

TO: BOARD OF DIRECTORS
FROM: MICHAEL LEBRUN *MGL*
INTERIM GENERAL MANAGER
DATE: MAY 19, 2011



GENERAL MANAGER'S REPORT

ITEM

Standing report to your Honorable Board -- *Period covered by this report is May 6, 2011 through May 19, 2011.*

DISTRICT BUSINESS

Administrative

- Interviews for Friday, May 20, 2011.
- 2011/2012 Budget development. Board Workshop conducted May 18, 2011. Public Hearings scheduled for June 8, 2011. Adoption scheduled for June 22, 2011.
- Staff is developing a draft update of Personnel Policies and Procedures. Tentatively scheduled for Board review August 10, 2011.
- May 18, 2011, County Letter regarding Miller Park (Attached).

Operations

- Via Concha well scheduled to return to operation May 23, 2011.
- Staffing challenges continue.
- PG&E declined District's claim for voltage excursion damage to Sundale Well. District Counsel reviewed claim and claim denial.
- Utility Superintendent's Summary – See item C-3 of this Agenda Packet.

Capital Projects

- Frontage Road Trunk Line, awaiting final Front End Documents, Bid is scheduled to be awarded on June 22, 2011. Approximate 6-month construction.
- Willow Road Project, Phase I near complete. District elements of Phase II scheduled for August 2011.
- Southland WWTF Upgrade; Draft EIR pending. 95% Design due mid-June. Construction schedule November 2011- November 2012.
- Supplemental Water; Outreach program underway. Assessment options being weighed. Design idle near 100%.

Conservation

- County Spring Groundwater levels have been collected and provided to Dr. Brad Newton for preparation of Spring Groundwater Index.
- District is finalizing 2010 UWMP update. Preliminary data indicate the District already meets State '20x20' per capita reduction goals. Conservation efforts continue.

Meetings

Meetings attended:

- May 6, NMMA Technical Group
- May 9, Southland WWTF Upgrade Design Team

- May 9, Southland WWTF Committee Meeting
- May 10, District Engineer
- May 10, Blacklake Masters Association President
- May 11, Regular Board Meeting
- May 12, Management Team
- May 12, Quarterly All Staff Meeting
- May 16, Coordination with Board Officers
- May 16, Director Vierheilig and Development on Supplemental Water
- May 18, 2011/2012 Budget Workshop
- May 19, Webinar; Controlling Health and Retirement Benefit Costs

Meetings Scheduled:

- *May 23, Rural Water Company Engineer – cross connection discussion*
- *May 23, Outreach Ad-Hoc*
- *May 24, BLMA Treasurer Dan Hall*
- *May 24, Southland Upgrade Financing*
- *May 24, Supplemental Water Assessment with County Staff*
- *May 25, Regular Board Meeting*
- *May 26, Management Team*
- *May 26, Monthly Capital Projects Review*
- *May 26, Judging High School Science*
- *May 27, NMMA Technical Group*
- *May 27, Coordination with General Counsel*
- *May 27, SLO County CSD General Managers (Host)*

Safety Program

- No accidents or incidents

RECOMMENDATION

Staff seeks direction and input from your Honorable Board

ATTACHMENTS

- May 18, 2011, County General Services Letter Regarding Miller Park



County of San Luis Obispo General Services Agency

GENERAL SERVICES

Janette D. Pell, Director

Katie Perez, Deputy Director

May 18, 2011

Michael LeBrun
District Manager
Nipomo Community Services District
148 S. Wilson Avenue
Nipomo, CA 93444

SUBJECT: JIM O. MILLER PARK SITE

Dear Mr. LeBrun:

As you are aware, the County Board of Supervisors approved a Memorandum of Understanding ("MOU") with the Nipomo Community Services District ("NCSD") on March 24, 2009 defining the steps preparatory to a transfer from the County to the NCSD of 1.4 acres of land on Tefft Street in Nipomo. The purpose of the transfer is to create a community park, and the transfer is subject to approval of the park's design, LAFCO approval of NCSD park powers, and confirmation of NCSD's funding to construct and operate the park.

Initially, the NCSD took steps toward completing the conditions of the transfer. On August 20, 2009, LAFCO gave conditional approval of the NCSD's application for park powers, and in January 2010 the NCSD obtained an environmental analysis of the property which indicated hydrocarbon and lead/heavy metal contamination. The NCSD also conducted an assessment district vote to fund the park operations.

The assessment district, however, was not approved by the voters in December 2009. Since that time, the NCSD has determined that it has other major infrastructure improvements that are required in the near future, which has revised its priorities. On March 9, 2011, the board of the NCSD updated its strategic plan through the year 2014, and deleted the Jim O. Miller Park as a goal.

In the meantime, County Environmental Health has been working with ConocoPhillips on a workplan for the hydrocarbon contamination. The County also contracted for the initial testing of the lead/heavy metal contamination at the site. Environmental Health has recently determined that more sampling is necessary, and Earth Systems has given the County a bid of \$9,550 to complete the sampling and provide a workplan.

I understand that on February 2, 2011, you attended a meeting of the Olde Towne Nipomo Association ("OTNA") with Supervisor Paul Teixeira and Linda Van Fleet. The OTNA apparently expressed frustration at the lack of progress on the park. You conveyed interest in allowing the OTNA to develop community awareness of the site and to work on approval of

the park design. The OTNA followed up with a letter to Supervisor Teixeira, dated February 17, 2011, in which it stated a desire to work with the NCSD to "bring this park to fruition."

County managers, County Counsel, and the County Administrative Office have had several discussions recently regarding the future of the MOU. It is clear by the NCSD's strategic plan that the park is not an identified priority through 2014. That position is underscored by the fact that the NCSD allowed its conditional park powers approval from LAFCO to expire on August 20, 2010.

Clearly, the financing and approvals for the park are not the only hurdle. The environmental contamination on the site is also a significant issue. County Environmental Health has determined that the lead and heavy metals existing in the soil at the site do not need to be remediated at this time because there is no activity currently on the site and the contamination is not a threat to the groundwater. They have recommended that we not allow use of the site by the public until the contamination is remediated. The County will not be proceeding with Earth System's proposal for the additional soil sampling and development of the workplan. The NCSD may proceed with the process if it wishes to do so, and the County would issue a permit to access the site for that purpose.

We encourage the OTNA to work with the NCSD to help move the park forward. We would ask the NCSD to work directly with the OTNA in such an endeavor. The County and the NCSD are the parties to the MOU for development of the park, and the NCSD may oversee the OTNA in performing certain functions to promote the park, consistent with the NCSD's direction. Approvals, permits, and discussions would remain between the County and the NCSD.

While ConocoPhillips performs its remediation at the site, the County is in a position to wait and see how the NCSD satisfies the conditions of the MOU. We hope that there is sufficient interest in the community to support funding of the lead/heavy metal remediation as well as the construction and operation of the park.

Sincerely,



Janette D. Pell
General Services Agency Director

c: Paul Teixeira, County Supervisor, 4th District
Kathy Kubiak, President, Olde Towne Nipomo Association
Caryn Maddalena, County Real Property Manager
Linda Van Fleet, County Associate Real Property Agent
Chuck Stevenson, County Senior Planner