CALIFORNIA COASTAL COMMISSION

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STAFF REPORT: COASTAL DEVELOPMENT PERMIT

Local government:Monterey County

Local Decision:Resolution 01-052, Approved with conditions (see Exhibit D), Local Permit

Number PLN000400

Applicant.....Boutique Hotel Group

Appellants:.....Commissioners Sara Wan and Patricia McCoy

Project location......Carmel River Inn, Highway 1 at Oliver Road, Mission Fields (APN 009-563-

005), Carmel Area of Monterey County (see Exhibits A, B and C).

Project descriptionConstruction of a well for landscaping irrigation purposes at the Carmel River

Inn (After the Fact).

File documents......County coastal permit file PLN000400; Monterey County Local Coastal

Program, including Carmel Area Land Use Plan and Monterey County

Coastal Implementation Plan (Title 20 of County Code).

Staff recommendation ... Denial of coastal development permit application.

Summary of Staff Recommendation:

This appeal was filed on October 10, 2001; the applicant waived the 49-day hearing requirement on October 25, 2001 to allow more time to address the concerns raised by the appeal with Commission staff. At the January 2002 Meeting in Los Angeles, the Commission determined that a substantial issue exists with respect to the grounds on which the appeal was filed, and went directly into a *de novo* hearing. The *de* novo hearing was continued to provide staff with the opportunity to obtain additional information pertaining to current and expected water usage on the site, and to draft some examples of potential conditions of approval that might be used for the project (See Appendix A). After subsequent review, Staff recommends that the Commission **deny** the application for a coastal development permit for a nonpotable well for irrigation at the Carmel River Inn.



The California-American Water Company (Cal-Am) is the water company authorized to provide water in the urban service area of Monterey County and is regulating the orderly connection of water service for new development. In addition, this project is inconsistent with LCP policies that require urban areas to be served by public sewer and water services. Authorization of private wells within this public service area, whether for potable water or supplemental non-potable water for irrigation purposes, may lead to cumulative impacts that could undermine Cal-Am's ability to provide adequate water supplies to existing service connections within the Monterey Peninsula Water Management District. This project proposal also conflicts with LCP policies for groundwater resource protection. The Carmel River is a severely overdrafted habitat area for the endangered Steelhead trout. For these reasons, staff recommends that the Commission deny the application for construction of a non-potable well for landscape irrigation purposes within the urban Carmel area.

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I. Standard of Review for Appeals

Section 30625(b) of the Coastal Act requires the Commission to conduct a *de novo* coastal development permit hearing on an appealed project unless a majority of the Commission finds that "no substantial issue" is raised by such allegations. The Commission found substantial issue on January 9, 2002. Under section 30604(b), when the Commission conducts a *de novo* hearing, the Commission must find that the proposed development is in conformity with the certified local coastal program. Section 30604(c) also requires an additional specific finding that the development is in conformity with the public access and recreation policies of Chapter Three of the Coastal Act, if the project is located between the first public road and the sea, which is the case with this project.

II. Staff Recommendation on De Novo Permit

The staff recommends that the Commission, after public hearing deny the Carmel River Inn coastal development permit.

MOTION: Staff recommends a "No" vote on the following motion:

"I move that the Commission **APPROVE** coastal development permit A-3-MCO-01-100 for the development proposed by the applicant.

A majority of the Commissioners present is required to pass the motion. A no vote will result in the adoption of the following resolution and findings:

RESOLUTION:

The Commission hereby denies a permit for the proposed development on the grounds that the development will not conform with the policies of Chapter 3 of the Coastal Act. Approval of the permit would not comply with the California Environmental Quality Act (CEQA) because there are feasible mitigation measures or alternatives that would substantially lessen the significant adverse impacts of the development on the environment.

III. Recommended Findings and Declarations

The Commission finds and declares as follows:

A. Project Location and Description

The project is located in the Carmel Area of unincorporated Monterey County, and lies south of the City of Carmel and west of Highway One at the mouth of the Carmel Valley (See Exhibits A, B, and C). The



10.85-acre parcel lies west of Highway 1 along Oliver Road, and the southwest boundary of the site is adjacent to the Carmel River. A major commercial area is located to the east of the project area between Carmel Valley Road and Rio Road and the parcel is surrounded by residential development to the north and west. The Carmel Area Land Use Plan (LUP) regulates Land use and development in this area. As described in the LUP, the property is located in an urban area, where sewer, water, transit and fire protection services already exist (See Exhibit D, Map of Cal-Am Service Area).

Land to the south of the property is designated as wetlands and coastal strand, in the Carmel River bed and the immediate vicinity, and as agricultural preservation. Because the Carmel River is the defined boundary between rural and urban areas and uses, this area south of the Carmel River is designated for rural uses in the LUP.

The property is zoned Resource Conservation, Coastal Zone RC(CZ) and Visitor-Serving Commercial, Coastal Zone VSC(CZ), and is currently occupied by a motel that is comprised of a two-story main unit and numerous individual cottages in a wooded setting (see Exhibit G, Photo 1). Grass and various landscaping areas surround the cottages (see Exhibit G, photos 2 & 3). The western end of the property is currently free of cottages, containing a large area planted with grass, and the balance in either dirt and leaf litter or weedy, herbaceous growth (see Exhibit G, photo 4).

As approved by the County, the applicant proposes, after the fact, to construct a well on the northwest portion of the property to provide non-potable water for irrigation of 2.25 acres of landscaping, which is currently irrigated with public utility water provided by California-American Water Company (Cal-Am) (See Exhibit D). However, as discussed at the January 9, 2002 public hearing, the well was installed in September of 2001 without a coastal development permit. As summarized by the applicant, the reasons for drilling the well include reducing reliance on water sources provided by Cal-Am to the Carmel River Inn, and wanting to cut down on their water bills.

The proposed site for the well is approximately 230 feet north of the River and 1200 feet west of Highway 1, and will not be visible to the public (See Exhibit F). The well will be approximately 150 feet deep and is expected to produce roughly 2.5-acre feet of water per year. A well of this depth placed at such a distance from the river will most likely be pumping water from the Carmel Valley Alluvial aquifer, which is the underflow of the Carmel River (See Exhibit E).

B. Project Background

Status of Water on the Monterey Peninsula

Following the severe drought conditions in the late 1970's, voters approved the formation of the Monterey Peninsula Water Management District (MPWMD) to regulate water resources in the Monterey Peninsula. The MPWMD regulates the collection, storage, distribution and delivery of water within the 170-square mile area of the water management district, which stretches from Seaside in the north to Los Padres Dam in the south. All of the water used within the Monterey Peninsula Water Management



District comes from the Carmel River, from wells in the Carmel Valley, and the Seaside Basin. The MPWMD allocates water from these sources to the various water companies and smaller local jurisdictions. The largest water distribution system is operated by the California-American Water Company, which provides water to nearly 95 percent of the 112,000 residents in the Monterey Peninsula Water Management District (See Exhibit D, Page 1).

For reporting year 2000 (7/1/99-6/30/00), roughly 97 percent of the water supplied by Cal-Am was produced within the Monterey Peninsula Water Resource System (MPWRS) area, which consists of the Carmel Valley Alluvial Aquifer and the Seaside Basin. The other 3 percent is supplied from private wells and water companies owned by Cal-Am outside of the MPWRS boundaries. Within the MPWMD reporting year 2000, 72 percent of the Cal-Am water supply (11,267.6 acre feet) came from wells in the Carmel Valley and direct Cal-Am diversions from below the San Clemente dam, while 26 percent (4,012.8 acre feet) comes from the Seaside aquifers. Because the State Water Resources Control Board says that the Carmel Valley Alluvial Aquifer flows in a known and defined channel, it cannot really be separated from water of the Carmel River (pers. comm.Tom Lindberg- MPWMD Hydrologist). The effect of this statement is that the bulk of Cal-Am's water diversions (72% for reporting year 2000) came from the Carmel River.

In 1995, the State Water Resources Control Board Order 95-10 reduced the amount of water Cal-Am could take from the Carmel River aquifer by 20 percent in the near-term and up to 75 percent in the long-term. The MPWMD requested relief through the courts, but the Monterey County Superior Court upheld the 20 percent reduction in water use specified by the order. Since that time, the County has been under strict conservation measures, and has focused its efforts on improving water conservation programs while working on other water supply augmentation proposals that will garner community support and help Cal-Am attain the goals established by the Order.

The MPWMD allocation program currently limits production by Cal-Am to 15,285-acre feet of water per year within the MPWMD boundaries (which includes 11,285 acre-feet from the Carmel Valley alluvial aquifer, and 4,000 acre-feet from the Seaside Basin). All of this water is already allocated to current users or proposed construction that has already been approved, and no additional water source is presently available to serve Cal-Am customers within the district. The Monterey County Water Resources Agency administers a water waiting list for Cal-Am water that may become available due to reduction in use from other sites, such as that alleged by the Carmel River Inn, or some future increase in supply.

Pursuant to MPWMD Ordinance 96, the MPWMD regulates small water distribution systems including single connection systems that serve only one lot. Ordinance 96 requires all persons to obtain a written permit from the MPWMD prior to establishing a water distribution system within the water management district. However, the permit requirement is exempted for wells located more than 1,000 feet outside of the Carmel Valley alluvial aquifer, more than 1,000 feet outside of the major tributaries to the Carmel River (i.e., Tularcitos, Hitchcock Canyon, Garzas, Robinson Canyon and Potrero Creeks), or for wells outside of the Seaside Coastal Basin areas. As shown on Exhibit E, the proposed location for the Carmel River Inn's well is within the boundaries of the Carmel Valley alluvial aquifer. Therefore,



geographically, this project would not be exempt from the MPWMD Ordinance 96 well permit requirement. However, because the well was drilled, metered and inspected prior to October 16, 2001 (without a coastal development permit), the Monterey Peninsula Water Management District has determined that this project is exempt from the Ordinance 96 permit requirements.

A 1998 report on the estimated future water needed for buildable legal lots of record on vacant parcels within the Cal-Am service area states that approximately 923 acre-feet of water would be needed for new buildings as of January 1997 and remodels through the year 2006 (MPWMD 1999 Annual Report). The MPWMD has since been working on completing an update of this report, and while the 2001 update is not yet published, the agency has determined that approximately 1,400 acre-feet of water would be needed for the existing vacant legal lots of record on unimproved parcels within the MPWMD boundaries (Pers Comm Henrietta Stern, MPWMD). Additional water needed for unincorporated County areas with existing vacant legal lots of record that have some improvements on them (such as small sheds or other such structures) have not yet been calculated. However, it is expected that the total water requirement would be somewhat greater than 1,400 acre-feet.

Cal-Am and the MPWMD are currently searching for additional water supplies. Possible alternative strategies include implementation of groundwater injection (e.g., storage of excess water from the Carmel River in the Seaside Coastal Basin during winter months), desalinization or seawater, wastewater recycling (i.e., using reclaimed wastewater for irrigation purposes), and water conservation efforts that include retrofitting or replacing water-using appliances and fixtures and drought resistant landscaping. Although there are no guarantees provided by the County action, approval of a well for the Carmel River Inn would theoretically reduce the amount of water purchased by the Carmel River Inn from Cal-Am by roughly 2.5-acre feet/year.

C. Issue Analysis

1. Land Use & Development Issues

a. Local Coastal Program Provisions

Because of the Coastal Act requirement to provide different land use policies for the rural and urban portions of the Carmel Area, the County has included the following policy that defines the dividing line between these two types of low (rural) and high (urban) intensity land uses:

LUP Policy 4.4.2.1. The Carmel River shall be considered the dividing line between the urban and rural areas of the Monterey Peninsula. The river shall provide the natural boundary between urban and higher intensity uses to the north and rural, lower intensity uses to the south.

Other important LUP policies related to general urban/rural planning issues include:

LUP policy 4.4.3.D.4 states in part: "... All proposals must demonstrate consistency with the



land use plan... and environmental... constraints..."

LUP policy 4.4.3.E.2 directs medium density residential development "...to existing residential areas where urban services- water, sewers, roads, public transit fire protection, etc.- are available...".

Additionally, Section 4.5 of the Carmel Area LUP describes Land Use Categories and notes the following:

"...the capabilities and constraints of the various areas of the Carmel area to support various types and densities of land uses are reflected in the land use map. Land uses have been designated based on an evaluation of existing uses, appropriate levels of use to protect coastal resources, and levels of development that can be accommodated by public works systems such as water supplies and coastal access roads.".

Other important land use and development policies relevant to this project include:

LUP policy 3.2.2. The County should reserve from its allocated water supply a sufficient quantity to accommodate coastal priority land uses proposed in this plan.

LUP policy 3.2.3.1 states in part: The County shall reserve adequate water supply from its fair share allotment of Cal-Am water as approved by the Monterey Peninsula Water Management District to supply expansion of existing and development of new visitor-serving facilities permitted by the plan. Water must be first assured for coastal-priority visitor-serving facilities before allowing any new residential development...In addition, 0.056 acrefeet/year of water is reserved for each visitor-serving unit permissible under this Plan.

LUP policy 4.4.1 Key Policy All future development within the Carmel coastal Segment must be clearly consistent with and subordinate to the foremost priority of protecting the area's scenic beauty and natural resource values.

LUP policy 4.4.2.4 Because there is limited suitable land or water to support new development and because the capacity of public facilities is limited, coastal-dependent recreation and visitor-serving uses shall have priority over residential and other non-coastal dependent uses.

b. Land Use & Development Issue Analysis and Conclusion

This project is inconsistent with fundamental land use and development policies of the Monterey County LCP and, by extension, basic principles of the Coastal Act. LUP Policy 4.4.2.1 cited above clearly establishes the Carmel River as the dividing line between urban and rural areas of the Monterey Peninsula. This policy derives from one of the most fundamental principles of the Coastal Act, as well as modern urban and environmental planning: the establishment and maintenance of stable urban/rural boundaries for the protection of sensitive resources and to provide for the rational planning of public services to support new urban development.



In particular, the benefits of urban/rural boundaries include the prevention of urban sprawl, protection of agricultural land, efficient use of land, and the rational planning and construction of urban infrastructure (e.g., roads, utilities, and sanitation systems) to support urban intensities of land use. Urban-level intensity land uses are then directed to locate within urban areas, preserving rural lands for low intensity rural land uses. Certainly the services that are required to support urban uses (e.g., water supply and storage/conveyance/treatment systems, sewer connections, wastewater treatment plants, etc.) are greater and different than those needed for rural land uses (e.g., small wells and individual septic systems). Coastal Act policy 30250 states this premise as follows:

Section 30250(a) New residential, commercial, or industrial development, except as otherwise provided in this division, shall be located within, contiguous with, or in close proximity to, existing developed areas able to accommodate it or, where such areas are not able to accommodate it, in other areas with adequate public services and where it will not have significant adverse effects, either individually or cumulatively, on coastal resources.... [Emphasis added].

This policy provides that if an urban area lacks critical infrastructure - e.g., water, sewer, or road capacity - to support further urban development, then new development must be delayed until the capacity of the limited service can be increased, through a comprehensive urban planning process, in order to support it. It does not mean that urban uses should proceed incrementally, using what are essentially rural-level services (e.g., private wells and septic systems). The proliferation of rural services within an urban area causes practical problems (e.g., wells run dry, lot sizes are too small to accommodate septic systems) and planning problems. Ultimately, incremental development without comprehensive planning may lead to serious environmental resource impacts such as groundwater overdraft, polluted groundwater, degraded riparian habitat, and so on. This basic environmental planning principle is recognized in the Carmel Area LUP overview of the need to protect coastal streams and watersheds from the cumulative impacts of incremental private water supply projects:

2.4.1 Overview The Carmel coasts' major streams are the Carmel River, San Jose Creek, Gibson Creek, Wildcat Creek, and Malpaso Creek. With the exception of the Carmel River, these streams are small, but all directly support riparian wildlife and plant communities. Because many of the streams are small, development of residences, agriculture, and public or private recreation and visitor-serving facilities can place excessive demands on the water available in some watersheds. When overuse is allowed, through unwise approvals of development or use applications, degradation of the natural environment results with loss of plant, wildlife, and fish habitats. Eventually, people dependent on the adequate supply of quality water will suffer too as private and community water systems fail. The drought of 1976-78 emphasized the critical need for a careful and conservative approach to planning and to recognize that drought year flows are the controlling factor for all human and natural uses (LUP, p.41).



The Project is in an Existing Developed Urban Area

As required by the Coastal Act, Local Coastal Plans must also include policies that address Coastal Act issues – such as the establishment of stable urban/rural boundaries and the policy to locate new urban development within urban areas that are able to accommodate additional development. The Carmel Area Land Use Plan is a classic example of how Coastal Act policies are translated into local policies. The LUP has primarily addressed this issue by specifically establishing both rural and urban portions of the land use planning area in Policy 4.4.2.1, within which lower and higher densities of development are appropriate.

The project that is the subject of this permit – the Carmel River Inn -- is located within the urban portion of the Carmel Area Plan. First, the LCP provides a general description of the existing developed areas of the Carmel Area, including Mission Fields, where the Inn is located:

Existing Developed Areas. The subdivided areas within the segment are concentrated primarily along the west side of Highway 1, except within Carmel Highlands, where the subdivided area lies also on the east side. It is the County's objective to promote the continued "infilling" of vacant parcels of record in all subdivided areas, namely, Carmel Woods, Hatton Fields, Carmel Point, Mission Fields, Mission Tract, Carmel Meadows, Carmel Highlands, and the Riviera. Existing recreational and visitor-serving facilities located within the residential communities are considered desirable uses and should be continued where potential or existing conflicts with the surrounding residential community can be adequately mitigated (LUP, p. 77).

Second, the fact of the Carmel River Inn's urban location for purposes of coastal land use planning on the Monterey Peninsula is directly noted in LUP Policy 4.4.3.D.1 which states that "[v]isitor-serving facilities are presently located in existing developed areas...". The LCP's concept of "existing developed areas," of course, is a direct reflection of Coastal Act Section 30250, which requires that new development be located in or in close proximity to "existing developed areas." Thus, the Monterey County LCP clearly acknowledges that existing visitor-serving facilities, like the Carmel River Inn, are located in areas understood to be already developed for purposes of coastal land use planning and resource protection.

The Project must be served by Public Services provided for the Urban Area

The fact that the Carmel River Inn is an existing developed urban area means that it must be supported by the public services that have been planned for and provided for the urban area. Indeed, the designation of urban areas and the associated provision of public services to the urban areas, that is built into the Monterey LCP, goes hand-in-hand with the protection of sensitive coastal resources.¹

The overarching purpose of the Carmel Area LUP Key policy 4.4.1 is to regulate development so that it protects water and other natural coastal resources for all people of the State of California: LUP Key Policy 4.4.1.: All future development within the Carmel Coastal Segment must be clearly consistent with and subordinate to the foremost priority of protecting the area's scenic beauty and natural resource values.



For example, water is an important coastal resource, especially within the Monterey Peninsula area where water supplies are severely limited. In order to protect water supplies and other various coastal resources within the unincorporated areas of Monterey County, the County has planned for specific land uses in specific areas. Again, as part of these planning efforts, the County has determined that higher-density development would be allowed in urban areas where multiple units per acre may be developed, and less intensive uses allowed in rural areas where development can be spread across fewer, larger parcels. Because of the high density of development planned in urban areas, the County has also planned for and provided the necessary urban services infrastructure such as water, sewer, public transit, fire protection, etc., rather than allow individual property owners to each develop their own utility systems. This is clearly recognized in the Carmel Area LUP's original description of urban water supply issues for the Monterey Peninsula:

3.2.1 Overview. With the exception of Carmel Riviera, the residential areas of the Carmel area have domestic water supplied by the California American Water Company (Cal-Am). This utility also serves the six cities and other unincorporated portions of the Monterey Peninsula area. At the present time, the principal sources of water are reservoirs on the Carmel River. When Cal-Am develops four new wells along the Carmel-River east of Highway 1, it will then have an assured supply of 20,000 acre-feet per year. Water usage by the seven jurisdictions for 1979 is estimated at 14,000 acre-feet; of this approximately 5,000 acre-feet was consumed by the unincorporated portion. Under a "fair-share" water allocation system, the County will be allocated a specific proportion' of the total available supply to be used to serve growth in the unincorporated portions of the Cal-Am service area. A proposed wastewater reclamation project by the Carmel Sanitary District would make available an additional 900 acre feet of potable water now used for irrigation of golf courses. It has not yet been determined as to how this potential additional supply will be distributed within the unincorporated area. Coastal Act policies require that where public works facilities can accommodate only a limited amount of new development, coastal-dependent land uses, including recreation and visitor-serving uses, shall not be precluded by non-priority residential development (LUP, p. 68).²

This overview statement highlights what has always been understood to be the case for provision of water supply in the urban areas of the Monterey Peninsula, namely, that the water was planned for and provided through the Cal-Am publicly-regulated distribution system, and that rational planning and allocation was necessary to both protect sensitive resources such as the Carmel River, and to provide water to new development equitably. To be sure, the last part of this LUP overview discussion underscores the important Coastal Act requirement that when urban services are limited, that services must be reserved for priority uses such as visitor-serving development. Such reservations could not

Although the specific circumstances discussed in the LUP are not current, the situation on the Monterey Peninsula has not fundamentally changed, and the more general LUP discussion of limited public water supply, provided by Cal-Am, for existing developed areas is still relevant to today's circumstances.



occur if services were not being provided through the comprehensively managed public services system. This requirement is more specifically found in Key Policy 3.2.2 and LUP Policies 3.2.3.1 and 4.4.2.4:

- 3.2.2. The County should reserve from its allocated water supply a sufficient quantity to accommodate coastal priority land uses proposed in this plan.
- 3.2.3.1 The County shall reserve adequate water supply from its fair share allotment of Cal-Am water as approved by the Monterey Peninsula Water Management District to supply expansion of existing and development of new visitor-serving facilities permitted by the plan. Water must be first assured for coastal-priority visitor-serving facilities before allowing any new residential development...In addition, 0.056 acre-feet/year of water is reserved for each visitor-serving unit permissible under this Plan.
- 4.4.2.4 Because there is limited suitable land or water to support new development and because the capacity of public facilities is limited, coastal-dependent recreation and visitor-serving uses shall have priority over residential and other non-coastal dependent uses.

There is no question, then, that the LUP contemplates that the Carmel River Inn is in an existing developed urban area and that concomitantly, it is to be provided with public water services through the Cal-Am system managed by the Monterey Peninsula Water District.³

The requirement to limit water supply at the Carmel River Inn to available public supply is further underscored by the general LUP policies that govern development in the Mission Fields area. Although the Carmel River Inn is on a site that is zoned for visitor-serving development (VSC CZ), it is also within an area generally designated for urban density residential development. The entire area is also located in the Cal-Am service area. Consistent with LUP Policy 4.4.2.1, policy 4.4.3.E.2 specifically requires that new residential development in this area be located in existing residential areas "... where urban services -- water, sewer, public transit, fire protection, etc., - are available." The inverse requirement of this policy, of course, is that private water supply projects are not allowed in the Mission Fields area, which has been designated by the LUP as existing developed urban area, primarily residential but with some visitor-serving development. On the other hand, in rural areas where development is less intensive, such shared utility infrastructure is not required, would be impractical and would encourage urban sprawl. Therefore, the County allows development of private or small mutual

A final issue to be resolved is the adequacy and capacity of water supplies, wastewater disposal facilities, and transportation facilities. The Coastal Act states that where remaining capacity of existing or planned public works facilities is limited, such capacity shall be reserved for coastal-dependent land uses such as agriculture and coastal recreation and shall not be precluded by residential development. This mandate has direct bearing on the potential for continued residential development and subdivision within the Carmel area. The capacity of existing water supplies and wastewater disposal facilities is limited, while Highway 1 is at or near capacity during peak use periods (LUP, p. 76).



³ This is further recognized in the LUP discussion of important planning issues on-going in the Carmel Area:

utility systems within rural areas, but requires that development in urban areas be allowed only where adequate urban services (i.e. publicly or comprehensively managed) exist. ⁴

Finally, the inconsistency of a private water supply project in the urban area of the Monterey Peninsula is also evident in the LCP policies that speak to the development of wells. First, LUP Policy 2.4.4.A.1, which addresses water supply projects, specifies that hydrologic reports are required only for new development outside of existing water utility service areas. This clearly implies that all new development within existing water utility service areas would be served by existing utilities within existing urban service areas, i.e., hydrologic reports are irrelevant as private wells are not allowed.

Second, the LUP water supply policies only mention wells specifically in one policy, because these policies primarily relate to how Cal-Am, as the largest water purveyor in the county, allocates water. In particular, this omission is related to the fact that development located within the urban services boundary is expected to obtain water from Cal-Am rather than private wells. Thus, LUP policy 3.2.3.4 permits "wells or other measures for monitoring salt-water intrusion," clearly anticipating that the allowable purpose for wells is generally understood to be monitoring for salt-water intrusion, not supplying water for irrigation of landscaping.

Public Water Supply Protects Coastal Resources through Comprehensive Planning

To reiterate, the purpose of clearly designated urban and rural areas is to provide for rational planning and the protection of coastal resources. The LCP therefore requires that development in urban areas, located within urban service areas, will use urban services. By so doing, the County is better able to manage development given the environmental constraints that prevail within specific planning areas. In this case, the County has a public management system in place for water service in the urban service area. As discussed previously in this report, because of environmental constraints on water withdrawals from the Carmel River, the MPWMD allocation program currently limits water production by Cal-Am. Approval of a private water supply well within the urban service area would thereby undermine this public water management system by allowing incremental development to proceed prior to the comprehensive planning process necessary to develop additional water supplies.

As discussed above, the current projected water demand for vacant parcels alone that are located within the Cal-Am service area is somewhat more than 1,400 acre-feet. Additionally, Exhibit E illustrates the

⁴ Regulations for the Recreation and Visitor-Serving zoning district (VSCR (CZ)) are found in the Coastal Implementation Plan (CIP) of the Monterey County LCP. Title 20, Chapter 20.22 of the CIP details the principal uses allowed in VSC (CZ) districts, which are located in both rural and urban portions of the land use area. In addition to hotels, motels and inns, the VSC zoning district includes, among other things, the development of "water system facilities including wells and storage tanks...". However, the Monterey County CIP must be read in conjunction with the policies of the LUP. While the well applied for is included in the list of allowable uses in the zoning designation governing this property, as discussed, the LUP contains policies that do not allow a well on this particular property because of its location in the urban services area. Therefore, the CIP provides that private water systems <u>can</u> be developed in VSC areas <u>outside</u> of urban areas (i.e., in rural VSC zoned areas in the Carmel Highlands area), but that development located <u>within</u> urban areas must be served by existing urban services.



number of parcels within the Carmel Valley Alluvial Aquifer that lie in the coastal zone. If each of these parcels were allowed a private well, the potential withdrawal of water could lead to adverse environmental impacts to the Carmel River and possibly overdraft of groundwater supplies that could lead to the failure of the existing public water system. Additionally, the potential for roughly 100 persons on the water waiting list, and any other persons wishing to drill a well for supplemental potable or non-potable water could have significant adverse cumulative effects on the water supply used to service existing connections, and on groundwater supplies that must be protected for coastal-dependent and coastal-priority uses as well as to protect and maintain riparian vegetation and fishery resources. The National Marine Fisheries Service supports staff recommendation because of the potential cumulative impacts from a project of this nature to Steelhead trout habitat (See Exhibit I). (See discussion in following finding for more detail.)

While constrained by the MPWMD water allocation program (as described below), Cal-Am is the water company authorized to provide water in the urban service area of the County and is regulating the orderly connection of water service for new development. As described in the alternatives discussion in Section D, below, one approach to evaluating the long-term water supply reliability is through the LCP amendment process.

Conclusion: the Project is Inconsistent with the Coastal Act

As detailed above, authorizing the development of private wells inside of the Cal-Am water service area is not consistent with LUP policies 4.4.3.E.2, 2.4.4.A1 and 4.4.2.1. LUP policy 4.4.2.1 defines that portion of the Carmel Land Use Plan area north of the Carmel River as urban, and LUP policies 4.4.3.E.2 and 2.4.4.A.1 require that new development in urban areas use urban services and be allowed only where adequate water is available from the water utility. Approvals of private water supply wells within the urban service areas could potentially undermine the public utility's ability to provide adequate water supply to existing connections within the Cal-Am service area. Therefore, the Commission finds that the County's approval for a well to supply 2.5 acre feet per year for the purpose of irrigation of landscaping is inconsistent with the LCP's land use and development policies, which do not allow for such uses in urban residential areas served by urban services.

2. Water Supply and Intensification of Use

a. Local Coastal Program Provisions

The following LCP policies regarding water supply issues are relevant to this project:

LUP Policy 3.2.3.4 Wells or other measures for monitoring salt-water intrusion are permitted. If salt-water intrusion is found to adversely affect agricultural irrigation, an additional amount of Cal-Am water or reclaimed water equal to that necessary to maintain irrigation shall be allocated to agriculture.

CIP section 20.146.110.A.3 Wells or other measures for monitoring salt-water intrusion are permitted. If salt-water intrusion is found to adversely affect agricultural irrigation, an



additional amount of Cal-Am water or reclaimed water equal to that necessary to maintain irrigation shall be allocated to agriculture (Ref. Policy 3.2.3.4).

Additional related policies of the Carmel Area LCP include the following:

LUP policy 2.4.4.A.2 states in part that "... The County will request that the Department of Fish and Game provide a written recommendation on each application.."

LUP policy 2.3.4 Riparian Corridors and Other Terrestrial Wildlife a Habitats policy #2 states in part that "The State Water Quality Control Board and the California Department of Fish and Game, in coordination with the County of Monterey, should establish and reserve instream flows sufficient to protect and maintain riparian vegetation, fishery resources and adequate recharge levels for Protection [sic] of groundwater supplies..."

CIP section 20.156.050.A A hydrologic report shall be required for any development which involves intensification of water use. Applicants are required to submit a hydrologic report certifying such impacts as: sustained yield of the water source to serve new development outside of existing water utility service areas and/or that the proposed new water use or use intensification will not adversely affect either the natural supply necessary to maintain the environment, including wildlife, fish and plant communities or the supply available to existing users during the driest year (Ref. Policy 2.4.4.A.1 &2 Water Availability). [Emphasis added]

CIP section 20.146.050.A.1 also lists all items that should be contained in the hydrologist's report. The following required items are missing from the submitted hydrologist's report prepared by Grice Engineering and Geology Inc. in October of 2000:

20.146.050.A.1.e assessment of existing and proposed water usage, including water usage for landscaped and other vegetated areas;

20.146.050.A.1.g description of investigation methods- including review of test logs, on-site and off-site testing and contacts with Health Department and Flood Control District staff;

20.146.050.A.h description of other development activity in the area, both proposed and under construction:

20.146.050.A.i assessment of the individual and cumulative impacts of the proposed development on the quantity and quality of the groundwater table and local aquifer;

20.146.050.A.k assessment of the proposed development's individual and cumulative impact on the aquifer's safe long-term yield level, saltwater intrusion and long-term maintenance of local water supplies;



20.146.050.A.l demonstration that the new water use or use intensification will not adversely affect either the natural supply necessary to maintain the environment, including wildlife, fish and plant communities or the supply available to existing users during the driest year.

20.146.050.A.m description and assessment of project alternatives including reduced density, if needed to mitigate the proposed development's adverse impacts as identified above and;

20.146.050.A.n recommendations for water conservation measures, addressing siting, construction and landscaping and including retention of water on-site to maximize groundwater recharge and reclamation of water.

Other relevant water resource policies include the following:

LUP Policy 2.4.2. The water quality of the Carmel area's coastal streams and of the Point Lobos and Carmel Bay Areas of Special Biological Significance shall be protected and maintained. Instream flows should be protected in order to maintain the natural plant community and fish and wildlife. In general, the County will require adherence to the best watershed planning principles, including: stream setbacks, stream flow maintenance, performance controls for development site features, maintenance of safe and good water quality, protection of natural vegetation along streams, and careful control of grading to minimize erosion and sedimentation.

The Carmel Area LUP also provides an overview of water supply in the Carmel Land Use Plan area, as well as specific water supply policies:

3.2.1 Water Supply Overview partially states: With the exception of Carmel Riviera, the residential areas of the Carmel area have domestic water supplied by the California American Water Company (Cal-Am). This utility also serves the six cities and other unincorporated portions of the Monterey Peninsula area. ... Under a "fair-share" water allocation system, the County will be allocated a specific proportion of the total available supply to be used to serve growth in the unincorporated portions of the Cal-Am service area...

LUP Policy 3.2.3.1 The County shall reserve adequate water supply from its fair share allotment of Cal-Am water as approved by the Monterey Peninsula Water Management District to supply expansion of existing and development of new visitor-serving facilities permitted by the plan. Water must be first assured for coastal-priority visitor-serving facilities before allowing any new residential development other than infilling of existing vacant lots. ... [Emphasis added]



b. Water Resource Analysis and Conclusion

As discussed in the previous finding, private wells are not allowed in the urban services area of the Carmel area. However, even if they were allowed, other LCP policies related to water supply development would need to be met, including those to protect the water needs of wildlife and agriculture, and to outline requirements of hydrologic reports. Since water resources are scarce on the Peninsula, and are necessary to sustain wildlife as well as human needs, the LCP includes a policy requiring demonstration that any new water use or intensification of use will "not adversely affect both the natural supply necessary to maintain the environment, including wildlife, fish and plant communities", and review by the Department of Fish and Game. Land Use Plan policy 2.4.4.A.2 requires the County to request a written recommendation from the Department of Fish and Game, which was not done. Therefore, this project is not in compliance with LUP policy 2.4.4.A.2.

While this project received no input from the California Department of Fish and Game, a letter was received from the National Marine Fisheries Service (NMFS) dated March 13, 2002 (See Exhibit I). This letter supported Coastal Commission staff's recommendation to deny a coastal development permit for construction of a well at the project site, and cited possible cumulative impacts to steelhead habitat as the primary reason. This letter states that it is the intention of both NMFS and Cal-Am to "substantially reduce diversions during the low flow period (summer and fall)", which is also the likeliest time for utilization of the proposed well.

NMFS and Cal-Am have entered into a "conservation agreement", the purpose of which is to minimize "take" of Endangered Species Act (ESA) listed Steelhead trout in the Carmel River. One of the long-term solutions proposed is to maintain continuous surface flow in the Carmel River as far downstream as possible by offsetting Cal-Am water diversions in upstream sections of the river. The applicant has argued that the withdrawal of water from their location, close to the lagoon, rather than the Cal-Am diversions upstream would have a beneficial effect on the River, as water would remain in the river channel for a longer period of time.

While this may be the case in theory, and a change in withdrawal location could have far-reaching ramifications for a large diverter such as Cal-Am, it is unlikely that the withdrawals proposed in this application would create measurable benefits for the River's upstream habitat. The hydrology report prepared for this project states that the amount of drawdown expected is "insignificant" at 0.007 feet at the shoreline. If the drawdown were considered to be insignificant, any theoretical benefits would be insignificant as well. However, this well would create a precedent under which cumulative well development could be allowed for any purpose in the urban services area, which could result in serious drawdown of the Carmel Valley Alluvial Aquifer and adverse impacts to steelhead habitat.

Additionally, CIP section 20.156.050.A cites requirements for hydrologic reports, which are required for any development that involves intensification of water use. The applicant did not adequately demonstrate that this project does not involve intensification of water use, and therefore this policy would apply to this project. Because the applicant does not propose to limit water purchases from Cal-Am, the applicant is able to continue purchasing the same amount of water currently being purchased, and to supplement



the Cal-Am purchase with water produced by the proposed well. If water use from Cal-Am does not decrease by the amount pumped from the well, the result would be an overall intensification of water use. For example, if Cal-Am currently provides 5 acre-feet per year, and the applicant can still buy that amount in addition to the amount drawn from the well, the total amount of water withdrawn from the aquifer has increased by the amount drawn from the well.

Section 20.156.050.A requires a hydrologic report to certify such impacts as "sustained yield of the water source to serve new development **outside of existing water utility service areas...**" (Emphasis added). This policy further illustrates the intent of the LCP to restrict urban land uses to urban areas, because it assumes that new water sources will only be located outside of existing water utility service areas. This is understandable, considering that in areas currently serviced by a water utility, there is no need to drill a private well, other than for saltwater-intrusion monitoring.

With the exception of LUP policies 3.2.3.4 and 2.4.4.A.2, and CIP section 20.156.050.A, discussed above, the LCP policies cited in the previous section do not really apply in this case because a private well may not be used to service new development in urban areas where urban utility services are in place. However, they do illustrate the kinds of land use planning and environmental considerations necessary to ensure that the intensification of water use will not have significant adverse effects on coastal resources. For example, LUP Policy 2.4.4.A.1 clearly envisions that hydrologic reports are required to certify the sustained yield of a water source intended to serve new development *outside of existing water utility service areas* and LUP Policy 2.4.4.A.2 requires an applicant show that such a well would not have adverse impacts on the natural environment and water supplies available.

While Monterey County did impose conditions of approval restricting the use of this well, they have not adequately ensured that the well will not result in an intensification of water use from the Carmel Valley Alluvial Aquifer. This is because the property currently has a water connection from Cal-Am that is used and will continue to be used regularly. The County has not and cannot condition Cal-Am to sell 2.5 acrefeet per year less to the applicant. Thus, there is no assurance that the applicant will not continue to purchase the *same* amount of water from Cal-Am as they currently purchase, and supplement this amount with the 2.5 acre-feet per year they plan to withdraw from their private well, thereby resulting in an increase in use of up to 2.5 acre-feet of water per year. This is compounded by the fact that both Cal-Am and the applicant would be drawing water from the same source, the Carmel Valley Alluvial Aquifer, which is already fully allocated. Therefore, because the applicant has not demonstrated that water withdrawn from the aquifer will remain constant, they have not complied with LCP policies that regulate projects involving intensification of water usage.

Although the proposed well would be located inside an existing service area, the applicant nonetheless obtained a hydrologic survey. However, the hydrology report prepared in October 2000 by Grice Engineering does not comply with CIP section 20.146.050.A, which outlines required items for hydrology reports when there is an intensification of water usage.

MPWMD staff indicated that a complete hydrogeological analysis of the information would require more time and resources than they had available at the time, however based on a brief review of the



materials provided, they did indicate that the well was located within the boundaries of the Carmel Valley alluvial aquifer and could potentially affect water resources in the Carmel Valley alluvial aquifer.

Additionally, the cumulative effect of roughly 100 applicants on the water waiting list being allowed to drill individual water supply wells within the water utility service area, coupled with any other person in the water utility service area who wishes to drill a private well, would add a significant burden to the amount of groundwater being drawn from limited water supplies available. Such activities could increase the potential for multiple "bail-outs" from failed wells, and could potentially impact the riparian resources of the Carmel River because the water needed to serve the homes with failed wells would have to come from either the Cal-Am wells along the Carmel River or the Seaside wells. As shown in Exhibit E, there is a significant number of existing lots within the Carmel Valley Alluvial Aquifer.

While the LUP policy 2.4.4.A.1 does provide for the possibility of developing a well <u>outside</u> of an existing service area, the LUP does not include any policies allowing the development of a private well within an urban area where a water service utility does exist. In this case, the project being proposed is not for new development outside of an existing service area, but rather to support existing development located within an established public service area, and therefore the project does not conform to LUP policies 2.4.4.A.1, 3.2.3 or 3.2.3.4. It is possible that approval of this well and others that may follow may result in additional over-drafting of the Carmel Valley alluvial aquifer, thus affecting water resources in the river and associated riparian areas.

D. Public Access and Recreation Findings

Coastal Act Section 30604(c) requires that every coastal development permit issued for any development between the nearest public road and the sea includes a specific finding that the development is in conformance with the public access and recreation policies of chapter 3 of the Coastal Act. The project is located seaward of the first public through road, which in this area is State Highway 1. Sections 30210-14 of the Coastal Act provide for maximizing public access to the coast. In accordance with other Coastal Act policies, Section 30223 requires that upland areas necessary to support coastal recreation uses shall be reserved for such uses where feasible. Section 30212 also requires that public access from the nearest public roadway to the shoreline be provided for all new development projects except where adequate access exists nearby.

The project does not affect any existing public access in the Carmel Area. The site is located approximately 4,500 feet from the coast near the Carmel River Bridge and is currently zoned for visitor-serving commercial uses. Additionally, adequate access to the beach and recreational opportunities exist in the Carmel area, such as Carmel Beach City Park and Stillwater Cove, which are located near the mouth of Pescadero Creek. Therefore, the project is consistent with public access and recreational policies of the Coastal Act.



E. Violation Finding

The proposed well that is the subject of this permit appeal action has already been installed without benefit of a coastal development permit. Although development has taken place prior to Commission action on this permit appeal, consideration of the appealed action by the Commission has been based solely on the certified Local Coastal Program and the applicable policies of Chapter 3 of the Coastal Act. Commission action on this permit appeal does not constitute a waiver of any legal action with regard to the violation nor does it constitute an admission as to the legality of any development undertaken on the subject site without a coastal development permit.

F. California Environmental Quality Act (CEQA)

The County determined that this permit was exempt from CEQA review. However, this report has identified and discussed certain additional potential adverse impacts (land use and water resource issues) not fully addressed by the local government. The proposed well would be located within the Cal-Am service area and has less environmentally damaging alternatives than using the proposed well as a water supply well for irrigation of landscaping. Therefore, as there are feasible alternatives that would lessen any significant adverse effects on the environment within the meaning of the California Environmental Quality Act (CEQA), this application must be denied.



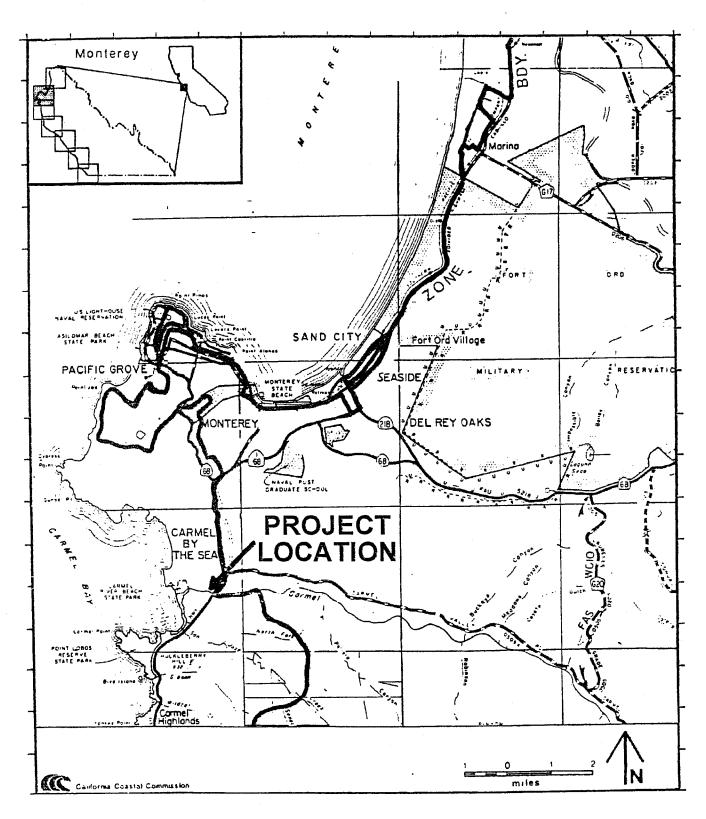
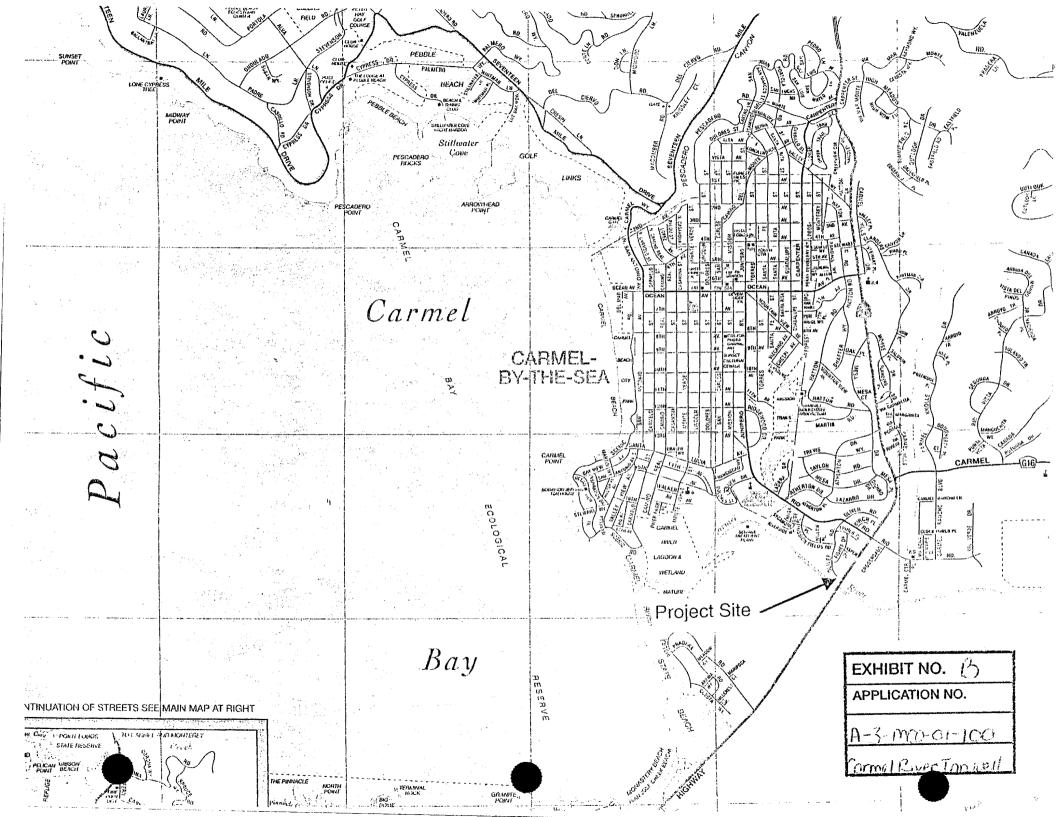
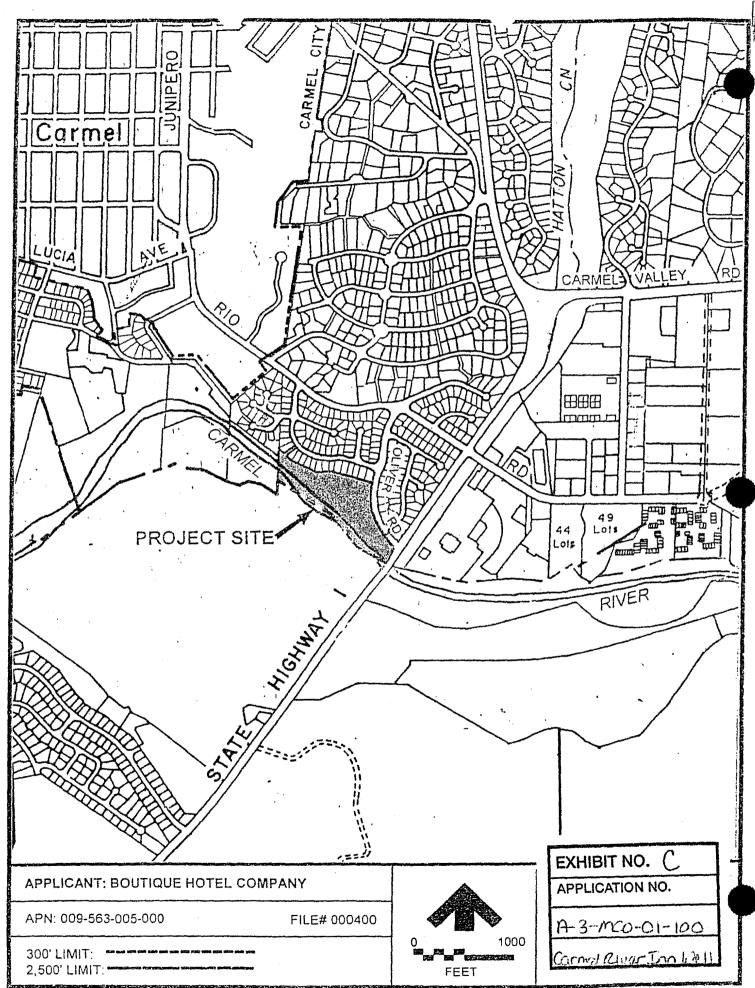


Exhibit A Regional Location Map A-3-MCO-01-100 Carmel River Inn Well





AN WATER COMPANY 'CALIFORNIA-AN 880 KUHN DRIVE CHULA VISTA, CALIFORNIA 91914

ADVICE LETTER NO. 545

DECISION NO.

CANCELLING

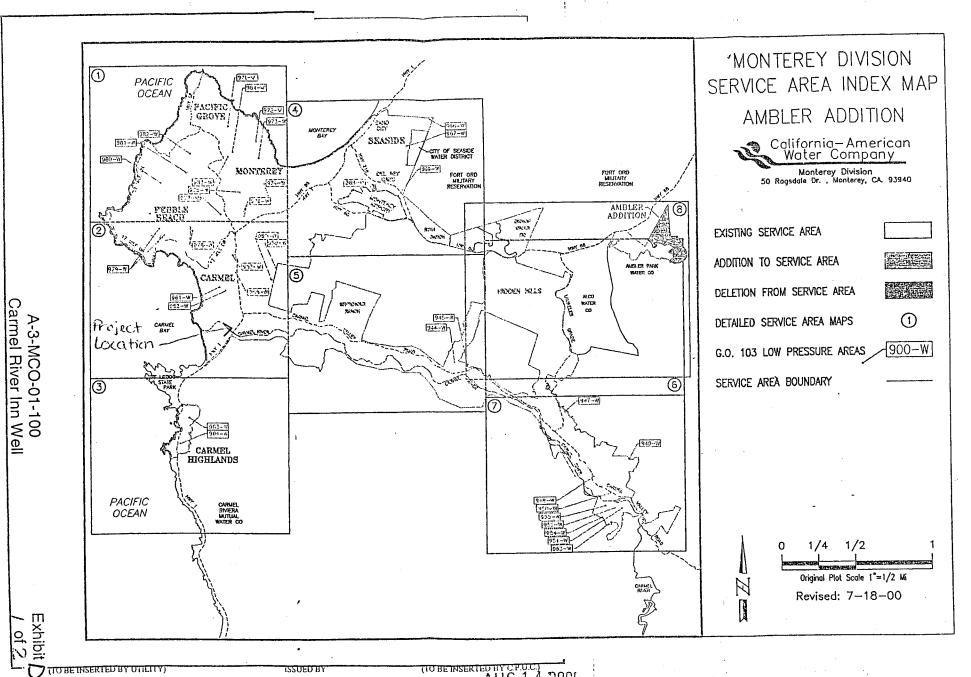
D.P. STEPHENSON

DIRECTOR - RATES & REVENUES RESOLUTION NO.

Revised C.P.U.C. SHEET NO.

C.P.U.C. SHEET NO. Revised



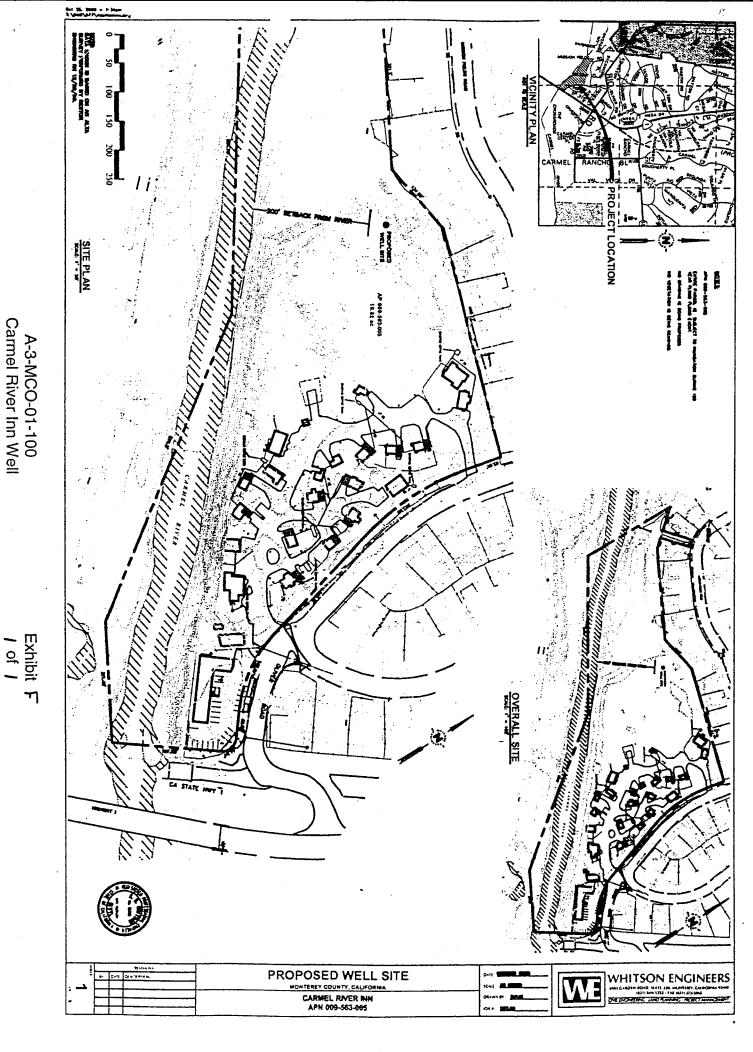


EFFECTIVE SEP

A-3-MCO-01-100 Carmel River Inn Well

Exhibit 2 of 2





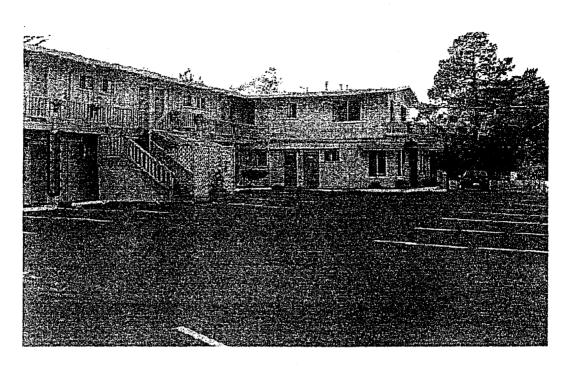


Photo 1. View of main lodge from Highway 1.

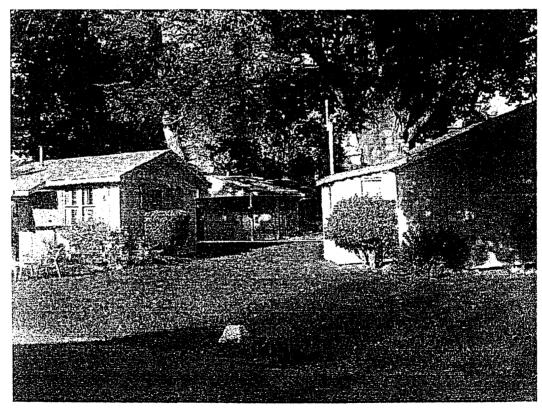


Photo 2. View of cottages with grass/landscaping surrounding them.



Photo 3. View of cottages from western end of property showing landscaping.

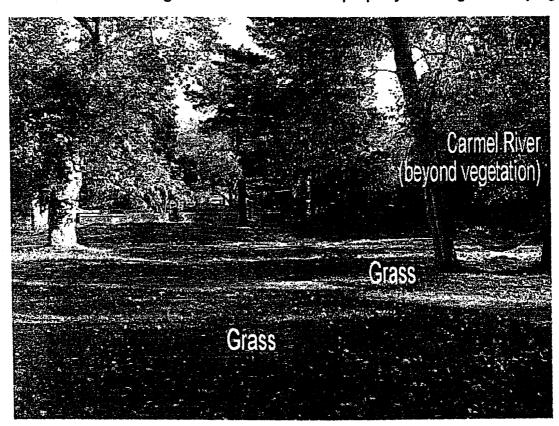


Photo 4. View of open area at western end of property showing landscaping.

Exhibit G (pg 2 of 2) Project Photographs A-3-MCO-01-100 Carmel River Inn Well

EN L COAST

EGIONAL COASTAL ZONE CONSERVATION COMMISSION

I OCEAN STREET, ROOM 310 NTA CRUZ, CALIFORNIA 95060 ONE: (408) 426-7390

DENIAL



April 12, 1977

Carmel River Inn 2660 Oliver Rd. Carmel, CA 93921

Attn: Mr. Fonseca

Dear Applicant:

Re: Regional Coastal Commission Permit Application No. A-77-87

Please be advised that the Executive Director of the Regional Coastal Commission has denied your application for an Administrative Permit as described in the above numbered application.

My reasons are attached. You may apply for a regular permit (public hearing) by submitting a letter, new stamped envelopes, application fee (less \$25.00 already paid), and any additional information requested on the attached sheet.

Very truly yours,

Edward Y. Brown Executive Director

REASONS FOR DENIAL:

- 1. Adverse precedent (circumvention of water rationing in Cal-Am service area for sole purpose of landscaping maintenance).
- 2. Concerns regarding cumulative impact of multiple wells in lower Carmel Valley, including but not limited to:
 - a. salt water intrusion
 - b. competition with nearby agricultural wells
 - c. depletion of water levels in the Carmel River Lagoon bird sanctuary.

-xhibit T



RECEIVED

MAR 1 8 2002

CALIFORNIA COASTAL COMMISSION CENTRAL COAST AREA UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
NATIONAL MARINE FISHERIES SERVICE
Southwest Region
777 Sonoma Ave, Rm 325
Santa Rosa, California 95404

March 13, 2002 F/SWR4:WH

California Coastal Commission Central Coast District Office Attn: Stephanie Mattraw 725 Front Street, Suite 300 Santa Cruz, CA 95060

Dear Commissioners:

The California Coastal Commission staff recently recommended the denial of a coastal development permit for constructing a well at Carmel River Inn (CCC Staff Report: Appeal No. A-3-MCO-01-100). The National Marine Fisheries Service (NMFS) agrees that this development permit should be denied because of the likely cumulative impacts that this development and other water diversions from the Carmel River pose to steelhead trout. Steelhead trout (*Oncorhynchus mykiss*) comprising the South-Central California Coast ESU are listed as threatened (62 Fed. Reg. 43937, August 18, 1997) under the Endangered Species Act (ESA). Protective regulations prohibiting "take" of steelhead went into effect on September 8, 2000. "Take" as defined in the ESA, includes, in part, to harm or harass the species. These protective regulations describe certain activities that may injure or kill listed steelhead and result in legal liability. These activities include, in part:

Physical disturbance or blockage of the streambed where spawners or redds are present concurrent with the disturbance; ...Blocking fish passage through fills, dams, or impassable culverts; or water withdrawal...; and water withdrawals that impact spawning or rearing habitat.

Excessive diversions of water from the alluvial aquifer of the Carmel River have significantly impacted steelhead habitat in the lower 8 to 10 miles of this river. However, NMFS and the California-American Water Company (Cal-Am) have recently entered a Conservation Agreement for addressing these impacts. It is our mutual intention to substantially reduce diversions during the low flow period (summer and fall) by developing off-stream facilities for diverting and storing winter runoff (e.g., aquifer storage and recharge in Seaside) and possibly supplementing that with other solutions (e.g., desalination facilities). When implemented, this plan for reducing diversions during low flow periods will appreciably enhance habitat for steelhead in the Carmel River. Granting the owners of the Carmel River Inn a permit for constructing a well to

divert water in the lower river is contrary to our goal of reducing total diversions from the river. The Carmel River Inn currently obtains its water from Cal-Am; in time, much of that water will be derived from winter flow diverted to off-stream facilities. Therefore, we urge you to deny permits for additional wells in the Carmel River aquifer in order to conserve the remaining limited flows in that river and its estuarine lagoon.

Thank you for your cooperation in the above. If you have any questions or comments concerning the contents of this letter, please contact Dr. William Hearn at (707) 575-6062.

Sincerely,

James R. Bybee Habitat Manager

Northern California

CALIFORNIA COASTAL COMMISSION

CENTRAL COAST DISTRICT OFFICE 725 FRONT STREET, SUITE 300 SANTA CRUZ, CA 95060 427-4863 ING IMPAIRED: (415) 904-5200

Th8b



Filed: 10/10/01 49 Day Waiver: 10/25/01 49th day: 11/28/01 Staff: SAM- SC Staff report: 04/18/02 Hearing date: 05/09/02

APPENDIX A: POTENTIAL CONDITIONS

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. Well plans. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the Permittee shall submit for the Executive Director's review and approval two sets of well plans showing all proposed construction and connections to the new water well including new pipes, connections and hosebibs to be installed. The plans shall also illustrate all details of existing water system connections including existing hosebibs to be disconnected and demonstrate the complete separation between the existing Cal-Am system and the proposed private system.
- 2. Landscape plans. PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the Permittee shall submit for the Executive Director's review and approval two sets of landscaping plans that shall demonstrate the use of drought-tolerant native plants. The visitor cottages shall be allowed a 15-foot buffer which may remain landscaped with non-native species, these areas shall be clearly delineated on the a site map for the Executive Director's approval prior to approval of landscaping plans.

The plans shall include, at a minimum, the following components:

- (a) A map showing the type, size, and location of all plant materials proposed for the developed site, the irrigation system, topography of the developed site, and all other landscape features; and
- (b) A schedule for installation of plants within the first growing season after completion of construction; and
- (c) A water budget outlining both short-term (establishment) needs of the landscaping and long-term (maintenance) needs. Neither long-term nor short-term requirements may exceed 1.5 acre-feet of water per water year (June 30-June 30).
- 3. Limitation of water withdrawals. FOR THE LIFE OF THE PROJECT, the amount of water that may be withdrawn from the well shall be limited to the amount determined by the approved long-term landscaping water budget, which shall not exceed 1.5 acre-feet per

year. If, in any year, water use exceeds 1.5 acre-feet prior to the end of that year, the well will not be used until the commencement of the next "water year".

- 4. Prohibition of future connections. FOR THE LIFE OF THE PROJECT, the well shall not have any future connections to any other water system, nor shall the well be used for any purpose other than to provide water for landscaping of the lot as described in the approved landscaping plans.
- 5. Monitoring requirements. UPON COMPLETION OF THE PROJECT the Permittee shall monitor water use on the site and report the use figures for both the private landscape water system and the publicly supplied water (Cal-Am) to the Executive Director on a quarterly basis beginning three months after issuance of the permit for the life of the project. Water use for that portion of the site served by Cal-Am shall not exceed 2.1 acrefeet per year.

Metering equipment shall be installed on the well and maintained in proper working order for the life of the project. Meter readings shall be made by a qualified person and reported to the Executive Director on a quarterly basis. Cal-Am water use shall be reported to the Executive Director on a quarterly basis by submission of quarterly water bills that indicate the amount of water used for each quarterly reporting period.

6. Condition Compliance. WITHIN 60 DAYS OF COMMISSION ACTION ON THIS CDP APPLICATION, or within such additional time as the Executive Director may grant for good cause, the applicant shall satisfy all requirements specified in the conditions hereto that the applicant is required to satisfy prior to issuance of this permit. Failure to comply with this requirement may result in the institution of enforcement action under the provisions of Chapter 9 of the Coastal Act.