



MEMORANDUM

TO: City Council

FROM: Brian Pedrotti, Director of Community Development

BY: Patrick Holub, Associate Planner

SUBJECT: Amendments to Title 13 of the Arroyo Grande Municipal Code Regarding the Regulation of Water Wells

DATE: March 25, 2025

RECOMMENDATION:

- 1) Adopt an Ordinance amending Chapter 13.08 of the Arroyo Grande Municipal Code regarding water wells; and
- 2) Find that the Ordinance is exempt from the California Environmental Quality Act (CEQA) because it will not result in a direct, or reasonably foreseeable indirect, physical change in the environment (State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15061, subd. (b)(3); 15307; 15308; and 15378, subd. (b)(5)).

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

No financial impact is projected.

BACKGROUND AND ANALYSIS:

The proposed Ordinance updates and clarifies Chapter 13.08 of the Arroyo Grande Municipal Code, which regulates the creation of new wells in the City, as well as the destruction of existing or abandoned wells. The ordinance will also clarify the responsibilities of the City and San Luis Obispo County Environmental Health Services Department (County), where the County is responsible for issuance of a well construction permit and the City is responsible for the issuance of a well use permit. The revisions reflect a more robust and clear regulatory framework, emphasizing protection of the City's water supply, including groundwater protection, public health, and integration with the City water systems, while aligning with state laws and local environmental concerns.

Pursuant to Government Code sections 36934 and 36937, ordinances are "introduced" by first reading at a City Council meeting, "passed" (*i.e.*, approved) at a later City Council meeting by conducting a second reading, and then take effect 30 days after passage.

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At a public hearing on [March 11, 2025](#)¹, the City Council introduced and supported the Ordinance as proposed. The Ordinance amendments are now ready for adoption. The Ordinance amendments will become effective thirty (30) days after adoption.

ALTERNATIVES:

1. Adopt the Ordinance as proposed;
2. Modify the Ordinance amendments and direct staff to return at a future public hearing to introduce the modified amendments; or
3. Provide other direction to staff.

ADVANTAGES:

Revisions to the Ordinance governing City wells will help to improve clarity of the application process for both applicants and City, including a clearer procedure, necessary findings and applicable conditions of approval associated with that use. Generally, most potential water users will now be required to connect to the City's water supply, unless actual practical inability to connect to such supply can be demonstrated.

DISADVANTAGES:

New requirements are applicable to well applications moving forward, and this ordinance will modify the procedure for well applications to place initial review with the Planning Commission rather than the City Council, creating new matters for the Planning Commission's consideration.

ENVIRONMENTAL REVIEW:

It has been determined that this Ordinance is exempt from CEQA on a variety of grounds, including that it is exempt under State CEQA Guidelines section 15061(b)(3), which exempts projects from CEQA "[w]here it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment." In the alternative, the Ordinance does not qualify as a "project" under CEQA because it will not result in a direct or reasonably foreseeable indirect physical change in the environment. (State CEQA Guidelines section 15060, subd. (c)(2), (3).) Section 15378 of the State CEQA Guidelines defines a project as the whole of an action, which could potentially result in either a direct physical change, or reasonably foreseeable indirect physical change, in the environment. Adopting the Ordinance relates to organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment, and therefore is not a project within the meaning of the California Environmental Quality Act ("CEQA") and the State CEQA Guidelines, section 15378(b)(5). Here, the ordinance will not result in any construction or development, and it will not have any other effect that would physically change the environment. Approval of the Ordinance therefore does not qualify as a project subject to CEQA. Finally, the

¹<https://pub-arroyogrande.escribemeetings.com/Meeting.aspx?Id=e2469712-e4af-4392-84a0-dfb31256f5d7&lang=English&Agenda=Agenda&Item=48&Tab=attachments>

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Ordinance is adopted with the intent to protect natural resources and the environment, specifically the City's water resources. This Ordinance will regulate and restrict the installation of private, domestic, irrigation and agricultural wells for nonresidential, residential, and mixed uses. Accordingly, this Ordinance is also categorically exempt under either State CEQA Guidelines section 15307 or 15308.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

ATTACHMENTS:

1. Proposed Ordinance