



Notice of Special Meeting NACIMIENTO PROJECT COMMISSION

THURS., JULY 9, 2026 – 4:00 PM

IN-PERSON LOCATION: (COMMISSIONERS MUST ATTEND IN-PERSON)

Templeton CSD, Board Meeting Room, 206 5th Street, Templeton, CA 93465
(805) 434-4900

VIRTUAL OPTION: (ONLY FOR AGENCY STAFF OR MEMBERS OF THE PUBLIC)

<https://us02web.zoom.us/j/84081190047?pwd=qyviJeZlFfkjTnPAgYapY9yffW8ik.1>

Meeting ID: 840 8119 0047 Passcode: 703641 Call in: 1-669-900-6833

AGENDA ITEMS & PUBLIC COMMENTS:

For more information: <https://www.slocounty.ca.gov/Departments/Public-Works/Forms-Documents/Committees-Programs/Nacimiento-Project-Commission.aspx>

Public comments can be submitted to: Nola Engelskirger, nengelskirger@co.slo.ca.us

	Participant/District	Commissioner	(Alternate)
(Chair)	City of San Luis Obispo	Emily Francis;	Jan Marx
(Vice Chair)	Templeton CSD	Wayne Petersen	Eric Mortensen
	District	John Peschong;	Vicki Janssen
	City of Paso Robles	John Hamon;	Fred Strong
	Atascadero MWC	Robert "Grigger" Jones;	John Neil

AGENDA

- I. **CALL TO ORDER**
 - A. Roll Call for Quorum Count
 - B. Flag Salute
- II. **PUBLIC COMMENT** (For non-agenda items within Commission jurisdiction; three-minute limit each.)
- III. **MEETING MINUTES**
 - A. Naci Commission, April 23, 2026
Staff Recommendation: Approve the Minutes.
- IV. **2026 Bond Refunding Project**
Commission Action: Request to approve the refunding of the Nacimiento Water Project Bonds.
Staff Recommendation: Recommend approval; Board of Supervisors action is subsequently required.
- V. **COMMISSION INFORMATIONAL ITEMS**
 - A. NWP Operations Update with Reservoir Status
 - B. Third Quarter Operations Budget Report – FY 2025/26
- VI. **COMMISSION ACTION ITEMS (Board of Supervisors Action is Subsequently Required)**
 - A. Request to approve MOU between the County, District and City of San Luis Obispo Regarding the Nacimiento Pipeline Relocation Project

- B. Review and approve actions and transactions associated with the acquisition of easements and right of way needed for the NWP Unit G Repair Project
- C. Review and approve actions associated with advancing the Flood Hazard Mitigation Study and Design Project

VII. **ITEMS FOR NEXT REGULAR MEETING AGENDA**

VIII. **DATE OF NEXT COMMISSION MEETING**

- A. August 27, 2026, November 19, 2026

IX. **ADJOURNMENT**

ATTACHMENTS

- 1. Item III.A Minutes from April 23, 2026
- 2. Item IV Staff Report for 2026 Bond Refunding Project
- 2. Item V.A Delivery Report
- 3. Item V.B Third Quarter Operations Budget Report – FY 2025-26
- 4. Item VI.A Staff Report for Request to approve MOU Between the County, District, and City of San Luis Obispo Regarding the Nacimiento Pipeline Relocation Project
- 5. Item VI.B Staff Report for Request to Review and Approve actions and transactions associated with the acquisition of easements and right of way needed for the NWP Unit G Repair Project
- 6. Item VI.C Staff Report for Request to Review and Approve actions associated with advancing the Flood Hazard Mitigation Study and Design Project

CONTACT: *All Americans with Disabilities Act (ADA) accommodations shall be promptly reviewed and resolved.*

Persons who require accommodation for any audio, visual or other disability in order to review an agenda, or to participate in the meeting per the ADA, are encouraged to request such accommodation 48 hours in advance of the meeting from County Public Works at (805) 781-5252.



MEETING MINUTES (DRAFT)
NACIMIENTO PROJECT COMMISSION

April 23, 2026

COMMISSIONERS PRESENT (Voting Share 72%)

Templeton CSD (2%): Wayne Petersen, Vice Chair

District (20%): John Peschong

City of Paso Robles (33%): John Harmon

Atascadero MWC (17%): Grigger Jones

COMMISSIONERS ABSENT (Voting Share 28%)

City of SLO (28%): Emily Francis, Chair

CLERK: Courtney Howard, District

I. CALL TO ORDER

A. Roll Call for Quorum Count

A Commission meeting was held on Thursday, April 23, 2026, at 4:30 P.M., with Commissioner Petersen serving as the Chair. Quorum established with 4 seats present and 72% voting share (minimum of 3/5 seats present with voting share > 51%).

B. Flag Salute

Everyone stood and recited the Pledge of Allegiance.

II. PUBLIC COMMENT:

Add name and summary of comment/request

III. REVIEW OF PREVIOUS MEETING MINUTES

A. Meeting minutes for February 26, 2026, were recommended for approval. No questions from the board, and no further discussion by the Commission.

Motion for approval: Francis; Seconded: Petersen; All Ayes. Passed Unanimously.

IV. COMMISSION INFORMATIONAL ITEMS

A. Second Quarter Operations Budget Report – FY 2025-26

Harold Wright presented report citing discrepancy with Monterey County invoice delaying budget target. Proposed Draft FY 26-27 Budget Book will follow with finance included in March TSG meeting.

B. Current NWP Operations with Reservoir Status

McKenna provided update and detailed temporary pipeline repair pipeline was pulled out and will be reinstalled once wet weather passes. Unit G Realignment design and environmental is ready and continued work on easements. McKenna responded to Francis' request for easement status with more information will be available after March 10.

C. Annual Conflict of Interest (COI) filing – "Form 700"

McKenna provided reminder for Form 700 filing. Hamon asked which staff member has access to view Form 700 filing status. McKenna referred to Laura Holder who confirmed access and will check on statuses of Commissioners and Alternates.

V. COMMISSION ACTION ITEMS

Annual Nomination & Election of Commission Officers

Discussion ensued with Francis accepting Chair position, Peschong and Hamon declining Vice Chair, Petersen accepting Vice Chair position

Motion for approval: Petersen; Seconded; Jones; All Ayes. Passed Unanimously.

VI. ITEMS FOR NEXT REGULAR MEETING AGENDA:

Update on Shandon San Juan Water

VII. DATE OF NEXT REGULAR MEETING

April 23, 2026 (Special Budget Meeting); May 28

8. ADJOURNMENT

The meeting was adjourned by the Chair at 4:10 P.M.

Meeting Secretary: Laura Holder



MEMORANDUM

TO: Nacimiento Project Commission
FROM: Katie Franco, Finance Division Manager
SUBJECT: Bond Refinancing Project
DATE: July 9, 2026

Recommendation

Approve the refunding of the Nacimiento Water Project 2015 Series A Bonds, currently projected at an estimated 7 % net present value savings, or \$5,364,185

Discussion

On September 26, 2007, the San Luis Obispo County Financing Authority (the Authority) issued \$157,845,000 Nacimiento Water Project Revenue Bonds, 2007 series A. On August 19, 2015, the Authority issued \$107,115,000 Nacimiento Water Project Revenue Refunding Bonds (2015 series A) to refinance a portion of the 2007 series A bonds. The 2015 series A bonds have now become eligible for refunding, with desirable debt service savings available.

Financial advisors to the District have identified potential cost savings by refunding the tax-exempt 2015 series A bonds. Based on current municipal bond market conditions, it is estimated that refunding the bonds could result in \$5 million of net present value savings (or 7%) over the remaining life of the outstanding bonds. The Authority's Debt Management Policy requires a minimum of 3% net present value savings for refunding; this illustrates a significant opportunity to save the participating agencies approximately \$500,000 per year for the outstanding debt service, through 2039.

Refunding the bonds would require significant finance staff work for both the District and the participating agencies to provide financial information including but not limited to continuing disclosure requirements. Atascadero Mutual Water Company (AMWC) will not benefit from this refunding as the taxable bonds sold to finance its share of the project do not have the savings potential and are not proposed to be refinanced. However, as a contracting agency, AMWC would also need to provide the same documentation and board approvals as the other three participants (City of Paso Robles, City of San Luis Obispo and Templeton Community Services District).

The process to refund the bonds will take several months and market conditions will change over that time. The Participating Agencies, and ultimately the Board of Supervisors will have to approve the bond sale. District staff, County staff and the District's financial advisors will keep agencies informed of significant changes in the market and will make appropriate recommendations on whether to refund the bonds up to the date of bond sale.



TO: Nacimiento Project Commission
FROM: Anna McKenna, Utilities Division Engineer
DATE: July 9, 2026
SUBJECT: NWP Delivery Report

NWP DELIVERY REPORT

Attachment 1 is the draft monthly summary of NWP deliveries for the 2025/26 Nacimiento "Water Year" (Oct. 1, 2025 – Sept. 30, 2026).

NACIMIENTO RESERVOIR DATA & OPERATIONS SYSTEM

Attachments 2, 3 & 4 are provided as a reference for your planning purposes.

ATTACHMENTS

1. District's NWP Delivery Report (Draft).
2. MCWRA Reservoir Data.
3. MCWRA Reservoir 2026 Release Schedule.
4. MCWRA Reservoir Pool Schematic (from "Nacimiento Dam Operation Policy," 2018).

NWP Delivery Report – JUNE 2026 (DRAFT)

Deliveries ^{1,2,5}

	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	TOTAL
Paso (T2)	172.17	81.56	0.00	54.20	67.73	87.01	104.52	191.27	221.38	0.00	0.00	0.00	979.84
Ops Water													0.00
TCSD (T4)	55.10	66.37	21.01	0.00	4.88	3.90	11.05	11.05	20.35	0.00	0.00	0.00	193.71
Ops Water													0.00
AMWC (T6)	0.00	0.00	0.00	0.00	0.00	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.12
Ops Water													0.00
SMR (T9)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ops Water													0.00
SLO (T11)	228.39	196.01	161.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	585.70
Ops Water													0.00
TOTAL	456	344	182	54	73	91	116	202	242	0	0	0	1759.37
Cumulative	456	800	982	1036	1109	1200	1315	1518	1759	1759	1759	1759	
Intake Meter	472.65	352.26	198.72	54.39	72.13	90.58	114.30	114.30	236.41	0.00	0.00	0.00	1705.74
Variance (UW)	(16.99)	(8.32)	(16.41)	(0.19)	0.48	0.45	1.27	88.02	5.32	0.00	0.00	0.00	53.63
Ops Water ⁴	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Requests ^{1,3}

	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	TOTAL
Paso (T2)	658	544	172	178	161	274	265	658	636	658	658	636	5498
TCSD (T4)	40	40	0	0	0	0	0	0	25	25	25	40	195
AMWC (T6)	250	0	0	0	0	0	0	0	500	500	500	500	2250
SMR (T9)	7	7	7	7	7	7	7	7	7	7	7	7	84
SLO (T11)	315	305	315	315	285	315	305	315	305	315	315	305	3710
TOTAL	1270	896	494	500	453	596	577	980	1473	1505	1505	1488	11737
Cumulative	1270	2166	2660	3160	3613	4209	4786	5766	7239	8744	10249	11737	

NOTES

- All table values listed are in units of acre-feet (AF).
- Deliveries are based on monthly reporting provided by County Operations.
- Requests based on latest schedule request submitted for project "Water Year 2025-26" deliveries. WY = Oct thru Sep.
- "Ops Water" is water sent through the turnout for O&M needs and not counted against Participants' Delivery Entitlement.

NACIMIENTO WATER PROJECT

SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

G:\Utilities\Water\NWP\Operations\Water Accounting\Delivery Requests_Actuals\2025-26\WY 2025-26 Delivery Report

7/2/2026

Monterey County Water Resources Agency
DAM AND RESERVOIR - DAILY DATA (provisional)
June 27, 2026 through July 3, 2026

San Antonio	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday
Date	6/27	6/28	6/29	6/30	7/1	7/2	7/3
Percentage of Capacity (%)	58	58	58	58	57	57	
Elevation (feet)	749.3	749.2	749.05	749	748.9	748.8	
Depth (feet)	149.3	149.2	149.05	149	148.9	148.8	
Storage (acre-feet)	193760	193390	192835	192650	192285	191920	
Lake Surface Area (acres)	3663	3659	3652	3650	3647	3643	
Length of Lake (miles)	13.5	13.5	13.5	13.5	13.5	13.5	
Releases (cfs)	205	205	188	165	165	165	
Rainfall Total to Date (in.)	13.57	13.57	13.57	13.57	13.57	13.57	13.57
Total Rain to Date Last Year (in.)	7.28	7.28	7.28	7.28	7.28	7.28	7.28
Total Rain Last Season (in.)	7.65	7.65	7.65	7.65	7.65	7.65	7.65

Nacimiento	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday
Date	6/27	6/28	6/29	6/30	7/1	7/2	7/3
Percentage of Capacity (%)	54	54	54	53	53	53	
Elevation (feet)	764.25	764.1	763.95	763.75	763.6	763.45	
Depth (feet)	149.25	149.1	148.95	148.75	148.6	148.45	
Storage (acre-feet)	203718	203131	202541	201743	201144	200546	
Lake Surface Area (acres)	4019	4013	4006	3997	3990	3984	
Length of Lake (miles)	15.9	15.9	15.9	15.9	15.9	15.8	
Releases (cfs)	261	263	265	263	260	258	
Rainfall Past 24 Hours (in.)	0	0	0	0	0	0	
Rainfall Total to Date (in.)	12.61	12.608	12.608	12.608	12.608	12.608	12.608
Total Rain to Date Last Year (in.)	7.68	7.68	7.68	7.68	7.68	7.68	7.68
Total Rain Last Season (in.)	7.86	7.86	7.86	7.86	7.86	7.86	7.86

Notes: Elevation referenced to NGVD 29. Data are 7:00 AM values from real time provisional USGS water surface elevation gage sites. Full data sets can be accessed via the following links:

[Nacimiento Elevation](#)

[San Antonio Elevation](#)

Current Releases: The Monterey County Water Resources Agency (MCWRA) is currently making releases from Nacimiento and San Antonio Reservoirs for beneficial uses including supporting downstream fish habitat, groundwater recharge and SRDF operations.

[Reservoir release schedule approved by MCWRA Board of Directors](#)

The Nacimiento Dam Operation Policy provides a detailed description of the regulations, requirements, and other considerations that inform our reservoir operations.

[Nacimiento Dam Operation Policy](#)

DRAFT RESERVOIR RELEASE SCHEDULE FOR 2026

Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16													
																	NACIMIENTO							SAN ANTONIO					
																	Combined Releases (cfs) ¹	Combined Releases (ac-ft)	Evap. Losses (ac-ft)	Reservoir Releases (cfs) ¹	Reservoir Releases (ac-ft)	NWP Orders (ac-ft)	NWP Diversions (ac-ft)	Beginning of Month Storage		Evap. Losses (ac-ft)	Reservoir Releases (cfs) ¹	Reservoir Releases (ac-ft)	Beginning of Month Storage
							(ac-ft)	(%)	Elev. (ft)				(ac-ft)	(%)	Elev. (ft)														
Jan	70	4,328	350	60	3,713	600	54	146,210	39%	748.6	520	10	615	171,473	51%	743.1													
Feb	72	4,129	464	62	3,554	553	72	189,290	50%	760.6	441	10	575	185,898	55%	747.2													
Mar	89	5,496	977	79	4,881	696	91	248,200	66%	774.7	853	10	615	209,065	62%	753.4													
Apr	301	17,927	1,458	270	16,043	677		249,100	66%	774.9	1,840	32	1,884	212,785	64%	754.3													
May	440	27,035	2,580	280	17,217	1,616		233,068	62%	771.3	2,806	160	9,818	210,130	63%	753.6													
Jun	510	30,348	3,288	280	16,661	2,129		211,582	56%	766.2	3,109	230	13,686	197,141	59%	750.2													
Jul	564	34,691	2,550	320	19,676	2,188		189,478	50%	760.6	2,370	244	15,015	180,425	54%	745.6													
Aug	623	38,321	2,252	320	19,676	2,188		165,087	44%	754.0	2,008	303	18,645	162,869	49%	740.5													
Sep	467	27,769	1,713	320	19,042	2,144		141,004	37%	747.0	1,536	147	8,727	142,277	42%	734.0													
Oct	212	13,012	1,125	181	11,108	1,369		118,170	31%	739.6	1,064	31	1,904	132,347	40%	730.7													
Nov	70	4,165	566	60	3,570	996		105,129	28%	735.0	556	10	595	129,477	39%	729.7													
Dec	70	4,304	349	60	3,689	594		100,031	26%	733.0	359	10	615	128,327	38%	729.3													
Jan 2026								95,554	25%	731.3				127,381	38%	728.9													
Totals		211,526	17,671		138,831	15,750	217				17,462		72,695																

Draft Date: 4/14/2026

Notes:

1. Mean daily flow for the month in cubic feet per second.
2. Shaded areas denote actual values. Non-shaded areas are projected values.
3. Nacimiento Reservoir storage capacity: 377,900 acre feet; San Antonio Reservoir storage capacity: 335,000 acre feet.
4. Water Resources Advisory Committee may make release considerations for holiday periods to benefit recreation.
5. Schedule assumes no additional storm events that provide inflow to reservoirs. Actual elevations and or releases may be influenced by inflow.
6. "NWP Diversions" are San Luis Obispo County - Nacimiento Water Project conveyance facilities diversions. Max. allowable water year (Oct. 1 - Sept. 30) diversions: 15,750 ac-ft.
7. Nacimiento "NWP Diversions" do not include lakeside water use which is estimated at approximately 1,750 acre feet per year.
8. Releases from Nacimiento reservoir will be limited to 280 cfs or less due to planned maintenance activities expected to be completed by July 1. Nacimiento releases may exceed 280 cfs once maintenance activities are complete.



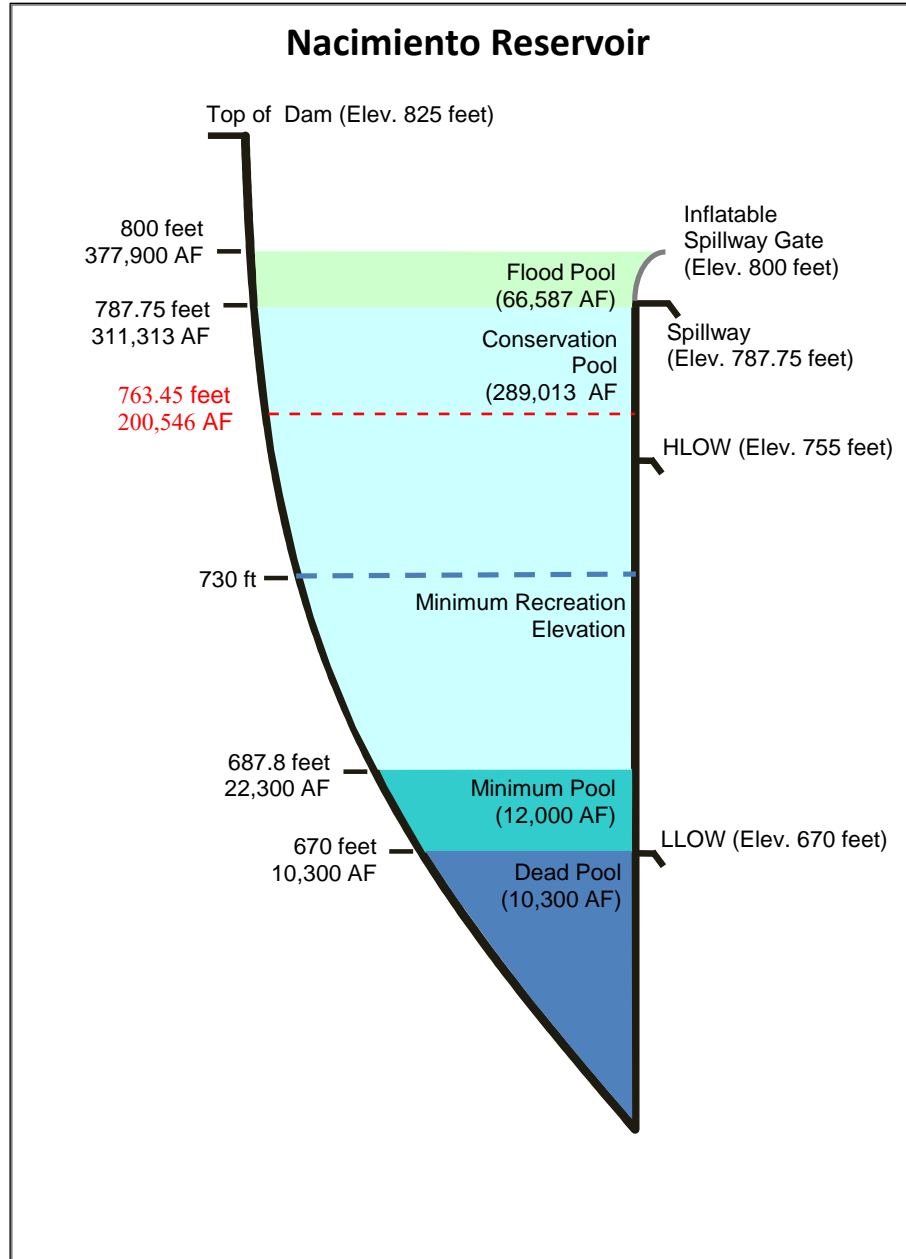


Figure 1. Schematic of Nacimiento Reservoir Pools



MEMORANDUM

TO: Nacimiento Project Commission

FROM: Harold Wright, Finance Division

VIA: Nola Engelskirger, Utilities Division Manager

SUBJECT: FY 2025-26 Third Quarter Operations Budget Update

DATE: July 9, 2026

Figures summarizing the Fiscal Year 2025-26 Third Quarterly Operating Fund Budget are provided for your information. With 75% of the year elapsed, total expenditures and purchase order commitments are at 33.5% of budget. This includes Non-Routine projects that fluctuate during the fiscal year. More notably, annual Routine Operations and Maintenance efforts are at less than budgeted levels at 55% of the budget.

FY2025-26 Nacimiento Operating Fund							
		<u>New Budget</u> FY 2025-26	<u>Carry Forward</u> Budget from FY 2024-25	<u>Total FY 2025-26</u> Budget	<u>Expenses &</u> <u>Purchase</u> <u>Orders</u>	<u>Expenses and</u> <u>Purchase Orders</u> <u>as a % of Budget</u>	<u>Balance</u> <u>Available</u>
	Routine O&M	3,551,899	258,873	3,810,772	2,094,780	55.0%	1,715,992
	Non Routine O&M Projects	359,030	1,037,959	764,843	146,327	19.1%	618,516
	Capital Outlay Projects	152,150	10,582,226	11,366,522	1,121,911	9.9%	10,244,611
	Total	4,063,079	11,879,058	15,942,137	3,363,018	21.1%	12,579,119
[a]	Variable Energy	2,503,871	-	2,503,871	838,832	33.5%	1,665,039

[a] PG&E invoices for Variable Energy usage. Costs are billed to participants based upon actual usage, and are not included in Participants' Installment Billings or Final Billings.

If you have any questions, please feel free to contact me at (805) 781-5462 or via e-mail at hwright@co.slo.ca.us. Staff will be available to answer specific questions at the meeting.



TO: Nacimiento Project Commission

FROM: San Luis Obispo County Flood Control & Water Conservation District

VIA: Nola Engelskirger, Water Utilities Division Manager

DATE: July 9, 2026

SUBJECT: Request to approve MOU between the County, District, and City of San Luis Obispo Regarding the Nacimiento Pipeline Relocation Project

Recommendation

It is recommended that the Commission approve and recommend that the Board subsequently approve a Memorandum of Understanding (MOU) between the County of San Luis Obispo, San Luis Obispo County Flood Control & Water Conservation District (District) and the City of San Luis Obispo regarding advancement of funds for settlement of Flood Damage Claims and acquisition of easements necessary for the Nacimiento Pipeline Relocation Project.

Discussion

The Nacimiento Water Project (NWP) Pipeline Unit G Realignment/Repair Project is required to relocate a portion of the Nacimiento pipeline that was damaged during the 2022/2023 winter storms. The damaged segment lies within the Salinas River floodplain, and realignment is necessary to avoid recurring flood risk and to restore reliable water service to the City of San Luis Obispo and the Santa Margarita Ranch Mutual Water Company.

To complete the project, the District must obtain permanent and temporary construction easements from affected property owners. Owners of a property within the original and new alignment have brought Flood Damage Claims alleging pipeline-related contributions to storm impacts.

To secure the needed easements promptly, avoid eminent domain, and maintain eligibility for up to 75% FEMA reimbursement, the City of San Luis Obispo has agreed to advance \$264,000 to the District to settle the Flood Damage Claims, subject to the District's acquisition of easements. The Board approved moving forward with the settlement with the property owner (attached) during closed session.

Approval of an MOU in the substantially the same form and effect as the attached will formalize this funding arrangement, allow the District to secure easements necessary for pipeline realignment, and ensure timely progress on a project critical to restoring and protecting regional water supply reliability.

Financial Considerations

The MOU enables the City of San Luis Obispo to advance \$264,000 to assist the County and District in settling the Flood Damage Claims and securing easements.

Key components of the MOU include:

- City advances its pro-rata share (66.245%) plus the other NWP participants' share (33.755%).

- The District will work with Participant's to recover the Other Participant's share during the regular budget process for the project and credit the City once recovered.
- Payment is conditioned on the District obtaining required easements.

This financial mechanism maintains the project schedule, limits legal exposure, and preserves FEMA reimbursement potential.

In accordance with Commission bylaws, the Commission must review and approve all substantive matters pertaining to construction and operation of the Nacimiento Facilities, which includes the attached MOU. The recommended actions will require subsequent approval by the County Board of Supervisors acting as the Board for both the County and the District.

Results

Approval of the MOU will:

- Enable settlement of Flood Damage Claims.
- Facilitate acquisition of easements required for construction.
- Maintain eligibility for FEMA reimbursement.
- Support restoration of reliable water service through the Nacimiento system.

Attachments:

Settlement Agreement and Release of All Claims (Property Damage)

Memorandum of Understanding Regarding the Nacimiento Pipeline Relocation Project

**SETTLEMENT AGREEMENT AND
RELEASE OF ALL CLAIMS
(Property Damage)**

This Settlement Agreement and Release of All Claims (“Settlement Agreement”) is made this _____, 2026 (the “Effective Date”), by and between Jan F. Davis Separate Property Trust dated October 26, 2005, as amended, Davis Brothers Ranch, LLC, a Nevada limited liability company, Bobbie Kay Davis 2007 Irrevocable Trust fbo Dwain A. Davis, dated January 31, 2007, Bobbie Kay Davis Irrevocable Trust fbo Tyson R. Davis, dated January 31, 2007, Jan and Patricia Davis Community Property Trust dated October 26, 2005, as amended, Bobbie Kay Davis Living Trust, dated July 9, 2020 (collectively the “Davis Family”), and the County of San Luis Obispo, a public entity and political subdivision of the State of California (hereinafter, “County”). The Davis Family and County are sometimes referenced herein as a “Party” or collectively referenced as the “Parties.”

RECITALS

WHEREAS, the Davis Family owns certain real property with an Assessor Parcel Numbers 034-434-017; 034-432-004; 034-434-015; 016 (the “Property”);

WHEREAS, in and about 2011, the County, in its capacity as the Flood Control and Water Conservation District (“District”), constructed the Nacimiento Water Project (the “Project”) which delivers water from Lake Nacimiento to certain Project participants including the City of San Luis Obispo. The project includes an approximately thirty-six-inch pipe (the “Pipe”) which traverses the Property in the approximate location described in Exhibit “A” which generally runs parallel and east of the Salinas River (the “River”) which likewise traverses the Property;

WHEREAS, in winter months of 2022/2023, the County experience significant storms which resulted in significant flooding. Flooding did occur within the River including that portion which traverses the Property. The flood conditions caused significant erosion of the eastern portion of the bank of the River in the general location depicted in Exhibit “B” (hereinafter the “Storm Damage”). The erosion damaged a portion of the Pipe running the general length of the erosion. Pictures depicting the Storm Damage and damaged pipe are attached as Exhibit “C.” The Pipe was eventually removed and the Parties negotiated a separate temporary easement for a temporary pipe to be installed and removed during the winter months in order to deliver water through this segment of the Project. When the temporary pipe was initially installed and pressurized, the temporary pipe broke causing additional erosion to the River bank in the approximate location depicted in Exhibit “B” (hereinafter the “Pipe Break Erosion”). Pictures depicting the Pipe Break Erosion are attached as Exhibit “D;”

WHEREAS, the County contends that the Storm Damage was exclusively an act of god and is therefore, not liable for the erosion caused by the flood conditions. The Davis Family acknowledges that the damage occurred because of the flooding but also contends that the extent of the damage was exacerbated because of the installation and presence of the Pipe. The Davis Family also contends that the Pipe Break Erosion has not only eroded a portion of the River bank, but has also redirected the flow pressure of the River further northeast thus likely to cause further erosion and loss of vegetation of the Property. The County disputes these contentions (collectively referred to herein as the “Dispute”);

WHEREAS, by this Settlement Agreement, the Davis Family and County desire to voluntarily resolve the Dispute; and

NOW, THEREFORE, in consideration of the covenants, and promises as set forth below, the Parties to this Settlement Agreement do hereby agree as follows:

AGREEMENT

1. Recitals. The recitals above are true and correct and are incorporated herein by reference.

2. Payment by County to The Davis Family. Within thirty (30) days of the Effective Date, County hereby agrees to pay the Davis Family, payable through their attorneys Ty Green of Adamski Moroski Madden Cumberland & Green, the sum of two hundred sixty four thousand dollars (\$264,000) (the "County Payment"). The County Payment is in consideration of the Davis Family collectively and individually, releasing the County and the District and its officials, officers, and employees of all further claims, damages and liabilities in connection with the Dispute regarding the Storm Damage and Pipe Break Erosion. The Davis Family acknowledges and agrees that the County Payment is contingent on the Davis Family executing a separate Agreement Affecting Real Property of approximate even date herewith, for the relocation of the Pipe from its current location to the location depicted in Exhibit "A."

3. Release. Other than the obligations under this Settlement Agreement, the Davis Family, and each of them, generally releases the County and the District, including its officials, employees, agents, representatives, officers, attorneys, and administrators, and all other persons associated with the County and District, from any and all claims, demands, and liabilities related to the Storm Damage and Pipe Break, including, but not limited to, any future claims, demands or liabilities associated with erosion of the River due to future flooding or rain events, excepting therefrom, any claims, demands or liabilities arising from the County or District's active negligence or willful misconduct related to its maintenance or repair or ownership of the Pipe. .

4. 1542 Waiver. In executing this Settlement Agreement, the Davis Family and each of them, does hereby waive all rights and benefits which each may now have, or in the future may have, pursuant to the terms of California Civil Code section 1542, which reads as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

5. Notices. Any notice, payment, demand, or communication required or permitted to be delivered or given by the provisions of this Settlement Agreement shall be deemed to have been effectively delivered or given and received on the date personally delivered to the respective party to whom it is directed, or when deposited by registered or certified mail, with postage and charges prepaid and addressed to the parties at the addresses set forth below, or at such new addresses as may later be designated by providing written notice to the Parties:

If to The Davis Family:

[name]
[address]

With copy to:

Ty Green
Adamski Moroski Madden Cumberland &
Green
PO Box 3835
San Luis Obispo, CA 93403

If to the County:

County of San Luis Obispo
Attn: County Counsel
1055 Monterey Street, D320
San Luis Obispo, CA 93408

6. Miscellaneous.

(a) This Settlement Agreement represents a compromise of disputed claims, and nothing in this Settlement Agreement shall be construed as an admission of fault, liability, or wrongdoing by any Party hereto in relation to the Lawsuit.

(b) Except as otherwise provided herein, the Parties shall each bear their own attorneys' fees and costs.

(c) The Parties agree that this Settlement Agreement shall be binding upon them and upon each of their respective successors and assigns.

(d) Each person who signs this Settlement Agreement warrants and represents to each other Party that he or she is authorized to make and execute this Agreement on behalf of the Party for whom the signature is provided.

(e) The Parties agree that this Settlement Agreement, when fully executed, shall constitute the full agreement of the parties as to the Lawsuit, and that it shall supersede all previous written and/or oral agreements between them as to the Lawsuit.

(f) The Parties agree that, unless expressly stated in this Settlement Agreement, this Settlement Agreement and its terms and conditions are not intended to, and do not, give any right or rights to any third party whatsoever, nor do they create any duty by any of the parties to this Settlement Agreement to third parties.

(g) The Parties acknowledge that they are each represented by counsel, and each represents that its counsel has read this Settlement Agreement and that each Party has had the meaning and effect of this document explained fully by legal counsel, or has affirmatively waived any such counsel, that each Party has read and understood the contents of this Settlement Agreement, and that each Party executes this document voluntarily, knowingly, and without duress or undue influence.

(h) The rule of construction that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Settlement Agreement, and the provisions of Civil Code section 1654 are expressly waived.

(i) This Settlement Agreement shall be governed and construed in accordance with the laws of the State of California.


(j) This Settlement Agreement may be executed in counterparts, and a facsimile or email signature shall be deemed binding upon the Party provided the facsimile or email signature as though a signed original had been presented.

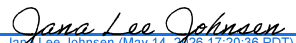
IN WITNESS WHEREOF, the Parties have executed this Settlement Agreement as of the Effective Date:

GRANTORS


As to APNs 034-434-017 & 034-432-004

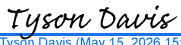
JAN F. DAVIS SEPARATE PROPERTY TRUST dated October 26, 2005, as amended

By: 
[Chad W Davis \(May 15, 2026 12:32:56 PDT\)](#)
Chad W. Davis, Co-Trustee


By: 
[Jana Lee Johnson \(May 14, 2026 17:20:36 PDT\)](#)
Jana Lee Johnson, Co-Trustee


DAVIS BROTHERS RANCH, LLC, a Nevada limited liability company

By: 
[Dwain Davis \(May 15, 2026 15:55:35 PDT\)](#)
Dwain A. Davis, Manager


By: 
[Tyson Davis \(May 15, 2026 15:46:28 PDT\)](#)
Tyson R. Davis, Manager


BOBBIE KAY DAVIS 2007 IRREVOCABLE TRUST fbo DWAIN A. DAVIS, dated January 31, 2007

By: 
[Dwain Davis \(May 15, 2026 15:55:35 PDT\)](#)
Dwain A. Davis, Co-Trustee

By: 
[Tyson Davis \(May 15, 2026 15:46:28 PDT\)](#)
Tyson R. David, Co-Trustee

BOBBIE KAY DAVIS 2007 IRREVOCABLE TRUST fbo TYSON R. DAVIS, dated January 31, 2007


By: 
[Dwain Davis \(May 15, 2026 15:55:35 PDT\)](#)
Dwain A. Davis, Co-Trustee

By: 
[Tyson Davis \(May 15, 2026 15:46:28 PDT\)](#)
Tyson R. Davis, Co-Trustee

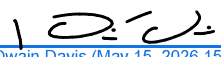
As to APNs 034-434-015 & 034-434-016


JAN AND PATRICIA DAVIS COMMUNITY PROPERTY TRUST dated October 26, 2005, as amended

By: Patricia J. Davis
Patricia J. Davis, Co-Trustee

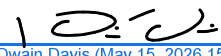
By:  Chad W. Davis (May 15, 2026 12:32:56 PDT)
Chad W. Davis, Co-Trustee


BOBBIE KAY DAVIS 2007 IRREVOCABLE TRUST fbo DWAIN A. DAVIS, dated January 31, 2007

By:  Dwain Davis (May 15, 2026 15:55:35 PDT)
Dwain A. Davis, Co-Trustee

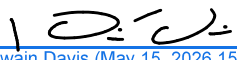
By:  Tyson Davis (May 15, 2026 15:46:28 PDT)
Tyson R. Davis, Co-Trustee

BOBBIE KAY DAVIS 2007 IRREVOCABLE TRUST fbo TYSON R. DAVIS, dated January 31, 2007

By:  Dwain Davis (May 15, 2026 15:55:35 PDT)
Dwain A. Davis, Co-Trustee

By:  Tyson Davis (May 15, 2026 15:46:28 PDT)
Tyson R. Davis, Co-Trustee

BOBBIE KAY DAVIS LIVING TRUST, dated July 9, 2020

By:  Dwain Davis (May 15, 2026 15:55:35 PDT)
Dwain A. Davis, Co-Trustee


By:  Tyson Davis (May 15, 2026 15:46:28 PDT)
Tyson R. Davis, Co-Trustee

Exhibit "A"

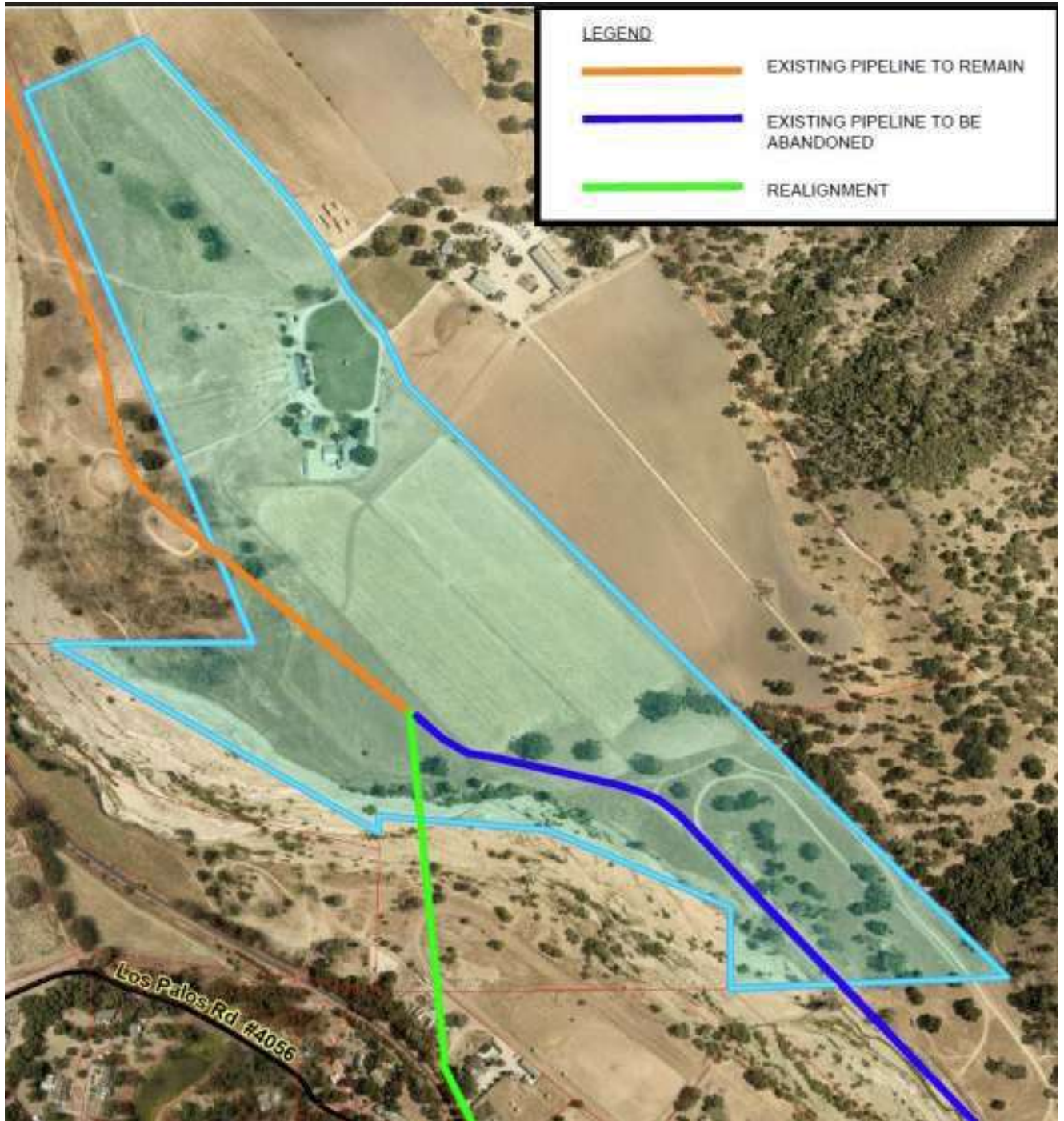
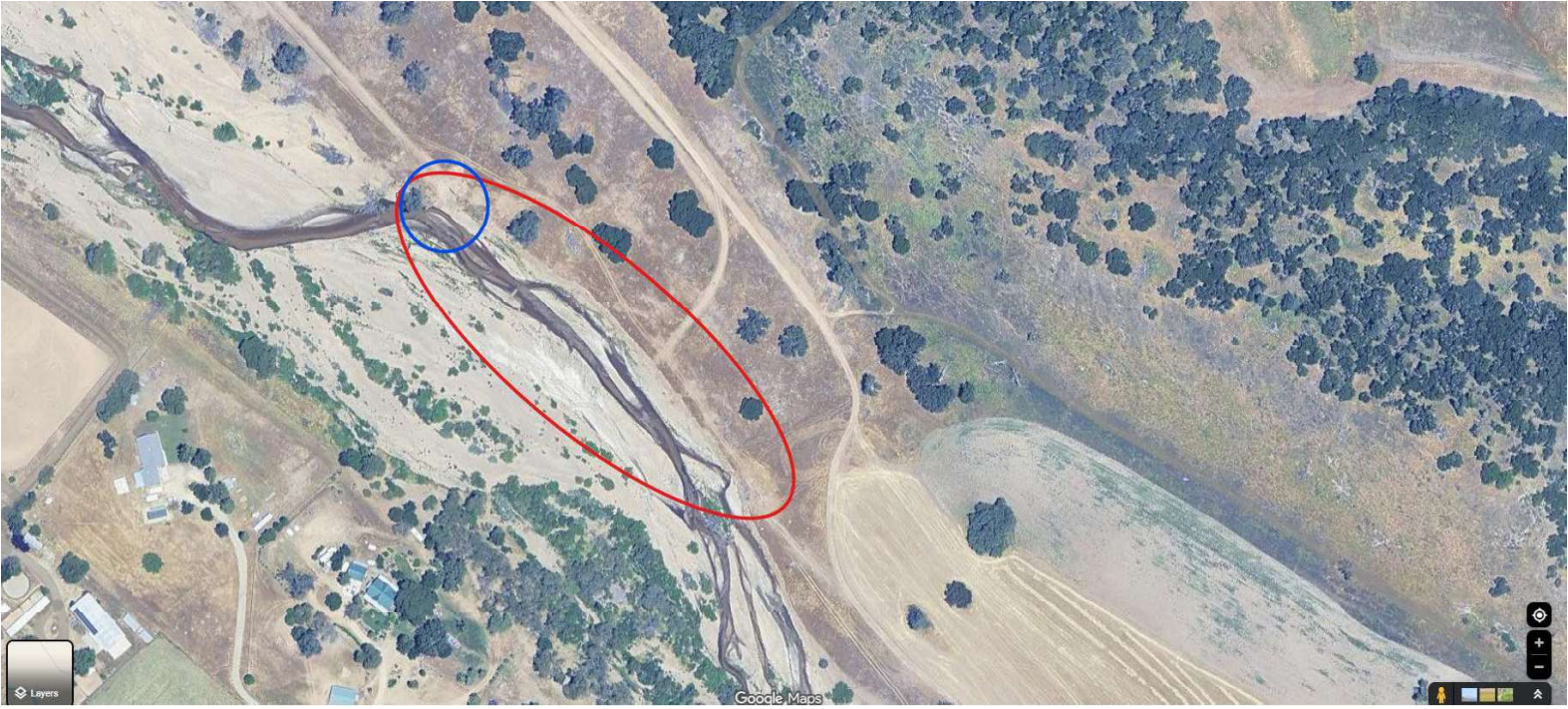


Exhibit "B"



Red Circle: Location of Storm Damage

Blue Circle: Location of Pipe Break Erosion

Exhibit “C”



East Side of Salinas River Bank looking North



East Side of River Bank looking South

Exhibit "D"



PHOTO TAKEN 8/23/2023

Signature:

Email: lizaboo33@aol.com

**MEMORANDUM OF UNDERSTANDING REGARDING
THE NACIMIENTO PIPELINE RELOCATION PROJECT**

This Memorandum of Understanding (“MOU”) is made this _____, 2026 (the “Effective Date”), by and between the County of San Luis Obispo and San Luis Obispo County Flood Control and Water Conservation District (“County”) , a political subdivision of the State of California, and the City of San Luis Obispo (“City”), a municipal corporation and charter city. County and City are sometimes collectively referred to herein as “Parties” or individually referred to as “Party.”

RECITALS

WHEREAS, the County, in its capacity as the Flood Control and Water Conservation District (“District”), constructed the Nacimiento Water Project (the “Project”), which delivers drinking water from Lake Nacimiento to certain Project participants, including the City; and

WHEREAS, during the winter storms of 2022/2023, a portion of the Project located on APNs 034-434-015; 034-434-017; 034-432-004 (the “Property”) was damaged due to significant erosion caused by heavy flooding; and

WHEREAS, the owners of the Property have alleged that the County’s ownership, installation, maintenance, and repair of the Project within the Property caused, contributed to or exacerbated the damage to the Property due to the flood conditions (the “Flood Damage Claims”); and

WHEREAS the County is in the process of relocating a portion of the Project that was damaged by the storms; specifically, the County is abandoning and relocating a portion of the Project on the Property out of the floodplain. The relocation is generally depicted in Exhibit “A” attached hereto and incorporated herein (the “Pipe Relocation Project”). Approximately seventy-five percent (75%) of the costs associated with the Pipe Relocation Project is potentially reimbursable by FEMA, however, time is of the essence in order to secure such reimbursement; and

WHEREAS, as part of the Pipe Relocation Project, the County needs to secure both a permanent and temporary construction easement from the Property owners (the “Easements”); and

WHEREAS, to encourage the Property owners’ voluntary agreement to convey the Easements to the County without the need for eminent domain, the County desires to resolve the Flood Damage Claims with the Property owners.

WHEREAS, in order to timely secure the Easements, move forward with the Pipe Relocation Project, and seek reimbursement from FEMA as noted above, the City has agreed to advance funds to settle the Flood Damage Claims; and

WHEREAS, by this MOU, the County and the City desire to set forth certain terms and conditions regarding the City advancing funds for the Flood Damage Claims; and

NOW, THEREFORE, in consideration of the covenants, and promises as set forth below, the Parties to this MOU do hereby agree as follows:

MOU

1. Recitals. The recitals above are true and correct and are incorporated herein by reference.

2. Advance of Funds. The City hereby agrees to advance funds to the County (the “City Funds”). The total amount of the City Funds shall be two hundred sixty-four thousand dollars (\$264,000). The County shall use the City Funds in order to settle the Flood Damage Claims in exchange for a release of all claims between the County/District and the Property owners for the Flood Damage Claims. Said settlement and the payment of the City Funds shall be subject to the County first or concurrently obtaining the Easements for the Pipe Relocation Project. The County and City acknowledge that all funds for the operation and maintenance of the Project, including repair and replacement projects such as the Pipe Relocation Project and all related liabilities, such as the Flood Damage Claims, are paid pro-rata by the Project participants and in accordance with the water supply MOUs for the Project. The County and City acknowledge that the City’s pro-rata share of the Flood Damage Claims is 66.245% and that the other Project participants’ share is 33.755% (the “Other Participants’ Share”). The City acknowledges that it is advancing the Other Participants’ Share in order to timely secure the Easements and to also secure FEMA reimbursements for the Pipe Relocation Project. To this end, the County agrees to timely notify and work with the other Project participants in good faith in order to recover their payment of the Other Participants’ Share. Upon any reimbursement by the other Project participants of the Other Participants’ Share, the County shall credit the City Project reserve fund with such amount or, upon request by the City, credit the City as an “All Other Construction Cost: for line item “23 STORM NACI PIPELINE REPAIRS.” The County shall provide the City with regular updates as requested on its good faith efforts and status of obtaining reimbursement for the Other Participants’ Share.

3. Term. This MOU shall commence upon the Effective Date and shall remain in effect until full reimbursement of the Other Participants’ Share.

4. Notices. Any notice, payment, demand, or communication required or permitted to be delivered or given by the provisions of this MOU shall be deemed to have been effectively delivered or given and received on the date personally delivered to the respective party to whom it is directed, or when deposited by registered or certified mail, with postage and charges prepaid and addressed to the parties at the addresses set forth below, or at such new addresses as may later be designated by providing written notice to the Parties:

If to the City of San Luis Obispo:
City of San Luis Obispo
Attn: City Attorney
990 Palm Street, Rm. 14
San Luis Obispo, CA 93401

With copy to:
City of San Luis Obispo
Attn: Director of Public Works and Utilities
879 Morro Street
San Luis Obispo, CA 93401

If to the County:
County of San Luis Obispo
Attn: County Counsel
1055 Monterey Street, D320
San Luis Obispo, CA 93408

5. Miscellaneous.

(a) Except as otherwise provided herein, the Parties shall each bear their own attorneys' fees and costs.

(b) The Parties agree that this MOU shall be binding upon them and upon each of their respective successors and assigns.

(c) Each person who signs this MOU warrants and represents to each other Party that he or she is authorized to make and execute this MOU on behalf of the Party for whom the signature is provided.

(d) The Parties agree that, unless expressly stated in this MOU, this MOU and its terms and conditions are not intended to, and do not, give any right or rights to any third party whatsoever, nor do they create any duty by any of the parties to this MOU to third parties.

(e) The Parties acknowledge that they are each represented by counsel, and each represents that its counsel has read this MOU and that each Party has had the meaning and effect of this document explained fully by legal counsel, or has affirmatively waived any such counsel, that each Party has read and understood the contents of this MOU, and that each Party executes this document voluntarily, knowingly, and without duress or undue influence.

(f) The rule of construction that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this MOU, and the provisions of Civil Code section 1654 are expressly waived.

(g) This MOU shall be governed and construed in accordance with the laws of the State of California.

(h) This MOU may be executed in counterparts, and a facsimile or email signature shall be deemed binding upon the Party provided the facsimile or email signature as though a signed original had been presented.

IN WITNESS WHEREOF, the Parties have executed this MOU as of the Effective Date:

CITY OF SAN LUIS OBISPO

SAN LUIS OBISPO COUNTY FLOOD
CONTROL AND WATER CONSERVATION
DISTRICT

By: _____

Name:

Its:

Date:

By: _____

John Diodati

Its. Director of Public Works

Date:

Approved as to Form:

J. Christine Dietrick, City Attorney

Approved as to Form:

Jon Ansolabehere, County Counsel

Date:

By: _____

Date:

SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT:

By: _____

Chairperson of the Board
San Luis Obispo County Flood Control
and Water Conservation District,
State of California

Date: _____

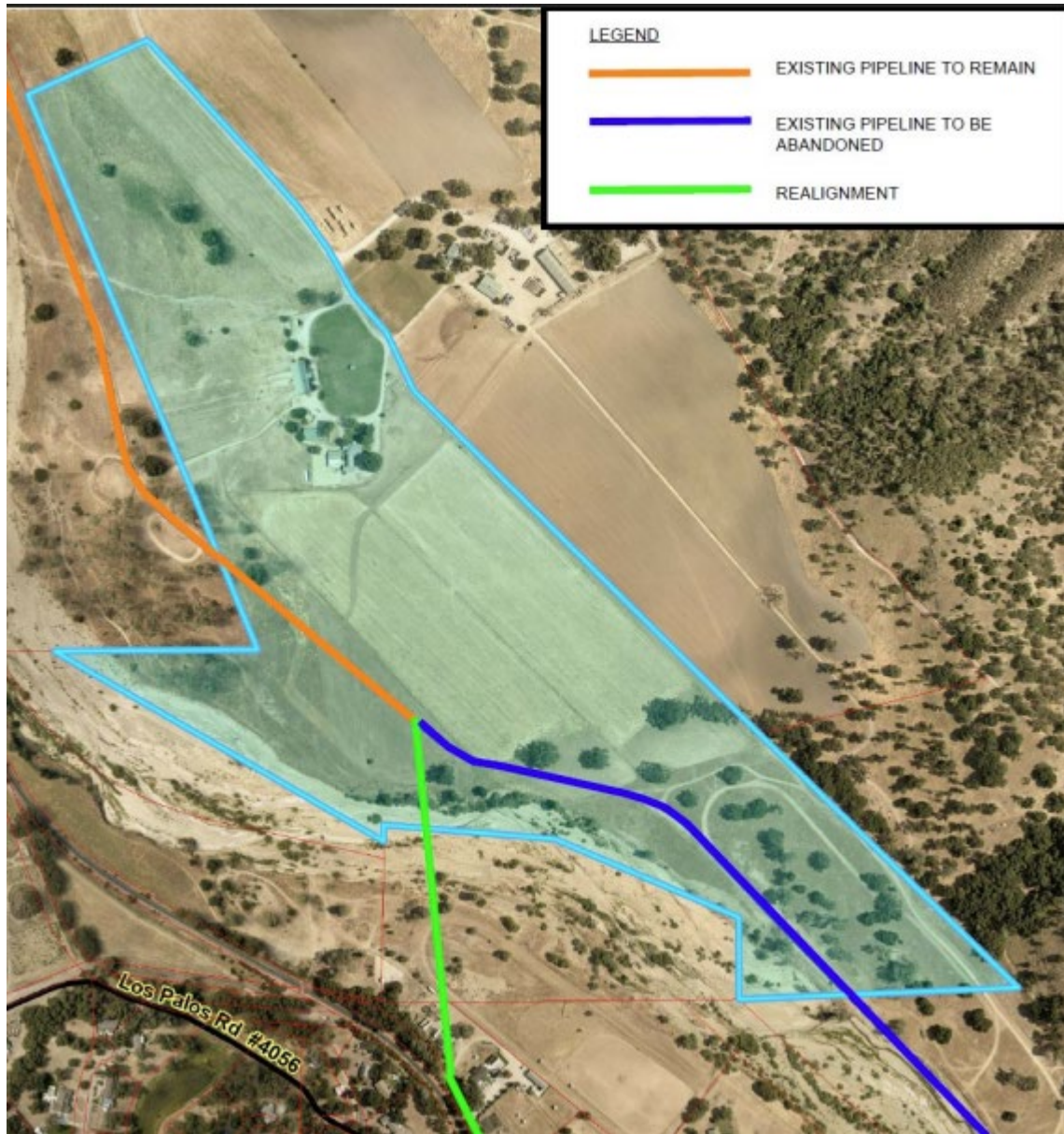
ATTEST:

By: _____

County Clerk and Ex-Officio Clerk
of the Board of Supervisors, San Luis
Obispo County Flood Control and
Water Conservation District,
State of California

Date: _____

EXHIBIT "A"





TO: Nacimiento Project Commission

FROM: San Luis Obispo County Flood Control & Water Conservation District

VIA: Nola Engelskirger, Water Utilities Division Manager

DATE: July 9, 2026

SUBJECT: Request to approve actions and transactions associated with the acquisition of easements and right of way needed for the NWP Unit G Repair Project

Recommendation

Recommend that the Commission approve actions and transactions associated with the acquisition of easements and right of way needed for the NWP Unit G Repair Project; and request that the Board of Supervisors for the San Luis Obispo Flood Control and Water Conservation District (District) subsequently approve actions to accept easement deeds, approve right of way agreements, and direct staff to complete all necessary escrow and payment related documents to close transactions associated with the acquisition of these real property interests for the Nacimiento Water Project Pipeline Unit G Repair Project (WBS 300695) in Atascadero:

1. Easement Deed No. 24-37.03 and Right of Way Agreement with John P. Ioppini, II and Tymeke R. Ioppini, in the amount of \$126,000; and
2. Easement Deed No. 24-37.10 and Right of Way Agreement with Jerry R. Taft and Glenda K. Taft, Trustees of the Taft Family Trust Under Agreement Dated April 5, 2019, in the amount of \$18,000; and
3. Easement Deed No. 24-37.08 and Right of Way Agreement with Michael R. Shepherd and Deborah J. Shepherd, Trustees of the Michael R. Shepherd Family Trust Dated August 11, 2004, in the amount of \$9,900; and
4. Easement Deed No. 24-37.06 and Right of Way Agreement with Spencer Brandon Harris and Megan Ann Harris, in the amount of \$130,000; and
5. Easement Deed No. 24-37.01 and Right of Way Agreement with the Davis family et al., in the amount of \$186,000; and
6. Approve COOPERATIVE AGREEMENT, LICENSE AGREEMENT, AND AGREEMENT AFFECTING REAL PROPERTY between the San Luis Obispo County Flood Control and Water Conservation District and the County of San Luis Obispo.

Discussion

The Nacimiento Water Project (NWP) Pipeline Unit G Realignment/Repair Project ("Project") as planned will realign the damaged section of the pipeline and additional portions, to the extent feasible, out of the Salinas River floodway and outside the 100-year floodplain while working within existing water supply infrastructure system constraints. The new alignment will cross under the river and connect to Salinas Road before tying back into the existing pipeline at the intersection of Salinas and Santa Clara Roads. This realignment approach was chosen because reinstalling the pipeline in its original location would face high flood risk and subject the pipeline in the future to the same type of damage that occurred during the 2023 storms, and ongoing environmental constraints and

permitting challenges. By relocating the pipeline to safer areas, the Project restores essential water service to the City of San Luis Obispo and Santa Margarita Ranch Mutual Water Company and improves the system's ability to withstand future storms, ensuring a more reliable water supply for communities throughout San Luis Obispo County.

The real property interests that are being acquired from the Loppinis and the Davises will provide the District and its contractors with permanent and temporary property rights required to construct the pipeline.

The temporary access easements that are being acquired will allow the residents of Salinas Road (their guests and deliveries, and public or quasi-public utilities) a temporary access route to help mitigate impacts to residents during Project construction. The proposed Project will require a full shutdown of Salinas Road for a portion of the construction period.

The acquisitions are based upon fair market value appraisals and successful negotiations with the property owners. The approval and acceptance of the agreements will allow Public Works to proceed with processing and payment of the transactions pursuant to the agreements.

The cooperative agreement defines the roles and responsibilities of the County of San Luis Obispo and the San Luis Obispo County Flood Control and Water Conservation District related to the project and sets forth the provisions for the construction and maintenance of the pipeline.

Financial Considerations

The total compensation for the permanent and temporary easements requiring Board approval is \$469,900 and is included in the FY 2025–26 budget for FC 549 under the Nacimiento Water Project Pipeline Unit G Repair Project (WBS 300695). There are no costs associated with the cooperative agreement between the District and the County of San Luis Obispo to utilize Salinas Road right of way.

Although total compensation for easements is more than anticipated, no budget adjustment is necessary at this time. After construction bids are received and costs are known, staff will return to the Commission with bid opening report and recommendation for contract award and budget adjustment, if needed.

The Right of Way Agreements provide for the following compensation:

Agency	Amount
John P. Ioppini, II and Tymeeka R. Ioppini	\$126,000.00
Jerry R. Taft and Glenda K. Taft, Trustees of the Taft Family Trust Under Agreement Dated April 5, 2019	\$18,000.00
Michael R. Shepherd and Deborah J. Shepherd, Trustees of the Michael R. Shepherd Family Trust Dated August 11, 2004	\$9,900.00
Spencer Brandon Harris and Megan Ann Harris	\$130,000.00
Davis family et al.	\$186,000.00
Total:	\$469,900.00

In accordance with Commission bylaws, the Commission must review and approve all substantive matters pertaining to construction and operation of the Nacimiento Facilities, which includes the land underlying and any easements or property rights. The recommended actions will require subsequent approval by the District Board of Supervisors.

Results

Approval of the recommended actions will result in the appropriation of property rights required for this budgeted project. Completion of the Project will contribute to the District's goals of providing a safer and healthier community.



TO: Nacimiento Project Commission

FROM: San Luis Obispo County Flood Control & Water Conservation District

VIA: Nola Engelskirger, Water Utilities Division Manager

DATE: July 9, 2026

SUBJECT: Request to approve actions associated with advancing the Flood Hazard Mitigation Study and Design Project

Recommendation

Recommend that the Commission approve actions associated with advancing the Flood Hazard Mitigation Study and Design Project (WBS 310008); and request that the Board of Supervisors for the San Luis Obispo County Flood Control and Water Conservation District (District) subsequently approve the following actions:

1. Approve and execute professional services contract Amendment No. 1 with GHD, Inc., in an amount not to exceed \$550,000 for engineering design services for the Project (WBS 310008); and
2. Authorize the Director of Public Works, or designee, to approve and sign additional amendments to the contract, for amount not to exceed \$55,000.

Discussion

GHD completed the alternatives Analysis for the NWP Flood Hazard Mitigation Study. The District collaborated with the TSG and recommends the following projects:

1. San Marcos Creek – Pipeline Horizontal Realignment
2. Salinas River – North – Pipeline Horizontal Realignment
3. Salinas River – South – Tree Planting

Financial Considerations

Funding for Amendment 1 is included in the Flood Hazard Mitigation Study and Design (WBS 310008) budget, and no budget adjustment is required. The work covered under this amendment is grant funded.

Costs for final design, implementation, and construction will be developed as the projects advance to the 60 percent design level. Staff will return to the Commission with funding recommendations prior to initiating final design and construction.

Consistent with Commission bylaws, actions related to construction and operation of the Nacimiento facilities require Commission review and approval, followed by approval from the District Board of Supervisors.

Results

Approval of the recommended actions will enable staff to continue developing the identified flood hazard mitigation projects and advance the selected alternatives to the 60 percent design level. Advancing these efforts will support mitigation of flood risks and help ensure the continued safe and reliable operation of the Nacimiento Water System.