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2/22/96

STATE OF CALIFORNIA - THE RESOURCES AGENCY

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Th12b

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49th day: 03/22/96
180th day: 08/02/96
Staff: SG-SC
Staff Report: 02/22/96
Hearing Date: 03/14/96
Commission Action:

**STAFF REPORT
AMENDMENT**

APPLICATION NUMBER: A-3-SLO-95-69-A1

APPLICANT: **SAN SIMEON COMMUNITY SERVICES DISTRICT**PROJECT LOCATION: **CCSD Desalination Plant, south of San Simeon Creek Road, east of Highway One, two miles north of Cambria, San Luis Obispo County**

PROJECT DESCRIPTION: Request by San Simeon Community Services District to amend permit for desalination plant, granted to Cambria Community Services district, to allow for increase in potable water production from 1.008 million gallons per day to 1.15 million gallons per day.

LOCAL APPROVALS RECEIVED: None needed for amendment to increase water production, San Luis Obispo County permit D950085P for pipeline from proposed desal plant to existing water tank.

SUBSTANTIVE FILE DOCUMENTS: San Luis Obispo County LCP, CCSD Desalination Plant. EIR, Coastal Development Permit A-SLO-3-95-69

PROCEDURAL NOTE

The Commission's regulations provide for referral of permit amendment requests to the Commission if:

1. The Executive Director determines that the proposed amendment is a material change.
2. Objection is made to the Executive Director's determination of immateriality, or
3. The proposed amendment affects conditions required for the purpose of protecting a coastal resource or coastal access.

SUMMARY OF STAFF RECOMMENDATION

Staff recommends approval of the amendment request with the following standard and special conditions.

I. STAFF RECOMMENDATION

Staff recommends that the Commission adopt the following resolution:

Approval with Conditions

The Commission hereby grants, subject to the conditions below, an amendment to the permit on the grounds that the proposed development with the proposed amendment, as conditioned, will be in conformity with the certified local coastal program, and will not have any significant adverse impacts on the environment within the meaning of the California Environmental Quality Act.

II. 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 this permit is reported to the Commission. 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.

III. SPECIAL CONDITIONS

1. Permit Authorization

This permit authorizes the Cambria Community Services District (CCSD) to increase the production of potable water from its proposed desalination plant from 1.008 million gallons per day (mgd) to 1.15 mgd, with the resulting difference (nominally 142,000 gallons per day) to be made available only to the San Simeon Community Services District (SSCSD). CCSD shall not make available, sell, or otherwise transfer any portion of the resulting difference to anyone other than SSCSD, nor shall SSCSD make available, sell, or otherwise transfer any portion of the resulting difference to anyone outside of SSCSD's service boundary, unless this permit is amended by the Commission to allow such transfer.

2. Conjunctive Water Management

a. **WITHIN 60 DAYS OF COMMISSION ACTION** on this permit, SSCSD shall submit to the Executive Director for review and approval an outline of a proposed conjunctive use water management plan.

b. **WITHIN 180 DAYS OF COMMISSION ACTION** on this permit (120 days after submittal of the outline), SSCSD shall submit the proposed conjunctive use water management plan to the Executive Director for review and approval. Such plan shall include, but not necessarily be limited to, maps, charts, graphs, text, and other information which depicts and describes:

1. The location of each of the District's wells and the historical production of each well.
2. Conservation program(s).
3. How the water from the desalination plant will be used in conjunction with well water.
4. Measures, consistent with SSCSD's existing water rights, to ensure that continued pumping of wells will not adversely affect the environmentally sensitive habitats found in Pico Creek

c. **BY JANUARY 31 OF EACH YEAR FOLLOWING SUBMITTAL OF THE WATER MANAGEMENT PLAN**, SSCSD shall submit a letter report to the Executive Director for review and update which shall include:

1. Any changes in the water supply system during the previous year.
2. Amount of water produced by wells and amount of water from desalination plant used, separately and together, during the previous year, by month and in total.

3. Any adverse changes noted in environmentally sensitive habitats in Pico Creek that are attributable to well production in the previous year, and action taken/to be taken to reverse/repair adverse conditions.
 4. Number of hookups issued, by type, e.g., residential, commercial, etc., the previous year.
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IV. FINDINGS AND DECLARATIONS

A. Proposed Amendment / Materiality

The applicant is proposing to amend permit A-SLO-3-95-69 to allow for an increase in the approved maximum total potable water production. The Commission approved that permit with the following condition:

1. Permit Authorization

This permit authorizes the Cambria Community Services District (CCSD) to construct the desalination plant and intake and discharge structures and pipelines appurtenant to the desalination plant that lie landward of the mean high tide line, as described in this staff report, the permit approved by San Luis Obispo County, and the Final EIR and Addendum prepared for the project. The total potable water production capability of this facility is 1.15 million gallons per day when all three phases of the facility are in operation. However, CCSD is restricted to using a maximum of 1.08 million gallons per day (the amount CCSD requested), unless a larger amount is approved as part of an amendment to this permit. No more than 1.08 million gallons per day may be produced by the plant unless an application to amend this permit is approved by the Commission to allow CCSD or the San Simeon Community Services District (which has indicated an interest in obtaining water from the desalination plant) to use the additional amount, up to a maximum of 1.15 million gallons per day. Further, no amendment of this permit is guaranteed by this language. Total seawater intake is limited to a maximum of 2.88 million gallons per day. Total brine discharge to the Pacific Ocean is limited to 1.73 million gallons per day.

That condition required that any amendment to increase potable water production come before the Commission for review and approval. The intent of bringing the amendment request before the Commission is to ensure that the Commission is fully aware of water use in the Cambria - San Simeon urbanized areas and to allow for a public hearing. In this manner, the Commission can also condition the amendment request to require that SSCSD prepare a conjunctive water use management plan, as the Commission required CCSD to do, to ensure that the overall water situation is dealt with appropriately.

B. Standard of Review

The Commission is acting on this permit amendment since the Commission retains jurisdiction over amendments to Commission-approved permits after certification of a local coastal program (LCP). Pursuant to sections 30604(b) and 30604(c) of the Coastal Act, the standard of review for such post-certification Commission actions is conformity with the certified LCP.

The certified LCP was the basis for the approval by San Luis Obispo County of coastal development permit D940095D for the desalination plant. That county permit was appealed to the Commission, which approved the proposed desalination plant with conditions. The EIR for the desalination plant considered a "San Simeon Alternative" which was the participation of SSCSD in the project to the extent of receiving some of the water produced by the plant. The EIR disclosed that that participation by SSCSD would not have any adverse environmental effects. The substantial issues that the Commission found to exist with respect to the County's approval of the desalination plant were 1) failure to require lateral beach access, 2) approval of a public works facility on agricultural land without also rezoning and redesignating the property to the public facilities category, and 3) the growth inducing aspects of the proposal. None of those issues were or are issues with respect to increasing the maximum production of the plant or with SSCSD using some of the water.

San Simeon Acres is an unincorporated community about one-half mile long and one-quarter mile wide, for a total area of about one-eighth square mile. Land uses consist exclusively of commercial development (primarily hotels, motels, and restaurants) and multi-family residences. There is no single family residential or any other land use designation in the community other than commercial and multi-family residential. The community owes its existence to the nearby Hearst Castle, serving the tourists and travelers along Highway One.

The LCP has no specific policies or standards regarding water use in San Simeon Acres. It does have some general descriptive narrative of the past water supply situation in San Simeon Acres and projections of future water use. Growth is regulated by being confined into the small area within the one-eighth square mile inside of the "Village Reserve Line" - Urban Services Line and by a building moratorium imposed in 1986. The County also has a growth management plan limiting growth County-wide to 2.3 percent per year. That growth management plan has not been certified by the Commission.

According to the North Coast Area Plan document of the County's certified LCP *"The existing supply of water for San Simeon Acres is provided from two wells along Pico Creek. The existing permit from the County Health Department allows total production of 140 acre-feet per year from these wells. No determination has been made of the safe-yield of the Pico Creek groundwater basin. Current production is approximately 80 acre-feet per year . . . The 1978 permanent population of San Simeon Acres was 134 people, and based on an estimated per capita consumption of 0.151 acre-feet per year, the water demands of these permanent residents is 20 acre-feet per year. This leaves 60 acre-feet per year as the portion consumed by seasonal residents and tourists . . . Projections of permanent population and tourist demands for water indicate that the maximum water allotment of 140 acre-feet will suffice past the year 2000 unless future safe-yield estimates turn out to be lower than anticipated . . . The absorption capacity of San Simeon Acres, based on residential land use in the Land Use Element, is 980 people. The necessary water supply to support this population would be 148 acre-feet per year, not including tourist demands. Total build-out of both visitor-serving uses and residential*

growth may consequently create a substantial deficit over the allowed production of 140 acre-feet per year."

The County is currently developing an update to the North Coast Area Plan document. The EIR for that update states that in 1992, SSCSD extracted about 79 acre feet per year (afy) of water from its wells along Pico Creek. According to the EIR, there could be a range of from 284 to 308 acre-feet of water total needed at buildout, depending on the particular buildout scenario is adopted by the County for the update of the North Coast Area Plan. Thus additional needed water could range from 205 afy to 229 afy. At 142,000 gallons per day, 365 day per year, the most SSCSD could obtain from the desal plant would equal 159 afy, some 50 to 70 afy less than needed at buildout as discussed in the EIR and the North Coast Area Plan update. In contrast, the negative declaration issued by SSCSD *"Therefore, the total amount of water needed at build-out is assumed to be . . . 209.2 AFY. The range of production and yield from Pico Creek has been determined to be approximately 120 AFY from earlier studies. However, the quality of water in drought years tends to decline at production of approximately 75 AFY . . . if the Creek production is set at 75 AFY in dry years, then the supplemental water needed is 209.2 AFY - 75 AFY = 134.2 AFY as the most likely scenario."* At 142,000 gallons per day, SSCSD would need to take water from the desal plant for 308 days per year. Given that water from a desalination plant is significantly more expensive than water from wells, it is unlikely that SSCSD would opt for the more expensive water if it were at all possible to utilize well water.

It is clear that the additional water requested by this amendment would only barely cover the need at buildout and may not be sufficient for that. Thus it is unlikely that the additional water from the desal plant would allow for any growth beyond that already discussed in the existing LCP and in the proposed update. Would it be growth inducing? Most likely, but only within the limits contemplated by the LCP. Additionally, this permit amendment is conditioned to restrict use of water from the desal plant to existing and future uses within SSCSD's boundary and to require a conjunctive water use management plan to comprehensively assess and address water supplies and use in San Simeon Acres.

C. California Environmental Quality Act (CEQA)

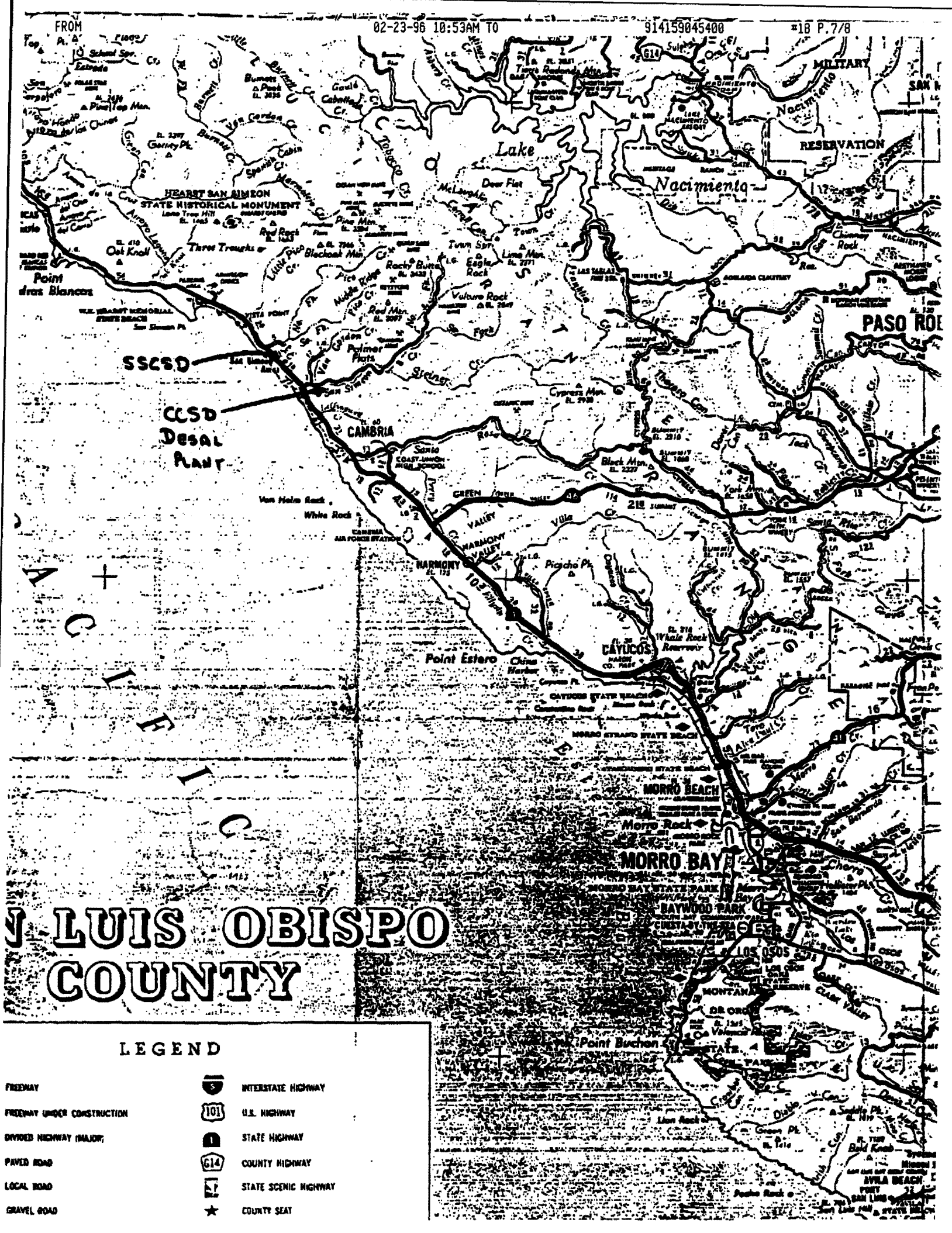
Section 13096 of Title 14 of the California Code of Regulations requires Commission approval of coastal development permits to be supported by a finding showing the permit, as conditioned, to be consistent with any applicable requirements of CEQA. Section 21080.5(d)(2)(i) of CEQA prohibits a proposed development from being approved if there are feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse impact which the activity may have on the environment. The proposed amendment would not necessitate any increase in the desal plant or its appurtenant facilities. All features of the plant have been sized to accommodate the proposed increased production; those features were reviewed in the project EIR and by the Commission when it heard the appeal on the desal plant. As conditioned, there are no feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse impact which the amendment may have on the environment. Therefore, the Commission finds that the proposed amendment can be found consistent with the requirements of CEQA.

FROM

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LEGEND**LAND USE CATEGORIES**

AGRICULTURE

RURAL LANDS

RECREATION

RESIDENTIAL RURAL

RESIDENTIAL SUBURBAN

RESIDENTIAL SINGLE FAMILY

RESIDENTIAL MULTIPLE FAMILY

OFFICE & PROFESSIONAL

COMMERCIAL RETAIL

COMMERCIAL SERVICE

INDUSTRIAL

PUBLIC FACILITIES

OPEN SPACE

BOUNDARIES

URBAN RESERVE LINE (URL)

URBAN SERVICES LINE (USL)

VILLAGE RESERVE LINE (VRL)

PLANNING AREA

CENTRAL BUSINESS DISTRICT

SCALE

NORTH

NOTE:

This map is for reference purposes only. Official maps, showing precise property lines and land use category boundaries, are on file in the Planning Department.

THIS MAP APPLIES ONLY TO AREAS WITHIN THE LCP AREA

SAN SIMÉON

LAND USE CATEGORIES

San Luis Obispo County Planning Department

Revised: 1-4-88

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