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Date: August 6, 2026

To: LOCSD Board of Directors

From: Greg Kwolek, General Manager

Subject: **Agenda Item 9B – 08/06/2026 Board Meeting**
August General Manager's Report

Assistant General Manager Recruitment

Eric Riddiough, P.E., has been selected as the District's Assistant General Manager/District Engineer. Eric is a licensed Professional Civil Engineer with more than 20 years of public works and engineering experience. Most recently, he has served as a Senior Transportation Engineer with Caltrans District 5. Prior to that, he was the City Engineer for the City of Morro Bay, where he led the Engineering Division, managed capital improvement projects (including water/sewer) and construction contracts, supervised engineering staff, and regularly presented to the City Council and advisory bodies. He also brings prior municipal engineering experience with the City of Santa Maria and a strong background in capital project delivery, grant administration, infrastructure planning, and public agency operations.

Sunnyside Acquisition

Staff continues to advance the proposed lease-option acquisition of the Sunnyside property. At the same time, staff is also evaluating whether alternative financing mechanisms, including a lease revenue bond or similar financing structure, may be more advantageous to the CSD. Staff expects to complete this evaluation in advance of the Board's September 2, 2026, meeting and will present its findings and recommendation at that time.

Sunnyside Steering Committee

Staff is working toward establishing the Sunnyside Steering Committee. The Parks and Recreation Advisory Committee has nominated two representatives to serve on the committee. Staff is currently identifying qualified community members whose experience and interests will help inform the master planning process. Once a proposed slate of members has been assembled, staff will return to the Board with recommended appointments for consideration and approval. This Committee will be a key component for the development of the Sunnyside Master Plan.

County Desalination Feasibility Study

The County of San Luis Obispo Flood Control and Water Conservation District recently released a draft countywide desalination feasibility study funded through the U.S. Bureau of Reclamation's Title XVI program. The study was prepared as a long-range planning document to evaluate whether ocean desalination could become part of the County's future water supply portfolio. The study identifies five potentially feasible desalination concepts in different regions of the County, including a Morro Bay area alternative, and concludes that additional engineering, environmental review, financial analysis, governance, and stakeholder coordination would be required before any project could advance. The study is intended to support future planning and does not commit any participating agency to construct or fund a project.

From the District's perspective, the study reinforces that the Los Osos Groundwater Basin continues to be recognized as facing long-term reliability challenges and that regional water supply diversification remains an important objective. While the study does not recommend construction of a desalination facility in Los Osos or identify a preferred regional project, it does identify Morro Bay as one of several locations warranting additional evaluation. Staff will continue to monitor the study as it progresses and participate in regional discussions to ensure the District's interests, including groundwater basin sustainability and potential future water supply opportunities, are represented.

Countywide EMS Procurement Media Effort

On Monday August 3rd, I represented the District in a regional photo and video campaign associated with the County's procurement for countywide ambulance services. The campaign features representatives from local agencies discussing the importance of transparency, accountability, and public engagement as part of the procurement process.