



## STAFF REPORT

**DATE:** MARCH 2, 2026

**TO:** PLANNING COMMISSION

**FROM:** KATRINA KAWAGOE, SENIOR PLANNER

**SUBJECT:** PLANNING APPLICATION NO. 240560  
APPLICANT: SALVADOR GONZALEZ, CALIFORNIA WATER SERVICE COMPANY  
LOCATION: 0 ENCANTO DRIVE (APN 7551-015-030 & 7551-015-900)

### OVERVIEW

A request for a Grading Permit (G-240561) for the importation of earth materials greater than 20 cubic yards to widen the driveway apron and raise appropriate grade levels to accommodate the installation of a new temporary portable generator for the California Water Service Company; and a Variance (V-240562) to construct fencing and a sliding security gate within the front and side yard that would exceed the maximum allowable fence height.

### BACKGROUND

Application Filed:	11/19/24
Application Deemed Complete:	02/02/26
Public Notices Mailed:	02/19/26
Public Notices Posted:	02/19/26

The applicable Rolling Hills Estates Municipal Code Sections are Chapter 17.06 (Residential Districts Generally), Chapter 17.07 (Grading in Residential Districts) and Chapter 17.66 (Variances).

The Project was reviewed in accordance with the California Environmental Quality Act (Public Resources Code § 21000 and following: “CEQA”) and the State CEQA Guidelines (14 CCR § 15000 and following) and was determined to be Categorically Exempt under Class 15 of the State CEQA Guidelines, Section 15301(e)(1) (Existing Facilities). The project is consistent with the minor alteration of an existing private structure and does not expand the existing use.

The subject property has a General Plan Land Use designation of Low Density Residential and is zoned Single-family Residential – Limited Agricultural District (R-A-20). The property is located at the corner of Montecillo Drive and Encanto Drive. The Montecillo Homeowner’s Association (HOA) and property owners within a 500’ radius of the subject property have been notified of the project. The HOA has provided comments

(Attachment C). Staff received one additional letter that expressed general opposition to the proposed project (Attachment D). Staff reached out to the letter's author, offered to meet and provide detailed information about the project, but the resident declined to meet with staff and requested that identifying personal information be redacted from the public record. Any additional correspondence received after agenda distribution and prior to the March 2, 2026 Planning Commission meeting will be distributed to the Commission via separate memo.

The California Water Service Company (Cal Water) is an investor-owned water company that provides water utility services to various communities throughout the state of California, including the Palos Verdes District, which serves the Palos Verdes Peninsula. The District's service area includes the cities of Rolling Hills Estates, Rolling Hills, Rancho Palos Verdes, Palos Verdes Estates, and a small portion of Lomita, as well as portions of unincorporated Los Angeles County.

The Palos Verdes District water system covers an area of approximately 26 square miles. All of the supply to the Palos Verdes District consists of purchased water from West Basin Municipal Water District (West Basin). Supply purchased from West Basin is from four connections located at the northeast edge of the Peninsula. The service area is hydraulically divided into two systems: the Ridge System and the D-500 system. The Ridge System serves approximately 90% of the Peninsula, including the highest elevations, and the D-500 System serves the remainder of the Peninsula (the western coastal areas). The Cal Water facility situated at the corner of Montecillo Dr. and Encanto Dr. (Station #22), along with the Metropolitan Water District Reservoir, located at the corner of Palos Verdes Drive North and Palos Verdes Drive East, serve as the West Basin connections that supply the Palos Verdes District service area.

Station #22 functions as a critical node within the Palos Verdes District water network, comprising two adjacent parcels: a 32,815 square-foot (SF) lot owned and operated by Cal Water and a 5,787 SF lot located behind the Cal Water site owned and operated by the Metropolitan Water District (MWD). The subject facility was established in 1948 following the granting of an easement from MWD to West Basin. This agreement authorized the construction, operation, and maintenance of a pumping station and its supporting utility structures.

This site acts as a vital transition point in the water supply chain, where MWD provides the imported regional supply and Cal Water manages the local distribution. To support these operations, the pump station houses two Southern California Edison (SCE) transformers that deliver 2,300 volts of power, alongside a variety of mechanical and electrical components essential for moving water through the Peninsula. Cal Water is proposing a series of site enhancements to accommodate a new temporary portable generator, which is a critical asset for emergency situations and Public Safety Power Shutoff (PSPS) events.

## DISCUSSION

### *Existing Site Conditions*

The site's topography is characterized by a downward slope from the northern and western boundaries toward the central utility yard, with the lowest elevation occurring in the northeastern portion of the property. Both the MWD and Cal Water parcels share a single point of ingress and egress via a common driveway off Encanto Drive.

The property's perimeter is currently secured by 6' wood fencing, with the exception of the driveway apron, which utilizes a 15'-long sliding chain-link gate for shared access. The current fencing alignment was originally approved by the Planning Commission on April 6, 1987 (Resolution No. P-197-87), which permitted a 5'-high chain-link fence. This fencing was subsequently upgraded to the existing 6'-high wood design in 2018 to enhance the site's visual screening.

Recent site improvements include the installation of two backup generators in 2017 and the addition of a surge tank in 2020, further modernizing the facility's operational reliability.

### *Proposed Project*

The applicant is proposing a series of site enhancements to accommodate a new temporary portable generator, which is a critical asset for emergency situations and Public Safety Power Shutoff (PSPS) events. To facilitate the transport of this large piece of equipment to the site, the existing 15' sliding chain-link gate and its associated driveway apron will be replaced and widened. The new entry will feature a 7' tall, 24' long automated, sliding wrought iron gate, accompanied by a 7'-high, 11'-long manual swing gate. While Cal Water's standard security practice typically dictates 8'-high fencing, the applicant has proposed a 7' height to better balance essential site security with neighborhood compatibility. This new gate is designed to slope downward to seamlessly meet the existing 6'-high wood fence. Expanding the driveway apron to the west will require the removal of one existing tree and some low-growing landscaping, while the remainder of the apron will be repaired and repaved to match the new installation. Since any front yard fencing exceeding two (2) feet in height requires a Variance per Section 17.06.360, which is being requested for this project.

Within the utility yard, the northeastern portion of the lot will undergo grading to improve localized drainage. This area will receive new pavement and a 12' x 34' temporary berm specifically for the portable generator. The purpose of this berm is to slightly elevate the unit, protecting its sensitive electrical components from pooling rainwater during storm events. Other site infrastructure improvements include the installation of an 18' x 20' transformer pad, new low-voltage panelboards adjacent to the berm and transformer pad, and the upgrading of an existing panelboard to a new medium-voltage model.

Additionally, a separate request has been integrated to address the fencing between 0

and 2 Encanto Drive. This proposal includes a request to increase the fence height and realign portions of the fencing with the recorded property lines. A survey commissioned by Cal Water recently identified that a section of the existing fencing currently encroaches onto the neighboring property at 2 Encanto Drive. Based on the neighbor's request (2 Encanto Drive), Cal Water is proposing to install 300' of new wood fencing along the property line, varying in height from 6.5' to 10'. This increased height is intended to provide enhanced sound attenuation and better visual screening of the utility equipment for the adjacent property at 2 Encanto Drive. A portion of this new fencing will be installed around an existing concrete culvert in the northeast corner, resulting in a minor encroachment of no more than 6" onto the neighbor's property. A letter of support from 2 Encanto Drive, approving this encroachment has been provided (Attachment E). A Variance is required for the proposed property line fencing, both along the side and the front of the property, as it exceeds the 6' maximum allowable height within the side yard, per RHEMC Section 17.06.370.

#### *Grading Criteria (G-240561)*

Discretionary review by the Planning Commission of a grading application is required for this project because it will import 71 cubic yards of earth materials. The imported materials will be used to raise a portion of the site to appropriate grade levels for the new drainage improvements and the new berm for the temporary generator. The grading activities are governed by the grading criteria in RHEMC Section 17.07.080 and will provide full structural calculations and grading details to the Building & Safety Division when applying for construction permits.

The Planning Commission shall use but not be limited to the following criteria in assessing an application for grading approval:

1. The grading is not excessive beyond that necessary for the permitted primary use of the lot.

The proposal satisfies this established criterion as the primary objective of the grading is to facilitate the accessibility and operation of a new temporary portable generator to address emergency situations and Public Safety Power Shutoff (PSPS) events. Due to the significant physical dimensions of the generator, a larger driveway apron and gate system are required to allow for safe ingress and egress. The proposed grading and subsequent repaving within the utility yard are strictly limited to the areas necessary for the new equipment pads and essential drainage improvements, ensuring that the scope of work does not exceed the functional requirements of the site's primary utility use.

2. The grading and/or construction does not significantly adversely affect the visual relationships with, nor the views from, neighboring sites.

The proposal satisfies this criterion because the grading is kept to the absolute minimum required to support the temporary generator. A key component of the project is the replacement of the existing chain-link gate with a wrought iron gate. Since RHEMC

Section 17.06.360 also prohibits chain-link as a fencing material in residential districts, the transition to wrought iron represents a qualitative visual improvement for the neighborhood. While the larger gate and wider driveway apron will alter the immediate street-front appearance, these changes are balanced by the necessity of protecting critical infrastructure. The added security and the upgrade in materials ensure that the visual impact is mitigated while maintaining the site's essential functions.

3. The nature of the grading minimizes disturbance to the natural contours; finished contours are reasonably natural.

The proposal satisfies this criterion as most of the grading activities are contained within existing paved areas, primarily intended to correct and enhance site drainage. Although the widening of the driveway apron will lead to the loss of approximately 20' of street-facing landscaping and minor adjustments to the adjacent soil, the finished contours will remain consistent with the existing topography of the street and utility yard. The grading plan represents the minimum amount of earthwork necessary to accommodate the proposed infrastructure improvements without fundamentally altering the natural slope of the parcel.

4. The nature of the grading is in conformance with the neighborhood compatibility ordinance as set forth in Section 17.62.010.

The proposal satisfies this criterion because it actively removes a non-complying chain-link fence and replaces it with wrought iron, a material that is more aesthetically compatible with residential zones. While the infrastructure project necessitates some changes to the visual relationship between the site and the neighborhood, these modifications are in direct support of providing potable water during emergency situations—a critical service for the community. The project maintains compatibility by utilizing higher-quality materials and limiting the grading footprint to essential utility upgrades.

5. The proposed grading meets the grading standards and design criteria as set forth in Section 17.07.080.

The proposal satisfies the established grading standards and design criteria because the earthwork within the utility yard is subtle, only slightly raising the grade to prevent water accumulation through drainage improvements and the creation of a protective berm. Furthermore, the grading at the driveway apron is specifically engineered to the minimum specifications required to support the weight and turning radius of an approximately 30' portable generator. All technical details, including slope stability and structural integrity, will be subject to final review and approval by the Building & Safety Division.

### *Variance (V-240562)*

The applicant is requesting a Variance to exceed the maximum allowable fence heights within both the front and side yard setbacks. Under RHEMC Section 17.06.360, front yard

fencing is strictly limited to 2' in height, while RHEMC Section 17.06.370 permits a maximum height of 6' within side or rear yards. It should be noted that the site currently operates under Resolution No. P-197-87, a 1987 approval that granted a previous exception for 5'-high fencing in its current location. This Variance would allow for the continued use of the existing 6'-high perimeter fencing and for the proposed new gate and fencing within the front and side yards.

Staff is able to make the findings for the Variance, as stated below:

1. That there are exceptional or extraordinary circumstances or conditions applicable to the property involved, or to its intended use which do not apply generally to other property in the same zoning district and neighborhood.

This finding can be made because the subject facility's use for utility purposes is unique within the residential districts. The security needs for a critical potable water delivery facility, particularly at the front entrance, are significantly higher than those of a typical residence and cannot be met under standard residential zoning codes. Additionally, the excess fence height in the side yard is a specific response to the neighboring property at 2 Encanto Drive, intended to provide sound attenuation and mitigate the visual impact of the utility equipment for those residents.

2. That such variance is necessary for the preservation and enjoyment of a substantial property right of the applicant, which right is possessed by other property owners under like conditions in the same zoning district and neighborhood.

This finding can be made because the site serves as critical infrastructure for the delivery of potable water to the Palos Verdes Peninsula. Maintaining the accessibility and security of this site is a fundamental necessity, ensuring the safety of the Montecillo neighborhood and the stability of the water supply for the surrounding region.

3. That the granting of the variance will not be materially detrimental to the public welfare or injurious to property and improvements in the zoning district and neighborhood in which the property is located.

This finding can be made because the facility has been at this location since before the development of the neighboring community. Additionally, prior to 2018, the site was fully visible through less attractive fencing; the current proposal replaces a chain-link gate with superior wrought iron. The increased height is a protective measure for public welfare, securing infrastructure that is vital to the entire Peninsula.

4. That the granting of such a variance will not be contrary to the objectives of the master plan.

This finding can be made because the General Plan emphasizes the provision of reliable basic services and infrastructure. By increasing the reliability of the water system during

emergency power loss conditions, the project directly supports the City's master plan objectives.

5. That the granting of the variance will not authorize a use or activity which is not otherwise expressly authorized by the zone regulations governing the parcel of property

This finding is supported by the fact that a pump station is a conditionally permitted use within the R-A-20 District. The requested Variance does not alter the underlying land use; instead, it addresses the technical gap between traditional residential development standards and the specialized security and operational requirements of a unique utility facility.

### **CONCLUSION**

Staff has worked with the applicant to address the requirements of the Municipal Code for a Variance and a Grading Application. As summarized in this report, staff is able to support the Variance and the Grading Application.

### **RECOMMENDATION**

Staff recommends that the Planning Commission:

1. Open the Public Hearing;
2. Take public testimony;
3. Discuss the issues;
4. Close the Public Hearing; and
5. Adopt Resolution No. PA-240560, approving the project.

### ***Attachments***

- A. Resolution No. PA-240560*
- B. Project Plan Excerpts*
- C. HOA Comment Letter*
- D. Correspondence*
- E. Neighbor Support Letter*
- F. Grading Application*
- G. Resolution No. P-197-87*