



**CITY OF
SAN LUIS OBISPO**

**INITIAL STUDY
ENVIRONMENTAL CHECKLIST FORM
For EID-0626-2019**

1. Project Title: Fiero Lane and Clarion Court Annexation

2. Lead Agency Name and Address:

City of San Luis Obispo
919 Palm Street
San Luis Obispo, CA 93401

3. Contact Persons and Phone Number:

David Watson, Contract Planner
dave@watsonplanning.us (805) 704-8728

Shawna Scott, Senior Planner
sscott@slocity.org (805) 781-7176

4. Project Location:

The approximately 39-acre proposed annexation area is located on the west side of Broad Street, approximately one-quarter mile south of Tank Farm Road. The site consists of 30 existing parcels located along Fiero Lane, Clarion Court, and a portion of Santa Fe.

5. Project Sponsor's Name and Address:

Matt Quaglino
President, Fiero Lane Water Company
c/o Quaglino Properties
815 Fiero Lane
San Luis Obispo, CA 93401

Fiero Lane Water Company
c/o Rob Miller, PE
Wallace Group
612 Clarion Court
San Luis Obispo, CA 93401

6. General Plan Designation:

Current County of San Luis Obispo General Plan Designation: Commercial Service and Industrial Land Use Categories

City of San Luis Obispo Proposed General Plan Designations: Business Park and Services & Manufacturing (consistent with the Airport Area Specific Plan, Figure 4-1 Land Use Designations)

7. Zoning:

Proposed: Business Park (BP), Service Commercial (CS), and Manufacturing (M) (consistent with the Airport Area Specific Plan, Figure 4-4 Zoning Designations)

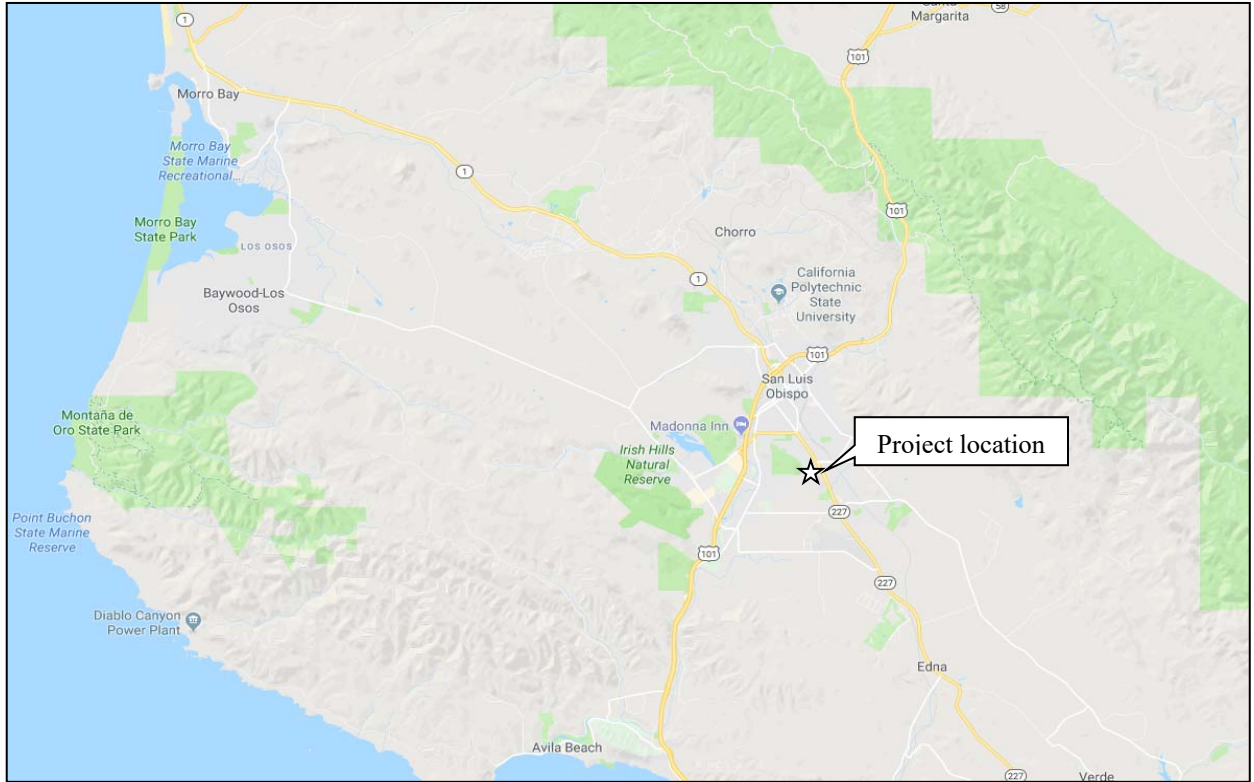


Figure 1: Regional Location

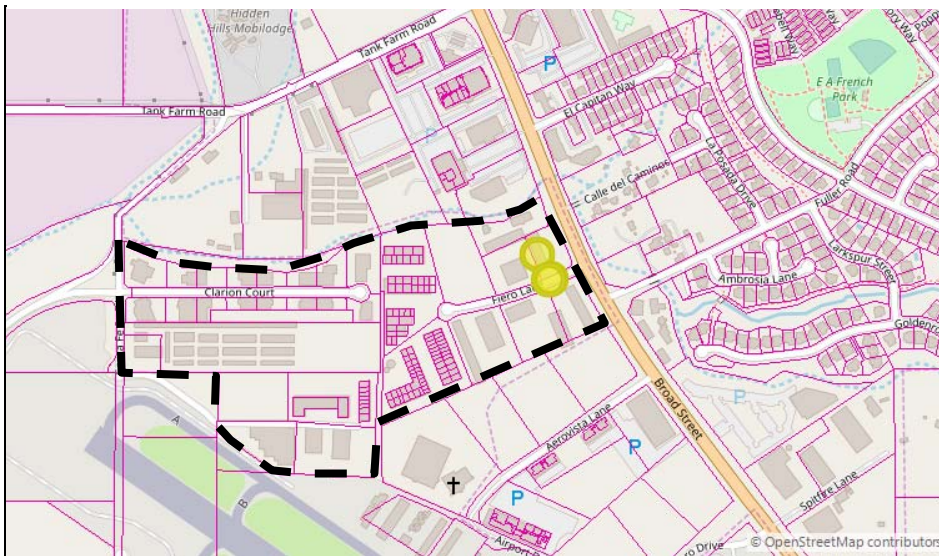


Figure 2: Project Vicinity Map

Description of the Project:

The Proposed Project includes annexation of approximately 39 acres of property into the City of San Luis Obispo. The proposed annexation area is comprised of 30 parcels located in the vicinity of Fiero Lane and Clarion Court, near the San Luis Obispo Regional Airport (Reference Source 1, Fiero Lane-Clarion Court Proposed Annexation Area). The Fiero Lane-Clarion Court annexation and service area is located within the Airport Area Specific Plan (AASP) located generally in and around 850 Fiero Lane, San Luis Obispo, California 93401. Approximately 90 percent of the properties within the annexation area are developed with businesses currently operating under San Luis Obispo County regulations.

The subject area is identified in a previously approved 2015 Memorandum of Agreement (MOA) between the City and the Fiero Lane Water Company (FLWC) that provides (i) interim water and wastewater services to the Fiero Lane and Clarion Court properties located in the Fiero Lane Annexation area west of Broad Street, and (ii) provides for annexation of these properties into the City of San Luis Obispo. A First Amendment to this MOA was approved by the City Council on March 19, 2019, which allowed additional time (one year) to complete the application submittal and processing of the annexation with the San Luis Obispo County Local Agency Formation Commission (LAFCO). In 2015 the City Council adopted Resolution No. 10678, which provided for the two phases of the project, as summarized below:

Phase 1 (Memorandum of Agreement):

This phase included an interim hookup to City water and sewer facilities after initial Council and LAFCO authorization. The physical changes to the City's infrastructure system were limited to the following:

- Disconnection from the FLWC Wastewater Treatment Plant (WWTP).
- Sewer system connection for the proposed annexation area, including approximately 30 feet of temporary sewer force main construction in existing disturbed street areas.
- Potable water system connection for the proposed annexation area at a single point, including minor temporary pipeline construction in existing disturbed areas.

Phase 2: (Annexation):

During this phase, City and FLWC staff have defined the detailed improvements required for permanent connections to City systems. During Phase 2, improvements would include:

- Decommissioning of the existing WWTP, including potential relocation of required plant equipment to the East Airport area (refer to description of wastewater alternatives below, under Plan for Services).
- Installation of new water meters
- Installation of recycled water main on Broad Street
- Reconfiguration of sewer laterals along Fiero Lane to connect to the existing airport gravity sewer
- Pavement rehabilitation and sidewalk repairs within Fiero Lane
- Other improvements identified in the MOA between the City and FLWC

Plan For Services

The proposed annexation area has been analyzed to identify their impact on overall City services. To document this analysis and the recommendations derived from that analysis, a Plan For Services has been developed and adopted in 2015 for the FLWC annexation area. A summary of the Plan for Services is included below.

Current Conditions – Fiero Lane-Clarion Court Annexation Area. Fiero Lane and Clarion Court provide vehicular access to the area. These roads do not intersect; each is a cul-de-sac dead end. Fiero Lane access comes from Broad Street and Clarion Court is accessed via Santa Fe Road. At this time the Santa Fe Bridge facility is not intended to be annexed. No improvements to the bridge are identified with this action. Domestic water is delivered by the City via the water distribution system from Broad Street along Aero Vista Lane to the water holding tank near the center of the annexation area. Water is distributed from the tank via pressurized water lines installed with the original developments of the area.

Wastewater is collected by both gravity and force main/lift stations and conveyed to a private treatment plant operated by the Fiero Lane Water Company at the end of Fiero Lane. Treated wastewater is disposed of in a leach field system to the immediate south (and outside) the annexation area.

Emergency services are provided by the County, but these areas are also supported by the City under mutual aid agreements between the City and County. General government services are provided by the County. Storm water management, collection and disposal is handled by the private property owners under County-approved plans. Solid waste services are provided by the County via private contract with local waste and recycling providers.

Post-Annexation Conditions – Fiero Lane-Clarion Court Annexation Area. Roadway rehabilitation and upgrades are planned to bring the roads, walkways and street signage up to City standards. Following annexation, the roads, curbs, gutters and sidewalks will be maintained by the City under the Pavement Management Plan.

Water system upgrades for the annexation area will include some main line and hydrant replacements, water meter replacements, valving and backflow prevention will be installed. The current interim water service will become permanent under the annexation proposal.

Conversion of the Fiero Lane-Clarion Court area to the City's wastewater system will occur following City installation of a gravity collection line along Fiero Lane that will serve to collect wastewater from the location of the existing Fiero Lane Water Company wastewater plant (at the end of Fiero Lane cul-de-sac). This new City line would convey wastewater by gravity to an existing wastewater main line in Broad Street, and from there is conveyed to the City's Water Resource Recovery Facility (WRRF). Until such time as this conversion occurs, the private FLWC treatment plant and disposal system will continue to operate as currently constituted.

Much of the existing collection system within the annexation area along Clarion Court will remain a private collection and conveyance system, ultimately sending wastewater to the City's new gravity main at Fiero Lane noted above. A new lift station in the vicinity of the FLWC wastewater plant is also planned. Following the connections of the various properties in the Fiero Lane-Clarion Court Annexation Area, the wastewater plant will be decommissioned at this

location. It is possible this plant would be moved to the East Airport Annexation Area to serve those users as noted earlier and briefly summarized below.

Preferred Wastewater Alternative: The FLWC wastewater system will be converted to interconnect with a gravity collection line in Broad Street, and from there is conveyed to the City's WRRF. The force main and lift station currently serving the area would be abandoned. The timing of this work is contingent on the decommissioning of the FLWC wastewater plant following the connections of the various properties in the Fiero Lane-Clarion Court Annexation Area.

Interim Wastewater Alternative: If annexation of the East Airport Area is delayed, or improvements are not completed at the time of the FLWC wastewater plant decommissioning, it is possible this treatment plant would be moved to the East Airport Annexation Area to serve those users on an interim basis. The proposed parcel identified by FLWC is APN 076-512-028 (1275 Prospect) – this parcel is currently developed with existing FLWC facilities. In such a case, FLWC proposes that treated wastewater would be conveyed via the lift station and force main on the East Airport area to the existing disposal field currently serving the FLWC plant, west of Broad Street.

Recycled water supplies are also included in the Plan For Services, with extensions made by the applicants within the annexation area, to facilitate connection to this supply when it can be made available.

Police and Fire emergency services would be provided by the City. It is expected the mutual aid agreements would remain between the City and County. General government services would be assumed by the City. Storm water management and solid waste services would continue as presently exist.

At this time the tasks required under Phase 1 of the MOA have been completed and the properties are now prepared to submit the annexation request to the City and LAFCO, and implement the improvements identified in Phase 2.

Previous environmental review for this Project included the 2005 Final EIR certified for the Airport Area and Margarita Area Specific Plans, a 2015 Addendum to this 2005 Final EIR, and the 2014 General Plan Land Use and Circulation Element Update (LUCE) EIR. These materials are relied on and incorporated herein for this analysis. Tiering off earlier environmental studies is allowed by CEQA, essentially further refining impact analysis and mitigation strategies as new or changed circumstances arise. It also allows previous work to be reaffirmed as adequate for the review of the next stage of a given project.

8. Other public agencies whose approval is required:

San Luis Obispo County Local Agency Formation Commission (LAFCO) – interim services agreement and annexation (Responsible Agency), Air Pollution Control District, Regional Water Quality Control Board, County of San Luis Obispo (for re-located wastewater treatment package plant)

9. Have California Native American tribes traditionally and culturally affiliated with the project area requested consultation pursuant to Public Resources code section 21080.3.1? If so, has consultation begun?

Native American Tribes have been notified about the project consistent with City and State regulations. The Northern Chumash Tribal Council (February 8, 2019) has noted that the existence of development and infrastructure within the annexation area does not preclude the presence of cultural resources.

Attachments

1. Resolution No. 10678, including 2015 Memorandum of Agreement (MOA) between City and Fiero Lane Water Company
2. Resolution No. 10994 approving the First Amendment providing for an extension to the 2015 MOA between City and Fiero Lane Water Company
3. Fiero Lane / Clarion Court “Plan For Services”, March 2016

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a “Potentially Significant Impact” as indicated by the checklist on the following pages.

	Aesthetics		Greenhouse Gas Emissions		Population and Housing
	Agricultural Resources		Hazards & Hazardous Materials		Public Services
X	Air Quality		Hydrology/Water Quality		Recreation
	Biological Resources		Land Use and Planning		Transportation & Traffic
X	Cultural Resources		Energy & Mineral Resources	X	Utilities and Service Systems
	Geology/Soils		Noise	X	Tribal Cultural Resources
	Mandatory Findings of Significance				

FISH AND GAME FEES

	There is no evidence before the Department that the project will have any potential adverse effects on fish and wildlife resources or the habitat upon which the wildlife depends. As such, the project qualifies for a de minimis waiver with regards to the filing of Fish and Game Fees.
X	The project has potential to impact fish and wildlife resources and shall be subject to the payment of Fish and Game fees pursuant to Section 711.4 of the California Fish and Game Code. This initial study has been circulated to the California Department of Fish and Game for review and comment.

STATE CLEARINGHOUSE

X	This environmental document must be submitted to the State Clearinghouse for review by one or more State agencies (e.g. Cal Trans, California Department of Fish and Game, Department of Housing and Community Development). The public review period shall not be less than 30 days (CEQA Guidelines 15073(a)).
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DETERMINATION:

On the basis of this initial evaluation:

I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.	
I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made, or the mitigation measures described on an attached sheet(s) have been added and agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.	X
I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.	
I find that the proposed project MAY have a “potentially significant” impact(s) or “potentially significant unless mitigated” impact(s) on the environment, but at least one effect (1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and (2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed	
I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (1) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (2) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.	



Signature
David Watson, Contract Planner

September 16, 2019

Date



Michael Codron, Community Development Director

EVALUATION OF ENVIRONMENTAL IMPACTS:

1. A brief explanation is required for all answers except “No Impact” answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A “No Impact” answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g. the project falls outside a fault rupture zone). A “No Impact” answer should be explained where it is based on project-specific factors as well as general standards (e.g. the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
2. All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
3. Once the lead agency has determined that a particular physical impact may occur, then the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. "Potentially Significant Impact" is appropriate if there is substantial evidence that an effect may be significant. If there are one or more "Potentially Significant Impact" entries when the determination is made, an EIR is required.
4. “Negative Declaration: Less Than Significant With Mitigation Incorporated” applies where the incorporation of mitigation measures has reduced an effect from "Potentially Significant Impact" to a "Less than Significant Impact." The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less than significant level (mitigation measures from Section 19, "Earlier Analysis," as described in (5) below, may be cross-referenced).
5. Earlier analysis may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration (Section 15063 (c) (3) (D)). In this case, a brief discussion should identify the following:
 - a) Earlier Analysis Used. Identify and state where they are available for review.
 - b) Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis.
 - c) Mitigation Measures. For effects that are “Less than Significant with Mitigation Measures Incorporated,” describe the mitigation measures which were incorporated or refined from the earlier document and the extent to which they addressed site-specific conditions for the project.
6. Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g. general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.
7. Supporting Information Sources: A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.
8. This is only a suggested form, and lead agencies are free to use different formats; however, lead agencies should normally address the questions from this checklist that are relevant to a project’s environmental effects in whatever format is selected.
9. The explanation of each issue should identify:
 - a) The significance criteria or threshold, if any, used to evaluate each question; and
 - b) The mitigation measure identified, if any, to reduce the impact to less than significance

1. AESTHETICS. Would the project:

a) Have a substantial adverse effect on a scenic vista?	2,3,4, 5, 17			X	
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, open space, and historic buildings within a local or state scenic highway?	2,3,4, 5, 17			X	
c) Substantially degrade the existing visual character or quality of the site and its surroundings?	2,3,4, 5, 17			X	
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	2,3,4, 5, 17			X	

Evaluation

Existing Visual Conditions. The Airport area is currently developed with a mix of light industrial and service manufacturing uses along with contractor and professional services. Views in the Airport area include the Santa Lucia Range, Islay Hill, and the hills located at the north end of the Margarita area that separate it from the city to the north.

a) Based on Conservation and Open Space Element Figure 11: Scenic Roadways and Vistas, there are no designed Scenic Cones of View in or facing towards the proposed annexation area, although the section of Broad Street near the intersection with Fiero Lane, and a section of Tank Farm Road west of Santa Fe are designated as having high scenic value. The AASP notes that the Santa Lucia Mountains and foothills are important features in establishing the character of the Airport Area, and AASP Chapter 5 (Community Design) includes design guidelines and performance standards, which are in place to protect views and the area’s unique sense of place. The proposed annexation area is largely built-out and based on the presence of existing development and mature trees within and adjacent to the annexation area, views of surrounding hills and ridgelines are limited.

The proposed Project would allow for future development, which would be consistent and compatible with the underlying and surrounding land use designations, based on compliance with the AASP and City standards. Implementation of the proposed Project, including proposed infrastructure improvements, would not significantly change the existing visual character of the project area, as the area is approximately 90 percent built-out with commercial, office, and light industrial uses, and the zoning designations under the AASP (Business Park, Service Commercial, and Manufacturing) allow or conditionally allow for similar uses.

The AASP Final EIR analyzed impacts related to aesthetics as a result of development of the AASP area, including the Project site. The proposed Project supports implementation of goals and policies contained within the AASP and would be fully consistent with both the AASP and the analysis contained in the AASP Final EIR. Therefore, this impact is considered less than significant.

b) The affected section of State Route 227 (Broad Street) is not designed a scenic route by the California Department of Transportation or the County of San Luis Obispo. As noted above, the City’s Conservation and Open Space Element identifies the section of Broad Street near the intersection with Fiero Lane, and a section of Tank Farm Road west of Santa Fe as having high scenic value. Implementation of the proposed Project would not result in the removal of any substantial trees, rock outcroppings, or buildings of historical significance, and future development would be subject to the adopted guidelines and performance standards identified in the AASP and the City’s Zoning Regulations and Community Design Guidelines. Therefore, there is a less than significant impact.

c) The AASP Final EIR identified a significant and unavoidable impact (Impact LU-6: Change in Views) as a result of buildout of the AASP area and urbanization of the south end of the City. A Statement of Overriding Considerations was adopted upon certification of the AASP Final EIR and adoption of the AASP. As noted above, the proposed annexation area is currently urbanized and developed with commercial, office, and light industrial uses. Future development of the Project site would be visually compatible with the surrounding uses and would not significantly degrade the existing visual quality of the surrounding area, because it would be consistent with existing development, and subject to adopted AASP design guidelines and performance standards and the City’s Community Design Guidelines. The proposed site for the potentially-relocated package wastewater treatment facility is currently developed with FLWC facilities, and would not result in a significant visual change. Therefore, this is considered a less than significant impact.

Issues, Discussion and Supporting Information Sources Amendment of the Fiero Lane Memorandum of Agreement Concerning Interim Service and Annexation EID-____-2018	Sources	Potentially Significant Issues	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
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d) Consistent with the analysis in the AASP Final EIR (Impact LU-7: Potential Increase in Daytime/Nighttime Light and Glare), future development within the proposed annexation area would contribute to an increase in light and glare from exterior lighting and materials. Pursuant to the AASP Final EIR and adopted AASP, future development shall comply with lighting guidelines and standards, consistent with AASP Final EIR Mitigation Measure LU-7.1 (Incorporate Lighting Design Standards into Margarita and Airport Area Specific Plans). In addition, future projects would comply with AASP guidelines that discourage reflective or shiny exterior finishes (see AASP Materials and Colors, Goal 5.14, Guideline C). Future projects would also be subject to Zoning Regulations Section 17.70.100 (Lighting and Night Sky Preservation), which requires shielding and other methods to minimize light intrusion. Compliance with existing AASP guidelines and the Zoning Regulations would ensure impacts related to light and glare would be less than significant.

Conclusion: Less than significant impacts. The area is designated for business park and service-manufacturing uses under the AASP. Future development would be subject to AASP guidelines, City Community Design Guidelines, and performance measures and standards identified in the Zoning Regulations that address aesthetics, and based on the scope of the proposed annexation project, no additional mitigation measures beyond these identified requirements are necessary.

2. AGRICULTURE RESOURCES. Would the project:

a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	2,4,6, 7,13				X
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?	2,4,6, 7,13				X
c) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?	2,4,6, 7,13				X

Evaluation

The FEIR for the AASP analyzed the potential impact of development in the AASP (including the proposed annexation). Consistent with the strategy of the General Plan, the specific plan aims to accommodate urban development inside the urban reserve line while protecting land outside the urban area for open space, agricultural, and rural uses. No agricultural zoning or lands under Williamson Act contract are present with the proposed annexation area.

a-b-c) The Proposed Project does not affect any existing or future agricultural activities. The subject service and annexation area is not in agricultural use, is not located on lands considered prime agricultural soils, is in an area long designated for annexation and infill development. There is no agricultural zoning or Williamson Act Contract in effect, and no grazing on the subject site.

Conclusion: No impact.

3. AIR QUALITY. Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project:

a) Conflict with or obstruct implementation of the applicable air quality plan?	2,4,5, 11,12			X	
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	2,4,5, 11,12		X		
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed qualitative thresholds for ozone precursors)?	2,4,5, 11,12		X		

Issues, Discussion and Supporting Information Sources Amendment of the Fiero Lane Memorandum of Agreement Concerning Interim Service and Annexation EID-____-2018	Sources	Potentially Significant Issues	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
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d) Expose sensitive receptors to substantial pollutant concentrations?	2,4,5, 11,12			X	
e) Create objectionable odors affecting a substantial number of people?	2,4,5, 11,12			X	

Evaluation

As discussed in the AASP FEIR, local climate conditions are generally characterized by warm, dry summers and cooler, rainy winters. The Edna Valley in which the Fiero Lane-Clarion Court annexation area is located is generally affected by offshore cooling conditions and airflow through the valley from Morro Bay to the north. These wind patterns change frequently, but prevailing conditions as described have a tendency to restrict dispersion of pollutants for a matter of days which has led to periodic higher ozone level readings. To address this, the City relies on Federal-State-County APCD quality standards and monitoring, as well as a robust Climate Action Plan adopted by the City.

The Air Quality impacts and mitigation measures developed for the AASP and FEIR identified thresholds for ground disturbance (such as 1,950 cu/yds per day or 4.0 acres of grading or larger) that would trigger additional environmental review. No new private development is permitted by this annexation, and any future development post-annexation would be subject to the AASP and the City’s Municipal Code and Zoning Regulations, which stipulate required levels of review. Infrastructure improvements identified for the proposed annexation, including infrastructure conversions and connections to bring private users into the City’s utility system are located within previously disturbed street rights-of-way.

To address these factors, several protocols have been imposed to address both short-term quality concerns (generally construction-oriented emission mitigations) as well as longer-term emission reduction targets that rely on site design, traffic management, alternative energy techniques and similar options to minimize overall air quality impacts. The annexation of the existing developed Fiero Lane-Clarion Court area will not materially change these existing conditions. Future development proposed within the subject area would be required to address these requirements as individual projects are evaluated.

a) Annexation of the existing developed Fiero Lane-Clarion Court area would occur as anticipated in the AASP, and will not materially change existing conditions. Infrastructure improvements would occur within developed roadways and utility corridors that currently serve urban development, and would not result in an expansion of urban areas beyond what was anticipated and analyzed in the AASP FEIR, which determined that implementation of the AASP would be consistent with the APCD’s 1998 Clean Air Plan. While the Clean Air Plan was updated in 2001, the proposed annexation and associated infrastructure improvements would be consistent with this plan because the Transportation and Land Use Control Measures recommended in the 1998 plan to reduce emissions were incorporated into the attainment strategy for the 2001 Clean Air Plan. In addition, the proposed annexation would not change the anticipated zoning and land use designations identified in the AASP for the subject area. Therefore, the proposed project is consistent with the adopted Clean Air Plan.

b-c) Based on the APCD’s San Luis Obispo County Attainment Status table (APCD, 2019), San Luis Obispo County is in non-attainment with California standards for ozone and respirable particulate matter. Potential short-term impacts resulting from build-out of the AASP area (including the proposed annexation area) were determined to be less than significant based on implementation of APCD construction emission mitigations identified in the AASP FEIR (AASP FEIR: Impact AIR-1: Short-term Construction Impacts; Mitigation Measure AIR-1.1 Construction-related Combustion Emissions Mitigation; Mitigation Measure AIR-1.2 Construction-Related Fugitive Dust (PM10) Mitigation; Mitigation Measure AIR-1.3 Construction-Related Activity Management Techniques). Long-term operational emissions were determined to be less than significant (AASP FEIR: Impact AIR-2 Long-term Operation Emissions; Mitigation Measure AIR-2.1 Implement Growth-Phasing Schedule).

Construction of infrastructure improvements would result in the short-term generation of air emissions, including ozone precursors, reactive organic gasses, and diesel and dust particulates. In addition, ground disturbing activities and improvements to utility infrastructure has the potential to result in exposure to naturally occurring and materials containing asbestos. Land uses in the affected area consist of commercial, office, manufacturing, and light industrial uses, none of which are considered sensitive uses as defined by the APCD’s CEQA Handbook. Infrastructure construction is subject to APCD mitigation measures, and compliance with these measures would reduce potential impacts to less than significant. Relocation of the existing wastewater treatment package plant would not result in additional operational emissions exceeding existing conditions. Based on updates to the APCD’s CEQA Air Quality Handbook in 2012 and 2017, current mitigation measures

Issues, Discussion and Supporting Information Sources Amendment of the Fiero Lane Memorandum of Agreement Concerning Interim Service and Annexation EID-____-2018	Sources	Potentially Significant Issues	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
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applicable to the infrastructure improvements are identified below, and these measures are equal or more effective than the air quality measures previously-adopted in association with the AASP FEIR:

Mitigation Measures

AQ-1: Naturally Occurring Asbestos. Naturally Occurring Asbestos (NOA) has been identified as a toxic air contaminant by the California Air Resources Board (ARB). Under the ARB Air Toxics Control Measure (ATCM) for Construction, Grading, Quarrying, and Surface Mining Operations, prior to any grading activities a geologic evaluation shall be conducted to determine if NOA is present within the area that will be disturbed. If NOA is not present, an exemption request must be filed with the District. If NOA is found at the site, the applicant must comply with all requirements outlined in the Asbestos ATCM. This may include development of an Asbestos Dust Mitigation Plan and an Asbestos Health and Safety Program for approval by the APCD. More information on NOA can be found at <http://www.slcleanair.org/business/asbestos.asp>.

AQ-2: Asbestos Material in Demolition. Demolition activities can have potential negative air quality impacts, including issues surrounding proper handling, demolition, and disposal of asbestos containing material (ACM). Asbestos containing materials could be encountered during demolition or remodeling of existing buildings. Asbestos can also be found in utility pipes/pipelines (transite pipes or insulation on pipes). If utility pipelines are scheduled for removal or relocation or a building(s) is proposed to be removed or renovated, various regulatory requirements may apply, including the requirements stipulated in the National Emission Standard for Hazardous Air Pollutants (40CFR61, Subpart M - asbestos NESHAP). These requirements include but are not limited to: 1) notification to the APCD, 2) an asbestos survey conducted by a Certified Asbestos Inspector, and, 3) applicable removal and disposal requirements of identified ACM. More information on Asbestos can be found at <http://www.slcleanair.org/business/asbestos.php>.

AQ-3: Developmental Burning. APCD regulations prohibit developmental burning of vegetative material within San Luis Obispo County.

AQ-4: Permits. Portable equipment and engines 50 horsepower (hp) or greater, used during construction activities will require California statewide portable equipment registration (issued by the ARB) or an Air District permit. The following list is provided as a guide to equipment and operations that may have permitting requirements, but should not be viewed as exclusive: power screens, conveyors, diesel engines, and/or crushers; portable generators and equipment with engines that are 50 hp or greater; internal combustion engines; unconfined abrasive blasting operations; concrete batch plants; rock and pavement crushing; tub grinders; and, trommel screens.

AQ-5: Standard Mitigation Measures for Construction Equipment. The standard mitigation measures for reducing nitrogen oxides (NOx), reactive organic gases (ROG), and diesel particulate matter (DPM) emissions from construction equipment are listed below:

- a. Maintain all construction equipment in proper tune according to manufacturer’s specifications;
- b. Fuel all off-road and portable diesel powered equipment with ARB certified motor vehicle diesel fuel (non-taxed version suitable for use off-road);
- c. Use diesel construction equipment meeting ARB's Tier 2 certified engines or cleaner off-road heavy-duty diesel engines, and comply with the State off-Road Regulation;
- d. Use on-road heavy-duty trucks that meet the ARB’s 2007 or cleaner certification standard for on-road heavy-duty diesel engines, and comply with the State On-Road Regulation;
- e. Construction or trucking companies with fleets that do not have engines in their fleet that meet the engine standards identified in the above two measures (e.g. captive or NOx exempt area fleets) may be eligible by proving alternative compliance;
- f. All on and off-road diesel equipment shall not idle for more than 5 minutes. Signs shall be posted in the designated queuing areas and or job sites to remind drivers and operators of the 5 minute idling limit;
- g. Diesel idling within 1,000 feet of sensitive receptors is not permitted;
- h. Staging and queuing areas shall not be located within 1,000 feet of sensitive receptors;
- i. Electrify equipment when feasible;
- j. Substitute gasoline-powered in place of diesel-powered equipment, where feasible; and,
- k. Use alternatively fueled construction equipment on-site where feasible, such as compressed natural gas (CNG), liquefied natural gas (LNG), propane or biodiesel.

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AQ-6: Best Available Control Technology (BACT) for Construction Equipment. If the estimated ozone precursor emissions from the actual fleet for a given construction phase are expected to exceed the APCD threshold of significance after the standard mitigation measures are factored into the estimation, then BACT needs to be implemented to further reduce these impacts. The BACT measures can include:

- a. Further reducing emissions by expanding use of Tier 3 and Tier 4 off-road and 2010 on-road compliant engines;
- b. Repowering equipment with the cleanest engines available; and
- c. Installing California Verified Diesel Emission Control Strategies. These strategies are listed at: <http://www.arb.ca.gov/diesel/verdev/vt/cvt.htm>

AQ-7: Fugitive Dust Mitigation Measures. Projects with grading areas that are less than 4-acres and that are not within 1,000 feet of any sensitive receptor shall implement the following mitigation measures to minimize nuisance impacts and to significantly reduce fugitive dust emissions:

- a. Reduce the amount of the disturbed area where possible;
- b. Use of water trucks or sprinkler systems, 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 would be required whenever wind speeds exceed 15 mph. Reclaimed (non-potable) water should be used whenever possible. Please note that during drought conditions, water use may be a concern and the contractor or builder shall consider the use of an APCD-approved dust suppressant where feasible to reduce the amount of water used for dust control;
- c. All dirt stock-pile areas should be sprayed daily as needed;
- d. All roadways, driveways, sidewalks, etc. to be paved should be completed as soon as possible, and building pads should be laid as soon as possible after grading unless seeding or soil binders are used;
- e. All of these fugitive dust mitigation measures shall be shown on grading and building plans; and
- f. 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 20% opacity, and to prevent transport of dust offsite. Their duties shall include holidays and weekend periods when work may not be in progress.

d-e) The AASP FEIR did not identify any sensitive receptors in the subject annexation area nor did these documents find any objectional odors would occur as a result of the annexation of these lands into the City. Identified infrastructure improvements do not include any actions that would generate objectionable odors. No new sensitive receptors are present within or adjacent to the subject area and future development would occur consistent with the adopted AASP. Therefore, potential impacts would be less than significant.

Conclusion: Less than significant impact upon implementation of previously identified mitigation measures. Annexation of the subject area and service to existing uses will not result in changes in ambient air quality conditions in the vicinity. No new development is included as part of the contemplated service and annexation proposal, and implementation of infrastructure improvements is subject to previously- adopted identified mitigation measures noted above as AQ-1 through AQ-7 from the AASP FEIR, as updated based on the current effective APCD CEQA Air Quality Handbook. Future projects would be required to have independent CEQA review and requirements would be imposed as needed to comply with City and APCD Plans.

4. BIOLOGICAL RESOURCES. Would the project:

a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	2,4,5, 6,13, 17			X	
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or US Fish and Wildlife Service?	2,4,5, 6,13, 17			X	

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c) Have a substantial adverse effect on Federally protected wetlands as defined in Section 404 of the Clean Water Act (including, but not limited to, marshes, vernal pools, etc.) through direct removal, filling, hydrological interruption, or other means?	2,4,5, 6,13, 17			X	
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of wildlife nursery sites?	2,4,5, 6,13, 17			X	
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	2,4,5, 6,13, 17			X	
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	2,4,5, 6,13, 17				X

Evaluation

The larger context Airport Area contains the following natural communities (Figure 3C-1 and Table 3C-2; AASP FEIR): non-native grasslands, including several large patches of valley needlegrass grassland; and a matrix of coyote brush scrub, open water, freshwater marsh and seasonal wetland, riparian woodland and scrub, agricultural fields, and developed and ruderal areas. The larger area analyzed in the FEIR comprised some 404 acres. The subject Fiero Lane-Clarion Court annexation area comprises a smaller subset of approximately 39 acres. Specific habitat types noted in the FEIR for this area included annual grasslands, riparian habitat along the northerly drainage course and ruderal disturbed areas. As noted in the FEIR, none of the smaller subset of subject properties represent a significant sensitive resource area.

The annexation will trigger the installation of various road and utility upgrades and improvements to serve the annexation area with City services. These upgrades and improvements, all detailed in Initial Study Sources #8-9-10, are all located within areas of existing disturbance (largely developed public and private streets) such that no utility systems needed to serve the annexation area will require disturbance to established and mapped wetland resources, sensitive natural communities, grassland disturbance riparian habitats or special status species as noted in the AASP FEIR. The relocated wastewater treatment package plant would be located within Tract 2368 (East Airport), a subdivision currently within the County of San Luis Obispo, on a site currently developed with existing FLWC facilities (1275 Prospect). Pursuant to the MND that was adopted by the County upon approval of Tract 2368, the proposed relocation site contains non-native grassland habitat, and the results of a botanical survey noted that no sensitive or special-status species are present.

a) No modifications to established habitat areas would result from the annexation of the subject Fiero Lane-Clarion Court properties and/or the installation of needed infrastructure (as addressed in Utilities, Transportation or Public Services section noted below) to serve the annexation area. Therefore, potential impacts would be less than significant. Any future projects considered by the City in the subject area would be required to meet City policies and regulations, as well as comply with California Fish and Wildlife and/or US Fish and Wildlife Service standards.

b-c) The northern extent of the proposed annexation area is bounded by an existing creek and associated riparian corridor. The parcels adjacent to the creek are currently developed. No infrastructure improvements are identified within or proximate to this riparian corridor, and no removal, filling, hydrological interruptions or other direct impacts to local resources are proposed with the annexation and infrastructure improvements noted herein. Therefore, implementation of the annexation and associated infrastructure improvements (located within established parcels and roadways) would not directly affect any riparian habitat, wetland habitat, or natural communities identified in the AASP FEIR. Therefore, potential impacts would be less than significant.

d) The proposed annexation area is largely developed, and does not provide upland habitat suitable for wildlife migratory corridors. The proposed annexation would not require any infrastructure improvements that would affect wildlife within the existing riparian corridor, and no tree removals or disturbance of natural habitats would occur. Therefore, potential impacts would be less than significant, and no mitigation measures are required.

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e) The AASP FEIR did not identify any significant or sensitive biological resources located within the subject annexation area. No tree removal or other potentially adverse modifications to the lands are proposed by the annexation. Therefore, potential impacts would be less than significant, and no mitigation measures are required.

f) There are no adopted Habitat or Natural Community Conservation Plans that identify or address the subject area. Based on the land use category and zoning identified in the City’s General Plan and AASP (Business Park and Services & Manufacturing), and lack of sensitive habitat within areas proposed for infrastructure improvements consistent with the AASP, the Proposed Project would be consistent with the City’s Conservation and Open Space Element.

Conclusion: Less than significant impact.

5. CULTURAL RESOURCES. Would the project:

a) Cause a substantial adverse change in the significance of a historic resource? (See CEQA Guidelines 15064.5)	4,5,6, 13, 17		X		
b) Cause a substantial adverse change in the significance of an archaeological resource? (See CEQA Guidelines 15064.5)	4,5,6, 13,17		X		
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	4,5,6, 13, 17		X		
d) Disturb any human remains, including those interred outside of formal cemeteries?	4,5,6, 13, 17		X		

Evaluation

The AASP FEIR noted that at that time, multiple field surveys had been conducted within the larger Airport Area and with the exception of a historic building near Buckley Road, no cultural resources were noted in the area. The AASP and FEIR provide that any work conducted in areas where surveys have not been done shall include such surveys into their project planning and development. To the extent that road and utility installations occur within previously disturbed areas, it is unlikely that any potential significant impacts to resources may occur. As is the case with all public works projects, in the event of unforeseen encounter of materials suspected to be of cultural significance, established protocols include suspending work pending more detailed review and consultation over such finds/findings.

Native American Tribes have been notified about the project consistent with City and State regulations. The Northern Chumash Tribal Council (February 8, 2019) has noted that the existence of development and infrastructure within the annexation area does not preclude the presence of cultural resources. No evidence has been provided that would suggest any known resources are located within the subject annexation area.

a, b, c, d) Based on the certified AASP FEIR, no cultural resources were documented within the subject area. Based on the adopted MND for Tract 2368, no cultural resources were documented within the parcel proposed for the potentially-relocated wastewater treatment package plant. In addition, pursuant to the adopted MND for Tract 2368, relocation of the plant within this area is subject to the following mitigation measure:

Mitigation Measure

CR-1: Unanticipated cultural resource discovery. In the event archaeological, historic, or paleontological resources are unearthed or discovered during any construction activities, the following standards apply:

- a. Construction activities shall cease, and the Environmental Coordinator and Planning Department shall be notified so that the extent and location of discovered materials may be recorded by a qualified archaeologist, and disposition of artifacts may be accomplished in accordance with state and federal law, and in consultation with local Native American tribal organizations.
- b. In the event archaeological resources are found to include human remains, or in any other case where human remains are discovered during construction, the County Coroner is to be notified in addition to the Planning Department and Environmental Coordinator so that proper disposition may be accomplished.

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Infrastructure improvements would occur within existing roadways and utility corridors. In the unlikely event of resource discovery, City of San Luis Obispo Archaeological Resource Preservation Program Guidelines Section 4.60.1 requires that all construction activities that may disrupt those materials shall cease and the Community Development Director shall be notified immediately of the discovery of archaeological materials. Based on the results of cultural resource studies within the subject area, location of infrastructure improvements, and compliance with adopted Guidelines in place to protect cultural resources upon inadvertent and unlikely discovery, potential impacts would be less than significant.

Conclusion: Less than significant impact upon implementation of previously identified mitigation measures.

6. GEOLOGY AND SOILS. Would the project:

a) Expose people or structures to potential substantial adverse effects, including risk of loss, injury or death involving:					
I. Rupture of a known earthquake fault, as delineated in the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area, or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.	2,4,5, 13			X	
II. Strong seismic ground shaking?	5,13			X	
III. Seismic-related ground failure, including liquefaction?	5,13			X	
IV. Landslides or mudflows?	5,13			X	
b) Result in substantial soil erosion or the loss of topsoil?	5,13			X	
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on or off site landslides, lateral spreading, subsidence, liquefaction, or collapse?	2,4,5, 13			X	
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?	2,4,5, 13			X	
e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?	2,4,5, 13			X	

Evaluation:

San Luis Obispo lies within the southern Coast Range Geomorphic Province, between the Central California Valley and Pacific Ocean. Rock types in the San Luis Obispo area are mainly comprised of volcanic, metavolcanics, and melanges of serpentinite and graywacke sandstone. These rocks are highly fractured and are part of the Mesozoic aged Franciscan Formation. The predominant northwest-southeast trending structures of the Coast Range Province are related to the San Andreas Fault Transform Boundary. According to the Geologic Map of California, San Luis Obispo Sheet published by the California Division of Mines and Geology (CDMG) in 1978, the site vicinity is underlain by the Franciscan Formation and Tertiary intrusive rocks. The nearest fault mapped in the site vicinity by Jennings (1994) is the Edna Fault, which is actually a fault zone that lies approximately 1-2 miles to the northwest of the project site. This fault zone generally trends along the northern flank of the Irish Hills.

Previous analysis under the AASP and General Plan has noted that for the general conditions in the subject area, individual geologic studies are required to consider any proposed development projects. These studies have not identified specific areas within the AASP that would be prohibited from development due to geologic conditions or significant adverse conditions. Detailed geologic analysis specific to any proposed site or development would be provided consistent with city regulations to identify potential impacts and mitigation measures accordingly.

a) The subject annexation property has not been identified to be subject to significant seismic constraints in the AASP FEIR. Based on this, no significant impacts related to seismic activity, landslides, or mudflow would occur during implementation of infrastructure improvements, and future analysis for project specific development will be conducted to analyze such potential impacts as appropriate with new development, as required by the California Building Code.

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b-c-d-e) The action of annexation will not result in physical impacts on the environment, with the exception of infrastructure improvements. Based on the location of infrastructure improvements, which would occur in areas with existing roads and utility corridors, and compliance with erosion and stormwater control measures as dictated by the City’s Municipal Code and Standard Specifications and Engineering Standards (May 2018), potential impacts related to soil erosion, expansive soils, or unstable geologic soils conditions would be less than significant. No septic tanks are proposed as part of the annexation area, as existing and future development would connect to City sewer infrastructure.

Conclusion: Less than significant Impact

7. GREENHOUSE GAS EMISSIONS. Would the project:

a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	11,12			X	
b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases.	2,3,4, 11,12			X	

Evaluation

In response to an increase in man-made greenhouse gas (GHG) concentrations over the past 150 years, California has implemented legislation to reduce statewide emissions. Assembly Bill 32 (AB 32) codifies the Statewide goal of reducing emissions to 1990 levels by 2020 (essentially a 15% reduction below 2005 emission levels) and the adoption of regulations to require reporting and verification of statewide GHG emissions. Senate Bill 32 (SB 32) extends AB 32, requiring the State to further reduce GHGs to 40 percent below 1990 levels by 2030. On December 14, 2017, the California Air Resources Board (ARB) adopted the 2017 Scoping Plan, which provides a framework for achieving the 2030 statewide target set by SB 32. The 2017 Scoping Plan does not provide project-level thresholds for land use development. Instead, it recommends that local governments adopt policies and locally-appropriate quantitative thresholds consistent with a statewide per capita goal of six metric tons (MT) CO₂e by 2030 and two MT CO₂e by 2050 (ARB 2017). As stated in the 2017 Scoping Plan, these goals may be appropriate for plan-level analyses (city, county, sub-regional, or regional level), but not for specific individual projects because they include all emissions sectors in the State.

The vast majority of individual projects do not generate sufficient GHG emissions to directly influence climate change. However, physical changes caused by a project can contribute incrementally to cumulative effects that are significant, even if individual changes resulting from a project are limited. The issue of climate change typically involves an analysis of whether a project’s contribution towards an impact would be cumulatively considerable. “Cumulatively considerable” means that the incremental effects of an individual project are significant when viewed in connection with the effects of past projects, other current projects, and probable future projects (CEQA Guidelines, Section 15064[h][1]).

a, b) The action of annexation would not result in the generation of greenhouse gas emissions. Continued interim service by the City to existing uses in the County, and the annexation of those existing uses, do not result in changes to air emissions conditions in the area. Construction-related emissions would occur during the implementation of infrastructure improvements; however, these emissions would be short-term, and based on the limited scope of the action, would not have a significant impact on the environment or impair the achievement of greenhouse gas reductions by 2050. Furthermore, compliance with mitigation measures identified in Section 3 (Air Quality) would reduce the project’s contribution to air emissions during construction of infrastructure improvements.

Conclusion: Less than significant impact

8. HAZARDS AND HAZARDOUS MATERIALS. Would the project:

a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	2,4,5, 13			X	
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions	2,4,5, 13			X	

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involving the release of hazardous materials into the environment?					
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	2,4,5,13			X	
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, it would create a significant hazard to the public or the environment?	2,4,5,13,15,16,17			X	
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?	2,4,5,13			X	
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	2,4,5,13			X	
g) Impair implementation of, or physically interfere with, the adopted emergency response plan or emergency evacuation plan?	2,4,5,13			X	
h) Expose people or structures to a significant risk of loss, injury, or death, involving wildland fires, including where wildlands are adjacent to urbanized areas or where residents are intermixed with wildlands?	2,4,5,13			X	

Evaluation

The subject annexation area and area to be affected by infrastructure improvements are located on the eastern edge of the San Luis Obispo County Regional Airport, on the west side of Broad Street (State Route 227). Previous studies conducted for the AASP FEIR and LUCE Update FEIR acknowledge significant contamination of soils within the Airport Area as a result of the Unocal Tank Farm lightning strike and fire, almost 90 years ago (1926). Ongoing remediation efforts and planning have been actively underway since the late 1980's along Tank Farm Road. The subject annexation area does not fall within the documented contaminated areas from these prior studies. Based on review of the GeoTracker and Envirositor databases, there are no hazardous waste sites within the annexation area.

The project site is located within the boundaries of the AASP, which was reviewed and approved by the Airport Land Use Commission. The annexation area is located within Airport Safety Zones S-1b and S-1-c. Following annexation, future development would be subject to development limitations and standards identified in the AASP and Zoning Regulations Chapter 17.64 (Airport [AOZ] Overlay Zone), which are required to ensure compatibility with existing and future airport operations, and to prohibit the establishment of incompatible uses and further expansion of incompatible uses what could detrimentally affect long-term economic viability of the airport, and to avoid or minimize exposure of persons to potential hazards associated with current and future airport operations.

a, b) The proposed annexation will not create a hazard to the public as there will be no transport, use or disposal of hazardous chemicals permitted by the annexation action. Implementation of infrastructure improvements would consist of standard construction practices and would not involve the use or storage of large quantities of hazardous materials. Small quantities of potentially hazardous materials such as fuels, lubricants, and solvents would be used during construction of the project. California Health and Safety Code, Division 20, Chapter 6.5, and California Code of Regulations Title 22 – Hazardous Waste Management states that waste that is toxic, corrosive, flammable, or reactive when tested in accordance with the California Code of Regulations, Title 22, Article 11, Section 66693, must be handled, stored, transported, and disposed of in accordance with these regulations, which are more stringent than federal regulations. The transport of materials during the construction of the project could pose a threat to residents and people in the area. An accident involving such trucks could potentially expose nearby people to health hazards. However, U.S. EPA and U.S. Department of Transportation laws and regulations have been promulgated to track and manage the safe interstate transportation of hazardous materials and waste. U.S. EPA

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administers permitting, tracking, reporting, and operations requirements established by the Resource Conservation and Recovery Act (RCRA). U.S. Department of Transportation regulates the transportation of hazardous materials through implementation of the Hazardous Materials Transportation Act. This act administers container design, labelling, and driver training requirements. State and local agencies enforce the application of these acts and provide coordination of safety and mitigation responses in the case that accidents involving hazardous materials occur. Enforcement of these regulations and rapid response by local agencies would ensure that hazards to the public or environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment are less than significant. In addition, the project would be required to adhere to all federal, state, and local regulations, as well as the policies in the City of San Luis Obispo Safety Element, which discuss safety and reducing the risks of hazardous material exposure. Program 9.6 of the City's Safety Element states that the City shall ensure that transportation of hazardous materials follows Caltrans-approved routes, and that all necessary safety precautions are taken to prevent hazardous material spills. Therefore, based on the limited scope and location of the infrastructure improvements and compliance with existing regulations, potential impacts would be less than significant.

c) No hazardous emissions would be permitted by the annexation and there is not a school located within ½ mile of the annexation area or location of infrastructure improvements. Therefore, potential impacts would be less than significant.

d) The subject annexation and infrastructure improvement areas are not located on a designated hazardous site nor listed to include materials that would represent a significant hazard to the public. Therefore, potential impacts would be less than significant.

e) The property is located near the Regional Airport but the continued operation of existing uses, and any proposals for new uses following annexation, must be consistent with City General Plan, Zoning Regulations, and AASP (which was reviewed and approved by the Airport Land Use Commission). Application of those standards will prevent development within the subject annexation area from becoming a hazard to airport operations. Implementation of infrastructure improvements would not result in the creation of any features or involve any activities that would result in a hazard related to air traffic. Therefore, potential impacts would be less than significant.

f) The property is not located near a private airstrip; therefore, potential impacts would be less than significant.

g) The subject annexation area will be subject to San Luis Obispo city emergency response and evacuation plans. Annexation of this area and implementation of infrastructure improvements will not impair the ability of the city to implement its designated plans and exercise its public safety responsibilities in the area. Therefore, potential impacts would be less than significant.

h) The subject annexation area and areas identified for infrastructure improvements are located within a low fire hazard area, as identified on the City's Safety Element Wildland Fire Hazard Map, and the area consists of a largely developed industrial area, which does not contain wildland fuels that could expose persons to significant risk from wildland fires. Therefore, potential impacts would be less than significant.

Conclusion: Less than significant impact.

9. HYDROLOGY AND WATER QUALITY. Would the project:

a) Violate any water quality standards or waste discharge requirements?	2,4,5, 6,13			X	
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g. The production rate of pre-existing nearby wells would drop to a level which would not support existing land uses for which permits have been granted)?	2,4,5, 6,13			X	
c) Substantially alter the existing drainage pattern of the site or area in a manner which would result in substantial erosion or siltation onsite or offsite?	2,4,5, 6,13			X	

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d) Substantially alter the existing drainage pattern of the site or area in a manner which would result in substantial flooding onsite or offsite?	2,4,5, 6,13			X	
e) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	2,4,5, 6,13			X	
f) Otherwise substantially degrade water quality?	2,4,5, 6,13			X	
g) Place housing within a 100-year flood hazard area as mapped on a Federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	2,4,5, 6,13, 14			X	
h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows?	2,4,5, 6,13, 14			X	
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	2,4,5, 6,13			X	
j) Inundation by seiche, tsunami, or mudflow?	2,4,5, 6,13			X	

Evaluation

The principal drainage for the Airport Area is the East Branch San Luis Obispo Creek, which joins San Luis Obispo Creek southwest of the project area. Drainage from the Airport area is collected into Tank Farm Creek and the East Branch San Luis Obispo Creek. Drainage travels through the area on a generally southwesterly course until the East Branch San Luis Obispo Creek joins San Luis Obispo Creek.

a, f) As analyzed in the AASP FEIR, potential impacts related to stormwater and water quality concerns are addressed by imposing established permit activity requirements, such as the State Water Board’s National Pollutant Discharge Elimination System (NPDES) construction activity stormwater permit and best management practices (BMPs). The AASP and City requirements (including the Municipal Code and City Engineering Standards), impose these analyses and permitting requirements before allowing projects to proceed. Such analysis would be undertaken as required by the AASP for any future development project within the subject annexation area. As the annexation action does not include physical development beyond infrastructure improvements, and construction activities associated with infrastructure improvements would be subject to existing erosion control and water quality regulations, potential impacts would be less than significant and no mitigation is required.

b) The subject annexation does not include groundwater extraction. The area is presently being served by the City’s municipal water system. Therefore, potential impacts would be less than significant.

c-d) No alterations of drainage patterns are permitted or proposed by the subject annexation and infrastructure improvements. Therefore, potential impacts would be less than significant.

e) The proposed annexation is subject to a 2015 Memorandum of Agreement (MOA) and 2019 First Amendment to said MOA to provide interim services and future annexation to a largely developed business and industrial area in the County, at Fiero Lane and Clarion Court. Annexation of those existing uses do not result in changes to drainage patterns or storm runoff conditions in the area. Potential impacts would be anticipated to include impervious surfaces and surface water pollution, and the potential to reorient water courses in the Plan area.

Provisions from the 2015-2019 MOA Concerning Storm Drainage Infrastructure include the following: The existing storm drain within the existing County right-of-way is owned and maintained by the County. The Fiero Lane Water Company (Company) shall coordinate with the County to arrange for the inspection and cleaning of the storm drain system. In the event the County is unwilling to perform the work prior to annexation, the City and Company shall work cooperatively to arrange for an alternative means of cleaning with concurrence and permission from the County. With these provisions included in the

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Project Description, storm water conditions will be adequately addressed and can be found to comply with City infrastructure standards at the time of annexation. The proposed annexation and infrastructure improvements would not create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff because no new impervious surfaces would be created. Therefore, potential impacts would be less than significant.

g-h-i) The northwest corner of the proposed annexation area near Santa Fe Road is located within Flood Zone A. Pursuant to the Federal Emergency Management Agency, Flood Zone A is identified for areas subject to inundation by the one-percent-annual-chance flood event, and no Base Flood Elevations (BFEs) or flood depths are identified. Mandatory flood insurance purchase requirements and floodplain management standards apply to properties within this zone. No housing is proposed within the annexation area and no improvements are proposed that would block or impede floodwaters. Any future development within the annexation area, and within the flood zone, would be subject to Zoning Regulations Chapter 17.78 Flood Damage Prevention, which is in place to: promote the public health, safety, and general welfare, and to minimize public and private losses due to flood conditions in specific areas by legally enforceable regulations applied uniformly throughout the community to all publicly and privately-owned land within flood-prone, mudslide (i.e., mudflow), and/or flood-related erosion areas. Therefore, potential impacts would be less than significant.

j) The subject site is not identified by the AASP FEIR to be subject to seiche, tsunami or mudflows; therefore, potential impacts would be less than significant.

Conclusion: Less than significant impact

10. LAND USE AND PLANNING. Would the project:

a) Physically divide an established community?	2,4				X
b) Conflict with applicable land use plan, policy, or regulation of an agency with jurisdiction over the project adopted for the purpose of avoiding or mitigating an environmental effect?	2,4			X	
c) Conflict with any applicable habitat conservation plan or natural community conservation plans?	2,4				X

Evaluation

The area is designated for business park and service-manufacturing uses under the General Plan and AASP. Annexation of the project area was anticipated in the AASP, which identified pre-zoning for the site (Business Park, Manufacturing, Service Commercial) at the time the AASP was adopted.

a) The subject annexation area is located within a larger developed area of southern San Luis Obispo. The properties comprising Fiero-Clarion are approximately 90% developed at this time. The subject area is a continuation of development surrounding the general vicinity and the annexation of the site would bring it officially into the San Luis Obispo community without modifying any of the current land uses of the area. The annexation will not physically divide this established community, as it is currently included in the AASP and associated long-term planning maps for the area. Therefore, no impact would occur.

b) As noted in the AASP FEIR, the subject annexation is consistent with City policies established under the General Plan and AASP and complies with the San Luis Obispo County Airport Land Use Plan (ALUP). No changes to pre-zoning or land use categories are proposed. The proposed annexation is consistent with applicable land use planning documents for the area. Therefore, potential impacts would be less than significant.

c) As noted in Section 4 (Biological Resources) there are no Habitat or Natural Community Conservation Plans applicable to the subject property.

Conclusion: Less than significant impact.

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11. MINERAL RESOURCES. Would the project:

a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	2,4				X
b) Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	2,4				X

Evaluation

The properties subject to the annexation are located in an urbanized area. There are no known mineral resources in the area, and there has not been any mining or mineral extraction uses of the subject properties.

a, b) Based on the location of the proposed annexation and infrastructure improvements, no impact to mineral resources would occur.

Conclusion: No impact.

12. NOISE. Would the project result in:

a) 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?	2,4,5,13			X	
b) Exposure of persons to or generation of excessive ground-borne vibration or ground-borne noise levels?	2,4,5,13			X	
c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	2,4,5,13			X	
d) A substantial temporary, periodic, or permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	2,4,5,13			X	
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?	2,4,5,13			X	
f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?	2,4,5,13			X	

Evaluation

Noise-sensitive land uses are those land uses that can be adversely affected by elevated or increased noise levels. Sensitive land uses generally include residences, schools, libraries, nursing homes, and churches. The primary sources of noise within the subject area include traffic on major roadways and highways, and aircraft operating in and out of the County Airport. Stationary noise sources include the day-to-day activities associated with the existing land uses in the planning area.

The subject annexation area is designated for service and manufacturing uses under the General Plan and AASP. Potentially sensitive receptors include existing offices in the area. Noise generation occurs most significantly from roadway traffic on Broad Street (State Route 227). Noise from nearby airport operations occurs on an intermittent basis. Increases in traffic or airport operations will cause incremental increases in background ambient noise levels. As indicated in Table 3F-3 of the AASP FEIR, properties within 100 feet of Broad Street (State Route 227) are predicted to be exposed to traffic noise levels that exceed the planning standard of 60 dBA-Ldn. More current noise contour modeling conducted for the LUCE Update EIR show that upon City buildout, the noise level 50 feet from the roadway centerline would be 71 decibels. Other sources of transportation-related noise include Tank Farm Road and Santa Fe Road. The proposed annexation area is located

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approximately 600-700 feet south of Tank Farm Road, and the western edge of the annexation area is bound by Santa Fe Road. As indicated in AASP FEIR Table 3F-3, properties within 100 feet of Santa Fe Road are predicted to be exposed to traffic noise levels ranging from 56 to 66 Ldn within 100 feet of the roadway.

a, b, c, d) The LUCE Update FEIR models a noise level of approximately 71 dB within 50 feet of the Broad Street centerline (transportation-related noise). As documented in the LUCE Update EIR Background Report and County Airport Land Use Plan, the annexation area is located with the 55 and 60 dB noise contours. The AASP FEIR identified potential impacts due to exposure to traffic noise (Impact N-1: Exposure of Land Uses to Traffic Noise in Excess of the Standards for Exterior Noise Exposure specified in Table 3F-1; Impact N-2: Increase in Permanent or Temporary Ambient Noise Levels as Indicated in Table 3F-3, Substantial Increases in Noise Would Occur Along Some Roadways) and aircraft noise (Impact N-3: Exposure of Residential Uses to Aircraft Noise). The AASP FEIR determined that implementation of mitigation measures identified in the City’s Noise Element would mitigate impacts related to noise exposure to less than significant.

While the annexation action does not permit or approve future development, discretionary review of future projects would occur, and would be subject to the requirements of the City’s Municipal Code, including Chapter 17.74 (Zoning Regulations, Airport Overlay Zone, Noise) and Chapter 9.12 (Noise Control), consistent with the AASP FEIR. Implementation and construction of identified infrastructure improvements would be short-term, and limited to areas within existing roadways and utility corridors. Implementation of the project would not result in any long-term increase in noise. Therefore, potential impacts would be less than significant.

e) Existing background noise conditions include instantaneous increases from airport operations. The County’s ALUP, AASP, and AASP FEIR recognize the need to minimize noise generation, while balancing the viability of the airport with local land uses. On-going operations at the County airport consistent with present regulations will continue to minimize conflicts between nearby and adjoining uses. Increases in noise levels as analyzed by the AASP FEIR did not find these conditions to be adverse and unavoidable. Instead the AASP FEIR acknowledged various building and site planning techniques, along with land use restrictions, that have been incorporated into the AASP. While the proposed action does not include development of land uses, future development would be subject to standards identified in the City’s Noise Element and Municipal Code, which regulate noise exposure. Therefore, potential impacts would be less than significant.

f) The subject site is not located in the vicinity of a private airstrip; therefore, impacts would be less than significant.

Conclusion: Less than significant Impact

13. POPULATION AND HOUSING. Would the project:

a) Induce substantial population growth in an area, either directly (for example by proposing new homes or businesses) or indirectly (for example, through extension of roads or other infrastructure)?	2,4,5, 13			X	
b) Displace substantial numbers of existing housing or people necessitating the construction of replacement housing elsewhere?	2,4,5, 13				X
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?	2,4,5, 13				X

Evaluation

The AASP and City General Plan designate the subject annexation area for light industrial, commercial and manufacturing uses. These uses would not include residential occupancies of the area. These designations preclude new residential growth, or displacement of existing housing, within the subject annexation area.

a-c) The proposed annexation will not result in new residential development or the relocation of existing housing within the annexation area. Only new uses consistent with the AASP and General Plan would be permitted.

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Conclusion: Less than significant impact.

14. PUBLIC SERVICES. Would the project result in substantial adverse physical impacts associated with the provision, or need, of new or physically altered government facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for any of the public services:

a) Fire protection?	4,5,10			X	
b) Police protection?	4,5,10			X	
c) Schools?	4,5,10			X	
d) Parks?	4,5,10			X	
e) Roads and other transportation infrastructure?	4,5,10			X	
f) Other public facilities?	4,5,10			X	

Evaluation

The project area is currently served by the County Sheriff and County Fire/California Department of Forestry (CDF). There is also a mutual aid agreement between the County and City for fire service response. The project area is within the San Luis Coastal School District. The annexation is being processed pursuant to a 2015 Memorandum of Agreement (MOA) and 2019 First Amendment to said MOA to provide interim services and annexation to a developed business and industrial area in the County, at Fiero Lane and Clarion Court. Continued interim service by the City to existing uses in the County, and the future annexation of those existing uses, are subject to the March 2016 "Plan For Services" for the Fiero Land-Clarion Court Annexation Area (Source 10).

a) Fire protection for the subject annexation area would be provided by the nearest staffed City Station #1 located at 2160 Santa Barbara Avenue and the County Fire/CDF Station #21 at the airport runway. Response times are considered four minutes or less, based on LUCE EIR Figure 4.13-1 (Fire Department Four-Minute Response Times). The AASP provides that the City will consider increases to staffing subject to budgetary analysis and overall city needs. The AASP notes that interim improvements may be provided at the Chevron and Avila Ranch development areas until permanent facilities are available. The City has completed the creation of a Community Facilities District (CFD) in association with the Avila Ranch development project (also located within the AASP) to facilitate funding for a new interim fire station in the area. The AASP FEIR, AASP, and the proposed Plan for Services for this proposed annexation address fire service needs for this area of the city. Therefore, implementation of the proposed annexation would not result in a significant impact to fire services, such that construction of a new facility would be required.

b) The City Police Department currently provides mutual aid response to the AASP. Similar to fire services, police services will undergo consideration for increases as annexation of the subject property is completed as noted in the AASP FEIR and Plan for Services. Additional personnel and equipment will be considered under standard budgetary programs. The AASP FEIR, AASP, and the proposed Plan for Services for this proposed annexation address police service needs for this area of the City. Therefore, implementation of the proposed annexation would not result in a significant impact to police services, such that a new police facility would be required.

c, d) As the proposed project consists of the annexation of existing commercial and industrial businesses into the City, and the employees of these businesses are currently served by existing schools and parks, and the proposed annexation area is approximately 90 percent built-out, potential impacts to schools and parks would be less than significant.

e) Provisions from the 2015-2019 MOA concerning street infrastructure include:

1. The Fiero Lane Water Company (COMPANY) will construct improvements and upgrades to Fiero Lane so as to bring the street infrastructure into a "state of good repair". For purposes of this requirement, the definition of state of good repair includes:

- a. Upgrading traffic control signs and markings to meet current federal, State and City standards;
- b. Upgrade street crossings to meet Federal and City ADA ramp and crossing standards;

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- c. Perform pavement maintenance as needed to meet City minimum pavement condition index requirements;
- d. Remove and replace any damaged sections of sidewalk.

2. It is the intent of the agreement that Old Santa Fe Road south of the City/County boundary line, located immediately south of the Santa Fe Bridge, will remain under County jurisdiction after annexation of properties on Clarion Court. If as part of the LAFCO process, the City is required to take all, or part, of Old Santa Fe Road under City jurisdiction, the following requirements shall be required:

- a. The COMPANY will construct improvements and upgrades to Old Santa Fe Road, that is to be annexed to the City, so as to bring the street infrastructure into a "state of good repair". For purposes of this requirement, the definition of state of good repair includes:
- b. Upgrading traffic control signs and markings to meet current federal, State and City standards; and
- c. Upgrade street crossings at Clarion Court and the mini storage property to meet Federal and City ADA ramp and crossing standards
- d. Perform pavement maintenance as needed to meet City minimum pavement condition index requirements. The limits of required improvements begin at the south side of the existing bridge across the East Fork of San Luis Creek and terminate at the cul-de-sac fronting the mini storage property. No improvements to the bridge are proposed.

With these provisions included in the Project Description, transportation and street infrastructure conditions will be adequately addressed and can be found to comply with City infrastructure standards at the time of annexation. As such, no physical impacts are attributed to the time needed for infrastructure installations, fee payments and annexation as contemplated in the annexation of lands subject to the MOA.

f) Other public services, such as transit, solid waste and recycling and general city administrative services are not considered to be significantly impacted by the addition of the subject annexation area, based on the Project's consistency with the AASP and General Plan.

Conclusion: Less than significant impact.

15. RECREATION. Would the project:

a) Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	2,4			X	
b) Include recreational facilities or require the construction or expansion of recreational facilities, which might have an adverse physical effect on the environment?	2,4			X	

Evaluation

a, b) The annexation of the project area and existing uses would result in less than significant impacts from new or increased residential demands for added parks and recreation services because there are no residential zones within the proposed annexation area. As noted in Section 14 there will be no significant demands for school or parks and recreation services based on annexation of the subject properties. The annexation of existing land uses, and implementation of infrastructure improvements would not result in impacts from new or increased residential demands for added parks and recreation services. Therefore, potential impacts would be less than significant.

Conclusion: Less than significant impact

16. TRANSPORTATION/TRAFFIC. Would the project:

a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel	2,3,4, 5,10, 13			X	
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and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?					
b) Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?	2,3,4, 5,10, 13			X	
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	2,3,4, 5,10, 13			X	
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g. farm equipment)?	2,3,4, 5,10, 13			X	
e) Result in inadequate emergency access?	2,3,4, 5,10			X	
g) Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?	2,3,4, 5,10, 13			X	

Evaluation

The proposed annexation area is access via Broad Street (State Route 227), Tank Farm Road, and Santa Fe Road. Continued interim service by the City to existing uses in the County, and the future annexation of those existing uses, do not result in changes to traffic generation and circulation conditions in the area that were not previously considered in the AASP Final EIR and EIR Addendum, the City’s LUCE updates in 2014, and as contemplated by the 2015 MOA concerning traffic mitigations and impact fees. Payment of these fees by new development, coupled with contributions negotiated under the MOA, will address cumulative traffic impacts. The Airport and Margarita Specific Plan Areas were considered under a unified Program EIR. This EIR analyzed traffic conditions on a regional basis, not distinguishing the planning areas from one another. For the purposes of impacts and mitigation measures, this analysis drove the preparation of the Specific Plan Transportation sections, each dealing with improvements that could be implemented on both a localized scale and in a regional context for citywide mitigation programs.

The AASP and Plan for Services address a series of projects to be completed as part of the annexation process. These improvements primarily include pavement upgrades and bringing the roadway infrastructure for the annexation area up to city standards. These improvements are noted as traffic control and striping, accessibility ramps and walks, pavement maintenance and improvement to Old Santa Fe Road in the area. With these improvements the project will address its needs as a part of the annexation process outlined in the MOA.

Section 14, above, of this Initial Study includes additional details regarding transportation infrastructure included in the Proposed Project.

a-b) The proposed annexation area is approximately 90 percent built-out, and generates traffic on existing road and highway infrastructure under existing conditions. Future development would be subject to transportation impact fee programs. Transportation improvements provided under the MOA and PFS include upgrading street signs, striping, sidewalk repairs, handicapped access features and curb painting reflect city standards. The annexation area does not include street lighting that would conflict with City Lighting and Night Sky Preservation standards identified Zoning Regulations Chapter 17.70.100. For possible safety considerations, streetlights at the main entry streets of Fiero and Clarion are under consideration as part of the improvements plan preparation. This will be subject to AASP lighting standards (Goal 5.18, Standards 5.18.1 through 5.18.7), which include provisions for maximum height (30 feet on Broad Street, 20 feet on other streets). The proposed annexation will not conflict with City Circulation Element policies, nor be contrary to established transportation management, public transit and roadway improvement policies of the city.

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c) The subject site is approximately 90 percent built-out, and will not require new public roads to access the subject properties. The annexation of the subject property does not include changes in traffic patterns for vehicles or aircraft. Therefore, potential impacts would be less than significant.

d) No changes in design of existing roadways are required by the proposed annexation; therefore, potential impacts would be less than significant.

e) The subject site is approximately 90 percent built-out and will not require new access to provide for emergency response. Therefore, potential impacts would be less than significant.

f) Existing public transit services and bicycle/pedestrian ways will not be changed. Increased improvements to sidewalks, handicapped accessibility and similar facilities are anticipated as part of the final annexation improvement plan. The proposed annexation will not conflict with established public transit, bicycle or pedestrian facilities or policies and regulations governing same.

Conclusion: Less than significant impact.

17. TRIBAL CULTURAL RESOURCES. Would the project cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:

a) Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code section 5020.1(k), or	2,4, 17		X		
b) A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resources Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe.	2,4, 17		X		

Evaluation

On December 21, 2018, local Native American tribal groups were formally notified that an Initial Study of Environmental Impact was being completed for the proposed project and invited to provide consultation on the proposed project. The Northern Chumash Tribal Council engaged in a tribal consultation meeting on February 8, 2019 and noted that the existence of development and infrastructure within the annexation area does not preclude the presence of cultural resources.

a, b) Based on the certified AASP FEIR and tribal consultation, no historical resources or tribal cultural resources have been identified within the subject area. Based on the adopted MND for Tract 2368, no cultural resources were documented within the parcel proposed for the relocated wastewater treatment package plant. In addition, pursuant to the adopted MND for Tract 2368, relocation of the plant within this area is subject to the following mitigation measure:

Mitigation Measure

CR-1: Unanticipated cultural resource discovery. In the event archaeological, historic, or paleontological resources are unearthed or discovered during any construction activities, the following standards apply:

- c. Construction activities shall cease, and the Environmental Coordinator and Planning Department shall be notified so that the extent and location of discovered materials may be recorded by a qualified archaeologist, and disposition of artifacts may be accomplished in accordance with state and federal law, and in consultation with local Native American tribal organizations.
- d. In the event archaeological resources are found to include human remains, or in any other case where human remains are discovered during construction, the County Coroner is to be notified in addition to the Planning Department and Environmental Coordinator so that proper disposition may be accomplished.

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Infrastructure improvements would occur within existing roadways and utility corridors. In the unlikely event of resource discovery, City of San Luis Obispo Archaeological Resource Preservation Program Guidelines Section 4.60.1 requires that all construction activities that may disrupt those materials shall cease and the Community Development Director shall be notified immediately of the discovery of archaeological materials. Based on the results of cultural resource studies within the subject area, location of infrastructure improvements, and compliance with adopted Guidelines in place to protect cultural resources upon inadvertent and unlikely discovery, potential impacts would be less than significant.

Conclusion: Less than significant impact upon implementation of identified mitigation measures.

18. UTILITIES AND SERVICE SYSTEMS. Would the project:

a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	2,4,10			X	
b) Require or result in the construction or expansion of new water treatment, waste water treatment, water quality control, or storm drainage facilities, the construction of which could cause significant environmental effects?	2,4,10,17		X		
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	2,4,10			X	
d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new and expanded water resources needed?	2,4,10,18,19			X	
e) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitment?	2,4,10			X	
f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	2,4,10			X	
g) Comply with federal, state, and local statutes and regulations related to solid waste?	2,4,10			X	

Evaluation

The proposed annexation area is currently served by the Fiero Lane Water company, groundwater wells, collection system, and a community wastewater treatment plan. The proposed project involving annexation of the subject properties would require the service of water, wastewater and recycled water for irrigation. The 2015 AASP FEIR Addendum updated and analyzed resource availability and service demands for the EACP / S-G annexation area and found the City's capacity for services to the area can support the annexation. Continued interim service by the City to existing uses in the County, and the future annexation of those existing uses, are subject to the March 2016 "Plan For Services" for the Fiero Land-Clarion Court Annexation Area (Source 10).

Provisions from the 2015-2019 MOA Concerning Potable Water:

1. Record easements for CITY facilities on private property.
2. Pressure and leak test existing water mains that will become CITY facilities (Fiero Lane only).
3. Public and private water mains shall be sized to meet fire flow requirements.
4. Decommission and dismantle of groundwater collection, treatment, and pumping facilities.
5. Replace fire hydrants with CITY standard hydrants.
6. Replace all water meters. Meters shall be properly sized, accurate and meet City standards.
7. Water Services shall be upgraded to current City standard.
8. Backflow preventers shall be installed where recommended by County Cross Connection Inspector.
9. Isolation valves shall be installed.

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Provisions from the 2015-2019 MOA Concerning Wastewater:

1. Work with the CITY and County Airport to facilitate the CITY takeover of that portion of the Airport gravity sewer line in Fiero Lane.
2. Replace or rehabilitate failing portion of the Airport gravity sewer line — Manhole M 17- 15 to M17-8.
3. Fiero Lane System — Manhole M17- 18 — cut open pipe to expose invert and access flow. Manhole M 17- 18 to M 17- 19 — correct grade defects.
4. Tie over eight (8) sewer laterals on Fiero Lane to the Airport gravity sewer line or new City gravity main in Fiero Lane, if available. Any necessary repairs to private laterals shall be made by FLWC prior to tie over.
5. Abandon existing FLWC gravity main once laterals are tied over to deeper airport gravity line.
6. The wastewater treatment system will be decommissioned, removed and left for COMPANY to salvage or dispose in accordance with state standards.
7. Temporary and permanent easements shall be granted to the City for replacement of the existing gravity main in Fiero Lane and the existing Airport sewer pump station. This may include the site of the existing FLWC wastewater treatment system site, or another suitable site. FLWC will provide recorded permanent easement to the City of San Luis Obispo for the site of the existing FLWC wastewater treatment system for the construction of a City lift station to serve the area. The FLWC existing electrical service will be provided to the City. Clear access will be provided to the easement area from Fiero Lane.
8. The leach fields behind Clarion Court will be abandoned in accordance with applicable code after all Clarion properties are connected to the City wastewater collection system via private gravity or private force main connections.

a, b, e) The project area is currently served by a community wastewater collection and treatment system operated by the Fiero Lane Water Company. Upon annexation, the existing treatment system will be decommissioned and infrastructure improvements will be implemented pursuant to the MOA in order to connect the area to the City sewer wastewater collection system. Wastewater collection and treatment demand capacity analysis has been conducted by the City’s Utilities Department and the City determined that the wastewater collection system and Water Resources Recovery Facility has adequate capacity to serve the AASP, including the annexation area (2015 FEIR Addendum) within the permit requirements of the State Water Board, and as noted in Section 8 of the Plan For Services.

As noted in the project description, if the pending annexation of the East Airport Area is delayed, or improvements are not completed at the time of the FLWC wastewater plant decommissioning, it is possible this treatment plant would be moved to the East Airport Annexation Area to serve those users on an interim basis. The proposed parcel identified by FLWC is APN 076-512-028 (1275 Prospect) – this parcel is currently developed with existing FLWC facilities. In such a case, FLWC proposes that treated wastewater would be conveyed via the lift station and force main on the East Airport area to the existing disposal field currently serving the FLWC plant, west of Broad Street. This initial study assesses the potential impacts of infrastructure improvements, including the potential relocation of the wastewater treatment plan, and concludes that potential impacts would be less than significant, or less than significant upon implementation of mitigation measures identified in the AASP EIR and County of San Luis Obispo Morabito-Burke MND (refer to Initial Study Sections 3 [Air Quality], 5 [Cultural Resources], and 17 [Tribal Cultural Resources]).

Based on the City’s available capacity to serve the annexation area, completion of infrastructure improvements identified above and incorporated into the Project Description, and implementation of identified mitigation measures, potential impacts would be less than significant.

c) The existing subdivision was constructed with storm drain infrastructure, which will continue to function in the same capacity following annexation. Storm drainage improvements anticipated on a regional basis were identified in the City’s Storm Drain Master Plan for the Airport Area. These requirements are included in the AASP, Plan for Services under the MOA and under standard city conditions for new development. New water treatment will not be required to continue current service. Therefore, potential impacts would be less than significant.

d) Water service to the area, albeit on-going since 2015, is included in the City’s Urban Water Management Plan and General Plan documents. The AASP-Margarita SP EIR Addendum completed in November 2015 (Source 5) finds that the city has adequate water supplies to serve the subject annexation area. As documented in the City’s 2018 Water Resources Status Report and Water and Wastewater Element (2018), 10,130 acre-feet of water availability is sufficient for build-out of the

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City’s General Plan, including the proposed annexation area. In addition, under existing conditions, the City is providing water to FLWC. Based on existing conditions, the City’s available capacity to serve the annexation area, and completion of infrastructure improvements, potential impacts would be less than significant.

f-g) Evidence included with the AASP FEIR and 2015 Addendum to the FEIR reflects sufficient capacity to continue serving the largely developed annexation area. Based on this information, and the fact that the annexation area is largely build-out under current conditions, potential impacts would be less than significant.

Conclusion: Less than significant impact.

19. MANDATORY FINDINGS OF SIGNIFICANCE.

a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?				X	
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No evidence exists that the proposed annexation of the Fiero Lane-Clarion Court area would result in impacts to local habitat conditions, including the reduction of habitat areas, direct impacts to plant or animal species, impact the existence of any rare or endangered species, or negatively impact cultural resources of the State.

b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of the past projects, the effects of other current projects, and the effects of probable future projects)				X	
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No impacts of the proposed project are identified that would be considered “individually limited” or “cumulatively considerable.” The proposed project is consistent with the existing AASP, Land Use Element and Zoning for the development and the cumulative impacts of developing this site were analyzed as a part of the AASP FEIR and Addendum, Land Use and Circulation Element (LUCE) EIR.

c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?				X	
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No evidence has been presented or identified that suggests the annexation of the subject area would have a negative effect or substantial adverse effect directly or indirectly on humans.

20. EARLIER ANALYSES.

Earlier analysis may be used where, pursuant to the tiering, program EIR, or other CEQA process, one or more effects have been adequately analyzed in an earlier EIR or Negative Declaration. Section 15063 (c) (3) (D). In this case a discussion should identify the following items:

a) Earlier analysis used. Identify earlier analyses and state where they are available for review.

Airport Area Specific Plan (2014), Airport Area and Margarita Area Specific Plans and Related Facilities Master Plans (SCH# 2000051062; September 2003); City of San Luis Obispo Land Use and Circulation Element (LUCE) Update EIR (2014), AASP FEIR Addendum (2015), Fiero Lane-Clarion Court Plan For Services (2016), Morabito-Burke Tract 2368 Environmental Determination ED01-322, Mitigated Negative Declaration, San Luis Obispo County, May 23, 2003, available for review at the City Community Development Department (919 Palm Street, San Luis Obispo, CA 93401)

b) Impacts adequately addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis.

Applicable excerpts, analysis and conclusions from the AASP and LUCE Update EIRs and Morabito-Burke Tract 2368 MND have been added to each impact issue area discussion.

Issues, Discussion and Supporting Information Sources Amendment of the Fiero Lane Memorandum of Agreement Concerning Interim Service and Annexation EID-____-2018	Sources	Potentially Significant Issues	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
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<p>c) Mitigation measures. For effects that are "Less than Significant with Mitigation Incorporated," describe the mitigation measures which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions of the project.</p>
N/A

Issues, Discussion and Supporting Information Sources Amendment of the Fiero Lane Memorandum of Agreement Concerning Interim Service and Annexation EID-____-2018	Sources	Potentially Significant Issues	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
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21. SOURCE REFERENCES.	
1.	Fiero Lane-Clarion Court Proposed Annexation Area
2.	City of SLO General Plan Land Use Element, December 2014 and Final EIR, October 2014
3.	City of SLO General Plan Circulation Element, December 2014 and Final EIR, October 2014
4.	Airport Area Specific Plan Updated 2014
5.	City of SLO Addendum to the Final Program EIR for the Airport and Margarita Areas, November 2015
6.	City of San Luis Obispo, Land Use Inventory Database
7.	Website of the Farmland Mapping and Monitoring Program of the California Resources Agency: http://www.consrv.ca.gov/dlrp/FMMP/
8.	Resolution 10678; Fiero Water Company MOA, December 2015
9.	Resolution 10994; Fiero Water Company First Amendment to MOA, March 2019
10.	Fiero Lane / Clarion Court Plan For Services, March 2016
11.	City of SLO Climate Action Plan, August 2012
12.	Clean Air Plan for San Luis Obispo County, Air Pollution Control District, 2001
13.	FEIR Airport Area and Margarita Area Specific Plans, 2005
14.	Federal Emergency Management Agency (FEMA), Flood Map San Luis Obispo County 06077C1332G; accessed via www.fema.gov (September 12, 2019).
15.	Geotracker, State Water Resources Control Board, 2015. https://geotracker.waterboards.ca.gov/ (accessed September 12, 2019)
16.	Envirostor, Department of Toxic Substances Control. 2015. https://www.envirostor.dtsc.ca.gov/public/ (accessed September 12, 2019)
17.	Morabito-Burke Tract 2368 Environmental Determination ED01-322, Mitigated Negative Declaration, San Luis Obispo County, May 23, 2003
18.	2018 Water Resources Status Report. 2018. https://www.slocity.org/Home/ShowDocument?id=22442
19.	Water and Wastewater Element. 2018. https://www.slocity.org/home/showdocument?id=19965

Note: All documents listed above are available for review at the City of San Luis Obispo Community Development Department, 919 Palm Street, San Luis Obispo, California (805) 781-7101.



CITY OF SAN LUIS OBISPO

REQUIRED MITIGATION AND MONITORING PROGRAM

Applicable mitigation measures carried forward from the certified Airport Area Specific Plan Final Program EIR and Mitigation and Monitoring Program; additional clarifications and new mitigation measures applicable to the proposed project are also listed below and are applicable to the project:

Air Quality

AQ-1: Naturally Occurring Asbestos. Naturally Occurring Asbestos (NOA) has been identified as a toxic air contaminant by the California Air Resources Board (ARB). Under the ARB Air Toxics Control Measure (ATCM) for Construction, Grading, Quarrying, and Surface Mining Operations, prior to any grading activities a geologic evaluation shall be conducted to determine if NOA is present within the area that will be disturbed. If NOA is not present, an exemption request must be filed with the District. If NOA is found at the site, the applicant must comply with all requirements outlined in the Asbestos ATCM. This may include development of an Asbestos Dust Mitigation Plan and an Asbestos Health and Safety Program for approval by the APCD. More information on NOA can be found at <http://www.slcleanair.org/business/asbestos.asp>.

AQ-2: Asbestos Material in Demolition. Demolition activities can have potential negative air quality impacts, including issues surrounding proper handling, demolition, and disposal of asbestos containing material (ACM). Asbestos containing materials could be encountered during demolition or remodeling of existing buildings. Asbestos can also be found in utility pipes/pipelines (transite pipes or insulation on pipes). If utility pipelines are scheduled for removal or relocation or a building(s) is proposed to be removed or renovated, various regulatory requirements may apply, including the requirements stipulated in the National Emission Standard for Hazardous Air Pollutants (40CFR61, Subpart M - asbestos NESHAP). These requirements include but are not limited to: 1) notification to the APCD, 2) an asbestos survey conducted by a Certified Asbestos Inspector, and, 3) applicable removal and disposal requirements of identified ACM. More information on Asbestos can be found at <http://www.slcleanair.org/business/asbestos.php>.

AQ-3: Developmental Burning. APCD regulations prohibit developmental burning of vegetative material within San Luis Obispo County.

AQ-4: Permits. Portable equipment and engines 50 horsepower (hp) or greater, used during construction activities will require California statewide portable equipment registration (issued by the ARB) or an Air District permit. The following list is provided as a guide to equipment and operations that may have permitting requirements, but should not be

viewed as exclusive: power screens, conveyors, diesel engines, and/or crushers; portable generators and equipment with engines that are 50 hp or greater; internal combustion engines; unconfined abrasive blasting operations; concrete batch plants; rock and pavement crushing; tub grinders; and, trommel screens.

AQ-5: Standard Mitigation Measures for Construction Equipment. The standard mitigation measures for reducing nitrogen oxides (NO_x), reactive organic gases (ROG), and diesel particulate matter (DPM) emissions from construction equipment are listed below:

- a. Maintain all construction equipment in proper tune according to manufacturer's specifications;
- b. Fuel all off-road and portable diesel powered equipment with ARB certified motor vehicle diesel fuel (non-taxed version suitable for use off-road);
- c. Use diesel construction equipment meeting ARB's Tier 2 certified engines or cleaner off-road heavy-duty diesel engines, and comply with the State off-Road Regulation;
- d. Use on-road heavy-duty trucks that meet the ARB's 2007 or cleaner certification standard for on-road heavy-duty diesel engines, and comply with the State On-Road Regulation;
- e. Construction or trucking companies with fleets that do not have engines in their fleet that meet the engine standards identified in the above two measures (e.g. captive or NO_x exempt area fleets) may be eligible by proving alternative compliance;
- f. All on and off-road diesel equipment shall not idle for more than 5 minutes. Signs shall be posted in the designated queuing areas and or job sites to remind drivers and operators of the 5 minute idling limit;
- g. Diesel idling within 1,000 feet of sensitive receptors is not permitted;
- h. Staging and queuing areas shall not be located within 1,000 feet of sensitive receptors;
- i. Electrify equipment when feasible;
- j. Substitute gasoline-powered in place of diesel-powered equipment, where feasible; and,
- k. Use alternatively fueled construction equipment on-site where feasible, such as compressed natural gas (CNG), liquefied natural gas (LNG), propane or biodiesel.

AQ-6: Best Available Control Technology (BACT) for Construction Equipment. If the estimated ozone precursor emissions from the actual fleet for a given construction phase are expected to exceed the APCD threshold of significance after the standard mitigation measures are factored into the estimation, then BACT needs to be implemented to further reduce these impacts. The BACT measures can include:

- a. Further reducing emissions by expanding use of Tier 3 and Tier 4 off-road and 2010 on-road compliant engines;
- b. Repowering equipment with the cleanest engines available; and
- c. Installing California Verified Diesel Emission Control Strategies. These strategies are listed at: <http://www.arb.ca.gov/diesel/verdev/vt/cvt.htm>

AQ-7: Fugitive Dust Mitigation Measures. Projects with grading areas that are less than 4-acres and that are not within 1,000 feet of any sensitive receptor shall implement the following mitigation measures to minimize nuisance impacts and to significantly reduce fugitive dust emissions:

- a. Reduce the amount of the disturbed area where possible;
- b. Use of water trucks or sprinkler systems, 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 would be required whenever wind speeds exceed 15 mph. Reclaimed (non-potable) water should be used whenever possible. Please note that during drought conditions, water use may be a concern and the contractor or builder shall consider the use of an APCD-approved dust suppressant where feasible to reduce the amount of water used for dust control;
- c. All dirt stock-pile areas should be sprayed daily as needed;
- d. All roadways, driveways, sidewalks, etc. to be paved should be completed as soon as possible, and building pads should be laid as soon as possible after grading unless seeding or soil binders are used;
- e. All of these fugitive dust mitigation measures shall be shown on grading and building plans; and
- f. 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 20% opacity, and to prevent transport of dust offsite. Their duties shall include holidays and weekend periods when work may not be in progress.

Air Quality Monitoring Program: These conditions shall be noted on all project grading and building plans. The applicant will also be required to comply with existing regulations and secure necessary permits from the Air Pollution Control District (APCD) before the onset of grading or demolition activities including, but not limited to additional dust control measures, and evaluation for Naturally Occurring and Material Containing Asbestos. The applicant shall present evidence of a plan for complying with these requirements prior to issuance of a grading or building permit from the City. The applicant shall provide the City with the name and telephone number of the person responsible for ensuring compliance with these requirements. The Building Inspector and Community Development and Public Works Inspectors shall conduct field monitoring.

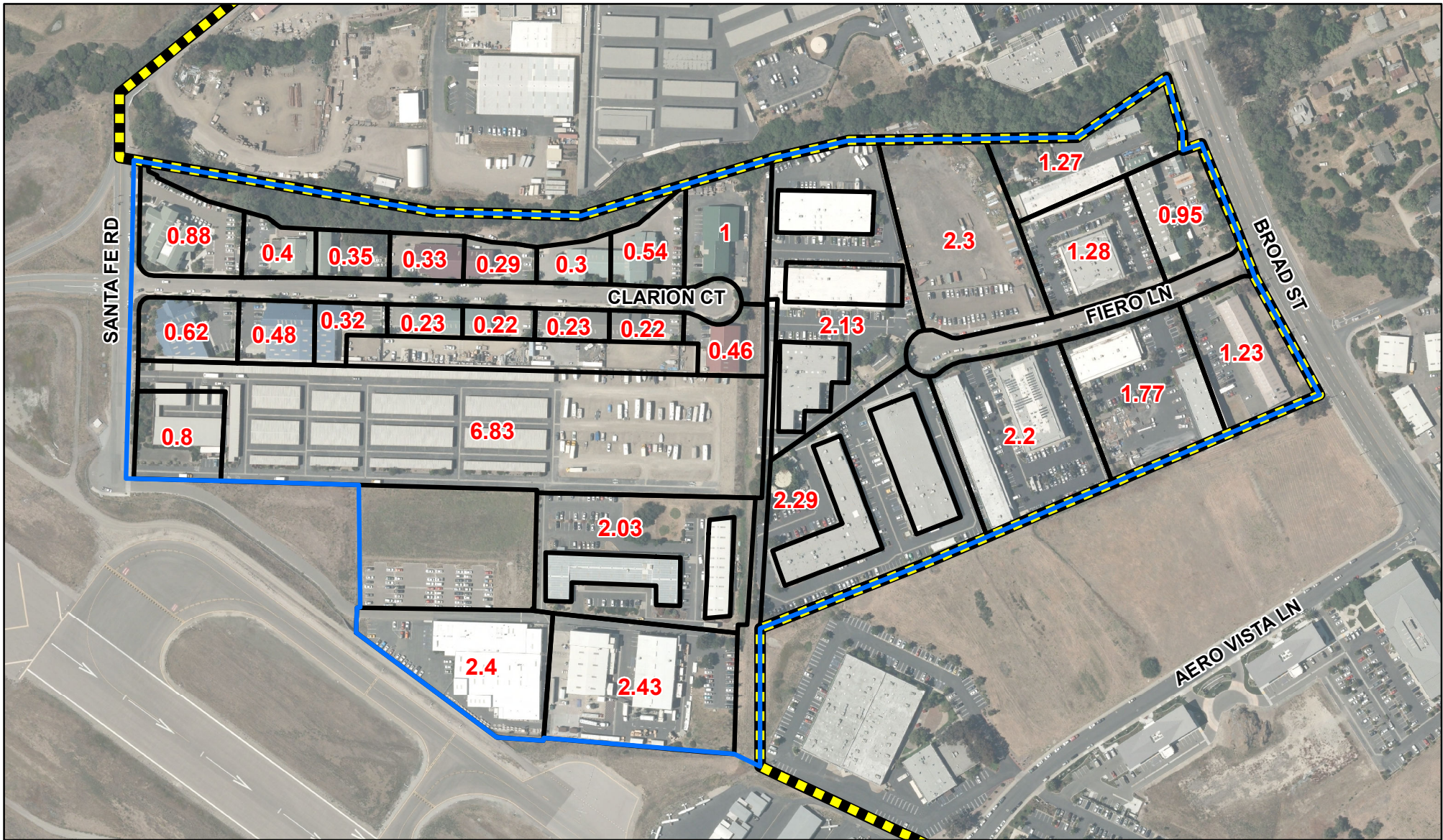
Cultural Resources and Tribal Cultural Resources

CR-1: Unanticipated cultural resource discovery. In the event archaeological, historic, or paleontological resources are unearthed or discovered during any construction activities, the following standards apply:

- a. Construction activities shall cease, and the Environmental Coordinator and Planning Department shall be notified so that the extent and location of discovered materials may be recorded by a qualified archaeologist, and disposition of artifacts may be accomplished in accordance with state and federal law, and in consultation with local Native American tribal organizations.

- b. In the event archaeological resources are found to include human remains, or in any other case where human remains are discovered during construction, the County Coroner is to be notified in addition to the Planning Department and Environmental Coordinator so that proper disposition may be accomplished.

Cultural Resources and Tribal Cultural Resources Monitoring Program: Requirements for cultural resource mitigation, in the event of unforeseen encounter of materials during the potential relocation of the wastewater treatment facility, shall be clearly noted on all plans for project grading and construction. Compliance will be verified by the Community Development Director.



Fiero Lane Proposed Annexation



WALLACE GROUP

CIVIL ENGINEERING
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612 CLARION COURT
 SAN LUIS OBISPO, CA 93401
 805 544-4011 www.wallacegroup.us



Proposed Annexation
 Boundary



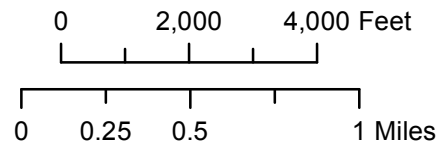
Parcel Boundary
 (Acreage)



San Luis Obispo
 City Limits



1 inch = 3,000 feet



RESOLUTION NO. 10678 (2015 Series)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN LUIS OBISPO, CALIFORNIA, APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE A MEMORANDUM OF AGREEMENT REGARDING THE PROPOSED ANNEXATION AND PROPERTY ALONG FIERO LANE AND CLARION COURT AND THE PROVISION OF INTERIM WATER AND SEWER SERVICE (850 FIERO LANE)

WHEREAS, on December 1, 2015, the City Council of the City of San Luis Obispo conducted a public hearing in the Council Chamber of City Hall, 990 Palm Street, San Luis Obispo, California, for the purpose of considering a Memorandum of Agreement regarding the proposed annexation of property along Fiero Lane and Clarion Court and the provision of interim water and sewer service; and

WHEREAS, an Addendum to the Environmental Impact Report for the Airport Area and Margarita Area Specific Plans was prepared to review any new impacts/conditions associated with the proposed project; and

WHEREAS, the City Council has duly considered all evidence, including testimony of the applicant, interested parties, and the evaluation and recommendations by staff, presented at said hearing; and

WHEREAS, notices of said public hearings were made at the time and in the manner required by law; and

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of San Luis Obispo as follows:

SECTION 1. Findings. Based upon all the evidence, the City Council makes the following findings:


1. That the Memorandum of Agreement between the City and the Fiero Lane Water Company is consistent with the Airport Area Specific Plan and General Plan policies.
2. That the Memorandum of Agreement between the City and the Fiero Lane Water Company adequately addresses the parameters of interim service and establishes sufficient penalties/timeframes to ensure future annexation or disconnection from City services.
3. That the Addendum to the Airport Area and Margarita Area Environmental Impact Report (adopted August 23, 2005 and amended September 2, 2014) properly characterizes the current drought conditions and provides substantial evidence that new conditions have not occurred that would require preparation of a subsequent Environmental Impact Report per CEQA Guidelines Sections 15162, 15164, and 15183.5.

SECTION 3. Action. The City Council hereby approves and authorizes the Mayor to execute the Memorandum of Agreement between the City and the Fiero Lane Water Company attached hereto as Exhibit "A" and incorporated herein by this reference.

Upon motion of Vice Mayor Carpenter, seconded by Council Member Christianson, and on the following vote:

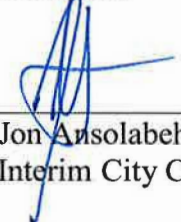
AYES:	Council Members Ashbaugh, Christianson, and Rivoire, Vice Mayor Carpenter and Mayor Marx
NOES:	None
ABSENT:	None

The foregoing resolution was adopted this 1st day of December 2015.



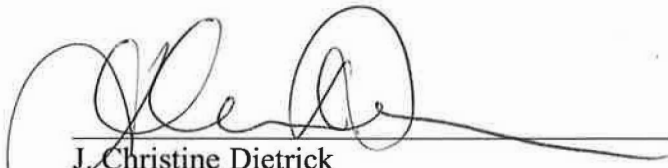
Mayor Jan Marx

ATTEST:



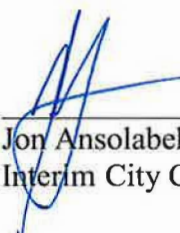
Jon Ansolabehere
Interim City Clerk

APPROVED AS TO FORM:



J. Christine Dietrick
City Attorney

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Luis Obispo, California, this 18th day of December, 2015.



Jon Ansolabehere
Interim City Clerk

**MEMORANDUM OF AGREEMENT BY AND BETWEEN THE
CITY OF SAN LUIS OBISPO AND THE
FIERO LANE WATER COMPANY**

This Memorandum of Agreement (MOA) is made and entered into this 1 day of December, 2015 (the "Effective Date") by and between the City of San Luis Obispo, a municipal corporation and charter city, (hereinafter referred to as "CITY") and, Fiero Lane Water Company, a California corporation (hereinafter referred to as "COMPANY"). CITY, and COMPANY shall hereinafter be referred to collectively as "PARTIES".

RECITALS

WHEREAS, COMPANY is a mutual water company which provides water and sewer service to property owners and their tenants within its service boundaries. A map depicting COMPANY's service area and a listing of all properties served by COMPANY is attached hereto as Exhibit 1, and incorporated herein by this reference; and

WHEREAS, COMPANY's service area is immediately adjacent to CITY's municipal boundaries, but within CITY's urban reserve line and CITY's Airport Area Specific Plan annexation area; and

WHEREAS, CITY's General Plan Water and Wastewater Element Policy No. 1.19.1A of the Water and Wastewater Element and CITY's Municipal Code section 13.04.030 state that the CITY shall be the only purveyor of water and wastewater services in the CITY's limits; and

WHEREAS, COMPANY and CITY have been negotiating the possible annexation of a portion of COMPANY's service area into CITY's boundaries. A map depicting this area to be possibly annexed is attached hereto as Exhibit 2 (the "Area") and incorporated herein by this reference;

WHEREAS, by this MOA, COMPANY and CITY wish to set forth certain terms and conditions regarding the anticipated annexation of the Area into the CITY, including, but not limited to, the provision for interim water and sewer service and the upgrade and transfer of certain portions of COMPANY's water and sewer infrastructure to CITY.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements stated herein, the PARTIES agree as follows:

1. **Payment of Costs and Expenses** – COMPANY agrees to pay for any and all costs and expenses related to the annexation of the Area into CITY's municipal boundaries, including, but not limited to, all of CITY's administrative fees, consultant fees, filing fees, planning fees, engineering fees, attorney's fees, surveying fees, inspection fees, construction

costs, conditions of approval and mitigation measures related to the preparation and review of this MOA, and all actions contemplated herein. COMPANY and CITY acknowledge and agree that the list of permit fees attached hereto as Exhibit 3 and incorporated herein by this reference is a fair and reasonable estimate of the anticipated permit fees associated with the Annexation. COMPANY acknowledges and agrees that such estimate is subject to change. Within fifteen (15) days of the Effective Date of this MOA, COMPANY shall deposit the sum of twenty five thousand dollars (\$25,000) (the "Deposit") with CITY. Such amount may be commingled with CITY's other funds. CITY may deduct its expenses from such deposit and shall provide COMPANY with regular invoices. COMPANY shall have thirty (30) days from the date of such invoice to contest the expenses and charges so described. Whenever the Deposit declines to \$5,000 or less, or is insufficient to cover any anticipated costs or expenses, CITY may request an additional deposit in an amount determined by CITY in its sole and absolute discretion. COMPANY's failure to timely deposit such funds shall be considered a material breach of this MOA, in which case CITY may cease any further action without any liability whatsoever.

2. **Annexation of Area** – Subject to the terms and conditions herein, after receiving a written request from the COMPANY, the CITY shall hold a public hearing for the consideration of the annexation request, and if authorized by the City Council, City shall file an application with the San Luis Obispo Local Agency Formation Commission ("LAFCO") to annex the Area into the CITY's municipal boundaries (the "Annexation"). COMPANY shall provide any and all information, plans (including a plan for services), documents or signatures needed for such application. COMPANY acknowledges and agrees that such annexation proceedings are subject to the discretion of LAFCO, other affected agencies and protest proceedings, and that CITY makes no guaranties, representations or warranties whatsoever regarding any outcome of the Annexation or related process. COMPANY further acknowledges that the Annexation is subject to environmental review pursuant to the California Environmental Quality Act and potentially subject to certain conditions of approval and mitigation measures. Upon annexation of the Area into the CITY's municipal boundaries (i.e. effective date of the certificate of completion) and CITY's acceptance of the water and sewer infrastructure as set forth in Section 3.d below, COMPANY shall forever cease operating within the Area so annexed.

3. **COMPANY Infrastructure -**

- a. *Existing Conditions of COMPANY Infrastructure* – COMPANY acknowledges and agrees that much of the existing water and wastewater infrastructure owned by COMPANY being used to provide water and wastewater service to the Area does not currently meet CITY standards for acceptance by the CITY following Annexation. COMPANY acknowledges that the existing stormdrain infrastructure is currently owned and maintained by the County and appears to be acceptable, subject to the completion of specific stormdrain improvements by the County, including cleaning and final inspection of the infrastructure prior to Annexation.
- b. *Required Improvements* – Prior to Annexation of the Area into CITY and CITY's provision of water and sewer to the Area, COMPANY shall upgrade the COMPANY's water and sewer infrastructure to City standards as identified in

Exhibit 4 attached hereto and incorporated herein by this reference. In addition, COMPANY shall coordinate with the County to arrange for the inspection and cleaning of the existing stormdrain by the County. COMPANY acknowledges and agrees that additional improvements to COMPANY's water and sewer infrastructure may be needed as later determined by CITY in its sole and absolute discretion. COMPANY further acknowledges and agrees that upon completion of the required improvements to the water and sewer infrastructure, COMPANY shall repair the affected right of way in its entirety to a state of good repair as determined by the CITY's Director of Public Works. COMPANY hereby expressly waives Labor Code section 1781 and hereby releases, indemnifies and holds harmless CITY from and against any claim that the infrastructure improvements required herein are subject to the payment of prevailing wages.

- c. *Responsibilities of COMPANY for Upgrades* – COMPANY shall be solely responsible for all aspects of completing the required infrastructure upgrades including, but not limited to, financing, design, permitting, bidding and construction and inspection. CITY will consider the necessary actions to establish land based funding opportunities or other related funding mechanisms in order to finance those public improvements that the COMPANY elects not to self-fund, subject to property owner approval and public hearing requirements as required by law.
- d. *Transfer of Infrastructure and Facilities* – Upon completion of all infrastructure upgrades, COMPANY shall provide CITY with:
 - i. A complete set of record drawings prepared by a registered engineer depicting the actual conditions and the locations of the water and sewer facilities proposed to be transferred to CITY;
 - ii. All documents showing all of COMPANY's easements and real property located within the Area; and
 - iii. Executed instruments, which shall be in a form or forms to the satisfaction of the City Attorney, transferring all water and sewer infrastructure, and related easements and real property within the Area to the CITY. COMPANY acknowledges that such transfer is subject to CITY accepting such infrastructure, easement and real property. COMPANY agrees to furnish CITY with a title insurance policy showing title to any easement or real property to be transferred in the name of CITY with coverage in the amount of the fair market value the property or its replacement value, as applicable.

COMPANY acknowledges and agrees that unless and until its water and sewer infrastructure are accepted by CITY, COMPANY shall be solely responsible for the operation and maintenance of such infrastructure. The CITY reserves the right to determine which infrastructure it will accept as CITY responsibility and which will remain the responsibility of COMPANY.

4. **Responsibilities of CITY** – Upon final acceptance of said infrastructure and improvements, CITY shall be responsible for operation and maintenance of the accepted water and sewer infrastructure and the provision of water and wastewater service to the Area duly annexed and served by such infrastructure.

5. **Interim Water and Sewer Service Provision** –

- a. *Interim Hook-Up* - COMPANY represents that it has received written confirmation of support for annexation from property owners within its service area that represent more than 50% of the assessed value of the land within the proposed annexation boundary. As such, COMPANY anticipates the successful completion of Annexation. CITY and COMPANY agree that due to the time required to complete the Annexation process, including the design and construction of needed improvements to the infrastructure for final acceptance by CITY, it is necessary to connect infrastructure owned and operated by COMPANY to City's system for interim water and sewer service to properties served by COMPANY while the annexation process and infrastructure improvements are being completed (the "Interim Service Period"). Prior to providing interim sewer service, the COMPANY must demonstrate to the satisfaction of the City's Utilities Director, separation of the east and west side wastewater flow. Prior to providing such interim water and sewer service however, CITY shall, at COMPANY's sole expense, submit an application with LAFCO pursuant to Government Code Section 56133 to provide new services outside its jurisdictional boundaries. CITY and COMPANY understand and agree that approval for such extraterritorial service is within the discretion of LAFCO. COMPANY further acknowledges and agrees that CITY's obligation to provide interim water or sewer service is subject to amendment of Chapter 13.16 of the CITY's Municipal Code in order to allow water and sewer service outside of the City's limits. Should LAFCO deny such application or should CITY's Municipal Code not be so amended, CITY shall have no obligation whatsoever to provide COMPANY with water or sewer service prior to Annexation. COMPANY further acknowledges and agrees that CITY shall have no obligation whatsoever to provide interim water and/or sewer service under this Section 5 unless and until COMPANY provides CITY with all necessary documents for the City's Annexation application to initiate proceedings for the annexation of the Area into the City's boundaries. During the Interim Service Period, COMPANY shall continue to provide its customers with water and sewer service and shall retain full and absolute responsibility for operations, maintenance and repair of all facilities up to the point of connection of COMPANY facilities to CITY's system. Connection to the CITY's water and sewer systems will require approval of final connection plans by the CITY's Utilities and Public Works Directors. All discharges into the City's sewer system shall comply with all CITY regulations; the CITY reserves the right to prohibit any discharge into the CITY's sewer system from COMPANY's service area during the Interim Service Period.
- b. Prior to interim hook-up, COMPANY shall provide CITY with written confirmation from the Central Coast Regional Water Quality Control Board ("RWQCB") that East Airport, also known as the Morabito-Burke and Senn-Glick commercial developments, can either relocate the existing wastewater

treatment facility operated by the COMPANY or install a new wastewater treatment facility on their premises. At a minimum, the written confirmation must specifically reference the Fiero Lane Water Company, Wastewater Discharge and Water Recycling Requirements Order NO. R3-2004-0154, Morabito-Burke and Senn-Glick commercial developments or East Airport, permission to relocate and site the Fiero Lane Water Company treatment facility or site a new wastewater treatment facility at Morabito-Burke and Senn-Glick commercial developments, and be signed by the RWQCB's Executive Officer or his designee. In addition, if the facility is not relocated prior to Annexation, the COMPANY shall also provide to City written confirmation and documentation as required by CITY that COMPANY is technically and financially capable of the relocation of the facility to the location and in accordance with the RWQB's requirements. Financial documentation can include a bond, letter or guarantee or other documentation acceptable to CITY.

- c. During the Interim Service Period, the CITY will be designing and constructing a replacement for the existing sewer gravity main in Fiero Lane and the Airport sewer pump station that will serve the Area. The CITY will work with COMPANY to identify locations for these replacement facilities and COMPANY agrees to grant easements to the CITY for both the pump station and gravity main in the location to be determined later as otherwise reasonably required by CITY.
- d. *Payment for Service* - COMPANY shall be responsible for paying any and all rates and fees associated with the provision of water or sewer service during the Interim Service Period as described in this Section until transfer of COMPANY sewer and water infrastructure to CITY is complete and CITY service to individual properties served by COMPANY is established.
 - i. Upon connection of COMPANY to CITY water service and cessation of COMPANY (well) water service to the properties listed in Exhibit 1, COMPANY shall be billed for wastewater service based upon metered water use consistent with CITY practices for billing non-residential customers in the City.
 - ii. During the Interim Service Period, water service rates shall be at normal rates in effect at the time of service unless the COMPANY is not in compliance with the Schedule (defined below) or is otherwise in default of any term or condition of this MOA, in which case such rates shall be two times the normal rate in effect at the time of service or as determined by the CITY's Director of Utilities.
 - iii. During the Interim Service Period, sewer service rates shall be at normal rates in effect at the time of service unless the COMPANY is not in compliance with the Schedule or is otherwise in default of any term or condition of this MOA, in which case such rates shall be two times the

normal rate in effect at the time of service or as determined by the CITY's Director of Utilities.

6. **Improvement and Performance Bond** – Prior to COMPANY connecting to CITY for interim water and sewer service as set forth in Section 5.a above, COMPANY shall, at COMPANY's sole expense, obtain improvement bonds or other similar assurances in favor of CITY guaranteeing the costs and expenses for the following:

- a. The processing of the Annexation application; and
- b. The removal of the water and sewer improvements for interim water and sewer service and restoration of the affected area.

The amount of each of the bonds shall be determined by the CITY's Director of Utilities, in his or her sole and absolute discretion. The CITY reserves the right to increase the amount of such bonds in the event the anticipated costs and expenses to perform the work guaranteed by such bond are greater than the amount so bonded.

7. **Water, Wastewater, and Recycled Water Development Impact Fees** –

- a. *Water and Wastewater Development Impact Fees.* Subject to the terms and conditions herein, COMPANY shall pay the water and sewer development impact fees in place as of the Effective Date and the fees identified for the City's replacement of the Airport sewer pump station to serve the Area, which are more particularly described in Exhibit "3 & 4" attached hereto and incorporated herein. These fees may be financed by CITY through land based financing or other equivalent means under terms outlined and negotiated during the financing of said impact fees. The impact fee payment(s) shall be paid at time of Annexation.
- b. *Recycled Water Development Impact Fee.* Subject to the terms and conditions herein, at the time of Annexation, COMPANY shall pay CITY a recycled water development impact fee, the amount of which shall be the lesser of:
 - i. The recycled water portion of the water impact fee at the time of Annexation based on an analysis of the equitable portion of the recycled water improvements assigned to the proposed Annexation Area, but not to exceed \$80,000; or
 - ii. The cost of installation, as determined by CITY's Engineer, at the time of Annexation for a 10 inch ductile iron recycled water line fronting 4211 Broad, 850 Fiero Lane, and 845 Fiero, in Broad Street (approximately 830 feet).

8. **Existing and Future Development.** Upon annexation, the PROPERTY may be further developed consistent with CITY policies, rules and regulations including, but not limited

to, the General Plan, the Airport Area Specific Plan (AASP), and other provisions of the Municipal Code and state law.

- a. *Non-Conforming Uses.* COMPANY recognizes that certain existing uses within the Area are not permitted or may be conditionally permitted under CITY's zoning regulations and land use policies and that such non-conforming uses are entitled to remain and continue pursuant to CITY's non-conforming land use regulations. Non-conforming uses existing as of the date of Annexation shall be allowed to relocate within the same parcel as of the date of Annexation CITY will endeavor to integrate such non-conforming uses into, and to provide for such uses within the Area in the next revision of the CITY's zoning regulations and Airport Area Specific Plan ("AASP").
- b. *Expansion of Existing Uses.* Nothing herein is intended to limit the addition or expansion of otherwise conditionally allowable uses, consistent with existing City procedures for review and approval of such additions and/or expansions.
- c. *Non-Conforming Structures.* CITY recognizes that certain structures within the Area lawfully existing as of the date of Annexation are legal non-conforming structures and may remain pursuant to CITY's non-conforming structure regulations. CITY acknowledges that such regulations allow the right to maintain and make reasonable repairs to such structures and to replace the structures consistent with CITY regulations. Changes to structural elements (with the proper CITY permit), interior partitions or other nonstructural improvements and repair may be made to any of the structure.

9. **Term and Termination of Agreement** - This MOA shall become effective as of the Effective Date and shall remain in effect until the Area is annexed and the water and sewer infrastructure are accepted by CITY pursuant to Section 3 above, unless sooner terminated as provided herein. CITY and COMPANY acknowledge and agree that the Annexation Task List and Schedule (the "Schedule") attached hereto as Exhibit "5" and incorporated herein by this reference, represents a fair and reasonable schedule for performance of the Annexation and other tasks and obligations as contemplated herein. This MOA may be terminated by either party upon the other party's failure to substantially comply with the benchmarks set forth in the Schedule provided that, prior to such termination, the party seeking to terminate provides written notice of such failure to comply and a reasonable opportunity to cure such failure. CITY and COMPANY acknowledge and agree that the Schedule shall be adjusted to account for delays which are out of the reasonable control of either CITY or COMPANY. CITY and COMPANY agree that time is of the essence in completing the work identified in Exhibit 5 of this MOA. COMPANY and CITY agree that all upgrades to the water and sewer infrastructure and right of way as described in Section 3 above shall be completed to CITY's satisfaction prior to Annexation of the Area into CITY's municipal boundaries. This MOA may be terminated by CITY without prior notice in the event of bankruptcy or insolvency of COMPANY. This MOA may also be terminated by CITY upon successful protest of the Annexation.


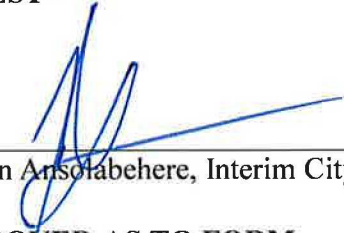
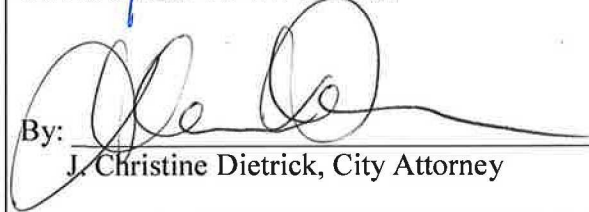

15. **Implied Obligations** – COMPANY and CITY shall reasonably cooperate to achieve the purposes of this MOA, and shall execute or provide as requested such other documents and information as are reasonably necessary to achieve those purposes.

16. **Construction** – When the context of any provision requires it, the singular shall be held to include the plural, and the masculine shall be held to include the feminine gender. Should any provisions of this MOA require judicial interpretation, it is understood by the PARTIES and agreed that a court interpreting or construing same shall not apply a presumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that the document is to be constructed more strictly against the party who prepared it sine the parties agree that both have participated in the preparation of this document with the assistance of counsel.

17. **Authority to Sign and Binding Effect** - The parties executing this MOA personally warrant that they have the full authority to enter into this MOA on behalf of the agency or entity for which they are signing, and that said agency or entity will be legally bound to the MOA by their signature hereto.

18. **Counterparts** – This MOA may be executed in counterparts.

IN WITNESS WHEREOF, this Memorandum of Agreement is executed on the date above stated, at San Luis Obispo, California.

<p>CITY OF SAN LUIS OBISPO</p> <p>By:  Jan Marx, Mayor</p> <p>ATTEST</p> <p>By:  Jon Ansofabehere, Interim City Clerk</p> <p>APPROVED AS TO FORM</p> <p>By:  J. Christine Dietrick, City Attorney</p>	<p>FIERO LANE WATER COMPANY</p> <p>By:  Its: <u>President</u> (Matt Quagliano)</p>
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**Fiero Lane Mutual Water Company
Service Area Map**

- Legend
- FLWC Boundary
- Parcel Base Map

Map prepared by
Raymond W. Jones
Raymond W. Jones & Associates
11110 N. 28th St., Suite 100
Scottsdale, AZ 85258
Tel: 480-344-7337 Fax: 480-344-7338
www.rwjmaps.com

Properties Served by FLWC (West Side of Broad Street)

<u>APN</u>	<u>APN</u>	<u>APN</u>	<u>APN</u>
076-411-054	076-413-035	076-414-023	076-414-047
076-415-007	076-413-027	076-414-021	076-414-052
076-415-006	076-413-011	076-414-007	076-414-045
076-415-012	076-413-002	076-414-039	076-414-030
076-415-013	076-413-016	076-400-010	076-414-049
076-415-015	076-413-037	076-413-023	076-414-029
076-415-009	076-414-032	076-413-009	076-400-004
076-415-014	076-413-026	076-413-013	076-414-031
076-414-009	076-413-024	076-413-003	076-414-051
076-412-001	076-413-034	076-413-019	076-414-050
076-414-016	076-400-007	076-400-005	076-415-005
076-414-012	076-400-006	076-413-020	076-415-008
076-414-013	076-413-018	076-414-041	076-412-007
076-414-014	076-413-022	076-414-037	076-412-002
076-414-011	076-413-032	076-414-038	076-412-008
076-414-015	076-413-005	076-414-042	076-411-039
076-412-009	076-413-007	076-414-043	076-415-010
076-414-010	076-413-006	076-414-036	076-415-011
076-415-016	076-413-008	076-414-034	076-400-013
076-414-006	076-413-015	076-414-033	076-401-043
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076-414-017	076-400-003	076-414-053	076-415-004
076-414-008	076-413-028	076-414-028	076-415-001
076-414-003	076-413-012	076-413-033	076-415-002
076-412-003	076-413-021	076-414-024	076-401-064
076-413-004	076-413-001	076-414-001	076-414-055
076-414-004	076-414-018	076-414-044	076-413-038
076-413-029	076-414-020	076-414-040	076-400-001
076-413-017	076-413-036	076-414-035	076-415-017
076-413-014	076-414-005	076-414-048	
076-413-025	076-414-002	076-414-046	

Properties Served by FLWC (West Side of Broad Street)

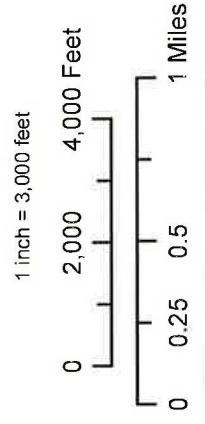
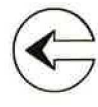
APN

076-511-040
076-512-008
076-512-030
076-511-025
076-512-024
076-512-033
076-512-023
076-512-022
076-512-004
076-512-025
076-512-026
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076-512-011
076-512-010
076-512-012
076-512-007
076-512-029
076-512-032
076-512-031
076-511-038
076-512-034
076-511-039
076-511-041
076-512-035
076-512-036

Resolution No. 10678 (2015 Series)
EXHIBIT A



Page 15



Fiero Lane Proposed Annexation

Parcel Boundary
(Acreage)



Proposed Annexation
Boundary



San Luis Obispo
City Limits



WALLACE GROUP
 CIVIL ENGINEERING
 CONSTRUCTION MANAGEMENT
 LANDSCAPE ARCHITECTURE
 MECHANICAL ENGINEERING
 PUBLIC WORKS ADMINISTRATION
 SURVEYING/SURVEILLANCE SOLUTIONS
 WATER RESOURCES
 WALLACE SWINBURGH INTERNATIONAL

812 CLARION COURT
 SAN LUIS OBISPO, CA 93401
 805.544.4011 | www.wallacegroup.us

Resolution No. 10678 (2015 Series)
EXHIBIT A

Department	Description	Amount	Comments
Administration	Economic Impact of Annexation Study	\$ 7,500	
CDD	Annexation - City process	\$ 21,447	
CDD	S-Overlay	\$ -	included in annexation
CDD	master use permit	\$ 3,250	
CDD	CEQA	\$ 2,556	Assumes MND
Applicant	Fish & Game Fees	\$ 2,260	
Applicant	Laftco Annexation Fees	\$ 10,000	
Util	Laftco Outside services agreement	\$ 3,500	
Applicant	State Board of Equalization fees - record annexation	\$ 1,200	based on assumption of less than 51 acres
PW	Encroachment Permit	TBD	
PW	ROW improvements	TBD	
PW	Upgrades required for Fire	TBD	
Util	Water (Citywide; 64.6 EDUs @ \$10,775/EDU):	\$ 696,065	Estimate
Util	Landscape meters		Waiting on details from applicant
Util	Sewer (Citywide; 64.6 EDUs @ \$3,729/EDU):	\$ 234,498	Estimate
Util	Sewer (Tank Farm 64.6 EDUs @ \$3,630/EDU):	\$ 240,893	Estimate
Util	Sewer (Airport 64.6 EDUs @ \$2,710.54/EDU):	\$ 176,101	Estimate (not approved by Council yet)
Util	Required upgrade costs for interim connection		WIP target is December 23rd
Util	Required upgrade costs for annexation		WIP target is December 23rd
Util	Recycled Water Line		
City Attorney's Office	Legal Review Fees	\$ 200,000	Rough estimate for guidance, will likely change
Finance	CFD/Landbased financing fees	\$ 45,000	Rough estimate for guidance
Total		\$ 1,769,270	Rough estimate for guidance

* 3/4" meter - 1 EDU = \$10,775
 * 1" meter = 1.7 EDU = \$18,317
 * 1 1/2" meter = 3.4 EDU = \$36,633
 ** 3/4" meter = 1.0 EDU = \$7,359 + Airport Lift Station add on fee of approximately \$2,500/EDU
 ** 1" meter = 1.7 EDU = \$12,510 + Airport Lift Station add on fee of approximately \$2,500/EDU
 ** 1 1/2" meter = 3.4 EDU = \$24,655 + Airport Lift Station add on fee of approximately \$2,500/EDU
 *****Included in annexation cost as part of pre-zoning

Required Infrastructure Improvements

Fiero Lane Water Company (FLWC) will perform a water and wastewater systems engineering analysis and design to bring their facilities to CITY standards prior to CITY acceptance of those facilities for CITY maintenance and operation. FLWC intends to complete the analysis prior to annexation, so that costs can be established. Required, documents, submittals and improvements identified to date are shown below. Additional documents, submittals, improvements or modifications to the list of improvements may be required following completion of the analysis and design and concurrence of the CITY and FLWC. The CITY reserves the right to determine which infrastructure it will accept as CITY responsibility and which will remain the responsibility of others. FLWC will be responsible for funding, design and construction of the required improvements.

1. General Water and Wastewater: Map of the entire FLWC service area including parcels and owners and size of buildings. Map shall include all infrastructure servicing the Morabito Burke service area.
2. Annual and monthly records of water pumping, distribution and consumption and wastewater generation, treatment and disposal.
3. All permits, records, agreements and reports required by regulatory agencies for water and wastewater such as but not limited to; Regional Water Quality Control Board, State Water Resources Control Board, EPA, County of San Luis Obispo, California Department of Health.
4. All letters, reports and correspondence to regulatory agencies including but not limited to; Notice of Violation(s), violation(s), fines and penalties, settlement agreements, inspections, Notice of Intent, application for waste discharge.
5. All records of water and wastewater infrastructure installation.
6. All records of water and wastewater maintenance and capital replacement.
7. All water meter reads for the last 3 years.
8. Monthly water and wastewater service rates.
9. Map of all infrastructure, included but not limited to water mains, valves, water meters, water boxes, fire hydrants, air vacs, service laterals, gravity sewers, manholes, laterals.
10. List and map of record easements.
11. Draft schedule for all submittals and construction improvements prior to annexation.

Potable Water:

1. Record easements for CITY facilities on private property.
2. Pressure and leak test existing water mains that will become CITY facilities (Fiero Lane only).
3. Public and private water mains shall be sized to meet fire flow requirements.
4. Decommission and dismantle of groundwater collection, treatment, and pumping facilities.
5. Replace fire hydrants with CITY standard hydrants.

6. Replace all water meters. Meters shall be properly sized, accurate and meet City standards.
7. Water Services shall be upgraded to current City standard.
8. Backflow preventers shall be installed where recommended by County Cross Connection Inspector.
9. Isolation valves shall be installed.

Wastewater:

1. Work with the CITY and County Airport to facilitate the CITY takeover of that portion of the Airport gravity sewer line in Fiero Lane.
2. Replace or rehabilitate failing portion of the Airport gravity sewer line – Manhole M17-15 to M17-8.
3. Fiero Lane System – Manhole M17-18 – cut open pipe to expose invert and access flow. Manhole M17-18 to M17-19 – correct grade defects.
4. Tie over eight (8) sewer laterals on Fiero Lane to the Airport gravity sewer line or new City gravity main in Fiero Lane, if available. Any necessary repairs to private laterals shall be made by FLWC prior to tie over.
5. Abandon existing FLWC gravity main once laterals are tied over to deeper airport gravity line.
6. The wastewater treatment system will be decommissioned, removed and left for COMPANY to salvage or dispose in accordance with state standards.
7. Temporary and permanent easements shall be granted to the City for replacement of the existing gravity main in Fiero Lane and the existing Airport sewer pump station. This may include the site of the existing FLWC wastewater treatment system site, or another suitable site.
8. The leach fields behind Clarion Court will be abandoned in accordance with applicable code after all Clarion properties are connected to the City wastewater collection system via private gravity or private force main connections.

Storm Drainage Infrastructure:

The existing stormdrain within the existing County right-of-way is owned and maintained by the County. The Company shall coordinate with the County to arrange for the inspection and cleaning of the stormdrain system. In the event the County is unwilling to perform the work prior to annexation, the City and Company shall work cooperatively to arrange for an alternative means of cleaning with concurrence and permission from the County.

Street Infrastructure:

1. The COMPANY will construct improvements and upgrades to Fiero Lane so as to bring the street infrastructure into a “state of good repair”. For purposes of this requirement, the definition of state of good repair includes:
 - a. Upgrading traffic control signs and markings to meet current federal, State and City standards; and

- b. Upgrade street crossings to meet Federal and City ADA ramp and crossing standards
 - c. Perform pavement maintenance as needed to meet City minimum pavement condition index requirements.
 - d. Remove and replace any damaged sections of sidewalk.
2. It is the intent of the agreement that Old Santa Fe Road south of the City/County boundary line, located immediately south of the Santa Fe Bridge, will remain under County jurisdiction after annexation of properties on Clarion Court. If as part of the LAFCO process, the City is required to take all, or part, of Old Santa Fe Road under City jurisdiction, the following requirements shall be required. The COMPANY will construct improvements and upgrades to Old Santa Fe Road, that is to be annexed to the City, so as to bring the street infrastructure into a "state of good repair". For purposes of this requirement, the definition of state of good repair includes:
- a. Upgrading traffic control signs and markings to meet current federal, State and City standards; and
 - b. Upgrade street crossings at Clarion Court and the mini storage property to meet Federal and City ADA ramp and crossing standards
 - c. Perform pavement maintenance as needed to meet City minimum pavement condition index requirements.

The limits of required improvements begin at the south side of the existing bridge across the East Fork of San Luis Creek and terminate at the cul-de-sac fronting the mini storage property. No improvements to the bridge are proposed.

EXHIBIT A

Annexation Task List and Schedule

Fiero Lane Water Company

revised 12-1-2015

Task No.	Description	Completion Date	Comments
1	Finalize Draft MOA - staff level	10/16/2015	
2	FLWC to organize written majority support for annexation	Complete	Majority support to include greater than 50% of total assessed value of western service area
3	FLWC Board approves and executes MOA	TBD	
4	FLWC Submits Application for Annexation	Complete	
6	City Council Hearing #1 (council approves and executes MOA, starting annexation and ok's pursuing Land based financing)	12/1/2015	
7	LAFCO application submittal #1 Applicant (City) petitions LAFCO for approval of interim water and wastewater service	December	Take council reso to lafco. Lafco authorizes MOA (interim service agreement)
8	SLO County approves use of gravity sewer main in Fiero Lane	1/1/2016	
9	FLWC provides City written confirmation from RWQCB that East Airport can either relocate the existing wastewater treatment facility operated by the COMPANY or install a new wastewater treatment facility on their premises.	Complete	
10	FLWC prepares plans and bonding estimate for interim service connection	1/1/2016	
11	FLWC posts bond or cash equivalent for removal of interim service connection, and initiates construction	1/15/2016	
12	City approves interim service plans (assuming 1 round of comments)	1/15/2016	
13	LAFCO Review Hearing #1	February/March 2016	2 to 3 month timeline from application submittal to hearing
14	Applicant Annexation Submittal to City (applicant provides all materials needed by application checklist and reviewing departments including mapped infrastructure and a model showing performance of proposed system once hooked up to City service)	on or before 4/1/2016	Application submittal must be deemed complete prior to step 15
15	Interim water and sewer service begins	on or before 4/1/2016	
16	FLWC prepares Engineering Study for water and sewer infrastructure, which forms the basis of the Assessment Engineer's Report	7/1/2016	Study includes lot by lot analysis of meter size for impact fees. City will provide input on restoration of Fiero Lane pavement.
17	PC Review Hearing #2 (Annexation)	September 2016	Date dependent on applicant submittal of complete application materials
18	City approves Engineering Study (assuming 2 rounds of comments)	9/30/2016	
19	City Council #2 (Council approves and executes LAFCO Annexation, Service Authorization, Addendum)	November 2016	Date dependent on applicant submittal of complete application materials and PC recommendation
20	LAFCO application submittal #2 Applicant (City) formally petitions LAFCO for approval of annexation	12/1/2016	4 to 6 month timeline from application submittal to hearing
21	FLWC prepares Assessment Engineer's Report for impact fees and infrastructure upgrades	12/1/2016	
23	LAFCO Review Hearing #2	4/1/17	
24	If necessary, City prepares and approves master Use Permit or other method to address existing uses	4/1/2017	
25	City completes Proposition 218 process and creates assessment or financing district	4/1/2017	
26	Financing District funds become available	7/1/2017	
27	FLWC prepares construction plans and specifications for infrastructure improvements	10/1/2017	
28	City reviews and approves plans (assuming 2 rounds of comments)	1/15/2018	
29	Construction of water and sewer improvements is completed, along with items referenced in MOA Section 3d.	7/1/2019	
30	City accepts constructed improvements and sets new meters.	9/1/2019	
22	FLWC provides City parcel for construction of new lift station and easement for new gravity main in Fiero Lane.	9/1/2019	Replacement of the City's Airport Lift Station was identified in 2015-17 Financial Plan, Capital Improvement Plan.
31	If necessary, FLWC relocates wastewater treatment plant to East Airport area	12/1/2019	
32	Annexation completed and impact fees paid	1/1/2020	

RESOLUTION NO. 10994 (2019 Series)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN LUIS OBISPO, CALIFORNIA, APPROVING FIRST AMENDMENT TO MEMORANDUM OF AGREEMENT REGARDING THE PROPOSED ANNEXATION AND PROPERTY ALONG FIERO LANE AND CLARION COURT AND THE PROVISION OF INTERIM WATER AND SEWER SERVICE (850 FIERO LANE)

WHEREAS, on December 1, 2015 the City Council of the City of San Luis Obispo conducted a public hearing in the Council Chamber of City Hall, 990 Palm Street, San Luis Obispo, California, for the purpose of considering a Memorandum of Agreement regarding the proposed annexation of property along Fiero Lane and Clarion Court and the provision of interim water and sewer service; and

WHEREAS, on December 1, 2015 the City Council adopted Resolution No. 10678 approving a Memorandum of Agreement (MOA) to pursue annexation of the subject properties and to provide interim water and wastewater services to said area pending completion of the annexation process; and

WHEREAS, it has become necessary to extend the deadlines of the MOA to reflect revisions to the work tasks identified therein and to allow sufficient additional time to complete the annexation process. In addition, minor clarifications are needed to address the payment of certain impact fees for new development which occurs after the effective date of the MOA and annexation of the subject property; and

WHEREAS, there have been no changed circumstances or evidence that any new impacts/conditions associated with the proposed project that were not otherwise previously analyzed would result from extension of said Memorandum of Agreement; and

WHEREAS, the City Council has duly considered all evidence, including testimony of the applicant, interested parties, and the evaluation and recommendations by staff, presented at said hearing; and

WHEREAS, notices of said public hearings were made at the time and in the manner required by law.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of San Luis Obispo as follows:

SECTION 1. Findings. Based upon all the evidence, the City Council makes the following findings:

1. That approval of the First Amendment to the Memorandum of Agreement between the City and the Fiero Lane Water Company is consistent with the Airport Area Specific Plan and General Plan policies.

2. That approval of the First Amendment to the Memorandum of Agreement between the City and the Fiero Lane Water Company adequately addresses the parameters of interim service and establishes sufficient penalties/timeframes to ensure future annexation or disconnection from City services.
3. During consideration of the 2015 MOA, the Council approved an Addendum to the certified Final Environmental Impact Report (FEIR) for the Airport Area and Margarita Area Specific Plan. The Council determined that approval of the 2015 MOA did not meet the criteria for preparing a subsequent or supplemental EIR pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15164. Following this 2015 approval, the City Council certified the Final Environmental Impact for the Land Use and Circulation Element Update, which analyzed the annexation of the Fiero Lane-Clarion Court area as it relates to potential environmental impacts associated with build-out of the General Plan. Based on these analyses, no significantly changed circumstances have occurred within the subject area since 2015 that would affect the analysis and conclusions of the approved 2015 Addendum, and approval of the extension would not result in any adverse physical environmental changes or effects that would warrant additional environmental analysis or preparation of a subsequent EIR pursuant to CEQA Guidelines Section 15164, because the project does not include any elements not already addressed the above-noted certified Environmental Impact Reports and Addendum. Based on these facts, no further environmental review is required.


SECTION 2. Action. The City Council hereby approves and authorizes the Mayor to execute First Amendment to the Memorandum of Agreement between the City and the Fiero Lane Water Company attached hereto as Exhibit "A" and incorporated herein by this reference.

SECTION 3. Further adjustment to Schedule. The City Council hereby authorizes the Community Development Director and Utilities Director to adjust the Schedule in coordination with the FLWC, if necessary, to accommodate the Statewide Community Infrastructure Program (SCIP) process, and review and approval of infrastructure improvements.

Upon motion of Vice Mayor Pease, seconded by Council Member Christianson, and on the following roll call vote:

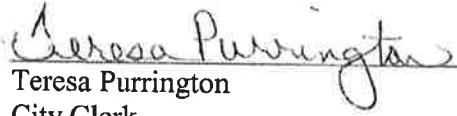
AYES: Council Members Christianson, Gomez, and Stewart,
Vice Mayor Pease and Mayor Harmon
NOES: None
ABSENT: None

The foregoing resolution was adopted this 19th day of March 2019.



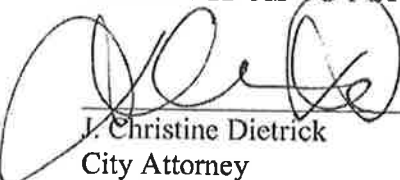
Mayor Heidi Harmon

ATTEST:



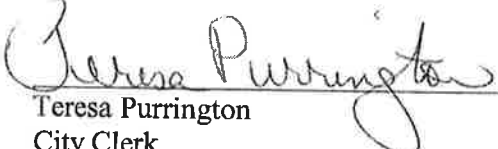
Teresa Purrington
City Clerk

APPROVED AS TO FORM:



J. Christine Dietrick
City Attorney

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Luis Obispo, California, this 1st day of April, 2019.



Teresa Purrington
City Clerk

**FIRST AMENDMENT TO
MEMORANDUM OF AGREEMENT BY AND BETWEEN THE CITY OF
SAN LUIS OBISPO AND THE
FIERO LANE WATER COMPANY**

This First Amendment to Memorandum of Agreement (“First Amendment”) is made and entered into this 19th day of March, 2019 (the “Effective Date”) by and between the City of San Luis Obispo, a municipal corporation and charter city, (hereinafter referred to as “CITY”) and, Fiero Lane Water Company, a California corporation (hereinafter referred to as “COMPANY”). CITY, and COMPANY shall hereinafter be referred to collectively as “PARTIES”.

RECITALS

WHEREAS, on March 19, 2019, CITY and COMPANY entered into a Memorandum of Agreement (“MOA”) which set forth certain terms and conditions regarding the possible annexation of the COMPANY’s service area into the CITY, including, but not limited to, the provision for interim water and sewer service and the upgrade and transfer of certain portions of COMPANY’s water and sewer infrastructure to CITY. All capitalized terms not defined herein shall have the same meaning as set forth in the MOA;

WHEREAS, by this First Amendment, the PARTIES wish to: (i) clarify what impacts fees COMPANY owes for any further development within the Area after the Effective Date of the MOA and Annexation of the Area into City; and (ii) adjust the Schedule in the MOA, as more particularly described in Section 9 of the MOA.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements stated herein, the PARTIES agree as follows:

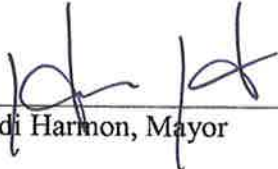


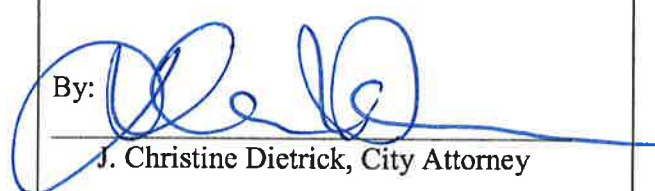
1. **Water, Wastewater, and Recycled Water Development Impact Fees** – COMPANY agrees to pay any water and sewer development impact fees in place as of the Effective Date of the MOA and the fees identified for the City’s replacement of the Airport sewer pump station to serve the Area for any existing development and any future development within the Area which receives a building permit from the County of San Luis Obispo prior to the date of Annexation, in the amounts described in Exhibit “3 & 4” of the MOA. These fees, including any impact fees may be financed by CITY through land based financing or other equivalent means under terms outlined and negotiated during the financing of said impact fees. All impact fee payment(s) shall be paid at time of Annexation.

2. **Term and Termination of Agreement** – The Schedule described in Section 9 of the MOA is hereby amended as set forth in Exhibit “1” attached hereto and incorporated herein.

3. **Incorporation of MOA.** All provisions of the MOA, as amended hereby, shall remain in full force and effect and unchanged, except as provided herein. If any provision of this First Amendment conflicts with the MOA, the provisions of this First Amendment shall control.

4. **Counterparts** – This First Amendment may be executed in counterparts.

IN WITNESS WHEREOF, this First Am is executed on the date above stated, at San Luis Obispo, California.

CITY OF SAN LUIS OBISPO	FIERO LANE WATER COMPANY
By:  _____ Heidi Harmon, Mayor	Matthew Quaglino By:  _____ Its: President
ATTEST By:  _____ Teresa Purrington, City Clerk	
APPROVED AS TO FORM By:  _____ J. Christine Dietrick, City Attorney	

Annexation Task List and Schedule (Section 9)
Fiero Lane Water Company

revised 3-6-19

Note: The schedule for uncompleted tasks requires timely action on the part of the FLWC, City, County, and CSDA (SCP). As such, the dates are not within the sole control of FLWC and may need to be adjusted accordingly.

Task No.	Description	Original Completion Date per MOA	Actual Completion Date	Proposed Completion Date	Comments
1	Finalize Draft MOA - staff level	10/16/2015	10/16/2015		
2	FLWC to organize written majority support for annexation	Complete	11/15/2015		
3	FLWC Board approves and executes MOA	TBD	12/11/2015		
4	FLWC Submits Application for Annexation	Complete	3/31/2015		
5	PC Hearing #1	Complete	Not applicable		
6	City Council Hearing #1 (council approves and executes MOA, starting annexation and OK's pursuing Land based financing)	12/11/2015	12/15/2015		
7	LAFCO application submittal #1 Applicant (City) petitions LAFCO for approval of interim water and wastewater service	December 2016	3/15/2016		
8	SLO County approves use of gravity sewer main in Fiero Lane	1/1/2016	7/1/2016		This task was originally contemplated as a City/County function. The Company assisted in the resolution via a jointly signed letter after Company-led negotiations.
9	FLWC provides City written confirmation from RWQCS that East Airport can either relocate the existing wastewater treatment facility operated by the COMPANY or install a new wastewater treatment facility on their premises.	Complete	2/23/2016		
10	FLWC prepares plans and bonding estimate for interim service connection	1/1/2016	5/18/2016		Pre-modeling for permanent connection was performed first prior to City endorsement of interim connection.
11	FLWC posts bond or cash equivalent for removal of interim service connection, and initiates construction	1/1/2016	N/A, ~\$2500 so included in deposit		
12	City approves interim service plans (assuming 1 round of comments)	1/15/2016	8/10/2016		
13	LAFCO Review Hearing #1 Interim Connection	February/March 2016	4/21/2016		
14	Applicant Annexation Submittal to City (applicant provides all materials needed by application checklist and reviewing departments including mapped infrastructure and a model showing performance of proposed system once hooked up to City utilities.)	on or before 4/1/2016	Application and fee submitted on 3/31/2015. Additional materials provided per City request prior to interim service on 3/25/2016		
15	Interim water and sewer service begins	on or before 4/1/2016	8/26/2016		
16	FLWC completes Engineering Study for water and sewer infrastructure, which forms the basis of the SCP Engineer's Report	7/1/2016	3/25/2016		Meter size analysis and water main configuration included, but confirmation needed on sewer connections from City gravity main / lift station project.
At this point in the original schedule, annexation was to proceed to completion prior to securing funding, with the City taking the lead on the Proposition 218 process. The tasks below have been resorted to accommodate the City's revised approach, and funding will be secured first, allowing annexation to occur following funding so the City can oversee the preparation of engineering plans and construction inspections for the infrastructure improvements.					

17	County to adopt SCIP/CSCDA Resolution, consenting use of the SCIP Program	Not in original MOA	9/11/2018		
18	City to adopt SCIP/CSCDA Resolution, consenting use of the SCIP Program	Not in original MOA	11/15/2018		
19	Formal application for SCIP funding for Fiero Lane annexation	Not in original MOA	11/26/2018		
20	City/Fiero Apply for LAFCO Extension	Not in original MOA		March 2019	
21	LAFCO conducts public hearing on Outside User's Agreement Extension	Not in original MOA		March 2019	Requesting a 1-year extension, to March 2020
22	City confirms scope of sewer improvements necessary (if any) prior to implementation of new gravity sewer and lift station	Not in original MOA		3/1/2019	For inclusion in SCIP Engineer's Report. Company is also in discussions with SLO Co on street rehabilitation costs, though property-owner funding will be assumed if necessary.
23	SCIP Staff prepares Engineer's Report for Proposition 218 Process	Not in original MOA		6/1/2019	Timing to be confirmed by SCIP staff
24	CSCDA/SCIP Resolution of Intention	Not in original MOA		August 2019	
25	SCIP Funding Confirmed and Available	Not in original MOA		October 2019	
26	City Council #2: Council approves and executes LAFCO Annexation, Service Authorization, Addendum			May 21, 2019	City elected to defer annexation until after funding becomes available (April 2017)
27	LAFCO application submittal #2 Applicant (City) formally petitions LAFCO for approval of annexation			June 2019	
28	LAFCO Review Hearing #2, Completing annexation			August-September 2019	Final action by LAFCO to coincide with 2019 Extension request
29	Preparation of detailed construction documents for permanent connections, street rehabilitation, and meter replacement (scope of sewer improvements to be confirmed)			February 2020	Includes City approval process
30	City files Boundary Map - Secure State Board of Equalization approval - Finalize annexation			April-May 2020	
31	Property Owners secure City Business Licenses			April-June 2020	
32	Construction of water and sewer improvements is completed, along with items referenced in MOA Section 3d, new meters set, impact fees are paid.			July 2020	Construction begins after annexation approved and funds become available
33	FLWC provides City parcel for construction of new lift station and easement for new gravity main in Fiero Lane.			July 2020	
34	If necessary, FLWC relocates wastewater treatment plant to East Airport area			TBD	Pending East Airport discussions, may not be necessary

Exhibit 4

Required Infrastructure Improvements

Fiero Lane Water Company (FLWC) will perform a water and wastewater systems engineering analysis and design to bring their facilities to CITY standards prior to CITY acceptance of those facilities for CITY maintenance and operation. FLWC intends to complete the analysis prior to annexation, so that costs can be established. Required, documents, submittals and improvements identified to date are shown below. Additional documents, submittals, improvements or modifications to the list of improvements may be required following completion of the analysis and design and concurrence of the CITY and FLWC. The CITY reserves the right to determine which infrastructure it will accept as CITY responsibility and which will remain the responsibility of others. FLWC will be responsible for funding, design and construction of the required improvements.

1. General Water and Wastewater: Map of the entire FLWC service area including parcels and owners and size of buildings. Map shall include all infrastructure servicing the Morabito Burke service area.
2. Annual and monthly records of water pumping, distribution and consumption and wastewater generation, treatment and disposal.
3. All permits, records, agreements and reports required by regulatory agencies for water and wastewater such as but not limited to; Regional Water Quality Control Board, State Water Resources Control Board, EPA, County of San Luis Obispo, California Department of Health.
4. All letters, reports and correspondence to regulatory agencies including but not limited to; Notice of Violation(s), violation(s), fines and penalties, settlement agreements, inspections, Notice of Intent, application for waste discharge.
5. All records of water and wastewater infrastructure installation.
6. All records of water and wastewater maintenance and capital replacement.
7. All water meter reads for the last 3 years.
8. Monthly water and wastewater service rates.
9. Map of all infrastructure, included but not limited to water mains, valves, water meters, water boxes, fire hydrants, air vacs, service laterals, gravity sewers, manholes, laterals.
10. List and map of record easements.
11. Draft schedule for all submittals and construction improvements prior to annexation.

Potable Water:

1. Record easements for CITY facilities on private property.
2. Pressure and leak test existing water mains that will become CITY facilities (Fiero Lane only).
3. Public and private water mains shall be sized to meet fire flow requirements.
4. Decommission and dismantle of groundwater collection, treatment, and pumping facilities.
5. Replace fire hydrants with CITY standard hydrants.
6. Replace all water meters. Meters shall be properly sized, accurate and meet City standards.

7. Water Services shall be upgraded to current City standard.
8. Backflow preventers shall be installed where recommended by County Cross Connection Inspector.
9. Isolation valves shall be installed.

Wastewater:

1. Work with the CITY and County Airport to facilitate the CITY takeover of that portion of the Airport gravity sewer line in Fiero Lane.
2. Replace or rehabilitate failing portion of the Airport gravity sewer line – Manhole M17-15 to M17-8.
3. Fiero Lane System – Manhole M17-18 – cut open pipe to expose invert and access flow. Manhole M17-18 to M17-19 – correct grade defects.
4. Tie over eight (8) sewer laterals on Fiero Lane to the Airport gravity sewer line or new City gravity main in Fiero Lane, if available. Any necessary repairs to private laterals shall be made by FLWC prior to tie over.
5. Abandon existing FLWC gravity main once laterals are tied over to deeper airport gravity line.
6. The wastewater treatment system will be decommissioned, removed and left for COMPANY to salvage or dispose in accordance with state standards.
7. Temporary and permanent easements shall be granted to the City for replacement of the existing gravity main in Fiero Lane and the existing Airport sewer pump station. This may include the site of the existing FLWC wastewater treatment system site, or another suitable site. FLWC will provide recorded permanent easement to the City of San Luis Obispo for the site of the existing FLWC wastewater treatment system for the construction of a City lift station to serve the area. The FLWC existing electrical service will be provided to the City. Clear access will be provided to the easement area from Fiero Lane.
8. The leach fields behind Clarion Court will be abandoned in accordance with applicable code after all Clarion properties are connected to the City wastewater collection system via private gravity or private force main connections.

Storm Drainage Infrastructure:

The existing stormdrain within the existing County right-of-way is owned and maintained by the County. The Company shall coordinate with the County to arrange for the inspection and cleaning of the stormdrain system. In the event the County is unwilling to perform the work prior to annexation, the City and Company shall work cooperatively to arrange for an alternative means of cleaning with concurrence and permission from the County.

Street Infrastructure:

1. The COMPANY will construct improvements and upgrades to Fiero Lane so as to bring the street infrastructure into a “state of good repair”. For purposes of this requirement, the definition of state of good repair includes:

- a. Upgrading traffic control signs and markings to meet current federal, State and City standards; and
 - b. Upgrade street crossings to meet Federal and City ADA ramp and crossing standards
 - c. Perform pavement maintenance as needed to meet City minimum pavement condition index requirements.
 - d. Remove and replace any damaged sections of sidewalk.
2. It is the intent of the agreement that Old Santa Fe Road south of the City/County boundary line, located immediately south of the Santa Fe Bridge, will remain under County jurisdiction after annexation of properties on Clarion Court. If as part of the LAFCO process, the City is required to take all, or part, of Old Santa Fe Road under City jurisdiction, the following requirements shall be required. The COMPANY will construct improvements and upgrades to Old Santa Fe Road, that is to be annexed to the City, so as to bring the street infrastructure into a "state of good repair". For purposes of this requirement, the definition of state of good repair includes:
- a. Upgrading traffic control signs and markings to meet current federal, State and City standards; and
 - b. Upgrade street crossings at Clarion Court and the mini storage property to meet Federal and City ADA ramp and crossing standards
 - c. Perform pavement maintenance as needed to meet City minimum pavement condition index requirements.

The limits of required improvements begin at the south side of the existing bridge across the East Fork of San Luis Creek and terminate at the cul-de-sac fronting the mini storage property. No improvements to the bridge are proposed.



Fiero Lane/Clarion Court Annexation

Plan for Services – March 2016

Contents:

1. Law Enforcement
 2. Fire Protection (Including Paramedic and Ambulance)
 3. Parks and Recreation
 4. Streets and Paths
 5. Public Transit
 6. Solid Waste and Recycling
 7. Government Services, Development Review and Code Enforcement
 8. Water and Wastewater
 9. Storm Drainage
 10. Affordable Housing
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1. Law Enforcement

The San Luis Obispo Police Department provides a variety of law enforcement and community services. Police services are based at 1042 Walnut at the intersection of Santa Rosa (Highway 1) and Highway 101. The Department consists of 90 employees, 62 of which are sworn police officers. This results in a ratio of about 1.4 officers-per-1000 residents. However, the City of San Luis Obispo is an employment center, so the daytime population of the City's urban area increases by about 30,000 people per day over its resident population. Thus, the officers-per resident ratio can be a misleading descriptor of service level.

The Department is divided into two police bureaus, with a Police Captain commanding each. The Operations Bureau consists of a Patrol Services Division, a Traffic Safety Unit, and a Situation Oriented Response Team, and Neighborhood Services. The majority of the Operations Bureau resources are devoted to patrol services and traffic safety. The Administrative Services Bureau consists of Administrative Services Division, Investigative Division, Communications Division, Records Unit, and Information Services Unit. This bureau provides services essential to law enforcement in the City and the effective use of the Operations Bureau resources. According to the Safety Element of the City's General Plan, the Department has a 30% available-time objective for patrol officers. Available time is the portion of time that a patrol unit is not already on call or otherwise unavailable to respond to a new emergency call for service. The level of service in the annexed territory is the same as in the rest of the city.

The Airport Area Specific Plan indicates that the proposed annexation will drive the need for additional personnel and equipment to maintain the current level of service and meet the available-time objective for patrol response. The Specific Plan also indicates the potential need for a police substation/work area with urbanization of the area.

Resources are allocated to the Police Department through the City's 2-year budget and financial plan process. Requests for additional resources are weighed against other potential uses of the City's general fund. The City expected that service demands and revenues both would increase upon annexation of the Airport Area. Increased service demands will continue approximately in proportion to the amount of new development in the area at a gradual pace over several years.

The level of service provided to the Fiero Lane/Clarion Court Annexation Area will be the same as provided to the rest of the Specific Plan Area.

2. Fire Protection (Including Paramedic and Ambulance)

The City of San Luis Obispo Fire Department provides emergency and non-emergency fire protection services in the City. Emergency services include fire response, emergency medical response, hazardous materials response, and public assistance. Non-emergency services include fire and life safety inspections, building inspections, building plan checks, fire code investigations, arson investigations, and public education. Additionally, the SLOFD is a member of a countywide team that responds to hazardous materials incidents throughout the County.

The Fire Department operates 4 fire stations and has a firefighter/population ratio of approximately 1 firefighter per 1,000 residents. Headquarters (Fire Station #1) is located on the corner of Broad Street and South Street, Fire Station #3 is located at 1280 Laurel Lane, and Fire Station #4 is located at the corner of Madonna and Los Osos Valley Road. County Fire Station #21, which is located on the runway, provides for airport crash fire rescue services. This station also provides emergency response services for a rather large rural area. The City currently maintains a mutual aid agreement with Calfire to allow this station to respond to matters within the airport area.

The Airport Area Specific Plan indicates that upon annexation of the plan area, the Department's minimum staffing level may need to be increased. In addition, because of increased population and the increased potential hazards of the industrial area, the City may need to add additional inspectors to augment existing staff.

The proximity of these stations to the Airport Area provide for emergency response times of 4 minutes or less. The Fire Department's standard of coverage recommends that a three-person engine company, with paramedic, meet this standard 95 percent of the time. All SLOFD engine companies (first responders during an emergency call) include at least one paramedic.

In 2013, the Chevron EIR evaluated development and annexation of the Chevron property and therefore evaluated the potential for fire department operational needs. The EIR concluded that the majority of the Airport area is not within the City's desired 4-

minute response time. However, this response time may be enhanced by the completion of circulation improvements including the completion of Prado Road, Santa Fe Road, and the widening of Tank Farm Road. Even with these improvements planned for the future, the EIR concluded mitigation is necessary to achieve the City’s policy objectives for response time (Safety Element Policy 10.3).

These mitigation measures are incorporated into the AASP as follows:

Policy 7.9.1: Adequate Fire Suppression Services and Facilities

The City shall provide adequate fire suppression services and facilities to the Airport Area, consistent with the Safety Element of the General Plan, by completing area transportation improvements, co-locating City fire services with existing CAL-Fire facilities located on Broad Street, and/or establishing a permanent facility within the Airport Area.

Policy 7.9.2: Fire Station Location and Site Dedication

During the first phase of development of the Chevron Tank Farm site, property that is suitable for the development of a new fire station shall be deeded to the City, to the approval of the Fire Chief.

Policy 7.9.3: Interim Safety Improvements

Until a permanent facility is developed that enables the City to achieve its response time objectives, new development in the Airport Area may be required to finance other improvements that will contribute to alleviating current deficiencies, as identified in the San Luis Obispo Fire Department Master Plan (2009). This policy will be implemented on a case by case basis through conditions of approval when project specific fire and life safety impacts are identified.

The proposed annexation was anticipated by the Airport Area Specific Plan. The Specific Plan indicates that development of the plan will drive the need for additional personnel, including firefighters and inspectors, to maintain the current level of service.

Resources are allocated to the Fire Department through the City’s 2-year budget and financial plan process. Requests for additional resources are weighed against other potential uses of the City’s general fund. The City expects that service demands and revenues both will increase upon annexation. Increased service demands will continue approximately in proportion to the amount of new development in the area at a gradual pace over several years.

The level of service provided to the Fiero Lane/Clarion Court Annexation Area will be the same as provided to the rest of the Specific Plan Area.

3. Parks and Recreation

The proposed annexation area is already developed and no additional development is proposed at this time. The area does not include parkland because no residential neighborhoods are proposed.

4. Streets Maintenance and Development

The proposed annexation boundaries have been created in consideration of the City's ability to maintain public infrastructure within the annexation area. The City's Pavement Management Plan was originally adopted in 1998 and provides the framework for the City's maintenance program. The heart of the program is computer software that analyzes the conditions of various street segments via special algorithms and then makes maintenance recommendations according to the available budget. The City has purchased MicroPaver, a program originally written by the Army Corps of Engineers to maintain military bases. This program is made available to the public via the American Public Works Department and the University of Illinois. It is continually updated and maintained by the Corps and is in use throughout the United States and worldwide.

Within the annexation area, existing public streets will be upgraded to City standards by the applicant and accepted by the City for maintenance upon completion of the upgrades. Maintenance of existing streets within the annexed territory will be accomplished by incorporating the streets into the pavement management program.

5. Public Transit

Currently the nearest bus route (Route 3) is located about 1,500 feet north of the annexation area and the City's Transportation Division is in the process of expanding said route. No development is proposed in the annexation area, however, as development occurs in the Airport Area, the potential for new or expanded bus routes will be evaluated in accordance with the potential routes identified in the specific plans. New development is responsible for providing transit facilities, such as turnouts, shelters and in some cases, smart signs that indicate how soon the next bus will arrive.

6. Solid Waste and Recycling

The City of San Luis Obispo contracts with San Luis Garbage Company for garbage, green waste and recycling services. San Luis Garbage disposes of solid waste at the Cold Canyon Landfill, which is a regional facility. San Luis Garbage also serves commercial and residential properties within the City's urban reserve and no change in service is expected for annexed properties.

The City also runs a construction and demolition debris recycling program (Municipal Code Chapter 8.05). The goal of the program is to divert the bulk of the materials generated from projects within the City of San Luis Obispo from the landfill and thus, extend the landfill's lifespan. Construction and demolition debris materials represent a significant percentage of the City's solid waste stream, with current estimates at 25 percent of the total tonnage. The program helps the City meet State-mandated requirements for solid waste reduction.

7. Municipal Services, Development Review and Code Enforcement

The City of San Luis Obispo will provide for municipal services within the annexed territory such as elections, public notices, development review, building permits and inspections, subdivision review, permitting and inspecting public improvements, and code enforcement. San Luis Obispo City government will provide for development

review of all new development projects in accordance with the Airport Area Specific Plan, and will coordinate with the County of San Luis Obispo with respect to on-going construction projects and active construction permits. Code enforcement activities are provided by full-time staff in the Community Development Department, in coordination with the Police Department and the City Attorney's Office. Government services are based at City Hall, 990 Palm Street, San Luis Obispo.

8. Water and Wastewater

According to water metering records from the Fiero Lane Water Company (FLWC), annual water demand for the Fiero Lane/Clarion Court annexation area is 8,293 units/year or 19 acre feet per year for both indoor and outdoor landscape use. The Airport Area Specific Plan and the City's General Plan anticipated the water demand to serve this annexation and adequate water supplies are available to serve the build out of the City's General Plan.

The City has existing 12-inch potable water mains on Broad Street and Aerovista. For interim service, a water meter is proposed to be located on Aerovista with a future permanent meter location at Broad Street and Fiero Lane. The annexation area is in the City's *Water Reuse Master Plan* area and will be served with recycled water for landscape irrigation in the future when the recycled water distribution system is extended south on Broad Street.

Wastewater generation for the annexation area, including the 500,123.5 square feet of developed area, is approximately 15,000 gallons per day. Connection to the City's gravity sewer is proposed to be located at the end of Fiero Lane (existing County-owned gravity main carrying flow from the Airport) to the City's Airport lift station. The Airport lift station pumps flow to a gravity main on Broad Street that extends west on Tank Farm Road to the Tank Farm lift station. Both facilities have capacity to serve the proposed annexation.

Some parcels within the proposed annexation area are served by existing septic tanks. Properties that receive access from Santa Fe Road will continue to use septic systems. Properties remaining on septic tanks will be allowed to remain on septic until the system fails or substantial additions or redevelopment of the property is proposed. At the time of failure or substantial increase in development, those properties will be required to connect to the sewer system.

In 2015, average flow to the City's Water Resource Recovery Facility was 3.5 million gallons per day (mgd). Design capacity of the WRRF is 5.1 mgd and the planned upgrade to the facility will increase its capacity to 5.4 mgd. Adequate capacity is available at the facility to serve the proposed annexation.

9. Storm Drainage

On-site flooding and the potential for increased downstream flooding have restricted development potential in the Airport area. When considering how to address storm

drainage in the area, a number of objectives are identified in the Airport Area Specific Plan. These include:

- Use the City’s Drainage Design Manual and Waterways Management Plan as the basis for all detention requirements in the Specific Plan area.
- Provide a method for flood protection consistent with the City’s Flood Damage Prevention Regulations.
- Maximize the opportunity for environmental enhancement of stream corridors and stormwater detention and conveyance facilities.
- Minimize capital expenditures.
- Provide opportunities for multiple-use of storm drainage facilities.

Initially, an area-wide drainage solution was envisioned for the Airport Area. This solution was referred to as the Storm Drain Master Plan and relied on significant creek channel modifications to keep storm flows within existing creek channels, modified natural channels, and in man-made by-pass channels. A regional detention basin south of Buckley Road was proposed to detain water and prevent downstream flooding. After this solution was developed, the City’s Waterways Management Plan was approved, which includes a Drainage Design Manual with standards for on-site storm water detention. Once it became evident that the costs of the original Storm Drain Master Plan were prohibitive, the Storm Drain Master Plan was revised to allow for on-site detention of storm flows, consistent with the Drainage Design Manual.

The following proposed improvements and development requirements comprise the revised Storm Drain Master Plan for the Airport Area, and also improve the upstream situation in the Margarita Area:

1. Remove and replace existing Acacia Creek Bridge at Tank Farm Road with a standard Caltrans 2-span concrete slab bridge.
2. Remove and replace existing East Branch San Luis Obispo Creek Bridge at Santa Fe Road with a standard Caltrans 2-span concrete slab bridge.
3. Remove and replace the existing Tank Farm Creek culvert facilities at Tank Farm Road with a standard Caltrans 2-span concrete slab bridge.
4. Apply the requirements of the City’s Floodplain Management Regulations to proposed development within the Airport Area.
5. Apply the requirements of the City’s Waterways Management Plan, Drainage Design Manual to proposed development within the Airport Area.

These proposed improvements, along with implementation of existing City-wide ordinances and requirements are expected to provide 100-year flood protection and provide for environmental enhancement of stream corridors. The analytical methods outlined in the Waterway Management Plan, Drainage Design Manual will be used to assist in the future design of flood control improvements.

10. Affordable Housing

The proposed annexation area is currently developed with commercial structures/existing commercial uses and no new development is proposed as part of this application. Affordable housing would be required if new development is proposed in the future. Per the City's Inclusionary Housing Requirement (Zoning Regulations Chapter 17.91), any new commercial projects that include over 2,500 square feet of floor area must provide affordable housing or pay in-lieu fees. The requirement is two affordable dwelling units per acre of land, or payment of an in-lieu fee equal to 5% of building valuation. The City uses the fees collected for affordable housing projects that meet eligibility criteria as specified by Council resolution.