

July 11, 2008

Board of Directors
Triunfo Sanitation District
Ventura County, California

CONIFER TANK REPLACEMENT UPDATE

The purpose of this letter and report is to provide you with an update of the progress that has been made to date, on the tasks listed below, which lead to construction of the Conifer Tank replacement. These tasks include:

- Tank site property acquisition.
- Transfers of Calleguas Municipal Water District's (Calleguas) Lindero Feeder.
- Design of the new facilities.
- Funding for the new facilities.
- Chesebro Reservoir recycled water storage feasibility.

The tasks and time frames are detailed in the attached "Conifer Tank Replacement Project Task Update." If you have any questions please call me at 805-658-4606.

MARK E. CAPRON – SENIOR ENGINEER

Enc.

APPROVED FOR JULY 28, 2008 AGENDA

Mark Lawler – District Manager

Conifer Tank Replacement Project Task Update of July 2008

Tank Site property acquisition

TSD inherited a 1975 agreement between Metropolitan Development Corporation (MDC) and Rancho Simi Recreation and Park District (RSRPD) with the purchase of Metropolitan Water Company. In the agreement MDC deeded RSRPD 1,350 acres for open space and 293 acres for developed parks. MDC also agreed to give RSRPD \$2,272,400, which RSRPD agreed to spend on parks in Oak Park.

The MDC/RSRPD agreement indicates that MDC will be given nonexclusive easements for utilities, and “Six (6) water reservoir sites of not more than one and one-half (1.5) acres each, three (3) pump stations, and two (2) meter stations with reasonable ingress and egress easements, provided that such sites shall be fenced and landscaped with low maintenance planting in a manner acceptable to the Park District.”

Oak Park currently has five water tanks (including the Calleguas Municipal Water District’s recycled water tank). The Conifer Tank Replacement will keep the same number, after the old Conifer Tank is demolished.

RSRPD agrees that TSD need not pay for a new tank site. However, the original agreement indicates that MDC (or its corporate successor) cannot make use of the property, except for park and related purposes, without the consent of the previous owner. Any such action may result in a reversion of the park property to the successor owner.

In the past, TSD has secured a release from this language from MDC's corporate successor, Saltaire. However, Saltaire is presently in bankruptcy in New York State. General Counsel is attempting to obtain a blanket release from Saltaire for future TSD projects. General Counsel will either need to obtain an order from the Bankruptcy Court which General Counsel is presently attempting to do, or negotiate a release from Saltaire's trustee in bankruptcy. General Counsel expects to obtain the release in July of 2008.

Transfers of Calleguas Municipal Water District’s (Calleguas) Lindero Feeder

Building the replacement tank at Site A7 is much less disruptive and less expensive if TSD assumes responsibility for the existing Calleguas 30-inch Lindero Feeder. The Lindero Feeder is needed to convey water from the new tank to the Conifer Zone. The Lindero Feeder will also convey water from the new tank to the Lower & Upper Deerhill Zones and allow the new tank to provide back-up water supply for the Lindero, Savoy, and Kilburn Zones.

Calleguas plans to transfer the entire Lindero Feeder, from Lindero Canyon Road and east, to TSD. TSD would then transfer the portions east of Oak Park to Rancho Simi Recreation and Park District (RSRPD), NPS, and the Santa Monica Mountains Conservancy (SMMC). Accepting the Calleguas facilities means TSD takes on the responsibility of maintaining or demolishing them.

In 2007, TSD certified an environmental document for its Conifer Tank Replacement Project and chose Site A7, now Oak Canyon Reservoir. The National Park Service (NPS) and California Fish & Game (CDFG) recommended mitigation R2, which says, “TSD will attempt to work with Calleguas Municipal Water District in an effort to remove the existing abandoned Calleguas Municipal Water District tank located on the eastern ridge of Chesebro Canyon and associated pump station located in Palo Comado Canyon prior to construction of a tank at the A8 alternative site. In association with development of either the A7 or A8 tank site, the District will work with the CDFG to either purchase mitigation area or arrange the CMWD tank and pump removal for the management of Braunton’s milkvetch assuming the removal effort can be effectively negotiated.”

The Board minutes of the November 26, 2007 record the action, "It was moved by Director Glancy, seconded by Director Parks, and duly carried that the Board adopt Resolution No. T07-02 certifying the Final Environmental Impact Report for the Conifer Tank Replacement and adopting the project with the tank at Site A7 including demolition of Calleguas Municipal Water District facilities in the national recreation area."

Because the tank at Site A7 was not an NPS visual impact and the May 2008 soil survey proved it is also not Braunton's milkvetch habitat, TSD is not bound to remove Calleguas' pump station and 4-million gallon tank. However, in keeping with the spirit of Board actions, staff has been working with the National Park Service to develop a detailed project description for demolition/abandonment of the Lindero Feeder and associated facilities within the Santa Monica Mountains National Recreation Area and property transfer from TSD to the National Park Service.

The removal and decommissioning is a project for which the NPS environmental review team anticipates compliance with the National Environmental Policy Act (NEPA) through the use of Categorical Exclusion. Padre Associates (Padre) anticipates a Negative Declaration or Mitigated Negative Declaration for compliance with the California Environmental Quality Act (CEQA). Because the proposed action is discretionary on the part of TSD (i.e., making it subject to CEQA) and there are no CEQA exemptions that are applicable. National Park Service staff and TSD are jointly preparing the NEPA Categorical Exclusion and the CEQA Negative Declaration. Much of the project description has been accomplished from January to June 2008 using the approximately \$15,000 remaining in Padre's \$144,476 contract budget. Staff is recommending Padre's contract budget increase by \$36,500 for Board action at your July 2008 meeting for the environmental documents.

The property transfer is proceeding smoothly with one issue of concern, lead in the soil around the Chesebro Reservoir. The reservoir exterior coating contains significant lead. Staff has included the cost of removing the lead painted steel at both the tank and the pump station in the demolition estimates. However, some of the lead paint has flaked off the tank. The June 2008 ESA indicates, although the lead has spread beyond the asphalt and into soils surrounding the site, the concentration is acceptable as-is to NPS. (The four soil samples, taken at the most likely places for paint chips, ranged from 16 to 120 mg/kg of lead. When discussing the allowable lead concentration in the soil, Ranger Beck reports, "You can use 160 mg/kg as the acceptable threshold. That is the value the NPS used when doing restoration work on the Presidio in San Francisco. The general range for NPS acceptability is 110-200 mg/kg, with the lower end being based on whether or not lead-sensitive species are present, such as waterfowl. That is not a concern at the tank site.")

The 2007 demolition cost estimate of \$418,000 for removals and decommissioning has not changed. However, the 2007 estimate does not include removing contaminated soil, should soil removal become necessary.

The remaining steps are:

1. Calleguas will prepare and mail a Notice of Surplus Property in accordance with Government Code Section 54222. Assorted Federal and State agencies have 60 days to respond.
2. If no response, Calleguas offers the property to its purveyors.
3. TSD approves a memorandum of understanding with Rancho Simi Recreation and Park District, NPS, and Santa Monica Mountains Conservancy for a mutually acceptable removal and decommissioning effort on the Calleguas facilities. Staff plans to bring the MOU to the your September 2008 Board meeting.
4. Before property transfer, Calleguas notifies the local planning agency (County of Ventura) to determine conformance with the County's general plan. The County will have 40 days to respond. Calleguas currently expects to be ready for property transfer to TSD in October 2008.
5. If TSD is the successful bidder, TSD would complete the environmental documents, removals, and decommissioning.

6. Because NPS requires an ESA not be more than six months old and the removal of the pump station and tank will change the property, staff expects to perform a second ESA after removal and decommissioning.
7. TSD transfers the properties east of Oak Park to RSRPD, NPD, and SMMC.

Design

Boyle and staff slowed design to match progress on agreements with other agencies and to explore more options that could reduce costs, reduce impacts, or improve value. The improved design features include:

- A smaller diameter pipe in Kanan Road with a less obtrusive pressure reduction valve (PRV) on RSRPD property that is also hydraulically better and less obtrusive as an emergency water pumping station when accepting emergency water from Las Virgenes Municipal Water District.
- A novel mixing system for the Oak Canyon Reservoir that takes full advantage of its flow-through nature.
- Careful selection of the Oak Canyon Reservoir elevation for gravity filling while being as high as possible. Each foot higher saves about \$16,000 in earth moving costs. Minimizing disturbed earth area also minimizes the cost of dust prevention and energy costs at Deerhill and Savoy pumping stations.
- A reservoir storage allocation plan to more rapidly freshen the water in selected reservoirs.

The plans and specification for bidding the Oak Canyon Reservoir will be ready in September 2008. However, they will not be advertised until after TSD and Calleguas have executed a formal agreement on the property transfer.

The pipeline work is not impacted by the bird-nesting season. Because pipe construction requires less time than tank construction, it can wait up to six months after the tank construction. The plans and specification for bidding the pipeline work will be ready in November 2008.

The final design for demolition of the facilities in the National Recreation Area must wait for the environmental documents. That work will be coordinated with RSRPD, NPS, and SMMC considering both bird-nesting season and road dust.

Funding

There are sufficient funds in reserves to finish design in July and award a construction contract in October 2008. The Board authorized a rate study on January 28. Staff expects to complete the request for proposals process and recommend a firm at the September meeting. The rate study will recommend a loan amount for the new construction and suggest rates.

Chesebro Reservoir recycled water storage feasibility

In May 2008, TSD completed a soil chemistry survey at locations with Braunton's milkvetch and potential mitigation areas, including the Oak Canyon Reservoir site. The soil chemistry proved the site is not Braunton's milkvetch habitat and TSD will not need to mitigate for plant habitat other than the mitigation at the Oak Canyon Reservoir site. Also, TSD is not required to demolish the Calleguas 4-million gallon (12 acre-feet) Chesebro Reservoir.

NPS staff is not adverse to using the tank for recycled water storage. Ranger Beck stated "However, if it is still a possibility, that's okay if you need to keep the infrastructure. We're all going to be looking for more & more places to store recycled water. Just as an FYI, when I first found out the tank wasn't being used I called various entities to see if they had any need for the tank. I spoke with Gene Talmadge at Las

Virgenes MWD. He said it wasn't feasible for them to use for potable water storage or recycled water. I'm not sure if the reason was jurisdictional or physical/economical.”

TSD staff and Boyle considered the Chesebro Reservoir for potable water storage during the 1996 Reliability Study. It was rejected as too high, which wastes energy, and, at two pipeline miles, too distant. However, as a recycled water tank for “shoulder month” storage, those concerns are not significant issues. The tank would be empty on April 14 and start filling the first day of creek discharge prohibition on April 15. During a summer peak recycled water demand week, the tank would be emptied. As demand drops off approaching November 15, the tank would refill. Over the winter, it would be emptied again.

In essence, the Chesebro Reservoir could provide 8 million gallons (24 acre-feet, or 2.7 days of TSD wastewater flow) of creek avoidance storage. However, the 1996 Tank Industry Consultants report indicated the tank required a \$900,000 rehabilitation for safe use. Pump station rehabilitation wasn't estimated, but would cost about \$300,000, including a special growth screening and disinfection addition system. The high capital cost and relatively small storage volume, calculate to an amortized capital component about \$8,000 per acre-foot. Existing options cost less than a tenth as much.

Staff recommends the planned demolition for the 4-mg tank and associated pump station. Staff can suggest more cost effective projects for recycled water use and storage.