



Natural Resources Conservation Service
Salinas Area Office
318 Cayuga St., Suite 206
Salinas, CA 93901-2668

Telephone (831) 754-1595
Fax (831) 753-0508

February 27, 2007

Paavo Ogren
Deputy Director of Public Works
SLO County Department of Public Works
County Government Center, Room 207
San Luis Obispo, CA 93408

Dear Mr. Ogren,

I am writing to follow up on the County's March 14, 2006 request to amend the 1959 Operations and Maintenance Agreement for the Arroyo Grande Channel PL-566 project.

On February 28, 2006, the Board of Supervisors (Board) of the San Luis Obispo County Flood Control and Water Conservation District (District) approved an amendment to the 1959 Agreement with the Natural Resources Conservation Service and the Coastal San Luis Resource Conservation District (RCD) to operate and maintain works of improvement installed to provide flood protection in the Arroyo Grande Creek watershed.

We received a copy of both the amendment to the 1959 Agreement and Board approved Resolution No. 2006-80, with a request for NRCS approval. We requested review of both the amendment and Board Resolution 2006-80 by USDA Office of General Counsel (OGC).

OGC advised that, because the Arroyo Grande Watershed Project was completed in 1961 with about a 50 year design life, NRCS has no obligation to sign an amended Operation and Maintenance Agreement that would extend our initial maintenance obligation. This is especially true in light of the changing regulatory requirements and design alterations being discussed.

Based on OGC advice, and the recognition that the 1959 Agreement does not include a procedure for modification or an expiration date, NRCS recommends the following approach to satisfy the needs of all parties:

1. NRCS will honor the terms of the 1959 Operation and Maintenance Agreement to provide technical assistance (1.A.1.(a)) and technical consultation (1.A.1.(b)), and assist with annual inspections (1.A.2.) to the extent that staff and funds are available for the operation and maintenance of the original installed project until the project reaches its 50 year design life in 2011.
2. If the sponsors decide that alterations to the original installed project purpose, design, or maintenance are necessary to accommodate changing regulations and watershed hydrology, the parties to the Agreement will mutually agree that the original project has



achieved its intended purpose and the 1959 Agreement will be terminated. All funding and management of alterations shall be the subject of separate agreements between the responsible parties.

3. NRCS will support the proposed multi-stakeholder Arroyo Grande Watershed and Creek Memorandum of Understanding (MOU) for Arroyo Grande Watershed solutions with revisions (see enclosed memo from Charles Davis dated November 10, 2006). Although the MOU does not commit the parties to provide funds or technical assistance, it does allow for the collaborative development of management and enhancement activities that reflect current conditions and needs within the watershed.

Please be aware that NRCS Watershed Operations funding has been eliminated from the Federal budget in 2007-2008 for both technical staff and project installation cost-share for PL-566 Watershed Projects. The additional resources needed to provide increased technical assistance to modify the Arroyo Grande Channel project are not currently available due to budgetary constraints of the PL-566 program. We do not currently have resources to commit to developing new planning alternatives, preparing environmental studies, and designs to support the Arroyo Grande Creek Channel project.

However, it is our intent to continue to work with all stakeholders in the Arroyo Grande Watershed to resolve maintenance issues, study the watershed, and collaborate on the best course of future actions with the stakeholders. We will continue to provide local technical assistance to the CSL RCD, the Zone 1 and 1A Flood Control Advisory Committee, landowners and all signatories of the proposed MOU as our time and resources allow. Please work with Margy Lindquist, District Conservationist to request local assistance.

If you have questions or concerns about NRCS's position on this project please feel free to contact me at 831-754-1595 ext. 107.

Sincerely,

DANIEL C. MOUNTJOY, Ph.D.
Assistant State Conservationist for Field Operations

Enclosure

cc: Linda Chipping, Coastal San Luis RCD
Charles Davis, NRCS State Conservation Engineer
Margy Lindquist, NRCS District Conservationist
Luana Kiger, NRCS Special Assistant to the State Conservationist
Bill Ward, NRCS Design RTT Leader