



County of Santa Cruz

0145

PLANNING DEPARTMENT

701 OCEAN STREET - 4TH FLOOR, SANTA CRUZ, CA 95060
(831) 454-2580 FAX: (831) 454-2131 TDD: (831) 454-2123

ALVIN D. JAMES, DIRECTOR

Agenda Date: April 1, 2003

March 20, 2003

Board of Supervisors
County of Santa Cruz
701 Ocean Street
Santa Cruz, Ca 95060

Subject: Application for review of the RMC Pacific Materials Davenport Cement Plant permit.

Members of the Board:

On October 8, 2002 your Board held a public hearing for special consideration of application 02-0159, a proposal to allow for an increase in production capacity at the RMC Pacific Materials Davenport Cement Plant from 875,000 tons annually to 980,000 tons annually. A copy of our staff report from your October 8 agenda is included as Attachment 1. One of the conditions included in the permit amendment was a requirement for RMC to apply for a complete review of Permit 88-0188 within four months of the effective date of the approval of the Amendment. Following the public hearing, your Board approved Application Number 02-0159 with an additional direction that the Planning Department report back at the first meeting in April 2003 concerning the status of the required application for complete review of the operating permit (Permit 88-0188), and to further report back in November 2003, concerning the status of the permit review before the Planning Commission. A copy of the minute order from your October 8 meeting is included as Attachment 2.

Your Board's October 8 decision on the Coastal Development Permit was subsequently appealed to the California Coastal Commission. Today's report will provide your Board with an update on this appeal, the effect of the appeal on the requirement to file an application for complete review of RMC's operating permit, and the current status of the permit review.

DISCUSSION

Your Board's October 8 decision on the Coastal Development Permit portion of Application Number 02-0159 to amend Permit 88-0188 was subsequently appealed to the California Coastal Commission. The filing of this appeal stays the Board's decision until the Commission concludes its action on the appeal. The Coastal Commission staff report on the appeal recommends that the Commission take jurisdiction over the Coastal Development Permit. Further, staff recommends that because adequate information is not available to Coastal Commission staff to make a decision, that the Commission deny the application (Attachment 3). The Coastal Commission

staff report encourages the applicant to submit the necessary information to the County and to apply for the complete review of the operating permit prior to a decision on the production increase. The Coastal Commission has not yet acted on the staff recommendation, but on January 8,2003, the Commission continued the item at the request of the applicant. To date the item has not been rescheduled before the Coastal Commission.

Because final action has not yet occurred on this appeal, your Board's approval of application 02-0159 is effectively set aside at this time. Therefore, the existing operating permit, Permit 88-0188, is the current permit for overall operations at the plant, and the conditions of that permit are the ones that govern at this time.

As noted previously, one of the conditions of Permit 88-0188 requires that the Planning Commission shall conduct a complete review of the permit within five years of the Commission's final action on the previous permit review, which occurred in February 1990. This matter was never brought before the Planning Commission; therefore, the required permit review has not occurred.

To address this overdue review of RMC's operating permit, a new condition was added to the conditions of approval for Application 02-0159 to require the applicant to file an application for a complete review of Permit 88-0188 within four months of the effective date of the approval of the Amendment. However, this condition was never triggered because there is no effective date of approval due to the pending appeal.

RMC has opted not to file an application for complete review of Permit 88-0188, since the condition requiring them to do so is not technically in effect. However, their current operating permit, Permit 88-0188, does require a complete permit review that should have occurred in 1995, eight years ago. That permit condition did not require that an application for this review be filed, instead, it was a staff responsibility to bring this review to Planning Commission. During recent discussions, RMC Pacific Materials representatives indicated a willingness to fully cooperate with this permit review, including payment of all related County costs. Staff is in the process of drafting a letter to RMC Pacific Materials requesting specific information for this review and an at-cost deposit for this work. Therefore, the required review of RMC's operating permit will get underway this spring, despite the uncertainty regarding the recently approved amendment to their permit which is now pending before the California Coastal Commission.

CONCLUSION AND RECOMMENDATION

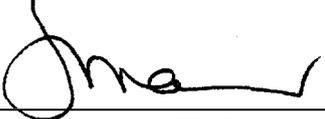
As directed during your October 8,2002 deliberations, the Planning Department will provide your Board with another report on November 4,2003 regarding Planning Commission action on this item.

It is therefore **RECOMMENDED**, that your Board accept and file this report, and direct staff to return to your Board on November 4,2003, with the status of the permit review before the Planning Commission.

Sincerely,


Alvin D. James
Planning Director

RECOMMENDED:



SUSAN A. MAURIELLO
County Administrative Officer

Cc: RMC Pacific Materials
Jack Ritchey

Attachments:

1. Board Letter Agenda Date October 8, 2002
2. Minute order from October 8, 2002
3. Summary of Coastal Commission Staff Recommendation



County of Santa Cruz

PLANNING DEPARTMENT

701 OCEAN STREET - 4TH FLOOR, SANTA CRUZ, CA 95060
 (831)454-2580 FAX: (831)454-2131 TDD: (831)454-2123

ALVIN D. JAMES, DIRECTOR

Agenda Date: October 8, 2002

Board of Supervisors
 County of Santa Cruz
 701 Ocean Street
 Santa Cruz, Ca 95060

Application Number: 02-0159
APN: 058-071-04

Owner: RMC Pacific Materials
Applicant: Jack Ritchey

Subject: Special Consideration of a proposal to increase production capacity at the RMC Pacific Materials Davenport Cement Plant from 875,000 tons annually to 980,000 tons annually. Requires a Commercial Development Permit and a Coastal Permit to amend 88-0188

Members of the Board:

This application was filed with the Planning Department March 27, 2002, deemed complete on May 23, 2002 and approved by the Zoning Administrator on August 16, 2002. Davenport residents have expressed concern regarding potential impacts of this increase in the plant's annual production, particularly air emissions, traffic and cumulative impacts.

DISCUSSION

RMC Pacific Materials Inc. (RMC) has requested an Amendment to permit 88-0188 to allow an increase in the permitted annual production limit for their Davenport Cement Plant to 980,000 tons. Permit 88-0188 limits annual cement production to no more than 875,000 tons annually; therefore, RMC has requested a 12% increase in the annual production limit. Because of increased efficiencies in plant operations, an increase in maximum peak production might be achievable and, therefore, the applicant is seeking the limit increase to 980,000 tons annually. See Attachment 1, Exhibit D for an explanation of the factors and improvements that have occurred since 1990 to increase plant efficiency.

Prior to permit 88-0188 annual cement production was limited to 775,000 tons per year. Minor Variations have been allowed for increased cement production for specific calendar years without actually changing the production limit established in 88-0188 as follows:

Year	Permitted Annual Production	Permitted Annual Increase
1987	775,000 tons	10%
1988	775,000 tons	10%
1997'	875,000 tons	5%
1999	875,000 tons	7%
2000	875,000 tons	5.7%
2001	875,000 tons	5.7%

Approval of this request for Major Amendment to 88-0188 to allow an increase in the permitted annual production limit to 980,000 tons will, in the foreseeable future, eliminate the need for Minor Variation permits each year that production levels will exceed 875,000 tons.

While this Major Amendment would increase the volume of production, there would be no actual increase in the overall concept or intensity of use for the following reasons:

1. There will be no physical expansion of the plant, no additional work shifts and no increase in plant operations over the current level.
2. No increase in air emissions or water quality impacts over current levels is expected or allowed. RMC Pacific Materials maintains concurrent and ongoing permit approvals from the Monterey Bay Unified Air Pollution Control District and the California Regional Water Quality Control Board.
3. All material produced in excess of the current annual limit will be used to resupply the storage silos at the plant or be transported by rail or trucks as currently allowed within the existing permit conditions.

Because of these three factors, and because this is a limited request, this would not be considered an increase in the intensity of the operation. The approvals of Minor Variations in the past have been based, in part, on the same conclusion.

Permit 88-0188 requires that the Planning Commission shall conduct a complete review of the permit within five years of the Commission's final action on the 1989 permit review, which occurred in February 1990. The permit condition states further that RMC shall cooperate with this review. The Planning Commission never conducted the required permit review. Therefore, the approval of this Major Amendment will contain a condition that requires RMC Pacific Materials to make application for a complete review of the 88-0188 permit within four months of the effective date of the approval of this Major Amendment.

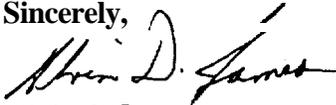
CONCLUSION AND RECOMMENDATION

The proposed increase in production capacity at the RMC Pacific Materials Davenport Cement Plant from 875,000 tons annually to 980,000 tons annually meets the criteria found in County Code Section 18.10.134 for a Major Amendment. It is therefore RECOMMENDED, that your Board:

1. **APPROVE** Application Number **02-0159**, based on the attached findings and conditions.

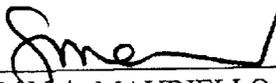
2. Certify that the proposal is exempt from further Environmental Review under the California Environmental Quality Act.

Sincerely,



Alvin D. James
Planning Director

RECOMMENDED:



SUSAN A. MAURIELLO
County Administrative Officer

Cc: RMC Pacific Materials
Jack Ritchey

Attachment

1. ZA Staff Report
2. Comments and Correspondence

COUNTY OF SANTA CRUZ
STATE OF CALIFORNIA



0151

AT THE BOARD OF SUPERVISORS MEETING
On the Date of October 08, 2002

REGULAR AGENDA Item No. 43

Public hearing held for special consideration of a proposal to increase production capacity at the RMC Pacific Materials Davenport Cement Plan from 875,000 tons annually to 980,000 tons annually. Requires a Commercial Development Permit and a Coastal Permit to amend 88-0188. Application No. 02-0159; Assessor's Parcel No. 058-071-04; Owner RMC Pacific Materials; Applicant: Jack Ritchey;

closed public hearing;

Upon the motion of Supervisor Wormhoudt, duly Seconded by Supervisor Almquist, the Board, by unanimous vote, approved Application Number 02-0159 based on the findings and conditions; certified that the proposal is exempt from further Environmental Review under the California Environmental Quality Act (CEQA); with additional directions that the Planning Department report back the first meeting in April 2003 concerning the status of the application for review of the permit and additionally report back the first meeting in November 2003 concerning the status of the review before the Planning Commission; and make the following changes in language to condition 8.B of the Operational Conditions: add "On an average annual basis" to the beginning of the second sentence to read, "On an average annual basis a minimum of 75% of the total liquid usage in the cement plant gas conditioning towers shall consist of treated effluent" and in the third sentence place a coma after the word maintenance, replace the word "and" with the word "during" and add "or when health related problems exist as determined by the County Health Officer" to the end of the sentence, to read "Exceptions shall be made to the minimum effluent usage for periods of equipment breakdowns, maintenance, during periods when treated effluent is not available in sufficient quantities or when health related problems exist as determined by the County Health Officer"

cc:

State of California, County of Santa Cruz-ss.

I, *Susan A. Mauriello*, *Ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz, State of California*, do hereby certify that the foregoing is a true and correct copy of the order made and entered in the Minutes of said Board of Supervisors. In witness thereof I have hereunto set my hand and affixed the seal of said Board of Supervisors.

by _____, Deputy Clerk ON October 11, 2002

CALIFORNIA COASTAL COMMISSION

CENTRAL COAST DISTRICT OFFICE
725 FRONT STREET, SUITE 300
SANTACRUZ, CA 95060
(831)427-4863

W19a

0152



ATTACHMENT 3

Filed: 11/4/2002
Hearing opened: 12/12/2002
49th day: 12/23/2002
Staff: D.Carl
Staff report: 12/19/2002
Hearing date: 1/8/2003
Hearing item number: W19a

APPEAL SUBSTANTIAL ISSUE DETERMINATION & DE NOVO HEARING

Appeal numberA-3-SCO-02-088, **RMC** Production Increase
Applicant RMC Pacific Materials
AppellantsSierra Club, Coastal Advocates for Small Towns (COAST), & David Kossack
Local government.....Santa **Cruz** County
Local decisionApproved with Conditions (October **8,2002**)
Project location**RMC** Pacific Materials cement plant in the town of Davenport on Santa **Cruz** County's north coast.
Project descriptionIncrease allowable cement plant production capacity **from 875,000** tons annually to 980,000 tons annually.
File documentsSanta Cruz County Certified Local Coastal Program (LCP); Santa Cruz County CDP Application File **02-0159**; Monterey Bay ReCAP.
Staff recommendation ...Substantial Issue Exists; Denial

Summary of staff recommendation: Santa Cruz County approved a proposal to allow an increase in the annual production limit for the Applicant's Davenport cement plant from 875,000 tons of cement to 980,000 tons of cement per year. Among other things, the County's approval was conditioned for the Applicant to submit an application for a complete review of the cement plant operation to assess overall impacts and evaluate possible project modifications and/or mitigations to address them. The complete review was a condition of the base coastal permit's original approval and was to have occurred by 1995, but has not yet taken place. The three Appellants generally allege that the approval is inconsistent with the LCP because the County did not have adequate information regarding expected impacts of the project, and that because of this, there may be negative impacts to coastal resources (including, but not limited to, habitat for listed species in San Vicente Creek, water quality, water supply, public access and recreation in the Highway One corridor, and cumulative impacts to each).

The County found that the proposed increase would not increase the intensity of use of the site, and that it would not result in an increase in water or air quality impacts. This finding was based on the Applicant's statement that the production increase was possible without any associated impacts because of increased production efficiencies.



California Coastal Commission

January 2003 Meeting in Los Angeles

Staff D.Carl Approved by: **DSL**

A-3-SCO-02-088 RMC Pacific strprt 1.8.2003.doc

Other than the Applicant’s assertions, the County application file doesn’t includes any evidence evaluating potential project impacts applicable to the proposed production increase. The County exempted the project from CEQA, and the file does not otherwise include analysis of the effect of the project on coastal resources. Staff is particularly concerned about the potential effect of the project on San Vicente Creek because this creek provides habitat for State and Federally listed species such as Coho and Steelhead, and the effect of the Applicant’s existing Creek withdrawals on these species is already not well understood. NMFS and CDFG have indicated that significant caution is warranted when dealing with San Vicente Creek water withdrawals. In past Davenport projects, the Commission has exercised great care with projects involving San Vicente Creek.

Staff believes that the County’s approval of a production increase was premature because there wasn’t adequate analysis of potential project impacts on coastal resources, and the coastal permit required re-review intended to provide this type of information and analysis was not done. The Applicant is out of compliance with their base coastal permit, and production increases that are not supported by thorough and complete analysis of potential impacts should not be approved. While it is acknowledged that the County conditioned the current production increase approval for the required re-review to take place, such sequencing is backwards inasmuch as the re-review information is the type of in-depth analysis of project impacts that is necessary to be able to make the current production limit increase decision, and it was already required in the base coastal permit.

Staff recommends that the Commission find that a substantial issue exists with respect to this project’s conformance with the certified Santa Cruz County Local Coastal Program (LCP) and take jurisdiction over the coastal development permit for the project. Staff further recommends that because the application does not include adequate information to make a decision in this matter, that the Commission deny the application.

The Applicant should be encouraged to comply with the base coastal permit approval and submit to the County the information required for a thorough evaluation of ongoing operational impacts and associated mitigation measures to assure that coastal resources are not being adversely affected. It would be during the course of this re-review that it would be appropriate for the Applicant to identify changes to the base coastal permit that they would like to pursue (such as the production increase). Any such changes would likewise need to be evaluated for their impacts to coastal resources. Modifications to the base permit outside of this context are not appropriate.

Report Contents

	page
1. Appeal of Santa Cruz County Decision	3
A. Santa Cruz County Action	3
B. Appeal Procedures	4
C. Appellants’ Contentions.....	4
2. Procedural History (Post-County Action)	5