



**Notice of Special Meeting**  
**NACIMIENTO PROJECT COMMISSION**

THURS., APR. 27, 2023 – 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/88230216750?pwd=WEpRZ1N1ZDZuR2ZzOEZlYQ0hOMFAvZz09>

Meeting ID: 882 3021 6750

Passcode: 112167

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: Anna McKenna at [AMcKenna@co.slo.ca.us](mailto:AMcKenna@co.slo.ca.us)

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COMMISSIONERS: John Hamon, Chair (Paso Robles); Wayne Peterson, Vice Chair (Templeton CSD); Grigger Jones (Atascadero MWC); Emily Francis (City of San Luis Obispo); John Peschong (District)

**AGENDA**

- I. **CALL TO ORDER** (Roll Call for Quorum Count; Flag Salute)
- II. **PUBLIC COMMENT** (For non-agenda items within Commission jurisdiction; three-minute limit each.)
- III. **MEETING MINUTES**
  - A. Naci Commission, February 23, 2023  
*Staff Recommendation: Approve the Minutes.*
- IV. **COMMISSION ADMINISTRATIVE ITEMS**
  - A. Nacimiento Water Operating Fund: Proposed Budget FY 2023-24  
*Staff Recommendation: Endorse Final NWP FY 2023/24 Budget and recommend approval by County BOS.*
- V. **UTILITIES DIVISION REPORT**
  - A. NWP Operations – Emergency Repairs from January 2023 Storm Damages  
*Staff Recommendation: Informational item only.*
- VI. **REPORTS FROM COMMISSION MEMBERS (FOR INFORMATION ONLY)**
- VII. **ITEMS FOR NEXT REGULAR MEETING AGENDA**
- VIII. **DATE OF NEXT REGULAR MEETING: May 25, 2023**
- IX. **ADJOURNMENT**

**ATTACHMENTS**

1. Item III.A – Minutes from Feb. 23, 2023
2. Item IV.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 County Public Works at (805) 781-5252.



## MEETING MINUTES (DRAFT) NACIMIENTO PROJECT COMMISSION

February 23, 2023

### COMMISSIONERS PRESENT (Voting Share %)

District (20%): John Peschong, Chair (*served until election of new Chair*)

Paso Robles (33%): John Hamon, Vice Chair – (*new Chair*)

Templeton CSD (2%): Wayne Peterson – (*new Vice Chair*)

Atascadero MWC (17%): John Neil (alternate)

City of SLO (28%): Emily Francis

CLERK: Nola Engelskirger, District

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**1. CALL TO ORDER:** The Commission meeting was held on Thursday, February 23, 2023, at 4:00 P.M., with John Peschong serving as the Chair. Quorum established (minimum of 3/5 seats present with voting share > 51%).

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

**3. REVIEW OF PREVIOUS MEETING MINUTES:** Meeting minutes for August 45 were recommended for approval. No questions from the board, no public comments, and no further discussion by the Commission. *Motion to approve minutes by J. Hamon, seconded by W. Peterson. Verbal vote in favor, none opposed or abstained. Approved.*

### 4. COMMISSION ADMINISTRATIVE ITEMS:

#### A. Annual Nomination & Election of Commission Officers

- Motion for John Hamon to serve as Chair. Motion for approval: J. Peschong; Seconded by E. Francis
- Motion for Wayne Peterson to serve as Vice Chair. Motion for approval: J. Peschong; Seconded by E. Francis

#### B. J. Hamon reminded Commissions to submit Form 700 by April 1<sup>st</sup> deadline.

### 4. COMMISSION INFORMATIONAL ITEMS:

A. Utilities Division Report – provided by N. Engelskirger (District). N. Engelskirger presented the District's approach to repairing the January 2023 Nacimiento Pipeline storm damages. Engelskirger presented that the District was working to restore delivery capability as soon as possible. The anticipated budget is \$1-2 Million, and the soonest the initial work could be completed is likely to be August 2023. District staff have been out in the field, assessing the pipeline condition to see if there are any other vulnerable areas.

- Objectives:
  - Restore water supply delivery as soon as possible.
  - Maintain eligibility for reimbursement through FEMA Public Assistance.
- Strategy – 2 phases:
  - Phase 1 (August 2023): Emergency repair in to stabilize the riverbank with rock slope protection (RSP) and reinstall the pipeline in its original location.

- Phase 2 (2-4 years): Restore the riverbank to its original location and improve the bank to replace habitat and mitigate future erosion.

- Cost Share for Emergency Repairs (per contract)

<b>Participant</b>	<b>Unit Percentage Share, All Other Construction Costs (Article 16 (C)(3)(c))</b>
City of El Paso de Robles	20.597%
Templeton Community Services District	1.289%
Atascadero Mutual Water Company	10.298%
City of San Luis Obispo	66.245%
County Service Area 10	0.483%
Bella Vista Mobile Home Park	0.121%
SMR Mutual Water Company	0.967%
<b>Total</b>	<b>100%</b>

- Schedule

<b>Meeting Date</b>	<b>Recommended Approval</b>
February 23, 2023	Authorize the District to contract with civil, survey, and geotechnical consultants to prepare plans, specifications, and estimates for Phase 1- Alternative 1.
April 27, 2023	Approve project funding. Authorize the District to advertise the proposed project.
May 25, 2023	Provide project update.
August 24, 2023	Phase 1 complete Water supply delivery restored

Approval: Engelskirger requested that the Commission authorize the District to proceed with Phase 1 – Alternative 1. *Motion for approval: J. Peschong, seconded by E. Francis. A roll call vote was taken, with all in favor. Motion approved.*

- B. Water Rights Update – Petition for change in the place of use was approved by the State Water Board on February 17, 2023. District and Participants plan to maximize the benefit of the water supply through a Water Sales Program. The District and TSG staff are reinitiating the development of a Nacimiento Water Sales Program with a consultant team.
- C. Draft EIR for MCWRA’s Interlake Tunnel Project – Public comment period extended to March 21, 2023. The County of San Luis Obispo and Nacimiento Participants plan to submit separate public comment letters by the deadline.
  - *J. Peschong noted that his constituents have voiced that they would like to be indemnified with respect to any geotechnical exploratory work that Monterey County completes in relation to the project. Residents are concerned about impacts to their residential water wells.*
- D. Q2 Budget Update (FY 22/23) – provided by Harold Wright, District / County Public Works Finance Division.
- E. FY 23/24 Operating Fund Proposed Budget – provided by Harold Wright, District / County Public Works Finance Division.

- Schedule

<b>Date</b>	<b>Proposed Action</b>
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March 16, 2023	Review proposed budget with TSG; requested revisions will be incorporated
April 20, 2023	Review revised proposed budget with TSG
April 27, 2023	Commission will consider approval of 23-24 proposed budget
June 2023	District Board of Supervisors conducts annual budget review and approval process

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

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

**7. FUTURE AGENDA ITEMS DESIRED BY COMMISSION:** Next Commission Meeting: April 27, 2023

Peschong adjourned the meeting at 4:27 P.M.

Anna McKenna, Secretary



**TO: Nacimiento Project Commission**  
**FROM: Public Works Finance Division**  
**VIA: Nola Engelskirger, Utilities Division Manager**  
**DATE: April 27, 2023**  
**SUBJECT: FY 2023-24 Nacimiento Water Operating Fund Budget**

The Fiscal Year 2023-24 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 17,500 acre-feet of Nacimiento Water.

The Proposed Budget is presented and reviewed at the following 22-23 meetings. Revisions may be made in accordance with Participant input.

- February 23: Distribution to the Commission.
- March 16: Presentation to the Technical Support Group (TSG) and Finance Committee for review and discussion.
- April 27: 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 2023-24 budget by category is displayed in Table 1:

<b>TABLE 1 By Category</b>	<b>2022-23 Budget</b>	<b>2023-24 Budget</b>	<b>Dollar Change</b>	<b>% Change</b>
<b>Operations and Maintenance</b>				
Billable Routine	\$ 3,126,618	\$ 3,263,293	\$ 109,675	
Billable Non-Routine	620,100	273,495	(346,604)	
<b>Total Billable O&amp;M</b>	<b>\$ 3,746,717</b>	<b>\$ 3,509,788</b>	<b>\$ (236,929)</b>	<b>(6%)</b>
Billable Capital Outlay/Reserves	590,000	590,000	0	
Billable Debt Service	11,487,275	11,487,847	572	
<b>Total Participant Billings</b>	<b>\$ 15,823,992</b>	<b>\$ 15,587,635</b>	<b>\$ (236,357)</b>	<b>(1.5%)</b>
Variable Energy [a]	3,086,823	3,771,668	684,845	22%

[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 2023-24 installment billings by Participant is displayed in Table 2:

<b>TABLE 2 Installment Billings by Participant [b]</b>	<b>2022-23 Budget</b>	<b>2023-24 Budget</b>	<b>Dollar Change</b>	<b>% Change</b>
City of Paso Robles	\$ 5,586,075	\$ 5,590,613	\$ 4,538	0.1%
Templeton CSD	358,916	358,621	(294)	(0.1%)
Atascadero MWC	3,470,632	3,439,669	(30,963)	(0.9%)
City of San Luis Obispo	6,357,809	6,157,656	(200,152)	(3.1%)
CSA 10	12,757	11,225	(1,531)	(12.0%)
Bella Vista Mobile Home Park	3,170	2,787	(383)	(12.1%)
SMR Mutual Water Co	34,633	27,062	(7,570)	(21.9%)
<b>Participant Installment Billings</b>	<b>15,823,991</b>	<b>15,587,635</b>	<b>(236,357)</b>	<b>(1.5%)</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 decreased from the prior year by \$236,357 or 1.5%. 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 \$102,915 higher than the prior year budget. This variance is relatively flat compared to prior year, some of the routine O&M elements have decreased but were offset by increases in other elements. Notable budget decreases were recognized in the Master Water Contract with Monterey County (\$12,758), the budget estimate for General Admin and Accounting labor hours (\$51,564) and Lakeside Contracts labor (\$9,573) and decrease in in O&M efforts for the Naci units (General through T-11) (\$103,570). Notable budget increases are recognized under Quagga Mussel program \$10,228, Water Rights \$9,881, Engineering labor costs \$45,486, CWOH \$24,473, ISF equipment contribution \$161,313 and San Antonio Spillway Rehab \$25,908.

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 by \$685K or 22% 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 (\$346,604) lower 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 both the November and December monthly meetings.

<b>TABLE 3</b>	<b>2022-23 Budget</b>	<b>2023-24 Budget</b>	<b>Dollar Change</b>
<b><u>Billable Non-Routine O&amp;M</u></b>			
MISC. FIBER OPTIC REPAIR (BILLABLE)	\$ 7,500	\$ 7,500	\$0
5 YR INTAKE INSPECTION	121,000	30,276	(90,724)
5 YR PIPELINE CLOSE INTERVAL SURVEY & ACTIONS	270,000	104,400	(165,600)
SANTA MARG. CREEK BRIDGE PIPE RELOCATION	30,000	31,320	1,320
INSTALL ELECTRICAL FOR GENERATOR	46,600	0	(46,600)
RELOCATE AIR VAC CAL TRANS UNDERPASS	45,000	0	(45,000)
UNANTICIPATED NON ROUTINE PROJECT	100,000	100,000	0
<b>Subtotal</b>	<b>\$620,100</b>	<b>\$273,496</b>	<b>(\$346,604)</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>2022-23 Budget</b>	<b>2023-24 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.