

August 7, 2007

Mr. Steve Monowitz, District Manager  
California Coastal Commission  
Central Coast District Office  
725 Front Street, Suite 300  
Santa Cruz, CA 95060

RE: Status of CDP A-3-SLO-03-113, Los Osos Wastewater Project

Dear Mr. Monowitz:

We appreciate the information regarding extension of the above-referenced permit that you sent to Matt Janssen of our staff in your letter of July 30. At our August 7 meeting, this Board directed staff not to pursue transfer of this permit to the County and not to request a time extension for it as this time.

Our Board has determined that not seeking permit transfer and extension is consistent with the policies in place for our consideration of this project under AB 2701. Most importantly, the County is not in a position to take responsibility for the possible mitigation of the previous Tri-W site work, should it not be used as part of the final project.

While the County will not pursue permit extension, we suggest, however, that the Coastal Commission, of its own accord, defer the permit's expiration until a final project determination is made, for the reasons outlined below.

The intent of AB 2701 is to provide the County with the required authority and flexibility to analyze various technologies, assemble viable project alternatives, and inform the Los Osos community on the many issues regarding this complex and contentious project. The County has diligently pursued the numerous tasks of this process for over a year (well before AB 2701 took effect last January 1) and has made substantial progress.

Our overall consideration of the Tri-W project has been based, in part, on its existing permit. On this basis, Tri-W has been carried through our fine screening analysis as a viable project alternative, and one that must be considered in the CEQA process.

At this crucial stage, our Board believes that the County process has the best chance of success if all external factors are maintained in status quo. The maintenance of status quo is consistent with the intent of AB 2701, which, for instance, isolates the County from the unknown financial liabilities of the LOCSD bankruptcy. We believe it is also reflected in the Regional Water Quality Control Board's decision to hold further enforcement actions in abeyance.

The County greatly appreciates the cooperation already received from various state and federal agencies and elected officials. Our Board and staff remain committed to a timely, objective and thorough analysis of all viable project options -- including Tri-W -- as we work with the community on a wastewater treatment solution for Los Osos.

If you have any questions or need further information please don't hesitate to contact Project Director Paavo Ogren (805-781-5252) or Supervisor Bruce Gibson (805-781-5450). In addition we look forward to the meeting scheduled between you and our staff in September, where we will provide an update on our most recent progress. Thank you for your consideration.

Sincerely,

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JERRY LENTHALL  
Chairperson, Board of Supervisors

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BRUCE GIBSON  
Supervisor, District Two

cc: Jeffrey Young, Chair CCRWQCB  
Tam Dudoc, SWRCB  
Patrick Kruer, California Coastal Commission  
Sam Blakeslee, California State Assembly  
Chuck Cesena, LOCSD