



Notice of Special Meeting

NACIMIENTO PROJECT COMMISSION

SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

THURS., APR. 22, 2021 – 4:00 PM

Phone line: +1 (872) 240-3311

Access Code: 493-917-421

Webinar: <https://global.gotomeeting.com/join/493917421>

Public comments can be submitted to: wthomson@co.slo.ca.us

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

Chair: Grigger Jones; Vice-Chair: Andy Pease

AGENDA

- I. **CALL TO ORDER** (Roll Call, Quorum Count & Flag Salute)
- II. **PUBLIC COMMENT** *Non-agenda items within Commission jurisdiction; subject to three-minute limit each.
- III. **MEETING MINUTES** (Recommend Approval)
 - A. Naci Commission, Feb 25, 2021.
- IV. **COMMISSION INFORMATIONAL ITEMS** (No Action Required): None
- V. **PRESENTATIONS** (No Action Required): None
- VI. **COMMISSION ACTION ITEMS** (No Subsequent Action by BOS Required): None
- VII. **COMMISSION ACTION ITEMS** (Action Subsequently Required by BOS):
 - A. FY 2021-22 Nacimiento Water Operating Fund Budget
- VIII. **FUTURE AGENDA ITEMS DESIRED BY COMMISSION**

Next Commission Meeting: May 27, 2021

ATTACHMENTS

1. Naci Commission Minutes – Feb. 25, 2021
2. Item VII.A – Staff Report

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

Persons who require accommodations 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 Wes Thomson at (805) 781-5252.



NACIMIENTO PROJECT COMMISSION MEETING MINUTES

February 25, 2021

CLERK (District): Mark Chiaramonte

QUORUM: YES
(5/5 Seats & Voting Share > 51%)

COMMISSIONERS PRESENT (Voting Share %)

Paso Robles (33%): John Hamon (Chair)

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

Atascadero MWC (17%): Grigger Jones (Vice Chair Elect)

City of SLO (28%): Andy Pease

District (20%): John Peschong

1. CALL TO ORDER

The regular quarterly meeting of the Nacimiento Project Commission was held on Thursday, February 25, 2021, at 4:05 P.M., at the Templeton CSD Office, with Wayne Peterson being in the Chair, and Mark Chiaramonte present as the Clerk.

Present: Hamon, Petersen, Jones, Pease, and Peschong. Quorum established.

2. PUBLIC COMMENT: *None.*

3. REVIEW OF PREVIOUS MEETING MINUTES

Minutes from November 2021 were presented and approved without changes.

Motion for approval: Jones; Seconded: Hamon; All approved.

4. COMMISSION INFORMATIONAL ITEMS

Utilities Division Manager's Report

The report of the Utilities Division Manager was received and placed on file.

Annual Conflict of Interest (COI) Filing – "Form 700"

The Commission received the staff report on the annual Conflict of Interest filing (Form 700).

Agencies are required to file this for by April 1, 2021.

Second Quarter Operations Budget Report

Lynette O'Neil, Finance Manager for the District, reported on the second quarter operations budget for fiscal year 2020-21; the report was received and placed on file.

5. PRESENTATIONS (NO ACTION REQUIRED):

FY 2021-22 Operating Fund Proposed Budget

See Report. L. O'Neil, reported on the proposed operating fund budget for FY 2021-22. The budget will be reviewed by the TSG on March 11th and April 8th. The Commission will have a vote on the final proposed budget during the special meeting on April 22nd.

Proposed Change Petitions for the Nacimiento Reservoir Water Rights

Wes Thomson presented on the water rights held by Monterey County Water Resources Agency (MCWRA). Both MCWRA and SLO County FC&WCD are proposing change petitions to amend license

7543 and Permit 21089. The changes would add incidental power generation to purpose of use and refine place of use description.

- A. Pease asked if there's a chance for the State to say no to the requested change petition and what this could mean for next steps.
 - W. Thomson acknowledged the risk that the State could say no. The State will be looking at environmental impacts and impacts to other water users. The State could request MCWRA to revise the request, but through informal discussions, the State has been made aware of what is being requested and hasn't indicated any objections. The anticipated timeline to process the request with the State is 2-3 years minimum.
- J. Hamon asked if there had been discussion with MCWRA about requesting more water.
 - W. Thomson said that has not been part of the District's coordination with MCWRA to address the water rights, but that there could be opportunity to discuss that with MCWRA in the

6. COMMISSION ACTION ITEMS (NO SUBSEQUENT ACTION BY BOS REQUIRED): *None.*

Annual Election of Commission Officers

Grigger Jones and Andy Pease were elected by the Commission to be in the 2021 Chair and Vice Chair officers respectively. *Motion for approval: Jones; Seconded: Hamon; All approved.*

7. COMMISSION ACTION ITEMS (ACTION SUBSEQUENTLY REQUIRED BY BOS): *None.*

8. FUTURE AGENDA ITEMS DESIRED BY COMMISSION: *None.*

The meeting was adjourned by Petersen at 4:37 P.M.

Wes Thomson, Secretary



TO: Nacimiento Project Commission
FROM: Public Works Finance Division
VIA: Mark Chiaramonte, Utilities Division Manager
DATE: April 22, 2021
SUBJECT: Agenda Item VII.A – FY 2021-22 Nacimiento Water Operating Fund Budget

The Proposed Budget is prepared by the San Luis Obispo County Flood Control and Water Conservation District staff (Department of Public Works). The budget is based on the full allocation of 17,500 acre feet of Nacimiento Water.

The Fiscal Year 2021-22 Nacimiento Operating budget (budget) is progressing through the following levels of review:

- Dec, Jan, Feb: Discussions regarding projects with the Nacimiento Technical Support Group (TSG)
- January 14, 2021: Summary Level review with TSG
- February 19: Electronic and hard copy distribution to the TSG and Finance Committee and Commission
- February 25: Commission meeting with briefing
- March 11: Presentation to the TSG and Finance Committee for review and discussion. TSG recommended forwarding the budget as-is to the Commission for endorsement.
- April 22: Presentation to the Commission and a formal vote of endorsement.
- June 2021: Budget Hearings by the Flood Control and Water Conservation District Board of Supervisors.

A summary of the FY 2021-22 budget by category is displayed in Table 1:

TABLE 1 By Category	2020-21 Budget	2021-22 Budget	Dollar Change	% Change
Operations and Maintenance				
Billable Routine	\$ 3,623,501	\$ 3,091,397	\$ (532,104)	
Billable Non-Routine	436,400	106,499	(329,901)	
Total Billable O&M	\$ 4,059,901	\$ 3,197,896	\$ (862,005)	-21%
Billable Capital Outlay/Reserves	1,333,000	590,000	(743,000)	
Billable Debt Service	11,488,221	11,488,878	657	
Total Participant Billings	\$ 16,881,122	\$ 15,276,775	\$ (1,604,347)	-9.5%
Variable Energy [a]	2,483,456	2,799,719	316,263	13%

[a] Variable Energy is displayed as a reference amount only. Variable Energy is not included in installment billings to Participants, but rather billed quarterly based upon actual usage.

A summary of the FY 2021-22 installment billings by Participant is displayed in Table 2:

TABLE 2 Installment Billings by Participant [b]	2020-21 Budget	2021-22 Budget	Dollar Change	% Change
City of Paso Robles	\$ 6,042,328	\$ 5,371,292	\$ (671,036)	-11.1%
Templeton CSD	385,856	344,624	(41,232)	-10.7%
Atascadero MWC	3,691,045	3,359,952	(331,093)	-9.0%
City of San Luis Obispo	6,704,519	6,155,759	(548,760)	-8.2%
CSA 10	15,233	11,274	(3,959)	-26.0%
Bella Vista Mobile Home Park	3,784	2,803	(981)	-25.9%
SMR Mutual Water Co	38,356	31,071	(7,285)	-19.0%
Participant Installment Billings	16,881,122	15,276,775	(1,604,347)	-9.5%

[b] Variable Energy is not included in installment billings to Participants, but rather billed quarterly based upon actual usage.

VARIANCE DISCUSSION

Total Installment Billings to Participants (Table 2):

Total billings to participating agencies decreased from the prior year by \$1,604,347 or -9.5%. The decrease is explained below within the budget categories.

Billable Routine Operations and Maintenance and Variable Energy (Table 1):

Routine Operations and Maintenance billings are \$532,104 lower than the prior year budget primarily due to a decrease in construction litigation costs (\$1,060,940) offset by a \$225,639 increase in Master Water Contract costs with the Monterey County Water Resources Agency and a \$178,000 increase in the General Units line item due to the reallocation of Supervisory control and data acquisition (SCADA) efforts.

While the Variable Energy budget is not included in the installment billings to Participants, we include the budget/estimate in the table for reference. Budgetary/estimated amounts are higher than the prior year budget based upon requested deliveries to the participating agencies and related energy pumping costs.

Billable Non-Routine Operations and Maintenance (Tables 1 and 3):

Non-Routine billings are \$329,899 lower than the prior year budget due to changes in the following projects, based on discussions with the Technical Support Group.

TABLE 3	2020-21 Budget	2021-22 Budget	Dollar Change
<u>Billable Non-Routine O&M</u>			
MISC. FIBER OPTIC REPAIR (BILLABLE)	\$ 6,500	\$ 6,500	\$0
SANTA MARG. CREEK BRIDGE PIPE RELOCATION	220,000	0	(220,000)
INTAKE PUMP SYSTEM IMPROVEMENTS	c.f.	c.f.	0
INTAKE PS SLOPE AND DRAINAGE REPAIR	c.f.	c.f.	0
POWER MONITORING AT INTAKE	c.f.	c.f.	0
SCADA EFFORTS AT BOOSTER STN O&M	102,401	0	(120,401)
MATERIALS STORAGE CORRAL UNANTICIPATED NON ROUTINE PROJECT	7,500	0	(7,500)
	100,000	100,000	0
Subtotal	\$436,401	\$106,500	(\$329,899)

c.f.: carry forward remaining budget from prior year to continue the project

Billable Capital Outlay and Reserves (Tables 1 and 4):

Capital and Reserve billings decreased \$743,000 from the prior year budget, based on discussions with the Technical Support Group.

TABLE 4	2020-21 Budget	2021-22 Budget	Dollar Change
<u>Billable Capital Outlay</u>			
- UNANTICIPATED NON-ROUTINE CAPITAL PROJECTS	0	100,000	100,000
CONTRIBUTION TO RESERVES	1,333,000	490,000	(843,000)
Subtotal	\$1,333,000	\$590,000	(\$743,000)

The significant change in budget in this category is to the Contributions to Reserves, from \$1,333,000 to the "normal" \$490,000 level (as originally recommended by the Nacimiento Commission on November 19, 2009).

Not shown above is \$103,750 of capital outlay, funded from reserves, which is budgeted annually as a contingency should a mid-year emergency expenditure become necessary.

Billable Debt Service (Table 1):

Debt service payments reflect the payment schedule from the 2018 bond refinancing. Billable debt service is essentially flat from the prior fiscal year.