



SAN LUIS OBISPO LAFCO

Local Agency Formation Commission

Meeting Agenda

August 19, 2021, at 9:00 a.m.

MISSION STATEMENT

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

COMMISSIONERS

Robert Enns, Chair, Special District
Ed Waage, Vice-Chair, City
Marshall Ochylski, Special District
Steve Gregory, City

Tom Murray, Public
Debbie Arnold, County
Lynn Compton, County

ALTERNATES

Ed Eby, Special District
Charles Bourbeau, City
Heather Jensen, Public
John Peschong, County

Meeting Location

Board of Supervisors Chambers
County Government Center
1055 Monterey Street
San Luis Obispo, California

Contact Information

Rob Fitzroy, Executive Officer
Phone: (805) 781-5795
Fax: (805) 788-2072
www.slolafco.com

MEETING AGENDA

Pledge of Allegiance

Call to Order/Roll Call

Approval of the Minutes: May 20, 2021

Non-Agenda Public Comment Period

This is the period in which persons may speak on items that are not on the regular agenda. All persons wishing to speak on agenda items or during this non-agenda public comment portion of the meeting are asked to fill out a "request to speak form" and provide it to the Commission Clerk prior to the beginning of that item. Each speaker will be limited to a three-minute presentation. During public hearings, applicants or their representatives will be given the opportunity to speak first after the staff report is given and questions of the Commission have been addressed.

Regular Matters

A-1: Year-End Fiscal Year 2020/2021 LAFCO Budget Status Report (Recommend Review and Approval) (Pg 6-19)

Informational Matters

B-1: California Association of Local Agency Formation Commissions (CALAFCO) Conference (Recommend Receive and Appoint Voting Delegate to CALAFCO Conference if a



Commissioner wishes to run for the CALAFCO Board of Directors, nominate a candidate) (Pg 20-36)

B-2: Status Report of Submitted Proposals and Upcoming Proposal Activities (Recommend Receive and File) (Pg 37-41)

B-3: Study Session: Sphere of Influence Amendment to the City of Morro Bay (Panorama Lots) (Recommend Receive and File) (Pg 42-66)

Closed Session

C-1: Conference with Legal Counsel – Existing Litigation
Government Code Section 54956.9 paragraph (1) of subdivision (d)
Name of case: San Luis Obispo Local Agency Formation Commission, et. al. v. City of Pismo Beach, et. al. Superior Court Case No. CV130383; 2d Civ. No. B296968

Commissioner Comments

Legal Counsel Comments

Executive Officer Comments

Adjournment

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



**SAN LUIS OBISPO
LOCAL AGENCY FORMATION COMMISSION
MAY 20, 2021, MEETING MINUTES**

Call to Order

The San Luis Obispo Local Agency Formation Commission (LAFCO) meeting was called to order at 9:00 a.m. on Thursday, May 20, 2021, pursuant to the COVID-19 provisions of the Governor's Executive Order N-29-20 by Chairperson Robert Enns. Viewing and commenting instructions were provided on the COVID-19 Agenda Cover and LAFCO's Website Homepage.

Roll Call

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

Absent: Commissioner Tom Murray and Alternate Commissioners Charles Bourbeau and John Peschong.

Staff: David Church, LAFCO Interim Executive Officer
Brian Pierik, LAFCO Legal Counsel
Imelda Marquez, LAFCO Analyst

Approval of Minutes

Chairperson Enns announced the consideration of approval for the April 15, 2021, Meeting Minutes.

Chairperson Enns asked for a motion to approve the Meeting Minutes.

Commissioner Waage motioned to approve the minutes.

Commissioner Ochylski seconded the motion.

Chairperson Enns asked for Commissioner comments, hearing none.

Chairperson Enns asked Ms. Marquez to report if any written or live non-agenda public comment requests were received.

Ms. Marquez reported that no public comments were received and no one attending the meeting wished to comment.

AYES: Commissioners Waage, Ochylski, Arnold, Compton, Gregory, Jensen, and Chairperson Enns

NAYS: None

ABSTAINING: None

The motion was passed with a unanimous roll call vote.

Non-Agenda Public Comments

Chairperson Enns asked Ms. Marquez to report if any written or live non-agenda public comment requests were received.

Ms. Marquez reported that no public comments were received and no one attending the meeting wished to comment.

Regular Matters

A-1: Final Fiscal Year 2021-22 San Luis Obispo LAFCO Budget (Recommend Review and Approval)

Mr. Church presented the item.

Chairperson Enns opened the item for Commissioner comments or questions, hearing none.

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

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

Chairperson Enns asked for any Commissioner questions or a motion.

Commissioner Waage made a motion to approve staff recommendation.

Commissioner Ochylski seconded the motion.

AYES: Commissioners Waage, Ochylski, Arnold, Compton, Gregory, Jensen, and Chairperson Enns

NAYS: None

ABSTAINING: None

The motion passed with a unanimous roll call vote.

Informational Matters

B-1: Special District Elections Results (Recommend Receive and File)

Mr. Church presented the item.

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

Chairperson Enns asked Ms. Marquez to report if any written or live public comment requests were received.

Ms. Marquez reported that no public comments were received and no one attending the meeting wished to comment.

Chairperson Enns announced the item was received and filed.

B-2: CALAFCO Legislative Update (Recommend Approval and Receive and File)

Mr. Church presented the item.

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

Chairperson Enns asked Ms. Marquez to report if any written or live public comment requests were received.

Ms. Marquez reported that no public comments were received and no one attending the meeting wished to comment.

Chairperson Enns asked for additional comments from the Commission.

Commissioner Waage made a motion to approve the Omnibus letter.

Commissioner Compton seconded the motion.

AYES: Commissioners Waage, Compton, Arnold, Gregory, Jensen, Ochylski, and Chairperson Enns

NAYS: None

ABSTAINING: None

The motion passed with a unanimous roll call vote.

Commissioner Comments: None

Legal Counsel Comments: None

Executive Officer Comments: Announced the June Meeting would be canceled.

Adjournment: With no further business before the Commission, the meeting adjourned at 9:13 a.m. until the next meeting of the Commission pursuant to Governor's Executive Orders, depending upon the progression of the COVID-19 pandemic.

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

Respectfully submitted,
Celine Vuong, LAFCO Commission Clerk



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

COMMISSIONERS

Chairperson
ROBERT ENNS
Special District Member

Vice-Chair
ED WAAGE
City Member

DEBBIE ARNOLD
County Member

LYNN COMPTON
County Member

MARSHALL OCHYLSKI
Special District Member

STEVE GREGORY
City Member

TOM MURRAY
Public Member

ALTERNATES

ED EBY
Special District Member

CHARLES BOURBEAU
City Member

HEATHER JENSEN
Public Member

JOHN PESCHONG
County Member

STAFF

ROB FITZROY
Executive Officer

BRIAN A. PIERIK
Legal Counsel

IMELDA MARQUEZ
Analyst

CELINE VUONG
Commission Clerk

TO: MEMBERS, FORMATION COMMISSION

FROM: ROB FITZROY, EXECUTIVE OFFICER

DATE: AUGUST 19, 2021

SUBJECT: YEAR-END FISCAL YEAR 2020/21 LAFCO BUDGET STATUS REPORT

Recommendation. It is respectfully recommended that the Commission receive and file the fiscal year (FY) 20-21 Year End Budget report and direct the Executive Officer to submit it to the County Auditor/Controller.

Introduction. This is the FY 2020-21 year-end budget report for the San Luis Obispo Local Agency Formation Commission (SLO LAFCO). The SLO LAFCO operating budget is comprised of four components: 1) salaries, payroll taxes, and benefits, 2) services and supplies, 3) revenues, and 4) fund balance and reserves. The budget is considered and adopted by SLO LAFCO each year as required by the Cortese-Knox-Hertzberg Act. Day-to-day management of the budget is based on "bottom-line" principles that allow for variation within individual line-item accounts as long as the overall expenditures remain within the approved budgeted levels. The Commission received Quarterly Budget Reports throughout the fiscal year.

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

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

Summary. The Year-End Budget Status Report for Fiscal Year 2020-21 is included as Attachment A. The total adopted budget for FY 20/21 was \$588,658. Overall, total expenditures are at 82% with 100% of the fiscal year complete, which equates to budget savings (fund balance) of \$51,354 and reflects mid-year budget augmentations, see further details below.

A mid-year budget adjustment of \$45,642 accounting for the sick leave and vacation payout for the former Executive Officer, David Church, was added to the Salaries line item bringing the total original budgeted expenses from \$543,016 to \$588,658. The previous Executive Officer (Mike Prater) also received a sick leave and vacation pay out when he left LAFCO in November 2020, which was \$29,881. This was also charged to the Salaries line item. Fund Balance available was anticipated to cover these expenses. This being the case, these expenses were not charged to LAFCO's funding agencies.

The total actual expenditures for the year were \$483,286. The total actual revenues were \$534,641. This equates to budget savings (fund balance) of \$51,354. Several factors have contributed to the reduction in actual expenditures:

- Not hiring a LAFCO Clerk for the entire year produced savings in a number of line items; Salaries, Pension, Medical and other payroll taxes.
- Hiring of an Interim Executive Officer on an hourly rate basis
- Covid-19 related reduction in Services and Supplies; travel and training opportunities and decreased expenditures.

Summary FY 20-21	Budgeted 1) Expenditures FY 20-21	Actual Expenditures FY 20-21	Percent Expended
Salaries	\$279,293	\$273,125	98%
Benefits and Taxes	\$177,381	\$97,506	55%
Services and Supplies	\$131,984	\$112,656	82%
Total	\$588,658	\$483,286	82%

1) Includes July, 2020 - Budget Adjustment

Executive Officer Summary Comments. At the Year-End, the Fiscal Year 20/21 Budget places LAFCO on solid financial footing. This is due to the savings achieved from various budget line items. It is important to note that due to temporarily reduced staffing levels, and an increase in applications received, the Sphere of Influence and Municipal Services Review update program is behind schedule, and it has taken longer than usual to process new applications. However, as of early August 2021, we have successfully recruited a person for the Commission Clerk position, which is expected to provide additional workload capacity once the new clerk has been properly trained and brought up to speed. The following report contain details about the FY 20/21 budget.

Expenditure / Revenue Details

Salaries-Benefits-Taxes. Salaries were at 98% expended with the adopted budget being \$279,293 and the actual expended at \$273,125 at year end. Salaries for the Executive Officer, the Interim Executive Officer, Analyst and Clerk were paid at the proper rates and amounts for the pay periods in the fiscal year. The total regular salaries paid to staff was \$197,602, this does not include the payouts as detailed below. Salary savings are accrued because the Clerk was promoted to the Analyst position and the Clerk position was not filled this year. Due to not filling the Clerk position in FY 20/21 and hiring an Interim EO that does not get paid benefits, benefits and payroll taxes were at only 82% expended overall. This equated to a total savings of \$86,043 in these expense categories.

The Salaries line item also includes the authorized use of reserves for vacation/sick payout for the retirement of former Executive Officer, David Church, which was \$45,642. It also included the unanticipated vacation/sick payoff for Mike Prater the former Executive Officer, which was \$29,881. Neither of these expenses were included in the salaries line item when the budget was adopted in May, 2020. Therefore, these expenses were not charged to local agencies. A Budget Adjustment was approved by the Commission on July 16, 2020, to transfer \$45,642 from the Fund Balance to the FY 20-21 salaries line item to help absorb Mr. Church's payout. Since revenues exceeded expenses this year, Fund Balance was not needed to cover the unanticipated expense of Mr. Prater's payout amount. The total regular salaries plus payouts totaled \$273,125 in expenditures.

Services and Supplies. The Adopted Budget for Services and Supplies for fiscal year 20-21 is \$131,984. Actual expenses for Service and Supplies are at 85% expended, with a year-end total of \$112,656, a budget savings of \$19,328. Savings were realized in a number of line items: Food, Maintenance-Equipment, Office Supplies, Commissioner/Consultant, Employee Mileage, Commissioner Mileage, Insurance, and Copying. Rent included 13 months being accounted for in this fiscal year. The budgeted amount was exceeded by \$2,734. Significant Savings were also realized in the Accommodations/Travel, Training and Conferences, and Car Rental line items due to Covid-19.

Legal counsel expenses have been \$2,100 per month since July 1, 2020. Legal expenses were budgeted for the entire fiscal year 20/21 at \$2,100 per month, a total of \$25,200/year. Total legal expenses are at \$23,000 because June expenses were paid in July of the new fiscal year. The insurance line item is at 86% expended and pays for workers' compensation and liability coverage from SDRMA, similarly this is because June expenses were paid in July of the new fiscal year.

Office supplies are under budget by 78%. Office expense includes printer toner, paper, pens and other supplies. Shut down of activities during Covid-19 caused the Accommodations and Travel line items to be under budget by \$3,000. The Training and Conferences line item was under budget by \$3,500, or 100%.

Revenues. The adopted budget FY20-21 amount for revenue was \$543,016 and the actual total revenues for the year were \$534,641, approximately 98% of the budgeted amount. The jurisdictions (Cities, Special Districts and County) paid 100% (\$497,066) of the LAFCO charges that were billed by the County Auditor to the agencies. Fees from applications, interest earned, and other income totaled \$37,575. The following is a break-down of the revenues received in FY 20-21:

Revenue Summary	FY 20-21
Cayucos Water Recycling Facility-Annexation	\$6,000
Froom Ranch Annexation-City of SLO	\$6,968
Jack Ranch Annexation-CSA 18	\$4,500
San Simeon CSD Activation of Solid Waste Power	\$3,000
Gateway Annexation-City of Paso Robles	\$11,200
Torres Annexation-Nipomo CSD	\$2,011
Water District Detachment Extension	\$500
Subtotal-Processing Fees	\$34,179
Interest Earned FY 20-21	\$3,396
Charges to Agencies: Cities, Special Districts, County	\$497,066
Total Revenues	\$534,641

Reserves and Fund Balance. Total Reserves and Fund Balance at the beginning of Fiscal Year 20-21 was \$213,215. The Year End Report shows a Fund Balance of \$51,354. This brings the Fund Balance and Reserves to a total of \$264,569. Due to savings achieved during the Fiscal Year, Fund Balance was not used to pay for payouts to the Executive Officers.

Fund Balance/Reserves Summary	Amount
Total Revenues FY 20-21	\$534,641
Total Expenses FY 20-21	\$483,286
Fund Balance Added for FY 20-21	\$51,354
Beginning Reserves/Fund Balance FY 20-21	\$213,215
Total Reserves and Fund Balance	\$264,569

Credit Card Statements. Attached are the credit card statements from the Umqua Bank credit card through the California Special Districts Association for the fourth quarter; April, May and June 2021.

- April included the following charges in the total amount of \$2,401.86
 - ESRI GIS Software Update \$400.00

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- Zoom subscription \$57.63
 - Costco (Office Technology) \$145.07, \$96.96, \$81.55
 - Dell computer \$967.31
 - Dell Hardware \$76.11
 - Dell Monitors \$717.30
 - Credit Card Voucher of - \$140.07
- May included the following charges in the total amount of \$1,729.84:
 - Zoom subscription \$57.63
 - NEOGOV Human Resource Software-- Clerk Ad \$199.00
 - CSDA Career Center – Clerk Ad \$105.00
 - FedEx \$10.86
 - Dell Computer Hardware \$250.11
 - Dell Computer \$972.99
 - Trophy Hunters \$34.26
 - Microsoft Office Software \$99.99
 - June included the following charges in the total amount of \$1,116.99:
 - Go Daddy Subscription \$359.76
 - Home Depot, New Secured Mailbox \$116.79
 - CSDA Career Center – Clerk Ad \$105.00
 - EC West Office Furniture \$477.81
 - Zoom subscription \$57.63
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ATTACHMENT A – Year End Budget Status for Fiscal Year 20/21

ATTACHMENT B – Credit Card Statements for April, May and June 2021

Attachment A

Fiscal Year 20-21 Year End Budget Status Report

Attachment A
Fiscal Year 2020-21 San Luis Obispo LAFCO
Year End Budget Status Report

Fiscal Year Ending: June 30, 2021

EXPENDITURES SUMMARY	Adopted FY 20-21	Year-End Expenditure	Year-End Balance	% Expended
Salaries	233,651	197,602	36,049	85%
Salaries - #1 Budget Adjustment-EO Retirement Sick Leave	45,642	45,642	n/a	n/a
Salaries - #2: Vacation and Sick Leave EO	-	29,881		
Benefits & Payroll Taxes	177,381	97,506	79,875	55%
Services and Supplies	131,984	112,656	19,328	85%
Total Expenses	588,658	483,286	105,372	82%

EXPENDITURES DETAIL	Adopted FY 20-21	Year-End Expenditure	Year-End Balance	% Expended
Salaries and Benefits				
Salaries and Vacation-Sick Leave Payouts for EOs	279,293	273,125	6,168	98%
Benefits & Payroll Taxes	177,381	97,506	79,875	55%
Subtotal Salaries & Benefits	456,674	370,631	86,043	81%

Services and Supplies	Adopted FY 20-21	Year-End Expenditure	Year-End Balance	% Expended
Food	800	148	652	19%
Maintenance - Equipment	300	69	231	23%
Maintenance - Software	500	917	-417	183%
CALAFCO/Other Memberships	7,000	6,404	596	91%
Office Supplies	2,500	540	1,960	22%
Commissioner/Professional Serv.	10,000	8,003	1,997	80%
Publication/Legal Notices	1,000	1,428	-428	143%
Rent	37,000	39,734	-2,734	107%
Small Equipment	400	709	-309	177%
Large Equipment	1,000	2,144	-1,144	214%
Computer Software	500	548	-48	110%
Employee Mileage	200	0	200	0%
Commissioner Mileage	1,800	0	1,800	0%
Airfare/Public Transportation	500	0	500	0%
Accommodations/Travel	3,000	0	3,000	0%
Auto Allowance	3,323	727	2,596	22%
Training/Conf Registration	3,500	0	3,500	0%
Utilities	4,000	3,820	180	96%
Car/Vehicle Rentals	1,000	0	1,000	0%
Postage	1,000	369	632	37%
Custodian	1,000	995	5	100%
Copying	800	0	800	0%
ITD-SAP/Board Chambers	850	0	850	0%
Phones/Voice	2,800	2,955	-155	106%
County Auditor	8,511	8,511	0	100%
Insurance	13,500	11,635	1,865	86%
Legal Counsel	25,200	23,000	2,200	91%
Subtotal Services & Supplies	131,984	112,656	19,328	85%

Total Expenses	588,658	483,286	105,372	82%
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REVENUE DETAIL	Adopted FY 20-21	Year-End Realized	Year-End Balance	% Realized
Interest	4,000	3,396	-604	85%
Environmental Fees	1,000	5,000	-4,000	500%
Sphere of Influence Fee	2,000	6,000	0	300%
LAFCO Processing Fees	14,000	23,179	-9,179	166%
Sub-Total w/o Agency Charges	21,000	37,575	16,575	179%
LAFCO Charges to Agencies	497,016	497,066	50	100%
Total Revenue	543,016	534,641	-8,375	98%

Use of Fund Balance/Reserves - Not Needed	25,000	51,354
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	Beginning FY20-21	Year-End Realized	% of Budget
Fund Balance and Reserves	213,215	213,215	36%
Year-end Fund Balance/Reserves		51,354	
Reserves FY 2020/21 Year End		264,569	45%

Attachment B

April-May-June Credit Card Statements



UMPQUA BANK

BL ACCT 00002542-10000000

LAFCO

Account Number: #####-####-####

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Account Summary

Billing Cycle		04/30/2021
Days In Billing Cycle		30
Previous Balance		\$279.55
Purchases	+	\$2,541.93
Cash	+	\$0.00
Balance Transfers	+	\$0.00
Special	+	\$0.00
Credits	-	\$140.07-
Payments	-	\$279.55-
Other Charges	+	\$0.00
Finance Charges	+	\$0.00

NEW BALANCE \$2,401.86

Credit Summary

Total Credit Line	\$10,000.00
Available Credit Line	\$7,598.14
Available Cash	\$0.00
Amount Over Credit Line	\$0.00
Amount Past Due	\$0.00
Disputed Amount	\$0.00

Account Inquiries



Call us at: (866) 777-9013
Lost or Stolen Card: (866) 839-3485



Go to www.umpquabank.com



Write us at PO BOX 1952, SPOKANE, WA
99210-1952

Payment Summary

NEW BALANCE	\$2,401.86
MINIMUM PAYMENT	\$2,401.86
PAYMENT DUE DATE	05/25/2021

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

Corporate Activity

				TOTAL CORPORATE ACTIVITY	\$279.55-
Trans Date	Post Date	Reference Number	Transaction Description	Amount	
04/19	04/19	00000000000000000116558	PAYMENT - THANK YOU	\$279.55-	

Cardholder Account Summary

IMELDA MARQUEZ #####	Payments & Other Credits \$140.07-	Purchases & Other Charges \$2,541.93	Cash Advances \$0.00	Total Activity \$2,401.86
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Cardholder Account Detail

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
04/02	04/02	PPLN01	24011341092000018779433	ZOOM.US 888-799-9666 WWW.ZOOM.US CA	\$57.63
04/01	04/02	PPLN01	24692161091100483580123	WWW COSTCO COM 800-955-2292 WA	\$145.07
04/01	04/02	PPLN01	24692161091100515747443	WWW COSTCO COM 800-955-2292 WA	\$96.96
04/07	04/07	PPLN01	24430991097083720103506	DMI* DELL BUS ONLINE 800-456-3355 TX	\$967.31

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

Cardholder Account Detail Continued					
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
04/21	04/22	PPLN01	24692161111100798313851	WWW COSTCO COM 800-955-2292 WA	\$81.55
04/21	04/22		74943001112898000818067	CREDIT VOUCHER	\$140.07-
				COSTCO WHSE #0741 SAN LUIS OBIS CA	
04/26	04/28	PPLN01	24071051117330100856887	ESRI 888-3774675 CA	\$400.00
04/28	04/28	PPLN01	24430991118083344118026	DMI* DELL BUS ONLINE 800-456-3355 TX	\$76.11
04/28	04/28	PPLN01	24430991118083326820482	DMI* DELL BUS ONLINE 800-456-3355 TX	\$717.30

Finance Charge Summary / Plan Level Information									
Plan Name	Plan Description	FCM ¹	Average Daily Balance	Periodic Rate *	Corresponding APR	Finance Charges	Effective APR Fees **	Effective APR	Ending Balance
Purchases									
PPLN01 001	PURCHASE	E	\$0.00	0.06024%(D)	21.9900%	\$0.00	\$0.00	0.0000%	\$2,401.86
Cash									
CPLN01 001	CASH	A	\$0.00	0.06572%(D)	23.9900%	\$0.00	\$0.00	0.0000%	\$0.00
* Periodic Rate (M)=Monthly (D)=Daily							Days In Billing Cycle: 30		
** includes cash advance and foreign currency fees							APR = Annual Percentage Rate		
¹ FCM = Finance Charge Method									
(V) = Variable Rate If you have a variable rate account the periodic rate and Annual Percentage Rate (APR) may vary.									



UMPQUA BANK

BL ACCT 00002542-10000000
LAFCO
Account Number: #####
Page 1 of 3



Account Summary

Billing Cycle		05/31/2021
Days In Billing Cycle		31
Previous Balance		\$2,401.86
Purchases	+	\$1,729.84
Cash	+	\$0.00
Balance Transfers	+	\$0.00
Special	+	\$0.00
Credits	-	\$0.00
Payments	-	\$2,401.86-
Other Charges	+	\$0.00
Finance Charges	+	\$0.00

NEW BALANCE \$1,729.84

Credit Summary

Total Credit Line	\$10,000.00
Available Credit Line	\$8,270.16
Available Cash	\$0.00
Amount Over Credit Line	\$0.00
Amount Past Due	\$0.00
Disputed Amount	\$0.00

Account Inquiries



Call us at: (866) 777-9013
Lost or Stolen Card: (866) 839-3485



Go to www.umpquabank.com



Write us at PO BOX 1952, SPOKANE, WA
99210-1952

Payment Summary

NEW BALANCE	\$1,729.84
MINIMUM PAYMENT	\$1,729.84
PAYMENT DUE DATE	06/25/2021

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

Corporate Activity

TOTAL CORPORATE ACTIVITY				\$2,401.86-
Trans Date	Post Date	Reference Number	Transaction Description	Amount
05/14	05/14	00000000000000000116844	PAYMENT - THANK YOU	\$2,401.86-

Cardholder Account Summary

IMELDA MARQUEZ #####	Payments & Other Credits \$0.00	Purchases & Other Charges \$1,729.84	Cash Advances \$0.00	Total Activity \$1,729.84
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Cardholder Account Detail

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
05/02	05/03	PPLN01	24011341122000051092961	ZOOM.US 888-799-9666 WWW.ZOOM.US CA	\$57.63
05/04	05/05	PPLN01	24011341125000003902793	NEGOV HTTPSWWW.NEOG CA	\$199.00
05/04	05/05	PPLN01	24492151124637700438852	CSDA CAREER CENTER HTTPSNAYLOR.C MD	\$105.00

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



BL ACCT 00002542-10000000

LAFCO

Account Number: #### #### ####

Page 3 of 3

Cardholder Account Detail Continued					
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
05/03	05/09	PPLN01	24164071128069886774426	FEDEX OFFIC51500051508 SAN LUIS OBIS CA	\$10.86
05/11	05/11	PPLN01	24430991131083017843259	DMI* DELL BUS ONLINE 800-456-3355 TX	\$250.11
05/19	05/19	PPLN01	24430991139083016979437	DMI* DELL BUS ONLINE 800-456-3355 TX	\$972.99
05/18	05/19	PPLN01	24453881139000012000021	TROPHY HUNTERS SN LUIS OBISP CA	\$34.26
05/18	05/19	PPLN01	24204291138362315877652	Microsoft 425-6816830 WA	\$99.99

Finance Charge Summary / Plan Level Information									
Plan Name	Plan Description	FCM ¹	Average Daily Balance	Periodic Rate *	Corresponding APR	Finance Charges	Effective APR Fees **	Effective APR	Ending Balance
Purchases									
PPLN01 001	PURCHASE	E	\$0.00	0.06024%(D)	21.9900%	\$0.00	\$0.00	0.0000%	\$1,729.84
Cash									
CPLN01 001	CASH	A	\$0.00	0.06572%(D)	23.9900%	\$0.00	\$0.00	0.0000%	\$0.00
* Periodic Rate (M)=Monthly (D)=Daily							Days In Billing Cycle: 31		
** includes cash advance and foreign currency fees							APR = Annual Percentage Rate		
¹ FCM = Finance Charge Method									
(V) = Variable Rate If you have a variable rate account the periodic rate and Annual Percentage Rate (APR) may vary.									



UMPQUA BANK

BL ACCT 00002542-10000000

LAFCO

Account Number: #### #### ####

Page 1 of 3



Account Summary

Billing Cycle		06/30/2021
Days In Billing Cycle		30
Previous Balance		\$1,729.84
Purchases	+	\$1,116.99
Cash	+	\$0.00
Balance Transfers	+	\$0.00
Special	+	\$0.00
Credits	-	\$0.00
Payments	-	\$1,729.84
Other Charges	+	\$0.00
Finance Charges	+	\$0.00

NEW BALANCE \$1,116.99

Credit Summary

Total Credit Line	\$10,000.00
Available Credit Line	\$8,883.01
Available Cash	\$0.00
Amount Over Credit Line	\$0.00
Amount Past Due	\$0.00
Disputed Amount	\$0.00

Account Inquiries



Call us at: (866) 777-9013
Lost or Stolen Card: (866) 839-3485



Go to www.umpquabank.com



Write us at PO BOX 1952, SPOKANE, WA
99210-1952

Payment Summary

NEW BALANCE	\$1,116.99
MINIMUM PAYMENT	\$1,116.99
PAYMENT DUE DATE	07/25/2021

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

Corporate Activity

TOTAL CORPORATE ACTIVITY \$1,729.84-

Trans Date	Post Date	Reference Number	Transaction Description	Amount
06/22	06/22	000000000000000000000000117386	PAYMENT - THANK YOU	\$1,729.84-

Cardholder Account Summary

IMELDA MARQUEZ #### #### ####	Payments & Other Credits \$0.00	Purchases & Other Charges \$1,116.99	Cash Advances \$0.00	Total Activity \$1,116.99
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Cardholder Account Detail

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
06/02	06/03	PPLN01	24906411153122684881775	DNH*GODADDY.COM 480-5058855 AZ	\$359.76
06/02	06/03	PPLN01	24492151153637898245550	ZOOM.US 888-799-9666 WWW.ZOOM.US CA	\$57.63
06/08	06/09	PPLN01	24445001159200114630052	E C WEST 805-550-1422 CA	\$477.81

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



BL ACCT 00002542-10000000

LAFCO

Account Number: #### #### ####

Page 3 of 3

Cardholder Account Detail Continued						
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount	
06/14	06/15	PPLN01	24492151165637298793403	CSDA CAREER CENTER HTTPSNAYLOR.C MD	\$105.00	
06/24	06/27	PPLN01	24943011176010186041020	HOMEDEPOT.COM 800-430-3376 GA	\$116.79	

Finance Charge Summary / Plan Level Information									
Plan Name	Plan Description	FCM ¹	Average Daily Balance	Periodic Rate *	Corresponding APR	Finance Charges	Effective APR Fees **	Effective APR	Ending Balance
Purchases									
PPLN01 001	PURCHASE	E	\$0.00	0.06024%(D)	21.9900%	\$0.00	\$0.00	0.0000%	\$1,116.99
Cash									
CPLN01 001	CASH	A	\$0.00	0.06572%(D)	23.9900%	\$0.00	\$0.00	0.0000%	\$0.00
* Periodic Rate (M)=Monthly (D)=Daily							Days In Billing Cycle: 30		
** includes cash advance and foreign currency fees							APR = Annual Percentage Rate		
¹ FCM = Finance Charge Method									
(V) = Variable Rate If you have a variable rate account the periodic rate and Annual Percentage Rate (APR) may vary.									



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

TO: MEMBERS, FORMATION COMMISSION

FROM: ROB FITZROY, EXECUTIVE OFFICER

DATE: AUGUST 19, 2021

**SUBJECT: CALIFORNIA ASSOCIATION OF LOCAL AGENCY
FORMATION COMMISSION (CALAFCO)
CONFERENCE**

COMMISSIONERS

Chairperson
ROBERT ENNS
Special District Member

Vice-Chair
ED WAAGE
City Member

DEBBIE ARNOLD
County Member

LYNN COMPTON
County Member

MARSHALL OCHYLSKI
Special District Member

STEVE GREGORY
City Member

TOM MURRAY
Public Member

ALTERNATES

ED EBY
Special District Member

CHARLES BOURBEAU
City Member

HEATHER JENSEN
Public Member

JOHN PESCHONG
County Member

STAFF

ROB FITZROY
Executive Officer

BRIAN A. PIERIK
Legal Counsel

IMELDA MARQUEZ
Analyst

CELINE VUONG
Commission Clerk

RECOMMENDATION: It is respectfully recommended; 1) the Commission receive an update on the 2021 CALAFCO conference and confirm Commissioner attendance, 2) if a Commissioner wishes to run for the CALAFCO Board of Directors, nominate the interested City or Public member and 3) appoint one Commissioner or the Executive Officer as the voting delegate at the CALAFCO annual conference and select an alternate.

CALAFCO Annual Conference, October 6-8, 2021, Newport Beach. The CALAFCO Annual Conference will be conducted in Newport Beach from October 6-8, 2021, *in person*. It should be noted that conference organizers are currently monitoring the Covid-19 situation and the conference may be subject to change depending on directives from the State. The Commission typically sends two to four Commissioners. The Executive Officer, Analyst and Legal Counsel typically attend as well.

Topics at the conference this year are included in Attachment A, and generally include discussions and workshops related to:

- Water, wildfire and drought
- Tax Agreements
- Cyber Security
- Legislative Updates
- Post pandemic best practices

Board of Directors. Nominations are now open for the fall elections of the CALAFCO Board of Directors, see announcement included in Attachment B. This year for the Coastal Region, CALAFCO is seeking nominations specifically for one City and Public member. Currently, Margie Mohler of City of Napa holds the City seat and Tom Murry holds the Public seat, both of their terms expire December 2021. Serving on the CALAFCO Board provides an

opportunity to work with other commissioners throughout the state on legislative, fiscal and operational issues that impact LAFCO and other jurisdictions. The Board meets four to five times each year at alternate sites around the state. Due to the pandemic, this year and part of 2020 the meetings were conducted virtually. Any LAFCO commissioner or alternate commissioner is eligible to run for a Board seat. Once nominations are received, if any, they will be submitted to the CALAFCO and voted upon by the existing Board of Directors during the conference. Attendance at the conference is not mandatory in order to run, but is encouraged.

Voting Delegates. During the conference, delegates vote on those who they wish to elect to the CALAFCO Board of Directors. One attending Commissioner or the Executive Officer may be designated as a voting delegate at the CALAFCO Business Meeting for the Coastal Region by the Commission. One alternate must be selected as well. The voting delegate or alternate pickup the voting packet at the conference and usually work together to review the candidates.

ATTACHMENT A: Conference Announcement

ATTACHMENT B: Board of Directors Nomination Announcement

Attachment A

Conference Announcement



Announcing The 2021 CALAFCO Annual Conference

Hosted by CALAFCO

October 6 - 8

Hyatt Regency, Newport Beach
Conveniently located near the John Wayne Airport



Highly Relevant & Diverse General & Breakout Session Topics

- The New Era: State of the State in terms of extreme water and fire issues, and what it means for LAFCo* (Wed)
- Looming pension liabilities (Thu)
- City/District funding and property tax agreements (Thu)
- Post-pandemic workforce best practices for hiring staff (Thu)
- Hot topic facilitated breakouts – two rounds (Thu)
- The “bilities” of water and the LAFCo connection: Availability, accessibility, and portability (along with quality and state mandates)* (Wed)
- Cyber Security threats to LAFCos and local agencies* (Fri)
- Annual CALAFCO Legislative Update* (Fri)
- CALAFCO Annual Business Meeting (for all CALAFCO members)* (Thu)

*Note: The Program is subject to change.
Indicates General Session

Special Highlights

LAFCo 101

An introduction to LAFCo and LAFCo law for Commissioners, Staff, and anyone interested in learning more about LAFCo

*Wednesday from
10:00 a.m. to Noon*

Special Thursday afternoon session:

Hot Topic Roundtables

Join us for a special kind of breakout session format: **topical roundtables**. Choose the topics that are of most interest to you and join the conversation. This is a chance to share issues, existing best practice solutions, and create new and innovation solutions. Each round of the two-round breakouts will be approx. 50 mins.

Topical list still being prepared and may include LAFCo indemnification, sea level rise, pandemic recovery, local fire issues, local water issues.

It's been 2 years since we've seen you...are you missing each other?

**We've Created
Invaluable Networking
Opportunities for Reconnection!**

- Regional Roundtable discussions on current regional LAFCo issues
- Extended roundtable discussion for LAFCo legal counsel
- Networking breakfasts and extended breaks
- Welcome Reception Wednesday
- Thursday Pre-dinner Reception & breaks with Sponsors
- Awards Banquet Thursday

**Hyatt Regency Newport Beach
at the John Wayne Airport**



Make your reservations now at the **Hyatt Regency** at the special CALAFCO rate of \$194 (excludes tax and fees). Special rates available 3 days pre- and post-conference on availability, includes in-room wifi and parking.

Reservation cutoff date is 9/6/21.

TO MAKE HOTEL RESERVATIONS, PLEASE VISIT: <https://www.hyatt.com/en-US/group-booking/SNARJ/G-CAL2> or call directly at 949-975-1234 and reference CALAFCO event.

Visit www.calafco.org for Conference details or call us at 916-442-6536.

**Mark your calendar and
plan to attend!**

**Registration is now open!
Visit www.calafco.org**

Attachment B

Board of Directors Nomination Announcement

June 1, 2021

To: Local Agency Formation Commission
Members and Alternate Members

From: Gay Jones, Committee Chair
CALAFCO Board Election Committee
CALAFCO Board of Directors

CALAFCO



RE: Nominations for 2021/2022 CALAFCO Board of Directors

Nominations are now open for the fall elections of the CALAFCO Board of Directors. Serving on the CALAFCO Board is a unique opportunity to work with other commissioners throughout the state on legislative, fiscal and operational issues that affect us all. The Board meets four to five times each year at alternate sites around the state. Any LAFCo commissioner or alternate commissioner is eligible to run for a Board seat.

CALAFCO's Election Committee is accepting nominations for the following seats on the CALAFCO Board of Directors:

Central Region

City Member
Public Member

Southern Region

County Member
District Member

Northern Region

County Member
District Member

Coastal Region

City Member
Public Member

The election will be conducted during Regional Caucuses at the CALAFCO Annual Conference prior to the Annual Membership Meeting on Thursday, October 7, 2021 at the Hyatt Regency in Newport Beach at the John Wayne Airport, CA.

Please inform your Commission that the CALAFCO Election Committee is accepting nominations for the above-cited seats until *Tuesday, September 7, 2021 at 5:00 p.m.*

Incumbents are eligible to run for another term. Nominations received by September 7 will be included in the Election Committee's Report and will be on the ballot. The Report will be distributed to LAFCo members no later than September 23, 2021 and ballots made available to Voting Delegates at the Annual Conference. Nominations received after this date will be returned; however, nominations will be permitted from the floor during the Regional Caucuses or during at-large elections, if required, at the Annual Membership Meeting.

For those member LAFCos who cannot send a representative to the Annual Meeting an electronic ballot will be made available if requested in advance. **The ballot request must be made no later than Tuesday, September 7, 2021. Completed absentee ballots must be returned by 8:00 a.m., Monday, October 4, 2021.**

Should your Commission nominate a candidate, the Chair of your Commission must complete the attached Nomination Form and the Candidate's Resume Form or provide the specified information in another format other than a resume. Commissions may also include a letter of recommendation or resolution in support of their nominee.

The nomination forms and materials must be received by the CALAFCO Executive Director no later than Tuesday, September 7, 2021 at 5:00 p.m. Here is a summary of the deadlines for this year's nomination process:

- **June 1** – Nomination Announcement and packet sent to LAFCo membership and posted on the CALAFCO website.
- **September 7** – Completed Nomination packet due
- **September 7** – Request for an absentee/electronic ballot due
- **September 7** – Voting delegate name due to CALAFCO
- **September 23** – Distribution of the Election Committee Report (includes all completed/submitted nomination papers)
- **September 23** – Distribution of requested absentee/electronic ballots.
- **October 4** – Absentee ballots due to CALAFCO
- **October 7** - Elections

Returning the nomination form prior to the deadline ensures your nominee is placed on the ballot. Names will be listed in the order nominations were received should there be multiple candidates. Electronic filing of nomination forms and materials is encouraged to facilitate the recruitment process. Please send e-mails with forms and materials to info@calafco.org. Alternatively, nomination forms and materials can be mailed to the address below. Please forward nominations to:

CALAFCO Election Committee c/o Executive Director
California Association of Local Agency Formation Commissions
1020 12th Street, Suite 222
Sacramento, California 95814
EMAIL: info@calafco.org

Questions about the election process can be sent to the Chair of the Committee, Gay Jones, at gjones@calafco.org or by calling her at 916-208-0736. You may also contact CALAFCO Executive Director Pamela Miller at pmiller@calafco.org or by calling 916-442-6536.

Members of the 2021/2022 CALAFCO Election Committee are:

Gay Jones, Chair gjones@calafco.org	Sacramento LAFCo (Central Region) 916-208-0736
Blake Inscore binscore@calafco.org	Del Norte LAFCo (Northern Region) 707-951-0517
Chris Lopez clopez@calafco.org	Monterey LAFCo (Coastal Region) 831-755-5033
David West dwest@calafco.org	Imperial LAFCo (Southern Region) 760-352-3411

Attached please find a copy of the CALAFCO Board of Directors Nomination and Election Procedures as well as the current listing of Board Members and corresponding terms of office.

Please consider joining us!

Enclosures

Board of Directors Nomination and Election Procedures and Forms

The procedures for nominations and election of the CALAFCO Board of Directors [Board] are designed to assure full, fair and open consideration of all candidates, provide confidential balloting for contested positions and avoid excessive demands on the time of those participating in the CALAFCO Annual Conference.

The Board nomination and election procedures shall be:

1. APPOINTMENT OF AN ELECTION COMMITTEE:

- a. Following the Annual Membership Meeting the Board shall appoint an Election Committee of four members of the Board. The Election Committee shall consist of one member from each region whose term is not ending.⁸
- b. The Board shall appoint one of the members of the Election Committee to serve as Chairman. The CALAFCO Executive Officer shall appoint a CALAFCO staff member to serve as staff for the Election Committee in cooperation with the CALAFCO Executive Director.⁸
- c. Each region shall designate a regional representative to serve as staff liaison to the Election Committee.⁸
- d. Goals of the Committee are to provide oversight of the elections process and to encourage and solicit candidates by region who represent member LAFCoS across the spectrum of geography, size, and urban suburban and rural population if there is an open seat for which no nominations papers have been received close to the deadline.⁸

2. ANNOUNCEMENT TO ALL MEMBER LAFCoS:

- a. No later than three months prior to the Annual Membership Meeting, the Election Committee Chair shall send an announcement to each LAFCo for distribution to each commissioner and alternate. The announcement shall include the following:⁸
 - i. A statement clearly indicating which offices are subject to the election.
 - ii. A regional map including LAFCoS listed by region.
 - iii. The dates by which all nominations must be received by the Election Committee. The deadline shall be no later than 30 days prior to the opening of the Annual Conference. Nominations received after the closing date shall be returned to the proposing LAFCo marked "Received too late for Elections Committee action."⁸
 - iv. The names of the Election Committee members with the Committee Chairman's LAFCo address and phone number, and the names and contact information for each of the regional representatives.⁸
 - v. The address to send the nominations forms.
 - vi. A form for a Commission to use to nominate a candidate and a candidate resume form of no more than one page each to be completed for each nominee.
- b. No later than four months before the annual membership meeting, the Election Committee Chairman shall send an announcement to the Executive Director for distribution to each member LAFCo and for publication in the newsletter and on the web site. The

Key Timeframes for Nominations Process	
<u>Days*</u>	
90	Nomination announcement
30	Nomination deadline
14	Committee report released
<small>*Days prior to annual membership meeting</small>	

announcement shall include the following:⁸

- i. A statement clearly indicating which offices are subject to the election.
 - ii. The specific date by which all nominations must be received by the Election Committee. Nominations received after the closing dates shall be returned to the proposing LAFCo marked "Received too late for Election Committee action."⁸
 - iii. The names of the Election Committee members with the Committee Chair's LAFCo address and phone number, and the names and contact information for each of the regional representatives.⁸
 - iv. Requirement that nominated individual must be a commissioner or alternate commissioner from a member in good standing within the region.
- c. A copy of these procedures shall be posted on the web site.

3. THE ELECTION COMMITTEE:

- a. The Election Committee and the regional representatives have the responsibility to monitor nominations and help assure that there are adequate nominations from each region for each seat up for election. No later than two weeks prior to the Annual Conference, the Election Committee Chair shall distribute to the members the Committee Report organized by regions, including copies of all nominations and resumes, which are received prior to the end of the nomination period.⁸
- b. At the close of the nominations the Election Committee shall prepare regional ballots. Each region will receive a ballot specific to that region. Each region shall conduct a caucus at the Annual Conference for the purpose of electing their designated seats. Caucus elections must be held prior to the annual membership meeting at the conference. The Executive Director or assigned staff along with a member of the Election Committee shall tally ballots at each caucus and provide the Election Committee the names of the elected Board members and any open seats. In the event of a tie, the staff and Election Committee member shall immediately conduct a run-off ballot of the tied candidates.⁸
- c. Make available sufficient copies of the Committee Report for each Voting Delegate by the beginning of the Annual Conference.
- d. Make available blank copies of the nomination forms and resume forms to accommodate nominations from the floor at either the caucuses or the annual meeting (if an at-large election is required).
- e. Advise the Executive Director to provide "CANDIDATE" ribbons to all candidates attending the Annual Conference.⁸
- f. Post the candidate statements/resumes organized by region on a bulletin board near the registration desk.
- g. Regional elections shall be conducted as described in Section 4 below. The representative from the Election Committee shall serve as the Presiding Officer for the purpose of the caucus election.⁸
- h. Following the regional elections, in the event that there are open seats for any offices subject to the election, the Election Committee Chair shall notify the Chair of the Board of Directors that an at-large election will be required at the annual membership meeting and to provide a list of the number and category of seats requiring an at-large election.⁸

4. ELECTRONIC BALLOT FOR LAFCO IN GOOD STANDING NOT ATTENDING ANNUAL MEETING⁶

Limited to the elections of the Board of Directors

- a. Any LAFCo in good standing shall have the option to request an electronic ballot if there will be no representative attending the annual meeting.
- b. LAFCOs requesting an electronic ballot shall do so in writing no later than 30 days prior to the annual meeting.
- c. The Executive Director shall distribute the electronic ballot no later than two weeks prior to the annual meeting.
- d. LAFCo must return the ballot electronically to the executive director no later than three days prior to the annual meeting.
- e. LAFCOs voting under this provision may discard their electronic ballot if a representative is able to attend the annual meeting.
- f. LAFCOs voting under this provision may only vote for the candidates nominated by the Election Committee and may not vote in any run-off elections.⁸

5. AT THE TIME FOR ELECTIONS DURING THE REGIONAL CAUCUSES OR ANNUAL MEMBERSHIP MEETING:

- a. The Election Committee Chairman, another member of the Election Committee or the Chair's designee (hereafter called the Presiding Officer) shall:⁸
 - i. Review the election procedure with the membership.
 - ii. Present the Election Committee Report (previously distributed).
 - iii. Call for nominations from the floor by category for those seats subject to this election:
 1. For city member.
 2. For county member.
 3. For public member.
 4. For special district member.
- b. To make a nomination from the floor, a LAFCo, which is in good standing, shall identify itself and then name the category of vacancy and individual being nominated. The nominator may make a presentation not to exceed two minutes in support of the nomination.
- c. When there are no further nominations for a category, the Presiding Officer shall close the nominations for that category.
- d. The Presiding Officer shall conduct a "Candidates Forum". Each candidate shall be given time to make a brief statement for their candidacy.
- e. The Presiding Officer shall then conduct the election:
 - i. For categories where there are the same number of candidates as vacancies, the Presiding Officer shall:

1. Name the nominees and offices for which they are nominated.
2. Call for a voice vote on all nominees and thereafter declare those unopposed candidates duly elected.
- ii. For categories where there are more candidates than vacancies, the Presiding Officer shall:
 1. Poll the LAFCoS in good standing by written ballot.
 2. Each LAFCo in good standing may cast its vote for as many nominees as there are vacancies to be filled. The vote shall be recorded on a tally sheet.
 3. Any ballots submitted electronically for candidates included in the Election Committee Report shall be added to the tally.⁸
 4. With assistance from CALAFCO staff, tally the votes cast and announce the results.
- iii. Election to the Board shall occur as follows:
 1. The nominee receiving the majority⁶ of votes cast is elected.
 2. In the case of no majority, the two nominees receiving the two highest number of votes cast shall face each other in a run-off election. Electronic ballots are not included in the tally for any run-off election(s).⁶
 3. In case of tie votes⁶:
 - a. A second run-off election shall be held with the same two nominees.
 - b. If there remains a tie after the second run-off, the winner shall be determined by a draw of lots.
 4. In the case of two vacancies, any candidate receiving a majority of votes cast is elected.⁶
 - a. In the case of no majority for either vacancy, the three nominees receiving the three highest number of votes cast shall face each other in a run-off election.
 - b. In the case of no majority for one vacancy, the two nominees receiving the second and third highest number of votes cast shall face each other in a run-off election.
 - c. In the event of a tie, a second run-off election shall be held with the tied nominees. If there remains a tie after the second run-off election the winner shall be determined by a draw of lots.

6. ADDITIONAL PROCEDURES

- a. For categories where there are more candidates than vacancies, names will be listed in the order nominated.
- b. The Election Committee Chair shall announce and introduce all Board Members elected at the Regional Caucuses at the annual business meeting.⁸
- c. In the event that Board seats remain unfilled after a Regional Caucus, an election will be held immediately at the annual business meeting to fill the position at-large. Nominations will be taken from the floor and the election process will follow the procedures described in Section 4 above. Any commissioner or alternate from a member LAFCo may be nominated

- for at-large seats.
- d. Seats elected at-large become subject to regional election at the expiration of the term. Only representatives from the region may be nominated for the seat.
- e. As required by the Bylaws, the members of the Board shall meet as soon as possible after election of new board members for the purpose of electing officers, determining meeting places and times for the coming year, and conducting any other necessary business.

7. LOSS OF ELECTION IN HOME LAFCO

Board Members and candidates who lose elections in their home office shall notify the Executive Director within 15 days of the certification of the election.

8. FILLING BOARD VACANCIES

Vacancies on the Board of Directors may be filled by appointment by the Board for the balance of the unexpired term. Appointees must be from the same category as the vacancy, and should be from the same region.

**CALAFCO Regions
FOUR REGIONS**



The counties in each of the four regions consist of the following:

Northern Region

Butte
Colusa
Del Norte
Glenn
Humboldt
Lake
Lassen
Mendocino
Modoc
Nevada
Plumas
Shasta
Sierra
Siskiyou
Sutter
Tehama
Trinity
Yuba

CONTACT: Steve Lucas
Butte LAFCo
slucas@buttecounty.net

Southern Region

Orange
Los Angeles
Imperial
Riverside
San Bernardino
San Diego

CONTACT: Gary Thompson
Riverside LAFCo
gthompson@lafco.org

Coastal Region

Alameda
Contra Costa
Marin
Monterey
Napa
San Benito
San Francisco
San Luis Obispo
San Mateo
Santa Barbara
Santa Clara
Santa Cruz
Solano
Sonoma
Ventura

CONTACT: Martha Poyatos
San Mateo LAFCo
mpoyatos@smcgov.org

Central Region

Alpine
Amador
Calaveras
El Dorado
Fresno
Inyo
Kern
Kings
Madera
Mariposa
Merced
Mono
Placer
Sacramento
San Joaquin
Stanislaus
Tulare
Tuolumne
Yolo

CONTACT: Christine Crawford, Yolo LAFCo
christine.crawford@yolocounty.org

CALAFCO Board Members 2020-21 <i>(as of June 1, 2021)</i>		
Board Member Name	LAFCo - Region	Type (Term Expires)
Bill Connelly - Secretary	Butte - <i>Northern</i>	County (2021)
David Couch	Humboldt - <i>Northern</i>	District (2021)
Blake Inscore	Del Norte - <i>Northern</i>	City (2022)
Gay Jones	Sacramento - <i>Central</i>	District (2022)
Michael Kelley – Chair	Imperial - <i>Southern</i>	County (2021)
Christopher Lopez	Monterey – <i>Coastal</i>	County (2022)
Daron McDaniel	Merced – <i>Central</i>	County (2022)
Michael McGill – Immediate Past Chair	Contra Costa - <i>Coastal</i>	District (2022)
Jo MacKenzie	San Diego - <i>Southern</i>	District (2021)
Margie Mohler - Treasurer	Napa - <i>Coastal</i>	City (2021)
Tom Murray	San Luis Obispo - <i>Coastal</i>	Public (2021)
Anita Paque – Vice Chair	Calaveras - <i>Central</i>	Public (2021)
Daniel Parra	Fresno - <i>Central</i>	City (2021)
Josh Susman	Nevada - <i>Northern</i>	Public (2022)
Acquanetta Warren	San Bernardino – <i>Southern</i>	City (2022)
David West	Imperial - <i>Southern</i>	Public (2022)

Board of Directors 2021/2022 Nominations Form

Nomination to the CALAFCO Board of Directors

In accordance with the Nominations and Election Procedures of CALAFCO,

_____ LAFCo of the _____ Region

Nominates _____

for the (check one) City County Special District Public

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

LAFCo Chair

Date

NOTICE OF DEADLINE

Nominations must be received by **September 7, 2021** at 5:00 p.m. to be considered by the Election Committee. Send completed nominations to:
CALAFCO Election Committee
CALAFCO
1020 12th Street, Suite 222
Sacramento, CA 95814

Or email to: info@calafco.org

**Board of Directors
2021/2022 Candidate Resume Form
(Complete both pages)**

Nominated By: _____ LAFCo Date: _____

Region (please check one): Northern Coastal Central Southern

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

Candidate Name _____

Address _____

Phone Office _____ Mobile _____

e-mail _____

Personal and Professional Background:

LAFCo Experience:

CALAFCO or State-level Experience:

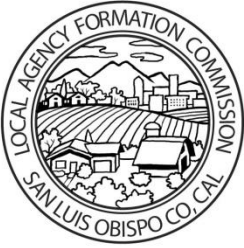
Availability:

Other Related Activities and Comments:

NOTICE OF DEADLINE

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CALAFCO Election Committee
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LAFCO - San Luis Obispo - Local Agency Formation Commission
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BRIAN A. PIERIK
Legal Counsel

IMELDA MARQUEZ
Analyst

CELINE VUONG
Commission Clerk

TO: MEMBERS, FORMATION COMMISSION

**FROM: ROB FITZROY, EXECUTIVE OFFICER
IMELDA MARQUEZ, ANALYST**

DATE: AUGUST 19, 2021

**SUBJECT: STATUS REPORT OF SUBMITTED PROPOSALS AND
UPCOMING PROPOSAL ACTIVITIES**

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

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

Active Proposals

LAFCO No. 3-R-21 | Gateway SOI Amendment/Annexation to the City of Paso Robles. This proposal is to annex 170 acres located in the vicinity of the northwest corner of Highway 101 and Highway 46 West and outside the City limits of Paso Robles. This proposal would seek the concurrent processing of an amendment to the City's sphere of influence and annexation. The project provides 49.7 acres of Agriculture Land, 32.3 acres of Agriculture in Conservation Easement, 16.6 acres of Open Space, 0.2 acres of Multi-Family Residential (limited number of units and possibly single-family residential), 59.3 acres of Hotel (two hotels and possibly a third), 10.6 acres of Commercial Centers, and 3.2 acres of Public Roads.

1st Submittal: A 30-day review of the application was conducted by staff and an information hold letter was submitted to the City on November 5, 2020. The City responded to the information hold letter on March 16, 2021. The County Board of Supervisors formally commenced negotiations for the exchange of property tax revenue for this annexation on January 26, 2021. These negotiations failed however, and per the Cortese, Knox, Hertzberg Act the application was formally withdrawn.

2nd Submittal to LAFCO: On July 8, 2021, the City of Paso Robles agendized a new resolution of application to LAFCO and the discussion of tax negotiations and provided staff new direction to pursue use of the Master Tax Agreement. On July 29, 2021, the City resubmitted an application for annexation. We are currently within the 30-day completeness review. Staff has sent the Notice to Commence Tax Agreement Negotiations to the County

Auditor / Assessor. Depending on the timing of action by the City and County to approve a Tax Agreement, we anticipate to bring this item to hearing in Fall 2021.

LAFCO No. 1-S-21. The proposed project includes a Sphere of Influence amendment of approximately 212.81 acres of property into the City of Morro Bay's sphere. The property is located within the western boundary of the County of San Luis Obispo and surrounded by the northeastern portion of the City of Morro Bay with Highway 1 situated to the west. This area is known as the Panorama Lots.

The application was submitted on June 28, 2021. Staff conducted a 30-day initial completeness review and provided an information hold letter to the applicant on July 28, 2021. On August 19, 2021, a study session item will be held to solicit early comment and questions on the project. This item does not have an anticipated hearing date for action.

LAFCO No. 2-R-21 | Cayucos Sanitary District (Water Resource Facility) Annexation /SOI Amendment. This project proposal includes an annexation of approximately 257.87 acres of property into the Cayucos Sanitary District. The property is located in Toro Creek Valley, a designated rural area, approximately 0.75 miles inland from State Route 1 in Cayucos. The annexation and sphere of influence amendment is for the district's new Water Reclamation Facility and Solar Farm that are being constructed on the property. The public lot within the area would be within the parent parcel of approximately 8 acres.

A 30-day review of the application was conducted by staff and an information hold letter was submitted to the District on March 19, 2021. On August 4, 2021, staff received the necessary information to continue processing the application. We expect to bring this item to hearing in Fall 2021.

LAFCO No. 1-R-21 | Froom Ranch Annexation to the City of SLO. This proposal would annex 110 acres located immediately west of Los Osos Valley Road between U.S. Highway 101 and the Irish Hills Plaza outside the City limits of San Luis Obispo. The plan for the project provides for approximately 39.1 acres of mixed residential uses (Life Plan Community known as Villaggio with independent and assisted living, multi-family housing, and affordable housing), 3.1 acres of commercial development (including potentially a 70,000 square foot hotel) and 66.2 acres of open space. The area is within the City's sphere of influence.

The resolution of application was submitted to LAFCO on February 9, 2021. A 30-day review of the application was conducted by staff and an information hold letter was submitted to the City on March 9, 2021. Staff has actively been working with the City. The City provided additional information on August 2, 2021. Staff is still reviewing the submitted information. However, we anticipate this project will be brought to hearing in Fall 2021.

Other Active Proposals

LAFCO No. 4-R-20 | Torres Annexation to Nipomo CSD. The proposed project includes an annexation of approximately 0.25-acres of property into the Nipomo Community Service District for sewer and water. The property is in the sphere of influence and is located on Oakglen avenue.

The petition of application was submitted to LAFCO on October 26, 2020. A 30-day review of the application was conducted by staff and an information hold letter was submitted to the landowner (applicant) on November 20, 2020. Staff has submitted an additional letter to the applicant, dated April 27, 2021, asking if they would like to withdraw the application given that no response has been received from the 30-day reviewal letter that asked for additional information.

LAFCO No. 2-S-19 | Morro Bay SOI Amendment (WRF). The application is to amend the City of Morro Bay's Sphere of Influence for a new Water Reclamation Facility (WRF). This proposal includes 368.7-acre "Remainder Parcel" of the larger 396.3-acre Tri-W Enterprises property, a 27.6-acre portion of which will be split off as a separate lot to be owned by the City for the construction and operation of the City's new WRF.

The resolution of application was submitted to LAFCO on October 15, 2019. A 30-day review of the application was conducted by staff and an information hold letter was submitted to the City on November 14, 2019.

Post Approval

LAFCO No. 1-R-19 | Shandon San Juan Water District Detachment #1. This proposal was approved at the September 19, 2019, meeting. In July 2021, the required Map and Legal were submitted for review and approved per the conditions of approval. A Certificate of Completion was filed with the Clerk Recorder soon after on July 22, 2021. This detachment is formally complete.

LAFCO No. 2-R-19 | Estrella-EI Pomar-Creston Water District Detachment #1. This proposal was approved at the September 19, 2019, Meeting. A Certificate of Completion has not been filed by LAFCO because conditions have not been met. Pursuant to GC 57001 a one-year extension was granted by the Commission at the September 17, 2020, Meeting to allow additional time for condition compliance. The Map and Legal Description have been submitted and are currently being reviewed by the County Surveyor. As soon as the County Surveyor approves the Map and Legal, LAFCO will file the Certificate of Completion.

On the Radar

Cayucos/Morro Bay Boundary Adjustments. According to the City of Morro Bay's March 18, 2021, item C-1 staff report the City would purchase the Dog Beach from the Cayucos Sanitary District (SD). When Cayucos SD acquired the Dog Beach Lots from Chevron, Chevron retained a right to reacquire the lots under certain circumstances. Chevron has agreed to remove its repurchase right from record title if the City authorized submittal of an application to LAFCO to amend the City's SOI to include five lots above the Panorama area (Panorama Lots).

Additionally, a small portion of land would be proposed to be detached from the City resulting in the lot being located within unincorporated County of San Luis Obispo. Property is owned by the Cayucos Sanitary District and contains a sewer lift station operated by Cayucos SD.

The City of Morro Bay approved the adoption of resolution of application authorizing City Staff to submit detachment proceedings to LAFCO. This application is expected sometime in the fall .

CSA 10 Annexation (Valley Lots). The County Service Area (CSA) 10 in Cayucos may see an annexation of lots on the southern part of town if a Minor Use Permit (MUP) is approved by the County. County Public Works has indicated a willingness to provide service. The MUP would provide the land use approval for a residential construction project. Water service from CSA 10 would be needed. A LAFCO action should follow the land use approval.

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

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

The landowner would be seeking detachment so they will no longer be billed by CSA 16 for water service that is not needed. The main water line was completed along with a meter. The water system on occasion needs to be maintained and pipelines flushed for water quality purposes. Due to the design of the infrastructure this flushing results in charges to the property owner for unused or poor quality water. The detachment would resolve the property owners' concerns. The property owner is waiting on Caltrans mapping of eminent domain as the detachment would no longer include the full acreage that was initially annexed to CSA 16. This application is expected in the new fiscal year.

Dana Reserve Annexation into Nipomo CSD. This proposal would annex 288 acres located within the Sphere of Influence and immediately north of the Urban Reserve Line of Nipomo Community Services District (NCSD). The property is bounded by Willow Road and Cherokee Place to the north, existing residential ranchettes to the south and west, and U.S. Highway 101 to the east. The landowners have filed a subdivision application with the County for a 42-lot multi-use subdivision and corresponding Specific Plan for approximately

1,270 single and multi-family homes including residential, commercial, and recreation/open space, among others. LAFCO has provided input regarding the annexation process. LAFCO provided comments to the Notice of Preparation of the EIR on July 26,2021. The EIR is being prepared and LAFCO will provide comments on that document during the public comment period. .

Templeton CSD Cemetery Service Divesture. The Templeton CSD is no longer providing support services to the Templeton Cemetery District and has inquired about divesting that power. On August 3, 2021, the Templeton CSD approved a resolution of application to divest this power. During that meeting, the Templeton CSD Board directed their staff to request a fee waiver from LAFCO. We are actively coordinating with District staff to determine whether a fee waiver would meet the necessary criteria as established in the existing LAFCO fee schedule prior to bringing such a request to the Commission.

Oceano CSD Fire Service. The Oceano Community Services District has entered into a 3rd Amendment with the Joint Powers Authority (JPA) partners to fund fire service over the next three years, until 2023. The District is exploring a ballot measure for 2022 to maintain fire services with the Five Cities Fire Authority and continue their partnership with the JPA. The District is anticipating submittal of a divestiture application to LAFCO but timing is not currently known.

Shandon San Juan Water District Detachment. Additional property owners have inquired about detaching and also being annexed into the water district. There is no anticipated application date at this time.



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IMELDA MARQUEZ
Analyst

CELINE VUONG
Commission Clerk

TO: MEMBERS, FORMATION COMMISSION

**FROM: ROB FITZROY, EXECUTIVE OFFICER
IMELDA MARQUEZ, ANALYST**

DATE: AUGUST 19, 2021

**SUBJECT: STUDY SESSION: SPHERE OF INFLUENCE AMENDMENT
TO THE CITY OF MORRO BAY (PANORAMA LOTS)**

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

Summary. The City of Morro Bay has proposed a Sphere of Influence (SOI) Amendment to include five lots located on Panorama Drive at the northern boundary of the city. The purpose of this item to inform the Commission and the public of the new application and to solicit early comments or questions on the project, no action will be taken today. The proposed SOI Amendment would include APN: 073-075-002 and portions of APN:073-076-016. The City submitted their SOI Amendment application to the San Luis Obispo Local Agency Formation Commission (LAFCO) on June 28, 2021. LAFCO completed a 30-day review of the application and sent a letter requesting additional information before the application can be deemed complete (Attachment B). There is no anticipated hearing date at this time.

SOI and Annexations. An SOI is defined by government code 56425 as "...a plan for the probable physical boundary and future service area of a local agency or municipality...". An SOI is generally considered as a 20-year, long-range planning tool, and a mandatory step in the process before annexation. Approval of a SOI amendment does not mean the subject area will be in the City's jurisdiction. The city must complete the land use planning process, including California Environmental Quality Act (CEQA) prior to an annexation being considered by LAFCO. More details about the annexation process are found below.

To amend the SOI, the Cortese-Knox-Hertzberg Act calls for the following five determinations to be considered and a written statements approved by LAFCO per gov code section 56425 (e). These five determinations are listed below and would be reviewed when the SOI is brought back to the Commission for an action:

- (1) The present and planned land uses in the area, including agricultural and open-space lands.

- (2) The present and probable need for public facilities and services in the area.
- (3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
- (4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
- (5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

As indicated by the given factors above, SOI amendments are reviewed at a high level to determine whether the respective jurisdiction has or could have capacity to serve a given area. It is the first “test” to determine whether a given area is a logical extension of a city and could potentially be served by the city in the future. Overall, this is a very common land use planning practice that is consistent with state law, wherein the city evaluates a growth area as a part of its general plan, then requests a SOI amendment, and finally pursues an annexation when timing necessitates.

An annexation is defined by Government Code 56017 as “... the inclusion, attachment, or addition of territory to a city or district”. Because an annexation results in the formal transfer of land to a city, it undergoes a more in-depth review within the LAFCO process. An annexation is done when the areas in a SOI are ready to be served by the city or district. The respective city needs to have already approved a land use permit, specific project, and conducted environmental review in compliance with CEQA before it comes to LAFCO for consideration of annexation. Government Code Section 56668 identifies a number of factors that are to be considered by LAFCO in reviewing a proposal. The factors include information on:

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

Currently, the City of Morro Bay has applied for the SOI amendment and has provided a general overview of what the project entails. Additional information would be required if the Panorama Lots come back to LAFCO for an annexation.

Background. In 2017, LAFCO adopted a SOI and Municipal Service Review that included conditions of approval for any future annexations to the City of Morro Bay. These conditions of approval address LAFCO's primary policies when annexing into the City. Specifically, the conditions address water, wastewater, agriculture, and open space (Attachment C). LAFCO has indicated that these conditions would be applied to any annexation for this area.

In February 2021 the City of Morro Bay approved and certified a Final Environmental Impact Report (EIR) for the Morro Bay General Plan and LCP Update. The General Plan Update considered, in part, various expansion areas, which were described as "future SOI" areas, and includes the Panorama Lots. As such, the EIR analyzed potential impacts associated with the future SOI areas and the Panorama Lots. LAFCO would likely rely upon the Final EIR as a responsible agency.

On March 18, 2021, the City of Morro Bay adopted a Resolution of Application (Resolution 14-21) to submit to LAFCO for a SOI amendment that would include the Panorama Lots (Morro Bay Staff Report Item C-1). As described in that staff report, the proposed Panorama Lot SOI amendment is directly related to other anticipated actions between the City of Morro Bay and the Cayucos Sanitary District. When Cayucos acquired the Dog Beach Lots from Chevron, Chevron retained a right to reacquire the lots under certain circumstances. Chevron has agreed to remove the "certain circumstances" which was its repurchase right from record title if the City of Morro Bay authorized submittal of an application to LAFCO to amend the City's SOI.

Project Description. On June 28, 2021, the City of Morro Bay submitted an application to LAFCO for an amendment to their SOI to include the Panorama Lots, as shown on Attachment A. The current landowner is Chevron Land and Development Company.

The Resolution of Application states that each of the Panorama Lots would accommodate one (1) single family residence, for a total of no more than 5 homes, one on each lot. It also outlined restrictions to development in the lower portion of each Panorama Lot leaving the remainder of the hillside above Panorama Drive undeveloped thus, preserving the sight line, see Attachment A for vicinity map. It is important to note that no development can occur on the sight and be served by the city until the appropriate permits and entitlements have been obtained and annexation is completed. It is also important to note that the existing Panorama Lots are within unincorporated County. Under the existing land use designations of the County, one primary residence may be constructed on each lot. As such, the intended future development potential of the Panorama Lots as described in City's Resolution of Application would be the similar to that currently allowed by the County of San Luis Obispo.

Key Considerations for LAFCO. The 30-day review letter dated July 28, 2021, also outlines other key considerations that LAFCO is waiting to evaluate until the applicant provides a response. Some of the questions raised by staff during the initial completeness review include:

- What are the City's plans for the open space preservation on these parcels?
- What is the timing of such plans?
- What legal instruments would be used to preserve the areas?
- Can any documentation be provided regarding preservation?
- Would the City be interested in amending the sphere to include only the potential building areas? (shown in map 1 of Attachment A)
- Please address LAFCO's policies and procedures 2.6 & 2.9 related to a Sphere of Influence amendment and Agriculture. Provide any written documentation that provides reasoning associated with the Sphere of Influence Factors outlined in Government Code 56425 (e) (1-5) and LAFCO policy 2.6.6.

During the 30-day initial completeness review, LAFCO sent notice to referral agencies and informed interested parties of the new SOI application. We received one comment from the Agricultural Commissioner's Office and a packet of petitions opposing the project from interested members of the public, both of which can be found on the LAFCO website in full. Due to the volume of petitions received, they were not included in this staff report.

Summary. The information provided at this Study Session has been summarized from the documentation submitted by the city for this project. The SLO LAFCO website has additional information about the project proposal:

<http://www.slolafco.com/current-projects-notices.html>

ATTACHMENT A: Vicinity Maps

ATTACHMENT B: Info Hold Letter

ATTACHMENT C: MSR/SOI Conditions of Approval

ATTACHMENT D: LAFCO Policies

ATTACHMENT E: City's Resolution of Application

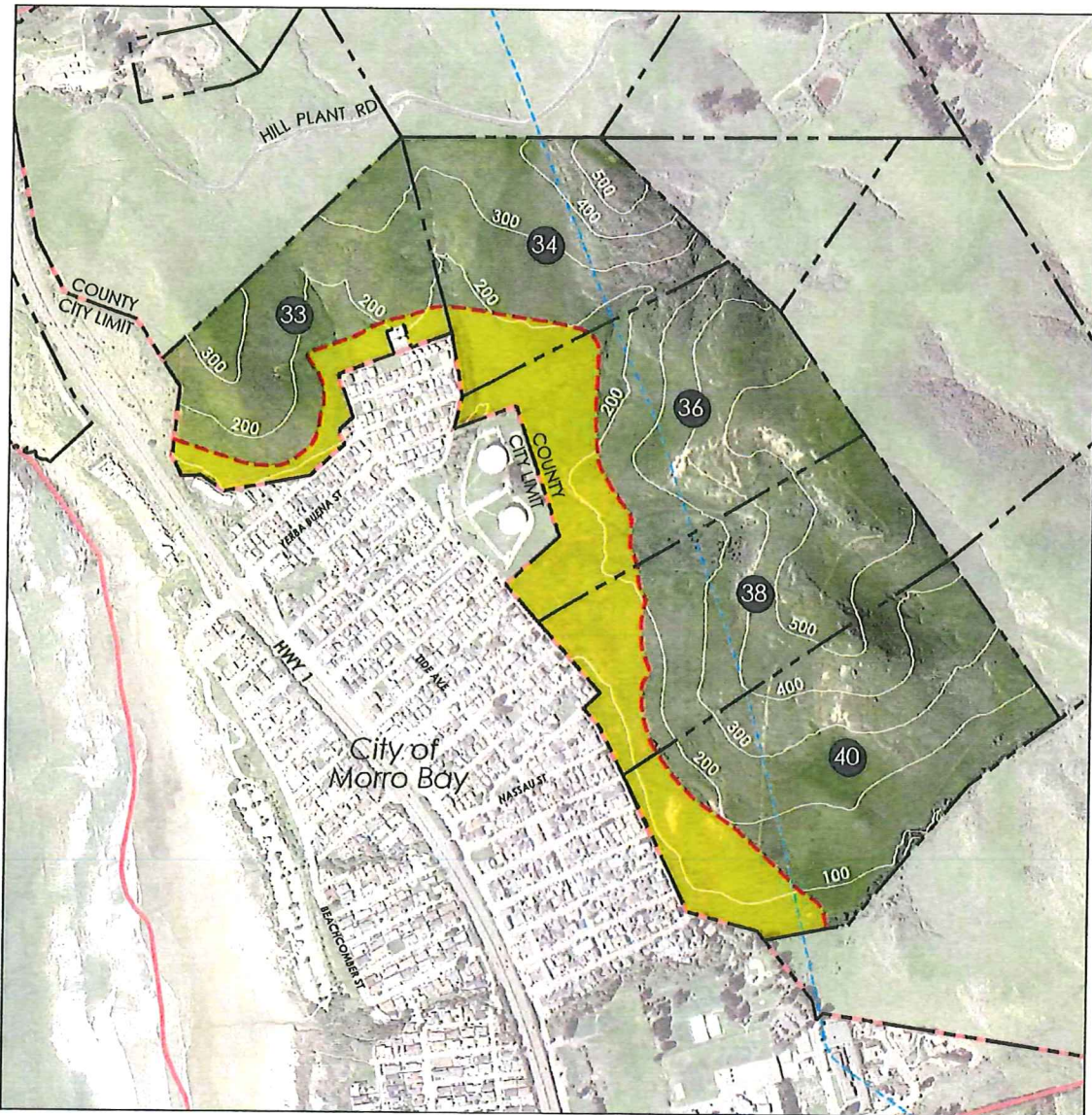
Attachment A

Vicinity Maps

ESTERO - PANORAMA LOTS			
LOT	APN	AREA	ACRES
33	073-075-002	Potential Building Area	6.3
		Total Lot Area	34.3
34	073-076-016	Potential Building Area	4.3
		Total Lot Area	33.5
36	073-076-016	Potential Building Area	14.8
		Total Lot Area	47.0
38	073-076-016	Potential Building Area	7.8
		Total Lot Area	40.7
40	073-076-016	Potential Building Area	10.4
		Total Lot Area	57.4

NOTES

1. Potential Building Area as shown includes constraints such as landslides per the County GIS Maps, easements, steep slopes, difficult access, etc.
2. Actual residence locations will be sited within the Potential Building Areas after field inspections and surveys.
3. Lot Line Adjustments may be needed to provide a residence location on each lot within the Potential Building Area.



Panorama Lots
SAN LUIS OBISPO COUNTY, CA

Potential Building Area



- Existing Lot Boundary
- City of Morro Bay Boundary
- Coastal Zone Boundary
- Limit Line - Potential Building Area
- Potential Building Area

NOTES/SOURCES

1. Aerial photo and parcel data from Canon.
2. Contour interval is 100-feet.
3. Other data from County of San Luis Obispo.
4. This map is for illustrative purposes only.



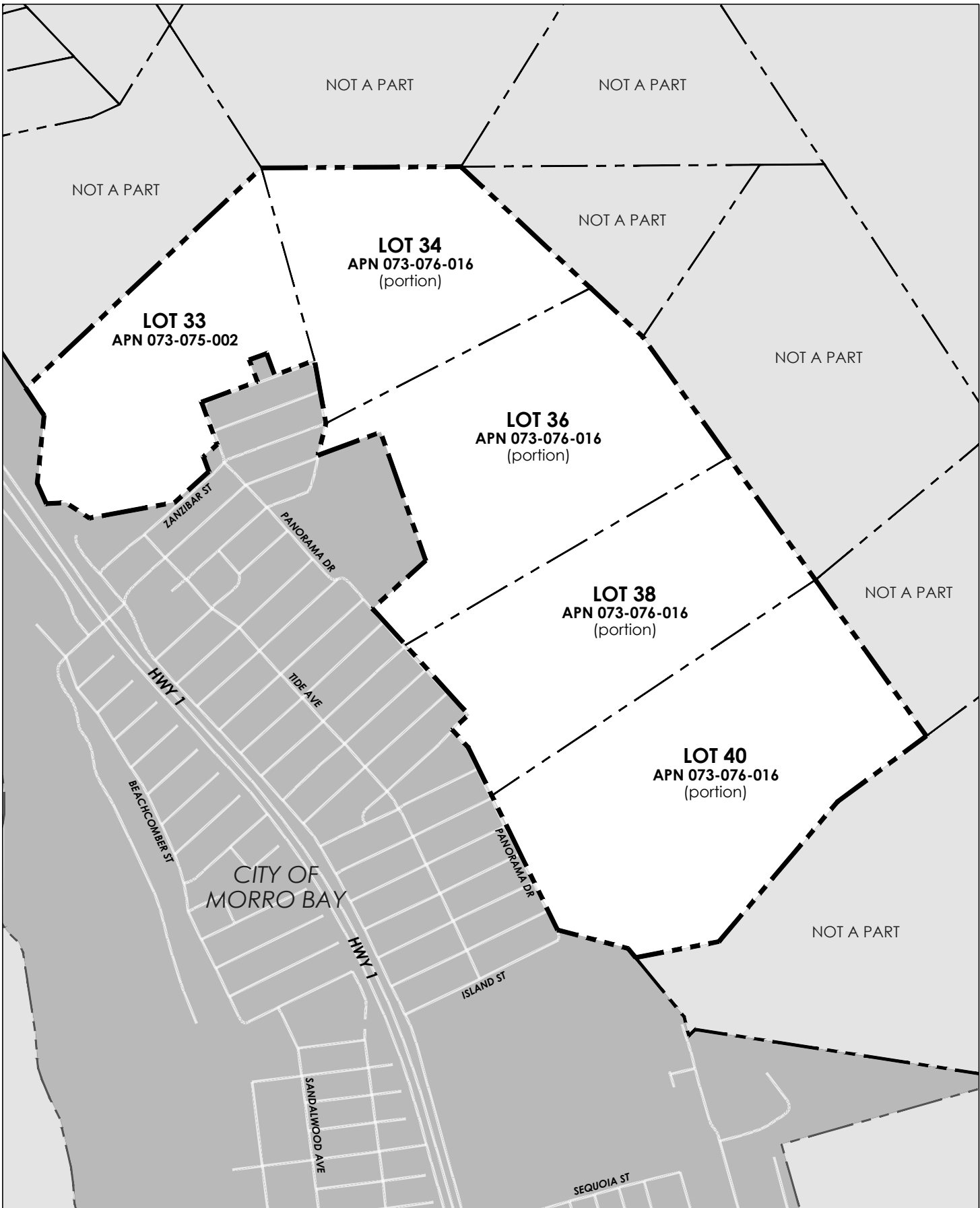


Exhibit B

LAFCO Sphere of Influence Amendment Request
 LOTS 33,34,36,38,40



Drawn By: BAS	Not to Scale	Date: 06.17.2021	Sheet: 1 of 1
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Attachment B

Info Hold Letter



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

July 28, 2021

SENT VIA E-MAIL

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Executive Officer

DAVID CHURCH
Interim Deputy Executive
Officer

BRIAN A. PIERIK
Legal Counsel

IMELDA MARQUEZ
Analyst

Scot Graham, Community Development Director
City of Morro Bay
595 Harbor Street
Morro Bay, CA 93442

Subject: Proposed Sphere of Influence Amendment to the City of Morro Bay (Panorama Lots) LAFCO File No. 1-S-21

Dear Mr. Graham,

This letter is to advise you that the application for the Sphere of Influence (SOI) amendment has been received and was referred to other agencies involved in the annexation process. LAFCO staff has completed an initial review of the application and finds that the following items need to be submitted for LAFCO to continue processing the application:

1. LAFCO has received numerous petition letters from citizens with comments about the application to amend the City's Sphere of Influence (SOI). These petitions are attached for the City's consideration and response. Also, a letter from the County Agricultural Commissioner's office is attached for the City's consideration and response.
2. The City's submitted Resolution of Application (attached) supporting application of an SOI amendment "desires" that LAFCO be the lead agency for CEQA purposes for the SOI Amendment. In this circumstance wherein the City is proposing an amendment to the City's SOI, LAFCO shall be the Responsible Agency and will use the CEQA record for decision making purposes. The City's Final EIR project description references areas outside the City boundaries as surrounding areas and the Sphere of Influence, which will allow LAFCO to rely upon the document for compliance with CEQA. This approach is standard practice. It should be noted that it is particularly helpful that LAFCO will have a recent EIR to rely upon.

More specifically, the maps in the City's adopted and newly updated General Plan (Plan Morro Bay-2021) identify the Panorama lots as areas that should be considered for inclusion in the Sphere of Influence. The impacts of this action were considered in the Final EIR certified by the City and as stated in the City's resolution of application. The record appears adequate for LAFCO's use as a Responsible Agency.

Please provide any concerns or comments the City might have about LAFCO using this record as a Responsible Agency.

3. Please submit a copy of CEQA Filing with the County Clerk, this should include the certified Addendum to the EIR for the General Plan Update that mentions the Panorama Lots.
4. Please address LAFCO's policies and procedures 2.6 & 2.9 related to a Sphere of Influence amendment and Agriculture. Provide any written documentation that provides reasoning associated with the Sphere of Influence Factors outlined in Government Code 56425 (e) (1-5) and LAFCO policy 2.6.6.

LAFCO's policies and procedures should be clearly addressed with the documentation submitted with the application, therefore brief analysis is needed for LAFCO use and reference when processing the project proposal.

5. Conditions of Approval found in the 2017 adopted Sphere of Influence and Municipal Service Review (MSR) would be applied to the SOI Amendment if approved by LAFCO. These conditions address water, wastewater, and Agriculture and Open Space. The conditions provide clarity for the processing a future annexation associated with this SOI amendment. These conditions are attached. Please provide a response as to how the SOI amendment will satisfy each of these conditions and/or support their implementation if and when annexation occurs. Also, these conditions should be addressed (as well as other issues) by the City during the land use approval and CEQA process that would be completed prior to LAFCO considering an annexation application in order for LAFCO to confirm the conditions have been satisfied.
6. A Sphere of Influence boundary can be drawn through parcels and does not necessarily have to follow parcel lines. Since a future annexation application would contemplate the five specific residences to be built as defined by a land use approval by the City, the SOI boundary could be determined along the potential building area boundary line in the areas where the City has interest in allowing development. One concept to this end would be to amend the SOI to only areas shown on the map in yellow on the City's Resolution of Application (attached) on the subject parcels. This boundary option would increase the SOI to include just the area where the City could potentially be providing services to the five units. LAFCO has discretion in determining the SOI boundary and this option could be discussed as it would minimize the area included in the SOI to the area that would receive city services based on a land use approval and CEQA approved by the in the Coastal Zone. Should the City be interested in this concept, LAFCO can arrange a meeting to discuss this option further.
7. The Resolution of Application indicates that the City intends to consider development of five residential units (one on each lot) within the "potential building area" as well as preserving in perpetuity certain areas as open space. This is also relates to the aforementioned MSR conditions of approval. Please respond to several questions regarding the SOI amendment to support this plan:
 - What are the City's plans for the open space preservation on these parcels?
 - What is the timing of such plans?
 - What legal instruments would be used to preserve the areas?
 - Can any documentation be provided regarding preservation?

The information listed above is requested for LAFCO to be able to continue processing the SOI Amendment application. The application will remain on hold until LAFCO receives a response to the items found in this request. LAFCO may need additional clarification or information before deeming the application complete for processing. If you have any questions, please contact us at 805.781.5795 or email us at rfitzroy@slolafco.com.

Sincerely,



Imelda Marquez, LAFCO Analyst



Rob Fitzroy, LAFCO Executive Officer

cc. Commissioners
Brian Pierik, LAFCO Counsel

Enclosures:

- Attachment A: Comment Letters on the Application
- Attachment B: LAFCO Policies
- Attachment C: Morro Bay Sphere of Influence Conditions
- Attachment D: City of Morro Bay Resolution of Application

For the full information hold letter + attachments, please
visit our website at:

<http://www.slolafco.com/current-projects-notices.html>

NOTE: Included in Attachment A of the letter are 600
signatures opposing the proposed application.

Attachment C

MSR/SOI Conditions of Approval

- **City of Morro Bay-Goal 35:** *Preserve agricultural uses in and adjacent to the City with conflict resolution between agricultural and urban land uses.*

COUNTY OF SAN LUIS OBISPO GENERAL PLAN

- **County of San Luis Obispo-Estero Area Plan.** *Prevent urban development outside the Morro Bay City Limits, and direct future growth onto developable, non-prime lands within the City.*
- **County of San Luis Obispo-Estero Area Plan.** *Maintain existing agricultural land use categories in order to protect agricultural resources; do not convert agricultural land to other land use categories or revise planning area standards so as to enable more intensive development.*

These goals are supported in each General Plan with policies and programs that work towards achieving these results. The Memorandum of Agreement is a way to implement both General Plans in a more coordinated manner.

City Council Action. The City Council approved the MOA on September 10, 2007.

County Board of Supervisors Action. The County Board of Supervisors approved the MOA on September 25, 2007

Conditions of Approval

The following conditions of approval are adopted based on this updated Sphere of Influence Update, Municipal Service Review, Memorandum of Agreement, the environmental review, and public input and to reflect the current situation for services and protection of agricultural and open space lands.

WATER

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

WASTEWATER

- a) As part of an annexation application, the City shall document the progress of the currently-planned upgrade to the wastewater treatment plant in compliance with a NPDES permit.

AGRICULTURE & OPEN SPACE

- a. The City shall identify all agricultural and open space lands to be protected in the annexation areas when rezoning or preparing land use entitlements for an area.
- b. Prior to LAFCO filing the certificate of completion (if an annexation is approved), conservation easement(s) or other appropriate mitigation measures as listed in LAFCO's Agricultural Policy 12, shall be recorded on the deed(s) of the properties affected by the annexation specifying the areas to be protected in perpetuity.

RECONSIDERING THE SOI/MSR

- a. LAFCO would revisit the SOI upon completion of the GP/LCP and One Water Plan update.

PRESENT AND PLANNED LAND USE

The land use zoning within the proposed Study Areas of the Sphere of Influence is Agriculture and Recreation. The two existing SOI areas are the beach area to the north and the Back Bay area to the south. Neither area is proposed for future development. The City's General Plan policies are being updated to manage the growth and development within these areas. Once the City identifies a site for its new wastewater treatment plant the Sphere of Influence will be considered amended.

PRESENT/PROBABLE NEED FOR PUBLIC SERVICES

The present need for public services in the proposed SOI area varies in the different areas. Many of the properties' current uses are for agricultural and open space purposes. The probable need for public services in the proposed Sphere of Influence is low. Urban levels of development are not anticipated in the existing Sphere of Influence. Also, the City needs to complete the upgrade of the sewer facility and increase the reliability of its water supply.

Attachment D

LAFCO Policies



2. There is no alternative which would provide for the required service in a more reasonable manner.
3. There will be sufficient revenue to adequately finance the required services or controls.
4. The proposal does not represent a conflict with the reasonable and logical expansion of adjacent governmental agencies.
5. The boundary configuration will not create or result in areas difficult to serve.
6. The boundaries of the proposed formation must be definite and certain and must conform to lines of assessment whenever possible. The boundaries must not conflict with boundaries of other public agencies possessing the same powers unless properly justified.

2.6 Sphere of Influence Review Policies

The CKH Act provides the legislative authority and intent for establishing a Sphere of Influence and is included by reference in these policies. A Sphere of Influence is the probable 20-year growth boundary for a jurisdiction's physical development. These policies are intended to be consistent with the CKH Act and take into consideration local conditions and circumstances. All procedures and definitions in the CKH Act are incorporated into these policies by reference.

1. LAFCO intends that its Sphere of Influence determination will serve as a master plan for the future organization of local government within the County. The spheres shall be used to discourage urban sprawl and the proliferation of local governmental agencies and to encourage efficiency, economy, and orderly changes in local government.
2. The Sphere of Influence lines shall be a declaration of policy which shall be a primary guide to LAFCO in the decision on any proposal under its jurisdiction. Every determination made by the Commission shall be consistent with the spheres of influence of the agencies affected by those determinations.
3. No proposal which is inconsistent with an agency's adopted Sphere of Influence shall be approved until the Commission, at a noticed public hearing, has considered an amendment or revision to that agency's Sphere of Influence.
4. The adopted Sphere of Influence shall reflect city and county general plans, growth management policies, annexation policies, resource management policies, and any other policies related to ultimate boundary area of an affected



agency unless those plan or policies conflict with the legislative intent of the CKH Act (Government Code Section 56000 et seq.)

Where inconsistencies between plans exist, LAFCO shall rely upon that plan which most closely follows the legislature's directive to discourage urban sprawl, direct development away from prime agricultural land and open space lands, and encourage the orderly formation and development of local governmental agencies based upon local conditions and circumstances.

In accordance with the CKH Act a municipal service review shall be conducted prior to the update of a jurisdiction's Sphere of Influence. The service review is intended to be a basis for updating a jurisdiction's Sphere of Influence.

5. LAFCO will designate a Sphere of Influence line for each local agency that represents the agency's probable physical boundary and includes territory eligible for annexation and the extension of that agency's services within a zero to twenty-year period.
6. LAFCO shall consider the following factors in determining an agency's Sphere of Influence:
 - a. Present and future need for agency services and the service levels specified for the subject area in applicable general plans, growth management plans, annexation policies, resource management plans, and any other plans or policies related to an agency's ultimate boundary and service area (CKH 56425 (e)(1)).
 - b. Capability of the local agency to provide needed services, taking into account evidence of resource capacity sufficient to provide for internal needs and urban expansion (CKH 56425 (e)(2)).
 - c. The existence of agricultural preserves, agricultural land and open space lands in the area and the effect that inclusion within a Sphere of Influence shall have on the physical and economic integrity of maintaining the land in non-urban use (CKH 56426.5 (a)).
 - d. Present and future cost and adequacy of services anticipated to be extended within the Sphere of Influence.
 - e. Present and projected population growth, population densities, land uses, and area, ownership patterns, assessed valuations, and proximity to other populated areas.



- f. The agency's capital improvement or other plans that delineate planned facility expansion and the timing of that expansion.
 - g. Social or economic communities of interest in the area (CKH 56425 (e)(4)).
 - h. For an update of a Sphere of Influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, a written determination regarding the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing Sphere of Influence shall be prepared.
7. LAFCO may adopt a zero Sphere of Influence encompassing no territory for an agency. This occurs if LAFCO determines that the public service functions of the agency are either nonexistent, no longer needed, or should be reallocated to some other agency of government. The local agency which has been assigned a zero Sphere of Influence should ultimately be dissolved.
 8. Territory not in need of urban services, including open space, agriculture, recreational, rural lands, or residential rural areas shall not be assigned to an agency's Sphere of Influence unless the area's exclusion would impede the planned, orderly and efficient development of the area.
 9. LAFCO may adopt a Sphere of Influence that excludes territory currently within that agency's boundaries. This occurs where LAFCO determines that the territory consists of agricultural lands, open space lands, or agricultural preserves whose preservation would be jeopardized by inclusion within an agency's Sphere of Influence. Exclusion of these areas from an agency's Sphere of Influence indicates that detachment is appropriate.
 10. Where an area could be assigned to the Sphere of Influence of more than one agency providing needed service, the following hierarchy shall apply dependent upon ability to serve:
 - a. Inclusion within a municipality Sphere of Influence.
 - b. Inclusion within a multipurpose district Sphere of Influence.
 - c. Inclusion within a single-purpose district Sphere of Influence.

In deciding which of two or more equally capable agencies shall include an area within its Sphere of Influence, LAFCO shall consider the agencies' service and financial capabilities, social and economic interdependencies, topographic



factors, and the effect that eventual service extension will have on adjacent agencies.

11. Sphere of Influence boundaries shall not create islands or corridors unless it can be demonstrated that the irregular boundaries represent the most logical and orderly service area of an agency.
12. Nonadjacent publicly owned properties and facilities used for urban purposes may be included within that public agency's Sphere of Influence if eventual annexation would provide an overall benefit to agency residents.
13. At the time of adoption of a city Sphere of Influence LAFCO may develop and adopt in cooperation with the municipality, an urban area boundary pursuant to policies adopted by the Commission in accordance with Government Code Section 56080. LAFCO shall not consider any area for inclusion within an urban service area boundary that is not addressed in the general plan of the affected municipality or is not proposed to be served by urban facilities, utilities, and services within the first five years of the affected city's capital improvement program.
14. LAFCO shall review Sphere of Influence determinations every five years or when deemed necessary by the Commission consistent with an adopted work plan. If a local agency or the County desires amendment or revision of an adopted Sphere of Influence, the local agency, by resolution, may file such a request with the LAFCO Executive Officer. Any local agency or county making such a request shall reimburse the Commission for the actual and direct costs incurred by the Commission. The Commission may waive such reimbursement if it finds that the request may be considered as part of its periodic review of spheres of influence.
15. LAFCO shall adopt, amend, or revise Sphere of Influence determinations following the procedural steps set forth in CKH Act 56000 et seq.

2.7 Municipal Service Review Policies

The following policies are meant to guide San Luis Obispo LAFCO in the preparation of the municipal service review for jurisdictions:

1. The Commission shall use the Municipal Service Review Guidelines found in Appendix A as a framework for preparing a municipal service review for a jurisdiction.
2. In order to prepare an update of spheres of influence in accordance with Section 56425, the Commission shall conduct a municipal service review of the municipal services provided by the local agency or service jurisdiction.



- h. If the Commission changes the Sphere of Influence agreed upon by the city and the County, the agreement shall not be implemented; however, it may be renegotiated if both parties agree to further discussions.

2.9 Agricultural Policies

The policies in this section are designed to assist LAFCO in making decisions that achieve the Goals stated in the previous section. A policy is a statement that guides decision making by indicating a clear direction on the part of LAFCO. The following policies support the goals stated above and shall be used by San Luis Obispo LAFCO when considering a proposal that would involve agricultural resources:

1. Vacant land within urban areas should be developed before agricultural land is annexed for non-agricultural purposes.
2. Land substantially surrounded by existing jurisdictional boundaries should be annexed before other lands.
3. In general, urban development should be discouraged in agricultural areas. For example, agricultural land should not be annexed for nonagricultural purposes when feasible alternatives exist. Large lot rural development that places pressure on a jurisdiction to provide services and causes agricultural areas to be infeasible for farming should be discouraged.
4. The Memorandum of Agreement between a city and the County should be used and amended as needed to address the impacts on and conversion of Agricultural Lands on the fringe of a city.
5. The continued productivity and sustainability of agricultural land surrounding existing communities should be promoted by preventing the premature conversion of agricultural land to other uses and, to the extent feasible, minimizing conflicts between agricultural and other land uses. Buffers should be established to promote this policy.
6. Development near agricultural land should not adversely affect the sustainability or constrain the lawful, responsible practices of the agricultural operations.
7. In considering the completeness and appropriateness of any proposal, the Executive Officer and this Commission may require proponents and other interested parties to provide such information and analysis as, in their judgment, will assist in an informed and reasoned evaluation of the proposal in accordance with these policies.



8. No change of organization, as defined by Government Code 56021, shall be approved unless it is consistent with the Spheres of Influence of all affected agencies.
9. Where feasible, and consistent with LAFCO policies, non-prime land should be annexed before prime land.
10. The Commission will consider feasible mitigation (found in the following guidelines) if a proposal would result in the loss of agricultural land.
11. The Commission encourages local agencies to adopt policies that result in efficient, coterminous and logical growth patterns within their General Plan and Sphere of Influence areas and that encourage protection of prime agricultural land in a manner that is consistent with this Policy.
12. The Commission may approve annexations of prime agricultural land only if mitigation that equates to a substitution ratio of at least 1:1 for the prime land to be converted from agricultural use is agreed to by the applicant (landowner), the jurisdiction with land use authority. The 1:1 substitution ratio may be met by implementing various measures:
 - a. Acquisition and dedication of farmland, development rights, and/or agricultural conservation easements to permanently protect farmlands within the annexation area or lands with similar characteristics within the County Planning Area.
 - b. Payment of in-lieu fees to an established, qualified, mitigation/conservation program or organization sufficient to fully fund the acquisition and dedication activities stated above in 12a.
 - c. Other measures agreed to by the applicant and the land use jurisdiction that meet the intent of replacing prime agricultural land at a 1:1 ratio.
13. Property owners of agricultural lands adjacent to a LAFCO proposal shall be notified when an application is submitted to LAFCO.

Attachment E

City's Resolution of Application

RESOLUTION NO. 14-21

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
REQUESTING THE LOCAL AGENCY FORMATION COMMISSION TAKE
PROCEEDINGS FOR THE AMENDMENT OF THE SPHERE OF INFLUENCE**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, the City of Morro Bay ("City") desires to initiate a proceeding pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 5600 et seq.) ("Act") for amending the Sphere of Influence; and

WHEREAS, the real property proposed for inclusion in the City's Sphere of Influence ("SOI") consists of 5 parcels (APN: 073-075-002 and portions of APN 073-076-016 (Lots 2, 8, 7 & 6)) and is owned by Chevron and is uninhabited and a map of the boundaries of the territory is attached hereto as Exhibit ("Chevron Lots"); and

WHEREAS, the principal reason for the proposed SOI amendment is to protect the hillsides which serve as the backdrop of the City from significant development; and

WHEREAS, the following agency or agencies would be affected by the proposed SOI amendment: the City of Morro Bay and the County of San Luis Obispo; and

WHEREAS, the City has included the SOI amendment area (Chevron Lots) in its General Plan/Local Coastal Program Update as future SOI and has considered the change in the Final Environmental Impact Report (FEIR) associated with the document; and

WHEREAS, the City Council of the City desires that the Local Agency Formation Commission (LAFCO) of San Luis Obispo County assume Lead Agency status responsible for compliance with the California Environmental Quality (CEQA) regarding the subject sphere of influence application, with the understanding that the City shall pay for any additional studies that may be needed beyond those addressed in the City FEIR associated with the General Plan/Local Coastal Program update;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay, California, as follows:

Section 1. Submission of Application.

The City Council hereby directs Staff to submit an application to the San Luis Obispo Local Agency Formation Commission (SLO LAFCO) initiating the sphere of influence amendment for the Chevron Lots and requests SLO LAFCO to take actions necessary for the sphere of influence designation for the Chevron Lots as authorized and in the manner provided by the Act ("Application").

Section 2. Payment of Additional Studies.

The City Council agrees that it will pay for any additional studies that may be needed for the Application.

Section 3. Development Limitations Applicable to Chevron Lots effected by the SOI Amendment.

1. Upon any future annexation of the Chevron Lots subject of the SOI amendment request, development on each Chevron Lot shall be limited to the "Potential Building Area" identified on the map attached to this Resolution as Exhibit A, which generally conforms to the 200-foot contour interval.

2. Upon any future annexation of the Chevron Lots, development of each Chevron Lot subject of the SOI amendment, shall be limited to one single family home (being a total of 5 single family homes on the Chevron Lots) together with associated access and infrastructure improvements.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 23rd day of March 2021 on the following vote:

AYES: Headding, Addis, Barton, Davis
NOES: Heller
ABSENT: None



John Headding, Mayor

ATTEST:


Dana Swanson, City Clerk