



California Regional Water Quality Control Board

Central Coast Region



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Secretary for
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Protection

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Arnold Schwarzenegger
Governor

August 2, 2004

Mr. Mike Reilly, Chairman
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105-2219

Dear Chairman Reilly and Commissioners:

COASTAL DEVELOPMENT PERMIT (APPLICATION NO. A-3-SLO-03-113) FOR THE LOS OSOS COMMUNITY SERVICE DISTRICT (CSD) WASTEWATER PROJECT, SAN LUIS OBISPO COUNTY

We are writing you regarding the Los Osos Community Services District (CSD) wastewater project. The community of Los Osos, San Luis Obispo County, the National Estuary Program, this Regional Board and many other Resource Agencies have been working for decades toward resolving waste and water quality problems in Los Osos.

Please consider these six points regarding the need for the wastewater project and approval of the permit:

- Ongoing degradation of coastal resources (Morro Bay Estuary and local ground water) continue as long as septic systems are allowed to discharge partially treated wastewater in Los Osos.
- By approving the project the Coastal Commission's is implementing its own Water Quality Program.
- The Coastal Commission's unanimous approval of the Local Coastal Plan Amendment for the treatment facilities (in August 2002) supported the Los Osos CSD's design of the current project.
- The development of the wastewater project was community-based.
- Further project delay will increase the cost burden to residents.
- Approval of the Coastal Development Permit for this wastewater project on August 11, 2004 is critically needed for the project to move forward.

Ongoing Coastal Resource Degradation: Resolving Los Osos wastewater management problems has been one of this Regional Board's highest priorities for many years. Implementing the wastewater project is vital in order to restore the Los Osos ground water basin, protect the Morro Bay State and National Estuary, the shellfish industry in the Bay, and other estuarine and marine resources. Degradation of ground water and surface waters from high-density and use of septic systems in Los Osos will continue until the sewer system is built. Every day that the problem is not resolved, **approximately one million gallons** (356 million gallons a year) of **partially treated wastewater** is being discharged to the community's sole source of drinking water. The community wastewater project is needed in order to stop ongoing degradation of coastal resources from inadequately treated sewage. **Therefore it is essential that the project be allowed to proceed.**

The Project Implements the Coastal Commission's own Water Quality Program - According to the Coastal Commission's website (<http://www.coastal.ca.gov/nps/cca-nps.html>), the Morro Bay Estuary and implementation of the Comprehensive Conservation and Management Plan (CCMP) for Morro Bay are highlighted as a success story of the Coastal Commission's Critical Coastal Area Program. One of the

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top priority problems identified in the CCMP for Morro Bay (Nutrient -1) is to "support the efforts of the Los Osos Community Services District to increase and improve the level of wastewater treatment in Los Osos."

Project Development after Coastal Commission Approval of Treatment Plant Location: On August 8, 2002, the Coastal Commission unanimously approved a Local Coastal Plan Amendment to accommodate the proposed treatment plant location at the Tri-W property. Based upon this approval, the Los Osos CSD proceeded to design and undergo the extensive multi-agency permitting required for a project of this complexity. On July 24, 2003, after lengthy public hearing, San Luis Obispo County Planning Commission unanimously approved the Coastal Development Plan/Permit for the Los Osos Wastewater Project. On October 21, 2003, after a lengthy public hearing, the San Luis Obispo County Board of Supervisors unanimously denied appeal of the Coastal Development Plan/Permit.

The Community Based Wastewater Project: In 1997, your Commission was instrumental in formation of the Los Osos CSD specifically to assure project development proceeded under local control. In 1998, the community of Los Osos formed its own governing body (Los Osos CSD). Since then the Los Osos CSD has undertaken the monumental task of developing a wastewater project, which meets the goals and standards of a multitude of State and Federal resource agencies as well as community priorities. The project development and permitting process has included an extensive public outreach, education and participation effort. This project and potential alternatives were rigorously evaluated and examined through a process of numerous public workshops and meetings. The result of this effort is that the Los Osos CSD has developed a technically, environmentally and economically sound project to address the community's water quality issues.

Delays Result in Increased Cost to Community: Approximately \$17 million has been invested in the project since the Coastal Commission's approval in August 2002 for wastewater project design, and purchase of property for the treatment and disposal facilities. In 2001, Los Osos property owners voted overwhelmingly to support forming an assessment district to finance the project. In November of 2002, bonds were sold to pay for a portion of the project and repayment of those bonds has already begun (on fall 2003 property tax assessments). In short, the community is already beginning to pay for the project. Furthermore, delay also threatens potential loss of a \$64 million State Revolving Fund loan (an integral part of the wastewater project's funding package) and future Federal grant appropriations. Delay has already resulted in loss of a Community Block Grant to assist low-income residents with project related expenses. Over the past two decades, delays have resulted in tens of millions of dollars of project cost increases.

Support Coastal Commission Staff Recommendation: We have reviewed the Coastal Commission Staff Report and Coastal Development Permit and Conditions dated July 29, 2004 for the Los Osos Wastewater Project, and **support the Staff Recommendation to Approve With Conditions.**

We have previously responded to issues of project opponents and appellants to the Los Osos wastewater appeal in letters dated February 3, 6, and 26, and June 24, 2004. Also, we have transmitted to your staff over 10,000 pages of documents from our files regarding the Los Osos wastewater project. Based upon our 30+ years experience with this issue, we believe it is impossible and unreasonable to believe the CSD could develop a project which every community member will agree upon. We do not believe there is a viable alternative project that would meet the community's water quality objectives and/or be more cost effective.

This project meets water quality requirements and when fully operational will begin the process of restoring degradation of coastal resources and ground water. It is time to move forward. We urge you to support this important environmental and public health protection project by approving the Coastal Development Permit No. A-3-SLO-03-113 for the Los Osos Community Service District Wastewater Project at your August 11, 2004, meeting in Los Angeles. If there is any further information our staff can provide (from the thirty year history and dozens of studies performed in Los Osos) please contact Gerhardt Hubner at 805-542-4647, or Sorrel Marks at 805-542-3695.

Sincerely,


for Roger W. Briggs
Executive Officer

Attachments

1. February 3, 2004 Regional Board Letter to Steve Monowitz, Coastal Commission regarding Appeal of Coastal Development Permit for the Los Osos Wastewater Project
2. February 6, 2004 Regional Board Letter to Chairman Reilly, Coastal Commission regarding Appeal of Coastal Development Permit for the Los Osos Wastewater Project
3. February 26, 2004 Regional Board Letter to Steve Monowitz, Coastal Commission regarding Addendum to Appeal of Coastal Development Permit for the Los Osos Wastewater Project
4. June 24, 2004 Regional Board Letter to Chairman Reilly, Coastal Commission in response to Coastal Commission's request for information on the Los Osos Wastewater Project
5. June 24, 2004 Regional Board Letter transmitting Index and Administrative Record to Steve Monowitz, Coastal Commission

Cc without Attachments:

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