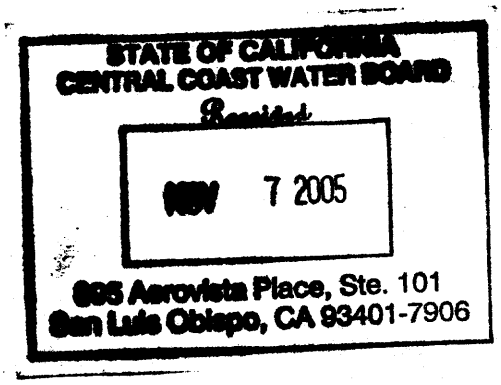

November 3, 2005

Regional Water Quality Control Board
895 Aerovista Place, Suite 101
San Luis Obispo, CA 93401

Attn: Jeffrey Young
CC: All Regional Water Quality Control Board Members

Dear Mr. Young:

I am appalled by the consistently negative attitude displayed by your staff toward the majority of our community and the relentless threat of fines. It is apparent to me that Roger Briggs is determined to force our community to build an inefficient sewer system at an unacceptable site in the middle of town.

Rather than supporting our efforts to move forward as quickly as possible in the construction of a more efficient and environmentally friendly wastewater treatment system, Briggs sides with a few politically connected citizens who want to build a conventional system in downtown Los Osos. His letter of October 6, 2005, is just another example of the fear tactics that he has used to coerce and bully us into doing things their way.

We are a small community with a healthy social and economic diversity. We have worked tirelessly toward our shared goals to restore the quality of our water and protecting our water resources for future generations. That is why the majority of Los Osos residents recalled three of our former CSD Board members and approved Measure B. We believe they did the community a great disservice in their headlong drive to build a sewer at the downtown Tri-W site. It was a bad plan at a bad site for such a project. They put off the recall election as long as they could, and accepted construction bids that were 50% over their own engineers' estimates and against their better judgment! They were so determined to build at that site that they started construction a month before the election, hoping to force the community to build *their* plan. The prior CSD Board failed to provide updates with changes to the plan and budget, and they refused project audits. Their actions left the new Board with no choice but to temporarily pause construction in order to assess the situation. In so doing they left the community in an untenable position, on the brink of bankruptcy with no source of funding. If Los Osos is unable to meet the timeline dictated by the RWQCB, it is a direct result of the self-serving, ill-advised governing decisions made by the former three CSD Board members. These things were beyond our control until they were recalled. Now we're trying to move full speed ahead, and the State Water Board is holding us up.

What went wrong? Everything! The old Board originally presented a ponding sewer system that seemed to meet our needs. BUT, when they switched the plan to a conventional sewer treatment plant, they failed to tell the community about the increased construction costs (last count: $163M), and a significant increase in the annual operating budget ($2.5M). PLUS, there were deferred costs that would add up to another $27M. Worse yet, the proposed Tri-W plan would fail to provide clean water. It would not adequately recharge our aquifer, provide relief from saltwater intrusion, or utilize water recycling strategies. After it was all said and done, we would still need to buy water from the State to meet our current water needs, much less, those of any further build-out! Just building the infrastructure to accommodate that would come to

another $40M. So, from a purely effective and efficient standpoint, the old Tri-W plan won't work. Besides, *we don't believe a sewer should be built in the heart of our community* - next to a park, community center, churches and homes.

In the meantime, many citizens were doing their homework. They researched alternative treatment systems and appropriate sites, and they held many public meetings for information and input. When we were finally able to recall the prior three CSD Board members responsible for railroading the town, the new Board members were ready to go. As a matter of fact, they held at least 14 meetings since October 1st. And they were ready to talk with the State Water Board when Assemblyman Blakeslee offered to negotiate a settlement that was agreeable to all parties. The new proposed plan is far superior to the old one. It's based on a combination of state-of-the-art ponding technologies that ensure better treatment, less risk of spillage, and, by the way, costs less to build and maintain. More important, it utilizes agriculture exchange so that we won't have to buy more drinking water from the State. It would have a more efficient effluent collection system, and would be more effective in recharging our aquifer and eliminating saltwater intrusion.

Our new Board negotiated in good faith with the State Water Board with the help of Assemblyman Blakeslee, working tirelessly throughout the week, in hopes that the State Board would act fairly. We had done our homework and were prepared to compromise. But we were sadly disappointed. While their representative came to an agreement, the Board itself turned it down. We expected fairness and good sense, but we got "screwed." Now we are told by the Regional Water Board staff that they recommend levying the maximum fines. It appears to me that the Water Board staff has abused its power and engaged in political coercion and sabotage.

There is one more critical factor that I hope you will consider: affordability. The old plan and former Board members did not conduct a fair affordability study. Only those homeowners living in the Prohibition Zone will be paying for the sewer system, but the old study encompassed all residents, many of whom live in the more expensive homes in the area. It is my understanding that the State loan *should* have required affordability criteria to be met, and the old sewer plan does not measure up. With Tri-W site construction and operation costs, the average monthly cost would easily come to over $300. That would force approximately one third of our community to move out. It is simply not affordable!

I urgently request that the Regional Water Quality Control Board review the proposal that was agreed to by the State Water Board representative and our CSD Board, and ***suspend any enforcement actions***. This is not just about where to put a wastewater treatment plant – ***it's about water quality and conservation of our water resources***. We want what you want. Please support us!

Sincerely,

Karen Verdetti

1525 15th St.
Los Osos, CA 93402

cc: Lisa Schicker, CSD Chair