

Central Coast Blue Regional Recycled Water Authority
177 S. 8th Street
Grover Beach, CA 93433

March 19, 2024

RE: Central Coast Blue Review Report (Version 2 dated March 19, 2024)

Dear CCBRRWA Joint Powers (“Authority” and/or “CCB”):

Please find attached our independent technical, financial, compliance and community-based review of the Central Coast Blue project to date. Since some data is not available for a complete review at this time, it is anticipated that this report may change based on additional data and increased collaboration as planned public engagement increases.

As you are aware, a regional project should include collaboration of all potential stakeholders and independent decision making for each impacted community. To date this is incomplete. Each community will differ in needs, but each can still contribute to the goal of regional harmony and a long-term “sustainable water program” grounded in integrity, transparency, and a desire for equality.



As part of our review, we have included analysis of geologic and hydrogeologic conditions with potential impacts that affect feasibility, analysis of the cost and benefits, identified potential issues and conflicts, and reviewed for social justice requirements.

As will be evident in our review to date, we have concerns about the purported feasibility of this project based on technical aspects and cost, which has increased over 500% from inception per the most recent estimate provided yesterday. We applaud your efforts to pause and consider changes and specifically embrace the need for more community involvement.

In your official capacity with authority over key policy decisions for the project, we recommend that you consider a further independent review of the technical and financial merits, including water allocations, separate from the lead agency and their consultants going forward.

If you have any questions or need more information, please contact us.

Sincerely,



Victor Early



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Central Coast Blue Independent Assessment

*“Evaluate for conflicted interests that clash with social justice and regional best interest,
Gain independent views and let the data speak to the risk, cost and need.”*

Executive Summary

Central Coast Blue Regional Recycled Water Authority (CCB) has a stated “positive and appropriate” purpose to develop a regional recycled water project that will produce a sustainable water supply and protect the groundwater basin. This paper explores challenges with that stated purpose and project economics. The unintended outcome of the project is a potential for additional inequity to lower income communities, increased regional conflict and increased cost for community members. Finally, the project portrayal may not adequately disclose potential conflicts of interest and includes heavy reliance on consultants which may result in an unbalanced regional view and misaligned objectives.

Top areas of “potential” concern arising from “available” information to date:

1. Use of incorrect and exaggerated claims to garner grant funds and public support.
2. Risk of seawater intrusion is not clearly disclosed to the public.
3. The amount of recycled and “new water” is inflated and creates regional inequity.
4. Additional modeling results are needed to evaluate the expected performance of the project during a sustained drought.
5. SB-1000, environmental and social justice requirements for disadvantaged communities (DACs), was not well understood and therefore not implemented effectively during planning¹
6. Conflicts and proposed water allocation shifts are not clearly defined to those “losing rights”.
7. Alternatives are not fully reconsidered especially since rising costs.
8. The costs have grown over 500% and continue to increase with little fiscal oversight.
9. No apparent independent reviews over Lead Agency and consultants despite clear conflicts of interest.

If the project continues after a review of alternatives and costs: engage public to review impacts, viability, monitoring, and oversight of hazards, create stronger governance and transparency, engage with meaningful public outreach and active decision making.

This project does not appear to produce the claimed regional benefit relative to the increasing cost and conversely magnifies inequity and the potential for additional regional conflict. The CCB grant applications purport to protect disadvantaged communities, calling out Oceano specifically. Benefits to Oceano are unlikely and unproven². Oceano opted “out” as they did not need the water and the project was too expensive³, but is heavily impacted. Nearly all the environment impact from the project will reside in disadvantaged census areas. Grover Beach community members are additionally raising cost concerns, highlighting community needs and many are asking for a review of alternatives anew.

¹ In various meetings with the County in March 2024, with the planning department, this requirement was not understood and is currently not specifically addressed in the SLO general plan in a way that meets expectations of the Department of Justice.

² CCB models 1B and 1C, also see supplemental data section and collaboration by the Central Coast Regional Water Quality Control Board. Only 40 AFY of new storage is shown (5% of total injected or 2% of intended flows).

³ PB and OCSB meetings in 2019/2020.

Based on our interpretation of the data provided to date, the main benefit appears the creation of an additional water supply with Pismo Beach as the lead agency. Just “one” Pismo Beach well shows any meaningful risk for seawater intrusion with 150% more water extraction but not until 37 years into the future. Only Pismo Beach effectively gains water quality from the purified water injected⁴. The water balance shows that only a very small amount of water supply would be added to the basin, which could quickly diminish during a drought with heavy reliance. The seawater intrusion risk can be lower or non-existent with good basin management compared to other aquifers. The JPA creates conflicts with water allocations and social justice considerations. Pismo Beach, or their consultants, have potentially avoided evaluating better management and well relocation and/or finding other viable and economic options. The consultant firm, which also works as the NCMA watermaster, is under Pismo Beach’s oversight. Pismo and CCB appear to allow inaccurate or exaggerated statements. Certain “self-interest” aspects are quietly encompassed in broad goals in marketing “a community-wide project that is necessary to protect and enhance the basin and protects DACs”.

CCB groundwater modeling data was reviewed with scientific rigor and does not validate all program assertions in grants and presentations, and points to omitted geologic considerations and significant community and social justice concerns. The lack of a full material risk of seawater intrusion, increased infrastructure relocated into coastal residential areas with the high cost, triggered this review. Many property owners and residents are unaware of ANY impacts. The project governance has lacked transparency. Further, CCB has a purported shorter facility project life of 30 years per proposal disclosure than when the potential seawater intrusion might occur with 150% more pumping⁵.

Key Observations

Technical Review and Unsubstantiated Critical Need: Demonstrated need is a crucial element for a project of \$93Million. Supporting data, as independently reviewed from CCB’s modeling, as well as financial and water allocation data does not support such a critical need relative to cost and instead likely increases regional conflict. Additional detail can be found in Section 1.

Social Justice Concerns: The project does not appear equal in impact and benefits across community members. Nor has the project embraced significant involvement and decision making with the disadvantaged community members most impacted. This topic is explored in Section 2.

Governance Considerations: The project appears to lack independent review by each city and the county. CCB has included incorrect and inflated claims in presentations and grant proposals and other documents to gain public and political acceptance to date. These issues are discussed Section 3.

This current project, as planned, would likely continue with cost increases. CCB will need significant “catch-up” for social justice concerns. These observations can be addressed now as the project is paused and we are hopeful that additional review and community engagement will occur.

⁴ CCB website, project goals and results in 1C monitoring results. Also see summary documents focused on data in appendix sections.

⁵ CCB grant application 2018 with 30-year facility life. Note the lives of equipment can range from several years to 75+ as listed in a 2022 grant application but the project components require significant maintenance and replacement making operating costs high at \$3.4M currently.

Recommendations:

We applaud the “soft” pause and ability to provide this report and be part of “positive regional engagement” going forward. We hope our findings are informational and helpful:

1. Collaborate for regional benefit to proactively address issues and reduce potential conflicts.
2. Obtain an independent review to understand the extent of seawater risk in the short and long term and independently further evaluate the recycled and true “new” water source (to understand the “true” cost/benefit of project and “need”).
3. Provide answers to technical questions, including modeling for drought conditions (stress testing) to understand impacts to all water sources and efficacy of assertions. Additional work is needed on monitoring for hazards and protocols with public input.
4. Provide, and work with the community actively in workshops, as requested, and find solutions with community involvement and decision making.
5. Correct grant and loan application errors, including disclosure of conflicts of interest; call out a main goal of generating water for future demand and/or extraction and adjust to “true new water source”.
6. Engage to cost/benefit ALL alternatives anew with community workshops to “find a good regional” project that addresses regional needs fairly and successfully.
7. Meet needs of SB-1000 with proactive, transparent, and meaningful outreach in DACs, reduction of pollution and hazards, evaluate ideas to level impacts and align to revitalization.
8. Include SB-1000 requirements in the San Luis Obispo general plan and City plans specifically to address the missing requirements to assure proper representation of DACs in the future.
9. Assure Oceano and AG water allocations are not “lost” beyond the “actual water storage of 40AFY per data” (i.e. actual “new” water). Immediately address any conflict, real or perceived and assure the potential consultant conflict with NCMA is highlighted and eliminated promptly.
10. Assure consultants have the entire regional best interest and investigate potential conflicts of interest and instill additional controls and disclosure with independent review.
11. Include Oceano representation on the JPA Board if they will continue to be impacted or claimed as a regional beneficiary or stakeholder; work to align with inclusion and AVOID conflict as is expected for grant funding and our regional best interest.
12. Required CCB to post a bond to cover all potential environmental, disruptive, and physical impacts from the project.

Our review highlights potential areas for further independent review, with recommendation for collaboration. Observations are solely based on data obtained to date. Our observations should be viewed with a sincere interest and openness to finding the best regional outcome with greater public input. We are open to change our views based on the continuing dialog which has just begun and shall include additional data in our review, where needed.

Assessment of Benefits and Impacts

Benefits/Impacts	Pismo Beach	Arroyo Grande	Grover Beach	Oceano
Additional water (Joint Powers) for sustainability, growth of supply and quality ⁶ . The potential for water rights changes is also highlighted as a gain or (loss) ⁷ .	Yes, and cleaner water evident 2-5 yrs. (both Pismo Wells primarily benefit compared to other partners); increased water rights 324 AFY	Yes, but can pump anyway, no reported indication of improved water quality, possible loss of water rights with project (106AFY)	Yes, but potentially only 77 AFY gained, no reported indication of improved water quality	No. Serious potential risk to water rights allocations of (295AFY), and marginal increase in quality predicted only after 20 yrs
Protection needed from seawater intrusion, as modeled by CCB in normal and extreme conditions, including droughts and increased pumping to 150% (37 years) . ⁸	Protection needed only with additional pumping over an extended period . Recommended action by the CCRWQCB and others is to potentially relocate the well or inject inland ⁹	No. May be like an insurance policy but risk small relative to project cost and more than 40 years in future, if ever. Recommended alternatives were not pursued.	No. May be like an insurance policy but risk appears small relative to project cost and more than 40 years in the future, if ever	No, limited risk unless pumping is increased 300%, as allocated, which is unlikely. May be like an insurance policy but low risk and only if controls are in place that are not apparent today, and may be subject to litigation on water rights ¹⁰
Infrastructure burden and hazards. This includes pipelines, injection wells, monitoring wells and the ATF. Impacts will include resident displacement, traffic noise, pollution, biological, public, and cultural disruption as well as ongoing hazards due to flood, seismic and liquefaction zones. ¹¹	Limited new; recycle facility and pipeline from WWTP to ATF	Non-apparent impacts	Significant short-term and potential long term residual impacts. ATF is in Grover Beach. Cost burden on rate payers, lower income communities and paying for repair of roads twice	Significant short-term and potential long term residual impacts

⁶ Central Coast Blue website: www.centralcoastblue.com, Research Library: Phase 1B and IC Hydrogeologic Evaluation (modeling reports).

⁷ See Appendix A for changes in the water allocations with and without the project.

⁸ Assessments by the Central Coast Regional Water Quality Control Board (CCRWQCB); letter dated 10/28/2021 and grant assessments, including assessment of Phase 1B modeling dated 3/8/23.

⁹ CCB website, recommendation report to Pismo Beach and AG, 2025 recommending inland injection.

¹⁰ Based upon review of 2023 grant proposal depicting a new Central Coast Blue water source of 1,420 AFY for JPA Members. The JPA is currently hiring an attorney, with a focus on water rights case law, including Oceano Community Service District's (OCSO) past attorney as the top candidate.

¹¹ Final EIR, Amendment, and USGS website www.USGS.gov. references and study on Oceano liquefaction. Note no hazard plan exists for flooding, excess pumping and shallow ground water impacts, or seismic concerns.

Section 1: Technical and Financial Review and Unsubstantiated Critical Need

“Independent scientific and financial evaluation is warranted to better understand need, intent with expected outcome and impact”

Demonstrated need is a crucial element for a project estimated at \$150Million¹². Supporting data, as independently reviewed from CCB’s modeling, supports a relatively low risk of seawater intrusion with limited efficacy of new water retained by the project. Other groundwater recycling projects typically have moved injection wells inland and/or manage flows so as not to create seawater intrusion and assure best flow balance and storage.¹³ The Groundwater modeling attempts to predict groundwater levels, flow paths, inflows, outflows, movement, concentration of sea water, and aquifer performance 40 years into the future, based on calibration to measured hydrologic conditions between 1977 and 2016. There were 4 periods of drought during that time.

Excerpts from modeling reporting can be found in the Supplemental Data section to this report and are based on CCB modeling reports¹⁴. Stress testing of drought conditions has not been provided and is recommended to review claims for actual drought protection due to the low added storage. Key technical observations are included below:

Technical Review Observations

- There is a hydraulic connection between the deeper injection layers and the shallow water table. This connection necessitates careful monitoring and injection protocol to prevent an increase in flood, seismic, and environmental risk.
- Risk of seawater intrusion is to one well (PB23), only after 37 years, with 150% increased pumping. Current basin pumping rate (1,080 AFY) shows no risk of seawater intrusion.
- Sea water intrusion risk through the shallow aquifer is shown due to increased pumping but is not addressed by this project as it should be.
- With an added 900 AFY injection and 150% more municipal pumping, new water storage to the aquifer is minimal (40 AFY) and a claimed new water source (1,420 AFY) is non-existent.
- The 1,420 AFY “new water” would be taken by the JPA due to claims of creating protection from seawater intrusion, without consideration of basin depletion during drought conditions.
- Purified water recycled for use in the aquifer is a percentage of the total treated and injected. An estimated 650 (of 900) AFY would be recycled back into the aquifer.¹⁵ With the high cost of treatment CCB should aim to get 100% of treated water injected into the aquifer. This can be accomplished by moving the injection wells inland and managing the basin.
- Drought resiliency is unsubstantiated and would require additional modeling to prove, as requested. Groundwater storage capacity in this basin is minimal, suggesting that drought resiliency, even with the project, may be exaggerated for the region.
- Additional hazards are not fully addressed, additional review of hazard protocols is requested.

¹² Based on new estimates of \$134Million to \$159Million presented in the Board Meeting on March 18, 2024.

¹³ Based on discussion with projects in Monterey and Santa Cruz on well locations, amount of recycle, impacts, etc.

¹⁴ See Supplemental Data section and additional source references. Review was completed with CCB 1B and 1C modeling reporting, 1A and 1B GW model reports, Preliminary Engineering Report, Hydrogeologic Evaluation, well siting, permits and approvals and monitoring well reporting. Additional supplemental reports supplied included monitoring logs and NCMA reports and select OCSD reports. Finally, additional reports from the Central Coast Regional Water Quality Control Boards were also used to supplement and corroborate findings.

¹⁵ Based on data provided from the technical team on with CCB General Manager on March 12, 2024.

- Water quality and water level monitoring protocols and plans are not apparent. CCB should establish baseline ambient water quality, geochemical conditions, and water levels (minimum four quarters of data) prior to injection to allow comparison to future monitoring results.
- It is unclear the protocol for determining well diameters, placement and whether aquifer testing would occur during the injection well drilling program.
- Other water generation and conservation alternatives do not appear to be adequately reconsidered especially since costs have risen dramatically.

Financial Review and Observations

As noted, the project cost has increased significantly from \$25Million in 2015/17 to \$93Million as of June 30, 2023. This has further increase of over 50% again to an estimate of \$150Million in under a year, despite a reduction in scoping¹⁶. This is a costly project relative to the net new water, whether that be based on minimal new storage or recycled AFY as discussed in the section above. Based on a financial review, summary points are listed below, and details can be found in Appendix A:

- **High Cost and Need for Alternative Review:** The AFY cost of new water appears to be higher than nearly any other project based on a recycle value estimated at 650 AFY at a cost of \$10,776 AFY over the project life (current dollars). All project alternatives may need updated, and alternatives should also be evaluated anew with cost/benefit and formal design review. Community ideas on alternatives will be forthcoming in the coming week and may include a mix of ideas and include, but are not limited to:
 - Conservation and more natural recharge
 - Moving inland to capture recycle value and/or other less expensive recharge methods
 - Lopez management
 - Lopez spillway and flood capture
 - Rainwater recapture
 - Direct Potable
 - Desalinization
 - Managing the basin, embracing a regional approach with shared balance/equity
- **Improve Fiscal Oversight:** CCB and the JPA member cities should instill controls and oversight to monitor Pismo Beach and its consultants for fiscal policy activities and decisions to curtail and review independently and with greater rigor and accountability for overruns.

¹⁶ CCB March 18, 2024, Board Meeting. New range is \$134-\$159Million with a further reduction in wells proposed. Note this estimate appears to be mainly attributed to the AFT which is 90% designed, the pipelines and wells which are 60% designed. Of further interest is that both the construction Cost Index and Materials Price Index used to support increasing cost showed little increases in the corresponding year. As the increase is dramatically higher and amounts continue to mount with Pismo Beach as lead agency with consultants, additional fiscal oversight is highly recommended as estimates have routinely “missed the mark” and additional review of conflicts should be undertaken as recommended in Section 3. Very little Authority or City oversight governance has been observed as costs continue to increase and major policy decisions are made by Pismo Beach and/or their consultants on JPAs behalf, including these cost increases and a withdrawal of the CDP. Recommendations have persisted for greater oversight of Pismo Beach as lead agency and their consultants despite CCB’s general manager claiming not need for such governance since the inception of this review in January 2024.

- **Water Allocation Transfer Conflicts:** Unintended water allocation shift should be reviewed based on apparent inflated claims of “new water source” and potential negative impacts with the review of critical drought modeling. Caps and allocations need further clarity and remain open questions. Conflicts are likely to arise, if not yet highlighted, and should be resolved. The CCB claims this new water source, beyond actual water injected and flows, that shifts allocations and benefits primarily to Pismo Beach. To date, no other projects researched appear to suggest such claims with use of a DAC for funding and placing much of the infrastructure in the community to do so.¹⁷ Arroyo Grande may also be impacted. This is due to the differential in the NCMA allocation percentage which is higher than the JPA member percentage of 25%.
- **Insurance Value:** Even as a potential water supply insurance policy, this project is expensive in the tens of millions for each city as an estimate. It is also further unclear if the water estimates are accurate in a critical drought as noted in the section above due to limited storage and loss in flow. It is likely that droughts will impact the basin and an inflated sense of resilience by JPA members may produce additional pumping and increase basin risks. Stress testing is needed to supplement review and claims of sustained drought resiliency.
- **Social Justice Concerns:** Currently, as proposed, there are serious DAC concerns on water allocations and rights and potential conflicts of interest that need to be resolved for regional harmony prior to implementation of the project. Significant outreach and involvement are also needed. Additional information is included in the next section and appendices.
- **Necessary Bond Posting:** CCB should post a performance construction bond to cover all potential impacts, displacements, damages, and completion to the standards of the project.
- **Detailed Projections and Budgets:** More public transparency and updates to projections for capital and operating budgets is recommended. Projections should be maintained in more detail by general ledger line items and variances tracked with more definition and frequency.
- **Long-term Planning:** Consider linking planning to long-term coastal or infrastructure needs, including the required relocation of South County Sanitation WWTP. This will enable a strategic approach to regional needs and additional cost efficiency spread over a longer period.
- **Continue Search for Grant Funding:** CCB should continue to maximize grant funding, but in a way that is accurate, equitable and truthful. Consideration can be made for new funding with a mix of alternatives for the region.

¹⁷ Discussions are ongoing with several other similar projects including Soquel, Monterey, Morro Bay, and Ventura. Further inquiry was also made with the Department of Water Resources. No common practice for additional water creation beyond the amount injected has been identified. Suggesting “additional water” beyond that injected appears to be potentially similar in nature to inflating revenue (water creation) in financial statements, where there is a desire to benefit from inflated revenue with a compensatory benefit (equivalent in this scenario to shifting the inflated water allocation away from the adjudicated entity and to a different entity). A recommendation to relook and gain more independent assessment for this methodology and assure regional conflict is avoided is highly recommended.

Section 2: Equality and Social Justice Concerns

“Embracing regional differences and meaningful participation in decisions that impact lives in our sensitive coastal areas”

CCB using DAC census, with inaccurate and misleading or exaggerated information to gain grant funds and claim regional need, is apparent. DAC communities are to receive the negative impacts and hazards, without any alternatives being presented and reviewed with any meaningful and balanced public disclosure. An intent to significantly alter water allocations benefiting the lead agency to the detriment of a DAC would be unfortunate. Conflict and potential litigation will likely be an outcome if this project continues without change. This potential negative outcome can and should be prevented.

Oceano is not participating in Central Coast Blue from an economic perspective, nor gaining additional water rights as a result currently, nor is at significant risk for seawater intrusion. However, as noted, the community would bear much of the infrastructure and related inherent negative environmental impacts and hazard risk for this project. South Grover Beach is also impacted with significant infrastructure and has a DAC census which also appears to be used in grant applications.

The funding, at least in part, is from state and/or federal grants. Under Government Section 11135 no individual... (inc. community group, as interpreted) shall be denied full equal access to benefits or discriminated against. The fairness of environmental benefits and related risks should be equalized. The local government (i.e. CCB/JPA Board) should take special care to (a) foster equality in benefits vs inherent risks across all communities impacted and (2) not result in unmitigated concentration near communities such as Oceano that fall into designated categories. In addition, public outreach should consider specific inclusion for interests in these less advantaged communities with adequate representation on governing boards/councils. **Under CEQA, public agencies should NOT approve projects as proposed if there are feasible alternatives or feasible mitigation measures available to the environment, including impacted biological and human environments¹⁸.** Essentially, the project outcome and impacts should be “fair”. Alternatives that may improve designated less affluent communities should be considered such as resiting infrastructure that causes short term and residual negative impacts more equally among communities. Grant money should be governed and managed to assure that assertions of benefits are validated and then in line with benefits gained by the communities whose demographics are used to obtain such funding.

Significant infrastructure has MOVED and would NOW be placed in residential and coastal flood and liquefaction areas without yet fully addressing and communicating the potential impact, without a communicated hazard plan in place yet, and without a geology report as required normally in the EIR/county planning. Monitoring has been recommended to monitor shallow groundwater close to the injection wells in DAC neighborhoods. These requests are largely ignored, to date, by CCB who is also claiming no responsibility for Oceano, and that monitoring will be done but no details or additional protocols to support CCB monitoring activities have been provided. If a hazard occurs it is unclear who would be responsible if not CCB currently?¹⁹

¹⁸ CEQA guidance and instructions.

¹⁹ CCB Board Meeting, February 5, 2024.

Although the project stated that it included a review for equity and additional pollution impacts, it concluded there was no significant impact as the impacts will be “linear”. The review did not include the impact to any community cumulatively as a whole, the extent of impact of changes in potential and actual pollution, hazard zones, funding from grants for each community relative to impact nor a comparison completed with scientific rigor for benefits achieved relative to negative impacts in each community. Further review and outreach are needed to assess overall equitability properly as would be expected by Title VI with regards to grant funds²⁰, CEQA²¹ and SB-1000²². Project relocation changes are ongoing and appear to be at least, in part, financially driven and not aligned to community interest even though such cost may not be significant to the project in totality (significantly less than 1% of operating budget for one instance reviewed requesting to relocate a well out of a DAC residential areas and hazard coastal zones)²³. Lack of meaningful public outreach, including simple notification to those impacted and community workshops and other public outreach studies has been deficient and has impeded an ability to fully gather community concerns and proactively evaluate alternatives.

Of significant concern is the potential loss of water rights for Oceano as well, estimated to be \$13M over 30 years (Appendix A). Based on proposals, CCB appears to allow a transfer of 295 AFY a year in water allocation rights from Oceano to the JPA, mainly Pismo Beach, based on assertions of a new source of water as described in Section 1. CCB was currently looking to hire legal counsel with a focus on water rights case law experience, including an attempt for an attorney who was OCSD council which was a clear conflict of interest and included a potential Brown Act violation for an attempt to hire the prior OCSD attorney without public notification²⁴. Oceano will not have the same resources to fight this battle although it is clear in our analysis, that the JPA has an apparent intent to transfer water allocation rights at the expense of Oceano. We hope this is NOT the case. Scientific data, that is extremely technical and therefore unknown to the public and will likely require experts to review the technical basis and legal battles are likely. Data and technical analysis indicate Oceano should NOT lose significant water rights due to this project.

In February 2023, a consolidated CDP application was approved by the County Supervisors. It should be noted that this was done before later project changes in 2023 and before the amended EIR was complete. This was done without required SB-1000 meaningful outreach for impacted DAC communities²⁵. It is unclear why this was done and approved, considering the significant negative impacts to lower income communities without any meaningful outreach and significance of changes

²⁰ San Luis Obispo. Title IV. General Plan.

²¹ California Environment Quality Act. 2023.

²² SB-1000. Land use, general plans, social justice.

²³ CCB site review for IW3 of \$10,000 in comparison to operating budgets disclosed by CCB on February 4, 2024, of nearly \$3.4 Million (insignificantly less than 1%; rounds to less than 0%). Also, the SLO county requires a change in land use, another hurdle, and likely points to undesirable aspects of the wells in public places in general. Appears the economic and easy solution was to place in Oceano and not look at other alternatives for industry areas within 200 feet of the campground that may be better suited for industrial machinery.

²⁴ February 17, 2024. The CCB Board was notified of a Brown Act violation due to a closed session and the hiring of OCSDs prior attorney. This was done without public disclosure nor a conflict-of-interest waiver. This matter is ongoing.

²⁵ Section 30601.3 of the Public Resources Code allows consolidation, provided that the public participation is not substantially impacted.

which for those impacted, are material. Additional omitted EIR elements are further described in Appendix C.

Further, in recent Coastal Commission reviews, including the Oceano airport, it has been noted that social justice is an identified concern in Oceano, and longer-term planning and coastal hazards responses are needed²⁶. We believe that similar concerns and recommend a long-term view that is regional again in nature and embraces equity and preserving our coastal areas from hazards.

There should be specific protocols from the County to address how unincorporated DACs are included to assure decision-making authority and representation for those communities that is unbiased. The Attorney General of CA²⁷ has cited several counties including Ventura and Tulare and made several recommendations for more proactive inclusion. SLO County should include some of these recommendations with the CCB project, even now, and assure impacted DACs in unincorporated areas are appropriately represented and specific project funding to align goals to “improve” these communities as a priority for overall project decision making and related zoning decisions.

Decisions should NOT be solely economic, political or project member benefit only and should capture DAC community sentiment and meaningful involvement and protections, including:

- Assure governance of use of grant money is managed equitably and in line with project goals and DAC benefit. Assure no misleading and/or exaggerated claims on potential benefits to gain funding (i.e. accurate and transparent disclosure on benefits vs. impacts).
- Enable equity and fairness through all aspects of community representation and look out for conflicts of interest specifically that may negatively harm the community, even if unintentional.
- Protect the community from degradation not in alignment with revitalization and community goals.
- Assure proactive outreach in planning and throughout projects, including community direct communications and capture hard to reach community members (mail/phone/workshops).
- Allow DACs a voting seat on projects and assure decision making for changes that impact their community.
- Assist DAC members actively with administrative support in gaining additional grant funds or beautification funds for projects. Include guidelines in the SLO general plan.
- Obtain an independent review of the project and water allocation issues that can be provided to the JPA members, Coastal Commission, Department of Justice, NCMA and Superior Court, as needed. Due to the circumstances, we recommend this be paid for by CCB or the lead agency. The independent consultant should be selected by and report solely to OCSD.

²⁶ California Coastal Commission. Staff Report dated 12/1/2023.

²⁷ California General Attorney. Website.

Section 3: Governance Considerations

“Protecting our water supply is the right thing to do. But not without oversight and meaningful and truthful public disclosure. Grant money and loans at the expense of taxpayers and disadvantaged communities that plays to public sentiment with misleading soundbites but does not seriously review the data points to a relook at the risk and cost/benefit and alternatives rather than allowing the community affluent to unjustly exercise their power to create more inequity.”

Pismo Beach, as lead agency for the region has a responsibility for stewardship. Much of the project appears to be delegated to consultants, and it is unclear if that stewardship is fully embraced. Additionally, the JPA and the Central Coast Blue Regional Recycled Water Authority appear to be positioned for oversight over Pismo Beach based on the bylaws and audit, but it is unclear if adequate structure and controls exist, or if there is an intention to govern Pismo Beach. The following examples of disclosures, potential for conflicts or lack of oversights deserve a deeper review:

- **Utilizes politically popular claims and fear of seawater intrusion and does not clearly disclose either self-interest or the extent of “risk”:** Seawater intrusion is slow moving so in the long-term it may be a viable concern and certainly the Pismo Beach well 23 shows the most vulnerability, but the need appears to be presented as immediate need with no feasible alternatives, which is not accurate.
- **Does not reconsider alternatives based on public input nor correct misstatements nor adequately disclose self-interest despite new data validation and increasing costs.** CCB models indicate NO major risk of seawater intrusion that warrants this project in the overall 30-year facility life, as disclosed in grant applications²⁸. Presentation materials align first with the rhetoric of “seawater intrusion” despite the lower and long-term risk compared to other projects that are truly in need of funding. However, grant funding has been readily available for seawater intrusion projects making it perhaps an easy approach for Pismo Beach²⁹. For many basins this is a real concern in California, and is warranted, but the risk here is long-term, minimum and can be likely avoided in our region by moving the mechanically failing PB23 well inland, and embracing conservation across the region to allow time to find a better approach since the CCB models express no immediate risk. Technology continues to change so rushing to an arguably dated approach, seems imprudent and a potential waste of taxpayer funding. **Pismo consultant proposals RECOMMENDED that Pismo Beach pursue inland injection for groundwater recapture with a focus on more pumping as well given that there is no critical (i.e. immediate) seawater intrusion concern³⁰. The CCRWQCB staff highlighted that Pismo could potentially have done more to investigate alternatives and move the PB23 well inland. Additionally highlighted, certain communities, including Pismo Beach have ample room to improve conservation with far less cost and benefit while longer term options are being evaluated for greater “regional benefit”³¹.** The aging well was last repaired in 2017 with a limited life only to 2024-2028 and CCB may include some ancillary benefits that PB should be

²⁸ CCB Modeling 1B and 1C.

²⁹ CCB grant applications, see Pismo Beach 5/3/22 meeting for example. Additional presentations include similar high-level comments, such as the presentation made to Grover Beach in December 2023.

³⁰ CCB website. Reference materials. Report from WSC to Pismo Beach recommending alternatives with top recommendation that inland injection better serves social justice considerations as to placement of structure.

³¹ CCRWQCB comments on grant applications and discussions.

assuming³². No cost benefit studies have been provided to stakeholders to evaluate with other projects and many, if not all the issues with Pismo Beach well 23 are not well understood by the public relative to regional needs and alternatives available to CCB, particularly as costs are increasing.

- **Lacks clear disclosure of a primary purpose and likely intention to gain water:** A primary goal of the county, including Pismo Beach, is to gain more water³³. The project is captured in a guise of seawater intrusion and recycling, but the main benefit appears additional pumping for only JPA members. Models appear to show some additional extraction “may” safely occur without the project but needs management and extra pumping and reliance may not be sustainable in a sustained drought with or without the project. The potential and apparent intent to cap or cut water rights for Oceano is troubling. (see Appendix A, B-1, 9 and items below). This may ultimately serve to impact the ability of the DAC to provide water or incur additional costs to provide this basic need that is available today and allocation nor rights should not be modified.
- **Used DAC census with the exaggerated sympathy, claims of regional benefit to gain public support that in turn unfairly impacted that very DAC; requests for SB-1000 deflected.** Pismo has continued to market with false information and protection “needs” of Oceano (see Appendix C-1). This is occurring despite data indicating inaccurate or exaggerated information. And worse, as noted below CCB is depicting a priority claim for the JPA for water creation, even in a drought, but failed to disclose the intended impact on water allocation changes for this very DAC transparently. CCB used the DAC to influence popular opinion and gain grant funds. Further, the project locates a significant and material portion of the infrastructure through Oceano without evidence of meaningful decision making as noted previously. In February 2024, CCB claimed no responsibility for communicating the negative impacts and recent changes to coastal areas, for which 100% appear changed in some way³⁴. In addition to failing to provide transparency and updates to the public on the project process for approvals to SLO County and the Coastal Commission, CCB exhibited slow or no responses on document requests. Together, concerns of “fast tracking this project” without DAC input emerged as a potential conflict³⁵. We believe CCB should engage to understand and prepare for both the negative and positive DAC impacts which will affect 100’s of people’s lives, many of which are still unaware³⁶. We trust with the pause, our desire to gather and share community views and align on regional workshops with “balanced disclosure” can be achieved. We trust prior deflections for requests to meet or obtain information intended to align and help resolve potential regional concerns was not an intentional obstruction detrimental to public interest for DACs.³⁷

³² Pismo Beach. City council meeting, February 7, 2023, noting such well is unrepairable after 7-12 years from last repair in 2017, design and construction timing is incorporated into the CCB project scope and timing. No alternatives were discussed.

³³ See Pismo Beach and Jimmy Paulding websites listing key goals and priorities.

³⁴ CCB Board Meeting, February 5, 2024 (also see Appendix C-3).

³⁵ CCB emails since January 2024: CCB and Pismo, while claiming either no time to discuss technical concerns for Oceano OR conversely later claiming too much time being spent on our questions continued for two months. Rather than engaging and working to regional alignment, which is and has always been our goal, community concerns appeared minimized and deflected until claims of misrepresentations emerged without engaging with us to resolve and align and work through as would be expected with SB-1000. Our requests for a meeting finally occurred for the first time on March 12, 2024, but technical meetings are still delayed.

³⁶ Initial mailing list for CCC, deemed incomplete and is being updated, already includes over 700 stakeholders.

³⁷ In discussions with Geoff English, General Manager at CCB in January 2024, he stated that the California Coastal Commission application was not available to the public. Further he stated that the only public outreach for impacted residents would happen “after” the hearing date was set. The

- **Provides unproven claims, including potentially false claims, of water “creation” from the project under the guise of a seawater intrusion and recycle project³⁸:** The project “allows” the JPA members to take more water out, but in fact this can happen safely without the project until longer-term options are found³⁹. Modeling indicates limited short-term risk, and the project only nets an additional 40 AFY basin storage supply from 900AFY injected with an estimated recycle value of 650 AFY⁴⁰. This is far less than the claimed 900 AFY due to groundwater flows and certainly not the 1,420 AFY the project touts. CCRWQCB recommended more cost-effective options should be reviewed for the goal of additional water⁴¹. This is being “marketed” as a significant new source for the JPA which unfairly benefits more affluent communities if the project becomes a reality. New technologies, including direct potable, other alternatives such as raising the Lopez reservoir spillway height should be reviewed with a longer term and cost/risk adjusted lens to best utilize our natural and taxpayer resources.
- **Exaggerated claims of regional water quality improvement:** The only wells benefiting in a meaningful way for water quality benefits from the project are the Pismo Beach wells (see supplemental data section).⁴²
- **Inadequate disclosure of conflicts of interest by members of the lead agency for financial interest⁴³.** Direct financial interest may exist and needs to be investigated because of program decisions that would dis-proportionally benefit Pismo Beach and those directly or indirectly involved in project include Pismo Beach employees or contractors. Financial decisions on placement and serious review of alternatives, are not disclosed including the primary benefits for PB23 for which most of grant funding is focused. Water allocations are projected as more than the amount being injected which equates to millions gained by Pismo Beach. To date, no specific and clear validation has been produced as noted in prior sections⁴⁴.
- **Inconsistent Authority oversight and approvals:** Since the formation of the JPA and CCB, grants are not consistently approved by the CCB/JPA Board nor City Councils and are not readily provided to the public. It is unclear who provides oversight and needed governance based on the errors and omissions in the grants.⁴⁵ Additionally, it appears that Pismo may be submitting some grants under its name, but the JPA members incurring the cost. Without appropriate

application was obtained from the Commission shortly after this conversation and discovered that it was filed a month prior on 12/20/2023 and was available to the public. Additionally, the Commission letter for additional requests and recent grant applications were not made available by CCB. A copy of the mailing list was obtained from the Commission and was deficient, missing hundreds of names in impacted areas. The public has requested that both the application and letters as well as grant applications be included on the CCB website and discussed in Board materials. To date this has not occurred.

³⁸ Department of Justice: Reducing Grant Fraud Risk. Improper activities including making misleading and false claims.

³⁹ CCB modeling reports, also see supplemental data, page 42 for net of flows storage impact.

⁴⁰ CCB modeling from March meetings and materials

⁴¹ See CCRWQRB Comments and attached letters.

⁴² CCB modeling 1C.

⁴³ Pismo Beach Conflicts of interest policy.

⁴⁴ Note the changed allocation and extractable water attributed to CCB is more than injection less lost flows, jumping from 657AFT to 1,613AFT after Oceano opted out in late 2019. This is not supported by scientific groundwater review for changes which shows closer to 5% storage, not 180% with injection, after normal loss of flows in the basin. New data is estimated at 650AFY for recycle value which is similar to the 657AFY in 2018 grant proposals (see supplemental data).

⁴⁵ Per GAO and requirements for public transparency, grant applications relate to policy and financial decisions and therefore should be require governing authority or Board/Council review.

oversight, inaccuracies and exaggerations may prevail. Government agencies are required to disclose key policy decisions to the public, including significant decisions such as major grant submissions and forecasted financial data for material matters⁴⁶. To date, we have been unable to obtain all relevant grant application information directly and easily as would be expected from CCB nor Pismo Beach. FOIA and CPRA requests remain in progress. Examples of transparency lacking are in Appendix C-1.

- **Consultant fees are based on project cost and engagement may create additional regional conflict on NCMA matters:** The higher the price, the more consultants are earning which may be a factor to consider. This should be investigated more fully given increasing costs, exaggerated project statements, and lack of updated and complete alternatives that may be better and more cost effective for our region and less apt to lead to conflict. Additionally, Pismo Beach is hiring consultants involved in numerous projects in the area and may create conflicts with Cities or unincorporated communities. This may include NCMA watermaster and management of basin conflicts AND may taint recommendations on water allocations for this project. That is a significant concern to Oceano who is not participating in the JPA.
- **EIR categories are deficient, and project changes were assumed minor without adequate public knowledge, even after the consolidated CDP noted in the prior section was approved.** The lack of oversight also resulted in a lack of identification for all significant changes that would require public review. Had the public been aware and had more independent review taken place in conjunction with SB-1000 requirements, there would have been more interest and engagement by the community earlier in the project and current concerns, questions and ideas raised earlier. Additional information on lacking or missing EIR categories is included in Appendix C2-3.

State and Federal Government Oversight agencies have continued to investigate grant abuse and fraud cases. Studies to address potential improvement have been completed. For example, the Federal Grant Fund Committee focuses on enhancing data sharing, coordinating efforts, and conducting outreach across agencies⁴⁷. The Department of Justice routinely reviews social justice concerns and issues guidance. The Office of Research and Planning provides guidance on creating effective general plans.

We hope that this spirit of “proactive” independent investigation is embraced. We are not suggesting intentional material issues but are merely highlighting areas of potential concern. We believe with governance and process these items can be easily reviewed and adjusted, if needed. We hope CCB, Pismo Beach and the consultants they employ, fully embrace integrity, equity, and regional alignment for harmony. We trust the project will proceed with appropriate community outreach that includes fully balanced disclosure, not predominately a sales pitch that minimizes issues, and identifies perceived conflicts of interest more fully and transparently.

⁴⁶ Governance should be completed with CCB/JPA, as Authority, as independent of Pismo Beach, and then again for each City. Per the JPA, day to day is delegated to Pismo Beach as lead agency, but it does not indicate that governance is delegated. Further such expectation is included in the footnotes to the audited financial statements for CCB on expected duties of the Authority.

⁴⁷ Department of Justice study and committees to prevent grant fraud.

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Appendix A - Increasing Cost Concerns and Recommended Review of Alternatives

The projection as of June 30, 2023 for Central Coast Blue increased 344%⁴⁸. This equates to over \$4,342-\$10,776 per AFY comparing and using 2022 methodology⁴⁹. For examples, this \$93Million was used but this is now already 50% higher again as of March 18, 2024. Recommendations made to the CCB include regular updates with more forecasts and financial data, a formal design review of alternatives and governance controls. With the pause we hope these requests will be incorporated.

Table 7. Unit Cost Comparison – Regional Water Supply Alternatives

ALTERNATIVE	UNIT COST (\$/AF)	YIELD (AFY)	COMMENTS
RECYCLED WATER SUPPLY ALTERNATIVES			
Central Coast Blue (Phase 1 & 2) ¹	\$1,910	4,390	The estimated unit cost of Central Coast Blue is in-line or superior to supply alternatives that satisfy the same demand. This Project provides a new sustainable, drought-resistant local water supply that protects water quality in the Basin. The Project provides a 60% increase in municipal groundwater supplies and will reduce ocean discharge by 74%.
Satellite Water Resource Recovery Facility (16)	\$6,900	1,006	The high unit cost and low yield associated with this project makes this alternative infeasible.
NON-RECYCLED WATER SUPPLY ALTERNATIVES			
Lopez Lake Spillway Raise Project (17)	\$1,700	565	The estimated unit cost of this project is low; however, the estimated yield of 565 AFY does not satisfy the same demand as Central Coast Blue. Also, the timeline associated with the planning, permitting, design, and implementation phases of the project do not address the Central Coast Blue Partner's immediate needs. This resource will remain impacted by local drought conditions. At its current height, the spillway has not overflowed since 1997, meaning that no additional water would have been made available from this option.
Nacimiento Pipeline Extension	\$3,000 to \$3,800	2,300	The lower unit cost is dependent on reusing a pipeline currently associated oil and gas production. In addition, Nacimiento supplies have been fully allocated since the preparation of the original study in 2006.
Desalination (18)	\$3,800	2,300	The high estimated unit cost, permitting concerns, and estimated time to complete a desalination project makes this alternative currently infeasible.
SWP (19)	\$3,000	NA ²	SWP is a viable alternative to Central Coast Blue; however, this supply is vulnerable to availability, reliability, catastrophic conveyance interruptions, and increased costs.

¹Central Coast Blue annual unit cost in 2022 dollars and include annual yield after injection
²SWP annual yields would be subject to obtaining new contracts or excess entitlements
 Note: All values are in 2022 dollars.

Estimates from 2022 – Phase 1:

	PHASE 1
Total Capital	\$56,495,408
Annualized Capital	\$2,189,000
Annualized O&M	\$1,919,200
Total Annualized Cost	\$4,108,200
Groundwater Yield (After Injection)	1,613 AFY
Unit Cost (After Injection)	\$2,550/AF

Recent Estimates 2023 Audit:

Total Capital	\$93,000,000
Annualized Capital	\$3,604,651
Operating Costs	\$3,400,000
Annualized Cost	\$7,004,651
Groundwater Yield	40-1,613 AFY
Unit Cost at 900 AFY	\$7,783

Note: The storage increase is only 40AFY (see supplemental supporting data from CCB modeling 1B). However, CCB is injecting 900 and modeling pumping available of 1,420 as most recent estimate. Finding a hypothetical middle ground, **as the actual new water 40AFY would be \$175k AFY and clearly not cost effective**, so assuming the 900AFY injected, the unit cost is \$7,783. **In just one year the increase in cost is over 70% using CCB methodology** (even the lower figure, \$4,342 based on 1,613 AFY is subject to legal dispute and would harm Oceano's water rights. The full priority claims of 1,613 AFY to the JPA, in the scenario presented in grants, would result in a reduction of water rights to Oceano (see Appendix B&C).

⁴⁸ Per CCB February 5, 2024, for this appendix examples.

New estimates are now closer to 500% as noted in Section 1.

2015	PB RW Facilities Study	\$27 million
2017	SSLOCSD & AG RW Facilities Planning Study	\$25 million
2021	Preliminary Engineering	\$36 - \$59 million
2023	Basis of Estimate Report	\$78 - \$100 million

⁴⁹ CCB Grant Application Title XVI.

Yield methodology in proposals have changed over the years and yield is not validated by models: CCB appears to be a guise for new water. CCB purports to create an additional extractable source. The data shows a storage increase of 40 AFY not 1,420 AFY. Additional information has been provided for "recycle use" of an estimated 650AFY, equating to **\$10,776AFY**. Regardless of methodology the amount of true source is less than 900AFY and cost high. The ability to "create more water than put in" is not logical, potentially wrong, and requires an independent objective review separate from those benefiting.

Figure 1: Estimated Potential Water Allocation Loss to Oceano annually. and projected loss over 30 years (in \$Millions)

			Current 1080 AFY	Project AFY (Options)*					No Project 2500 AFY	Project Gain/Loss+	Oceano Add'l 1500	LOSS 1613
SMBG				Phase 1&2	Phase I	Phase I	Phase 1	Phase I 2022	New	Variance		JPA
Agency	Judgement	Percent	Current AFY JPA %	Est	Actual	Injection	Model	Grant	Allocation	No Project	Model	JPA
GB	1,323	31%	330 36%	567	342	654	841	852	764	77		
AG	1,407	32%	351 25%	515	364	576	706	691	812	(106)		
PB	700	16%	175 39%	431	181	526	728	772	404	324		
OCS	900	21%	224 0%	224	300	224	224	184	520	(295)		(40)
Total	4,330		1,080	1,737	1,187	1,980	2,500	2,500	2,500		224	184
Project Cost (New Source estimates/expected assumptions) AFY				\$ 9,893		\$ 7,222	\$ 4,577	\$ 4,030			Gain/(Loss) (\$M)	Oceano Add'l Potential Loss (\$M)
PB: \$Millions Gain to PB, 30 years@ \$1,500 AFY (with project and intended new source in model at 1,500AFY - CV/not PV)											\$ 14.59	
Oceano: \$Millions Loss to Oceano, 30 years@ \$1,500 AFY (with project and intended suggested new source in model at 1,500AFY - CV/not PV)											\$ (13.28)	\$ (1.81)
AG: \$Millions Loss to AG, 30 years@ \$1,500 AFY (with project and intended suggested source in model at 1,500AFY - CV/not PV)											\$ (4.79)	

* This data was adjusted on March 1, 2024 based on confirmation from CCB that the current estimate is 1,480 (highlighted in green)

+ The net impact "with" and "without" project. This uses the modeled extraction. Note: only the PB23 well shows seawater intrusion after 37 years (300 AFY equates to \$450,000 per year at \$1,500). This equates to a gain of 13.5M/30 years. This \$ is likely to increase due to water demand.

++ Assumes project with Oceano "capped" at current 1,080. If JPA successfully claims the additional as a new CCB source for JPA, Oceano may lose additional AFY, as noted

Figure 2: Economic View for JPA Members

Cost/Benefit for JPA Agencies: With project/without project (in current dollars)				Insurance Policy Analogy (1,420 AFY Yield)		
Agency	Gain AFY	Cost per AFY	Cost \$M	Program Water Value \$M	Program Cost \$M	Drought Insurance Cost (\$M)*
GB	74	\$ 171,818	\$ 53.46	\$ 24.30	\$ 53.46	\$ (29.16)
AG	(111)	NA - Loss	\$ 37.13	\$ 17.99	\$ 37.13	\$ (19.14)
PB	335	\$ 41,423	\$ 57.92	\$ 26.33	\$ 57.92	\$ (31.59)

Cost: Assumes 50% grant funding and % allocation to capital cost of \$93M and operating cost of \$3.4/annual over 30 years. No interest nor other operating costs were considered.

Benefits: \$ per AFY Gain and Net Benefit are based on a 30 year life, value of AFY of \$1,500

* Represents the net cost of a drought buffer for each community, or seawater barrier, if one is needed (first with PB)

Summary: CCB appears expensive insurance on an "extreme drought" solution with uncertain need and viability

- The most water right benefit flows to Pismo Beach, the lead agency with project
- However, once taking costs into consideration, there does not appear a large benefit for any community
- This is a very expensive approach to drought and water source needs, with little water retention
- In an extreme drought, it is also unlikely the buffer will continue to work and needs modeling to understand risk/time

Review of Alternatives: Various alternatives are recommended for further review prior to proceeding with CCB. Many community comments have been gathered with ideas for consideration, in addition to those Pismo Beach and their consultants have been already reviewing. All alternatives should be completed with a robust cost/benefit analysis and formal design review and such review should be provided to the public with good transparency.

Appendix B-1 – Oceano Specific Considerations

“Lack of inclusion with decision making and independent review of impacts to the community has led to others making alternative decisions that may be harmful or worse, as payback for not opting in, even when the path taken was the proper choice”

1. Community will bear nearly 50% of the negative impacts for injection wells and piping (see chart in executive summary) based on EIR.
2. No benefit from JPA, nor appropriate participation in decision making to date.
3. The Central Coast Regional Water Quality Control Board (CCRWQCB), project consultants and independent geology reviews confirm the appearance that the only well subject to seawater risk is the Pismo Well (PB23), and Oceano does not appear to have a seawater intrusion issue under normal pumping (and even some increased pumping) and question benefit to Oceano.⁵⁰
4. The primary benefit of the project appears to be to add a “new” water supply for JPA partners. However, modeling and test results indicate the full benefit anticipated may not be fully achieved and the cost appears large. Additionally, one of the stated benefits is “an additional created water supply in excess of the amount injected.”⁵¹ JPA members may not have protocols in place to prevent overpumping.
5. Oceano is a DAC and has opted out so only JPA members benefit in the creation of any additional water in their scenario although that very grant money is putting infrastructure through Oceano, apparently to protect and supply the PB23 well and not Oceano wells.⁵²
6. Agency communications have questioned the stated benefit in grant applications and then again in the assessment of the modeling and test well results.⁵³
7. Pismo, as a lead agency for the region, should refresh alternatives and consider relocating its well or use other wells to eliminate this cost while looking at other longer-term alternatives. It is unclear if this has been sufficiently evaluated for holistic regional benefit and cost review.
8. New technologies exist that would benefit Oceano and all in the region and should be evaluated to reduce conflict over the project that is becoming apparent. For example, perhaps Pismo (and JPAs) can use the Pismo Beach proposed treatment plant for direct drinking water; rainwater recapture or other irrigation, and spillway studies should be reviewed, etc.
9. Oceano should be participating in decisions that impact their community under SB-1000 and it is unclear who, if anyone, has been representing Oceano. Presentations have not adequately included balanced impacts and overstated benefits did not include an independent review.
10. The EIR changes, and continuing omissions for geology and soils, has significant impacts to residents, economic concerns and hazards which were not adequately considered.
11. Modeling reports indicate “injection by the coast” will increase water levels.⁵⁴

⁵⁰Central Coast Water Board, comments on application for grant 2023 and review of CCB modeling data. Specifically, the review asserts that only the PB23 well shows signs of seawater intrusion in 30 years at extreme pumping. Further letters conclude that a better and more economical solution is to move the well inland.

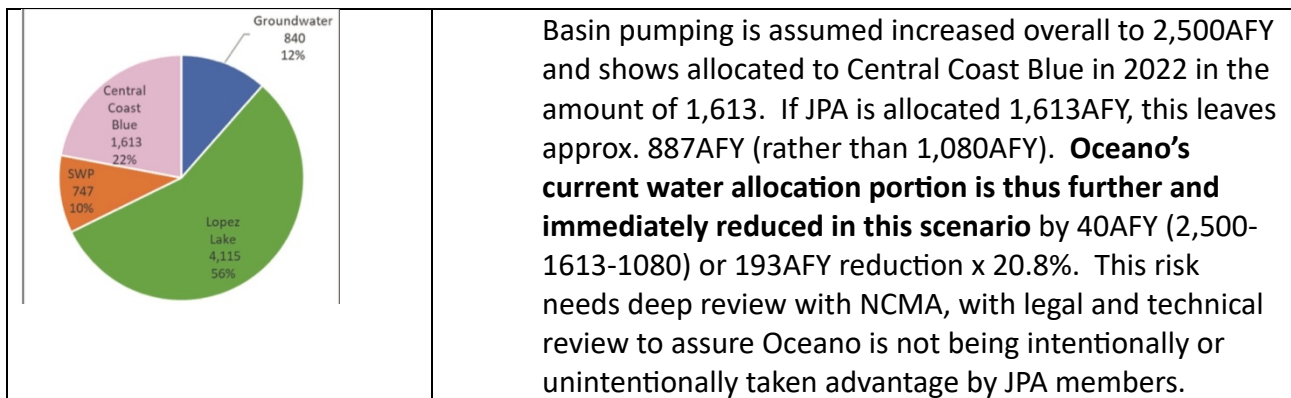
⁵¹ Central Coast Water Board comments include a statement that controls should be developed to prevent over pumping.

⁵² Central Coast Blue. Website. See modeling results which show data supporting no impacts to Oceano except in extreme cases with 300% additional pumping.

⁵³ Central Coast Regional Water Quality Control Board, 2021.

⁵⁴ CCB 1A and 1B. This statement is specifically called out in the initial modeling report, along with “wet” seasons

12. Attempts to prevent fair treatment considering economic concerns and opting out, and potentially retaliation with changed methodology to transfer water rights from Oceano because of opting out appear possible and may warrant additional investigation⁵⁵.
13. Recent events have included a potential Brown Act Violation due to CCB's wish to hire OCSD's prior attorney⁵⁶.
14. Potential Risk of JPA claiming water rights beyond the actual retained water source is detrimental and will create additional conflict. ⁵⁷ Currently Oceano is intitled to 20.8% of the basin (900 AFY/4,330 AFY). The basin partners reduced pumping to 1080AFY in recent years so Oceano's current allocation is 225AFY. Various scenarios are depicted by CCB, one below⁵⁸.



The chart on the following page also depicts an intention to “maintain” the 1,613 allocations in times of drought, impacting AG and Oceano’s water allocation. This depiction is improper because the “true” water increase is 40 AFY, not 1,613AFY, nor 1,420AFY as stated in more recent grant proposals⁵⁹. Additionally, in a drought, all water sources will likely have some impact and reduction, which is also not reflected. **No data has been provided to date to support stress testing scenarios in a SEVERE drought.** It is highly recommended the chart below is further independently reviewed and any conflicts with water rights in the NCMA be addressed immediately.

An independent review is recommended prior to any further approval of this project INDEPENDENTLY of Pismo, CCB and their consultants. We recommend an independent review be paid for by Pismo Beach/CCB to be selected independently and report directly to OCSD. Potential conflicts exist not only with the JPA members, but also Pismo Beach as the primary beneficiary and lead agency AND the consultants. Pismo Beach hires and is intended to oversee consultants who are also responsible for other cities and water management work with NCMA, including allocation of water rights and likely new water source determinations. San Luis Obispo County is also conflicted due to the dual interests with city partners and dual representations of AG, Oceano and Nipomo under one Supervisor. These conflicts are significant and potentially severe for Oceano interests.

⁵⁵ Pismo Beach city council, 2019 and recent conversations pointing to the lack of community outreach because Oceano elected to opt out.

⁵⁶ CCB Board Meetings, OCSD Board Meetings

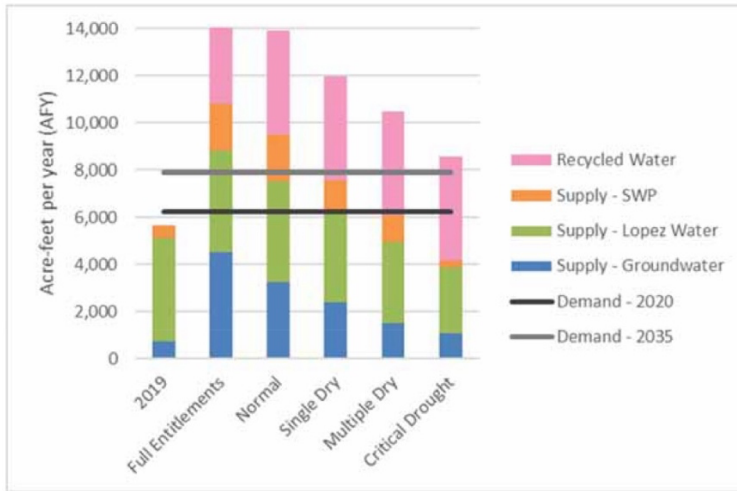
⁵⁷ Central Coast Blue Grant Application, March 2022 (and was also articulated in grant applications in 2021 as well)

⁵⁸ CCB 2021 grant application

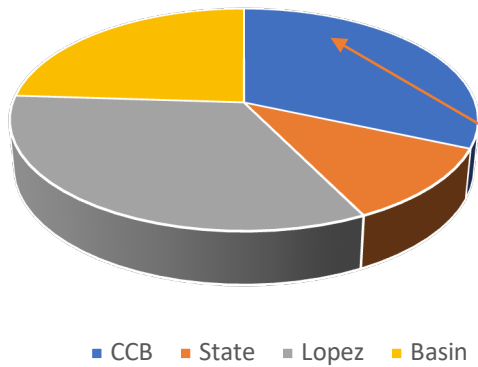
⁵⁹ CCB 2023 Prop 1 and Title XV1 proposals

Source: 2021/22 CCB grant applications: depicts changes to water sources in a drought.

Review: It is unclear why the CCB source (pink) does not change in progressively severe droughts and appears a priority claim over the remainder of the basin which declines in a drought. This would create a disproportionate impact to Oceano, both with an initial water right transfer but also further loss in a drought as noted below. Net impact of CCB is **a significant loss of water allocation rights from Oceano that shift to JPA members, primarily Pismo.**

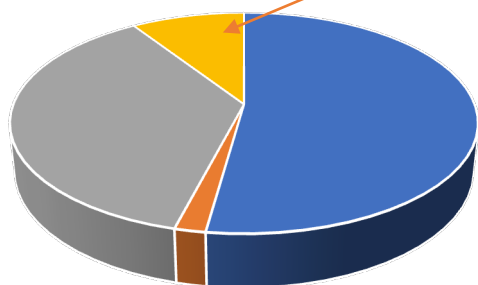


Normal



■ CCB ■ State ■ Lopez ■ Basin

Critical Drought



■ CCB ■ State ■ Lopez ■ Basin

TOTAL LOSSES TO OCEANO (AFY)	OCEANO*
ALLOCATED Away (AFY)	AFY
860	179
520	<u>108</u>
TOTAL ALLOCATION SHIFT TO CCB (32%)	287
Actual Water Retained by CCB (40AFY)	8
ADDITIONAL Drought Loss:	
750	156
TOTAL LOSS WITH DROUGHT (49%)	443
* % Oceano (900/4330) total NCMA	21%

Appendix B-2 – Grover Beach Specific Considerations

“Involving the public in decisions is a shared goal. Good intentions break down without transparency and meaningful outreach and involvement in decision making. Overreliance on the contractors selling the project and lack of independence cloud the reality of the risk, options and economics”

1. South Grover Beach bears most of the negative impacts (see chart in executive summary). Benefits/cost compared to other JPA members appears unbalanced.
2. The new construction will include significant disruption during construction of most of the monitoring wells, pipelines, and the ATF.
3. Capital costs and operating costs continue to increase with Grover Beach bearing 36% of the costs. Grover is financing separately, and the cost has been an issue for the city which contains several DAC census blocks.
4. The Central Coast Regional Water Quality Control Board (CCRWQCB), project consultants and independent geology reviews confirm the technical modeling result is that the only well subject to seawater risk is the Pismo Well (PB23), so Grover Beach does not appear to have a seawater intrusion issue under normal pumping (and even some increased pumping).
5. The primary benefit of the project appears to be to add a “new” water supply for JPA partners. However, modeling and test results indicate the full benefit anticipated may not be fully achieved and the cost appears large relative to benefit. There is only an increase of 98 AFY with the project which does not appear cost effective. It may be an “insurance policy” but appears an expensive option.
6. Grover Beach is the only JPA partner with a modern/successful conservation plan – this was highlighted by the Central Coast Regional Water Quality Control Board as an opportunity for the other partners.
7. The wastewater treatment plant will have additional noise and odor. The site also has eucalyptus trees with butterfly habitat considerations. SB-1000 is specific on reducing pollution so the facility, although modern and replacing a junkyard, may be contrary to the spirit of SB-1000.
8. No SB-1000 outreach has occurred, particularly in the areas most impacted in South Grover. No outreach was completed for the city in 2023, despite significant changes to infrastructure.
9. Only the Pismo wells show any indication of possible improved water quality. Models do not show any increase to water quality for Grover Beach.
10. Pismo may be able to relocate its well or use other wells and eliminate this project altogether which would have saved millions and requires a deeper review.
11. New technologies exist and should be evaluated, given that the cited risk is long-term. For example, perhaps Pismo can now use its proposed treatment plant for direct drinking water, spillway studies, conservation, irrigation use, and desalination.
12. Water rate increases needed to fund the project are significant to the many residents, with lower incomes in comparison to other JPA partners. In addition to the overall allocation, rate payers will also be subject to interest on loans. Rates have already increased, and efforts continue in Grover Beach to address the financial concerns, most recently with the issuance of a potential bond that has neither been presented to the community, nor approved by the community⁶⁰. This is unlikely to succeed given that Grover Beach property owners currently pay

⁶⁰ Grover Beach documents, email to Brenda Auer, 2024.

an additional 10% on their property taxes to repay a streets bond and have come out in large numbers against the rate increase (2,000/5,000 households protested the rate increase, 150 citizens are proponents of a recall of the council members and mayor who voted in favor of the increase, and 1,000 signature from Citizens initiative to repeal the increase. According to GroverH2O, those protesting represent nearly 4,000 of the 8,000-strong voter database, 4,800 of whom vote in presidential elections.⁶¹

13. City officials have agreed that additional outreach is warranted but this has yet to start.
14. A consolidated CDP was filed, despite the lack of outreach, in February 2023. This should be reviewed and adjusted as it appears that public participation has been impaired because of the push to approve the project and amended EIR without consideration of the significant changes and need for public outreach. Alternatively, additional meetings and outreach can be undertaken to catch up over the next 6-12 months.

⁶¹ Data from H2O group and emails, 2024.

Appendix C-1 - Examples of Misleading and Inaccurate Grant Application Statements

Item/Description ⁶²	2018 ¹⁰	2021/2022 ¹⁰	Support ⁶³
Seawater intrusion risk broadly for basin/region as a <u>critical vulnerability</u> and need for protection	misleading	misleading	Only one well - PB23 - after 37 years with 150% pumping. Higher extraction is clear intention, with <u>no indication of a critical vulnerability</u> . The life of facilities is shorter than the first appearance of risk. The alternative that well PB23 could move inland is not disclosed.
Potential worsening of quality of groundwater due to seawater intrusion. Protects water quality.	misleading	misleading	Limited to no indication of seawater intrusion beyond PB23 in modeling. Quality changes, other than PB wells, do not show significant change in water quality. This benefit to primarily Pismo Beach only is not disclosed.
Protection of DAC: Oceano’s wells “would” be contaminated by seawater intrusion before other NCMA agencies due to their location and proximity to the ocean	inaccurate	inaccurate	<u>Oceano wells do not show the risk suggested, nor a material need for any protection, even with additional pumping.</u> Conversely, the one PB23 well potentially impacted longer term is being built anew. The location is in the same proximity to the failing PB23 well site with no documented serious assessment of cost/benefit to move the well inland as recommended. This is the ONLY well susceptible first and ever in the models across the entire community and only with additional pumping of 150% and then only after 37 years for a project with a 30-year facilities life. This entire project and the modeling appear focused on PB23 and protecting it, getting more water under the guise of the project, enhancing only the water for Pismo Beach and using grant funds with incorrect DAC statements to gain support. This outcome and potential incentives for Pismo Beach as primary beneficiary, and the lead agency, have not been disclosed to the public. The improper statements about Oceano should require restatement and public disclosure.

⁶² CCB and Pismo Beach grant applications. 2018 Prop 1, 2021/22 WaterSMART

⁶³ CCB website and CCC application. Modeling data: 1B and 1C show specific impacts as noted to various wells and benefits from water quality and risk for seawater intrusion. Also see comments from CCRWQCB indicating a recommendation to move PB, consideration of more economical alternatives and a lack of benefit to Oceano, also indicating the census should not have been used to gain funding after Oceano opted out.

Item/Description ⁶⁴	2018 ¹⁰	2021/2022 ¹⁰	Support ⁶⁵
Reduce remediation costs (suggesting of seawater intrusion as a significant risk)	misleading	misleading	Monitoring results conversely show limited to no seawater intrusion risk nor contamination in model period, which simulated 4 drought periods within a 40-year span. Certainly, no need for remediation in this period.
Sets framework for sustainable management, future generations	misleading	misleading	Facilities are expensive, need significant renewal and continuous maintenance with a 30-year facilities life (note this life is less than the threat of seawater intrusion).
Water Yield AFY (new supply and/or conservation from the recycled injected water – true water augmentation)	657	1,613 (Only Phase 1, despite injected water loss to the ocean and subsequent lower natural recharge, it is depicted as higher. Actual modeling shows ONLY 40 AFY new supply from 900 AFY injection, see models and supplemental page 40)	Change in assumptions since 2018 show more water from the project seemingly attributed to water for JPA which is technically incorrect, not supported by scientific models, subject to potential legal action and potentially damaging to Oceano’s rights. Additionally, Oceano would be less represented in litigation as a DAC. Attorney conflicts may exist that may harm Oceano (prior OCSD attorney may become CCB’s legal counsel). Further, the additional conflict of interest for determination of this direct financial benefit (through gaining water rights with grant funds) for only some NCMA members that may result in the loss of water rights for a DAC in the 2021/22 grants, is not disclosed. These figures and cost should be adjusted to properly disclose the actual “new water resulting from injection” and additional extraction/pumping for the remainder depicted as desired increase to be shared by all NCMA members. New allocations should be determined immediately, otherwise in conflict.
Capital Phase 1	\$24,900,000	\$62,526,000/ \$56,495,408	Continually rising costs; cost is now estimated at \$93 Million per June 2023 audited reports. ⁶⁶
Operating Cost Phase 1	\$910,000	\$1,892,000/ \$1,919,200	Continually rising costs, now estimated at \$3.5M based on recent communication with CCB.

⁶⁴ CCB and Pismo Beach grant applications.

⁶⁵ CCB website and CCC application. Modeling data: 1B and 1C show specific impacts as noted to various wells and benefits from water quality and risk for seawater intrusion. Also see comments from CCRWQCB indicating a recommendation to move PB23, consideration of more economical alternatives and a lack of benefit to Oceano, also indicating the census should not have been used to gain funding as Oceano opted out.

⁶⁶ The Grover Beach Rate Study shows an additional \$6m. In a letter to Brenda Auer, Grover City Mgr. said it is around \$8.35m, so cost now is nearer \$101m for Phase 1. Additionally, Phase 2 would be additional but no longer appears considered.

Item/Description ⁶⁷	2018	2021/2022	Support ⁶⁸
Project life (facilities)	30 years	30 years	High maintenance and <u>shorter life than the date of modeled sea water intrusion.</u>
Cost AFY	\$3,800	\$2,500/\$2,550	Misleading - see above/change in assumptions of water yield that is purported for JPA only. Also, with true “new supply from the project”, this amount is in the millions per AFY.
41 percent DAC, 28 percent SDAC, opportunity zones, also population	Misleading with broader region in Santa Maria basin region	Inaccurate, 32% DAC, 25% SDAC, statements of need “first”, suggested 900 AFY and NEED for clean water pumping (now only around 100AFY)	Oceano opted out with no known significant benefits that warrant grant funding attributed to Oceano ⁶⁹ . Grant agencies and the public should be made aware of the incorrect and inflated information that may have influenced decisions. The figures and tables also include other areas in the broader Santa Maria basin with no significant, or any benefit. All impacted communities should review for accuracy of their data being used.
Distributed impact	inaccurate	inaccurate	Significant impact to Oceano and South Grover Beach ONLY (corresponding to DAC census). See social justice section for more information.
Conflicts of Interest Disclosures	Deficient	Deficient	Conflicts with the lead agency should be clearly stated, including but not limited to, the focus on PW23 and lack of alternatives, long-term only risk, water quality improvement only for Pismo Beach, water right allocations and new water approach benefits Pismo Beach to a greater extent than other partners and threatens others’ rights in community.
Stakeholders and Partners	Inaccurate	Inaccurate	Several stakeholders are listed as partners or beneficiaries. These include Oceano and others in the Santa Maria basin as well as OCS and South County Sanitation. Descriptions should be reviewed and adjusted by each for accuracy.

⁶⁷ CCB and Pismo Beach grant applications.

⁶⁸ CCB website and CCC application. Modeling data: 1B and 1C show specific impacts as noted to various wells and benefits from water quality and risk for seawater intrusion. Also see comments from CCRWQCB indicating a recommendation to move PB23, consideration of more economical alternatives and a lack of benefit to Oceano, also indicating the census should not have been used to gain funding after Oceano opted out.

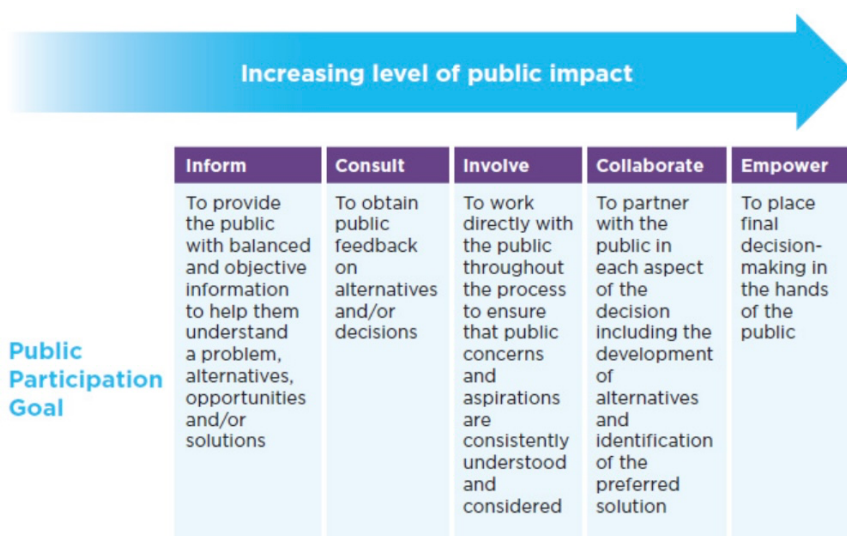
⁶⁹ JPA and Modeling data as compared to claims indicates benefits to Oceano were misstated, and no significant or needed benefit is validated. Much of the DAC population cited to gain grant funding is in Oceano. Oceano will not participate in any purported water generation as it is geared to JPA benefit only - Appendix B. Although clearly inequitable, the grant funding that was gained on inaccurate information will benefit affluent residents with more water while the NEGATIVE impacts of disruption and piping without adequate monitoring for hazards will run through the less affluent communities of Oceano and South Grover Beach.

Item/Description ⁷⁰	2018	2021/2022	Support ⁷¹
Outreach	\$423,600	Uncertain, reviewing	<p>Cannot find evidence of meaningful outreach materials and meetings attributed directly to Oceano’s community with balanced and accurate data. The limited outreach appears to be marketing CCB “politically” with high-level benefits. Where discussed at all, impacts are communicated as minimized with no discussion as to residual and overall cumulative community impacts. Project alternatives to locate infrastructure outside of Oceano were not identified nor were alternatives discussed in any detail to gain community support.</p> <p>Significant project changes including relocation of infrastructure to residential and coastal areas were minimized and presented as “best option with no significant alternatives”.</p> <p>Materials “market” the project for the greater regional good and are misleading as to outcome to benefit more affluent communities. Inequity of impact should have included a robust discussion of negative “residual” impacts to disadvantaged communities with a review of alternatives for site alternatives. The conflicts of interest related to decisions based on siting and water rights are not disclosed.</p> <p>The lead agency, Pismo Beach and now CCB, with SLO county representing Oceano, did not complete truthful nor meaningful outreach. The CCB project was articulated to Oceano advisory councils with inaccurate and misleading statements that formed the basis of acceptance. It remains unclear who will assist in proper community outreach as CCB (and Pismo Beach) claim no responsibility to communicate the</p>

⁷⁰ CCB and Pismo Beach grant applications.

⁷¹ CCB website and CCC application. Modeling data: 1B and 1C show specific impacts as noted to various wells, benefits from water quality, and risk for seawater intrusion. Also see comments from CCRWQCB indicating a recommendation to move PB, consideration of more economical alternatives and a lack of benefit to Oceano, also indicating the census should not have been used to gain funding as Oceano opted out.

<p>Outreach, cont.</p>			<p>negative impacts to the community⁷² and SLO county has not planned anything⁷³. It also appears, SLO county should review data with scientific rigor independently to effectively represent Oceano, as would be expected with SB-1000. The chart below is a good model of public outreach that should take place before this project commences⁷⁴.</p> <p>The current mailing list required by the Coastal Commission identifies 100s of uninformed stakeholders and remains incomplete.⁷⁵</p>
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⁷² CCB Board meeting, February 5, 2024, the CCB chair stated that **CCB is not responsible for any outreach to Oceano** to discuss impacts as CCB does not represent Oceano, and thus declined the request for assistance in communicating impacts to the impacted public and referred responsibility to SLO County as Oceano is not represented on the CCB Board. There was no representative from SLO County present nor on Board. It is unclear how Oceano’s own interests are being represented in this governance forum although Oceano is included in marketing materials and shown as a partner on the website. A recommendation from the public was made to consider adding representation for Oceano due to the significant impacts to that community related to the CCB implementation. This request was not acknowledged by the Board, although the Board did suggest the General Manager connect with SLO County to discuss outreach. To date, little to no progress has been made for any meaningful outreach.

⁷³ Vitality Advisory Council of Oceano. January 9, 2024. SLO county supervisor presented priorities for Oceano. CCB was not on the list nor discussed.

⁷⁴ Community Engagement Strategy, integrated Planning and Reporting Manual consistent with Ca General Plan Guidelines.

⁷⁵ Comments to Sarah Hendrickson at the Coastal Commission request assurance that all occupants and property owners are notified. Most of the many multifamily addresses do not include units, nor the names of occupants as required. Additionally, a recommendation was made to include all those who will be displaced around wells (175 feet) and unidentified property owners. It is anticipated that total impacted stakeholders will be SIGNIFICANT, nearly 1,000, and the lack of proper mailing lists further supports concerns about improper outreach.

Appendix C-3– Transparency Needs

1. EIR “negative” impacts are not disclosed fully. NO specific outreach, in English or Spanish occurred with changes.
2. CCB is often too busy, questions about negative residual impacts or technical requests remain unanswered or are given to PB creating more delay. Pismo Beach has not been responsive to simple requests regarding as past outreach, grants and technical information.
3. The Coastal Development Plan (CDP) was combined and sent to the Coastal Commission (CCC) without notifying the public, thus sidestepping CCB board approval of the submission, public comment and notification of residents in Oceano.⁷⁶
4. The application was filed with the Coastal Commission in December 2023 without notifying the public. When asked about it, CCB said there were “no documents available to the public”, except from the CCC.⁷⁷
 - a. As of the date of writing no documents, nor updates have been provided from CCB despite many requests to understand status, claims for seawater risks for Oceano, support for additional extraction, and funding.
 - b. Status of the application, budget details and planning are not included in Board meetings, despite being a priority and the core focus for project approval.
5. Grant application submittals since 2022 were slow in providing to the public, despite requests for copies for months.
6. Minutes of meetings are not posted readily; public comments remain unaddressed.
7. Conflicts with attorneys, including OCSD and GB were not disclosed to public and various Brown Act violations are being highlighted⁷⁸.
8. Items requested of CCB, Pismo Beach and JPA have significant delays, and or no responses. Some items requested of CCB date back to January 2024, when this review began, and remain unanswered and are not reflected in minutes. These include but are not limited to questions on governance, removal of OCSD on website, inclusion of Oceano and requests for Board to respond to questions. Pismo public requests that are not routinely answered in 10 days, if at all. This has required the need to obtain documents from other agency partners or conduct alternative research.
9. Cost increases and impacts to rate payers are not clear. It is unclear what cities should disclose vs. CCB vs. Pismo Beach.

⁷⁶ Letters to the California Coastal Commission from Grover Beach in 2022 and Board of Supervisors resolution on February 28, 2023.

⁷⁷ Based on information and documents provided by the California Coastal Commission and Pismo Beach in January 2023.

⁷⁸ OSDC and BBC Board documents and agendas.

1. Table C-1: Missing EIR Categories: EIR Categories that appear to be missed are included below. This may be due to either incorrect initial scope and/or changes in scope.

Category	Potential Impact	Mitigation	Residual
I Aesthetics	The new ATF Plant is planned in South Grover Beach which is within approx. 500 feet of Oceano; Injection wells, up to 4,000 square feet of industrial concrete and machinery, are now planned in residential communities after moving from nonresidential areas without resident notification for those impacted and not benefiting. Monitoring wells are less impactful nondescript small wells of only 5 square feet, but injection wells are the equivalent of 2 parking spaces (up to 4000 square feet which has increased in size) and will have machinery above and below ground housed in defined 6-square foot concrete boxes with no landscaping shown.	Grover Beach: Plans for the new building were presented at Grover council meeting(s). Oceano: Unknown mitigation for wells in Oceano and lights/glare from any structures. Also see noise and emissions and loss of parking or impacted views. They appear to be ugly concrete boxes and will require displacement of residents as noted in the noise section below. Much of this will be visible both in construction and during operations from HWY1 and beach areas. The project has a limited life which may mean abandoned infrastructure later which is not addressed nor are beautification funds as would be expected to improve or mitigate DACs in SLO County (Title VI Plan).	Will see building and structures from HWY1 and parts of coastal Oceano. Adequate visual simulations have not been released to the public to date. Residual sound and smell are not well articulated nor clear. Injection wells will be visible in parks and neighborhoods and are not landscaped and are typical of structures that become targets of tagging. Properties in Oceano are routinely tagged. Wells are industrial use equipment and may conflict with zoning and are not in conformity with expectations for aesthetics for the coastal community of which may degrade the environment, including reducing business, pushing lower relative rents and decreasing property values. Parking may be hindered. This project will include short and long term “residual” negatives and will NOT contribute to revitalization. Real estate disclosures may include construction, relocation during drilling, residual noise and smells; may diminish property value.

Category	Potential Impact	Mitigation	Residual
VII. Geology	<p>Plans include locating the ATF and wells on unstable soil. The wells and pipelines in Oceano are proposed in sites already subject to seismic impacts including liquefaction and significant lateral spreading. Models project a groundwater level impact and significant need for dewatering in construction. More areas in Oceano and specific points of construction will also be subject to these geologic risks with increased risk to life and/or property.</p> <p>Loose soils may impact sewer systems and are more susceptible to flood damage and pollution. The models in 2019 did not include a study of groundwater changes in Oceano and included no impacts to seismic and liquefaction zones or specific studies for all elements in the plan.</p>	<p>Soil beneath the ATF will likely be improved.</p> <p>Oceano: Not addressed.</p> <p>Note: Geology/soils section is not included at all in the EIR but in conversations with CCB and Environmental Studies it is listed as a significant consideration for seismic impacts in these areas where sand dunes were bulldozed into the lagoon and then built upon. Additionally, potential for flooding was incorrectly stated in the initial EIR with no potential impact which is incorrect due to the naturally shallow groundwater table and the deep aquifer (injection) having hydraulic connection to shallow groundwater. The shallow, intermediate, and deep aquifer levels must be closely monitored close to the injection wells with adequate protocol to stop injection if shallow groundwater level increases occur or are projected to occur.</p>	<p>Not disclosed in the EIR nor through other public meetings to inform the community of potential risk. Due to the potential significance impact (as noted in consultant reporting) related to the majority of structures and piping that are in seismic and liquefaction sensitive areas and in fact the impacts are increased with changes, this impact/risk needs further review before the final placement of wells and project should continue. It appears a critical omission in the DEIR, FEIR and Amended EIR. Several consultant reports and reports from the project indicate that the FEIR needs more review for relocated wells. As it was not included in the EIR, it does NOT appear this was addressed in the initial project properly and then again not addressed when the project was resited. CEQA instructions and checklists are clear that this section should have been “in scope”⁷⁹.”</p>

⁷⁹ California Environmental Quality Act. Guidelines and instructions and checklist 2023.

Category	Potential Impact	Mitigation	Residual
VII. Geology, cont.	<p>The most recent model (1C) posted in Nov 2023 depicts groundwater rising in much of the western areas in Oceano. A ground water rise at that level, or any level, would result in additional flood hazards and may impede normal water flows as well as increased risk in liquefaction zones, flood maps, and damages to infrastructure such as pipes, sewers and roads. Subsequent modeling by CCB shows that shallow groundwater would decrease with the planned increased pumping. No rationale for the pumping scenarios and related injection timing was given. Subsequent consultant reports have highlighted the risk but there has been no public assessment with new data or independent assessment/comment regarding applicability and risk.</p>	<p>In the top section of the amended EIR there is a statement that no further assessment is needed as the aquifer is “confined” but further states that there will not be shallow groundwater monitoring. The groundwater models clearly show that semi-confined conditions exist, indicating the need for further review for impact.</p> <p>The location of new wells is in sensitive seismic areas and is an “operating mechanical structure”. The zone is a liquefaction zone identified by the USGS⁸⁰ and confirmed with independent consultants. Impacts to flooding were also not reconsidered.</p>	<p>Impacts to hazards, such as flooding with continual injection without close proximity monitoring and “as of” protocols are lacking. The public impacted, in a DAC, needs to be part of this final decision making.</p> <p>As there is the potential for greater risk, including aquifer pollution and other hazards and negative impact in already lower income areas, additional care is needed to comply with SB-1000 which requires public participation, reduction in pollution and ideas to improve the areas and activities.</p> <p>Real estate disclosure may be needed due to heightened risk of flooding and liquefaction.⁸¹</p>

⁸⁰ USGS. Oceano Liquefaction studies and maps.

⁸¹ Modeling reports show sensitivity to flooding and direct statements that water levels will be impacted by both wet seasons AND coastal injection.

Category	Potential Impact	Mitigation	Residual
XIX Utilities and Service Systems	Additional infrastructure for utilities is present in Oceano. These should be evaluated for regulations and zoning.	Marked NA in the EIR but is addressed in studies for impacts to pipes and services. Oceano Community Services District and South San Luis Obispo County Sanitation District are partners and piping for outflow is in Oceano. Additional impact for Phase II will impact Oceano even further but is not being contemplated.	Impacts due to artificial water rise and fall will create potential impacts to service systems and may include inundated pipes and sewers, additional flooding and seismic risk that is not addressed. The USGS states that liquefaction and seismic risk is already significant in Oceano and “will” happen with likely greater impacts. Conversely the consultant report hired solely by CCB with no Oceano representation, ⁸² recommended no action and states low probability. So, there is limited to no mitigation needed and no consideration to move away from this hazard. Damages to infrastructure systems would be “fixed” when they occur creating more disruption and issues in the future. Due to the USGS studies, review should be undertaken more completely, and disclosed to the public with both mitigation AND potential for residual risk with a longer-term plan for “effective” mitigation and alternatives.
Social Justice	Claimed no impact as linear.	None, other than typical building requirements. Nothing for liquefaction or flooding; the project increases these risks.	SB-1000 was not followed. The cumulative impacts and additional pollution and hazards are not minimized as would be expected to lessen the impacts.

⁸² Yeh and Associates. 2021. CCB website. Report of identification of seismic and liquefaction zones are proposed mitigation.

Appendix C-2: EIR Changes Were Significant

1. Infrastructure change: 100% of the injection wells and most all the infrastructure pipes and monitoring wells have moved and/or increased in size and now negatively impact Grover Beach and Oceano directly. Significantly more residents are impacted for the Oceano community that's not receiving additional water, with uncertain benefits for both communities.
2. Placement in Sensitive Areas: Changes are now in or within feet of residential, wetlands, in the Coastal Zone and park areas susceptible to liquefaction and flood zones. Questions around the operations residual impacts have not been answered fully.
3. Data Inconsistent with Benefit/Impact: The initial purpose of a "sustainable water source in a drought" and benefits for all in the community to "prevent seawater intrusion" and claims that Oceano needed protection first are overstated and some inaccurate. Decisions to cut costs have negatively impacted Oceano more directly. As an example, the relocation of Injection Well #3 (IW3) to Oceano was cited as a cost reduction measure. This cost could be saved so as not to pay rent to the county campground and avoid an additional permitting hurdle while keeping proximity to benefit PB23⁸³. This change was done without good consideration of the community and without notification of contiguous property owners, and those in sight of new structures and construction, nor those in a 100-175 radius that may be displaced. The impact zone will be most of the area west of HWY1 in Oceano which cumulatively appears to be about a 1/4 section of Oceano as a whole and increased significantly with changes to move out of campgrounds.
4. Uncertain Geology Definitions and Scope: The aquifer is not "confined" as was stated in the EIR, in theory, incorrectly articulating project parameters and certainly missing disclosure of specific additional risks to Oceano and the aquifer. Modeling and review indicate semi-confined conditions and show hydraulic communication between deep (injection) layers and the shallow aquifer and water table that could increase surface hazards. This risk should have been an EIR assessment parameter of which the public should be aware. Three injection wells are close to, or in residential, flood, seismic and liquefaction zones. Although stated maps vary on zones, the map below shows locations of wells relative to known liquefaction in a 2003 earthquake.

⁸³ Central Coast Blue. Application to the Coastal Commission.

Figure 3: USGS Lateral Spreading, 2003⁸⁴



Liquefaction: The USGS has studied the San Simeon 2003 earthquake and noted that the lateral spreading from an earthquake 50 miles away was considered unusual. The USGS finds two earthquake hazards in Ocean that explain the site amplification and liquefaction which was attributed to the low seismic wave velocity of shallow geological layers (soft soil). Liquefaction is a major risk and hazard for Ocean and expected future impact is likely larger than that experienced with the 2003 earthquake. ¹

⁸⁴ USGS, articles and research on Ocean liquefaction.

Table C-2: Additional EIR Considerations after Changed Circumstances

Category	Potential “changed” Impact	Mitigation	Residual all Impacts
II. Agriculture and Forestry Resources	Farming in Oceano is on low ground and may flood or be impacted by higher groundwater levels. Higher groundwater levels will result in more flooding and less use of land.	Not addressed.	Not addressed, no current mitigation to risks to groundwater levels that may result from the project.
III. Air Quality	Plant is close to HWY1 and Oceano.	Addressed but may impact Oceano and a clear understanding of impacts to residents is recommended.	Grover Beach and Oceano residents should understand there will be air quality issues and remaining residual risk that will be unmitigated. There will be pollutants during construction and ongoing odors. It is NOT intended for the community to be made whole nor compensated for these impacts that primarily benefit others. One premise of SB-1000 that the Attorney General has focused on is cleaner air in DAC areas, this project creates the opposite effect, even as mitigated. Additional real estate disclosure may be prudent.

Category	Potential “changed” Impact	Mitigation	Residual all Impacts
IV. Biological Resources	Greater impact to wetlands including AG and Meadows Creek and lagoons due to increased infrastructure and water levels.	Not addressed.	<p>Not addressed. Due to several endangered species additional study with groundwater changes should be conducted. The wastewater from Pismo for additional cleansing is going to South San Luis Obispo County Sanitation District, thus unfairly moving highly pressurized and concentrated pollution through the DACs of South Grover and Oceano. This appears mitigated but the residual to some species such as steelhead and susceptibility to hazards such as seismic and liquefaction were not fully disclosed nor clear.</p> <p>Additionally, the construction dewatering with the movement of the wells (injection and monitoring) should be evaluated. Several appear to impact the Lagoons⁸⁵. In Grover Beach there are questions on impact that remain unanswered for use of trucks, storm drains, outfalls, etc.</p>

⁸⁵ CCC application. Dewatering activities.

Category	Potential “changed” Impact	Mitigation	Residual all Impacts
V. Cultural Resources	<p>Several structures of significance (over 50 years old and documented in history books and studies) are included in these newly impacted areas including 1220 Norswing (clam shell house), Elks Lodge, Rock and Roll Diner, and the Bill Wise home which connects to Old Juan’s between Monroe and Pier Ave. Historic structures also exist by the lagoons and airport as well as the airport itself. These properties are near injection wells and piping and all will be subject to increased fluctuations for water levels/flooding and/or infrastructure risk or liquefaction.</p>	<p>Not addressed specific to the relocation of wells and impacts to these additional historic structures. The Depot was addressed and will be remediated solely by situating the well farther away so there is less vibration, but impacts will still be present. There remains significant disruption from all construction activities that is only partially mitigated and includes displacing residents and further disruption to businesses.</p>	<p>Not addressed for changes. Cultural resources need more review. For example: impacts from the wells moved closer to historically relevant structures should be addressed. A review of historic structures, combined with options for revitalization should be assessed. A further Chumash review may be beneficial as well.</p>

Category	Potential “changed” Impact	Mitigation	Residual all Impacts
IX. Hazards and X. Hydrology	See Geology section above in Table C-1.	Increased risks not sufficiently acknowledged for increased groundwater impacts and/or overall risks/benefits relative to project goals specific to Oceano.	<p>The Oceano community should understand risks of groundwater level fluctuation. This should include independent oversight to mitigate increased impacts and assess whether “seawater intrusion risk” specific to Oceano exists to assess the benefits vs impacts to the community. The amended EIR acknowledges additional monitoring but does not provide details and “what if” operating protocols to proactively address changes in water levels. It can take years to achieve water level changes once an issue arises.</p> <p>Also, it is unclear if there is any seawater intrusion risk to Oceano. Several studies and recent monitoring indicate the risks are with the Pismo well primarily, and NOT Oceano wells. This needs further review to assess the claim that the project “benefits” Oceano by stemming the risk of seawater intrusion to this community.</p>

Category	Potential “changed” Impact	Mitigation	Residual all Impacts
XIII. Noise	<p>Additional noise to Oceano. Residents within a minimum of 175 ft of wells will be relocated for 2-3 weeks during construction (see N1 mitigant section with conclusion that this is significant and unavoidable). There is more well construction impact in Oceano than in other communities and injection wells are larger. The new ATF Plant and injection wells may have ongoing noise impacts.</p>	<p>Addressed for construction, unknown for new wells and how far sound will carry. Based on studies, wells may become noisy and need regular maintenance. (approx. every 3 years noted with regular upkeep and inspections too). IW3 is noted as requiring more maintenance as much of the structure will be underground (in a flood zone).</p>	<p>Residents within 175 feet in SLO County and 100’ in GB of a well should be made aware NOW and notified as they will be impacted and may be “displaced”. Mitigation should also consider ongoing maintenance or other noise proactively and these residual risks discussed with the community impacted to understand if further mitigation is possible. It is not apparent and does not appear that options to move injection wells slightly more inland were evaluated.</p>
XVII. Transportation	<p>Ongoing traffic studies for maintenance and visibility in right of ways on narrow streets and in parks, including Monroe Drive by Old Juan’s Cantina.</p>	<p>Not addressed for additional traffic hazards, need for traffic controls, new structures, and reduction of parking.</p> <p>Additional construction and dewatering of wells may result in as many as 1,200 truckloads on roadways per up to 19 wells, some in residential areas, potentially including narrow or gravel roadways not intended for use. Also, care should be taken to assure that the distance and information is correct.</p>	<p>Significant impacts to the Grover Beach and Oceano communities during construction are highlighted but the magnitude of the changes was dismissed in the EIR Addendum. Ongoing maintenance impacts should also be understood and reported more fully, and additional mitigation and traffic studies considered. Impacts to the 4th Street corridor should be specifically addressed due to poor road conditions and ensure the assertions on miles and data are accurate.</p>

Category	Potential “changed” Impact	Mitigation	Residual all Impacts
XVIII. Tribal Cultural Resources	Additional wells and infrastructure and groundwater level need to be addressed.	Addressed for mitigation but new scope should be addressed specifically.	Additional risk with new infrastructure such as wells should be vetted anew with tribes and in the areas impacted. Several sites are new.
Social Justice	<p>None. all changes were claimed to be minimal changes.</p> <p>NOTE: Pismo Beach was not listed but should have been included in the sections and tables for “Socioeconomic Demographics Within the Near Project Area” in conjunction with CEQA-plus Requirements for USEPA funding. The effect was an incorrect portrayal of the project as serving a more diverse and lower socioeconomic population than is the case.</p>	Nothing new addressed.	<p>As noted in sections above, the changes are significant to the South Grover Beach and Oceano areas, essentially the lower income areas in this project zone. Cumulatively there is a large impact that has not been addressed by meaningful public outreach or participation in decision making for the changes. The CDP is combined now, so there was no opportunity for county comments, especially for Oceano who is intended to be “represented” by the county with no documented county outreach. The county is now relying on the CCB to explain and engage, CCB relied on Pismo Beach, and it appears Pismo Beach was relying on consultants. We hope dialog with the public to engage in meaningful public outreach to discuss and participate in the “tough” questions will start in earnest and continue.</p>

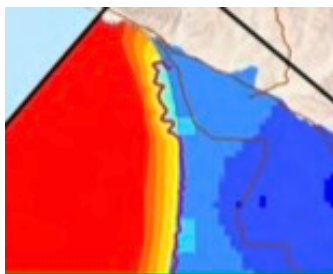
SUPPLEMENTAL DATA: Summary Modeling Pages of Relevance

Central Coast Blue Summary of Modeling (1B, 1C)

Scenario	Description	Effect	
Baseline	NCMA municipal pumping average of last 5 years (1,080 AFY) with historical hydrology (1977-2016)	<ul style="list-style-type: none"> Minimal seawater intrusion potential. Deep Well Index fluctuates above and below threshold of 7.5 ft (Figure ES-23). Groundwater flow is generally seaward. Groundwater storage decreases by an average of 53 AFY (Figure ES-24, Table ES-3). 	Current day pumping, historic levels, no seawater intrusion at ANY wells
1	NCMA municipal pumping of 2,500 AFY with historical hydrology (1977-2016)	<ul style="list-style-type: none"> Significant seawater intrusion potential. Deep Well Index falls below threshold for majority of simulation period (Figure ES-25). Inland flow across the shoreline is seen in model layers 6, 8, and 10. Groundwater storage decreases by an average of 98 AFY (Figure ES-26, Table ES-4). 	Pumping at Max levels (150%). No seawater intrusion at Oceano wells, only PB23.
2	NCMA municipal pumping of 2,500 AFY with historical hydrology (1977-2016) and CCB Phase 1 injection of 900 AFY in 5 injection wells	<ul style="list-style-type: none"> Seawater intrusion potential minimized with CCB operations. Deep Well Index remains above threshold for the duration of the simulation period (Figure ES-27). Very little inflow across the shoreline north and south of Arroyo Grande Creek. Groundwater storage decreases by an average of 58 AFY (Figure ES-26, Table ES-5). 	Pumping at Max levels with Injection. No seawater intrusion at ANY well.

Figure 1 Above (1B). Chart of primary modeling assumptions and results from 1B. Additional modeling was completed for 1C and published Nov 2023 which included additional details. Excerpts follow. Figures 2&3 are based on 2,500 AF pumping (max allowed for the NCMA – generally scenarios 1&2) for the risk of seawater intrusion, shallow groundwater levels and water quality. No charts are shown for the baseline today (1,080 AFY) as there is no indication of seawater intrusion at any well for 40 years so results would not show a risk as indicated in the baseline effect in the table.

Below is the baseline seawater intrusion scenario that forms the basis for comparison to future scenarios after 40 years of additional extraction. Note the yellow and red indicate seawater intrusion. As will be noted, seawater intrusion is slow moving, so the risk does not dramatically change over the entire 40-year period.



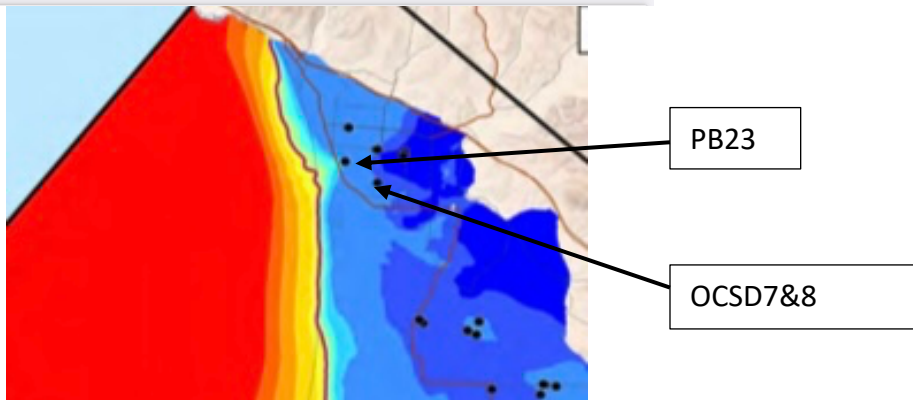
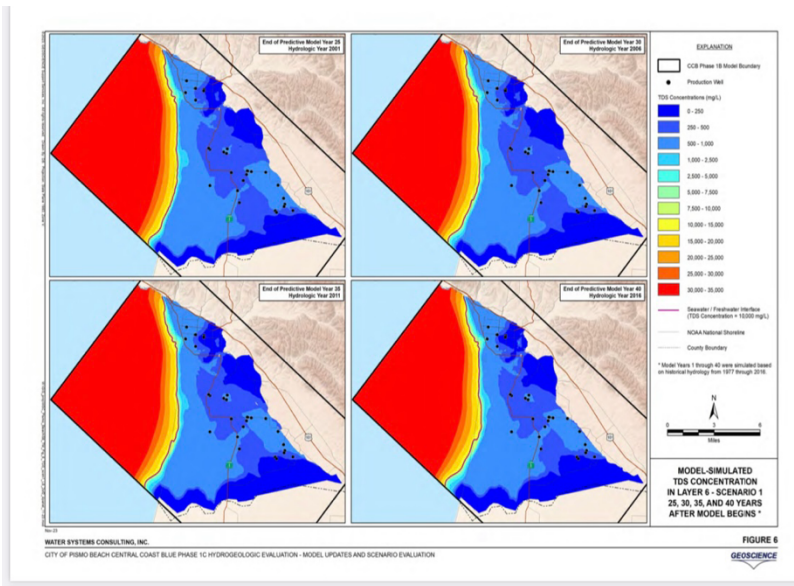


Figure 2. No Injection. Modeled seawater intrusion with 150% excess pumping (2,500 AF) after 40 years is depicted. Historic pumping has been around 1,000 AF in over the last 5 years. Result shows signs of seawater intrusion impacting one well, Pismo Beach Well #23. **No impact to Oceano wells is evident** which all remain in the medium and dark blue ranges. One well (Pismo Beach Well #23, is first, and only in this extreme scenario to show intrusion risk (generally starting to touch the lightest blue ring around 40 years). **NOTE: also that PB has reviewed several recommendations dating back to 2015 suggesting they further evaluate moving to inland injection or moving the well inland as a solution to seawater intrusion concerns. This scenario assumes 150% extra pumping AND the impact occurs nearly 40 years later, 10 years after the stated life of project.**

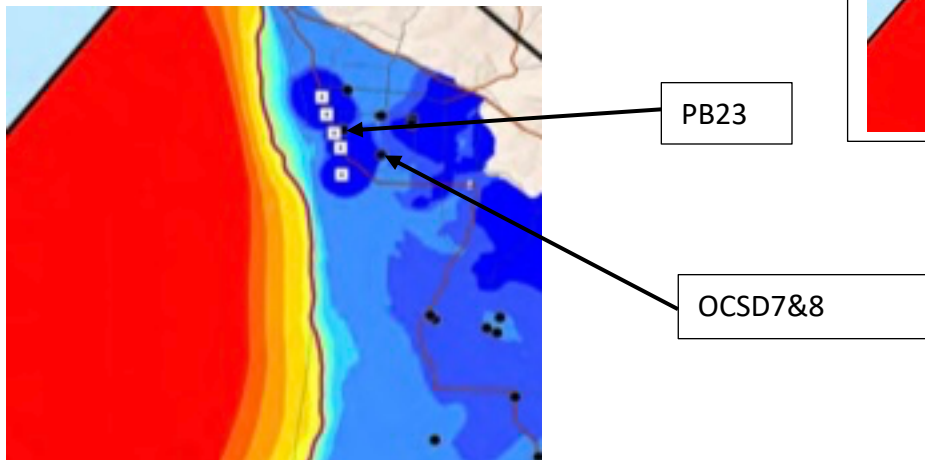
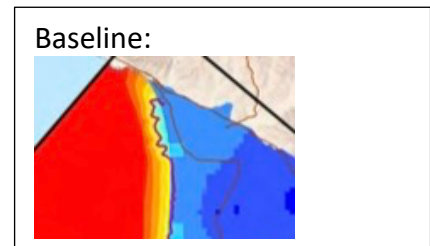
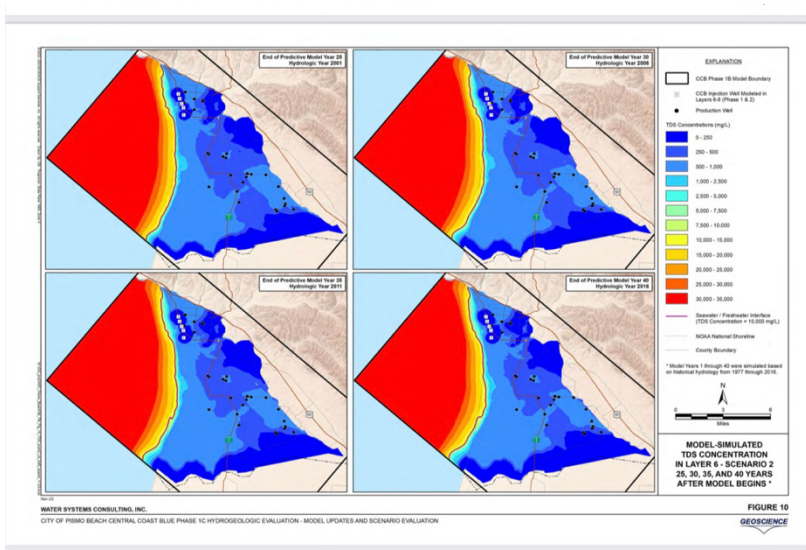


Figure 3. 900AF Injection and 150% more pumping. Models show seawater intrusion with 150% excess pumping (2,500 AF) after 40 years of pumping at that level. Historic pumping has been around 1,000 AF in last 5 years. This increased production to 2,500 thus appears to be a goal for JPA partners potentially based on a 2022 grant application with the goal to increase water supply. Result shows the seawater intrusion is minimized for Pismo Beach #23. **No impact to Oceano well in either scenario but Pismo Well #23 is protected better with injection. NOTE: also that PB has reviewed several recommendations dating back to 2018 suggesting they further evaluation to moving the well inland as a more economical solution to seawater intrusion concerns.**

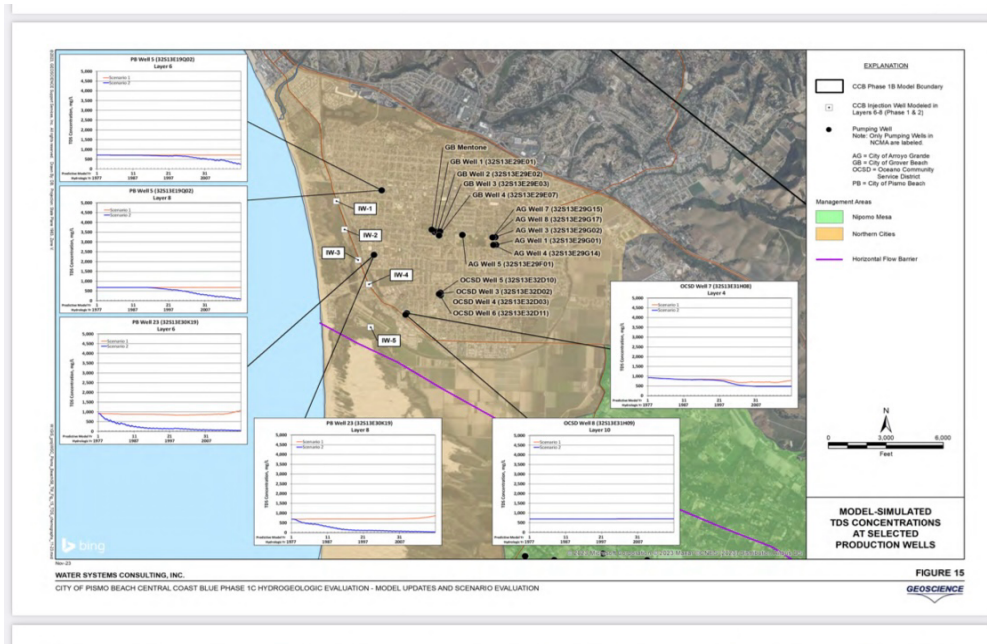


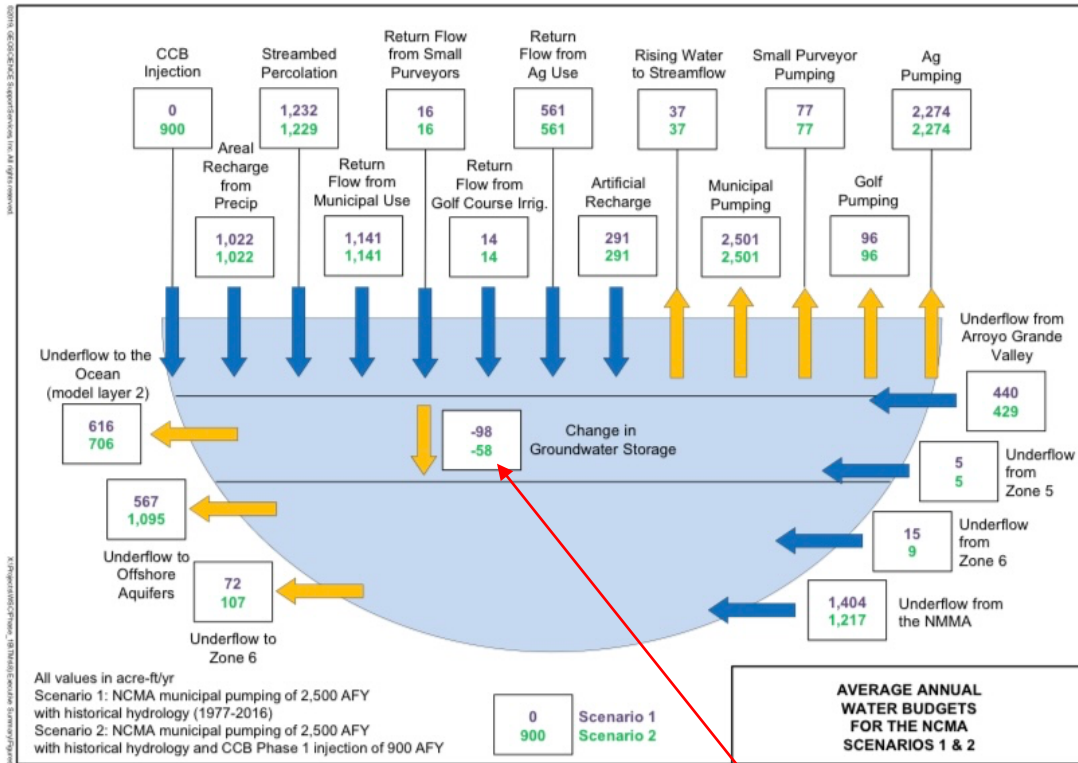
Figure 4. Shows water quality increase over time, **predominately only at Pismo Beach wells** starting after injection with significant improvement within a few years (blue line downward is positive quality trend). Water quality improvement for Oceano wells shows after 20 years and does not appear significant. Other more inland wells not indicated as presume little to no impact.



WATER SYSTEMS CONSULTING, INC.
CITY OF PISMO BEACH CENTRAL COAST BLUE PHASE 1C HYDROGEOLOGIC EVALUATION - MODEL UPDATES AND SCENARIO EVALUATION

FIGURE 4
GEO SCIENCE

Figure 5. Upper left shows projected shallow groundwater level change due to injection after 40 years. A different unpublished CCB model purported to show a decrease of 1 foot with a higher pumping rate (1,080 AF base compared to 2,500 pumping with injection). It is unclear whether injection would occur when water levels are already high, such as during wet periods, creating a dangerous situation. **A better analysis would be to run more realistic “expected scenarios” of varied pumping rates and wet vs. dry conditions. Regardless it shows there is a hydraulic connection between shallow groundwater and the deeper injection layers and shallow groundwater levels in potential geological liquefaction hazard areas and flood zones should be monitored.**



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FIGURE ES-26
GEOSCIENCE

Figure 6. From CCB 1B Hydrogeological report. Represents the annual flows in and out of the aquifer. Scenario 1 (black) no injection Scenario 2 (green) with injection. **Shows there is an average annual net increase of available water storage of only 40 AFY (2% of 2,500) with the CCB project compared to no injection.** The municipal pumping rate of 2500 AFY would draw seawater into the aquifer in both scenarios, but seawater protection to PB 23 in Scenario 2 would be provided except from the shallow aquifer. Additionally, without the project and with 2500 AFY municipal pumping, seawater intrusion to the Pismo Well 23 would not occur until after 37 years, which is beyond the stated life of the project. The benefit does not appear to justify the financial and environmental impacts to the coastal zone and communities. **Recent data has been provided on the treated water recycled back to the aquifer is at 650AFY based on such models provided.**

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Central Coast Regional Water Quality Control Board “example” letters and emails regarding grant proposals and test wells are included below.

SUPPLEMENTAL Reference Examples: Correspondence on **Grant Applications** from Central Coast Regional Water Quality Control Board (CCRWQCB) on 2022 Grant Application (additional and full documents available upon request that offer substantial review that deny a material risk of seawater intrusion, show intention for additional extraction, call out lack of alternative review, depict NO real benefit to Oceano, and make false claims and improperly use census data):

<p>b Address the State Water Board requirements (see Guidelines Section 2.2)?*</p> <p>Answer: 4</p> <p>Answer: The proposed project prevents modeled seawater intrusion. However, this seawater intrusion is simulated to occur only if current pumping volumes are increased by 150% or more. If pumping volumes remain as they currently are, the existing empirical and modeling data indicate that no seawater intrusion occur.</p>
<p>c Address one or more State Water Board preferences (see Guidelines Section 2.3)?*</p> <p>Answer: 4</p> <p>Answer: Based on the modeling results, the only well impacted by seawater intrusion is Pismo Beache's PB Well 23. It is unclear how this project benefits Oceano, whose population is included in the benefits calculation in the proposal.</p>
<p>d Address a significant groundwater contamination problem based on best estimates of the anticipated project benefits (by prevention or cleanup of contamination)?*</p> <p>Answer: 3</p> <p>Answer: The proposal includes numerical groundwater simulations that show seawater intrusion occurring for a variety of pumping regimes. However, all of the model scenarios included in proposal show that seawater intrusion occurs when pumping is increased by some amount above current baseline. There is no simulation included in the proposal to show that seawater intrusion occurs under current pumping amounts.</p>
<p>e Provide the lowest cost alternative for achieving the project purpose and adequately considered other alternatives?*</p> <p>Answer: 2</p> <p>Answer: As a water supply augmentation/enhancemet project, CCB appears to be a cost-effective approach and the proposal provides a detailed comparison of other water supply enhancing options. However, the grant is for seawater intrusion prevention and the proposal does not evaluate all the possible alternatives for seawater intrusion prevention under current conditions. For example, no consideration was given to conservation in the report.</p>

Lack of evidence of a risk of "critical seawater intrusion" and occurrence.

No Oceano claimed benefit and use of census.

Inadequate review of alternatives for "water enhancing" objectives.

SUPPLEMENTAL Reference Examples, from CCRWQCB related to 2018 grant

City of Pismo Beach – Central Coast Blue

October 28, 2021

Groundwater Model Update Technical Memorandum

Alternative seawater intrusion prevention scenarios

In general, results of the updated groundwater modeling show that seawater intrusion is simulated to impact water quality in one water supply well located near the community of Oceano (PB Well 23). None of the other wells in the model domain are simulated to be impacted by seawater intrusion under the “no project” scenario. According to the groundwater model simulations, the Central Coast Blue seawater intrusion prevention project will be successful in mitigating seawater intrusion at PB Well 23 in both model layers 6 and 8. However, another option for minimizing or mitigating seawater intrusion at the subject well might be to shift pumping that occurs at this well elsewhere, either by increasing pumping at existing inland wells or developing one or more new extraction wells further inland. Shifting pumping away from the coast may be a more cost-effective and less resource-intensive strategy for mitigating seawater intrusion at the single supply well that is simulated to experience seawater intrusion. We recommend that future investigations evaluate seawater intrusion mitigation by moving pumping away from the coast.

Only PB23 impacted (with additional extraction).

Recommendation for more review of cost-effective alternatives for PB23.

In follow-up discussions with Dan Heimel and Michael Cruickshank from Water Systems Consulting, Mr. Heimel and Mr. Cruickshank explained that previous groundwater modeling reports developed for Central Coast Blue, but not submitted to the TAC, demonstrated that the injection of 900 acre-feet per year of advanced purified recycled water created a hydraulic dam which allowed for approximately 1500 acre-feet per year of extraction to safely occur. In essence, the project resulted in a water supply volume benefit in excess of the volume of advanced purified recycled water produced and injected into the aquifer. We recommend that this additional information be explicitly included in the groundwater model update submitted to the TAC. For the purposes of comparing various scenarios, it would be useful if report authors compared the volume of safely extractable water under no-project scenarios versus project scenarios.

Revised simulations for model layers 6 and 8 based on test well 4 construction

The existing groundwater model update includes simulations for injection into model layers 6 and 8. However, the development of test injection well 4 has revealed that the hydrogeologic horizon that corresponds to model layer 6 is not a viable target injection zone, at least at test well 4. This finding has significant impacts to the results of simulations included in the groundwater model update TM because the TM demonstrates that the seawater intrusion prevention project will be adequate in preventing seawater intrusion to PB Well 23 for both model layers 6 and 8. However, if model layer 6 isn't a viable injection target, then seawater may only effectively be mitigated for the portion of PB Well 23's well screen that corresponds to model layer 8; seawater intrusion may still occur in the portion of the PB Well 23 well screen that corresponds to model layer 6, even if the Central Coast Blue seawater intrusion injection barrier is implemented. We recommend that the updated groundwater model simulate scenarios in which injection only occurs into model layer 8 to reflect actual

Subsequent modeling does not support 1,500 AFY additional source, only 40AFY (see figure 6 above).

Indicates that test well results were not completely successful. Modeling for just layer 8 is not available. Additional testing does not appear completed, and wells may not be effective without additional review.