



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/97551085191?pwd=VnBiTGFCZ1REWjdzNzBvOGhBMlp5Zz09>

Webinar ID: **975 5108 5191**

Password: **944896**

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 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

January 21, 2021, 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

Vacant, 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, Interim 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/97551085191?pwd=VnBiTGFCZ1REWjdzNzBvOGhBMlp5Zz09>

Webinar ID: **975 5108 5191** Password: **944896**

Call in number: **1 669 900 6833** Public Comments: On the agenda cover

MEETING AGENDA

Call to Order/Roll Call

Selection of the 2021 Chair and Vice-Chair

Presentation of a Certificate of Appreciation to Former Chair Tom Murray & Commissioner Roberta Fonzi

Presentation of a Certificate of Appreciation to Mike Prater for 10 years of service

Approval of the Minutes: November 19, 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:** Biennial Update of LAFCO’s Conflict of Interest Code (Recommend Review and Approval)
- A-2:** Second Quarter Fiscal Year 2020-2021 LAFCO Budget Status Report (Recommend Review and Direct Executive to submit to the County Auditor)
- A-3:** 2020 Annual Report and 2021 Proposed Work Plan-Meeting Schedule (Recommend Review and Approval)
- A-4:** Process to appoint a Regular and Alternate Public Member LAFCO Commissioner to the Commission (Recommend Review and Approval)
- A-5:** Consideration of the Recruitment Process and Job Description for the position of LAFCO Executive Officer (Recommend Review and Approval)

Closed Session

- B-1:** Closed session pursuant to Government Code Section 54957
Public Employee/Employee Appointment – Title: Executive Officer
Pursuant to Government Code Section 54957.6 Conference with Labor Negotiators

Agency designated representatives: (Legal Counsel and Interim Executive Officer)
Unrepresented employee: 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		
4-R-20	Anx #29 to NCSD (Torres)	Info hold sent 11-20-20.
3-R-20	Anx #90 to Paso Robles (Gateway)	Info hold sent 11-6-20.
2-R-20	Jack Ranch (Tract 2429) Anx#11 to CSA 18	Certificate of Completion filed.
1-R-20	Anx #81 to SLO (Fiero East – West)	Protest Process to be completed.
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	Protest Process to be completed.
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
NOVEMBER 19, 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, November 19, 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 Website Homepage.

Roll Call

Present: Chairperson Tom Murray, Vice-Chair Robert Enns, Commissioners Debbie Arnold, Lynn Compton, Marshall Ochylski, Ed Waage, and Alternate Commissioners Ed Eby and Heather Jensen.

Absent: Commissioner Roberta Fonzi, Alternate Commissioners Steve Gregory and John Peschong.

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

Approval of Minutes

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

Ms. Marquez reported that no public comments were received.

Chairperson Murray asked for any Commissioner comments or motion to approve the October 15, 2020, and the October 23, 2020, Special Meeting Minutes.

Commissioner Waage motioned to approve the minutes.

Commissioner Enns seconded the motion.

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

NAYS: None

ABSTAINING: None

The motion passed with a unanimous roll call vote.

Non-Agenda Public Comments

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

Ms. Marquez reported that there were no submitted written comments and one live public comment request and proceeded to allow the public member to speak for three minutes.

Hank Krzciuk, San Simeon Community Service District (CSD) resident, proceeded to share his viewpoint on how operations should be handled in San Simeon CSD.

Ms. Marquez reported that there were no additional non-agenda public comment requests.

Consent Agenda

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

Mr. Prater presented the item.

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

Ms. Marquez reported that no public comments were received.

Chairperson Murray opened the item for Commissioner comments.

Commissioner Enns asked for clarification on what LAFCO's permeant coverage would be and an explanation for the annuitant employer contribution.

Mr. Pierik and **Mr. Prater** responded to Commissioner Enns questions. Mr. Pierik indicated he would do research and follow up on the annuitant question.

Commissioner Ochylski motioned to approve staff recommendation.

Commissioner Waage seconded the motion.

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

NAYS: None

ABSTAINING: None

The motion passed with a unanimous roll call vote.

Regular Matters

B-1: Activation of Solid Waste Power for the San Simeon Community Services District LAFCO File No. 1-E-20 (Recommend Conditional Approval)

Mr. Prater presented the item.

Chairperson Murray opened the item for Commissioner comments or questions.

Commissioner Enns asked for additional background information that may change Commissioners stance in this proposal.

Mr. Prater addressed **Commissioner Enns** question and its relation to the public comment that was received earlier in the meeting.

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

Ms. Marquez reported that there was no submitted written comments and two live public comment requests.

Pam Ricci, Planner representing San Simeon CSD, expressed support for the project including the projects terms and conditions.

Commissioner Enns followed up with a question to clarify whether there is a conflict of interest between San Simeon CSD Staff and the project proposal to activate solid waste power.

Chairperson Murray asked if there is a procedure in place for larger operations that can help the CSD have leverage in time of negotiation.

Cortney Murguia, San Simeon CSD Staff Member, clarified that there is no conflict of interest in regards to activating solid waste power, followed by addressing **Chairperson Murray's** question.

Chairperson Murray asked if there were any other members of the public wishing to speak.

Hank Krzciuk, San Simeon CSD resident, added to the previous discussion on a possible conflict of interest.

Gwen Kellas, San Simeon CSD resident, concluded public comment by expressing to the Commission that she and many of her neighbors are supportive of the way the district is managed.

Chairperson Murray asked for any Commissioner comments or motion.

Commissioner Ochylski expressed support for the proposal and continued to speak of his experience as a Los Osos CSD board member and their experience with having solid waste power.

Commissioner Ochylski made a motion to approve staff recommendation.

Commissioner Waage seconded the motion.

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

NAYS: None

ABSTAINING: None

The motion passed with a unanimous roll call vote.

B-2: Annexation #81 to the City of San Luis Obispo (Fiero East-West Areas) LAFCO File No. 1-R-20 (Recommend Conditional Approval)

Mr. Prater presented the item.

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

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

Ms. Marquez reported that there was no submitted written comments and three live comment requests.

Teresa McClish, City of San Luis Obispo Community Development Department, reiterated **Mr. Prater's** presentation and supported staff recommendation.

Rob Miller, Manager of Fiero Lane Water Company, introduced himself and expressed his gratitude for the work that has been put towards this project ending with making himself available for questions.

Carol Florence, Planner representing the East side of the annexation, summarized some of the project background and supported the annexation.

Chairperson Murray asked for any Commissioner's comments or questions.

Commissioner Enns asked **Mrs. McClish** to elaborate on additional resources that may be needed for the vacant lots.

Chairperson Murray had questions about the property tax agreement.

Teresa McClish and **Michael Cordon** answered Commissioner questions.

Commissioner Arnold made a motion to approve the environmental documents.

Commissioner Enns seconded the motion.

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

NAYS: None

ABSTAINING: None

Commissioner Enns made a motion to approve staff recommendation on the annexation proposal.

Commissioner Waage seconded the motion.

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

NAYS: None

ABSTAINING: None

Both motions were passed with a unanimous roll call vote.

B-3: Annexation #11 to County Service Area No. 18 Country Club (Jack Ranch - Tract 2429)
LAFCO File No. 2-R-20 (Recommend Conditional Approval)

Mr. Prater announced his conflict of interest with the project and stepped out of the meeting, leaving the item to **Ms. Marquez**.

Ms. Marquez presented the item.

Chairperson Murray asked for any Commissioner's comments or questions.

Commissioner Enns asked for clarification on the area being annexed into the County Service Area 18 and the services that it would provide.

Chairperson Murray asked about LAFCO's involvement in an annexation from the county to a county service area.

Mr. Pierik and **Ms. Marquez** answered the questions that were presented.

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

Ms. Marquez reported that there were no submitted written comments and there was one live public comment request.

Rob Miller, Applicants Civil Engineer, spoke to express his support for the project and conditions as written.

Chairperson Murray asked for any additional comments from the Commission or a motion to approve.

Commissioner Arnold motioned to approve the environmental exemption.

Commissioner Compton seconded the motion.

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

NAYS: None

ABSTAINING: None

Commissioner Arnold motioned to approve part two of staff recommendation.

Commissioner Compton seconded the motion.

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

NAYS: None

ABSTAINING: None

The motion passed with a unanimous roll call vote.

B-4: Agreement for Temporary Employment between the San Luis Obispo Local Agency Formation Commission and David Church for Interim Executive Officer services (Recommend Review and Approval)

Mr. Pierik presented the item.

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

Chairperson Murray asked **Mr. Church** if he would like to say anything.

Mr. Church congratulated **Mr. Prater** and thanked the Commission for the opportunity.

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

Ms. Marquez reported that no public comments were received.

Commissioner Ochylski motioned to approve the item.

Commissioner Arnold seconded the motion.

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

NAYS: None

ABSTAINING: None

The motion passed with a unanimous roll call vote.

Informational Matters

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

Mr. Prater presented the item.

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

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

Ms. Marquez reported that no public comments were received.

Chairperson Murray directed to receive and file the information presented.

Commissioner Comments:

Commissioners thanked **Mr. Prater** and **Commissioner Roberta Fonzi** for their many years of service and continued by welcoming **Mr. Church**.

Commissioners discussed having a presentation item at the next meeting to recognize **Roberta Fonzi** and **Mike Prater**.

Legal Counsel Comments:

None

Executive Officer Comments:

Mr. Prater announced that this was his last meeting and thanked everyone for the well wishes.

Adjournment: With no further business before the Commission, the meeting adjourned at 10:41 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



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

Vacant
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
Interim Executive Officer

BRIAN A. PIERIK
Legal Counsel

IMELDA MARQUEZ
Analyst

TO: MEMBERS, FORMATION COMMISSION

FROM: BRIAN PIERIK, LEGAL COUNSEL

DATE: JANUARY 21, 2021

SUBJECT: BIENNIAL UPDATE OF LAFCO'S CONFLICT OF INTEREST CODE

RECOMMENDATION. It is respectfully recommended that the Commission adopt the resolution and amended conflict of interest code attached as Attachment A.

DISCUSSION. The Local Agency Formation Commission (LAFCO) is required to maintain a conflict-of-interest code and certain designated positions in LAFCO are required to File Form 700 Appendix B statements with the County Clerk of the Board.

The Fair Political Practices Commission (FPPC) regulation 18730 sets forth the minimum requirements for conflict-of-interest codes subject to FPPC requirements. The advantage of amending LAFCO's code to incorporate the FPPC regulation is that the information required to be in the main body of the conflict of interest code is complex, FPPC Regulation 18730 includes all of the requirements, and the requirements are occasionally amended by the FPPC. As a result, the proposed amended conflict-of-interest code will be continually updated automatically to be consistent with state law, and should not require further attention by your Commission. Attachment B contains LAFCO's proposed revised conflict-of-interest code which was presented to the Commission on September 17, 2020.

After the Commission took action on September 17, 2020, to approve the proposed amendments to the Conflict-of-Interest Code for submission to the County for approval, County Counsel provided comments on the proposed amendments and has recommended changes to the proposed amendments that have been incorporated into the Resolution and Appendix A and B which are collectively included in Attachment A to this Staff Report. These changes have been primarily organizational except for changes to the text regarding Financial Disclosures. In addition, the position of Deputy Executive Officer has been included in Appendix B even though that position is currently vacant.

OTHER AGENCY INVOLVEMENT. LAFCO Counsel consulted with the County Clerk of the Board and the County Counsel in preparing the proposed resolution and amended conflict of interest code.

<u>Attachments</u>
A: Resolution adopting Updated Conflict of Interest Code including Appendix
B: Existing LAFCO Conflict of Interest Code

Attachment A

Resolution adopting Updated Conflict of Interest Code including Appendix

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

Thursday, January 21, 2021

PRESENT:

ABSENT:

RESOLUTION NO. 2020-XX

RESOLUTION APPROVING THE BIENNIAL UPDATE OF CONFLICT OF INTEREST CODE

WHEREAS, Government Code section 87300 requires each local public agency to adopt and promulgate a conflict of interest code pursuant to the Political Reform Act (Gov. Code, § 81000 et seq.); and

WHEREAS, the board of supervisors is designated as the “code reviewing body” for all local agencies, except cities, whose boundaries are located wholly within the county; and

WHEREAS, pursuant Government Code section 87306.5, the Clerk of the Board of Supervisors of the County of San Luis Obispo, as the local code administrator, directed those local agencies that have adopted a conflict of interest code to review their codes to determine whether any changes to their codes are necessary due to changed circumstances; and

WHEREAS, Government Code section 87306 requires local agencies to submit to the code reviewing body a biennial report identifying changes in its code that are necessitated by changed circumstances, such as the addition of new positions, or the deletion of positions that have become obsolete; and

WHEREAS, minor changes need to be made to LAFCO’s Conflict of Interest Code; and

WHEREAS, the Commission has duly considered the proposed amendments to the Conflict of Interest Code;

NOW THEREFORE, BE IT RESOLVED AND ORDERED by the Local Agency Formation Commission that:

1. The Amended Conflict of Interest Code attached hereto as Exhibit 1 supersedes the Conflict of Interest Code last amended in 2019.
2. The list of designated LAFCO positions and applicable disclosure categories attached as Appendix A & B is hereby adopted as the appendix of designated positions and disclosure categories to accompany section 18730.

3. Designated employees and officers shall file statements of economic interest (FPPC Form 700) with the Clerk of the Board of Supervisors who will make the statements available for public inspection and copying.
4. This conflict of interest code shall not take effect until the San Luis Obispo County Board of Supervisors approves it in its capacity as code reviewing body under the Political Reform Act. The Commission Clerk is hereby authorized and directed to submit a certified copy of this resolution with appendices to the Board of Supervisors and request approval of the Conflict of Interest Code.
5. After approval by the San Luis Obispo County Board of Supervisors, the attached Exhibit 1 together with Appendices A & B shall constitute the Conflict of Interest Code of the San Luis Obispo Local Agency Formation Commission.

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

AYES:

NAYS:

ABSTAINING:

The foregoing resolution is hereby adopted.

Chair	Date
Local Agency Formation Commission	

ATTEST:

David Church	Date
LAFCO Interim Executive Officer	

APPROVED AS TO FORM AND LEGAL EFFECT:

Brian Pierik	Date
LAFCO Legal Counsel	

EXHIBIT 1
SAN LUIS OBISPO
LOCAL AGENCY FORMATION COMMISSION
CONFLICT OF INTEREST CODE AND FINANCIAL DISCLOSURE REQUIREMENTS

A. Incorporation by Reference of FPPC Model Code

The Political Reform Act, codified at Government Code §81000 et. seq., requires each state and local government agency to adopt and promulgate a conflict of interest code. The Fair Political Practices Commission (FPPC) has adopted a regulation, 2 California Code of Regulations §18730, which contains the terms of a standard conflict of interest code. ("Model Code".) This Model Code may be adopted by local agencies and incorporated by reference as the agency's conflict of interest code, together with appendices setting forth the designated positions and relevant disclosure categories applicable to each position. The Model Code may be amended from time to time by the FPPC after public notice and hearings to conform to amendments in the Political Reform Act.

The terms of 2 California Code of Regulations §18730 and any amendments to it, duly adopted by the FPPC, are hereby incorporated by reference.

Pursuant to section 2 of the Model Code, Appendix B attached hereto sets forth LAFCO's Designated Position List. Those persons holding positions listed in Appendix B must file statements of economic interest (Form 700) with the Executive Officer of the Commission setting forth financial interests in the disclosure categories identified therein and more fully defined in Appendix A, attached hereto.

B. Disqualification and Disclosure

The provisions of Article 2.5 of Chapter 4 of Title 9 of the Government Code are applicable to LAFCO. LAFCO officers must not accept, solicit, or direct a contribution of more than two hundred fifty dollars (\$250) from any party, or his or her agent, or from any participant, or his or her agent, while a proceeding involving a license, permit, or other entitlement for use is pending before LAFCO and for three months following the date a final decision is rendered in the proceeding if the officer knows or has reason to know that the participant has a financial interest, as that term is used in Government Code section 87100 (of the Political Reform Act). This prohibition applies regardless of whether the officer accepts, solicits, or directs the contribution for himself or herself, or

on behalf of any other officer, or on behalf of any candidate for office or on behalf of any committee. (Gov. Code, § 84308, subd. (b).)

Prior to rendering any decision in a proceeding involving a license, permit or other entitlement for use pending before the Commission, each commissioner or alternate commissioner, as the case may be, who received a contribution within the preceding 12 months in an amount of more than two hundred fifty dollars (\$250) from a party or from any participant to a LAFCO proceeding shall disclose that fact on the record of the proceeding.

LAFCO members are disqualified and are not able to participate in any proceeding involving an "entitlement for use" (within the meaning of § 84308, subd. (a)(5)) if, within the 12 months preceding the LAFCO decision, the Commissioner received \$250 or more in campaign contributions from the applicant, an agent of the applicant or any financially interested person who actively supports or opposes the LAFCO decision on the matter.¹

¹This requirement is based on Government Code section 87100, which provides: Prior to rendering any decision in a proceeding involving a license, permit or other entitlement for use pending before an agency, each officer of the agency who received a contribution within the preceding 12 months in an amount of more than two hundred fifty dollars (\$250) from a party or from any participant shall disclose that fact on the record of the proceeding. No officer of an agency shall make, participate in making, or in any way attempt to use his or her official position to influence the decision in a proceeding involving a license, permit, or other entitlement for use pending before the agency if the officer has willfully or knowingly received a contribution in an amount of more than two hundred fifty dollars (\$250) within the preceding 12 months from a party or his or her agent, or from any participant, or his or her agent if the officer knows or has reason to know that the participant has a financial interest in the decision, as that term is described with respect to public officials in Article 1 (commencing with Section 87100) of Chapter 7.

APPENDIX A

Disclosure Categories

- 1) All sources of income, including gifts;
- 2) Interests in real property located in whole or in part within, or not more than one-half mile outside, the boundaries of San Luis Obispo County (does not include the principal place of residence); and
- 3) Investments and business positions in business entities located in or doing business in San Luis Obispo County and engaged in:
 - a. The acquisition, sale, lease, or development of real property;
 - b. Providing of insurance brokerage or consulting services; or
 - c. Providing services of the type which have, in the past two years or which with reasonable foreseeability, may be used in the next one-year period by the filer's division within the office.

Appendix B

Designations Position List

<u>Designated Position</u>	<u>Disclosure Category Numbers</u>
LAFCO Executive Officer	1, 2, 3
LAFCO Deputy Executive Officer	1, 2, 3
LAFCO Legal Counsel	1, 2, 3
LAFCO Commission Clerk	1, 3a, 3c
LAFCO Commissioners & Alternate Commissioners ⁱ	1, 2, 3
LAFCO Analyst	1, 2, 3a, 3c
Consultants ⁱⁱ	1, 2, 3

ⁱ Board of Supervisors who are designated as governing board members of LAFCO report pursuant to Government Code section 87200. Alternate Commissioners for the Board of Supervisors members on the LAFCO governing board report pursuant to this code.

ⁱⁱ The disclosure by consultants is subject to the following limitation: The LAFCO Executive Officer may determine in writing that a particular consultant, including a consultant filling a position designated above is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements, if any. The Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

Attachment B

Existing LAFCO Conflict of Interest Code

Attachment B

2020 Local Agency Biennial Notice

Name of Agency: _____

Mailing Address: _____

Contact Person: _____ Phone No. _____

Email: _____ Alternate Email: _____

Accurate disclosure is essential to monitor whether officials have conflicts of interest and to help ensure public trust in government. The biennial review examines current programs to ensure that the agency's code includes disclosure by those agency officials who make or participate in making governmental decisions.

This agency has reviewed its conflict of interest code and has determined that (*check one BOX*):

An amendment is required. The following amendments are necessary:

(*Check all that apply.*)

- Include new positions
- Revise disclosure categories
- Revise the titles of existing positions
- Delete titles of positions that have been abolished and/or positions that no longer make or participate in making governmental decisions
- Other (*describe*) _____

The code is currently under review by the code reviewing body.

No amendment is required. (If your code is over five years old, amendments may be necessary.)

Verification (to be completed if no amendment is required)

This agency's code accurately designates all positions that make or participate in the making of governmental decisions. The disclosure assigned to those positions accurately requires that all investments, business positions, interests in real property, and sources of income that may foreseeably be affected materially by the decisions made by those holding designated positions are reported. The code includes all other provisions required by Government Code Section 87302.

Signature of Chief Executive Officer

Date

All agencies must complete and return this notice regardless of how recently your code was approved or amended. Please return this notice no later than **October 1, 2020**, or by the date specified by your agency, if earlier, to:

**County Administrative Office
Wade Horton, Clerk of the Board
1055 Monterey St. Ste. D430
San Luis Obispo, CA 93408**

PLEASE DO NOT RETURN THIS FORM TO THE FPPC.



Attachment B

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

COMMISSIONERS

Chairperson
TOM MURRAY
Public Member

Vice-Chair
ROBERT ENNS
Special District Member

DEBBIE ARNOLD
County Member

MARSHALL OCHYLSKI
Special District Member

ROBERTA FONZI
City Member

LYNN COMPTON
County Member

ED WAAGE
City Member

ALTERNATES

ED EBY
Special District Member

STEVE GREGORY
City Member

HEATHER JENSEN
Public Member

JOHN PESCHONG
County Member

STAFF

MIKE PRATER
Executive Officer

BRIAN A. PIERIK
Legal Counsel

IMELDA MARQUEZ
Commission Clerk

TO: MEMBERS, FORMATION COMMISSION

FROM: BRIAN PIERIK, LEGAL COUNSEL

DATE: SEPTEMBER 17, 2020

SUBJECT: BIENNIAL UPDATE OF LAFCO'S CONFLICT OF INTEREST CODE

RECOMMENDATION. It is respectfully recommended that the Commission adopt the resolution and amended conflict of interest code attached as Attachment A.

DISCUSSION. The County Clerk of the Board has recommended that agencies required to adopt conflict of interest codes under the California Political Reform Act, Gov. Code §81000 et seq., should amend their existing codes Attachment B to incorporate by reference Fair Political Practices Commission (FPPC) Regulation Resolution adopting Updated Conflict of 18730. LAFCO is required to maintain a conflict Interest Code of interest code and certain designated positions in LAFCO are required to File Form 700 Appendix B statements with the County Clerk of the Board.

FPPC regulation 18730 sets forth the minimum requirements for conflict of interest codes subject to FPPC requirements and is attached in Attachment C.

The advantage of amending LAFCO's code to incorporate the FPPC regulation is that the information required to be in the main body of the conflict of interest code is complex, FPPC Regulation 18730 includes all of the requirements, and the requirements are occasionally amended by the FPPC. As a result, the proposed amended conflict of interest code will be continually updated automatically to be consistent with state law, and should not require further attention by your Commission. Attachment B contains LAFCO's existing conflict of interest code which was adopted in 2019.

OTHER AGENCY INVOLVEMENT. LAFCO Counsel consulted with the County Clerk of the Board and the County Counsel in preparing the proposed resolution and amended conflict of interest code.

Attachment A:
Resolution adopting Updated Conflict of Interest Code including Appendix A & B

Attachment B:
Existing LAFCO Conflict of Interest Code

Attachment C:
FPPC Code 18730

Attachment A

Resolution adopting Updated Conflict of Interest Code
including Appendix A & B

Attachment B

IN THE LOCAL AGENCY FORMATION COMMISSION

COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

Thursday, September 17, 2020

PRESENT:

ABSENT:

RESOLUTION NO. 2020-XX

RESOLUTION APPROVING THE BIENNIAL UPDATE OF CONFLICT OF INTEREST CODE

WHEREAS, Government Code section 87300 requires each local public agency to adopt and promulgate a conflict of interest code pursuant to the Political Reform Act; and

WHEREAS, Government Code section 87307 authorizes a local public agency to amend its conflict of interest code at any time; and

WHEREAS, minor changes need to be made to the Conflict of Interest Code; and

WHEREAS, the Commission duly considered the AMENDED Conflict of Interest Code: The Commission hereby adopts the Amended Conflict of Interest Code attached hereto, which supersedes the Conflict of Interest Code last amended in 2019.

1. The list of designated LAFCO positions and applicable disclosure categories attached as Appendix A & B is hereby adopted as the appendix of designated positions and disclosure categories to accompany section 18730.
2. The terms of California Code of Regulations, Title 2, section 18730, as set forth in the attached Appendix C, and any amendments to section 18730 duly adopted by the FPPC, are hereby adopted and incorporated by reference as the main body of LAFCO's conflict of interest code.
3. Designated employees and officers shall file statements of economic interest (FPPC Form 700) with the County Clerk-Recorder who will make the statements available for public inspection and copying.
4. This conflict of interest code shall not take effect until the San Luis Obispo County Board of Supervisors approves it in its capacity as code reviewing body under the Political Reform Act. The Commission Clerk is hereby authorized and directed to submit a certified copy of this resolution with appendices to the Board of Supervisors and request approval of the conflict of interest code.
5. After approval by the San Luis Obispo County Board of Supervisors, this resolution and Appendix A & B shall constitute the Conflict of Interest Code of the San Luis Obispo Local Agency Formation Commission.

Attachment B

Appendix A

SAN LUIS OBISPO LOCAL AGENCY FORMATION COMMISSION

CONFLICT OF INTEREST AND FINANCIAL DISCLOSURE

A. Conflict of Interest

The Political Reform Act, Government Code §81000 et. seq. requires each state and local government agency to adopt and promulgate a Conflict of Interest Code. The Fair Political Practices Commission (FPPC) has adopted a regulation, 2 California Code of Regulations §18730, which contains the terms of a standard Conflict of Interest Code. ("Standard Code".) This Standard Code can be incorporated by reference and may be amended by the FPPC after public notice and hearings to confirm to amendments in the Political Reform Act.

The terms of 2 California Code of Regulations §18730 and any amendments to it, duly adopted by the FPPC, are hereby incorporated by reference.

Pursuant to section 4 of the Standard Code, persons serving in Designated Positions must file statements of economic interest (Form 700) with the Executive Officer of the Commission.

The following Designated Positions must file statements of economic interest:

Commissioners and Alternate Commissioners
Executive Officer
Legal Counsel
LAFCO Analyst
Commission Clerk
Consultants*

* The disclosure by consultants is subject to the following limitation: The LAFCO Executive Officer may determine in writing that a particular consultant, including a consultant filling a Designated Position, is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

Subject to the definitions set forth in the Political Reform Act and applicable regulations, disclosures shall be made in the following Disclosure Categories:

- 1) All sources of income, including gifts;
- 2) Interests in real property located in whole or in part within, or not more than one-half mile outside, the boundaries of San Luis Obispo County; (Does not include the principal place of residence), and
- 3) Investments and business positions in business entities located in or doing business in San Luis Obispo County and engaged in:

Attachment B

Appendix A

- a. The acquisition, sale, lease, or development of real property;
- b. Provision of insurance brokerage or consulting services; or
- c. Providing services of the type which have, in the past two years or which with reasonable foreseeability, may be used in the next one-year period by the filers division within the office.

B. Financial Disclosure

Pursuant to Government Code §56700.1, expenditures for political purposes related to an application must be disclosed. All applicants, including individual property owners and other representatives who are a party to a proceeding, are required to submit a financial disclosure statement as part of any application package [§84308]. Disclosures must be made in the same manner as disclosures for local initiative measures presented to the electorate.

Any applicant or an agent of an applicant who has made business or campaign contributions totaling \$250 or more to any Commissioner (regular or alternate) in the past twelve months, must disclose that fact for the official record of the Commission §84308(d). The disclosure of any such contribution (including amount of contribution and name of recipient Commissioner/s) must be made: (1) in writing and delivered to the Executive Officer prior to the hearing on the matter; or (2) by oral declaration made at the time the hearing on the matter is opened.

LAFCO members are disqualified and are not able to participate in any proceeding involving an “entitlement for use” if, within the 12 months preceding the LAFCO decision, the Commissioner received \$250 or more in campaign contributions from the applicant, an agent of the applicant or any financially interested person who actively supports or opposes the LAFCO decision on the matter.

Attachment B

Appendix B

SAN LUIS OBISPO

LOCAL AGENCY FORMATION COMMISSION

Conflict of Interest Code

Designations Position List

<u>Designated Position</u>	<u>Disclosure Category Numbers</u>
LAFCO Executive Officer ⁴	1, 2, 3
LAFCO Legal Counsel	1, 2, 3
LAFCO Deputy Executive Officer	1, 2, 3
LAFCO <u>Commission</u> Clerk	1, 2 , <u>3a, 3c</u>
LAFCO Commissioners	1, 2, 3
<u>LAFCO Analyst</u>	<u>1, 2, 3a, 3c</u>
<u>Board of Supervisors' Member</u>	<u>See (1) below</u>
<u>Alternate Board of Supervisors' Member</u>	<u>See (2) below</u>
<u>City Member</u>	<u>1, 2, 3</u>
<u>Alternate City Member</u>	<u>1, 2, 3</u>
<u>Public Member</u>	<u>1, 2, 3</u>
<u>Alternate Public Member</u>	<u>1, 2, 3</u>
<u>Special District Member</u>	<u>1, 2, 3</u>
<u>Alternate Special District Member</u>	<u>1, 2, 3</u>
<u>Consultants</u>	<u>1, 2, 3</u>

⁴ ~~A District Director who is a Board of Supervisors Member reports under Conflict of Interest Code for the Board of Supervisors and is not required to file a separate statement under the District Code.~~

~~(1) Board of Supervisors members report under the Conflict of Interest Code for the Board of Supervisors~~

~~(2) Alternate Board of Supervisors members report under the Conflict of Interest Code for the Board of Supervisors~~

Attachment B

~~Local Agency Formation Commission Conflict of Interest Code~~

~~Exhibit B~~

~~Disclosure Categories~~

~~The disclosure categories that relate to the numbers above are:~~

- ~~1. Interest in real property located within, or not more than one-half mile outside, the County boundary (does not include the principal place of residence).~~
- ~~2. Investments in, and income from, any business entity doing business within the County.~~
- ~~3. Investments in, and income from, any business entity doing business within the County and engaged in:
 - ~~a. The acquisition, sale, lease, or development of real property.~~
 - ~~b. Provision of insurance brokerage or consulting services;~~~~

~~Or~~

- ~~c. Providing consulting services of the type which have, in the past two years, or which with reasonable foreseeability, may be used in the next one year period by the filer's division within the office.~~

-
- ~~4. Income of any business entity in which the filer or spouse owns a 10% interest or greater which is derived from client(s) or customer(s) who, within reasonable foreseeability, could be materially affected by the decisions made or participated in by the filer. Names of such client(s) or customer(s) must be reported under this category or the filer's pro rata share of fees from such client(s) or customer(s) was greater than \$10,000 for all types of businesses.~~

Attachment B

Attachment B

Existing LAFCO Conflict of Interest Code

Attachment B

APPENDIX B

SAN LUIS OBISPO LOCAL AGENCY FORMATION COMMISSION

CONFLICT OF INTEREST CODE

DESIGNATED POSITION LIST

<u>Designated Position</u>	<u>Disclosure Category Numbers</u>
LAFCO Executive Officer ¹	1,2,3
LAFCO Legal Counsel	1,2,3
LAFCO Deputy Executive Officer	1,2,3
LAFCO Clerk	1,2,3
LAFCO Commissioners	1,2,3

¹ A District Director who is a Board of Supervisors Member reports under Conflict of Interest Code for the Board of Supervisors and is not required to file a separate statement under the District Code.

Attachment B

Local Agency Formation Commission Conflict of Interest Code

Exhibit B

Disclosure Categories

The disclosure categories that relate to the numbers above are:

1. Interest in real property located within, or not more than one-half mile outside, the County boundary (does not include the principal place of residence).
2. Investments in, and income from, any business entity doing business within the County.
3. Investments in, and income from, any business entity doing business within the County and engaged in:
 - a. The acquisition, sale, lease, or development of real property.
 - b. Provision of insurance brokerage or consulting services;or
 - c. Providing consulting services of the type which have, in the past two years, or which with reasonable foreseeability, may be used in the next one year period by the filer's division within the office.
4. Income of any business entity in which the filer or spouse owns a 10% interest or greater which is derived from client(s) or customer(s) who, within reasonable foreseeability, could be materially affected by the decisions made or participated in by the filer. Names of such client(s) or customer(s) must be reported under this category or the filer's pro rata share of fees from such client(s) or customer(s) was greater than \$10,000 for all types of businesses.

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Attachment B

Attachment C

Fair Political Practices Commission Code 18730

Use the following link:

<http://www.fppc.ca.gov/content/dam/fppc/NS-Documents/LegalDiv/Regulations/Index/Chapter7/Article2/18730.pdf>

Attachment B

Appendix A

SAN LUIS OBISPO LOCAL AGENCY FORMATION COMMISSION

CONFLICT OF INTEREST AND FINANCIAL DISCLOSURE

A. Conflict of Interest

The Political Reform Act, Government Code §81000 et. seq. requires each state and local government agency to adopt and promulgate a Conflict of Interest Code. The Fair Political Practices Commission (FPPC) has adopted a regulation, 2 California Code of Regulations §18730, which contains the terms of a standard Conflict of Interest Code. ("Standard Code".) This Standard Code can be incorporated by reference and may be amended by the FPPC after public notice and hearings to confirm to amendments in the Political Reform Act.

The terms of 2 California Code of Regulations §18730 and any amendments to it, duly adopted by the FPPC, are hereby incorporated by reference.

Pursuant to section 4 of the Standard Code, persons serving in Designated Positions must file statements of economic interest (Form 700) with the Executive Officer of the Commission.

The following Designated Positions must file statements of economic interest:

Commissioners and Alternate Commissioners
Executive Officer
Legal Counsel
LAFCO Analyst
Commission Clerk
Consultants*

* The disclosure by consultants is subject to the following limitation: The LAFCO Executive Officer may determine in writing that a particular consultant, including a consultant filling a Designated Position, is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

Subject to the definitions set forth in the Political Reform Act and applicable regulations, disclosures shall be made in the following Disclosure Categories:

- 1) All sources of income, including gifts;
- 2) Interests in real property located in whole or in part within, or not more than one-half mile outside, the boundaries of San Luis Obispo County; (Does not include the principal place of residence), and
- 3) Investments and business positions in business entities located in or doing business in San Luis Obispo County and engaged in:

Attachment B

Appendix A

- a. The acquisition, sale, lease, or development of real property;
- b. Provision of insurance brokerage or consulting services; or
- c. Providing services of the type which have, in the past two years or which with reasonable foreseeability, may be used in the next one-year period by the filers division within the office.

B. Financial Disclosure

Pursuant to Government Code §56700.1, expenditures for political purposes related to an application must be disclosed. All applicants, including individual property owners and other representatives who are a party to a proceeding, are required to submit a financial disclosure statement as part of any application package [§84308]. Disclosures must be made in the same manner as disclosures for local initiative measures presented to the electorate.

Any applicant or an agent of an applicant who has made business or campaign contributions totaling \$250 or more to any Commissioner (regular or alternate) in the past twelve months, must disclose that fact for the official record of the Commission §84308(d). The disclosure of any such contribution (including amount of contribution and name of recipient Commissioner/s) must be made: (1) in writing and delivered to the Executive Officer prior to the hearing on the matter; or (2) by oral declaration made at the time the hearing on the matter is opened.

LAFCO members are disqualified and are not able to participate in any proceeding involving an "entitlement for use" if, within the 12 months preceding the LAFCO decision, the Commissioner received \$250 or more in campaign contributions from the applicant, an agent of the applicant or any financially interested person who actively supports or opposes the LAFCO decision on the matter.

Attachment B

Appendix B

SAN LUIS OBISPO

LOCAL AGENCY FORMATION COMMISSION

Conflict of Interest Code

Designations Position List

<u>Designated Position</u>	<u>Disclosure Category Numbers</u>
LAFCO Executive Officer	1, 2, 3
LAFCO Legal Counsel	1, 2, 3
LAFCO Commission Clerk	1, 3a, 3c
LAFCO Analyst	1, 2, 3a, 3c
Board of Supervisors' Member	See (1) below
Alternate Board of Supervisors' Member	See (2) below
City Member	1, 2, 3
Alternate City Member	1, 2, 3
Public Member	1, 2, 3
Alternate Public Member	1, 2, 3
Special District Member	1, 2, 3
Alternate Special District Member	1, 2, 3
Consultants	1, 2, 3

(1) Board of Supervisors members report under the Conflict of Interest Code for the Board of Supervisors

(2) Alternate Board of Supervisors members report under the Conflict of Interest Code for the Board of Supervisors

Attachment B

IN THE LOCAL AGENCY FORMATION COMMISSION

COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

Thursday, September 17, 2020

PRESENT: COMMISSIONERS TOM MURRAY, DEBBIE ARNOLD, LYNN COMPTON, ROBERTA FONZI, MARSHALL OCHYLSKI, ED WAGGE, AND ALTERNATE ED EBY

ABSENT: COMMISSIONER ROBERT ENNS, ALTERNATE COMMISSIONERS STEVE GREGORY, HEATHER JENSEN, AND JOHN PESCHONG

RESOLUTION NO. 2020-07

RESOLUTION APPROVING THE BIENNIAL UPDATE OF CONFLICT OF INTEREST CODE

WHEREAS, Government Code section 87300 requires each local public agency to adopt and promulgate a conflict of interest code pursuant to the Political Reform Act; and

WHEREAS, Government Code section 87307 authorizes a local public agency to amend its conflict of interest code at any time; and

WHEREAS, minor changes need to be made to the Conflict of Interest Code; and

WHEREAS, the Commission duly considered the AMENDED Conflict of Interest Code: The Commission hereby adopts the Amended Conflict of Interest Code attached hereto, which supersedes the Conflict of Interest Code last amended in 2019.

1. The list of designated LAFCO positions and applicable disclosure categories attached as Appendix A & B is hereby adopted as the appendix of designated positions and disclosure categories to accompany section 18730.
2. The terms of California Code of Regulations, Title 2, section 18730, as set forth in the attached Appendix C, and any amendments to section 18730 duly adopted by the FPPC, are hereby adopted and incorporated by reference as the main body of LAFCO's conflict of interest code.
3. Designated employees and officers shall file statements of economic interest (FPPC Form 700) with the County Clerk-Recorder who will make the statements available for public inspection and copying.
4. This conflict of interest code shall not take effect until the San Luis Obispo County Board of Supervisors approves it in its capacity as code reviewing body under the Political Reform Act. The Commission Clerk is hereby authorized and directed to submit a certified copy of this resolution with appendices to the Board of Supervisors and request approval of the conflict of interest code.

Attachment B

Resolution No. 2020-07
Page 2 of 2

5. After approval by the San Luis Obispo County Board of Supervisors, this resolution and Appendix A & B shall constitute the Conflict of Interest Code of the San Luis Obispo Local Agency Formation Commission.

NOW, THEREFORE, BE IT RESOLVED by the Local Agency Formation Commission of the County of San Luis Obispo, State of California that the Amended Conflict of Interest Code, attached hereto and incorporated by reference as Appendix A & B, is hereby adopted on September 17, 2020.

Upon a motion by Commissioner Ed Waage, seconded by Commissioner Roberta Fonzi, and on the following roll call vote:

AYES: **COMMISSIONERS ED WAGGE, ROBERTA FONZI, DEBBIE ARNOLD, LYNN COMPTON, MARSHALL OCHYLSKI, AND CHAIR TOM MURRAY**


NAYS: **NONE**

ABSTAINING: **NONE**


The foregoing resolution is hereby adopted.

 9/17/2020
Tom Murray, Chairman Date
Local Agency Formation Commission

ATTEST:

 9-18-2020
Mike Prater Date
LAFCO Executive Officer

APPROVED AS TO FORM AND LEGAL EFFECT:

 9.22.20
Brian Pierik Date
LAFCO Legal Counsel

Attachment B

Appendix A

SAN LUIS OBISPO LOCAL AGENCY FORMATION COMMISSION

CONFLICT OF INTEREST AND FINANCIAL DISCLOSURE

A. Conflict of Interest

The Political Reform Act, Government Code §81000 et. seq. requires each state and local government agency to adopt and promulgate a Conflict of Interest Code. The Fair Political Practices Commission (FPPC) has adopted a regulation, 2 California Code of Regulations §18730, which contains the terms of a standard Conflict of Interest Code. ("Standard Code".) This Standard Code can be incorporated by reference and may be amended by the FPPC after public notice and hearings to confirm to amendments in the Political Reform Act.

The terms of 2 California Code of Regulations §18730 and any amendments to it, duly adopted by the FPPC, are hereby incorporated by reference.

Pursuant to section 4 of the Standard Code, persons serving in Designated Positions must file statements of economic interest (Form 700) with the Executive Officer of the Commission.

The following Designated Positions must file statements of economic interest:

Commissioners and Alternate Commissioners
Executive Officer
Legal Counsel
LAFCO Analyst
Commission Clerk
Consultants*

* The disclosure by consultants is subject to the following limitation: The LAFCO Executive Officer may determine in writing that a particular consultant, including a consultant filling a Designated Position, is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

Subject to the definitions set forth in the Political Reform Act and applicable regulations, disclosures shall be made in the following Disclosure Categories:

- 1) All sources of income, including gifts;
- 2) Interests in real property located in whole or in part within, or not more than one-half mile outside, the boundaries of San Luis Obispo County; (Does not include the principal place of residence), and
- 3) Investments and business positions in business entities located in or doing business in San Luis Obispo County and engaged in:

Attachment B

Appendix A

- a. The acquisition, sale, lease, or development of real property;
- b. Provision of insurance brokerage or consulting services; or
- c. Providing services of the type which have, in the past two years or which with reasonable foreseeability, may be used in the next one-year period by the filers division within the office.

B. Financial Disclosure

Pursuant to Government Code §56700.1, expenditures for political purposes related to an application must be disclosed. All applicants, including individual property owners and other representatives who are a party to a proceeding, are required to submit a financial disclosure statement as part of any application package [§84308]. Disclosures must be made in the same manner as disclosures for local initiative measures presented to the electorate.

Any applicant or an agent of an applicant who has made business or campaign contributions totaling \$250 or more to any Commissioner (regular or alternate) in the past twelve months, must disclose that fact for the official record of the Commission §84308(d). The disclosure of any such contribution (including amount of contribution and name of recipient Commissioner/s) must be made: (1) in writing and delivered to the Executive Officer prior to the hearing on the matter; or (2) by oral declaration made at the time the hearing on the matter is opened.

LAFCO members are disqualified and are not able to participate in any proceeding involving an "entitlement for use" if, within the 12 months preceding the LAFCO decision, the Commissioner received \$250 or more in campaign contributions from the applicant, an agent of the applicant or any financially interested person who actively supports or opposes the LAFCO decision on the matter.

Attachment B

Appendix B

SAN LUIS OBISPO

LOCAL AGENCY FORMATION COMMISSION

Conflict of Interest Code

Designations Position List

<u>Designated Position</u>	<u>Disclosure Category Numbers</u>
LAFCO Executive Officer	1, 2, 3
LAFCO Legal Counsel	1, 2, 3
LAFCO Commission Clerk	1, 3a, 3c
LAFCO Analyst	1, 2, 3a, 3c
Board of Supervisors' Member	See (1) below
Alternate Board of Supervisors' Member	See (2) below
City Member	1, 2, 3
Alternate City Member	1, 2, 3
Public Member	1, 2, 3
Alternate Public Member	1, 2, 3
Special District Member	1, 2, 3
Alternate Special District Member	1, 2, 3
Consultants	1, 2, 3

(1) Board of Supervisors members report under the Conflict of Interest Code for the Board of Supervisors

(2) Alternate Board of Supervisors members report under the Conflict of Interest Code for the Board of Supervisors

Attachment B

Appendix C

(Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations.)

§ 18730. Provisions of Conflict of Interest Codes.

(a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in the Appendix referred to below constitute the adoption and promulgation of a conflict of interest code within the meaning of Section 87300 or the amendment of a conflict of interest code within the meaning of Section 87306 if the terms of this regulation are substituted for terms of a conflict of interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Sections 81000, et seq. The requirements of a conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Section 87100, and to other state or local laws pertaining to conflicts of interest.

(b) The terms of a conflict of interest code amended or adopted and promulgated pursuant to this regulation are as follows:

(1) Section 1. Definitions.

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (Regulations 18110, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

(2) Section 2. Designated Employees.

Attachment B

Appendix C

The persons holding positions listed in the Appendix are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on economic interests.

(3) Section 3. Disclosure Categories.

This code does not establish any disclosure obligation for those designated employees who are also specified in Section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their economic interests pursuant to article 2 of chapter 7 of the Political Reform Act, Sections 87200, et seq.

In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict of interest code for another agency, if all of the following apply:

(A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;

(B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Section 87200; and

(C) The filing officer is the same for both agencies.¹

Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix specify which kinds of economic interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those economic interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in the Appendix. It has been determined that the economic interests set forth in a designated employee's disclosure categories

Attachment B

Appendix C

are the kinds of economic interests which he or she foreseeably can affect materially through the conduct of his or her office.

(4) Section 4. Statements of Economic Interests: Place of Filing.

The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code.²

(5) Section 5. Statements of Economic Interests: Time of Filing.

(A) Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

(B) Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.

(C) Annual Statements. All designated employees shall file statements no later than April 1. If a person reports for military service as defined in the Servicemember's Civil Relief Act, the deadline for the annual statement of economic interests is 30 days following his or her return to office, provided the person, or someone authorized to represent the person's interests, notifies the filing officer in writing prior to the applicable filing deadline that he or she is subject to that federal statute and is unable to meet the applicable deadline, and provides the filing officer verification of his or her military status.

Attachment B

Appendix C

(D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

(5.5) Section 5.5. Statements for Persons Who Resign Prior to Assuming Office.

Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or leaving office statement.

(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

(1) File a written resignation with the appointing power; and

(2) File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

(6) Section 6. Contents of and Period Covered by Statements of Economic Interests.

(A) Contents of Initial Statements.

Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

(B) Contents of Assuming Office Statements.

Attachment B

Appendix C

Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.

(C) Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later, or for a board or commission member subject to Section 87302.6, the day after the closing date of the most recent statement filed by the member pursuant to Regulation 18754.

(D) Contents of Leaving Office Statements.
Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

(7) Section 7. Manner of Reporting.
Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) Investment and Real Property Disclosure.
When an investment or an interest in real property³ is required to be reported,⁴ the statement shall contain the following:

1. A statement of the nature of the investment or interest;

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2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;

3. The address or other precise location of the real property;

4. A statement whether the fair market value of the investment or interest in real property equals or exceeds \$2,000, exceeds \$10,000, exceeds \$100,000, or exceeds \$1,000,000.

(B) Personal Income Disclosure. When personal income is required to be reported,⁵ the statement shall contain:

1. The name and address of each source of income aggregating \$500 or more in value, or \$50 or more in value if the income was a gift, and a general description of the business activity, if any, of each source;

2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was \$1,000 or less, greater than \$1,000, greater than \$10,000, or greater than \$100,000;

3. A description of the consideration, if any, for which the income was received;

4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;

5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

(C) Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported,⁶ the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;

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2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than \$10,000.

(D) Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

(E) Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

(8) Section 8. Prohibition on Receipt of Honoraria.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests.

(B) This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

(C) Subdivisions (a), (b), and (c) of Section 89501 shall apply to the prohibitions in this section.

(D) This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Section 89506.

(8.1) Section 8.1. Prohibition on Receipt of Gifts in Excess of \$500.

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(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more than \$500 in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests.

(B) This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

(C) Subdivisions (e), (f), and (g) of Section 89503 shall apply to the prohibitions in this section.

(8.2) Section 8.2. Loans to Public Officials.

(A) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.

(B) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(C) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected

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officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.

(D) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(E) This section shall not apply to the following:

1. Loans made to the campaign committee of an elected officer or candidate for elective office.
2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.
3. Loans from a person which, in the aggregate, do not exceed \$500 at any given time.

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4. Loans made, or offered in writing, before January 1, 1998.

(8.3) Section 8.3. Loan Terms.

(A) Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of his or her election to office through the date he or she vacates office, receive a personal loan of \$500 or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.

(B) This section shall not apply to the following types of loans:

1. Loans made to the campaign committee of the elected officer.

2. Loans made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans made, or offered in writing, before January 1, 1998.

(C) Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

(8.4) Section 8.4. Personal Loans.

(A) Except as set forth in subdivision (B), a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

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1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.

2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:

a. The date the loan was made.

b. The date the last payment of \$100 or more was made on the loan.

c. The date upon which the debtor has made payments on the loan aggregating to less than \$250 during the previous 12 months.

(B) This section shall not apply to the following types of loans:

1. A loan made to the campaign committee of an elected officer or a candidate for elective office.

2. A loan that would otherwise not be a gift as defined in this title.

3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.

4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.

5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

(C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

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(9) Section 9. Disqualification.

No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

(A) Any business entity in which the designated employee has a direct or indirect investment worth \$2,000 or more;

(B) Any real property in which the designated employee has a direct or indirect interest worth \$2,000 or more;

(C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating \$500 or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;

(D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

(E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$500 or more provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

(9.3) Section 9.3. Legally Required Participation.

No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The

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fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

(9.5) Section 9.5. Disqualification of State Officers and Employees.

In addition to the general disqualification provisions of section 9, no state administrative official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

(A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or

(B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value \$1,000 or more.

(10) Section 10. Disclosure of Disqualifying Interest.

When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

(11) Section 11. Assistance of the Commission and Counsel.

Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Section 83114 and Regulations 18329 and 18329.5 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

(12) Section 12. Violations.

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This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Sections 81000-91014. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Section 87100 or 87450 has occurred may be set aside as void pursuant to Section 91003.

¹ Designated employees who are required to file statements of economic interests under any other agency's conflict of interest code, or under article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Section 81004.

² See Section 81010 and Regulation 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

³ For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

⁴ Investments and interests in real property which have a fair market value of less than \$2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

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⁵ A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

⁶ Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

Note: Authority cited: Section 83112, Government Code. Reference: Sections 87103(e), 87300-87302, 89501, 89502 and 89503, Government Code.

HISTORY

1. New section filed 4-2-80 as an emergency; effective upon filing (Register 80, No. 14).
Certificate of Compliance included.
2. Editorial correction (Register 80, No. 29).
3. Amendment of subsection (b) filed 1-9-81; effective thirtieth day thereafter (Register 81, No. 2).
4. Amendment of subsection (b)(7)(B)1. filed 1-26-83; effective thirtieth day thereafter (Register 83, No. 5).
5. Amendment of subsection (b)(7)(A) filed 11-10-83; effective thirtieth day thereafter (Register 83, No. 46).
6. Amendment filed 4-13-87; operative 5-13-87 (Register 87, No. 16).
7. Amendment of subsection (b) filed 10-21-88; operative 11-20-88 (Register 88, No. 46).
8. Amendment of subsections (b)(8)(A) and (b)(8)(B) and numerous editorial changes filed 8-28-90; operative 9-27-90 (Reg. 90, No. 42).

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9. Amendment of subsections (b)(3), (b)(8) and renumbering of following subsections and amendment of Note filed 8-7-92; operative 9-7-92 (Register 92, No. 32).
10. Amendment of subsection (b)(5.5) and new subsections (b)(5.5)(A)-(A)(2) filed 2-4-93; operative 2-4-93 (Register 93, No. 6).
11. Change without regulatory effect adopting Conflict of Interest Code for California Mental Health Planning Council filed 11-22-93 pursuant to title 1, section 100, California Code of Regulations (Register 93, No. 48). Approved by Fair Political Practices Commission 9-21-93.
12. Change without regulatory effect redesignating Conflict of Interest Code for California Mental Health Planning Council as chapter 62, section 55100 filed 1-4-94 pursuant to title 1, section 100, California Code of Regulations (Register 94, No. 1).
13. Editorial correction adding History 11 and 12 and deleting duplicate section number (Register 94, No. 17).
14. Amendment of subsection (b)(8), designation of subsection (b)(8)(A), new subsection (b)(8)(B), and amendment of subsections (b)(8.1)-(b)(8.1)(B), (b)(9)(E) and Note filed 3-14-95; operative 3-14-95 pursuant to Government Code section 11343.4(d) (Register 95, No. 11).
15. Editorial correction inserting inadvertently omitted language in footnote 4 (Register 96, No. 13).
16. Amendment of subsections (b)(8)(A)-(B) and (b)(8.1)(A), repealer of subsection (b)(8.1)(B), and amendment of subsection (b)(12) filed 10-23-96; operative 10-23-96 pursuant to Government Code section 11343.4(d) (Register 96, No. 43).
17. Amendment of subsections (b)(8.1) and (9)(E) filed 4-9-97; operative 4-9-97 pursuant to Government Code section 11343.4(d) (Register 97, No. 15).

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18. Amendment of subsections (b)(7)(B)5., new subsections (b)(8.2)-(b)(8.4)(C) and amendment of Note filed 8-24-98; operative 8-24-98 pursuant to Government Code section 11343.4(d) (Register 98, No. 35).

19. Editorial correction of subsection (a) (Register 98, No. 47).

20. Amendment of subsections (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 5-11-99; operative 5-11-99 pursuant to Government Code section 11343.4(d) (Register 99, No. 20).

21. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 12-6-2000; operative 1-1-2001 pursuant to the 1974 version of Government Code section 11380.2 and Title 2, California Code of Regulations, section 18312(d) and (e) (Register 2000, No. 49).

22. Amendment of subsections (b)(3) and (b)(10) filed 1-10-2001; operative 2-1-2001.

Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 2).

23. Amendment of subsections (b)(7)(A)4., (b)(7)(B)1.-2., (b)(8.2)(E)3., (b)(9)(A)-(C) and footnote 4. filed 2-13-2001. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 7).

24. Amendment of subsections (b)(8.1)-(b)(8.1)(A) filed 1-16-2003; operative 1-1-2003.

Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District,

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nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2003, No. 3).

25. Editorial correction of History 24 (Register 2003, No. 12).

26. Editorial correction removing extraneous phrase in subsection (b)(9.5)(B) (Register 2004, No. 33).

27. Amendment of subsections (b)(2)-(3), (b)(3)(C), (b)(6)(C), (b)(8.1)-(b)(8.1)(A), (b)(9)(E) and (b)(11)-(12) filed 1-4-2005; operative 1-1-2005 pursuant to Government Code section 11343.4 (Register 2005, No. 1).

28. Amendment of subsection (b)(7)(A)4. filed 10-11-2005; operative 11-10-2005 (Register 2005, No. 41).

29. Amendment of subsections (a), (b)(1), (b)(3), (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 12-18-2006; operative 1-1-2007. Submitted to OAL pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2006, No. 51).

30. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 10-31-2008; operative 11-30-2008. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2008, No. 44).

31. Amendment of section heading and section filed 11-15-2010; operative 12-15-2010. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of*

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Administrative Law, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2010, No. 47).

32. Amendment of section heading and subsections (a)-(b)(1), (b)(3)-(4), (b)(5)(C), (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) and amendment of footnote 1 filed 1-8-2013; operative 2-7-2013.

Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2013, No. 2).

33. Amendment of subsections (b)(8.1)-(b)(8.1)(A), (b)(8.2)(E)3. and (b)(9)(E) filed 12-15-2014; operative 1-1-2015 pursuant to section 18312(e)(1)(A), title 2, California Code of Regulations.

Submitted to OAL for filing and printing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2014, No. 51).

34. Redesignation of portions of subsection (b)(8)(A) as new subsections (b)(8)(B)-(D), amendment of subsections (b)(8.1)-(b)(8.1)(A), redesignation of portions of subsection (b)(8.1)(A) as new subsections (b)(8.1)(B)-(C) and amendment of subsection (b)(9)(E) filed 12-1-2016; operative 12-31-2016 pursuant to Cal. Code Regs. tit. 2, section 18312(e). Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision,

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April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2016, No. 49).

35. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 12-12-2018; operative 1-11-2019 pursuant to Cal. Code Regs., tit. 2, section 18312(e). Submitted to OAL for filing and printing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2018, No. 50).



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

Vacant
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
Interim Executive Officer

BRIAN A. PIERIK
Legal Counsel

IMELDA MARQUEZ
Analyst

TO: MEMBERS, FORMATION COMMISSION

FROM: DAVID CHURCH, INTERIM EXECUTIVE OFFICER

DATE: JANUARY 21, 2021

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

Recommendation. It is respectfully recommended that 1) the Commission review this second quarter financial report for fiscal year 20-21; 2) direct the Executive Officer (EO) to file it with the County Auditor and 3) if needed at the year end, authorize a budget adjustment to use fund balance available and/or designated fund balance and the salaries line item to offset the vacation/sick leave payout to Mr. Michael Prater.

Summary. The Local Agency Formation Commission (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 Second Quarter Budget Status Report for the 2020-21 fiscal year.

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.

Attachments

A: 2nd Quarter Status for Fiscal Year 2020-2021

B: Credit Card Statements for Oct, Nov, and Dec. 2020

Expenditures. Overall, second quarter expenditures are at 54% with 50% of the fiscal year complete. Below is a brief summary of line item expenditures:

- Salaries and Benefits are 64% expended with 13 pay periods completed through the second quarter. This line item includes the authorized use of reserves for vacation/sick payout for the retirement of Executive Officer David Church. It also includes the unanticipated vacation/sick payoff for Mike Prater the former Executive Officer. If these expenses are deducted from the Salaries line item, only 44% of salaries have been expended. Neither of these expenses were included in the salaries line item when the budget was adopted in May, 2020. Therefore, these expenses were not charged to local agencies. It is requested that your Commission use LAFCO fund balance available to fund this expenditure and that the Salaries Line Item be 5001210 be adjusted, if needed, at the year end.

The salary savings accrued during the months of July through September was due to Analyst vacancy. Salary savings were accrued as we did not hire an Analyst for three months. Imelda Marquez has since been promoted to Analyst. The Clerk position has yet to be filled and salary savings are being accrued.

- Services and Supplies are at 52% expended. This is a normal expenditure pattern as the first and second quarter includes one-time annual expenditures for: County Auditor's Office Services (\$8,511), California Association of Local Agency Formation Commission (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 and second quarters were \$12,500.
- The building lease is \$3,056/month and has been paid for seven months; through January. 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 October, November, and December 2020 are found in Attachment B.
 - **October:** Purchases in the amount of \$515.08 were made, including; Costco Purchase of \$215.49-Office Chair, Vista Print charge of \$244.60 for printing of notices, \$54.99 for Zoom services.
 - **November:** Included total charges of \$476.73: ZOOM subscription of \$54.99, \$10.76 for Fedex scanning services, \$150.00 for Clerk Recorder filing plus \$1.49 charge fee, \$259.49 for PG&E Bill.
 - **December:** Included total charges of \$57.63: ZOOM subscription of \$57.83.

Revenues. Overall revenues are 96% realized through the second 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, \$3,500 for Activation of Power for San Simeon, \$11,200 for Gateway Annexation to the City of Paso Robles, and \$2,011 for Torres Annexation to the Nipomo Community Service District.

Fund Balance and Designated Fund Balance (Reserves). The Fund Balance Available is the difference between the total expenses and revenues in the fiscal year. The Fund Balance Available is a more flexible asset than Designated Fund Balance and is carried forward from year to year. The Designated Fund Balance requires Commission approval for expenditure. On July 16, 2020, the Commission approved a Budget Adjustment Request in the amount of \$45,642 for payout of sick leave for the former Executive Officer, David Church, from the Designated Reserve. Please note that the current Fund Balance Available and Designated Fund Balance total are \$213,215. If needed at the end of the fiscal year these reserves may be used to fund Mr. Prater's vacation/sick leave payout of \$29,881. The Budget Adjustment should be completed at year end to see how the budget performs in the next two quarters. As currently adjusted, and with anticipated salary savings, the budget may be able to absorb this payout without using fund balance available.

Possible Budget Adjustment. The previous Executive Officer, Mr. Mike Prater, resigned on November 21, 2020. Mr. Prater had been employed by SLO LAFCO for 10 years. 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 and all unused vacation hours up to 320 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 fund balance available and/or designated fund balance. Today's item also requests that the Salaries budget line item (5001210) include the payout amount if needed by the end of the fiscal year. This action does not increase costs or fees to local agencies.

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; \$49.35, times the number of vacation/sick leave hours accrued to date up to the above limits. Total hours accrued are 622 hours for a total payout of \$29,881.43. This payout was completed in November, 2020.

Attachment A

2nd Quarter Status for Fiscal Year 2020-2021

Attachment A
Fiscal Year 2020-21 LAFCO Budget
Second Quarter Report Status Report

Period Ending: December 31, 2020

EXPENDITURES SUMMARY-Adjustments Inc.	Adopted 20-21	Expenditure YTD	Projected Yr End	Balance YTD	% Expended
Salaries - Includes Vacation/Sick Leave Payout ¹⁾	279,293	177,902	285,000	101,391	64%
Benefits & Payroll Taxes	177,486	69,644	156,000	107,842	39%
Services and Supplies	131,984	68,695	119,261	63,289	52%
Total Expenses	588,763	316,241	560,261	272,522	54%

1) Includes only Budget Adjustment for Mr. Church

EXPENDITURES DETAIL	Adopted 20-21	Expenditure YTD	Projected Yr End	Balance YTD	% Expended
Salaries and Benefits					
Salaries Only -no vacation/sick leave payouts	233,651	102,378	210,000	131,273	44%
Vacation/Sick Leave Payout-Adjustment	45,642	75,523	75,523		
Benefits & Payroll Taxes	177,380	69,644	156,000	107,736	39%
Subtotal Salaries & Benefits	456,673	247,545	441,523	209,128	54%

Services and Supplies	Adopted 20-21	Expenditure YTD	Projected Yr End	Balance YTD	% Expended
Food	800	68	400	732	8%
Maintenance - Equipment	300	0	200	300	0%
Maintenance - Software	500	0	400	500	0%
CALAFCO/Other Memberships	7,000	6,404	7,000	596	91%
Office Supplies	2,500	332	1,500	2,168	13%
Commissioner/Professional Serv.	10,000	3,349	7,000	6,651	33%
Publication/Legal Notices	1,000	480	1,000	520	48%
Rent	37,000	21,395	37,000	15,605	58%
Small Equipment	400	92	300	308	23%
Large Equipment	1,000	-514	500	1,514	-51%
Computer Software	500	275	500	225	55%
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	1,000	3,000	0%
Auto Allowance	3,323	207	1,000	3,116	6%
Training/Conf Registration	3,500	0	1,000	3,500	0%
Utilities	4,000	1,792	4,000	2,208	45%
Car/Vehicle Rentals	1,000	0	300	1,000	0%
Postage	1,000	359	1,000	641	36%
Custodian	1,000	345	1,000	655	35%
Copying	800	0	800	800	0%
ITD-SAP/Board Chambers	850	0	850	850	0%
Phones/Internet	2,800	1,465	2,800	1,335	52%
County Auditor	8,511	8,511	8,511	0	100%
Insurance	13,500	11,635	13,500	1,865	86%
Legal Counsel	25,200	12,500	25,200	12,700	50%
Subtotal Services & Supplies	131,984	68,695	119,261	63,289	52%

Total Expenses	588,657	316,240	560,784	272,417	54%
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REVENUE DETAIL	Adopted 20-21	Realized YTD	Projected Yr End	Balance YTD	% Realized
Interest	4,000	1,297	4,000	2,703	32%
Environmental Fees	1,000	3,000	3,000	-2,000	300%
Sphere of Influence Fee	2,000	3,500	3,500	-1,500	175%
LAFCO Processing Fees	14,000	14,711	14,711	-711	105%
Other Revenue/Fund Balance if needed	25,000	0	0	25,000	0%
Fund Balance Available/Designated Fund Balance	45,642	45,642	45,642	0	100%
Sub-Total w/o Agency Charges	91,642	68,150	70,853	23,492	74%
LAFCO Charges to Agencies	497,121	497,066	497,121	55	100%
Total Revenue	588,763	565,216	567,974	23,547	96%

Fund Balance Available-Designated Fund Balance	January 2021	Projected End of Year Reserves	Projected % of Budget
Fund Balance Available and Designated Fund Balance	213,215	213,215	36%
EO-Prater Sick Leave/Vacation Payout-Nov. 2020			
Use Fund Balance Available in 4th Qtr if needed		7,190	
Reserves/Fund Balance	213,215	220,405	37%

Attachment B

Credit Card Statements for Oct, Nov, and Dec. 2020



UMPQUA
B · A · N · K

LAFCO

Account Number: #### #### ####
Closing Date: 10/30/20

Page 4 of 6



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

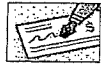


To pay on-line:
www.umpquabank.com

Account Summary

Previous Balance	\$	54.99
Purchases	+	515.08
Cash	+	0.00
Special	+	0.00
Credits	-	0.00
Payments	-	54.99 -
Other Debits	+	0.00
Finance Charges	+	0.00
NEW BALANCE	\$	515.08

Payment Information



Total Minimum Payment Due \$515.08
Payment Due Date 11/25/20

Minimum Payment	\$	515.08
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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
10/02	10/04	PPLN01	24493980277026958382275	ZOOM.US 888-799-9666 CA	\$ 54.99
Cardholder Name: MIKE PRATER Total Charges for Account Number:					54.99
10/13	10/14	PPLN01	24431060288898000033756	COSTCO WHSE #0741 SAN LUIS OBIS CA	\$ 215.49
10/15	10/18	PPLN01	24692160290100782642880	VISTAPR*VistaPrint.com 866-8936743 MA	244.60
Cardholder Name IMELDA MARQUEZ Total Charges for Account Number:					460.09
Payments, Adjustments and Others					
10/19	10/19		0000000000000000114805	PAYMENT - THANK YOU	\$ 54.99 -

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



UMPQUA BANK

LAFCO
Account Number: #### #### ####
Page 1 of 3



Account Summary




Billing Cycle		11/30/2020
Days In Billing Cycle		31
Previous Balance		\$515.08
Purchases	+	\$476.73
Cash	+	\$0.00
Balance Transfers	+	\$0.00
Special	+	\$0.00
Credits	-	\$0.00
Payments	-	\$515.08-
Other Charges	+	\$0.00
Finance Charges	+	\$0.00

NEW BALANCE \$476.73

Credit Summary

Total Credit Line	\$10,000.00
Available Credit Line	\$9,523.27
Available Cash	\$0.00
Amount Over Credit Line	\$0.00
Amount Past Due	\$0.00
Disputed Amount	\$0.00

Account Inquiries

-  Call us at: (866) 777-9013
Lost or Stolen Card: (866) 839-3485
-  Go to www.umpquabank.com
-  Write us at PO BOX 1952, SPOKANE, WA
99210-1952

Payment Summary

NEW BALANCE	<input type="text" value="\$476.73"/>
MINIMUM PAYMENT	<input type="text" value="\$476.73"/>
PAYMENT DUE DATE	<input type="text" value="12/25/2020"/>

NOTE: Grace period to avoid a finance charge on purchases, pay entire new balance by payment due date. Finance charge accrues on cash advances until paid and will be billed on your next statement.

Corporate Activity

			TOTAL CORPORATE ACTIVITY	\$0.00
Trans Date	Post Date	Reference Number	Transaction Description	Amount
11/13	11/13	00000000000000000114967	PAYMENT - THANK YOU	\$515.08-

Cardholder Account Summary

MIKE PRATER #### #### ####	Payments & Other Credits	Purchases & Other Charges	Cash Advances	Total Activity
	\$0.00	\$54.99	\$0.00	\$0.00

Cardholder Account Detail

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
11/01	11/02	PPLN01	24493980307026452027644	ZOOM.US 888-799-9666 CA	\$54.99

PLEASE DETACH COUPON AND RETURN PAYMENT USING THE ENCLOSED ENVELOPE - ALLOW UP TO 7 DAYS FOR RECEIPT



UMPQUA BANK

LAFCO
Account Number: #####-####-###
Page 1 of 3



Account Summary

Billing Cycle		12/31/2020
Days In Billing Cycle		31
Previous Balance		\$476.73
Purchases	+	\$57.63
Cash	+	\$0.00
Balance Transfers	+	\$0.00
Special	+	\$0.00
Credits	-	\$0.00
Payments	-	\$476.73-
Other Charges	+	\$0.00
Finance Charges	+	\$0.00

NEW BALANCE \$57.63

Total Credit Line	\$10,000.00
Available Credit Line	\$9,942.37
Available Cash	\$0.00
Amount Over Credit Line	\$0.00
Amount Past Due	\$0.00
Disputed Amount	\$0.00

Account Details

- Call us at: (866) 777-9013
Lost or Stolen Card: (866) 839-3485
- Go to www.umpquabank.com
- Write us at PO BOX 1952, SPOKANE, WA 99210-1952

NEW BALANCE	\$57.63
MINIMUM PAYMENT	\$57.63
PAYMENT DUE DATE	01/25/2021

NOTE: Grace period to avoid a finance charge on purchases, pay entire new balance by payment due date. Finance charge accrues on cash advances until paid and will be billed on your next statement.

Corporate Activity

TOTAL CORPORATE ACTIVITY				\$476.73-
Trans Date	Post Date	Reference Number	Transaction Description	Amount
12/11	12/11	0000000000000000115250	PAYMENT - THANK YOU	\$476.73-

Individual	Payments & Other Credits	Purchases & Other Charges	Cash Advances	Total Activity
IMELDA MARQUEZ ####-####-####	\$0.00	\$57.63	\$0.00	\$57.63

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
12/01	12/02	PPLN01	24492150336637821326453	ZOOM.US 888-799-9666 WWW.ZOOM.US CA	\$57.63

PLEASE DETACH COUPON AND RETURN PAYMENT USING THE ENCLOSED ENVELOPE - ALLOW UP TO 7 DAYS FOR RECEIPT



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

Vacant
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
Interim Executive Officer

BRIAN A. PIERIK
Legal Counsel

IMELDA MARQUEZ
Analyst

TO: MEMBERS, FORMATION COMMISSION

**FROM: DAVID CHURCH, INTERIM EXECUTIVE OFFICER
IMELDA MARQUEZ, ANALYST**

DATE: JANUARY 21, 2021

**SUBJECT: 2020 ANNUAL REPORT AND 2021 PROPOSED WORK
PLAN – MEETING SCHEDULE**

RECOMMENDATION. It is respectfully recommended that 1) the Commission receive and file the 2020 Annual Report (Attachment A) and 2) review and approve the Work Plan for 2021 (Attachment B) and review and approve the Draft 2021 Hearing Schedule (Attachment C).

DISCUSSION. The Annual Report and Work Plan provide the Commission with information regarding the proposals and work completed in 2020 and what's on the horizon in the work plan for 2021.

Attachments

A: 2020 Annual Report

B: 2021 Work Plan

C: Draft 2021 Hearing Schedule

The 2020 Annual Report summarizes the Commission's key accomplishments, actions and items considered throughout the year. The Work Plan for 2021 identifies the Proposals and Sphere of Influence/Municipal Service Review Updates that the Local Agency Formation Commission (LAFCO) staff will be working on in the coming year. The Work Plan is used as a guide and may be adjusted as proposals are submitted. The Draft Hearing Schedule provides the Commission with possible topics for the hearing dates that are scheduled for the third Thursday of each month. LAFCO is required to adopt a proposed budget by May 1st and a final budget by June 15th. This requires budget meetings in April and May.

The year of 2020 will be unforgettable to us all. San Luis Obispo LAFCO has adapted well to the various challenges caused by the Covid-19 pandemic. SLO LAFCO staff helped in the early months of the pandemic by gathering and compiling daily reports from water and sewer providers. These reports were used by the County Incident Command for decision making. Imelda Marquez our Analyst should be commended for her work on this important project. The Commission has considered a number of important proposals and informational items this past year. Each Commissioner has provided their vision, thoughtful questions, and careful attention in making decisions. Thank you for the hard and important work you do.

Attachment A

2020 Annual Report



San Luis Obispo
Local Agency Formation Commission
Annual Report - 2020
January through December

Pandemic, Adapting, Zooming. Whatever our place in life, the pandemic has impacted us all. It has changed how we do things and maybe our perspective as well. With the arrival of a vaccine, hope is on the horizon and maybe a new “normal” is as well. We still have time to dwell in Zoom meetings, phone conference calls, tele-meetings; while impersonal it has been pretty productive. The local governments of the County; Cities and Special Districts have all faced the unique challenge of providing services during an incredibly adverse time. Adapting during unprecedented times is a key part of our call to serve our communities.

Transitions. Change just keeps happening. Commissioner Roberta Fonzi retired this year from public service, choosing to not run for City Council in Atascadero. Her contributions to LAFCO began as a LAFCO Analyst in the 1980’s. Since her appointment to the Commission in 2011, she really contributed to LAFCO achieving its mission. She brought a keen policy eye that helped us all make better decisions. Her insights and focused engagement in what we do made her an excellent Commissioner. Roberta will be greatly missed.

Executive Officer (EO), David Church retired after about 20 years of working with LAFCO and over 30 years of public sector service. Deputy Executive Officer Mike Prater took the reins as the Executive Officer for about a four month period. Unfortunately for SLO LAFCO, but fortunately for Santa Barbara LAFCO, he was selected as Santa Barbara’s new Executive Officer. We are very thankful for Mr. Prater’s 10 years of public service to SLO LAFCO. Mr. Church has returned as the interim EO with the goal of helping SLO LAFCO hire a new Executive Officer and continuing to process LAFCO’s various applications. Imelda Marquez has continued her outstanding growth and work and has been promoted to LAFCO Analyst. Congratulations Imelda and thank you for all you do.

Commission Works. Despite all the changes coming SLO LAFCO’s way, and the pandemic, we have managed to keep things moving. In the last year the Commission has been flexible and patient with all the technological challenges. A very special thanks to this year’s LAFCO Chair, Tom Murray, for running an effective and courteous Zoom meetings. He has truly risen to the occasion. As is SLO LAFCO’s tradition, he has earned his gift card for a cup of coffee.

The Cities and Special Districts, County Auditor, Assessor, Clerk-Recorder, Administrative Offices, Planning Department, Public Works, and Agricultural Commissioner’s Office all contribute to LAFCO’s successful completion of its mission. Thanks to the planning and engineering firms who help supply information and professional expertise. We are hopeful in the coming year that there are brighter days ahead.

The Covid-19 pandemic has asked impossible things of all sectors of life, private and public. We have continued to meet the challenges. The light is at the end of what has been a long tunnel. Let’s keep adapting, keep working, and keep moving things forward.

David Church, San Luis Obispo LAFCO Interim Executive Officer



SUMMARY OF 2020

In 2020 San Luis Obispo LAFCO completed the analysis and processing of a number of proposals, LAFCO Staff provided information and assistance to the public, agencies, developers, and others involved in LAFCO activities. The Commission considered a number of status and informational reports. The Commission also adopted Sphere of Influence (SOI) and Municipal Service Review (MSR) Updates and participated in California Local Agency Formation Commission (CALAFCO) activities.

PROPOSALS AND ACTIVITIES (CKH 56069)

A proposal is defined in the CKH Act as “a change of organization or reorganization initiated by petition or resolution of application by a legislative body or school district for which a certificate of filing has been issued.” The following have been reviewed, approved or completed by LAFCO over the last year:

- **Annexations.** Key Annexations that were completed in November were Fiero Lane East and West to the City of San Luis Obispo and Jack Ranch to County Service Area 18 – Country Club.
- **Countywide Covide-19 Surveys.** Compiled and collected daily surveys for all the water and sewer agencies in the county regarding their service capabilities during the Covid-19 pandemic.
- **Activated** San Simeon Community Service District (CSD) Solid Waste Power. The protest process is being completed in January 2021.
- **Surveyed Cities and Special Districts** on a daily basis with regard to the impacts of Covid-19 on water and sewer services around the County.
- **Updates of San Luis Obispo LAFCO Policies & Procedures.** Recently, LAFCO adopted policies in regard to records retention and the use of social media to improve our connection with those interested in LAFCO's work.
- **Study Sessions.** The Commission took a look at a number of Study Session topics from County fire services, annexation request for the Gateway Project with the City of Paso Robles, the Froom Ranch Annexation to the City of San Luis Obispo, as well as Affordable Housing in the County. These type of study sessions are useful to get an early look into a project and get a better understanding as the projects evolve, or as laws become in effect and focusing a discussion on LAFCOs role.
- **Approval of the Five Cities SOI/MSR Update.** This update included the Cities of Grover Beach and Arroyo Grande, the Oceano Community Services District, South County Sanitation District and newly added Five Cities Fire Authority.
- **Monitored State legislation** and informed the Commission of the various pieces of legislation that might affect LAFCO.
- **Updated** the Conflict of Interest Code for San Luis Obispo LAFCO.



- **Fiscal/Budget.** Considered and approved the Fiscal Year 2020-21 LAFCO Budget with a 18% reduction in costs. and regular Quarterly Budget Status Reports. Each transaction from the LAFCO budget is paid by processing a draw warrant or journal entry through the County's financial tracking system.
- **CALAFCO** is the statewide organization of LAFCOs and is dedicated to meeting the continuing educational needs of LAFCO staff and tracking legislative activity in Sacramento. Commissioner Murray has been serving on the CALAFCO Board of Directors over the last year.
- The **LAFCO Website** has been updated and improved and is normally maintained by the LAFCO Clerk, to be information rich and user friendly. Imelda Marquez, the LAFCO Analyst has been working diligently to maintain and improve the website in the meantime. We continue to work on it to make sure it is meeting the needs of the public, applicants, and other LAFCO stakeholders. Please visit the LAFCO website at www.slolafco.com. Any suggestions for improvement are welcome.
- **The 2020 Directory of Local Agencies.** The LAFCO staff update the directory about every two years depending on a more frequent basis depending on the number of changes to the previous version. The directory includes updated contact information for local agencies, updated maps of the district or City boundaries, and updated fees charged to residents.
- **Section 218 Agreement with CalPERS.** LAFCO staff began the section 218 Agreement six step process in January 2020 this process can take anywhere from 16 to 24 months to complete. All governmental employers who wish to offer social security in addition to their retirement plan must have a section 218 Agreement. This was an administrative fix that was necessary to fix an oversight from when SLO LAFCO become independent from the County.

SUMMARY OF MEETINGS IN 2020

November 19, 2020

- CalPERS approval for Health Benefits Program for SLOLAFCO
- Activation of Solid Waste Power for the San Simeon Community Services District LAFCO File No. 1-E-20
- Annexation #81 to the City of San Luis Obispo - Fiero East-West Areas
- Annexation #11 to County Service Area No. 18 Country Club Jack Ranch - Tract 2429
- Agreement for Temporary Employment between the San Luis Obispo Local Agency Formation Commission and David Church for Interim Executive Officer services
- Receive for Information Purposes proposal LAFCO File No. 4-R-20 - For the Torres Annexation to Nipomo Community Services District



October 23, 2020, - Special Meeting

- Pursuant to Government Code Section 54957 Title: Executive Officer

October 15, 2020

- First Quarter Fiscal Year 2020-2021 LAFCO Budget Status Report
- Adoption of Policy on Social Media Use
- Study Session – Gateway Annexation /Sphere of Influence Amendment to the City of Paso Robles
- Status Report of Submitted Proposals and Upcoming Proposal Activities
- Status Report – North County CSD Agencies Sphere of Influence Update/ Municipal Service Reviews
- Closed session pursuant to Government Code Section 54957(b)(1) to discuss the Public Employee - Title: Executive Officer

September 17, 2020

- Biennial Update of LAFCO's Conflict of Interest Code
- Time Extension Request for SSJWD and EPCWD
- Adoption of Record Retention and Destruction Policy

July 16, 2020

- Section 218 Agreement Final Resolution and Application Agreement
- 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
- Year-End Fiscal Year 2019-20 LAFCO Budget Status Report
- Fiscal Year 2020-21 LAFCO Budget Adjustment- Executive Officer End of Employment Sick Leave Payout
- Consideration of the Sphere of Influence/Municipal Service Review Update and Memorandum of Agreement for the South County Agencies (Recommend Review and Approval
- Nomination of Marshall Ochylski for the CALAFCO Board of Directors and CALAFCO Quarterly Report

May 21, 2020

- Amendment to Employment Contract between the San Luis Obispo Local Agency Formation Commission and Michael Prater
- Consideration of the Final Fiscal Year 2020-21 San Luis Obispo LAFCO Budget
- Study Session: LAFCO Agriculture Definitions, Policies, and Guidelines



- Application Status Report – Fiero Lane, Froom Ranch, Gateway, Morro Bay Annexations, San Simeon CSD Solid Waste Activation
- Status Report– South County Agencies Sphere of Influence Update/ Municipal Service Review

April 16, 2020

- Minor Update to LAFCO Bylaws
- Third Quarter Fiscal Year 2019-2020 LAFCO Budget Status Report
- San Luis Obispo LAFCO - Proposed Budget for Fiscal Year 2020-21
- Closed session pursuant to Government Code Section 54957(b) (1) to discuss the Public Employee/Employee Appointment

February 20, 2020, Agenda

- Section 218 Agreement with Social Security Administrator's Office
- Study Session: City of San Luis Obispo Froom Ranch Specific Plan Annexation and Draft Environmental Impact Report
- Status Report – Five Cities Area Sphere of Influence Update/Municipal Service Review
- Status Report – LAFCO Directory of Local Agencies for 2020
- Status Report – Draft Regional/Affordable Housing Policy Ideas
- Transition Planning for Upcoming Fiscal Year 20-21
- Closed session pursuant to Government Code Section 54957(b)(1) Public Employee/Employee Appointment

January 16, 2020, Agenda

- Fiscal Year 2019-20 Second Quarter Budget Status Report
- Study Session: Affordable Housing in San Luis Obispo County
- Contract Amendment - San Luis Obispo LAFCO Legal Counsel

GOALS in 2021

1. Serve the Commission and the public by providing accurate, clear and well-organized information for decision making.
2. Treat the public, applicants, Commissioners, and any stakeholders with respect and patience. Listening with consideration and responding in a calm, courteous manner.
3. Serve the Cities, County and Special Districts by providing information about LAFCO's purpose and the processes LAFCO is authorized to complete.
4. Process proposals in an efficient manner; consistent with the Cortese-Knox-Hertzberg Act, CEQA and other state laws.



5. Implement the Sphere of Influence/Municipal Service Review Update Work Plan, while working on applications and other topics at the same time.
6. Provide the Commission with regular status reports regarding upcoming proposals, Sphere of Influence Updates, Legislative Activities, and the Budget.
7. Participate in CALAFCO events to improve and enhance the Commission and Staff's expertise.
8. Inform the Commission and Public regarding various local governance issues and processes by providing regular status reports and study sessions.
9. Monitor the new legislation in the State legislature that may affect LAFCO.

Attachment B

2021 Work Plan



SAN LUIS OBISPO LAFCO

WORK PLAN - JANUARY 2021

This document is the Work Plan for San Luis Obispo Local Agency Formation Commission (LAFCO) in 2021. LAFCO's overarching legislative goals include the following:

- **Encourage Orderly Growth and Development.** LAFCO considers proposals for the formation of new local governmental agencies including Cities and Special Districts. LAFCO is also responsible for considering annexations and detachments for agencies. LAFCO also determines the Sphere of Influence, which is a plan for the probable physical boundary of a City or Special District.
- **Promoting Efficient Provision of Public Services.** LAFCO reviews proposals based on a variety of factors including: a plan for services submitted by the agency, resource and infrastructure capacity, and the need for services.
- **Preserve Agricultural Land Resources.** LAFCO considers the impact that a proposal may have on existing agricultural lands with focus on prime agricultural lands. San Luis Obispo LAFCO has adopted specific policies regarding the preservation of agricultural resources.
- **Discourage Urban Sprawl.** Urban sprawl can best be described as irregular and disorganized growth occurring without apparent design or plan. By discouraging sprawl, LAFCO limits the misuse of land resources and promotes a more efficient system of services by local governmental agencies.

Goals in 2021

1. Serve the Commission and the public by providing accurate, clear and well-organized information for decision making.
2. Treat the public, applicants, Commissioners, and any stakeholders with respect and patience. Listening with consideration and responding in a calm, courteous manner.
3. Serve the Cities, County and Special Districts by providing information about LAFCO's purpose and the processes LAFCO is authorized to complete.
4. Process proposals in an efficient manner; consistent with the Cortese-Knox-Hertzberg Act, Local Policies and Procedures, CEQA and other state laws.
5. Implement the Sphere of Influence/Municipal Service Review Update Work Plan, while working on applications and other topics at the same time.
6. Provide the Commission with regular status reports regarding upcoming proposals, Sphere of Influence Updates, Legislative Activities, and the Budget.
7. Participate in CALAFCO events to improve the Commission and Staff's expertise.
8. Inform the Commission and Public regarding various local governance issues and processes by providing regular status reports and study sessions.
9. Monitor the new legislation in the State legislature that may affect LAFCO.

RADAR: ANNEXATIONS – DETACHMENTS – OTHER ACTIONS

Several Cities and Districts may have annexation or detachment proposals on the horizon. The Memoranda of Agreement between the Cities and County help set the path for these annexations by providing the provisions for development of an area. Annexation Proposals that may be on the horizon include:

- Gateway Annexation (Furlotti), City of Paso Robles
- Torres Annexation, Nipomo CSD
- Morro Bay Water Reclamation Facility Annexation
- Cayucos Water Reclamation Facility Annexation & Sphere of Influence
- County Service Area 23-Santa Margarita Annexation
- County Service Area 16 – Detachment Shandon
- Froom Ranch, City of San Luis Obispo
- Divestiture of Fire Service, Oceano CSD
- Dana Reserve Annexation, Nipomo CSD
- County Service Area 16-Shandon: Detachment
- Cayucos Water Reclamation Facility Annexation
- Morro Bay/Cayucos Boundary changes

It is uncertain if these proposals will be submitted this year or the next, but planning and environmental work is being completed on each of these proposals. LAFCO Staff continues to monitor each project and provide comments at the appropriate times.

OTHER ACTIVITIES

- Conduct a recruitment and selection process for an Executive Officer; including preparation of a Job Flyer, Job description and salary survey of coastal LAFCOs.
- Conduct the selection process for the LAFCO Public Member.
- Conduct the Special District Association's Election of a LAFCO Representative
- Complete the protest process for San Simeon CSD activation of the Solid Waste Power and the Fiero Lane Annexation to the City of San Luis Obispo.
- Coping with Covid-19 – Continuing to process Applications, work with the public, agencies and applicants, and update Sphere of Influence and Municipal Service Reviews in the midst of the pandemic.

SPHERE OF INFLUENCE/MUNICIPAL SERVICE REVIEW UPDATE

The Sphere of Influence (SOI) is a boundary that identifies areas a jurisdiction might serve over the next 20 years. The Municipal Service Review (MSR) provides information about a jurisdiction's ability to serve its existing service area and other SOI

areas. The MSR is an informational document that summarizes the existing service situation of a jurisdiction. The Service Review compiles information provided by the jurisdiction.

Other information from the County Planning Department, State Controller's Office, County Auditor's Office, and other agencies is also used to prepare the SOI and MSR. LAFCO Staff reviews, summarizes and evaluates the various studies and data and prepares a Draft Sphere of Influence Update and Municipal Service Review.

A Municipal Service Review is prepared in accordance with Section 56430 of the California Government Code. This code section was updated in 2012 to include seven factors instead of the previous six factors. The Service Review contains written determinations that address the following seven factors. Information and written determinations regarding each of the factors is provided in the Service Review and include:

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

Also, administrative and organizational information is collected and evaluated. In order to complete a review LAFCO relies on Audit Reports submitted to the County Auditor Controller's Office pursuant to state law, original formation filing documents, State Controllers Special Districts Annual Financial Reports, the General Plan, Capital Improvement Plans, various studies and information from various websites.

CITIES

The 2021 Work Plan will focus on those Cities which have passed, or are approaching the five-year requirement for an SOI update. In 2020 Staff completed the update process for the Cities of Arroyo Grande and Grover Beach nearing completion of an administrative draft with the goal of producing a Public Review Draft in the first quarter of the year. Work will then begin on the City of Paso Robles. Annexations or other

proposals may temporarily delay these updates while applications are being processed. Below are the Cities and the five-year update schedule:

Jurisdiction	Completion Date	Update 5-Year Date	Status/Action
Pismo Beach	September 2019	September 2024	Completed in 2019
Atascadero	November 2019	November 2024	Completed in 2019
Arroyo Grande	November 2012	November 2017	Completed in 2020
Grover Beach	November 2012	November 2017	Completed in 2020
Paso Robles	February 2013	February 2018	Begin the update process-2021
San Luis Obispo	October 2016	October 2021	Begin the update process-2022
Morro Bay	March 2017	March 2022	Begin the update process-2023

Memorandum of Agreement (MOA). A MOA was developed to improve communication and coordination in planning for future growth and development between a City and the County. Each City, with the exception of Grover Beach, has an MOA with the County. The Memorandum of Agreement between the City and County is reviewed and amended to reflect any changes to the Sphere of Influence and provisions that are agreed to by the County and City.

MOA's are in the process of updating to provide more detail about what type of development might be expected in the SOI and assist in defining the boundary. This helps clarify expectations and provides guidelines that help guide future projects in the SOI. The MOA has also been used to specify a particular planning process or policies for areas. Also, the MOA should address other issues such as water resources and agricultural/open space preservation. Round three should focus on areas of communication and coordination between the Cities and County.

SPECIAL DISTRICTS

The 2021 Work Plan will focus on those Districts which have passed, or are approaching, the five-year requirement for update. Staff recommends that the schedule for updating the SOIs and MSR for the Districts be followed as shown in the table below.

COMMUNITY SERVICES DISTRICTS

There are numerous Community Services Districts that are providing a variety of services to County residents. These Districts found below provide services that have been activated by LAFCO including: water and wastewater, Fire Protection, Street lighting, Roads, and Solid Waste. Each of these Districts is subject to the principal act in the Government Code 61000 – 61250 and has an independent Board of Directors.

Jurisdiction	Completion Date	Update 5-Year Due	Status/Action
Nipomo	May 2018	May 2023	Completed in 2018
Oceano	Nov 2012	Nov 2017	Completed in 2020
Templeton	Nov 2013	Nov 2018	Begin the update process-2020
San Miguel	Nov 2013	Nov 2018	Begin the update process-2020
Heritage Ranch	Nov 2013	Nov 2018	Begin the update process-2020
Avila Beach	Aug 2014	Aug 2019	Begin the update process-2021
Cambria	Aug 2014	Aug 2019	Begin the update process-2021
Los Osos	Aug 2014	Aug 2019	Begin the update process-2021
San Simeon	Aug 2014	Aug 2019	Begin the update process-2021
Cal Valley (R-S)	Dec 2015	Dec 2020	Begin the update process-2022
Independence Ranch (R)	Dec 2015	Dec 2020	Begin the update process-2022
Linne (R)	Dec 2015	Dec 2020	Begin the update process-2022
Squire Cyn (R)	Dec 2015	Dec 2020	Begin the update process-2022
Ground Squirrel Hollow (R-S)	Dec 2015	Dec 2020	Begin the update process-2022

(R) These Districts provide only Road Maintenance Services.

(R-S) California Valley and Ground Squirrel Hollow provides Road Maintenance and Solid Waste Services.

OTHER SPECIAL DISTRICTS

There are numerous other Special Districts that are providing services to County residents and visitors. These Special Districts found below provide a variety of services under their Principal Acts including: soils management, Fire Protection, Harbor and Marine, groundwater management and Healthcare and Sanitary. Each of these Districts has an independent Board of Directors.

Jurisdiction	Completion Date	Update 5-Year Due Date	Status/Action
So. County Sanitation	Nov 2012	Nov 2017	Completed in 2020
Coastal San Luis RCD	Nov 2014	Nov 2019	Begin the update process-2021
Upper Salinas/Las Tablas RCD	Nov 2014	Nov 2019	Begin the update process-2021
Santa Margarita Fire	Nov 2014	Nov 2019	Begin the update process-2021
Garden Farms Co. Water District	Nov 2014	Nov 2019	Begin the update process-2021
Port San Luis Harbor District	Nov 2014	Nov 2019	Begin the update process-2021
Cambria Healthcare	Aug 2014	Aug 2019	Begin the update process-2021
Cayucos Sanitary	Jan 2015	Jan 2020	Begin the update process-2021
Shandon-San Juan Water District	Oct 2016	Oct 2021	Begin the update process-2022
Estrella-El Pomar-Creston Water District	Apr 2017	Apr 2022	Begin the update process-2022

COUNTY SERVICE AREAS (CSA)

These special districts are governed by the County Board of Supervisors. The SOI and MSR Update were completed for all CSAs as part of one document in 2017. This is an efficient manner in which to update these Spheres of Influence and Municipal Services Reviews and allows for the compilation of data from the County at one time. It is anticipated to re-look at the CSA SOI/MSR Update in the coming years.

Jurisdiction	Completion Date	Update Due	Status/Action
COUNTY SERVICE AREAS			
CSA 1 - and Nipomo Lighting District	Aug 2017	Aug 2022	Completed in 2017
CSA 7 - Oak Shores	Aug 2017	Aug 2022	Completed in 2017
CSA 9 - Los Osos	Aug 2017	Aug 2022	Completed in 2017
CSA 10 - Cayucos	Aug 2017	Aug 2022	Completed in 2017
CSA 12 - Lopez Water	Aug 2017	Aug 2022	Completed in 2017
CSA 16 - Shandon	Aug 2017	Aug 2022	Completed in 2017
CSA 18 - Country Club	Aug 2017	Aug 2022	Completed in 2017
CSA 21 - Countywide	Aug 2017	Aug 2022	Completed in 2017
CSA 22 - Airport	Aug 2017	Aug 2022	Completed in 2017
CSA 23-Santa Margarita	Aug 2017	Aug 2022	Completed in 2017

CEMETERY DISTRICTS

There are 11 Cemetery Districts that are providing services to County residents. The Cemetery Districts found below provide internment services. Each of these Districts has an independent Board of Directors.

Jurisdiction	Completion Date	Update 5-Year Due Date	Status/Action
Adelaida	Nov 2010	Nov 2023	Completed in 2018
Arroyo Grande	Nov 2010	Nov 2023	Completed in 2018
Atascadero	Nov 2010	Nov 2023	Completed in 2018
Cambria	Nov 2010	Nov 2023	Completed in 2018
Cayucos-Morro	Nov 2010	Nov 2023	Completed in 2018

Jurisdiction	Completion Date	Update 5-Year Due Date	Status/Action
Pleasant Valley	Nov 2010	Nov 2023	Completed in 2018
Paso Robles	Nov 2010	Nov 2023	Completed in 2018
San Miguel	Nov 2010	Nov 2023	Completed in 2018
Santa Margarita	Nov 2010	Nov 2023	Completed in 2018
Shandon	Nov 2010	Nov 2023	Completed in 2018
Templeton	Nov 2010	Nov 2023	Completed in 2018

CALAFCO ACTIVITIES

CALAFCO is LAFCO’s statewide organization that provides educational opportunities, follows and facilitates the discussion of issues on a statewide basis. The LAFCO Executive Officer serves CALAFCO by providing help as needed and requested. Staff and Commissioners have been involved in the continuing education process by participating in the annual CALAFCO Conference and attending the Staff Workshop.

Attachment C

Draft 2021 Hearing Schedule



San Luis Obispo LAFCO

Tentative 2021 Hearing Schedule

Date	Time	Possible Items
January 21, 2021	9:00 a.m.	2 nd Quarter-Budget Status Report 2020 Annual Report 2021 Work Plan Executive Officer Recruitment Public Member Appointment Process
February 18, 2021	9:00 a.m.	Executive Officer Recruitment Update Public Member Recruitment Update From Ranch Study Session?
March 18, 2021	9:00 a.m.	Legislative Update Possible Executive Officer Interviews Gateway Annexation?
April 15, 2021	9:00 a.m.	3 rd Quarter-Budget Status Report Budget 1 st Hearing is required by CKH Act. Possible Executive Officer Interviews Gateway Annexation?
May 20, 2021	9:00 a.m.	Budget 2 nd Hearing is required by CKH Act SOI/MSR Update North County CSDs New EO Contract
June 17, 2021	9:00 a.m.	TBD
July 15, 2021	9:00 a.m.	New Fiscal Year-No Meeting Planned
August 19, 2021	9:00 a.m.	Year-end FY20-21-Budget Status Report Clerk Recruitment Updates
September 16, 2021	9:00 a.m.	TBD
October 21, 2021	9:00 a.m.	TBD
November 18, 2021	9:00 a.m.	TBD
December 16, 2021	9:00 a.m.	TBD



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, INTERIM EXECUTIVE OFFICER
DATE: JANUARY 21, 2021
SUBJECT: PROCESS TO APPOINT A REGULAR AND ALTERNATE PUBLIC MEMBER LAFCO COMMISSIONER TO THE COMMISSION

Recommendation. It is respectfully recommended that the Commission authorize the process for selecting the regular and alternate Public Members to serve on LAFCO.

The San Luis Obispo Local Agency Formation Commission (LAFCO) is selecting a Regular and Alternate Public Member to serve on the Commission. LAFCO is an independent government agency charged with encouraging the orderly formation and development of local governmental agencies, preserving agricultural and open space resources, discouraging urban sprawl, and encouraging the efficient provision of local government services. The State Law that governs LAFCO is the Cortese-Knox-Hertzberg Act. The Commission is composed of seven voting members representing local government and the public: two members are from the County Board of Supervisors, two members represent the City Councils, two members represent Special Districts, and one representative serves as the Public Member.

Attachments

A: Notice to Clerks and General Managers

B: Public Member Application Form

The Public Member is selected by the other Commission members who serve on the Commission. The currently serving Public Member does not participate in the voting for the Public Member. To be elected to the Commission as a Public Member an applicant must receive at least one vote from each Commissioner Category. In other words, at least one vote from a City, County and Special District commissioner is needed to be elected to the Commission.

The Cortese-Knox-Hertzberg Act allows the current Public Member to serve until the selection process is completed. This means that current Public Member, Tom Murray, may sit on LAFCO until the selection process is concluded by the Commission.

- COMMISSIONERS**
- Chairperson
TOM MURRAY
Public Member
- Vice-Chair
ROBERT ENNS
Special District Member
- DEBBIE ARNOLD
County Member
- MARSHALL OCHYLSKI
Special District Member
- Vacant
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
Interim Executive Officer
- BRIAN A. PIERIK
Legal Counsel
- IMELDA MARQUEZ
Analyst

Process

Authorizing the selection process would include the following steps:

1. Authorize the opening of the application period. San Luis Obispo LAFCO should authorize the Executive Officer to open the application period for interested persons to apply for the regular and alternate Public Members. The notice is proposed to be a 30-day period and would be sent out on January 22, 2021 with a closing date of February 22, 2021.
2. Authorize sending the notice for the public position to the City Clerks and District's General Managers via email and posting a notice in the newspaper.
3. Authorize interviews of the candidates at the March 18, 2021, LAFCO meeting.
4. The Cortese-Knox-Hertzberg Act allows the Commission to take action on the appointment after a minimum of a 21 day notice period.

Candidate Criteria

- Interested individuals must be residents of San Luis Obispo County and be able to regularly attend LAFCO meetings which are held on the third Thursday of each month at 9:00 am.
- The individuals selected cannot be a current officer or employee of the County, a City or Special District within the county.
- Previous involvement in or experience with local government service and growth issues in San Luis Obispo County is helpful.
- The public member is considered a public official and is required to file a standard financial disclosure statement annually with the California Fair Political Practices Commission. Candidates for the position have completed the attached application form and resume indicating applicable experience and qualifications.
- Both four-year terms would end December, 2024. The regular Public Member appointed would serve as a "voting member". The alternate serves on the Commission when the regular member cannot attend or participate in a meeting.

The notice for the public position will be sent to the City Clerks and District's General Managers via email. The Commission may take action on the appointment after the 21 day notice period. The process is consistent with the Cortese-Knox-Hertzberg Act as described in Government Code Section 56325 (d).

Attachment A

Notice to Clerks and General Managers



NOTICE OF SELECTION OF PUBLIC MEMBER COMISSIONERS FOR THE SAN LUIS OBISPO LOCAL AGENCY FORMATION COMMISSION

The San Luis Obispo Local Agency Formation Commission (LAFCO) is selecting a Regular and Alternate Public Members to serve on the Commission. LAFCO is an independent government agency charged with encouraging the orderly formation and development of local governmental agencies, preserving agricultural resources, discouraging urban sprawl, and encouraging the efficient provision of local government services. The key State Law that governs LAFCO is the Cortese-Knox-Hertzberg Act as well as other laws. The Commission has the authority to approve or disapprove all annexations of land to and from cities and special districts in San Luis Obispo County.

LAFCO has the authority to approve or disapprove the incorporation of new cities and the formation of new special districts. LAFCO also establishes Spheres of Influences (a 20-year growth boundary) for all City's and Special Districts in the County. The Commission is composed of seven voting members representing local government and the public: two members are from the County Board of Supervisors, two members represent the City Councils, two members represent Special Districts, and one representative serves as the Public Member.

The Public Member is to be selected by the six other Commission members at the March 18, 2021 LAFCO meeting. The Application Form and Resume are due by 5:00 p.m. on February 22, 2021. Both four-year terms end in December 2024. The regular public member appointed would serve as a "voting member". The alternate member serves as the "voting member" when the regular member cannot attend the meeting. Regular LAFCO meetings are scheduled every month on the third Thursday at 9:00 a.m. via Zoom during the Covid-19 pandemic. Under normal circumstances, LAFCO meets in the San Luis Obispo County Board of Supervisors' Chambers in San Luis Obispo, with special meetings held as needed. The current regular member is Mr. Tom Murray and has expressed interest in being re-appointed.

Interested individuals must be residents of San Luis Obispo County and be able to regularly attend LAFCO meetings which are held on the third Thursday of each month. The individuals selected cannot be a current officer or employee of the County, a City or Special District within the county. Previous involvement in or experience with local government issues in San Luis Obispo County is helpful. The public member is a public official and is required to file a standard financial disclosure statement annually with the California Fair Political Practices Commission.

Candidates for the position must complete an application form and provide a resume indicating applicable experience and qualifications. Application forms are available at the LAFCO office or online at www.slolafco.com. Application materials must be received by San Luis Obispo LAFCO, 1042 Pacific Street, Suite A, San Luis Obispo, CA 93401, on or before Monday, February 22, 2021 at 5:00 pm. The application may be submitted via e-mail to LAFCO Interim Executive Officer, David Church at Dchurch@slolafco.com. For more information, please contact Mr. Church at 805-788-2096 or by e-mail Dchurch@Slolafco.com. Thank you for your interest.

Attachment B

Public Member Application Form



San Luis Obispo Local Agency Formation Commission

1042 Pacific Street, Suite A, San Luis Obispo, CA 93401

Tel: (805) 781-5795 | Fax: (805) 788-2072 | dchurch@slolafco.com

APPLICATION: PUBLIC MEMBER

Candidates for the position of public member must complete this application and provide a supplemental resume. All application materials must be received by San Luis Obispo LAFCO, 1042 Pacific Street, Suite A, San Luis Obispo, CA 93401, on or before **February 22, 2021 at 5:00pm**. Also, you may email your application to Dchurch@slolafco.com.

Date: _____

Name: _____

Address: _____

Phone: _____

E-mail: _____

Present Occupation: _____

Please consider this application for: Regular Member Alternate Member Either Position

Are you an officer or employee of the county, a city or a special district within the San Luis Obispo County?

Due to your current employment or occupation, do you anticipate any conflicts of interest regarding decisions you will be asked to make as a LAFCO Member? If so, please explain.

Organization Membership(s): _____

Two (2) References (name and phone number):

Signature

Date



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, INTERIM EXECUTIVE OFFICER
DATE: JANUARY 21, 2021
SUBJECT: CONSIDERATION OF THE RECRUITMENT PROCESS AND JOB DESCRIPTION FOR THE POSITION OF LAFCO EXECUTIVE OFFICER

- COMMISSIONERS**
- Chairperson
TOM MURRAY
Public Member
- Vice-Chair
ROBERT ENNS
Special District Member
- DEBBIE ARNOLD
County Member
- MARSHALL OCHYLSKI
Special District Member
- Vacant
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
Interim Executive Officer
- BRIAN A. PIERIK
Legal Counsel
- IMELDA MARQUEZ
Analyst

Recommendation. It is respectfully recommended that 1) the Commission authorize the process for recruiting and selecting a new Executive Officer to provide services for the Commission and 2) the Commission approve the attached job description.

The San Luis Obispo Local Agency Formation Commission (LAFCO) is recruiting an Executive Officer (EO) to serve the Commission. LAFCO is an independent government agency charged with encouraging the orderly formation and development of local governmental agencies, preserving agricultural and open space resources, discouraging urban sprawl, and encouraging the efficient provision of local government services. The State Law that governs LAFCO is the Cortese-Knox-Hertzberg Act. The Commission is composed of seven voting members representing local government and the public: two members are from the County Board of Supervisors, two members represent the City Councils, two members represent Special Districts, and one representative serves as the Public Member.

Attachment
A: Draft Job Description for Executive Officer

The Commission is required by the Cortese-Knox-Hertzberg Act to hire an Executive Officer:

56384. (a) The commission shall appoint an executive officer who shall conduct and perform the day-to-day business of the commission.

The day-to-day business of the Commission includes the processing of various applications, consulting with applicants, agencies, the public, and others regarding the specifics of LAFCO actions. The Executive Officer provides the Commission with staff reports, information and updates regarding LAFCO's actions and proposals. The EO is responsible for preparing, monitoring and tracking the LAFCO Budget each year and managing the LAFCO work program. The EO hires and supervises LAFCO staff; including the Analyst and Clerk.

Process

Authorizing the recruitment process would include the following steps:

1. LAFCO approves the attached job description.
2. Authorize the opening of the recruitment period. Open the application period for interested persons to apply for the Executive Officer position. The period is proposed to be a 30-day period. The Notice and Job Description would be sent out on, or about January 22, 2021, with a closing date of February 22, 2021.
3. Authorize sending the notice for the Executive Officer position to the local agencies in including Cities, Special Districts, County agencies, and other local consulting firms. The notice of recruitment would also be sent to CALAFCO, CSAC, California Special Districts Association, and the League of Cities.
4. Set up an ad hoc Executive Committee (3 Commissioners) to review the applications and identify candidates to be interviewed. In March, the Executive Committee would conduct the first round of interviews and identify the top candidates for the position. The top candidates would be interviewed in closed session by the full Commission at its March or April, 2021, Meeting.
5. A contract would be negotiated and submitted to the Commission at its May 20, 2021, meeting.

Job Description

The Job Description for the Executive Officer is attached. It provides details about the position and identifies the benefits provided by SLO LAFCO. The salary range has yet to be established as that would be considered by your Commission in closed session on January 21, 2021. After the Commission establishes a salary range, the job description would be distributed as described above.

If the initial recruitment does not result in satisfactory candidates, your Commission could consider hiring a consulting firm to complete this process.

Attachment A

Draft Job Description for Executive Officer

San Luis Obispo

Local Agency Formation Commission



Serving the Area of San Luis Obispo County Since 1963

.....

Open Position: Executive Officer

.....

You are invited to apply for the leadership position of Executive Officer to help encourage the orderly formation of local agencies in SLO County.

Details regarding the position can be found at www.slolafco.com

.....

Application period
Jan 22, 2021 - Feb 22, 2021



SAN LUIS OBISPO COUNTY

LOCAL AGENCY FORMATION COMMISSION

JOB DESCRIPTION: LAFCO EXECUTIVE OFFICER

SALARY AND BENEFITS

Proposed Salary Range:	TBD by the Commission
Pension:	San Luis Obispo Pension Trust (Tier 3 if a new Employee)
Car Allowance:	\$450/month
Deferred Compensation:	Match to be determined
Medical Insurance:	\$975 per month for single individual, \$1,025 for single+1, \$1,250 for single+2 Option of Special District Risk Management Association Coverage or cash out

SUMMARY

Under general policy direction provided by the San Luis Obispo County Local Agency Formation Commission (LAFCO), the Executive Officer plans, manages, coordinates, and evaluates the varied functions of the Commission as defined in the Cortese-Knox-Hertzberg Act. This includes formulating and implementing policies and procedures, developing operational objectives and standards, and providing advisory services to the Commission in fulfilling its regulatory and planning responsibilities.

The Executive Officer also acts as liaison between the Commission, the general public and other units of government. LAFCO is mandated to encourage orderly growth and development and the logical formation and reorganization of local agency boundaries and service area with appropriate consideration of preserving agricultural and open space lands within San Luis Obispo County. Under broad policy guidance and direction of the seven (7) member Commission, the Executive Officer executes the policies and directives of the Local Agency Formation Commission (LAFCO) in conformance with State law. Some of the actions considered by LAFCO may include annexations, Sphere of Influence determinations, formation of Districts, and the incorporation of cities.

DISTINGUISHING CHARACTERISTICS

The Executive Officer works directly with the Commission to identify challenges and opportunities facing LAFCO and to develop a broad framework and work plan to guide the Agency's decisions involving State and Commission-initiated proposals. The Executive Officer also provides leadership in San Luis Obispo County on local and regional growth, service and development issues. The Executive Officer is accountable to the Commission and responsible for enforcement of LAFCO ordinances, policies, and procedures, the conduct of all financial activities and the efficient and economical performance of LAFCO operations. The duties of this position are performed with wide latitude of action in planning and

directing functions so as to establish and maintain effective management of the administrative affairs of LAFCO. The Executive Officer works with staff to proactively plan for multi-year projects, prioritize staff's efforts, and ensure the most efficient allocation of Agency resources. Based on assignment, essential job functions include, but are not limited to, the following:

- Plan, organize, and administer, either directly or with staff; coordinate and evaluate the work of LAFCO in accordance with applicable laws, ordinances, and regulations, and adopted policies and objectives of the Commission.
- Direct and coordinate the development and implementation of short and long-term goals, strategic and work plans, objectives, and programs for the Commission and LAFCO;
- Develop administrative policies, procedures, and work standards to ensure that the goals and objectives are met and that programs provide mandated services in an effective, efficient, and economical manner.
- Oversees the preparation of the annual budget for LAFCO; authorizes directly or through staff, budget transfers, expenditures, and purchases; provide information regarding the financial condition and needs to the Commissioners.
- Advises the Commission on issues, projects and financial impacts; prepare and recommend long- and short-term plans for LAFCO service provision and directs the development of specific proposals for action regarding current and future LAFCO needs.
- Represent LAFCO and the Commission in meetings with governmental agencies, community groups, and various business, regulatory and legislative organizations; establish and cultivate relationships with LAFCO stakeholders; act as the LAFCO liaison with the media.
- Support legislation that enhances LAFCO authority and powers to perform the duties mandated by the California legislature and that recognizes the Commission's authority to establish policies based on local needs and conditions relative to San Luis Obispo County.
- Ensure that the Commission is kept informed of LAFCO functions, activities, and financial status, and of legal, social and economic issues affecting LAFCO activities.
- Oversee the selection, training, professional development, and performance evaluation of LAFCO staff; provides policy guidance and interpretation to staff.
- Direct the preparation of, and prepares a variety of correspondence, reports, policies, procedures, and other written materials.

QUALIFICATIONS

Any combination of education, training and experience that would provide the required knowledge, skills, and abilities in qualifying.

Bachelor's Degree from an accredited college or university with major coursework in public administration, political science, business administration, or a related field. A Master's Degree in the above fields is also desirable. Minimum of five years of professional or managerial experience, at least four of which include LAFCO, or City, County, or other public agency experience. Previous LAFCO experience desirable.

Knowledge of:

Theories, principles, and practices of public administration, management, and finance. Urban planning theory and techniques, public finance, public infrastructure planning, environmental laws and local government.

The Cortese-Knox Local Government Reorganization Act of 2000, California Environmental Quality Act (CEQA), an understanding of tax laws, budget preparation techniques for local government agencies, public and private infrastructure systems, and financing techniques. Administrative principles and practices, including goal setting, program development, implementation, and evaluation, budget development and administration, and supervision of staff, either directly or through subordinate levels of supervision. Organization and management practices as applied to the analysis and evaluation of programs, policies, and operations. Functions, authority, and responsibilities of an elected Commission. Functions, services, and funding sources of public agency government.

Skills and ability to:

Strong analytical thinking and capability to solve complex, multi-layered issues. Effectively represent LAFCO in contacts with governmental agencies, community groups, and various business, regulatory, and legislative organizations. Provide excellent project management, conflict resolution and mediation. Direct the preparation of and prepare clear and concise reports, correspondence, policies, procedures and other written materials. Analyze problems, identify alternative solutions, project consequences of proposed actions, and implement recommendations in support of goals.

APPLICATION PROCESS

Please submit a cover letter and resume to David Church, San Luis Obispo LAFCO, 1042 Pacific Street-Suite A, San Luis Obispo, CA 93401 or email the application to Dchurch@slolafco.com. Also, please submit a one page response to the question: Why am I the person to lead SLO LAFCO into the future? Applications received after the February 22, 2021 deadline will not be considered. If you submit an application, you are certifying that all the information found in it is true and accurate.