

AGENDA ITEM: A- 1

DATE: March 6, 2013

ACTION: APPROVED

SYNOPSIS MINUTES - MORRO BAY PLANNING COMMISSION
REGULAR MEETING – FEBRUARY 6, 2013
VETERANS MEMORIAL HALL – 6:00 P.M.

Chairperson Grantham called the meeting to order at 6:00 p.m.

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| PRESENT: | Rick Grantham | Chairperson |
| | John Solu | Vice-Chairperson |
| | Paul Fennacy | Commissioner |
| | Robert Tefft | Commissioner |
| | Michael Lucas | Commissioner |
| STAFF: | Rob Livick | Public Services Director |
| | Kathleen Wold | Planning Manager |
| | Cindy Jacinth | Assistant Planner |

ESTABLISH QUORUM AND CALL TO ORDER
MOMENT OF SILENCE / PLEDGE OF ALLEGIANCE
PLANNING COMMISSIONER ANNOUNCEMENTS

Chairperson Grantham opened the discussion to the Commissioners regarding the nomination of a new Chairperson and Vice-Chairperson of the Planning Commission.

MOTION: Commissioner Fennacy moved to nominate Chairperson Grantham as the Chairperson of the Planning Commission.

The motion was seconded by Commissioner Solu and the motion passed (4-0), with Chairperson Grantham abstaining.

MOTION: Commissioner Fennacy moved to nominate Commissioner Solu as the Vice-Chairperson of the Planning Commission.

The motion was seconded by Commissioner Tefft and the motion passed unanimously. (5-0).

PUBLIC COMMENT

Chairperson Grantham opened Public Comment period.

Jim Polly, resident of Morro Bay, spoke against the installation of the proposed Nutmeg water tank and stated he believed there would be a negative visual impact. He suggested moving the

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proposed tank north and east, and dropping it below the ridge line. Polly expressed concern that the trucks required to move the dirt will disturb the neighborhood.

Chairperson Grantham closed Public Comment period.

PRESENTATIONS – None.

Unless an item is pulled for separate action by the Planning Commission, the following actions are approved without discussion.

A. CONSENT CALENDAR

A-1 Approval of minutes from Planning Commission meeting of January 16, 2013

Staff Recommendation: Approve minutes as submitted.

MOTION: Chairperson Grantham moved to approve the Consent Calendar. Commissioner Solu seconded and the motion.

Commissioner Fennacy noted a correction to the minutes. Regarding Item B-3 on the January 16, 2013 Minutes, Fennacy stated the project was a City of Morro Bay property rights issue, not a general property rights issue.

AMENDED MOTION: Commissioner Fennacy moved to approve the minutes as amended. Chairperson Grantham seconded and the motion and the motion passed (4-0), with Commissioner Lucas abstaining.

B. PUBLIC HEARINGS

B-1 **Case No.:** Coastal Development Permit #CP0-389

Site Location: 170 Atascadero

Proposal: Modifications to existing water treatment plant (DESAL) including new tanks, new transformer, replacement of pumps, installation of various mechanical equipment.

CEQA Determination: Categorically exempt, Class 1

Staff Recommendation: Conditionally approve.

Staff Contact: Kathleen Wold, Planning Manager

Wold presented the staff report with one amendment to the conditions. She stated there shall be an archaeological monitor on site to oversee all ground disturbance activities.

Chairperson Grantham asked staff to clarify who awarded the grant. Livick confirmed the grant was awarded by California Department of Health Services and it is a Proposition 84 grant that was awarded, in part, to make the necessary upgrades in order to treat contaminated groundwater from Morro Basin. Livick stated the City is currently working with Coastal Commission Staff to get the permit approved.

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Chairperson Grantham asked staff what portion of the total project cost would be covered by the grant. Livick stated the grant would likely cover a little less than half of the total cost and the remainder would come from accumulation funds.

Chairperson Grantham asked how long the facility would be out of service. Livick estimated it would be closed for a few months but noted the Applicant would have a more exact estimate.

Barry Rands, Applicant, asked the Commission for approval of the Coastal Development Permit. He stated the proposed upgrade would primarily serve to increase the reliability and efficiency of the brackish water systems. Rands confirmed the facility would be shut down for 150 days, per the contract.

Chairperson Grantham asked Rands if the only time the City would not want to shut down the facility would be during state water shutdown. Rands confirmed the desalination plant is primarily used during state water shutdowns, but also during emergency shutdowns and periods of peak demand when there is not enough state water.

Commissioner Lucas asked Rands to clarify the cause of the nitrate contamination in Morro Well, and Rands stated the contamination was agriculturally-related.

Commissioner Lucas asked for clarification regarding what the City will be asking the Coastal Commission to approve. Livick stated the City will be asking for permanent operations. He stated the existing desalination facility is permitted, but the permits on the ancillary facilities are expiring, so the City would like authorization to upgrade the permanent facility while also working on the permanent permit for the ancillary facilities.

Commissioner Lucas asked if the City is self-insured on this project, as the development would be occurring in the flood zone. Livick stated the new structures must be elevated two feet above existing elevation, consistent with the new flood damage prevention regulations.

Commissioner Lucas noted the staff report did not address visual mitigations.

Commissioner Fennacy asked if there is a risk of losing grant funding if the City does not meet certain deadlines. Livick stated the current deadline is July 1, 2013 and noted there are possibilities for extension which the City will likely pursue.

Commissioner Fennacy asked staff to clarify whether the City currently operates the plant without the authorization of a Coastal Development Permit, and Livick confirmed the City does operate without a permit.

Commissioner Solu noted the plant will be shut down during peak summer months, and asked Rands what will happen if state water shuts down at the same time. Rands clarified the City is able to request more state water if needed.

Commissioner Solu noted the existing structures sit below the floodplain and expressed concern that the City may be required to move the facility in the future. Livick stated it is possible that the City may need to relocate the facility in the future, but because the proposed upgrade does

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not involve a significant addition of equipment, it does not face the same issues as the wastewater treatment plant upgrade.

Commissioner Tefft asked staff if the City has a contingency plan in case state water and the desalination plant shut down at the same time. Livick stated the City would rely on its emergency storage tanks or on the emergency exchange agreement with the California Men's Colony (CMC).

Commissioner Tefft asked staff how long the City could sustain itself without state water. Livick stated the water supply from the CMC could sustain the City for a fairly extended period of time.

Commissioner Tefft asked for clarification regarding which water sources are processed at the desalination plant. Livick stated state water does not come through the desalination facility but is delivered directly to the Kings Tank site.

Chairperson Grantham spoke about the previous issue the City had with nitrates in the water.

Chairperson Grantham opened Public Comment period.

Bill Martony, resident of Morro Bay, asked for clarification regarding whether the City is allowed to operate the desalination plant without a Coastal Development Permit. Martony also stated some of the nitrates in the water are coming from failed septic tanks or from the collections system in Cayucos.

Chairperson Grantham closed Public Comment period.

Commissioner Tefft expressed support for the project and stated he would like the City to reexamine CEQA as the facility's use has expanded since the original EIR was written.

Livick responded to Martony's comment and noted the saltwater wells and outfall line do not have permits to operate but the desalination plant does. Livick discussed alternative measures for treating water if the desalination plant is not allowed to operate without a permit. Because it is a public health and safety issue, however, the City will continue to operate the plant as needed.

Commissioner Lucas expressed support for the project but stated he would like to see the City develop a different long term strategy for treating the City's water.

Commissioner Fennacy expressed support for the project but stated he has concerns about the visual aspects of the project.

Chairperson Grantham expressed support for the project.

MOTION: Commissioner Solu moved to approve Item B-1 as stated with the attached amendment to have an archaeological monitor on site during construction.

The motion was seconded by Chairperson Grantham and the motion passed unanimously. (5-0).

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Livick stated the City will work to better screen the yard equipment so as to reduce the visual impacts of the facility.

B-2 **Case No.:** Abandonment #E00-103 and Coastal Development Permit #CP0-391

Site Location: 3420 Toro Lane

Proposal: A Coastal Development Permit for the abandonment of approximately 15,600 square foot portion of fee owned Toro Lane right of way, North of Yerba Buena and Westerly of the existing West curb line of Toro Lane. The abandonment will be processed using the procedures identified in the California Streets and Highways Code Section 8300 et seq. These procedures require that the abandonment (vacation) be in conformance with the City's General Plan.

CEQA Determination: Categorically exempt, Class 5

Staff Recommendation: Conditionally recommend approval to City Council.

Staff Contact: Rob Livick, Public Services Director (805) 772-6261

Livick presented the staff report.

Commissioner Lucas discussed with staff the height requirements and development potential in this zone. Lucas asked whether the applicant could add a second floor to a house on the property, and Livick confirmed that would be a possibility. Lucas asked staff if the easements on the abandonment would prohibit development there. Livick stated he was unsure what the actual development potential is for the site.

Livick reviewed the procedural steps for how the abandonment would continue if approved.

Chairperson Grantham opened Public Comment period.

Bill Martony, resident of Morro Bay, spoke against the project, stating there is a need for more parking in the area and this property should be used for overflow parking; the property is public property and should stay in the public domain; and the northern part of the property is already developed.

Roger Ewing, resident of Morro Bay, spoke against the project and seconded Martony's notions regarding parking. He also spoke against the proposed installation of the solar-powered data collector units for the Advanced Meter project.

Russ Nikata, resident of Morro Bay, spoke against the project, stating he would like a better indication of how the applicant intends develop the property in the future.

Mark Starbel, resident of Morro Bay, spoke against the project, stating the project area should be used as a parking lot. He asked the Commission to identify the access point on the property. Grantham stated the driveway would be indicated on the precise plan, which would be developed at a later phase of the project.

Chairperson Grantham closed Public Comment period.

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Commissioner Fennacy expressed support for the project, stating there is substantial evidence to show this project is in conformity with public access and public recreation.

Commissioner Solu asked Livick to address some of the concerns mentioned during Public Comment.

Livick stated the following:

- Regarding the improvements in the blue shaded area of the site plan, they were authorized under a Coastal Development Permit and a Special Encroachment Permit which allow private improvements to exist on publicly owned property.
- Regarding access points on the property, there are several, including a 10-foot wide access way onto Yerba Buena, an exit onto Toro Lane, and a small section of the property which exits onto Beachcomber. Livick noted the request for abandonment was not for access purposes but for a more orderly development of the property.

Commissioner Solu asked Livick if the property would be sold to the highest bidder. Livick stated he was unsure about the City's practices regarding the selling of property but noted that any member of the public could potentially buy it. He stated the strip of land would not be developable.

Commissioner Tefft asked Livick to clarify the riparian setback on the property. Livick stated, due to the ESHA on the property, there is a minimum 50 foot setback. He noted an ESHA buffer reduction is allowed under Code, with Planning Commission approval.

Commissioner Tefft stated he appreciates the need for parking in the area but noted the City has no plans of developing parking there. Livick confirmed the General Plan does not anticipate developing parking there.

Commissioner Tefft expressed concern that the proposal is unfinished and stated he would not vote for the project.

Commissioner Lucas expressed concern that future development on the site could negatively impact the surrounding residences.

Chairperson Grantham expressed support for the project.

MOTION: Commissioner Solu moved the Commission forward a favorable recommendation on Abandonment #E00-103 and Coastal Development Permit #CP0-391 with the removal of Condition C from the Resolution.

The motion was seconded by Commissioner Fennacy and the motion passed. (3-2), with Commissioners Lucas and Tefft dissenting.

B-3 **Case No.:** Coastal Development Permit #CP0-382

Site Location: *nearest address* 2990 Alder

Proposal: Request to install a 29 foot wood pole in public right-of-way for purpose of

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installation of a solar-powered data collector unit for the Advanced Meter project.

CEQA Determination: Categorically exempt, Class 3

Staff Recommendation: Conditionally approve.

Staff Contact: Cindy Jacinth, Assistant Planner, (805) 772-6577

Jacinth presented the staff report.

Chairperson Grantham opened Public Comment period.

Timothy Mahoney, Applicant's Representative, explained the motivation for the project.

Livick noted this item was brought before City Council as an informational item last fall, and at that time, staff told Council this project would require a Coastal Development Permit.

Michael Jean Thibodeau-Hall, resident of Morro Bay, spoke against the project, citing potential radiation as well as aesthetic and environmental impacts. He suggested relocating the poles.

Sherry Hainey, resident of Morro Bay, spoke against the project, stating it would block her view of the ocean. She expressed concern that both the new housing development across from her home and the proposed pole would negatively impact the neighborhood.

Bill Martony, resident of Morro Bay, suggested co-locating the poles with existing poles so as to reduce clutter on the streets.

Chairperson Grantham closed Public Comment period.

Chairperson Grantham stated he is concerned about visual blight and stated he would like to see the meters installed on existing poles. He suggested the applicant contact the City about renting existing poles for this purpose.

Commissioner Solu seconded Grantham's notion regarding visual blight and asked the applicant how they have addressed this issue in other cities where they have installed poles.

Scott Loveless, Applicant's Representative, explained that if a community has undergrounded utilities, the Gas Company is still obligated to serve that community and thus install the poles.

Commissioner Solu asked Loveless about the reception of poles in the undergrounded communities and Loveless stated it varies from community to community. The Gas Company does consider co-locating the poles when the location permits. Loveless stated the Gas Company has examined each site closely and has determined any existing poles are not feasible for co-location due to suitability issues. Each location was selected in order to provide 100 percent network coverage as mandated by the California Public Utilities Commission.

Commissioner Solu asked Loveless if any of the proposed poles have been identified for co-location. Loveless confirmed the only site that would potentially work for co-location would be at the corner of Pacific and Main where there are two street light poles. Once ownership is

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identified, the Gas Company will be able to move forward and determine the feasibility of co-location. The other four sites lack above-ground structures that would work for these purposes.

Commissioner Solu discussed with Loveless what alternatives have been proposed to the cities with mixed reception. Loveless stated the Gas Company works with other utility companies when possible to arrange for co-location on distribution poles. Commissioner Solu asked Loveless to clarify whether the Gas Company is able to find alternative locations if a city determines it does not want the poles. Loveless stated they are mandated to provide 100 percent coverage to each of the communities they serve.

Commissioner Solu asked Loveless if there would be any savings to the community if the project is approved. Loveless stated there are operational savings, and the technology allows customers to gauge their energy usage.

Commissioner Tefft asked if the DCUs emit radiation. Loveless confirmed the DCUs receive and transmit data, so there are EMF emissions associated with the DCU but they are negligible.

Tefft asked for clarification regarding the power level of the DCUs. Juan Maldonado, Construction Manager for the project, stated the power output is less than four watts.

Commissioner Tefft asked the Applicant to clarify why there is such a disparity in the density of coverage in the City. Loveless stated there are DCUs outside the City limits (not shown on the coverage map) that provide the same redundancy because this is a region-wide project and not confined to City limits.

Commissioner Tefft asked Loveless if the Gas Company has conducted an inventory of poles for potential co-location. Loveless stated the Gas Company conducted site visits with the City and determined at the time there were no feasible poles that could be used for co-location. Tefft and Loveless discussed the potential for mounting the DCUs on buildings but Loveless explained funding is not available to do so.

Livick stated the City owns very few street light poles. The City pays PG&E to own and maintain the street lighting system.

Commissioner Fennacy asked about the consequences of denying this project. Loveless stated the Gas Company is obligated to provide 100 percent network coverage to the community.

Commissioner Lucas suggested exhausting all co-location options before installing new poles.

Chairperson Grantham asked about the possibility of renting pole space from PG&E. Loveless stated the Gas Company has executed an agreement with PG&E for co-location, but it does not allow co-location on distribution poles.

Chairperson Grantham and Livick discussed the options available to the Applicant and the Commission if the City decided to review alternatives to installing the poles. Loveless stated four of the five proposed sites are the best solution for the community in terms of allowing the gas company to provide adequate network coverage. The fifth site may be able to be relocated.

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Mahoney asked the Commission to approve the proposed pole at Little Morro Creek Road.

Commissioner Solu spoke against the project.

Commissioners Fennacy and Lucas stated they would like to continue the item and examine other options.

MOTION: Commissioner Fennacy moved to continue Coastal Development Permit #CP0-382 to the next Planning Commission meeting on March 6, 2013 at 6 pm.

The motion was seconded by Chairperson Grantham and the motion passed unanimously. (5-0).

- B-4 **Case No.:** Coastal Development Permit #CP0-383
 Site Location: *nearest address* 499 Little Morro Creek Road
 Proposal: Request to install a 29 foot wood pole in public right-of-way for purpose of installation of a solar-powered data collector unit for the Advanced Meter project.
 CEQA Determination: Categorically exempt, Class 3
 Staff Recommendation: Conditionally approve.
 Staff Contact: Cindy Jacinth, Assistant Planner, (805) 772-6577

Jacinth presented the staff report.

Chairperson Grantham opened Public Comment period and hearing none, closed Public Comment period.

Commissioner Fennacy echoed his same concerns from Item B-3.

MOTION: Commissioner Fennacy moved to continue Coastal Development Permit #CP0-383 to the next Planning Commission meeting on March 6, 2013 at 6 pm.

The motion was seconded by Chairperson Grantham and the motion passed unanimously. (5-0).

- B-5 **Case No.:** Coastal Development Permit #CP0-384
 Site Location: *nearest address* 781 Quintana. This location is located in the Coastal Commission Appeals Jurisdiction.
 Proposal: Request to install a 29 foot wood pole in public right-of-way for purpose of installation of a solar-powered data collector unit for the Advanced Meter project.
 CEQA Determination: Categorically exempt, Class 3
 Staff Recommendation: Conditionally approve.
 Staff Contact: Cindy Jacinth, Assistant Planner, (805) 772-6577

Jacinth presented the staff report.

Chairperson Grantham opened Public Comment period and hearing none, closed Public Comment period.

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MOTION: Commissioner Fennacy moved to continue Coastal Development Permit #CP0-384 to the next Planning Commission meeting on March 6, 2013 at 6 pm.

The motion was seconded by Chairperson Grantham and the motion passed unanimously. (5-0).

B-6 Case No.: Coastal Development Permit #CP0-385
Site Location: *nearest address* 255 Driftwood
Proposal: Request to install a 29 foot wood pole in public right-of-way for purpose of installation of a solar-powered data collector unit for the Advanced Meter project.
CEQA Determination: Categorically exempt, Class 3
Staff Recommendation: Conditionally approve.
Staff Contact: Cindy Jacinth, Assistant Planner, (805) 772-6577

Jacinth presented the staff report.

Chairperson Grantham opened Public Comment period.

Michael Jean Thibodeau-Hall, resident of Morro Bay, expressed appreciation to the Commission for their decision to examine alternative options.

Chairperson Grantham closed Public Comment period.

MOTION: Commissioner Fennacy moved to continue Coastal Development Permit #CP0-385 to the next Planning Commission meeting on March 6, 2013 at 6 pm.

The motion was seconded by Chairperson Grantham and the motion passed unanimously. (5-0).

Chairperson Grantham recused Commissioner Solu from the following hearing item.

B-7 Case No.: Coastal Development Permit #CP0-388
Site Location: *nearest address* 300 Kings
Proposal: Request to install a 29 foot wood pole in public right-of-way for purpose of installation of a solar-powered data collector unit for the Advanced Meter project.
CEQA Determination: Categorically exempt, Class 3
Staff Recommendation: Conditionally approve.
Staff Contact: Cindy Jacinth, Assistant Planner, (805) 772-6577

Commissioner Solu recused himself from this hearing item.

Jacinth presented the staff report.

Chairperson Grantham opened Public Comment period and hearing none, closed Public Comment period.

Commissioner Tefft requested that the Applicant think creatively about alternative options.

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MOTION: Commissioner Fennacy moved to continue Coastal Development Permit #CP0-388 to the next Planning Commission meeting on March 6, 2013 at 6 pm.

The motion was seconded by Chairperson Grantham and the motion passed (4-0).

Chairperson Grantham reopened the Public Comment period to allow the Applicant's representative to speak.

Timothy Mahoney, Applicant's Representative, stated he did not need clarification from the Commission regarding the next steps in the process.

Commissioner Solu rejoined the meeting.

UNFINISHED BUSINESS

C-1 Current and Advanced Planning Processing List

Staff Recommendation: Receive and file.

Upcoming Projects: #CP0-390, State Park's request to upgrade 25 campsites at Morro Strand Campground

Livick reviewed the Work Program with Commissioners.

NEW BUSINESS – None.

DECLARATION OF FUTURE AGENDA ITEMS

Commissioner Lucas asked staff about the desalination plant's capability to provide a back-up supply of water if needed. Livick stated the plant does have this capability.

Livick stated Rob Schultz will be providing a refresher on the Brown Act at the next Planning Commission meeting.

ADJOURNMENT

The meeting adjourned at 8:47 pm to the next regularly scheduled Planning Commission meeting at the Veteran's Hall, 209 Surf Street, on Wednesday, March 6, 2013 at 6:00 pm.

Rick Grantham, Chairperson

ATTEST:

Rob Livick, Secretary