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August 30, 2010

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COUNTY OF SAN LUIS OBISPO
DEPARTMENT OF PUBLIC WORKS

LETTER OF CONDITIONS

MR PAAVO OGREN
DIRECTOR OF PUBLIC WORKS
COUNTY OF SAN LUIS OBISPO
ROOM 207 COUNTY GOVERNMENT CENTER
SAN LUIS OBISPO CA 93408

Subject: Application for USDA Rural Development's Water and Waste Disposal Program to Construct a Wastewater system in Los Osos, CA

Dear Mr. Ogren:

This letter, with attachments, establishes conditions that must be understood and agreed to by the applicant before further consideration may be given to their application. Any changes in project cost, source of funds, scope of services or any other significant change in the project or applicant must be reported to and approved by USDA Rural Development by written amendment to this letter. Any change not approved by USDA Rural Development will be cause for discontinuing processing of the application.

This letter is not to be considered as loan/grant approval or as representation to the availability of funds. The application can be processed on the basis of a USDA Rural Development loan not to exceed $82,998,000 and grant not to exceed $4,002,000. Funds for this project are provided by the Rural Utilities Service (RUS). The loan/grant will be considered approved on the date Form RD 1940-1, "Request for Obligation of Funds," is mailed by USDA Rural Development. This is also the date that the interest rate is established.

Please complete and return the attached Form RD 1942-46, "Letter of Intent to Meet Conditions," and Form RD 1940-1, "Request for Obligation of Funds," within the next ten (10) days, if you desire that we give further consideration to your application. The execution of these and all other documents required by USDA Rural Development must be authorized by appropriate resolutions of the applicant's governing body.

The interest rate will be the lower of the rate in effect at the time of loan approval or the time of loan closing, whichever is less, unless you choose otherwise.

Rural Development is an Equal Opportunity Lender, Provider, and Employer. Complaints of discrimination should be sent to USDA, Director, Office of Civil Rights, Washington, D. C. 20250-9410

The loan will be repayable over a period not to exceed 40 years from the date of loan closing at the intermediate interest rate. The first interest installment will be due no later than one full year from the date of loan closing. The first principal payment may be deferred until the third year after the date of loan closing, resulting in 37 principal payments.

After receipt of the 2010 Census, you may be required to refinance (graduate) the unpaid balance of the RD loan, in whole or in part, if at any time RD determines your entity is able to obtain a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time.

Based on Standard Form 424, "Application for Federal Assistance," the project cost and funding will be as follows:

a. Project Cost

Land/Right-of-Ways	$ 2,000,000
Design Engineering	5,500,000
Project Inspection Fees	7,000,000
Construction	126,364,000
On-lot Cost (ineligible)	15,635,000
Administrative/Legal	7,500,000
Water Conservation	5,000,000
SRF Refinance	6,500,000
Predevelopment Finance	1,110,000
Contingencies	12,636,000
TOTAL:	$189,245,000

b. Source of Funds

USDA Loan	$ 82,998,000
USDA Grant	4,002,000
State SRF Loan	86,610,000
Owner Financed	15,635,000
TOTAL:	$189,245,000

Section I of the attached conditions (Items 1—17) will be satisfied prior to loan/grant closing or before construction begins, whichever occurs first, in either case not later than one (1) year from the date of this letter. **In the event the project has not advanced to the point of construction within one (1) year, USDA Rural Development reserves the right to discontinue the processing of the application.**

If you have any questions, feel free to contact this office.

Sincerely,

PETE YRIBARREN
Community Programs Specialist

cc: Janice Waddell, Community Programs Director, USDA Rural Development, Davis
Sam Sperry, Meyers Nave, Oakland, CA
Kyle Ochenduszko, State Water Resources Control Board, Sacramento, CA

I. CONDITIONS TO BE SATISFIED PRIOR TO LOAN/GRANT CLOSING OR BEFORE CONSTRUCTION BEGINS, WHICHEVER OCCURS FIRST

1. **American Recovery and Reinvestment Act of 2009 ("Recovery Act").**
Recovery Act requirements apply to this financing. In addition to the other conditions contained in this Letter of Conditions, you must understand and agree to these following conditions specific to the Recovery Act:

   a. Certifications. With respect to Recovery Act funds made available to State or local governments for infrastructure investments, Section 1511 of the Recovery Act requires the Governor, mayor or other chief executive, as appropriate, to certify that the infrastructure investment has been properly approved as required by law and that the chief executive accepts responsibility that the infrastructure investment is an appropriate use of taxpayer dollars. RD Water and Waste personnel will provide specific guidance on the information required in the certification.

   b. Reports on Use of Funds. Section 1512 of the Recovery Act requires each recipient receiving Recovery Act funding to provide specific information to the government on a periodic basis for inclusion in various internal and publicly-available reports. RD Water and Waste Program personnel will provide specific guidance on the type and frequency of information required to assist Recovery Act recipients in complying with this condition.

   c. Buy American. Section 1605 of the Recovery Act requires that all projects financed with Recovery Act funds be bid and constructed using only iron, steel and manufactured goods produced in the United States in accordance with Section 1605 of the Recovery Act. Specific guidance, including contract provisions to be included in any construction contracts, is being formulated and drafted as of the date of this Letter of Conditions. RD Water and Waste Program personnel will provide specific guidance related to this condition as soon as it is available.

   d. Wage Rate Requirements. Section 1606 of the Recovery Act requires that all laborers and mechanics employed by contractors and subcontractors for the project will be paid wages at rates not less than those prevailing on projects of a character similar in the locality where this project will occur. Specific guidance, including contract provisions to be included in any construction or otherwise related contracts, is being formulated and drafted as of the date of this Letter of Conditions. RD Water and Waste Program personnel will provide specific guidance related to this condition as soon as it is available.

Compliance with the conditions in this section is required for financing under the Recovery Act. However, these conditions are not substitutes for, or in lieu of, the remaining conditions contained in this Letter of Conditions. Each of the conditions in this Letter of Conditions must also be understood and complied with to receive financing for your project.

2. **Reserves**—So long as the Alternative Method of Distribution of Tax Levies and Collection and Tax Sale Proceeds (the Teeter Plan) remains in effect, this requirement shall be considered to have been met. If during the term of this loan, the County Board of Supervisors orders discontinuance of the Teeter Plan, the applicant will then establish a separate debt service reserve in an amount at least equal to an average annual loan installment. This reserve will then be accumulated at the rate of at least one-tenth of that average installment each year until the required level is reached, which is one average annual loan installment.

   In addition, you must fund a depreciation reserve for short-lived assets by depositing a sum of $206,300 annually. This amount should be evaluated each year and budgeted for based on the need to provide for timely replacement of short-lived assets.

3. **Disbursement of Funds**

   a. Interim loan financing during construction will not be required. USDA Rural Development funds will not be provided before the execution of a construction contract.

   b. The applicant will provide evidence that funds from other sources will be made available for the project cost in the amount of $86,610,000. This evidence should include a copy of the loan/grant award that addresses how funds will be disbursed.

   c. The applicant's contribution of funds toward the project cost shall be considered the first funds expended and must be deposited in its project account before construction is started.

   d. You must establish a separate account, to be known and hereafter referred to as the Construction Account. All project funds will be deposited into this account and must be in a bank with Federal Deposit Insurance Corporation (FDIC) insurance coverage. The account shall be used solely for the purpose of paying authorized costs of the project as outlined in the project budget. Once the funds are deposited into the Construction Account, they become your responsibility.

4. **Security Requirements**

   a. At loan closing, the applicant will execute the attached RUS Bulletin 1780-27, "Loan Resolution (Public Bodies)". Please note the refinancing provision in paragraph 2. Also, on page 3 there is a certification to be executed at loan closing.

   b. The applicant will be required to execute a completed, RUS Bulletin 1780-12, "Water or Waste System Grant Agreement," at the time of grant closing.

   c. The applicant is legally organized and has the authority to borrow money for this project under the Municipal Bond Act of 1913. The loan will be secured by a limited obligation improvement bond, which will be on parity with the State SRF loan. The bond must be prepared in accordance with RUS Instruction 1780 Subpart D, and State law. The assistance and opinion of a recognized bond counsel must be obtained.

5. **Applicant Certifications**

   a. The applicant will certify that all parcel holders who benefit from the project will be assessed in accordance with State law to repay the USDA loan, with a minimum of 4,612 parcels being assessed. The proposed assessment roll must be approved by the USDA Rural Development prior to adoption by the County.

   b. The applicant's attorney will provide his/her opinion that rate increases required for this project have been adopted in accordance with Section 6 of Article XIIID of the California Constitution as well as other requirements of California law. The applicant will provide a copy of the Minutes from the public meeting. All voter approval requirements under state law must be obtained before the issuance of the USDA Offer to Purchase Bonds.

   c. A mandatory hook-up ordinance is required, and you must provide evidence of the ordinance and a certification attesting to the number of users that will be required to connect to the proposed system prior to advertisement for construction bids.

6. **Insurance and Bonding Requirements**—The applicant must provide evidence of adequate insurance and fidelity bond coverage by loan closing or start of construction, whichever occurs first. Adequate coverage, in accordance with USDA Rural Development's regulations, must then be maintained for the life of the loan. It is the responsibility of the applicant and not that of USDA Rural Development to assure that adequate insurance and fidelity bond coverage is maintained. Applicants are encouraged to review coverage amounts and deductible provisions with their attorney, consulting engineer, and/or insurance provider(s).

   a. Property Insurance—Fire and extended coverage will be required on all above-ground structures, including applicant-owned equipment and machinery housed therein. This requirement does not apply to water reservoirs, stand pipes and elevated tanks. Provide USDA Rural Development with proof of coverage and attach Lender's Loss Payable Endorsement (438 BFU or equivalent) naming the UNITED STATES OF AMERICA as lender.

   b. Workers' Compensation Insurance—The applicant will be required to carry workers' compensation insurance for all employees in accordance with California law. Provide USDA Rural Development with proof of coverage.

   c. General liability and vehicular coverage must be maintained—Provide USDA Rural Development with proof of coverage.

   d. Fidelity Bond—Persons who have access to the funds and custody to any property will be covered by a fidelity bond. Coverage may be provided either for all individual positions or persons, or through "blanket" coverage providing protection for all appropriate employees and/or officials. The amount of coverage required by USDA Rural Development will be sufficient to cover the total annual debt and reserve service requirements for the loan. The United States of America will be named as co-obligee on the bond. A certified power-of-attorney with effective date will be attached to each bond. Provide USDA Rural Development with a copy of the bond and the power of attorney.

7. **Civil Rights & Equal Opportunity**—You should be aware of and will be required to comply with other Federal statute requirements including but not limited to:

    a. Section 504 of the Rehabilitation Act of 1973.
    b. Civil Rights Act of 1964.
    c. The Americans with Disabilities Act (ADA) of 1990.
    d. Age Discrimination Act of 1975.

    Rural Development financial programs must be extended without regard to race, color, religion, sex, national origin, martial status, age, or physical or mental handicap.

    The applicant is subject to a pre-loan closing civil rights compliance review by USDA Rural Development.

8. **Written Agreements for Professional Services**

    a. The bond counsel services agreement submitted by Meyers Nave is satisfactory to USDA Rural Development.
    b. The legal service agreement submitted by County Counsel is satisfactory to USDA Rural Development.
    c. An Agreement for Engineering Services will have to be prepared and approved by USDA Rural Development.

9. **Land and Rights-of-Way**—The applicant must present satisfactory evidence that they have obtained, or can obtain, any and all lands, rights-of-way, easements, permits and franchises which are required by the engineering plan. Acquisitions of necessary land and rights must be accomplished in accordance with the Uniform Relocation and Real Property Acquisition Act. The following forms, copies of which are attached, may be used for these purposes:

    a. Form RD 442-21, "Right-of-Way Certificate" (with map attached)
    b. Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way"

10. **Permits**—All permits involving Federal, State, and local agencies must be obtained and evidence thereof provided to USDA Rural Development prior to bidding. If the project involves a new drinking water supply source or change in a drinking water treatment process a new California Department of Health Services permit will be required. To receive this permit a CEQA environmental review must be completed and routed through the State Clearinghouse.

11. **Utility Purchase Contracts**—The project involves the disposal of water on private land, and you must have written contracts to accept this treated water which are to be reviewed and concurred in by USDA Rural Development. Such contracts are subject to the requirements of RUS Instruction 1780.62.

12. **Environmental Reviews**—USDA Rural Development projects are subject to NEPA environmental reviews. During any stage of project development, including construction, should environmental issues develop which require mitigation measures, USDA Rural Development applicants are required to notify USDA Rural Development and comply with such mitigation measures. Failure by an applicant to implement mitigation measures may disqualify the project from Agency funding. Mitigation measures identified or prepared by you as part of the CEQA and NEPA environmental process must be implemented. Mitigation measures which must be followed per USDA Rural Development's Environmental Assessment are attached.

13. **Engineering and Construction**

    a. USDA Rural Development must approve any agreements or modifications to agreements for professional design services. The agreement for engineering services should consist of the EJCDC documents as indicated in RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Projects with USDA Financial Assistance" or other approved form of agreement

    b. All construction will be completed under contract. The planning, bidding, contracting, and construction must comply with RUS Instruction 1780 Subpart C, and any additional requirements of California law and the requirements of other County, State, or Federal agencies.

    c. The following must be reviewed and approved by USDA Rural Development in the sequence indicated:

        i. Preliminary Engineering Report
        ii. Agreement for Engineering Services
        iii. Final Plans and Specifications for the project
        iv. Bid Award Information.
        v. Executed Contract Documents

    d. Affirmative steps should be taken to assure that small, minority, and women business are utilized as source of supplies, equipment, construction, and services.

    e. The Plans & Specifications must be reviewed and approved, when applicable, by any regulatory or other agencies that are required to review these documents.

    f. A representative of USDA Rural Development will attend all pre-construction conferences in connection with this project. These conferences must be held prior to the issuance of the Notice to Proceed to the contractors. The applicant's consulting engineer will conduct the conference and document the discussions and agreements.

14. **Electronic Funds Transfer**—All funds will be transferred to borrowers via Electronic Funds Transfer/Automated Clearinghouse Systems (EFT/ACH). Normal transfers will be ACH, with money being placed in Borrower's account two days after the USDA processing office approves the pay request. The applicant must submit the Electronic Funds Transfer Form containing the banking (ACH) information to the USDA Servicing Office at least 30 days prior to the date of loan closing. Failure to do so could delay loan closing.

15. **Automatic Payments**—The applicant is required to participate in the Pre-Authorized Debit (PAD) payment process for all new and existing indebtedness to USDA Rural Development. It will allow for the applicant's payment to be electronically debited from its account on the date their payment is due. Form RD 3550-28, "Authorization Agreement for Pre-Authorized Payments," is attached. Please fill out and sign your "Individual/Company Information" section, then have your financial institution/bank fill out the bottom portion prior to submitting the form to the USDA Rural Development service office.

16. **Bond Documents**—All applicable bond closing documents must be submitted by the Bond Counsel at least 30 days prior to the planned closing date. The bond issuance documents must include language similar to the following:

    a. The County shall not lease or transfer ownership of the Los Osos Wastewater Project to another entity, whether public or private, without the express written consent of the United States Department of Agriculture or its successor or successors in interest as holder or holders of the limited obligation improvement bonds (the "Bonds") issued by the County pursuant to the Improvement Bond Act of 1915 (the "1915 Act") of the County's Wastewater Assessment District No. 1 (the "Assessment District") to such lease or transfer of ownership.

    b. In the event that the County leases or transfers ownership of the Los Osos Wastewater Project to another entity, whether public or private, the County, as the local agency which established the Assessment District and as the issuer of the Bonds, shall retain all of its obligations and responsibilities as established by the 1915 Act, any resolution authorizing issuance of the Bonds, and any Fiscal Agent Agreement, Trust Agreement or like instrument pertaining to the Bonds, with respect to the administration and payment on the Bonds and the administration and enforcement of the unpaid special assessments of the Assessment District which secure the Bonds.

17. **Operating Budget**

    a. A rate structure sufficient to balance a USDA Rural Development approved Operating Budget will be in effect at the time of loan closing. Once the rate structure has been approved by USDA Rural Development, provide USDA Rural Development with a copy of the adopted ordinance. The rate structure must include enough revenue to cover all operating and maintenance expenses, the debt service on the revenue-backed portion of the SRF loan, a debt service reserve for the SRF loan, a short-lived asset account, and the vacant lot share of the debt service.

    b. The applicant will develop and implement an RD approved policy for the handling of past due customer bills and penalties.

II. LOAN/GRANT CONDITIONS TO BE SATISFIED DURING CONSTRUCTION

1. **Disbursement of Grant Funds**—USDA Rural Development funds will be advance as they are needed in the amount(s) necessary to cover the Rural Development proportionate share of obligation due and payable to the Grantee. Interest earned on grant funds in excess of $250 for Nonprofits and $100 for Public Bodies per year will be submitted to Rural Development at least quarterly, as required in 7CFR3019 / 7CFR3016 as applicable.

2. **Inspections**—A resident inspector is required during construction. The inspection reports must be available to USDA Rural Development for review at any time. These reports must be kept at the project site or borrower's office, if near by.

3. **Monthly Reporting**—The applicant must monitor and provide a monthly report to USDA Rural Development on actual performance during construction for each project financed, or to be financed, in whole or in part with USDA Rural Development funds, to include Forms RD 1924-18, "Partial Payment Estimate"; RD 1924-7, "Contract Change Order"; SF-271, "Outlay Report and Request for Reimbursement for Construction Programs"; and Project Daily Inspection Reports.

4. **Final Inspection**—A final inspection will be made by USDA Rural Development on the component USDA is financing before final payment is made.

5. **Excess Funds**—Any remaining funds must be utilized for approved purposes within 60 days following the final inspection or the funds will be canceled without further notification from USDA Rural Development.

6. **Anti-Deficiency Act**— All Recovery Act appropriated funds for this project must be fully disbursed no later than September 30, 2015, or they will be cancelled and shall not be available for expenditure of any purpose.

7. **Vulnerability Assessments (VA) and Emergency Response Plans (ERP)**—Rural Development requires all financed water and wastewater systems to have a vulnerability assessment (VA) and an emergency response plan (ERP) in place. New water or wastewater systems must provide a certification that an ERP is complete prior to the start of operations. A certification that a VA is complete must be submitted within one year of the start of operations. All other borrowers must provide a certification that a VA and ERP are completed prior to bid authorization. DO NOT SUBMIT COPIES OF THE ACTUAL VA OR ERP DOCUMENTS TO USDA RURAL DEVELOPMENT.

   USDA Rural Development staff has arranged for the California Rural Water Association (CRWA), or the Rural Community Assistance Corporation (RCAC) to assist borrowers with the preparation of their VA and ERP. CRWA or RCAC should be contacted to obtain more information and their technical assistance in the preparation of the VA & ERP, so that the required CERTIFICATION STATEMENT can be provided to USDA. Please contact Dustin Hardwick (CRWA) at (760) 920-0842 or Jean Thompson at RCAC (916) 447-9832.

III. LOAN CONDITIONS TO BE SATISFIED AFTER PROJECT COMPLETION

1. **Financial Statements**—To be submitted on an annual basis in accordance with generally accepted accounting principles (GAAP) and shall comply with the following:

   a. OMB Circular A-133 annual audits are required when Federal Financial Assistance of $500,000 or more per year is expended. An audit per OMB Circular A-133, must be provided to the USDA Rural Development on an annual basis.

   b. An audit, in accordance with State or local law or regulation or regulatory agency and Water and Waste audit requirements, must be submitted when you expend less than $500,000 in Federal financial assistance per fiscal year and the unpaid loan balance is $1,000,000 or more.

   c. A management report, in lieu of an audit report, may be submitted with the USDA Rural Development approval when you expend less than $500,000 in Federal financial assistance per fiscal year and the unpaid loan balance is less than $1,000,000.

2. **Quarterly Reports**—A quarterly management report will be required for the first year for new borrowers and for all borrowers experiencing financial or management problems for one year from the date problems were noted. If the borrower's account is current at the end of the year, the processing office may waive the required reports.

3. **Audit agreement**—If you are required to obtain the services of a licensed Certified Public Accountant (CPA), you must enter into a written audit agreement with the auditor. The audit agreement may include terms and conditions that you and auditor deem appropriate; however, the agreement should include the following:

   a. A statement that the auditor will perform and document the audit work in accordance with GAGAS and the professional standards of the AICPA;

   b. A statement that the auditor will submit the completed audit and accompanying letters to the borrower's governing body 30 days prior to the date the audit is due to USDA Rural Development;

   c. A statement that the auditor will make all audit-related documents, including workpapers, available to the Agency Rural Development or its representatives, upon request; and

   d. A statement that the auditor will immediately report, in writing, all irregularities and illegal acts to the borrower's governing body and the Agency Rural Development.

4. **Compliance Reviews**—Rural Development will be required to periodically conduct compliance review of this facility and operation. You will need to provide the local office the statistical information as requested.

5. **Security Inspections**—Rural Development is required to conduct an inspection of the facility a minimum of once every three years.

6. **VA/EPR**—You will also be required to provide a certification that the VA and ERP is complete and is current every three years after the start of operations. RD does not need or want a copy of the VA or ERP. The requested certification will be sufficient to meet our needs.

Summary of Mitigation

A summary of all proposed mitigation measures as described in the NEPA document follow:

Mitigation Number [CEQA number]	Mitigation Measure
Section 3.4: Historic Properties	
3.4-1	Prior to the approval of the expenditure of any Federal funds on the undertaking or prior to the issuance of any license, the Section106 process will be completed. This process will include the finalization of the Historic Properties Evaluation and Treatment Plan and the acceptance of the project's Memorandum of Agreement by the appropriate federal signatories.
3.4-2	An Historic Properties Evaluation and Treatment Plan has been prepared for the LOWWP, and details the extensive scope of the proposed project; establishes site types with corresponding levels of effort for mitigation, and details data recovery and monitoring plans for the extent of the proposed project. This Treatment Plan will be executed in full throughout the course of the project.
3.4-3 [5.6-B4]	As detailed in the Treatment Plan, if avoidance of recorded archaeological sites within any portion of the approved project design is not possible through project redesign, a phased program of site testing will be undertaken to establish boundaries and evaluate the resources' potential eligibility to the California Register of Historical Resources or the National Register of Historic Places. If a site is determined ineligible, no further work is required. If a site is determined eligible, data recovery excavations will be required to mitigate adverse effects incurred from project development.
3.4-4 [5.6-B6]	Preconstruction monitoring will occur in areas ranked as high in sensitivity for buried deposits. Mechanical backhoe trenching will be conducted within the sensitive areas where any construction impacts will occur and will be monitored by a qualified geoarchaeologist. Any identified intact deposits will be evaluated, and any deposits determined to be eligible to the California Register and/or National Register will require project redesign to avoid impacts, or data recovery to mitigate unavoidable impacts.
3.4-5 [5.6-B7]	While prior survey, excavation, and monitoring have been conducted for the majority of the collection system in the community of Los Osos, redesign in the placement of pipelines and location of pump stations and other facilities requires additional consideration. Areas of high archaeological sensitivity, including the locations of human burials, have been identified. Continued avoidance or additional testing, monitoring, and/or data recovery will be required to reduce impacts to a less-than-substantial level.
3.4-6 [5.6-B8]	Full analysis, processing, documentation, curation, and reporting of the project collections was not achieved because of the stop-work order on the 2005 wastewater project. These tasks will be completed by qualified archaeologists as an important mitigation effort for overall project impacts and to fulfill requirements associated with past Section 106 consultations. Study findings will be made available to the general public and local Native Americans, as well as to the scientific community.
3.4-7 [5.6-D1]	A draft Memorandum of Agreement has been prepared for the treatment and disposition of human remains and associated burial items. Although not required by law, this document lays out the procedures agreed upon by interested local Native Americans and stipulated under State law, including proper and respectful handling of remains, identification of reburial areas, acceptable analyses, and resolution of conflicts. It includes a list of Most Likely Descendents approved by the Native American Heritage Commission; these individuals would be signatories on the Agreement.
3.4-8	For sites with known human remains or which have a potential for human remains, pre-

Mitigation Number [CEQA number]	Mitigation Measure
[5.6-D2]	construction excavations will take place within the direct impact areas to insure that no human remains are present.
3.4-9 [5.6-D3]	If human remains are encountered within the project area, the County will be responsible for complying with provisions of Public Resources Code Sections 5097.98 and 5097.99, and 7050.5 of the California Health and Safety Code, as amended by AB 2641. Restrictions or procedures for excavation, treatment, or handling of human remains will be established in consultation with the individuals designated by the Native American Heritage Commission as the Most Likely Descendents.
Section 3.5: Biological Resources Information	
3.5-1*	All staging areas, as well as those areas where fueling and maintenance of vehicles and other equipment would occur, will be located at least 20 meters from riparian habitat or water bodies. The contractor or County will ensure that contamination of habitat does not occur during such operations.
3.5-2*	Prior to the onset of work near any riparian habitat, the USDA will ensure that the contractor or County has prepared a plan to allow a prompt and effective response to any accidental spills.
3.5-3*	To avoid potential timing conflicts between construction and the breeding season for the California red-legged frog, work activities adjacent to Los Osos Creek will only commence after March 31 and be completed by October 31, annually.
3.5-4*	Night-time illumination at the treatment plant site will meet the following requirements of the County's Estero Area Plan in order to be shielded from riparian areas and creeks: "all lighting fixtures will be shielded so that neither the lamp nor the related reflector interior surface is visible from adjacent properties. Light hoods will be dark-colored." No night lighting will be used unless necessary for active maintenance activities at the plant, or under emergency conditions.
3.5-5*	Tributaries to Warden Creek on the Giacomazzi property will be restored to provide improved habitat for the California red-legged frog. Drainages currently devoid of riparian vegetation will be revegetated with native riparian canopy and emergent species to provide additional shade, cover, and breeding habitat. The current practice of removing all vegetation within and adjacent to Los Osos Creek and tributaries to Warden Creek will cease.
3.5-6 [5.5-A3]	A worker education program and clearly defined operations procedures will be prepared prior to project construction. The worker education program and operations procedures will be implemented by the County throughout the duration of construction. A biologist approved by the USFWS will be retained to provide construction personnel specific instruction on general detection and avoidance of sensitive resources during construction. The worker education program will include: descriptions and pictures of listed species; the provisions of the Endangered Species Act; those specific measures being implemented to avoid and minimize take or impacts to listed or otherwise sensitive species (e.g. conserve listed and sensitive species as they relate to the project); and the project boundaries within which the work will occur.
3.5-7 [5.5-A8]	Prior to project construction, the County will retain a qualified biologist to conduct pre-construction surveys for the California red-legged frog according to protocol approved by the USFWS. Surveys will be conducted within all areas that at are determined to contain suitable habitat for this species and that occur within 100 feet of proposed construction, or at a distance determined through USFWS consultation. To avoid potential timing conflicts with the California red-legged frog-breeding period, construction activities in the vicinity of California red-legged frog habitat will be completed between April 1 and November 1. This measure will apply to construction activities at the LOVR bridge and Los Osos Creek crossing, and all other areas determined during pre-construction surveys to contain suitable habitat for the species, including areas that occur

Mitigation Number [CEQA number]	Mitigation Measure
	within 100 feet of proposed construction, or at a distance determined through USFWS consultation. Prior to construction, the County will retain a USFWS- approved biologist to permanently remove any individuals of exotic species, such as bullfrogs, crayfish, and centrarchid fishes from the project area, to the maximum extent possible. The USFWS-approved biologist will be responsible for ensuring his or her activities are in compliance with the California Fish and Game Code. Prior to construction, the County will retain a USFWS-approved biologist to conduct a training session for all construction personnel. At a minimum, the training will include a description of the California red-legged frog and its habitat, the importance of the California red-legged frog and its habitat, the general measures that are being implemented to conserve the California red-legged frog as they relate to the project, and the boundaries within which the project may be accomplished. Prior to construction, the County will retain a USFWS-approved biologist responsible for monitoring construction activities. Ground disturbance will not be authorized to begin until written approval is received from the USFWS that the biologist is qualified to conduct the work. Only USFWS-approved biologists will participate in activities associated with the capture, handling, and monitoring of California red-legged frog. To ensure that diseases are not conveyed between work sites by the USFWS-approved biologist, the fieldwork code of practice developed by the Declining Amphibian Populations Task Force will be followed at all times. A USFWS-approved biologist will be present at the active work sites until such time that the initial survey for California red-legged frogs, instruction of workers, and (upland) habitat disturbance have been completed. After this time, the contractor or permittee will designate a qualified person to monitor on-site compliance with all minimization measures. The USFWS-approved biologist will ensure that this individual receives appropriate training as to the identification of frogs, potential hazards to the species, inappropriate and allowable work activities, and appropriate contacts for immediate, professional biological support. During work activities, all trash that may attract predators will be properly contained, removed from the work site and disposed of regularly. Following construction, all trash and construction debris will be removed from work areas. All fueling and maintenance of vehicles and other equipment and staging areas will occur a minimum of 100 feet from all open water, stream, wetland, and riparian habitat. The permittee will ensure that contamination of habitat does not occur during such operations. Prior to the onset of work, the EPA will ensure that the permittee has prepared a plan to allow a prompt and effective response to any accidental spills. Recycled water storage ponds will be maintained as to not attract bullfrogs. This will include allowing the ponds to go dry during the summer to disrupt any breeding activity by bullfrogs. The County will monitor recycled water storage ponds for bullfrog activity.
3.5-8**	All construction activities across Los Osos Creek will occur when the channel is dry.
3.5-9**	Silt fencing will be installed in all areas where construction occurs within 100 feet of known or potential steelhead habitat.
3.5-10**	Spoil sites will be located so they do not drain directly into Los Osos Creek. If a spoil site drains into a water body, catch basins will be constructed to intercept sediment before it reaches the channel. Spoil sites will be graded to reduce the potential for erosion.
3.5-11**	A spill prevention plan for potentially hazardous materials will be prepared and implemented. The plan will include the proper handling and storage of all potentially hazardous materials, as well as the proper procedures for cleaning up and reporting of any spills. If necessary, containment berms

Mitigation Number [CEQA number]	Mitigation Measure
	will be constructed to prevent spilled materials from reaching the creek channel.
3.5-12**	Equipment and materials will be stored at least 50 feet from Los Osos Creek. No debris such as trash and spoils will be deposited within 100 feet of waterways. Staging and storage areas for equipment, materials, fuels, lubricants and solvents, will be located outside of the stream channel and banks. Stationary equipment such as motors, pumps, generators, compressors and welders, located within or adjacent to the stream will be positioned over drip pans. Any equipment or vehicles driven and/or operated within or adjacent to the stream will be checked and maintained daily, to prevent leaks of materials that if introduced to water could be deleterious to aquatic life. Vehicles will be moved away from the stream prior to refueling and lubrication.
3.5-13**	Proper and timely maintenance for vehicles and equipment used during construction will be provided to reduce the potential for mechanical breakdowns leading to a spill of materials into or around the creek. Maintenance and fueling will be conducted in an area that meets the criteria set forth in the spill prevention plan (i.e., away from the creek).
3.5-14**	A qualified biological monitor will be on site during all stream crossing activities. The biological monitor will be authorized to halt construction if impacts to steelhead habitat are evident.
3.5-15**	Project sites will be restored to pre-construction channel conditions, including streambed composition, compaction, and gradient.
3.5-16**	Project sites, if disturbed, will be revegetated with an appropriate assemblage of native upland vegetation, and if necessary, riparian vegetation, suitable for the area. A plan describing pre-project conditions, restoration and monitoring success criteria will be prepared prior to construction.
3.5-17 [5.5-A6]	All construction activities across Los Osos Creek will be restricted to low-flow periods of June 15 through November 1. If the channel is dry, construction can occur as early as June 1. Restricting construction activities to this work window will minimize impacts to migrating adult and smolt steelhead, if present. Prior to construction, the County will retain a qualified biological monitor to be on site during all stream crossing activities associate with Los Osos Creek. The biological monitor will be authorized to halt construction if impacts to steelhead are evident. Prior to construction, a spill prevention plan for potentially hazardous materials will be prepared and implemented. The plan will include the proper handling and storage of all potentially hazardous materials, as well as the proper procedures for cleaning up and reporting of any spills. If necessary, containment berms will be constructed to prevent spilled materials from reaching the creek channel. Prior to construction, silt fencing will be installed in all areas where construction occurs within 100 feet of known or potential steelhead habitat. All silt fencing, erosion control and landscaping specifications will only include natural-fiber, biodegradable products for meshes and coir rolls to minimize impacts to species and the environment during use. During construction, spoil sites will be restricted to upland locations so they do not drain directly into Los Osos Creek. If a spoil site drains into a water body, catch basins will be constructed to intercept sediment before it reaches the channels. If required, spoil sites will be graded to reduce the potential for erosion. During construction, equipment and materials will be stored at least 50 feet from Los Osos Creek. No debris such as trash and spoils will be deposited within 100 feet of waterways. Staging and storage areas for equipment, materials, fuels, lubricants and solvents, will be restricted to locations outside of the stream channel and banks. Stationary equipment such as motors, pumps, generators, compressors and welders, located within or adjacent to the stream will be positioned over drip pans at all times. Any equipment or vehicles driven and/or operated within or adjacent to the stream will be checked and maintained daily to prevent leaks of materials that if introduced to water could be deleterious to aquatic life. Vehicles will be moved away from the stream prior to refueling and

Mitigation Number [CEQA number]	Mitigation Measure
	lubrication. During construction, proper and timely maintenance for all vehicles and equipment used will be provided to reduce the potential for mechanical breakdowns leading to a spill of materials into or around the creek. Maintenance and fueling will be restricted to safe areas away from Los Osos Creek that meet the criteria set forth in the spill prevention plan. Immediately following construction, all construction work areas will be restored to pre-construction channel conditions, including streambed composition, compaction, and gradient. If required, channel banks will be returned to original grade slope and appropriate bank stabilization techniques will be implemented to reduce the potential for erosion and sedimentation. A plan describing pre-project conditions and restoration methods will be prepared prior to construction. Immediately following construction, all appropriate construction work areas will be revegetated with an appropriate assemblage of native upland vegetation, and if necessary, riparian vegetation, suitable for the area. A plan describing pre-project conditions, restoration and monitoring success criteria will be prepared prior to construction.
3.5-18 [5.5-A7 Revised]	Maintenance activities associated with pipe suspension that may result in activity within the streambed of Los Osos Creek should be restricted to periods when the streambed is dry and does not support any flowing water or pooling water in the proposed maintenance area.
3.5-19*	A Service-authorized biologist will conduct training sessions for all project-related personnel immediately prior to the start of vegetation removal, grading, and ground-disturbing construction-related activities.
3.5-20*	Construction areas will be clearly marked with high visibility flagging or barrier fencing. Construction equipment and personnel will be restricted to the marked areas.
3.5-21*	A Service-authorized biologist will be retained to monitor all vegetation removal, grading, and ground-disturbing construction-related activities that will take place within habitat suitable for the Morro shoulderband snail. Monitoring activities will be required daily until completion of initial disturbance at each location and for ensuring appropriate minimization measures are implemented during construction. The monitor will be granted full authority to stop work at his or her discretion and will stop work if project-related activities occur outside the demarcated boundaries of the construction footprint. The monitoring biologist will stop work if any Morro shoulderband snails are detected within the proposed construction footprint and will implement measures to relocate them to suitable habitat out of harm's way prior to construction activities resuming. If no suitable habitat opportunities are available in the immediate vicinity of the construction footprint, salvaged and relocated specimens may also be transported to an off-site location approved by the Service.
3.5-22*	Prior to the initiation of project-related activities that would result in vegetation removal, soil disruption, or construction, the approximately 73 acres of the Broderson property that will not be used for the proposed leach fields will be secured and granted, in perpetuity, to an appropriate agency or conservation organization who will assume the responsibility for its management. A long-term management and monitoring program will be prepared and approved by the Service and the Department. The County will be responsible for the allocation of appropriate funding necessary to implement the management and monitoring of the conserved lands.
3.5-23*	The existing degraded coastal dune scrub at the Broderson property will be restored and maintained to promote its function as habitat for Morro shoulderband snail and sensitive plants and wildlife species that are local or endemic to the area. Restoration activities will be conducted by qualified personnel with expertise in restoration ecology and knowledge of sensitive plant and wildlife species in the area. Restoration activities will be conducted in accordance with a Restoration Plan specifically prepared for the effort and approved by the Service, and the Department. Similarly, habitat restoration and maintenance will be implemented according to a Habitat Mitigation and Monitoring Plan that will evaluate the progress of the restoration effort.

Mitigation Number [CEQA number]	Mitigation Measure
3.5-24*	Habitat restoration activities will include measures for the removal and eradication of competitive, invasive, non-native plant species known to occur in the local area, including veldt grass (Ehrharta calycina) and pampas grass {Cortaderia spp.). Activities that involve the removal of invasive species will not result in unnecessary trampling or removal of native species, and techniques employed for the removal of non-native plant species will be those that will result in the least damage to native species. Any disturbed portions of the acquired 73 acres of the Broderson parcel should be evaluated for their potential to be restored as coastal dune scrub habitat that would have the potential to support the functions and values necessary for the Morro shoulderband snail, the Morro Bay kangaroo rat, and other coastal dune scrub species.
3.5-25*	The restoration effort will include the implementation of a seed collection program to gather seeds to be used during restoration from native sources. The seed collection program will be prepared for approval by the County, Service, and Department prior to the commencement of vegetation removal, soil disruption, grading or other construction- related activities and focus on those native plant species that will be affected by project implementation. Collection will be conducted by personnel with demonstrated expertise in seed collection and storage and occur during the appropriate time of year for seed production and harvesting.
3.5-26*	The County will provide annual reports to the USDA and Service documenting the results of all restoration and monitoring activities. Annual reports will be provided for a minimum of five years or until it is determined that the requisite performance criteria have been met. The County will provide a written report to the USDA and Service within 90 days following the completion of the proposed project. The report must document the number of Morro shoulderband snails removed and relocated from project areas, the locations of all Morro shoulderband snail relocations, and the number of Morro shoulderband snails known to be killed or injured. The report will contain a brief discussion of any problems encountered in implementing minimization measures, results of biological surveys, observations, and any other pertinent information such as the acreages affected and restored, or undergoing restoration, of each habitat type.
3.5-27*	A final report would be submitted by the County to the USDA and VFWO within 60 days of the end of project activities. This report would summarize the Annual Reports and include a discussion regarding Project activities, compensation activities, and minimization and avoidance measures implemented.
3.5-28*	Worker education programs and clearly-defined operational procedures must be implemented by the USDA and County.
3.5-29*	Only Service-authorized biologists may survey for, monitor, handle, and/or relocate Morro shoulderband snails.
3.5-30*	Service-authorized biologists must have the authority to stop work if project-related activities occur outside the demarcated boundaries of the construction footprint.
3.5-31*	The USDA must ensure that the level of incidental take that occurs is commensurate with the analysis contained within this biological opinion.
3.5-32*	The worker education program must include descriptions and pictures of the Morro shoulderband snail, relevant provisions of the Endangered Species Act, specific measures being implemented to conserve the Morro shoulderband snail as they relate to the project and the project boundaries within which the work will occur.
3.5-33*	The USDA and the County must minimize the removal of, or damage to, native vegetation during project activities to the maximum extent possible.
3.5-34*	Only Service-authorized biologists may survey for, monitor, capture, handle, or relocate Morro shoulderband snails. Eric Wier, Kate Ballantyne, and John Farhar are hereby authorized to independently conduct these activities as described in this biological opinion. Katie Drexhage, Kelly

Mitigation Number [CEQA number]	Mitigation Measure
	Sypolt, and Trevis Warner are authorized to conduct such activities only under the direct supervision of Eric Wier, Kate Ballantyne, and/or John Farhar. The USDA, in conjunction with the County, must request the Service's authorization of any other biologists it wishes to employ to conduct these activities relative to the proposed project. This request must be in writing and received by the Service at least 30 days prior to the intended start date.
3.5-35*	A Service-authorized biologist must monitor the proposed project area(s) daily during work activities, for up to two weeks or until completion of initial site disturbance at each project site, and have the authority to stop project activities that occur outside the demarcated boundaries of the construction footprint and access road and to relocate Morro shoulderband snails to suitable habitat out of harm's way.
3.5-36*	If more than 28 Morro shoulderband snails are found dead or injured during implementation of the project, the USDA or County must contact the VFWO immediately so we can review the project activities to determine if additional protective measures are needed.
3.5-37 [5.5-A1]	The project may adversely affect federally listed species and their habitat. Prior to project approval, the lead Federal agency will enter into formal consultation with the USFWS and/or NMFS. A BO will be prepared by the USFWS and/or NMFS for any action which may result in take of a listed species and its habitat. Pending the determinations made by the USFWS and/or NMFS in a forthcoming BO, the project will be required to fulfill all mitigation obligations and conservation measures conditioned in the BO regarding federally listed species and their habitat.
3.5-38 [5.5-A4]	Prior to the onset of construction activities, a biologist authorized by the USFWS will conduct intensive surveys to identify and relocate all snail specimens within the impact area on the Broderson and Mid-Town properties, and all suitable habitat areas within the collection system. Only USFWS authorized biologists will survey for, monitor, handle, or relocate Morro shoulderband snails. A biologist authorized by the USFWS will be retained to monitor all construction activities that will take place within suitable habitat for the Morro shoulderband snail. Monitoring activities will be required daily until completion of initial disturbance at each construction area. The monitoring biologist will be granted full authority to stop work at his or her discretion. The monitoring biologist will be responsible for implementing avoidance and minimization measures during construction. The monitoring biologist will stop work if project-related activities occur outside the demarcated boundaries of the construction footprint. The monitoring biologist will stop work if any Morro shoulderband snails are detected within the construction footprint, and will relocate them to suitable habitat out of harm's way prior to construction activities resuming. If no suitable habitat exists in the immediate vicinity of the construction footprint, salvaged specimens may also be transported to an offsite location approved by the USFWS. The County will provide a written report to the USFWS within 90 days following the completion of the project. The report must document the number of Morro shoulderband snails removed and relocated from project areas, the locations of all Morro shoulderband snails' relocations, and the number of Morro shoulderband snails known to be killed or injured. The report will contain a brief discussion of any problems encountered in implementing minimization measures, results of biological surveys, observations, and any other pertinent information such as the acreages affected and restored, or undergoing restoration, of each habitat type.
3.5-39 [5.5-A15]	Prior to project construction, land containing coastal sage scrub habitat and/or other habitat will be acquired on the Broderson property that is sufficient to compensate the loss of habitat for the Morro shoulderband snail, the Morro Bay kangaroo rat, and other sensitive species on the Broderson and Mid-Town properties, and areas in the community of Los Osos that will be served by the collection system. Mitigation lands for the project will be acquired within the remaining acres of land on the Broderson property that will not be impacted by the leachfields. Mitigation lands within the Broderson property will include land that is designated as Critical

Mitigation Number [CEQA number]	Mitigation Measure
	Habitat for the Morro shoulderband snail; contiguous with existing preservation lands within the Morro Dunes Ecological Reserve and areas studied for the Greenbelt Program by the Land Conservancy; currently supports appropriate soils to accept native plantings for restoration; is capable of being cleared of unfavorable debris and structures; supports primarily windblown sand deposits that are in a stabilized condition (i.e. not mobile dune habitat); is characterized by habitat types with an open canopy; contains appropriate slopes to accommodate snail mobility to and from adjacent lands; and is of appropriate aspect and meteorological conditions. Within two years of project operation all mitigation land will be preserved in perpetuity and granted to an appropriate agency or conservation organization with the responsibility of management and monitoring the preserve, as determined during agreements between the USFWS, CDFG, and the County. A long-term management and monitoring program will be prepared. The County will be responsible for the allocation of appropriate funding for the long-term management and monitoring of the mitigation land, as determined through agreements between the USFWS, CDFG, and the County.
3.5-40 [5.5-A16]	Immediately following construction of the leachfields within the Broderson property, the disturbance area and all existing and unaffected coastal sage scrub (or coastal dune scrub) within the property will be restored, enhanced, and maintained to promote the land's function and value as suitable habitat for sensitive plants and wildlife that are local or endemic to the area. Restoration and enhancement efforts, including at minimum, seeding with native plant species and eradication of exotic non-native plant species, will be repeated immediately following all long-term maintenance activities resulting in temporary disturbance of the leachfields. This will be applied to the ripping and backfilling activities that may be required every 5 to 10 years to maintain the leach field function. Restoration activities will be conducted according to a Restoration Plan or similar plan specifically prepared for the effort and approved by the USFWS, CDFG, and/or the CNPS. The Restoration Plan will require at minimum, a description of the prescribed restoration and methodology, feasibility and likelihood for success, and a schedule and program for maintenance, monitoring and reporting the progress of the restoration effort. All restoration activities will be conducted by qualified personnel with expertise in restoration ecology and knowledge of sensitive plant and wildlife species in the area. The restoration effort will include the implementation of a seed collection program to gather seeds to be used during restoration from native sources. The seed collection program will be prepared for approval by the County prior to project construction activities. The seed collection program will include the use of native plants that will be removed as a result of the project, including but not limited to: mock heather (*Ericameria ericoides*), silver dune lupine (*Lupinus chamissonis*), California sagebrush (*Artemisia californica*), black sage (*Salvia mellifera*), bush monkey flower (*Mimulus aurantiacus*), and deerweed (*Lotus scoparius*). Collection will take place by qualified personnel with expertise in botanical resources during the appropriate time of year for seed production and harvesting. Unless otherwise determined during consultation with the USFWS, the restoration effort will be monitored against permanence standards for a minimum of five years, or until the first ripping event for the restored areas within the leach field area, after which the maintenance and monitoring of the restored areas will be covered within specific management directives contained within a Resource Management Plan. The performance standards will include, at minimum, at least 80 percent native plant species coverage and no greater than 1 percent coverage of invasive non-native plant species (e.g. pampass grass, veldt grass). At minimum, the restored areas must demonstrate a continued ability to support the functions and values necessary to sustain the Morro shoulderband snail. Quarterly monitoring will be conducted for the first two years of the restoration effort, with annual monitoring efforts to follow for the remaining three years. All monitoring and maintenance of restoration areas will be conducted by qualified personnel with expertise in botanical resources and knowledge of sensitive species that occur in the local area, including the Morro shoulderband snail,

Mitigation Number [CEQA number]	Mitigation Measure
	Morro Bay kangaroo rat, and Morro blue butterfly. The County will provide annual reports to the USFWS documenting the results of all restoration and monitoring activities. Annual reports will be provided to the USFWS for a minimum of five years or until it is determined by the USFWS that requisite performance criteria have been met. These reports should include any noted changes in the plant community structure or composition or surface hydrology down-slope of the Broderson leachfields, in addition to other requirements as determined through USFWS consultation and stipulated within permit conditions. All on-going and long-term restoration, enhancement, and maintenance of preserve lands on the Broderson property will be implemented according to a Resource Management Plan or similar mitigation and monitoring plan that may be developed during consultation with the USFWS. The Resource Management Plan will include management directives that are specific to the preserve and the resources present. The Resource Management Plan will include measures for the removal and eradication of invasive exotic plant species known to occur in the local area, including veldt grass and pampas grass. Activities that involve the removal of invasive species should not result in unnecessary trampling or removal of native species, and techniques for invasive removal will be least damaging to native species. Mitigation lands within the Broderson property will include land that is designated as Critical Habitat for the Morro shoulderband snail; contiguous with existing preservation lands within the Morro Dunes Ecological Reserve and areas studied for the Greenbelt Program by the Land Conservancy; currently supports appropriate soils to accept native plantings for restoration; is capable of being cleared of unfavorable debris and structures; supports primarily windblown sand deposits that are in a stabilized condition (i.e. not mobile dune habitat); is characterized by habitat types with an open canopy; contains appropriate slopes to accommodate snail mobility to and from adjacent lands; and is of appropriate aspect and meteorological conditions. Within two years of project operation all mitigation land will be preserved in perpetuity and granted to an appropriate agency or conservation organization with the responsibility of management and monitoring the preserve, as determined during agreements between the USFWS, CDFG, and the County. A long-term management and monitoring program will be prepared. The County will be responsible for the allocation of appropriate funding for the long-term management and monitoring of the mitigation land, as determined through agreements between the USFWS, CDFG, and the County.
3.5-41*	Prior to the initiation of any vegetation clearing, revegetation/habitat restoration, soil disruption, grading, and/or ground-disturbing construction-related activities within the leach field area on the Broderson parcel or any other location within the action area that has potential for occurrence of the species (as determined in coordination with the Service and Department), the County will work with the Service and Department to develop and implement a "no take" strategy for the Morro Bay kangaroo rat. This strategy will include specific take avoidance measures and provide a survey, monitoring, and contingency plan should required periodic maintenance of the leach field area create suitable habitat for the species. Prior to its implementation, the strategy will be reviewed and approved by the Service and the Department and made part of a formal agreement to be signed by all parties.
3.5-42*	Construction in and around riparian habitat associated with Los Osos Creek will occur only between September 15 and October 31. If surveys are conducted by a Service-authorized biologist from March 15 through June 15 and least Bell's vireo breeding activity is not detected, this construction window may be expanded to include the months of July and August.
3.5-43*	Annual Biological Monitoring Reports would be submitted by the County to USDA and the VFWO Office by January 31 of each year. Reports would be submitted for the duration of project construction. These reports would discuss the status and progress of compensation measures implemented. Photographs of mitigation/compensation sites would be included to document progress. If monitoring results indicate that additional measures are necessary to meet the goals set in the biological opinion,

Mitigation Number [CEQA number]	Mitigation Measure
	additional recommendations would be made and next steps would be agreed upon with appropriate agencies.
Section 3.9: Air Quality	
3.9-1 [5.9-C1]	Prior to initiation of construction, the County will submit a Construction Activities Management Plan for the review and approval of the SLOAPCD. This plan will include but not be limited to the following Best Available Control Technologies for construction equipment: a. Minimize the number of large pieces of construction equipment operating during any given period. b. Schedule construction related truck/equipment trips during non-peak hours to reduce peak-hour emissions. c. Properly maintain and tune all construction equipment according to manufacturer's specifications. d. Fuel all off-road and portable diesel powered equipment including but not limited to: bulldozers, graders, cranes, loaders, scrapers, backhoes, generators, compressors, auxiliary power units, with CARB motor vehicle diesel fuel. e. Use 1996 or newer heavy duty off road vehicles to the extent feasible. f. Use Caterpillar pre-chamber diesel engines (or equivalent) together with proper maintenance and operation to reduce emissions of NOX. g. Electrify equipment where possible. h. Use CNG, LNG, biodiesel, or propane for on-site mobile equipment instead of diesel-powered equipment.
3.9-2 [5.9-C2]	Prior to initiating grading activities, the project will: a. Include the following specifications on all project plans: One CDPF will be used on the piece of equipment estimated to generate the greatest emissions. If a CDPF is unsuitable for the potential equipment to be controlled, five diesel oxidation catalysts will be used. b. Identify equipment to be operated during construction as early as possible in order to place the order for the appropriate filter and avoid any project delays. This is necessary so that contractors bidding on the project can include the purchase, proper installation, and maintenance costs in their bids. c. Contact the SLOAPCD Compliance Division to initiate implementation of this mitigation measure at least two months prior to start of construction.
3.9.3 [5.9-C3]	Prior to initiating grading activities, if it is determined that portable engines and portable equipment will be utilized, the contractor will contact the SLOAPCD and obtain a permit to operate portable engines or portable equipment, and will be registered in the statewide portable equipment registration program. The SLOAPCD Compliance Division will be contacted in order to determine the requirements of this mitigation measure.
3.9-4 [5.9-C4]	Project contract documents will include the following dust control measures: a. Reduce the amount of the disturbed area where possible, b. Use water trucks or sprinkler systems in sufficient quantities to prevent airborne dust from leaving the site. Increased watering frequency will be required whenever wind speeds exceed 15 mph. Recycled (non-potable) water should be used whenever possible. c. All dirt stockpile areas will be sprayed daily as needed, d. Permanent dust control measures identified in the revegetation and landscape plans will be implemented as soon as possible following completion of any soil disturbing activities. e. Exposed ground areas that are planned to be reworked at dates greater than one month after initial grading will be sown with a fast germinating native grass seed and

Mitigation Number [CEQA number]	Mitigation Measure
	watered until vegetation is established. f. All disturbed soil areas not subject to revegetation will be stabilized using approved chemical soil binders, jute netting, or other methods approved in advance by the SLOAPCD. g. All roadways, driveways, sidewalks, etc. to be paved will be completed as soon as possible. In addition, building pads will be laid as soon as possible after grading unless seeding or soil binders are used. h. Vehicle speed for all construction vehicles will not exceed 15 mph on any unpaved surface at the construction site. i. All trucks hauling dirt, sand, soil, or other loose materials are to be covered or will maintain at least two feet of freeboard (minimum vertical distance between top of load and top of trailer) in accordance with California Vehicle Code Section 23114. j. Install wheel washers where vehicles enter and exit unpaved roads onto streets, or wash off trucks and equipment leaving the site. k. Sweep streets at the end of each day if visible soil material is carried onto adjacent paved roads. Water sweepers with recycled water should be used where feasible. l. If visible emissions of fugitive dust persist beyond a distance of 200 feet from the boundary of the construction site, all feasible measures will be implemented to eliminate potential nuisance conditions at off-site receptors (e.g., increase frequency of watering or dust suppression, install temporary wind breaks where appropriate, suspend excavation and grading activity when winds exceed 25 mph) m. The contractor will designate a person or persons to monitor the dust control program and to order increased watering, as necessary, to prevent transport of dust offsite. Their duties will include holidays and weekend periods when work may not be in progress. The name and telephone number of such persons will be provided to the SLOAPCD prior to the start of construction.
3.9-5 [5.9-C5]	If the above mitigation measures do not bring the construction emissions below the thresholds, off-site mitigation funds can be used to secure emission reductions from projects located in close proximity to this construction site. In this instance, emissions in excess of construction phase thresholds are multiplied by the cost effectiveness value defined in the State's current Carl Moyer Incentive Program Guidelines to determine the off-site mitigation amount associated with the construction period. Examples of off-site emission reduction measures are contained in Section 5.9 of the 2003 CEQA Air Quality Handbook. The actual mix of mitigation measures that will be required to meet the reduction in NO_X to less than a total of 185 lbs per day or 6.0 tons per quarter over the term of construction and will be finalized and mutually agreed to by the Applicant and appropriate staff of the SLOAPCD at the earliest feasible time, with the goal of reaching agreement prior to commencement of construction of the project.

* : Mitigation measures from the Biological Opinion – USFWS for the LOWWP.
**: Mitigation measures from the Biological Assessment for the LOWWP.

USDA-RD
Form RD 1940-1
(Automated 8-97)

REQUEST FOR OBLIGATION OF FUNDS

INSTRUCTIONS-TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED
Complete Items 1 through 30 and applicable Items 31 through 43. See FMI.

1. CASE NUMBER ST	CO	BORROWER ID	LOAN NUMBER	FISCAL YEAR
04	040	*****0939		

2. BORROWER NAME	3. NUMBER NAME FIELDS
County of San Luis Obispo	1 (1, 2, or 3 from Item 2)
	4. STATE NAME: California
	5. COUNTY NAME: San Luis Obispo

GENERAL BORROWER/LOAN INFORMATION

6. RACE/ETHNIC CLASSIFICATION	7. TYPE OF APPLICANT	8. COLLATERAL CODE	9. EMPLOYEE RELATIONSHIP CODE
1 - WHITE 4 - HISPANIC 2 - BLACK 5 - A/PI 3 - AI/AN	1 - INDIVIDUAL 4 - PUBLIC BODY 2 - PARTNERSHIP 5 - ASSOC. OF FARMERS 3 - CORPORATION 6 - ORG. OF FARM WORKERS 7 - OTHER **4**	1 - REAL ESTATE SECURED 4 - MACHINERY ONL 2 - REAL ESTATE AND CHATTEL 5 - LIVESTOCK ONL 3 - NOTE ONLY OR CHATTEL ONLY 6 - CROPS ONLY 7 - SECURED BY BONDS **7**	1 - EMPLOYEE 2 - MEMBER OF FAMILY 3 - CLOSE RELATIVE 4 - ASSOC.

10. SEX CODE	11. MARITAL STATUS	12. VETERAN CODE	13. CREDIT REPORT
3 - FAMILY UNIT 4 - ORGAN. MALE OWNED 5 - ORGAN. FEMALE OWNED 6 - PUBLIC BODY 1 - MALE 2 - FEMALE **6**	1 - MARRIED 3 - UNMARRIED (INCLUDES WIDOWED/DIVORCED) 2 - SEPARATED	1 - YES 2 - NO	1 - YES 2 - NO **2**

14. DIRECT PAYMENT	15. TYPE OF PAYMENT	16. FEE INSPECTION	17. INTEREST CREDIT
3 (See FMI)	1 - MONTHLY 3 - SEMI-ANNUALLY 2 - ANNUALLY 4 - QUARTERLY **2**	1 - YES 2 - NO **2**	1 - YES (FRO SFH ONLY) 2 - NO

18. COMMUNITY SIZE	19. DWELLING TYPE/USE OF FUNDS CODE
1 - 10,000 OR LESS (FOR SFH AND HPG ONLY) 2 - OVER 10,000	(See FMI)

COMPLETE FOR OBLIGATION OF FUNDS

20. TYPE OF ASSISTANCE	21. PURPOSE CODE	22. SOURCE OF FUNDS	23. TYPE OF ACTION
539 (See FMI)	**1**	**2**	1 - OBLIGATION ONLY 2 - OBLIGATION/CHECK REQUEST 3 - CORRECTION OF OBLIGATION **1**

24. TYPE OF SUBMISSION	25. AMOUNT OF LOAN	26. AMOUNT OF GRANT
1 - INITIAL 2 - SUBSEQUENT **1**	$ 9,222,000	

27. AMOUNT OF IMMEDIATE ADVANCE	28. DATE OF APPROVAL MO DA YR	29. INTEREST RATE	30. REPAYMENT TERMS
		3.2500%	37

COMPLETE FOR SINGLE FAMILY HOUSING ONLY

31. INCOME CATEGORY CODES	32. LOW INCOME LIMIT-MAX.	33. ADJUSTED FAMILY INCOME
1 - VERY LOW 3 - MODERATE 2 - LOW 4 - ABOVE MODERATE		

34. R.E.INSURANCE	35. R.E.TAXES 1st year	36. R.E. TAXES 2nd year	37. NOTE INSTALLMENT INELIGIBLE

38. TYPE OF UNIT
1 - FARM TRACT 2 - NON-FARM TRACT

COMPLETE FOR COMMUNITY PROGRAM AND CERTAIN MULTIPLE-FAMILY HOUSING LOANS

39. PROFIT TYPE	
1 - FULL PROFIT 2 - LIMITED PROFIT 3 - NONPROFIT	
COMPLETE FOR EM LOANS ONLY	**COMPLETE FOR CREDIT SALE-ASSUMPTION**
40. DISASTER DESIGNATION NUMBER (See FMI)	**41. TYPE OF SALE** 1 - CREDIT SALE ONLY 2 - ASSUMPTION ONLY 3 - CREDIT SALE WITH SUB LOAN 4 - ASSUMPTION WITH SUBSEQUENT LOAN
FINANCE OFFICE USE ONLY	**COMPLETE FOR FP LOANS ONLY**
42. OBLIGATION DATE MO DA YR	**43. BEGINNING FARMER/RANCHER** (See FMI)

If the decision contained above in this form results in denial, reduction or cancellation of USDA assistance, you may appeal this decision and have a hearing or you may request a review in lieu of a hearing. Please use the form we have included for this purpose.

Position 2

ORIGINAL - Borrower's Case Folder COPY 1 - Finance Office COPY 2 - Applicant/Lender Copy 3 - State Office

CERTIFICATION APPROVAL

For All Farmer Programs

EM, OL, FO, and SW Loans

This loan is approved subject to the availablity of funds. If this loan does not close for any reason within 90 days from the date of approval on this document, the approval offical will request updated eligibility information. The undersigned loan applicant agrees that the approval official will have 14 working days to review any updated information prior to submitting this document for obligation of funds. If there have been significant changes that may affect eligibility, a decision as to eligibility and feasibility will be made within 30 days from the time the applicant provides the necessary information.

If this is a loan aproval for which a lien and/or title search is necessary, the undersigned applicant agrees that the 15-working-day loan closing requirement may be exceeded for the purposes of the applicant's legal representatives completing title work and completing loan closing.

44. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICAL

Approval of financial assistance is subject to availability of funds and to the terms of the Letter of Conditions dated 8/30/2010 **and any amendments thereto prior to closing.**

45. I HEREBY CERTIFY that I am unable to obtain sufficient credit elsewhere to finance my actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near my community for loans for similar purposes and periods of time. I agree to use the sum specified herein, subject to and in accordance with regulations applicable to the type of assistance indicated above, and requested payment of such sum. I agree to report to USDA any material adverse changes, financial or otherwise, that occur prior to loan closing. I certify that no part of the sum specified herein has been received. I have reviewed the loan approval requirements and comments associated with this loan request and agree to comply with these provisions.

(For SFH & FP loans at eligible terms only) If this loan is approved, I elect the interest rate to be charged on my loan to be the lower of the interest rate in effect at the time of approval or loan closing. If I check "NO", the interest rate charged on my loan will be the rate specified in Item 29 of this form.

_____ Yes _____ No

WARNING: **Whoever, in any matter within the jurisdication of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more five years, or both."**

Date 8/31/2010 By: Paavo Ogren

Paavo Ogren
Public Works Director

46. I HEREBY CERTIFY that all of the committee and administrative determinations and certifications required by regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, and by this document, subject to the availability of funds, the Government agrees to advance such amount to the applicant for the purpose of and subject to the availability prescribed by regulations applicable to this type of assistance.

_____

(Signature of Approving Official)

Date Approved: _____ Title: _____

47. TO THE APPLICANT: As of this date _____ from the USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the USDA. If you have any questions contact the County Supervisor or District Director.

USDA-RD
Form RD 1940-1
(Automated 8-97)

REQUEST FOR OBLIGATION OF FUNDS

(2)

INSTRUCTIONS-TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED
Complete Items 1 through 30 and applicable Items 31 through 43. See FMI.

1. CASE NUMBER ST	CO	BORROWER ID	LOAN NUMBER	FISCAL YEAR
04	040	*****0939		

2. BORROWER NAME	3. NUMBER NAME FIELDS
County of San Luis Obispo	1 (1, 2, or 3 from Item 2)
	4. STATE NAME: California
	5. COUNTY NAME: San Luis Obispo

GENERAL BORROWER/LOAN INFORMATION

6. RACE/ETHNIC CLASSIFICATION	7. TYPE OF APPLICANT	8. COLLATERAL CODE	9. EMPLOYEE RELATIONSHIP CODE
1 - WHITE 4 - HISPANIC 2 - BLACK 5 - A/PI 3 - AI/AN	4	7	1 - EMPLOYEE 2 - MEMBER OF FAMILY 3 - CLOSE RELATIVE 4 - ASSOC.
	1 - INDIVIDUAL 2 - PARTNERSHIP 3 - CORPORATION 4 - PUBLIC BODY 5 - ASSOC. OF FARMERS 6 - ORG. OF FARM WORKERS 7 - OTHER	1 - REAL ESTATE SECURED 2 - REAL ESTATE AND CHATTEL 3 - NOTE ONLY OR CHATTEL ONLY 4 - MACHINERY ONL 5 - LIVESTOCK ONL 6 - CROPS ONLY 7 - SECURED BY BONDS	

10. SEX CODE	11. MARITAL STATUS	12. VETERAN CODE	13. CREDIT REPORT
6			2
1 - MALE 2 - FEMALE 3 - FAMILY UNIT 4 - ORGAN. MALE OWNED 5 - ORGAN. FEMALE OWNED 6 - PUBLIC BODY	1 - MARRIED 2 - SEPARATED 3 - UNMARRIED (INCLUDES WIDOWED/DIVORCED)	1 - YES 2 - NO	1 - YES 2 - NO

14. DIRECT PAYMENT	15. TYPE OF PAYMENT	16. FEE INSPECTION	17. INTEREST CREDIT
3 (See FMI)	2	2	
	1 - MONTHLY 2 - ANNUALLY 3 - SEMI-ANNUALLY 4 - QUARTERLY	1 - YES 2 - NO	1 - YES (FRO SFH ONLY) 2 - NO

18. COMMUNITY SIZE	19. DWELLING TYPE/USE OF FUNDS CODE
1 - 10,000 OR LESS 2 - OVER 10,000 (FOR SFH AND HPG ONLY)	(See FMI)

COMPLETE FOR OBLIGATION OF FUNDS

20. TYPE OF ASSISTANCE	21. PURPOSE CODE	22. SOURCE OF FUNDS	23. TYPE OF ACTION
539 (See FMI)	1	2	1
			1 - OBLIGATION ONLY 2 - OBLIGATION/CHECK REQUEST 3 - CORRECTION OF OBLIGATION

24. TYPE OF SUBMISSION	25. AMOUNT OF LOAN	26. AMOUNT OF GRANT
1	$ 9,222,000	
1 - INITIAL 2 - SUBSEQUENT		

27. AMOUNT OF IMMEDIATE ADVANCE	28. DATE OF APPROVAL MO DA YR	29. INTEREST RATE	30. REPAYMENT TERMS
		3.2500%	37

COMPLETE FOR SINGLE FAMILY HOUSING ONLY

31. INCOME CATEGORY CODES	32. LOW INCOME LIMIT-MAX.	33. ADJUSTED FAMILY INCOME
1 - VERY LOW 2 - LOW 3 - MODERATE 4 - ABOVE MODERATE		

34. R.E.INSURANCE	35. R.E.TAXES 1st year	36. R.E. TAXES 2nd year	37. NOTE INSTALLMENT INELIGIBLE

38. TYPE OF UNIT
1 - FARM TRACT 2 - NON-FARM TRACT

COMPLETE FOR COMMUNITY PROGRAM AND CERTAIN MULTIPLE-FAMILY HOUSING LOANS

39. PROFIT TYPE	
1 - FULL PROFIT 2 - LIMITED PROFIT 3 - NONPROFIT	
COMPLETE FOR EM LOANS ONLY	**COMPLETE FOR CREDIT SALE-ASSUMPTION**
40. DISASTER DESIGNATION NUMBER (See FMI)	**41. TYPE OF SALE** 1 - CREDIT SALE ONLY 2 - ASSUMPTION ONLY 3 - CREDIT SALE WITH SUB LOAN 4 - ASSUMPTION WITH SUBSEQUENT LOAN
FINANCE OFFICE USE ONLY	**COMPLETE FOR FP LOANS ONLY**
42. OBLIGATION DATE MO -- DA -- YR	**43. BEGINNING FARMER/RANCHER** (See FMI)

If the decision contained above in this form results in denial, reduction or cancellation of USDA assistance, you may appeal this decision and have a hearing or you may request a review in lieu of a hearing. Please use the form we have included for this purpose.

Position 2

ORIGINAL - Borrower's Case Folder COPY 1 - Finance Office COPY 2 - Applicant/Lender Copy 3 - State Office

CERTIFICATION APPROVAL

For All Farmer Programs

EM, OL, FO, and SW Loans

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44. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICAL

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45. I HEREBY CERTIFY that I am unable to obtain sufficient credit elsewhere to finance my actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near my community for loans for similar purposes and periods of time. I agree to use the sum specified herein, subject to and in accordance with regulations applicable to the type of assistance indicated above, and requested payment of such sum. I agree to report to USDA any material adverse changes, financial or otherwise, that occur prior to loan closing. I certify that no part of the sum specified herein has been received. I have reviewed the loan approval requirements and comments associated with this loan request and agree to comply with these provisions.

(For SFH & FP loans at eligible terms only) If this loan is approved, I elect the interest rate to be charged on my loan to be the lower of the interest rate in effect at the time of approval or loan closing. If I check "NO", the interest rate charged on my loan will be the rate specified in Item 29 of this form.

_____ Yes _____ No

WARNING: **Whoever, in any matter within the jurisdication of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more five years, or both."**

Date 8/31/2010 By: Paavo Ogren

Paavo Ogren
Public Works Director

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_____

(Signature of Approving Official)

Date Approved: _____ Title: _____

47. TO THE APPLICANT: As of this date _____ from the USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the USDA. If you have any questions contact the County Supervisor or District Director.

USDA-RD
Form RD 1940-1
(Automated 8-97)

REQUEST FOR OBLIGATION OF FUNDS

(3)

INSTRUCTIONS-TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED
Complete Items 1 through 30 and applicable Items 31 through 43. See FMI.

1. CASE NUMBER ST	CO	BORROWER ID	LOAN NUMBER	FISCAL YEAR
04	040	*****0939		

2. BORROWER NAME	3. NUMBER NAME FIELDS
County of San Luis Obispo	1 (1, 2, or 3 from Item 2)
	4. STATE NAME: California
	5. COUNTY NAME: San Luis Obispo

GENERAL BORROWER/LOAN INFORMATION

6. RACE/ETHNIC CLASSIFICATION	7. TYPE OF APPLICANT	8. COLLATERAL CODE	9. EMPLOYEE RELATIONSHIP CODE
1 - WHITE, 2 - BLACK, 3 - AI/AN, 4 - HISPANIC, 5 - A/PI	1 - INDIVIDUAL, 2 - PARTNERSHIP, 3 - CORPORATION, 4 - PUBLIC BODY, 5 - ASSOC. OF FARMERS, 6 - ORG. OF FARM WORKERS, 7 - OTHER	1 - REAL ESTATE SECURED, 2 - REAL ESTATE AND CHATTEL, 3 - NOTE ONLY OR CHATTEL ONLY, 4 - MACHINERY ONL, 5 - LIVESTOCK ONL, 6 - CROPS ONLY, 7 - SECURED BY BONDS	1 - EMPLOYEE, 2 - MEMBER OF FAMILY, 3 - CLOSE RELATIVE, 4 - ASSOC.
	4	7	

10. SEX CODE	11. MARITAL STATUS	12. VETERAN CODE	13. CREDIT REPORT
1 - MALE, 2 - FEMALE, 3 - FAMILY UNIT, 4 - ORGAN. MALE OWNED, 5 - ORGAN. FEMALE OWNED, 6 - PUBLIC BODY	1 - MARRIED, 2 - SEPARATED, 3 - UNMARRIED (INCLUDES WIDOWED/DIVORCED)	1 - YES, 2 - NO	1 - YES, 2 - NO
6			2

14. DIRECT PAYMENT	15. TYPE OF PAYMENT	16. FEE INSPECTION	17. INTEREST CREDIT
3 (See FMI)	2 (1 - MONTHLY, 2 - ANNUALLY, 3 - SEMI-ANNUALLY, 4 - QUARTERLY)	2 (1 - YES, 2 - NO)	1 - YES (FRO SFH ONLY), 2 - NO

18. COMMUNITY SIZE	19. DWELLING TYPE/USE OF FUNDS CODE
1 - 10,000 OR LESS, 2 - OVER 10,000 (FOR SFH AND HPG ONLY)	(See FMI)

COMPLETE FOR OBLIGATION OF FUNDS

20. TYPE OF ASSISTANCE	21. PURPOSE CODE	22. SOURCE OF FUNDS	23. TYPE OF ACTION
539 (See FMI)	1	2	1 (1 - OBLIGATION ONLY, 2 - OBLIGATION/CHECK REQUEST, 3 - CORRECTION OF OBLIGATION)

24. TYPE OF SUBMISSION	25. AMOUNT OF LOAN	26. AMOUNT OF GRANT
1 (1 - INITIAL, 2 - SUBSEQUENT)	$ 9,222,000	

27. AMOUNT OF IMMEDIATE ADVANCE	28. DATE OF APPROVAL (MO DA YR)	29. INTEREST RATE	30. REPAYMENT TERMS
		3.2500%	37

COMPLETE FOR SINGLE FAMILY HOUSING ONLY

31. INCOME CATEGORY CODES	32. LOW INCOME LIMIT-MAX.	33. ADJUSTED FAMILY INCOME
1 - VERY LOW, 2 - LOW, 3 - MODERATE, 4 - ABOVE MODERATE		

34. R.E.INSURANCE	35. R.E.TAXES 1st year	36. R.E. TAXES 2nd year	37. NOTE INSTALLMENT INELIGIBLE

38. TYPE OF UNIT
1 - FARM TRACT, 2 - NON-FARM TRACT

COMPLETE FOR COMMUNITY PROGRAM AND CERTAIN MULTIPLE-FAMILY HOUSING LOANS

39. PROFIT TYPE	
1 - FULL PROFIT, 2 - LIMITED PROFIT, 3 - NONPROFIT	

COMPLETE FOR EM LOANS ONLY	COMPLETE FOR CREDIT SALE-ASSUMPTION
40. DISASTER DESIGNATION NUMBER (See FMI)	41. TYPE OF SALE (1 - CREDIT SALE ONLY, 2 - ASSUMPTION ONLY, 3 - CREDIT SALE WITH SUB LOAN, 4 - ASSUMPTION WITH SUBSEQUENT LOAN)
FINANCE OFFICE USE ONLY	COMPLETE FOR FP LOANS ONLY
42. OBLIGATION DATE (MO -- DA -- YR)	43. BEGINNING FARMER/RANCHER (See FMI)

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Position 2

ORIGINAL - Borrower's Case Folder COPY 1 - Finance Office COPY 2 - Applicant/Lender Copy 3 - State Office

CERTIFICATION APPROVAL

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EM, OL, FO, and SW Loans

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Date 8/31/2010 By: Paavo Ogren

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Public Works Director

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(Signature of Approving Official)

Date Approved: _____ Title: _____

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USDA-RD
Form RD 1940-1
(Automated 8-97)

(9)

REQUEST FOR OBLIGATION OF FUNDS

INSTRUCTIONS-TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED
Complete Items 1 through 30 and applicable Items 31 through 43. See FMI.

1. CASE NUMBER ST	CO	BORROWER ID	LOAN NUMBER	FISCAL YEAR
04	040	*****0939		

2. BORROWER NAME	3. NUMBER NAME FIELDS
County of San Luis Obispo	1 (1, 2, or 3 from Item 2)
	4. STATE NAME: California
	5. COUNTY NAME: San Luis Obispo

GENERAL BORROWER/LOAN INFORMATION

6. RACE/ETHNIC CLASSIFICATION	7. TYPE OF APPLICANT	8. COLLATERAL CODE	9. EMPLOYEE RELATIONSHIP CODE
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	4	7	

10. SEX CODE	11. MARITAL STATUS	12. VETERAN CODE	13. CREDIT REPORT
1 - MALE, 2 - FEMALE, 3 - FAMILY UNIT, 4 - ORGAN. MALE OWNED, 5 - ORGAN. FEMALE OWNED, 6 - PUBLIC BODY	1 - MARRIED, 2 - SEPARATED, 3 - UNMARRIED (INCLUDES WIDOWED/DIVORCED)	1 - YES, 2 - NO	1 - YES, 2 - NO
6			2

14. DIRECT PAYMENT	15. TYPE OF PAYMENT	16. FEE INSPECTION	17. INTEREST CREDIT
3 (See FMI)	2 (1 - MONTHLY, 2 - ANNUALLY, 3 - SEMI-ANNUALLY, 4 - QUARTERLY)	2 (1 - YES, 2 - NO)	1 - YES (FRO SFH ONLY), 2 - NO

18. COMMUNITY SIZE	19. DWELLING TYPE/USE OF FUNDS CODE
1 - 10,000 OR LESS, 2 - OVER 10,000 (FOR SFH AND HPG ONLY)	(See FMI)

COMPLETE FOR OBLIGATION OF FUNDS

20. TYPE OF ASSISTANCE	21. PURPOSE CODE	22. SOURCE OF FUNDS	23. TYPE OF ACTION
539 (See FMI)	1	2	1 (1 - OBLIGATION ONLY, 2 - OBLIGATION/CHECK REQUEST, 3 - CORRECTION OF OBLIGATION)

24. TYPE OF SUBMISSION	25. AMOUNT OF LOAN	26. AMOUNT OF GRANT
1 (1 - INITIAL, 2 - SUBSEQUENT)	$ 9,222,000	

27. AMOUNT OF IMMEDIATE ADVANCE	28. DATE OF APPROVAL (MO DA YR)	29. INTEREST RATE	30. REPAYMENT TERMS
		3.2500%	37

COMPLETE FOR SINGLE FAMILY HOUSING ONLY

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34. R.E.INSURANCE	35. R.E.TAXES 1st year	36. R.E. TAXES 2nd year	37. NOTE INSTALLMENT INELIGIBLE

38. TYPE OF UNIT
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COMPLETE FOR COMMUNITY PROGRAM AND CERTAIN MULTIPLE-FAMILY HOUSING LOANS

39. PROFIT TYPE	
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40. DISASTER DESIGNATION NUMBER (See FMI)	41. TYPE OF SALE (1 - CREDIT SALE ONLY, 2 - ASSUMPTION ONLY, 3 - CREDIT SALE WITH SUB LOAN, 4 - ASSUMPTION WITH SUBSEQUENT LOAN)
FINANCE OFFICE USE ONLY	**COMPLETE FOR FP LOANS ONLY**
42. OBLIGATION DATE (MO -- DA -- YR)	43. BEGINNING FARMER/RANCHER (See FMI)

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EM, OL, FO, and SW Loans

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USDA-RD
Form RD 1940-1
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REQUEST FOR OBLIGATION OF FUNDS

(5)

INSTRUCTIONS-TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED
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	4	7	

10. SEX CODE	11. MARITAL STATUS	12. VETERAN CODE	13. CREDIT REPORT
1 - MALE, 2 - FEMALE, 3 - FAMILY UNIT, 4 - ORGAN. MALE OWNED, 5 - ORGAN. FEMALE OWNED, 6 - PUBLIC BODY	1 - MARRIED, 2 - SEPARATED, 3 - UNMARRIED (INCLUDES WIDOWED/DIVORCED)	1 - YES, 2 - NO	1 - YES, 2 - NO
6			2

14. DIRECT PAYMENT	15. TYPE OF PAYMENT	16. FEE INSPECTION	17. INTEREST CREDIT
3 (See FMI)	2 (1 - MONTHLY, 2 - ANNUALLY, 3 - SEMI-ANNUALLY, 4 - QUARTERLY)	2 (1 - YES, 2 - NO)	1 - YES (FRO SFH ONLY), 2 - NO

18. COMMUNITY SIZE	19. DWELLING TYPE/USE OF FUNDS CODE
1 - 10,000 OR LESS, 2 - OVER 10,000 (FOR SFH AND HPG ONLY)	(See FMI)

COMPLETE FOR OBLIGATION OF FUNDS

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24. TYPE OF SUBMISSION	25. AMOUNT OF LOAN	26. AMOUNT OF GRANT
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		3.2500%	37

COMPLETE FOR SINGLE FAMILY HOUSING ONLY

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34. R.E.INSURANCE	35. R.E.TAXES 1st year	36. R.E. TAXES 2nd year	37. NOTE INSTALLMENT INELIGIBLE

38. TYPE OF UNIT
1 - FARM TRACT, 2 - NON-FARM TRACT

COMPLETE FOR COMMUNITY PROGRAM AND CERTAIN MULTIPLE-FAMILY HOUSING LOANS

39. PROFIT TYPE	
1 - FULL PROFIT, 2 - LIMITED PROFIT, 3 - NONPROFIT	
COMPLETE FOR EM LOANS ONLY	**COMPLETE FOR CREDIT SALE-ASSUMPTION**
40. DISASTER DESIGNATION NUMBER (See FMI)	41. TYPE OF SALE (1 - CREDIT SALE ONLY, 2 - ASSUMPTION ONLY, 3 - CREDIT SALE WITH SUB LOAN, 4 - ASSUMPTION WITH SUBSEQUENT LOAN)
FINANCE OFFICE USE ONLY	**COMPLETE FOR FP LOANS ONLY**
42. OBLIGATION DATE (MO -- DA -- YR)	43. BEGINNING FARMER/RANCHER (See FMI)

If the decision contained above in this form results in denial, reduction or cancellation of USDA assistance, you may appeal this decision and have a hearing or you may request a review in lieu of a hearing. Please use the form we have included for this purpose.

Position 2

ORIGINAL - Borrower's Case Folder COPY 1 - Finance Office COPY 2 - Applicant/Lender Copy 3 - State Office

CERTIFICATION APPROVAL

For All Farmer Programs

EM, OL, FO, and SW Loans

This loan is approved subject to the availablity of funds. If this loan does not close for any reason within 90 days from the date of approval on this document, the approval offical will request updated eligibility information. The undersigned loan applicant agrees that the approval official will have 14 working days to review any updated information prior to submitting this document for obligation of funds. If there have been significant changes that may affect eligibility, a decision as to eligibility and feasibility will be made within 30 days from the time the applicant provides the necessary information.

If this is a loan aproval for which a lien and/or title search is necessary, the undersigned applicant agrees that the 15-working-day loan closing requirement may be exceeded for the purposes of the applicant's legal representatives completing title work and completing loan closing.

44. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICAL

Approval of financial assistance is subject to availability of funds and to the terms of the Letter of Conditions dated 8/30/2010 **and any amendments thereto prior to closing.**

45. I HEREBY CERTIFY that I am unable to obtain sufficient credit elsewhere to finance my actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near my community for loans for similar purposes and periods of time. I agree to use the sum specified herein, subject to and in accordance with regulations applicable to the type of assistance indicated above, and requested payment of such sum. I agree to report to USDA any material adverse changes, financial or otherwise, that occur prior to loan closing. I certify that no part of the sum specified herein has been received. I have reviewed the loan approval requirements and comments associated with this loan request and agree to comply with these provisions.

(For SFH & FP loans at eligible terms only) If this loan is approved, I elect the interest rate to be charged on my loan to be the lower of the interest rate in effect at the time of approval or loan closing. If I check "NO", the interest rate charged on my loan will be the rate specified in Item 29 of this form.

_____ Yes _____ No

WARNING: **Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more five years, or both."**

Date 8/31/2010 By: Paavo Ogren

Paavo Ogren
Public Works Director

46. I HEREBY CERTIFY that all of the committee and administrative determinations and certifications required by regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, and by this document, subject to the availability of funds, the Government agrees to advance such amount to the applicant for the purpose of and subject to the availability prescribed by regulations applicable to this type of assistance.

_____

(Signature of Approving Official)

Date Approved: _____ Title: _____

47. TO THE APPLICANT: As of this date _____ from the USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the USDA. If you have any questions contact the County Supervisor or District Director.

USDA-RD
Form RD 1940-1
(Automated 8-97)

REQUEST FOR OBLIGATION OF FUNDS

(6)

INSTRUCTIONS-TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED
Complete Items 1 through 30 and applicable Items 31 through 43. See FMI.

1. CASE NUMBER ST	CO	BORROWER ID	LOAN NUMBER	FISCAL YEAR
04	040	*****0939		

2. BORROWER NAME	3. NUMBER NAME FIELDS
County of San Luis Obispo	1 (1, 2, or 3 from Item 2)
	4. STATE NAME: California
	5. COUNTY NAME: San Luis Obispo

GENERAL BORROWER/LOAN INFORMATION

6. RACE/ETHNIC CLASSIFICATION	7. TYPE OF APPLICANT	8. COLLATERAL CODE	9. EMPLOYEE RELATIONSHIP CODE
1 - WHITE 4 - HISPANIC 2 - BLACK 5 - A/PI 3 - AI/AN	1 - INDIVIDUAL 4 - PUBLIC BODY 2 - PARTNERSHIP 5 - ASSOC. OF FARMERS 3 - CORPORATION 6 - ORG. OF FARM WORKERS 7 - OTHER: 4	1 - REAL ESTATE SECURED 4 - MACHINERY ONL 2 - REAL ESTATE AND CHATTEL 5 - LIVESTOCK ONL 3 - NOTE ONLY OR CHATTEL ONLY 6 - CROPS ONLY 7 - SECURED BY BONDS: 7	1 - EMPLOYEE 2 - MEMBER OF FAMILY 3 - CLOSE RELATIVE 4 - ASSOC.

10. SEX CODE	11. MARITAL STATUS	12. VETERAN CODE	13. CREDIT REPORT
3 - FAMILY UNIT 4 - ORGAN. MALE OWNED 5 - ORGAN. FEMALE OWNED 6 - PUBLIC BODY; 1 - MALE 2 - FEMALE: 6	1 - MARRIED 3 - UNMARRIED (INCLUDES WIDOWED/DIVORCED) 2 - SEPARATED	1 - YES 2 - NO	1 - YES 2 - NO: 2

14. DIRECT PAYMENT	15. TYPE OF PAYMENT	16. FEE INSPECTION	17. INTEREST CREDIT
3 (See FMI)	1 - MONTHLY 3 - SEMI-ANNUALLY 2 - ANNUALLY 4 - QUARTERLY: 2	1 - YES 2 - NO: 2	1 - YES (FRO SFH ONLY) 2 - NO

18. COMMUNITY SIZE	19. DWELLING TYPE/USE OF FUNDS CODE
1 - 10,000 OR LESS (FOR SFH AND 2 - OVER 10,000 HPG ONLY)	(See FMI)

COMPLETE FOR OBLIGATION OF FUNDS

20. TYPE OF ASSISTANCE	21. PURPOSE CODE	22. SOURCE OF FUNDS	23. TYPE OF ACTION
539 (See FMI)	1	2	1 - OBLIGATION ONLY 2 - OBLIGATION/CHECK REQUEST 3 - CORRECTION OF OBLIGATION: 1

24. TYPE OF SUBMISSION	25. AMOUNT OF LOAN	26. AMOUNT OF GRANT
1 - INITIAL 2 - SUBSEQUENT: 1	$ 9,222,000	

27. AMOUNT OF IMMEDIATE ADVANCE	28. DATE OF APPROVAL MO DA YR	29. INTEREST RATE	30. REPAYMENT TERMS
		3.2500%	37

COMPLETE FOR SINGLE FAMILY HOUSING ONLY

31. INCOME CATEGORY CODES	32. LOW INCOME LIMIT-MAX.	33. ADJUSTED FAMILY INCOME
1 - VERY LOW 3 - MODERATE 2 - LOW 4 - ABOVE MODERATE		

34. R.E.INSURANCE	35. R.E.TAXES 1st year	36. R.E. TAXES 2nd year	37. NOTE INSTALLMENT INELIGIBLE

38. TYPE OF UNIT
1 - FARM TRACT
2 - NON-FARM TRACT

COMPLETE FOR COMMUNITY PROGRAM AND CERTAIN MULTIPLE-FAMILY HOUSING LOANS

39. PROFIT TYPE
1 - FULL PROFIT 2 - LIMITED PROFIT 3 - NONPROFIT

COMPLETE FOR EM LOANS ONLY	COMPLETE FOR CREDIT SALE-ASSUMPTION
40. DISASTER DESIGNATION NUMBER (See FMI)	41. TYPE OF SALE: 1 - CREDIT SALE ONLY 2 - ASSUMPTION ONLY 3 - CREDIT SALE WITH SUB LOAN 4 - ASSUMPTION WITH SUBSEQUENT LOAN
FINANCE OFFICE USE ONLY	**COMPLETE FOR FP LOANS ONLY**
42. OBLIGATION DATE MO -- DA -- YR	43. BEGINNING FARMER/RANCHER (See FMI)

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Position 2

ORIGINAL - Borrower's Case Folder COPY 1 - Finance Office COPY 2 - Applicant/Lender Copy 3 - State Office

CERTIFICATION APPROVAL

For All Farmer Programs

EM, OL, FO, and SW Loans

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44. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICAL

Approval of financial assistance is subject to availability of funds and to the terms of the Letter of Conditions dated 8/30/2010 **and any amendments thereto prior to closing.**

45. I HEREBY CERTIFY that I am unable to obtain sufficient credit elsewhere to finance my actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near my community for loans for similar purposes and periods of time. I agree to use the sum specified herein, subject to and in accordance with regulations applicable to the type of assistance indicated above, and requested payment of such sum. I agree to report to USDA any material adverse changes, financial or otherwise, that occur prior to loan closing. I certify that no part of the sum specified herein has been received. I have reviewed the loan approval requirements and comments associated with this loan request and agree to comply with these provisions.

(For SFH & FP loans at eligible terms only) If this loan is approved, I elect the interest rate to be charged on my loan to be the lower of the interest rate in effect at the time of approval or loan closing. If I check "NO", the interest rate charged on my loan will be the rate specified in Item 29 of this form.

_____ Yes _____ No

WARNING: **Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more five years, or both."**

Date 8/31/2010 By: Paavo Ogren

Paavo Ogren
Public Works Director

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_____

(Signature of Approving Official)

Date Approved: _____ Title: _____

47. TO THE APPLICANT: As of this date _____ from the USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the USDA. If you have any questions contact the County Supervisor or District Director.

USDA-RD
Form RD 1940-1
(Automated 8-97)

REQUEST FOR OBLIGATION OF FUNDS

(7)

INSTRUCTIONS-TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED
Complete Items 1 through 30 and applicable Items 31 through 43. See FMI.

1. CASE NUMBER ST	CO	BORROWER ID	LOAN NUMBER	FISCAL YEAR
04	040	*****0939		

2. BORROWER NAME	3. NUMBER NAME FIELDS
County of San Luis Obispo	1 (1, 2, or 3 from Item 2)
	4. STATE NAME: California
	5. COUNTY NAME: San Luis Obispo

GENERAL BORROWER/LOAN INFORMATION

6. RACE/ETHNIC CLASSIFICATION	7. TYPE OF APPLICANT	8. COLLATERAL CODE	9. EMPLOYEE RELATIONSHIP CODE
1 - WHITE, 2 - BLACK, 3 - AI/AN, 4 - HISPANIC, 5 - A/PI	4 (1 - INDIVIDUAL, 2 - PARTNERSHIP, 3 - CORPORATION, 4 - PUBLIC BODY, 5 - ASSOC. OF FARMERS, 6 - ORG. OF FARM WORKERS, 7 - OTHER)	7 (1 - REAL ESTATE SECURED, 2 - REAL ESTATE AND CHATTEL, 3 - NOTE ONLY OR CHATTEL ONLY, 4 - MACHINERY ONL, 5 - LIVESTOCK ONL, 6 - CROPS ONLY, 7 - SECURED BY BONDS)	1 - EMPLOYEE, 2 - MEMBER OF FAMILY, 3 - CLOSE RELATIVE, 4 - ASSOC.

10. SEX CODE	11. MARITAL STATUS	12. VETERAN CODE	13. CREDIT REPORT
6 (1 - MALE, 2 - FEMALE, 3 - FAMILY UNIT, 4 - ORGAN. MALE OWNED, 5 - ORGAN. FEMALE OWNED, 6 - PUBLIC BODY)	(1 - MARRIED, 2 - SEPARATED, 3 - UNMARRIED (INCLUDES WIDOWED/DIVORCED))	(1 - YES, 2 - NO)	2 (1 - YES, 2 - NO)

14. DIRECT PAYMENT	15. TYPE OF PAYMENT	16. FEE INSPECTION	17. INTEREST CREDIT
3 (See FMI)	2 (1 - MONTHLY, 2 - ANNUALLY, 3 - SEMI-ANNUALLY, 4 - QUARTERLY)	2 (1 - YES, 2 - NO)	(1 - YES (FRO SFH ONLY), 2 - NO)

18. COMMUNITY SIZE	19. DWELLING TYPE/USE OF FUNDS CODE
(1 - 10,000 OR LESS, 2 - OVER 10,000 (FOR SFH AND HPG ONLY))	(See FMI)

COMPLETE FOR OBLIGATION OF FUNDS

20. TYPE OF ASSISTANCE	21. PURPOSE CODE	22. SOURCE OF FUNDS	23. TYPE OF ACTION
539 (See FMI)	1	2	1 (1 - OBLIGATION ONLY, 2 - OBLIGATION/CHECK REQUEST, 3 - CORRECTION OF OBLIGATION)

24. TYPE OF SUBMISSION	25. AMOUNT OF LOAN	26. AMOUNT OF GRANT
1 (1 - INITIAL, 2 - SUBSEQUENT)	$ 9,222,000	

27. AMOUNT OF IMMEDIATE ADVANCE	28. DATE OF APPROVAL (MO DA YR)	29. INTEREST RATE	30. REPAYMENT TERMS
		3.2500%	37

COMPLETE FOR SINGLE FAMILY HOUSING ONLY

31. INCOME CATEGORY CODES	32. LOW INCOME LIMIT-MAX.	33. ADJUSTED FAMILY INCOME
(1 - VERY LOW, 2 - LOW, 3 - MODERATE, 4 - ABOVE MODERATE)		

34. R.E.INSURANCE	35. R.E.TAXES 1st year	36. R.E. TAXES 2nd year	37. NOTE INSTALLMENT INELIGIBLE

38. TYPE OF UNIT
(1 - FARM TRACT, 2 - NON-FARM TRACT)

COMPLETE FOR COMMUNITY PROGRAM AND CERTAIN MULTIPLE-FAMILY HOUSING LOANS

39. PROFIT TYPE	
(1 - FULL PROFIT, 2 - LIMITED PROFIT, 3 - NONPROFIT)	

COMPLETE FOR EM LOANS ONLY	COMPLETE FOR CREDIT SALE-ASSUMPTION
40. DISASTER DESIGNATION NUMBER (See FMI)	41. TYPE OF SALE (1 - CREDIT SALE ONLY, 2 - ASSUMPTION ONLY, 3 - CREDIT SALE WITH SUB LOAN, 4 - ASSUMPTION WITH SUBSEQUENT LOAN)
FINANCE OFFICE USE ONLY	**COMPLETE FOR FP LOANS ONLY**
42. OBLIGATION DATE (MO -- DA -- YR)	43. BEGINNING FARMER/RANCHER (See FMI)

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CERTIFICATION APPROVAL

For All Farmer Programs

EM, OL, FO, and SW Loans

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_____ Yes _____ No

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Date 8/31/2010 By: Paavo Ogren

Paavo Ogren
Public Works Director

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Date Approved: _____ Title: _____

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USDA-RD
Form RD 1940-1
(Automated 8-97)

REQUEST FOR OBLIGATION OF FUNDS

INSTRUCTIONS-TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED
Complete Items 1 through 30 and applicable Items 31 through 43. See FMI.

1. CASE NUMBER ST	CO	BORROWER ID	LOAN NUMBER	FISCAL YEAR
04	040	*****0939		

2. BORROWER NAME	3. NUMBER NAME FIELDS
County of San Luis Obispo	1 (1, 2, or 3 from Item 2)
	4. STATE NAME: California
	5. COUNTY NAME: San Luis Obispo

GENERAL BORROWER/LOAN INFORMATION

6. RACE/ETHNIC CLASSIFICATION	7. TYPE OF APPLICANT	8. COLLATERAL CODE	9. EMPLOYEE RELATIONSHIP CODE
1 - WHITE 4 - HISPANIC 2 - BLACK 5 - A/PI 3 - AI/AN	1 - INDIVIDUAL 4 - PUBLIC BODY 2 - PARTNERSHIP 5 - ASSOC. OF FARMERS 3 - CORPORATION 6 - ORG. OF FARM WORKERS 7 - OTHER	1 - REAL ESTATE SECURED 4 - MACHINERY ONL 2 - REAL ESTATE AND CHATTEL 5 - LIVESTOCK ONL 3 - NOTE ONLY OR CHATTEL ONLY 6 - CROPS ONLY 7 - SECURED BY BONDS	1 - EMPLOYEE 2 - MEMBER OF FAMILY 3 - CLOSE RELATIVE 4 - ASSOC.
	4	7	

10. SEX CODE	11. MARITAL STATUS	12. VETERAN CODE	13. CREDIT REPORT
3 - FAMILY UNIT 4 - ORGAN. MALE OWNED 5 - ORGAN. FEMALE OWNED 6 - PUBLIC BODY 1 - MALE 2 - FEMALE	1 - MARRIED 3 - UNMARRIED (INCLUDES WIDOWED/DIVORCED) 2 - SEPARATED	1 - YES 2 - NO	1 - YES 2 - NO
6			2

14. DIRECT PAYMENT	15. TYPE OF PAYMENT	16. FEE INSPECTION	17. INTEREST CREDIT
3 (See FMI)	2 (1 - MONTHLY 3 - SEMI-ANNUALLY 2 - ANNUALLY 4 - QUARTERLY)	2 (1 - YES 2 - NO)	1 - YES (FRO SFH ONLY) 2 - NO

18. COMMUNITY SIZE	19. DWELLING TYPE/USE OF FUNDS CODE
1 - 10,000 OR LESS 2 - OVER 10,000 (FOR SFH AND HPG ONLY)	(See FMI)

COMPLETE FOR OBLIGATION OF FUNDS

20. TYPE OF ASSISTANCE	21. PURPOSE CODE	22. SOURCE OF FUNDS	23. TYPE OF ACTION
539 (See FMI)	1	2	1 - OBLIGATION ONLY 2 - OBLIGATION/CHECK REQUEST 3 - CORRECTION OF OBLIGATION: 1

24. TYPE OF SUBMISSION	25. AMOUNT OF LOAN	26. AMOUNT OF GRANT
1 - INITIAL 2 - SUBSEQUENT: 1	$ 9,222,000	

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		3.2500%	37

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1 - VERY LOW 3 - MODERATE 2 - LOW 4 - ABOVE MODERATE		

34. R.E.INSURANCE	35. R.E.TAXES 1st year	36. R.E. TAXES 2nd year	37. NOTE INSTALLMENT INELIGIBLE

38. TYPE OF UNIT
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COMPLETE FOR COMMUNITY PROGRAM AND CERTAIN MULTIPLE-FAMILY HOUSING LOANS

39. PROFIT TYPE	
1 - FULL PROFIT 2 - LIMITED PROFIT 3 - NONPROFIT	
COMPLETE FOR EM LOANS ONLY	**COMPLETE FOR CREDIT SALE-ASSUMPTION**
40. DISASTER DESIGNATION NUMBER (See FMI)	**41. TYPE OF SALE** 1 - CREDIT SALE ONLY 2 - ASSUMPTION ONLY 3 - CREDIT SALE WITH SUB LOAN 4 - ASSUMPTION WITH SUBSEQUENT LOAN
FINANCE OFFICE USE ONLY	**COMPLETE FOR FP LOANS ONLY**
42. OBLIGATION DATE MO -- DA -- YR	**43. BEGINNING FARMER/RANCHER** (See FMI)

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EM, OL, FO, and SW Loans

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_____ Yes _____ No

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Paavo Ogren
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_____

(Signature of Approving Official)

Date Approved: _____ Title: _____

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USDA-RD
Form RD 1940-1
(Automated 8-97)

REQUEST FOR OBLIGATION OF FUNDS

9

INSTRUCTIONS-TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED
Complete Items 1 through 30 and applicable Items 31 through 43. See FMI.

1. CASE NUMBER ST	CO	BORROWER ID	LOAN NUMBER	FISCAL YEAR
04	040	*****0939		

2. BORROWER NAME	3. NUMBER NAME FIELDS
County of San Luis Obispo	1 (1, 2, or 3 from Item 2)
	4. STATE NAME: California
	5. COUNTY NAME: San Luis Obispo

GENERAL BORROWER/LOAN INFORMATION

6. RACE/ETHNIC CLASSIFICATION	7. TYPE OF APPLICANT	8. COLLATERAL CODE	9. EMPLOYEE RELATIONSHIP CODE
1 - WHITE, 2 - BLACK, 3 - AI/AN, 4 - HISPANIC, 5 - A/PI	1 - INDIVIDUAL, 2 - PARTNERSHIP, 3 - CORPORATION, 4 - PUBLIC BODY, 5 - ASSOC. OF FARMERS, 6 - ORG. OF FARM WORKERS, 7 - OTHER	1 - REAL ESTATE SECURED, 2 - REAL ESTATE AND CHATTEL, 3 - NOTE ONLY OR CHATTEL ONLY, 4 - MACHINERY ONL, 5 - LIVESTOCK ONL, 6 - CROPS ONLY, 7 - SECURED BY BONDS	1 - EMPLOYEE, 2 - MEMBER OF FAMILY, 3 - CLOSE RELATIVE, 4 - ASSOC.
	4	7	0

10. SEX CODE	11. MARITAL STATUS	12. VETERAN CODE	13. CREDIT REPORT
1 - MALE, 2 - FEMALE, 3 - FAMILY UNIT, 4 - ORGAN. MALE OWNED, 5 - ORGAN. FEMALE OWNED, 6 - PUBLIC BODY	1 - MARRIED, 2 - SEPARATED, 3 - UNMARRIED (INCLUDES WIDOWED/DIVORCED)	1 - YES, 2 - NO	1 - YES, 2 - NO
6			2

14. DIRECT PAYMENT	15. TYPE OF PAYMENT	16. FEE INSPECTION	17. INTEREST CREDIT
3 (See FMI)	2 (1 - MONTHLY, 2 - ANNUALLY, 3 - SEMI-ANNUALLY, 4 - QUARTERLY)	2 (1 - YES, 2 - NO)	1 - YES (FRO SFH ONLY), 2 - NO

18. COMMUNITY SIZE	19. DWELLING TYPE/USE OF FUNDS CODE
1 - 10,000 OR LESS, 2 - OVER 10,000 (FOR SFH AND HPG ONLY)	(See FMI)

COMPLETE FOR OBLIGATION OF FUNDS

20. TYPE OF ASSISTANCE	21. PURPOSE CODE	22. SOURCE OF FUNDS	23. TYPE OF ACTION
545 (See FMI)	1	2	1 (1 - OBLIGATION ONLY, 2 - OBLIGATION/CHECK REQUEST, 3 - CORRECTION OF OBLIGATION)

24. TYPE OF SUBMISSION	25. AMOUNT OF LOAN	26. AMOUNT OF GRANT
1 (1 - INITIAL, 2 - SUBSEQUENT)	$ 9,222,000	$ 4,002,000

27. AMOUNT OF IMMEDIATE ADVANCE	28. DATE OF APPROVAL (MO DA YR)	29. INTEREST RATE	30. REPAYMENT TERMS
		3.2500%	37

COMPLETE FOR SINGLE FAMILY HOUSING ONLY

31. INCOME CATEGORY CODES	32. LOW INCOME LIMIT-MAX.	33. ADJUSTED FAMILY INCOME
1 - VERY LOW, 2 - LOW, 3 - MODERATE, 4 - ABOVE MODERATE		

34. R.E.INSURANCE	35. R.E.TAXES 1st year	36. R.E. TAXES 2nd year	37. NOTE INSTALLMENT INELIGIBLE

38. TYPE OF UNIT
1 - FARM TRACT, 2 - NON-FARM TRACT

COMPLETE FOR COMMUNITY PROGRAM AND CERTAIN MULTIPLE-FAMILY HOUSING LOANS

39. PROFIT TYPE	
1 - FULL PROFIT, 2 - LIMITED PROFIT, 3 - NONPROFIT	

COMPLETE FOR EM LOANS ONLY	COMPLETE FOR CREDIT SALE-ASSUMPTION
40. DISASTER DESIGNATION NUMBER (See FMI)	41. TYPE OF SALE (1 - CREDIT SALE ONLY, 2 - ASSUMPTION ONLY, 3 - CREDIT SALE WITH SUB LOAN, 4 - ASSUMPTION WITH SUBSEQUENT LOAN)
FINANCE OFFICE USE ONLY	COMPLETE FOR FP LOANS ONLY
42. OBLIGATION DATE (MO -- DA -- YR)	43. BEGINNING FARMER/RANCHER (See FMI)

If the decision contained above in this form results in denial, reduction or cancellation of USDA assistance, you may appeal this decision and have a hearing or you may request a review in lieu of a hearing. Please use the form we have included for this purpose.

Position 2

ORIGINAL - Borrower's Case Folder COPY 1 - Finance Office COPY 2 - Applicant/Lender Copy 3 - State Office

CERTIFICATION APPROVAL

For All Farmer Programs

EM, OL, FO, and SW Loans

This loan is approved subject to the availablity of funds. If this loan does not close for any reason within 90 days from the date of approval on this document, the approval offical will request updated eligibility information. The undersigned loan applicant agrees that the approval official will have 14 working days to review any updated information prior to submitting this document for obligation of funds. If there have been significant changes that may affect eligibility, a decision as to eligibility and feasibility will be made within 30 days from the time the applicant provides the necessary information.

If this is a loan aproval for which a lien and/or title search is necessary, the undersigned applicant agrees that the 15-working-day loan closing requirement may be exceeded for the purposes of the applicant's legal representatives completing title work and completing loan closing.

44. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICAL

Approval of financial assistance is subject to availability of funds and to the terms of the Letter of Conditions dated 8/30/2010 **and any amendments thereto prior to closing.**

45. I HEREBY CERTIFY that I am unable to obtain sufficient credit elsewhere to finance my actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near my community for loans for similar purposes and periods of time. I agree to use the sum specified herein, subject to and in accordance with regulations applicable to the type of assistance indicated above, and requested payment of such sum. I agree to report to USDA any material adverse changes, financial or otherwise, that occur prior to loan closing. I certify that no part of the sum specified herein has been received. I have reviewed the loan approval requirements and comments associated with this loan request and agree to comply with these provisions.

(For SFH & FP loans at eligible terms only) If this loan is approved, I elect the interest rate to be charged on my loan to be the lower of the interest rate in effect at the time of approval or loan closing. If I check "NO", the interest rate charged on my loan will be the rate specified in Item 29 of this form.

_____ Yes _____ No

WARNING: **Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more five years, or both."**

Date 8/31/2010 By: Paavo Ogren

Paavo Ogren
Public Works Director

46. I HEREBY CERTIFY that all of the committee and administrative determinations and certifications required by regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, and by this document, subject to the availability of funds, the Government agrees to advance such amount to the applicant for the purpose of and subject to the availability prescribed by regulations applicable to this type of assistance.

_____

(Signature of Approving Official)

Date Approved: _____ Title: _____

47. TO THE APPLICANT: As of this date _____ from the USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the USDA. If you have any questions contact the County Supervisor or District Director.

Form RD 1942-46
(Automated 6-98)

FORM APPROVED
OMB NO. 0575-0015

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

LETTER OF INTENT TO MEET CONDITIONS

Date 8/31/2010

TO: Rural Development
United States Department of Agriculture
3530 W. Orchard Ct.
Visalia CA 93277
(Office Address)

We have reviewed and understand the conditions set forth in your letter dated 8/30/2010

It is our intent to meet all of them not later than 8/30/2011

We are also requesting that we be given the interest rate in effect at the time of loan approval or at the time of loan closing, whichever is lower. In other words, we want the lowest interest rate possible.

County of San Luis Obispo
(Name of Association)

BY Paavo Ogren
Paavo Ogren
Public Works Director

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data. needed, and completing and reviewing the collection of information.

OMB Number: 4040-0004
Expiration Date: 01/31/2009

Application for Federal Assistance SF-424 Version 02

*1. Type of Submission:	*2. Type of Application	* If Revision, select appropriate letter(s)
☐ Preapplication	☐ New	A. Increase Award A. Increase Award
☒ Application	☐ Continuation	*Other (Specify)
☐ Changed/Corrected Application	☒ Revision	

3. Date Received:	4. Applicant Identifier:

5a. Federal Entity Identifier:	*5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:	7. State Application Identifier:

8. APPLICANT INFORMATION:

*a. Legal Name: San Luis Obispo County

*b. Employer/Taxpayer Identification Number (EIN/TIN):	*c. Organizational DUNS:
95-6000939	118246060

d. Address:

*Street 1: Room 207 County Government Center
Street 2:
*City: San Luis Obispo
County: San Luis Obispo
*State: California
Province:
*Country: USA
*Zip / Postal Code 93408

e. Organizational Unit:

Department Name:	Division Name:
U.S. Department of Agriculture	Rural Utilities Service

f. Name and contact information of person to be contacted on matters involving this application:

Prefix: Mr. *First Name: John
Middle Name: Isaac
*Last Name: Waddell
Suffix:

Title:

Organizational Affiliation:

*Telephone Number: 805-788-2713 Fax Number: 805-781-1229

*Email: jwaddell@co.slo.ca.us

OMB Number: 4040-0004
Expiration Date: 01/31/2009

Application for Federal Assistance SF-424 Version 02

***9. Type of Applicant 1: Select Applicant Type:**

B.County Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

*Other (Specify)

***10 Name of Federal Agency:**

USDA Rural Development

11. Catalog of Federal Domestic Assistance Number:

10-781

CFDA Title:

Water and Waste Disposal Systems for Rural Communities - ARRA

***12 Funding Opportunity Number:**

*Title:

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Unincorporated area of Los Osos, San Luis Obispo County, California

***15. Descriptive Title of Applicant's Project:**

Construction of a community wastewater collection and treatment system with effluent reuse components.

OMB Number: 4040-0004
Expiration Date: 01/31/2009

Application for Federal Assistance SF-424 Version 02

16. Congressional Districts Of:

*a. Applicant: 23 *b. Program/Project: 23

17. Proposed Project:

*a. Start Date: 1/1/2007 *b. End Date: 1/1/2014

18. Estimated Funding ($):

*a. Federal	87,000,000
*b. Applicant	
*c. State	86,610,000
*d. Local	15,635,000
*e. Other	
*f. Program Income	
*g. TOTAL	189,245,000

***19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

☒ a. This application was made available to the State under the Executive Order 12372 Process for review on 6/18/2009

☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.

☐ c. Program is not covered by E. O. 12372

***20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)**

☐ Yes ☒ No

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U. S. Code, Title 218, Section 1001)

☒ ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions

Authorized Representative:

Prefix: Mr. *First Name: Paavo

Middle Name:

*Last Name: Ogren

Suffix:

*Title: Director of Public Works

*Telephone Number: 805-781-5252 Fax Number:

* Email: pogren@co.slo.ca.us

*Signature of Authorized Representative: Paavo Ogren *Date Signed: 8/31/2010

Authorized for Local Reproduction

Standard Form 424 (Revised 10/2005)
Prescribed by OMB Circular A-102

OMB Number: 4040-0004
Expiration Date: 01/31/2009

Application for Federal Assistance SF-424 Version 02

***Applicant Federal Debt Delinquency Explanation**

The following should contain an explanation if the Applicant organization is delinquent of any Federal Debt.