



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:

You are strongly encouraged to observe the live stream of the LAFCO Commission meetings at:

<https://zoom.us/j/96396749178?pwd=QVA2ckJobTZGL0JnQW5pOG9KMGMF4QT09>

Webinar ID: **963 9674 9178**

Password: **695450**

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

1. Submit **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: imarquez@SLOLAFCO.com. Your comments will be read at the meeting; limited to 3 minutes per item.
2. 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.
3. Submit **live** comment by joining the meeting and press the "raise a hand" button or if joining by phone only, press *9 to indicate a desire to make comment. The chair will call you by name or phone number when it is your turn to comment; limited to 3 minutes per item.

* If you are joining by zoom & phone, still use the zoom raise hand button as *9 will not work.

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

November 19, 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

Mike Prater, Executive Officer

Phone: (805) 781-5795

Fax: (805) 788-2072

www.slolafo.com

MEETING ACCESS AND COMMENTS

LAFCO Commission meetings can be viewed at:

<https://zoom.us/j/96396749178?pwd=QVA2ckJobTZGL0JnQW5pOG9KMGF4QT09>

Webinar ID: 963 9674 9178

Password: 695450

Call in number: 1 669 900 6833

Public Comments: Instructions provided on the agenda cover

MEETING AGENDA

Call to Order/Roll Call

Approval of the Minutes: October 15, 2020 & October 23, 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. Following, there will be an opportunity to provide live comments; each speaker will be limited to a three-minute presentation. Go to the Agenda cover for more details on how to submit public comment.

Consent Agenda

A-1: CalPERS approval for Health Benefits Program for SLOLAFCO (Recommend Approval)



Regular Matters

- B-1:** Activation of Solid Waste Power for the San Simeon Community Services District LAFCO File No. 1-E-20 (Recommend Conditional Approval)
- B-2:** Annexation #81 to the City of San Luis Obispo (Fiero East-West Areas) LAFCO File No. 1-R-20 (Recommend Conditional Approval)
- B-3:** Annexation #11 to County Service Area No. 18 Country Club (Jack Ranch - Tract 2429) LAFCO File No. 2-R-20 (Recommend Conditional Approval)
- B-4:** Agreement for Temporary Employment between the San Luis Obispo Local Agency Formation Commission and David Church for Interim Executive Officer services (Recommend Review and Approval)

Informational Matters

- C-1:** Receive for Information Purposes proposal LAFCO File No. 4-R-20 - For the Torres Annexation to Nipomo Community Services District (Recommend Receive and File)

Commissioner Comments

Legal Counsel Comments

Executive Officer Comments

Adjournment

Note:

- (1) In compliance with the Americans with Disabilities Act (ADA), if you need special assistance to participate at this meeting, please contact the Clerk at 805-781-5795. Notification provided a minimum of 48 hours prior to the meeting will enable the Clerk to make reasonable arrangements to ensure accessibility to this meeting. Pursuant to the ADA, the meeting room is accessible to the physically disabled.
- (2) It is required by Government Code Section 84308 that a participant in a LAFCO proceeding who has a financial interest in the decision and who has made a campaign contribution of more than \$250 to any Commissioner within (12) months prior, must disclose the contribution. If you are affected, please notify Commission Staff before the hearing.

Submitted Proposals and Sphere of Influence Municipal Service Review Updates

File #	Name	Project Status
Proposals		
4-R-20	Anx #29 to NCSD (Torres)	Application received 10-26-20. 30-day review.
3-R-20	Anx #90 to Paso Robles (Gateway)	Info hold sent 11-6-20.
2-R-20	Jack Ranch (Tract 2429) Anx#11 to CSA 18	Property Tax Agreement 11/17. Hearing 11/19.
1-R-20	Anx #81 to SLO (Fiero East – West)	Property Tax Agreement 10/6. Hearing 11/19.
2-S-19	SOI Amendment Tri-W site	Submitted Info Hold Letter 11-14-19.
1-E-20	San Simeon CSD Activation of Solid Waste Power	Hearing 11/19.
SOI/MSR Updates		
1-S-20	North County (Templeton, San Miguel, & Heritage Ranch)	Gathering Information. Preparing draft MSR.



**SAN LUIS OBISPO
LOCAL AGENCY FORMATION COMMISSION
OCTOBER 15, 2020, MEETING MINUTES**

Call to Order

The San Luis Obispo Local Agency Formation Commission (LAFCO) meeting was called to order at 9:04 a.m. on Thursday, October 15, 2020, pursuant to the COVID-19 provisions of the Governor's Executive Order N-29-20 by Chairperson Tom Murray. Viewing and commenting instructions were provided on the COVID-19 Agenda Cover and 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: Mike Prater, LAFCO Executive Officer
Brian Pierik, LAFCO Legal Counsel
Imelda Marquez, LAFCO Analyst

Approval of Minutes

Chairperson Murray asked **Ms. Marquez** to report if any written or live comments from the public were received.

Ms. Marquez reported that no public comments were received.

Chairperson Murray asked for any Commissioner comments or motion.

Commissioner Fonzi motioned to approve the minutes.

Commissioner Waage seconded the motion.

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

NAYS: None

ABSTAINING: None

The motion passed with a unanimous roll call vote.

Non-Agenda Public Comments

Chairperson Murray asked **Ms. Marquez** to report if any written or live non-agenda public comments were received.

Ms. Marquez reported that no non-agenda public comments were received.

Regular Matters

A-1: First Quarter Fiscal Year 2020-2021 LAFCO Budget Status Report
(Recommend Receive and File with the County Auditor)

Mr. Prater presented the item.

Chairperson Murray opened the item for Commissioner comments, hearing none.

Chairperson Murray asked **Ms. Marquez** to report if any written or live comments from the public were received.

Ms. Marquez reported that no public comments were received.

Commissioner Waage motioned to approve staff recommendation.

Commissioner Arnold seconded the motion.

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

NAYS: None

ABSTAINING: None

The motion passed with a unanimous roll call vote.

A-2: Adoption of Policy on Social Media Use (Recommend Review and Approval)

Mr. Prater presented the item.

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

Commissioner Waage asked for clarification on the procedure involved with taking public comment through social media.

Mr. Prater clarified that the public would be directed to provide comments through the various forms specified on the agenda and comments on social media would be deleted.

Commissioner Arnold and **Chairperson Murray** expressed their appreciation for the information discussed as part of this item.

Chairperson Murray asked **Ms. Marquez** to report if any written or live comments from the public were received.

Ms. Marquez reported that no public comments were received.

Chairperson Murray asked for any Commissioner comments or motion.

Commissioner Ochylski motioned to adopt the policy.

Commissioner Fonzi seconded the motion.

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

NAYS: None

ABSTAINING: None

The motion passed with a unanimous roll call vote.

Informational Matters

B-1: Study Session – Gateway Annexation /Sphere of Influence Amendment to the City of Paso Robles (Recommend Receive and File)

Mr. Prater introduced the item.

The City of Paso Robles and agencies involved presented on behalf of the City.

Chairperson Murray opened the item for Commissioner comments.

Commissioner Arnold asked for more information and clarification on the project's water supply.

Commissioner Waage asked about the plan for resort wine tastings and the use of shuttles.

Commissioner Fonzi added to the discussion by asking questions on the topics of affordable housing, pricing on units, existing circulation intersection problems, and ISO rating concerns.

Chairperson Murray raised concerns on agriculture, water, and housing components.

City of Paso Robles Staff, involved agencies, and Mr. Prater responded to **Commissioner** questions.

Chairperson Murray asked **Ms. Marquez** to report if any written or live comments from the public were received.

Ms. Marquez reported that no public comments were received regarding this item.

Mr. Prater wrapped up the item noting that it was a receive and file item.

B-2: Status Report of Submitted Proposals and Upcoming Proposal Activities (Recommend Receive and File)

Mr. Prater presented the item.

Chairperson Murray asked for any Commissioner's comments or questions, hearing none.

Chairperson Murray asked **Ms. Marquez** to report if any written or live comments from the public were received.

Ms. Marquez reported that no public comments were received regarding this item.

Chairperson Murray asked for a motion to receive and file.

Commissioner Waage motioned to receive and file the item.

Commissioner Compton seconded the motion.

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

NAYS: None

ABSTAINING: None

The motion passed with a unanimous roll call vote.

B-3: Status Report – North County CSD Agencies Sphere of Influence Update/ Municipal Service Reviews (Recommend Receive and File)

Ms. Marquez presented the item.

Chairperson Murray asked for any Commissioner's comments or questions, hearing none.

Chairperson Murray asked **Ms. Marquez** to report if any written or live comments from the public were received.

Ms. Marquez reported that no public comments were received regarding this item.

Commissioner Waage motioned to receive and file the item.

Commissioner Arnold seconded the motion.

Chairperson Murray conducted a voice vote for this item.

All **Commissioners** were in favor and none were opposed. Motion was passed.

Commissioner Comments:

Chairperson Murray thanked the City of Paso Robles staff for their presentation.

Legal Counsel Comments:

None

Executive Officer Comments:

Mr. Prater congratulated **Ms. Marquez** for her promotion to Analyst.

Closed Session

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

Mr. Pierik announced the Closed Session item.

Chairperson Murray announced a five-minute break before Commissioners reconvened for the Closed Session.

At 11:36 a.m. **Chairperson Murray** called the open session back into order.

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 11:37 a.m. until the next meeting of the Commission pursuant to Governor's Executive Orders, 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.

Respectfully submitted,
Imelda Marquez, LAFCO Analyst



**SAN LUIS OBISPO
LOCAL AGENCY FORMATION COMMISSION
OCTOBER 23, 2020, 2:00 P.M. SPECIAL MEETING MINUTES**

Call to Order

The San Luis Obispo Local Agency Formation Commission (LAFCO) special meeting was called to order at 2:05 p.m. on Friday, October 23, 2020, pursuant to the COVID-19 provisions of the Governor's Executive Order N-29-20 by Chairperson Tom Murray. Viewing and commenting instructions were provided on the COVID-19 Agenda Cover and LAFCO's Homepage. At least a 24-hour notice was given and posted.

Roll Call

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

Absent: Regular Commissioner Marshall Ochylski, Alternate Commissioners Steve Gregory, Heather Jensen, and John Peschong.

Staff: Mike Prater, LAFCO Executive Officer
Brian Pierik, LAFCO Legal Counsel
Imelda Marquez, LAFCO Analyst

Non-Agenda Public Comments

Chairperson Murray asked **Ms. Marquez** to report if any written or live non-agenda public comments were received.

Ms. Marquez reported that no non-agenda public comments were received.

Closed Session

A-1: Pursuant to Government Code Section 54957

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: Executive Officer

Pursuant to Government Code Section 54957.6

CONFERENCE WITH LABOR NEGOTIATORS

Agency Designated Representative: Legal Counsel
Unrepresented Employee: Executive Officer

Mr. Pierik announced the Closed Session item and requested the Commissioners reconvened

using the alternate ID and passcode for the Closed Session.

The minutes reflect that Regular Commissioner Marshall Ochylski attended the Closed Session and Alternate Commissioner Ed Eby stepped down.

Adjournment: With no further business before the Commission, the special meeting adjourned in Closed Session at 4:20 p.m. until the next meeting of the Commission pursuant to Governor's Executive Orders, 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.

Respectfully submitted,
Imelda Marquez, LAFCO Analyst

DRAFT



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

TO: MEMBERS, FORMATION COMMISSION
FROM: MIKE PRATER, EXECUTIVE OFFICER
DATE: NOVEMBER 19, 2020
SUBJECT: CALPERS APPROVAL FOR HEALTH BENEFITS PROGRAM FOR SLOLAFCO

Recommendation. It is respectfully recommended that the Commission approve the Resolution between Public Employees Medical and Hospital Care Act (PEMHCA) administered by CalPERS and San Luis Obispo Local Agency Formation Commission (SLOLAFCO).

DISCUSSION. LAFCO requested participation in CalPERS Health Benefits Program Coverages for eligible employees. These medical benefits would be offered to LAFCO employees provided through CalPERS.

CalPERS advised the LAFCO Executive Officer that the Health Resolution and Compliance team has confirmed our eligibility for suite of health coverages offered effective January 1, 2021, upon submittal of enrollment forms. The attached document is needed to complete these benefit changes.

Attachments
A: Resolution Authorizing Participation in PEMHCA Health Benefits Program

The costs associated with these new medical benefits would be paid by the LAFCO café cash program with any remaining allocations covered by the employees wanting to enroll. LAFCO would pay the health benefit program cost with reimbursements from the employee beyond café cash allotment.

The reason for this transition is that SDMRA our current provider requires a minimum of two employees be enrolled to maintain coverages. CalPERS allows for a minimum of one employee. SDMRA also provides ancillary coverage for dental and vision benefits. These ancillary benefits will also be terminated in January once CalPERS contract takes effect. Supplemental benefits for dental and vision would be added back in the future once eligibility requirements are met or alternative coverage can be secured.

- 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
- MIKE PRATER
Executive Officer
- BRIAN A. PIERIK
Legal Counsel
- IMELDA MARQUEZ
Analyst

Attachment A

Resolution Authorizing Participation in PEMHCA
Health Benefits Program

RESOLUTION NO. XX
ELECTING TO BE SUBJECT TO THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT
AT AN UNEQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS
700 NON-PERS ALL EMPLOYEES

- WHEREAS, (1) A contracting agency meeting the eligibility requirements set forth in Government Code Section 22920, may obtain health benefit plan(s), as defined under Government Code Section 22777, by submitting a resolution to the Board of Administration of the California Public Employees' Retirement System (the "Board"), and upon approval of such resolution by the Board, become subject to the Public Employees' Medical and Hospital Care Act (the "Act"); and
- WHEREAS, (2) Local Agency Formation Commission of San Luis Obispo County is a contracting agency eligible to be subject to the Act under Government Code Section 22920; and
- WHEREAS, (3) Government Code Section 22892(a) provides that a contracting agency subject to the Act shall fix the amount of the employer contribution by resolution; and
- WHEREAS, (4) Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; and
- WHEREAS, (5) Government Code Section 22892(c) provides that, notwithstanding Section 22892(b), a contracting agency may establish a lesser monthly employer contribution for annuitants than for employees, provided that the monthly employer contribution for annuitants is annually increased to equal an amount not less than the number of years the contracting agency has been subject to this subdivision multiplied by five percent of the current monthly employer contribution for employees, until the time that the employer contribution for annuitants equals the employer contribution paid for employees; and
- WHEREAS, (6) Local Agency Formation Commission of San Luis Obispo County desires to obtain for its employees and annuitants the benefit of the Act and to accept the liabilities and obligations of an employer under the Act; now, therefore, be it
- RESOLVED, (a) Local Agency Formation Commission of San Luis Obispo County elects to be subject to the provisions of the Act; and be it further
- RESOLVED, (b) That the employer contribution for each employee shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of the PEMHCA Minimum per month, plus administrative fees and Contingency Reserve Fund assessments; and be it further
- RESOLVED, (c) That the employer contribution for each annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of 80% of the PEMHCA Minimum per month; and be it further

RESOLVED, (d) That the monthly employer contribution for annuitants is annually increased to equal an amount not less than the number of years the contracting agency has been subject to this subdivision multiplied by five percent of the current monthly employer contribution for employees, until the time that the employer contribution for annuitants equals the employer contribution paid for employees;

And that the contributions for employees and annuitants shall be in addition to those amounts contributed by the Public Agency for administrative fees and to the Contingency Reserve Fund; and be it further

RESOLVED, (e) Local Agency Formation Commission of San Luis Obispo County has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further

RESOLVED, (f) That the participation of the employees and annuitants of Local Agency Formation Commission of San Luis Obispo County shall be subject to determination of its status as an “agency or instrumentality of the state or political subdivision of a State” that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that Local Agency Formation Commission of San Luis Obispo County would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer; and be it further

RESOLVED, (g) That the executive body appoint and direct, and it does hereby appoint and direct, Imelda Marquez, Commission Clerk, to file with the Board a verified copy of this resolution, and to perform on behalf of Local Agency Formation Commission of San Luis Obispo County all functions required of it under the Act; and be it further

RESOLVED, (h) That coverage under the Act be effective on January 1, 2021.

Adopted at a regular meeting of the San Luis Obispo Local Agency Formation Commission (virtual meeting), this 19th day of November, 2020.

Signed: _____
Thomas Murray, Presiding Officer

Attest: _____
Mike Prater, Executive Officer



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

MIKE PRATER
Executive Officer

BRIAN A. PIERIK
Legal Counsel

IMELDA MARQUEZ
Analyst

TO: MEMBERS, FORMATION COMMISSION.

**FROM: MIKE PRATER, EXECUTIVE OFFICER
IMELDA MARQUEZ, ANALYST**

DATE: NOVEMBER 19, 2020

**SUBJECT: ACTIVATION OF SOLID WASTE POWER FOR THE SAN
SIMEON COMMUNITY SERVICES DISTRICT**

Recommendation. It is respectfully recommended that the San Luis Obispo Local Agency Formation Commission (LAFCO) activate the solid waste power for the San Simeon Services District (SSCSD) with the following conditions:

- 1) The SSCSD shall abide by all the terms and conditions of the existing contract with Mission Country Waste Disposal for the remaining term of the franchise agreement with the County of San Luis Obispo; unless otherwise agreed to between the Mission Country Waste Disposal and the San Simeon Community Services District;
- 2) The SSCSD shall comply with the recycling components currently in place for the remaining term of the agreement with the County of San Luis Obispo;
- 3) The SSCSD shall adopt rules and regulations pertaining to the collection of solid waste within the District. Upon adoption of such rules and regulations, the SSCSD shall be the authorized local agency to provide solid waste services within the Districts boundary; and
- 4) The SSCSD shall participate in the San Luis Obispo IWMA and all policies and ordinances of the San Luis Obispo IWMA in accordance with the appointment process of the San Luis Obispo County Special Districts Association for districts exercising solid waste authority;
- 5) The applicant shall defend, indemnify and hold harmless LAFCO to the fullest extent allowed by law, at the sole expense of the applicant, against any and all claims.

Attachments

- A:** Resolution of Application
- B:** Plan for Services
- C:** Background
- D:** LAFCO Factors
- E:** CEQA Exemption
- F:** Draft LAFCO Resolution

Summary. This is a request by the San Simeon Community Services District to activate its solid waste power. The authority to provide for the collection and disposal of garbage and refuse matter currently resides with the County of San Luis Obispo.

Currently the service is provided by Mission Country Disposal through a franchise agreement with the County. The San Simeon Community Services District was formed for the purpose of providing street lighting, water, and street maintenance to the small San Simeon community. The SSCSD currently provides water, sewer, street lighting, road maintenance and weed abatement services to the residents and businesses within its boundary.

The SSCSD provides services to the approximately 523 permanent residents and up to 1,500 transient visitors. A five-member elected board of directors administers District affairs.

On August 12, 2020, the Board of Directors of the SSCSD adopted a resolution requesting LAFCO to activate the collection or disposal of garbage or refuse matter (solid waste) as an active power. Other CSD's have activated this power in order to control how the franchise fees are spent. The franchise fees collected by the County are currently used on a Countywide basis. By activating its solid waste authority the SSCSD would collect the franchise fees for the area within its boundary, and use the fees within the Community.

Any district wishing to activate a latent power is required to receive LAFCO approval prior to providing the service. The Cortese-Knox-Hertzberg Act (CKH) also requires that the Protest Process be conducted. A vote of the District's residents is not needed to activate a power, unless the Protest Process indicates a vote is required by the registered voters.

A copy of the SSCSD's Resolution of Application is attached for the Commission's information (Attachment A). This resolution includes background information and a Plan for Services. The Background Information (Attachment C) addresses existing providers of this service, CSD's that already provide this service in other communities, advantages to District residents, and a description of the Integrated Waste Management Authority. The Plan for Services (Attachment B) discusses the financing plan, the level and range of services, and the proposed terms and conditions for the transfer of the Solid Waste function from the County to the District.

Summary - 56824.10 - 56824.14. The Cortese-Knox-Hertzberg Act directs the Commission consider the following key information in reviewing a request to activate a new or additional function/class of service:

- 1) Whether the special district will have sufficient revenues to carry out the proposed new or different functions of class of services;
- 2) Whether another local agency already provides substantially similar services or facilities to the territory where the district proposes to exercise that latent power;
- 3) The Plan for Services to provide a new or different function or class of services.

With the exception of the County of San Luis Obispo, there is no other agency that can provide this service via a franchise agreement with the SSCSD. In addition, the area is

not included within the sphere of influence of any other city or special district that currently provide this service.

Plan for Services. Attachment B includes the Plan for Services provided by the District. Government Code section 56824.12 states the Plan for Services should include the following:

1. Total estimated cost to provide the new or different function or class of services.

The Plan for Services indicates there will be no increase in solid waste fees charged to residents. The franchise hauler currently bill customers monthly for solid waste service through a fee structure approved by the current contract. Approximately \$18,000 in annual franchise fees would be transferred from the County to the SSCSD.

2. Estimated cost of the new or different function or class of services to customers within the district's boundaries.

No changes are proposed to the solid waste fees charged to residents. The existing contract will be transferred to the District from the County. The residential rates for 32 gallon automated at curb is \$26.14 monthly rate plus, IWMA fee of \$0.60 for a total monthly fee of \$26.74. A 64 gallon automated at curb is \$43.16 monthly rate plus same additional fees for a total monthly fee of \$43.76. A 96 gallon automated at curb is \$60.19 monthly rate plus, IWMA fee of \$0.60 for a total monthly fee of \$60.79.

3. Identification of existing providers, if any and the potential fiscal impact to the customers of those existing providers.

The existing solid waste hauler is Mission Country Disposal. No changes are proposed that would increase the solid waste fees charged to residents.

4. Summary of whether the new or different function or class of services will be within all or part of the jurisdictional boundaries.

The activation of the solid waste power would follow the current service boundaries of the District.

5. A plan for financing the establishment of the new or different function or class of services.

Solid waste customers will fund the day-to-day services through a fee structure approved by the franchiser and billed by the franchisee. The SSCSD maintains a sufficient cash reserve to create and implement a new solid waste agreement with the hauler. Cash reserves are available to maintain solid waste services in the event the hauler default on the agreement and a performance bond will be required by the hauler.

6. Alternatives for the establishment of the new or different function or class of services.

Currently the County contracts with the waste hauler, Mission Country Disposal for solid waste services.

LAFCO Factors Government Code 56668. Government Code Section 56668 identifies a number of factors that are to be considered by LAFCO in reviewing a proposal. These factors are addressed in Attachment D of this Staff Report. Each factor is listed and a Staff Response is provided for LAFCO's consideration. The factors are intended to provide the Commission with information about certain topics that are often relevant to the review of a proposal. The factors include information on:

- | | | |
|---|--|----------------------------|
| • Population and Land Use | • Need for Services | • Impact on Adjacent Areas |
| • Commission Policies | • Agricultural Lands | • Definite Boundaries |
| • Consistency with General Plans and Reg. Trans. Plan | • Sphere of Influence | • Other Agency Comments |
| • Ability to provide services | • Availability of water supplies | • Housing |
| • Comments from landowner, voters or residents | • Existing information about existing land use | • Environmental Justice |

Agency Coordination. The San Simeon Community Services District held a public hearing before proceeding with an application to LAFCO to activate the solid waste power. On August 12, 2020, the San Simeon CSD Board adopted a resolution to authorize the CSD apply to LAFCO to activate its latent power for solid waste services.

Other Agencies

County Planning Department Comments: The County Department of Planning and Building supports the activation of solid waste power. According to Table H in Framework for Planning, part of the Land Use Element of the County General Plan, solid waste pick-up services are appropriate in areas having suburban densities (typically one dwelling per one to five acres) such as the San Simeon area. In accordance with the intent of General Plan, Planning encourages a CSD to establish rural recyclable collection service as a part of waste pick-up services. Condition number two requires the District to maintain the recycling components currently in place.

Past Actions. In past actions, the Commission has approved the activation of garbage collection and disposal services and the transfer of the franchise agreement with the South County Sanitary, Inc. to the Oceano, Avila Beach, Nipomo, and Ground Squirrel Hollow Community Services Districts. LAFCO has also approved the activation of this power for the Templeton, Heritage Ranch, Ground Squirrel Hollow and the Los Osos Community Services Districts. In each of these cases, meetings were conducted with representatives of the Integrated Waste Management Authority, County Counsel, the County's Solid Waste Coordinator, the County Auditor-Controller, and Districts Legal Counsel and General Managers to develop conditions of approval.

For the current request by the SSCSD, staff also discussed conditions of approval that would be appropriate for this request. It was decided that the similar conditions that were worked out for previous actions, should also be applied to the SSCSDs request. The actual conditions are included in the recommendation. Past approvals have cited several examples of how the Solid Waste power has helped implement projects at the local level, including:

Templeton CSD

- Salary for a recycling coordinator in Templeton
- Funding for public information materials about recycling

Los Osos CSD

- Reduction in the franchise fees
- Services are tailored to meet community needs
- Funding for public information materials about recycling

Heritage Ranch CSD

- Reduction in the franchise fees
- Increased public participation regarding recycling issues

Nipomo CSD

- Implement Nipomo Creek Clean Up
- Implement Nipomo Clean Up Week including car crushing
- Purchase of trash receptacles for the Olde Towne
- Paid for monthly pick up for Olde Towne receptacles

District Conditions of Approval. The District has proposed conditions of approval for activating the solid waste power, and includes the following:

- 1) That the San Simeon Community Services District join the San Luis Obispo County Integrated Waste Management Authority;
- 2) That the terms and conditions of the existing franchise agreement between San Luis Obispo County and the Mission Country Disposal be incorporated into the San Simeon Community Services District franchise agreement during the unexpired term of said franchise agreement; and
- 3) That the SSCSD adopt rules and regulations pertaining to solid waste service within their service area and incorporate such rules and regulations into its Code of Ordinances; and
- 4) Upon adoption of the rules and regulations referenced in condition 3 above, the San Simeon Community Services District shall be the authorized local agency to provide solid waste services within the San Simeon Community Services District's service boundaries.

These conditions are consistent with conditions placed on the activation of this power for other districts. LAFCO has recommended additional condition to comply with the recycling components currently in place with the County.

Environmental Determination. The purpose of the environmental review process is to provide

information about the environmental effects of the actions and decisions made by LAFCO and to comply with the California Environmental Quality Act (CEQA). In this case it has been found to be exempt from CEQA under Common Sense Exemption under CEQA Regulation Section 15061(b)(3) of the State Guidelines (Attachment E).

The activity is covered by the common sense that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. There are no land use changes or environmental impacts created because the solid waste removal service is currently provided by a contract between the County of San Luis Obispo and Mission Country Disposal provider. The same contract agreement would be transferred to the San Simeon Community Services District. The same services are being provided to the community.

Public Noticing. A 21-day public notice was sent to the required affected agencies and interested parties. A 21-day Notice of Hearing and public review period was published in a newspaper of general distribution (The Tribune) as required by the CKH Act. Notice was also mailed directly to interested agencies and parties. LAFCO staff has also coordinated with District representatives regarding the activation process. The documents were also mailed directly to the District, interested parties and agencies. The documents are also available at the San Luis Obispo LAFCO website, www.slolafco.com.

Protest Process. If the activation of solid waste power is approved by LAFCO, registered voters and land owners in the area would be notified about LAFCO's decision and when a Conducting Authority Hearing (Protest Hearing) would be held. Section 57075 states:

- If the protests are between 25% but less than 50% of the registered voters in the area the change of organization will be subject to a vote of the registered voters within the area.
- If 50% or more of the registered voters file a written protest the action is terminated.
- If at least 25% of the property owners who own at least 25% of the assessed value of land protest, then change of organization shall be subject to a vote of the registered voters.
- The change of organization shall be approved if less than 25% of the registered voters or property owners file written protests.

The Cortese-Knox-Hertzberg Act provides specific guidance regarding noticing and holding the protest hearing as allowed under CKH Act, the Commission has delegated the completion of the Protest Process to the Executive Officer.

Conclusion. The activation of the solid waste power for the San Simeon Community Services District requires approval by LAFCO prior to providing the service, resolution found in Attachment F. The District wishes to exercise the latent power and has provided a Resolution of Application and a Plan for Services that indicates a sufficient revenue source to carry out the added power. The recommendation is to activate the solid waste power for the San Simeon Community Services District with conditions.

Attachment A

Resolution of Application

RESOLUTION NO. 20-425

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SAN SIMEON COMMUNITY SERVICES DISTRICT
FOR APPLICATION TO THE LOCAL AGENCY FORMATION COMMISSION TO
ESTABLISH SOLID WASTE MANAGEMENT AUTHORITY FOR THE
SAN SIMEON COMMUNITY SERVICES DISTRICT**

WHEREAS, the San Simeon Community Services District ("District") is a community services district duly formed under Government Code Section 61000 et seq. to provide community services within the District's service area, including road maintenance, water, sewer, weed abatement, and street lighting; and

WHEREAS, in order to establish the authority to provide for solid waste management authority, it is necessary, in accordance with Government Code Sections 56824.10 et. seq. to submit a resolution of Application to be filed with the Executive Officer of the Local Agency Formation Commission (LAFCO) for the purpose of scheduling a hearing by the LAFCO Commission for the approval of the exercise of said authority; and

WHEREAS, a noticed public hearing was held on August 12, 2020 by the District, and at that meeting there was the opportunity for public comment regarding this Resolution.

WHEREAS, the District is not in the sphere of influence of another city or special district that currently provides waste management services; and

WHEREAS, the District further finds that this Resolution was adopted at a duly noticed public hearing on August 12, 2020 pursuant to Government Code Section 56824.12(c).

NOW, THEREFORE, BE IT RESOLVED by the San Simeon Community Services District Board of Directors as follows:

1. The foregoing recitals are true and correct and are incorporated herein and constitute findings in support of this Resolution.
2. The provision of waste management authority will result in assurance of the public's safety and welfare.
3. Exhibit B, the Plan for Services, attached hereto and incorporated herein by reference, is approved for filing with the Executive Officer of the San Luis Obispo LAFCO.

4. The Executive Officer of LAFCO is requested to set the matter for a public hearing by the Commission pursuant to Government Code Section 56824.14 and the rules and regulations of LAFCO.
5. LAFCO is requested to approve the proposal of the San Simeon Community Services District to provide its residents with waste management services pursuant to Government Code Section 61100(t).

Upon motion of ~~Director~~ Chairperson Kellas seconded by Director Carson
and on the following roll call vote to wit:

AYES: Kellas, Russell, Carson, NOES:
De la Rosa, Maurer
ABSTAIN: ABSENT:

The foregoing Resolution is hereby adopted this 12th day of August 2020.



Gwen Kellas, Chairperson
Board of Directors

ATTEST:



Charles Grace
Secretary/General Manager

Attachment:

Exhibit "A" -SSCSD Background and Project Description

Exhibit "B" – Plan for Services is approved for filing with the Executive Officer of the San Luis Obispo LAFCO

Exhibit "C" – Map of parcels to be included as part of this service

Attachment B

Plan for Services

Exhibit B – Plan for Services

1. Service Level. The same level of service is proposed for solid waste under a franchise agreement with the same hauler, Mission Country Disposal. Weekly diversion will be provided to all customers. No disruption in the current service level is proposed.
2. Service Area. The current service boundaries of the SSCSD are proposed for solid waste service. A map of the current services area is attached as Exhibit C.
3. Service Fees. There will be no increase in solid waste fees charged to residents resulting from the SSCSD activating its solid waste fees. The franchise hauler currently bills customer monthly for solid waste service and these fees includes a 10% franchise fee charged by the San Luis Obispo County. The SSCSD will impose the same 10% franchise fee. This franchise fee will be used to support solid waste programs within the community.
4. Service Access. The solid waste hauler currently accesses all properties on roads maintained by the SSCSD. There are currently no major problems with access to any parcels. By activating its solid waste powers, the SSCSD will be better able to coordinate road work and improvement to any road conditions that may impact solid waste services in the future.
5. Service Financing. Solid waste customer will fund the day-to-day services through a fee structure approved by the franchiser and billed by the franchisee (Mission Country Waste Disposal). The SSCSD maintains enough cash reserves to create and implement a new solid waste agreement with the hauler. Cash reserves are available to maintain solid waste services in the event the hauler default on the agreement and a performance bond will be required by the hauler to maintain solid waste services in the event of default.
6. Service Management. The General Manger of the SSCSD serves to perform the administration and management of SSCSD utilities. The General Manager's serves with other utility providers in San Luis Obispo County, providing water and wastewater services. The General Manager has twelve years' experience managing agreements including negotiating new agreements and complying with all state and local solid waste laws. The SSCSD legal counsel supports many local public agencies in the compliance with solid waste regulations and franchise agreements.

7. Service Regulations. The SSCSD maintains a Code of Ordinances that provides for rules and regulation related to Board administration, purchasing, investments, and road improvements. This Code will be amended to include solid waste services.

Terms and Conditions for the Transfer of Solid Waste Authority to the SSCSD

1. That the San Simeon Community Services District join the San Luis Obispo County Integrated Waste Management Authority.
2. That the terms and conditions of the existing franchise agreement between San Luis Obispo County and the Mission Country Disposal be incorporated into the San Simeon Community Services District franchise agreement during the unexpired term of said franchise agreement.
3. That the SSCSD adopt rules and regulations pertaining to solid waste service within their service area and incorporate such rules and regulations into its Code of Ordinances.
4. Upon adoption of the rules and regulations referenced in condition 3 above, the San Simeon Community Services District shall be the authorized local agency to provide solid waste services within the San Simeon Community Services District's service boundaries.

Attachment C

Background

Exhibit A – Background/Situation

Background

The San Simeon Community Services District (SSCSD) is located on Highway One in north San Luis Obispo County, California. The San Simeon Acres Service District was formed pursuant to an election and Resolution of the San Luis Obispo County Board of Supervisors on May 8, 1961. The name of the District was later changed to San Simeon Community Services District.

The SSCSD is organized under California Government Code Section 61000 et al, Community Service District law. The SSCSD is currently empowered by its authorizing statutes and pursuant Code Section 61100 to provide the following services: road maintenance, water, sewer, weed abatement, and street lighting.

Five members living within the boundaries of the SSCSD serve as elected board members. The regular meetings of the Board are on the second Wednesday of the month at the Cavalier Banquet Room at 250 San Simeon Ave., San Simeon. The Board employs Grace Environmental Services to run the day to day operations and maintenance of the SSCSD. These includes a general manager, office manager, plant superintendent, and water operator.

Funding

The SSCSD is funded through water and wastewater revenues and property tax revenue from San Luis Obispo County.

The fiscal year ending 2019 audit indicates the SSCSD had a cash balance of \$1,001,257. The SSCSD uses revenue from General Fund balance for minor road repairs throughout the year and other projects.

Situation – Solid Waste Power

The SSCSD Board desires to activate its latent power to provide solid waste services to the residents located within their current boundaries pursuant to California Government Code Section 6100(c):

- Collect, transfer, and dispose of solid waste, and provide solid waste handling services, including, but not limited to, source reduction, recycling, and composting activities, pursuant to Division 30 (commencing with Section 40000), and consistent with Section 41821.2 of the Public Resources Code.

Solid waste services for the community of San Simeon are currently provided by San Luis Obispo County through a franchise agreement with Mission Country Disposal. The agreement provides for curbside service including weekly pickup of refuse and recycling. Commercial bin service is also available.

- **Prior Transfer of Solid Waste Authority to CSDs**

Through the LAFCO process ten community services districts in San Luis Obispo County have established solid waste authority for their communities over the years. The San Miguel CSD, Heritage Ranch CSD, Templeton CSD, and Ground Squirrel Hollow CSD are all North County CSDs that have acquired solid waste authority and operate successful solid waste programs. The last community services district to receive LAFCO approval for solid waste powers was the Ground Squirrel Hollow CSD in 2014.

- **Advantages to San Simeon Residents**

The primary advantage behind this proposal is local control of a local public service. The SSCSD Board believes there is a direct connection between road improvements and maintenance services and community solid waste services. Garbage trucks are the heaviest shortest wheelbase vehicles on the roads. Maintenance and improvements on roads to accommodate these vehicles is a priority for the SSCSD. The SSCSD historically has communicated with Mission Country Disposal and resolved to maintain roads that are accessible to garbage trucks in all weather conditions. Additionally, all community solid waste services including diversion are best met by local control of the franchise funds to support the programs. Coordination between road projects and solid waste services can be done more efficiently if both community services are controlled by the same public agency.

Public information on the requirements of a community solid waste program and the opportunity for public testimony was provided at various Board meetings. The topic of activating solid waste power for the community was discussed at Board of Directors meetings on the following dates:

- November 13, 2019
- February 12, 2020
- March 11, 2020
- August 12, 2020 (public hearing)

- **Integrated Waste Management Authority**

The San Luis Obispo County Integrated Waste Management Authority is a Joint Powers Authority (IWMA) formed in 1994 to plan and implement regional solid waste and hazardous waste programs in the County. These programs help its member jurisdictions to achieve the State requirement of fifty percent (50%) diversion of solid waste away from landfills through recycling, composting, and source reduction.

The County, all cities and all community services districts that provide solid waste services are member agencies of the IWMA. The SSCSD would join the IWMA upon its approval to implement solid waste services within its jurisdiction. The SSCSD acknowledges the obligations of local agencies to comply with Section 40050 et seq of the Public Resources Code commonly known as the California Integrated Waste Management Act of 1989.

Attachment D

LAFCO Factors

ATTACHMENT D

LAFCO Proposal Review Factors - Government Code 56668 ACTIVATION OF SOLID WASTE POWER FOR THE SAN SIMEON COMMUNITY SERVICES DISTRICT 1-E-20

Factor (a) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.

Response. The service area of the San Simeon Community Service District will not change. The proposal request is for activation of the solid waste power to the District. Currently the service is provided by Mission Country Disposal through a franchise agreement with the County. The County will transfer this existing service to the District. The San Simeon Community Services District serves a population of approximately 523 permanent residents and up to 1,500 transient visitors.

The U.S. Census Bureau estimated the San Simeon Census Designated Place's (CDP) 2017 population as 523, a 1.9% increase from 513 in 2012. Table O.2 shows an overview of key social and demographic characteristics of the CDP taken from the U.S. Census Bureau's American Community Survey.

Table O.2 San Simeon CDP Demographic and Social Characteristics, 2014-2017

San Simeon CDP	2012	2017	% Change
Population	513	523	1.9%
Median Age	41.0	30.4	-25.9%
Total Housing Units	305	309	1.3%
Housing Occupancy Rate	63.9%	72.2%	8.3%
% of Housing Units with no Vehicles Available	0.0%	13.0%	13.0%
Median Home Value	\$237,000	NA	NA
Unemployment	0.0%	9.2%	9.2%
Mean Travel Time to Work (minutes)	28.0	11.6	-58.6%
Median Household Income	\$51,250	NA	NA
Per Capita Income	\$24,838	\$22,498	-9.4%
% of Individuals Below Poverty Level	0.0%	18.7%	18.7%
# of Households	195	223	14.4%
Average Household Size	2.51	2.21	-12.0%
% of Population Over 25 with High School Diploma	89.7%	71.7%	-18.0%
% of Population Over 25 with Bachelor's Degree or Higher	11.4%	5.7%	-5.7%
% with Disability	8.4%	3.8%	-4.6%

Source: U.S. Census Bureau American Community Survey 2014-2017 3-Year Estimates, www.census.gov/

Note: Data is for the San Simeon Census Designated Place (CDP) which may not have the same boundaries as the San Simeon Community Services District.

Assessed Costs: The franchise hauler currently bill customers monthly for solid waste service through a fee structure approved by the current contract. Approximately \$18,000 in annual franchise fees would be transferred from the County to the SSCSD.

Factor (b) 1) The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; and probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.

(2)"Services," as used in this subdivision, refers to governmental services whether or not the services are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.

Response. The present cost and adequacy of governmental services and controls in the area are the County's responsibility. The existing contract will be transferred to the District from the County. There will be no increase in solid waste fees charged to residents. The residential rates for 32 gallon automated at curb is \$26.14 monthly rate plus, IWMA fee of \$0.60 for a total monthly fee of \$26.74. A 64 gallon automated at curb is \$43.16 monthly rate plus same additional fees for a total monthly fee of \$43.76. A 96 gallon automated at curb is \$60.19 monthly rate plus, IWMA fee of \$0.60 for a total monthly fee of \$60.79.

However, the District provides maintenance for the roads within the service area. The District would activate the power to provide solid waste services to the service area at the same current levels of service. The SSCSD Board believes there is a direct connection between road improvement, maintenance services and community solid waste services. Garbage trucks are the heaviest vehicles that travel the roads. Maintenance and improvements of these roads are a priority of the District. Local control of the franchise fund to support the program between road projects and solid waste services can be done more efficiently if both community services are controlled by the same public agency. The franchise hauler currently bills customer monthly for solid waste service and these fees includes a 10% franchise fee charged by the San Luis Obispo County. The SSCSD will impose the same 10% franchise fee.

Weekly diversion will be provided to all customers. No disruption in the current service level is proposed.

Factor (c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.

Response. The existing service contract with Mission Country Disposal would be transferred from the County and the District would be responsible for providing services to the area. Garbage services by independent special districts could have an adverse effect on the ability of the County of San Luis Obispo to work out economically advantageous franchise agreements with the garbage companies. This is because special districts are reducing unincorporated service area represented by the County. The franchise hauler currently bill customers monthly for solid waste services and these fees include a 10% franchise fee. The fee structure would remain the same.

Factor (d) The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377.

Response. The SSCSD boundaries would not change with this proposal. The District was planned with the level of urban development that exists today. The following is the Cortese-Knox-Hertzberg Act determination needed for activating a latent power and a brief analysis of the proposal under the requirement:

56824.14. (a) Whether another local agency already provides substantially similar services or facilities to the territory where the district proposes to exercise that latent power.

Analysis. With the exception of the County of San Luis Obispo, there is no other agency that can provide this service. In addition, the area is not included within the sphere of influence of any other city or special district that currently provides this service.

Factor (e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.

Response. In general, the transfer of solid waste power is consistent with the County's Integrated Waste Management Authority to provide solid waste service in the area. The proposal will not result in the loss of agricultural land and will not affect the physical and economic integrity of agricultural land. The land within the CSD is currently zoned residential, commercial or public facilities. The surrounding Agricultural lands would not be impacted or changed.

Factor (f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.

Response. The SSCSD boundary follows lines of assessment and does not create an island or corridor of unincorporated territory. The activation of solid waste power would include the entire District boundary.

Factor (g) A regional transportation plan adopted pursuant to Section 65080.

Response. The project proposal only includes the activation of power for solid waste services. No impacts to transportation would result from this transition of power.

Factor (h) The proposal's consistency with city or county general and specific plans

Response. In general, the transfer of solid waste power is consistent with the County's Integrated Waste Management Authority to provide solid waste service in the area. SSCSD would be required to join the Integrated Waste Management Authority. The County General Plan supports the provision of these services.

Factor (i) The Sphere of Influence of any local agency ***that may be applicable to the proposal being reviewed.

Response. The Sphere of Influence for the District was adopted under the SOI/MSR Update adopted in 2014. No other Sphere of Influence is affected by this action.

Factor (j) The comments of any affected local agency or other public agency.

Response. No comments regarding this proposal have been received from any agency.

Factor (k) The ability of the newly formed or receiving entity to provide the services ***that are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.

Response. The District is capable of providing solid waste services to the area residents. Solid waste customers will fund the day-to-day services through a fee structure approved by the franchiser and billed by the franchise. That fee structure will not be changed by this action. The SSCSD maintains sufficient cash reserves to create and implement a new solid waste agreement with the hauler. Cash reserves are available to maintain solid waste services in the event the hauler defaults on the agreement and a performance bond will be required by the hauler to maintain solid waste services in the event of default.

Factor (l) Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.

Response. The activating of power is for solid waste services only.

Factor (m) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.

Response. The activating of power is for solid waste services only. No new housing is proposed.

Factor (n) Any information or comments from the landowner or landowners, voters, or residents of the affected territory.

Response. Letters from the property owners will be included and addressed in the Staff Report. The activation of the solid waste power is a request from the San Simeon Community Service District Board of Directors. The Board held public meetings on the topic of activating solid waste power. Both the District and LAFCO hearings have been properly noticed.

Factor (o) Any information relating to existing land use designations.

Response. The existing land use would not change.

Factor (p) The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment and meaningful involvement of people of all races, cultures, incomes, and national origins, with respect to the location of public facilities and the provision of public services, to ensure a healthy environment for all people such that the effects of pollution are not disproportionately borne by any particular populations or communities.

Response. The solid waste service would apply to all residents within the SSCSD boundary. This proposal does not affect the fair treatment of people of all races, cultures and incomes.

Factor (q) Information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code, if it is determined that such information is relevant to the area that is the subject of the proposal. (Amended by Stats. 2019, Ch. 360)

Response. The activating of power is for solid waste services. No new housing or development is proposed. San Simeon is a small unincorporated community that is part of the North Coast planning area in San Luis Obispo County. The County coordinated with the local communities to develop a Multi-Jurisdictional Local Hazard Mitigation Plan in 2019. There are no hazards that are unique to the District. Table O.5 access the San Simeon CSD’s vulnerability below.

Table O.5 San Simeon CSD Hazard Risk Summary

Hazard	Geographic Area	Probability of Future Occurrence	Magnitude/Severity (Extent)	Overall Significance
Coastal Storm/Coastal Erosion/Sea Level Rise	Significant	Likely	Limited	Low
Drought and Water Shortage	Significant	Likely	Limited	Medium
Earthquake	Significant	Likely	Limited	High
Flood	Limited	Likely	Negligible	Low
Tsunami	Limited	Unlikely	Negligible	Low
Wildfire	Significant	Likely	Limited	Medium
Human Caused: Hazardous Materials	Limited	Highly Likely	Negligible	Medium
Geographic Area Limited: Less than 10% of planning area Significant: 10-50% of planning area Extensive: 50-100% of planning area Probability of Future Occurrences Highly Likely: Near 100% chance of occurrence in next year or happens every year. Likely: Between 10 and 100% chance of occurrence in next year or has a recurrence interval of 10 years or less. Occasional: Between 1 and 10% chance of occurrence in the next year or has a recurrence interval of 11 to 100 years. Unlikely: Less than 1% chance of occurrence in next 100 years or has a recurrence interval of greater than every 100 years.		Magnitude/Severity (Extent) Catastrophic—More than 50 percent of property severely damaged; shutdown of facilities for more than 30 days; and/or multiple deaths Critical—25-50 percent of property severely damaged; shutdown of facilities for at least two weeks; and/or injuries and/or illnesses result in permanent disability Limited—10-25 percent of property severely damaged; shutdown of facilities for more than a week; and/or injuries/illnesses treatable do not result in permanent disability Negligible—Less than 10 percent of property severely damaged, shutdown of facilities and services for less than 24 hours; and/or injuries/illnesses treatable with first aid Significance Low: minimal potential impact Medium: moderate potential impact High: widespread potential impact		

The table reflects the hazards that could potentially affect the District in major ways. The discussion of vulnerability for each of the assessed hazards is contained in the following sections. Those of Medium or High significance for the San Simeon CSD are identified below.

- Drought/Water Shortage
- Earthquake
- Human Caused: Hazardous Materials
- Wildfire

Attachment E

CEQA Exemption

NOTICE OF EXEMPTION

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

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

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

CONTACT: Mike Prater, Executive Officer
mprater@slolafco.com
(805) 781-5795

PROJECT TITLE: LAFCO FILE NO. 1-E-20: Activation of Solid Waste Power for the San Simeon Community Service District

Project Location and Description. The San Simeon Community Services District (SSCSD) is located on Highway One in north San Luis Obispo County, California. The SSCSD serves a population of approximately 523 permanent residents and up to 1,500 transient visitors. This is a request by the SSCSD to activate its solid waste power. Currently the service is provided by Mission Country Disposal through a franchise agreement with the County. The activation is proposed so that the current franchise fee may be transferred from the County to the District. Solid waste customers will continue to fund the day-to-day services through the existing fee structure approved by the franchiser (Mission Country Disposal). The SSCSD is requesting authority to exercise solid waste powers pursuant to Government Code Section 61100(c). SSCSD would impose the same 10% franchise fee to be used to support solid waste programs within the community. No changes in the fees are proposed.

Public Agency Approving Project. The Local Agency Formation Commission (LAFCO) of San Luis Obispo County conducted a noticed public hearing on this item on November 19, 2020, at 9:00 a.m. The meeting was conducted via ZOOM pursuant to the provisions of the Governor’s Executive order N-29-20.

Environmental Determination. The purpose of the environmental review process is to provide information about the environmental effects of the actions and decisions made by LAFCO and to comply with the California Environmental Quality Act (CEQA). In this case it has been found to be exempt from CEQA under Common Sense Rule Exemption under CEQA Regulation Section 15061(b)(3) of the State Guidelines.

Reasons for Exemption. LAFCO approval of the activation power of solid waste service does not involve, authorize or permit any type of development or construction activity. There are no land use changes or environmental impacts created because the solid waste removal service is currently provided by a contract between the County of San Luis Obispo and private solid waste provider. The same contract agreement would be transferred to the San Simeon Community Services District. The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. There are no land use changes or environmental impacts created; the solid waste service already exists with the same waste hauler and the agreement would transfer to the SSCSD.

Mike Prater, Executive Officer

Date

Attachment F

Draft LAFCO Resolution

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

Thursday, November 19, 2020

PRESENT:

ABSENT:

RESOLUTION NO. 2020-XX

**RESOLUTION APPROVING THE ACTIVATION OF SOLID WASTE POWER FOR SAN
SIMEON COMMUNITY SERVICE DISTRICT**

The following resolution is now offered and read:

WHEREAS, on September 17, 2020, a request to consider activation of latent power of solid waste for the San Simeon Community Services District was filed with this Commission; and

WHEREAS, a Certificate of Filing for this proposal was signed by the Executive Officer on October 14, 2020; and

WHEREAS, the Executive Officer has given the notices required by law and forwarded copies of his report to officers, persons and public agencies prescribed by law; and

WHEREAS, a staff report was prepared, and the public hearing was duly conducted under the Covid-19 modified meetings laws;

WHEREAS, the matter was set for public hearing at 9:00 a.m. on November 19, 2020, and the public hearing was duly conducted and determined and a decision was made on November 19, 2020; and

WHEREAS, at said hearing this Commission heard and received all oral and written protests, objections and evidence, which were made, presented or filed, and all person's present were given the opportunity to hear and be heard in respect to any matter relating to the proposal and report; and

WHEREAS a Notice of Exemption from the California Environmental Quality Act (CEQA) has been duly prepared, noticed, and submitted under CEQA Regulation Section 15061(b)(3) of the State Guidelines; and

WHEREAS, the Commission has considered all factors required to be considered by Government Code Sections 56668 et seq. and adopts as its written statements of determinations therein, the determinations set in the Executive Officer's Staff report dated November 19, 2020, said determinations being incorporated by reference herein as though set forth in full; and

WHEREAS, the Commission duly considered the proposal to activate the power of solid waste for the San Simeon Community Services District and finds that the proposal should be approved.

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 the Executive Officer of this Commission is authorized and directed to mail copies of this resolution in the manner provided by law.
3. That the activation of latent power of solid waste for the San Simeon Community Services District is approved, with the following conditions:
 - A. The SSCSD shall abide by all the terms and conditions of the existing contract with Mission Country Waste Disposal for the remaining term of the franchise agreement with the County of San Luis Obispo; unless otherwise agreed to between the Mission Country Waste Disposal and the San Simeon Community Services District;
 - B. The SSCSD shall comply with the recycling components currently in place for the remaining term of the agreement with the County of San Luis Obispo;
 - C. The SSCSD shall adopt rules and regulations pertaining to the collection of solid waste within the District. Upon adoption of such rules and regulations, the SSCSD shall be the authorized local agency to provide solid waste services within the Districts boundary;
 - D. The SSCSD shall participate in the San Luis Obispo IWMA and all policies and ordinances of the San Luis Obispo IWMA in accordance with the appointment process of the San Luis Obispo County Special Districts Association for districts exercising solid waste authority.
 - E. The applicant shall defend, indemnify and hold harmless LAFCO to the fullest extent allowed by law, at the sole expense of the applicant, against any and all claims.

Upon a motion of _____, seconded by Commissioner _____, and



LAFCO FILE NO. 1-R-20: ANNEXATION #81 TO THE CITY OF SAN LUIS OBISPO (FIERO EAST-WEST AREAS)

DATE: NOVEMBER 19, 2020

RECOMMENDATIONS:

Recommended Action on the Environmental Determination: It is respectfully recommended that the San Luis Obispo Local Agency Formation Commission (LAFCO) acting as a Responsible Agency use the environmental documentation adopted by the City of San Luis Obispo to meet the requirements of the California Environmental Quality Act (CEQA). Exhibit A.

Recommended Action: It is respectfully recommended that the Commission approve, by resolution, Annexation #81 to the City of San Luis Obispo, with the following conditions:

1. The County and City agree to allow the County to complete or transfer all outstanding permits filed with the County within the annexation area including building and planning permits. The County and City shall work together to resolve any permitting issues.
2. Prior to filing the Certificate of Completion with the Clerk Recorder's Office, the proponent shall submit revised legal descriptions and map revisions to be reviewed and approved by the County Surveyor.
3. The applicant shall defend, indemnify and hold harmless LAFCO to the fullest extent allowed by law, at the sole expense of the applicant, against any and all claims.

- Exhibit A: NOD -Initial Study/Mitigated Negative Declarations found at (www.slolafco.com)
Exhibit B: San Luis Obispo City Plan for Services found at (www.slolafco.com)
Exhibit C: San Luis Obispo City Water Status Report found at (www.slolafco.com)
Exhibit D: LAFCO Legislative Factors-Government Code Section 56668 (a-q)
Exhibit E: Comment Letters
Exhibit F: Draft Resolution Approving the Annexation

Chief Proponent: City of San Luis Obispo, Resolution of Application

Certificate of Filing: October 7, 2020

Acreage and Location: The proposed annexation includes two mostly developed areas:

- **West Area.** The Fiero Lane Area on the West Side of Broad Street-39 acres which includes 30 parcels and is built out. The West Side (Fiero Lane) is served by the City with water and sewer through an outside user agreement that was approved by LAFCO in 2016. The annexation area is pre-zoned for Business Park, Service Commercial, and Manufacturing uses. The existing development includes approximately 500,123 sq. ft. of one and two story structures accommodating light manufacturing, service commercial, and office uses. It is located within the Airport Area Specific Plan area. The Outside User Agreement called for an application for annexation to be submitted to LAFCO. It is estimated that 90% of the parcels are built out in this area under County permitting.
- **East Area.** The Senn/Glick and East Airport Park Association area is on the East Side of Broad Street and is approximately 59 acres and includes 33 parcels. The area has been largely built-out. The area also has several lots that have yet to be developed as a

commercial business park/manufacturing land uses. This area is served by the Fiero Lane Water Company (FLWC). It is also located in the Airport Area Specific Plan area and is within the City's Sphere of Influence (SOI). Currently, of the 33 parcels in the East Side annexation area 21 parcels area developed with a mix of office, business park, industrial and manufacturing uses, storm water basins and FLWC facilities. Total square footage for potential buildout is about 680,000. Estimated build out is at 389,000 square feet with a total potential build out of approximately 680,000 square feet. Nine parcels are currently vacant. This area is about 60% built out.

The areas are generally bounded by Tank Farm Road to the south, Orcutt Road to the east and north, and the Union Pacific Railroad (UPRR) to the west. The vicinity map on the next page shows the West and East areas.

Summary: This proposal considers the annexation of the West and East areas as described above. The City has planned for these areas to be annexed through the adoption of the Airport Area Specific Plan. LAFCO has recognized this area as a potential annexation sites by placing these areas in the City's Sphere of Influence. The County and City have agreed to the SOI in the Memorandum of Agreement (MOA). The MOA identifies the SOI and provisions for City/County coordination and consultation during the development process.

The West Annexation area (Fiero Lane portion) was issued an Outside User Agreement in 2016 to address the failing Fiero Lane Mutual Water Company services of their water system and wastewater treatment plant, which currently also serves the East area. Based on the proximity and common services of the West and East annexation areas and the connection of these areas related to the Fiero Lane Water Company the City, FLWC, and LAFCO decided that both areas should be annexed at the same time.

The Annexation of both areas provides for the efficient and effective provision of services by the City as planned for in its Planning documents and in its Sphere of Influence.

The San Luis Obispo City Council has submitted a Resolution of Application and Plan for Services to LAFCO for annexation. The City Council and County Board of Supervisors have both approved a Negotiated Tax Agreement for the annexation. The proposal has been deemed complete by the Certificate of Filing signed by the Executive Officer on October 7, 2020. The Airport Area Specific Plan anticipated that the East and West Sides would eventually be annexed and served by the City.

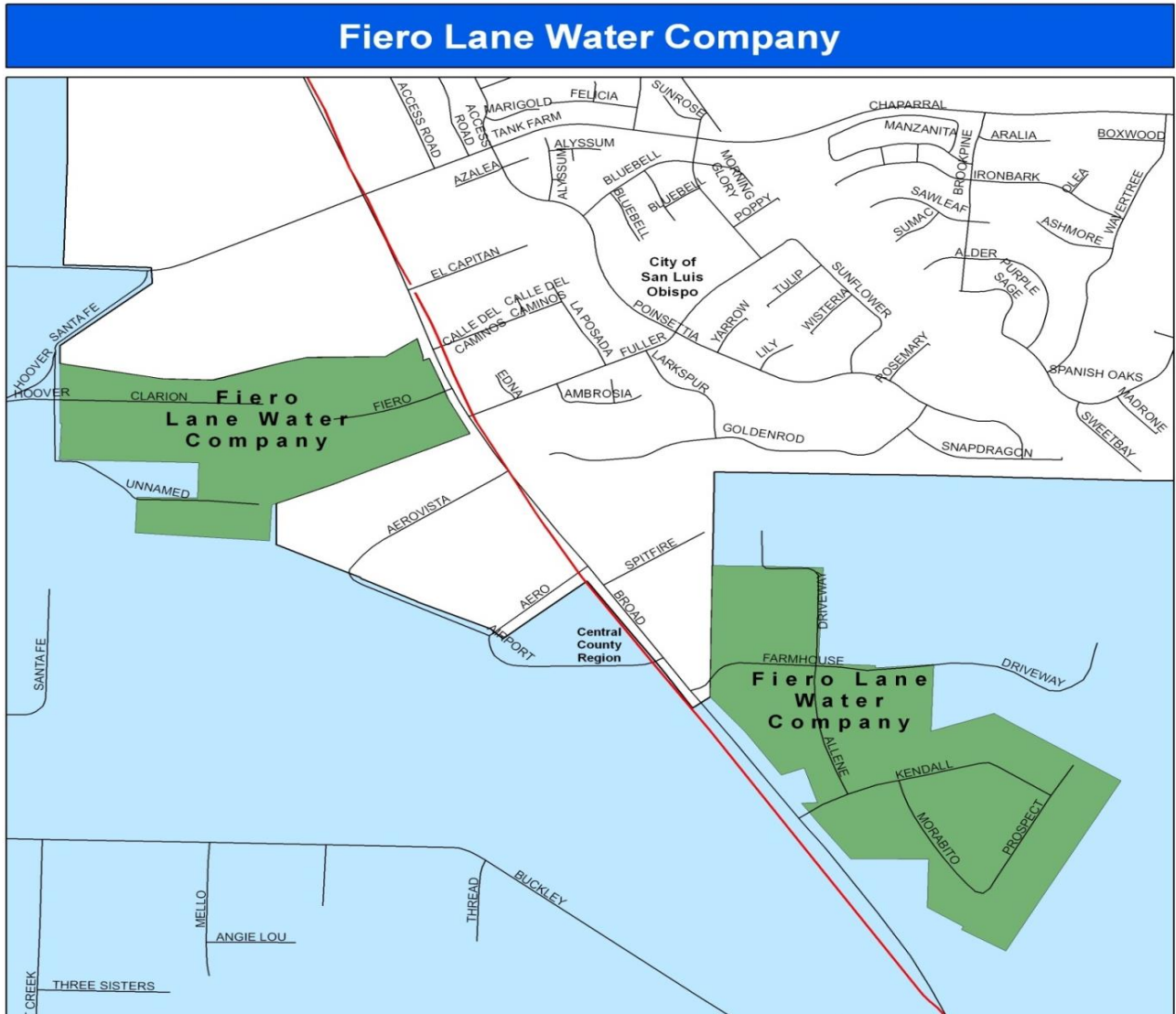
Sphere of Influence: The area is within the City's Sphere of Influence which was updated in October 2016. The Sphere of Influence was updated based on the Municipal Service Review prepared by LAFCO. The Municipal Service Review determined that the City is capable of providing services to the Sphere of Influence areas. The City documented this in the attached Plan for Services found in Exhibit B.

As part of the Sphere of Influence Update, a Memorandum of Agreement between the City of San Luis Obispo and the County of San Luis Obispo was approved by both the City Council and County Board of Supervisors. The City and the County agreed upon the extent of the City's Sphere of Influence, the proposed development standards and other provisions.

The MOA ensures close coordination and cooperation between the City and County on the

future planning and development of the areas within the City's SOI boundary. This process has been followed and the City has coordinated with the County. The application for this annexation was referred to County agencies for review and comment.

Vicinity Map



Environmental Determination: LAFCO is acting as a Responsible Agency for the purpose of complying with the California Environmental Quality Act (CEQA). The City of San Luis Obispo has pre-zoned the annexation areas which under CEQA makes the City the Lead Agency. As Lead Agency the City has prepared a number of environmental documents pursuant to CEQA, including the attached Initial Study Mitigated Negative Declarations; one for the West area and one for the East Area. Other CEQA documents that have been used in preparing the IS/MNDs include:

- Final EIR for Airport Area and Margarita Area Specific Plans, 2005

- Addendum to this EIR, 2015
- Final EIR of the Land Use and Circulation Element, 2014

The IS/MNDs were completed using the above listed documents. These EIRs provides the basis for the Initial Study and Mitigated Negative Declarations. These IS/MND's focused on the specific impacts relative to annexation of the West and East Areas. In this way a number of already completed environmental studies, adopted policies, development standards, and mitigation are incorporated into the record. Most of the land in the annexation areas has already been developed in the County under existing zoning and land use approvals. CEQA has been completed for this existing development.

The Initial Study/Mitigated Negative Declarations (Exhibit A) prepared by the City for both areas includes a discussion of the impacts associated with the future development in the annexation areas. The EIR's listed above include mitigation measures and associated findings adopted by the City Council. These mitigation measures were referenced in the IS/MNDs for the annexation areas

As a Responsible Agency, LAFCO has approval authority over a part of the project; in this case the annexation into the City. A Responsible Agency relies on the Lead Agencies environmental documentation to approve the portion of the project under its jurisdiction. As Lead Agency the City has completed the necessary environmental document to comply with the California Environmental Quality Act (CEQA). In this case the City has completed all the necessary CEQA steps and documentation for LAFCO to take action.

Staff is recommending that LAFCO, acting as a Responsible Agency, use the City's environmental documentation to comply with CEQA. The environmental documentation is adequate and has been certified by the City.

Development Potential: Zoning under the County's General Plan for the East & West annexation areas are manufacturing and commercial. The City's pre-zoning of the site would include Business Park, Manufacturing and Service Commercial. The City's pre-zoning and building land use designations are included with the Airport Area Specific Plan. The area is in the process of building out.

Of the 33 parcels (59 ac) comprising the East annexation area, 21 parcels are developed with a mix of office, Business Park, industrial and manufacturing uses, two stormwater basins, and the Fiero Lane Water Company (FLWC) facilities. Two properties (three parcels) have building permits under review by the County. Nine parcels are vacant.

At present, developed buildings in the East totals 309,003 SF, and an additional 25,025 SF is currently under construction No new development is included as part of the contemplated service and annexation proposal. Any new development in the future would be considered by the City.

The proposed West annexation area is comprised of 30 parcels (39 ac), approximately 90 percent developed with businesses currently operating under San Luis Obispo County regulations. No new development is included as part of the contemplated service and annexation proposal. The West area is served by the City through an approved Outside User

Agreement. This area is largely built out and would be subject to the City's policies and procedures in the future.

Both the annexation areas are in the process of being developed in the County. The East Side has more vacant properties than does the West Side, but development continues to occur. At this point in time the areas are much better served by city services. Water, sewer, police and fire as well roads and other urban level services from the City are the most efficient and logical method of providing public service. The existing mutual water company and package sewer plant would be replaced by city hook ups and infrastructure.

Affordable Housing: These areas are zoned for Commercial and manufacturing land uses. Affordable housing is important and the City of San Luis Obispo has taken a number of actions to ensure affordable housing on a citywide basis. The City requires that affordable housing units be included in residential projects. New Commercial Development will be required to meet the City's affordable housing policies which require inclusionary fees. These areas are commercial/manufacturing/business park land uses that are consistent with the City's General Plan and Airport Area Specific Plan.

Conditions of Approval: The first condition requires the County and City to work together in processing any building or planning permits or approvals. The County can either finish processing existing permits or transfer those to the City. It is at the discretion of the City and County to resolve any processing issues. The City may enter into an agreement with the County to allow the continued processing of the current permits being processed by the County if mutually agreed. This condition would allow the certificate of completion to be recorded to finalize the annexation and enable the County to continue to complete processing any permits in the area if agreed.

The second condition is for the City or applicants to provide LAFCO with all final map and legal description revisions for County Surveyor approval prior to the certification of completion being filed and the annexation being completed.

The last condition requires the applicant to defend, indemnify and hold harmless LAFCO to the fullest extent allowed by law, at the sole expense of the applicant, against any and all claims.

Term of the Approval: The Cortese-Knox-Hertzberg Act (GC 57001) allows up to one year for a Certificate of Completion to be filed with the Clerk Recorder, otherwise the action is deemed abandoned. LAFCO may grant extensions based on a reasonable request by the proponent or applicant. The time frame for an extension is at LAFCO's discretion based on the circumstances of the proposal.

Topography: The topography on the two sites is generally flat. The areas have been graded for development and do not have any significant topographical features

Assessed Valuation: The total assessed land and improvement value of the annexation areas as determined by the County Assessor is \$176,393,549. This breaks down in the following table for both areas:

Area	Land Value	Improvement Value	Total Value
Westside/Fiero	37,770,086	61,709,104	99,479,190
Eastside Area	27,035,507	49,878,852	76,914,359
Totals	64,805,593	11,587,956	176,393,549

Property Tax Exchange: The Board of Supervisors adopted a resolution agreeing to an exchange of property tax revenue for the proposed annexation on October 6, 2020. The City also approved the Property Tax Agreement on October 6, 2020. The City and County agreed to the following provisions:

- a. All land within the annexation areas are considered manufacturing, commercial, or business park land uses;
- b. The County will retain 100% of the base property taxes;
- c. The County shall receive 86% of the increment. The City shall receive 14% of the increment;
- d. The City will retain 100% of sales tax base and increment.

Uninhabited Annexation: The annexation areas are legally uninhabited (less than 12 registered voters). An inhabited annexation would be subject to the conducting authority hearing process (protest process) which allows registered voters as well as property owners to protest the annexation. In this situation a protest process will be conducted if 100% of the landowners do not consent to the annexation. If 100% of the landowners provide written consent, then the protest process is waived.

If the annexation is approved by LAFCO without 100% of the landowners consenting, than land owners in the annexation areas would be notified about LAFCO's decision and when a Conducting Authority/Protest Hearing would be held. The areas are uninhabited so only the landowners within the annexation areas can submit a valid protest.

Code Section 57075 indicates that the annexation shall be ordered if less than 50% of the landowners who own 50% of the land value protest the action. Section 57078 states if landowners who own at least 50% of the assessed value of land protest the annexation, the annexation shall be terminated.

The Cortese-Knox-Hertzberg Act provides specific guidance regarding noticing and holding the protest hearing. The annexation shall be approved if less than 25% of the registered voters or property owners filed written protests. As allowed under CKH Act, the Commission has delegated this task to the Executive Officer.

Plan for Services:

West Side:

The West Fiero Lane/Clarion Court Annexation area water demand is 19-acre ft/yr for both indoor and outdoor landscape use according to water metering records from the Fiero Lane Water Company. The Airport Area Specific Plan and the City's General Plan anticipated the water demand to also serve the west side annexation and adequate water supplies are available to serve the build out of the City's General Plan. More details about the City's ability to serve this area is provided below.

East Side:

The East Airport Commerce Park- Senn/Glick Annexation Plan for Services documents the City's current capacity to provide services to the east annexation area. The water demand is currently approximately 14.62-acre feet per year for both indoor domestic and outdoor landscape use in the east side of the annexation. The anticipated buildout water use would increase by 25.33-acre ft/yr bringing the total to approximately 40-acre ft/yr. The Airport Area Specific Plan and the City's General Plan anticipated the water demand to serve this annexation and adequate water supplies are available to serve the build out of the City's General Plan.

Water Supply: The City manages their water supply in a comprehensive and careful manner. The City's water supply is diverse and includes water from several sources; Salinas Reservoir and Whale Rock Reservoir (4,910 afy) from groundwater, recycled water from the City's Water Reclamation Facility (244 afy), water conservation, and Lake Nacimiento surface water (5,482 afy). The City's total available safe yield is 10,136 acre feet. This includes the City's Secondary water supply (1,413 afy) and Reliability reserve (1,227 afy) that provides a buffer for future unforeseen or unpredictable long-term impacts.

The City's General Plan and supporting water and wastewater planning documents intend for these area areas to be annexed into the City. The City has planned for the East and West Airport Areas to be served with City water resources.

The City's actual water use for 2019 was 4,762 afy; in 2018 was 5,225 afy, and in 2017 was 4,975 afy a decrease in water use of 8%. Overall, this leaves a balance of 7,496 afy of primary water supply that is available to the City. The annexation is estimated to use approximately 59 afy in water. Of this, 19 afy is estimated for outdoor and indoor use on the West area according to Fiero Lane Mutual Water Company metering records. An estimated 40 afy for the East area includes the 16.42 afy for existing developed portions per metering records, while the remaining built out water use demand (including the Peoples Self Help Housing project) is estimated at 25.33 afy. A portion of this water will very likely be recycled water for landscaping for common outdoor areas when the recycled water distribution system is extended south on Broad Street.

The management of water resources is based on General Plan policies that call for the City's Utilities Department to prepare a detailed annual report regarding the status of the City's Water Resources. The Annual Water Status Report for 2019 covered the follow topics:

1. Regulatory and Water Projects Update
2. Water Supply
3. Water Demand
4. Water Resource Availability

5. Water Supply Accounting

The 2019 report evaluates the existing water supply situation for the City, identifies the amount of water currently available to serve new development, and discusses issues relative to existing polices and water projects being pursued. The City prepares this report each year and presents it to the City Council for its consideration. On this basis, the City has determined that it has a sufficient water supply available to meet the demand of the East/West Annexations.

Adequate. In 2019 the City's overall supply was 10,136 afy. The City's overall use for 2019 was 4,762 afy, and 5,225 in 2018 leaving 5,374 afy available per year. Each year the City calculates the amount of water it has for future development. Other water supplies which the City continues to develop include water reuse for landscaping and water conservation measures. The City has documented an adequate supply to serve this annexation.

Reliable. The City has diverse and well-established water sources in the Salinas and Whale Rock Reservoirs and has proven capable of reducing water use through water conservation measures should an extended period of drought require such actions. The City's water distribution system is maintained and upgraded on a regular basis by the City. The City provides for this in the Water System Master Plan which is updated by the City Council. The Nacimiento Water Project and Water Reuse Project significantly increase the reliability of the City's water supply. The City's ability to effectively implement water conservation measures in a drought situation increases both the reliability and sustainability of the City's water supply.

Sustainable. The City has a water supply that is sustainable into the future. The City also continues to increase its sustainability by adding supplies such as the Nacimiento Water Project, aggressively pursuing water conservation measures, and developing a water reuse program. The City has a very strong policy base for managing its water resources. This includes not providing water services to development unless the City has an adequate water supply.

Wastewater Service. The City of San Luis Obispo operates the wastewater treatment/reclamation facility, which has an estimated 13,500 hook-ups within the City limits. The City's wastewater collection system consists of one hundred fifty miles of sewer pipe, ranging in size from 6 to 30 inches in diameter (at an average depth of six feet), over 2,500 manholes, and eight sewage pump stations.

This system conveys approximately 4.1 million gallons of wastewater per day to the City's Water Reclamation Facility, which has a capacity of 5.1 million gallons per day and the planned upgrade to the facility will increase its capacity to 5.4 mgd (expected to be completed in 2020). The City has about 20% of capacity available for future development, or about 1.0 million gallons per day. The proposed annexation is estimated to produce about 27,512 gallons per day of wastewater from the both East/West areas (including 15,000 gpd, from the West area and 4,470 gpd for existing commercial uses, and 15,512 gpd from the East future new uses), using less than 1/10th of a percent of the existing capacity (0.10 MGD). The City has adequate wastewater capacity. The City has begun planning an upgrade project that will meet the needs of the General Plan build-out expected to be completed in 2020.

Capacity. The City intends to expand the Wastewater Facility as needed for future development. The treatment system currently has the capacity to process 5.1 million gallons per day of wastewater on an average dry day. The system is operating at 80% of capacity with an

estimated 4.1 million gallons per day currently being processed at the treatment facility. The plant has the capacity to serve a population of up to 50,000. The City's current population is 44,200.

The City is planning to expand the system to provide adequate capacity as the City continues to grow. Serving future developments that are proposed have been studied as part of the Airport Area Specific Plan, Land Use and Circulation Element and the associated environmental review (CEQA) process. The City is upgrading the WRRF to increase treatment capacity and meet the terms of the City's new National Pollutant Discharge Elimination System (NPDES) permit to treat future flows and loading, as well as replace aging equipment, maximize the production of recycled water, and incorporate interpretive features and public amenities. The WRRF will be modified to increase capacity to 5.4 MGD, which will handle the full build-out dry-weather wastewater flows in the City. The program is expected to be completed in 2020.

To ensure system reliability, the collection system is regularly inspected, hydro-cleaned, and repaired. Work is performed in response to work orders (updated daily) and area maintenance of a particular drainage basin. The goal is to completely clean the system every three years. Maintenance is performed bi-monthly on the eight sewage pump stations. Trucks known as Wastewater Collection Combination Units clean City sewers using water pressure and are also capable of vacuuming debris from the sewer system.

The City of San Luis Obispo has its own pipeline inspection unit. This unit allows collection system problems to be quickly located and repaired using a closed-circuit video camera system. If an overflow occurs during normal working hours, customers are urged to contact the wastewater collection department. After hours emergencies should be reported to the San Luis Obispo Police Department, who will contact on-call utility staff.

The City of San Luis Obispo's Water Reclamation Facility is responsible for treating all of the wastewater (sewage) within the City, Cal Poly and the County airport. The facility treats 4.1 million gallons of wastewater daily, twenty-four hours a day, 365 days a year. Staffing of operators, laboratory analysts and maintenance technicians ensure the WRF is operated and maintained in the most efficient manner possible and complies with federal, state, and local discharge requirements.

The most recent upgrade to the WRF was completed to improve the quality of water discharged into San Luis Obispo Creek. The WRF has very stringent discharge requirements and now produces a high-quality effluent that surpasses drinking water standards for many constituents. Plans to use a portion of this effluent to irrigate parks, median strips, landscape and other appropriate uses are being developed under the City's Water Reuse Program.

LAFCO Agriculture Policies: The East and West annexation areas do not have any agriculture land located within the boundaries of the annexation.

Other Agencies

County Planning Department Comments: The County Department of Planning and Building supports the annexation. The proposed annexation is generally consistent with the County of San Luis Obispo's General Plan, and their Strategic Growth Principals. The annexation is

consistent with the County's San Luis Obispo's Area Plan policies that encourage the development of the area and the provision of urban level services.

County Environmental Health: The Environmental Health Office supports the annexation. Their letter is included in Exhibit E.

County Agricultural Commissioner: The Agricultural Commissioner's Office did not comment regarding this annexation.

Air Pollution Control District (APCD): The APCD did not comment regarding this annexation.

County Public Works Comments: Public Works recommend including all of the Orcutt Road Right-of-way and Santa Fe to alleviate confusion over maintenance and responsibilities. Typically, LAFCO requires that the adjacent road be maintained by the annexing jurisdiction.

SLOCOG Comments: SLOCOG recommends the city conduct a full signal warrant analysis for the Buckley Road and Farmhouse Lane intersections with SR 227, make reference to the improvements identified in the State Route 227 Operations Study, and to make available a fair-share apportionment of the City's Traffic Impact Fees generated due to the annexation toward the development or construction of the aforementioned projects. Their letter is included in Exhibit E. The City has approved the plans and permits for the Buckley Road extension and it is a requirement to be in place before any occupancies of Phase 2 Avila Ranch development. The connection should be completed within 18 months.

LAFCO Factors Government Code 56668: Government Code Section 56668 identifies a number of factors that are to be considered by LAFCO in reviewing a proposal. These factors are addressed in Exhibit D of this Staff Report. Each factor is listed and a Staff Response is provided for LAFCO's consideration. The factors are intended to provide the Commission with information about certain topics that are often relevant to annexations. The factors include information on:

- | | | |
|---|--|----------------------------|
| • Population and Land Use | • Need for Services | • Impact on Adjacent Areas |
| • Commission Policies | • Agricultural Lands | • Definite Boundaries |
| • Consistency with General Plans and Reg. Trans. Plan | • Sphere of Influence | • Other Agency Comments |
| • Ability to provide services | • Availability of water supplies | • Housing |
| • Comments from landowner, voters or residents | • Existing information about existing land use | • Environmental Justice |

Regional Goals/Policies: The Cortese-Knox-Hertzberg Act (GC 56668.5) allows the Commission to consider the regional growth goals and policies established by a collaboration of elected officials. These could be goals and policies established through the Council of Government Blueprint Program, also known as Community 2050. In addition, the San Luis Obispo Council of Governments has approved a Regional Values and Goals document that identifies Regional goals and policies on a county-wide basis. The following are the core values approved by the SLOCOG:

- Growth is carefully planned and managed without sacrificing the natural beauty and health of the environment.
- County and local governments respond to identified community needs and actively seek and encourage community input and planning.
- Open space is preserved and enhanced as a rich resource of recreational and tourism opportunities.
- The economy emphasizes clean industry, prosperous agriculture and flourishing tourism; it provides a variety of employment opportunities with livable wages and offers affordable housing alternatives.
- All children are assured a high-quality education and activities are created to nurture youth development and encourage pride and involvement in their communities.
- People continue to have a sense of security and safety in their communities.

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

1. Strengthen regional cooperation
2. Preserve open space, scenic, natural beauty and natural resources. Conserve energy resources. Protect agricultural land and resources.
3. Strengthen and direct development toward existing and strategically planned communities.
4. Foster distinctive, attractive communities with a strong sense of place.
5. Provide a variety of transportation choices.
6. Create a range of housing opportunities and choices.
7. Encourage mixed land uses.
8. Create walkable neighborhoods and towns.
9. Take advantage of compact building design.
10. Make development decisions predictable, fair and cost-effective.
11. Encourage community and stakeholder collaboration.

Public Notification: The Cortese-Knox-Hertzberg Act requires notification to property owners and registered voters within the annexation area when the number of registered voters and property owners within 300 feet of the annexation and inside the annexation is less than 1,000 people. This mailing is required by the Government Code, and was sent out at least 21 days in

advance of the hearing. Notice has also been posted in the paper, on LAFCO website, and sent to the proponents, the City, and other interested parties.

Recommended Action on the Environmental Determination: It is respectfully recommended that the Commission, acting as a Responsible Agency, use the Initial Study/Mitigated Negative Declarations adopted by the City of San Luis Obispo to meet the requirements of the California Environmental Quality Act (CEQA). The IS/MNDs incorporates other EIRs already referred to in this staff report.

Recommended Action: It is respectfully recommended that the Commission approve, by resolution, Annexation #81 to the City of San Luis Obispo, with the following conditions:

1. The County and City agree to allow the County to complete or transfer all outstanding permits filed with the County within the annexation area including building and planning permits. The County and City shall work together to resolve any permitting issues.
2. Prior to filing the Certificate of Completion with the Clerk Recorder's Office, the proponent shall submit revised legal descriptions and map revisions to be reviewed and approved by the County Surveyor.
3. The applicant shall defend, indemnify and hold harmless LAFCO to the fullest extent allowed by law, at the sole expense of the applicant, against any and all claims.

Respectfully submitted,



MIKE PRATER
Executive Officer
San Luis Obispo
Local Agency Formation Commission

Exhibit A

NOD -Initial Study/Mitigated Negative Declarations found at

(Found on LAFCO website at www.slolafo.com)

Exhibit B

San Luis Obispo City Plan for Services

(Found on LAFCO website at www.slolafco.com)

Exhibit C

San Luis Obispo City Water Status Report

(Found on LAFCO website at www.slolafco.com)

Exhibit D

LAFCO Legislative Factors – Gov Code Section 56668 (a-q)

ATTACHMENT D
LAFCO Proposal Review Factors - Government Code 56668
Fiero East-West Annexation to the
City of San Luis Obispo 1-R-20

Factor (a) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.

Response. The Fiero East/West Annexation involves 68 acres bounded by Tank Farm Road to the south, Orcutt Road to the east and north, and the Union Pacific Railroad (UPRR) to the west. Many of these factors are addressed in the staff report. The Fiero East/West annexation was approved by the City under separate actions. West portion was approved in December 2019 and the East portion was approved in March 2020. Both approvals follow the City’s Airport Area Specific Plan and LUCE which provides policies and development standards to ensure the orderly development of these areas. The Environmental Impact Report prepared for the Airport Specific Plan and subsequent Mitigated Negative Declarations identified the potential for Business Park (BP), Service Commercial (CS), and Manufacturing (M) (consistent with the Airport Area Specific Plan. The citywide buildout potential population is consistent with the City’s General Plan Land Use Element Update 2014. The County Resource Management System states the following with regard to population:

As of January 2010, the City’s population was approximately 44,750. The total population growth rate from the year 2000 to 2010 was 0.5%. The year 2020 population estimate is 43,370. Build out population is approximately 57,000.

San Luis Obispo Population			
2000	2005	2010	2020
44,174	44,619	44,750	43,370

Growth is likely in this area whether it’s in the City or under the County. The City is prepared to provide services and has approved the Airport Specific Plan with the goal of providing for the planned and well organized growth.

Currently, of the 33 parcels in the East Side annexation area 21 parcels area developed with a mix of office, business park, industrial and manufacturing uses, storm water basins and FLWC facilities. Total square footage for potential buildout is about 680,000. Estimated build out is at 389,000 square feet with a

total potential build out of approximately 680,000 square feet. Nine parcels are currently vacant. This area is about 60% built out.

The existing development within the West Side includes 30 parcels approximately 500,123 sq. ft. of one and two story structures accommodating light manufacturing, service commercial, and office uses. It is estimated that 90% of the parcels are built out in this area under county permitting.

The topography on the site is generally flat. The areas have been graded for development and do not have any significant topographical features.

Assessed Valuation: The total assessed value of the annexation area as determined by the County Assessor is \$176,393,549. This breaks down as \$64,805,593 in land value and \$11,587,956 in improvement values. As discussed above, the properties are primarily in light manufacturing, service commercial, and office uses. This assessed valuation was used as the basis for property tax negotiations between the City and County.

Factor (b) The need for organized community services, the present cost and adequacy of governmental services and controls in the area, probable future needs for those services and controls, probable effect of the proposed incorporation, formation, annexation, or exclusion and alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.

Response. The present cost and adequacy of governmental services and controls in the area is technically the County's responsibility, however, in emergency response situations the City is normally the first responder. The properties are supplied water and wastewater by Fiero Lane Mutual Water Company. The West Annexation area (Fiero Lane portion) was issued an Outside User Agreement in 2016 to address the failing Fiero Lane Mutual Water Company services of their water system and wastewater treatment plant, which currently also serves the East area. The City has an existing 12-inch potable water main on Broad Street and Aerovista. The annexation area is in the City's *Water Reuse Master Plan* area and will be served with recycled water for landscape irrigation in the future when the recycled water distribution system is extended south on Broad Street.

The Pre-Annexation Agreement (PAA) and Memorandum (MOA) with FLWC identify the necessary improvements and impact fees to be paid and other financing issues. The probable need for future services is high given the urban nature of the surrounding area, the pre-zoning already approved by the City. If the annexation is approved, the area would then be able to receive urban level services that can be provided by the City. The costs of services may increase, however the level of services available from the City is also increased and addresses the failing FLWC system. The City would provide a higher level of

service to the area in terms of water and wastewater services as well as fire and police.

Factor (c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.

Response. The proposed action would allow the proposal approved by the City to be implemented upon compliance with the conditions of approval. The area would be removed from the County's unincorporated area and be within the City's incorporated service area. The eventual impact could be an increase of population for the City. The City would be responsible for providing services to the area. The commercial and industrial development would increase the economic activity in the area and contribute to local businesses, social and economic interests.

Factor (d) The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377.

Response. The City prepared the Airport Specific Plan that provides for the planned, orderly and efficient development of the area coupled with the City approving the Pre-Annexation Agreement and environmental documentation regarding this proposal both provide detailed documents that address a variety of issues, including:

- Open Space and Parks
- Airport Compatibility
- Utilities and Services
- Plan Implementation
- Development Standards
- Circulation/Transportation
- Housing Affordability
- Land Use
- Community Design
- Public Services
- Public Facilities
- Financing

The City also completed an Environmental Impact Report for the Airport Specific Plan that evaluates the impacts. In 2016 LAFCO approved an Outsider User Agreement that conditioned the West Side area be annexed. Based on the proximity and common services of the West and East annexation areas and the connection of these areas related to the Fiero Lane Water Company the City, FLWC, and LAFCO decided that both areas should be annexed at the same time. The following are the San Luis Obispo LAFCO Policies for City Annexations and a brief analysis of the proposal under these policies:

Policy 1. The boundaries of a proposed annexation must be definite and certain and must conform to lines of assessment whenever possible.

Analysis. The boundaries are definite and certain and adhere to assessor parcel lines. The annexation map has been approved by the County Surveyor.

Policy 2. The boundaries of an area to be annexed will not result in any areas difficult to serve.

Analysis. The properties are adjacent to the City and are not difficult for the provision of City services. The Annexation of both areas provides for the efficient and effective provision of services by the City as planned for in its Planning documents and in its Sphere of Influence.

Policy 3. There is a demonstrated need for governmental services and controls in the area proposed for annexation.

Analysis. The City will be able to provide an increased level of service and controls for these areas. The Plan for Services approved by the City address the provision of governmental services, financing of improvements, a plan for all services and improved sales tax revenues.

Policy 4. The municipality has the resources capable of meeting the need for services in the area proposed for annexation and has submitted studies and information documenting its ability to serve.

Analysis. The City has demonstrated its ability to serve the area in the already approved Airport Specific Plan and certified Environmental Impact Report completed. The City further documented its capabilities in the Plan for Services found in Exhibit B of this Staff Report. The City has the capability to provide water and wastewater, police and fire services and other services as well. The City has an allocation of 5,374 acre-feet per year of net water availability to serve the proposed project demand of 59 AFY. Wastewater capacity is 1.0 mgpd to accommodate 27,512 gallons per day from the proposed project.

Policy 5. There is a mutual social and economic community of interest between the residents of the municipality and the proposed territory.

Analysis. The proposed annexation would become part of the social and economic fabric of the City of San Luis Obispo. The Area is adjacent to the City and its social and economic communities of interest. The annexation of this area will promote the implementation of the Airport Specific Plan which address the

development of this area in detail and call for incorporate this area into the City.

Policy 6. The proposed annexation is compatible with the municipality's General Plan. The proposed annexation represents a logical and reasonable expansion of the annexing municipality.

Analysis. The proposed annexation is consistent with the City General Plan and implements the Airport Specific Plan prepared by the City for this area.

Policy 7. The Commission shall determine if a disadvantaged unincorporated community is associated with an application. If a disadvantaged unincorporated community does exist, the procedures for processing the annexation as outlined in the CKH Act shall be implemented.

Analysis. The proposed annexation does not contain a disadvantaged unincorporated community. LAFCO conducted a Municipal Service Review of the City in October 2016 which concluded the City of San Luis Obispo's Sphere of Influence does not have disadvantaged unincorporated community located within or adjacent to its boundaries. Since that time, no changes have occurred within or adjacent to the Fiero West-East area annexation that changes this determination.

Policy 8. That the City Prezone the area to be annexed and complete CEQA as the Lead Agency for the proposal and/or project. LAFCO should in most instances act as the Responsible Agency with regard to an annexation and CEQA.

Analysis. The City pre-zoned the area Business Park (BP), Service Commercial (CS), and Manufacturing (M) (consistent with the Airport Area Specific Plan. The City also completed CEQA and filed a Mitigated Negative Declaration. LAFCO is acting as a Responsible Agency.

Government Code Section 56377 states:

56377. In reviewing and approving or disapproving proposals which could reasonably be expected to include, 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 sphere of influence or the local agency.

Analysis. The annexation to the City promotes the development of lands proximate to the City, the East and West annexation areas do not have any agriculture land located within the boundaries of the annexation.

Factor (e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.

Response. The area includes 63 parcels, under numerous ownerships. The area is unincorporated and has seen significant development under County zoning consisting of a mix of office, Business Park, industrial and manufacturing uses. The People's Self-Help Housing site that is part of this annexation (recently added within the EACP) is vacant land at this time, but has been entitled for up to 23,665 SF of development by the County. PSHH is currently undergoing building plan processing with the County and is expected to pull permits before annexation is completed.

Factor (f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.

Response. The annexation boundary follows lines of assessment and does not create an island or corridor of unincorporated territory.

Factor (g) A regional transportation plan adopted pursuant to Section 65080.

Response. The SLOCOG RTP 2019 and comment letter submitted by SLOCOG recommends that the Fiero East-West annexation provide for the extension of Buckley Road to South Higuera Street, and the designation of Buckley Road as a

truck route. Regional connectors are outlined in the plan which includes Prado Road overpass and interchange, Broad Street (also known as SR 227), LOVR, Buckley and Tank Farm improvements.

Factor (h) Consistency with appropriate City or County General and Specific Plans.

Response. The annexation is consistent with the City's and County's General Plan and Policies. The City has approved the Airport Specific Plan and certified the Environmental Impact Report and subsequent MND's for both East and West areas.

Factor (i) The Sphere of Influence of any local agency which may be applicable to the proposal being reviewed.

Response. The proposal site is within the City of San Luis Obispo's current Sphere of Influence which was updated in 2016. The proposal does not conflict with the Sphere of Influence of any other jurisdiction.

Factor (j) The comments of any affected local agency or other public agency.

Response. Comments regarding this proposal have been received from the following agencies:

- County of San Luis Obispo Planning Department
- County of San Luis Obispo Environmental Health
- San Luis Obispo Council of Governments

- County of San Luis Obispo Public Works Department

The comments were addressed in the staff report.

Factor (k) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.

Response. The City of San Luis Obispo is capable of providing services to all of the properties within the annexation area. This is documented in Mitigated Negative Declaration, Plan for Services, and other studies completed by the City. The property tax agreement has been approved by the City and the County of San Luis Obispo. The City and FLWC have also approved a Pre-Annexation Agreement and MOA to address costs, and improvements of these areas. Additional sales tax and portion of the property tax increment are expected to be produced for the City.

Factor (l) Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.

Response. This is discussed in detail in the water service section of the staff report and in the City's Annual Water Status report which is attached.

Factor (m) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.

Response. The table below provides the latest information regarding the City's progress towards achieving the City's share of the regional housing needs as established in the Housing Element. The annexation proposal includes the Fiero East-West annexation which will include commercial, Business Park and industrial uses. The City of San Luis Obispo has taken a number of actions to ensure affordable housing on a citywide basis. The City requires that affordable housing units be included in residential projects. New Commercial Development will be required to meet the City's affordable housing policies which require inclusionary fees.

Factor (n) Any information or comments from the landowner or owners.

Response. Letters from the property owners will be included and addressed in the Staff Report.

Factor (o) Any information relating to existing land use designations.

Response. The existing land use is addressed in the staff report.

Factor (p) Environmental Justice. The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

Response. No new development is included as part of the contemplated service and annexation proposal. Any new development in the future would be considered by the City with environmental justice topics considered. With regards to the location of public facilities and the provisions of public services, (pipelines and other infrastructure) associated with development will be located within public roadways or on the site. The City services such as police and fire are capable of serving the site and have adequate resources to serve all residents of the City of San Luis Obispo. The annexation of the area shall not require the

construction of facilities or connections to services and fees to be unfairly impacted by races, cultures and incomes.

Factor (q) Information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code, if it is determined that such information is relevant to the area that is the subject of the proposal.

Response. The Fiero East-West sites are identified as a low fire hazard zone; and moderate liquefaction risk however, the EIR and subsequent MND address the Safety Element and any local hazard mitigation planning. No impacts were identified.

Exihbit E

Comment Letters



COUNTY OF SAN LUIS OBISPO HEALTH AGENCY
PUBLIC HEALTH DEPARTMENT

Michael Hill *Health Agency Director*

Penny Borenstein, MD, MPH *Health Officer/Public Health Director*

April 2, 2020

To: San Luis Obispo Local Agency Formation Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

From: Environmental Health
Leslie Terry, 805-781-5553, lterry@co.slo.ca.us

Proposal: Anx#81 to City of SLO (West Airport Area Fiero Lane - Clarion Court)

LAFCO File No.: 1-R-20

Thank you for the opportunity to comment. This department has completed its review of the application and associated documents for the above-mentioned project proposal and offers the following:

1. San Luis Obispo County Environmental Health Services (EHS) has a primacy agreement with the state of California for the regulation of non-community and small community water systems within San Luis Obispo. At present, EHS regulates the Fiero Lane Mutual Water Co. as a non transient non community water system. Records for the Fiero Lane Water Company date back to 1980. With increasing development over the years within its service boundary, the water company has become unable to reliably provide its users water which is safe for consumption. This system relies on three poorly producing wells, one of which has high levels of nitrates. The system has a treatment system for nitrate removal which has proven inadequate on multiple occasions.
2. Environmental Health has taken multiple enforcement actions including issuing Notices of Violation in 2013, 2014 and twice in 2016 when the water system provided finished water to its users exceeding the nitrate maximum contaminant limit (MCL). Failing to provide water compliant with the nitrate MCL is a violation of Title 22 California Code of Regulations, the California Safe Drinking Water Act and multiple state and federal codes. It should be noted that nitrates pose an acute health concern at certain levels of exposure.
3. This office supported the 2016 Outside User Agreement which allowed the Fiero Lane Water Company to utilize water from the City of San Luis Obispo as its active source and maintain their wells as standby sources. In 2017 this office issued an updated Water Supply Permit noting Fiero Lane Water Company's active source as purchased water from the City of San Luis Obispo. The system has been compliant with regulatory drinking water requirements since the change in source.

Environmental Health Services

2156 Sierra Way, Suite B | San Luis Obispo, CA 93401 | (P) 805-781-5544 | (F) 805-781-4211

www.slopublichealth.org/ehs

B-2-27

4. The current proposal for annexation is supported by EHS as it will ensure that water provided to the users within the Fiero Lane Water Company boundary will continue to receive water which is safe and reliable. In addition, the state of California supports water partnerships (including annexations) to reduce the number of small water systems (less than 1,000 connections) in our state. Larger water systems are more resilient to disasters, are better able to adjust to regulatory changes and are best able to perform infrastructure maintenance and replacement due to economies of scale and availability of staffing. Additional state information can be found at:
https://www.waterboards.ca.gov/drinking_water/ce/lilic/drinkingwater/waterpartnership.html

May 22, 2020

David Church
 SLO LAFCO
 1042 Pacific Street Suite A
 San Luis Obispo, CA 93401

Subject: Anx #81 to the City of SLO (AMENDMENT – East Airport Commerce Park – Senn/ Glick)

Dear Mr. Church:

The San Luis Obispo Council of Governments (SLOCOG) appreciates the opportunity to review the amendment to Annexation #81- East Airport Commerce Park. The State of California and Federal Highways Administration designate SLOCOG as the Regional Transportation Planning Agency (RTPA) and the Metropolitan Planning Organization (MPO), respectively, for the region. While SLOCOG does not have permit or regulatory authority for land use proposals, SLOCOG is responsible for planning the long-term viability of the regional surface transportation system, and for programming funds to achieve the objectives of the adopted Regional Transportation Plan and Sustainable Communities Strategy.

SLOCOG staff review EIRs and Specific Plans to ensure positive outcomes in transportation choices, mobility, circulation, efficiency, safety and connectivity within and between our communities. SLOCOG’s [2019 RTP](#) includes a forecasted development pattern and intermodal transportation investment portfolio that meet greenhouse gas (GHG) emission reduction targets specified by the California Air Resources Board. The 2019 RTP includes numerous principles, goals, and policies that were used to prepare the following comments; and is the blueprint for our region’s future transportation system. The 2019 RTP strives to accommodate growth while improving quality of life for the region’s residents.

The proposed 58.31-acre annexation from the County of San Luis Obispo to the City of San Luis Obispo is part of the City’s Sphere of Influence and Urban Reserve area. The zoning would change from Industrial to Business Park, Manufacturing, and Service Commercial. The area is partially built out with about 33 parcels containing approximately 329,003 SF in developed space. SLOCOG would like to see the following transportation additions be considered to align more closely with the 2019 RTP.

Section 9 in the Plan for Services states that previous work completed in the City’s Land Use and Circulation Element and Airport Area Specific Plan identify new capital projects needed as a result of the East Side Annexation. The AASP states that the South Higuera Street interchange is the designated truck exit accessing the industrial areas in southern San Luis Obispo and recommends the extension of Buckley Road to South Higuera Street, and the designation of Buckley Road as a truck route.

The 2016 State Route 227 Operations Study identifies the existing (2015) and forecasted (2025 and 2035) AM & PM intersection level of service for Buckley Road/SR 227 and Farmhouse Lane/SR 227. Both intersections are expected to operate at unacceptable levels of service in those time frames (Target LOS = C):

2015	AM		PM	
	Delay (sec.)	LOS	Delay	LOS
Buckley @ SR 227	53.9	D	39.1	D
Farmhouse @ SR 227	27.2	D	15.1	C

2025	AM		PM	
	Delay (sec.)	LOS	Delay	LOS
Buckley @ SR 227	57	E	58.8	E
Farmhouse @ SR 227	35.4	E	30.2	D

2035	AM		PM	
	Delay (sec.)	LOS	Delay	LOS
Buckley @ SR 227	64.2	E	101.4	F
Farmhouse @ SR 227	51.7	F	173.2	F

The study makes a number of recommendations for the Buckley Road and Farmhouse intersections with SR 227:

Immediate:

- Coordinate with Caltrans to develop roundabout layout and preliminary engineering designs for SR 227 at Buckley Road and a preferred project development process for expediting the SR 227 at Buckley Road roundabout (*in progress*).
- Proceed with development of layout and preliminary engineering designs for Edna-Price Canyon Trail from Crestmont Drive to Tank Farm Road based on the Preferred Alignment and associated recommendations of the Edna-Price Canyon Trail Feasibility Study adopted by SLOCOG.

Short-term (0-5 years):

- Buckley Road/SR 227 – convert to multilane roundabout (widening at 200 feet plus taper from up/down stream of intersection, including signage, illumination, and striping for pedestrian/bike crossings). This roundabout would include City of San Luis Obispo Gateway signage and treatments (*construction funding programmed*).
- Install rumble strip along the SR 227 outside travel lanes between Airport Drive and Price Canyon Road with breaks/gaps provided near bus stops and pull-outs.
- Airport Drive: close off access to SR 227 and realign west leg of Airport Drive with Farmhouse Lane to provide new access to SR 227 at Farmhouse Lane. This realignment would not reduce access to the airport.
- Convert SR 227/Farmhouse Lane to a four-legged intersection (convert to two-way stop control in interim).

Mid-term (5-10 years)

- Construct Edna-Price Canyon Trail from Crestmont Drive to Tank Farm Road on the Preferred Alignment adopted by SLOCOG (cost not reflected).

Long-term (10-20 years)

- Farmhouse Lane/SR 227 – convert to multilane roundabout (widening at 200 feet plus taper from up/down stream of intersection, including signage, illumination, and striping for pedestrian/bike crossings).

Considering that the site is pre-zoned *Business Park, Manufacturing, Service Commercial*, that the South Higuera Street interchange at U.S. 101 is the designated truck exit for the industrial areas in southern San Luis Obispo, including this site, and that the AASP recommends the extension of Buckley Road to South Higuera and the designation of Buckley Road as a truck route, its likely truck and commuter traffic accessing the annexation site from U.S. 101 will re-route from Tank Farm Road to Buckley Road (shortest/fastest path), further impacting current intersection operations at

Buckley, forecast intersection operations at Farmhouse Lane, and multi-modal level of service (MMLOS) for Buckley Road segment between South Higuera and SR 227, and the future intersection MMLOS of Buckley Road and South Higuera Street.

SLOCOG recommends that as part of this annexation, the city conduct a full signal warrant analysis for the Buckley Road and Farmhouse Lane intersections with SR 227, make reference to the improvements identified in the State Route 227 Operations Study, and to make available a fair-share apportionment of the City's Traffic Impact Fees generated due to the annexation toward the development or construction of the aforementioned projects.

Thank you for providing SLOCOG the opportunity to review and comment on the annexation and we wish you and all those involved success in moving the Project forward. For any questions, please do not hesitate to contact me at (805) 788-2104 or SHanamaikai@slocog.org.

Sincerely,

A handwritten signature in black ink that reads "Stephen Hanamaikai". The signature is written in a cursive, flowing style.

Stephen Hanamaikai, Transportation Planner
San Luis Obispo Council of Governments

Study Links:

[Final State Route 227 Operations Study](#) and [Technical Appendices](#).

Exhibit F

LAFCO Draft Resolution Approving the Annexation

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

Thursday, November 19, 2020

PRESENT:

ABSENT:

RESOLUTION NO. 2020-XX

**RESOLUTION APPROVING ANNEXATION NO. 81 TO THE CITY OF SAN LUIS OBISPO
(FIERO EAST-WEST AREAS)**

The following resolution is now offered and read:

WHEREAS, on October 7, 2020, the Executive Officer filed a Certificate of Filing regarding a request to consider a proposal for Annexation No. 81 to the City of San Luis Obispo (Fiero East-West Areas); and

WHEREAS, the Executive Officer has given the notices required by law and forwarded copies of his report to officers, persons and public agencies prescribed by law; and

WHEREAS, a staff report was prepared, and the public hearing was duly conducted under the Covid-19 modified meetings laws;

WHEREAS, the matter was set for public hearing at 9:00 a.m. on November 19, 2020, and the public hearing was duly conducted and determined and a decision was made on November 19, 2020; and

WHEREAS, at said hearing this Commission heard and received all oral and written protests, objections and evidence, which were made, presented or filed, and all person's present were given the opportunity to hear and be heard in respect to any matter relating to the proposal and report; and

WHEREAS the Commission determined that the environmental review documentation adopted by the City of San Luis Obispo meets the requirements of the California Environmental Quality Act (CEQA); and

WHEREAS, the Commission has considered all factors required to be considered by Government Code Sections 56668 et seq. and adopts as its written statements of determinations

therein, the determinations set in the Executive Officer's Staff report dated November 19, 2020, said determinations being incorporated by reference herein as though set forth in full; and

WHEREAS, the Commission duly considered the proposal and finds that the proposal to annex territory to the City of San Luis Obispo should be approved.

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 the map and legal description approved by this Commission is attached hereto, marked as Exhibits A and B and incorporated by reference herein as though set forth in full.
3. That the Executive Officer of this Commission is authorized and directed to mail copies of this resolution in the manner provided by law.
4. That Annexation No. 81 to the City of San Luis Obispo is hereby approved with the following conditions:
 - A. The County and City agree to allow the County to complete or transfer all outstanding permits filed with the County within the annexation area including building and planning permits. The County and City shall work together to resolve any permitting issues.
 - B. Prior to filing the Certificate of Completion with the State Board of Equalization, the proponent shall submit revised legal descriptions and map revisions to be reviewed and approved by the County Surveyor.
 - C. The applicant shall defend, indemnify and hold harmless LAFCO to the fullest extent allowed by law, at the sole expense of the applicant, against any and all claims.

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

AYES:

NAYS:

ABSTAINING:

The foregoing resolution is hereby adopted.

Tom Murray, Chair
Local Agency Formation Commission

Date

ATTEST:

Mike Prater
LAFCO Executive Officer

Date

APPROVED AS TO FORM AND LEGAL EFFECT:

Brian Pierik
LAFCO Legal Counsel

Date

DRAFT



LAFCO FILE 2-R-20: ANNEXATION #11 TO COUNTY SERVICE AREA NO. 18 COUNTRY CLUB (JACK RANCH – TRACT 2429)

DATE: NOVEMBER 19, 2020

RECOMMENDATIONS:

Recommended Action on the Environmental Determination: It is respectfully recommended that the Commission acting as a Responsible Agency use the environmental documentation adopted by the County of San Luis Obispo to meet the requirements of the California Environmental Quality Act (CEQA). **(Exhibit A)**.

Recommended Action: It is respectfully recommended that the Commission approve, by resolution, Annexation #11 to the County Service Area (CSA) 18, with the following conditions:

1. It is respectfully recommended that the Commission approve, by resolution, Annexation #11 to CSA 18 (Country Club) – Jack Ranch. **(Exhibit E)**
2. The applicant shall defend, indemnify and hold harmless LAFCO to the fullest extent allowed by law, at the sole expense of the applicant, against any and all claims.
3. A successful proposition 218 rate increase will be required, only in the event that a new fee structure is necessary to fund the costs of additional infrastructure maintenance. If found that a new fee structure is not necessary, to fund additional infrastructure maintenance, then a proposition 218 would not be needed.

Exhibit A: Final Environmental Impact Report - found at (www.slolafco.com)

Exhibit B: Plan for Services Documentation - found at (www.slolafco.com)

Exhibit C: SLO Planning Commission Notice of Final Action - found at (www.slolafco.com)

Exhibit D: LAFCO Legislative Factors – Gov Code Section 56668 (a-q)

Exhibit E: LAFCO Draft Resolution of Approval

Proponents: Jack Ranch, SLO, LLC - John Wilson by Petition Application.

Certificate of Filing: November 17, 2020

Acreage and Location: The territory proposed for annexation is comprised of 13.2 acres located west of San Luis Golf Club and CSA 18 and south of Tract 211. The 13.2-acre residential lots are within tract 2429, a total of 299 acres. The remaining 285 acres are not a part of this annexation, but are a part of tract 2429 and would remain as continued agricultural use. The vicinity map on the next page shows the annexation area.

Summary: The purpose of this annexation proposal is to provide wastewater service for the 13 residential lots, a total of 13.2 acres. CSA 18 provides wastewater treatment and disposal for the San Luis Obispo Country Club area. The CSA is a single-purpose agency authorized to provide wastewater service to the Country Club Estates area which is subject to septic tank failures due to impervious soils. Similarly, the Jack Ranch annexation to CSA 18 is required due to septic unsuitability on site and set forth as condition #11 in the letter from SLO County Public Works. The County Public Works Department operates the plant and issued a letter February

1, 2017, which stated its conditional intent to provide wastewater service to Tract 2429. The annexation would be consistent with the conditions of approval that the developer must comply with to obtain wastewater service from CSA 18, further discussed in conditions of approval section.

The 13.2-acre proposal would be a clustered residential subdivision, creating 13 new 1-acre parcels. The proposal was also considered in the Sphere of Influence Update that was adopted in 2017. The Jack Ranch annexation would enable the proponents to receive wastewater service from CSA 18 to meet wastewater needs associated with the proposed residential development (13.2 ac). The remaining land associated with Tract 2429 (approx. 285 ac) will have an Agriculture Conservation Easement, to be maintained for agriculture uses but the area referenced is not a part of this annexation proposal.

County Service Area 18 - Anx#11 Jack Ranch

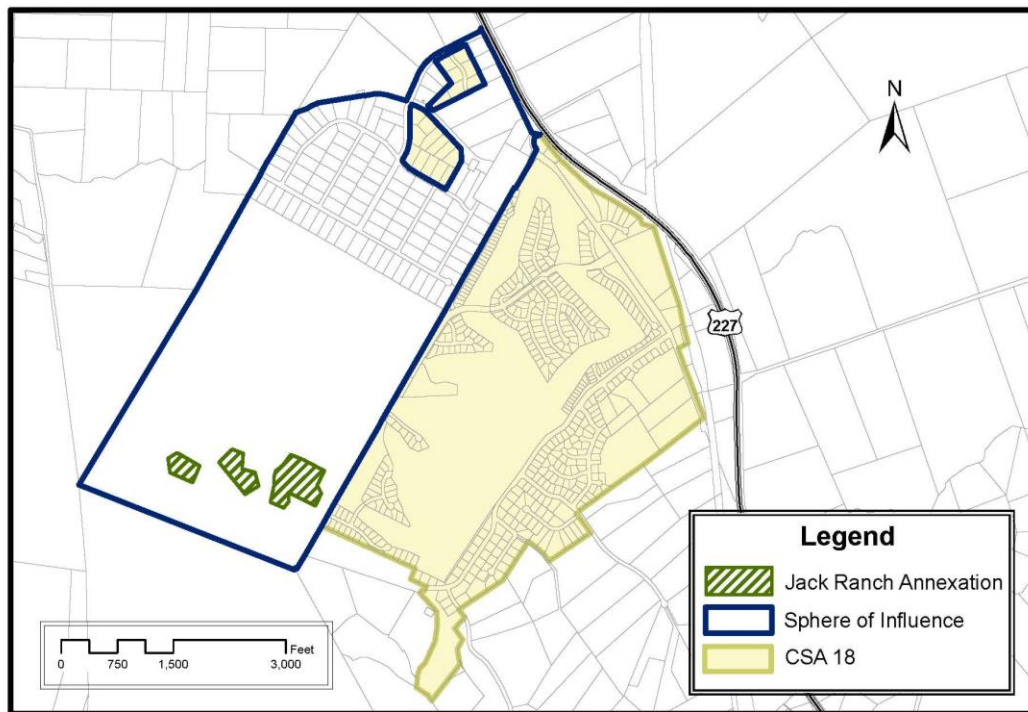


Figure 1: CSA 18 – Anx#10 Jack Ranch Area

Sphere of Influence Amendment: The territory proposed for annexation (Jack Ranch) is located inside the Sphere of Influence of County Service Area No. 18, which was updated in August 2017. The Sphere of Influence was updated based on the Municipal Service Review prepared by LAFCO. The Municipal Service Review determined that the CSA is capable of providing services to the Sphere of Influence areas, which includes the Jack Ranch annexation area. The County documented this in the attached Plan for Services memo and Conditional Intent to Provide Wastewater Service Letter found in Exhibit B. The present and planned land uses are designated in the County General Plan.

Environmental Determination: The purpose of the environmental review process is to provide information about the environmental effects of the actions and decisions made by LAFCO and

to comply with the California Environmental Quality Act (CEQA). As Lead Agency the County has prepared environmental documents pursuant to CEQA, including the attached (Exhibit A) Environmental Impact Report. LAFCO is acting as a Responsible Agency for the purpose of complying with the CEQA.

As a Responsible Agency, LAFCO has approval authority over a part of the project; in this case the annexation into CSA 18. A Responsible Agency relies on the Lead Agencies environmental documentation to approve the portion of the project under its jurisdiction. As Lead Agency, the County has completed the necessary environmental document to comply with the CEQA and for LAFCO to take action.

Staff is recommending that LAFCO, acting as a Responsible Agency, use the County's environmental documentation to comply with CEQA. The environmental documentation is adequate and has been certified by the County.

Population: The project proposes 13 single family dwellings, approximately 30 new residents (13 unites x 2.33 persons/unit) based on California Department of Finance 2020 estimates for average household size in the County. This would result in a 0.01% increase in the County unincorporated population of 156,426 (DOF 2020).

The SLO County 2016-2018 Resource Summary Report says that in 2018 the service area population was 881 for CSA 18. This would result in an estimated 3% increase in the CSA's population. Population growth resulting from the project would be minimal.

Uninhabited Annexation: The area proposed for annexation is legally uninhabited and has less than 12 registered voters.

The proposal includes 100% consent and the one (1) landowner provided a written letter of consent that waives the protest process.

Topography: The 13-acre site is gently to moderately sloping. Site drainage is generally to the south and ultimately into Davenport Creek (a tributary of San Luis Obispo Creek surrounded by vineyards on north and south of waterway).

Conditions of Approval: The only condition requires the applicant to defend, indemnify and hold harmless LAFCO to the fullest extent allowed by law, at the sole expense of the applicant, against any and all claims. This condition is consistent with LAFCO Policy 3.1.

Term of the Approval: The Cortese-Knox-Hertzberg Act (GC 57001) allows up to one year for a Certificate of Completion to be filed with the Clerk Recorder, otherwise the action is deemed abandoned. LAFCO may grant extensions based on a reasonable request by the proponent or applicant. The time frame for an extension is at LAFCO's discretion based on the circumstances of the proposal.

Assessed Valuation: The total assessed land and improvement value of the annexation areas as determined by the County Assessor is \$8,228,692. This breaks down in the following table for both areas:

Area	Land Value	Improvement Value	Total Value
Jack Ranch	6,002,404	2,218,755	8,221,159

Property Tax Exchange: A property tax exchange is planned to be approved by the County on November 17, 2020. The amount of property tax revenue to be transferred between the County of San Luis Obispo and CSA No. 18 shall be zero. This is because wastewater services provided by CSA 18 are financed by connection fees and charges and not by property taxes.

Wastewater Service/Plan for Service: The area will be served by domestic water supplies provided by groundwater sources underlying the Edna Valley. Domestic water supply is provided by Golden State Water Company. The County Public Works Department operates the wastewater plant and stated in their plan for services that the service requested will be available upon completion of the annexation and compliance with terms and conditions outlined in their Conditional Intent to Serve Wastewater letter to the applicant, dated February 1, 2017, and the Engineering Reimbursement Agreement dated April 30, 2015.

Currently, there is no existing sanitary sewer infrastructure on the project site. The applicant will need to design and construct all wastewater collection lines, manholes, and anything else needed to connect to existing wastewater collection system. In addition, the project would provide for upgrades to the existing treatment plant facility.

Cost for all services for the annexation area, costs associated with design, inspection, plan check, review and construction inspection will be paid by the applicant. Other costs associated with provisions of wastewater by CSA 18 after completion and connection of the Jack Ranch area will be paid by the applicant and/or future landowners of said properties, this includes connection fees.

Capacity. The treatment systems current and permitted capacity is on an average flow of 120,000 gallons per day (gpd). The current daily flows ranged from about 60,000 to 76,000 gpd and the average daily flow during the maximum rainy season month (in 2010) was just over 95,000 gpd according to Wallace Group report that was conducted in April 2016.

The existing area being serviced, not including the Jack Ranch annexation, accommodates about 475 equivalent dwelling units (including existing residences, the San Luis Country Club, Los Ranchos School, and vacant lots). With an increase of 13 residential dwellings, and a County-recommended rate of 195 gpd per residential unit, the Jack Ranch annexation would cause an increase of 3,169 gpd in the average daily flow in the maximum rainy season month. This would raise the daily flow during such a month at the treatment plant from the current 95,000 gpd to 98,265 gpd according to Wallace Group report that was conducted in March 2016. The conditions remain the same today.

The project is consistent with the County General Plan and service facilities will meet the additional service demand after compliance with the conditions in the Intent to Serve Letter and associated attachments. Therefore, the project's contribution to cumulative impacts to wastewater collection and treatment services would be Class III or less than significant.

Other Agencies

County Planning Department Comments: The Department of Planning and Building did not identify any significant issues associated with this request to annex to CSA 18 for community services. The Notice of Final Action on this annexation is attached as Exhibit C.

County Public Works Comments: The County Public Works Department supports the annexation of this site to CSA 18 for wastewater service.

Air Pollution Control District Comments: The APCD did not have any comments regarding this annexation.

LAFCO Factors Government Code 56668: Government Code Section 56668 identifies a number of factors that are to be considered by LAFCO in reviewing a proposal. These factors are addressed in Exhibit D of this Staff Report. Each factor is listed and a Staff Response is provided for LAFCO's consideration. The factors are intended to provide the Commission with information about certain topics that are often relevant to annexations. The factors include information on:

• Population and Land Use	• Need for Services	• Impact on Adjacent Areas
• Commission Policies	• Agricultural Lands	• Definite Boundaries
• Consistency with General Plans and Reg. Trans. Plan	• Sphere of Influence	• Other Agency Comments
• Ability to provide services	• Availability of water supplies	• Housing
• Comments from landowner, voters or residents	• Existing information about existing land use	• Environmental Justice

Recommended Action on the Environmental Determination: It is respectfully recommended that the Commission, acting as a Responsible Agency, use the Final Environmental Impact Report adopted by the County of San Luis Obispo to meet the requirements of the California Environmental Quality Act (CEQA).

Recommended Action: It is respectfully recommended that the Commission approve, by resolution, Annexation #11 to the County Service Area (CSA) 18, with the following conditions:

1. It is respectfully recommended that the Commission approve, by resolution, Annexation #11 to CSA 18 (Country Club) – Jack Ranch (Tract 2429). (Exhibit E)
2. The applicant shall defend, indemnify and hold harmless LAFCO to the fullest extent allowed by law, at the sole expense of the applicant, against any and all claims.
3. A successful proposition 218 rate increase will be required, only in the event that a new fee structure is necessary to fund the costs of additional infrastructure maintenance. If found that a new fee structure is not necessary, to fund additional infrastructure maintenance, then a proposition 218 would not be needed.

Respectfully submitted,



Imelda Marquez
Analyst
San Luis Obispo
Local Agency Formation Commission

Exhibit A

Final Environmental Impact Report

(Found on LAFCO website at www.slolafco.com)

Exhibit B

Plan for Services Documentation

(Found on LAFCO website at www.slolafo.com)

Exhibit C

SLO Planning Commission Notice of Final Action
(Found on LAFCO website at www.slolafco.com)

Exhibit D

LAFCO Legislative Factors – Gov Code Section 56668 (a-q)

Exhibit D

LAFCO Proposal Review Factors - Government Code 56668

ANNEXATION #11 TO COUNTY SERVICE

AREA NO. 18 (JACK RANCH) – LAFCO No. 2-R-20

Factor (a) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.

Response. The Jack Ranch Annexation involves 13.2 acres (creating 13 new 1-acre parcels) located west of San Luis Golf Club and County Service Area 18 (CSA 18) and south of Tract 211. Many of these factors are addressed in the staff report. The Jack Ranch annexation was initiated by petition. The County of San Luis Obispo had plans to pursue the annexation and prepared and approved an Environmental Impact Report in 2017 for the Jack Ranch Agricultural Cluster project. The Environmental Impact Report identified the potential for clustered residential subdivision (proposed annexation to CSA 18) and continued agricultural uses under a conservation easement on the remaining areas of Tract 2429. The project would be consistent with the policies and regulations included in the County's General Plan, Land Use Ordinance, and local Clean Air Plan.

The project proposes 13 single family dwellings, approximately 30 new residents (13 units x 2.33 persons/unit) based on California Department of Finance 2020 estimates for average household size in the County. This would result in a <1% increase in the County unincorporated population of 156,426 (DOF 2020). The SLO County 2016-2018 Resource Summary Report says that in 2018 the service area population was 881 for CSA 18. This would result in an estimated 3% increase in the CSA's population. Population growth resulting from the project would be minimal. Significant increases in population are not anticipated to occur in this area over the next 20 years. Although, the Jack Ranch annexation would increase services.

The County is prepared to provide services and has provided a plan for services and a Conditional Intent to Serve Wastewater letter from Public Works dated February 1, 2017.

The topography on the site is gently to moderately sloping. Site drainage is generally to the south and ultimately into Davenport Creek (a tributary of San Luis Obispo Creek surrounded by vineyards on north and south of waterway).

Assessed Valuation: The total assessed value of the annexation area as determined by the County Assessor is \$8,221,159. This breaks down as

\$6,002,404 in land value and \$2,218,755 in improvement values. The amount of property tax revenue to be transferred between the County of San Luis Obispo and CSA No. 18 shall be zero. This is because wastewater services provided by CSA 18 are financed by connection fees and charges and not by property taxes.

Factor (b) 1) The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; and probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.

(2)"Services," as used in this subdivision, refers to governmental services whether or not the services are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.

Response. CSA 18 is a single-purpose agency authorized to provide wastewater service to the Country Club Estates area which is subject to septic tank failures due to impervious soils. The Jack Ranch annexation to CSA 18 is required due to septic unsuitability on site and set forth as condition #11 in the letter from SLO County Public Works, referenced above. The present cost and adequacy of governmental services and controls in the area are the County's responsibility. The costs approved by the County would include impact fees to offset specific expenses. Any upgrades or maintenance outlined in the Intent to Serve letter would be borne on the developer for the Tract 2429. If the annexation is approved, the area would then be able to receive services from CSA 18. The project would provide for upgrades to the existing treatment plant facility to account for the higher demand for wastewater services. Costs associated with provisions of wastewater by CSA 18 after completion and connection of the Jack Ranch area will be paid by the applicant and/or future landowners of said properties, this includes connection fees.

The project is consistent with the County General Plan and service facilities will meet the additional service demand after compliance with the conditions in the Intent to Serve Letter and associated attachments.

Factor (c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.

Response. The proposed action would allow the Jack Ranch proposal to be implemented upon compliance with the conditions of approval. The area would continue to be located within the County's unincorporated area and be added to

the County Service Area 18's service area for wastewater services only. The eventual impact could be a small increase of population for the CSA. CSA 18 would be responsible for providing wastewater services to the area. The new development would marginally increase the economic activity in the area given the potential for only thirteen residential units.

The proposed project will result in the continuation and long-term preservation of agricultural operations consisting of the production of food and fiber on the surrounding area (Tract 2429 excluding the 13.2ac of the Jack Ranch proposal).

Factor (d) The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377.

Response. The County's General Plan and Environmental Impact Report provides for the planned, orderly and efficient development of the area by regulating development regarding this proposal.

The following are the San Luis Obispo LAFCO Policies for Special District Annexations (under Government Code 56036, a County Service Area is defined as a "special district") and a brief analysis of the proposal under these policies:

Policy 1. A demonstrated need exists for the required services and there is no reasonable alternative manner of providing these services.

Analysis. The annexation would be consistent with the conditions of approval that the developer must comply with to obtain wastewater service from CSA 18, further discussed in the Staff Report. The area is known for septic failures and no other provider can serve the development.

Policy 2. The proposed annexation represents a logical and reasonable expansion of the district.

Analysis. The properties are adjacent to CSA 18 and pose no difficulty for the provision of wastewater services. Infrastructure will be implemented in the area as a condition of approval; the property owners are required to design, construct, and install collector line extensions for sewer services. In addition, the Jack Ranch annexation area is within Tract 2429 which was added to CSA 18's sphere of influence in 2017. The 2017 Municipal Service Review also determined that the CSA is capable of providing services to the Sphere of Influence areas.

Policy 3. The proposed annexation reflects the plans of the adjacent governmental agencies.

Analysis. The proposed annexation is consistent with the County's General Plan, Plan for Services and Environmental documentation as demonstrated in the Staff Report. The County approved the development and subdivision with conditions reflecting the governmental agency's plan and authorization.

Policy 4. The proposed annexation does not represent an attempt to annex only revenue producing property.

Analysis. The 13 parcels proposed for annexation are 13.2-acres respectively, and would allow for a clustered residential subdivision. The properties will not generate revenue for CSA 18 except for fees to offset wastewater services provided. The remaining property not being annexed would contain vineyard production creating significantly more revenue, but the area does not require wastewater services.

Policy 5. The proposed boundaries must be definite and certain and conform to lines of assessment whenever possible.

Analysis. The boundaries are definite and certain and will adhere to assessor parcel lines once the Tract 2429 is recorded. The Jack Ranch area is included in this annexation and detailed in the legal description of the annexation. The annexation map has been approved by the County Surveyor.

Policy 6. The district has the capability of meeting the need for services and has submitted studies and information documenting its capabilities.

Analysis. The County Public Works Department operates the plant and has demonstrated its ability to serve the area after compliance with the conditions in the Intent to Serve Letter, Plan for Services, and associated attachments (Exhibit B). The project is consistent with the County General Plan and service facilities will meet the additional service demand.

Government Code Section 56377 states:

56377. In reviewing and approving or disapproving proposals which could reasonably be expected to include, 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 sphere of influence or the local agency.

Analysis. The annexation to CSA 18 promotes the development of lands proximate to the district, the 13-acres from the annexation areas do not have any prime agriculture land located within the boundaries of the annexation. The area was added to the sphere of influence in 2017. Although the site is presently zoned agriculture and rural lands, the Jack Ranch annexation area is the only part of Tract 2429 that will be developed and annexed into the district. The remaining land will have an Agricultural conservation easement to be maintained for agricultural uses and planted in vineyard. The proposal has guided development away from agricultural and open space lands, while maintaining agricultural viable production surrounding the subdivision.

Factor (e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.

Response. The proposed annexation boundary contains lands designated for agricultural and rural land purposes. Tract 2429 and CUP S000323U grant approval for pre-zoning an agricultural cluster subdivision to create 13 new residential parcels. The proposed development will build out the allowed 13 residential parcels with associated roadway and utility infrastructure. The remaining land will have an Agricultural conservation easement to be maintained for agricultural uses and planted in vineyard. The proposal has guided development away from agricultural and open space lands, while maintaining agricultural viable production surrounding the subdivision.

Factor (f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.

Response. The annexation boundary follows lines of assessment and does not create island or corridor of unincorporated territory because only the annexation area needs to annex at this time to gain wastewater service. The unincorporated territory will be placed in agriculture conservation easement (remaining 285-acres of Tract 2429).

Factor (g) A regional transportation plan adopted pursuant to Section 65080.

Response. The SLOCOG SR 227 Operations Study determined that the intersections nearest to the project site operate at unacceptable levels during peak hours and the intersections of SR 227/Farmhouse Road and SR 227/Buckley Road are projected to operate at unacceptable levels under interim (2025) and future year (2035) conditions. It was also determined that, under current conditions, all SR 227 segments evaluated in the study fail in either one or both peak hour periods (A.M./P.M.) and are projected to degrade under future year (2035) conditions. Any addition of traffic to cumulative conditions as a result of the project would result in potentially significant cumulative intersection and roadway impacts.

The project is within the designated fee area and, therefore, would result in a considerable contribution to the identified cumulative impacts. The City of San Luis Obispo will be annexing Fiero East-West, which is located just north of CSA 18 along SR 227. Improvements associated with various projects within the City of SLO (Avila Ranch, San Luis Ranch, Froom Ranch, etc) require the City and developments to improve the area circulation including Buckley Road, Broad Street (SR 227) and Farmhouse.

Factor (h) The proposal's consistency with city or county general and specific plans

Response. The annexation is consistent with the County's General Plan and certified the Environmental Impact Report for the Jack Ranch annexation area.

Factor (i) The Sphere of Influence of any local agency ***that may be applicable to the proposal being reviewed.

Response. The proposal site is within CSA 18's current Sphere of Influence which was updated in 2017. The proposal does not conflict with the Sphere of Influence of any other jurisdiction.

Factor (j) The comments of any affected local agency or other public agency.

Response. No comments regarding this proposal have been received from any agency.

Factor (k) The ability of the newly formed or receiving entity to provide the services ***that are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.

Response. CSA 18 is capable of providing services to the property within the annexation area. This is documented in the Plan for Services, Exhibit B. The annexation and subsequent development of these sites will pay any fair share costs associated with wastewater services from CSA 18 through connection fees and charges.

Factor (l) Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.

Response. The project area water service will be provided by Golden State Water Company as discussed in the staff report. CSA 18 is a single-purpose agency authorized to provide sewer service only.

Factor (m) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.

Response. The thirteen parcels will remain in the county continuing to contribute to the regional housing needs. The project application includes a Vesting Tentative Tract Map (Tract 2429), and a Conditional Use Permit to allow a 13-lot major Agricultural Cluster Project, consistent with Section 22.22.150 of the County Land Use Ordinance. Most of the parcels in the village area are being used for rural homesites. Most homes within the village are priced well above the financial capabilities of the average San Luis Obispo County resident. The village currently has little, if any, rental housing and no low-income housing. This proposal would not affect the County's ability to meet its respective fair share housing needs. Other communities and site will be identified for appropriate regional and lower target needs.

Factor (n) Any information or comments from the landowner or landowners, voters, or residents of the affected territory.

Response. Letters from the property owners will be included and addressed in the Staff Report.

Factor (o) Any information relating to existing land use designations.

Response. The site is presently zoned agriculture and rural lands and is further addressed in the staff report.

Factor (p) The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment and meaningful involvement of people of all races, cultures, incomes, and national origins, with respect to the location of public facilities and the provision of public services, to ensure a healthy environment for all people such that the effects of pollution are not disproportionately borne by any particular populations or communities.

Response. This is a residential proposal and the homes would eventually be on the open market and available to people of all races, cultures and incomes. With regard to the location of public facilities and the provision of public services, this project does not affect the fair treatment of people of all races, cultures and incomes. Facilities (pipelines and other infrastructure) associated with development will be located within public roadways or on the site.

Factor (q) Information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code, if it is determined that such information is relevant to the area that is the subject of the proposal. (Amended by Stats. 2019, Ch. 360)

Response. According to CAL FIRE's Fire Hazard Severity Zones in Sensitive Resource Area map, the project would be located within a 'Moderate' Fire Hazard Severity Zone in State Responsibility Area. However, the project would include the provision of adequate emergency access routes and landscaping buffers around the perimeters of the proposed residential units and install fire hydrants in accordance with County Standards. The EIR addresses the Safety Element and any local hazard mitigation planning, concluding that the project site would be less than significant.

Exihbit E

LAFCO Draft Resolution of Approval

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

Thursday, November 19, 2020

PRESENT:

ABSENT:

RESOLUTION NO. 2020-XX

**RESOLUTION APPROVING ANNEXATION NO. 11 TO COUNTY SERVICE AREA 18
(JACK RANCH)**

The following resolution is now offered and read:

WHEREAS, on **November 17, 2020**, the Executive Officer filed a Certificate of Filing regarding a request to consider a proposal for Annexation No. 11 to County Service Area 18 (Jack Ranch); and

WHEREAS, the Executive Officer has given the notices required by law and forwarded copies of his report to officers, persons and public agencies prescribed by law; and

WHEREAS, a staff report was prepared, and the public hearing was duly conducted under the Covid-19 modified meetings laws;

WHEREAS, the matter was set for public hearing at 9:00 a.m. on November 19, 2020, and the public hearing was duly conducted and determined and a decision was made on November 19, 2020; and

WHEREAS, at said hearing this Commission heard and received all oral and written protests, objections and evidence, which were made, presented or filed, and all person's present were given the opportunity to hear and be heard in respect to any matter relating to the proposal and report; and

WHEREAS the Commission determined that the environmental review documentation adopted by the County of San Luis Obispo meets the requirements of the California Environmental Quality Act (CEQA); and

WHEREAS, the Commission has considered all factors required to be considered by Government Code Sections 56668 et seq. and adopts as its written statements of determinations therein, the determinations set in the Executive Officer's Staff report dated November 19, 2020, said

Exhibit B

LEGAL DESCRIPTION

AREA 1 (FUTURE LOTS 1-9 OF TRACT 2429) COUNTY SERVICE AREA 18

A parcel of land located in the Unincorporated Territory of the County of San Luis Obispo, State of California, and being a portion of Lot M of the Map of the Partition of the Hollister Tract, Rancho Corral De Piedra, as recorded in Book J of Deeds at Page 367, Records of said county, described as follows:

Commencing at a found 3/4" iron pipe with tag stamped "LS 2666" at the most easterly corner of Lot M, which lies N26° 49'44"E, 3997.62 feet from the most southerly corner of said Lot M, (N29° 45'40"E as shown on Record of Survey filed in Book 80 at Page 1); thence

S 48° 23'45" W, 2,771.19 feet to the **TRUE POINT OF BEGINNING**; thence

- 1) S 59° 11'28" E, 163.58 feet; thence
- 2) S 53° 08'26" E, 382.47 feet; thence
- 3) S 28° 00'15" W, 230.66 feet; thence
- 4) S 53° 08'26" E, 16.99 feet; thence
- 5) Southeasterly along a tangent curve concave northeasterly having a radius of 250.00 feet, through a central angle of 11° 12'00", an arc distance of 48.87 feet; thence
- 6) S 64° 20'26" E, 46.73 feet; thence
- 7) Southwesterly along a non-tangent curve concave southeasterly having a radius of 275.00 feet, through a central angle of 05° 58'21", an arc distance of 28.67 feet, a radial line to said curve bears N 64° 31'42" W; thence along a non-tangent line
- 8) S 32° 27'15" W, 217.18 feet; thence
- 9) N 57° 18'41" W, 490.24 feet; thence
- 10) S 19° 26'08" W, 107.58 feet; thence
- 11) S 28° 48'53" W, 183.15 feet; thence
- 12) N 54° 06'37" W, 229.57 feet; thence
- 13) N 22° 40'58" E, 186.69 feet; thence
- 14) N 18° 13'56" E, 185.74 feet; thence

July 7, 2020

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Exhibit B

- 15) Nmiheasterly along a tangent curve concave southeasterly, having a radius of 210.00 feet, through a central angle of $35^{\circ} 20' 09''$, an arc length of 129.51 feet; thence along a non-tangent line
- 16) N $53^{\circ} 34' 05''$ E, 3.34 feet; thence
- 17) along a non-tangent curve to the right having a radius of 48.00 feet, a central angle of $43^{\circ} 08' 08''$, and a radial line of S $71^{\circ} 46' 41''$ W, for an arc length of 36.14 feet; thence
- 18) S $65^{\circ} 05' 11''$ E, 48.00 feet; thence
- 19) N $42^{\circ} 31' 24''$ E, 238.80 feet to the **TRUE POINT OF BEGINNING.**

The above described property contains 392,372. square feet or 9.008 acres of land, more or less and is shown graphically on the Annexation No. 11 to CSA 18 Map Exhibit attached hereto and incorporated herein.

Subject to the future 30.00' Right-of-Way of Via Del Vifiedo of Tract 2429 and any future private easements.

* * *

Michael B. Stanton, PLS5702 _____
Date



APP VL.m COP'TY.SURVEYOR

By: Atty
Dfite: Atty
Sau Luis O ispo County Dept. of Public Works

July 7, 2020

N:\2017117-315 JACK RANCH SLO TENT TRACT 2429\LEGAL DESCRIPTIONS\CSA 18 AREA 1 LEGAL DESC.DOCX



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

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Public Member

Vice-Chair
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City Member

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Special District Member

STEVE GREGORY
City Member

HEATHER JENSEN
Public Member

JOHN PESCHONG
County Member

STAFF

MIKE PRATER
Executive Officer

BRIAN A. PIERIK
Legal Counsel

IMELDA MARQUEZ
Analyst

TO: LOCAL AGENCY FORMATION COMMISSION

FROM: BRIAN A. PIERIK, LEGAL COUNSEL

DATE: NOVEMBER 19, 2020

SUBJECT: CONTRACT FOR TEMPORARY EMPLOYMENT BETWEEN LAFCO AND DAVID CHURCH FOR INTERIM EXECUTIVE OFFICER SERVICES

Recommendation. Motion to approve Contract for Temporary Employment between the San Luis Obispo Local Agency Formation Commission (LAFCO) and David Church for Interim Executive Officer Services.

Summary. Current Executive Officer Michael Prater will be taking a position with the Santa Barbara LAFCO as the Executive Officer. The last day of employment by Mr. Prater with the San Luis Obispo LAFCO will be November 21, 2020.

David Church served as the Executive Officer for the San Luis Obispo LAFCO from November 1, 2009, until his retirement on July 24, 2020. Mr. Church is available to provide services to the San Luis Obispo LAFCO on a temporary basis as Interim Executive Officer while LAFCO recruits someone to serve as the Executive Officer.

Attached is a proposed Contract for Temporary Employment between LAFCO and David Church for Interim Executive Officer Services ("Contract") which will become effective on November 22, 2020. The Scope of Services are described in Section 2 of the Contract and include the services specified in the LAFCO rules and regulations and the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and other duties as assigned as well as assisting LAFCO with recruiting an Executive Officer and to provide assistance upon request with transition after LAFCO hires an Executive Officer.

Under the Contract, Mr. Church will be paid on an hourly basis at the rate of \$75.59 an hour. This hourly rate is consistent with the requirements of Government Code Section 7522.56 (d) and the salary Mr. Church was earning at the time of his retirement of \$152,637.62 plus a 3% cost of living increase he would have received in July if he had not retired which would have brought his total annual salary to \$157,216.75. Assuming Mr. Church works 40 hours a week, the total monthly compensation to Mr. Church will be \$13,101.40.

David Church shall be entitled to thirteen (13) paid holidays per calendar year on the same schedule as the employees of the County of San Luis Obispo.

Attachment

A: Contract for Temporary Employment between LAFCO and David Church for Interim Executive Officer Services

Contract provides a maximum number of hours of 40 hours per week not to exceed 960 hours through June 30, 2021. If Mr. Church is still providing services to LAFCO after June 30, 2021, then there would be a 960 hour maximum for the period of July 1, 2021 through June 30, 2022.

The recommendation is for the Commission to approve the proposed Contract with David Church to provide services as a temporary employee of LAFCO in the position of Interim Executive Officer.

Attachment A

Contract for Temporary Employment between LAFCO and David Church
for Interim Executive Officer Services

**CONTRACT FOR TEMPORARY EMPLOYMENT
BETWEEN
THE LOCAL AGENCY FORMATION COMMISSION
AND DAVID CHURCH FOR INTERIM EXECUTIVE OFFICER SERVICES**

This Contract for Temporary Employment (“Contract”) is effective on the 22nd day of November, 2020, and is entered into by and between the Local Agency Formation Commission Of San Luis Obispo County (hereinafter referred to as LAFCO), and David Church (hereinafter referred to as David Church). LAFCO and David Church are hereafter collectively referred to as the “Parties”.

RECITALS

WHEREAS, LAFCO desires to contact with David Church as a temporary employee to serve as the Interim Executive Officer of the LAFCO pursuant to Government Code Section 56384; and

WHEREAS, David Church desires to serve as the Interim Executive Officer of the LAFCO pursuant to the terms of this Contract; and

WHEREAS, LAFCO, as appointing authority, and David Church desire to specify in this Contract the terms and conditions of David Church’s temporary employment as Interim Executive Officer of LAFCO.

NOW, THEREFORE, the Parties do mutually agree that the foregoing Recitals are true and correct and are hereby incorporated by this reference and further agree as follows:

1. Temporary Employment

LAFCO hereby engages David Church as the Interim Executive Officer of LAFCO and David Church hereby agrees to perform for LAFCO the services hereinafter set forth for the compensation hereinafter set forth, all pursuant to the terms and conditions of this Contract

2. Scope of Services

Pursuant to this Contract, David Church shall perform all functions and duties and services (“Services”) of the Executive Officer on an interim basis, as specified in the LAFCO rules and regulations and the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (hereinafter referred to as the CKH Act), and such legally permissible and proper duties and functions as may be assigned by LAFCO. In addition, David Church will assist LAFCO with recruiting an Executive Officer and provide assistance upon request with transition after LAFCO hires an Executive Officer.

3. Status

David Church will be a temporary employee of LAFCO and shall provide the Services specified in this Contract. David Church shall receive compensation based on an hourly rate as specified in this Contract and shall not receive any benefits or other consideration for his Services except that David Church shall be entitled to thirteen (13) paid holidays per calendar year on the same schedule as the employees of the County of San Luis Obispo.

4. Term of the Contract

This Contract shall commence on November 22 2020, and shall continue until June 30, 2022 or until terminated by either party in accordance with the provisions of this Contract whichever is earlier.

5. Compensation

LAFCO shall pay to David Church as compensation in full for all Services performed by David Church pursuant to this Contract at an hourly rate of \$75.59.

6. Maximum Number of Hours

David Church shall keep time records on a daily basis showing the amount of time he performs the Services. David Church shall not perform more than 40 hours of work per week. For the period of November 22, 2020 through June 30, 2021, David Church shall not perform more than 960 hours of Services. For the period of July 1, 2021 through June 30, 2022, David Church shall not perform more than 960 hours of Services.

7. Termination of Contract

Either party may terminate this Contract at any time, with or without cause, by giving the other party 30 (thirty) days' written notice of such termination. Termination shall have no effect upon the rights and obligations of the Parties arising out of transactions occurring prior to the effective date of such termination. David Church shall be paid for all work satisfactorily completed prior to the effective date of such termination

8. Modification

This Contract constitutes the entire understanding of the Parties hereto and no changes, amendments, or alterations shall be effective unless in writing and signed by both Parties.

9. Covenant

The validity, enforceability and interpretation of any of the clauses of this Contract shall be determined and governed by the laws of the State of California.

10. Enforceability

The invalidity and unenforceability of any of the terms or provisions of this Contract shall in no way affect the validity and enforceability of any other terms or provisions of this Contract.

IN WITNESS WHEREOF, LAFCO and David Church hereby agree to the foregoing terms of this Contract

DAVID CHURCH, Temporary Employee

TOM MURRAY, Chairperson
San Luis Obispo Local Agency Formation Commission

APPROVED AS TO LEGAL FORM AND EFFECT

BRIAN PIERIK
LAFCO Legal Counsel



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

MIKE PRATER
Executive Officer

BRIAN A. PIERIK
Legal Counsel

IMELDA MARQUEZ
Analyst

TO: MEMBERS, FORMATION COMMISSION

**FROM: MIKE PRATER, EXECUTIVE OFFICER
IMELDA MARQUEZ, ANALYST**

DATE: NOVEMBER 19, 2020

**SUBJECT: RECEIVE FOR INFORMATION PURPOSES PROPOSAL
FILE NO. 4-R-20 FOR THE TORRES ANNEXATION TO
NIPOMO COMMUNITY SERVICES DISTRICT**

Recommendation. It is respectfully recommended that the Commission receive information on the latest proposal received in the San Luis Obispo Local Agency Formation Commission (LAFCO) office, the Torres Annexation No. 29 to Nipomo Community Services District (LAFCO File no. 4-R-20).

Summary. This memo provides the Commission with a formal notice of the receipt of a new application. Staff will provide appropriate notice and requests for information to affected agencies and interested individuals consistent with Government Code section 56857(a).

The application was received October 26, 2020, as a petition of application. It is to annex a single parcel consisting of 0.25 acres, for the purpose of water and sewer services. The application will be processed through the LAFCO system coordinating with all affected agencies and interested parties.