



*Notice of Special Meeting*  
**APRIL 28, 2022 – 4:00 PM (THURSDAY)**  
**NACIMIENTO PROJECT COMMISSION**  
SAN LUIS OBISPO COUNTY FLOOD CONTROL  
AND WATER CONSERVATION DISTRICT

**IN-PERSON LOCATION:**

**(COMMISSIONERS ARE REQUIRED TO BE IN-PERSON)**

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

**VIRTUAL OPTION:**

(FOR AGENCY STAFF OR MEMBERS OF THE PUBLIC)

Join Zoom Meeting:

<https://us02web.zoom.us/j/83656588531?pwd=cDRldEc5dGNVYUxTcElnR1plaGhvZz09>

Meeting ID: 836 5658 8531

Passcode: 451956

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: [wthomson@co.slo.ca.us](mailto:wthomson@co.slo.ca.us)

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Chair: John Peschong; Vice-Chair: John Hamon

**AGENDA**

- I. **CALL TO ORDER** – Roll Call for Quorum Count
- II. **PUBLIC COMMENT** \*Non-agenda items within Commission jurisdiction; subject to three-minute limit each.
- III. **MEETING MINUTES** (Recommend Approval)
  - A. Naci Commission, April 6, 2022
- 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 2022-23 Nacimiento Water Operating Fund Budget
- VIII. **FUTURE AGENDA ITEMS DESIRED BY COMMISSION**  
Next Scheduled Commission Meeting: May 26, 2022

**ATTACHMENTS**

1. Item III.A – Commission Minutes, Apr. 6, 2022
2. Item VII.A – Staff Report

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**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 (Draft)**

April 6, 2022

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

### COMMISSIONERS PRESENT (Voting Share %)

District (20%): John Peschong (Chair)  
Paso Robles (33%): John Hamon (Vice Chair)  
Templeton CSD (2%): Wayne Petersen  
Atascadero MWC (17%): Grigger Jones  
City of SLO (28%): Carlyn Christianson  
CLERK (District): Nola Engelskirger

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**1. CALL TO ORDER**

#### Roll Call

The quarterly meeting of the Nacimiento Project Commission was held on Thursday, April 6th, 2022, at 4:00 P.M. The meeting was held in person at Templeton CSD Board Meeting Room with J. Peschong serving as the Chair, and N. Engelskirger as the Clerk. Present: Hamon, Petersen, Jones, Christianson, and Peschong. None absent. *Quorum established.*

#### **2. PUBLIC COMMENT:** *None.*

#### **3. REVIEW OF PREVIOUS MEETING MINUTES**

Minutes from February 24, 2022, meeting were presented and approved without changes. *Motion for approval: J. Hamon; Seconded by W. Petersen. Motion passed.*

#### **4. COMMISSION INFORMATIONAL ITEMS** (No Action Required): NONE

#### **5. PRESENTATIONS** (No Action Required): NONE

#### **6. COMMISSION ACTION ITEMS**

##### Consider Approval of the Tesla Battery Energy Storage Systems

Annie Secrest highlighted points from the staff report regarding the Tesla battery project for which the Commission acted to not approve in November 2021. The staff report in support of a reconsideration included the amendment for the contract between the District and Tesla. The amendment addresses concerns related to the potential for a financial penalty if battery cycling requirements are not met and requires Tesla to maintain a specified level of insurance coverage, in which the District was named as an additional insured party. A. Secrest also highlighted the indemnification side agreement developed between the District and the Participants to address liability concerns related to wildfire or other causes. *Motioned for approval of the staff's recommendation to move forward with the proposed project as amended; G. Jones; Seconded by J. Hamon. Motion passed with full commission support.*

#### **7. COMMISSION ACTION ITEMS** (Action Subsequently Required by BOS): NONE

#### **8. FUTURE AGENDA ITEMS DESIRED BY COMMISSION:**

Next Commission: Apr. 28, 2022

The meeting was adjourned by Jones at approximately 4:11 P.M.



**TO: Nacimiento Project Commission**  
**FROM: Katie Franco, Finance-Administrative Services Manager**  
**VIA: Nola Engelskirger, Utilities Division Manager**  
**DATE: April 28, 2022**  
**SUBJECT: FY 2022-23 Nacimiento Water Operating Fund Budget**

The Fiscal Year 2022-23 Nacimiento Water Operating 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 15,750 acre-feet of Nacimiento water.

The Proposed Budget is presented and reviewed at the following 21-22 meetings. Revisions may be made in accordance with Participant input.

- February 24: Distribution to the Commission.
- March 17: Presentation to the Technical Support Group (TSG) and Finance Committee for review and discussion.
- April 28: Presentation to the Commission and a formal vote of endorsement.
- June: District Board of Supervisors’ budget hearings and budget adoption.

A summary of the FY 2022-23 budget by category is displayed in Table 1:

<b>TABLE 1 By Category</b>	<b>2021-22 Budget</b>	<b>2022-23 Budget</b>	<b>Dollar Change</b>	<b>% Change</b>
<b>Operations and Maintenance</b>				
Billable Routine	\$ 3,091,397	\$ 3,126,618	\$ 35,220	
Billable Non-Routine	106,500	620,100	513,600	
<b>Total Billable O&amp;M</b>	<b>\$ 3,197,897</b>	<b>\$ 3,746,717</b>	<b>\$ 548,820</b>	<b>12%</b>
Billable Capital Outlay/Reserves	590,000	590,000	0	
Billable Debt Service	11,488,878	11,487,275	(1,603)	
<b>Total Participant Billings</b>	<b>\$ 15,276,775</b>	<b>\$ 15,660,112</b>	<b>\$ 547,217</b>	<b>3.6%</b>
Variable Energy [a]	2,799,719	3,086,823	287,104	10%

[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 2022-23 installment billings by Participant is displayed in Table 2:

<b>TABLE 2 Installment Billings by Participant [b]</b>	<b>2021-22 Budget</b>	<b>2022-23 Budget</b>	<b>Dollar Change</b>	<b>% Change</b>
City of Paso Robles	\$ 5,371,292	\$ 5,586,075	\$ 214,783	4.0%
Templeton CSD	344,624	358,916	14,292	4.1%
Atascadero MWC	3,359,952	3,470,632	110,680	3.3%
City of San Luis Obispo	6, 155,759	6,357,809	202,049	3.3%
CSA 10	11,274	12,757	1,482	13.1%
Bella Vista Mobile Home Park	2,803	3,170	368	13.1%
SMR Mutual Water Co	31,071	34,633	3,561	11.5%
<b>Participant Installment Billings</b>	<b>15,276,775</b>	<b>15,823,991</b>	<b>547,216</b>	<b>3.6%</b>

*[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 increased from the prior year by \$547,216 or 3.6%. The increase is explained below within the budget categories.

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

Routine Operations and Maintenance billings will be \$35,220 higher than the prior year budget primarily due to an overall increase in O&M efforts for the Naci units (General through T-11) in the amount of \$75,200, there is also a budgeted increase in Engineering labor costs by \$51,386 compared to FY 21-22. These increases are offset by notable decreases in the Master Water Contract billable costs of \$45,014, a decrease in the budget estimate for environmental mitigation labor costs \$33,777 and decrease in contributions for ISF equipment \$17,750.

While the Variable Energy budget is not included in the installment billings to Participants, the budget/estimate is included 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 \$513,600 higher than the prior year budget due to changes in the following projects, based on 5-year Capital Improvement Plan reviewed with the Technical Support Group at the November and December scheduled meetings.

<b>TABLE 3</b>	<b>2021-22 Budget</b>	<b>2022-23 Budget</b>	<b>Dollar Change</b>
<b><u>Billable Non-Routine O&amp;M</u></b>			
MISC. FIBER OPTIC REPAIR (BILLABLE)	\$ 6,500	\$ 7,500	\$1,000
5 YR INTAKE INSPECTION	0	121,000	121,000
5 YR PIPELINE CLOSE INTERVAL SURVEY & ACTIONS	0.	270,000	270,000
SANTA MARG. CREEK BRIDGE PIPE RELOCATION	c.f.	30,000	30,000
INSTALL ELECTRICAL FOR GENERATOR	0	46,600	46,600
RELOCATE AIR VAC CAL TRANS UNDERPASS	0	45,000	45,000
UNANTICIPATED NON ROUTINE PROJECT	100,000	100,000	0
<b>Subtotal</b>	<b>\$106,500</b>	<b>\$620,100</b>	<b>\$513,600</b>

*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 remains budgeted at \$100,000 from the prior year budget, based on discussions with the Technical Support Group. This was primarily due to the addition of the unanticipated non-routine capital projects budget.

<b>TABLE 4</b>	<b>2021-22 Budget</b>	<b>2022-23 Budget</b>	<b>Dollar Change</b>
<b><u>Billable Capital Outlay</u></b>			
UNANTICIPATED NON-ROUTINE CAPITAL PROJECTS	\$ 100,000	\$ 100,000	\$ 0
CONTRIBUTION TO RESERVES	490,000	490,000	0
<b>Subtotal</b>	<b>\$590,000</b>	<b>\$590,000</b>	<b>\$0</b>

Not shown above is \$100,000 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.

Nacimiento Water Operating Fund Billing Analysis for FY 2022-23 Proposed Budget

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
			Dist. Method	City of El Paso de Robles	Templeton Community Services District	Atascadero Mutual Water Company	City of San Luis Obispo	County Service Area 10	Bella Vista Mobile Home Park	SMR Mutual Water Company	Water Sales Program Revenues	Interest Revenues	Reserves	Investment Earnings on Trustee Reserves	TOTAL								
1	15,750 ACRE FEET			6,488		406	3,244	5,482	40	10													
2	<b>DEBT SERVICE</b>			6,488	406	3,244	5,482	40	10														
3	BONDS	11,806,986		4,027,481		240,206	2,609,843		4,609,735													319,711	11,806,986
4	OTHER BOND COSTS																						0
5																							0
6	SUB TOTAL DEBT SERVICE	\$11,806,986		\$4,027,481	\$0	\$240,206	\$2,609,843	\$0	\$4,609,735	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$319,711	\$11,806,986
7	<b>TOTAL DEBT SERVICE</b>	<b>\$11,806,986</b>		<b>\$4,027,481</b>	<b>\$0</b>	<b>\$240,206</b>	<b>\$2,609,843</b>	<b>\$0</b>	<b>\$4,609,735</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$319,711</b>	<b>\$11,806,986</b>
<b>OPERATIONS AND MAINTENANCE</b>																							
<i>Routine</i>																							
				6,488	406	3,244	5,482	40	10														
				UPS Reserves: O&M	UPS All Other Const.	UPS Reserves: O&M	UPS All Other Const.	UPS Reserves: O&M	UPS All Other Const.	UPS Reserves: O&M	UPS All Other Const.	UPS Reserves: O&M	UPS All Other Const.	UPS Reserves: O&M	UPS All Other Const.	UPS Reserves: O&M	UPS All Other Const.						
8	MASTER WATER CONTRACT (NACYS SHARE @ 50%)	661,593	A	245,283	16,350	122,642	207,247	1,512	375	3,025											66,159	661,593	
9	WATER QUALITY SUPPORT/ANALYSIS	198,901	B	81,935	5,128	40,968	69,229	505	125	1,010												198,901	
10	REGULATORY AGENCY/DEPARTMENT OF PUBLIC HEALTH	12,476	B	5,139	322	2,570	4,342	32	8	63												12,476	
11	INVASIVE SPECIES/QUAGGA MUSSEL	137,885	B	56,800	3,555	28,400	47,992	350	87	700												137,885	
12	ENVIRONMENTAL MITIGATION	53,042	A	21,850	1,367	10,525	18,462	135	34	269												53,042	
13	UTILITIES OPERATIONS AND OFFICE ENGINEERING	276,049	B	113,716	7,117	56,888	96,082	701	174	1,402												276,049	
14	WATER CONSERVATION MANAGEMENT	0	B	0	0	0	0	0	0	0												0	
15	LAKESIDE CONTRACTS	15,411	B	(7,021)	(439)	(3,511)	(5,933)	(43)	(11)	(87)												32,456	
16	WATER RIGHTS	9,895	B	4,101	257	3,485	2,050	29	5	51												9,895	
17	GENERAL ADMINISTRATION AND ACCOUNTING	218,659	B	90,074	5,637	45,037	76,106	555	138	1,111												218,659	
18	COUNTY WIDE OVERHEAD	112,897	B	46,507	2,910	23,253	39,295	287	71	574												112,897	
19	CONTRIBUTION TO ISF/NEW EQUIPMENT	3,000	B	1,236	77	618	1,044	8	2	15												3,000	
20	LEGAL COSTS	0	B	0	0	0	0	0	0	0												0	
21	NACI WATER SALES PROGRAM	0	B	0	0	0	0	0	0	0												0	
22	GENERAL UNITS	456,589	B	188,087	11,771	94,044	188,520	1,160	288	2,319												456,589	
23	UNIT A	299,353	B	106,838	6,686	53,419	90,270	659	163	1,318												299,353	
24	UNIT A1	60,072	B	24,746	1,549	12,373	20,909	153	38	305												60,072	
25	UNIT B	196,532	B	0	6,633	68,975	116,580	861	213	1,701												196,532	
26	UNIT C	35,701	B	14,707	920	7,353	12,485	91	22	181												35,701	
27	UNIT C1	39,515	B	16,278	1,019	8,139	13,764	100	25	201												39,515	
28	UNIT D	23,140	B	1,014	8,105	13,696	100	25	200	23,140												23,140	
29	UNIT E	22,212	B	0	0	8,136	13,750	100	25	201												22,212	
30	UNIT F	22,342	B	0	0	21,825	159	40	319	22,342												22,342	
31	UNIT F1	19,783	B	0	867	6,929	11,709	85	21	171												19,783	
32	UNIT F2	157,561	B	0	0	163,912	1,123	280	2,247	157,561												157,561	
33	UNIT G	30,085	B	0	0	0	29,388	215	54	429												30,085	
34	UNIT G1	26,020	B	0	0	0	25,785	188	47	0												26,020	
35	UNIT G2	20,035	B	0	0	0	19,894	146	36	0												20,035	
36	UNIT H	3,832	B	0	0	0	3,589	26	7	0												3,832	
37	UNIT H1	30,015	B	0	0	0	29,744	217	54	0												30,015	
38	UNIT T-2	49,820	B	49,820	0	0	0	0	0	0												49,820	
39	UNIT T-4	13,773	B	0	13,773	0	0	0	0	0												13,773	
40	UNIT T-6	14,260	B	0	0	14,260	0	0	0	0												14,260	
41	UNIT T-9	10,760	B	0	0	0	0	0	0	10,760												10,760	
42	UNIT T-11/11a	33,759	B	0	0	0	33,454	244	61	0												33,759	
43	SUB TOTAL ROUTINE - O & M	\$3,225,227		\$1,060,096	\$0	\$87,513	\$611,545	\$0	\$1,326,886	\$0	\$0	\$0	\$0	\$0	\$0	\$28,486	\$0	\$0	\$0	\$0	\$0	\$98,615	\$3,225,228
44	<b>TOTAL ROUTINE - O &amp; M</b>	<b>\$3,225,227</b>		<b>\$1,060,096</b>	<b>\$0</b>	<b>\$87,513</b>	<b>\$611,545</b>	<b>\$0</b>	<b>\$1,326,886</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$28,486</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$98,615</b>	<b>\$3,225,228</b>	
<i>Non Routine</i>																							
				6,488	406	3,244	5,482	40	10														
45	MISC. FIBER OPTIC REPAIR	30,000	B	3,090	193	1,545	2,610	19	5	38												22,500	30,000
46	5 YR INTAKE INSPECTION (every 5 years)	121,000	B	49,845	3,119	24,922	42,115	307	76	615												121,000	
47	5 YR PIPELINE CLOSE INTERVAL SURVEY & ACTIONS (every 5 years)	270,000	B	111,224	6,961	55,612	93,976	686	170	1,371												270,000	
48	SANTA MARG. CREEK BRIDGE PIPE RELOCATION	30,000	B	12,368	773	6,179	10,442	76	19	152												30,000	
49	INSTALL ELECTRICAL FOR GENERATOR AT BOOSTER STATION (33%)	46,600	B	19,196	1,201	9,598	16,220	118	29	237												46,600	
50	RELOCATE AIR VAC CAL TRANS UNDERPASS	45,000	B	18,537	1,160	9,269	15,863	114	28	229												45,000	
51	UNANTICIPATED NON ROUTINE PROJECT	100,000	B	41,194	2,578	20,597	34,806	254	63	508												100,000	
52	SUB TOTAL NON-ROUTINE - O & M	\$642,600		\$144,220	\$111,224	\$9,026	\$6,961	\$55,612	\$93,976	\$686	\$170	\$0	\$0	\$0	\$1,371	\$0	\$0	\$0	\$0	\$0	\$0	\$22,500	\$642,600
53	<b>TOTAL NON-ROUTINE - O &amp; M</b>	<b>\$642,600</b>		<b>\$144,220</b>	<b>\$111,224</b>	<b>\$9,026</b>	<b>\$6,961</b>	<b>\$55,612</b>	<b>\$93,976</b>	<b>\$686</b>	<b>\$170</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,371</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$22,500</b>	<b>\$642,600</b>	
<i>Capital Outlay / Reserves</i>																							
				6,488	406	3,244	5,482	40	10														
54	CAPITAL REPLACEMENT CONTINGENCY	100,000	C	0	0	0	0	0	0	0												100,000	
55	ISOLATION VALVE INSTALLATIONS	0	C	0	0	0	0	0	0	0												0	
56	5YR EFFICIENCY PROJECT	0	C	0	0	0	0	0	0	0												0	
57	CAPITAL RESERVE/EQUIPMENT REPLACEMENT	490,000	A	201,851	12,632	100,925	170,549	1,245	309	2,489												490,000	
58	UNANTICIPATED NON ROUTINE PROJECT	100,000	B	41,194	2,578	20,597	34,806	254	63	508												100,000	
59	OPERATING RESERVES	12,000	A	0	0	0	0	0	0	0												12,000	
60	SUB TOTAL CAPITAL OUTLAY / RESERVES	\$702,000		\$243,045	\$0	\$15,210	\$121,522	\$0	\$205,355	\$0	\$1,499	\$0	\$372	\$0	\$2,997	\$0	\$0	\$12					