



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/92904135252?pwd=YzBpdjISZjUyR3BGZDNUVm5QaWVkbQT09>

Webinar ID: **929 0413 5252**

Password: **663268**

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

July 16, 2020, at 9:00 a.m.

MISSION STATEMENT

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

COMMISSIONERS

Tom Murray, Chair, Public

Robert Enns, Vice-Chair, Special District

Marshall Ochylski, Special District

Roberta Fonzi, City

Ed Waage, City

Debbie Arnold, County

Lynn Compton, County

ALTERNATES

Ed Eby, Special District

Steve Gregory, City

Heather Jensen, Public

John Peschong, County

Meeting Location

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

ZOOM meeting info is provided below.

Contact Information

David Church, Executive Officer

Phone: (805) 781-5795

Fax: (805) 788-2072

www.slolafco.com

MEETING ACCESS AND COMMENTS

LAFCO Commission meetings can be viewed at:

<https://zoom.us/j/92904135252?pwd=YzBpdjIjSzjUyR3BGZDNUVm5QaWVvQT09>

Webinar ID: 929 0413 5252

Password: 663268

Call in number: 1 669 900 6833

Public Comments:

Submit public comments by 1:00 pm on Wednesday May 20, 2020, at lmarguez@slolafco.com, voice mail: 805-781-5795, or live using the instructions provided on the agenda cover.

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

MEETING AGENDA

Call to Order/Roll Call

Approval of the Minutes: May 21, 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:** Section 218 Agreement Final Resolution and Application Agreement
(Recommend Review and Approval)

Regular Matters

- B-1:** Resolution honoring Mr. David Church on his retirement and 19+ years of outstanding service to San Luis Obispo LAFCO, County Residents and the State of California
(Recommend Review and Approval)
- B-2:** Year-End Fiscal Year 2019-20 LAFCO Budget Status Report
(Recommend Approval and Direct Executive Officer to submit to the County Auditor)
- B-3:** Fiscal Year 2020-21 LAFCO Budget Adjustment-Sick Leave
(Recommend Review and Approval)
- B-4:** Consideration of the Sphere of Influence/Municipal Service Review Update and Memorandum of Agreement for the South County Agencies
(Recommend Review and Approval)
- B-5:** Nomination of Marshall Ochylski for the CALAFCO Board of Directors and CALAFCO Quarterly Report (Recommend Review and Approval)

Commissioner Comments

Legal Counsel Comments

Executive Officer Comments

Adjournment

Submitted Proposals and Sphere of Influence Municipal Service Review Updates

File #	Name	Project Status
Proposals		
1-R-20	Anx #81 to SLO (Fiero East – West)	Notice to Commence Property Tax Negotiations (re-start 6-19-20).
2-S-19	SOI Amendment Tri-W site	Submitted Info Hold Letter 11-14-19. Awaiting responses.
SOI/MSR Updates		
1-S-19	SOI/MSR Five Cities area (Arroyo Grande, Grover Beach, Oceano, South Sanitation District)	Considered at today’s Commission Meeting.



**SAN LUIS OBISPO
LOCAL AGENCY FORMATION COMMISSION
MAY 21, 2020, MEETING MINUTES**

Call to Order

The San Luis Obispo Local Agency Formation Commission (LAFCO) meeting was called to order at 9:03 a.m. on Thursday, May 21, 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: David Church, LAFCO Executive Officer
Mike Prater, LAFCO Deputy Executive Officer
Brian Pierik, LAFCO Legal Counsel
Imelda Marquez, LAFCO Commission Clerk

Approval of Minutes

Chairperson Murray asked for any questions or comments from the Commissioners.

Commissioner Ochylski suggested a change in the wording used in the discussion about the bylaws, followed with a motion to approve the minutes.

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

Ms. Marquez reported that no public comments were received.

Commissioner Arnold seconded **Commissioner Ochylski's** motion.

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

NAYS: None

ABSTAINING: None

The motion was passed.

Non-Agenda Public Comments

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

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

Regular Matters

A-1: Amendment to Employment Contract between the San Luis Obispo Local Agency Formation Commission and Michael Prater (Recommend Review and Approval)

Mr. Pierik presented the item and recommended the Commission consider approval.

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

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

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

Commissioner Compton asked for clarification on **Mr. Prater's** salary as the new Executive Officer.

Mr. Pierik responded saying it would be his current salary and it would be re-evaluated in six months.

Chairperson Murray asked the Commission for any other questions or comments, hearing none.

Commissioner Ochylski made a motion to approve Staff recommendation.

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.

A-2: Consideration of the Final Fiscal Year 2020-21 San Luis Obispo LAFCO Budget (Recommend Review and Approval)

Mr. Church presented the item.

Chairperson Murray opened the item for Commissioner comment. No comments were made.

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

Ms. Marquez reported that no public comments were received.

Chairperson Murray suggested that the audit be removed from the budget for the upcoming fiscal year 2020/21.

Commissioner Ochylski expressed his support for removing the audit to help reduce the budget. Followed with a motion to adopt the budget and remove the audit for fiscal year 2020/21.

Commissioner Waage seconded the motion.

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

NAYS: None

ABSTAINING: None

The motion passed with a unanimous roll call vote.

Informational Matters

B-1: Study Session: LAFCO Agriculture Definitions, Policies, and Guidelines (Recommend Receive and File)

Mr. Church presented the item, followed by asking Commissioners for any questions.

Commissioner Fonzi asked for a discussion on quasi-legislative and how it works with land use, followed with a question on what the repercussion would be in a scenario she described.

Commissioner Waage asked for more clarification on LAFCO's role.

Chairperson Murray explained his thoughts on the topic and asked that Staff provide clear agriculture discussion in future Staff Reports.

Mr. Church responded to the **Commissioner's** questions.

Mr. Pierik added to the discussion providing clarification of quasi-legislative.

Chairperson Murray concluded **Commissioner** questions and asked the Clerk if any written comments from the public were received.

Ms. Marquez reported that no public comments were received.

Chairperson Murray asked for final comments from the **Commission**.

Commissioner Waage mentioned his support for LAFCO AG polices to remain as is.

Chairperson Murray received and filed the item.

B-2: Application Status Report – Fiero Lane, Froom Ranch, Gateway, Morro Bay Annexations, San Simeon CSD Solid Waste Activation (Recommend Receive and File)

Mr. Prater and **Mr. Church** presented the item and responded to questions after each proposal.

Chairperson Murray asked the **Commissioners** for any questions or comments after the Fiero Lane, Froom Ranch, Morro Bay Annexation, and the San Simeon Waste Water Activation slides, seeing none.

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

Ms. Marquez reported that no public comments were received.

Chairperson Murray continued to ask for Commissioner Comments after the Gateway slides.

Commissioner Fonzi commented on key issues in the Gateway project as some were not highlighted in the presentation.

Commissioner Arnold mentioned traffic issues and had a question about where the improvement money for the off-ramp will come from. Followed by clarification on LAFCO's role.

Commissioner Compton expressed interest in project funding and questions on how projects are feasible in certain geographical areas.

Commissioner Enns and **Chairperson Murray** commented on their support for the EIR Comment Letter that was sent to the City.

Mr. Prater and **Mr. Church** addressed Commissioner's comments.

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

Ms. Marquez reported that no public comments were received.

Chairperson Murray received and filed the item.

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

Mr. Prater presented the item.

Chairperson Murray asked for any questions or comments from the Commissioners.

Chairperson Murray commented on study area five and the benefits of including those lots to the City of Arroyo Grande.

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

Ms. Marquez reported that no public comments were received.

Chairperson Murray received and filed the item.

Commissioner Comments:

Commissioners gave their condolences on Paul Hood's passing.

Legal Counsel Comments:

None

Executive Officer Comments:

Mr. Church continued to speak on Paul Hood's passing. Along with updates on having Live Comments in the July Meeting.

Adjournment: With no further business before the Commission, the meeting adjourned at 10:23 a.m. until the next meeting of the Commission pursuant to the Governor's Executive Order N-29-20, depending upon the progression of the COVID-19 pandemic.

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

Respectfully submitted,
Imelda Marquez, LAFCO Commission Clerk



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

TO: MEMBERS, FORMATION COMMISSION

**FROM: DAVID CHURCH, EXECUTIVE OFFICER
IMELDA MARQUEZ, COMMISSION CLERK**

DATE: JULY 16, 2020

**SUBJECT: SECTION 218 AGREEMENT FINAL RESOLUTION AND
APPLICATION AGREEMENT**

COMMISSIONERS

Chairperson
TOM MURRAY
Public Member

Vice-Chair
ROBERT ENNS
Special District Member

DEBBIE ARNOLD
County Member

MARSHALL OCHYLSKI
Special District Member

ROBERTA FONZI
City Member

LYNN COMPTON
County Member

ED WAAGE
City Member

ALTERNATES

Ed Eby
Special District Member

STEVE GREGORY
City Member

HEATHER JENSEN
Public Member

JOHN PESCHONG
County Member

STAFF

DAVID CHURCH
Executive Officer

BRIAN A. PIERIK
Legal Counsel

MIKE PRATER
Deputy Executive Officer

IMELDA MARQUEZ
Commission Clerk

RECOMMENDATION. It is respectfully recommended that the Commission approve the attached final Resolution, Application and Agreement to express its intent to provide a retirement plan and social security coverage for San Luis Obispo Local Agency Formation Commission (LAFCO) employees.

DISCUSSION. In 2001 SLO LAFCO became independent from the County. LAFCO continued to withhold social security and remained active members in San Luis Obispo's County Pension Trust. An administrative step, that was not completed, included the approval of a 218 agreement by LAFCO through the California Public Employees' Retirement Systems (CalPERS).

In 2019, SLO LAFCO received an Annual Information Request from CalPERS. CalPERS administers Section 218 agreements for the State Social Security office. Through the submission of the questionnaire, it was discovered that SLO LAFCO should have had its own Section 218 Agreement in place. Prior to becoming independent, the County's 218 Agreement covered LAFCO employees. All governmental employers who wish to offer social security in addition to their retirement plan must have a section 218 Agreement.

On February 20, 2020, the LAFCO Commission approved a resolution to express its intent to provide Social Security coverage for its employees which was the first of six steps. Since then a plan of procedure/ notice of election - Step 2, and the election - Step 3 have all been completed and can be found in Attachment A. The three LAFCO employees voted in the election to approve the 218 agreement.

Today's action to adopt a final resolution and application agreement confirms SLO LAFCO's intent to provide both a retirement plan and social security to all its employees. Attachment C provides an overview of the six-step process. In order to proceed to steps 5 & 6, the adoption of a final resolution/application agreement authorizing the administrative correction (Attachment B) is required.

Attachment

A: Steps 1, 2, and 3

B: Step 4 -Pending /
Resolution/ Majority
Application Agreement

C: Section 218
Agreement Overview

Attachment A

Step 1, 2, and 3 (Completed)



Official State Social Security Administrator
California Public Employees' Retirement System

P.O. Box 720720, Sacramento, CA 94229-0720 | Phone: (916) 795-0810 | Fax: (916) 795-3005
888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442 | www.calpers.ca.gov/sssa

January 29, 2020

CalPERS ID No.: 4459806108

Imelda Marquez
LAFCO Commission Clerk
San Luis Obispo Local Agency Formation Commission
1042 Pacific St., STE A
San Luis Obispo, CA 93401-3656

Dear Imelda Marquez,

Thank you for contacting the State Social Security Administrator's Office (State Administrator) regarding Social Security coverage.

Based on the information provided by the agency in the Coverage Questionnaire, the agency desires to provide a Majority vote election to cover its employees for social security benefits.

All eligible members of the retirement system will vote in an election. If a majority of the members vote in favor of Social Security coverage, all employees occupying positions covered under the retirement system would be covered under Social Security, including those who voted "no".

The first step would be for the agency to adopt a resolution to request permission to conduct an election among eligible members of the retirement system.

These documents should not be modified in any way as only the content included in the documents provided by this office will be accepted.

If you have any questions regarding the enclosed information, please contact this office at (916) 795-0810.

Sincerely,

Diane Carpenter
State Social Security Administrator Program

Enclosures

RESOLUTION NO. 2020 -01

WHEREAS, San Luis Obispo Local Agency Formation Commission hereinafter designated as "Public Agency", desires to include services performed by its employees in positions covered by San Luis Obispo County Pension Trust in the California State Social Security Agreement of March 9, 1951, providing for the coverage of public employees under the old age, survivors, disability and health insurance system established by the Federal Social Security Act, as amended; and

WHEREAS, State and Federal laws require, as a condition of such coverage, that an election first be authorized by the Board of Administration, Public Employees' Retirement System, and conducted among the "eligible employees" (as defined in Section 218(d)(3) of the Social Security Act) of the Public Agency; and

WHEREAS, it is necessary that the "Public Agency" now designate any classes of positions covered by said retirement system which it desires to exclude from coverage under said insurance system;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Administration, Public Employees' Retirement System be, and hereby is requested to authorize the foregoing election; and

BE IT FURTHER RESOLVED, that upon receipt of authorization from the Board of Administration, an election shall be conducted in accordance with the requirements of Section 218(d) of the Social Security Act, and applicable State and Federal laws and regulations; that such election shall be held on the question of whether service in positions covered by said retirement system should be excluded from or included under an agreement under the insurance system established under the Social Security Act, as hereinbefore provided, with such coverage effective as to services performed on and after May 23, 2001; and

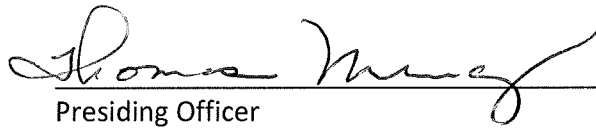
BE IT FURTHER RESOLVED, that the following classes of positions covered by said retirement system of the "Public Agency" shall be excluded from coverage under said agreement:

1. All services excluded from coverage under the agreement by Section 218 of the Social Security Act; and
2. Services excluded by option of the Public Agency (**Check a or b; fill in b if checked**):
 - a. No optional exclusions desired.
 - b. Service performed: Elective Officials and Student Services

BE IT FURTHER RESOLVED, that not less than ninety days' notice of such election be given to all "eligible employees" as hereinabove provided; and that Imelda Marquez, LAFCO Commission Clerk is hereby designated and appointed to conduct such election on behalf of the "Public Agency" in accordance with law, regulations, and this resolution, including the giving of proper notice thereof to all such "eligible employees"; and

BE IT FURTHER RESOLVED, that with respect to eligible members thereof, the benefits and contributions of the said retirement system shall not be modified in any way and

BE IT FURTHER RESOLVED, that the Public Agency will pay and reimburse the State at such time and in such amounts as may be determined by the State the approximate cost of any and all work and services relating to such election.



Presiding Officer

San Luis Obispo Local Agency Formation Commission

Official Name of Public Agency

Date

2/20/2020

Date

CERTIFICATION

I, David Church of the San Luis Obispo Local Agency Formation Commission, State of California, do hereby certify the foregoing to be a full, true, and correct copy of Resolution No. 2020 - 01 adopted by the San Luis Obispo Local Agency Formation Commissioners of the San Luis Obispo Local Agency Formation Commission at the regular/special meeting held on the 20th day of February, 2020, as the same appears of record in my office.

Signature: 

Title: Executive Officer

Date: 2/20/20



Official State Social Security Administrator
California Public Employees' Retirement System

P.O. Box 720720, Sacramento, CA 94229-0720 | Phone: (916) 795-0810 | Fax: (916) 795-3005
888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442 | www.calpers.ca.gov/sssa

February 24, 2020

CalPERS ID: 4459806108

Imelda Marquez
LAFCO Commission Clerk
San Luis Obispo Local Agency Formation Commission
1042 Pacific St., STE A
San Luis Obispo, CA 93401-3656

Dear Imelda Marquez,

Thank you for providing the Resolution requesting authorization to conduct a majority vote election for the purposes of entering into an Agreement for Social Security coverage for employees of the San Luis Obispo Local Agency Formation Commission. The election has been authorized and Trevor Gohl has been appointed as the election Supervisor on behalf of the State.

The next step is the preparation of the Notice of Majority Vote Election and Statement of Information to be distributed to all eligible members of the San Luis Obispo County Pension Trust.

The documents provided should not be modified in any way as only documents provided by this Office will be accepted.

After the Plan of Procedure and Notice of Majority Vote Election are returned and you are advised of approval of these documents, the Notice of Majority Vote Election with the Statement of Information may be distributed to all eligible members. Documents for balloting and the necessary certification forms, etc., will be forwarded to you before the Election date.

If you have any questions regarding the enclosed information, please contact us at (916) 795-0810.

Sincerely,

Veronica Silva-Gil
State Social Security Administrator Program

Enclosures

Social Security Program for California Public Agencies
PLAN OF PROCEDURE FOR THE MAJORITY VOTE ELECTION OF THE
San Luis Obispo County Pension Trust
FOR EMPLOYEES OF THE
San Luis Obispo Local Agency Formation Commission
(As required by Section 598.64 of the California Code of Regulations)

The procedure proposed to be followed in the conduct of the majority vote election on June 1, 2020, to be held for eligible employees of the San Luis Obispo Local Agency Formation Commission who are eligible members of the San Luis Obispo County Pension Trust will be substantially as follows:

1. Notice Date. Notice of majority vote election will be given to each eligible member of the San Luis Obispo County Pension Trust on February 27, 2020, by personal delivery, and posted on all bulletin boards in the various departments of the San Luis Obispo Local Agency Formation Commission. The Local Election Officer will establish a list of members of the Retirement System eligible to vote in the majority vote election.
2. Election Date. On June 1, 2020, a Majority Vote Election Ballot will be distributed at the polling places to each member determined to be eligible to vote, and only to such members. Eligibility will be determined by the Local Election Officer only. The ballot will contain the proposition as stated in the Notice of Election. Provision shall be made for the indication by the voter of a vote in the affirmative or negative.
3. Polling Places. Polling places and the hours they will be open have been designated as follows:
Polling Place(s): 1042 Pacific St., STE A, San Luis Obispo, CA 93401-3656
Opens at: 9:00 a.m. Closes at: 5:00 p.m.

One or more election officers will be designated by the Local Election Officer to conduct the balloting at each of the polling places. A ballot box will be provided for each polling place. Balloting will be by secret written ballot and ballots will be deposited by the election officers in the respective ballot boxes.
4. Counting Ballots. The election officers will count the ballots immediately after the closing of the polls on June 1, 2020, and will certify to the Local Election Officer the results of the votes cast on a form to be provided for that purpose.
5. Certification of Results. Upon completion thereof, the Local Election Officer will certify the results of the election to the State Election Supervisor as provided by Section 598 of the California Code of Regulations.


Signed by Local Election Officer

2-25-20
Date

* In accordance with Section 22015 of the Government Code, non-members who are eligible to elect membership in the Retirement System are included in the term "members".

NOTICE OF MAJORITY VOTE ELECTION OF RETIREMENT SYSTEM

San Luis Obispo Local Agency Formation Commission

NOTICE IS HEREBY GIVEN to all persons in employment with the San Luis Obispo Local Agency Formation Commission in positions covered by the San Luis Obispo County Pension Trust, who are members of such System (or eligible to elect membership therein) on date of this notice, that a majority vote election by secret written ballot will be held on the question:

"Shall eligible employees of the San Luis Obispo Local Agency Formation Commission who are members of the San Luis Obispo County Pension Trust, except policemen or firemen, have extended to them the Social Security (Old-Age, Survivors, Disability, and Health Insurance) program embodied in the Social Security Act, with coverage under such program effective as to services performed on and after May 23, 2001."

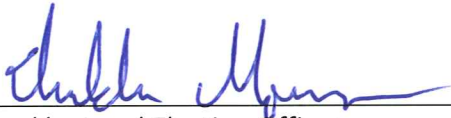
Election date: June 1, 2020 . A ballot will be distributed on such date to all eligible members at the polling places and hours designated as follows:

Polling Places: 1042 Pacific St., STE A, San Luis Obispo, CA 93401-3656

Open at: 9:00 a.m.

Close at: 5:00 p.m.

ABSENTEES: Employees unable to vote and who will not be present on the election date, may file a written application for an absent voter's Majority Vote Ballot with Imelda Marquez, LAFCO Commission Clerk either in person or by mail, between the dates of May 18, 2020 and May 29, 2020, both dates inclusive. All absent voters' Majority Vote Election Ballots shall be returned to, and received in the office of San Luis Obispo Local Agency Formation Commission on or before June 1, 2020. Ballots received after that date will not be counted.



Signed by Local Election Officer

2-25-20

Date

2-27-20

Notice Date

STATEMENT OF INFORMATION

GENERAL INFORMATION

Your decision whether to be covered by Social Security is important for you and your family. Your age, length of employment, family responsibilities, and any present Social Security credits should all be considered. General information is being provided to help you decide. IT IS INTENDED AS GENERAL INFORMATION AND WE ENCOURAGE YOU TO CONTACT YOUR LOCAL SOCIAL SECURITY OFFICE FOR INFORMATION ABOUT SOCIAL SECURITY BENEFITS.

The term “Employer” or “Agency” means the San Luis Obispo Local Agency Formation Commission and “Social Security” means Old-Age, Survivors, Disability, and Health Insurance.

All eligible members of the Retirement System employed by the Agency on the date the coverage procedures are completed will be eligible for any retroactive coverage. Procedures are completed the date the federal government approves the request for coverage.

IMPORTANT: You and your Employer will be required to pay any retroactive social security contributions due on covered wages after the effective date of coverage up to the maximum covered wages for each calendar year in the retroactive period. The lump sum payment for retroactive coverage will be due one month after the end of the calendar quarter in which your Employer is notified the request for coverage has been approved by the Federal Government.

SOCIAL SECURITY INFORMATION

For specific information on Social Security benefits, consult your nearest Social Security Office. We suggest you obtain the booklet, *Understanding Social Security* (Publication No. 05-10024). This and other publications can be obtained free of charge at any Social Security Office or by calling the toll free number, **1-800-772-1213**.

OTHER INFORMATION

The Social Security Administration and the Health Care Financing Administration (Medicare) produce many publications and factsheets designed to help explain the Social Security programs. The following is a list of some you may find helpful.

Visit the SSA website at www.socialsecurity.gov for more information and publications.

- *Understanding Social Security* (Publication No. 05-10024) – A comprehensive explanation of all the Social Security programs.
- *Retirement* (Publication No. 05-10035) – Explains Social Security retirement benefits.
- *Disability* (Publication No. 05-10029) – Explains Social Security disability benefits.
- *Survivors* (Publication No. 05-10084) – Explains Social Security survivor benefits.

- *Medicare* (Publication No. 05-10043) – Explains the Medicare hospital insurance and medical insurance program.
- *SSI Supplemental Security Income* (Publication No. 05-11000) – Explains the Supplemental Security Income program, which provides a basic income to people 65 or older, disabled, or blind who have limited income and resources.
- *How You Earn Social Security Credits* (Publication No. 05-10072).
- *Your Social Security Earnings Record* (Publication No. 05-10044).
- *How Work Affects Your Social Security Benefits* (Publication No. 05-10069).
- *Government Pension Offset* (Publication No. 05-10007) – For government workers who may be eligible for Social Security benefits on the record of a spouse.
- *A Pension From Work Not Covered By Social Security* (Publication No. 05-10045) – For government workers who are also eligible for their own Social Security benefits.

These and other publications can be obtained free of charge at any Social Security Office or by calling the toll free number, 1-800-772-1213 between 7 a.m. and 7 p.m.

More Information: If you would like information about the taxation of your Social Security benefits, call or visit your local Internal Revenue Service District Office to ask for a copy of Publication 554, *Tax Information for Older Americans*, and Publication 915, *Social Security Benefits And Equivalent Railroad Retirement Benefits*.

AUTHORIZATION FOR MAJORITY VOTE ELECTION FOR PURPOSES OF SOCIAL SECURITY COVERAGE

A resolution of the San Luis Obispo Local Agency Formation Commissioners of the San Luis Obispo Local Agency Formation Commission, complying with regulations of the Board of Administration and requesting a majority vote election of the San Luis Obispo County Pension Trust having been filed. I hereby authorize such election pursuant to authority granted by Section 598.63, Title 2, California Code of Regulations. I hereby designate Trevor Gohl to supervise the conduct of such election.

Veronica Silva-Gil
State Social Security Administrator
State Social Security Administrator Program

Date



Official State Social Security Administrator
California Public Employees' Retirement System

P.O. Box 720720, Sacramento, CA 94229-0720 | Phone: (916) 795-0810 | Fax: (916) 795-3005
888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442 | www.calpers.ca.gov/sssa

March 13, 2020

CalPERS ID No.: 4459806108

Imelda Marquez
LAFCO Commission Clerk
San Luis Obispo Local Agency Formation Commission
1042 Pacific St., STE A
San Luis Obispo, CA 93401-3656

Dear Imelda Marquez,

Thank you for submitting the Notice of Majority Vote Election and Plan of Procedure relating to the pending Social Security Election. The documents have been approved and the Notice of Majority Vote Election may be distributed to each eligible member of the retirement system on February 27, 2020 for the Election to be held on June 1, 2020 as indicated in the Plan of Procedure.

To be eligible to receive a notice and statement and to have a choice on the Majority Vote Election date, an employee must be:

1. A member of the San Luis Obispo County Pension Trust; and
2. In an employment relationship with the San Luis Obispo Local Agency Formation Commission on the Election date, June 1, 2020.

Please prepare a list including the last names, first names and social security numbers of all eligible members in alphabetical order by last name. The list should be adjusted for new members and terminations up to and including the Election date. Employees are usually considered in an employment relationship if they are on a leave of absence with the intent to return to work. If your agency does not actually separate the employee, he should be given a notice and statement. If an employee receives the notice on February 27, 2020, but is not in an employment relationship on the Election date, he or she will not be eligible to vote.

A sample Majority Vote Ballot to be used in the election is enclosed.

After the election is completed and if you wish to proceed with the coverage, the following material should be forwarded to this office:

1. All ballots cast in the election;
2. Certification of Majority Vote Election Action; and
3. Report on Majority Vote Election – Social Security Coverage.

These documents should not be modified in any way as only the content included in the documents provided by this office will be accepted.

If you have any questions regarding the enclosed information, please contact this office at (916) 795-0810.

Sincerely,

Veronica Silva-Gil
State Social Security Administrator Program

Enclosures

**STATE OF CALIFORNIA
SOCIAL SECURITY PROGRAM FOR CALIFORNIA PUBLIC AGENCIES
CERTIFICATION OF MAJORITY VOTE ELECTION ACTION**

TO: Trevor Gohl, STATE ELECTION SUPERVISOR

This is to certify that:

- (a) A Majority Vote Election by secret written ballot was held on June 1, 2020, on the question of whether services performed by employees of the San Luis Obispo Local Agency Formation Commission in positions covered by the San Luis Obispo County Pension Trust should be excluded from or included in the Social Security (Old-Age, Survivors, Disability, and Health Insurance) program embodied in the Social Security Act;
- (b) An opportunity to vote in such election was given, and was limited to eligible employees (as defined in Section 218 (d) (3) of such Act);
- (c) Not less than 90 days' notice of election was given to all such eligible employees;
- (d) The vote was conducted under the supervision of the undersigned, duly designated by the Governing Body of the Agency as the election officer;
- (e) A majority of the eligible employees voted in favor of including service in positions covered by said retirement system under section 218(d) of the federal Social Security Act; and
- (f) With respect to such election, the conditions specified in Section 218(d) of the Social Security Act have been met, and that the protection afforded employees of the Agency in positions covered by the System, as well as those receiving periodic benefits under such retirement system will not be impaired as a result of making an agreement bringing such employees under Social Security.

Done this 1 day of June, 2020.
(Date) (Month) (Year)

Imelda Marquez

LOCAL ELECTION OFFICER NAME

TO: State Social Security Administrator Program
P.O. Box 720720
Sacramento, CA 94229-0720

REPORT ON MAJORITY VOTE ELECTION – SOCIAL SECURITY COVERAGE

The following results were obtained in an election among employees of the San Luis Obispo Local Agency Formation Commission conducted on June 1, 2020, on the question of Social Security coverage:

Total number of eligible voters:		<u>3</u>
Total Yes votes cast:	<u>3</u>	
Total No votes cast:	<u>0</u>	
Total votes not cast (count as No votes):	<u>0</u>	
Total number of all votes ¹ cast and not cast:		<u>3</u>

Local Election Officer

Imelda Marquez
(Name – Please Print)

Imelda Marquez
(Signature)

Commission Clerk
(Title)

6/1/2020
(Date)

¹ The total number of all votes cast and not cast should equal the total number of eligible voters.

SAN LUIS OBISPO LOCAL AGENCY FORMATION COMMISSION

OFFICIAL MAJORITY VOTE ELECTION BALLOT

SOCIAL SECURITY COVERAGE

INSTRUCTIONS TO VOTERS:

To vote on the question, mark **X** in the voting square after the word "YES" or the word "NO". All other marks are forbidden and void the ballot.

QUESTION:

Shall eligible employees of the San Luis Obispo Local Agency Formation Commission who are members of the San Luis Obispo County Pension Trust have extended to them the Social Security (Old-Age, Survivors, Disability, and Health Insurance) program embodied in the Social Security Act, with coverage under such program effective as to services performed on and after May 23, 2001 ?

YES

NO

SAN LUIS OBISPO LOCAL AGENCY FORMATION COMMISSION

OFFICIAL MAJORITY VOTE ELECTION BALLOT

SOCIAL SECURITY COVERAGE

INSTRUCTIONS TO VOTERS:

To vote on the question, mark **X** in the voting square after the word "YES" or the word "NO". All other marks are forbidden and void the ballot.

QUESTION:

Shall eligible employees of the San Luis Obispo Local Agency Formation Commission who are members of the San Luis Obispo County Pension Trust have extended to them the Social Security (Old-Age, Survivors, Disability, and Health Insurance) program embodied in the Social Security Act, with coverage under such program effective as to services performed on and after May 23, 2001 ?

YES NO

SAN LUIS OBISPO LOCAL AGENCY FORMATION COMMISSION

OFFICIAL MAJORITY VOTE ELECTION BALLOT

SOCIAL SECURITY COVERAGE

INSTRUCTIONS TO VOTERS:

To vote on the question, mark **X** in the voting square after the word "YES" or the word "NO". All other marks are forbidden and void the ballot.

QUESTION:

Shall eligible employees of the San Luis Obispo Local Agency Formation Commission who are members of the San Luis Obispo County Pension Trust have extended to them the Social Security (Old-Age, Survivors, Disability, and Health Insurance) program embodied in the Social Security Act, with coverage under such program effective as to services performed on and after May 23, 2001 ?

YES

NO

Attachment B

Step 4 – Pending / Resolution / Majority Application Agreement



Official State Social Security Administrator
California Public Employees' Retirement System

P.O. Box 720720, Sacramento, CA 94229-0720 | Phone: (916) 795-0810 | Fax: (916) 795-3005
888 CalPERS (or **888-225-7377**) | TTY: (877) 249-7442 | www.calpers.ca.gov/sssa

April 22, 2020

CalPERS ID No.: 4459806108

Imelda Marquez
LAFCO Commission Clerk
San Luis Obispo Local Agency Formation Commission
1042 Pacific St., STE A
San Luis Obispo, CA 93401-3656

Dear Imelda Marquez,

Thank you submitting the Social Security Majority Vote Election Ballots and Certification.

The next step is the adoption of the Resolution authorizing execution of the Application and Agreement for Social Security coverage for employees of the San Luis Obispo Local Agency Formation Commission who are members of the San Luis Obispo County Pension Trust. We are enclosing a partially completed Resolution, and Application and Agreement. The forms contain the terms of coverage indicated in the Resolution adopted by the San Luis Obispo Local Agency Formation Commissioners of the San Luis Obispo Local Agency Formation Commission. David Church, as Authorized Agent, should sign all copies of the enclosed Application and Agreement. The original and one copy of the adopted certified Resolution and the original and one copy of the signed Application and Agreement should be returned to this office.

Upon receipt of the above, we will request the Federal Government to include the San Luis Obispo Local Agency Formation Commission in the Social Security program.

These documents should not be modified in any way as only the content included in the documents provided by this office will be accepted.

If you have any questions regarding the enclosed information, please contact this office at (916) 795-0810.

Sincerely,

Veronica Silva-Gil
State Social Security Administrator Program

Enclosures

RESOLUTION NO. 2020 - 03
(To Accompany Application and Agreement)

WHEREAS, a majority of the eligible employees of the San Luis Obispo Local Agency Formation Commission, hereinafter referred to as "Public Agency", who are members of and in positions covered by the San Luis Obispo County Pension Trust; at a majority vote election conducted in accordance with the provisions of Part 4, Division 5, of Title 2 of the California Government Code, Section 218 of the Federal Social Security Act, and regulations promulgated by the Board of Administration of the California Public Employees' Retirement System, hereinafter referred to as "State", voted in favor of coverage under the provisions of the Old-Age, Survivors, Disability and Health Insurance system established by the Federal Social Security Act; and

WHEREAS, the Public Agency desires to file an application with the State and to enter into an agreement with the State to extend to such retirement system members and to other eligible employees of the Public Agency in the same coverage group, as defined in Section 218(d)(4) of the Federal Social Security Act, coverage under the said insurance system on behalf of the Public Agency; and

WHEREAS, official form "Application and Agreement" containing the terms and conditions under which the State will affect such inclusion has been examined by this body;

NOW, THEREFORE, BE IT RESOLVED, that said Application and Agreement on said official form be executed on behalf of the Public Agency and submitted to the State to provide coverage under the California State Social Security Agreement of March 9, 1951, of all services performed by individuals as employees of the Public Agency as members of a coverage group (as defined in Section 218(d)(4) of the Social Security Act) of the San Luis Obispo County Pension Trust, except the following:

1. All services excluded from coverage under the agreement by Section 218 of the Social Security Act; and
2. Services excluded by option of the Applicant as indicated in Resolution No. 2020-01 adopted at a meeting of the San Luis Obispo Local Agency Formation Commission on February 20, 2020: Elective Officials and Student Services.

Effective date of coverage of services under said agreement to be May 23, 2001; and

BE IT FURTHER RESOLVED, that David Church, Executive Officer, 1042 Pacific St. Ste A, San Luis Obispo, CA 93401-3656, is hereby authorized and directed to execute said Application and Agreement on behalf of and as Authorized Agent of the Public Agency and to forward same to the State for acceptance and further action; and

BE IT FURTHER RESOLVED, that authority hereafter to act as Authorized Agent, and so to conduct all negotiations, conclude all arrangements, submit all reports, and sign all agreements and instruments which may be necessary to carry out the letter and intent of the aforesaid application and agreement, in conformity with all applicable Federal and State laws, rules and regulations, is vested in the position of Commission Clerk.

San Luis Obispo Local Agency Formation
Commission

Presiding Officer

Title

Date

CERTIFICATION

I, David Church, Executive Officer of the San Luis Obispo Local Agency Formation Commission, State of California, do hereby certify the foregoing to be a full, true, and correct copy of Resolution No. 2020-03 adopted by the San Luis Obispo Local Agency Formation Commission of the San Luis Obispo Local Agency Formation Commission at the regular/special meeting held on the 16 day of July, 2020, as the same appears of record in my office.

(Signature)

(Title)

(Date)

APPLICATION AND AGREEMENT

For the purposes of this application and agreement, any reference made herein to any State or Federal statute or statutes, or regulations, or part thereof, applies to all amendments thereto now or hereafter made.

For the purposes of this application and agreement, "Federal System" means Old-Age, Survivors, and Disability and Health Insurance system established by the Federal Social Security Act, "Federal agency" means the Commissioner of Social Security, or successor in function to such officer, "Board" means the Board of Administration of the Public Employees' Retirement System, acting on behalf of the State of California.

The San Luis Obispo Local Agency Formation Commission, a public agency as defined in Section 22009 of the Government Code* hereinafter called Applicant, hereby makes application to the Board to execute a modification to the California State Social Security Agreement extending thereunder the Federal System to all services performed by individuals as employees of the Applicant in a coverage group as defined in Section 218(d)(4) of the Social Security Act* of the San Luis Obispo County Pension Trust, a deemed retirement system except the following:

1. Those services mandatorily excluded from said agreement by Section 218 of the Social Security Act. *
2. The following services excluded by option of the Applicant pursuant to Resolution No. 2020-01, adopted on February 20, 2020:

Elective Officials and Student Services

*See Attachment

In order to carry into effect, the common governmental duties under such statutes and in consideration of the mutual promises hereinafter made, the Applicant and the Board agree as follows:

1. The Board will execute a modification to the California State Social Security Agreement to extend thereunder the Federal System to the services of employees of Applicant as hereinbefore applied for.
2. Applicant will comply promptly and completely, throughout the term of this application and agreement, with the letter and intent of all statutes of the State of California, and Section 218 of the Federal Social Security Act, and applicable Federal and State regulations adopted pursuant thereto.
3. Applicant shall pay to the Federal Government amounts equivalent to the sum of taxes (employer-employee contributions) imposed under the Federal Insurance Contributions Act if the services of employees covered by the application and agreement constituted employment as defined in such Act. Applicant shall keep or cause to be kept accurate records of all remuneration for such services, said records to be maintained as required by Federal or State regulations, and said records shall be available for inspection or audit by the Board or its designated representative.
4. Applicant will prepare and submit such wage reports as may be required.

5. Applicant shall pay and reimburse the State at such times as may be determined by the State:
 - (a) Any sums of money that the State may be obligated to pay or forfeit to the Federal Government by reason of any failure of the Applicant, for any cause or reason, to pay the contributions, penalties, or interest required by the agreement between the Federal agency and the State at such time or in such amounts as required by the said agreement and any State or Federal regulations adopted pursuant thereto.
 - (b) In such amounts, as may be determined by the State, its proportionate share of any and all costs incurred by the State in the administration of the Federal System as it affects the Applicant and its employees.
 - (c) In such amounts, as may be determined by the State, the cost of any and all work and services relating to the election for the purposes of coverage under the Federal System held with respect to the coverage group for which coverage under the Federal System is requested herein.
 - (d) In such amounts, as may be determined by the State, the costs of any audits of the books and records of the Applicant made by the State or its designated representatives pursuant to Section 22559 of the Government Code.
6. The coverage herein provided for shall be effective May 23, 2001.
7. That, subject to the aforesaid provisions and applicable law, this application and agreement may be amended by the mutual consent of the parties in writing.

8. After the filing of this application and agreement, its acceptance and execution by the State shall constitute it a binding agreement between the Applicant and the State of California with respect to the matters herein set forth.

San Luis Obispo Local Agency Formation Commission

Signed by:

(Authorized Agent)

And by:

(Witness)

(Title)

(Date)

ACCEPTED: _____

STATE OF CALIFORNIA
BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
Veronica Silva-Gil
State Social Security Administrator
State Social Security Administrator Program

ATTACHMENT

Section 22009, Government Code:

"Public Agency" means the State, any city, county, city and county, district, municipal or public corporation or any instrumentality thereof, or boards and committees established under Chapter 10 of Division 6 of the Agricultural Code, Chapter 754 of Statutes of 1933, as amended, or Chapter 307 of the Statutes of 1935, as amended, the employees of which constitute one or more coverage groups or retirement system coverage groups.

Section 218(d)(4):

For the purposes of subsection (c) of this section, the following employees shall be deemed to be a separate coverage group:

- (A) all employees in positions which were covered by the same retirement system on the date the agreement was made applicable to such system (other than employees to whose services the agreement already applied on such date);
- (B) all employees in positions which became covered by such system at any time after such date; and
- (C) all employees in positions which were covered by such system at any time before such date and to whose services the insurance system established by this title has not been extended before such date because the positions were covered by such retirement system - including employees to whose services the agreement was not applicable on such date because such services were excluded pursuant to subsection (c)(3)(B).

The following services are mandatorily excluded:

- (a) service performed in a policeman's or fireman's position, covered by a retirement system at the time coverage is extended to the Public Agency;
- (b) service performed by an individual who is employed to relieve him from unemployment;
- (c) service performed in a hospital, home, or other institution by a patient or inmate thereof;
- (d) covered transportation service (as defined in Section 210(k) of the Social Security Act, as amended);

- (e) service (other than agricultural labor or service performed by a student) which is excluded from employment by any provision of Section 210(a) of the Social Security Act, other than paragraph 7 of such section, or service the remuneration for which is excluded from wages by paragraph (2) of Section 209(h);
- (f) service performed by an individual as an employee on a temporary basis in case of fire, storm, snow, earthquake, or similar emergency;
- (g) services performed by election officials or election workers for each calendar year in which the remuneration paid for such service is less than the threshold amount mandated by law.

Attachment C

Section 218 Agreement Overview



Section 218 Agreement Overview

Process:

The process is a six-step process and could take anywhere from 18 to 24 months. Our office provides the agency with an information packet and a questionnaire.

The agency completes the questionnaire, then the agency decides what type of vote the agency will be providing to the eligible employees.

The two options for the election are:

Majority: if the majority of the employees vote YES then the agency can proceed with the contract and ALL of the eligible employees would be covered including new hires. If the majority of the employees vote NO then the process stops – a new election could be held 12 months later.

Division: Employees who vote YES will receive Social Security coverage, those who vote NO will not receive the coverage, future hires would get the coverage.

Step 1: The agency adopts a resolution with their governing board to express their intent to provide Social Security coverage for its employees.

Step 2: The agency creates a plan of procedure: Choose the date when the notice of election will be given to the employees, no less than 90 days later our office supervises the election.

In between the notice date and the election date our office, along with the Social Security Administration offers an informational session about Social Security benefits and the election process.

Step 3: Election – We supervise the election.

Step 4: The agency adopts a final resolution and signs the Agreement that we will provide.

**** At any time, before and including this step the agency can choose to cancel the process. Once we deliver the documents to the Social Security Administration, the agency cannot request for the process to be cancelled.

Step 5: Our office forwards the signed Agreement and all of the documents from the steps above to the Social Security Administration. The Social Security Administration provides a response within 12-24 months

Step 6: Our office notifies the agency the Social Security Administration's decision.

The agency's retirement agreement may need to be amended to reflect that the agency is now offering Social Security benefits, after the Social Security Agreement is finalized.



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, DEPUTY EXECUTIVE OFFICER
IMELDA MARQUEZ, COMMISSION CLERK**
DATE: JULY 16, 2020
**SUBJECT: RESOLUTION HONORING MR. DAVID CHURCH ON HIS
RETIREMENT AND 19+ YEARS OF OUTSTANDING
SERVICE TO SAN LUIS OBISPO LAFCO, COUNTY
RESIDENTS AND THE STATE OF CALIFORNIA**

RECOMMENDATION. It is respectfully recommended that the Commission adopt the attached resolution honoring Mr. David Church for his service to the residents of the County, State of California and San Luis Obispo Local Agency Formation Commission (LAFCO) since 2001.

DISCUSSION. With 19 years of LAFCO experience, David Church has become a well-known and respected figure in the LAFCO world. He has not only been a colleague but a friend to all those he has worked with over the years, with the exception of a few.

Attachment
A: Resolution for David Church

David has successfully worked through a variation of challenges including 20 Sphere of Influence Updates, 9 Annexations, 3 Dissolutions, 5 Outside User Agreements, 3 District Formations, 4 Detachments, 2 Activation of Powers, and 10 Approved Budgets. One of the most shining statistics is during David's tenure over 880 acres of agriculture and open space land has been preserved under perpetual easements.

As Executive Officer of San Luis Obispo LAFCO, David has brought grace, humor, and positive energy to the office. Always having the "best days ever" and not letting life get in the way of his optimism. He was actively involved in the California Local Agency Formation Commission (CALAFCO) by contributing to the Legislative Committee and as Deputy EO representing the coastal region. He was also recognized by CALAFCO in 2019 and 2014 with achievement awards for Outstanding LAFCO Professional and Mike Cotch Courage & Innovation in Local Government. David has been a part of other awards given to SLOLAFCO over the years.

Thank you, David, for your support and dedication to public service. Best wishes on his future endeavors with his wife Connie and two sons Nathan and Andrew.

- COMMISSIONERS**
- Chairperson
TOM MURRAY
Public Member
 - Vice-Chair
ROBERT ENNS
Special District Member
 - DEBBIE ARNOLD
County Member
 - MARSHALL OCHYLSKI
Special District Member
 - ROBERTA FONZI
City Member
 - LYNN COMPTON
County Member
 - ED WAAGE
City Member
- ALTERNATES**
- Ed Eby
Special District Member
 - STEVE GREGORY
City Member
 - HEATHER JENSEN
Public Member
 - JOHN PESCHONG
County Member
- STAFF**
- DAVID CHURCH
Executive Officer
 - BRIAN A. PIERIK
Legal Counsel
 - MIKE PRATER
Deputy Executive Officer
 - IMELDA MARQUEZ
Commission Clerk

Attachment A

David Church's Retirement Resolution



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

July 16, 2020

RESOLUTION NO. 2020-____

**A RESOLUTION HONORING DAVID CHURCH UPON HIS RETIREMENT ON JULY 24, 2020,
FOR 19 YEARS OF EXCEPTIONAL PUBLIC SERVICE TO THE CITIZENS OF SAN LUIS
OBISPO COUNTY AND THE STATE OF CALIFORNIA.**

WHEREAS, David Church, completed undergraduate work at Westmont College and received his Masters from the University of San Francisco; and

WHEREAS, prior to his tenure with LAFCO, David worked as a Planner and Administrative Analyst with the County of San Luis Obispo. In 2001 he accepted an Analyst position with LAFCO, then became the LAFCO Executive Officer in 2009; and

WHEREAS, David has successfully worked his way through a number of challenges including 20 Sphere of Influence Updates, 9 Annexations, 3 Dissolutions, 5 Outside User Agreements, 3 District Formations, 4 Detachments, 2 Activation of Powers, 10 Approved Budgets; and

WHEREAS, as Executive Officer of San Luis Obispo LAFCO, David has brought grace, humor, and positive energy to the office. Always having the “best days ever” and not letting life get in the way of his optimism. He was actively involved in CALAFCO by contributing to the Legislative Committee and as Deputy EO representing the coastal region. He was also recognized by CALAFCO in 2019 and 2014 with achievement awards for Outstanding LAFCO Professional and Mike Cotch Courage & Innovation in Local Government.

NOW, THEREFORE BE IT FURTHER RESOLVED, the Local Agency Formation Commission of the County of San Luis Obispo, in the State of California, does hereby recognize David's persistent efforts towards encouraging the orderly formation of local agencies based on local conditions and circumstances. On behalf of the LAFCO Commissioners and Staff, we thank him for all his hard work, sweat, and tears. Best wishes on his future endeavors with his wife Connie and their two sons Nathan and Andrew.

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

AYES:

The foregoing resolution is hereby adopted:

Tom Murray, LAFCO Chairperson

Brian Pierik, LAFCO Legal Counsel



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

TO: MEMBERS, FORMATION COMMISSION

FROM: DAVID CHURCH, EXECUTIVE OFFICER

DATE: JULY 16, 2020

SUBJECT: YEAR-END FISCAL YEAR 2019/20 LAFCO BUDGET STATUS REPORT

COMMISSIONERS

Chairperson
TOM MURRAY
Public Member

Vice-Chair
ROBERT ENNS
Special District Member

DEBBIE ARNOLD
County Member

MARSHALL OCHYLSKI
Special District Member

ROBERTA FONZI
City Member

LYNN COMPTON
County Member

ED WAAGE
City Member

ALTERNATES

ED EBY
Special District Member

STEVE GREGORY
City Member

HEATHER JENSEN
Public Member

JOHN PESCHONG
County Member

STAFF

DAVID CHURCH
Executive Officer

BRIAN A. PIERIK
Legal Counsel

MIKE PRATER
Deputy Executive Officer

IMELDA MARQUEZ
Commission Clerk

Recommendation. It is respectfully recommended that the Commission review and direct the Executive Officer to submit this year-end budget status report for FY 19-20 to the County Auditor.

Introduction. This is the FY 2019-20 year-end budget report for the San Luis Obispo Local Agency Formation Commission (SLO LAFCO). The SLO LAFCO operating budget is essentially comprised of four components: 1) salaries, payroll taxes, and benefits, 2) services and supplies, 3) revenues, and 4) fund balance and reserves. The budget is considered and adopted by SLO LAFCO each year as required by the Cortese-Knox-Hertzberg Act. Day-to-day management of the budget is based on “bottom-line” principles that allow for variation within individual line item accounts as long as the overall expenditures remain within the approved budgeted levels. The Commission receives Quarterly Budget Reports throughout the fiscal year.

Attachments

A: Year End Budget Status for Fiscal Year 2019 -2020

B: Credit Card Statements for April, May, June 2020

LAFCO’s budget is funded primarily by the County, Cities and Independent Special Districts. Each agency group pays one-third of the LAFCO budget. The City and District shares are pro-rated based on general revenues reported to the State Controller’s Office on an annual basis. These revenues are found in the latest annual report released by the State Controller’s office. LAFCO also receives revenue through application fees and interest earnings.

The County Auditor’s Office calculates and sends out the invoices for payments from the Cities and Special Districts in the County. The County Auditor’s Office also provides LAFCO with claims processing, and financial review services. The County’s financial tracking system assists LAFCO in monitoring the budget and compiling budget report data. Each LAFCO transaction is processed through the County’s financial system.

Summary. The Year-End Budget Status Report for Fiscal Year 2019-20 is attached. The total adopted budget for FY 19/20 was \$671,625. The total expenditures for the year were \$606,185. This equates to \$65,440 under budget.

Overall, total expenditures are at 90% with 100% of the fiscal year complete. Savings were accrued because of a two-month delay in hiring a new Clerk as well as hiring a new clerk at an entry level salary. These savings also rippled through the Benefits and Payroll Taxes line items. The Covid-19 situation impacted (reduced) expenses in Services and Supplies with savings found in Professional Services, Office Supplies, Travel, and Training line items among others.

Total revenues received in the fiscal year amounted to \$641,199 or 95% at the year end. This leaves a positive Fund Balance at year's end of \$35,014. Reserves and Fund Balance are built into the Budget to reduce the charges to the agencies. In FY 19/20, the Commission adopted a Budget that allocated up to \$32,000 in Reserves and Fund Balance to be used, if needed. Since actual revenues exceeded expenses this year, Fund Balance/Reserves **were not** needed to cover expenses.

Summary FY 19-20	Budgeted FY 19-20	Actual FY 19-20	Percent Expended
Salaries	\$306,297	\$289,979	95%
Benefits and Taxes	\$238,231	\$211,643	88%
Services and Supplies	\$127,097	\$104,563	81%
Total	\$671,625	\$606,185	90%

Expenditures. Expenditures for Salaries, Taxes and Benefits are at 92% expended. Salaries were at 95% expended with the adopted budget being \$306,297 and the actual expended at \$289,979 at year end. Salaries for the EO, DEO and Clerk were paid at the proper rates and amounts for 26 pay periods (22 pay periods for the Clerk) in the fiscal year. Salary savings are accrued because the Clerk was not hired until September 1st of the fiscal year and was also hired at an entry level salary.

Benefits and Payroll Taxes were at 89% expended. Payroll taxes are calculated by LAFCO's payroll vendor, Paychex, for each pay period. Expenses are below the budgeted amounts for Salaries, Benefits and Taxes for the 26 pay periods in the fiscal year with an overall savings of \$42,906. Pension contributions were budgeted for \$135,561 with actual expenditures at \$121,889; a savings of \$13,672 or about 10%. This is caused by the salary savings associated with the Clerk's position.

Services and Supplies are at 82% expended, a year-end total of \$104,563, with a budget savings of \$22,534. The Adopted Budget for Services and Supplies for fiscal year 19-20 is \$127,097. This is under budget by \$22,534, 18%. Savings

were realized in a number of line items: Food, Maintenance-Equipment, Maintenance-Software, Office Supplies, Commissioner/Consultant, Small Equipment, Large Equipment, Employee Mileage, Commissioner Mileage, Insurance, Copying, and Rent. The ESRI GIS software upgrade was purchased (\$400) this year to maintain LAFCO’s ability to use GIS effectively. The membership’s line item was expended at 107%-\$4,707. This line item pays the membership dues for CALAFCO (\$3,261) and California Special Districts Association (CSDA-\$1,446)

Legal counsel expenses have been \$2,000 per month since January 1, 2020. Legal expenses were budgeted for the entire fiscal year 19/20 at \$2,000 per month, a total of \$24,000/year. Savings of \$7,450 were accrued this year. The insurance line item is at 95%-\$7,631 and pays for workers’ compensation and liability coverage from SDRMA. Below are the insurance amounts for the last two fiscal years:

Line Item	FY 18-19	FY 19-20
SDRMA Liability	\$4,906	\$6,328
SDRMA Workers Compensation	\$1,087	\$1,206
SDRMA Workers Compensation Adjustment	\$ 292	\$ 97
Total	\$6,285	\$7,631

Office supplies came in under budget by 60%. Office expense includes printer toner, paper, pens and other supplies. Shut down of the office during Covid-19 accommodations and travel were under budget by \$1,730 or down by 43%. Training and conferences were under budget by \$1,745 or 39%.

Revenues. Overall revenues were 95% realized at year end. The jurisdictions (Cities, Special Districts and County) paid 100% (\$618,254) of the LAFCO charges that were billed by the County Auditor to the agencies. Fees from applications, Interest Earned, and other income totaled \$24,632. Total revenues for the year were \$641,199. The total fees received for application processing for FY 19-20 were \$14,973. The following is a break-down of the revenues received in FY 19-20:

Revenue Source	FY 19-20
Fiero East and West Annexation	\$6,973
EPC Water District Detachment	\$3,500
Morro Bay Tri-W SOI Amendment	\$4,500
Subtotal-Processing Fees	\$14,973
Other Revenues-Credit Card Rebate, Conference	\$ 107
Interest Earned FY 19-20	\$7,866
Charges to Agencies: Cities, Special Districts, County	\$618,254
Total Revenues	\$641,199

Reserves and Fund Balance. Reserves and Fund Balance are built into the budget with purpose of reducing the cost to the funding agencies. The FY 19-20 Budget allocated \$32,000 of Reserves/Fund Balance for use in the fiscal year.

Total Reserves and Fund Balance at the beginning of Fiscal Year 19/20 were \$177,072. The Year End Report indicates a Fund Balance of \$35,014. This brings the Fund Balance and Reserves to a total of \$214,100, or 32% of the current FY 19-20 budget. The planned EO sick leave payout of \$45,642 reduces the Reserves/Fund Balance to \$166,444, or 31% of the Adopted FY 20-21 Budget.

This fiscal year, total revenues exceeded expenses resulting in \$37,028 of Fund Balance, bringing the total Reserves and Fund Balance to \$214,100. The EO sick leave payout is deducted from this amount in FY 20-21.

Fund Balance/Reserves Summary	Amount
Total Revenues FY 19-20	\$641,200
Total Expenses FY 19-20	\$606,185
Fund Balance Added	\$35,014
Beginning Reserves/Fund Balance FY 19-20	\$177,072
Total Reserves and Fund Balance	\$214,100
EO Sick Leave Payout FY 20-21	-\$45,642
Total Reserves Beginning FY 20-21	\$166,444

Credit Card Statements. Attached are the credit card statements from the Umqua Bank credit card through the California Special Districts Association for the fourth quarter; April, May and June 2020.

- In April the only charge was for the monthly Zoom subscription of \$54.99.
- May included an Office Software upgrade of \$101.66, an ESRI-GIS software upgrade of \$400, a \$449 Adobe Software Upgrade and a Zoom subscription of \$54.99.
- In June a computer was purchased in the amount of \$788.99, Tax forms 1099 MISC were purchased from Office Depot in the amount of \$23.69, and a Zoom charge of \$54.99. A late fee for May was reversed.
- The current Credit Card Balance in (0.00) zero.

Attachment A

Year End Budget Status for Fiscal Year 2019 -2020

**Fiscal Year 2019-20 San Luis Obispo LAFCO
Year End Budget Status Report**

Fiscal Year Ending: June 30, 2020

EXPENDITURES SUMMARY	Adopted FY 19-20	Expenditure YTD	Balance YTD	% Expended
Salaries	306,297	289,979	16,318	95%
Benefits & Payroll Taxes	238,231	211,643	26,588	89%
Services and Supplies	127,097	104,563	22,534	82%
Total Expenses	671,625	606,185	65,440	90%

EXPENDITURES DETAIL	Adopted FY 19-20	Expenditure YTD	Balance YTD	% Expended
Salaries and Benefits				
Salaries	306,297	289,979	16,318	95%
Benefits & Payroll Taxes	238,231	211,643	26,588	89%
Subtotal Salaries & Benefits	544,528	501,622	42,906	92%

Services and Supplies	Adopted FY 19-20	Expenditure YTD	Balance YTD	% Expended
Food	800	264	536	33%
Maintenance - Equipment	300	44	257	15%
Maintenance - Software	500	760	-260	152%
CALAFCO/Other Memberships	4,400	4,707	-307	107%
Office Supplies	2,500	1,007	1,493	40%
Commissioner/Professional Serv.	10,000	6,208	3,792	62%
Publication/Legal Notices	800	1,296	-496	162%
Rent	38,000	36,677	1,323	97%
Small Equipment	400	0	400	0%
Large Equipment	1,000	1,378	-378	138%
Computer Software	500	553	-53	111%
Employee Mileage	200	0	200	0%
Commissioner Mileage	1,800	959	841	53%
Airfare/Public Transportation	500	0	500	0%
Accommodations/Travel	4,000	2,270	1,730	57%
Auto Allowance	5,400	5,400	0	100%
Training/Conf Registration	4,500	2,755	1,745	61%
Utilities	4,000	3,892	108	97%
Car/Vehicle Rentals	1,000	916	84	92%
Postage	1,000	163	837	16%
Custodian	1,000	960	40	96%
Copying	800	0	800	0%
ITD-SAP/Board Chambers	850	0	850	0%
Phones/Internet	2,600	1,926	674	74%
County Auditor	8,247	8,247	0	100%
Insurance	8,000	7,632	368	95%
Legal Counsel	24,000	16,550	7,450	69%
Subtotal Services & Supplies	127,097	104,563	22,534	82%

Total Expenses	671,625	606,185	65,440	90%
-----------------------	----------------	----------------	---------------	------------

REVENUE DETAIL	Adopted FY 19-20	Realized YTD	Balance YTD	% Realized
Interest	3,000	7,866	4,866	262%
Environmental Fees	1,000	2,500	-1,500	250%
Sphere of Influence Fee	1,000	3,500	0	350%
LAFCO Processing Fees	16,000	8,973	7,027	56%
Sub-Total w/o Agency Charges	21,000	22,838	1,838	109%
Other Revenues		107		
LAFCO Charges to Agencies	618,625	618,254	-371	100%
Total Revenue *	671,625	641,199	-30,426	95%

* Includes up to \$32,000 in Fund Balance.

Use of Fund Balance/Reserves	32,000	0	32,000
-------------------------------------	---------------	----------	---------------

	Beginning FY19-20	Year End	% of Budget
Fund Balance and Reserves	177,072	177,072	26%
Additional Fund Balance End FY 2019/20		35,014	
EO Sick Leave Pay Out		-45,642	
Reserves FY 2018/19 Year End		166,444	25%

Attachment B

Credit Card Statements for April, May, & June 2020



DAVID CHURCH
LAFCO



Account Number: #### #### ####
Closing Date: 04/30/20
Credit Limit: \$5,000.00
Available Credit: \$4,945.01

Account Inquiries



Customer Service: (866) 777-9013
Lost or Stolen Card: (866) 839-3485



Please Direct Written Inquiries to:
UMPQUA BANK
PO BOX 1952
SPOKANE, WA 99210-1952



To pay on-line:
www.umpquabank.com

Account Summary

Previous Balance	\$	0.00
Purchases	+	0.00
Cash	+	0.00
Special	+	0.00
Credits	-	0.00
Payments	-	0.00
Other Debits	+	0.00
Finance Charges	+	0.00
NEW BALANCE	\$	0.00

Payment Information



Total Minimum Payment Due \$0.00
Payment Due Date 05/25/20

Minimum Payment	\$	0.00
-----------------	----	------

Mail Payments to: UMPQUA BANK PO BOX 2310 SPOKANE WA 99210-2310

Account Activity Since Your Last Statement

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
04/01	04/02	PPLN01	24493980093026414527309	ZOOM.US 888-799-9666 CA	\$ 54.99
TOTAL TRANSACTIONS					\$ 54.99

PLEASE DETACH COUPON AND RETURN PAYMENT USING THE ENCLOSED ENVELOPE - ALLOW 5 DAYS FOR MAIL DELIVERY

- *



UMPQUA
B · A · N · K

DAVID CHURCH
LAFCO



Account Number: #####
Closing Date: 05/31/20
Credit Limit: \$5,000.00
Available Credit: \$3,994.35

Account Inquiries



Customer Service: (866) 777-9013
Lost or Stolen Card: (866) 839-3485



Please Direct Written Inquiries to:
UMPQUA BANK
PO BOX 1952
SPOKANE, WA 99210-1952



To pay on-line:
www.umpquabank.com

Account Summary

Previous Balance	\$	0.00
Purchases	+	0.00
Cash	+	0.00
Special	+	0.00
Credits	-	0.00
Payments	-	0.00
Other Debits	+	0.00
Finance Charges	+	0.00
NEW BALANCE	\$	0.00

Payment Information



Total Minimum Payment Due \$0.00

Minimum Payment	\$	0.00
-----------------	----	------

Payment Due Date 06/25/20

Mail Payments to: UMPQUA BANK PO BOX 2310 SPOKANE WA 99210-2310

Account Activity Since Your Last Statement

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
05/04	05/05	PPLN01	24692160125100326683755	SQ *OFFICE SOLUTIONS gosq.com FL	\$ 101.66
05/04	05/06	PPLN01	24071050126330105987845	ESRI 888-3774675 CA	400.00
05/07	05/07	PPLN01	24430990128083752521935	DMI* DELL CORP BUS 800-685-8133 TX	449.00
05/06	05/07	PPLN01	24493980128026451453236	ZOOM.US 888-799-9666 CA	54.99
TOTAL TRANSACTIONS					\$ 1005.65

PLEASE DETACH COUPON AND RETURN PAYMENT USING THE ENCLOSED ENVELOPE - ALLOW 5 DAYS FOR MAIL DELIVERY

- *



UMPQUA
B · A · N · K

BL ACCT 00002542-10000000
LAFCO

Account Number: #### #### ####
Closing Date: 06/30/20

Page 1 of 3
VISA

Account Inquiries



Customer Service: (866) 777-9013
Lost or Stolen Card: (866) 839-3485



Please Direct Written Inquiries to:
UMPQUA BANK
PO BOX 1952
SPOKANE, WA 99210-1952



To pay on-line:
www.umpquabank.com

Account Summary

Previous Balance	\$	1,096.66
Purchases	+	867.67
Cash	+	0.00
Special	+	0.00
Credits	-	35.00 -
Payments	-	1,929.33 -
Other Debits	+	0.00
Finance Charges	+	0.00
NEW BALANCE	\$	0.00

Payment Information



Total Minimum Payment Due \$0.00

Minimum Payment	\$	0.00
-----------------	----	------

Payment Due Date 07/25/20

Mail Payments to: UMPQUA BANK PO BOX 2310 SPOKANE WA 99210-2310

Account Activity Since Your Last Statement

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
06/02	06/02	PPLN01	24430990154083008663686	DMI* DELL CORP BUS 800-685-8133 TX	\$ 788.99
06/01	06/02	PPLN01	24493980154026425542400	ZOOM.US 888-799-9666 CA	54.99
Cardholder Name: DAVID CHURCH					
Total Charges for Account Number:					843.98
06/08	06/10	PPLN01	24164070161105002691977	STAPLES 00103614 SAN LUIS OBIS CA	\$ 23.69
Cardholder Name IMELDA MARQUEZ					
Total Charges for Account Number:					23.69
Payments, Adjustments and Others					
06/02	06/02		0000000000000000113503	PAYMENT - THANK YOU	\$ 54.99 -
05/31	06/03	PPLN01	70007400155777155250016	LATE FEE - REVERSAL	35.00 -
06/15	06/15		0000000000000000113620	PAYMENT - THANK YOU	1,096.66 -
06/29	06/29		0000000000000000113768	PAYMENT - THANK YOU	777.68 -

PLEASE DETACH COUPON AND RETURN PAYMENT USING THE ENCLOSED ENVELOPE - ALLOW 5 DAYS FOR MAIL DELIVERY



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

COMMISSIONERS

Chairperson
TOM MURRAY
Public Member

Vice-Chair
ROBERT ENNS
Special District Member

DEBBIE ARNOLD
County Member

MARSHALL OCHYLSKI
Special District Member

ROBERTA FONZI
City Member

LYNN COMPTON
County Member

ED WAAGE
City Member

ALTERNATES

ED EBY
Special District Member

STEVE GREGORY
City Member

HEATHER JENSEN
Public Member

JOHN PESCHONG
County Member

STAFF

DAVID CHURCH
Executive Officer

BRIAN A. PIERIK
Legal Counsel

MIKE PRATER
Deputy Executive Officer

IMELDA MARQUEZ
Commission Clerk

TO: MEMBERS, FORMATION COMMISSION

FROM: BRIAN PIERIK, LAFCO LEGAL COUNSEL (BP)

DATE: JULY 16, 2020

SUBJECT: FY 20/21 BUDGET ADJUSTMENT EMPLOYEE END OF EMPLOYMENT SICK LEAVE PAYOUT

Recommendation. It is respectfully recommended that the Commission Adopt the attached Resolution to authorize a budget adjustment be submitted to the Auditor's Office for the payment of the sick leave hours from an existing designation pursuant to the Executive Officer's employment agreement.

The current Executive Officer is retiring on July 24, 2020. The employment agreement states under section 6.a (below) that the employee shall be reimbursed for all unused sick leave up to the contractual limits of 90 days/720 hours at the end of employment. These hours were tracked in the LAFCO Time-Off log from 2001-2020. The source of this payout is from an existing designation as included in the FY 20/21 budget. Today's item adjusts the Salaries budget line item (5001210) to include the payout amount.

ATTACHMENTS

A: Resolution Authorizing Budget Adjustment For Payment to Executive Officer of Sick Leave From Fund Balance/Reserves

6. Other Supplemental Benefits.

a. Vacation, Holidays, Sick Leave, and Administrative Leave. Employee shall be entitled to twenty (20) vacation days annually and shall be entitled to accrue twenty (20) days of vacation per year subject to a maximum payoff of 320 hours. Employee will be entitled to thirteen (13) paid holidays per year on the same schedule as employees of the County of San Luis Obispo. Employee shall be entitled to twelve (12) days of sick leave per year and shall be entitled to accrue twelve (12) days of sick leave per year up to a maximum of 90-days. Employee shall be entitled to compensation at the end of employment for all unused vacation and sick leave, subject to the limits specified above. Employee is also entitled to paid administrative leave of six (6) days per year.

The hourly rate for the payout is based on the EO's base salary without benefits; \$73.38, times the number of sick leave hours accrued to date or up to 90 days. Current hours accrued are 622 hours for a total payout of \$45,642. The hours have been accrued and tracked since Mr. Church

began employment with LAFCO in 2001. The methodology for this payout has been reviewed by the County's Auditors office.

Total Reserves and Fund Balance at the beginning of Fiscal Year 19/20 were \$177,072. The year-end budget report for FY 19/20 anticipates that an additional \$35,014 will be added to Fund Balance. This brings the total Fund Balance and Designation available to \$212,086. The payout reduces the Fund Balance/Designation to \$166,444. This payment would leave an overall Fund Balance and Designation of about 30% of the FY 20/21 budget. This well exceeds the Commission's 15% policy target for reserves/fund balance.

It is recommended that the Commission adopt the proposed Resolution to authorize payment of the sick leave payout as described in this report.

Attachment A

Resolution Authorizing Budget Adjustment For Payment to Executive
Officer of Sick Leave From Fund Balance/Reserves

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

Date: July 16, 2020

PRESENT:

ABSENT:

RESOLUTION NO. 2020-__

**Resolution Authorizing Budget Adjustment For Payment to
Executive Officer of Sick Leave From Fund Balance/Reserves**

The following resolution is now offered:

WHEREAS, the matter was set for public hearing at 9:00 a.m. on Thursday, July 16, 2020, a staff report prepared, and the public hearing was duly conducted under the Covid-19 modified meetings laws; and

WHEREAS, at said hearing, this Commission heard and received all 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 said proposed budget adjustment; and

WHEREAS, the Executive Officer gave notice of his retirement effective July 24, 2020 in February, 2020; and

WHEREAS, Mr. Church first entered into an employment agreement on September 1, 2001 and his sick leave and other time off has been tracked by LAFCO; and

WHEREAS, the Commission entered into the Employment Agreement on November 1, 2009 that continued to provide for the employee to be compensated for all unused sick leave at the end of employment as found in section 6a. of the agreement;

WHEREAS, Mr. Church has accrued 622 hours of sick leave and his hourly base salary rate is \$73.38 and this equals a total payout of \$45,642 to be funded from the existing LAFCO Designation; and

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

1. That the recitals set forth hereinabove are true, correct, and valid.
2. That a budget adjustment shall be made to the Salaries Line Item 5001210 in the amount stated herein with the source of funds being the existing LAFCO Designation.

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

AYES:

NAYS:

ABSTAIN:

Tom Murray, Chairperson Date
Local Agency Formation Commission

ATTEST:

APPROVED AS TO FORM AND LEGAL EFFECT:

Brian Pierik Date
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

DAVID CHURCH
Executive Officer

BRIAN A. PIERIK
Legal Counsel

MIKE PRATER
Deputy Executive Officer

IMELDA MARQUEZ
Commission Clerk

TO: MEMBERS, FORMATION COMMISSION

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

DATE: JULY 16, 2020

**SUBJECT: CONSIDERATION OF THE SPHERE OF INFLUENCE/
MUNICIPAL SERVICE REVIEW UPDATE AND
MEMORANDUM OF AGREEMENT FOR THE SOUTH
COUNTY AGENCIES**

Recommendation. It is respectfully recommended that the San Luis Obispo Local Agency Formation Commission (LAFCO) take the following actions to update the Spheres of Influence and Municipal Service Review (MSR) for the City of Arroyo Grande, City of Grover Beach, Oceano Community Services District, and South San Luis Obispo County Sanitation District:

1. Approve and adopt the Notice of Exemption from the California Environmental Quality Act (CEQA) found in Attachment A.
2. Give "Great Weight" to the Draft Memorandum of Agreement (MOA) and prior adopted MOA between the Arroyo Grande City Council and the County Board of Supervisors found in Attachment B.
3. Approve by resolution the Sphere of Influence Update and Municipal Service Review with changes recommended in Attachment E. The resolution shall incorporate by reference the written determinations related to the seven factors stated in the Cortese-Knox-Hertzberg Act and found in the Service Reviews.

Summary. A Sphere of Influence (SOI) is defined by the Cortese-Knox-Hertzberg (CKH) Act as "...a plan for the probable physical boundary and service area of a local agency or municipality...". A SOI is generally considered a 20-year growth boundary for a jurisdiction. The South County Agencies last update to their Spheres of Influence was completed in November 2012.

Attachments

- A:** Notice of Exemption
- B:** City-County Draft MOA
- C:** Recommended Sphere of Influence Maps
- D:** Resolution Approving South County Agencies SOI/MSR
- E:** Proposed Changes to Sphere of Influence Update and Municipal Service Review

The Sphere of Influence Update and Municipal Service Review have been prepared for the Cities of Arroyo Grande and Grover Beach, the Oceano Community Services District, and the South San Luis Obispo County Sanitation District in accordance with the Cortese-Knox-Hertzberg Act. A new Chapter (seven) discusses the Five Cities Fire Authority, and regional fire service challenges facing the communities. The Sphere Updates for each jurisdiction are contained in Chapter Two of the document and proposes no changes to the existing Sphere of Influence for the City of Grover Beach, Oceano CSD, and South San Luis Obispo County Sanitation District. The City of Arroyo Grande is recommended to be expanded slightly with the addition of Study Area 5 (Virginia Drive). These six parcels are located south of Virginia Drive and east of Halcyon. This area contains approximately 0.48 acres of already developed parcels. The homes have already been built and receive services from the City of Arroyo Grande. The area is essentially the back yards of the homes fronting Virginia Dr.

Background. The South County Agencies previous update to their Spheres of Influence was completed in 2012. LAFCO approved a Sphere of Influence Update and Municipal Services Review that expanded the SOI boundaries for the City of Arroyo Grande and South San Luis Obispo County Sanitation District to include Tract 1551 (Newsome Springs). These sites are developed subdivisions with single-family residences on larger lots.

Sphere of Influence Update. The Sphere of Influence Updates are prepared for the South County Agencies based upon a Municipal Service Reviews that analyzes the agencies capability to serve existing and future residents.

Municipal Service Review. The Municipal Service Review has been prepared in accordance with Section 56430 of the California Government Code as a means of evaluating the public services provided by the South County Agencies. It responds to the requirement that LAFCO conducts an MSR to study the delivery of services and update the Spheres of Influence.

The legislative authority for conducting Service Reviews is provided in the CKH Act. The Act states, "That in order to prepare and to update Sphere of Influences in accordance with Section 56425, LAFCOs are required to conduct a review of the municipal services provided in the County or other appropriately designated area .. ." A Service Review contains written determinations regarding the following factors:

1. Growth and Population projections for the affected area
2. Location and characteristics of any disadvantaged unincorporated communities
3. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies
4. Financial ability of agencies to provide services
5. Status of, and opportunity for, shared facilities
6. Accountability for community service needs including governmental structure and

- operational efficiencies
7. Any other matter related to effective or efficient service delivery, as required by commission policy

Information regarding each of the above factors is provided in the Service Review Chapters for each agency. The agencies have provided information and comments regarding each Service Review factor. The Service Review is used as an information base to update the SOI.

Some key determinations are:

- The General Plans provide for the logical and reasonable growth and development and were updated in 2001 for the City of Arroyo Grande and 2012 for the City of Grover Beach's Land Use Element. The Housing Elements were updated in 2016 and 2009, respectively.
- Disadvantaged unincorporated communities are not located within or adjacent to the agencies or sphere boundaries. However, Oceano is currently considered a disadvantaged community with median housing income of \$39,000; the Community Services District currently also provides the needed resources of water and sewer along with other basic infrastructure to all residents.
- The agencies currently have an adequate water supply to serve the anticipated build-out under their current General Plan. However, properties in the City of Arroyo Grande that are proposed for annexation would be required to demonstrate supplemental water resources are available and deliverable to adequately serve the development.
- The City of Arroyo Grande would need to obtain supplemental water supplies to serve the SOI areas prior to annexation.
- Properties proposed for annexation would be required to prepare a Specific Plan or Pre-Zoning that identifies land uses and water demands and supplies to adequately serve the development.
- Development proposals in the Sphere of Influence would be required to extend physical infrastructure to their respective sites as needed and pay their share for facilities and other services as a condition of project development.

- Fire Services to serve the Sphere areas would be provided by the Five Cities Fire Authority that operates under a JPA with the area agencies.

Sphere of Influence Factors. The factors that are required for establishing a SOI are addressed according to section 56425(e)(1-5) of the Cortese/Knox/Hertzberg Act:

- Present and planned land uses in the area, including agriculture, and open space lands;

The present and planned uses for the Sphere of Influence are described in detail in the MSR Chapters (3, 4, 5, & 6). The present and planned land uses for the City of Arroyo Grande are well defined in the City's General Plan that was updated in 2001. Overall, the City is prepared to meet the challenges of future growth having a General Plan that clearly identifies community goals, objectives, policies and standards. This policy document provides for the logical and orderly growth of the City over the next 20 years. The City of Grover Beach is prepared to meet the challenges of future growth within their existing boundaries. The City updated its Land Use Element, to plan for future development. The present and planned land uses in Oceano are well defined in The Specific Plan prepared by the County and adopted by the Board of Supervisors in 2002. The Specific Plan establishes the vision and goals for the community and prioritizes the key issues. The South San Luis Obispo County Sanitation District does not have land use authority for their service area. The need for District's services is dependent on the land use approvals by the Cities of Arroyo Grande and Grover Beach and the County of San Luis Obispo. The City of Grover Beach has limited areas for future development and is planning on in-fill projects. The City of Arroyo Grande anticipates growing at a 1% growth rate over the next 20 years. Oceano is projected to grow at about a 1% growth rate as well.

- Present and probable need for public facilities and services in the area;

The present need for public services in the proposed SOI area varies in the different areas. A small existing buildout area of Virginia Dr residences are proposed for addition to the Sphere of Influence which would not increase the current need for services significantly. The water analysis for the City of Arroyo Grande completed in Chapter 3 identifies the need for development of supplemental water supplies and increased conservation over the next 20 years. The City is aware of this constraint and is working towards managing the water resource issue. The City has policies regarding the development of future water supplies. Since no changes are proposed for the City of Grover Beach and Oceano CSD's Spheres of Influence, the current need for services will not change significantly. The City is working towards managing the water resource issue by implementing conservation measures that are defined in their Urban Water Management Plan. The District is prepared to provide services to existing and future residents within their existing service area. The Sanitation District wastewater facilities are capable of processing five million gallons per day and a plan to make capital improvements and redundancy project are currently being implemented.

- Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;

The City of Arroyo Grande's current water supply is estimated at 3,813 AFY. The projected demand for the City at build-out and including the SOI areas is estimated at 3,628 AFY. The projected build out of the SOI areas are conservative at 910 AFY. This is a thin margin for error in terms of the water supply and future annexations. However, if conservation is effective the City should be able to manage its water resources. The South County agencies are participating in the JPA for Fire services. Oceano's Measure A-20 to fund fire services did not receive the required two-thirds vote on March 3, 2020. Oceano CSD may consider divesting itself of its fire authority. Since no changes to the Sphere of Influence are proposed for the City of Grover the current need for services will not change significantly.

- Existence of social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

The Sphere of Influence areas for the City of Arroyo Grande are linked to the City's social and economic communities of interest. The Sphere areas would rely on the City for customers and employees if commercial development occurs. Where residential development is proposed, the City provides places for shopping and services for the people living in those areas. Areas to recreate, schools, places of worship and cultural events would also be available to the areas in the Sphere of Influence that include residential development. The City may also gain sales and property taxes advantages when these areas are annexed. There are no Sphere of Influence areas proposed for the City of Grover Beach, or the Oceano CSD; however, any addition could rely on either the community of Oceano, City of Grover Beach or the City of Arroyo Grande for social and cultural linkages.

- Present and probable need for public facilities and services of Disadvantage Unincorporated Communities.

The City of Arroyo Grande, Grover Beach, Oceano Community Services District, and the South San Luis Obispo County Sanitation District have a variety of economic diversity that lives within the communities and surrounding areas including within or adjacent to the Sphere of Influence. Disadvantaged community means a community with an annual median household income that is less than 80 percent of the statewide annual median household income. The City of Arroyo Grande and South San Luis Obispo County Sanitation District Spheres of Influence do not qualify under the definition of disadvantage community for the present and probable need for public facilities and services. Oceano is currently considered a disadvantaged community; however, the Community Service District currently also provides the needed resources of water and sewer along with other basic infrastructure to all residents.

Memorandum of Agreement . A Memorandum of Agreement between the City of Arroyo

Grande and County has been prepared and is included with this report as Attachment B. This agreement is to be given “great weight” by the Commission in making its decision regarding the update of the City of Arroyo Grande’s SOI. The MOA reflects the City’s and County’s agreement on the proposed provisions and guiding principles for the sphere area as described in Exhibit B of the MOA. The provisions and guiding principles provide a framework for the City and County to work within for implementing their respective General Plans for the areas in the SOI boundary. The MOA provides that these standards and requirements are not intended to supersede or limit the existing planning or environmental review process of either jurisdiction. The general approach of the MOA is to ensure close coordination and cooperation between the City and County on the future planning and development of the areas within the SOI boundary. The provisions of the MOA include guiding principles that the City and County would agree to in developing the SOI. The following goals shall be considered:

- a. *Direct development toward existing incorporated areas and unincorporated urban areas with logical infrastructure connections*
Phase urban development in a well-designed manner, first using vacant or underutilized “infill” parcels and lands next to or near existing development and adjacent infrastructure. Include a range of land uses and housing types and densities affordable to a wide range of incomes.
- b. *Create walkable and transit friendly neighborhoods that have logical connections to other parts of the City*
Area proposed for future growth should address roadway distances that would connect the new areas of development together with the existing City and would promote maximum connectivity between different land uses through walkways, bike paths, transit, or other means.
- c. *Provide for a variety of transportation choices that are feasible and financially viable*
Ensure adequate densities of development that are conducive to supporting transit service.
- d. *Create a range of housing opportunities and choices*
Future development plans should clearly define a program for including a balanced variety of housing types; one that includes multi-family development and options for higher-density housing. The development should maximize the opportunities to offer a greater range of housing choices that are affordable to people with a variety of income levels.
- e. *Use land more efficiently*
The proposed development should be designed in a way that encourages transit, walkability and connectivity to existing city infrastructure within the areas proposed for development. The goals are to 1) develop compact neighborhoods that contain residential uses that are affordable by design and efficient in land and energy consumption and 2) minimize the number of large lots by encouraging a variety of housing densities.

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

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

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

Conditions of Approval. The following Conditions of Approval are recommended for the Arroyo Grande Sphere of Influence. These conditions of approval have been included based on the Sphere of Influence Update, Municipal Service Review, Memorandum of Agreement, and public input to be consistent with LAFCO Policies and the current circumstances. The conditions of approval are below and attached to the LAFCO Draft Resolution found in Attachment D of this staff report:

1. WATER

- a. As a condition of an annexation application being filed with LAFCO, the City shall document with a water supply analysis that an adequate, reliable, and sustainable water supply is available and deliverable to serve the areas proposed for annexation.

2. AGRICULTURE & OPEN SPACE

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

Public Participation. The documents were released for a 30-day public review on May 22, 2020. A Notice of Hearing and public review period was published in a newspaper of general distribution (The Tribune) as required by the CKH Act. The notice was also mailed directly to interested agencies and parties, media organizations, and property owners adjacent to the proposed SOI additions. LAFCO staff has also met with City and District representatives regarding the Sphere Update and Service Review process. The agencies and the County have all conducted status reports and hearings at their regularly scheduled public meetings to discuss this item with their Council and Boards respectively. The documents were also mailed directly to the Cities, Districts, interested parties and agencies. The documents are also available at the San Luis Obispo LAFCO website, www.slolafco.com.

The LAFCO commission received status reports on the South County SOI Update and Municipal Service Review in February and May 2020.

Environmental Determination. LAFCO is the Lead Agency for the proposed Sphere of Influence Update and Service Review. As Lead Agency, LAFCO has determined the SOI Update qualifies for a Common Sense Exemption. The Notice of Exemption is found in Attachment A, and provides for the CEQA documentation for these Sphere of Influence Updates. The SOI Updates confirms that the existing coterminous SOI boundary is appropriate at this point in time for the City of Grover Beach and Oceano Community Services District. No changes to the Spheres of Influence for Grover Beach, Oceano CSD, or South County Sanitation District with a small addition to Arroyo Grande of an existing buildout development are recommended in the Sphere of Influence Update document. As indicated earlier, a Sphere of Influence is a plan for probable, physical boundary and service areas of a local agency or jurisdiction. As such, it does not give property inside the Sphere boundary any more development rights than what already exist. The Sphere of Influence boundary is a long-range planning tool that assists LAFCO in making decisions about a jurisdiction's future boundary. The Sphere indicates areas that might be served by the City or District. Also, it is often uncertain what type of land use is going to be proposed for a specific area. In some cases, areas already have approved development entitlements and have completed environmental review.

Comments-Changes. Comments/changes were submitted regarding the SOI update. Attachment E of this staff report summarizes the changes proposed to the SOI/MSR Update based on comments received or other corrections noted by staff. Overall, the changes increase the accuracy of the MSR.

Conclusion & Recommendation. LAFCO has completed all the steps necessary to update the South County Agencies Spheres of Influence consistent with the Cortese-Knox-Hertzberg Act.

It is recommended, based upon the information contained in Chapter 2 of the SOI Update and MSR Chapters 3, 4, 5, 6 & 7, that the Spheres of Influence be maintained as coterminous SOI boundaries for the City of Grover Beach and the Oceano CSD. That South San Luis Obispo County Sanitation District remain unchanged and City of Arroyo Grande be expanded slightly with the addition of Study Area 5 (Virginia Drive).

The following additional recommendations are based on the Municipal Service Reviews prepared for the four agencies in the Five Cities area. These recommendations are not obligatory, but are intended to encourage orderly development and efficient provision of services in the area:

1. The jurisdictions should continue to work to provide consolidated fire protection service in the area within the context of the Joint Powers Agreement (Five Cities Fire Authority).

2. The jurisdictions in the area, including the City of Pismo Beach, should work together to develop a recycled water program such as Central Coast Blue Project to help maintain the health of the Tri-Cities Groundwater Basin and enhance the reliability and sustainability of their future water supply.
3. The Cities of Arroyo Grande and Grover Beach should continue to evaluate the consolidation of police services in the area. This would likely result in fiscal savings for the jurisdictions while maintaining the adequate levels of services in the area.
4. The South San Luis Obispo County Sanitation District should continue to implement the redundancy improvements that have been adopted by the Board of Directors.

Attachment A

Notice of Exemption

NOTICE OF EXEMPTION

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

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

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

CONTACT: David Church, Executive Officer
(805) 781-5795
dchurch@slolafco.com

Project Title: South County Agencies (Arroyo Grande, Grover Beach, Oceano, & South County Sanitation) Municipal Service Review and Sphere of Influence Update

Project Location and Description. LAFCO has prepared a Sphere of Influence (SOI) Update and Municipal Service Review for the Cities of Arroyo Grande, Grover Beach, the Oceano CSD, and South County Sanitation District located in San Luis Obispo County. The SOI is a 20-year growth boundary that includes areas that may be served by a City or District in the future. This SOI update and Service Review recommends maintaining the same boundaries for Grover Beach, Oceano CSD, and South County Sanitation District while six existing parcels located south of Virginia Drive and east of Halcyon with single family residences are recommended to be added to the City of Arroyo Grande's sphere of influence. The Cortese-Knox-Hertzberg Act calls for the Service Review to be completed either prior to or concurrent with, the Sphere of Influence update. The Service Review evaluates the public services provided by the City's and Districts and provides the information base for updating the SOIs.

Public Agency Approving Project. The Local Agency Formation Commission (LAFCO) of San Luis Obispo County conducted a public hearing on this item in July 16, 2020, at 9:00 a.m. via ZOOM meeting in accordance with Executive Order N-29-20.

Environmental Determination. LAFCO is the Lead Agency for the proposed Sphere of Influence Update and Service Review. 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). The MSR qualifies for a Class 6 - Regulation Section 15306. Additionally, the SOI updates qualify for a general rule exemption from environmental review based upon CEQA Regulation Section 15061(b)(3).

Reasons for Exemption. The proposed Sphere of Influence Update and Municipal Services Review does not involve, authorize or permit the siting or construction of any facilities. The MSR is categorically exempt from the preparation of environmental documentation under a classification related to information gathering (Class 6 - Regulation Section 15306), which states: "Class 6 consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded." CEQA Regulation Section 15061(b)(3) states "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 or recommended by the SOI update. No changes to the Spheres of Influence for Grover Beach, Oceano CSD, or South County Sanitation District with a small addition to Arroyo Grande of an existing buildout development are recommended in the Sphere of Influence Update document.

David Church, Executive Officer

Date

Attachment B

City-County Draft MOA

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

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

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

WITNESSETH

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

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

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

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

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

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

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

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

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

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

NOW, THEREFORE, the parties agree as follows:

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

CITY OF ARROYO GRANDE

Mayor, City Council
City of Arroyo Grande

APPROVED AS TO FORM AND LEGAL EFFECT:

City Counsel
Dated:_____

ATTEST:

City Clerk
Dated:_____

COUNTY OF SAN LUIS OBISPO

Chair, Board of Supervisors

~~County of San Luis Obispo~~

ATTEST:

WADE HORTON

Ex-Officio Clerk of the Board of Supervisors

By: _____

Deputy Clerk

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL

County Counsel

By: _____

Deputy County Counsel

Dated: _____

ATTEST:

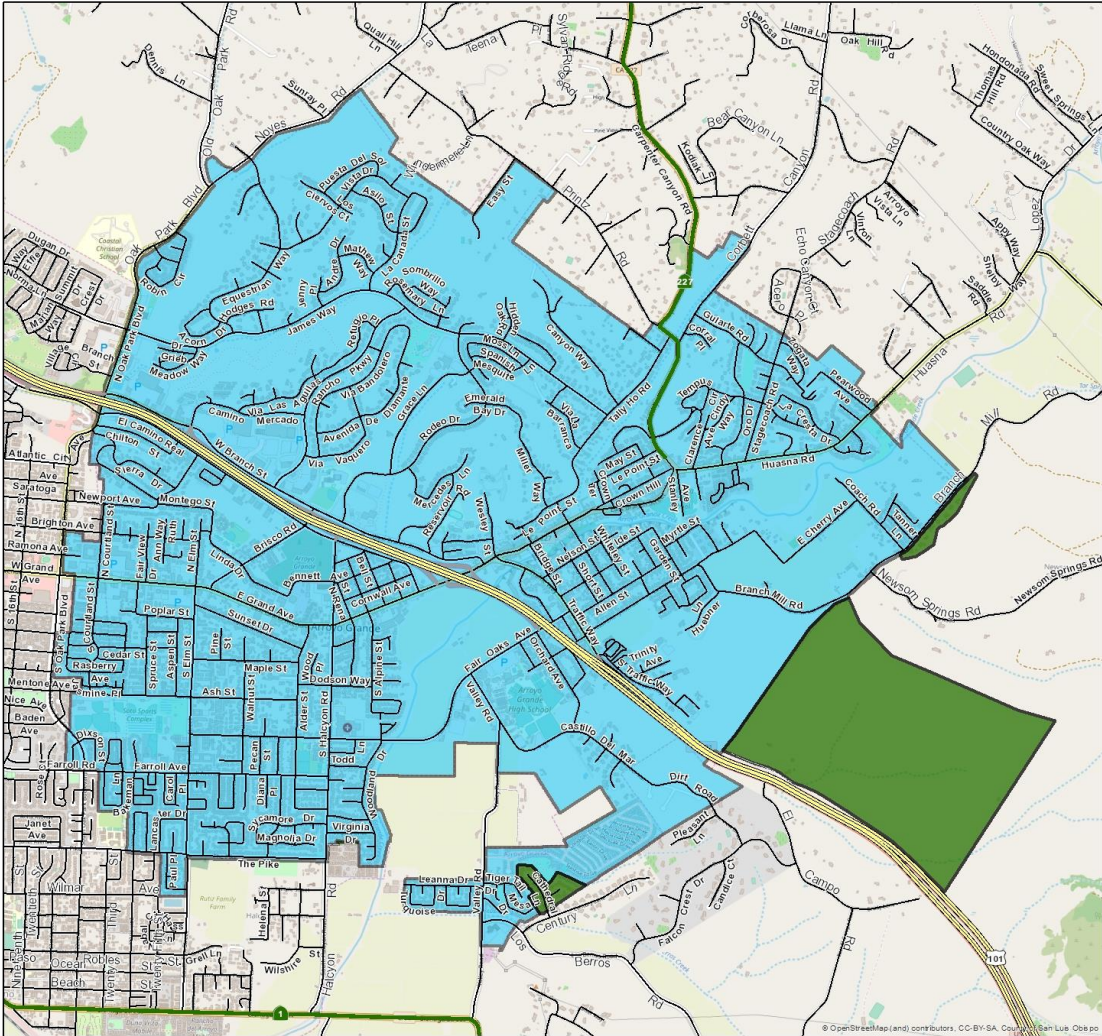
County Clerk _____

Dated: _____

EXHIBIT A

SPHERE OF INFLUENCE BOUNDARY MAP

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



Legend

- Major Roads
- Service Area
- Sphere of Influence



Prepared By SLOLAFCO
Name: City of Arroyo Grande_SOI Bndy
Date: 2/4/2020

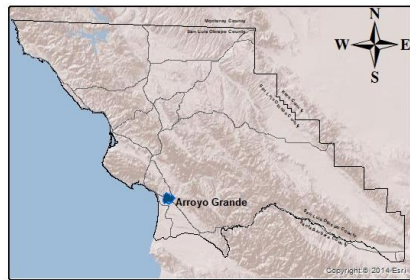


EXHIBIT B
TERMS AND PROVISIONS

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

1. **Intent.** It is the intent of the County and the City to work cooperatively towards the goal of developing the agreed upon Sphere of Influence (as shown in Exhibit A) in an orderly and logical manner consistent with the Cortese/Knox/Hertzberg Act, the City and County General Plans, the California Environmental Quality Act and any other applicable laws and regulations.

2. **Interagency Cooperation.** The City and the County shall work cooperatively to plan for future land uses, public services and facilities needed to improve and maintain area circulation connections, and to preserve agricultural land and open space. The County and City will consider the creation and implementation of various assessment and financing mechanisms for the construction and maintenance of public improvements, such as roads, utilities, recreation and trail improvements, parks and open space, and similar improvements that could serve visitors and residents of the City and the County. Discretionary development projects and General Plan Amendments (GPA's) that may affect each agency's jurisdiction shall be referred to the other for review and comment as early as possible in the land use process. The County shall seek the City's comments regarding these projects or GPA's in the referral area map found in Exhibit C. The City shall seek the County's comments regarding projects or GPA's that affect the unincorporated area found in Exhibit C. All such referrals shall be sent to the following contact person(s) for early review and comment:

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

Community Development Director
City of Arroyo Grande
Community Development Dept.
214 East Branch Road
Arroyo Grande, CA 93421

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

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

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

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

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

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

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

7. **Agriculture and Open Space.** The City and the County will work together to permanently preserve agricultural and open space resources in the SOI area using the City's and County's Agricultural Element policies, Strategic Growth principles, and the Conservation and Open Space Element (COSE) policies. The criteria contained in the COSE and Agriculture Element, and the pertinent policies in the City's General Plan, shall be used in developing the preservation policies and programs. A Transfer of Development Credits program may be used to encourage a density bonus as an incentive to property owners and developers.

8. **Land Uses.** The SOI as described in Exhibit A may include, but is not limited to residential, mixed-use, public facilities, visitor-serving, agricultural uses, and/or recreational uses. The following goals shall guide future development:
 - a. *Direct development toward existing incorporated areas and unincorporated urban areas with logical infrastructure connections*

Phase urban development in a well designed manner, first using vacant or underutilized "infill" parcels and lands next to or near existing development and adjacent infrastructure. Include a range of land uses and housing types and densities affordable to a wide range of incomes.

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

Areas proposed for future growth should address roadway distances that would connect the new areas of development together with the existing City and would promote maximum connectivity between different land uses through walkways,

bike paths, transit, or other means.

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

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

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

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

- e. *Use land more efficiently*

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

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

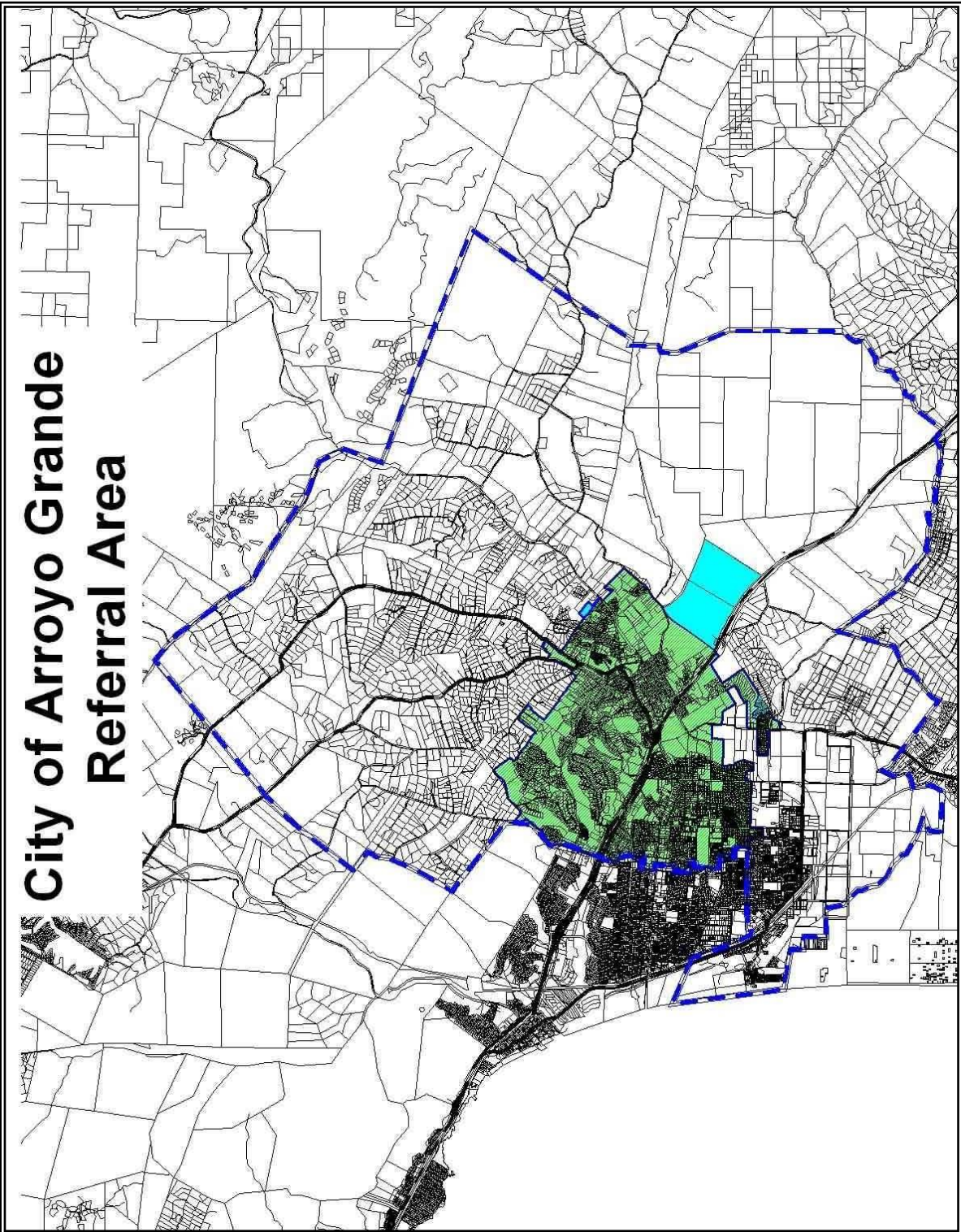
Plan for land uses that provide opportunities for employment and in particular, explore creating opportunities for head-of-household jobs.

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

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

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

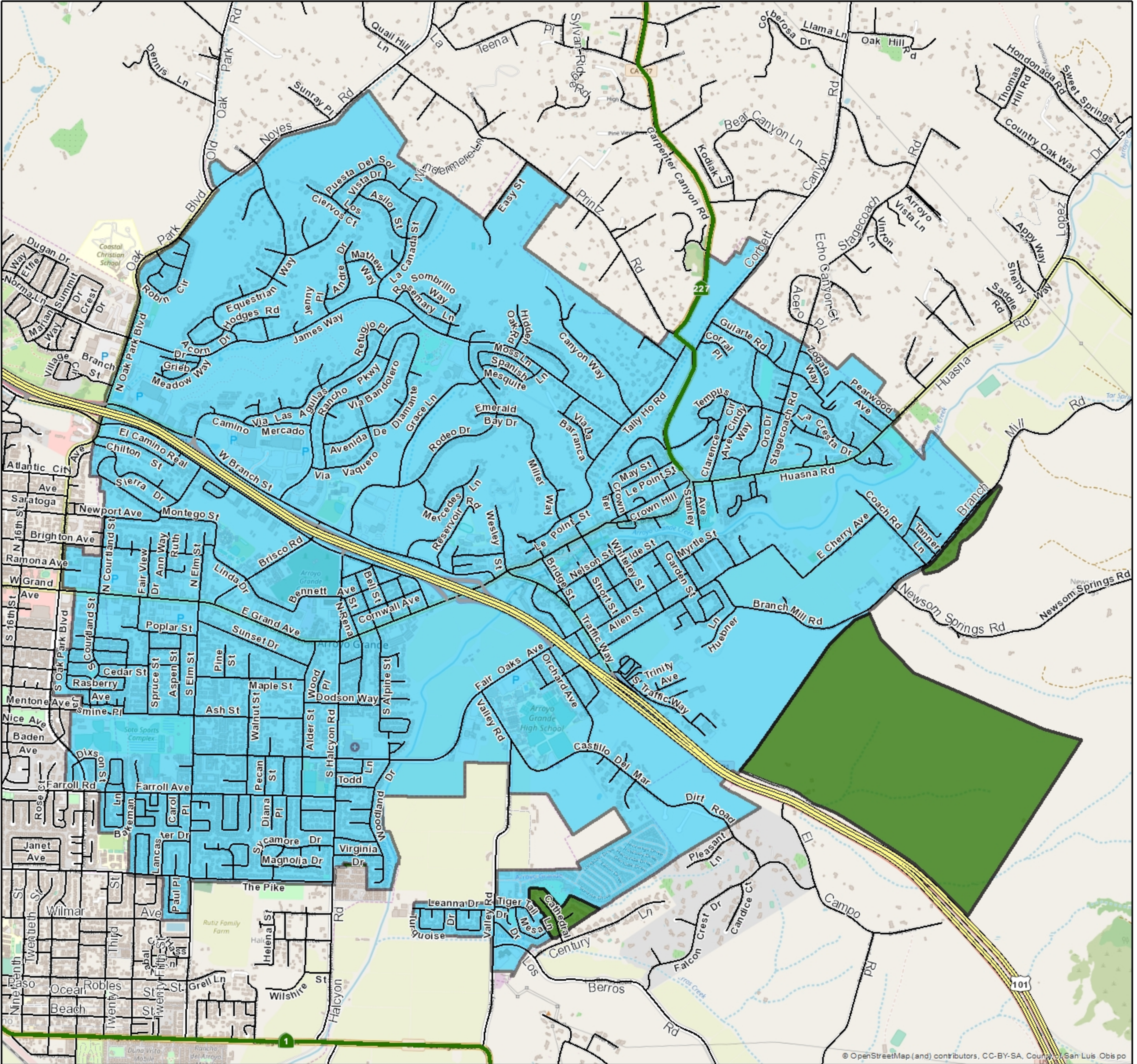
EXHIBIT C - Referral Map



Attachment C

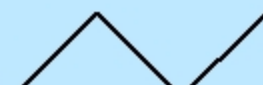
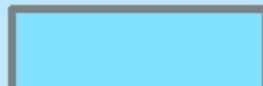
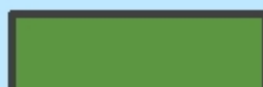
Recommended Sphere of Influence Maps

City of Arroyo Grande City Limits & Sphere of Influence Recommendation



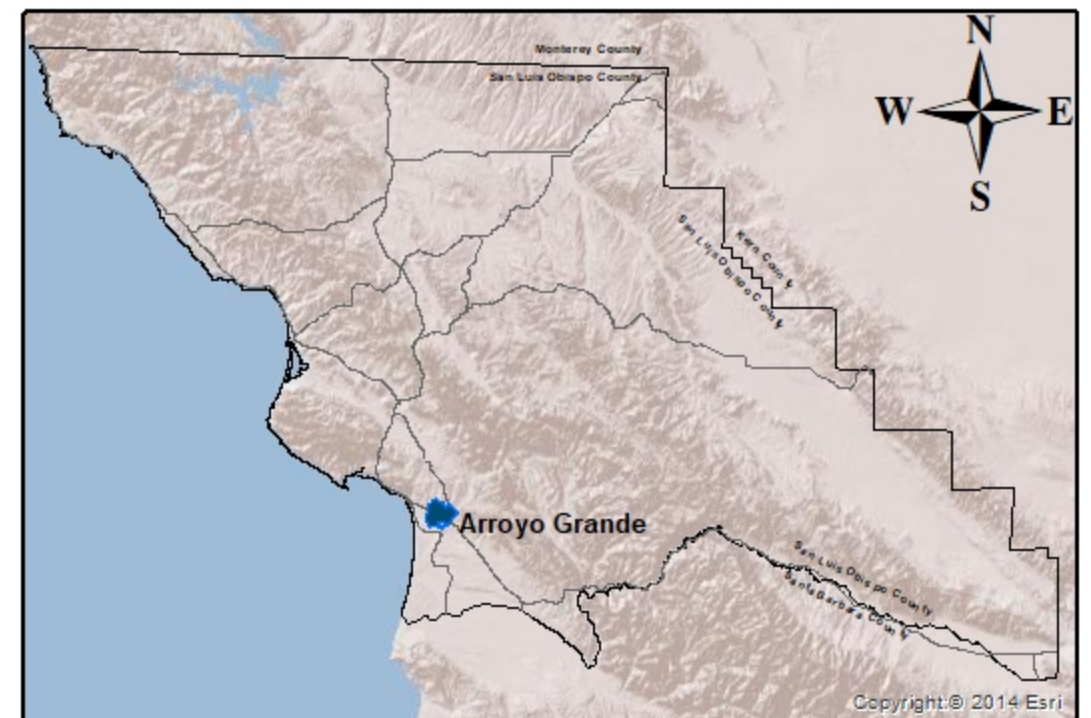
© OpenStreetMap (and) contributors, CC-BY-SA, Courtesy of San Luis Obispo

Legend

-  Major Roads
-  Service Area
-  Sphere of Influence

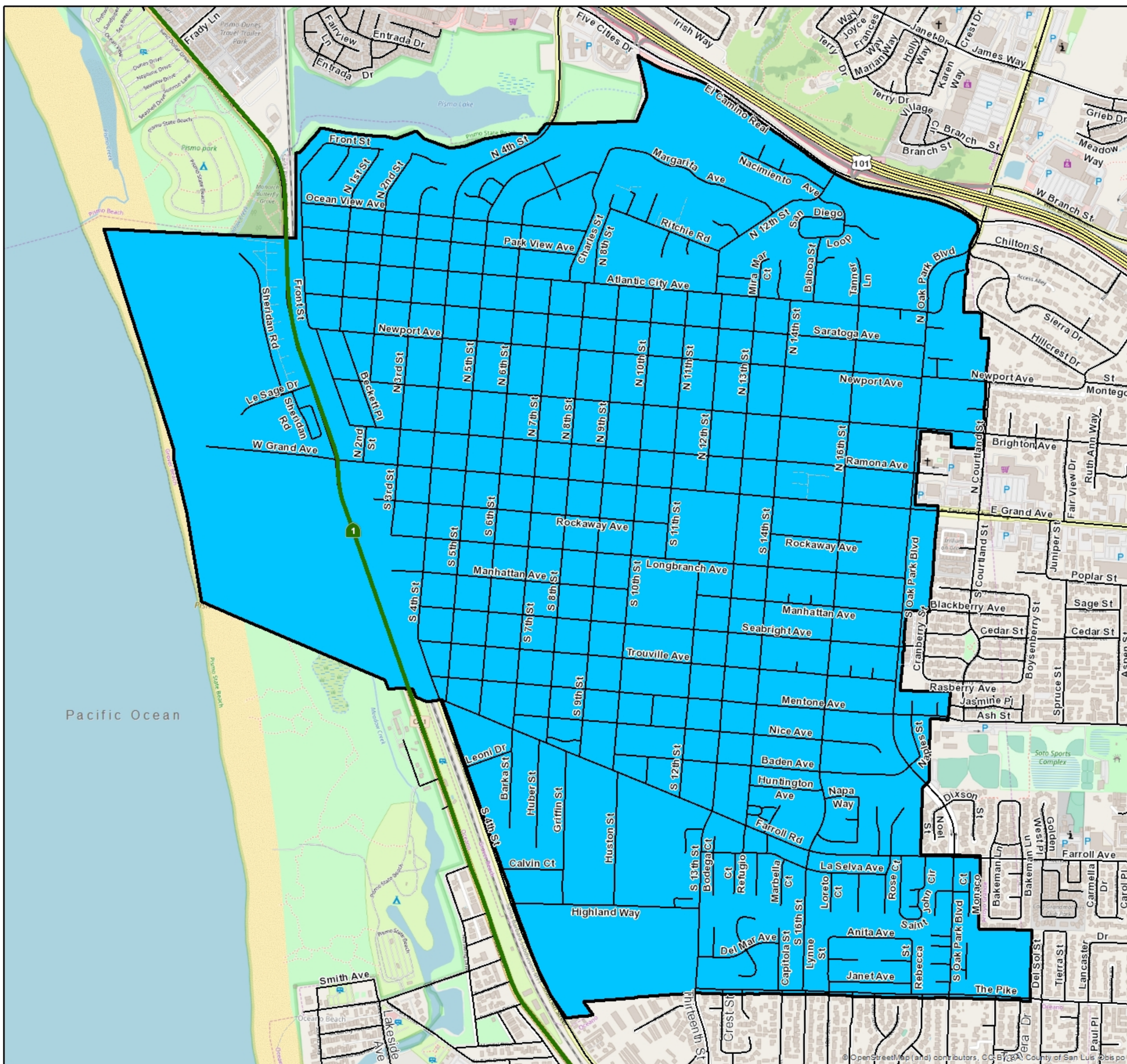


Prepared By SLOLAFCO
Name: City of Arroyo Grande_SOI Bndy
Date: 2/4/2020






Copyright © 2014 Esri

City of Grover Beach City Limits & Sphere of Influence Recommendation

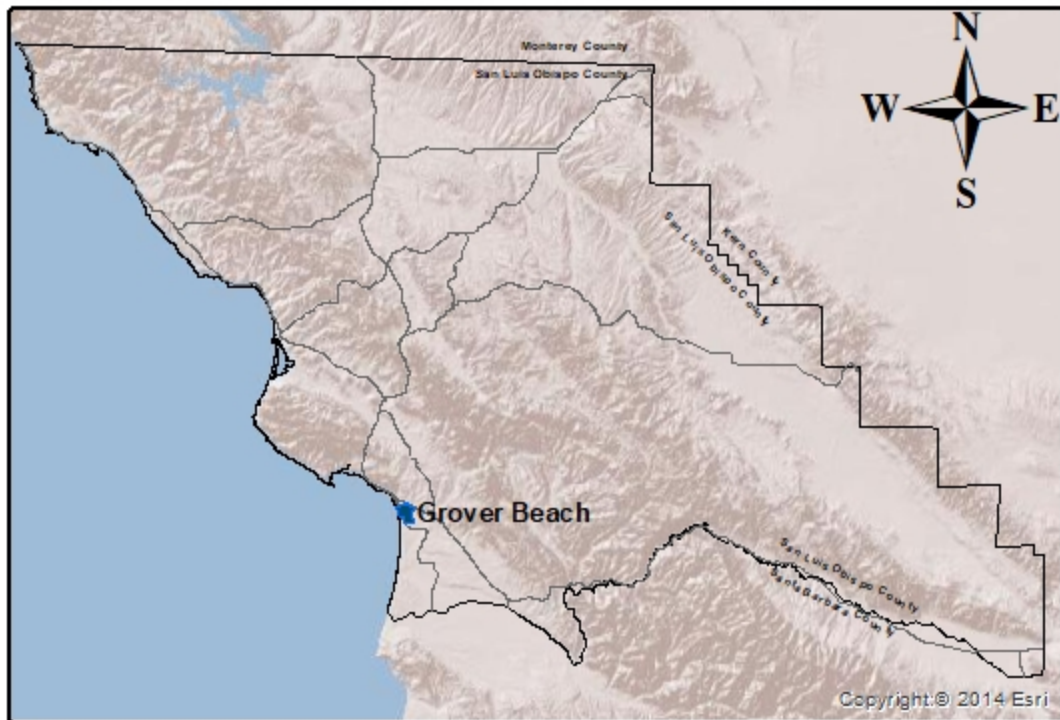


Legend

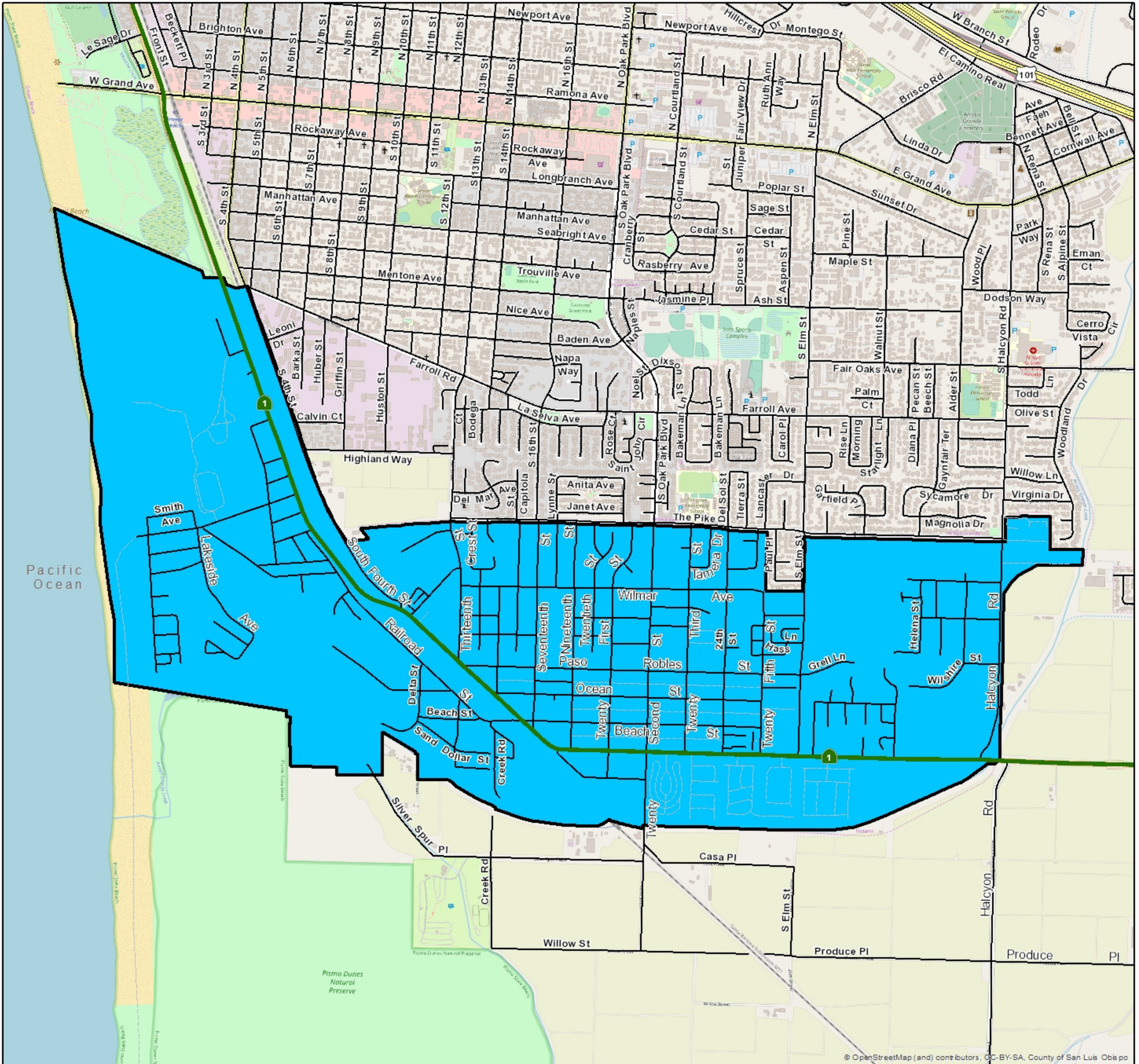
-  Major Roads
-  Service Area
-  Sphere of Influence
(Same as Service Area)



Prepared By SLOLAFCO
Name: City of Grover Beach_SOI Bndy
Date: 2/4/2020

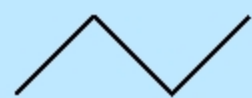


Oceano Community Services District Service Area & Sphere of Influence Recommendation

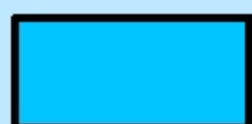


© OpenStreetMap (and) contributors, CC-BY-SA, County of San Luis Obispo

Legend



Major Roads



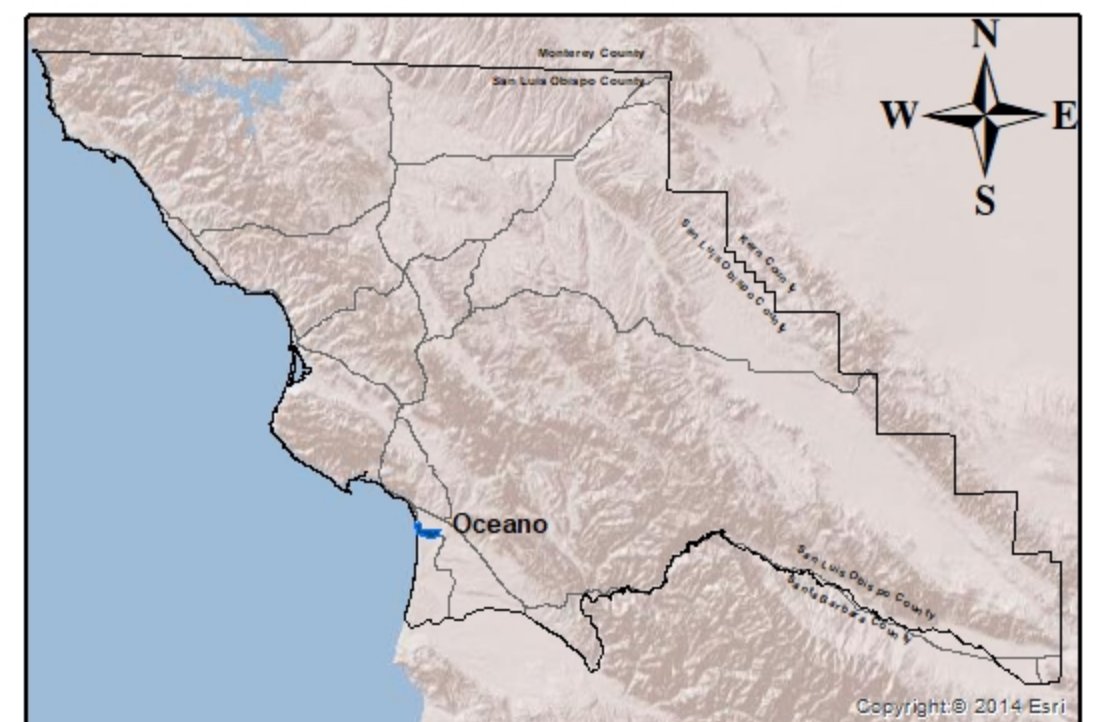
Service Area



Sphere of Influence
(Same as Service Area)

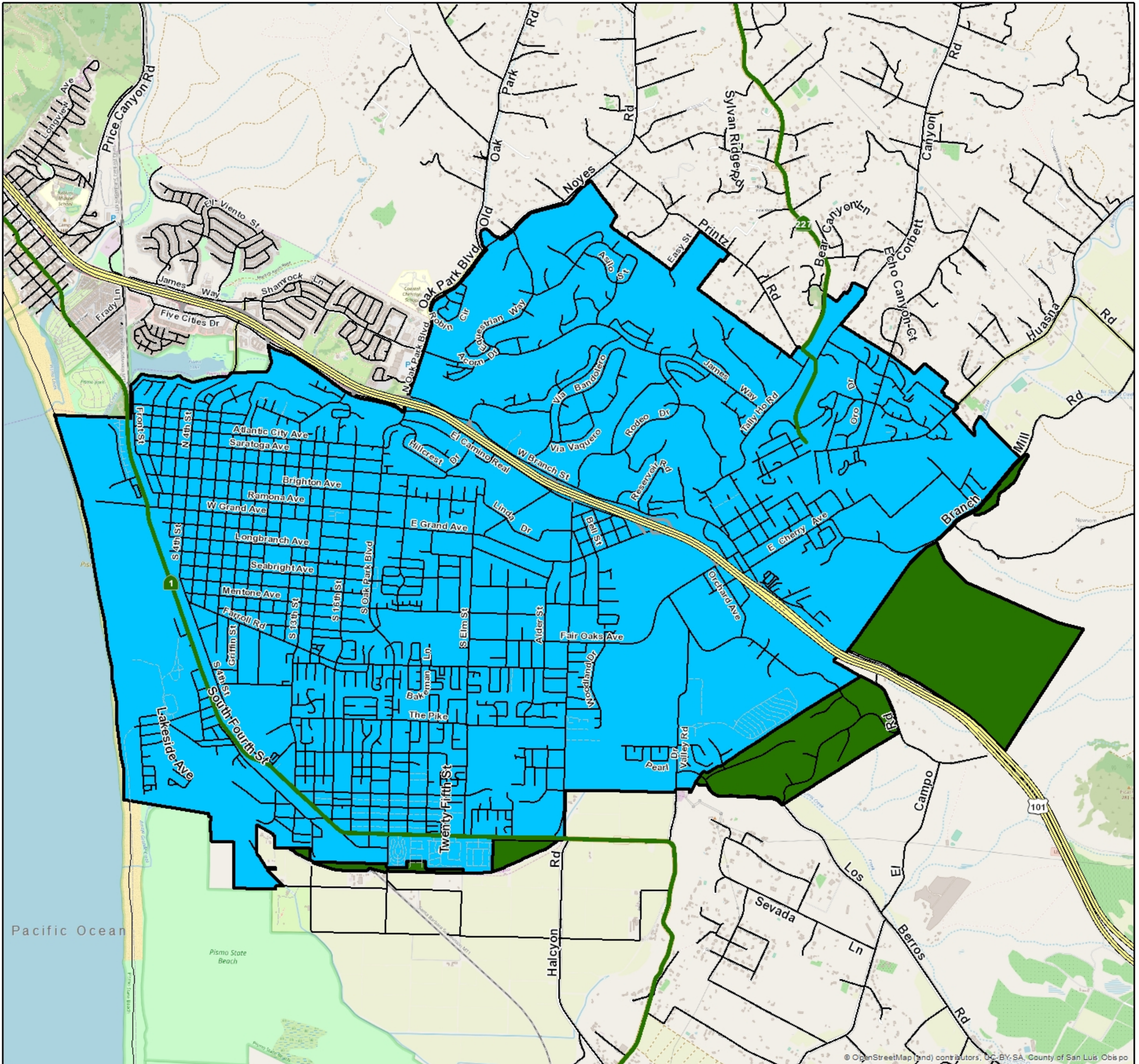


Prepared By SLOLAFCO
Name: Oceano_SOI Bndy
Date: 2/4/2020






Copyright © 2014 Esri

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



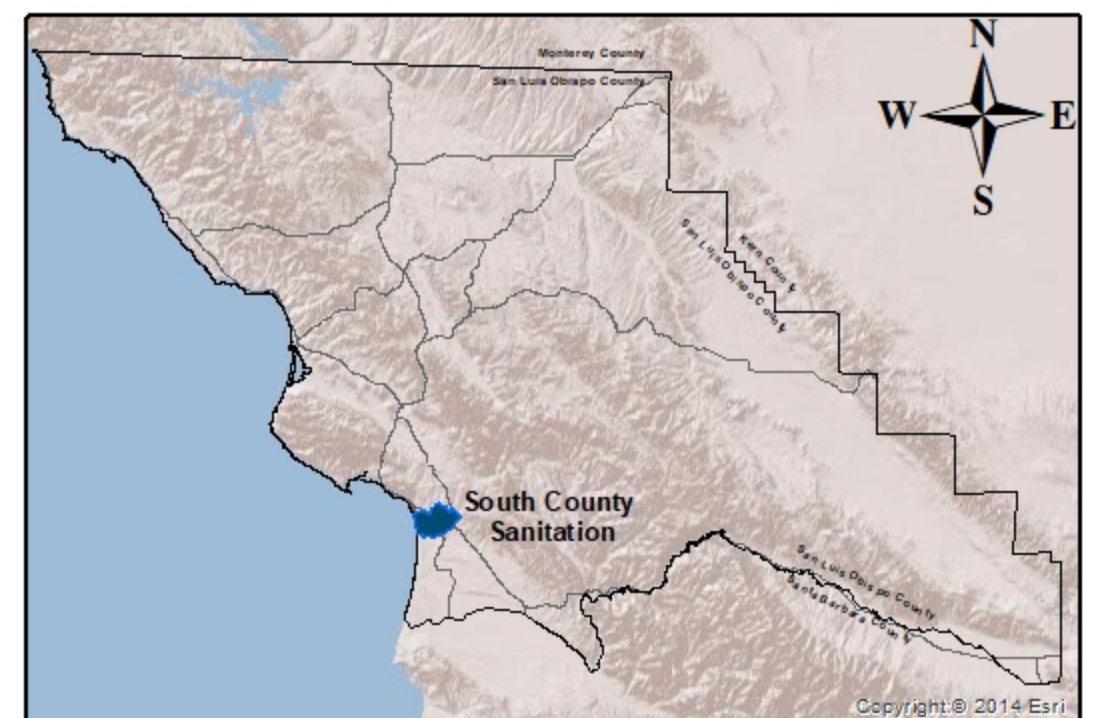
© OpenStreetMap (and) contributors, CC-BY-SA, County of San Luis Obispo

Legend

-  Major Roads
-  Service Area
-  Sphere of Influence



Prepared By SLOLAFCO
Name: South County Sanitation_SOI Bndy
Date: 2/4/2020



Attachment D

Resolution Approving South County Agencies SOI/MSR

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

Thursday, July 16, 2020

PRESENT:

ABSENT:

RESOLUTION NO. 2020-XX

RESOLUTION APPROVING THE MUNICIPAL SERVICE REVIEW, AND ADOPTING THE SPHERE OF INFLUENCE UPDATES FOR THE SOUTH COUNTY AGENCIES (CITY OF ARROYO GRANDE, THE CITY OF GROVER BEACH, OCEANO COMMUNITY SERVICES DISTRICT, AND THE SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT)

The following resolution is now offered and read:

WHEREAS, the matter was set for public hearing at 9:00 a.m. on Thursday, July 16, 2020, a staff report prepared, and the public hearing was duly conducted under the Covid-19 modified meetings laws; and

WHEREAS, pursuant to Government Code Section 56425 et. seq. and the Commission's duly adopted Policies for Spheres of Influence, the Commission hereby updates the Sphere of Influence (Exhibit A), for the South County Agencies; 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, at said hearings, this Commission heard and received all oral and written protests, objections, and evidence which were made, presented or filed, and all persons present were given the opportunity to hear and be heard in respect to any matter relating to said Sphere of Influence Update and Municipal Service Review for the South County Agencies; and

WHEREAS, the Notice of Exemption, is adequate as the documentation to comply with the California Environmental Quality Act (CEQA) for this Sphere of Influence Update and Municipal Service Review for the South County Agencies; and

WHEREAS, the Commission has considered all factors required to be considered by Government Code Section 56425 (e) and adopts the determinations set forth in the Public Review Draft of the Sphere of Influence Update and Municipal Service Review with said determinations being incorporated by reference herein as though set forth in full; and

WHEREAS, the Commission duly considered the Sphere of Influence Update and Municipal Service Review for each of the South County Agencies, as described in the July 16, 2020 Staff Report and pursuant to the conditions of approval found in Exhibit B of this resolution.

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 Notice of Exemption prepared for this proposal is complete and adequate, having been prepared in accordance with the provisions of the California Environmental Quality Act and is hereby determined to be sufficient for the Commission's actions and is incorporated by reference.
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 the Municipal Service Review for the South County Agencies are approved with written determinations addressing the seven factors stated in the Cortese-Knox-Hertzberg Act of 2000 and are hereby incorporated by reference.
5. That the Sphere of Influence Update for the City of Arroyo Grande is adopted pursuant to the map in Exhibit A of this Resolution.
6. That the Sphere of Influence Update for the City of Grover Beach is adopted pursuant to the map in Exhibit C of this Resolution.
7. That the Sphere of Influence Update for the Oceano Community Services District is adopted pursuant to the map in Exhibit D of this Resolution.

8. That the Sphere of Influence Update for the South San Luis Obispo County Sanitation District is adopted pursuant to the map in Exhibits E of this Resolution.

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

AYES:

NAYS:

ABSTAIN:

The foregoing resolution is hereby adopted.

Tom Murray, Chairman Date
Local Agency Formation Commission

ATTEST:

David Church Date
LAFCO Executive Officer

APPROVED AS TO FORM AND LEGAL EFFECT:

Brian Pierik Date
LAFCO Legal Counsel

Attachment E

Proposed Changes to Sphere of Influence Update and Municipal
Service Review

ATTACHMENT E
PROPOSED CHANGES TO DOCUMENTS
SPHERE OF INFLUENCE UPDATE
MUNICIPAL SERVICE REVIEW

#	Page #	Proposed Change	Changes Made
1	1-11, 2-15 & 5-20	Sentence "Oceano does not currently have a Sphere of Influence." Reworded to "Oceano's Sphere of Influence is coterminous with its service area."	Yes
2	2-8	Present and Planned Land Use. "The present and planned land uses for the City of Arroyo Grande are well defined in the City's General Plan that was updated in 2003 2001 ."	Yes
3	2-9	Present and Probable Need for Public Services. " A Small existing buildout Tract 1551 is Virginia Dr residences are proposed for addition to the Sphere of Influence which would not increase the current need for services significantly."	Yes
4	2-9	Present Capacity of Public Facilities and Adequacy of Public Services. "The City's current supply is estimated at 3,873 3,813 afy. The projected demand for the City at build out and including the SOI areas is 3,727 3,628 ."	Yes
5	2-11	Present and Planned Land Use. "The present and planned land uses are defined in the City's General Plan Land Use Element that was updated in 2010 2012 ."	Yes
6	3-27	Reword sentence " Unlike Tertiary recycled water which could be piped to irrigate agricultural, or re-injected as recycled water into the groundwater basin to maintain or increase reliability."	Yes
7	3-76	Last sentence Fix Typo "Arroyo Grande"	Yes
8	5-2	Fix Typo "Oceano"	Yes
9	5-10, 5-27, 5-29, 5-30 & 5-44	Revise 2009 as the adopted Water Master Plan year throughout	Yes
10	5-11	Update Table 5-6	Yes
11	5-18	Last sentence in last paragraph delete word " Recent Board direction..."	Yes
12	5-20	Replace word " housing -income" with household income	Yes
13	5-20	Last sentence within the last paragraph to be reword "Because Oceano's Sphere of Influence is coterminous, disadvantage community factor does not qualify for the present and probable need for public facilities and services."	Yes
14	5-20	Determination #1 delete double word " that "	Yes
15	5-22	Revise second sentence in first paragraph to "Oceano CSD has a pending update to Chapter 9 (CIP) of its 2009 Water Master Plan."	Yes
16	5-22	Water Supply. Revise second sentence in first paragraph to "the Tri-Cities Mesa-Arroyo Grande Plain (TCM-AGP)-sub-basin Northern Cities Management Area (NCMA) of the Santa Maria Valley Groundwater Basin, the State Water Project, and Lopez Reservoir."	Yes
17	5-22	Groundwater. Revise the " Tri-Cities Mesa-Arroyo Grande Plain (TCM-AGP) sub-basin to Northern Cities Management Area (NCMA) of the Santa Maria Valley Groundwater Basin"	Yes
18	5-23	Santa Maria Groundwater Basin. Revise to include "Santa Maria Valley Groundwater Basin" throughout	Yes
19	5-23	Replace 2018 annual report with " 2019 " which confirms the same statement	Yes

ATTACHMENT E
PROPOSED CHANGES TO DOCUMENTS
SPHERE OF INFLUENCE UPDATE
MUNICIPAL SERVICE REVIEW

#	Page #	Proposed Change	Changes Made
20	5-24	State Water Project (SWP) paragraph delete “Only 525 acre feet of the 750 acre feet allocated is available due to pipeline capacity constraints if the full entitlement is taken from Lopez.”	Yes
21	5-27	Fix Typo “OCSD”	Yes
22	5-31	Revise CIP program as “ pending adoption by the Board of Directors”	Yes
23	5-42	Airport paragraph delete “Environmental consideration for the Master Plan is scheduled to begin in 2010.”	Yes
24	5-54	Determination #3 re-word tense “The District is considering considered a Prop 218 ballot measure to approve a special tax for fire services.”	Yes
25	3-45, 3-46, 3-74, 3-75, 4-33,4-34, 4-57, 4-58, 5-38, 5-39, 5-51, 5-52, 6-27	-Water and Sewer rate corrections have been made to reflect most current rates. -Changed language on sentences that compare each entities rate to one another.	Yes
26	1-12	Delete repeated sentence from “In 2019, the City of Grover Beach reported annual water use of 1,187 acre-feet. In 2019, the City reported annual water use of 1,187 acre-feet. ”	Yes
27	1-12	Delete values for “Additional Source (Lopez Surplus)” in Table 1-4 from “ 564 ”, “ 406 ” and “ 0 ” to varies and change total .	Yes
28	1-12	Moved sentence before table for continuity of sentence.	Yes
29	3-30	Replace word “ SLO County ” to Zone 3 .	Yes
30	3-30	Revise “ A surplus water supply has been available in past years, but this is not a reliable source for the City to plan for from year to year. ” To “ Surplus water is made available to contracting agencies based on their contract percentage, when less than the safe yield is delivered in the prior year. Surplus water is not a reliable additional source of water. ”	Yes
31	3-30	Revise “ The Lopez Reservoir is managed by the San Luis Obispo County Flood Control District. A The San Luis Obispo County Flood Control and Water Conservation District Zone 3 is a wholesaler operating and managing Lopez Reservoir. Based on various levels of the reservoir, a Low Reservoir Response Plan (LRRP) was adopted in December 2014 and activated in April 2015 and terminated on March 31, 2018 when storage is below 20,000 af. ”	Yes
33	3-30	Revise “The County Flood Control District projects that municipal entitlements will remain constant at 4,530 AFY afy through 2035, and that it will be able to supply all contracted agencies with their full requested allocations. in full during single dry years and for the first three of four multiple dry years. ”	Yes
34	3-32	Delete value for “Lopez Water surplus, if available in Table 3-11 from “ 911 ” to varies and change total .	Yes
35	3-33	Delete word “ County ” to Zone 3 .	Yes
36	3-33	Revise sentence “Water Conservation District Zone 3 is a wholesaler ”	Yes

ATTACHMENT E
PROPOSED CHANGES TO DOCUMENTS
SPHERE OF INFLUENCE UPDATE
MUNICIPAL SERVICE REVIEW

#	Page #	Proposed Change	Changes Made
		operating and managing Lopez Reservoir, ...".	
37	3-33, 3-34	Revise paragraph to "However, these droughts have not caused the reservoir to be depleted and within the safe yield of the 8,730 AFY. caused a shortage of water in the Lopez system. Historically, during the largest drought years on record (1989/1992 0 & 2012 3 /2017 4) since the Reservoir has been in operation, the District has been able to deliver full allocations to contract agencies. As a result of the latest drought of 2012-2017 coupled with the mandatory downstream releases due to the dam's seismic remediation project, entitlements were reduced by 10% in 2015. Full entitlements went back into effect when the declared drought was rescinded on March 31, 2018. In 2015, entitlements were reduced by 10% in response to the on-going drought conditions and declining reservoir levels. The reduced entitlements will remain in effect and be further restricted until the current declared drought emergency is rescinded per the Low Reservoir Response Plan, which occurred in 2017. " and "...More than 50% of the safe yield is delivered to communities in Zone 3, and the remaining supply available is released...".	Yes
38	3-34	Remove the following paragraph because of inaccuracy. "As stated in the County's UWMP for Zone 3, any surplus water may be banked for the following year, when it could be sold to the Zone 3 communities requesting the water. During a drought, Zone 3 communities whose deliveries from other sources were short would be able to purchase surplus Lopez Water."	Yes
39	3-86	Revise name of the reference " Zone 3 County of San Luis Obispo Urban Water Management Plan, 2015."	Yes
40	4-21	Revise second half of paragraph to "The safe-yield of Lopez Reservoir is 8,730 acre-feet per year (Zone 3 SLO County UWMP 2015), which reflects the sustainable water supply year over year during a drought. Over half of the Reservoir safe-yield (4,530 AFY) has been apportioned by agreements to contract agencies. The City can receive an allocation of up to 800 acre-feet from the Lopez Reservoir. The remaining 4,200 20 AFY is reserved for downstream releases to maintain stream flows and groundwater recharge. Surplus water is made available to contracting agencies based on their contract percentage, when less than the safe yield is delivered in the prior year. Surplus water is not a reliable additional source of water. A surplus water supply has been available in past years, but this not a reliable source for the City to plan for from year to year.	Yes
41	4-21	Revise paragraph with " The Lopez Reservoir is managed by the San Luis Obispo County Flood Control District. A The San Luis Obispo County Flood Control and Water Conservation District Zone 3 is a wholesaler operating and managing Lopez Reservoir. Based on various levels of the reservoir, a Low Reservoir Response Plan (LRRP) was adopted in December 2014 and activated enacted in April 2015 and terminated on March 31, 2018. when storage reached below 20,000 af. The enactment of Stage 2 of the LRRP resulted in a 10% reduction decrease in municipal and downstream releases. The County Flood Control District projects that municipal entitlements will remain constant at 4,530 AFY afy through 2035, and that it will be able to supply all contracted agencies with their full requested allocations. in full during single dry years and for the first three of four multiple dry years. ... ".	Yes

ATTACHMENT E
PROPOSED CHANGES TO DOCUMENTS
SPHERE OF INFLUENCE UPDATE
MUNICIPAL SERVICE REVIEW

#	Page #	Proposed Change	Changes Made
42	4-22	Delete value for “Lopez Water surplus, if available in Table 4-10 from “ 197 ” to varies and change total.	Yes
43	4-23	Replace word in title from “ County ” to “ Zone 3 Urban Water Management Plan, 2015.”	Yes
44	4-24	Revise paragraph to “However, these droughts have not caused the reservoir to be depleted and within the safe yield of the 8,730 AFY a shortage of water in the Lopez system. Historically, during the largest drought years on record (1989/1992 & 2012 3 /2017 4) since the Reservoir has been in operation, the District has been able to deliver full allocations to contract agencies. As a result of the latest drought of 2012-2017 coupled with the mandatory downstream releases due to the dam's seismic remediation project, entitlements were reduced by 10% in 2015. Full entitlements went back into effect when the declared drought was rescinded on March 31, 2018. Entitlements to Lopez water are based on a percentage of the safe yield of the reservoir. In 2015, entitlements were reduced by 10% in response to the on-going drought conditions and declining reservoir levels. The reduced entitlements will remain in effect and be further restricted until the current declared drought emergency is rescinded per the Low Reservoir Response Plan. Entitlements to Lopez water are based on a percentage of the safe yield of the reservoir. The reservoir’s safe yield is 8,730 acre-feet per year (AFY) as discussed below. Of that amount, 4,530 AFY are for pipeline deliveries and 4,200 AFY are reserved for downstream releases. More than 50% of the safe yield is delivered to communities in Zone 3, and the remaining supply available is released downstream...”	Yes
45	4-24	Delete the following paragraph because of inaccuracy “ As stated in the County’s UWMP for Zone 3, any surplus water may be banked for the following year, when it could be sold to the Zone 3 communities requesting the water. During a drought, Zone 3 communities whose deliveries from other sources were short would be able to purchase surplus Lopez Water. ”	Yes
46	5-9	Revise sentence to “The San Luis Obispo County Flood Control and Water Conservation District Zone 3 is a wholesaler operating and managing operate and manage Lopez Reservoir, in the Arroyo Grande Creek watershed (see Figure 5-6 below), for municipal and agricultural water supplies.	Yes
47	5-9	Fix grammatical error “ establishes ”.	Yes
48	5-23, 5-24	Revise Lopez Reservoir first paragraph to “Lopez Lake Reservoir stores storm water runoff during the winter and early spring, and provides managed releases throughout the year to meet downstream demand, as well as diversions from the reservoir through a three-mile pipeline to a water treatment plant which provides treated water to the surrounding communities including Arroyo Grande, Pismo Beach, CSA 12 , Avila Beach , Grover Beach and Oceano. The safe-yield of Lopez Reservoir is 8,730 acre-feet per year (Zone 3 SLO County UWMP 2015), which reflects the sustainable water supply year over year during a drought. Over half of the Reservoir safe-yield (4,530 AFY) has been apportioned by agreements to contract agencies. The City District can receive an allocation of up to 303 acre-feet from the Lopez Reservoir. The remaining 4,220 AFY is reserved for downstream releases to maintain stream flows and groundwater recharge. Surplus water is made available to	Yes

ATTACHMENT E
PROPOSED CHANGES TO DOCUMENTS
 SPHERE OF INFLUENCE UPDATE
 MUNICIPAL SERVICE REVIEW

#	Page #	Proposed Change	Changes Made
		contracting agencies based on their contract percentage, when less than the safe yield is delivered in the prior year. Surplus water is not a reliable additional source of water.	
49	5-24	Revise Lopez Reservoir second paragraph to The San Luis Obispo County Flood Control and Water Conservation District Zone 3 is a wholesaler operating and managing Lopez Reservoir. Based on various levels of the reservoir, a Low Reservoir Response Plan (LRRP) was adopted in December 2014 and activated in April 2015 and terminated on March 31, 2018. The Lopez Reservoir is managed by the San Luis Obispo County Flood Control District. A Low Reservoir Response Plan (LRRP) was adopted in December 2014 and enacted in April 2015 when storage reached below 20,000 af. The enactment of Stage 2 of the LRRP resulted in a 10% decrease in municipal and downstream releases. The County Flood Control District projects that municipal entitlements will remain constant at 4,530 AFY afy through 2035, and that it will be able to supply all contracted agencies with their full requested allocations. in full during single dry years and for the first three of four multiple dry years. A surplus water supply may be available in future years, but this surplus is not a reliable source for the City District to plan for from year to year.”	Yes
50	5-28	Replace word “ County ” to Zone 3 .	Yes
51	5-28, 5-29	Revise paragraph to “However, these droughts have not caused the reservoir to be depleted and within the safe yield of the 8,730 AFY. a shortage of water in the Lopez system. Historically, during the largest drought years on record (1989/1992 0 & 2012 3 /2017 4) since the Reservoir has been in operation, the District has been able to deliver full allocations to contract agencies. As a result of the latest drought of 2012-2017 coupled with the mandatory downstream releases due to the dam's seismic remediation project, entitlements were reduced by 10% in 2015. Full entitlements went back into effect when the declared drought was rescinded on March 31, 2018. Entitlements to Lopez water are based on a percentage of the safe yield of the reservoir. In 2015, entitlements were reduced by 10% in response to the on-going drought conditions and declining reservoir levels. The reduced entitlements will remain in effect and be further restricted until the current declared drought emergency is rescinded per the Low Reservoir Response Plan. Entitlements to Lopez water are based on a percentage of the safe yield of the reservoir. The reservoir’s safe yield is 8,730 acre-feet per year (AFY) as discussed below. Of that amount, 4,530 AFY are for pipeline deliveries and 4,200 AFY are reserved for downstream releases. More than 50% of the safe yield is delivered to communities in Zone 3, and the remaining supply available is released downstream...”	Yes
52	5-29	Delete the following paragraph because of inaccuracy “ As stated in the County’s UWMP for Zone 3, any surplus water may be banked for the following year, when it could be sold to the Zone 3 communities requesting the water. During a drought, Zone 3 communities whose deliveries from other sources were short would be able to purchase surplus Lopez Water. ”	Yes
53	5-31	Remove the following sentence because of inaccuracy “ Also, Lopez Lake provides storage available within the constraints of the flow allocations. ”	Yes

ATTACHMENT E
PROPOSED CHANGES TO DOCUMENTS
 SPHERE OF INFLUENCE UPDATE
 MUNICIPAL SERVICE REVIEW

#	Page #	Proposed Change	Changes Made
54	1-13	Revise dates from 2040 to 2015.	Yes
55	3-49	Revise dates from 2040 to 2015.	Yes
56	3-49	Revise referenced information from “SLOCOG 2010 RTP protects the right-of-way for future expansion; and provides for an evaluation of the capacity needs throughout the corridor to more completely develop a financial, service and facility plan to meet corridor mobility needs.” to “The SLOCOG 2019 RTP continues to assure new improvements to the corridor will not preclude future capacity improvements, such as high occupancy vehicle lanes, managed-shoulder lanes, bus rapid transit, or other applications, as may be determined through additional analysis.”	Yes



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

TO: MEMBERS, FORMATION COMMISSION

FROM: DAVID CHURCH, EXECUTIVE OFFICER

DATE: JULY 16, 2020

SUBJECT: NOMINATION OF MARSHALL OCHYLSKI FOR THE CALAFCO BOARD OF DIRECTORS AND CALAFCO QUARTERLY REPORT

COMMISSIONERS

Chairperson
TOM MURRAY
Public Member

Vice-Chair
ROBERT ENNS
Special District Member

DEBBIE ARNOLD
County Member

MARSHALL OCHYLSKI
Special District Member

ROBERTA FONZI
City Member

LYNN COMPTON
County Member

ED WAAGE
City Member

ALTERNATES

ED EBY
Special District Member

STEVE GREGORY
City Member

HEATHER JENSEN
Public Member

JOHN PESCHONG
County Member

STAFF

DAVID CHURCH
Executive Officer

BRIAN A. PIERIK
Legal Counsel

MIKE PRATER
Deputy Executive Officer

IMELDA MARQUEZ
Commission Clerk

RECOMMENDATION. It is respectfully recommended that the Commission 1) direct the Chair to sign the attached nomination form to nominate Special District Commissioner Marshall Ochylski for a position on the CALAFCO Board of Directors, 2) appoint Tom Murray the regular voting delegate and Mike Prater the Alternate voting delegate for CALAFCO election items, and 3) Receive and file the attached CALAFCO Quarterly Report.

CALAFCO Board of Directors Seats Up for Election. The Coastal Region of CALAFCO has two seats up for election this year; the County representative currently held by Jane Parker Monterey County and the Special District seat held by Michael McGill of Contra Costa County. Commissioner Ochylski has expressed interest in being nominated for this position as a Special District representative.

Please see attachment A for the details of the nomination for the CALAFCO Board of Director seat and the endorsement by your Commission of Commissioner Ochylski. Staff recommends approving the nomination of Commissioner Ochylski. This election is expected to be conducted in October, 2020. Due to Covid-19, the annual conference has been canceled, so the election will be completed via email, more details can be found in attachment B.

The Commission also appoints a voting delegate and alternate delegate for CALAFCO election items. It is recommended that Tom Murray be appoint the CALAFCO Voting Delegate with Mike Prater as the alternate voting delegate.

CALAFCO Quarterly Report-June 2020. This report is found in attachment C. It provides a variety of information about CALAFCO, changes at LAFCO's around the State, and a brief legislative update. Please review the report and let us know if you have any questions.

Attachments

A: Marshall Ochylski
Nomination Package

B: CALAFCO Election
Flyer/Updates

C: CALAFCO
Quarterly Report

Attachment A

Nomination Package for Marshall Ochylski

Board of Directors 2020/2021 Nominations Form

Nomination to the CALAFCO Board of Directors

In accordance with the Nominations and Election Procedures of CALAFCO,

San Luis Obispo LAFCo of the Coastal Region

Nominates Marshall Ochylski

for the (check one) City County Special District Public

Position on the CALAFCO Board of Directors to be filled by election at the next Annual Membership Meeting of the Association.

LAFCo Chair

Date

NOTICE OF DEADLINE

Nominations must be received by **September 22, 2020** at 5:00 p.m. to be considered by the Election Committee. Send completed nominations to:
CALAFCO Election Committee
CALAFCO
1020 12th Street, Suite 222
Sacramento, CA 95814

Board of Directors 2020/2021 Candidate Resume Form

Nominated By: San Luis Obispo LAFCo Date: 7/16/2020

Region (please check one): Northern Coastal Central Southern

Category (please check one): City County Special District Public

Candidate Name Marshall Ochylski

Address PO BOX 6701 Los Osos, CA 93412

Phone Office _____ Mobile 805-441-4466

e-mail m.ochylski@icloud.com

Personal and Professional Background:

See Attached Resume

LAFCo Experience:

See Attached Resume

CALAFCO or State-level Experience:

See Attached Resume

Availability:

Available for all CALAFCO activities

Other Related Activities and Comments:

See Attached Resume

NOTICE OF DEADLINE

Nominations must be received by **September 22, 2020** at 5:00 p.m. to be considered by the Election Committee. Send completed nominations to:
CALAFCO Election Committee
CALAFCO
1020 12th Street, Suite 222
Sacramento, CA 95814

MARSHALL E. OCHYLSKI

Mailing Address: Post Office Box 6701
Los Osos, CA 93412-6701
Cell Phone: 805 441-4466
Email: m.ochylski@icloud.com

SELECTED CAREER HIGHLIGHTS:

BACKGROUND:

Attorney specializing in Land Use and Environmental Law.

PROFESSIONAL EXPERIENCE:

- Attorney, The Law Office of Marshall E. Ochylski, 1997 - Present.
- Land Planner & Landscape Architect, LANDPLANS, 1983 - 1997.
- Associate Professor, Cal Poly, 1978 - 1983.
- Assistant Professor, Purdue University, 1974 - 1978.

PUBLIC SERVICE:

- San Luis Obispo County LAFCO, Special Districts Representative, 2011 - Present.
- Los Osos Community Services District, Member, 2009 - Present.
- Los Osos Basin Management Committee, Chairperson, 2016 - Present.
- San Luis Obispo County Special District Association, President, 2012 - Present.
- San Luis Obispo Downtown Association, Chairperson, Beautification Awards, 1986 - Present.
- Morro Bay National Estuary Program, Member Executive Committee, 2011 - Present
- Los Osos/Baywood Park Chamber of Commerce, Immediate Past President, 2009 - Present.
- Morro Coast Audubon Society, Member & Pro Bono Legal Counsel, 1997 - Present.
- Small Wilderness Area Preservation, Los Osos/Morro Bay, Member, 2009 – Present.

AWARDS/RECOGNITIONS:

- Los Osos/Baywood Park Citizen of the Year, 2018.
- California Special Districts Association President of the Year, 2012.
- Morro Coast Audubon Society, Volunteer of the Year, 2011.

EDUCATION:

- J.D., Santa Barbara College of Law, 1997.
- M.L.A., University of Michigan, 1973.
- B.A. in Political Science, University of Michigan, 1970.



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

**Endorsement of San Luis Obispo Commissioner
Marshall Ochylski for the Special District Position on the
CALAFCO Board of Directors**

COMMISSIONERS

Chairperson
TOM MURRAY
Public Member

Vice-Chair
ROBERT ENNS
Special District Member

DEBBIE ARNOLD
County Member

MARSHALL OCHYLSKI
Special District Member

ROBERTA FONZI
City Member

LYNN COMPTON
County Member

ED WAAGE
City Member

ALTERNATES

ED EBY
Special District Member

STEVE GREGORY
City Member

HEATHER JENSEN
Public Member

JOHN PESCHONG
County Member

STAFF

DAVID CHURCH
Executive Officer

BRIAN A. PIERIK
Legal Counsel

MIKE PRATER
Deputy Executive Officer

IMELDA MARQUEZ
Commission Clerk

The San Luis Obispo LAFCO strongly and wholly endorses Commissioner Marshall Ochylski for the Special District Member position on the CALAFCO Board of Directors. Commissioner Ochylski has served on the San Luis Obispo LAFCO Commission with distinction and dedication for years. Mr. Ochylski's commitment to service, considerate approach to issues, along with a genuine concern for others makes him a Commissioner who exemplifies the work of LAFCOs and CALAFCO.

Commissioner Ochylski is the consummate public servant and representative of the special district viewpoint on LAFCO. He exemplifies what we hope to achieve in public service: reliability, courage, and integrity. Marshall's decisions are solid and carefully thought-out

His treatment of the public, other Commissioners and Staff is always considerate, polite and approachable. He raises issues that are relevant to the action being considered while also helping others become more familiar with the LAFCO process.

Commissioner Ochylski diligently served as an Alternate Public Member to the Commission from 2012 to 2013 and as the Regular Member since 2013. In 2017, then-Chairman Ochylski was highly praised for his polite manner during meetings. During his chairmanship, his composed and reassuring manner helped the public, Commissioners, and staff to get through several challenging LAFCO items.

In summary, the San Luis Obispo LAFCO believes that Commissioner Marshall Ochylski would provide outstanding service and leadership for the CALAFCO Board of Directors. As a Director on the CALAFCO Board, Commissioner Ochylski would give CALAFCO objective judgement and comprehensive service in performing his duties and responsibilities. Please vote for Commissioner Ochylski for the CALAFCO Board of Directors.

San Luis Obispo LAFCO

1042 Pacific St-Suite A

San Luis Obispo, CA 93401

(805).781.5795

www.slolafco.com

Attachment B

CALAFCO Election Flyer/Updates

July 7, 2020

To: Local Agency Formation Commission
Members and Alternate Members

From: Shiva Frentzen, Committee Chair
CALAFCO Board Election Committee
CALAFCO Board of Directors



RE: IMPORTANT UPDATE - Elections for 2020/2021 CALAFCO Board of Directors

As you know, nominations are now open for the fall elections of the CALAFCO Board of Directors. Please refer to the announcement and nomination packet sent out to you on June 19, 2020 for details on which seats are open and other important information.

In that announcement we advised you that if we are unable to have an in-person annual conference due to the COVID-19 pandemic, the elections will be conducted by all mail ballot. **As the in-person annual conference has been cancelled, the 2020 Board of Directors elections will be an electronic ballot procedure.**

- ✓ We will use the timelines outlined in CALAFCO policies as detailed in the June 19 announcement with some slight modifications as provided below.
- ✓ CALAFCO still needs the name of your voting delegate. Please also provide their title and email address as the ballot will be emailed directly to your voting delegate. The voting delegate will also cast votes on behalf of your LAFCo at whatever virtual annual business meeting we may have.

Since there will be no caucus, there is no ability to nominate a candidate from the floor. All nominations must come from the nomination packets submitted and acknowledged as received by the deadline of September 22, 2020 at 5:00 p.m.

Please inform your Commission that the CALAFCO Election Committee is accepting nominations until Tuesday, September 22, 2020 at 5:00 p.m. and that this is the only way to get your name on the ballot and be considered for election.

The election committee and CALAFCO staff will meet virtually the morning of October 22 for purposes of tabulating the results and certifying the election. All election documents will be available for member LAFCo inspection upon request.

- **June 19** – Nomination Announcement and packet sent to LAFCo membership and posted on the CALAFCO website.
- **September 22** – Completed Nomination packet due
- **September 22** – Voting delegate name and email address due to CALAFCO
- **October 7** – Distribution of the Election Committee Report (includes all completed/submitted nomination papers)
- **October 7** – Distribution of ballots by email to voting delegate
- **October 21** - Ballots due to CALAFCO by 4:00 p.m. – **NO LATE BALLOTS WILL BE ACCEPTED**
- **October 22** – Elections tabulated by the Elections Committee and an announcement made to the membership

Please direct any questions you have about the election process to Executive Director Pamela Miller at pmiller@calafco.org or by calling her at 916-442-6536; or to the Election Committee Chair Shiva Frentzen at sfrentzen@calafco.org or by calling her at 530-621-5390.

Attachment C

CALAFCO Quarterly Report –June 2020

A
message
from the
Executive
Director

So much has changed in our world since the last Quarterly Report in February of this year. Each of us have dealt personally with changes and health matters related to the COVID-19 pandemic; we've professionally dealt with

keeping LAFCo business going while striving to keep ourselves, each other and our communities healthy and safe; and been faced with understanding and responding to the fiscal fallout of the pandemic and the recent calls for racial and social justice...it can all overwhelm us if we let it.

This Quarterly Report will begin differently. We are highlighting the good news in our CALAFCO family first, followed by Association updates. Happy reading!

Welcome New LAFCo Family Members

We welcome two new babies to the CALAFCO family!

San Mateo LAFCo Mgmt. Analyst Rob Bartoli and his wife Michelle welcomed (10 days early) **Luca Robert Bartoli** on March 30, 2020. Luca weighed in at 7 lbs., 11 oz. The family is all well, healthy and enjoying the comforts of home.



Not to be outdone, Napa LAFCo Executive Officer Brendon Freeman and family welcomed **Noah Campos Freeman** into the world on April 6, 2020. Noah tipped the scales at 8 lbs., 11 oz. upon his release from quarantine. Mom Isabel, Noah and Dad are all doing fine. Although neither set of parents are getting much sleep right now!

Congratulations to the Freemans and Bartoli's on bringing two future LAFCo EOs into the world!

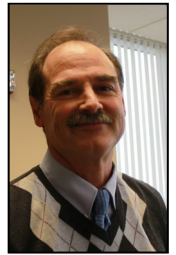
Congratulations on Upcoming Retirements

We want to congratulate two long-time LAFCo leaders on their upcoming retirements. Their contributions to CALAFCO and to LAFCos statewide are far too numerous to list here. Needless to say, they both leave huge shoes to fill and will be greatly missed. We wish them both all the best in their retirement!

After a distinguished near 20-year career with Sonoma LAFCo, Asst. EO **Carole Cooper** is retiring at the end of June. Carole spent 12 years on the CALAFCO Legislative Committee and was the recipient of the CALAFCO Project of the Year Award as part of the team that revised the definition section of CKH, and received the Outstanding LAFCo Professional Award.



San Luis Obispo LAFCo EO **David Church** is also calling it time to retire. David has been with his LAFCo for almost 19 years and will be retiring in July. David also spent a number of years contributing to CALAFCO on the Legislative Committee and as the Deputy EO representing the coastal region for four years. David received several CALAFCO Achievement Awards including the Mike Gotch Courage & Innovation in Local Government Leadership Award and the Outstanding LAFCo Professional Award.



LAFCos in the News

Tuolumne LAFCo Adds Special Districts

For the first time since 2012, special districts have been added to a LAFCo! CALAFCO acknowledges the hard work of **Tuolumne LAFCo** and congratulates them on adding special districts to their LAFCo. This is no easy feat and their process was a long one. We will learn more about it from EO **Quincy Yaley** in our next edition of *The Sphere*. As of today, 31 of the 58 LAFCos have special district representation. Way to go Tuolumne LAFCo!

Santa Clara LAFCo Receives Award for Communication and Outreach Plan

Earlier this month, **Santa Clara LAFCo** received the American Planning Association - California Northern Chapter's "Award of Excellence - Communication Initiative" for their communication and outreach plan. The APA highlighted the plan as one of the outstanding winners for its "fresh ideas that are transferable to other communities and represent guidebooks toward a more inclusive, accessible and equitable planning future."

Los Angeles LAFCo Receives Award of Excellence

In May, the Los Angeles Chapter of the American Planning Association awarded its "Award of Excellence: Hard Won Victories" for "Rescuing the Sativa Water System" to **LA LAFCo**, the County of Los Angeles, and the SWRCB for their collaborative work on the Agency.

CALAFCO congratulates **Tuolumne, Santa Clara** and **Los Angeles** LAFCos on their achievements!





CALAFCO BOARD UPDATE

The CALAFCO Board met February 21 and May 1. Here is a summary of the actions taken by the Board at these respective meetings.



February 21

As a follow up to the December 2019 meeting, the Board continued the discussion of transitioning the two primary contractors to employees to comply with AB 5. In executive session, the Board accepted the retirement announcement of Executive Director Pamela Miller, developed a recruitment plan and timeline and discussed the transition.

The Board considered the Tulare LAFCo proposed dues structure. After much discussion, they unanimously approved the convening of an ad hoc committee sometime in the summer to once again look at the dues structure that was adopted by the membership in October 2019. It is likely that this ad hoc committee will also include several member LAFCos outside of the Board.

Other actions the Board took at this meeting included:

- ✓ Reconfirmed no CPI increase (pursuant to Bylaws) for the FY 2020-21 LAFCo dues;
- ✓ Approved a request from Contra Costa LAFCo to prepare and file an amicus brief
- ✓ Conducted the annual dashboard review of the 2019 Strategic Plan objectives; and
- ✓ Accepted a series of reports including the 2020 conflict of interest filings, quarterly financial and investment reports, and the legislative report.

May 1

After careful consideration, the Board adopted a balanced budget for FY 2020-21. There are several notable differences in this budget as compared to past budgets, including:

- The Annual Conference revenue and expenses were adjusted for a smaller attendance and for a break-even model due to the pandemic;
- We are now budgeting for employer expenses such as employer's insurance, payroll services and payroll taxes, workers' compensation and overtime for the Administrator which is a non-exempt position; and
- For the first time, the operational costs of the Association are covered by member LAFCo dues, so there is no budget deficit. This is a result of the membership approving the new dues structure at the October 31, 2019 annual business meeting.

The Board also received a report from the Executive Director (ED) Recruitment Committee on the progress of the recruitment. During this report current ED Pamela Miller shared that given the uncertain times we are currently in and will be facing for the unforeseen future, she did not see

this is not a good time for a change in leadership for the Association and offered to stay on as the ED. The Recruitment Committee then took this under advisement.

Other actions taken by the Board at the May 1 meeting included:

- ✓ Received and filed the quarterly financial and investment reports;
- ✓ Received and filed the Legislative Committee report; and
- ✓ Received a verbal update on the Annual Conference from the Conference Chair and Program Chair.

All Board meeting packets are posted on the CALAFCO website.

EXECUTIVE DIRECTOR PAMELA MILLER STAYING WITH CALAFCO

As was announced in early June, Pamela Miller will be staying with the Association as Executive Director. To comply with the requirements of AB 5, both Pamela and Jeni Tickler, CALAFCO's Administrator, will be transitioning to employee status effective September 1. Both will remain as part-time employees.

2020 STAFF WORKSHOP AND ANNUAL CONFERENCE

Staff Workshop

Due to the COVID-19 pandemic, CALAFCO's Staff Workshop was cancelled. The workshop was scheduled for March 25-27 in Newport Beach. As it turned out, this was the right call, and done ahead of the March 19 stay-at-home order issued by the Governor.

CALAFCO staff was able to negotiate a revision in the facility contract to avoid a cancellation fee of over \$36,000. The workshop for 2020 has been booked at the same facility with only a slight increase in the food and beverage minimum and room rates. Further, all deposits (hotel, bus, boat, and caterer for the mobile workshop) were successfully moved forward to next year without penalty.

We wish to thank our Workshop hosts, *Imperial* and *Orange LAFCos* and their staff who worked so hard to prepare a fabulous workshop, and Program Chair *Gary Thompson*. His team did such an outstanding job that the program as planned will be moved forward to the 2021 Workshop.

Annual Conference

The Annual Conference is currently scheduled for October 21-23 in Monterey at the Hyatt Regency. Due to the ongoing restrictions on gatherings because of COVID-19, and due to shrinking local agency budgets, CALAFCO staff is currently exploring viable options for the Conference. The Program Planning Committee is already hard at work and planning session topics that are extremely relevant for the times. Details about the Conference will be announced as soon as a decision is made. We want to thank Conference Chair

News from the Board of Directors

CALAFCO QUARTERLY

June 2020

Page 3



Jane Parker and Program Chair *Christine Crawford*, as well as the entire program planning team for their work thus far.

Your Board's top priority is ensuring the health and safety of all of you, our Association members, your families, and those at the hotel facility. Our decision will be based with that in mind as priority #1.

CALAFCO UNIVERSITY

Under the leadership of *Martha Poyatos*, the format of the CALAFCO University is being revised. For the remainder of the year, we will be offering all CALAFCO U sessions virtually. We are currently planning a series of short online sessions including LAFCo 101 for staff, Clerk 101 (to include Public Records Requests and BOE info), and a LAFCo Primer for Commissioners. This series will be offered at no cost to all member LAFCo staff and commissioners, and will be recorded and placed online for on-demand access to our members. A number of other courses are also being planned, so keep an eye open for announcements coming soon.



CALAFCO LEGISLATIVE UPDATE

This has been a legislative year like no other given the pandemic. As we have been reporting, the Legislature went into recess to comply with the Governor's stay at home orders and was out for several months without bills moving. Upon return, both houses adopted revised calendars and cut

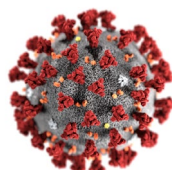
back their bill count significantly.

As you are all aware, the state is now grappling with a \$54 billion deficit and Legislators are having to make difficult decisions on how to close that deficit gap. One thing is certain – even if there is federal funding assistance, local governments throughout the state will be operating in fiscal crisis for several years to come.

As a result, the CALAFCO legislative priorities for the year have all but vanished. The LAFCo funding bill not be moving forward and our work with the Protest Provisions Rewrite Working Group has been put on pause. Staff hopes to reconvene that working group in late summer.

CALAFCO'S COVID-19 RESPONSE AND MEMBER SUPPORT

As all of you were forced to quickly pivot and revise the way you conduct business in March, so was CALAFCO staff. We have been working remotely since mid-March and monitor the office mail and voicemails. Both Pamela and Jeni continue to do everything as usual, just from home.



Seeing a need to support LAFCo staff as they navigated the difficult waters of caring for themselves, their commissions, and the public so that business would be seamless, CALAFCO began hosting weekly meetings for Executive Officers and another for Clerks. These meetings create a space in which LAFCo staff can discuss the unusual issues they are dealing with, share ideas and collectively develop solutions. Over three months later, the meetings are now transitioning to bi-weekly.

CALAFCO staff also issued a number of special bulletins to the full membership over the past several months, sharing critical information and resources as appropriate. In addition, we are sharing a variety of resources and educational opportunities from other resources on things like conducting virtual meetings, fiscal impacts of COVID, etc.

Seeing a need for remote meeting resources for our member LAFCos, CALAFCO offered our toll free conference calling system for you to conduct your meetings and in May purchased several Zoom licenses, one specifically for use by our member LAFCos to conduct your meetings virtually at no cost to you.

We hope you have found these resources useful and we will continue to work in providing you the support you need.

CALAFCO ADMINISTRATIVE UPDATE

We successfully migrated to a new email server at the end of February and are happy to report the transition was seamless and has resolved all of CALAFCO staff's email issues.



The CALAFCO website is being updated to enhance the library archives and member forms sections. So far over the past several months the following updates have occurred:

- ✓ CALAFCO University session archives are fully updated with all prior CALAFCO U session materials online
- ✓ Attorney General Opinions section is fully updated with all AG Opinions posted
- ✓ CALAFCO Directories have all been indexed, reorganized and updated
- ✓ In CALAFCO Publications, The Sphere section has been fully updated with a more usable indexing
- ✓ In the Resources section, all of the Useful Weblinks have been updated.

Future updates (some currently in progress) include a full update and re-indexing of the Forms Library and updating of the LAFCo litigation section.



CALAFCO BOARD OF DIRECTORS NOMINATION PERIOD OPEN

The nomination period for the 2020 CALAFCO Board of Directors election is open. Nominations are being accepted through 5:00 p.m. September 22, 2020. Nomination packets were emailed to all LAFCo EOs, are placed on the CALAFCO website, and hard copies will be mailed to each LAFCo office.



CALAFCO Associate Members' Corner

This section highlights our Associate Members. The information below is provided to CALAFCO by the Associate member upon joining the Association. All Associate member information can be found in the CALAFCO Member Directory.

Our last edition featured our Gold Associate Members. In our next several editions we will highlight our Silver Associate Members.

Berkson Associates **Berkson Associates**

provides clear, concise analysis for preparation of governance studies including district formation, consolidation and dissolutions. Extensive experience completing incorporation studies. Expertise also includes market analysis, public agency budget forecasting and demographic/housing analysis in support of MSRs. For more information, contact **Richard Berkson** at richard@berksonassociates.com. You can also visit their website at www.berksonassociates.com.



Santa Ynez Community Services District



SANTA YNEZ
COMMUNITY SERVICES DISTRICT

Founded in 1971, **the Santa Ynez Community Services District** provides wastewater collection and transportation and street lighting, serving approximately 688 wastewater connections. Effluent collected by the District is treated at the City of Solvang wastewater treatment plant. For more information about the District, visit their website at www.sycsd.com, or contact the Secretary/Treasurer **Wendy Berry** at wendy@sycsd.com.

Rosenow Spevacek Group, Inc.

RSG is a creatively charged counterpart to California public agencies. They work with the people responsible for vibrant places and propel them to their goals. Better Communities. Bolder futures. To learn more about them visit their website at www.webrsg.com or contact **Jim Simon** at jsimon@webrsg.com.



City of Fontana



City of Fontana is responsible for managing the City's annexation program, which includes coordinating annexation meetings, meeting with landowners and developers concerning the benefits of annexation, preparing Plans for Services, overseeing preparation of environmental documents pertaining to rezoning and annexation, and presenting them to the Planning Commission, City Council and LAFCo for review and consideration. In addition, oversee the preparation of out-of-agency service agreements for sewer and other municipal services. Visit them at www.fontana.org.

CALAFCO wishes to thank all of our Associate Members for your ongoing support and partnership. We look forward to continue highlighting you in future Quarterly Reports.

Mark Your Calendars For These Upcoming CALAFCO Events

- ❖ CALAFCO Legislative Committee meeting – July 17, 2020 via conference call
- ❖ CALAFCO Board of Directors meeting – July 24, 2020 – Location TBD



The full revised CALAFCO 2020 Calendar of Events can be found on the CALAFCO website. It is being updated regularly as events and meetings are cancelled or changed.

All CALAFCO Board and Legislative Committee meeting packets are available online at www.calafco.org.

Your CALAFCO Board and Staff wish all of you a safe and healthy summer. We continue to face both known and unknown challenges. As we do, keeping ourselves, our families, our work teams, and our communities healthy and safe remains a priority. Please, be well.

