

June 24, 2003

1st Class & Certified Mail

Mr. Peter Douglas, Executive Director
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105-2219

Re: El Granada Transmission Pipeline Project
Appeal Nos. A-2-SMC-99-65 and A-1-HMB-99-20

Dear Mr. Douglas:

On June 18, 2003 Coastside County Water District General Manager Ed Schmidt received word from Abe Doherty and Chris Kern of the decision to again postpone the hearings of the above-referenced appeals. This decision was evidently based upon an unanticipated staff shortage and a leave of absence relating to a personal issue. On June 19, 2003 Mr. Kern provided a follow-up letter stating CCC staff's "goal to complete the reports so that the appeals may be heard during the Commission's August meeting."

On Friday, June 20, 2003 the Board of Directors of the Coastside County Water District held a special meeting to consider this new information. While the District understands that unanticipated staff shortages can occur, the Board members unanimously expressed their disappointment and frustration that this matter has again been delayed, and of the lack of a certain date for the rescheduled hearing.

This appeal has been pending for over four years. The appeal process was initially suspended at the request of the District's Board of Directors, while a computerized hydraulic model was being constructed to more precisely evaluate the District's water system capacity and anticipated future needs. However, over 18 months ago the District Board unanimously voted to restart the process. That request was communicated to CCC staff by letter on December 6, 2001. Since then, the District has promptly responded to all staff requests for information and supporting documents, spending hundreds of hours of staff time and thousands of dollars in legal and consulting fees in the process.

To be frank, much of the public discourse surrounding this appeal has centered upon the efforts by some members of the community to restrict CCWD's water transmission capacity as an artificial means of controlling all potential future development on the Coastside, even growth specifically anticipated by the LCPs. This is euphemistically

referred to by some as "rightsizing" the pipeline. On the other hand, as demonstrated by the studies of three separate licensed engineers engaged by the District at a cost of approximately \$200,000, and verified by the Planning Director of San Mateo County, the proposed pipeline is designed to provide transmission capacity specifically contemplated by the applicable LCPs, and therefore is fully consistent with the Coastal Act and LCP policies.

The issues presented by this appeal are simple and straightforward. The District has provided a comprehensive analysis demonstrating this project's compliance with both the Half Moon Bay and San Mateo County LCPs. While opposition has been voiced by those whose refrain is "rightsizing", no credible argument grounded in the policies set forth in the LCPs has been presented throughout this four year process.

The District understands that staffing shortages can be unavoidable. We cannot help but feel, however, that this resulting delay in preparation of the staff report could have been avoided, if there were more of a concerted effort to focus upon the material issues presented by this appeal. When our staff met with Coastal Commission staff in November, 2002, we were advised that a staff report had been prepared in "draft" form. The appeal hearing was then continued, with the District's concurrence, when we discovered an error in the data contained in the hydraulic model. This error was corrected and the revised model was transmitted to CCC staff on March 7, 2003.

Since then, we have not been advised by CCC staff of any material issues or concerns about our projects' compliance with all objective criteria in the LCPs. Yet, at the end of May, CCWD staff was still responding to requests for documentation relating to such matters as the Lower Pilarcitos Groundwater Basin Study and the Economic Feasibility Study for reclaimed water. Neither of these studies have any relevance to any issue presented by this appeal.

The District has both practical and policy reasons for its desire to have these appeals heard and decided by the Coastal Commission as soon as possible. Of most importance, we view the replacement of this aging piece of District infrastructure as a matter of critical importance for the safety and reliability of the community's water system. Further delay places the community at risk.

Moreover, the longer this project is delayed the more expensive it will be to construct. In addition to increased costs as a result of inflation, as this project has been on hold pending this appeal several hundred feet of roadway along the pipeline route have been repaved. It will now be necessary excavate the newly paved roadway to install the

pipeline. These projects could have been coordinated, with substantial cost savings, had this appeal proceeded expeditiously.

On a policy level, the District questions whether due process is provided when an appeal can seemingly be delayed indefinitely. On behalf of the community we serve, it is our obligation to voice these concerns and yours to have this come to pass in a more timely manner. Simply put, it is the law!

In summary, based upon CCC staff's representations about a staffing shortage resulting from a personal emergency, the Coastside County Water District reluctantly consents to a one month delay in the hearing of the above-referenced appeals, from the July agenda to the August agenda. The District does not consent to or authorize any further delays beyond the August, 2003 meeting in Orange County.

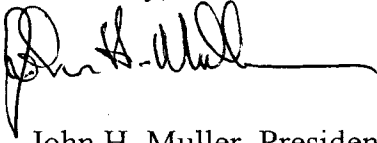
The District is committed to moving this appeal forward in a timely and efficient manner. As we have always done, we want to continue to work cooperatively with the Coastal Commission staff ensuring that the staff report for this project is completed in sufficient time to be distributed prior to the August, 2003 meeting. To that end, we offer the following alternatives to move the process forward:

1. We suggest that another meeting be held with CCC staff and CCWD representatives at the earliest available opportunity to identify any lingering issues that require analysis or clarification in order to present a comprehensive evaluation of this project's compliance with applicable LCP policies.
2. To the extent that any portion of the CCC staff report requires further drafting, our staff would be happy to assist in completing the draft staff report subject, of course, to final review and approval by CCC staff.
3. Alternatively, CCWD is willing to engage the services of a neutral third party consultant, at the District's expense, to assist Coastal Commission staff, so long as involving a third party will expedite the process to ensure that the August hearing deadline will be met.

In summary, while we are disturbed that the appeals will not be heard at the July meeting as had been expected, we trust that both of our agencies will use this setback as an opportunity to work cooperatively to move this project forward and to fulfill our mutual aim of fulfilling the policies and objectives set forth in the Coastal Act and the Half Moon Bay and San Mateo County LCPs.

Thank you for your consideration of the foregoing

Sincerely,



John H. Muller, President
Coastside County Water District

Enclosure

cc: Mary D. Nichols, California Secretary of Resources
Honorable Jackie Speier, State Senator
Honorable Byron D. Sher, State Senator
Honorable Gene Mullin, State Assembly
San Mateo County Board of Supervisors
Half Moon Bay City Council
Coastside County Water District Board of Directors
Ed Schmidt, General Manager
Anthony Condotti, Legal Counsel
James Teter, District Engineer
Half Moon Bay Fire Protection District
Half Moon Bay Review
San Mateo County Times

El Granada Transmission Pipeline Replacement Project

Chronological History with emphasis on meetings between Coastside County Water District (CCWD) and the California Coastal Commission (CCC) and CCWD Reports Provided to CCC

Date	Description
1970	El Granada Pipeline reaches service capacity as a gravity flow system, a pump station is added
Aug. 1985	Board of Supervisors grant CDP for Crystal Springs Project
1999	CCWD and members of the public ask for findings of substantial issues
Jan. 26, 2000	CCC staff report raises substantial issues with LCP compliance
Mar. 2, 2000	CCWD relays draft schedules for pipeline replacement projects to CCC staff
Dec. 6, 2001	Letter from CCWD to CCC staff asking CCC staff for the two appeal hearings to be scheduled to be heard by the CCC staff
April 1, 2002	CCWD transmits 3 reports – The first hydraulic model report, preliminary budget cost figures for project, and an annual Water Supply Evaluation Report of year 2001
April 9, 2002	CCWD letter to Peter Imhoff answering many water supply and consumption questions
April 26, 2002	CCWD transmits position papers/presentation materials prepared by several CCWD Board members

June 11, 2002 CCWD sends “Analysis of El Granada Transmission Pipeline Projects Consistency with HMB and SMC LCP Policies” to the CCC. Included in this package is the following: Summary Analysis, Historical Background, Analysis of the Casa Del Segment, LCP Analysis of Northern Segment; Engineering Master Plan El Granada Transmission Pipeline Replacement Project dated June 1997; CCC Staff Report dated July 1, 1999; Evaluation of Future Scenarios for the Water Distribution System dated February, 2002; CCWD Water Supply Evaluation Report for 2001; CCC Staff Report dated January 26, 2000; Correspondence dated April 9, 2002 to Terry Burns, San Mateo County Planning Administrator from CCWD; El Granada Transmission Pipeline Project, Cost Comparison of Project Alternatives from CCWD Engineer; Correspondence dated Feb. 26, 2002 to Terry Burnes, SMC Planning Administrator, from CCWD

Summer & Fall of 2002 CCC Engineer, Leslie Ewing has conversations with CCWD Engineer regarding technical analysis – provides report to the CCC

July 30, 2002 CCC staff Peter Imhoff and Chandra Meek are taken on a tour of the entire route for the El Granada pipeline project and technical questions are answered

Nov. 6, 2002 CCWD staff met with CCC staff – answered numerous technical and LCP questions

Feb. 26, 2003 Letter to CCC from CCWD relaying “Reconfigured” Hydraulic Model Report (DRAFT)

Mar. 7, 2003 Letter from CCWD to CCC relaying “Reconfigured” Hydraulic Model Report (FINAL VERSION)

April 3, 2003 CCWD forwards portions of the Seismic Vulnerability Assessment to CCC

- April 3, 2003** Letter from CCWD to Chris Kern with CCC – answers, in more detail, questions from the November 6, 2002 meeting with CCC staff regarding technical and LCP compliance issues
- April 25, 2003** Letter to CCC from the HMB Fire Protection District urging the utilization of a gravity flow system for better reliability
- May 2, 2003** Meeting with CCC staff and the City of HMB City Manager to answer numerous technical questions
- May 6, 2003** Meeting with CCC staff, assembly person Gene Mullin’s staff, City of Half Moon Bay Mayor, Vice Mayor, City Manager, County of San Mateo Planning Staff, Rich Gordon, San Mateo County Supervisor – to answer numerous technical and LCP questions
- May 6, 2003** 2003 Water Supply Evaluation Report is given to CCC staff
- May 27, 2003** CCWD sends Economic Feasibility Studies on Lower Pilarcitos Creek and Reclaimed Water to Abe Doherty of CCC, along with a two (2) page letter discussing irrelevance of these two reports to pipeline appeals.
- June 17, 2003** CCWD sends entire Seismic Vulnerability Study to Abe Doherty of CCC.
- June 17, 2003** CCWD sends files on El Granada Pipeline Repairs, Temporary Pump report and repair cost report to Abe Doherty of CCC.
- June 18, 2003** Letter from CCWD (Anthony Condotti) with suggested condition to be placed upon approval of a 16” pipeline.
- June 19, 2003** Letter from Chris Kern of CCC to CCWD, advising of a delay in staff report completion due to unanticipated staff shortage.
- June 23, 2003** Letter from CCWD to Peter Douglas, Executive Director of CCC, expressing frustration about another delay on the hearings.