



## Council Agenda Report

Item 6e

**Department:** Administration  
**Cost Center:** 5301  
**For Agenda of:** 8/19/2025  
**Placement:** Consent  
**Estimated Time:** N/A

**FROM:** Greg Hermann, Deputy City Manager  
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**SUBJECT:** CITY-COUNTY ZONE 9 FLOOD CONTROL DISTRICT  
REIMBURSEMENT AGREEMENT UPDATE

### RECOMMENDATION

Approve an amendment to the existing Memorandum of Understanding (MOU) between the City of San Luis Obispo and the County of San Luis Obispo, as administrator of the Zone 9 Flood Control and Water Conservation District ("Zone 9"), in order to provide funding support (reimbursement) for activities to assist in the update of the Waterway Management Plan, Volume 1 (Attachment A).

### POLICY CONTEXT

Staff's recommendation is in support of the following policy objectives:

1. [Climate Adaptation and Safety Element](#)

**Policy FL-3.1:** Climate-Informed Flood Management - The City shall incorporate the climate-informed flood risk modelling in flood management plans, programs, and procedures.

**Policy FL-3.2:** Flood Protection for New Development - The City shall ensure that all new development adheres to all provisions in Chapter 17.78 "Flood Damage Prevention" in the City's Municipal Code, consider climate models, and update the provisions accordingly to remain consistent with any future federal, state, and local regulatory requirements.

**Policy FL-3.3:** Flood Protection for Existing Development - The City shall continue identification and mapping of areas that are at increased flood risk from large storm events using the climate informed flood risk modeling that was developed as part of the City's climate change vulnerability assessment.

**Policy FL-3.5:** A Resilient Flood Management System - The City shall explore opportunities to add redundancy to the city's existing stormwater and flood management systems to mitigate impacts from increased storm intensities, as needed. To provide co-benefits to the SLO community, design flood management system redundancies to serve multiple purposes that add value to the community (e.g., detention basins that serve as parks or recreation areas). Resilient flood management projects should be prioritized in locations of the city that are the most vulnerable.

**Policy FL-3.6:** Regional Coordination of Flood Control - The City shall continue to coordinate with regional partners (e.g., San Luis Obispo County, Cal Poly San Luis Obispo, Caltrans, LOSSAN Rail Corridor Agency) on flood preparedness and flood management initiatives.

2. **2025-27 Financial Plan, [Major City Goal for Open Space, Climate Action, and Resilience](#).**

**Work Program 2e:** Complete the Waterway Management Plan, Volume 1 update.

## DISCUSSION

### Background

The San Luis Obispo County Zone 9 Flood Control and Water Conservation District was formed in 1973 in response to historic flooding events. It encompasses the entire San Luis Obispo Creek watershed and its tributaries, including within the City of San Luis Obispo. Zone 9 collects an *ad valorem* parcel tax and revenue is used to conduct flood control projects, as well as watershed management and enhancement projects. The County of San Luis Obispo is the administrator for Zone 9 and enjoys active participation from the appointed [Advisory Committee](#) (Committee) and regular collaboration with the City. Vice Mayor Michelle Shoresman is the City's current representative on the Committee.

The City has an existing vegetation management and stream maintenance program where City staff time is paired with funding through Zone 9 to conduct regular assessments of flood risks, identify priority locations on a seasonal basis, and implement projects as needed. Recent flooding events that have occurred in the City and County have highlighted the need to take a watershed-based approach to flood control. Because the City has a pre-existing program, staffing, resource agency permitting knowledge, and prioritizes regional resiliency, it is desirable for the County and City to continue to collaborate and partner through the proposed amendment to the existing MOU.

The Waterway Management Plan for the San Luis Obispo Creek Watershed was certified in 2004 and Volume 1 identifies creek channel conditions and issues in the watershed. With changed conditions in the creek and community, an update of baseline conditions in the watershed is needed. The Committee has made \$200,000 available for this update and City staff will collaborate with County Zone 9 staff to determine the specific sections to be updated as well as the preferred approach to procurement of contract services to complete the update. The amendment to the MOU simply allows for any work completed by the City to be reimbursed.

The Committee will receive updates on the Waterway Management Plan and have opportunities to provide input at their regularly scheduled meetings. Future funding requests, if needed, for additional Waterway Management Plan updates will be submitted to the Committee, through the annual work plan process.

### Previous Council or Advisory Body Action

The last Memorandum of Understanding (Reimbursement Agreement) was approved by the City Council on September 28, 2021. The updated Reimbursement Agreement was presented to the Zone 9 Committee and recommended for approval on September 11, 2024.

### Public Engagement

The Zone 9 Flood Control Committee meetings are open to the public and the meeting agendas and minutes are available on the County of San Luis Obispo's website. Once the update of Volume 1 is complete, staff will follow the Public Engagement and Noticing Manual to inform the community of any changes.

### CONCURRENCE

The Public Works Department concurs with the recommendations in this report.

### ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to the recommended action or to the development of a plan as these actions do not constitute a "project" under CEQA guidelines sec. 15378. However, if recommended actions in the update of subsequent sections of the Waterway Management Plan are updated and approved, that require environmental review, they will be presented for Council's future consideration, together with the Waterway management Plan sections, when they are completed.

### FISCAL IMPACT

Budgeted: No

Budget Year: 2025-26

Funding Identified: Yes

### Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund	\$	\$	\$	\$
State				
Federal				
Fees				
Other: Zone 9	\$393,000			
<b>Total</b>	<b>\$393,000</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

The Zone 9 Committee's current FY 2025-26 budget allocated to the City is \$393,000 for general creek maintenance in identified priority areas. This MOU amendment provides for reimbursement to the City for an additional \$200,000 of expenses related to the Waterway Management Plan update. If approved, the City's total Zone 9 reimbursement budget will be \$593,000 with up to \$200,000 for the Waterway Management Plan.

#### **ALTERNATIVES**

1. ***Council could request additional information or request changes to the Reimbursement Agreement with the County.*** If additional information or changes are requested, additional conversations would be held with the County to come to agreement.
2. ***Council could decide not to approve the update to the Reimbursement Agreement with the County.*** This would require the County to take on all the update work and could over-burden County staff and potentially delay the process to advance the update of the Waterway Management Plan.

#### **ATTACHMENTS**

A - City-County Zone 9 Flood Control District Reimbursement Agreement