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W19a

Prepared September 8, 2026 for September 9, 2026 Hearing

To: Commissioners and Interested Persons
From: Kevin Kahn, Central Coast District Manager
Ryan Moroney, Central Coast District Supervisor
Subject: **STAFF REPORT ADDENDUM for W19a**
CDP Appeal No. A-3-SLO-26-0017 (Cambria Community Services District
Water Reclamation Facility)

The purpose of this addendum is to provide responses to the issues raised in correspondence received (see the correspondence package for this item) in the above-referenced matter in the time since staff report publication (on August 28, 2026). In providing this response, staff notes that this addendum does not modify the core staff recommendation, which continues to be that the Commission determine that San Luis Obispo County's action to approve a CDP for the above-referenced project does not raise a substantial LCP conformance issue.

Clarification on the proposed project

Staff would first like to acknowledge the passion and concern that many members of the public have shown about this project over the years and in relation to this hearing. These sentiments are reflected in the correspondence received for this item, and range from those who support the proposed project and urge the Commission to find no substantial issue (which are the majority of the comments received), to those who oppose the project and urge the Commission to deny it. Some argue that the project is needed for both groundwater health and water supply security, and others argue it will destroy sensitive aquatic environments and will proliferate community growth and development. Staff very much appreciates the engaged discussion exemplified by these comments, very much understands the varying viewpoints expressed, and notes that this kind of engagement more broadly will only help to keep the proposed project on track towards meeting its objectives. And those objectives, to be as clear as possible, are to help increase water supply security for the community at the same time as improving habitat conditions for the community's two primary creeks; namely San Simeon Creek where the project is located, but also Santa Rosa Creek that flows through the center of Cambria, where the project is also designed to take pressure off water supply use of that stream as well.

In fact, the project has morphed from an earlier desalination water supply and growth project to a smaller groundwater protection project today, now known as the Water Reclamation Facility, or WRF. Specifically, the project will pump brackish groundwater

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from a well installed at CCSD's wastewater effluent percolation fields near San Simeon Creek. The pumped groundwater would then be treated through two treatment pathways. Water intended for groundwater recharge would be treated to drinking-water quality and reinjected into the groundwater basin near the community's existing water supply wells to help maintain a protective groundwater gradient, support continued operation of the existing wellfield, and protect against seawater intrusion and water quality degradation. A separate portion of the pumped groundwater would receive microfiltration treatment and be discharged to the San Simeon Creek lagoon during the dry season to help maintain lagoon water levels and habitat. Together, these project components are intended to protect groundwater resources while also providing dry season water augmentation to support aquatic habitat in the San Simeon Creek lagoon. Additionally, the brine evaporation pond originally constructed will be converted back to native habitat. This project evolution is the result of community advocacy, regulatory agency input, and a concerted effort by CCSD staff to listen and respond accordingly to such direction. Staff believe that all parties should feel a sense of accomplishment in reaching this point, as it represents the positive change that can result from open and robust dialogue regarding important public infrastructure.

It is apparent that some commentors in opposition appear to be directing their comments not at the current project, but rather at project components that were associated with past iterations of a project at this site, but that are no longer part of the current project.¹ That is to be expected to a certain degree when a project of this type is considered for over a decade, and when it changes and morphs over that time in response to input from County leaders, resource agencies, and the public. In fact, and as discussed in more detail in the staff report, the water supply issues in Cambria that ultimately have led to this project have their own long history, pre-dating even the Coastal Act.

And the project itself has morphed from what was once envisioned as a large-scale desalination plant to provide a water supply to fuel community growth (for which the Commission actually denied test wells intended to support such a plant in 2007), to a temporary emergency facility at the height of a years' long significant drought approved by County emergency CDP in 2014 (a project that raised similar - and also different - concerns than the desalination plant, including that it was an initial step to then construct a large desalination plant), to the project that is proposed today, which is at its core a reduced scale project that is directed at protecting groundwater and habitat resources at San Simeon and Santa Rosa Creeks.² Some commentors in opposition, however, still seem to be referring to elements of those prior iterations of the project as reasons why the Commission should find a substantial issue, and ultimately deny this project. Although some comments continue to reference components of earlier project iterations that are no longer proposed, other comments raise specific questions

¹ In fact, one Appellant, Clyde Warren, actually withdrew his appeal upon understanding that certain project components associated with previous iterations of a project at this site were actually not proposed nor authorized by the County's CDP action here.

² Again, although the project itself would occur at San Simeon Creek, one of its objectives is to also help avoid the need to pull groundwater from the Santa Rosa Creek system, and by extension to help provide habitat benefits to that creek as well.

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regarding the current project's groundwater effects, ESHA mitigation, brine management, and relationship to future development. Staff addresses those concerns below.

Riparian corridor and special status species impacts avoided

With respect to potential concerns regarding impacts to sensitive aquatic habitats and species, the project's modeling demonstrates that adverse impacts to the riparian corridor and lagoon can be avoided with the proposed groundwater reinjection well and with the return of treated water to San Simeon Creek lagoon. Commentors expressed concern regarding impacts to the lagoon that supports tidewater goby and steelhead, as well as species present within the riparian corridor, including California red-legged frog, with the suggestion of adding monitoring locations with piezometers to monitor water levels in riparian habitat. Baseline monitoring data from CCSD show fifteen monitoring wells surrounding the project area, with two located on the edge of the riparian corridor and one within the riparian corridor. Historical data from these wells will be utilized to compare to water levels during facility operation and are discussed further below.

With respect to water quality, water injected into the groundwater basin will be treated to drinking-water quality, and the separate lagoon augmentation discharge will have lower total dissolved solids (TDS), sodium, and chloride concentrations than the shallow groundwater that currently seeps into the lagoon; thus, neither input (into the groundwater basin and into the lagoon) is expected, in itself, to degrade water quality. The Commission's Ecologist, Dr. Rachel Pausch, and water quality specialist, Dr. Hollie Hall, have extensively reviewed the project materials and do not expect the project to result in adverse water quality or habitat impacts given the monitoring and adaptive-management requirements described below.

At the same time, although the project has been modelled and that evidence suggests resources will not be adversely impacted, the project includes an Adaptive Management Plan (AMP) that is meant to monitor for impacts and prescribe triggers for adaptive management. And – importantly – Drs. Pausch and Hall have worked extensively with CCSD staff on the project's monitoring and management protocols as part of the AMP to ensure that there are no such adverse impacts during project operation. As explained beginning on page 29 of the staff report, the purpose of the AMP is to monitor, study, and adapt the project to changing conditions, including to track any potential concerns with the goal of avoiding them in the first place, up to and including ceasing operations as a worst-case scenario.

The AMP monitoring provisions are quite extensive, and include provisions for monitoring riparian habitat conditions, special-status species, lagoon water quality, shallow groundwater chemistry, and groundwater levels before and during facility operation. This includes biweekly monitoring of habitat as well as electrical conductivity, TDS, and nitrate in shallow groundwater, the upper lagoon, and the WRF discharge, and continuous groundwater-level monitoring to detect unanticipated changes and trigger adaptive management. In addition, the AMP outlines specific water levels that would trigger pre-operation monitoring, the start of WRF operation, and the end of WRF operation. The AMP relies on real-time monitoring rather than solely modeling to ensure

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drawdown does not adversely affect riparian resources. Groundwater elevations have been monitored at multiple wells in the project area since at least the early 2000s, providing a historical range against which project-related changes can be evaluated. During WRF operation, the AMP requires water level monitoring near the riparian corridor (at wells 16D1 and MW-4), as well as in the percolation pond area specifically (at well 9P2 and via four piezometers) to determine the extent of drawdown from the well installed at CCSD's wastewater effluent percolation fields (well 9P7) and whether it propagates toward San Simeon Creek. The AMP also requires development of a modeled/pre-operation drawdown envelope and establishes quantitative triggers for adaptive management. If monitoring indicates that WRF operation may be contributing to abnormally low groundwater levels, required responses include increasing or relocating creek discharge and, if necessary, reducing pumping at well 9P7.

The AMP also includes detailed parameters regarding independent third-party monitoring and oversight, including the creation of a Technical Advisory Committee (TAC), comprised of staff of the Coastal Commission, California State Parks, California Department of Fish and Wildlife, San Luis Obispo County, Upper Salinas-Las Tablas Resource Conservation District and other agencies as needed, to review data and information regarding water quality and creek health. The TAC is required to convene to approve baseline data and adaptive management triggers before facility operation. The TAC will also be tasked with making recommendations for better management, which are then required to be implemented by CCSD. Thus, the Commission and other applicable resource agencies have enforceable tools to make sure project effectiveness, impacts, and changes are reported and enforceable. The Commission's technical experts reviewed the updates to the AMP's monitoring and adaptive management protocols with CCSD staff, and believe the AMP's focus on monitoring, reporting, and making changes as suggested by qualified resource professionals ensures the project will address any problems should they arise.

In short, contrary to commentors in opposition, staff, including Drs. Pausch and Hall, continue to believe that the project has been designed to ensure that it does what it promises, namely that it will not adversely affect creek related resources, and ideally that it will lead to habitat improvements.

ESHA impacts related to facility construction

Some commentors expressed concern that the project's compensatory mitigation, in the form of restoration and preservation of over 7 acres of upland and riparian habitat (7.6 acres total), is not sufficient to compensate for the project's impacts, both moving forward as well as related to initial ECDP activities in 2014. Although the area of WRF construction was and is composed of predominantly non-native and ruderal species, because the San Simeon Creek riparian corridor is documented California red-legged frog (CRLF) habitat, the adjacent upland area where such construction will and has taken place is considered CRLF dispersal habitat, and both these riparian and upland areas are considered ESHA under the LCP.

The project constructed under the ECDP in 2014 built infrastructure over 0.52 acre of CRLF dispersal ESHA. Additionally, an existing 3.6-acre storage basin, which historically received effluent from the wastewater treatment plant, but was considered to

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be CRLF dispersal ESHA, was lined and converted to a brine evaporation pond in 2014. Moving forward, the project will add another 0.24 acres of infrastructure in such CRLF dispersal ESHA (for a project total of 0.76 acres of CRLF dispersal ESHA, in addition to the 3.6-acre storage basin) and 0.01 acres in the riparian corridor, in the form of a pipeline to direct treated water to the lagoon during times of drought.

When ESHA impacts are authorized,³ historically, the Commission has commonly required a 3:1 mitigation ratio for impacts when mitigation takes the form of creation or substantial restoration, or a 9:1 ratio when it involves preservation of existing habitat.⁴ As applied to the proposed project – both as already constructed and moving forward – such ratios would equate to a need for at least 0.09 acres of riparian preservation, which is satisfied via the proposed project's easement over riparian habitat. The non-native CRLF dispersal habitat, such as the fields where WRF components were constructed in 2014, has historically required a 0.5:1 ratio for preservation mitigation,⁵ thus leading to a need in this case of 2.18 acres of preserved CRLF habitat for the project, when also including the acreage of the storage basin. Thus, the 4 acres of preservation via the proposed easement, in addition to the restoration of the 3.6-acre storage basin, adequately mitigates for all project impacts, including accounting for the time between the 2014 facility construction and this follow-up CDP.⁶

Reverse osmosis concentrate management

As it relates to concerns regarding reverse osmosis (RO) concentrate management, chemical storage, and the potential for accidental releases to ESHA or nearby creek environments, staff notes that the currently proposed project differs substantially from the earlier concentrate-disposal configuration. The former evaporation pond used for RO concentrate disposal has already been taken out of service, and the mechanical spray evaporators have been removed. As part of the proposed project modifications, the remaining pond liner would be removed and the pond basin restored and revegetated with native vegetation. The County-approved project instead provides for RO concentrate to be managed in one of two ways: through a zero liquid discharge

³ Which in itself is unusual, as most LCPs only allow resource-dependent and benign development in ESHA. As indicated in the staff report on page 18, however, the San Luis Obispo County LCP actually allows for development of the type proposed and already constructed in ESHA under certain circumstances, which are met in this case.

⁴ See the memorandum entitled "Impact Definitions and Mitigation Framework for Gleason's Beach Highway 1 Realignment" (Exhibit 24 in California Department of Transportation (Caltrans) CDP 2-20-0282 for Gleason Beach Highway 1 Realignment).

⁵ See, for example, the [2021 staff report for CD-0001-21](#) in Santa Cruz County.

⁶ Commentors assert that mitigation requirements for development in these areas should consider the duration of impacts as well as area, referring to "acre-year" units. Historically, acre-years have most commonly been applied to proposed projects that require mitigation for marine organisms lost to seawater intake over a certain number of years. The infrastructure of this project, however, impacted terrestrial ESHA, which historically has been quantified using area, and not duration, given that impacts such as ground disturbance may be substantial regardless of duration, and compensatory mitigation often requires the restored area to be protected in perpetuity. Thus, the mitigation proposed here is in fact greater than what would be required if the impact was calculated in "acre-years."

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(ZLD) system or through temporary onsite storage, with both options ultimately requiring offsite disposal.

Under the preferred ZLD approach, approximately 99 percent of the liquid would be removed from the RO concentrate, leaving a much smaller volume of semi-solid concentrate for offsite disposal. This would substantially reduce the volume of liquid concentrate requiring onsite storage, transfer, and transport and, correspondingly, the potential volume associated with an accidental release. If ZLD operation is infeasible, the RO concentrate would instead be temporarily stored onsite in contained tanks before being transported to an appropriate offsite disposal facility.

The project also incorporates measures intended to contain accidental releases during storage and transfer. CCSD indicates that existing concentrate storage tanks are located within spill-containment berms, truck loading would occur within a contained area with spill-response materials available, and the project description identifies double-walled tanks for additional concentrate storage associated with the proposed configuration. Thus, unlike the earlier project configuration, the current proposal eliminates long-term liquid-concentrate disposal in the evaporation pond, substantially reduces the volume of liquid concentrate requiring handling under the preferred ZLD approach, and incorporates secondary containment and spill-control measures in all cases. Staff therefore believes that the potential for adverse impacts from RO concentrate storage, processing, transfer, and disposal is appropriately addressed.

New development and growth

In terms of comments regarding the project's potential for growth inducement, including whether it will be used by CCSD, the County, and applicants to justify new development, there are a few important things to note. First, CCSD's project description makes clear that it is not seeking to use this project to justify new development and will continue to only serve existing development, including since most new water using development is not permissible under the LCP at this time.⁷ The LCP is not proposed for amendment, and thus those restrictions will continue to govern unless and until the Commission certifies an LCP to provide for new growth, which would require the development of a new, sustainable long-term water supply for this community.

Second, the project also is not adding new water supply or otherwise changing the allowable amount of water it can extract for the community's consumption purposes. Rather, the project uses indirect potable reuse to make more efficient use of CCSD's existing water supply by treating groundwater extracted near the effluent percolation ponds and reinjecting it into the basin near the existing municipal wellfield, where it helps maintain the protective groundwater gradient and keeps water available for the existing supply wells. Allowable amounts of extracted water are legally specified by both a Commission CDP (CDP 132-18) and from the State Water Resources Control Board⁸

⁷ Including as determined by the Commission just last month in CDP A-3-SLO-24-0030 (Winter Hotel). See additional discussion on the LCP's water supply/new development provisions in Cambria starting on page 22 of the staff report.

⁸ Water Right Licenses 13916 and 13917.

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and are also not changing as part of this project's approval. The Commission too would need to amend that CDP to allow for additional water pumping/consumption in the community. And for both actions (i.e., amending the CDP and modifying the LCP), the Commission would need to base its decision on substantial evidence that water extractions are not having any significant adverse impact on ESHA, water quality, creek systems, and other protected coastal resources.

And third, the project is meant to help make its existing supplies more resilient in the face of seawater intrusion, but it is not intended to be a solution to water supply inadequacies. As explained in the staff report (see discussion beginning on page 19), the community's water supply inadequacies are well known, and the reality is that this community is eventually going to need to transition away from the two creek systems in order to solve these deficiencies in a manner that protects coastal resources. These creeks are simply too important a habitat and too unreliable during times of drought to serve as the community's sole water source in perpetuity. Until the time that a project or projects are identified to augment such supply in a meaningful and Coastal Act/LCP compliant way, however, this project can help keep an already stressed system operational and prevent further deterioration of the groundwater resource.

Conclusion

In sum, this project has a long history, and previous iterations of it, particularly the initial project envisioned when the ECDP was approved by the County in 2014, did indeed raise significant coastal resource concerns including given the lack of site studies and monitoring program. However, the project as approved by the County today has been substantially modified over the years in response to those concerns, and should be understood to protect existing water supplies and groundwater health, provide dry-season freshwater augmentation to the lagoon, mitigate for unavoidable ESHA impacts, and include significant monitoring and management – with extensive Commission oversight – to ensure same over time. The end result is a project that does not raise substantial LCP conformance concerns related to ESHA, water quality, and sensitive habitat protection.

As a result, staff continue to recommend that the Commission determine that the appeal contentions do not raise a substantial LCP conformance issue, and that the Commission decline to take jurisdiction over the CDP application for this project. In making this recommendation, staff reiterate its commitment to continue to actively engage on this project and its oversight. In fact, the structure of this CDP actually requires that the Commission will play an integral role in monitoring and adaptive management. Indeed, staff is a member of the TAC, CCSD is required to undertake changes suggested by the Executive Director and TAC, and the AMP actually requires Executive Director approval of project changes. Thus, staff's no substantial issue recommendation should not be in any way understood as lessening its commitment to ensure the project is a beneficial public infrastructure enhancement for both coastal resources and the community's essential water supply.