



January 28, 2010

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TO: LOCSD Board of Directors
FROM: Dan Gilmore, General Manager
SUBJECT: **Agenda Item 4A 4 – 02/04/2010 Board Meeting**
General Managers Report

DISCUSSION

The return of William Sweet. Working with District Counsel, staff has successfully negotiated a temporary employment contract with “Jocko” Sweet, who recently retired from the District’s Utility Division. Jocko will work with the water crews on an “as needed” basis, while we decide whether or not to backfill his position. With one crew leader and three operators, coverage for just the day-to-day operations can be difficult. Jocko will be a welcome resource in helping the Utility Division keep up with the work. Other resource opportunities being investigated include the development of a list of contractors, pre-qualified through a competitive process, who can help District field crews in emergency situations. Golden State is currently using this process with success.

Relicensing of Diablo Canyon. On Wednesday, January 13th, I attended an information session held at the Morro Bay City Hall regarding the relicensing of Diablo Canyon Nuclear Power Plant. The current licenses for Units 1 and 2 are due to expire on Nov 2, 2024 and Aug 26, 2025, respectively. The NRC has determined that PG&E’s application for relicensing is complete, allowing them to begin their technical review. While the application for relicensing seems a bit premature, given the expiration dates, the NRC finds that this is not uncommon. As you may recall, PG&E recently replaced one or two of their large steam turbine generators and it is logical that they may want to have some certainty that they will be allowed to continue to operate and recover the cost of such substantial improvements. The NRC assured us that the extensive inspection, testing, and review as well as constant oversight of Diablo Canyon operations will continue unaffected by the license renewal process. Information about the license renewal can be found on the NRC web-site, at:

<http://www.nrc.gov/reactors/operating/licensing/renewal.html>

The infamous Mid-Town Fence. Staff has begun investigating options relative to the rental fence at the Mid-Town property. Communications with US Fish and Wildlife Service representatives have indicated that, with proper documentation and monitoring, it may be possible to finally remove the rental fence. In providing the proper documentation, staff contracted with the environmental firm, Tenera, to survey the site for the Morro Shoulderband Snail. A few individuals were

located, but their population density is relatively small. Staff has also contacted the fence rental company, who seemed sympathetic to our predicament. The rental agent is in the process of determining a buy-out price for the fence, in recognition of the payments made to-date and the current condition and value of the fence. Once more information is received, we will be in a position to decide whether it would be best to simply buy the fence or pay for the biological monitoring and other costs associated with removing the fence. The current condition of the Mid-Town site and the erosion that is occurring there will also be taken into account in making this decision.

Let's celebrate! At their regular meeting on February 2, the County Board of Supervisors declared February as Children's Dental Health Month. I thought it appropriate to use this as an opportunity to remind our residents that our water is not supplemented with Fluoride. Residents can get more information on the dental benefits of Fluoride from the American Dental Association at www.ada.org and/or their local pharmacist.

The Board of Supervisors also proclaimed February as Grand Jury Awareness Month and National Meat Month, much to the chagrin of vegetables all across the County!