TO: BOARD OF DIRECTORS

FROM: MICHAEL LEBRUN

DATE: MAY 20, 2010

AGENDA ITEM
F
MAY 26, 2010

MANAGER'S REPORT

ITEM

Standing report to your Honorable Board -- *Period covered by this report May 8, 2010 through May 20, 2010.*

DISTRICT BUSINESS

Administrative

- Negotiations with a new General Manager are complete. Mr. Don Spagnolo will assume the position of District General Manager on June 1, 2010.
- Interviews will be conducted May 11, 2010, to fill pending vacancy of District Clerical pending vacancy.
- Development of the District's 2010/2011 Budget continues. **Budget hearing is scheduled for June 9, 2010.**
- District office:
    - Roof repair is complete. Painting bid has been awarded.

Operations

- Storage Tank Re-habilitation project is underway.
- Willow Road Waterline project commences May 20, 2010.
- Bid openings for the Shop building is scheduled for June 2, 2010.
- Sundale Well is operational.
- Maria Vista Estates has set a total of ten water meters.

Meetings

Significant meetings attended or scheduled:

- May 21 – Management Staff meeting with incoming General Manager
- May 24 – Waterline Intertie Project Coordination and Committee meetings
- May 28 – District Counsel briefing with incoming General Manager
- June 10 – Waterline Intertie Outreach contract kickoff meeting and "All Hands" meeting.

Safety Program

No incidents or accidents to report.

Other

- May 12, 2010 Work Plan for Additional site assessment related to oil pipeline at proposed Miller Park site. (ATTACHED)
- May 14, 2010 letter from County Health to County General Services requiring additional investigation of elevated lead level in soil at proposed Miller Park site. (ATTACHED)
- May 14, 2010 Santa Maria Times article on building activity and development fee collection in Santa Maria Valley. (ATTACHED)
- May 17, 2010 Willow Road Phase I construction announcement. (ATTACHED)

RECOMMENDATION

Staff seeks direction and input from your Honorable Board.

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\2010\MANAGER'S REPORT\MANAGERS REPORT 100526.DOC

TERRA PACIFIC GROUP
Environmental Engineering, Consulting, and Construction

13900 Alton Parkway, Suite 122, Irvine, California 92618
Phone (949) 297-4444 • FAX (949) 297-3625

May 12, 2010

Project No. COP-1060-100

Mr. Scott Milner
San Luis Obispo County Health Agency
Environmental Health Services Division
2156 Sierra Way
San Luis Obispo, California 93406

RE: Work Plan for Additional Site Assessment
ConocoPhillips Line 300 at Tefft and Carrillo Streets (RM&R Site No. 5237)
Nipomo, California

Dear Mr. Milner:

Pursuant to you letter dated April 2, 2010, presented herein is a work plan for additional assessment of petroleum-impacted soil discovered along ConocoPhillips petroleum pipeline easement on the northern corner of the Tefft Street and Carrillo Street intersection in Nipomo, California (Figure 1). Petroleum-impacted soil was encountered during a Phase 1 site assessment and subsurface investigation of the proposed Jim Miller Park Site located adjacent to ConocoPhillips' pipeline easement (Figure 2). ConocoPhillips operates a 12-inch pipeline which is used to transport crude oil to the Santa Maria Refinery. The pipeline easement also contains an idle 8-inch pipeline formerly owned and operated by Unocal. The 8-inch pipeline was taken out of service by Unocal in the early 1990s.

The results of the subsurface investigation conducted by Earth Systems Pacific in October 2009 indicate that of the eight borings drilled (B-1 through B-8) along the pipeline easement, impacted soil was observed in only one boring (B-3) drilled a few feet from the 8-inch idle pipeline (Figure 2). Impacted soil was found to extend to the total drilled depth of 16 feet. In response to these findings, the following scope of work was developed to further characterize the petroleum contaminant, evaluate the vertical and lateral extents of impacted soil, and to evaluate potential impacts to groundwater.

SCOPE OF WORK

Pre-Assessment Activities

- Obtain an access agreement from the County of San Luis Obispo General Services Agency to perform the proposed assessment activities.
- Prepare a site-specific health and safety plan for the proposed scope of work.
- Obtain soil boring permits from the San Luis Obispo County Health Agency.
- Notify all interested parties a minimum of five days prior to initiating the fieldwork.
- Mark the proposed boring locations and notify Underground Service Alert a minimum of 72 hours prior to drilling to identify all underground utilities.

Drilling and Soil Sampling

A minimum of five soil borings will be drilled using a direct-push drill system at the approximate locations shown in Figure 2. One of the borings will be drilled as close as possible to the 8-inch idle pipeline where petroleum contamination was observed to delineate the vertical extent of impact. Three of the borings will be drilled west and southwest of the pipeline and one boring will be drilled northeast of the pipeline. The borings will be drilled to a target depth of 30 feet or until groundwater is encountered. Depth to groundwater is estimated to be between 20 and 30 feet below the ground surface. If petroleum contamination is observed in the perimeter borings, additional step-out borings may be added to complete the delineation.

Each boring will be continuously cored to obtain detailed lithologic information using a 1.5-inch diameter by 4-foot long core barrel lined with a clear acetate sleeve. Upon retrieval, the acetate sleeve will be removed from the core barrel and cut open for inspection. The recovered soil core will be logged by a geologist in accordance with the Unified Soil Classification System.

Soil samples for laboratory analysis will be collected at approximate 5-foot intervals by cutting a 6-inch long section of the acetate sleeve at the desired depth. Additional samples may be collected from within the contaminated interval based on visual inspection of the cores. Each end of the sample tube will be lined with Teflon® sheets, capped with plastic end caps, sealed with laboratory-grade Parafilm®, labeled, and stored in an ice-chilled cooler pending delivery to the analytical laboratory. Soil samples may also be collected by transferring a portion of the soil core into laboratory supplied glass jars and sealed with Teflon®-lined lids.

Upon completion, each borehole will be backfilled with bentonite grout or hydrated bentonite chips.

Groundwater Sampling

Upon reaching groundwater, a sample of the groundwater will be collected from each boring using a HydroPunch® or equivalent sampling tool. Alternatively, a grab groundwater sample may be collected by installing a temporary 1-inch diameter PVC casing and using a small-diameter bailer to collect the groundwater sample. Groundwater from the sampling tool or bailer will be transferred to sample containers provided by the analytical laboratory. The groundwater sample containers will be labeled, stored in an ice-chilled cooler, and transported to the analytical laboratory following standard chain-of-custody procedures.

If there is significant field evidence to suggest that groundwater has been impacted, a minimum of three of the borings may be completed as groundwater-monitoring wells. If a field decision is made to install groundwater-monitoring wells, the borings will be redrilled using a drill rig equipped with 8-inch diameter hollow-stem augers. The wells will be constructed using 2-inch diameter schedule 40 PVC pipe. The screened section of the well casing will consist of 0.02-inch machine-cut slotted schedule 40 PVC pipe. The length of the screened interval will be tailored to the subsurface conditions encountered. Typical screened intervals extend 5 to 10 feet above (depending on depth groundwater is encountered) and 10 feet below the water table. The annular space around the screened portion of the well casing will be backfilled with No. 3 Monterey sand to approximately 2 feet above the top of the screen. The sand pack will be sealed from the surface with 3 feet of hydrated bentonite chips followed by bentonite grout. Each well will be protected at the surface with a flush-mounted traffic-rated well box encased in concrete.

Well Development and Sampling

If groundwater-monitoring wells are installed, they will be developed at the time of installation. Before installing the well seal, each well will be developed by surging with a surge block for at least ten minutes to settle the sand pack and also to remove fine-grained particles from the sand pack. Additional sand will be added as needed to compensate for settling of the sand pack. After surging, the well will be purged a minimum of three well volumes or until the groundwater is clear and free of sediment. During the purging process, temperature, electrical conductivity, pH, and turbidity will be measured with field instruments. Field readings will be recorded on a well purge and development form.

The newly installed groundwater monitoring wells will be sampled no sooner than 48 hours after installation. Prior to collecting the groundwater sample, the wells will be purged a minimum of three well volumes. Purging will continue until measurements of temperature, conductivity, and pH have stabilized. After purging, a groundwater sample will be collected from each well using a new and unused disposable bailer. Groundwater in the bailer will be decant into containers provided by the analytical laboratory. The sample containers will be sealed, labeled, and placed in an ice-cooled chest and transported to the analytical laboratory following standard chain-of-custody procedures.

Surveying

Following the completion of the drilling program, a licensed surveyor will survey the location and elevation of each boring and well casing.

Analytical Program

Chemical testing of soil and water samples will be performed by a State of California certified analytical laboratory. Soil samples will be tested for total purgeable and extractable hydrocarbons (TPPH and TEPH, respectively) using gas chromatograph/mass spectrometer (GC/MS) combination. Each sample will also be tested for benzene, toluene, ethylbenzene, and total xylenes (BTEX) using USEPA method 8260. Soil samples containing detectable concentrations of TPPH or TEPH will be tested for the full list of volatile organic compounds (VOCs), including BTEX, using USEPA Method 8260 and for polycyclic aromatic hydrocarbons (PAHs) using USEPA Method 8270 in selective ion monitoring mode (SIM). All groundwater-water samples will be analyzed for TPPH, TEPH, VOCs, and PAHs.

For waste characterization purposes, select samples will be analyzed for the 17 California Title 22 metals, reactivity, corrosivity, and ignitability using appropriate USEPA methods.

Waste Handling

Drill cores, soil cuttings, and purge and decontamination water generated during the drilling activities will be containerized, labeled and moved to the nearest ConocoPhillips facility for temporary storage until the analytical results of the investigation are received. Upon receipt of the analytical data, the waste will be profiled and arrangements will be made to have the containers and their contents transported to an appropriate disposal facility.

Report Preparation

A detailed evaluation of the data will be performed to achieve the objectives of the sampling program. The report will include maps, tables, figures, and written discussions to convey the information obtained. Data evaluation will focus on defining the extent of impact and assessing whether additional characterization data are needed.

SCHEDULE

The scope of work outlined above will be implemented upon receiving your authorization to proceed. Acquisition of soil boring/monitoring well permits and encroachment permits to drill within the Carrillo Street right-of-way may take approximately 2 to 4 weeks to complete. Negotiations for access to the proposed park site property, however, may take anywhere from 2 to 4 months. Once access is granted and the appropriate permits obtained, the fieldwork will be scheduled. We anticipate the drilling and sampling activities will take four to five days to complete. Analytical testing, data evaluation, and preparation of the final report will take an additional six

weeks to complete. The final report shall be submitted within 8 to 10 weeks after the fieldwork is initiated.

If you have any questions or need additional information, please call me at (949) 297-4444, extension 223.

Respectfully submitted,

Terra Pacific Group Incorporated

Raul A. Briones, PG
Project Manager

Enclosures: Figure 1 – Site Location Map
Figure 2 – Site Plan

cc: Ed Ralston, ConocoPhillips

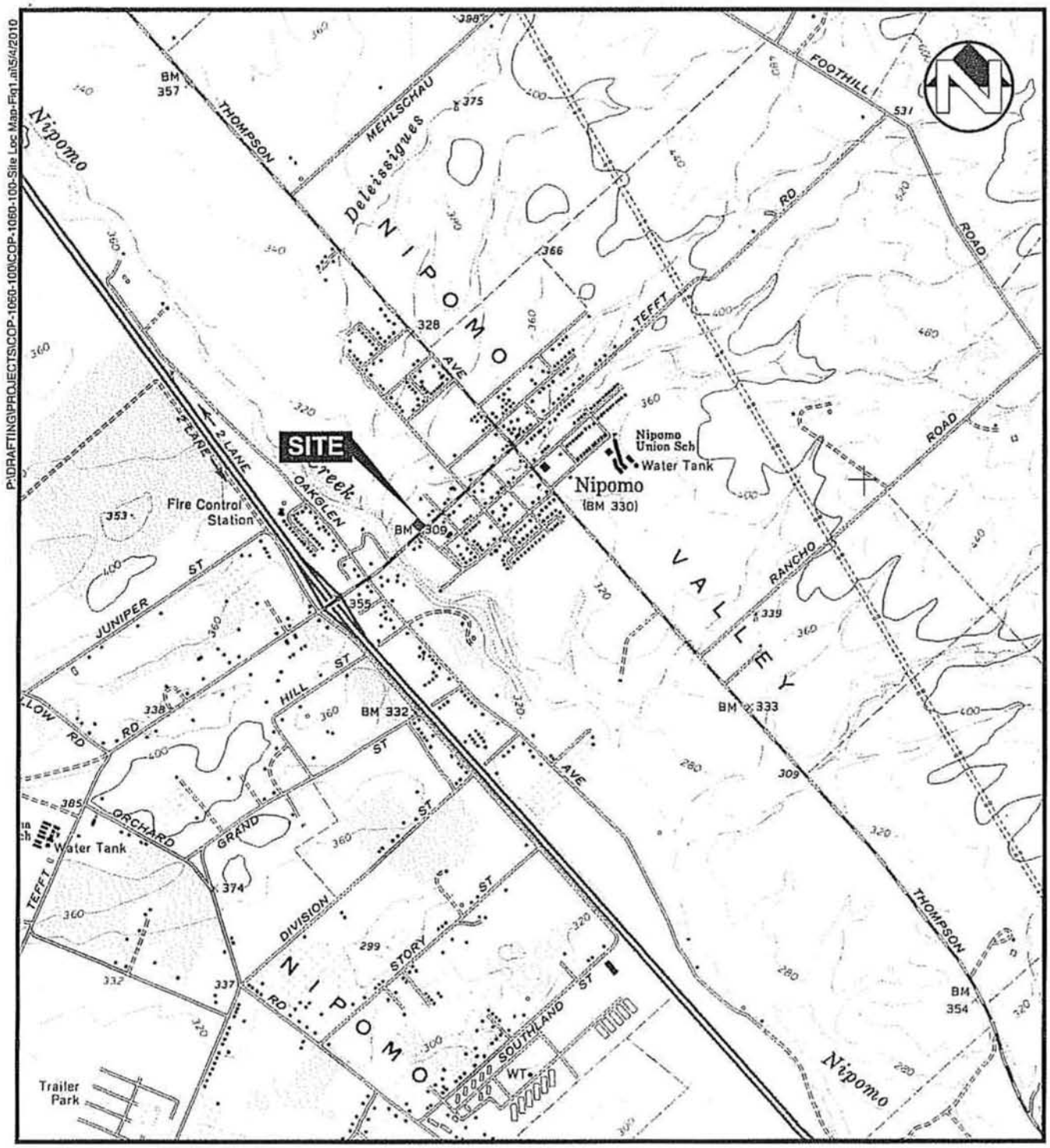

FIGURE 1

SITE LOCATION MAP

LINE 300
TEFFT AND CARILLO STREETS
NIPOMO, CALIFORNIA

REFERENCE:
7.5 MINUTE U.S.G.S. TOPOGRAPHIC MAP
OF NIPOMO, CALIFORNIA; DATED 1965

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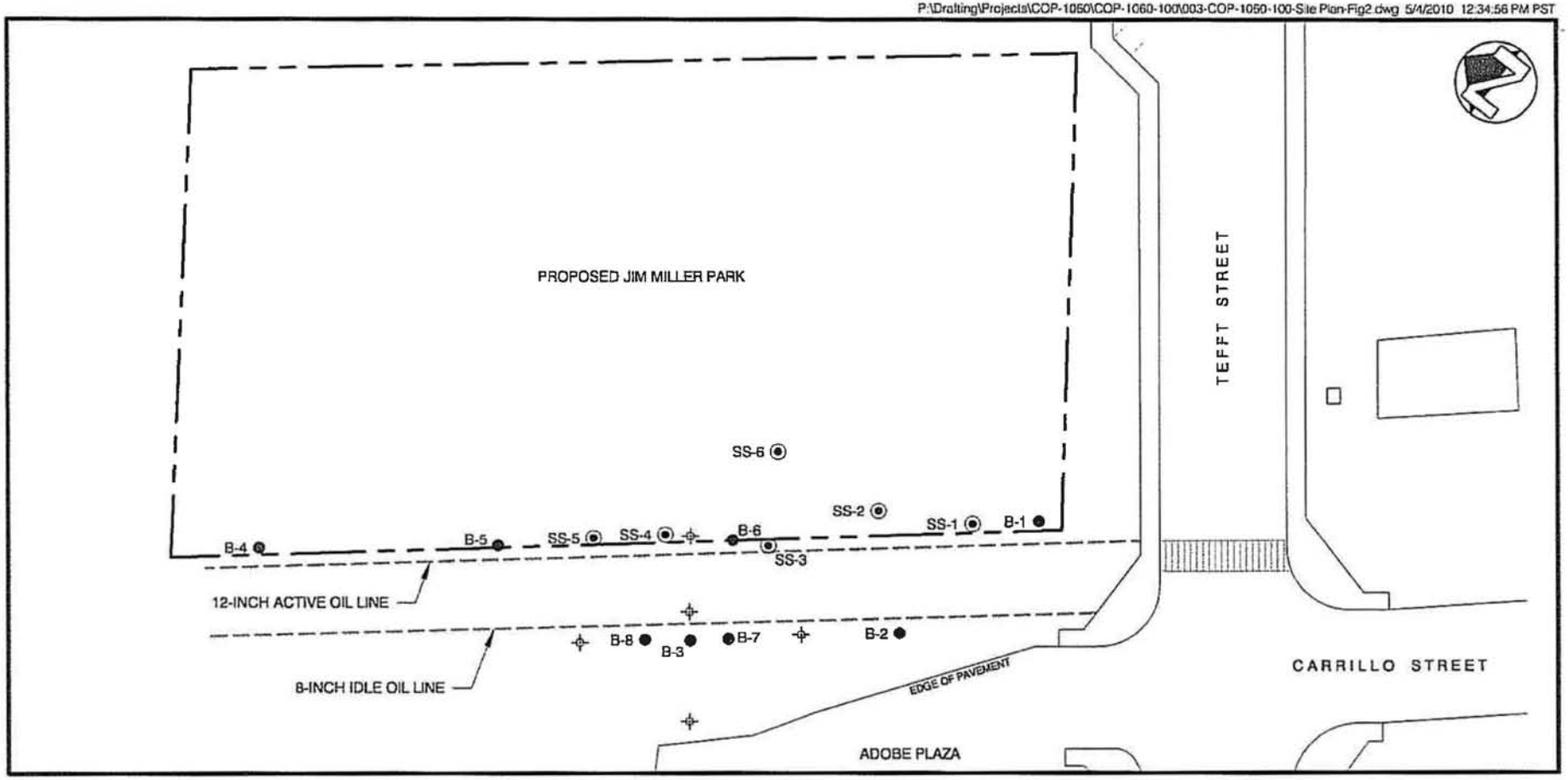

EXPLANATION

- PROPOSED BORING
- B-5 ● SOIL BORING (EARTH SYSTEMS, 2009)
- SS-6 ◉ SURFACE SOIL SAMPLE (EARTH SYSTEMS, 2009)
- PROPERTY LINE
- PETROLEUM PIPELINE

0 50 100 FEET

APPROXIMATE SCALE

FIGURE 2

SITE PLAN

LINE 300
TEFFT AND CARRILLO STREETS
NIPOMO, CALIFORNIA

TERRA PACIFIC GROUP
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SAN LUIS OBISPO COUNTY HEALTH AGENCY

Public Health Department
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San Luis Obispo, California 93406
805-781-5500 • FAX 805-781-5543

Jeff Hamm
Health Agency Director

Penny Borenstein, M.D., M.P.H.
Health Officer

May 14, 2010

County of San Luis Obispo General Services Agency
Attn: Linda Van Fleet
1087 Santa Rosa Street
San Luis Obispo, CA 93408

RE: Additional Environmental Site Assessment for County owned property located at Tefft and Carillo Streets, Nipomo, APN #090-141-006 and #090-151-008.

Our Agency has reviewed the following document:

- Phase I Environmental Site Assessment and Subsurface Assessment (for) Proposed Jim Miller Park NEC Tefft and Carrillo Streets, Nipomo, California from Earth Systems Pacific.

It is our understanding that the referenced parcels will ultimately be redeveloped into a community park. The following direction is based on this proposed land use. If the proposed land use changes in the future, this Agency's direction for assessment may change and include additional assessment.

Based on the referenced document, this Agency has concluded the following:

- Evidence of a historic spill from the Conoco-Phillips pipeline exists on the subject property. Conoco-Phillips has confirmed the pipeline is not actively leaking.
- This Agency has approved a pipeline spill investigation workplan provided by Conoco-Phillips to determine the extent of contamination.
- An active railroad line and railroad and warehouse were removed from the subject property before 1957.
- A limited soil investigation was performed by Earth Systems Pacific around the former railroad line (located on APN 090-151-008) and the former railroad warehouse (located on APN 090-141-006). This investigation consisted of 6 surface soil samples and 7 soil borings. The sample depth for the soil borings ranged from 5 to 15 feet below surface grade (bsg).

- The concentration of lead within one of the six surface soil samples exceeds the California Human Health Screening Levels (CHHSL). The CHHSL for lead is 150 parts per million (ppm).

Provide a workplan for additional site assessment that includes the following:

1. An investigation for lead at and in the vicinity of soil sample 3 (SS-3).

2. An investigation for CAM 17 metals, semi-volatile organic compounds (SVOCs), and Polycyclic Aromatic Hydrocarbons (PAHs,) around the former railroad line and warehouse at a sample depth of approximately 2 feet bsg.

3. Samples shall be analyzed using the lowest detection limits identified within California Human Health Screening Level (CHHSL), RWQCB Environmental Screening Levels (ESLs) and the USEPA Preliminary Remediation Goals (PRGs).

4. Sample locations shall be surveyed with GPS coordinates.

If you have questions concerning this letter, please call me at 805-781-5595.

Sincerely,

Aaron LaBarre, REHS
Supervising Environmental Health Specialist
Hazardous Materials Section

C: 1. Michael LeBrun, Manager Nipomo Community Services District

Santa Maria Times 5/14/10

By Julian J. Ramos/Staff Writer jramos@santamariatimes.com | Posted: Friday, May 14, 2010

The clanging of hammers, saws and other tools is music to the ears of officials in the city of Santa Maria, where home builders are still singing the blues. Commercial and industrial construction has boosted the city's revenues from permits, fees and license revenues since the beginning of the fiscal year last July.

Through the first nine months of the current budget year, which began last July 1, construction-permit revenues totaled $1,097,470 — 7.4 percent higher or $75,930 more than budgeted, according to the city's financial report for the third quarter, which ended March 31.The revenue increase is small compared to previous years, and can be linked primarily to commercial development due to the lack of home construction, said Administrative Services Director Rene Vise in the report.

While permit revenues are higher than projected, the $1,021,540 estimate in the current budget reflects lowered expectations, said Bob Marshall, Santa Maria's building official. The original 2009-10 budget projection included $1 million more in permit revenues. Commercial construction is "chugging right along," Marshall said, while noting that residential building is starting to show signs of improvement.

As an example, Marshall pointed to a pair of housing projects — Lavigna between Battles Road and Marsala Avenue, and Siena roughly between Battles and Sonya Lane — that are either in the plan check or permitting process. For the year to up to April, just three single-family home permits — and none for multiple-family dwellings — have been issued, according to the city's latest building-activity report. Last year, one single-family home permit and two multiple-family permits were issued through April.

In 2009, residential construction in Santa Maria hit a historic low. For the year, the city's Building Department issued only 11 permits for new residential construction (single-family and multiple-family dwellings), according to the Community Development Department.

That total was the lowest on record since 1980. An average of 419 total permitted dwelling units a year had been issued since 1980. The median selling price of a home in Santa Maria for February was $230,000 — 4.5 percent more than a year ago, the report said.

Permits for multiple-family dwellings — apartments or condominiums, for example — are issued per building, regardless of how many units. On the commercial and industrial side, close to $1 million in fees is expected from a project to build a vast hydroponic farming facility on the city's western edge, Marshall said. Windset Farms, which broke ground in late 2009, calls for four 28-foot-tall greenhouses totaling 5.7 million square feet and a 35-foot-tall, 174,000-square-foot produce processing and packing facility, as well as other support buildings at 1650 Black Road.

Another significant project under construction is the 37,400-square-foot Vallarta Supermarket on the west side of North Broadway between Grant and Taylor streets. With many projects in the pipeline and scores of permit applications being submitted, Marshall said, the outlook appears

bright. "It's looking good," he said. Marshall believes residential and nonresidential construction ups and downs are unrelated and interdependent. Also, commercial building is more labor intensive while residential construction — such as housing tracts — are erected more efficiently.

In Santa Barbara County, the number of building permits issued for residential activity this year is far outpacing 2009 levels, according to the Construction Industry Research Board for the first quarter of 2010. Through March, 219 permits have been issued for new homes in the county — 409 percent above the 43 issued a year earlier.

Robin Hayhurst, executive director of the Santa Maria Valley Contractors Association, said permitted housing projects have not kept pace with the population growth rate, which means market prices will rise and more long distance commuting will occur. Based on recent population data released by the state, Santa Barbara County — which grew by 4,150 people to 434,481 residents in the past year — would have needed 1,800 new homes for the newcomers but only 213 were permitted, she said.

Financing has been an obstacle for many projects, Hayhurst said, but is loosening up some. "Lenders seem more welcoming, but it's still a risk to build in this market. No one in the construction trades is comfortable now, and many are down for the count," Hayhurst said in an e-mail. For nonresidential activity, Hayhurst does not foresee a significant increase in commercial building because of so many vacant properties in that segment.

Posted in Govt-and-politics on *Friday, May 14, 2010 12:45 am* | Tags:

SAN LUIS OBISPO COUNTY
DEPARTMENT OF PUBLIC WORKS
Paavo Ogren, Director

County Government Center, Room 207 • San Luis Obispo, CA 93408 • (805) 781-5252
Fax (805) 781-1229 email address: pwd@co.slo.ca.us

Contact: Dale Ramey, Project Manager (805) 781-2931; dramey@co.slo.ca.us

NEWS RELEASE

WILLOW ROAD PHASE 1 CONSTRUCTION, COUNTY OF SAN LUIS OBISPO, CA. May 17, 2010 – After years of discussion, planning, preparation of environmental documents, preparation of plans, and property acquisition the first segment of the Willow Road Extension Project is ready for construction.

The County Board of Supervisors awarded a contract to Raminha Construction for the construction of Willow Road Extension Phase 1. The work begins at the intersection of Willow Road and Misty Glen Place, west of Pomeroy, and will end just east of Hetrick Avenue. Improvements will be made to Pomeroy Road and Hetrick Avenue to accommodate the new alignment of Willow Road.

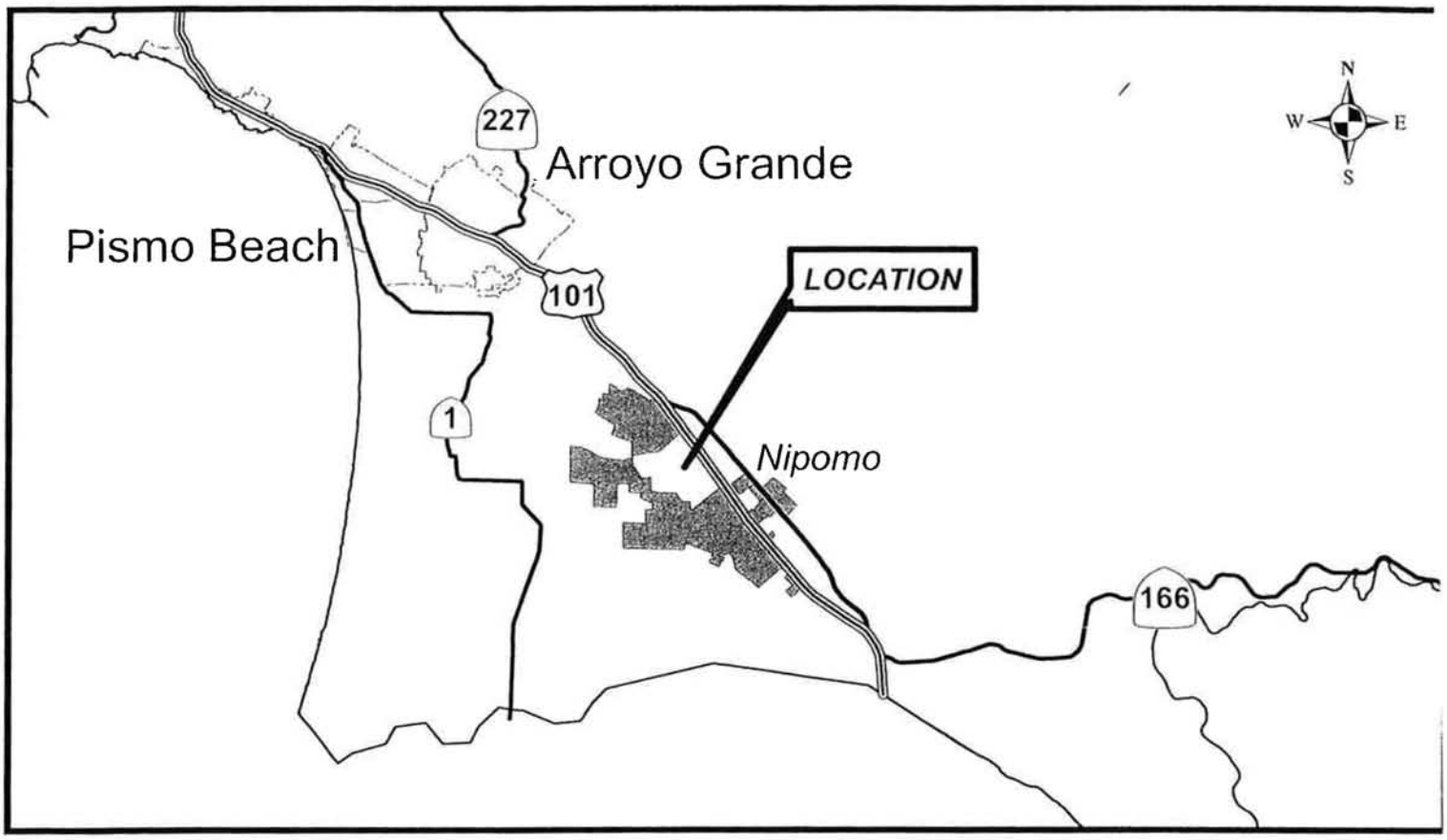
The work will include the installation of a 14 inch diameter Nipomo Community Services District (NCSD) water distribution line. The County and the NCSD collaborated on the installation of the line, which will result in not cutting a future trench in Willow Road for the water line. The water line is an improvement to the Districts system to enhance their ability to deliver water to the community. NCSD is covering all costs related to the installation of their water line.

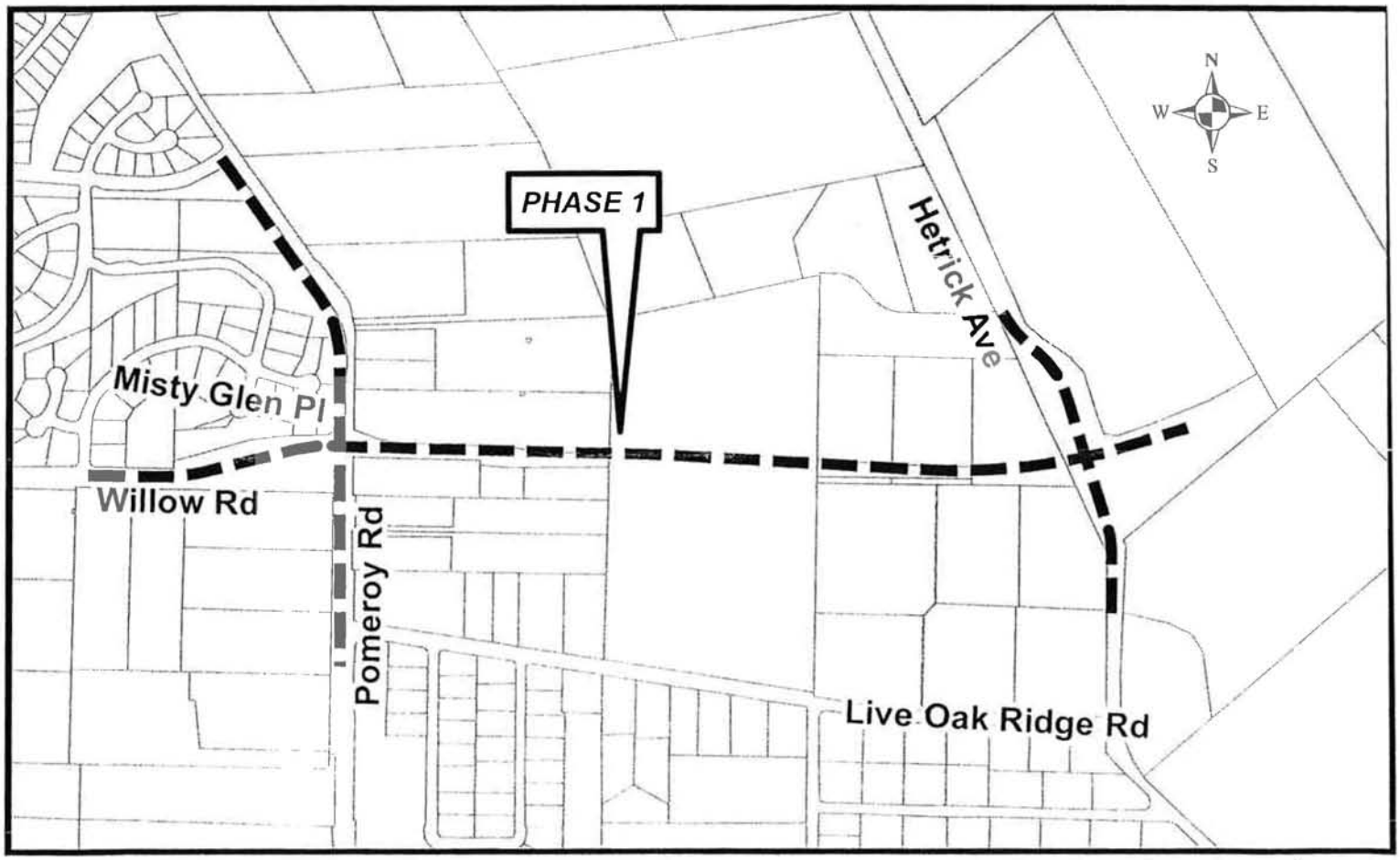
The value of the road construction work and construction administration is approximately $4,710,000. The work is funded by the American Recovery and Reinvestment Act (ARRA) in the Amount of $1,700,000, California Proposition 1B – State and Local Partnership Program (SLPP) funds in the amount of $1,000,000, and Nipomo Road Improvement Fee (RIF) funds in the amount of $2,010,000.

A brief **Ground Breaking Ceremony** is scheduled for **Wednesday, May 26, 2010, at noon**. The construction will begin within the following two weeks and is expected to take 10 months to a year to complete.

During construction, periodic delays will occur on Pomeroy Road. The public will be notified of these events during the work. Otherwise, the new road construction will have very limited impact to existing travel.

The second phase of Willow Road extension, which includes the interchange with Route 101, has received final review and approval by Caltrans and awaits allocation of funding to move toward construction, which may occur as early as 2011. This work would complete the needed east-west arterial road connection for the Nipomo Mesa.





WILLOW ROAD EXTENSION - PHASE 1
Contract No. 300129/ESPL-5949(117)

Nipomo
VICINITY MAP

PUBLIC WORKS
GIS SERVICES
SAN LUIS OBISPO COUNTY