

AVILA BEACH COMMUNITY SERVICES DISTRICT

Post Office Box 309, Avila Beach, CA. 93424
Meeting Room and Office – 100 San Luis Street, Avila Beach
Telephone (805) 595-2664 FAX (805) 595-7623
e-mail: avilacsd@gmail.com

SPECIAL BOARD MEETING

1:00 PM Tuesday, June 6th, 2023

**STAFF AND PUBLIC MAY PARTICIPATE IN THIS MEETING VIA
TELECONFERENCE AND/OR ELECTRONICALLY.**

ZOOM MEETING: <https://us02web.zoom.us/j/4111787571>

Meeting ID: 411 178 7571

Password: No Password Required.

BY PHONE: 1-669-900-9128

In accordance with Government Code Section 54953(b), this agenda will be posted at the above teleconference location and this location will be accessible to the public.

1. CALL TO ORDER: 1:00 P.M.

2. ROLL CALL: Board Members:

Pete Kelley, President
Ara Najarian, Vice President
Kristin Berry, Director
Howie Kennett, Director
John Janowicz, Director

3. PUBLIC COMMENT

Members of the public wishing to comment or bring forward any items concerning District operations **which do not appear on today's agenda** may address the Board now. Please state name and address before addressing the Board and **limit presentations to 3 minutes**. State law does not allow Board action on items not appearing on the agenda.

4. INFORMATION AND DISCUSSION ITEMS

County Reports

1. SLO County Sheriff Department
2. CalFire/County Fire Department

Reports on Attended Conferences, Meetings, and General Communications of District Interest

5. CONSENT ITEMS:

These items are approved with one motion. Directors may briefly discuss any item, or may pull any item, which is then added to the business agenda.

- A. Minutes of May 9th, 2023, Regular Board Meeting
- B. Monthly Financial Review for May 2023
- C. General Manager and District Engineer Report
- D. Water and Wastewater Operations Reports for May 2023

6. DISCUSSION OF PULLED CONSENT ITEMS

At this time, items pulled for discussion from the Consent Agenda, if any, will be heard.

7. BUSINESS ITEMS: Items where Board action is called for.

A. Consider Purchasing an Additional 100 AF of State Water, Drought Buffer
(Receive Report, Provide Direction to Staff)

B. General Manager Contract Review
(Action Required: Receive report and give direction to Staff)

8. COMMUNICATIONS/ COORESPONDENCE

At this time, any Director, or Staff, may ask questions for clarification, make any announcements, or report briefly on any activities or suggest items for future agendas.

9. ADJOURN

**The Board of Directors have cancelled the July 11, 2023 Regular Board meeting.
The next Regular Board meeting will be held on Tuesday, August 8th, 2023.**

Any writing or document pertaining to an open session item on this agenda which is distributed to a majority of the Board after the posting of this agenda will be available for public inspection at the time the subject writing or document is distributed. The writing or document will be available for public review in the District Administration Office, 100 San Luis Street, Avila Beach, CA during normal business hours. Consistent with the Americans with Disabilities Act and California Government Code Section 54954.2 requests for disability related modification or accommodation, including auxiliary aids or services may be made by a person with a disability who requires the modification or accommodation in order to participate at the above referenced public meeting by contacting the District at 805-595-2664.

MINUTES OF SPECIAL BOARD OF DIRECTORS MEETING
Avila Beach Community Services District
Tuesday, May 9th, 2023
1:00 P.M.

ZOOM MEETING: 411 178 7571

Meeting ID: <https://us02web.zoom.us/j/4111787571>

1. CALL TO ORDER

President Kelley called the meeting of the Board of Directors of the Avila Beach Community Services District, to order at 1:03 P.M. on the above date, in the Avila Beach Community Services District Building, 100 San Luis Street, Avila Beach, California.

2. ROLL CALL

Board Members Present	Pete Kelley Kristin Berry John Janowicz Howie Kennett Ara Najarian
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Board Members Absent:	None
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Staff Present:	Brad Hagemann, General Manager and District Engineer Kristi Dibbern, Office Manager
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FRM Operations:	Jeff Cedillos, FRM Operations
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Legal Counsel:	Shannon DeNatale Boyd, General Counsel
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3. PUBLIC COMMENTS

No Public Comment.

4. INFORMATION AND DISCUSSION ITEMS

A. County Reports

Sheriff's Report: Sheriff Stuart MacDonald reported via Zoom, for the month of April, nine disturbances, two thefts, 3 suspicious circumstances and 17 enforcement stops. One hundred people were reported to be participating in Senior Skip Day on April 21st at Pirate's Cove. The Harbor Patrol and SLO County Sheriff enforced order in the area.

Cal Fire: Chief Lee attended the meeting & reported 51 calls for service this month, 17 were medically related. One arrest was made due to a vegetation fire in See Canyon. An individual was burning piles that got out of control. Additional funding was approved for a Fire Break in See Canyon. Crews will be mowing and abating weeds during the months of May & June. Chief Lee asked that if you see smoke, please call it in. Also please abate weeds and cut back brush.

B. Conferences, Meetings and General Communications. None.

5. CONSENT ITEMS

Director Berry made a motion to approve the Consent Items. It was seconded by Director Kennett and passed with a roll call vote 5-0.

AYES: Kristin Berry
Howie Kennett
Ara Najarian
John Janowicz
Pete Kelley

NOES: None

ABSENT: None

6. DISCUSSION OF PULLED CONSENT ITEMS: None

7. BUSINESS ITEMS:

A. Resolution No. 2023-05 Authorizing the to Open a Banking with Five Star Bank.

Many special districts are switching to Five Star Bank due to their excellent service. After careful consideration GM Hagemann recommends making a change in banking services to better meet the District's needs. Director Janowicz made the motion to pass Resolution No. 2023-05, Director Berry seconded the motion and it passed with a roll call vote 5-0.

AYES: John Janowicz
Kristin Berry
Howie Kennett
Ara Najarian
Pete Kelley

NOES: None

ABSENT: None

B. FY 2023-24 Budget. Resolution No. 2023-06 Appropriation Limitations & Resolution No. 2023-07 Approving Fiscal Year 2023/24 Budget

President Kelley opened the public hearing at 2:04 PM. Public comments were received from Todd Waelty, CEO of Nviro Quality Water Services who would like to submit a proposal when the District solicits proposal/bids for the District O & M Contract.

With no further Public Comment, President Kelley closed the Public Hearing at 2:10 PM and

returned the item to the Board for discussion

The Directors discussed the pros and cons of raising the customer water & sewer rates versus not raising the rates. Director Najarian and Director Janowicz felt strongly about not raising the rates due to the fact the District is in stable financial condition. Director Berry stated her concerns of not keeping up with the rising cost of doing business and inflation. President Kelley felt it is in the District's best interest to be prepared financially in the case of a disaster. After considerable discussion Director Najarian made the motion to adopt Resolution No.s 2023-06 & 07 with NO increase in water and sewer rates. Director Janowicz seconded the motion. With a roll call vote, the motion failed 2 to 3 as shown below.

AYES: Ara Najarian
John Janowicz

NOES: Howie Kennett
Kristin Berry
Pete Kelley

ABSENT: None

Director Berry made a motion to approve Resolution No. 2023-06 and No. 2023-07 with a 3% increase in water and services. Director Kennett seconded the motion. With a roll call vote, the motion passed 3-2 as shown below.

AYES: Kristin Berry
Howie Kennett
Pete Kelley

NOES: Ara Najarian
John Janowicz

ABSENT: None

C. Contract Review for Legal Counsel.

In December of 2020 Price, Postal & Parma become the District's new General Counsel. The District's By-Laws recommend that the Board review the Legal Services Agreement annually in May or June. Staff does not recommend any changes to the Legal Services Agreement. The Board had no suggested changes to the Contract. The Board directed staff to amend the date on the Contract and circulate it for signature by both parties and file.

COMMUNICATIONS/CORRESPONDENCE.

None

ADJOURNMENT: The meeting was adjourned at 2:50 P.M.

The Board cancelled June 13, 2023, Regular Meeting of the Avila Beach Community Services District. The Next Special Meeting of the Board of Directors is scheduled for Tuesday, June 6th, 2023, at 1:00 PM at 100 San Luis Street, Avila Beach.

These minutes are not official nor a permanent part of the records until approved by the Board of Directors at their next meeting.

Respectfully submitted,

Brad Hagemann, PE
General Manager

AVILA BEACH
COMMUNITY SERVICES DISTRICT
Post Office Box 309, Avila Beach, CA 93424

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager

DATE: June 6th, 2023

SUBJECT: Monthly Financial Review for May

Recommendation:


The banking statements for May were not ready in time for publication of the Agenda Packet.

Staff will provide the May monthly Financial Reports at the Board Meeting.

AVILA BEACH
COMMUNITY SERVICES DISTRICT
Post Office Box 309, Avila Beach, CA. 93424

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: June 6, 2023

SUBJECT: General Manager/District Engineer Report

Zone 3 Advisory Committee and State Water Subcontractors Advisory Committee

The Zone 3 Technical Advisory Committee last met on May 10, 2023. The May 10th meeting agenda and excerpts from the agenda packet are provided as an attachment to this staff report. As of this writing (May 31, 2023), the Lopez reservoir is at 100% of capacity with 49,407 AF in storage and a spillway discharge of 2.4 cubic feet per second. The winter storms dumped approximately 48 inches of rain in the Lopez watershed. This is 239% of the average year rainfall.

State Water Project – The State Water Subcontractors Advisory Committee met on May 5, 2023, and the next meeting is scheduled for July 7th, 2023. On April 20, 2023, the Department of Water Resources announced that they are increasing the Table “A” State Water Allocation from 75% to 100% of the contractor’s Maximum Table A amounts. This is the first time since 2006 that the State Water allocation has been 100%.

Wastewater Treatment Plant Project Status Report

The electrical switchgear components were delivered and installed by the General Contractor in April. I am happy to report that on June 13, 2023, PG&E is scheduled to install their transformer and pull the wire needed to energize the new 480 volt transformer and electrical meter. The electrical contractor is scheduled to come in on June 20th to test the new generator and switchgear to ensure that it operates in accordance with the plans and specifications and complete any other electrical “punch-list” items. Fluid Resource Management staff is scheduled to come after June 20 to complete the MBR “fit-up”, install the MBR membranes and start the MBR Commissioning process. The Commissioning process is expected to take approximately four weeks and should be completed by the end of July.

FY2022/23 Financial Audit

On May 22 and 23, the District’s Financial auditing firm, C.J. Brown & Company (formerly Fedak and Brown, LLP), conducted their initial transaction review and analysis for fiscal year 2022/23. Staff provided support to the auditors by providing financial records, billing records and banking records. The auditors will return in late August or early September to complete their auditing process and then prepare the audit documents for Board review at the November 2023 Board meeting.

ZONE 3 TECHNICAL ADVISORY COMMITTEE

Agenda

Wednesday May 10, 2023

9:00 - 11:00 am

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 261 220 685 070

Passcode: pjuWGG

Or call in (audio only)

[+1 831-296-4487,420020900#](#) United States, Salinas

Phone Conference ID: 420 020 900#

1. Announcements	All
2. General Operations and Water Report <ul style="list-style-type: none">• Summary Notes – March• Monthly Operations Report – March/April• Lopez Storage Projections – March/April	David
3. Current Reservoir Conditions	Kyle (Verbal)
4. 2023/2024 Q3 Budget Report	David/Megan
5. Project Updates	
6. State Water Discussion	David
7. Future Agenda items? <ul style="list-style-type: none">• Project Updates• HCP/Instream Studies• Zone 3 Boundary Change	All

Attachments:

- A. Meeting Minutes - March
- B. Lopez Monthly Operations Report – March/April
- C. Lopez Storage Projections Chart – April
- D. 2023/2024 Q3 Budget Report
- E. Project Updates
- F. State Water Discussion

Next Meeting Date: June 14, 2023

ZONE 3

TECHNICAL ADVISORY COMMITTEE

WEDNESDAY MARCH 8, 2023 (9:00-11:00 AM)

Via Microsoft Teams

SUMMARY NOTES

Attendees via Microsoft Teams: Brandon Shea (Pismo Beach), Brad Hagemann (ABCSD), Jim Garing, John Wallace, Shane Taylor (Arroyo Grande), Vard Ikeda (SMMWC), Will Clemens (OCSD), Greg Ray (Grover Beach), David Spiegel (PW Dept), Megan Schotborgh (PW Dept), Francesca Devlin (PW Dept)

1. Announcements

- Brad Hagemann (ABCSD) announced Geoff English is the new General Manager for Central Coast Blue, his last day at San Miguelito Mutual is March 17.

2. General Operations and Water Report

- **David Spiegel (PW) reviews the February 8, 2023 Meeting Summary Notes.**
 - John Wallace reiterates request for a glossary of terms.
- **David Spiegel (PW) reviews the Monthly Operations Report.**
- **David Spiegel (PW) reviews the Lopez Storage Projections.**
 - Brandon Shea (Pismo Beach) requests to display projections in a five-year format to view how rainfall affected the reservoir historically.
 - Shane Taylor (Arroyo Grande) inquires about the missing actual rainfall data for February. David Spiegel (PW) clarifies that the data point 2/1/2023 accounts for rainfall through January only and will ask Desiree Bravo (PW) to add data into projection chart.

3. Current Reservoir Conditions

- David Spiegel (PW) reports the following data:
 - Rainfall to date since July 1, 2022 is 28.98in
 - 145% above annual average
 - Current elevation 501.48 ft
 - Storage capacity 65.4% @ 32,301 AF
 - SWP at 1.0 MGD
 - WTP at 2.25 MGD
 - Downstream releases 1.5 MGD
- John Wallace inquires if downstream release is at the minimum. David Spiegel (PW) explains that it is regularly maintained at 3.0 CFS (or 2.0 MGD) but is being decreased to 1.0 CFS for environmental reasons.
 - Testing is being completed at the base of the dam to collect data for what a wet year looks like and how downstream release affects the water shed.
- Jim Garing asks if the Interim Downstream Release Program is being followed; David Spiegel (PW) confirms it is. Downstream release is being decreased at 0.5 CFS increments until it reaches 1.0 CFS. An environmental group will observe water flow in nine locations.

- Jim Garing suggests close watch of the area above the Rodriguez Bridge as, historically, low downstream releases risk drying out the area. David Spiegel (PW) assures that both the Rodriguez Bridge and the Gravel Pit upstream are being monitored closely.
- Shane Taylor (AG) reports that Arroyo Grande continues to release at 2.0 CFS.
- Vard Ikeda (SMMWC) asks why water is being released from the dam when rainfall is expected. David Spiegel (PW) will reforward a document with frequently asked questions to clarify the reasoning behind decisions.
 - A downstream release study is being conducted to see if less water can be released during years of high rainfall.
 - A social media post/public info release of FAQs will be published to mitigate misinformation.

4. **Flood Control Zone 3 2023/2024 Budget and Q2 Budget Report**

- **David Spiegel (PW) and Megan Schotborgh (PW) review the Proposed Budget for 2023/2024**
- Shane Taylor (AG) reports forwarding issues he had with the budget to Arroyo Grande's Finance Director Nicole Valentine.
 - Megan Schotborgh (PW) responds to issues and says that after discussing with Katie, there will not be any revisions made to the budget.
- Shane Taylor (AG) specifies the issue was with HCP and Terminal Dam Project not being accounted for.
 - Megan Schotborgh (PW) clarifies that HCP is found on Line 19 at \$206K. If it passes 100K the reserves will cover the rest.
 - No new funds were requested for the CIP Terminal Dam Project; instead, funds were carried over from the previous year.
 - On Q2 Budget Report, the remaining balance for HCP is \$293K and \$533K for the Terminal Dam Project.
- Will Clemens (OCSD) reports that, with the new contract, Oceano changed how variable costs are considered. Costs will include electricity and chemicals and are to be billed only to agencies who accept Lopez Water delivery.
 - Will Clemens (OCSD) suggests separating the two line items, calling them variable, and creating a routine subcategory. Megan Schotborgh (PW) will adjust the spreadsheet.
- Shane Taylor (AG) inquires about Arroyo Grande's percentage increase as it is beyond what the rate study projected.
 - Megan Schotborgh (PW) explains that the true-ups for the 2022/23 FY will not be completed until November, therefore the true costs for 2022/23 FY will not be known until then.
- Jim Garing notes zero funding for the hydroelectric plant, despite having funded \$800K previously. Megan Schotborgh (PW) reports that there was no request made for the project.
- Shane Taylor (AG) asks for specificity regarding the wage increase negotiated by the union. Megan Schotborgh (PW) clarifies that union wages will increase 3% this fiscal year, 3% the next year, and 2.5% the following year.

5. **Surplus Water**

- **David Spiegel (PW) reviews the Estimated Surplus Water Report for 2023/24**
 - Under the new contract, unused entitlement is delivered to agencies' storage accounts (indicated by the yellow column).
 - Surplus water is any unused downstream release and does not take account of unused entitlement; Currently, 2,100 AF of downstream release remains and will be split among agencies by percentage.
- Will Clemens (OCSD) comments that the spreadsheet should be updated to reflect the new contract. Under the new contract, agencies do not pay for surplus but pay for variable costs depending on usage. David Spiegel (PW) will review the contract.

6. **Downstream Releases**

- David Spiegel (PW) reiterates decreasing downstream release to 1.0 CFS (per Interim Schedule) ahead of the storm to observe rain levels and how long it will take for the area to dry out after the storm event.
 - Downstream release is likely to stay at 1.0 CFS for one to two weeks. The environmental group will monitor the creek.
- John Wallace inquires how downstream releases factor into the overtopping of the levee. David Spiegel (PW) explains that downstream releases have not contributed much to the levee; releases were shut off and the difference was negligible.

7. **1960's Storms**

- David Spiegel (PW) presents archival reports of the January 1969 floods sent by Public Works Director John Diodati.
- Greg Ray (Grover Beach) discusses the Cal Poly study on the Meadow Creek Water Shed— a historical accounting of the diversion of Meadow Creek and other creeks that led to the ocean.
- Jim Garing shares archival studies of the January 1973 storm to David Spiegel to be distributed among members.

8. **Future Agenda Items**

- **Project Updates**
 - **Chlorine Dioxide Tank** — Repaired and in operation. Potential CIP project within the next few years to install a dual treatment system with smaller batch tanks (100-150gal); currently not in the budget.
 - **Geotechnical Boring on the Terminal Reservoir Dam** — Permit acquired from DSOD. Survey work to assess the area has been scheduled, boring to be completed in two to three weeks.
 - **Cloud Seeding** — Seeding operations have been suspended due to storm intensity.
 - **Arroyo Grande Levee** — Repairs are underway, multiple replacements are needed due to blowouts; Subsequent CIP project to come.
- HCP/Instream Studies
- Zone 3 Boundary Change

Next Meeting Wednesday, April 12, 2023

**San Luis Obispo County Flood Control and Water District
Zone 3 - Lopez Project - Monthly Operations Report
April, 2023**

AVAILABLE WATER (APR-MAR)		PROJECT WATER DELIVERIES				THIS MONTH				APRIL TO PRESENT					
CONTRACTOR	ENTITLEMENT	STORED PW*	TOTAL AVAILABLE PW	ENTITLEMENT		STORED PW		TOTAL		ENTITLEMENT		STORED PW		TOTAL USAGE	
				USAGE	%	USAGE	%	USAGE	%	USAGE	%	USAGE	%	USAGE	%
AG	2290.0	0.0	2290.0	146.25	6%	0.0	0%	146.3	6%	1634.8	71%	0.0	0%	1634.8	71%
OCSO	303.0	0.0	303.0	31.95	11%	0.0	0%	32.0	11%	0.0	0%	0.0	0%	0.0	0%
GB	800.0	0.0	800.0	66.45	8%	0.0	0%	66.5	8%	720.6	90%	0.0	0%	720.6	90%
PB	892.0	0.0	892.0	11.33	1%	0.0	0%	11.3	1%	278.2	31%	0.0	0%	278.2	31%
CSA 12	245.0	0.0	245.0	4.72	2%	0.0	0%	4.7	2%	66.5	27%	0.0	0%	66.5	27%
SM	N/A	0.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL	4530.0	0.0	4530.0	260.70	5.8%	0.0	0.0	260.7	5.8%	2700.1	59.6%	0	0.0%	2700.1	60%

CREDIT TO ENTITLEMENT DUE TO SPILL	
CONTRACTOR	[AF]
AG	146.25
OCSO	31.95
GB	66.45
PB	11.33
CSA 12	4.72
SM	N/A
TOTAL	260.70

STATE WATER PROJECT WATER DELIVERIES		THIS MONTH				JANUARY TO PRESENT						
CONTRACTOR	ANNUAL REQUEST**	CUMULATIVE SSWPW ***	ALLOCATION		TOTAL		AIE		DIE		TOTAL	
			REQUEST	USAGE	USAGE	%	USAGE	%	USAGE	%	USAGE	%
AG	N/A	0.0	N/A	N/A	0.0	0%	0.0	0%	N/A	0%	0.0	0%
OCSO	187.5	0.0	0.0	0.0	0.0	0%	0.0	0%	0.0	0%	0.0	0%
GB	N/A	0.0	N/A	N/A	0.0	0%	0.0	0%	N/A	0%	0.0	0%
PB	1240.0	0.0	103.3	103.3	8%	103.3	8%	381.8	31%	0.0	0%	381.8
CSA 12	96.0	0.0	8.5	8.5	9%	8.5	9%	23.9	25%	0.0	0%	23.9
SM	90.0	0.0	8.0	7.98	9%	8.0	9%	22.7	25%	0.0	0%	22.7
TOTAL	1613.5	0.0	119.8	119.6	7%	119.6	7%	523.0	32%	0	0%	523.0

TOTAL MONTHLY DELIVERIES	
CONTRACTOR	[AF]
AG	146.25
OCSO	31.95
GB	66.45
PB	11.33
CSA 12	4.72
SM	N/A
TOTAL	260.70

DAMI OPERATIONS			
	THIS MONTH	YEAR TO DATE	MAX CAPACITY
LAKE ELEVATION (ft)	522.7	N/A	522.6
STORAGE [AF]	49517.0	N/A	49200.0
MONTHLY RAINFALL [in]	0.0	43.23	N/A
(Annual: July 1- June 30)			
DOWNSTREAM RELEASES [AF]	185.1	2011.0	4200.0
LAKE TO TERMINAL [AF]	348.3	977.8	N/A
SPILLAGE [AF]	7795.0	12789.9	N/A

DISTRICT STORED SWP WATER	
	[AF]
PREVIOUS MONTH	0.0
DWR METER DELIVERIES THIS MONTH	Not Received Yet
	Not Available
AG WHEELING TO OCEANO	1.49

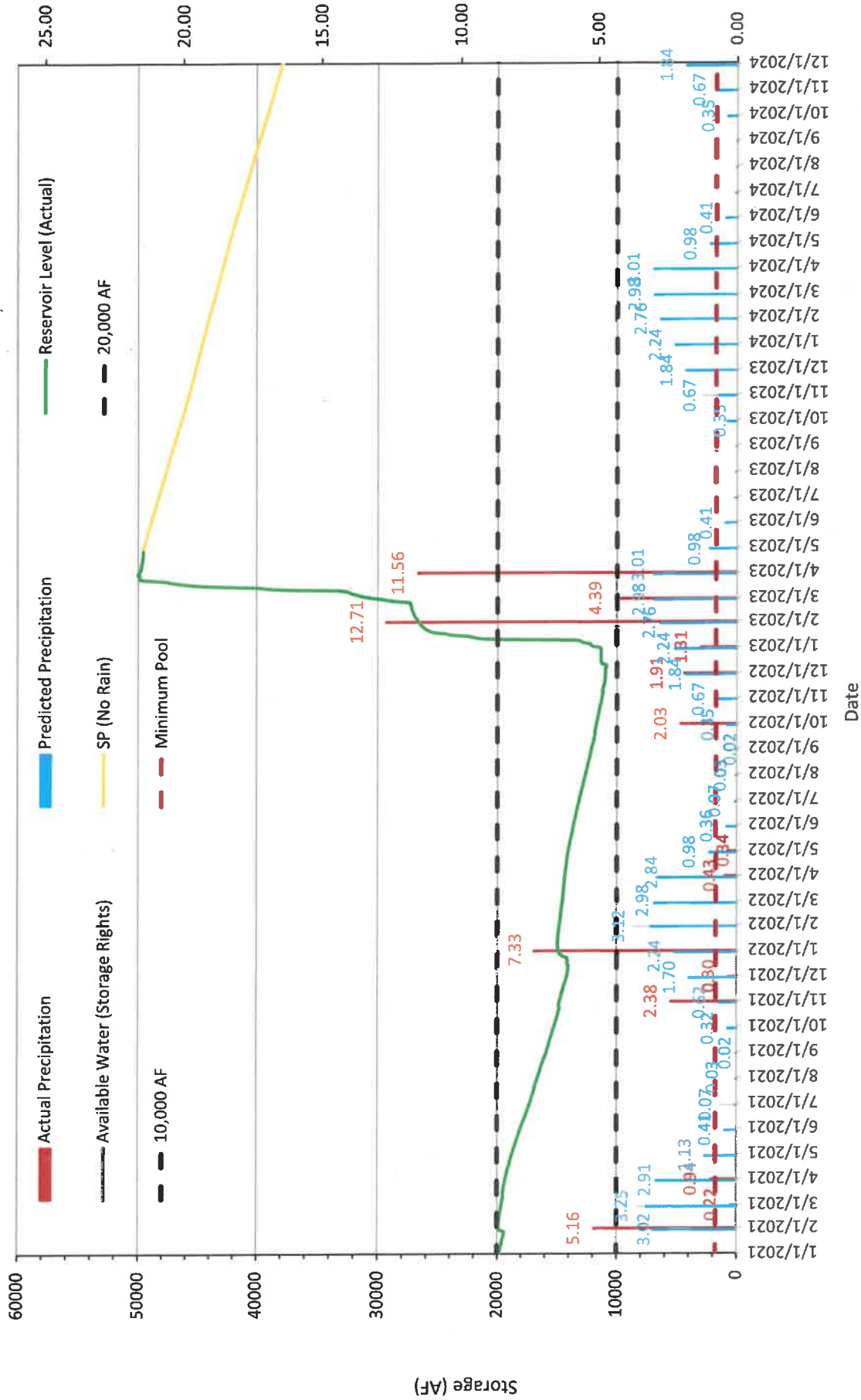
GLOSSARY	
AIE:	Agency Initiated Exchange
DIE:	District Initiated Exchange
N/A:	Not Applicable
PW:	Project Water aka Lopez Water
Surplus Water:	Carry Over Water (LRRP)
SWP:	State Water Project
SSWPW:	Stored SWP Water

Notes:

- * Stored PW includes Surplus water declared
- ** Actual Amount available is dependent on the State's (DWR) delivery %
- *** Stored SWP water resulting from AIE

1) On 1/19/23 AC endorsed the end of LRRP and return to 100% Lopez Entitlements retroactive to April 1st, 2022.
 2) New Contract Changes effective as of October 1, 2022
 3) On 12/31/22 there was an estimated 655.5 AF of District SSWPW remaining including approximately 46 AF of water lost to evaporation in 2022.
 4) In March 2023, 5489 AF of water spilled resulting in losing all of the District SSWPW, Agency SSWPW, and Stored PW.
 5) 44.53 AF of March Project Water Deliveries will be credited to entitlement at the end of the year due to March spill event.
 6) 260.70 AF of April Project Water Deliveries will be credited to entitlement at the end of the year due to April spill event.

LOPEZ RESERVOIR STORAGE PROJECTION



Notes:
 Reservoir Storage = Current Storage + Inflow - Outflow
 Outflow = Agency Usage + Downstream Releases
 Agency Usage: is based on 2010-2021 average monthly deliveries
 Predicted Inflow: is dependent on the predicted rainfall obtained from longrangeweather.com
 Inflow is affected by antecedent soil conditions and factored into the model. Rainstorms will produce less inflow during the rainy season than during the dry months than during the rainy season when the soil is saturated.
 The Storage Projection Model is based on a polynomial regression (concave in shape). The (concave) Storage Projection Graph will fall below the (linear) Storage Projection with No Rain Graph during months of low predicted rainfall.



May 18, 2023

MEMORANDUM

TO: Flood Control Zone 3 Advisory Committee
FROM: Megan Schotborgh, Accountant
SUBJECT: Flood Control Zone 3, Third Quarter Budget Status, Fiscal Year 2022-23

Recommendation

The item to be received and filed.

Summary

Attached please find a comparison of the budget to actual expenses for the third quarter of fiscal year 2022-23. The \$8.2M budget is broken into three categories: Routine Operations & Maintenance, Non-Routine Operations & Maintenance, and Capital Outlay. At the end of the third quarter, 42% of the total annual budget has been expended.

Total Budget	Expenses through Q3	Balance Available	% of Budget Expended
8,246,013	3,474,814	4,771,199	42%

Routine O&M: This category has a budget of \$4.6M dollars. At the end of the third quarter, 66% of the annual budget has been expended, resulting in approximately \$1.59M available for the remainder of the year. Expenses in this category are slightly under budgeted levels.

Total Budget	Expenses through Q3	Balance Available	% of Budget Expended
4,623,290	3,031,038	1,592,252	66%

Non-Routine O&M: This category has a budget of approximately \$1.8M. At the end of the third quarter, 20% of the annual budget has been expended, resulting in an available balance of roughly \$1.45M for the remainder of the year. Most of the other items in this category have had budget carried forward from the prior year in order to continue work on them.

Total Budget	Expenses through Q3	Balance Available	% of Budget Expended
1,812,008	357,065	1,454,943	20%

Capital Outlay: This category has a budget of almost \$1.8M with the increase of \$520,000 for a mid year budget adjustment request for a Chemical Tank Replacement. At the end of the third quarter, expenses were 5% of the annual budget, resulting in approximately \$1.72M available for the remainder of the year. Unspent budget from the prior year has been carried forward for several projects and accounts for the majority of this category's budget.

Total Budget	Expenses through Q3	Balance Available	% of Budget Expended
1,810,715	86,711	1,724,004	5%

Other Agency Involvement/Impact

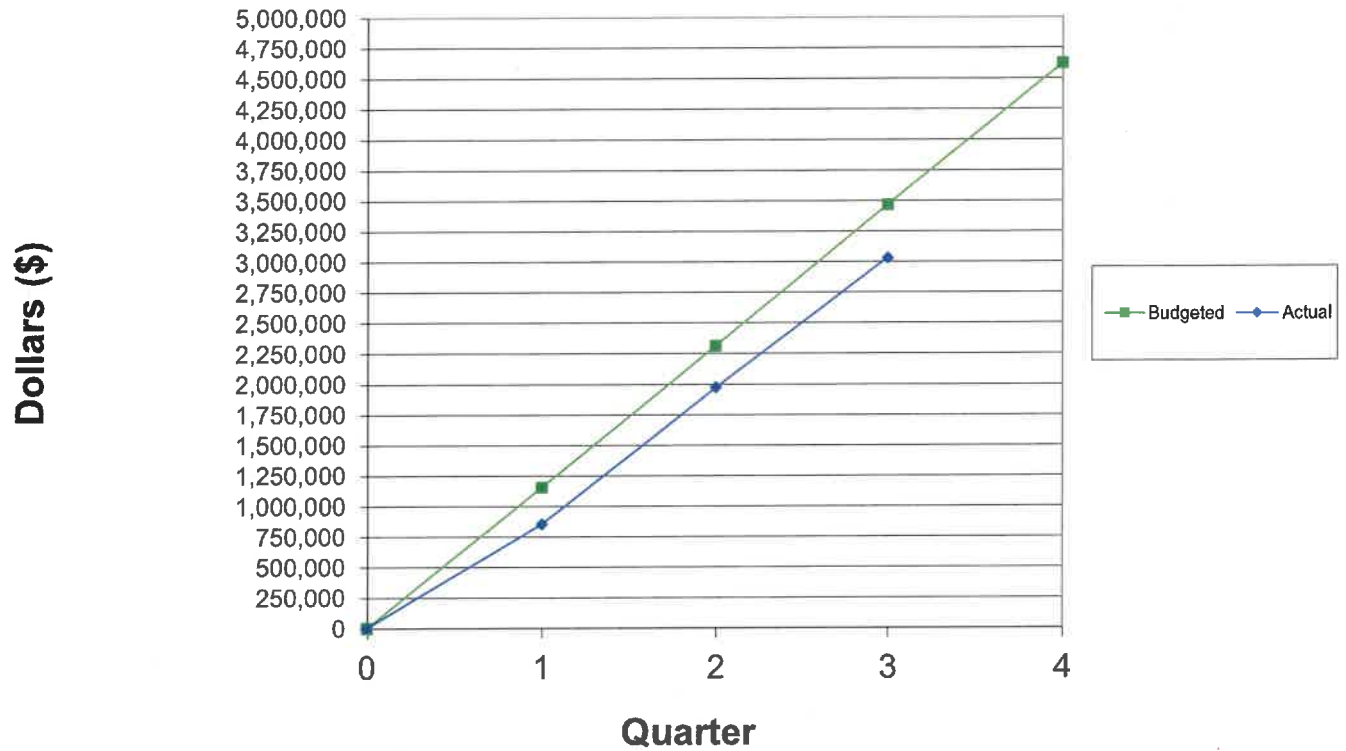
The agencies involved: City of Arroyo Grande, City of Grover Beach, City of Pismo Beach, Oceano Community Services District, and County Service Area 12. Subcontractors of CSA 12 include Port San Luis Harbor District and Avila Beach Community Services District.

Financial Consideration

All agencies have been billed for their 1st installment payments for the fiscal year 2023-24.

Zone 3 Budget Status
3rd Quarter FY22/23

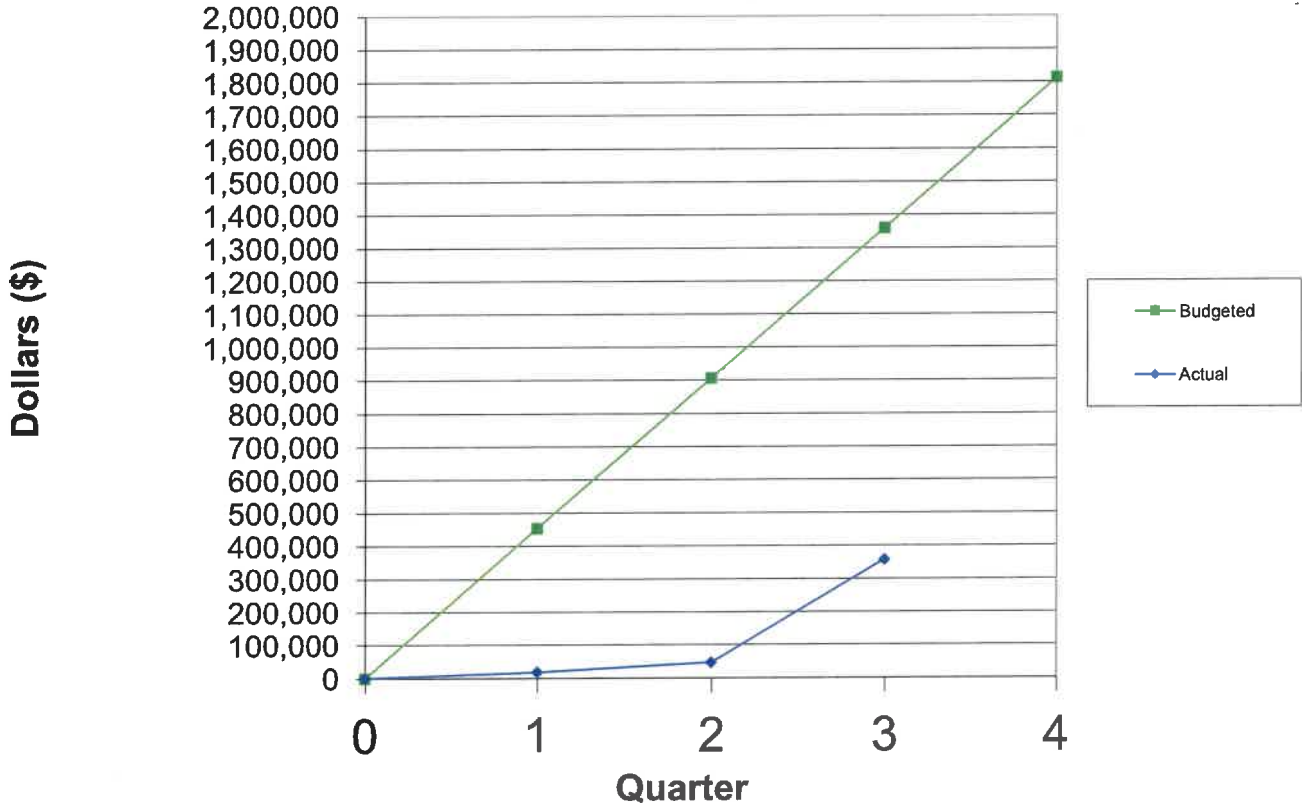
Routine Operation and Maintenance



O&M Routine Category	Total Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	Total Exp as % of Budget	Total Balance Avail
Labor Hours	22,728	4,694	5,952	4,695	-	15,340	67%	
Chemicals - Water Treatment Plant	\$ 324,900	\$ 88,821	\$ 98,434	\$ 91,339	\$ -	\$ 278,594	86%	\$ 46,306
Water Quality Testing - Treatment Plant	-	10,707	14,933	10,848	-	36,488	0%	(36,488)
Electricity - Water Treatment Plant	271,219	86,231	71,148	71,438	-	228,817	84%	42,402
All Other Costs - Water Treatment Plant	2,110,524	410,854	526,607	474,911	-	1,412,372	67%	698,151
Terminal	290,954	24,780	36,882	47,410	-	109,072	37%	181,882
Main Dam	415,260	58,300	57,688	111,822	-	227,810	55%	187,450
Other	1,210,434	175,153	312,873	249,859	-	737,885	61%	472,549
Expenses		854,846	1,118,565	1,057,627	-	3,031,038	66%	1,592,252
Budget	4,623,290	1,155,823	1,155,823	1,155,823	1,155,823	4,623,294		
Variance (over)/under		300,977	37,258	98,196	1,155,823	1,592,252		
% Variance		26%	3%	8%	100%			

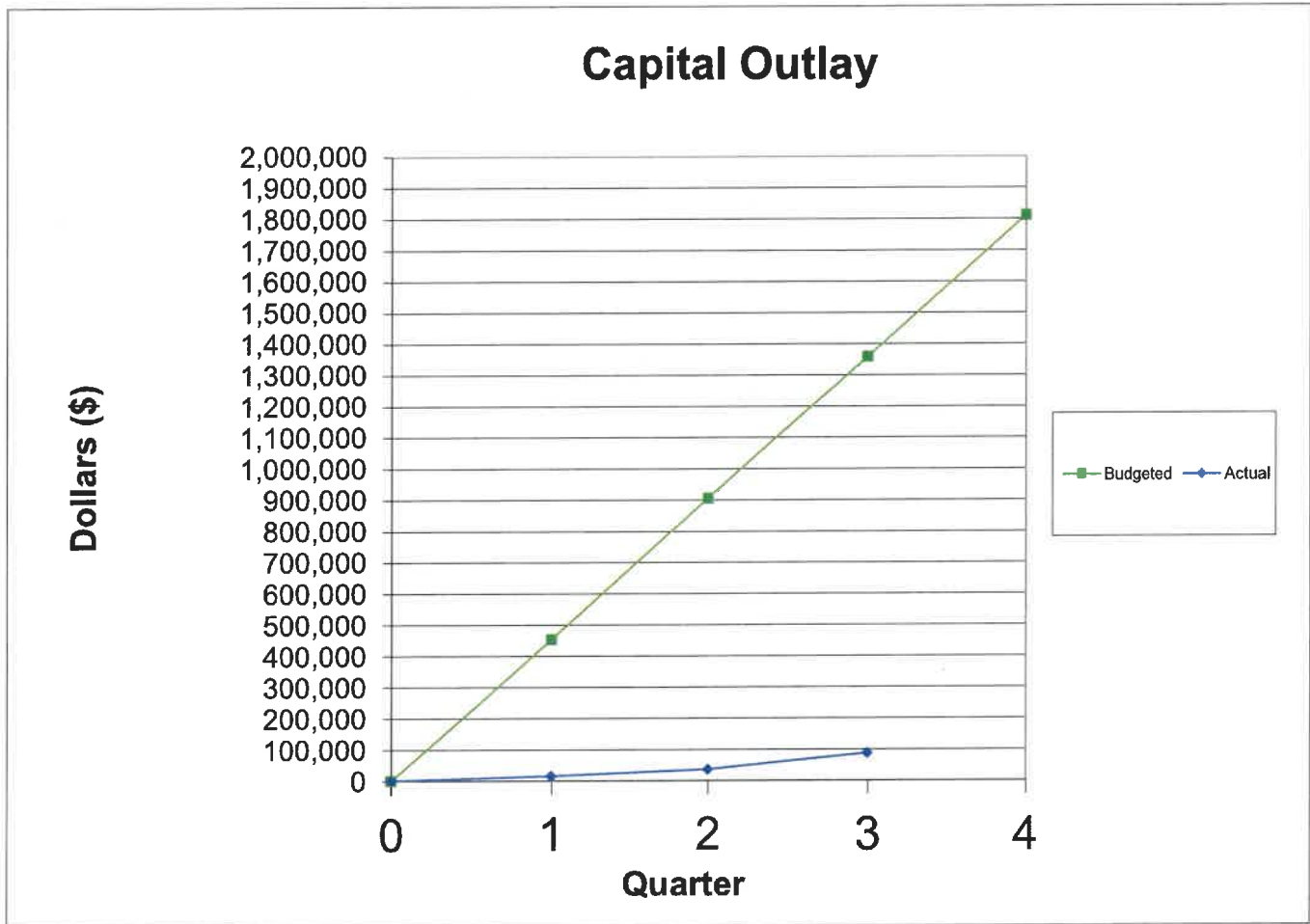
Zone 3 Budget Status
3rd Quarter FY22/23

Non-Routine Operation and Maintenance



O&M Non Routine Category	Total Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	Total Exp as % of Budget	Total Balance Avail
Lopez Water Rights /HCP	\$ 324,159	\$ 13,687	\$ 17,117	\$ 5,704	\$ -	\$ 36,508	11%	\$ 287,651
Cathodic Protection Maint	-	\$ -	\$ -	\$ -	\$ -	-	0%	-
Geotech Test/Seismic Alt Study Terminal Dam	540,941	3,739	3,316	11,042	-	18,097	3%	522,844
Safety Upgrades to WTP	-	-	-	-	-	-	0%	-
Replace Obsolete Hach Turbidimeters	-	-	-	-	-	-	0%	-
Water Treatment Alternatives Study	-	-	-	-	-	-	0%	-
Risk Assessment Fault Zone Left Abutment	-	-	-	-	-	-	0%	-
Cloud Seeding Program	493,574	559	618	291,902	-	293,079	59%	200,495
Domestic Tank Repair	-	-	-	-	-	-	0%	-
Spillway Physical Investigation	413,334	-	7,237	2,144	-	9,381	2%	403,953
Contr to FC General AG Creek Subbasin	-	-	-	-	-	-	0%	-
552TEMP03 Replace Stem Wall Sludge Bed 2	40,000	-	-	-	-	-	-	40,000
Expenses		17,985	28,288	310,792	-	357,065	20%	1,454,943
Budget	1,812,008	453,002	453,002	453,002	453,002	1,812,008		
Variance (over)/under		435,017	424,714	142,210	453,002	1,454,943		
% Variance		96%	94%	31%	100%			

Zone 3 Budget Status
3rd Quarter FY22/23



Capital Outlay Projects	Total Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	Total Exp as % of Budget	Total Balance Avail
Improved Boat Access at Term Res	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Equip Storage Garage Design	-	872	(906)	-	-	(34)	0%	34
Fireflow Tank Repair	295,674	-	-	-	-	-	0%	295,674
Cathodic Protection Units 1-3	495,456	3,341	10,321	1,255	-	14,917	3%	480,539
Dump Trailer	-	-	-	-	-	-	0%	-
ATV, Polaris	-	-	-	-	-	-	0%	-
New Water Treatment Barge	-	-	-	-	-	-	0%	-
Upgrade EQ Pump	17,623	-	-	-	-	-	0%	17,623
Carbon Dioxide Injection System	133,933	-	-	23,274	-	23,274	17%	110,659
WTP Membrane Filter Modules (2 Racks)	348,029	10,627	11,316	26,611	-	48,554	14%	299,475
Chemical Tank Replacement (Mid-Yr BAR)	520,000	-	-	-	-	-		520,000
Expenses		14,840	20,731	51,140	-	86,711	5%	1,724,004
Budget	1,810,715	452,679	452,679	452,679	452,679	1,810,715		
Variance (over)/under		437,839	431,948	401,539	452,679	1,724,004		
% Variance		97%	95%	89%	100%			



ZONE 3 Lopez Project

San Luis Obispo County Flood Control and Water Conservation District

TO: Zone 3 Technical Advisory Committee

FROM: David Spiegel, PE

DATE: May 10, 2023

SUBJECT: Zone 3 Projects Update

Project Updates:

- Spillway Assessment and Investigation (No Change)
 - DSOD is in review of work plan
 - Remainder of project ~ minimum of \$300,000

- Geotechnical Testing & Seismic Alternatives Study of Terminal Reservoir Dam
 - Updated Schedule of activities:

Milestones/Deliverables Event	Milestone Date	Status
Approval of Work Order 2 Proposal	February 24, 2023	Completed
Task A) Geotechnical Exploration Work Plan	Completed	Completed
Task B) Geotechnical Exploration Program	March – May 2023	Targeted completion 5/2/2023
Draft Geotechnical Data Report to County	6 Weeks after Completion of Field and Laboratory Programs	Targeting 7/28/23
Final Geotechnical Data Report to DSOD	2 Weeks after County Review	TBD
Final Geotechnical Data Report	2 Weeks after DSOD Review	TBD
Task C) Seismic Stability Evaluation	May – August 2023	Commenced
Draft DSHA Technical Memorandum to County	June 30, 2023	On Track
Final DSHA Technical Memorandum to DSOD	1 Week after County Review	TBD
Draft Seismic Stability Evaluation Report to County	8 Weeks after concurrence from DSOD on DSHA TM	TBD
Final Seismic Stability Evaluation Report to DSOD	2 Weeks after County Review	TBD

- Budget ~\$500,000

- Cathodic Protection Repair Project
 - BOS approved Farwest's Bid
 - Awaiting contract signatures
 - Project Kick off TBD
 - Budget ~\$449,933



ZONE 3 Lopez Project

San Luis Obispo County Flood Control and Water Conservation District

- CO2 Injection System
 - Construction started May 1, 2023
 - Budget ~\$256,000
- Chemical Tank Replacement
 - Negotiating terms of JOC contract
 - Budget ~\$400,000
- Sludge Bed Curtain Wall Rehabilitation (No Change)
 - ~\$50,000 per initial quote

Completed Projects


- Lopez Water Treatment Plant Rack 1 Membrane Replacement
- Tesla Battery Storage
- Lopez WTP Safety Upgrades (Cancelling)
- Equipment Storage Building (Cancelling)
- Chlorine Dioxide Bulk Storage Tank

**AVILA BEACH
COMMUNITY SERVICES DISTRICT**

Post Office Box 309, Avila Beach, CA. 93424

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: June 6, 2023

SUBJECT: Consider Purchase of Additional State Water Drought Buffer

Recommendation: Receive report and provide direction to staff

Background/Discussion: In March 2016, the Board of Directors received a report from staff and the Drought Committee that included a recommendation for the District to purchase 100 AF of State Water “Drought Buffer”. Based on the Board’s direction, staff submitted a request to San Luis Obispo County for 100 AF of Drought Buffer. In June, 2016, the County approved the District’s request and approved an Agreement to provide 100 AF of Drought Buffer water. The District’s request and the Agreement between the District and the County are provided as attachments to this staff report.

San Luis Obispo County initially purchased a total State Water Allocation of 25,000 AF. The Subcontractors have contracted with the County for 4,830 AF of “Table A” State Water and also purchased approximately 5,000 AF of Drought Buffer. This means that the County has approximately 15,000 AF of Excess Allocation (refer to the attached chart). County staff estimates that 15,000 AF of Excess Allocation costs the County taxpayers approximately \$2.5 million per year.

The County Board of Supervisors, County staff and the Subcontractors are seeking options to best utilize the State Water Excess Allocation. One of the options is for the existing State Water Subcontractors to purchase additional Drought Buffer allocation. Purchasing more Drought Buffer entitlement (at approximately \$200 per AF) will provide the subcontractors with more reliability in obtaining their full Table A Allocation and it may also provide a way for the subcontractors to bank all or a part of their Table A allocation in wet years, and pull from the bank in dry years. Several contractors have already indicated that they intend to purchase additional Drought Buffer.

Staff recommends that the Board strongly consider purchasing an additional 100 AF of Drought Buffer, for a total of 200 AF of Drought Buffer. As noted above the cost for Drought Buffer is approximately \$200 per AF. An additional 100 AF will cost the District approximately \$20,000 per year, but it will increase the District’s reliability in receiving their full Table A Allocation and it may allow the District to bank water in wet years and pull from the bank during dry years. The State Water Project Table A allocation history from 2003 to 2023 is provided as an attachment to this staff report.



AVILA BEACH COMMUNITY SERVICES DISTRICT

Post Office Box 309, Avila Beach, CA 93424
Office and Meeting Room - 191 San Miguel Street, Avila Beach
Telephone (805) 595-2664 FAX (805) 595-7623
E-Mail Avilacsd@gmail.com

March 17, 2016

Mr. Mark Hutchinson
Deputy Director
San Luis Obispo County Public Works & Flood Control District
976 Osos Street, Room 206
San Luis Obispo, CA 93408

Subject: Drought Buffer for Avila Beach Community Services District (CSD)

Dear Mr. Hutchinson,

At their March 8, 2016, Board meeting, the Avila Beach CSD Board directed staff to initiate the process with the Flood Control District to create an agreement for a 100 acre-ft. per year drought buffer for the CSD. The purpose of this letter is to formally request the Flood Control District initiate the process and advise Avila Beach CSD staff of the estimated costs associated with establishing the Drought Buffer Agreement (if any) and the estimated on-going costs once the Agreement is approved and executed by the Board of Supervisors.

Thank you for your assistance in this matter.

Sincerely,

Brad Hagemann, PE
General Manager

Jogren

**DROUGHT BUFFER WATER AGREEMENT BETWEEN
SAN LUIS OBISPO COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT AND
AVILA BEACH COMMUNITY SERVICES DISTRICT**

This agreement is made this 14th day of June, 2016 by and between the San Luis Obispo County Flood Control and Water Conservation District, hereinafter referred to as "District," and the Avila Beach Community Services District, hereinafter referred to as "Contractor."

WITNESSETH:

WHEREAS, the District and the State of California, on February 26, 1963, entered into an agreement entitled "Water Supply Contract Between the State of California Department of Water Resources and San Luis Obispo County Flood Control and Water Conservation District," which agreement has been amended from time to time, whereby the State of California will furnish a water supply to the District; and

WHEREAS, the District and the Contractor on May 15, 1992, entered into an agreement entitled "Water Supply Agreement between San Luis Obispo County Flood Control and Water Conservation District and Avila Beach Community Services District," whereby the District will furnish a water supply to the Contractor; and

WHEREAS, there may occur from time to time a shortage or shortages in the quantity of project water available to the District and thus to the Contractor; and

WHEREAS, Contractor has requested an increased allocation of project water to enhance deliveries in such times of shortages.

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED BY DISTRICT AND CONTRACTOR AS FOLLOWS:

Article 1. Definitions.

All terms shall have the same definitions as defined in the said Water Supply Agreement. The following terms shall be as defined.

(a) "District's Total Drought Buffer Water" shall mean the total amount of: (i) District's Project Water which District allocates to the Contractor by this agreement, plus (ii) the amounts of District's Project Water which District allocates to all Other Drought Buffer Water Contractors.

(b) "Contractor's Drought Buffer Water" shall mean the District's Project Water made available to Contractor by this agreement.

(c) "Other Drought Buffer Water Contractor" shall mean any other public water distribution agency, having the power to do so, which enters into an agreement with the District

and which other agreement is substantially similar to this agreement except as to water amounts.

(d) "Master Contract" shall mean that agreement entitled "Water Supply Contract Between the State of California Department of Water Resources and the San Luis Obispo County Flood Control and Water Conservation District," dated February 26, 1963, and all amendments thereto.

(e) "Water Supply Agreement" shall mean that "Water Supply Agreement between San Luis Obispo County Flood Control and Water Conservation District and Avila Beach Community Services District" dated May 15, 1992 and all amendments thereto.

(f) "Water Treatment Agreement" shall mean that "Water Treatment and Local Facilities Agreement" dated May 15, 1992 and all amendments thereto.

(g) "Contractor's Water Service Amount" shall mean that water made available to Contractor per Article 6 of the Water Supply Agreement.

(h) "Other Water Supply Subcontractor" shall mean any other public water distribution agency, having the power to do so, who enters into an agreement with the District which agreement is substantially similar to the Water Supply Agreement.

Article 2. Term.

This agreement shall become effective on the date first above written and shall remain in effect throughout the term provided by Article 2 of the Water Supply Agreement; provided, that whenever the Water Supply Agreement is terminated or suspended in the manner and for a cause specified in the Water Supply Agreement, this agreement shall also be terminated or suspended.

Article 3. Option for Continued Service.

By written notice delivered to District at least nine (9) months prior to the expiration of the term of this agreement, Contractor may elect to receive continued service after expiration of said term and under the conditions set forth in Article 3 of the Water Supply Agreement.

Article 4. Relationship to Master Contract.

Contractor acknowledges and agrees that this agreement is subject to the obligations and limitations imposed on District by the Master Contract and all existing and future amendments to the Master Contract and is intended to be in conformance and harmony with it. The Contractor hereby expressly agrees to the provisions of the Master Contract and all existing and future amendments thereto and further expressly agrees that nothing in this agreement shall be deemed to require the District to perform an obligation in conflict with the Master Contract. Contractor further agrees that District's rights to enter into amendments to the Master Contract is not, and shall not be restricted or impaired, in any way, by this agreement.

Article 5. Relationship to Water Supply Agreement.

Contractor acknowledges and agrees that this agreement is subject to the obligations and limitations imposed on District by the Water Supply Agreement and all existing and future amendments to the Water Supply Agreement and is intended to be in conformance and harmony with it. The Contractor hereby expressly agrees to the provisions of the Water Supply Agreement and all existing and future amendments thereto and further expressly agrees that nothing in this agreement shall be deemed to require the District to perform an obligation in conflict with the Water Supply Agreement. Contractor further agrees that District's rights to enter into amendments to the Water Supply Agreement is not, and shall not be restricted or impaired, in any way, by this agreement.

Article 6. Relationship to Water Treatment Agreement.

Contractor acknowledges and agrees that this agreement is subject to the obligations and limitations imposed on District by the Water Treatment Agreement and all existing and future amendments to the Water Treatment Agreement and is intended to be in conformance and harmony with it. The Contractor hereby expressly agrees to the provisions of the Water Treatment Agreement and all existing and future amendments thereto and further expressly agrees that nothing in this agreement shall be deemed to require the District to perform an obligation in conflict with the Water Treatment Agreement. Contractor further agrees that District's rights to enter into amendments to the Water Treatment Agreement is not, and shall not be restricted or impaired, in any way, by this agreement.

All water delivered to Contractor by the terms of this agreement will be subject to the terms and conditions of the Water Treatment Agreement including responsibility to pay for treatment of any Drought Buffer Water that is delivered to Contractor.

Article 7. Service Agreement.

Parties agree that this is an agreement for service, and only contractual rights are created by this agreement, and that it does not create an entitlement to, nor does it convey to the Contractor any property right or interest in District's Project Water.

Article 8. Drought Buffer Water Amount.

Commencing with the first January 1 after the effective date of this agreement, the District will make available to Contractor 100 acre feet per year subject to the limitations in Article 10. below of District's Project Water which amount is referred to in this agreement as the Contractor's Drought Buffer Water Amount.

Article 9. Reduction of Deliveries.

If there are temporary or permanent water shortages, as defined in Article 10 of the Water Supply Agreement, any deliveries to the Contractor under this agreement will be reduced. The Contractor's Drought Buffer Water Amount will be reduced by the same percentage that the supply of Contractor's Water Service Amount is reduced.

Article 10. Limitations on Delivery of Drought Buffer Water.

Contractor's Drought Buffer Water shall be delivered to Contractor under this agreement only in those years that there are water shortages as defined in Article 10 of the Water Supply Agreement. The availability of Contractor's Drought Buffer Water shall not increase any of the delivery limitations defined in Article 8 of the Water Supply Agreement.

Article 11. Payment for Water Service.

(a) The Contractor shall pay to District each year the appropriate/proportionate share of each of the following cost components. The aggregate of these costs will be the Contractor's Annual Drought Buffer Obligation.

(1) Delta Water Charge Reimbursement will be computed by multiplying the Delta Water rate for that year times the Contractor's Drought Buffer Water Amount.

(2) Transportation Charges will be the sum of the following components:

(i) Capital Cost Component reimbursement will be computed by multiplying the District's annual cost per acre foot for the District's Total Drought Buffer Water times the Contractor's Drought Buffer Water Amount.

(ii) Transportation Minimum Operation Maintenance, Power & Replacement Component (Minimum OMP & R) reimbursement will be computed by multiplying the District's annual cost per acre foot for the District's Total Drought Buffer Water for Minimum OMP & R times the Contractor's Drought Buffer Water Amount.

(iii) Variable Operation Maintenance Power & Replacement Charge (Variable OMP & R) will be computed by multiplying the District's annual Variable OMP & R cost per acre foot of delivered water times the amount of Contractor's Drought Buffer Water delivered to the Contractor.

(iv) Off-Aqueduct Power Facilities Reimbursement will be computed by multiplying the District's annual Off Aqueduct Power Facilities cost per acre foot of delivered water times the amount of Contractor's Drought Buffer Water delivered to the Contractor.

(3) Revenue Bond Surcharge reimbursement will be computed by multiplying the District's annual cost per acre foot for the District's Total Drought Buffer Water times the Contractor's Drought Buffer Water Amount.

(4) Other Charges such as may be charged per the Master Contract, Water Supply Agreement, and Water Treatment Agreement from time to time.

(b) Time of Payment.

Commencing with the first January 1 after the effective date and each January 1 thereafter or within 10 days after Contractor's receipt of an annual statement from the District

setting forth the Contractor's Annual Drought Buffer Obligation, whichever is later, the Contractor shall pay to the District sixty percent (60%) of its Annual Drought Buffer Obligation. The Contractor shall pay the remainder of such Annual Drought Buffer Obligation on or before July 1 of that year.

(c) Adjustments in Contractor's Annual Drought Buffer Obligation.

At the end of each year, the Contractor's Annual Drought Buffer Obligation shall be recalculated by substituting the actual charges made by the State Department of Water Resources to the District for the Variable Operation, Maintenance, Power, and Replacement components of said Delta Water Charge and Transportation Charge, the Off-Aqueduct Power Facilities, the Revenue Bond Surcharge and Other Charges for the District's estimates of these charges and the actual quantities of water delivered for any scheduled quantities used in calculating the Contractor's Annual Drought Buffer Obligation pursuant to the provisions of subdivision (a) of this Article. Any adjustment in the Contractor's payments required to reflect this recalculation shall be made in the Contractor's first payment to District due after said recalculation. Interest rates used in the computation of these adjustments shall be the same as those used by the State Department of Water Resources in the adjustments made for the District's obligation for that year for District's Project Water.

(e) Reduced Deliveries.

Upon reasonable notice to the District that the Contractor will not take all of Contractor's Drought Buffer Water Amount for any year, the District shall adjust the payment required by the Contractor for such water as provided in Article 11(c), above. To the extent that deliveries so reduced are delivered to Other Water Supply Subcontractors or other State Water Contractors, in accordance with the Master Contract, the District may reduce the Contractor's Annual Drought Buffer Obligation by the same amount that any component costs that are paid by the other Water Supply Subcontractor and/or State Water Contractor's who received the water.

Article 12. Default: Suspension of Service.

In the event of any default by the Contractor in the payment of any money required to be paid to the District hereunder, the District in its discretion may suspend delivery of Contractor's Drought Buffer Water during the period when the Contractor is delinquent in its payment for or obligations due to the District under the terms of this agreement; provided, that during any such period of delinquency or suspension the Contractor shall remain obligated to make all payments required under this agreement. Action taken pursuant to this Article shall not deprive the District of or limit any remedy provided by this agreement or by law for the recovery of money due or which may become due under this agreement.

Article 13. Interest on Overdue Payments.

Upon each charge to be paid by the Contractor to the District pursuant to this agreement which remains unpaid after the same shall have become due and payable, interest shall accrue at an annual rate equal to that earned by the District on its funds invested through the County of San Luis Obispo by the County Treasurer calculated monthly on the amount of such delinquent payment from and after the due date when the same becomes due until paid, and

the Contractor hereby agrees to pay such interest; provided, that no interest shall be charged to or be paid by the Contractor unless such delinquency continues for more than (30) days. In addition, Contractor shall reimburse District for all of District's costs, expenses, and personnel costs and other overhead incurred in the collection of any past due payments owed by Contractor to District.

Article 14. Obligation of Contractor to Make Payment.

(a) Character of Obligation.

The obligation of the Contractor arising out of or pursuant or incidental to this agreement including, without limiting the generality of the foregoing, the obligations of the Contractor to pay to the District the sums becoming due the District for water furnished hereunder, shall constitute a general obligation of the Contractor and the Contractor shall use all the powers and resources available to it under the law to collect the funds necessary for and to pay its obligations to the District under this contract including levying and collecting all necessary taxes, assessments and charges. The Contractor as a whole is obligated to pay to the District the payments becoming due under this agreement, notwithstanding any individual default by its water users, constituents or others in the payment to the Contractor of assessments, tolls, or other charges levied by the Contractor.

(b) Refusal of Water Does Not Affect Obligation.

The Contractor's failure or refusal to accept delivery of Contractor's Drought Buffer Water under this agreement shall in no way relieve the Contractor of its obligation to make payments to the District except to the extent provided under Article 11(e) hereof.

Article 15. Area Served by Contractor.

Contractor's Drought Buffer Water delivered to the Contractor pursuant to this agreement shall not be sold or otherwise disposed of by the Contractor for use outside the District.

Article 16. Remedies not Exclusive.

The use by either party of any remedy specified herein for the enforcement of this agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.

Article 17. Amendments.

This agreement may be amended at any time by mutual agreement of the parties, except insofar as any proposed amendments are in any way contrary to applicable law or inconsistent with the provisions of the Master Contract, the Water Supply Agreement, or the Water Treatment Agreement. The District shall make available to the Contractor at all times during the normal hours of business at the District offices for the Contractor's inspection copies of all agreements now or hereafter executed by the District with all other Contractors or the State of California and of any amendments thereof.

Article 18. Opinions and Determinations.

Where the terms of this agreement provide for action to be based upon opinion, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review or determination to be arbitrary, capricious, or unreasonable.

Article 19. Waiver of Rights.

Any waiver at any time by either party hereto of its rights with respect to a default or any other matter arising in connection with this agreement, shall not be deemed to be a waiver with respect to any other default or matter.

Article 20. Notices.

All notices that are required either expressly or by implication to be given by either party to the other under this agreement shall be signed for the District and for the Contractor by such officers as they may, from time to time, authorize in writing to so act. All such notices shall be deemed to have been given and delivered if delivered personally or if enclosed in a properly addressed envelope and deposited in a United States Post Office for delivery by registered or certified mail. Unless and until formally notified otherwise, all notices shall be addressed to the parties at their addresses as shown on the signature page of this agreement.

Article 21. Assignment.

The provisions of this agreement shall apply to and bind the successors and assigns of the respective parties, but no assignment or transfer of this agreement, or any part hereof or interest herein, shall be valid until and unless approved by the District.

Article 22. Contractor to Keep Books, Records and Other Data.

The Contractor shall establish and maintain accounts and other books and records sufficient to enable the District to furnish to the State of California reports and statements, to such extent and in such manner and form as may be prescribed by the District and the State of California pursuant to the terms of this agreement, the Master Contract and the Water Supply Agreement. Reports required to be furnished by the Contractor to the District pursuant to the terms of said agreements shall be furnished to the District within the period of time specified therefor.

Article 23. District to Keep Books, Records and Other Data.

The District shall establish and maintain accounts and other books and records sufficient to enable Contractor to determine the use and disposition of all monies paid by Contractor to District pursuant to this agreement.

Article 24. Inspection of Books and Records.

The officers or agents of the Contractor shall have full and free access at all reasonable times to the account books and official records of the District insofar as the same pertain to the

matters and things provided for in this agreement, with the right at any time during office hours to make copies thereof, and the representatives of the District and the State of California shall have the same rights in respect to the account books and records of the Contractor.

Article 25. Good Faith.

Contractor and District shall each act in good faith in performing their respective obligations as set forth in this agreement.

Article 26. Water Rights.

No provision of this agreement shall be considered to be in derogation of any existing water right(s) or claim(s) to water right(s) by or any agreements concerning water rights of any party hereto, including but not limited to overlying, prescriptive, appropriative, riparian, or pueblo rights, nor shall it be construed to result in any relinquishment or adjustment of any such water rights or claims thereto; and, in particular, no provision of this agreement shall be considered to diminish, reduce or affect, in any way, any party's rights pursuant to California Water Code Section 1005.1 and/or Section 1005.2.

Article 27. Joint Powers Agreement and/or Authority.

No provision of this agreement is intended to prohibit the District and Contractor, in conjunction with other contractors, from entering into a joint powers agreement, or from forming a joint powers authority, concerning any subject matter contained in this agreement provided, however, that it is understood that this paragraph shall not be construed as requiring District or Contractor, or any other contractor, to enter into any such joint powers agreement or form such joint powers authority.

Article 28. Agreements to be Uniform.

Agreements executed by the District with other agencies shall be substantially similar to this agreement with respect to basic terms and conditions, and shall differ primarily with respect to quantities and payment amounts.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the dates shown below.

SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

By: LYNN COMPTON
Chairperson of the Board of Supervisors

Date: June 7, 2016

AVILA BEACH COMMUNITY SERVICES DISTRICT

By: _____

Date: _____

ATTEST:

By: TOMMY GONG
County Clerk and Ex-Officio Clerk
Board of Supervisors
County of San Luis Obispo
State of California

Date: June 7, 2016

By: SANDY CURRENS
Deputy Clerk

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL
County Counsel

By: 
Deputy County Counsel

Date: June 10, 2016

MAILING ADDRESSES:

SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

AVILA BEACH COMMUNITY SERVICES DISTRICT

SLO CO FC&WCD
County Government Center, Room 206
San Luis Obispo CA 93408

Avila Beach Community Services District
Post Office Box 309
Avila Beach, CA 93424

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the dates shown below.

SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

By: _____ Date: _____
Chairperson of the Board of Supervisors

AVILA BEACH COMMUNITY SERVICES DISTRICT

By: Peter P. Kelly Date: 5/24/14

ATTEST:

By: _____ Date: _____
County Clerk and Ex-Officio Clerk
Board of Supervisors
County of San Luis Obispo
State of California

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL
County Counsel

By: [Signature] Date: April 10, 2014
Deputy County Counsel

MAILING ADDRESSES:

SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

SLO CO FC&WCD
County Government Center, Room 206
San Luis Obispo CA 93408

AVILA BEACH COMMUNITY SERVICES DISTRICT

Avila Beach Community Services District
Post Office Box 309
Avila Beach, CA 93424

State Water Sub-Contractors Water Supply Amounts

Sub-Contractors Existing WSA and Drought Buffer				
Contractor	Water Supply Amount (WSA)	Drought Buffer	Total	
City of Morro Bay	1,313	2,290	3,603	
Ca Mens Colony	400	400	800	
Co Operations Center	425	425	850	
Cuesta College	200	200	400	
City of Pismo Beach	1,240	1,240	2,480	
Oceano CSD	750	0	750	
San Miguelito MWC	275	275	550	
Avila Beach CSD	100	0	100	
Avila Valley MWC	20	60	80	
San Luis Coastal USD	7	7	14	
Shandon	100	0	100	
Sub-Contractor Totals	4,830	4,897	9,727	
			District Excess Allocation	15,273
			District Total Allocation	25,000

Sub-Contractors WSA and Drought Buffer After ABCSD Drought Buffer Purchase				
Contractor	Water Supply Amount (WSA)	Drought Buffer	Total	
City of Morro Bay	1,313	2,290	3,603	
Ca Mens Colony	400	400	800	
Co Operations Center	425	425	850	
Cuesta College	200	200	400	
City of Pismo Beach	1,240	1,240	2,480	
Oceano CSD	750	0	750	
San Miguelito MWC	275	275	550	
Avila Beach CSD	100	100	200	
Avila Valley MWC	20	60	80	
San Luis Coastal USD	7	7	14	
Shandon	100	0	100	
Sub-Contractor Totals	4,830	4,997	9,827	
			District Excess Allocation	15,173
			District Total Allocation	25,000

State Water Project
Excess Entitlement Policies
Approved by Board of Supervisors January 14, 2003

Excess Entitlement - Definition

The District State Water Project "Excess" Entitlement is the portion of the District's total entitlement that is not contracted to others for their deliverable or drought buffer uses.

Priority of Use

1. Prior to transferring the excess entitlement for any other use, contractors of state water entitlement with capacity in Phase II of the Coastal Aqueduct shall have the first right to utilize the excess entitlement for "drought buffer" (reliability) purposes under the terms of a drought buffer agreement.
2. Preference shall be given to local agencies and water purveyors regardless of whether a transfer is on an annual, multi-year, or a permanent basis.
3. No permanent transfer of the excess entitlement for use outside District boundaries shall be made prior to a final update of the District's Master Water Plan adopted by the Board of Supervisors, and then only if the transfer is consistent with the then adopted Master Plan. (See 'Note' below)
4. No multi-year transfer for use outside District boundaries shall be made with a term in excess of five years prior to a final update to the District's Master Water Plan adopted by the Board of Supervisors, and then out of District transfers can only take place if the transfer is consistent with the adopted Master Plan.
5. On any out -of-District transfer, preference shall be given to those that provide: a) revenues that recover current costs and some or all of the District's past costs, b)

maintain the District's right to use the water in the future, or c) which are used for environmental mitigation.

6. The Public Works Director is authorized to determine the annual amount of the excess entitlement to transfer to the State Water Project "Turnback Pools" established under the existing terms of State Water Agreements. In making that determination, the Public Works Director shall first consider local needs and how the use of the Turnback Pool might impact other potential transfers.

Note:

These policies were adopted by the Board of Supervisors "with the understanding there will be no permanent sales outside the District."

Allocation History

State Water Project Allocation History

2023 – 100 percent
2022 – 05 Percent
2021 – 05 Percent
2020 – 15 Percent
2019 – 75 Percent
2018 – 35 Percent
2017 – 85 Percent
2016 – 60 Percent
2015 – 20 Percent

2014 – 5 Percent (Delivery September 1 through December 31, 2014)

2013 – 35 Percent
2012 – 65 Percent
2011 – 80 Percent
2010 – 50 Percent
2009 – 40 Percent
2008 – 35 Percent
2007 – 60 Percent
2006 – 100 Percent
2005 – 90 Percent
2004 – 65 Percent
2003 – 90 Percent

**AVILA BEACH
COMMUNITY SERVICES DISTRICT**

Post Office Box 309, Avila Beach, CA. 93424

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann ^{BHM} and Shannon D. Boyd, General Counsel

DATE: June 6, 2023

SUBJECT: Annual Review of General Manager Contract

Recommendation:

Review General Manager Contract and provide direction to staff

Background and Discussion:

Brad Hagemann, of Hagemann & Associates has served as the District's contract General Manager since May 2015. His contract was updated by the Board in June 2022, for a two year term, with an effective date of August 2, 2022. The Contract and the District's By-Laws state that the General Manager's contract shall be reviewed annually in April or May. Even though it has only been nine months since the effective date of the contract, staff thought it would be prudent for the Board to review the contract and provide direction to legal counsel and/or the general manager regarding any suggested amendments to the contract.

The General Manager's contract is provided as an attachment to this Staff Report for the Board's review and comment.

**AVILA BEACH COMMUNITY SERVICES DISTRICT
GENERAL MANAGER/ENGINEER
2022 PROFESSIONAL SERVICES CONTRACT**

Attachment:

Exhibit "A" — General Manager Job Description

THIS CONTRACT is made and entered into by and between the AVILA BEACH COMMUNITY SERVICES DISTRICT (herein referred to as "District"), and HAGEMANN & ASSOCIATES (herein referred to as "General Manager", "ENGINEER" or "BRADLEY HAGEMANN"), with reference to the following recitals:

RECITALS

A. District is a Community Services District organized and operating pursuant to 61000 et seq., of the California Government Code.

B. District desires to enter into a contract relationship with BRADLEY HAGEMANN, Principal and Owner of Hagemann & Associates as General Manager/Engineer of the District.

C. BRADLEY HAGEMANN desires to enter into a Contract relationship with the District as General Manager/Engineer.

D. The purpose of this Contract is to define the contract relationship of BRADLEY HAGEMANN and the District during the terms of this Contract.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

SECTION 1 — DUTIES

A. District hereby agrees to retain HAGEMANN & ASSOCIATES as District General Manager/Engineer.

B. The duties of the General Manager are generally described in Government Code Section 61051 as follows:

The General Manager shall be responsible for all of the following:

(a) The implementation of the policies established by the board of directors for the operation of the district.

(b) The appointment, supervision, discipline, and dismissal of the district's employees, consistent with the employee relations system

established by the board of directors.

(c) The supervision of the district's facilities and services.

(d) The supervision of the district's finances.

C. BRADLEY HAGEMANN agrees to perform the functions and duties specified in Government Code Section 61051 and the duties described in the District's General Manager job description attached hereto as Exhibit "A" and incorporated herein by this reference, and to perform other legally permissible and proper duties and functions as the District Board of Directors shall from time to time assign without additional compensation.

D. Both parties acknowledge that specific duties of the position may vary from time to time.

SECTION 2 — TERM

Subject to the approval by the Board of Directors, this Contract shall take effect on August 3, 2022, or sooner, ("Effective Date"), and shall remain in effect for two years or until terminated as provided in the following provisions:

A. Nothing in this Contract shall prevent, limit or otherwise interfere with the right of District to terminate the services of General Manager at any time, subject only to the conditions set forth in SECTION 3 of this contract.

B. Nothing in this Contract shall prevent, limit or otherwise interfere with the right of General Manager to resign at any time from his position with the District, subject only to the provisions set forth in Section 3 of this Contract.

SECTION 3 — TERMINATION AND SEVERANCE PAY

A. General Manager understands and expressly agrees that he has no constitutionally protected property right or interest in this contract as General Manager.

B. The General Manager shall serve at the will and pleasure of the District Board of Directors, and the contract may be terminated without cause. District shall provide General Manager thirty (30) calendar days written notice prior to terminating this contract, unless the parties agree otherwise.

C. In the event General Manager voluntarily cancels this contract with District, General Manager shall give District ninety (90) calendar days written notice in advance, unless the parties otherwise agree. In the event General Manager voluntarily cancels this contract with District, the General Manager shall be entitled only to all hours billed, but not paid as of the date of contract cancellation.

SECTION 4 — BILLING RATE

A. District agrees to pay General Manager an hourly rate of \$150.00.

B. The District Board of Directors may increase the hourly rate of this Contract without amending this Contract.

SECTION 5 — CONTRACT REVIEW

A. During the first twelve (12) months of this Contract, the General Manager and District shall participate in a minimum one contract review as follows:

1. On or before 12 months from the Effective Date.

B. From and after the 12 month review referenced in paragraph A above, the General Manager Contract shall be reviewed annually no later than the end of April of each succeeding year.

C. The Board of Directors reserves the right, in its discretion, to review and/or cancel the General Manager's contract at any time.

SECTION 6 — HOURS OF WORK

The General Manager is expected to engage in those hours of work that are necessary to fulfill the obligations of the General Manager's position for 20 hours per week and a maximum total of 960 hours for the year.

SECTION 7 – AUTOMOBILE

A. General Manager shall be entitled to reimbursement for automobile expenses at the prevailing IRS per diem mileage rate for expenses incurred in performing services for the benefit of the District outside of the District boundary excluding travel to and from the District office.

SECTION 8 — AUTOMOBILE AND PROFESSIONAL LIABILITY INSURANCE

A. General Manager shall procure and maintain automobile insurance coverage, on an "occurrence basis", with companies authorized to do business in the State of California, with coverage of no less than three-hundred thousand dollars (\$300,000) per accident.

B. Prior to commencing work under this Contract, General Manager shall provide District with a Certificates of Insurance evidencing compliance with the foregoing requirements, accompanied by copies of the required endorsements. Certificates of Insurance shall specify that the

insurer shall give District thirty (30) days advance written notice by the insurer prior to cancellation of the policy except ten (10) days for nonpayment of premium.

C. The automobile insurance coverage required hereunder shall be kept in full force and effect for the term of this Contract. Certificates of Insurance evidencing renewal of the required coverage shall be provided within ten (10) days of the expiration of any policy at any time during the period such policy is required to be maintained by General Manager hereunder. Any failure to comply with this requirement shall constitute a material breach of this Contract.

D. Professional Liability Insurance shall be maintained at:
\$1,000,000 per claim and \$1,000,000 Aggregate

SECTION 9 — NOTICES

Notices pursuant to this Contract shall be in writing given by deposit in the custody of the United States Postal Service, postage prepaid, addressed as follows:

1. AVILA BEACH COMMUNITY SERVICES DISTRICT
P.O. Box 309
Avila Beach, CA 93424
Attn: President of the Board of Directors

2. BRADLEY HAGEMANN
9372 Carmel Road
Atascadero, CA 93422

Alternatively, notices required pursuant to this Contract may be personally served in the same manner as is applicable to civil judicial process. Notice shall be deemed given as of the date of personal service or as of the third day following the date of deposit of such written notice in the course of transmission in the United States Postal Service, with postage fully prepaid. Either Party may change addresses for Notices by providing the other Party with a new address in writing with reference to this Section of the Contract.

SECTION 10 — INDEMNIFICATION

A. In accordance with and to the extent provided by California's Tort Claims Act (Government Code Section 825 et seq. and Government Code Sections 995-996.5), the District shall defend and indemnify the General Manager against any and for all losses sustained by the General Manager in direct consequences of the discharge of the General Manager's duties on the District's behalf for the period of the General Manager's employment.

B. Nothing in this Contract shall expand the District's defense and indemnification obligations beyond those provided in the Government Code Tort

Claims Act (Government Code Section 825, et seq.) and Government Code Sections 995-996.5.

SECTION 11 — GENERAL PROVISIONS

- A. General Manager shall comply with all local and state requirements regarding conflicts of interest and shall avoid personal involvement in situations which are inconsistent or incompatible with a position of General Manager or give rise to the appearance of impropriety.
- B. The terms of this Contract are intended by the parties as a final expression of their Contract and may not be contradicted by evidence of any prior Contract or contemporaneous oral Contract. The parties further intend that this Contract constitutes the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial or arbitration proceeding, if any, involving this Contract. Any amendments to this Contract must be in writing and executed by both parties.
- C. In the event of General Manager's death, General Manager's heirs, legatees, devisees, executors or legal representatives shall be entitled to (a) all billable hours earned, but not paid. General Manager and his heirs, legatees, devisees, executors or legal representatives shall not be entitled to any other compensation, including, without limitation, any severance compensation.
- D. If any term, covenant, condition or provision of this Contract is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be effected, impaired or invalidated thereby.
- E. This Contract shall be governed by the laws of the State of California. The parties agree that in the event any legal action is taken to enforce/interpret any provisions of this Contract, said action shall be filed in the court of proper jurisdiction within the County of San Luis Obispo.
- F. The parties acknowledge that they understand the significance and consequences of this Contract. The parties also acknowledge that they have been given full opportunity to review and negotiate this Contract and execute it only after full reflection and analysis, and that they have had an opportunity to review this document and its application and meaning with their respective attorneys and advisors. This Contract shall not be interpreted against the party who prepared the initial draft, because all parties participated in the drafting of this Contract by having ample opportunity to review and submit suggested changes or corrections for incorporation into the final version of this Contract.
- G. This Contract shall be binding upon and shall inure to the benefit of the prospective heirs, executors, administrators, successors and assigns of the

parties, provided however that the District General Manager may not assign obligations hereunder.

H. General Manager shall not assign this Contract in whole or in part.

I. The above Recitals are true and correct and incorporated herein by reference.

J. This Contract may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument, and shall be governed by the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have executed this Contract on the below identified dates.

DATE: 6/16 , 2022

GENERAL MANAGER/ENGINEER:

DISTRICT:


BRADLEY HAGEMANN


PETER KELLEY

Approved as to form:

TIMOTHY M. CARY,
District Legal Counsel

Avila Beach Community Services District

POLICY HANDBOOK

POLICY TITLE: Job Description – General Manager

POLICY NUMBER: 2300

2300.1 Description. The General Manager is the Executive Officer of the District and for the Board of Directors. He/she administers the District and has exclusive management and control of the operations and works of the District, subject to approval by the board of Directors, and provides day-to-day leadership for the District. He/she has general charge, responsibility and control over all property of the District.

2300.1.1 He/she attends all meetings of the District's Board, and such other meetings as the Board specifies from time to time.

2300.1.2 He/she employs such assistants and other employees as he/she deems necessary for the proper administration of the District and the proper operation of the works of the District, in accordance with Policy #2150 "Compensation," subject to approval by the Board of Directors. He/she shall delegate authority at his/her discretion and has authority over and directs all employees, including terminating for cause or lack of worthwhile work. His/her personnel management goal will be to provide a motivating work climate for District employees.

2300.1.3 He/she maintains cordial relations with all persons entitled to the services of the District, and attempts to resolve all public and employee complaints. He/she shall encourage citizen participation in the affairs of the District.

2300.1.4 He/she seeks to carry into effect the expressed policies of the Board of Directors, including planning the short, medium and long term work program for the District, facilitating constructive and harmonious Board relations. He/she shall translate the goals and objectives of the Board to the community.

2300.1.5 He/she shall prepare and manage the District budget, conducting studies, making oral and written presentations.

2300.2 Required Qualifications. He/she shall possess a bachelors degree in public administration or a related field and shall have five years experience in an increasingly responsible public agency management position. He/she shall possess a valid California drivers license. Alternatively, work experience to meet educational qualifications may be substituted at the discretion of the Board.

2300.3 Desirable Qualifications: possession of a masters degree in public administration or a related field; the ability to efficiently prepare annual budgets and long-term revenue/ outlay plans; the ability to effectively communicate, both written and verbal, with the constituents and other agency personnel; and the ability to meet and serve the public courteously and efficiently