

SECTION 1.0 INTRODUCTION

1.1 INTRODUCTION

This Draft Environmental Impact Report (EIR) assesses the environmental effects from the Las Pilitas Quarry proposed by Las Pilitas Resources, LLC. The project will require approval of a Conditional Use Permit (CUP) and Reclamation Plan by San Luis Obispo County. The County case number is: DRC2009-00025. The proposed quarry and related improvements would occupy approximately 41 acres within the 234 acre property, in the Las Pilitas Plan Area north of State Route 58 (SR 58) and east of the Salinas River, approximately three miles northeast of the Santa Margarita community. The property is designated Rural Lands and is covered by the EX1 (Energy and Extractive Resources) Combining Designation which extends over a large portion of the Las Pilitas Planning Area in recognition of the aggregate resources present in the La Panza granitic rocks there.

1.2 PURPOSE AND INTENDED USES OF THE EIR

The County of San Luis Obispo Department of Planning and Building has prepared this EIR as the Lead Agency under the California Environmental Quality Act (CEQA). The EIR is an informational document intended to provide descriptions of the environmental effects of the proposed quarry. It may be used by the County decision makers, other agencies, and members of the public in reviewing and considering the project. Although the EIR analyzes the environmental effects of the project and presents mitigation measures to reduce those effects, the final conclusions regarding environmental impacts will be made by the County Planning Commission, or Board of Supervisors if the Planning Commission action is appealed, as part of their environmental findings when considering the project.

1.3 PROJECT OBJECTIVES

1.3.1 Listing of Objectives

COSE Objectives

Concrete grade aggregate, consisting of crushed granitic rock used in Portland Cement Concrete (PCC) and Asphaltic Concrete (AC) pavement, is particularly important for road building and maintenance and other construction. Both the State of California (Busch and Miller 2011:1) and the San Luis Obispo County Conservation and Open Space Element (COSE – 2010: page 6-1) recognize the important role of aggregate minerals in supporting construction and economic growth within the region. The basic purpose of the proposed quarry is to contribute towards fulfillment of that role.

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Goals identified by San Luis Obispo County relative to the extraction and use of mineral resources are found in the Conservation and Open Space Element, (COSE, San Luis Obispo County May 2010: Goals MN1 through MN3). These goals form the first two objectives of the project:

- A. Develop significant mineral deposits in a manner that protects sensitive natural resources and existing adjacent uses, and is consistent with other County general plan goals and policies.
- B. Protect significant mineral resources from land uses that threaten their availability for future mining.

Site-specific Market Objectives

The project site is within the La Panza Granitics EX1, (Energy and Extractive Resources) Combining Designation in the Las Pilitas Planning Area (discussed more in Section 1.3.2 below), and has been planned for an aggregate quarry by the property owner for twenty years. When the Coastal Branch of the California Aqueduct was constructed, the final condemnation agreement between the state and the property owner contained several features in recognition of the currently proposed aggregate mining use. These included the construction by the state of two reinforced crossings within the property that would allow heavy trucks to drive over the buried pipeline. The agreement also defined a buffer along the pipeline route, outside of which blasting for aggregate mining would be allowed. Thus, there are market objectives associated with this application as well as the conservation goals noted above. These two objectives are stated as follows:

- C. Develop known concrete-grade aggregate reserves in the local production-consumption region in accordance with previous planning and coordination with the California Department of Water Resources, state policy, the County EX1 Combining Designation, and applicable regulations.
- D. Provide an additional source of aggregate material in the local production-consumption region, with a permitted production of up to 500,000 tons/year for approximately 30 years, consistent with state policy, the County EX1 Combining Designation and applicable regulations, and in a manner that supports independent contractor and other local use groups.

Recycling Objective

In addition to the goals above related directly to mineral resources, the County also has several policies and programs intended to promote sustainable development through measures to reduce energy consumption and the emission of carbon dioxide from transportation and other activities. One of these measures is to increase solid waste recycling (San Luis Obispo County COSE May 2010: page 5.18). A specific recommended measure in

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the County's Climate Action Plan, as well as an implementation strategy in the COSE, is to increase the amount of construction and demolition waste recycling from construction projects from the current 50 percent requirement to 75 percent (San Luis Obispo County, Energywise Plan, November 2011: pages 5-31 and 5-32). With this goal in mind, another objective of the project is as follows:

- E. Contribute towards increased recycling of construction and demolition debris to help achieve an overall goal of 75 percent recycling for this type of waste material.

Transportation Objective

Recent California law (Assembly Bill 566 [Galgiani]) amended the Public Resources Code (PRC) to require the State Mining and Geology Board, upon request, to transmit information regarding the location of aggregate resources to metropolitan planning organizations (such as the Council of Governments in San Luis Obispo County). This information may then be used in regional transportation planning efforts. In passing the bill the legislature recognized that the production and development of local mineral resources "...are vital to reducing transportation emissions that result from the distribution of hundreds of millions of tons of construction aggregates that are used annually in building and maintaining the state" (PRC 2711(d)). Neither the COSE nor the County's Climate Action Plan contain a specific reference to locating aggregate mines or transportation of aggregate material, but both documents identify a general goal of reducing all transportation related emissions through measures intended to minimize vehicles trips and vehicle miles travelled (San Luis Obispo County Energywise Plan, November 2011: page 5-35, and COSE 2010:page 2.9). Thus, an additional objective of the project is as follows:

- F. Locate a concrete-grade aggregate quarry as near as practicable to use areas in the San Luis Obispo-Santa Barbara Production-Consumption region, and with minimal reliance on local streets to gain highway and freeway access.

The following paragraphs provide more information about aggregate resources in the County and how the proposed quarry relates to the above objectives.

1.3.2 Background Information Regarding Objectives

All of the area proposed to be mined is covered by the EX1 Energy and Extractive Resource Combining Designation (San Luis Obispo County Las Pilitas Planning Area Rural Combining Designations Map, 2009), which is placed over a large portion of the Las Pilitas Planning Area (shown in Section 3.1 of this EIR). This Combining Designation recognizes the California Department of Conservation classification of the area as MRZ-2, which means that the State Geologist has identified these areas as containing significant deposits of aggregate material (San Luis Obispo County Las Pilitas Area Plan 2003: page 6-1). The project design and reclamation plan is intended to comply with the statute and regulations of

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the California Surface Mine and Reclamation Act (SMARA, found at 2 PRC 2710, and 14 CCR 3500) and with the County requirements found in Chapter 22.36 of the County Land Use Ordinance.

The State of California recognizes the importance of aggregate resources in supporting highway construction and maintenance and general economic activity. The State Mining and Geology Board develops guidelines for mineral land classification, which require that the State Geologist classify specified areas into Mineral Resource Zones, such as the MRZ-2 classification noted above. The most recent update of the classification study including San Luis Obispo County was prepared in 2011 and describes other requirements as follows (Busch and Miller 2011:3):

The guidelines also require that classification reports for construction aggregate resources include the following additional information: (1) the location and estimated total quantity of construction aggregate in areas with land-uses compatible with potential mining; (2) limits of the market area that these potential resources would supply; and (3) an estimate of the total quantity of aggregate material that will be needed to supply the area for the next 50 years.

The market areas defined in the estimates prepared by the California Geological Survey are known as “production-consumption” regions. San Luis Obispo County and Santa Barbara County are evaluated as a single production-consumption region for purposes of estimating the supply and demand for aggregate resources. Current and past estimates of aggregate material supply and demand within this local production-consumption region are summarized in Table 1-1 below.

**TABLE 1-1
SUMMARY OF DEMAND AND SUPPLY ESTIMATES FOR AGGREGATE
MATERIAL IN THE SAN LUIS OBISPO-SANTA BARBARA PRODUCTION-
CONSUMPTION REGION**

Year	Estimated 50-Year Demand (million tons)	Estimated Permitted Production (million tons)	Reference
1989	205.8 (76.2 must be PCC aggregate grade)	107	Miller et al 1989:Table 10 and Table 7
2001	99	93	Kohler 2006:Table 3 and Table 2
2006	243	77	Kohler 2006:Table 1
2011	262.6 (136.6 must be concrete-grade)	75	Busch and Miller 2011: Table 4 and Table 2

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The following points summarize information from the above table:

- The 50-year demand for aggregate resources in the region is approximately 263 million tons.
- The current permitted aggregate production for the same time projection amounts to 75 million tons, or 29 percent of the 50-year demand.

Through consolidation and vertical integration in the aggregate and construction industry, the two major nearby granitic surface mines are now operated by large national or international construction companies. Cal Portland Construction, Inc. (a subsidiary of Taiheiyo-Cement Corporation) operates the Rocky Canyon Quarry; and Heidelberg Cement Company owns Lehigh Hanson Aggregates, which operates the Santa Margarita Quarry adjacent to the project site. While both of these producers are major suppliers of aggregate material, they also compete with local businesses for other material supply and highway construction and repair contracts. Other aggregate suppliers exist in the larger production-consumption region, but are not as conveniently located to serve the San Luis Obispo County and nearby market areas. The Las Pilitas Quarry is proposed in part to help improve the overall regional balance between projected supply and demand for aggregate material, and in part to provide an additional independent source of material to support local business, public works departments, and other local customers. Additional information regarding the locations of other aggregate mines in the region and the economics of aggregate mining and transport is provided in Appendix D as part of the background information related to air quality.

Access to the property is directly from SR 58, and most of the property consists of steep hillsides covered with chaparral and sage scrub vegetation. The proximity to SR 58, while advantageous for project-related truck traffic, also makes the site directly visible from this highway. The steep hillsides and natural vegetation on the property are aesthetic and biological resources characteristic of this region. Addressing these other natural resource values is part of the challenge for any mining plan in this region. The project is designed with the intent of balancing the proposed mining with the conservation of other resources in a phased approach (described in more detail in Section 2.3 below). The project would first construct the access and facilities to support the mining, then mine and grade access to the most extensive granitic rock portions of the property while reclaiming disturbed areas as work progresses.

The project design also includes the permanent conservation of 68.8 acres of the property, which would be retained in its current condition as undisturbed native habitat. The existing ranching uses on the southern portion of the property would continue during and after completion of the proposed mine. The proposed conservation program would preclude the development of future residential or other uses over the conservation area. This conservation area will serve a dual purpose by preserving the biological and scenic resources associated

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with the land, and limiting the potential for future development that may be incompatible with future mineral extraction that may occur in nearby areas.

The recycling component of the project would include the receipt, temporary storage, and re-sale of PCC and AC material within the local market area. This proposed activity is described in more detail below, but is intended to help conserve aggregate resources; the amount of this recycled material would be within the maximum of 500,000 tons of product per year anticipated with the project.

1.4 PERMITS AND AGENCY REVIEW

1.4.1 County of San Luis Obispo and Office of Mine Reclamation

The primary governing approvals for the project are the Conditional Use Permit (CUP) for the surface mine and the Reclamation Plan required by the County and by SMARA. The CUP is required by County Code for “mines and quarries” as a resource use in the Rural Lands category (see Table 2-2 in Section 22.06 of the Land Use Ordinance [LUO]). The specific permit requirements for this type of use (mining) and Reclamation Plan requirements are found in Section 22.36 of the County Code.

Since the project site is located within the Extractive Resource Area (EX1) combining designation addressed in Chapter 22.14 of the LUO, the recycling component of the project may be governed by Section 22.14.050. In particular, Section 22.14.050 (B)(2) states: “Approval of any use other than mineral resource extraction may be granted only when the finding is made that the proposed use will not adversely affect the continuing operation or expansion of a mineral resource extraction use.” Other requirements related to recycling and storage yards are also set forth in Section 22.30.560, and these can be applied to the project as appropriate through the CUP.

The County Planning and Building Department reviews the application for the CUP, develops conditions for the project, and makes recommendations to the County Planning Commission who has approval or denial authority over the CUP. The Planning Commission approval or denial may also be appealed to the County Board of Supervisors.

Approval of the Reclamation Plan that meets the requirements of SMARA and the County SMARA Ordinance is required by the County prior to any surface mining operation (Section 22.36.050). The California Department of Conservation, Office of Mine Reclamation (OMR), has reviewed and commented on the Reclamation Plan. The County is required to consider and respond to the OMR comments and to notify OMR prior to any public hearing for the project (PRC 2774(c)–(e)).

Other County permit approvals, such as for the installation of a new septic tank and leach field, will also be accomplished by the Planning and Building Department as part of the

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review and permitting of grading and building plans. These requirements could also include preparation of a Stormwater Quality Plan in accordance with Section 22.10.155 of the County Land Use Ordinance. If required, this plan would take the place of the Statewide General Permit for industrial activities discussed in subsection 1.4.3 below.

No fuel storage tanks, vehicle maintenance facilities, or similar activities are proposed with this project. No explosives or blasting material will be stored on-site. Therefore, it is not anticipated that the mine operator will be required to have hazardous materials handling and storage permits. If such permits are required, they would be issued by the County Environmental Health Services (EHS) Division of the Public Health Department, upon review of required hazardous materials management plans.

The County of San Luis Obispo serves as the CEQA Lead Agency in preparing the EIR for the project. The OMR may review and comment on the EIR, as well as the Reclamation Plan. Beyond these two major authorities, the following agencies will have review and/or approval authority over the project.

1.4.2 CalRecycle

The California Department of Resources Recycling and Recovery (CalRecycle), implements statutes and regulations related to solid waste management. For San Luis Obispo County, CalRecycle also serves as the Enforcement Agency for applicable solid waste and recycling regulations. The PCC and AC recycling component of the project is subject to the authority of CalRecycle. A full Solid Waste Facility Permit would be required if the project handled 1,500 tons per day or more of this recycled material. For smaller daily operations (less than 1,500 tons per day), a simpler Notification is required (14 CCR 17381.2). Some of the applicable requirements for this type of permit are presented in the Project Description (Section 2.3.1), and the detailed requirements are at 14 CCR 17383.7. The Notification must also be accompanied by an Inert Debris Type A Processing Operations Plan. As part of their review, CalRecycle must determine that the Operations Plan is complete and correct as required by regulations. Also, CalRecycle must conduct inspections of the facility to help ensure compliance with all applicable regulations.

1.4.3 State Water Resources Control Board and Regional Water Quality Control Board

The State Water Resources Control Board (SWRCB) regulates discharges that may pollute surface or groundwater. Since the project is not proposing the use of water in any treatment or processing, it is not expected to seek Discharge Requirements from the Regional Water Quality Control Board (RWQCB). The main concern is the management of stormwater runoff from areas disturbed by mining and from project roadways, and processing areas. The project will be required to obtain coverage under the Statewide General Permit for construction activities and the Statewide General Permit for industrial activities, both issued

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by the SWRCB. These permits require the filing of a Permit Registration Documents (construction permit) or Notice of Intent (industrial permit) and preparation of a Stormwater Pollution Prevention Plan with the incorporation of Best Management Practices in the project design and operation to minimize the potential for surface water pollution. The RWQCB will review the project and has the final authority to determine the appropriate water quality permits necessary for the project.

1.4.4 California Department of Fish and Game

The project will involve grading and alteration of the seasonal drainage or swale that drains much of the quarry project site and exits the property near the center of its western boundary. This drainage leads to the Salinas River, which is located about 1,000 feet farther to the west. For drainages falling under Section 1600 of the state Fish and Game Code, the operator must have the agreement of California Department of Fish and Game (CDFG) before altering the streambed.

1.4.5 California Department of Transportation

The project includes construction of the new access drive at SR 58, which will require work within the California Department of Transportation (Caltrans) right-of-way. It is also possible that other project related improvements (drainage controls, utility lines) may involve some work in the highway right-of-way. Project conditions of approval include off-site roadway or intersection improvements, or contributions to such improvements, which may also be in the Caltrans right-of-way. Any work in the Caltrans right-of-way requires an Encroachment Permit from that agency. Caltrans will also review this EIR and provide input to the County in the evaluation of traffic effects from the project.

1.4.6 California Public Utilities Commission

SR 58 crosses the Union Pacific Railroad (UPRR) tracks just east of El Camino Real at the northeastern edge of Santa Margarita. All railway crossings by public highways and roads require approval of the Public Utilities Commission (CPUC). In the event that alterations within the railroad right-of-way are necessary at this crossing, CPUC will have review and approval authority. UPRR would also be involved if alterations to their improvements are necessary. Even if no alterations are proposed at this location, both CPUC and UPRR may review and comment on the EIR.

1.4.7 US Army Corps of Engineers

Although the property containing the quarry site is adjacent to the Salinas River, the quarry itself would be over 1,000 feet from the river and no dredging, discharge, or other alteration of the river is proposed. If the grading and mining activity in the seasonal drainage mentioned above (in Section 1.4.4) is deemed to be an alteration of jurisdictional waters or

national wetlands by the Army Corps, then review under Section 404 of the federal Clean Water Act (CWA) will be necessary. This review may result in the determination that a permit is not necessary, or that the activity may be covered under an existing nationwide permit subject to conditions, or that an individual permit is necessary. The latter two cases also require certification by the RWQCB that the action will not affect water quality, pursuant to Section 401 of the CWA.

1.4.8 San Luis Obispo County Air Pollution Control District

As proposed, the project will not include a permanent rock crushing and sorting installation. Instead, portable equipment will be brought to the site periodically to process aggregate material as necessary. Such portable equipment is registered with the California Air Resources Board, with annual reports of operations, and does not receive a permit from the local Air Pollution Control District (APCD). The San Luis Obispo County APCD will review the project, however, including the emissions estimates related to construction activity as well as the overall operations proposed. This review may result in the identification of specific mitigation measures to reduce or offset emissions. The project is also still subject to APCD rules that restrict emissions of visible plumes or that cause a nuisance. It is also possible that the APCD may require a permit (Authority to Construct and Permit to Operate) for future use of rock processing equipment or some other aspect of the project.

1.5 READER'S GUIDE

This EIR has been prepared to include all of the contents as described in the CEQA Guidelines (14 CCR Article 9 starting at Section 15120). Most of the analysis and discussion of environmental topics is presented in Section 4.0, and its subsections that address the major environmental topics and specific issues within each topic. Within each of the topic subsections in Section 4, information is presented in the following order:

1. Existing Conditions
2. San Luis Obispo County Plans and Policies
3. Regulatory Setting
4. Assessment Methodology
5. Significance Criteria
6. Project Impacts and Mitigation Measures

The discussions of impacts and mitigation consider both direct and indirect effects of the project. These include effects that are on-site and off-site and effects that are immediate (related to construction) and long-term (related to operations).

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Cumulative effects are discussed as appropriate in each subsection, and are summarized in Section 5.0. For certain issues, the presentation of cumulative effects relies on a list of projects either recently approved or pending that would have effects contributing towards overall impacts related to that issue. For other topics (such as issues in traffic and air emissions), cumulative effects are evaluated through the use of regional projections.

The Executive Summary includes an abbreviated project description, and then a series of tables that incorporate all of the potential impacts and mitigation measures presented in Section 4.0. This section clearly identifies any impacts that are considered significant and not mitigable.

Section 2 presents the Project Description. Some of the CEQA Guideline content requirements for Project Description – specifically the Project Objectives and the Uses of the EIR – are presented in this Introduction (Sections 1.2 and 1.4 above).

Section 3 includes a brief Environmental Setting that provides some regional context for the project. More details regarding the setting relative to specific issues are presented in the Existing Conditions portions of each topic within Section 4.0.

Alternatives are presented in Section 6. The closing sections of the EIR present other discussions that are required by the CEQA Guidelines, including Significant Irreversible Environmental Changes, Growth Inducement, a discussion of energy consumption, and information related to the EIR preparation.

Background information for the EIR and various technical studies and related material are presented in a series of appendices. These include:

- Appendix A – Initial Study and Notice of Preparation and Scoping Comments
- Appendix B – Additional Project Description Information
- Appendix C – Associated Transportation Engineers – Traffic Impact Analysis
- Appendix D – Sespe Consultants – Air Quality (with several attachments)
- Appendix E – Noise Information, including:
 - E-1 – Dubbink and Associates Noise Study
 - E-2 – Traffic Noise Model Assumptions, Inputs, and Results
- Appendix F - Water Supply Assessment