

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

(1) DEPARTMENT Public Works	(2) MEETING DATE 11/8/2016	(3) CONTACT/PHONE Jill Ogren, Senior Utilities Engineer (805) 781-5263	
(4) SUBJECT Request to approve a drought buffer water agreement with Oceano Community Services District. District 4.			
(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) approve the Drought Buffer Water Agreement with Oceano Community Services District.			
(6) FUNDING SOURCE(S) Contracting Agency	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT \$80,250.00	(9) BUDGETED? N/A
(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: N/A	
(17) ADMINISTRATIVE OFFICE REVIEW David E. Grim			
(18) SUPERVISOR DISTRICT(S) District 4			

Reference: 16NOV08-C-2

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works
Jill Ogren, Senior Utilities Engineer

VIA: Mark Hutchinson, Deputy Director of Public Works

DATE: 11/8/2016

SUBJECT: Request to approve a drought buffer water agreement with Oceano Community Services District. District 4.

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) approve the Drought Buffer Water Agreement with Oceano Community Services District.

DISCUSSION

The District is under contract with the California Department of Water Resources (DWR) for a 25,000 acre-foot per year (AFY) allocation of State water (Table 1). Certain local agencies (Subcontractors) have contracted with the District for a portion of the District's allocation. The Subcontractor portion, referred to as their water service amount (WSA), totals 4,830 AFY (Table 1). However, due to annual hydrological variability and environmental constraints in the Sacramento-San Joaquin Delta, the delivery of State water is not 100% reliable. Consequently, all but two Subcontractors have contracted for an additional amount of the District's allocation in order to firm up the reliability of their water service amounts. These additional contracts, known as Drought Buffer Agreements, currently total 4,997 AFY (Table 1).

The District currently has 15,173 AFY of excess allocation available for Drought Buffer Agreements (Table 1). Per the attached request, Oceano Community Services District (OCSD) would like to enter into a Drought Buffer Agreement for 750 AFY to improve the reliability of their existing 750 AFY water service amount. Table 2 shows the current Agencies' WSA and resultant Drought Buffer amount with OCSD's requested amount included.

Participating in the drought buffer program will help ensure that the OCSD will have adequate water even when the State water deliveries are reduced. This Agreement specifically limits deliveries of drought buffer water to those years when State Water Project deliveries are reduced and prohibits delivering water annually in excess of Subcontractor water service amounts.

Table 1: AMOUNT OF DISTRICT’S STATE WATER AVAILABLE (AFY) FOR DROUGHT BUFFER.

EXISTING DISTRICT SUPPLIES		DISTRICT SUPPLIES WITH OCEANO DROUGHT BUFFER PURCHASE	
AGENCY	WATER (AFY)	AGENCY	WATER (AFY)
District Water Supply	25000	District Water Supply	25000
Subcontractor Water Service Amount	<4830>	Subcontractor Water Service Amount	<4830>
Subcontractor Drought Buffer Amount	<4997>	Subcontractor Drought Buffer Amount	<5747>
District Excess Water Allocation	<u>15173</u>	District Excess Water Allocation	<u>14423</u>

Table 2: PROPOSED STATE WATER DROUGHT BUFFER AMOUNTS (AFY) FOR DISTRICT SUBCONTRACTORS.

DISTRICT SUBCONTRACTORS	WATER SERVICE AMOUNT (AFY)	DROUGHT BUFFER AMOUNT (AFY)
Shandon CSA 16	100	0
Morro Bay	1,313	2,290
CMC	400	400
County Ops Center	425	425
Cuesta	200	200
Pismo Beach	1,240	1,240
Oceano CSD	750	750
San Miguelito MWC	275	275
Avila Beach CSD	100	100
Avila Valley MWC	20	60
San Luis Coastal USD	7	7
TOTAL	4,830	5,747

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel has reviewed and approved the Agreement as to legal form and effect. The OCSD has executed the attached Agreement.

FINANCIAL CONSIDERATIONS

Currently, the Subcontractors are paying 100% of the costs of drought buffer allocations, or an estimated \$107.00 per acre foot per year. Given this current rate, approval of this Agreement would result in an estimated additional tax relief of \$80,250 per year that would otherwise be paid by countywide taxpayers.

RESULTS

Approval of this Agreement will help to ensure the health and safety of water customers of the OCSD by increasing the reliability of the water supply. Putting excess allocations of State Water to beneficial use and relieving the tax burden for Countywide taxpayers will also promote a healthy and well-governed community.

ATTACHMENTS

1. Vicinity Map
2. Letter from Oceano Community Services District
3. Drought Buffer Water Agreement

File: CF 970.110.01 W/SWP/OCSD

Reference: 16NOV08-C-2

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