COASTAL DEVELOPMENT PERMIT

On October 9, 1996, the California Coastal Commission granted to City of Santa Barbara, Permit 4-96-119 this permit subject to the attached Standard and Special conditions, for development consisting of:

Conversion of temporary desalination facilities to permanent facilities. Facilities include liner sleeve in abandoned ocean outfall line, ocean intake structures, and appurtenant facilities to service a reverse osmosis desalination plant with a maximum production capacity of 10,000 acre feet per year and is more specifically described in the application on file in the Commission offices.

The development is within the coastal zone in City of Santa Barbara at East of Stearns Wharf and the Santa Barbara Harbor.

Issued on behalf of the California Coastal Commission by

PETER DOUGLAS
Executive Director

By: Mark Capelli
Title: Coastal Program Analyst

ACKNOWLEDGMENT

The undersigned permittee acknowledges receipt of this permit and agrees to abide by all terms and conditions thereof.

The undersigned permittee acknowledges that Government Code Section 818.4 which states in pertinent part, that: "A public entity is not liable for injury caused by the issuance. . . . of any permit. . . ." applies to the issuance of this permit.


10-22-96
Date

Signature of Permittee

A6: 8/95
COASTAL DEVELOPMENT PERMIT

Page 2 of 3
Permit No. 4-96-119

STANDARD CONDITIONS:

1. Notice of Receipt and Acknowledgment. The permit is not valid and
development shall not commence until a copy of the permit, signed by the
permittee or authorized agent, acknowledging receipt of the permit and
acceptance of the terms and conditions, is returned to the Commission office.

2. Expiration. If development has not commenced, the permit will expire two
years from the date on which the Commission voted on the application.
Development shall be pursued in a diligent manner and completed in a
reasonable period of time. Application for extension of the permit must be
made prior to the expiration date.

3. Compliance. All development must occur in strict compliance with the
proposal as set forth in the application for permit, subject to any special
conditions set forth below. Any deviation from the approved plans must be
reviewed and approved by the staff and may require Commission approval.

4. Interpretation. Any questions of intent or interpretation of any condition
will be resolved by the Executive Director or the Commission.

5. Inspections. The Commission staff shall be allowed to inspect the site and
the project during its development, subject to 24-hour advance notice.

6. Assignment. The permit may be assigned to any qualified person, provided
assignee files with the Commission an affidavit accepting all terms and
conditions of the permit.

7. Terms and Conditions Run with the Land. These terms and conditions shall be
perpetual, and it is the intention of the Commission and the permittee to
bind all future owners and possessors of the subject property to the terms
and conditions.

SPECIAL CONDITIONS:

1. Ocean Discharge Monitoring. The applicant shall submit for the review and
approval of the Executive Director an on-going monitoring program to provide an
assessment of the effects of the municipal ocean waste discharge diluted with
brine and backwash from the desalination plant on the water chemistry and marine
biota of the discharge area. To minimize potential conflicts between regulatory
agencies, development of this monitoring program shall be coordinated with the
California Regional Water Quality Control Board, Central Coast Region.

The applicant shall provide the Commission with quarterly reports of the results
of the monitoring program during periods of operation. If future ocean discharge
monitoring results indicate the applicant's NPDES waste discharge requirements are
exceeded the applicant shall take corrective action to meet the specified
requirements of the City's NPDES waste discharge permit.

2. Drinking Water Quality Reporting. The City shall provide the Executive
Director with copies of the Annual Drinking Water Quality Reports for desalination
product water prepared pursuant to the Surface Water Treatment Rules of the State
Department of Health Services, Office of Drinking Water.
3. Waste Discharge Permit. Prior to the initiation of the discharge of brine and backwash from the desalination facilities, the applicant shall provide the Executive Director with evidence of a current NPDES waste discharge permit for the combined municipal waste ocean discharge and the desalination operation from the California Regional Water Quality Control Board, Central Coast Region.

4. Navigational Safety. The applicant shall submit for the review and approval of the Executive Director written evidence that the subsurface intake structures shall be marked with a standard lighted navigation buoy approved by the U.S. Coast Guard. Further, the applicant shall provide to the Executive Director written evidence that a notice of the location and method of marking the project has been placed in the weekly publication "Notice to Mariners" issued by the U.S. Coast Guard.

3612C/MC/dp