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January 2, 2013

via fax (831) 427-4877

To: Stephanie Rexing

- for distribution to Commissioners re 1/10/12 meeting, Item no. Th23b, Morro Bay wastewater treatment plant.

Dear Commissioners,

Before this project was first submitted to you, the Sierra Club -- along with Surfrider, the NRDC, several other environmental organizations and many of the residents of Morro Bay and Cayucos -- spent years spelling out its deficiencies to our elected officials and their staff and consultants. Though told repeatedly about the need to conform to LCP policies, factor in sea level rise, visitor-serving coastal recreational access, and the potential to recycle high-quality treated effluent as a preferable alternative to dumping it into the ocean, they seemed not to understand.

Subsequently, Coastal staff became acquainted with this phenomenon. When your staff found the project to be "inconsistent with numerous policies of the City's LCP and Coastal Act" and sent back this deficient plan with detailed descriptions of everything that needed to be done to make the project consistent with the LCP and the Coastal Act, the Commission's patience was repaid with a second deficient submission, making the same arguments, and insisting on the same conclusions, that your staff had rightly rejected, and has now rejected again.

The expanded alternatives analysis required by staff, rather than acknowledging and correcting the inconsistencies with the Coastal Act that bar the chosen plant site from further consideration, continues to rate the current site as the preferred location. Instead of an updated feasibility study laying out "the way in which the project could be reconceived" per staff's directive, the alternatives analysis included a "Wastewater Disposal and Reclamation Discussion," which simply re-stated the issues as before at greater length and relied on a 12-year-old study -- the opposite of "updated." Instead of the "clear and documented information about the costs and benefits" your staff requested, they received a narrow evaluation which concluded that recycled water could theoretically be produced at alternative sites but would increase cost.

The City's attempt to invoke "offsetting improvements" as an exception to LCP Policy 9.03's prohibition on building in a flood plain, ("the project as proposed meets both the local and the Federal flood damage prevention regulations through the offsetting improvements proposed and is therefore consistent with LUP Policy 9.03") is moot, as the your staff has identified the

conflict of the "offsetting improvement" – excessive grading and fill -- with another LCP policy and identified a practical alternative to locating the WWTP in a 100-year flood plain. Staff correctly notes that the City, in failing to select such an alternative, has submitted a project that also fails to comply with CEQA.

In its November 12, 2010, comments on the Draft Environmental Impact Report, the Coastal Commission encouraged the exploration of alternative technologies, noting the need to "coequally evaluate...alternative designs that incorporate the technology and infrastructure necessary to accommodate both wastewater flows at buildout as well as reuse of reclaimed water;" and that "with respect to the ocean outfall and its relation to Policy 5.03, current technology may allow for the elimination of the ocean outfall, as shown by the recently approved wastewater plant in nearby Los Osos...."

These comments were largely disregarded in the final EIR and in the project proposal as submitted and re-submitted to the Commission, despite the demonstrated potential of alternative wastewater treatment technologies to produce cleaner effluent at a lower cost within a smaller plant footprint and with fewer impacts to coastal resources. We may reasonably look forward to their evaluation in a revised project following your denial of this permit.

For the record, we note that the City's August 3, 2012, letter to your Commission that unsuccessfully attempted to rebut staff's findings of multiple inconsistencies with the LCP mischaracterizes the position of the Sierra Club over the eight-year period in which we have been involved in the effort to urge Morro Bay and Cayucos to upgrade their level of wastewater treatment and abandon their federal 301(h) Clean Water Act waiver. The City states that "having all dischargers upgrade to full secondary treatment is goal of...numerous environmental groups (i.e. the Natural Resources Defense Council, Surfrider Foundation, and the Sierra Club)." As the record of our testimony at multiple meetings of the Morro Bay City Council and the board of the Joint Powers Agreement and articles in numerous issues of our Chapter newsletter over the period 2004-2007 make clear, it was and is the position of the Sierra Club that the Morro Bay/Cayucos wastewater treatment plant should upgrade to <u>full tertiary</u> treatment of wastewater in order to remove the largest number of pathogens and enable the highest level of reclamation and reuse of treated effluent.

It is worth noting that all Morro Bay City Council members who ran for re-election last June who had advocated for this project and the approach that has been taken with the Coastal Commission were removed from office by the voters because of their position on this project. After you've denied this permit, we believe the newly elected city officials will be eager to work with you and your staff on an expedited permit for an appropriate site, and otherwise accept your assistance in bringing their community's wastewater treatment into the 21st century.

Thank you for your work on this issue,

Andrew Christie Chapter Director