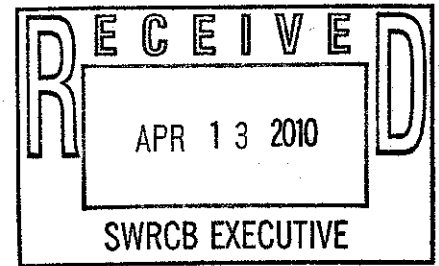




City of Morro Bay

Morro Bay, CA 93442 • 805-772-6200

April 13, 2010



State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95812-0100

Re: *Comments on the Statewide Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling*

Dear Chair and Board Members:

The City of Morro Bay has a tremendous interest in the revised draft "Statewide Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling" ("Policy") due to the unique characteristics of the Morro Bay Power Plant and its existence next to, and its withdrawal of water from, a National Estuary.

The City agrees with the State Water Board staff recommendation that the State Water Resources Control Board should proceed with developing a statewide policy, and commends your staff for its comprehensive effort to attempt to comply with Section 316(b) of the Federal Clean Water Act ("CWA"). The City also agrees that a statewide Policy, if properly drafted, should effectively resolve the long-standing inconsistencies in implementation of CWA Section 316(b) technology-based requirements addressing once-through cooling ("OTC") impacts, and lessen the considerable permitting and resource burdens associated with the technical details of the power plant permitting process.

Unfortunately, the City of Morro Bay continues to have grave concerns with the draft OTC Policy released by the State Water Board on March 22, 2010. The City has already addressed many of these concerns in our previous correspondence to you dated September 29, 2009, and requests that you respond to our previous comments. As previously stated, it is the City's position that the revised draft OTC Policy is vague and unclear, allowing opportunities for power plant owners to exercise options to avoid achieving the Board's stated goal of "protecting the state's coastal and estuarine waters".

In addition, the revised OTC Policy undermines the State Water Board's authority to enforce compliance deadlines by delegating virtually all of that power to the ISO, which has no Clean Water Act expertise. Prior versions of the Policy had the Water Board and energy agencies working together, and the City requests that this language be reinstated.

ADMINISTRATION
595 Harbor Street

CITY ATTORNEY
595 Harbor Street

FINANCE DEPARTMENT
595 Harbor Street

FIRE DEPARTMENT
715 Harbor Street

HARBOR DEPARTMENT
1275 Embarcadero Road

POLICE DEPARTMENT
870 Morro Bay Boulevard

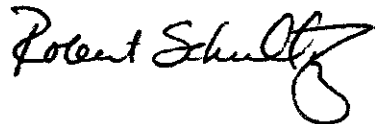
PUBLIC SERVICES
955 Shasta Avenue

RECREATION & PARKS
1001 Kennedy Way

The City of Morro Bay again thanks the State Water Board for the time and resources you have committed, and joins other organizations in expressing our appreciation for a commendable job. However, the City of Morro Bay respectfully requests that you direct Staff to continue to revise the OTC Policy to include specific deadlines for implementation and enforcement, so that regulated industry and the public have clear direction on what is expected. Until this is done, the OTC Policy for the use of our marine, coastal and Delta waters and ecosystems will not comply with the Clean Water Act. The City urges you to continue to amend the current draft Policy to reflect these mandates and standards.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Robert Schultz". The signature is written in black ink and is positioned above the typed name.

Robert Schultz
City Attorney