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Elizabeth Leeper
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August 27, 2015

VIA E-MAIL AND U.S. MAIL

State Water Resources Control Board,
Division of Water Rights
Attn: Matt McCarthy
P.O. Box 2000
Sacramento, CA 95812-2000
E-Mail:
matthew.mccarthy@waterboards.ca.gov

Re: Response to July 22, 2015 Letter Re Potential Unauthorized Diversion of Water
(MJM:UN000882)

Dear Mr. McCarthy:

We serve as legal counsel for Janneck Limited with respect to the Laetitia Agricultural Cluster Tract Map and Conditional Use Permit project ("Project") in San Luis Obispo County. This letter responds to the July 22, 2015 letter ("Letter") from the Division of Water Rights to the Laetitia Vineyard and Winery, Inc., regarding the alleged unauthorized diversion of water related to the Project. A copy of the Letter is attached for your convenience.

The Letter states, in part:

Staff from the State Water Resources Control Board, Division of Water Rights (Division) has determined that you may be diverting water in such a manner that may require a water right approval. The project appears to include the diversion of water in two 25 acre-foot reservoirs and at least one well that may be drawing from water in the subterranean stream of Los Berros Creek.

Both the property owner and applicant stand prepared to comply with all applicable laws relating to these allegations, but they are unable to due to lack of sufficient information from the Division of Water Rights ("Division").

The Letter does not provide any further information regarding the alleged potential unauthorized diversion of water related to the Project. Nor does the Letter provide sufficient information for the property owner or the Project applicant to provide an informed response. In particular, the Letter does not identify what diversions, if any, may be potentially unauthorized or may require permits. The Letter refers to "at least one well that may be drawing from water in the subterranean stream of Los Berros Creek." We request that the Division identify which well(s) it has identified as possibly drawing from a subterranean stream. Each well on the Project property has a well number, as identified in the Project environmental impact report

State Water Resources Control Board,
Division of Water Rights
August 27, 2015
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("EIR"), which is available at <http://www.slocounty.ca.gov/planning/environmental/EnvironmentalNotices/laetitia.htm>. In addition, we request that the Division explain the basis for its conclusion that particular wells may be drawing water from a subterranean stream and please distinguish your comments for the proposed project and the Applicant's Mitigated Alternative, as described in the EIR. Finally, we ask that you clarify whether the diversion of water in two 25 acre-foot reservoirs is considered part of the alleged potential unauthorized diversion of water related to the Project.

Without additional information and clarification from the Division, the property owner and Project applicant do not have sufficient information to determine whether a water right permit or other water right approval is needed for the Project. The property owner and Project applicant also do not have sufficient information from the Division to determine whether a Statement of Water Diversion and Use should be filed.

It is our current understanding that all of the water diversions on the Project site are from groundwater and are not subject to the jurisdiction of the Division, nor subject to filing a Statement of Water Diversion and Use. If the Division has evidence to the contrary, we ask that the Division share that information and explain the basis for the Division's conclusion that there are potential unauthorized diversions of water occurring on the Project site. Finally, it is puzzling why the Division did not provide these comments during circulation of the 2008 Draft Environmental Impact Report for the Project and that your letter did not arrive until a few days before the Planning Commission hearing.

Sincerely,

KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD
A Professional Corporation



ELIZABETH LEEPER

EL
Attachment

cc: County of San Luis Obispo
c/o Brian Pedrotti
Department of Planning and Building
976 Osos Street, Room 200
San Luis Obispo, CA 93408

County of San Luis Obispo
c/o Brian Pedrotti
bpedrotti@co.slo.ca.us





EDMUND G. BROWN JR.
GOVERNOR



MATTHEW RODRIGUEZ
SECRETARY FOR
ENVIRONMENTAL PROTECTION

State Water Resources Control Board

JUL 22 2015

In Reply Refer to:
MJM:UN000882

Laetitia Vineyard and Winery, Inc
453 Laetitia Vineyard Dr
Arroyo Grande, CA 93420

To Whom It May Concern:

POTENTIAL UNAUTHORIZED DIVERSION OF WATER RELATED TO THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE LAETITIA AGRICULTURAL CLUSTER TRACT MAP AND CONDITIONAL USE PERMIT (SCH # 2005041094) IN SAN LUIS OBISPO COUNTY

Staff from the State Water Resources Control Board, Division of Water Rights (Division) has determined that you may be diverting water in such a manner that may require a water right approval. The project appears to include the diversion of water in two 25 acre-foot reservoirs and at least one well that may be drawing from water in the subterranean stream of Los Berros Creek.

You should contact the Division to determine whether a water right permit or other water right approval is needed. Information on water rights and the permitting process is available at:

<http://www.waterboards.ca.gov/waterrights/>

If a water right approval is needed, the State Water Board will act as a Responsible Agency for this project. Accordingly, the State Water Board may need to rely on the Lead Agency's California Environmental Quality Act (CEQA) document to support the Division's evaluation of the requested approval. The Lead Agency should therefore ensure that any CEQA document prepared for the project considers all potential direct and indirect environmental impacts associated with the diversion and use of water.

Unauthorized diversion and use of water is considered a trespass and subject to enforcement action under Water Code sections 1052 and 1831. Pursuant to Water Code section 1052, any diversion of water not covered by a valid basis of right may be subject to Administrative Civil Liability of up to \$500 per day without further notice. The State Water Board also may issue a Cease and Desist Order in response to an unauthorized diversion or threatened unauthorized diversion pursuant to Water Code section 1831.

Some diverters claim rights to divert independent of a permit, license, registration or certification issued by the State Water Board, such as diversions under riparian or pre-1914 rights. With limited exceptions, Water Code section 5101 requires that a Statement of Water Diversion and Use be filed for these diversions. Water Code section 5107 (c)(1) provides that the State Water

FELICIA MARCUS, CHAIR | THOMAS HOWARD, EXECUTIVE DIRECTOR

1001 I Street, Sacramento, CA 95814 | Mailing Address: P.O. Box 100, Sacramento, CA 95812-0100 | www.waterboards.ca.gov

JUL 22 2015

Laetitia Vineyard and Winery, Inc

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Board may impose a civil liability of \$1,000, plus \$500 per day for each additional day on which the violation continues if the person fails to file a statement within 30 days after the board has called the violation to the attention of that person. These penalties are in addition to any penalties that may be imposed if the diverter does not hold a valid right or diverts in excess of what is authorized under that right. This letter serves as your notice of the statement requirement and potential penalty.

Please contact me at (916) 341-5310 or matthew.mccarthy@waterboards.ca.gov if you have any questions or require additional information. Written correspondence or inquiries should be addressed as follows: State Water Resources Control Board, Division of Water Rights, Attn: Matt McCarthy, P.O. Box 2000, Sacramento, CA, 95812-2000.

Sincerely,



Matt McCarthy, Senior
Coastal Lahontan Unit
Division of Water Rights

cc: Janneck Limited
c/o John Janneck
116 Cory Ave
Los Angeles, CA 90069

RRM Design Group
c/o Allison Donatello
3765 S Higuera St, Ste 102
San Luis Obispo, CA 93401

County of San Luis Obispo
c/o Brian Pedrotti
Department of Planning and Building
976 Osos St, Rm 200
San Luis Obispo, CA 93408

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SAN LUIS OBISPO COUNTY FARM BUREAU

4875 MORABITO PLACE ♦ SAN LUIS OBISPO, CA 93401

PHONE (805) 543-3654 ♦ FAX (805) 543-3697 ♦ www.slofarmbureau.org

September 3, 2015

Commissioners
San Luis Obispo County Planning Commission
County Government Center
San Luis Obispo, CA 93408

Re: Agenda #5: Agricultural Cluster

Dear Commissioners:

Thank you for this opportunity to address agricultural clustering.

Following the many comments and statements regarding agricultural clustering and the Laetitia Agricultural Cluster the San Luis Obispo County Farm Bureau felt that it was necessary to once again address agricultural clustering. Consistent with Farm Bureau's policy and by-laws San Luis Obispo County Farm Bureau does not support or oppose individual projects.

Farm Bureau strongly supports agricultural clusters as they preserve land as opposed to standard land divisions/lot splits. We feel that they allow the agricultural landowner the needed financial support while retaining and preserving ninety-five percent of the land in agricultural production in perpetuity thus helping to maintain a viable agricultural industry and maintaining the rural character within the county.

Further our Farm Bureau Board of Directors, relating to contiguous clusters, have reaffirmed prior 2007-2008 communication to the Planning Commission that stated, "*Generally speaking, Farm Bureau supports contiguous clusters. At the same time, we recognize that topography can create a situation where there would be less agricultural disruption if the residential uses were not one single block of development. There needs to be the flexibility in the ordinance to address this scenario on a case-by-case basis.*"

Thank you again,

JOY FITZHUGH
Legislative Analyst

Mission Statement:

"To lead San Luis Obispo County in the protection, promotion and advocacy of agriculture for the benefit of our members and community."



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September 4, 2015

VIA E-MAIL AND U.S. MAIL

State Water Resources Control Board,
Division of Water Rights
Attn: Matt McCarthy
P.O. Box 2000
Sacramento, CA 95812-2000
E-Mail:
matthew.mccarthy@waterboards.ca.gov

Re: Response to August 28, 2015 E-Mail Re Potential Unauthorized Diversion of Water
(MJM:UN000882)

Dear Mr. McCarthy:

My firm serves as legal counsel for Janneck Limited with respect to the Laetitia Agricultural Cluster Tract Map and Conditional Use Permit project ("Project") in San Luis Obispo County. By letter dated August 27, 2015, I provided a response to the July 22, 2015 letter from the Division of Water Rights ("Division") to the Laetitia Vineyard and Winery, Inc., regarding the alleged unauthorized diversion of water related to the Project. My letter requested additional information from the Division regarding the alleged potential unauthorized diversion of water.

You responded to my letter, by e-mail, on August 28, 2015 ("Response"). Your Response addresses two issues: (1) an alleged onstream reservoir; and (2) a well that allegedly may be withdrawing from the subterranean stream of Los Berros Creek. I appreciate your quick Response and the additional information that you provided. A copy of your Response is attached, for your convenience. Below, I address the reservoir and well issues.

Reservoirs: Your Response states, in relevant part, that "[i]nformation from the EIR indicates that there is at least one onstream reservoir on the property that are being used for irrigation. The reservoir appears to collect (divert) surface water, and a valid basis of water right is required for such a diversion. . . .The following is an excerpt from Page V.P.-5 of the Final EIR (emphasis added): *The agricultural irrigation system included Wells 1, 4, 5, and 9 (F&T 2, F.V. Wells 3, F.V. Wells 1, and F&T 1) and two reservoirs each with storage capacity of 25 acre-feet (af).*" Your Response does not identify the "information" from the EIR that indicates that there is an onstream reservoir on the property, or that indicates that the reservoir is collecting diverted surface water. The sentence that your Response quotes from the EIR simply states that the agricultural irrigation system includes two reservoirs; it says nothing about an onstream reservoir or about diversions of surface water.

This letter clarifies and confirms that the two reservoirs on the Laetitia property are reservoirs used for the existing agriculture on the property, and are not part of the proposed

Project that is before the County for its consideration and approval. Nor are the irrigation reservoirs part of the proposed Project that is being analyzed under the California Environmental Quality Act ("CEQA"). Therefore, potential issues regarding the existing reservoirs are irrelevant to the County's consideration of the proposed Project and the County's analysis of the proposed Project under CEQA. It is the Project applicant's position that the County's CEQA review of the proposed Project is not the appropriate forum for addressing the Division's concerns regarding the existing irrigation reservoirs.

Well 11: Your Response states, in relevant part, that "[i]nformation from the EIR indicates that Well 11 may be withdrawing from the subterranean stream of Los Berros Creek, which would require a valid basis of water right." However, your Response also acknowledges that "[a]bsent evidence to the contrary, groundwater is presumed to be percolating groundwater, not a subterranean stream. If you assert that the source of water for Well 11 is percolating groundwater, then the Division would likely need to review Appendix H of the EIR to determine if sufficient evidence is available to prove there is a subterranean stream."

This letter confirms that it is the position of the Project applicant that Well 11 only withdraws percolating groundwater, and that Well 11 does not divert from a subterranean stream. Well 11 is screened in the fractured resistant volcanic tuff of the Obispo Formation and is located several hundred feet away from Los Berros Creek. (See Final EIR, at pp. V.P.-5, V.P.-6, V.P.-10, V.P.-24.) As you know, the State Water Resources Control Board ("State Water Board") has applied a four-part test for determining whether groundwater should be classified as a subterranean stream. "[F]or groundwater to be classified as a subterranean stream flowing through a known and definite channel, the following physical conditions must exist: [¶] 1. A subsurface channel must be present; [¶] 2. The channel must have a relatively impermeable bed and banks; [¶] 3. The course of the channel must be known or capable of being determined by reasonable inference; and [¶] 4. Groundwater must be flowing in the channel." (*In re Garrapata Water Co.* (June 17, 1999) State Wat. Resources Control Bd. Dec. No. 1639; see *N. Gualala Water Co. v. State Water Res. Control Bd.* (2006), 139 Cal. App. 4th 1577, 1585.) The Division has not identified evidence with respect to this four-part test, nor has the Division identified evidence to support the conclusion that Well 11 diverts from a subterranean stream. I maintain the position that Well 11 diverts from percolating groundwater and therefore, those diversions are not subject to the State Water Board's jurisdiction over surface waters and subterranean streams.

In conclusion, I request that you provide written communication confirming that, based on the available information and the Division's review of that information, the Division rescinds its July 22, 2015 letter regarding alleged unauthorized diversions of water related to the Laetitia project. In the alternative, if the Division concludes that is appropriate to continue its review of the available information, I request that you provide written communication confirming that the Division's review is on-going and that the Division has not made any determination regarding the Project's water diversions at this time.



State Water Resources Control Board,
Division of Water Rights
September 4, 2015
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Thank you for your attention to this matter.

Sincerely,

KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD
A Professional Corporation



MONA G. EBRAHIMI
ELIZABETH LEEPER

EL
Attachment

cc: County of San Luis Obispo
c/o Brian Pedrotti
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976 Osos Street, Room 200
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Mona G. Ebrahimi
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Elizabeth Leeper
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September 4, 2015

VIA HAND DELIVERY AND E-MAIL

Members of the Planning Commission
County of San Luis Obispo
Department of Planning and Building
County Government Center
976 Osos Street, Room 300
San Luis Obispo, CA 93408

Re: Response to Legal Errors in Staff Report Prepared For The Laetitia Agricultural Cluster Subdivision Tentative Tract Map and Conditional Use Permit

Dear Chair Topping and Members of the Planning Commission:

Thank you for the opportunity to present to you on August 13, 2015 on behalf of the applicant for the Laetitia Agricultural Cluster Project. Mindful of time constraints, we have elected to address the legal errors in the staff report in this letter rather than in an oral rebuttal at the upcoming continued Planning Commission on September 10, 2015.

Before delving into the numerous errors, it is important to put into context the question before your Commission: does this project meet the requirements in the County's Code? If you find that it does, and we believe that it does based on the evidence presented by the County's water expert and the testimony, data, and facts presented in all of our previous comment letters on this project, then you must approve the conditional use permit and vesting tentative map.

A legislative decision (i.e. general plan amendment or rezone) establishes rules, policies, or standards of general applicability and is political in nature, whereas by comparison, an application for a use permit and map are quasi-judicial in nature. While legislative decisions involve "the exercise of discretion governed by considerations of public welfare" or declare a public purpose, quasi-judicial decisions apply already established standards to a particular application. Therefore, in the event the County wishes to deny an application for a quasi-adjudicatory action, it must adopt findings explaining why the applicant could not meet the standards and those findings must be supported by substantial evidence in the record—in other words, a finding of denial cannot be based on opinion, politics, anecdotal information, or personal dislike. Staff's report to this Commission, along with the statements made by the Caltrans representative and Agricultural Commissioner are based on personal opinion, anecdotes, and false information (See letter from RRM Design, attached hereto). Therefore, the findings of denial are not supported by substantial evidence in the record and cannot be relied upon.

Policy Decisions and Findings

The staff report's findings that the Applicant's Alternative #2 ("Applicant's Mitigated Project") is inconsistent with the County's Land Use Ordinance ("Ordinance" or "LUO") and General Plan Policies are incorrect and reflect a subjective, results-orientated presentation that is designed to lead to a recommendation of denial. The findings of inconsistency are not supported by the text of the Ordinance or Policies, nor by evidence in the record, and are arbitrary when examined in the context of how the County has applied these same ordinances, policies and standards to past agricultural cluster projects. The staff report's findings of inconsistency cannot be adopted and the theme of arbitrariness in these findings becomes apparent after studying just a few of the findings.

For example, the staff report finds that the Applicant's Mitigated Project is inconsistent with several South County Area Plan goals, including goals of promoting the rural and open character of the area and strengthening agriculture. (See Exhibit A to Staff Report, at pp. 1-2.) This finding is baseless on its face because the Applicant's Mitigated Project proposes to place 1,792 acres of the 1,910-acre site under permanent open space easements and agricultural preserves, promoting the rural and open character of the area and support future agriculture on the project site.

As another example, staff finds that implementation of the Applicant's Mitigated Project will be inconsistent with the General Plan Policy of retaining an open, low-density character around and between population centers. This finding is based on staff's belief that the project would "modify the existing open, low-density visual character by introducing residential clusters... visible from Highway 101..." This finding is not supported by substantial evidence because the only Class 1 aesthetic impact in the Environmental Impact Report was based on the use of a telephoto lens to project the development of marginally visible future houses, one and a half miles away from Highway 101. Conversely, the applicant's expert demonstrated that residential homes would only be temporarily visible to passengers moving on Highway 101. And, that temporary visibility would further be obstructed by vehicles moving at 65 mph and existing landscaping, topography, and vegetation. Finally, those homes would be distant from potential viewers. For these reasons, it is not reasonable to find that the Applicant's Mitigated Project would not be consistent with this General Plan Policy, particularly so when staff was able to make this finding for a similar project with similar impacts (See analysis of Biddle Ranch project approval in letter from RRM Design, attached hereto). Without facts, expert analysis, or other substantial evidence in the record, staff's findings of denial are insufficient as a matter of law and should be summarily rejected.



California's Housing Accountability Act

California's Housing Accountability Act, codified at Government Code section 65589.5 and more commonly referred to as the "Anti-NIMBY" Statute,¹ was enacted by the Legislature to protect residential projects from neighboring residents who oppose the project.

State statute and interpreting case law have held that in order for the County to disapprove a proposed residential development that complies with all applicable objective planning and zoning criteria, the local agency must make written findings, supported by substantial evidence, that: (1) the project would have a specific adverse impact on public health or safety, and (2) there are no feasible means to satisfactorily mitigate or avoid the impact.

On the day of the August 13, 2015 Planning Commission hearing, the applicant received, for the first time, a paragraph from County Counsel stating, in part, that the Anti-NIMBY statute "does not apply to the project because the project does not comply with applicable, objective General Plan and Zoning standards...[and] would have a specific, adverse impact upon the public health or safety...The development is proposed within a high fire hazard area, using a dead-end road without emergency secondary access meeting CalTrans requirements, and would result in an increased demand for emergency services personnel and facilities."

Here, the project complies with all objective planning and zoning criteria. As previously mentioned in this letter, no general plan or zoning code amendment is needed. And, as demonstrated in the EIR, the project mitigates all potential impacts relating to public health and safety. Like the prevailing applicant in *Honchariw v. County of Stanislaus* (2011) 200 Cal.App.4th 1066 demonstrated and the Court there found, "nothing in this record...would support a conclusion that the appellant's project fails to comply with applicable planning and zoning criteria." In that case, the Court further found that the County's conclusion that the project was not consistent with water service requirements was "premature" and lacked evidentiary support.

The same is true of staff's findings here. As mentioned during the August 13, 2015 meeting, the applicant has proposed the use of Laetitia Vineyard Drive as a secondary access for emergency vehicles, which is to CalFire's satisfaction. This mitigation reduces all fire impacts to a less than significant level. While it is true that Caltrans opposes this secondary access because, according to Mr. Larry Newland, it wants "to incrementally over time upgrade 101 to full freeway status...[and] points of access opportunistically," the financial motives of Caltrans are not valid environmental impacts of the use of this access. Mr. Newall admitted that the property owners, "they do have access" but then offers an alternative argument for which access to the driveway should not be used: safety. At first blush, Caltrans' position regarding safety seems credible; however, that credibility is undermined by the fact that the Laetitia Vineyard Driveway

¹ NIMBY stands for "Not In My Backyard."



Members of the Planning Commission
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proposed for emergency vehicle access, secured by a 24 hour guarded gate, which means there will be no significant additional traffic impacts. Moreover, Caltrans wholly ignores that the Laetitia Vineyard Driveway is an allowed current access point for the existing winery and agricultural operations, inclusive of emergency vehicle access. For these reasons, the findings necessary for disapproving the Applicant Mitigated Plan cannot be met.

Thank you for your consideration.

Sincerely,

KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD
A Professional Corporation



MONA G. EBRAHIMI
ELIZABETH LEEPER

cc:

James Bergman, Planning Director (via e-mail)
Brian Pedrotti, planner (via email)





September 4, 2015

Transmitted via post and e-mail: kentopping@aol.com

Kenneth Topping, FAICP, Planning Commissioner
County of San Luis Obispo
Room D-430, County Government Center
San Luis Obispo, CA 93408

RE: RRM Design Group Comments on Laetitia Agricultural Cluster Project Staff Report Dated 8/13/2015

Dear Chairman Topping,

RRM has reviewed the 8/13/2015 staff report for the Laetitia Ag Cluster project and has the following comments:

- A. **Overall Comment:** The staff report seems to have lost sight of the policy of the Board of Supervisors in regard to Agricultural Clustering. The policy of the Board as stated in Section 22.22.150 of the LUO (2003) is clearly stated.

“It is the policy of the Board to encourage the preservation of agricultural lands in the county for the continuing and enhanced production of food and fiber through the use of a variety of policy and regulatory techniques. One technique, provided by this section, is the clustering of allowable dwelling units on relatively small parcels in agricultural areas instead of the dispersal of the units on larger parcels.”

Reading the staff report we are struck by the lack of any sign of encouragement whatsoever. In fact, Ag Clustering is not encouraged by staff and is in fact being discouraged. A clear example of this lack of encouragement is the use of Energy Element Policy #1 and #2 (Page 6 of 30) as a part of the findings for denial. These policies are used as justification for denial of the Ag Clustering project and criticize the project for not being “within or adjacent to an existing community” and for being “low density residential development that would not be concentrated contiguous to the City of Arroyo Grande”. These policies are clearly not applicable to Ag Cluster projects. An Ag cluster by its very nature is not going to be within an existing community. The incorporation of these policies argues against any Ag Cluster project by attempting to make them subject to policies that are not applicable and not consistent with the LUO



criteria for Ag Clusters. What future land owner facing this sort of inappropriate criticism will feel “encouraged” to undertake an Ag Cluster project?

As an additional example of lack of follow through on the Board policy to encourage the use of Ag Clustering, the staff report makes no mention of the implications or contrast the Ag Cluster with an alternative course of action that could result from the land owner pursuing other options, i.e., selling the existing legal 21 parcels and future subdivision of those parcels consistent with County minimum parcel sizes in the Ag and RL land use designations. Most notably, the County would not benefit from over 93% of the project site being preserved in open space. Rather than identify the detrimental impacts of not approving this project, the staff report instead relies on interpretations of policies in every effort to show this project does not comply with the General Plan or LUO and even though such interpretations are in direct conflict with previous commission interpretations of the same standards and policies (see *attached, Exhibit A*).

B. Specific Comments:

1. **Residential Density, page 7.** We disagree with staff interpretation of LUO 22.22.150.
2. **Secondary Emergency Access, page 7 – 8.** The Cal Trans encroachment permit is not the controlling document with regard to the use of Laetitia Vineyard Drive. Caltrans requirement that the Laetitia Ag Cluster “guarantee zero additional trips” at this intersection is unreasonable. Despite the unreasonableness of this demand, the Laetitia project has proposed a solution including a gate and 24/7/365 gate guard to eliminate any residential trips and yet Caltrans still objects, based on the speculative and unreasonable basis that property owners might be able to convince the guard to allow them through for non-emergency reasons.
3. **Transportation and Circulation, page 8.** The applicant has agreed to mitigations for these impacts. Mitigation timing issues related to the efficiency (or lack thereof) of the operations of another agency is not an environmental impact.
4. **Clustering vs. Fragmentation of Agricultural Operations, page 8.** The applicant has deducted the applicable residential parcels, roads, HOA facility and wastewater treatment plant from the density calculation. There are no wastewater storage areas outside of the waste water treatment facility area. Ponds shown on the plans are for irrigation water storage purposes.
5. **Ordinance Compliance, item g, finding 22.22.150(g)1, page 12.** The staff report indicates that Ag buffers, the wastewater treatment plant, waste water storage ponds, drainage basins, landscape mitigation requirements, residential



parcels and HOA facility are located within required open space areas. This is incorrect.

Ag buffers are not a “residential use”. The wastewater treatment facility is located on a separate parcel and deducted as development area in the applicant’s density calculations. Wastewater is proposed to be stored in underground storage tanks at the site of the wastewater treatment plant. No “drainage basins” are proposed. However, recharge basins as a part of the water conservation measures may be proposed if they are required by the County. Residential parcels are not proposed on required open space. The ranch HOA is not proposed on open space and has been deducted from the applicant’s allowed area for density calculation and open space requirement.

The Ag & Open Space Element discussion of buffers (2003, Appendix D, page D.3, item #4) indicates “Buffer determinations and other mitigation measures are made on a case-by-case basis considering all relevant factors. County wide standard or minimum setback distances are not used.” Further the Scope (2003, AG & OP SP Element, Appendix D, page D-5) of mitigation measures (*read as buffers*) says “The buffer will allow for such land uses as landscaping, barns, storage buildings, orchards, pastures, etc., while protecting the agricultural use and the public health and safety.” See *attached site plans*.

This section of the staff report also indicates that the success of replacement agricultural uses is “unknown”. It is no more unknown than the success of the existing agriculture areas that are located on the same or similar soil types and will continue to be subject to the same management and farming practices, etc. In addition, approximately 100 acres of current agriculture areas are in need of replacement irrespective of the Ag cluster project. Removal and replacement of crops is a routine agricultural practice and not a “conversion”. Staff is speculating in regard to agriculture in contrast to the applicant who has consulted with the Farm Manager and professional Ag operations consultants. Staff seems to be substituting the business sense of the Laetitia Farm Manager, who has been the Farm Manager at Laetitia for 12 years and has a degree in Crop Sciences and Agronomy from Cal Poly, with its own. This judgement exceeds the scope of CEQA, project approvals, and is inappropriate.



The “non-contiguous” design of the Ag cluster is based upon existing environmental factors such as slopes, power line easements, location of existing roads (which are encouraged to be used versus grading new roads), archaeology, tree locations, etc. The proposed design is similar to another approved Ag Cluster project the Biddle Ranch/Talley Ag cluster approved under the same LUO and required findings. Staff, while criticizing the proposed layout that takes into account myriad environmental factors offers, only conjecture that there is a better less impactful single cluster preferred design approach (see *again, attached Exhibit A*).

Staff indicates that the proposed cluster project is somehow in competition with the existing ag uses for water resources despite an extensive 30-year history of existing irrigated Ag uses, extensive 18 months of cyclical testing of proposed wells and conclusion in the FEIR from its own water experts that water resources are a Class II impact and are adequate for both the agriculture and cluster uses. In short, staff is engaging in a battle of experts – but with its own expert.

Finally, this section indicates that the presence of residents and visitors on site will somehow result in trespassing, vandalism, crop theft and disruption of agricultural practices. No facts or evidence are presented to support this assertion. It is put forth purely as speculation on the part of staff. It is in stark contrast to the Agriculture Management plan included as part of the detailed Ag Cluster project description and carefully worked through in consultation with the current owners and managers of the agricultural operations, and again, exceeds the scope of CEQA and project approval review.

6. **Finding 22.22.150g(2)a, page 13.** Staff indicates that the proposed cluster design does not meet buffer standards due to the non-contiguous design. Nowhere in the LUO is a “contiguous” cluster specified, required or described. On the contrary the Biddle Ranch/Talley Ag Cluster project design is very similar in design, was approved and found consistent with this finding. That project involved both the removal of an existing Ag use and the expansion of existing Ag uses. The Ag & Open Space discussion of buffers (2003, Appendix D, page D.3, item #4) indicates “Buffer determinations and other mitigation measures are made on a case by case basis considering all relevant factors. County wide standard or minimum setback distances are not used.” Further the Scope (2003, AG & OP SP Element, Appendix D, page D-5) of mitigation measures (*read as buffers*) says “The buffer will allow for such land uses as landscaping, barns, storage buildings, orchards, pastures, etc., while



protecting the agricultural use and the public health and safety.” (See *attached site plan, Exhibit B*).

7. **Finding 22.22.150g(2)c, page 13.** Curiously this discussion, unlike others in this same section, fails to mention the Applicant proposed Alternative 2, which dramatically reduced tree impacts as a result of an extensive tree survey on the site, resulting in the surveyed identification of each affected tree, tagging the trees for future identification and identification of the impacts upon each impacted tree. The final field verified numbers related to the Applicants Proposed Alternative #2 is a mere 7 trees removed. Likewise the staff report continues to identify 110 trees to be removed off site despite knowledge and applicant written communications to staff indicating that in field meetings with Public Works staff and Cal Fire staff it was verified that Upper Los Berros Road could be improved without removal of these trees.
8. **Finding 22.22.150g(2)e, page 13-14.** See comment #6 above.
9. **Finding 22.22.150g(3), page 14.** See comment #5 above. Additionally, staff assert that “It is infeasible to control the activities of the residents and visiting population of the agricultural cluster subdivision *at all times* in order to protect the agricultural operations from these impacts” (emphasis added). This criteria would make it impossible for any Ag cluster of any configuration (contiguous or non-contiguous) to meet the requirements of this finding.
10. **Finding 22.22.150g(4), page 15 -15.** It is unclear why this finding is listed among the findings that cannot be met. The FEIR identifies water resources as a Class II impact and finds that there is adequate water for both the Ag operations and the Ag cluster.
11. **Page 15, item i.** Staff’s comment that “the wording of these two requirements is subtle” is an indicator that there is a fair argument that the staff interpretation of the language is incorrect. In fact, the language of the Planning Commission findings for Biddle Ranch/Talley Ag Cluster are clear that the 2x parcel bonus does apply in the RL designation. In addition the DEIR for the 2013 proposed modifications of the Ag Cluster Ordinance also make clear that the 2x parcel bonus applies in the RL designation as staff was proposing to remove that provision as part of the modification of the ordinance discussed in the DEIR. The allowed density for the Laetitia Ag cluster is 108 units. No units are proposed on an open space lot in the Applicants Proposed Alternative #2.
12. **Page 16, item j.** The proposed waste water treatment facility and ranch headquarters (HOA facility) are not proposed on an open spaces parcel(s) in the Applicant Proposed Alternative #2. Both of these facilities are on individual parcels



that have been deducted from the density calculations and from included in the developed land statistic.

13. **Page 15, item k.** See comments #12 and #4 above.
14. **South County Inland Area Plan Compliance, Page 17, Goal 4.** This staff conclusion incorrectly interprets the Goal. The proposed project is consistent with the goal as the project includes 93% Open Space overall (95% in AG and 90% in RL) and, in fact, is the essence of keeping the area rural in character. This is in stark contrast to what has happened in areas immediately adjoining the Laetitia site where lands have been subdivided over time into small parcels of 5-10 acres without the permanent open space provisions of the Ag Cluster project and at densities that are in fact higher than the Laetitia Ag Cluster project (see *attached map, Exhibit C*).
15. **South County Area Plan Compliance, Page 17, Goal 6.** The tree impact information discussed in this section is incorrect.
16. **South County Area Plan Compliance, Page 17, Goal 7.** The project proposes “no net loss” of agricultural land use before and after implementation of the Ag cluster. See comments #9, #6 and #5 above.
17. **South County Inland Area Plan Community Planning, Page 17, Goal 1.** It is unclear how the staff conclusion for this goal could possibly be made when the project proposes 93%+ overall permanent open space? Contrast Laetitia with the surrounding area, which is the lower density? Which has more open space? Which places homes well away from US 101? Which is the more effective community separator? In each of these cases Laetitia is the superior approach and more consistent with the goal.
18. **South County Inland Area Plan Quality of Life, Page 17, Goal 1.** See comment #17 above.
19. **South County Inland Area Plan Public Services and Facilities, Page 17, Goal 1.** Compliance with the County’s fee program and the mitigations makes the applicants Alternative #2 consistent with this goal. In fact, Laetitia has agreed to off-site mitigations far in excess of any other Ag cluster. Level of Service (LOS) on Dana Foothill and on Sheehy road are at Level A before and after build of the project.
20. **Policy Analysis, Environmental Goal #1, Page 19.** The discussion of trees in this section is incorrect. See comment #7 above.
21. **Policy Analysis, Environmental Goal #2, Page 19.** This discussion is incorrect as the applicant has agreed to mitigation measures that maintain LOS A on Dana Foothill and Sheehy Road in the before and after condition of the project. The applicant has also agreed to a fair share participation in improvements to US 101 at



Los Berros Road and to joining the South County Transportation Impact fee program.

22. **Policy Analysis, Environmental Goal #11, Page 19.** The applicant has agreed to mitigation for Cal Fire Impacts.
23. **Air Quality Goal 3, page 20.** The proposed project is an allowable use within the Ag designation. It cannot, by definition, “create significant urban development outside of urban areas”. How was the Biddle Ranch/Talley Ag Cluster found to be “consistent with the General Plan and the Land Use Element” and yet Laetitia is found not consistent? (See *attached site plan, Exhibit B*).
24. **Air Quality Goal 4, page 20.** This discussion indicates the CAP anticipated 24 units at build out. The CAP project understates the development potential as there are 21 existing parcels, most of which allow more than one dwelling unit on each parcel.
25. **Air Quality Goal 5, page 20.** No comment
26. **Distribution of Land Uses Goal 8, page 21.** The proposed project is an allowable use within the AG & RL land use designations. It is, by definition, not urban development within a rural area. The Applicants Proposed Alternative #2 provides 93%+ overall open space. It will be the community separator between Arroyo Grande and Nipomo, especially when compared with the potential for the existing 21 legal parcels being developed resulting in subdivision more like the surrounding subdivided area to the south of Laetitia. The aesthetic impacts are overstated and not significant. The lots above the 660 ft elevation are located approximately 1.5 miles east of US 101. They are visible for approximately 4-6 seconds to travelers going north on US 101. Given the visibility of surrounding area development, the length of time that these homes will be visible, and the distance involved, the aesthetic impacts cannot be reasonably considered significant.
27. **Distribution of Land Uses Goal 10, page 21.** See comments #14, #9 and #5 above.
28. **Distribution of Land Uses Goal 13, page 21.** The proposed project is not urban. This policy clearly does not apply to an allowable use within the Ag and RL designations. Also see comment #9 above.
29. **Public Services and Facilities Goal 15, 16, 17, page 22.** See comment #19 above
30. **Noise Element Policy 3.3.3, page 22.** An imperceptible impact cannot be a significant impact. The applicant has proposed mitigation.



31. **Noise Element Policy 3.3.3, page 22.** This description is of an impact from the existing environment on the project, not a project impact on the environment, and therefore, not subject to CEQA review (see Ballona Wetlands case).
32. **Energy Element Policy 1, page 23.** This policy is not applicable to the proposed project. Ag clusters by their nature are not necessarily located “within or adjacent to an existing community”.
33. **Energy Element Policy 2, page 23.** This policy is not applicable to the proposed project. Ag clusters by their nature are located on rural land and are not typically located contiguous to an existing community and near major transit facilities.
34. **Agriculture and Open Space Element Policy #11, Ag water Supplies, page 23.** The applicant proposed water conservation measures are consistent with this policy. The recycling of waste water for agriculture use is consistent with this policy and enables the Ag water demand to remain constant and/or be reduced. The proposed Ag management plan recommends measures that have been reviewed by the Laetitia Farm manager and are consistent with operational measures that are feasible and can be implemented if necessary.
35. **Agriculture and Open Space Element Policy #17, AG Buffers, page 23.** The Ag Commissioners recommendation for a uniform 500 ft, one size fits all buffer is a poor solution, not supported by any evidence in the staff report. It is, in fact, an opinion. Moreover, this opinion is inconsistent with the LUO to encourage Ag cluster projects. The applicant’s proposed buffers have been reviewed with the Laetitia Farm manager as well as a consulting vineyard manager practicing in SLO County. See comment #6 above.
36. **Agriculture and Open Space Element Policy #18, Location of Improvements, page 23.** The applicant proposes no net loss of Ag production consistent with the intent of this policy. The applicant has put roads where existing roads are present consistent with this policy. The Ag commissioner’s opinions on water supply are also unsubstantiated and conflict with the county’s own water expert.
37. **Agriculture and Open Space Element Policy #18, Ag Land Divisions, page 23.** See comments #6, #7, and #36 above.
38. **Agriculture and Open Space Element Policy #21 & 22, Minimum Parcel Size Criteria for Ag Lands, page 24-25.** Although AGP 22 may not provide guidance for clustering on lands other than those designated Ag, the LUO certainly does and it includes RL in the areas where clustering may be utilized. The 2003, AG & OP SP Element, Appendix D, page D-5) description of mitigation measures (*read as buffers*) says “The buffer will allow for such land uses as landscaping, barns,



storage buildings, orchards, pastures, etc., while protecting the agricultural use and the public health and safety.” Buffer zones are not therefore part of the development acreage. The applicant has proposed “no net loss of Agriculture” and has correctly done the density calculation based upon this this assumption.

39. **Agriculture and Open Space Element Policy #24, Conversion of Ag Lands, page 25-26.** This discussion includes 4 criteria. Our comments are as follows:

a.1 – The proposed project is consistent with this portion of the policy as the proposed open space provides a community buffer and stabilizes agriculture and open space as a permanent feature of the landscape between communities.

a.2 – The proposed project is consistent with this portion of the policy as no land use designation change is proposed.

a.3 - The proposed project is consistent with this portion of the policy as no land use designation change is proposed.

a.4 - The proposed project is consistent with this portion of the policy as no public facilities are proposed outside of the urban or village reserve lines.

The staff discussion of this policy doesn’t consider the four criteria listed in the policy.

40. **Agriculture and Open Space Element Policy #25, Unique or Sensitive habitat, page 26.** This discussion includes 2 criteria. Our comments are as follows:

a. The proposed project includes 93%+ of the overall project site as permanent Open Space. No impacts are proposed to Los Berros Creek as no development occurs south of existing Upper Los Berros Road.

b. The project design has been revised in response to the CEQA review process to avoid significant impacts. The applicant has provided mitigation measures for biological impacts. Biology is not identified as a Class I impact in the FEIR.

41. **Agriculture and Open Space Element Policy #26, Streams and Riparian Corridors, page 26.** The project is consistent with this policy. The staff discussion identifies the need for subsequent permits from other agencies, however the need for permits from other agencies does not constitute a policy inconsistency.

42. **Agriculture and Open Space Element Policy #30, Scenic Resources, page 27.** It is unclear if the staff discussion is based upon the Applicants Proposed Alternative #2 or the original project description? If the discussion is based upon the Applicants Proposed Alternative #2 the staff analysis is incorrect. The applicants Proposed Alterative #2 does not include development on lots that would silhouette above the ridgeline. Development mitigation measures proposed include the



mitigations recommended in the South County Area Plan SRA/Highway Corridor (colors, screening, height limits, etc.).

43. **Agriculture and Open Space Element Policy #33, Archaeology & Cultural Sites, page 28.** The staff discussion of inconsistency is based upon the original project design, not on the Applicants Proposed Alternative #2. The Applicants Proposed Alternative #2 includes relocation of lots, and other mitigations measures identified in the FEIR.
44. **Agriculture and Open Space Element Policy #33, Historical Resources, page 28.** Staff discussion is correct.

As a final comment on the staff report and analysis, we have prepared the attached County Policy Analysis Comparison Chart, (see *attached Exhibit D*). This chart is based upon the staff report dated 3/13/2003 for the Biddle Ranch Ag Cluster project and the staff report dated 8/13/2015 for the Laetitia Ag Cluster project. These projects have at least the following items in common;

- They are subject to the General Plan and LUO in effect in 2003 (i.e. they were vested in the County regulations in effect in 2003)
- They are Agricultural Cluster projects
- They involve lands designated Agriculture and lands designated Rural Lands
- They are located approximately 2 miles from Arroyo Grande
- They propose removal and replacement land in existing Ag production
- There are portions of the site covered by an SRA
- They are adjacent to creeks (Los Berros and Lopez Creeks respectively)
- They require permits from other agencies (USACE)
- The design approach to clustering is similar

However, as seen on the attached chart (Exhibit D), the Policy analysis is starkly and inexplicably different. As a specific and glaring example, the Biddle Ranch Ag Cluster was found consistent with Countywide General Plan Goal 13 - "Locate urban densities within urban or village reserve lines near employment areas, while protecting residential areas from incompatible and undesirable uses". In contrast, the Laetitia Ag Cluster was determined to be inconsistent with this Goal.

The Laetitia Ag Cluster was designed consistent with the applicable Policies and Standards in effect when the application was vested. The evaluation of the project should be done in recognition of those Policies and Standards *and* in light of the clearly stated Board direction to *encourage* the use of Agricultural Clustering. Consistent with the Board policy, the applicants elected to apply for an Ag Cluster versus a conventional subdivision. The applicant's choice was



made recognizing the tradeoffs of Ag Clustering particularly the 95% and 90% permanent Open Space requirements versus the “density bonus”. The applicant expected that County analysis will be even handed and that findings and analysis of other projects approved using the same standards and policies would be consistently applied. Unfortunately, consistency in the staff analysis has not occurred and it appears that staff analysis has been arbitrarily and inconsistently applied to Laetitia without regard for the prior findings of the Planning Commission related to a similar Ag Cluster project.

We urge the Planning Commission to consider these comments and, in light of these and other comments in the record direct staff, to prepare findings and conditions of approval for approval of the Laetitia Ag Cluster project.

Sincerely,

RRM DESIGN GROUP

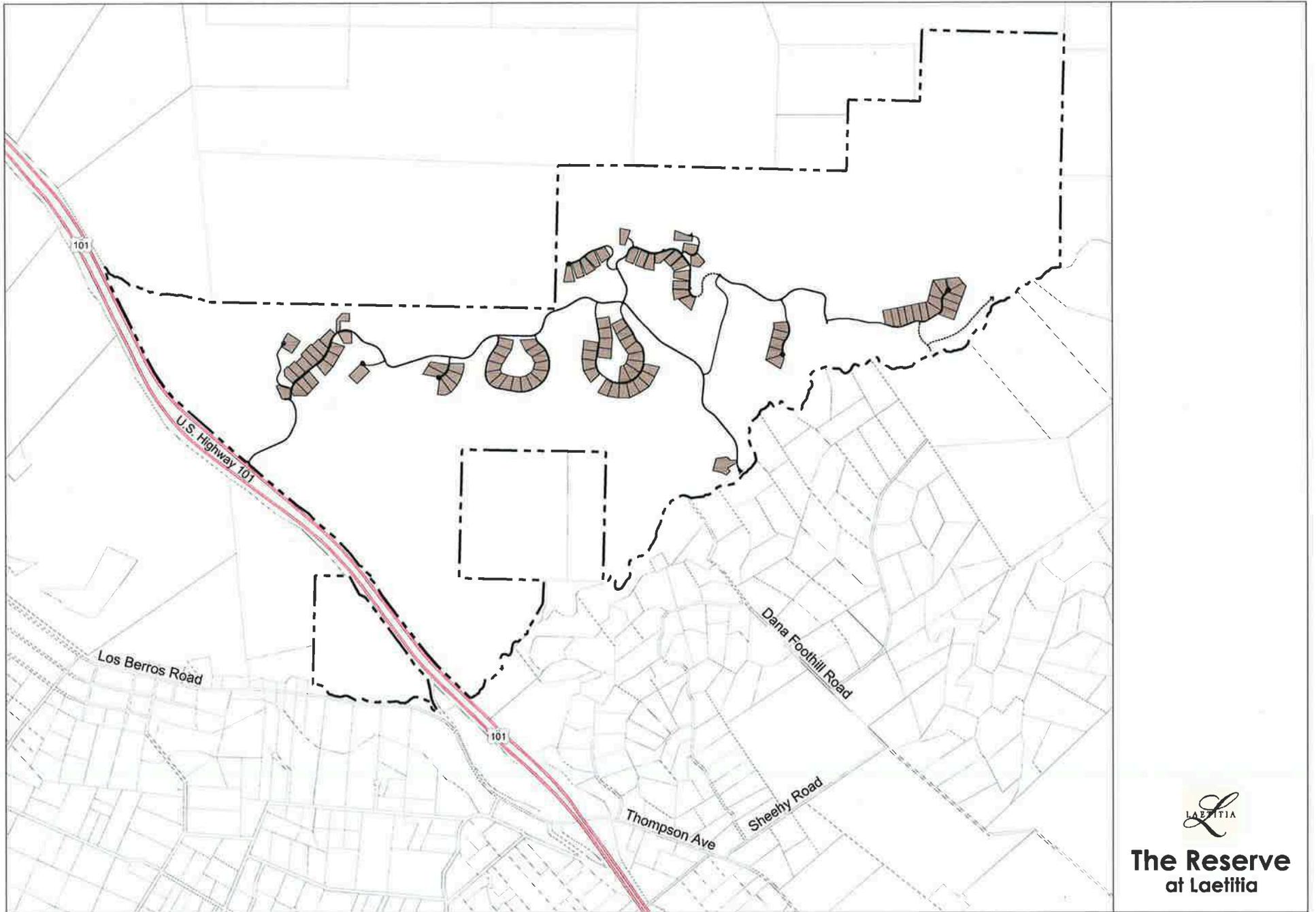
A handwritten signature in black ink, appearing to read 'Victor Montgomery', written over a large, stylized, circular scribble.

Victor Montgomery
Principal

cc: Jim Irving, SLO County Planning Commission
Eric Meyer, SLO County Planning Commission
Jim Harrison, SLO County Planning Commission
Don Campbell, SLO County Planning Commission
John Janneck, The Reserve at Laetitia
Brian Pedrotti, SLO County Department of Planning and Building

Enclosures: Exhibit A, Site Plan for The Reserve at Laetitia
Exhibit B, Site Plan for Biddle Ranch
Exhibit C, Community Separator/Open Space Map
Exhibit D, Laetitia vs. Biddle Ranch County Policy Analysis Comparison

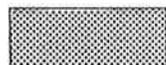
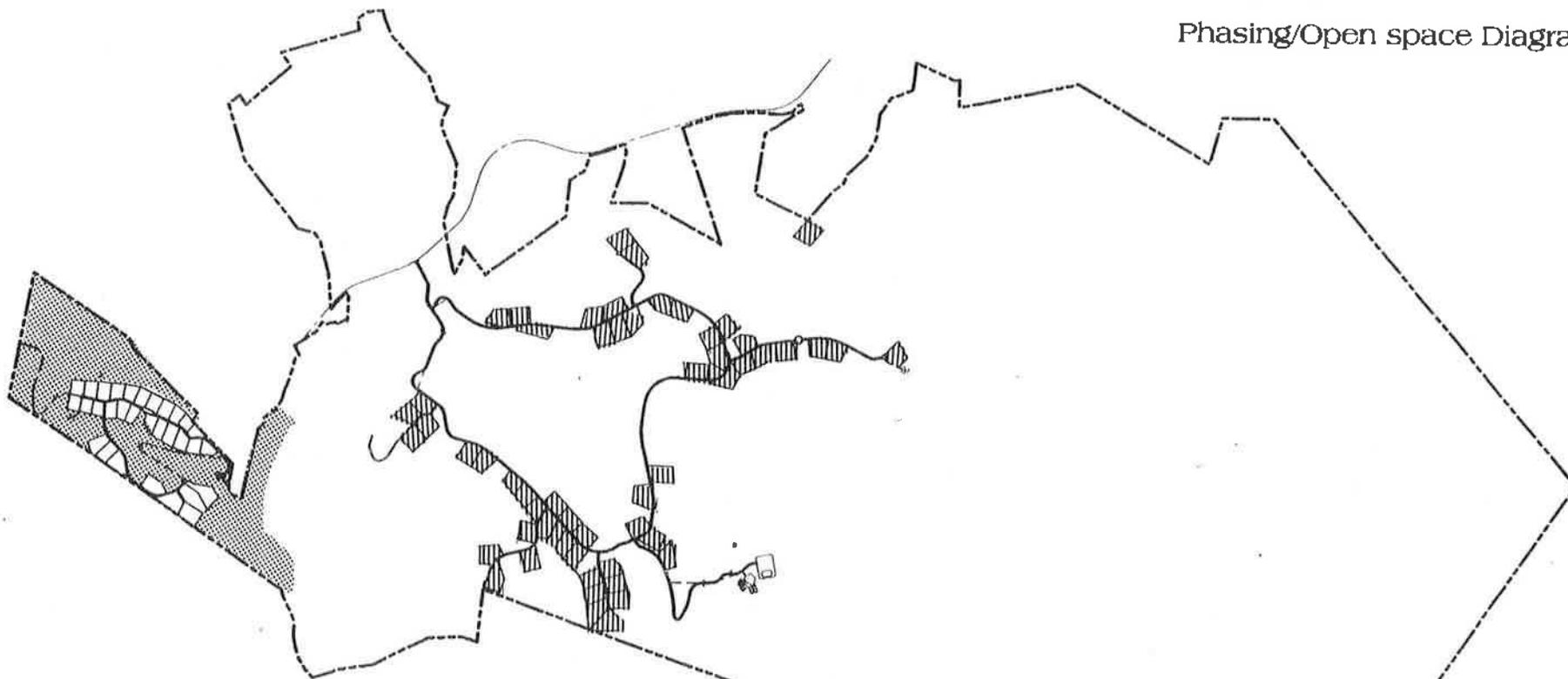
Exhibit A



**The Reserve
at Laetitia**

BIDDLE RANCH_{OR}

Phasing/Open space Diagram



Phase I Open Space (166 acres)



Phase II Open Space/
Williamson Act Contract
(3,799 acres)



Phase II Lots

Exhibit C



Exhibit D

Date 9-03-2015	
Laetitia Ag Cluster Compared to Biddle Ag Cluster	
Based upon Laetitia staff report to PC date 8/13/2015 and Biddle staff report dated 3/13/2003	
Laetitia Agriculture Cluster	Biddle Ranch Agricultural Cluster
Location	Location
Rural Area South of Arroyo Grande	Rural Area East of Arroyo Grande
Number of New Home Sites Proposed	Number of New Home Sites Proposed
101 new	87 new
Existing Land Use Designations	Existing Land Use Designations
Total site area = 1910 acres	Total site area = 4,719
Agriculture - 828 acres	Agriculture - 4,160
Rural Lands - 1082	Rural Lands -165ac
Irrigated agriculture - 487 acres in Ag; 146 in RL. Total irrigated ag = 633	Irrigated agriculture - 593 acres total
Combining Designation	Combining Designation
Highway 101 SRA	SRA-3 Viewshed protection Lopez Rec
In Williamson Act - No	In Williamson Act - Yes (Partially) at time of application
Basis for Density Calculations - 2003 LUO - AG & RL	Basis for Density Calculation - 2003 LUO - AG & RL
Existing Ag Production	Existing Ag production
Club/HOA Proposed - Yes	Club/HOA Proposed - Yes
Counted as Development Area - Yes	Counted as Development Area - No
Proposed on Open Space parcel - No	Proposed on Open Space parcel - Yes
Phased Development - Yes	Phased Development - Yes

Exhibit D

Laetitia Agriculture Cluster	Biddle Ranch Agricultural Cluster
Off Site Improvements Required	Off Site Improvements Required
Yes (Sheehy & Dana Foothill Roads) - safety improvements, full length	No (only a trail easement w/o construction)
Yes Los Berros & US 101 - signalization at NB & SB ramps	Yes - very minor turnout widening at Phase I entry
Site Plan Description	Site Plan Description
Loose clustering	Loose Clustering
EIR Prepared - Yes	EIR Prepared - Yes
9 - Class I Impacts Identified	3 - Class I Impacts Identified
6 - Cumulative	3 - Cumulative
Alternatives Evaluated in EIR	Alternatives Evaluated in EIR
No Project	No Project
Mitigated project -same number of new lots (101)	Mitigated project - same number of lots (88)
Reduced project A - reduce to 56-84 lots	Reconfig. project Alt A - same number of lots (88)
Reduced project B - reduce to 75 lots	Reconfig. project Alt B - same number of lots (88)
Redesigned project A - single cluster - 60 lots	
Redesigned Project B - single cluster - 7 lots (93% reduction)	
Redesigned project C - different effluent disposal	
Alternative project location - project somewhere else	
Tract design mitigation - project w/ all mitigations	
Alternative access Option - build freeway frontage road	
Environmentally Superior Alternative in EIR	Environmentally Superior Alternative in EIR
No Project or 7 lot alternative (93% reduction)	Project as proposed, no alternatives looked at reduced lot numbers
Overriding Findings For Aproval	Overriding Findings For Approval
None recommended by staff	Open Space value to community
	Trail easement
	Economic - Increased Property Taxes
	Economic - Construction Jobs
	Economic - Maintenance of new homes & improvements

Exhibit D

Laetitia Agriculture Cluster	Biddle Ranch Agricultural Cluster
Ag & Open Space Element Policy Evaluation	Ag & Open Space Element Policy Evaluation
AGP 11 - Ag water supply - not consistent	AGP - 11 - Not evaluated
AGP 14 - Encourage Ag Preserve - not evaluated	AG-14 - Encourage Ag Preserve - consistent
AGP-17 - Ag Buffers - not consistent - need 500ft buffer at vineyard	AGP-17- Ag Buffers - 300ft "where feasible" = consistent
AGP 18 - Location of structures - not consistent	AGP - 18 - not evaluated
AGP-20- Ag Divisions - not consistent due to loose cluster	AGP-20- Ag Divisions - consistent loose cluster (per AGP22 or AGP 23)
AGP - 21- Minimum Parcel size	AGP - 21 - not mentioned
AGP 22 - not consistent - new ag may not be successful	AGP -22 - Consistent although orchard removed
AGP 24 - Ag Conversion - not consistent -replacement ag may not succeed	AGP 24 - consistent
AGP -25 - Unique habitat - not consistent	AGP-25 - Consistent (bio mitigation reqd)
AGP -26 - USACE permits required - not consistent	AGP-26 - Consistent (Mitigation reqd)
AGP - 30 - Scenic Resources - not consistent	AGP 30 - not mentioned
AGP -33 - Archaeo - Applicant mitigated = consistent	AGP 33 - not mentioned
AGP 34 - Historic - consistent	AGP 34 - not mentioned
Required Findings	Required Findings
Aesthetics - Class I unavoidable, visible from US 101	Aesthetics - Class II , visible from Lopez Drive
Agriculture - Class I - replacement Ag may not succeed, 500ft buffer, compatibility	Agriculture - Class III , no prime soils @ residential lots, 300ft buffer
Air Quality - Class I	Air Quality - Class I
Archaeological - insignificant	Archaeological -insignificant
Biological - less than significant	Biological - less than significant
Geology & Soils - less than significant	Geology & Soils - less than significant
Hazards and Hazardous Materials - Class I - unavoidable (Cal Trans access)	Hazards and Hazardous Materials - Class II
Historic resources - Class II, less than significant	Historic resources - Class II, less than significant
Noise - Class I due to "compatibility" at AG	Noise - not significant
Paleo - not significant	Not mentioned
Public Services & Utilities - Class I - due to fire personnel - fees don't mitigate	Class II - fees mitigate
Recreation - Class II	Class II - after payment of fees
Transportation - Class I - due to Cal Trans access issue	Class II -
Water - Class II	Class II

Exhibit D

Laetitia Agriculture Cluster	Biddle Ranch Agricultural Cluster
Policy Analysis	Policy Analysis
Countywide Gen Plan Goals Evaluated	Countywide Gen Plan Goals - none mentioned
Environmental Goal #1 - consistent - Maintain Safe environment	not mentioned
Environmental Goal #2 - balance growth with resources - inconsistent	not mentioned
Environmental Goal #6 - Fire personnel - inconsistent even after fee	consistent - payment of fee mitigates
Environmental Goal #11 - Fire personnel - inconsistent even after fee	consistent - payment of fee mitigates
Air Quality Goal 3 - inconsistent - "urban" development in rural area	consistent (lot sizes are similar)
Air Quality Goal 4 - Inconsistent Ag Cluster not anticipated in AQ CAP	Consistent with AQ Cap
Air Quality Goal 5 - inconsistent due to VMT	Inconsistent due to VMT
Distribution of Land Use Goal 8 - inconsistent due to "urban" residential Use	Consistent even though lot sizes and loose cluster are similar
Distribution of Land Use Goal 10 - inconsistent due to ag removal & buffers	Consistent - despite orchard removal, 300 ft buffer reqd
Residential land Uses Goal 13 - inconsistent due to "urban" residential density	Consistent - despite same design
Public Services and Facilities Goal 15 - inconsistent (fees don't mitigate)	Consistent - Payment of fees mitigates
Public Services and Facilities Goal 16 - Parks - inconsistent fees don't mitigate	Consistent -Payment of fees mitigates
Public Services and Facilities Goal 17 - inconsistent fees don't mitigate	Consistent -Payment of fees mitigates
Noise Element Policy 3.3.3 - inconsistent despite "not perceptible"	not mentioned
Noise Element Policy 3.3.4 - inconsistent w/ vineyards ops	not mentioned
Energy Element Policy 1 - inconsistent because not adjacent to existing community	not mentioned
Energy Element Policy 2 - inconsistent because not adjacent to AG or Nipomo	not mentioned

Cleath-Harris Geologists, Inc.
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San Luis Obispo, CA 93401
(805) 543-1413



September 1, 2015

Mr. Brian Pedrotti
Project Manager
County Planning and Building Department
976 Osos Street, Room 300
San Luis Obispo, CA 93408-2040

Subject: Comments on County Staff Presentation to Planning Commission, Laetitia Agricultural Cluster Project, August 13, 2015.

Dear Mr. Pedrotti:

As requested by John Janneck, Cleath-Harris Geologists (CHG) attended the August 13, 2015 Planning Commission hearing for the Laetitia Agricultural Cluster Project, and herein provides comments specific to the water resources portion of the staff presentation. CHG generally concurs with Geosyntec's summary of project water resources, with a few exceptions described below for specific presentation slides.

Analysis of Testing of Project Wells

Geosyntec reported that they reviewed and independently analyzed the cyclic well testing and monitoring data for the period from October 16, 2009 through December 31, 2010. The full water level monitoring data set CHG provided Geosyntec was from September 29, 2009 through March 25, 2011 (approximately 18 months), which included two weeks of baseline water level data prior to the start of Phase 1 pumping, and three months of water level recovery data following Phase 3 pumping. Geosyntec used the additional three months of recovery data for yield calculations during their independent review and analysis.

Hydrographs for Well 10, 14, and 15

The methodology described for sustainable yield calculation involved scaling down the Phase 3 cyclic pumping rate by the additional time required for recovery to pre-pumping water levels. CHG had already scaled down the sustainable pumping rate to account for recovery during Phase 3, and questioned Geosyntec about the additional reduction (LV17-5 Comment #1, FEIR page X1.B-268 and Comment #2, FEIR page XI.B.-273). In the FEIR, Geosyntec responded by saying the additional reduction was an application of a reasonable margin of safety due to considerations for above-average precipitation and residual recovery from Phase 2 pumping (LV17-5, FEIR page XI.B.-291). That being the case, some mention should have been made during the presentation that downward adjustments to the sustainable yield were made to account for uncertainty.



Cautionary Notes

Under cautionary notes, rainfall is listed as 138 percent of normal during the testing period. Geosyntec should have mentioned that this was accounted for when the Phase 3 pumping rate was scaled down by the yield methodology, as previously discussed. The Phase 3 sustainable pumping rate was 87 acre-feet per year, which is 139 percent of the final, scaled down yield estimate of 62.4 acre-feet per year. The well testing was also started at the end of a three year drought. As noted in the FEIR, *below average rainfall occurred from 2007 to 2009, immediately prior to Phase 1 testing; therefore, the calculations based on Phase 1 testing reflect drought conditions* (FEIR page V.P.-33).

The presentation slide cautions that no historical production records are available for wells completed in the Monterey Formation at the property. There was no indication prior to the presentation that the County considered a lack of onsite historical use of Monterey Formation wells as an issue. CHG had already indicated that both Monterey Formation and Obispo Formation fractured rock aquifers were reliable sources of water to the vineyard and to local orchards (LV22-19, FEIR page XI.B.-341). CHG also mentioned that local wells in similar terrain in both Obispo and Monterey Formation aquifers have produced for many years at volumes equal or greater than those proposed for the project (Response to supplemental hydrogeologic peer review of water resources section, Laetitia agricultural cluster draft Environmental Impact Report, June 2, 2009). Since the Monterey Formation wells at Laetitia were drilled specifically for the ag cluster, offsite wells would be the only place historical use information for this formation can be found (and is found).

The final two cautionary notes are generic statements relating to estimating sustainable yield for fractured rock wells that would be applicable to all wells and developments. The slide does not provide the Planning Commission with useful material on how the issues presented by the cautionary notes were addressed at Laetitia. Considering that a substantial amount of work on these issues was performed, something could have been mentioned.

The staff report refers to numerous concerns from the public regarding water. After repeating some of those concerns under "Cautionary Notes", the staff presentation could have better informed the Planning Commission, while addressing public concerns, by describing their rationale for the Class II impacts finding, such as:

Regarding well testing/reliability of fractured rocks:

The County concurs that short-term pumping test commonly conducted are not representative of long-term production capacity of wells, particularly for fractured bedrock aquifers (FEIR H&B-8, page XI.D.-23). The combined duration of three phases of cyclic pumping conducted at the four project wells was approximately 9 months [excluding recovery phases], which would not be



considered short-term testing. The three phases of testing provided a reasonable assessment of the long-term groundwater production capability and indicates that a combined production rate of 65 to 75 acre-feet per year from the four wells (Well 10, 11, 14, and 15) is sustainable for many decades. As documented in the table below [table not included] the initial yields for each of the four wells, based on 72-hour tests conducted after the wells were installed, were indeed much higher (8.5 to 50 times higher) than the estimated sustainable yield based on 9 months of pumping (FEIR H&B-10, page XI.D.-23).

Regarding some local wells going dry:

Regarding regional issues, documentation of locations, well construction details, and pumping history is needed to respond adequately to the general comment that there are problems and failures of wells in the Dana Foothill and upper Los Berros communities. The County recognizes that well failures have occurred in the area; a condition that has been exacerbated by the drought. For this reason, long-term testing was conducted, and strict water conservation measures, well yield limitations, metering, and monitoring are recommended as mitigation (WAT/mm-1). Moreover, as stated in the Geosyntec report (2011), 11-year and 26-year records of groundwater production rates of 21 acre-feet per year, for each of two irrigation wells (Wells 5 and 9) at the Project Site supports that long-term groundwater production from wells completed in fractured bedrock at the site is possible (FEIR H&B-6, page XI.D.-22).

Regarding water conservation measures:

Irrigation demand will be partially offset by the applicant's proposal to store and apply approximately 37 acre-feet per year of treated, recycled water from the private wastewater treatment facility into irrigated vineyard areas. An additional water conservation measure that may be voluntarily implemented by the applicant include use of floating pond liners on agricultural reservoirs, which would conserve approximately 8.0 acre-feet per year of stored water lost to evaporation in the currently uncovered reservoirs (FEIR, page V.P.-32).

Regarding substantial depletion of groundwater supplies:

Depletion of groundwater storage for each well will occur over time; however, sustainable yield and pumping rates are identified, which would allow for equilibrium at each of the proposed domestic well locations. The drawdown, or lowering of the groundwater level, would be limited to each proposed domestic well, and would not result in a decrease in the production rate of other existing wells on or offsite (FEIR, V.P.-37).

In addition to the above rationale developed by the County's independent EIR consultant for their Class II finding, CHG can provide complementary rationale for reaching the same conclusion on mitigated impacts. A summary of the main points are provided for the Planning Commission:



- Three of the four project wells produce water from locally unused aquifers, and do not take water from aquifer zones used by the vineyard wells or by Laetitia's neighbors.
- Project recycled water use for agricultural irrigation and commercial landscaping at the winery will offset pumping from the vineyard wells, which draw water from aquifer zones shared by Laetitia's neighbors. The offset will effectively transfer part of the vineyard water demand from shared aquifers to newly developed aquifers.
- Water conservation measures, including recycled water use, irrigation pond evaporation controls, and increased recharge from storm water management provide sufficient water savings to offset groundwater production for the Laetitia Agricultural Cluster Project.

Sincerely,

CLEATH-HARRIS GEOLOGISTS, INC.

Spencer J. Harris, HG 633
Senior Hydrogeologist



Technical Memorandum

Date: November 21, 2013

From: Spencer Harris

To: John Janneck

[Note: Summary and conclusions moved to first page 9/4/15]

Subject: Water Conservation Options for the Laetitia Agricultural Cluster Project

This memorandum evaluates specific water conservation options for the Laetitia agricultural cluster project. These options include wastewater management, floating pond liners, and stormwater runoff management, parts of which are in the project description. Implementing these options could offset water demand for the agricultural cluster project.

Summary and Conclusions

Water conservation options that could offset water demand for the Laetitia agricultural cluster project include wastewater management, floating pond liners, and stormwater runoff management. The potential water demand offset for each option is summarized as follows:

Wastewater management (up to):	32 AFY
Floating pond liners	8 AFY
Stormwater runoff management (up to):	<u>18 AFY</u>

Total water demand offset potential: 58 AFY

LESS Agricultural cluster water demand: [46.3 AFY]

Change in water balance (up to): +11.7 AFY

Combined, these three conservation options provide sufficient water savings to offset Laetitia agricultural cluster water demand. There is a potential for water-savings (a positive net change in the water balance) under project conditions if the options are fully implemented. The amount of potential water savings can exceed the water demand of the agricultural cluster project because the sources of water being conserved include both stormwater runoff and groundwater.

Project Water Demand

The agricultural cluster project water demand is estimated at 46.3 acre-feet per year (AFY), of which 39.6 AFY would be for indoor use and 6.7 AFY for outdoor use. Wastewater flow from indoor use is expected to be 37 AFY.



Water Conservation Options

A water balance compares the difference between groundwater system inflow and outflow. Offsets to water demand can either increase the system inflow or decrease the outflow. Water conservation options that could effectively offset project water demand include wastewater management, floating pond liners, and stormwater runoff management. The potential water savings of each option are presented below.

Wastewater Management

Wastewater collection, treatment, and reuse is part of the proposed agricultural cluster project. Allowing for evaporation losses from the treated wastewater storage ponds, up to **32 AFY** of treated wastewater could be available at project buildout. Some options for wastewater management that would effectively offset project demand include the following:

- Agricultural irrigation
- Commercial landscaping/turf area irrigation
- Deep percolation to groundwater

Water Conservation using Floating Pond Liners

Laetitia maintains two agricultural water reservoirs, with a combined surface area of approximately 2.5 acres. Commercial floating pond liners, which are not part of the project description, can reduce or eliminate reservoir evaporation. Historical records of Class A pan evaporation for the Lopez terminal reservoir averaged 68.2 inches (San Luis Obispo County Hydrologic Report, May 16, 2005). Reservoir evaporation is typically 0.6-0.8 of Class A pan evaporation, and average annual evaporation can be approximated using a factor of 0.7 times the pan evaporation. Therefore, evaporation from the Laetitia agricultural reservoirs is estimated at 47.7 inches, and could be reduced by at least 38 inches (80 percent) using floating liners. The resulting offset to water use would be estimated at **8 AFY**. Floating pond liners could also be used at the treated wastewater ponds.

Stormwater Runoff Management

The agricultural cluster project will result in slightly greater stormwater runoff on-site, compared to current conditions. The increased runoff is due to replacement of vegetated soils with impervious surfaces, including homes and roads.

Engineers at RRM Design Group provided CHG with estimates of the average increase in runoff volumes, based on 30 acres of increased impervious surfaces for the project. The areas are



shown in Appendix 8 (Hydrology Report) of the project application dated January 5, 2004 (revised November 5, 2004).

The runoff calculations are based on the methodology in Technical Release 55 (Urban Hydrology for Small Watersheds, U.S. Department of Agriculture, June 1986). RRM used daily rainfall data for Penny Ranch (Station 175.1; approximately 1/4 mile from Laetitia and at a similar ground surface elevation) to simulate runoff during average rainfall years with and without the additional impervious surfaces. The resulting increase runoff for the project is estimated at 20 AFY (see attached tables).

Not all of the 20 AFY increased runoff due to the project's impervious surfaces would evapotranspire under existing conditions, however. Assuming 3 percent deep percolation of precipitation in the subject areas prior to development, approximately 2 AFY of the increased runoff rainfall would be expected to deep percolate under existing conditions, leaving **18 AFY** of the increased runoff available to indirectly offset water demand.

In order to offset water demand, the increased runoff would need to percolate and recharge groundwater. This objective can be met with or without detention basins. The project description does not include detention basins, but incorporates the use of over-side drains and low-point drainage inlets to facilitate stormwater flow into natural drainages on-site. Runoff entering natural drainages will flow into the Los Berros Creek alluvial deposits to percolate. If detention basins are used, the basins may be constructed/managed to allow for deep percolation, delayed release into natural drainages, or stormwater transfer to agricultural irrigation reservoirs for direct irrigation use.

attachments

Estimated Runoff Volumes

LAETITIA AGRICULTURAL CLUSTER

Penny Ranch Rain Station 175.1		Runoff (acre-feet) from 30 acres of listed soil cover			
Rainfall Year	Precip (inches)	Brush	Woods	Herbaceous	Impervious
	Year Total	CN 60	CN 75	CN 85	CN 98
1995-1996	20	0.80	2.53	6.63	20.46
1990-1991	21	2.35	7.88	15.45	34.83
1987-1988	18	0.40	2.54	6.44	18.12
1979-1980	21	0.26	3.66	10.13	29.81
Average	20	1	4	10	26
Expected increase in runoff for impervious cover (acre-feet)		25	22	16	
Expected average annual increase in site runoff (acre-feet)		20			

Source: RRM Design Group

CN = curve number (see references)

References: TR-55, Urban Hydrology for Small Watersheds, USDA, June 1986

and Laetitia Agricultural Cluster Application, Appendix 8 (Hydrology), revised Nov. 2004

1995-1996 Estimated Runoff Volumes

LAETITIA AGRICULTURAL CLUSTER

Acres	Date	Rainfall (in)	Runoff (ac-ft) per CN			
			CN 60	CN 75	CN 85	CN 98
30	17-Jan	1.65	0.0	0.6	1.4	3.6
30	25-Jan	0.96	0.1	0.1	0.4	1.9
30	1-Feb	0.98	0.0	0.1	0.4	1.9
30	5-Feb	1.20	0.0	0.2	0.7	2.5
30	6-Feb	0.80	0.1	0.0	0.2	1.5
30	20-Feb	2.45	0.4	1.6	2.8	5.6
30	21-Feb	0.98	0.0	0.1	0.4	1.9
30	23-Feb	0.86	0.1	0.0	0.3	1.6
Totals			0.80	2.53	6.63	20.46

1990-1991 Estimated Runoff Volumes

LAETITIA AGRICULTURAL CLUSTER

Acres	Date	Rainfall (in)	Runoff (ac-ft) per CN			
			CN 60	CN 75	CN 85	CN 98
30	21-Sep	0.97	0.1	0.1	0.4	1.9
30	28-Feb	2.02	0.2	1.0	2.0	4.5
30	1-Mar	1.30	0.0	0.3	0.8	2.7
30	4-Mar	2.15	0.2	1.1	2.3	4.8
30	18-Mar	2.00	0.2	1.0	2.0	4.4
30	19-Mar	3.80	1.7	3.8	5.7	8.9
30	20-Mar	1.00	0.0	0.1	0.4	2.0
30	25-Mar	1.60	0.0	0.5	1.3	3.4
30	27-Mar	1.07	0.0	0.1	0.5	2.1
Totals			2.35	7.88	15.45	34.83

Source: RRM Design Group

CN = curve number (see references)

References: TR-55, Urban Hydrology for Small Watersheds, USDA, June 1986
and Laetitia Ag Cluster Application, Appendix 8 (Hydrology), revised Nov. 2004
Rainfall for Penny Ranch Station 175.1

1987-1988 Estimated Runoff Volumes

LAETITIA AGRICULTURAL CLUSTER

Acres	Date	Rainfall (in)	Runoff (ac-ft) per CN			
			CN 60	CN 75	CN 85	CN 98
30	29-Oct	1.10	0.0	0.1	0.6	2.2
30	5-Dec	1.10	0.0	0.1	0.6	2.2
30	18-Jan	1.48	0.0	0.4	1.1	3.2
30	28-Feb	0.92	0.1	0.0	0.3	1.8
30	18-Mar	2.00	0.2	1.0	2.0	4.4
30	20-Apr	1.95	0.1	0.9	1.9	4.3
Totals			0.40	2.54	6.44	18.12

1979-1980 Estimated Runoff Volumes

LAETITIA AGRICULTURAL CLUSTER

Acres	Date	Rainfall (in)	Runoff (ac-ft) per CN			
			CN 60	CN 75	CN 85	CN 98
30	20-Oct	0.95	0.1	0.1	0.4	1.9
30	24-Dec	1.30	0.0	0.3	0.8	2.7
30	6-Jan	1.55	0.0	0.5	1.2	3.3
30	7-Jan	1.65	0.0	0.6	1.4	3.6
30	8-Jan	1.45	0.0	0.4	1.1	3.1
30	10-Jan	1.30	0.0	0.3	0.8	2.7
30	15-Feb	1.70	0.0	0.6	1.5	3.7
30	17-Feb	1.80	0.1	0.7	1.6	3.9
30	18-Feb	1.25	0.0	0.2	0.8	2.6
30	20-Feb	1.15	0.0	0.2	0.6	2.3
Totals			0.26	3.66	10.13	29.81

Source: RRM Design Group

CN = curve number (see references)

References: TR-55, Urban Hydrology for Small Watersheds, USDA, June 1986
 and Laetitia Ag Cluster Application, Appendix 8 (Hydrology), revised Nov. 2004
 Rainfall for Penny Ranch Station 175.1