NACIMIENTO PROJECT COMMISSION MEMBERS: CITY OF PASO ROBLES, TEMPLETON CSD, ATASCADERO MWC, CITY OF SAN LUIS OBISPO, SLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT



Notice of Meeting NACIMIENTO PROJECT COMMISSION

SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

THURS., NOV. 19, 2020 – 4:00 PM

In accordance with the directives provided by Governor Newsom (Executive Order N-29-20), this meeting will be conducted as a phone-in and web-based meeting. Members of the public may participate via conference call and webinar.

> Phone line: +1 (646) 749-3122 Access Code: 449-003-437

Webinar: <u>https://global.gotomeeting.com/join/449003437</u> Public comments can be submitted to: <u>wthomson@co.slo.ca.us</u>

For more information: https://www.slocounty.ca.gov/Departments/Public-Works/Forms-

Documents/Committees-Programs/Nacimiento-Project-Commission.aspx

Chair: Wayne Petersen Vice-Chair: Grigger Jones

<u>AGENDA</u>

- I. CALL TO ORDER (Roll Call, Quorum Count & Flag Salute)
- II. **PUBLIC COMMENT** *Non-agenda items within Commission jurisdiction; subject to three-minute limit each.
- III. MEETING MINUTES (Recommend Approval)
 - A. Naci Commission, Aug 27, 2020
- IV. COMMISSION INFORMATIONAL ITEMS (No Action Required):
 - A. Utilities Division Manager's Report
 - B. First Quarter Operations Budget Report FY 2020-21
- V. **PRESENTATIONS** (No Action Required):
 - A. An Introduction to the 1959 Agreement between SLO & Monterey Counties
- VI. COMMISSION ACTION ITEMS (No Subsequent Action by BOS Required): None
- VII. COMMISSION ACTION ITEMS (Action Subsequently Required by BOS): None
- VIII. FUTURE AGENDA ITEMS DESIRED BY COMMISSION
 - Next Commission Meeting: Feb. 25, 2021

ATTACHMENTS

- 1. Naci Commission Minutes Aug. 27, 2020
- 2. Item IV.B Staff Report
- 4. Item V.A Staff Report

CONTACT: All Americans with Disabilities Act (ADA) accommodations shall be promptly reviewed and resolved.

Persons who require accommodations for any audio, visual or other disability in order to review an agenda, or to participate in the meeting per the ADA, are encouraged to request such accommodation 48 hours in advance of the meeting from Wes Thomson at (805) 781-5252.

(DRAFT) NACIMIENTO PROJECT COMMISSION MEETING MINUTES

May 28, 2020

CLERK (District): Mark Chiaramonte Via Web/Teleconference

> QUORUM: <u>YES</u> (5/5 Seats & Voting Share > 51%)

<u>COMMISSIONERS PRESENT</u> (Voting Share %) Paso Robles (33%): John Hamon Templeton CSD (2%): Wayne Petersen (Chair) Atascadero MWC (17%): Grigger Jones (Vice Chair) City of SLO (28%): Andy Pease District (20%): John Peschong

1. CALL TO ORDER

The special meeting of the Nacimiento Project Commission was held on Thursday, August 27, 2020, at 4:00 P.M., with Wayne Petersen being in the Chair, and Mark Chiaramonte present as the Clerk via Web teleconference. Quorum established.

2. PUBLIC COMMENT: None.

3. REVIEW OF PREVIOUS MEETING MINUTES

Minutes from May 2020 were presented and approved without changes. *Approved by all as submitted.*

4. COMMISSION INFORMATIONAL ITEMS:

- A. Utilities Division Manager's Report Report received and placed on file. M. Chiramonte reported that there has been a change in the schedule for the repair to the North Salinas crossing due to state water annual shutdown and coordination with participants. Repair should start Nov 19th and continue through end of January 2021. Temporary repair is holding as planned. Operations are at capacity and deliveries are being made to participants.
- B. Fourth Quarter Operations Budget Report, FY 2019-20 Report received and placed on file.

5. PRESENTATIONS (NO ACTION REQUIRED): None.

6. COMMISSION ACTION ITEMS (NO SUBSEQUENT ACTION BY BOS REQUIRED): None.

7. COMMISSION ACTION ITEMS (ACTION SUBSEQUENTLY REQUIRED BY BOS):

A. Tesla Energy Storage Proposal – A. Secrest and representative from Tesla, C. Patrick, presented on the battery storage project for the intake pump at Rocky Canyon booster station. This project would be paid for by Tesla through the State's self generation incentive program. Reference Agenda Item VII.A for presentation. Commisioners concerns included; where the money is coming from, the warranty and their obligation to Tesla, how the storage will relate to future solar installation. Detailed financial information, including O&M costs and future savings, can be found in staff report on page 2. The Batteries have a 15-yr warranty and are expected to last 20-yrs, there is no obligation to Tesla and after 10-yrs the district can transfer O&M away from Tesla. The batteries will greatly

enhance the benefits of adding solar panels, especially in emergency situations, with no additional grid installation. After funds are awarded there are 250 days to back out of project which will provide time for Tesla to provide particpants with case-study's, references, and further modeling of cost savings. Commisioners approved the proposal be brought to the Board of Supervisors ensuring that if funding is awarded, the TSG & Commissioners will have final approval (two-step – first approval by TSG, then Commission) after Participants have had time for further evaluation with more information provided.

8. FUTURE AGENDA ITEMS DESIRED BY COMMISSION:

The District is targeting November for an introduction/review on the 1959 Nacimento agreement with Monterey County.

The meeting was adjourned by W. Petersen at approx. 5:10 P.M. Wes Thomson, Secretary

Nacimiento Project Commission November 19, 2020 Agenda Item IV.B First Quarter Operations Budget Report

(Information Only – No Action is Required)

TO:Nacimiento Project CommissionFROM:Lynette O'Neil, Finance DivisionVIA:Mark Chiaramonte, Utilities Division ManagerSUBJECT:FY 2020-21 First Quarter Operations Budget UpdateDATE:November 19, 2020

Figures summarizing the Fiscal Year 2020-21 First Quarterly Operating Fund Budget are provided for your information. With 25% of the year elapsed, total expenditures and purchase order commitments are at 25.6% of budget. This includes Non-Routine projects and Capital Outlay projects that fluctuate during the fiscal year. More notably, annual Routine Operations and Maintenance efforts are a little lower than budgeted levels at 11.5% of the budget.

FY20	20-21 Nacimiento Operating Fu	nd			
			Expenses & Purchase	Expenses and Purchase Orders	Balance
		Budget	Orders	as a % of Budget	<u>Available</u>
	Routine O&M	4,234,272	485,513	11.5%	3,748,759
	Non Routine O&M Projects	4,925,533	1,660,156	33.7%	3,265,377
	Capital Outlay Projects	790,897	401,114	50.7%	389,783
	Total	9,950,702	2,546,783	25.6%	7,403,919
[a]	Variable Energy	2,483,456	643,921	25.9%	1,839,535

[a] PG&E invoices for Variable Energy usage. Costs are billed to participants based upon actual usage, and are not included in Participants' Installment Billings or Final Billings.

If you have any questions, please feel free to contact me at (805) 781-5299 or via e-mail at <u>loneil@co.slo.ca.us</u>. Staff will be available to answer specific questions at the meeting.

Nacimiento Water Operating Fund Budget Status Report FY 2020-21

A	FY 2020-21	С	D	E		J	К	L	М
			Budget	Quarter 1	Total	Bureheee	Total Expansion		Available
car fw		WBS Element	Budget FY 2020-21	Quarter 1 July-Sep	Total Expenses	Purchase Orders (POs)	Total Expenses and POs	Exps & POs % of Budget	Available Budget
1	Routine Operation and Maintenance								
2	MASTER WATER CONTRACT	300420.01.03	\$ 414,809	\$-	\$-		-	0.0%	\$ 414,809
3	WATER CONSERVATION MANAGEMENT	300420.04 300420.05 &		· ·	-		-	0.0%	· ·
		300420.06/.06.01.03/.06.02							
4	WATER QUALITY SUPPORT/ANALYSIS	/.06.03	101,946	22,011	22,011	-	22,011	21.6%	79,935
5	REGULATORY AGENCY/DPH	300420.02	9,338	· ·	-		-	0.0%	9,338
6	INVASIVE SPECIES/QUAGGA MUSSEL	300420.06.01.01/.06.01.02 / .09.02	220,168	10,717	10,717		10,717	4.9%	209,451
7	ENVIRONMENTAL MITIGATION	300420.09/09.01	67,680	1,378	1,378		1,378	2.0%	66,302
8	UTILITIES OPERATIONS AND OFFICE ENGINEERING	300420.07	190,714	47,730	47,730		47,730	25.0%	142,984
9 10	LAKESIDE CONTRACTS WATER RIGHTS	300420.01.05 300420.01.04	13,950 108,410	966 2,712	966 2,712	1	966 2,713	6.9% 2.5%	12,984 105,697
11	GENERAL-ACCOUNTING	300420.01	226,056	21,038	21,038	1	21,039	9.3%	205,017
12		300420.01.01	70,000	28,504	28,504		28,504	40.7%	41,496
13 14	CONTRIBUTION TO ISF/NEW EQUIP GENERAL UNITS	300420.01.02 300420.10	74,755 235,720	- 18,788	- 18,788	8	- 18,796	0.0%	74,755 216,924
15	UNIT A	300420.10.A	226,938	88,680	88,680	1,507	90,187	39.7%	136,751
16	UNIT A1	300420.10.A1	51,087	3,387	3,387	5,757	9,144	17.9%	41,943
17 18	UNIT B UNIT C	300420.10.B 300420.10.C	171,521 30,267	40,470 262	40,470 262	1,193	41,663 262	24.3% 0.9%	129,858 30,005
19	UNIT C1	300420.10.C1	33,209	6,664	6,664	-	6,664	20.1%	26,545
20	UNIT D	300420.10.D	19,697	3,322	3,322		3,322	16.9%	16,375
21 22	UNIT E UNIT F	300420.10.E 300420.10.F	18,774 18,843	2,490 675	2,490 675		2,490 675	13.3% 3.6%	<u>16,284</u> 18,168
23	UNIT F1	300420.10.F1	17,480	1,767	1,767		1,767	10.1%	15,713
24	UNIT F2	300420.10.F2	137,360	36,698	36,698	900	37,598	27.4%	99,762
25 26	UNIT G UNIT G1	300420.10.G 300420.10.G1	25,713 26,684	5,560 779	5,560 779		5,560 779	21.6% 2.9%	20,153 25,905
27	UNIT G2	300420.10.G2	17,845	1,012	1,012		1,012	5.7%	16,833
28	UNIT H	300420.10.H	3,110	-	-		-	0.0%	3,110
29 30	UNIT H1 UNIT T-2	300420.10.H1 300420.10.T2	26,771 42,717	21,222 7,922	21,222 7,922		21,222	79.3%	5,549 34,795
31	UNIT T-4	300420.10.12 300420.10.T4	12,181	1,817	1,817		1,817	14.9%	10,364
32	UNIT T-6	300420.10.T6	12,493	1,773	1,773		1,773	14.2%	10,720
33 34	UNIT T-9 UNIT T-11/11A	300420.10.T9 300420.10.T11/T11A	9,391 29,348	1,168	1,168 2,073	-	1,168 2,073	12.4% 7.1%	8,223 27,275
35	UNIT T-11B	300420.10.T11B	-	-	-		-	0.0%	-
36	REIMBURSABLE BILLINGS	300420.11		1,247	1,247		1,247	0.0%	(1,247)
37 38 (*	REIMB BILLINGS: EMERGENCY WTR LINE BREAK MAY 2018	300420.11.20 / 40163744 300420.12	- 17,689		-	83,401	- 83,401	0.0%	- (65,712)
39 (*		(*) 300420.13	100,000		-	1	1	0.0%	99,999
40 (*) LEGAL	300420.10.A1.01 & .02	1,421,608	9,912	9,912	-	9,912	0.7%	1,411,696
41	SUBTOTAL: ROUTINE OPERATIONS AND MAINTENANCE		\$ 4,204,272	\$ 392,744	\$ 392,744	\$ 92,769	\$ 485,513	11.5%	\$ 3,718,759
40									
42	Non-Routine O&M MISC. FIBER OPTIC REPAIR (rebudget annually) (\$6500 MISC FIBER)								
43	and (\$100K MISC PROJECTS)	(*) 300420.08.TBD	\$ 106,500		\$-			0.0%	\$ 106,500
44	INTERLAKE TUNNEL PLANG (place holder)	(*) 300420.08.02	-	400 554	-	4 5 4 4 9 7 9	-	0.0%	-
45 (* 45 (*	,	300641 (*) 300420.08.03	3,315,631	103,554	103,554	1,514,370	1,617,924	48.8%	1,697,706
46 (*	· · · · ·	(*) 300420.08.04			-		-	0.0%	· ·
47 (*		(*) 300420.08.05	874,812		-	24,252	24,252	2.8%	850,561
48 (* 49 (*	· · · · · · · · · · · · · · · · · · ·	(*) 300420.08.12 (*) 300420.08.14	37,968 43,534	1,752	- 1,752		- 1,752	0.0%	37,968 41,782
50 (*	POWER MONITORING AT INTAKE (CLSD)	(*) 300420.08.15	30,000	478	478		478	1.6%	29,522
51 (*	,	(*) 300420.08.16	324,163	4,592	4,592		4,592	1.4%	319,571
52 (* 52 (*	· · · · · · · · · · · · · · · · · · ·	(*) 300420.08.16 (*) 300420.08.19	102,401		-		-	0.0%	102,401
53 (*	GENERATOR PAD AT BOOSTER STN INSTALL (33%)	(*) 300420.08.22			-		-	0.0%	· ·
54 (* 55 (*) AIR VACS REPAIRS AND PREVENTION) RAISE VALVES ON ROCKY CANYON RD	(*) 300420.08.23 (*) 300420.08.26	88,025 25,000		-	11,158	 11,158	0.0%	88,025 13,842
55 (* 56 (*		(*) 300420.08.TBD	7,500		-	11,130	-	0.0%	7,500
57	SUBTOTAL: NON ROUTINE OPERATION & MAINTENANCE - (NON-CAPITAL		\$ 4,955,533	\$ 110,376	\$ 110,376	\$ 1,549,780	\$ 1,660,156	33.5%	\$ 3,295,377
			φ 4,303,033	φ 110,376	φ 110,370	ψ 1,543,700	φ 1,000,100	33.5%	ψ 0,230,311
58 59 (*	Capital Outlay ISOLATION VALVES INSTALL (AUC: TYPE 1)	300580	\$ 731,510	\$ 29,853	\$ 29,853	356,843	386,696	52.9%	\$ 344,814
60 (*		300581	42,460	1,615		12,803	14,418	34.0%	28,042
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	салу		Budget	Quarter 1	Total		Purchase	Total Expenses	Exps & POs		Available
-	fwd WBS Element		FY 2020-21	July-Sep	Expenses	0	rders (POs)	and POs	% of Budget		Budget
61	1 (*) NACI RVR XING ULTIMATE CAPACITY (AUC: TYPE 1) 300561		16,927		-			-	0.0%		16,927
62	2 SUBTOTAL: CAPITAL OUTLAY (CAPITAL ACCOUNTS)		\$ 790,897	\$ 31,468	\$ 31,468	\$	369,646	\$ 401,114	50.7%	\$	389,783
					-						-
63	TOTAL BUDGET / INSTALLMENT BILLINGS		\$ 9,950,702	\$ 534,588	\$ 534,588	\$	2,012,195	\$ 2,546,783	25.6%	\$	7,403,919
					-						
64	VARIABLE ENERGY COSTS (NON-CAPITAL ACCOUNT) 300420.03		\$ 2,483,456	643,921	643,921			643,921	25.9%	\$	1,839,535
65	5 BUDGET FOR UNANCITIPATED CAPITAL PROJECT - (CAPITAL ACCT) n/a		3,750		-			-	0.0%		3,750
		_			-					_	
66	5 TOTAL		\$12,437,908	\$ 1,178,509	\$ 1,178,509	\$	2,012,195	\$ 3,190,704	25.7%	\$	9,247,204



TO: Nacimiento Project Commission

FROM: Wes Thomson, P.E., SLO County FC&WCD

DATE: November 19, 2020

SUBJECT: An Introduction to the 1959 Agreement between the SLO County Flood Control & Water Conservation District (District) and the Monterey County Water Resources Agency (Agency)

SUMMARY

This "introduction" seeks to highlight key components to the 1959 Agreement that provides for the District's Nacimiento water supply and what factors impact the annual costs to the District for that benefit.

DISCUSSION

Nacimiento Water Rights Dispute

There were several notable events leading up to the 1959 Agreement:

- 1954 deal struck for the District to receive 20,000 AFY in exchange for waiving Monterey's property taxes in San Luis Obispo County
- 1957 Construction of Nacimiento Reservoir was completed
- 1959 Clash over Water Rights

Eventually, the State stepped in to facilitate what is known as the 1959 Nacimiento Settlement Agreement:

"Following a series of unsuccessful attempts to negotiate their differences, the two Districts presented their arguments in a formal hearing before the State Water Rights Board in February, 1959. At the conclusion of the hearing, it appeared that neither District would be wholly satisfied with a decision in the matter by the State Water Rights Board, and the advantages of a compromise settlement became obvious to both parties. With encouragement and assistance from the State Water Rights Board and its staff, a comprehensive agreement which completely resolved the differences between the districts was negotiated and eventually approved by the two Boards of Supervisors in October, 1959."¹

1959 Agreement

The settlement agreement stipulates that District & Agency share in San Antonio Dam Construction, and in return, Agency provides 17,500 AFY of water to the District. In addition, the District contributes to O&M Costs for San Antonio.

Summary of Amendments to the 1959 Agreement

Since 1959, there have been <u>six amendments</u> to the 1959 contract, summarized as follows:

Prior to completion of the construction of San Antonio Reservoir

¹ SLOCFC&WCD's Report of Feasibility of Utilization of Water from Nacimiento River Within San Luis Obispo County, Vol. 1, April 1965.

- **1959 Amendment** – Clarified payment schedule and construction rate payment duration for the San Antonio Dam

After completion of the construction of San Antonio Reservoir – 1965

- **1967 Amendment** Clarified meaning of terms relating to San Antonio dam construction payments
- **1970 Amendment** Clarified measurement and delivery point of water at Nacimiento
- 1977 Amendment Authorized construction of inspection manhole at Nacimiento
- 1988 Amendment Preserved District rights following Agency hydro plant construction at Nacimiento
- **2007 Amendment** Authorized new delivery point for District at Nacimiento and outlined Log Boom ownership

District's Cost Share for Nacimiento Water

In general, these are the primary benefits and costs to the District:

Benefits to the District include:

- Nacimiento Water (up to 17,500 AFY)
- Increased property tax revenue because of recreational properties
- Recreation (Nacimiento)
- Log Boom Repair & Maintenance for Debris Catchment (Nacimiento)

*Ancillary Benefits for Nacimiento Reservoir – Not Addressed in the Contract

Water quality protections from the Quagga Mussel Program (Nacimiento)

Costs to the District include:

- San Antonio Dam Operations & Maintenance (O&M) (see below for Cost Share Calculation)
- Debt service for San Antonio Capital Costs (paid off)

*Ancillary Costs for Nacimiento Reservoir – Not Addressed in the Contract

- Lakeside User Metering & Reporting
- Quagga Mussel Program

San Antonio O&M Cost Share Calculation (per Article 9)

*See Attachment 1 for illustration of the technical terms below.

Annual \$ Contribution by District for San Antonio O&M = (San Antonio Unit Cost in \$ per AF) x (District Allocation of 17,500 AF)

Where,

San Antonio Unit Cost in $per AF = \frac{(Conservation Storage) x (San Antonio 0&M Costs)}{(Total Storage - Silt Reservation) x (Safe Yield)}$

Where,

Conservation Storage = San Antonio Conservation Storage at 293,000 AF

San Antonio O&M Costs = As incurred by MCWRA, determined annually

(Total Storage – Silt Reservation) = 323,000 AF for San Antonio Reservoir

Total Storage = Total storage capacity of San Antonio Reservoir is 335,000 AF

Silt Reservation = Silt reservation agreed to be 12,000 AF

Safe Yield at San Antonio = *Safe seasonal yield of San Antonio Reservoir, per Table:*

Conservation	Safe Seasonal							
Storage	Yield at San							
Capacity at San	Antonio							
Antonio (AF)	(AF)							
400,000	58,700							
300,000	49,800							
200,000	40,300							
150,000	34,300							
100,000	28,000							

Other Notable Points to Understand

District's Allocation "Set Aside"

Of the District's 17,500 AF that it can take annually from Nacimiento, 15,750 AF (or 90% of the 17,500 AF contract) was set aside for the Nacimiento Water Project (NWP), and 1,750 AF (the remaining 10% of the 17,500 AF contract) for "Lakeside Users" surrounding the Nacimiento Reservoir.

Water Right for Nacimiento

The Water Right for Nacimiento, appropriated to the Agency by the State (licensed issued in 1965), is unique in that it is subject to the 1959 settlement agreement. The right provides for irrigation, domestic, municipal & industrial, and recreational uses. Currently, the water right allows for the water to be used anywhere within the District but limited by area size. It is not clear what basis was used to establish these area limits, but the District and Agency are preparing a change petition (in consultation with the State Water Board) in hopes that the area limitations can be resolved in a timely manner.

ATTACHMENTS

1. Nacimiento Reservoir Storage Allocation Zones

Nacimiento Reservoir Storage Allocation Zones

Figure 1 shows pertinent Nacimiento Reservoir elevations and storage volumes.

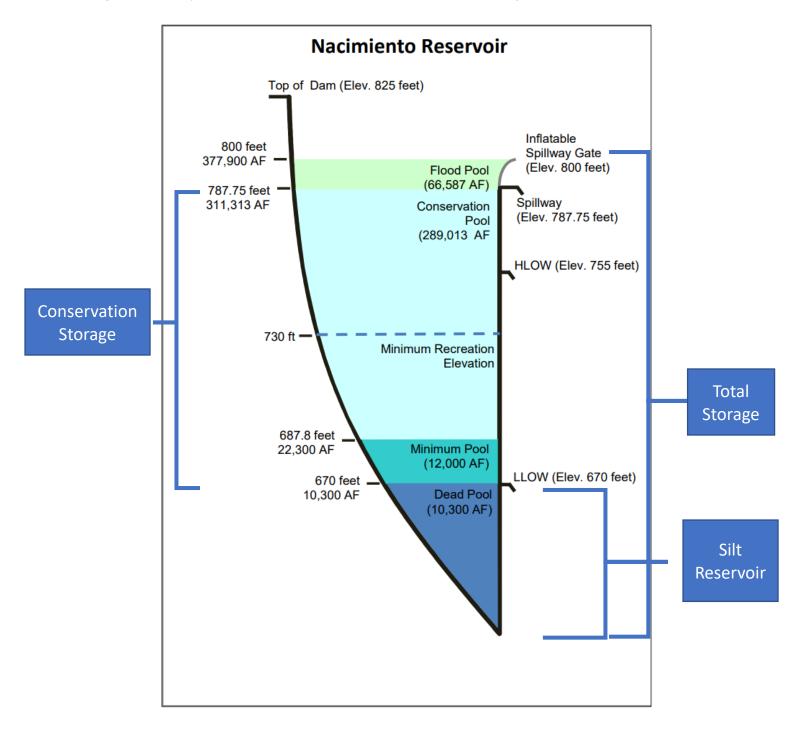


Figure 1. Schematic of Nacimiento Reservoir Pools

STORAGE POOL DEFINITIONS

Dead Pool

The storage between the bottom of the reservoir and elevation 670 feet, the invert of the Intake Structure of the LLOW. The volume of the Dead Pool is 10,300 acre-feet (AF) but water cannot flow by gravity out of the reservoir below elevation 670 feet.

Minimum Pool

The storage above the Dead Pool, elevation 670 feet, and below the Conservation Pool (defined below), elevation 687.8 feet, is the Minimum Pool. The volume of this pool is 12,000 AF which is reserved for the sole use of the County of San Luis Obispo per the 1959 San Luis Obispo County Agreement¹.

Minimum Recreation Elevation

At an elevation of 730 feet most of the boat ramps around the reservoir are useable and most private property owners have access to the reservoir. The Agency, to the extent possible, will keep this elevation in mind when making the release schedule and consider a goal each year of keeping the Reservoir above 730 feet until after Labor Day.

Conservation Pool

The storage above the Minimum Pool, elevation 687.8 feet, and below the Flood Pool (defined below), elevation 787.75 feet, is used to store water for release to the Salinas Valley for groundwater recharge, operation of the SRDF, water supply, fish migration, and fish habitat requirements. The volume of the Conservation Pool is 289,013 AF. It is dedicated to storing winter inflow from the Nacimiento watershed for later release.

Flood Pool

The bottom of the Flood Pool is the concrete spillway elevation of 787.75 feet. The top of the Flood Pool is the top of the raised inflatable spillway gates, elevation 800.0 feet, which is the maximum reservoir elevation (see below). During the winter, flood protection is provided by maintaining empty space within the Flood Pool to temporarily store flood water. The maximum Flood Pool storage volume is 66,587 acre-feet. The actual volume of the Flood Pool reserved for flood protection will vary based on factors such as current conditions, time of year, and forecasted weather. If conditions allow, winter inflow stored in this pool can be used for later release to the Salinas Valley for groundwater recharge, operation of the SRDF, water supply, fish migration, and fish habitat requirements.

Maximum Reservoir Elevation

The top of the raised inflatable spillway gate system is at elevation 800 feet, 377,900 AF. This is the maximum reservoir elevation and is the level at which the reservoir is full.

Top of Dam

The top of the Dam is at elevation 825 feet (the dam crest). The Agency has flood easements around the reservoir up to this elevation. The Agency requires that any construction of habitable structures, or structures that can be damaged by inundation, be above elevation 825 feet. Construction of any

¹ Article 11(j) of the October 19, 1959 Agreement (Appendix C).

structures, such as boat ramps, roads, or grading, that occurs below elevation 825 feet requires approval from the Agency prior to beginning work.

The maximum reservoir elevation reached under the Probable Maximum Flood Analysis is 823 feet, two feet below the dam crest (GEI Consultants, Inc., 2003).

REFERENCE

From the Nacimiento Dam Operation Policy (MCWRA, 2018). Web source: <u>https://www.co.monterey.ca.us/government/government-links/water-resources-agency/projects-facilities/dams-and-reservoirs</u>