

TO: BOARD OF DIRECTORS
FROM: MICHAEL LEBRUN *ML*
DATE: FEBRUARY 18, 2010

**AGENDA ITEM
E-1
FEBRUARY 24, 2010**

CONSIDER COUNTY PROPOSED GENERAL PLAN AMENDMENT FOR JACK READY PARK [CONSIDER, PROVIDE DIRECTION]

ITEM

County staff is scheduled to present a proposed General Plan Amendment for Jack Ready Park

BACKGROUND

County staff indicates development of proposed Jack Ready Park would require an amendment to the County General Plan. County Ordinance 3090 requires delivery of supplemental water to the Nipomo Mesa Conservation Area prior to approval of any General Plan amendments.

FISCAL IMPACT

The specific proposal is not expected to have a significant fiscal impact to the District.

RECOMMENDATION

Staff recommends that your Honorable Board consider the County presentation and/or information and direct staff.

ATTACHMENTS

- February 17, 2010 Draft General Plan Amendment
- Excerpt of County Title 22 Land Use

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\2010\JACK READY PARK.DOC

DRAFT

**Jack Ready Park
GPA/CUP
Illinois Way Nipomo, California
(WG Project #PP10-4112)
Revised February 17, 2010**

Project Synopsis

Requested General Plan Amendment and Conditional Use Permit
APN Numbers 092-031-024 and 092-031-025
Land Use Category Agriculture
Planning Area Standard South County Planning Area
Combining Designation
Property Location Illinois Way, Nipomo
Property Size 30± acres
Legal Parcel
Existing Parcels 2
Property Owner County of San Luis Obispo
Lease Agreement Jack Ready Family

Site History

Existing Site Conditions

This 30-acre parcel was rural, unused, unimproved property made up primarily of grasslands.

Existing Road Crossings

Illinois Way is a partially improved roadway with approximately 200 linear feet of AC paved area from the Eucalyptus. The remainder of the roadway is unpaved compacted dirt of varying widths of 10 feet to 24 feet.

Emergency Access

Request for Change of Land Use Statement

Application Request

It will create a portion of open space by incorporating extensive bicycle and walking paths, a landscaped playground, a community garden, and a large section devoted to the use of botanical plants and shrubs native to the area. These open space elements are detailed in the blueprint and plans already drawn-up. The most important new recreational opportunity, and the primary reason for the park's conception, is its award-winning **universal accessibility**. It will be the first park on Central Coast of California to provide a plethora of amenities, activities, equipment, education, and pure enjoyment for children

and adults with all manner of physical disabilities. The entire park will be accessible by foot, bike, stroller, wheelchair and walker.

Jack's Imagination Park (hereafter to be called the Park) was designed by Shane's Inspiration, whose sole mission is "to create Universally Accessible Playgrounds and programs that integrate children of all abilities socially, physically and emotionally, fostering acceptance, friendship and understanding." Visit www.shanesinspiration.org for details.

Their design for this park recently won the Paul Wolff Accessibility Advocacy Award, a donor endowment held by the San Luis Obispo County Community Foundation. These awards recognize individuals, organizations, and businesses that make exemplary contributions of time, energy and talents toward the creation of a barrier-free community for all people with disabilities.

In addition to its universal accessibility, this park will include many other new recreational activities, including but not limited to the following five:

- 15,500 SF Inspiration Park playground and amenities
- Themed play structures and a sand play area
- Sports fields
- Therapeutic riding center (Covered Arena which is Size: 150' x 200' with 8-10 stalls)
- Picnic and barbecue areas
- Planned and sponsored "family days" with face-painting, guest animals, dancing, food, music, and educational events
- 100 SF Office (what's the size and location?)
- 1,200 SF Caretaker living quarters
- 1,200 SF Shelter
- 700 SF Gazebo
- 1 50'x70' sand volleyball court
- 1 50'x70' multi-purpose court
- 1 Water Storage Tank
- 3 Septic tank and leechfields for park and domestic use
- 3 ADA accessible restrooms each 250-350 SF
- 18,400 SF Horse Trailer loading and parking
- Sensory Garden
- Memory Gardens
- Equestrian Trail system
- 55 Parking stalls (19 ADA compliant)

Hour and Days of Operation

The Park will be open seven days a week from dawn to dusk with specific times varying with season / time of year. This will accommodate the needs of youth, seniors, and families affected by poverty. Night-time activities may be allowed in future with special reservations and arrangements.

Lease Agreement

In April of 2009, a 30-acre parcel of land in Nipomo, was leased by San Luis Obispo County to Jack's Helping Hand to build the Park. The approval of that lease agreement by the County reads, in part, "Whereas, the County owns certain real property located off of Illinois Avenue, in the unincorporated area of Nipomo, County of San Luis Obispo, consisting of approximately thirty (30) acres of unimproved real property, Assessor's Parcel Numbers 092-031-024 and 092-031-025), and whereas the lessee is a 501(c)(3) non-profit corporation whose mission is to establish and provide community programs that enable and empower families, professionals, and the broader community to meet the unmet needs of physically and mentally disabled children and young adults, and whereas the location of this parcel is ideal for the promotion of recreation, tourism, and education for children with special needs the parties hereto have executed this Lease Agreement."

Land Use Ordinance (LUO) Compliance with Section 22.xxx.xxx

The application has been prepared to comply with the County's LUO Section 22.xx.xxx of the South County Area Plan. The follow items identify how the project is in compliance and or meets the requirement:

Figure 1 – Site Plan Concept
Figure 2- Aerial Photo
Figure 3- APN

Supplement Water Supply

Biological Considerations

Water Supply Improvements

Water Storage (Domestic and Fire)

Domestic Wastewater Treatment

Wastewater generated from the restrooms will be treated by individual onsite septic tank and leach field systems. The disposal systems will meet all County design requirements.

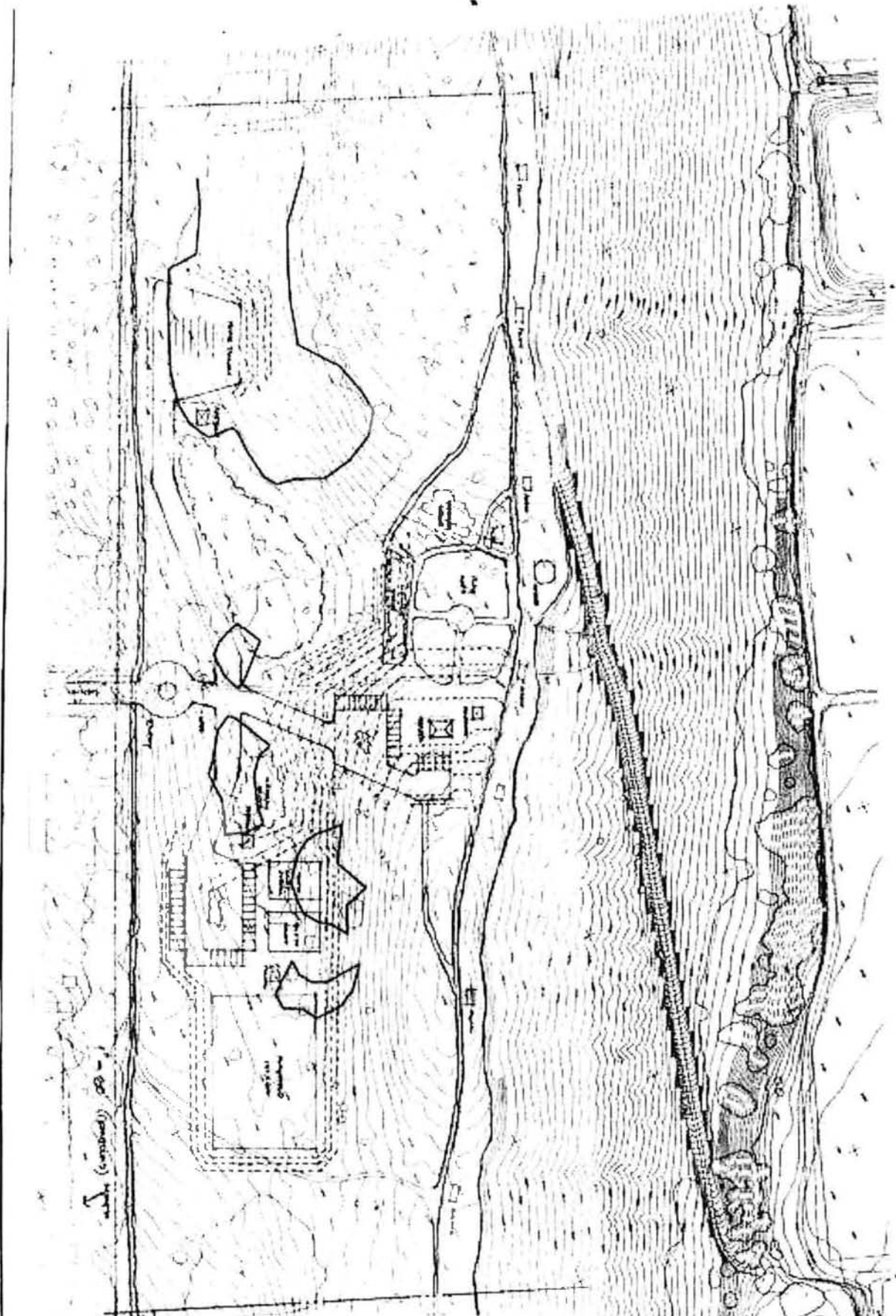
Drainage

Project Description
Jack Ready Park
Page 4 of 4

Preliminary drainage analysis has been prepared and identifies a single detention basin. The basin is located at the north.....The basin is designed to manage storm water flows (please refer to the report for details).

Landscape Schematic Concept

Jaf:PP10-4112:Proj Des 02172010.doc



Jack Ruddy Imagination Park
 Black Way
 Nipomo, California

Conceptual Site Plan

Corrie Ellsworth Architect
 1212 Joyce Court
 San Luis Obispo, California 93401

Paul Wolf Architect
 3129 Spring Court
 San Luis Obispo, California 93401

Title 22 LAND USEChapter 22.112 SOUTH COUNTY PLANNING AREA**22.112.020 Areawide standards.**

A. General Areawide Standards. The following standards apply to land both in the rural and community areas outside of the coastal zone, in the land use categories and specific areas listed.

1. Compliance with a Countywide Design Plan. After adoption of a countywide design plan, all proposed new developments, remodeling projects and subdivisions are to be in conformance with that plan.

2. Ground Recharge Areas. New development shall be located to preserve existing natural drainage areas and aquifer recharge areas and shall incorporate natural drainage systems in new developments to aid in groundwater recharge.

B. Edge of the Nipomo Mesa. The following standards apply to all land located on the edge of the Nipomo Mesa, including the area along Nipomo Creek. The edge of the Nipomo Mesa is defined as the point of change in topography where slope exceeds fifteen percent descending directly from the Mesa to the Santa Maria, Cienega, Los Berros and Nipomo Valleys, shown in Figure 112-1. Moderate erosion impacts potentially occur on disturbed slopes of Oceano dune sand (which typifies the Nipomo Mesa) that are steeper than fifteen percent.

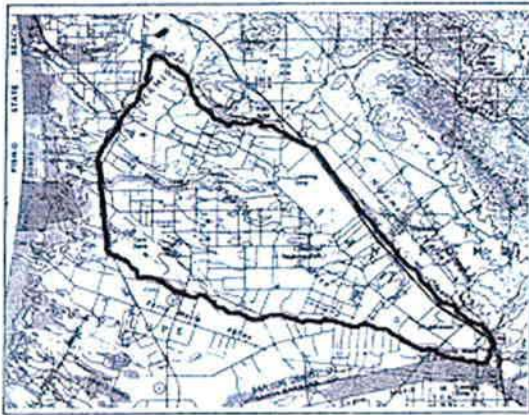


Figure 112-1—Edge of Nipomo Mesa

1. Drainage Plan Requirement. Land use permit and land division applications shall include a drainage plan in compliance with Chapter 22.52. The plan shall identify the point of change to fifteen percent slope, in addition to other required drainage plan contents. The drainage plan requirement may be waived through an adjustment approved in compliance with Section 22.70.030, where a development will be located a sufficient distance from the bluff edge to be of no concern.

2. Standards for Projects Requiring Zoning Clearance or Site Plan Review. Projects requiring zoning clearance or site plan review shall be designed in compliance with the following standards, as illustrated in Figure 112-2. Projects that are unable to meet these requirements may be considered through minor use permit review, with the applicant paying the difference in fees.

a. Grading Limitation. Locate all grading, such as for building pads or access roads, away from slopes steeper than fifteen percent on the bluff edge of the Nipomo Mesa to avoid erosion and visual impacts associated with grading, except for transmission lines and pipelines.

b. Setbacks. All new structures shall be set back at least fifty feet from the top edge and the toe of the slope bank to prevent slope failure. Structures are not permitted on the slope of the bluff face, except for transmission lines and pipelines.

c. Drainage Control. Runoff created by new development shall be conveyed away from the bluff toward the interior of the Mesa. On-site or off-site retention/recharge basins shall be utilized for storage and infiltration of all runoff.

d. Septic System Locations. If a subsurface disposal system shall be located within one hundred fifty feet of the edge of the steeper bluff slopes (thirty percent or greater), the system shall be designed to meet the Central Coast Basin Plan requirements for site suitability and the prevention of "daylighting" of effluent. This system must be approved by the building official prior to installation.

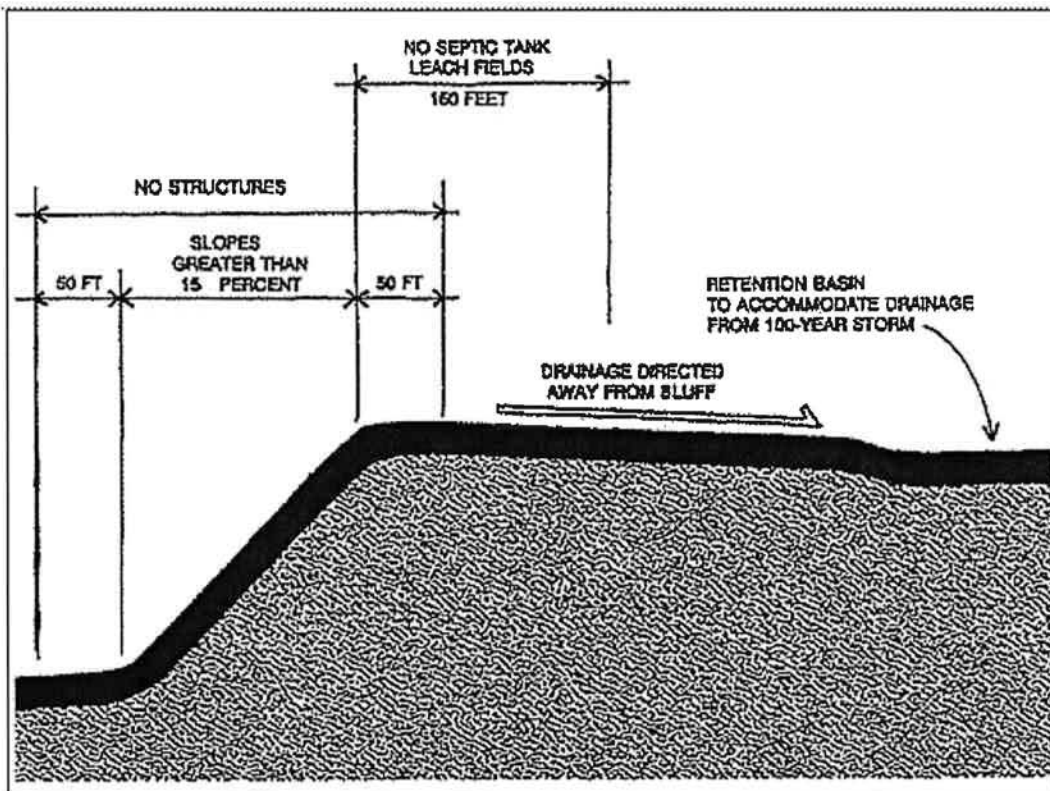


Figure 112-2—Development Concepts—Edge of Nipomo Mesa

3. Standards for Projects Requiring Minor Use or Use Permit and Land Division Approval. Minor use permit, use permit and new land division applications shall include proposals to address drainage requirements, erosion concerns and septic effluent issues. In addition, the proposal shall address visual, historical and environmental mitigation.

C. Circulation Planning.

1. Public Right-of-Way Dedications. Applications for land divisions or conditional use permits shall provide an offer of dedication for public streets, bikeways and pathways where necessary to mitigate the impacts of the project and to implement the Circulation Element and the Parks and Recreation Element.

2. Pathways in New Land Divisions. Land division applications that propose public pathways that are adjacent to the road may utilize the gross acreage to calculate the allowable number of parcels, instead of the net acreage as otherwise required by this Title.

3. Traffic Noise Mitigation. Noise-sensitive land uses that are proposed near collector, arterial streets and highways shall be reviewed for potential noise impacts and mitigated, if needed, in compliance with the Noise Element. Where feasible, possible mitigation measures shall be prioritized in the following order:

- a. Setbacks/open space separation;
- b. Site layout, orientation and shielding of noise sensitive uses with non-noise-sensitive uses;
- c. Construction of earthen berms;
- d. Structural measures: acoustical treatment of buildings, walls.

4. Transit-oriented Standards. Minor use permit, use permit and land division applications shall provide a design and site development that is consistent with the following standards, where applicable for implementing the Circulation Element of the General Plan and the Regional Transportation Plan:

- a. Where determined appropriate by the Regional Transit Agency, subdivisions or developments of twenty or more housing units shall provide pedestrian access to a bus stop along the closest major arterial or collector and fund their share of one shelter or bus stop per one-half mile of that roadway.
- b. Employment centers (fifty jobs or more) shall provide one shelter and bus stop pull-out within one-fourth mile of the project and assure pedestrian access to the transit facility. Whenever employment densities are expected to exceed fifty jobs per acre, up to a twenty percent reduction in the number of required parking spaces may be allowed for a project.
- c. Transit facilities shall be integrated into new development and be multi-modal (accessible by bike, walking and car) whenever possible, with spacing to provide easy access without unduly impacting route times.
- d. On-site services are encouraged as appropriate within projects, including child care, personal and bank services, cafes, pharmacy and convenience stores, depending on the size of the project.
- D. Open Space Preservation - Cluster Division Incentive. This standard applies to land where important physical, biological or historic resources are identified both on-site and on adjacent properties, to encourage cluster land divisions that will leave the resources in open space areas. Clustered land divisions may utilize an open space parcel area that is smaller than otherwise required by Chapter 22.22 where an important biological habitat, such as an oak woodland or the Nipomo Creek corridor, or land near an historic site such as the Dana Adobe, is identified through the application's review process. The size of the open space area may be determined by a visual, biological or other applicable analysis of the area in question. The analysis shall identify the area that is necessary to maintain open space to preserve the features of the applicable resource. Guideline: Retain land in open space in new land divisions that will preserve oak woodlands, riparian and other important biological habitats, and historic place surroundings.
- E. Arroyo Grande Planning Impact Area. The following standards apply to land shown within the planning impact area of the city of Arroyo Grande, as shown in Figure 112-3, that has been identified as an area of critical concern.

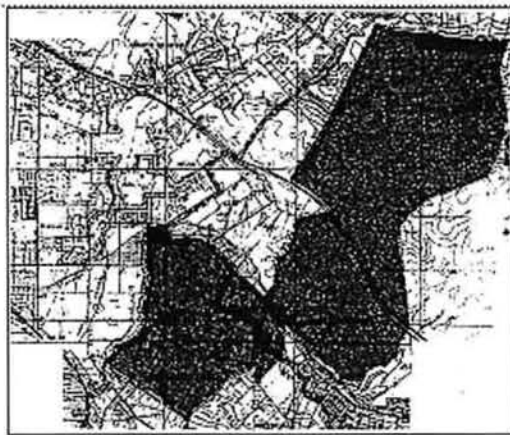


Figure 112-3—Arroyo Grande Planning Impact Area

1. Application Referral. Discretionary permits, land divisions and general plan amendment applications shall be referred to the city of Arroyo Grande for review and comment.
 2. Development Impacts. Discretionary projects with potential impacts, including cumulative ones, that are associated with impacts to water quantity and quality, drainage, erosion and downstream sedimentation, traffic and circulation shall be addressed as critical subjects for additional review as part of the environmental review process.
 3. Application Content—New Land Divisions. Applications for new land divisions shall comply with the applicable submittal requirements and development standards in the Real Property Division Ordinance (Title 21 of the County Code) with respect to water supply, drainage and grading, sewage disposal, road connections to city roads, and efficient neighborhood and areawide circulation.
- F. Nipomo Mesa Water Conservation Area. The following standards apply to all land in the Nipomo Mesa Water Conservation Area as shown in Figure 112-3a.

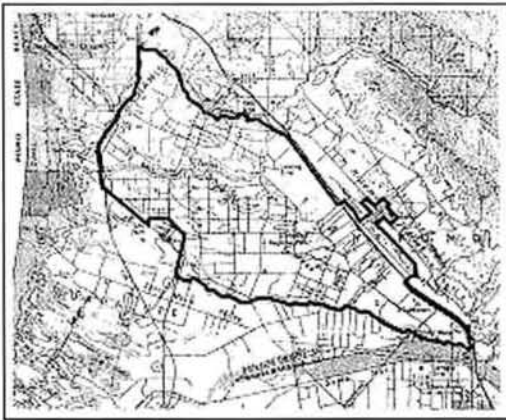


Figure 112-3a—Nipomo Mesa Water Conservation Area

1. General Plan Amendments and Land Divisions. Applications for general plan amendments and land divisions in the Nipomo Mesa Water Conservation Area shall include documentation regarding estimated existing and proposed nonagricultural water demand for the land division or development that could occur with the general plan amendment. If this documentation indicates that the proposed nonagricultural water demand exceeds the demand without the requested amendment or land division, the application shall include provisions for supplemental water as follows:

a. General Plan Amendments. Where the estimated nonagricultural water demand resulting from the amendment would exceed the existing nonagricultural demand, the application shall not be approved unless supplemental water to off-set the proposed development's estimated increase in nonagricultural demand has been specifically allocated for the exclusive use of the development resulting from the general plan amendment, and is available for delivery to the Nipomo Mesa Water Conservation Area.

b. Land Divisions. Where the estimated nonagricultural water demand resulting from the land division would exceed the existing nonagricultural demand, a supplemental water development fee shall be paid for each dwelling unit or dwelling unit equivalent, at the time of building permit issuance, in the amount then currently imposed by county ordinance, not to exceed thirteen thousand two hundred dollars. If the development resulting from the land division is subject to payment of supplemental water development fees to an entity other than San Luis Obispo County, the amount of these other fees shall be deducted from the county fee.

2. Landscape Standards. The standards in Chapter 22.16 of this title apply to the following projects within the Nipomo Mesa Water Conservation Area. Only exceptions, as set forth in Sections 22.16.020(B)(2), (B)(4), (B)(6) and (B)(7) are allowed within this area:

a. Public Projects. Projects completed by a public agency that require a land use permit.

b. New Nonresidential Projects. All new projects within the recreation, office and professional, commercial retail, commercial service, industrial and public facilities land use categories.

c. Developer-installed.

i. All developer-installed landscaping in all residential land use categories within urban or village areas.

ii. All developer-installed landscaping in all land use categories outside of urban or village areas where the parcel is five acres or less.

d. Homeowner-installed. All homeowner-installed landscaping for any project for which a land use permit is required.

e. Drip Irrigation. Drip irrigation systems are required for all landscaped areas (except turf areas). The drip irrigation system shall include the following components: automatic rain shut-off device, soil moisture sensors, a separate meter for outdoor water and an operating manual to instruct the building occupant how to use and maintain the water conservation hardware.

f. Turf Area Limits. The maximum amount of turf (lawn) area shall not exceed twenty percent of the site's total irrigated landscape area. In all cases, the site's total irrigated landscape area shall be limited to one thousand five hundred square feet.

3. Building Permits. Building permits issued for construction in the Nipomo Mesa Water Conservation Area shall comply with Section 19.20.240(d) of this title. (Ord. 3104 § 1, 2006; Ord. 3090 § 1, 2006; Ord. 2982 § 1 (part), 2002)

TO: BOARD OF DIRECTORS
FROM: MICHAEL LEBRUN *MSL*
DATE: FEBRUARY 19, 2010

**AGENDA ITEM
E-2
FEBRUARY 24, 2010**

DISCUSS THE COLLECTION OF DISTRICT FEES FOR NEW DEVELOPMENT

ITEM

Discuss the timing of collection of water and sewer fees for new development. [PROVIDE GUIDANCE, DIRECT STAFF]

BACKGROUND

Your Honorable Board directed staff to provide an opportunity for review and discussion of District procedure for collection of supplemental water capacity charges. On December 16, 2009, your Board discussed fee collection and directed staff to further investigate District schedule of fee collection with consideration for delaying development related fee collection across all categories of development.

On Monday January 4, 2010, staff met with representatives of San Luis Obispo County Home Builders association. HBA outlined the financial difficulties posed by the Districts current fee collection policy relative to tract map development. District Policy requires a 100% deposit of fees at the time a Will Serve Letter is issued. The County requires a Will Serve letter from the District prior to filing a Final Tract Map. Developers are unable to obtain building loans in the current financial climate until after a final Tract Map is obtained.

The Home Builders Association of SLO County asked the District to consider delaying the collection of fees until the issuance of a building permit by the County, similar to the way School Districts throughout the County require and facilitate fee collection. On January 21, 2010, District staff and legal counsel met with senior County planning staff to discuss the potential for County verification of District fee payment prior to the issuance of a building permit. County staff indicated such a process would be possible by the inclusion of a District-wide 'flag' on all parcels that would trigger District fee verification prior to building permit issuance.

District fees included connection and capacity charges and are set to represent a buy in to existing infrastructure and cost of developing additional resources and infrastructure to serve the new development. Delaying fee collection, or a portion of fee collection, on new development, in the current financial climate, would not be expected to have a significant fiscal impact on the District. However, during aggressive development climates, a delay in fee collection over a prolonged period could substantially limit the District's ability to pursue new resources and capacity. Additionally, litigation resulting from a challenge to District authority to collect fees after the issuance of a non-conditional Will Serve letter could result in significant financial impacts.

Additional concerns staff has identified through this consideration effort include:

- Issuance of a Will Serve letter, which commits the District - with very little recourse and no expiration - to supplying a future development without the collection of fees is problematic and could foreseeable result in legal challenge to the District.
- Relying on another agency, in this case the County, to insure those fees are collected is problematic. If County staffing is significantly reduced due to budgetary constraints, would confirmation of District fee payment remain a priority to the County?
- The change in procedure could lead to a request for service prior to the District's acceptance of development infrastructure
- The change in procedure could lead to an unaware buyer being sold a lot where substantial fees are due.

Among other changes, staff foresees the potential for recordation of legal documents on property title and subsequent re-recordation as the property morphs with filing of a final Tract map, in order to avoid some of the problems outlined above.

These issues were discussed at your January 27, 2010 Regular Board Meeting. At that time your Board expressed concern with relying on action by another agency to trigger collection of District fees. Your Board directed staff to conduct further investigation and attempt to provide a proposal to meet the HBA request without relinquishing District control of the fee collection process.

Through a detailed review of the District development approval process, staff has identified a process whereby the District could delay fee collection to after the Will Serve Letter yet prior to the District's acceptance of project improvements. This would allow the Developer to file a Final Map and obtain construction loans based on the development map. It would also allow the District to maintain control over the trigger for collection of connection fees. Such a procedure would only apply to development projects that created new lots and require the construction and dedication to the District of improvements. It is further recommended that any Ordinance delaying the collection of District fees include an automatic twelve month sunset clause to avoid undesired fiscal impact and risk to the District. See the attached development process summary.

FISCAL IMPACT

Development of this material did use previously budgeted staff time and legal consulting cost.

RECOMMENDATION

Staff recommends that the Board consider and discuss the current District policy and direct staff.

ATTACHMENTS

Summary of Supplemental Water Fees

Summary of Reserved Capacity

Comparison of Development Process Options

**NIPOMO COMMUNITY SERVICES DISTRICT
SUMMARY OF SUPPLEMENTAL WATER CAPACITY CHARGES
COLLECTED AND EXPENDED**

PROJECT	DATE DEPOSIT COLLECTED	DEPOSIT COLLECTED TO ISSUE WILL SERVE LETTER	DATE FINAL FEES COLLECTED	FINAL FEES TO SET METERS	TOTAL SUPPL WATER FEES COLLECTED	NUMBER OF DAYS BETWEEN DEPOSIT AND FINAL FEES	
Tract 2513	6/23/05	66,726.00	5/23/07	2,610.00	69,336.00	699	
Tract 2514	6/23/05	77,847.00	5/23/07	3,045.00	80,892.00	699	
Tract 2619	6/30/05	211,299.00	3/28/07	8,786.50	220,085.50	636	
APN 090-095-011 TO 014	N/A	0.00	8/4/05	33,363.00	33,363.00	N/A	
Tract 2561	11/7/05	88,968.00	7/25/07	7,528.00	96,496.00	625	
APN 090-381-006	N/A	0.00	1/25/06	11,121.00	11,121.00	N/A	
APN 091-327-075	2/1/06	63,955.75	10/11/06	2,501.00	66,456.75	252	
APN 091-322-046	N/A	0.00	3/20/06	11,121.00	11,121.00	N/A	
APN 092-251-020	N/A	0.00	4/19/06	11,121.00	11,121.00	N/A	
Tract 2565	5/9/06	66,726.00	10/15/07	5,646.00	72,372.00	524	
CO 04-0606	5/18/06	55,605.00	8/27/07	2,175.00	57,780.00	466	
Tract 2499	6/9/06	200,178.00	3/18/08	16,938.00	217,116.00	648	
APN 090-091-017	N/A	0.00	7/18/06	11,556.00	11,556.00	N/A	
Tract 2595	10/11/06	46,224.00	7/24/07	2,024.00	48,248.00	286	
APN 090-381-002	N/A	0.00	10/18/06	11,556.00	11,556.00	N/A	
CO 04-0186	5/17/07	34,668.00			34,668.00		OUTSTANDING
APN 092-130-043	5/17/07	153,087.00	12/18/07	70,023.50	223,110.50	215	
CO 06-0082	6/22/07	23,112.00	8/7/07	1,012.00	24,124.00	46	
Tract 2658	6/12/07	92,448.00	11/27/07	4,048.00	96,496.00	168	
APN 092-130-004	10/31/07	814,883.25	5/13/09	(46,187.75)	768,695.50	560	
APN 090-135-006	11/27/07	51,264.50			51,264.50		OUTSTANDING
CO 06-0037	11/26/07	60,275.00	6/10/08	153,805.25	214,080.25	197	
CO 04-0342	N/A	0.00	3/26/08	48,248.00	48,248.00	N/A	
APN 090-371-003	N/A	0.00	4/7/08	12,062.00	12,062.00	N/A	
Tract 2732	N/A	0.00	4/14/08	301,550.00	301,550.00	N/A	
APN 092-130-007	N/A	0.00	5/1/08	12,062.00	12,062.00	N/A	
APN 092-241-022	N/A	0.00	5/9/08	12,062.00	12,062.00	N/A	
APN 092-081-023	N/A	0.00	5/22/08	12,062.00	12,062.00	N/A	
CO 05-0113	5/15/08	24,124.00	10/6/08	780.00	24,904.00	144	
Tract 2663	6/5/08	48,248.00	1/11/10	7,184.00	55,432.00	585	
CalFire	N/A	0.00	8/21/08	46,705.75	46,705.75	N/A	
Villagio	N/A	0.00	10/20/08	12,452.00	12,452.00	N/A	
CO 06-0225	11/3/09	13,858.00			13,858.00		OUTSTANDING
APN 091-326-003	NA	0.00	1/11/10	13,858.00	13,858.00	N/A	
		<u>2,193,496.50</u>		<u>802,818.25</u>	<u>2,996,314.75</u>	<u>422</u>	Average days from Collection of Deposit to date of Final Fees Paid

	SUPPLEMENTAL WATER CAPACITY COLLECTIONS BY FISCAL YEAR	SUPPLEMENTAL WATER EXPENDITURES BY FISCAL YEAR	COLLECTED VERSUS EXPENDED BY FISCAL YEAR	RUNNING TOTAL BY FISCAL YEAR
6/30/2005	355,872.00	103,938.03	251,933.97	251,933.97
6/30/2006	542,158.75	225,459.74	316,699.01	568,632.98
6/30/2007	389,593.50	562,634.14	(173,040.64)	395,592.34
6/30/2008	1,660,040.50	334,404.32	1,325,636.18	1,721,228.52
6/30/2009	13,750.00	1,055,642.22	(1,041,892.22)	679,336.30
6/30/2010	34,900.00	326,166.88	(291,266.88)	388,069.42
	<u>2,996,314.75</u>	<u>2,608,245.33</u>	<u>388,069.42</u>	

**NIPOMO COMMUNITY SERVICES DISTRICT
RESERVED WATER CAPACITY**

YEAR PAID	# UNITS
Pre-1985	20
1985	1
1989	3
1993	13
1994	25
1996	1
1998	2
1999	1
2000	21
2001	37
2002	3
2003	7
2004	83
2005	8
2006	3
2007	2
2009	9
2010	6
TOTAL	<u>245</u>

Water Capacity Charges collected, Will Serve Letter issued, but no water meter set yet.

T:FINANCE\CAPACITY CHARGES-CPI\RESERVED CAPACITY\DATES PAID.XLS

**NIPOMO COMMUNITY SERVICES DISTRICT
DEVELOPMENT PROCESS COMPARISON
CURRENT AND CONCEPTUAL POTENTIAL FUTURE PROCESSES**

CURRENT PROCESS	POTENTIAL FUTURE PROCESS - STAFF PROPOSAL	POTENTIAL FUTURE PROCESS - HBA PROPOSAL
Developer Submits Intent to Serve application	Developer Submits Intent to Serve application	Developer Submits Intent to Serve application
District reviews application and issues ITS	District reviews application and issues ITS	District reviews application and issues ITS
Developer signs ITS letter and PCIA	Developer signs ITS letter and PCIA	Developer signs ITS letter and PCIA
Developer prepares improvement plans for District Review and approval	Developer prepares improvement plans for District Review and approval	Developer prepares improvement plans for District Review and approval
District reviews and approves plans	District reviews and approves plans	District reviews and approves plans
District calculates fee deposit based on approved plans	District calculates fee deposit based on approved plans	District calculates fee deposit based on approved plans
Developer pays fee deposit (100% of current fees)	Developer pays fee deposit (portion of current fees) and District records notice of fees due on title	Developer pays fee deposit (portion of current fees) and District records notice of fees due on title
District Issues Will Serve Letter	District Issues Will Serve Letter	District Issues Will Serve Letter
Developer constructs water and sewer improvements	Developer constructs water and sewer improvements	Developer constructs water and sewer improvements
Developer requests that District accept improvements	Developer requests that District accept improvements	Developer requests that District accept improvements
District calculates final fees based on current fee schedule	District calculates final fees based on current fee schedule	District accepts improvements and issues Ready to Serve Letter before payment of balance of fees due
Developer pays difference between 100% fee deposit and final fees for entire tract	Developer pays balance of fees for entire tract	Developer applies for building permit and County refers developer to District for fee clearance for individual parcel
District accepts improvements and issues Ready to Serve Letter	District accepts improvements and issues Ready to Serve Letter	District calculates final fees based on current fee schedule for individual parcel
Upon proof of building permit, District sets water meter	Upon proof of building permit, District sets water meter	Developer pays balance of fees for individual parcel
		Upon proof of building permit, District sets water meter

TO: BOARD OF DIRECTORS
FROM: MICHAEL LEBRUN *ML*
DATE: FEBRUARY 19, 2010

**AGENDA ITEM
E-3
FEBRUARY 24, 2010**

AWARD BID FOR REHABILITATION OF TWO 500,000 GALLON WATER TANKS

ITEM

Award bid for Rehabilitation of Two 500,000 Gallon Welded Steel Water Storage Tanks to lowest responsive and responsible bidder [APPROVE RECOMMENDATION].

BACKGROUND

On February 2, 2010, bids were opened from eleven (11) bidders. As illustrated in the attached Summary of Bids, the low bidder was Crosno Construction Inc. with a base bid of \$182,700. Staff reviewed the bid and has determined that the bid is responsive and the bidder is responsible.

The bids also included two additive bid items. The additive items are for tank dehumidification, if it is deemed necessary, during the interior coating application process to ensure that the new coating cures properly. Crosno submitted bid prices for both additive items of \$10,000 each.

Regarding compliance with the California Environmental Quality Act (CEQA), the project involves the maintenance of existing facilities and is categorically exempt. Staff will file a Notice of Exemption for the project.

FISCAL IMPACT

The FY 09-10 Budget includes \$325,000 for this project (Fund 805 – Water, Funded Replacement). The actual bid amount, including the additive bid items, is within the amount budgeted for the project.

RECOMMENDATION

Staff recommends that your Honorable Board:

1. Award the bid for the project to Crosno Construction Inc. for \$202,700, including the additive bid items, and authorize General Manager to execute construction agreement.
2. Authorize the General Manager to issue individual Change Orders for up to \$5,000 with an aggregate Change Order total not to exceed \$20,000.
3. Authorize staff to file a Notice of Exemption for the project.

ATTACHMENTS

Summary of Bids

NIPOMO COMMUNITY SERVICES DISTRICT - BID OPENING 2/2/2010

REHABILITATION OF TWO 500,000 GALLON WELDED STEEL WATER STORAGE TANKS

Bidder	Base Bid	Additive Bid
Crosno Construction Inc.	\$182,700	\$20,000
Paso Robles Tank Inc.	\$242,300	\$80,000
Industrial Coating and Restoration**	\$248,000	\$55,000
Pacific Titan**	\$256,055	\$29,134
Blastco	\$257,075	\$61,480
J Colon Coatings	\$259,700	\$31,200
AA-1 Painting	\$269,430	\$44,800
Olympus	\$273,331	\$50,000
Spiess	\$277,600	\$44,800
C-Ray	\$286,000	\$16,000
Advanced Industrial	\$309,740	\$28,000

** Denotes error in bid submitted by bidder.

Engineer's Estimate	\$255,050	\$48,000
----------------------------	------------------	-----------------

TO: BOARD OF DIRECTORS
FROM: MICHAEL LEBRUN *msl*
DATE: FEBRUARY 19, 2010

**AGENDA ITEM
E-4
FEBRUARY 24, 2010**

LAFCO SPECIAL DISTRICT BALLOT

ITEM

Consider four individuals nominated to fill the Special District seat of the Local Agency Formation Commission [DECIDE DISTRICT VOTE, DIRECT STAFF TO FILE COMPLETED BALLOT]

BACKGROUND

Four individuals have been nominated to fill the Special District seat vacancy to LAFCO. The seat expires December 2010.

FISCAL IMPACT

None

RECOMMENDATION

Consider LAFCO materials, decide District vote, and direct staff to file completed ballot with LAFCO no later than March 17, 2010.

ATTACHMENTS

LAFCO Ballot Materials

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\2010\LAFCO BALLOT.DOC



LAFCO - San Luis Obispo - Local Agency Formation Commission
SLO LAFCO - Serving the Area of San Luis Obispo County

COMMISSIONERS

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Chair, City Member

RICHARD ROBERTS
Vice Chair,
Public Member

KATCHO ACHADJIAN
County Member

DAVID BROOKS
Special District
Member

BRUCE GIBSON
County Member

ALLEN SETTLE
City Member

VACANT
Special District
Member

ALTERNATES
ED EBY
Special District
Member

TOM MURRAY
Public Member

JAMES R. PATTERSON
County Member

KRIS VARDAS
City Member

STAFF
DAVID CHURCH
Executive Officer

RAYMOND A. BIERING
Legal Counsel

DONNA J. BLOYD
Commission Clerk

TO: EACH INDEPENDENT SPECIAL DISTRICT
FROM: DAVID CHURCH, EXECUTIVE OFFICER
DATE: FEBRUARY 15, 2010
RE: BALLOT FOR LAFCO SPECIAL DISTRICT MEMBER

Four individuals have been nominated to fill the Special District Member vacancy on the San Luis Obispo Local Agency Formation Commission (LAFCO). The term expires in December 2010. The nominees are as follows:

- Ed Eby, Nipomo Community Services District
- Brian Kreowski, Port San Luis Harbor District
- Kristi Jenkins, Cambria Healthcare District
- Muril Cliff, Cambria Community Services District

The nomination period expired on February 11, 2010. The Government Code states that "at the end of the nomination period, the Executive Officer shall prepare and deliver, or send by certified mail, to each independent special district one ballot and voting instructions." The ballot is attached along with a one page information sheet about each candidate, if it was submitted to LAFCO. Each Independent Special District may vote for one nominee.

Please schedule this matter for a vote at your Board of Directors meeting as soon as possible. The completed ballot should be returned to the LAFCO office **no later than March 17, 2010**. A self-address stamped envelope and current Commission Membership Sheet are also enclosed.

Please let me know if you have any questions.

cc: Members, Formation Commission

RECEIVED
FEB 16 2010
NIPOMO COMMUNITY
SERVICES DISTRICT

BALLOT FOR LAFCO SPECIAL DISTRICT MEMBER

Please check only one:

<input type="checkbox"/>	Ed Eby
<input type="checkbox"/>	Brian Kreowski
<input type="checkbox"/>	Kristi Jenkins
<input type="checkbox"/>	Muril Clift

From the _____
(Please insert name of Special District)

Board of Director's action was taken on:

(Please insert date of Board action)

**SAN LUIS OBISPO
LOCAL AGENCY FORMATION COMMISSION**

The Commission is comprised of seven (7) Regular Members (two county, two city, two special district, and one public member) and four (4) Alternate Members (one county, one city, one special district, and one public member) serving four-year terms. Current members and their term expiration dates are as follows:

Chairman

Duane Picanco

City Member, City of Paso Robles
December 2011

Vice Chairman

Richard Roberts

Public Member, December 2012

K.H. "Katcho" Achadjian

County Board Member, District 4 Supervisor
December 2014

Bruce Gibson

County Board Member, District 2 Supervisor
December 2011

Allen Settle

City Member, City of San Luis Obispo
December 2009

Special District Member, Vacant
December 2010

Alternates

Ed Eby

Special District Member, Nipomo CSD, December 2009

Tom Murray

Public Member, December 2012

James R. Patterson

County Member, December 2014

Kris Vardas

City Member, City of Pismo Beach, December 2010



LAFCO - San Luis Obispo - Local Agency Formation Commission
SLO LAFCO - Serving the Area of San Luis Obispo County

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Public Member

KATCHO ACHADJIAN
County Member

DAVID BROOKS
Special District
Member

BRUCE GIBSON
County Member

ALLEN SETTLE
City Member

VACANT
Special District
Member

ALTERNATES

ED EBY
Special District
Member

TOM MURRAY
Public Member

JAMES R. PATTERSON
County Member

KRIS VARDAS
City Member

STAFF


DAVID CHURCH
Executive Officer

RAYMOND A. BIERING
Legal Counsel

DONNA J. BLOYD
Commission Clerk

MEMORANDUM

TO: Each Independent Special District

FROM: David Church, AICP, Executive Officer 

RE: Candidate Information for LAFCO Special District Member

DATE: February 16, 2010

Enclosed is up-to-date information regarding the candidates nominated for the vacant Special District Member position on the Local Agency Formation Commission.

Please call me at 781-5795 if you have any questions.

RECEIVED
FEB 17 2010
NIPOMO COMMUNITY
SERVICES DISTRICT

Ed Eby

Nominee for LAFCO Special District Member



San Luis Obispo County Activities

- Director, Nipomo Community Services District since 2004 - Reappointed in 2008 with no opposing candidates
- Chairman NCSD Waterline Intertie Project Committee
- Chairman, 2006-2007 South County Advisory Council
- Past Elected Representative, Nipomo Community Advisory Council
- Past NCSD Delegate, Nipomo Community Advisory Council
- Member and Alternate Member of, Water Resources Advisory Committee since 2005
- Former Member, Technical Review Committee, South County Air Quality Mitigation Program
- Advisory Board Member, Dana Adobe Nipomo Amigos
- Member, The Land Conservancy of San Luis Obispo County
- LAFCO Alternate Commissioner - Ed has been the Alternate Special Districts Commissioner since 2006, attending all LAFCO meetings during his term, and frequently sitting in for absent Commissioners.

Background

Prior to his 1999 retirement from Hughes Space and Communications Co., Ed spent 35 years as a design engineer and program manager in Southern California's aerospace industry. Ed is a UCLA graduate with Bachelor of Science and Master of Science in Engineering degrees, and post-graduate studies in technical and management programs. He has lived in Nipomo for the past 8 years. In his spare time, he enjoys growing fruits, vegetables, and native plants.

BOARD OF COMMISSIONERS

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JIM BLECHA
JACK SCARBROUGH
BRAIN KREOWSKI
DREW BRANDY

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Vice President
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Commissioner
Commissioner



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STEPHEN A. McGRATH *Harbor Manager*
THOMAS D. GREEN *Legal Counsel*
PHILLIP J. SEXTON, CPA *Treasurer*

Commissioner Brian Kreowski, known to his family and friends by his middle name "Craig", is a graduate of Arroyo Grande High School and his family has resided in San Luis Obispo County for more than 30 years. In the 80's, while attending Cuesta College and Cal Poly, Commissioner Kreowski worked at Port San Luis as a Sport Launch Operator and Maintenance Worker for the District.

Brian is one of the founding members of the Central Coast Aquarium Society, and helped facilitate the establishment and continuation of a mobile, interactive sea life educational program *Tidepool Treasures*, which has served in educating countless children and adults about our Ocean environments. He has participated in fostering many collaborative activities and programs with other marine organizations and was instrumental in facilitating the initial discussions for the Cal Poly take over of the Unocal Pier at Port San Luis.

In 1996, Brian was appointed to the Dinosaur Caves Task Force for the City of Pismo Beach. He served for over one year as vice-chairperson and was instrumental in the formulation of the Task Force recommendation to establish the property as an "open space" park.

Following the dissolution of the Task Force, Brian, and three other members created the Dinosaur Caves Preservation Society (DCPS), a non-profit 501(c)(3) organization, dedicated to preserving the Dinosaur Caves Property. He continues to serve as vice president of the society. Together with the City of Pismo Beach, the society has raised close to \$900,000 to develop the park.

In addition to practicing law, Commissioner Kreowski has taught at Cuesta College for the past 15 years and was the first part-time professor to receive the prestigious M'may Diffley Teaching award.

In 2003, Brian was appointed as a Commissioner to the Port San Luis Harbor Commission, by his fellow Commissioners, and then subsequently affirmed in his position as a Commissioner by an election of the people of the District. Since becoming a Commissioner, Brian has traveled to Washington, DC to represent the District and assist in the lobbying effort to acquire Federal Funding for the District's breakwater, which suffered earthquake damage in 2003. In 2008, Brian became President of the San Luis Obispo County Historical Society, and currently serves in that capacity, as well as a Commissioner for the Port San Luis Harbor District, Professor of Political Science at Cuesta College and managing member of the Shell Beach Law Group.

You will have the opportunity within the next thirty days to elect a Special Districts' LAFCO representative.

I would consider it a privilege to be that representative. Please review my qualifications and feel free to contact me if you need further information.

I thank you for your vote.

Why elect **MURIL CLIFT** to represent your District on LAFCO?

EXPERIENCE:

- Currently Vice President Cambria Community Services District
- Currently Director Special District Risk Management Authority
- Currently District 2 Representative to Citizens Transportation Advisory Committee of SLOCOG
- Prior Director of Santa Maria Public Airport District
- Prior Trustee of Kern County Union High School District

BELIEFS & COMMITMENT:

- Believes the Community Service District is the most representative form of providing services
- Believes the Community Service Districts needs strong representation in LAFCO decisions
- Willing to commit the time and energy needed to represent your interests
- Available to hear your concerns and comments

Email: mnclift@charter.net

Phone: 805-927-7124

Mail: 1011 Suffolk St., Cambria 93428

RESUME

Kristi A. Jenkins, BSMT, MHA, CMA
329 Drake Street
Cambria, CA 93428
Phone: (805) 927-8307
FAX: (805) 927-1889

Education:

University of LaVerne
LaVerne, CA
1998 – 2001
Masters in Health Administration

Creighton University
Omaha, Nebraska
1962 - 1966
Bachelor of Science in Medical Technology

Licensure/Certification:

American Society for Clinical Pathologists
Registration and License - 1966 - present
California Clinical Laboratory Scientist License - 1971
Certified Medical Assistant - American Association of Medical Assistants,
1996

Academic Experience:

Allan Hancock College
800 South College Drive
Santa Maria, CA 93454
(805) 922-6966, ext. 3542
1989 – 2006 (Instructor)
1997 – 2005 (Coordinator)
1999 – 2004 (Dept. Chair)

Coordinator/Instructor Medical Assisting program. Developed, updated and taught all course associated with the program both administrative and clinical functions
Performed administrative functions associated with the program. Coordinated activities of the Life Physical and Health Sciences disciplines.

Cuesta College

Nursing / Allied Health
San Luis Obispo, CA 93403
(805) 546-3129
1995 – 1997

Instructor (part-time) for Medical Assisting program. Taught Administrative and Clinical Courses and oversaw physician office externship program.

Non-Academic Experience:

UNILAB
175 Santa Rosa St.
San Luis Obispo, CA 93402
(805) 543-5742
April 1994 – April 1997

Regional Laboratory Manager responsible for technical testing, operations, supervision of all employees including clerical, phlebotomy, courier and technologist positions. Infection control consultant for seven Long Term Care Facilities in the region.

Damon Reference Laboratories

1011 Rancho Conejo Blvd.
(805) 498-3181
April 1984 – September 1993

From 1984 – 1987 – Regional Operations Manager in Santa Barbara. Responsible for technical testing, operations, supervision of all employees, budget preparation and sales support. From 1987 – 1993 – Contracts Manager in Newbury Park. Responsible for all state, federal and managed care contracts with budgeted revenues of \$7.2 million per year. Evaluated, prepared, presented and monitored all aspects of the contracts process. Became proficient in financial assessment, utilization management and outcomes interpretation employing spreadsheets for data collection and utilization management.

Professional Affiliations/Activities:

California Association for
Medical Laboratory Technology
(CAMLT) 1970-2001

Served on the Board of Directors for 9 years; as President during 1985. Named Medical Technologist of the Year in 1987.

Clinical Laboratory Technology
Advisory Committee
(CLTAC)
1994 – 1999

Appointed member representing Clinical Laboratory Scientists in California. The committee functions as an advisory to Laboratory Field Services within the California Department of Health Services. Chaired the subcommittee on Laboratory Technician Level Qualifications, Licensure and Training. Member subcommittee on Director Responsibilities for Waived Test Laboratories.

Elected Positions

Cambria Community
Health care District
Board of Trustees
Term 2008 - 2012

Elected to a 4 year term (2008 – 2012) in 2008.

TO: BOARD OF DIRECTORS
FROM: MICHAEL LEBRUN
DATE: FEBRUARY 19, 2010

**AGENDA ITEM
E-5
FEBRUARY 24, 2010**

LAFCO SPHERE OF INFLUENCE UPDATE AND MUNICIPAL SERVICE REVIEW

ITEM

Consider and discuss LAFCO's February 2010 Public Review Draft, Sphere of Influence Update and Municipal Services Review, Nipomo Community Services District. [REVIEW AND PROVIDE DIRECTON]

BACKGROUND

The San Luis Obispo Local Agency Formation Commission (LAFCO) is required to update the Sphere of Influence for a jurisdiction every five years. On February 3, 2010, LAFCO circulated a public review draft of the proposed 2010 update of the District's Sphere of Influence. On February 18, 2010, LAFCO conducted a public study session for the proposed update. District staff attended and participated in the study session. Comments on the Draft Update are due no later than March 22, 2010. Staff seeks Board direction and input on drafting comments to the Update. A draft comment letter will be brought back for Board approval at the March 10 regular meeting.

FISCAL IMPACT

The process defines the District current and future potential service areas. Significant fiscal impacts are possible.

RECOMMENDATION

Consider LAFCO materials, direct staff to draft comments and return to the Board for review and approval of District comments.

ATTACHMENTS


- February 18, 2010 LAFCO Staff Report
- {Directors are reminded to bring their copies of LAFCO Public Review Draft, Sphere of Influence Update and Municipal Service Review, Nipomo Community Services District date February 2010. Limited public copies will be available at the meeting. The document is available on the District and LAFCO websites.}

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\2010\LAFCO SOI UPDATE MSR.DOC



LAFCO - San Luis Obispo - Local Agency Formation Commission
SLO LAFCO - Serving the Area of San Luis Obispo County

TO: MEMBERS, FORMATION COMMISSION

FROM: DAVID CHURCH, AICP, EXECUTIVE OFFICER 

DATE: FEBRUARY 18, 2010

**SUBJECT: STUDY SESSION NIPOMO COMMUNITY SERVICES DISTRICT-
SPHERE OF INFLUENCE UPDATE-MUNICIPAL SERVICE
REVIEW**

COMMISSIONERS
DUANE PICANCO
Chair, City Member

RICHARD ROBERTS
Vice Chair,
Public Member

KATCHO ACHADJIAN
County Member

DAVID BROOKS
Special District
Member

BRUCE GIBSON
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VACANT
Special District
Member

ALTERNATES
ED EBY
Special District
Member

TOM MURRAY
Public Member

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County Member

KRIS VARDAS
City Member

STAFF
DAVID CHURCH
Executive Officer

RAYMOND A. BIERING
Legal Counsel

DONNA J. BLOYD
Commission Clerk

Recommendation: This item is informational only and does not require action by the Commission.

Summary: This Study Session is to present the Public Review Draft of the Sphere of Influence Update and Municipal Service Review (SOI/MSR) prepared for the Nipomo Community Services District. The Public Review Draft was released on February 3, 2010 for a 45-day review period that will end on March 22, 2010. The draft document was sent on CD to interested public and agencies. The CD also includes the 2004 Sphere Studies and associated Environmental Impact Report. Notices were also sent indicating that the document was available on-line at www.slolafco.com, the Nipomo CSD, and the County Planning Department.

Sphere of Influence-Municipal Service Review Update: LAFCO is required by the Cortese-Knox-Hertzberg Act to update the Sphere of Influence for a jurisdiction every five years. The District has responded to LAFCO's information request and has submitted a variety of information that has been used in updating the Sphere of Influence (SOI) and the Municipal Service Review (MSR). The law also calls for a Municipal Service Review to be prepared to assist LAFCO in making decisions about the SOI. A Sphere of Influence is defined by Government Code 56425 as "...a plan for the probable physical boundary and service area of a local agency or municipality...". The previous SOI Update and Municipal Service Review was approved by LAFCO in May 2004 along with a Program Environmental Impact Report. The 2010 document is an update of the May 2004 Sphere of Influence Update and Municipal Service Review based on information provided by the Nipomo Community Services District and other sources.

Study Areas. In the 2004 update, eight study areas were evaluated for possible inclusion into the SOI. Also, a program Environmental Impact Report was prepared and an approximately 5,000 acre Sphere of Influence was conditionally approved by LAFCO. Seven of the eight study areas were included in the SOI with the Woodlands (Study Area 6) being left out.

Study Area Four. This area is located to the south of the current District boundary and includes lands along Orchard Road. The area to the south of Southland Street is zoned Rural Lands and a large portion of it is currently used for growing strawberries. The area zoned rural lands is approximately 1,200 acres with an estimated 850 acres of it being used for strawberries. The production of strawberries qualifies this area as prime agricultural land under the LAFCO definition. The South County Area Plan calls for development on a property/site just south and adjacent to Southland Street. The NCSD and a private property owner are discussing the potential for expansion of the sewer facility in that area as well. The SCAP does not call for development in this area. As currently zoned, the area would not likely need the services of the District, with the exception of the Maria Vista development area. The District does have infrastructure in the area if the zoning were to change. The SOI update recommends that this area be reduced in size, but continue to include the Specific Plan Area and the potential sewer expansion site.

Water-District Actions. Since the 2004 update the NCSD has taken numerous actions with regard to the water supply situation. These actions include:

- Updating the Urban Water Management Plan in 2005. It is now in the process of being updated again and it is scheduled to be approved in late 2010 or 2011.
- Water and Sewer Master Plan Update – December 2007
- Adoption of a Comprehensive Water Conservation Program – March 2008
- Approval of a Strategic Plan in July 2009 which identifies goals for the provision of water service and future water supplies
- Approval of the Environmental Impact Report for the Water Intertie Project in March 2009. If funded, this project would bring water from the City of Santa Maria to serve existing NCSD customers.

Conditions of Approval. The conditions of approval placed on the Sphere of Influence in 2004 are reviewed in the SOI Update and MSR. Modification and deletion of the conditions are recommended based on current circumstances. The District continues to work on compliance with the Conditions of Approval. A review of the conditions is found on page 2-9 and for the conditions related to water on page 3-13.

Summary. The District has completed numerous studies, reports and plans over the last five years. The NCSD approaches their issues in a thoughtful and professional manner that involves public meetings and outreach to residents. The challenge of completing the waterline intertie project remains a high priority for the District as does managing its water resource situation.

TO: BOARD OF DIRECTORS
FROM: MICHAEL LEBRUN *MSL*
DATE: FEBRUARY 19, 2010

**AGENDA ITEM
E-6
FEBRUARY 24, 2010**

CSDA 2010 LEGISLATIVE DAYS IN SACRAMENTO

ITEM

Consider District representation at CSDA Legislative Conference in Sacramento [DIRECT STAFF]

BACKGROUND

California Special Districts Association (CSDA) is holding the annual Special Districts Legislative Days conference on Tuesday, May 11 and Wednesday, May 12, 2010. The schedule for the two-day conference is not yet available.

FISCAL IMPACT

Budget travel funds would be used to support District representation at the conference.

RECOMMENDATION

Discuss attendance by Directors and/or staff. Direct Staff.

ATTACHMENTS

- None

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\2010\CSDA LEGISLATIVE DAY.DOC

TO: BOARD OF DIRECTORS

FROM: MICHAEL LEBRUN *MSL*

DATE: FEBRUARY 19, 2010

**AGENDA ITEM
F
FEBRUARY 24, 2010**

MANAGER'S REPORT

ITEM

Standing report to your Honorable Board --*Period covered by this report February 4, 2010 through February 18, 2010.*

DISTRICT BUSINESS

Administrative

- General Manager Position application period is on schedule to close February 26. To date, there are approximately 40 applicants. Bob Murray and Associates is scheduled to make candidate recommendations to the District on March 19. Scheduled start date is May. See related attachment: Recruiting in Tough Times from Brent Ives.
- Brent Ives is scheduled to meet with District management level staff on February 26 and will conduct a workshop with the Board in late March or April.
- Recruitment for open field positions is progressing. Interviews scheduled week of February 22.
- Development of the District's 2010/2011 Budget; Staff meets on February 23 followed by a Finance Sub Committee meeting on March 1.
- Wholesale Agreement with the City of Santa Maria protest period expired February 12. No protest lodged. District received executed copies of both the Wholesale Agreement and the Consistency Agreement.
- A payment schedule for collection of District expenditures related to the 2008 NMMA Annual report has been established and initial payment has been received.
- District office:
 - Roof repair: initial contract revoked for inaction, the second lowest bidder is now under Task Order to provide the service. Materials have been ordered. Following completion, painting services will be scheduled.
 - Front door repair: A Purchase Order has been issued for the repair of the office front door.

Operational

- Supplemental Water Accounting: As of January 30, 2010, the District has expended \$2.6M on supplemental water efforts and collected \$2.97M in supplemental water fees. (See Attachment)
- Supplemental Water Lobby effort: February 17 memo updating activities. December 16, 2009 memo on 2010 Jobs Act. (See Attachments)
- 2010 Urban Water Management Plan Update: An Administrative draft of Baseline Per Capita water use was received by the District on January 28. A review meeting with the consultant is set for the week of February 22. A public review draft will follow and is scheduled to be completed by March 17.
- Tefft Street lift station easements: acceptance delayed to March 10 meeting to allow County response/agreement.
- Proposed Miller Park: inquired with County regarding additional investigation. Waiting on a response and discussion.
- Regional Water Board, SM River TMDL February 23, 2010. (Attachment).
- CCWA Board Meeting, February 25, 2010 Agenda. (Attachment)
- Regional Water Board, preliminary staff recommendations for an Agricultural Discharge Order (Attachment).

- Regional Water Board, Salt and Nutrient Management Plan, workshop schedule. (Attachment)
- EXCELARON EIR Scoping: Comments due March 11. Attached are excerpts of the Initial Study pertaining to Water Resources.
- Maria Vista Estates has set a total of ten water meters.

Meetings

Significant Meetings attended or scheduled:

- February 10, 2010; Regular Board Meeting (Note: Attended by Acting General Manager Lisa Bognuda. Interim General Manager Michael LeBrun was on authorized leave January 29 – February 15.)
- February 17: Olde Towne Nipomo regarding Miller Park funding options
- February 18: Local Area Formation Commission study session for 2010 NCSD SOI Update/MSR
- February 19: NMMA Technical Group
- February 19: SLO California Special Districts Association Annual
- February 22: Infrastructure Update
- February 22: UWMP Technical Memo 1 Discussion (tentative)
- February 23: 2010/2011 Budget Kickoff
- February 24: Regular Board of Directors
- February 26: Brent Ives Strategic Plan update (Mgmt staff)
- March 1: Finance Sub Committee
- March 3: RWQCB Salts Policy Workshop
- March 4: Rank Outreach Proposals (Mgmt staff)
- March 8: Southland WWTP Update and Subcommittee
- March 9: WIP Outreach Ad-Hoc, proposer rankings
- March 10: Regular Board of Directors
- March 16: WIP Outreach Ad-Hoc proposer presentations

Safety Program - No incidents, accidents or safety issues to report.

Other

- February 4, 2010 Santa Maria Sun article and Maria Vista Development in NCSD. (Attachment)
- February 11, 2010 Santa Maria Sun article on Golden State Water Company fee increase. (Attachment)

RECOMMENDATION

Staff seeks direction and input from your Honorable Board.

ATTACHMENTS

- Recruiting in Tough Times
- Supplemental Water Accounting
- TMDL Workshop Agenda
- CCWA Agenda
- RWQCB Agricultural Discharge
- RWQCB Salt Management
- SM Sun Article
- SM Sun Article

From: Brent Ives [brent@bhiconsulting.com]
Sent: Thursday, February 18, 2010 1:50 PM
To: Michael LeBrun
Subject: Feb eNews: Recruiting in Tough Times

Special District eNews

February 2010

In This Issue



Brent H. Ives
President
BHI Management
Consulting

Recruiting in Tough Times

Several of you have mentioned as a follow-up to our article on Smart Management last year, your questions about how to go about 'Selecting Well' as the first step to Smart Management. Finding the right match for your organization's management positions can be a challenge, especially in these tough times. It requires in-depth knowledge of the organization and a strong sense of the qualities required to find the best match out there.

Eight Key Steps to keep in mind for the Recruiting Process:

- 1. Recognize the Importance of the Decision** - Take this responsibility seriously yet enter into it as an opportunity. You have the chance to bring new life or a new era of effectiveness to your District with new ideas, solutions, experience and direction to improve the overall District.
- 2. Revisit the Vision** - Before you send out an ad for candidates or post the job in a service of some kind, the Board should spend some time together looking toward the future. Maybe you don't have to perform a comprehensive re-write of your District's vision or mission, but you should take this opportunity to either re-visit an existing vision statement or create a new one in light of this current transition.
- 3. Analyze the Job** - The freshly polished vision for your organization should help you outline the specifics of what, who and how the right person will be defined and define what type of critical skills, experience and attributes will be needed to implement this new vision successfully.
- 4. Candidate Outreach** - This phase of the search process is where the time spent in preparation is critical and pays off in the number and quality of candidate pool. Ads or outreach materials should be developed with specific guidance from the Board including a vision statement, an accurate job description and specific job related factors that are important to the Board. A candidate packet should be developed which outlines the job well, the background of the District, the structure, operational aspects, coverage area, general budget info., distinct and compelling attributes about the District including the surrounding area, local schools, culture and more.

5. Narrow the Field - If the advertising and professional search worked as it should, you will need to narrow the group of candidates. The earlier set of pre-requisites now serves as screening measures to those specifically qualified for the second round. The second round can employ a number of methods to get to the final interview set. At this point, a group of objective subject matter experts may be caucused to conduct interviews and assessments to gauge technical capability, background, education and applicable experience.

6. Prepare for the Interview - Final interviews should be conducted with the entire Board. In preparation for the interviewing, Board members should be The Board should also be prepared for the actual interview sessions with assistance with interview questions, who will ask what, and, if a scoring method is employed, how to use the scoring instrument properly.

7. Make the Decision - Once interviews are conducted it may be either very obvious or very difficult to choose between candidates. A scoring instrument may be a valuable guide and an excellent means of sorting candidates at this phase. If the instrument is designed by scoring candidate responses to specific position related questions, and the questions were derived directly from the job analysis and description, you now have a legal and efficient means of guiding your decision.

8. Make the Offer - Remember these key things as you consider making the offer to the final candidate.

* The top candidate may not reach agreement with your District, so do not dismiss the other candidates until formal signed agreement is reached.

* You get what you pay for, but a phased approach for salary growth and/or deferred compensation over a set period of time is a good way to assure both yourselves and the candidate that future performance is important.

* Discuss up-front, before the interviews what your absolute top level constraints are so that you refer to that decision when the time arrives.

While these steps may seem difficult, tricky or labor intensive, a poor hiring decision will cost your District in numerous ways.

View the full article in the [Resource Library](#) on my website or my blog on the subject on my website at www.bhiconsulting.com/blog.

If you are considering hiring a consultant to guide you through the recruiting process, BHI Management Consulting specializes in leading public bodies through integrated employee recruiting, selection, and promotion.

BHI is a leader in recruiting services for special districts because we take the time to understand your big picture before helping you to fill in a gap. Maintaining an excellent staff is not a small commitment. BHI's years of experience are at your service to help you recruit and retain top talent.

At your service,
Brent Ives

NIPOMO COMMUNITY SERVICES DISTRICT
WATERLINE INTERTIE PROJECT
MONTHLY REPORT TO THE BOARD OF DIRECTORS
JANUARY 2010 (FY JUNE 30, 2010)

REVENUES FY 2009-2010 (1)	<u>MONTH OF</u> <u>JANUARY</u>	<u>FISCAL YEAR</u> <u>7/1/2009 TO</u> <u>6/30/2010</u>
Supplemental Water Capacity Fees Collected	21,042.00	34,900.00
Interest Income (monthly & quarterly posting)	1,134.83	10,588.68
Revenue Subtotal	<u>22,176.83</u>	<u>45,488.68</u>

EXPENDITURES FY 2009-2010 (2)

<u>CONSULTANTS</u>		
1590-A1 Feasibility Study (Cannon)	0.00	0.00
1590-A2 EIR Preparation (Wood & Assoc)	0.00	0.00
1590-A3 Estimate/Preliminary Schedule (Cannon)	0.00	0.00
1590-A4 Proposed Routes/Facilities (Cannon)	0.00	0.00
1590-A5 Prop 50 Grant Applicatin	0.00	0.00
1590-A6 Project Support (Cannon)	0.00	0.00
1590-A7 Groundwater Grant Assistance (SAIC)	0.00	0.00
<u>LEGAL</u>		
1590-B1 Shipsey & Seitz	1,645.40	7,211.98
1590-B2 McDonough, Holland & Allen	0.00	0.00
1590-B3 Richards, Watson & Gershon	0.00	0.00
<u>LAND ACQUISITION</u>		
1590-C1 Appraisals (Tarvin & Reeder Gilman)	0.00	8,000.00
1590-C2 Property Negotiations (Hamner Jewell)	0.00	8,087.50
1590-C3 Property Acquisitions	0.00	0.00
<u>FINANCIAL</u>		
1590-D1 Reed Group and Wallace Group	0.00	4,476.25
1590-D2 Lobbying	4,500.00	31,500.00
<u>ENGINEERING</u>		
1590-E1 Preliminary Engineering Design (AECOM)	0.00	0.00
1590-E2 Water Modeling by Carollo (City of Santa Maria)	0.00	0.00
1590-E3 Alternative Water Supplies (AECOM)	0.00	0.00
1590-E4 Project Information (AECOM)	0.00	0.00
1590-E5 Project Design (AECOM)	33,909.57	162,247.20
1590-E6 Pressure Testing	0.00	0.00
1590-E7 Peer Review	0.00	8,030.70
1590-E8 Pot Holing	0.00	23,278.05
<u>OTHER</u>		
1590-F1 FGL Environmental	0.00	0.00
1590-F2 Copy/Print	0.00	0.00
<u>PERMITS</u>		
1590-G1 Santa Maria Valley Water Conservation District	0.00	0.00
<u>ASSESSMENT DISTRICT</u>		
1590-H1 Wallace Group	906.50	14,407.24
1590-H2 SLO County Reimbursement Agreement for JPA	0.00	10,000.00
<u>CONSTRUCTION</u>		
1590-I1 Construction Management (MNS)	0.00	9,810.00
<u>SALARY AND BENEFITS (3)</u>		
1590-Z1 Wages-Capitalized	5,303.59	28,362.68
1590-Z2 Payroll Taxes-Capitalized	422.36	1,003.31
1590-Z3 Retirement-Capitalized	957.52	6,735.00
1590-Z4 Medical-Capitalized	368.81	2,517.41
1590-Z5 Dental/Vision-Capitalized	49.32	338.26
1590-Z6 Workers Compensation-Capitalized	28.78	161.30
Expenditure Subtotal	<u>48,091.85</u>	<u>326,166.88</u>
Net Revenues less Expenditures	<u>(25,915.02)</u>	<u>(280,678.20)</u>
Beginning Fund Balance as of July 1, 2009		2,830,850.76
Ending Fund Balance as of January 31, 2010		<u>2,550,172.56</u>

(1) See attached "Supplemental Water Fees Collected" Schedule for more detail.

(2) See attached "Supplemental Water Cost Summary" for more detail.

(3) Salary and Benefits of Project Manager are allocated among NCSD projects and capitalized as part of the cost of the project.

**NIPOMO COMMUNITY SERVICES DISTRICT
SUPPLEMENTAL WATER COST SUMMARY**

A/C #	DESCRIPTION	7/1/2004 TO 6/30/2005	7/1/2005 TO 6/30/2006	7/1/2006 TO 6/30/2007	7/1/2007 TO 6/30/2008	7/1/2008 TO 6/30/2009	7/1/2009 TO 6/30/2010	GRAND TOTAL
1645	Reservation Fee-City of Santa Maria	37,500.00	0.00	0.00	0.00	0.00	0.00	37,500.00
1590-A1	Feasibility Study (Cannon)	25,887.29	0.00	0.00	0.00	0.00	0.00	25,887.29
1590-A2	EIR Preparation (Wood & Assoc)	29,037.48	87,100.23	16,053.83	45,407.70	76,544.11	0.00	254,143.35
1590-A3	Est/Preliminary Schedule (Cannon)	3,706.19	2,602.75	0.00	0.00	0.00	0.00	6,308.94
1590-A4	Proposed Routes/Facilities (Cannon)	5,050.07	520.00	0.00	0.00	0.00	0.00	5,570.07
1590-A5	Prop 50 Grant Application	2,757.00	6,210.00	0.00	1,857.60	0.00	0.00	10,824.60
1590-A6	Project Support (Cannon)	0.00	11,797.44	0.00	0.00	0.00	0.00	11,797.44
1590-A7	Groundwater Grant Assistance (SAIC)	0.00	0.00	0.00	15,000.00	0.00	0.00	15,000.00
1590-B1	Shipsey & Seitz	0.00	23,095.55	17,564.25	2,201.50	18,224.00	7,211.98	68,297.28
1590-B2	McDonough, Holland & Allen	0.00	34,177.28	15,871.65	0.00	0.00	0.00	50,048.93
1590-B3	Richard, Watson & Gershon	0.00	9,472.38	27,954.81	0.00	0.00	0.00	37,427.19
1590-C1	Appraisals (Tarvin & Reeder Gilman)	0.00	0.00	16,170.00	10,000.00	0.00	8,000.00	34,170.00
1590-C2	Property Negotiations (Hamner Jewell)	0.00	0.00	0.00	0.00	15,250.00	8,087.50	23,337.50
1590-C3	Property Acquisitions	0.00	0.00	0.00	0.00	673.00	0.00	673.00
1590-D1	Reed Group and Wallace Group	0.00	2,809.85	0.00	0.00	7,585.45	4,476.25	14,871.55
1590-D2	Lobbying	0.00	0.00	0.00	38,801.11	38,950.00	31,500.00	109,251.11
1590-E1	Preliminary Engineering Design (Boyle)	0.00	6,470.33	223,286.67	103,460.19	2,194.43	0.00	335,411.62
1590-E2	Water Modeling by Carollo (City of SM)	0.00	0.00	24,942.00	0.00	0.00	0.00	24,942.00
1590-E3	Alternative Water Supplies (Boyle)	0.00	0.00	164,230.48	70,772.01	0.00	0.00	235,002.49
1590-E4	Project Information (Boyle)	0.00	0.00	0.00	6,000.00	0.00	0.00	6,000.00
1590-E5	Project Design (Boyle)	0.00	0.00	0.00	0.00	752,319.66	162,247.20	914,566.86
1590-E6	Pressure Testing	0.00	0.00	0.00	0.00	8,682.92	0.00	8,682.92
1590-E7	Peer Review	0.00	0.00	0.00	0.00	2,936.05	8,030.70	10,966.75
1590-E8	Pot Holing	0.00	0.00	0.00	0.00	0.00	23,278.05	23,278.05
1590-F1	Lab Testing (FGL Environmental)	0.00	0.00	5,047.00	0.00	0.00	0.00	5,047.00
1590-F2	Copy/Print	0.00	0.00	740.24	1,022.01	0.00	0.00	1,762.25
1590-G1	Permits	0.00	0.00	0.00	0.00	130.00	0.00	130.00
1590-H1	Assessment District	0.00	0.00	0.00	0.00	83,030.71	14,407.24	97,437.95
1590-H2	SLO County Reimb Agreement-JPA	0.00	0.00	0.00	0.00	0.00	10,000.00	10,000.00
1590-I1	Construction Management (MNS)	0.00	0.00	0.00	0.00	4,635.00	9,810.00	14,445.00
1590-Z1	Wages-Capitalized	0.00	29,076.92	35,884.51	28,197.08	31,926.57	28,362.68	153,447.76
1590-Z2	Payroll Taxes-Capitalized	0.00	587.22	587.42	455.96	504.53	1,003.31	3,138.44
1590-Z3	Retirement-Capitalized	0.00	8,418.08	10,344.53	8,110.84	8,690.47	6,735.00	42,298.92
1590-Z4	Medical-Capitalized	0.00	2,861.36	3,367.02	2,564.88	2,757.36	2,517.41	14,068.03
1590-Z5	Dental/Vision-Capitalized	0.00	0.00	247.90	328.23	348.15	338.26	1,262.54
1590-Z6	Workers Compensation-Capitalized	0.00	260.35	341.83	225.21	259.81	161.30	1,248.50
		103,938.03	225,459.74	562,634.14	334,404.32	1,055,642.22	326,166.88	2,608,245.33

**NIPOMO COMMUNITY SERVICES DISTRICT
CERTIFICATES OF PARTICIPATION
DEBT SERVICE SCHEDULE**

	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	PRINCIPAL BALANCE
				4,000,000.00
FY June 30, 2004	0.00	136,384.79	136,384.79	4,000,000.00
FY June 30, 2005	75,000.00	169,950.00	244,950.00	3,925,000.00
FY June 30, 2006	80,000.00	167,625.00	247,625.00	3,845,000.00
FY June 30, 2007	80,000.00	165,225.00	245,225.00	3,765,000.00
FY June 30, 2008	85,000.00	163,132.50	248,132.50	3,680,000.00
FY June 30, 2009	85,000.00	161,198.75	246,198.75	3,595,000.00
FY June 30, 2010	85,000.00	158,988.75	243,988.75	3,510,000.00
FY June 30, 2011	90,000.00	156,425.00	246,425.00	3,420,000.00
FY June 30, 2012	90,000.00	153,545.00	243,545.00	3,330,000.00
FY June 30, 2013	95,000.00	150,397.50	245,397.50	3,235,000.00

**NIPOMO COMMUNITY SERVICES DISTRICT
SUPPLEMENTAL WATER FEES COLLECTED**

PROJECT	DEVELOPER	SUMMARY	DATE PAID	WATER SUPPLY PORTION	PIPELINE PORTION	SUPPLEMENTAL TOTAL
CO 06-0225	KENGEL	DEPOSIT FOR 2 ONE INCH METERS AND CREDIT FOR 1 ONE INCH METER EXISTING	11/3/2009			13,858.00
091-326-003	KENNY	1 ONE INCH METER	1/11/2010			13,858.00
TRACT 2663	KELLEY	FINAL FEES RECOMPUTED DUE TO INCREASE 7/1/09	1/11/2010			7,184.00
FISCAL YEAR 2009-2010			SUBTOTAL	0.00	0.00	34,900.00

CARRY FORWARD TOTALS FOR FY 04-05, FY 05-06, FY 06-07, FY 07-08 & FY 08-09		2,635,970.76	325,443.99	2,961,414.75
GRAND TOTAL		2,635,970.76	325,443.99	2,996,314.75



VAN SCOYOC
ASSOCIATES

MEMORANDUM

From: Greg Burns
To: Nipomo Community Services District
Subject: Report on Activities
Date: February 17, 2009

Earlier this month, the Administration kicked off the Fiscal Year 2011 Federal budget process by releasing their version of the budget.

Since the release of the President's budget, the Nipomo CSD has officially requested funding for the Waterline Intertie Project via the offices of Senator Feinstein, Boxer, and Representative Capps. We have filled out the necessary paperwork to make that official request and have submitted request letters to each office. Our request is for \$2 million in funding via the Environmental Protection agency.

We have not yet submitted our request to the office of Mr. McCarthy, but we will do so. The reason for the delay is simply because the request deadline for his office is still a ways off. I also will be meeting with Mr. McCarthy's staff while submitting our official request in order to continue our efforts to gain his support for our request for funding.

We have also begun to prepare for a trip to Washington by Board President Jim Harrison and Director Mike Winn in late March to advocate for funding of the project. We have begun to set up meetings with your Congressional delegation. Mr. Harrison and Mr. Winn have also recently met with the San Luis Obispo staff of Rep. Capps to make sure they are fully briefed on the Waterline Intertie Project and are well aware of our Federal funding request.

I have also recently reported on a potential new jobs bill that Congress had begun to consider. However, the recent election in Massachusetts, a greater emphasis on bipartisanship, and focus on the debt and budget deficits has led to the Senate reconsidering the approach the House took in mid-December, which was to propose a large infrastructure spending bill. Instead, the Senate has decided to try to pass several smaller bills that would then make up a larger jobs "package." So far, the Senate has yet to pass any of these bills, but is planning to consider their first part of the package next week. The bill is very narrowly focused and is primarily a \$15 billion effort at small business job creation using tax credits.

If you have any questions, please let me know.

DRAFT Senate Jobs Proposal

TOTAL REVENUES	<u>\$82,500,000,000</u>	SENATE CHAMPIONS
TARP Unplanned Funds (\$.50 per \$1)	\$75,000,000,000	Conrad/Dodd
Pension Funding Relief	\$7,500,000,000	Harkin/Baucus
TOTAL INVESTMENTS	<u>\$82,515,000,000</u>	
CREATING JOBS THROUGH GROWING SMALL BUSINESSES	<u>\$20,485,000,000</u>	
SBA Lending Program Improvements	\$355,000,000	Landrieu
Export Promotion	\$130,000,000	Rockefeller/Landrieu/Baucus/Wyden
Job Creation Tax Credit	\$20,000,000,000	Baucus/Casey/Feingold
CREATING JOBS THAT STRENGTHEN INFRASTRUCTURE	<u>\$30,530,000,000</u>	
Transportation	\$25,030,000,000	Boxer/Rockefeller/Murray/Dodd/Bat
Schools	\$4,500,000,000	Harkin/Rockefeller
Regional Economic Development Priorities	\$1,000,000,000	Boxer/Rockefeller
CREATING JOBS THAT IMPROVE ENERGY EFFICIENCY	<u>\$11,000,000,000</u>	
Home Star Residential Retrofits	\$6,000,000,000	Bingaman/Warner
Affordable Housing Preservation and Energy Retrofits	\$1,000,000,000	Harkin/Dodd
Manufacturing Plant Retrofits	\$4,000,000,000	Bingaman/Brown
CREATING JOBS THAT PROVIDE PUBLIC SERVICES	<u>\$20,500,000,000</u>	
Teachers	\$18,000,000,000	Harkin
Police	\$500,000,000	Mikulski
Firefighters	\$500,000,000	Byrd
Youth and Dislocated Workers	\$1,500,000,000	Harkin/Murray
SMALL BUSINESS LENDING THROUGH REMAINING TARP FUNDS	<u>\$40,000,000,000</u>	Merkley/Warner/Dodd

ASSUMPTIONS

Highly stimulative proposals that cannot be easily tied to job creation (UI, COBRA, FMAP, SNAP) will be enacted via a different vehicle.

All TARP funds not planned for use (\$150 billion) are reprogrammed for this package at a budget rate of \$.50 per \$1.

No Recovery Act funds are reprogrammed.

1/26/2010



VAN SCOYOC
ASSOCIATES

MEMORANDUM

From: Greg Burns
Subject: Jobs for Main Street Act, 2010
Date: December 16, 2009

**Details of Initial Public Draft of House of Representatives
“Jobs for Main Street Act, 2010”**

Title 1 – Infrastructure and Jobs Investment

Chapter 1 – Justice

- \$1.179 billion for Community Oriented Policing Services grant program to hire and rehire police officers

Chapter 2 – Energy & Water Development

- \$715 million for Corps of Engineers construction activities, including no less than \$30 million for authorized Section 219, or water infrastructure, projects
- \$100 million for Bureau of Reclamation “Water and Related Resources,” not less than \$26 million for Title XVI projects
- \$2 billion for the Title 17 Innovative Technology Loan Guarantee Program

Chapter 3 – Homeland Security

- \$500 million for Firefighter Assistance Grants to hire firefighters

Chapter 4 – Interior and Environment

- \$1 billion for capitalization grants for the Clean Water State Revolving Funds (not subject to cost share requirements)
- \$1 billion for capitalization grants for the Drinking Water State Revolving Funds (not subject to cost share requirements)
- \$120 million for the Bureau of Land Management, the National Park Service, the US Fish and Wildlife Service, and the Department of Interior Wildland Fire Management Program for activities using term employment
- \$150 million for the US Forest Service activities using term employment

Chapter 5 – Labor, Health and Human Services, and Education

- \$1.25 billion for training and employment services for activities under the Workforce Investment Act, including \$500 million for grants to states for “youth activities” and

\$750 million for a competitive grant program for worker training and placement in high growth and emerging industry sectors. Of this \$750 million, \$275 million will be for job training projects in energy efficiency and renewable energy sectors and \$225 million will be for Pathways Out of Poverty projects.

- \$23 billion for an Education Jobs Fund to retain or create education jobs
- \$132 million for AmeriCorps
- \$68 million for the National Service Trust

Chapter 6 – Transportation and Housing and Urban Development

- \$500 million for airport grants
- \$27.5 billion for highway infrastructure investments, including passenger and freight rail transportation and port infrastructure projects. Essentially all of these funds will be apportioned to the states, 30 percent of which then must be sub-allocated within the state.
- \$800 million for Amtrak
- \$6.15 billion for transit grants
- \$1.75 billion for fixed guideway infrastructure investments
- \$500 million for capital investment discretionary grants
- \$100 million for the Maritime Guaranteed Loan Program
- \$1 billion for the Public Housing Capital Fund
- \$1.065 billion for the Housing Trust Fund

Title 2 – Surface Transportation Extension

Reauthorizes surface transportation law until September 30, 2010.

Title 3 – Unemployment and Other Emergency Needs

Funds for small business loans, extension of unemployment and COBRA benefits, repeal of earned income threshold for determining refundable portion of the Child Tax Credit.

Reduces TARP funding by \$150 billion, effectively allowing that funding to be used to pay for this legislation.



Santa Maria Watershed TMDL Stakeholder Outreach Meeting

Date: February 23 (Tuesday), 9:30 a.m. – 12 p.m.

Location: Central Coast Water Board
895 Aerovista Place, Suite 101
San Luis Obispo, CA 93401

Agenda

- | | | |
|----|-------------|--|
| 1) | 9:30-9:40 | Introductions |
| 2) | 9:40-9:50 | Meeting objectives |
| 3) | 9:50-9:55 | Meeting(s) rules |
| 4) | 9:55-10:00 | Meeting topics at a glance |
| 5) | 10:00-10:45 | The Santa Maria Watershed TMDL: What it is, what it can be |
| 6) | 10:45-11:00 | Related Regional Board efforts |
| 7) | 11:00-11:30 | Collaborative process efforts |
| 8) | 11:30-12:00 | Discussion |
| 9) | 12:00 | Meeting adjourns |

Coffee will be provided. If you like, please bring your own cup.



A Meeting of the
**BOARD OF DIRECTORS
OF THE
CENTRAL COAST WATER AUTHORITY**

will be held at 9:00 a.m., on Thursday, February 25, 2010
at 255 Industrial Way, Buellton, California

L. J. Lavagnino
Chairman

Fred Lemere
Vice Chairman

William J. Brennan
Executive Director

Brownstein Hyatt
Farber Schreck
General Counsel

Member Agencies

City of Buellton

Carpinteria Valley
Water District

City of Guadalupe

City of Santa Barbara

City of Santa Maria

Goleta Water District

Montecito Water District

Santa Ynez River Water
Conservation District,
Improvement District #1

Associate Member

La Cumbre Mutual
Water Company

- I. **Call to Order and Roll Call**
- II. **Public Comment – (Any member of the public may address the Board relating to any matter within the Board's jurisdiction. Individual Speakers may be limited to five minutes; all speakers to a total of fifteen minutes.)**
- III. **Consent Calendar**
 - * A. Approve Minutes of the January 28, 2010 Regular Meeting
 - * B. Approve Bills
 - * C. Controller's Report
 - * D. Operations Report
- IV. **Executive Director's Report**
 - A. Operations Update
 - B. 2010 State Water Project Table A Amount Allocation Update
 - C. Santa Barbara County Suspended Water Update
 - * D. Request to Endorse the Safe, Clean, and Reliable Drinking Water Supply Act of 2010
 - * E. Bay Delta Conservation and Conveyance Plan Update
 - * F. Results of Request for Proposal for Banking Services
 - * G. Personnel Committee Report regarding Employee Benefits Percentage
- V. **Reports from Board Members for Information Only**
- VI. **Items for Next Regular Meeting Agenda**
 - A. Preliminary 2010/11 CCWA Budget
- VII. **Date of Next Regular Meeting: March 25, 2010**
- VIII. **Adjournment**

* Indicates attachment of document to agenda packet.

255 Industrial Way
Buellton, CA 93427-9565
(805) 688-2292
FAX: (805) 686-4700



35887



California Regional Water Quality Control Board Central Coast Region



Linda S. Adams.
Secretary for
Environmental Protection

895 Aerovista Place, Suite 101, San Luis Obispo, California 93401-7906
(805) 549-3147 • Fax (805) 543-0397
<http://www.waterboards.ca.gov/centralcoast>

Arnold Schwarzenegger
Governor

February 1, 2010

Dear Interested Parties,

SUBJECT: PRELIMINARY STAFF RECOMMENDATIONS FOR AN AGRICULTURAL ORDER TO CONTROL DISCHARGES FROM IRRIGATED LANDS; COMMENTS REQUESTED BY APRIL 1, 2010

This letter transmits a staff report that includes our preliminary draft Agricultural Order (preliminary Order). I am transmitting it today for several reasons:

- 1) **Transparency-** to share staff's understanding of the existing water quality conditions as impacted by agricultural discharges in the Central Coast Region; to share staff's thinking about the types of terms and requirements necessary to directly address these water quality conditions- severe toxicity, unsafe nitrate levels in surface water and groundwater, degradation of aquatic habitat, and excessive sediment loading to surface waters- and to protect beneficial uses of waters in the Central Coast Region.
- 2) **Opportunity-** to invite agricultural dischargers, technical assistance and educational organizations, environmental organizations, drinking water providers, local residents and other interested parties to ask clarifying questions, provide initial feedback, provide comments, and contribute other ideas to control agricultural discharges and improve water quality; to insure ample time for these interested parties to review the information I am transmitting today and develop their responses well in advance of official consideration of a new Agricultural Order by the Central Coast Water Board later in 2010.
- 3) **Open Public Process-** to answer questions from interested parties; to consider and adapt staff recommendations in response to comments and ideas from interested parties early in the process of developing a new Agricultural Order; to insure additional opportunity for all interested parties to provide their own recommendations; to insure opportunity for formal comments on subsequent staff recommendations during future public comment periods for the draft Order.

I am transmitting this staff report with the preliminary Order in accordance with direction from the Central Coast Water Board at their December 10, 2009 Board meeting and responsive to staff's and interested parties' comments and suggestions at that meeting. On December 10, 2010, Board Members directed staff to release a draft order regulating discharges from irrigated lands on February 1, 2010 so interested parties can review and comment. This staff report contains an introduction explaining the context for considering a new Agricultural Order, a description of the water quality conditions in the Central Coast Region as impacted by agricultural discharges, the preliminary Order, and a preliminary evaluation of environmental impacts from implementation of this preliminary Order (initial study/environmental checklist).

California Environmental Protection Agency



Staff Report Review

This staff report provides an informal, early opportunity for interested parties to learn about staff's understanding of the existing water quality conditions as impacted by agricultural discharges in the Central Coast Region and the types of terms and requirements necessary to directly address and resolve these water quality conditions. As such, all forms of comment and input will be summarized for the Central Coast Water Board and considered and incorporated into subsequent staff recommendations, as appropriate. However, staff will not specifically record, itemize and respond to each written comment in this round of informal input. Staff will specifically record, itemize and respond to all written comments during future formal public comment periods.

Submittal of Comments

The deadline for comments on this preliminary Order is **April 1, 2010**. Board Members also requested that the agricultural community, environmental organizations and any other interested parties provide any alternatives or recommendations in writing by **April 1, 2010** or sooner, if possible.

Please submit comments to:

Angela Schroeter, Agricultural Regulatory Program Manager, at aschroeter@waterboards.ca.gov or Howard Kolb, Agricultural Order Project Lead Staff, at hkolb@waterboards.ca.gov.

Board members also agreed to hear input provided in response to staff's preliminary recommendations and on alternative recommendations for regulating discharges from the agricultural industry, environmental organizations, or any other interested party, in a public workshop on May 12, 2010. We will send out public notices for this workshop in April 2010.

Future Information Requests

To automatically receive information about the Agricultural Regulatory Program and Agricultural Order, please subscribe to the Agricultural Discharges electronic mailing list at http://www.waterboards.ca.gov/resources/email_subscriptions/reg3_subscribe.shtml.

Please feel free to contact my staff with any questions: Angela Schroeter, Agricultural Regulatory Program Manager, at aschroeter@waterboards.ca.gov or 805-542-4644 or Lisa McCann, Watershed Protection Section Manager, at lmccann@waterboards.ca.gov or 805-549-3132.

Thank you for your interest in water quality improvement from agricultural discharges.

Sincerely,



Roger W. Briggs
Executive Officer

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California Environmental Protection Agency

Recycled Paper



California Regional Water Quality Control Board

Central Coast Region



Linda S. Adams
Secretary for
Environmental
Protection

www.waterboards.ca.gov/centralcoast
895 Aerovista Place, Suite 101 San Luis Obispo, CA 93401
Phone (805) 549-3147 • FAX (805) 543-0397

Arnold Schwarzenegger
Governor

February 16, 2010

Michael Le Brun
Nipomo CSD
P.O. Box 326
Nipomo, CA 93444

Dear Michael Le Brun,

WORKSHOP ON THE DEVELOPMENT OF SALT/NUTRIENT MANAGEMENT PLANS

The purpose of this letter is to inform you of a new requirement for local stakeholders, such as local water and wastewater entities, and members of the public to develop salt/nutrient management plans for groundwater basins within our region, and to notify you of a Central Coast Water Board workshop to initiate the development process for these plans. Your participation in the workshop is an opportunity to join this important effort and to be involved in the process and organization for the development of the salt/nutrient management plans. The intent of developing and implementing salt/nutrient management plans is to protect groundwater from accumulating concentrations of salt and nutrients that would degrade the quality of groundwater and limit its use.

The requirement for preparing salt/nutrient management plans is in the State Water Resources Control Board's (State Water Board's) Recycled Water Policy, which was adopted by the State Water Board through Resolution No. 2009-0011 on February 3, 2009, and became effective on May 14, 2009. The Resolution and Recycled Water Policy can be found at:

http://www.waterboards.ca.gov/board_decisions/adopted_orders/resolutions/2009/rs2009_0011.pdf

The Recycled Water Policy states that the development of the salt/nutrient management plans is to be controlled and funded by local stakeholders, such as local water and wastewater entities, with participation by Water Board staff. The applicable language from the policy is provided below:

"The State Water Board recognizes that, pursuant to the letter dated December 19, 2008, and attached to the

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NIPOMO COMMUNITY
SERVICES DISTRICT

Resolution adopting this PoNipomo CSD policy, the local water and wastewater entities, together with local salt/nutrient contributing stakeholders, will fund locally driven and controlled, collaborative processes, open to all stakeholders that will prepare salt and nutrient management plans for each basin/sub-basin in California, including compliance with CEQA and participation by Regional Water Board staff."

Water Board staff has identified you or your agency as either a contributor of salts and/or nutrients to the environment or as a agency, association, or program with expertise in or control over the requisite components of a salt/nutrient management plan. We anticipate that individual stakeholders will step forward as necessary to manage the development of the management plans for each basin.

The Recycled Water Policy mandates completion of the salt/nutrient management plans within five years from the effective date of the Recycled Water Policy. Therefore, the salt/nutrient management plans must be completed by May 14, 2014, although the Policy allows the Central Coast Water Board to allow a two-year extension (until May 14, 2016) if the stakeholders demonstrate substantial progress toward completion of the plan. Once the Central Coast Water Board receives an acceptable salt/nutrient management plan, it has one year to amend the Central Coast Basin Plan to include the management plan's implementation provisions.

We have scheduled two kick-off meetings to convene the stakeholders and to discuss the requirements for salt/nutrient management planning. The first meeting will be held at 1:30 p.m. on March 3, 2010, in Shepard Hall of the City of Santa Maria's public library, located at 421 S. McClelland Street, Santa Maria. *
The second meeting will be held at 1:30 p.m. on March 10, 2010, at Monterey Regional Water Pollution Control Agency's wastewater treatment plant in Marina. A map is attached. Please attend the meeting most convenient to you.

If you have any questions, please contact Harvey Packard at (805) 542-4639 or hpackard@waterboards.ca.gov.

Sincerely,



Roger W. Briggs
Executive Office

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**STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2009-0011**

**ADOPTION OF A POLICY FOR
WATER QUALITY CONTROL FOR RECYCLED WATER**

WHEREAS:

1. The Strategic Plan Update 2008-2012 for the Water Boards includes a priority to increase sustainable local water supplies available for meeting existing and future beneficial uses by 1,725,000 acre-feet per year, in excess of 2002 levels, by 2015, and ensure adequate water flows for fish and wildlife habitat. This Recycled Water Policy (Policy) is intended to support the Strategic Plan priority to Promote Sustainable Local Water Supplies. Increasing the acceptance and promoting the use of recycled water is a means towards achieving sustainable local water supplies and can result in reduction in greenhouse gases, a significant driver of climate change. The Policy is also intended to encourage beneficial use of, rather than solely disposal of, recycled water.
2. California Water Code section 13140 authorizes the State Water Resources Control Board (State Water Board) to adopt state policy for water quality control.
3. On March 20, 2007, the State Water Board conducted a public workshop on recycled water.
4. On September 28, 2007, staff circulated a draft Recycled Water Policy and a draft staff report/certified regulatory program environmental analysis/California Environmental Quality Act (CEQA) checklist for public comment.
5. On October 2, 2007, the State Water Board conducted a public workshop on the draft Recycled Water Policy.
6. On February 15, 2008, the State Water Board circulated an updated version of the draft Policy and the draft staff report/certified regulatory program environmental analysis/CEQA checklist.
7. On November 21, 2008, the State Water Board circulated another updated version of the draft Policy and the draft staff report/certified regulatory program environmental analysis/CEQA checklist.
8. Staff has responded to significant verbal and written comments received from the public and made revisions to the draft Policy in response to the comments.
9. On January 6, 2009, the State Water Board conducted a public hearing on the draft Policy. In response, staff has revised the draft Policy, which is available at http://www.waterboards.ca.gov/water_issues/programs/water_recycling_policy/docs/draft_recycled_water_policy_011609.pdf. Staff has also revised the draft staff report, which is available at http://www.swrcb.ca.gov/water_issues/programs/water_recycling_policy/docs/020309_drafts_draftreport_checklist_01162009.pdf.
10. The Policy includes findings, including findings related to compliance with State Water Board Resolution No. 68-16, that are hereby incorporated by reference.

11. The State Water Board received a letter from statewide water and wastewater entities dated December 19, 2008, strongly urging their member agencies to commit funding and in-kind resources to facilitate development of salt/nutrient management plans within the five-year timeframe established by the State Water Board in the Policy.
12. The Resources Agency has approved the State Water Board's and the Regional Water Quality Control Boards' water quality control planning process as a "certified regulatory program" that adequately satisfies the CEQA requirements for preparing environmental documents. State Water Board staff has prepared a "substitute environmental document" for this project that contains the required environmental documentation under the State Water Board's CEQA regulations. (California Code of Regulations, title 23, section 3777.) The substitute environmental documents include the "Draft Staff Report and Certified Regulatory Program Environmental Analysis Recycled Water Policy," which includes an environmental checklist, the comments and responses to comments, the Policy itself, and this resolution. The project is the adoption of a Recycled Water Policy.
13. In preparing the substitute environmental documents, the State Water Board has considered the requirements of Public Resources Code section 21159 and California Code of Regulations, title 14, section 15187, and intends these documents to serve as a Tier 1 environmental review. The State Water Board has considered the reasonably foreseeable consequences of adoption of the draft Policy; however, potential site-specific recycled water project impacts may need to be considered in any subsequent environmental analysis performed by lead agencies, pursuant to Public Resources Code section 21159.1.
14. Consistent with CEQA, the substitute environmental documents do not engage in speculation or conjecture but, rather, analyze the reasonably foreseeable environmental impacts related to methods of compliance with the draft Policy, reasonably foreseeable mitigation measures to reduce those impacts, and reasonably feasible alternative means of compliance that would avoid or reduce the identified impacts.
15. The draft Policy incorporates mitigation that reduces to a level that is insignificant any adverse effects on the environment. From a program-level perspective, incorporation of the mitigation measures described in the substitute environmental document will foreseeably reduce impacts to less than significant levels.
16. A policy for water quality control does not become effective until adopted by the State Water Board and until the regulatory provisions are approved by the Office of Administrative Law (OAL).
17. If, during the OAL approval process, OAL determines that minor, non-substantive modifications to the language of the Policy are needed for clarity or consistency, the Executive Director or designee may make such changes consistent with the State Water Board's intent in adopting this Policy, and shall inform the State Water Board of any such changes.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Approves and adopts the CEQA substitute environmental documentation, which includes the staff report/certified regulatory program environmental analysis/CEQA checklist, and the response to comments, which was prepared in accordance with the requirements of the State Water Board's certified regulatory CEQA process (as set forth in California Code of Regulations, title 23, section 3775, et seq.), Public Resources Code section 21159, and California Code of Regulations, title 14, section 15187, and directs the Executive Director or designee to sign the environmental checklist.
2. After considering the entire record, including oral testimony at the public hearing, adopts the Recycled Water Policy.
3. Authorizes the Executive Director or designee to submit the Recycled Water Policy to OAL for review and approval.
4. If, during the OAL approval process, OAL determines that minor, non-substantive modifications to the language of the Policy are needed for clarity or consistency, directs the Executive Director or designee to make such changes and inform the State Water Board of any such changes.

CERTIFICATION

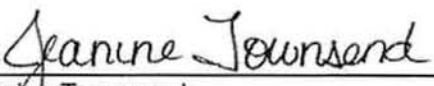
The undersigned, Clerk to the Board, does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on February 3, 2009.

AYE: Chair Tam M. Doduc
Charles R. Hoppin
Frances Spivy-Weber

NAY: None

ABSENT: Arthur G. Baggett, Jr.

ABSTAIN: None



Jeanine Townsend
Clerk to the Board

Recycled Water Policy

1. *Preamble*

California is facing an unprecedented water crisis.

The collapse of the Bay-Delta ecosystem, climate change, and continuing population growth have combined with a severe drought on the Colorado River and failing levees in the Delta to create a new reality that challenges California's ability to provide the clean water needed for a healthy environment, a healthy population and a healthy economy, both now and in the future.

These challenges also present an unparalleled opportunity for California to move aggressively towards a sustainable water future. The State Water Resources Control Board (State Water Board) declares that we will achieve our mission to "preserve, enhance and restore the quality of California's water resources to the benefit of present and future generations." To achieve that mission, we support and encourage every region in California to develop a salt/nutrient management plan by 2014 that is sustainable on a long-term basis and that provides California with clean, abundant water. These plans shall be consistent with the Department of Water Resources' Bulletin 160, as appropriate, and shall be locally developed, locally controlled and recognize the variability of California's water supplies and the diversity of its waterways. We strongly encourage local and regional water agencies to move toward clean, abundant, local water for California by emphasizing appropriate water recycling, water conservation, and maintenance of supply infrastructure and the use of stormwater (including dry-weather urban runoff) in these plans; these sources of supply are drought-proof, reliable, and minimize our carbon footprint and can be sustained over the long-term.

We declare our independence from relying on the vagaries of annual precipitation and move towards sustainable management of surface waters and groundwater, together with enhanced water conservation, water reuse and the use of stormwater. To this end, we adopt the following goals for California:

- Increase the use of recycled water over 2002 levels by at least one million acre-feet per year (afy) by 2020 and by at least two million afy by 2030.
- Increase the use of stormwater over use in 2007 by at least 500,000 afy by 2020 and by at least one million afy by 2030.
- Increase the amount of water conserved in urban and industrial uses by comparison to 2007 by at least 20 percent by 2020.
- Included in these goals is the substitution of as much recycled water for potable water as possible by 2030.

The purpose of this Policy is to increase the use of recycled water from municipal wastewater sources that meets the definition in Water Code section 13050(n), in a manner that implements state and federal water quality laws. The State Water Board expects to

develop additional policies to encourage the use of stormwater, encourage water conservation, encourage the conjunctive use of surface and groundwater, and improve the use of local water supplies.

When used in compliance with this Policy, Title 22 and all applicable state and federal water quality laws, the State Water Board finds that recycled water is safe for approved uses, and strongly supports recycled water as a safe alternative to potable water for such approved uses.

2. *Purpose of the Policy*

- a. The purpose of this Policy is to provide direction to the Regional Water Quality Control Boards (Regional Water Boards), proponents of recycled water projects, and the public regarding the appropriate criteria to be used by the State Water Board and the Regional Water Boards in issuing permits for recycled water projects.
- b. It is the intent of the State Water Board that all elements of this Policy are to be interpreted in a manner that fully implements state and federal water quality laws and regulations in order to enhance the environment and put the waters of the state to the fullest use of which they are capable.
- c. This Policy describes permitting criteria that are intended to streamline the permitting of the vast majority of recycled water projects. The intent of this streamlined permit process is to expedite the implementation of recycled water projects in a manner that implements state and federal water quality laws while allowing the Regional Water Boards to focus their limited resources on projects that require substantial regulatory review due to unique site-specific conditions.
- d. By prescribing permitting criteria that apply to the vast majority of recycled water projects, it is the State Water Board's intent to maximize consistency in the permitting of recycled water projects in California while also reserving to the Regional Water Boards sufficient authority and flexibility to address site-specific conditions.
- e. The State Water Board will establish additional policies that are intended to assist the State of California in meeting the goals established in the preamble to this Policy for water conservation and the use of stormwater.
- f. For purposes of this Policy, the term "permit" means an order adopted by a Regional Water Board or the State Water Board prescribing requirements for a recycled water project, including but not limited to water recycling requirements, master reclamation permits, and waste discharge requirements.

3. *Benefits of Recycled Water*

The State Water Board finds that the use of recycled water in accordance with this Policy, that is, which supports the sustainable use of groundwater and/or surface water, which is

sufficiently treated so as not to adversely impact public health or the environment and which ideally substitutes for use of potable water, is presumed to have a beneficial impact. Other public agencies are encouraged to use this presumption in evaluating the impacts of recycled water projects on the environment as required by the California Environmental Quality Act (CEQA).

4. *Mandate for the Use of Recycled Water*

- a. The State Water Board and Regional Water Boards will exercise the authority granted to them by the Legislature to the fullest extent possible to encourage the use of recycled water, consistent with state and federal water quality laws.
 - (1) The State Water Board hereby establishes a mandate to increase the use of recycled water in California by 200,000 afy by 2020 and by an additional 300,000 afy by 2030. These mandates shall be achieved through the cooperation and collaboration of the State Water Board, the Regional Water Boards, the environmental community, water purveyors and the operators of publicly owned treatment works. The State Water Board will evaluate progress toward these mandates biennially and review and revise as necessary the implementation provisions of this Policy in 2012 and 2016.
 - (2) Agencies producing recycled water that is available for reuse and not being put to beneficial use shall make that recycled water available to water purveyors for reuse on reasonable terms and conditions. Such terms and conditions may include payment by the water purveyor of a fair and reasonable share of the cost of the recycled water supply and facilities.
 - (3) The State Water Board hereby declares that, pursuant to Water Code sections 13550 *et seq.*, it is a waste and unreasonable use of water for water agencies not to use recycled water when recycled water of adequate quality is available and is not being put to beneficial use, subject to the conditions established in sections 13550 *et seq.* The State Water Board shall exercise its authority pursuant to Water Code section 275 to the fullest extent possible to enforce the mandates of this subparagraph.
- b. These mandates are contingent on the availability of sufficient capital funding for the construction of recycled water projects from private, local, state, and federal sources and assume that the Regional Water Boards will effectively implement regulatory streamlining in accordance with this Policy.
- c. The water industry and the environmental community have agreed jointly to advocate for \$1 billion in state and federal funds over the next five years to fund projects needed to meet the goals and mandates for the use of recycled water established in this Policy.

- d. The State Water Board requests the California Department of Public Health (CDPH), the California Public Utilities Commission (CPUC), and the California Department of Water Resources (CDWR) to use their respective authorities to the fullest extent practicable to assist the State Water Board and the Regional Water Boards in increasing the use of recycled water in California.

5. *Roles of the State Water Board, Regional Water Boards, CDPH and CDWR*

The State Water Board recognizes that it shares jurisdiction over the use of recycled water with the Regional Water Boards and with CDPH. In addition, the State Water Board recognizes that CDWR and the CPUC have important roles to play in encouraging the use of recycled water. The State Water Board believes that it is important to clarify the respective roles of each of these agencies in connection with recycled water projects, as follows:

- a. The State Water Board establishes general policies governing the permitting of recycled water projects consistent with its role of protecting water quality and sustaining water supplies. The State Water Board exercises general oversight over recycled water projects, including review of Regional Water Board permitting practices, and shall lead the effort to meet the recycled water use goals set forth in the Preamble to this Policy. The State Water Board is also charged by statute with developing a general permit for irrigation uses of recycled water.
- b. The CDPH is charged with protection of public health and drinking water supplies and with the development of uniform water recycling criteria appropriate to particular uses of water. Regional Water Boards shall appropriately rely on the expertise of CDPH for the establishment of permit conditions needed to protect human health.
- c. The Regional Water Boards are charged with protection of surface and groundwater resources and with the issuance of permits that implement CDPH recommendations, this Policy, and applicable law and will, pursuant to paragraph 4 of this Policy, use their authority to the fullest extent possible to encourage the use of recycled water.
- d. CDWR is charged with reviewing and, every five years, updating the California Water Plan, including evaluating the quantity of recycled water presently being used and planning for the potential for future uses of recycled water. In undertaking these tasks, CDWR may appropriately rely on urban water management plans and may share the data from those plans with the State Water Board and the Regional Water Boards. CDWR also shares with the State Water Board the authority to allocate and distribute bond funding, which can provide incentives for the use of recycled water.
- e. The CPUC is charged with approving rates and terms of service for the use of recycled water by investor-owned utilities.

6. *Salt/Nutrient Management Plans*

a. *Introduction.*

- (1) Some groundwater basins in the state contain salts and nutrients that exceed or threaten to exceed water quality objectives established in the applicable Water Quality Control Plans (Basin Plans), and not all Basin Plans include adequate implementation procedures for achieving or ensuring compliance with the water quality objectives for salt or nutrients. These conditions can be caused by natural soils/conditions, discharges of waste, irrigation using surface water, groundwater or recycled water and water supply augmentation using surface or recycled water. Regulation of recycled water alone will not address these conditions.
- (2) It is the intent of this Policy that salts and nutrients from all sources be managed on a basin-wide or watershed-wide basis in a manner that ensures attainment of water quality objectives and protection of beneficial uses. The State Water Board finds that the appropriate way to address salt and nutrient issues is through the development of regional or subregional salt and nutrient management plans rather than through imposing requirements solely on individual recycled water projects.

b. *Adoption of Salt/ Nutrient Management Plans.*

- (1) The State Water Board recognizes that, pursuant to the letter dated December 19, 2008 and attached to the Resolution adopting this Policy, the local water and wastewater entities, together with local salt/nutrient contributing stakeholders, will fund locally driven and controlled, collaborative processes open to all stakeholders that will prepare salt and nutrient management plans for each basin/sub-basin in California, including compliance with CEQA and participation by Regional Water Board staff.
 - (a) It is the intent of this Policy for every groundwater basin/sub-basin in California to have a consistent salt/nutrient management plan. The degree of specificity within these plans and the length of these plans will be dependent on a variety of site-specific factors, including but not limited to size and complexity of a basin, source water quality, stormwater recharge, hydrogeology, and aquifer water quality. It is also the intent of the State Water Board that because stormwater is typically lower in nutrients and salts and can augment local water supplies, inclusion of a significant stormwater use and recharge component within the salt/nutrient management plans is critical to the long-term sustainable use of water in California. Inclusion of stormwater recharge is consistent with State Water Board Resolution No. 2005-06, which establishes sustainability as a core value for State Water Board programs and

also assists in implementing Resolution No. 2008-30, which requires sustainable water resources management and is consistent with Objective 3.2 of the State Water Board Strategic Plan Update dated September 2, 2008.

- (b) Salt and nutrient plans shall be tailored to address the water quality concerns in each basin/sub-basin and may include constituents other than salt and nutrients that impact water quality in the basin/sub-basin. Such plans shall address and implement provisions, as appropriate, for all sources of salt and/or nutrients to groundwater basins, including recycled water irrigation projects and groundwater recharge reuse projects.
 - (c) Such plans may be developed or funded pursuant to the provisions of Water Code sections 10750 *et seq.* or other appropriate authority.
 - (d) Salt and nutrient plans shall be completed and proposed to the Regional Water Board within five years from the date of this Policy unless a Regional Water Board finds that the stakeholders are making substantial progress towards completion of a plan. In no case shall the period for the completion of a plan exceed seven years.
 - (e) The requirements of this paragraph shall not apply to areas that have already completed a Regional Water Board approved salt and nutrient plan for a basin, sub-basin, or other regional planning area that is functionally equivalent to paragraph 6(b)3.
 - (f) The plans may, depending upon the local situation, address constituents other than salt and nutrients that adversely affect groundwater quality.
- (2) Within one year of the receipt of a proposed salt and nutrient management plan, the Regional Water Boards shall consider for adoption revised implementation plans, consistent with Water Code section 13242, for those groundwater basins within their regions where water quality objectives for salts or nutrients are being, or are threatening to be, exceeded. The implementation plans shall be based on the salt and nutrient plans required by this Policy.
- (3) Each salt and nutrient management plan shall include the following components:
- (a) A basin/sub-basin wide monitoring plan that includes an appropriate network of monitoring locations. The scale of the basin/sub-basin monitoring plan is dependent upon the site-specific conditions and shall be adequate to provide a reasonable,

cost-effective means of determining whether the concentrations of salt, nutrients, and other constituents of concern as identified in the salt and nutrient plans are consistent with applicable water quality objectives. Salts, nutrients, and the constituents identified in paragraph 6(b)(1)(f) shall be monitored. The frequency of monitoring shall be determined in the salt/nutrient management plan and approved by the Regional Water Board pursuant to paragraph 6(b)(2).

- (i) The monitoring plan must be designed to determine water quality in the basin. The plan must focus on basin water quality near water supply wells and areas proximate to large water recycling projects, particularly groundwater recharge projects. Also, monitoring locations shall, where appropriate, target groundwater and surface waters where groundwater has connectivity with adjacent surface waters.
 - (ii) The preferred approach to monitoring plan development is to collect samples from existing wells if feasible as long as the existing wells are located appropriately to determine water quality throughout the most critical areas of the basin.
 - (iii) The monitoring plan shall identify those stakeholders responsible for conducting, compiling, and reporting the monitoring data. The data shall be reported to the Regional Water Board at least every three years.
- (b) A provision for annual monitoring of Emerging Constituents/ Constituents of Emerging Concern (e.g., endocrine disrupters, personal care products or pharmaceuticals) (CECs) consistent with recommendations by CDPH and consistent with any actions by the State Water Board taken pursuant to paragraph 10(b) of this Policy.
 - (c) Water recycling and stormwater recharge/use goals and objectives.
 - (d) Salt and nutrient source identification, basin/sub-basin assimilative capacity and loading estimates, together with fate and transport of salts and nutrients.
 - (e) Implementation measures to manage salt and nutrient loading in the basin on a sustainable basis.
 - (f) An antidegradation analysis demonstrating that the projects included within the plan will, collectively, satisfy the requirements of Resolution No. 68-16.

- (4) Nothing in this Policy shall prevent stakeholders from developing a plan that is more protective of water quality than applicable standards in the Basin Plan. No Regional Water Board, however, shall seek to modify Basin Plan objectives without full compliance with the process for such modification as established by existing law.

7. *Landscape Irrigation Projects*

- a. *Control of incidental runoff.* Incidental runoff is defined as unintended small amounts (volume) of runoff from recycled water use areas, such as unintended, minimal over-spray from sprinklers that escapes the recycled water use area. Water leaving a recycled water use area is not considered incidental if it is part of the facility design, if it is due to excessive application, if it is due to intentional overflow or application, or if it is due to negligence. Incidental runoff may be regulated by waste discharge requirements or, where necessary, waste discharge requirements that serve as a National Pollutant Discharge Elimination System (NPDES) permit, including municipal separate storm water system permits, but regardless of the regulatory instrument, the project shall include, but is not limited to, the following practices:

- (1) Implementation of an operations and management plan that may apply to multiple sites and provides for detection of leaks, (for example, from broken sprinkler heads), and correction either within 72 hours of learning of the runoff, or prior to the release of 1,000 gallons, whichever occurs first,
- (2) Proper design and aim of sprinkler heads,
- (3) Refraining from application during precipitation events, and
- (4) Management of any ponds containing recycled water such that no discharge occurs unless the discharge is a result of a 25-year, 24-hour storm event or greater, and there is notification of the appropriate Regional Water Board Executive Officer of the discharge.

- b. *Streamlined Permitting*

- (1) The Regional Water Boards shall, absent unusual circumstances (i.e., unique, site-specific conditions such as where recycled water is proposed to be used for irrigation over high transmissivity soils over a shallow (5' or less) high quality groundwater aquifer), permit recycled water projects that meet the criteria set forth in this Policy, consistent with the provisions of this paragraph.
- (2) If the Regional Water Board determines that unusual circumstances apply, the Regional Water Board shall make a finding of unusual circumstances based on substantial evidence in the record, after public notice and hearing.

- (3) Projects meeting the criteria set forth below and eligible for enrollment under requirements established in a general order shall be enrolled by the State or Regional Water Board within 60 days from the date on which an application is deemed complete by the State or Regional Water Board. For projects that are not enrolled in a general order, the Regional Water Board shall consider permit adoption within 120 days from the date on which the application is deemed complete by the Regional Water Board.
 - (4) Landscape irrigation projects that qualify for streamlined permitting shall not be required to include a project specific receiving water and groundwater monitoring component unless such project specific monitoring is required under the adopted salt/nutrient management plan. During the interim while the salt management plan is under development, a landscape irrigation project proponent can either perform project specific monitoring, or actively participate in the development and implementation of a salt/nutrient management plan, including basin/sub-basin monitoring. Permits or requirements for landscape irrigation projects shall include, in addition to any other appropriate recycled water monitoring requirements, recycled water monitoring for CECs on an annual basis and priority pollutants on a twice annual basis. Except as requested by CDPH, State and Regional Water Board monitoring requirements for CECs shall not take effect until 18 months after the effective date of this Policy. In addition, any permits shall include a permit reopener to allow incorporation of appropriate monitoring requirements for CECs after State Water Board action under paragraph 10(b)(2).
 - (5) It is the intent of the State Water Board that the general permit for landscape irrigation projects be consistent with the terms of this Policy.
- c. *Criteria for streamlined permitting.* Irrigation projects using recycled water that meet the following criteria are eligible for streamlined permitting, and, if otherwise in compliance with applicable laws, shall be approved absent unusual circumstances:
- (1) Compliance with the requirements for recycled water established in Title 22 of the California Code of Regulations, including the requirements for treatment and use area restrictions, together with any other recommendations by CDPH pursuant to Water Code section 13523.
 - (2) Application in amounts and at rates as needed for the landscape (i.e., at agronomic rates and not when the soil is saturated). Each irrigation project shall be subject to an operations and management plan, that may apply to multiple sites, provided to the Regional Water Board that specifies the agronomic rate(s) and describes a set of reasonably practicable measures to ensure compliance with this requirement, which may include the development of water budgets for use areas, site

supervisor training, periodic inspections, tiered rate structures, the use of smart controllers, or other appropriate measures.

- (3) Compliance with any applicable salt and nutrient management plan.
- (4) Appropriate use of fertilizers that takes into account the nutrient levels in the recycled water. Recycled water producers shall monitor and communicate to the users the nutrient levels in their recycled water.

8. *Recycled Water Groundwater Recharge Projects*

- a. The State Water Board acknowledges that all recycled water groundwater recharge projects must be reviewed and permitted on a site-specific basis, and so such projects will require project-by-project review.
- b. Approved groundwater recharge projects will meet the following criteria:
 - (1) Compliance with regulations adopted by CDPH for groundwater recharge projects or, in the interim until such regulations are approved, CDPH's recommendations pursuant to Water Code section 13523 for the project (e.g., level of treatment, retention time, setback distance, source control, monitoring program, etc.).
 - (2) Implementation of a monitoring program for constituents of concern and a monitoring program for CECs that is consistent with any actions by the State Water Board taken pursuant to paragraph 10(b) of this Policy and that takes into account site-specific conditions. Groundwater recharge projects shall include monitoring of recycled water for CECs on an annual basis and priority pollutants on a twice annual basis.
- c. Nothing in this paragraph shall be construed to limit the authority of a Regional Water Board to protect designated beneficial uses, *provided* that any proposed limitations for the protection of public health may only be imposed following regular consultation by the Regional Water Board with CDPH, consistent with State Water Board Orders WQ 2005-0007 and 2006-0001.
- d. Nothing in this Policy shall be construed to prevent a Regional Water Board from imposing additional requirements for a proposed recharge project that has a substantial adverse effect on the fate and transport of a contaminant plume or changes the geochemistry of an aquifer thereby causing the dissolution of constituents, such as arsenic, from the geologic formation into groundwater.
- e. Projects that utilize surface spreading to recharge groundwater with recycled water treated by reverse osmosis shall be permitted by a Regional Water Board within one year of receipt of recommendations from CDPH. Furthermore, the Regional Water Board shall give a high priority to review and approval of such projects.

9. *Antidegradation*

- a. The State Water Board adopted Resolution No. 68-16 as a policy statement to implement the Legislature's intent that waters of the state shall be regulated to achieve the highest water quality consistent with the maximum benefit to the people of the state.
- b. Activities involving the disposal of waste that could impact high quality waters are required to implement best practicable treatment or control of the discharge necessary to ensure that pollution or nuisance will not occur, and the highest water quality consistent with the maximum benefit to the people of the state will be maintained.
- c. Groundwater recharge with recycled water for later extraction and use in accordance with this Policy and state and federal water quality law is to the benefit of the people of the state of California. Nonetheless, the State Water Board finds that groundwater recharge projects using recycled water have the potential to lower water quality within a basin. The proponent of a groundwater recharge project must demonstrate compliance with Resolution No. 68-16. Until such time as a salt/nutrient management plan is in effect, such compliance may be demonstrated as follows:
 - (1) A project that utilizes less than 10 percent of the available assimilative capacity in a basin/sub-basin (or multiple projects utilizing less than 20 percent of the available assimilative capacity in a basin/sub-basin) need only conduct an antidegradation analysis verifying the use of the assimilative capacity. For those basins/sub-basins where the Regional Water Boards have not determined the baseline assimilative capacity, the baseline assimilative capacity shall be calculated by the initial project proponent, with review and approval by the Regional Water Board, until such time as the salt/nutrient plan is approved by the Regional Water Board and is in effect. For compliance with this subparagraph, the available assimilative capacity shall be calculated by comparing the mineral water quality objective with the average concentration of the basin/sub-basin, either over the most recent five years of data available or using a data set approved by the Regional Water Board Executive Officer. In determining whether the available assimilative capacity will be exceeded by the project or projects, the Regional Water Board shall calculate the impacts of the project or projects over at least a ten year time frame.

- (2) In the event a project or multiple projects utilize more than the fraction of the assimilative capacity designated in subparagraph (1), then a Regional Water Board-deemed acceptable antidegradation analysis shall be performed to comply with Resolution No. 68-16. The project proponent shall provide sufficient information for the Regional Water Board to make this determination. An example of an approved method is the method used by the State Water Board in connection with Resolution No. 2004-0060 and the Regional Water Board in connection with Resolution No. R8-2004-0001. An integrated approach (using surface water, groundwater, recycled water, stormwater, pollution prevention, water conservation, etc.) to the implementation of Resolution No. 68-16 is encouraged.
- d. Landscape irrigation with recycled water in accordance with this Policy is to the benefit of the people of the State of California. Nonetheless, the State Water Board finds that the use of water for irrigation may, regardless of its source, collectively affect groundwater quality over time. The State Water Board intends to address these impacts in part through the development of salt/nutrient management plans described in paragraph 6.
 - (1) A project that meets the criteria for a streamlined irrigation permit and is within a basin where a salt/nutrient management plan satisfying the provisions of paragraph 6(b) is in place may be approved without further antidegradation analysis, provided that the project is consistent with that plan.
 - (2) A project that meets the criteria for a streamlined irrigation permit and is within a basin where a salt/nutrient management plan satisfying the provisions of paragraph 6(b) is being prepared may be approved by the Regional Water Board by demonstrating through a salt/nutrient mass balance or similar analysis that the project uses less than 10 percent of the available assimilative capacity as estimated by the project proponent in a basin/sub-basin (or multiple projects using less than 20 percent of the available assimilative capacity as estimated by the project proponent in a groundwater basin).

10. *Emerging Constituents/Chemicals of Emerging Concern*

a. *General Provisions*

- (1) Regulatory requirements for recycled water shall be based on the best available peer-reviewed science. In addition, all uses of recycled water must meet conditions set by CDPH.
- (2) Knowledge of risks will change over time and recycled water projects must meet legally applicable criteria. However, when standards change, projects should be allowed time to comply through a compliance schedule.

- (3) The state of knowledge regarding CECs is incomplete. There needs to be additional research and development of analytical methods and surrogates to determine potential environmental and public health impacts. Agencies should minimize the likelihood of CECs impacting human health and the environment by means of source control and/or pollution prevention programs.
 - (4) Regulating most CECs will require significant work to develop test methods and more specific determinations as to how and at what level CECs impact public health or our environment.
- b. *Research Program.* The State Water Board, in consultation with CDPH and within 90 days of the adoption of this Policy, shall convene a “blue-ribbon” advisory panel to guide future actions relating to constituents of emerging concern.
- (1) The panel shall be actively managed by the State Water Board and shall be composed of at least the following: one human health toxicologist, one environmental toxicologist, one epidemiologist, one biochemist, one civil engineer familiar with the design and construction of recycled water treatment facilities, and one chemist familiar with the design and operation of advanced laboratory methods for the detection of emerging constituents. Each of these panelists shall have extensive experience as a principal investigator in their respective areas of expertise.
 - (2) The panel shall review the scientific literature and, within one year from its appointment, shall submit a report to the State Water Board and CDPH describing the current state of scientific knowledge regarding the risks of emerging constituents to public health and the environment. Within six months of receipt of the panel’s report the State Water Board, in coordination with CDPH, shall hold a public hearing to consider recommendations from staff and shall endorse the recommendations, as appropriate, after making any necessary modifications. The panel or a similarly constituted panel shall update this report every five years.
 - (3) Each report shall recommend actions that the State of California should take to improve our understanding of emerging constituents and, as may be appropriate, to protect public health and the environment.
 - (4) The panel report shall answer the following questions: What are the appropriate constituents to be monitored in recycled water, including analytical methods and method detection limits? What is the known toxicological information for the above constituents? Would the above lists change based on level of treatment and use? If so, how? What are possible indicators that represent a suite of CECs? What levels of CECs should trigger enhanced monitoring of CECs in recycled water, groundwater and/or surface waters?

- c. *Permit Provisions.* Permits for recycled water projects shall be consistent both with any CDPH recommendations to protect public health and with any actions by the State Water Board taken pursuant to paragraph 10(b)(2).

11. *Incentives for the Use of Recycled Water*

- a. *Funding*

The State Water Board will request CDWR to provide funding (\$20M) for the development of salt and nutrient management plans during the next three years (i.e., before FY 2010/2011). The State Water Board will also request CDWR to provide priority funding for projects that have major recycling components; particularly those that decrease demand on potable water supplies. The State Water Board will also request priority funding for stormwater recharge projects that augment local water supplies. The State Water Board shall promote the use of the State Revolving Fund (SRF) for water purveyor, stormwater agencies, and water recyclers to use for water reuse and stormwater use and recharge projects.

- b. *Stormwater*

The State Water Board strongly encourages all water purveyors to provide financial incentives for water recycling and stormwater recharge and reuse projects. The State Water Board also encourages the Regional Water Boards to require less stringent monitoring and regulatory requirements for stormwater treatment and use projects than for projects involving untreated stormwater discharges.

- c. *TMDLs*

Water recycling reduces mass loadings from municipal wastewater sources to impaired waters. As such, waste load allocations shall be assigned as appropriate by the Regional Water Boards in a manner that provides an incentive for greater water recycling.



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WIPOMO COMMUNITY POLICES DISTRICT

San Luis Obispo County

Department of Planning and Building
Environmental Division

PLANNING COMMISSION ENVIRONMENTAL IMPACT REPORT (EIR) SCOPING MEETING *EXCELARON (MANKINS) CONDITIONAL USE PERMIT*

DATE: February 9, 2010
TIME: 6:00 pm
LOCATION: South County Regional Center, 800 West Branch Street, Arroyo Grande (next to County Library)

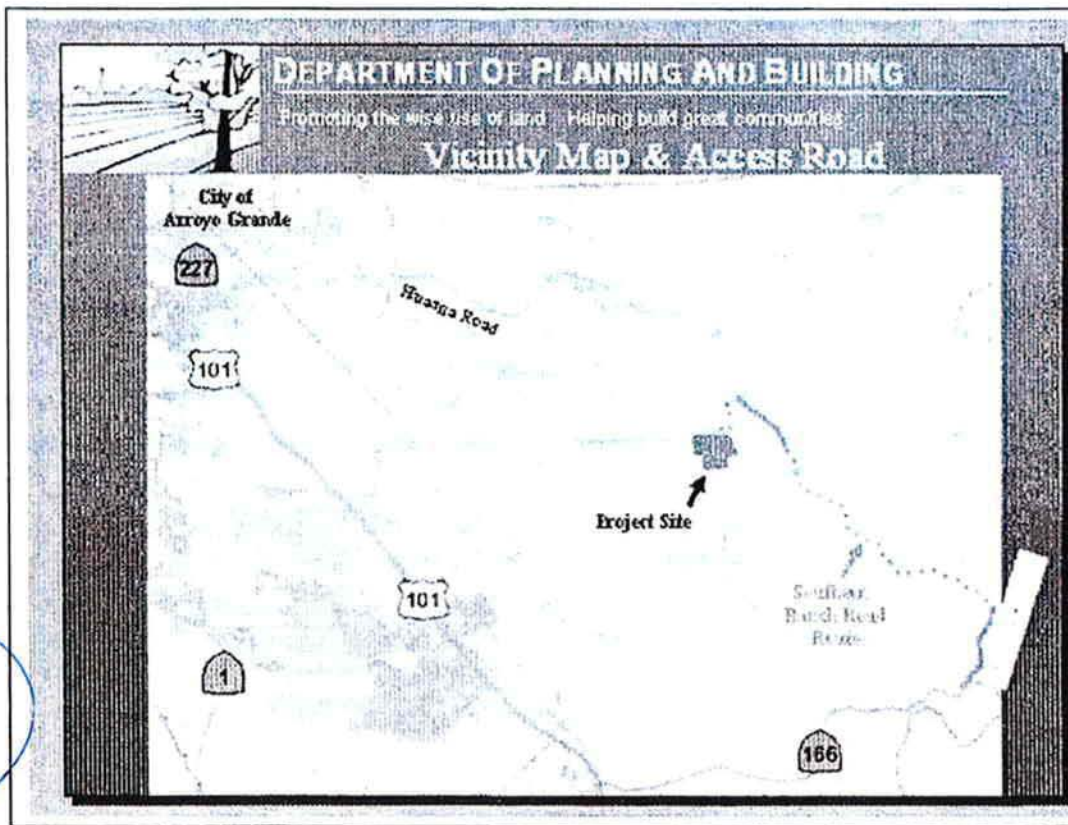
The County will be holding an Environmental Impact Report (EIR) Scoping Meeting for the Excelaron Conditional Use Permit (DRC2009-00002). San Luis Obispo County Planning & Building Department (Planning) has begun its environmental review pursuant to the California Environmental Quality Act (CEQA) for this project. County Planning invites you and other interested persons and organizations to comment on environmental issues to be evaluated as we proceed with preparation of an EIR for the project.

SCOPING MEETING - The scoping meeting discussion will focus on environmental issues, feasible ways in which project impacts may be minimized, and potential alternatives to the project. Additional information about the project and EIR is posted on the SLO Planning website: <http://www.sloplanning.org>. While at the County Planning Department's website, enter "Excelaron" in the "Search" box, to find additional detailed project information. We encourage your participation in this process. Please contact John McKenzie at (805) 781-5452 or jdmckenzie@co.slo.ca.us for additional information.

The EIR will include evaluation of project and cumulative impacts, mitigation measures and project alternatives. The issues to be analyzed include: Aesthetics, Agricultural Resources, Air Quality, Biological Resources, Cultural Resources, Geology and Soils, Hazards/ Hazardous Materials, Noise, Population/ Housing, Public Services/ Utilities, Transportation/ Circulation, Wastewater, Water, and Land Use.

Comments due:

March 11, 2010



PROPOSED PROJECT - Environmental Impact Report Scoping Meeting to consider a request by Excelaron LLC for a Conditional Use Permit (DRC2009-00002) on property owned by Howard Mankins, et al, to receive approval for a phased development to establish oil production of up to 12 oil wells on a previously explored oil field. Phasing would be as follows:

Phase I - Exploration and Testing (approximate 9 month duration) includes:

- a) Minor improvements to existing access roads and three existing well pads;
- b) Site preparation and oil well drilling activities (approximately 3 months);
- c) Four (4) new production wells tested (over six-month period after oil wells drilled);
- d) If the wells fail to yield commercial quantities of oil, the wells will be properly plugged and the site remediated; no additional phases, except Phase III, would occur;
- e) Exclusive access would be from site to Hwy 166 via Huasna Townsite Rd, ranch road and Alamo Ck Rd;
- f) Temporary facilities (i.e., portable "Baker" tanks, propane-driven generator, well pumps) will be used;
- g) Installation of a new structural "deck" to the Huasna River Bridge;
- h) Approximately 71,500 square feet of ground disturbance

Phase II - Production, would be initiated if Phase I results are positive, and include:

- a) The construction of permanent oil recovery facilities on site,
- b) A maximum of 6 tanker trucks (7,000 gallon capacity ea) daily will transport product to a nearby refinery;
- c) Production of up to 840 barrels of oil per day (based on estimated 2,400 barrels per day of gross throughput);
- d) Installation of accessory structures, including:
 - ❖ Up to 4,500 linear feet of above-ground oil production and water injection piping (4-inch diameter);
 - ❖ Storage tanks [2 wash tanks at 42,000 gallons each; 2 stock tanks (42,000 gallons ea), 1 water tank (42,000 gallons ea), 2 blend oil tanks (10,500 gallons ea)], three fire water tanks (10,000 gallons each)];
 - ❖ Propane generator with 5,000 gallon propane tank as primary project power source at shipping site; smaller well pad generators with a 500-gallon propane tank at well pads #1 and #2;
 - ❖ Office trailer with portable toilets; oil loading rack; heaters;
 - ❖ Vapor recovery unit where recovered natural gas used to help power generators;
 - ❖ Grading that would result in approximately 2.2 ac. of disturbance and approximately 7,500 cy moved;
 - ❖ Several Calfire turnouts added to the southern access ranch road;
 - ❖ Improvements to Highway 166 and Alamo Creek Road intersection.
 - ❖ One (1) new reinjection/disposal well;

Phase III - Site Cleanup and Existing Well Abandonment will include:

- a) Removal of any remaining equipment, including pipelines, tanks, etc. from the site;
- b) If the project does not go to Production Phase, general site clean up shall be completed;
- c) If the project does go to Production Phase, general site clean up shall be completed at beginning of this phase,
- d) Additionally, Excelaron cleaning and abating any identified hydrocarbon contaminated soils and associated oil contamination as these activities, excluding the existing seep.

Phase IV - Field Development would occur subsequent to Phase II (should it prove successful), and include:

- a) Drilling of up to eight (8) additional production wells over a four-year period after the first four wells constructed.

Other Project Elements

- 1) No fueling dispensary for vehicles/equipment (other than propane) is proposed;
- 3) No diluent shall be used;
- 4) All operational "production" water will be re-injected to its source;
- 5) Production & hauling operations shall temporarily cease when the southern ranch road becomes "impassable"

LOCATION: The project is located approximately 3/4 mile west of the Mankins' ranch house, which is on the west side of Huasna Townsite Road, approximately 1.5 miles south of Huasna Road, approximately 12 miles east of the City of Arroyo Grande, in the South County (Inland) and Huasna-Lopez planning areas.

WHERE: The meeting will be held at the South County Regional Center, 800 West Branch Street, Arroyo Grande (next to County Library)

Written comments are due by March 11, 2010. Send to: John McKenzie, Co. Planning Dept., 976 Osos St., Rm. 300, San Luis Obispo, CA 93408

Additional information about the project/ EIR is posted on the SLO Planning website: <http://www.sloplanning.org>. While at the County Planning Department's website, enter "Excelaron" in the "Search" box, to find additional detailed project information; Or, enter the following onto your web browser's address line:

<http://www.slocounty.ca.gov/planning/environmental/EnvironmentalNotices/excelaron.htm>

Due to the project's remote location, and small number of employees, alternative travel modes are not realistic or practical.

The project is not within close proximity of an airport nor could it have an influence on existing air traffic patterns.

Mitigation/Action Required. Due to the potential for significant traffic impacts an analysis will need to be performed by a registered Engineer with expertise in traffic, and shall include, but not be limited to, the following:

1. Consultation with the California Department of Transportation, the County Public Works Department, and the County of Santa Barbara).
2. Peer review of existing traffic reports on the adequacy of the analysis and appropriateness of the mitigation measures; this would also include review of applicant-proposed measures; any deficiencies shall be identified for work to be either completed by the applicant's traffic engineer, or the EIR consultant; if conducted by the applicant, additional peer review would be necessary of this additional work;
3. Identification and discussion of feasible mitigation measures, if any, which could be included in the project to minimize potential impacts related to traffic capacity or traffic safety.

13. WASTEWATER - Will the project:	Potentially Significant	Impact can & will be mitigated	Insignificant Impact	Not Applicable
a) <i>Violate waste discharge requirements or Central Coast Basin Plan criteria for wastewater systems?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) <i>Change the quality of surface or ground water (e.g., nitrogen-loading, day-lighting)?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) <i>Adversely affect community wastewater service provider?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) <i>Other:</i> _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Setting. As described in the NRCS Soil Survey (see Agriculture section for soil types and descriptions), the main limitations for on-site wastewater systems relates to: steep slopes, shallow depth to bedrock. These limitations are summarized as follows:

Shallow Depth to Bedrock – indicates that there may not be sufficient soil depth to provide adequate soil filtering of effluent before reaching bedrock. Once effluent reaches bedrock, chances increase for the effluent to infiltrate cracks that could lead directly to groundwater sources or near wells without adequate filtering, or allow effluent to daylight where bedrock is exposed to the earth's surface. To comply with the Central Coast Basin Plan, additional information is needed prior to issuance of a building permit, such as borings at leach line locations, to show that there will be adequate separation between leach line and bedrock.

Steep Slopes – where portions of the soil unit contain slopes steep enough to result in potential day-lighting of wastewater effluent (no system is allowed on greater than 30% slopes). To comply with the Central Coast Basin Plan, additional information is needed prior to issuance of a

building permit, such as slope comparison with leach line depths, to show that there is no potential of effluent "day-lighting" to the ground surface.

Impact. During construction up to 25 employees will be on-site. Portable toilets will be brought on to the site and regularly serviced to provide for these needs. During the operational phase, an office trailer will be brought on-site to serve the one, on-site, 24-hour position (three employees during each 24-hour period). Per previous Building Division comments (telecon, Barry Tolle, 7/3/08), an on-site septic system will be required for the long-term employee needs. The applicant has been requested to conduct soil testing to identify acceptable location for the on-site septic system.

Mitigation/Conclusion. Given the size of the proposed parcel, it is expected that an acceptable area will be found to site an on-site septic system. Prior to Building Permit issuance, it will be evaluated in greater detail to insure compliance with the Central Coast Basin Plan for any constraints listed above (e.g., soil percolation test, soil boring, etc.), and will not be approved if Basin Plan criteria cannot be met. No significant impacts from disposal of wastewater effluent are anticipated.

14. WATER - Will the project:	Potentially Significant	Impact can & will be mitigated	Insignificant Impact	Not Applicable
a) <i>Violate any water quality standards?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) <i>Discharge into surface waters or otherwise alter surface water quality (e.g., turbidity, temperature, dissolved oxygen, etc.)?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) <i>Change the quality of groundwater (e.g., saltwater intrusion, nitrogen-loading, etc.)?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) <i>Change the quantity or movement of available surface or ground water?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) <i>Adversely affect community water service provider?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) <i>Other:</i> _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Setting. Groundwater Basin. Based on county maps showing the extent of groundwater basins, the proposed shipping site, which includes an oil well and reinjection well, is approximately 1,000 feet outside of the Huasna Valley groundwater basin. The main well drilling areas (Well pads #1 and #2) are about 3,000 feet outside of this groundwater basin. However, the hydrogeologist retained by the applicant has indicated there is slight possibility of water bearing lens that could be encountered during drilling. The origin of the existing seep adjacent to the shipping site is unknown, and that an underground water source is closer than existing documents state.

Per the San Luis Obispo County Public Works Department "Water Years 2001-02 and 2002-03 Hydrologic Report" (Final Report May 16, 2005) Huasna Valley Groundwater Basin has a surface area of 4,700 acres (7.3 square miles) and underlies valleys drained by two branches of Huasna Creek in southern San Luis Obispo County. The basin is bounded by Miocene age marine rocks and the valleys are drained by Huasna Creek to Twitchell Reservoir (Jennings 1958). Precipitation ranges from 16 to 20 inches per year. No current estimates of basin yield or production were available at the

time the county's hydrologic report was published.

Twitchell Reservoir. Huasna Creek and Huasna River flow into Twitchell Reservoir, located in San Luis Obispo and Santa Barbara Counties. The dam and reservoir provide flood control and water conservation. The water is stored in the reservoir during big winter storms and released as quickly as possible while still allowing it to percolate into the soil and recharge the groundwater. This means that the reservoir is usually far from full. It is estimated that the project increases recharge by 20,000 acre-feet per year (800 L/s) into the Santa Maria groundwater basin. However, sedimentation is a problem for the reservoir, as the reservoir is being filled 70% faster than originally anticipated. This has reduced its capacity and can block the water inlet to the control gates. Some sediment has been removed by flushing it out during releases, but much of it is simply deposited immediately downstream, interfering with flows. There is no public access to the dam or reservoir.

Project Site Characteristics. The topography of the project is nearly level to very steeply sloping. The closest creek (Huasna) from the proposed development (shipping area) is approximately 1/2 mile away. The on-site access road crosses Huasna Creek. The southern access road to Highway 166 crosses and is adjacent to Huasna River. As described in the NRCS Soil Survey, the soil surface is considered to have low erodibility.

Surrounding water usage. Regarding area-wide water availability, individual wells provide water for agriculture and limited individual residences within the rural areas of Huasna-Lopez. There are no water purveyors that serve the planning area, all water is provided by small, isolated systems and individual wells. Future ground water extractions will be a function of economics (pumping costs), and surface impoundments depending on annual recharge by rainfall, stream flow, and return irrigation (SLO County 1996).

Water Usage – Dust control. Based on the Maricopa County (Arizona) Air District's "Guidance For Application For Dust Control Permit" water quantities needed to spray down the haul road to keep dust to a minimum for this type of soil (having only small amounts of clay), approximately 225 gallons per acre per application would be needed (assuming proper application rates and sprayers are used on water truck).

The dirt access road to the shipping site is approximately 9,300 feet in length. If the water spray width is 10 feet wide approximately 2.2 acres would need spraying. Applying the above rates, approximately 500 gallons per application would be necessary to wet down the haul road between Huasna Townsite Road and the project's shipping area. Between May and November, it is assumed that an average of two daily applications would control the dust. During the rest of the year, during the rainy season, it is assumed that watering would be needed once a day for 1/2 of this period. By applying this formula, approximately 287,500 gallons/year or 0.882 AFY.

Applying the above criteria for the 4.7 miles of dirt road on the southern ranch road, 5.7 acres would require spray, or 2.3 AFY of water.

The applicant is proposing another dust control option, which would be the use of soil binders or paving. Binders can be equally and sometimes more effective than water. If binders are used, they will need to be acceptable to both the Air Pollution Control District and the California Department of Fish and Game (to protect creek crossings and oak trees). If binders are used no watering for road-generated dust would be needed.

Water usage – replanting. Replacement tree watering is expected to require about two gallons per week per tree for about three years. If on-site replacement trees need to be planted for the trees proposed for removal or being impacted, approximately 0.1 AFY could be required. Fewer or no trees could be planted if the Oak Woodland tree fee were applied to any or all of the above referenced "impacted" trees. If no replacement trees were planted water needs could be reduced to zero.

Fire Water. According to CalFire on the previous project, the approximate 30,000 gallons of proposed fire water storage will adequately meet their needs.

Surface Water. With regards to surface water quality, projects involving more than one acre of disturbance are subject to preparing a Storm Water Pollution Prevention Plan (SWPPP) to minimize on-site sedimentation and erosion. When work is done in the rainy season, the County Ordinance requires that temporary sedimentation and erosion control measures be installed during the rainy season.

In addition, several other required regulations or plans (e.g., Hazardous Materials Business Plan, Risk Management Plan, California Occupational Safety and Health Administration (Cal/OSHA) standards, Spill Prevention Countermeasure Control Plan, Hazardous Waste Management Plan, and Oil Spill Contingency Plan, etc.) will be required, which directly and indirectly reduce impacts to surface water quality.

Project Production Water. The following is a brief overview of the project's "production water". The formation from which the oil will be extracted is expected to include a high percentage of water. The oil formation is approximately 2,500 to 4,500 feet below ground and is not connected to the Huasna Valley groundwater basin (which is about 300 feet below the ground). Once extracted this "production" water is separated from the oil and returned to the formation from which it came. This production water will be heated (to about 150° F) as it is reinjected back into its original formation with the intent to make the unextracted oil more viscous for easier extraction. As with the extraction wells, the reinjection well must be completely cased, per DOGGR specifications to avoid mixing with any aquifer that may exist above the oil formation. As stated above, the closest aquifer, which is used by Huasna Valley is estimated to be at least 1,000 horizontal feet to the east.

Impact. The project proposes to use off-site water for all project water needs. Water-related needs associated with temporary construction activities include: construction crew (bottled water), dust suppression, fire water, concrete washing, and other equipment washing. This water will be trucked in to the site.

Bottled water will also be provided for the potable needs of the one on-site, 24-hour employee (3 employees). Based on the county's worksheet, one "office" employee typically uses about 0.153 acre feet per year (AFY). The other office/trailer water needs will be trucked to an on-site storage tank. A small amount of landscaping is expected for screening purposes of well pad #2, which is water truck accessible. Water for oak replanting may be as much as 0.1 afy, but could be less if fewer oak trees are impacted during construction or the tree fee program is used. Planting is expected to be in areas accessible for a water truck. As proposed, there will be no water extracted from the Huasna Valley aquifer.

Based on the above mentioned project components, assuming the stored fire water is a "one time" activity (and not included in the annual needs), project water demands are estimated to be as much as 1.1 AFY. However, as stated above, most of the operational water needs can be reduced with alternative approaches, or obtained from off-site sources.

Regarding surface water quality, as proposed, the project will result in the disturbance of approximately 1.5 acres. As identified in the "Setting" section, a number of plans or regulations are required with the intent of reducing the chance for leakage or spillage of hazardous materials or wastes, as well as minimize sedimentation and erosion, thereby reducing the potential for surface water runoff impacts to the ephemeral tributary and Huasna Creek.

Should spillage or leakage occur of hazardous wastes or materials, without adequate prevention measures, impacts could be potentially significant (see discussion under Hazardous Waste and Materials).

All production water will be reinjected back into the formation from which it came via the one proposed water injection well.

All extraction or reinjection wells must meet DOGGR specifications (e.g., casing, etc.) to insure oil or production water does not make contact with any potable water supplies. Water monitoring of the

Huasna Valley aquifer will be required to determine if there is any contamination from the proposed project.

The origin of the existing seep adjacent to the shipping site is unknown. The applicant has been requested to conduct additional analysis on this seep to help make this determination, as well as what, if any, remedial work is needed.

Mitigation/Conclusion. While no potentially significant groundwater quantity or quality impacts were identified when existing requirements are followed, a certified engineering geologist shall be retained to evaluate these issues and include, but not be limited to, the following analysis:

1. Consultation with the County Public Works Department, RWQCB, Environmental Health, California Department of Fish & Game.
2. Peer review the applicant's water report for accuracy and adequacy, including such things as review current and future projections of water demand, evaluation and discussion of on site water availability, evaluation and discussion of project impacts to the ground water basin; this would include review of the applicant-proposed measures; analysis of potential water quality impacts, if any, from past drilling activities and proposed drilling activities.
3. Detailed discussion on the extraction and processing efforts as it relates to production water separation and reinjection; The relationship of the "nearby" potable groundwater basin shall be discussed;
4. Identification and discussion of feasible mitigation measures, if any, which could be included in the project to minimize potential impacts related to groundwater availability.

Water Quality. Due to potentially significant water quality impacts, additional analysis is necessary by a qualified professional and shall include, but not be limited to, the following:

1. Consultation with the Regional Water Quality Control Board, Environmental Health Division, County Agricultural Commissioner's Office, California Department of Fish & Game, and U.S. Fish & Wildlife Service .
2. Evaluation and discussion of past and present potable water quality in the area of the project site. "Area" will need to be defined as a "study area" by the consultant, and should include groundwater basins supplying adjacent properties as well as municipal water users.
3. Identification and discussion of the potential for potable water contamination to occur as a result of:
 - a. Surface water runoff.
 - b. Topographical alteration.
 - c. Development.
4. Identification of nearby watercourses and their potential to support sensitive aquatic life. Evaluation of project's impacts on surface water quality as it relates to any sensitive resources identified.
5. Identification and discussion of feasible mitigation measures, if any, which could be included in the project to minimize potential impacts related to water quality.

15. LAND USE - Will the project: Inconsistent Potentially Inconsistent Consistent Not Applicable

15. LAND USE - Will the project:	Inconsistent	Potentially Inconsistent	Consistent	Not Applicable
a) <i>Be potentially inconsistent with land use, policy/regulation (e.g., general plan [county land use element and ordinance], local coastal plan, specific plan, Clean Air Plan, etc.) adopted to avoid or mitigate for environmental effects?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) <i>Be potentially inconsistent with any habitat or community conservation plan?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) <i>Be potentially inconsistent with adopted agency environmental plans or policies with jurisdiction over the project?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) <i>Be potentially incompatible with surrounding land uses?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) <i>Other:</i> _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Setting/Impact. Surrounding uses are identified on Page 2 of the Initial Study. The proposed project was reviewed for consistency with policy and/or regulatory documents relating to the environment and appropriate land use (e.g., County Land Use Ordinance, Local Coastal Plan, etc.). Referrals were sent to outside agencies to review for policy consistencies (e.g., CAL FIRE for Fire Code, APCD for Clean Air Plan, etc.). The County's Land Use Ordinance's chapter on Petroleum Resource Development (Ch. 22.34) was reviewed for and found to be consistent with this chapter. The County's Energy Element Policy and Guidance discussion on Fossil Fuel Production was reviewed and found to be consistent with the project, as proposed with the mitigation measures included in the Initial Study. The project was also found to be consistent with the above-referenced documents, as well as those referred to in Exhibit A.

The project is not within or adjacent to a Habitat Conservation Plan area. The project is consistent or compatible with the surrounding uses as summarized on page 2 of this Initial Study.

Mitigation/Conclusion. No inconsistencies were identified and therefore no additional measures above what will already be required was determined necessary.

16. MANDATORY FINDINGS OF SIGNIFICANCE - Will the project:	Potentially Significant	Impact can & will be mitigated	Insignificant Impact	Not Applicable
a) <i>Have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The following article was posted on February 9th, 2010, in the Santa Maria Sun - Volume 10, Issue 48

H2-uh-oh

Golden State Water's proposed rate adjustment would raise Orcutt-area water bills 28 percent by 2012

BY JEREMY THOMAS

If Golden State Water Company's proposed rate increase is approved as written, about 13,000 customers in Orcutt and nearby communities will pay almost 30 percent more on their water bills beginning in 2011.

The company filed the rate application with the California Public Utilities Commission on Jan. 13. It would raise prices 25.2 percent in the Santa Maria Customer Service Area beginning Jan. 1 of 2011 and bump them an additional 3 percent higher in 2012.

Golden State Water's Coastal District Manager Ken Petersen, who oversees the area, said the increase is necessary to cover the rising costs of well maintenance and improvements to the water delivery system.

"We are replacing infrastructure, and it's one of those things that all of our country is facing as we age," Petersen said. "We need to put money back into a system that we put in place 50 years ago, and we have not accumulated enough expense from the rates to cover that cost."

The company has spent more than \$10 million on improvements to the water system in the Santa Maria area since 2000, replacing 8,000 feet of old, leaky pipelines in Old Orcutt and Sisquoc, he said.

The area is one of seven in which the company plans to raise rates; others include Los Osos, Simi Valley, Arden Cordova, Ojai, Bay Point, and Clearlake.

Golden State Water Company officials estimate water sales will drop 6 percent in Santa Maria from 2010 to 2011. To maintain its current rate of return, the company needs a total revenue increase of \$2.35 million in 2011 and \$213,000 in 2012.

Petersen said the revenue requirement would be reflected by an \$11.55 increase in the average residential customer's monthly water bill.

The price hike doesn't sit well with Don Ward, a member of the Orcutt Area Advisory Group's board of directors and chairman of the group's water committee.

Since 1992, Ward has successfully battled Golden State Water Company in its efforts to bring state water to Orcutt and intervened when the company proposed a 36 percent rate hike for the Santa Maria Customer Service Area in 2007.

With the state of the economy being what it is, Ward said, the company should consider alternative cost-cutting measures before raising rates.

"Give me another corporation that has a guaranteed profit of almost nine percent," he said. "All of these people out here are really suffering with a recession almost as bad as the Great Depression, and to these guys it's business as usual. It's a load of crap."

According to Rami Kahlon, director of the California Public Utilities Commission's Division of Water and Audits, utilities are entitled to recover the costs of providing service, plus earn a return on their investment. Kahlon explained via e-mail that when a utility proposes a capital improvement project—such as replacing water mains, a storage tank, or a pump house—the costs are included in the ratebase adjustment.

According to Kahlon, utilities typically receive about a 10 percent rate of return. The allowable rate of return for Golden State Water is regulated by the California Public Utilities Commission, which set the amount at 8.9 percent for multi-district water companies in May 2009.

In an e-mail, Golden State Water Company Community Education Manager John Dewey said the profit margin isn't guaranteed. The company uses the revenue to pay off interest on debt, re-invest in water infrastructure, and pay dividends to its shareholders, he said.

Normally, the company submits applications for rate changes every three years. However, the commission will allow the company to return with another rate change proposal in two years, in order to synchronize Santa Maria and other districts with the rest of the company's service areas in the state.

The company operates five water systems within the Santa Maria service area: Orcutt, Nipomo, Lake Marie, Sisquoc, and Tanglewood. The majority of its customers are in Orcutt, where it's the only water service provider. Only 810 Golden State Water Company customers live in Santa Maria's city limits.

The company currently serves about 1,480 residents in Nipomo. Petersen said customers shouldn't expect any additional changes to rates when plans are finalized to build a water pipeline from Santa Maria to Nipomo.

"We would not be part of the rate increase for [the pipeline]," Petersen said. "The homeowners there would be paying into the assessment district for the county. That's what the vision is, anyway."

California Public Utilities Commission spokesman Christopher Chow said Commissioner John Bohn and Administrative Law Judge Douglas Long are collaborating to craft a scoping memo outlining the rate changes. Chow said the memo could take several months to complete.

The next step for the commission will be setting a public participation hearing, but where and when such a meeting will be held is yet to be determined. If the commission gets enough calls for a local hearing from residents, Chow said, the meeting would be held in Santa Maria.

Golden State Water Company's Petersen said he expects the commission to decide on a date and location for a hearing by late spring.

In the meantime, Orcutt's Ward is in the process of gathering signatures and wrangling support for bringing the hearing here.

Beyond that, Ward said, there's not much else customers can do except back Division Ratepayers Advocacy representative Victor Chan in negotiations regarding the rate increase.

"It just puts us through all kinds of hate and unrest until they get to the point where they come down to something reasonable," Ward said. "They're raising prices on something you can't live without."

Staff Writer Jeremy Thomas can be contacted at jthomas@santamariasun.com.

Santa Maria Sun, Feb 4-11, 2010

Arrested development

Water issues and the housing downturn transformed a high-end Nipomo subdivision into a wasteland

BY JEREMY THOMAS



'How's this for a gated community?'

Maria Vista Estates resident Aaron Adams purchased his \$700,000 home in 2007, thinking he'd found a place to retire. Now, he stands watch for vandals and burglars intent on raiding vacant homes in his neighborhood for appliances.

PHOTO BY JEREMY THOMAS

Nipomo's Aaron Adams thought he'd found his dream home when he moved into Maria Vista Estates, an 84-acre hilltop development complete with dazzling views of the valley's lush rolling hills.

That was in July of 2007. Today, as he walks through his neighborhood of vacant million-dollar homes—the sidewalks cracked and yards overgrown with weeds—he wonders what could have been.

"It's like being in the *Twilight Zone*," Adams said. "That's the best way I can describe coming out here. It's really eerie."

It's like a real-life ghost town or the set of a post-Apocalyptic film: Half-completed, furnished homes stand silent, occupied only by the occasional barn owl or hawk. Gophers have dug holes in the once-pristine landscaping, causing soil to flow out from under foundations into the street.

From his own home, Adams is constantly on the lookout for vandals and thieves, who've broken windows and made off with microwaves, stoves, dishwashers, lighting fixtures, and in one case, a water heater.

"This is a prime example of toxic assets," he said. "It's kind of sad to see such a nice subdivision going to hell, but it is what it is."

The unfinished houses and leftover building materials still stacked on empty lots serve as testaments to a failed partnership of two businessmen: Santa Maria resident Erik Benham and his associate, Mark Pender.

After more than a decade of planning, Benham began developing Maria Vista Estates in 1999 as an affordable, but upscale, gated community. The project came about in the midst of the hottest real estate market to hit the area in years,

and, according to court documents, Benham and Pender counted on the good times to last.

The first phase of the development's construction was completed in 2006. Benham built three different models of homes, ranging from 2,100 to more than 4,000 square feet. The homes had an average asking price of \$825,000. However, before any of them could be sold, Benham and Pender ran into legal problems—the first of many that would plague the partnership.

The Nipomo Community Services District refused to turn on the water meters in the finished Phase I homes, citing unmet design requirements. Maria Vista's builders had installed sewage cleanouts that matched state requirements, but not those of the district.

In March of 2007, Benham sued the Nipomo Community Services District in San Luis Obispo County Superior Court to get the water turned on. He lost, and the company was forced to fix the sewer lines.

Benham and Pender couldn't close any home sales until the work was done, and the delay was costly in more ways than one. The company was forced to default on two construction loans, totaling \$23.65 million, from L.A.-based Security Pacific Bank. To forestall foreclosure on the development, Maria Vista filed for Chapter 11 bankruptcy, listing about \$35 million in debts.

The company hoped to sell the homes and pay back its creditors, but by the time the Nipomo Community Services District finally set up the water meters to the completed homes in July, the damage had been done. To make matters worse, the sub-prime mortgage crisis was already underway and multiple sales at Maria Vista fell through due to buyers being unable to secure loans, according to court documents.

Only three lots were sold at Maria Vista Estates by September, including the Adams' lot, and Pender and Benham faced separate civil lawsuits related to the development's postponement.

Work on the project halted with only 25 of the 77 planned homes completed; 15 more under construction, at about 70 percent complete.

In 2008, Security Pacific sued Benham and Pender and a summary judgment was issued against the partnership for the amount of the two loans. Benham also filed for personal bankruptcy, listing Maria Vista among his assets and further muddying the issue.

Pender filed a proposal in U.S. Bankruptcy Court for the company's reorganization in May. Court documents revealed the development had been appraised at more than \$44 million, and Pender planned to auction off the remaining properties and have a trustee take over.

Two months later, Bankruptcy Court Judge Robin Riblet converted the company's bankruptcy to Chapter 7. The so-called "straight bankruptcy" allowed Maria Vista to continue operating under the direction of a court-appointed trustee, Santa Maria lawyer Jerry Namba. Riblet also ruled the bank could foreclose on Benham and Pender. Namba appealed the judgment, but was denied.

The saga took another strange twist in November 2008. Security Pacific Bank failed. The Federal Deposit Insurance Corporation seized all of the bank's assets, but the question of who owns Maria Vista Estates remains up to the courts to determine.

In an e-mail, FDIC spokeswoman LaJuan Williams-Young said Benham is currently the property's owner, however the FDIC is involved in a lawsuit regarding the matter. Eric Early, a Los Angeles lawyer representing the FDIC, wouldn't discuss any pending litigation.

Benham, who disputes the validity of the lien on Maria Vista, was reached at his Santa Maria office but declined to comment immediately on the development's history or current status.

The *Sun* was unable to locate Pender for comment.

Several bids have been made to purchase the property in the past year. In September, Namba proposed a property sale to Nipomo Acquisition LLC, a Delaware company. According to court papers, Benham opposed the sale for being "procedurally improper."

Adams, who paid more than \$700,000 for his home, currently has it listed for sale online at \$400,000. He said he's seen a steady stream of contractors and appraisers recently visiting the property and thinks a sale could be in the works. However, he's through waiting.

"It looks like it might happen, but we've just heard that so damn many times," he said.

Adams still believes the development was a "great plan" and doesn't hold any ill will toward Benham or Pender. He said nobody could have foreseen the housing market collapse, though he does have regrets of his own.

"Neighbors would have been nice," he said. "We just kept hanging on, hoping that eventually they would work their way through the litigation and get another developer in here to finish it up.

"If I had it to do over again, I wouldn't do it," he added. "But hell, hindsight's 20-20."

Contact Staff Writer Jeremy Thomas at jthomas@santamariasun.com.



Ghost town

Only 24 of Maria Vista's 77 planned homes were ever completed and 15 more remain unfinished to this day. Construction on the upscale community stopped in 2007 when developers Erik Benham and Mark Pender filed for Chapter 11 bankruptcy.

PHOTO BY JEREMY THOMAS