



**SAN LUIS OBISPO COUNTY FLOOD CONTROL  
AND WATER CONSERVATION DISTRICT  
ZONE 3 ADVISORY COMMITTEE  
MEETING MINUTES  
THURSDAY MARCH 16, 2023**

**I. Call to Order and Roll Call** -- The Zone 3 Advisory Committee Meeting was called to order at 6:30PM at the City of Arroyo Grande by Kristen Barneich. County Public Works Utilities Division Senior Engineer and Secretary to the Advisory Committee, David Spiegel, called roll. Quorum was present. Members in attendance were:

- Daniel Rushing, City of Grover Beach
- Kristen Barneich, City of Arroyo Grande
- Marcia Guthrie, City of Pismo Beach
- Shirley D. Gibson, Oceano Community Services District

**II. Public Comment** – This is an opportunity for members of the public to address the Committee on items that are not on the Agenda. No public comment.

**III. Approval of Meeting Minutes**

**A. January 19, 2023 Special Meeting (Attachment 1 of the Agenda Packet) – Member Gibson motioned to approve; Second by Member Guthrie. Voice vote. Motion passed.**

**IV. Operations Report**

**A. Water Plant Operations, Reservoir Storage, Downstream Releases**— As of March 1, plant production was 2.3 million gallons per day (MGD); State Water was 1.0 million gallons per day (MGD); downstream release was off; Lopez Lake elevation was 517.75 feet; storage 45,053.5 acre-feet (AF) at 91.2% capacity; rainfall to date, since July 1, 2022, was 42.83 inches; rain compared to previous years is 200% above average.

- i. David Spiegel explained that downstream release was initially decreased from 3.0 cubic feet per second (CFS) (or 2.0 MGD) to the 1.0 CFS minimum per the Interim Downstream Release Schedule but was ultimately shut off due to the evacuation order.

**B. Projected Reservoir Levels (Attachment 2 of the Agenda Packet) — Review of the Lopez Reservoir Projections Chart.**

- i. Member Barneich asked when storage is expected to spill. David Spiegel explained it is expected to spill in eight days or during the upcoming storm event, whichever comes first.
- ii. David Spiegel reported that Lopez Reservoir data is publicly accessible via the San Luis Obispo County website. Spillway discharge data has been added to the dashboard to track spillage.
- iii. Member Gibson asked if the Board has changed the weather outlook for long-term. David Spiegel explained that the Board's decision to rescind the drought order has been postponed to April due to staffing issues related to storm response.

**C. January and February Monthly Operations Report (Attachment 3 of the Agenda Packet)** — Review of the monthly operations reports with the Committee.

No public comment was given.

**V. Information Items**

**A. 2<sup>nd</sup> Quarter FY 2022/23 Budget Status (Attachment 4 of the Agenda Packet)**

— County Public Works Zone 3 Accountant Megan Schotborgh provided an update on the 2<sup>nd</sup> Quarter Budget Status. The \$7.7M budget was broken into three categories: Routine Operations & Maintenance, Non-Routine Operations & Maintenance, and Capital Outlay. At the end of the second quarter, 27% of the total annual budget had been expended.

Total Budget	Expenses through Q2	Balance Available	% of Budget Expended
\$7,726,013.00	\$ 2,055,255.00	\$ 5,670,758.00	27%

**Routine O&M** had a budget of \$4.6M. At the end of the second quarter, 43% of the annual budget had been expended, resulting in in approximately \$2.64M available for the remainder of the year. Expenses in this category are slightly under budgeted levels.

Total Budget	Expenses through Q2	Balance Available	% of Budget Expended
\$4,623,290.00	\$1,973,411.00	\$2,649,879.00	43%

**Non-Routine O&M** had a budget of \$1.8M. At the end of the second quarter, 3% of the annual budget had been expended, resulting in an available balance of roughly \$1.7M for the remainder of the year. Most of the other items in this category have had budget carried forward from the prior year to continue work on them.

Total Budget	Expenses through Q2	Balance Available	% of Budget Expended
\$1,812,008.00	\$46,273.00	\$1,725,735.00	3%

**Capital Outlay** had a budget of almost \$1.29M. At the end of the second quarter, expenses were 3% of the annual budget, resulting in approximately \$1.25M available for the remainder of the year. Unspent budget from the prior year has been carried forward for several projects and accounts for the majority of this category's budget.

Total Budget	Expenses through Q2	Balance Available	% of Budget Expended
\$ 1,290,715.00	\$35,571.00	\$1,255,144.00	3%

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.

All agencies are current on their 2<sup>nd</sup> installment payments for the fiscal year 2022-23.

No public comment was given.

## **VI. Capital Projects Update (Attachment 5 of the Agenda Packet)**

### **A. Tesla Battery Storage**

- i. Complete; waiting on permit from PG&E to operate.
- ii. Budget -- Free

### **B. Spillway Assessment and Investigation**

- i. Spill assessment was directed by DSOD after the Oroville incident; completed nondestructive desktop review of the spillway.
- ii. Work plan to complete destructive testing is in review.
- iii. Remainder of project ~minimum of \$300,000

### **C. Geotechnical Testing & Seismic Alternatives Study of Terminal Reservoir Dam**

- i. Permit approved; scheduled work to begin in early April.
- ii. Budget ~\$500,000

### **D. Cathodic Protection Repair Project**

- i. Award BOS letter on April 18 to Farwest Corrosion.
- ii. Budget ~\$449,933

### **E. CO2 Injection System**

- i. Awarded to Hartzell Construction; project in process.
- ii. Budget ~\$256,000

### **F. Sludge Bed Curtain Wall Rehabilitation**

- i. No change
- ii. ~\$50,000 per initial quote

### **G. Chlorine Dioxide Bulk Storage Tank**

- i. Tank has been repaired and is in operation.
- ii. Budget ~\$47,309.51

### **H. Lopez Water Treatment Plant Rack 1 Membrane Replacement**

- i. Complete

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

### **A. None**

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

### A. Fiscal Year 2023/24 Budget Endorsement – Member Barneich presented questions asked by her staff:

- i. In reference to *Routine O&M Expenditures*, what are the percentage increases for negotiated union wages?
  1. David Spiegel and Megan Schotborgh reported that most people received a 3% increase for the first two years and a 2.5% increase in the third year.
- ii. In reference to *Designated Reserves*, when does Zone 3 anticipate these tasks to be completed and how does the 558,000 public safety relate to water quality and quantity purposes?
  1. David Spiegel explained that under District Designated Reserves, \$50,000 is for HCP and other designated projects. In the previous advisory meeting, the Committee voted to move all funds to the safety category to be used later. Funds will not be spent until the Committee assigns them to a project.
- iii. David Spiegel and Megan Schotborgh clarified that the Terminal Dam Investigation for the Department of Dam Safety and HCP are included in the 2023/24 proposed budget.
- iv. In reference to *Reserve Projects*, are the reserves earning interest and is all the interest being put into the operating reserve funds balance?
  1. Megan Schotborgh explained that the interest revenue is going into operating reserves and continues to earn interest. Megan further reported that after speaking to the Treasury Manager, interest rate will increase by 25 basis points two to three times before being cut.
- v. In reference to *Cost per Acre Foot*, the Arroyo Grande amount of \$2.9M is higher than the projected amount according to a rate study, is it possible to smooth the increase?
  1. Megan Schotborgh explained that the City of Arroyo Grande had a \$130,000 increase compared to the previous proposed budget, taking into consideration the actual cost of the fiscal year. Agencies are billed ahead of time and the amount is trued up after actual costs. The actual cost of 2022-23 fiscal year was \$3.6M for Arroyo Grande.
- vi. No further comments from the Committee. ***Member Barneich entertained motion; Member Guthrie motioned to approve; Second by Member Gibson. Roll call vote. Motion passed.***

### B. Declaration of Surplus Water (Attachment 6 of the Agenda Packet)

- i. David Spiegel explained that any unused entitlement is automatically delivered to agencies' storage accounts. Surplus water is generated only by unused downstream release.
- ii. There was 2,100 acre-feet (AF) of surplus water available in total and split among agencies – City of Arroyo Grande at 1,062 AF; City of Pismo Beach at 413 AF; City of Grover Beach at 371 AF; Oceano Community Services District at 140 AF; CSA 12 at 114 AF.
- iii. David Spiegel explained that under the new contract, agencies do not purchase surplus water. Instead, they pay variable costs once they take delivery of water.

- iv. No further comments from the Committee. **Member Barneich entertained motion; Member Gibson motioned to approve; Second by Member Guthrie. Roll call vote. Motion passed.**

**IX. Future Agenda Items**

- A. Cloud Seeding Update** – Member Guthrie asked for an update on cloud seeding. David Spiegel reported that further cloud seeding cannot be authorized in concerns for public safety, thus the program has been shut down for the season (the season began December 1, 2022 and ends March 31, 2023); a half-month credit for operating costs was reimbursed. The program is expected to resume in December 2023.

**X. Committee Member Comments**

- A. No further comments.

**Meeting Adjourned at 6:59 PM by Kristen Barneich.**

Respectfully Submitted,

Vivien Cheung  
County of San Luis Obispo Public Works Department