



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

JUN 29 2004

OFFICE OF THE
REGIONAL ADMINISTRATOR

The Honorable Arnold Schwarzenegger
Governor of California
State Capitol Building
Sacramento, CA 95814

Dear Governor Schwarzenegger,


I offer my sincere compliments and support in your efforts to date on behalf of the State of California. While I would prefer to engage you and Secretaries Tamminen and Chrisman on our opportunities for collaboration to improve public health and environmental conditions, circumstances necessitate this letter address a particularly urgent issue of concern to me, as well as my State and local government colleagues. I am seeking your support and advice in assisting the Los Osos Community Services District in obtaining California Coastal Commission (CCC) approval to build a long-needed wastewater infrastructure project next to the Morro Bay National Estuary of San Luis Obispo County.

One of our foremost priorities at U.S. EPA is the renewal of our wastewater and drinking water infrastructure, and extending those basic human services to underserved communities. We annually capitalize State Revolving Fund grants to California for drinking water and wastewater infrastructure at \$96 million and \$84 million respectively. The pending loan for the Los Osos project represents a \$65 million investment by USEPA and the State Water Board to remedy the decades of pollution from septic tanks. Presently, the Los Osos septic tanks discharge untreated human waste directly to groundwater, with on-going seeps of contaminated water to the Morro Bay estuary. This long-standing problem has threatened wildlife, shellfish beds, and recreational use by the public. During rainy periods, the lack of stormwater conveyances results in people and animals being exposed to untreated waste through flooding of streets, which includes surfacing shallow groundwater with septic tank effluent.

We had been encouraged by the CCC staff and counsel's support for this project when it came before the Commission at its April 2004 meeting. We were dismayed to learn of the Commission's reluctance to support the project, and understand it is now scheduled for consideration at the August meeting. While I can understand the CCC's sensitivity to some issues raised by community members, such concerns can be addressed and mitigated through the permit process. I believe a prompt approval of this project is vital to addressing the severe public health and environmental stresses upon the Morro Bay State and National Estuary and the Los Osos community. We, with our colleagues at the State and Regional Water Resources Control Boards, are extremely concerned about further delays in commencing this project (given CCC's prior delays of this project), and invite your or your cabinet's recommendations on how we may assist in obtaining the needed approvals.

I hope we will have other opportunities for dialogue and collaboration in our shared commitment to improving environmental and public health conditions for all Californians.

Sincerely,



Wayne Nasti
Regional Administrator

cc: M. Chrisman, Secretary, Resources Agency
T. Tamminen, Secretary, Cal/EPA