

# **SPHERE OF INFLUENCE UPDATE**

**&**

# **MUNICIPAL SERVICE REVIEW**

## **SPECIAL DISTRICTS**

**Garden Farms Community Water District**

**Port San Luis Harbor District**

**Santa Margarita Fire Protection District**

**Coastal San Luis Resource Conservation District**

**Upper Salinas / Las Tablas Resource Conservation District**



**PREPARED BY:  
SAN LUIS OBISPO  
LOCAL AGENCY FORMATION COMMISSION  
ADOPTED NOVEMBER 2014**

## **SAN LUIS OBISPO LOCAL AGENCY FORMATION COMMISSION**

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# SAN LUIS OBISPO SPECIAL DISTRICT

## SPHERE OF INFLUENCE AND MUNICIPAL SERVICE REVIEW UPDATE

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### CHAPTER 1 - INTRODUCTION

This is a Sphere of Influence (SOI) and Municipal Service Review Update for the Special Districts whose Spheres of Influence are not proposed for modification or change. The update of the Sphere of Influence for these Districts recognizes the existing circumstances and recommends no changes to the SOIs (a “Status Quo” recommendation). The Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires the Local Agency Formation Commission (LAFCO) to update the Spheres of Influence (SOI) for all applicable jurisdictions every five years or as necessary. It is recommended that the Spheres of Influence for the Special Districts listed below be determined as “Status Quo”.

**Table 1-1: Special Districts and Recommendations**

Special District	Active Powers	Recommendation
Garden Farms Community Water District	Water delivery and distribution serving the community of Garden Farms	No changes to the SOI are recommended.
Port San Luis Harbor District	Marine Related Services, Public Safety, Water, Wastewater, Recreation, Public Lands and Commercial Fisheries	No changes to the SOI are recommended.
Santa Margarita Fire Protection District	Emergency Medical Support and Fire Protection	No changes to the SOI are recommended.
Coastal San Luis Obispo Resource Conservation District	Soil, Water and Habitat Conservation and Restoration	No changes to the SOI are recommended.
Upper Salinas/Las Tablas Resource Conservation District	Soil, Water and Habitat Conservation and Restoration	No changes to the SOI are recommended.

**Sphere of Influence Update.** A Sphere of Influence is defined by the Cortese/Knox/Hertzberg Act in Government Code 56425 as “...a plan for the probable physical boundary and service area of a local agency or municipality”. A SOI is generally considered to be a future growth boundary for a jurisdiction. The Act further requires that a *Municipal Service Review* be conducted prior to, or in conjunction with, the update of a Sphere of Influence. The Service Review prepared for the above listed Districts adequately addresses the required factors listed below.

In accordance with Section 56430 of the California Government Code, a “summary” Municipal Service Review has been prepared to address the Special Districts for all of the Districts listed above. The Spheres of Influence for the Special Districts are not

recommended for modification. A more comprehensive Municipal Service Review is not needed for the following Districts because no changes to the Spheres of Influence are recommended:

- Garden Farms Community Water District
- Port San Luis Harbor District
- Santa Margarita Fire Protection District
- Coastal San Luis Obispo Resource Conservation District
- Upper Salinas/Las Tablas Resource Conservation District

**Municipal Service Review.** The Service Review evaluates the public services provided by each of the Districts studied in this analysis. The Districts provide services under the Principal Acts found in the California Law. Principal Acts are laws that govern the set up and operation of various government structures and are described in a section below. A Service Review must recommend written determinations that address the following factors in order to update a Sphere of Influence. Information and written determinations regarding each of the factors is provided in the Service Review. The seven service review factors are addressed in Chapter Three 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

LAFCOs are encouraged to compile a variety of information in preparing a Service Review. LAFCOs can use a significant proposal (constraints analysis, general plan update, master plan, annexation, etc.) as a way to compile the needed information. Also, administrative and organizational information is collected and evaluated. Most of the Districts analyzed in this study do not compile or complete such an information base because of the limited scope of services provided by each district. In order to complete this analysis LAFCO relied 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, and information from various websites.

**LAFCO's Role.** The fundamental role of the Local Agency Formation Commission, LAFCO, is to implement the CKH Act, consistent with local conditions and circumstances. LAFCO's decisions are guided by the CKH Act, found in Government Code 56000, et. seq. The major goals of LAFCO as established by the CKH Act include:

- ▶ To encourage orderly growth and development which are essential to the social, fiscal, and economic well being of the state;
- ▶ To promote orderly development by encouraging the logical formation and determination of boundaries and working to provide housing for families of all incomes;
- ▶ To discourage urban sprawl;
- ▶ To preserve open-space and prime agricultural lands by guiding development in a manner that minimizes resource loss
- ▶ To exercise its authority to ensure that affected populations receive efficient governmental services;
- ▶ To promote logical formation and boundary modifications that direct the burdens and benefits of additional growth to those local agencies that are best suited to provide necessary services and housing;
- ▶ To make studies and obtain and furnish information which will contribute to the logical and reasonable development of local agencies and to shape their development so as to advantageously provide for the present and future needs of each county and its communities;
- ▶ To establish priorities by assessing and balancing total community services needs with financial resources available to secure and provide community services and to encourage government structures that reflect local circumstances, conditions and financial resources;
- ▶ To determine whether new or existing agencies can feasibly provide needed services in a more efficient or accountable manner and, where deemed necessary, consider reorganization with other single purpose agencies that provide related services;
- ▶ To update SOIs every five years or as necessary; and
- ▶ To conduct a review of all municipal services by county, jurisdiction, region, sub-region or other geographic area prior to, or in

conjunction with, SOI updates or the creation of new SOIs.

**Principal Acts.** Principal Acts are the parts of California Law that govern District formations, activities and operations. The Principal Acts are located in various sections of California Law and are listed below:

District	Code Section	Code
County Water District	30000-33901	Water Code
Fire Protection District	13800-13970	Health and Safety Code
Port District	6200-6372	Harbors and Navigation Code
Resources Conservation District	9151-9978	Public Resources Code

The above code sections are applicable to the Districts that are the topic of this Sphere of Influence Update and Service Review. Unless a principal act specifically excludes LAFCO involvement, formation and changes of organization are within LAFCO's authority.



# SAN LUIS OBISPO SPECIAL DISTRICTS

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## CHAPTER 2- SPHERE OF INFLUENCE UPDATE

This chapter summarizes the Special Districts that operate under the Principal Acts described in the previous chapter. Also, this chapter recommends the Sphere of Influence for each one of the Districts remain unchanged. An important tool used in implementing the CKH Act is the adoption of a Sphere of Influence (SOI) for a jurisdiction. A SOI represents an area adjacent to a city or district where a jurisdiction might reasonably be expected to provide services over the next 20 years. This chapter, along with the following Municipal Service Review, provides the basis for updating the Districts Spheres of Influence, which is required to be updated every five years. This Sphere of Influence Update addresses the key factors called for in the Cortese/Knox/Hertzberg Act by referring to information contained in the Service Review. The following written determinations are addressed according to section 56425(e)(1-4) of the Cortese/Knox/Hertzberg Act:

- Present and planned land uses in the area:

The Districts are anticipated to provide services to residents within the service boundary. No major land use changes are anticipated to impact the need for services within the Districts' boundaries. The Spheres of Influence for the Districts are not recommended for expansion based on the fact that significant land use changes that promote development are not envisioned in the County's General Plan.

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

The Districts are capable of maintaining service levels to the residents and clients. The SOIs are not recommended for expansion and the Districts intend to provide needed services to the areas within their existing service boundary.

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

The present capacities of the facilities are adequate to provide services to the service boundaries of the Districts. The Districts call for capital improvements and regular maintenance of facilities to maintain adequate service levels.

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

Each place or area that is served by a District has a unique mix of social and economic communities of interest. The Districts provide services to these communities of interest such as businesses, non-profits, churches, and schools. These organizations, groups and individuals along with the Districts make up the fabric of the Communities.

- Present and Probable need for Public Facilities and Services of Disadvantaged Unincorporated Communities:

Each Special District has a variety of economic diversity that lives within the Districts' service area and surrounding area including within or adjacent to the Sphere of Influence. Disadvantaged community means a community with an annual median household income that is less than 80 percent of the statewide annual median household income. *Disadvantaged unincorporated communities exist for the communities of San Miguel, Shandon and Oceano which are located within or adjacent to Sphere of Influence and service area of some of the District serve boundaries.*

The Spheres of Influence for each District are recommended to remain the same.

## **Garden Farms Community Water District**

The Garden Farms Community Water District was formed by election in 1955 for the purpose of purchasing the existing water system being operated by a Mutual Water Company. In 1963 the District incurred \$75,000 in bonded indebtedness to install a new storage tank and pipelines. The Water District currently provides water service only to the community of Garden Farms. A five-member elected Board of Directors governs district affairs.

According to section 56425(e)(1-4) of the Cortese/Knox/Hertzberg Act, the following written determinations must be addressed when updating a Sphere of Influence:

- The present and planned land uses in the area are expected to remain as designated in the General Plan;
- The present and probable need for public facilities and services are planned for through by the District through the annual budget process:
- The present capacity of the public facilities are adequate to provide services to the community of Garden Farms;
- Social or economic communities of interest that exist in the area benefit from the District's services because these services allow the Community to receive water services that are vital to the small residential community.
- Present and Probable need for Public Facilities and Services of Disadvantaged Unincorporated Communities are not present at this time.

**Recommendation.** The Sphere of Influence remains unchanged from its current location found in Figure 2-5.

### **1. GROWTH AND POPULATION**

**Population of Area and Adjacent Areas:** The Districts studied in this report do not anticipate large increases in population and the Spheres of Influence are not recommended for expansion. The 2010 US Census reported that Garden Farms had a population of 386. The population density was 353.0 people per square mile. The population was spread out with 80 people (20.7%) under the age of 18, 22 people (5.7%) aged 18 to 24, 84 people (21.8%) aged 25 to 44, 154 people (39.9%) aged 45 to 64, and 46 people (11.9%) who were 65 years of age or older. The median age was 45.7 years.

There were 169 housing units at an average density of 154.6 per square mile, of which 111 (69.8%) were owner-occupied, and 48 (30.2%) were occupied by renters. The homeowner vacancy rate was 0%; the rental vacancy rate was 2.0%. 281 people

(72.8% of the population) lived in owner-occupied housing units and 105 people (27.2%) lived in rental housing units.

**Future Growth.** The Community of Garden Farms is not expected to grow much more over the next several years. The General Plan envisions in-fill development with no substantial developments or increases in density proposed outside the District's service boundaries.

## **WRITTEN DETERMINATIONS**

1. The County's population continues to grow at a slow rate (<1%).
2. Significant increases in population are not anticipated to occur.
3. No expansions in the Spheres of Influence are recommended in this update.

## **2. LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES**

LAFCO is responsible for determining the location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence of a jurisdiction. If a jurisdiction is reasonably capable of providing needed resources and basic infrastructure to disadvantaged unincorporated communities within the sphere of influence or contiguous to the sphere of influence, it is important that such findings of infrastructure and resource availability occur when revisions to the SOI and annexations are proposed by the District or property owners.

The communities listed above have a variety of economic diversity that resides within the special district boundary and surrounding area. A Disadvantaged community is defined as a community with an annual median household income that is less than 80 percent of the statewide annual median household income. The Spheres of Influence for the Special Districts do not have any disadvantage communities that have a present and probable need for public facilities and services nor are the areas contiguous to the sphere of influence qualify as a disadvantage community.

## **WRITTEN DETERMINATIONS**

The following written determinations are based on the information contained in the above section regarding disadvantaged unincorporated communities:

1. The Spheres of Influence for the Special District does not have disadvantaged unincorporated community located within or adjacent to their boundaries.

### **3. INFRASTRUCTURE NEEDS AND DEFICIENCIES**

LAFCO is responsible for determining if an agency requesting SOI amendments is reasonably capable of providing needed resources and basic infrastructure to serve areas within the District and in the Sphere of Influence. It is important that such findings of infrastructure and resource availability occur when revisions to the SOI and annexations occur. In the case of this SOI Update, it is prudent for LAFCO to evaluate the present and long-term infrastructure demands and resource availability of the community. LAFCO accomplishes this by evaluating: 1) the resources and services that are available, 2) the ability of the jurisdiction to provide such resources and services in line with increasing demands, and 3) the capital improvement and maintenance programs implemented by the jurisdiction.

The Districts address the Infrastructure Needs and Deficiencies using a variety of mechanisms:

- Financial Management Systems that are audited annually by Certified Public Accountants. Capital Improvement Plans and programs.
- Procedures that schedule maintenance for facilities and equipment.
- The Districts perform various studies and analysis regarding the need for developing new resources for specific communities.

The District serves approximately 113 water connections from its system consisting of Well No. 1 (150 gpm), Well No. 2 (90 gpm; used for chlorination several times per month), Well No. 3 (130 gpm) and a 225,000- gallon storage tank. A total water entitlement is 93 acre-feet. The District has indicated in the past that because requests for water service from within district boundaries have higher priority than service for areas outside, annexations are discouraged.

Water quality is of concern, given the shallow groundwater, and soil types that indicate greater potential for septic tank failure. The County Environmental Health Department indicates that because lots in Garden Farms are at least one-acre in size, there is ample room for expansion of leach fields to remedy potential septic tank failures.

The County's Integrated Regional Water Management Plan estimates the water demand for Garden Farms as 48 acre-feet in year 2010 to a projected 93 acre-feet by 2035. Although the IRWMP list the water planning area issues as not having adequate data.

<b>Urban Water Demands (AFY)</b>	<b>2010</b>	<b>2015</b>	<b>2020</b>	<b>2025</b>	<b>2030</b>	<b>2035</b>
Garden Farms C.W.D.	48	57	66	75	84	93

**Biennial Resource Management System Summary Report.** The Resource Management System (RMS) provides information to guide decisions about balancing land development with the resources necessary to sustain such development. It focuses on, 1) Collecting data, 2) Identifying resource problems and 3) Recommending solutions. The 2010-2012 Report indicates that the Water Supply for Garden Farms is not at issue but the ability of the wells to produce water in a drought situation presents limitations. The district's water system pumps from three wells which together produce 370 gallons per minute. Capacity is reduced in years of below-average rainfall. The District has reserves to upgrade the facilities and schedules regular maintenance of infrastructure as needed. This will improve the existing system only; any significant increase in demand will require expansion of the delivery system.

### **WRITTEN DETERMINATIONS**

1. The Districts manage resources adequately to provide services to the communities and areas.
2. No additions to the SOI is proposed as a result of this Sphere of Influence Update that would increase the need for new resources and infrastructure.
3. The District continues to upgrade its resources to meet the needs of current and future residents within the Districts existing service boundary and the Sphere of Influence.
4. Based upon review of the available information, the District's facilities and practices comply with environmental and safety standards.

### **4. FINANCING ABILITY OF AGENCIES TO PROVIDE SERVICES**

The District prepares annual budget documents that articulate the Districts financial status and future spending plans. The document provides information about revenue sources and expenditures.

The Board of Directors adopts the budget each year and it is used as the spending plan for the District. The Budget provides a framework for Districts to address the following issues: reserves, revenues, expenditures, transfer authority, fiscal management, investments, capital improvements and rates and fees.

The Districts financial constraints involve the governmental structure and the desires of the people in a community to fund certain activities by establishing assessments or fees. The laws under which Districts are governed provide the structure for funding activities. Revenue sources for the Districts are somewhat limited and include key sources such as fees collected from water sales, water connection fees, and pass-through monies such as grants for the construction of capital improvements.

The District provided water rate study and related reports and recommendations for the Districts water enterprise funds. This report provided rate for water customers and non-customers to maintain reliable water service. The District charges a bi-monthly fee of \$40 for the first 2,500 cf used and an additional \$13.50 for each 1,000 cf thereafter for its water customers. Non-customers pay \$52 and \$22.50 for the same usage.

On the expenditures side, the District's budget for the services paid for by residents and generally attempt to live within their means. Key expenditures include routine maintenance, water infrastructure payments, insurance, administrative, accounting services, services and supplies.

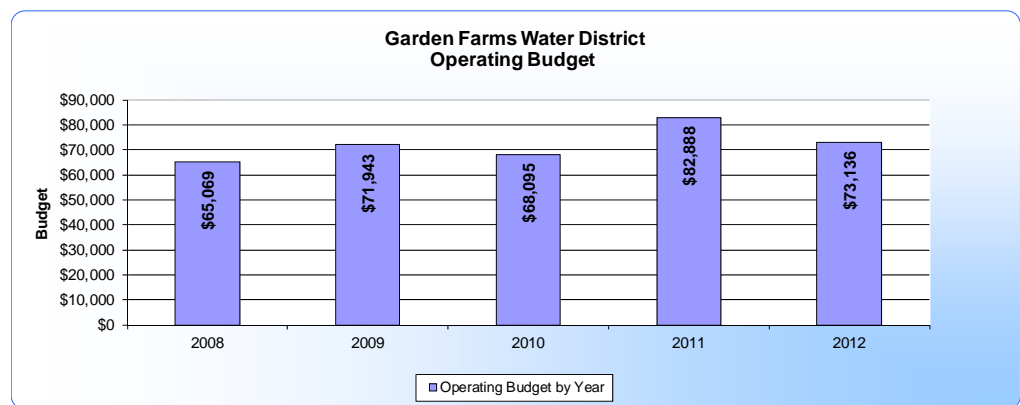
**Fiscal Trend Analysis.** The following charts show the fiscal trend analysis for the past five years for key fiscal indicators that represents an early warning system for an agencies fiscal health. The key indicators are overall operating budget, property tax revenues, long-term debt, and fund balance for each year. The information was derived from the District's fiscal documents for each year.

**Operating Budget Figure 2-1**

**Formula:**  
Consolidated  
Expenditures /  
Fiscal year

**Trend Analysis:**  
Monitor expenditures  
over time.

**Source:**  
Financial Statements:



**Description:**

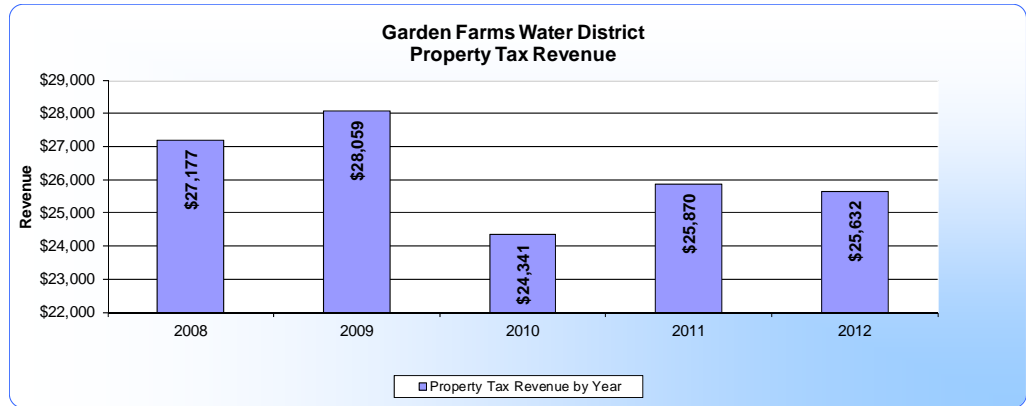
This indicator refers to the overall operating budget and expenditures including enterprise funds. It shows the expenditure pattern for a jurisdiction over a period of several years.

### Property Tax Revenues Figure 2-2

**Formula:**  
Property tax revenue /  
Fiscal year

**Trend Analysis:**  
Monitor property tax  
revenues over time.

**Source:**  
Annual Financial  
Statements:



**Description:**

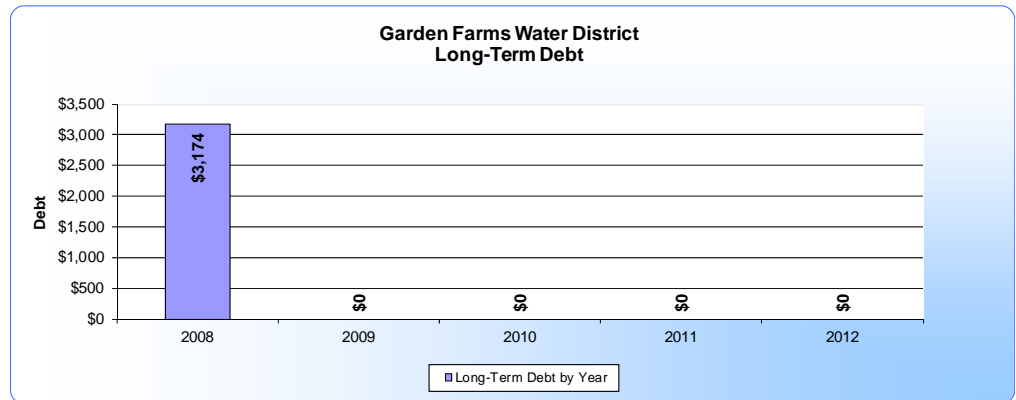
This indicator will have more importance for those agencies heavily reliant upon property tax revenues. As these revenues are closely tied to market conditions, this indicator can depict the ability of an agency to respond to economic fluctuations. The property taxes are distributed based on the calendar year and the years indicated in the chart are the ending years for each calendar year.

### Long-Term Debt/Liabilities Figure 2-3

**Formula:**  
Current liabilities / Net  
operating revenues

**Trend Analysis:**  
Monitor Long-term debt  
at the end of the year as  
a percentage of net  
operating revenues over  
time.

**Source:**  
Statement of Net Assets



**Description:**

A major component of a jurisdictions liability may be long-term debt in the form of tax or bond anticipation notes. Although long-term borrowing is an accepted way to deal with uneven cash flow, an increasing amount of long-term debt outstanding at the end of successive years can indicate deficit spending problems. The District does not any long-term debt; a positive financial indication.



### Changes in Fund Balance Figure 2-4

**Formula:**

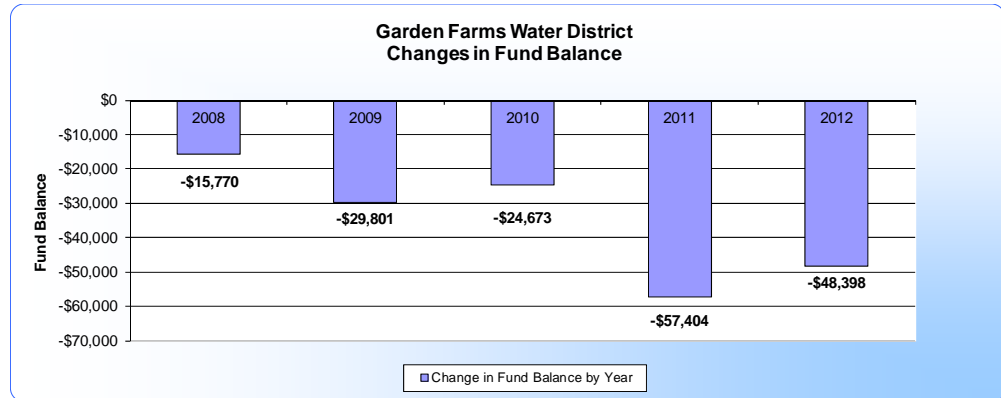
General fund operating deficit or surplus / Fund operating revenue

**Trend Analysis:**

Monitor general fund operating deficit or surplus as a percentage of net operating revenues.

**Source:**

Annual Financial Statements:



**Description:**

This indicator is especially important because a pattern of operating deficits can be one of the first signs of an imbalance between revenue structure and expenditures. It should be noted that it would not indicate a problem if the agency had planned the operating deficits and was deliberately drawing down reserve fund balances or using extra revenues from another fund for temporary needs.

**Annual Audit Report.** The District has submitted independent Audit Reports to the County Auditor pursuant to State Law. These reports have been reviewed by a qualified firm of Certified Public Accountants. The 2011 and 2012 Reports have been reviewed for this analysis. The audits find that the District’s financial reports are presented consistent with accepted accounting principles. The District also adopts an Annual Budget and has a variety of accounting policies. The District’s operations are funded by water sales and meter installations. The District also receives property taxes and penalties, interest income, and lease income. These funds can be used for other non-operational activities such as capital improvements.

### WRITTEN DETERMINATIONS

1. The District’s staff prepares a budget that clearly describes the services provided to residents and the funds expended for those services.
2. The District funds infrastructure needed to serve new development projects through connection and other fees. It is reasonable to conclude that the Districts endeavor to avoid long-term financial obligations for the capital improvement or maintenance of new development projects.
3. District has in place financial regulations that are codified in its implementing ordinances and resolutions.
4. The District does not have any long-term debt.

## **5. OPPORTUNITIES FOR, SHARED FACILITIES**

The District could work with other jurisdictions to minimize costs and duplication of effort. This may lead to shared use of infrastructure with the County and other Districts. The District could also work cooperatively and maintain working relationships with the following agencies:

- Independent Districts
- Regional Water Quality Control Board
- Various County Department for permitting and will serve commitments

### **WRITTEN DETERMINATIONS**

1. The District looks for opportunities to work with other agencies and organizations to help provide efficient services to the residents of the District.

## **6. GOVERNMENT STRUCTURE OPTIONS**

The Special District Board of Directors prioritize services and must make difficult decisions about where and what services are allocated from a limited amount of financial resources. Various government structures are available to Special Districts and communities including: forming a District, increasing the functions a District provides to a community, considering forming a Community Services District as an option, or dissolving a District that may be no longer needed.

The management and service aspects of the Special District are administered by hired staff and in some cases professional consultants. Overall, the documentation reviewed shows that the Districts are well run and organized in an efficient manner. The District provides a website that keeps customers informed of their activities.

The District provides fiscal, legal, and technical services to implement their programs. Consultants often perform general utility planning, assessments apportionments, special studies and projects as directed by the Board of Directors.

### **WRITTEN DETERMINATIONS**

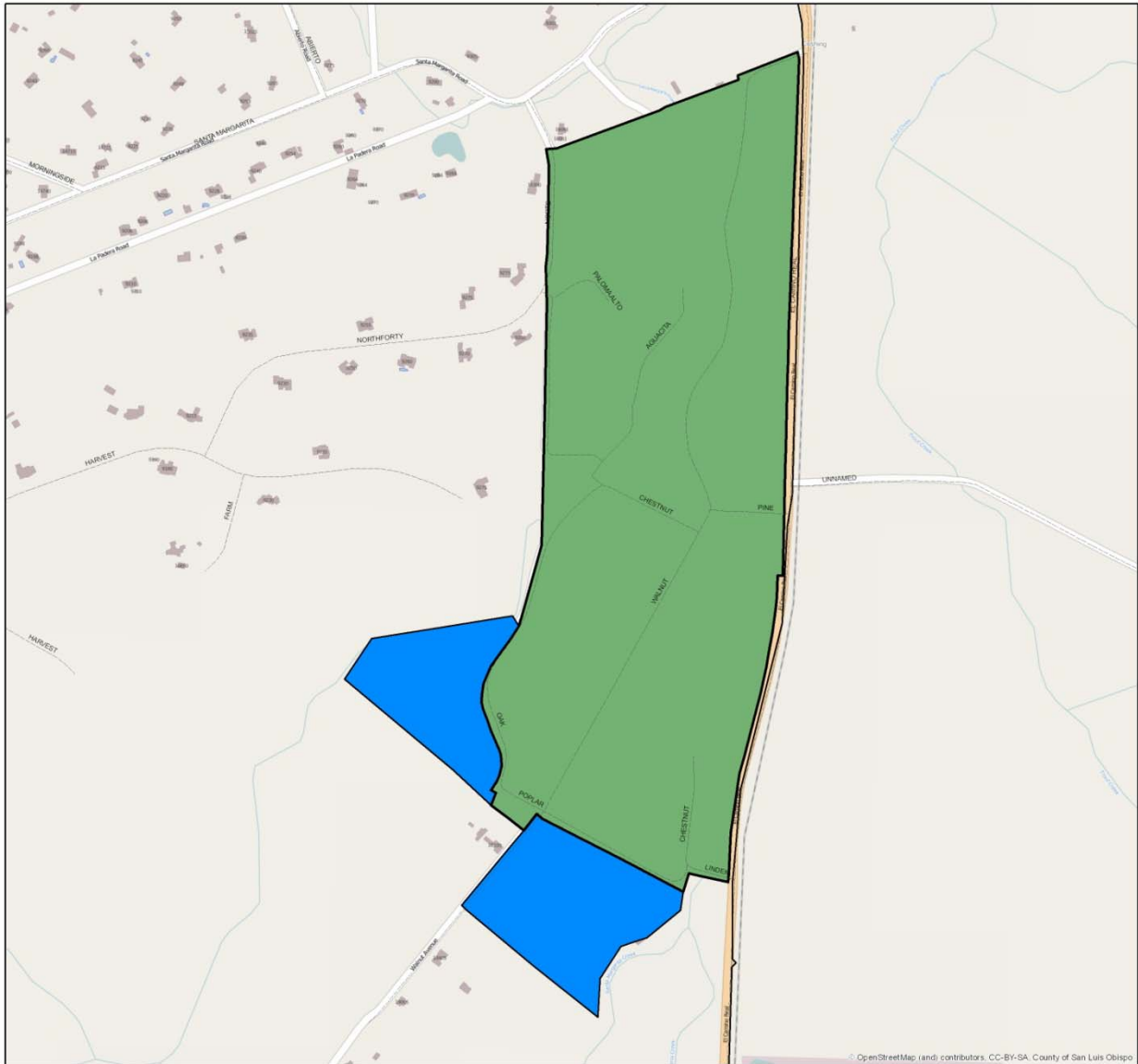
1. The District provides a management and administrative support.
2. The District appears well-organized and capable of serving the residents of Garden Farms.

## **7. OTHER MATTERS**

No other matter has been raised to date.

Figure 2-5

## Garden Farms Community Water District Service Area & Sphere of Influence Recommended 2014

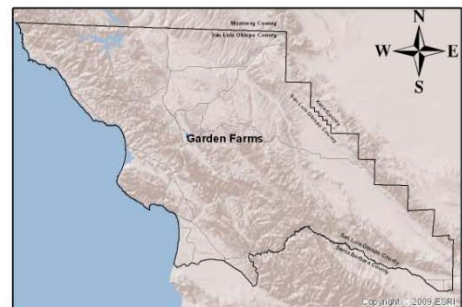


### Legend

	Major Roads
	Service Area
	Sphere of Influence



Prepared By SLOLAFCO  
Name: Garden Farms\_SOI Bndy  
Date: 3/6/2014



## Port San Luis Harbor District



The Port San Luis Harbor was formed by petition and election in 1954 to improve, develop, operate and maintain the harbor located in the San Luis Bay. The District provides for the following services:

- Bilge pumpout, Fuel & Ice
- Marine chandlery
- Long term and transient moorings
- Boatyard
- RV Camping
- Boat and commercial fishing gear storage
- Water Taxi Services
- Beach and pier access
- Parking
- Public safety and law enforcement; lifeguards

The District Boundaries were established at the time of formation. The Harbor Area is about 40 acres of land with 100 acres of submerged land. Total District land holdings are approximately 106 acres, plus an additional tidelands grant of approximately 8,400 acres. The discussion provides a more detailed description of the District functions and history:

**Harbor District Functions.** Since the Harbor District's formation, the Port has taken on more than just harbor enterprise (oil industry and commercial fishing) functions. As a result of the California Coastal Act of 1976, the District has been required to provide non-enterprise coastal-dependent visitor-serving and recreation uses. The Coastal Act Section 30701 also declares that the Ports of the State of California, constitutes one of the State's primary economic and coastal resources and are an essential element of the national maritime (including recreational ) industries.

In 1984, the State and County gave the Avila State Beach and Pier properties to the Harbor District. Avila Beach is the most popular beach in San Luis Obispo County, and contains many amenities and services that the Harbor District provides to the public. These amenities or services include: public rest rooms, maintenance of beach/buildings, maintenance of the 1,630-foot Avila Pier, utility costs, lifeguard and security services.

Harford Pier, which is another public access pier, has been designated a national historic structure by the California State Historic Preservation Office. The State Historic Preservation Office, as a result, has required the Harbor District to preserve and restore the pier, which serves a major commercial and recreational fishing function. In addition, the California State Department of Forestry has required the District to upgrade the pier with fire safety devices including the construction of a fire sprinkler system under the entire 1,424-foot pier, at substantial cost to the District.

The Harbor District has implemented and provided new coastal access facilities within Avila Beach area, by improvements to beach launching ramps, construction of public rest rooms and handicap access to the facilities. The District has also assisted in providing access to the Pecho Coast and Point San Luis Lighthouse, where access has never before been provided. The District wishes to continue to provide coastal access in compliance with California Coastal Act Section 30212. Tax revenues for the Harbor District fund many non-enterprise public programs. These tax funded improvements are essential in maintaining and enhancing the community's use of the public facilities at Port San Luis.

Although Port San Luis once performed pure harbor enterprise functions, it now has expanded to provide many public serving (non-enterprise) activities. Current uses of the Harbor District now include:

- Public fishing
- Unrestricted navigation
- Public beaches
- Two public/commercial piers
- Boat launching facilities
- Boat moorings
- Nature Education
- Boat & engine services
- Public rest rooms
- Beach concessions
- Surfing and camping
- Coastal access
- Public parking
- Commercial fishing
- Land storage of boats and gear Sailing
- Water skiing
- Restaurants
- Fresh and live fish
- Charter boat service
- Fuel & ice facility
- Boat yard repair facilities
- Public Safety: Harbor Patrol/Lifeguards

The District's Sphere of Influence and service area is co-terminus (the same).

According to section 56425(e)(1-4) of the Cortese/Knox/Hertzberg Act, the following written determinations must be addressed when updating a Sphere of Influence:

- The present and planned land uses in the area are expected to remain as designated in the General Plan;
- The present and probable need for public facilities and services are planned for through the Districts Harbor Master Plan;

- The present capacity of the public facilities are adequate to provide services;
- Social or economic communities of interest that exist in the area benefit from the District's services because these services allow the Community to function and grow;
- Present and Probable need for Public Facilities and Services of Disadvantaged Unincorporated Communities are not present at this time.

**Recommendation.** The Sphere of Influence remains unchanged from its current location found in Figure 2-10.

## 1. **GROWTH AND POPULATION**

**Population of Area and Adjacent Areas:** The Districts studied in this report do not anticipate large increases in population and the Spheres of Influence are not recommended for expansion. In 2011 the Council of Governments had the consulting firm of AECOM Technical Services update population projections for San Luis Obispo County. These projections use a variety of data sources and assumptions to project the future population of the cities and unincorporated areas of the County. These projections incorporate information from the State of California about future population increases, past and present County growth trends, and projected changes within the region. According to the 2010 Census, SLO County has added approximately 15,000 housing units since 2000. Data from the 2010 Census suggests the increase of approximately 23,000 household residents in SLO County, a 9 percent increase in population since 2000. Growth was led by large population gains in Paso Robles and in unincorporated areas of SLO County.

Jurisdiction	Census 2000	Census 2010	Change in Population	% Change in Population
<u>Household Population</u>				
Arroyo Grande	15,641	17,078	1,437	9.2%
Atascadero	24,945	26,986	2,041	8.2%
Grover Beach	12,941	12,967	26	0.2%
Morro Bay	10,152	10,073	-79	-0.8%
Paso Robles	23,370	29,624	6,254	26.8%
Pismo Beach	8,524	7,642	-882	-10.3%
San Luis Obispo	42,312	43,937	1,625	3.8%
Unincorporated Area	93,225	104,324	11,099	11.9%
Incorporated	137,885	148,307	10,422	7.6%
County Total	231,110	252,631	21,521	9.3%
<u>Group Quarters Population</u>				
	15,571	17,006	1,435	9.2%
<u>Total Population</u>				
	246,681	269,637	22,956	9.3%

Source: US Census Bureau

## **WRITTEN DETERMINATIONS**

1. The County's population continues to grow at a slow rate (<1%).
2. Significant increases in population are not anticipated to occur in most of the Special Districts addressed in this study. In areas where significant growth might occur service structures are anticipated to grow and meet the need for public services.
3. No expansion in the Sphere of Influence is recommended in this update. The Sphere of Influence remains identical to the service area of the District.

## **2. LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES**

LAFCO is responsible for determining the location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence of a jurisdiction. If a jurisdiction is reasonably capable of providing needed resources and basic infrastructure to disadvantaged unincorporated communities within the sphere of influence or contiguous to the sphere of influence, it is important that such findings of infrastructure and resource availability occur when revisions to the SOI and annexations are proposed by the District or property owners.

The communities listed above have a variety of economic diversity that resides within the special district boundary and surrounding area. A Disadvantaged community is defined as a community with an annual median household income that is less than 80 percent of the statewide annual median household income. The Spheres of Influence for the Special Districts do not have any disadvantage communities that have a present and probable need for public facilities and services nor are the areas contiguous to the sphere of influence qualify as a disadvantage community. Unincorporated communities which appear to meet the definition of “disadvantaged unincorporated communities” under the requirements of SB244 include Oceano, San Miguel and Shandon.

## **WRITTEN DETERMINATIONS**

The following written determinations are based on the information contained in the above section regarding disadvantaged unincorporated communities:

1. The Sphere of Influence and service area for the District includes Oceano; a disadvantaged unincorporated community located within or adjacent to their boundaries.
2. The Sphere of Influence does not include any other disadvantage unincorporated community.

## **3. INFRASTRUCTURE NEEDS AND DEFICIENCIES**

LAFCO is responsible for determining if an agency requesting SOI amendments is reasonably capable of providing needed resources and basic infrastructure to serve areas within the District and in the Sphere of Influence. It is important that such findings of infrastructure and resource availability occur when revisions to the SOI and annexations occur. In the case of this SOI Update, it is prudent for LAFCO to evaluate the present and long-term infrastructure demands and resource availability of the community. LAFCO accomplishes this by evaluating: 1) the resources and services that are available, 2) the ability of the jurisdiction to provide such resources and services in line with increasing demands, and 3) the capital improvement and maintenance programs implemented by the jurisdiction.

The Districts address the Infrastructure Needs and Deficiencies using a variety of mechanisms:

- Financial Management Systems that are audited annually by Certified Public Accountants. Capital Improvement Plans and programs.
- Procedures that schedule maintenance for facilities and equipment.



- The Districts perform various studies and analysis regarding the need for developing new resources for specific communities.

**Harbor Master Plan.** The District adopted the updated Harbor Master Plan in 2004 with revisions in 2007. The Master Plan is incorporated into the County's Local Coastal Plan which is certified by the California Coastal Commission. The Master Plan identifies the goals and policies for the Harbor District and is summarized as follows:

The Port Master Plan aims to continue the Harbor District's long-standing tradition of stewardship for the use and development of the land and water areas under its jurisdiction and to meet public obligations for those areas as mandated by the State Tidelands Grant and the California Coastal Act of 1976. Chapter 3 of this Master Plan is incorporated into the local LCP as governing policies for Port San Luis Harbor. Within the context of comprehensive planning and the requirements of the California Coastal Act, this Master Plan aims to resolve the following major issues facing the Port San Luis Harbor District:

- Meet Coastal Act priorities for the harbor, especially the protection of coastal-dependent and coastal-related activities, visitor serving and waterfront recreation opportunities, and public access to the waterfront;
- Promote and facilitate the orderly and beneficial development and use of District lands, facilities, and resources;
- Provide land and water uses that are beneficial to residents of San Luis Obispo County and the people of the State of California;
- Increase revenue-producing opportunities to support the Harbor District's public and enterprise functions; and,
- Enhance and maintain the maritime character of the harbor.

The Master Plan describes the facilities and resources under the jurisdiction of the Harbor District as follows:

### **PUBLIC FACILITIES**

**Open Water.** The 520-acre harbor area, mostly used for navigation and mooring purposes. The Open Water Area also includes the shoreline from Point San Luis to Shell Beach, a 2400-foot rubble mound breakwater, and areas around three piers.

**Harford Pier.** The "backbone" of Port San Luis Harbor, Harford Pier is an historic working pier that serves commercial and recreation fishing and boating, and is a primary focus of Port activities.

**Harford Landing.** An 8.7-acre site at the base of Harford Pier that provides supportive land area to coastal-dependent and coastal-related uses at the main harbor, as well as serves visitor needs on the waterfront. Harford Landing is comprised of parking, launching facilities, a boatyard, and several buildings.

**Harbor Terrace.** An approximately 30-acre hillside property overlooking San Luis Obispo Bay along Avila Beach Drive that is currently used as storage area for boat owners, fishermen, and the Harbor District. A trailer park (non-conforming use) currently sits on the southeastern portion of the site. Development of Harbor Terrace is a primary long-term objective of the Harbor District. Beach and Bluffs A linear strip of land seaward of the County right-of-way of Avila Beach Drive, which provides recreational opportunities including coastal access, beach-oriented activities, informal parking, and ocean views.

**Lightstation.** A 25-acre site that includes the historic Point San Luis Lighthouse and several other buildings, served by a private road and trail with controlled public access.

## **RECREATION**

**Avila Beach, Pier and Parking Lot.** The Avila Beach and Pier make up the “front porch” of the Avila community and primarily support recreational water-oriented activities. The Avila Parking Lot is located one block north of the beach and serves the parking needs of beach and pier users.

Since the Master Plan was last updated, the trailer park on Harbor Terrace has been closed and the District is currently engaged in the entitlement process for a full service campground on Harbor Terrace, while maintaining the boat and gear storage and District uses currently on site.

A 1968 agreement between the Harbor District and the Avila Beach Community Services District (ABCSD) entitles the Harbor District to 35% of the capacity of the waste water treatment plant in Avila Beach; this entitlement comes with an obligation to fund 35% of related capital improvements. Two issues may materially affect the District’s budget in coming years:

The ABCSD is seeking a rate increase from its customers which, if approved, will increase the funds available to the ABCSD for capital projects, and by extension increase the District’s obligation to fund its share.

The ABCSD is anticipating the need for a significant upgrade to the plant to meet required standards for the effluent flow from the plant. The District would be obligated to participate in this project, which may cost in excess of \$1 million. Options would include payment in full, grants to offset District share, and participation in a potential ABCSD low interest loan.

## **WRITTEN DETERMINATIONS**

1. The District manages its resources adequately to provide services to the communities and areas.
2. No additions to the SOI is proposed as a result of this Sphere of Influence Update that would increase the need for new resources and infrastructure.

3. The District has adequate and reliable resources available to meet the needs of current and future residents within the Districts existing service boundary and the co-terminus Sphere of Influence.
4. Based upon review of the available information, the District's facilities and practices comply with environmental and safety standards.

#### **4. FINANCING ABILITY OF AGENCIES TO PROVIDE SERVICES**

The Districts prepare annual budget documents that are well-organized and clearly articulate the Districts' financial status and future spending plans. The document provides information about revenue sources and expenditures. Independent Audits of the Special Districts indicates that each District has prepared an annual budget.

The various Boards of Directors adopts the budget each year and it is used as the spending plan for the Districts. The Budget provides a framework for Districts to address the following issues: reserves, revenues, expenditures, transfer authority, fiscal management, investments, capital improvements and rates and fees. Each District has adopted fiscal and accounting policies or procedures that guide staff in preparing the budget and fiscal matters. These policies and procedures are reflected in the annual audit performed by a Certified Public Accountant.

The Districts' financial constraints involve the governmental structure and the desires of the people in a community to fund certain activities by establishing assessments or fees. Each District faces unique challenges when funding public services. Also, the complexity varies from District to District. The laws under which Districts are governed provide the structure for funding activities. Revenue sources for the Districts are somewhat limited and include key sources such as property taxes for lighting & fire, fees collected from water sales, water connection fees, and pass-through monies such as grants for the construction of capital improvements.

On the expenditures side, the District's budget for the services paid for by residents and generally attempt to live within their means. Key expenditures include routine maintenance, water infrastructure payments, insurance, administrative, accounting services, services and supplies.

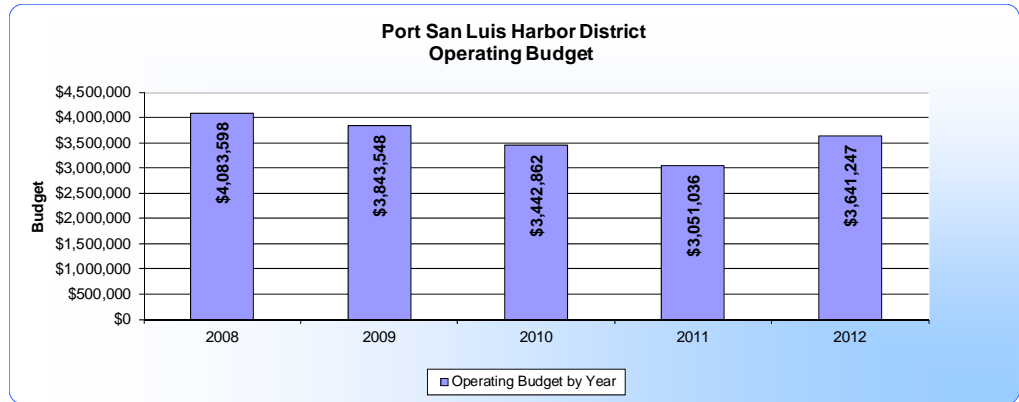
**Fiscal Trend Analysis.** The following charts show the fiscal trend analysis for the past five years for key fiscal indicators that represents an early warning system for an agencies fiscal health. The key indicators are overall operating budget, property tax revenues, long-term debt, and fund balance for each year. The information was derived from the District's fiscal documents for each year.

### Operating Budget Figure 2-6

**Formula:**  
Consolidated  
Expenditures /  
Fiscal year

**Trend Analysis:**  
Monitor expenditures  
over time.

**Source:**  
Financial Statements:



**Description:**

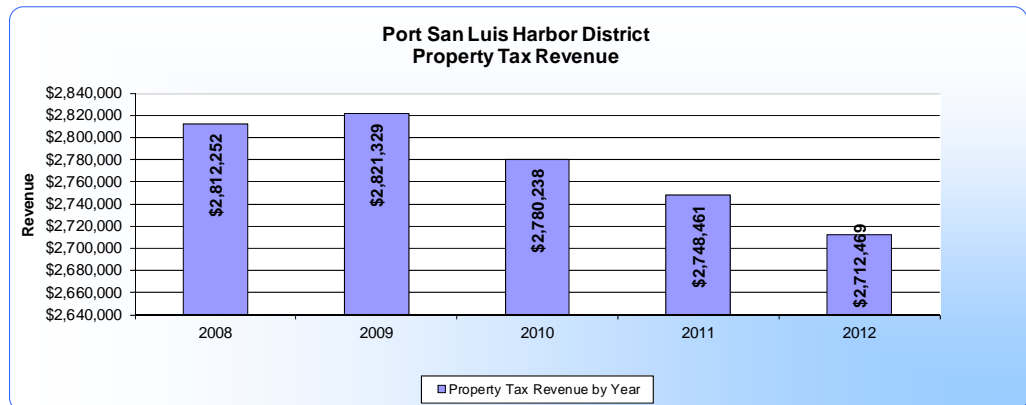
This indicator refers to the overall operating budget and expenditures including enterprise funds. It shows the expenditure pattern for a jurisdiction over a period of several years.

### Property Tax Revenues Figure 2-7

**Formula:**  
Property tax revenue /  
Fiscal year

**Trend Analysis:**  
Monitor property tax  
revenues over time.

**Source:**  
Annual Financial  
Statements:



**Description:**

This indicator will have more importance for those agencies heavily reliant upon property tax revenues. As these revenues are closely tied to market conditions, this indicator can depict the ability of an agency to respond to economic fluctuations. The property taxes are distributed based on the calendar year and the years indicated in the chart are the ending years for each calendar year.

### Long-Term Debt/Liabilities Figure 2-8

**Formula:**

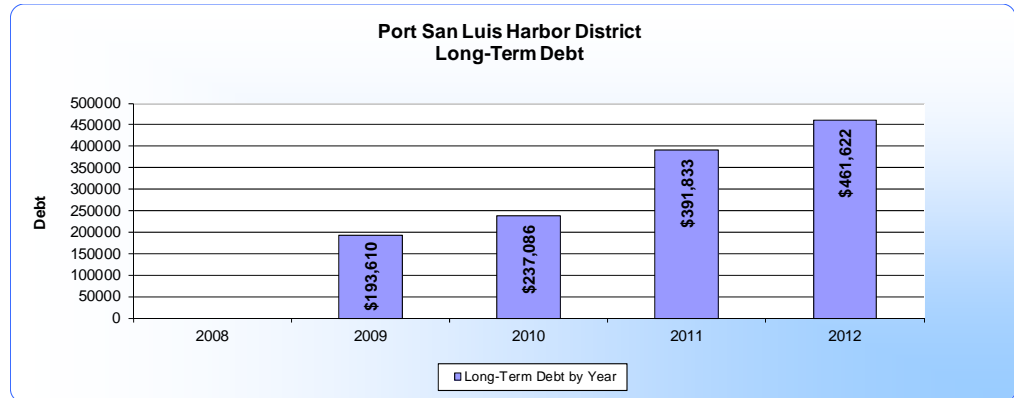
Current liabilities / Net operating revenues

**Trend Analysis:**

Monitor Long-term debt at the end of the year as a percentage of net operating revenues over time.

**Source:**

Statement of Net Assets



**Description:**

A major component of a jurisdiction's liability may be long-term debt in the form of tax or bond anticipation notes. Although long-term borrowing is an accepted way to deal with uneven cash flow, an increasing amount of long-term debt outstanding at the end of successive years can indicate deficit spending problems.

### Changes in Fund Balance Figure 2-9

**Formula:**

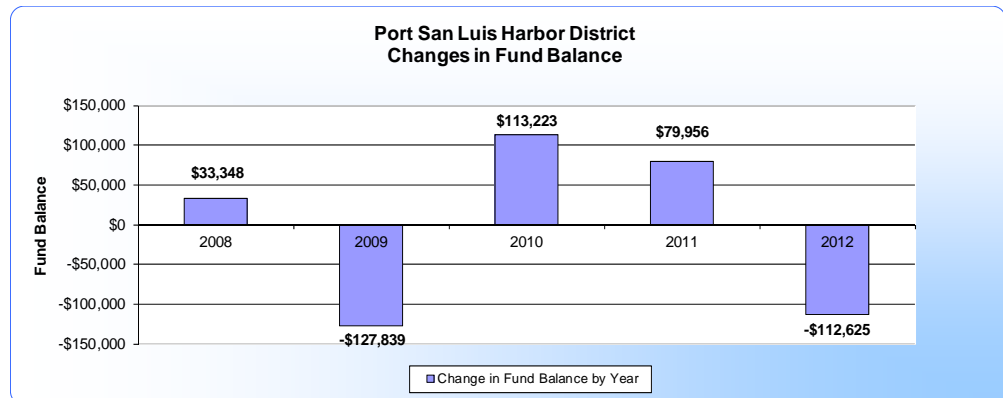
General fund operating deficit or surplus / Fund operating revenue

**Trend Analysis:**

Monitor general fund operating deficit or surplus as a percentage of net operating revenues.

**Source:**

Annual Financial Statements:



**Description:**

This indicator is especially important because a pattern of operating deficits can be one of the first signs of an imbalance between revenue structure and expenditures. It should be noted that it would not indicate a problem if the agency had planned the operating deficits and was deliberately drawing down reserve fund balances or using extra revenues from another fund for temporary needs.

**Annual Audit Report.** The District has submitted independent Audit Reports to the County Auditor pursuant to State Law. These reports have been reviewed by a qualified firm of Certified Public Accountants. The 2011 and 2012 Reports have been reviewed for this analysis. The audits find that the District's financial reports are presented consistent with accepted accounting principles. The District also adopts an Annual Budget and has a variety of accounting policies. The District's operations are funded by property taxes and assessments, fees for services, fees from moorage operations, service charges and fees, and leases licenses and rentals. The District also receives revenues from grants, interest income, and miscellaneous income. These funds can be used for other non-operational activities.

## **WRITTEN DETERMINATIONS**

1. The District's staff prepares an annual budget that clearly describes the services provided to residents and the funds expended for those services.
2. The District fund infrastructure needed to serve new projects through grants and other funding. It is reasonable to conclude that the District endeavor to avoid long-term financial obligations for the capital improvement or maintenance of new projects.
3. The District has in place financial regulations that are codified in its implementing ordinances and resolutions.

## **5. OPPORTUNITIES FOR, SHARED FACILITIES**

The Districts work with other jurisdictions to minimize costs and duplication of effort. This may lead to shared use of infrastructure with the County, Cities and other Districts. The Districts also work cooperatively and maintain working relationships with the following agencies:

- Incorporated Cities
- Independent Districts
- Regional Water Quality Control Board
- Army Corps of Engineers
- State Parks to help manage parks and recreation resources
- Regional Water Quality Control Board regarding wastewater discharge and drainage
- California Coastal Commission for permitting in the Coastal Zone
- California Department of Fish and Wildlife to protect wildlife and environmental resources
- Various County Department for permitting and will serve commitments

## **WRITTEN DETERMINATIONS**

1. The District look for opportunities to work with other agencies and organizations to help provide efficient services to the residents of the District.

## **6. GOVERNMENT STRUCTURE OPTIONS**

The Special Districts' Boards of Directors prioritize services and must make difficult decisions about where and what services are allocated from a limited amount of financial resources. Various government structures are available to Special Districts and communities including: forming a District, increasing the functions a District provides to a community, or dissolving a District that may be no longer needed.

The management and service aspects of the Special Districts are administered by hired staff and in some cases professional consultants. Overall, the documentation reviewed shows that the Districts are well run and organized in an efficient manner.

The District provides fiscal, legal, and technical services to implement their programs. Consultants often perform general utility planning, assessments apportionments, special studies and projects as directed by the Board of Directors.

As it is in most Districts, direct labor, equipment, materials and vendor payments, plus an allocation of indirect overhead costs, are accounted for and billed based upon the information contained in the cost accounting system. The cost accounting system also identifies operations related costs to allow knowledgeable management of the various budgets, and a clear picture of expenditures for the Board and Citizens Advisory Groups, as well as staff.

### **WRITTEN DETERMINATIONS**

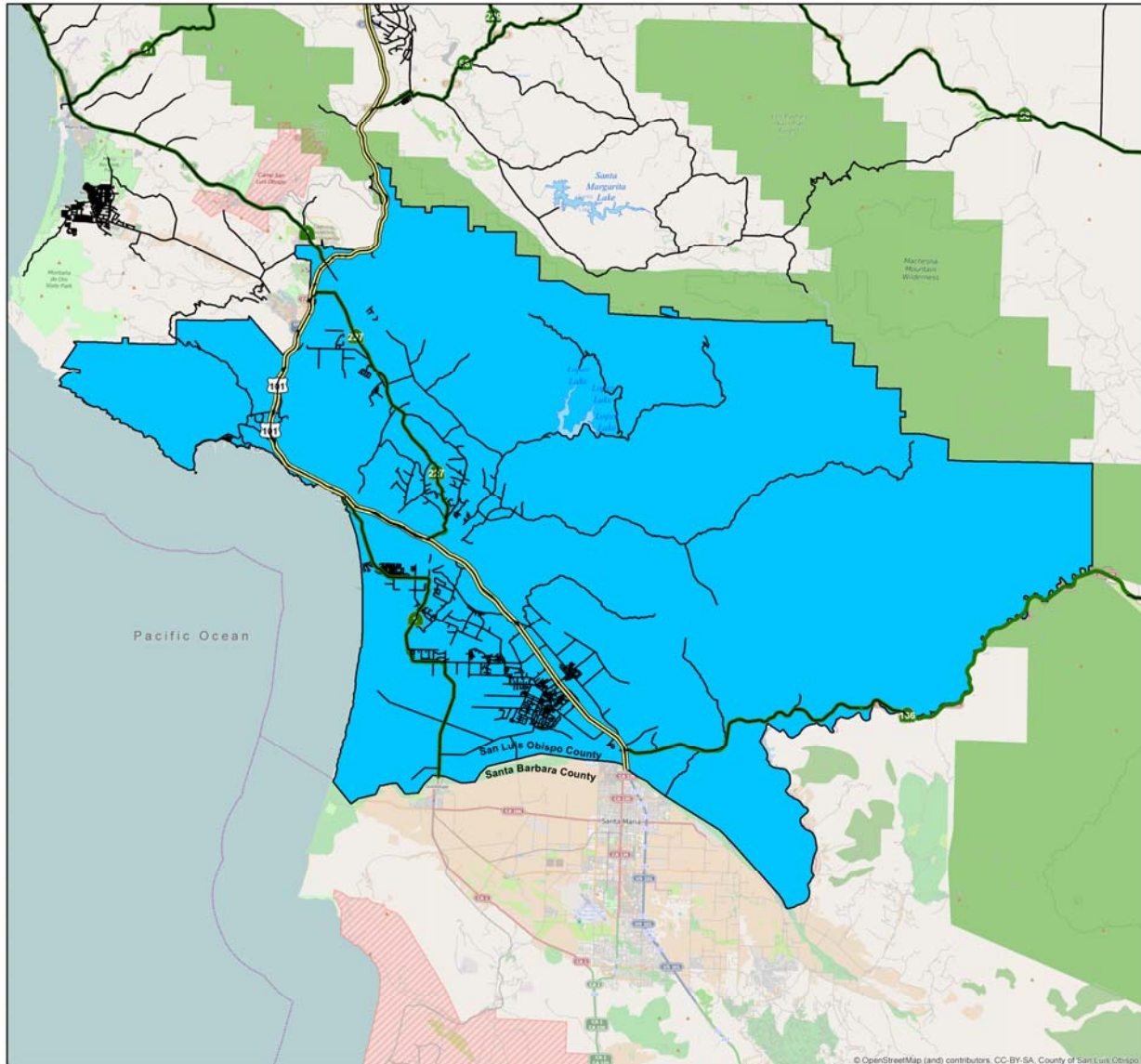
1. The District provides a full management and administrative support.
2. The District appears well-organized and able to serve the residents and visitors of San Luis Obispo County.

## **7. OTHER MATTERS**

No other matter has been raised to date.

Figure 2-10

# Port San Luis Harbor District Service Area & Sphere of Influence Recommended 2014



### Legend

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



Prepared By SLOLAFCO  
Name: Port San Luis\_SOI Bndy  
Date: 10/8/2014





## **Santa Margarita Fire Protection District**

***Santa Margarita Fire Department***



The Santa Margarita Fire Protection District was formed by petition and Board of Supervisors resolution in 1921. The District was inactive or operating at minimal service levels between 1925 and 1949. Since 1949 the District has provided volunteer fire protection to district residents. A three member Board of Directors manages district affairs. The District is an all-volunteer fire department that includes 14 volunteer firefighters.

Santa Margarita is a community of approximately 1,200 people. The District's service area includes the urban area of Santa Margarita. The District responds to numerous fire and emergency calls each year. The District has weekly meetings to train and work with volunteers. The District is funded with property taxes, investment income, and miscellaneous grant funding. The District approves an annual budget that identifies revenues and expenditures for the next year.

According to section 56425(e)(1-4) of the Cortese/Knox/Hertzberg Act, the following written determinations must be addressed when updating a Sphere of Influence:

- The present and planned land uses in the area may intensify under a Specific Plan for the Santa Margarita area however growth is not expected over the next several years;
- The present and probable need for public facilities and services may increase depending on future land use decisions made by the Board of Supervisors. Future services are planned for by the District through the annual budget process;
- The present capacity of the public facilities are adequate to provide services to the community of Santa Margarita;
- Social or economic communities of interest that exist in the area benefit from the District's services because these services allow the community to receive fire services that are vital to the small residential community.
- Present and Probable need for Public Facilities and Services of Disadvantaged Unincorporated Communities are not present at this time.

**Recommendation.** The Sphere of Influence remains unchanged from its current location found in Figure 2-16.

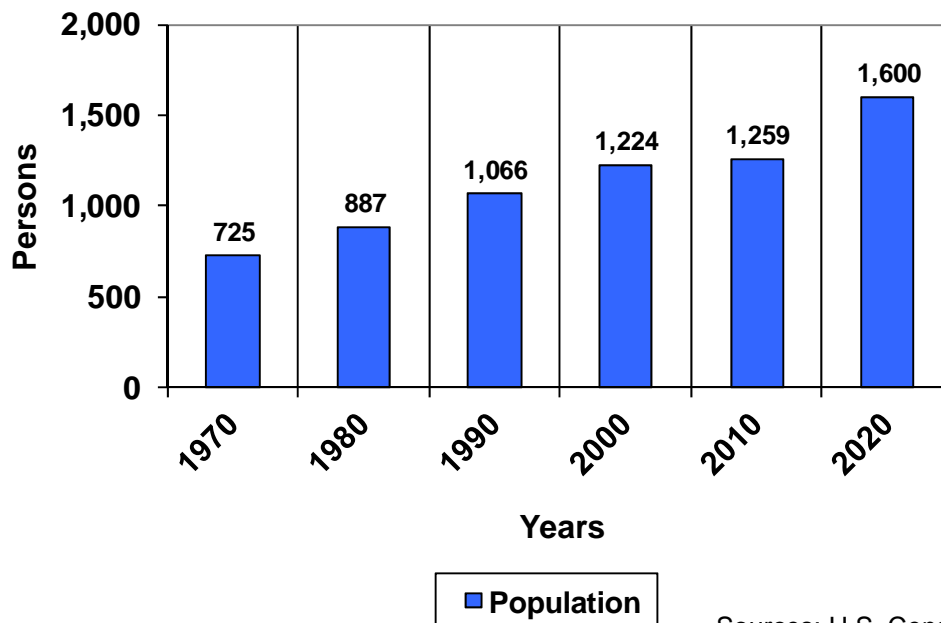
## 1. GROWTH AND POPULATION

**Population of Area and Adjacent Areas:** The 2010 US Census reported that Santa Margarita had a population of 1,259. The population density was 2,432.4 people per square mile. The population was spread out with 257 people (20.4%) under the age of 18, 112 people (8.9%) aged 18 to 24, 321 people (25.5%) aged 25 to 44, 461 people (36.6%) aged 45 to 64, and 108 people (8.6%) who were 65 years of age or older. The median age was 41.1 years.

There were 525 housing units at an average density of 1,014.3 per square mile, of which 334 (65.9%) were owner-occupied, and 173 (34.1%) were occupied by renters. The homeowner vacancy rate was 1.5%; the rental vacancy rate was 2.3%. 832 people (66.1% of the population) lived in owner-occupied housing units and 427 people (33.9%) lived in rental housing units.

Since 1970 Santa Margarita's population has increased by approximately 534 people. From 1980 to 1990, the population of Santa Margarita increased from 887 to 1,066. This is an increase of 179 in population, or a 20% increase which equates to an average annual growth rate of about 2.0%. In the 1990's the population increased by only 158, a 10-year growth rate of 15%. The annual growth rate for that decade (1990-2000) was an average of 1.5%. Growth is slowed by a lack of a reliable domestic water supply, the decreasing number of vacant lots, and the community's overall desire to preserve the existing character and natural resources. The chart below shows the growth since 1970

**Figure 2-11  
Santa Margarita Past - Projected Population**



Sources: U.S. Census, County of San Luis Obispo

and the potential future growth project at a 1.5% average annual rate. Future growth depends in large part on the availability of water for domestic uses and other services.

**Future Growth.** The Town of Santa Margarita is not expected to grow much more over the next several years. However, any future plans for the Santa Margarita Ranch area will be required to meet the standards in the County Land Use Ordinance. The General Plan envisions other development on the Santa Margarita Ranch; however, plans have yet to be submitted to the County for consideration. Before any significant development of Santa Margarita Ranch, a specific plan must be prepared and address impacts on Santa Margarita.

## **WRITTEN DETERMINATIONS**

1. The County's population continues to grow at a slow rate (<1%).
2. Significant increases in population are not anticipated to occur in Santa Margarita. If growth areas surrounding the town were to occur service structures are anticipated to grow and meet the need for public services.
3. No expansions in the Spheres of Influence are recommended in this update.

## **2. LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES**

LAFCO is responsible for determining the location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence of a jurisdiction. If a jurisdiction is reasonably capable of providing needed resources and basic infrastructure to disadvantaged unincorporated communities within the sphere of influence or contiguous to the sphere of influence, it is important that such findings of infrastructure and resource availability occur when revisions to the SOI and annexations are proposed by the District or property owners.

The communities listed above have a variety of economic diversity that resides within the special district boundary and surrounding area. A Disadvantaged community is defined as a community with an annual median household income that is less than 80 percent of the statewide annual median household income. The Spheres of Influence for the Special Districts do not have any disadvantage communities that have a present and probable need for public facilities and services nor are the areas contiguous to the sphere of influence qualify as a disadvantage community.

## **WRITTEN DETERMINATIONS**

1. The Spheres of Influence for the Special Districts' do not have disadvantaged unincorporated community located within or adjacent to their boundaries.

### **3. INFRASTRUCTURE NEEDS AND DEFICIENCIES**

LAFCO is responsible for determining if an agency requesting SOI amendments is reasonably capable of providing needed resources and basic infrastructure to serve areas within the District and in the Sphere of Influence. It is important that such findings of infrastructure and resource availability occur when revisions to the SOI and annexations occur. In the case of this SOI Update, it is prudent for LAFCO to evaluate the present and long-term infrastructure demands and resource availability of the community. LAFCO accomplishes this by evaluating: 1) the resources and services that are available, 2) the ability of the jurisdiction to provide such resources and services in line with increasing demands, and 3) the capital improvement and maintenance programs implemented by the jurisdiction.

The District addresses the Infrastructure Needs and Deficiencies using a variety of mechanisms:

- Financial Management Systems that are audited annually by Certified Public Accountants. Capital Improvement Plans and programs.
- Procedures that schedule maintenance for facilities and equipment.
- The District performs various studies and analysis regarding the need for developing new resources for specific communities.

Fire flows and water supply are adequate, but under duress during drought periods. Response times are generally 3-6 minutes with the District's ISO rating at 7. The District has a mutual aid agreement with CalFire which provides dispatch services.

Santa Margarita is a community of approximately 1,259 people. The District's service area includes the urban area of Santa Margarita, however; the District responds to numerous fire and emergency calls each year and provides mutual aid response to areas outside their service area. The District has weekly meetings to train and work with volunteers. The District is funded with property taxes, investment income, and miscellaneous grant funding. The District approves an annual budget that identifies revenues and expenditures for the next year.

Fire flows and water supply are generally adequate. Upgrades such as a new water tank will improve fire flows throughout the town. The District has automatic and mutual aid agreement with CALFIRE. The automatic aid agreement provides for response to emergency calls within a certain designated area and for dispatch services. The mutual aid agreement enables the SMFPD to be called in on a response situation depending on the need for additional resources.

The present response capability of the District appears adequate for the town of Santa Margarita and surrounding area at its current population and geographic size. Future growth of the Santa Margarita Ranch could involve the District responding to an

unknown increased number of emergency situations. The District has also been responsible for the following tasks:

- **Plan Review.** The Fire Department works with the County of San Luis Obispo Department of Planning and Building to ensure that all new building and remodel projects comply with State fire and safety codes and environmental regulations. All residential and commercial building projects requiring a County building permit also require a Fire Plan Review by the Fire Department.
- **Building Inspection.** The Fire Department reviews Fire Plans that are submitted by an applicant to the Department. The review is completed prior to building permit approval and is conducted to insure compliance with fire and safety regulations. By performing these reviews, businesses can often reduce the risk of a fire. The Department's goal is assuring that all buildings meet local and state codes and ordinances. Some of the fire and safety requirements for residences, businesses and other public facilities include:
  - A defensible space between vegetation and building or structure
  - Adequate fire extinguisher systems and fire hydrants
  - Sufficient water flow to extinguish a fire
  - Adequate fire exits
  - Building construction and design that will protect occupants from a wildland fire or other external threat

Santa Margarita is identified as a Local Responsibility Area by the State of California. The SMFPD is identified as Direct Fire Protection Provider. The area that surrounds the town is a State Responsibility Area. This is defined by the State of California as "lands exclusive of Cities and federal lands regardless of ownership, classified by the State Board of Forestry as areas in which the primary financial responsibility for preventing and suppressing fires is that of the State. These are lands covered wholly or in part by timber, brush, undergrowth, or grass, whether of commercial value or not, which protect the soil from erosion, retard runoff of water or accelerated percolation, and lands used principally for range or forage purpose."

The majority of calls received by the SMFPD are for emergency medical and rescue services. The SMFPD responds to emergencies 24 hours a day, 7 days a week. Firefighters and Emergency Medical Technicians (EMTs) are trained to render emergency medical care and use automatic external defibrillators. The District also responds automatically (if they are able) to accidents along the Highway 101 corridor from Santa Barbara Road in the north to the top of the Cuesta Grade to the South.

Plans for improving the response capability of the District were not submitted as part of this review. The future growth and development associated with the Santa Margarita Ranch could impact the response capability of the SMFPD. Many of the areas proposed

for future development are located such that the SMFPD would be the first responder in the event of an emergency.

### **WRITTEN DETERMINATIONS**

1. The District manages resources adequately to provide services to the communities and areas.
2. No additions to the SOI is proposed as a result of this Sphere of Influence Update that would increase the need for new resources and infrastructure.
3. The District has adequate and reliable resources available to meet the needs of current and future residents within the District existing service boundary and the Sphere of Influence.
4. Based upon review of the available information, the District's facilities and practices comply with environmental and safety standards.

### **4. FINANCING ABILITY OF AGENCIES TO PROVIDE SERVICES**

The District prepares annual budget documents that clearly articulate the Districts financial status and future spending plans. The document provides information about revenue sources and expenditures. Independent Audits of the Special District indicates that the District is capable of funding fire services.

The Board of Directors adopts the budget each year and it is used as the spending plan for the District. The Budget provides a framework for Districts to address the following issues: reserves, revenues, expenditures, transfer authority, fiscal management, investments, capital improvements and rates and fees. Each District has adopted fiscal and accounting policies or procedures that guide staff in preparing the budget and fiscal matters. These policies and procedures are reflected in the annual audit performed by a Certified Public Accountant.

The Districts financial constraints involve the governmental structure and the desires of the people in a community to fund certain activities by establishing assessments or fees. Each District faces unique challenges when funding public services. The laws under which Districts are governed provide the structure for funding activities. Revenue sources for the District are somewhat limited and include key sources such as property taxes for fire services and pass-through monies such as grants for the purchase of equipment. The County of San Luis Obispo maintains the general ledger and prepares the budgetary financial statements for the District. The revenues for the District include Property Taxes, Grant Income, Donations, Interest Income, and Transfers from other agencies, and miscellaneous income.

On the expenditures side, the District's budget for the services paid for by residents and generally attempt to live within their means. Key expenditures include routine

maintenance, insurance, administrative, accounting services, services and supplies.

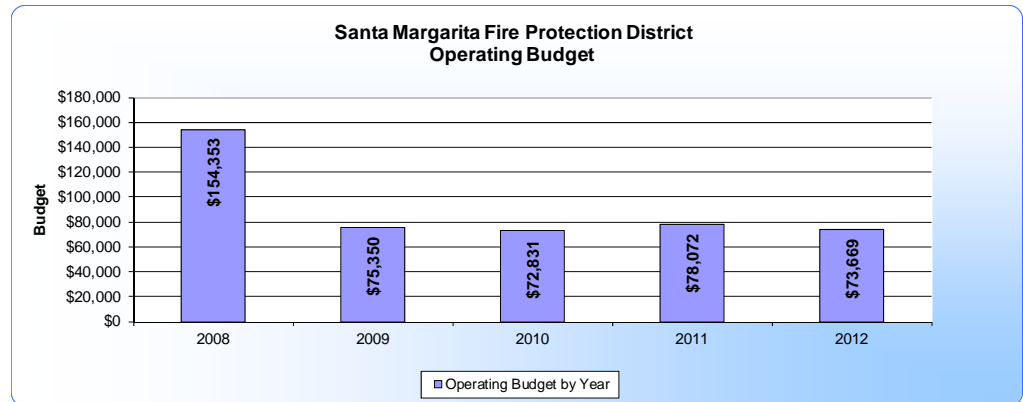
**Fiscal Trend Analysis.** The following charts show the fiscal trend analysis for the past five years for key fiscal indicators that represents an early warning system for an agencies fiscal health. The key indicators are overall operating budget, property tax revenues, long-term debt, and fund balance for each year. The information was derived from the District’s fiscal documents for each year.

**Operating Budget Figure 2-12**

**Formula:**  
Consolidated  
Expenditures /  
Fiscal year

**Trend Analysis:**  
Monitor expenditures  
over time.

**Source:**  
Financial Statements:



**Description:**

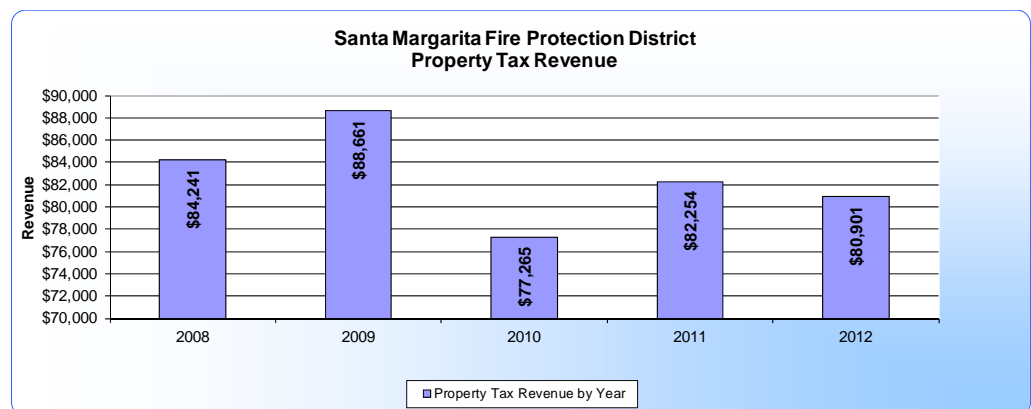
This indicator refers to the overall operating budget and expenditures. It shows the expenditure pattern for a jurisdiction over a period of several years.

**Property Tax Revenues Figure 2-13**

**Formula:**  
Property tax revenue /  
Fiscal year

**Trend Analysis:**  
Monitor property tax  
revenues over time.

**Source:**  
Annual Financial  
Statements:



**Description:**

This indicator will have more importance for those agencies heavily reliant upon property tax revenues. As these revenues are closely tied to market conditions, this indicator can depict the ability of an agency to respond to economic fluctuations. The property taxes are distributed based on the calendar year and the years indicated in the chart are the ending years for each calendar year.

### Long-Term Debt/Liabilities Figure 2-14

**Formula:**

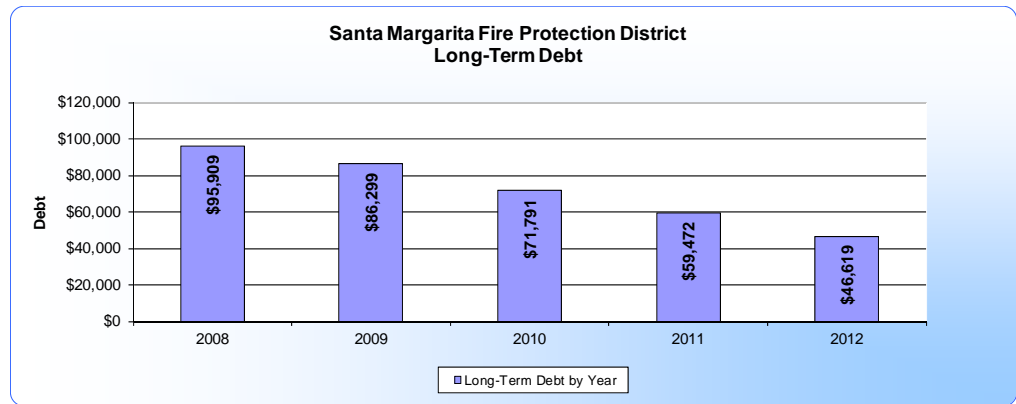
Current liabilities / Net operating revenues

**Trend Analysis:**

Monitor Long-term debt at the end of the year as a percentage of net operating revenues over time.

**Source:**

Statement of Net Assets



**Description:**

A major component of a jurisdictions liability may be long-term debt in the form of tax or bond anticipation notes. Although long-term borrowing is an accepted way to deal with uneven cash flow, an increasing amount of long-term debt outstanding at the end of successive years can indicate deficit spending problems.

### Changes in Fund Balance Figure 2-15

**Formula:**

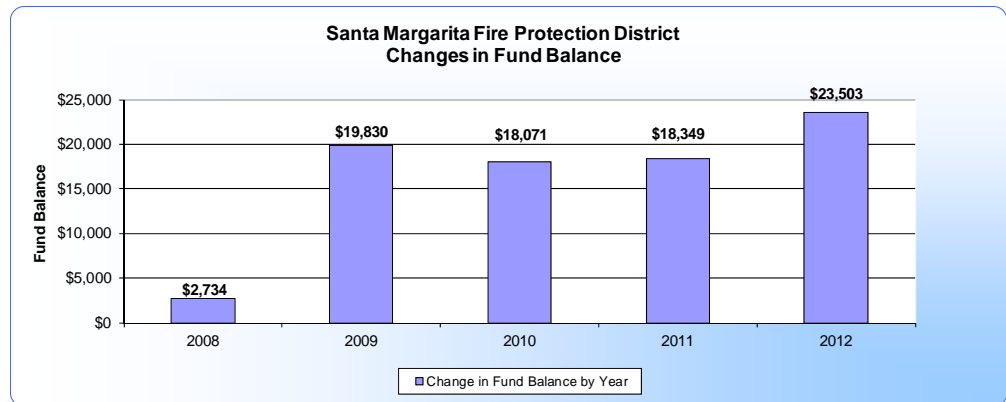
General fund operating deficit or surplus / Fund operating revenue

**Trend Analysis:**

Monitor general fund operating deficit or surplus as a percentage of net operating revenues.

**Source:**

Annual Financial Statements:



**Description:**

This indicator is especially important because a pattern of operating deficits can be one of the first signs of an imbalance between revenue structure and expenditures. It should be noted that it would not indicate a problem if the agency had planned the operating deficits and was deliberately drawing down reserve fund balances or using extra revenues from another fund for temporary needs.

**Annual Audit Report.** The District has submitted independent Audit Reports to the County Auditor pursuant to State Law. These reports have been reviewed by a qualified firm of Certified Public Accountants. The 2011 and 2012 Reports have been reviewed for this analysis. The audits find that the District’s financial reports are presented consistent with accepted accounting principles. The District also adopts an Annual Budget and has a variety of accounting policies. The District’s operations are funded by property taxes and grant funds. The District also receives interest income. These funds can be used for other non-operational activities such as capital improvements.



## **WRITTEN DETERMINATIONS**

1. The District's staff prepares an annual budget that clearly describes the services provided to residents and the funds expended for those services.
2. The SMFPD is financially capable of providing services to its existing customers within the current service area.
3. Annual Audits indicate that expenditures do not exceed revenues, fund balance is available, and that the District pays off its long term debt on a regular basis.

## **5. OPPORTUNITIES FOR, SHARED FACILITIES**

The District works with other jurisdictions to minimize costs and duplication of effort. This may lead to shared use of infrastructure with the County, Cities and other Districts. The Districts also work cooperatively and maintain working relationships with the following agencies:

- Independent Districts
- CalFire/SLO County Fire through reciprocal Automatic Aid Agreement and all neighboring fire agencies through the San Luis Obispo Operational Area Fire and Rescue Mutual Aid Operational Agreement.
- Various County Department for permitting and will serve commitments

Parkhill Fire Station 40 is an example of cooperative fire protection between CAL FIRE and San Luis Obispo County Fire Department. Located east of Santa Margarita, Station 40 houses; two State Type III wildland fire engines, a County Type I fire engine, and Type II water tender. Station 40 has a 'high severity' response area. This classification is due to the interface of homes and substantial brush. Parkhill firefighters respond automatic aid to most incidents in Santa Margarita, as well as incidents along Highway 101 between the Cuesta Grade and the City of Atascadero.

Station 41, La Panza is located on the eastern side of San Luis Obispo County along Highway 58. Las Tablas Station 35 operates each summer during declared fire season. La Panza sits near the northern edge of Los Padres National Forest, and periodically responds to incidents in or near the Forest. Station 41 often responds to off-road motorcycle and ATV accidents within the Los Padres National Forest. Station 41 staffing includes a Fire Captain/Operator and two or three firefighters. Station 41 responds on a CAL FIRE ICS Type-III four wheel drive fire engine.

## **WRITTEN DETERMINATIONS**

1. The District looks for opportunities to work with other agencies and organizations to help provide efficient services to the residents of the District.
2. The SMFPD shares in the procurement, maintenance and operation of various facilities and equipment.

## **6. GOVERNMENT STRUCTURE OPTIONS**

The Special District Board of Directors prioritize services and must make difficult decisions about where and what services are allocated from a limited amount of financial resources. Various government structures are available to Special Districts and communities including: forming a District, increasing the functions a District provides to a community, considering forming a Community Services District as an option, or dissolving a District that may be no longer needed.

The management and service aspects of the Special District are administered by hired staff and in some cases professional consultants. Overall, the documentation reviewed shows that the District is well run and organized in an efficient manner.

The District provides fiscal, legal, and technical services to implement their programs. Consultants often perform general utility planning, assessments apportionments, special studies and projects as directed by the Board of Directors.

The SMFPD involves the public in the decision-making process by complying with the Brown Act open meeting law. The SMFPD meeting agendas are posted at its office. Meetings are conducted according to the Brown Act and the SMFPD By-Laws require compliance with Brown Act as well

## **WRITTEN DETERMINATIONS**

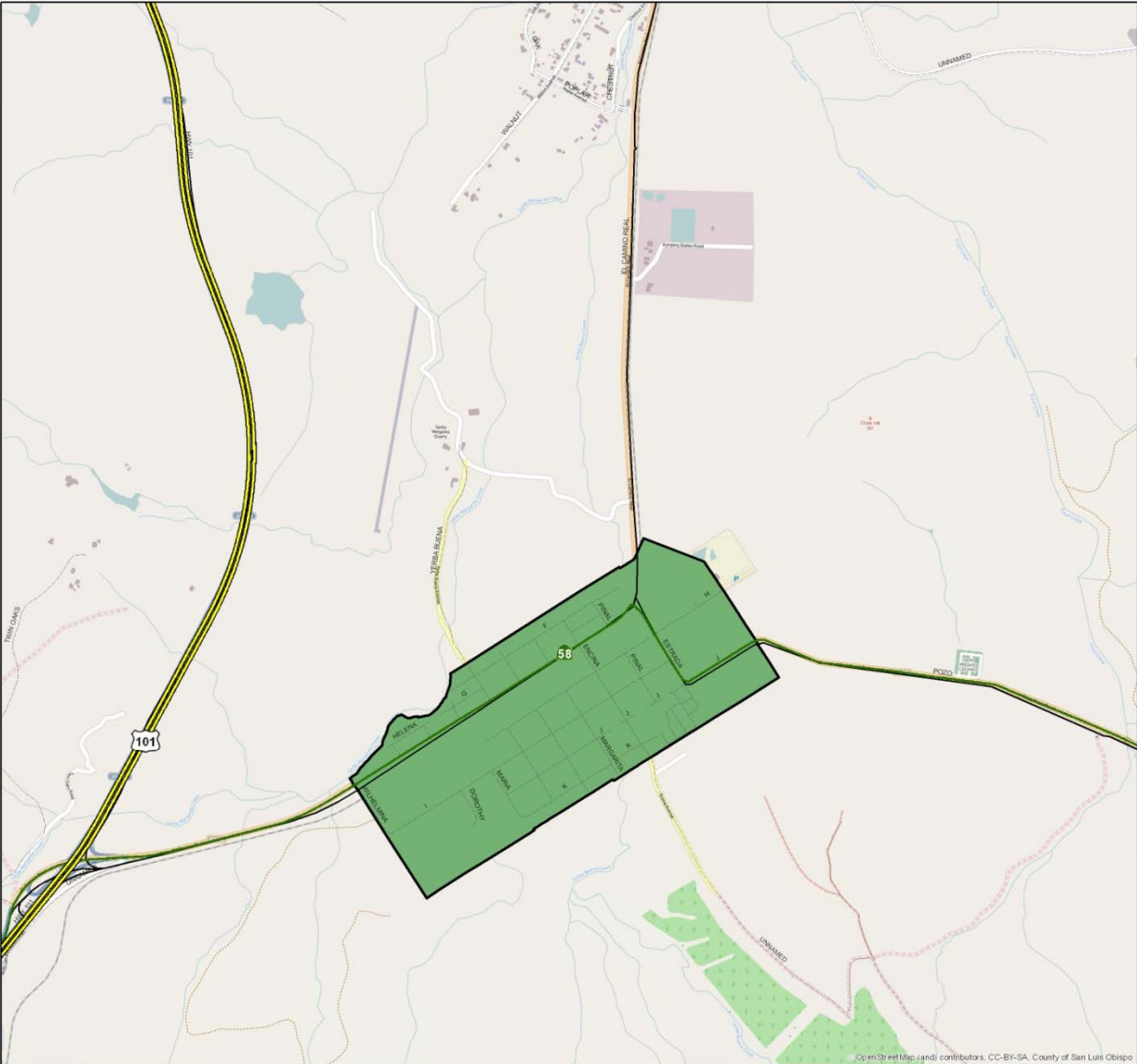
1. The District provides management and administrative support.
2. The District appears well-organized and able to provide services to the community of Santa Margarita.

## **7. OTHER MATTERS**

No other matter has been raised to date.

Figure 2-16

# Santa Margarita Fire Protection District Service Area & Sphere of Influence Recommended 2014

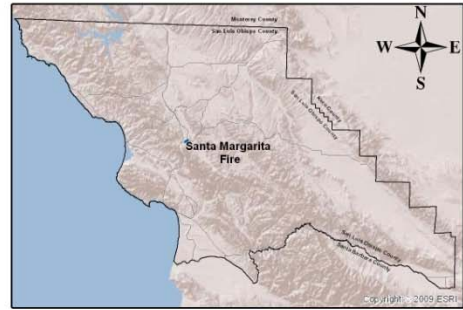


### Legend

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



Prepared By SLOLAFCO  
Name: Santa Margarita Fire\_SOI Bndy  
Date: 3/6/2014



## **Coastal San Luis Obispo Resource Conservation District**



**COASTAL SAN LUIS**  
RESOURCE CONSERVATION DISTRICT

Under State Law the CSLRCD is responsible for local resource conservation work within its boundaries. The Directors of the Coastal San Luis RCD are elected by district voters or appointed by the County Board of Supervisors. The Board of Directors can make legal agreements with county, state and federal governments for resource conservation work in the district. The Coastal San Luis RCD is committed to protecting and enhancing natural resource through collaboration with local stakeholders, education and restoration. The Coastal San Luis RCD works with private individuals, local and state government and other environmental organization to meet their mission. A characteristic unique to Resource Conservation Districts is their ability to work directly with landowners on private lands.

The goals for CSLRCD are:

1. Prevent and reduce soil erosion
2. Improve water supply utilization
3. Preserve and protect prime farmlands
4. Promote the conservation and protection of important natural habitats and ecosystems

The Coastal San Luis RCD provides technical experts in-house and through a partnership with the Natural Resource Conservation Service to support planning, design and implementation of natural resource conservation projects. Projects cover stormwater management, agricultural conservation, permit streamlining, watershed planning, habitat restoration and education. The Coastal San Luis RCD works on urban, rural, farm and ranch properties. With no tax base funding, grant and contract development is a key task to bring money to the community and to important resource conservation projects.

The Public Resources Code allows the District to perform the following functions and participate in the following activities:

- Managing District
- Conducting Surveys and Research, Disseminating Information, Partnering
- Accepting Grants and Gifts for Conservation Work
- Establishing Fees for District Services
- Employing Agents, Officers, and Employees
- Acquiring Lands, Easements, and Property
- Suing and being Sued
- Contracting, Accepting Contributions and Using Contributions
- Making Improvements and Conducting Operations of Public/Private Lands
- Performing Education, Outreach and Demonstration Projects

- Developing Annual and Long Range Plans
- Accepting and Managing Projects within Districts
- Calling upon County District Attorneys or County Counsel for Legal Advice
- Maximizing funding opportunities by working with Federal/State/Private Sources, cooperating with other Districts, an Association of Districts or other Regional Area Groups
- Provide Coordinated Representation of Districts before Federal, State and Local Government Agencies
- Coordinating with other Districts, and Association of Districts or other Regional Area Groups on Program Planning, Funding, and Delivery of Services

The directors may manage, as agents of the United States or any of its agencies, or of this state or any of its agencies, any soil conservation, water conservation, water distribution, flood control, erosion control, erosion prevention, or erosion stabilization project, within or adjacent to the district; and may act as agent for the United States, or any of its agencies, or for this state or any of its agencies, in connection with the acquisition, construction, operation, or administration of any soil conservation, water conservation, water distribution, flood control, erosion control, erosion prevention, or erosion stabilization project within or adjacent to the district.

According to section 56425(e)(1-4) of the Cortese/Knox/Hertzberg Act, the following written determinations must be addressed when updating a Sphere of Influence:

- The present and planned land uses in the area are governed and managed by the County, through which the Coastal San Luis RCD coordinates with regarding natural resource issues on individual projects;
- The present and probable need for public facilities and services are planned for through the Development and Review process for individual projects as implemented by the County Planning Department,
- The present capacity of the public facilities is not applicable with regard to the Coastal San Luis RCD;

**Recommendation.** The Sphere of Influence remains unchanged from its current location found in Figure 2-19.

## 1. **GROWTH AND POPULATION**

**Population of Area and Adjacent Areas:** The Districts studied in this report do not anticipate large increases in population and the Spheres of Influence are not recommended for expansion. In 2011 the Council of Governments had the consulting firm of AECOM Technical Services update population projections for San Luis Obispo County. These projections use a variety of data sources and assumptions to project the

future population of the cities and unincorporated areas of the County. These projections incorporate information from the State of California about future population increases, past and present County growth trends, and projected changes within the region. According to the 2010 Census, SLO County has added approximately 15,000 housing units since 2000. Data from the 2010 Census suggests the increase of approximately 23,000 household residents in SLO County, a 9 percent increase in population since 2000. Growth was led by large population gains in Paso Robles and in unincorporated areas of SLO County.

Jurisdiction	Census 2000	Census 2010	Change in Population	% Change in Population
<u>Household Population</u>				
Arroyo Grande	15,641	17,078	1,437	9.2%
Atascadero	24,945	26,986	2,041	8.2%
Grover Beach	12,941	12,967	26	0.2%
Morro Bay	10,152	10,073	-79	-0.8%
Paso Robles	23,370	29,624	6,254	26.8%
Pismo Beach	8,524	7,642	-882	-10.3%
San Luis Obispo	42,312	43,937	1,625	3.8%
Unincorporated Area	93,225	104,324	11,099	11.9%
Incorporated	<u>137,885</u>	<u>148,307</u>	<u>10,422</u>	7.6%
County Total	231,110	252,631	21,521	9.3%
<u>Group Quarters Population</u>				
	15,571	17,006	1,435	9.2%
<u>Total Population</u>				
	246,681	269,637	22,956	9.3%

Source: US Census Bureau

The Coastal San Luis RCD serves a population of approximately 150,000, out of a County population of about 269,000 people. That means 55% of residents live within the district boundaries, most of which are within the urban lines of Cities and CSDs.

### **WRITTEN DETERMINATIONS**

1. The County's population continues to grow at a slow rate (<1%).
2. Significant increases in population are not anticipated to occur in most of the Special Districts addressed in this study. In areas where significant growth might occur service structures are anticipated to grow and meet the need for public services.
3. No expansions in the Spheres of Influence are recommended in this update.

## **2. LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES**

LAFCO is responsible for determining the location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence of a jurisdiction. If a jurisdiction is reasonably capable of providing needed resources and basic infrastructure to disadvantaged unincorporated communities within the sphere of influence or contiguous to the sphere of influence, it is important that such findings of infrastructure and resource availability occur when revisions to the SOI and annexations are proposed by the District or property owners.

The communities listed above have a variety of economic diversity that resides within the special district boundary and surrounding area. A Disadvantaged community is defined as a community with an annual median household income that is less than 80 percent of the statewide annual median household income. The Spheres of Influence for the Special Districts do not have any disadvantage communities that have a present and probable need for public facilities and services nor are the areas contiguous to the sphere of influence qualify as a disadvantage community. Unincorporated communities which appear to meet the definition of “disadvantaged unincorporated communities” under the requirements of SB244 include Oceano, San Miguel and Shandon.

### **WRITTEN DETERMINATIONS**

The following written determinations are based on the information contained in the above section regarding disadvantaged unincorporated communities:

1. The Sphere of Influence and service area of the District serves Oceano which is a disadvantaged unincorporated community located within or adjacent to their boundaries.

## **3. INFRASTRUCTURE NEEDS AND DEFICIENCIES**

LAFCO is responsible for determining if an agency requesting SOI amendments is reasonably capable of providing needed resources and basic infrastructure to serve areas within the District and in the Sphere of Influence. It is important that such findings of infrastructure and resource availability occur when revisions to the SOI and annexations occur. In the case of this SOI Update, it is prudent for LAFCO to evaluate the present and long-term infrastructure demands and resource availability of the community. LAFCO accomplishes this by evaluating: 1) the resources and services that are available, 2) the ability of the jurisdiction to provide such resources and services in line with increasing demands, and 3) the capital improvement and maintenance programs implemented by the jurisdiction.

The District addresses the Infrastructure Needs and Deficiencies using a variety of mechanisms:

- Financial Management Systems that are audited annually by Certified Public Accountants. Capital Improvement Plans and programs.
- Procedures that schedule maintenance for facilities and equipment.
- The District performs various studies and analysis regarding the need for developing new resources for specific communities.

### **WRITTEN DETERMINATIONS**

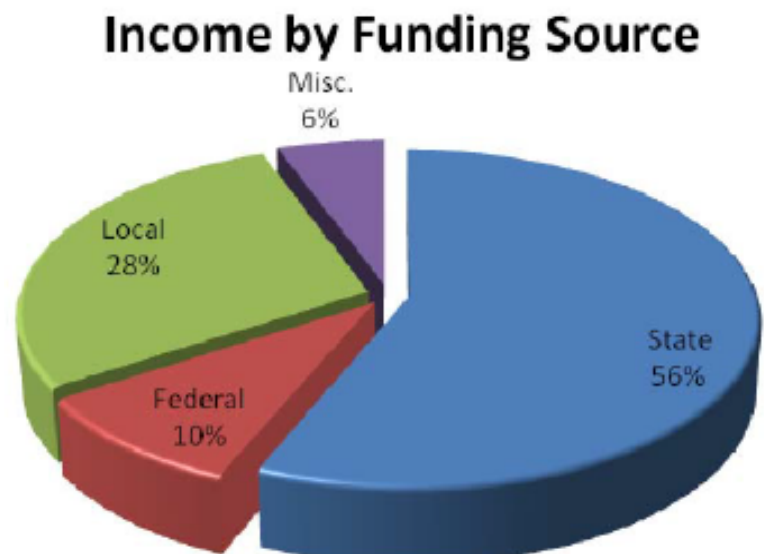
1. The District manages resources adequately to provide services to the communities and areas.
2. No additions to the SOI is proposed as a result of this Sphere of Influence Update that would increase the need for new resources and infrastructure.
3. The District has adequate and reliable resources available to meet the needs of current and future residents within the Districts existing service boundary and the Sphere of Influence.

### **4. FINANCING ABILITY OF AGENCIES TO PROVIDE SERVICES**

The District prepares annual budget documents that are well-organized and clearly articulate the Districts financial status and future spending plans. The document provides information about revenue sources and expenditures.

The Board of Directors adopts the budget each year and it is used as the spending plan for the District. The Budget provides a framework for the District to address the following issues: reserves, revenues, expenditures, transfer authority, fiscal management, investments, capital improvements and rates and fees.

**Annual Audit Report.** The District has submitted independent Audit Reports to the County Auditor pursuant to State Law. These reports have been reviewed by a qualified firm of Certified Public Accountants.





The 2011 and 2012 Reports have been reviewed for this analysis. The audits find that the District's financial reports are presented consistent with accepted accounting principles. The District also adopts an annual budget and has a variety of accounting policies. In the Annual Audit the District provides a detailed Management Discussion and Analysis which provides an extensive discussion about the District's situation.

Operations and community programs are supported by federal, state and local grants and contracts. They do not receive tax-base funding. Gross revenues total \$254,122.

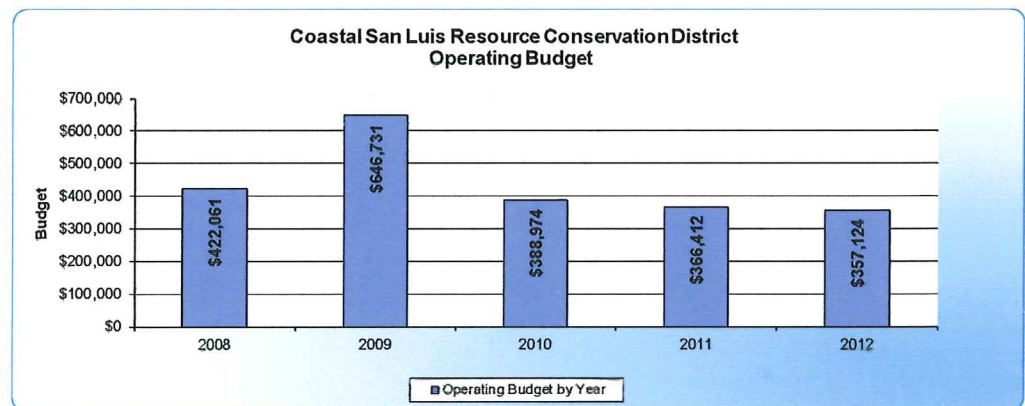
**Fiscal Trend Analysis.** The following charts show the fiscal trend analysis for the past five years for key fiscal indicators that represents an early warning system for an agencies fiscal health. The key indicators are overall operating budget, and fund balance for each year. The District does not collect any property tax or have long-term debt. The information was derived from the District's fiscal documents for each year.

**Operating Budget Figure 2-17**

**Formula:**  
Consolidated  
Expenditures /  
Fiscal year

**Trend Analysis:**  
Monitor expenditures  
over time.

**Source:**  
Financial Statements:



**Description:**

This indicator refers to the overall operating budget and expenditures. It shows the expenditure pattern for a jurisdiction over a period of several years.

### Changes in Fund Balance Figure 2-18

**Formula:**

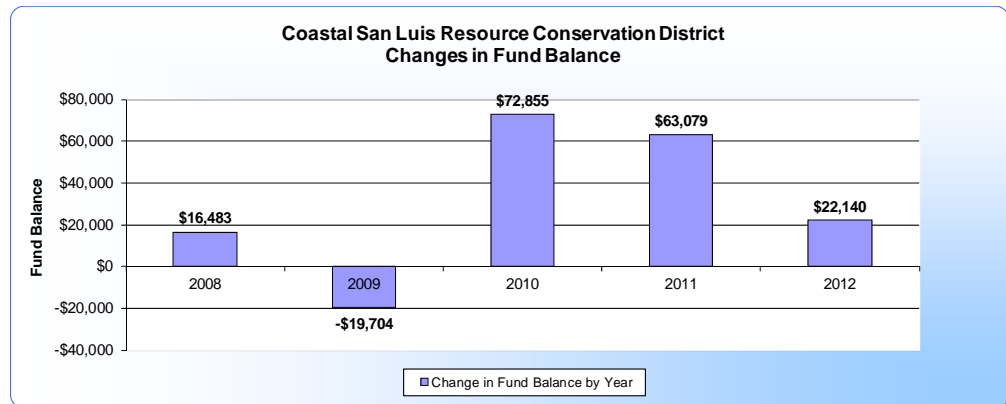
General fund operating deficit or surplus / Fund operating revenue

**Trend Analysis:**

Monitor general fund operating deficit or surplus as a percentage of net operating revenues.

**Source:**

Annual Financial Statements:



**Description:**

This indicator is especially important because a pattern of operating deficits can be one of the first signs of an imbalance between revenue structure and expenditures. It should be noted that it would not indicate a problem if the agency had planned the operating deficits and was deliberately drawing down reserve fund balances or using extra revenues from another fund for temporary needs.

## WRITTEN DETERMINATIONS

1. The District's staff prepares an annual budget that clearly describes the services provided to residents and the funds expended for those services.
2. District funds projects through grant funds and contracts with local, State, and Federal agencies.

## 5. OPPORTUNITIES FOR, SHARED FACILITIES

The Districts work with other jurisdictions to minimize costs and duplication of effort. This may lead to shared use of infrastructure with the County, Cities and other Districts. The Districts also work cooperatively and maintain working relationships with the following agencies:

- Incorporated Cities
- Independent Districts
- Caltrans
- CALFire/SLO County Fire through reciprocal Automatic Aid Agreement and all neighboring fire agencies through the San Luis Obispo Operational Area Fire and Rescue Mutual Aid Operational Agreement.
- Regional Water Quality Control Board
- Army Corps of Engineers
- State Parks to help manage parks and recreation resources

- Regional Water Quality Control Board regarding wastewater discharge and drainage
- California Coastal Commission for permitting in the Coastal Zone
- California Department of Fish and Wildlife to protect wildlife and environmental resources
- Various County Department for permitting and will serve commitments

### **WRITTEN DETERMINATIONS**

1. The District looks for opportunities to work with other agencies and organizations to help provide efficient services to the residents of the District's.

## **6. GOVERNMENT STRUCTURE OPTIONS**

The Special Districts Board of Directors prioritize services and must make difficult decisions about where and what services are allocated from a limited amount of financial resources. Various government structures are available to Special Districts and communities including: forming a District, increasing the functions a District provides to a community, considering forming a Community Services District as an option, or dissolving a District that may be no longer needed.

The management and service aspects of the Special Districts are administered by hired staff and in some cases professional consultants. Overall, the documentation reviewed shows that the District is well run and organized in an efficient manner.

The District provides fiscal, legal, and technical services to implement their programs. Consultants often perform general utility planning, assessments apportionments, special studies and projects as directed by the Board of Directors.

### **WRITTEN DETERMINATIONS**

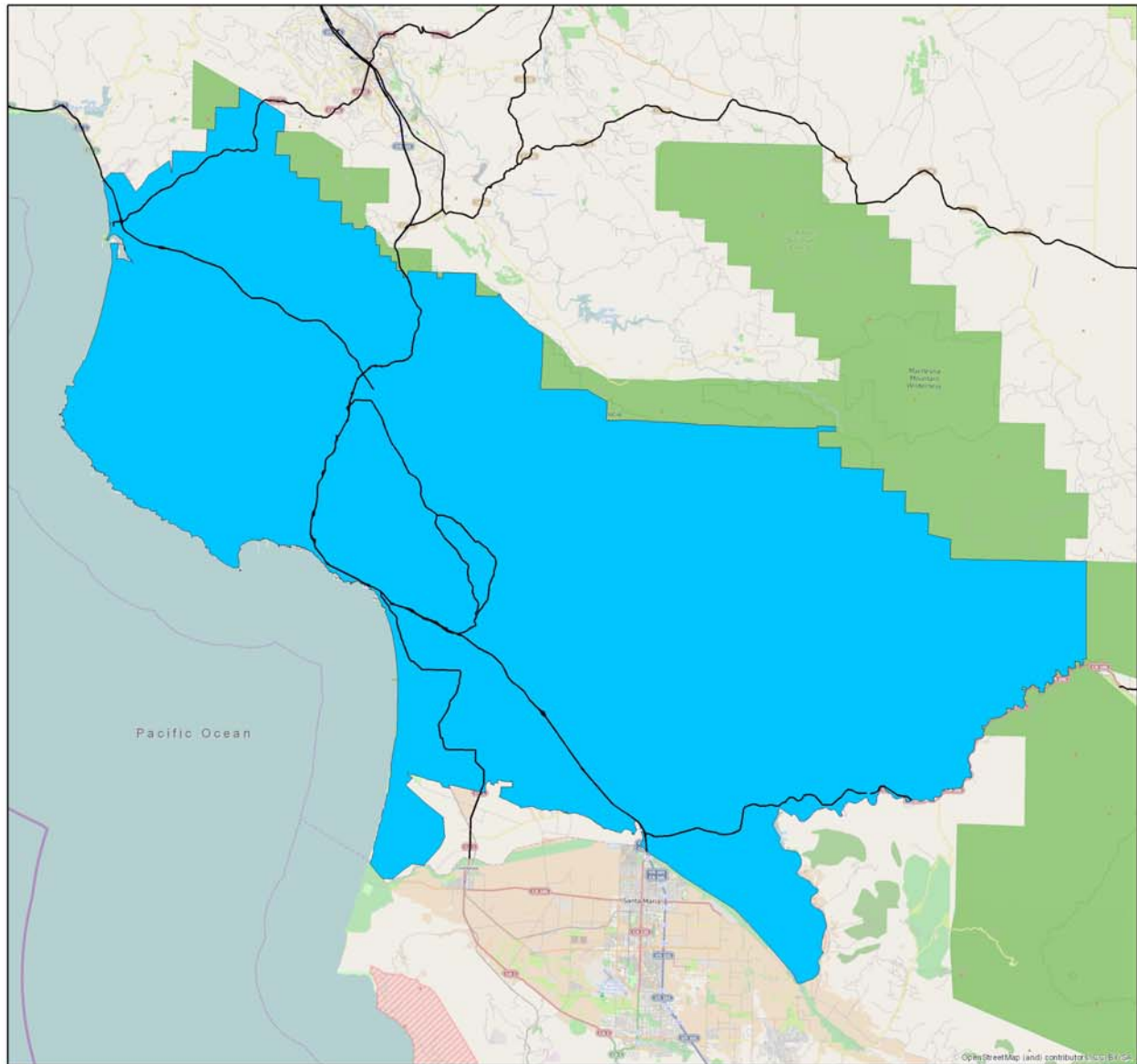
1. The District provides a full management and administrative support.
2. The District appears well-organized.
3. The Special District provides an adequate government structure to serve their communities.

## **7. OTHER MATTERS**

No other matter has been raised to date.

Figure 2-19

## Coastal San Luis Resource Conservation District Service Area & Sphere of Influence Recommended 2014



### Legend

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



Prepared By: SLOLAFCO  
Name: Coastal San Luis\_SOI Bndy  
Date: 11/20/2014



## **Upper Salinas-Las Tablas Resource Conservation District**



In February 1985, the Upper Salinas and Las Tablas districts consolidated to form the Upper Salinas-Las Tablas Resource Conservation District with a total of 1,503,008, acres in San Luis Obispo and Monterey Counties. The functions of the District are described in the above section regarding the Coastal Resource Conservation District. The following information is from the District's Strategic Plan:

Formed by landowner initiative in 1951 pursuant to California Public Resources Code 5800. The US-LT Resource Conservation District (RCD) is a local non-regulatory organization whose mission is to promote responsible watershed management through voluntary community stewardship and technical assistance. We specialize our services and programs toward Northern San Luis Obispo County environments, which has historically been focused on local agriculture. We help producers save rich, native topsoil and clean water.

As residential areas expand in North County (coastal and inland habitats), we expand our services to those communities – giving everyone greater access to the best available science and technologies addressing “low impact” land and resource management. We are the only organization of our kind in this 1.6 million acre region.

### **Mission of the District**

Providing services and education to landowners supporting their management and stewardship of soil, water and natural resources.

### **Function of the District**

To make available technical, financial, and educational resources and coordinate them to meet the needs of residents and accomplish the mission of the District.

### **Vision of the District**

To create a positive impact on the social, environmental and economic viability of our community.

### **Natural Resource Priorities**

1. Assist landowners in implementing sustainable resource management practices.
2. Develop a comprehensive understanding of issues/concern within the region
3. Target critical resource areas and areas of concern and determine potential conservation/restoration projects.

### **Critical Geographic Areas**

All watersheds located within northern San Luis Obispo County and southeastern Monterey County.

### **Education & Outreach Priorities**

1. Educate landowners on sustainable use and management of natural resources.
2. Increase community awareness of the RCD's mission, functions and programs.

### **District Operations Priorities**

1. Secure sufficient financial resources to accomplish the mission of the RCD.
2. Expand community awareness of the RCD and its programs.
3. Increase diversity of board membership to represent a wide variety of stakeholders.
4. Build and strengthen partnerships with local businesses and organizations.
5. Increase support from governing agencies as well as non-governmental organizations.
6. Build a strong team of technical staff.
7. Develop a membership program.

### **Trends Impacting Conservation in the District**

1. Increasing demand for resources.
2. Changing land use patterns/trends and increasing land development.
3. Changing regulations and policies, especially related to water quality and quantity.
4. Changing demographics and economics.

### **Strategies to Address Trends**

1. Implement priority actions through the Strategic Plan.
2. Continual investment in professional development of staff in order to provide effective and efficient natural resource management assistance.
3. Continual communication with land owners to keep them informed of resource changes.
4. Develop comprehensive awareness of constraints on availability of resources.
5. Develop effective strategies to evaluate programs and initiatives implemented by the RCD.

### **Key Decision Makers**

1. Residents and landowners in northern San Luis Obispo and southeastern Monterey County.
2. RCD board and staff members.
3. SLO County Planning Department, Public Works, and Board of Supervisors.
4. State and Federal Policy Makers.

According to section 56425(e)(1-4) of the Cortese/Knox/Hertzberg Act, the following written determinations must be addressed when updating a Sphere of Influence:

- The present and planned land uses in the area are governed and managed by the County, through which the US-LT RCD coordinates with regarding soil and water issues on individual projects;
- The present and probable need for public facilities and services are planned for through the Development and Review process for individual projects as implemented by the County Planning and Public Works Departments,
- The present capacity of the public facilities is not applicable with regard to the US-LT RCD;

**Recommendation.** The Sphere of Influence remains unchanged from its current location found in Figure 2-22.

## 1. **GROWTH AND POPULATION**

**Population of Area and Adjacent Areas:** The Districts studied in this report do not anticipate large increases in population and the Spheres of Influence are not recommended for expansion. In 2011 the Council of Governments had the consulting firm of AECOM Technical Services update population projections for San Luis Obispo County. These projections use a variety of data sources and assumptions to project the future population of the cities and unincorporated areas of the County. These projections incorporate information from the State of California about future population increases, past and present County growth trends, and projected changes within the region. According to the 2010 Census, SLO County has added approximately 15,000 housing units since 2000. Data from the 2010 Census suggests the increase of approximately 23,000 household residents in SLO County, a 9 percent increase in population since 2000. Growth was led by large population gains in Paso Robles and in unincorporated areas of SLO County.

Jurisdiction	Census 2000	Census 2010	Change in Population	% Change in Population
<u>Household Population</u>				
Arroyo Grande	15,641	17,078	1,437	9.2%
Atascadero	24,945	26,986	2,041	8.2%
Grover Beach	12,941	12,967	26	0.2%
Morro Bay	10,152	10,073	-79	-0.8%
Paso Robles	23,370	29,624	6,254	26.8%
Pismo Beach	8,524	7,642	-882	-10.3%
San Luis Obispo	42,312	43,937	1,625	3.8%
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Incorporated	137,885	148,307	10,422	7.6%
County Total	231,110	252,631	21,521	9.3%
<u>Group Quarters Population</u>				
	15,571	17,006	1,435	9.2%
<u>Total Population</u>				
	246,681	269,637	22,956	9.3%

Source: US Census Bureau

## **WRITTEN DETERMINATIONS**

1. The County's population continues to grow at a slow rate (<1%).
2. Significant increases in population are not anticipated to occur in most of the Special Districts addressed in this study. In areas where significant growth might occur service structures are anticipated to grow and meet the need for public services.
3. No expansions in the Spheres of Influence are recommended in this update.

## **2. LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES**

LAFCO is responsible for determining the location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence of a jurisdiction. If a jurisdiction is reasonably capable of providing needed resources and basic infrastructure to disadvantaged unincorporated communities within the sphere of influence or contiguous to the sphere of influence, it is important that such findings of infrastructure and resource availability occur when revisions to the SOI and annexations are proposed by the District or property owners.

The communities listed above have a variety of economic diversity that resides within the special district boundary and surrounding area. A Disadvantaged community is defined as a community with an annual median household income that is less than 80



percent of the statewide annual median household income. The Spheres of Influence for the Special Districts do not have any disadvantage communities that have a present and probable need for public facilities and services nor are the areas contiguous to the sphere of influence qualify as a disadvantage community. Unincorporated communities which appear to meet the definition of “disadvantaged unincorporated communities” under the requirements of SB244 include Oceano, San Miguel and Shandon.

## **WRITTEN DETERMINATIONS**

1. The Sphere of Influence and service area of the District serve the disadvantaged unincorporated communities of San Miguel and Shandon which are located within or adjacent to their boundaries.

### **3. INFRASTRUCTURE NEEDS AND DEFICIENCIES**

LAFCO is responsible for determining if an agency requesting SOI amendments is reasonably capable of providing needed resources and basic infrastructure to serve areas within the District and in the Sphere of Influence. It is important that such findings of infrastructure and resource availability occur when revisions to the SOI and annexations occur. In the case of this SOI Update, it is prudent for LAFCO to evaluate the present and long-term infrastructure demands and resource availability of the community. LAFCO accomplishes this by evaluating: 1) the resources and services that are available, 2) the ability of the jurisdiction to provide such resources and services in line with increasing demands, and 3) the capital improvement and maintenance programs implemented by the jurisdiction.

The District addresses the Infrastructure Needs and Deficiencies using a variety of mechanisms:

- Financial Management Systems that are audited annually by Certified Public Accountants. Capital Improvement Plans and programs.
- Procedures that schedule maintenance for facilities and equipment.
- The Districts perform various studies and analysis regarding the need for developing new resources for specific communities.

## **WRITTEN DETERMINATIONS**

1. The District manages resources adequately to provide services to the communities and areas.
2. No additions to the SOI is proposed as a result of this Sphere of Influence Update that would increase the need for new resources and infrastructure.

3. The Districts have adequate and reliable resources available to meet the needs of current and future residents within the Districts existing service boundary and the Sphere of Influence.
4. Based upon review of the available information, the District's facilities and practices comply with environmental and safety standards.

#### **4. FINANCING ABILITY OF AGENCIES TO PROVIDE SERVICES**

The District prepares annual budget documents that are well-organized and clearly articulate the Districts financial status and future spending plans. The document provides information about revenue sources and expenditures. Independent Audits of the Special District indicates that the District has prepared an annual budget.

The Board of Directors adopts the budget each year and it is used as the spending plan for the District. The Budget provides a framework for the District to address the following issues: reserves, revenues, expenditures, transfer authority, fiscal management, investments, capital improvements.

**Annual Audit Report.** The District has submitted independent Audit Reports to the County Auditor pursuant to State Law. These reports have been reviewed by a qualified firm of Certified Public Accountants. The 2011 and 2012 Reports have been reviewed for this analysis. The audits find that the District's financial reports are presented consistent with accepted accounting principles. The District also adopts an annual budget and has a variety of accounting policies. In the Annual Audit the District provides a detailed Management Discussion and Analysis which provides an extensive discussion about the District's situation.

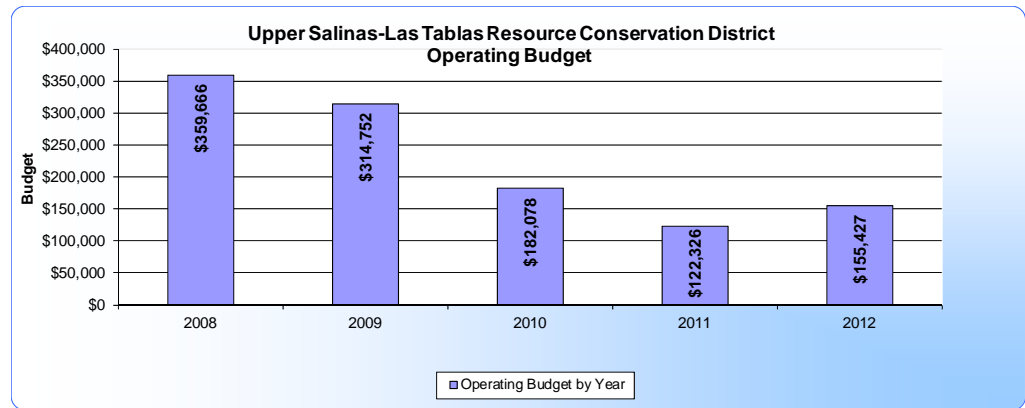
**Fiscal Trend Analysis.** The following charts show the fiscal trend analysis for the past five years for key fiscal indicators that represents an early warning system for an agencies fiscal health. The key indicators are overall operating budget, and fund balance for each year. The District does not collect any property tax or have long-term debt. The information was derived from the District's fiscal documents for each year.

### Operating Budget Figure 2-20

**Formula:**  
Consolidated  
Expenditures /  
Fiscal year

**Trend Analysis:**  
Monitor expenditures  
over time.

**Source:**  
Financial Statements:



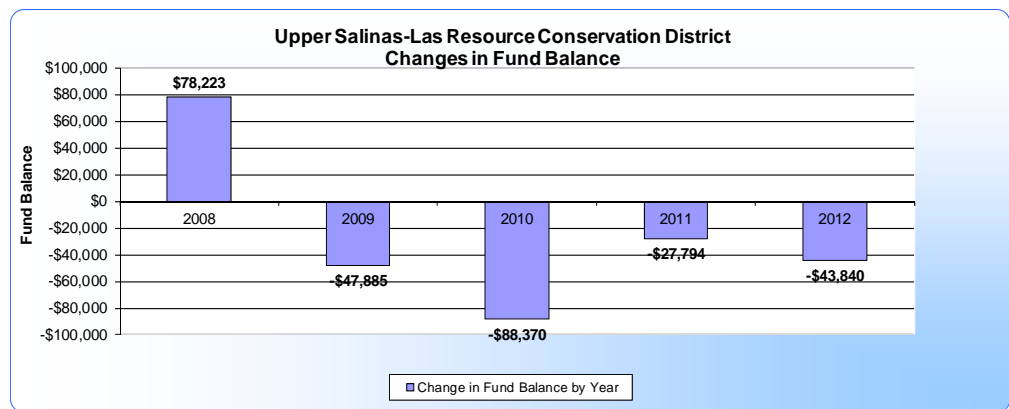
**Description:**  
This indicator refers to the overall operating budget and expenditures. It shows the expenditure pattern for a jurisdiction over a period of several years.

### Changes in Fund Balance Figure 2-21

**Formula:**  
General fund operating  
deficit or surplus / Fund  
operating revenue

**Trend Analysis:**  
Monitor general fund  
operating deficit or  
surplus as a percentage  
of net operating  
revenues.

**Source:**  
Annual Financial  
Statements:



**Description:**  
This indicator is especially important because a pattern of operating deficits can be one of the first signs of an imbalance between revenue structure and expenditures. It should be noted that it would not indicate a problem if the agency had planned the operating deficits and was deliberately drawing down reserve fund balances or using extra revenues from another fund for temporary needs.

## WRITTEN DETERMINATIONS

1. The District's staff prepares an annual budget that clearly describes the services provided to residents and the funds expended for those services.
2. The District funds needed projects through property taxes, grant funds, and other mitigation fees.

## **5. OPPORTUNITIES FOR, SHARED FACILITIES**

The District works with other jurisdictions to minimize costs and duplication of effort. This may lead to shared use of infrastructure with the County, Cities and other Districts. The Districts also work cooperatively and maintain working relationships with the following agencies:

- Incorporated Cities
- Independent Districts
- Caltrans
- CALFire/SLO County Fire through reciprocal Automatic Aid Agreement and all neighboring fire agencies through the San Luis Obispo Operational Area Fire and Rescue Mutual Aid Operational Agreement.
- Regional Water Quality Control Board
- Army Corps of Engineers
- State Parks to help manage parks and recreation resources
- Regional Water Quality Control Board regarding wastewater discharge and drainage
- California Coastal Commission for permitting in the Coastal Zone
- California Department of Fish and Wildlife to protect wildlife and environmental resources
- Various County Department for permitting and will serve commitments

The District has been involved in the North County Paso Robles Groundwater Basin issues and solutions working with the County, landowners, and the various Committees that have formed. Key programs that were developed (or are in progress) in the past year include the development of [www.slowatershedproject.org](http://www.slowatershedproject.org) and the Ag Water Offset Program (for the Paso Robles Basin). The watershed study was incorporated into the latest Integrated Regional Water Management Plan.

### **WRITTEN DETERMINATIONS**

1. The District looks for opportunities to work with other agencies and organizations to help provide efficient services to the residents of the District.

## **6. GOVERNMENT STRUCTURE OPTIONS**

The Special District Board of Directors prioritize services and must make difficult decisions about where and what services are allocated from a limited amount of financial resources. Various government structures are available to Special Districts

and communities including: forming a District, increasing the functions a District provides to a community, considering forming a Community Services District as an option, or dissolving a District that may be no longer needed.

The management and service aspects of the Special Districts are administered by hired staff and in some cases professional consultants. Overall, the documentation reviewed shows that the District is well run and organized in an efficient manner.

The US-LT RCD provides technical assistance, education and resources to help agricultural, rural and urban communities preserve these natural elements while supporting robust land productivity in greater San Luis Obispo county, plus parts of Kern and Monterey counties.

It is important to note that the Paso Robles Groundwater Basin encompasses San Miguel, Shandon, Creston, Templeton and parts of Northern Atascadero. The US-LT RCD covers a similar boundary and can play an important role in helping to find solutions and offer assistance to landowners, community groups, and local jurisdictions.

Understanding this issue is a very important first step for all water users in Northern San Luis Obispo. Many stakeholders converge on a monthly basis to discuss the long term sustainability (i.e. carrying capacity, etc.) of North County's water resources. The County has formed the Paso Robles Groundwater Steering Committee, which is comprised of volunteer landowners and agency's representing landowners. These meetings are open to the public and held on the 3rd Thursday of every month in alternating locations. To keep the public abreast of the discussion and meeting times, the committee has created a website @ ([prwaterbasin.wordpress.com](http://prwaterbasin.wordpress.com)).

## **WRITTEN DETERMINATIONS**

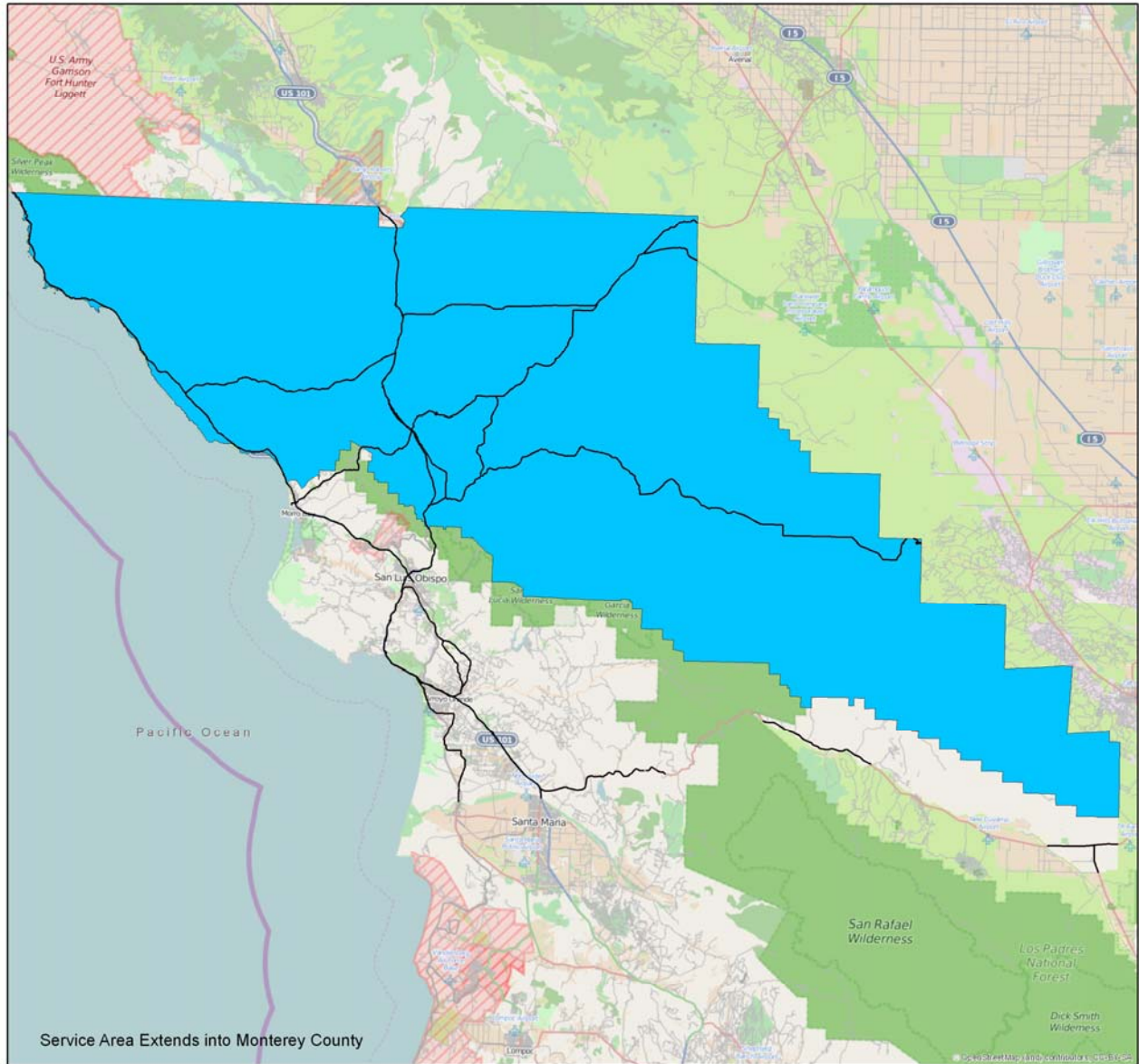
1. The District provides a full management and administrative support.
2. The District appears well-organized and able to provide services to the area it serves.

## **7. OTHER MATTERS**

No other matter has been raised to date.

Figure 2-22

# Upper Salinas-Las Tablas Resource Conservation District Service Area & Sphere of Influence Recommended 2014

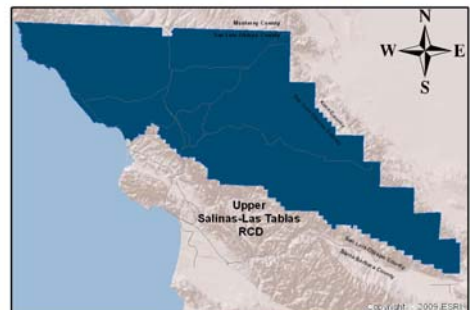


### Legend

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



Prepared By SLOLAFCO  
Name: Salinas-Las Tablas\_SOI Bndy  
Date: 11/20/2014



## CHAPTER 3 – MUNICIPAL SERVICE REVIEW

This Municipal Service Review (MSR) is conducted in regard to the Special Districts listed below. These Districts are managed by the independent Boards of Directors. Each District is responsible for the direct oversight and management of its organization and uses a variety of resources in administering the District, including financial management systems, capital project implementation, and customer service staff. This enables each Board of Directors to effectively manage the Districts serving the various communities and areas. The table below lists the Special Districts and the services that are provided:

**Table 3-1: Summary of Special Districts**

Special District	Active Powers
Garden Farms Community Water District	Water
Port San Luis Harbor District	Marine Related Services, Public Safety, Water, Wastewater, Recreation, Public Lands and Commercial Fisheries
Santa Margarita Fire Protection District	Emergency Medical Support and Fire Protection
Coastal San Luis Obispo Resource Conservation District	Soil, Water and Habitat Conservation and Restoration
Upper Salinas/Las Tablas Resource Conservation District	Soil, Water and Habitat Conservation and Restoration

The Sphere of Influence Update for the Special Districts (Chapter 2) does not propose expanding any of the Districts' SOIs. Essentially, the Special Districts will continue to operate without any changes to their SOIs.

Under each jurisdiction of Chapter 2 the seven factors are listed and followed by analysis with determinations for each factor that focus on each agency. The seven service review factors 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

# ATTACHMENT A NOTICE OF EXEMPTION

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

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

Julie Rodewald, County Clerk  
County of San Luis Obispo  
County Government Center  
San Luis Obispo, CA 93401

**CONTACT:** David Church, AICP, Executive Officer  
(805) 781-5795

**Project Title:** Special Districts (Garden Farms Community Water District, Port San Luis Harbor District, Santa Margarita Fire Protection District, Coastal San Luis Resource Conservation District, and the Upper Salinas/Las Tablas Resource Conservation District) Municipal Service Review and Sphere of Influence Update

**Project Location and Description.** LAFCO has prepared a Sphere of Influence (SOI) Update and Municipal Service Review for the Special Districts of Garden Farms Community Water District, Port San Luis Harbor District, Santa Margarita Fire Protection District, Coastal San Luis Resource Conservation District, and the Upper Salinas/Las Tablas Resource Conservation District located in San Luis Obispo County. The SOI is a 20-year growth boundary that includes areas that may be served by a District in the future. This SOI update and Service Review recommends maintaining the same Sphere of Influence boundaries for each of the Districts. The Cortese-Knox-Hertzberg Act calls for the Service Review to be completed either prior to or concurrent with, the Sphere of Influence update. The Service Review evaluates the public services provided by the Districts and provides the information base for updating the SOIs.

**Public Agency Approving Project.** The Local Agency Formation Commission (LAFCO) of San Luis Obispo County conducted a public hearing on this item on November 20, 2014 at 9:00 a.m. in the Board of Supervisors Chambers in San Luis Obispo at the County Government Center.

**Environmental Determination.** LAFCO is the Lead Agency for the proposed Sphere of Influence Update and Service Review. The purpose of the environmental review process is to provide information about the environmental effects of the actions and decisions made by LAFCO and to comply with the California Environmental Quality Act (CEQA). The MSR qualifies for a Class 6 - Regulation Section 15306. Additionally, the SOI updates qualify for a general rule exemption from environmental review based upon CEQA Regulation Section 15061(b)(3).

**Reasons for Exemption.** The proposed Sphere of Influence Update and Municipal Services Review does not involve, authorize or permit the siting or construction of any facilities. The MSR is categorically exempt from the preparation of environmental documentation under a classification related to information gathering (Class 6 - Regulation Section 15306), which states: "Class 6 consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded." CEQA Regulation Section 15061(b)(3) states "The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." There are no land use changes or environmental impacts created or recommended by the SOI update. No changes to the Spheres of Influence for any of the District listed above are recommended in the Sphere of Influence Update document.

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David Church, AICP, Executive Officer

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Date

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File No. 2-S-14