

# **CITY OF PISMO BEACH**

**ADOPTED  
SPHERE OF INFLUENCE UPDATE  
MUNICIPAL SERVICE REVIEW**



**PREPARED BY:  
SAN LUIS OBISPO  
LOCAL AGENCY FORMATION COMMISSION  
SEPTEMBER 19, 2019**

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# CHAPTER 1 - INTRODUCTION & EXECUTIVE SUMMARY

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## INTRODUCTION

The Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires the Local Agency Formation Commission (LAFCO) to update the Spheres of Influence (SOI) for all applicable jurisdictions in the County. A Sphere of Influence is defined by Government Code 56425 as "...a plan for the probable physical boundary and service area of a local agency or municipality...". A SOI is generally considered a 20-year, long-range planning tool. The Act further requires that a Municipal Service Review (MSR) be conducted prior to, or in conjunction with, the update of a Sphere of Influence. The MSR evaluates the capability of a jurisdiction to serve their existing residents and future development in their Sphere of Influence.

### **Sphere of Influence**

**"...a plan for the probable physical boundary and service area of a local agency or municipality..."**

A Municipal Service Review (Chapter 3) has been prepared for the City of Pismo Beach in accordance with Section 56430 of the California Government Code. The Service Review evaluates the public services provided by the City and possible changes to the City's Sphere of Influence that are currently under consideration. The Municipal Service Review Guidelines prepared by local policies and guidelines were used to develop information, perform analysis and organize this study.

The legislative authority for conducting Service Reviews is provided in section 56430 of the CKH Act. The Act states, "That in order to prepare and to update Spheres of Influence in accordance with Section 56425, LAFCOs are required to conduct a MSR of the municipal services provided in the County or other appropriate designated area..." A Service Review must have written determinations that address the six legislative factors in order to update a Sphere of Influence.

Information that addresses each of the seven factors is provided in Chapter 3 – Municipal Service Review - of this document. The seven factors are listed on the next page. Written Determinations are based on the information and analysis found in Chapter 3.

LAFCOs are encouraged to compile a variety of information in preparing a Service Review. LAFCOs also use a significant proposal (constraints analysis, general plan update, master plan, specific plan, etc.) as a way to compile the information needed for a Service Review. Administrative and organizational information is also collected and evaluated.

The City provided a variety of plans, studies and other documentation to assist in the preparation of these documents. Other information from current development projects is also used. A complete list of references can be found at the end of this document.

### **SERVICE REVIEW & SPHERE OF INFLUENCE UPDATE PROCESS**

The CKH Act calls for the Service Review to be completed either prior to or concurrent with the Sphere of Influence Update. The process for updating the City of Pismo Beach's Sphere of Influence includes several steps:

1. City and County consideration of a Memorandum of Agreement (MOA) regarding SOI boundaries, development standards, and zoning requirements for the areas of the Sphere to be updated.
2. Outreach to the City and County regarding the Sphere of Influence Update process.
3. Preparation of a Public Review Draft Sphere of Influence Update and Municipal Service Review and completion of the environmental review process consistent with the California Environmental Quality Act (CEQA). Public Review and Comment period for all documents.
4. If agreed to, City and County approval of a Memorandum of Agreement (Appendix B). LAFCO is required by the CKH Act to give "great weight" to an agreement between the City and the County when considering the Sphere of Influence Update.
5. LAFCO consideration of Sphere of Influence Update, Municipal Service Review, Memorandum of Agreement, and Environmental Review documentation.

#### **SEVEN SERVICE REVIEW FACTORS**

1. **Growth and Population projections for the affected area**
2. **Location and characteristics of any disadvantaged unincorporated communities**
3. **Present and planned capacity of public facilities and adequacy of public services including infrastructure needs or deficiencies**
4. **Financial ability of agencies to provide services**
5. **Status of, and opportunity for, shared facilities**
6. **Accountability for community service needs including governmental structure and operational efficiencies**
7. **Any other matter related to effective or efficient service delivery, as required by commission policy**

**Past LAFCO Actions.** The last comprehensive SOI Update for Pismo Beach was completed in 2011 when Godfrey property was added. LAFCO amended the City's SOI in 2016 to add the Preserve parking lot area and authorize an outside user agreement for city water and sewer services. Appendix C contains a table that shows the latest LAFCO actions, including denials of the Los Robles Del Mar Annexation.

**Current LAFCO Action.** LAFCO is considering the following actions as a part of this Sphere of Influence Update:

1. Approve and adopt the environmental documentation pursuant to CEQA;
2. Approve the Municipal Service Review and Written Determinations for the City of Pismo Beach (Chapter 3); and
3. Approve and adopt the City of Pismo Beach's Sphere of Influence Update (Chapter 2)

## **Environmental Determination**

The California Environmental Quality Act ("CEQA") requires that the Commission undertake and review an environmental analysis before granting approval of a project, as defined by CEQA. The MSR's are categorically exempt from the preparation of environmental documentation under a classification related to information gathering (Class 6 - Regulation Section 15306), which states: "Class 6 consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded."

Furthermore, the SOI update qualify for a general exemption from environmental review based upon CEQA Regulation Section 15061(b)(3), which states: "The activity is covered by the common sense that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." There is no possibility that the MSR or SOI update would have a significant effect on the environment because there is no land use changes associated with the document.



## EXECUTIVE SUMMARY

The following is a summary of the key information contained in this Service Review completed for the City of Pismo Beach. The seven factors that are required to be addressed by the CKH Act are covered in this summary section.

### 1. Growth & Population

Over the past 40 years, the City experienced periods of high residential growth rates, as well as very slow periods of growth. Population growth rates in the 1970s averaged over 3% per year, growth rates over the 1980s averaged just over 4% per year, but during the 1990s, growth slowed to about 1% per year. In the 2000s, growth continued to slow to less than 1%. The 2010 U.S. Census states 7,655 people live in Pismo Beach. Department of Finance estimates Pismo Beach's current population as 8,247. The City's estimated build-out population within the current City limits is 9,414. The City's population increased slightly from 2010 to 2017.

**Housing Units and Growth Projections.** In the 2015 Urban Water Management Plan, the City of Pismo Beach estimates that 7,711 people lived in the City. The Council of Governments estimates in 2017, there were 5,760 housing units with 2.03 persons per household and a 29.6% vacancy rate. The City's Urban Water Management Plan projects the current city limit to yield a population of 9,414. An estimated 339 units are potential in the SOI areas. The Urban Water Management Plan estimates the City would reach population build-out no sooner than the year 2035.

### 2. Location and Characteristics of any Disadvantaged Unincorporated Communities

LAFCO is required to identify the location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence. If a jurisdiction is reasonably capable of providing needed resources and basic infrastructure to disadvantaged unincorporated communities within the sphere of influence or contiguous to the sphere of influence, it is important that such findings of infrastructure and resource availability occur when revisions to the SOI and annexations are proposed by the agency or property owners. Government Code section 56033.5 further defines disadvantaged unincorporated communities as inhabited territory; an area with 12 or more registered voters, and an area with an income of

80 percent or less of the statewide median income. In the analysis completed by LAFCO staff, Pismo Beach's Sphere of Influence does not have any disadvantage unincorporated communities located within the proposed Sphere of Influence or in the areas contiguous to the Sphere of Influence.

### 3. Infrastructure Needs & Deficiencies

LAFCO is responsible for determining if a jurisdiction is reasonably capable of providing needed resources and basic infrastructure to serve areas already within the City and in the Sphere of Influence. It is important that such findings of infrastructure and resource availability occur when revisions to the SOI and annexations are proposed by the City or property owners. It is prudent for LAFCO to analyze present and long-term infrastructure demands and resource capabilities of the City of Pismo Beach. LAFCO accomplishes this by evaluating 1) the resources and services that are currently available, and 2) the ability of the City to expand such resources and services in line with increasing demands.

#### Water

The City has a water supply of 2,832 acre-feet per year (AFY), which includes 1,240 AFY from the State Water Project, 892 AFY from Lopez Reservoir, and 700 AFY of groundwater from City wells #5 and #23. The demand for developments outside the City limits, but within the existing Sphere of Influence, would likely exceed the future supply available to the City without such developments providing supplemental water supply to the

<b>Source</b>	<b>Amount Available (AFY)</b>
Groundwater (Grover Beach Wells)	700
Lopez Water	892
State Water Project	1,240
Recycled Water (potential)	1,421
<b>Total Potentially Available</b>	<b>4,253 AFY</b>

City. The City of Pismo Beach is considering an additional water supply to prepare for shortages in the Lopez and groundwater systems. Recycled water is a potential source of water if the City's wastewater treatment facility is upgraded. Other communities may participate in the Central Coast Blue project for recycled water.

The City completes water demand projections in order to project how much water might be needed to serve residents, businesses and other uses as growth and development occurs.

The City's Urban Water Management Plan provides information and establishes policies for meeting the current water demand and for projecting future water demand. The water supply question in Pismo Beach is tied to presently available resources and the likelihood that future resources can be developed or obtained to meet additional City growth. Generally, the City appears to have available

<b>Table 1-2 - Current and Projected Demand</b>		
Source: City of Pismo Beach Urban Water Management Plan, 2015, Los Robles Specific Plan 2007		
Annual Water Use		1,700 afy
Estimated City Build-Out Demand	(Residential)	156 afy
	(Commercial)	170 afy
	(Visitor Serving)	187 afy
<b>Subtotal</b>		<b>2,213 afy</b>
Los Robles Del Mar	(Residential)	134 afy
	(School)	17 afy
Price Canyon (Loughead, Big Bird, King So, Godfrey)	(Residential)	UNK AFY
<b>Overall Build-Out and SOI Projected Water Demand</b>	<b>Unknown at this time, but anticipated greater than existing supply</b>	

resources to meet current demand for areas within the city limits. Any future annexation would need to have a water supply to serve the development. LAFCO's policy requires that the water supply be adequate, reliable and sustainable.

**Wastewater**

The WWTP was originally constructed in 1955, with additions and modifications taking place in 1973, 1984 and most recently upgraded in 2007. The estimated dry weather capacity of the WWTP is 1.9 million gallons per day (mgd) and the present dry weather flow is approximately 1.0 mgd. The City's WWTP is presently operating at about 57% of permitted capacity (1.1 mgd average daily flows against a permit limit of 1.9 mgd). The upgrade included construction of an entirely new control building, lab, headworks, oxidation ditches, secondary clarifiers and an ocean outfall pump system. The City also upgraded the sludge handling system in 2016.

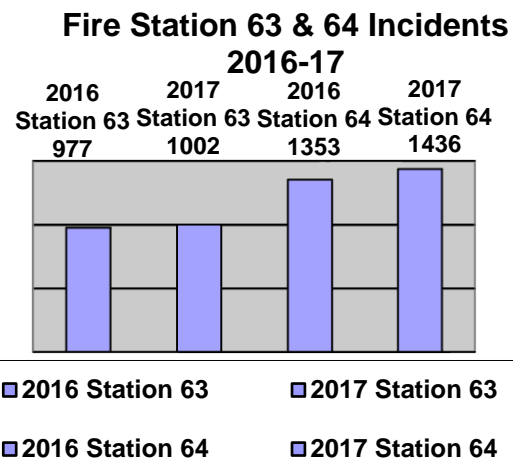
**Roads**

The Circulation Element was adopted in 2018 that is consistent with other elements in the General Plan, in particular the Land Use Element. This coordinated approach enabled the City to plan for transportation commensurate with the planned growth and development. The Circulation Element provides sound policy base for the continued improvement of the City's circulation system. The Circulation Element should be updated to consider the current circumstances.

According to the San Luis Obispo Council of Government's (SLOCOG) 2014 Regional Transportation Plan a significant increase in traffic volume on Highway 101 from Oak Park to Avila Beach Dr. is projected from the 2010 number of 68,000 average daily trips to 78,000 average daily trips in 2035. This increase anticipates a small increase in population due to limited developable land and increased tourist traffic in the South County area. The 2014 US 101 Corridor Mobility Master Plan identifies operational improvements to US 101 in Pismo Beach by extending acceleration and deceleration lanes or building auxiliary lanes and connection Price Street Extension between northern Pismo Beach and Five-Cities Drive.

**Fire**

The City of Pismo Beach contracts with the California Department of Forestry (CALFIRE) to provide staffing and other fire services for the City residents. CALFIRE employs a full-time staff including a Battalion Chief, six Fire Captains, six Fire Apparatus Engineers and an Administrative Assistant. The City benefits from the significant resources that come with CALFIRE, and CALFIRE is able



to increase its presence in the Five Cities area to respond to emergency situations. The City requires that all new development pay fees for additional fire equipment and fixed facilities as needed to service the new development. In annexation areas, the City would consider the need for additional fire stations, equipment and manpower. The City may require the formation of fire protection assessment districts to fund fire suppression and emergency medical services.

**Police**

The City of Pismo Beach provides law enforcement services for the residents of the City. The department is accredited with CALEA (Commission on Accreditation for Law Enforcement Agencies). The department first earned accredited status in 2007 with most recent on-site assessment awarded in 2016. The total budget for the Police Department for fiscal year 2018-19 was \$6.458 million and \$6.251 million in 2017-18. The department consists of 34 employees, 23 of which are sworn police officers. A Community Oriented Policing Services grant pays a portion of one sworn officer and community services officer salary. The department is divided

into two service divisions with a police commander over seeing each division. Operations Division consists of Patrol, Motors, Special Problems Unit, and Citizen Volunteer Patrol. Support Services Division includes Investigations, Communications, Records, D.A.R.E., and Administration. The need for law enforcement services is affected by the unique circumstances created by the visitor serving nature of the City. The City has a slightly higher crime rate than other cities in the County but has the opportunity to add police and fire staff and facilities as needed to cover Sphere of Influence area through the development and review process.

#### **4. Financing Constraints & Opportunities**

Pismo Beach, like most cities, requires new development projects, and in particular annexations, to “pay their own way”. At the time an annexation is considered for any of the SOI properties, the City requires an economic analysis to be prepared to identify a cost-benefit breakdown of the proposed land uses and projects. The City has in place a capital improvement plan, development impact fees, developer required mitigation in the form of infrastructure improvements required to serve new projects, and similar programs to monitor public service needs of new development. It is reasonable to conclude that the City endeavors to avoid long-term financial obligations for a capital improvement or maintenance of new development projects, such as those that would occur in the SOI areas.

The City levies a series of development impact fees for new development to address many differing needs. All these fees are based on Government Code Section 66000 et seq., which requires the agency setting fees to (i) identify the purpose of the fee, (ii) identify the use to which the fees will be put, (iii) determine the reasonable relationship (or “nexus”) between the type of development charged the fee, the amount of the fee and its use, and (iv) determine the reasonable relationship between the need for the public facility or improvement and the project upon which the fee is imposed. Fees collected by the City include: fees in-lieu of parkland dedication, park development projects, water and sewer capacity and improvement fees, road and circulation fees, public safety fees, and general administrative capital improvement fees.

The City has adopted a Fiscal Policy which includes maintaining a General Fund Reserve of 25% of budgeted annual operating expenditures. Overall, the City is in sound financial condition. The City has estimated a beginning fund balance of 31 million in 2019 with an estimated budget of 36.5 million. The \$6.4 million of expenditures that exceed revenues are for one-time capital

projects that the City will support from accumulated fund balances. Over the last several years the City has been able to not only balance the budget, but also place monies in reserve. The combination of conservative revenue projections and holding the line on expenditures should help Pismo Beach build a reserve of upwards of \$6.15 million at the end of fiscal year 2019.

## 5. Opportunities for Shared Facilities

The annexation of the SOI study areas to the City may lead to shared roadway infrastructure with the County and the State. The SOI areas include opportunities to create shared facilities such as:

- ▶ Regional Recycled Water Facility
- ▶ Roadway connections
- ▶ Coordinated open space preservation
- ▶ Linkages between City and County recreational trails
- ▶ Preservation and enhancement of Agricultural Lands

In the case of recycled water the City has studied and given direction to pursue a recycled water facility that could directly inject recycled water back into the groundwater basin. The City could continue to work with the surrounding jurisdictions in order to maintain a health groundwater basin and produce a combined waste stream along with the South County Sanitation District's outflow into the ocean within NPDES standards. The recreational aspects of trail connections, tied into a regional park facility on Price Canyon Road near the City's Price Historical Park, offer opportunities for the City and County to join their recreational resources not only to the benefit of the City residents, but for the general public of the County as well. Coordination of open space corridors that cross over the proposed City-County limit lines will enhance the viability of habitat from the area and preserve these important oak woodlands and related habitat for generations to come.

## 6. Accountability in Government Structure

The City Council is elected in compliance with California Election Laws. The City complies with the Brown Act Open-Meeting Law and provides the public with ample opportunities to obtain information about City issues, including website and phone access. The City's website contains

a wealth of information about all of the City's Departments and services. The City Council holds regular meetings at 5:30 p.m. on the first and third Tuesdays of each month in the Council Chambers, at 760 Mattie Road.

Pismo Beach does maintain various customer-oriented programs, including a mission statement for each City department, customer satisfaction programs, regular in-house safety training and management, and similar programs designed to enhance the experience for the City customer. Overall, the City is well-organized and equipped administratively to serve the recommended Sphere of Influence.

## **7. Other Matters as Required by Commission Policy**

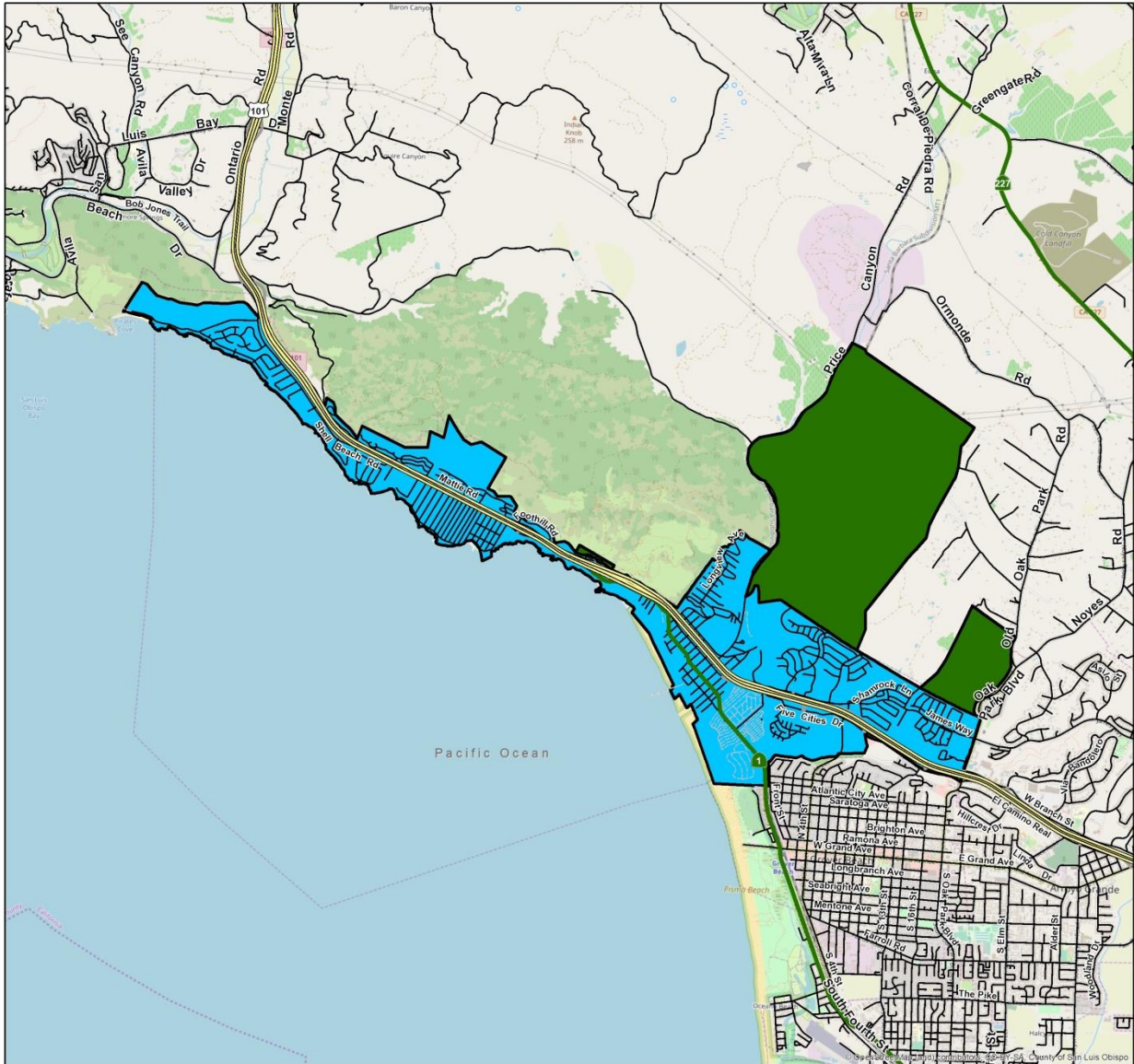
No other matters have been identified in LAFCO Policies that need to be addressed in this SOI/MSR Update.

## **RECOMMENDED SPHERE OF INFLUENCE**

Based upon the information contained in Chapters 2 and 3 of this document, and the environmental determination, LAFCO has decided that the Pismo Beach Sphere of Influence be updated to retain all Study Areas and the Preserve parking lot area. The decision is consistent with the MOA (Appendix B) agreed to by the City and County.

Figure 1-1 – Adopted Sphere of Influence

**City of Pismo Beach  
City Limits & Sphere of Influence  
Adopted: September 2019**

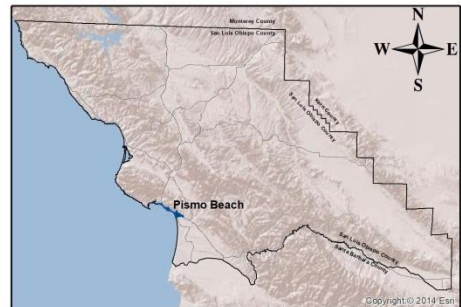


**Legend**

- Service Area
- Sphere of Influence



Prepared By SLOLAFCO  
Name: City of Pismo Beach\_SOI Bndy  
Date: 9/20/2019





# CHAPTER 2

## PISMO BEACH – SPHERE OF INFLUENCE UPDATE

---

### INTRODUCTION

This Sphere of Influence (SOI) Update chapter is prepared for the City of Pismo Beach and is based upon the following Municipal Service Review (Chapter 3) that analyzes the City's capability to serve existing and future residents. The SOI Update and Service Review were prepared to meet the requirements of the Cortese/Knox/Hertzberg Local Government Reorganization Act (CKH). The fundamental role of the Local Agency Formation Commission, LAFCO, is to implement the CKH Act, consistent with local conditions and circumstances. LAFCO's decisions are guided by the CKH Act, found in Government Code 56000, et seq. The major goals of LAFCO include:

- Encouraging orderly growth and development which are essential to the social, fiscal, and economic well-being of the state;
- Promoting orderly development by encouraging the logical formation and determination of boundaries and working to provide housing for families of all incomes;
- Discouraging urban sprawl;
- Preserving open space and prime agricultural lands by guiding development in a manner that minimizes resource loss;
- Exercising its authority to ensure that affected populations receive efficient governmental services;
- Promoting logical formation and boundary modifications that direct the burdens and benefits of additional growth to those local agencies that are best suited to provide necessary services and housing;
- Making studies and obtaining and furnishing information which will contribute to the logical and reasonable development of local agencies and shaping their development so as to advantageously provide for the present and future needs of each county and its communities;
- Establishing priorities by assessing and balancing total community services needs with financial resources available to secure and provide community services and encouraging government structures that reflect local circumstances, conditions, and financial resources;
- Determining whether new or existing agencies can feasibly provide needed services in a more efficient or accountable manner and, where deemed necessary, consider reorganization with other single purpose agencies that provide related services;
- Updating SOIs every five years or as necessary; and
- Conducting a review of all municipal services by county, jurisdiction, region, sub-region or other geographic area prior to, or in conjunction with, SOI updates or the creation of new SOIs.

To carry out State policies, LAFCO has the power to conduct studies, approve or disapprove proposals, modify boundaries, and impose reasonable terms and conditions on approval of proposals. Existing law does not provide LAFCO with direct land use authority, although some of LAFCO's discretionary actions consider land use in the decision making process. LAFCO is expected to weigh, balance, deliberate, and set forth the facts and determinations of a specific action when considering a proposal.

An important tool used in implementing the CKH Act is the adoption of a Sphere of Influence (SOI) for a jurisdiction. A SOI is defined by Government Code 56425 as "...a plan for the probable physical boundary and service area of a local agency or municipality...". A SOI represents an area adjacent to a city or district where a jurisdiction might be reasonably expected to provide services over the next 20 years. This chapter, along with the following Municipal Service Review, provides the basis for updating the City of Pismo Beach's Sphere of Influence, which is required to be updated every five years, or as needed.

This Sphere of Influence Update chapter addresses the key factors called for in Cortese/Knox/Hertzberg Act by referring to information contained in the Service Review. Also, the following written determinations must be addressed according to section 56425(e)(1-4) of the Cortese/Knox/Hertzberg Act:

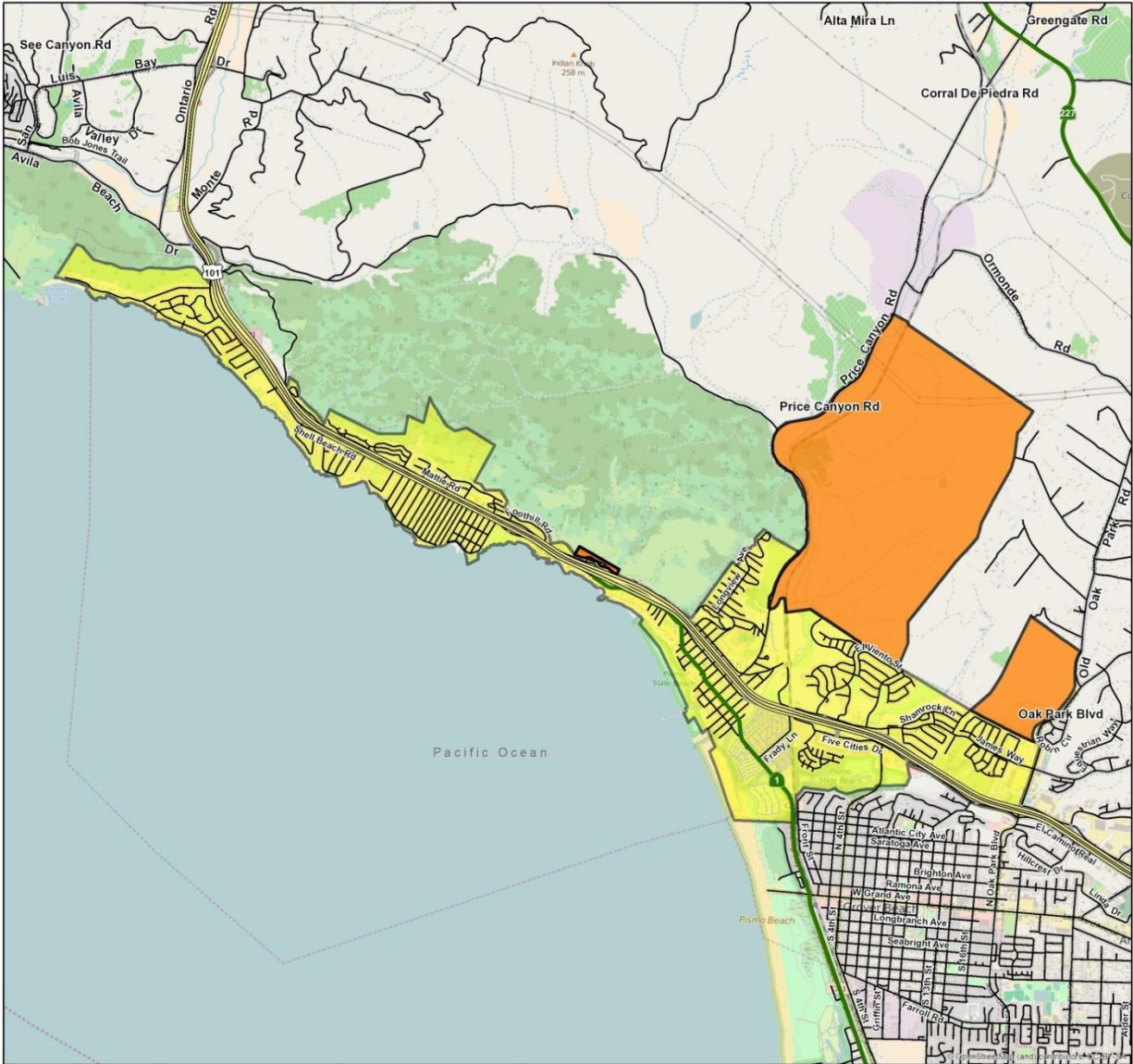
- Present and planned land uses in the area, including agriculture, and open space lands;
- Present and probable need for public facilities and services in the area;
- Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide; and
- Existence of social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.
- The present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

## **EXISTING SPHERE OF INFLUENCE**

The City's existing Sphere of Influence is approximately 1,350 acres and includes six properties: Los Robles del Mar 182 acres, Loughead 182 acres, Big Bird 258 acres, King South Ranch 471 acres, Godfrey 250 acres, and the most recently Preserve parking lot area was added in 2016. The map on the next page shows the existing Sphere of Influence of the City.

Figure 2-1 - Pismo's SOI

**City of Pismo Beach  
City Limits & Sphere of Influence  
Adopted: February 2016**

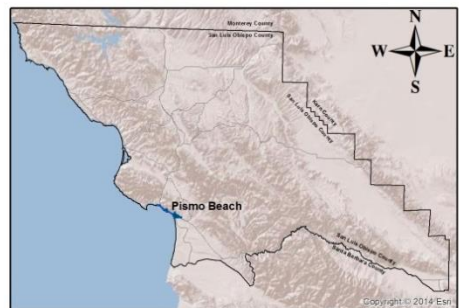


**Legend**

	Service Area
	Sphere of Influence



Prepared By SLOLAFCO  
Name: City of Pismo Beach\_SOI Bndy  
Date: 3/2/2016



## SPHERE OF INFLUENCE STUDY AREAS

For study purposes, the City of Pismo Beach and LAFCO staff prepared a map that includes five Study Areas for the Sphere of Influence. The Study Areas are used to help analyze and identify which properties should be maintained and which should be excluded from the Sphere of Influence. A summary of the Study Areas are listed in the table below:

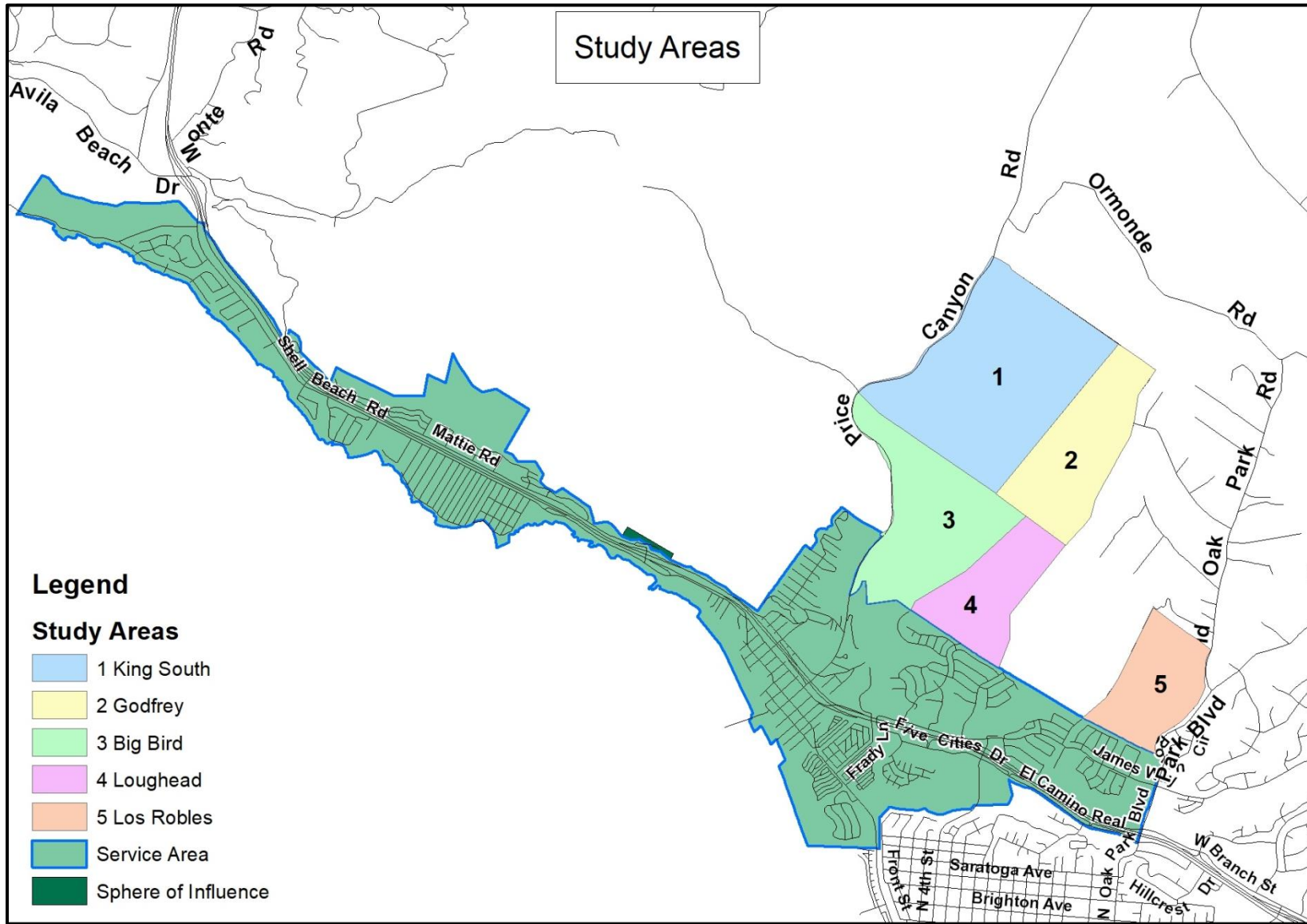
**Table 2-1: City of Pismo Beach Study Areas**

Study Area	Description	Acres	Existing Zoning	Prime AG Land	Constraints
1	King South Ranch (SOI)	471	Rural Lands	Yes	AG Land, Fire Haz.
2	Godfrey Parcel	250	Rural Lands	Yes	AG Land, Fire Haz.
3	Big Bird (SOI)	258	Agriculture	Yes	AG Land
4	Loughead (SOI)	182	Rural Lands	No	Unknown
5	Los Robles del Mar (SOI)	182	Rural Lands	No	Biological Resources
	Totals	<b>1,343</b>			

(SOI) = Existing Sphere of Influence

The Study Areas are described in more detail on the following pages and include: a map that focuses on the particular area, and the recommendation made by the MOA. The discussion addresses the size and location of the area, current zoning, possible City zoning for each area and other relevant information. Also included was a staff recommendation for each area based upon the information in Chapter 3, Municipal Service Review, information provided by the City, and input from a variety of organizations and private citizens.

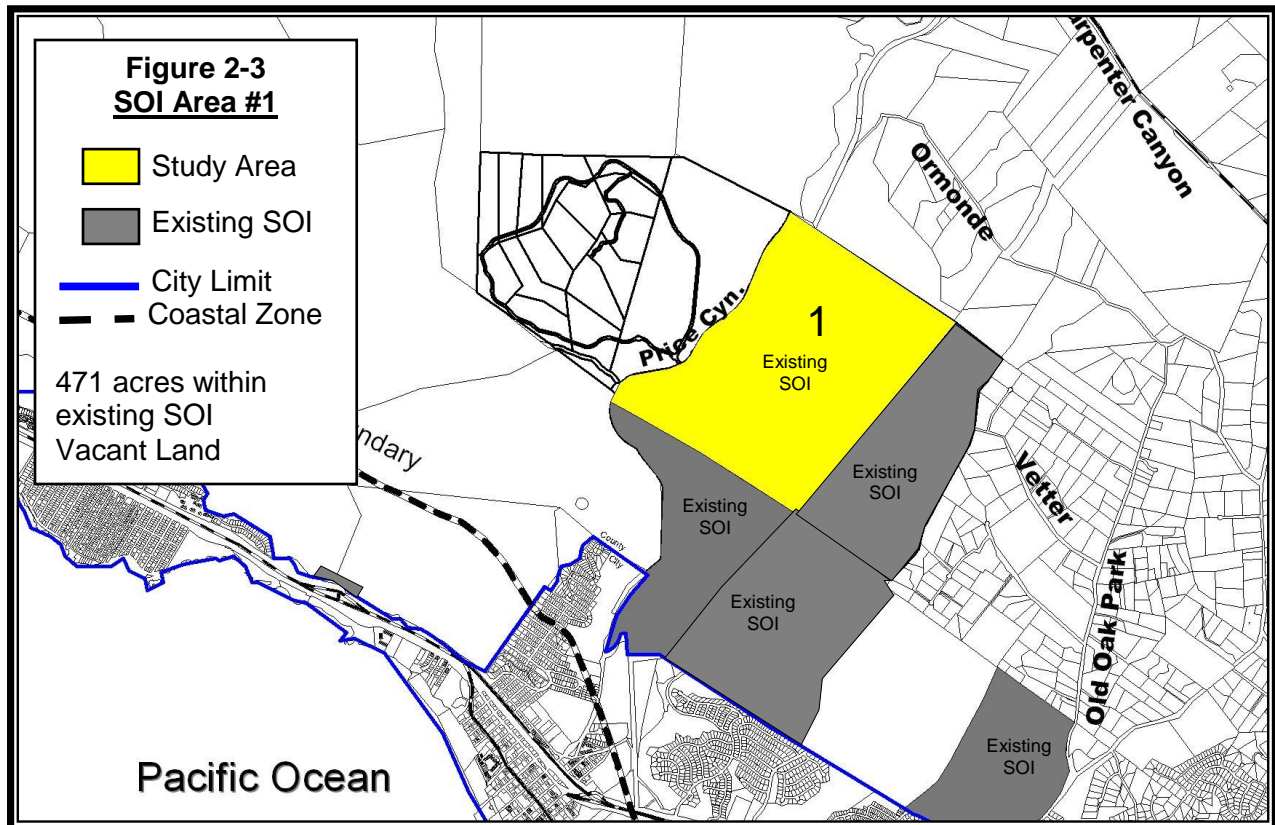
Figure 2-2 – Study Areas



**SOI Area #1 – King South Ranch (Located in SLO County; Presently within SOI).** This area includes 471 acres located just south and east of Price Canyon Road. This parcel is identified by the City’s General Plan for inclusion within the Sphere of Influence and ultimate annexation and development within the City. This parcel is designated "Agriculture" by the County. This site along with three other listed below make-up a larger area – a total of over 1,200 acres – is generally considered Price Canyon Area. Most recently, there were two separate large developments proposed for this planning area, totally about 1,000 housing units on hilly terrain. In November 2014 H-14, a ballot initiative was approved to limit the type of development in Price Canyon. A key constraint placed on this area was parcel size would be limited to 40 acres or larger, with a maximum of two homes per parcel.

**City/County MOA.** This area should remain in the SOI.

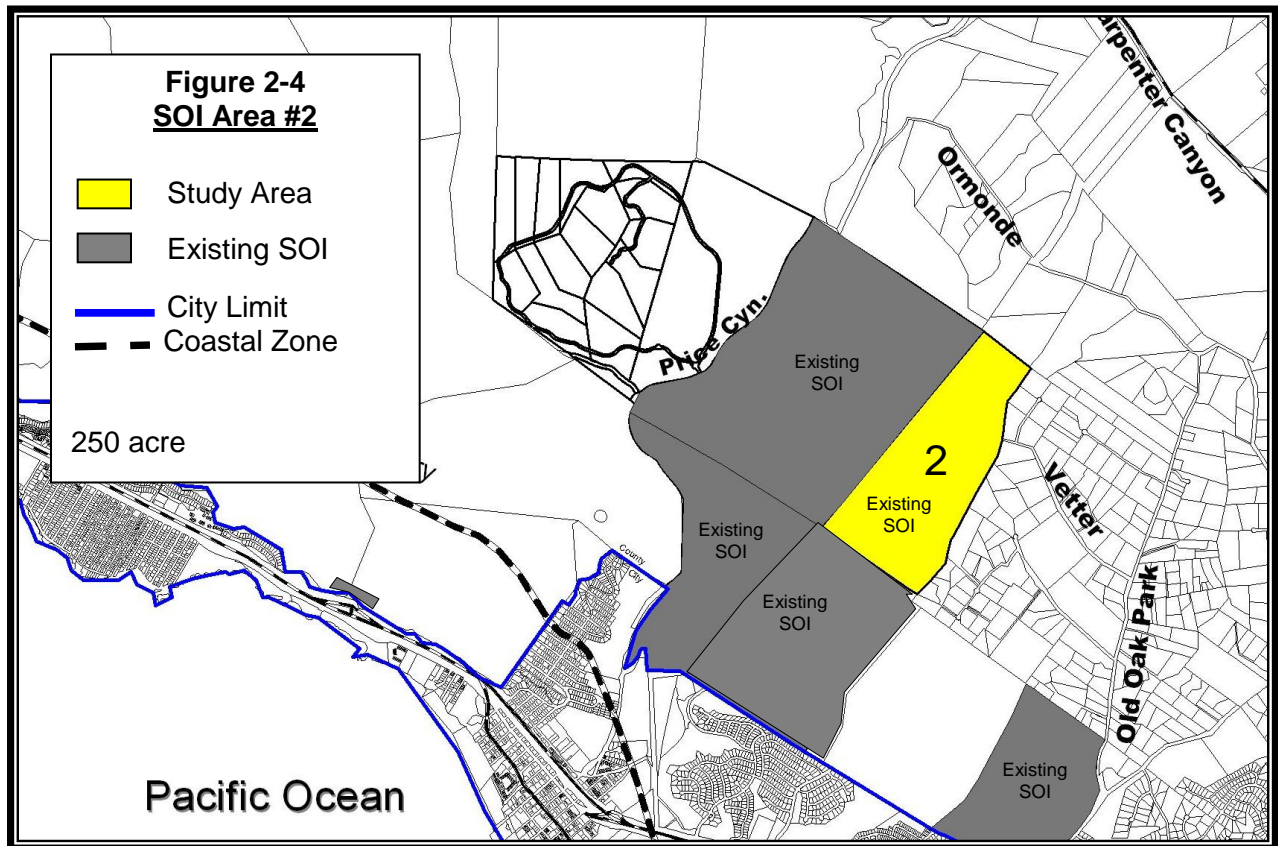
**LAFCO Recommendation.** The SOI should include Area One. In November 2014 H-14 ballot initiative and subsequent General Plan Amendment by the City designated the area to Watershed and Resource Management that limits the type of development in Price Canyon. A key constraint placed on this area, limits the parcel size to 40 acres or larger, with a maximum of two homes per parcel. The type and demand for City services are limited and not foreseeable in the planning horizon however, planning for the area should be considered in a larger context. Chapter 3 Municipal Service Review states the City continues to have limited water resources to serve significant urban level development demands, so water services would need to be adequate, reliable, and sustainable, per the conditions of approval in the future.



**SOI Area #2 – Godfrey Parcel (Located in SLO County; Presently within SOI).** This parcel is approximately 250 acres in total area and located adjacent to and east of the King South Ranch. This site is part of the Price Cannon Area referenced in Study Area #1. This parcel is designated as "Rural Lands" under the County's General Plan.

**City/County MOA.** This area should remain in the SOI.

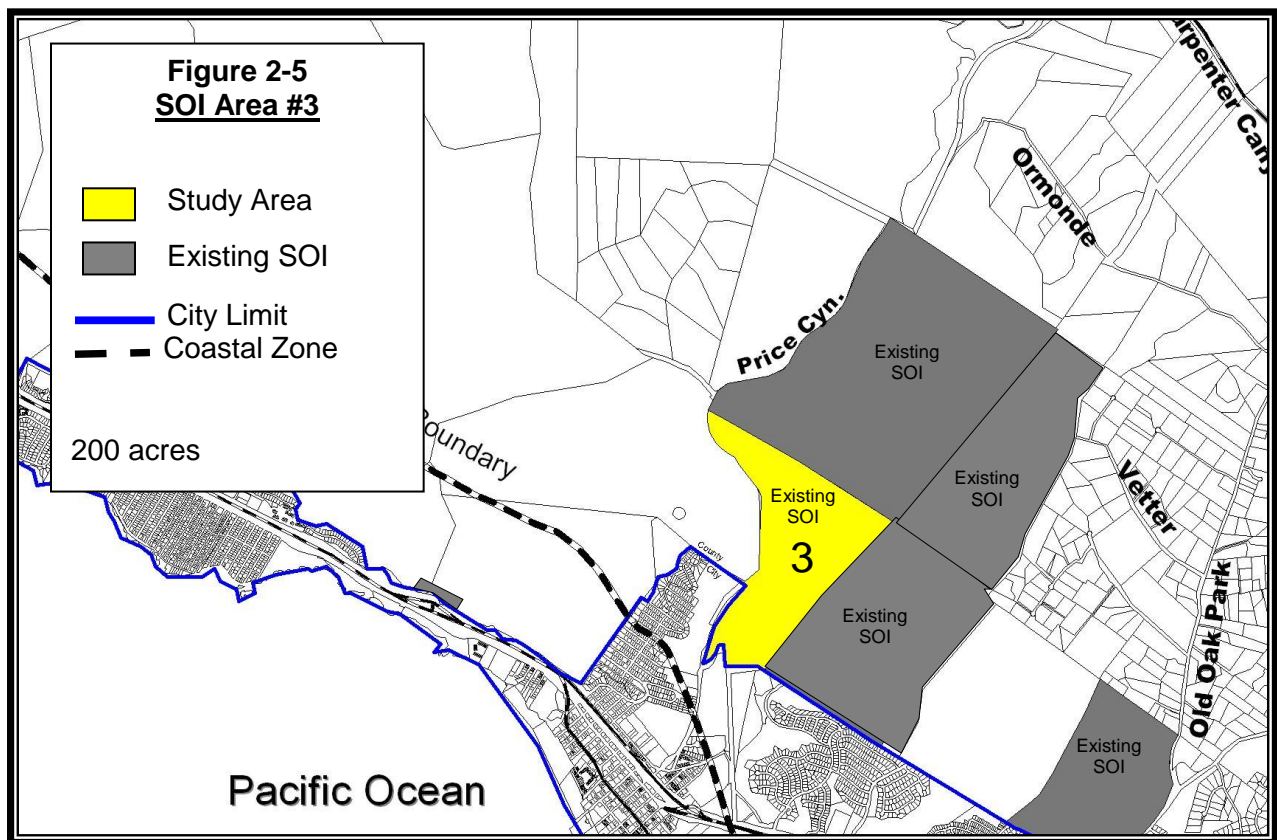
**LAFCO Recommendation.** The SOI should include Area Two. Similarly to Area One the ballot initiative and subsequent General Plan Amendment to Watershed and Resource Management that limits the type of development in Price Canyon limit the development potential however, planning for the area should be considered in a larger context. The type and demand for City services are limited and not foreseeable in the planning horizon. Chapter 3 Municipal Service Review states the City continues to have limited water resources to serve significant urban level development demands, so water services would need to be adequate, reliable, and sustainable, per the conditions of approval in the future.



**SOI Area #3 – Big Bird (Located in SLO County; Presently within the SOI).** This approximately 200-acre parcel is located to the immediate north and west of the Price House property. The Big Bird property is located adjoining Price Canyon Road. This site is designated "Agriculture" under the County's General Plan. This site was included in the 2014 ballot initiative.

**City/County MOA.** This area should be included in the SOI.

**LAFCO Recommendation.** The SOI should continue to include Area Three. This area would be a logical extension of the City's boundaries. Based on the Conditions of Approval to phase future development the properties adjacent to the existing City Limits are intended to be appropriately planned for prior to annexation. In addition, the MOA speaks to the area remaining in the SOI and having a logical phasing approach. The City's Land Use and Open Space policies and standards would manage any development proposed in this area. The City's General Plan Amendment to Watershed and Resource Management would limit the type of development in Price Canyon for the next 20 years. The City's limited water resources to serve significant urban level development would need to be improved so water services would need to be adequate, reliable, and sustainable, per the conditions of approval in the future.

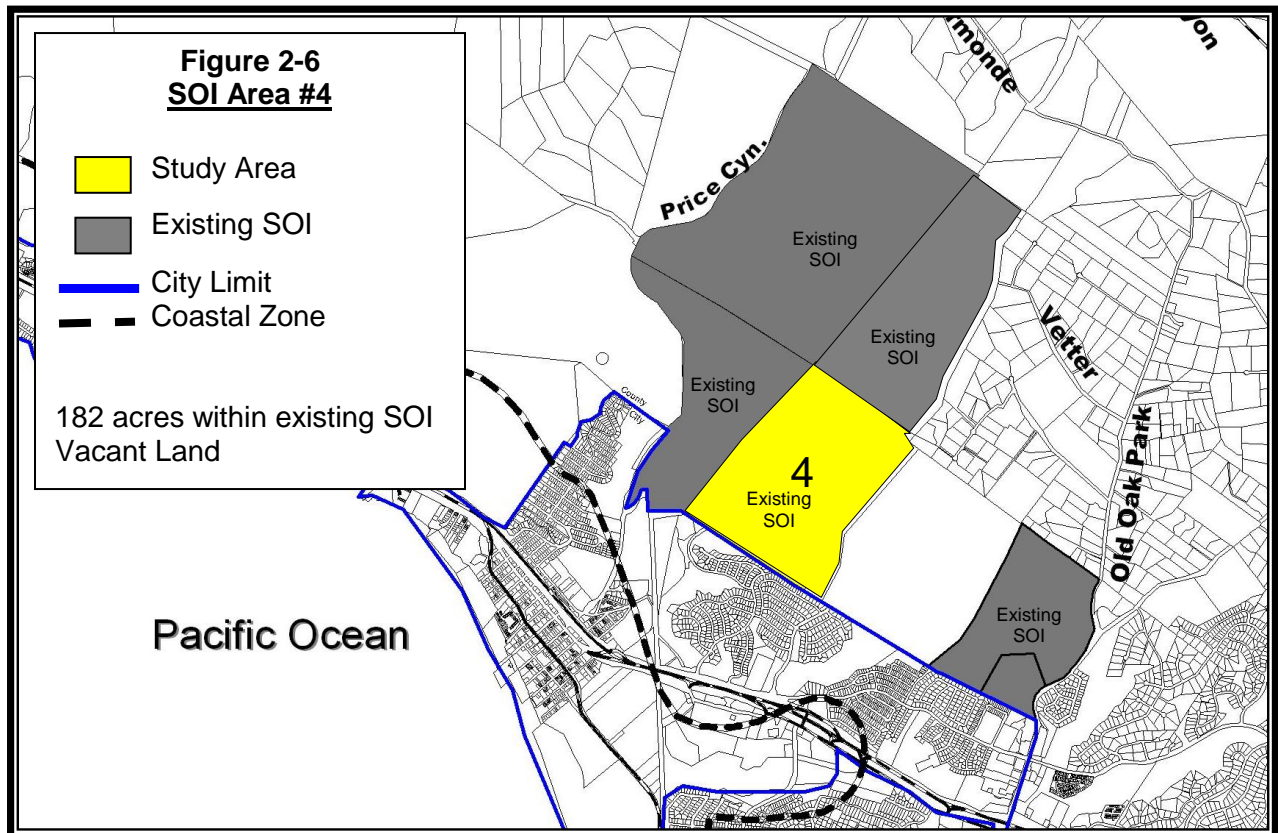




**SOI Area #4 – Loughead (Located in SLO County, Presently within SOI).** This parcel includes approximately 182 acres of land. The site is accessed from Highland Drive in Pismo Beach, and presently contains a City water reservoir and distribution main water line in the lower southeastern corner of the site. This site is owned by the same development interests responsible for the Pacific Estates residential development projects around Highland Drive in Pismo Beach. This parcel is designated as "Rural Lands" by the County General Plan. This site was included in the 2014 ballot initiative. On November 6, 2017, the County Subdivision Review Board heard and approved a request by John King for a Tentative Parcel Map to subdivide a 182 acre parcel resulting in two (2) parcels of 25.9 acres and 156.1 acres. An appeal of the decision was filed by the City of Pismo Beach on November 15, 2017. On December 4, 2018 the Board of Supervisors took action to deny the appeal based on the action of the City to dead-end the streets leading to the property. The City stated it does not plan on providing services including water, sewer, or roadway access to this area.

**City/County MOA.** This area should be included in the SOI.

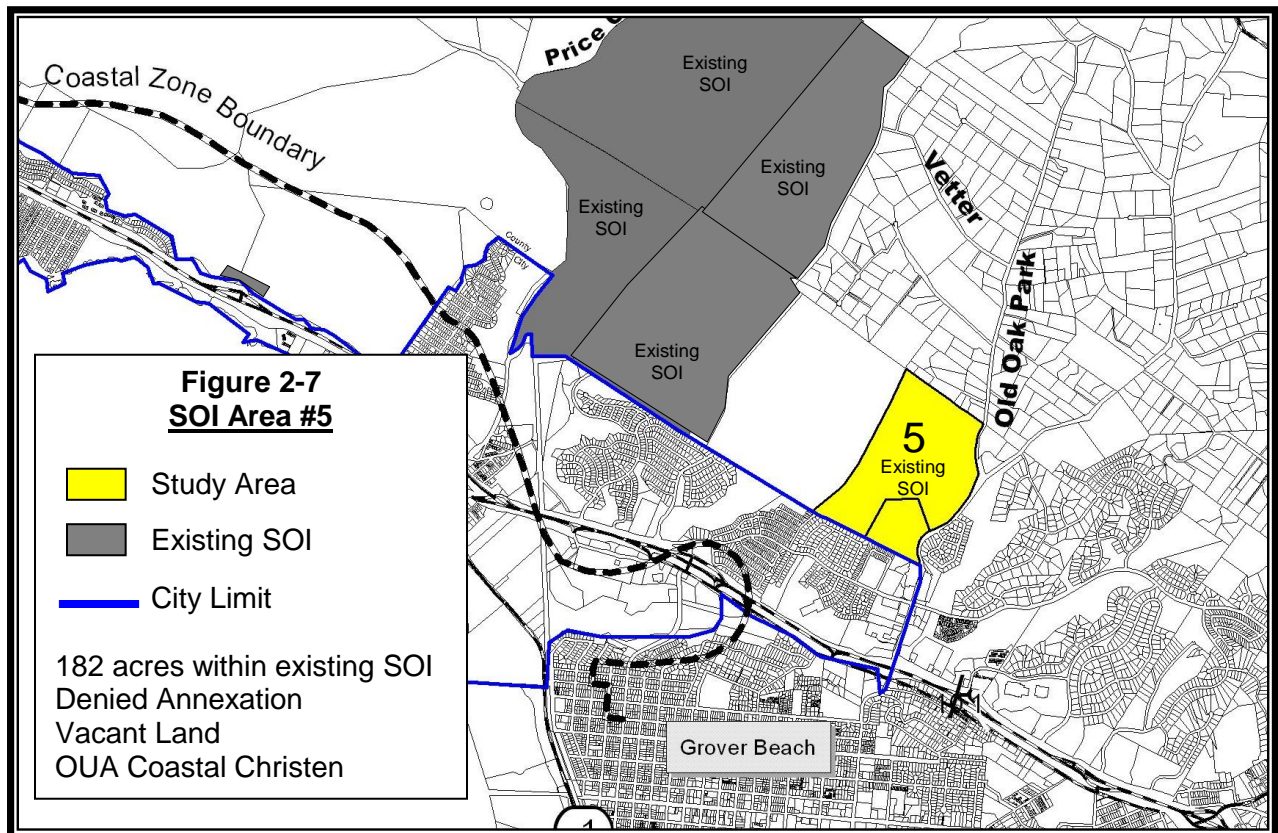
**LAFCO Recommendation.** The SOI should continue to include Area Four. This area would be a logical extension of the City’s boundaries. Based on the Conditions of Approval to phase future development the properties adjacent to the existing City Limits are intended to be appropriately planned for prior to annexation. In addition, the MOA speaks to the area remaining in the SOI and having a logical phasing approach. The City’s Land Use and Open Space policies and standards would manage any development proposed in this area. The City’s General Plan Amendment to Watershed and Resource Management would limit the type of development in Price Canyon for the next 20 years. The City’s limited water resources to serve significant urban level development would need to be improved so water services would need to be adequate, reliable, and sustainable, per the conditions of approval in the future.



**SOI Area #5 – Los Robles del Mar (Located in SLO County; Presently within the SOI).** This parcel is located adjoining Oak Park Road at the southern end of the Oak Park Heights Planning Area. The Los Robles del Mar (LRDM) area includes two (2) separate parcels. One parcel is an approximately 152 acre ownership and the second site is a private school site of approximately 30 acres. Both parcels comprise what is generally referred to as the LRDM site. LAFCO denied the annexation for lack of an adequate, reliable, and sustainable water supply. The LRDM site also constitutes the first of the three (3) properties recommended to remain within the PB SOI to be considered for annexation and development. This parcel is designated by the County as "Rural Lands" in their General Plan.

**City/County MOA.** This area should be included in the SOI.

**LAFCO Recommendation.** The SOI should continue to include Area Four. This area would be a logical extension of the City’s boundaries. Based on the Conditions of Approval to phase future development the properties adjacent to the existing City Limits are intended to be appropriately planned for prior to annexation. In addition, the MOA speaks to the area remaining in the SOI and having a logical phasing approach. The City’s Land Use and Open Space policies and standards would manage any development proposed in this area. However, it is not uncommon to undergoing a specific plan and environmental review that could take up to 20 years to complete. The City’s limited water resources to serve significant urban level development would need to be improved so water services would need to be adequate, reliable, and sustainable, per the conditions of approval in the future.



## Memorandum of Agreement

The City Council considered the Memorandum of Agreement (MOA) between the City of Pismo Beach and the County of San Luis Obispo in June 2019. The Board of Supervisors considered the MOA in September 2019. The MOA is included with this report in Appendix B. The CKH Act requires that an approved agreement be given “great weight” by the Commission in making its decision regarding the update of the City’s SOI. The City and the County agreed upon the extent of the City’s Sphere of Influence, the development process and other provisions. The general approach of the MOA is to ensure close coordination and cooperation between the City and County on the future planning and development of the areas within the City’s SOI boundary. Key provisions of the MOA include the following:

**Water Supply.** The City policies require that the proponent of an annexation obtain a water supply prior to completing an annexation. All water resources will be evaluated and documented consistent with LAFCO policies, the City’s Urban Water Management Plan, and State Law such as SB 610 (requires a water supply assessment) when applicable. The City shall implement the SOI conditions of approval regarding water supply listed in this Chapter. A condition of approval agreed to in the MOA requires that the water supply be fully documented.

**Phasing.** Future development proposed within the Sphere of Influence will be phased to promote orderly and logical growth and development of the City’s Boundaries. The properties adjacent to the existing City Limits are intended to be appropriately planned for prior to annexation. The intent is for the City to be able to construct needed infrastructure, roads, pipelines, etc., in a manner that logically extends these services and connections into the areas adjacent to the City. This phasing of development is intended to help increase the financial feasibility of constructing the needed infrastructure in areas adjacent to the City. The gradual phasing of the development would influence the amount of initial financial investment for infrastructure construction and allow for existing connections to be used for extending services into adjacent properties.

**Guiding Principles for Future Development.** The City and County agree that the following principles should help guide development that is proposed within the City’s Sphere of Influence:

- *Direct development toward existing incorporated areas and unincorporated urban areas with logical infrastructure connections*

Phase urban development in a compact manner, first using vacant or underutilized “infill” parcels and lands next to or near existing development and adjacent infrastructure. Include a range of land uses and housing types and densities affordable to a wide range of incomes to be developed in the beginning phases of development adjacent to the City Limits as described in section number seven.

- *Create walkable and transit friendly neighborhoods that have logical connections to other parts of the City*

Area proposed for future growth should address roadway distances that would connect the new areas of development together with the existing City and would promote maximum connectivity between different land uses through walkways, bike paths, transit, or other means.

- *Provide for a variety of transportation choices that are feasible and financially viable*

Insure adequate densities of development that are conducive to supporting transit service.

- *Create a range of housing opportunities and choices*

Future development plans should clearly define a program for including a balanced variety of housing types; one that includes multi-family development and options for higher-density housing. The development should maximize the opportunities to offer a greater range of housing choices that are affordable to people with a variety of income levels.

- *Take advantage of building design*

The proposed development should be designed in a form that encourages transit, walkability and connectivity to existing city infrastructure within the areas proposed for development. The goals are to 1) develop neighborhoods that contain residential uses

that are affordable by design and efficient in land and energy consumption and 2) minimize the number of large lots by encouraging a variety of housing densities.

➤ *Improve the regional or sub-regional jobs/housing balance*

Plan for land uses that provide opportunities for employment and in particular, explore creating opportunities for head-of-household jobs.

**Property Tax Agreement.** Prior to processing and annexation the City and County are required to approve a property tax agreement. The City and County may use the existing Master Agreement for negotiations, or they may consider a separate agreement that specifies a different property tax allocation formula. This is allowed under the revenue and tax code of the State of California.

## Conditions of Approval

The following conditions of approval are adopted based on the Sphere of Influence Update, Municipal Service Review, Memorandum of Agreement, and public input and to reflect the current situation.

## WATER

- a. As a condition of an annexation application being filed with LAFCO, the City shall document with a water supply analysis that an adequate, reliable, and sustainable water supply is available and deliverable to serve the areas proposed for annexation.
- b. Future development shall be prohibited from utilizing groundwater from the Oak Park Aquifer, with the exception of Coastal Christian School which is allowed to be developed under the conditions of their County approved permit. Future annexations shall use deed restrictions, covenants or other appropriate measures to ensure that the groundwater is not pumped from this aquifer.
- c. Other groundwater basins in the area proposed for use shall document the safe yield of the basin and the future reliability of the aquifer.

## PHASING AND BUILD-OUT

- a. In order to avoid a "leap-frog" development pattern, encourage orderly growth in the area, and discourage urban sprawl, any proposals within the Sphere of Influence shall be phased such that properties adjacent to the existing City Limits are developed as part of the first phase of development.
- b. As a condition of an annexation application, the development on vacant or underutilized parcels already within the boundaries of the City shall be evaluated. The City shall provide LAFCO with a build-out estimate or inventory and document how it was prepared.

## AGRICULTURE & OPEN SPACE

- a. The City shall identify all agricultural and open space lands to be protected in the SOI areas when preparing a Specific Plan.
- b. Prior to LAFCO filing the certificate of completion (if an annexation is approved), conservation easement(s) shall be recorded on the deed(s) of the properties affected by the annexation specifying the areas to be protected in perpetuity.

## Present and Planned Land Use

The land uses of the proposed Sphere of Influence areas vary from agriculture to rural lands. The planned use for the SOI areas might include agriculture, commercial, residential, recreation and open space. The City's General Plan policies enable the City to effectively manage the growth and development within this area. The MOA provides the City with guidance with regard to the future development of the SOI area. If the principles of the MOA are incorporated it may provide for the rational annexation of the area into the City when appropriate.

The General Plan for the City of Pismo Beach contains the land use policies and standards that provide the blueprint for the future growth of the City. The General Plan was adopted in 1992 and contains all the mandatory elements and several non-mandatory elements defining design, facilities, growth management and parks, recreation and access. A majority of the City is in the Coastal Zone and requires a City-adopted Local Coastal Plan, certified by the California Coastal

Commission. The proposed Sphere of Influence is outside of the Coastal Zone. The Land Use Element of the General Plan establishes the framework for development of the City and identifies the general distribution, location, and extent of uses of land for housing, business, industry, open space, recreation, natural resources and other uses of public and private land. The City's General Plan Amendment to Watershed and Resource Management for the Price Canyon Area limits the type of development. A key constraint placed on this area, limits the parcel size to 40 acres or larger, with a maximum of two homes per parcel. The type and demand for City services are limited and not foreseeable in the planning horizon. Chapter 3 Municipal Service Review states the City continues to have limited water resources to serve significant urban level development demands that would warrant inclusion.

The Land Use Element contains land use maps that indicate the various locations of land uses for the City of Pismo Beach. Figures 2.10-11 show the following land use zones or categories:

- ▶ Low-Density Residential
- ▶ Medium-Density Residential
- ▶ High-Density Residential
- ▶ Mobile Home Park
- ▶ Resort Commercial
- ▶ Commercial
- ▶ Public/Semi-Public
- ▶ Open Space
- ▶ Industrial

The Land Use Element divides the City into 18 smaller, more discreet, neighborhood planning areas. Specific information and policies apply to the 18 planning areas of the City. The General Plan identifies several policies for the development of what is known as Price Canyon (King South Ranch & Cottonwood) areas. These policies were revised to reflect the November 2014 H-14 ballot initiative. The City calls for a specific plan to be prepared for any development project in these areas and requires the specific plan to consider the protection of sensitive resources as a high priority.

Figure 2-8 City of Pismo Beach General Plan Land Use Designations

**Land Use** **Figure LU-2**  
**PISMO BEACH GENERAL PLAN**

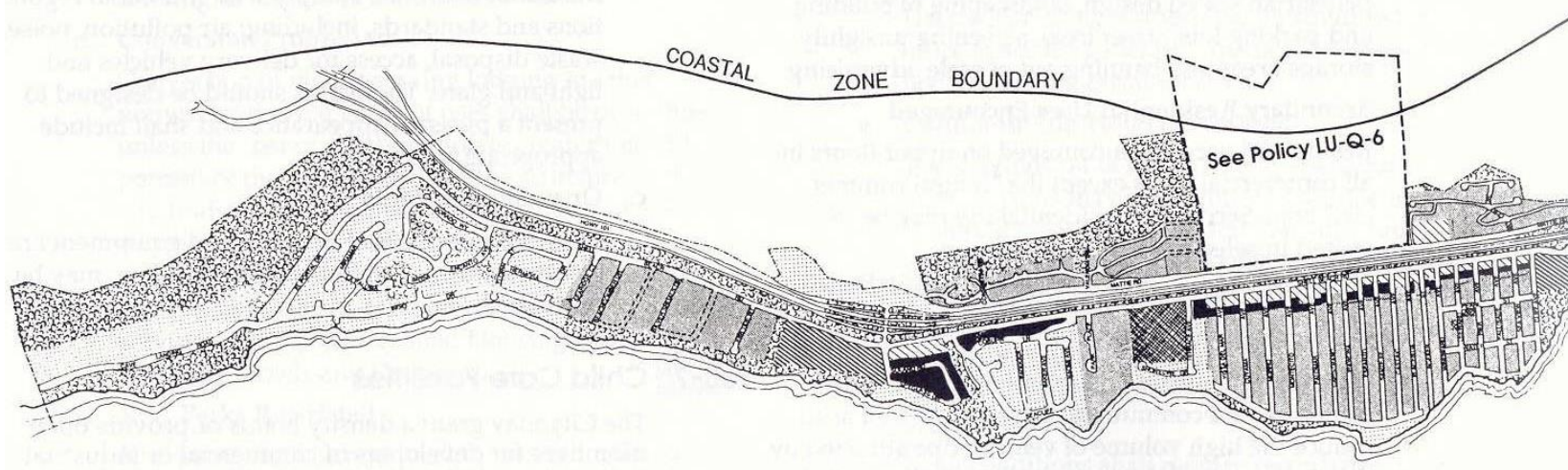
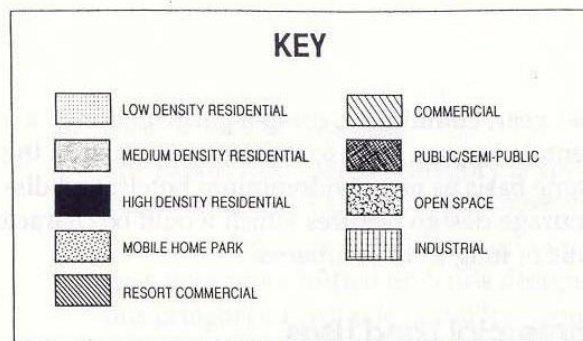
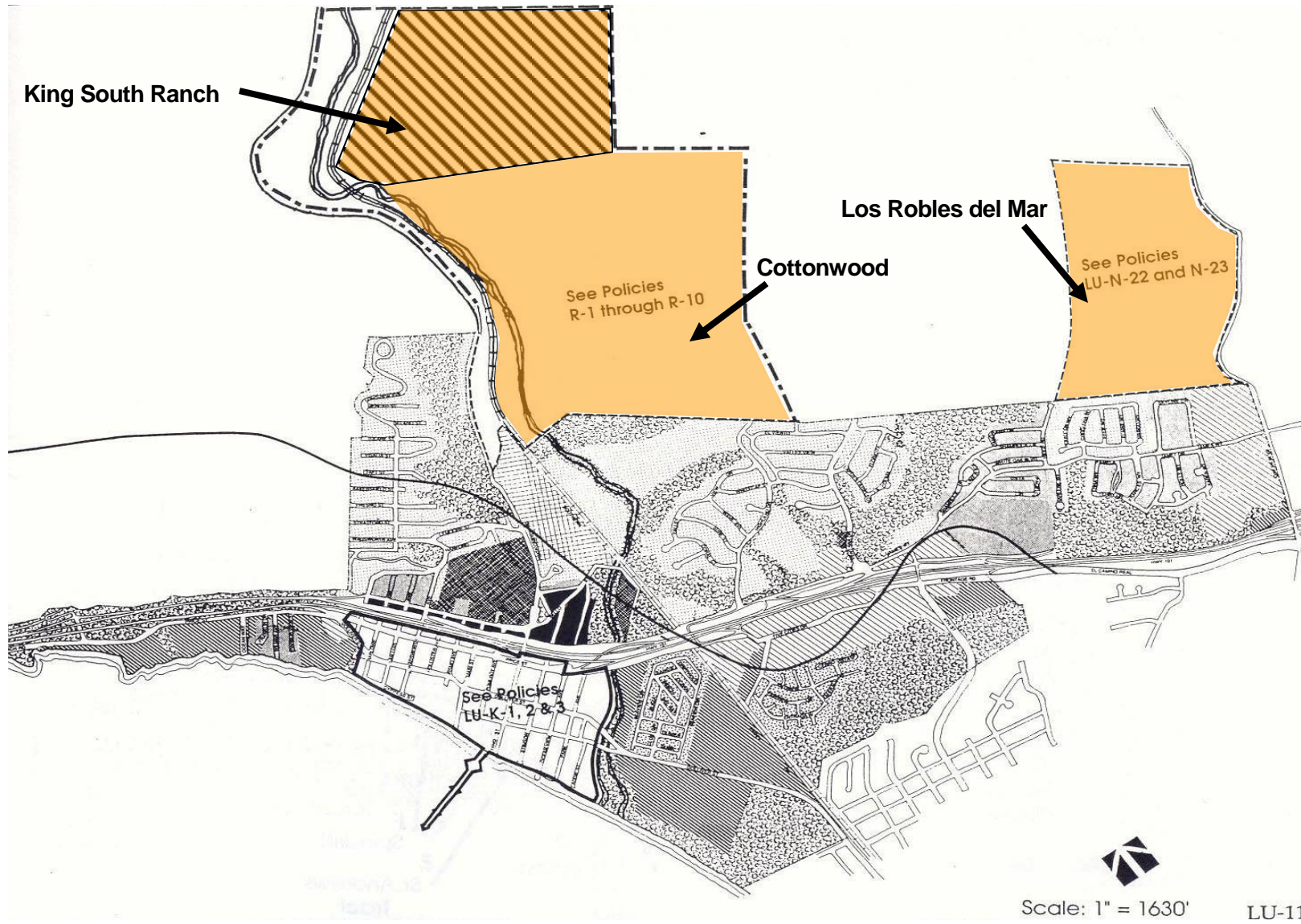




Figure 2-9 City of Pismo Beach General Plan Land Use Designations cont.



The Pismo Beach General Plan addresses expansion of the community under its Growth Management Element and with specific policies in the Land Use Element. In 1992, the General Plan identified four sites for inclusion in the City's Sphere of Influence; these sites are the Los Robles del Mar site (already in the SOI, recommended to remain), the two sites comprising Cottonwood (currently known as Big Bird & Loughead already in the SOI and recommended to remain), and King South Ranch (within in the SOI, recommended to remain). The Godfrey property is also recommended to remain in the SOI.

Policy GM-9, specific to the two properties comprising the Cottonwood project, addresses the criteria to be used when considering annexation and development projects for these three properties. The General Plan indicates that in addition to these specific sites, the City should communicate its concerns over development in areas that would remain under County jurisdiction vis-à-vis adopting an "Extended Planning Area" or "Area of Interest". The General Plan also encourages proactive planning and the City should be establishing goals for land use and development both within the City, within the Sphere of Influence, and within the "Extended Planning Areas" or "Areas of Interest." Proactive planning is described in Principle P-11 of the General Plan.

The governing bodies of the City of Pismo Beach and the County of San Luis Obispo have called for a coordinated planning effort for the Price Canyon area between the County, City, property owners and other affected agencies. Associated with this effort, City Policy GM-3 states how it prefers to interact with the County on common border areas. The policy suggests that the City work to achieve mutually beneficial goals with the County. This type of effort affords LAFCO the opportunity to evaluate existing development patterns both within the City and in adjoining County areas when considering the addition of lands to the City that would increase development and population growth.

The County's San Luis Bay Inland Area Plan does not identify the Price Canyon area as an urban reserve area for Pismo Beach. The term "urban reserve" for the County is equivalent to a Sphere of Influence designation for a city. The County's Area Plan identifies the need to coordinate planning projects in Pismo Beach's outlying regions with the City, as does the City's General Plan Policy GM-3. The County's Plan promotes the protection of agricultural land resources, with the highest priority placed upon protecting prime agricultural lands and open space corridors and a host of policies that attempt to direct growth away from these areas to

lands of infill or non-prime agricultural use.

The Pismo Beach General Plan recognizes that the City will be approaching a high percentage of residential build out by the year 2035. Information generated for recent water and wastewater master planning efforts suggest that potential residential build out within present city limits would be approximately an additional 358 units. As suggested by the table below, growth within the City over the next ten to twenty years could exhaust available lands for residential expansion.

**Table 2-2 Pismo Beach: Vacant Land Sites Summary**

Area	Acres	Units	Population	Land Use
C-1	0.61	4	10	C-1
PR	41.75	278	695	PR
R-1	4.06	26	65	R-1
R-2	0.09	2	5	R-2
R-4	0.53	12	30	R-4
RSL	5.56	23	57	RSL
R-3	0.42	13	33	R-3
<b>Total Vacant Sites within City Limits</b>	<b>53.02</b>	<b>358</b>	<b>895</b>	
<b>King South</b>	<b>471</b>	<b>11</b>	<b>28</b>	Agriculture
<b>Godfrey</b>	<b>250</b>	<b>6</b>	<b>15</b>	Agriculture
<b>Big Bird</b>	<b>258</b>	<b>6</b>	<b>15</b>	Agriculture
<b>Loughead</b>	<b>182</b>	<b>4</b>	<b>10</b>	Rural Lands
<b>Los Robles Del Mar</b>	<b>182</b>	<b>312</b>	<b>630</b>	Rural Lands
<b>SOI Subtotal</b>	<b>1,343</b>	<b>339</b>	<b>2,183</b>	
<b>Total</b>	<b>1,402.87</b>	<b>712</b>	<b>2,939</b>	

Source: City of Pismo Beach 2019

By way of comparison, development in the Price Canyon and Los Robles areas as presented could increase residential growth in the City by a factor of approximately 339 residential units. A projection of potential development intensities is presented in the table below.

**Table 2-3 – Comparison of City/County Land Use Changes by SOI Parcel**

Site	County Potential	City SOI Potential
Los Robles del Mar	RL – 18 Residential Units	312 Residential Units
Loughead	RL – 14 Residential Units	4 Residential Units
Big Bird	AG – 2 Residential Units	6 Residential Units
King South Ranch	AG – 2 Residential Units	11 Residential Units
Godfrey	RL – 24 Residential Units	6 Residential Units
<b>City SOI Totals</b>	<b>60 Residential Units</b>	<b>339 Residential Units</b>

\*These numbers are estimates only and subject to change based on the land use process.

### Present and Probable Need for Public Services

The present need for public services in the proposed SOI area varies in the different areas. Many of the properties' current uses are for agricultural and open space purposes. Some properties already have development permits that have been approved and are in the process of being developed. The following table projects the present and probable service needs for each area:

**Table 2-4: Present and Probable Service Needs**

SOI Area	Present Need	Probable Needs
Area #1 King South Ranch	No City Services County Services	Full City Services
Area #2 Godfrey Parcel	No City Services County Services	Full City Services
Area #3 Big Bird	No City Services County Services	Full City Services
Area #4 Loughead	Uses City Sewer Line City/County Emergency Services	Full City Services
Area #5 Los Robles del Mar	Uses City Sewer Line	Full City Services

### Present Capacity of Public Facilities and Adequacy of Public Services

Water supply is identified as a key issue because the City would need to obtain supplemental water supplies that are not presently available to serve the SOI. These sources may include Preserve State Water allocation, additional State Water, or reclamation/recycled water and

could be available to the City on the basis of economic investment, which would likely be an obligation of the developer. The wastewater treatment facility has the capacity to process 1.9 million gallons per day of wastewater and is currently processing an average of 1.1 million gallons per day. The system is operating at 57% of capacity. Infrastructure would need to be constructed to connect to the system. The City’s Circulation Element, in conjunction with the Land Use Element and Capital Improvement Plan, prioritizes and manages the transportation and traffic network. Other public services such as police, fire, recreation, and administrative services are identified as being adequate in the MSR. Below is the estimated water supply and demand for the City of Pismo Beach:

**Table 2-5 Projected Water Supply & Demand**

Water Supply (AFY)	Water Demand (AFY)
2017 Water Supply = 2,832	2017 Water Demand = 1,700
<b>Current Balance 1,132 AFY</b>	
2017 Water Supply = 2,832	Existing Demand + Build-out = 2,213
<b>Projected Balance 619 AFY</b>	
2017 Water Supply = 2,832	Build-out + Recommended SOI = 2,663
<b>Projected Balance 169 AFY</b>	
2017 Supply: 2,832 + 1,421 Recycled Water = 4,253	Build-out + Recommended SOI = 2,663
<b>Projected Balance 1,590 AFY</b>	

**Social and Economic Communities of Interest**

The City of Pismo Beach has a variety of social and economic communities of interest, including numerous businesses, schools, churches, public sector facilities, and other Community Service programs that serve residents. The development of the SOI should be a net benefit to the social and economic communities of interest.

The existing social fabric of the City would change once the area is annexed. It is likely, however, that this change would be positive, bringing in new families and economic buying power as well as possible revenues that could help the City’s budget. Industrial, commercial, and retail areas could bring jobs and economic growth into the City. Chapter 3 of this report provides information that documents the effect of the proposed Sphere of Influence on the City and evaluates the City’s ability to manage expansions in these areas.

## **Present and Probable need for Public Facilities and Services of Disadvantaged Unincorporated Communities**

The City of Pismo Beach has a variety of economic diversity that lives within the City limits and surrounding area. Disadvantaged community means a community with an annual median household income that is less than 80 percent of the statewide annual median household income. Pismo Beach's Sphere of Influence does not qualify under the definition of disadvantage community for the present and probable need for public facilities and services.

### **Local Sphere of Influence Guidelines**

The Cortese/Knox/Hertzberg Act (CKH Act) requires that each Commission establish written policies and procedures. The Act also states that LAFCOs are to exercise their powers consistent with those policies and procedures. The policies should encourage and provide for well-ordered, efficient urban development patterns, balanced with preserving open space and agriculture land while discouraging urban sprawl. This Sphere of Influence Update and Municipal Service Review for the City of Pismo Beach is consistent with those policies and the purposes of LAFCO. Inclusion in the City also provides for the more efficient provision of public services and is consistent with the policies of the San Luis Obispo LAFCO.

# CHAPTER 3

## PISMO BEACH – MUNICIPAL SERVICE REVIEW

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The legislative authority for conducting Municipal Service Reviews is provided in Section 56430 of the Cortese-Knox-Hertzberg Act (CKH). The Act states that, in order to update Spheres of Influence in accordance with Government Code Section 56425, LAFCOs are required to conduct a service review of the municipal services provided by the jurisdiction. The Municipal Service Review factors that are required by State Law to be addressed include:

1. Growth and Population projections for the affected area
2. Location and characteristics of any disadvantaged unincorporated communities
3. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies
4. Financial ability of agencies to provide services
5. Status of, and opportunity for, shared facilities
6. Accountability for community service needs including governmental structure and operational efficiencies
7. Any other matter related to effective or efficient service delivery, as required by commission policy

The above-listed factors are addressed in this chapter and written determinations are included for each factor as called for in the CKH Act.

The table below indicates both the existing and possible agencies that could provide services to the SOI area. This assumes that the properties in the SOI area are eventually annexed into the City and are not served through an Outside User Agreement or some other mechanism. Typically, upon annexation, the City provides a full array of public services to the property or area being annexed.

**Table 3-1: Existing & Proposed Service Providers within SOI**

<b>Service</b>	<b>Existing Agency Providing Services for SOI Areas</b>	<b>Agency to Provide Services for SOI Areas</b>
General Government (including Governing Board, Counsel, Assessor, Finance and General Administration)	County of San Luis Obispo	City of Pismo Beach and County of San Luis Obispo
Water Service	Individual Wells or community water system	City of Pismo Beach
Wastewater collection, treatment and disposal	County of San Luis Obispo Public Works or Septic Systems	City of Pismo Beach
Storm water drainage, flood control	County of San Luis Obispo Public Works	City of Pismo Beach
Roads, Circulation, Street Maintenance Street Lighting	County of San Luis Obispo	City of Pismo Beach
Public Transportation	SLO Transit Authority	City of Pismo Beach
Law Enforcement and Fire Protection Services	County Sheriff/County Fire Department	City of Pismo Beach Police and California Department of Forestry and Fire Protection
Community Development/Planning and Building Services, Code Enforcement	County of San Luis Obispo	City of Pismo Beach
Solid Waste	County of San Luis Obispo-via contractor or individual responsibility	City of Pismo Beach
Parks and Recreation	County of San Luis Obispo	City of Pismo Beach

The Pismo Beach Sphere of Influence was most recently updated in 2016, at which time the Preserve parking lot area was added. The last SOI/MSR was completed in 2011 when the Godfrey property was added. The existing SOI at the time included Big Bird & Loughhead and the Los Robles Del Mar site. The City of Pismo Beach's SOI has 1,350 acres in its sphere of influence in three separate areas. Figure 3-1 shows the adopted Sphere of Influence. Figure 3-2 shows the City of Pismo Beach "Area of Interest" that is found in their General Plan, adopted in 1992. The Area of Interest included the above-mentioned properties and additional properties known as the Preserve, King North Ranch, and Mankins areas. Figure 3-3 shows the Study Areas considered under this review. Please note that a study area is intended to be studied for possible inclusion/exclusion. The area **may or may not** be included in the SOI.



Figure 3-1 - Pismo's Existing SOI

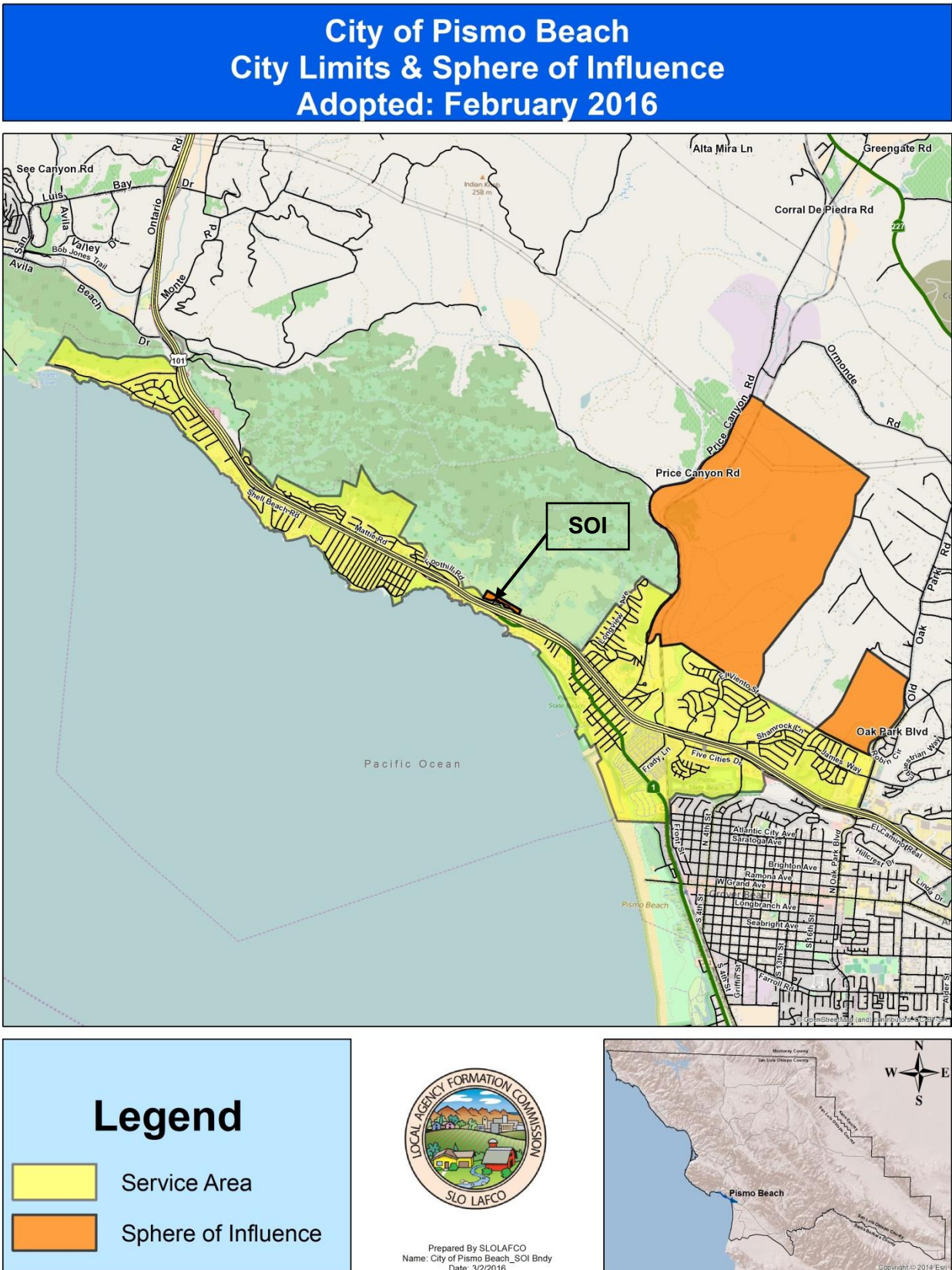


Figure 3-2 - Area of Interest

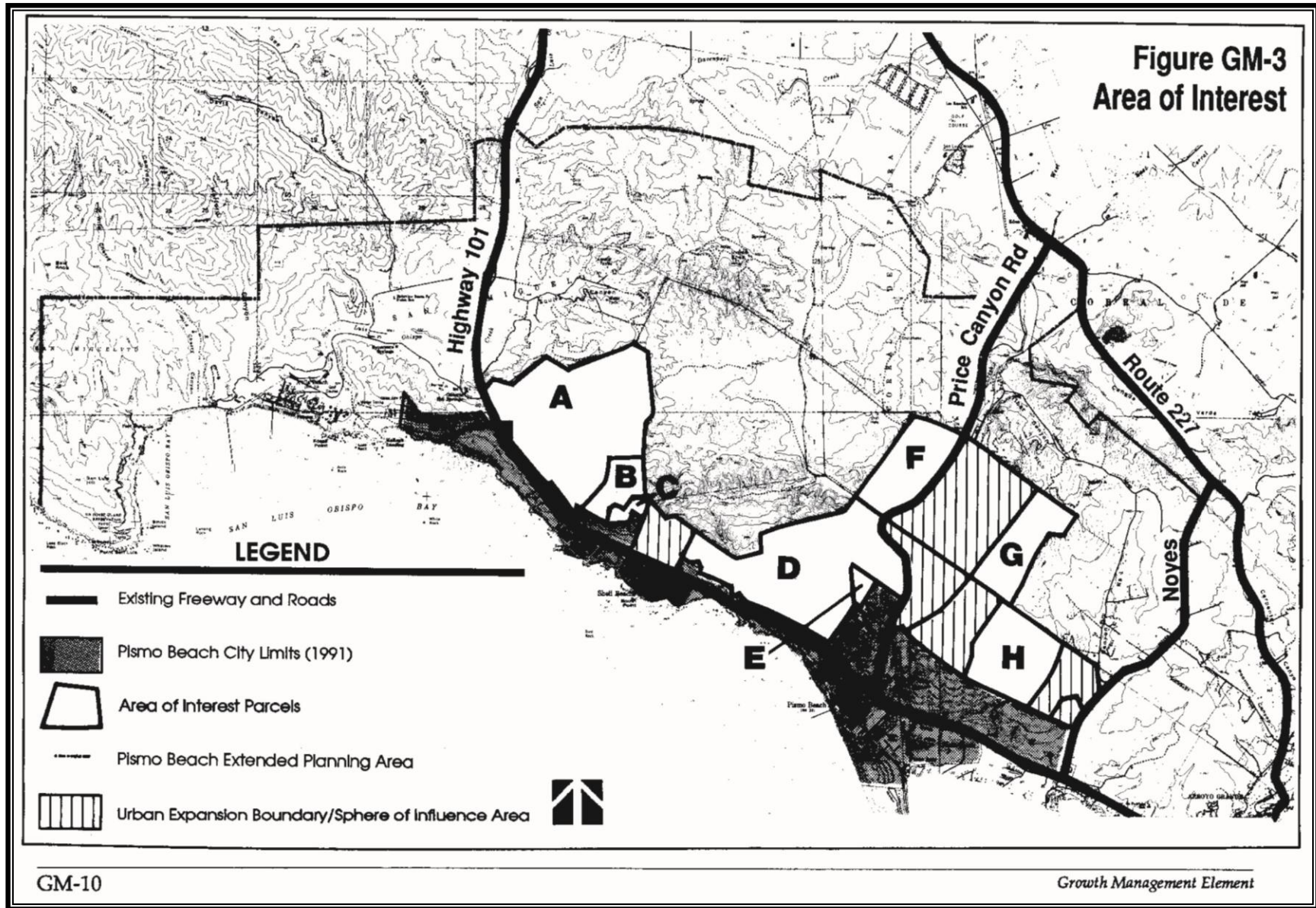
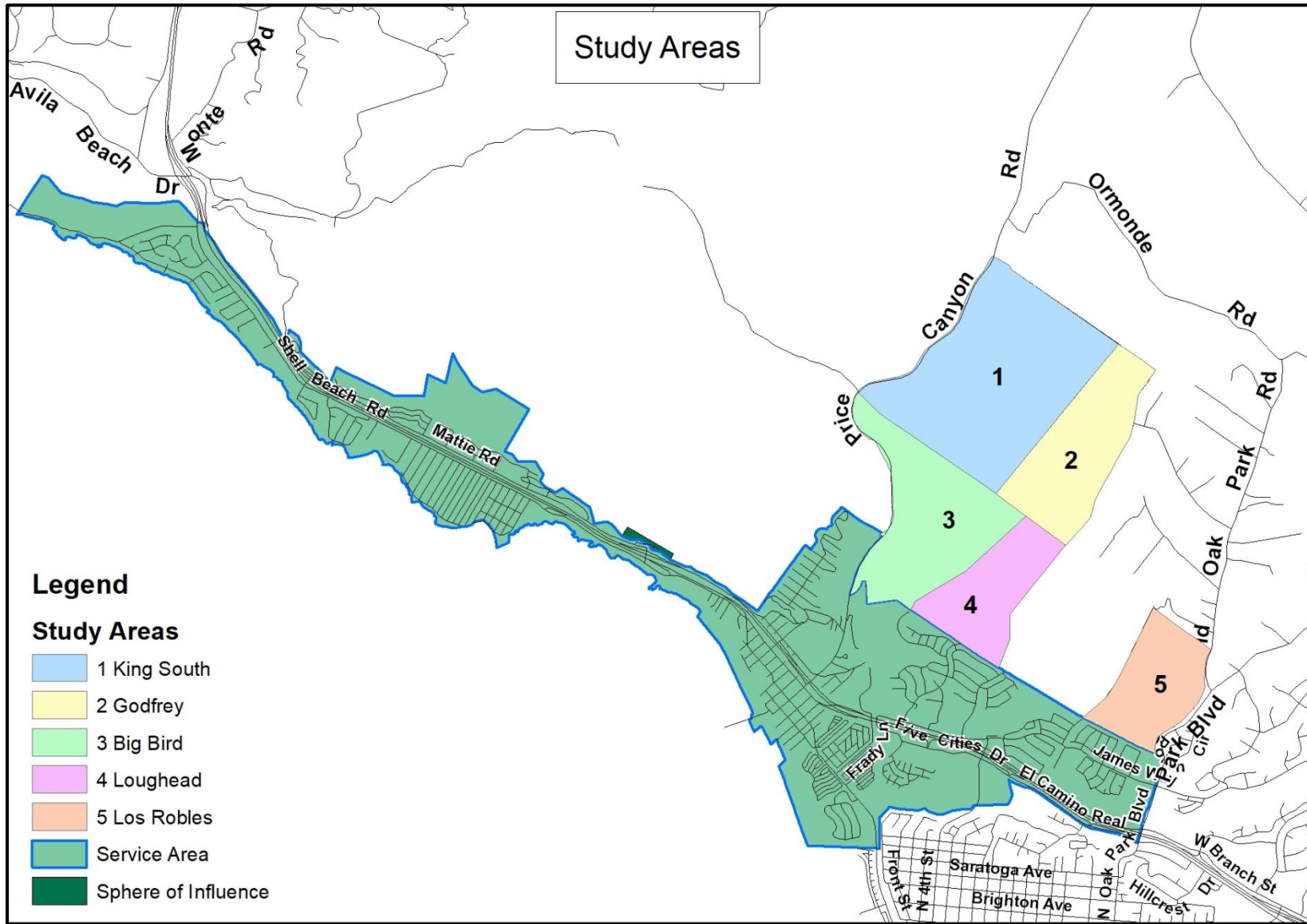


Figure 3-3 – Study Areas



### 3.1 GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

#### POPULATION

This factor is intended to identify growth and population projections for the affected area of a jurisdiction. This section will use various sources of information to project growth and population for the City of Pismo Beach. The previous Sphere of Influence update and Municipal Service Review for Pismo Beach provides background information. The table below summarizes proposals considered by LAFCO since 1983 to the present.

**Table 3-2 –Proposals Since 1983**

Date	Action	Proposal	Acreage	Status
11/13/15	Outside User/SOI	Preserve	7.68	Approved 2/18/16
8/01/13	Outside User	Coastal Christian	26.8	Approved 8/15/13
7/05/11	Annexation	Los Robles	182	Denied 3/15/12
2009	SOI Update	SOI Update/MSR		approved 10/20/11
2/28/05	Annexation	Los Robles	182	Denied 1/17/08
6/12/97	Annexation	Los Robles	182	Denied
12/2/97	Amend SOI/SOS	Cottonwood	441	Approved SOI only 6/30/98
8/10/92	Annexation	Mattie Road	115	Approved 4/19/93
11/29/88	Annexation	Ontario Ridge	93	Approved 7/20/89
1987	Annexation	Freeway Foothills	108	Inactive
1987	SOI Revision	Oak Park Acres	155	Approved

The Growth and Population factor includes a summary of population data and land use and zoning in the area as well as growth trends.

According to the 2010 US Census, the City has a population of 7,655. Department of Finance (DOF) estimates Pismo Beach’s current population as 8,247. Total housing units are estimated to be 5,760 units. The City estimated build-out population within the current City limits is

estimated to be 9,414. This assumes an existing 2010 population of 7,655, plus 345 infill units occupied at a rate 2.5 people per unit.

The City's population increased slightly from 2010 to 2017. In addition to this permanent population, the City has a high number of visitor-serving uses such as hotels, vacation rentals, and restaurants. Water use, wastewater flows and traffic conditions are all affected by these uses and are not reflected in population figures.

### California Department of Finance Population Estimates-2007 to 2017

The California Department of Finance (DOF) population estimates come from administrative records of several state and federal government agencies, as well as numerous local jurisdictions. According to the DOF, the total state estimate was within one-half of one percent (0.5%) of the 2010 census count. The table below reflects the DOF estimates for Pismo Beach and the County of San Luis Obispo over the last decade. DOF estimates Pismo Beach's current population as 8,247.

**Table 3-3: Population Estimates**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Pismo Beach	8,582	8,580	8,677	7,655	7,687	7,743	7,895	7,967	8,016	8,177	8,247
County Total	266,043	268,636	270,901	269,637	270,057	271,348	273,417	275,762	276,862	278,480	280,101

Source: DOF E-5 Population Estimates for Cities, Counties and State, 2007-2017

### Council of Governments Population Projections-2017

The Council of Governments recently had the consulting firm of Beacon Economics update population projections for San Luis Obispo County including the City of Pismo Beach. The study was completed in June 2017. These projections use a variety of data sources and assumptions to project the future population of the cities and unincorporated areas of the County. These projections incorporate information from the State of California about future population increases, past and present County growth trends, and projected changes within the region. The consultants worked with local planners to anticipate future growth in the various areas of the County to estimate the potential for increases in population. The updated report presents

medium population growth projections for areas in the County including the City of Pismo Beach. The table below shows those results:

**Table 3-4: Projected Population and Housing Growth Pismo Beach  
San Luis Obispo Council of Governments Projections**

	2015	2020	2025	2030	2035	2040	2045	2050
Population								
<b>Medium Scenario</b>	8,068	8,642	9,122	9,486	9,753	9,901	9,989	10,079
Housing								
<b>Medium Scenario</b>	5,649	6,089	6,227	6,364	6,517	6,629	6,707	6,768

*Source: U.S. Census Bureau (2010 Census), State of California, Department of Finance (2015), Beacon Economics (forecast years)*

Pismo Beach is part of the Five Cities Area and is directly adjacent to the Pacific Ocean. The area known as “Shell Beach” is also in the city limits of Pismo Beach. The estimated 2017 population for the City was 8,247. Pismo Beach has the lowest population of the incorporated cities. In 2017, there were 5,760 housing units with 2.03 persons per household and a 29.6% vacancy rate.

## COUNTY’S GENERAL PLAN

The County’s San Luis Bay Inland Planning Area of its General Plan establishes land use policy in the unincorporated areas around Pismo Beach. The urban reserve line identifies where the County anticipates urban development over the next 20-years. The County does identify the need to coordinate planning projects within Pismo Beach’s outlying regions with the City, as does the City’s GP (Policy GM-3). The County’s Plan promotes the preservation of prime agricultural lands and open space corridors. It has a number of policies that call for guiding growth away from agricultural areas and promoting infill or other non-prime agricultural use.

The County’s Conservation and Open Space Element (COSE) is utilized as a tool to protect and preserve the unique natural resources. The element addresses many issues with regard to conservation, development, and utilization of natural resources. The element includes policies and strategies that address reducing greenhouse gas emissions, directing growth away from areas with constrained natural resources, water and energy conservation, use of low impact

development and green building techniques, increased protection of community separators and scenic corridors.

The County has adopted Strategic Growth Principles that strengthens and directs development towards existing communities within an Urban Reserve Line, provides for logical, attractive and safe pedestrian circulation, and protects, preserves, and/or restores important open space, scenic natural beauty and sensitive environmental areas. These policies allow the County to work with communities to maintain distinct urban boundaries and community separators and identify suitable development, where supported by sustainable resource capacities.

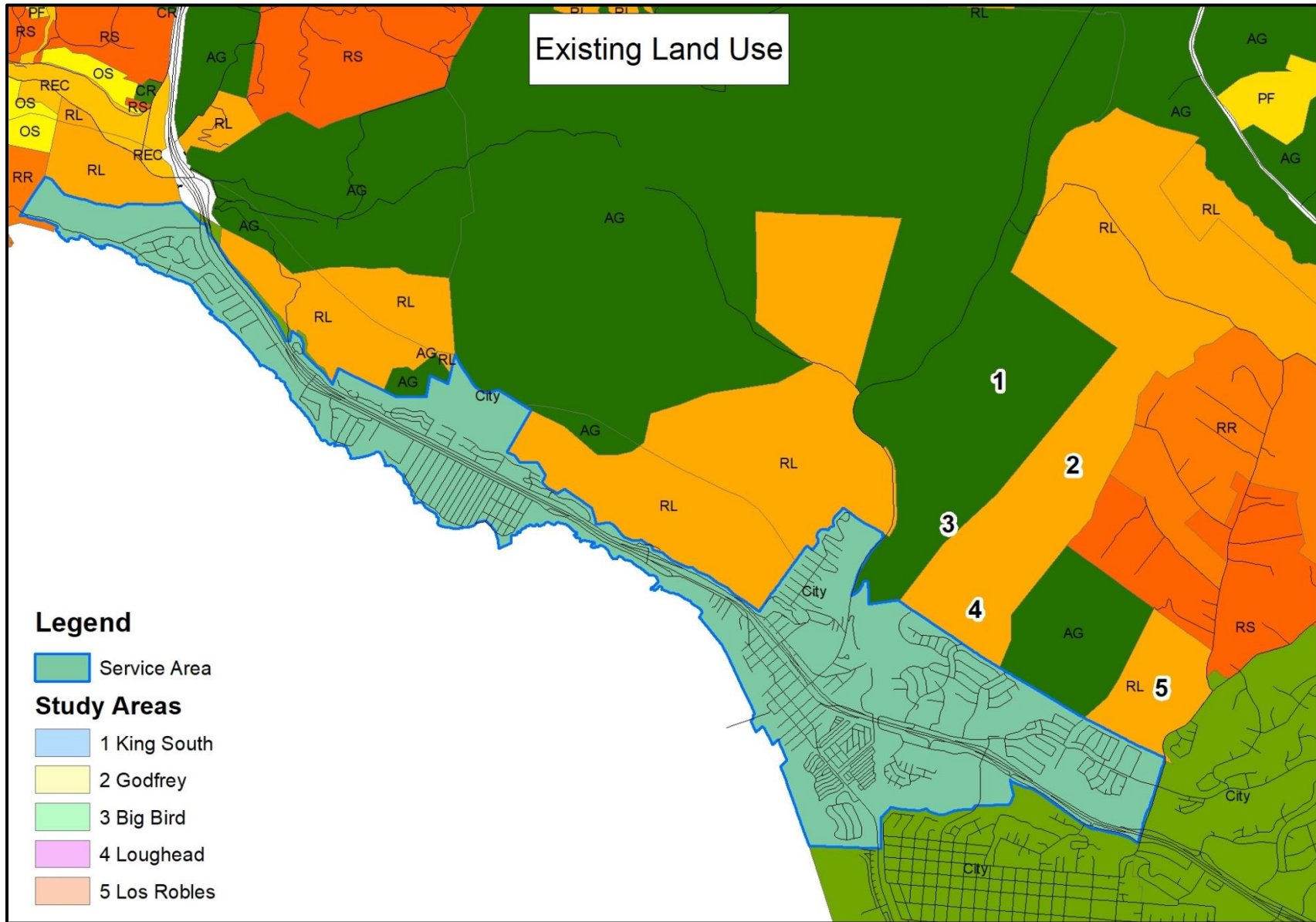
The General Plan identifies the type and intensity of development allowed in each of several land use categories (zoning) for County. The following table summarizes the zoning and acreage for the study areas that were included in the Sphere of Influence:

**Table 3-5: Existing Land Use**

<b>Study Areas</b>	<b>Acreage</b>	<b>Land Use/Zoning</b>	<b>Existing Land Use</b>	<b>Build-Out Potential</b>
#1 King South	471	Watershed and Resource Management	Open Space	11 units
#2 Godfrey	250	Watershed and Resource Management	Open Space	6 units
#3 Big Bird	258	Watershed and Resource Management	Open Space	6 units
#4 Loughhead	182	Watershed and Resource Management	Open Space	4 units
#5 Los Robles	182	Rural Lands	Open Space/School	312 Residential, School

Source: SLO County Planning & Building Department, Price Canyon Planning Area R, City of Pismo Beach General Plan, 2014, and Los Robles Del Mar Specific Plan.

Figure 3-4 (E) Land Use





The San Luis Bay Inland Area Plan describes the areas identified as Rural Lands as primarily those of steeper terrain and dense vegetation. Uses are generally grazing or other non-intensive agriculture. Rural Lands in the Price Canyon/Ormonde Road area are also primarily steep brush-covered hills, but they are also the site of extensive oil field development. The terrain, vegetation and existing development do not make this area appropriate for intensive residential uses for the short-term. During the short-term, interim agriculture uses would be appropriate, but should not preclude the proposed extraction of resources. Long-term use would be rural residential. The San Luis Bay Inland Area Plan describes the Residential Rural lands as those which are generally unsuitable for commercial agriculture because of topography and/or soil capability, small property size, broken ownership patterns, and prior residential commitments. They are predominately undeveloped or underdeveloped with scattered residences. The areas recommended for rural residential development have experienced property breakdowns through the lot split process in recent years and there are some isolated pockets of small lots as well as large undeveloped acreage parcels.

### **City of Pismo Beach Urban Water Management Plan, June 2016**

**Housing Units and Growth Projections.** In the 2015 Urban Water Management Plan, the City of Pismo Beach estimates that 7,711 people lived in the City. In 2010, the U.S. Census stated the total number of dwelling units as 5,838 with an average household size of 1.9 persons and an occupancy rate of about 77%. The City's Urban Water Management Plan projects the current City limit boundary to yield a population of 9,414. The City's General Plan specifies a limit on annual growth of 3 percent. Based on historic population trends, it is unlikely that the City will experience growth that meets the 3 percent annual limit. The Community Development Department adjusted the growth rate to those observed in the past few years of approximately 0.55%.

Using this growth rate with a more conservative 2.5 person per household the Urban Water Management Plan estimates the population build-out for the year 2035 will be 8,605 persons. The use of 2.5 persons per household is based on current occupancy patterns and the possible addition of secondary units. In summary, the City's slow growth rate is likely to continue based on the current General Plan/Local Coastal Plan and shrinking land availability for residential development. The table below is taken directly from the Urban Water Management Plan and shows historic and projected growth rates:

**Table 3-6: Historical & Projected Population Growth**

	1980 <sup>(1)</sup>	1990 <sup>(1)</sup>	2005 <sup>(1)</sup>	2010 <sup>(1)</sup>	2015 <sup>(2)</sup>	2020 <sup>(2)</sup>	2025 <sup>(2)</sup>	2030 <sup>(2)</sup>	2035 <sup>(2)</sup>
Population	5,364	7,669	8,103	7,655	7,711	7,925	8,146	8,372	8,605
10 Year Increase	--	2,305	434	- 448	56	214	221	226	233
10 year Avg. Increase	--	43%	5.6%	- 5.5%	<1%	2.7%	2.7%	2.7%	2.7%
Average per Year	--	4.3%	<1%	- 1%	<1%	<1%	<1%	<1%	<1%

(1) Source: U.S. Census

(2) Source: City's 2015 Urban Water Management Plan

### **CITY OF PISMO BEACH GENERAL PLAN, 1992**

The City of Pismo Beach adopted its General Plan and Local Coastal Program in 1992. Over the past 40 years, the City experienced periods of high residential growth rates, as well as very slow periods of growth. Population growth rates in the 1970s averaged over 3% per year, growth rates over the 1980s averaged just over 4% per year, but during the 1990s, growth slowed to about 1% per year. In the 2000s, growth continued to slow to less than 1%.

Pismo Beach's growth is likely to remain at a nominal level over the next few years. In 2011, the City's Community Development Department estimated the City was about 90% built out with a potential for approximately 345 new dwellings in the community at that time. The City's last certified Housing Element was adopted in 2010 (current update underway) the City estimated a total of 373 new dwelling units as a realistic build-out. That Housing Element estimated an additional 312 dwelling units could be accommodated in the Los Robles Del Mar Planning Area and another 634 in the Price Canyon Planning Area. Both of these sites are outside of the current City limits and part of the study areas. If the City were to continue growth at their maximum 3% growth rate allowed by the General Plan, slightly more than 165 new units per year would reach build-out within two to three years. Growth rates closer to recent historical rates of less than 1% would prolong this period to six to nine years. In either case, the City of Pismo Beach has limited potential for new residential housing within existing City limits. The City's policies encourage in-fill development, mixed-use, and higher densities within the core to accommodate the growth at build-out. The table below summarizes the growth potential within the City and SOI areas.

**Table 3-7 Build-out Summary: Vacant Land within City plus SOI**

Area	Acres	Units	Population	Land Use
C-1	0.61	4	10	C-1
PR	41.75	278	695	PR
R-1	4.06	26	65	R-1
R-2	0.09	2	5	R-2
R-4	0.53	12	30	R-4
RSL	5.56	23	57	RSL
R-3	0.42	13	33	R-3
<b>Total Vacant Sites within City Limits</b>	<b>53.02</b>	<b>358</b>	<b>895</b>	
King South	471	11	28	Agriculture
Godfrey	250	6	15	Agriculture
Big Bird	258	6	15	Agriculture
Loughead	182	4	10	Rural Lands
Los Robles Del Mar	182	312	630	Rural Lands
<b>SOI Subtotal</b>	<b>1,343</b>	<b>339</b>	<b>2,183</b>	
<b>Total</b>	<b>1,402.87</b>	<b>712</b>	<b>2,939</b>	

Source: City of Pismo Beach, General Plan, County Planning & Building Department., 2010, Los Robles Del Mar Specific Plan. Additional buildout is available based on pending projects and other opportunity sites

**Visitor-Serving.** The City attracts many tourists to the County and promotes a strong and vibrant tourism industry that contributes economically to the County and other jurisdictions in the area. Pismo Beach has an inventory of 1,944 hotel rooms and 1,275 recreational vehicle spaces. Beyond these established hotels, motels and RV parks, Pismo Beach has a number of vacation rentals consisting of single-family homes or condominium units, particularly in the downtown area. The 3,000 or so visitor accommodations in Pismo Beach represent approximately 23% of the total available accommodations Countywide (EVC; 2008). With regard to hotels that could be built within the City, the Community Development Department estimates that approximately 340 units could be developed on properties zoned for hotel/motel development. Add to this number the estimated 625 hotel units that could be built on commercial property and a total of 965 hotel units are estimated for possible development within the existing city limits. This number is speculative, since it is difficult to know if a commercial property would indeed be used as a hotel site. The City has added an additional 190 rooms since 2005 to reach the 1,944 room inventory noted.

### **Recent Building Permit Activity**

Building Permits have been compiled for Pismo Beach from the Community Development Department. The table below shows the building permits by year from 2011 through 2017. Since

2011 the City has finalized 251 new single-family units, 32 multi-family, and 2 new commercial buildings.

**Table 3-8: Building Permits Finalized 2011-2017**

	SF	MF	Commercial
2017	48	8	1 hotel
2016	44	4	1 hotel
2015	107	1	
2014	22	5	
2013	11		
2012	13	14	
2011	6		
Total	251	32	2

Source: Pismo Beach Community Development Department 2019

## Land Use

The General Plan allows for new growth within the City based on an analysis of available resources (water, sewer, etc) and demand for those resources. The policies and standards in the City's General Plan provide for growth in the current SOI if it can be demonstrated that water, sewer and other resources are available by the developer or can be made available without adversely affecting existing residents. There are no growth limits to commercial or visitor-serving growth in place under the General Plan.

It should be noted that the City's General Plan/LCP provides a clear and detailed policy base with regard to future growth and development within the City. It addresses the various facets of development, provides clear information to the public, and gives decision-makers a sound foundation for considering future projects. In 2014, a ballot initiative was approved to limit the type of development in Price Canyon. A key constraint placed on this area was parcel size would be limited to 40 acres or larger, with a maximum of two homes per parcel. The City amended its General Plan to reflect this policy language.

The Pismo Beach General Plan addresses expansion of the community under its **Growth Management** Element. As adopted in 1992, six sites are noted for consideration in the Pismo Beach SOI. These are the Los Robles Del Mar site (in the SOI), the two sites known as Big Bird & Loughhead (in the SOI), the King South Ranch and Godfrey properties (in the SOI), and the King North Ranch (not within the SOI). The previous four sites collectively make-up the Price Canyon Planning Area R which has been usurped by the General Plan amendment based on

the voter approved imitative H-14 for the area. Another property noted in the Growth Management Element is the Preserve (Wilde) property. This property has been sold to the Land Conservancy and placed in a conservation easement.

**The Preserve Property (Located in SLO County; Small Area within the SOI).** This parcel is located North of Mattie Road and west of Price Canyon Road. The Preserve property contains approximately 913 acres and is located directly north of the middle sector of the City of Pismo Beach and west of Price Canyon Road. The Land Conservancy of San Luis Obispo purchased the property and are in the process of developing a trail network and open space within the conservation easement. A small area located closer to Mattie road was added to the Sphere of Influence for purposed of a parking lot and restroom facilities. This small area was added to the SOI in 2016 along with an approved outside user agreement for water and sewer services. It is located in the County and designated "Rural Lands" with the ocean facing hillsides also given a Sensitive Resource Area designation. The Land Conservancy owns the property and has placed it in a conservation easement. Public open space and trails are planned and underway.

**King South Ranch (Located in SLO County; Presently within SOI).** This area includes 471 acres located just south and east of Price Canyon Road. This parcel is identified by the City's General Plan for inclusion within the Sphere of Influence and ultimate annexation and development within the City. This parcel is designated "Agriculture" by the County. This site along with three other listed below make-up a larger area – a total of over 1,200 acres – is generally considered Price Canyon Area. Most recently, there were two separate large developments proposed for this planning area, totally about 1,000 housing units on hilly terrain. In November 2014, a ballot initiative was approved to limit the type of development in Price Canyon. A key constraint placed on this area was parcel size would be limited to 40 acres or larger, with a maximum of two homes per parcel.

**Godfrey Parcel (Located in SLO County; Presently within SOI).** This parcel is approximately 250 acres in total area and located adjacent to and east of the King South Ranch. This site is part of the Price Cannon Area referenced above. This parcel is designated as "Rural Lands" under the County's General Plan.

**Big Bird (Located in SLO County; Presently within the SOI).** This approximately 182-acre parcel is located to the immediate north and west of the Price House property. The Big Bird

property is located adjoining Price Canyon Road. This site is designated "Agriculture" under the County's General Plan. This site was included in the 2014 ballot initiative.

**Loughead (Located in SLO County, Presently within SOI).** This parcel includes approximately 182 acres of land. The site is accessed from Highland Drive in Pismo Beach, and presently contains a City water reservoir and distribution main water line in the lower southeastern corner of the site. This parcel is designated as "Rural Lands" by the County General Plan. This site was included in the 2014 ballot initiative. On November 6, 2017, the County Subdivision Review Board heard and approved a request by John King for a Tentative Parcel Map to subdivide a 182 acre parcel resulting in two (2) parcels of 25.9 acres and 156.1 acres. An appeal of the decision was filed by the City of Pismo Beach on November 15, 2017. On December 4, 2018 the Board of Supervisors took action to deny the appeal based on the action of the City to dead-end the streets leading to the property. The City stated it does not plan on providing services including water, sewer, or roadway access to this area.

**Los Robles Del Mar (Located in SLO County; Presently within the SOI).** This parcel is located adjoining Oak Park Road at the southern end of the Oak Park Heights Planning Area. The Los Robles Del Mar (LRDM) plan area includes two (2) separate parcels. The Coastal Christian School was recently relocated and built on a portion of this area. This portion has an approved outside user agreement for wastewater services only. The approximately 152 acre ownership generally referred to as Los Robles del Mar – has been proposed and discussed residential development for several decades. San Luis Obispo LAFCO has denied two such proposals. This parcel is designated by the County as Rural Lands.

**Policies Specific to SOI.** Pismo Beach General Plan Policy GM-10 (specific to the King South Ranch property) and Policy GM-9 (specific to the two properties comprising what is known as "Big Bird" and "Loughead" sites) addresses the criteria to be used when considering annexation and development projects for these three properties.

***Policy GM-9** – "Prior to considering annexation of parcel "2" and "3" in the Price Canyon area, a specific plan study and amendment of the General Plan Land-Use Element shall be required. In addition to the requirements of GM-8, the following approach shall be used in the specific plan study:*

- a. The boundaries of the study area shall include all parties on which any portion of the planned Price Canyon Golf Course would be located.*

- b. *The specific plan study shall be undertaken in two phases. Phase I shall be a detailed analysis of site opportunities and constraints. Upon conclusion of this phase, the approval of the City will be required to establish the permitted development program, including: the permissible number of residential dwelling units within the range specified by the Land Use Element; the mix of development types; and land use areas to be dedicated or reserved for public purposes, including a golf course site, other public park lands, and public streets rights-of-way. Phase II shall include the preparation of the Specific Plan policy document, which will address the following:*
1. *The locations and extent of various land uses.*
  2. *The specific locations of the areas to be dedicated as a public golf course and other facilities.*
  3. *The general location and design standards for public and private roadways.*
  4. *The general locations and standards for public infrastructure such as sewage, drainage, water, and other essential facilities.*
  5. *Standards and criteria by which development will proceed, including any phasing of development and infrastructure construction.*
  6. *Standards for the protection of environmental and cultural resources, including the Price House and Adobe.*
  7. *An implementation program, including regulations, public works projects, and financing measures.*
- c. *A detailed environmental impact report on the Specific Plan shall be prepared for the City concurrent with the preparation of the Specific Plan.*
- d. *Upon certification of the EIR and adoption of an amendment of the Land-Use Element and Land-Use Plan Maps, adoption of the Specific Plan and rezoning of the property, the City shall request LAFCo final action on a request for annexation of the property into the City of Pismo Beach.”*

Policy GM-7 discusses the “Area of Interest” properties that may be appropriate to include in the SOI in the future.

**Policy GM-7** – *“The “Area of Interest” shown on Figure GM-3 shall define those land areas that are outside the initial SOI or urban expansion area, but which may be appropriate to be included in the SOI in the future.*

- a. *The City shall comprehensively evaluate the boundaries of the SOI at least every five years, but more often if appropriate. Such evaluations shall address, among other factors, whether the supply of land is adequate to accommodate projected housing needs allocated by the SLOCOG.*
- b. *The initial comprehensive evaluation of SOI boundaries shall be undertaken no later*

- than 1995.
- c. Any owner of property located within the Area of Interest may request the City to consider an amendment of the SOI boundary to add their lands to the SOI. Any such proposal shall also identify the requested land use designations and any other necessary or appropriate amendments to the various elements of the General Plan.
  - d. In considering such requests, and at each periodic comprehensive evaluation, the City Council shall determine whether the public interest would be served by designating additional lands to be provided municipal services and developed with urban uses.
  - e. An amendment of the SOI to include additional lands shall be subject to environmental review pursuant to CEQA.
  - f. A proposal to amend the SOI to include additional lands may be considered concurrently with an annexation request. Such requests for concurrent processing shall be subject to the provisions of Policy GM-8.
  - g. Requests to amend the SOI boundary and to initiate a specific plan study had been submitted to the City by the owner of property "A" prior to the date of adoption of this plan. Although it was premature to include these lands within the SOI at the time of adoption of this plan, it is the intent of the City to consider these requests beginning in 1993.
  - h. At the time of adoption of this plan, the City was considering potential sites for a new City Hall. Among the alternatives being considered was a portion of Property "D." if this site is ultimately selected, it is the intent of the City to consider a request to amend the SOI and annex this area at the time that decision is made.

The General Plan also encourages "proactive planning." This is to say that the City should be establishing goals for land use and development within the City, within the planned expansion areas comprising the Sphere of Influence. Principle P-11 of the General Plan describes proactive planning in this manner. The Memorandum of Agreement between the City and County provides for this type of collaboration. The Memorandum of Agreement will be reviewed and updated as part of the Sphere of Influence and Municipal Service Review process. The General Plan points out that in addition to these specific sites, the City should communicate its concerns over development in areas that would remain under County jurisdiction vis-à-vis adopting an "Extended Planning Area" shown in the General Plan.

Another important policy to note is GM-3. This policy states how the City prefers to interact with the County on its common-border areas. The policy suggests that the City "...work to achieve



mutually beneficial goals with the County..." Given the nature of the Pismo Beach General Plan's emphasis on goal-oriented and proactive planning on the urban limits of the City, it may be timely to initiate a broad-based planning effort that incorporates close cooperation between the City and County. Such collaboration affords LAFCO the opportunity to evaluate existing development patterns both within the City and in adjoining County areas when considering the addition or subtraction of lands to the City that would provide consistency. A revised Memorandum of Agreement between the City and County may be able to provide a vehicle for this type of collaboration.

**Housing Element.** The City's Housing Element is under review by the City Council and will be submitted to the State Department of Housing and Community Development (HCD). The Goals, Policies and Programs found in the Housing Element are the Housing Implementation Plan for the period from January 1, 2014 through July 1, 2019. The table below shows the total number of residential units (152) the City of Pismo Beach must provide zoning for in that time period. HCD completed the review and certified the Housing Element.

**Table 3-9: 2014-2019 - SLOCOG Regional Housing Needs Allocation**

	Units By Income Category					Totals	% of Units
	Very Low	Low	Moderate	Above Moderate			
Arroyo Grande	60	38	43	101	242	5.9%	
Atascadero	98	62	69	164	393	9.6%	
Grover Beach	41	26	29	69	166	4.0%	
Morro Bay	39	24	27	65	154	3.8%	
Paso Robles	123	77	87	206	492	12.0%	
<b>Pismo Beach</b>	<b>38</b>	<b>24</b>	<b>27</b>	<b>64</b>	<b>152</b>	<b>3.7%</b>	
San Luis Obispo	285	179	201	478	1,144	28.0%	
County Unincorp.	336	211	237	563	1,347	32.9%	
<b>Total Units</b>	1,020	641	720	1,710	4,090	100%	

Source: SLOCOG RHNA 2013

The Housing Element is one of the seven State mandated elements of the City's General Plan and is updated every eight years (the next cycle will be for 10-years to align with the RTP adoption) to identify recent demographic and employment trends and can be correlated with the three-year cycle of transportation planning, which may affect existing and future housing demand and supply. The Housing Element is used to identify and provide for the housing needs of the community. The Housing Element addresses the City's ability to meet the State assigned regional housing needs shown in the above table. It specifies the number of units to be zoned

for in terms of affordability. The City has developed a set of objectives and specific policies and programs to prepare for the production of housing in the City of Pismo Beach.

A Housing Element is required by California law to establish policies and programs that will support the provision of an adequate housing supply for citizens of all income levels. The intent of State law is to assure that jurisdictions in the State provide adequate housing to all members of the community. While the State Department of Housing and Community Development (HCD) reviews the Housing Element to assure compliance with housing law, each jurisdiction must identify its particular issues to successfully address its housing needs.

The Housing Element provides a detailed assessment of the housing stock in Pismo Beach, including data on housing types, physical condition, cost and availability. The Element also examines special housing needs of the population such as the elderly, farm workers and the homeless. It identifies opportunities for energy conservation when housing is constructed or remodeled. The Element assesses the effectiveness of past housing programs. The availability and capacity of land and public services for housing development are examined along with factors that may constrain the production of affordable housing. Particular attention has been paid to the need for affordable housing.

An understanding of existing housing conditions in the City is necessary as a basis for new Housing Element policies to guide the use and development of housing that will be adequate and affordable. In addition to this focused information, throughout the document comparisons to San Luis Obispo County demographics and statistics are used to identify possible issues or pertinent relationships. This assessment is representative of the larger area and informative of the trends the entire county is experiencing, helping to gain a better understanding of the City in a regional context.

State law is more specific about the content of Housing Elements than any other portion of the General Plan. That specificity is reflected in the detailed demographics and other data contained herein. The Housing Element is also the only part of the General Plan that is subject to mandatory deadlines for periodic updates. Except for the Local Coastal Plan, it is the only element that is subject to review and "certification" by the state. The City's Housing Element has been certified by the State.

According to the City's Housing Element a recent available land inventory has been conducted which concludes the City has additional land available for 373 new residential units within the City Limits. The Housing Element also evaluated the City's infrastructure to accommodate these new potential residential developments. The Housing Element states that the City is at 82% capacity for water service and 27% capacity for wastewater which demonstrates the City's ability to provide these services to the 373 residential units with existing capacity. These services are further discussed in the next section.

The **Circulation** Element plans for improvements to the City's transportation system that will accommodate existing residents and future growth. Principles, Policies Standards, and programs supporting these goals are provided in detail in the Circulation Element.

The **Facilities** Element addresses issues regarding water supply, wastewater, drainage, local government services, public facilities and police & fire services. Many of these policies, programs and standards related to the Sphere of Influence require the payment of fees to offset the infrastructure and service needs to serve the new development from annexing properties.

*Policy F-35 states "The City shall evaluate the cost effectiveness of extending connections to existing treatment plant to serve properties considered for annexation. In some cases, annexing properties may be most effectively served by independent tertiary treatment plants that will allow reclamation for landscaping and recharge use."*

*Policy F-40 – "The City shall require all areas considered for annexation to demonstrate sustained long term water sources prior to approval of annexation."*

*Policy F-36 – "The City shall prepare and annually review a comprehensive water management program which shall include, but not limited to:*

- 1. Groundwater Depletion Analysis.*
- 2. Additional Water Sources - ...No development shall have building permits issued which would individually or cumulatively exceed the capacity of the City's water supply systems....Interim individual water wells will not be permitted where depletion of the City's existing groundwater resources could result.*
- 3. State Water Project.*
- 4. Water Conservation Program."*

The **Conservation and Open Space** Element addresses natural resources such as water, soils, creeks, riparian habitat, air quality as well as archaeological resources. This Element is

important in updating the Sphere of Influence because it contains detailed principals, policies, standards, and programs targeted at preserving open space lands. It is important to note that the City has adopted a policy base with regard to preserving open space lands above the 200 foot contour line. This policy base will be referenced in the Memorandum of Agreement. Key policies include:

**Policy CO-8** – *“The City, in cooperation with San Luis Obispo County, the State of California, private foundations and private interests, shall work to create a coastal foothill open space area as conceptually shown in Figure CO-1. This open space area shall for all time preserve the ocean facing slopes overlooking U.S. 101 as an undeveloped natural area and as a scenic backdrop to the City of Pismo Beach and the Shell Beach area.”*

**Policy CO-9** – *“All the land above the 200 ft. contour line, in the ocean facing slopes of the coastal foothills northwest of Pismo Heights facing U.S. 101, shall be designated as permanent open space (Policy CO-8). Development standards for parcels which extend above the 200 ft. contour are as follows”*

- a. *The maximum permitted number of dwelling units shall be calculated on the basis of the amount of land up to the 250 ft. contour but shall exclude any such lands with an existing natural slope greater than 30%.*
- b. *No building pads or structures shall be permitted above the 200 ft. contour. Until such time that properties in this area request annexation to Pismo Beach, the City shall request the County of San Luis Obispo to maintain the open areas of the ocean-facing slopes as described herein.*
- c. *A scenic or open space easement prohibiting any development above 200 foot contour shall be required to be dedicated to the City as a condition of approval of any development below the 200 foot contour.”*

**Policy CO-10** – *“No buildings or grading shall be permitted on existing natural slopes over 30%. The areas over 30% shall be retained as permanent public or private open space.”*

**Policy CO-22** – *“Any development in Price Canyon and the surrounding hills shall emphasize the open space aspects of the Price Canyon corridor. Preferred views from Price Canyon Road shall be of open space rather than development. Pismo Beach, in cooperation with San Luis Obispo County and affected property owners, shall prepare a visual and open space study for the Price Canyon corridor as illustrated in Figure CO-2. This plan shall focus on retaining the corridor as a scenic entrance to Pismo Beach and an open space corridor separating Pismo Beach from the Route 227 corridor.*

The Parks and Recreation, Design, and Safety Elements of the General Plan each have principals, policies, standards, and programs that provide guidance and clarification for the public and decision makers. These are important topics that the City addresses to ensure a healthful, safe, and economically viable environment for residents and visitors alike. The policies and programs in these elements would be applied to the Sphere of Influence.

### LOS ROBLES DEL MAR SPECIFIC PLAN

The Los Robles Del Mar project site involves 182 acres of vacant land located adjacent to and immediately west of Oak Park Boulevard and adjacent to the northern boundary of the City of Pismo Beach. The Specific Plan approved by the City of Pismo Beach calls for the land uses of the 182 acre site as shown in the table below:

**Table 3-10 Los Robles Del Mar Specific Plan Development Potential**

Land Use	Acres	Units	% of Site
Residential			
Affordable Senior Housing	2.9	60	1.6%
Low Density Homes 5,000 s.f. Lots	15.5	99	8.5%
Estate Homes 6,000-10,000 s.f. lots	23.1	104	12.7%
Custom homes 10,000 to 20,000 s.f. lots	12.3	40	6.8%
Rural Estate-1 acre lots	10.2	9	5.6%
Subtotal	64	312	35%
Other Uses			
Open Space	69.8	0	38%
Public/Semi Public/School Use	27.4	0	15%
Roads	20.2	0	12%
<b>Totals</b>	<b>181.4</b>	<b>312</b>	<b>100%</b>

Source: LAFCO Staff Report January 17, 2008 for Los Robles Del Mar Annexation.

### PRICE CANYON PLANNING AREA

The Price Canyon Planning Area had two separate large developments proposed for this planning area, totally about 1,000 housing units on hilly terrain. In November 2014, a ballot initiative was approved to limit the type of development in Price Canyon. A key constraint placed on this area was parcel size would be limited to 40 acres or larger, with a maximum of two homes per parcel. As such, the two areas of the City's sphere of influence, although large in area, have limited potential for new residential development.

## WRITTEN DETERMINATIONS

The following written determinations are based on the information contained in the above section regarding Growth and Population:

1. The City's General Plan/Local Coastal Plan provides for the reasonable growth and development of the City and was updated in 1992. The Circulation Element was updated in 2018.
2. The City of Pismo Beach is projected to grow at a rate of less than 1% per year. The City's population has increased slightly from 2010.
3. Development within the existing Price Cannon Sphere of Influence areas, under the City's land use policies and procedures, would limit parcel size to 40 acres or larger, with a maximum of two homes per parcel reducing development potential.
4. The Memorandum of Agreement between the City and County contains the agreed to Sphere of Influence boundary and provisions for future development of the SOI. The MOA would also include more specifics about the development process, logical phasing of development, timing of infrastructure and services, water resources and the intentions of the City and County. LAFCO is required to give "great weight" to the MOA in their deliberations regarding the SOI.

### **3.2 LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES**

LAFCO is required by the Cortese-Knox-Hertzberg Act to determine the location and characteristics of any disadvantaged unincorporated communities within or contiguous to the Sphere of Influence of a jurisdiction. If a jurisdiction is reasonably capable of providing needed resources and basic infrastructure to disadvantaged unincorporated communities within the sphere of influence or contiguous to the sphere of influence, it is important that such findings of infrastructure and resource availability occur when revisions to the SOI and annexations are proposed by the City or property owners.

The community of Pismo Beach has a variety of economic diversity that resides within the City limits and surrounding area. A Disadvantaged community is defined as a community with an annual median household income that is less than 80 percent of the statewide annual median household income. Government Code section 56033.5 further defines it as inhabited territory; an area with 12 or more registered voters. In the analysis completed by LAFCO staff, Pismo Beach's Sphere of Influence does not have any disadvantaged unincorporated communities located within the proposed Sphere of Influence or in the areas contiguous to the Sphere of Influence.

### **WRITTEN DETERMINATIONS**

The following written determinations are based on the information contained in the above section regarding disadvantaged unincorporated communities:

1. The Pismo Beach proposed Sphere of Influence does not have an underserved disadvantaged unincorporated community located within or adjacent to its boundary.

### **3.3 Present and Planned Capacity of Public Facilities and Adequacy of Public Services, including Infrastructure Needs or Deficiencies**

LAFCO is responsible for determining that a jurisdiction is reasonably capable of providing needed resources and basic infrastructure to serve areas already within the City and in the Sphere of Influence. It is important that such findings of infrastructure and resource availability occur when revisions to the SOI and annexations are proposed by the City or property owners.

It is prudent for LAFCO to analyze present and long-term infrastructure demands and resource capabilities of the City of Pismo Beach. LAFCO accomplishes this by evaluating 1) the resources and services that are currently available, and 2) the ability of the City to expand such resources and services in line with increasing demands. The City's General Plan contemplates expansion for annexations in the future (within the existing SOI), Area of Interest (Study Areas included in this SOI/MSR update), and Extended Planning Areas (areas to communicate concerns however not anticipated for future services).

The most important infrastructure needs are the provision of water and wastewater services. Beyond these basic services, police and fire protection, and circulation/road services are considered high priority needs for future growth of the City.

This section evaluates the City's resources and capabilities to provide services to existing and future residents. The key topics addressed include water supply and demand, water pipeline system, sewer system capacity and condition, fire and police protection, traffic and roads, as well as, other services.



## WATER

The provision of water service to the properties within the SOI presents itself as the most challenging issue. The City requires that property owners desiring to annex must obtain its own water supply. The City updated its Urban Water Management Plan in 2016. The County updated its Urban Water Management Plan for Zone 3 in 2015. These plans, and other documents, are the basis for this section of the Municipal Service Review. A jurisdiction's ability to provide water to existing residents and the Sphere of Influence areas is a key consideration in updating an SOI. Because a Sphere is the area that is envisioned for eventual annexation and service by a jurisdiction, it is important that an adequate water supply be well documented. Also to be considered are a jurisdiction's policies with regard to growth and the provision of water.

### Water Supply

The City of Pismo Beach's Water supply comes from three primary sources: State Water, Lopez Lake Reservoir, and groundwater.

**Groundwater.** The City extracts groundwater from the Arroyo Grande Plain (AGP) of the Tri-Cities Mesa sub-basin (TCP) of the Santa Maria Groundwater basin. Pismo Beach, Arroyo Grande, Grover Beach, and the Oceano Community Services District have an agreement to share this resource. The City of Pismo Beach's allocation from this agreement was established at 700 acre-feet per year. Pismo Beach receives its allocation from the groundwater basin through a pipeline system and two wells that are located in Grover Beach. Well #5 produces approximately 600 gpm (968 acre-feet per year) at a well depth of 500 feet. Well #23 produces 950 gpm (1533 acre-feet per year) at a well depth of 395 feet. Pumping records from 2011 to 2015 are shown in the table below:

**Table 3-11 Pismo Beach Groundwater Pumped**

<b>Pismo Beach Amount of Ground Water Pumped, AFY</b>					
<b>Basin</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Well #5	47.11	22.50	73.01	203.81	284.77
Well #23	0	0	0	0	0
	47.11	22.50	73.01	203.81	284.77

Source: City of Pismo Beach Urban Water Management Plan, 2015

**Santa Maria Groundwater Basin Adjudication.** In 2002, the Northern Cities, namely the City of Arroyo Grande, City of Grover Beach, City of Pismo Beach, and the Oceano Community

Services District (CSD) entered into a Settlement Agreement along with northern landowners, and other parties. This agreement was further confirmed in a 2005 Settlement Stipulation for the Santa Maria groundwater basin, which was adopted by the Courts in 2008 issuing a final decision concluding that while the Santa Maria Groundwater Basin (SMGB) was not in overdraft, some sub-basins could be found to be in overdraft if more data was gathered.

The Northern Cities conduct annual monitoring and reporting of the Northern Cities Management Area (NCMA), one of the sub-basins within the SMGWB, consistent with the judgment to continue the goal of preserving the long-term integrity of water supplies in the NCMA. The 2017 annual monitoring report prepared for the NCMA documents the prolonged multi-year drought from 2008-2015 years, shows the water use among the communities by source and notes the City of Pismo Beach in 2017 decreased its groundwater pumping and supplemented State Water and Lopez water to meet its needs. The primary reason for the decrease in groundwater use was the early detection of seawater intrusion and a low groundwater elevation in isolated monitoring wells. Water quality testing indicates a potential for seawater intrusion that has locally manifested in a few wells.

For the past several years, the pumping trough exhibited in the Cienega Valley usually manifested itself as a closed depression, with groundwater elevations generally below “sea level” in the center of the depression, but the rise in water elevations this past year mitigated the formation of the depression in the Spring. Also in recent years, a second pumping depression often appeared north of Arroyo Grande Creek in the area of concentrated municipal pumping. That historical pumping depression did not form in 2017 due to municipal conservation, increased municipal use of surface water supplies, and increased precipitation.

**Lopez Reservoir.** Lopez Lake stores storm water runoff during the winter and early spring, and provides managed releases throughout the year to meet downstream demand, as well as diversions from the reservoir through a three-mile pipeline to a water treatment plant which provides treated water to the surrounding communities including Arroyo Grande, Pismo Beach, Avila Beach, Grover Beach and Oceano. The safe-yield of Lopez Reservoir is 8,730 acre-feet per year (SLO County Zone 3 UWMP 2015 & LRRP 2015), which reflects the sustainable water supply during a drought. Over half of the Reservoir safe-yield (4,530 AFY) has been apportioned by agreements to contract agencies. The City can receive an allocation of up to 892 acre-feet from the Lopez Reservoir. The remaining 4,200 AFY is reserved for downstream

releases to maintain stream flows and groundwater recharge.

The Lopez Reservoir is managed by the San Luis Obispo County Flood Control District. A Low Reservoir Response Plan (LRRP) was adopted in December 2014 and enacted in April 2015 when storage reached below 20,000 af. The enactment of Stage 2 of the LRRP resulted in a 10% decrease in municipal and downstream releases. The County Flood Control District projects that municipal entitlements will remain constant at 4,530 afy through 2035, and that it will be able to supply all contracted agencies with their requested allocations in full during single dry years and for the first three of four multiple dry years. A surplus water supply may be available in future years, but this is not a reliable source for the City to plan for from year to year.

**State Water Project (SWP).** The City has purchased an allocation of 1,240 acre feet of State Water referred to as “Table A” water and 1,240 AFY Drought Buffer allocation. However, 100 AF is subcontracted to the Central Coast Development Company and 40 AF is subcontracted to Pismo 98, LLC giving the City a usable Table A allocation of 1,100 afy. The City has discussed the possibility of obtaining an increased share of State Water to serve the SOI areas.

Drought buffer water is water that has no pipeline capacity for delivery. Rather, it is used to increase deliveries during times of drought when Table A allocations are less than 100%. Throughout every year DWR sets allocations as a percentage of contracted volumes for SWP Contractors based on consideration of hydrologic and climatic data and modeling. Historically, percentage allocations have ranged from 5%- 100%. In any given year, however, under its current contracts the City’s total SWP deliveries cannot exceed 1,240 AF.

**State Water Project Reliability.** The State of California Department of Water Resources (DWR) prepares a State Water Project Delivery Reliability Report. The 2017 report estimates the amounts of water deliveries for current (2017) conditions and projected conditions twenty years in the future. The report describes how the Department of Water Resources calculates delivery reliability for the SWP, key planning activities that may affect future SWP delivery reliability including climate change, sea level rise, vulnerability of Delta levees to failure, operation restrictions in response to decreasing populations of endangered fish species. The amount of SWP water supply delivered to the state water contractors in a given year depends on the demand for the supply, amount of rainfall, snowpack, runoff, water in storage, pumping

capacity from the Delta, and legal constraints on SWP operation. Figure 5-2 from the 2017 DWR reliability report contains the average, maximum, and minimum estimates of SWP Table A deliveries from the Delta under future conditions. This table shows that average SWP delivery amounts may decrease from previous years. For long term planning, it is assumed that SWP contractors will receive 77 percent of the maximum allocation in a given year.

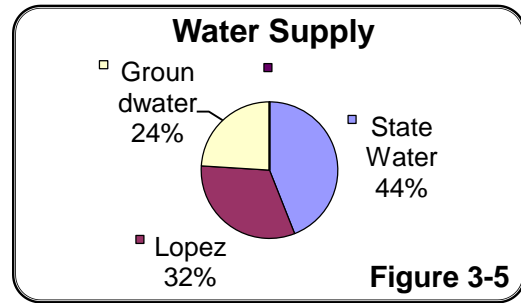
San Luis Obispo County is a main State Water contractor that has 25,000 acre-feet of State Water allotment. The County has 9,727 acre feet of subcontracts to provide water supply to various areas within the County (4,830 AF water service amounts and 4,897 AF drought buffer). The County has 15,273 AFY of unsubscribed SWP allocation, commonly referred to as the “excess allocation.” Hydraulics, treatment plant capacity, and contractual terms and conditions limit how the excess allocation can be used. In 2016, the SWP delivered was 16%, San Luis Obispo County requested 4,199 AFY of the entire 25,000 AF and was granted the amount, which allowed Pismo Beach to receive its full allocation.

**Future Water Reliance.** Since 1998 the City’s primary source of water has been the State Water Project. The City’s State Water entitlement is 1,240 acre-feet per year, with 1,240 acre-feet of drought buffer insurance. A drought buffer helps to insure delivery of the full allocation of water from the Department of Water Resources which may be reduced because of a drought situation. The drought buffer is an “insurance policy” for City’s that increases the reliability of the State Water Project. Under the City’s 2015 UWMP greater reliance will be placed on the SWP and Lopez water sources with groundwater pumping reduced depending on availability of the other supply sources and the status of the SMGB Deep Well index. The groundwater is intended to be replenished with recycled water. Central Coast Blue is a regional water sustainability project that is proposed to create a new, high-quality, and reliable water supply for the Five Cities communities, including Arroyo Grande, Pismo Beach, Grover Beach, and Oceano. Agencies representing the Five Cities communities are designing and building a new advanced water purification facility to create a high-quality water source to supplement local groundwater supplies, with Pismo Beach serving as the lead agency. This project will allow these communities to have sufficient supplies even in times of water shortage or drought.

The three sources of water described above are all presently supplied by the City of Pismo Beach and delivered to their customers. The table below shows the City’s current water supply situation. The chart shows the water supply by percentage.

**Table 3-12 - Pismo Beach Current Water Supply**

Source	Amount (acre feet)
Groundwater – (Grover Beach wells)	700
Lopez Water	892
State Water	1,240
<b>Total</b>	<b>2,832</b>



Recycled water is another potential source of water if the wastewater treatment facility is upgraded. The City on April 21, 2015 directed the city to peruse groundwater recharge of the inland aquifer through enhancement of the existing wastewater treatment facility consistent with the objectives outlined in the Recycled Water Facility Planning Study (2015). To-date the City has sought grants and alternative funding to further achieve this goal.

**Table 3-13 - Future Available Water Supply**

Source	Allocation AFY
Groundwater (Grover Beach Wells)	700
Lopez Water (existing)	892
State Water Project (existing)	1,100
Central Coast Development & Pismo 98 (existing)	140
Recycled Water (existing)	0
Recycled Water (potential)	1,421
<b>Total</b>	<b>4,253</b>

Source: City of Pismo Beach Urban Water Management Plan, 2015

The City also has nine reservoir storage tanks that can provide storage for 5.21 million gallons. In 2017, the City’s surface and well water production was 1,700 acre-feet, which is approximately 82 percent of capacity. The City has completed a Water System Master Plan 2004 which forecasts that demand can be met assuming contracts for water remain stable. The projected water demand to meet the current City Limits can be met by current water supplies; however this future demand would not be within the City’s recommended 10 percent buffer stipulated by the Facilities Element Policy F-36 of the General Plan.

**Policy F-36** – “The City shall prepare and annually review a comprehensive water management program which shall include, but not limited to:

1. *Groundwater Depletion Analysis – Since the City relies on groundwater for a significant portion of its potable water, the depletion of the groundwater basin by overdrafting the supply shall be avoided at all times.*
2. *Additional Water Sources – The City should pursue a variety of alternative additional water sources that will be sufficient to support the General Plan. New development should be allowed only as additional long-term proven water sources become available. When total annual water use reaches 90% of projected available supplies (based on known safe yield levels determined by the Groundwater Depletion Analysis, plus available entitlements from Lake Lopez and the State Water Project), approval of development requiring increasing water supplies shall be limited to essential public services, public recreation, commercial recreation, and visitor-serving land uses. No development shall have building permits issued which would individually or cumulatively exceed the capacity of the City’s water supply system...*
3. *State Water Project – The City reaffirms its interest in participating in the State Water Project. Participation in the project shall be evaluated against costs of alternative sources such as surface water from Pismo Creek, additional groundwater sources, water reclamation and desalination.*
4. *Water Conservation Program – The consumption of water should be minimized by the adoption of a water conservation ordinance that will set mandatory standards to reduce the consumption of potable water as well as include incentives for water conservation such as a tiered water rate program.”*

The demand for developments outside the City limits, but within the existing Sphere of Influence, would likely exceed the future supply available to the City unless a supplemental water supply is made available. The City has a policy that properties annexing into the City are required to bring additional water supplies sufficient to meet their development needs. Having an Urban Water Management Plan that contemplates the City’s water needs and outlines the necessary steps to secure a water supply system that serves the residents of Pismo Beach is a better example of long-range planning.

The table below shows water production by the City of Pismo Beach by source from 2010 to 2017. The Urban Water Management Plan states for planning purposes, it will be assumed that the City may have its full allocation of groundwater available. However, the City has made and continues to make planning efforts to reduce its reliance on groundwater supplies and follow a

sustainable pumping plan. The City intends to utilize its planned RGSP to ensure groundwater supply reliability. The allocation for each source are: Groundwater (Grover Beach Wells) 700 AFY, Lopez 892 AFY, and State Water 1,240 AFY supply from the SWP, however, is expected to decrease based on DWR reliability projections.

**Table 3-14 Pismo Beach Water Produced**

Pismo Beach Amount Produced, AFY								
	2010	2011	2012	2013	2014	2015	2016	2017
Wells	96	47.11	22.50	73.01	203.81	284.77	275.80	205
SWP	1,005	1,055.88	1,109.6	1,457.40	1,442.43	1,231.73	1,240	451
Lopez	843	809.40	896.6	618	303	219.20	130.65	1,044
Total	1,944	1,912.39	2,028.7	2,148.41	1,949.24	1,735.70	1,646.25	1,700

Source: City of Pismo Beach Public Works Dept. 2018, NCMA Annual Reports.

**Regional Groundwater Sustainability Project (RGSP) Potential.** In 2015, the City completed the Recycled Water Facilities Planning Study (RWFPS) to investigate alternatives for constructing a recycled water system that will enable the City to produce and beneficially use recycled water to enhance its water supply portfolio.

The alternatives analysis concluded that groundwater recharge is the most favorable alternative. Based on the preliminary hydrologic assessment completed as part of the RWFPS, both coastal and inland injection wells warrant further investigation. For the purposes of the RWFPS, Alternative 3b for inland recharge is being carried forward as the recommended alternative.

- Alternative 3b: FAT providing recycled water that meets the standards for groundwater recharge for injection directly into the inland aquifer

The RWFPS was adopted by the City Council on April 21, 2015 and was endorsed by all NCMA agencies. The cost of the Central Coast Blue project is broken into two phases: phase I and phase II. Phase I of the project treats Pismo Beach WWTP effluent (discharged water) and will provide 900 acre feet per year (AFY) of purified water for groundwater injection and 657 AFY after extraction from the groundwater basin. This phase is projected to cost \$ 37 million in addition to the \$ 2.02 million that the City of Pismo Beach has supported to date. Phase II of the project treats SSLOCSD WWTP effluent and provides 2,630 AFY of total additional purified water for injection and 1,920 AFY after extraction from the groundwater basin. This phase is estimated to cost another \$43 million.

All agencies, including SSLOCSD, have been meeting to discuss the agencies' respective shares of the project although no formal cost-sharing agreement is in place. From those meetings, the City would likely need to support 16% to 20% of the overall project and accordingly receive 16% to 20% of the additional water, leaving 80% to 84% to be supported by the other agencies.

The City completed a preliminary design for a FAT facility that will allow it and potential regional partners to inject advanced purified water into the groundwater basin. This project will provide additional recharge for the basin and provide a drought-proof source of supply for the region. It is anticipated that the entire WWTP recycled water production volume of 900 AFY can be injected in four (4) inland injection wells. It is anticipated that FAT flows could be injected and 75% of the injected amount could be recovered by municipal production wells as sustainable water supply. It is anticipated that 645 afy (based on 2013 flow volume projections) could be recovered as sustainable water supply by 2020.

### County Urban Water Management Plan, 2015

The San Luis Obispo County Flood Control and Water Conservation District Zone 3 operate and manage Lopez Reservoir, in the Arroyo Grande Creek watershed (see Figure 3-6 below), for municipal and agricultural water supplies. Flood Control Zone 3 was created to operate Lopez Reservoir, and includes water service for the communities of Oceano, Grover Beach, Pismo Beach, Arroyo Grande, and County Service Area (CSA) 12 (including Avila Beach area).

The table below shows the current and projected population served by Flood Control Zone 3 from 2015 projected to 2040.

**Table 3-15 Zone 3 Population & Projections**

Population Projections						
Service Area Population	2015	2020	2025	2030	2035	2040
	46,003	47,250	48,358	49,915	51,677	53,344

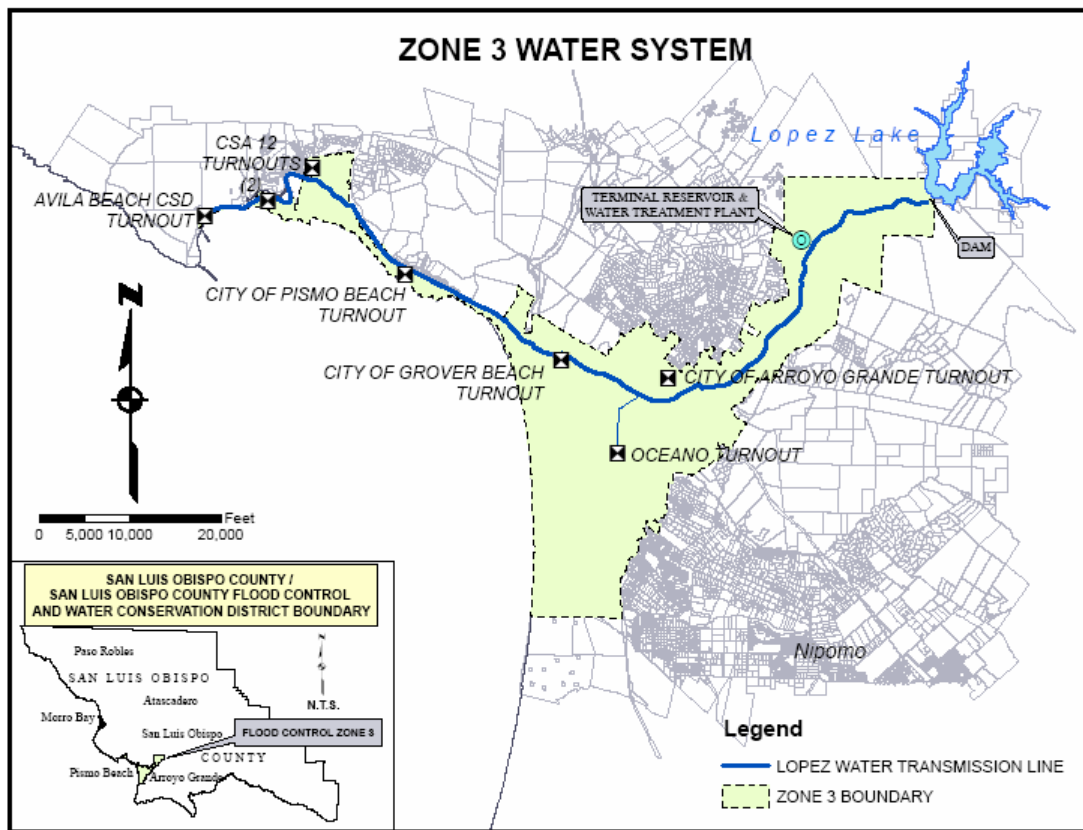
Source: San Luis Obispo County Population Projections, Department of Planning and Building

Periodic droughts have occurred in the region since the completion of Lopez Reservoir. However, these droughts have not caused a shortage of water in the Lopez system. In the most recent, prolonged drought of 1986-92, all communities within Zone 3 received their full allotment of water from Lopez Reservoir. Entitlements to Lopez water are based on a percentage of the safe yield of the reservoir. The reservoir's safe yield is 8,730 acre-feet per year (AFY) as



discussed below. Of that amount, 4,530 AFY are for pipeline deliveries and 4,200 AFY are reserved for downstream releases. More than 50% of the safe yield is delivered to communities in Zone 3, and the remaining supply is released downstream as required to maintain flows in Arroyo Grande Creek and provide adequate groundwater recharge for the agricultural interests. Any surplus water was banked for the following year, when it could be sold to the Zone 3 communities requesting the water. During the drought, Zone 3 communities whose deliveries from other sources were short were able to purchase surplus Lopez Water.

**Figure 3.6: Zone 3 Service Area Boundary Map**



**Low Reservoir Response Plan**

The Zone 3 participant’s developed a Low Reservoir Response Plan (LRRP) consisting of a set of actions that the District would implement when the amount of water storage in the reservoir drops below 20,000 AF. The purpose of the LRRP is to limit both municipal levels and downstream releases to preserve the reservoir above the minimum pool for 3 to 4 years under continuing drought conditions. As of April 2015, due to the latest drought from 2008 to 2015, all communities within Zone 3 have reduced their entitlement by 10% in accordance with the “Zone 3 Low Reservoir Response Plan (LRRP).

## Water Demand

The City completes water demand projections in order to estimate how much water might be needed to serve residents, businesses and other uses as growth and development occur in the City. The City's 2015 Urban Water Management Plan provides information and establishes policies for meeting the current water demand and for projecting future water demand. This document is a valuable water resource planning tool.

In 2017, the City reported annual water use of 1,700 acre-feet. The City has a high tourist population that results in a relatively high per capita demand as compared to other municipalities of the area. Per capita demand in cities with lower tourism populations can range from as low as 75 gallons per capita per day to 150 gpcd. The City's current population is 8,247 with the current per capita water use at a relatively high 188.9 gallons per capita per day. Pismo Beach estimates that current use and projected demand are shown in table below.

**Table 3-16 - Annual and Projected Demand**

Annual Water Use		1,700 AFY
Estimated City Build-Out Demand	(Residential)	156 AFY
	(Commercial)	170 AFY
	(Visitor Serving)	187 AFY
<b>Subtotal</b>		<b>2,213 AFY</b>

Source: City of Pismo Beach Public Works Dept. 2018

The projects water demands for Price Canyon and Los Robles Del Mar Specific Plan SOI areas are currently considered low under the 2014 Initiative and general plan amendment. The total water demand for uses within Los Robles Del Mar was estimated to be 151 acre-feet.

In addition to these water demands, the City's General Plan contemplates for a long-term buffer of 10% of water supplies to address annual fluctuations and drought management scenarios. This would add another 10%, or an estimated 230 AFY, to the demands projected above. The Central Coast Development Company (100 afy) and Pismo 98, LLC (40 afy) are allocated from the State Water Project by the City.

**Water Conservation.** The City is better prepared to manage future drought years because of its diversified water supply and its ability to reduce water use through the implementation of conservation measures. The City's goal in their adopted 2015 Urban Water Management Plan

Contingency Plan is to use 10-15% less of total water usage. The City adopted a water conservation ordinance in 1989 that allows the City to implement tiered measures to adapt to the water conservation most appropriate to the actual City water supply at any time. The City also implemented that new development be required to meet rigid standards for both inside and outside water use. Since the implementation of these standards the City has become more water efficient making it difficult to continue to achieve substantial reductions through conservation efforts.

### **Water Supply and Demand**

The water supply question in Pismo Beach is tied to presently available resources and the likelihood that future resources can be developed or obtained to meet additional City growth. Generally, the City appears to have available resources to meet current demand for areas within the city limits. Increasing the water supply for the existing SOI areas has been challenging; however the City is working towards recycled water project to shore up groundwater, if successful the City may be able to obtain an adequate supply. Annexations of land to the City will be required by LAFCO to prove the availability of water resources are sustainable, adequate, and reliable prior to an annexation being approved. It is clear that any annexations of land to Pismo Beach will require that new sources of water be brought online or otherwise be made available to meet these increased needs. The City's Water Master Plan states, "The demand for developments outside the city limits, but within the SOI will likely exceed the future supply available to the City without such developments providing incremental water supply to the City."

### **Water Distribution and Storage System**

The City's water distribution system delivers potable water through a single 18-inch diameter transmission main from the four Lopez turnouts and wells to customers and fire hydrants via seven pump stations, nine water tanks, and approximately 53 miles of water distribution pipelines. The City's water is delivered through a system of local distribution lines running from municipal reservoirs located in various strategic locations. The City also receives direct water deliveries to these reservoirs from the Lopez Lake waterline that runs through town, parallel to Highway 101. This Lopez Lake waterline continues to Avila Beach at the far northern reach of this water supply system. State Water deliveries to the City occur through the Lopez Lake delivery system as well.

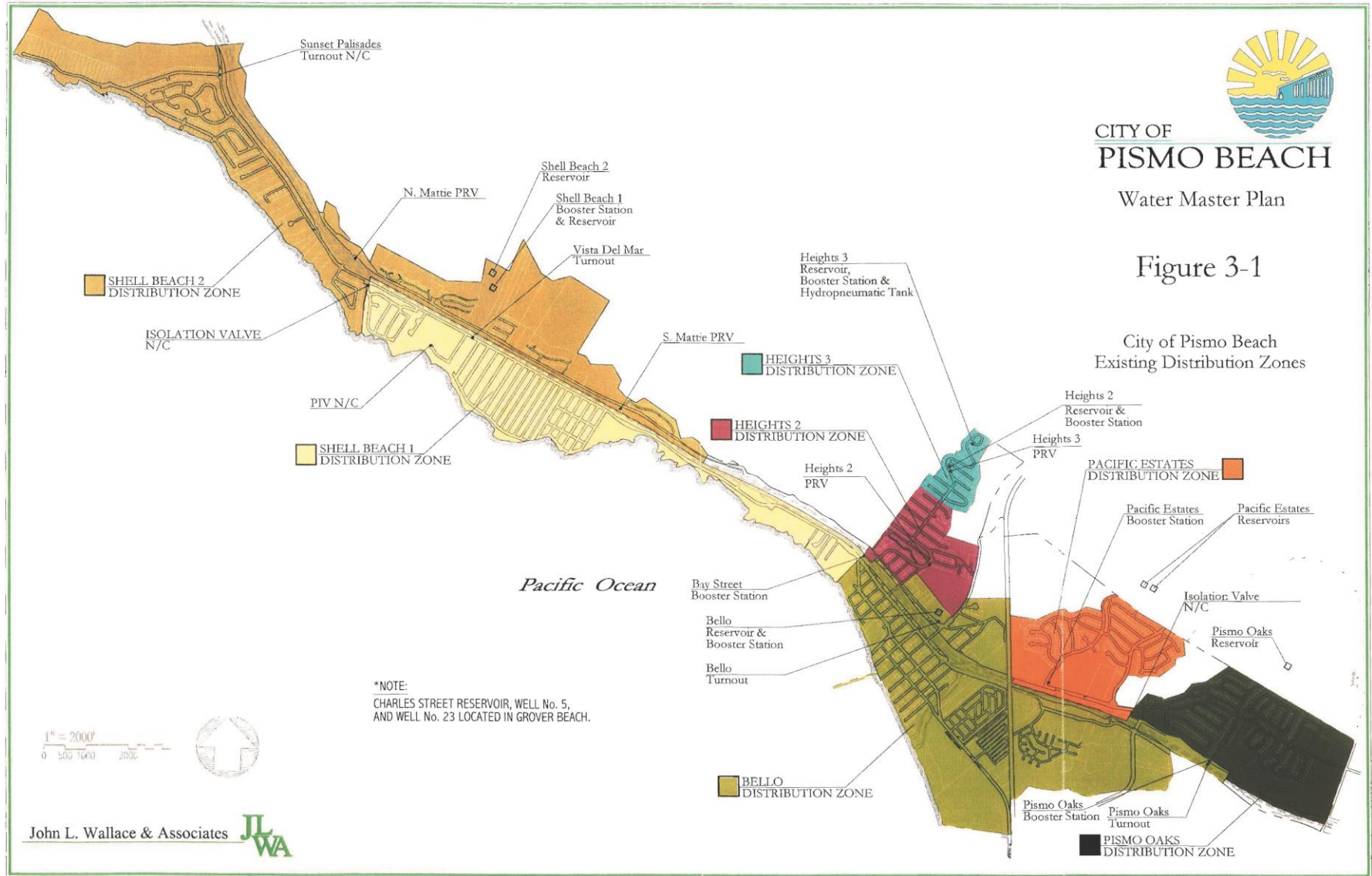
**Water Distribution:** The water distribution system was evaluated as part of the 2004 Water Master Plan update (Figure 3-8). A hydraulic computer-generated model was developed to complete the evaluation of the water distribution system. The model was run and showed that some areas in the system experienced less than desirable water pressures. The majority of these problems were identified in the area of Bello Street and the Pismo Heights area located on the hillside north of Highway 101. Improvements to the system that would enhance service pressures are identified in the Water Master Plan and are prioritized into the City's Capital Improvement Program. Most areas of the City were found to have adequate pressures under all water-demand conditions.

The City currently has eight pressure zones. Over 36% flows into the City by gravity and the other 64% is pumped to storage reservoirs at a higher elevation which then flows into the various service areas by gravity and through pressure reducing valves. The goal of the water supply system is to deliver water at pressures between 50 psi and 80 psi.

**Booster Stations.** The City operates and maintains seven booster stations. Six of the seven booster stations are equipped with a manual transfer switch mechanism, which allows operations staff to connect City-owned mobile generators to the stations in a power outage. The Heights 3 hydro-pneumatic booster station is equipped with a permanent stationary generator on-site. This method is deemed acceptable by the City since the storage available in the various zones provides adequate response time for generator transportation and connection during an event. The City regularly checks and maintains these boosters.

**Water Storage:** The City operates nine water storage reservoirs and one hydro-pneumatic tank. The total capacity of these storage facilities is 5.21 million gallons (mg). The total required storage identified in the Water Master Plan is 5.43 mg. This results in an overall storage deficit of .52 mg. In certain areas of the City (water distribution zones), a surplus of storage capacity was evident. The Water Master Plan recommends that storage be shared from other zones and that storage capacity be increased by .64 mg in the Bello Zone and .15 mg in the Pismo Heights zone.

Figure 3-7 Distribution System



**Capital Improvement Plan-Water System.** The City's Capital Improvement Plan (CIP) comprehensively schedules and finances all capital projects and equipment purchases. The CIP is presented on a first, second, third priority basis. First priority projects are a result of significant health and safety concerns, including severe substandard pressures, fire flows, and/or required storage needed to serve the customers. Second priority projects address sections experiencing slightly substandard pressures and/or fire flows, but are not as critical. Third priority projects include upgrades that are not critical in nature, but are recommended during routine future replacements. The City's Capital Improvement Plan contains project-by-project information and aligns with the goals of the City for project implementation.

Planned water system improvements are included in the City's Capital Improvements Program that was adopted by the City Council June 19, 2007. The program is prepared in ten-year increments and is updated annually. The Water Master Plan has prioritized the projects that are most needed to improve the system.

#### **Projects Budgeted or In Process for 2018**

- ▶ Shell Beach #1 Reservoir Maintenance and OSHA Upgrades \$1,700,000
- ▶ Backup Generator Replacement \$140,000
- ▶ Pismo Heights Generator Enclosure \$100,000
- ▶ Replace aging water meters throughout the City to ensure reliable water use recording \$50,000
- ▶ Booster Station VFDs \$54,500
- ▶ Replace miscellaneous equipment related to water system operations \$40,000
- ▶ Replace six valves per year within the water distribution system \$53,000

#### **Projects Budgeted or In Process for 2019**

- ▶ Replace miscellaneous equipment related to water system operations \$50,000
- ▶ Pacific Estates #1 Reservoir Maintenance \$750,000

#### **Projects Budgeted or In Process for 2020**

- ▶ Charles Street #1 Reservoir Maintenance \$654,000
- ▶ Replace miscellaneous equipment related to water system operations \$30,000
- ▶ Five Cities Drive Waterline \$150,000
- ▶ Replace six valves per year within the water distribution system \$33,000

- ▶ Replace aging water meters throughout the City to ensure reliable water use recording \$50,000
- ▶ Ocean View Ave/Hwy 101 upgrade \$400,000
- ▶ Regional Groundwater Sustainability Project \$33,000,000

**Projects Budgeted or In Process for 2021**

- ▶ 4<sup>th</sup> Street Waterline \$1,6260,000
- ▶ Permanent abandonment of Wells 9 and 10 \$20,000
- ▶ Cypress Waterline Upgrade \$245,000
- ▶ Replace miscellaneous equipment related to water system operations \$30,000
- ▶ Replace six valves per year within the water distribution system \$36,400
- ▶ Replace aging water meters throughout the City to ensure reliable water use recording \$50,000
- ▶ Remote Read System and Meter Change Out \$2,000,000
- ▶ Shell Beach #2 Reservoir Maintenance \$50,000

**Projects Budgeted or In Process for 2022**

- ▶ Replace miscellaneous equipment related to water system operations \$30,000
- ▶ Replace six valves per year within the water distribution system \$40,040
- ▶ Update the City wide water master plan (every 5 years) \$60,000
- ▶ Replace miscellaneous equipment related to water system operations \$50,000
- ▶ Pacific Estates #2 Reservoir Maintenance \$75,000

**Projects Budgeted or In Process for 2023**

- ▶ Replace miscellaneous equipment related to water system operations \$80,000
- ▶ Replace six valves per year within the water distribution system \$40,040
- ▶ Replace aging water meters throughout the City to ensure reliable water use recording \$50,000
- ▶ Pismo Oaks Reservoir Maintenance \$50,000
- ▶ Replace miscellaneous per the City's Master Plan and water system needs \$365,000

**Projects Budgeted or In Process for 2024**

- ▶ Replace miscellaneous equipment related to water system operations \$30,000
- ▶ Replace six valves per year within the water distribution system \$44,050
- ▶ Replace aging water meters throughout the City to ensure reliable water use recording \$50,000
- ▶ Replace miscellaneous per the City's Master Plan and water system needs \$365,000

**Projects Budgeted or In Process for 2025**

- ▶ Replace miscellaneous equipment related to water system operations \$30,000
- ▶ Replace six valves per year within the water distribution system \$44,050
- ▶ Replace aging water meters throughout the City to ensure reliable water use recording \$50,000
- ▶ Replace miscellaneous per the City's Master Plan and water system needs \$365,000
- ▶ Bello Reservoir Maintenance \$30,000

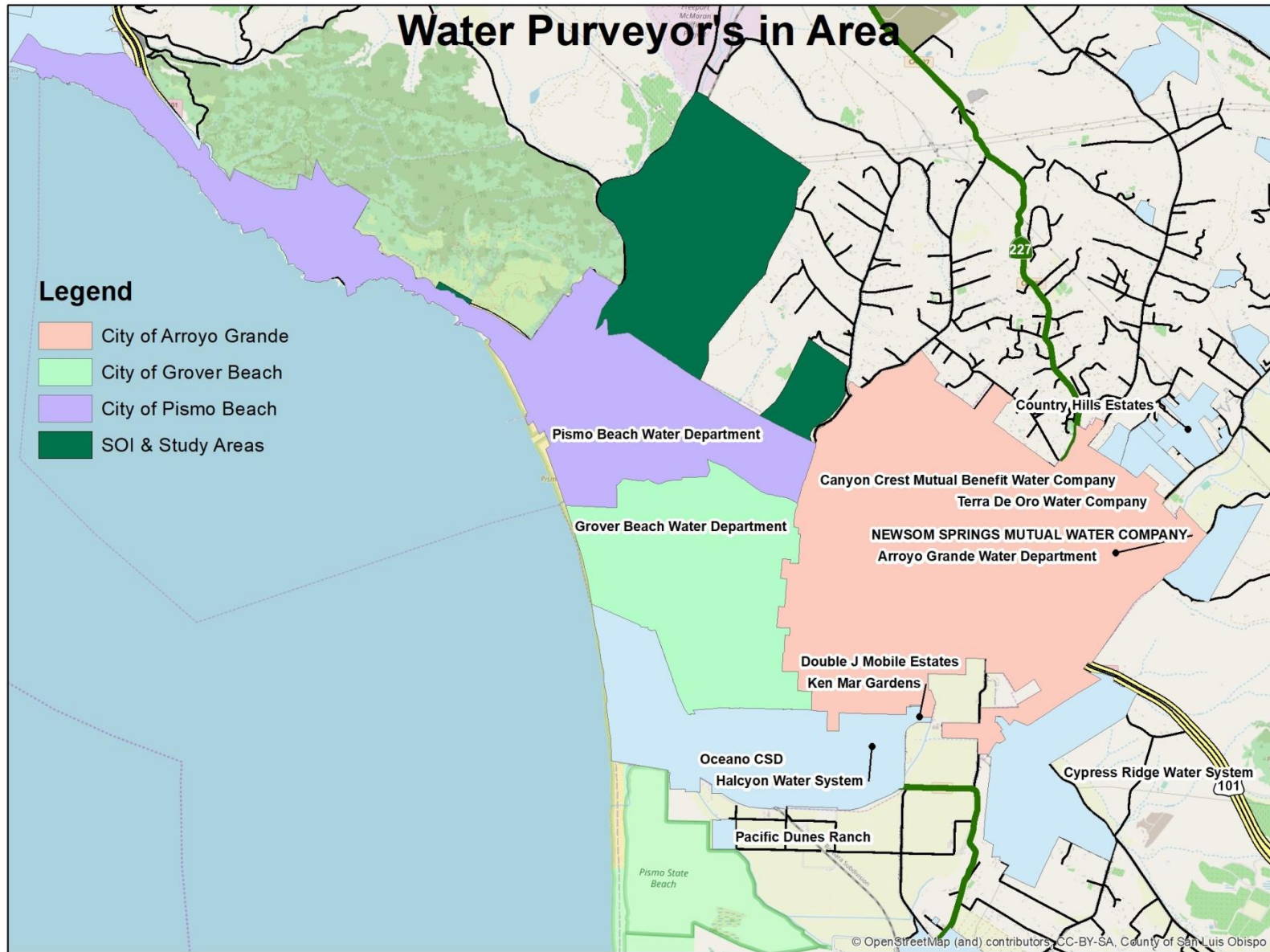
**Other Water Providers**

In addition to the City of Pismo Beach, 11 other private/public water purveyors provide water services to area residents. The primary source for all of these other water providers is groundwater pumped water from local Groundwater Basin. These include

- City of Arroyo Grande
- City of Grover Beach
- Oceano Community Services District
- Country Hills Estates (OUA with OCSD conveyed through AG)
- Canyon Crest Mutual Benefit Water Company (OUA with OCSD conveyed through AG)
- Terra De Oro Water Company
- Newsom Spring Mutual Water Company
- Halcyon Water System
- Cypress Ridge Water System (owned by Golden State Water)
- Pacific Dunes Ranch
- Ken Mar Gardens and Double J Mobile Estates (annexed into OCSD)



Figure 3-8 Other Water Providers



## **WASTEWATER COLLECTION & TREATMENT SYSTEM**

**Facility Description.** The wastewater disposal system consists of a citywide collection system, a treatment plant located adjacent to Pismo Creek, and an ocean outfall line operated by the South San Luis Obispo County Sanitation District near Oceano. The collection and treatment system consists of gravity sewers, nine lift stations, and force mains which convey raw wastewater to a recently upgraded Wastewater Treatment Plant. The City operates the wastewater treatment plant (WWTP) located 0.5 miles northeast of the Pismo Pier at 550 Frady Lane. The WWTP was originally constructed in 1955, with additions and modifications taking place in 1973, 1984 and most recently upgraded in 2007. The estimated dry weather capacity of the WWTP is 1.9 million gallons per day (mgd) and the present dry weather flow is approximately 1.0 mgd. The City's WWTP is presently operating at about 57% of permitted capacity (1.1 mgd average daily flows against a permit limit of 1.9 mgd). The upgrade included construction of an entirely new control building, lab, headworks, oxidation ditches, secondary clarifiers and an ocean outfall pump system. The upgrades to the Wastewater Treatment Plant comply with the Regional Water Quality Control Board requirements for Secondary Treatment. The existing NPDES permit expired on October 23, 2014. The City is currently working through the permit renewal process but does not anticipate any significant changes.

The treatment processes consist of a single mechanical bar screen with a 0.625-in. (16-mm) bar spacing and a 6-mgd (23,000-m<sup>3</sup>/d) capacity captures large debris, such as rags and sticks, from the raw wastewater in the headworks. In 2015 the City upgraded the headworks by installing a new Duperon Flexrake bar screen with ¼-in bar spacing to reduce clogging and debris accumulation. From the headworks, an influent splitter box divides the flow between two oxidation ditches, each with a side water depth of 12 ft (3.7 m) and a volume of 0.89 million gal (3.4 million L). Aeration is provided by mechanical aerators; about 12% (0.11 million gal [0.42 million L]) of each tank is anoxic, and 88% is aerobic (0.78 million gal [3.0 million L]).

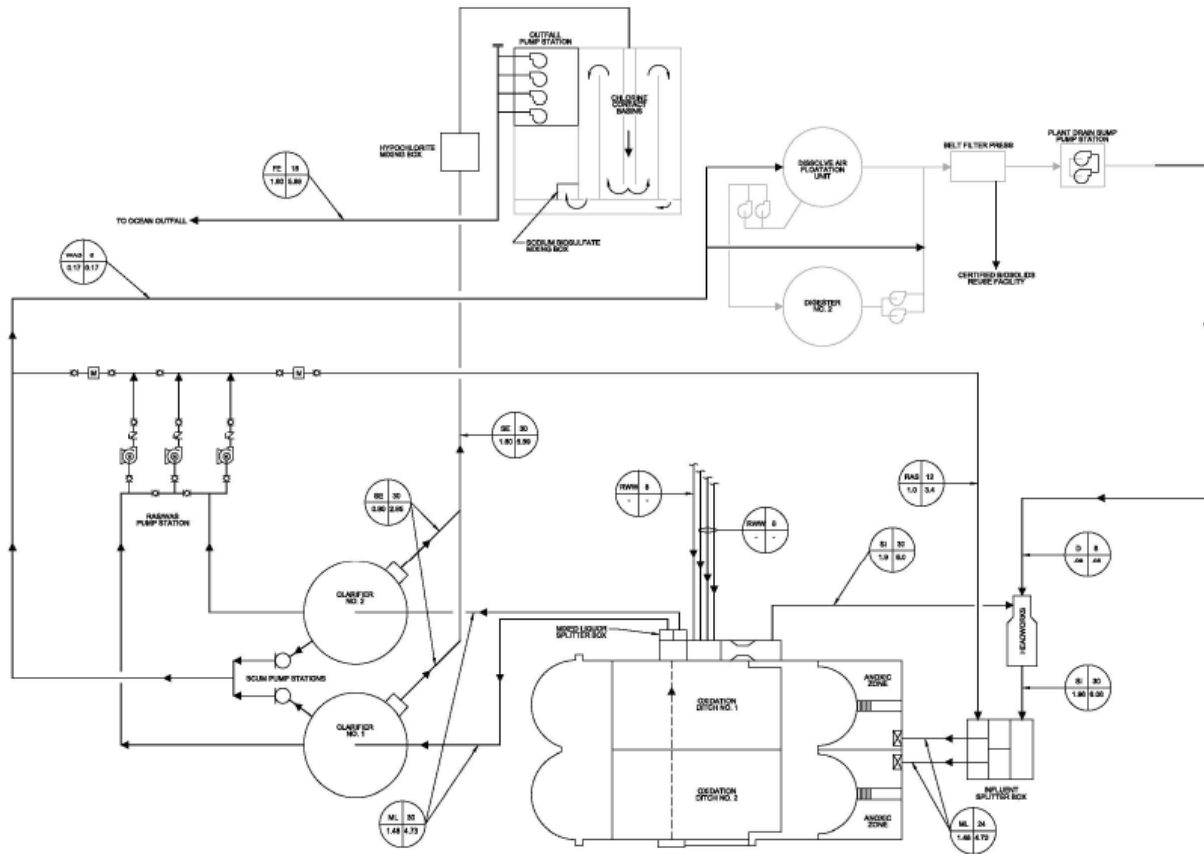
The City also upgraded the sludge handling system in 2016. The project included replacement of the existing dissolved air floatation tanks with a Rotary Screen Thickener for sludge thickening, replacement of the existing belt filter press with a Screw Press for sludge dewatering, a new building to house the sludge handling equipment, demolition of an abandoned digester, and upgrades to the existing electrical, polymer and piping systems. Biological nutrient removal is utilized through the plant's oxidation ditches. This process promotes removal of nitrogen from the wastewater without chemical treatment.

Effluent from the oxidation ditches passes through the mixed liquor splitter box to be evenly distributed between the plant's two 65-ft-diameter (20-m-diameter) secondary clarifiers. These clarifiers each have a side water depth of 14 ft (4.3 m) and a volume of 0.35 million gal (1.3 million L).

From the secondary clarifier, the flow travels through a sodium hypochlorite mixing box to the chlorine contact basin. An adequate detention time and environment is provided in this basin to disinfect the water. To neutralize the toxic effects of the chlorine, the effluent is dechlorinated with sodium bisulfite. A five mile long pipeline brings treated wastewater to the South San Luis Obispo County Sanitary District treatment plant located just south of Oceano. Final effluent commingles with effluent from South San Luis Obispo Sanitation District and the disinfected and dechlorinated effluent is discharged 1 mi (1.6 km) off the coast of the Pacific Ocean under about 60 ft (18 m) of water. Dewatered biosolids are hauled to a composting facility.

The City has a National Pollution Discharge Elimination System permit that regulates the discharge from the City. Waste discharge requirements were adopted by the California Regional Water Quality Control Board, Central Coast Region (Regional Board), on December 8, 1999 what is known as Phase II Final Rule. A diagram of the treatment process is depicted on the next page. No Water Code violations have been reported.

Figure 3-9 Treatment Process Schematic



The tables below summarize the existing and projected wastewater flows for the City of Pismo Beach and the properties currently within the SOI.

Table 3-17 – Existing and Projected Wastewater Flows

Wastewater Factor	2010 mgd	2015 mgd	2020 mgd	2025 mgd	2030(1) mgd
Population	8,570	7,996	8,329	8,676	9,0382
City Average Annual Flow	1.0 mgd	1.1 mgd	1.15 mgd	1.20 mgd	1.25 mgd
System Capacity	1.9 mgd	1.9 mgd	1.9 mgd	1.9 mgd	1.9 mgd
Percent of Capacity	53%	57%	60%	63%	65%

Notes: (1) Based on build-out potential of existing SOI, the Price Canyon and Los Robles Del Mar developments have the potential to increase the City’s population by up to 2,440 people, which would increase wastewater generation flow by 0.34 mgd. Due to the uncertain timing of these developments, treatment and reuse of these flows are not evaluated in this projection.

**Wastewater Collection.** The City uses gravity flow pipelines ranging in size from 6” to 12” in diameter and they are generally located in the street rights of way. The collection system has a capacity of at least 1.9 mgd when operating in peak conditions. Generally, the shortcoming of the collection system has been a mainline in the Shell Beach area and the Addie Street lift station located in the Downtown. The Capital Improvement Maps, Figures 3-11 and 3-12, show the wastewater treatment system and the upgrades that are being completed.

**Projects Budgeted or In Process for 2019**

- ▶ Oxidation Ditch Maintenance \$80,000
- ▶ Wastewater System Pump Replacement \$40,000
- ▶ Sewer System Management Plan (SSMP) last updated in 2007 \$200,000

**Projects Budgeted or In Process for 2020**

- ▶ Wastewater System Pump Replacement \$40,000
- ▶ Identify and repair sewer line areas Affected by Inflow and Infiltration \$100,000
- ▶ Grit removal between pashall flume and Headworks \$50,000
- ▶ Rehabilitate Toucan Terrace sewer trestle and gravity lines \$400,000

**Projects Budgeted or In Process for 2021**

- ▶ Identify and repair sewer line areas Affected by Inflow and Infiltration \$100,000
- ▶ Wastewater System Pump Replacement \$40,000
- ▶ Grit removal between pashall flume and Headworks \$50,000
- ▶ Vista del Mar Lift Station Generator and Motor Control System \$250,000

**Projects Budgeted or In Process for 2022**

- ▶ Wastewater System Pump Replacement \$41,700
- ▶ Bypass Pump \$150,000
- ▶ Replace miscellaneous equipment related to wastewater system operations \$50,000

Figure 3-10 Wastewater Master Plan

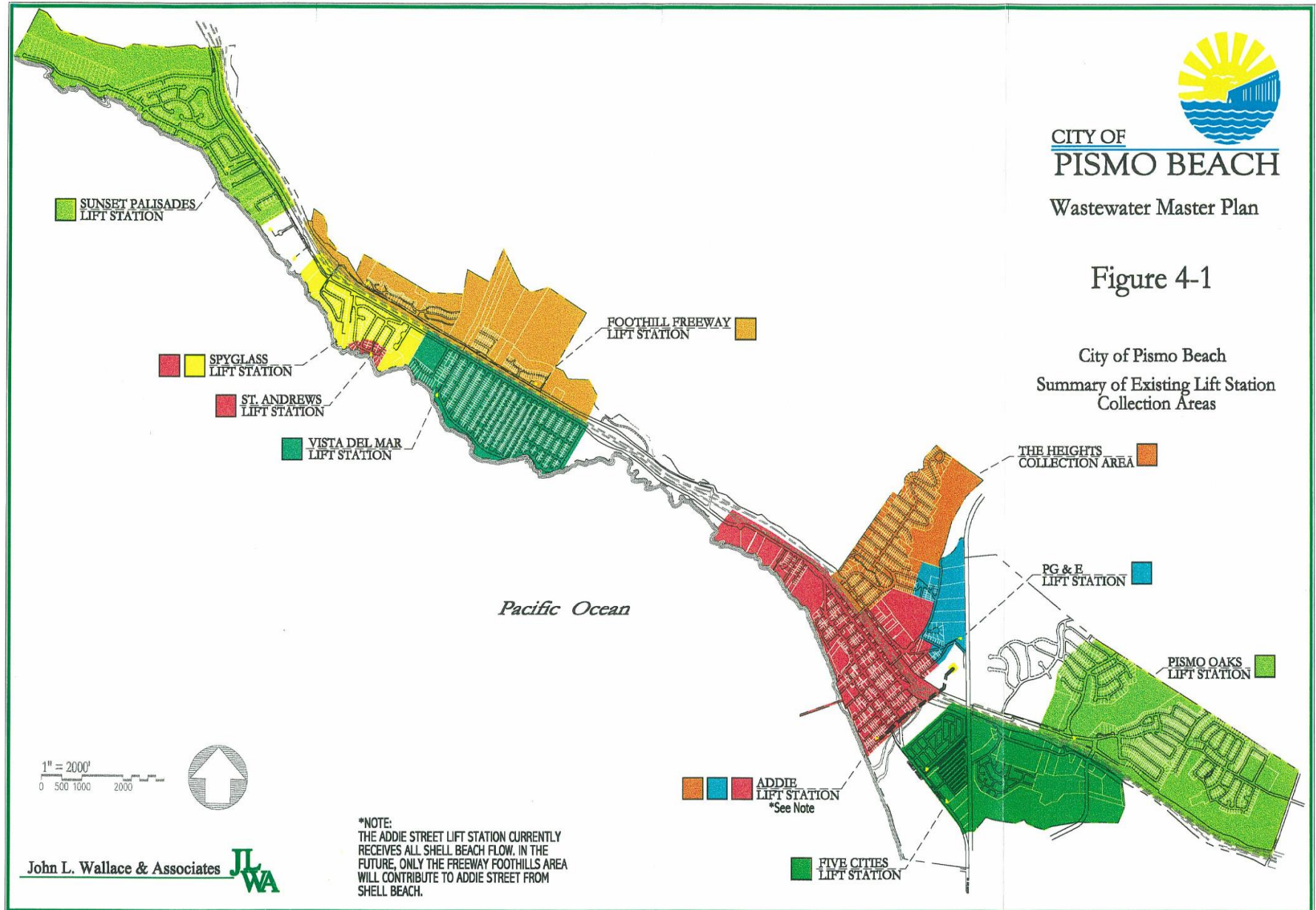


Figure 3-11 Wastewater CIP (a)

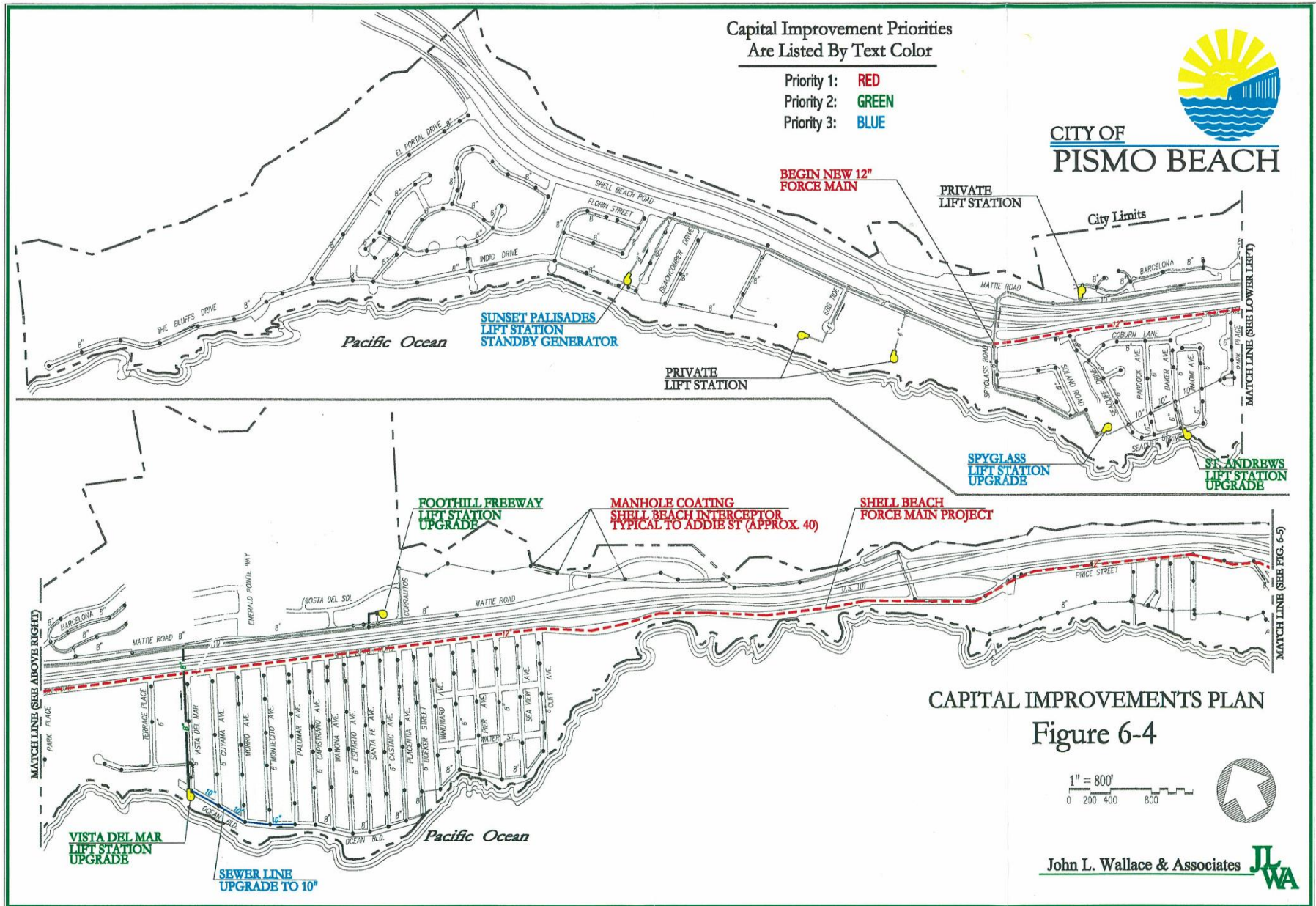
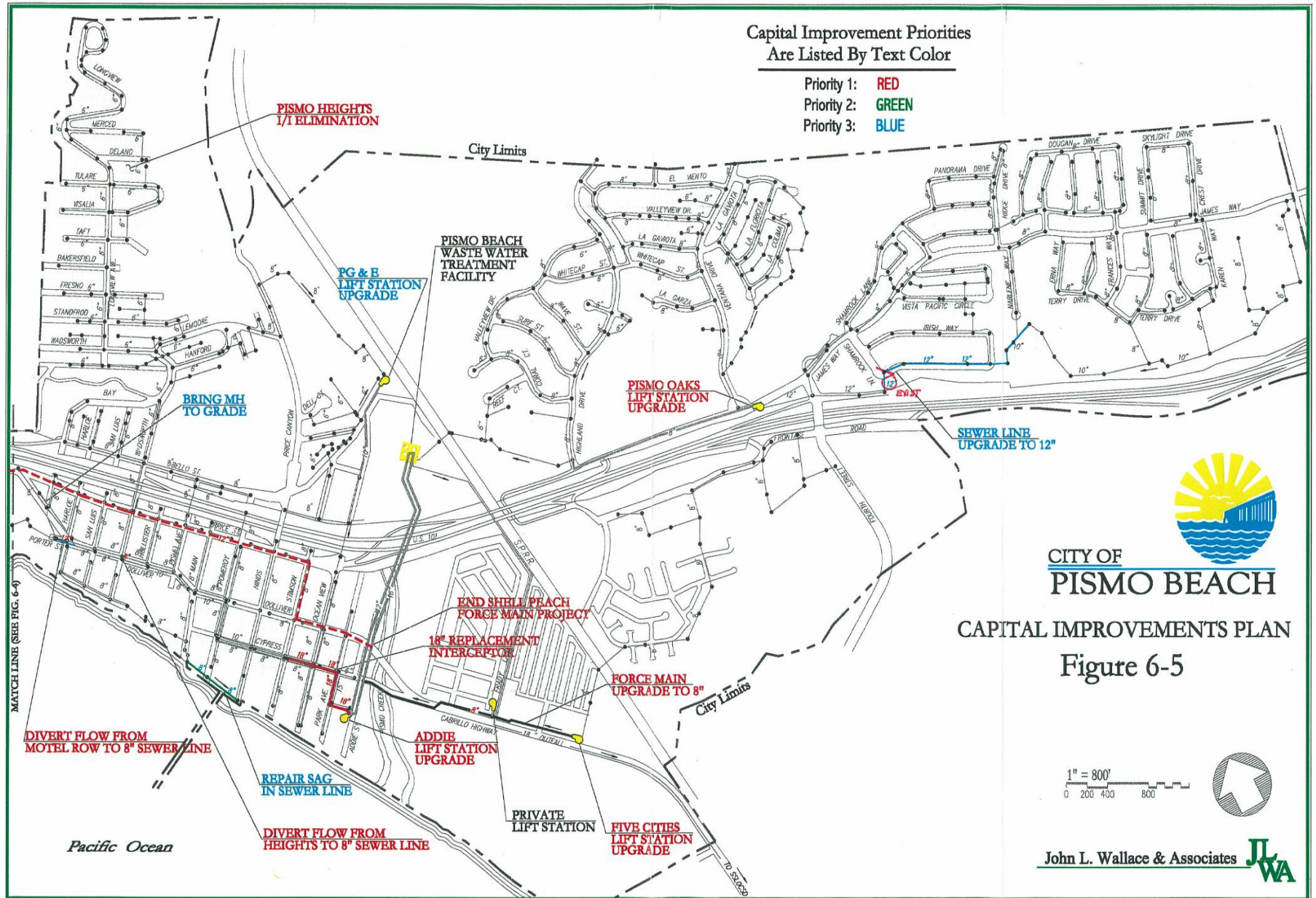


Figure 3-12 Wastewater CIP (b)





**Projects Budgeted or In Process for 2023**

- ▶ Wastewater System Pump Replacement \$41,700
- ▶ Ferrous chloride Tank Replacement \$100,000)

**Projects Budgeted or In Process for 2024**

- ▶ Wastewater System Pump Replacement \$42,600
- ▶ Replace miscellaneous equipment related to wastewater system operations \$50,000

**Projects Budgeted or In Process for 2025**

- ▶ Wastewater System Pump Replacement \$42,600

**Water and Sewer Rates Comparison**

The following tables compare the water and sewer rates of the cities of Pismo Beach, Morro Bay, Arroyo Grande, and Grover Beach. The sample bi-monthly bill was calculated using 10 units of water as a base. This information was gathered from website research from each City.

**Table 3-18 – Single-Family Water Rates**

Rate/Fee	Pismo Beach	Morro Bay	Arroyo Grande	Grover Beach
Bi-Monthly Service Meter Charge	\$24.37	\$30.00	\$32.00	\$12.83
Water (per 100 cubic feet)	\$3.55	\$8.00+	\$4.06	\$3.34
Other Charges	\$0.00 (1)	\$0.00	\$34.73 (Lopez Treatment)	\$0.00
Sample Bi-Monthly Bill (10 units of water)	\$59.87	\$110.00	\$107.33	\$46.23

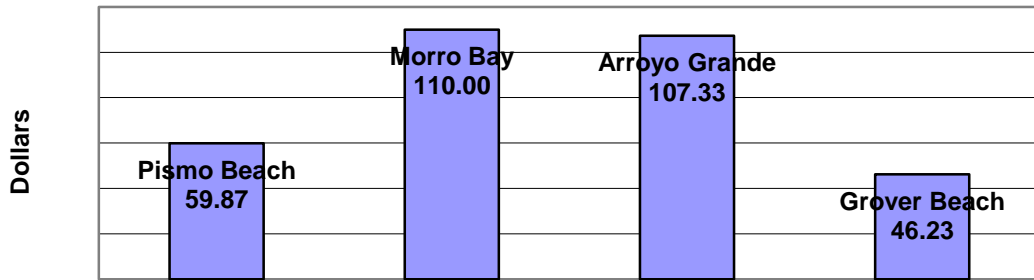
**Table 3-19 – Single-Family Sewer Rates**

<b>Rate/Fee</b>	<b>Pismo Beach</b>	<b>Morro Bay</b>	<b>Arroyo Grande</b>	<b>Grover Beach</b>
Flat Bi-Monthly Rate	\$65.25	\$77.00	\$2.64	\$11.50
Sewer (per 100 cubic feet water)	\$0.00	\$3.19/unit >10 ccf	\$0.74	\$0.00
Other Charges	\$0.00	\$0.00	\$23.52	\$23.52
Sample bi-monthly bill (10 units of water)	\$65.25	\$77.00	\$33.56	\$35.02

Figures 3-13 and 3-14 show a rate comparison for four cities in the County. The following charts show the comparison of the cities. Overall, Pismo Beach's water and sewer rates for residential customers are slightly higher than other coastal cities. The charts are based upon a sample billing using "10 units" of water as a basis.

Figure 3-13

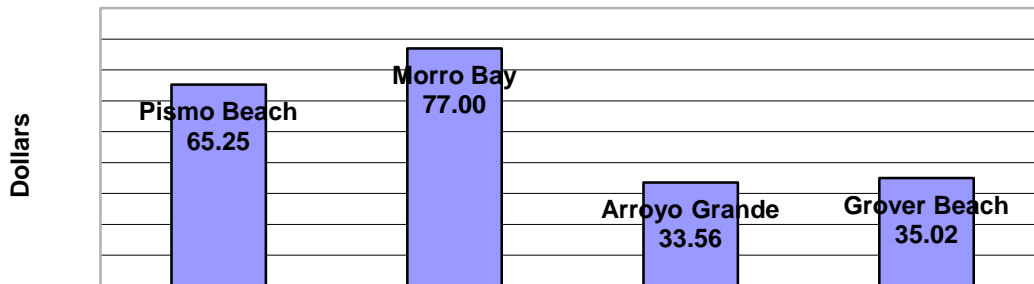
**Bill Comparison - Bi-Monthly Residential Water - 10 units**  
 1 unit = 100 Cubic Feet of Water



**Coastal Cities**

Figure 3-14

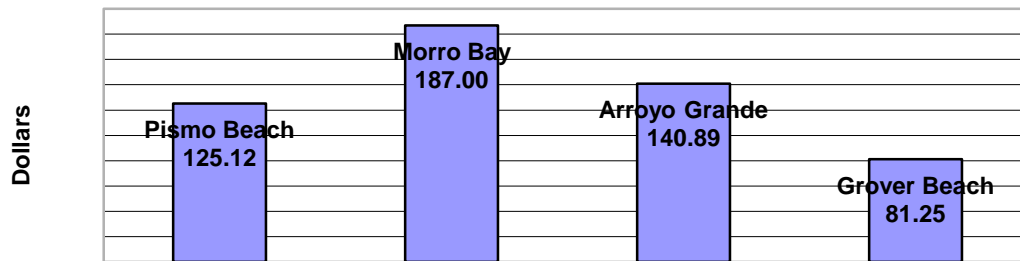
**Bill Comparison - Bi-Monthly Residential Sewer - 10 Units**  
 1 unit = 100 Cubic Feet of Water



**Coastal Cities**

Figure 3-15

**Total Comparison - Bi-Monthly Residential Water & Sewer - 10 units**  
 1 unit = 100 Cubic Feet of Water



**Coastal Cities**

## **TRANSPORTATION - STREETS – ROADS**

### **City of Pismo Beach General Plan, Circulation Element 2018**

The Circulation Element of the City's General Plan describes how the City will manage transportation issues as the City grows and develops. A Circulation Element was published in 2018 that is consistent with other elements in the General Plan, in particular the Land Use Element. This coordinated approach enabled the City to plan for transportation commensurate with the planned growth and development. The Element contains a technical guidance, Guiding Policies and Implementing Policies to guide the City in its planning and implementation of the circulation system to meet the growing and ever changing mobility needs of the community.

Various multimodal improvements have been recommended or approved within the General Plan. The SLOCOG Regional Transportation Plan was considered and some of these projects are identified in the SLOCOG Regional Travel Demand Model. The Circulation Element is separated into the following modal categories:

- **Proposed Improvements for Vehicular Operations**
  - Mattie Road Extension
  - Frady Lane Realignment
  - Roundabout at Dolliver Street/Price Street/US 101 SB Off-Ramp
  - Stimson Avenue/Ocean View Avenue Couplet
  - Traffic Signals and Stop Controls. at Dolliver Street and Stimson Avenue
  - Pedestrian Scramble Traffic Signals at Dolliver Street/Pomeroy Avenue
  - Dolliver Street Left Turn Pockets
  - Restrict motorized vehicles on the Cypress Street Bridge
  - Restriping for Right Turn Lanes
    - Dolliver Street/Wadsworth Avenue
    - Dolliver Street/Main Street
    - Dolliver Street/Pomeroy Avenue
    - Dolliver Street/Hinds Avenue
  - Avila Beach Drive Interchange
  - Pismo Creek Crossing Alternatives
    - James Way Extension to Price Canyon Road
    - James Way Extension to Price Street

- Price Street Extension to 5 Cities Drive
  
- **Proposed Bicycle Facility Improvements**
  - Class I – Multi-Use/Bike Path - west side of Shell Beach Road; Pismo Creek/Price Canyon Trail; Cave Landing Trail and California Coastal Trail; James Way to Frady Lane; Mattie Road to Bello Street
  - Class II – Bike Lane - Shell Beach Road/Spyglass Drive; Dolliver Street/Village Drive; both sides of Price Canyon Road; Oak Park Boulevard at US 101
  - Class III – Bike Route - along Main Street, Pomeroy Avenue, Hinds Avenue, and Addie Street; Dolliver Street south of Main Street; el Portal Drive, Indio Drive, Windward Avenue, Placentia Avenue, Vista Del Mar Avenue, Coburn Lane, and Spyglass Drive
  - Class IV – Cycle Tracks or Separated Bikeways - west side of Dolliver Street from Price Street to Main Street; each side of Mattie Road; Consider Dolliver Street at Hinds Avenue
  
- **Proposed Pedestrian Facility Improvements**
  - Promenade V - Main Street to Harloe Avenue
  - Spindrift Park Bluff top Trail
  - Coastal Bridge between Shore Cliff Lodge and Lighthouse Suites
  - Freeway Foothills Trail, Wadsworth Street to Mattie Road
  - Ebb Tide Beach Access 2
  - Shell Beach Road/Spyglass Drive intersection
  - Downtown Area
  - Sidewalk on Price Street between the Pismo Lighthouse Suites and the Shore Cliff Hotel

The planning documents that detail proposed multimodal improvements for Pismo Beach include the *Circulation Study*, the *Complete Streets Plan*, the *Downtown Strategic Plan*, the *Bicycle and Pedestrian Master Plan*, the *SLOCOG 2014 Regional Transportation Plan (RTP)*, and the *US 101 Corridor Mobility Master Plan*. Within these plans and studies, various network alternatives and site-specific improvements were investigated to address the multimodal deficiencies. Below is a list of local street improvement projects proposed in the City's Capital Improvements Program. Funding for these projects is allocated based upon available funding

and budget priorities.

**Projects Budgeted or In Process for 2019**

- ▶ Pier Plaza Parking - \$250,000
- ▶ Cypress/Pomeroy Intersection Pedestrian Scramble - \$1620,000
- ▶ Downtown Sidewalk Pavers - \$100,000
- ▶ Pier Plaza Improvements - \$350,000
- ▶ Price Street Beautification & Improvements - \$250,000
- ▶ Cypress Street ADA Improvements - \$150,000
- ▶ Annual restriping of streets - \$30,000

**Projects Budgeted or In Process for 2020**

- ▶ Overlay of Bello Vets' parking lot - \$50,000
- ▶ Park/Addie One Way Couplet–Addie Street Parking Lot Improvements - \$395,000
- ▶ Slurry seal Shell Beach Vets 'Hall - \$10,000
- ▶ Downtown Sidewalk Pavers - \$100,000
- ▶ Dolliver Street ADA Improvements - \$365,000
- ▶ Paving Project as identified in new FY2020 Paving Study - \$2,000,000
- ▶ Reseal Shell Beach Road tennis and basketball courts and parking lots - \$300,000
- ▶ Annual restriping of streets - \$25,000

**Projects Budgeted or In Process for 2021**

- ▶ Overlay Addie Street parking lot - \$82,000
- ▶ Bluffs parking lot slurry seal - \$6,000
- ▶ City Hall parking lot slurry seal - \$5,000
- ▶ Overlay Dinosaur Caves Parking Lot - \$20,000
- ▶ Overlay Palisades Park parking lot - \$60,000

- ▶ Downtown Sidewalk Pavers - \$100,000
- ▶ Price Street Dolliver Shell Beach Multi Use Trail - \$2,000,000
- ▶ Construct bike and sidewalk connection under US 101 at Spyglass Road and at Mattie Road - \$500,000
- ▶ Annual restriping of streets - \$30,000

**Projects Budgeted or In Process for 2022**

- ▶ Slurry seal Pomeroy Market - \$10,000
- ▶ Sports Complex Pave Parking - \$150,000
- ▶ Downtown Sidewalk Pavers - \$100,000
- ▶ Hinds Avenue ADA Improvements - \$205,000
- ▶ Pomeroy Street ADA Improvements - \$120,000
- ▶ Slurry, overlays and replacements per FY2020 Paving Study - \$2,000,000
- ▶ Annual restriping of streets - \$30,000

**Projects Budgeted or In Process for 2023**

- ▶ Slurry seal Pier Parking Lot - \$35,000
- ▶ Downtown Sidewalk Pavers - \$100,000
- ▶ Install lighting along the Cypress Street pedestrian bridge - \$500,000
- ▶ Price Street ADA Improvements - \$920,000
- ▶ Annual restriping of streets - \$30,000

**Projects Budgeted or In Process for 2024**

- ▶ Slurry seal Corporation Yard- \$15,000
- ▶ Downtown Sidewalk Pavers - \$100,000
- ▶ Slurry, overlays and replacements per FY2020 Paving Study - \$2,000,000
- ▶ Annual restriping of streets - \$30,000

**Projects Budgeted or In Process for 2025**

- ▶ Realign Frady Lane - \$1,500,000

- ▶ Annual restriping of streets - \$30,000

Figures 3-30, 3-31 and 3-33 at the back of this document are from the Circulation Element of the General Plan (2018) and show the alternative realignment of Price Street, James Way, and Frady Lane. The Circulation Element provides sound policy base for the continued improvement of the City's circulation system.

## **SLOCOG Regional Transportation Plan, 2014**

The most recent RTP, Preliminary Sustainable Communities Strategy, acts as a blueprint for a transportation system that addresses transportation projects that will meet access and mobility needs. The 2014 Regional Transportation Plan (2014 RTP) is intended to be a comprehensive Plan guiding transportation policy for the region and will make recommendations concerning improvements to the existing transportation network of highways, transit, air and water, rail and bicycling.

**Regional Improvements.** According to the San Luis Obispo Council of Government's (SLOCOG) 2014 Regional Transportation Plan a significant increase in traffic volume on Highway 101 from Oak Park to Avila Beach Dr. is projected from the 2010 number of 68,000 average daily trips to 78,000 average daily trips in 2035. This increase anticipates a small increase in population due to limited developable land and increased tourist traffic in the South County area. The Level of Service in the Pismo Beach area on Highway 101 is expected to increase to LOS D; a significant traffic impact. SLOCOG 2014 RTP protects the right-of-way for future expansion; and provides for an evaluation of the capacity needs throughout the corridor to more complete develop a financial, service and facility plan to meet corridor mobility needs.

**Highway 101 Corridor.** The City is adjacent to the Highway 101 Freeway Corridor. In 2010, this highway carried Annual Average Daily Trips (AADT) of 68,000 and 69,200 AADT in 2016 (2010 & 2016 Caltrans counts; website). Volumes are continuing to increase with freeway volume coming from local and regional sources. This segment carries heavy commuter traffic as well as interregional and local traffic. The route also provides connections to the major recreational travel destinations along the beach communities, giving rise to seasonal variations in traffic and heavy Friday and weekend recreational traffic. The 2014 US 101 Corridor Mobility Master Plan identifies operational improvements to US 101 in Pismo Beach by extending



acceleration and deceleration lanes or building auxiliary lanes and connection Price Street Extension between northern Pismo Beach and Five-Cities Drive.

**Other Corridors.** Price Canyon Road and State Route 1 are the two other regionally significant roads. Highway One carries 9,000 and which decreased by 2016 to 7,950 Annual Average Daily Trips (AADT) (2010 & 2016 Caltrans counts; website). The two-lane Price Canyon Road provides access from the Cities of San Luis Obispo and Arroyo Grande.

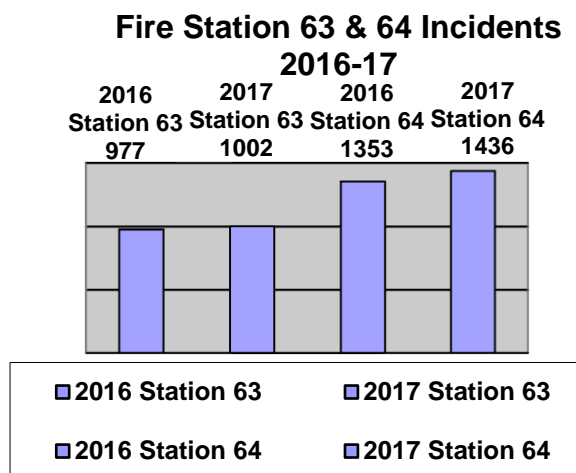
**Transit.** South County transit (SCT) provides fixed route service on three routes serving the Five Cities area. SCAT service hours are from 6:30 am to 7:30 pm Monday through Friday. Saturday and Sunday service operates from 7:30 am to 7:30 pm. No service is available on three major holidays: Thanksgiving Day, Christmas Day, and New Years Day. A park and ride structure in Pismo Beach allows for easy transfers between SCAT Routes 21 and 24 and RTA Route 10. The Pismo Beach stops are:

- Premium Outlets
- Price at Hinds Ave.
- Price at Wadsworth
- Dolliver at Bay (B of A)
- Dolliver at Hinds
- Dolliver at Pismo Coast Village
- Highway 1 at Butterfly Trees

SCT partners with RTA to offer Runabout services. SCT also offers a free trolley service connecting the Pismo Beach Premium Outlets to Port San Luis via Avila Beach.

## **Fire**

The City of Pismo Beach contracts with the California Department of Forestry (CALFIRE) to provide staffing and other fire services for the City residents. Two fire stations are located within the City limits of Pismo Beach. Station 63 is located in Shell Beach on Shell Beach Road and Station 64 is located in Pismo Beach on Bello Street. CALFIRE employs a full-time staff including a Battalion Chief, six Fire Captains, six Fire Apparatus Engineers, and an Administrative Assistant. The City benefits from the significant resources that come with CALFIRE, and CALFIRE is able to increase its presence in the Five Cities area to respond to emergency situations. The result is improved fire and safety services to the residents at a reduced cost. The City maintains ownership of the equipment, engines, and buildings while CALFIRE provides personnel and administrative infrastructure. Over the last two years Fire Station 63 and 64 have responded to more than 2,300 calls each year. The City requires that all new development pay fees for additional equipment and fixed facilities as needed to service the new development. In annexation areas, the City would consider the need for additional fire stations, equipment and manpower. The City may require the formation of fire protection assessment districts to fund fire suppression and emergency medical services. General Plan Policies F-8 through F-14 address the provision of Fire Services, as does the Capital Improvement Plan.



**Figure 3-16**

## **POLICE**

The City of Pismo Beach provides law enforcement services for the residents of the City. The department is accredited with CALEA (Commission on Accreditation for Law Enforcement Agencies). The department first earned accredited status in 2007 with most recent on-site assessment awarded in 2016. To retain accredited status, the department must apply for re-accreditation every 3 years. The total budget for the Police Department for fiscal year 2018-19 was \$6.458 million and \$6.251 million in 2017-18. An overview and services provided by the Department are briefly described below. The City of Pismo Beach Police Department website is the source of the following information:

**Overview:** First organized in 1939, the Pismo Beach Police Department consisted of three officers. In 1940, law enforcement was returned to the responsibility of Sheriff and in 1946 the City was re-incorporated and currently consists of 35 employees, 23 of which are sworn police officers. A Community Oriented Policing Services grant pays a portion of one sworn officer and community services officer salary. The department is divided into two service divisions with a police commander over seeing each division. Operations Division consists of Patrol, Motors, Special Problems Unit, and Citizen Volunteer Patrol. Support Services Division includes Investigations, Communications, Records, D.A.R.E., and Administration.

According to 2010 census information the resident population of Pismo Beach is 7,655. The city has a seasonal tourist population reaching 35,000. The city also host several annual events such as the Car Show and Fourth of July Fireworks Show, which draw crowds of up to 100,000 people.

**Service Levels.** Service levels for Police are often measured in terms of the number of sworn officers per 1,000 people in a community. This is a general measure and should be used only as one piece of information in characterizing police service levels. Service levels vary from city to city because of minimum patrol staffing, officer safety, available back-up from surrounding law enforcement agencies, demographics, geographic features, special service needs, specific crime problems, and other factors. The following is a ratio of full-time sworn officers per 1,000 in population for the City of Pismo Beach in 2017, calculated using the following formula:

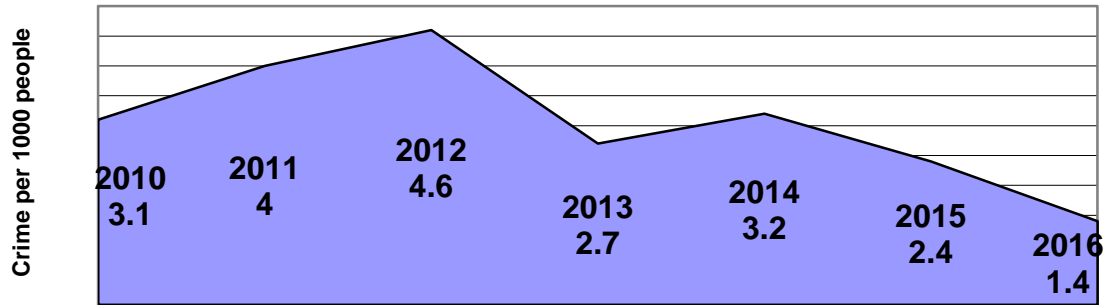
$$8,247 \text{ population} \div 1,000 = 8.24 \text{ people}$$
$$23 \text{ sworn employees} \div 8.24 = 2.7 \text{ officers per 1000 people}$$

Nationwide the Department of Justice-FBI law enforcement statistics show the ratio to be an estimated two and a half officers per 1000 people for communities the size of Pismo Beach. The average officers/1,000 ratio for the seven cities in San Luis Obispo County is about 1.4 officers, with Pismo Beach being the highest at 2.7 and Atascadero the lowest at 1.00 officers/1,000.

The figures on the next page show the violent and property crime rates per 1,000 people for the City of Pismo Beach from 2010 through 2016. Violent crimes include homicide, rape, robbery, and aggravated assault and have been steadily decreasing. Property crimes include burglary, larceny, auto theft, and arson. This information is from the California Department of Justice Crime statistics. The 2010-2016 crime statistics are based on data from the State of California's Office of Attorney General, Department of Justice, Criminal Justice Statistics Center.

Figure 3-17: Violent Crime Rate

City of Pismo Beach - Violent Crime per 1000 people

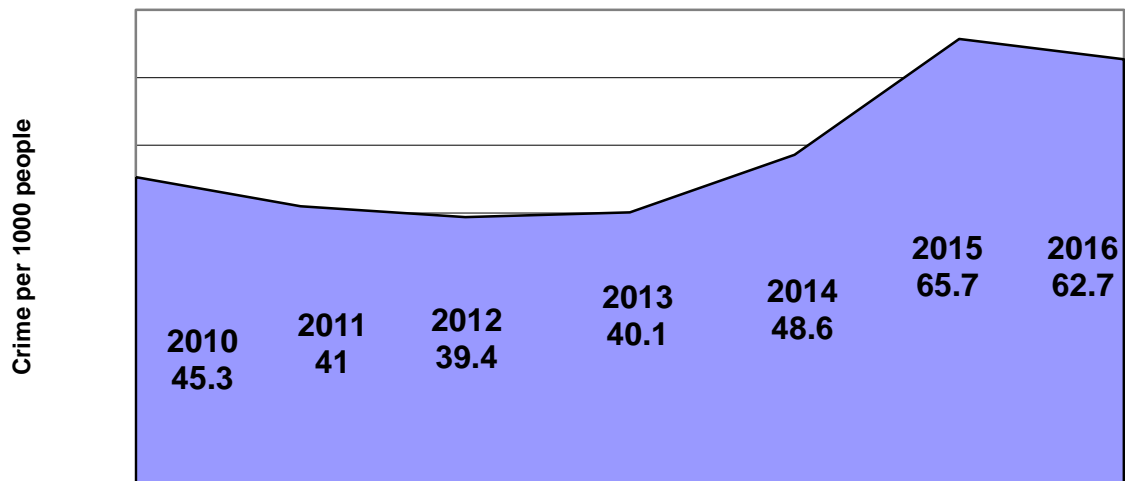


Violent Crime Rate

Source: California and FBI Crime Index, 2010-2016

Figure 3-18: Property Crime Rate

City of Pismo Beach - Property Crime per 1000 People



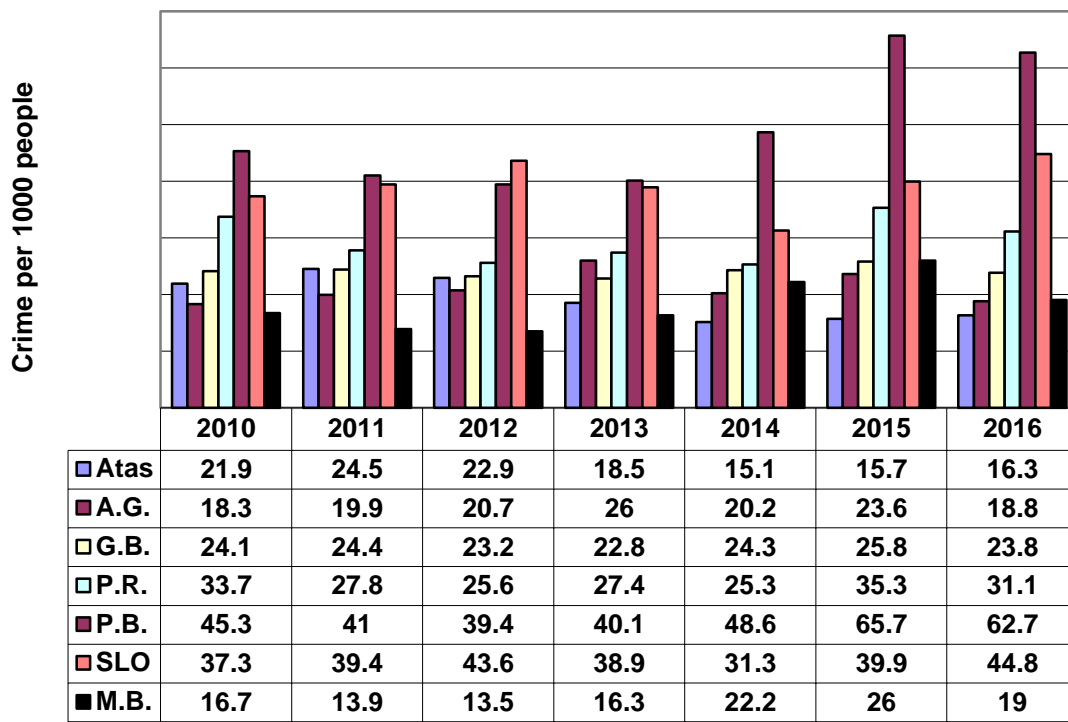
Property Crime Rate

Source: California and FBI Crime Index, 2010-2016

The following figures show the City of Pismo Beach property and violent crime rates compared to the other cities in the County. Property crime involves burglary, larceny, auto theft and arson. The crime rate is normally calculated as the number of crimes per 100,000 people. Due to the lower population of San Luis Obispo County and cities, the crime rate shown is per 1,000 people.

Figure 3-19: Comparative Crime Rate

**City Comparisons  
Property Crime per 1000 people**

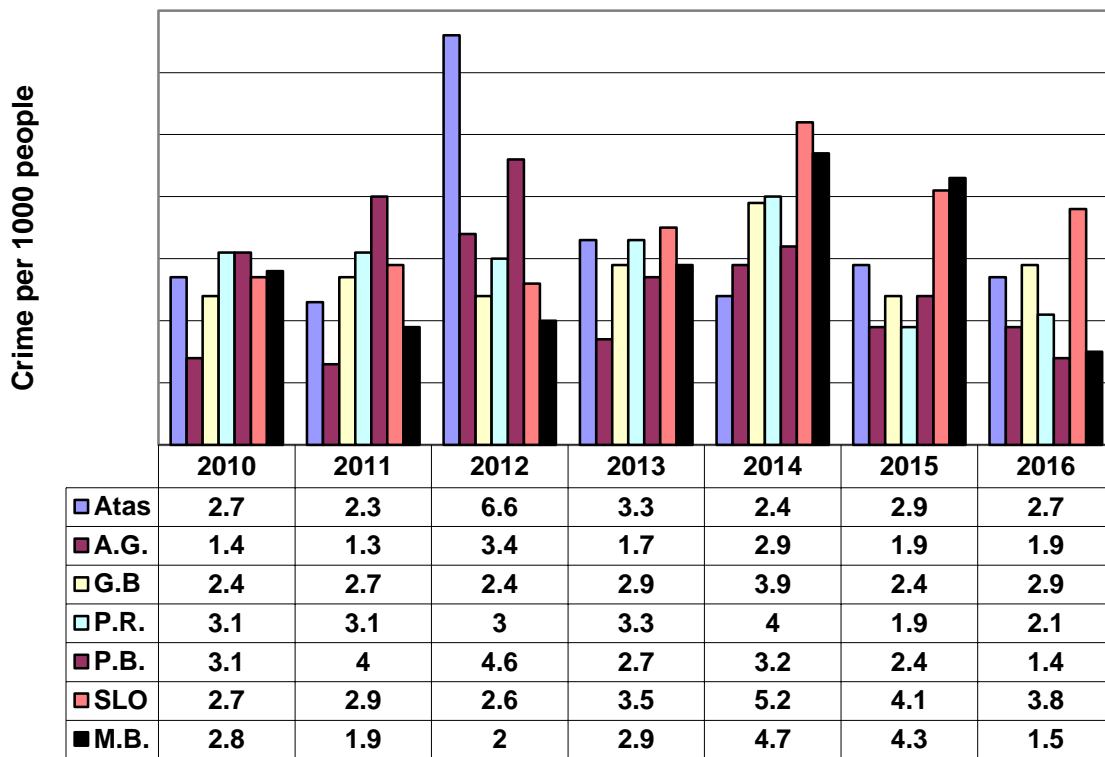


Source: DOF E4, 2017 and California Department of Justice Department

Violent crime involves homicide, rape, robbery, and aggravated assault. These statistics are from the California Department of Justice Law Enforcement Information Center and the California Department of Finance E4 report, 2017. The crime rate is normally calculated as the number of crimes per 100,000 people. Due to the lower population of San Luis Obispo County cities, the crime rate shown above is per 1,000 people.

Figure 3-20: Comparative Crime Rate

**City Comparisons  
Violent Crime per 1000 people**



Source: DOF E4, 2017 and California Department of Justice Department

The need for law enforcement services is affected by the unique circumstances created by the visitor serving nature of the City. The transient population fluctuates in large numbers and is at its peak in the summer. Special events occur on more than 30 weekends during the year and contribute to the additional visitors in the City at any given time. Several of the larger events can increase the population by 20,000 to 30,000. Given the high demand for police services created by this large population, police staffing needs exceed the levels expected for a less tourist-oriented community with an equivalent population. The Police Department has met the needs of the residents and visitors by utilizing paid reserves when needed, overtime for full-time employees and by prioritizing the urgency of conflicting demands for assistance. The City's General Plan requires that all new development pay impact fees for additional equipment and fixed facilities needed to serve the new development with police services. The City also has a policy of maintaining staffing levels that enable the Police Department to give adequate attention to calls for service, to patrol and crime prevention, and to administrative requirements.

### **DEVELOPMENT IMPACT FEES**

Government Code Section 66000 is intended to hold agencies to a higher level of accountability whenever charges are established, increased, or imposed and whenever updates or reviews are performed. Section 66000 requires ordinances to include language that commits the local agency to establish reasonable development charges and, if those charges are found not to be reasonable, to refund the difference. The City levies a series of development impact fees for new development to address many differing needs. All these fees are based on Government Code Section 66000 et seq., which requires the agency setting fees to (i) identify the purpose of the fee, (ii) identify the use to which the fees will be put, (iii) determine the reasonable relationship (or "nexus") between the type of development charged the fee, the amount of the fee and its use, and (iv) determine the reasonable relationship between the need for the public facility or improvement and the project upon which the fee is imposed. Fees collected by the City include: fees in-lieu of parkland dedication, park development projects, water and sewer capacity and improvement fees, road and circulation fees, public safety fees, and general administrative capital improvement fees.

## WRITTEN DETERMINATIONS

The following written determinations are based on the information contained in the above section regarding Infrastructure Needs and Deficiencies:

### Water Supply and Demand

1. The City is able to provide the services (water, sewer, police and fire) to the development within the City. The policies and standards contained in the General Plan provide for future services to be funded by the developer. Resources will be needed as projects are considered and approved by the City.
2. The potentially available Water Supply is estimated to be 2,832 AFY in the City's Urban Water Management Plan which was updated in 2015. The estimated water demand within the city limits is estimated to be 2,213.
3. The City currently has an adequate water supply to serve the anticipated build-out under its current General Plan to serve the area within the city limits. Properties proposed for annexation would be required to bring supplemental water resources to serve the development.
4. At this time, the City would need to obtain water supplies that are not presently available to the City of Pismo Beach. These sources Additional State Water, or reclamation/recycled are available to the City on the basis of economic investment, which could expedited with contribution from annexing territory. The recycled water project is still in the planning stages. No water is being produced for the public at the pilot facility.
5. The City's General Plan policies would not allow water services to be provided in excess of the available supply.
6. Taking into consideration the City's revenue and operating constraints, the condition of the public facilities continues to improve; however, continued upgrades of the water storage and distribution system, and water supply situation are needed for future development projects to move forward.



7. Additional infrastructure to accommodate future development will likely include expanded water supply, improved water storage and distribution facilities.

### **Wastewater**

8. The City operates and regularly maintains the wastewater collection and treatment system, which consists of sewer pipelines, manholes, pump stations, and an upgraded wastewater treatment facility.
9. The treatment facility has the capacity to process 1.9 million gallons per day of wastewater and is currently processing an average of 1.1 million gallons per day. The system is operating at 57% of capacity.
10. The City's wastewater plant as a secondary treatment facility has the ability to serve the existing city limits with an estimated 1.6 million gallons per day from future flows. The made upgrades to the plant in 2015 and 2016.
11. The City's deficiencies in the wastewater collection system affect areas (downtown, Shell Beach) that would not affect the SOI area. LAFCO should request detailed plans for these services at the time an annexation is presented for consideration.
12. The Capital Improvement Plan provides the blueprint for upgrading many of the City's facilities. Funding is set aside each year during the budget process to complete projects and is dependent on state revenues, the local economy, budget priorities, and the availability of low-interest loans.

### **Roads and Streets**

13. The City's Circulation Element, in conjunction with the Land Use Element and Capital Improvement Plan, prioritizes and manages the transportation and traffic network. The Circulation Element was updated in 2018.
14. The City improves the transportation network by allocating funds and implementing transportation improvement projects through the Capital Improvement Plan.

15. Several transportation projects are in the planning stages and are progressing toward construction. These projects would provide for the continued upgrade of the City circulation system.
16. The City has identified alternative routes for connecting Price Street, James Way, and Frady to improve circulation.

### **Infrastructure**

17. Development proposals in the Sphere of Influence would be required to extend physical infrastructure to their respective sites as needed and pay their share for facilities and other City services as a condition of project development.
18. The City continues to regularly upgrade and maintain its public facilities, including roads, water system, and wastewater treatment and collection system through its Capital Improvement Plan.
19. The Capital Improvement Plan provides the blueprint for upgrading many of the City's facilities and is funded on a priority basis depending on the City's financial status.
20. The City's General Plan, Capital Improvement Plan, Circulation Element and Water Master Plan address the provision of infrastructure for water, wastewater, roads and other public facility needs.
21. Additional infrastructure to accommodate future development would likely include expanded water supply lines, improved water storage and distribution facilities, upgraded wastewater facilities, and road improvements.
22. The City should be able to provide the services (sewer, police and fire) to areas within the updated Sphere of Influence while continuing to adequately serve existing residents, pursuant to the policies and standards contained in the General Plan are implemented when considering annexations and development projects.

**Police and Fire**

23. The City of Pismo Beach has a slightly higher property crime rate than other cities in the County but has the opportunity to add police and fire staff and facilities as needed to cover Sphere of Influence area through the development and review process.
  
24. The City's Police Department is adequately staffed to provide law enforcement services to its residents.
  
25. The City continues to evaluate the level of staffing needed to provide adequate services to residents.
  
26. The City will have the opportunity to add police staff as needed to serve the Sphere of Influence area.

## **3.4 FINANCIAL ABILITY OF AGENCIES TO PROVIDE SERVICES**

### **Budget**

The City of Pismo Beach's two-year budget document is well organized, thorough and clearly articulates the City's future financial plans. The City was awarded a Distinguished Budget Presentation Award for their biennial budget fiscal years 15 & 16. The budget report identifies the sources of revenues, past year's accomplishments and financial performance. As part of this Service Review, budgets from the last six years have been reviewed. The budget document provides information that is divided into the following sections:

#### **Budget Message**

The City Manager's message provides a concise overview of the budget including revenues and expenditures and includes the strategic goals and key investments outlined by the City. The City's fiscal policy and general fund budget are listed and the fund structure shown.

#### **Comprehensive Budget Summary**

This section includes a discussion about revenues, expenditures, projections, staffing changes to service levels, and key assumptions.

#### **General Fund Budget**

Identifies General Fund dollars used for a variety of services including police and fire protection and for several important maintenance and capital projects. The General Fund is the City's largest and most discretionary fund.

#### **Financial Summaries**

##### **Operating Budget**

Identifies costs associated with the day-to-day operation and maintenance of the City. The budget provides the revenues and expenditures for each department for the fiscal year along with the previous three-year comparison. The budget also provides prior two-year budget accomplishments and the budget highlights for the next two years.

**Capital Improvement Projects**

This section of the Budget lists and prioritizes the capital improvement projects for the City. It provides costs and a description of the planned projects.

**Enterprise and Related Funds**

Includes funding from water, sewer, and pier lease use revenues and charges and is allocated to the following cost centers:

- Water Fund
- Wastewater Fund
- Pier Fund
- Motor Vehicle Operations & Replacement Fund
- Parking Fund
- Technology Services Fund

**Other Funds**

This covers the following revenue funds:

- Half-Cent Sales Tax Fund
- Gas Tax Fund
- Local Transit Fund
- Local Transportation Fund
- Circulation Fund
- Impact Fee Fund
- Development Impact Fee Fund
- Park Development Fund
- Police Grant Fund
- Lodging Business Improvement District (“LBID”) Fund
- Housing In Lieu Fund
- Public Educational and Governmental (PEG) Access Fee Fund
- Chapman Estate Fund

The budget that is adopted is the spending plan for the City and provides a framework for the City to address the following issues: reserves, revenues, expenditures, transfer authority, fiscal management, investments, capital improvements and rates and fees.

### Investment and Purchasing Policies

The City has investment policies that guide the City Treasurer with regard to investing the unexpended cash in the City Treasury. The primary objective of the investment policy is the “Safety of the Principal Investments”. Investments can only be placed into those types of securities described in the Investment Policies document. The City’s policies call for the portfolio to be managed in a manner responsive to the public trust and consistent with state and local regulations. The policies limit the types of investments that can be made and further designates the appropriate investment mechanisms that may be used. The City participates in several joint-financing efforts to minimize costs, including:

- ▶ Central Coast Cities Self Insurance fund to provide coverage for workers compensation, liability and property insurance at the lowest possible rates. Other Cities that participate in this fund include Arroyo Grande, Santa Maria, Atascadero, Paso Robles, Grover Beach and San Luis Obispo.
- ▶ Low-interest State loans to fund the upgrading and modification of the Wastewater Treatment Plant and Collection System. The City is in the process of obtaining special loans from the State to fund the Treatment Plant and Collection System upgrade.
- ▶ Lopez Flood Control Zone 3 is funded by the several jurisdictions including Pismo Beach. These funds are being used for the Dam retrofit project that is being completed by the County.
- ▶ The City participates in an agreement with the cities of Grover Beach and Arroyo Grande regarding the groundwater being shared by each those jurisdictions.

The City of Pismo Beach has adopted several ordinances to manage and control financial resources. Title III of the Pismo Beach Municipal Code contains several ordinances that relate to the financial condition of the City.

#### Chapter 3.04 County Collection of Assessments and Taxes

- II. Chapter 3.06 Claims Against City
- III. Chapter 3.08 Purchasing
- IV. Chapter 3.10 Warrants And Checks
- V. Chapter 3.12 Sales And Use Tax
- VI. Chapter 3.16 Documentary Stamp Tax
- VII. Chapter 3.20 Transient Occupancy Tax
- VIII. Chapter 3.24 Unclaimed Property

- IX. Chapter 3.28 Special Gas Tax Street Improvement Fund
- X. Chapter 3.32 South Palisades Assessment District
- XI. Chapter 3.36 Emergency Response And Enforcement Fees

Title XIII is the Public Services ordinance of the Municipal Code, and contains several laws:

- I. Chapter 13.04 Utility Services Generally
- II. Chapter 13.08 Water Services System
- III. Chapter 13.10 Water Supply Fee
- IV. Chapter 13.14 Sewer Use
- V. Chapter 13.16 Public Facilities Charges
- VI. Chapter 13.20 Underground Utilities
- VII. Chapter 13.24 Water Conservation

The City levies a series of development impact fees for new development to address a variety of impacts and services. All these fees are based on Government Code Section 66000 et seq., which requires the agency setting fees to (i) identify the purpose of the fee, (ii) identify the use to which the fees will be put, (iii) determine the reasonable relationship (or “nexus”) between the type of development charged the fee, the amount of the fee and its use, and (iv) determine the reasonable relationship between the need for the public facility or improvement and the project upon which the fee is imposed. Fees collected by the City include: fees in-lieu of parkland dedication, park development projects, water and sewer capacity and improvement fees, road and circulation fees, public safety fees, and general administrative capital improvement fees.

### **Annual Audits**

Annual audits are required by State Law and are performed with the purpose of identifying any inconsistencies or non-compliance with mandated accounting requirements. As part of this Service Review, audits prepared by an independent auditor over the last three years were submitted to LAFCO by the City for review. In reviewing the audits, the City was found to be in compliance with standard accounting principles and standards. The Auditor identified no issues or financial problems and provided an “unqualified opinion” regarding the financial statement presented by the City. The following excerpt from the Independent Auditor documents the auditor’s opinion:

*“In our opinion, the financial statements referred to above (not shown) present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.”*

An “unqualified” independent audit indicates that the organization is managing its financial resources in accordance with accepted accounting principles and standards. This is an indicator of the financial health of an organization and provides information regarding its financial practices. The City also posts its annual budget and audits on its website. This provides the public with easy access to the annual budget and audits. Conversely, an independent auditor would identify accounting financial concerns if these were found.

**Fiscal Trend Analysis**

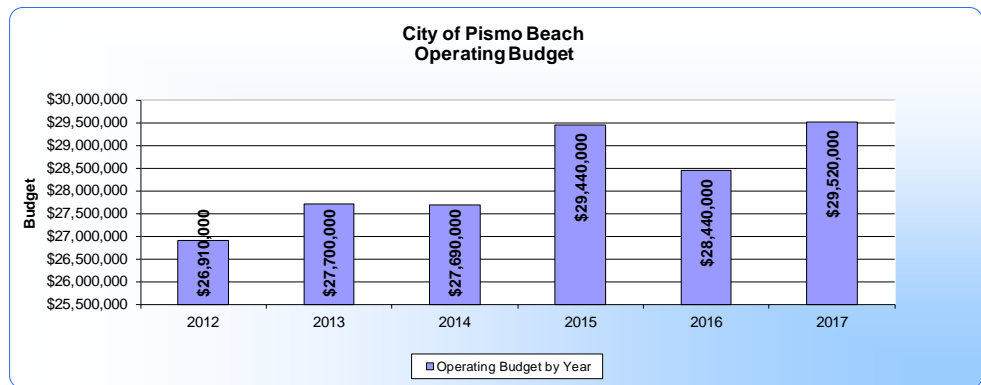
The following charts show the fiscal trend analysis for the past five years for key fiscal indicators that represent an early warning system for an agencies fiscal health. The key indicators are overall operating budget, general fund expenditures, property tax revenues, elastic revenues (which include transit occupancy tax, sales tax, and franchise fees), reserves, long-term debt, and fund balance for each year. The information was derived from the City’s comprehensive annual financial statement for each year.

**Operating Budget Figure 3-21**

**Formula:**  
Consolidated Expenditures / Fiscal year

**Trend Analysis:**  
Monitor expenditures over time.

**Source:**  
Annual Audit  
:



**Description:**

This indicator refers to the overall operating budget and expenditures including enterprise funds. It shows the expenditure pattern for a jurisdiction over a period of several years.

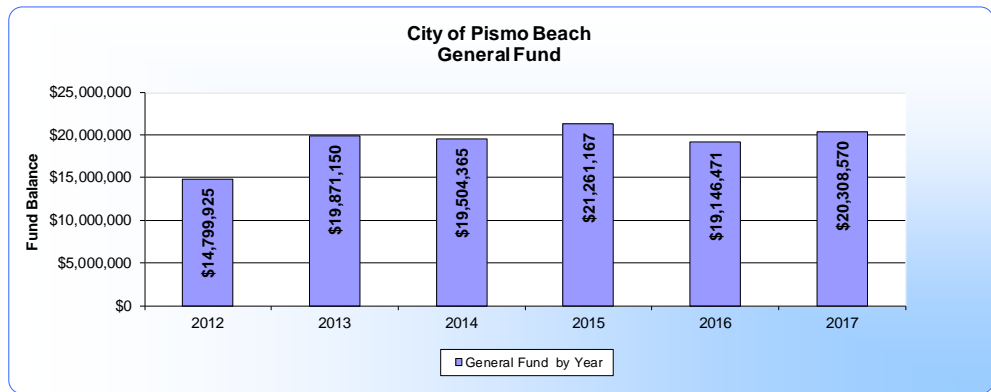


**General Fund Budget Figure 3-22**

**Formula:**  
General Fund  
Expenditures / Fiscal  
year

**Trend Analysis:**  
Monitor expenditures  
over time.

**Source:**  
Comprehensive Annual  
Financial Statements:  
Statement of Activities  
Basic Financial  
Statements: Statement  
of Revenues, Expenses  
& Changes in Net  
Assets



**Description:**

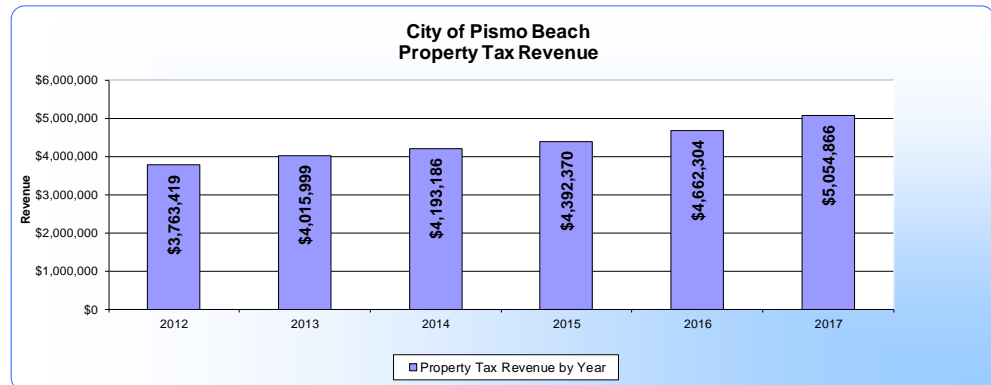
This indicator refers to the General Fund expenditures Not including debt service, capital improvements or capital projects contributions. For special districts it is assumed that all expenditures (except as otherwise stated) are expenditures for services related to charges.

**Property Tax Revenues Figure 3-23**

**Formula:**  
Property tax revenue /  
Fiscal year

**Trend Analysis:**  
Monitor property tax  
revenues over time.

**Source:**  
Annual Audit  
:



**Description:**

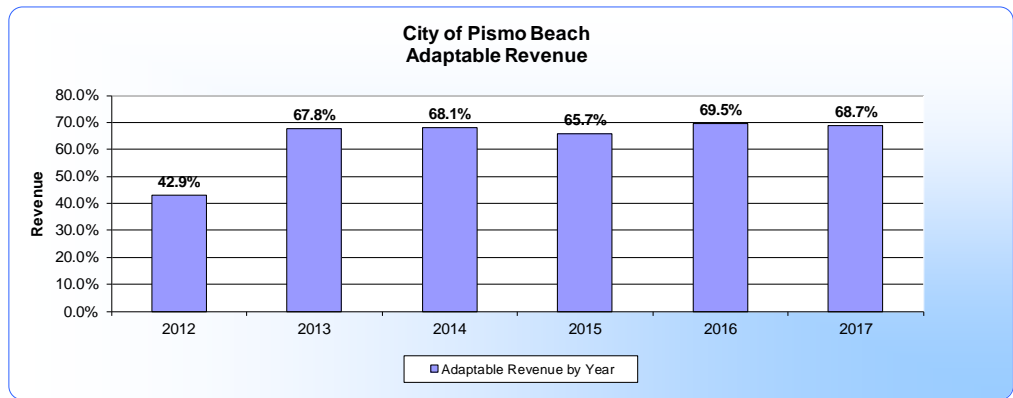
This indicator will have more importance for those agencies heavily reliant upon property tax revenues. As these revenues are closely tied to market conditions, this indicator can depict the ability of an agency to respond to economic fluctuations. The property taxes are distributed based on the fiscal year and the years indicated in the chart are the ending years for each fiscal year.

### Adaptable Revenues Figure 3-24

**Formula:**  
 Adaptable operating revenues / Net operating revenues

**Trend Analysis:**  
 Monitor amount of adaptable operating revenues as a percentage of net operating revenues.

**Source:**  
 Comprehensive Annual Financial Statements: Statement of Activities Basic Financial Statements: Statement of Revenues, Expenses & Changes in Net Assets



**Description:**

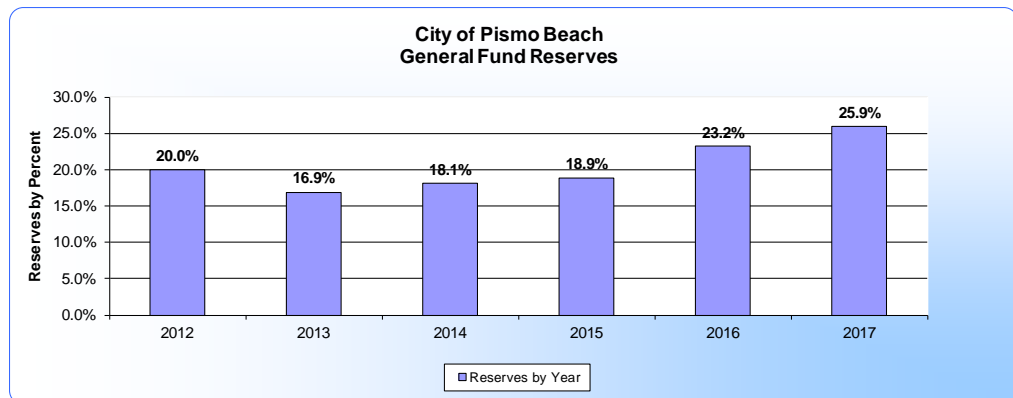
This indicator can help agencies determine how adaptable revenues are impacting their abilities to provide services. If revenues rely heavily on adaptable sources the agency may want to explore opportunities for increasing inelastic sources to offset the shortfalls in the inelastic revenues. Adaptable revenues consist of TOT, sales tax, and franchise fees, for special district elastic revenues also include water and sewer sales and availability.

### Reserves Figure 3-25

**Formula:**  
 Unrestricted operating revenues / Net operating or general fund expenditures

**Trend Analysis:**  
 Monitor amount of reserves as a percentage of net operating or general fund expenditures.

**Source:**  
 Comprehensive Annual Financial Statements: Statement of Activities Basic Financial Statements: Statement of Revenues, Expenses & Changes in Net Assets



**Description:**

As the percentage of reserves increases, a local government gains its ability to respond to changing conditions and to citizens' needs and demands. Decreases in reserves may also indicate future inability to maintain or enhance service levels. For special districts reserves are a % of next FY operating budget. It should be noted that reserves for agencies with infrastructure maintenance obligations will likely exceed 100% as the agency builds the necessary reserves to upgrade and maintain infrastructure.

**Long-Term Debt/Liabilities Figure 3-26**

**Formula:**

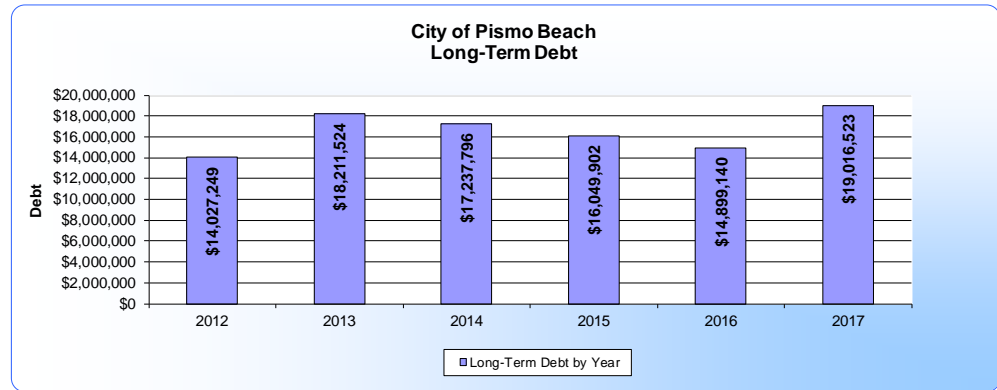
Current liabilities / Net operating revenues

**Trend Analysis:**

Monitor Long-term debt at the end of the year as a percentage of net operating revenues over time.

**Source:**

Annual Audit



**Description:**

A major component of a jurisdictions liability may be long-term debt in the form of tax or bond anticipation notes. Although long-term borrowing is an accepted way to deal with uneven cash flow, an increasing amount of long-term debt outstanding at the end of successive years can indicate problems.

**Changes in Net Position Figure 3-27**

**Formula:**

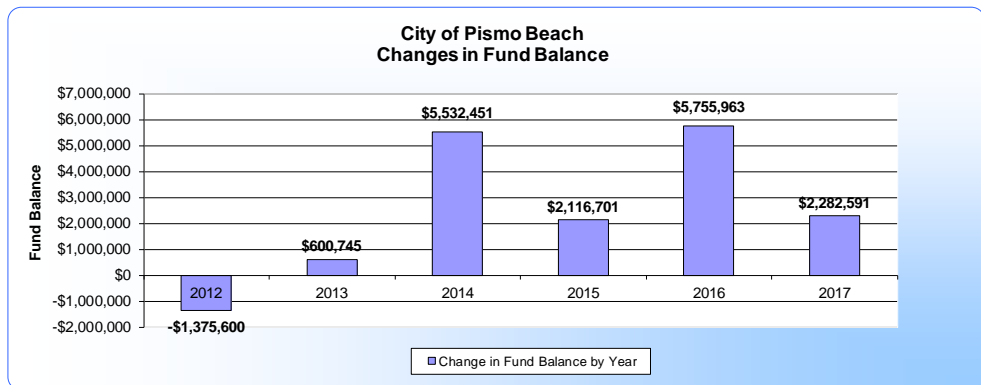
fund operating deficit or surplus / Fund operating revenue

**Trend Analysis:**

Monitor fund operating deficit or surplus as a percentage of net operating revenues.

**Source:**

Annual Audit



**Description:**

This indicator is important because a pattern of operating deficits of the funds can be one of the first signs of an imbalance between revenue structure and expenditures. It should be noted that it would not necessarily indicate a problem if the agency had planned the operating deficits and was deliberately drawing down reserve fund balances or using extra revenues from another fund for temporary needs.

As shown in the figures above, property taxes are approximately 17.1% of the City’s budget. Sales, transient occupancy, and other taxes are 55.8%. The long-term debt is associated with the 2007A Lease Revenue Refunding Bonds to advance refund and retire prior revenue bonds, 2017 Lease Revenue Bonds for rehabilitation of the Pismo Beach pier, and Wastewater Refunding Revenue Bonds, Series 2012, State Revolving Fund Loans for financing wastewater system improvements. The long term debt trend shows the debt is being paid off, while the fund balance shows positive contribution.

### Constraints

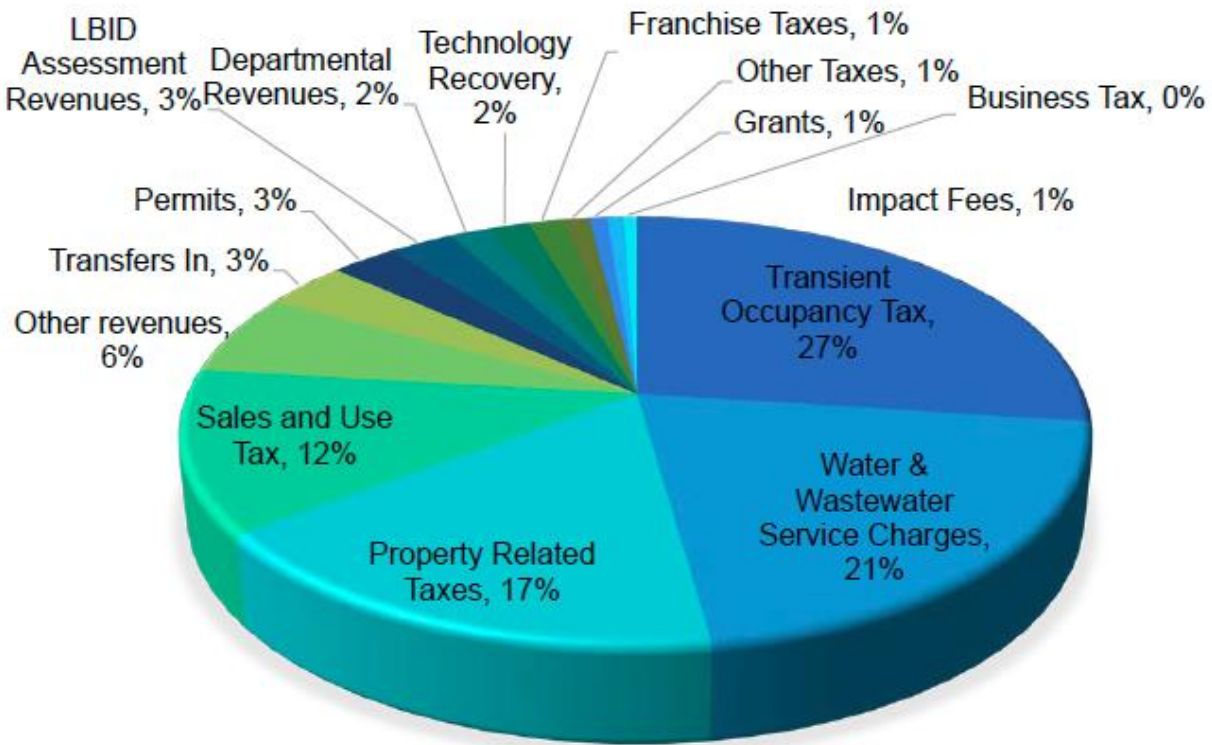
The City of Pismo Beach has carefully managed its financial resources. Construction of new infrastructure to serve the SOI areas presents a challenge in terms of funding such projects. Serving the SOI areas will likely require a plan for financing infrastructure improvements in these areas. This plan would address funding sources for a number of needed improvements including roads, pipeline infrastructure, water supply, and other capital improvements. Funding and timing of these improvements would require planning and investment of resources. The City established an annexation policy that requires new annexations to the City to bring its own supplemental water supply, if one is available. The need to fund a future supplemental water supply is a serious financial challenge for the City. Development of the water supply, design of a system, construction of infrastructure, and continued operation and maintenance costs could be funded in a number of different ways, including the implementation of the annexation policy, increasing water fees, the sale of bonds or other loan instruments.

LAFCO considers the ability of a jurisdiction to pay for improvements or services associated with future annexed sites. This planning can begin by identifying what opportunities there are to fund infrastructure and maintenance needs associated with future annexation and development. Also identifying limitations on financing such improvements, as well as the opportunities that exist to construct and maintain those improvements, is important.

**Major Revenues.** The voters in Pismo Beach approved a ½ cent sales tax in 2008, Measure C Transaction Tax and renewed in November 2014 as Measure I, which extends the tax to March 31, 2027. A projected \$1.53 million in revenues are anticipated in 2019. The ½ cent sales tax revenues may be used for any lawful purpose as designated by the Council. To date, the Half-Cent Sales & Use Tax revenues have been used entirely to fund streets, sidewalks, and storm drains. About 77% of the City's revenues come from the Water & Wastewater Service Charges, local hotel tax (TOT), sales tax revenues, and local property taxes. TOT revenues and the majority of property and sales tax revenues are deposited in the General Fund. The largest component, or 27%, of the City's revenues is from Transient Occupancy Tax (TOT) revenues, budgeted at \$10.3 million. The second largest component, or 21%, of the City's revenues is from Water & Wastewater Service Charges from residential and non-residential customers, which is about \$7.9 million. Property Related taxes make up 17% of the City's revenues, or \$6.4 million. Sales and Use tax revenues make up 12% of the City's revenues, or \$4.7 million.

The City monitors closely the major revenue sources: hotel, water & wastewater, property, and sales tax.

**Figure 3-28**



**Long-Term Debts**

The City presently has no general obligation debt but has the following long-term debts:

- \$4,755,000 in lease revenue refunding bonds issued in 2004 that originally funded the Wastewater Treatment Plant Facility upgrade and State Revolving Fund Loan Match.
- \$7,685,000 Lease Revenue Bonds for the Pier Rehabilitation Project
- \$5,020,005 State Revolving Loans for the Wastewater Treatment Plant
- \$107,787 State Revolving Loans for the Park and Cypress Interceptor project
- \$448,587 for the Pismo Oaks lift station project
- \$10,154,284 for financing wastewater system improvements.

The City has pledged future wastewater system revenues to repay the State Revolving Fund Loans. The loans are payable solely from wastewater customer net revenues and are payable through 2026.

While residential uses generally do not cover the full cost of municipal services from property and local sales taxes that are generated, the opportunity to require privately maintained amenities, roads and open space in residential development projects, coupled with the inclusion of commercial development suggests that the SOI areas as amended may be able to break even in terms of revenues versus costs of services. In December 2018, the median home price in the City was \$863,500. Since the property taxes are calculated based on the sales price of homes, the higher the selling price the more property tax revenue would be generated. These issues would be thoroughly analyzed as the development review process moved forward for areas located in the SOI and being considered for annexation.

Likely fiscal costs to the City would typically include public maintenance of infrastructure completed for the new projects. Possible programs to minimize and off-set public maintenance costs include private maintenance through homeowner's associations, as well as public maintenance through a utility or assessment district established by the City. Assessment districts can be a valuable tool used in many communities to offset on-going maintenance costs. The use of these districts should be considered for undeveloped properties planned to be included in the City.

Pismo Beach, like most cities, requires new development projects, and in particular annexations, to "pay their own way." At the time an annexation is considered for any of the SOI properties, the City requires an economic analysis to be prepared to identify a cost-benefit breakdown of the proposed land uses and projects.

***Policy GM-8*** – *"All annexations of land into the City of Pismo Beach shall comply with the following requirements and criteria*

*a. Annexation Study and Procedures*

*The City or experts under contract to the City shall prepare a detailed annexation study addressing all of the items identified herein. The costs of preparing the annexation study including city administrative costs shall be borne by the property owner requesting the City to consider the annexation*

*1. A Comprehensive Study of Fiscal Impacts to the City*

*A comprehensive and detailed analysis of the fiscal impacts of the annexation shall be prepared addressing the full range of revenues and expenditures.*

*One-time capital costs of facilities as well as recurring operating costs and revenues shall be evaluated.*

*2. Study of Fiscal Effects on Other Governmental Entities/Tax Agreements*

*The effects of the annexation upon other taxing entities should be analyzed.*

*Proposed tax-sharing agreements will be prepared.”*

Other income from residential uses would be derived from indirect sales and use taxes, as well as enterprise fund payments, and one-time development impact fees.

### **Reserves**

The City has adopted a Fiscal Policy which includes maintaining a General Fund Reserve of 25% of budgeted annual operating expenditures. The Council has also adopted a policy of appropriating 1% as a risk management reserve. The budget for FY 2017-18 maintains the General Fund Reserve of 25% of expenditures, and the 1% Risk Management Reserve. Healthy reserves are one indicator that the City is in sound financial condition. Over the last several years the City has been able to not only balance the budget, but also place monies in reserve. The combination of conservative revenue projections and holding the line on expenditures should help Pismo Beach build a reserve of upwards of \$6.15 million at the end of fiscal year 2019.

The City's goal of maintaining a 25% reserve is considered a conservative level for maintaining a good credit rating, to provide for economic uncertainties, contingencies for unforeseen expenses, and cash flow requirements. In 2012, the City instituted a gradual increase desired reserve amount from 20% to 25%. The City adopts a two-year budget which forces the City to look beyond the current year and attempt to alleviate any shortfalls that may occur in the future. The two-year budget also saves time and energy of the staff as well as money. The City balanced the last six FY 12-17 budgets while increasing their reserves. The following information is from City Adopted Municipal Budget, Two-Year Financial Plan FY 2018-19, [pie charts, pg 25].

#### **Operating Revenues**

- Transient Occupancy Taxes 27%
- Property Taxes 17%
- Sales Taxes 12%

• Other Permits/Fees/Grant	05%
• Other Taxes	02%
• Other Revenue	06%
• Water & Wastewater Service Charges	21%
• Charges Other Funds	07%
• Transfers In	03%

### Rates and Fees

In 2013, the City retained Tuckfield & Associates to provide an updated to the 2007 rate studies and related reports and recommendations for the City's water and wastewater enterprise funds. This report provided a list of capital improvements to maintain a reliable water and wastewater service. The report also compared other Cities in the County water and wastewater rates. Using this study the City adjusted its fee structure by increasing the rates of providing water and wastewater service.

The City approved two revised changes to rates for water and wastewater in September 2013: (1) the rate structure to encourage conservation to comply with the State's goal of reducing per capita water use by 20% by December 31, 2020 and (2) rate increases to cover critical water and wastewater capital system improvements. The water rates are set to increase by 4.5% per year and wastewater rates increase by 5.5% per year from December 2013 through June 2017.

The City released an RFP in 2017 to re-evaluate the water and wastewater rate. The contract was awarded to Tuckfield & Associates. A draft was before the City Council at their November 27, 2018 meeting for consideration. Direction was given to return January 15, 2019 to pursue increases for both water and wastewater services on an average of \$2.63 and \$2.43 respectively. The study also recommends a water shortage/drought buffer rate based on which stage of condition the City declares. A Prop 218 process will be required.

In 2017, the City updated its Development Impact Fees to reflect current conditions in Pismo Beach. The purpose of the update was to address the need to maintain the City's services at levels equal to the standards set by the City Council and to maintain effective policy and management control of City Services. As described earlier, the annexation of any site will be done through specific plans or pre-annexation zoning that will include payment of annexation and development fees by the landowners, as well as requirements to install and maintain basic



infrastructure to serve the developments. Impact fees for the following types of facilities and improvements were evaluated; police, fire, parks, water, wastewater, streets, and administrative facilities. This adjustment resulted in the City recouping a higher percentage of the actual expense of providing and maintaining various facilities and infrastructure needs for new development.

The City’s Master Fee Schedule was updated in 2017 that updated all fees charged by the City departments for the services provided to residents. The City adjusted its fee structure by increasing the cost of certain permits applications. The adjustment resulted in the City recouping a higher percentage of the actual expense of processing certain permits. Overall, the City carefully monitors the fees charged for services with the goal of providing a service at an equitable rate to the customer and residents.

The City’s water and sewer services are operated as enterprise funds. This means that revenues to support operations and capital improvements are borne by the ratepayer. Water and sewer funds are reviewed annually by the City Council at a public hearing where the Council then determines the appropriate rate for service.

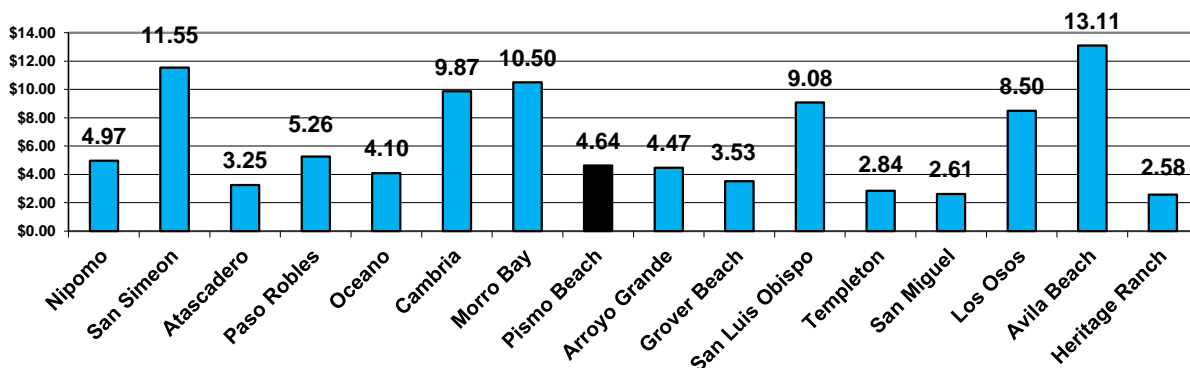
**Table 3-20: Residential Water Rates Comparison**

Rate/Fee	Nipomo	Templeton	Paso Robles	Morro Bay <sup>1)</sup>	Pismo Beach	Arroyo Grande	Grover Beach	San Luis Obispo
Monthly Service Charge	\$ 23.26	\$ 17.05	\$6.25	\$24.18	\$12.18	\$27.52	\$10.06	\$12.33
Water Fee	\$0	\$ 2.13 (3-17 ccf)	\$0	\$4.00 (1-3 ccf)	\$3.55 (1-10 ccf)	\$3.42 (1-18 ccf)	\$3.34 (0-12 ccf)	\$7.27 (0-8 ccf)
Per unit used: 100 cubic feet = 1 ccf	\$ 4.97 (all ccf)	\$2.84 (20-39 ccf)	\$ 5.26 (all ccf)	\$7.00 (4-10 ccf)	\$4.04 (11-16 ccf)	\$3.76 (19-36 ccf)	\$3.53 (13-20 ccf)	\$9.08 (9 + ccf)
100 cubic foot = 748 gallons		\$3.69 (40-79 ccf)		\$9.50 (11-50 ccf)	\$4.64 (17-32 ccf)	\$5.02 (36+ccf)	\$4.04 (21-42 ccf)	5% utility tax
		\$4.83 (80+ ccf)		\$12.50 (50+ ccf)	\$6.21 (33 + ccf)		\$4.57 (42 + ccf)	

1) Morro Bay’s water rate increases with each unit (ccf) used. Note: Paso Robles and Nipomo charges are based on a flat rate per unit consumption.

Comparing the various rates and fees, a sample bill using 20 units of water over a two-month period was calculated. In comparison, Pismo Beach has an average water rate for this amount of consumption of all the jurisdictions when comparing 20 units of water use:

**Figure 3-29: Rates for Water Use at 20 CCF**



Sewer rates are compared in the table below:

**Table 3-21: Single-Family Sewer Rates**

Rate/Fee	Paso Robles	Oceano	Cambria	Pismo Beach	Atascadero	San Miguel	Nipomo	Templeton
Flat Monthly Rate	\$78.00	\$47.69	\$45.97	\$32.62	\$ 24.01	\$37.09	\$47.35	\$43.82

Because the City is largely built-out, it has limited opportunities to recover impact fees in a built-out community. Other programs defined by the City will require the annexed sites to cover their full costs, including one-time capital projects as well as long-term maintenance, repair and replacement needs. Several of these programs have been discussed and describe how the SOI/Annexation areas would comply with these requirements.

The properties in the SOI areas do not presently receive public services for which a fee is paid (such as water deliveries, wastewater service or storm drainage management). As these areas are largely undeveloped at this time, the impact of new services will be fees for those services. It is expected that fees for the SOI areas will be in line with citywide fees for such services.

## WRITTEN DETERMINATIONS

The following written determinations are based on the information contained in the above section regarding Financial Constraints and Opportunities:

1. The City prepares a biannual budget with a mid-year update, and strives to use the best practices in managing their financial resources.
2. The City conducts bi-annual budget and goal setting workshops that allow the public to participate in fiscal management that is integrated with long range planning, such as is the case in SOI.
3. The City looks to collaborate with the surrounding jurisdictions, as this has proved to be less costly to provide similar services. Examples of the City's joint efforts with other jurisdictions are previously cited in the Service Review.
4. The City has in place a variety of capital improvement plans, development impact fees, and developer-required mitigation in the form of infrastructure improvements required from new projects and similar programs to monitor public service needs of new development. It is reasonable to conclude that the City endeavors to avoid long-term City obligations for the capital improvement or maintenance of new development projects, such as those that would occur in the SOI areas.
5. The City has in place financial regulations that are codified in its municipal codes and implementing ordinances and resolutions. This is important because the manner of maintaining public infrastructure and maintenance services is documented and available for public inspection and scrutiny.
6. Likely fiscal costs to the City would typically include public maintenance of infrastructure completed for the new projects in the SOI. Possible programs to minimize and off-set public maintenance costs include private maintenance through homeowner's associations, as well as public maintenance through a JPA or utility district established in cooperation with the County.

7. There are no apparent short- or long-term fiscal constraints limiting the City of Pismo Beach's ability to serve the suggested properties within the Pismo Beach SOI. Further study at the time of annexation should be completed.
8. The City has in place financial policies that provide a structure for responsible decision-making.
9. Rates and fees for services are established using the City's policy and procedures and special studies as the need arises.
10. The City completed a fee study in 2017 & 2018 that identified the cost of services, the subsidy a service received from the City, which resulted in establishing new fees for selected City permit applications.
11. The City adopted a Master Fee Schedule in 2018 that provided the fees charged and services provided by the various City Departments.
12. The City uses the budget cycle to consider updating the fees and rates schedule that is implemented on an on-going basis.
13. The City's General Plan policies provide that any annexation to the City shall be "cost neutral," meaning that the existing residents shall not have to pay increased rates due to a new development being annexed to the City.
14. Development impacts are used to offset the costs of building infrastructure to serve new development. New development within the SOI will be required to pay the associated costs of infrastructure and services.

### **3.5 STATUS OF, AND OPPORTUNITY FOR, SHARED FACILITIES**

In the case of annexing new lands into a City, LAFCO can evaluate whether services or facilities can be provided in a more efficient manner if the City, County, District, and/or State are cooperatively working to construct and maintain facilities. In some cases, it may be possible to establish a cooperative approach to facility planning by encouraging the City, County and State to work cooperatively in such efforts.

The annexation of the SOI study areas to the City may lead to shared roadway infrastructure with the County and the State. The SOI areas include opportunities to created shared facilities such as:

- ▶ Regional Recycled Water Facility
- ▶ Roadway connections
- ▶ Coordinated open space preservation
- ▶ Linkages between City and County recreational trails
- ▶ Preservation and enhancement of Agricultural Lands

In the case of recycled water the City has studied and given direction to pursue a recycled water facility that could directly inject recycled water back into the groundwater basin. The City could continue to work with the surrounding jurisdictions in order to maintain a health groundwater basin and produce a combined waste stream along with the South County Sanitation District's outflow into the ocean within NPDES standards. Other shared opportunities exists for roadways and creek trails, the opportunity to coordinate connections between collector and arterial roadways will enhance regional traffic patterns, and will aid in emergency response times. The recreational aspects of trail connections, tied into a regional park facility on Price Canyon Road near the City's Price Historical Park, offer opportunities for the City and County to join their recreational resources not only to the benefit of the City residents, but for the general public of the County as well.

Coordination of open space corridors that cross over the proposed City-County limit lines will enhance the viability of habitat from the area and preserve these important oak woodlands and related habitat for generations to come.

Currently, there is no duplication of existing or planned facilities in the SOI study areas. The City would assume those services provided by the County in the SOI study areas as they are annexed and developed. These do not constitute (and would not in the future) duplication of services in the SOI areas, rather a transfer of services. The City works cooperatively and maintains working relationships with the following agencies:

- The City of Arroyo Grande and Grover Beach for water supply.
- CAL Fire/SLO County Fire through reciprocal Automatic Aid Agreement and all neighboring fire agencies through the San Luis Obispo Operational Area Fire and rescue Mutual Aid Operational Agreement.
- State Parks to help manage parks and recreation resources
- Regional Water Quality Control Board regarding wastewater discharge
- California Coastal Commission for permitting in the Coastal Zone and approval of the City's updated General Plan
- California Department of Fish and Game to protect wildlife and environmental resources

## WRITTEN DETERMINATIONS

The following written determinations are based on the information contained in the above section regarding Opportunities for Shared Facilities:

1. The annexation of SOI study areas to Pismo Beach may not lead to shared infrastructure with the County, as none presently exists in these areas. However, the potential to create shared relationships for providing some services may be appropriate when providing certain services.
2. At present, the distinction between City and County services in the SOI study areas is clear. The City would assume those services provided by the County in the SOI study areas if they are annexed and developed. These are not now, and would not be in the future, duplication of services in the SOI areas.
3. The City works cooperatively with a variety of State and Federal Agencies to facilitate improvements that benefit the City and protect residents and visitors.
4. The City is working with other area jurisdiction to increase recycled water for basin enhancement such as the Central Coast Blue project.

### **3.6 ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES**

The governing body of the City of Pismo Beach is the City Council that is elected in compliance with California Election Laws. The City complies with the Brown Act Open-Meeting Law and provides the public with ample opportunities to obtain information about City issues, including website and phone access. The City's website contains a wealth of information about all of the City's Departments and services. A community newsletter is sent to local addresses quarterly to inform the public of current events and activities in the community. The City supports directly or participates in local business groups and community promotion to the visitor industry (Conference and Visitors Bureau and Chamber of Commerce).

The City Council holds regular meetings at 5:30 p.m. on the first and third Tuesdays of each month in the Council Chambers, at 760 Mattie Road. Other meetings or study sessions are held as needed. Agendas are posted consistent with the Brown Act. A public comment period is scheduled at the beginning of each meeting for citizens to comment on City issues not on the agenda. All Council meetings are televised live and videotaped for later playback.

The City provides a high level of service. The City's budgeting process is based on a two-year cycle that encourages full participation by the public, advisory bodies, Department Staff and Management. Supplemental budget updates are provided as needed.

The City's organizational structure is shown in the chart found on the next page. It should be noted that the City has a number of advisory bodies that provide the council with a variety of recommendations on a range of topics. These bodies consist of citizens and are staffed by the relevant department:

- Planning Commission
- Parks, Recreation and Beautification Commission
- Conference & Visitors Bureau
- Parking Advisory Committee

Overall, the City is well-organized and equipped administratively to serve the Sphere of Influence properties. The City accomplishes many goals and implements a variety of initiatives.



It is apparent that City manages its resources in an efficient manner and makes every effort to carefully allocate its revenues.

The City's Budget process is discussed in the Financial Constraints and Opportunities section of this report. The organizational chart shows a structure that is straightforward and efficient. It does not include complex decision making loops that would delay decisions.

Pismo Beach does maintain various customer-oriented programs, including a mission statement for each City department, customer satisfaction programs, regular in-house safety training and management, and similar programs designed to enhance the experience for the City customer. The City maintains a comprehensive Work Programs and Projects Inventory that describes the projects and program being completed by each City Department. This document is regularly updated and includes a description of the program/project, key tasks to be completed, the lead staff person, start date and end date, and a status or comments section. The City also produces and distributes to each resident a quarterly newsletter (Clam Chronicle) that provides relevant information about the community and City activities. The City also uses social media tools to engage and collaborate with citizens.

A full range of services as described earlier will be available to the existing citizens and to those of the SOI area if annexation occurs. The area may receive increased levels of public services (water, sewer, fire, police) from inclusion within the SOI and eventual annexation. To this degree, the City can better serve development in the SOI areas. It is possible that development within the SOI areas, if it occurs under County control, will not fully resolve impacts to the City because of new residents using City roads to access their projects, because of new groundwater wells to support County development impacting Pismo Beach groundwater aquifers, and similar analogous assumptions. It can also be assumed that the reverse is true; that development controlled only by the City may leave impacts in the County unresolved in whole or in part. Pismo Beach should bring coordinated plans for infrastructure forward to LAFCO at the time of presenting specific annexation requests. This would provide a checks-and-balance system for incorporating new lands with the City, and would render the remaining County lands a part of an integrated whole, rather than being left to fend for themselves.

The challenge of this planning effort is to coordinate shared infrastructure and improvements so as to mitigate problems on either side of the City/County limit boundary. However, because

development of the SOI territories relies on infrastructure available from the City, it is logical that the SOI sites identified herein be included under the Pismo Beach SOI, and that the City assume the lead in planning for these sites, consistent with the General Plan.

It is assumed that public participation in the planning and development process for the SOI territories would be about the same for either City or County development projects. Both the City and the County have well developed Citizen Participation programs that enable access to information and allow for citizen involvement. The City and County have a track record of extensive outreach to the community in making land use and other decisions.

## WRITTEN DETERMINATIONS

The following written determinations are based on the information contained in the above section regarding Local Accountability and Governance:

1. The City has historically made broad efforts to maintain a public dialogue in the community. The City's outreach program includes providing information regarding current issues of significance to the community through a variety of media. In particular, the City produces a newsletter that is distributed quarterly, has conducted workshops, and public town hall meetings to address matters for the broadest public input possible. The City conducts goal-setting meetings to establish community priorities.
2. The City has maintained relationships with local news media, providing information and/or interviews as requested. Locally elected and appointed officials pride themselves on being available to their constituencies.
3. The City conducts budget reviews and goal-setting workshops that are designed to keep the public informed regarding budgetary situations. It is possible for the public to participate in the budget hearing process. Annual audits are completed and made available to the public upon request. The City has historically dedicated one of its newsletters to budget information and a summary of revenues and expenditures in the community.
4. The City is well-organized, and is administratively capable of managing any annexations that may be proposed for the Sphere of Influence.
5. The City evaluates the services provided to residents and services that may need to be upgraded or started.
6. Long-term effects of individual annexations and development will be analyzed on a case by case basis when site-specific annexations are presented. Again, the cost-benefit analysis required by Pismo Beach should evaluate effects on both the City and County when these are prepared and submitted for review.
7. The City has recently updated many of its service plans, including the Urban Water Management Plan, Circulation Element of the General Plan, and fee and rate structures.

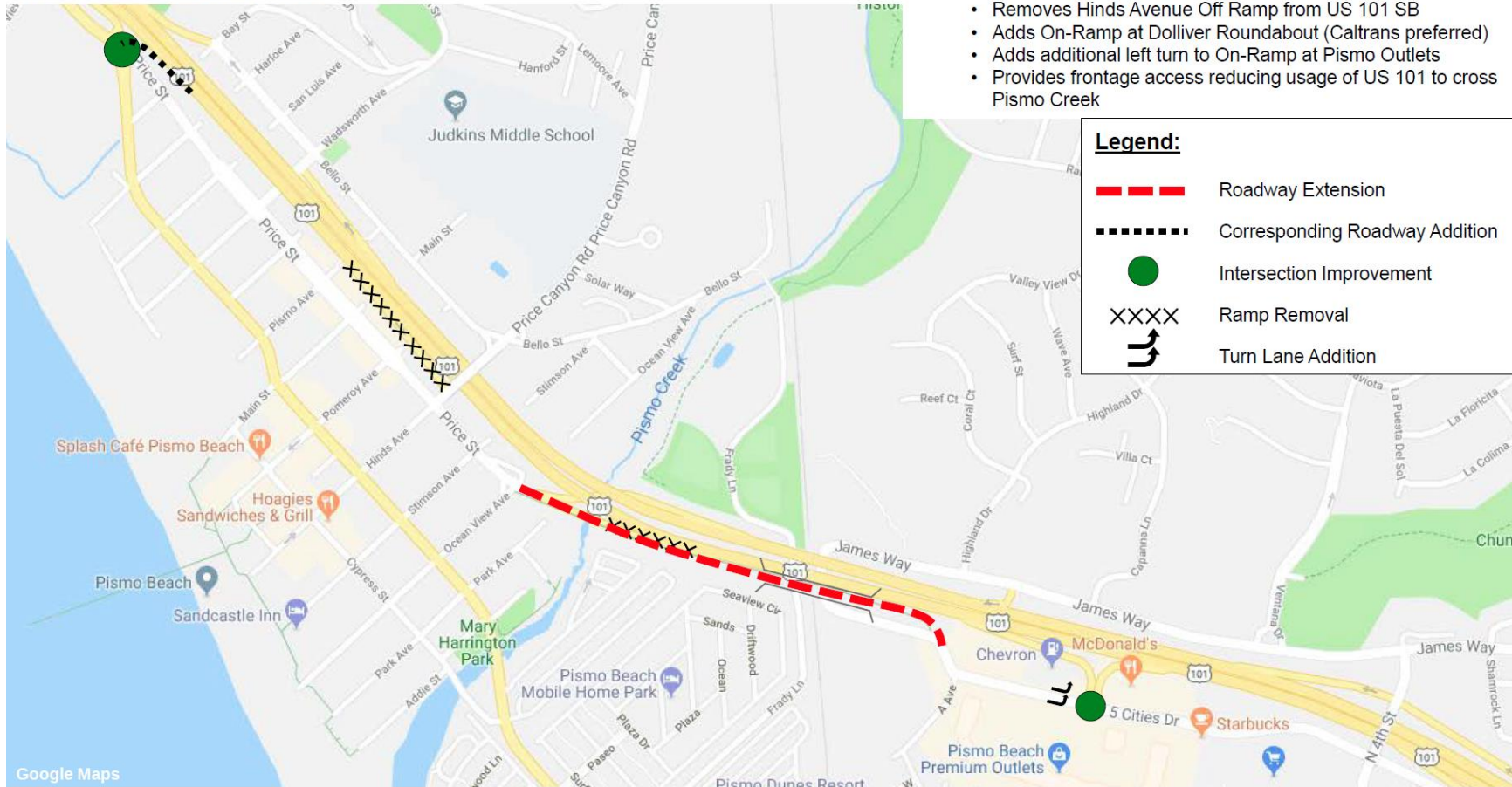
### **3.7 OTHER MATTERS**

This factor allows LAFCO to discuss other issues and topics that may need to be addressed or focused on in the MSR.

None at this time.

Figure 3-30 Price Street to Five Cities Dr.

**APPENDIX B:**  
Pismo Creek Crossing Alternatives



**Price Street Extension to Five Cities Drive**

- Removes Price Street On Ramp to US 101 SB
- Removes Hinds Avenue Off Ramp from US 101 SB
- Adds On-Ramp at Dolliver Roundabout (Caltrans preferred)
- Adds additional left turn to On-Ramp at Pismo Outlets
- Provides frontage access reducing usage of US 101 to cross Pismo Creek

**Legend:**

- — — — — Roadway Extension
- - - - - Corresponding Roadway Addition
- Intersection Improvement
- XXXX Ramp Removal
- ↩ Turn Lane Addition

Figure 3-31 James Way to Price Canyon

**APPENDIX B:**  
Pismo Creek Crossing Alternatives

**James Way Extension to Price Canyon Road**

- Removes US 101 NB Off Ramp to Price Street
- Relocates On/Off Ramp to Highland Drive
- Realigns James Way-5 Cities Drive connection to provide full access
- Provides frontage access reducing usage of US 101 to cross Pismo Creek

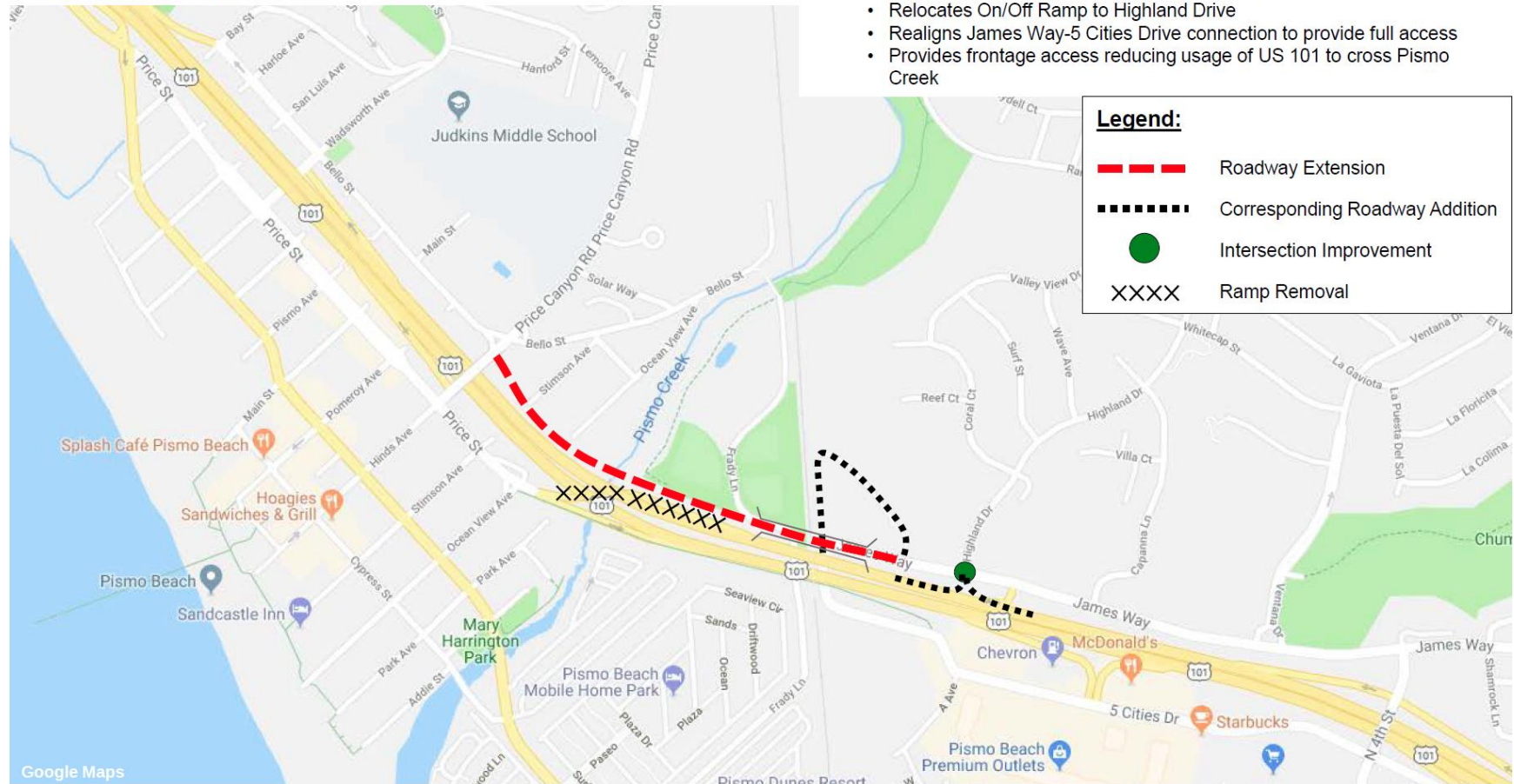


Figure 3-32 James Way to Price Street

**APPENDIX B:**  
Pismo Creek Crossing Alternatives

**James Way Extension to Price Street**

- Removes US 101 NB Off Ramp to Price Street
- Relocates On/Off Ramp to Highland Drive
- Realigns James Way-5 Cities Drive connection to provide full access
- Provides frontage access reducing usage of US 101 to cross Pismo Creek

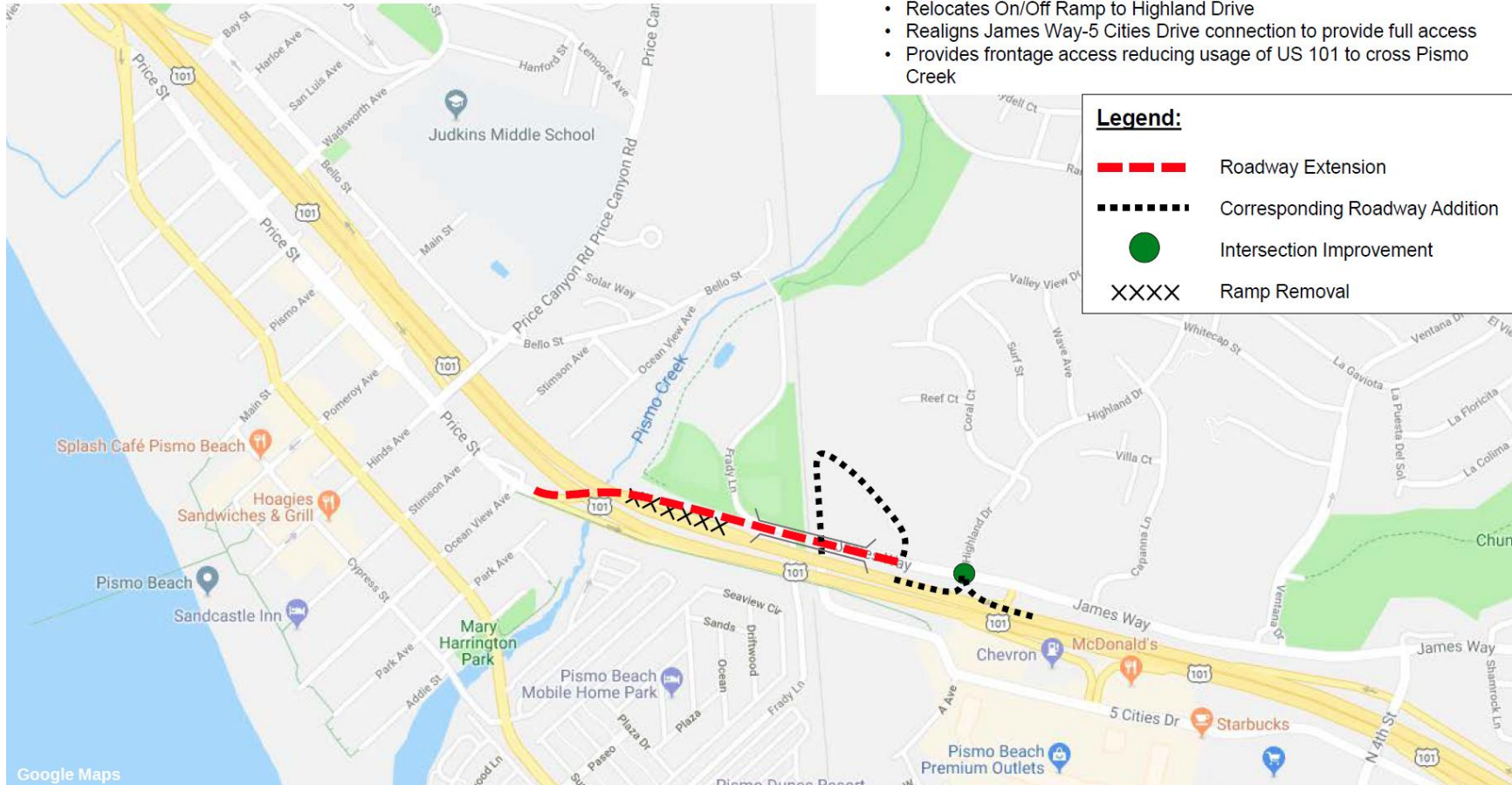
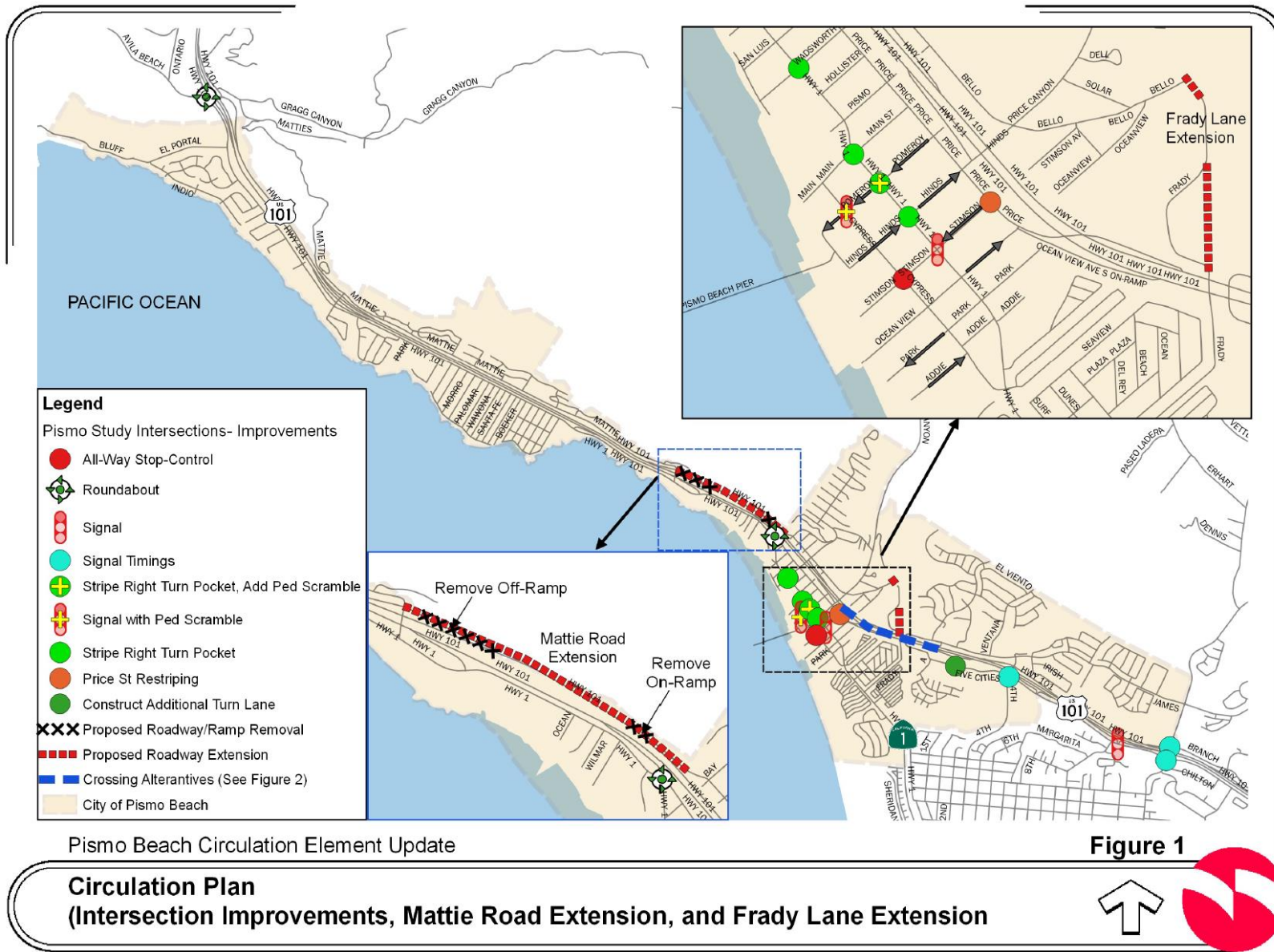


Figure 3-33 Intersection Improvements





## REFERENCES

- City of Pismo Beach Draft Water & Wastewater Rate Study, 2018
- City of Pismo Beach Circulation Element, 2018
- City of Pismo Beach 10 Year Capital Improvement Project 2017/18 through 2026/27
- City of Pismo Beach Budget FY 2018/19
- State Water Project Delivery Capability Report, April 2015 and March 2018.
- California Department of Finance E-5 Report, 2017
- City of Pismo Beach Comprehensive Annual Financial Report FY 2012 to 2017
- SLOCOG Population & Employment Forecast, 2017
- City of Pismo Beach Development Impact Fees, 2017
- City of Pismo Beach Fee Schedule, 2017
- Northern Cities Management Area Annual Reports 2010 to 2017
- City of Pismo Beach 2015 Urban Water Management Plan, June 2016
- County of San Luis Obispo Urban Water Management Plan, 2016
- City of Pismo Beach Recycled Water Facilities Planning Study, 2015
- San Luis Obispo Council of Governments Regional Transportation Planning Agency, Regional Transportation Plan, 2015.
- City of Pismo Beach General/Local Coastal Plan, 1992 update 2014
- SLOCOG US 101 Corridor Mobility Master Plan, 2014
- SLOCOG Regional Housing Needs Allocation, 2013
- City of Pismo Beach Staff Report for Water & Wastewater Rate Study, 2013
- San Luis Obispo Local Agency Formation Commission, SOI Study, 2011
- City of Pismo Beach Water Master Plan, 2004
- SLO County San Luis Bay Inland & Coastal Area Plans, revised 2003
- City of Pismo Beach Sewer Master Plan, 2000
- City of Pismo Beach, Official Website, [www.pismobeach.org](http://www.pismobeach.org).
- County of San Luis Obispo, Official Website, [www.slocounty.ca.gov](http://www.slocounty.ca.gov).
- San Luis Obispo Council of Governments, Official Website, [www.slocog.org](http://www.slocog.org).
- California Attorney General, Official Website, [www.ag.ca.gov](http://www.ag.ca.gov).

## NOTICE OF EXEMPTION

**TO:** Office of Planning and Research  
1400 Tenth Street, Room 121  
Sacramento, CA 95814

**FROM:** San Luis Obispo LAFCO  
1042 Pacific Street  
San Luis Obispo, CA 93401

Tommy Gong, County Clerk  
County of San Luis Obispo  
County Government Center  
San Luis Obispo, CA 93401

**CONTACT:** David Church, Executive Officer  
(805) 781-5795

**PROJECT TITLE:** CITY OF PISMO BEACH SPHERE OF INFLUENCE UPDATE AND MUNICIPAL SERVICE REVIEW

**Project Location and Description.** The City of Pismo Beach's Sphere of Influence is not recommended to change from the existing adopted Sphere Boundary. The City's existing Sphere of Influence is approximately 1,350+/- acres beyond the City's service area and includes six general areas. The Sphere of Influence is a 20-year planning boundary that indicates what areas might be annexed and served by the jurisdiction in the future. These areas are recommended to remain in the SOI.

**Public Agency Approving Project.** The Local Agency Formation Commission (LAFCO) of San Luis Obispo County will be conducted a public hearing on this item in August 15, 2019 at 9:00 a.m. in the Board of Supervisors Chambers in San Luis Obispo at the County Government Center.

**Environmental Determination.** The purpose of the environmental review process is to provide information about the environmental effects of the actions and decisions made by LAFCO and to comply with the California Environmental Quality Act (CEQA). In this case, it has been determined with certainty that there is no possibility that the project may have a significant environmental effect on the environment and therefore it is found to be exempt from CEQA pursuant to section 15061(b)(3) of the State Guidelines. The Local Agency Formation Commission will file this Notice of Exemption upon approval of the Sphere of Influence Update.

**Reasons for Exemption.** A Sphere of Influence is a plan for probable, physical boundary and service areas of a local agency or jurisdiction. As such, it does not give property inside the Sphere boundary any more development rights than what already exist. The Sphere of Influence Boundary is a long-range planning tool that assists LAFCO in making decisions about a jurisdiction's future boundary. The Sphere indicates areas that might be served by the City. It is unknown if an area will ever be annexed to the City. Also, it is often uncertain what type of precise land use is going to be proposed for a specific area. In the case of Pismo Beach's Sphere of Influence Update, the boundary will not change nor has the setting changed significantly with regard to the SOI.

The study of impacts associated with the Sphere of Influence is often speculative since it is unclear what type of project might be proposed or if an area will even be annexed in the future. The City and County studies impacts comprehensively when a project-specific environmental review is completed.

---

David Church, Executive Officer

---

Date

**MEMORANDUM OF AGREEMENT  
BETWEEN THE CITY OF PISMO BEACH AND  
THE COUNTY OF SAN LUIS OBISPO  
REGARDING THE CITY’S SPHERE OF INFLUENCE**

This Agreement between the City of Pismo Beach (hereafter “City”) and the County San Luis Obispo County (hereafter “County”) is entered into by the City on this 4<sup>th</sup> day of June, 2019, and by the County on this 10<sup>th</sup> day of September, 2019.

WITNESSETH

WHEREAS, the Cortese/Knox/Hertzberg Act of 2000 (“the Act”) requires the Local Agency Formation Commission (LAFCO) to update the Spheres of Influence for all applicable jurisdictions in the County every five years, or as needed; and

WHEREAS, a Sphere of Influence is defined by the California Government Code 56076 as a plan for the probable physical boundaries and service area of a local agency; and

WHEREAS, the City and County desire to work together to address future issues regarding the development proposals that may affect both the City and the County; and

WHEREAS, pursuant to Government Code 56425 the Sphere of Influence has been identified by the County of San Luis Obispo and the City of Pismo Beach as shown in Exhibit B; and

WHEREAS, the Act further requires that a Municipal Service Review be completed prior to or, in conjunction with, the update of a Sphere of Influence in accordance with Section 56430 of the California Government Code as a means of identifying and evaluating public services provided by the City of Pismo Beach and changes to the City’s Sphere of Influence; and

WHEREAS, the City and County have reached agreement regarding the provisions (Exhibit A), and boundaries (Exhibit B) of the Sphere of Influence to help ensure the orderly and logical development of these areas; and

WHEREAS, the County’s General Plan goals in Framework for Planning and the San Luis Bay Area Plan calls for Community Separators to provide for a community’s distinctive identity and preserve the rural character of the areas between and on the fringes of communities

and cities; and

WHEREAS, the City and County intend to cooperate regarding growth and development on the urban fringe of the City and in the referral area shown in Exhibit B with special attention given to those locations designated as Specific Referral Areas; and

WHEREAS, LAFCO is required by Government Code 56425 (b) to give great weight to this agreement in making the final determination regarding the City's Sphere of Influence.

NOW, THEREFORE, be it resolved that the parties agree as follows:

1. The Sphere of Influence boundary contained in Exhibit B provides for the orderly and logical growth for the City of Pismo Beach and represents a potential 20-year growth boundary based on available information.
2. The Planning Processes and Procedures contained in Exhibit A provide a framework for the City and County working together to cooperatively review the development proposals within the Planning Referral Area;
3. The provisions contained in Exhibit A are intended to give the City and the County the basis for developing specific land use policies and standards for the areas in the City of Pismo Beach Sphere of Influence and do not supersede or limit the planning or environmental review process or the discretionary decision making process of either jurisdiction.
4. The Planning Processes and Procedures contained in Exhibit A are intended to provide the City and the County with the methods for developing land use policies and standards for the areas shown in Exhibit B.
5. The City's and County's General Plan policies shall be used to help guide the logical and orderly development of any Sphere Areas while permanently preserving agricultural and open space lands.

CITY OF PISMO BEACH

\_\_\_\_\_  
Mayor, City of Pismo Beach

APPROVED AS TO FORM AND LEGAL EFFECT:

\_\_\_\_\_  
City Attorney

Dated: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Clerk

Dated: \_\_\_\_\_

COUNTY OF SAN LUIS OBISPO

---

Chair, Board of Supervisors

ATTEST:

---

County Clerk

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL  
County Counsel

By: \_\_\_\_\_  
Deputy County Counsel

Dated: \_\_\_\_\_

EXHIBIT A  
**PROVISIONS**

The following provisions are agreed to and shall be used by the City of Pismo Beach and the County of San Luis Obispo to establish a cooperative working relationship in formulating land use plans for future development within the proposed Sphere of Influence as shown in Exhibit B and to update their General Plans.

1. **Intent.** It is the intent of the County and the City to work cooperatively to respect the agreed upon Sphere of Influence (as shown in Exhibit B) and guiding development and any future annexation(s) in an orderly and logical manner consistent with the Cortese/Knox/Hertzberg Act, the City and County General Plans, the California Environmental Quality Act and any other applicable laws and regulations.
  
2. **Impact Mitigation.** In evaluating any proposed development, the agency considering approval (City or County) should rely solely on its own capability to provide the required services to that development. The City and the County shall not presume any services will be provided by the other agency without documenting that such services will be provided.

Development/mitigation fees needed to offset the impacts from development projects approved by either jurisdiction in the Referral Area (Exhibit C) shall be collected and distributed in a fair and equitable manner. Payment of these fees should be made to the City and/or the County in proportion to the location and degree of project impacts; however the total fees paid shall not exceed the cost to mitigate the specific project impact. Mitigation to offset significant impacts to fire, law enforcement, emergency medical services, water and wastewater treatment services, roads and streets, other public services, and housing, should be incorporated into the conditions of approval for projects. Documentation should be provided that identifies the project's impacts to both the City and the County and shall be considered as part of the development review process. The documentation may be used to prepare conditions of approval and to allocate impact fees where allowable and as appropriate.

3. **Interagency Cooperation.** The City and the County shall work cooperatively to plan for future land uses, public services and facilities needed to improve and maintain area circulation connections, and to preserve agricultural land and open space. The County and City will consider the creation and implementation of various assessment

and financing mechanisms for the construction and maintenance of public improvements, such as roads, utilities, recreation and trail improvements, parks and open space, and similar improvements that could serve visitors and residents of the City and the County. Discretionary development projects and General Plan Amendments (GPA's) that may affect each agency's jurisdiction shall be referred to the other for review and comment as early as possible in the land use process. The County shall seek the City's comments regarding these projects or GPA's in the referral area map found in Exhibit C. The City shall seek the County's comments regarding projects or GPA's that affect the unincorporated area found in Exhibit C. All such referrals shall be sent to the following contact person(s) for early review and comment:

Director of Planning and Building  
County of San Luis Obispo  
Department of Planning and Building  
County Government Center  
San Luis Obispo, CA 93408

Community Development Director  
City of Pismo Beach  
Community Development Dept.  
760 Mattie Road  
Pismo Beach, CA 93449

Projects and activities that effect agricultural lands and resources shall be referred to the County Agricultural Commissioner's office at the following address:

Agricultural Commissioner  
San Luis Obispo County Department of Agriculture  
2156 Sierra Way, Suite A  
San Luis Obispo, CA 93401

The provisions mentioned above shall not supersede other methods of commenting or providing feedback regarding a proposal or project.

**Development Review Coordination.** Projects or GPA's proposed within the referral area shown in Exhibit C, and subject to an Initial Study under CEQA, shall cause the City and County representatives to request a meeting prior to completion of the Initial Study. The purpose would be to discuss the City's and County's General Plan policies with regard to the proposal and to identify any key issues that may need special attention during the CEQA process.

4. **Sphere of Influence.** The County shall, to the extent feasible, limit development within the City's Sphere of Influence (SOI) to those uses currently allowed by the County General Plan. The County shall give the great weight to the City's General Plan policies when reviewing development on land in the unincorporated areas that are located within the City's Sphere of Influence. For projects submitted to the



County for consideration, as part of the pre-application meetings and as part of processing the application, the County shall request written documentation that indicates the City's position regarding possible future annexation into the City. This documentation shall be provided by the City in a timely manner that does not delay the County's processing of the land use application. During this time, the County shall continue to process the land use application as required under the law.

5. **Agriculture and Open Space.** The City and the County will work together to permanently preserve agricultural and open space resources in the SOI area using the City's and County's Agricultural Element policies, Strategic Growth principles, and the Conservation and Open Space Element (COSE) policies. The criteria contained in the COSE and Agricultural Element, and the pertinent policies in the City's General Plan, shall be used in developing the preservation policies and programs. The City shall implement the SOI conditions of approval regarding agriculture and open space as follows:

- a. The City shall identify all agricultural and open space lands to be protected in the SOI areas when preparing a Specific Plan.
- b. Prior to LAFCO filing the certificate of completion (if an annexation is approved), conservation easement(s) shall be recorded on the deed(s) of the properties affected by the annexation specifying the areas to be protected in perpetuity.

6. **Water Supply.** The City policies require that the proponent of an annexation obtain a water supply prior to completing an annexation. All water resources will be evaluated and documented consistent with LAFCO policies, the City's Urban Water Management Plan, and State Law such as SB 610 when applicable. The City shall implement the SOI conditions of approval regarding water supply as follows:

- a. As a condition of an annexation application being filed with LAFCO, the City shall document with a water supply analysis that an adequate,

reliable, and sustainable water supply is available and deliverable to serve the areas proposed for annexation.

- b. Other groundwater basins in the area proposed for use shall document the safe yield of the basin and the future reliability of the aquifer.
7. **Phasing.** Future development proposed within the Sphere of Influence will be phased to promote orderly and logical growth and development of the City's Boundaries. The properties adjacent to the existing City Limits are intended to be appropriately planned for prior to annexation. The intent is for the City to be able to construct needed infrastructure, roads, pipelines, etc., in a manner that logically extends these services and connections into the areas adjacent to the City. This phasing of development is intended to help increase the financial feasibility of constructing the needed infrastructure in areas adjacent to the City. The gradual phasing of the development would influence the amount of initial financial investment for infrastructure construction and allow for existing connections to be used for extending services into adjacent properties.
8. **General Plan Amendment.** The City intends to complete environmental review, pre-zoning, pre-annexation, specific plans and any necessary general plan amendment activities prior to an annexation proposal being considered by LAFCO. The County intends to complete any necessary amendments to its General Plan (Inland/Coastal) to reflect the annexation of territory to the City of Pismo Beach.
9. **Zoning Requirements/Specific Plan.** Prior to annexation, the City shall complete pre-zoning and environmental review consistent with its General Plan and State Law.
10. **Property Tax Agreement.** Prior to processing and annexation the City and County are required to approve a property tax agreement. The City and County may use the existing Master Agreement for negotiations, or they may consider a separate agreement that specifies a different property tax allocation formula. This is allowed under the revenue and tax code of the State of California.
11. **Guiding Principles for Future Development.** The City and County agree that the

following principles should help guide development that is proposed within the City's Sphere of Influence:

*a. Direct development toward existing incorporated areas and unincorporated urban areas with logical infrastructure connections*

Phase urban development in a compact manner, first using vacant or underutilized "infill" parcels and lands next to or near existing development and adjacent infrastructure. Include a range of land uses and housing types and densities affordable to a wide range of incomes to be developed in the beginning phases of development adjacent to the City Limits as described in section number seven.

*b. Create walkable and transit friendly neighborhoods that have logical connections to other parts of the City*

Area proposed for future growth should address roadway distances that would connect the new areas of development together with the existing City and would promote maximum connectivity between different land uses through walkways, bike paths, transit, or other means.

*c. Provide for a variety of transportation choices that are feasible and financially viable*

Insure adequate densities of development that are conducive to supporting transit service.

*d. Create a range of housing opportunities and choices*

Future development plans should clearly define a program for including a balanced variety of housing types; one that includes multi-family development and options for higher-density housing. The development should maximize the opportunities to offer a greater range of housing choices that are affordable to people with a variety of income levels.

*e. Take advantage of building design*

The proposed development should be designed in a form that encourages transit, walkability and connectivity to existing city infrastructure within the areas proposed for development. The goals are to 1) develop neighborhoods that contain residential uses that are affordable by design and efficient in land and energy consumption and 2) minimize the number of large lots by encouraging a

variety of housing densities.

*f. Improve the regional or sub-regional jobs/housing balance*

Plan for land uses that provide opportunities for employment and in particular, explore creating opportunities for head-of-household jobs.

12. **Special Areas of Interest.** The City and County agree to the following processes and procedures for specific areas discussed:

**1. A Specific Plan or General Plan Amendment** process will be implemented for areas outside the City Limits. The guiding principles found in section number eleven will be incorporated into the Specific Plan(s) and the following process is agreed to by the City and County:

a. Meetings between City and County Staff, including the Planning, Public Works, Cal Fire, and Agricultural Commissioners Department, to discuss the Specific Plan and Environmental Impact Report. The purpose of these meetings is to discuss the future land uses that may be proposed for this site, to ensure the coordinated review of the policies and standards of the respective General Plans of both jurisdictions and to identify the process for review and evaluation.

b. From these meetings, the City and County staff shall identify the steps and topics that need to be addressed.

c. The City and County will discuss, but are not limited to, the following issues:

1. Description of any proposed land use changes or development proposal for the properties

2. Public Outreach and Involvement

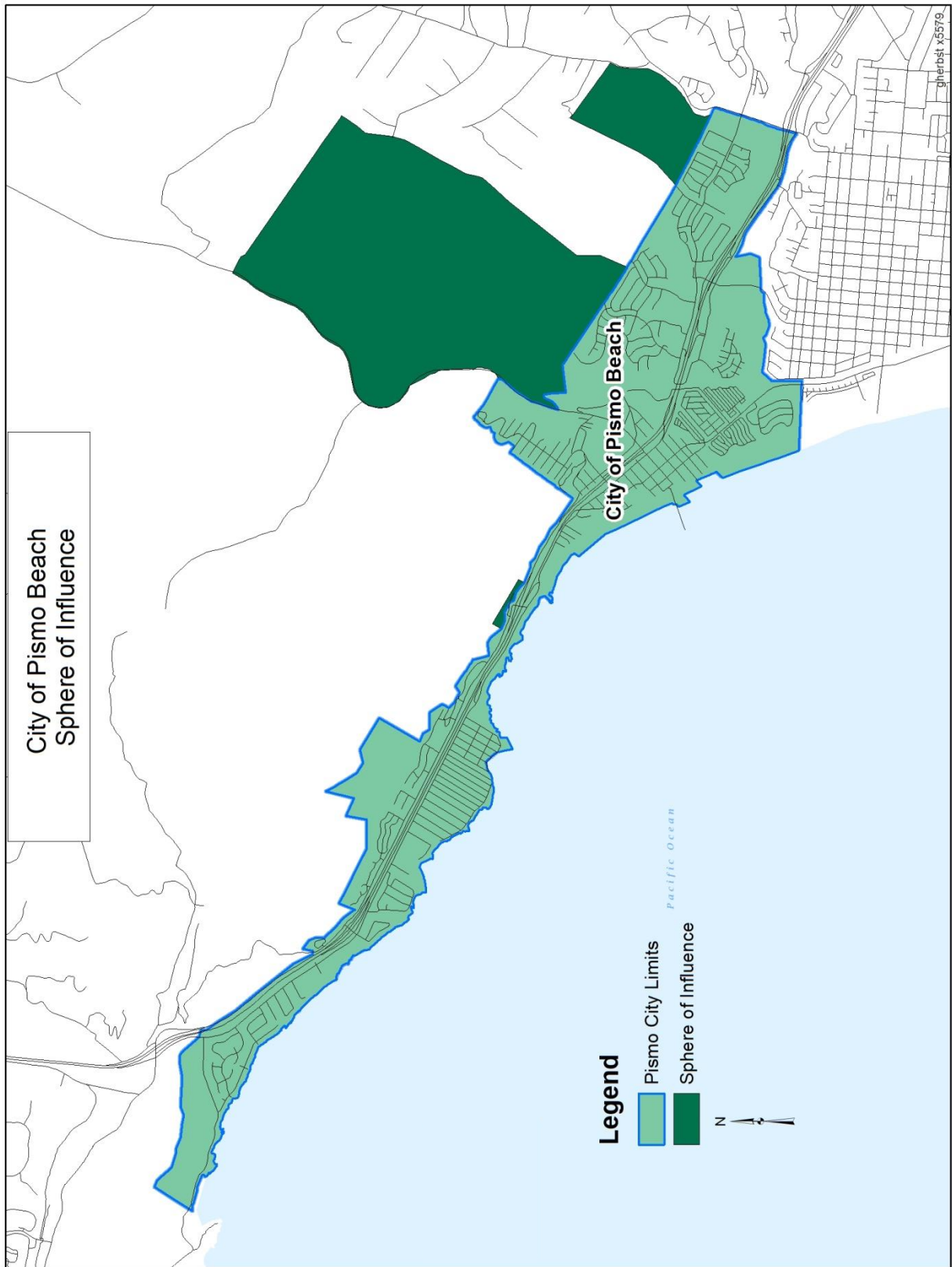
3. Modification of the City's Sphere of Influence to include certain parcels that may eventually be served by the City

4. Potential Annexation and Phasing of properties into the City

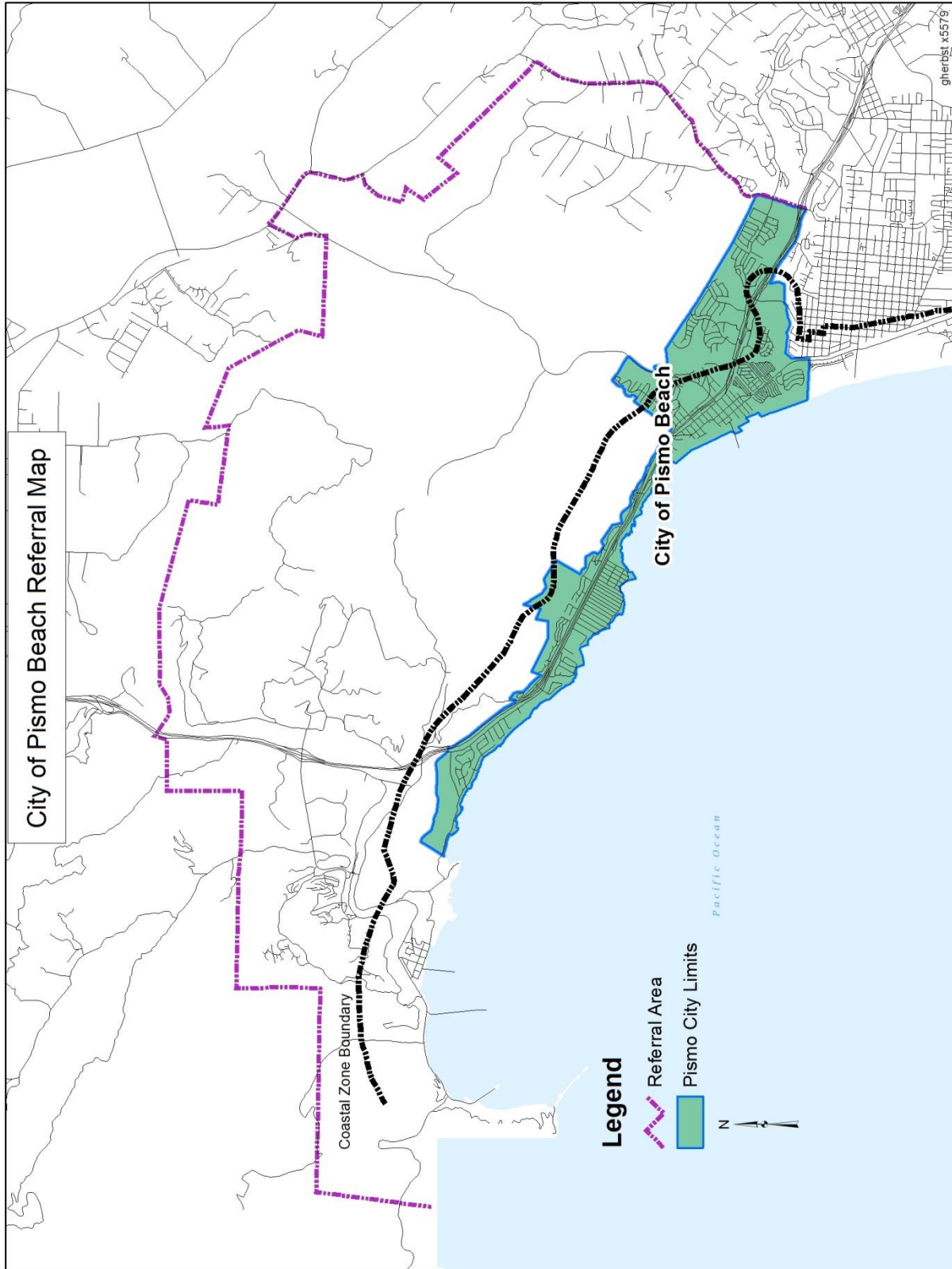
5. Preservation of Agricultural and Open Space Resources

6. Establishing a city greenbelt or land preservation program
7. Services to be provided by each jurisdiction
8. Water Supply and construction of infrastructure
9. General Plan modifications that may be necessary or required
10. Schedule for the completion of various steps and tasks
11. Other issues/topics as needed; circulation, railroad crossing, etc.

EXHIBIT B  
RECOMMENDED SPHERE OF INFLUENCE



# EXHIBIT C PROJECT REFERRAL MAP



## Appendix C History of Annexations

### LAFCO Actions, City of Pismo Beach 1963-Present

Date	Action	LAFCO File No	Proposal	Acres
02/18/16	Outside User/SOI	2-S-15	w/City of Pismo Beach & Land Conservancy of San Luis Obispo County plus and SOI amendment	N/A
07/05/11	Annexation	1-R-11	Anx #15 to the City of Pismo Beach (Los Robles Del Mar) denied March 15, 2012	182
2009	SOI Update	3-S-09	SOI Update/MSR approved 10/20/11	N/A
02/28/05	Annexation	2-R-05	Anx. #14 to the City of Pismo Beach (Los Robles del Mar) - Denied 01/17/08	182
06/12/97	Annexation	8-R-97	Anx #13 - Los Robles del Mar-Denied	182
08/10/92	Annexation	9-R-92	Anx #12 - Mattie Road	115.8
11/29/88	Annexation	6-R-88	Anx #11 - Ontario Ridge	93
None	Annexation	1-R-87	Anx #10 - Freeway Foothills	108
08/11/81	Dissolution	12-R-81	Dissolution of CSA #5 Shell Beach	
04/03/79	Dissolution	7-R-79	Dissolution of Shell Beach County Water District Approved 09/06/79 after appeal to conditions	
07/16/76	Annexation	9-R-76	Anx - Corea & Seibel	
07/12/76	Annexation	8-R-76	Anx - Corea & Seibel	216 & 58
01/21/74	Annexation	2-R-74	Anx to PB Olah - Approved 03/28/74	.57
01/28/70	Annexation	2-R-70	Price Canyon #1 - Approved 02/26/70	Apx 35
08/17/70	Annexation	6-R-70	Anx #1 - Tide & Submerged Lands Approved 10/01/70	Unkn
None	Annexation	12-R-70	Anx - Rancho El Pismo & San Miguelito (Lot 8 ptn) - Approved 10/01/70	29.5
None	Annexation	31-R-67	Anx of Pismo Heights - Approved 02/08/68	75
06/14/67	Annexation	17-R-67	Anx - Avila Beach - Denied 09/14/67	650
03/30/66	Annexation	5-R-66	Anx - Rancho El Pismo #1 - Approved 06/23/66	328
None	Annexation	#26	Anx to PB, Parcel of Shell Beach - Denied 10/07/65	Unkn
None	Annexation	None	Boundary corrections Tract 24 - Approved 09/29/64	
1964	Annexation	#11	Anx Matties - Approved 09/29/64	Unkn