TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN
GENERAL MANAGER

DATE: DECEMBER 7, 2012

AGENDA ITEM
F
DECEMBER 12, 2012

GENERAL MANAGER'S REPORT

ITEM

Standing report to your Honorable Board -- *Period covered by this report is November 10, 2012 through December 7, 2012.*

DISTRICT BUSINESS

Administrative

- Interviewed five candidates for the Public Information Assistant vacancy. A part-time contract employee (Jessica Matson) is scheduled to begin work with the District on December 11, 2012.
- There are currently six customers with active amortization payment plans related to high water bills/water leaks.
- On November 16, Cal Fire announced the start of Open Burn Season. Cal Fire news release is Attachment A. Burn permit applications, issued by County Air Pollution Control District, are provided in the District lobby.
- On December 4, 2012, CA State Parks issued notice of preparation and scoping for the development of an EIR addressing the State's proposed Oceano Dunes Dust Control Program. (See Attachment B)
- In 2012, the District has issued 26 ($75 – each) rebates for customer installations of high efficiency clothes washers. Over the life of the rebate program, the District has rebated nearly $16,000 to customers who have purchased high efficiency washing machines.

Water/Wastewater News of Interest

- County rain gauge reports for area gauges are provided – See Attachment C.
- Orange County Water Agency increases percolation of treated waste water to improve groundwater reliability – Attachment D.
- San Diego Water Authority approves contract to buy desalination water – Attachment E.
- Pharmaceuticals difficult to treat in drinking water – Attachment F.

Connection Report

Nipomo Community Services District
Water and Sewer Connections

End of Month Report 2012

	Dec-11	JAN-12	FEB-12	MAR-12	APR-12	MAY-12	JUN-12	JUL-12	AUG-12	SEPT-12	OCT-12	Nov-12
Water Connections (Total)	4232	4232	4239	4239	4239	4240	4240	4244	4244	4245	4239	4247
Sewer Connections (Total)	3022	3022	3035	3035	3035	3036	3036	3040	3040	3041	3035	3043
Meters turned off (Non-payment)	23	28	22	18	28	13	39	16	20	17	29	13
Meters off (Vacant)	62	64	62	64	68	67	63	60	65	69	51	49
Sewer Connections off (Vacant)	20	24	22	22	27	28	25	23	25	20	19	17
New Water Connections	0	0	7	0	0	1	0	4	0	1	0	8
New Sewer Connection	0	0	13	0	0	1	0	4	0	1	0	8
Galaxy & PSHH at Orchard and Division Sewer Connections billed to the County	460	460	460	460	460	460	460	461	461	462	462	462

Meetings

Meetings attended:

- *November 14, Regular Board Meeting*
- *November 15, SWAEC*
- *November 19, Finance and Audit Committee*
- *November 20, People's Self Help Housing*
- *November 20, coordination with District Engineer*
- *November 21, coordination with Utilities Superintendent*
- *November 21, Operations and Engineering capital improvement coordination*
- *November 26, special Human Resources Counsel and District General Counsel*
- *November 27, Maria Vista Estates developers – two meetings*
- *November 28, Orientation of new Directors – two meetings*
- *November 29, District groundwater expert*
- *November 29, NMMA Technical Group*
- *November 29, management team.*
- *November 30, interview Public Information Assistant – two interviews*
- *December 3, coordination with Board Officers*
- *December 4, South County Sanitary Services management*
- *December 4, coordination with District Engineer*
- *December 5, Water Resources Advisory Committee*
- *December 6, coordination with Utilities Superintendent*
- *December 7, Supplemental Water Alternatives Review Committee*

Meetings Scheduled:

- *December 10, Maria Vista Estates – two meetings*
- *December 11, SLO CO Sheriff Town Hall*
- *December 12, Regular Board Meeting*
- *December 19, NMMA Technical Group*

Safety Program

No accidents or injuries to report.

RECOMMENDATION

Staff seeks direction and input from your Honorable Board

ATTACHMENTS

A. Cal Fire Open Burn Season
B. Dunes Dust EIR Scoping
C. SLO County Rain Gauge
D. Orange County Treated Effluent Percolation Basins
E. San Diego Desalinization Approval
F. Pharmaceuticals difficult to Treat

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ATTACHMENT A

CAL FIRE NEWS RELEASE
California Department of Forestry and Fire Protection
San Luis Obispo County Air Pollution Control District

CONTACT: Aeron Arlin-Genet, APCD, (805) 781-5912
Zach Nichols, CAL FIRE, (805) 543-4244
Paul van Gerwen, CAL FIRE, (805) 543-4244

RELEASE DATE: November 16, 2012

Annual Open Burn Season Will Start Monday, November 19, 2012
and
San Luis Obispo County Begins 2012 Transitional Staffing

San Luis Obispo County - November 19, 2012 marks the start of the 2012-2013 open burn season in San Luis Obispo County. The burn season, which typically runs from approximately November through the end of April, affects the burning of residential yard trimmings in backyards and agricultural wastes. Open burn season normally closes at the end of April when local fire agencies typically predict an increasing risk of wildfires from drying brush and grass.

All burning requires a permit from the San Luis Obispo County Air Pollution Control District (APCD).

- Backyard burning may only be conducted by occupants of single family or duplex dwellings outside urban and village reserve lines in rural areas on a designated "Burn Day".

- Agricultural burning may only be conducted by agricultural operations that derive income from the growing of crops or the raising of animals or, vegetation, forest or range management.

Applications are not available at CAL FIRE facilities.

- Downloadable Applications for both types of Burn Permits are available at www.SLOCleanAir.org to fill out, print and mail to the APCD, with a check for the permit fee ($50.00) – credit card and electronic payments are currently NOT accepted. After receiving a valid Application and check, the APCD will then issue a Burn Permit.

- Two-part Mail-in Application & Permit forms for both types of burning are available at most libraries, selected Community Service District offices, the County Agricultural Commissioner's and the APCD office.

Open burning releases smoke and air pollution that can be harmful to public health, and residents must exercise caution when conducting burning operations. Burning during windy or unsafe conditions frequently results in escaped fires and residents can receive misdemeanor citations

and/or be billed for suppression costs. CAL FIRE and APCD urge residents to seek alternatives to burning, such as green-waste disposal, chipping and composting.

For information about open burning and the downloadable Applications for San Luis Obispo County, please visit the web site at www.SLOCleanAir.org or contact the Air District's Compliance Division at (805) 781-5912. Call 1-800-834-2876 for Burn Day status.

Effective Monday, November 19, CAL FIRE will reduce its seasonal wildland firefighting resources for the 2012-2013 winter preparedness period in San Luis Obispo County. Residents are reminded even though we are entering the winter months, wildfires can occur during unexpected hot and windy days.

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ATTACHMENT B

December 4, 2012

NOTICE OF PREPARATION AND PUBLIC SCOPING MEETING

To: **State Clearinghouse**
Responsible Agencies
Trustee Agencies
County Clerks
Interested individuals and organizations
Federal Agencies

Subject: Notice of Preparation and Public Scoping Meeting for the Oceano Dunes State Vehicular Recreation Area Dust Control Project Environmental Impact Report

The California Department of Parks and Recreation (CDPR), Off-Highway Motor Vehicle Recreation (OHMVR) Division, Oceano Dunes District, 340 James Way, Ste. 270, Pismo Beach, CA 93449, is the Lead Agency for the Oceano Dunes State Vehicular Recreation Area (Oceano Dunes SVRA) Dust Control Project Environmental Impact Report (EIR). The OHMVR Division would also be the Applicant for a Coastal Development Permit that may be required for the project.

Project Title:	Oceano Dunes SVRA Dust Control Project EIR
Project Applicant:	California Department of Parks and Recreation Off-Highway Motor Vehicle Division
Project Location:	Southwest San Luis Obispo County; Northwest Santa Barbara County
Project Description:	A description of the Dust Control Project, including its location and probable environmental effects, is provided in the attached Initial Study for the project.

The purpose of this Notice of Preparation and Public Scoping Meeting (NOP) is to request comments on the scope and content of the environmental review the OHMVR Division will conduct on its Dust Control Project from responsible and trustee agencies, federal agencies, and any other person or organization concerned with the environmental effects of the project.

Pursuant to CEQA Guidelines §15082 (b), you have 30 days from the date of receipt of this NOP to respond. Please send your comments by the earliest possible date, but no later than 5 pm January 4, 2013. Please send your responses to Mr. Ronnie Glick, Senior Environmental Scientist, at the address listed above or to OHVInfo@parks.ca.gov (Enter "Oceano Dunes SVRA Dust Control Project NOP" in the 'Subject' line. Agency responses should include the name of a contact person at the agency.

The OHMVR Division encourages all interested individuals, organizations, and agencies to attend the scoping meeting for the Dust Control Project EIR on:

Wednesday, December 19, 2012
Grover Beach, CA 93445
6 pm – 8 pm

Ramona Garden Park Center
993 Ramona Avenue
Grover Beach, CA 93433

Additional project information is available on the OHMVR Division Website: www.ohv.parks.ca.gov/ohv-ceqa-notices

CEQA Guidelines §15168(a), permits a lead agency to prepare a program EIR on a series of actions that can be categorized as one large project and are related either: 1) geographically, 2) as logical parts in the chain of contemplated actions, 3) in connection with issuance of rules, regulations, plans, or other general criteria to govern the conduct of a continuing program, or 4) as individual activities carried out under the same authorizing statutory or regulatory authority and having generally similar environmental effects which can be mitigated in similar ways. The Oceano Dunes SVRA Dust Control Project represents a logical series of actions that are connected, would occur in approximately the same geographic area, and would result in generally similar environmental effects that can be mitigated in similar ways. Accordingly, the OHMVR Division is preparing a Program EIR for the project.

Signature: _____ Date: 11/29/12

Title: Environmental Program Manager

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ATTACHMENT C

SLOCountyWater.org

San Luis Obispo County Water Resources

Division of Public Works

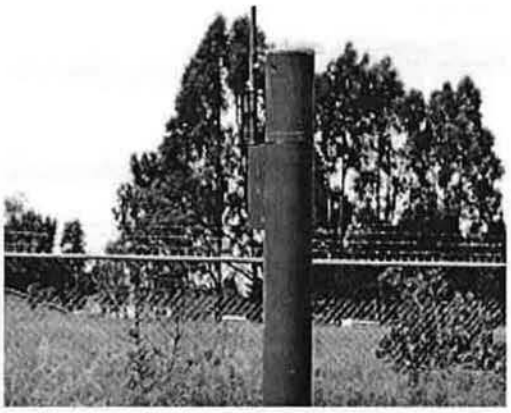
Site Information

Nipomo South (Sensor 730)

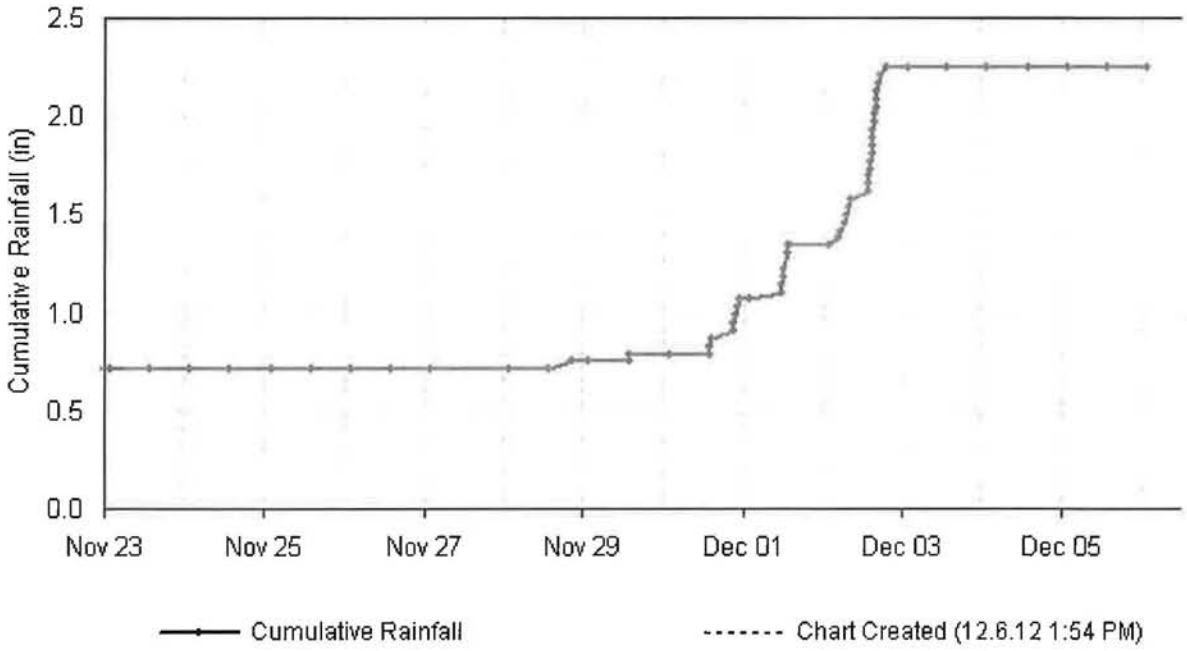
Located
- Nipomo Coummunity Service District (NCSD) equipment yard, Nipomo, CA.

Established
- July 1992

Annual Average Rainfall
- 16 inches



Rainfall



Real-Time Rainfall Data

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ATTACHMENT D

ORANGE COUNTY WATER DISTRICT

NEWS RELEASE

FOR IMMEDIATE RELEASE
CONTACT: Gina Pineda, (714) 378-3323, gpineda@ocwd.com

GROUNDWATER SUPPLY AND RELIABILITY ARE INCREASED WITH DEVELOPMENT OF A NEW PERCOLATION BASIN

FOUNTAIN VALLEY, Calif. (Nov. 5, 2012) — The Orange County Water District (OCWD; District) recently completed construction of a new percolation basin called Miraloma Basin (the Basin). Located on Miraloma Avenue in Anaheim, between Kraemer Boulevard and Miller Street, this new basin will allow the District to percolate up to an additional 6,000 acre-feet of water, which is enough for nearly 50,000 people.

Dedicated in a ceremony on October 22, the Basin took about 10 months to construct. The 13-acre site was purchased by the District and transformed into a recharge facility that is approximately 10 feet deep. It is currently devoted to water from the Groundwater Replenishment System (GWRS), the world's largest advanced wastewater purification system for indirect potable reuse, located in Fountain Valley. Although only recently put into service, the Basin is yielding the highest measured percolation rates among OCWD's 21 basins due to favorable geology and ultra-pure GWRS water.

"This basin is a vital addition to OCWD's groundwater management system," said OCWD President Claudia C. Alvarez. "Capturing as much water as we can locally enables the District to be less dependent on more costly imported water supplies from Northern California and the Colorado River. It also guarantees that there will be an adequate water supply for generations to come."

OCWD owns a six-mile section of the Santa Ana River from Imperial Highway to Ball Road and operates a complex recharge system in Anaheim and Orange to ensure groundwater, which is pumped out by local water districts, municipalities and other users. Over the years OCWD has expanded the system to include more than two dozen separate facilities, many of which are recharge basins. To address future water challenges, OCWD will continue to expand and develop its recharge system.

The District is committed to enhancing Orange County's groundwater quality and reliability in an environmentally friendly and economical manner. The following cities utilize the groundwater basin managed by OCWD: Anaheim, Buena Park, Costa Mesa, Cypress, Fountain Valley, Fullerton, Garden Grove, Huntington Beach, Irvine, La Palma, Los Alamitos, Newport Beach, Orange, Placentia, Santa Ana, Seal Beach, Stanton, Tustin, Villa Park, Westminster and Yorba Linda. For more information about Orange County Water District, call (714) 378-3200 or go to www.ocwd.com.

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ATTACHMENT E

Water authority approves desalination contract

4:58 p.m., Nov. 29, 2012
Updated 4:10 p.m. , Nov. 30, 2012

Deborah Sullivan Brennan
utsandiego.com

After more than a decade of deliberations, the San Diego County Water Authority voted Thursday to buy desalinated water from a $984 million project planned in Carlsbad. Officials hailed it as a historic step on the path to water self-sufficiency for the region.

The vote, under which authority members' voting power is proportionate to the amount of water they buy, was 85 percent in favor. Five of the board's 36 members voted against the deal, with one absent.

The plant, to be built by Poseidon Resources, promises to supply 7 to 10 percent of water needs for the drought-prone San Diego region, adding a small but stable local water supply.

But by turning the Pacific Ocean into a source for drinking water, it also could transform water policy for the semiarid region, officials said.

"We have the largest reservoir in the world at our doorstep," said Peter MacLaggan, senior vice president of Poseidon Resources, a Stamford, Conn., company that will construct the plant. "We're going to change the way we look at water in the San Diego region."

Under the agreement, Poseidon will build the reverse osmosis plant on the Agua Hedionda Lagoon, and the authority will buy 48,000 to 56,000 acre-feet a year for up to $2,290 per acre-foot including water costs and other fees. An acre-foot is the amount of water needed to cover an acre a foot deep.

That water would cost more than twice the amount charged by Metropolitan Water District, which provides about half the region's supply. But officials say that price differential would fade as Metropolitan's water rates continue their steep upward trend.

"I've heard and read this is a project we can't afford," said board member Jim Madaffer, representing the city of San Diego. "I really think this is a project we can't afford not to have."

Enhancing local water supplies would buffer the region against fluctuating costs and availability of imported water, they say. It's viewed as a hedge against drought or a disruption in supplies from the Colorado River and the Sacramento-San Joaquin River Delta.

"Adding desalination to our portfolio is monumental in the same way that importing water from the Colorado River was in the 1940s," Thomas Wornham, chairman of the Water Authority's board of directors, said in a statement.

Although several officials called it an insurance policy for water security, critics described it as an expensive gamble.

Although the price of buying desalinated water from Poseidon is contractually fixed, the expense to the 24 local water districts that make up the authority is still uncertain.

A survey of San Diego County water districts found that the extra cost for desalinated water is likely to add between $4.36 and $6.84 to the typical $75 monthly residential water bill.

Some districts say their costs could be much higher. Otay Water District, for example, expects its ratepayers to see a 12 percent to 20 percent increase in their water bills when desalination comes online in 2016, general manager Mark Watton said.

That's because districts such as Otay, which buy treated water from the authority, may pay for a greater share of the highly treated, potable water from Poseidon than other agencies that purchase raw water and treat it themselves.

Those costs will be divvied up in a cost of service study, which the authority expects to complete next year. Some speakers at Thursday's meeting said that's too late.

Waving hot pink signs declaring "your responsibility is to us, not to Poseidon," environmentalists registered their opposition to the project at Thursday's meeting.

"It's not respectful to the public to bring forward a project before the ratepayers know what it's going to cost," said Marco Gonzalez, an attorney with Coast Law Group. "There's not one of you today, representing ratepayers, who can turn to your board, turn to your ratepayers, and say what this is going to cost you."

As a condition of construction, Poseidon plans to restore 66 acres of wetland in the San Diego Bay National Wildlife Refuge to compensate for fish and marine microorganisms killed by the intake at its plant. It will also offset its energy impacts by planting 100,000 trees in Cuyamaca in order to reduce greenhouse gases.

Environmental groups including Surfrider Foundation have sued to block the project, arguing that the mitigation doesn't fully compensate for the harm the plant would cause to marine life. They are still pursuing appeals.

Conservation organizations including Orange County Coastkeeper and the Oakland-based Pacific Institute released reports this week suggesting that rates for desalinated water could rise more sharply than expected if energy rates spike or natural disasters hamper its operations.

But the San Diego Taxpayers' Association last week endorsed the project, stating Poseidon bears the brunt of the risk. The water authority pays only for water that the company delivers — not the cost of the plant — and Poseidon is on the hook for any cost overruns.

Poseidon approached the authority with the proposal in 2010 after its plans for a joint project with nine North County cities stalled. Its plant would be on the site of the Encina Power Station in Carlsbad, where cooling intakes would double as seawater intakes for the reverse osmosis operation.

Many speakers, including former Carlsbad Mayor Bud Lewis, said the time had come to act on the long-standing proposal.

"Let's stop taking about it and build the damned thing," Lewis said.

The project's $840 million bond issue will go before the California Pollution Control Financing Authority for approval Friday. If that agency approves the issue, the bonds could go up for sale in December, and construction could begin in January. The plant is expected to be in operation by 2016.

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ATTACHMENT F

Pharmaceuticals difficult to treat in drinking water

Nov 29 2012 Dmitri Barvinok 8 Comments

Traverse City, Mich., wastewater treatment plant has membrane filtration.

The emerging threat of pharmaceuticals, everyday chemicals and personal care products in drinking water may be the most difficult that water treatment plants have faced.

Lake Michigan takes 99 years to "turn over," meaning chemicals that entered the lake a century ago may only just be exiting, the Alliance for the Great Lakes reported just this week. The report says that surface water in Lake Michigan contains six of 20 "priority" chemicals, or emerging contaminants identified by environmental engineers from Michigan State University. They include flame retardants and a cholesterol-lowering drug. After treatment, only a fire retardant remained in ready-to-drink water.

Experts say that membrane bioreactors may remove some pharmaceuticals while treating wastewater, but they cannot catch all of the diverse medicines. There are 35 treatment plants in the Great Lakes region that use such membrane technology: 14 on Lake Michigan, 13 on Lake Huron, five on Lake Superior, two on Lake Erie and one on Lake Ontario, according to Siemens Water Technologies, a company that constructs the membranes.

One in Traverse City, Mich., was the largest in the nation when it opened in 2004. It serves 45,000 people in the city and surrounding area. It took more than two and half years and approximately $31 million to upgrade an old plant deemed too small for a growing population.

A forum for public comment identified two goals: make use of the existing plant in some way and exceed federal water requirements, said Scott Blair, the manager of the Traverse City wastewater treatment plant. A membrane bioreactor plant was chosen as the ideal upgrade. This kind of plant uses a membrane that passes through treated water to remove debris, contaminants, bacteria and potentially some pharmaceuticals. However, the membrane itself cannot filter all pharmaceuticals, because there are so many different kinds, said Blair.

Large molecules, including bacteria, cannot pass through the membrane, but different medicines have different size molecules. That means some pass through. The water is run through "activated sludge" that forms clumps of bacteria called "floc." Some pharmaceuticals also degrade and attach themselves to the sticky blobs. They are then filtered out by the membrane.

Pharmaceuticals in water have recently come under attention from the scientific community and government agencies like Michigan's Department of Environmental Quality. It is an emerging area of concern just beginning to be recognized, with many research projects going on at the federal level, said Richard Benzie of the community drinking water program from the Michigan Office of Drinking Water and Municipal Assistance. Included in the pharmaceuticals group are personal care products, like cosmetics and sun tan lotion, which also find their way into water sources, Benzie said.

"I admit, I'm probably contributing to the concentration of Lipitor in the environment," he said. However, the concentration of this cholesterol medication is very low. For a person to consume one dose of Lipitor, they would have to drink two liters of water a day for 1,721 days, according to the Alliance for the Great Lakes report.

The Department of Environmental Quality reports that pharmaceuticals have been detected in ground water, lakes and streams. They can harm aquatic life, and scientists say damage to human health may become apparent in the future, or will become more likely as concentrations of medicine in the water increase, said Jim Sygo, deputy director of the Department of Environmental Quality.

"Are we going to wait until it gets into the drinking water sources to deal with it, or start removing it in the waste streams?" Benzie said.

Pharmaceuticals from human and animal waste end up in the water. And they get there when people flush unused medicines down the drain, something the EPA encouraged until the 1970s, according to Sygo. Pharmaceuticals have already damaged wildlife in New York, where birth control pills were linked to male fish developing female characteristics and becoming sterile, according to the U.S. Geological Survey.

Standard water treatment plants are not equipped to remove pharmaceuticals from water. In fact, some drugs may become more dangerous during conventional treatment, according to a recent study led by Stuart Khan from University of New South Wales in Australia. Preliminary findings suggest that the pharmaceuticals change due to an enzyme reaction or interaction with bacteria.

If the pharmaceuticals have an organic carbon base, then disinfection by chlorine could potentially create dangerous byproducts, according to Benzie, but there is no definite evidence of this yet. Even if small levels of dangerous compounds are created, it's still up to the EPA to determine whether that danger outweighs changing the disinfecting process, which protects people from outbreaks of diseases like typhoid, Benzie said.

Every five years the EPA identifies up to 30 compounds that have no drinking water standards. Then, the agency requires a statistically significant number of public water systems to track the identified compounds, over five years. When the results are in, the EPA begins the task of determining if there's a health risk. Some studies say membrane bioreactors do a better job of removing medicines from water, Blair said.
The plant can't determine which pharmaceuticals it removes. That kind of research fits better in academia, Blair said.

However, the plant does monitor compounds and elements like ammonia and phosphorous.
"We're all over that every day," Blair said.

A 2009 Associated Press investigation discovered that at least 41 million Americans drink water with detectable levels of pharmaceuticals. Often water reports do not reveal results of pharmaceutical tests, the investigation discovered.

The federal government has no requirements about pharmaceuticals in drinking water.
The EPA recognized the Traverse City wastewater treatment plant in 2007 for producing water that surpasses federal requirements.