



**SAN LUIS OBISPO
LOCAL AGENCY FORMATION COMMISSION
MEETING MINUTES FOR
OCTOBER 21, 2010**

Call to Order:

The San Luis Obispo Local Agency Formation Commission meeting was called to order at 9:01 a.m. on Thursday, October 21, 2010 in the Board of Supervisors Chambers at the County Government Center in San Luis Obispo, California by Chairman Duane Picanco.

Roll Call:

Present: Chairman Picanco, Vice Chairman Roberts, Commissioners Katcho Achadjian, David Brooks, Ed Eby, Bruce Gibson, Kris Vardas, and Alternate Commissioners Muril Clift and James R. Patterson

Absent: Alternate Commissioners Roberta Fonzi and Tom Murray

Staff:

David Church, LAFCO Executive Officer, Raymond A. Biering, LAFCO Legal Counsel, Mike Prater, LAFCO Analyst, Donna J. Boyd, LAFCO Commission Clerk.

Pledge of Allegiance: Led by Vice Chairman Roberts

Approval of Minutes: Motion was made, seconded and passed, to approve the minutes of September 16, 2010 with corrections, as noted by Commissioner Gibson.

Non-Agenda Public Comments: None

Mr. Church announced that the County building would be subject to a "Duck, Cover and Grab" drill this morning at 10:21 a.m.

Consent Agenda:

Item A-1: Submittal of First Quarter Budget Report

Motion was made by Commissioner Gibson to receive and file the First Quarter Budget Report.

Commissioner Vardas seconded the motion.

AYES: Commissioners Gibson, Vardas, Achadjian, Brooks, Eby, Vice Chairman Roberts, and Chairman Picanco.

NOES: None

ABSTAIN: None

The motion was unanimously passed.

Informational Matters:

Item B-1: Study Session Price Canyon Specific Plan, Draft Environmental Impact Report - Sphere of Influence Update/Municipal Service Review for the City of Pismo Beach.

This item was introduced by LAFCO Executive Officer David Church. LAFCO Analyst, Mike Prater, provided a PowerPoint presentation.

Mr. Church stated that the City of Pismo Beach ("City") released its Draft Environmental Impact Report ("DEIR") for the Price Canyon Specific Plan in early September 2010. The Specific Plan will be prepared based upon the DEIR. At the September 2010 LAFCO Commission meeting, the Commission requested a Study Session regarding the DEIR.

Mr. Church stated that comments for the Study Session initially were due at the City of Pismo Beach on October 27, 2010. That period has been extended to November 10, 2010.

Mr. Church summarized the Price Canyon Specific Plan Draft EIR for the Commission and LAFCO's previous comments on the project, and the following topics: 1) concurrent processing of the Sphere of Influence Update and Annexation proposed by the City, 2) water supply, which included groundwater, state water and reclaimed water and demand, 3) a Water Supply Assessment ("WSA") (SB 610) a document that is prepared by a water purveyor, 4) steps to obtaining State Water from the County, 5) LAFCO's water policy of an "adequate, sustainable, reliable" water supply, 6) Land use planning pattern and phasing, and 7) Adequacy of the DEIR. The DEIR may be adequate for use as a CEQA document and for determining the Sphere of Influence, but not for the annexation.

Vice Chairman Roberts asked Mr. Church about the Carpinteria Valley Water District ("CVWD") discussion with the City.

Mr. Church stated that the CVWS had an extra allocation of state water that it may be willing to sell.

Commissioner Vardas had several questions regarding the following issues:

- (1) Obtaining water from the CVWD vs. State Water
- (2) Agricultural/Open Space Resources
- (3) Habitat/conservation easements
- (4) Potential urban sprawl issues
- (5) Timing of the infrastructure
- (6) Inland arterial route
- (7) Alternatives discussed in the EIR

Mr. Church responded to each of the items.

There was discussion among the Commissioners and LAFCO staff regarding the City's possible purchase of water from the CVWD and the agriculture on the project lands, as well as the project's phasing. Also discussed was the timing of the SOI and annexation.

Commissioner Gibson asked whether the Commissioners had received a copy of the DEIR.

Mr. Church stated that the DEIR was too large, and so a link to the DEIR had been placed on the LAFCO website.

Commissioner Gibson had several questions and comments regarding the following issues:

- (1) The exact description of the EIR project
- (2) Is it the development or the development plus the SOI and annexation that is being discussed in the DEIR
- (3) Is the Commission being asked to comment on a draft EIR in terms of the environmental impacts of the proposed development under a SOI and eventual annexation
- (4) Are there any Class 1 impacts called out in the EIR
- (5) Is the Los Robles del Mar area was part of this Specific Plan

Mr. Church responded to each of the items.

Commissioner Eby asked if this was an EIR on a Specific Plan and stated that he understood that the Specific Plan had not been written. He asked if there was a draft Specific Plan available.

Commissioner Eby asked several questions regarding the following issues:

- (1) if the DEIR was prepared on a Specific Plan that has not been written
- (2) is this the typical manner in which CEQA works
- (3) which agency would certify the EIR

Mr. Church responded to each item and stated that he believed that the City planned to use the DEIR to modify and change the Specific Plan that comes from the DEIR in the future.

Chairman Picanco asked why the conservation easements are specific to vineyards and not more generally about agriculture.

Mr. Church stated that vineyards were currently in place, but that the crops could change over time.

Vice Chairman Roberts asked about the October 19, 2010 letter from the San Luis Obispo Department of Planning and Building ("Planning").

Mr. Church stated that County staff would speak about the letter during the meeting.

Mike Draz, Project Manager for the City of Pismo Beach, stated that he was attending this Study Session to listen to the Commission and public's views. He announced that a CEQA hearing would be held in Pismo Beach City Hall on November 9, 2010 at 6:30 p.m. As a result of that date, the DEIR comment period had been extended to November 10, 2010.

He stated that the general outline of the Specific Plan could be found in the DEIR. Mr. Draz stated that phasing and other issues would be addressed in the Draft Specific Plan. He added that the annexation, the SOI, MSR and EIR would be considered at separate hearings.

Mr. Draze also stated that the SB 610 water study was on-going and would need to be completed.

Commissioner Eby stated that he was concerned about the process of the EIR and Specific Plan. He asked Mr. Draze if the EIR would be revised.

Mr. Draze stated that it would be most likely be revised. Changes may require reopening the public comment period for the EIR and SP.

Ray Biering, LAFCO Legal Counsel, stated that a Specific Plan was akin to a General Plan and that the process for either was fluid. He added that the EIR would help guide the Specific Plan.

Commissioner Gibson stated that an EIR is crafted to cover a range of environmental impacts in a project. He added that the EIR does not have a very clear set of alternatives and has a very general project description. He added that LAFCO is the responsible agency and needs to make its concerns very clear.

Commissioner Gibson also stated that LAFCO needed to publish its own findings of fact and statement of overriding considerations.

Mr. Draze stated that the certified EIR would include the Specific Plan.

There was discussion among the Commissioners, LAFCO Staff and Mr. Draze regarding LAFCO's concerns, the Specific Plan, and certification of the EIR.

Commissioner Achadjian asked Mr. Draze if when the EIR is ready to be certified the City would have the Specific Plan ready as well.

Mr. Draze responded in the affirmative.

Commissioner Vardas asked if the Commissions' intent is to have the City prepare a Specific Plan pursuant to the DEIR and public comments and have the City recirculate the DEIR with that Specific Plan and if there are Class 1 impacts the City should look at the alternatives to try to reduce one or more of the Class 1 impacts.

Commissioner Brooks stated that the DEIR is 1,700-plus pages, which is a lot of material to be covered. He noted that it was a large and extensive DEIR.

Commissioner Achadjian asked if the project was located in the local Coastal Zone at all.

Mr. Draze responded in the negative.

Michael Wulkan, SLO County Planning & Building Department, thanked LAFCO and the City of Pismo Beach for their participation in meetings to discuss the project. He stated that the County staff had made comments found in the County's letter dated October 19, 2010. He stated that the County's major concerns were regarding phasing of the project and consistency with the County's and strategic growth policies. He added that the Specific Plan was inconsistent with the County's policies.

There was discussion among the Commissioners, LAFCO Staff and Mr. Wulkan regarding the County's comments, the MOA, the Godfrey property, open space and the Los Robles del Mar area and wells.

Public Comments:

The following individuals opposed the project and presented their concerns regarding the project, specifically about traffic, noise, water, and other issues:

Michael Felts, 665 Hanford Street, Pismo Beach, CA 93449.

Holly Covington, 865 Noyes Road, Arroyo Grande, CA 93420.

Laura Sprague, 840 Erhart, Arroyo Grande, CA 93420.

Sheila Blake, 1320 Longview, Pismo Beach CA 93449.

Carmen Porco, 757 Vetter Land, Arroyo Grande, CA 93420.

Michael Hannon, 665 Vetter Lane, Arroyo Grande, CA 93420.

Marcia Guthrie, 112 Frances Way, Pismo Beach, CA 93449.

Susan Testa, 202 Highland Drive, Pismo Beach, CA 93449.

Geoffrey Bard, 5142 Hollister Avenue, #127, Santa Barbara, CA.

Michael Winn, 233 East Knotts Street, Nipomo, CA 93444

Stewart Robinson, 1251 Paseo Ladero, Arroyo Grande, CA 93420.

Marilyn Morris, 1750 Little Court, Arroyo Grande, CA 93420.

Peggy Cox, 1735 Little Court, Arroyo Grande, CA 93420.

Eric Greening, 7365 Valle Avenue, Atascadero, CA 93422, spoke about water issues, transportation and asked where a public transport stop to serve the project would be located.

Public Agency Comments:

Aeron Arlin Genet, SLO County APCD spoke about potential traffic and air pollution issues as well as the project's inconsistency with the Clean Air Plan.

Richard Murphy, SLOCOG, 1114 Marsh Street, San Luis Obispo, CA 93401 spoke about transportation and traffic issues.

Michael Isensee, SLO County Agriculture Commissioners Office, spoke about water issues with regard to agricultural resources. Mr. Isensee stated that there are 15 different-sized agriculture parcels and the sizes of the parcels may not be sustainable. He commented on the agricultural resources in the area.

Commissioners' Comments:

There was considerable discussion among the Commissioners regarding SB 610-WSA, water issues in general, and the financial feasibility of state water and reclaimed water.

Commissioner Gibson made a five-part motion which was discussed by the Commission.

Commissioner Vardas requested an amendment to the motion regarding the speculative nature of the water situation, and requested clarification regarding the term "speculative".

Mr. Church clarified that it appeared that the City's current water supply for this project was speculative at this point in time.

Mr. Biering stated that the intent of the motion is to direct LAFCO staff to incorporate the Staff Report into a comment letter to the City of Pismo Beach regarding the DEIR.

There was further discussion among the Commissioners and LAFCO staff regarding the need for the City to complete the SB 610 process and include it in their revised EIR.

Chairman Picanco asked if, once the SB 610 was completed, if it would be sufficient for proof of sustainable water for the City.

Mr. Church responded in the affirmative, if the water sources are clearly documented pursuant to the SB 610 regulations.

Motion was made by Commissioner Gibson to direct LAFCO Staff to prepare comments to the City of Pismo Beach responding to its Draft Environmental Impact Report as follows: (1) the proposed comments in the Staff Report to the City are appropriate; (2) the project description is inadequate; (3) because the availability of state water and reclaimed water are speculative at this time, these should not be included in the project's water supply assessment until they are fully addressed as part of the SB 610 analysis; (4) the proposal to use septic systems (North Ranch) is not consistent with LAFCO policy; and (5) the EIR should be recirculated at such time as the Specific Plan and the SB 610 analyses are complete.

Commissioner Eby seconded the motion.

AYES: Commissioners Gibson, Eby, Achadjian, Brooks, Vice Chairman Roberts, Commissioner Vardas, Chairman Picanco.

NOES: None

ABSTAIN: None

The motion was unanimously passed with a roll call vote.

Commissioner Comments: Commissioner Achadjian noted that on Thursday, November 18, 2010, the date of the next LAFCO meeting, the Supervisors will be attending the CSAC meeting and will not be at the LAFCO meeting.

There was discussion about holding the November LAFCO meeting on Monday, November 29, 2010 instead.

The Commissioners decided to hold the meeting on November 18.

Vice Chairman Roberts gave a brief report on the CALAFCO 2010 Conference that he attended on October 6-8 in Palm Springs.

Vice Chairman Roberts reported that LAFCO won the Government Leadership Award for the MOA between the Nipomo Community Services District and the County of San Luis Obispo.

Mr. Roberts also stated that the CALAFCO organization was now regional with 15 counties (including San Luis Obispo) in the Coastal Region.

Legal Counsel Comments: None

Executive Officer Comments: None

Adjournment: With no further business before the Commission, the meeting adjourned at 11:33 a.m. until the next meeting of the Commission in the Board of Supervisors Chambers at the County Government Center in San Luis Obispo.

THESE MINUTES ARE NOT OFFICIAL NOR ARE THEY A PERMANENT PART OF THE RECORD UNTIL THEY ARE APPROVED BY LAFCO COMMISSIONERS AT THE NEXT REGULAR MEETING.

Respectfully submitted,
Donna J. Bloyd, LAFCO Commission Clerk