



ZONE 3 ADVISORY COMMITTEE

San Luis Obispo County Flood Control and Water Conservation District

AGENDA

Thursday, March 22, 2018 6:30 P.M.

City of Arroyo Grande Council Chambers
215 E. Branch Street, Arroyo Grande, CA 93420

- 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. APPROVAL OF MEETING MINUTES OF JANUARY 18, 2018
- IV. OPERATIONS REPORT
 - A. Water Plant Operations, Reservoir Storage, Downstream Releases
 - B. Projected Reservoir Levels
- V. INFORMATION ITEMS
 - A. Climate Update
 - B. Groundwater Levels on <https://wr.slocountywater.org> Webpage Demonstration
 - C. Cloud Seeding Update
 - D. LRRP Update
 - E. Update on the Lopez Spillway Assessment
 - F. 2nd Quarter FY 17/18 Budget Status Update
- VI. CAPITAL PROJECTS UPDATE
 - A. Bi-Monthly Update
- VII. ACTION ITEMS (No Subsequent Board of Supervisors Action Required)
- VIII. ACTION ITEMS (Board of Supervisors Action is Subsequently Required)
 - A. Endorse Fiscal Year 18/19 Proposed Budget
 - B. Declaration of Surplus Water
- IX. FUTURE AGENDA ITEMS
 - A. Lopez Lake Safe Yield
 - B. Cloud Seeding
- XI. COMMITTEE MEMBER COMMENTS

Next Regular Meeting is Tentatively Scheduled for
Thursday, May 17, 2018 at 6:30 PM at City of Pismo Beach
Agendas accessible online at SLOCountyWater.org

**SAN LUIS OBISPO COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT
ZONE 3 ADVISORY COMMITTEE
DRAFT MEETING MINUTES
THURSDAY January 18, 2018**

- I. Call to Order and Roll Call** -- The Zone 3 Advisory Committee Meeting was called to order at 6:31 PM at the City of Grover Beach by Committee Chair and Agriculture Representative, Vard Ikeda.

County Public Works Department Utilities Division Program Manager and Secretary to the Zone 3 Advisory Committee, Andrea Montes, called roll. Members in attendance were:

- Kristen Barneich, City of Arroyo Grande
- Andrew Brunet, Oceano Community Services District
- Brad Hagemann, Avila Beach Community Services District
- Vard Ikeda, Chair and Agriculture Representative
- Mariam Shah, City of Grover Beach
- Jim Garing, Representative at Large

- II. Public Comment** -- No public comment.

- III. Approval of Meeting Minutes of November 16, 2017**-- Member Barneich motioned approval; Member Hagemann second. Members Shah and Garing abstained as they did not attend the November 16 meeting. Minutes were approved.

IV. Operations Report

A. Water Plant Operations, Reservoir Storage, Downstream Releases -- Ms. Montes indicated the Lopez Lake elevation was 490.71 feet. Storage was 25,378 acre-feet (AF), which is 51% capacity. Plant production was 4.6 million gallons per day (MGD). Downstream release was 2.6 MGD. State Water was 0.0 MGD.

County Public Works Deputy Director Mark Hutchinson, indicated last year the lake elevation fell to nearly 10,000 AF, which was about 21% capacity.

No public comment was given.

B. Projected Reservoir Levels -- Ms. Montes indicated the Lopez Reservoir received 2.5 inches of rainfall since December, which was not reflected on the Projected Reservoir Levels because the rainfall occurred after the graph was completed.

Mr. Hutchinson indicated if we have a winter like we experienced during the worst two-years on record during the drought, by November 1, 2018, the Lopez Reservoir level is projected to fall to 20,000 acre-feet, the level which triggered the implementation of Low Reservoir Response Plan. According to Mr. Hutchinson, the Zone 3 Technical Advisory Committee (TAC) would then work together to meet agencies' needs.

No public comment was given.

V. Information Items

A. Climate Update -- Ms. Montes indicated that according to the United States Drought Monitor, the abnormally dry conditions in San Luis Obispo County have begun to spread throughout southern California. According to National Oceanic and Atmospheric Administration, the temperature forecast for January was above average. There were equal chances of below average, average and above average rainfall for January.

No public comment was given.

B. Update on the Lopez Spillway Assessment -- Mr. Hutchinson gave an update of the Department of Water Resources (DWRs') Division Safety of Dams' (DSOD's) required assessment of the Lopez Spillway.

He referred to a letter dated October 16, 2017 from DWR that indicated approval of the Lopez Spillway assessment workplan submitted by County Public Works and indicated the Request for Proposal to complete the workplan was receiving a final review before being sent out in the next month or so. He further indicated DWR has placed the Lopez Spillway under a "low priority" status due to high confidence in the Lopez Dam.

Mr. Hutchinson indicated all dam owners must update inundation maps which show where the water would be, how long it would take to get there and deep it would be if there was a catastrophic event at the dam. In addition, an Emergency Action Plan was being updated and will include the new approved inundation maps.

C. Distribute Fiscal Year 2018-19 Proposed Budget -- County Public Works Finance Division and Flood Control Zone 3 Accountant, Kristi Smith, distributed the Fiscal Year 2018-19 Proposed Budget for Flood Control Zone 3. According to Ms. Smith, the TAC discussed and finalized Non-Routine Operations and Maintenance, and Capital sections.

Ms. Smith indicated she would be mailing copies of the proposed budget to Zone 3 agencies within the week and all Zone 3 participants on the TAC and Advisory Committee would receive PDF copies. Ms. Smith further indicated she was meeting with Zone 3 agencies' finance staff in February to discuss the proposed budget before returning to the March 22, 2018 Zone 3 Advisory Committee meeting for the Committee's endorsement.

Ms. Smith pointed out the Non-Routine O&M budget had increased by a large amount due to the number of projects within the next fiscal year that were not scheduled during last year's budget period.

VI. Capital Projects Update

A. Bi-Monthly Update -- Ms. Montes presented a brief update of the Capital Projects listed below.

Equipment Audit & Replacement Project -- This is an ongoing project as part of Public Works' 20-year outlook which allows staff to be proactive rather than reactive and includes regular inspections and replacement of equipment.

Spillway Assessment -- The Draft Request for Proposal was under review.

Lopez Dam & Terminal Dam Hazard Classification -- The draft inundation maps for the both dams were submitted to the DSOD for review and an Emergency Action Plan were being reviewed by County Office of Emergency Services.

Structural Assessment of Terminal Reservoir -- Contract was under review.

Fault Zone Assessment Left Abutment -- Contract was under review.

Equipment Storage at Lopez Water Treatment Plant -- Quotes were requested.

Lopez Water Treatment Plant Safety Upgrades -- Upgrades were made in response to a safety assessment from 2016 at the Plant.

Domestic and Fire Tanks Repair at Lopez Water Treatment Plant -- Quotes were received.

Ammonia Analyzer -- Quotes received for replacement of this laboratory equipment.

Ms. Montes indicated future Capital Projects to be completed by June 2018, include:

- Pressure Transducers related to the Turnout Scada Project
- Cathodic Protection Survey which involves inspection of pipelines for corrosion
- Membrane Feed Pump Replacement – one/year

No public comment was given.

VII. Action Items (No Subsequent Board of Supervisors Action Required)

None discussed.

VIII. Action Items (Board of Supervisors Action is Subsequently Required)

None discussed.

IX. Future Agenda Items

A. Fall Update to Board of Supervisors regarding Groundwater Levels and Wr.SLOCountyWater.org Webpage -- Ms. Montes indicated County Public Works Water Resources Engineer, Ray Dienzo, will provide an update to the Zone 3 Advisory Committee at the March 22, 2018 meeting.

B. Lopez Lake Safe Yield -- “Safe Yield” is the amount of water that can be safely used each year without the Lopez Reservoir going below the minimum pool. By utilizing rainfall and hydrology history since 1969, modeling is currently being configured and will demonstrate what the Reservoir will look like if all water entitlements were distributed to participating agencies. Committee will receive update following model completion.

XI. Committee Member Comments -- Chairman Ikeda asked for “Cloud Seeding” to be placed under “Future Agenda Items”. Discussion focused on continuing public outreach related to water conservation ordinances and practices.

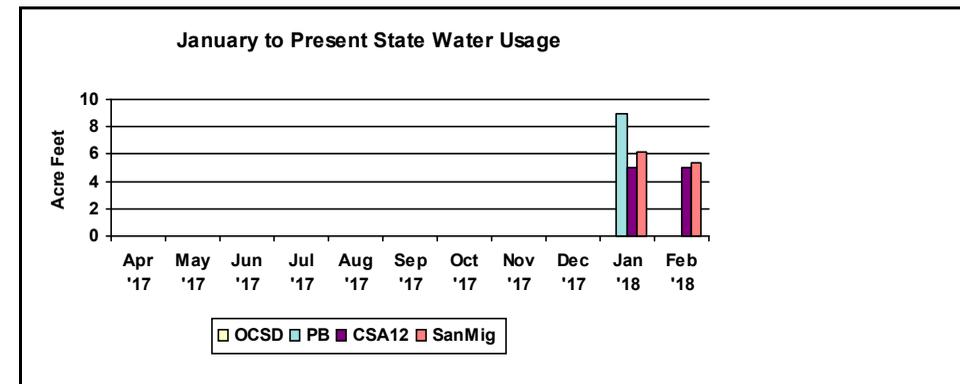
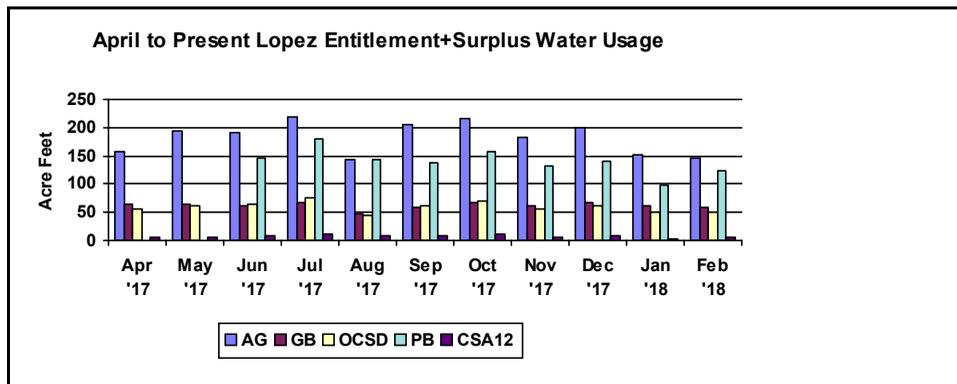
Meeting Adjourned at 7:16 PM

Respectfully Submitted,

Andrea M Montes
County of San Luis Obispo Public Works Department

San Luis Obispo County Flood Control and Water District Zone 3 - Lopez Project - Monthly Operations Report February, 2018

Contractor	Lopez Water Deliveries												State Water Deliveries						Total Water Deliveries This Month				
	Entl.	Surplus	Total	This Month				April to Present				Annual Request	This Month			January to Present							
				Entitlement		Surplus		Entitlement		Surplus			Usage	% of Annual Request	SWP Deliveries	Change in Storage	Usage	% of Annual Request		SWP Deliveries			
				Usage	%	Usage	%	Usage	%	Usage	%												
Arroyo Grande	2290	1249.20	3539.20	146.13	6.4%	0.00	0.0%	2002.19	87.4%	0.00	0.0%	2002.19	56.6%									146.13	
Oceano CSD	303	840.50	1143.50	0.00	0.0%	50.31	6.0%	303.10	100.0%	353.79	42.1%	656.89	57.4%	227	0.00	0.0%				0.00	0.0%		50.31
Grover Beach	800	240.20	1040.20	58.03	7.3%	0.00	0.0%	682.75	85.3%	0.00	0.0%	682.75	65.6%									58.03	
Pismo Beach	892	1834.20	2726.20	0.00	0.0%	123.55	6.7%	892.00	100.0%	366.35	20.0%	1258.35	46.2%	1120	0.00	0.0%				9.00	0.8%		123.55
CSA 12	245	499.60	744.60	5.10	2.1%	0.00	0.0%	84.75	34.6%	0.00	0.0%	84.75	11.4%	27	5.05	18.7%				10.10	37.4%		10.15
San Miguelito														127	5.36	4.2%				11.56	9.1%		5.36
Total	4530	4663.70	9193.70	209.26	4.6%	173.86	3.7%	3964.79	87.5%	720.14	15.4%	4684.93	51.0%	1501	10.41	0.7%	44	33.59		30.66	2.0%	44.00	393.53
												Last Month Stored State Water		1109.5			This Month Stored State Water		1143.09				



Note: Deliveries are in acre feet. One acre foot = 325, 850 gallons or 43, 560 cubic feet. Safe yield is 8,730 acre feet.

"Year to Date" is January to present for State water, April to present for Lopez deliveries, and July to present for rainfall.

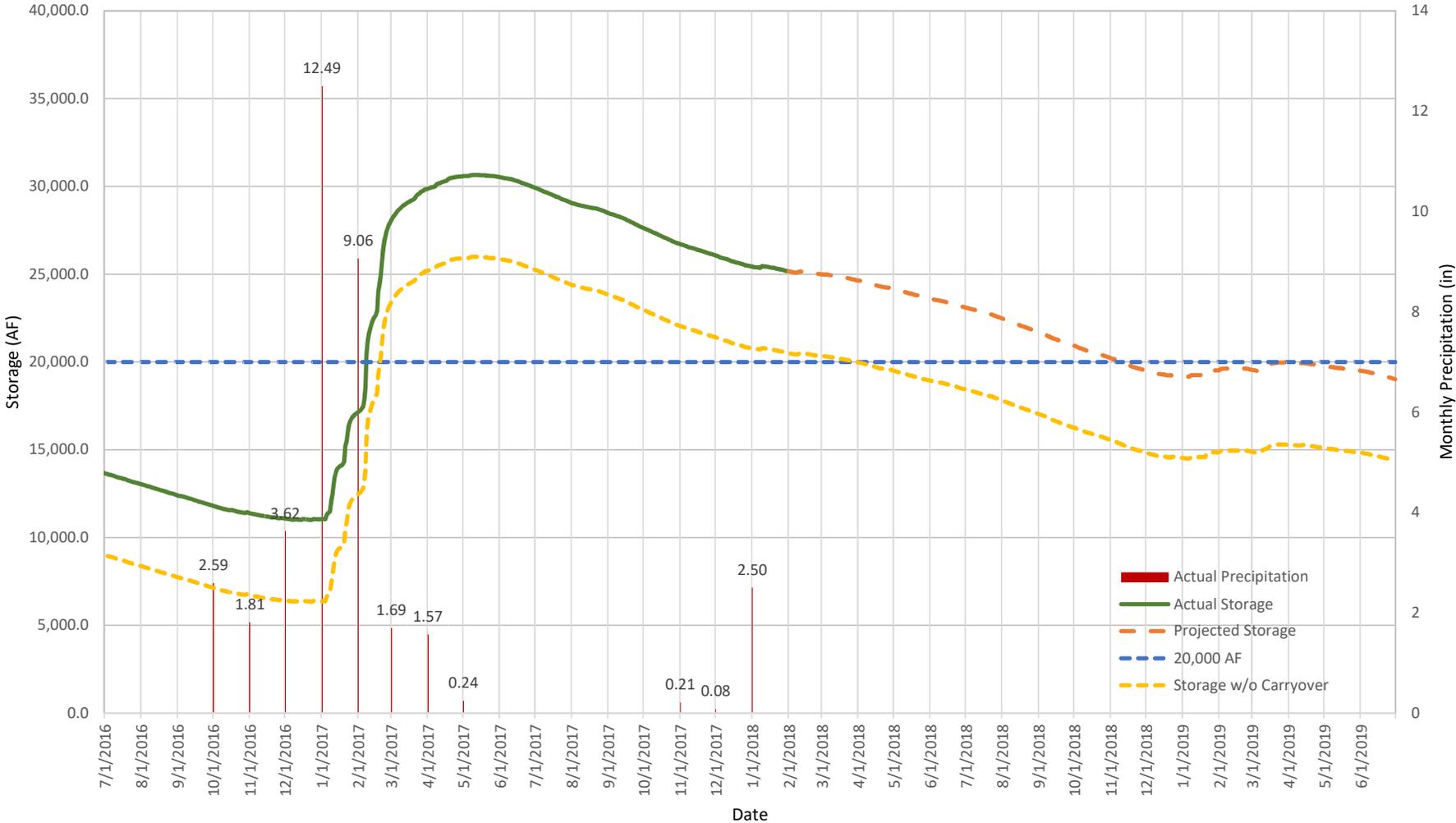
Lopez Dam Operations	This Month	Year to Date		
Lake Elevation (full at 522.37 feet)	489.62		Difference (feet)	-32.75
Storage (full at 49200 acre feet)	24745		% Full	50.3%
Rainfall	3.97	7.76		
Downstream Release (4200 acre feet/year)	222.19	3189.13		
Spillage (acre feet)	0	0.00		

Comments: Reservoir is currently operated under the Low Reservoir Response Plan. Reservoir is above 20,000 AF therefore no reduction in entitlements.

Surplus water shown is actually "Carry Over" water as designated in the LRRP and updated per BOS May 2, 2017 Declaration of Surplus.

1) Oceano supplied State Water to Canyon Crest via Arroyo Grande's Edna turn out. A total of 1.55 AF delivered to Canyon Crest was added to Oceano's State Water usage this month and 1.55 AF was subtracted from Arroyo Grande's usage this month.

LOPEZ RESERVOIR STORAGE PROJECTION



Note: Storage Projection is based on Water Years 14/15 and 15/16 municipal and downstream releases, rainfall, and evaporation.

U.S. DROUGHT MONITOR

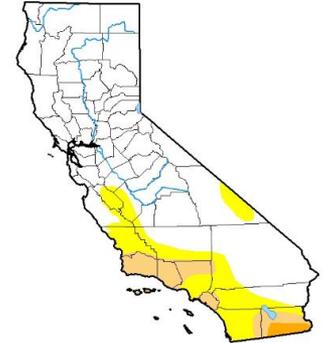
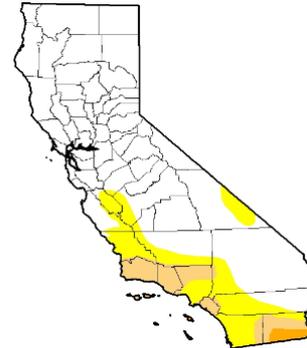
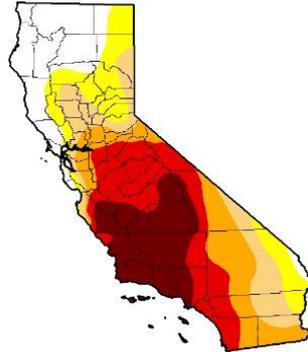
September 2016

November 2016

January 2017

March 2017

May 2017



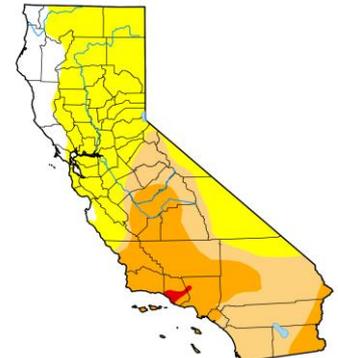
July 2017

September 2017

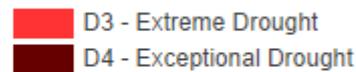
November 2017

January 2018

March 2018



Intensity:



Permission to reproduce the map

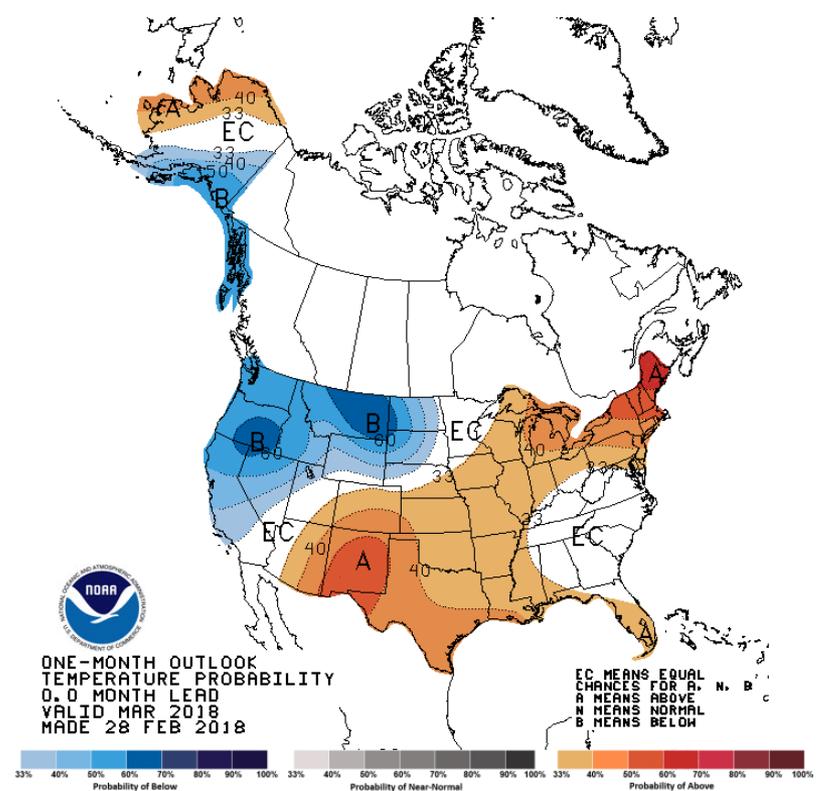
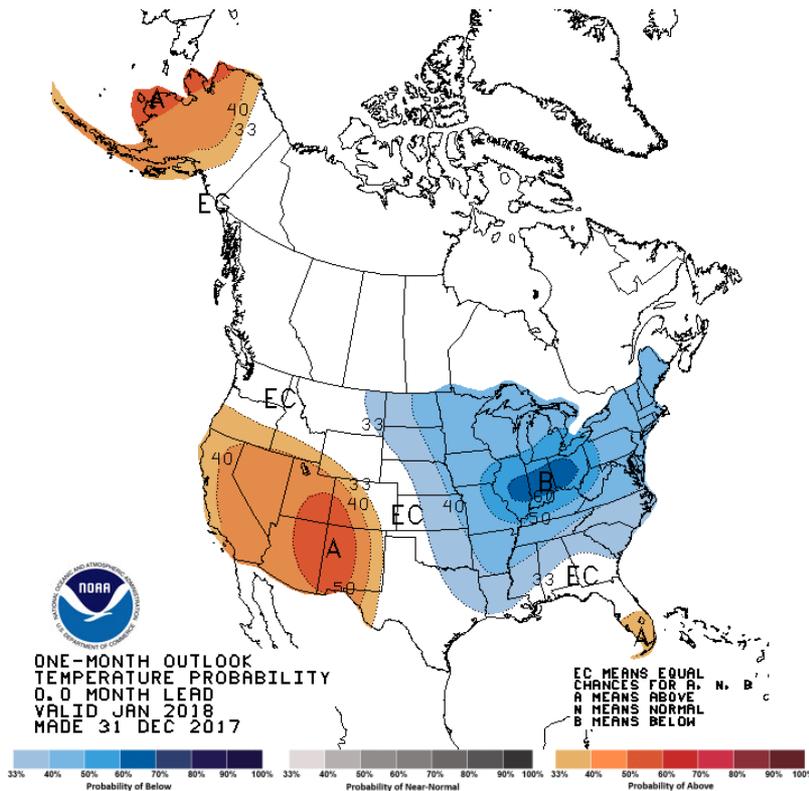
If you reproduce the U.S. Drought Monitor map, please use this wording:

The U.S. Drought Monitor is jointly produced by the National Drought Mitigation Center at the University of Nebraska-Lincoln, the United States Department of Agriculture, and the National Oceanic and Atmospheric Administration. Map courtesy of NDMC-UNL.

NOAA TEMPERATURE FORECAST

January

March



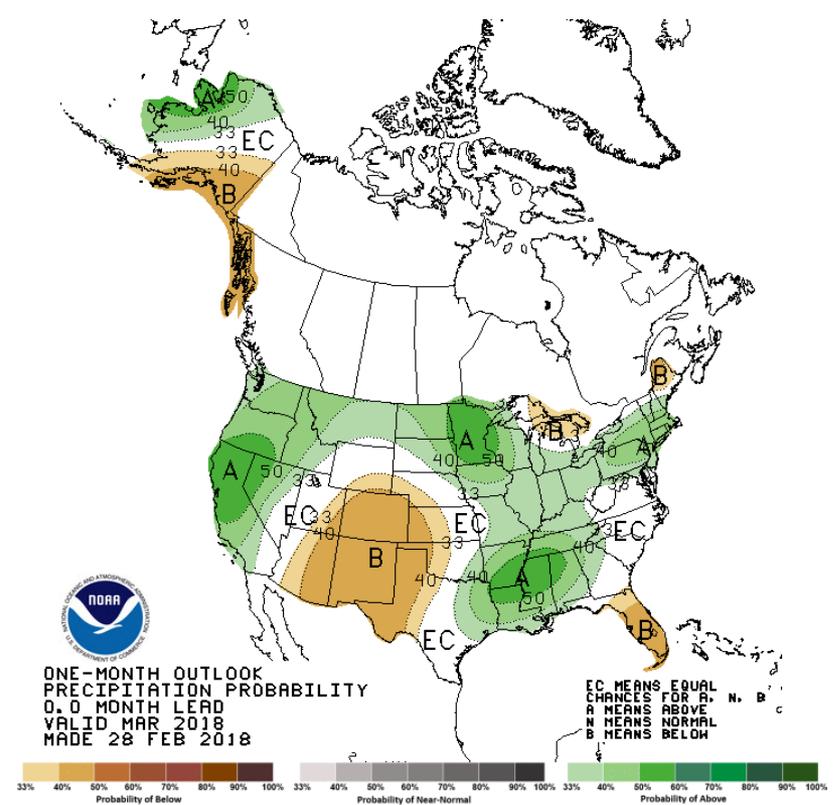
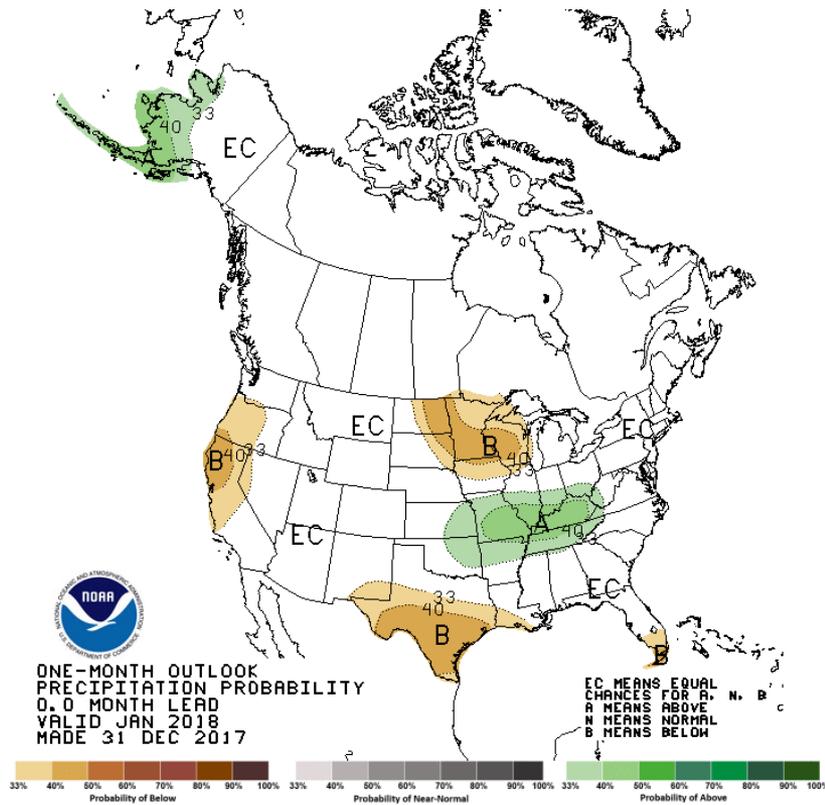
January Meeting

March Meeting

NOAA PRECIPITATION FORECAST

January

March



January Meeting

March Meeting



March 22, 2018

MEMORANDUM

TO: Flood Control Zone 3 Advisory Committee

FROM: Kristi Smith, Accountant

SUBJECT: Flood Control Zone 3, Second Quarter Budget Status, Fiscal Year 2017/18

Recommendation

The item to be received and filed.

Summary

Attached please find the second quarter budget versus actual results for the fiscal year 2017/18. Due to the recommended budget adjustment authorized by the Advisory Committee, the budget was increased by the Board of Supervisors in October to \$5.5 million dollars to accommodate the Santa Maria Groundwater Basin Modeling effort. The budget is broken into three categories: Routine O&M expenses, Non-Routine O&M expenses, and Capital Outlay expenses. At 50% of the fiscal year, expenses totaled approximately 36% of the annual budget.

Total Budget	Expenses through Q2	Balance Available	% of Budget Expended
5,586,112	2,002,662	3,583,450	36%

Routine O&M annual budget is approximately \$3.8 million dollars. At 50% of the fiscal year, expenses were 46% of the annual budget, which results in approximately \$2 million dollars of available balance for the remainder of the year.

Total Budget	Expenses through Q2	Balance Available	% of Budget Expended
3,790,051	1,760,949	2,029,102	46%

Expenses for the second quarter are on target with budgeted levels in this category.

Non Routine O&M annual budget was increased by the \$117,259 budget adjustment mentioned above, bringing the total to approximately \$598,000 dollars. At 50% of the fiscal year, expenses were 15% of the annual budget, which results in approximately \$507,000 dollars of available balance for the remainder of the year.

Total Budget	Expenses through Q2	Balance Available	% of Budget Expended
598,656	91,399	507,257	15%

Capital Outlay annual budget is approximately \$1.2 million dollars. At 50% of the fiscal year, expenses were 13% of the annual budget, which results in approximately \$1 million dollars of available balance for the remainder of the year.

Total Budget	Expenses through Q2	Balance Available	% of Budget Expended
1,197,405	150,314	1,047,091	13%

Other Agency Involvement/Impact

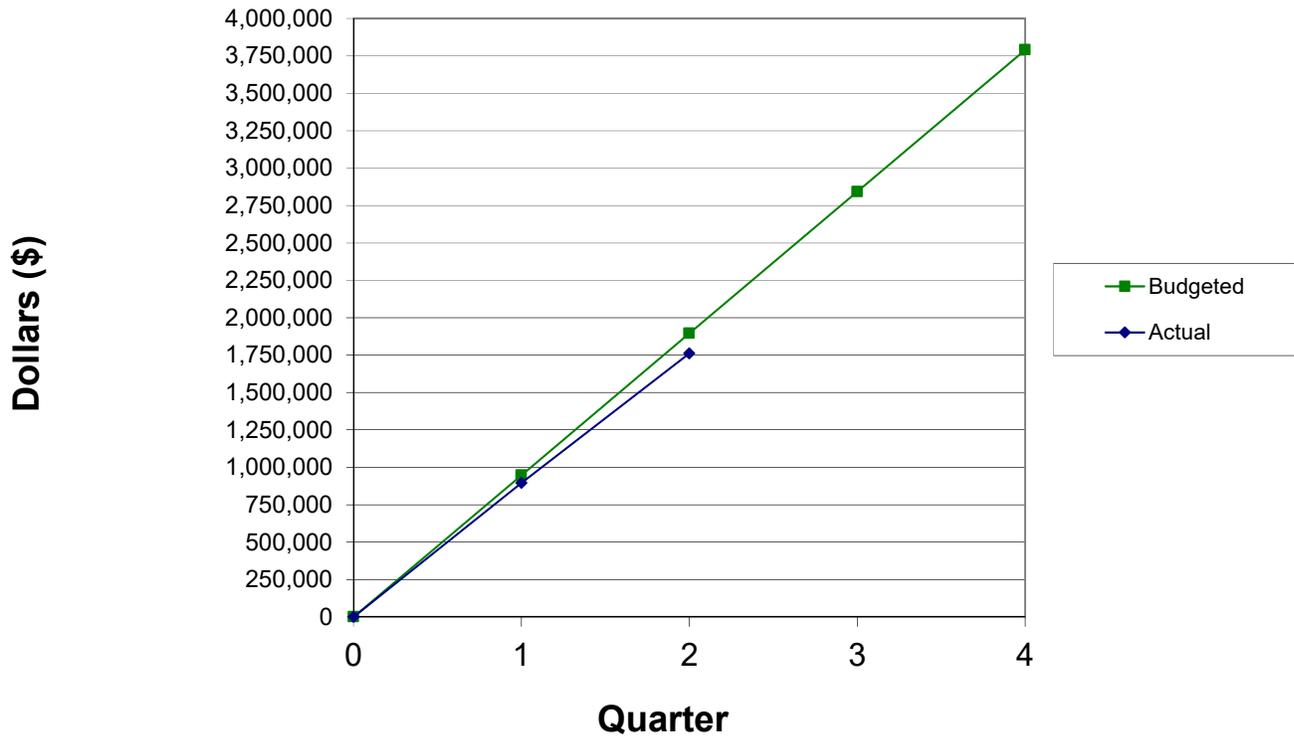
The agencies involved are: City of Arroyo Grande, City of Grover Beach, City of Pismo Beach, Oceano Community Services District, and County Service Area 12. Subcontractors of CSA 12 include Port San Luis Harbor District and Avila Beach Community Services District.

Financial Consideration

Refunds due to agencies for fiscal year 2016/17 were credited to the invoices due January 1, 2018. All agencies are current on their payments.

Zone 3 Budget Status
2nd Quarter FY17/18

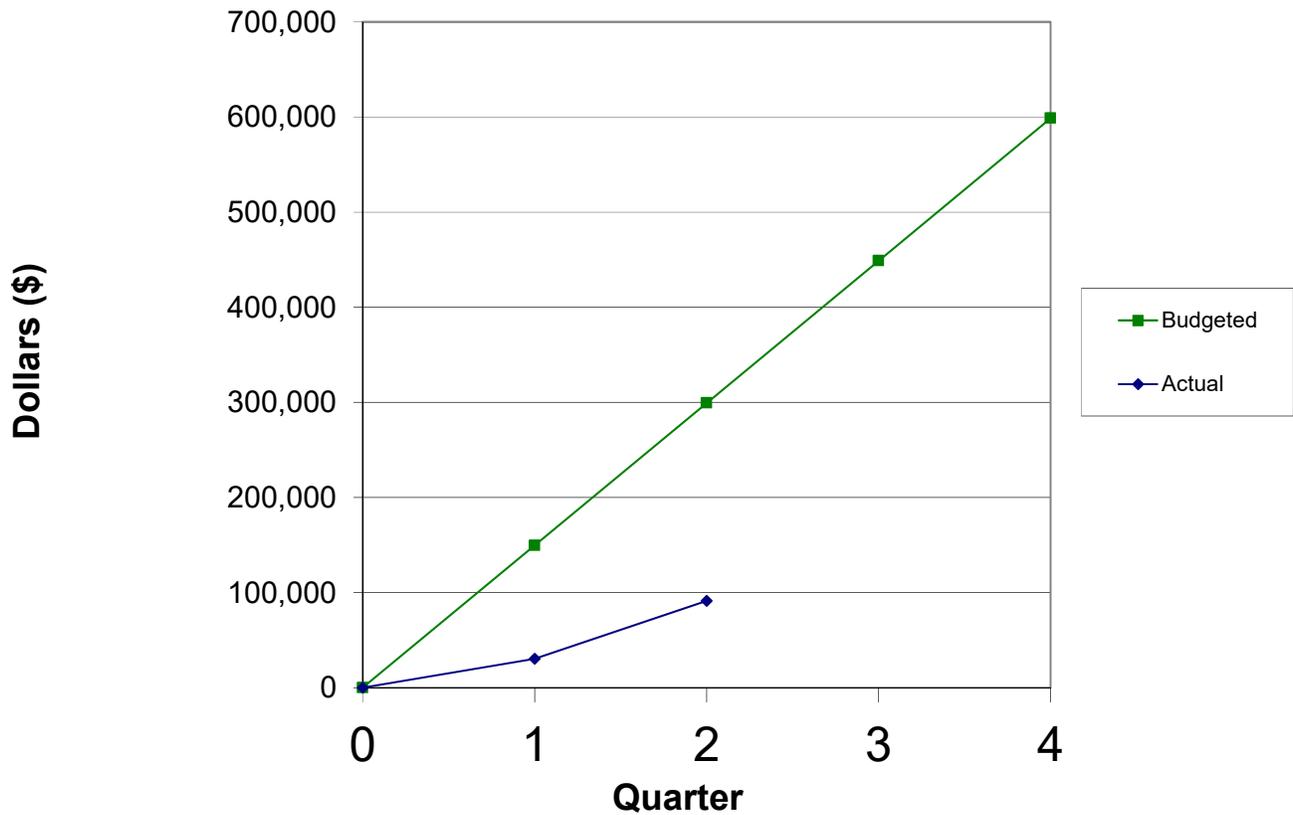
Routine Operation and Maintenance



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	23,704	6,068	5,304	-	-	11,372	48%	
Chemicals - Water Treatment Plant	310,770	115,338	110,530	-	-	225,868	73%	84,902
Water Quality Testing - Treatment Plant	59,930	16,204	12,774	-	-	28,978	48%	30,952
Utilities - Water Treatment Plant	187,432	69,156	70,632	-	-	139,788	75%	47,644
All Other Costs - Water Treatment Plant	1,930,735	475,236	447,487	-	-	922,723	48%	1,008,011
Terminal	129,597	31,433	15,162	-	-	46,595	36%	83,002
Main Dam	251,808	60,829	39,329	-	-	100,158	40%	151,650
Other	919,779	127,392	169,446	-	-	296,838	32%	622,941
Expenses		895,589	865,360	-	-	1,760,949	46%	2,029,102
Budget	3,790,051	947,512	947,512	947,512	947,512	3,790,051		
Variance (over)/under		51,924	82,153	947,513	947,512	2,029,101		
% Variance		5%	9%	100%	100%			

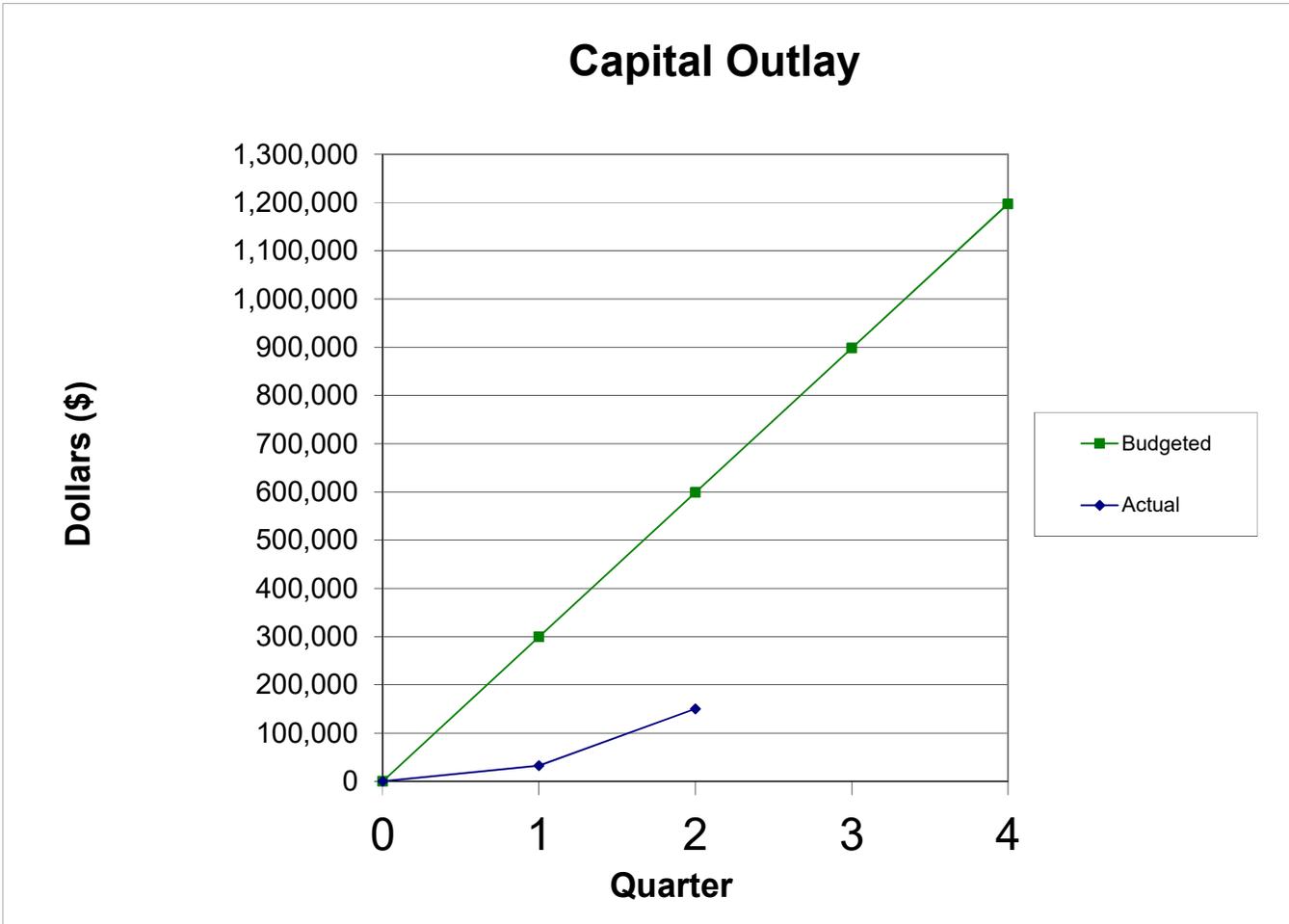
Zone 3 Budget Status
2nd Quarter FY17/18

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
Lopez Water Rights /HCP	292,743	1,742	9,910	-	-	11,651	4%	281,092
Pigging-Unit B	117,195	-	-	-	-	-	0%	117,195
Lopez Dam Enviromental Monitoring	7,191	1,860	1,706	-	-	3,566	50%	3,625
Contribution to ISF for Shared New Equip	39,348	-	-	-	-	-	0%	39,348
Equipment Audit/Replacement Plan	15,000	-	-	-	-	-	0%	15,000
Rodriguez Bridge Environmntl Monitoring	9,920	2,857	2,187	-	-	5,044	51%	4,876
Santa Maria Groundwater Basin Modeling	117,259	-	-	-	-	-	0%	117,259
Other	-	24,061	47,077	-	-	71,138	0%	(71,138)
Expenses		30,520	60,880	-	-	91,399	15%	507,257
Budget	598,656	149,664	149,664	149,664	149,664	598,656		
Variance (over)/under		119,144	88,784	149,664	149,664	507,257		
% Variance		80%	59%	100%	100%			

Zone 3 Budget Status
2nd Quarter FY17/18



Capital Outlay Projects	Total Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	Total Exp as % of Budget	Total Balance Avail
WTP 6th Membrane Filtration Module Addit	19,437	4,923	5,487	-	-	10,410	54%	9,027
WTP Resurface Parking Lot	24,728	1,523	19,046	-	-	20,569	83%	4,159
Ammonia Analyzer Equip Repl	30,000	-	-	-	-	-	0%	30,000
pH Suppression & Scaling Control	503,220	(12,915)	-	-	-	(12,915)	-3%	516,135
Cathodic Protection Maint	154,172	-	-	-	-	-	0%	154,172
Dam Intake Fac & Op Assessment	20,899	-	-	-	-	-	0%	20,899
Structural Assessment Term Resv Dam	50,000	1,390	3,013	-	-	4,403	9%	45,597
Equip Storage Garage Design	25,000	151	-	-	-	151	1%	24,849
Pressure Transducers	35,000	-	-	-	-	-	0%	35,000
Geologic Assmt Fault Zone Left Abutment	50,000	893	3,872	-	-	4,765	10%	45,235
Domestic & Fireflow Tank Assessment	50,000	397	1,489	-	-	1,886	4%	48,114
Safety Upgrades to WTP	15,000	-	-	-	-	-	0%	15,000
Replace Membrane Feed Pumps	35,000	-	-	-	-	-	0%	35,000
PLC Replacement & Programming	69,763	3,959	85,136	-	-	89,095	128%	(19,332)
Replace Membrane Strainers	10,186	31,950	-	-	-	31,950	314%	(21,764)
Vac Trailer	50,000	-	-	-	-	-	0%	50,000
Various Equipment Replacement	55,000	-	-	-	-	-	0%	55,000
Expenses		32,271	118,043	-	-	150,314	13%	1,047,091
Budget	1,197,405	299,351	299,351	299,351	299,351	1,197,405		
Variance (over)/under		267,080	181,309	299,351	299,351	1,047,091		
% Variance		89%	61%	100%	100%			



ZONE 3 ADVISORY COMMITTEE

San Luis Obispo County Flood Control and Water Conservation District

TO: Zone 3 Advisory Committee
FROM: David Spiegel, PE
DATE: March 22, 2018
SUBJECT: Zone 3 Projects Update

Project Updates:

- Equipment Audit & Replacement - Ongoing
 - Work proposed to continue in 2017/18
- Spillway Assessment – Due to be completed 17/18
 - Draft RFP in review
- Lopez Dam and Terminal Dam Hazard Classification – Due to be completed 17/18
 - Inundation Maps have been submitted to DSOD for review
 - Emergency Action Plans are prepared waiting for Inundation Map Approval
- Structural Assessment of Terminal Reservoir
 - Contract is being signed with Consultant
- Fault Zone Assessment – Dam Left Abutment
 - Contract is being signed with Consultant
- Equipment Storage
 - Requesting Quotes from Local Metal Building Suppliers
- Lopez WTP Safety Upgrades
 - Working on implementing changes to DAF and Membrane Building
- Domestic and Fire Tank
 - Getting quotes for repair work and estimated life span
- Ammonia Analyzer
 - Purchased, awaiting delivery date
- Rebuild Membrane Feed Pumps (1 per year)
 - Coordinating pump removal with vendor
- Turnout Meter Replacement
 - Meters on order, scheduling installation start date with contractor
- Tule Removal
 - Completed 2/23/2018



ZONE 3 ADVISORY COMMITTEE

San Luis Obispo County Flood Control and Water Conservation District

Upcoming Projects (Requested FY 2017/18):

- Pressure Transducers
- Cathodic Protection Survey



March 22, 2018

TO: Flood Control Zone 3 Advisory Committee
FROM: Kristi Smith, Accountant
SUBJECT: Endorsement of the Proposed Fiscal Year 2018/19 Budget

Recommendation

Endorse the proposed Fiscal Year 2018/19 Budget

Discussion

At the January 18, 2018 Advisory Committee meeting, the proposed budget was introduced and distributed to the Advisory Committee members to review and discuss with their agencies.

The following outreach has occurred:

- Review and discussion with the Technical Advisory Committee
- Review and discussion with the Finance Committee

Overall billings to contractors are increasing 2.9% from the prior year budget. Staff will provide a brief presentation and request endorsement of the proposed budget.



TO: Zone 3 Advisory Committee

FROM: Jill Ogren, Senior Utilities Engineer

VIA: Ron Munds Utilities Division Manager
Mark Hutchinson, Deputy Director of Public Works

DATE: March 22, 2018

SUBJECT: Declaration of Surplus Water and Low Reservoir Response Plan
Update for the Board of Supervisors

Recommendation

Recommend that the Board, acting as the Board of Supervisors for the San Luis Obispo County Flood Control and Water Conservation District (District), declare surplus water as described in Article 4, Sections (C) and (D) of the Lopez Water Supply Contracts, in an estimated amount of 1160 acre feet (AF) and receive an update on the Low Reservoir Response Plan (LRRP).

Discussion

Declaration of Surplus Water

Every year the District declares surplus water per the water supply contracts for Zone 3 (Lopez Project) of the District. The Zone 3 water supply contracts define surplus water as, *"The portion of the Safe Yield for Project water remaining after distributions of water during the said previous Water Year"* (Article 4 (D)). The declaration of surplus water does NOT mean that there is an amount of "excess" water in the reservoir; in short, surplus water is water that was saved from the previous year's municipal entitlements and downstream releases. The water supply contracts specify that surplus water is offered to the Zone 3 agencies in proportion to their participation in the project. Surplus water from WY 17-18 was estimated to be 1160 AF (and will be adjusted based on year end accounting) as shown in Table 1 below. This water is made available in WY 18-19 and offered at a calculated cost of \$66.71 per acre foot.

TABLE 1: Zone 3 2017-18 Estimated Surplus Water

Contractor	Entitlement Acre-Ft (AF)	Entitlement Delivered AF	Surplus Generated (Unused Entitlement)	Entitlement %	Surplus Available % (x 1160 AF)	Cost per AF	Total Cost \$
Arroyo Grande	2290	2130	160	50.6	586	\$66.71	39,092.06
Pismo Beach	892	892	0	19.7	228	\$66.71	15,209.88
Grover Beach	800	745	55	17.6	205	\$66.71	13,675.55
Oceano CSD	303	303	0	6.7	78	\$66.71	5,203.38
CSA 12 (Avila)	245	89	156	5.4	63	\$66.71	4,202.73
Sub Totals	4530	4159	371	100 %	1160		77,383.60
Downstream Releases	4200	3411	789				
Total	8730¹	7570	1160				

1. This is the Safe Yield of the project. (All amounts have been rounded to the nearest whole number)

Low Reservoir Response Plan (LRRP) Update

Lopez Reservoir has been operating under the LRRP since April of 2015. The LRRP provides a methodology to evaluate near term reservoir levels and proposes a set of actions that can be taken to mitigate the impacts of drought. As you may recall on August 22, 2017, the Board of Supervisors adopted Resolution No. 2017-218 which retroactively revived the LRRP which had terminated on May 23, 2017 once the reservoir was above the 20,000 AF level and the local Drought Emergency was rescinded.

The Zone 3 contractors requested to continue to operate under the Low Reservoir Response Plan for another water year due to uncertainties of the next years hydrology and because the reservoir and watershed had not completely recovered from the extended drought. As a result Lopez operated under the LRRP this last water year, however, because the reservoir did not hit the 20,000 AF mark there were no entitlement reductions. Resolution 2017-218 terminates on March 31, 2018 and Lopez operations will return to normal per the contract.

The Zone 3 Technical Advisory Committee is in the process of updating the LRRP to better clarify how the LRRP is triggered, what happens when reservoir levels rise above the triggers, how stored water is managed, and how and when we exit the LRRP. It is anticipated that the Zone 3 contractors and Advisory Committee will request this updated LRRP be brought back to your Board in August or September this year.

Financial Considerations

The contracts provide that surplus water be offered at the cost of treatment and delivery (not including capital costs of the system). This year's surplus water cost was calculated and is offered at \$66.71 per acre foot. However, all revenues from the sale of surplus water are applied as a credit to the Zone 3 agencies, per the water contracts. As result, when all the agencies agree to "take" all of their share of surplus, the costs to each agency are equal to the revenue credited back to the agency. Put another way, all the costs of operating the Zone 3 system are covered by the payments for entitlement water, therefore there is no additional charge for surplus water.