standards and NPDES permit requirements. Coordinate with LOCSD's Utilities Manager. Upon the LOCSD's request, as an optional service MW could also prepare the O&M manual.

Task 10 –Record Drawings Quality Assurance (Optional Service)

At the completion of construction, provide quality assurance for the preparation of Record Drawings. Actual Record Drawings preparation will be by the design team. This will include all changes to the contract documents resulting from addendum items, change orders and other changes made during construction.

Task 11 – Community Relations Program (Optional Service)
Upon the LOCSD's request, using a public relations/information firm or individual acceptable to the LOCSD, MW would prepare a community relations/information plan. The community outreach staff will coordinate, prepare and distribute materials to keep the public informed about the project and to maintain community support. MW would also assist the LOCSD in preparing for and conducting public meetings.

Task 12- Additional Services (Optional Service)

Upon the LOCSD's request MW would meet with the LOCSD to identify additional services to address project needs. MW would then develop scopes of work and budgets necessary to provide those services. These would be added to the existing agreement by contract amendment.

END OF EXHIBIT A

EXHIBIT B

COMPENSATION FOR SERVICES

Los Osos Community Services District
Wastewater Project Management

This Exhibit B is attached to, and made a part of and incorporated by reference with, the Agreement for Services of Independent Consultant (with its exhibits and attachments, all as defined therein, the "Agreement"), made between the Los Osos Community Services District (LOCSD) and Montgomery Watson America's, Inc. (Consultant), providing wastewater project management services.

1. Amount of Compensation for Services.

   1.1. Consultant shall be paid for its services rendered based upon:

      1.1.1. Billing Rates of personnel employed directly on the project shall be calculated on the basis of Actual salary (raw salary excluding all other salary related and/or fringe benefit costs of any type, nature or description) times a multiplier of 2.97 (The multiplier includes 130.8% overhead for costs such as indirect labor, employee fringe benefits, occupancy, non-project related travel, and training; 15.7% general and administrative expenses such as corporate management, professional liability insurance, legal, marketing, bad debt, and interest charges; and 10% profit. The multiplier also includes interest on invested capital, readiness to serve, and all other contingencies and other considerations for the work of this agreement).

      1.1.2. Consultant shall also receive an allowance for "Associated Project Costs" (APC) of $7.25 times each direct labor hour of Consultant's professional staff, times 115.7% (= $8.39/direct labor hour).

      1.1.3. Consultant shall be reimbursed for subconsultant costs times 115.7%. Subconsultant cost is the reimbursable cost invoiced to Consultant at a multiplier basis or an hourly rate dependent on the subconsultant's established billing structure. Subconsultants' billing rates or multiplier must be approved writing in, in advance by both Consultant and LOCSD.

      1.1.4. Consultant shall be reimbursed for Reimbursable Expenses at cost times 115.7%.

      1.1.5. Consultant shall be reimbursed for eligible mileage at a rate of $0.32/mile times 115.7% (= $0.37/mile).

2. Contract Budget.

   2.1. The contract budget for the services, described in the agreement, is hereby established at **$288,145**. The contract budget includes all costs, including Reimbursable Expenses (as described below) and shall not be exceeded without the written authorization of LOCSD.

3. Methods of Payment for Services and Expenses of Consultant.

   3.1. For Basic Services on the project, Consultant shall submit monthly invoices with reasonable detail of the time incurred by personnel assigned to the project, along with a schedule of Reimbursable Expenses incurred, supported by invoices and appropriate backup documentation in a form acceptable to the LOCSD. Each invoice shall report on Consultant's total billings and Reimbursable Expenses to date.

   3.2. For Extra Services as defined below, the LOCSD shall pay Consultant as follows:

      3.2.1. General. For Extra Services of Consultant's professional staff engaged directly on the project, on the basis of a lump sum negotiated between the parties, or at LOCSD's option, at Consultant's billing rates.

      3.2.2. Subconsultants and Subcontractors. For Extra Services of subconsultants or subcontractors employed by Consultant to render Extra Services, the amount billed to Consultant therefore times 115.7%.

      3.2.3. For Extra Services on an hourly basis, Consultant agrees that all subconsultant and subcontractor billing will be limited to a not-to-exceed amount upon prior written approval of the LOCSD.

      3.2.4. For Reimbursable Expenses, LOCSD shall pay Consultant the actual cost of all Reimbursable Expenses times 115.7%.

4. Definitions.

   4.1. "Extra Services" means services beyond the scope of services defined in this agreement.

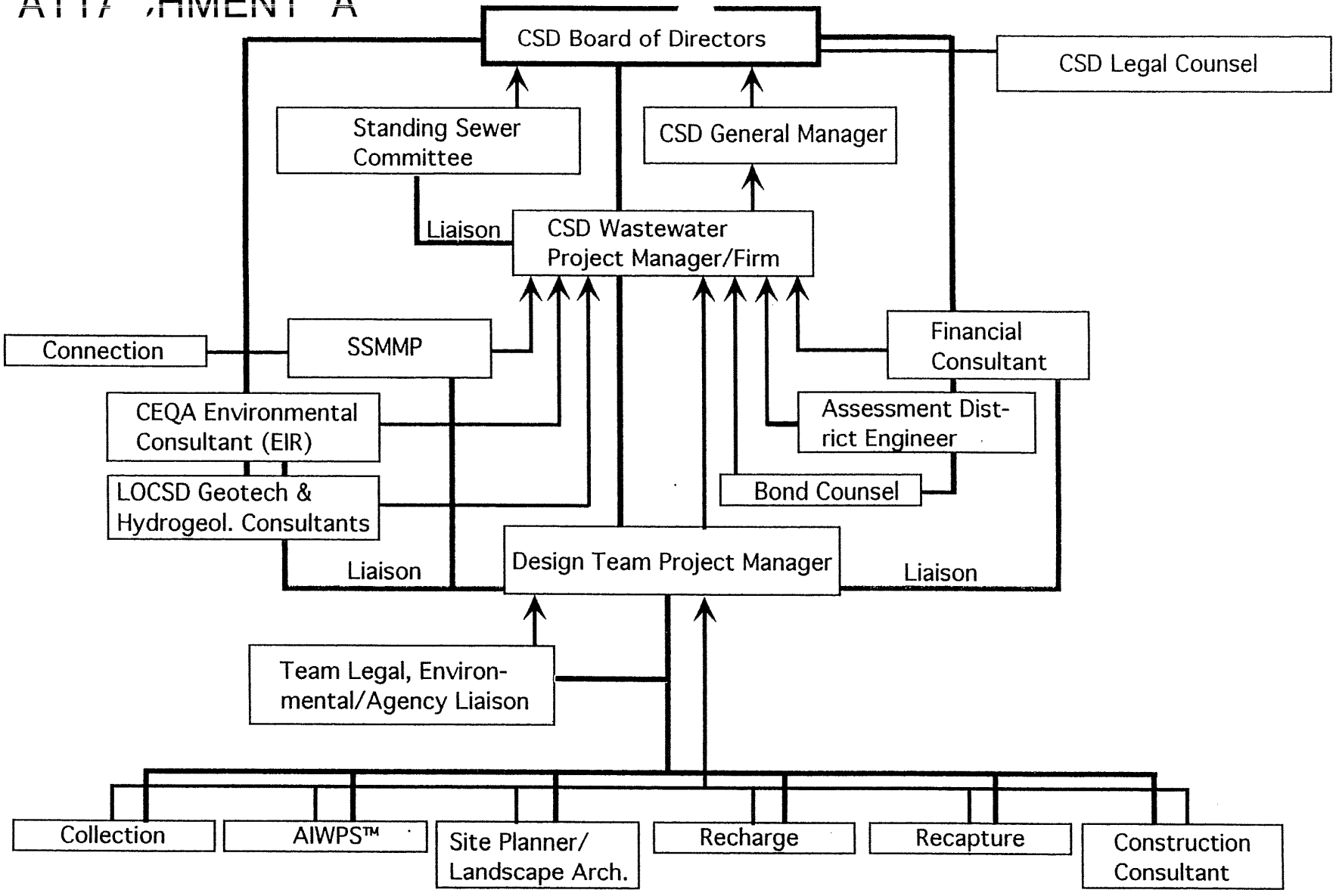
   4.2. The Billing Rates used as a basis for payment apply to all of Consultant's professional personnel (including with limitation project managers, estimators, schedulers, support staff, and field personnel) engaged directly on the project. Billing Rates may increase up to 4% per year maximum consistent with Consultant's established salary review schedule, subject to written approval by the LOCSD in advance of any adjusted billing rate adjustment.

   4.3. "Reimbursable Expenses" means actual expenses incurred by Consultant for only the following costs: 1) reasonable and necessary project-related travel expenses, while travelling on behalf of the Project beyond a 30-mile radius of Los Osos, for trips authorized in advance by LOCSD; 2) mileage costs for automobile use by Mr. Ysusi between Fresno and Los Osos ("commute"); 3) other Reimbursable Expenses not included in "APC" which are authorized in advance in writing by LOCSD.

   4.4. "Associated Project Costs" or "APC" include telecommunications, postage/express mail, convenience copying (in-house printing, printing for communication between LOCSD and between LOCSD consultants, and printing other than for bid packages or major printing efforts), Consultant's network, standard personal computers and software, faxes and general office supplies.

END OF EXHIBIT B

ATTACHMENT "A"



= Management Path (Chain of Command)
= Contractual Path for CSD commitments
= Contractual Path for Design Team
= Liaison

Los Osos Community Services District
Chain of Command
Management Direction
Recommendations by Standing Comm.
3/23/99 Rev: 10/28/99

ATTACHMENT B

PROJECT MANAGEMENT COMMITMENT

Los Osos Community Services District
Wastewater Project Management

The following statements describe Montgomery Watson's project management time commitment to the Los Osos Wastewater Project. Specific items, relating to working conditions and eligible reimbursable costs, are also described.

1. The weekly workload is anticipated to vary between 3 and 5 days per week, depending on project requirements at the time. The project budget has been developed assuming that the Wastewater Project Manager (WPM) will, on average, devote 3-1/2 days per week working on the Los Osos Wastewater Project.
2. In general, the WPM will be in Los Osos two or more days per week. Monday and Tuesday are the regular days for the WPM to be in residence in Los Osos.
3. The WPM will customarily attend the meetings of the LOCSD Wastewater Committee and report project status and provide project information to committee members. The LOCSD Wastewater Committee currently convenes the second and fourth Tuesday of each month.
4. The WPM's daily location will be posted on the project management journal to facilitate contacting him when he is not working in the LOCSD office. The WPM's anticipated working locations will be posted one week in advance. The LOCSD office staff will be notified of the communication location and phone number of the WPM when not in residence in Los Osos. WPM will provide for project and public contact access at his location(s) during the work week.
5. The LOCSD will provide office space in the CSD offices at 2122 9th Street, Los Osos, California. The LOCSD will also provide a phone for project-related business. Montgomery Watson will pay long distance phone costs, not related to the Los Osos Wastewater Project.
6. The WPM's time commuting between Montgomery Watson's Fresno office and Los Osos is not chargeable. Travel time required for other project-related business is chargeable.
7. Mileage reimbursement between Fresno and Los Osos will be limited to one round trip per week, or more if pre-approved by LOCSD's General Manager.
8. Mileage costs within a 30-mile radius of LOCSD offices will not be charged.

END OF ATTACHMENT B

April 7, 2009

Is it Worth the Risk?

MWH - Potential Conflict of Interest and Costly Engineering Decisions

Events and Activities for your Consideration

SLO County BOS Public Comment, Los Osos Wastewater Project April 7, 2009
Distributed to Board members in person
Submitted by Lisa Schicker, past LOCSD President, Board Member 2004-2008

Dear Honorable Board Members:

Please enter this document into the formal public record.

I have three requests.

1. Please rescind staff's decision to shortlist MWH for the LOCSD wastewater project.

2. Please include a STEP RFP today in the final project shortlist process.

3. Please hold the AB 2701 advisory vote following the full disclosure of all project costs from all teams.

I feel strongly that it is my public duty to make you aware of incidents and activities regarding the MWH history with both the LOCSD and the County that suggest Conflict of Interest and poor engineering judgment, many events of which you may not be aware.

I think it is a big mistake to consider any continued relationship with MWH, considering the illegal contract between MWH and the LOCSD, pending investigations into formal complaints against MWH, bankruptcy, lawsuits and a potential conflict of interest with your Public Works Director, Mr. Paavo Ogren.

Mr. Ogren served as the LOCSD's Interim GM in the fall of 1998 and had a relationship with MWH when an illegal contract between MWH and the LOCSD was made. Mr. Ogren must recuse himself

immediately from any further decisions regarding MWH and he may have already compromised the process by hiring them in 2006, even after the LOCSD refused to release MWH, due to pending lawsuits.

In this document, I have included a brief description of events and activities regarding Los Osos and MWH.

Any one of these items should bring you alarm and concern and question your staff's reasoning for including MWH on a short list.

All MWH past work products already belong to the citizens of Los Osos – the citizens have paid for this work and any firm chosen will have full access to this work. MWH should not have received any credit (during their interview) for this past work, as they were paid handsomely (and sometimes twice) as part of their complex, convoluted and confusing contract amendment and billing procedures made with the LOCSD.

They should have received no credit for their past work product in their evaluation. The results of all past work from all past consultants are the property of the people of Los Osos and the County.

Our history with MWH is long and remains clouded, and there are many questions about suspicious activities that still remain. Unfortunately this relationship has been damaged beyond repair and you as decision makers should not take the risk – it is simply too high.

There are other fully qualified firms who can do the work, please remove MWH from any further consideration.

Further, I request that an RFP for a STEP collection system be included in this process and that after the people see true costs and

can compare for themselves, that an advisory vote as stipulated in AB 2701 is given.

The reasons for including STEP are obvious; it is cost and the environment – and a fair process demands it. The people of Los Osos are demanding to know the "bottom line" - what are the true costs, this is what we have been asking about for years, now.

The only way to get to the true costs is to allow the process to play out. That includes removing the MWH firm with the clouded past in Los Osos, and including a STEP proposal from a qualified STEP firm such as Lyles. The people of Los Osos will be paying for the ultimate choice for years to come – perhaps one of the highest costs in the nation, just to flush, and we certainly deserve to know the full truth.

Thank you for your consideration of my comments.

Most Sincerely,

Lisa Schicker

Lisa Schicker
Past President and Board Member LOCSD 2004-2008

Is it Worth the Risk?

MWH - Potential Conflict of Interest and Costly Engineering Decisions

Events and Activities for your Consideration

Potential Conflict of Interest and Costly Engineering Decisions - MWH, SLO County and LOCSD

1. September 1998. Paavo Ogren Interim GM, LOCSD. Original contract between LOCSD and MWH was an illegal contract discovered in 2005. Interim GM Ogren did not sign, Board President did not sign, it was signed by future Manager B. Buel, who was not employed by the LOCSD at the time the contract was implemented. This illegal contract was amended several times for millions of dollars.

Document Source: December 2005 False Claims Letter and Attachments and Federal Bankruptcy Court filings 2006.

2. 1998-2005 – Two original contracts between LOCSD and MWH were both amended 6-7 times each; millions of dollars in unscoped work are added to each of the original project costs.

Document Source: December 2005 False Claims Letter and Attachments and LOCSD records and Bankruptcy Court filings.

3. 2001 Project Report and Final EIR. MWH Project Report demonstrates that an out of town project is cheaper and FEIR discloses that it is environmentally preferred. MWH's conclusions about "cheaper-out-of-town" were not disclosed in the public document, the FEIR, causing disastrous effects and a town torn apart about the cheapest project location. Many of MWH's design disposal rate info for the Broderson site caused numerous professional challenges and legal and permit challenges – all engineering decisions that were either deceitful (hiding the cost info) and proved very costly for citizens.

Is it Worth the Risk?

MWH - Potential Conflict of Interest and Costly Engineering Decisions

Events and Activities for your Consideration

Document Source: LOCSD Wastewater Project Report and FEIR, lawsuits, revocation documents, engineering challenges and permit conditions and hearings.

4. Spring 2005 - Project bids for 3 separate elements of wastewater project came in 40-57% above MWH professional Engineers Estimates.

Document Source: LOCSD Records, December 2005 False Claims Letter and Attachments and May 2006 Formal Complaint Letter sent re MWH to Construction Management Association of America.

5. Spring 2005 – A third MWH contract for Construction Management was awarded for $7.48 million - more than $10, 000 a day based on the higher bids. There was no competition, this was a sole sourced contract (3-2 vote), and the decision was based on advice received from MWH who stood to directly benefit - potential conflict of interest.

Document Source: May 2006 Formal Complaint Letter sent re MWH to Construction Management Association of America, LOCSD minutes and videos and reports spring 2005.

6. Summer 2005 - MWH makes $10,000 donation to Save the Dream, a political campaign group that was organized to fight against the recall, in order to save their lucrative contract with the LOCSD.

Document Source: County Clerk Recorder's Office – Official Forms submitted by Save the Dream re campaign donations.

7. Fall 2005 - Recall on September 27, 2005, there was a "break-in" and robbery of the MWH construction offices. This robbery occurred the following week after the successful recall - computers and files

were stolen. LOCSD never received police report after several formal requests.

Document Source: LOCSD records, Bay News report and County Sheriff's Office, fall 2005.

8. Fall 2005 - LOCSD passed several resolutions and requests for formal a investigation of MWH, the illegal contracts and false claims - DA acknowledges the illegality of the original contract between MWH and LOCSD.

Document Source: LOCSD 2005 resolutions and Letters to and From the DA, False Claims Letter and Attachments.

9. Spring 2006 - False Claims complaint filed against MWH detailing reasons – results pending due to bankruptcy.

Document Source: False Claims Letter and Attachments A-E – LOCSD to MWH 2006. Bankruptcy Filings, SB Federal Court 2006-present.

10. Spring 2006 - Formal complaint filed against MWH with Construction Management Association of the Americas - still pending due to bankruptcy. (Attached for your review).

Document Source: May 2006 Formal Complaint Letter from LOCSD to Construction Management Association of America describing allegations and conflict of interest, 2006.

11. Spring 2006 - MWH sues LOCSD, still pending due to bankruptcy.

Is it Worth the Risk?

MWH - Potential Conflict of Interest and Costly Engineering Decisions

Events and Activities for your Consideration

Document Source: False Claims Letter and Attachments, SLO Superior Court, Federal Bankruptcy Court.

12. Spring 2006 court audit reveals that MWH was improperly paid out of SRF funds in the fall of 2005, funds that had been mandated to reimburse the district for borrowed project monies.

Document Source: LOCSD Independent CPA Audit (court ordered and approved) and July 2005 LOCSD Resolutions specifying that first SRF payment was to reimburse the district, not to pay consultants.

13. Fall 2006 - Paavo Ogren requests the LOCSD Board release MWH so that County can hire them - LOCSD refuses County's request due to lawsuits and false claims in bankruptcy, Paavo tells LOCSD says that he "hired them anyhow".

Source: LOCSD Board, personal communication with LOCSD Board members, 2006.

14. Winter 2006 - Carollo Scope of Work lists MWH as subconsultants.

Document Source: Carollo Scope of Work December 2006, p.32

15. Spring 2009 - MWH selected for County short list

Document Source: SLO County Staff Report – April 1, 2009

16. Spring 2009 - Excerpt from Design Build code appears to disqualify MWH from short list

Document Source: Design Build Code of Law.

Is it Worth the Risk?

MWH - Potential Conflict of Interest and Costly Engineering Decisions

Events and Activities for your Consideration

The County uses the California Contractors Code statute 20133 as their legal basis for the design build project delivery method. Attached is an excerpt of 20133, as it relates to MWH.

20133 excerpt:

(d) Design-build projects shall progress in a four-step process, as follows:

(1) (A) The county shall prepare a set of documents setting forth the scope of the project. The documents may include, but are not limited to, the size, type, and desired design character of the public improvement, performance specifications covering the quality of materials, equipment, and workmanship, preliminary plans or building layouts, or any other information deemed necessary to describe adequately the county's needs. The performance specifications and any plans shall be prepared by a design professional who is duly licensed and registered in California.

(B) Any architect or engineer retained by the county to assist in the development of the project specific documents shall not be eligible to participate in the preparation of a bid with any design-build entity for that project.

(2) (A) Based on the documents prepared in paragraph (1), the county shall prepare a request for proposals that invites interested parties to submit competitive sealed proposals in the manner prescribed by the county. The request for proposals shall include, but is not limited to, the following elements:

.....

17. Related - FBI and DOJ investigation of MWH in Cape Coral Florida for alleged bid tampering in wastewater projects - ongoing case.

Document Source: LOCSD Board correspondence 2005-2009.

President
Lisa Schicker

Vice-President
John Fouche

Director
Chuck Cesena
Steve Senet
Julie Tacker

Interim General Manager
Daniel M. Bleskey

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May 10, 2006

FILE COPY

Bruce D'Agostino
Executive Director
Construction Management Association of America
7918 Jones Branch Drive, Ste. 540
McLean, VA 22102

SUBJECT: **FORMAL COMPLAINT REGARDING MONTGOMERY WATSON HARZA'S CONDUCT IN MANAGING THE LOS OSOS WASTEWATER PROJECT**

Dear Mr. D'Agostino:

This letter is submitted as a formal complaint against Montgomery Watson Harza (MWH) regarding their behavior and performance related to the Los Osos Community Services District's Wastewater Project. We are requesting that the Construction Management Association of America, which MWH is a member, be investigated for their egregious behavior that completely failed their client, the Los Osos Community Services District and the Citizens of Los Osos.

MWH was hired by the District in September 1999 to be the Project Manager for a planned wastewater treatment system in the community of Los Osos, which is serviced by a Community Services District. This initial assignment was a contract for $288,000.

The first project programming step was to develop a Wastewater Facilities Plan, and the District prepared an RFP for this scope. Oswald Engineering was selected for this task in summer 1999 and MWH was the firm that was hired in the fall to manage Oswald's work. As described below, it is apparent that MWH failed in their

oversight of this portion of the work and undermined Oswald's efforts. It late 1999, less than one year after MWH was hired, MWH succeeded in taking over Oswald's portion of the work. MWH then completed the Facilities Plan under the terms of Oswald's original contract, which was amended at least six times for an additional amount paid to MWH exceeding $1.5 million. MWH had replaced Oswald in less than one year. Oswald was working on a ponding project, the scope of which was developed under MWH's management. The Central Coast Regional Water Quality Control Board (RWQCB) refused to approve the MWH managed ponding design, due to site size limitations. Instead of reworking the ponding system with Oswald or relocating the plant site, MWH assisted the District in removing and suing Oswald. Recent documentation obtained by the District clearly indicates that MWH colluded with RWQCB staff to work against the Oswald design. Furthermore, MWH inappropriately postured itself to take over the preparation of the Facilities Plan from Oswald. This is a clear ethics violation in that MWH not only failed in its responsibilities to objectively evaluate alternatives, but removed oversight controls that have resulted in significant damages to the District and citizens of Los Osos.

MWH completed the Facilities Plan for an entirely different project. The original MWH contract, which was amended at least six more times, raised the MWH's fees five-fold. MWH's efforts in recommending against the community preferred system more than doubled the estimated project construction costs. The amendments and the billings are difficult to track, and in some cases not sequential. Subsequent investigation has revealed that MWH overcharged the District and in numerous instances doubled charged the District.

When MWH completed the Project Facilities Plan (Plan), the District issued an RFP that was prepared by MWH, for the design of the project recommended in the MWH Facilities Plan. The Facilities Plan prepared by MWH was clearly biased against any technology that was different from treatment systems previously designed by MWH for other clients. MWH's selection criteria were grossly skewed towards a specific treatment process. MWH's failure to objectively and ethically evaluate all available treatment systems, as well as collection systems, significantly increased the project costs to the citizens. MWH failed to openly inform the District and citizens of other options available that would have been to the community's preferences and been the environmentally preferred option at a significant savings in capital construction and maintenance and operations.

MWH, serving in their role as the Project Manager, should not have competed for the design phase of the project. MWH clearly had a conflict of interest in developing and assisting with the design proposal phase of the project since they competed for the

design contract. MWH wrote the language for the design request for proposal. This gave them a significant advantage during the design competition. MWH's role as the Project Manager and then performing the design was not only inappropriate but clearly denied the District the object oversight of the design that a Project Manager would have provided. Investigations into the design work project clearly indicate that there was a significant amount of design work that required rework. MWH's role as the Project Manager allowed MWH to cover up these design errors and omissions. MWH clearly violated its fiduciary responsibility to the District and the citizens of Los Osos to assure that payment was only for acceptable quality work. MWH's breach of this fiduciary duty as the Project Manager was also flawed because as the Project Manager, MWH was not only responsible for the design reviews but also would review all requests for payment by the design firm to make sure the invoices were correct and reasonable. MWH clearly had a conflict of interest and their objectivity in performing these reviews at a minimum does not meet an acceptable level of performance and certainly did not provide an independent review of the design.

MWH competed with DMJM and Corrolla Engineering for the design assignment in mid 2001, and was awarded the contract in 2002. MWH developed the design, prepared bidding documents into three separate construction packages, and issued these documents to the construction community for bid.

MWH then assisted the District in conducting all phases of the pre-construction activity in the capacity as the District's technical representative. They assisted with and/or prepared the Invitation for Bid, established the contractor prequalification criteria, facilitated the contractor prequalification process, assisted in the bidding process, reviewed the bids, recommended to the District what bids should be accepted, and assisted in the construction contract awards and the Notice(s) to Proceed.

In 2004, MWH advised the District that it was necessary to pre-qualify contractors bidding on the three contract phases. The project consisted of a conventional MBR plant with micro filtration along with two contracts for the installation of a conventional gravity collection system. Although there may be some justification to pre-qualify the treatment plant contractor, there is no justification to pre-qualify the gravity collection system pipeline contractors. MWH sized the pipeline contracts to such a level that it limited the construction bid capability of prospective bidders to only larger firms. The sizing of the pipeline contracts coupled with the extraordinary pre-qualifications of the pipeline contractors clearly limited the ability of small to medium size contractors to bid the gravity collection system. This act by MWH limited bid competition and exposed the District to increased expense due to the limited competition. A similar argument regarding the pre-qualification of the treatment plant contractors also exposed the

District to limited bid competition and was a significant factor in the excessively high bids received.

As a result of the stringent pre-qualification criteria drafted by MWH, there was only one bidder on two of the construction contract packages, and two bidders on the third package. The bids received were substantially above the Engineer's Estimate that had been prepared by MWH (bids were 24% - 57% over the Engineer's Estimate).

At the bid opening, a MWH representative remarked to at least two of the District Directors (one of them being me) that the project should be re-bid, due to the lack of competition and because the bids were so high above the Engineer's Estimate. They also made these statements and prepared a report that also strongly recommended that the project should be rebid due to the high bids. This reported was formally presented to the District Board and the Citizens of Los Osos at a District Wastewater committee meeting and at a District business meeting (tapes available.) Mysteriously, only one week later, after MWH was awarded a $7.685 million (sole sourced) amendment to their design contract for construction management services (total MWH contract value was increased to approximately $14 million), MWH then reversed their opinion about rebiding the construction of the project and recommended that all construction contracts be awarded. This resulted in a total project bid price of approximately **$128.2M** (MWH =$14M; Whitaker = $24.5M; Barnard = $43.5M; Monterey Mechanical = $46.2M). The Engineer's Estimate was **$78.2M** (Whitaker = $19.8M; Barnard = $29.1M; Monterey Mechanical = $29.3M).

The cost of construction was $36M more than the Engineer's Estimate. MWH's negotiated fee for the construction management services was 18% of the Engineer's Estimate. MWH's motivation for accepting the bids was due to the fact that they would be paid more because their sole source construction management contract was based on a percentage of these higher construction bids. MWH did not compete for this lucrative and excessive Construction Management phase of the work. It is interesting to note that given MWH's sole source construction management contract and the 740 day duration of the contract this would mean that MWH would be billing at a rate of over $10,000 per day for a team of 5 MWH employees.

This brought the project cost for construction to average of over $50,000 per property owner. Other costs not reflected in the $50,000 amount did not include the decommissioning of individual septic tanks and the installation of residential lateral lines, estimated at $2000-$6000 more per household or the construct of over $30 million in deferred capital facilities. Add to that the cost of financing, real estate purchase, and operating cost, and the monthly cost to the property owner is extremely high for a

moderate income community, with 5000 households being required to hook up to the sewer. In addition, because of the land constraints (which MWH ignored), plant expansion to accommodate any additional properties outside the project area, also known as the "Prohibition Zone", would be impossible. This would likely mean that if there was any growth, or if the remaining residences who were not being sewered (approx. 800 more homes) would choose to hook up at a later date, another treatment plant would be needed at significant additional costs.

The current LOCSD Board contends that MWH colluded with the Central Coast Regional Water Quality Control Board staff, staff of the California State Water Resources Control Board and the construction contractors to accelerate the construction contract awards less than a month before a scheduled recall election that would have significant impact on the location of the treatment plant portion of the work. The project funding, in the form of a State Revolving Fund Loan, was good until December 20, 2005; so there was no reason to rush. MWH, despite no contractual provision to do so, issued an illegal "conditional" Notice to Proceed (NTP). The "conditional" NTP was issued prior to the project being funded and contractually required permit being procured. MWH failed to notify the LOCSD that its recommendation to issue a "conditional" NTP which would permit the contractor to incur significant costs, was not provided for in the contract terms, violated contractual prohibition against front loading the contract and violated state and federal laws prohibiting unauthorized commitments.

As one of two of the seated dissenting Board members at the time of issuance of this "conditional" NTP, I personally protested in writing and at public meetings in May-September 2005, alleging such illegality – I was overruled. I also have numerous email correspondences with our past General Manager Bruce Buel and Steve Hyland, MWH engineer, protesting the use of this "Conditional" NTP notice, clearly and unequivocally pointing out that MWH's actions violated the contract provisions, and State and Federal law.

Both of the minority Board members (one of them being me) were physically barred from one bidder's conference MWH conducted in February 2005 (tapes available) and two construction kick-off meetings MWH conducted that were held in late July 2005, (photos available). MWH also refused to video tape the construction meetings, although both Directors and members of the public requested this taping.

It is our Board's opinion that a violation of state law did occur when the District issued this "conditional" Noticed to Proceed (NTP) to the contractors on July 6, 2005. Because this "conditional" NTP allowed the contractors to incur costs, and because the District

did not have the funds or the funding authority it needed to cover these incurred costs. It is clear that MWH's actions wantonly violated State and Federal laws prohibiting unfunded obligations. Furthermore MWH's actions clearly violated contractual clauses that specifically prohibited the contractors from front loading construction expenditures. It is incredibly ironic that the contract language prohibiting this act was written by MWH.

It is our opinion that a violation of state and federal law did occur when the "conditional" NTP was issued by MWH to the contractors on July 6, 2005. Project funding by the SWRCB Division of Financial Assistance did not obligate the project funding until August 8, 2005, nearly one month after MWH issued the "Conditional Notice to Proceed". The required Coastal Commission permit and the site grading permit were required prior to the SWRCB funding the project. These permits were approved and the SWRCB funded the project on August 22, 2005.

The mandatory San Luis Obispo County (SLO) grading permit required that the District obtain a site restoration bond prior to the commencement of any and all grading activities. SLO County Public Works required the bond due to the pending recall election and pending voter initiative that could have halted work at the treatment plant site. Because of the County's bond requirement, the District Board authorized staff to obtain the required grading bond specifically from "Insco Dico". However, when Insco Dico refused to issue the bond (due to MWH's failure to disclose the project risks and significant environmental impacts). MWH colluded with Monterey Mechanical, the treatment plant contractor, to arrange an alternate bond that not only covered the restoration of portions of the treatment plant site but also the restoration of the pipeline contractor's sites. MWH's action was not allowed under the contract terms and was in direct violation to the District Board's authorization.

The District did not have the approved Coastal Commission permit (not issued until August 18, 2005) which was the necessary authority to allow the SWRCB to issue the funds (funds were not released until August 22, 2005) from the SRF Loan fund.

In addition to the improper bond and the illegal "conditional NTP", MWH colluded with two of the three contractors to improperly pay the contractors at least 30 and possible 60 days early. On August 22, 2005, MWH issued an NTP in accordance with the contract documents. On August 28, 2005, the District requested disbursement of the first draw of funds from the SWRCB SRF loan. The first disbursement of SRF loan funds was specifically required to reimburse the District for all pre-design work and establish a construction contingency fund, as required under the terms of the SRF Loan Agreement. MWH was directed by the District Board to immediately draw down the

3. Methods of Payment for Services and Expenses of Consultant.

   3.1. For Basic Services on the project, Consultant shall submit monthly invoices with reasonable detail of the time incurred by personnel assigned to the project, along with a schedule of Reimbursable Expenses incurred, supported by invoices and appropriate backup documentation in a form acceptable to the LOCSD. Each invoice shall report on Consultant's total billings and Reimbursable Expenses to date.

   3.2. For Extra Services as defined below, the LOCSD shall pay Consultant as follows:

      3.2.1. General. For Extra Services of Consultant's professional staff engaged directly on the project, on the basis of a lump sum negotiated between the parties, or at LOCSD's option, at Consultant's billing rates.

      3.2.2. Subconsultants and Subcontractors. For Extra Services of subconsultants or subcontractors employed by Consultant to render Extra Services, the amount billed to Consultant therefore times 115.7%.

      3.2.3. For Extra Services on an hourly basis, Consultant agrees that all subconsultant and subcontractor billing will be limited to a not-to-exceed amount upon prior written approval of the LOCSD.

      3.2.4. For Reimbursable Expenses, LOCSD shall pay Consultant the actual cost of all Reimbursable Expenses times 115.7%.

4. Definitions.

   4.1. "Extra Services" means services beyond the scope of services defined in this agreement.

   4.2. The Billing Rates used as a basis for payment apply to all of Consultant's professional personnel (including with limitation project managers, estimators, schedulers, support staff, and field personnel) engaged directly on the project. Billing Rates may increase up to 4% per year maximum consistent with Consultant's established salary review schedule, subject to written approval by the LOCSD in advance of any adjusted billing rate adjustment.

   4.3. "Reimbursable Expenses" means actual expenses incurred by Consultant for only the following costs: 1) reasonable and necessary project-related travel expenses, while travelling on behalf of the Project beyond a 30-mile radius of Los Osos, for trips authorized in advance by LOCSD; 2) mileage costs for automobile use by Mr. Ysusi between Fresno and Los Osos ("commute"); 3) other Reimbursable Expenses not included in "APC" which are authorized in advance in writing by LOCSD.

   4.4. "Associated Project Costs" or "APC" include telecommunications, postage/express mail, convenience copying (in-house printing, printing for communication between LOCSD and between LOCSD consultants, and printing other than for bid packages or major printing efforts), Consultant's network, standard personal computers and software, faxes and general office supplies.

END OF EXHIBIT B

Water Resources Advisory Committee

Michael Winn
Chairperson

Sue Luft
Vice Chairperson

Courtney Howard
Secretary

Room 207, County Government Center
San Luis Obispo CA 93401

PH (805) 781-1016
FAX (805) 788-2182

Members

Steve Sinton
District 1

Bill Garfinkel
District 2

Marilee Hyman
District 3

Michael Winn
District 4

Dan O'Grady
District 5

Chuck Fellows
Arroyo Grande

Steve Kahn
Atascadero

Robert Mires
Grover Beach

Betty Winholtz
Morro Bay

Christopher Alakel
Paso Robles

Ted Ehring
Pismo Beach

Allen Settle
San Luis Obispo

Jim Adams
Cambria CSD

John D'Ornellas
Heritage Ranch CSD

Maria Kelly
Los Osos CSD

Bruce Buel
Nipomo CSD

Patrick O'Reilly
Oceano CSD

John Russell
San Simeon CSD

Mike Ellison
San Miguel CSD

Paul Sorensen
Templeton CSD

Linda Chipping
Coastal San Luis RCD

Tom Mora
Upper Salinas RCD

Ray Allen
Agriculture At-Large

Joy Fitzhugh
County Farm Bureau

Sue Luft
Environmental At-Large

Eric Greening
Environmental At-Large

John Neil
Atascadero MWC

John Kellerman
California Men's Colony

John Reid
Camp SLO

Edralin Maduli
Cuesta College

Mark Zimmer
Golden State Water

May 14, 2009

Honorable Sarah Christie
Chairperson, County Planning Commission
Department of Planning and Building
976 Osos Street, Room 300
San Luis Obispo, CA 93408

Subject: Water Resources Advisory Committee Comments on the Los Osos Wastewater Project

Dear Chairperson Christie:

The Water Resources Advisory Committee (WRAC) had discussions concerning the County's proposed sewer system for Los Osos in its March and April meetings. Also it held a public workshop on April 4, which created a subcommittee under the leadership of Sue Luft for further analysis of the County's project, and then concluded its deliberations (for now) in its regular monthly meeting in May.

Attached you will find that subcommittee's report, which was adopted in its entirety by the membership May 6.

The WRAC is a diverse group, with a broad range of expertise and interests, so our members hold a variety of views; but there is broad agreement on several issues:

1) We recommend that tertiary treatment of the effluent to Title 22 standards be adopted as an important design criterion.

2) We understand the necessity of a fail-safe site for the disposal of treated effluent, and thus sprayfields are acceptable during startup of the project – the wastewater project should not be further delayed. However, we recommend that other options – recharge, purple pipe for reclaimed water, agricultural exchange, etc. – be pursued in a phased approach, possibly rendering the sprayfields unnecessary.

3) We recommend further examination of various creek sites, potential recharge ponds and constructed wetlands as opportunities for recharge and disposal.

Purpose of the Committee:
To advise the County Board of Supervisors concerning all policy decisions relating to the water resources of the SLO County Flood Control & Water Conservation District. To recommend to the Board specific water resource programs. To recommend methods of financing water resource programs.

Excerpts from WRAC By-Laws dated 3/6/07

4) We urge the parties in the ISJ to begin developing comprehensive water conservation plans now, instead of waiting until the other issues are resolved.

We will be watching your deliberations with great interest, and the WRAC may add to its recommendations as more comes to light.

Respectfully,

MICHAEL WINN
Chairperson, Water Resources Advisory Committee

cc: SLO County Planning Commissioners
SLO County Board of Supervisors

Attachment: Report on Los Osos Wastewater Project from WRAC ad hoc subcommittee

WRAC Los Osos Wastewater Project Subcommittee Report

Subcommittee Purpose

The WRAC formed a subcommittee to look at the Los Osos Wastewater Project, and the ancillary items discussed at the April 4, 2009 meeting, with the intent of bringing their comments to the WRAC in May. (Motion passed 14-0-1)

Subcommittee met on April 10 and April 16, 2009. The report was finalized via email.

Subcommittee members

Chair – Sue Luft – Environmental at Large
Mike Winn – District 4, WRAC Chair
Maria Kelly – Los Osos CSD
Linda Chipping – Coastal San Luis RCD
Joy Fitzhugh – Farm Bureau

Issues Considered

Subcommittee considered the issues brought up by WRAC members at the April 4, 2009 meeting, as follows:

- Tertiary treatment – The WRAC moved to recommend to the Board that the project scope include tertiary treatment and that the budget for the project scope include the costs for tertiary treatment. (Passed 15-0) [Note: Tertiary treatment implies Reclaimed Title 22 Water.]

- Conservation – The WRAC moved to recommend that the County start encouraging, as they may, every water purveyor to develop and implement water conservation programs now. (Passed unanimous)

- STEP/STEG – A motion failed to recommend to the Board to have staff keep all technologies open, including STEP-STEG, within the design-build process. (2 votes in favor)

- Removal of agricultural land – alternate sites – to the extent this impacts water resources.

- Use of spray fields / effluent disposal.

- Scope of project, that it should be more comprehensive.

Summary of Discussion

General

The subcommittee had some general comments that they want to include in their report.

> We are pleased that the County's process has worked, and that the County is carrying it forward. The subcommittee's intent is not to delay the project. Our concern is protection of water resources. The sewer project is a necessary project that must go forward to meet the RWQCB's mandate, alleviate nitrate contamination of groundwater, and allow for pumping pressure on the lower aquifer to be reduced.
>
> We hope that the County will continue to move the process forward with flexibility in the decision making process so that the final project that is approved is the best, all things considered, even if it is not the currently Proposed Project. The process has studied all of the components of the Los Osos Wastewater Project (LOWWP). The specific project that is constructed will include various pieces which have been studied. We urge the County to keep in mind the long-term design of the project even if some other temporary measures are needed.

Tertiary Treatment

The subcommittee is very pleased that tertiary treatment of the wastewater effluent to Title 22 (unrestricted reuse) will be part of the project. Tertiary treatment allows many options for the use of the treated water, which were not available with only secondary treatment.

Since tertiary treated water will be available, the subcommittee asks that the County consider moving the LOWWP Seawater Intrusion Mitigation Level from a Level 2b to Level 2a or 2c (pages 7-58 through 7-61 of LOWWP Draft EIR). Levels 2a and 2c both incorporate agricultural reuse and require much smaller sprayfields – which should be temporary, as discussed below.

Water Conservation

Water conservation was discussed at length by the subcommittee. Los Osos CSD and Golden State Water Company have some conservation measures in place. SLO County has adopted toilet and showerhead retrofit ordinances for new development and all properties in Los Osos at the point of sale. The subcommittee believes that more needs to be done by all users of the basin.

Los Osos CSD, Golden State Water, and S & T Mutual need to develop water conservation plans, with information on consumption rates and consideration of

tiered rate structures and other measures (Nipomo CSD and SLO City were provided as examples). SLO County needs to assist by developing ordinances to address landscape water use, which is the largest water consumption on larger lots, and to encourage water conservation by properties which use individual water wells. The County also needs to encourage best management practices for agriculture and by rural water users. Short courses in irrigation management, soil moisture monitoring, ET water budgeting, etc. are helpful.

Use of Sprayfields

The subcommittee believes that sprayfields are acceptable during startup of the wastewater project. Their use will be discontinued after the upper aquifer is dewatered adequately so that the Broderson leachfield can accept all of the water from the project and/or other options – purple pipe for reclaimed water, agricultural exchange, etc. – can be put to full use. Since the wastewater will be treated to tertiary standards, a crop can also be grown on the sprayfields while they are in use. The disadvantage to sprayfields outside the Los Osos basin at the Tonini site is that they do not provide any seawater intrusion mitigation benefits. (Page 7-63 of the Draft EIR)

Since tertiary treatment will be utilized, the subcommittee also requests that the County consider other methods – recharge ponds or constructed wetlands overlying the basin or creek discharges – instead of, or in addition to, the sprayfields. A phased approach of adding connections to the sewer system and removing the septic discharge might allow dewatering of the upper aquifer to occur in conjunction with testing of the full potential of the Broderson leachfield, possibly rendering the sprayfields unnecessary.

Alternate Treatment Plant Sites

The subcommittee understands that most of the potential treatment sites are constrained by either biological resources or agricultural resources. Each site will involve a trade off. However, since the sprayfields should be removed in the future, consideration should be given to a treatment site within the basin. Ultimately, the treated water should be used entirely within the basin. Proposed Projects 1, 2, and 3 (Table 2-2, page 2-8 of the Draft EIR) and the Mid-Town site, as they are all located within the basin, should be strongly considered.

Scope of Project

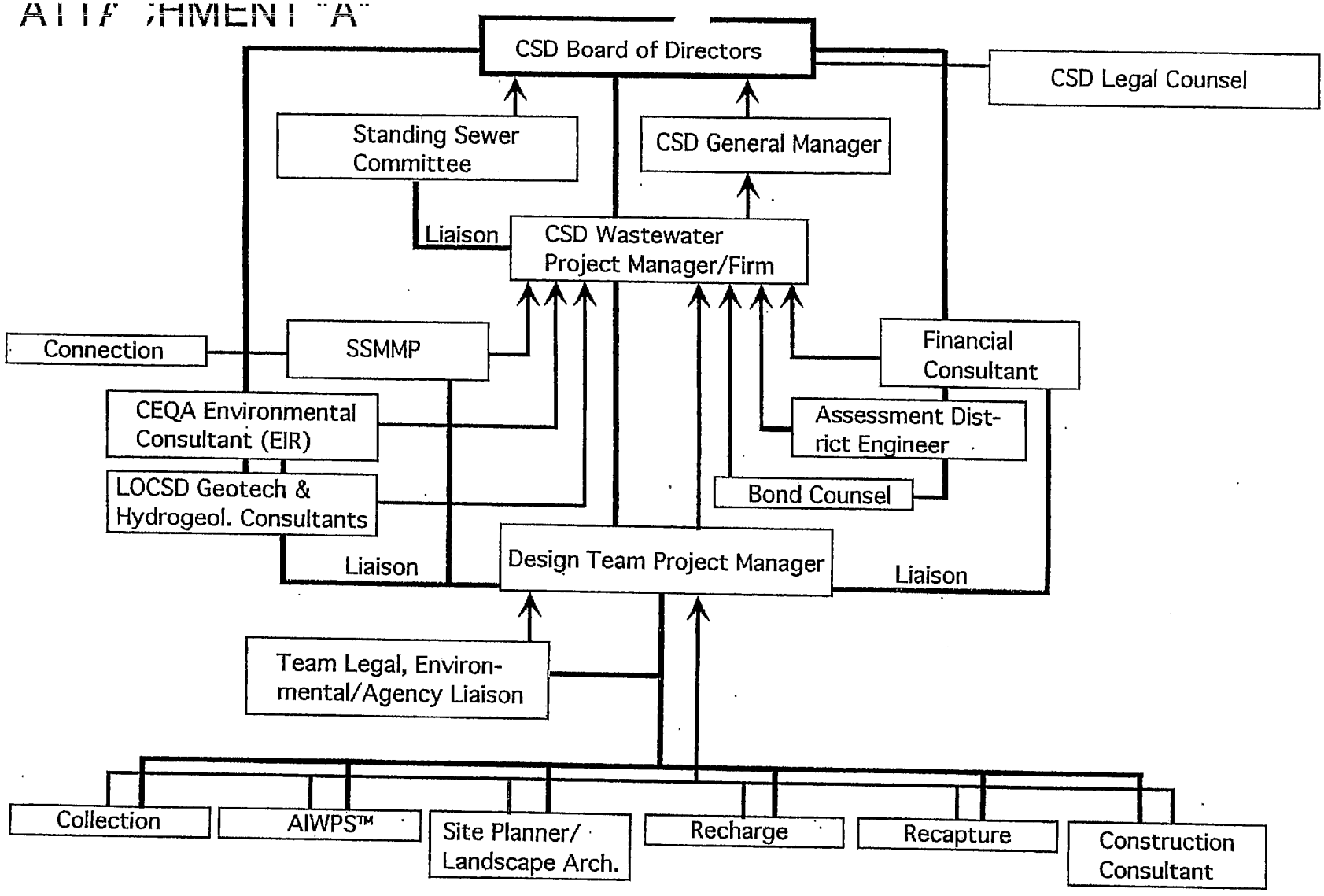
The subcommittee discussed the concern of some WRAC members that the project should be more comprehensive. Since the sewer project is long overdue, supported by the majority of the community, and mandated by the Regional Water Quality Control Board within a short timeframe, the subcommittee feels that the wastewater project should not be further delayed.

Seawater intrusion mitigation measures should be considered by the water purveyors in parallel with the wastewater project. These measures can include additional water conservation measures, reduced municipal pumping, additional ag exchange to reduce agricultural pumping within the basin, use of additional leachfields to introduce fresh water into the lower aquifer, re-injection of fresh water, etc. Investigation of these measures should be done through the Interlocutory Stipulated Judgment (ISJ).

The ISJ appears to provide an avenue for development of a groundwater management authority – once all basin users are included. However, the ISJ process is closed to the public, which is normal. An open process would create greater understanding, assuring the public that progress is being made towards resolution of the seawater intrusion issue.

The subcommittee requests that the County negotiate an interim report of the ISJ process to the community in the near future. The public needs to understand the ISJ process and how it can enable a solution to the seawater intrusion issue. Injection wells, leachfields, reduced pumping and other technologies involve a great deal of studies and testing in order to determine their effectiveness. Regular reports to the community would provide a level of understanding of the progress in remediating the seawater intrusion problem.

ATTACHMENT "A"



= Management Path (Chain of Command)
= Contractual Path for CSD commitments
= Contractual Path for Design Team
= Liaison

Los Osos Community Services District
Chain of Command
Management Direction
Recommendations by Standing Comm.
3/23/99 Rev: 10/28/99

ATTACHMENT B

PROJECT MANAGEMENT COMMITMENT

Los Osos Community Services District
Wastewater Project Management

The following statements describe Montgomery Watson's project management time commitment to the Los Osos Wastewater Project. Specific items, relating to working conditions and eligible reimbursable costs, are also described.

1. The weekly workload is anticipated to vary between 3 and 5 days per week, depending on project requirements at the time. The project budget has been developed assuming that the Wastewater Project Manager (WPM) will, on average, devote 3-1/2 days per week working on the Los Osos Wastewater Project.
2. In general, the WPM will be in Los Osos two or more days per week. Monday and Tuesday are the regular days for the WPM to be in residence in Los Osos.
3. The WPM will customarily attend the meetings of the LOCSD Wastewater Committee and report project status and provide project information to committee members. The LOCSD Wastewater Committee currently convenes the second and fourth Tuesday of each month.
4. The WPM's daily location will be posted on the project management journal to facilitate contacting him when he is not working in the LOCSD office. The WPM's anticipated working locations will be posted one week in advance. The LOCSD office staff will be notified of the communication location and phone number of the WPM when not in residence in Los Osos. WPM will provide for project and public contact access at his location(s) during the work week.
5. The LOCSD will provide office space in the CSD offices at 2122 9th Street, Los Osos, California. The LOCSD will also provide a phone for project-related business. Montgomery Watson will pay long distance phone costs, not related to the Los Osos Wastewater Project.
6. The WPM's time commuting between Montgomery Watson's Fresno office and Los Osos is not chargeable. Travel time required for other project-related business is chargeable.
7. Mileage reimbursement between Fresno and Los Osos will be limited to one round trip per week, or more if pre-approved by LOCSD's General Manager.
8. Mileage costs within a 30-mile radius of LOCSD offices will not be charged.

END OF ATTACHMENT B

Attachment B

Los Osos Community Services District
P.O. Box 6064 • Los Osos, California 93412 • Phone 805/528-9370 • Fax 805/528-9377

President: ..... Rosemary Bowker
Vice-President: ..... Pandora Nash-Karner
Directors: ..... Stan Gustafson, Gordon Hensley, Sylvia Smith
Interim General Manager: ..... Paavo A. Ogren
Utilities Manager: ..... George Milanés

November 4, 1999

Board of Directors
Los Osos Community Services District

Subject: **Agenda Item No. 13:**
Consideration and approval of Montgomery Watson's contract for Wastewater Project Management Services in an amount not to exceed $288,145.00.

Summary

Attached are recommendations developed by the District's wastewater committee for inclusion in the Los Osos Community Services District Wastewater Project Management Agreement with Montgomery Watson. These recommendations result from a meeting of the ad-hoc subcommittee appointed by the Standing Sewer Committee and Mark Ysusi, District Wastewater Project Manager on October 28, 1999.

Recommendation

That after discussion and public comment, your Board

1. Review the recommendations of the Advisory Committee and adopt them, or in the alternative, modify and adopt the recommendations.

2. Authorize the District's President to execute an agreement with Montgomery Watson upon final preparation by legal counsel.

Sincerely,

Paavo A. Ogren
Interim General Manager

GARY E. KARNER, FASLA
CA Landscape Architect #1175
350 Mitchell Drive, Los Osos, CA 93402
(805) 528-7014 • FAX (805) 528-7033
email: <gkarner@calpoly.edu>

FAX MEMO: 5 pp. total including this page

Date: October 29, 1999

To: Paavo Ogren - CSD Gen Mgr
Jon Seitz - CSD Counsel
Mark Ysusi - WWT PM
Frank Freiler
Bob Semenson

cc: Pandora Nash-Karner, Chair, Standing Sewer Committee
Stan Gustafson - Standing Sewer Committee

Re: WPM Agreement Review

Frank, Bob and I met with Mark Ysusi yesterday and reviewed aspects of the Agreement for WPM (Montgomery Watson). Our recommendations are attached.

I have revised the "Chain of Command" chart, adding coordination of the geotech and hydrogeology consultants as part of the WPM's duties. This chart is in color and I will leave copies at the CSD office for reproduction and inclusion in the Agreement. The chart was created in Canvas.

I am sending this to all parties identified above. If there are questions or if I have not recorded the meeting accurately, please call.

I will attempt to email this to all concerned with the documents attached as files. Hope they get through.

Best,
Gary

This FAX and the information it contains is intended to be a confidential communication only to the person or entity to whom it is addressed. If you have received this FAX in error, please notify us by telephone and return the original to this office by mail. We will reimburse any costs incurred in complying with this request.

LOCSD WWT PM Agreement Review and Recommendations
October 28, 1999

Following is a summary of recommendations for inclusion in the Los Osos Community Services District Wastewater Project Management Agreement between Montgomery Watson and the LOCSD. These recommendations result from a meeting of the ad-hoc subcommittee appointed by the Standing Sewer Committee (Frank Freiler, Gary Karner and Bob Semenson) and Mark Ysusi, LOCSD WWT Project Manager ("WPM") on October 28, 1999.

1) The Agreement is to be on an hourly-maximum basis, not to exceed the cost projections in the Montgomery Watson proposal for the Los Osos Wastewater Project Manager dated July, 1999, under "Fees and Expenses".

2) The Agreement is to be for one year, retroactive to the date services were initially provided, and subject to annual extensions by mutual agreement by the parties.

3) The Scope of Work (Exhibit "A") for Los Osos Community Services District Wastewater Project Management was reviewed and approved for inclusion in the Agreement.

4) The Terms and Conditions to be included in the Agreement were reviewed and approved with minor changes. Mr. Ysusi is to clarify these modifications with LOCSD legal counsel.

5) The chart entitled "Chain of Command, Management Direction" (Recommendations by Standing Committee, 3/23/99), revised 10/28/99 is to be attached to the Project Manager Scope of Services as Attachment "A". This chart was revised by the ad-hoc committee and WPM to reflect that the geotechnical and hydrogeology consultants retained directly by the LOCSD would report to and be coordinated by the WPM.

6) The WPM is to prepare Attachment "B" to the Project Manager Scope of Services to define the WPM's time commitment to be in residence in Los Osos and to define communication procedures both while in residence in Los Osos and away. Generally, the WPM's commitment is for four days per week devoted to the Los Osos WWT Project, with a minimum of two days per week in residence in Los Osos. This attachment is subject to approval by the parties and may be

modified by mutual consent.

7) It is recommended that this document (LOCSD WWT PM Agreement Review and Recommendations, October 28, 1999) be attached to the Scope of Services as Attachment "C" in the Agreement.

8) Billing Procedures: It was agreed that:

a) Mr. Ysusi would be billed at a flat hourly rate of $140. per hour. Mr. Ysusi's time "commuting" between Fresno and Los Osos is not chargeable.

b) All other MW personnel would be billed in general accordance with the document entitled "MWA Cost Recovery", June 14, 1999 prepared by Rick Frank. (See Reimbursable Expenses, below.)

c) In addition, we agreed that a profit margin of 10% would be acceptable.

Effectively, personnel will be billed according to the following formula (numbers are for illustration only):

Item:	Example
Direct Salary:	$40.00
Overhead (130.8% x $40)	52.32
APC (flat charge per direct labor hour)	7.25
subtotal	99.57
G&A (15.7% x $99.57)	15.63
Subtotal	$115.20
Profit (10% x $115.20)	11.52
Billing Rate	$126.72

Personnel will be billed by classification and by person and services charges allocated to "project billing sectors".

d) The WPM is to establish project billing sectors, generally to account for expenditures attributable to:

SSMMP
Collection System
Treatment System

Recharge/discharge System
Harvesting System
(Others, as required for clarity)

9) Reimbursable Expenses: With the exception of the following, all expenses are included in the billing formula described above.

Exceptions:

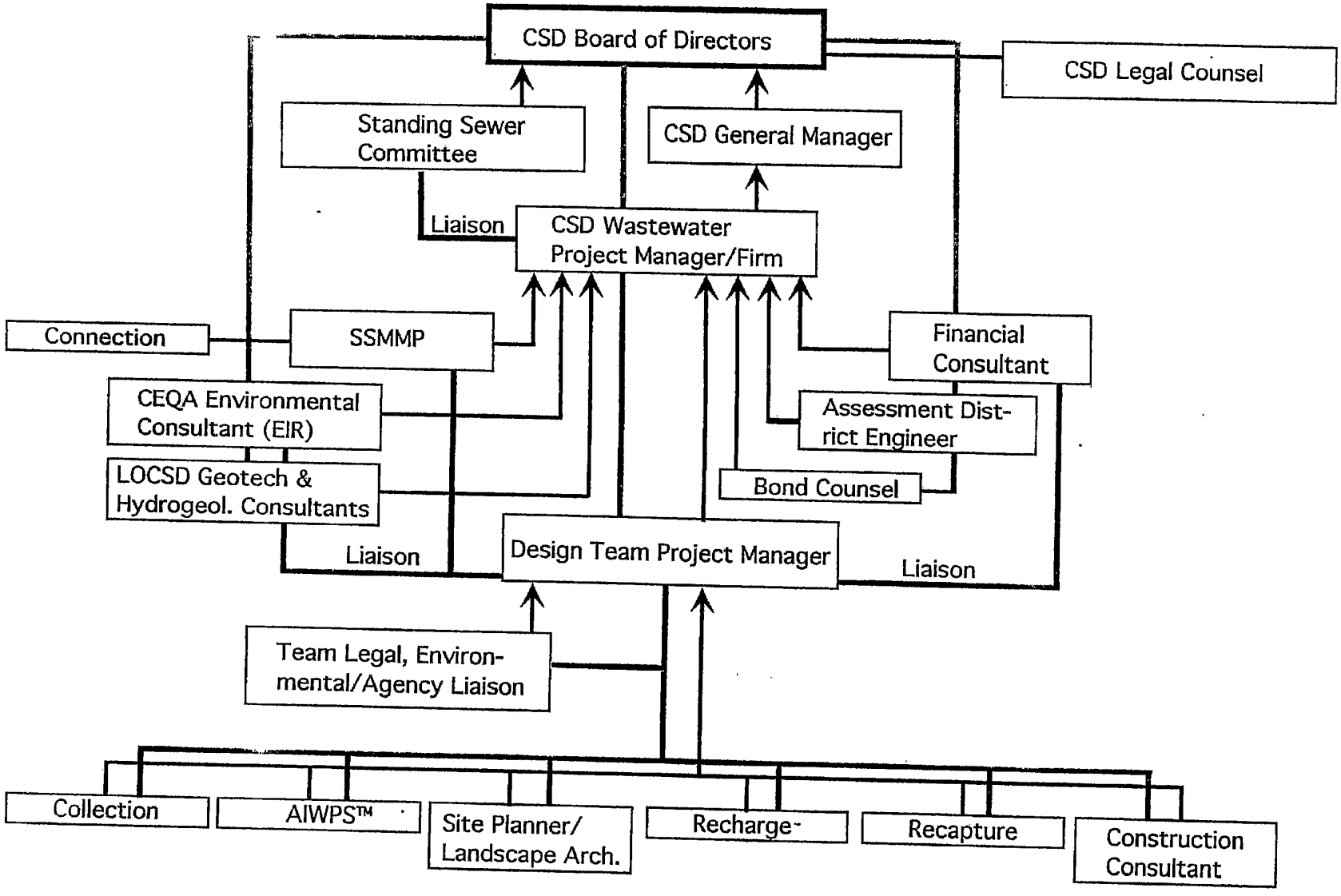
a) The LOCSD will provide office space in the CSD offices in Los Osos for the WPM, at the pleasure and direction of the CSD.

b) Reasonable and necessary project-related travel expenses, while travelling on behalf of the Project beyond a 30-mile radius of Los Osos, are chargeable at cost + 15.7%.

c) Mileage costs for automobile use by WPM between Fresno and Los Osos ("commute"), and for reasonable and necessary Project travel, are chargeable at $0.31/mile + 15.7%. (= $.36/mile). Note: WPM's time in "commuting" between Fresno and Los Osos is not chargeable. Non-project automobile use is not chargeable.

10) It was agreed that the ad-hoc subcommittee would review Montgomery Watson's billings compared to the proposed cost projections in the MW proposal on a quarterly basis. It is the WPM's responsibility to control expenditures in accordance with the proposal.

END



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= Liaison

Los Osos Community Services District
Chain of Command
Management Direction
Recommendations by Standing Comm.
3/23/99 Rev: 10/28/99

Fees and Expenses

First Year Project Management Costs

Staff Member	Estimated Hours	Hourly Rate	Amount ($)
WPM			
Ysusi	1400	140	$196,000
Labor Subtotal	1400		$196,000
APC			$10,150
Other Direct Costs			$20,000
Reimbursable Subtotal			$30,150
Estimated First Year WPM Cost			$226,150
Additional Staff (as determined by CSD)			
Bergen	16	140	$2,240
Creager	16	135	$2,160
Monroe	16	135	$2,160
Gellerman	24	135	$3,240
Vause	16	135	$2,160
Erskine	24	75	$1,800
Middlebrooks	16	125	$2,000
Richardson	60	140	$8,400
Smith	32	125	$4,000
Zurowski	40	115	$4,600
Hasan	40	100	$4,000
Administrative Aid	288	60	17,280
Clerk	32	60	$1,920
Labor Subtotal	620		$55,960
APC			$4,495
Other Direct Costs			$1,500
Reimbursable Subtotal			$5,995
Estimated Cost of Additional Staff			$61,955

Post-it® Fax Note 7671	Date 11/1/99	# of pages ▶ 1
To KAREN VEGA	From MARK YSUSI	
Co./Dept.	Co.	
Phone #	Phone #	
Fax # (805) 528-9297	Fax #	

EXHIBIT A

SCOPE OF WORK

Los Osos Community Services District
Wastewater Project Management

Introduction

The Los Osos Community Services District (DISTRICT) is embarking upon a major capital project to provide wastewater treatment and disposal facilities for the community. This project will be consistent with the vision established in the Comprehensive Resource Management Plan prepared by The Solutions Group.

To assist in delivering the project DISTRICT has retained Montgomery Watson (MW) to be the Wastewater Project Manager (WPM). The key functions of the WPM will be to provide leadership and to coordinate the activities of the various project participants including the DISTRICT, design consultant, environmental, financial and other consultants and regulatory and funding agencies. The goal of this coordination is to aid the DISTRICT in ensuring that the project proceeds on schedule and budget and that effective reporting and communication are maintained among all project participants through project completion.

Mark Ysusi will serve as MW's WPM. The WPM will serve as the project focal point and will be the DISTRICT's agent during the planning and design phases of the project. He will also coordinate and determine with the DISTRICT the need for MW's support staff as required for project assignments.

DISTRICT has retained the firm of Oswald Engineering, Inc. (Design Engineer) to provide design engineering services for the project. The initial design engineering services include preparation of a Facilities Plan to be submitted to the State Regional Water Quality Control Board in January 2000. It is understood and agreed that the Design Engineer will be solely responsible for the completeness and accuracy of it's own activities and work products including reports, technical memoranda, facilities plans, preliminary designs, designs, estimates, schedules and other items. Similarly, the DISTRICT's other consultants shall be responsible for the completeness and accuracy of their own work products.

MW will perform the following project management services.

Task 1 – Administration

Task 1.1 - Project Management
Task includes work related to the management, administration and coordination of activities for the project management contract.

- Prepare Project Management Plan including organization, schedule, communications, reporting, documentation and project procedures.

- Prepare Work Plans for each work order as it is authorized, including work tasks, labor required, individuals responsible for each task and the budget by task.
- Track and document work progress and budget expenditures for MW and its subconsultants efforts.
- Track and document work progress and budget expenditures for DISTRICT in-house and DISTRICT consultants efforts.
- Administer the contract by providing assistance with monthly status reports, invoices, and managing DISTRICT consultants and MW subconsultants.
- Attend and provide minutes for regular project management meetings with the DISTRICT related to management of this contract.
- Prepare cost proposals for change orders and amendments to this contract.

Task 1.2- Monthly Status Report
Using the information developed under Task 1.1 as well as supplemental information, MW will prepare a detailed Monthly Status Report for the DISTRICT. Master schedule and budget status will be reported. The report will include progress and budget status information for the WPM, MW subconsultants and each DISTRICT consultant. Key Project Journal information including action items completed will also be provided. Problem areas and suggested solutions will be included. Key upcoming activities and milestones will be identified. Agency contacts and status will be summarized. An executive summary of each Monthly Status Report will be provided on the Project Journal.

Task 1.3 - Program Assistance Services
As requested, assist DISTRICT staff in management of contracts and project issues. This would include the WPM attending project coordination meetings, preparation of analyses of technical issues, assistance in developing construction contract packages, preparation of a construction management plan, and related services. This assistance will also include development of a master project schedule and budget. Assist the DISTRICT in reviewing DISTRICT consultants scopes of work and budgets. Assist the DISTRICT in assessing the quality of progress and completed work products. The consultant will also prepare level of effort estimates for engineering change orders and contracts for work to be performed under DISTRICT consultant contracts, as necessary. MW will assist DISTRICT staff as requested during the preparation of construction contract documents and the bidding process.

Task 1.4 – Permit and Easement Acquisition Support and Agency Coordination
Our team will coordinate work performed by the environmental, permitting and easement consultants. We will review the documents and assist in gathering drawings as needed and provide input based on experience to assist in expediting permits and easements. Maintain regular liaison with all affected regulatory and funding agencies including SWRCB, RWQCB, Department of Fish and Game and DOHS. Prepare a project binder containing all permitting and approval documents.

Task 1.5 – Inter/Intranet Site (Project Journal)
Establish and maintain an inter/intranet Project Journal that can be accessed by DISTRICT and other project participants. The Journal will include e-mail, general project information, project directory, project calendar, meeting minutes, status reports, technical issue discussions and related materials. As part of community outreach, this site may also be expanded to provide public access to general project information.

Task 1.6 – Master Filing System/Document Control
Prepare a master filing system to organize all project documents to and from the DISTRICT. MW will review a selection of commercial document control products and recommend a document control system to provide document retention and tracking for appropriate documents during the design period. MW can also provide it's own Access–based document control system.

Task 1.7 – Technical Focus Workshops/Liaison
Working in close conjunction with DISTRICT staff and the design team, involve MW's and subconsultant resources with specific experience in needed areas in focused workshops. Suggested subject areas are listed below. These areas can be modified during the initial project meetings.

- Design Criteria
- Effluent Disposal/Groundwater Quality
- Permits and Easements
- Project Financing
- Cost Estimating
- Scheduling and Construction Packaging
- Constructability/Biddability
- Community Outreach Strategy

Brief meeting minutes and/or technical memoranda will be prepared.

Maintain regular contact and dialog with the project design team so that appropriate questions are asked and issues raised in a timely manner in order to maintain progress and the project schedule.

Task 1.8-Master Consultants Budget, Schedule and Deliverables
Prepare a master budget and schedule showing all DISTRICT consultant services including those of the WPM. This will facilitate proper consultant services tracking and coordination. The schedule will also show all major deliverables to be provided by each consultant. Identify all deliverables required from each consultant. Consultants invoices/expenditures will be tracked under Task 1.1 and reported under Task 1.2.

Task 1.9- Action Items Calendar
Prepare an action items calendar for DISTRICT and consultants efforts. This will be based upon the master schedule generated under Task 1.8 and will be included in the Project Journal so that all parties will be able to assess the progress of each participant and tasks that need to be completed prior to the next milestone.

Task 1.10- Assessment District Engineering Coordination and Funding Considerations
Maintain regular contact and coordinate with the project Assessment District Engineering consultant. Assist the DISTRICT and Assessment District Engineer in conducting public meetings required for the assessment district process. Assist the DISTRICT in assessing the adequacy of overall project funding, coordination with State Revolving Fund loan requirements and other associated considerations. Assist the DISTRICT in assessing the viability of alternative funding sources. Assist the DISTRICT in developing project cash flow requirements consultant services and construction.

Task 2 – Review Existing Information

Montgomery Watson will establish a project library so that project team members can become familiar with existing project planning and environmental documents, regulatory and permitting agency requirements and other pertinent existing information. The library will incorporate existing documents compiled by the DISTRICT.

Task 3- Project Facilities Plan and Environmental Documentation Coordination

Task 3.1- Coordinate Draft Facilities Plan and Environmental Document Preparation
MW will meet with the project design consultant to assist in developing a Facilities Plan table of contents acceptable to the DISTRICT, the SWRCB and the RWQCB. MW will assist the DISTRICT in reviewing the draft Facilities Plan. MW will also meet with the project environmental consultant to assist in developing a table of contents for necessary environmental documentation acceptable to regulatory and permitting agencies and will assist in reviewing the draft document. MW will track the progress of each effort to monitor compliance with the master schedule milestones. MW will assist the DISTRICT and design and environmental consultants in responding to SWRCB and RWQCB review comments. Following draft Plan acceptance, MW will assist the DISTRICT and design consultant in developing additional design consultant scope necessary to complete the facilities planning predesign process.

Task 3.2- Coordinate Final Facilities Plan and Environmental Documentation Preparation
MW will track the progress of the final Facilities Plan and final environmental documentation preparation to monitor compliance with the master schedule milestones. MW will monitor Facilities Plan project scope changes and environmental mitigation requirements to assess impacts upon the project estimated construction cost. MW will assist the DISTRICT in reviewing the final Facilities Plan and the final environmental documentation prior to their submittal to the SWRCB and the RWQCB.

Task 4-Assess Design–Build Approach (Optional Service)

At the DISTRICT's request, MW would assess the appropriateness of employing the design-build delivery system for one or more project elements. Compatibility with project funding and DISTRICT institutional requirements would also be assessed.

Task 5 –Design Quality Monitoring

Task 5.1 – Technical Reviews
As requested, perform technical reviews of design phase work completed by the design consultant. The intent of these reviews is not to duplicate the design consultant's own QA/QC reviews, but to supplement reviews by DISTRICT staff to address project-wide issues, interfaces between construction contracts, consistency (e.g., specifications, standard details), and related issues such as system hydraulics, construction contract packaging, etc. Reviews will consider overall consistency of the documents with particular consideration to minimizing exposure to potential construction claims. Technical reviews will be conducted at the preliminary design, mid-point design and 90 percent design completion steps for each contract. Review comments will be documented along with agreed upon resolution and circulated to the design teams and DISTRICT staff. An operability review would also be completed in conjunction with the DISTRICT's Utilities Manager.

Task 5.2 – Value Engineering Services/Constructability Review
Under this task, MW will plan, organize, facilitate, and document a value engineering workshop focusing on the preliminary design for each contract. These workshops will address the preliminary design work. At the 90 percent level of design, the consultant will plan, organize, facilitate and document a constructability review.

Task 6 – Construction Cost Estimates and Schedules

Task 6.1 – Design and Construction Schedule
Coordinate with the design team and DISTRICT staff to create a comprehensive design schedule. The design team is responsible for its own schedule commitments within the established project milestones. This schedule will be used to coordinate information and permitting/approvals needs and identify

interdependencies between project elements. Our team will manage the schedule to minimize schedule impacts due to informational needs.

Prepare a comprehensive construction schedule at the preliminary, midpoint, and 90 percent levels of design. Scheduling will be performed with Primavera Project Planner for Windows.

Task 6.2 – Construction Cost Estimate
Prepare a comprehensive construction cost estimate at the preliminary, midpoint, and 90 percent levels of design. Unit prices, estimating methods and related information will be provided. Cost estimates will conform to a standardized work breakdown structure/cost code to be determined. Cost estimates at each milestone will be prepared in a format that facilitates comparison between the current estimate and all previous estimates, so that major differences between the estimates can be identified. Prepare an engineer's estimate for each contract package, based on the 90 percent design estimate with any final review comments and market adjustments, prior to advertisement for bids.

To facilitate the tracking of changes between estimates, the cost estimator will perform estimates of the work, including possible design alternatives, and work with the design consultants to identify likely cost impacts from each design change. Major changes beyond a cost or schedule impact threshold (to be determined) will be documented and presented to the DISTRICT and design consultants. The DISTRICT will make the decision whether or not to approve such changes and "trend" them into the baseline estimate as part of the ongoing design.

Task 7 – Bid Period Assistance

Provide assistance during bid period including coordinating advertisement, conducting prebid conferences, fielding bidders telephone calls, soliciting input from the design engineer, coordinating responses and coordinating preparation of addenda to the Contract Documents. Such assistance will be provided for each bid package.

Assist the DISTRICT in determining the apparent low bidder(s) and in preparing the package(s) for submittal to the SWRCB. Assist the DISTRICT in receiving SWRCB approval to award (ATA) to enable DISTRICT execution of each construction contract.

Task 8- Construction Management Services (Optional Service)

At the DISTRICT's request, MW will submit a scope of work and budget estimate to perform construction management services. These services would consist of construction contract administration and inspection and materials testing.

Task 9 – O&M Manual Quality Assurance
Provide quality assurance for operations and maintenance (O&M) manuals prepared by the design team for the new facilities. Check the manuals for conformance with the project documents and with any agreed upon O&M procedures from project workshops. Also check for compliance with DISTRICT standards and NPDES permit requirements. Coordinate with DISTRICT's Utilities Manager. Upon the DISTRICT's request, as an optional service MW could also prepare the O&M manual.

Task 10 –Record Drawings Quality Assurance (Optional Service)

At the completion of construction, provide quality assurance for the preparation of Record Drawings. Actual Record Drawings preparation will be by the design team. This will include all changes to the

contract documents resulting from addendum items, change orders and other changes made during construction.

Task 11 – Community Relations Program (Optional Service)
Upon the DISTRICT's request, using a public relations/information firm or individual acceptable to the DISTRICT, MW would prepare a community relations/information plan. The community outreach staff will coordinate, prepare and distribute materials to keep the public informed about the project and to maintain community support. MW would also assist the DISTRICT in preparing for and conducting public meetings.

Task 12- Additional Services (Optional Service)

Upon the DISTRICT's request MW would meet with the DISTRICT to identify additional services to address project needs. MW would then develop scopes of work and budgets necessary to provide those services. These would be added to the existing agreement by contract amendment.

Attachment C

FILE COPY

Los Osos Community Services District
Board of Directors
Minutes of the November 4, 1999 Meeting

AGENDA ITEM	DISCUSSION OR ACTION	FOLLOW-UP
Call to Order	The meeting was called to order at 6:30 p.m. by President Bowker.	
Roll Call	Director Smith Present Director Hensley Present Director Gustafson Present Vice President Nash-Karner Present President Bowker Present	
Adjourn to Closed Session	President Bowker announced that the meeting would adjourn to closed session for the following: Pursuant to Section 54957 for the following: Public Employment of Utilities Manager Pursuant to Subsection c of Section 54956.9 for the following: Conference with Legal Counsel, Existing Litigation: Re: In real property, APN 074-221-089 Owner: Morro Palisades, a general partnership Re: In real property, APN 074-221-092 Owner: Morro Shores Company	
Reopening to Public Session	The meeting reopened to public session at 7:00 p.m.	
Report on Closed Session	Legal Counsel Jon Seitz reported on the following: No action was taken pursuant to Section 54957. Pursuant to Subsection c of Section 54956.9, the Board discussed the court order that was obtained by the District to obtained permission to enter APN 074-221-089 and APN 074-221-092 to determine their feasibility as sites for the wastewater treatment plant.	
Pledge of Allegiance		

AGENDA ITEM	DISCUSSION OR ACTION	FOLLOW-UP
Public Comment	Lisa Gonzales, 1297 15th Street: She spoke for herself, and also read letters from Mary Teft, 1285 15th Street, and Carolyn Niblick, 1288 15th Street, requesting assistance in controlling traffic speeds on 15th Street near the intersection of Santa Maria. George Taylor, 423 Mitchell Drive: He spoke in opposition to the proposed tenancy of Hollywood Video in the Ralphs complex, both from an aesthetic standpoint and the potential loss of business for the three existing video rental stores in Los Osos. Pandora Nash-Karner, Chair, County Parks and Recreation Commission: She gave an update on the progress for the new swimming pool. Sylvia Smith: She reported that the South Bay Library book sale and event was a huge success. She thanked Fire Chief Bruce Pickens, Utilities Manager George Milanés, and sound technician Hunter Kilpatrick for their help. Rosemary Bowker: She invited the community to the Los Osos CSD Independence Day celebration and open house on November 14th.	
1. Report from Sheriff's Department	Sergeant Hodgkin reported on the following: • The CSD must get the encroachment permit for the skateboard park construction to move forward. • The Sheriff's Department will participate in the Veteran's Day ceremony on 11/12 and the CSD celebration on 11/14. • Halloween was relatively quiet with no major incidents to report.	
2. Report from Utilities Systems Manager	George Milanés reported on the following: • The FLOHelp volunteers have requested the District research possible insurance coverage. Staff is currently researching the options and costs for this type of coverage. • He met last week with the State Department of Health Services for the annual inspection of the Baywood Park water system. The District's operating permit is forthcoming. • The utility crews are cleaning up the drainage basins and culverts before the storm season. • As of November 1, 1999, the District has assumed responsibility for the well sites. A standby schedule is in place to respond to alarms. • The first water billing has been mailed out.	

AGENDA ITEM	DISCUSSION OR ACTION	FOLLOW-UP
3. Report from Fire Chief	Chief Pickens submitted a warrant in the amount of $1,221.50 to WPC for work on the station remodel. This contract had been previously approved by the Board.	
4. Report from Legal Counsel	Jon Seitz reported that he is working on a District e-mail policy to present for the next meeting.	
5. Report from Interim General Manager	Interim General Manager Ogren reported on the following: • November 11th is the first meeting with bond counsel. • Request for discussions on fire employees MOU will be postponed until the bargaining unit is formed. • Information on Social Security will be distributed to employees tomorrow. • This is the last pay period for County employees prior to their transition to the District.	
Consent Agenda		
6. Approval of Warrants **7. Approval of Previous Meeting Minutes of October 21, 1999** **8. Approval of a Revision of the District Personnel Policies to Reflect Various Benefits, Rights, and Responsibilities for Exempt Employees** **9. Approval of Modifications to the Fire Chief and Fire Captain/Fire Marshal Job Specifications** **10. Approval of an Increase in the Section 125 Cafeteria Plan of $19.04 Per Month Per Employee By the District** **11. Approval of a Resolution Authorizing the Establishment of a District Bank Account for Employee Payroll** **12. Approval of a 3.3% Cost of Living Adjustment to the District Salary Schedule for Administrative Secretary and Fire Chief Positions, Retroactive to June 26, 1999**	Interim General Manager Ogren announced that Agenda Item No. 9 would be pulled from the consent agenda and placed on the regular agenda. **A motion was introduced by Director Smith to approve Agenda Items 6,7,8,10,11, and 12. The motion was seconded by Vice President Nash-Karner.** **The motion was approved unanimously by voice vote.** District Legal Counsel Jon Seitz reported that additional changes to the Fire Chief position should be approved as follows: Under "Typical Tasks": "Plans, organizes, and directs all employees of all classifications, including volunteer firefighters, if any, assigned to the District's fire department..." In addition, under the fifth bulletin item, "and good morale" should be stricken. Under the Fire Captain/Fire Marshal job description, "Definition", sixth line, delete "and Fire Captain/Paramedic". **A motion was introduced by Director Gustafson to approve modifications to the Fire Chief and Fire Captain/Fire Marshal job specifications as amended. The motion was seconded by Director Smith.** **The motion was approved unanimously by voice vote.**	

AGENDA ITEM	DISCUSSSION OR ACTION	FOLLOW-UP
Regular Agenda		
13. Consideration and Approval of Montgomery Watson's Contract for Wastewater Project Management Services in an Amount Not To Exceed $288,145.00.	A motion was introduced by Director Hensley to approve the contract with Montgomery Watson for Wastewater Project Management Services in an amount not to exceed $288,145, with the conditions that the District charge the appropriate rent, that no mileage charges be reimbursed. The motion was seconded by Director Smith. Roll Call Vote: Director Smith Yes Director Hensley Yes Director Gustafson No Vice President Nash-Karner No President Bowker No The motion failed to pass with three (3) negative votes. A motion was introduced by President Bowker to accept staff recommendation to approve the contract with Montgomery Watson for Wastewater Project Management Services in an amount not to exceed $288,145, with the condition that Mr. Ysusi does not charge the District his hourly rate for travel time, that mileage reimbursement between Fresno and Los Osos be limited to one round trip per week, or more if pre-approved by the District's General Manager, and that Montgomery Watson not be charged rent. The motion was seconded by Director Gustafson. Roll Call Vote: Director Smith No Director Hensley No Director Gustafson Yes Vice President Nash-Karner Yes President Bowker Yes The motion passed with three (3) affirmative votes.	
14. Consideration and Approval of Technical Corrections to Section 4020 of the District Personnel Policies, Sick Leave, To Eliminate Payment of Accrued Leave Upon Termination of Employment by the Fire Captain/Fire Marshal, Fire Captain/Paramedics, Fire Engineer/Paramedics, and Fire Engineer	A motion was introduced by Vice President Nash-Karner to approve the attached technical corrections to Section 4020 of the District Personnel Policies, Sick Leave, to eliminate payment of accrued leave upon termination of employment by the Fire Captain/Fire Marshal, Fire Captain/Paramedics, Fire Engineer/Paramedics, and Fire Engineer. The motion was seconded by Director Hensley. The motion passed unanimously by voice vote.	

AGENDA ITEM	DISCUSSION OR ACTION	FOLLOW-UP
15. Consideration and Approval of Group Life Insurance and Group Long-Term Disability Plans, At an Estimated Annual Cost of $6,720.00	**A motion was introduced by Director Hensley to approve group life insurance and group long-term disability plans, at an estimated annual cost of $6,720.00, and to authorize the Interim General Manager to submit payment with the applications. The motion was seconded by Director Gustafson.** **The motion passed unanimously by voice vote.**	
16. Consideration of a Request for Funding Up To $15,000.00 of a Joint Project of the Army Corps of Engineers Feasibility Study to Determine Further Action By the Corps To Solve the Problems of Morro Bay, At Total Study Cost of $1.6 million	No action was taken on this item.	
17. Consideration and Approval of a Staff Recommendation For the Board To Set Up an Ad Hoc Committee To Review Bids Received For Purchase of Utilities Vehicles, To Authorize This Committee To Execute the Necessary Documents, and That After Review By Legal Counsel, This Committee Be Authorized To Purchase the Equipment That Meets the Bid Specifications and Is Within the Budgeted Amounts Previously Approved By the Board	**A motion was introduced by Director Hensley to approve staff recommendation for the Board to set up an Ad Hoc Committee Composed of Directors Gustafson and Smith to review bids received for purchase of utilities vehicles, to authorize the committee to execute the necessary documents, including any necessary deposits, and that after review by legal counsel, this committee be authorized to purchase the equipment that meets the bid specifications and is within the budgeted amounts previously approved by the Board. The motion was seconded by Vice President Nash-Karner.** **The motion passed unanimously by voice vote.**	
Committee Reports		
a. Ad Hoc Identity/Outreach	Vice President Nash-Karner thanked several people who have volunteered their time and talents for the CSD Independence Day on 11/14.	
b. Ad Hoc Environmental	• Deadline for Board comment on the draft Comprehensive Conservation Management Plan is imminent. A special Board meeting is scheduled for November 14, 1999 at 12:00 p.m. to approve a letter of comments to be sent. • Inquiries on the habitat conservation plan, which the District is negotiating with Fish and Wildlife, need to be addressed.	Ogren to respond to Mr. Bob Robertson of Los Osos Auto Body regarding status of habitat conservation plan.
c. Ad Hoc Mission Statement	No report.	
d. Wastewater	Written report submitted.	
e. Drainage	Committee met on 11/2. Written minutes will be submitted.	
f. Water Operations	Committee met 11/3. The District needs to address a policy for removal of meters from abandoned properties. County Planning needs to notify the District on permits issued in Los Osos.	
g. Finance & Budget	Committee will meet Monday, 11/8 at 9:30 a.m.	

AGENDA ITEM	DISCUSSION OR ACTION	FOLLOW-UP
Directors' Comments	Director Gustafson suggested that the new General Manager will take over more of the staff functions, and that committees will become more advisory in nature. Vice President Nash-Karner wanted the wastewater committee minutes amended to reflect that Rick Hernandez was present at the last meeting, not absent. Director Hensley is concerned that the Ralphs project may not reflect the proper "gateway to Los Osos". Director Smith reported that the Chamber of Commerce Board would meet with the real estate negotiator for Ralphs regarding the potential tenancy of Hollywood Video.	
Adjournment	The meeting was adjourned at 9:20 p.m.	

Attachment D

INVOICE

MONTGOMERY WATSON

Please Reference Invoice No. With Payment
Remit To: Post Office Box 51140
Los Angeles, CA 90051-5440

Los Osos County Services District
PO Box 6064
Los Osos, CA 93412

Date: 10/29/99

Invoice No: 262856

Contract No: 10834311

Attention: Ms. Rosemary Bowker
President

Client No: 217576

FOR PROFESSIONAL SERVICES RENDERED DURING PERIOD OF 08/10/99 THRU 10/29/99.

Wastewater Project Management Services
Initial Services Authorization & Compensation

Professional Classification	Name	Hours	Rate	Amount
Principal Professional	Ysusi, Mark A.	152.0	140.00	21,280.00
Senior Professional	Shuter, Kelli A.	3.5	100.00	350.00
Senior Professional	Hasan, Ali	4.0	100.00	400.00
Professional	Harrison, Robin S.	2.0	90.00	180.00
Associate Professional	Hill, Joseph R.	58.5	76.00	4,446.00
Senior Administrator	Shepherd, Nancy L.	2.5	60.00	150.00

Total Labor: $ 26,806.00

Other Direct Charges	Cost	Plus 15.7 %	Amount
Travel	592.55	93.03	685.58
Mileage	537.54	84.40	621.94
Associated Proj. Costs	1,613.13	253.25	1,866.38

Total ODC: $ 3,173.90

RECEIVED
NOV 05 1999
BY: KP

Total This Invoice: $ 29,979.90

Contract Amount: $ 30,000.00
Amount Previously Billed: $ .00

OK per Paavo 11/12/99
over phone -

Equal Opportunity Employer
Serving the World's Environmental Needs

Osos County Services District
PO Box 6064
Los Osos, CA 93412

Date: 10/29/99

Invoice No: 262856

Amount This Invoice:	$	29,979.90
Total Amount Billed to Date:	$	29,979.90

Please Note: This invoice is due within 30 days of the invoice date.
A charge of 18.00% will be added to past due accounts.

Visit our home page on the World Wide Web at http://www.mw.com

FMT: HR0001
BATCH: 548660
VERSION: Z

Attachment E

LOS OSOS COMMUNITY SERVICES DISTRICT

GENERAL MANAGER

EMPLOYMENT AGREEMENT

THIS AGREEMENT, is made and entered into by and between Los Osos Community Services District, herein referred to as **DISTRICT**, and **BRUCE BUEL**, with reference to the following recitals:

RECITALS

A. **DISTRICT** is a Community Services District organized and operating pursuant to 61000 et. seq., of the California Government Code.

B. **DISTRICT** desires to enter into an employment relationship with **BRUCE BUEL** as **DISTRICT GENERAL MANAGER**;

C. **BRUCE BUEL** desires to enter into an employment relationship as **GENERAL MANAGER** of the **DISTRICT**.

D. It is the purpose of this Agreement to define the employment relationship of **BRUCE BUEL** and the **DISTRICT** during the terms of this Agreement. All references to **GENERAL MANAGER** in this Agreement refer to **BRUCE BUEL**.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

SECTION 1. DUTIES

DISTRICT hereby agrees to employ **BRUCE BUEL** as **GENERAL MANAGER** of the **DISTRICT**. A general description of the duties

and responsibilities of the **GENERAL MANAGER** are set forth in a Board-adopted job description, attached hereto as Exhibit "A". **BRUCE BUEL** agrees to perform the function and duties of the position and to perform other duties specified by statute and any additional duties as may be assigned from time to time by the Board.

SECTION 2. TERMS

This Agreement shall take effect forty (40) days from the date the **GENERAL MANAGER** signs this Agreement, and shall remain in effect indefinitely until terminated as provided for in the following provisions:

A. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of **DISTRICT** to terminate the services of **BRUCE BUEL** at any time, subject only to the provisions set forth in Section 3, Paragraph A, of this Agreement.

B. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of **BRUCE BUEL** to resign at any time from his position with **DISTRICT**, subject only to the provisions set forth in Section 3, Paragraph B, of this Agreement.

SECTION 3. TERMINATION AND SEVERANCE PAY

A. The **GENERAL MANAGER** shall serve at the will and pleasure of the **DISTRICT** Board of Directors, and may be terminated without cause. In the event the **GENERAL MANAGER** is terminated without cause within six (6) months of commencing employment with **DISTRICT**, the **GENERAL MANAGER** shall receive a lump sum cash payment (severance pay) equal to three (3) months base salary. Thereafter, the severance package will increase to six (6) months base salary, in addition to any

accumulated leave entitlement pursuant to Section 6 of this Agreement. However, in the event **BRUCE BUEL** is terminated for good cause, **DISTRICT** shall have no obligation to pay such severance pay. For the purpose of this Agreement, "good cause" shall include, but not necessarily be limited to, any of the following:

1. A material breach of the terms of this Agreement;

2. A failure to perform his duties in a professional and responsible manner consistent with generally accepted standards of the profession;

3. Conduct unbecoming the position of **GENERAL MANAGER** or likely to bring discredit or embarrassment to the **DISTRICT**;

4. Violation of the **DISTRICT'S** harassment policies and/or substance abuse policies;

5. Conviction of felony;

6. Incapacity due to mental or permanent physical disability rendering the **GENERAL MANAGER** unable to perform job duties. Termination under this provision is without prejudice to disability claims, if any, the **GENERAL MANAGER** may have resulting from the incapacity.

B. In the event **BRUCE BUEL** voluntarily resigns his position with **DISTRICT**, **BRUCE BUEL** shall give **DISTRICT** thirty (30) days notice in advance, unless the parties otherwise agree.

SECTION 4. COMPENSATION/ BENEFITS

4.1 Salary. **DISTRICT** agrees to pay **GENERAL MANAGER** for his services at a base salary of Sixty-five Thousand Dollars ($65,000.00) per annum, payable in installments at the same time as other employees of **DISTRICT** are paid. **DISTRICT** agrees

to evaluate the **GENERAL MANAGER'S** compensation as part of the annual budget process.

4.2 Automobile. **GENERAL MANAGER'S** duties require that he have the use of an automobile at all times during his employment with **DISTRICT**. The **DISTRICT**, in its sole discretion, may at any time during the term of this contract:

(a) Provide the **GENERAL MANAGER** with an automobile; or

(b) Reimburse the **GENERAL MANAGER** Two Hundred Eighty-three Dollars ($283.00) per month for use of his personal automobile, plus $.31 per mile for travel outside of the County of San Luis Obispo.

4.3 Health Insurance. **DISTRICT** agrees to provide **GENERAL MANAGER** with a Cafeteria Plan for health, dental and vision insurance at the rate of Four Hundred Sixty-two Dollars ($462.00) per month).

4.4 Retirement. **DISTRICT** agrees to contribute One Hundred Percent (100%) of both the employer's and the employee's contribution to the PERS Retirement Program.

4.5 The **GENERAL MANAGER** may participate in **DISTRICT'S** Section 125 and Section 457 Plans, as provided to other **DISTRICT** employees.

4.6 **GENERAL MANAGER** shall be reimbursed for expenses incurred by him for packing and moving himself, his family and his personal property from his home in McKinleyville. Said reimbursement shall be made in full with a one time payment within one month of submission of his invoices, bills or receipts to the **DISTRICT**.

SECTION 5. PAYMENT OF ADDITIONAL EXPENSES

5.1 GENERAL MANAGER'S Expenses. **DISTRICT** will pay the **GENERAL MANAGER'S** reasonable expenses to participate in and

attend meetings where the **GENERAL MANAGER'S** attendance is a benefit to the **DISTRICT**. The payment of **GENERAL MANAGER'S** expenses under this paragraph is subject to Board review.

5.2 **DISTRICT** agrees to budget and to pay the professional dues and subscriptions of **GENERAL MANAGER** necessary for his continuation and full participation in national, regional, state and local associations and organizations necessary and desirable for his continued professional participation, growth, and advancement, and for the good of **DISTRICT** in an amount not to exceed the amount approved by the **DISTRICT** in its annual budget.

SECTION 6. VACATION, SICK LEAVE AND ADMINISTRATIVE LEAVE

6.1 Commencing on the 183rd day of employment, **GENERAL MANAGER** shall accrue, and have credited to his personal account, vacation time at the rate of ten (10) working days per annum. **GENERAL MANAGER'S** vacations shall not be scheduled when it would leave the **DISTRICT** without appropriate management.

6.2 Commencing on the 1st day of employment, **GENERAL MANAGER** shall accrue, and have credited to his personal account, sick leave at the rate of ten (10) working days per annum.

6.3 **GENERAL MANAGER** shall be entitled to five (5) days administrative leave. Administrative leave shall not be scheduled when it would leave the **DISTRICT** without appropriate management.

SECTION 7. VALUATIONS

7.1 The **DISTRICT** Board of Directors shall evaluate the **GENERAL MANAGER** during the months of May and June of each year.

SECTION 8. MISCELLANEOUS

8.1 **GENERAL MANAGER** shall comply with all local and state requirements regarding conflicts of interest and shall avoid personal involvement in a situations which are inconsistent or incompatible with a position of **GENERAL MANAGER** or give rise to the appearance of impropriety.

8.2 The **DISTRICT** may set such other terms and conditions of employment as it may determine from time to time, relating to the duties of the position of **GENERAL MANAGER** of the **DISTRICT**, providing such terms and conditions are not in conflict with the provisions of this Agreement, or any state or local law.

8.3 **DISTRICT** shall provide the defense of **GENERAL MANAGER** in any action or proceeding alleging an act or omission within the scope of employment of the **GENERAL MANAGER** in conformance with State law (Government Code Section 995 et.seq.).

8.4 This Agreement constitutes the entire understanding of the parties hereto. This Agreement supersedes all previous contracts between the parties, and **GENERAL MANAGER** shall be entitled to no other benefits than those specified herein. No changes, amendments, or alterations shall be effective unless in writing and approved by Board action taken at a regularly scheduled meeting.

8.5 If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

8.6 This Agreement shall be governed by the laws of the State of California. The parties agree that in the event any legal action is taken to enforce/interpret any provisions of this Agreement, said action shall be filed in the court of proper jurisdiction within the County of San Luis Obispo.

IN WITNESS WHEREOF, the parties have executed this Agreement on October 22, 1999.

GENERAL MANAGER:

BRUCE BUEL

DISTRICT:

ROSEMARY BOWKER, President

WITNESS:

SECRETARY TO THE BOARD

Approved as to form:

DISTRICT LEGAL COUNSEL

GENERAL MANAGER employ agree 10-07-99

CHAPTER SEVEN - JOB DESCRIPTIONS

7000 – GENERAL MANAGER

1. DEFINITION:

The General Manager is the Executive Officer of the District and for the Board of Directors. The position has full-time management status, and is FLSA exempt. He/she administers the District and has exclusive management and control of the operations and works of the District, subject to approval of the Board of Directors, and provides day-to-day leadership for the District. He/she has general charge, responsibility and control over all property of the district. He/she shall:

- attend all meetings of the District's Board, and such other meetings as the Board specifies from time to time.
- employ such assistants and other employees as he/she deems necessary for the proper administration of the District and the proper operation of the works of the District.
- delegate authority at his/her discretion and has authority over and directs all employees, including terminating for cause.
- provide a motivating work climate for District employees.
- maintain cordial relations with all persons entitled to the services of the District.
- attempt to resolve all public and employee complaints.
- encourage citizen participation in the affairs of the District.
- seek to carry into effect the expressed policies of the Board of Directors, including planning the short, medium and long term work program for the District, facilitating constructive and harmonious Board relations.
- translate the goals and objectives of the Board to the community.
- prepare and manage the District budget, conducting studies, making oral and written presentations.
- supervise and perform a variety of duties related to the recording, classifying, examining and analyzing of District financial transactions and associated data and records.
- supervise and perform a variety of duties relating to maintenance of the District's accounting system by interpreting, supplementing and revising the system as necessary.
- supervise and perform a variety of duties relating to the resolution of customer problems, and providing information requested by customers and other members of the public having an interest in District affairs.
- serve as the District Treasurer upon appointment by the Board of Directors.
- oversee the District's investment policy.
- oversee the District's personnel policies, including vacation scheduling, discipline, termination, etc..

EXHIBIT "A" TO
GENERAL MANAGER'S EMPLOYMENT
AGREEMENT

- supervise and maintain the District's various insurance policies to ensure appropriate coverage.

2. REQUIRED QUALIFICATIONS:

Education and experience to include possession of a bachelor's degree in public administration or a related field and five (5) years' experience in an increasingly responsible public agency management position. Possession of a valid California driver's license is required.

3. DESIRABLE QUALIFICATIONS:

Education to include possession of a master's degree in public administration or a related field. Also desirable are the abilities to: 1) administer personnel policies; 2) administer the delivery of sewer and water services; 3) prepare annual budgets and long-term revenue/outlay plans efficiently; 4) implement major capital improvement projects; 5) communicate effectively, both in writing and verbally, with the constituents and other agency personnel; and 6) meet and serve the public courteously and efficiently.

LOS OSOS CSD

Memo

To: Dan Bleskey

From: Bruce Buel

CC: File, Karen Vega

Date: 1/6/06

Re: Statement Regarding Execution of 1999 Montgomery Watson Agreement

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I reported to work as LOCSD's General Manager on November 16, 1999. Paavo Ogren, who was the Interim General Manager prior to my term, presented me with a series of items of unfinished business. One of these items was the draft agreement with Montgomery Watson (MW) to perform Wastewater Project Management Services. Paavo explained to me that the Board had selected MW in August 1999 to perform this work and had directed MW to assist in negotiations with Oswald Engineers (OE) for OE to produce the Project Report for the Wastewater Project. The negotiations with OE were lengthy and contentious and were not resolved until late October 1999. The Board formally approved the OE agreement and the MW agreement in early November 1999, but Paavo had not executed either document. Paavo advised me that the Board had authorized MW to assist in the negotiations and that I should pre-date the agreement to accommodate the work actually done by MW at the Board's request starting Sept 1, 1999. I did so. I also directed Karen Vega to witness my signature, which she did at my direction.

Feel free to call me at 805-528-9370 or e-mail me at bbuel@losososcsd.org.

lisa schicker
<lisaschicker@sbcglobal.net>
05/05/2009 09:16 PM

To Chairperson Bruce Gibson <bgibson@co.slo.ca.us>, Supervisor Frank Mecham <fmecham@co.slo.ca.us>, Supervisor Jim Patterson <jpatterson@co.slo.ca.us>,
cc Lisa Schicker-Hotmail <lisaschicker@hotmail.com>
bcc
Subject Formal Complaint, Continued - Mr. Ogren's MWH Contracts, Conflict of Interest and Flaws with Shortlist and Design-Build Procurement Process for the County Los Osos Wastewater Project

History: This message has been replied to.

Dear Supervisor Gibson and Board Members:

As promised, here is a copy of my presentation from today (I got through about 1/4 of it during public comment) with the additional reference documents attached. Please include these in the public record and post in the official minutes for the meeting.

It has taken quite a bit of time to gather all of these documents for you, and many of these were referenced in several of my earlier communications with your Board.

Mr. Jensen, the AB2701 advisory vote was not in the bill, that was my error, but it was something that Assemblyman Blakeslee and I discussed extensively and I believe it is included in his personal notes that accompany the Bill, along with his request that the State audit the LOCSD waste water project; he understood the seriousness of these issues. I will look for his notes and I suggest you discuss this with him, too. Paavo and I also discussed the timing of an advisory vote regularly, perhaps he can shed additional light on this topic for everyone.

Please Mr. Gibson, do not "shoot the messenger", my comments today were not opinions, nor were they "unsubstantiated claims", as you stated in your closing comments. I presented both facts and questions to your Board that require clarification. These facts presented were

derived from my first hand experiences and observations and I am simply presenting these facts to the current decision-makers for their evaluation.

It is my duty and responsibility, that is how I see it. And just like you said about your decisions, "its not personal" for me either.

I believe that my concerns have merit, and I have no ulterior motive for making this effort to collect all of these documents for you other than keeping my promise to the people of Los Osos.

My promise to my community was to deliver an affordable 21st century sustainable water and waste water project as soon as possible, and I worked night and day towards that goal for over six years now, first as an activist and then as an elected official, despite unbelievable adversity.

My promise to my community was if the LOCSD supported AB 2701, we would be assured a fair, honest and open process and that all alternatives would be explored - including gravity and step and everything in between - so the people would get the best project for the best price.

That is why pre-empting the decisions of the Planning Commission, by expediting Public Works' recommendations to short-list gravity collection teams with the MWH design only is a bad idea - it circumvents the fair and coequal process that you promised the people, and it stifles the creative solutions that we need, and that is what is currently causing this recent citizen upheaval.

My goals are ones that I think we all share. The only way we can get there is by working together, citizens with their elected officials in an open democratic process, through these very tough issues and with mutual respect for our

various points of view.

Thank you in advance for reviewing these additional materials.

Sincerely,

Lisa Schicker, Past President and LOCSD Board Member 2004-2008

.....

SUMMARY

In light of the information that has been provided to your Board and to the public and for the record, I request that your Board take action:

1. Vote to agendize a review of the LOWTP design build procurement process and rescind the current consultant shortlist, if it has been approved, until a complete investigation can occur and implement independent third party oversight for the Wastewater Project design build process.

2. Vote to agendize an audit of all County/Agency contracts that the Public Works Director has managed, including the Lopez Lake Dam Retrofit project, and including his past relationships with consultants such as RMC, Carollo, Carella, and MWH, among others. These same firms were the shortlisted bidders for the design of the LOCSD waste water project and most of them are already working on your project, too.

For your consideration:

"Elected and public employees are charged with a legal duty to report a suspected crime or illegal activities… If Board members knew about the illegal activity, their vote approving the final contract affirmed and condones it and all subsequent actions approving warrants and amendments to the contract simply continued the fraud on the public. They essentially participated in the criminal activity." (Excerpt from the D.A.'s letter to LOCSD and their Attorneys, March 2, 2006)

This quote is timely for you; as you now have in your possession information and disclosure of illegal acts that have tainted the shortlisting and design build procurement process for the Los Osos project. This information will apply to all subsequent decisions that you make.

As I have said many times before, all Los Osos has ever asked for is a fair and honest process. We can still get there. Thank you for consideration of these materials.

May 5, 2009

RE: Formal Complaint: Mr. Ogren's Illegal MWH Contract, Conflict of Interest with MWH and Flaws with the Short listing of MWH and the Design-build Procurement Process for the Los Osos Wastewater Project

Dear Honorable Chairperson Gibson and Board of Supervisors:

As part of my duties as a previously elected person with direct knowledge of events that will influence decisions you will soon make on behalf of Los Osos citizens, it is my duty and responsibility to make you aware of information and activities that are unethical, illegal, and/or a suspected crime.

This will be my tenth communication and correspondence with you regarding a formal complaint filed a month ago, alerting you to past illegal activities of the Public Works Director, Paavo Ogren that are related to current County business and to unethical activities by consultants hired by Mr. Ogren for SLO County projects, including the LOWTP.

I have confirmed that your Board and/or County Counsel received my previous correspondence and documents which provide Attorney, DA and Engineering documents describing how Paavo Ogren (as IGM), directed the execution of an illegal MWH contract for the LOCSD's LOWTP.

Mr. Ogren appears now to have also violated the design-build code and contract procurement requirements for the County's project by hiring MWH in the fall of 2006, ignoring the refusal of the LOCSD to issue the necessary conflict waiver, and then short listing this same MWH firm again in April 2009.

MWH is a firm that has already made millions in Los Osos from this illegal contract, for a project

that no one wanted (see your recent survey results), and has filed lawsuits against the citizens/LOCSD that are still active. They are also under investigation by the DOJ and FBI in Florida - for bid rigging and unethical billing practices.

How did MWH ever make it past the reference check that was conducted by the County's Design Build interview panel? Who conducted this interview and what were their prior relationships with MWH? Did MWH disclose their current lawsuits, their legal problems in Florida or complaints still pending against them at the Construction Management Association to the County, as is customary?

My purpose is to assure, for the public record, that you are fully aware of the seriousness of these allegations. I recommend that each of you request that County Counsel compile a complete set of materials sent to you regarding this matter and that you have all the supporting documents, too, in order to remain completely informed.

I also request that you take prompt action to protect the County taxpayers and Citizens of Los Osos from any further financial harm. Please do not allow the continuation of a tainted procurement process being led by the Public Works Director, when at the very least there now is a perceived conflict of interest; both MWH and your Public Works Director must be immediately removed from working on this project.

I have attached additional supporting documents in PDF format for your review; most are new, and some have been previously referenced in writing and/or during my public testimony from March 28, 2009 to the present.

Here is a list of the enclosed attachments:

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One last thought, for your consideration:

"Elected and public employees are charged with a legal duty to report a suspected crime or illegal activities… If Board members knew about the illegal activity, their vote approving the final contract affirmed and condones it and all subsequent actions approving warrants and amendments to the contract simply continued the fraud on the public. They essentially participated in the criminal activity." (Excerpt from the D.A.'s letter to LOCSD and their Attorneys, March 2, 2006)

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Most Sincerely,

Lisa Schicker
Past President and Director, LOCSD 2004-2008
Cc: The citizens of Los Osos, members of my community will also receive copies of this formal complaint
County Counsel, Design Build Institute of America, Construction Management Institute of America, DOJ, DA and AG
This Formal Complaint was presented in person during public comment at BOS Meeting - Los Osos Wastewater Update and hand delivered to each supervisor and the County Clerk for inclusion in the record

This formal complaint with all attachments was emailed to the BOS, and County Counsel on the evening of May 5, 2009.

Buel-MEMO-toLOCSD-reOgren-MWH1-6-06.pdf
BayNews12.21.05-Buel-admits-backdatingMWHcontract.pdf
LOCSD-Attachments-60pp-LOCSD-re-illegalMWH-toDA-AG-12-21-05.pdf
RESO-2005-47-LOCSD-requesting-DA-Investigation.pdf
LOCSD-letter1-toDA-MWHillegalcontract12-21-05.pdf
LOCSD-letter2-toDA-MWH-illegalcontract3-2-06pdf.pdf
LOCSD-letter1-to-AG-MWH-illegalcontract-3-8-06.pdf
LisaSchicker-to-BOS-submissions-reMWH-PublicWksDirector-4-7-09.pdf
LOCSD-GM-to-MWH-Falseclaim-illegalMWHcontract-12-8-05.pdf
LOCSD-GM-toMWH-Default-FirstContract-FINAL SIGNED8-14-06.pdf
LOCSD-GM-toMWH-Default-SecondContractFINAL SIGNED8-17-06.pdf
cape coral FI Dato=20070228&.pdf
Capecoralsummary2.pdf
5-5-09-BOS-presentation-formal-complaint-lowtp.pdf

To:
Cc:
Bcc:
Subject: Fw: Archeology on the LOWWP

Ramona Hedges, Secretary (805) 781-5612
Department of Planning & Building
County of San Luis Obispo
----- Forwarded by Ramona Hedges/Planning/COSLO on 05/12/2009 10:21 AM -----

Julie Tacker
<julietacker@charter.net>
05/08/2009 05:27 PM

To "planningcommission: co.slo.ca.us" <planningcommission@co.slo.ca.us>
cc "jghunter: pcl.org" <jghunter@pcl.org>
Subject Archeology on the LOWWP

Chairwoman Christie,
Please consider asking Jack Hunter, the archeologist that spoke at April 30th hearing but opted to speak about becoming "Los Osos Riff-Raff", to speak about the project impacts to historic and prehistoric impacts associated with the projected.
I haven't heard a peep from Public Works staff but have read there are significant impacts. When does a Class I impact really get triggered anyway? Looks like unavoidable impacts will be impacted. I understand monitoring is NOT mitigation, so what gives?
Thanks,
Julie Tacker
P.S. Ever wonder why the project didn't just propose to tear down the Tonini farmhouse and outbuildings (much better visual screening there). I read in the EIR that it's because the 100 year old trash pits and privy's may have artifacts in them. So Public Works is avoiding that portion of the land altogether. Certainly, with tertiary treatment, we don't even have to go to Tonini at all.

--
Julie Tacker

BDifatta@aol.com
05/10/2009 10:25 PM

To achill29@hotmail.com, assemblymember.blakeslee@assembly.ca.gov, kachadjian@co.slo.ca.us, planningcommission@co.slo.ca.us,
cc clcesena@charter.net, hyeder@charter.net, churadogs@aol.com, bnbmoylan@sbcglobal.net, date1968@gmail.com, Coasth1235@aol.com,
bcc

Subject Paavo the dictator

a few things to remember. Paavo is saying that Gravity came to the surface real fast by him to get stimulas money and because it is shovel ready. Stimulas is new. Paavo has been saying gravity for 2 years. Since dec 08. the Tonini site is now being suggested by paavo as the site for the treatment plant for us. tonini came about way after t.a.c. disbanded, t.a.c. never had the chance to review it. Also Spray fields was never studied by the t.a.c. committee. point being, this is all paavo's doing, the non-engineer. Whats going on here ? ben

---

Recession-proof vacation ideas. Find free things to do in the U.S.

"Internet Webmaster "
<webmaster@co.slo.ca.us>

05/11/2009 08:53 PM

To "planningcommission@co.slo.ca.us"
<planningcommission@co.slo.ca.us>
cc
bcc
Subject Planning Commission Contact Form (response #29)

Planning Commission Contact Form (response #29)

Survey Information

Site:	County of SLO
Page Title:	Planning Commission Contact Form
URL:	http://www.slocounty.ca.gov/CM/WebUI/PageTypes/Survey/Survey.aspx?PageID=104 9
Submission Time/Date:	5/11/2009 8:52:32 PM

Survey Response

Name	Lisa Schicker
Contact Information (Phone Number, Email, etc.)	lisaschicker@hotmail.com 528-3268
Question or Comment	Dear Honorable Planning Commissioners - On May 5, 2009, I sent you a copy of my third package of information regarding outstanding concerns about the the shortlistin of the MWH engineering firm for the los osos wastewater project. A written legal opinion addressing my concerns will be released by County Counsel in 1-2 weeks, bu I remain concerned about potential conflicts of interest issues that surround the selection of this firm. The reason I thought this information was important for all of yo to have, is that this process may have reduced or limited the project elements that made it into the EIR, and the CDP, which you are currently reviewing. including treatment types, collection alternatives, water issues and sludge disposal. Because I was elected and had possession of detailed information, I thought it was important to come forward and disclose everything I know, for the decisionmakers such as the BO and yourselves. My goal remains to see Los Osos get the best project for the best price, and sustainability and green have always been my preference. I believe that both Sludge production and saltwater intrusion must be addressed with this project, and not deferred. I implore you to revisit the collection system decision and require fu analysis of all collection alternatives, from gravity to step and everything in between. The whole purpose of using a "design-build process" was to aquire the most creative solutions - and by limiting options at this crucial stage, we won't get to enjoy the bene of this type of project development process. If you have any questions about my materials, please contact me by email or phone, I would be happy to discuss them w you. Thank you for all of your hard work, Sincerely from Lisa Schicker, Past Presider of LOCSD 2004-2008

"Internet Webmaster "
<webmaster@co.slo.ca.us>

05/11/2009 09:57 PM

To "planningcommission@co.slo.ca.us"
<planningcommission@co.slo.ca.us>
cc
bcc
Subject Planning Commission Contact Form (response #30)

Planning Commission Contact Form (response #30)

Survey Information

Site:	County of SLO
Page Title:	Planning Commission Contact Form
URL:	http://www.slocounty.ca.gov/CM/WebUI/PageTypes/Survey/Survey.aspx?PageID=104 9
Submission Time/Date:	5/11/2009 9:56:51 PM

Survey Response

Name	lisa schicker
Contact Information (Phone Number, Email, etc.)	lisaschicker@sbcglobal.net
Question or Comment	dear planning commission: Earlier this evening, I just sent you a quick note, but was unable to keep a copy for my files - can you send a copy back to me, and te me where and when it will be posted as part of the public record? thanks again from lisa

lisa schicker
<lisaschicker @sbcglobal . net>

05/12/2009 10:48 AM

To Warren Jensen <wjensen@co.slo.ca.us>, Chairperson Bruce Gibson <bgibson@co.slo.ca.us>, Supervisor Frank Mecham <fmecham@co.slo.ca.us>, Supervisor Jim Patterson

cc

bcc

Subject May 12 Addendum to May 5, 2009: Formal Complaint, Continued - Mr. Ogren's MWH Contracts, Conflict of Interest and Flaws with Shortlist and Design-Build Procurement Process for the County Los Osos Wastewater Project

Dear Honorable Board of Supervisors and Mr. Jensen -

Please add this to the record as an addendum to my complaint and also include this information in public comment for the BOS meeting.

Mr. Jensen, in your preliminary findings, you had commented last week that source of my comment and request for the promised community advisory vote could not be found in AB 2701. I responded in my note sent on the evening of May 5, 2009 (attached).

As promised, I did some additional research and found that reference to the advisory election was not in the text of AB 2701, but here:

http://www.slocounty.ca.gov/PW/LOWWP/BOS_Items/BOS_Archive_2006.htm

Please review the June 19, 2006 Implementation Strategy Report that the BOS adopted that day.

Please see Page 12. point number b. i. 2 and page 13 b. ii c and page 14 all explain the county's intent to hold the community advisory election on the top waste water project alternatives.

I believe it can also be found in both Blakeslee's "Framework" that he sent to the Board and in his notes that accompany the bill. He also asks for an audit of the LOCSD's waste water project, which was a concern to all of us, and it is a remaining task that has yet to occur, which I fully support.

Additional information has also come to light that I wish to share with the BOS for their consideration:

It now appears that Lou Carella and Rob Miller both had both financial and business relationships with the applicant MWH thought prior LOCSD and County projects (LOCSD Waste water Project Report, Design and Lopez Lake, etc.), and that these projects were supervised by the public works director.

Both of these gentleman were asked to serve on the interview panel, interviewing firms that included their former business partner, MWH , for the SLO County Waste water project.

Mr. Carella was the only member of the 5 member panel that conducted all of the reference checks, and all of his scores were incorporated into the score sheets for all of the panel.

Dear Supervisors, I have now worked for the largest public works department in the State of CA for

almost 20 years. Every contract that I work on here is reviewed by the State Department of Audits, my work receives a high level of scrutiny. I must tell you that it would be unacceptable for firms with past financial or working relationships on recent public projects to sit on "both sides of the table", one firm conducting the interview for a public works project that is paid for by taxpayers - and the other firm applying for the job. That was my comment last week, how could "friends objectively review friends?" The state auditors would never approve such an arrangement for a public sector job, for obvious conflict of interest reasons.

Thank you from Lisa

Lisa Schicker
805-528-3268

.....
----- Forwarded Message ----
From: lisa schicker <lisaschicker@sbcglobal.net>
To: Chairperson Bruce Gibson <bgibson@co.slo.ca.us>; Supervisor Frank Mecham <fmecham@co.slo.ca.us>; Supervisor Jim Patterson <jpatterson@co.slo.ca.us>; Supervisor Adam Hill <ahill@co.slo.ca.us>; Supervisor Katcho Achadjian <Kachadjian@co.slo.ca.us>; wjensen@co.slo.ca.us; Planning Commission <planningcommission@co.slo.ca.us>; caispuro@co.slo.ca.us; dgraton@co.slo.ca.us
Cc: Lisa Schicker-Hotmail <lisaschicker@hotmail.com>
Sent: Tuesday, May 5, 2009 9:16:32 PM
Subject: Formal Complaint, Continued - Mr. Ogren's MWH Contracts, Conflict of Interest and Flaws with Shortlist and Design-Build Procurement Process for the County Los Osos Wastewater Project

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9. Newspaper articles regarding these issues.

<u>In light of the information that has been provided to your Board and to the public and for the record, I request that the BOS:</u>

1. Vote to agendize a review of the LOWTP design build procurement process and rescind the current consultant shortlist, if it has been approved, until a complete investigation can occur and implement independent third party oversight for the Wastewater Project design build process.

2. Vote to agendize an audit of all County/Agency contracts that the Public Works Director has managed, including the Lopez Lake Dam Retrofit project, and including his past relationships with consultants such as RMC, Carollo, Carella, and MWH, among others.

One last thought, for your consideration:

"Elected and public employees are charged with a legal duty to report a suspected crime or illegal activities… If Board members knew about the illegal activity, their vote approving the final contract affirmed and condones it and all subsequent actions approving warrants and amendments to the contract simply continued the fraud on the public. They essentially participated in the criminal activity." (Excerpt from the D.A.'s letter to LOCSD and their Attorneys, March 2, 2006)

This quote is timely for you; as you have in your possession information and disclosure of illegal acts that have tainted the short listing and design build procurement process for the Los Osos project. This information will apply to all subsequent decisions that you make.

As I have said many times before, all Los Osos has ever asked for is a fair and honest process. We can still get there. Thank you for consideration of these materials.

Most Sincerely,

Lisa Schicker
Past President and Director, LOCSD 2004-2008
Cc: The citizens of Los Osos, members of my community will also receive copies of this formal complaint
County Counsel, Design Build Institute of America, Construction Management Institute of America, DOJ, DA and AG
This Formal Complaint was presented in person during public comment at BOS Meeting - Los Osos Wastewater Update and hand delivered to each supervisor and the County Clerk for inclusion in the record

This formal complaint with all attachments was emailed to the BOS, and County Counsel on the evening of May 5, 2009.

Mimi Kalland
<mkalland@charter.net>
05/14/2009 03:10 PM

To planningcommission@co.slo.ca.us
cc Bruce Gibson <bgibson@co.slo.ca.us>, fmecham@co.slo.ca.us, SLO County Supervisor <jpatterson@co.slo.ca.us>, Adam Hill <ahill@co.slo.ca.us>,
bcc
Subject Los Osos Wastewater Project

As residents of the 'prohibition zone' we urge you to move ahead and accept the Project Team's recommendation to pursue a traditional gravity sewer system for Los Osos as described in the EIR. We have been dithering over this for twenty years. Most of us don't go to meetings and shout at you. But every community vote and survey indicates we are the quiet majority. Let's not lose the opportunity to obtain stimulus money to support this vital project.

Mimi and Gene Kalland

Tigert45@aol.com
05/15/2009 01:11 PM

To Planningcommission@co.slo.ca.us
cc bgibson@co.slo.ca.us, fmecham@co.slo.ca.us, jpatterson@co.slo.ca.us, ahill@co.slo.ca.us, Kachadjian@co.slo.ca.us
bcc
Subject Los Osos Wastewater Project

Dear Planning Commission,

I implore you to move quickly on this project. Much work has gone into moving it forward. To participate in some of the stimulus package funds to help finance the project we must meet time dead lines or lose our option to get those needed funds.

Please, move this forward immediately.

Thanks you, sincerely,

Toni Graham
805-534-9902

An Excellent Credit Score is 750. See Yours in Just 2 Easy Steps!

Richard Leslie
<richandnance@yahoo.com>

05/15/2009 10:43 AM

Please respond to
Richard Leslie
<richandnance@yahoo.com>

To Bruce Gibson <bgibson@co.slo.ca.us>, Katcho Kachadjian <kachadjian@co.slo.ca.us>
cc Bob Roos <planningcommission@co.slo.ca.us>
bcc
Subject Los Osos Waste Water Project

We would like to add our support for the Gravity System in accordance with the SLO County EIR for the Los Osos Waste Water System. Thank you, Richard and Nancy Leslie, Los Osos residents.

Judy Blakeley
<ibjudyb@gmail.com>
05/14/2009 04:20 PM

To planningcommission@co.slo.ca.us
cc
bcc
Subject Los Osos Sewer Project

I support the preferred project as described in the EIR and urge you to move forward with haste so that we do not loose all hope of gaining stimulus money to help with our project.

--
Judy Blakeley, Realtor
C21 Hometown Realty
ibjudyb@gmail.com
JudyBlakeley.com

"al barrow"
<a.barrow@charter.net>
05/15/2009 02:30 AM

To "planning commission" <planningcommission@co.slo.ca.us>, <jwaddell@co.slo.ca.us>
cc "Rob Miller" <RobM@wallacegroup.us>, "Jonathan Bishop" <jbishop@coastal.ca.gov>, "Dana Ripley" <ripac@comcast.net>, "Lisa Schicker"
bcc
Subject AG reuse

Dear Planning Commissioners;

Please take a look at these concerns. This company uses STEP/STEG with ponds. The SLO County TAC and tech memos do not cover the flexibility of these technologies in combinations well. These folks have done it...approvals on AG reuse. They may be worth a call or an email before the field trip to Monterrey. They covered considerations that I have bolded. These at least are talking points with the folks in Monterrey as to how they have addressed these concerns. I spoke with them in June 2005...no one was listening. These approaches solve high cost issues, sustainability issues, lower impacts and Best Management practices. No sludge hauling as well and a collection that can be phased. I like the ADS treatment ponds. Add wetland polishing before any indirect potable reuse. I have added their website PPENG website.
They seem much more flexible than the consultants who brought forward the four projects in the DEIR and CD Permit you are reviewing. Sometimes a second opinion leads to a better outcome.
Thank You.
Al Barrow Coalition for Low Income Housing

Fresno Office
Company Headquarters
Provost & Pritchard Engineering Group, Inc.
286 W. Cromwell Avenue
Fresno, CA 93711-6162 [Map]
Phone: 559.449.2700
Fax: 559.449.2715
Email: fresno@ppeng.com http://www.ppeng.com/services.php?cat=was

----- Original Message -----
From: Donald Ikemiya
To: abarrow@sbcglobal.net
Cc: Richard Moss ; Al deHaai
Sent: Monday, June 13, 2005 8:56 AM
Subject: RE: wastewater treatment

Mr. Barrow,

To add to Al's email:

- **What we do have at P&P (that is unique) is a customized water balance model that takes into account all aspects of an effluent ag reuse system**. There are significant inputs, both book value and real data used in the analysis.

- **Analysis looks at pond dynamics, land loading rates (hydraulic, BOD, TSS, salt, nitrogen,**

and others), soil assimilative capacity, crop water and nutrient use, deep percolation, fresh water needs, and other items of concern.

- This analysis has been used and submitted for Regional Board (Region 5) approval on dozens of land application projects (municipal, industrial and dairy).

- I agree with the comments in Al's email and as we learn more specifics about your needs (treatment, disposal or both) we can guide you in the right direction.

Sincerely,

Donald Ikemiya, P.E.

-----Original Message-----

From: **Al deHaai**

Sent: Monday, June 13, 2005 8:34 AM

To: 'abarrow@sbcglobal.net'

Cc: Donald Ikemiya; Richard Moss

Subject: wastewater treatment

Mr. Barrow:

Thanks for your request for information on treatment ponds/ disposal.

The general procedure that we follow is to determine how the effluent can be properly accommodated on the disposal parcel, and work backward from there to see what level of treatment is sufficient to prevent overloading the site and contaminating the groundwater. We would need to prove the adequacy of any process to the regulators in order to gain their approval.

While I understand the general nature of your circumstance, there are a number of specifics we would need to know before commenting too heavily on the issues you raise:

- What population is being served?
- Is there an industrial or commercial component also?
- Is storage proposed for treated effluent, or will the 18 acres be irrigated year- round?
- Is there supplemental water available for summertime irrigation?
- Is there a good site for your treatment pond? What type of soils are there?
- There may be more topics to get into, also.

I should note that we do not really have a special treatment process (silver bullet!) that is substantially different from the industry—no special patents or similar. The bacteria that

do the actual treatment are generally the same, regardless of who designed the lagoon. Use of a STEP system allows the aerated ponds to receive much less organic load, and therefore perform better with a smaller footprint and less horsepower in the aerators; the small sewers are also attractive.

We designed a STEP system here in Fresno County, and it has been in service for about 10 years, in an upscale community with many rolling hills. That system uses a recirculating gravel filter (not an aeration pond) for treatment, and is doing a very nice job at cleaning the water.

We would be happy to work with you in solving the treatment disposal problems; in fairness, we should also say that the Wallace company would seem to be able to handle these issues also. Please feel free to contact me if you need more information.

--Al deHaai, Division Director, Water and Wastewater systems

Barnonhill@aol.com
05/14/2009 10:06 PM

To planningcommission@co.slo.ca.us
cc bgibson@co.slo.ca.us, fmecham@co.slo.ca.us, jpatterson@co.slo.ca.us, ahill@co.slo.ca.us, Kachadjian@co.slo.ca.us
bcc
Subject Please move forward with LO sewer

I support the preferred project as described in the EIR and urge you to move forward with haste. We do not need to wait around and lose the federal stimulus money! After all it is Our Money!!!! We need it back so we can use it for the sewer project that is gravity fed!!!! Please keep the ball rolling.

****

Susan Chandler
disAbility Advocate
Treasurer, CDR
805 528-4695
cell (805) 441-0655
FAX 805 528-4697
1193 17th St
Los Osos, CA 93402
www.disabilityrights-cdr.org

CALIFORNIANS FOR DISABILITY RIGHTS, INC.
To Improve the Quality of Life for All Persons with any Disability Through Education and Training — By Working to Remove Barriers Through Advocacy and Change in Public Policy

We need to continue the fight for SB 840--"affordable, accessible health care for all Californians."

For those who live in the San Luis Obispo area: Have you gone to the **Access for All website?** *It is a great place to get info about local disability organizations, programs, and events!! Why not check it out?* **www.sloaccessforall.org**

Alone we are weak, Together we are strong! Nothing About US Without

US!!! ***PLEASE JOIN CDR, there is also a local SLO chapter,*** *info is at:* ***www.disabilityrights-cdr.org*** ***.***

JerryElsie@aol.com
05/14/2009 04:32 PM

To planningcommission@co.slo.ca.us
cc bgibson@co.slo.ca.us, bill.garfinkel@charter.net
bcc
Subject Los Osos Sewer Project

Ladies and Gentlemen:

Let me take this opportunity to urge you to progress quickly with the work that must be done to get this program under way at least with the starting parameters you have chosen.

I have a knowledge of design processes and spent 33+ years in Engineering Management roles to ascertain that the work you have done to date continues to give me confidence in a positive outcome for this program. I spent some time attending Design Reviews of the initial design several years ago to make me feel that
a successful program was obtainable then, as it is now, even with the relocation of the Waste Water Treatment Facility.

Jerry Deitz

Dell Mini Netbooks: Great deals starting at $299 after instant savings!

THE "NO-SEWER" ALTERNATIVE

Summary:

1. The alleged need for a sewer has been increasingly questioned over time as basic data for support has been overcome by newer information.

2. A correlation does not exist between an increase in nitrate concentration with an increase in population over the 35 year time frame.

3. Expert testimony has questioned the procedures used to collect the original samples that were the basis for the need decision.

4. Isotope study of 1987 questioned the source of the nitrates as coming from septic systems.

5. An additional isotope study of 2006, made using more available testing, confirmed the nitrates were not from septic systems.

6. Physical testing of the septic effluent for denitration as it travels down the soil column suggests the nitrates are not reaching the ground water

7. Other areas similar to Los Osos that are adjacent to large amounts of organic ground cover find high ground water concentrations of nitrates.

8. The need for a sewer was based on reported contamination of the Morro Bay bay thought to have come from septic systems. DNA testing showed this to not be true. The quality of the water has improved since other sources were stopped and shell fish production is now permitted.

9. There are areas in Los Osos that have septic systems too close to ground water level that are not operating properly. This has to be corrected but does not justify including the whole area in a sewer system just to solve this small problem.

10. The "no sewer alternative" maintains a preferred point source distribution of treated effluent and the existing water balance. It creates no environmental problems. It eliminates interdepartmental friction about designs and financing. It is "shovel-ready" and will reunite the area.

Bob Stark
May 2009

Bob Bishop
<bobbishop @sbcglobal .net>

05/18/2009 08:47 PM

Please respond to
bobbishop@sbcglobal.net

To planningcommission@co.slo.ca.us, bgibson@co.slo.ca.us, fmecham@co.slo.ca.us, jpatterson@co.slo.ca.us, ahill@co.slo.ca.us, Kachadjian@co.slo.ca.us

cc bill.garfinkel@sbcglobal.net

bcc

Subject Los Osos Sewer Project

Dear Board Members and Planning Commissioners,

I support the Los Osos sewer project as proposed by the County. I am a home owner that has lived in the same house here in Los Osos for 30 years and this issue is getting very old; it is time to bring it to a conclusion. The enemy of a good plan is a perfect plan and I believe the County's plan is a good plan. Requiring further studies, more conditons, additional reviews will not make an appreciable difference in the outcome of this project. After all, we are simply collecting and treating sewage, something that has been done successfully in thousands of communities throughout this country for over a century. Please conclude your review and approve the project as designed.

Thank you,

Bob Bishop
1237 14th St.
Los Osos

Linde Owen
<lindeowen@sbcglobal.net>

05/19/2009 12:30 AM

To Piper Reilly <getgreenlo@gmail.com>

cc lisa schicker <lisaschicker@hotmail.com>, Jerri Walsh <baywoodrealty@charter.net>, "elaine.watson@charter.net" <elaine.watson@charter.net>, lgoldin@charter.net, Keith

bcc

Subject Concerns about County Supervisor Gibson and Ogren's Comments made regarding "who owns the water"

Some comments....

The greening of Public Works
SLO County's roads and bridges are heading in a new direction
BY KATHY JOHNSTON

Date: 03/19/2008

Three Exerpts:

Gone are the pocket protectors and rigid way of thinking that once characterized the county's former Engineering Department. Instead, with **Paavo Ogren** now at the helm and Mark Hutchinson in charge of the department's environmental division--neither of them engineers--there's a new emphasis on teamwork and on taking care of the county's natural resources.

The changes at Public Works started when county supervisors eliminated the requirement that the head of the County Engineering Department, as it was called then, had to be a licensed engineer. Noel King, a longtime department accountant and **CPA**, became its director in 2001, changed its name to Public Works, and hired **Ogren** --also an accountant and **CPA** who had worked in the department--to be the deputy director. The two worked to convince the Board of Supervisors to add an environmental division to the budget, and Hutchinson came on board in 2003.

For all of the Public Works Department's responsibilities, **Ogren** concluded, "Environmental professionalism is a good business practice for the county that leads to better decisions and more efficient outcomes, saving taxpayers' money.
"'The greening of Public Works' is a nice slogan," he continued, "but it's a component of better management and better business. The contrast was the day when people [in the department] were fighting environmental regulations. It's the transition of the times. We do get it. We understand that environmental concerns are important. It really boils down to common sense."

~~~~~~~~~~~~~~~~~~~~~~~~~~

Now really. So why did this impressive team fail to bring us a green, more safe and affordable sewer? How did they decide to send our raw, untreated wastewater out to a pristine ag farm outside of our basin, build a sludge based treatment and then sprayfield most of it into the wind or up onto the pristine Broderson hillside to see if they can saturate it without causing liquifaction on the hillside of homes below. And now we discover that the water is the County's once we pay to treat it to terciary. This plan this impressive team dreamed up is embarassing to all.

It needs intervention.

Peter Douglas/CCommission stated at a Save Our Estuary event 3 yrs ago that he would support a basin approach to resolving our wastewater and water issues. He's right.

Our first mistake. Warring neighbors accuse each other of polluting inside the PZ but not outside. The PZ line is arbitrary, Cabrillo Estates was removed from the original PZ zone, Monarch Grove was allowed to build their own mini-plant and 45 or so additional homes just 10 yrs ago. Our overall Nitrate readings are currently less than 1 mg over safe drinking standard, they are decreasing. There are no ecoli findings in the Bay, in spite of CMC and several smaller spills. There is NO CRISIS scientifically. Just a 1983 Resolution from the RWQCB, based on questionable evidence.

Just disturbing emails from Pandora Nash Karner and others to Roger Briggs/RWQCB after the RECALL election (that stopped the project) telling him to fine us out of existence, he agreed and began Cease & Desist proceeding shortly after, 'randomly' selecting 45 homes to practice community wide pressure tactics that would convince them to produce a sewer to hook up to by 2011 or prepare to lose use of your home.

While Roger Briggs was setting up these very important CDO hearings with San Francisco lawyers (which went on for over a year) the August 2006 Spinach Crisis broke lose in Salinas. The attached article tells a very different tale than was ever heard again. Wild pigs, wow.

The fact is, Roger Briggs and the Central Coast RWQCB ' shirked their duties in making sure that Natural Selection properly disposed of vegetable washwater and sewage generated by 400 employees.' For four years. That negligence left three dead people and a multi-billion dollar loss to the leafy greens industries in California. Briggs was leaving on a 6 month leave Friday, Oct. 6th according to a deposition Oct. 4, 2006. He seems to have avoided
~~~~~~~~~~~~~~~~~~~~~~~~~~

any complications with that little problem of the spinach. And the other little CDO bizarrity he initiated.

Please intervene and get our community a fair bidding process, between STEP/STEG, Vaccum, and Gravity and their treatment option, including disposal. You have not seen what the two alternatives can do and we must know a ball park cost on all three. I believe all agencies and groups would support this competitive solution and outcome. It's what was promised.

My personal feeling is that Paavo Ogren should be removed from the project before he causes any more damage , Carollo and MWHarza have tainted the Design/Build and RFQ process along with Lou Carrella and should also be removed. And I would ask Bruce Gibson to recuse himself from decision making due to his ties with political supporters.

That's all for now. Help fix the process. Please.

Linde Owen

PERSPECTIVE 9/23/06 T.

Where were enforcers before spinach crisis?

Until the recent E. coli outbreak, the commercialization of bagged spinach and "spring mix" was one of California's great marketing coups. Consumers nationwide started eating more fresh greens and enjoying healthier diets because farmers, mainly those in the Salinas Valley, invented new ways to grow, package and distribute salad to grocers and restaurants across the country.

Yet, as is often the case with large-scale agriculture, when things go wrong, they go wrong in a big way. More than 150 people have become ill from an outbreak of E. coli 0157:H7 that investigators traced to spinach packaged by Natural Selection Foods in San Juan Bautista. The empowering vegetable of Popeye has been turned into consumer kryptonite, and an entire multibillion-dollar industry in the Salinas Valley is paying the price.

Americans enjoy some of the safest food in the world, but a story in The Sacramento Bee on Thursday

paying the price.

Americans enjoy some of the safest food in the world, but a story in The Sacramento Bee on Thursday suggests that regulators — particularly those here in California — are not doing enough to keep it that way.

In at least two instances, San Benito County and the Central Coast Regional Water Quality Control Board shirked their duties in making sure that Natural Selection properly disposed of vegetable washwater and sewage generated by 400 employees.

The county required Natural Selection to build an onsite sewage disposal system for its employees in 1999 as a condition for expanding processing facilities. The company expanded but never built the disposal system. The county looked the other way. After trucking its waste off site for several years, the company connected to San Juan Bautista's sewage system, where it is allowed to discharge 90,000 gallons a day of wastewater.

Natural Selection also has a state permit that allows it to dispose of vegetable washwater in fields where only animal feed is grown. Yet for at least four years, the company has disposed of four times more wash water than its limit of 70,000 gallons per day. The Central Coast water board has known about the apparent violation since February, but doesn't seem terribly concerned about the consequences. ...

— *The Sacramento Bee*

Editor's note: Editorials from other newspapers are offered to stimulate debate and do not necessarily reflect the opinion of The Tribune.

opinion of The Tribune.

On May 17, 2009, at 2:45 PM, Piper Reilly wrote:

He may be a kook, but Tom Murphy warned me of this two years ago (paying 3 times- in , out and back again). It is one of the reasons I wanted to install a Reclamator.

On Sun, May 17, 2009 at 2:10 PM, lisa schicker <lisaschicker@hotmail.com> wrote:

I think this is very important news to share - this should be of great concern to anyone in the prohibition zone and a water customer.

The CDP must be conditioned to bring water back into the Los Osos groundwater basin and the people should know the price upfront. The farther the distance, the more varied the topgraphy, the more the cost.

Thank you from Lisa Schicker

.....

WHO owns the water????

From: lisaschicker@hotmail.com
To: board@losososcsd.org; jon@shipseyandseitz.com; mcooney@losososcsd.org
Subject: Concerns about County Comments made regarding "who owns the water"
Date: Sun, 17 May 2009 09:11:27 -0700

Dear Board:

I attended Bruce Gibson's office hours this past Thursday and numerous comments were made by both Gibson and Ogren regarding the ISJ and "ownership" of the water after it is treated at the wastewater plant.

I wanted to bring this to your attention.

Bruce and Paavo emphatically told the group, that once the water is treated at the plant, it becomes COUNTY WATER, the County owns it!!!

That means that as a water customer, and a person living in the prohibition zone, I will pay 3 TIMES??????
once for drinking

again, paying for the plant and treating the waste water at Tonnini
and one more time, to buy it back, in order to get the water back to the Los Osos basin from Tonnini?

I encourage you to share this news with Golden State, but this is something that should be agendized and discussed, in public and at the ISJ meetings and with the County.

I also request that someone from the LOCSD attend these office hours at Sea Pines - many water issues are discussed and your presence would be appreciated.

Just a fyi, the May 28 office hours are cancelled due to the Planning Commission hearing on the wastewater project.

Thank you from Lisa Schicker

Lisa Schicker
805-528-3268