

Exhibit A

## **San Luis Obispo Local Agency Formation Commission**

LAFCO No. 2-R-21

Sphere of Influence Amendment and Annexation #18 to the Cayucos  
Sanitary District (Water Reclamation Facility)

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### **CEQA FINDINGS AND STATEMENT OF OVERRIDING CONSIDERATIONS**

**Prepared by San Luis Obispo LAFCO**

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## **1. Consideration of the Environmental Impact Report**

The Commission, as a Responsible Agency, has reviewed and considered the information in the Final Environmental Impact Report (EIR); State Clearinghouse Number 2016041078), among other documents and has concluded that the EIR is adequate for the purposes of the Commissions' compliance with CEQA (pursuant to Public Resources Code Section 21000 et seq., and CA Code of Regulations Section 15000 et seq.) for the proposed action. The Commission has reached its own conclusion whether and how to approve the proposed Sphere of Influence and Annexation for the Cayucos Sanitary District (CSD) and the associated Cayucos Sanitary District Sustainable Water Project, hereinafter referred to as Water Reclamation Facility (WRF) Project.

The discretionary action before the Commission is somewhat unique because the WRF has already been constructed and is currently in operation. As such, the impacts described in the EIR have already occurred and mitigated where feasible. Nonetheless, as a Responsible Agency, the Commission must rely upon the EIR prepared for the project and concur with its conclusions relative to the action before the Commission. The action of the Commission would change the physical service area boundary of the CSD. As such, the EIR was reviewed in this context to ensure the modification of the service area boundary would adequately address any potential environmental impacts. The Commission concluded that no substantial changes are proposed in the project which will require major revision of the previously certified EIR, no substantial changes have occurred with respect to the circumstances under which the project is undertaken which will require major revision of the previously certified EIR, and no new information of substantial importance has been identified which was not known at the time that the previous EIR was certified.

Mitigation measures are proposed to reduce potentially significant impacts to a less than significant level as related to agriculture, air quality, biological resources, cultural resources, drainage, geology, growth-inducing effects, hazards and hazardous materials, noise, traffic, and visual resources. The CSD adopted overriding considerations based on significant and unavoidable impacts associated with Agricultural Resources, Geology (Tsunami Inundation), and Noise (construction-related) for all elements of the project (including components in the City of Morro Bay). Overriding findings are proposed for impacts that were determined to be significant and unavoidable.

These findings and determinations constitute the independent findings and determinations by the Commission in all respects and are fully and completely supported by substantial evidence, both oral and written, in the entire record relating to the proposal before the Commission.

## **2. Record of Proceedings**

Supporting documentation and other materials (including documents maintained in electronic format) that constitute the record of proceedings upon which this determination is based can be found online and in the custody of the Commission's Executive Officer at office address:

**San Luis Obispo Local Agency Formation Commission**  
1042 Pacific Street, Suite A

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San Luis Obispo, CA 93401

The record of proceedings for Commission decisions on the proposal includes, but is not limited to, the following documents:

- a) January 2015 the preparation of Municipal Service Review Determinations and Sphere of Influence update statements of its determinations:
  - LAFCO prepared a Municipal Service Review pursuant to Government Code section 56430 in 2015.
  - Written determination have been prepared pursuant to Government Code section 56430 (a) and section 56425 (e).
- b) April 2017 the EIR for the Cayucos Sustainable Water Project (SCH # 2016041078) was Certified. The project applicant also included a Subsequent Initial Study of Environment Impact for the Cayucos Sustainable Water Project Ocean Outfall.
- c) June 2017 The County Planning Commission approved the following:
  - Resolution 2017-008** Granting of a Conditional Use Permit and Development Plan/ Coastal Development Permit
    - Exhibit A – Conditional Use Permit Findings DRC 2016-00063 / Cayucos Sanitary District
    - Exhibit B – Development Agreement / Coastal Development Permit Findings DRC2016-00063 / Cayucos Sanitary District
    - Exhibit C – CEQA Findings Impacts Identified as Less than Significant
- d) November 2020 the CSD Board adopted the following:
  - Resolution 2020-9** Initiating Proceedings to Annex Property
    - Exhibit A – Proposed Annexation Map
    - Exhibit B – Legal Description
    - Exhibit C – Plan for Services
- e) On February 19, 2021, the CSD submitted their Resolution of Application to LAFCO.
- f) Public notices issued by the Commission associated with the proposal.
  - LAFCO prepared and distributed a notice to the affected agencies and landowners on September 29, 2021, consistent with Government Code section 56427, and provided notice in a newspaper of general circulation per Government Code section 56153.

Although the findings below identify specific pages within the record in support of various conclusions, the Commission incorporates by reference and adopts as its own, the reasoning set forth in the EIR and related documents, and thus relies on that reasoning, even where not specifically mentioned or cited below, in reaching the conclusions herein.

### 3. Significant Impacts Identified in the EIR

The CSD certified the EIR for the Cayucos Water Resource Facility Project in April 2017, which evaluated environmental impacts on the development of 8 acres for the Water Reclamation Facility and Solar Farm. The EIR identified certain significant environmental effects for the broader WRF project. Other than approving the Project analyzed in the EIR, changes and alterations to avoid or substantially lessen the significant environmental effects as identified in the EIR are within the responsibility and jurisdiction of the CSD and not the Commission.

The Commission's jurisdiction to impose conditions on the Project is limited under Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) and CEQA Guidelines sections 15050 (Lead Agency Concept) and 15096 (Process for a Responsible Agency). As a responsible agency, the Commission has responsibility for mitigating or avoiding only the direct or indirect environmental effects of those parts of the Project that it decides to carry out, finance, or approve. (CEQA Guidelines, section 15096(g)(1)).

The Commission hereby makes the following findings regarding the significant effects of the project, pursuant to Public Resources Code section 21081, and section 15091 of the CEQA Guidelines. The discussion below does not attempt to describe the full analysis of each environmental impact contained in the EIR. Instead, the discussion provides a summary of each potentially significant impact, describes the applicable mitigation measures identified in the Draft EIR or Final EIR as adopted by the Cayucos Sanitary District, and states the Commission's findings on the significance of each impact after imposition of the adopted mitigation measures. A full explanation of these environmental findings and conclusions can be found in the DEIR and FEIR, and these findings hereby incorporate by reference the discussion and analysis in those documents supporting the FEIR's determinations regarding mitigation measures and the Project's impacts and mitigation measures designed to address those impacts.

In order for LAFCO to consider the proposed annexation and SOI expansion, a Statement of Findings is provided for the following impacts identified in the EIR as significant and unavoidable. LAFCO, as a Responsible Agency, has prepared the following Findings as required per CEQA Guidelines section 15096 (h).

The EIR identified several beneficial (Class IV) and less than significant impacts (Class III), which the Commission has reviewed and considered and concurs with the conclusions of those respective impact analyses. The findings below, as required by CEQA Guidelines Section 15091, are associated with significant impacts, which includes significant impacts that are mitigable and significant impacts that are not mitigable.

#### **CLASS I. Significant Unavoidable Impacts that cannot be fully Mitigated**

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**Impact GEO - 8:** Due to the locations of critical infrastructure sites that will be connected via pipelines, certain pipeline sections will not be able to avoid portions of the tsunami inundation zone. Pipeline segments along SR1, the CSA 10 facility, and the outfall segment between SR1 and the coast, are located within the maximum tsunami inundation zone (i.e., less than 50 feet above mean sea level). Mitigation measures can be implemented to reduce the impact. However, the pipeline outfall will be vulnerable to damage from wave erosion if a significant tsunami occurs at that location. The potential impact of tsunami inundation on Project components near the coast is a significant and unavoidable impact

- a. Mitigation Measures: Mitigation strategies for infrastructure located within tsunami inundation zones shall be implemented and include, as determined applicable, measures such as flexible connections, double lined pipes, strengthened pipes, automatic shutoff valves and similar measures to prevent the release of wastewater and treated water to the environment.
- b. Finding: Changes or alterations have been required in, or can be incorporated into the project which avoid or substantially lessen the significant environmental effects as identified in the EIR; however, these effects have not been lessened to a level of insignificance. These impacts are acceptable by reason of the overriding considerations discussed in Section 5 below.
- c. Supportive Evidence: Please refer to pages IV-A-17 and IV-A-18 of the Draft EIR.

**Impact AG - 1:** Construction of the WRF and solar array on the Project Site will result in the permanent conversion of Prime Farmland as defined by the San Luis Obispo County Conservation and Open Space Element. This impact is considered significant and unavoidable

- a. Mitigation Measures: Prior to the issuance of grading permits, the CSD shall provide evidence to the County Department of Planning and Building that a farmland conservation easement, a farmland deed restriction, or other farmland conservation mechanism has been granted in perpetuity to the County or a qualifying entity approved by the County Agricultural Commissioner (or designee). The easement shall provide conservation acreage at a ratio of 2:1 for direct project impacts. The area conserved shall be of a quality that is reasonably similar to that of farmland within the project limits (as determined by the County Agricultural Commissioner or designee).
- b. Finding: Changes or alterations have been required in, or can be incorporated into the project which avoid or substantially lessen the significant environmental effects as identified in the Draft EIR; however, these effects have not been lessened to a level of insignificance. These impacts are acceptable by reason of the overriding considerations discussed in Section 5.
- c. Supportive Evidence: Please refer to page IV-B1 through IV-B4.33 and IV-B34 through IV-B35 of the Draft EIR.

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**Impact AG - 6:**            **Development of the WRF on either the Project Site of the Alternative Site, together with regional development, will contribute to the cumulative loss of Prime Farmland as defined by the County Conservation and Open Space Element. This impact is considered cumulatively considerable and significant and unavoidable.**

- a. Mitigation Measures: Although implementation of mitigation measures AG-1 and AG-2 will result in the permanent conservation of Prime Farmland plus an increase in irrigation water available to prospective farmers, the permanent loss of important agricultural soils for farming on either site is considered cumulatively considerable and significant and unavoidable (Class I). No additional mitigation measures are available.
- b. Finding: Changes or alterations have been required in, or can be incorporated into the project which avoid or substantially lessen the significant environmental effects as identified in the Draft EIR; however, these effects have not been lessened to a level of insignificance. These impacts are acceptable by reason of the overriding considerations discussed in Section 5.
- c. Supportive Evidence: Please refer to page IV-B1 through IV-B4.33 and IV-B34 through IV-B35 of the Draft EIR.

**Impact N - 2:**            **Construction activities associated with the pipeline conveyances and outfall connection would result in short term exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies. This impact is considered significant and unavoidable (Class I) after application of Mitigation Measure N-1.**

- a. Mitigation Measures: Mitigation Measure N-1 would be used to satisfy this impact. The CSD shall require construction contractors to adhere to the following noise attenuation requirements:
  - Construction activities shall be limited to between the hours of 7 a.m. to 9 p.m. on any day except Saturday or Sunday or between the hours of 8 a.m. to 5 p.m. on Saturday or Sunday.
  - All construction equipment shall use noise-reduction features (e.g., mufflers and engine shrouds) that are no less effective than those originally installed by the manufacturer.
  - Construction staging and heavy equipment maintenance activities shall be performed a minimum distance of 300 feet from the nearest residence, unless safety or technical factors take precedence.
  - Stationary combustion equipment such as pumps or generators operating within 100 feet of any residence shall be shielded with a noise protection barrier.
- b. Finding: Changes or alterations have been required in, or can be incorporated into the project which avoid or substantially lessen the significant environmental effects as identified in the Draft EIR; however, these effects have not been lessened to a level of insignificance. These impacts are acceptable by reason of the overriding considerations discussed in Section 5.
- c. Supportive Evidence: Please refer to page IV-H1 through IV-H16 of the Draft EIR.

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**Impact N - 4:**            **Construction related activities associated with the Project pipeline infrastructure, together with noise generated by the construction of other reasonably foreseeable related projects in the region, will temporarily increase noise levels in the region and result in temporary noise impacts.**

- a. Mitigation Measures: Similarly, mitigation Measure N-1 would also be used to satisfy this impact. The CSD shall require construction contractors to adhere to the following noise attenuation requirements:
  - Construction activities shall be limited to between the hours of 7 a.m. to 9 p.m. on any day except Saturday or Sunday or between the hours of 8 a.m. to 5 p.m. on Saturday or Sunday.
  - All construction equipment shall use noise-reduction features (e.g., mufflers and engine shrouds) that are no less effective than those originally installed by the manufacturer.
  - Construction staging and heavy equipment maintenance activities shall be performed a minimum distance of 300 feet from the nearest residence, unless safety or technical factors take precedence.
  - Stationary combustion equipment such as pumps or generators operating within 100 feet of any residence shall be shielded with a noise protection barrier.
- b. Finding: Changes or alterations have been required in, or can be incorporated into the project which avoid or substantially lessen the significant environmental effects as identified in the Draft EIR; however, these effects have not been lessened to a level of insignificance. These impacts are acceptable by reason of the overriding considerations discussed in Section 5.
- c. Supportive Evidence: Please refer to page IV-H1 through IV-H16 of the Draft EIR.

**CLASS II.            Significant but Mitigable Impacts**

**Impact GEO - 1:**            **The geologic impact of site construction activities and operation is a significant impact that can be mitigated with appropriate mitigation measures.**

- a. Mitigation Measures: MM GEO-1 – Design Level Geotechnical Investigation. Design-Level Geotechnical Investigation and Report: a geotechnical design investigation should be performed to provide final recommendations and geotechnical design criteria for specific project components, such as structures, foundations, pipelines, pump stations, loading conditions, excavations, grading, dewatering, drainage, and other site work. The geotechnical design investigation should include additional field exploration for specific structures, and include testing and analyses as needed to provide a basis for design criteria and construction recommendations in accordance with local (County of San Luis Obispo) regulations and the applicable California Building Code (CBC).

As part of the geotechnical design investigation for the Project, creek crossings for pipelines should be investigated and evaluated with respect to the methods of crossings. If horizontal

directional drilling methods (HDD) are proposed, then HDD feasibility investigations should be performed for each location where that method is being considered. The geotechnical design report shall include geotechnical design criteria for creek crossings, which may include recommendations for pipeline burial depths, methods of crossing, trench or trenchless design parameters, and lateral setbacks. Recommendations for specific crossings shall be incorporated into the Project plans and specifications prior to construction of the pipeline.

- b. Finding: LAFCO finds that the mitigation measures will reduce impacts from construction-related activities for the Project to a less than significant level.
- c. Supportive Evidence: Please refer to pages IV-A-17 and IV-A-18 of the Draft EIR.

**Impact GEO-2:                   The impact of surface fault rupture on certain pipeline segments is a significant impact that can be mitigated with appropriate mitigation measures.**

- a. Mitigation Measures: MM GEO-2A – Design Level Geotechnical Investigation. The geotechnical design investigation for the project (Mitigation Measure GEO-1) should include appropriate geologic fault evaluations of the Cambria fault to develop projectspecific design parameters for pipeline sections crossing the fault. The fault evaluations should be directed towards, but not necessarily be limited to, defining the location and width of the fault zone at the pipeline-fault crossings. Since the fault traces are concealed beneath young geologic deposits, the fault zones may be difficult to define with precision. Consequently, fault zone widths should incorporate conservative assumptions for pipeline design.

Pipeline crossings of fault traces shall be designed to accommodate potential flexure and horizontal and vertical offsets based on the results of the geologic fault evaluations (Mitigation Measure GEO-2A). Fault rupture mitigation strategies for pipelines may include measures such as flexible connections, gravel trench backfill, double lined pipes, strengthened pipes, automatic shutoff valves and similar measures to prevent the release of product to the environment.

- b. Finding: LAFCO finds that the mitigation measures will reduce impacts from construction-related activities for the Project to a less than significant level.
- c. Supportive Evidence: Please refer to pages IV-A-17 and IV-A-18 of the Draft EIR.

**Impact GEO-3:                   The impact of strong seismic shaking on project structures is a significant impact that can be mitigated with appropriate mitigation measures.**

- a. Mitigation Measures: MM GEO-3 – Project design to resist seismic shaking. Project structures should be designed to resist lateral forces generated by earthquake shaking in accordance with the current building code, State pipeline safety standards and applicable design practice. The design-level geotechnical report (Mitigation Measure GEO1) should include recommendations for seismic data for design that may be updated for the new code requirements, additional subsurface information, or further site-specific analyses. Appropriate seismic ground motion parameters should be estimated and incorporated into project design by the project engineer.

- b. Finding: LAFCO finds that the mitigation measures will reduce impacts from construction-related activities for the Project to a less than significant level.

- c. Supportive Evidence: Please refer to pages IV-A-17 and IV-A-18 of the Draft EIR.

**Impact GEO-4:           The impact of seismically-induced ground failures, including liquefaction, lateral spreading and seismic densification, is a significant impact that can be mitigated with appropriate mitigation measures.**

- a. Mitigation Measures: MM GEO-3 – Project design to resist geologic hazards. The design-level geotechnical report (Mitigation Measure GEO1) should include evaluations of liquefaction potential and estimated liquefaction-induced settlement based on field exploration, testing and analysis of site conditions for final project components (WRF and pipelines). The potential effects of other seismically induced ground failures should also be evaluated, including lateral spreading and seismic densification. Engineering design measures should be provided where estimated ground deformations exceed typical foundation and structural design parameters. seismic densification. Engineering design measures should be provided where estimated ground deformations exceed typical foundation and structural design parameters.

The liquefaction, lateral spreading and seismic settlement evaluations should be conducted in accordance with guidelines published by the California Geologic Survey (formerly the California Division of Mines and Geology) and relevant local and professional standards. At a minimum, the liquefaction hazard evaluation and mitigation study should be undertaken in a manner consistent with the Guidelines for Evaluation and Mitigation of Seismic Hazards in California, Chapter 6, Analysis of Liquefaction Hazards (CGS Special Publication 117A, 2008).

- b. Finding: LAFCO finds that the mitigation measures will reduce impacts from construction-related activities for the Project to a less than significant level.
- c. Supportive Evidence: Please refer to pages IV-A-17 and IV-A-18 of the Draft EIR.

**Impact GEO-5:           The impact of landsliding and slope instability is a significant impact that can be mitigated with appropriate mitigation measures.**

- a. Mitigation Measures: MM GEO-3 – Project design to resist geologic hazards. The design-level geotechnical report (Mitigation Measure GEO1) should include evaluations of landsliding, creek bank instability and other types of slope instability settlement based on field exploration, testing and analysis of site conditions for final project components (WRF and pipelines). The potential impact of slope instability on the construction and operation of the WRF should be evaluated as part of the geotechnical design investigation and report (Mitigation Measure GEO-1). Mitigation measures to reduce the potential for damage due to slope movement should be developed for the depths and types of slope movements that may impact the pipelines at the locations identified in the landslide evaluations.
- b. Finding: LAFCO finds that the mitigation measures will reduce impacts from construction-related activities for the Project to a less than significant level.
- c. Supportive Evidence: Please refer to pages IV-A-17 and IV-A-18 of the Draft EIR.

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**Impact GEO-6:           The impact of soil erosion and loss of topsoil due to construction and operation of Project components is a significant impact that can be mitigated with appropriate mitigation measures.**

- a. Mitigation Measures: MM GEO-6 – Erosion control plan. An Erosion Control Plan (ECP), including elements of a Storm Water Pollution Prevention Plan (SWPPP), should be prepared by a geotechnical or civil engineer, consistent also with Mitigation Measure WQ-1. The ECP and SWPPP would describe measures intended to reduce erosion and deposition into local creeks and the Pacific Ocean.
- b. Finding: LAFCO finds that the mitigation measures will reduce impacts from construction-related activities for the Project to a less than significant level.
- c. Supportive Evidence: Please refer to pages IV-A-17 and IV-A-18 of the Draft EIR.

**Impact GEO-7:           The impact of expansive soils on Project components is a significant impact that can be mitigated with appropriate mitigation measures.**

- a. Mitigation Measures: MM GEO-7 – Soils testing. Testing of samples in a geotechnical laboratory is the standard method of quantifying the expansibility of materials and should be performed as part of design-level geotechnical studies for the selected WRF site and pipeline routes (Mitigation Measure GEO-1). If expansive materials are identified, then appropriate design and construction measures should be provided to mitigate the adverse effects. The design-level geotechnical investigation should provide specific recommendations to address expansive soil conditions for the design of foundations, flatwork, pavement, pipelines, and other site work.
- b. Finding: LAFCO finds that the mitigation measures will reduce impacts from construction-related activities for the Project to a less than significant level.
- c. Supportive Evidence: Please refer to page IV-A-18 of the Draft EIR.

**Impact WQ-3:           The Proposed Project could result in significant construction-stage erosion and sedimentation impacts until site grading and preparation reached the stage that the proposed spill containment basin is functioning to capture all site runoff This is a significant but mitigable impact.**

- a. Mitigation Measures: MM WQ-1 – Compliance with SWRCB permit. To mitigate impacts identified in Impact WQ-3 related to construction stage erosion and sedimentation, the Project will be required to comply with the General Permit including but not limited to compliance with 1) the State General Construction Activity Permit, as most recently modified by the State Water Resources Control Board (SWRCB), and 2) County standards under the Stormwater Ordinance Title 19 chapter 19.09, ensuring that construction-related sediment or other contaminants that could adversely affect receiving water would be reduced to a less-than-significant impact.
- b. Finding: LAFCO finds that the mitigation measures will reduce impacts from construction-related activities for the Project to a less than significant level.
- c. Supportive Evidence: Please refer to pages IV-D-9 and IV-D-10 of the Draft EIR.

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**Impact CUL-2:** Without special design considerations, installation of the new pipelines to and from the WRF along Toro Creek Road would have the potential to significantly and adversely impact CA-SLO-879/H, a significant historical resource and a tribal cultural resource. However, implementation of Mitigation Measure CUL-2 would avoid and minimize these effects. With implementation of this measure, no historical or tribal cultural resources would be disturbed by the project, and impacts would be reduced to less than significant levels.

- a. Mitigation Measures: MM CUL-2 – Avoidance of site CA-SLO-879/H. To avoid any adverse effect on CA-SLO-879/H, the proposed pipelines along Toro Creek Road shall be placed only on the north side of the road and shall be directionally drilled under the maximum depth of cultural deposits. Three bore pits shall be installed along the pipeline alignment in previously disturbed areas, where cultural materials are sparse and lack integrity. The exact location of the bore pits and segment to be directionally drilled shall be dictated in the Final Cultural Resources Impact Assessment Report prepared for the project by Applied Earthworks. All work related to pipeline installation along Toro Creek Road shall be monitored by an archaeologist and Native American representatives. If at any point, the pipeline design requirements specified in the Cultural Resources Impact Assessment Report cannot be met, the project shall be halted and San Luis Obispo County and other responsible agencies contacted to determine the next course of action to protect historical or tribal cultural resources in compliance with California and federal law.
- b. Finding: LAFCO finds that the mitigation measures will reduce impacts from construction-related activities for the Project to a less than significant level.
- c. Supportive Evidence: Please refer to pages IV-E6 to IV-E7 and page IV-E10-11 in the Final EIR.

**Impact CUL-3:** The potential exists for inadvertent discovery of cultural resources during pipeline construction. This impact is potentially significant.

- a. Mitigation Measures: MM CUL-3 – Construction monitoring, education and disclosure. To minimize potential impacts due to inadvertent discovery of cultural resources in site and pipeline areas with no evidence of resources, and consistent with LUO sections 22.05.140 and 23.10.040, the applicant shall prepare and implement a pre-construction Worker Education Program to train workers to recognize cultural resources and understand the procedures for stopping work and reporting the discovery.
- b. Finding: LAFCO finds that the mitigation measures will reduce impacts from construction-related activities for the Project to a less than significant level.
- c. Supportive Evidence: Please refer to pages IV-E6 to IV-E7 and page IV-E11 of the Draft EIR.

**Impact VIS-3:** The proposed project would result in a short term but significant impact on visual resources until the proposed screen planting grows to an extent to substantially screen the WRF. This impact is significant can be mitigated to less than significant.

- a. Mitigation Measures: MM VIS-2 – Landscaping plan. To mitigate short-term impacts on visual resources until planting matures, a final landscaping plan shall be prepared for the project site consistent with the preliminary landscape plan evaluated in the EIR and approved by the County prior to building permit issuance. The landscape plan shall emphasize native plant materials and shall include sufficient planting to screen views of the project from Toro Creek Road. The planting shall be designed to achieve substantial screening of the WRF within 7 years.
- b. Finding: LAFCO finds that the mitigation measures will reduce impacts from construction-related activities for the Project to a less than significant level.
- c. Supportive Evidence: Please refer to pages IV-F3 to IV-F9 and IV-F13 and IV-F14 of the Draft EIR.

**Impact VIS-4:                   The Project will add a new source of substantial light or glare which would adversely affect nighttime views in the area, a significant but mitigable impact.**

- a. Mitigation Measures: MM VIS-3 – Lighting plan. To mitigate potentially significant impacts from a new source of substantial light or glare which would adversely affect nighttime views in the area, a final lighting plan shall be prepared and implemented for the WRF. The plan shall include proper shielding, proper orientation, and minimum height standards to achieve safe light levels on the ground. All lighting fixtures shall be shielded so that neither the lamp nor the related reflector interior surface is visible from adjacent properties. Light hoods shall be dark-colored.
- b. Finding: LAFCO finds that the mitigation measures will reduce impacts from construction-related activities for the Project to a less than significant level.
- c. Supportive Evidence: Please refer to page IV-F14 of the Draft EIR.

**Impact TR-2:                   Construction activities associated with the Project Site or Alternative Site, along with connection to the outfall at the existing WWTF, and construction of pipeline conveyances will result in temporary and short-term impacts related to the safe operation of streets and intersections due to the presence of workers, equipment, lane closures and open trenches. This impact is considered significant unless mitigated.**

- a. Mitigation Measures: MM TR-1 – Traffic Management Plan. Prior to building permit issuance a Traffic Management Plan shall be prepared for review and approval by the County of San Luis Obispo Public Works Department and the City of Morro Bay Public Works Department. The traffic management plan shall be based on the type of roadway, traffic conditions, duration of construction, physical constraints, nearness of the work zone to traffic and other facilities (bicycle, pedestrian, driveway access, etc.). The traffic management plan shall include:
  - Advertisement. An advertisement campaign informing the public of the proposed construction activities should be developed. Advertisements should occur prior to beginning work and periodically during the course of project construction.
  - Property Access. Access to parcels along the construction area shall be maintained to the greatest extent feasible. Affected property owners shall receive advance notice of work adjacent to their property access and when driveways would be potentially closed.

- Schools. Any construction adjacent to schools shall ensure that access is maintained for vehicles, pedestrians, and bicyclists, particularly at the beginning and end of the school day.
  - Buses, Bicycles and Pedestrians. The work zone shall provide for passage by buses, bicyclists, and pedestrians, particularly in the vicinity of schools.
  - Intersections. Traffic control (i.e., use of flag men) shall be used at intersections that are determined to be unacceptably congested due to construction traffic.
- b. Finding: LAFCO finds that the mitigation measures will reduce impacts from construction-related activities for the Project to a less than significant level.
- c. Supportive Evidence: Please refer to pages IV-G2 to IV-G9 and page IV-G13 of the Draft EIR and page IV-G-14 in the Final EIR.

**Impact AQ-1**

**Construction emissions are below the SLOAPCD significance thresholds. Therefore, construction of the Proposed Project would be consistent with the Clean Air Plan. However, fugitive dust from construction has the potential to result in a violation of SLOAPCD Rule 401 (Visibility) and/or Rule 402 (Nuisance) without mitigation. Impacts would be significant but reduced to less than significant levels with implementation of mitigation measures.**

- a. Mitigation Measures: MM AQ-1 – Implement a Dust Control Plan. The following standard SLOAPCD dust control measures shall be implemented:
- a. The amount of the disturbed area shall be minimized;
  - b. Water trucks or sprinkler systems shall be used in sufficient quantities to prevent airborne dust from leaving the site and from exceeding the APCD’s limit of 20% opacity for greater than 3 minutes in any 60-minute period. Increased watering frequency shall be required whenever wind speeds exceed 15 mph. Reclaimed (non-potable) water or an APCD-approved dust suppressant should be used whenever possible;
  - c. All dirt stock pile areas shall be sprayed daily and covered with tarps or other dust barriers as needed;
  - d. Exposed ground areas that are planned to be reworked at dates greater than one month after initial grading shall be sown with a fast germinating, non-invasive, grass seed and watered until vegetation is established;
  - e. All disturbed soil areas not subject to revegetation shall be stabilized using approved chemical soil binders, jute netting, or other methods approved in advance by the APCD;
  - f. All roadways, driveways, sidewalks, etc. to be paved shall be completed as soon as possible. In addition, building pads shall be laid as soon as possible after grading unless seeding or soil binders are used;
  - g. Vehicle speed for all construction vehicles shall not exceed 15 mph on any unpaved surface at the construction site;

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- h. All trucks hauling dirt, sand, soil, or other loose materials shall be covered or shall maintain at least two feet of freeboard (minimum vertical distance between top of load and top of trailer) in accordance with CVC Section 23114;
  - i. Wheel washers and/or rumble strips shall be installed where vehicles enter and exit unpaved roads onto streets; and
  - j. The contractor or builder shall designate a person or persons to monitor the fugitive dust emissions and enhance the implementation of the measures as necessary to minimize dust complaints, reduce visible emissions below the APCD's limit of 20% opacity for greater than 3 minutes in any 60-minute period. The name and telephone number of such persons shall be provided to the APCD Engineering & Compliance Division prior to the start of any grading, earthwork, or demolition.
- b. Finding: LAFCO finds that the mitigation measures will reduce impacts from construction-related activities for the Project to a less than significant level.
  - c. Supportive Evidence: Please refer to pages IV-I5 through IV-I9 and pages IV-I11 of the Draft EIR.

**Impact AQ-3: Construction of the new pipelines associated with the Proposed Project could disturb rock formations containing NOA. Impacts would be significant without mitigation.**

- a. Mitigation Measures: MM AQ-2 – Implement Applicable Controls for Naturally Occurring Asbestos (NOA). Prior to starting any ground-disturbing construction activities for the new influent, effluent, or RW pipelines to CSA-10, the applicant shall conduct a geologic evaluation for NOA along the pipeline routes following the Guidelines for Geologic Investigations of Naturally Occurring Asbestos in California (California Geologic Survey [CGS] Special Publication 124, 2002) to determine whether the construction of the pipelines has the potential to disturb NOA, and if so, how many acres. If no NOA is expected to be disturbed, the applicant shall submit a request for an exemption from CARB's Asbestos ATCM, along with the geologic evaluation report. If NOA is expected to be disturbed, the SLOAPCD must be notified, and preparation and approval of an Asbestos Dust Mitigation Plan and Asbestos Health and Safety Program may be required.
- b. Finding: LAFCO finds that the mitigation measures will reduce impacts from construction-related activities for the Project to a less than significant level.
- c. Supportive Evidence: Please refer to pages IV-I5 through IV-I9 and pages IV-I15 of the Draft EIR.

**Impact AQ-4: Due to the proximity of Morro Bay High School and several residences to the installation routes for new pipelines, idling of construction equipment could pose a significant health risk to these sensitive receptors due to diesel particulate matter emissions.**

- a) Mitigation Measures: MM AQ-3 – Implement idling controls. The applicant shall implement the following idling control techniques:  
California Diesel Idling Regulations

- a) On-road diesel vehicles shall comply with Section 2485 of Title 13 of the California Code of Regulations. This regulation limits idling from diesel-fueled commercial motor vehicles with gross vehicular weight ratings of more than 10,000 pounds and licensed for operation on highways. It applies to California and non-California based vehicles. In general, the regulation specifies that drivers of said vehicles:
- i. Shall not idle the vehicle's primary diesel engine for greater than 5 minutes at any location, except as noted in Subsection (d) of the regulation; and
  - ii. Shall not operate a diesel-fueled auxiliary power system (APS) to power a heater, air conditioner, or any ancillary equipment on that vehicle during sleeping or resting in a sleeper berth for greater than 5.0 minutes at any location when within 1,000 feet of a restricted area, except as noted in Subsection (d) of the regulation.
  - iii. Off-road diesel equipment shall comply with the 5-minute idling restriction identified in Section 2449(d)(2) of the California Air Resources Board's In-Use Off-Road Diesel regulation.
  - iv. Signs must be posted in the designated queuing areas and job sites to remind drivers and operators of the state's 5-minute idling limit.

Diesel Idling Restrictions Near Sensitive Receptors (i.e., Morro Bay High School and Residential Dwellings along the Pipeline Routes)

- b) In addition to the State required diesel idling requirements, the project applicant shall comply with these more restrictive requirements to minimize impacts to nearby sensitive receptors:
- i. Staging and queuing areas shall not be located within 1,000 feet of sensitive receptors;
  - ii. Diesel idling within 1,000 feet of sensitive receptors shall not be permitted;
  - iii. Use of alternative fueled equipment is recommended; and Signs that specify the no idling areas must be posted and enforced at the site.
- c) Finding: LAFCO finds that the mitigation measures will reduce impacts from construction-related activities for the Project to a less than significant level.
- d) Supportive Evidence: Please refer to pages IV-I5 through IV-I9 and pages IV-I16 of the Draft EIR.

**Impact AQ-5: Potential odor nuisance impacts on nearby residents would be potentially significant without mitigation. However, implementation of mitigation would ensure that impacts are reduced to less than significant levels.**

- a) Mitigation Measures: MM AQ-4 – Odor monitoring. Prior to receipt of the Authority to Construct (ATC) from the SLOAPCD for the project, the applicant must submit an Odor Monitoring and Complaint Response Plan for review and approval by the SLOAPCD.

- b. Finding: LAFCO finds that the mitigation measures will reduce impacts from construction-related activities for the Project to a less than significant level.
- c. Supportive Evidence: Please refer to pages IV-I5 through IV-I9 and pages IV-I17 of the Draft EIR.

**Impact HZ-2:                    Operation of the WRF on either the Project Site or Alternative Site will involve the transport, storage, usage, and disposal of hazardous materials associated with the wastewater treatment process. This impact is considered significant unless mitigated.**

- a. Mitigation Measures: MM HZ-1 – Implement Sanitary Sewer Management Plan. Implement Sanitary Sewer Management Plan. To mitigate impacts related to a untreated wastewater spill the CSD shall modify it’s existing Sanitary Sewer Management Plan to include WRF and pipeline operations.
- b. Finding: LAFCO finds that the mitigation measures will reduce impacts from construction-related activities for the Project to a less than significant level.
- c. Supportive Evidence: Please refer to pages IV-J-6 to IV-J14 and page IV-J18 of the Draft EIR.

**Impact HZ-4:                    Operation of the WRF on either the Project Site or Alternative Site and conveyance pipelines may result in the accidental spill of untreated wastewater which could adversely impact surface water quality and other pose a threat to human health and biological resources. This impact is considered significant unless mitigated.**

- a. Mitigation Measures: MM HZ-2 – Implement Sanitary Sewer Management Plan. To mitigate impacts related to an untreated wastewater spill the CSD shall modify its existing Sanitary Sewer Management Plan to include WRF and pipeline operations.
- b. Finding: LAFCO finds that the mitigation measures will reduce impacts from construction-related activities for the Project to a less than significant level.
- c. Supportive Evidence: Please refer to pages IV-J-6 to IV-J14 and page IV-J19 of the Draft EIR.

**Impact HZ-6:                    Construction of the WRF on either the Project Site or Alternative Site and associated solar array will expose people and structures to a significant risk of loss, injury or death associated with wildfires. This impact is considered significant unless mitigated.**

- a. Mitigation Measures: MM HZ-3 – Implement Fire Safety Plan. The Applicant shall provide a written Fire Safety and Evacuation Plan whose contents shall be in accordance with sections California Fire Code Chapter 4 Emergency Planning and Preparedness. Employee training, record keeping, hazard communication and drills will also comply with this chapter. The written plan will include at a minimum the detail outlined in sections 404.3.1 (Evacuations Plans) and 404.3.2 (Fire Safety Plans).

- b. Finding: LAFCO finds that the mitigation measures will reduce impacts from construction-related activities for the Project to a less than significant level.
- c. Supportive Evidence: Please refer to pages IV-J-6 to IV-J14 and page IV-J22 of the Draft EIR.

**Impact HZ-7: Construction activities associated with the WRF on either the Project Site or Alternative Site and pipeline conveyances has the potential to result in a hazard to the public or the environment by mobilizing disease vectors, such as the fungus that causes Valley Fever, that may be present in the soil. This impact is considered significant unless mitigated.**

- a. Mitigation Measures: MM HZ-4 – Valley fever. To minimize the risk of exposure to disease vectors, activities with the potential to mobilize spores associated with Valley Fever, the CSD shall implement the following measures, as applicable:
  - a. Implement all of the mitigation measures relating to the control of dust during construction activities;
  - b. Prohibit eating and smoking at the project site and provide separate, clean eating areas with hand-washing facilities;
  - c. Avoid outdoor operations during unusually windy conditions;
  - d. Limit ground disturbing activities during the fall to essential jobs only, as the risk of cocci infection is higher during this season.
  - e. Thoroughly clean equipment, vehicles, and other items before they are moved off-site to other work locations;
  - f. Train workers to recognize that cocci may be transported offsite on contaminated equipment, clothing, and shoes; alternatively, consider installing boot-washing stations; and
  - g. Post warnings onsite and consider limiting access to visitors, especially those without adequate training and respiratory protection.
- b. Finding: LAFCO finds that the mitigation measures will reduce impacts from construction-related activities for the Project to a less than significant level.
- c. Supportive Evidence: Post warnings onsite and consider limiting access to visitors, especially those without adequate training and respiratory protection.

**Impact HZ-8: Construction activities associated with the WRF on either the Project Site or Alternative Site has the potential to expose construction workers and CSD staff to potentially hazardous concentrations of environmentally persistent pesticides, herbicides, and fertilizers. This impact is considered significant unless mitigated.**

- a. Mitigation Measures: MM HZ-5 – Soil Sampling and Analysis Plan. Prior to construction activities that involve soil disturbance, the CSD shall develop and implement a Soil Sampling and Analysis

Plan to determine the presence and extent of any residual herbicides, pesticides, and fumigants on historically farmed land in agricultural areas that would be disturbed during ground-disturbing activities associated with the project. The Plan shall be prepared in consultation with the San Luis Obispo County Department of Environmental Health Services and the work shall be conducted by an appropriate California-licensed professional and samples sent to a California Certified laboratory. At a minimum, the Plan shall document the areas proposed for sampling, the procedures for sample collection, the laboratory analytical methods to be used, and the pertinent regulatory threshold levels for determining proper excavation, handling, and, if necessary, treatment or disposal of any contaminated soils. The Plan shall be submitted to the Department and the San Luis Obispo County Department of Environmental Health Services for review and approval at least 60 days before construction. Results of the laboratory testing and recommended resolutions for excavation, handling, dust control, and treatment/disposal of material found to exceed regulatory Practices shall be submitted to the Department prior to construction.

- b. Finding: LAFCO finds that the mitigation measures will reduce impacts from construction-related activities for the Project to a less than significant level.
- c. Supportive Evidence: Please refer to pages IV-J-6 to IV-J14 and page IV-J23 of the Draft EIR.

**Impact GRO-1:**            **The Project could result in indirect impacts on the environment related to growth induced by the provision of an additional water supply, including but not limited to, increased traffic, noise, vehicular emissions, loss of vegetation and wildlife forage area, loss of visual quality and watershed impacts. This impact is significant but mitigable.**

- a. Mitigation Measures: MM GRO-1 – Sale of tertiary treated water. To avoid potentially significant growth inducing effects, the CSD shall limit the sale of tertiary treated water for domestic use to water purveyors serving lots within the Urban Reserve Line for Cayucos as set by the County and LAFCO.
- b. Finding: LAFCO finds that the mitigation measures will reduce impacts from construction-related activities for the Project to a less than significant level.
- c. Supportive Evidence: Please refer to page IV-K6 through IV-K.4-10 of the Draft EIR.

**Impact BIO-2:**            **Impacts to nesting birds, including special status birds, may occur in ruderal areas with thick vegetation, eucalyptus trees and riparian trees within the Proposed Project construction area. Impacts to nesting birds are potentially significant, but mitigable.**

- a. Mitigation Measures: MM BIO-1 – Pre-construction survey. Within one week of ground disturbance or vegetation removal activities, if work occurs between March 1 and August 31, nesting bird surveys shall be conducted. If surveys do not locate nesting birds, construction activities may be conducted. If nesting birds are located, no construction activities shall occur within 100 feet of nests until chicks are fledged. Occupied nests of special status bird species shall be mapped using GPS or survey equipment and submitted in monitoring reports. If nesting birds

are located, no construction activities shall occur within 100 feet of nests (or other setback distance determined by a qualified ornithologist) until chicks are fledged. Construction activities shall observe a 300-foot buffer for active raptor nests. Occupied nests of special status bird species shall be monitored every two weeks to document nest success and check for compliance with buffer zones.

- b. Finding: LAFCO finds that the mitigation measures will reduce impacts from construction-related activities for the Project to a less than significant level.
- c. Supportive Evidence: Please refer to pages IV-C-1 to IV-C-10 and page IV-C-20 of the Draft EIR.

**Impact BIO-3: Potential habitat for the special status plant Clubhaired mariposa lily occurs in a small patch of annual grassland at the southern end of the Proposed Project Study Area. This habitat is outside the limits of grading, however potential adverse effects are possible therefore the impact is significant but mitigable.**

- a. Mitigation Measures: MM BIO-2 – Avoidance of habitat of Club-haired mariposa lily. Limits of grading shall be clearly delineated in the field prior to initiation of construction activities to demonstrate avoidance in impacting the area identified in the Biological Technical Report as habitat for club-haired mariposa lily.
- b. Finding: LAFCO finds that the mitigation measures will reduce impacts from construction-related activities for the Project to a less than significant level.
- c. Supportive Evidence: Please refer to pages IV-C-1 to IV-C-10 and page IV-C-20 of the Draft EIR.

**Impact BIO-4: Construction equipment and vehicle traffic, sedimentation due to earthmoving, or spills during construction or operation of the WRF may impact special status reptiles and amphibians, a potentially significant but mitigable impact.**

- a. Mitigation Measures: MM BIO-3 – Avoidance of habitat and individuals. To mitigate adverse impacts to potentially present status reptiles and amphibians western pond turtle, foothill yellow-legged frog, coast range newt, and two-striped garter snake, in addition to Mitigation Measure BIO-4, the following shall be implemented:
  - Construction Plans shall show how construction at stream crossings will utilize low-flow periods, incorporate sediment retention devices, and minimize time and area of disturbance.
  - A pre-construction survey would be conducted within 48 hours prior to starting work in or within 50 feet of habitats likely to support sensitive reptiles and amphibians such as seasonal drainages and riparian. The survey would be conducted by a qualified biologist approved to relocate sensitive species should they occur. If sensitive reptile or amphibian species are located during the pre-construction survey, a biologist would monitor ground-breaking work conducted within 50 feet of habitat.

- Qualified biologists will brief all project personnel prior to participating in construction activities. At a minimum, the briefing will include a description of the project components and techniques, a description of the listed species occurring in the project area, and the general and specific measures and restrictions to protect the species during implementation of the project.
  - Post construction re-vegetation plans for work areas disturbed within 100 feet of ESHA at Toro Creek Bridge shall be submitted for County approval and implemented upon completion of pipeline work in that area. The re-vegetation plan shall use only native plant species pursuant to Coastal Policy 30. The species shall be selected to provide permanent erosion control and soil cover pursuant to Coastal Policy 21.
- b. Finding: LAFCO finds that the mitigation measures will reduce impacts from construction-related activities for the Project to a less than significant level.
- c. Supportive Evidence: Please refer to pages IV-C-1 to IV-C-10 and page IV-C-21 of the Draft EIR.

**Impact BIO-5: Construction equipment and vehicle traffic, sedimentation due to earthmoving, or spills during construction or operation of the WRF may impact California red-legged frog (CRLF), a potentially significant but mitigable impact.**

- a. Mitigation Measures: MM BIO-4 – Avoidance of, and protection of, red-legged frog habitat. Prior to commencement of grading activities, a USFWS-approved biologist will survey the project site 48 hours before the onset of work activities. If any life stage of the California Red-legged Frog (CRLF) is found and these individuals are likely to be killed or injured by work activities, the biologist will be allowed sufficient time to move them from the site before work activities begin. The biologist will relocate the CRLF the shortest distance possible to a location that contains suitable habitat and will not be affected by activities associated with the proposed project. The biologist will maintain detailed records of any individuals that are moved (e.g., size, coloration, distinguishing features, digital images, etc.) to assist in determining whether translocated animals are returning to the original point of capture.

**Pre-construction Training.** Prior to commencement of grading activities, a USFWS- approved biologist will conduct a training session for all construction personnel. At a minimum, the training will include a description of the CRLF and its habitat, the specific measures that are being implemented to conserve the CRLF for the current project, and the boundaries within which the project may be accomplished. Brochures, books, and briefings may be used in the training session, provided that a qualified person is on hand to answer any questions.

**Biologist Present during Construction.** A USFWS-approved biologist will be present at the work site until all CRLF have been removed, workers have been instructed, and disturbance of habitat has been completed. After this time, the County will designate a person to monitor on-site compliance with all minimization measures. The biologist will ensure that this monitor receives the training outlined above and in the identification of CRLF. If the monitor/biologist determine CRLF impacts are greater than anticipated or approved, work shall stop until the issue is resolved. The monitor/biologist shall immediately contact the resident engineer (the engineer overseeing and in command of construction activities), where the resident engineer will either resolve the

situation by eliminating the effect immediately or require that all actions which are causing these effects be halted. If work is stopped, the County/ USFWS will be notified as soon as is reasonably possible.

**Trash Removal.** During construction/ground disturbing activities, all trash that may attract CRLF predators will be properly contained, removed from the work site, and disposed of regularly. Prior to occupancy or final inspection, whichever occurs first, all trash and construction debris will be removed from work areas.

**Equipment Maintenance.** During construction/ ground disturbing activities, all refueling, maintenance, and staging of equipment and vehicles will occur at least 100 feet from riparian habitat or water bodies and not in a location from where a spill would drain directly toward aquatic habitat. The monitor will ensure contamination of habitat does not occur during such operations. Prior to commencement of grading/construction activities, the monitor will ensure that a plan is in place for prompt and effective response to any accidental spills. All workers will be informed of the importance of preventing spills and of the appropriate measures to take should a spill occur.

**Revegetation.** Prior to occupancy or final inspection, whichever occurs first, for disturbed areas within the project boundaries, they shall be revegetated with an assemblage of native riparian, wetland, and upland vegetation suitable for the area. Locally collected plant materials will be used to the extent practical. Invasive, exotic plants will be controlled to the maximum extent practical and not included in any landscaping efforts. This measure shall apply to all disturbed areas unless determined not practical or feasible by the County.

**Land Restoration.** Prior to occupancy or final inspection, whichever occurs first, to the extent practical, contours shall be returned to as close to original, unless it is determined by the biologist that the new contours provide greater benefit for the CRLF.

**Work Scheduling.** Prior to commencement of grading/construction activities, the applicant shall make all efforts to schedule work activities for times of the year when impacts to the CRLF would be minimal. As examples: a) work that would affect large pools that may support breeding would be avoided, to the maximum extent practical, during the breeding season (November through May); b) isolated pools that are important to maintain CRLF through the driest portions of the year (late summer, early fall) would be avoided to the maximum extent practical. When such conditions exist, the applicant will work with the biologist to coordinate the construction schedule to minimize impacts to the CRLF.

**Sedimentation and Erosion Control.** Prior to issuance of construction permit(s), sedimentation and erosion control plans shall be submitted using Best Management Practices (BMPs) to minimize sediment from entering nearby water bodies or prominent drainage courses, consistent with Mitigation Measure WQ-1. During or after construction/ ground disturbing activities, if these BMPs are ineffective, the applicant will work with the monitor/biologist and resident engineer, in consultation with USFWS, to install effective measures prior to the next rain event.

**Water impoundment.** Unless approved by the USFWS, water will not be impounded in a manner that may attract CRLF.

**Completion Report.** Prior to occupancy or final inspection, whichever occurs first, the applicant shall submit to the County and USFWS, a project completion report form, completed by the

USFWS-approved biologist. The report form should identify any recommended modifications or protective measures, if additional stipulations to protect CRLF are warranted, or if alternative measures would facilitate compliance with the provisions of this consultation.

- b. Finding: LAFCO finds that the mitigation measures will reduce impacts from construction-related activities for the Project to a less than significant level.
- c. Supportive Evidence: Please refer to pages IV-C-1 to IV-C-10 and page IV-C-21 Of the Draft EIR.

**Impact BIO-6: Steelhead and tidewater goby habitat may be affected by sedimentation due to earthmoving, or spills during construction or operation of the WRF and pipeline construction activities along, and crossing, Toro Creek (EHSA within the Coastal Zone). This is a significant but mitigable impact (Class II).**

- a. Mitigation Measures: MM BIO-5 – Protection of water quality. To mitigate potential adverse effects to water quality and special status species habitat in project area creeks, in addition to measures described in measure WQ-1 including appropriate best management practices (BMPs) utilized within the construction areas to prevent excess sediment from entering Toro Creek or Willow Creek, Storm Water Pollution Prevention Plan (SWPPP) implementation, and long-term measures identified in the SWPPP, the following additional measures are required:
  - During construction of the conveyance pipelines across all creeks, no ground disturbing activities will take place within the riparian corridor or within the top of bank channel.
  - The edge of riparian vegetation will be shown on construction plans and boundaries of the work area will be shown on construction plans. Limits of grading will be clearly delineated in the field prior to initiation of construction activities.
  - All hazardous materials required to operate and maintain equipment will be properly used in accordance with manufacturer's specifications.
  - The contractor will follow an approved spill prevention plan, including procedures to ensure that all equipment is properly maintained and free of leaks and all necessary repairs incorporate proper spill containment.
  - Hazardous materials will be properly stored and managed in secured areas located outside riparian corridors.
  - Mobile equipment will be staged, repaired, and maintained 300 ft from top of bank of Toro Creek, or on existing paved road surfaces. Fueling of equipment will be conducted in pre-designated areas at least 300 ft from the top of bank drainages, or on existing paved road surfaces. Spill containment materials will be placed around the equipment before refueling. Standing equipment will be outfitted with drip pans and hydrocarbon absorbent pads.
- b. Finding: LAFCO finds that the mitigation measures will reduce impacts from construction-related activities for the Project to a less than significant level.
- c. Supportive Evidence: Please refer to pages IV-C-1 to IV-C-10 and page IV-C-23 Of the Draft EIR.

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**Impact BIO-7: Construction of pipeline conveyances at the bridges across Toro Creek, Old Creek, and Paul Alva Creek box culvert could impact Pallid Bats, a significant but mitigable impact (Class II).**

- a. Mitigation Measures: MM BIO-6 – Pre-construction surveys. Prior to installation of conveyance structures adjacent to road bridges over Willow Creek, Old Creek, or Paul Alva Creek, a qualified biologist shall conduct a survey of the bridge to determine if roosting bats are present. If possible, the survey shall be conducted during the non-breeding season (November through March). If a colony of bats is found roosting in any structure, further surveys shall be conducted sufficient to determine the species present and the type of roost (day, night, maternity, etc.) If the bats are not part of an active maternity colony, passive exclusion measures may be implemented with approval from CDFW. November is the best time of the year to exclude bats from a roost because it is after the breeding season and before winter hibernation (not all species hibernate).
- b. Finding: LAFCO finds that the mitigation measures will reduce impacts from construction-related activities for the Project to a less than significant level.
- c. Supportive Evidence: Please refer to pages IV-C-1 to IV-C-10 and page IV-C-24 Of the Draft EIR.

**Impact BIO-8: Construction activities impacting the eucalyptus habitat for Monarch butterfly are a potentially significant, but mitigable, impact (Class II).**

- a. Mitigation Measures: Mitigation Measure BIO-7: To avoid impacts to overwintering monarchs, tree trimming/removal and construction activities that affect eucalyptus trees near or within the overwintering grove shall not be conducted during the overwintering season from October 1 through March 31. If construction activities must be conducted during this period, overwintering monarch surveys shall take place within one week of habitat disturbance. If surveys do not locate clustering monarchs, construction activities may be conducted. If clustering monarchs are located, no construction activities shall occur within 100 feet of the edge of the overwintering grove.
- b. Finding: LAFCO finds that the mitigation measures will reduce impacts from construction-related activities for the Project to a less than significant level.
- c. Supportive Evidence: Please refer to pages IV-C-1 to IV-C-10 and page IV-C-24 Of the Draft EIR.

#### **4. Findings regarding Alternatives Analyzed in the EIR**

CEQA requires that the discussion focus on alternatives to the project or its location that are capable of avoiding or substantially lessening any significant effects of the Project. Only locations that would avoid or substantially lessen any of the significant effects of the Project need be considered for inclusion in the EIR (CEQA Guidelines Section 15126.6[f][2][A]).

An evaluation of an alternative to the Project location is appropriate for a site-specific development project. In the case of the CSD WRF project, the District Board considered various other sites for their

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WRF as well as the required no project alternative. Of these, the FEIR identified the Proposed Project as the environmentally superior alternative.

Land use alternatives evaluated in Section, V. Alternatives to the Proposed Project Alternatives of the DEIR, did evaluate alternatives which were considered and rejected, as well as the CEQA-required “No Project” alternative.

Pursuant to CEQA, the CSD Board of Directors considered the following alternatives to the Proposed Project as described in the FEIR, which would reduce or avoid project-specific and cumulative impacts, and rejected them as infeasible as follows:

- Alternative 1: No Project – No Development
- Alternative 2: Alternative Site
- Alternative 3: Alternative Ocean Outfall Pipe

#### Alternative 1: No Project – No Development

Consistent with the CEQA Guidelines (§15126.6[e]), the “no project” alternative reflects the existing conditions, as well as what would be reasonably expected to occur in the foreseeable future if the project is not approved, based on current plans and consistency with available infrastructure and community services. Therefore, this alternative assumes that no new development or changes to land uses would be introduced to the site. Additionally, the proposed annexation and Sphere of Influence (SOI) amendment would not occur under this alternative. As a result, no project would mean the CSD would return to cooperation with the City of Morro Bay in developing of a new facility in that jurisdiction.

**Finding:** This alternative is not feasible because the project has already been constructed and is in operation.

#### Alternative 2: Alternative Site

Under this alternative, the WRF would be developed at the Molnar site near Willow Creek as shown in the Project Description of the DEIR. This alternative requires longer pipeline construction to reach Lift Station 5 near Toro Creek Road and would result in more impacts on the environment during construction. Because the Alternative Site has many physical similarities to the Proposed Project site, the impacts would be similar. The Alternative Site has the potential of less impact on cultural resources, but greater impacts on visual resources, noise, and biological resources.

**Finding:** This alternative is not feasible because the project has already been constructed and is in operation.

#### Alternative 3: Alternative Ocean Outfall Pipe

This alternative outfall location consists of reuse of a 3,180 foot long pipeline originally constructed in 1929 to transfer petroleum and petroleum products on and off-shore from anchored tankers. The pipeline was converted in 1980 to an ocean outfall for treated ballast water. The location of tie-in of the

treated water disposal pipeline to the outfall pipe would occur just south of Toro creek in an existing paved area associated with the now closed Chevron Estero Marine Shore Terminal site.

Impacts related to the connection to the outfall are limited to the point of connection. These impacts would be similar to other pipeline related construction activities and could have short term impacts on traffic and noise but would offer the benefit of avoiding these effects within the City of Morro Bay.

**Finding:** This alternative is in process of being implemented and was studied through a separate CEQA document. A Subsequent Mitigated Negative Declaration for the Estero Marine Terminal Ocean Outfall Project Component was conducted by the CSD in January 2019. The Connection between the outfall project to the CSD's WRF project is that the outfall pipeline, often referred to as Load Line 2, will implement the ocean outfall for effluent discharge component of the CSD's wastewater facility.

For further discussion on the Project Alternative details and ability to achieve project objectives or feasibility please refer to the Final EIR for the Cayucos Sustainable Water Project Section V. and the District's Findings of Fact and Statement of Overriding Considerations.

## **5. Process as Responsible Agency, Findings, and Statement of Overriding Considerations, (CEQA Guidelines Section 15096 (g)(1), 15091, 15093, and 15096 (h))**

As a Responsible Agency under CEQA, LAFCO has discretionary authority over the CSD's request for the WRF SOI and Annexation proposal. Under CEQA, Responsible Agencies are required to independently review and approve the CEQA document previously prepared by the Lead Agency to comply with environmental review requirements. As such, in light of the District's request, LAFCO reviewed and considered the District's Draft EIR and Final EIR prepared and adopted by the CSDBoard for the 2017 Cayucos Sustainable Water Project Environmental Report.

The CSD, acting as the Lead Agency, adopted a Statement of Overriding Considerations for its adopted 2017 Cayucos Sustainable Water Project Environmental Report (EIR SCH# 2016041078).

The Commission has made a reasonable and good faith effort to evaluate any alternatives or mitigation measures that would eliminate or substantially mitigate the environmental impacts. The Commission has reviewed the actions by the CSD Board to eliminate or substantially mitigate the environmental impacts, particularly the District's various mitigation measures in the Draft & Final EIR, and goals and policies identified in the General Plan.

For the reasons set forth below, the Commission determines that any significant environmental impacts caused by the Cayucos Sustainable Water Project has been minimized to the extent feasible, and where not feasible, has been outweighed and counterbalanced by the significant economic, fiscal, social, and land-use benefits to be generated to the CSD. This Statement of Overriding Considerations justifies finding the unavoidable adverse environmental impacts from the Proposal as acceptable.

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The Commission finds that any one of the benefits set forth below is sufficient to warrant approval of the Proposal and justify the unavoidable adverse environmental impacts from the CSD's implementation of the proposed project, annexation, and SOI amendment. This determination is based on the findings herein and the evidence in the record. Having balanced the unavoidable adverse environmental impacts against each of the benefits, the Commission hereby adopts this Statement of Overriding Considerations, for the following reasons in accordance with CEQA Section 21081(b) and State CEQA Guideline Section 15093.

LAFCO Policies

1. LAFCO's policies encourage and provide for well-ordered, efficient urban development patterns, balanced with preserving open space and agriculture land while discouraging urban sprawl. The SOI Update for the CSD is consistent with those policies and the purposes of LAFCO. The Annexation and SOI amendment for the WRF provides the CSD more efficient, reliable, and adaptable services.
2. Without an annexation the CSD would not be allowed under the CKH Act to serve the Community. The annexation is consistent with LAFCO policies.
3. LAFCO has reviewed and considered the Statement of Overriding Considerations approved by the CSD and the evidence that supports that Statement as set forth in the Environmental Documentation and has concluded that any adverse environmental effects of the project are outweighed by the benefits of the project.
4. Annexation and development of these properties is a logical and planned expansion of the City of San Luis Obispo and has been anticipated,
5. Approximately 21.86 acres of the 257.87-acre project proposal to LAFCO will be sold to the Land Conservancy of San Luis Obispo upon completion of the Cayucos Sustainable Water Project and subsequently transferred to the County of San Luis Obispo as restricted recreational open space.
6. Approximately 208-acres of the 257.87-acre project proposal to LAFCO, comprising of Lots 8N and 10, will be encumbered by agricultural conservation easements in perpetuity as set forth in condition 50 of the conditional use permit approved by the County of San Luis Obispo (Attachment G of the Staff Report).

Legal and Environmental Benefits:

7. The project resulted in the construction of a modern, state-of-the-art wastewater treatment plant to serve the community of Cayucos.
8. The project was designed to produce 0.33 to 0.4 million gallons per day (MGD) of tertiary treated water a portion of which may be used to irrigate agricultural lands within the Toro Valley, and/or sold to water purveyors thereby reducing groundwater use.

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9. The project would involve the generation of reclaimed water, and potential potable water in the future, which would further reduce energy demand in the region through water conservation. Operation of the Proposed Project would also not involve the use of digester boilers that are currently used to treat wastewater from the Cayucos community at the Morro Bay WWTP. Therefore, these benefits would further offset GHG emissions generated by the Proposed Project.
  10. The project includes the permanent conservation of productive and prime agricultural lands within the Toro Valley under ownership of the Cayucos Sanitary District.
  11. The project incorporates a solar array which will partially offset the demand for electricity by the WRF.
  12. The WRF will be located outside of the coastal area expected to be impacted by sea level rise and areas that could be impacted by a significant tsunami.

Economic and Social Benefits:

13. The project will reduce long-term maintenance costs when compared with the existing treatment plant in Morro Bay and will eliminate the cost of upset associated with sea level rise and a significant tsunami at the current WWTF location.
14. The incorporation of a solar array with the project will help offset electricity demand and reduce ongoing operating costs.
15. The production of 0.33 to 0.4 MGD of tertiary treated water may be sold to surrounding agricultural operations and/or to domestic water purveyors. The proceeds of those sales would help reduce ongoing operating costs for the WRF.
16. The WRF will be owned and operated by the CSD and will result in the creation of permanent, high-quality jobs.
17. The project will allow for potential capital investment in wastewater collection, treatment, and disposal infrastructure to increase efficiency and reduce operational impacts.