

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 8/9/2016	(3) CONTACT/PHONE Andrea M. Montes, Utilities Division Program Manager (805) 781-1046	
(4) SUBJECT Request to 1) approve the Amended and Restated Nacimiento Water Project Wheeling Contract (Contract) with Heritage Ranch Community Services District (HRCSD); 2) authorize the Director of Public Works to execute a one (1) year extension with the HRCSD as provided for in the Contract; and 3) finding that the project is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA). All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board, acting as the Board of Supervisors for the San Luis Obispo County Flood Control and Water Conservation District (District): <ol style="list-style-type: none"> 1. Approve the attached Amended and Restated Nacimiento Water Project Wheeling Contract with the HRCSD; and 2. Authorize the Director of Public Works to execute a one (1) year extension with the HRCSD as provided for in the Amended and Restated Nacimiento Water Project Wheeling Contract (Contract) under the same terms and conditions set forth in the Contract; and 3. Find that the project is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA). 			
(6) FUNDING SOURCE(S) Contract Development from Nacimiento Operating Fund. Future cost of water wheeling deliveries will be billed to HRCSD in accordance with contracts.	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: 3/24/2015, #13	
(17) ADMINISTRATIVE OFFICE REVIEW David E. Grim			
(18) SUPERVISOR DISTRICT(S) All Districts			

Reference: 16AUG09-C-9

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works
Andrea M. Montes, Utilities Division Program Manager

VIA: Mark Hutchinson, Deputy Director of Public Works

DATE: 8/9/2016

SUBJECT: Request to 1) approve the Amended and Restated Nacimiento Water Project Wheeling Contract (Contract) with Heritage Ranch Community Services District (HRCSD); 2) authorize the Director of Public Works to execute a one (1) year extension with the HRCSD as provided for in the Contract; and 3) finding that the project is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA). All Districts.

RECOMMENDATION

It is recommended that the Board, acting as the Board of Supervisors for the San Luis Obispo County Flood Control and Water Conservation District (District):

1. Approve the attached Amended and Restated Nacimiento Water Project Wheeling Contract with the HRCSD; and
2. Authorize the Director of Public Works to execute a one (1) year extension with the HRCSD as provided for in the Amended and Restated Nacimiento Water Project Wheeling Contract (Contract) under the same terms and conditions set forth in the Contract; and
3. Find that the project is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA).

DISCUSSION

Nacimiento Water Project Wheeling Contract

The HRCSD is considered a "lakeside user" of Nacimiento Water and receives its entitlement through diversion wells downstream from the Nacimiento Reservoir dam in accordance with the Nacimiento water supply contracts. As a lakeside user, the HRCSD did not participate in the development of the Nacimiento Water Project. However, in response to the HRCSD's request, the District and the HRCSD installed an emergency water intertie connection and developed a Nacimiento Water Project Wheeling Contract (Wheeling Contract) executed on March 24, 2015 which is consistent with the requirements contained in the Nacimiento Project Water Delivery Entitlement Contracts (WDEC).

The connection will be utilized only during emergencies, including the following:

- to provide water during times when there is no flow to the Nacimiento River due to low lake levels;
- to provide water during times when there is no flow to the Nacimiento River due to extended maintenance shutdowns of the outlet works by Monterey County Water Resources Agency;
- to provide water in the event the primary water delivery system is damaged or fails; and
- to provide water as required by the California Department of Public Health and CALFire.

As a result of the recent full allocation of the Nacimiento Water Project, there is no longer any permanent Reserved Capacity, which was the undelivered water the HRCSD could have utilized during times of emergencies. However, during an emergency, the HRCSD continues to seek the right to utilize any *unused* capacity from Nacimiento Project Facilities that may be available from time to time. The HRCSD's current request is formalized in the attached Amended and Restated Nacimiento Water Project Wheeling Contract for Supply of Nacimiento Water with Heritage Ranch Community Services District.

OTHER AGENCY INVOLVEMENT/IMPACT

The Nacimiento Water Project's participating agencies who are entitled to and/or receive Nacimiento water for distribution to their customers include the City of Paso Robles, Templeton Community Services District, Atascadero Mutual Water Company, the City of San Luis Obispo, County Service Area 10A, Belle Vista MHP, LLC and SMR Mutual Water Company. The Nacimiento Technical Support Group has previewed and endorsed the Contract.

The County Environmental Coordinator has reviewed the project and determined that it is exempt from the requirements of the California Environmental Quality Act.

County Counsel has reviewed and approved the attached Contract as to legal form and effect.

The HRCSD and its counsel have participated in development of, and have reviewed and approved, the attached contract.

The California Department of Public Health and CALFire support the emergency water connection for the HRCSD.

FINANCIAL CONSIDERATIONS

The development of the Amended and Restated Nacimiento Water Project Wheeling Contract for Supply of Nacimiento Water with the HRCSD is funded by the FY 2016-17 Nacimiento Operating Fund. The HRCSD is responsible to cover these costs and has a cost reimbursement agreement in place. Sufficient budget exists in the Nacimiento operating fund, therefore no further action is needed at this time.

The future cost of water deliveries to the HRCSD as a wheeling customer will be billed at the current cost at the time of use and in accordance with the contract when and if the emergency connection is utilized.

RESULTS

Approval of the recommended actions will result in a provisions of emergency water to the HRCSD when lake levels are at or below minimum pool, or during other events when downstream releases are unavailable or suspended by the Monterey County Water Resources Agency. This will provide for a safer, more livable, and well-governed community.

ATTACHMENTS

1. Vicinity Map
2. Amended and Restated Nacimiento Water Project Wheeling Contract
3. Nacimiento Water Project Wheeling Contract
4. Contract for Supply of Nacimiento Water
5. Notice of Exemption

File: NWP A.7.9

Reference: 16AUG09-C-1

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