Patrick W. Ryan
533 Mar Vista
Los Osos, CA 93402

21 October 2005

Los Osos Community Services District
P.O. Box 6064
Los Osos, CA 93412

Re: Los Osos California Wastewater Project (LOCSD)

Dear Los Osos CSD Directors: Fouche, Cesena, Senet, Schicker and Tacker,

My name is Pat Ryan. My wife and I have lived and raised our children in Los Osos for over 16 years. I work for one of the largest employers in Los Osos. My family is seriously threatened by the SWRCB enforcement action stated in the regional board's 6 October 2005 letter to the LOCSD. Both my residence and my job are located within the prohibition zone.

The purpose of this letter is to urge you, as a LOCSD Director, to act and make decisions in your negotiations and other necessary proceedings in such a manner that will protect my family from financial ruin and protect and maintain local control of the community's water supply.

Clearly, fines are a reality. The State and Federal government have determined, a very long time ago, that Los Osos is polluting the ground water and therefore is violating applicable environmental laws. In addition to polluting its own water source, Los Osos is polluting a National Estuary. A wastewater project for Los Osos, no matter where it is located, is behind the Time Schedule Order; construction was supposed to have started in September of 2002. To date, the SWRCB has exercised an enormous amount of forbearance. I am not of the belief that the State has more patience, nor required to grant Los Osos even more forbearance.

Clearly, possibly losing the low interest $135 million SRF loan is a reality. An extreme amount of effort and cost by many, including Congresswoman Capps, went into securing that $135 million SRF low interest loan. Water project funding resources are scarce. The likely hood of securing $135 million for a different future project is bleak. SRF funding for a much smaller amount for another project might be possible. There are several water projects in Southern California that are competing for the same SRF funding resources, some of these communities are requesting upwards of $200 million in SRF funding support. No doubt, other areas of the State north of us are also vying for scarce water project funds. These communities would love to have the $135M released to them instead of Los Osos. Judging from the State Water Board's frustration with Los Osos, one can easily see how the funding for Los Osos could be taken away. Given Los Osos' past, the SWRCB or other funding sources, when deciding on awarding future low interest SRF loans or higher interest private funding, will likely view Los Osos as a risk not a priority.

Given the data about the Los Osos shrinking water supply, waiting another 5 years or more to achieve a different sewer project will most certainly increase the community's need for more state water. The way Los Osos can avoid fines, penalties, escalating contractor costs, the loss of $135M SRF low interest loan, best maintain local control of water resources and prevent even larger need for importing state water in the future is to proceed with the approved project that was already started.

The LOCSD has the choice of holding to its current path of dropping the approved wastewater project to the detriment of the community; or making the choice to restart the approved wastewater project to the benefit of the community. I implore you to restart the current approved project.

Sincerely,

Patrick W. Ryan

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CC: Assemblyman Sam Blakeslee
Senator Abel Maldonado
Tam M. Dudoc, Chair SWRCB,
Jeffrey S. Young, Chair CRWQCB