



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/93128233626?pwd=di81VWk3Q2FWL2J0ajNGS2xHUFRpZz09>

Webinar ID: **931 2823 3626**

Password: **346895**

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

October 15, 2020, at 9:00 a.m.

MISSION STATEMENT

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

COMMISSIONERS

Tom Murray, Chair, Public

Robert Enns, Vice-Chair, Special District

Marshall Ochylski, Special District

Roberta Fonzi, City

Ed Waage, City

Debbie Arnold, County

Lynn Compton, County

ALTERNATES

Ed Eby, Special District

Steve Gregory, City

Heather Jensen, Public

John Peschong, County

Meeting Location

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

ZOOM meeting info is provided below.

Contact Information

Mike Prater, Executive Officer

Phone: (805) 781-5795

Fax: (805) 788-2072

www.slolafo.com

MEETING ACCESS AND COMMENTS

LAFCO Commission meetings can be viewed at:

<https://zoom.us/j/93128233626?pwd=di81VWk3Q2FWL2J0ajNGS2xHUFRRpZz09>

Webinar ID: 931 2823 3626

Password: 346895

Call in number: 1 669 900 6833

Public Comments: Submit public comments by 1:00 pm on Wednesday October 14, 2020, at Imarquez@slolafo.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: September 17, 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.



Regular Matters

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

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

Informational Matters

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

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

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

Closed Session

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

Commissioner Comments

Legal Counsel Comments

Executive Officer Comments

Adjournment

Note:

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

Submitted Proposals and Sphere of Influence Municipal Service Review Updates

File #	Name	Project Status
Proposals		
3-R-20	Anx #90 to Paso Robles (Gateway)	Application received 10-7-2020. 30-day review.
2-R-20	Jack Ranch (Tract 2429) Anx#11 to CSA 18	Referrals sent 8-13-2020. Hearing 11/19.
1-R-20	Anx #81 to SLO (Fiero East – West)	Property Tax Agreement 10/6. Hearing 11/19
2-S-19	SOI Amendment Tri-W site	Submitted Info Hold Letter 11-14-19.
1-E-20	San Simeon CSD Activation of Solid Waste Power	Application received 9-17-2020. 30-day review.
SOI/MSR Updates		
1-S-20	North County (Templeton, San Miguel, & Heritage Ranch)	Gathering Information. Preparing draft MSR.



**SAN LUIS OBISPO
LOCAL AGENCY FORMATION COMMISSION
SEPTEMBER 17, 2020, MEETING MINUTES**

Call to Order

The San Luis Obispo Local Agency Formation Commission (LAFCO) meeting was called to order at 9:02 a.m. on Thursday, September 17, 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 Debbie Arnold, Lynn Compton, Roberta Fonzi, Marshall Ochylski, Ed Waage, and Alternate Commissioner Ed Eby.

Absent: Commissioner Robert Enns, Alternate Commissioners Steve Gregory, Heather Jensen, and John Peschong.

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

Approval of Minutes

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

Ms. Marquez reported that no public comments were received.

Chairperson Murray asked for any Commissioner comments or a motion.

Commissioner Ochylski motioned to approve the minutes.

Commissioner Arnold seconded the motion.

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

NAYS: None

ABSTAINING: None

The motion passed with a unanimous roll call vote.

Non-Agenda Public Comments

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

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

Consent Agenda

A-1: Biennial Update of LAFCO's Conflict of Interest Code
(Recommend Review and Approval)

Mr. Prater introduced the item.

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

Chairperson Murray asked if Staff was involved in checking 700 forms when submitted.

Mr. Prater and **Mr. Pierik** provided Chair Murray with an answer.

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

Ms. Marquez reported that no public comments were received.

Commissioner Waage motioned to approve the Consent Agenda.

Commissioner Fonzi seconded the motion.

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

NAYS: None

ABSTAINING: None

The motion passed with a unanimous roll call vote.

Regular Matters

B-1: Time Extension Request for SSJWD and EPCWD (Recommend Review and Approval)

Mr. Prater presented the item.

Chairperson Murray asked the Clerk if any requests were received for live public comment.

Ms. Marquez announced no submitted public comments and one request for live public comment was received.

Sophie Treder, Agent, briefed the Commission on the status of the map & legal for both water districts.

Chairperson Murray opened the item for **Commissioner** comments or a motion.

Commissioner Ochylski motioned to grant the one-year extension.

Commissioner Waage seconded the motion.

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

NAYS: None

ABSTAINING: None

The motion passed with a unanimous roll call vote.

B-2: Adoption of Record Retention and Destruction Policy
(Recommend Review and Approval)

Mr. Prater presented the item.

Chairperson Murray opened the item for Commissioner comments.

Commissioner Ochylski asked for clarification regarding social media record types.

Mr. Prater addressed the question.

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

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

Chairperson Murray opened the item for Commissioner comments or a motion.

Commissioner Waage motioned to approve Staff Recommendation.

Commissioner Arnold seconded the motion.

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

NAYS: None

ABSTAINING: None

The motion passed with a unanimous roll call vote.

Commissioner Comments:

Commissioner Ochylski asked about CALAFCO Board nominations and voting.

Legal Counsel Comments:

None

Executive Officer Comments:

None

Adjournment: With no further business before the Commission, the meeting adjourned at 9:22 a.m. until the next meeting of the Commission pursuant to Governor's Executive Orders, depending upon the progression of the COVID-19 pandemic.

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

Respectfully submitted,
Imelda Marquez, LAFCO Analyst

DRAFT



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

COMMISSIONERS

Chairperson
TOM MURRAY
Public Member

Vice-Chair
ROBERT ENNS
Special District Member

DEBBIE ARNOLD
County Member

MARSHALL OCHYLSKI
Special District Member

ROBERTA FONZI
City Member

LYNN COMPTON
County Member

ED WAAGE
City Member

ALTERNATES

ED EBY
Special District Member

STEVE GREGORY
City Member

HEATHER JENSEN
Public Member

JOHN PESCHONG
County Member

STAFF

MIKE PRATER
Executive Officer

BRIAN A. PIERIK
Legal Counsel

IMELDA MARQUEZ
Analyst

TO: MEMBERS, FORMATION COMMISSION

FROM: MIKE PRATER, EXECUTIVE OFFICER

DATE: OCTOBER 15, 2020

**SUBJECT: FIRST QUARTER FISCAL YEAR 2020-2021 LAFCO
BUDGET STATUS REPORT**

Recommendation. It is respectfully recommended that the Commission review this first quarter financial report for fiscal year 20-21 and direct the Executive Officer to file it with the County Auditor.

Summary. The LAFCO operating budget is 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 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. Attached is the First Quarter Budget Status Report for the 2020-21 fiscal year.

Attachments

**A: 1st Quarter Status for
Fiscal Year 2020-2021**

**B: Credit Card Statements
for July, August, Sept 2020**

LAFCO's budget is funded primarily by the County, Cities and Independent Special Districts, with each group paying 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.

LAFCO and the County Auditor's Office have a signed agreement for services. In the first quarter, the County Auditor's Office calculates and sends out the invoices for payments to the Cities and Special Districts in the County. The County Auditor's Office also provides LAFCO with claims processing and financial tracking services. The County's Enterprise Financial System (EFS) is used by LAFCO staff in monitoring the budget and compiling budget report data. Each LAFCO transaction is processed through the County's financial system.

Expenditures. Overall, first quarter expenditures are at 34% with 25% of the fiscal year complete. Below is a brief summary of line item expenditures:

- Salaries and Benefits are 32% expended with seven pay periods completed in the first quarter. This includes authorized vacation/sick payout. Savings in salaries were accrued during the months of July through September (7 pay periods-\$27,963) due to Analyst vacancy. Salary savings were achieved as we did not hire an Analyst for three months.
- Services and Supplies are at 36% expended. This is a normal expenditure pattern as the first quarter includes one-time annual expenditures for: County Auditor's Office Services (\$8,511), CALAFCO Membership Dues (\$4,922), Workers Compensation-SDRMA (\$1,164), and payment of Property /Liability Insurance-SDRMA (\$10,575). These one-time costs occur normally in the first quarter. Legal costs for the first quarter were \$6,200.
- The building lease is \$3,056/month and has been paid for three months; through September. The lease is currently month to month and the amount has remained unchanged since 2010.
- LAFCO uses a credit card from Umpqua Bank through a program implemented by the Special District Risk Management Association (SDRMA) for public agencies. LAFCO has a credit card policy with regard to use and pays the bill in full each month. The statements for July, August, and September 2020 are found in Attachment B.
 - **July:** No purchases were made using the credit card.
 - **August:** Included total charges of \$106.48: ZOOM subscription of \$54.99 and \$51.49 for filing the CEQA Notice of Determination with the Clerk for the South County Agencies SOI/MSR.
 - **September:** Included total charges of \$77.62: ZOOM subscription of \$54.99 and \$22.63 to Trophy Hunters for the EO nameplate.

Revenues. Overall revenues are 94% realized through the first quarter. The jurisdictions (Cities, Special Districts and County) have paid 100% of the LAFCO charges billed in the first quarter by the County Auditor. Application processing fees have been submitted in the amount of \$4,500 for Annexation into CSA 18 and \$3,500 for Activation of Power for San Simeon.

Fund Balance and Designated Fund Balance (Reserves). Fund Balance is the difference between the total expenses and revenues in the fiscal year. Fund Balance is a more flexible asset than Designated Fund Balance and is carried forward from year to year. Designated Fund Balance requires Commission approval for expenditure. Please note that at the beginning of this fiscal year, the Fund Balance and Designated Fund Balance totals were \$213,215. On July 16, 2020, the Commission approved a Budget Adjustment Request in the amount of \$45,642 for payout of sick leave. The payout reduces the Fund Balance/Designation to \$167,573, or 30% of the budget. This

is reflected in this first quarter status report. LAFCO's Budget Policy calls for "reserves" of at least 15% of the adopted budget. Current fund balance is as follows:

• Fund Balance Carryover	\$155,365
• Designated Fund Balance	<u>\$57,850</u>
Total Fund Balance	\$213,215
Vacation/Sick Payout	<u>- \$45,642</u>
Remaining Fund Balance	\$167,573

In the Fiscal Year 2020-21 Adopted Budget, \$25,000 in Fund Balance was estimated for use to offset expenses, if needed. This allocation reduced the charges to the jurisdictions while maintaining Fund Balance/Designated Fund Balance (Reserves) at a prudent level. The use of these funds would be reflected in the year end budget report (if needed) depending on the status of revenues and expenditures throughout the year.

Attachment A

1st Quarter Status for Fiscal Year 2020-2021

Fiscal Year 2020-21 LAFCO Budget First Quarter Report Status Report

Period Ending: September 30, 2020

EXPENDITURES SUMMARY	Adopted 20-21	Expenditure YTD	Projected Yr End	Balance YTD	% Expended
Salaries	233,651	103,517	233,651	130,134	44%
Benefits & Payroll Taxes	177,486	43,296	177,486	134,190	24%
Services and Supplies	131,984	47,602	131,984	84,382	36%
Total Expenses	543,121	194,415	543,121	348,706	36%

EXPENDITURES DETAIL	Adopted 20-21	Expenditure YTD	Projected Yr End	Balance YTD	% Expended
Salaries and Benefits					
Salaries	233,651	103,517	233,651	130,134	44%
Benefits & Payroll Taxes	177,486	43,296	177,486	134,190	24%
total Salaries & Benefits	411,137	146,813	411,137	264,324	36%

Services and Supplies	Adopted 20-21	Expenditure YTD	Projected Yr End	Balance YTD	% Expended
Food	800	40	800	760	5%
Maintenance - Equipment	300	0	300	300	0%
Maintenance - Software	500	0	500	500	0%
CALAFCO/Other Memberships	7,000	4,922	7,000	2,078	70%
Office Supplies	2,500	90	2,500	2,410	4%
Commissioner/Professional Serv.	10,000	1,424	10,000	8,576	14%
Publication/Legal Notices	1,000	265	1,000	735	27%
Rent	37,000	12,226	37,000	24,774	33%
Small Equipment	400	92	400	308	23%
Large Equipment	1,000	0	1,000	1,000	0%
Computer Software	500	110	500	390	22%
Employee Mileage	200	0	200	200	0%
Commissioner Mileage	1,800	0	1,800	1,800	0%
Airfare/Public Transportation	500	0	500	500	0%
Accommodations/Travel	3,000	0	3,000	3,000	0%
Auto Allowance	3,323	207	3,323	3,116	6%
Training/Conf Registration	3,500	0	3,500	3,500	0%
Utilities	4,000	883	4,000	3,117	22%
Car/Vehicle Rentals	1,000	0	1,000	1,000	0%
Postage	1,000	0	1,000	1,000	0%
Custodian	1,000	265	1,000	735	27%
Copying	800	0	800	800	0%
ITD-SAP/Board Chambers	850	0	850	850	0%
Phones/Internet	2,800	732	2,800	2,068	26%
County Auditor	8,511	8,511	8,511	0	100%
Insurance	13,500	11,635	13,500	1,865	86%
Legal Counsel	25,200	6,200	25,200	19,000	25%
Subtotal Services & Supplies	131,984	47,602	131,984	84,382	36%

Total Expenses	543,121	194,415	543,121	348,706	36%
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REVENUE DETAIL	Adopted 20-21	Realized YTD	Projected Yr End	Balance YTD	% Realized
Interest	4,000	0	4,000	4,000	0%
Environmental Fees	1,000	1,500	1,500	-500	150%
Sphere of Influence Fee	2,000	0	2,000	2,000	0%
LAFCO Processing Fees	14,000	6,500	14,000	7,500	46%
Other Revenue/Fund Balance if needed	25,000	0	20,700	3,855	0%
Sub-Total w/o Agency Charges	46,000	8,000	42,200	38,000	17%
LAFCO Charges to Agencies	493,266	497,066	497,066	3,800	101%
Total Revenue	539,266	505,066	539,266	34,200	94%

Fund Balance-Reserves	Beginning FY 20-21	Projected End of Year Reserves	Projected % of Budget
Fund Balance and Reserves	155,365	155,365	29%
Transfer in 4th Qtr if needed		-3,855	
Reserves/Fund Balance	155,365	151,510	28%

Attachment B

Card Statements for July, August, Sept 2020



BL ACCT 00002542-10000000
LAFCO



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

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
Payment Due Date 07/25/20

Minimum Payment	\$	0.00
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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		000000000000000000113503	PAYMENT - THANK YOU	\$ 54.99 -
05/31	06/03	PPLN01	70007400155777155250016	LATE FEE - REVERSAL	35.00 -
06/15	06/15		000000000000000000113620	PAYMENT - THANK YOU	1,096.66 -
06/29	06/29		000000000000000000113768	PAYMENT - THANK YOU	777.68 -

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

- *



BL ACCT 0002542-10000000
LAFCO



Account Number: #### #### ####
Closing Date: 07/31/20

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	+	106.48
Cash	+	0.00
Special	+	0.00
Credits	-	0.00
Payments	-	0.00
Other Debits	+	0.00
Finance Charges	+	0.00
NEW BALANCE	\$	106.48

Payment Information



Total Minimum Payment Due \$106.48
Payment Due Date 08/25/20

Minimum Payment \$ 106.48

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
07/02	07/02	PPLN01	24493980184026421809286	ZOOM.US 888-799-9666 CA	\$ 54.99
Cardholder Name: DAVID CHURCH					
Total Charges for Account Number:					54.99
07/20	07/21	PPLN01	24343110202900016623308	SLO CLERK RECORDER 805-7815080 CA	\$ 50.00
07/20	07/21	PPLN01	24343110202900014679302	AMS*SERVICE FEE 101653 888-9147768 FL	1.49
Cardholder Name IMELDA MARQUEZ					
Total Charges for Account Number:					51.49

Plan Level Information

Plan Name	Plan Description	FCM *	Previous Balance	Average Daily Balance	Periodic Rate **	Corresponding APR	Finance Charges	Fees/Finance Charge	Effective APR	Ending Balance
Purchases										
PPLN01 001	PURCHASE	E	\$0.00	\$0.00	0.06008% (D)	21.9900%	\$0.00	\$0.00	0.0000%	\$106.48
Cash										
CPLN01 001	CASH	A	\$0.00	\$0.00	0.06554% (D)	23.9900%	\$0.00	\$0.00	0.0000%	\$0.00
Total			\$0.00	\$0.00			\$0.00	\$0.00	0.0000%	\$106.48
Days In Billing Cycle: 31					APR = Annual Percentage Rate					
*See last page for explanation of Finance Charge Method (FCM)					** Periodic Rate (M)=Monthly (D)=Daily					
(V) = Variable Rate If you have a variable rate account the periodic rate and Annual Percentage Rate (APR) may vary.										

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



BL ACCT 00002542-10000000
LAFCO



Account Number: #### #### ####
Closing Date: 08/31/20

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	\$	106.48
Purchases	+	77.62
Cash	+	0.00
Special	+	0.00
Credits	-	0.00
Payments	-	106.48 -
Other Debits	+	0.00
Finance Charges	+	0.00
NEW BALANCE	\$	77.62

Payment Information



Total Minimum Payment Due \$77.62

Minimum Payment	\$	77.62
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Payment Due Date 09/25/20

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
08/02	08/03	PPLN01	24493980216026912956473	ZOOM.US 888-799-9666 CA	\$ 54.99
Cardholder Name: MIKE PRATER					54.99
Total Charges for Account Number:					
08/07	08/10	PPLN01	24767890222234600346310	TROPHY HUNTERS SN LUIS OBISP CA	\$ 22.63
Cardholder Name IMELDA MARQUEZ					
Total Charges for Account Number:					22.63
Payments, Adjustments and Others					
08/18	08/18		000000000000000000000000114188	PAYMENT - THANK YOU	\$ 106.48 -

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

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

COMMISSIONERS

Chairperson
TOM MURRAY
Public Member

Vice-Chair
ROBERT ENNS
Special District Member

DEBBIE ARNOLD
County Member

MARSHALL OCHYLSKI
Special District Member

ROBERTA FONZI
City Member

LYNN COMPTON
County Member

ED WAAGE
City Member

ALTERNATES

ED EBY
Special District Member

STEVE GREGORY
City Member

HEATHER JENSEN
Public Member

JOHN PESCHONG
County Member

STAFF

MIKE PRATER
Executive Officer

BRIAN A. PIERIK
Legal Counsel

IMELDA MARQUEZ
Analyst

TO: MEMBERS, FORMATION COMMISSION

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

DATE: OCTOBER 15, 2020

SUBJECT: ADOPTION OF POLICY ON SOCIAL MEDIA USE

Recommendation. It is respectfully recommended that the Commission review the attached policy regarding Social Media. The Commission may 1) Give staff feedback and direct staff to take any appropriate follow up actions or 2) Approve by motion the attached draft policy with or without modifications as specified.

Discussion. The San Luis Obispo Local Agency Formation Commission (SLO LAFCO) principally relies on its website to disseminate information to the public concerning current and pending agency activities. Information displayed through the website is complemented by more traditional forms of outreach. This includes sending e-mails to self-registered groups, making presentations/ attending local agency and community meetings, and publishing announcements or notices in the newspaper.

Attachment

**A: Draft Policy on
Social Media**

The Cortese-Knox-Hertzberg Act (CKH) directs LAFCOs to actively engage citizens in considering the current and future needs of local communities. This includes requiring LAFCOs to maintain an internet website to help ensure relevant information is readily available to the public. Staff recommends the enhancement of public engagement through social media use; these tools could be used to reach and expand our current audience. With the recent pandemic, governmental agencies are increasingly relying on social media. Several social medial sites – specifically Facebook and Twitter – are now commonly used to promote government information and services to a continuously increasing audience. Some examples of other LAFCO’s that currently use one or both of the mentioned platforms is Napa, Orange, Santa Clara and Stanislaus Counties. Other more local examples would be SLO Air Pollution Control District, SLO Council of Governments, SLO Integrated Waste Management Authority along with numerous other local government entities.

Staff has designed the draft policy with assistance from Legal Counsel to: (1) establish general goals and direction in the use of social medial sites to enhance communication to the public and (2) authorize protocols with respect to using Social Media.

This policy does not address commissioner use of social media due to the recent passage of Assembly Bill 992, which limits members of legislative bodies from directly responding to social media posts involving public agency business that is made, posted, or shared by another member of the legislative body. Assembly Bill 992 is effective January 1, 2021 until January 1, 2026, unless otherwise renewed by the state legislature.

Attachment A

Draft Policy on Social Media

Administrative Policies

3.6 Policy on Social Media Site Use

1. Purpose

To establish guidelines for the Commission's use of social media sites as a means of conveying information, including information concerning mission, meetings, activities, events, services, and current issues.

2. Definitions

The following words have the meaning as described:

"Social media sites" refers to online platforms used to create accessible, expandable and upgradable publishing technologies through and on the internet.

"Commission" means the San Luis Obispo Local Agency Formation Commission.

"Commission social media sites" means social media sites including the Facebook page and Twitter page that the Commission will use to convey information.

"Posts" or "postings" mean information, articles, pictures, videos or any other form of communication posted on Commission social media sites.

"Comment" or "Comments" mean and include any information, articles, words, pictures, videos or any other form of communicative content posted by others on Commission social media sites.

3. General Guidelines

- a. The Commission's website (<http://www.slolafco.com/>) will continue to serve as the Commission's primary location of electronic information. When possible, Commission social media sites will link to the official Commission website for documents, online services, and other necessary information.
- b. The establishment of a social media site is subject to approval by the Executive Officer, consistent with this policy. Social media site accounts will be created using an official Commission email account and will bear the name and official seal of the Commission as applicable to the social media site. All Commission social media sites will use authorized Commission contact information for account set-up, monitoring, and access. Use of personal email accounts or phone numbers by Commission employees for the purpose of setting-up or administering a Commission social media site is prohibited.

- c. Content posted on City social media sites is subject to oversight by the Executive Officer or his designee(s).
- d. All Commission social media sites must adhere to applicable federal and state laws, and Commission regulations and policies. This includes but not limited to the California Public Records Act, the Ralph M. Brown Act, and laws and policies regarding records retention, conflicts of interest and copyright. Any content maintained on Commission social media sites that is related to Commission business, including a list of subscribers and posted communication may be considered a public record and subject to public disclosure.
- e. Commission social media sites must comply with usage rules and regulations required by the site provider, including privacy policies.
- f. Rules applicable to the use of Commission social media sites, as determined appropriate by the Executive Officer, must be made available to all Commission social media site users on each Commission social media site and on the Commission's website.

4. Content Standards and Guidelines

- a. Any employee authorized by the Executive Officer to post items on Commission social media sites must review, be familiar with, and comply with the social media site's use policies and terms and conditions.
- b. Any employee authorized by the Executive Officer to post items on Commission social media sites must not express his or her own personal views or concerns through such postings. Postings on Commission social media sites by an authorized Commission employee must only present factual information regarding the Commission's policies and programs.
- c. Content posted to Commission social media sites should contain hyperlinks directing users to the Commission's official website for in-depth information, forms, documents or online services whenever possible.
- d. Postings may be made primarily during normal business hours. After-hours or weekend postings may be made when the news or information is relevant to an event or activity occurring, or as otherwise authorized by the Executive Officer.
- e. Postings must not contain information that is confidential as defined by any Commission policy, state law, or federal law.
- f. Postings must not contain any employee's personal information, except for the names of employees whose job duties include being available for contact by the public.

5. Comment Guidelines

- a. Commission social media sites are intended to disseminate information and direct viewers to more in-depth information or resources on the Commission's website. Commission social media sites are not intended to provide a public forum for comments or discussion by the public.
- b. The Commission reserves the right to implement or remove any functionality of Commission social media sites, when directed by the Executive Officer. This includes, but is not limited to, the posting of information, articles, pictures, videos, comments, or any other form of communication in Commission social media sites.
- c. The Commission will continue to encourage members of the public to contact the Commission directly via phone, email or in person with questions or concerns related to Commission business. Commission social media sites will provide the public with instructions on contacting the Commission via phone, email or website.



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

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Public Member

JOHN PESCHONG
County Member

STAFF

MIKE PRATER
Executive Officer

BRIAN A. PIERIK
Legal Counsel

IMELDA MARQUEZ
Analyst

TO: MEMBERS, FORMATION COMMISSION

FROM: MIKE PRATER, EXECUTIVE OFFICER

DATE: OCTOBER 15, 2020

SUBJECT: STUDY SESSION - GATEWAY ANNEXATION/SOI AMENDMENT TO THE CITY OF PASO ROBLES

Recommendation. It is respectfully recommended that the Commission receive and file this study session.

Summary. This proposal considers the Sphere of Influence (SOI) Amendment and Annexation of the Gateway project area to the City of Paso Robles. The property is located within the unincorporated area of San Luis Obispo, adjacent to the southwest edge of Paso Robles City limits and northwest of the U.S. 101 and Highway 46 West interchange.

Attachments

A: FEIR Project Summary

B: LAFCO Policies

The area was studied as part of the City's Sphere of Influence, which was updated in 2013. While the area was not included in the SOI, the SOI Update and Memorandum of Agreement provided direction to proceed concurrently with a sphere amendment and annexation application. This process would allow a proposed project and Environmental Impact Report (EIR) to be fully reviewed and vetted by the public, the City, and other agencies prior to LAFCO considering the proposal. On June 16, 2020, a Land Use approval, EIR certification and initiation of proceedings to annex the property were considered, public input given, and approved by the City. LAFCO received the Gateway annexation and SOI amendment application on October 7, 2020.

The Commissioners considered a Study Session on August 15, 2019, and May 21, 2020. At that time the Commission highlighted topics in need of greater information regarding workforce/affordable housing and rental limits, residential resort concept that allows units to be managed by the Hotel (Area 5b), traffic funding and infrastructure improvements, fire safety issues, water supply and status of the Paso Basin, and any potential options for establishment of a Mello-Roos district. LAFCO has commented on these issues through various EIR public comment letters and are continually working with the City to provide clear responses in their application.

Background. The Quorum Realty Fund IV, LLC properties cover 170 acres which are adjacent to the Paso Robles City limits and within the unincorporated area of the County of San Luis Obispo. The property is located to the northwest of the interchange of US Highway 101 and State Route 46 West. It is bounded by State Route 46 West on the South, South Vine Street and US Highway 101 on the east, and scattered vineyard and residential uses on the north and west.

The site is characterized by rolling oak covered hills with a steep drainage area that bisects the properties. The project site has existing County land use designations of “Residential Suburban” (1 unit per acre) and approximately 100+ acres of land zoned “Agriculture”. The City Council’s approved project would provide for a destination resort development including a maximum of up to 80 residential units for use as Multi-family, vacation rental, or longer resort stays, commercial centers, and realignment of South Vine Street. A General Plan Amendment was approved by the City to make land use designations consistent with pre-zoning application. Proposed land use designations for the Annexation Area included RC (Regional Commercial), RMF (Residential Multiple Family), and AG (Agriculture).

Commercial uses (Hotel and Retail) would make-up approximately 73,600 leasable square feet adjacent to Highway 46 & 101. A major component of this project would re-align South Vine Street and connect to HWY 46 via a free-span bridge. Specific funding and design implementation regarding the US 101 and HWY 46 (West) is discussed later in this report under EIR Mitigation section. The City and other regional staff will expand on funding and timeline during their presentation. Essentially, re-alignment would complete Phase 2 of the broader phased fixes for circulation in the area. Phase 1 was completed in 2010 which included closing a portion of Theatre Drive near the HWY 101/46 intersection and the addition of a three-way stop (re-alignment of Theatre Dr.) at approximately 1,082 feet distance from this intersection. Phase 3 & 4 would occur in the future and it would add round-a-bouts concluding the improvements to alleviate the congestion.

In January, LAFCO conducted a Study Session regarding affordable housing and the issues facing California and the County. At that time the Commission stated no conclusions and no policy changes were reached; the information was presented to highlight the trends of Affordable Housing as a factor LAFCO considers during proceedings. LAFCO will make a determination under this factor during the future annexation hearing.

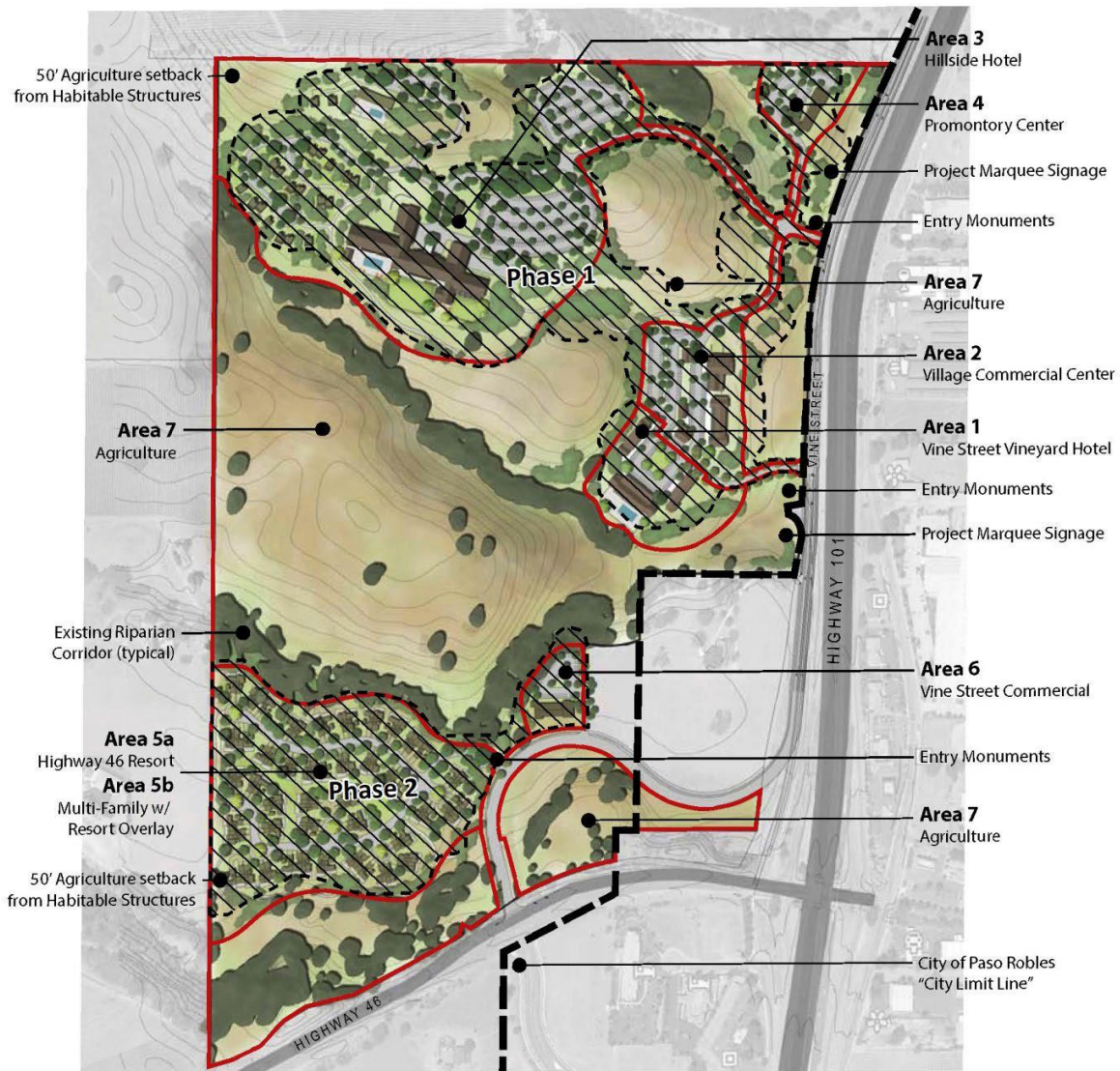
This report will briefly highlight this topic as it relates to the proposed project. Gateway would include 17 workforce apartment units, these units would not be deed restricted at a workforce income category, rather designed to be more affordable based on a smaller size. Additionally, up to 80-units could be permitted as single-family residential units or a third hotel with 100 rooms. The City of Paso Robles does not have an inclusionary requirement that would require deed restricted residential units as part of the proposed development. However, the applicant offered to pay an affordable in lieu fee currently estimated at approximately \$500,000 ± in the Development Agreement. A more detailed discussion about the project and affordable contribution is below.

PROJECT DESCRIPTION

The Paso Robles Gateway Project includes several components: two hotels, three visitor and community serving commercial centers, and an option for a limited number of higher density residential units or a third hotel resort. The project proposal includes:

- up to 425 transient units, a maximum of 80 which may be permitted as multi-family residential units,
- approximately 56,700 square feet of retail and office space
- 17 workforce residential units, (subject to market rates)
- 10,600 square feet of restaurant uses, and
- 30,000 square feet of conference space.

Figure 1 – Project Site Plan & Phasing Plan



Source: FUSCOE ENGINEERING, 2018

0 350 700 Feet



The project would also facilitate the re-alignment and reconstruction of South Vine Street which would help mitigate impacts at the HWY 101/46 intersection. The alignment of South Vine Street would be shifted towards the west in a broad “S” curve to meet State Route 46 west at the existing Theater Drive intersection and include the construction of a bridge to cross a drainage channel on the southern portion of the project site. It is LAFCO staffs understanding the realignment and bridge would be completed before any development begins.

The applicant proposes that the project be developed in two phases driven by economic and market demands including the completion of the South Vine Street Alignment Project. The first phase would include the Vine Street realignment and the development of the Promontory Center, both hotels, and the Village Commercial Center. These elements are accessible from Vine Street. The second phase will include the 80-unit resort community or additional hotel and the Vine Street Commercial areas which will be accessible from the Highway 46 West and Vine Street Corridors. The second phase would not be accessible until the Caltrans South Vine Street Alignment Project is completed.

The current project proposes a request to update the City’s Sphere of Influence to include the 170-acre property, and annexation into the City of Paso Robles. The annexation application includes the Development Agreement, Pre-Zoning of the property, and a General Plan amendment.

KEY TOPICS FOR LAFCO

Agriculture: The project site is not currently developed with intensified agricultural uses. A significant portion of the site (+/-98 acres of the 170-acre site) would be used for agricultural activities such as vineyards, orchards, or other fruit crops (approx. 82.1 acres) and approximately 16.6 acres of the 98 would remain open space. About 32.3 acres (a greater amount then the 28.9 acres of ag land impacted by the project) would be placed in conservation easements in perpetuity, which would exceed the 1:1 offset by 3.4 acres. The development would convert approximately 32.3 acres but only 28.9 acres of Farmland of Statewide Importance was classified by the Natural Resources Conservation Service and LAFCO’s definition of prime agricultural land. The project as approved by the City meets LAFCO Policies for agricultural protection and provides for a 1:1 mitigation of land being converted.

Table 1 – Developed Areas within Gateway

Use Category	Acres
Agricultural Land	49.7
Ag Land Converted	32.3
Open Space	16.6
Residential	0.2
Hotel	59.3
Commercial Center	10.6
Public Roads	3.2
Total	171.9

The City proposes to provide an on-site agricultural/conservation easement of 32.3 acres to mitigate the conversion of prime agricultural land at greater than a 1:1 ratio. The on-site agricultural/conservation easement portion is of lesser quality than the area, that is being converted. However mitigation measure AG-1 will include the following language “In order to constitute prime agricultural land for a 1:1 offset to meet LAFCO annexation requirements, the area recorded in a permanent agricultural/conservation easement shall be planted with a fruit bearing crop (i.e. vineyards) that will have a commercial value of at least \$400.00 per acre.” to help compensate for soil quality.

An additional 49.7 acres identified in the Master Development Plan would be used as additional vineyard or other agricultural use; these additional acres would not be under a conservation easement. See Table below for an outline of Agriculture and Open Space areas.

Table 2 – Protected Areas within Gateway

Land Type	Acres
Agriculture in Conservation Easement	32.3
Agriculture not in Conservation Easement	49.7
Open Space	16.6
Total	98.6

The agricultural uses and vineyard would provide a minimum 50-foot buffer between active agricultural land uses outside of the Project site along the northwestern and southwestern boundaries. A right-to-farm notification would also be required to reduce conflicts. These mitigations are adequate for the location and type of operations proposed.

Water: The proposed development in the annexation area would be served by existing water supply from the City of Paso Robles. There are two existing on-site wells that are within the Atascadero Sub-Basin. The two wells would supply water to the proposed vineyards, orchards, and other potential agricultural uses. According to the Development Agreement, the owner shall not extract more than a total of 31.48 AFY in a calendar year for use on the property and adjacent parcels. The continued and future use of the wells for agriculture uses on the project site and adjacent properties are further described in the Development Agreement.

The Atascadero Subbasin is not in overdraft and can sustain the continued use of the on-site wells to supply projected future irrigation of offsite vineyards and on-site vineyards, orchards, and other potential agricultural uses. The existing wells will be metered and water use reported to the City. With conditions the City may limit pumping if the groundwater levels are deemed in decline.

The proposed development in the annexation area would be served by the City of Paso Robles Water Division. According to the Water Supply Assessment (WSA), proposed development in the annexation area would result in an estimated water use of 138.5 to

144 AFY for commercial and transient lodging uses. The City has relied primarily on water supply from Lake Nacimiento, the Paso Robles groundwater basin and water from the Salinas River. Recycled water is not currently used as a supply source in the City of Paso Robles, although the City has completed construction of the Tertiary Treatment plant needed to meet the recycled water standard. The City is currently designing and reviewing a recycled water distribution system that will serve irrigation demands in the City and allow regional recycled water use. Figure 2 below shows the City’s projected population and water demands to buildout in 2045.

Figure 2 – City of Paso Robles Supply & Demand Projections

	2020	2025	2030	2035	2040	Buildout (2045 or later) ¹	Total Available Supply
Population	32,300	34,400	37,700	39,900	41,900	44,000	-
Water Demands (AFY)	7,089	7,575	8,061	8,546	9,032	9,519 [9,663 w/project]	-
Water Supply Sources to Meet Demands (AFY)							
Paso Robles Groundwater Basin - Basin Wells	2,600	2,506	2,602	2,124	2,610	2,200	4,000
Salinas River - River Wells	3,100	3,500	3,800	4,558	4,558	4,558	4,558
Nacimiento Water from Water Treatment Plant	1,120	1,120	1,120	1,120	1,120	2,017	6,488
Nacimiento Water from the Recovery Well	269	269	269	269	269	269	
Recycled Water for Potable Offset	0	180	270	475	475	475	2,200
Total Supply	7,089	7,575	8,061	8,546	9,032	9,519 [9,663 w/project]	17,246

¹ Supply amounts shown above do not reflect total supply available to the City from each source, nor do they reflect any limits on the City’s groundwater rights, but instead represent the water planned to supply projected demands.

Source: City of Paso Robles 2016

The development of the annexation area was not considered in the water demand and supply projections in the City’s 2015 Urban Water Management Plan (UWMP). The estimated maximum water use of the annexation area of 144 AFY would increase the City’s projected demand at buildout in 2045. The City would continue to have the necessary water supply to meet the projected demand, of 9,663 AFY with the project. If less groundwater is available to the city from the basin than anticipated at that time, the City’s water portfolio provides for additional water availability to meet all of the City’s demand (e.g., through increased delivery and treatment of Nacimiento water).

The City holds a 6,488 AFY delivery entitlement from Lake Nacimiento water. In order to directly use the Nacimiento entitlement, the City constructed a surface water treatment plant with an anticipated yield of approximately 2,017 AFY at City buildout in 2045. The treatment plant operation could be increased to provide up to 2,688 AFY of water for City use, or 617 AFY more than currently anticipated by the 2045 demand.

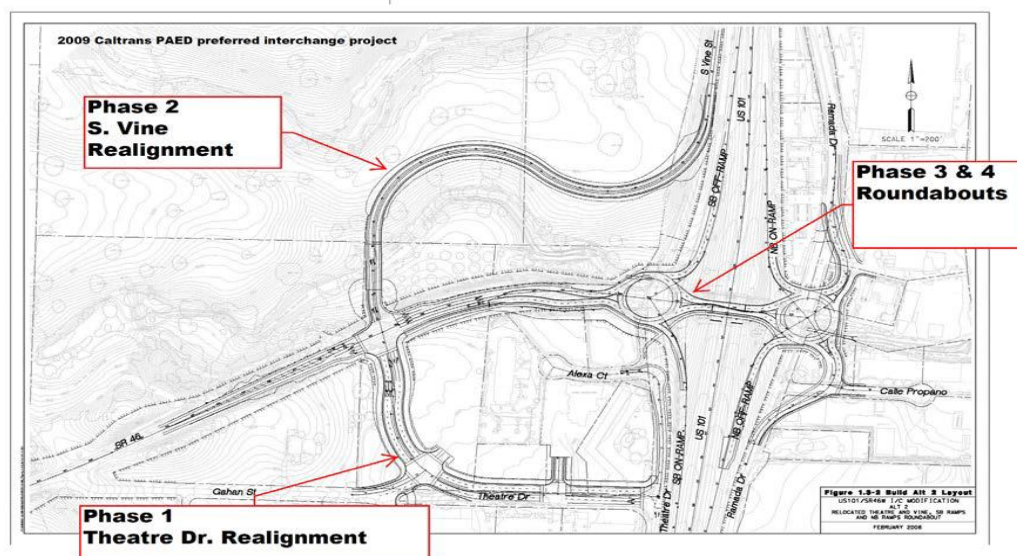
The EIR completed a WSA report that concluded the City has adequate potable supply to provide a reliable long-term water supply for the project under normal and drought conditions. Also noted in the WSA, the Paso Robles Groundwater Basin is currently facing legal challenges with the next phase of the case to determine how much water

public water suppliers have a right to pump. The City has a plan to sustain itself no matter the outcome of these legal challenges.

Traffic and Circulation: A traffic study was included in the EIR for this project. Environmental impacts and mitigation measures are identified. The Gateway project was identified as having an impact to the circulation system at the intersection of South Vine Street and Highway 46.

The Caltrans South Vine Street Alignment Project proposes shifting the alignment of South Vine Street towards the west in a broad “S” curve to meet State Route 46 west. Because the realigned South Vine Street crosses the small drainage course north of State Route 46 West, the City has prepared an alternative shorter bridge design to include a 165-foot-long free-span bridge that will be less expensive to complete than the 220-foot long free-span bridge originally proposed by Caltrans. The EIR includes an analysis of the effect on resources of both bridge options but it was agreed to use the 165-foot long design. The City is actively working to fund the South Vine Street Bridge as part of the realignment. This improvement would be Phase 2 of 4, as seen in Figure 3 below.

Figure 3 – Caltrans Project Approval and Environmental Document Phasing



The four-phase project will reduce existing and future congestion by improving operations at the U.S. 101/SR 46 West interchange. Phase one was completed by the City 10 years ago. Phase two of the Interchange Modification Project includes the realignment of South Vine Street through the CENCO property (collective of three parcels located between the Project site and the intersection of U.S. 101 and SR 46 West) and the Project site. Phase two will only be financially feasible with the cooperation of the Project and the dedication of public right-of-way for the realignment. The proposed final phases, phases three and four, involve the construction of roundabouts at the U.S. 101/SR 46 West northbound and southbound ramp terminals.

The City, Furlotti and CENCO entered a Settlement Agreement on August 2, 2016, which outlines the design, construction and improvement obligations of these parties.

Several obligations are outlined in the Agreement in order to complete the project. These obligations are divided between the City and Quorum Realty Fund IV, LLC if the Quorum property is annexed into the City. Described in the Development Agreement for the Project, the Project will secure the right-of-way necessary to facilitate the construction of the South Vine Street realignment and will also contribute to a portion of the cost of the realignment; further discussion can be found in the EIR-Mitigations section below. Additionally, the Development Agreement outlined that the parties will use their best efforts to complete the South Vine Street realignment within seven years after the annexation.

The Project would add traffic to the U.S. 101/Main Street Interchange, where level of service (LOS) currently exceeds the County LOS D target. The Project Applicant will be required to contribute an equitable share to the Templeton Road Improvements fee program; in the amount specified for Area C of the Areas of Benefit of the Templeton Traffic Circulation Study, for six (6) Project-added PM peak hour trips at the U.S. 101/Main Street northbound off-ramp, and the three (3) Project-added PM peak hour trips at the U.S. 101/Main Street southbound off-ramp. Further discussion can be found in the EIR-Mitigations section below.

U.S. 101 and State Route 46 West as well as at U.S. 101/Main Street Interchange both currently operate at a LOS below the acceptable standard. After the project's contributions of mitigation, the LOS will continue to operate below acceptable standards. After Phase 4, which includes the round-a-bouts, is complete the level of service would meet acceptable standards. The San Luis Obispo Council of Governments (SLOCOG) is modeling the traffic and land use impacts to develop a fair share cost between the City, County, and Regional partners. Adequate funding and timing of that funding will play an important part in seeing circulation improvements in the area.

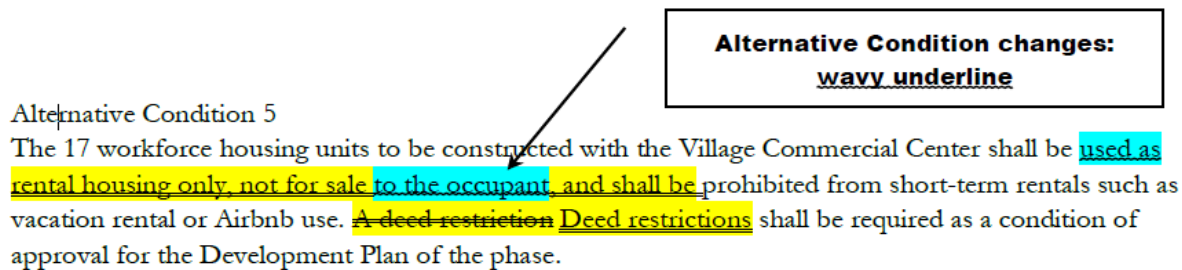
Housing-Affordability/Jobs-Housing Balance: The residential components of the proposed project would include 17 workforce housing units and alternative concept 5b (shown in Figure 1) would allow an additional 80 multi-family residential units to be sold at market rate. The 17 workforce housing units do not use the Regional Housing Needs Allocation definition but rather use the term "workforce" housing by design.

In recognition of the need for additional affordable housing in the City, Developer agrees to pay an affordable housing in-lieu fee, currently estimated at approximately \$500,000±, in connection with the development of the Project. The City does not have an affordable housing in-lieu fee program; therefore the amount of the Affordable Housing Fee to be assessed shall be calculated in accordance with the schedule set forth in Section 29.04.020 of the County Code of San Luis Obispo County, further detail can be found in the Developer Agreement. The Affordable Housing Fees collected are to be used by the City for the purpose of planning, increasing, and/or improving the City's supply of affordable housing within the City. The City will be available to further outline the City's goals and expectations.

The 2019 Regional Housing Needs Allocation for the City of Paso Robles identified the need for 839 Very Low-, Low- and Moderate-income units over the next 10 years.

Because rental units are more likely to meet the needs of Very Low-, Low- and Moderate-income people, the City Council modified Conditions of Approval #5 (Figure 4 below) to require the workforce apartment units to be rental units; residential condominiums would not be permitted.

Figure 4 – City Council Condition Changes



As noted earlier, the City’s General Plan calls for an appropriate mix and diversity of land uses where residents can live, work, and shop. The **jobs-to-housing ratio** in a jurisdiction is an overall indicator of both availability of jobs within an area, providing residents with an opportunity to work locally, and availability of housing, providing employees with adequate housing opportunities. The jobs-to-housing balance is a planning tool to review whether a community has a healthy balance between jobs and the housing supply available to potentially house workers for those jobs. In general, the City of Paso Robles and the North County provides more housing than jobs in the region. The hotel/hospitality industry provides the City with jobs and transient occupancy tax (TOT). For residents living in the north county, the opportunity to work closer to their housing would be a benefit.

Under the Sphere of Influence/Municipal Service Review amendment, LAFCO Commission holds the discretion to suggest the City begin a discussion on a broad approach to address affordable housing and the jobs-to-housing balance as well as decide whether the Gateway annexation sufficiently addresses these topics.

Fire Protection: Another factor LAFCO will consider during annexation proceedings is Fire Safety. Due to the increased amount of fires in the state of California it is important to consider the level of service available for fire protection.

The City’s 2020 Insurance Service Office (ISO) Public Protection Classification (PPC) Report collects and evaluates data to assess fire defense capabilities. Three elements are graded to determine the PPC grade: Emergency Communications, Fire Department, and Water Supply. The City of Paso Robles received the following:

Table 3 – Public Protection Classification Grades

Elements	Earned	Available
1. Emergency Communications	8.15	10
2. Fire Department	32.88	50
3. Water Supply	33.72	40
Divergence	-3.71	-
Community Risk Reduction	4.51	5.50
Total	75.55	105.5

- Final Community ISO Rating of Class 3/3X was given.
- The first class (e.g., “3” in a 3/XX) applies to properties within 5 road miles of a recognized fire station and within 1,000 feet of a fire hydrant or alternate water supply.
- The second Class 9 (XX or 3X) applies to properties beyond 1,000 feet of a fire hydrant either within or beyond 5 road miles of a recognized fire station.
- The Northeast Area of the City (Golden Hill/Airport Rd.) are areas located greater than 5 miles from a fire station, having long hydrant spacing of 1,000 feet or more, and response times of 6-8 minutes. This area lowered the overall score.

The level of service that will be provided to the proposed Gateway annexation area will be better than other parts of the City because the area is located within 5 miles of a Fire station. The project area is in close proximity to the Downtown fire station, where the ISO report gave its best rating. The staffing and location of the station has a 4 minutes response time and includes firefighter and Emergency Medical Service staffing. Staff discussed the ISO Report with the City Fire Chief who did not express concerns for this area or the annexation in general as it relates to fire and emergency services.

Of note, The City has a 1 cent Tax Measure on the November Ballot to assist in addressing the deficiencies and locating a new fire station in the Airport Area/ Northeast Area of the City. This will help address and increase the overall score for the City.

Environmental Impact Report (EIR)

The EIR completed for the Master Development Plan includes mitigation measures relative to future development, there is a reference provided to the mitigation measures from Table ES-1 of the EIR that presents a summary of the impacts, mitigation measures, and residual impacts from the implementation of the Project. In summary, the proposed Project would result in significant and unavoidable construction-related and long-term impacts to Clean Air Plan consistency, operational air quality emissions, cumulative air quality impacts, temporary and long-term increases in GHG emissions, GHG emissions reduction plan consistency, cumulative GHG emissions impacts, Existing + Project traffic impacts at U.S. 101/Main Street interchange, and General Plan Buildout + Project traffic impacts to U.S. 101 mainline.

These impacts will require specific Findings and adoption of a Statement of Overriding Consideration because certain impacts associated with future development are considered significant and unavoidable.

As a Responsible Agency, LAFCO has approval authority over part of the project; in this case the sphere of influence amendment and annexation. A Responsible Agency relies on the Lead Agencies environmental documentation to approve the portion of the project under its jurisdiction. As Lead Agency the City completed the necessary environmental documents to comply with the California Environmental Quality Act (CEQA). Under CEQA, LAFCO is required to prepare and adopt its own set of findings and overriding considerations based on the City's environmental documentation.

EIR – MITIGATIONS (KEY MITIGATIONS)

Pursuant to the CEQA process, mitigation for the environmental impacts has been identified and will be required by the City through conditions of approval placed on the project. The proposed project would result in impacts associated with changed views and scenic resources, air quality and emissions, habitat, and biological resources, agricultural protection, oak tree protection, cultural resources, noise, utility service, and traffic impacts. Mitigation for all these identified impacts is listed in the EIR along with other mitigations as a result of the proposed project being implemented. Of particular note for LAFCO are agricultural preservation and traffic mitigations along US 101 impacted by the project. These Mitigation Measures will help reduce impacts to resources and assists LAFCO in the decision-making process.

Agricultural Preservation: Of the 82 acres on the Project site designated within the Agricultural land use category at least 28.9 acres of irrigated vineyard shall be recorded in a permanent agricultural/conservation easement and the remaining acreage shall be used as additional agricultural use or open space. 32.3 acres of land under agriculture/conservation easement + 49.7 acres of additional agriculture use not in easement equal the 82 acres of agriculture areas in this project. The land to be recorded in permanent agricultural/conservation easement is not currently designated as prime farmland. In order to constitute prime agricultural land for a 1:1 offset to meet LAFCO annexation requirements; the area recorded in a permanent agricultural/conservation easement shall be planted with a fruit bearing crop (i.e. vineyards) that will have a commercial value of at least \$400.00 per acre.

The Mitigation Monitoring Plan states the “Project applicant shall demonstrate on Project plans the areas of the Project site that will be designated for agricultural use before final plan approval. The Project applicant shall also submit proof of permanent agricultural/conservation easement prior to final plan approval.” The recordation of the agricultural conservation easement shall occur prior to, or concurrently with, the filing of the Certificate of Completion by LAFCO.

The Final EIR also adopted Mitigation Measures AG-2 stating “Agricultural buffer easements, berms, and/vegetative screening shall provide a minimum of 50 feet between active agricultural land uses outside of the Project site along the northwestern and southwestern boundaries between proposed development areas 3 and 5 and adjacent properties. These buffers between the proposed uses and surrounding

properties would reduce and/ or avoid noise, dust, light impacts, odors, chemical use, and pesticide drift to new resort residential and hotel uses on the Project site.”.

Transportation: The EIR has identified added traffic to the U.S. 101/Main Street Interchange, where LOS currently exceeds the County LOS D target. The City identified this impact as a Class I significant and unavoidable impact. However, under Mitigation Measure T-1, the project applicant shall contribute an equitable share to the Templeton Road Improvements Fee Program to assist with offsetting the impact. Plan requirements and timing consist of proof of payment to the County of San Luis Obispo of the fair share contribution for required improvements shall be submitted prior to final of the first building permit for the Project. The City shall ensure compliance prior to final of the first building permit according to the Final EIR.

A second Class I significant and unavoidable impact would occur along U.S. 101 mainline segments and intersection operations that would exceed the Caltrans LOS C target. To reduce impacts, Mitigation Measure T-5 will require the project applicant to fund improvements to transportation facilities as described in the Development Agreement. The Project will secure the right-of-way necessary to facilitate the construction of the South Vine Street realignment and will also contribute to a portion of the cost of the South Vine Street realignment. Additionally, South Vine Street improvement contributions by the Project applicant, as required by Mitigation Measure T-5, would not fund U.S. 101 improvements or alternative transportation measures where impacts are identified on U.S. 101 mainline because funding programs are not available for those measures. Any funds required of the applicant beyond those credited for securing the South Vine Street right-of-way and contribution to improvements shall be submitted, as agreed upon in the Development Agreement, prior to final of the first building permit.

As previously mentioned, after the project’s contributions of mitigation, the LOS will continue to operate below acceptable standards. This is acknowledged by the City with the adoption of overriding consideration (i.e. the benefits outweigh the impacts). Level of Service would meet the standards and become acceptable once the second, third, and fourth phases are funded and completed. In addition to potential City funds, which include the Transportation Impact and General Fund, the City will be pursuing regional and state funding for the Project. The timing and funding of these improvements cannot be determined by the City at this time, and the Project impact was determined to be Class I, significant and unavoidable. LAFCO would be required to prepare and adopt its own set of findings and overriding considerations based on these impacts (i.e. do the benefits outweigh the impacts).

LAFCO POLICIES AND FACTORS

In 2013, LAFCO updated the Sphere of Influence (SOI) to the City of Paso Robles. The Municipal Services Review summarizes the service capability of the City. Overall, the City was conditioned to upgrade their wastewater treatment plan, which was completed. The City is required to document an adequate, reliable, and sustainable water supply. Identify any agricultural and open space lands being protected and a recorded conservation easement for the areas considering annexation and SOI amendment. A

number of LAFCO Policies (#2.1.7, #2.1.15, #2.3.4, & #2.3.6) call for directing growth towards urban existing areas that have the capability of providing services. Other important LAFCO Policies include (#2.1.8, #2.9) regarding agricultural preservation of prime farmland. Policy #2.1.16 regarding adequate, reliable and sustainable water supply among others will assist in making decisions. LAFCO policies can be found in Attachment B.

KEY FACTORS: Cortese-Knox-Hertzberg Act

Government Code Section 56668 identifies a number of factors that are to be considered by LAFCO in reviewing a proposal. As with all change of organizations (annexations, detachments, formations, dissolutions, etc.), these factors will be addressed in an attachment to the staff report. Each factor will be listed and a staff response provided for LAFCO's consideration. The factors are intended to provide the Commission with information about certain topics that are often relevant to annexations.

The factors include information on:

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

Several key factors have been identified above that would be considered along with the impacts this proposed project may have on the environment. These factors would be analyzed in light of the record as the annexation process is undertaken.

SUMMARY

The information provided at this Study Session has been summarized from the documentation submitted by the City for this project and other public documents. The SLO LAFCO website has additional information about the project proposal: <http://www.slolafco.com/current-projects-notice.html>.

Attachment A

FEIR Project Summary

2 Project Description

2.1 Summary

The proposed 170-acre Paso Robles Gateway Project (Annexation Permit No. ANX 16-001 and Planned Development Permit No. PD 17-0090) involves development of the following components or “areas”: (1) a Vine Street Vineyard Hotel; (2) a Village Commercial Center, including workforce residential units; (3) a Hillside Premium Destination Resort Hotel; (4) a Promontory Commercial Center; (5a) Highway 46 Resort or (5b) 80 Multi-Family Residences; (6) a Vine Street Commercial Center; and (7) +/- 98 acres of agriculture and open space uses. For the purposes of this EIR, it is assumed that area 5 will be developed with option 5b, with 80 multi-family resort residential units with a resort overlay. The Project includes a request for a Sphere of Influence (SOI) amendment and an annexation from the County of San Luis Obispo into the City of Paso Robles, a Pre-Zoning application, a General Plan amendment, approval of a Master Development Plan, a Lot Line Adjustment (PR/COAL 18-0098), a Vesting Tentative Tract Map (TTM 3120), and approval of a Development Agreement.

2.2 Project Applicant

Quorum Realty Fund IV
P.O. Box 862
Ross, California 94957

2.3 Lead Agency Contact Person

Darren Nash, City Planner
City of Paso Robles, Community Development Department
1000 Spring Street
Paso Robles, California 93446
(805) 237-3970

2.4 Project Location

The Project site is currently located in the unincorporated area of the County of San Luis Obispo (County) and consists of approximately 170 acres adjacent to the southwest edge of the Paso Robles city limits. The Project area is generally located to the northwest of the interchange of United States Highway 101 (U.S. 101) and State Route 46 (SR 46) West. South Vine Street borders the site to the east. Figure 2-1 shows the regional location of the Project site in southern Paso Robles. Figure 2-2 shows the Project site boundary.

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Community Development Dept.

Attachment B

LAFCO Policies

LAFCO Policies

2.1 LAFCO General Policies

1. *The Commission shall endeavor to balance the need to efficiently provide public services with the sometimes-competing interests of discouraging urban sprawl, preserving prime agriculture land and open space (CKH Act 56001 and 56301).*
4. *Jurisdictions are encouraged to create places to live that integrate various land uses as a way of providing for a diverse social and economic community.*
5. *Cities and special districts are encouraged to annex unincorporated islands as well as land that is mostly surrounded by a jurisdiction. (CKH 56001, 56375.3).*
7. *The Commission prefers urban development within Cities and the Urban Reserve Line of unincorporated communities as opposed to development in the unincorporated area (CKH 56001).*
8. *The Commission will recognize and preserve clearly defined, long-term agricultural and open space areas established by the County or other jurisdictions to preserve critical environmental areas and to bolster local economies (CKH 56001). This may be accomplished using agricultural easements, open space easements, conservation easements, or other mechanisms, that preserve agricultural or open space lands in perpetuity.*
14. *In any proposal, the impacts on affordable housing must be considered. The Commission will consider the impact of the creation of new jobs on affordable housing stock, not only in the jurisdiction to which the annexation is proposed, but also in neighboring jurisdictions. The agency to which the annexation is proposed should demonstrate to the Commission that the effects of the proposed project on affordable housing have been mitigated (CKH 56001).*

The Commission recognizes that providing a range of housing opportunities for persons and families of all incomes is an important factor in promoting orderly development.

15. *Prior to annexation of territory within an agency's Sphere of Influence, the Commission encourages development on vacant or underutilized parcels already within the boundaries of a jurisdiction. The agency should provide LAFCO with a build-out estimate or inventory and document how it was prepared.*
16. *In any proposal requiring water service, the Commission requires that the agency to which the annexation is proposed should demonstrate the availability of an adequate, reliable and sustainable supply of water. In cases where a phased development is proposed, the agency should demonstrate that adequate service capacity will be provided as needed for each phase. In cases where a proposed annexation will be served by an onsite water source, the proponent should demonstrate its adequacy (CKH 56668 (k)).*

LAFCO Policies

2.3 Policies for City Annexations

1. *The boundaries of a proposed annexation must be definite and certain and must conform to lines of assessment whenever possible.*
2. *The boundaries of an area to be annexed will not result in any areas difficult to serve.*
3. *There is a demonstrated need for governmental services and controls in the area proposed for annexation.*
4. *The municipality has the resources capable of meeting the need for services in the area proposed for annexation and has submitted studies and information documenting its ability to serve.*
5. *There is a mutual social and economic community of interest between the residents of the municipality and the proposed territory.*
6. *The proposed annexation is compatible with the municipality's general plan. The proposed annexation represents a logical and reasonable expansion of the annexing municipality.*
7. *The Commission shall determine if a disadvantaged unincorporated community is associated with an application. If a disadvantaged unincorporated community does exist, the procedures for processing the annexation as outlined in the CKH Act shall be implemented.*
8. *That the City Prezone the area to be annexed and complete CEQA as the Lead Agency for the proposal and/or project. LAFCO should in most instances act as the Responsible Agency with regard to an annexation and CEQA*

2.9 Agricultural Policies

7. *In considering the completeness and appropriateness of any proposal, the Executive Officer and this Commission may require proponents and other interested parties to provide such information and analysis as, in their judgment, will assist in an informed and reasoned evaluation of the proposal in accordance with these policies.*
10. *The Commission will consider feasible mitigation (found in the following guidelines) if a proposal would result in the loss of agricultural land.*
12. *The Commission may approve annexations of prime agricultural land only if mitigation that equates to a substitution ratio of at least 1:1 for the prime land to be converted from agricultural use is agreed to by the applicant (landowner), the jurisdiction with land use authority. The 1:1 substitution ratio may be met by implementing various measures:*

LAFCO Policies

- a. *Acquisition and dedication of farmland, development rights, and/or agricultural conservation easements to permanently protect farmlands within the annexation area or lands with similar characteristics within the County Planning Area.*
- b. *Payment of in-lieu fees to an established, qualified, mitigation/conservation program or organization sufficient to fully fund the acquisition and dedication activities stated above in 12a.*
- c. *Other measures agreed to by the applicant and the land use jurisdiction that meet the intent of replacing prime agricultural land at a 1:1 ratio.*



LAFCO - San Luis Obispo - Local Agency Formation Commission

SLO LAFCO - Serving the Area of San Luis Obispo County

TO: MEMBERS, FORMATION COMMISSION

FROM: MIKE PRATER, EXECUTIVE OFFICER

DATE: OCTOBER 15, 2020

SUBJECT: STATUS REPORT OF SUBMITTED PROPOSALS AND UPCOMING PROPOSAL ACTIVITIES

Recommendation. This item is informational only and does not require action by the Commission.

Summary. This status report is to bring the Commission up-to-date regarding the submitted proposals and upcoming proposal activity that involve staff time and resources.

Fiero East-West Annexation. This proposal considers the annexation of the West and East areas generally bounded by Tank Farm Road to the south, Orcutt Road to the east and north, and the Union Pacific Railroad (UPRR) to the west. The West Annexation area (Fiero Lane portion) was issued an Outside User Agreement in 2016 to address the failing Fiero Lane Mutual Water Company services of their water system and wastewater treatment plant, which currently also serves the East area. Based on the proximity and common services of the West and East annexation areas and the connection of these areas related to the Fiero Lane Water Company (FLWC) the City, FLWC, and LAFCO decided that both areas should be annexed at the same time. LAFCO is expected to hear the matter at our November meeting. If approved by LAFCO, land owners in the area would be notified about LAFCO's decision and when a Conducting Authority Hearing (Protest Hearing) would be held which would likely be in January 2021.

Jack Ranch Annexation. This proposal considers the annexation of County approved Jack Ranch SLO Agricultural Cluster Project consisting of 13 residential lots within the unincorporated portion of the County of San Luis Obispo, approximately 2.5 miles south of the City of San Luis Obispo. The residential lots would each be approximately one acre in size and would be clustered in the southern portion of the site. The remainder of the site would include approximately 163 acres of existing and proposed vineyards and approximately 122 acres of natural open space. The total annexation area would be 13.2 acres, including only the residential cluster lots (Tract 2429). LAFCO is expected to hear the matter at our November meeting. If approved by LAFCO, 100% of landowners have waived the need for a Protest Hearing.

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Legal Counsel

IMELDA MARQUEZ
Analyst

San Simeon Activation. This proposal was submitted on September 17, 2020, at the request of the San Simeon Community Services District (SSCSD) to activate its solid waste power, which currently resides with the County. By activating its solid waste authority the SSCSD would collect the franchise fees for the area within its boundary, and use the fees within the Community. The CSD has submitted this application and we expect to hear the matter at our November meeting. If the activation of solid waste power is approved by LAFCO, registered voters and landowners in the area would be notified about LAFCO's decision and when a Conducting Authority Hearing (Protest Hearing) would be held which would likely be in January 2021.

Gateway SOI Amendment/Annexation. This proposal is expected to be submitted on October 7, 2020, by the City of Paso Robles to annex 170 acres located in the vicinity of the northwest corner of Highway 101 and Highway 46 West and outside the City limits of Paso Robles. This proposal would seek the concurrent processing of an amendment to the City's sphere of influence and annexation.

The City Council adopted a Specific Plan and Environmental Impact Report before submitting an application to LAFCO. The project is primarily commercial/hotel development in the southeast portion of the site with some limited residential zoning. A Study Session has been placed on our October 15th meeting that would further discuss this application.

Froom Ranch Annexation. This proposal would annex 110 acres located immediately west of Los Osos Valley Road between U.S. Highway 101 and the Irish Hills Plaza outside the City limits of San Luis Obispo. The City Council adopted a Specific Plan and Environmental Impact Report on September 15, 2020. The Commission held a Study Session regarding this Life Plan Community on March 19, 2020, and gave an update on May 21, 2020. The area is within the City's sphere of influence. The project is primarily residential with some commercial development in the northeast portion of the site. The residential uses would consist of a Life Plan Community (LPC). LPC's provide a variety of different unit types for independent senior housing as well as access to higher levels of care such as assisted living, memory care, and skilled nursing. The northern portion of the site will be multiple-family zoning. Approximately 51% of the site would be open space. This site was a receiver site for agricultural conversion for the Madonna/Gap annexation, which would be reconfigured and preserved. This application is expected in the first quarter of next year.

Cayucos/Morro Bay Boundary Adjustments. The Cayucos Sanitary District, the City of Morro Bay, and the Chevron landowners would convey property ownership to facilitate the new WWTP operations for the District, offering the City public access to the beach areas along Highway 1 and amend their Sphere of Influence, and place a large portion into open space conservation. This proposal would call for an open space easement that would preserve a large area within the unincorporated area. The City's SOI would be adjusted on the north- east side of Highway 1. A small portion of land would be proposed to be detached from the City and annexed into the Sanitary District. A separate portion on the beach would also be considered for annexation to the City. The City is expected to consider this item in October. This application is expected in November of this year.

Oceano CSD Fire Service. The Oceano Community Services District has entered into a 3rd Amendment with the Joint Powers Authority (JPA) partners to fund fire service over the next three years, until 2023. The District is exploring a ballot measure for 2022 to maintain

fire services with the Five Cities Fire Authority and continue their partnership with the JPA. The District is anticipating submittal of a divestiture application to LAFCO in summer of 2021 to begin conversations with the County regarding what fire service might look like for their citizens.

CSA 23 Annexation. The County Service Area No. 23 includes the Santa Margarita area. This proposal would annex the County approved Santa Margarita Ranch Residential Agricultural Cluster subdivision of Tract 2586. Tract 2586, at the Santa Margarita Ranch, is an approved 3-phase agricultural cluster subdivision allowing for the development of 111 individual residential home sites on lots ranging in size between 1.0 and 2.0 acres each. While the overall tract covers approximately 3,770 ac, only 150 acres (+/-) will be developed with residential uses, the majority of the site will continue to be utilized for agricultural and recreational /visitor serving uses. This annexation would allow for the combining of the water distribution systems creating a more efficient joint system with CSA 23, Santa Margarita Ranch Mutual Water, and Atascadero Mutual Water. The proposed CSA 23 annexation is intended to provide service only to the 111 developed home sites. This application is expected before the end of the year or beginning of next year.

CSA 16 Detachment. The County Service Area No. 16 includes the Shandon area. This proposal would detach a 8.31 acre parcel from CSA 16. In 2005 LAFCO approved a Sphere of Influence Amendment (85 acres) and Annexation of this property (8.31 acres). At that time the landowner requested this action to allow water service to a County approved Chevron Gas Station. The County approved the Commercial Service project which consists of a 3,737 square foot convenience store and gas station. The Gas Station was never built. The Sphere of Influence revision and annexation enabled the proponents to receive water service from CSA 16 to meet water needs associated with the retail business and fire suppression requirements using a community water system rather than constructing a large storage tank on the site. The addition of the 85-acre area to the SOI is consistent with the County's General Plan Urban Reserve/Services boundary.

The landowner would be seeking detachment so he will no longer be billed for water service that is not needed. The main water line was completed along with a meter. The water system on occasion needs to be maintained and pipelines flushed for water quality purposes. Do to the design of the infrastructure this flushing result in charges to the property owner for unused or poor quality water. The detachment would resolve the property owners concerns. This application is expected before the end of the year.

LIST OF OTHER PROPOSALS

Dana Reserve Annexation. This proposal would annex 288 acres located within the Sphere of Influence and immediately north of the Urban Reserve Line of Nipomo Community Services District (NCSD). The property is bounded by Willow Road and Cherokee Place to the north, existing residential ranchettes to the south and west, and U.S. Highway 101 to the east. The landowners have filed a subdivision application with the County for a 42-lot multi-use subdivision and corresponding Specific Plan for approximately 1,270 single and multi-family homes including residential, commercial, and recreation/open space, among others. This future application would likely take a year or two before coming to LAFCO. An introductory Study Session is tentatively scheduled for the first part of next year.

Cayucos Sanitary Annexation. The Cayucos Sanitary District purchased property to facilitate their new Water Reclamation Facility (WRF). The District is completing construction of a water reclamation facility (the Cayucos Sustainable Water Project) on several hundred acres of property it acquired off of Toro Creek Road just north of Morro Bay. The District is interested in annexing this property into the District boundary. This application would be expected sometime in the first part of the year new.

Single Parcel Annexations into NCS D. A small number of individual landowners independently have inquired about annexing into the NCS D for water and sewer services. These are small single lot properties wishing to annex and have been working with the District on determining if annexation is appropriate.

Afuera De Chorro Water Company SOI and Annexation Inquiry. Individual property owners have inquired about annexing into the City of San Luis Obispo. This area is served using groundwater by a Mutual Water Company with 19 water connections serving approximately 75 people. The area is located near Tiburon Way, Sequoia Way and Orcutt Road adjacent to the City. Staff has checked with County Environmental Health Department regarding the water company status and operations. County health indicated Afuera de Chorro is one of the better run water systems. They have no quality issues, they've done an excellent job ensuring their supply is more than adequate by decommissioning older wells and drilling new wells, and they hire one of the better companies to operate the system. Afuera de Chorro does a good job with the financials and their reporting to County is always accurate and on-time. At this time, an amendment to the SOI and Annexation does not seem likely.

Shandon San Juan Water District Detachment. Additional property owners have inquired about detaching from the water district. One landowner has 1,200 acres, another owns 3,357 acres, and others are smaller acreages. LAFCO would typically consolidate applicants under one one action for detachment for a broader perspective, ease and reduced processing costs. There is no anticipated application date at this time.



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IMELDA MARQUEZ
Analyst

TO: MEMBERS, FORMATION COMMISSION

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

DATE: OCTOBER 15, 2020

**SUBJECT: STATUS REPORT- NORTH COUNTY CSD AGENCIES
SPHERE OF INFLUENCE UPDATE/MUNICIPAL SERVICE
REVIEWS**

Recommendation. It is respectfully recommended that the Commission review this status report and provide comments to staff.

Summary. This status report is to provide the Commission and public with information regarding the Templeton CSD, San Miguel CSD and Heritage Ranch CSD Sphere of Influence and Municipal Service Review Update. LAFCO is required by the Cortese-Knox-Hertzberg Act to update the Sphere of Influence for a jurisdiction every five years or as needed. The North County CSD SOI Update is consistent with LAFCO's work plan adopted by the Commission. LAFCO Staff is working towards an Administrative Draft of the MSR that the respective CSD staffs will review and comment on. The Administrative Draft is expected to complete by the end of the year.

The MSR along with the analysis and determinations called for by the Government Code will be used to form the Sphere of Influence Update. The Sphere of Influence update will identify any changes that might be appropriate to make to the Sphere of Influence. LAFCO staff has been working with the Districts with the goal of producing a Public Review Draft of the Sphere of Influence Update and Municipal Service Review for release in first part of the New Year.

Process. The process calls for status reports and public hearings and provides for a number of points that the public may comment and provide testimony as the Sphere of Influence update process unfolds. The process for bringing the SOI update and Municipal Service Review to the Commission includes the following steps:

Action Items	Dates
Compile and Gather Information	July - Sept 2020
Prepare documentation: SOI Update-MSR-CEQA	Nov - Dec 2020
Release for Public Review and Comment. 30-day comment period	Feb 2021
Facilitate-City/County Memorandum of Agreement Revise, if needed	N/A
Respond to Comments	March 2021
Public Hearing regarding the Service Review/Sphere of Influence Update	April 2021

Municipal Service Review. A Draft MSR is in the process of being completed and will evaluate the capability of the Districts to serve existing residents and future development in the Sphere of Influence. The Service Review Factors required by the Cortese-Knox-Hertzberg Act are shown on the right.

Sphere of Influence. The North County CSD Spheres of Influence was last updated in 2013. Under this update no additional study areas are being considered. The SOI/MSR is expected to remain unchanged for all three communities Templeton, San Miguel and Heritage Ranch CSD's.

- | |
|--|
| <p><u>SERVICE REVIEW FACTORS</u></p> <ol style="list-style-type: none"> 1. Growth and Population 2. Disadvantaged Unincorporated Communities 3. Present - Planned Capacity of Public Facilities 4. Financial Services 5. Shared Facilities 6. Accountability 7. Other Matters |
|--|