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Date: September 1, 2022

To: LOCSD Board of Directors

From: Ron Munds, General Manager

Subject: Agenda Item 4E - 09/01/2022 Board Meeting

August General Manager's Report

- Upcoming Request to Participate in Phase 1 of a Regional Desalination Project. The District received a letter (attached) from County Public Works providing a heads up that a request from the County to participate in Phase 1 of a regional desalination project would be coming in the fall of 2022. Phase 1 is an exploratory effort to see what kind of value there may be for each participating agency. There is no cost to the District to be part of Phase 1. Once the official request is received, staff will return with a report and resolution for the Board's consideration. This project is part of a regional effort to provide future water supply resiliency to water purveyors county-wide.
- Save Cuesta Inlet Initiative. There is a much-publicized effort to acquire the Cuesta Inlet property which recently came on the market. The District's involvement in the overall effort has been mentioned in some of the information released by the group. The Parks and Recreation Advisory Committee was provided an overview and update of the group's activities at their August 16th meeting. Staff will be monitoring the effort and more information will be provided to the Board in the future.
- CalRecycle Meeting. Staff had its first meeting with CalRecycle and IWMA staff regarding compliance with several solid waste mandates. Overall, the District is in a good position to meet the deadlines AB 341 (mandatory commercial multifamily materials recycling), AB 1826 (mandatory commercial multifamily organics recycling) and AB 1383 (expanded mandatory organic recycling in all sectors). The IWMA services are essential in the District achieving the requirements different mandates. District staff will be responsible for any enforcement for non-compliance by the various customer classes as the deadlines for compliance approach.
- Regional Solid Waste Rate Setting Meeting. District staff continues to participate in a regional effort to update the methodology to evaluate solid waste rate applications from the haulers. The current manual was developed in 1994 and is in need of updating to reflect current industry practices and regulations. The District will be responsible for the next "Base Year" application submitted by Waste Connections in 2025.
- **Drought Reminder.** We want to remind the community it is still important to pay close attention to your water use, limit your outdoor irrigation and always check for leaks around your home and yard. If you need assistance, please call the office at 805-528-9370.



COUNTY OF SAN LUIS OBISPO

Department of Public Works

John Diodati, Director

June 22, 2022

Mr. Ron Munds, General Manager Los Osos Community Services District 2122 9th Street, Suite 110 Los Osos, CA 93402

Subject:

Upcoming request for Agency Resolution Approving Participation in the Development

of a Desalination Executable Solution and Logistics (DESAL) Plan

Dear Mr. Munds:

On November 16, 2021, the County of San Luis Obispo (County) Board of Supervisors (Board) identified water resilience, including desalination specifically, as a top priority. Pursuant to this, in fall 2022, it is anticipated that the Board will consider directing staff to return with an approach and scope for moving forward on a path to a regional desalination project, starting with the development of a DESAL Plan.

A desalination project in the County could potentially benefit various agencies under current or future conditions, both directly and indirectly, by leveraging existing regional supply and infrastructure. Therefore, the DESAL Plan will be most robust if all agencies are willing to join for this exploratory effort to see what kind of value there may be for their agency. While the approach for developing a DESAL Plan will not require a cost share from agencies willing to be evaluated in it, it will require a formal planning participation commitment; supporting attachments, including a draft Resolution Approving Participation in the DESAL Plan, are enclosed for your agency's reference. This letter is to introduce the proposed approach and give agencies advance notice that our staff will likely request this, or a similar, resolution from your agency, in late 2022, if you wish to be considered in the DESAL Plan.

Ideally, at a minimum, the agencies that comprise the Countywide Water Action Team (CWAT), will adopt resolutions agreeing to participate in the DESAL Plan. The CWAT last met on May 24, 2022, to discuss this proposed approach and advised our staff to proceed and provide this letter to initiate participating agency internal efforts accordingly. Please see enclosed CWAT meeting material for more information and contact Angela Ford at (805) 781-5139 with any questions or comments.

Sincerely,

JOHN DIODATI

Director of Public Works

Enclosure: May 24, 2022 CWAT Meeting Material with Attachments



Countywide Water Action Team (CWAT) Participants

Staff Representative	Entity
Aaron Floyd	SLO City
Mychal Boerman	SLO City
Bill Robeson	Arroyo Grande
Greg Ray	Grover Beach
Ben Fine	Pismo Beach
Will Clemens	Oceano CSD
John Neil	Atascadero MWC
Jeff Briltz	Templeton CSD
Kirk Gonzalez	Paso Robles
Christopher Alakel	Paso Robles
Rob Livick	Morro Bay
Greg Kwolek	Morro Bay
Mario Iglesias	Nipomo CSD
Mark Zimmer	Golden State Water Co
Toby Moore	Golden State Water Co
Ron Munds	Los Osos CSD
Kelly Dodds	San Miguel CSD
Brad Hagemann	Avila Area Water Agencies

Attachment 3.1: DESAL Plan Timeline (Phases 1-5)

Desalination Executable Solution And Logistics Plan

2: DESAL Plan Development Phase Procure consultant (May – Winter '24) Concept alternatives identification, vetting & Begin to implement public engagement process (Winter '24) 4: Project Development Phase Detailed Design, Permits/Env Processes, Operations & Distribution Plans, Right of Way

analysis (Spring '24 – Summer '26) Ranking & selection of preferred project (Summer '26 – Fall '28)

negotiations, water supply & Governance

Agrmt negotiations, Financing Plan

(initial go/no go)

2022

2023

2024

2025

2026

2027

1: DESAL Plan Agrmt Phase

- District Board direction to proceed on path to desal (Sept
- Resolutions from agencies agreeing to be evaluated in DESAL Plan (Oct Nov '22)
- Develop & vet scope of work (Nov '22 May '23)
- Establish stakeholder & public engagement process (establish/refine through all phases)
- Begin seeking/pursuing grant opportunities (continue through all phases)

(interim go/no go)

3: Project Development *Agrmt Phase

- Commitment from project partners to pay for & proceed w/ project development
- *Agreement covers all activities needed to get to construction phase

5: Project Governance Agrmt & Construction Phase

Execute Governance Agrmt for construction & ongoing operation

*End dates of Phases 2-5 are less certain



Attachment 3.2: DESAL Plan Timeline (Phase 1)

Desalination Executable Solution And Logistics Plan **DESAL Plan**

District

Board direction to proceed on path to desal & return with DESAL Plan approach, scope & resolutions from participating agencies

Agencies

approve resolutions

Boards/Councils

evaluated in the

DESAL Plan

agreeing to be

Board receives
update on DESAL
Plan approach,
scope, & resolutions
from participating
agencies; direction
to return with
consultant contract

District

Approve consultant contract to develop DESAL Plan with participating agencies

Step 1

Step 2

Step 3

Step 4

4-Step process for Phase 1: DESAL Plan Agreement Phase

