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District One Supervisor John Peschong
Ms. Vicki Janssen, Legislative Assistant
County of San Luis Obispo Board of Supervisors
1055 Monterey Street, Room D430
San Luis Obispo, CA 93408

SENT BY EMAIL ONLY TO: John@JohnPeschong.com and vjanssen@co.slo.ca.us

Dear Supervisor John Peschong and Ms. Vicki Jansen:

My name is Jeff Greene. I am both a Director on the Nacimiento Regional Water Management Advisory Committee (“NRWMAC”) and an owner of property in the immediate vicinity of the Interlake Tunnel Project being pursued by Monterey County.

Approximately two years ago, I hosted a meeting at my home, attended by landowners, whose properties, like my own, were threatened by the tunnel project. My fellow NRWMAC Directors also attended this meeting. During that meeting we discussed the strong likelihood that Monterey County would one day want access to our properties to do testing and/or inspections, preliminary to the commencement of the actual construction phase. In anticipation of this, and in order to be reasonable and cooperative, and, more importantly, to avoid any possible litigation, the landowners and NRWMAC Directors prepared a list of issues that Monterey would need to resolve to our satisfaction in order to have the access we believed they would one day request.

Subsequently, and over time, we engaged in dialogue with representatives from Monterey County to discuss these issues, wherein we attempted to make them understand that, while the tunnel project might benefit thousands of people in Monterey County, it would come to fruition only at the expense of owners in San Luis Obispo County whose land was situated along the proposed tunnel alignment. In our view, testing and construction would inevitably pose hazards and liabilities to these landowners, and that it was incumbent upon Monterey County to provide liability protection for the harm their project would cause. We explained that the water wells in the area are fragile, the water tables are marginal in many areas, and the subject area is saturated with oil and gas deposits. We emphasized the very real threat of contamination that test drilling and/or tunnel construction would pose not only to our wells but also to both lakes.

The landowners stated their belief that even simple test drills would likely change the water flow, resulting in possibly catastrophic effects to the wells and/or rerouting of oil deposits. We also stressed that this proposed

tunnel project is located in an earthquake fault area. We illustrated our concerns by sharing with Monterey County the following list of incidents and facts involving properties in the impacted area:

1. At least one owner struck oil while drilling for a water well and had to shut it in;
2. Another owner's wells (mine) dried up immediately after the earthquake approximately ten years ago;
3. Many wells in the area have high sulfur/mineral content;
4. Other wells have suffered lower water levels due to drought conditions;
5. Some wells have depths in the range of the tunnel elevation.

There have been many meetings with representatives of Monterey County over the past two years concerning the status of their efforts to resolve the issues we presented to them. At each of these meetings we repeated our concerns and requested that insurance policies be put into place to indemnify the landowners should the predictable harm we feared occur.

Monterey County has uniformly ignored these issues and our efforts at resolution. About six months ago a team from the county held a meeting at the Lake Nacimiento Resort restaurant to once again provide a project update to the landowners. At that meeting, those representatives literally laughed off not only the concerns we had raised but also the complaints we began to voice over their continuing disregard and inaction on the subject. I, personally, reminded them that there will come a day when Monterey County will want access to our properties for testing and that their stonewalling and smug attitude will result in a delay – and they will have only themselves to blame.

A month ago, Monterey County representatives met with owners of six properties to whose land they wanted access for testing/drilling. I, along with a handful of NRWAC Directors, also attended that meeting. The owners asked, again, if the list of concerns they and others had presented over two years hence had finally been addressed. The representatives appeared baffled that there even was such a list. We then proceeded to go through the list with them, item by item. In short, nothing had been addressed.

The county representatives did say that there had been “resolution” adopted by the county which they insisted was to protect the owners in the event something “went wrong.” We pointed out that they misrepresented the plain language of the resolution, as it did not, and does not, meet that goal at all. The resolution is, at best, a statement of their intention of “doing the right thing” if something went wrong, and that it could be *proven that it was their fault*. We have come to believe that Monterey County does not have the best reputation for truthfulness, so a statement in a resolution asking us to trust them to do the right thing falls on deaf ears.

At this same meeting we were informed that the company contracted by Monterey County to perform the work had insurance to cover the landowners if, again, “something went wrong” during the drilling/testing procedures, and furthermore, that Monterey County itself had insurance for the project. This is another, truly massive misrepresentation. These policies would only protect the contractor(s) and Monterey County *against the landowners* if something “goes wrong.” They do not, even remotely, cover or protect any landowners against the liability created by Monterey County or its contractor(s). The statements made to us in that meeting by the representatives of Monterey County were, at best, the product of utter naiveté, or at worst, and much more likely, just another example of their penchant for falsehood. Under either scenario, it is clear that the landowners should have their own insurance, without cost to them, for any and all phases of the project. We have repeatedly asked that we be given insurance that either directly covers us for loss and/or liability, or that we be named as additional insured for the same coverage on an appropriate policy. Monterey County has refused this request, instead insisting that we rely on the resolution.

Monterey County has now informed the landowners that they will invoke eminent domain against them if they insist on continuing to refuse access. We feel that, at some point, Monterey County will make the same statement to a federal judge in order to bully access, which could amount to perjury, inasmuch as the landowners have repeatedly stated over two years they would provide access if and when Monterey County covers the owners' liability.

Monterey county has consistently shown that they have no regard for the people of San Luis County or the people around the lakes. Rather their interests is in grabbing the water for "other" uses in Monterey. The water management agreement doesn't include "other uses" as described in their literature concerning the purpose of the tunnel. I believe that Monterey shouldn't even be managing the water as their conflict of interest in the management of the water and desires for it , for the expansion of Monterey defines the definition of "conflict of interest". I request that San Luis Obispo County support us in protecting the water, recreation and the residences like us who are directly affected. I request that when Monterey requests your support for eminent domain you reject it for the reasons above. We have tried to be reasonable with Monterey, predict their needs and help them pre resolve easily predictable issues that need planning to prevent delays. They have disregarded us and treated us as a deplorable inconvenience and nuisance.

We request your help.
Jeff Greene