



**THIS MEETING WILL BE CONDUCTED UTILIZING TELECONFERENCING  
AND ELECTRONIC MEANS PURSUANT TO THE PROVISIONS OF THE  
GOVERNOR'S EXECUTIVE ORDER N-29-20.**

In order to minimize the spread of the COVID-19 virus, please consider the following:

1. You are strongly encouraged to observe the live stream of the LAFCO Commission meetings at: <https://zoom.us/j/92162206747>

Webinar ID: **921-6220-6747**

Call in number: **1 669 900 6833**

2. Provide **written** comment on any matter within the Commission's subject matter jurisdiction, regardless of whether it is on the agenda for Commission consideration or action. Submit your comment via email or U.S. mail by 1 p.m. on the Wednesday before the Commission meeting. You may submit comments via email to the Clerk of the Commission at: [lmarguez@SLOLAFCO.com](mailto:lmarguez@SLOLAFCO.com). Your comments will be read at the meeting; limited to 3 minutes per item.
3. Submit **verbal** comment by calling (805) 781-5795; state and spell your name, mention the agenda item number you are calling about and leave your comment. Verbal comments must be received by the Clerk of the Commission no later than 1 p.m. on the Wednesday before the Commission meeting. Your comments will be read at the meeting; limited to 3 minutes per item.

For detailed information and updates about COVID-19, please visit the County of San Luis Obispo webpage at <https://www.emergencyslo.org/en/covid19.aspx>.

**The San Luis Obispo LAFCO thanks you for doing your part to prevent the spread of COVID-19.**



# SAN LUIS OBISPO LAFCO

## Local Agency Formation Commission

### Meeting Agenda

May 21, 2020, at 9:00 a.m.

#### MISSION STATEMENT

The Local Agency Formation Commission is committed to serving the residents of San Luis Obispo County and the State of California by discouraging urban sprawl and encouraging the orderly formation and development of local agencies based on local conditions and circumstances.

#### COMMISSIONERS

Tom Murray, Chair, Public

Robert Enns, Vice-Chair, Special District

Marshall Ochylski, Special District

Roberta Fonzi, City

Ed Waage, City

Debbie Arnold, County

Lynn Compton, County

#### ALTERNATES

Ed Eby, Special District

Steve Gregory, City

Heather Jensen, Public

John Peschong, County

#### Meeting Location

The meeting will be held via ZOOM pursuant to Executive Order N-29-20.

ZOOM meeting info is provided below.

#### Contact Information

David Church, Executive Officer

Phone: (805) 781-5795

Fax: (805) 788-2072

[www.slolafco.com](http://www.slolafco.com)

#### MEETING ACCESS AND COMMENTS

**LAFCO Commission meetings can be viewed at:** <https://zoom.us/j/92162206747>

**Webinar ID:** 921-6220-6747

**Call in number:** 1 669 900 6833

#### Public Comments:

Submit public comments by 1:00 pm on Wednesday May 20, 2020, at [lmarquez@slolafco.com](mailto:lmarquez@slolafco.com) or voice mail: 805-781-5795.

Submitted comments will be read at the meeting; limited to 3 minutes per item.

#### MEETING AGENDA

##### Call to Order/Roll Call

##### Approval of the Minutes:

April 16, 2020

##### Non-Agenda Public Comment Period

This is the period in which the Commission Clerk will read out loud all non-agenda public comments that



were submitted on or before 1 p.m. on the Wednesday before the Commission meeting. Each speaker will be limited to a three-minute presentation. Go to the Agenda cover for more details on how to submit public comment.

**Regular Matters**

- A-1:** Amendment to Employment Contract between the San Luis Obispo Local Agency Formation Commission and Michael Prater (Recommend Review and Approval)
- A-2:** Consideration of the Final Fiscal Year 2020-21 San Luis Obispo LAFCO Budget (Recommend Review and Approval)

**Informational Matters**

- B-1:** Study Session: LAFCO Agriculture Definitions, Policies, and Guidelines (Recommend Receive and File)
- B-2:** Application Status Report – Fiero Lane, Froom Ranch, Gateway, Morro Bay Annexations, San Simeon CSD Solid Waste Activation (Recommend Receive and File)
- B-3:** Status Report– South County Agencies Sphere of Influence Update/ Municipal Service Review (Recommend Receive and File)

**Commissioner Comments**

**Legal Counsel Comments**

**Executive Officer Comments**

**Adjournment**

**Submitted Proposals and Sphere of Influence Municipal Service Review Updates**

File #	Name	Project Status
<b>Proposals</b>		
1-R-20	Anx #81 to SLO (Fiero East – West)	In take- Referrals sent out 3-10-20 (West) and 5-1-20 (East). Info Hold Letter sent 3-30-20.
2-S-19	SOI Amendment Tri-W site	Submitted Info Hold Letter 11-14-19. Awaiting responses.
<b>SOI/MSR Updates</b>		
1-S-19	SOI/MSR Five Cities area (Arroyo Grande, Grover Beach, Oceano, South Sanitation District)	Status report presented at the May 2020 Commission Meeting.



**SAN LUIS OBISPO  
LOCAL AGENCY FORMATION COMMISSION  
APRIL 16, 2020**

**Call to Order**

The San Luis Obispo Local Agency Formation Commission (LAFCO) meeting was called to order at 9:00 a.m. on Thursday, April 16, 2020, pursuant to the provisions of the Governor's Executive Order N-29-20 by Chairperson Tom Murray. Viewing instructions were provided on the COVID-19 Agenda Cover and on LAFCO's Homepage.

**Roll Call**

**Present:** Chairperson Tom Murray, Commissioners Robert Enns, Debbie Arnold, Lynn Compton, Roberta Fonzi, Marshall Ochylski, Ed Waage, and Alternate Commissioner Ed Eby.

**Absent:** Alternate Commissioners Steve Gregory, Heather Jensen and John Peschong.

**Staff:** David Church, LAFCO Executive Officer  
Mike Prater, LAFCO Deputy Executive Officer  
Brian Pierik, LAFCO Legal Counsel  
Imelda Marquez, LAFCO Commission Clerk

**Approval of Minutes**

**Chairperson Murray** asked the Clerk to report if any written comments from the public were received.

**Ms. Marquez** reported that no public comments were received.

**Chairperson Murray** asked for any questions or comments from the Commissioners, hearing none.

**Commissioner Compton** moved approval of the Minutes for February 20, 2020.

**Commissioner Fonzi** seconded the motion.

**AYES:** Commissioners Arnold, Compton, Enns, Fonzi, Waage, and Chairperson Murray

**NAYS:** None

**ABSTAINING:** Commissioner Ochylski

The motion was passed.

**Non-Agenda Public Comments**

**Chairperson Murray** asked the Clerk to report if any non-agenda public comments were received.

**Ms. Marquez** reported that no public comments were received.

**Consent Agenda**

**A-1:** Minor Update to LAFCO Bylaws (Recommend Approval)

**A-2:** Third Quarter Fiscal Year 2019-2020 LAFCO Budget Status Report (Recommend Receive and File with the County Auditor)

**Mr. Church** addressed a prior comment received by **Commissioner Ochylski**, regarding item A-1, revisions to the roll call vote. **Mr. Church** recommended that no changes be made to the roll call vote provision in the By-Laws.

**Chairperson Murray** opened the item for Commissioner comments.

**Commissioner Ochylski** supported the changes **Mr. Church** discussed and motioned to approve the consent agenda.

**Commissioner Waage** seconded the motion.

AYES: Commissioners Arnold, Compton, Enns, Fonzi, Ochylski, Waage, and Chairperson Murray

NAYS: None

ABSTAINING: None

The motion passed with a unanimous roll call vote.

**Regular Matters**

**B-1:** San Luis Obispo LAFCO - Proposed Budget for Fiscal Year 2020-21 (Recommend Review and Tentative Approval of Option 1 or Option 2)

**Mr. Church** presented the item.

**Chairperson Murray** opened the item for Commissioner comment.

**Commissioner Enns** had a question about commenting on the two options in open session.

**Mr. Pierik** provided the Commission with guidance on what procedure to take to discuss the budget and recommended no action be taken until next month.

**Commissioner Enns** suggested the Commission go into closed session and move the budget item for the May meeting.

**Mr. Church** clarified that LAFCO would be coming back in May with the budget item, pursuant

to the Cortese-Knox-Hertzberg Act.

**Chairperson Murray** asked the Clerk if any written comments from the public were received.

**Ms. Marquez** reported that no public comments were received.

**Commissioner Fonzi** motioned to continue this item until the May meeting.

**Commissioner Enns** seconded the motion.

AYES: Commissioners Arnold, Compton, Enns, Fonzi, Ochylski, Waage, and Chairperson Murray

NAYS: None

ABSTAINING: None

The motion passed with a unanimous roll call vote.

**Commissioner Comments:** None

**Legal Counsel Comments:** **Mr. Pierik** clarified reporting out of the closed session Item if necessary.

**Executive Officer Comments:** None

**Closed Session**

**C-1:** Closed session pursuant to Government Code Section 54957(b) (1) to discuss the Public Employee/Employee Appointment - Title: Executive Officer

**Mr. Pierik** announced the closed session item.

**Chairperson Murray** directed everyone to stop video and mute audio before calling into the closed session teleconference meeting.

At 10:34 a.m. **Chairperson Murray** called the open session back into order.

**Ms. Marquez** took roll, with all members being present.

**Report on Closed Session:** LAFCO Legal Counsel, Brian Pierik, stated that there was no reportable action.

**Adjournment:** With no further business before the Commission, the meeting adjourned at 10:36 a.m. until the next meeting of the Commission pursuant to the Governor's Executive Order N-29-20, depending upon the progression of the COVID-19 pandemic.

**THESE MINUTES ARE NOT OFFICIAL NOR ARE THEY A PERMANENT PART OF THE RECORD UNTIL THEY ARE APPROVED BY LAFCO COMMISSIONERS AT THE NEXT REGULAR MEETING.**

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Respectfully submitted,  
Imelda Marquez, LAFCO Commission Clerk



LAFCO - San Luis Obispo - Local Agency Formation Commission  
SLO LAFCO - Serving the Area of San Luis Obispo County

**TO: COMMISSIONERS OF SLO LAFCO**

**FROM: BRIAN A. PIERIK, SAN LUIS OBISPO LAFCO LEGAL COUNSEL**

**DATE: MAY 21, 2020**

**SUBJECT: AMENDMENT TO EMPLOYMENT CONTRACT BETWEEN THE SAN LUIS OBISPO LOCAL AGENCY FORMATION COMMISSION AND MICHAEL PRATER**

COMMISSIONERS

Chairperson  
TOM MURRAY  
Public Member

Vice-Chair  
ROBERT ENNS  
Special District Member

DEBBIE ARNOLD  
County Member

MARSHALL OCHYLSKI  
Special District Member

ROBERTA FONZI  
City Member

LYNN COMPTON  
County Member

ED WAAGE  
City Member

ALTERNATES

ED EBY  
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STEVE GREGORY  
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Public Member

JOHN PESCHONG  
County Member

STAFF

DAVID CHURCH  
Executive Officer

BRIAN A. PIERIK  
Legal Counsel

MIKE PRATER  
Deputy Executive Officer

IMELDA MARQUEZ  
Commission Clerk

**Recommendation.** It is respectfully recommended that the Commission consider approval of the attached 2020 Amendment to the Employment Contract with Michael Prater and direct the Chair to execute it on behalf of the Commission.

**Discussion.**

Executive Officer David Church has announced that he will be retiring effective July 24, 2020.

On May 17, 2010, the San Luis Obispo Local Agency Formation Commission (LAFCO) and Michael Prater entered into an Employment Contract for the position of Analyst and he was later promoted to the position of Deputy Executive Officer. There have been Amendments to that Employment contract since 2010 time with the most recent Amendment on July 1, 2019 (collectively referred to as "Employment Contract").

Mr. Prater has substantial experience with planning issues and with LAFCO issues as confirmed by his resume which is attached to this Staff Report.

Attached for consideration of the Commission is an Amendment to the Employment Contract to appoint Michael Prater as the Executive Officer of LAFCO effective July 25, 2020.

The current salary of Mr. Prater based on the 2019 Amendment to his employment contract is \$99,659.79 per year, payable in bi-weekly increments. The Employment Contract provides for a salary adjustment to include any consumer price index (CPI) increase provided to other

LAFCO employees. The average of the consumer price index increase for the Los Angeles and San Francisco areas for the last year is 3%.

The adjusted salary for Mr. Prater for the first full pay period in the fiscal year commencing July 1, 2020 is proposed in the attached Amendment to be \$102,650 based upon a 3% CPI increase.

The proposed Amendment does not change the benefits currently being received by Mr. Prater except for an increase in the pension contribution of \$2919.00 due to the CPI increase in salary. The total benefits on an annualized basis will be \$60,119.00.

The proposed Amendment provides that on or about January 21, 2021, LAFCO will conduct a performance evaluation of Mr. Prater and LAFCO may consider at that time an adjustment to the Mr. Prater's salary and benefits.

### **Attachments**

Resume of Michael Prater

Proposed Amendment to Employment Contract Between the San Luis Obispo Local Agency Formation Commission and Michael Prater



## **Attachment A**

### **Resume of Michael Prater**

## PROFILE

Mike  
Prater

[mprater@slolafco.com](mailto:mprater@slolafco.com)

(805) 781-5794

8484 Carmelita Ave.,  
Atascadero, CA 93422

## PROFESSIONAL SUMMARY

Twenty years of public agency planning experience with emphasis in local zoning practice for State and Municipal laws and ordinances governing land use, zoning, Coastal Act, and California Environmental Quality Act. My education includes the emphasis on urban design and architecture

## REFERENCES

Available upon request

## WORK EXPERIENCE

### San Luis Obispo LAFCO

San Luis Obispo, CA

2017-Present Deputy Executive Officer;

2015-2017 Senior Analyst; 2010-2015 Analyst

- Assisted in preparation of LAFCO Budget for last two years
- Coordinated and managed the Sphere of Influence Update Program
- Analyzed various Annexation, Formations, Dissolutions, Outside User Agreements
- Facilitated the update and approval of Memorandum of Agreements between Cities and County

### Mike Prater Planning & Consulting

Atascadero, CA

2009-2010 Principal

- Client programming and representation.
- Community outreach and consensus building.
- Coordination and site design with technical and environmental professionals, and California Environmental Quality Act (CEQA) compliance.
- Permit processing and policy analysis.
- Project facilitation and multi-consultant coordination.
- Regulatory liaison to local, state and federal regulatory agencies, decision makers and staff.
- Technical writing and permit application preparation.

### City of Morro Bay

Morro Bay, CA

2006-2009 Planning Manager; 2005-2006 Senior Planner;

2002-2005 Associate Planner; 2001-2002 Assistant Planner

- Plan, organize and direct the activities of the Planning Division.
- Consult with governmental agencies, other staff members, and the public; and attend meetings, make presentations and recommendations to officials.
- Supervise and participate in the preparation, revision, and implementation of the general plan, zoning ordinance, and related planning and environmental matters.
- Prepare ordinances and formulate recommendations for land use policies.
- Prepare clear, concise, and accurate reports and presentations to City officials for complex development projects.
- Prepare or supervise preparation of environmental documents and recommendations by staff or consultants.

### County of Santa Barbara

Santa Barbara, CA

2000-2001 Planner I

- Long range planning policy consistency review.
- Implement general plan, specific plans, and ordinances.
- Develop Old Town Orcutt Revitalization Plan

## EDUCATION

### California Polytechnic State University

San Luis Obispo, CA

1999

Bachelor of Science, City and Regional Planning with emphasis in Urban Design

### Modesto Junior College

Modesto, CA

1995

Associate of Science, Architecture

## LAFCO Proposals and Activities

Michael Prater, Deputy Executive Officer

### Major Proposals

- Worked with jurisdictions, property owners and the community to provide information about LAFCO, specific proposals, and how a particular process works, examples include:
  - Cayucos Fire District Dissolution
  - San Luis Ranch Annexation-San Luis Obispo
  - Los Robles Del Mar Annexation-Pismo Beach
  - Formation of California Water Districts
  - Orcutt Annexation-San Luis Obispo
- Prepared Municipal Service Reviews and Sphere of Influence Updates for all 52 jurisdictions in the County. Mid-way through completing my second round for each.
- Drafted Memorandum of Agreements agreed to by a City and County during the Sphere of Influence Update process. Facilitated City/County discussions regarding the terms of the MOA.
- Analyzed various proposals that included CEQA review, preparation of numerous Staff Reports, mapping and Power Point presentations, fiscal analysis, public notice, and presentations to various agencies and organizations.
- Provided comments on a number of upcoming proposals, including; San Luis Obispo Froom Ranch Project and Fiero Lane East/West Annexation, the Gateway Annexation, in Paso Robles.
- Prepared Directory of Agencies – 2010, 2012, 2014, 2016, 2018 and 2020. Included GIS mapped SOI/City Limits and Service Areas, information about rates and fees and Annexation History for Cities, and Special Districts and County Service Areas.
- Served on Program Committee for the CALFCO 2017 Staff Workshop in Fresno. Presented at CALFCO Workshop 2013 GIS Mapping in Davis.

### LAFCO ACTIVITIES

In reviewing a proposal or project I have often engaged in an evaluation of the laws regarding a proposal including the Cortese-Knox-Hertzberg Act, the California Environmental Quality Act (CEQA), the Revenue and Tax Code of California, laws that govern special districts and municipalities, and other laws or codes that may address a particular proposal. As LAFCO Staff I have undertaken the following activities:

- Initial Review of the file and existing materials
- Research the applicable state and local codes and laws
- Analysis/Evaluation of the proposal and the various options
- Coordination with the applicant, interested parties, public, and other agencies
- Preparing various analyses and studies
- Writing/preparing reports or other documentation
- Prepare Staff Reports, recommendation, and presentation materials

- Agendize and provide public notice for the proposal
- Present information at LAFCO Public Hearing
- Complete follow-up tasks associated with the proposal

In order to accomplish the above list of activities, research, analysis, coordination, and writing a report are important responsibilities along the process. The following is a brief discussion of the process and tasks that are associated with reviewing and processing of a proposal and knowledge that I embrace:

**Research** is a systematic investigation designed to develop or contribute to an already existing information base. Activities which meet this definition constitute research for purposes of understanding the legal context of a proposal, the applicable LAFCO policies, and identifying information gaps that may exist. Research may also include the activity of finding answers to questions that are posed by the public or other interested parties. Key tasks include searching through the federal, state and local laws and codes that may be applicable, compiling relevant studies and information, internet searches, and summarizing the data.

**Analysis** is a systematic approach to problem solving with regard to a particular proposal. Complex problems are made simpler by separating them into more understandable elements. This involves the identification of purposes and facts, identification of defensible assumptions, and the formulation of conclusions or recommendations. Breaking an idea or problem down into its parts helps the Commissioners, the public and others to understand a proposal and its implications. Key tasks include: reading and study, critical thinking, alternatives analysis, and writing.

**Coordination and outreach** includes working with the proposal proponents, the public, government agencies and other stakeholders. Key tasks include phone conferencing, meetings, issue identification, carefully listening to issues and concerns, and following up on questions and requests for information. Clear communication of the LAFCO role can help others understand how LAFCO fits into the process.

**Writing** a staff report is the culmination of the review process and involves compiling and summarizing the results for the Commission and public. Staff reports often include analysis and evaluation of various issues and information regarding a proposal. The staff report may include several attachments that include the documentation associated with a proposal. Finally, the report is presented to the Commission and public.

## **Attachment B**

# **Proposed Amendment to Employment Contract Between the San Luis Obispo Local Agency Formation Commission and Michael Prater**

**Amendment to Employment Contract between  
the San Luis Obispo Local Agency Formation Commission  
and Michael Prater**

This Amendment ("Amendment") is entered into by and between the San Luis Obispo Local Agency Formation Commission ("LAFCO") and Michael Prater ("Employee"), collectively the "Parties" with an effective date of July 1, 2020.

A. On May 17, 2010, Employee entered into an Employment Contract to provide services to LAFCO as an Analyst and thereafter Employee was promoted to the position of Deputy Executive Officer. There have been Amendments to that Employment Contract since 2010 with the most recent Amendment on July 1, 2019. The Employment Contract, and the Amendments to that Employment Contract, shall be collectively referred to as "Employment Contract".

B. The following provisions of the Employment Contract are hereby amended by this Amendment as follows:

1. **Employment.** Effective July 25, 2020, LAFCO hereby engages Employee as the Executive Officer of LAFCO, and Employee hereby agrees to perform for LAFCO the services hereinafter set forth for the compensation and benefits hereinafter set forth, all pursuant to the terms and conditions of the Employment Contract and this Amendment.

2. **Scope of Services.** Pursuant to this Amendment, Employee shall perform all functions and duties of the Executive Officer, as specified in the LAFCO's rules and regulations and the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and such legally permissible and proper duties and functions as may be assigned by LAFCO.

5. **Compensation.** LAFCO shall pay to Employee as compensation in full for all services performed by Employee pursuant to the Employment Contract and this Amendment an annual salary of \$102,650 per year, payable in bi-weekly increments comparable with employees of the County of San Luis Obispo. The Employee's salary shall be adjusted to include any consumer price index increases provided to other LAFCO employees. The effective date of this salary shall be the first full pay period in the fiscal year commencing July 1, 2020 and includes 3% consumer price index increase. The amount of any merit increase shall be subject to approval by LAFCO and shall be based on an annual performance evaluation process and salary survey.

6. **Government Code Provisions.**

Pursuant to Government Code section 53260, in the event LAFCO provides Employee with a cash settlement related to termination of the

Employment Contract, the cash settlement shall not exceed the lesser of (1) an amount equal to the monthly salary of Employee multiplied by 18 or (2) an amount equal to the monthly salary of Employee multiplied by the number of months left on the unexpired term of the Employment Contract.

Pursuant to Government Code sections 53243 and 53243.3, in the event LAFCO provides paid leave salary to Employee pending an investigation into Employee, Employee shall fully reimburse LAFCO for any paid leave salary if Employee is convicted of a crime involving an abuse of his office or position.

Pursuant to Government Code sections 53243.1 and 53243.3, in the event LAFCO provides funds for Employee's legal criminal defense, Employee shall fully reimburse LAFCO for any such funds if Employee is convicted of a crime involving an abuse of his office or position.

Pursuant to Government Code sections 53243.2 and 53243.3, in the event LAFCO provides Employee with a cash settlement related to Employee's termination, Employee shall fully reimburse LAFCO for any such cash settlement if Employee is convicted of a crime involving an abuse of his office or position.

Pursuant to Government Code section 53243.4, an "abuse of office or position" means (a) an abuse of public authority, including, but not limited to, waste, fraud, and violation of the law under color of authority, or (b) a crime against public justice, including, but not limited to, a crime described in Title 5 (commencing with Section 67), Title 6 (commencing with Section 85), or Title 7 (commencing with Section 92) of Part 1 of the Penal Code.

C. On or about January 21, 2021, LAFCO will conduct a performance evaluation of the Employee and may consider at that time an adjustment to the Employee's salary and benefits.

D. Except as modified by the Amendment, the Employment Contract shall remain in full force and effect.

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Michael Prater, Employee

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Tom Murray, Chair  
San Luis Obispo Local Agency Formation Commission

APPROVED AS TO FORM AND LEGAL EFFECT

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Brian Pierik, LAFCO Legal Counsel





LAFCO - San Luis Obispo - Local Agency Formation Commission  
*SLO LAFCO - Serving the Area of San Luis Obispo County*

**TO: MEMBERS, FORMATION COMMISSION**  
**FROM: DAVID CHURCH, EXECUTIVE OFFICER**  
**DATE: MAY 21, 2020**  
**SUBJECT: CONSIDERATION OF THE FINAL FISCAL YEAR 2020/21  
SAN LUIS OBISPO LAFCO BUDGET**

**Recommendation:** It is respectfully recommended that the Commission:

- 1) Adopt by resolution the final LAFCO budget for the Fiscal Year 2020/21 found in attachment A;
- 2) Direct the LAFCO Chair and Executive Officer to sign the attached agreement with the County Auditor's Office for financial services;
- 3) Direct the Executive Officer to distribute the approved Budget and Resolution to the local agencies per the Cortese-Knox-Hertzberg Act;

**Summary**

The Cortese-Knox-Hertzberg Act (CKH Act) calls for the budget to be considered by May 1, 2020, and the final budget approved by June 15, 2020. No relief has been granted by the State with regard to this requirement due to the Covid-19 situation. Today's budget item is revised after it was considered on April 16, 2020 and takes into account the Covid-19 situation facing agencies.

The Final Budget found in Attachment A considers the retirement of the current Executive Officer (EO) in July 2020 and the hiring of the current Deputy Executive Officer as the new EO. If adopted, the Final Budget would be reduced by 18% compared to last year. The charges to agencies would be reduced by 18% as well. Most of the savings are achieved by a reduction in salaries in the Executive Officer and replacement of the Deputy Executive Officer with an entry level Analyst. This is a total reduction of \$120,609 in the overall LAFCO budget.

Salaries are reduced by 24% with Taxes and Benefits decreasing by 26% from last year's budget. The one-third share paid by the agencies is reduced by \$37,870; from \$206,208 this FY year to \$168,339 in FY 20/21. This reduction rolls back the budget to levels found in fiscal year 2015/16. The one-third charge is prorated among the jurisdictions based on revenues reported to the State Controller's office. The County Auditor's office will distribute invoices in July of next fiscal year, pursuant to the CKH Act.

**Attachments**

- A:** LAFCO FY 2020/21 Final Budget
- B:** Resolution Approving the Budget
- C:** County Auditor/LAFCO Agreement
- D:** Salary Comparisons

**COMMISSIONERS**

Chairperson  
TOM MURRAY  
Public Member

Vice-Chair  
ROBERT ENNS  
Special District Member

DEBBIE ARNOLD  
County Member

MARSHALL OCHYLSKI  
Special District Member

ROBERTA FONZI  
City Member

LYNN COMPTON  
County Member

ED WAAGE  
City Member

**ALTERNATES**

ED EBY  
Special District Member

STEVE GREGORY  
City Member

HEATHER JENSEN  
Public Member

JOHN PESCHONG  
County Member

**STAFF**

DAVID CHURCH  
Executive Officer

BRIAN A. PIERIK  
Legal Counsel

MIKE PRATER  
Deputy Executive Officer

IMELDA MARQUEZ  
Commission Clerk

Services and Supply line items are increasing by 10% due to the Biennial Audit (\$8,000), increases in property and liability insurance rates (\$4,500 increase), and CALAFCO fees increasing (\$4,922). Other line items have been reduced, including: travel (-\$1,000), training (-\$1,000), and rent contingency (-\$1,000). Rent (-\$1,000) had always included an additional 3-4% contingency if the landlord requested an increase in the monthly rent. This eliminates the contingency.

Also, the Budget does not include the following costs associated with the Executive Officer's position for the first six months of the fiscal year; auto allowance (\$2,700 savings), deferred compensation match (up to \$5,500 savings), life and long term disability insurance (\$1,500 savings); a total of \$9,700 savings.

The County Auditor's Office provides LAFCO with financial management services through an agreement (Attachment C-Signed by Auditor). General Accounting services include the use of the County's centralized accounting system (SAP), processing, and recording of financial transactions submitted by LAFCO. LAFCO has access to the general ledger, revenue, expenditure, and budget status reports as needed through the EFS.

The Auditor also provides Accounting Support services including budget monitoring, responding to routine inquiries, and replying to bank confirmations. The agreement for next fiscal year is attached in Attachment C at a cost of \$8,511. It is recommended that the LAFCO Chair and Executive Officer sign this agreement and submit it to the County Auditor/Controller.

**FY 20-21 Final LAFCO Budget-Comparison**

Line Items	FY 19-20	FY 20-21	Dec./Inc.	% Dec./Inc.
Salaries	\$306,297	\$233,651	-\$72,646	-24%
Taxes/Benefits	\$238,231	\$177,380	-\$60,851	-26%
Services Supplies	\$127,097	\$139,984	\$ 12,887	+10%
Total Budget	\$671,625	\$551,016	-\$120,609	-18%
Charges to Agencies	\$618,625	\$505,016	-\$113,609	-18%

**Budget Details**

The FY 20-21 LAFCO Budget plans for the appointment of the Deputy Executive Officer as the Executive Officer effective on July 25, 2020. The salary and benefits for the new EO will remain unchanged from the DEO's current contract for the first six months of the fiscal year.

The budget decrease of 18% is largely attributed to the reduced salaries for the Executive Officer and from the Deputy Executive Officer positions. The Clerk position anticipates a merit (3%) and CPI (3%) increase to \$47,700. The Budget plans a 3% CPI increase for the DEO pursuant to the contracts of all LAFCO employees.

This is a projected total salary reduction of \$72,646 from last year's LAFCO budget. Benefits and taxes are projected to decrease by a total of \$60,851. These savings are achieved by maintaining the current DEO salary of \$99,660 (plus a 3% CPI, \$102,650) for the incoming Executive Officer for six months with the existing DEO benefits.

Also, built into the Budget is a possible salary adjustment up to \$110,000 at the six month mark of the fiscal year for the new Executive Officer position. Included are six months of the EO benefits package (car allowance \$2,700, deferred compensation match \$5,500, long term disability insurance and life insurance \$1,500). The adjustment to the EO's salaries and benefits is at the discretion of the Commission.

The Final FY 2020-21 LAFCO Budget is significantly reduced, but should enable LAFCO to implement its work program, while providing considerable savings to the funding agencies in the next fiscal year. The CKH Act requires the Commission to make this finding when approving a reduced budget. It also allows the Commission the ability to adjust the EO's salary and benefits six months into the fiscal year.

## **Services and Supplies**

Services and Supplies are projected to increase by 10%, to a total of \$139,984. This is caused by the estimated \$8,000 added to Consultant Expenses to complete the biennial audit. Property and liability insurance rates are increasing significantly due to nationwide and worldwide disasters and the LRDM lawsuit that remains open. The projected increase in insurance rates is 67% from \$6,329 to \$10,575. CALAFCO dues are going up to \$4,922 from \$3,261. As discussed above a number of line items are decreasing; training, travel, rent and car allowance. Legal fees are increasing by \$100 per month as provided for in the contract with Burke, Williams, & Sorensen.

## **Pension Costs**

San Luis Obispo LAFCO is part of the San Luis Obispo County Pension Trust. Pension costs are directly correlated to salaries. The FY 20/21 budget would result in a significant decrease of pension costs by an estimated -\$39,803, or a 30% reduction. The decrease is due to the hiring of the new EO and an entry level Analyst at lower a salary and benefits. New employees are hired on the tier three pension plan which reduces the pension costs to LAFCO. Pension expenditures are calculated based on the rates established by the San Luis Obispo County Pension Trust.

**Pension Information.** From 2003 to 2010, LAFCO contributed 100% of the pension payments. As pension rates rose, a new rate contribution formula was approved by the Commission in FY 2010/11, splitting any future rate increases 50-50 between LAFCO and the employees. Since 2011 any increases in pension rates have been split (50-50) by LAFCO and the employees. The total share LAFCO employees are now paying of pension contributions is up to 16% from 14% last year. All remaining employees share in pension costs. This continued 50-50 split of rate increases results in the employees taking on an increased percentage of the contribution in the future. San Luis Obispo County Pension Trust anticipates a pension rate increase of 2.83% for fiscal year 20/21. LAFCO would fund 1.41% of this increase and the employees would fund 1.42% of the anticipated rate

increase. This increase is built into this year's budget and would be implemented on July 1, 2020. Please note that the Pension rates were reviewed for accuracy by the SLO County Pension Trust.

The Pension Obligation Bond (POB) was issued by the County to help cover unfunded pension costs. The POB is refinanced by the SLO Pension Trust to avoid increases in the variable interest rates. This year the rate for the POB remains at 6.0%. The POB payment decreases are commensurate with reduction in salaries.

## **Agency Shares**

LAFCO is funded by the Cities, Special Districts and County; one-third for each group. Charges to each of the funding agencies (County, Cities and Special Districts) are proposed to decrease by -18% or -\$113,609. Last year the charges to agencies increased by \$239. The one-third agency share for budget is proposed at \$168,339. This is a decrease of -\$37,870 for each of the one-third shares.

These shares are allocated to the Cities and Special Districts based on their total revenues as reported to the State Controller. The County Auditor's Office uses the most recent Cities and Special Districts Annual Report prepared by the State Controller to allocate the charges to each of the agencies in the County on a prorated basis. The County Auditor's office sends invoices to the Cities and Special Districts in July, 2020.

## **Revenues and Reserves**

**Revenues from Applications.** Revenues from application fees are projected to remain the same at \$21,000. Interest earned on revenues is anticipated to increase from \$3,000 to \$4,000.

**Reserves and Fund Balance.** Reserves and fund balance carryover from year-to-year with the budget. In April 2008 the Commission adopted a reserve/fund balance policy of maintaining at least a 15% reserve.

At the beginning of this fiscal year (FY 19/20) LAFCO had a 26% reserve/fund balance that amounted to \$177,073. The current budget (FY 19/20) projected using \$32,000 in reserves/fund balance to fund the budget. It is projected that the use of reserves will not be necessary because of the estimated savings achieved in this year's budget that leads to an estimated additional fund balance increase of \$9,718. This leaves a projected fund balance of +\$9,718 for this year, increasing the projected fund balance and reserves to \$186,791.

The Adopted FY 2019/20 Budget expenses were \$671,625. The projected expenses for FY 19/20 are \$629,265. This means that the FY 19/20 budget is projected to be under budget by \$42,360. This is due to salary savings caused by the transition in the Clerk's position and savings in the services and supplies line items. This projection assumes no unexpected expenses or revenues in the last quarter of this fiscal year.

Reserves and Fund Balance are built into the FY 20/21 budget to help reduce the amount charged to local agencies and maintain reserves/fund balance at a reasonable level. Using Reserves/Fund Balance to offset expenses in the amount of \$25,000 is reasonable because reserves are projected to be 29% at the end of this fiscal year; \$186,791.

The Executive Officer's contract provides for a sick leave pay out of an estimated \$46,300 that will be paid out of fund balance/reserves. The hourly rate for the payout is based on the EO's base salary without benefits; \$73.38, times the number of hours on the books (current 630 hrs) or up to 90 days. A budget adjustment would be processed by the Commission at the beginning of the next fiscal year. This would reduce overall reserves to about 21%. This exceeds the 15% target for reserves/fund balance.

### **Distribution**

As required by Government Code Section 56381, the Commission's proposed Fiscal Year 20/21 budget has been transmitted to the Board of Supervisors, each City Manager, and each Independent Special District. The budget has also been sent to the County Administrative and Auditor's Offices. A legal notice of the public hearing was published in advance of the hearing. Upon approval of the final FY 2020/21 budget and resolution shall be distributed to the agencies and submitted to the County Auditor's Office.

# **Attachment A**

LAFCO FY 2020/21 Final Budget

**Exhibit A**  
**San Luis Obispo Local Agency Formation Commission**  
**Final Budget - Fiscal Year 2020-2021**

Adopted 5/21/2020

<b>EXPENDITURES SUMMARY</b>	<b>Current Year</b>	<b>Expense YTD</b>	<b>Proj. Yr End</b>	<b>Final 20-21</b>	<b>Inc/Dec</b>	<b>% Inc/Dec</b>
Salaries	306,297	237,245	298,000	233,651	-72,646	-24%
Benefits and Taxes	238,231	171,498	224,366	177,380	-60,851	-26%
Services and Supplies	127,097	85,755	106,899	139,984	12,887	10%
<b>Total Expenses</b>	<b>671,625</b>	<b>494,498</b>	<b>629,265</b>	<b>551,016</b>	<b>(120,609)</b>	<b>-18%</b>

<b>EXPENDITURES DETAIL</b>	<b>Current Year</b>	<b>Expense YTD</b>	<b>Proj. Yr End</b>	<b>Final 20-21</b>	<b>Inc/Dec</b>	<b>% Inc/Dec</b>
<b>Salaries and Benefits</b>						
Salaries	306,297	237,245	298,000	233,651	-72,646	-24%
Benefits and Taxes	238,231	171,498	224,366	177,380	-60,851	-26%
<b>Subtotal Salaries &amp; Benefits</b>	<b>544,528</b>	<b>408,743</b>	<b>522,366</b>	<b>411,032</b>	<b>(133,496)</b>	<b>-25%</b>
<b>Variable Costs (%) :</b>						
FICA -Employer Match	18,990	13,571	19,176	14,486	-4,504	-24%
Medicare - Employer Match	4,441	3,678	4,500	3,435	-1,006	-23%
Retirement-Employer Contribution *	103,595	77,440	102,000	82,518	-21,077	-20%
Retirement-Employer for Employee	31,647	24,989	31,951	12,921	-18,726	-59%
Retirement - Employee Contribution *	22,313	14,339	22,300	20,615	-1,698	-8%
Pension Obligation Bond Payment	20,439	15,111	20,739	14,521	-5,918	-29%
SUI-Employer Contribution	2,500	378	500	1,500	-1,000	-40%
Fed Unemploy Tax-Employer Cont	300	0	0	300	0	0%
<b>Fixed Costs (\$) :</b>						
Health Plan/Café Cash	45,000	28,331	35,100	41,700	-3,300	-7%
Life Insurance	0	0	0	500	500	0%
Def Comp - EO Employer Match	11,000	8,000	10,400	5,500	-5,500	-50%
<b>Total Benefits</b>	<b>238,231</b>	<b>171,498</b>	<b>224,366</b>	<b>177,380</b>	<b>-60,532</b>	<b>-26%</b>

\* Split Employer/Employee 2.6% pension rate increase

<b>Services and Supplies</b>	<b>Current Year</b>	<b>Expense YTD</b>	<b>Proj. Yr End</b>	<b>Final 20-21</b>	<b>Inc/Dec</b>	<b>% Inc/Dec</b>
Food	800	234	400	800	0	0%
Maintenance - Equipment	300	0	0	300	0	0%
Maintenance - Software	500	360	360	500	0	0%
CALAFCO/Other Memberships	4,400	4,707	4,707	7,000	2,600	59%
Office Supplies	2,500	802	1,500	2,500	0	0%
Commissioner/Consultant	10,000	4,378	7,000	18,000	8,000	80%
Publication/Legal Notices	800	1,027	1,027	1,000	200	25%
Rent	38,000	30,565	36,700	37,000	-1,000	-3%
Small Equipment	400	0	0	400	0	0%
Large Equipment	1,000	73	500	1,000	0	0%
Computer Software	500	186	200	500	0	0%
Employee Mileage	200	0	0	200	0	0%
Commissioner Mileage	1,800	755	1,000	1,800	0	0%
Airfare/Public Transportation	500	0	0	500	0	0%
Accommodations/Travel	4,000	2,270	2,270	3,000	-1,000	-25%
Auto Allowance	5,400	4,154	5,400	3,323	-2,077	-38%
Training/Conf Registration	4,500	3,790	3,790	3,500	-1,000	-22%
Utilities	4,000	3,112	4,000	4,000	0	0%
Car/Vehicle Rentals	1,000	916	916	1,000	0	0%
Postage	1,000	160	200	1,000	0	0%
Custodian	1,000	640	1,000	1,000	0	0%
Copying	800	0	400	800	0	0%
ITD-SAP/Board Chambers	850	0	700	850	0	0%
Phones	2,600	1,198	2,400	2,800	200	8%
County Auditor	8,247	8,247	8,247	8,511	264	3%
Insurance/Worker Comp/Property/Liability	8,000	7,632	7,632	13,500	5,500	69%
Legal Counsel/Other Co Billings	24,000	10,550	16,550	25,200	1,200	5%
<b>Subtotal Services &amp; Supplies</b>	<b>127,097</b>	<b>85,755</b>	<b>106,899</b>	<b>139,984</b>	<b>12,887</b>	<b>10%</b>

<b>Total Expenses</b>	<b>671,625</b>	<b>494,498</b>	<b>629,265</b>	<b>551,016</b>	<b>-120,609</b>	<b>-18%</b>
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**Exhibit A**  
**San Luis Obispo Local Agency Formation Commission**  
 Final Budget - Fiscal Year 2020-2021 - page 2

<b>REVENUE DETAIL</b>	<b>Current Year</b>	<b>Realized YTD</b>	<b>Proj. Yr End</b>	<b>Final 20-21</b>	<b>Inc/Dec</b>	<b>% Inc./Dec.</b>
Interest	3,000	5,861	5,861	4,000	1,000	33%
Environmental Fees	1,000	2,500	2,500	1,000	0	0%
Sphere of Influence Fee	1,000	3,500	3,500	2,000	1,000	100%
LAFCO Processing Fees	16,000	8,390	8,390	14,000	-2,000	-13%
Refunds	0			0	0	0%
Other Revenue/Grants/Insurance reimb.	0	107	107	0	0	
<b>Sub-Total w/out Agency Charges</b>	<b>21,000</b>	<b>20,358</b>	<b>20,358</b>	<b>21,000</b>	<b>0</b>	<b>0%</b>
LAFCO Charge to Agencies	618,625	618,625	618,625	505,016	-113,609	-18%
<b>Total Revenue (Includes use of Fund Balance)</b>	<b>671,625</b>	<b>638,983</b>	<b>638,983</b>	<b>551,016</b>	<b>-120,609</b>	<b>-18%</b>
Use of Reserves/Fund Bal. (Not needed)	32,000	0	0	-25,000	7,000	

<b>RESERVES and FUND BALANCE</b>	<b>Beginning Res./FB FY 19/20</b>	<b>% of Budget</b>	<b>Proj. Year End Fund Balance</b>	<b>Projected Year End Reserves</b>	<b>Estimated Res./FB FY 20-21</b>	<b>% of Budget</b>
<b>Reserves/Fund Balance</b>	<b>177,073</b>	<b>26.4%</b>	<b>177,073</b>	<b>186,791</b>	<b>161,791.00</b>	<b>29%</b>
End of Year FB-Use of fund balance			9,718	-25,000		
EO Sick Leave Payout				(46,300.00)		
<b>Total</b>	<b>177,073</b>	<b>26.4%</b>	<b>186,791</b>	<b>161,791</b>	<b>115,491.00</b>	<b>21%</b>

**CHARGES TO AGENCIES**

<b>Agency Share</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>Inc/Dec</b>	<b>% Inc/Dec</b>
Cities	206,208	168,339	-37,870	-18%
County	206,208	168,339	-37,870	-18%
Special Districts	206,208	168,339	-37,870	-18%
<b>Total</b>	<b>618,625</b>	<b>505,016</b>	<b>-113,609</b>	<b>-18%</b>



# **Attachment B**

Resolution Approving the Budget

**IN THE LOCAL AGENCY FORMATION COMMISSION  
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA**

Date:

**PRESENT:**

**ABSENT:**

**RESOLUTION NO. 2020-\_\_**

**RESOLUTION ADOPTING THE FINAL FISCAL YEAR 2020-21  
LAFCO BUDGET**

The following resolution is now offered:

**WHEREAS**, the Executive Officer has given the notices required by law and forwarded the LAFCO budget to officers, persons and public agencies as prescribed by law; and

**WHEREAS**, the matter was set for public hearing at 9:00 a.m. on Thursday, April 16, 2020, a staff report prepared, and the public hearing was duly conducted under the Covid-19 modified meetings laws and the proposed LAFCO Budget for Fiscal Year 2020-2021 was considered; and

**WHEREAS**, at said hearing, this Commission heard and received all written protests, objections and evidence which were made, presented, or filed, and all persons present were given the opportunity to hear and be heard in respect to any matter relating to said proposed budget; and

**WHEREAS**, the Commission considered the Proposed Budget at the April 16, 2020, meeting and approved the Adopted Final Budget for Fiscal Year 2020-2021 on May 21, 2020;

**WHEREAS**, the San Luis Obispo LAFCO finds that it can accomplish its legislative purpose and adopted work plan with the reduced final budget as required by Cortese-Knox-Hertzberg Act; and

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** by the Local Agency Formation Commission of the County of San Luis Obispo, State of California, as follows:

1. That the recitals set forth hereinabove are true, correct, and valid.

2. That pursuant to Government Code Section 56381(a), the Commission hereby adopts a Final Budget for Fiscal Year 2020-21 in the amount set forth in Exhibit A. The amount charged to the Cities, Special Districts and County, after deducting fees from applications and the use of reserves/fund balance is found in Exhibit A. This amount will be charged to the Funding Agencies based on the formula and procedure contained in the Cortese-Knox-Hertzberg Act and as implemented by the County Auditor-Controller's office.
3. That the Commission finds that it can accomplish its legislative purpose and adopted work plan with the adopted reduced budget as required by Cortese-Knox-Hertzberg Act.
4. That the Executive Officer of this Commission is authorized to mail and email copies of the Final Budget in the manner provided by law.

Upon a motion of Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, and on the following roll call vote:

AYES:

NAYS:

ABSTAIN:

\_\_\_\_\_  
Tom Murray, Chairperson                      Date  
Local Agency Formation Commission

**ATTEST:**

\_\_\_\_\_  
David Church                      Date  
LAFCO Executive Officer

**APPROVED AS TO FORM AND LEGAL EFFECT:**

\_\_\_\_\_  
Brian Pierik                      Date  
LAFCO Legal Counsel

# **Attachment C**

County Auditor/LAFCO Agreement



## COUNTY OF SAN LUIS OBISPO

### AUDITOR - CONTROLLER • TREASURER - TAX COLLECTOR

James W. Hamilton, CPA Auditor-Controller • Treasurer-Tax Collector

Lydia J. Corr, CPA Assistant Auditor-Controller • Treasurer-Tax Collector

April 6, 2020

To the Board of Directors and Management  
SLO County Local Agency Formation Commission (LAFCO)

We are pleased to confirm our understanding of the terms and costs of our services under this agreement for the 2020-2021 fiscal year.

#### Scope of Services

We will provide the following services:

1. **General Accounting** - includes use of the County's centralized accounting system and recording of financial system entries submitted by the agency. Transactions will be reviewed for authorization by appropriate agency personnel prior to processing. In addition, access to the accounting system's financial reports will be available to the agency as needed.
2. **Accounts Payable** - includes processing payment claims by warrant or ACH. Claims will be reviewed to validate two authorized agency signers have approved the payment prior to processing, recording and mailing payments. Any invoices submitted with payment claims will be scanned and archived for retention. Review of invoices for mathematical accuracy and appropriateness of expenditure is not part of this service agreement.
3. **Accounting Support** - includes recording your Agency's budget, ensuring expenditures do not exceed authorized budget, responding to routine inquiries, working with external auditors, and replying to bank confirmations.
4. **Term** - Our services and responsibility end on June 30, 2021.

#### Our Responsibilities

Our responsibility is to perform the services enumerated above. We will not audit accounting entries, payment claims or budget transactions, nor will we validate the appropriateness of accounting transactions or claims for payment. Our service does not include annual preparation of 1099's or preparation of payroll reports.

Our services are not designed to detect instances of fraud, noncompliance with laws or regulations or significant errors; however, we will communicate to you any known and suspected fraud, noncompliance with laws or regulations or significant errors that come to our attention.

Your Responsibilities

You are responsible for (1) ensuring all transactions are submitted and/or approved by authorized staff, (2) reviewing all transactions prior to submittal to ensure appropriateness of the expenditure, compliance with laws or regulations and to check for significant errors and fraud, (3) retaining all source documents, and (4) providing all Board authorized budgets and budget amendments. You are encouraged to routinely provide accounting reports and payment registers to your Board for review.

You agree to inform us of significant noncompliance, fraud and/or errors immediately upon discovery.

For all services we provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual who possesses suitable skill, knowledge, and/or experience to understand the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

Annual Cost and Billing

The annual cost for the services identified above is \$8,511. Your agency will be billed by journal entry during the first quarter of the fiscal year for the entire annual costs. A copy of the journal entry will be provided to your agency

Agreement

We appreciate the opportunity to be of service to you and believe this letter accurately summarized the significant terms of our agreement. This letter constitutes the entire agreement regarding these services and supersedes all prior agreements.

Sincerely,



James W. Hamilton, CPA  
Auditor-Controller-Treasurer-Tax Collector

Authorized Signature Director \_\_\_\_\_ Date \_\_\_\_\_

Authorized Signature Board Chair \_\_\_\_\_ Date \_\_\_\_\_

# **Attachment D**

## Salary Comparisons

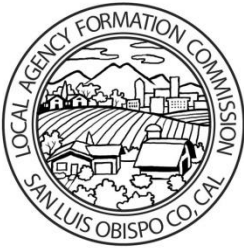
### Staff Base Salary Comparisions - 2018-2019

Executive Officer Comparisons 2018-19 Base Salary	Executive Officer Annual Base Salary	Range-Step 1	Range-Step 5	
<b>Comparison Counties</b>				
<b>Coastal</b>				
Monterey	182,668	None	182,668	
Santa Barbara (no benefits)	159,389	None	159,389	
Santa Cruz	142,210	135,000	162,000	<b>Coastal Avg.</b>
Ventura	178,412	124,888	178,412	<b>170,617</b>
<b>Inland</b>				
Butte	122,540	111,938	136,116	
Kern	129,780	115,000	129,780	
Napa	137,251	120,180	144,973	
Placer	141,890	120,000	141,890	
San Joaquin	130,400	115,000	130,400	<b>Inland Avg.</b>
Yolo	138,909	116,560	141,681	<b>133,462</b>
<b>2019 Average Annual Salary Range</b>	<b>146,345</b>	<b>119,821</b>	<b>150,731</b>	

Deputy Executive Officer Comparisons 2018-19 Base Salary	Deputy Executive Officer Annual Base Salary	Range-Step 1	Range-Top	
<b>Comparison Counties</b>				
<b>Coastal</b>				
Ventura		94,574	135,106	<b>Coastal Avg.</b>
Sonoma		91,478	111,201	<b>123,154</b>
<b>Inland</b>				
Butte		74,521	99,866	
El Dorado		76,336	92,787	
Stanislaus		61,173	91,749	
Yolo		97,379	118,370	<b>Inland Avg</b>
<b>2019 Average Annual Salary Range</b>		<b>82,577</b>	<b>108,180</b>	<b>100,693</b>

Clerk Comparisons 2018-19 Base Salary	Base Salary	Clerk Annual Base Salary	Range-Step 1	Range-Top	
<b>Comparison Counties</b>					
<b>Coastal</b>					
Monterey		84,136	56,805	84,136	
Santa Barbara		60,000		60,000	
Santa Cruz		70,459		70,459	<b>Coastal Avg.</b>
Ventura		82,000	54,100	82,000	<b>74,149</b>
<b>Inland</b>					
Butte		58,298	43,137	58,298	
Kern		57,165	48,693	57,165	
Napa		55,659	44,821	55,659	
Placer		66,816		66,816	
San Joaquin		57,609	40,521	57,609	
Yolo		57,573		57,573	<b>Inland Avg.</b>
<b>2019 Average Annual Salary Range</b>		<b>59,214</b>	<b>48,013</b>	<b>64,972</b>	<b>58,853</b>





LAFCO - San Luis Obispo - Local Agency Formation Commission  
SLO LAFCO - Serving the Area of San Luis Obispo County

**COMMISSIONERS**

Chairperson  
TOM MURRAY  
Public Member

Vice-Chair  
ROBERT ENNS  
Special District Member

DEBBIE ARNOLD  
County Member

MARSHALL OCHYLSKI  
Special District Member

ROBERTA FONZI  
City Member

LYNN COMPTON  
County Member

ED WAAGE  
City Member

**ALTERNATES**

ED EBY  
Special District Member

STEVE GREGORY  
City Member

HEATHER JENSEN  
Public Member

JOHN PESCHONG  
County Member

**STAFF**

DAVID CHURCH  
Executive Officer

BRIAN A. PIERIK  
Legal Counsel

MIKE PRATER  
Deputy Executive Officer

IMELDA MARQUEZ  
Commission Clerk

**TO: MEMBERS, FORMATION COMMISSION**

**FROM: DAVID CHURCH, EXECUTIVE OFFICER  
MIKE PRATER, DEPUTY EXECUTIVE OFFICER**

**DATE: MAY 21, 2020**

**SUBJECT: STUDY SESSION: LAFCO AGRICULTURE DEFINITIONS,  
POLICIES AND GUIDELINES**

**Recommendation.** It is respectfully recommended that the Commission receive and file this report.

**Summary:** The purpose of today's study session is to provide information to the Commissioners regarding the definitions of agricultural land in Cortese-Knox-Hertzberg Act (CKH Act) and San Luis Obispo LAFCO's current policy base.

**Attachments**

**A:** SLO LAFCO Ag Policies

**B:** SLO LAFCO Ag Guidelines

LAFCO must consider the impact that any proposal may have on existing agricultural lands and resources. This is particularly important when the proposal directly involves the conversion of prime agricultural lands. This concern is balanced with the need to ensure orderly development and the efficient provision of services to certain areas. By guiding development toward vacant urban land and away from agricultural land, LAFCO helps to preserve important and valuable agricultural resources.

The CKH Act has specific definitions for agricultural lands; it generally discourages the use of prime agriculture land for development. LAFCO is called on to balance the impacts on agricultural lands and the needs of a community for housing, jobs and economic development. LAFCO carefully considers its decisions that takes into account many of these factors; weighing the importance of each factor.

The definitions and legislative mandates from the CKH Act are found below and determine what prime agricultural land is for LAFCO. The local adopted policies provide LAFCO with guidance and discretion in making decisions that impact prime agricultural land. Government Code Section 56001 provides LAFCO with direction to perform this balancing act:

**GC 56001.** *The Legislature finds and declares that it is the policy of the state to encourage orderly growth and development which are essential to the social, fiscal, and economic well-being of the state. The Legislature recognizes that the logical formation and determination of local agency boundaries is an important factor in promoting orderly development and in balancing that development with sometimes competing state interests of discouraging urban sprawl, preserving open-space and prime agricultural lands, and efficiently extending government services.*

*The Legislature also recognizes that providing housing for persons and families of all incomes is an important factor in promoting orderly development. Therefore, the Legislature further finds and declares that this policy should be effected by the logical formation and modification of the boundaries of local agencies, with a preference granted to accommodating additional growth within, or through the expansion of, the boundaries of those local agencies which can best accommodate and provide necessary governmental services and housing for persons and families of all incomes in the most efficient manner feasible.*

As a creation of the State Legislature with a broad mandate, LAFCO has been given “quasi-legislative” authority to complete its mission. This gives Commissioners “broad discretion in light of the record” to make determinations regarding LAFCO proposals. This important responsibility is further spelled out in CKH Act as Commissioners using their “Independent Judgement” to make decisions:

**GC 56325.1.** *While serving on the commission, all commission members shall exercise their independent judgment on behalf of the interests of residents, property owners, and the public as a whole in furthering the purposes of this division. Any member appointed on behalf of local governments shall represent the interests of the public as a whole and not solely the interests of the appointing authority. This section does not require the abstention of any member on any matter, nor does it create a right of action in any person.*

This is an important part of LAFCO’s decision making process. The Commission should weigh the importance and significance of a particular factor when considering its decisions. Is water supply more important than housing? Should land be preserved on less than a 1:1 preservation ratio because of the other benefits of a project? Do all the factors when taken as a whole led to approval or denial of a proposal? It is not black and white; careful discretion, local circumstances and independent judgement are considered in the decision making process.

### **Agricultural Definitions-Cortese-Knox-Hertzberg Act**

The Cortese-Knox-Hertzberg Act contains a number of definition and statements that give LAFCO guidance and authority with regard to open space and agricultural resources. The following are taken directly from the CKH Act:

- 56016. *"Agricultural lands" means land currently used for the purpose of producing an agricultural commodity for commercial purposes, land left fallow under a crop rotational program, or land enrolled in an agricultural subsidy or set-aside program.*

- 56064. *"Prime agricultural land" means an area of land, whether a single parcel or contiguous parcels, that has not been developed for a use other than an agricultural use and that meets any of the following qualifications:*
  - (a) *Land that qualifies, if irrigated, for rating as class I or class II in the USDA Natural Resources Conservation Service land use capability classification, whether or not land is actually irrigated, provided that irrigation is feasible.*
  - (b) *Land that qualifies for rating 80 through 100 Storie Index Rating.*
  - (c) *Land that supports livestock used for the production of food and fiber and that has an annual carrying capacity equivalent to at least one animal unit per acre as defined by the United States Department of Agriculture in the National Range and Pasture Handbook, Revision 1, December 2003.*
  - (d) *Land planted with fruit or nut-bearing trees, vines, bushes, or crops that have a nonbearing period of less than five years and that will return during the commercial bearing period on an annual basis from the production of unprocessed agricultural plant production not less than four hundred dollars (\$400) per acre.*
  - (e) *Land that has returned from the production of unprocessed agricultural plant products an annual gross value of not less than four hundred dollars (\$400) per acre for three of the previous five calendar years.*
- 56301. *Among the purposes of a commission are discouraging urban sprawl, preserving open-space and prime agricultural lands, encouraging the efficient provision of government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances.*

The Cortese-Knox-Hertzberg Act further describes the intent of the legislation with regard to agricultural resources in Government Code section 56377, which states:

- 56377. *In reviewing and approving or disapproving proposals which could reasonably be expected to induce, facilitate, or lead to the conversion of existing open-space lands to uses other than open-space uses, the commission shall consider all of the following policies and priorities:*
  - (a) *Development or use of land for other than open-space uses shall be guided away from existing prime agricultural lands in open-space use toward areas containing nonprime agricultural lands, unless that action would not promote the planned, orderly, efficient development of an area.*
  - (b) *Development of existing vacant or nonprime agricultural lands for urban uses within the existing jurisdiction of a local agency or within the Sphere of Influence of a local agency should be encouraged before any proposal is approved which would allow for or lead to the development of existing open-space lands for nonopen-space uses which are outside of the existing jurisdiction of the local agency or outside of the existing Sphere of Influence of the local agency.*

## Policy Discussion

LAFCOs throughout the state take a variety of approaches toward agricultural and open space policies. Some common themes that run throughout the policies:

- Most of the policies implemented by LAFCO's allow discretion for decision makers by encouraging or discouraging a certain activity or action. It is a rare occasion when LAFCO policies require a certain action by a Commission.
- Many policies provide criteria to help LAFCO's judge whether a proposal would lead to planned, orderly, and efficient development. On this basis, the CKH Act does allow for the conversion of Prime Agricultural and Open Space Lands and annexation into a city or district.

The policies regarding agricultural and open lands allow for discretion because of the potential for the Commission to step into land use planning which is prohibited by the Cortese-Knox-Hertzberg Act Chapter 3, Powers, Code Section 56375(a)(3):

*A commission shall not impose any conditions that would directly regulate land use density or intensity, property development, or subdivision requirements.*

Careful attention to the above code section has been paid by LAFCOs around the state that has adopted an agriculture and open space policy base.

**San Luis Obispo LAFCO Existing Policy Base.** San Luis Obispo LAFCO has adopted policies and guidelines that address agricultural issues and resources. The policies are found in Attachment A. SLO LAFCO also adopted Agricultural Guidelines found in Appendix B of our Policies and Procedures. Appendix B is found in Attachment B of this staff report. Policy 12 is a key policy that San Luis Obispo LAFCO considers:

12. *The Commission may approve annexations of prime agricultural land only if mitigation that equates to a substitution ratio of at least 1:1 for the prime land to be converted from agricultural use is agreed to by the applicant (landowner), the jurisdiction with land use authority. The 1:1 substitution ratio may be met by implementing various measures:*
  - a. Acquisition and dedication of farmland, development rights, and/or agricultural conservation easements to permanently protect farmlands within the annexation area or lands with similar characteristics within the County Planning Area.*
  - b. Payment of in-lieu fees to an established, qualified, mitigation/conservation program or organization sufficient to fully fund the acquisition and dedication activities stated above in 12a.*
  - c. Other measures agreed to by the applicant and the land use jurisdiction that meet the intent of replacing prime agricultural land at a 1:1 ratio.*

Other, more general, but relevant policies considered by San Luis Obispo LAFCO include the following:

- *Policy #1: The Commission shall endeavor to balance the need to efficiently provide public services with the sometimes-competing interests of discouraging urban sprawl, preserving prime agriculture land and open space (CKH-56001).*
- *Policy #3: "Cities and Special Districts are discouraged from annexations outside of their Spheres of Influence unless the need for such services is clearly demonstrated."*
- *Policy #7: "The Commission prefers urban development within Cities as opposed to development in the unincorporated area."*
- *Policy #8: "The Commission will recognize and preserve clearly defined, long term agricultural and open space areas established by the County or other jurisdictions to preserve critical environmental areas and to bolster local economies"*

The attached Policies and Guidelines are intended to support the above more general policy base. The Agricultural Policies provide more detail with regard to the specific issues that should be considered as LAFCO evaluates a proposal. The Guidelines provide information about what subjects and issues should be addressed when an application that affects agricultural resources is submitted to LAFCO. The Guidelines also provide criteria by which LAFCO can evaluate a proposal and consider a decision that involves agricultural resources.

The policies and guidelines found in Attachment A and B express LAFCO's intent to more specifically address the preservation of agricultural land, consistent with current policies and LAFCO's mandates. LAFCO is required by the Cortese-Knox-Hertzberg Act to consider the effect that any proposal may have on existing agricultural lands. This is balanced with the need to ensure orderly development and the efficient provision of services to certain areas. In general, by guiding development toward urban areas and away from agricultural land, LAFCO helps to preserve important and valuable agricultural resources.

**CEQA.** In considering proposals, SLO LAFCO also uses CEQA documents to identify potential impacts and mitigation regarding agricultural resources. CEQA requires that the conversion of agricultural land be evaluated and mitigated to the greatest extent possible depending on the impacts of a project or proposal.

**Summary.** SLO LAFCO has adopted a robust policy base with regard to agricultural resources. It is important to remember that in applying these policies and guidelines the Commission has been judicious and the jurisdictions have been very collaborative. The policy base allows the Commission to use its discretion on a case-by-case basis. It also provides LAFCO with a measure of flexibility that can be used on an as needed basis.

**Examples.** The following are examples of how the Agricultural Policies have been implemented over the years:

- **San Luis Ranch** The Specific Plan converted 56 acres of prime agricultural land to another use. To meet the LAFCO Policy a minimum of 56 acres of prime agricultural land had to be preserved. Fifty-three (53) of the acres were preserved on-site with 30 acres preserved off-site. Bringing the total preserved to 86 acres-more than the needed 56 acres. Here is the Condition
- **Madonna/Gap** Annexation, aka, Target, included the preservation of 18 acres of prime agricultural by placing a conservation easement on the site and off-site as well. 11 acres was preserved on site and 7 acres on Froom Ranch. The City of San Luis Obispo has a similar 1:1 preservation policy. The City complied with the policy by recording a conservation easement on the sites prior to LAFCO filing the annexation with the State Board of Equalization.
- **Orcutt Annexation** to the City of SLO set aside 70+ acres in open space through an easement. The area was not prime agricultural land but it was zoned open space and so the City recorded an easement on that area pursuant to a LAFCO condition of approval.
- **Heights at Vista del Mar to the City of Arroyo Grande** included an open space easement that was recorded for the open space parcel (Lot 24). It is to be held in common by the Homeowner's Association or transferred to public trust or conservancy agency approved by the Department of Planning and Building. The open space parcel is to be maintained as such in perpetuity. This did not include prime agricultural

# Attachment A

SLO LAFCO Ag Policies



- h. If the Commission changes the Sphere of Influence agreed upon by the city and the County, the agreement shall not be implemented; however, it may be renegotiated if both parties agree to further discussions.

## **2.9 Agricultural Policies**

The policies in this section are designed to assist LAFCO in making decisions that achieve the Goals stated in the previous section. A policy is a statement that guides decision making by indicating a clear direction on the part of LAFCO. The following policies support the goals stated above and shall be used by San Luis Obispo LAFCO when considering a proposal that would involve agricultural resources:

1. Vacant land within urban areas should be developed before agricultural land is annexed for non-agricultural purposes.
2. Land substantially surrounded by existing jurisdictional boundaries should be annexed before other lands.
3. In general, urban development should be discouraged in agricultural areas. For example, agricultural land should not be annexed for nonagricultural purposes when feasible alternatives exist. Large lot rural development that places pressure on a jurisdiction to provide services and causes agricultural areas to be infeasible for farming should be discouraged.
4. The Memorandum of Agreement between a city and the County should be used and amended as needed to address the impacts on and conversion of Agricultural Lands on the fringe of a city.
5. The continued productivity and sustainability of agricultural land surrounding existing communities should be promoted by preventing the premature conversion of agricultural land to other uses and, to the extent feasible, minimizing conflicts between agricultural and other land uses. Buffers should be established to promote this policy.
6. Development near agricultural land should not adversely affect the sustainability or constrain the lawful, responsible practices of the agricultural operations.
7. In considering the completeness and appropriateness of any proposal, the Executive Officer and this Commission may require proponents and other interested parties to provide such information and analysis as, in their judgment, will assist in an informed and reasoned evaluation of the proposal in accordance with these policies.





8. No change of organization, as defined by Government Code 56021, shall be approved unless it is consistent with the Spheres of Influence of all affected agencies.
9. Where feasible, and consistent with LAFCO policies, non-prime land should be annexed before prime land.
10. The Commission will consider feasible mitigation (found in the following guidelines) if a proposal would result in the loss of agricultural land.
11. The Commission encourages local agencies to adopt policies that result in efficient, coterminous and logical growth patterns within their General Plan and Sphere of Influence areas and that encourage protection of prime agricultural land in a manner that is consistent with this Policy.
12. The Commission may approve annexations of prime agricultural land only if mitigation that equates to a substitution ratio of at least 1:1 for the prime land to be converted from agricultural use is agreed to by the applicant (landowner), the jurisdiction with land use authority. The 1:1 substitution ratio may be met by implementing various measures:
  - a. Acquisition and dedication of farmland, development rights, and/or agricultural conservation easements to permanently protect farmlands within the annexation area or lands with similar characteristics within the County Planning Area.
  - b. Payment of in-lieu fees to an established, qualified, mitigation/conservation program or organization sufficient to fully fund the acquisition and dedication activities stated above in 12a.
  - c. Other measures agreed to by the applicant and the land use jurisdiction that meet the intent of replacing prime agricultural land at a 1:1 ratio.
13. Property owners of agricultural lands adjacent to a LAFCO proposal shall be notified when an application is submitted to LAFCO.

# Attachment B

SLO LAFCO Ag Guidelines



## APPENDIX B AGRICULTURAL GOALS-POLICIES-GUIDELINES

The Cortese-Knox-Hertzberg Act strongly encourages the preservation of prime agriculture land. LAFCO's mission is to discourage urban sprawl, preserve open space and prime agricultural lands, promote the efficient provision of government services and encourage the orderly formation of local agencies. In general terms, San Luis Obispo LAFCO's current policy base discourages premature conversion of agricultural lands, guides development away from existing agricultural lands and encourages the development of existing vacant lands within city boundaries prior to conversion of additional agricultural lands. The CKH Act clarified the many factors that LAFCOs must consider and balance in making decisions:

**“The Legislature recognizes that the logical formation and determination of local agency boundaries is an important factor in promoting orderly development and in balancing that development with the sometimes competing state interests of discouraging urban sprawl, preserving open-space and prime agriculture lands, and efficiently extending government services.”**

The written goals, policies, and guidelines in this document express LAFCO's intent to more specifically address the preservation of agricultural land, consistent with current policies and LAFCO's mandate. LAFCO must consider the effect that any proposal may produce on existing agricultural lands. This is balanced with the need to ensure orderly development and the efficient provision of services to certain areas. By guiding development toward urban areas and away from agricultural land, LAFCO helps to preserve important and valuable agricultural resources.

**Definitions.** Several terms are important in understanding agricultural resources. These terms and definitions are found below and are applicable throughout these policies. The Cortese-Knox-Hertzberg Act has a definition for agricultural land and prime agricultural lands that may include lands other than class one or two soil classification.

**56016.** *"Agricultural lands" means land currently used for the purpose of producing an agricultural commodity for commercial purposes, land left fallow under a crop rotational program, or land enrolled in an agricultural subsidy or set-aside program.*

**56064.** *"Prime agricultural land" means an area of land, whether a single parcel or contiguous parcels, that has not been developed for a use other than an agricultural use and that meets any of the following qualifications:*



- (a) Land that qualifies, if irrigated, for rating as class I or class II in the USDA Natural Resources Conservation Service land use capability classification, whether or not land is actually irrigated, provided that irrigation is feasible.*
- (b) Land that qualifies for rating 80 through 100 Storie Index Rating.*
- (c) Land that supports livestock used for the production of food and fiber and that has an annual carrying capacity equivalent to at least one animal unit per acre as defined by the United States Department of Agriculture in the National Range and Pasture Handbook, Revision 1, December 2003, developed pursuant to Public Law 46, December 1935.*
- (d) Land planted with fruit or nut-bearing trees, vines, bushes, or crops that have a nonbearing period of less than five years and that will return during the commercial bearing period on an annual basis from the production of unprocessed agricultural plant production not less than four hundred dollars (\$400) per acre.*
- (e) Land that has returned from the production of unprocessed agricultural plant products an annual gross value of not less than four hundred dollars (\$400) per acre for three of the previous five calendar years.*

The Cortese-Knox-Hertzberg Act further describes the intent of the legislation with regard to agricultural resources in Government Code section 56377, which states:

**56377.** *In reviewing and approving or disapproving proposals which could reasonably be expected to induce, facilitate, or lead to the conversion of existing open-space lands to uses other than open-space uses, the commission shall consider all of the following policies and priorities:*

- (a) Development or use of land for other than open-space uses shall be guided away from existing prime agricultural lands in open-space use toward areas containing nonprime agricultural lands, unless that action would not promote the planned, orderly, efficient development of an area.*
- (b) Development of existing vacant or nonprime agricultural lands for urban uses within the existing jurisdiction of a local agency or within the Sphere of Influence of a local agency should be encouraged before any proposal is approved which would allow for or lead to the development of existing open-space lands for non-open-space uses which are outside of the existing jurisdiction of the local agency or outside of the existing Sphere of Influence of the local agency.*



Government Code Section 56377 has been used by LAFCOs as the basis for developing more specific policies that address local circumstances and conditions.

### **Guidelines**

Guidelines provide further direction regarding the application of the goals and policies, but are more flexible giving LAFCO more discretion in application. These guidelines are used to advise and assist the public, agencies, property owners, farmers and other stakeholders with regard to LAFCO's expectations in reviewing a proposal that involves agricultural resources.

#### **Guideline 1.**

Applications submitted to LAFCO involving agricultural resources shall include analysis that evaluates the potential impacts (direct and indirect) of the proposal on agricultural resources. The California Environmental Quality Act (CEQA) analysis for a proposal shall evaluate the impacts affecting agricultural resources. At a minimum the following topics should be addressed:

- a. Detailed analysis of direct and indirect impacts on agricultural resources of the site and surrounding area.
- b. Potential diversion, availability and use of water that could impact agricultural lands or operations.
- c. A detailed description of the agricultural resource that is affected, including but not limited to soil types, existing and potential productivity, and surrounding land uses
- d. Use of transfer of development credits programs and purchase of development credits for the preservation of agricultural land and other approved programs.
- e. Analysis of mitigation measures that could offset impacts.
- f. Consultation with the County Agricultural Commissioners office.
- g. Williamson Act, Agricultural Easements, and other preservation programs.
- h. Urban Reserve Lines, Urban Limit Boundaries and Spheres of Influence.
- i. County and City General Plan Policies.



**Guideline 2.**

Consider including agricultural land as defined in the Cortese-Knox-Hertzberg Act into a Sphere of Influence if the following factors are addressed:

- a. Potential impacts of the conversion of the prime agricultural land.
- b. Future capability of farming activities for the site and surrounding area.
- c. Existing and potential productivity of the prime agricultural land.
- d. Land Preservation status: Williamson Act, easements, etc.
- e. Growth patterns in the surrounding area.
- f. General Plan Policies and Standards.
- g. Other relevant issues, such as potential impacts on agricultural tourism.

**Guideline 3.**

Consider approval of proposals that convert agricultural land when the Commission finds that the proposal will lead to planned, orderly, and efficient development. A proposal leads to the planned, orderly, and efficient development if all of the following criteria are met:

- a. The land subject to the change of organization or reorganization is contiguous either to lands developed with an urban use or to lands which have received all discretionary approvals for urban development.
- b. The proposed development of the subject lands is consistent with the Sphere of Influence of the affected agency or agencies.
- c. The land subject to the change of organization is likely to be developed within five years.

**Guideline 4.**

If a LAFCO proposal involves a loss of prime agricultural lands, property owners, Cities, the County, Special Districts, Community Advisory Councils, Resource Conservation Districts, and agricultural conservation agencies should work together as early in the process as possible to adequately mitigate the impacts.

**Guideline 5.**

Detachment of prime agricultural lands and other open space lands should be encouraged if consistent with the Sphere of Influence for that agency.



**Guideline 6.**

The following factors should be considered for an annexation of prime agricultural and open space lands:

- a. The proponent of the annexation should provide a land use inventory of the jurisdiction that indicates the amount of available land within the subject jurisdiction for the proposed land use.
- b. Evaluation of effective measures to mitigate the loss of agricultural lands, and to preserve adjoining lands for agricultural use to prevent their premature conversion to other uses. Such measures may include, but need not be limited to:
  1. Acquisition and dedication of farmland, development rights, open space and agricultural conservation easements to permanently protect adjacent and other agricultural lands within the county
  2. Participation in other development programs that direct development toward urban areas (such as transfer or purchase of development credits)
  3. Payments to responsible recognized government and non-profit organizations for the purpose of preserving agricultural lands;
  4. Establishment of buffers to protect adjacent agricultural operations from the effects of development

**Guideline 7.**

Annexation for land uses in conflict with an existing agricultural preserve contract shall be prohibited, unless the Commission finds that it meets all the following criteria:

- a. The area is within the annexing agency's Sphere of Influence.
- b. The Commission makes findings required by Government Code Section 56856.5.
- c. The parcel is included in an approved city specific plan.
- d. The soil is not categorized as prime.
- e. Mitigation for the loss of agricultural land has been secured in the form of agricultural easements to the satisfaction of the annexing agency and the County.



- f. There is a pending, or approved, cancellation for the property that has been reviewed by the local jurisdictions and the Department of Conservation.
- g. The Williamson Act contract on the property has not been renewed and final approval of the non-renewal has been granted.





LAFCO - San Luis Obispo - Local Agency Formation Commission  
SLO LAFCO - Serving the Area of San Luis Obispo County

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Commission Clerk

**TO: MEMBERS, FORMATION COMMISSION**

**FROM: DAVID CHURCH, EXECUTIVE OFFICER  
MIKE PRATER, DEPUTY EXECUTIVE OFFICER**

**DATE: MAY 21, 2020**

**SUBJECT: STATUS REPORT: FIERO LANE, FROOM RANCH,  
GATEWAY, MORRO BAY, BOUNDARY CHANGES-SAN  
SIMEON CSD SOLID WASTE ACTIVATION**

**Recommendation:** It is respectfully recommended that the Commission receive and file this report. (Information Only)

**Summary**

The report is to update the Commission and the public with regard to the proposals and projects currently being worked on by LAFCO. This report contains a brief status report for each of the following proposals:

1. Fiero Lane/Eastside Airport Annexation to the City of San Luis Obispo.
2. Froom Ranch Annexation to the City of San Luis Obispo
3. Gateway Annexation to the City of Paso Robles
4. Northern Morro Bay Boundary changes-MOU
5. San Simeon CSD Activation of the Solid Waste Authority

Also provided is an estimate regarding timing of these proposals and projects. This is not intended to be an in-depth study session for these activities, but rather an information session to inform the Commission and public about what is coming down the road in terms of applications.

**Attachments**

- A:** Fiero Lane and East Airport Annexation Map
- B:** Froom Ranch Annexation Map
- C:** Gateway Annexation Map, Project Summary, and EIR Comments
- D:** Morro Bay/Chevron MOU
- E:** San Simeon CSD

1. **Fiero Lane/East Airport Annexation to the City of San Luis Obispo** - The Fiero Lane portion of this Annexation was submitted to LAFCO on March 6, 2020. The City is continuing to work on submitting the Eastside Airport portion. Both areas are largely built out in the County as business parks and manufacturing/service areas. An information hold letter has been sent to allow the City to complete the application. A Draft Notice to Commence Property Tax Negotiations was sent to the CAO's office on April 20, 2020. This allows the City and County to begin the property tax agreement process.

Once all the necessary information is submitted and the Property Tax Agreement is approved by both jurisdictions, the annexation may be considered by the Commission. This is anticipated in late summer. Both annexation areas were included in the City's Sphere of Influence. An Outside User Agreement was approved for water and sewer services with Fiero Lane Mutual Water Company by LAFCO in April 2016. Both areas are largely with manufacturing and business park development. Attachment A shows the boundaries of the Fiero Lane and East Airport Annexation areas.

2. **Froom Ranch Annexation to the City of San Luis Obispo** - The Froom Ranch Annexation is a development plan being considered by the City. It is a 110-acre area located off of Los Osos Valley Road south of Home Depot. The project proposes a senior living facility that would provide a range of services from independent living to memory care. The City of San Luis Obispo has released a Draft Environmental Impact Report (DEIR), and held a Planning Commission hearing on December 11, 2019.

The City anticipates additional public review by advisory bodies (Architectural Review Committee, Cultural Heritage Commission, Parks and Recreation Commission, Active Transportation Committee, Planning Commission, and City Council). The Final EIR and project entitlements should be considered by the City in Spring-Summer 2020. The application to LAFCO may be submitted in summer or early fall. Key issues to be considered include: conversion of agricultural land, and traffic and circulation. Attachment B shows the boundaries of the probable annexation.

3. **Gateway Annexation to the City of Paso Robles** This proposal considers the Sphere of Influence Amendment and Annexation of the Gateway/Furlotti project area to the City of Paso Robles. The property is located within the unincorporated area of San Luis Obispo, adjacent to the southwest edge of Paso Robles City limits and northwest of the U.S. 101 and Highway 46 West interchange. The SOI Update and Memorandum of Agreement provided direction to proceed towards consideration of sphere amendment and annexation concurrently. This process allows a proposed project and EIR to be fully reviewed by the public, the City, and other agencies prior to LAFCO considering the proposal.

A land use approval and EIR have been prepared and are scheduled to be considered by the City this summer. The Land Use approval and Environmental Impact Report would address a variety of issues: the traffic and circulation system impacts, water supply issues, and agricultural issues. LAFCO Staff submitted a comment letter regarding the EIR. Attachment C shows the boundaries of the Annexation areas and has a summary of the project provided by the City, as well as, LAFCO's comments regarding the Draft EIR.

4. **Northern Morro Bay Annexation to the City of Morro Bay** – Attachment D has a copy of the MOU agreed to by the Trust for Public Land, Chevron, the Cayucos Sanitary District and the City of Morro Bay. The agreement provides a framework for these parties to work together towards a related Sphere of Influence Amendment, a Detachment, and a transfer of property. LAFCO is not a party to the MOU and maintains its discretion in regard to actions under its jurisdiction.

The intent is to preserve a large portion of the acreage, amend the SOI to include the “Panorama Lots” adjacent to the City, Annex the Dog Beach area, and detach a small parcel east of highway one. This detached parcel would be eventually be annexed to the Cayucos Sanitary District. The City intends to submit the application for the SOI amendment and Detachment soon after Council approves the authorizing resolutions on May 26th. The City plans to submit the annexation application for the Dog Beach parcel at a later date.

LAFCO should carefully consider these proposals to ensure that the Open Space areas are set aside in perpetuity. This application may be submitted in late May or early June.

5. **San Simeon CSD Activation of the Solid Waste Authority** - The San Simeon CSD Board is scheduled to consider a Resolution of Application on May 13, 2020, that proposes activation of its solid waste power. This would allow the CSD to manage the franchise agreement with the service provider within its boundary. Franchise Fees for this area would be transferred from the County to the CSD. This enables those fees to be spent within the CSD’s boundary on solid waste projects that benefit the community. Otherwise the fees are allocated at the discretion of the County on a countywide basis.

The SSCSD will submit a Plan for Services which describes the San Simeon CSD goals, fiscal and service impacts associated with the activation. This proposal is anticipated to be considered by the Commission in July. Attachment E has a map of the District’s boundary.

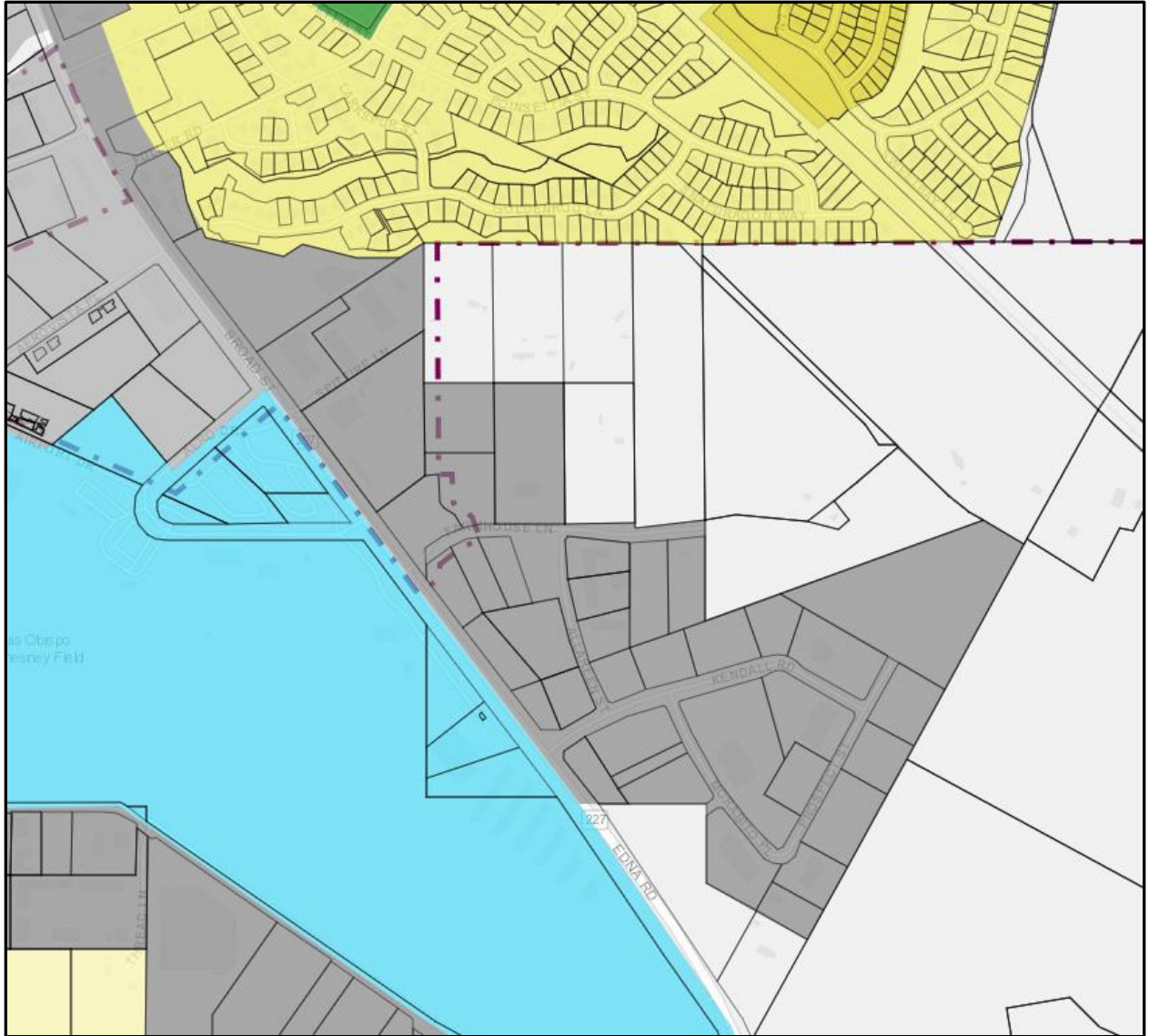
## Attachment A

### Fiero Lane and East Airport Annexation Map

Attachment A Fiero Lane/Clarion Court Annexation



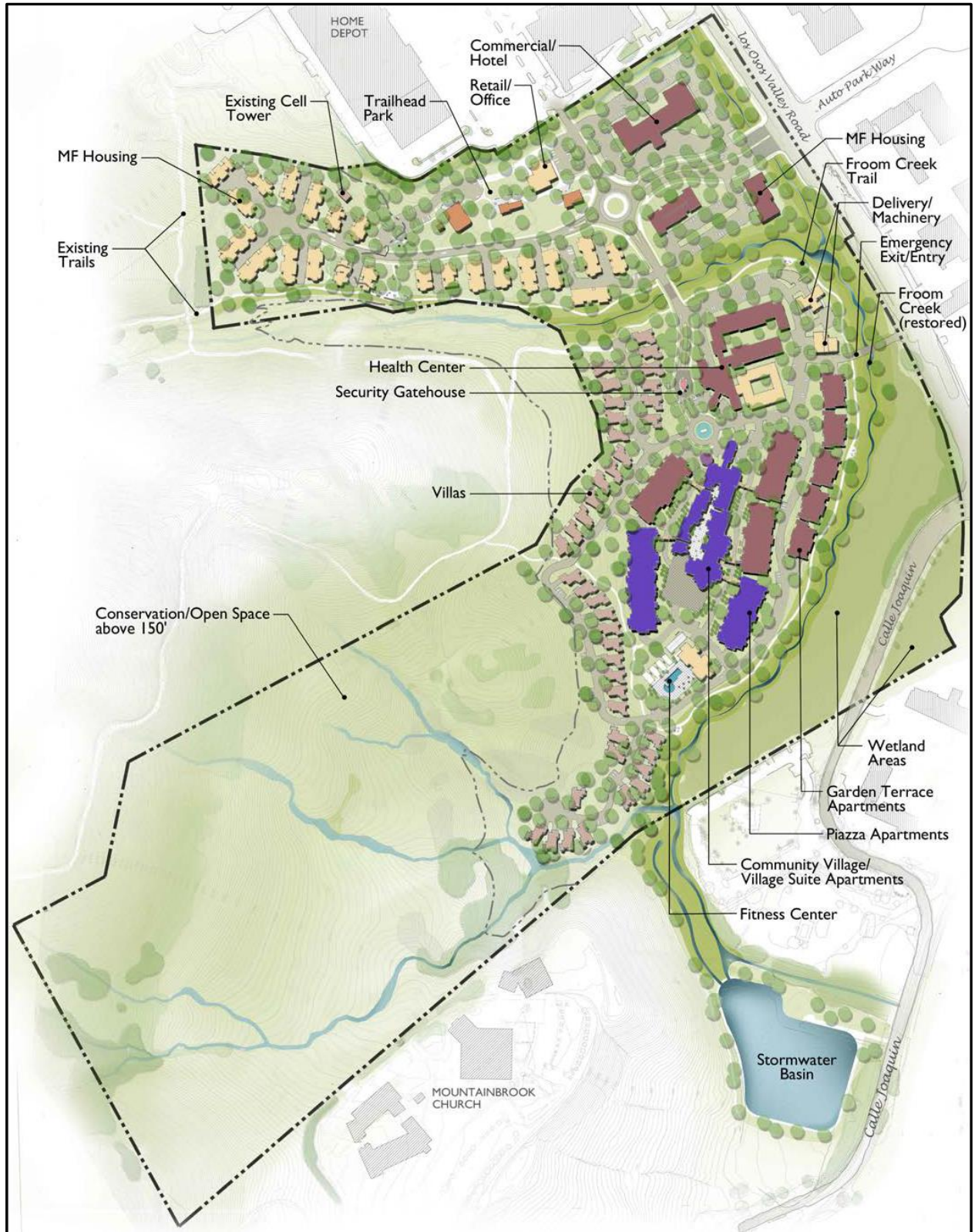
# Attachment A East Airport Annexation



## **Attachment B**

### **Froom Ranch Annexation Map**

# Attachment B Froom Ranch Specific Plan Annexation

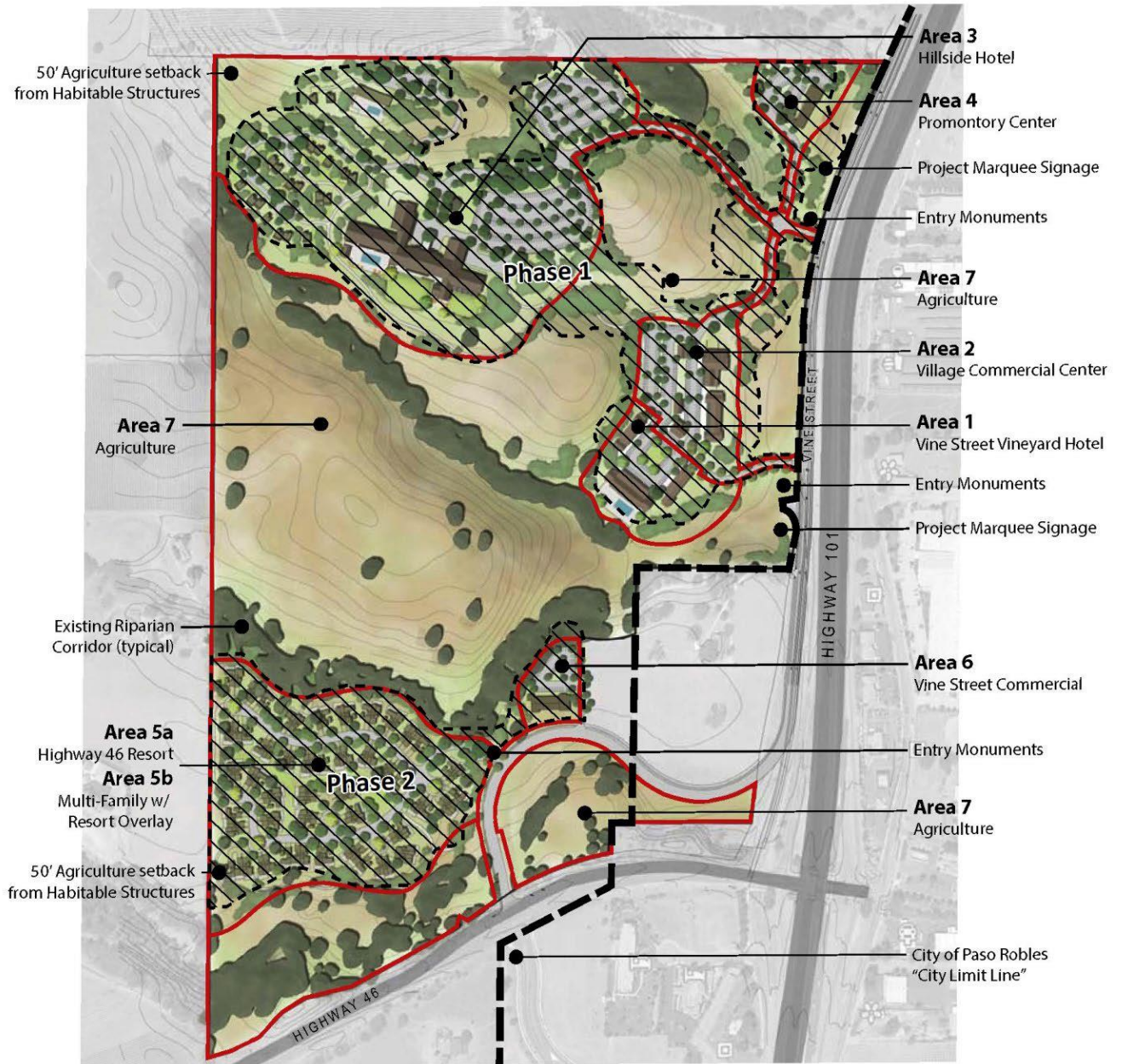




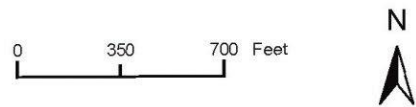
## **Attachment C**

### **Gateway Annexation Map City of Paso Robles Gateway project summary LAFCO Gateway-Draft EIR Comments**

# Attachment C Gateway Annexation



Source: FUSCOE ENGINEERING, 2018





# CITY OF EL PASO DE ROBLES

*“The Pass of the Oaks”*

## **GATEWAY ANNEXATION PROJECT SUMMARY**

The City of Paso Robles is seeking a study session with LAFCO to discuss the proposed Gateway Annexation project.

The Gateway project consists of 170 acres and is located within the unincorporated area of San Luis Obispo County, adjacent to the southwest edge of the Paso Robles City limits and northwest of the U.S 101 and Highway 46 West interchange. The property is bounded by S.R. 46 West on the south, South Vine Street (frontage road) and U.S. 101 on the east, and vineyards and rural residential uses on the north and west. The project is located approximately 1,000 feet north of the Target shopping center and 1,000 feet west of the Firestone Walker Brewery. See Figure 1.

The project site currently has a County of San Luis Obispo general plan land use designation of Residential Suburban and Agriculture. (The County does not use independent zoning designations.) Existing and historical use of the site includes intermittent grazing and a non-irrigated almond orchard. The almond orchard is no longer in commercial production. There are approximately 200 oak trees on the property, most of which are found along several intermittent drainages that flow from west to east across the property.

The project includes a request for annexation into the City, a General Plan Amendment, and Pre-Zoning of the property by the City to establish land use designations and zoning for the proposed uses. If approved, LAFCO would need to amend the City’s Sphere of Influence and approve annexation of the land to the City before development could commence. Once the annexation process is formally completed, the zoning established during pre-zoning will apply to the property. Other approvals required for the project would include a Development Agreement, Lot Line Adjustment, Vesting Tentative Tract Map, and one or more Planned Development Permits or Conditional Use Permits to address phasing and conditions for the subareas of the project.

The conceptual development plan for the project provides for the development of two hotels, several commercial centers, and a limited number of high-density residential units or a third hotel. The project would retain approximately 98 acres of land for agriculture and open space uses, of which 32 acres would be placed into an agricultural conservation easement. See Figure 2 and Table 1 for more detailed information regarding the proposed uses.

The project would also facilitate the realignment and reconstruction of South Vine Street. The South Vine Street realignment was previously evaluated in the May 2008 Caltrans Mitigated Negative Declaration/Environmental Assessment with Finding of No Significant Impact (EA 05-451300). The August 2, 2016 Settlement Agreement dictates the terms of the property conveyance between the Quorum and CENCO properties and the offer of dedication for realignment and construction of Vine Street.

The project is currently undergoing environmental review and an EIR is being prepared. Staff anticipates a draft EIR for public review will be available late summer/early fall.



LAFCO - San Luis Obispo - Local Agency Formation Commission  
SLO LAFCO - Serving the Area of San Luis Obispo County

April 10, 2020

**SENT VIA E-MAIL**

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**ALTERNATES**

ED EBY  
Special District Member

STEVE GREGORY  
City Member

HEATHER JENSEN  
Public Member

JOHN PESCHONG  
County Member

**STAFF**

DAVID CHURCH  
Executive Officer

BRIAN A. PIERIK  
Legal Counsel

MIKE PRATER  
Deputy Executive Officer

IMELDA MARQUEZ  
Commission Clerk

Darren Nash, City Planner  
Community Development Department  
City of Paso Robles  
1000 Spring Street  
Paso Robles, CA 93446

**Subject: Comments on Draft Environmental Impact Report (EIR)  
Gateway Annexation (Annexation Permit No. ANX 16-001 and Planned Development Permit No. PD 17-0090)**

Dear Mr. Nash:

Thank you for the opportunity to comment on the draft Environmental Impact Report for the Gateway Annexation project. The Local Agency Formation Commission (LAFCO) is a Responsible Agency that may use this document for consideration of a future Sphere of Influence Amendment and Annexation to the City of Paso Robles. Please consider the following comments:

- 1. Agricultural Resources comments.** The use of the Natural Resources Conservation Service (NRCS) classification for the definition of prime agricultural is one component of consideration of LAFCO's definition under the Cortese-Knox-Hertzberg Act (CKH Act). The FEIR should clearly explain impacts and mitigation by identifying the prime agricultural land, per LAFCO's entire definition, and any areas that are being converted. The Final EIR should be revised to include reference to LAFCO's prime agricultural lands definition discussing all lands that meet this definition, discuss lands converted by the proposed development, and lands being preserved under conservation easements. A final analysis of compliance with LAFCO's policies or any new mitigation that may be required to comply.

The applicant is proposing to provide an on-site agricultural/conservation easement of 32.3 acres to mitigate the conversion of prime agricultural land at greater than a 1:1 ratio. The on-site agricultural/conservation easement portion is of lesser quality than that being converted.

The mitigation to require irrigation of the agriculture would not set a good precedent or good use of water. The potential for dry-farming should remain available.

Having the on-site land placed under an easement that's greater than 1:1 ratio would meet LAFCO's Agricultural Policy. Because the quality of soil being protected is lesser than the quality of soil being converted, having a greater than 1:1 ratio for protecting agricultural land could be acceptable.

An additional, 49.7 acres identified in the Master Development Plan would be used as additional vineyard or other agricultural use, with an additional 16.6 acres remaining as habitat open space; these additional acres would not be under a conservation easement.

The Mitigation Monitoring Plan states the "*Project applicant shall demonstrate on Project plans the areas of the Project site that will be designated for agricultural use before final plan approval. The Project applicant shall also submit proof of permanent agricultural/conservation easement prior to final plan approval.*" LAFCO requires the agricultural easements be recorded prior to filing the annexation Certificate of Completion with the Clerk Recorder's Office.

- 2. Water Resource comments.** The projects potable water demand would be 144 AFY. The DEIR states the City has additional water supply from its Nacimiento water, groundwater from the basin and water from Salinas River. The City holds a 6,488 AFY delivery entitlement from Lake Nacimiento water. In order to directly use the Nacimiento entitlement, the City constructed a surface water treatment plant with an anticipated yield of approximately 2,017 AFY at City buildout in 2045. The DEIR also states the treatment plant operation could be increased to provide up to 2,688 AFY of water for City use, or 617 AFY more than currently anticipated by the 2045 demand. The FEIR should provide greater clarity about what increases or upgrades are needed for the City water supply to produce the demands needed to meet the City's buildout plus the Gateway Project. The FEIR should identify what improvement, if any, are required to increase the water supply by the 617 AFY.

The DEIR completed a water supply assessment (WSA) report that concluded the City has adequate potable supply to provide a reliable long-term water supply for the project under normal and drought conditions. As noted, in the WSA, the Paso Robles Groundwater Basin is currently facing legal challenges with the next phase of the case to determine how much water public water suppliers have a right to pump. Should the rights to pump be decreased the FEIR should identify if the water supply is adequate at City buildout plus Gateway Project.

Concerns from other water purveyors, within the Atascadero Sub-Basin, have requested the existing wells be metered and water use be reported to the City. The City should consider a condition limiting pumping to ensure the groundwater levels don't begin decline. The FEIR should address these concerns and consider adding mitigation to have the existing wells be metered and reports regarding the amount of water used be sent to the City.

The two existing wells on the Furlotti Ranch, that are within the Atascadero Sub-Basin, provide water to existing vineyard operations located west of the property and will continue to operate for existing purposes. Any future agricultural uses that are planned within the AG conservation easement areas may also utilize these wells. The DEIR identifies impacts and mitigation that these wells shall be continued as outlined in the Development Agreement. Mitigation is required for future use of the wells for additional agriculture uses on the project site and adjacent properties. As stated above, the mitigation to irrigate the agriculture uses would not set a good precedent or good use of water. The FEIR should consider deleting this mitigation.

3. **Wastewater comments.** According to the City's 2019 Wastewater Collection System Renewal Strategy and Master Plan, two sewer main line segments that would receive flow from the Project are identified as capacity deficient under existing and five-year peak flow conditions. These lines must be upsized in order to accommodate any additional wastewater flow from the proposed development. These sewer main lines are located at the SR 46 West interchange with U.S. 101 and in Ramada Drive. As mitigation, the project would be required to contribute its equitable share to fund the sewer main line improvements in the vicinity of the Project site. Costs above and beyond the Project's equitable share shall be addressed through such options as fee credits, reimbursement agreements, or development agreements, based on City requirements. The FEIR should provide analysis that adequate capacity will be available and the upsized pipelines will be completed prior to final occupancy permits.
4. **Traffic and Circulation comments.** A traffic study was included in the DEIR for this project. Environmental impacts and mitigation measures are identified. The Gateway project was identified as having an impact to the circulation system at the intersection of South Vine Street and Highway 46. The DEIR has identified added traffic to the U.S. 101/Main Street Interchange, where LOS currently exceeds the County LOS D target. The City will identify this impact as a Class I significant and unavoidable impact. However, mitigation to contribute to the Fair Share Funding to the Templeton Road Improvements Fee Program was identified to assist with offsetting the impact. A second Class I significant and unavoidable impact would occur along U.S. 101 mainline segments and intersection operations that would exceed the Caltrans LOS C target. The FEIR

should provide clear timelines for when traffic improvements will be constructed. Lastly, it is unclear if the traffic study considered additional traffic counts from neighboring communities that use these routes.

The Caltrans South Vine Street Alignment Project proposes shifting the alignment of South Vine Street towards the west in a broad “S” curve to meet State Route 46 west. Because the realigned South Vine Street crosses a small drainage course north of State Route 46 West, the City has prepared an alternative shorter bridge design to include a 165-foot-long free-span bridge that will be less expensive to complete than the 220-foot long free-span bridge originally proposed by Caltrans. The DEIR includes an analysis of the effect on resources of both bridge options. The FEIR should provide a clear analysis after each of the Gateway Project Phases which physical traffic improvements would be implemented to alleviate traffic to both the U.S. 101 and State Route 46 West and the U.S. 101/Main Street Interchange. Both currently operate at a LOS below the acceptable standard.

Adequate funding and timing of that funding to make these necessary improvements will play an important part in seeing circulation enhancements in the area and could be a factor in the annexation decision.

5. **Affordable Housing comments.** The DEIR states the City of Paso Robles determined in the NOP and scoping process, there was no substantial evidence that the project would cause or otherwise result in significant environmental effects in the areas of Population/Housing. The DEIR does not provide further details or analysis regarding affordable housing issues.

The DEIR addresses some aspects of providing occupants of non-residential uses with alternative transportation and smart commute information. It discusses the projects proposed 17-workforce housing units; however, the FEIR and or City should clarify how the project fulfills the City demand for affordable housing. The DEIR considered alternative option 5(b) that would allow vacation rental tenancy. A VRBO-type of unit for vacation rentals are commonly seen as removing housing units from the housing inventory. They, also, are often viewed as commercial property (investor owned) rather than actual housing stock. The FEIR should provide more information regarding this alternative including, percentage of units, housing affordability, vacation rental stock, and operations of how these units will be inhabited.

Section 4.16.6 Population/Housing outlines SLOCOG projections for City growth by year 2050 and the City’s goal of maintaining a balanced community. Primarily, the proposed project is for vacation/visitor serving destination uses with a smaller element of housing options. The DEIR does not address where the approximate 311 workers of the resort and lower wage jobs associated with

the project will live, commute, or afford a living wage to meet the City, County, and State needs. The DEIR states the housing units will be for service personnel working in the hotels. The DEIR does not state or provide mitigation on any of the housing units that will be deed-restricted or set aside for lower wage employees. The FEIR should include mitigation measures that offer first priority to local workers, residents, or project employees, onsite housing opportunities with a preference on meeting the lower wage sector. Greater analysis and discussion should be included in the FEIR or City process before LAFCO's consideration of the annexation.

We appreciate being contacted with regard to this project. If you have any questions regarding these comments please me at 805-781-5795.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. Prater".

Mike Prater  
LAFCO Deputy Executive Officer

cc. Brian Pierik, LAFCO Counsel  
Commissioners



## Attachment D

### Morro Bay/Chevron MOU

## MEMORANDUM OF UNDERSTANDING

Chevron Estero Marine Terminal, Lot 6SW

This Memorandum of Understanding (“MOU”), dated January 31, 2020, constitutes a **non-binding** agreement among The Trust for Public Land, a California nonprofit public benefit corporation (“TPL”), the City of Morro Bay (“**Morro Bay**”), the Cayucos Sanitary District (“CSD”), and Chevron Land and Development Company, a Delaware Corporation (“**Chevron**”), each of which may individually be referred to herein as a “**Party**” and collectively as the “**Parties.**”

### RECITALS

- A. The Parties are interested in achieving a common conservation goal and appropriate public ownership (“**Project**”) for Lot 6SW, as shown in Exhibit A (“**Property**”), which has been historically used by the general public and is commonly known as “**Dog Beach.**”
- B. Chevron sold the Property to CSD on September 17, 2019 pursuant to that certain Grant Deed but also subject to that certain Memorandum of Repurchase Rights/Option recorded concurrently with the Grant Deed, which Memorandum contains certain rights in favor of Chevron (“**Residual Rights**”).
- C. CSD is willing to sell the Property to TPL, which will concurrently sell it to Morro Bay, with the ultimate intention that the Property will continue to be used for the benefit of the public.
- D. TPL’s purchase of the Property and concurrent sale to Morro Bay will be contingent on TPL’s receipt of certain public and private funding, which funding and acquisition, in turn, is contingent on Chevron’s termination of the Residual Rights.
- E. Chevron ultimately desires to have its lots shown in Exhibit A in the Estero Marine Terminal (“**Panorama Lots**”) annexed into the City of Morro Bay. Chevron is willing to terminate its Residual Rights upon certain conditions specified below.

The Parties agree as follows:

1. **OPTION AGREEMENT:** TPL and CSD will negotiate in good faith to enter into an option agreement whereby TPL will have the right to purchase the Property from CSD subject to the termination of the Residual Rights and securing funding for the acquisition (“**Option Agreement**”). TPL shall remain the principal Party involved with negotiating the terms and provisions of the Option Agreement and the concurrent sale with Morro Bay.
2. **PUBLIC FUNDING:** TPL will use its best efforts to secure public and philanthropic funding sources to support the acquisition of the Property from CSD and concurrent sale to Morro Bay. TPL shall be solely responsible for all aspects of requesting, securing and reporting associated with the funding sources.
3. **OBLIGATIONS OF CHEVRON:** Chevron agrees to execute and acknowledge and deliver to

TPL and Morro Bay a document in a form satisfactory to Chevron, TPL and Morro Bay to terminate or transfer the Residual Rights following Morro Bay's submission of an application to the Local Agency Formation Commission ("**LAFCO**") to place the Panorama Lots within the City's Sphere of Influence and the LAFCO staff indicates support for same ("**LAFCO Application**").

4. **OBLIGATIONS OF MORRO BAY:** Morro Bay shall seek City Council approval to proceed with filing the LAFCO Application. The LAFCO Application shall also seek to annex Lot 6NW into the City of Morro Bay and to de-annex Lot 6NE, both of which respective lots are shown on Exhibit A. Morro Bay will make best efforts to (i) complete the LAFCO Application such that LAFCO can make a decision at its May 2020 meeting, and (ii) file the LAFCO Application as soon as feasible but no later than April 25<sup>th</sup>, 2020. The Parties understand that nothing in this MOU commits the City Council to approve the LAFCO Application and that such decision must be made by the City Council pursuant to applicable law, including, but not limited to, the Brown Act.
5. **OBLIGATIONS OF ALL PARTIES:** The Parties acknowledge that (i) funding for acquisition of the Property and other Estero properties planned for acquisition and public ownership are interdependent; and (ii) time is of the essence to obtain the LAFCO decision regarding the LAFCO Application. All Parties agree to make best efforts to support the LAFCO Application for review at the LAFCO May meeting or as soon thereafter as feasible.
6. **OBLIGATIONS OF CSD:** CSD agrees to negotiate the terms of the Option Agreement with TPL, which will include standard provisions for the purchase of real property including the issuance of title insurance. CSD and TPL intend that the Option Agreement will be executed by the end of January 2020.
7. **OBLIGATIONS OF MORRO BAY AND TPL:** Concurrently with the negotiations between TPL and CSD as to the Option Agreement, Morro Bay and TPL will negotiate a purchase and sale agreement ("**PSA**") to be consummated concurrently with TPL's acquisition of title to the Property under the Option Agreement.
8. **OPTION TERMINATION:** If the Property is not acquired by TPL pursuant to the terms of the Option Agreement (as may be extended), all Parties shall be relieved of further obligations under this MOU. In such event, TPL shall be solely responsible for returning funds that it raised for the acquisition of the Property where such funds need to be returned in the event the Property is not acquired.
9. **INTENT:** This MOU is intended to memorialize the Parties' intent and desire to work together to perform the tasks required (including the Option Agreement and PSA) in connection with the acquisition of the Property by Morro Bay for continued public use free of the Residual Rights, while Morro Bay concurrently seeks City Council approval to file the LAFCO Application. Chevron intends, after LAFCO approval of the LAFCO Application, to request that Morro Bay annex the Panorama Lots into the City of Morro Bay ("**Annexation**"). The Parties understand that Morro Bay is not committing to approve

the Annexation, as such action must be made by the City Council and in compliance with applicable law, including the City of Morro Bay Municipal Code.

**10. NON-BINDING; TERMINATION:** This MOU is non-binding and is intended only to provide a framework for continued discussions between the Parties in connection with the Project. It is an expression of the current intent of the Parties but is not intended to constitute an agreement that will be legally binding on any Party. No Party has any obligation, responsibility, or liability to any other Party for failure to complete the items set forth above. This MOU is not binding and may be terminated in accordance with the terms set out in Section 8 above, or by any Party delivering written notice to the other Parties. Upon the termination of this MOU, no Party will have any liability under this MOU to any other Party, and the Parties will be released from all of their obligations under this MOU.

**11. COUNTERPART EXECUTION:** The Parties may execute this MOU in counterparts which together will constitute the entire MOU.

**TPL**

The Trust for Public Land, a California nonprofit public benefit corporation

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**CSD**

Cayucos Sanitary District, a political subdivision of the State of California

By: \_\_\_\_\_  
Its: \_\_\_\_\_

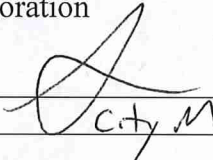
**CHEVRON**

Chevron Land and Development Company, a Delaware Corporation

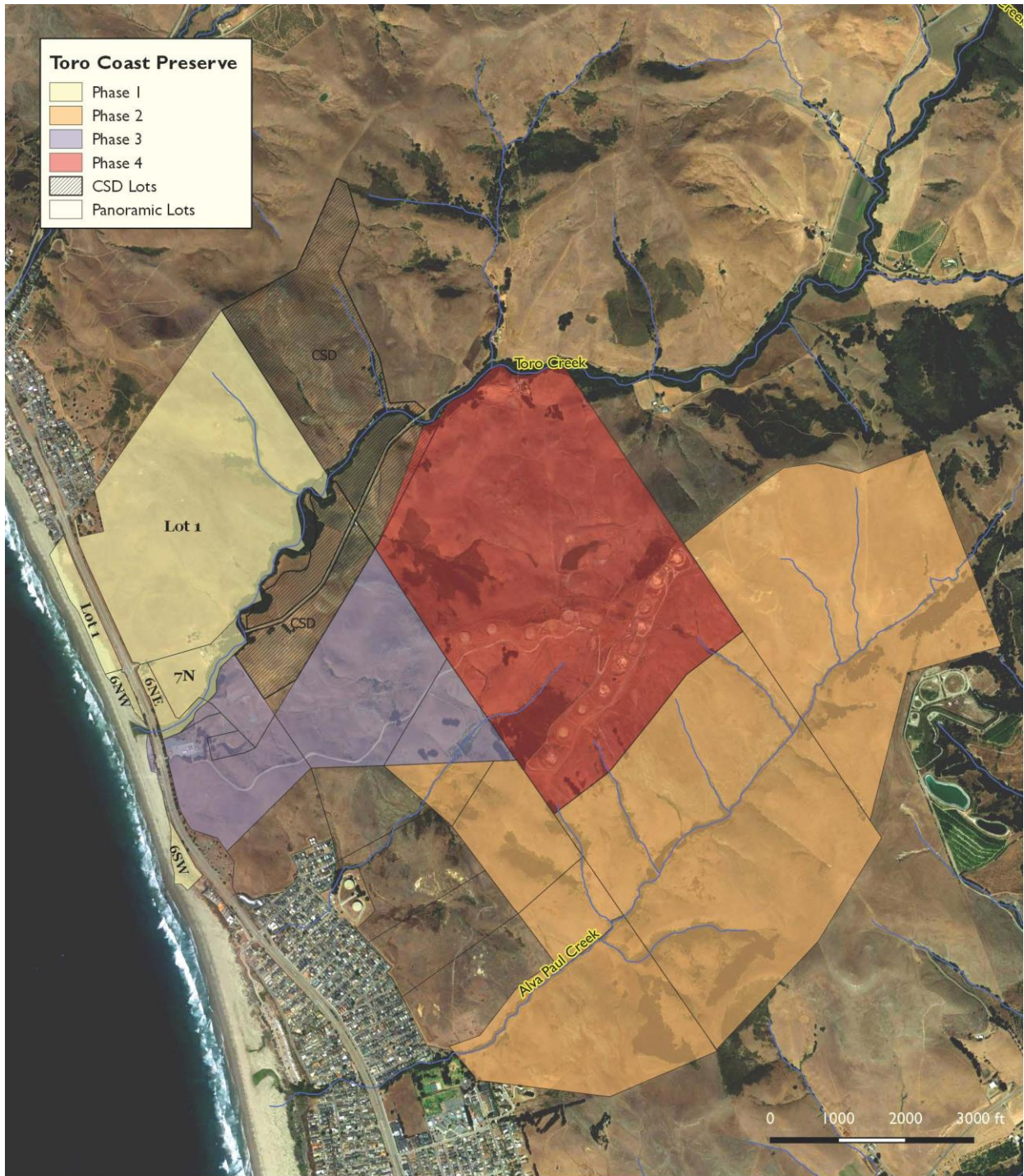
By: \_\_\_\_\_  
Its: \_\_\_\_\_

**MORRO BAY**

City of Morro Bay, a municipal corporation

By:  1/31/2020  
Its: City Manager

Attachment D N. Morro Bay Annexation



# Toro Coast Preserve

SAN LUIS OBISPO COUNTY, CALIFORNIA

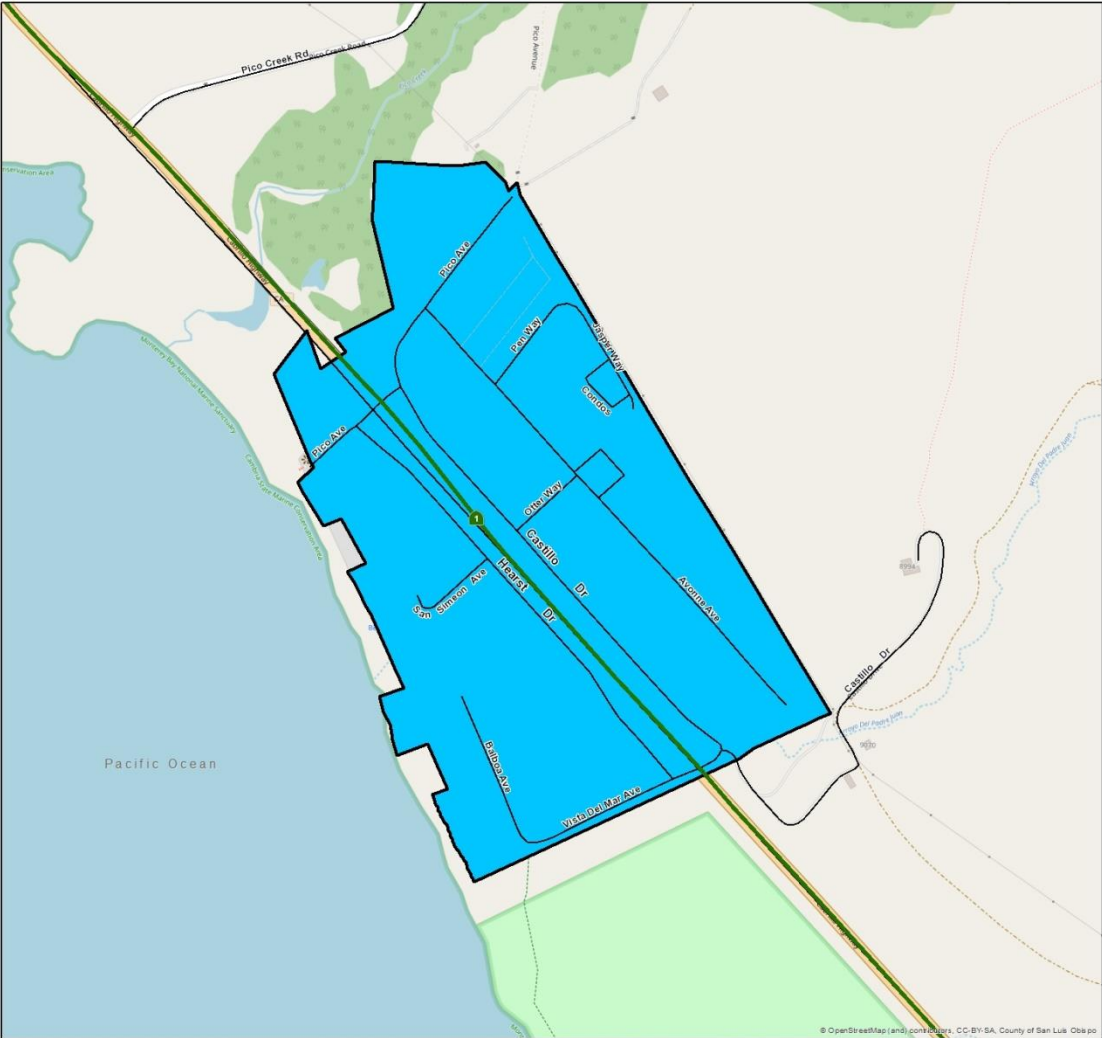


Attachment E




San Simeon CSD

Attachment E San Simeon CSD Service Boundary

**San Simeon Community Services District  
Service Area & Sphere of Influence  
Adopted: August 2014**



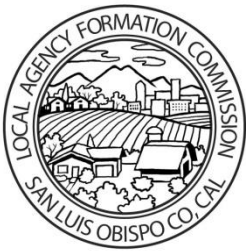
**Legend**

-  Major Roads
-  Service Area
-  Sphere of Influence (Same as Service Area)



Prepared By SLOLAFCO  
Name: San Simeon\_SOI Bndy  
Date: 12/13/2019





LAFCO - San Luis Obispo - Local Agency Formation Commission  
SLO LAFCO - Serving the Area of San Luis Obispo County

**TO: MEMBERS, FORMATION COMMISSION**

**FROM: DAVID CHURCH, EXECUTIVE OFFICER  
MIKE PRATER, DEPUTY EXECUTIVE OFFICER**

**DATE: MAY 21, 2020**

**SUBJECT: STATUS REPORT-SOUTH COUNTY AGENCIES SPHERE OF INFLUENCE UPDATE/MUNICIPAL SERVICE REVIEWS (NO ACTION REQUIRED)**

**COMMISSIONERS**

Chairperson  
TOM MURRAY  
Public Member

Vice-Chair  
ROBERT ENNS  
Special District Member

DEBBIE ARNOLD  
County Member

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**STAFF**

DAVID CHURCH  
Executive Officer

BRIAN A. PIERIK  
Legal Counsel

MIKE PRATER  
Deputy Executive Officer

IMELDA MARQUEZ  
Commission Clerk

**Recommendation.** It is respectfully recommended that the Commission consider the information provided at this status report and provide comments to staff as appropriate.

**Summary.** This status report is to provide the Commission and public with information regarding the City of Arroyo Grande, Grover Beach, Oceano CSD and South San Luis Obispo County Sanitation District Sphere of Influences(SOI) and Municipal Service Reviews (MSR) Update. The Public Review Draft SOI/MSR Update describes the various population trends, water supply and demand, and governmental structure for each jurisdiction as required by the Cortese-Knox-Hertzberg Act (CKH). The Public Review Draft Chapters for each jurisdiction can be found on the San Luis Obispo Local Agency Formation Commission (LAFCO) website by March 21, 2020: [www.slolafco.com](http://www.slolafco.com). Chapter one is an Introduction and Executive Summary to the document. Chapter two contains the proposed Sphere of Influence Updates for each jurisdiction. Chapter three discusses the City of Arroyo Grande. Chapter four discusses City of Grover Beach. Chapter five discusses Oceano CSD. Chapter six discusses the South San Luis Obispo County Sanitation District. The addition of a new chapter, Chapter seven discusses the Five Cities Fire Authority updates for their Municipal Service Reviews. A Categorical Exemption was determined to be appropriate and can be found in Appendix A. The Draft Memorandum of Agreement for the City of Arroyo Grande can be found in Attachment B.

**Background.** The Sphere of Influence Update and Municipal Service Reviews for the South County jurisdictions have been drafted and released for public review starting May 21. The Public Review includes a 30-day period for all interested parties to comment on the documents. The comment period for the Draft documents ends on June 22, 2020. The documents are available online at [www.slolafco.com](http://www.slolafco.com) or a CD can be obtained

**Attachments**

- A:** Public Review Draft SOI/MSR/NOE at ([www.slolafco.com](http://www.slolafco.com))
- B:** Draft Memorandum of Agreement (MOA)
- C:** Recommended Sphere of Influence Maps



for free by calling the LAFCO office.

**Status Report.** During this status report, staff will brief the Commission and the public with regard to the Sphere of Influence Update and Municipal Service Review prepared for the South County jurisdictions. Staff will summarize the information and determinations found in the draft documents. The report is informational in nature and provides an opportunity to identify issues and questions prior to the public hearing. Also the public is invited to provide any feedback or questions about the documents or the process. No action is requested by the Commission at this time. Please provide us with any comments, insights and questions you may have about the documents or the process.

The Five Cities Area Sphere of Influence was last updated in 2012. Under this update no additional study areas are being considered with the small exception of Virginia Drive in City of Arroyo Grande.

A Sphere of Influence Update and Municipal Service Review have been prepared in accordance with the CKH Act. The Sphere Update contained in Chapter Two of the document proposes a status quo Sphere of Influence for the City of Grover Beach, Oceano CSD, and South County Sanitation District. The Municipal Service Review addresses the service capabilities of each jurisdiction and the seven factors found in the CKH Act.

**Chapter 1 - Introduction and Executive Summary.** This chapter introduces terms and definitions, summarizes the purpose of the documents and describes the process of updating the SOI. The Executive Summary provides a summary of each of the factors for each jurisdiction considered in the Municipal Service Reviews and the recommendation regarding the SOI for each jurisdiction.

**Chapter 2 - Sphere of Influence Update.** The Sphere of Influence Chapter describes the requirements of the Cortese-Knox-Hertzberg Act and provides background regarding the existing SOI for each jurisdiction. It also identifies the Study Areas that were evaluated in determining the SOI, the City-County draft agreement between Arroyo Grande and the County, and the LAFCO staff recommendation for each jurisdiction. The draft MOA found in Attachment B is also summarized in this chapter. Also covered are the factors that are required by CKH for establishing a SOI. The Staff Recommendation is to maintain the existing SOI for the City of Grover Beach, Oceano CSD, and South County Sanitation District. With the exception of six existing parcels located south of Virginia Drive and east of Halcyon with single family residences are recommended to be added to the City of Arroyo Grande's SOI.

**Chapter 3, 4, 5, 6, & 7 - Municipal Service Reviews.** The purpose of the Municipal Services Review is to provide the Commission with information to update a jurisdiction's Sphere of Influence. The preparation of a Municipal Service Review is an information-driven activity. We have been assisted by City and District staff in gathering the information needed to prepare the Sphere Update and MSR for each jurisdiction. LAFCO staff has taken this information and reviewed, analyzed and summarized the data. The MSR along with the analysis and determinations called for by the Government Code is used as the

information base for the Sphere of Influence Update. The MSR addresses the seven factors that are required to be evaluated.

**Notice of Exemption (Appendix A).** 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 will 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.

**Draft Memorandum of Agreement (Appendix B).** The process of updating the Sphere of Influence and Municipal Service Review for the City of Arroyo Grande also involved meetings to revise the City-County Memorandum of Agreement (MOA). The MOA between the City of Arroyo Grande and the County of San Luis Obispo will be scheduled when recovered from COVID-19. The Board of Supervisors will schedule the MOA after the City's adoption. In the MOA, the City and County agreed to maintain the existing SOI and add Virginia Drive residences. The major addition would be the inclusion of property tax negotiation provision. Other formatting and wording that does not change the intent are included. The principles incorporated into the Draft MOA include:

**Orderly Development/Phasing.** In general, the SOI areas shall be developed in a phased manner, with the SOI area closest to the City (Fredericks) being considered first and the Williams property being considered after the Frederick project receives approval and is annexed into the City. Alternatively, a different phasing plan may be considered if it enhances the orderly and logical development of the area.

**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 Agriculture Element, and the pertinent policies in the City's General Plan, shall be used in developing the preservation policies and programs. A Transfer of Development Credits program may be used to encourage a density bonus as an incentive to property owners and developers

**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. The following goals shall be considered:

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

Phase urban development in a well designed 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.

- 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. Use land more efficiently*

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

**Property Tax Agreement.** Prior to processing an 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.

**City of Arroyo Grande Summary** - Arroyo Grande's existing Sphere of Influence includes approximately 185-acre agricultural parcel (Fredericks) and 200-acre Williams property (agricultural parcel) located adjacent to the Fredericks property and Highway 101 along the City's southeastern border which was added in 1998 and 2003 respectively. Tract 1724 was also added to the City's Sphere of Influence in 2003. The Newsome Springs area (Tract 1551) was added in 2012. These sites are already developed subdivision with single-family residences on larger lots. LAFCO staff evaluated the existing sphere properties as well as the following new Study Area #5 Virginia Drive. These six parcels are located south of

Virginia Drive and east of Halcyon. This area contains approximately 0.48 acres of already developed parcels. The homes have already been built and receive services from the City of Arroyo Grande. The area is essentially the back yards of the homes fronting Virginia Dr. Attachment C shows the recommended Sphere of Influence for the City of Arroyo Grande.

**City of Grover Beach Summary** - Grover Beach is bordered by the cities of Pismo and Arroyo Grande to the north and east respectively, by the Oceano Community Services District to the south and the Pacific Ocean to the West. The City is providing its residents with adequate services and is striving to improve and increase the level of services. The City is continuing to improve its service delivery system by reviewing how services are provided and how the systems can be improved. No changes are recommended to Grover Beach's Sphere of Influence because of the well-defined area of land occupied by the City. Attachment C shows the recommended Sphere of Influence for the City of Grover Beach.

**Oceano CSD Summary** - The District is providing its residents with adequate services and is striving to improve and increase the level of services, particularly for fire service. A ballot measure to increase assessment fees to increase participation and continue to be part of the Five Cities Fire Authority was scheduled in March 2020. Unfortunately, this ballot measure did not receive the required two-thirds approval. Oceano CSD will continue to part of the JPA until 2021. The District is considering its options including divestiture. No changes are recommended to Oceano CSD's Sphere of Influence. Attachment C shows the recommended Sphere of Influence for the Oceano CSD.

**South County Sanitation District Summary** - The District is continuing to improve its service collection system by building a redundancy system and continuing to reviewing how services are provided and how the systems can be improved. No changes are recommended to South County Sanitation Districts Sphere of Influence. Attachment C shows the recommended Sphere of Influence for the South County Sanitation Districts.

## Attachment A

Public Review Draft SOI/MSR/NOE  
can be found at  
([www.slolafco.com](http://www.slolafco.com))

## **Attachment B**

### **Draft Memorandum of Agreement (MOA) between the City of Arroyo Grande and the County of San Luis Obispo**

**Draft MEMORANDUM OF AGREEMENT  
BETWEEN THE CITY OF ARROYO GRANDE AND  
THE COUNTY OF SAN LUIS OBISPO  
REGARDING THE CITY'S SPHERE OF INFLUENCE**

This Agreement between the City of Arroyo Grande (hereafter "City") and the County San Luis Obispo County (hereafter "County") is entered into by the City on this \_\_\_\_\_ day of \_\_\_\_\_, 2020, and by the County on this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

~~This Agreement is entered into on this \_\_\_\_\_ day of \_\_\_\_\_, 2012, by and between the City of Arroyo Grande (hereafter "City") and the County San Luis Obispo County (hereafter "County").~~

WITNESSETH

WHEREAS, the Cortese/Knox/Hertzberg Act ("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, as needed; and

WHEREAS, the City and County entered into this Memorandum of Agreement (MOA) in 2003, and 2012 as part of updating the City's Sphere of Influence (SOI) Update; and

WHEREAS, the City and County have been working together to implement the existing MOA with regard to the SOI and specifically the Fredericks and Williams sites; and

WHEREAS, this updated MOA assists in clarifying the roles, responsibilities, and intentions of each jurisdiction and identifies the processes for working together in the future; and

WHEREAS, a Sphere of Influence is defined by Government Code 56076 as a plan for the probable physical boundaries and service area of a local agency, and pursuant to Government Code 56425 has been identified by the County of San Luis Obispo and the City of Arroyo Grande as contained in Exhibit A; and

WHEREAS, the Act further requires that a Municipal Service Review be conducted prior to or, in conjunction with, the update of a Sphere of Influence and such a Municipal Service Review has been prepared by LAFCO staff in accordance with Section 56430 of the California Government Code as a means of identifying and evaluating public services provided by the City

of Arroyo Grande and changes to the City's Spheres of Influence; and

~~WHEREAS, the Act strongly encourages the City and County to reach agreement regarding the boundaries (Exhibit A), development standards, and zoning requirements (Exhibit B) to ensure that development within the sphere occurs in an orderly and logical manner; and~~

WHEREAS, the City and County have reached an agreement regarding the Sphere of Influence boundaries (Exhibit A), and Terms and Provisions (Exhibit B); and

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

NOW, THEREFORE, the parties agree as follows:

1. The Sphere of Influence boundary contained in Exhibit A provides for the orderly and logical growth for the City of Arroyo Grande and represents an appropriate 20-year growth boundary based on existing information and current circumstances.
2. The Terms and Provisions contained in Exhibit B provide a framework for completing updates to the General Plans of both the City and the County for the areas in the Sphere of Influence.
3. The Terms and Provisions contained in Exhibit B are intended to provide the City and the County with the basis for developing specific land use policies and standards for the areas in the City of Arroyo Grande's Sphere of Influence and do not supersede or limit the planning or environmental review process of either jurisdiction or legally bind either jurisdiction.
4. The City and County shall use their General Plans to guide the logical and orderly development of these Sphere Areas while protecting agricultural and open space lands.



CITY OF ARROYO GRANDE

\_\_\_\_\_  
Mayor, City Council  
City of Arroyo Grande

APPROVED AS TO FORM AND LEGAL EFFECT:

\_\_\_\_\_  
City Counsel  
Dated:\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Clerk  
Dated:\_\_\_\_\_

COUNTY OF SAN LUIS OBISPO

\_\_\_\_\_  
Chair, Board of Supervisors

~~County of San Luis Obispo~~

ATTEST:

WADE HORTON

Ex-Officio Clerk of the Board of Supervisors

By: \_\_\_\_\_

Deputy Clerk

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL

County Counsel

By: \_\_\_\_\_

Deputy County Counsel

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

ATTEST:

\_\_\_\_\_

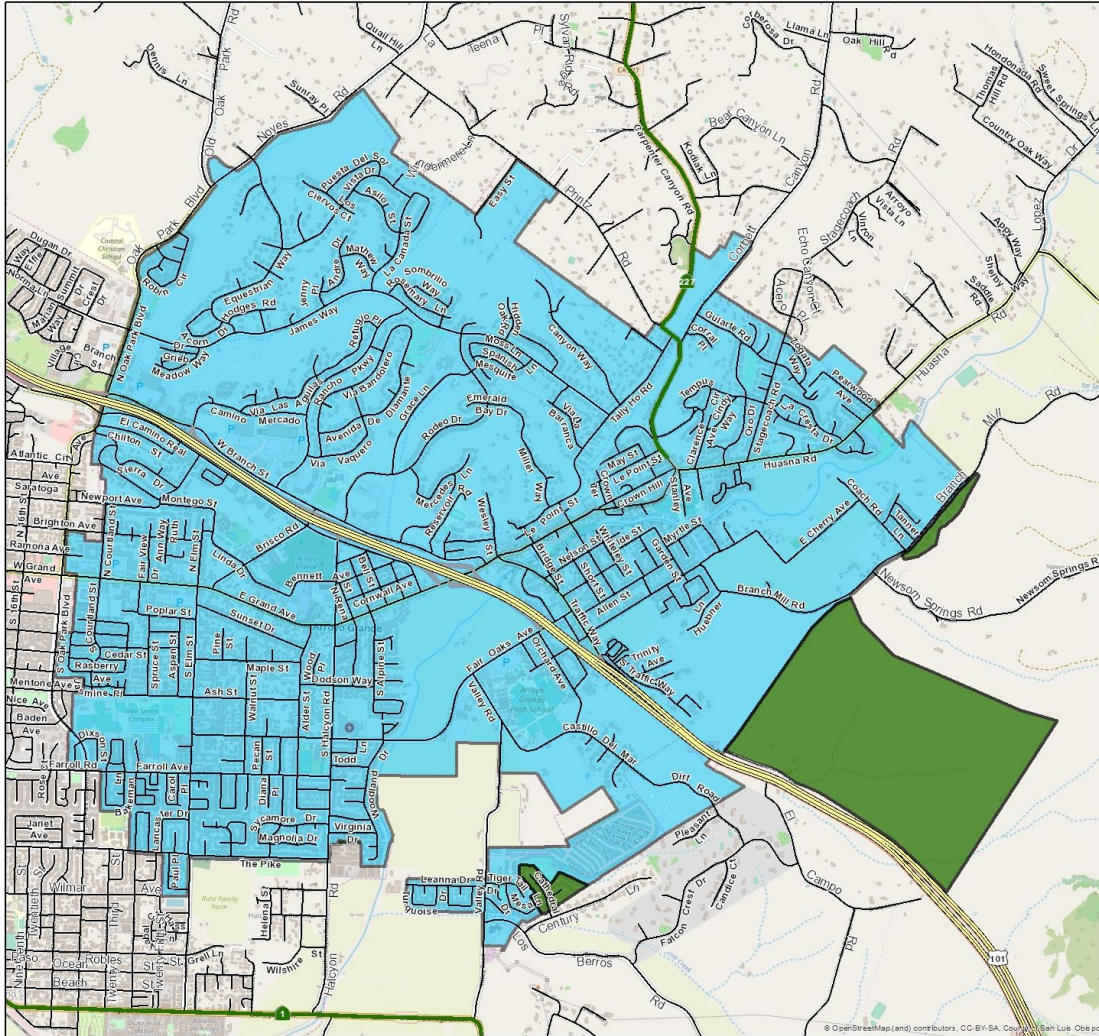
County Clerk \_\_\_\_\_

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




EXHIBIT A

SPHERE OF INFLUENCE BOUNDARY MAP

**City of Arroyo Grande  
City Limits & Sphere of Influence  
Recommendation**



**Legend**

-  Major Roads
-  Service Area
-  Sphere of Influence



Prepared By SLOLAFCO  
Name: City of Arroyo Grande\_SOI Bndy  
Date: 2/4/2020



EXHIBIT B  
TERMS AND PROVISIONS

The following Terms and Provisions are agreed to and shall be used by the City of Arroyo Grande and the County to develop the proposed Sphere of Influence as described in Exhibit A and to update their General Plans.

1. **Intent.** It is the intent of the County and the City to work cooperatively towards the goal of developing the agreed upon Sphere of Influence (as shown in Exhibit A) 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. **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 Arroyo Grande  
Community Development Dept.  
214 East Branch Road  
Arroyo Grande, CA 93421

Projects and activities that affect 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.

3. **Interim Development.** To the extent possible, the County shall limit the development in the Northern Arroyo Grande Fringe Area to what is allowed under current land use designations. This includes compliance with the standards regarding the Residential Rural and Residential Suburban land use categories found in the County's San Luis Bay Area Plan.
4. **City/County Shared Services, Infrastructure, and Facilities.** The County and City will evaluate the creation and implementation of various assessment and financing mechanisms to provide for the construction and maintenance of public improvements and services, such as; roads, storm water, Fire and Police emergency response, utilities, recreation and trail improvements, historical and cultural parks, and similar improvements that could serve visitors and residents of the City and the County. Special consideration shall be given to the possible development of impact fees that could assist both the County and the City in maintaining roads and other transportation infrastructure in the unincorporated area adjacent to the City where impact fees are not currently charged.
5. **Environmental Constraints.** The City and the County shall base their recommendations and decisions for the 180 acre Frederick site and the 200 acre Williams site (already within the City's SOI) on an environmental constraints analysis that studies resources such as, but not limited to, sensitive habitats, 100

year flood plain areas, agricultural lands with class I, II or III soils, open space resources, cultural resources, and areas of greater than 30% slopes. The Constraints Analysis shall be used to help prepare future plans for these SOI areas.

6. **Phasing.** In general, the SOI areas shall be developed in a phased manner, with the SOI area closest to the City (Fredericks) being considered first and the Williams property being considered after the Frederick project receives approval and is annexed into the City. Alternatively, a different phasing plan may be considered if it enhances the orderly and logical development of the area.
  
7. **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 Agriculture Element, and the pertinent policies in the City's General Plan, shall be used in developing the preservation policies and programs. A Transfer of Development Credits program may be used to encourage a density bonus as an incentive to property owners and developers.
  
8. **Land Uses.** The SOI as described in Exhibit A may include, but is not limited to residential, mixed-use, public facilities, visitor-serving, agricultural uses, and/or recreational uses. The following goals shall guide future development:
  - a. *Direct development toward existing incorporated areas and unincorporated urban areas with logical infrastructure connections*

Phase urban development in a well designed 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.
  
  - b. *Create walkable and transit friendly neighborhoods that have logical connections to other parts of the City*

Areas 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 other types of 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. *Use land more efficiently*

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

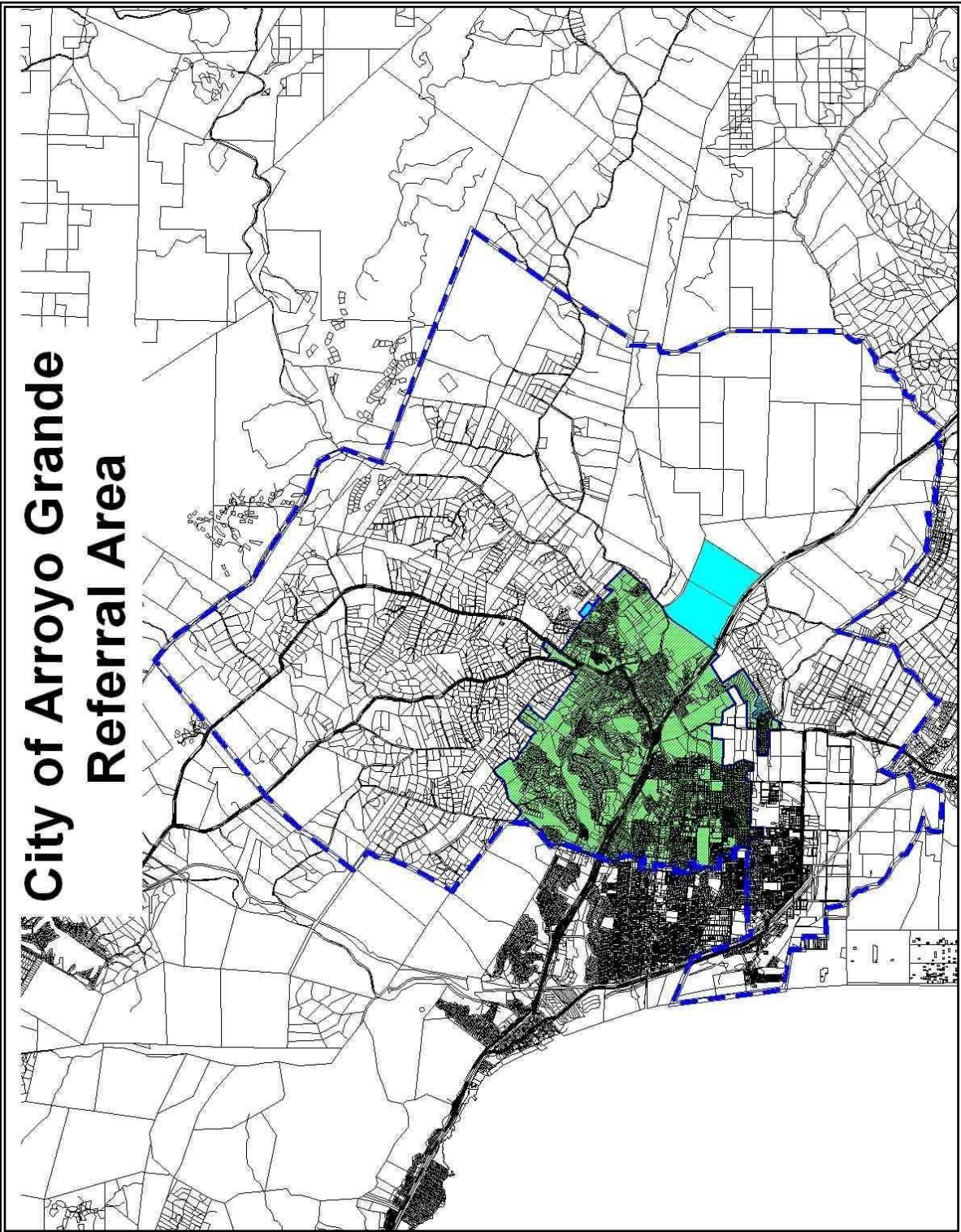
- 9. **General Plan Amendment.** The City intends to complete pre-zoning, pre-annexation, and any necessary pre-general plan amendment activities prior to or concurrent with an annexation proposal being processed by LAFCO. The County intends to complete any necessary amendments to its General Plan in the San Luis Bay Area Plan to reflect the annexation of territory to the City of Arroyo Grande. The County shall also consider policies for the northern part of the City/County boundary, currently zoned Residential Suburban, that limit the intensification of land uses in the area.

10. **Zoning Requirements/Specific Plan.** A land use plan, which identifies land uses within the Sphere of Influence areas, shall be prepared and adopted by the City prior to the annexation of the property into the City. The Plan shall be prepared in accordance with the City's General Plan and subject to environmental review which shall include analysis of issues related to completing the annexation, such as a reliable and adequate water supply, sewer capacity, and other services for the proposed project. Policies in the City's General Plan may apply to the SOI area.

11. **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.



EXHIBIT C - Referral Map

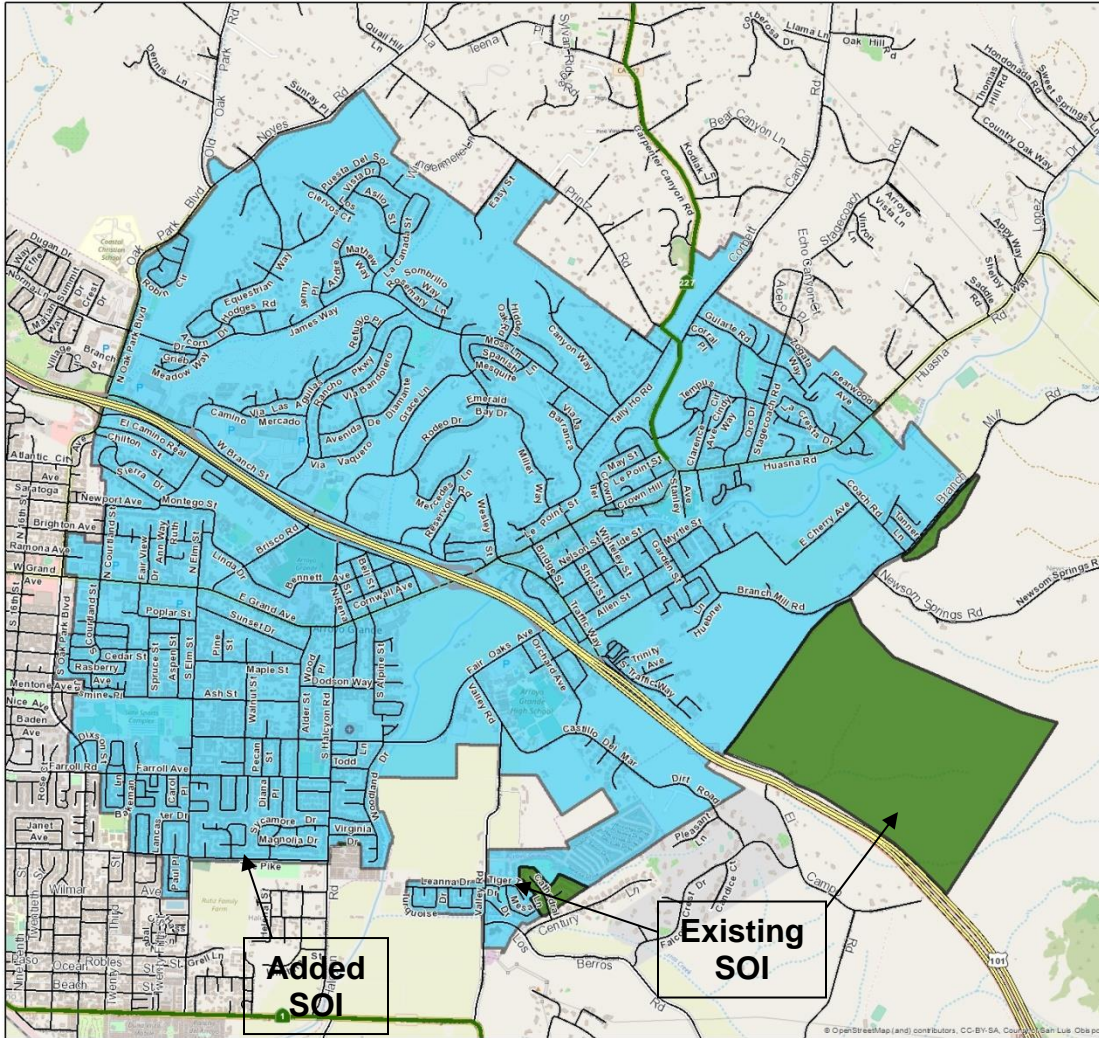


## **Attachment C**

### **Recommended Sphere of Influence Maps**

# Attachment C City of Arroyo Grande Recommended Sphere of Influence

## City of Arroyo Grande City Limits & Sphere of Influence Recommendation



**Legend**

-  Major Roads
-  Service Area
-  Sphere of Influence

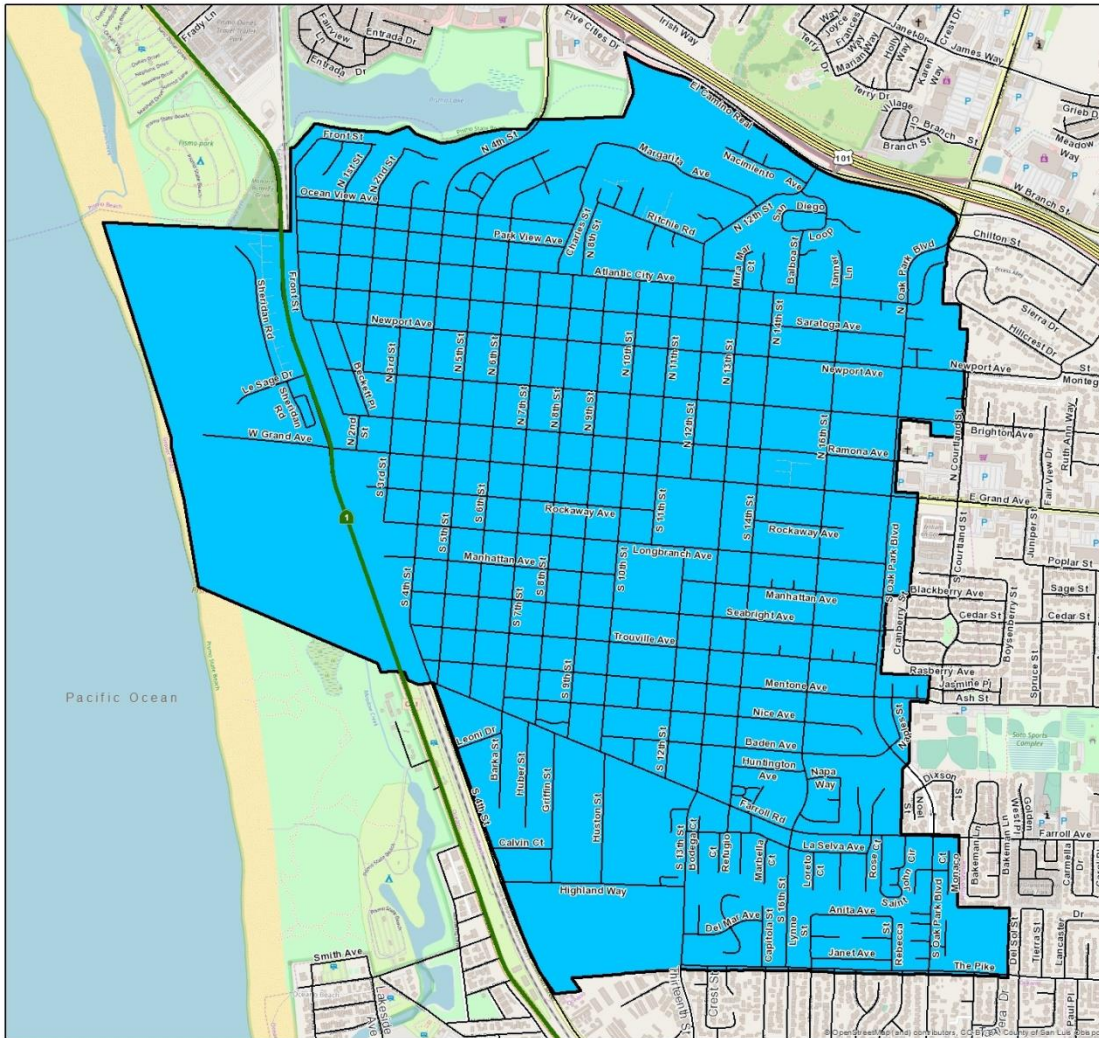


Prepared By SLOLAFCO  
Name: City of Arroyo Grande\_SOI Bndy  
Date: 2/4/2020






# Attachment C City of Grover Beach Recommended Sphere of Influence

## City of Grover Beach City Limits & Sphere of Influence Recommendation

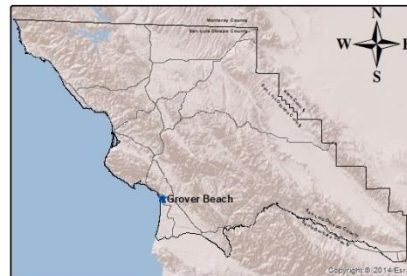


**Legend**

-  Major Roads
-  Service Area
-  Sphere of Influence (Same as Service Area)

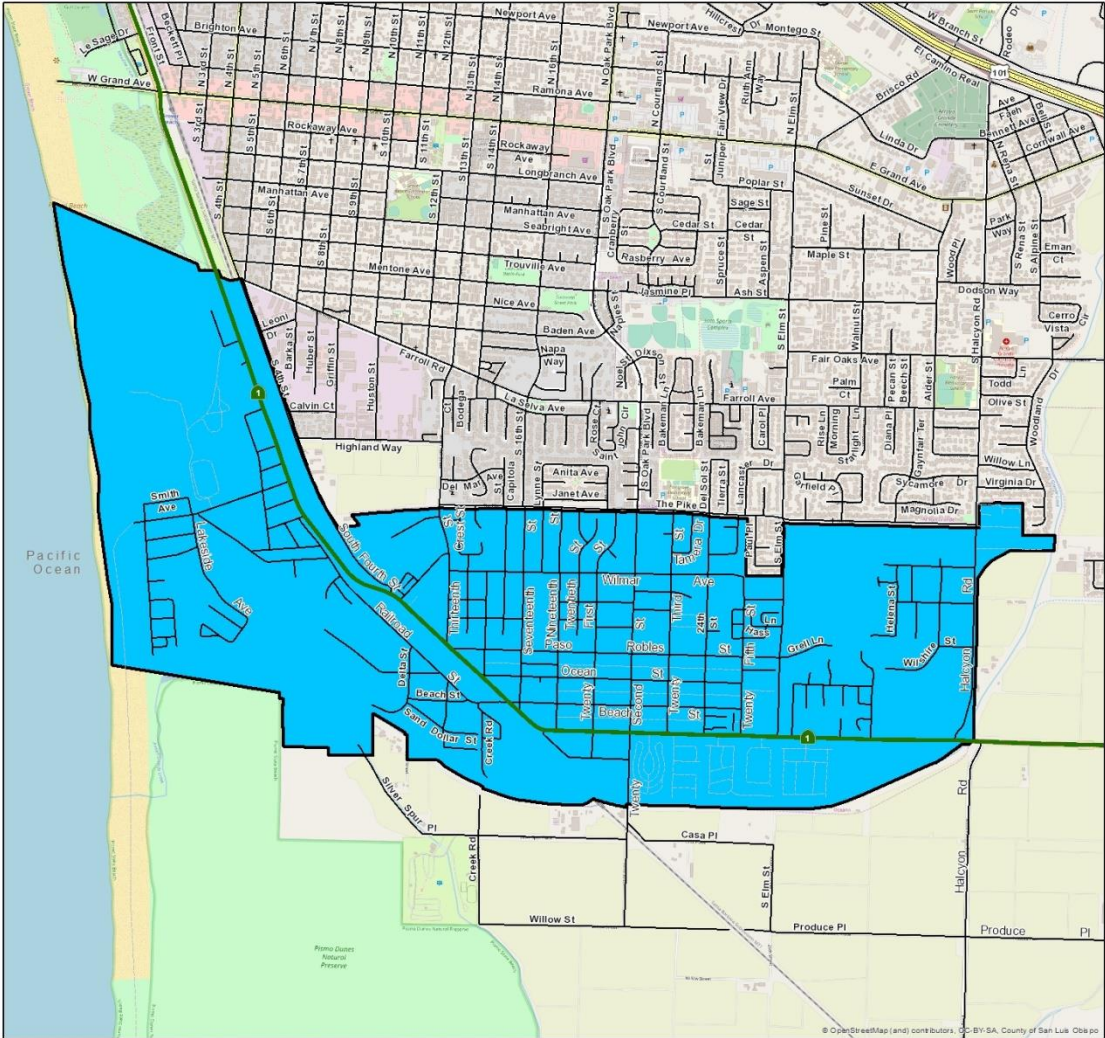


Prepared By SLOLAFCO  
Name: City of Grover Beach\_SOI Bndy  
Date: 2/4/2020






# Attachment C Oceano CSD Recommended Sphere of Influence

## Oceano Community Services District Service Area & Sphere of Influence Recommendation



### Legend

-  Major Roads
-  Service Area
-  Sphere of Influence  
(Same as Service Area)

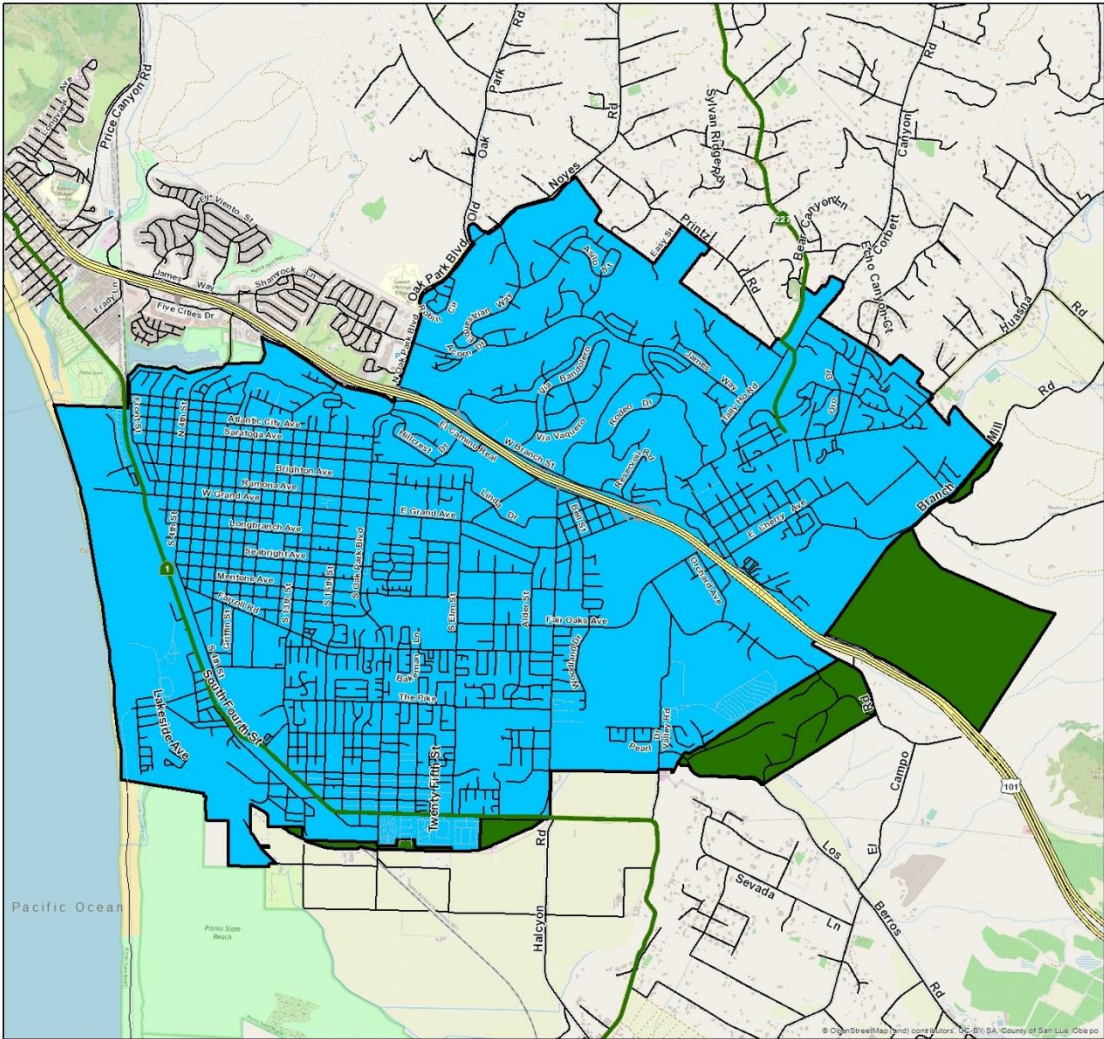


Prepared By SLOLAFCO  
Name: Oceano\_SOI Bndy  
Date: 2/4/2020






**Attachment C South San Luis Obispo County Sanitation District  
Recommended Sphere of Influence**

**South San Luis Obispo County Sanitation District  
Service Area & Sphere of Influence  
Recommendation**



**Legend**

-  Major Roads
-  Service Area
-  Sphere of Influence



Prepared By SLOLAFCO  
Name: South County Sanitation\_SOI Bndy  
Date: 2/4/2020

