



December 1, 2022

TO: LOCSD Board of Directors

FROM: Ron Munds, General Manager

SUBJECT: Agenda Item 2A – 12/1/2022 Board Meeting
County of San Luis Obispo Desalination Executable Solution and Logistics Plan (DESAL) Phase 1 Project Review and Resolution of Intent to Participate in Phase 1.

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STAFF RECOMMENDATION

Staff recommends that the Board adopt the following motion:

Motion: I recommend the Board adopt a Resolution No. 2022-32 approving the District's participation in Phase 1 of the County of San Luis Obispo's DESAL Project

DISCUSSION

At the September 1, 2022 Board meeting, staff informed the Board that the District received a letter (attached) from County Public Works which provided an introduction of the project and that a request from the County to participate in Phase 1 of a regional desalination project would be coming in the fall of 2022, if approved by the Board of Supervisors (BOS). Phase 1 is an exploratory effort to see what kind of value there may be for each participating agency. Phase 1 includes:

- Securing resolutions from agencies agreeing to be evaluated in the DESAL Plan (Fall '22)
- Developing and vetting a scope of work with participating agencies (Winter '22/Spring '23)
- Establishing stakeholder and public engagement process (all phases)
- Seeking/pursuing grant opportunities (all phases)
- Reviewing scope of work' engagement process with BOS and seek direction to proceed (Summer '23)

On October 18, 2022, the Board of Supervisors approved of moving the regional desalination project forward. The County has requested that agencies interested in participating in Phase 1 of the project provide a resolution of intent by February 2023. There is no cost to the District to be part of Phase 1.

Project Goal

The project is part of a regional effort to provide future water supply resiliency to water purveyors county-wide. At the March 16, 2022 BOS meeting, the Board received a presentation on the various water supply efforts in the county, including conservation, stormwater capture, Nacimiento Water Project optimization, Lopez Water Project spillway raise and optimization, Salinas Dam transfer and spillway raise, State Water Project and Water Management Tools, recycled water, produced water from oil extraction operations, cloudseeding, and regional resiliency. The conclusion drawn in the report is as follows:

While many of these efforts are in the planning and/or implementation phases and will help extend the county's water supply, they are not enough to overcome long-term shortages or be relied upon to sustainably meet future needs. Competition for existing water supplies (particularly those that depend on precipitation) in the county, and across the state, is anticipated to increase with new regulations related to groundwater/surface water interactions and minimum sustainability thresholds, water quality, environmental flow, and housing directives. Relying on water sourced from precipitation from a different region is challenging due to the county's relative geographic isolation, energy and right of way requirements, and the fluctuating supply availability year to year. A new, drought proof, local water supply will be necessary to sustain the county long-term.

Desalination is the longest-term and most resilient strategy since it leverages a renewable, almost inexhaustible resource that would not be diminished by insufficient rainfall or water conservation efforts. Desalination is a drought proof solution for current and projected water supply imbalances caused by strained alternative supplies, increased demand and could be scalable such that its capacity could be expanded as future needs increase.

The District will need to adopt a resolution (draft attached) indicating the District's intent to participate in Phase 1 of the DESAL project.

Utilities Advisory Committee Recommendation

The UAC unanimously agreed and recommended to the Board that the Board support the DESAL Plan and adopt Resolution No. 2022-32.

Financial Impact

As previously stated, there is no cost to the District to be part of Phase 1.

Attachments

Resolution No. 2022-32

Letter of upcoming request for participation in the DESAL Plan

BOS report from October 18, 2022 requesting approval to move forward with the DESAL Plan