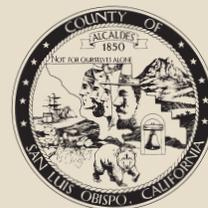


JANUARY
2007

BROCHURE 1

PROJECT
APPROACH



Los Osos Wastewater Project

SAN LUIS OBISPO COUNTY
DEPARTMENT OF PUBLIC WORKS

Noel King, Director
Paavo Ogren, Project Manager



Project Website: <http://www.slocounty.ca.gov/PW/LOWWP.htm>

Letter to the Community

Bruce Gibson
Supervisor, District 2
San Luis Obispo County
Board of Supervisors

Los Osos Office Hours:
2nd & 4th Thursdays
4-5 pm
Washington Mutual
Meeting Room

Email Project Comments:
<http://www.slocounty.ca.gov/PW/LOWWP.htm>

Legislative Assistant
Contact:
Cherie Aispuro
(805) 781-5450

Dear Los Osos Residents and Property Owners:

As 2007 begins, I'm excited to be part of the effort to develop a long-overdue solution to the wastewater problem in Los Osos. As of January 1, legislation sponsored by Assemblyman Sam Blakeslee has given the County authority to pursue this challenging project, working directly with Los Osos residents and property owners, your elected officials, and various state and federal agencies. This will be a collaborative effort and I'm optimistic we can be successful.



Under the able leadership of Deputy Public Works Director Paavo Ogren, the County is already moving forward. Paavo has assembled an outstanding team to study a wide variety of specialized issues. Their immediate charge is a timely, thorough and objective analysis of issues such as collection systems, treatment technology, facility location and financing options.

In this project, good communication is going to be essential. Many of you met Paavo and his team at a town hall meeting last December and got an overview of where we're headed. This brochure, along with the project web site, continues our effort to keep you informed. More brochures and public meetings will follow, so that you can gather information you need to make important future decisions.

Some of you know a great deal about wastewater systems and have strong opinions about how we should proceed. Many more folks don't have such specialized knowledge and are confused by the many competing claims. Everyone is concerned about how much this project is going to cost.

My first goal is to develop your trust in the information that comes from this process. Our team will work hard to give you a fair and comprehensive look at the options for this project. I ask that you consider the results of their efforts with patience and an open mind. If you have further questions, I'll do everything I can to get them answered as we move forward.

To me, the start of a new year is a time of hope. The shortest, darkest day of winter is past and we have the opportunity of a new beginning. As your newly-elected Supervisor, I want to take this opportunity for a new start in Los Osos. I look forward to working with you, County staff, and other officials and agencies to solve the wastewater problem that has burdened this community for too long. I'm optimistic we can work together and succeed.

Sincerely yours,

Bruce Gibson
District 2 Supervisor

The County Approach to the Los Osos Waste Water Project

In early 2006, a team of County officials and staff began reviewing the wastewater situation in Los Osos after a proposal to dissolve the Los Osos Community Services District (LOCSD) was initiated with the Local Agency Formation Commission (LAFCo). In the following months, Assemblyman Sam Blakeslee requested input from the County, along with others, to try and develop legislation that might help solve the wastewater situation. The County Board of Supervisors held a public hearing on June 19, 2006 to consider their formal position. At the conclusion of their hearing, which included approximately 44 individuals who spoke during public comment, the Board adopted policies for the project that included the following six legislative elements:

- Proposition 218 funding/property owner assessments
- A Prop. 218 majority protest = no further County obligations
- Re-establish Low Interest State Revolving Fund (SRF) loans
- Abeyance of Enforcement Action
- LOCSD Liabilities stay with LOCSD
- County Board has sole project authority

The six legislative elements guided the County's review of, and comments on, the Blakeslee legislation (AB 2701) as it moved through the committee hearings of the State Senate and State Assembly.

After several amendments, AB 2701 was approved on combined 110-0 votes of the California State Senate and State Assembly, and it was signed by Governor Arnold Schwarzenegger on September 18, 2006. Effective on January 1, 2007, AB 2701 transferred the authority of developing a community wastewater project from the LOCSD to the County – ending the eight (8) year effort of the LOCSD.

On June 19, 2006, the Board of Supervisors also approved

numerous project strategies. The project strategies provide guidance for County officials and staff working on the project. After Governor Schwarzenegger signed AB 2701, the County Board, on October 3, 2006 approved a \$2.0 million project budget for work needed to meet the requirements of "Prop. 218," which is included in Article XIII (D) of the State Constitution. County project work efforts will include the following:

- Analysis of Project Alternatives
- Creation of a Technical Advisory Committee
- Development of a Pro/Con Analysis on Project Alternatives
- Preliminary Environmental Review
- A "Prop. 218" Assessment Hearing – Property Owner Protest Ballots

See the anticipated timeline for the "Prop. 218" proceedings in this brochure.

Over the past 30 years, over \$30 million has been spent on the Los Osos wastewater project.

The County's legislative elements and project strategies support the Blakeslee legislation for resolving the Los Osos wastewater dilemma. They also recognize that countywide taxpayers had previously spent about \$5 million prior to 1999, without any reimbursement when the LOCSD was approved by voters in November 1998. Additional costs to countywide taxpayers need to be minimized until the community of Los Osos can demonstrate willingness to fund a wastewater project. The \$2.0 million project budget is for those needed work efforts. The "Prop. 218" proceedings will decide if property owners want the County to build a community wastewater project. The insert in this publication, "Developing Viable Project Alternatives," generally illustrates the process the County will be following.

2006 Action Items - Board of Supervisors



June 19, 2006

Approved Legislative Elements and Project Strategies



October 3, 2006

Approved Project Budget



December 12, 2006

Approved Primary Project Consultants



December 19, 2006

Approved Technical Committee and Bylaws

Actions can be reviewed at www.slocounty.ca.gov

Developing "Viable Project Alternatives"

Technical Issues

- Treatment Processes
- Collection Systems
- Disposal and Reuse
- Site Selection
- Construction Management
- Contracting Methods and Options

Water Management

- Conservation needs
- Agricultural Exchange Options
- Water Quality
- Sea Water Intrusion
- Water Rights
- Groundwater Evaluations
- Water Reuse
- Imported Water
- Water System Infrastructure
- Water Purveyor Involvement
- Cost Sharing

Fiscal

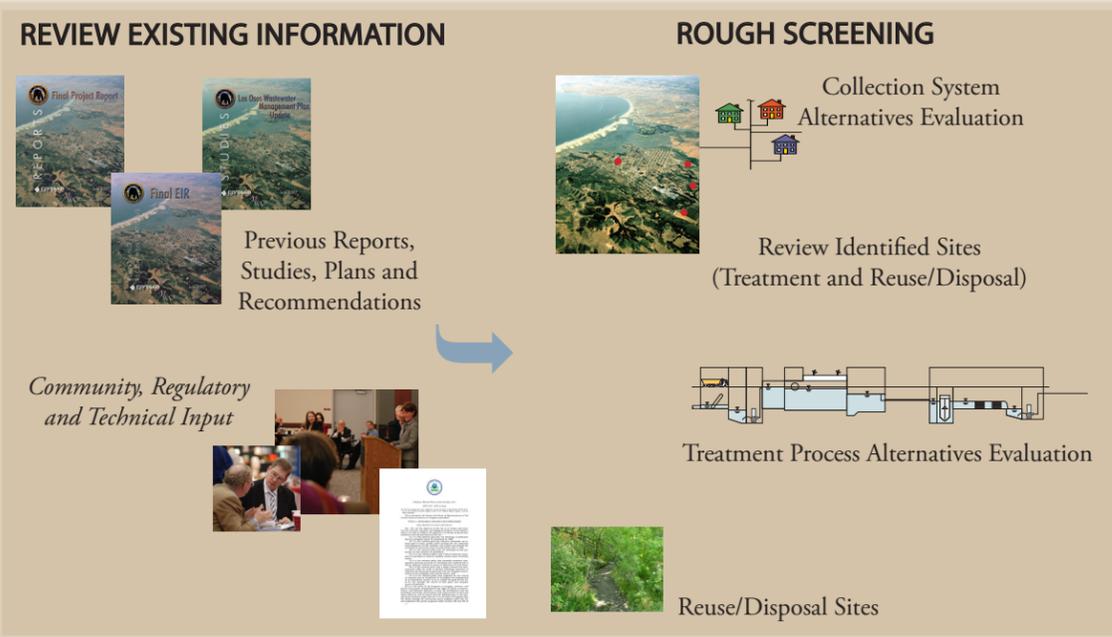
- Affordability
- Grants
- SRF Loans
- Assessments
- Special Benefits vs. General Benefits
- Private Funding
- Rates and Changes
- Connection Fees
- Monthly Cost
- Objective Comparison of Alternatives
- Vacant Lots

Community

- Prop. 218
- Technical Advisory Committee (TAC)
- Acceptability Issues
- Land Use and Growth
- Development of Individual Lots

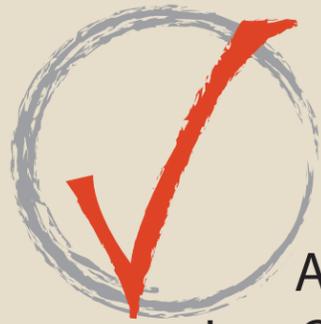
Environmental

- California Environmental Quality Act (CEQA)
- National Environmental Policy Act (NEPA)
- Permitting (see list of agencies insert)



Resource Agencies Involved	
• RWQCB	• CA Department of Health Services
• Coastal Commission	• Other County Departments
• State Water Board	– Planning
• CA Fish and Game	– Environmental Health
• US Fish and Wildlife	– Legal





Anticipated Timeline for Los Osos Prop. 218 Proceedings

August 14, 2007 (estimated target date):

- BOS hearing on Viable Project Alternatives (VPA's)

August 28, 2007 (estimated target date):

- BOS approves Engineer's assessment report, assessment amounts per parcel, and the form/content of assessment ballots and official notice
- BOS instructs Clerk to mail ballots to listed property owners

September 21, 2007 (estimated target date):

- Ballots will begin arriving to property owners
- Required 45 day notification period begins

November 20, 2007 (estimated target date):

- Public hearing at the BOS chambers
- Last day to submit an assessment ballot (at the hearing)

November 26-30, 2007 (estimated target dates):

- At an announced time and place, Clerk will open ballots and count

December 12, 2007 (estimated target date):

- Clerk announces election results in a public hearing at the BOS chambers
- Assessment either passes or fails

The Project Technical Advisory Committee

On December 12, 2006 the Board of Supervisors created the project's Technical Advisory Committee (TAC), adopted the by-laws, and named Rob Miller, P.E., as its Vice-Chair. Mr. Miller is currently the LOCSD District Engineer and he has extensive knowledge of the LOCSD and its wastewater project efforts over the past eight (8) years. The Board of Supervisors appointment of Mr. Miller was recommended by County staff based on his experience and expertise, but also because County staff believes that it is a positive early effort by the County to seek collaboration from the LOCSD – even while difficult issues of the finance and law are being addressed in bankruptcy and other cases in State and Federal Courts of Law.

Applications for membership in the TAC are available at <http://www.slocounty.ca.gov/PW/LOWWP.htm> or the LOCSD offices at 2122 9th Street, Los Osos. Applications must be turned into the County Public Works Department no later than March 2, 2007 (extended from the original date of February 9, 2007). All persons interested in applying are encouraged to do so because the County would like the broadest range of applicants while deciding who to appoint. The formal appointments will be made by the Board of Supervisors, and your District 2 Supervisor, Bruce Gibson, will be working with Public Works staff in developing recommendations to the Board. For more information, please visit the project website.

TAC membership will include the following:

- Chairperson
- Vice Chair (Rob Miller P.E.)
- Three (3) Engineering/Water Management Members
- Three (3) Environmental Members
- Three (3) Finance Members
- Eleven (11) Total Members



*Rob Miller P.E.
Wallace Group*

The TAC will hold its meetings in "open sessions," with public comment – following the rules of the California State public meetings act – also known as the "Brown Act." The three working groups that include engineering/water management, environmental and finance are not required, when they are meeting separately, to meet in "open sessions" although they may occasionally do so. The working groups will be focusing on their review of technical issues and preparing for the TAC meetings so that their discussion of issues in the TAC's "open sessions" can be efficient and productive. The TAC Chair and Vice-Chair will be invited to all working group meetings to provide continuity between working groups.

The county is seeking TAC members who:

- Reflect the diverse opinions that exist in the community
- Respect the opinions of others
- Agree to help develop a pro/con evaluation of project alternatives
- Individuals with experience and understanding of project technical issues
- Willing to make significant time commitments; especially between April–June 2007

Questions & Answers

On December 18, 2006, the County of Public Works Department held a town-hall meeting to initiate our public communication efforts. That meeting can be viewed at <http://www.slocounty.ca.gov/PW/LOWWP.htm>, or, a DVD can be obtained from the department by contacting Marilyn Crawford at (805) 781-5252.

Questions submitted and answers can also be viewed at the project website. Please submit any questions or comments you have on the website. Future brochures will be mailed to you addressing various project issues. Some of the questions that have been submitted, and will be addressed in future brochures, include the following:

WHO... will receive ballots for the Prop. 218 protest hearing - property owners or registered voters?

WHAT... sites are being considered in the County's alternatives analysis?

WHERE... will the boundaries of the County's Prop. 218 assessment district be in comparison to the prohibition zone established by the Regional Water Board?

WHEN... will the final project be selected?

WHY... is the Tri-W Project still "on the table?"

HOW ... will the County evaluate the "STEP/STEG" collection system technology?

Technical Advisory Committee

- Applications are due to Public Works by:

March 2, 2007

- Submit to website or:

Room 207
County Government Center
San Luis Obispo, CA 93408

Website Access to Board Items

Tuesday Meetings of the Board of Supervisors:

2:05 Public Comment on the project

www.slocounty.ca.gov