

BOARD OF SUPERVISORS

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BRUCE GIBSON
SUPERVISOR DISTRICT TWC

March 22, 2011

Mr. Jeffrey Young, Chair
Central Coast Regional Water Quality Control Board
895 Aerovista Place, Suite 101
San Luis Obispo, CA 93401-7906

RE: Rescinding Cease and Desist Orders, Los Osos Prohibition Zone

Dear Mr. Young:

On March 15, the San Luis Obispo County Board of Supervisors unanimously passed a resolution affirming the County's intention to construct and operate the Los Osos Wastewater Project (LOWWP). That action concluded the County's due diligence review of issues authorized by Assembly Bill 2701 (AB 2701, Blakeslee, 2006). As approved, the resolution makes the County solely responsible for implementing the LOWWP on behalf of the residents of the Prohibition Zone.

With the County now bearing formal responsibility for the LOWWP, I request that your Board rescind the Cease and Desist Orders (CDOs) issued to individual Prohibition Zone property owners in 2007. Given the County's obligation to implement this project, I believe the individual CDOs are no longer required as a means of compelling compliance with your Board's Resolution 83-13. The County is now the entity charged with meeting the Water Board's rules and regulations, such as the upcoming Waste Discharge Requirements to be heard at your May meeting.

I believe that rescinding the CDOs now is consistent with the intent of their issuance, which clearly recognized the County's essential role, as provided by AB 2701. As we have shown in conversations with your staff and reports to your Board, the County has an extraordinary record of accomplishment on this complex effort. Progress continues, with recent efforts (summarized below) expected to result in construction contracts awarded by the end of this year.

Since our last update to your Board on February 3, the State Water Resources Control Board awarded an \$86.2 million financing package through their Clean Water State Revolving Fund program. That award, combined with \$87.2 million of USDA financing (awarded 2010), provides all necessary funds for remaining design and construction tasks. Loan repayment is secured through the benefit assessment district (passed 2007) and the service charge ordinance (passed 2010).

Significantly, the March 15 resolution allows interim financing to be arranged that will fund project efforts to the commencement of construction (expected late this year). This funding will allow the completion of significant work efforts already underway, including final collection system design, Coastal Commission permit condition compliance, and development of water reuse and recycling plans.

In summary, I believe the timely rescission of CDOs is an important and appropriate step at this stage of the LOWWP development process. Most importantly, it would remove a cloud of uncertainty that currently burdens just 45 randomly-selected property owners. I would note that CDO recipients, like all other property owners in the Prohibition Zone, now bear a significant financial obligation and are dependent on the County's implementation of the LOWWP. Rescission of the CDOs is a fundamental matter of fairness that would put everyone on the same footing.

Rescinding the CDOs would also be a strong expression of confidence in the County's efforts to complete this project. Such a message would help resolve a divisive issue of the past and strengthen the community as it engages the future efforts of project construction and operation.

I am grateful for the efforts of your Board and staff over the past four years, as the County has undertaken this challenging project. I look forward to discussing this request with your Board at the earliest appropriate time. Please don't hesitate to contact me or our Director of Public Works, Paavo Ogren, if you have questions or need further information. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Bruce Gibson" followed by a horizontal flourish.

BRUCE GIBSON
Supervisor, District Two
San Luis Obispo County