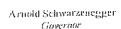
## California Regional Water Quality Control Board

Central Coast Region

Internet Address: http://www.waterboards.ca.gov/centralcoast 895 Aerovista Place, Suite 101, San Luis Obispo, California 93401-7906 Phone (805) 549-3147 - FAX (805) 543-0397

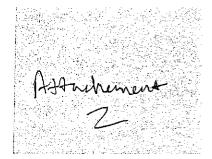


March 30, 2006

Alan C. Lloyd, Ph.D

Agency Secretary

Ms. Madeleine Clark, Director Elkhorn-Slough Coalition 8145 Messick Road Prunedale, CA 93907



Dear Ms. Clark:

## CALIFORNIA AMERICAN WATER PROPOSED PILOT DESALINATION PROJECT

This letter is to acknowledge the receipt by the Central Coast Regional Water Quality Control Board (Central Coast Water Board) of your email dated February 23, 2006. Central Coast Water Board staff was unable to open the letter attached to the email until March 24, 2006. This attachment included questions regarding the bearing of California American Water's (Cal Am) proposed pilot desalination project on the Duke Moss Landing Power Plant NPDES Permit. The questions in the attachment were substantially similar to those asked in your February 22, 2006, email to Central Coast Water Board staff, who replied to these questions by email on March 2 and March 23, 2006. We provide this response for additional clarification.

Central Coast Water Board permitting of Cal Am's proposed pilot desalination project has no bearing on the renewal of the permit for the Duke Moss Landing Power Plant. We will process and approve, if appropriate, Cal Am's request for a discharge permit as a project completely separate from the power plant. Since the fresh water produced by the pilot plant will not be used, Cal Am will recombine the fresh water and the brine downstream of the desalination plant, which means that the discharge will not be significantly different from the intake water. The same salt water brought into the plant will be discharged, so the proposed discharge from Cal Am's proposed pilot project will have no measurable effect on the environment.

In the attachment, you referred to the administrative extension of the permit for the power plant. You said pending litigation does not exempt the Regional Board from proceeding with permit reissuance. The Duke permit is officially on administrative extension, and as such, is in full legal force. We are waiting for two court cases to be resolved before taking up the permit again. The Voices of the Wetlands case is still not completely resolved and also, we are waiting for the Second Circuit Court of Appeals case to resolve the 316(b) mitigation issue. The latter case should be decided by late 2006. There is no point in renewing the permit now when the 316b regulation issues to the future, but we have to use our limited staff resources efficiently. Renewing the permit sooner, and then renewing again when the 316b issues are resolved is not very efficient.

California Environmental Protection Agen. SEPTEMBER 7-8, 2006 MEETING

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For your information, the Pajaro-Sunny Mesa Community Services District recently also applied to the Central Coast Water Board for a permit to discharge brine from a pilot desalination plant. The plant will be located on the former National Refractories property, and will use the existing harbor intake and existing outfall to Monterey Bay. The proposed project is similar to Cal Am's, and we expect its effects will be similarly insignificant.

If you have questions, please call <u>Peter von Langen at the Central Coast Water Board (805-549-3688).</u>

Sincerely,

Roger W. Briggs Executive Officer

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