



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105-3901

OCT 21 2014

Mr. Ken Harris, Executive Officer, and
Mr. Jean-Pierre Wolff, Board Chair
Regional Water Quality Control Board, Central Coast Region
895 Aero Vista Place, Suite 101
San Luis Obispo, CA 93401

Dear Mr. Harris and Mr. Wolff;

I am writing to convey US EPA, Region 9's strong support for the Morro Bay National Estuary Program's continued utilization of the funds provided by the Consent Decree entered in U.S. v. P.G.&E., Civ. No. 97-1969 (1997). This Consent Decree was entered by the Court to resolve alleged violations of the Clean Water Act and State Water Code pertaining to the cooling water intake and discharges from the Diablo Canyon nuclear power plant.

As you know, the May 1997 Memorandum of Agreement was developed to guide the disbursement of funds provided by the Consent Decree for environmental enhancement through implementation of the Morro Bay NEP Conservation and Management Plan (Consent Decree, p.5). The original \$3.66 million in Consent Decree funds has been spent. Now, the Morro Bay NEP is proposing to spend the remaining funds (approximately \$1,821,000) generated through accrual of interest.

We support the two options identified in Morro Bay NEP's proposed Spend Plan, issued September 29, 2014. The time frames of 10 or 20 years would be suitable. The proposed projects are appropriate within the MOA framework. We do not believe modifications to the MOA are required.

The EPA has been providing annual grant funds to the Morro Bay NEP since 1995. The Morro Bay NEP is a responsible grantee that works effectively to improve the water quality and habitat in the Morro Bay Watershed. We are confident they would use remaining Consent Decree interest funds to benefit the health of the Morro Bay watershed.

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Please contact me or my staff person, Suzanne Marr, if you have any questions regarding the EPA's support of the Morro Bay NEP and their proposed Spend Plan. Suzanne can be reached at (415) 972-3468 and at marr.suzanne@epa.gov.

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Sincerely,



Jane Diamond, Director
Water Division

Enclosure

cc: Lisa McCann, Section Manager, Watershed Planning and Protection Section,
Regional Water Quality Control Board, Central Coast Region