



December 9, 2014

San Luis Obispo County Planning Commissioners
976 Osos Street, Room 200
San Luis Obispo, CA 93408-2040

RE: December 11, 2014 Agenda Item 2 Oster/Las Pilitas/Hwy. 58 Quarry
Conditional Use Permit and Reclamation Plan (DRC2009-00025)

Honorable Commissioners,

Margarita Proud is a non-profit community organization that represents a diverse group of San Luis Obispo county residents committed to the safety, livability and character of Santa Margarita, CA and surrounding areas. We support responsible planning principles that result in economic and aesthetic well being for the entire community.

We have closely followed this project proposal since it was submitted in February of 2009 and have submitted comments on the Draft Environmental Impact Report (DEIR) and other key junctures in the administrative process. We support Planning Staff's recommendation to deny the application for a Conditional Use Permit (CUP) and Reclamation Plan and adopt ALL Findings included in Exhibit A. We would further request that your commission not certify the Final Environmental Impact Report (FEIR).

Our concerns are on a variety of levels and are informed by careful evaluation of specific Project details and conveyed on behalf of a diverse community that would be impacted both in the town of Santa Margarita, the neighborhoods surrounding the Project site, and other residential areas located on the proposed haul route. These impacts are well addressed in Staff's objective analysis of the community's concerns, which were well reflected in the FEIR. Staff sums the situation up best; "there are insufficient economic, social, technological, or other benefits of the project to override it's significant unavoidable impacts".

The Project cannot be found to be consistent with the San Luis Obispo County General Plan and the Findings necessary to approve a CUP cannot be made. Thus, in principal your work as a Planning Commission should be relatively straight forward to confirm the recommendation for denial. Overriding considerations would be required to justify a decision to approve the project with unmitigable significant environmental impacts. It is important to note, however, that overriding considerations cannot justify approval of a project that is inconsistent with the General Plan if it is at odds with the health, welfare, or safety of local residents. In any event, staff's determination that benefits of the project do not appear to outweigh the significant environmental impacts identified in the FEIR provide sufficient evidence to deny the project. Please consider the following additional information regarding overriding considerations:

1. Even when a proposed mine is within a Mineral Resource (EX-1) Combining Designation, the County must still be able to make all the necessary Findings for a Conditional Use Permit and conclude that the operation of a mine would be consistent with the General Plan. As more fully explained below, according to the SMGB, the main point of a Mineral Resource Zone (MRZ) is to put the County on notice that the State has determined that the area contains or likely contains significant mineral deposits. The county's EX-1 Combining Designation more or less mirrors the geographic boundary of the MRZ mapping. The County is also required to make certain additional findings if a project could impact the operation or expansion of an existing mine. Staff has evaluated this project independently based on the currently proposed project characteristics.

To address mineral resource conservation, The State Mining and Reclamation Act (SMARA) mandates a two-phase process known as classification-designation. A comprehensive overview of the classification-designation process is outlined within SMGB's document titled Classification-Designation Guidelines.¹ Classification identifies and maps lands containing mineral resources. The existence of the EX-1 combining designation is the County of San Luis Obispo's incorporation of Classification into it's General Plan, a non-discretionary action mandated by state law.

Designation follows Classification. Designation is the formal recognition by the SMGB of areas containing mineral deposits of regional or statewide significance.² Designation has currently not been finalized for the San Luis Obispo-Santa Barbara Production-Consumption(PC) Region. Margarita Proud has been represented at numerous SMGB meetings to consider designation and

¹ <http://www.consrv.ca.gov/smgb/Guidelines/Documents/ClassDesig.pdf>

² SR-215, California Geological Survey, pg. 4

has submitted comments into the record at each juncture throughout the still ongoing process.

The following thematic response to multiple comments submitted to SMGB regarding classification–designation typifies the position of the SMGB and provides additional support for a conclusion that even if the formalized process of designation were currently in place, it would not remove or override the local lead agency’s duty or authority to evaluate individual applications on a project by project basis³:

The designation of mineral lands by the SMGB pursuant to SMARA is based on the location of mineral resources determined to be of regional significance, and once designated will be incorporated in the lead agency’s General Plan. The lead agency ultimately determines whether it will grant a permit for mining or other proposed end use. Pursuant to Public Resources Code Section 2774.2(A), the SMGB cannot exercise permitting authority on behalf of a lead agency. Designation does not prevent subsequent conservation of these areas, or consideration of some other land use incompatible with mining, including residential.⁴

2. The applicant overstates the need for additional local aggregate sources.

The 2011 California Geological Survey’s Update of Mineral Land Classification: Concrete Aggregate in the San Luis Obispo–Santa Barbara (SLO–SB) Production–Consumption (P–C) Region, California, Special Report–215 (SR–215) updated it’s 1989 predecessor SR–162) and projects the need for aggregate for the entire P–C region for the next 50 years and identifies the amount of existing aggregate reserves. The State Geologist calculates the available resources of each Sector. Resources that have been permitted are termed “reserves”.⁵ SR–215 identifies:

- 10.7 billion tons of Concrete–Grade Aggregate Resources in the SLO–SB P–C region
- Concrete–Grade Aggregate Reserves of 75 million tons.
- A 50 yr. aggregate demand projection of approximately 263 billion tons of Construction–Grade Aggregate (all aggregate grades), 137 million tons of which would need to be Concrete–Grade Aggregate.

³ Land Use Ordinance (Title 22.62.060(C)(4)), Findings a thru f

⁴ Executive Officer’s Report , August 8, 2014 Agenda Item 8, State Mining and Geology Board (pgs 24, 27, 29, and 37 of 43)

⁵ California Geological Survey, SR-215, 2011, (pg. vii-4)

SR-215 references two Specific Plans that have been adopted in SLO and SB counties to “ensure future access to a large part of their concrete-grade aggregate resources”.⁶ The Rocky Canyon Quarry and Santa Maria and Sisquoc Rivers Specific Plans include long term Mining and Reclamation Plans associated with existing aggregate mining and processing facilities. Due to the significant timeframes of these operations, the Specific Plans are phased. It is highly unlikely that Rocky Canyon would not be permitted to continue to operate the quarry pursuant to renewed permit.

- SR-215 only considers currently permitted “reserves” in the current phase of Specific Plans to be part of the 75 million tons of concrete-grade aggregate reserves identified in the report. For example, Rocky Canyon is nearing the end of their current permitted phase 2. The remaining reserves in Phase 2 are all that was included within the region’s 75 million tons even though their Specific Plan identifies 8 more phases of the 10 outlined to be mined in the future.
- By not differentiating between “proven” resources banked within Specific Plans and vast resources at large within the 2,062 square mile P-C Region significantly underrepresents the amount of aggregate resources already earmarked and readily available to help fulfill future needs.

Additionally:

- The focus of SR-215 is on the need for Portland Cement Concrete-Grade Aggregate.
- The proposed Project no longer intends to produce concrete-grade aggregate as indicated in the revised Project Description and Project Objectives in the FEIR. Therefore, the Project would not contribute toward SR-215’s stated need of 137 million tons of concrete-grade aggregate over the next 50 years.
- The Project applicant statements that “the industry average for quarries is extraction rates of 40-60%” and “our project will simply redistribute the traffic pattern of trucks in our community” undermine their argument that an urgent need for additional local sources of aggregate exists.
- Citing a serious aggregate shortfall, when none actually exists, would not constitute a valid justification of sufficient societal benefit for an over-riding consideration.

3. Importation of Specialty Products

Given that existing local sources of aggregate are all operating at far less than capacity, urgent need would not appear to be the driving market force. Other information includes:

⁶ California Geological Survey, SR-215, 2011, (pg. 22)

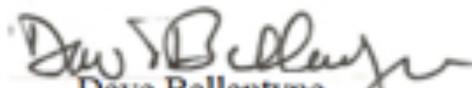
- Importation of specific products unable to be produced from the material found on a particular site or region; For example, Rocky Canyon Quarry and Hanson Santa Margarita Quarry reportedly import sand of a high grade specification for use in ready-mix concrete.
- The Oster/Las Pilitas proposal, the Rocky Canyon Quarry, and the Hanson Santa Margarita Quarry are all within the same granite formation.
- A small volume of aggregate to meet chip seal specifications appears to be imported from outside of the P-C Region (Coalinga, Aromas). These quarries have affiliations with certain sub-contractors that do municipal in San Luis Obispo county.

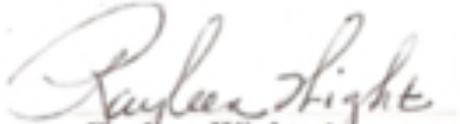
We currently have several large scale quarries producing local material nearby that are much better sited with regards to their surroundings and transportation corridors, and that have stores of proven resources available to fulfill projected needs for aggregate far into the future. Conversely, this project is poorly planned and poorly sited, threatening the future safety, livability, and character of Santa Margarita, the residential areas surrounding the project and pretty much everyone and everything else along the industrial transportation corridor it would create. This is the WRONG project in the WRONG location, as your staff has articulated well in their recommendation for denial.

We strongly encourage you to support staff's recommendation to DENY this project.

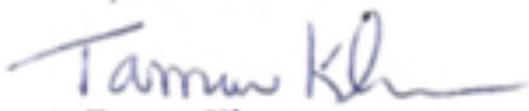
Respectfully submitted,
Margarita Proud Board of Directors


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Rayleen Wight, Secretary


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