



SAN LUIS OBISPO COUNTY  
**DEPARTMENT OF PUBLIC WORKS**

Wade Horton, Director

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County Government Center, Room 206 • San Luis Obispo CA 93408 • (805) 781-5252

Fax (805) 781-1229

email address: [pwd@co.slo.ca.us](mailto:pwd@co.slo.ca.us)

May 6, 2015

City of Pismo Beach  
Oceano Community Services District  
City of Grover Beach  
City of Arroyo Grande  
County Service Area 12

**Subject: Request for Agreement not to Object to One-Time Extension of Time**

Dear Zone 3 Water Contractor:

Last month Zone 3 contractors were notified of a water management opportunity regarding entitlements of State Water and Lopez Water, both delivered through the Zone 3 distribution system. With the implementation of the Low Reservoir Response Plan for the Lopez system agencies now have the opportunity to “carryover” unused Lopez water in an agency specific water account. Consequently, agencies that are subscribed to both Zone 3 and State Water have inquired about the ability to implement a retroactive water accounting change to effectively exchange Lopez water used in 2014 for a like amount of unused State Water. This exchange is possible because during the spring of 2014 State Water was moved into Lopez Reservoir for the benefit of State Water subcontractors connected to the Lopez turnout. Therefore, this exchange could be accommodated using the stored State Water in Lopez Reservoir.

In order to affect any requested water accounting changes, a key process needs to occur, because it requires the Flood Control District to extend the period of time within which an agency can request an amendment to its water delivery schedule for the water year ending on March 31, 2015:

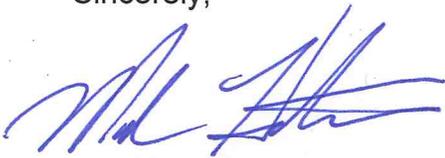
Both the Water Supply Contracts for Lopez Water and the Water Supply Agreements for State Water do not permit after-the-fact changes in water deliveries at the request of the agency. Article 8 paragraph (c) (3) of the State Water agreement states *“The water delivery schedule may be amended by the District upon the District’s initiative or upon the Contractor’s written request. Proposed amendments shall be submitted by the Contractor within a reasonable time before the desired change is to become effective, and shall be subject to review and modification by the District in like manner as the schedule itself”* [underline added]. Article 9 paragraph (C) of the Lopez contract states *“Proposed amendments to such schedules shall be submitted by the Agency within a reasonable time prior to the date the desired change is to become effective, and they shall be subject to review and modification by the District in the same manner as the preliminary water schedule described in paragraph (B) above”* [underline

added]. However, the Flood Control District can extend the time period within which each agency can request an amendment to the water delivery schedules pursuant to Article 8 paragraph (c) (3) of the State Water agreement and Article 9 paragraph (C) of the Lopez contract provided that none of the agencies object to said extension. In addition, Article 23 (C) of the Lopez contracts state that any amendment to said contracts must be approved by the unanimous written consent of all agencies.

Therefore, this letter seeks your written agreement not to object to the one time extension of the time period within which each agency can request an amendment to its water delivery schedule for the water year ending on March 31, 2015 (see attached). Your response by May 19 would be greatly appreciated, however, if you need more time to process an official response please let us know.

If you have any questions about this opportunity or would like to discuss this process further, please contact me at (805) 781-5458 or mhutchinson@co.slo.ca.us.

Sincerely,



MARK HUTCHINSON  
Director of Public Works

c Wade Horton, Director of Public Works

File: CF 970.01.01

L:\MANAGMNT\MAY15\2015.05.06 Zone 3 Cover Letter Final.docx MH:Jb

### Summary of Consent for Waiver of Contract Provision

Agency	Zone 3 Entitlement AF	SWP Allocation AF	Total	Consent Approval Received Zone 3	Consent Approval Received SW	Participate Y or N
San Luis Obispo Flood Control and Water Conservation District	NA	25,000		Need BOS Approval	Need BOS Approval	NA
Pismo Beach	892	1240	2132	✓	✓	Y
Arroyo Grande	2290	NA	2290	✓	NA	NA
Oceano	303	750	1053	✓	✓	Y
Grover Beach	800	NA	800	✓	NA	NA
CSA 12	245	NA	245	Need BOS Approval	NA	NA
Avila Beach CSD	68.31	100	168.31	NA	✓	Y
Avila Valley Mutual	12	20	32	NA	✓	N
San Luis Coastal	5	7	12	NA	✓	N
San Miguelito MWC	NA	275	275	NA	✓	NA

**CONSENT TO ONE-TIME EXTENSION  
UNDER ARTICLE 8 PARAGRAPH (c) (3)  
OF THE STATE WATER SUPPLY AGREEMENTS**

The San Luis Obispo County Flood Control and Water Conservation District ("Flood Control District") offered each agency that is a party to both a Lopez Water Supply Contract and a State Water Supply Agreement (the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District) the opportunity to request a modification to their water delivery schedules for the prior year on or before May 31, 2015. These agencies may receive an additional benefit under the carryover provisions of the recently enacted Lopez Low Reservoir Response Plan by decreasing their Lopez water deliveries and increasing their State water deliveries during the prior year.

The AVILA VALLEY MUTUAL WATER COMPANY ("Agency") hereby affirms, that is, has no objection to and will not challenge the Flood Control District's one-time extension of the period of time within which the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District can request an amendment to their water delivery schedules for the prior year (year ending on December 31, 2014) pursuant to Article 8 Paragraph (c) (3) of the State Water Supply Agreements.

Joe Rappa  
Signature

5/8/15  
Date

JOE Rappa  
Name - Print

AVMWC BOARD MEMBER  
Title

**CONSENT TO ONE-TIME EXTENSION  
UNDER ARTICLE 8 PARAGRAPH (c) (3)  
OF THE STATE WATER SUPPLY AGREEMENTS**

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The San Miguelito Mutual Water Company (“Agency”) hereby affirms that it has no objection to and will not challenge the Flood Control District’s one-time extension of the period of time within which the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District can request an amendment to their water delivery schedules for the prior year (year ending on December 31, 2014) pursuant to Article 8 Paragraph (c) (3) of the State Water Supply Agreements.

  
Signature

05-13-15  
Date

Richard L. Koon  
Name – Print

General Manager  
Title

**CONSENT TO ONE-TIME EXTENSION  
UNDER ARTICLE 8 PARAGRAPH (c) (3)  
OF THE STATE WATER SUPPLY AGREEMENTS**

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The CITY OF PISMO BEACH ("Agency") hereby affirms that it has no objection to and will not challenge the Flood Control District's one-time extension of the period of time within which the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District can request an amendment to their water delivery schedules for the prior year (year ending on December 31, 2014) pursuant to Article 8 Paragraph (c) (3) of the State Water Supply Agreements.

  
\_\_\_\_\_  
Signature

JAMES R. LEWIS  
\_\_\_\_\_  
Name - Print

5-13-15  
\_\_\_\_\_  
Date

CITY MANAGER  
\_\_\_\_\_  
Title

**CONSENT TO ONE-TIME EXTENSION OF TIME  
UNDER ARTICLE 9 PARAGRAPH (C)  
OF THE LOPEZ WATER SUPPLY CONTRACTS**

The San Luis Obispo County Flood Control and Water Conservation District ("Flood Control District") offered each agency that is a party to both a Lopez Water Supply Contract and a State Water Supply Agreement (the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District) the opportunity to request a modification to their water delivery schedules for the prior year on or before May 31, 2015. These agencies may receive an additional benefit under the carryover provisions of the recently enacted Lopez Low Reservoir Response Plan by decreasing their Lopez water deliveries and increasing their State water deliveries during the prior year.

The CITY OF PISMO BEACH ("Agency") hereby affirms that it has no objection to and will not challenge the Flood Control District's one-time extension of the period of time within which the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District can request an amendment to their water delivery schedules for the prior Water Year (Water Year ending on March 31, 2015) pursuant to Article 9 Paragraph (C) of the Lopez Water Supply Contracts.

  
\_\_\_\_\_  
Signature

5-13-15  
\_\_\_\_\_  
Date

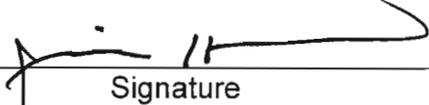
JAMES R. LEWIS  
\_\_\_\_\_  
Name - Print

CITY MANAGER  
\_\_\_\_\_  
Title

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The City of Arroyo Grande ("Agency") hereby affirms that it has no objection to and will not challenge the Flood Control District's one-time extension of the period of time within which the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District can request an amendment to their water delivery schedules for the prior Water Year (Water Year ending on March 31, 2015) pursuant to Article 9 Paragraph (C) of the Lopez Water Supply Contracts.

  
\_\_\_\_\_  
Signature

5/26/15  
\_\_\_\_\_  
Date

Jim Hill  
\_\_\_\_\_  
Name – Print

Mayor  
\_\_\_\_\_  
Title

**CONSENT TO ONE-TIME EXTENSION  
UNDER ARTICLE 8 PARAGRAPH (c) (3)  
OF THE STATE WATER SUPPLY AGREEMENTS**

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The Avila Beach Community Services District ("Agency") hereby affirms that it has no objection to and will not challenge the Flood Control District's one-time extension of the period of time within which the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District can request an amendment to their water delivery schedules for the prior year (year ending on December 31, 2014) pursuant to Article 8 Paragraph (c) (3) of the State Water Supply Agreements.



Signature

MAY 29-15

Date

Steve Waldron

Name – Print

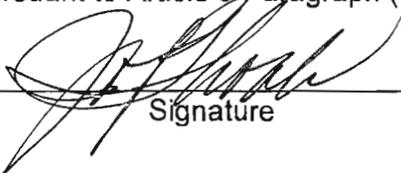
Vice-President

Title

**CONSENT TO ONE-TIME EXTENSION OF TIME  
UNDER ARTICLE 9 PARAGRAPH (C)  
OF THE LOPEZ WATER SUPPLY CONTRACTS**

The San Luis Obispo County Flood Control and Water Conservation District ("Flood Control District") offered each agency that is a party to both a Lopez Water Supply Contract and a State Water Supply Agreement (the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District) the opportunity to request a modification to their water delivery schedules for the prior year on or before May 31, 2015. These agencies may receive an additional benefit under the carryover provisions of the recently enacted Lopez Low Reservoir Response Plan by decreasing their Lopez water deliveries and increasing their State water deliveries during the prior year.

The City of Grover Beach ("Agency") hereby affirms that it has no objection to and will not challenge the Flood Control District's one-time extension of the period of time within which the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District can request an amendment to their water delivery schedules for the prior Water Year (Water Year ending on March 31, 2015) pursuant to Article 9 Paragraph (C) of the Lopez Water Supply Contracts.

  
\_\_\_\_\_  
Signature

JOHN P. SHOALS

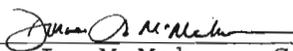
\_\_\_\_\_  
Name – Print

  
\_\_\_\_\_  
Date

MAYOR

\_\_\_\_\_  
Title

Attest:

  
\_\_\_\_\_  
Donna L. McMahon, City Clerk

**CONSENT TO ONE-TIME EXTENSION OF TIME  
UNDER ARTICLE 9 PARAGRAPH (C)  
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The Oceano Community Services District ("Agency") hereby affirms that it has no objection to and will not challenge the Flood Control District's one-time extension of the period of time within which the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District can request an amendment to their water delivery schedules for the prior Water Year (Water Year ending on March 31, 2015) pursuant to Article 9 Paragraph (C) of the Lopez Water Supply Contracts.

  
\_\_\_\_\_  
Signature

8-24-2015  
\_\_\_\_\_  
Date

MART LUCKEY  
\_\_\_\_\_  
Name – Print

PRESIDENT, BOARD OF DIRECTORS  
\_\_\_\_\_  
Title

**CONSENT TO ONE-TIME EXTENSION  
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The OCEANO COMMUNITY SERVICES DISTRICT ("Agency") hereby affirms that it has no objection to and will not challenge the Flood Control District's one-time extension of the period of time within which the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District can request an amendment to their water delivery schedules for the prior year (year ending on December 31, 2014) pursuant to Article 8 Paragraph (c) (3) of the State Water Supply Agreements.

  
\_\_\_\_\_  
Signature

8-25-2015  
\_\_\_\_\_  
Date

MARY LUCEY  
\_\_\_\_\_  
Name - Print

PRESIDENT, BOARD OF DIRECTORS  
\_\_\_\_\_  
Title

**CONSENT TO ONE-TIME EXTENSION  
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The San Luis Coastal Unified School District ("Agency") hereby affirms that it has no objection to and will not challenge the Flood Control District's one-time extension of the period of time within which the City of Pismo Beach, Oceano Community Services District, Avila Beach Community Services District, Avila Valley Mutual Water Company, and San Luis Coastal Unified School District can request an amendment to their water delivery schedules for the prior year (year ending on December 31, 2014) pursuant to Article 8 Paragraph (c) (3) of the State Water Supply Agreements.

  
\_\_\_\_\_  
Signature

6-8-15  
\_\_\_\_\_  
Date

Ryan Pinkerton  
\_\_\_\_\_  
Name – Print

Assistant Supt.  
\_\_\_\_\_  
Title