

Problems With the Solution

Facing Delays and an Escalating Budget, the Community Plan for the Los Osos Sewer Isn't Smelling Quite So Sweet These Days

by Ron Crawford, (June 7, 2000)

On a chilly Tuesday in November 1998, in an election that brought 76 percent of the Los Osos electorate to the polls, a stunning 86.8 percent of voters passed Measure K, which created a local government—a community services district.

The decision came after the community had rejected a community services district twice before, but it wasn't a surprise. The real motive for most voters wasn't so much creating the community services district as it was killing off the most-studied, -litigated, -discussed, and -reported—on sewer proposal in county history.

The voters knew that if the CSD failed, in one month the California Coastal Commission would at last allow the San Luis Obispo County engineering department to begin its sewer project, which came with a \$70 million price tag. Many Los Osos residents feared that that would stick them with a new \$100 monthly bill.

But the voters had an alternative, which, despite some naysayers, appeared to be the answer they craved. The new CSD members, made up almost entirely of the so-called Solution Group, assured residents that their sewer project would work better and would be completed sooner—and would cost some \$30 million less than the county's.

According to recent documents from the state's Regional Water Quality Control Board and the Los Osos CSD itself, the Solution Group's Community Plan may not be better than the county's plan, will take longer to construct, and may not even be cheaper—or at least nowhere near as much cheaper as its proponents claimed while they were campaigning for the CSD board.

CSD officials blame the delays and cost increases on other agencies making demands on the sewer system and emphasize that the county plan would have run into many of the same problems.

CSD vice chair Pandora Nash-Karner says that she and those who have been involved in the process for a long time remain absolutely convinced that the current plan is the way to go.

"We're confident that this is the most appropriate and most environmentally friendly plan. And we will be able to build it faster (than the county could have)," she said.

Why the discrepancy? Partly because both county plan backers and Community Plan backers are comparing hypotheticals. Nash-Karner says it's unfair to compare the current plan with the county's proposed schedule and expenses.

In the last few weeks, the CSD has learned that the county's proposal for deep

injection of the sewage water would not have worked, Nash-Karner said. Plus, she says the county plan didn't account for a host of necessary elements, nor provide for the same type of emergency contingencies.

But the county plan is dead and the CSD plan is the one that's starting to show signs of delay and additional expense.

The whole controversy began in 1983, when the state's Regional Water Quality Control Board determined that Los Osos' many septic tanks were contaminating the area's groundwater. The powerful agency ordered the town to stop using septic tanks and to come up with a method to remedy the contamination problem.

All Or Nothing

The first major cracks in the Community Plan became clear when it came time for the CSD to reveal specifics—cost, scope, etc.—in their first draft project report, which was released in January. The report was so fraught with problems that the Regional Water Quality Control Board promptly sent it back and told the CSD to rework it. One of the main problems with the report, according to members of the Water Board, was that the proposed project did not sewer the entire community.

"We felt that we made it very clear that the Los Osos CSD proposal to sewer just a portion of the community was unacceptable. The density of septic tanks in Los Osos is so great that the entire prohibition zone had to stop using their septic tanks," said Sorrel Marks of the Regional Water Quality Control Board.

That wasn't what the CSD had in mind. Their plan was only to service those homes and businesses with septic tanks that were separated by less than 30 feet from the town's groundwater—its only source of water.

The Solution Group, after some disputed number-crunching, came to the conclusion that lots above the 30-foot line could continue the use of their septic tanks. According to the Solution Group, this partial sewerage of Los Osos—of just about two-thirds of the community—would save millions of dollars over the county plan.

However, according to Water Board documents and officials, partially sewerage the community was never acceptable. All lots were to be connected to a sewer, not just those with septic tanks situated 30 feet or less to the groundwater. To make matters worse for the Los Osos CSD, the RWQCB claims it made that point abundantly clear at a series of public meetings and in several letters to the Solution Group and, later, the CSD. Yet, surprisingly, on Jan. 10, as the Jan. 31 deadline for the draft project report was approaching, the CSD submitted a report that still included partial sewerage of the community.

The RWQCB immediately responded that several elements of the plan were "lacking," including a plan for completely sewerage the community, and that the CSD would have to address those problems and resubmit the draft before the Jan. 31 deadline. The CSD did so—on Jan. 31. The revised plan addressed a few of the Regional Water Quality Control Board's concerns but it wasn't until Feb. 18 that the CSD confirmed it was modifying its plan to provide for sewerage the entire community.

When asked why the LOCSD had submitted a draft project report to the RWQCB that included only partially sewerage the community, LOCSD General Manager Bruce Buel said, "We still believe it's possible to achieve the water quality standards outlined in state law with [partially sewerage.]" When pressed, Buel, becoming slightly agitated, said, "We have complied with the Regional Water Quality Control Board and agreed to sewer the entire community."

Costs Escalate

The cost of the expanded program bumped the price tag of the LOCSD sewer project up nearly \$5 million.

However, that is just one area where costs estimated by the Solution Group during the CSD campaign have escalated in the months since the Los Osos CSD turned in its project report.

Gary Karner, an original member of the Solution Group, said recently that he too had become concerned about the cost differences.

"I was also wondering why there was such a discrepancy from our numbers and the Los Osos CSD's," he said.

Karner's curiosity prompted him to create a chart that compares the estimated costs of the Community Plan with the official cost estimates of the project that came from the LOCSD earlier this year.

The chart shows several areas where millions of dollars had to be added to the cost of the proposed sewer system.

For example, extensive environmental mitigation added more than \$7 million in costs that the Community Plan did not account for at all.

"We figured that [environmental] mitigation would be relatively minor. We didn't know at the time what it would be," Karner said.

However, a previous comparison of the Solution Group's plan with the county's, conducted by an independent engineering firm in 1998, suggested that mitigation expenses would not be all that minor. That report notes the omission of mitigation costs by the Solution Group and says, "In order to provide an equitable comparison of the two alternatives, it is assumed that the mitigation costs for the [Solution Group's plan] will be at some proportion to the extensive mitigation costs identified and included in the total county costs."

Another large discrepancy highlighted by chart is the cost of improving roads that would be affected by the sewer project. The Solution Group allocated no funds for road improvements, while the LOCSD report ponies up nearly \$1 million for this requirement.

"We [the Solution Group] assumed that county engineering was responsible for the road and drainage improvements," Karner said. "We made that assumption, and that was an erroneous assumption."

Other large discrepancies found in Karner's comparison include:

- Surface drainage improvements: Solution Group estimate, \$858,000. LOCSD estimate, \$2,917,824
- “Park improvements” to emergency storage areas: Solution Group estimate, \$0. LOCSD estimate, \$2,567,094

News accounts published shortly after the release of the independent study mentioned above reported that the president of the engineering firm that conducted the study was leery of the figures supplied by the Solution Group.

“They seem to be underestimating their costs,” Norm Hantzsche, managing engineer of Questa Engineering, said in 1998.

Nash-Karner said the county’s project was also filled with unfunded mandates.

“How many times were they planning to spend that \$1 million contingency,” she asked.

The cost of the entire CSD wastewater project is nearing \$75 million, according to figures in the Los Osos Community Services District Wastewater Project Funding Plan.

Even that figure is being met with some skepticism. In a letter to Buel, Roger Briggs, executive officer for the Regional Water Quality Control Board, said, “The Cost Effectiveness Alternatives Evaluation section of your submittal indicates present value of the project is \$74.4 million, based on annual operations and maintenance costs of \$1.1 million. If operations and maintenance costs turn out to be closer to \$1.9 million annually (estimated in 1998 by an independent evaluator) then the present value of your proposed project would be approximately \$91.2 million.”

In the letter, which he wrote shortly after reading the initial draft project report, Briggs also said the figures used by the LOCSD to compare the cost of its sewer project with the county’s were “incorrect and very misleading,” and he instructed the CSD to “please correct these errors.”

When the Solution Group was campaigning for the CSD, they stated, “The maximum monthly unit assessment under the Plan is \$38.75.”

A funding plan released by the LOCSD in March of this year estimates the monthly cost for the typical Los Osos home to be \$61.11.

Timelines Slow

The estimated cost of the proposed sewer is not the only element of the Community Plan that doesn’t appear as promising as it did in November 1998. The LOCSD project’s construction timeline isn’t moving along as smoothly as advertised. The Community Services District, after hitting several bureaucratic snags, is already having problems meeting the schedule outlined by the RWQCB.

For example, environmental studies to determine the impact the project will have on the habitat of threatened and endangered species such as the Morro Banded Dune Snail have already pushed the project off schedule.

"The U.S. Fish and Wildlife had a change in staff recently, and we got put at the bottom of the pile," said LOCSD president Rosemary Bowker.

In fact, the project has been delayed so much that the LOCSD recently notified the Water Board that it has created its own project timeline—a timeline that delays the completion of the project at least a year. According to Water Board officials, that delay could result in fines of \$1,000 a day. Additional penalties could be imposed because of the effluent the town continues to put down its septic tanks.

Already the LOCSD has missed the mandated deadline of May 1 for the draft Environmental Impact Report of their project. Their revised date for that document is Nov. 15.

RWQCB officials plan to meet this month to discuss possible fines.

As it stands, the RWQCB is waiting to review the revised facilities plan, which includes sewerage for the entire community. It has a Sept. 1 deadline for receipt of that document. The LOCSD, however, has informed the RWQCB that it will not have the plan ready until March 30, 2001, risking further fines.

Will It Be Better

Finally, there's the issue of the design of the sewer itself, an issue that seems to take up a considerable amount of RWQCB correspondence. The Solution Group based its sewer plan on technology used mostly in small, rural areas, according to wastewater experts.

"The Solution Group had plenty of geologists and soil experts, but they didn't have anyone who was an actual expert in wastewater systems," Sorrel Marks of the RWQCB said.

While campaigning for the CSD, the Solution Group put a spin on its project: Not only would its plan take care of all water quality issues, it would also supply park space to a community that has a great need for that particular resource. The Solution Group, in describing its project's collection facility, often used phrases like "acres of landscaping," "natural park setting," and "provides for future development opportunities of community park and open space."

But regulators continue to question that rosy outlook.

According to official documents, the LOCSD sewer plan calls for four septic ponds, encompassing some 30 acres, to be constructed just off a quarter-mile stretch of Los Osos Valley Road—Los Osos' main thoroughway. The ponds will be located three blocks upwind of downtown and directly across from the town's community center—the site of several community meetings regarding this very subject.

The RWQCB, mandated to prohibit nuisance odors as well as protect water quality, is so worried about that "resource park" location that it has informed the LOCSD that "it would be impossible for us to meet [its obligation to prohibit nuisance odors] for the proposed facility in the proposed location."

"That is our way of giving them a heads-up on the issue," Marks said.

Furthermore, according to Marks, the RWQCB will not be able to determine whether the facility produces "nuisance odors" until after it is built.

The LOCSD is convinced the collection facility will be "free of objectionable odors." The Regional Water Quality Control Board has a different take. It has informed the Los Osos Community Services District that "Statements in the report referring to the wastewater treatment and septic receiving facilities as 'odor-free' are inconsistent with our experience and perception of the nature of septic sewage and the proposed septage handling and septage treatment ponds."

The bottom line is the RWQCB could withdraw its approval of the project after its construction if the large septic collection area is not "odor-free," therefore costing the community a \$46 million low-interest state loan—a loan that's contingent on RWQCB approval of the proposed sewer.

Even with the question marks, CSD officials argue that the new system is better than the problems that would have occurred if the county had built the plant.

"Our system is substantially cheaper [than the county's system]. It will avoid sludge production and will provide for full build-out. The county's only took care of the existing population," said LOCSD general manager Buel.

In addition, CSD projections have the system lasting almost twice as long as systems similar to what the county had proposed.

Property owners, who will be taxed to pay for the project, will vote on whether or not to form an assessment district. That election, originally scheduled for this August, has also been pushed back by the LOCSD—until June 2001.

In the meantime, the Regional Water Quality Control Board has a message for LOCSD officials: "We strongly believe it is in the best interest of the community you represent to open-mindedly evaluate alternatives based on technically correct information."

Ron Crawford is a freelance journalist in San Luis Obispo. He has reported on the Los Osos sewer situation since 1990.