



SAN LUIS OBISPO COUNTY  
**DEPARTMENT OF PUBLIC WORKS**

Paavo Ogren, Director

---

County Government Center, Room 207 • San Luis Obispo, CA 93408 • (805) 781-5252

---

Fax (805) 781-1229

email address: [pwd@co.slo.ca.us](mailto:pwd@co.slo.ca.us)

Contact: John Waddell, Project Engineer  
 (805) 788-2713

## PRESS RELEASE

**LOS OSOS WASTEWATER PROJECT, March 27, 2009** - The County of San Luis Obispo has completed the contractor qualification phase of the Design-Build (DB) process for the Los Osos Wastewater Project. The County is intending to use "design build" for the two major components, which are 1) the treatment facilities and 2) the collection facilities. The County has also received the final report on the Community Survey, and both topics will be subject of discussion and further direction by the Board of Supervisors at its next project update on April 7, 2009.

The County received written statements of qualifications from ten design-build teams interested in developing the treatment facilities, and from 10 design-build teams interested in developing the collection facilities. After reviewing the written qualifications and conducting interviews, the County's evaluation committee has selected the top three most qualified teams to be eligible to submit competitive design-build proposals for the project. The following design-build teams were selected:

### Collection System

- ARB, Inc. with CDM, Inc.
- MWH Constructors, Inc.
- Sundt Construction, Inc. with URS Corporation

### Treatment Facility

- Auburn Constructors, Inc. with HydroScience Engineers
- CDM Constructors, Inc.
- MWH Constructors, Inc.

It is important to note that the selections were based on an evaluation of each team's qualifications according to specific criteria outlined in the RFQ. Nevertheless, none of the selected teams for the collection system have represented that they intend to develop a proposal for a STEP/STEG collection system.

County Public Works Department staff will present the top three list of selected design-build teams at the April 7, 2009, Board of Supervisors meeting, which will include a discussion of whether the Board will direct staff to develop a collection system RFP and prescribe inclusion of the STEP/STEG alternative, and to add to the list the highest ranking design-build team that proposed to develop a STEP/STEG collection system. County staff, however, does not recommend adding the STEP/STEG technology to the RFP for the following reasons:

- Preparing the next phase "Request for Proposals" and including technical specifications for a STEP/STEG system would require additional funds and will cause schedule delays that will significantly impair the opportunity to pursue federal stimulus funds for the project.
- The design-build submittals provided in Phase I did not indicate sufficient cost savings with a STEP/STEG system to meet the expectations of approximately two-thirds of the community survey respondents, including the one-half of respondents who are not interested in a STEP/STEG system at any cost savings.
- The EIR analysis does not establish that STEP/STEG is the environmentally superior alternative and no evidence indicates that a properly maintained gravity-hybrid system poses significant risks to the environment.
- The STEP/STEG collection system alternative will require extensive planning and design work to be completed and compared to the gravity/hybrid collection system option.
- The STEP/STEG alternative has some significant uncertainty over how to obtain easements from each private property owner for the installation of new STEP septic tanks. Obtaining easements on essentially all of the private lots would be needed so the County can maintain the STEP tanks and pumps. Considering the apparently substantial community opposition, County staff is concerned that the County's use of eminent domain or Regional Water Board enforcement action against individual property owners would be needed to obtain the easements.
- The STEP/STEG alternative shifts the major impact of construction excavation from the County's road right-of-way to private properties.
- The STEP/STEG alternative will create significant additional costs for some property owners relating to upgrading electrical systems, restoring or relocating landscaping, driveways, retaining walls, and other structures.

####

# Can We Make This Project Affordable?

<i>Estimated Costs With and Without Government Assistance</i>					
	<i>No Federal/State Assistance</i>		<i>With Federal &amp; State Assistance</i>		
<i>Cost Estimate for a Typical Single Family Residence</i>	<i>Monthly Cost Estimate</i>	<i>Total Annual Cost Estimate</i>	<i>Type of Assistance</i>	<i>Monthly Cost Estimate</i>	<i>Total Annual Cost Estimate</i>
<i>Utility Bill for Operations &amp; Maintenance</i>	\$40	\$480	N/A	\$40	\$480
<i>Property Assessment</i>	\$150	\$1,800	\$93 Million financed at SRF Extended Term Financing (30yrs 0%), \$35 Million Water Resources Development Act, \$10 Million Integrated Regional Water Management (IRWM) Grant	\$38	\$456
<i>Monthly Capital Cost</i>	\$10	\$120		\$0	\$0
<b><i>SUBTOTAL</i></b>	\$200	\$2,400		\$78	\$936
<i>On-Lot Costs</i>	\$50	\$600	IRWM, USDA, Community Development Block Grant	\$14	\$168
<b><i>TOTAL</i></b>	\$250	\$3,000		\$92	\$1,104

## Sources of Funding:

- State Revolving Loan Fund (SRF)
- Water Resources Development Act (WRDA)
  - \$35 Million Authorization, \$5 million Appropriations Request in the FY09 Water & Energy Appropriations Bill
- Department of Water Resources, Integrated Water Resources Management (IRWM) Project Grants, \$52 million in competitive grants available for the Central Coast (Proposition 84 funds)
- USDA Rural Development – 504 Loan/Grant Program, Housing Preservation Grant, and/or Rural Utilities Service (RUS) Loan/Grant (need population waiver for Los Osos for RUS Program)
- HUD Community Development Block Grant (CDBG)

6.44 % of MHI

2.37% of MHI

**Yes We Can!**

- Los Osos has a Census Median Household Income (MHI) of \$46,558
- The EPA affordability guideline is 2% or less of the community's MHI

## Targeted Funds

Project Stage	Collection System	Treatment Facility	Disposal	Community Connection
	↓	↓	↓	↓
Funding Source	Stimulus	WRDA	IRWM	CDBG
	USDA			Other