

**CALIFORNIA COASTAL COMMISSION**

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**Th9b**

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## APPEAL STAFF REPORT DE NOVO HEARING

**Appeal number** .....A-3-SLO-02-050, Monaco SFD

**Applicants** .....Steve and Sue Monaco

**Appellant(s)** .....Ken Renshaw

**Project location** .....Ogden Drive (West Lodge Hill area), Cambria, San Luis Obispo County (APN 023-122-018).

**Project description** .....Construct a single-family residence and attached garage with a 1,677 sq. ft. footprint and 2,967 sq. ft. of gross structural area, and 387 sq. ft. transfer of development credits.

**Local approval** .....San Luis Obispo County: Coastal Development Permit D010064P.

**File documents** .....San Luis Obispo County Certified Local Coastal Program; Coastal Development Permit D010064P; SLO County Staff Report (5/21/02); Coastal Commission Staff Report on the North Coast Area Plan Update (San Luis Obispo County Local Coastal Program Amendment No. 1-97); San Luis Obispo County LCP 2001 Periodic Review.

**Staff recommendation** ...Approval with Conditions

**Summary of the Staff Recommendation:** The proposed development of a single-family residence raises concerns regarding the availability of adequate public services and the protection of environmentally sensitive habitat areas (ESHA) in the community of Cambria. As required by Public Works Policy 1 of San Luis Obispo County's *Coastal Plan Policies*, all new development must demonstrate that there is sufficient water supply to serve the development. The San Luis Obispo County certified Local Coastal Program (LCP) further requires that adequate water supplies be reserved for the protection of ESHA, and for priority uses such as agriculture and visitor-serving development.

The Commission has previously recognized the serious water supply situation in Cambria, and has identified a process for resolving these concerns. In the Periodic Review of the San Luis Obispo County Local Coastal Program adopted in July 2001, the Commission recommended that no additional



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development that would require a new water connection, or otherwise create additional water withdrawals from Santa Rosa, be permitted after January 1, 2002, unless certain findings could be made (Periodic Review Recommendation 2.13).

It is clear that significant uncertainty still exists with respect to the environmental sustainability of the community's water supply, and that the findings called for by Periodic Review Recommendation 2.13 cannot be made. However, since the adoption of the Periodic Review, the Cambria Community Services District (CCSD) has taken an important step towards addressing these concerns. Namely, in November 2001, the CCSD declared a water supply emergency, which has essentially halted the issuance of new intent to serve letters by the CCSD. As a result, new development in Cambria being permitted by the County is generally limited to those projects that the CCSD committed to serving prior to the declaration of the water supply emergency, otherwise referred to as "pipeline projects". The proposed development that is the subject of this permit application is an example of such a pipeline project.

Notwithstanding the action by the CCSD to limit additional demands on Cambria water supply, the question remains whether there is adequate water available to meet the cumulative water demands associated with the pipeline projects and existing development, and at the same time protect ESHA as required by the LCP. The burden of the uncertainty in the existing water supply must not be placed on coastal resources. Staff therefore recommends approval of the project, subject to a special retrofitting condition that would offset the additional water withdrawals caused by the project. This approach will allow the limited number of pipeline projects to proceed in a manner that will not exacerbate existing concerns regarding the adequacy of Cambria water supplies. With this condition the project will avoid inconsistencies with LCP requirements calling for adequate water supplies and the protection of ESHA.

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## 1. Staff Recommendation On Coastal Development Permit

Staff recommends that the Commission, after public hearing, **approve** a coastal development permit for the proposed development subject to the standard and special conditions below.

**MOTION:** I move that the Commission approve Coastal Development Permit Number A-3-SLO-02-050 pursuant to the staff recommendation.

**STAFF RECOMMENDATION OF APPROVAL:** Staff recommends a **YES** vote. Passage of this motion will result in approval of the coastal development permit as conditioned and adoption of the following resolution and findings. The motion passes only by an affirmative vote by a majority of the Commissioners present.

**RESOLUTION TO APPROVE THE PERMIT:** The Commission hereby approves a coastal development permit for the proposed development and adopts the findings set forth below on grounds that the development as conditioned will be in conformity with the policies of Chapter 3 of the Coastal Act and will not prejudice the ability of the local government having jurisdiction over the area to prepare a Local Coastal Program conforming to the provisions of Chapter 3. Approval of the permit complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the development on the environment, or 2) there are no further feasible mitigation measures or alternatives that would substantially lessen any significant adverse impacts of the development on the environment.



## 2. Conditions of Approval

### A. 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. **Interpretation.** Any questions of intent or interpretation of any condition will be resolved by the Executive Director or the Commission.
4. **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.
5. **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.

### B. Special Conditions

1. **Scope of Permit.** The development authorized by this permit is limited to construction of the following, subject to Executive Director review and approval of final plans and compliance with all conditions of this permit.

- a. 2,967 square foot single-family residence with: 1,677 square feet of footprint (including 387 square feet of TDC's), and a maximum height of 28 feet (measured in accordance with Section 23.04.122 of the CZLUO).

2. **No Net Increase in Water Use Allowed.** PRIOR TO ISSUANCE OF THE PERMIT, the applicant shall submit, for Executive Director review and approval, evidence that the anticipated water use of this development has been completely offset through the retrofit of existing water fixtures within the Cambria Community Service District's service area or other verifiable action to reduce existing water use in the service area (e.g., replacement of irrigated landscaping with xeriscaping). The documentation submitted to the Executive Director shall include:

- a. A detailed assessment of anticipated total water use (including water used for both domestic and landscaping purposes) of the approved development, measured in gallons per year, prepared by a qualified professional, and approved by the Cambria Community Services District. This assessment shall include the specific data and analyses used to estimate water use, including the number of



bedrooms/occupants, the number and types of water fixtures and appliances, the type and extent of project landscaping, and the proposed method of landscape irrigation.

b. A detailed description of the water saving action(s) that have been taken to offset the amount of water that will be used by the project, and the amount of water savings expected to result from these actions in gallons per year. For retrofits, this shall include a description of the existing and replacement fixtures, their associated water flows, their estimated frequency of use, and the quantity of water savings expected as a result of the retrofits, calculated by a qualified professional. For water savings achieved by reducing landscape irrigation, the applicant shall document the landscaping to be removed, and submit a replacement landscape plan that documents the use of native drought resistant plants and water conserving irrigation techniques, and a quantification of the expected water savings calculated by a landscape professional.

c. The specific address/location of where the retrofits and/or landscaping changes identified in the preceding subsection took place and the dates that they were completed, including certification of successful installation by the installers.

d. Written verification that the Cambria Community Services District concurs that the completed retrofits and/or landscape changes will result in water savings that meets or exceeds the anticipated water use of the project.

e. Either (1) deed restrictions, in a form and content acceptable to the Executive Director, and executed and recorded by the owner(s) of the sites/locations identified pursuant to subsection "c" above, requiring that water conserving fixtures/landscaping installed on the project site, and on the identified non-project sites, will be maintained for the life of the project. The deed restrictions shall indicate that, pursuant to this permit, the California Coastal Commission has authorized development on the subject property, subject to terms and conditions that restrict the use and enjoyment of the project site and of those properties whose use of water must be reduced to offset the projected water requirements of the proposed project. The deed restriction shall include a legal description of the parcels governed or affected by this Special Condition, and shall be run with the land, binding all successors and assigns, and shall be recorded free of all prior liens that the Executive Director determines may affect the enforceability of the restriction. Or, (2) as an alternative to deed restrictions, evidence that a monitoring system will be administered by the Cambria Community Services District to ensure that the water reduction requirements of this condition will be effectively maintained. Such a monitoring plan in lieu of deed restrictions must include adequate assurances and commitments that the Cambria Community Services District will monitor and regulate water use at the project site and retrofit sites consistent with the terms of this condition.

**3. Grading, Drainage, and Erosion Control Plans.** PRIOR TO ISSUANCE OF THE PERMIT, the applicant shall submit, for Executive Director review and approval, a drainage and polluted runoff control plan designed by a licensed engineer that satisfy the requirements of CZLUO Sections 23.05.024 – 23.05.050, and prohibits ground disturbing activities between October 15 and April 1. The plans shall



also identify that ground disturbing activities are also prohibited when the National Weather Service reports a 30% or greater chance of rain. In addition, the plans shall conform to the following requirements:

**Implementation of Best Management Practices During Construction.** The Drainage and Erosion Control Plans shall identify the type and location of the measures that will be implemented during construction to prevent erosion, sedimentation, and the discharge of pollutants during construction. These measures shall be selected and designed in accordance with the California Storm Water Best Management Practices Handbook and the criteria established by the San Luis Obispo County Resource Conservation District. Among these measures, the plans shall limit the extent of land disturbance to the minimum amount necessary to construct the project; designate areas for the staging of construction equipment and materials, including receptacles and temporary stockpiles of graded materials, which shall be covered on a daily basis; provide for the installation of silt fences, temporary detention basins, and/or other controls to intercept, filter, and remove sediments contained in the runoff from construction, staging, and storage/stockpile areas; and provide for the hydro seeding of disturbed areas immediately upon conclusion of construction activities in that area. The plans shall also incorporate good construction housekeeping measures, including the use of dry cleanup measures whenever possible; collecting and filtering cleanup water when dry cleanup methods are not feasible; cleaning and refueling construction equipment at designated off site maintenance areas; and the immediate clean-up of any leaks or spills. The plans shall indicate that **PRIOR TO THE COMMENCEMENT OF GRADING**, the applicant shall delineate that the approved construction areas with fencing and markers to prevent land-disturbing activities from taking place outside of these areas.

**Post Construction Drainage.** The drainage plan shall identify the specific type, design, and location of all drainage infrastructure necessary to ensure that post construction drainage from the project does not result in erosion, sedimentation, or the degradation of coastal water quality. The capacity of filtration and treatment features shall be adequate to effectively remove sediments and pollutants during an 85<sup>th</sup> percentile 24-hour runoff event. In areas where rocks or other energy dissipation structure be needed, the drainage plan shall include detailed plans which limit the size and footprint of such structure to the minimum necessary to achieve effective erosion control.

The applicant shall be responsible for implementing and maintaining drainage and erosion control measures and facilities for the life of the project. This shall include performing annual inspections, and conducting all necessary clean-outs, immediately prior to the rainy season (beginning October 15), and as otherwise necessary to maintain the proper functioning of the approved drainage system.

**4. Archeology.** **PRIOR TO CONSTRUCTION**, the applicant shall submit, for Executive Director review and approval, evidence that all special conditions related to archaeology imposed by the County of San Luis Obispo have been implemented in accordance with the local approval D010064P (County Condition of Approvals # 6, 7, 8, 9, 10, and 11). See Exhibit 1 for a complete text of these conditions.



## **Recommended Findings and Declarations**

The Commission finds and declares as follows:

### **3. Project Background**

The proposed project was approved by a 4-1 vote of the San Luis Obispo County Board of Supervisors on May 21, 2002. Ken Renshaw appealed this action to the Commission on July 5, 2002. On August 8, 2002 in San Luis Obispo, the Commission held a substantial issue hearing on the project and found that the appeal raised a substantial issue in terms of the projects consistency with the San Luis Obispo County LCP. As a result, the Commission took jurisdiction over the coastal development permit (CDP) for the project.

### **4. Project Description**

The project is located at Ogden Drive in the West Lodge Hill community of Cambria, San Luis Obispo County. West Lodge Hill is an extensive residential area located within the Monterey Pine forest terrestrial habitat, south of Highway One (Exhibit 1). The topography of the West Lodge Hill area is varied with numerous ridges and gullies, steep slopes, and nearly flat areas along the marine terrace. The majority of the lots in the area are very small, typically 25 feet by 70 feet, and therefore historic development has been relatively dense. However, it is common for present-day proposals to consolidate two or three lots to create larger sites more appropriate for development.

The project site is an oversized double lot of approximately 4,521 square feet. The proposed 2,967 square foot residence consists of the garage and living space on two levels, both above the average natural grade. The overall height of the proposed residence is 28 feet, as measured from the average natural grade of the site (see Exhibit 3 for proposed Site Plans and Elevations).

## **5. Coastal Development Permit Determination**

### **A. Public Services**

#### **1. Relevant Local Coastal Program Provisions**

As required by Public Works Policy 1, all new development must demonstrate that there is sufficient water supply to serve the development:

***Public Works Policy 1: Availability of Service Capacity***

*New development (including divisions of land) shall demonstrate that adequate public or private service capacities are available to serve the proposed development. Priority shall be given to infilling within existing subdivided areas. Prior to permitting all new development, a finding shall be made that there are sufficient services to serve the proposed*



*development given the already outstanding commitment to existing lots within the urban service line for which services will be needed consistent with the Resource Management System where applicable...*

This policy is implemented by CZLUO 23.04.430:

***CZLUO Section 23.04.430 - Availability of Water Supply and Sewage Disposal Services.*** *A land use permit for new development that requires water or disposal of sewage shall not be approved unless the applicable approval body determines that there is adequate water and sewage disposal capacity available to serve the proposed development, as provided by this section . . .*

In addition to these urban service policies, water supply for new development in Cambria must also be considered in light of LCP priorities for Agriculture and Visitor-serving development.

***Agriculture Policy 7: Water Supplies***

*Water extractions consistent with habitat protection requirements shall give highest priority to preserving available supplies for existing or expanded agricultural uses. [THIS POLICY SHALL BE IMPLEMENTED AS A STANDARD.]*

***Recreation & Visitor-Serving Facilities Policy 2: Priority for Visitor-Serving Facilities.*** *Recreational development and commercial visitor-serving facilities shall have priority over non-coastal dependent use, but not over agriculture or coastal dependent industry in accordance with PRC 30222. All uses shall be consistent with protection of significant coastal resources... [THIS POLICY SHALL BE IMPLEMENTED AS A STANDARD.]*

Finally, The North Coast Area Plan component of the LCP contains a development standard for the Cambria Urban Area that requires:

***Reservation of Service Capacity.*** *To allow for continued growth of visitor-serving facilities, 20% of the water and sewer capacity shall be reserved for visitor-serving and commercial uses.*

## **2. Consistency Analysis**

Since passage of the Coastal Act, the Commission has recognized that Cambria's limited water supplies place a serious constraint on the buildout of this community. Concerns regarding the adequacy and reliability of Cambria's water supplies have been coupled with concerns that excessive withdrawals from San Simeon and Santa Rosa creeks will have significant adverse impacts on environmentally sensitive habitat areas. These concerns are detailed in the Commission's review of the North Coast Area Plan Update proposed by the County in 1997, and in the Periodic Review of the San Luis Obispo County LCP adopted by the Commission in July 2001 (see Exhibits 4 & 5). This analysis is incorporated by reference into these findings.





Recent events have reaffirmed the tenuous situation of Cambria's water supply. On October 25, 2001 the CCSD Board of Directors considered whether to pursue the declaration of a water shortage emergency. At that meeting, the Board of Directors determined that sufficient evidence existed to consider the declaration of a water shortage emergency based on an inability to accommodate the anticipated growth of the community in the near future. At this same meeting the Board voted to approve thirty-eight (38) intent-to-serve letters (one of which is the subject of appeal).

On November 15, 2001 the CCSD Board of Directors declared a water emergency. Part of this action included not allowing any additional intent-to-serve letters to be issued (i.e. anything beyond those that were issued during the October 25, 2001 meeting). The following list includes additional actions adopted by the CCSD to accompany the declaration of a water emergency:

- Reactivate the retro-fit program as contained in the CCSD Ordinances 1-98, 2-98, and 2-99;
- Investigate additional opportunities to implement water saving measures through the retro-fit program;
- Enforce Ordinance 4-2000 (water waste provision);
- Identify any additional opportunities to improve Ordinance 4-2000;
- Request that the County of San Luis Obispo adopt restrictions on the installation of landscaping within the Cambria CSD to minimize the impact or irrigation on water supplies;
- Develop a plan to ensure the enforcement of all restrictions and regulations regarding water usage in Cambria;
- Pursue the development of water master plan;
- Evaluate the current rate structure and develop changes and improvements.

Through the declaration of a moratorium on new water connections, the CCSD has taken a critical step in curbing short-term development potential in Cambria. Since October 25, 2001 no new intent-to-serve letters have been issued by the CCSD. This action, in turn, has generally limited County approval of coastal development permits in Cambria to those projects that obtained a commitment of water services prior to November 15, 2002.

As of August 21, 2002, the CCSD has indicated that there were a number of "intent-to-serve" letters currently outstanding from the CCSD that have yet to complete the County permit process. These outstanding commitments include both residential and commercial development totaling 102 "Equivalent Dwelling Units" (EDU's), or, according to CCSD calculation, approximately 9,000 gallons of water per day. The total average current daily water production by the CCSD equals 720,000 gallons of water. Accordingly, based on CCSD's figures, the water use attributable to these outstanding intent-to-serve letters represent an approximate 1.25% increase in total water supplies needed to serve these outstanding commitments.

In addition to outstanding intent-to-serve letters, there are an additional 45.7 inactive "grandfathered" EDU allocations, 13 single-family active meters in place, but not activated, and 27 connection permits that are being issued for recently processed building permits. Thus, the potential increase in water use



associated with the full range of "pipeline projects" appears to be significantly greater than the 9,000 gallons per day estimated above.

In terms of this coastal development permit analysis, the cumulative increase in water use associated with pipeline projects, and the significant outstanding concerns regarding the adequacy of water supplies raise issues regarding compliance with LCP Public Works Policy 1, which requires that:

*prior to permitting all new development, a finding shall be made that there are sufficient services to serve the proposed development given the already outstanding commitment to existing lots within the urban service line for which services will be needed . . . .*

Contrary to this Policy, and as described above, it is unclear that there is adequate water available to serve both the proposed development and other outstanding commitments, and at the same time comply with LCP standards protecting ESHA. Accordingly, new development that will place additional demands on Cambria's limited water supplies cannot be approved consistent with the requirements of LCP Public Works Policy 1.

Nonetheless, there is an interim approach for those projects deemed "in the pipeline" that would allow these projects to move forward in the development process without creating additional water withdrawals. The approach involves the existing retrofit program of the CCSD, described below. Through the retrofit program, the replacement of old plumbing fixtures with lower use modern ones would allow Cambria's finite water supply to be stretched. By doing so, existing water supplies are used more efficiently, resulting in water savings that can be used for the new "pipeline projects." To implement this approach, the conditions of this permit allow the proposed development to be constructed only if its anticipated water use is completely offset through the implementation of verifiable water conserving actions, such as by replacing existing water fixtures with water conserving fixtures, and/or replacing irrigated landscapes with landscaping that requires little to no water.

Regardless of how the water savings is achieved (e.g. by actual retrofitting or retirement of existing water use), it is important to note that the success of this condition is limited by the finite number of non-retrofitted homes, businesses, and other un-retrofitted facilities remaining in the community; there must be an adequate amount of water saving opportunities available to offset the additional water use attributable to the pipeline projects. According to the CCSD there are adequate water savings opportunities currently available to achieve this objective.

It is also important to note that the CCSD already has a retrofit program in place, which allows property owners to purchase retrofit "points". The CCSD banks these funds for future use towards water conservation projects. This approach, though, does not provide adequate guarantees that retrofits will be completed in a timely fashion, or adequately compensate for the additional water use attributable to the proposed development. Therefore, the conditions of this permit specify that the water conserving actions required to offset the increase in water demand associated with the pipeline projects must be completed before the coastal development permit is issued. The terms of this condition also call for the CCSD to



participate in reviewing the adequacy of the proposed water savings actions, and in ensuring that the necessary water saving actions are effectively implemented and maintained.

In addition to Public Works Policy 1, water supply for new development in Cambria must also be considered in light of LCP priorities for Agriculture and Visitor-serving development. In this situation, however, it does not appear that these priority use policies are relevant because there is no reserve capacity currently available. Only in the event that there was available capacity (which there is not), at least 20% would need to be reserved for visitor-serving and commercial uses.

### **3. Public Services Conclusion**

By prohibiting a net increase in water use (see Special Condition 2), the project will not result in additional withdrawals and will thereby avoid adverse impacts to coastal resources. Only with this condition can the Commission approve the project consistent with the Public Works policies of the LCP, on the basis that the project will not place any new demands on public water supplies.

## **B. Environmentally Sensitive Habitat Area (ESHA)**

The following LCP Policies for Environmentally Sensitive Habitats apply:

### **1. Relevant Local Coastal Program Provisions**

#### ***Policy 1: Land Uses Within or Adjacent to Environmentally Sensitive Habitats***

*New development within or adjacent to locations of environmentally sensitive habitats (within 100 feet unless sites further removed would significantly disrupt the habitat) shall not significantly disrupt the resource. Within an existing resource, only those uses dependent on such resources shall be allowed in the area [THIS POLICY SHALL BE IMPLEMENTED PURSUANT TO SECTIONS 23.07.170-178 OF THE COASTAL ZONE LAND USE ORDINANCE (CZLUO).]*

#### ***Policy 2: Permit Requirement***

*As a condition of permit approval, the applicant is required to demonstrate that there will be no significant impact on sensitive habitats and that proposed development or activities will be consistent with the biological continuance of the habitat. This shall include an evaluation of the site prepared by a qualified professional which provides: a) the maximum feasible mitigation measures (where appropriate), and b) a program for monitoring and evaluating the effectiveness of mitigation measures where appropriate. [THIS POLICY SHALL BE IMPLEMENTED PURSUANT TO SECTIONS 23.07.170-178 OF THE CZLUO].*

#### ***Policy 5: Protection of Environmentally Sensitive Habitats***

*Coastal wetlands are recognized as environmentally sensitive habitat areas. The natural ecological functioning and productivity of wetlands and estuaries shall be protected, preserved and where feasible, restored. [THIS POLICY SHALL BE IMPLEMENTED PURSUANT TO SECTIONS 23.07.170-178 OF THE CZLUO].*



***Policy 18: Coastal Streams and Riparian Vegetation***

*Coastal streams and adjoining riparian vegetation are environmentally sensitive habitat areas and the natural hydrological system and ecological function of coastal streams shall be protected and preserved. [THIS POLICY SHALL BE IMPLEMENTED AS A STANDARD AND PURSUANT TO SECTION 23.07.174.]*

***Policy 21: County and State Review of Coastal Stream Projects***

*The State Water Resources Control Board and the county shall ensure that the beneficial use of coastal stream waters is protected, for projects over which it has jurisdiction. For projects which do not fall under the review of the State Water Resources Control Board, the county (in its review of public works and stream alteration) shall ensure that the quantity and quality surface water discharge from streams and rivers shall be maintained at levels necessary to sustain the functional capacity of streams, wetlands, estuaries and lakes. [THIS POLICY SHALL BE IMPLEMENTED AS A STANDARD AND PURSUANT TO SECTION 23.07.174 OF THE CZLUO.]*

Other applicable standards include Policies 1 and 2 for Watersheds:

***Policy 1: Preservation of Groundwater Basin***

*The long-term integrity of groundwater basins within the coastal zone shall be protected. The safe yield of the groundwater basin, including return and retained water, shall not be exceeded except as part of a conjunctive use or resource management program which assures that the biological productivity of aquatic habitats are not significantly adversely impacted. [THIS POLICY SHALL BE IMPLEMENTED AS A STANDARD.]*

***Policy 2: Water Extractions***

*Extractions, impoundments and other water resource developments shall obtain all necessary county and/or state permits. All pertinent information on these uses (including water conservation opportunities and impacts on in-stream beneficial uses) will be incorporated into the database for the Resource Management System and shall be supplemented by all available private and public water resources studies available. Groundwater levels and surface flows shall be maintained to ensure that the quality of coastal waters, wetlands and streams is sufficient to provide for the optimum populations of marine organisms, and for the protection of human health. (Public works projects are discussed separately.) [THIS POLICY SHALL BE IMPLEMENTED AS A STANDARD.]*

In addition, the following portions of CZLUO ordinances are applicable to the proposed project:

***Section 23.07.164 – SRA Permit and Processing Requirements:***

*The land use permit requirements established by Chapters 23.03 (Permit Requirements), and 23.08 (Special Uses), are modified for the SRA combining designation as follows:*

*....(e) Required Findings: Any land use permit application within a Sensitive Resource Area shall be approved only where the Review Authority can make the following required findings:*



- (1) The development will not create significant adverse effects on the natural features of the site or vicinity that were the basis for the Sensitive Resource Area designation, and will preserve and protect such features through the site design.*
- (2) Natural features and topography have been considered in the design and siting of all proposed physical improvements.*
- (3) Any proposed clearing of topsoil, trees, or other features is the minimum necessary to achieve safe and convenient access and siting of proposed structures, and will not create significant adverse effects on the identified sensitive resource.*
- (4) The soil and subsoil conditions are suitable for any proposed excavation; site preparation and drainage improvements have been designed to prevent soil erosion, and sedimentation of streams through undue surface runoff.*

***Section 23.07.170 – Environmentally Sensitive Habitats:***

*The provisions of this section apply to development proposed within or adjacent to (within 100 feet of the boundary of) an Environmentally Sensitive Habitat as defined by Chapter 23.11 of this title, and as mapped by the Land Use Element combining designation maps.*

***... (b) Required findings:*** *Approval of a land use permit for a project within or adjacent to an Environmentally Sensitive Habitat shall not occur unless the applicable review body first finds that:*

- (1) There will be no significant negative impact on the identified sensitive habitat and the proposed use will be consistent with the biological continuance of the habitat.*
- (2) The proposed use will not significantly disrupt the habitat.*

***... (d) Development standards for environmentally sensitive habitats:***

- (1) New development within or adjacent to the habitat shall not significantly disrupt the resource.*
- (2) New development within the habitat shall be limited to those uses that are dependent upon the resource.*
- (3) Where feasible, damaged habitats shall be restored as a condition of development approval.*
- (4) Development shall be consistent with the biological continuance of the habitat.*
- (5) Grading adjacent to Environmentally Sensitive Habitats shall conform to the provisions of Section 23.05.034c (Grading Standards.)*

## **2. Consistency Analysis**

Heightened water withdrawals needed to serve the project may significantly disrupt environmentally sensitive habitat areas inconsistent with the protection afforded this resource by the LCP. Inconsistent with ESHA Policies 1, 2, 5, 18 and 21, as well as Coastal Watershed Policies 1 and 2, the amount of



water needed to support existing and future development in Cambria may adversely impact sensitive instream, riparian, and wetland habitats supporting rare and important species such as Steelhead trout, Tidewater Goby, Southwestern pond turtle, and California Red Legged Frog.

### **Steelhead Streams**

The Cambria Community Services District's water is supplied from wells that extract the underflow of San Simeon and Santa Rosa Creeks. Both creeks are known to support steelhead trout. The California Department of Fish and Game lists these creeks as important steelhead habitats. However, as discussed in the Public Works Findings, and inconsistent with ESHA and Watershed Policies, the anticipated levels of water withdrawal from both urban and agricultural users may deplete surface and groundwater flows needed for healthy steelhead spawning habitat. The amount of water flow needed to support this species can be determined through instream flow studies. The need for these studies was discussed at length in both the 1998 North Coast Update and the 2001 periodic Review. To date, these studies have not been completed. Although the CCSDD annually monitors steelhead populations within the creeks, these monitoring activities have not provided the data and analyses needed to evaluate the impacts that water withdrawals may be having on the biological productivity and continuance of these sensitive habitat areas.

### **Riparian and Wetland Habitat**

The protection of riparian and wetland habitat depends on a reliable and sustainable water supply. San Simeon and Santa Rosa Creeks support rare and important species such as Tidewater Goby, Southwestern pond turtle, and California Red Legged Frog. Both of these streams form at least a seasonal lagoon/wetland area in the late spring season. As discussed previously, the heightened levels of water withdrawals needed to serve the "pipeline projects" may deplete surface and groundwater flows. Inconsistent with ESHA and Watershed Policies, new development may reduce the sustainable level and quality of water flowing in these coastal creeks and in turn may have adverse impacts to sensitive riparian and wetland habitat. Again, the amount of water flow needed to support lagoon habitats and the sensitive species that rely on these habitats needs to be determined through instream flow studies that have yet to be completed.

## **3. ESHA Conclusion**

LCP ESHA policies require that impacts to ESHA be avoided, and that development not significantly disrupt ESHA resources. New water withdrawals from San Simeon and Santa Rosa creeks may have adverse impacts to ESHA resources. As such, the Commission finds that the project, as proposed, is not consistent with the LCP's ESHA policies cited in this finding.

In order to find the project consistent with the ESHA policies, the project has been conditioned to avoid the creation of additional demands on Cambria's limited water supplies. This is necessary to avoid the significant impacts to sensitive riparian and wetland habitat that would accompany additional withdrawals from San Simeon and Santa Rosa creeks, particularly in sequential drought years. Only



with Special Condition 2 can the Commission can approve the project consistent to the ESHA policies contained in the certified San Luis Obispo County LCP.

## **C. Drainage and Erosion Control**

### **1. Relevant Local Coastal Program Provisions**

#### ***Coastal Watersheds Policy 10: Drainage Provision***

*Site design shall ensure THAT drainage does not increase erosion. This may be achieved either through on-site drainage retention, or conveyance to storm drains or suitable watercourses. [THIS POLICY SHALL BE IMPLEMENTED AS A STANDARD AND PUSUANT TO SECTION 23.05.034 OF THE CZLUO.]*

#### ***CZLUO Section 23.05.044 – Drainage Plan Preparation and Content:***

- a. Basic drainage plan contents: Except where an engineered drainage plan is required, a drainage plan is to include the following information about the site:*
  - (1) Flow lines of surface waters onto and off the site.*
  - (2) Existing and finished contours at two-foot intervals or other topographic information approved by the County Engineer.*
  - (3) Building pad, finished floor and street elevations, existing and proposed.*
  - (4) Existing and proposed drainage channels including drainage swales, ditches and berms.*
  - (5) Location and design of any proposed facilities for storage or for conveyance of runoff into indicated drainage channels, including sumps, basins, channels, culverts, ponds, storm drains, and drop inlets.*
  - (6) Estimates of existing and increased runoff resulting from the proposed improvements.*
  - (7) Proposed erosion and sedimentation control measures.*
  - (8) Proposed flood-proofing measures where determined to be necessary by the County Engineer.*

#### ***North Coast Area Plan – Single Family Residential (Lodge Hill) Standards***

#### ***8. Site Development Standards. New development shall satisfy the following standards:***

- a. Erosion Control. In addition to other applicable requirements of the Coastal Zone Land Use Ordinance, the following shall also be met:*
  - (1) All runoff from impervious surfaces such as roofs, driveways, walks, patios, decks, shall be collected and detained on-site, or passed on through an effective erosion control device or drainage system approved by the County Engineer.*



- (2) Permanent erosion control devices shall be installed prior to or concurrently with on-site grading activities.*
- (3) If grading is to occur between October 15 to April 15, a sedimentation and erosion control plan shall be submitted per Coastal Zone Land Use Ordinance Section 23.05.036.*
- (4) Grading, filling or site disturbance of existing soil and vegetation shall be limited to the minimum areas necessary.*
- (5) Stockpiles and other disturbed soil shall be protected from rain and erosion by plastic sheets or other covering.*
- (6) All areas disturbed by grading shall be revegetated with temporary or permanent erosion control devices in place.*
- (7) Impervious surfaces such as driveways and walkways shall be limited to the smallest functional size.*
- (8) Exterior decks shall be located to avoid trees. Solid exterior decks shall be limited to 10% of the permitted footprint, while decks of permeable construction (i.e., open wood slats) shall be limited to 30% of permitted footprint.*

## **2. Consistency Analysis**

The project is located in the Lodge Hill neighborhood of Cambria. West Lodge Hill is an extensive residential area located within the Monterey Pine forest terrestrial habitat. The topography of the West Lodge Hill area is varied with numerous ridges, gullies, and steep slopes. The project site has average slopes of 26 percent with some steeper areas. As proposed, grading or removal of ground cover for the residence will involve approximately 1290 square feet of soil, and total site disturbance will affect approximately 3,167 square feet of the parcel. According to the Negative Declaration prepared December 21, 2001, soil characteristics of the site are described as very poorly drained with moderate erodibility and moderate landslide potential.

The project has the high potential to have adverse impacts to the watershed through the proposed alteration of natural drainage patterns, and contributing sediments and pollutants to coastal waters. This project is located in an area (Lodge Hill) notorious for drainage and erosion control problems.

Construction activities can adversely impact coastal water quality by discharging debris and pollutants into watercourses, and by causing erosion and sedimentation through the removal of vegetation and the movement of dirt. The increase in impervious surfaces that will result from the project will also impact coastal water quality by altering natural drainage patterns and providing areas where for the accumulation of pollutants that will eventually be carried into coastal waters by storm water.





### 3. Drainage and Erosion Control Conclusion

In order to comply with Section 23.05.044 of the Coastal Zone Land Use Ordinance, a drainage and polluted runoff control plan is required by Special Condition 3 to ensure that site drainage will be effectively managed during and after construction. With this condition, the project complies with all applicable LCP drainage and water quality protection provisions. As such, and only as conditioned, the Commission approves the project and finds it consistent with the San Luis Obispo Certified LCP.

## D. Archaeological Resources

### 1. LCP Archaeological Resources Policy

*Policy 1 for Archaeology: Protection of Archaeological Resources. The county shall provide for the protection of both known and potential archaeological resources. All available measures, including purchase, tax relief, purchase of development rights, etc., shall be explored at the time of a development proposal to avoid development on important archaeological sites. Where these measures are not feasible and development will adversely affect identified archaeological or paleontological resources, adequate mitigation shall be required.*

### 2. Consistency Analysis

The subject property is entirely within the boundaries of a known archeological site – (SLO-177). According to the County's staff report, the lot is located on the outside edge, and downslope of the archeological site. The materials discovered at this site during investigations indicate that it is an Early Period site, however, other artifacts recovered include materials from Middle and Late Period occupations. In addition, previous investigations in other areas of SLO-177 discovered multiple burials, indicating that a cemetery is likely present in this area.

A Phase I archeological survey was prepared by Parker and Associates in December of 2000. The report identified that the lot contained surface indications of cultural resources; however, the area appeared to be filled or damaged during previous road construction. In April 2001, a subsurface evaluation (Phase II) was performed on the property (Parker and Associates). The evaluation identified that there is a limited distribution of cultural materials on the lot, indicating that the area was used for two primary functions: stone tool manufacture, and shellfish processing. The sparse distribution of this material suggests that this parcel is away from central activity areas associated with SLO-177.

The County investigated a number of design options that would reduce or minimize the disturbance to the archeological resources. In particular, the project architect examined foundation design options including: slab foundation, fill, caisson or pole foundations, and perimeter foundation. A perimeter type foundation was found to result in the least disturbance (in volume) to the cultural resources and is the most feasible due to the steepness of the site. Also to minimize impacts to archaeological resources, the additional square footage allowed on the site by the TDC program is accomplished through cantilevering.



Parker and Associates has recommended a mitigation plan that includes Phase III (data recovery). The amount of material to be excavated would be determined in coordination with the Archeological Conservancy and Greenspace, a local landtrust. The County conditioned its approval of the project subject to six (6) special archeological resource protection conditions.

### **3. Archaeological Resources Conclusion**

Since the property is in close proximity to a significant cultural resource site, there is the chance that archeological resources may be impacted during construction activities. The County review and analysis appears to be comprehensive and thorough. Thus, Special Condition 4 of this approval requires the Applicant to retain all special conditions imposed by the County of San Luis Obispo in the local approval D010064P (County Condition of Approvals # 6, 7, 8, 9, 10, and 11). See Exhibit 1 for a complete copy of the County's Final Local Action Notice.

Therefore, as conditioned the project is consistent with the requirements of Policy 1 for Archaeology and may be approved.

### **7. California Environmental Quality Act (CEQA)**

Section 13096 of the California Code of Regulations requires that a specific finding be made in conjunction with coastal development permit applications showing the application to be consistent with any applicable requirements of CEQA. Section 21080.5(d)(2)(A) 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 effect which the activity may have on the environment.

The Coastal Commission's review and analysis of land use proposals has been certified by the Secretary of Resources as being the functional equivalent of environmental review under CEQA. This staff report, which is incorporated into this finding in its entirety, has discussed the relevant coastal resource issues with the proposal, and has recommended appropriate mitigations to address adverse impacts to said resources. Accordingly, the project is being approved subject to conditions which implement the mitigating actions required of the applicant by the Commission (see Special Conditions). As such, the Commission finds that only as modified and conditioned by this permit will the proposed project not have any significant adverse effects on the environment within the meaning of CEQA.





SAN LUIS OBISPO COUNTY  
DEPARTMENT OF PLANNING AND BUILDING

FINAL LOCAL  
ACTION NOTICE

REFERENCE # 3-SLO-02-332  
APPEAL PERIOD 6/24 - 7/8/02

VICTOR HOLANDA, AICP  
DIRECTOR

BRYCE TINGLE, AICP  
ASSISTANT DIRECTOR

ELLEN CARROLL  
ENVIRONMENTAL COORDINATOR

FORREST WERMUTH  
CHIEF BUILDING OFFICIAL

NOTICE OF FINAL COUNTY ACTION

HEARING DATE: May 21, 2002

SUBJECT: DD10064P/Monaco

LOCATED WITHIN COASTAL ZONE: (YES) NO

RECEIVED

JUN 21 2002

CALIFORNIA  
COASTAL COMMISSION  
CENTRAL COAST AREA

The above-referenced application was approved on the above-referenced date by the following hearing body:

X San Luis Obispo Board of Supervisors

A copy of the findings and conditions is enclosed. The conditions of approval must be completed as set forth in this document.

This action is appealable to the California Coastal Commission pursuant to Coastal Act Section 30603 and the County Coastal Zone Land Use Ordinance 23.01.043. These regulations contain specific time limits to appeal, criteria, and procedures that must be followed to appeal this action. This appeal must be made directly to the California Coastal Commission Office. Contact the Commission's Santa Cruz Office at (408) 427-4863 for further information on appeal procedures. If you have questions regarding your project, please contact your planner, Martha Neder, at (805) 781-5600. If you have any questions regarding these procedures, please contact me at (805) 781-5600.

Sincerely,

CURRENT DEVELOPMENT

Exhibit 1

Page 1 of 11

A-3-SLO-02-050 Monaco

Notice of Final County Action

(Planning Department Use only)

Date NOFA original to applicant: 6/19/02

Mailed

Hand-delivered

Date NOFA copy mailed to Coastal Commission: 6/19/02

Enclosed:

☒ Staff Report  
☒ Resolution  
☒ Findings and Conditions

e:\WPDOCS\MUP\BDNOFA.WPD

11-11-01  
11-11-01

# IN THE BOARD OF SUPERVISORS

## COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

Tuesday, May 21, 2002

**PRESENT:** Supervisors Harry L. Ovitt, K.H. 'Katcho' Achadjian, and Chairperson Shirley Bianchi

**ABSENT:** Supervisors Peg Pinard, Michael P. Ryan

In the matter of **RESOLUTION NO. 2002-222:**

This is the time set for hearing to consider an appeal by Ken Renshaw of the Hearing Officer's approval of a minor use permit to construct a new single family residence with 1,677 square feet of footprint, 2,967 square feet of gross structural area and 387 square feet transfer of development credits; 2nd District.

**Ms. Martha Neder:** Planning, presents the staff report; outlines the issues raised in the appeal and staff's response to the same; (**SUPERVISOR MICHAEL P. RYAN AND PEG PINARD ARE NOW PRESENT**); staff recommendation is to deny the appeal and uphold the Hearing Officer's approval.

**Ms. Vern Kalshan:** attorney representing Mr. Ken Renshaw, presents two documents for the record and highlights both; outlines their concerns to water availability and the lack of the same; addresses the water deficit they show which equates out to a -8.63 deficit of water or 43 houses.

**Mr. Gregory Sanders:** attorney representing the Monaco's, presents three documents for the record: letter to Supervisor Bianchi from Mr. Renshaw; copy of the Cambria Community Services District (CCSD) agenda from November 15, 2001, Agenda No VIII.A.1, which shows there is an adequate water supply in Cambria; and, the Intent to Provide Water and Sewer and, the language in this letter indicates that the Board of Directors reserves the right to revoke this "Intent to Serve" letter at any time; beyond the evidence he has presented, believes there is also the issue of equity as the Applicant has "played by all the rules."

**Chairperson Bianchi:** questions the second document presented by Mr. Sanders as it relates to basin levels and believes, to date, the basin is the lowest it has ever been.

**Mr. Kalshan:** gives his closing comments.

**Supervisor Pinard:** questions the County's role with respect to the CCSD, as this is an independent district; feels the issue of water should be addressed to the CCSD, with Mr. James Lindholm, County Counsel, responding.

**Chairperson Bianchi:** questions changes in the laws relating to land use and not issuing "paper water", with Mr. James Orton, Deputy County Counsel, responding.

**Chairperson Bianchi:** addresses the current low levels of water in the creek and expresses her concern to approving this and the possibility of the Applicant starting to build and then the CCSD taking away their water.

Matter is fully discussed and thereafter, on motion of Supervisor Ovitt, seconded by Supervisor Ryan and on the following roll call vote:

**AYES:** Supervisors Ovitt, Ryan, Pinard, Achadjian

**NOES:** Supervisor Chairperson Bianchi

**ABSENT:** None

the Board denies the appeal and **RESOLUTION NO. 2002-222**, resolution affirming the decision of the

Hearing Officer and conditionally approving the application of Steve and Sue Monaco for Minor Use Permit D010064P, adopted. Further, the Board adopts the Mitigated Negative Declaration in accordance with the applicable provisions of the California Environmental Quality Act, Public Resources Code Section 21000 et seq.

cc: Planning (2)  
5/24/02 vms

STATE OF CALIFORNIA )  
 )  
County of San Luis Obispo )

ss.

I, JULIE L. RODEWALD, County Clerk and Ex-Officio Clerk of the Board of Supervisors, in and for the County of San Luis Obispo, State of California, do hereby certify the foregoing to be a full, true and correct copy of an order made by the Board of Supervisors, as the same appears spread upon their minute book.

WITNESS my hand and the seal of the said Board of Supervisors, affixed this 24<sup>th</sup> day of May, 2002.

JULIE L. RODEWALD

(SEAL)

County Clerk and Ex-Officio Clerk of the Board of Supervisors

By Julie M. Rodewald

Exhibit 1

**IN THE BOARD OF SUPERVISORS**  
**COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA**

\_\_\_\_\_ Tues day May 21 \_\_\_\_\_, 2002

**PRESENT:** Supervisors Harry L. Ovitt, Peg Pinard, K.H. "Katcho" Achadjian,  
Michael P. Ryan and Chairperson Shirley Bianchi

**ABSENT:** None

**RESOLUTION NO. 2002-222**

**RESOLUTION AFFIRMING THE DECISION OF HEARING OFFICER AND  
CONDITIONALLY APPROVING THE APPLICATION OF STEVE AND SUE  
MONACO FOR MINOR USE PERMIT D010064P**

The following resolution is now offered and read:

**WHEREAS**, on February 15, 2002, the Zoning Administrator of the County of San Luis Obispo (hereinafter referred to as the "Hearing Officer") duly considered and conditionally approved the application of Steve and Sue Monaco for Minor Use Permit/Coastal Development Permit D010064P; and

**WHEREAS**, Ken Renshaw, has appealed the Hearing Officer's decision to the Board of Supervisors of the County of San Luis Obispo (hereinafter referred to as the "Board of Supervisors") pursuant to the applicable provisions of Title 23 of the San Luis Obispo County Code; and

**WHEREAS**, a public hearing was duly noticed and conducted by the Board of Supervisors on May 21, 2002, and determination and decision was made on May 21, 2002; and

**WHEREAS**, at said hearing, the Board of Supervisors heard and received all oral and written protests, objections, and evidence, which were made, presented, or filed, and all persons present were given the opportunity to hear and be heard in respect to any matter relating to said appeal; and

**WHEREAS**, the Board of Supervisors has duly considered the appeal and determined that the appeal should be denied and the decision of the Hearing Officer should be affirmed subject to the findings and conditions set forth below.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** by the Board of Supervisors of the County of San Luis Obispo, State of California, as follows:

1. That the recitals set forth herein above are true, correct and valid.
2. That the Board of Supervisors makes all of the findings of fact and determinations set forth in Exhibit A attached hereto and incorporated by reference herein as though set forth in full.
3. That the negative declaration prepared for this project **Exhibit 1**  
adequate and as having been prepared in accordance with **Page 5 of 11**  
Environmental Quality Act. **A-3-SLO-02-050 Monaco**  
**Notice of Final County Action**

4. That the Board of Supervisors has reviewed and considered the information contained in the negative declaration together with all comments received during the public review process prior to approving the project.

5. That the appeal filed by Ken Renshaw, is hereby denied and the decision of the Hearing Officer is affirmed and that the application of Steve and Sue Monaco for Minor Use Permit/Coastal Development Permit D010064P is hereby approved subject to the conditions of approval set forth in Exhibit B attached hereto and incorporated by reference herein as though set forth in full.

Upon motion of Supervisor Ovitt, seconded by Supervisor Ryan, and on the following roll call vote, to wit:

AYES: Supervisors Ovitt, Ryan, Pinard, Achadjian

NOES: Supervisor Chairperson Bianchi

ABSENT: None

ABSTAINING: None

the foregoing resolution is hereby adopted.

SHIRLEY BIANCHI

Chairperson of the Board of Supervisors

ATTEST:

JULIE L. RODEWALD  
Clerk of the Board of Supervisors

By: VICKI M. SHELBY Deputy Clerk

(SEAL)

APPROVED AS TO FORM AND LEGAL EFFECT:

JAMES B. LINDHOLM, JR.  
County Counsel

By: [Signature]  
Deputy County Counsel

Date: May 6, 2002

STATE OF CALIFORNIA ) ss COUNTY OF SAN LUIS OBISPO )
I, JULIE L. RODEWALD, County Clerk of the above entitled County, and Ex-Officio Clerk of the Board of Supervisors thereof, do hereby certify the foregoing to be a full, true and correct copy of an order entered in the minutes of said Board of Supervisors, and now remain- ing of record in my office.
Witness, my hand and seal of said Board of Super- visors this <u>MAY 28 2002</u>
<b>JULIE L. RODEWALD</b> County Clerk and Ex-Officio Clerk of the Board of Supervisors
By: <u>[Signature]</u> Deputy Clerk



**Findings: EXHIBIT A**

- A. The proposed project or use is consistent with the San Luis Obispo County General Plan because the use is an allowed use and is consistent with all of the General Plan policies.
- B. As conditioned, the proposed project or use satisfies all applicable provisions of Title 23 of the County Code.
- C. The establishment and subsequent operation or conduct of the use will not, because of the circumstances and conditions applied to this particular case, be detrimental to the health, safety or welfare of the general public or persons residing or working in the neighborhood of the use, or be detrimental or injurious to properties in the vicinity because the installation and operation of such a facility does not generate activity that presents a potential threat to the surrounding property and buildings. This project is subject to Ordinance and Building Code requirements designed to address health, safety and welfare concerns.
- D. As conditioned, the proposed project or use will not be inconsistent with the character of the immediate area or contrary to the orderly development because the proposed use will not conflict with the surrounding lands and uses.
- E. The proposed project or use will not generate a volume of traffic beyond the safe capacity of all roads providing access to the project, either existing or to be improved with the project because the project is located on Ogden Drive, a local road constructed to a level able to handle any additional traffic associated with the project.
- F. The proposed use is in conformity with the public access and recreation policies of Chapter 3 of the California Coastal Act, because the project is not adjacent to the coast and the project will not inhibit access to coastal waters and recreation areas.
- G. The project or use will not create significant adverse effects on the natural features of the site or vicinity that were the basis for the Sensitive Resource Area designation, and will preserve and protect such features through the site design, because there are no trees on site.
- H. Natural features and topography have been considered in the design and siting of all proposed physical improvements, because the proposed structure has been designed to minimize site disturbance.
- I. Any proposed clearing of topsoil, trees, or other features is the minimum necessary to achieve safe and convenient access and siting of proposed structures, and will not create significant adverse effects on the identified sensitive resource, because site disturbance has been minimized and there are no trees on site.
- J. The soil and subsoil conditions are suitable for any proposed excavation; site preparation and drainage improvements have been designed to prevent soil erosion and sedimentation of streams through undue surface runoff, because, as conditioned Exhibit 1  
drainage and erosion control standards specified by the County Page 7 of 11

- K. There will be no significant negative impact to the identified sensitive habitat because there are no trees on site.
- L. The project or use will not significantly disrupt the habitat, because it is a single-family residence with minimal site disturbance.
- M. Adequate instruments have been executed to assure that the "sender" lot(s) to be retired under the Transfer of Development Credits (TDC) program will remain in permanent open space and that no development will occur because the applicant will provide verification that the retired lot(s) have been transferred to the Land Conservancy of San Luis Obispo County.
- N. The project site, as a TDC "receiver" site, can accommodate the proposed scale and intensity of development without the need for a variance (Section 23.01.045), exception to height limitations (Section 23.04.124b) or modification to parking standards (Section 23.04.162h), because, as conditioned, the project or use meets Coastal Zone Land Use Ordinance and Land Use Element requirements.
- O. The circumstances of the TDC transfer are consistent with the purpose and intent of the applicable planning area programs and standards regarding transfer of development credits.
- P. There is no possibility of completely avoiding the archaeological resources present on the site, but the project design and development incorporates adequate measures to mitigate the impacts to the archaeological resources and to ensure protection of significant archaeological resources.
- Q. On the basis of the Initial Study and all comments received there is no substantial evidence that the project will have a significant effect on the environment.

Staff report prepared by Martha Neder  
and reviewed by Matt Janssen

**EXHIBIT B**  
**CONDITIONS OF APPROVAL -D010064P**

**AUTHORIZED USE**

1. This approval authorizes the addition to a single family residence with: 1,677 square feet of footprint, 2,967 square feet of gross structural area, and 387 square feet of TDCs.
2. All permits shall be consistent with the approved Site Plan, Floor Plans, and Elevations.

**APPROVED DEVELOPMENT**

3. The maximum height of the project is 28 feet.
  - A. Prior to any site disturbance, a licensed surveyor shall establish average natural grade (high and low corners staked) and set a reference (benchmark) point.
  - B. Prior to framing inspection, the applicant shall provide written verification to the building inspector certifying the building height, including the actual and allowable building heights. The certification shall be done by a licensed surveyor.

**GRADING, DRAINAGE, SEDIMENTATION, AND EROSION CONTROL**

4. Prior to issuance of construction permits, if grading is to occur between October 15 to April 15, a sedimentation and erosion control plan shall be submitted pursuant to Coastal Zone Land Use Ordinance Section 23.05.036.
5. Prior to issuance of construction permits, the applicant shall submit an engineered drainage plan for review and approval by the County Public Works Department

**ARCHAEOLOGY**

6. Prior to application for construction permits, the applicant shall submit "side-by-side" comparisons of disturbance and calculations of volume of cultural materials affected for the review and approval of the Planning Director. The foundation plans shall be revised if necessary to implement the foundation design that results in the least disturbance.
7. Prior to issuance of construction permits, the applicant shall submit for the review and approval of the Environmental Coordinator (and possibly subject to peer review), an Archaeological Mitigation Plan. The Plan shall include a detailed research design for a Phase III (data recovery) archaeological investigation. The Phase III program shall be prepared by a subsurface qualified archaeologist approved by Coordinator. The consulting archaeologist responsible for the provided with a copy of the previous archaeological investigation (4/2/01). The Phase III program shall include the following at

Exhibit 1

Page 9 of 11

A-3-SLO-02-050 Monaco

Notice of Final County Action

- a. standard archaeological data recovery practices;
- b. recommendation of sample size adequate to mitigate for impacts to archaeological site, including basis and justification of the recommended sample size. Sample size should typically be between 2-7% of the volume of disturbed area. If a lesser sample size is recommended, supporting information shall be presented that justifies the smaller sample size.
- c. identification of location of sample sites/test units;
- d. detailed description of sampling techniques and material recovery procedures (e.g. how sample is to be excavated, how the material will be screened, screen size, how material will be collected);
- e. disposition of collected materials;
- f. proposed analysis of results of data recovery and collected materials, including timeline of final analysis results;
- g. list of personnel involved in sampling and analysis.

In lieu of a portion of the sample, the Plan can recommend a contribution towards the Archaeological Conservancy/Greenspace program for acquisition of the major portion of SLO-177. This would provide off-site mitigation through permanent preservation of a portion of the this archaeological site. If proposed as part of the Plan, the recommended sample size may be reduced by no more than 50%.

8. Prior to issuance of construction permits, the applicant shall submit to the Environmental Coordinator, a letter from the consulting archaeologist indicating that all necessary field work as identified in the Phase III program has been completed.
9. Prior to issuance of construction permits, the applicant shall submit a monitoring plan prepared by a subsurface qualified archaeologist, for the review and approval of the Environmental Coordinator. The monitoring plan shall include:
  - A. List of personnel involved in the monitoring activities;
  - B. Description of how the monitoring shall occur;
  - C. Description of frequency of monitoring (e.g. full-time, part time, spot checking);
  - D. Description of what resources are expected to be encountered;
  - E. Description of circumstances that would result in the halting of work at the project site (e.g. What is considered "significant" archaeological resources?);
  - F. Description of procedures for halting work on the site and notification procedures;
  - G. Description of monitoring reporting procedures.

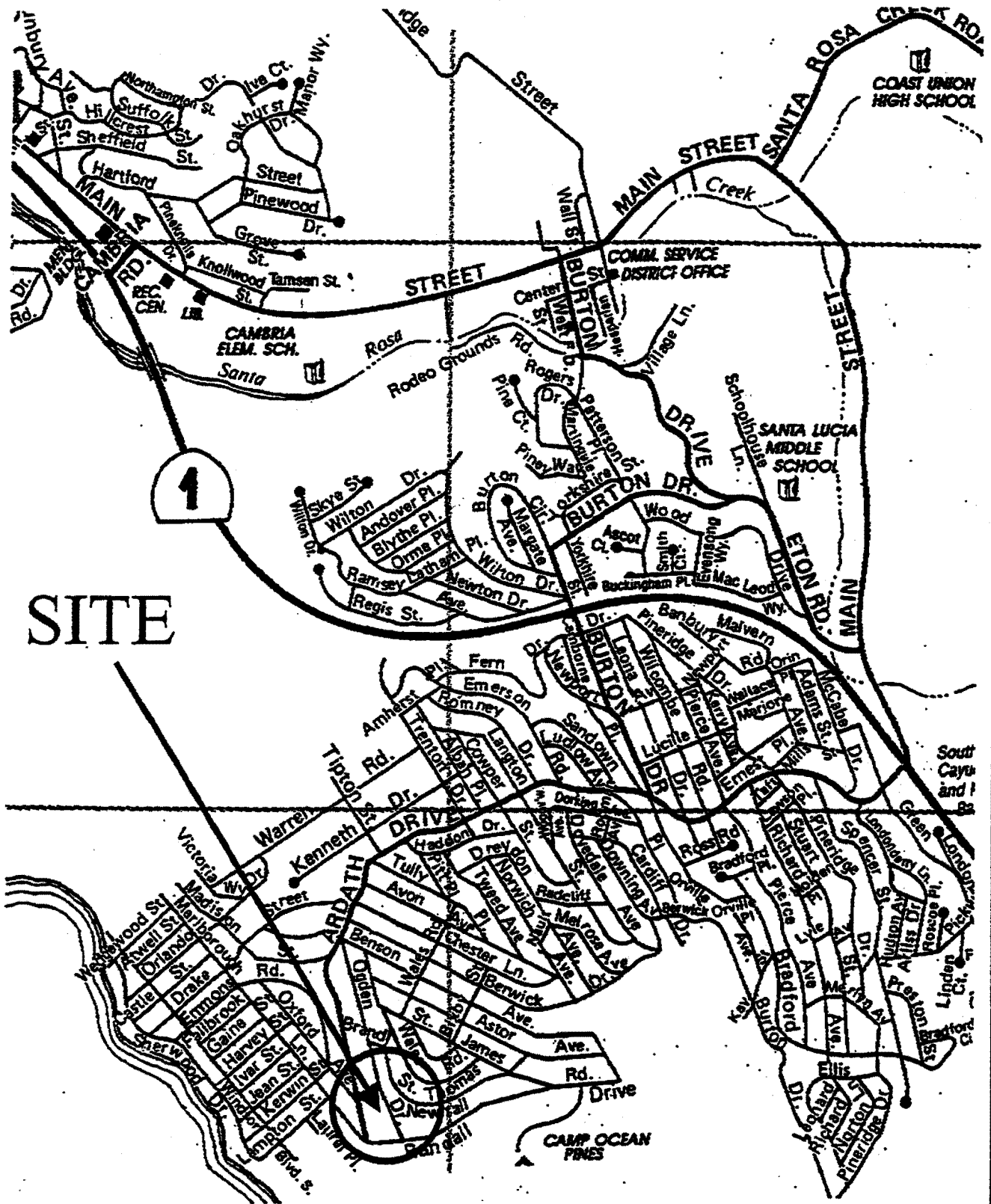
10. During all ground disturbing construction activities, the applicant shall employ a qualified archaeologist, approved by the Environmental Coordinator, to monitor all earth disturbing activities, per the approved

any significant archaeological resources or human remains are found during monitoring, work shall stop within the immediate vicinity (precise area to be determined by the archaeologist in the field) of the resource until such time as the resource can be evaluated by an archaeologist and any other appropriate individuals. The applicant shall implement the mitigations as required by the Environmental Coordinator.

11. **Upon completion of all monitoring/mitigation activities, and prior to occupancy or final inspection, whichever occurs first**, the consulting archaeologist shall submit a report to the Environmental Coordinator summarizing all monitoring/mitigation activities and confirming that all recommended mitigation measures have been met. If the analysis included in the Phase III program is not complete by the time final inspection or occupancy will occur, the applicant shall provide to the Environmental Coordinator, proof of obligation to complete the required analysis.

#### **INDEMNIFICATION**

12. The applicant shall as a condition of approval of this minor use permit defend, at his sole expense, any action brought against the County of San Luis Obispo, its present or former officers, agents, or employees, by a third party challenging either its decision to approve this minor use permit or the manner in which the County is interpreting or enforcing the conditions of this minor use permit, or any other action by a third party relating to approval or implementation of this minor use permit. The applicant shall reimburse the County for any court costs and attorney's fees which the County may be required by a court to pay as a result of such action, but such participation shall not relieve the applicant of his obligation under this condition.



PROJECT

Minor Use Permit  
Monaco (D010064P)



EXHIBIT

Vicinity

EXHIBIT NO. 2

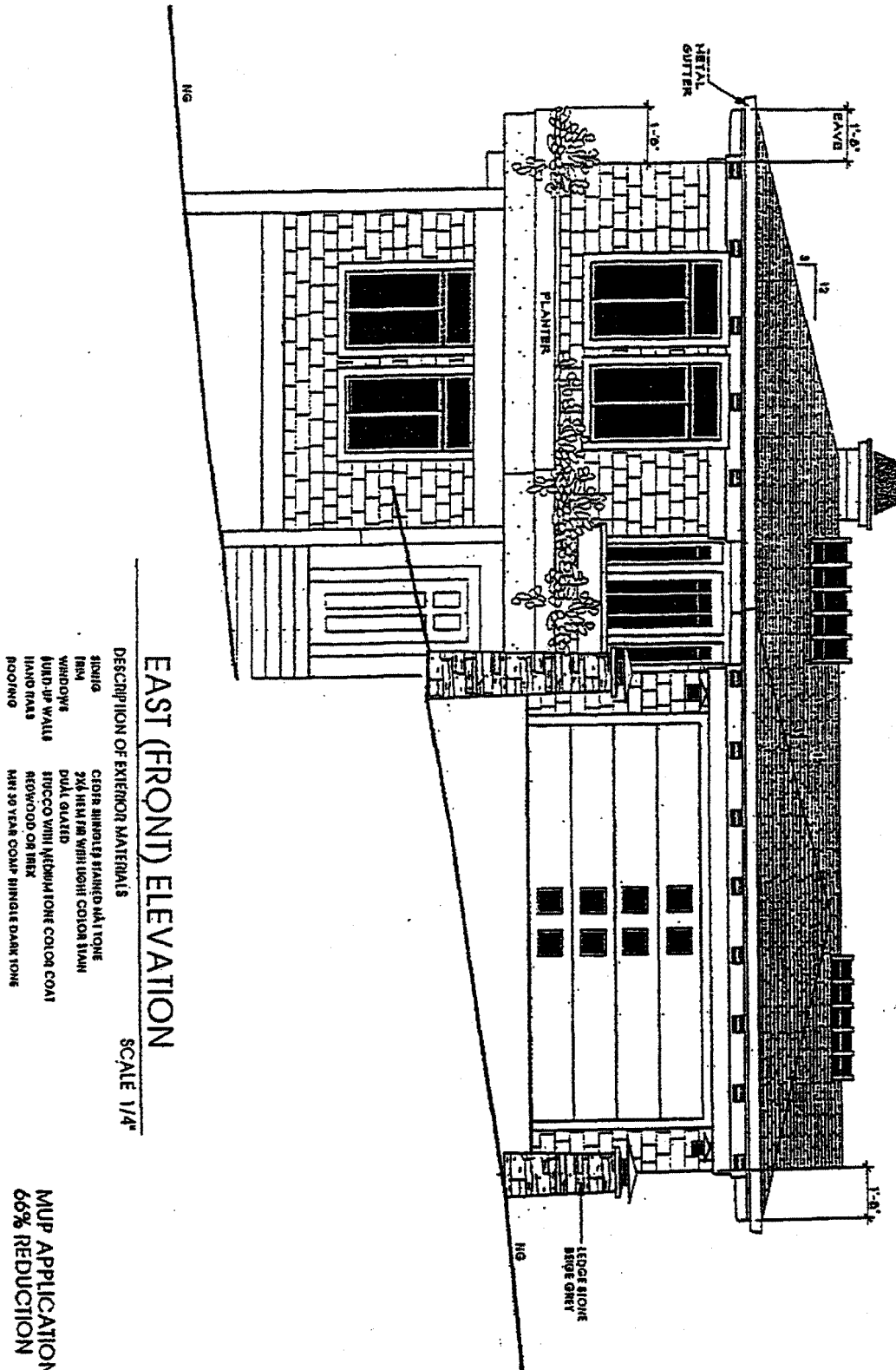
APPLICATION NO.  
A-3-20-02-050

Vicinity Map  
1 of 1

**Minor Use Permit  
Monaco (D010064P)**

**Site Pl:**

1045



EAST (FRONT) ELEVATION

DESCRIPTION OF EXTERIOR MATERIALS

SCALE 1/4"

SIDING: CEDAR SHINGLES STAINED NAT TONE  
 TRIM: 2x4 HEM FIRM WITH LIGHT COLOR STAIN  
 WINDOWS: DUAL GLAZED  
 BUILT-UP WALLS: STUCCO WITH MEDIUM TONE COLOR COAT  
 HAND RAIS: REDWOOD OR TREX  
 ROOFING: MARI 30 YEAR COMP. SINGLE DARK TONE

MUP APPLICATION  
 66% REDUCTION

PROJECT

Minor Use Permit  
 Monaco (D010064P)

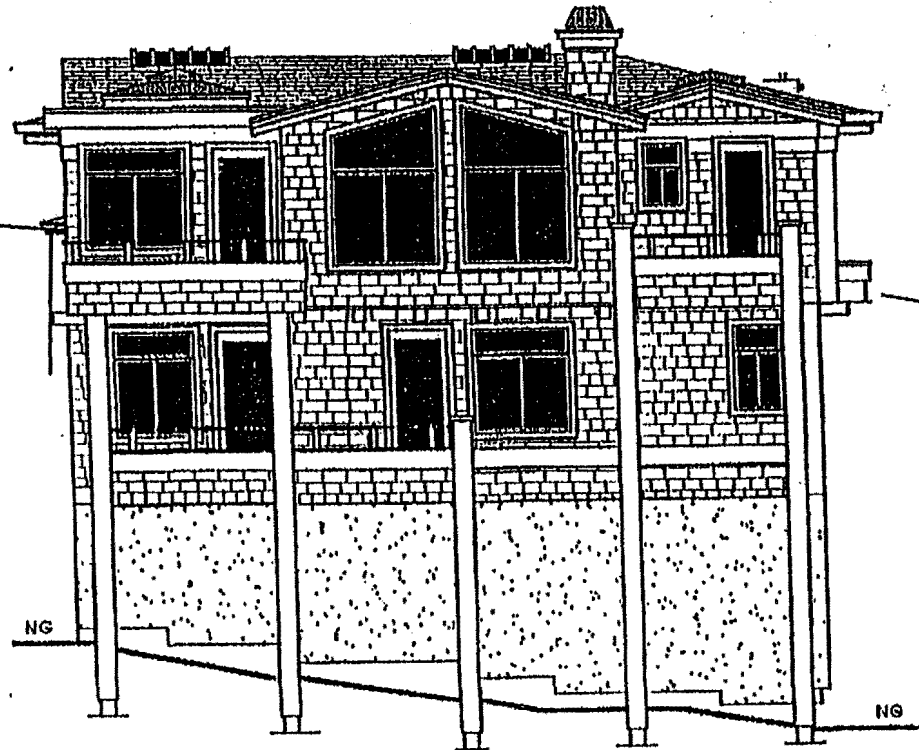


EXHIBIT

Front Ele

EXHIBIT NO. 3  
 APPLICATION NO.  
 A-3-SLO-02-050  
 Plans & Elevations  
 2 of 5





## WEST (BACK) ELEVATION

### DESCRIPTION OF EXTERIOR MATERIALS

SCALE 1/8"

SIDING	CEDER SHINGLES STAINED NAT TONE
TRIM	2X6 HEM FIR WITH LIGHT COLOR STAIN
WINDOWS	DUAL GLAZED
BUILD-UP WALLS	STUCCO WITH MEDIUM TONE COLOR COAT
HAND RAILS	REDWOOD OR TREX
ROOFING	MIN 30 YEAR COMP SHINGLE DARK TONE

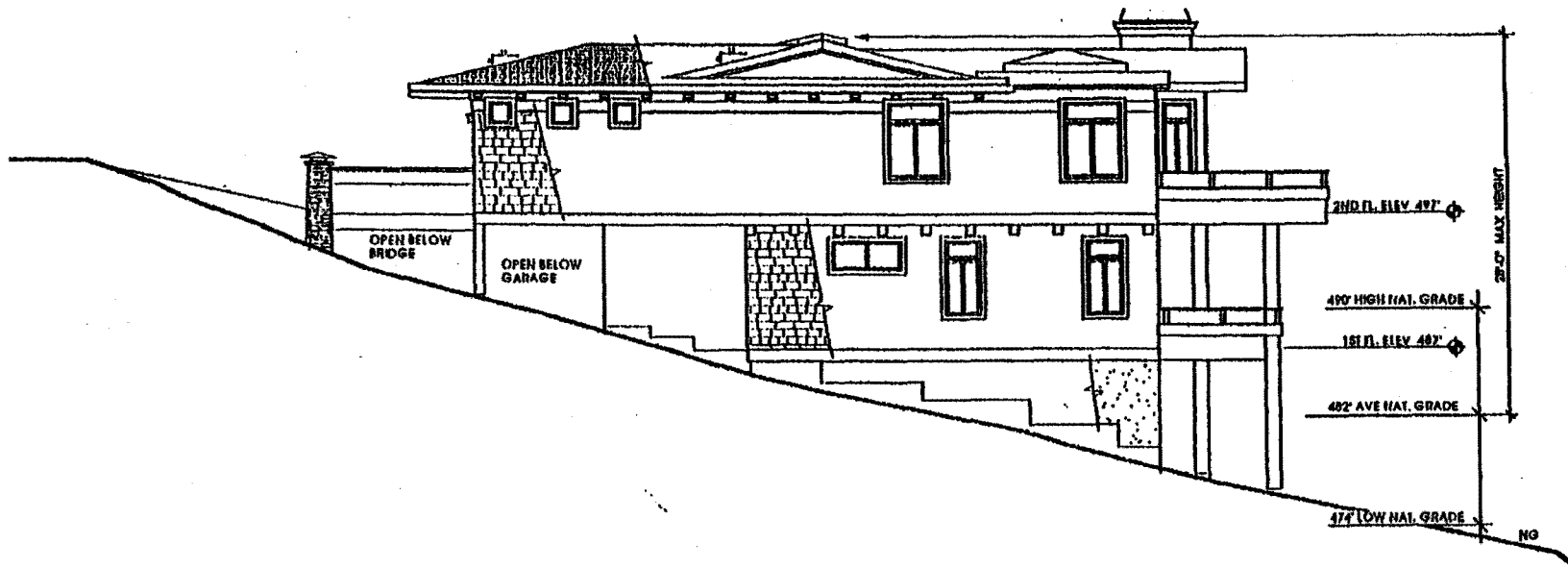
MUP APPLICATION  
44% REDUCTION

EXHIBIT NO. 3  
APPLICATION NO.  
A-3-SLO-02-050  
Plans & Elevations  
3 of 5



EXHIBIT  
Rear Ele

PROJECT  
Minor Use Permit  
Monaco (D010064P)



## NORTH (RIGHT) ELEVATION

### DESCRIPTION OF EXTERIOR MATERIALS

SCALE 1/8"

SHING	CEDAR SHINGLES STAINED NAT TONE
TRIM	2X6 HEM FIR WHITE LIGHT COLOR STAIN
WINDOWS	DUAL GLAZED
BUILD-UP WALLS	STUCCO WITH MEDIUM TONE COLOR COAT
HAND RAILS	REDWOOD OR TREX
ROOFING	MIN 30 YEAR COMP SHINGLE DARK TONE

MUP APPLICATION  
66% REDUCTION

EXHIBIT NO. 3  
APPLICATION NO.  
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EXHIBIT  
Right Elevation



PROJECT  
Minor Use Permit  
Monaco (D010064P)



HEIGHT ANALYSIS

HIGH NAT GRADE  
LOW NAT GRADE  
AVE. NAT GRADE  
MAX HEIGHT ABOVE AVE  
MAX ALLOWED ELEV.  
ROOF PEAK ELEV.  
SECOND FLOOR ELEV.  
FIRST FLOOR ELEV.

490 FT  
474 FT  
402 FT  
28 FT  
510 FT  
610 FT  
497 FT  
487 FT

SOUTH ELEVATION

DESCRIPTION OF EXTERIOR MATERIALS

SIDING	CEDAR SHINGLES STAINED NAT TONE
TRIM	2X6 HEM FIR WITH LIGHT COLOR STAIN
WINDOWS	DUAL GLAZED
BIRD-UP WALLS	STUCCO WITH MEDIUM TONE COLOR COAT
HAND RAILS	REDWOOD OR TREX
ROOFING	MIN 30 YEAR COMP SHINGLE DARK TONE

SCALE 1/8"

MUP APPLICATION

EXHIBIT

Left Elevation



PROJECT

Minor Use Permit  
Monaco (D010064P)

EXHIBIT NO. 3

APPLICATION NO.  
A-3-SIO-02-050

Plans & Elevations  
Set 5

## **2. New Development in Cambria**

With a population of 5623, the town of Cambria is the only significant urban area in the North Coast. Approximately 75% of the existing development is residential; the remaining 25% consists of a variety of commercial, visitor-serving and urban uses. The urban service line which defines the town is drawn fairly tightly. And because Cambria is only 25% built-out, this line appears to offer plenty of opportunity to expand development within it for many years. Unfortunately it is very unlikely that the amount of growth permitted within the urban service line can be accommodated. Currently, there are 3,408 dwelling units in Cambria and a population of 5,800. The plan allows build out of another  $\pm 8,290$  dwelling units with a population increase from 19,000 to 26,000.<sup>1</sup> As detailed in later sections of this finding, water and road constraints exist now and it is uncertain that they can be overcome to the point of being able to ever support the anticipated build-out of the plan.

The seeds of Cambria's current planning dilemma were planted in the 1920's when huge tracts of land were subdivided into very small ( $\pm 1700$  sq. ft.) lots. Please see Exhibit 2. Oblivious to slope, the need for services and effects on the natural environment, this grid of precise, tiny rectangles was created and lots sold to individual owners many years ago. Thousands of these lots remain vacant and available for future development. Final build-out of Cambria would be even higher than that anticipated in the plan were it not for the fact that at least 10% of these lots are not suitable for development. In addition there is a clear trend for homeowners to acquire two or three lots for each house.

Finally, there are few areas remaining in Cambria for significant new subdivisions. The East-West Ranch, which is located between Park Hill and Lodge Hill, is the most important site. It currently contains 18 parcels. The update envisions a maximum of 265 lots on the west portion of the Ranch.

### **Conformance with Coastal Act Policies**

As discussed at the beginning of this Development finding, Coastal Act Section 30250 limits development to already developed areas that have the capacity to accommodate such growth. Although Cambria is an existing developed area, it is also severely constrained by the lack of services for the potential buildout of its many small lots. As such, new development is problematic under the Coastal Act.

The County has certainly made efforts to encourage the merger of small lots into single building sites and to voluntarily retire lots, but further reductions are still needed. One promising method to reduce the number of lots has recently been proposed by the County and is described in detail in Exhibit 3.<sup>ii</sup> This analysis proposes to reduce the number of lots by establishing an assessment district to provide the funding to acquire them. Four levels of lot retirement are studied,

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including a 17%, 29%, 37% and 56% reduction in lots. Any reduction would, of course, narrow the disparity between development and services. However, selection of Level III or IV would be the best matches given the severity of constraints discussed later in these findings.

This proposal has been favorably received both in the community ( see Exhibit 4) and by the Board of Supervisors.<sup>iii</sup> The Cambria Community Services District Board also supports the plan and has stated they would be prepared to implement it if approved by the Cambria voters. Notwithstanding this support, the current updated NCAP provides inadequate policies and planning standards for addressing the buildout problem of Cambria. As discussed in more detail in the Water Supply findings, for example, there is no policy to avoid the creation of new lots, let alone the retirement of substandard small lots. Without such a planning requirement, new development in Cambria is not consistent with section 30250, which requires that adequate urban services be available for new coastal development. Therefore, the County's lot reduction program should be added as an area standard for Cambria because it provides a method, if approved by the voters, to bring build-out of the town much more in line with available (and potentially available) services as required by Section 30250 of the Coastal Act. (see Suggested Modification 107).

As a corollary to lot reduction, it is also important to ensure that there is no net increase in development through new subdivisions. There are few areas remaining in Cambria for significant new subdivisions. However as mentioned earlier there is some potential for a maximum of 265 lots on the west portion of the East/West Ranch. The West Ranch currently contains 18 parcels, thus the plan allows a maximum of 247 new lots. To reduce the impact of creating these new lots, the North Coast Plan provides for a mandatory lot retirement plan on a 1:1 basis for all lots created on the Ranch after 35 if the land is annexed to the Cambria Community Service District. The plan provisions raise numerous questions. For example, it is unclear why 18 additional lots should be permitted without a retirement requirement, or why only the East/West Ranch, as opposed to other areas of Cambria, must retire lots in exchange for creating new ones. It is also unclear as to what kind of lot must be retired to mitigate the creation of a new one. Simply retiring lots that are already unbuildable does little to effectively avoid new development.

To be consistent with Section 30250, planning standards are needed that require all new residential subdivisions to retire an equivalent number of lots based on the impact of the new lots being proposed. This would be more consistent with the goal of avoiding a net increase in building potential. (see Suggested Modification 109). However, one-to-one retirement for new lots is insufficient in and of itself to meet the demands for new development in Cambria. Indeed, in a context like Cambria, it is important to ensure that the lot or lots retired truly mitigate the impacts on public services attributable to the newly created lot. If, for example, a new lot was 7500 square feet, a fairly typical modern lot size, the

anticipated development, consistent with current trends toward larger homes in Cambria, would be a residence of over 3000 square feet. A review of permits over the last 8 years show that houses are generally ranging between 3000-4000 sq. ft. on lots of this size. A home of this size is more likely to be occupied year round and by a larger household than a home constructed on one of the existing substandard parcels which is typically 1750 square feet in size. Homes on these small sites are limited to 1000 square feet or less in size (pg. 7-103). Virtually no space on these small sites will remain for landscaping after the house and driveway are constructed. In contrast, significant garden areas would remain on the hypothetical 7500 sq. ft. lot even after construction of a +3500 sq. ft. house and double driveway. Considering the anticipated larger house, greater number of occupants and landscaping, more water, sewage service and greater traffic generation can be expected from the development of the larger lot than a project on the smaller one. A simple trade of one small lot for one, new large lot would, therefore only partially mitigate the impacts of new lot. Likewise the retirement of a small lot with low development potential because it is located on a steep hillside with no road access does not mitigate the creation of a new lot on a flat or reasonable slope served by road and utilities. The new lot will, in all likelihood develop. The old lot will, in all likelihood never develop because construction costs would be prohibitive. (In fact, the North Coast Plan and the 1997 Hausrath Economic Analysis assume that 10% of the small lots will not develop because of their location).

A program that required the retirement of an area equivalent to the area of the new lot would be simple to administer and result in more effective mitigation for new, standard size (up to 7500 sq. ft.) residential lots. The impacts of new residential lots over 7500 square feet in size would not ordinarily be significantly greater than those of a 7500 sq. ft. lot and thus would not be required to retire lots for any area over 7500 sq. ft. unless the County finds that, for a particular subdivision, additional mitigation through lot retirement is needed. Finally, a limitation on the number of small lots on steep slopes that could be used in any retirement transactions will ensure that most of the lots retired are truly developable thus providing adequate mitigation for the new lot. (Please see Suggested Modification 109.)

### **3. Water Supply**

A reliable water supply is the single most critical constraint on new development in the North Coast. Separated from population centers by distance and rugged topography, the North Coast must rely on local streams for water. Unfortunately, the streams are small, their water storage basins are limited, and the effects of significant withdrawals on habitat values and the integrity of the aquifers are poorly documented. In addition, there is tight competition for scarce water supplies between agricultural and municipal users and the maintenance of riparian/wetland species. With Cambria only 25% built-out, San Simeon Acres

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only 54% built-out, and with intensive visitor-serving at Hearst Ranch as yet unbuilt, this competition can be expected to intensify.

This situation is exacerbated by the characteristics of the aquifers that supply water for urban and agricultural uses in the North Coast planning area. With the exception of Phelan and Chisholm Springs on the Hearst Ranch, water is supplied by wells that pump the underflow of the local creeks. Wells are presently located on Pico, San Simeon and Santa Rosa Creeks. Wells are planned on Arroyo de la Cruz to serve the proposed Hearst Resorts. The water is extracted from gravel and sand areas which underly portions of the creeks -- generally the lower reaches of these water courses. The water bearing gravel and sand areas range in depth from a few feet to as much as 80' and do not extend any great distance beyond the creek channels.

During the wet portion of the year, when the creeks are visibly flowing, these acquifers fill up with water. The maximum amount of water that can be absorbed into the acquifer is expressed as "usable storage." The filling up of a depleted or partially depleted aquifer is called "recharge". Typically, aquifers like these are recharged fairly quickly by the winter rains because they are not very large. If, however, winter rains are below average, the acquifer may not recharge fully. Also, if storm flows down the creek are too rapid, the surface water may discharge into the sea before the acquifer is fully recharged. In any event, once surface flows terminate for the year, there is no further recharge of the aquifer.

Recharge of the north coast streams, of course, is influenced by the amount and timing of rainfall. Rainfall and the annual flow of the creeks vary greatly over time. For example, in 1983, the annual flow at the upper gauge on Santa Rosa Creek was 21,300 AF, in 1985 it was 3,593 AF.<sup>iv</sup> According to a preliminary study done by USGS,<sup>v</sup> in 1994 annual stream flows at this upstream gauge ranged from 244 AF to 27,800 AF for the thirty year period between 1959 and 1989. On San Simeon Creek, annual discharge between 1971 and 1989 ranged from 475 AF to 42,600 AF (page 100). The authors of the USGS report state that the relationship between flows and rainfall is linear. Rainfall in the planning area varies greatly from year to year, ranging from 10" per year to 40" for the period between July 1974 to the present.

Because the North Coast aquifers are small and annual flows vary widely, reliance on "average" flows to determine water availability for a given year or years is not appropriate. For example, there were two straight years of drought in 1975 and 1976 when the aquifers did not fully recharge and water was simply not available. Efforts to pump the depleted aquifer on the Santa Rosa Creek resulted in subsidence and seawater intrusion as well as a de-watering of the lagoon. To avoid such overpumping, it is more prudent to base anticipated extractions from both acquifers on low flow data to ensure a reliable water supply.

Finally, all water in storage in an aquifer is not available for use. Storage is a

term which quantifies the total amount of water that can be physically absorbed into the geologic structure of an aquifer. The amount that can be removed without causing damage is termed the "safe yield". This amount will always be less than total storage. Some water must remain in the aquifer to support riparian and wetland habitat, to provide a barrier against salt-water intrusion and to avoid irreparable damage to the aquifer due to subsidence. Subsidence occurs when the aquifer is significantly overdrafted. When an aquifer subsides, the geologic structure (gravels, sands, fines) is compressed, thus reducing the ability of the aquifer to store water. This process is irreversible. (Please see Exhibit 5 for a brief over-view of groundwater hydrology).

In summary, the North Coast Creeks accommodate vastly different flow levels, and have small aquifers which recharge quickly but can also be depleted quickly. Safe yield figures presently available are estimates based on an average rain year, and they have not fully considered impacts of such withdrawals on riparian and wetland habitats -- particularly during dry periods and drought years.

### **Cambria**

Water for the unincorporated town is supplied by the Cambria Community Services District (CCSD). The District boundaries include most of the land within the urban boundary defined in the LUP. CCSD does not take in a major portion of the 450 acre East-West Ranch which although adjacent to the urban area is outside the urban boundary of Cambria. The District also serves (approximately 300 to 500) acres outside the urban boundary. Cambria Community Services District's water is supplied from five wells which tap the underflow of San Simeon and Santa Rosa Creeks.

### **Santa Rosa Creek**

Santa Rosa Creek winds through the town of Cambria, extending +13 miles from its headwaters in the Santa Lucia Mountains to the Pacific Ocean. The estimated safe yield of this creek is given in the North Coast update as 2260 acre feet (AF) per year based on a 1994 preliminary study by the United States Geologic Survey.<sup>vi</sup> A review of this document does not, however, provide a definitive safe yield figure and although it includes information regarding existing water demand for agricultural and municipal uses, it does not factor in the water needs for the preservation of riparian and wetland habitats.

CCSD has a permit from the State Water Resources Control Board to extract a maximum of 518 AF per year from Santa Rosa Creek. Of this total, only 260 AF a year can be extracted between May 1 and October 31. This summer limit has never been reached for two reasons, in times of plentiful streamflow, the District prefers to use water from San Simeon Creek because it is of much better quality and requires less treatment. In dry years, Santa Rosa Creek is incapable of supplying this amount of water. As an example, in the drought of 1976-77, less



water than allocated by the State Water Resources Control Board could be withdrawn before the wells went dry. Overpumping during that period also caused significant subsidence, potentially damaging the ability of the aquifer to recharge. The water production table attached as Exhibit 6 demonstrates the preference for water from San Simeon Creek.

Thus, in summary, while the Santa Rosa Creek safe yield of 2260 AF given on pg. 3-12 of the plan implies an adequate water supply to serve Cambria's needs, a closer look reveals that the basis for that number is not well grounded, does not consider impacts on habitat values, does not factor in the ability of the aquifer to actually produce water during a drought nor the potentially damaging effects of attempting to do so on the aquifer structure. Since development uses water on a year round basis and, in fact, water use in Cambria is up by 40% during the summer months, it is imperative that the water supply is sufficient to meet urban needs during these months and during periods of drought. Likewise, the protection of riparian and wetland habitat depends on a reliable and sustainable water supply (Please see ESHA Finding).

### ***San Simeon Creek***

San Simeon Creek, located two miles north of Cambria, is the preferred source of municipal water. This creek too has its headwaters in the Santa Lucia Range and flows westward for over nine miles to the Pacific Ocean. Safe yield for San Simeon Creek is estimated to be 900 acre feet in the North Coast Update. Similar to the figure for Santa Rosa Creek, this estimate relies on the 1994 USGS report and is subject to the same flaws. Riparian agricultural users in the basin consume approximately 450 AF per year. CCSD has a permit from the State Water Resources Control Board which allows the District to withdraw a maximum of 1230 AF per year. Of this total, only 370 AF may be withdrawn during the dry period which, in this case, is defined as that time between the cessation of surface run-off at the Palmer Flats Gaging Station and October 31, 1997. Typically this is a six or seven month period. The permit also requires the District to supply riparian users when municipal pumping lowers the aquifer to the point where riparian users pumps run dry (Board Order WR 88-14, October 1988).

Several uncertainties exist with respect to the reliable, long term amount of water which can be supplied by San Simeon Creek. The first issue is the soundness of the 900 AF safe yield figure. It is unclear how this figure was determined and whether it was calculated to include a reservation of water for the preservation of riparian and wetland habitat. The changing water needs of senior, riparian users must also be addressed. These users have priority over appropriators such as CCSD and are thus entitled to be served before the District. They may also divert additional water if fallow, riparian fields are brought into production. Finally, the multiple disparities between estimated safe yield, water board allocations and

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current production are also of concern. One apparent conflict is that even if one one accepts an estimated safe yield of 900 acre feet, the existing State Water Resources Control Board permit allows one of the users, CCSD, to withdraw a maximum of 1230 AF a year, 330 AF over safe yield not including existing riparian withdrawals. Another concern is that with the exception of 1991 extractions, the combined riparian and CCSD withdrawals have exceeded the estimated safe yield figure since 1980. In 1996, for example, CCSD withdrew 717 AF from San Simeon, riparian users withdrew +450 AF for a total of 1167 AF, 267 AF in excess of the estimated safe yield of 900 AF given in the plan. (Please see Exhibit 6, Water Production Records, CCSD.)

### ***Alternative Water Sources and Management Options***

Due to the constraints and uncertainties which surround expanded water withdrawals or even continuation of existing levels of extraction from the Santa Rosa and San Simeon Creek basins, it is relevant to review alternative water sources for urban uses and planning tools for water management. Practically speaking, alternatives include construction of desalinization facilities, increased storage, water conservation and efficient water delivery systems. Reservoirs and imported water are also theoretical possibilities but due to potential environmental effects and costs are, in reality, less viable.

### ***Desalinization***

CCSD currently has a valid Coastal Permit to construct a desalinization plant capable of producing 1307 AF of water a year. According to a May 1997 fiscal analysis<sup>vii</sup> of plan alternatives and infrastructure costs, approximately 36% (412 AF) of Cambria's share of the new desalinization plant production is needed to cure existing service deficiencies. The District has agreed to share up to 161 AF a year of water with the San Simeon Community Services District to support new development in San Simeon Acres. A pipeline to transport this water has also been granted a Coastal Development Permit. Thus a balance of 724 AF would be available for new development in Cambria. The approved desalinization facility will be very expensive to build and operate, and the District has not begun construction. CCSD is currently looking into plan modifications which could significantly reduce the cost of construction. It is anticipated that a decision on whether to proceed with the project will be made within the next year. Desalinization thus appears to offer an achievable alternative to the existing water source particularly if construction costs can be reduced. Costs per acre foot of water are also comparable at \$1500.00 an AF for desalinization and \$1300.00 an AF for water extracted from the creeks.

A privately owned and operated desalinization plant is proposed in the North Coast update to serve the planned subdivision on the East/West Ranch with water as an option to annexation and service by the Cambria Community Services District. County staff has indicated that the following planning standard provides for this method of water supply:

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*Technology: Employ progressive measures that utilize new technology, are resource efficient and environmentally sound (Standard K, 7-59).*

Only a portion of the East/West Ranch is located within the Urban Service Line (USL) of Cambria. Most of the property, the West Ranch, is not in the USL and has not been annexed into the Cambria Community Services District. Development of the Ranch for residential use is considered urban infill because it is surrounded on all three land sides by existing urban uses.

### **Increased Storage**

Storing water during times of plenty is another way to augment supply. As previously discussed, reliable withdrawal from the creeks is most problematic during the dry period of the year -- generally between May and October and during cyclical droughts. At the same time water use jumps by 40% during the summer months.<sup>viii</sup> In the winter, however, most years, thousands of acre feet of water course down San Simeon and Santa Rosa Creeks to empty into the sea. A substantial amount of this water could be diverted to urban use, at no harm to habitat values, if adequate storage was available. Currently, CCSD has the ability to store only one million gallons (+3 AF) for operating flexibility and fire protection, barely enough to satisfy one days use during the summer peak periods.

### **Water Conservation**

A method to stretch an existing, finite water supply is to initiate an aggressive, comprehensive water conservation program. Beginning in 1990, CCSD fielded a retrofit program to replace old plumbing fixtures with lower use modern ones. As stated in the January 1997 report to the CCSD Board:

*The purpose of the Program is to allow for additional new construction, but at the same time reduce overall water use in the District. This is done by installing low flow plumbing devices in existing homes, installing water saving agricultural irrigation systems, entering into water exchange agreements and constructing new water supply projects. By doing so existing water supplies are utilized more efficiently allowing for the surplus to be used for new construction. In adopting the Retrofit Program the Board of Directors established a savings goal of 2 to 1. This means that each applicant wishing to construct a new house is required to save enough water to cover his or her house plus one other. For example, under the existing ordinance an applicant constructing a new home on a large lot (more than 8000 square feet) must provide water savings equivalent to the retrofitting of at least 17 two bathroom homes in order to meet the current 2 to 1 requirement, or pay a corresponding in-lieu fee of 17 times \$550.00, or, \$9,350.*

*As of January 1, 1997, 1,693 residential structures have had low flow plumbing fixtures installed under the District's Retrofit Program. An*

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additional 472 houses have been retrofitted under the District's Retrofit on Resale Program and 299 houses under the provisions for New Construction and Remodeling. There are 2,410 homes that have been retrofitted and it is estimated that there are approximately 1,100 existing houses still available for retrofit in Cambria.

A more conservative retrofit to new construction formula is suggested in the report to the CCSD Board (pg. 6) as follows:

**Table 3: Modified Retrofitted Residential Water Usage Comparison\***

**Average Number of Units Used Per Household (Bi-Monthly):**

1989/90	12.5 Units ** (A unit of water is 748 gallons)
1995/96	11.01 Units

\* Excludes users who consume two or less units and 41 or more units per billing period and all homes not known to be retrofitted to District retrofit standards.

\*\* 1989/90 Base Year Average (i.e., all users)

As a result there is a 0.5 unit ( $\pm 370$  gallons) per residential household difference between a retrofitted and non-retrofitted home based on 1995/96 data. The 0.5 units can be established as the amount of water saved for each Equivalent Dwelling Unit (EDU) retrofitted. In taking the most conservative approach to determine the required 2 to 1 ratio established in the District Ordinance the following formula could be used:

(Estimated New Use divided by Units Saved) x 2 = Savings Goal of 2 to 1

(11.01 Units divided by 0.5 Units) x 2 = 44 Units

Thus, the equivalent of 44 houses (EDU's) would need to be retrofitted to save twice the amount of water a new house would require under this formula. In 1996 the average number of points required under the Program is equivalent to 13.5 houses.

Given either of these figures, 44 retrofits of existing homes to allow one new home, or 17 retrofits to allow one new home, it appears that the life of the program is limited due to the finite (1100) number of non-retrofitted homes. At the

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44:1 ratio, 25 new homes could be accommodated. At a 17:1 ratio, 64 new homes could be built. The effectiveness of the program to actually result in no net gain of water demand is also greatly limited by the option of the potential new home builder to pay an in-lieu fee of \$550.00 a point rather than negotiate the retrofitting of existing homes. Since the institution of the in-lieu option in 1994, 85% of the applicants have opted to pay the fee rather than retrofit. According to the January 1997 report to the CCSD Board, most of this money collected in 1996 was used to pay expenses associated with designing the desalinization facilities and obtaining permits for its construction. The District is currently re-assessing the in-lieu fee program and may decide not to continue it. The net effect of this program to date seems to be at least a slowing down of increased water use rather than maintenance (or reduction) of the status quo.

The District also has completed a program to repair and replace aged, leaking pipes. Prior to completion of this program in 1987, up to 30% of water produced had been lost to leakage. This remedial work is, however, a one time event in that it does not lower demand, it simply reduced waste between production and delivery. Post-1988 production figures are by comparison much more likely to relate closely to actual use.

CCSD has, as can be seen from the preceding discussion, attempted to augment and conserve the existing water supplies. The leak detection and repair program has been quite successful in saving water, the retrofit program less so -- particularly since the introduction of the in-lieu fee option in 1994. Construction of the desalinization plant is stalled but offers a potential for a meaningful addition to existing supplies. (Please see Exhibit 7, correspondence from CCSD describing existing and proposed programs.)

In the meantime, the January 1997 report to the District notes that water use in both conventionally plumbed and retrofitted homes is on the rise as is water use for commercial activities. The report notes that even so, water use (based apparently on production figures) is still lower than it was in 1988.

### **Management**

Another method to address limited water supplies is to manage new urban growth so that development does not outstrip available services. San Luis Obispo County has chosen two traditional planning methods to limit urban growth -- a Growth Management Ordinance which limits the number of new residential units in Cambria to 125 a year and a Resource Management System which monitors essential services and can theoretically halt development when defined thresholds of severity are reached. (NCAP pg. 3-7 et seq.)

The Growth Management limitations on the number of new units which can be constructed in Cambria in a given year is insufficient to address the problem of a very limited and unreliable water supply. The program simply slows down the effects of the increasing disparity between water supply and demand, but does

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not address the root problem presented by a scarce but essential service.

The Resource Management System (RMS) offers a better tool for phasing new development with adequate services because it provides an objective standard for determining when services and development are poorly matched. The RMS has three levels of Resource Severity constraints relative to water, sewer, roads, schools and air quality. Level One is an "early warning" threshold that indicates a particular service or resource will be inadequate to support a specific, planned level of development in the future. Level Two warns that an identified service or resource will be depleted before more capacity can be obtained. Level Two calls for fairly immediate action to increase capacity or slow down additional demands on the service. Level Three is the most severe situation. This level occurs when the capacity of an identified service or resource to serve development has been met or is exceeded. At this level, the LUP states that action may be needed to protect basic public health and safety.

In Cambria, water is one of the services listed as having already-passed Level Three severity by 1995 when the chart was last updated. The reason water is shown as a Level Three constraint is because there is not now an adequate, reliable water supply sufficient to serve the development that presently exists during a dry or drought year. Indeed, some local observers believe there is inadequate water to accommodate a normal rainfall year. (Please see Exhibit 8, correspondence to Commission from William Bianchi, received November 24, 1997.) In any event, the County acknowledges that the water supply is problematic existing levels of development. This level of constraint of an essential service might seem to imply that it would be prudent to stop new development until additional capacity could be obtained. The RMS program allows, but does not require, the County to reduce or eliminate new development in this situation. The County has thus far not taken this step.

### **Conformance with Coastal Act Policies**

As the preceding analysis suggests, the proposed amendment is inconsistent with Coastal Act policies because it provides for continued urban development that cannot be supported by existing water supplies. Estimates of available water to serve new development are based on incomplete information and do not analyze the impacts of water withdrawals on riparian/wetland habitats or agricultural activities as required by the Coastal Act (Sections 30240, 30241(e) and 30231). Programs, like the RMS, which could ensure that new development is allowed only when adequate services are available to support it, are not mandatory and have not been voluntarily implemented.

In order to find the proposed updated LUP consistent with the Coastal Act, the updated water section must be re-written to more accurately describe the nature of the aquifer and the need for a more thorough study to determine safe yield. To ensure that additional water withdrawals for municipal uses will not adversely impact the coastal resources of riparian/wetland habitats and agriculture, a

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planning standard must be added to Chapter 7,C, Cambria Urban Area Standards (pg. 7-47 et seq.) which provides for a moratorium on all new development which would be served with water from either of these sources unless a variety of performance standards are met over the next three years to ensure that coastal resources are adequately protected.

As specified in Suggested Modification 107, basic performance standards that should be met include the preparation of an Instream Flow Management Study to determine the water needs of riparian and wetland species living in Santa Rosa and San Simeon Creeks; and the development and implementation of a water production strategy that is capable of serving the development provided for in the plan. This standard includes re-use of wastewater, water supply other than from the creeks and reduction of build-out.

Finally, the County has a reasonably effective set of policies for water management for *existing* lots. However, the provision of water for the East-West Ranch is unsatisfactory, particularly the proposal for a private desalination plant. In previous actions, the Commission has found that the provision of essential services in urban areas should be undertaken by public (or private) utility purveyors for an entire service area rather than individualized utilities constructed to serve a single project. The following excerpt from the adopted Findings for the 1995 LCP amendment to the Santa Barbara Coastal Plan outlines the rationale for this determination:

*Private desalination facilities also raise the basic policy question of the effect of allowing the proliferation of privately owned and operated water supply facilities on the ability to comprehensively plan for the provision and essential public services.*

*Additional questions raised by private desalination facilities include the ability of a private homeowners association to operate and be accountable for complex desalination operations to mitigate impacts, adequately respond to and cleanup potential spills of hazardous chemicals, enforce operation limitations and in general maintain control and long-term operation of the facilities. These include concerns about the homeowners capability over the long term to successfully operate the facility without the need for an established water purveyor to step in and operate the system or provide alternative water supplies should the association facilities fail. The Commission has developed a discussion paper which addresses these and other coastal issues related to the development of desalination facilities.*

*Two of the fundamental questions raised by the proposal to use private desalination facilities are: the potential precedent such a facility generates for inducing unlimited growth based upon a technically unlimited supply of*

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*water; and the further fragmentation of public utility services, and related tendency toward scattering public work facilities, and their related impacts, rather than consolidating them as stipulated in Coastal Act Section 30260. Proliferation of desal facilities where consolidation is feasible, whether private or public, is inconsistent with the requirements of PRC Section 30260.*

*Consolidation and expansion of existing public desalination facilities will help to successfully operate the complex technology and reduce or mitigate potential impacts resulting from such facilities. The success of desalination facilities is also more likely when operated by established water purveyors serving large geographic bases and a larger rate-paying pool as compared to a private homeowners association with limited funds and expertise to manage such complex operations. The experience of small private water purveyors depending upon small industrial desalination facilities and water wells in the Goleta/Santa Barbara area and other areas in the coastal zone has demonstrated the difficulties of sustained operation of such facilities.*

*Since the GWD's service district boundaries include the Goleta Community Plan planning area and a desalination facility is available to provide desalinated water to the GWD by contract, private desalination facilities are not currently appropriate. Region-wide provision of desalination facilities, prevents proliferation of smaller individual desalination facilities, thereby reducing cumulative impacts on coastal resources, including marine resources, created by individual facilities. A region-wide approach supports the Commission's consolidation policy, Section 30260, which encourages coastal-dependent industrial facilities, such as portions of desalination facilities, as determined on a case by case basis. These facilities are encouraged to expand within existing sites so long as they are designed to permit reasonable long term growth consistent with the Coastal Act and certified LCP.*

*It should be noted that the Commission has allowed a private desal facility on Santa Catalina Island. That facility, however, was consolidated with an Edison electrical power facility and there is no municipal or public water system at that location. The circumstances on Santa Catalina Island were thus different in important respects from those in the Goleta Planning Area."*

As discussed earlier, in addition to the area already within the Cambria Urban Services Line (USL), there are approximately 300 acres (18 parcels) of the East/West Ranch that are not within the USL but are surrounded by urban development. (Please see Exhibit 9.) This site is a logical urban infill area and is currently designated for a maximum of 340 residential units in the Certified North Coast Plan. The plan update reduces the maximum unit count to 265. If this site



develops at an urban density as anticipated by its' owners, it will require urban services and must be included within the urban service line. The creation of isolated pockets of urban level development outside of the urban boundary is inconsistent with Coastal Act Policy 30250 which supports the location of urban uses in urban areas. The North Coast update requires that this site be brought into the urban service area if it is subdivided into more than 35 lots. (Standard 11B, page 7-60) Subsequent annexation into the Cambria Community Services District is, however, optional for any development scenario on the West Ranch (Standards 11B, C, D, pg. 7-60).

The Plan anticipates that if the CCSD does not annex the West Ranch it could obtain its water supply from a private desalinization plant. This proposal is inconsistent with Coastal Act policies and the Commission's action in similar planning situations in the past. Therefore, the NCAP should be modified to prohibit the use of single project desalinization plants (see Modification 109). An alternative method of water supply, other than CCSD, is by new wells on the lower reaches of Santa Rosa Creek which curves through the north-east corner of the West Ranch. Correspondence from representatives of the East/West Ranch state that they hold a pre-1914 appropriative right to the creek waters and would be entitled to 186 AF a year based on past ranch use. The letter goes on to say that while this appropriative right exists, they would prefer to be served by water from a desalinization plant and not exercise their appropriative right.<sup>ix</sup>

Based on the discussion and conclusions reached in the earlier analysis of the productivity of Santa Rosa Creek, additional withdrawals from this creek are problematic. The use of water from Santa Rosa Creek to serve the domestic needs of development on the East/West Ranch is simply not a realistic option at this time. Therefore, if the West Ranch is to be subdivided and developed as proposed in the North Coast Update, the plan must be modified to require inclusion within the Urban Service Line and annexation to Cambria Community Services District so that water service and wastewater treatment service can be provided to accommodate the urban development. (Please see Suggested Modification 115.)

Finally, in order to achieve consistency with Coastal Act Sections 30260 and 30250, a new, areawide standard is needed that requires that desalinization plants serve urban intensity development within or in close proximity to existing urban areas must be owned and operated by a public agency. (see Suggested Modification 109.) Planning standard 9K (pg. 7-59) for development on the East/West Ranch also should be clarified to preclude private desalinization facilities (see Suggested Modification 114) and Standard 10B, C and D (pg. 7-59) must be revised to require annexation to Cambria Community Services District prior to approval of further subdivision of the property (Please see Suggested Modification 115.) Companion changes to Standard 11 B, C and D relevant to CCSD annexation and the table on pg. 7-64 are also required (pg. 7-60). (see Suggested Modification 116).

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- i Table I, Fiscal Analysis, Haurrath Economic Group, 1997.
  - ii "Fiscal Analysis of Plan Alternatives, Infrastructure Costs and Visual Simulation", Hausrath Economics Group, April 1997.
  - iii Please see letter from the North Coast Advisory Board to Chairman Brackett, dated October 27, 1997.
  - iv See State Water Resources Control Board, Application 28158, 1989, pg. 18.
  - v Hydrogeology, Water Quality, Water Budgets and Simulated Responses to Hydrologic Changes in Santa Rosa and San Simeon Groundwater Basins, USGS 1994, Yeates and Van Konyberg
  - vi Hydrogeology, Water Quality, Water Budgets and Simulated Responses to Hydrologic Changes in Santa Rosa and San Simeon Creek Groundwater Basins, San Luis Obispo County, July 12, 1994, by Eugene Yates and Katherine M. Van Kroynenburg.
  - vii North Coast Area Update, Fiscal Analysis of Plan Alternatives, Infrastructure Costs and Visual Simulation, May 1997, prepared by Hausrath Economic Group
  - viii 1996 water production records show that during the three lowest water use months a total of 137 AF was consumed; during the three highest water use months a total of 223 AF was consumed -- a 40% increase.
  - ix Please see full text of letter from Susan Petrovich and Robert Saperstein, attorneys for East/West Ranch, to the Board of Directors of the Cambria Community Services District, dated October 9, 1997.

### **Recommendation 2.13**

The County agrees with portions of this recommendation, including the proposed 1% growth rate in Cambria until January 1, 2002; and the need to coordinate with the Commission and the Cambria CSD to complete necessary studies and to pursue more proactive management of the water supply problem in Cambria. The County, though, proposes to defer RMS action to enact a development moratorium until a resource capacity study is completed. As mentioned, the Cambria CSD has also submitted comments, and with respect to the water supply issue, has emphasized the on-going and prior efforts of the CSD to address this problem (see Exhibit D, pp. D-542). The CSD has also met with Commission staff twice since the February hearing on the *Preliminary Report*, and has provided additional information for Commission consideration. The United Lot Owners of Cambria (UNLOC) have also provided extensive comments, including submitting an independent review of existing water supply information for Cambria. Others have expressed concern about the property rights of lot owners on the CSD water waiting list.

Preliminary Recommendation 2.13 framed out a number of alternative approaches to the Cambria water supply problem to help move the discussion of potential resource management responses forward. As mentioned, Commission staff have met with the County and the CCSO, and considered the current state of information, management actions taken by the County and the CSD, and other matters related to this problem. Although progress is being made, there still remains considerable uncertainty as to when more aggressive action will be taken to curb new development approvals in light of the limited water supply for Cambria. Over three years have past since the Commission's finding in the 1998 NCAP Update that aggressive action was needed to address the inadequate water supply for urban development in Cambria. In that action, the Commission recommended that the County's LCP be modified to include a requirement that if certain performance standards to address habitat protection, development of a water management strategy, and buildout reduction in Cambria weren't met by January 1, 2001, that no further development that would draw on Santa Rosa and San Simeon Creeks be allowed. These standards have yet to be met.

It should be acknowledged, though, that since 1998 the CCSO has made progress on a number of fronts to address both short and long-term water supply issues in Cambria. First and foremost, a Baseline Water Supply Analysis has been completed that provides a report on the capacities of Santa Rosa and San Simeon Creeks (see below). The CSD is also moving forward with the development of a Water Master Plan, including a build-out reduction analysis, to identify long run strategies for providing a reliable water supply to Cambria. Last year the CSD also adopted two updated ordinances (3-2000; 4-2000) establishing an emergency water conservation program and strengthening prohibitions against water waste. The CSD has also been pursuing a revised desalination plant proposal (the Commission's previous coastal development permit approval for a plant has expired), and the Congress has authorized (but not yet appropriated) \$10 million to begin the initial studies and environmental review. In terms of denying new water connections,

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though, the CCSD has stated that it is constrained under California Water Code sections 350-59 to first declare a water shortage emergency (based on "insufficient water for human consumption, sanitation, and fire protection") before adopting restrictions on water use. Under Water Code 356, such restrictions may include denial of new service connections.<sup>1</sup>

Even a brief review of the current water situation and recent information makes it apparent that serious action must be taken immediately to assure that new development in Cambria is sustainable. As described in the *Preliminary Report*, a recent Baseline Water Supply Analysis conducted for the CCSD has concluded that the District's current water supplies are "marginal to inadequate to provide a 90 percent level of reliability" (in one of ten years there may not be enough water for current customers).<sup>2</sup> When all of the foreseeable water commitments of the CSD are considered, including pending construction permits, intent to serve letters previously issued, and the CSD's water waiting list, the report concludes that the water supply is "inadequate to provide either a 90 or 95 percent level of reliability." This is consistent with the Commission's 1998 NCAP Update findings that the North Coast Area Plan, as proposed for amendment by the County, was inconsistent with the Coastal Act because it provided for continued urban development that could not be supported by existing water supplies.<sup>3</sup> Of particular note in that action was the emphasis on the potential for another drought similar to the 1975-77 period when the Santa Rosa Creek groundwater basin was damaged through subsidence.

In terms of this Periodic Review, the new water supply study also supports a finding that the standards of the certified LCP to assure sustainable new development are not being met. Specifically, Public Works Policy 1 requires that:

*prior to permitting all new development, a finding shall be made that there are sufficient services to serve the proposed development given the already outstanding commitment to existing lots within the urban service line for which services will be needed . . . .*

At face value, the conclusion that the existing water supply for Cambria is inadequate to provide either a 90 or 95 percent level of reliability for foreseeable water commitments does not meet this LCP requirement for sufficiency. Moreover, there is considerable

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<sup>1</sup> Water Code 350 states:

The governing body of a distributor of a public water supply, whether publicly or privately owned and including a mutual water company, may declare a water shortage emergency condition to prevail within the area served by such distributor whenever it finds and determines that the ordinary demands and requirements of water consumers cannot be satisfied without depleting the water supply of the distributor to the extent that there would be insufficient water for human consumption, sanitation, and fire protection.

<sup>2</sup> *Baseline Water Supply Analysis*, Cambria Community Services District, December 8, 2000, p. ES-1.

<sup>3</sup> *North Coast Area Plan Update, Adopted Findings*, California Coastal Commission (1998) p. 51.

uncertainty, and a variety of assumptions underlying the Baseline Supply study, that cast even more doubt on the sustainability of Cambria's current water supply.

First, the Baseline Water Supply analysis was based on 3,796 existing connections in December of 1999 (3,586 residential and 210 commercial). As of April, 2001, there are now 3891 connections (3,678 residential, 213 commercial), an increase of 2.5%. In addition, according to the CSD, there are an additional 150 outstanding will-serve commitment letters, including 45 with connection permits. Assuming these all result in new water connections, the total number of water connections in Cambria will have increased by 6.5% since the Baseline Water Supply Analysis. This also does not account for the 650 remaining CSD customers on the waiting list for a water connection.

Second, and critical to the County's and Commission's responsibilities to protect sensitive coastal habitats, the Baseline Water Supply Analysis does not address the question of whether there are sufficient in-stream flows to maintain and protect sensitive species and their habitats. The study states:

*The District intends to evaluate the appropriate minimum groundwater levels to avoid adverse environmental impacts to downgradient habitats. Accordingly, it is recommended that the assumed minimum groundwater levels be reviewed when these evaluations have been completed.<sup>4</sup>*

In addition, the California Department of Fish and Game has asserted that prior dry season pumping of the Santa Rosa creek wells has had negative impacts on habitats for sensitive species, including tidewater goby, red-legged frog, and steelhead trout.<sup>5</sup> In more recent months, the U.S. Fish and Wildlife has initiated discussions with the CCSO about preparing a multi-species Habitat Conservation Plan for sensitive habitats of the North Coast, including steelhead and red-legged frog.

One of the NCAP performance standards adopted by the Commission in 1998, but not accepted by the County, was a requirement to conduct in-stream flow studies of both San Simeon and Santa Rosa creeks to assure that continued and future water withdrawals would not adversely impact sensitive riparian habitats. This modification adopted by the Commission mirrors an existing condition of the CCSO permit for water withdrawals from Santa Rosa Creek that required that instream flow study be initiated to determine necessary water levels to protect steelhead.<sup>6</sup> As mentioned above, instream flow studies have not been completed for either Santa Rosa or San Simeon creek.

The CCSO has funded a study that examined steelhead and habitat trends in San Simeon Creek. Nonetheless, this study does not directly address the relationship between the pumping of San Simeon Creek underflows and steelhead and other sensitive species

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<sup>4</sup> *Id.*, 2-5.

<sup>5</sup> *Id.*, A-6.

<sup>6</sup> CSD Water Diversion and Use Permit 20387, Condition 18.

habitats.<sup>7</sup> The study, though, does show correlations between reduced base stream flows and sedimentation on one hand, and reduced relative abundances of juvenile steelhead on the other. The study is also a limited time series (six years), making it difficult to draw firm conclusions about the impact of CSD municipal withdrawals on instream habitats. Even so, the study concludes:

*The persistence of the San Simeon Creek steelhead population has become more tenuous, with the further deterioration of non-streamflow related aspects of habitat from sedimentation . . . , combined with reduced summer baseflow and likely increased streamflow diversion from well pumping by new streamside development in the heretofore perennial reaches.*<sup>8</sup>

Again, this conclusion does not speak directly to the question of how Cambria's urban water withdrawals may be impacting in-stream habitats. It also indicates that the habitat values of the coastal creeks in San Luis Obispo are impacted by multiple uses up and downstream. Nonetheless, until more systematic habitat and in-stream flow study is completed, it is difficult to conclude that the County's approval of new development that relies on water withdrawals from San Simon and Santa Rosa creeks are consistent either with Coastal Act (sections 30250, 30240, 30231) or the certified LCP.

Third, the sustainability of the current Cambria water situation with respect to Coastal Act concerns is also drawn into question when one considers that the certified LCP requires that 20% of Cambria's water and sewer capacity be reserved for visitor-serving and commercial uses. In terms of actual water consumption, the CSD appears to be meeting this goal, due to the high level of water consumption per commercial connection compared to residential connections. Thus, of the approximate 800 acre-feet of water produced in 2000, less losses to the system, nearly 25% was delivered to non-residential (primarily visitor-serving) with 75% going to residential uses. However, in order to meet the 20% visitor-serving reservation standard in new development approvals, a finding would need to be made that the actual water available at the time of a residential permit approval is 25% higher than that normally required for a residential use. In other words, the conclusion of the Baseline Water Supply Analysis underestimates the actual water needed for urban sustainability in Cambria if one takes into account Coastal Act priority uses in the approval of new developments.

Fourth, to implement the Coastal Act priority for agriculture, the LCP also requires that water extractions, consistent with habitat protection, give highest priority to preserving available supplies for existing or expanded agricultural uses (Agriculture Policy 7). No systematic monitoring or data is available concerning agricultural production water needs or pumping in the Santa Rosa and San Simeon Creek Basins. Although State Water Resources Control Board water permits require the CSD to deliver water to upstream

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<sup>7</sup> Alley, D. W. and Associates, *Comparison of Juvenile Steelhead Production in 1994-99 for San Simeon Creek, San Luis Obispo County, California, With Habitat Analysis and an Index of Adult Returns* (August, 2000).

<sup>8</sup> *Id.*, p. 36.

riparian users if their wells become unusable, it is unclear whether Agriculture will be protected if withdrawals for urban uses continue, particularly during severe drought years. Moreover, the findings of the Baseline Water Supply study are based on an assumption that agricultural water use remains similar to historical volumes and patterns. As discussed in the Agricultural chapter of the *Preliminary Report*, water use for agricultural land uses can vary and change quickly, depending on agricultural markets, weather, etc. When current and potential urban and agricultural water needs are combined, it is by no means clear that groundwater basins are being protected. In fact, as discussed by the Commission in 1998, there is some data that shows that past combined withdrawals have exceeded the supposed safe annual yield of San Simeon Creek.<sup>9</sup>

Fifth, as discussed in the Preliminary Report, the CCSO has also been responding to an MTBE emergency contamination situation near its Santa Rosa Creek wells, which has placed severe stress on its ability to meet Cambria's water needs. The District is currently unable to pump from its Santa Rosa wells due to the proximity of the MTBE plume. Although the CSD has drilled an emergency supply well further upstream, this well is not yet ready for use, and in any event will only provide an emergency water supply. The unavailability of the Santa Rosa Creek wells puts additional stress on San Simeon Creek. The Baseline Water Supply study concludes that without Santa Rosa Creek, the CSD's current water supplies are inadequate to meet current demands.<sup>10</sup>

Sixth, although visitor-serving uses are a priority use under the Coastal Act, the potential for increases in visitor-serving water use through existing connections adds still more uncertainty to the conclusions about available supply. Current water demand in Cambria peaks in the summer months, due to both increased visitors in the commercial sector (restaurants and overnight accommodations), and increased residential landscape irrigation. It is unclear as to how future increases in visitors to Cambria may lead to actual increases in water pumpage from San Simeon and Santa Rosa Creeks, notwithstanding that no new connections may be added. This point has been made by many concerned about the State Park's effort to increase off-season visitation to Hearst Castle, which would no doubt place added demands on Cambria's infrastructure. In addition, many of Cambria's existing residences are not occupied by full-time residents but rather, serve as vacation rentals to weekend or summer visitors. There is some indication, though, that there is a trend away from vacation rentals, as more Cambria homeowners take up full-time residence. This, too, will mean an increase in actual water withdrawals without any real increase in water connections.<sup>11</sup>

Finally, it should be noted that the United Lot Owners of Cambria have submitted an independent analysis of existing water information from Navigant that concludes that water supply in Cambria "can be managed to support an approximate 10 percent increase

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<sup>9</sup> *North Coast Area Plan Update Findings*, p. 47.

<sup>10</sup> *Baseline Water Supply Analysis*, p. 3-4.

<sup>11</sup> The County's recent LCP amendment submittal states that there is no reliable survey data as to the exact number of vacation rentals in Cambria, although some data has been presented from the industry suggest at least 150 rentals producing 5000 days per year or approximately 33 days a year per unit.

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in use."<sup>12</sup> Although every detailed comment of the Navigant review cannot be analyzed here, a few observations are needed. First, even if the Navigant study is correct its 10 percent estimated buffer, there are currently 3891 connections and 800 outstanding commitments (150 will-serve letters and 650 on the waiting list). Thus, an increase of over 20% in supply would be needed to serve outstanding commitments.

Second, the overall conclusion of this independent analysis relies heavily on a recently published U.S. Geological Survey analysis of Santa Rosa and San Simeon Creek groundwater basins.<sup>13</sup> The USGS report presents a simulated water budget for the two creeks for the period April 1988 through March 1989. This budget shows that the net water flow into each basin is negative (-50 acre feet for Santa Rosa and -10 for San Simeon), meaning that more water is flowing out of the basin through withdrawals and creek seepage than is flowing back into the basin through rainfall, seepage, irrigation return-flows, etc. The USGS study is careful to point out that the water budget is simulated for a "dry year", and has a certain margin of error, and thus should not be interpreted as necessarily showing a long-term deficit or imbalance in the groundwater basins.

The Navigant review analyzes the USGS water budget analysis, but it does so by aggregating the data for the two creeks, and by substituting a 760 acre-foot municipal pumpage number for the 800 acre-foot number of actual pumpage in 1988. In aggregate, this analysis shows a total deficit of only 10 acre-feet. Factoring in error, the Navigant study asserts that "from a groundwater management standpoint, an increase in municipal pumpage of approximately ten percent is considered reasonable, and should have a minimal impact on the local hydrologic system." The USGS model, though, actually shows a deficit of 50 acre-feet for Santa Rosa Creek and 10 acre-feet for San Simeon Creek (60 acre-feet if aggregated). Moreover, the USGS model was simulated for a year when the CSD was withdrawing water from both creeks (250 afy from Santa Rosa and 550 afy from San Simeon). In more recent years, the CSD has been pumping mostly from San Simeon Creek, with recent production exceeding 700 afy from San Simeon Creek alone. Although this could be better for Santa Rosa Creek, it raises significant uncertainty for San Simeon Creek, particularly concerning the protection of in-stream habitats. In addition, the CSD again reached 800 afy of pumping in 2000. As discussed in the Preliminary Report, although significant gains in efficiency of use have been made since 1988, aggregate water use has continued to rise with the steady increase in new connections.

The Navigant review cites other findings of the USGS report to support a more optimistic view of Cambria's water supply, including analyses that show the likelihood of consecutive "extremely dry years" to be very low (e.g. one every 430 years in San Simeon Creek basin). These citations, though, are selective and indeed, do not address

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<sup>12</sup> See Correspondence from Navigant, 11/28/00, Exhibit D, p. 227-228.

<sup>13</sup> *Hydrogeology, Water Quality, Water Budgets, and Simulated Responses to Hydrologic Changes in Santa Rosa and San Simeon Creek Ground-Water Basins, San Luis Obispo County, California*, U.S.G.S., Report 98-4061 (1998).

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the various factors discussed above that create additional uncertainty about the available supply. In particular, groundwater basin damage from excessive withdrawals can occur, as they did in 1976, in dry years that do not meet the USGS study definition of an extremely dry year (2 or more consecutive years with incomplete basing recharge).<sup>14</sup> Nor do they directly address the Coastal Act policy requirements of protecting groundwater basins and sensitive habitats. Moreover, the USGS report itself draws overall conclusions that at best are neutral with respect to available supply and at worst, support the finding that there is inadequate water to support new development. These conclusions include the following:

- The most significant long-term trend in water levels has been a gradual increase in the amount of dry-season water-level decline in the San Simeon Basin. This change is the result of increases in municipal and agricultural pumping during the dry season (p. 98). [As shown in the Baseline Water Supply Analysis, since 1988 (the last data year of the USGS study), dry-season water levels in San Simeon Creek have continued to be drawn down to near sea-level. At these levels, damage to the groundwater basin and seawater intrusion become an issue, to say nothing of threats to instream habitats.]
- Municipal pumpage affects water levels throughout the San Simeon Basin (100).
- Simulations indicated that at 1988 agricultural and municipal pumping rates, water levels decline almost to the threshold at which some subsidence could occur in the Santa Rosa Basin even during dry seasons with a recurrence interval of only 5 years (101).
- Incomplete basin recharge was estimated at every 18 years for Santa Rosa and every 25 years for San Simeon. In light of the "considerable uncertainty" with these estimates, though, these recurrence levels are short enough to warrant consideration during water-supply planning (101).
- Simulated effects of a winter without streamflows showed wells in both basins going dry, subsidence in Santa Rosa, and seawater intrusion in San Simeon Creek basin (101).

Overall, the weight of the evidence, including analysis of water use trends and available information about safe-yields of the two creeks, still supports a finding that there is currently insufficient water supply to support new development served by the Cambria CSD, particularly given the uncertainty in weather patterns and critical shortages that may occur in dry years. Indeed, based on interpretation of the 127 year rainfall record for San Luis Obispo County, one local water expert has concluded that the current demand

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<sup>14</sup> *Id.*, p. 86: "Land subsidence and ground deformation occurred in Cambria in the summer of 1976 and could occur again if the minimum dry-season water is close to or less than the record low level reached that year."

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for water would have exceeded the carrying capacity of San Simeon Creek four times (see Exhibit C Attachment from Shirley Bianchi). Although the Navigant review finds that from a "groundwater management standpoint" there is a 10% buffer in available supply, this finding appears to be based not only on aggregate data (as opposed to individual groundwater basin analysis), but also on assumptions about the error inherent in the available data.<sup>15</sup> The Navigant review does not explain what is meant by a "groundwater management standpoint," although presumably it means that additional water to support new development could be squeezed out of the system through better management and conservation. Again, the Navigant study does not address sensitive habitat concerns.

But the uncertainty inherent in the water supply questions for Cambria, coupled with a focus on improving management, underscores the importance of curbing new water extractions until the many questions can be answered, and until meaningful management decisions are made. As previously mentioned, in December of 2000, the Board of Supervisors adopted a 1% growth rate for 2001, and directed that a Resource Capacity Study be completed for review by the Board in the Spring of 2001. The County has suggested that further restrictions on new water connections await the completion of this RMS study. Although the County has initiated the scoping for the study, is unclear when such a study would be completed. More important, the burden of the uncertainty in the water supply must not be placed on coastal resources. Rather, a precautionary approach should be taken until such time as better knowledge is gained about both the capacity of San Simeon and Santa Rosa Creeks, including the needs of instream habitats, and about additional water supplies (e.g. a desalination plant) that might support new development. For example, without completion of instream flow studies and the newly-launched HCP to address sensitive species, the capacity of San Simeon Creek to support new development cannot be known. Fundamentally, this approach is necessary to meet the Coastal Act requirement that new development be environmentally-sustainable. It cannot reasonably be concluded at this time that new development in Cambria is currently sustainable.

Nonetheless, in order to provide reasonable notice to property owners in Cambria contemplating beginning the development review process, or that may not yet have received basic land use approvals, it is reasonable to allow the completion of the 1% percent growth rate for the remainder of 2001 (approximately 37 connections for the year). In the meantime, new applications for development should not be accepted for filing until certain water management objectives are met. Developments approved in Cambria after January 1, 2002, that rely on new water withdrawals from the CSD system, may be subject to appeal to the Coastal Commission on the basis of inconsistency with LCP Public Works Policy 1.

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<sup>15</sup> Moreover, if the intent is to simply identify a margin of error in the analyses of available supply, it is just as likely that the error is in the other direction also – i.e. 10% less water than identified.

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In summary, Preliminary Recommendation 2.13 is amended to confirm the application of a 1% growth rate in Cambria until 1/1/02, but to also make clear that no new development that relies on a Cambria CSD water connection should be approved after that date, unless findings can be made that (1) water withdrawals are limited to assure protection of instream flows that support sensitive species and habitats; (2) there is adequate water supply reserved for the Coastal Act priority uses of agricultural production, and increased visitors and new visitor-serving development; (3) a water management implementation plan is incorporated into the LCP, including measures for water conservation (see discussion of Recommendation 2.15 below also), reuse of wastewater, alternative water supplies, etc., that will assure adequate water supply for the planned build-out of Cambria or that will guarantee no net increase in water usage through new water connections (e.g. by actual retrofitting or retirement of existing water use); (4) substantial progress has been made by the County and the CCSO on achieving implementation of buildout reduction plan for Cambria; and (5) there is adequate water supply and distribution capacity to provide emergency response for existing development.<sup>16</sup>

**Preliminary Recommendation 2.13. Address Cambria Short-term Development Constraints.** ~~The short term problem of water supply in Cambria could be addressed in a number of ways, including limiting short term growth rates. At a minimum it would seem that the current 1.0% growth should be kept in place, rather than increasing potential new development back to the 2.3% growth rate anticipated by the County's growth management ordinance. However, this would not address the Commission's 1998 findings that would have required a development moratorium by January 2001 unless certain performance standards had been met (which have not). As discussed, the CSD has conducted additional studies, and the County has recently evaluated water supply and demand in Cambria in the NCAP project description. There is a need for the County and CSD to work collaboratively to complete critical information needs. To the extent that this recent study may raise uncertainties about how much water is available, coordination discussion with Commission staff over the next several months would be useful. The habitat and in-stream flow studies that the Commission identified as being necessary in 1998 should be conducted as well. One option, therefore, would be to allow 1.0% until 1/1/02, subject to finishing the resource capacity study. Another option that would be the most precautionary in terms of protecting coastal resources, would be to enact a development moratorium through the RMS system, until such time as the water problems for future development is more definitively resolved. Continue implementation of the 1% growth rate in Cambria until 1/1/02, after which time coastal development permits for new development that would require a new water connection or that would otherwise create additional water withdrawals from Santa Rosa or San Simeon Creeks should not be approved unless the Board of Supervisors can make findings that (1) water withdrawals are limited to assure protection of instream flows that support sensitive species and habitats; (2) there is adequate water supply reserved for the Coastal Act priority uses of agricultural production, and increased visitors and new visitor-serving development; (3) a water management implementation plan is incorporated into the LCP, including measures for water conservation, reuse of wastewater, alternative water supplies, etc., that will assure adequate water supply for the planned build-out of Cambria or that will guarantee no net increase in water usage~~

<sup>16</sup> Although emergency response capacity is more a function of water distribution capacity, it is an additional uncertainty in the Cambria system. Currently the CSD has approximately 980,000 gallons of storage for fire-fighting - enough water to fight 8-9 houses burning simultaneously for two hours.

#### Exhibit 5

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through new water connections (e.g. by actual retrofitting or retirement of existing water use); (4) substantial progress has been made by the County and the CCSD on achieving implementation of buildout reduction plan for Cambria; and (5) there is adequate water supply and distribution capacity to provide emergency response for existing development.

**Exhibit 5**

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