	\$ 833,645

3

Flood Control Zone 3
Summary of Proposed and Prior Year Budgets
Fiscal Years 2026-27 and 2025-26

	A	B	C	D	E	F	G	H	I
	Proposed Budget 2026-27								
	Arroyo Grande	Grover Beach	Pismo Beach	CSA 12	Oceano CSD	Other	Total Agency Budgets		
1									
2									
3	Debt Service	\$ 1,196,775	\$ 356,067	\$ 295,254	\$ 182,380	\$ 142,328	\$ -	\$ 2,172,805	
4	Operations and Maintenance	3,031,989	1,078,261	1,222,840	694,458	472,103	85,669	6,585,319	
5	Non Routine Operations and Maintenance	368,761	128,825	128,825	54,267	48,792	-	729,470	
6	Capital Outlay	-	-	-	-	-	-	-	
7									
8	Total	\$ 4,597,525	\$ 1,563,153	\$ 1,646,919	\$ 931,105	\$ 663,223	\$ 85,669	\$ 9,487,594	

4

	A	B	C	D	E	F	G	H	I
	Prior Fiscal Year 2025-26								
	Arroyo Grande	Grover Beach	Pismo Beach	CSA 12	Oceano CSD	Other	Total Agency Budgets		
9									
10									
11	Debt Service	\$ 1,204,579	\$ 360,636	\$ 295,254	\$ 183,914	\$ 143,689	\$ -	\$ 2,188,072	
12	Operations and Maintenance	3,025,129	1,071,087	1,186,781	633,780	455,827	64,271	6,436,876	
13	Non Routine Operations and Maintenance	280,185	97,881	97,881	41,232	37,072	-	554,252	
14	Capital Outlay	(309,076)	(107,974)	(107,974)	(45,484)	(40,895)	-	(611,403)	
15									
16	Total	\$ 4,200,817	\$ 1,421,630	\$ 1,471,943	\$ 813,442	\$ 595,693	\$ 64,271	\$ 8,567,797	

Proposed Budget Vs Prior Fiscal Year

	A	B	C	D	E	F	G	H	I
	Arroyo Grande	Grover Beach	Pismo Beach	CSA 12	Oceano CSD	Other	Total Agency Budgets		
17									
18									
19	Debt Service	\$ (7,803)	\$ (4,569)	\$ (0)	\$ (1,534)	\$ (1,361)	\$ -	\$ (15,267)	
20	Operations and Maintenance	6,860	7,174	36,059	60,677	16,276	21,398	148,443	
21	Non Routine Operations and Maintenance	88,576	30,944	30,944	13,035	11,720	-	175,218	
22	Capital Outlay	309,076	107,974	107,974	45,484	40,895	-	611,403	
23									
24	Total	\$ 396,708	\$ 141,522	\$ 174,976	\$ 117,662	\$ 67,530	\$ 21,398	\$ 919,797	

**Flood Control Zone 3
Reserves
Projected at 6/30/27**

	A	B	C	D	E	F	G	H
1	Reserve Type	Arroyo Grande	Grover Beach	Pismo Beach	CSA 12	Oceano CSD	FC Zone 3	Total
2	District Funded							
3	Operating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,893,823	\$ 2,893,823
4	Designated	-	-	-	-	-	131,402	131,402
5	Contractor Funded							
6	Scheduled Maintenance	-	-	-	-	-	-	-
7	Capital	-	-	-	-	-	-	-
8	Billing Stabilization	-	-	-	-	-	-	-
9	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,025,225	\$ 3,025,225

**Flood Control Zone 3
Reserves
Projected at 6/30/26**

	A	B	C	D	E	F	G	H
1	Reserve Type	Arroyo Grande	Grover Beach	Pismo Beach	CSA 12	Oceano CSD	FC Zone 3	Total
2	District Funded							
3	Operating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,838,423	\$ 2,838,423
4	Designated	-	-	-	-	-	131,402	131,402
5	Contractor Funded							
6	Scheduled Maintenance	-	-	-	-	-	-	-
7	Capital	-	-	-	-	-	-	-
8	Billing Stabilization	-	-	-	-	-	-	-
9	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,969,825	\$ 2,969,825

**Flood Control Zone 3
Reserves
2026-27 Changes**

	A	B	C	D	E	F	G	H
1	Reserve Type	Arroyo Grande	Grover Beach	Pismo Beach	CSA 12	Oceano CSD	FC Zone 3	Total
2	District Funded							
3	Operating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,400	\$ 55,400
4	Designated	-	-	-	-	-	-	-
5	Contractor Funded							
6	Scheduled Maintenance	-	-	-	-	-	-	-
7	Capital	-	-	-	-	-	-	-
8	Billing Stabilization	-	-	-	-	-	-	-
9	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,400	\$ 55,400

**Flood Control Zone 3 Fund Consolidation
Fiscal Year 2026-27**

	A	B	C	D	E	F
	Fund	FCZ3 Operating 2200500000	State Revolving Fund Loan 2200507000	Lopez Dam COP Bonds 2200505000	Lopez Dam GO Bonds 2200506000	Total
1						
2	Projected Balance @ 7/1/26	\$ 2,969,825	\$ 1,992,809	\$ 164,095	\$ 3,947,268	\$ 9,073,998
3	Inflows					
4	Revenues	10,047,608	-	934,488	835,038	11,817,133
5	Transfers In	-	1,671,883	-	-	1,671,883
6	Outflows					
7	Expenditures	(9,992,208)	(1,671,883)	(934,488)	(835,038)	(13,433,616)
8	Transfers Out	-	-	-	-	-
9	Projected Balance @ 6/30/27	\$ 3,025,225	\$ 1,992,809	\$ 164,095	\$ 3,947,268	\$ 9,129,398

**FLOOD CONTROL ZONE 3
2026-27 FCZ 3 Debt Service**

	A	B	C	D	E	F	G	H	I	J
		Arroyo Grande	Pismo Beach	Grover Beach	OCSD	CSA 12	G.O. Tax Collection: Unincorp Areas	FCZ3 Property Tax (portion of 1% Prop 13)	G.O. Tax Collection: Contracting Agencies	TOTAL
1	Bond Debt Service									
2	G.O. Debt Service	\$ 301,490	\$ 228,239	\$ 167,426	\$ 62,102	\$ 38,103	\$ 37,677	\$ -	\$ -	\$ 835,038
3	Installment Debt Service	350,072	(547)	60,265	-	57,761	-	466,937	-	934,488
4	Credit For G.O. Collections	(301,490)	(228,239)	(167,426)	(62,102)	(38,103)	(37,677)	-	835,038	-
5	Admin Fee	1,567	547	547	207	231	-	-	-	3,100
6	Subtotal	351,639	0	60,813	207	57,992	-	466,937	835,038	1,772,625
7	District Loan to Oceano									
8	Oceano Community Services District Loan	-	-	-	30,272	-	-	-	-	30,272
9	Subtotal	-	-	-	30,272	-	-	-	-	30,272
10	State Revolving Fund Loan									
11	State Revolving Fund Loan	845,137	295,254	295,254	111,849	124,388	-	-	-	1,671,883
12	State Revolving Fund Loan - Reserve Requirements	-	-	-	-	-	-	-	-	-
13	Subtotal	845,137	295,254	295,254	111,849	124,388	-	-	-	1,671,883
14	Total Debt Service	\$ 1,196,775	\$ 295,255	\$ 356,067	\$ 142,328	\$ 182,380	\$ -	\$ 466,937	\$ 835,038	\$ 3,474,780

ESTIMATED BILLING SUMMARY for 2025-26 & 2026-27

Showing Estimated Total Billing for: FCZ 3
 State Water Wheeling
 CSA 12

13

	A	B	C	D	E	F	G	H	I	J	K
1	Contracting Agency	25-26	25-26	25-26	25-26	25-26	26-27	26-27	26-27	26-27	26-27
2		Zone 3	State	Final	CSA 12	Total	Zone 3	State	Proposed	CSA 12	Total
3		Billing	Water	Budget	Billing		Billing	Water	Budget	Billing	
4			Wheeling					Wheeling			
5	Arroyo Grande	\$ 4,200,817	\$ -	\$ 4,200,817		\$ 4,200,817	\$ 4,597,525	\$ -	\$ 4,597,525		\$ 4,597,525
6	Pismo Beach	1,388,784	83,159	1,471,943	204,330	1,676,273	1,548,266	98,653	1,646,919	331,696	1,978,616
7	Grover Beach	1,421,630	-	1,421,630		1,421,630	1,563,153	-	1,563,153		1,563,153
8	Oceano	561,269	34,424	595,693		595,693	638,363	24,860	663,223		663,223
9	CSA 12	813,442	-	813,442		813,442	931,105	-	931,105		931,105
10	ABCSD	-	21,704	21,704	121,373	143,077	-	29,262	29,262	210,601	239,862
11	Avila MWC	-	8,962	8,962	25,811	34,773	-	11,777	11,777	42,315	54,092
12	San Miguelito Water Co	3,840	27,905	31,745		31,745	4,500	37,622	42,122		42,122
13	SLO Coastal USD	-	1,860	1,860	10,755	12,615	-	2,508	2,508	17,633	20,141
14	FCZ 3	-		-		-	-		-		-
15	San Miguelito Partners			-	8,886	8,886				14,426	14,426
16	Other	1,283,325		1,283,325	390,591	1,673,916	1,301,975		1,301,975	617,973	1,919,947
17	Total:	\$ 9,138,987	\$ 178,014	\$ 9,851,122	\$ 761,746	\$ 10,612,869	\$ 10,584,886	\$ 204,682	\$ 10,789,569	\$ 1,234,642	\$ 12,024,212

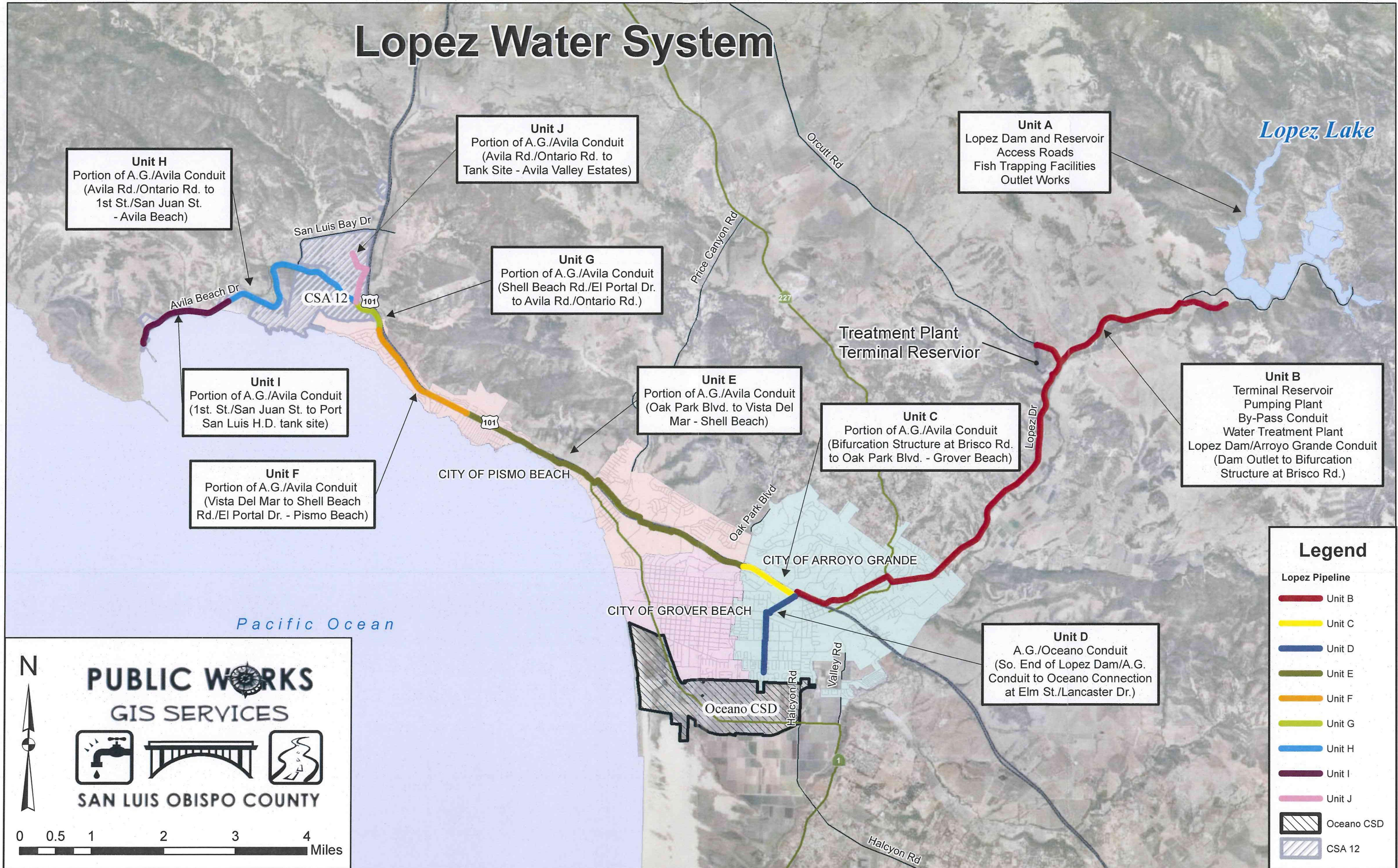
Flood Control Zone 3 Cost Per Acre Foot For Fiscal Year 2026-27

	Arroyo Grande	Grover Beach	Pismo Beach	CSA 12	Oceano CSD	Total Agency Budgets		
1							1	
2							2	
3	Lopez Dam Bonds and Admin Fees	\$ 351,639	\$ 60,813	\$ -	\$ 57,992	\$ 207	\$ 470,650	3
4	SRF Loan - Water Treatment Upgrade	845,137	295,254	295,254	124,388	111,849	1,671,883	4
5	OCSD Loan	-	-	-	-	30,272	30,272	5
6	Operations and Maintenance	3,031,989	1,078,261	1,222,840	694,458	472,103	6,585,319	6
7	Non Routine Operations and Maintenance	368,761	128,825	128,825	54,267	48,792	729,470	7
8	Capital Outlay	-	-	-	-	-	-	8
9								9
10	Total	\$ 4,597,525	\$ 1,563,153	\$ 1,646,918	\$ 931,105	\$ 663,223	\$ 9,487,593	10
11	FCZ 3 -Number of Acre Feet	2,290	800	800	337	303	4,530	11
12	Cost per FCZ 3 AF	\$ 2,008	\$ 1,954	\$ 2,059	\$ 2,763	\$ 2,189	\$ 2,094	12
13	CSA 12 Costs			\$ 331,696				13
14	CSA 12 -Number of Acre Feet			92				14
15	Cost per CSA 12 AF			\$ 3,605				15
		50.55%	17.66%	17.66%	7.44%	6.69%	100.00%	
16	Breakdown of Cost per Acre Foot (For FCZ3 Only):							16
17	Lopez Dam Bonds and Admin Fees	\$ 154	\$ 76	\$ -	\$ 172	\$ 1		17
18	SRF Loan - Water Treatment Upgrade	369	369	369	369	369		18
19	OCSD Loan	-	-	-	-	100		19
20	Operations and Maintenance	1,324	1,348	1,529	2,061	1,558		20
21	Non Routine Operations and Maintenance	161	161	161	161	161		21
22	Capital Outlay	-	-	-	-	-		22
23	Total Cost per Acre Foot	\$ 2,008	\$ 1,954	\$ 2,059	\$ 2,763	\$ 2,189		23

**ZONE 3 BUDGET FOR FISCAL YEAR 2026-27
NON-ROUTINE PROJECTS AND CAPITAL REQUESTS FOR VENDOR COSTS**

Requested Item	Reason for Request
Fireflow Tank Repair/Replacement - \$0	<p>There are two options for the Fireflow Tank at the Treatment Plant: rehabilitation/new coating could cost \$400K-\$600K, or a new tank could cost \$700K-\$800K. Utilities staff recommends budgeting \$180K/yr over the next four years to build sufficient funds for either option. At that time, the tank will be re-evaluated.</p> <p>For FY 2026-27, this is being deferred.</p>
Membrane Replacements (2 Racks/year) - \$0	<p>The membrane racks have a 10-15 year useful life. As of 2026 5 of 6 racks have been replaced. Rack 6 was installed in 2017 and will not need replacement until 2027-2032. Based on the module autopsies in 2024, rack 6 will not be budget for replacement until at least 2030.</p>
HCP - \$300,000	<p>Additional funding for Envr. Staff and Engineering to support HCP development.</p>
Lopez HCP Litigation - \$450,000	<p>The County is a defendant in a lawsuit brought by San Luis Obispo Coastkeeper and other plaintiffs on the grounds that the County's operation of a small dam on Arroyo Grande Creek and other County infrastructure is causing illegal take of the threatened South Central California Coast Steelhead. Additional budget is needed for the ongoing litigation.</p>
Unanticipated Equipment Replacement during Fiscal Year - N/A	<p>For unanticipated purchases of equipment that fail during the fiscal year. Including this line item in the budget allows for immediate purchase of critical equipment (capital asset) that unexpectedly fails during the fiscal year. Historically, we have not needed to utilize this budget. Therefore, the Technical Advisory Committee recommended not including the annual \$55,000.</p>
Replace Carbon Feed System (Non-auger) - \$0	<p>The carbon feed system is ~19 years old. It is in need of replacement due to ongoing service and maintenance issues with the bulk solids delivery system.</p> <p>For FY 2026-27, this is being deferred.</p>
Cathodic Protection Units 1-3 - \$0	<p>The cathodic protection system was replaced in 2023/2024. One additional foreign pipe test station is required by DWR. The County is working on implementation of this station.</p> <p>No new budget is needed FY 2026-27.</p>
Membrane Rack Valve Installation - \$0	<p>Replace all valves on membrane racks 1 through 5. Funding for 1 rack/year depending on available budget. Staff currently have 1 rack worth of valves and will work through replacement as needed. No other racks valves are being purchased at this time.</p> <p>For FY 2026-27, this is being deferred.</p>
Membrane Rack Piping Replacements - \$0	<p>Stainless steel piping on membrane racks needs replacing. Rack 6 came with HDPE piping which is performing well. The original racks 1-5 have stainless piping that has corrosion and will need replacing over time. Staff will work with current budget for partial replacement of some headers.</p> <p>For FY 2026-27, this is being deferred.</p>
Agency Funded Reserves for Future Equip/Capital Replacement - N/A	<p>Contributions toward the Agency Funded Reserves accumulate for the purpose of funding replacement of equipment and capital outlays at the Treatment Plant. Recommended use of these reserves are determined by the plant system audit replacement schedule, for which annual funding is insufficient, and are coordinated with the Technical Advisory Committee and the Advisory Committee prior to inclusion in the budget.</p>
TOTAL REQUESTS: \$750,000	

Lopez Water System



Unit H
Portion of A.G./Avila Conduit
(Avila Rd./Ontario Rd. to
1st St./San Juan St.
- Avila Beach)

Unit J
Portion of A.G./Avila Conduit
(Avila Rd./Ontario Rd. to
Tank Site - Avila Valley Estates)

Unit A
Lopez Dam and Reservoir
Access Roads
Fish Trapping Facilities
Outlet Works

Unit I
Portion of A.G./Avila Conduit
(1st St./San Juan St. to Port
San Luis H.D. tank site)

Unit G
Portion of A.G./Avila Conduit
(Shell Beach Rd./El Portal Dr.
to Avila Rd./Ontario Rd.)

Unit B
Terminal Reservoir
Pumping Plant
By-Pass Conduit
Water Treatment Plant
Lopez Dam/Arroyo Grande Conduit
(Dam Outlet to Bifurcation
Structure at Brisco Rd.)

Unit F
Portion of A.G./Avila Conduit
(Vista Del Mar to Shell Beach
Rd./El Portal Dr. - Pismo Beach)

Unit E
Portion of A.G./Avila Conduit
(Oak Park Blvd. to Vista Del
Mar - Shell Beach)

Unit C
Portion of A.G./Avila Conduit
(Bifurcation Structure at Brisco Rd.
to Oak Park Blvd. - Grover Beach)

Unit D
A.G./Oceano Conduit
(So. End of Lopez Dam/A.G.
Conduit to Oceano Connection
at Elm St./Lancaster Dr.)

Legend

- Lopez Pipeline**
- Unit B
 - Unit C
 - Unit D
 - Unit E
 - Unit F
 - Unit G
 - Unit H
 - Unit I
 - Unit J
- Oceano CSD
- CSA 12

PUBLIC WORKS GIS SERVICES

SAN LUIS OBISPO COUNTY

0 0.5 1 2 3 4 Miles