



# San Luis Obispo Local Agency Formation Commission Meeting Agenda January 18, 2024, 9:00am

## MEETING

JANUARY 18, 2024 – 9 A.M.  
BOARD OF SUPERVISORS  
CHAMBERS  
COUNTY GOVT. CENTER  
1055 MONTEREY STREET,  
SAN LUIS OBISPO, CA 93408

## CONTACT

ROB FITZROY  
EXECUTIVE OFFICER  
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## COMMISSIONERS

DEBBIE ARNOLD, CHAIR, COUNTY  
MARSHALL OCHYLSKI, VICE CHAIR, SPECIAL  
DISTRICT  
JIMMY PAULDING, COUNTY  
STEVE GREGORY, CITY  
ED WAAGE, CITY  
ROBERT ENNS, SPECIAL DISTRICT  
HEATHER JENSEN, PUBLIC  
DAWN ORTIZ-LEGG, COUNTY ALTERNATE  
CHARLES BOURBEAU, CITY ALTERNATE  
ED EBY, SPECIAL DISTRICT ALTERNATE  
DAVID WATSON, PUBLIC ALTERNATE

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## MEETING PARTICIPATION

- **To submit written comment**, mention the matter or agenda item number and send via email to [mbing@slo.lafco.ca.gov](mailto:mbing@slo.lafco.ca.gov) or fill out an online submission form on our website at [slo.lafco.ca.gov](http://slo.lafco.ca.gov), or U.S. mail at 1042 Pacific St Suite A, San Luis Obispo CA, 93401. All correspondence is distributed to each Commissioner and will become part of the official record of the Commission meeting.
- **To submit a pre-recorded verbal comment** call (805) 781-5795; state and spell your name, mention the agenda item number you are calling about and leave your comment. Your comments will be distributed to each Commissioner and will become part of the official record of the Commission meeting.
- **To provide live comment**, attend the in-person meeting and fill out a “request to speak form” provided in the front and back of the meeting room and hand 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.

### Other Notes:

- 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.
- 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.



**MEETING AGENDA**

**Pledge of Allegiance**

**Call to Order/Roll Call**

**Selection of the 2024 Chair and Vice Chair**

**Presentation of a Certificate of Appreciation to Chair Debbie Arnold for her service as Chair**

**Approval of the Minutes:** October 19, 2023 **(Pages 3 - 9)**

**Non-Agenda Public Comment Period**

This is the period in which persons may speak on items that are not on the regular agenda. You may provide public comment in one of the three methods mentioned above in the “Meeting Participation” section.

**Informational Matters**

**A-1:** Notice of Petition of Landowner Application for LAFCO File No. 3-R-23 Sphere of Influence Amendment and Annexation No. 20 to Cayucos Sanitary District (Recommend Receive and File) **(Pages 10 - 11)**

**Regular Matters**

**B-1:** LAFCO File No. 2-S-23 | Municipal Service Review and Sphere of Influence Study for Cambria Community Services District (Recommend Review and Approve) **(Pages 12 - 93)**

**B-2:** LAFCO File No. 1-S-23 | Municipal Service Review and Sphere of Influence Study for Avila Beach Community Services District (Recommend Review and Approve) **(Pages 94 - 148)**

**B-3:** Second Quarter Fiscal Year 2023-2024 Budget Status and Work Plan Report (Recommend Review and Approve) **(Pages 149 - 164)**

**Commissioner Comments**

**Legal Counsel Comments**

**Executive Officer Comments**

**Adjournment**



**SAN LUIS OBISPO  
LOCAL AGENCY FORMATION COMMISSION  
OCTOBER 19, 2023, 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, October 19, 2023, by Chairperson Arnold in the Board of Supervisors Chambers at the County Government Center, 1055 Monterey Street, San Luis Obispo, CA 93408.

**Pledge of Allegiance**

**Roll Call**

**Present:** Chairperson Debbie Arnold, Vice Chair Marshall Ochylski, Commissioners Robert Enns, Steve Gregory, Heather Jensen, and Jimmy Paulding, and Alternate Commissioner Charles Bourbeau

**Absent:** Commissioner Ed Waage, and Alternate Commissioners Ed Eby, Dawn Ortiz-Legg, and David Watson

**Staff:** Rob Fitzroy, LAFCO Executive Officer  
Imelda Marquez-Vawter, LAFCO Analyst  
Morgan Bing, LAFCO Clerk Analyst  
Brian Pierik, LAFCO Legal Counsel

**Approval of the Minutes:** August 17, 2023

**Chairperson Arnold** announced the consideration of approval for the August 17, 2023, Regular Meeting Minutes.

**Chairperson Arnold** opened the item for public comment, announcing it was closed shortly after hearing none.

**Chairperson Arnold** asked for Commissioner comments or a motion to approve the minutes.

**Commissioner Paulding** motioned to approve the minutes.

**Commissioner Jensen** seconded the motion.

**AYES:** Commissioners Paulding, Jensen, Enns, and Chairperson Arnold

NAYS: None

ABSTAINING: Commissioners Bourbeau, Gregory, and Vice Chair Ochylski

The motion was passed.

**Non-Agenda Public Comment Period**

**Chairperson Arnold** opened the item for public comment, announcing it was closed shortly after hearing none.

**Consent Agenda**

**A-1:** 2024 Regular Meeting Calendar (Recommend Review and Approve)

**Chairperson Arnold** opened the item for public comment, announcing it was closed shortly after hearing none.

**Commissioner Jensen** motioned to approve staff recommendation.

**Commissioner Bourbeau** seconded the motion.

AYES: Commissioners Jensen, Bourbeau, Enns, Gregory, Paulding, Vice Chair Ochylski, and Chairperson Arnold

NAYS: None

ABSTAINING: None

The motion was passed.

**Informational Matters**

**B-1:** Informational Report of LAFCO File No. 4-R-16 | Formation of the Estrella-El Pomar-Creston Water District – Condition Compliance (Recommend Receive and File)

**Mr. Fitzroy** presented the item.

**Chairperson Arnold** opened the item for Commissioner questions.

**Chairperson Arnold** opened the item for public comment, announcing it was closed shortly after hearing none.

**Public Comment**

**Greg Grewal**, resident of Creston, provided the Commission with the following hardcopy handouts: Creston Advisory Body letter dated June 2, 2023; San Miguel Community Services District letter dated May 31, 2023; and LAFCO staff report titled “Replacement Language for Condition #11 and Additional Information – Estrella-El Pomar-Creston Water District – LAFCO No. 4-R-16” dated February 21, 2019. **Greg Grewal** questioned Estrella-El Pomar-Creston Water District’s (EPCWD) ability to join the Paso Basin Cooperative Committee as well as expressed concern regarding their eligibility as a water district.

**Allen Duckworth**, resident of Paso Robles, questioned EPCWD’s establishment as a water district.

**Public Comment Closed**

**Chairperson Arnold** closed public comment and opened the item for Commissioner questions.

**Chairperson Arnold** shared a hard copy handout of LAFCO staff report titled “Replacement Language for Condition #11 and Additional Information – Estrella-El Pomar-Creston Water District – LAFCO No. 4-R-16” dated February 21, 2019, with Commissioners, and described the intent behind the addition of LAFCO’s condition of approval number 5.

**Commissioner Jensen** requested clarification regarding who determines compliance with LAFCO conditions of approval.

**Mr. Fitzroy** responded to questions and provided comment.

**Commissioner Jensen** asked for clarification regarding the need for unanimous approval from all agencies to join the MOA.

**Mr. Fitzroy** responded to questions and provided comment.

**Chairperson Arnold** further described the intent behind condition of approval number 5.

**Commissioner Enns** asked if LAFCO is involved with the MOA.

**Mr. Fitzroy** responded to questions and provided comment.

**Commissioner Enns** asked Commissioner Paulding for his input regarding the Board of Supervisor’s action to allow EPCWD to join the Paso Basin Cooperative Committee.

**Commissioner Paulding** provided input regarding his position on the matter.

**Commissioner Gregory** asked for confirmation that the Commission is acting within LAFCO’s purview.

**Mr. Pierik** responded to questions and provided comment.

**Commissioner Gregory** inquired about next steps after the item has been received and filed.

**Mr. Pierik** responded to questions and provided comment.

**Commissioner Bourbeau** asked how the weighted voting associated with the MOA was calculated.

**Chairperson Arnold** responded to questions and provided comment.

**Chairperson Arnold** announced the item was received and filed.

### **Regular Matters**

**C-1:** LAFCO File No. 2-S-22 | Municipal Service Review and Sphere of Influence Study for San Miguel Community Services District (Recommend Review and Approve)

**Mr. Fitzroy** and **Ms. Bing** presented the item.

**Chairperson Arnold** opened the item for Commissioner questions.

**Commissioner Enns** inquired about the district's wastewater service connections.

**Ms. Bing** responded to questions and provided comment.

**Kelly Dodds**, General Manager of San Miguel Community Services District, responded to questions and provided comment.

**Commissioner Enns** asked about future growth of SMCSO.

**Kelly Dodds** responded to questions and provided comment.

**Commissioner Gregory** asked about wastewater treatment capacity.

**Kelly Dodds** responded to questions and provided comment.

**Chairperson Arnold** opened the item for public comment, announcing it was closed shortly after hearing none.

**Commissioner Enns** motioned to approve staff recommendation for Action 1.

**Commissioner Gregory** seconded the motion.

AYES: Commissioners Enns, Gregory, Bourbeau, Jensen, Paulding, Vice Chair Ochylski, and Chairperson Arnold

NAYS: None

ABSTAINING: None

The motion was passed.

**Commissioner Bourbeau** motioned to approve staff recommendation for Action 2.

AYES: Commissioners Bourbeau, Gregory, Enns, Jensen, Paulding, Vice Chair Ochylski, and Chairperson Arnold

NAYS: None

ABSTAINING: None

The motion was passed.

**C-2:** LAFCO File No. 1-R-21 | Annexation No. 82 to the City of San Luis Obispo (Froom Ranch Specific Plan) Time Extension Request (Recommend Review and Approve)

**Mrs. Marquez-Vawter** presented the item.

**Chairperson Arnold** opened the item for Commissioner questions, hearing none.

**Chairperson Arnold** opened the item for public comment, announcing it was closed shortly after hearing none.

**Commissioner Gregory** motioned to approve staff recommendation.

**Vice Chair Ochylski** seconded the motion.

AYES: Commissioner Gregory, Vice Chair Ochylski, Commissioners Bourbeau, Enns, Jensen, Paulding, and Chairperson Arnold

NAYS: None

ABSTAINING: None

The motion was passed.

**C-3:** First Quarter Fiscal Year 2023-2024 Budget Status and Work Plan Report (Recommend Review and Approve)

**Mr. Fitzroy** presented the item.

**Chairperson Arnold** opened the item for Commissioner questions.

**Commissioner Bourbeau** asked for clarification on the Dana Reserve project.

**Mr. Fitzroy** responded to questions and provided comment.

**Commissioner Paulding** thanked **Mr. Fitzroy** for his efforts.

**Chairperson Arnold** opened the item for public comment, announcing it was closed shortly after hearing none.

**Commissioner Paulding** motioned to approve staff recommendation.

**Vice Chair Ochylski** seconded the motion.

AYES: Commissioner Paulding, Vice Chair Ochylski, Commissioners Bourbeau, Enns, Gregory, Jensen, Paulding, and Chairperson Arnold

NAYS: None

ABSTAINING: None

The motion was passed.

**C-4:** Proposal to Prepare Financial Audit for Fiscal Year 2022-2023 (Recommend Review and Approve)

**Mr. Fitzroy** presented the item.

**Commissioner Enns** asked how many proposals were received.

**Mr. Fitzroy** responded to questions and provided comment.

**Commissioner Bourbeau** asked if CJ Brown & Company CPAs is a local firm.

**Mr. Fitzroy** and **Ms. Bing** responded to questions and provided comment.

**Chairperson Arnold** opened the item for public comment, announcing it was closed shortly after hearing none.

**Vice Chair Ochylski** motioned to approve staff recommendation.

**Commissioner Paulding** seconded the motion.

AYES: Vice Chair Ochylski, Commissioners Paulding, Bourbeau, Enns, Gregory, Jensen, Paulding, and Chairperson Arnold



NAYS: None

ABSTAINING: None

The motion was passed.

**Commissioner Comments:**

**Commissioner Enns** clarified that Item B-1 was received and filed. **Commissioners** thanked staff.

**Legal Counsel Comments:**

None

**Executive Officer Comments:**

**Mr. Fitzroy** provided comment regarding future commission meetings.

**Adjournment:** With no further business before the Commission, the meeting adjourned at 10:30 a.m. until the next meeting of the Commission in the Board of Supervisors Chambers at the County Government Center in San Luis Obispo.

**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.**

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Respectfully submitted,  
Morgan Bing, LAFCO Clerk Analyst



# San Luis Obispo Local Agency Formation Commission

## COMMISSIONERS

Chairperson  
DEBBIE ARNOLD  
County Member

Vice-Chair  
MARSHALL OCHYLSKI  
Special District Member

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Public Member

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## STAFF

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Executive Officer

IMELDA MARQUEZ-VAWTER  
Analyst

Morgan Bing  
Clerk Analyst

BRIAN A. PIERIK  
Legal Counsel

**TO: MEMBERS OF THE COMMISSION**

**FROM: ROB FITZROY, EXECUTIVE OFFICER  
MORGAN BING, CLERK ANALYST**

**DATE: JANUARY 18, 2024**

**SUBJECT: NOTICE OF PETITION OF LANDOWNER APPLICATION FOR  
LAFCO FILE NO. 3-R-23: SPHERE OF INFLUENCE  
AMENDEMENT AND ANNEXATION NO. 20 TO CAYUCOS  
SANITARY DISTRICT**

## **RECOMMENDATION**

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

## **SUMMARY**

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The San Luis Obispo Local Agency Formation Commission (LAFCO) received a landowner petition of application on November 14, 2023, for Sphere of Influence Amendment and Annexation No. 20 to Cayucos Sanitary District, LAFCO File No. 3-R-23, APN 064-405-010. The proposal consists of approximately 0.08 acres of property requesting to obtain sanitary sewer service from Cayucos Sanitary District. The project includes a single-family residential dwelling and associated accessory structures. The property is located at 3525 Gilbert Avenue, east of Highway 1.

As required by government code section 56857, this report provides the Commission with a formal notice of receipt for a new annexation application that was not filed by a district. Typically, an annexation application is received by the district or city wishing to annex an area into their jurisdiction. However, State law also allows annexation requests to be submitted by a petition of landowner directly to LAFCO. When this occurs government code section 56857 requires that we inform the Commission at the first available meeting. The application request must then be forwarded to the affected agency (Cayucos Sanitary District), who will have 60 days to terminate the request if they do not wish to annex the area based on service or financial related concerns as is detailed out in government code section 56857 (b). If they do not formally request termination, the application will

be processed by staff and the Commission will consider the item at a public hearing.

Staff will provide appropriate notice and requests for information to affected agencies and interested individuals consistent with Government Code section 56658 and 56857. Staff will update the Commission as necessary as this application is processed. The Commission may provide staff with any questions or comments on this item.



# San Luis Obispo Local Agency Formation Commission

**TO: MEMBERS OF THE COMMISSION**

**FROM: ROB FITZROY, EXECUTIVE OFFICER  
IMELDA MARQUEZ-VAWTER, ANALYST  
MORGAN BING, CLERK ANALYST**

**DATE: JANUARY 18, 2024**

**SUBJECT: LAFCO NO. 2-S-23 | MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE STUDY FOR CAMBRIA COMMUNITY SERVICES DISTRICT**

## **RECOMMENDATION**

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**Action 1:** Motion finding the Municipal Service Review & Sphere of Influence Study prepared for the Cambria Community Services District (LAFCO File No. 2-S-23) to be exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Categorical Exemption section 15306 and CEQA General Rule Exemption 15061(b)(3).

**Action 2:** Motion to adopt resolution approving the Cambria Community Services District Municipal Service Review and Sphere of Influence Study (LAFCO File No. 2-S-23) found in Attachment A & B, reaffirming the district's existing Sphere of Influence as depicted in Exhibit C of Attachment A, and establishing that the active services provided by the district are water, wastewater, fire protection, solid waste, parks & recreation, and street lighting.

## **DISCUSSION**

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### **Background**

The Cortese-Knox-Hertzberg (CKH) Act directs Local Agency Formation Commissions (LAFCO) to regularly prepare municipal service reviews (MSRs) in conjunction with establishing and updating each local agency's sphere of influence (SOI). The legislative intent of MSRs is to proactively assess the availability, capacity, and efficiency of local governmental services prior to making SOI determinations. MSRs may also lead LAFCOs to take other actions under their authority, such as forming, consolidating, or dissolving one or more local agencies in addition to any related sphere changes. The MSR for the Cambria

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Clerk Analyst

BRIAN A. PIERIK  
Legal Counsel

Community Services District (CCSD) has been prepared consistent with the Fiscal Year 2023-2024 Work Plan and established timeline.

### **Executive Summary**

CKH requires LAFCOs to review and update, as necessary, each agency's SOI every five years, pursuant to Government Code § 56425. Prior to, or in conjunction with an agency's SOI study, LAFCO is required to conduct an MSR for each agency pursuant to Government Code § 56430. When updating an MSR, state law requires that the Commission adopt written MSR determinations for each of the following seven criteria:

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

The seven criteria, MSR determinations, described above were prepared and included into this staff report as Exhibit B of Attachment A and in the MSR & SOI Study, Attachment B. In summary, CCSD's current population is 5,678, with an estimated population of 6,217 by 2050 and an estimated buildout population projection of 12,658 with an indefinite buildout year. CCSD is authorized to provide water, wastewater, fire protection, solid waste, parks & recreation, and street lighting. CCSD has the capability and capacity to adequately meet existing service demands with some limitations with water supply as was documented in detail in the MSR & SOI Study. CCSD appears to have adequate annual revenue and fund balance within its Enterprise Fund which provides funding for water and wastewater service. Although, there appears to be inadequate revenue to provide for expenditures within the General Fund. The General Fund provides funding for fire, administration, facilities and resources, and parks & recreation services. Exceeded expenditures within the General Fund could be attributed to added responsibilities in recent years without funding, as is described in more detail within the MSR. Funding for the maintenance of open space, maintenance of the Veterans Hall, and homeless camp cleanup are three primary responsibilities of the Facilities and Resources budget that continue to be underfunded and where service is provided in the best manner possible within available funding. It should be noted that the district has begun new investment strategies with their general fund and reserves. Options to increase revenues to address unfunded items are limited but are being explored as part of the CCSD Board's Adopted Strategic Plan and ad-hoc committee. Overall, CCSD is accountable, transparent, and functions well as a district.

As part of the SOI study, the Commission is required to consider the following five criteria and make appropriate determinations in relationship to each:

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. . . the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.*

The five criteria, SOI determinations, described above were prepared and included into this staff report as Exhibit B of Attachment A and in the MSR & SOI Study (Attachment B). No expansion is proposed for the CCSD's SOI. The existing SOI consists of four separate areas for a total of approximately 57-acres (Area 1: APN 013-111-006, Area 2: APN 013-151-024 & 013-151-022, Area 3: APN 013-151-025, Area 4: a portion of APN 013-161-025). In summary, land uses within CCSD's existing SOI are residential suburban, public facilities, and agriculture. There is an anticipated need for service within the existing SOI area. CCSD has capability and capacity to adequately meet existing service demand and some level of increased future service demand within the existing SOI area. If serving areas within the existing SOI is not possible due to ongoing and unresolved water constraints, the Commission should consider reducing the sphere boundary to better reflect the district's future growth limitations.

#### **Agency Coordination / Public Comments**

Staff coordinated with CCSD throughout the preparation of this MSR. Input from CCSD was provided via meetings, questionnaires, email correspondence, and during review of the administrative review draft. A public review and comment period was conducted for the public review draft of the CCSD MSR from December 28, 2023, through January 18, 2024. The draft MSR was published on the SLO LAFCO and CCSD websites. The public review period ran simultaneous to the 21-day noticing requirement for a public hearing. A notice of Public Hearing was published in the newspaper (The Tribune) on December 28, 2023, 21-days in advance of the hearing. Email notices were sent to the district, applicable agencies, and other interested parties as required under Government Code section 56660 & 56661. The district provided LAFCO with a minor change to the MSR, after the public draft was released. In addition, three written comments were submitted, as of the staff report publishing date of January 11, 2024, and have been included as Attachment C. All changes made to the public draft after its release date of December 28, 2023, and before the staff report publishing date of January 11, 2024, have been included as tracked changes in Attachment B. All public comments received will become part of the official record of the Commission hearing.

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## **ENVIRONMENTAL REVIEW**

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LAFCO is the Lead Agency for the proposed MSR and SOI Study. The purpose of the environmental review process is to provide information about the environmental effects of the actions and decisions made by LAFCO and to comply with the California Environmental Quality Act (CEQA).

MSRs are categorically exempt under Class 6, Section 15306, which states: "*Class 6 consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded.*" MSRs collect data for the purpose of evaluating municipal services provided by the agencies. There are no land use changes or environmental impacts created by such studies.

Furthermore, this MSR & SOI qualifies for a general rule exemption under Section 15061(b)(3), which states: "*The activity is covered by the commonsense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.*" Additionally, the SOI update qualifies for the same general exemption from environmental review based upon CEQA Regulation section 15061(b)(3).

There is no possibility that this MSR and SOI update may have a significant effect on the environment because there are no land use changes associated with the documents. If the Commission approves and adopts the MSR and SOI study, staff will file the Notice of Exemption (Exhibit A of Attachment A) as required by CEQA, Regulation section 15062.

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**Attachment A:** Draft LAFCO Resolution No. 2024-\_\_\_\_\_ Approving the Cambria Community Services District Municipal Service Review and Sphere of Influence Study

Exhibit A: Notice of Exemption pursuant to Section 15306 and 15061(b)(3)

Exhibit B: Written Determinations

Exhibit C: CCSD Boundary Map

**Attachment B:** CCSD Municipal Service Review and Sphere of Influence Study

**Attachment C:** Written Public Comments received prior to January 11, 2024

# Attachment A

Draft LAFCO Resolution 2024-\_\_



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

Thursday, January 18, 2024

**RESOLUTION NO. 2024-XX**

**RESOLUTION APPROVING THE CAMBRIA COMMUNITY SERVICES DISTRICT MUNICIPAL  
SERVICE REVIEW AND SPHERE OF INFLUENCE STUDY**

The following resolution is now offered and read:

**WHEREAS**, the San Luis Obispo Local Agency Formation Commission, hereinafter referred to as the “Commission”, is authorized to conduct municipal service reviews and establish, amend, and update spheres of influence for local government agencies whose jurisdictions are within San Luis Obispo County; and

**WHEREAS**, the Commission conducted a municipal service review to evaluate availability and performance of governmental services provided by Cambria Community Services District, hereinafter referred to as the “District”, pursuant to California Government Code § 56430, hereby incorporated by reference as contained in LAFCO File No. 2-S-23 Cambria Community Services District Municipal Service Review and Sphere of Influence Study included as Attachment B of the January 18, 2024, LAFCO Staff Report; and

**WHEREAS**, the Commission conducted a sphere of influence study for the District pursuant to California Government Code § 56425, hereby incorporated by reference as contained in LAFCO File No. 2-S-23 Cambria Community Services District Municipal Service Review and Sphere of Influence Study included as Attachment B of the January 18, 2024, LAFCO Staff Report; and

**WHEREAS**, Government Code §56425(i) requires that when adopting, amending, or updating a sphere of influence for a special district, the Commission shall establish the nature, location, and extent of any functions or classes of services provided by those districts; and

**WHEREAS**, Government Code § 56050.5 provides that once the Commission establishes the functions or services being provided by a district pursuant to Government Code § 56425(i), all services, facilities, functions, or powers authorized by the principal act under which the district is formed, but that are not being exercised, are deemed to be latent services or powers; and

**WHEREAS**, no change in regulation, land use, or development will occur as a result of the adoption of a sphere of influence for the district; and

**WHEREAS**, the Executive Officer gave sufficient notice of a public hearing to be conducted by the Commission in the form and manner provided by law; and

**WHEREAS**, the staff report and recommendations on the municipal service review and sphere of influence study were presented to the Commission in the form and manner prescribed by law; and

**WHEREAS**, the Commission heard and fully considered all the evidence presented at a public hearing held on the municipal service review and sphere of influence study on January 18, 2024; and

**WHEREAS**, the Commission considered all of the municipal service review and sphere of influence factors required under California Government Code § 56430 (a) and 56425 (e) and adopts as its written statements of determinations therein, the determinations set in the Public Review Draft of the municipal service review and sphere study titled “Municipal Service Review and Sphere of Influence Study for Cambria Community Services District”, with said determinations being included in Exhibit B of this resolution; and

**WHEREAS**, the Notice of Exemption, prepared pursuant to § 15062 is adequate as the documentation to comply with the California Environmental Quality Act (CEQA) under the General Rule Exemption § 15061(b)(3) and Categorical Exemption § 15306, for the municipal service review and sphere of influence study for the District; and

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

1. That the recitals set forth hereinabove are true, correct, and valid and are hereby incorporated by reference.
2. The municipal service review and sphere of influence study titled “Municipal Service Review and Sphere of Influence Study for Cambria Community Services District”, includes the related statements of determination, and is determined to be exempt from CEQA pursuant to § 15061(b)(3) and § 15306 of the CEQA Guidelines.
3. That the Notice of Exemption prepared for this proposal is complete and adequate, having been prepared in accordance with the provisions of the CEQA and is hereby determined to be sufficient for the Commission’s actions and is incorporated by reference as Exhibit A of this resolution.
4. That the Executive Officer of this Commission is authorized and directed to mail copies of this resolution in the manner provided by law.
5. Pursuant to Government Code § 56430(a), the Commission makes the written statement of determinations for municipal service reviews, included in Exhibit B of this resolution.

6. Pursuant to Government Code § 56425(e), the Commission makes the written statement of determinations for the sphere of influence, included in Exhibit B of this resolution.
7. That the sphere of influence for the district be adopted pursuant to the map in Exhibit C of this resolution.
8. In adopting this sphere of influence for the district, pursuant to Government Code § 56425(i), the Commission establishes that the only function or service provided by the district within its jurisdictional boundaries is water, wastewater, fire protection, solid waste, parks & recreation, and street lighting.
9. Water, wastewater, fire protection, solid waste, parks & recreation, and street lighting are considered general terms used to identify the authorized powers of the district and that the powers are further described in Government Code § 61100.
10. Pursuant to Government Code § 56050.5, all other services, facilities, functions, or powers authorized by the Community Services District principal act that are not being exercised are, by operation of law, determined to be latent services or powers.

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

AYES:

NAYS:

ABSENT:

ABSTAIN:

The foregoing resolution is hereby adopted.

---

Debbie Arnold  
LAFCO Chair

Date

**ATTEST:**

\_\_\_\_\_  
Rob Fitzroy    Date  
LAFCO Executive Officer

**APPROVED AS TO FORM AND LEGAL EFFECT:**

\_\_\_\_\_  
Brian Pierik    Date  
LAFCO Legal Counsel

DRAFT

# Notice of Exemption

**To:** ✓ Office of Planning and Research  
 PO Box 3044, 1400 Tenth Street, Room 222  
 Sacramento, CA 95812-3044

**From:** San Luis Obispo LAFCO  
 Rob Fitzroy, Executive Officer  
 1042 Pacific St. Suite A  
 San Luis Obispo, CA 93401  
 (805) 781 – 5795  
 rfitzroy@slo.lafco.ca.gov

✓ County Clerk  
 County of San Luis Obispo  
 County Government Center  
 San Luis Obispo, CA 93408

**Project Title:** LAFCO File No. 2-S-23 | Cambria Community Services District Municipal Service Review and Sphere of Influence Study

**Project Location:** Cambria Community Services District (CCSD) is located in the northwestern portion San Luis Obispo County.

**Description of Nature, Purpose, & Beneficiaries of Project:** The Local Agency Formation Commission (LAFCO) has prepared a Sphere of Influence (SOI) Study and Municipal Service Review (MSR) for the Cambria Community Services District pursuant to Government Code § 56425 and § 56430. The SOI is a 20-year growth boundary that includes areas that may be served by the District in the future. State law requires the MSR to be completed either prior to or concurrent with, the SOI study. The MSR evaluates the public services provided by the District and is used as the basis for any changes to the SOI. The Commission took action to reaffirm the district’s SOI as depicted in Exhibit C of Attachment A of the LAFCO January 18, 2024, staff report found on the LAFCO website at <https://slo.lafco.ca.gov/>, and establishing that the active services provided by the district are water, wastewater, fire protection, solid waste, parks & recreation, and street lighting and deeming all remaining powers not already mentioned as latent pursuant to government code § 56425 (i).

**Name of Public Agency Approving Project:** The San Luis Obispo County LAFCO conducted a noticed public hearing on January 18, 2024, at 9:00 a.m. in the Board of Supervisors Chambers in San Luis Obispo at the County Government Center. Additional information is available on the LAFCO website at <https://slo.lafco.ca.gov/>.

**Exemption Status: (check one)**

<input type="checkbox"/> Ministerial (Sec. 21080(b)(1); 15268);	<input checked="" type="checkbox"/> Categorical Exemption: State type and section number
<input type="checkbox"/> Declared Emergency (Sec. 21080(b)(3); 15269(a));	<input type="checkbox"/> Statutory Exemptions: State code number
<input type="checkbox"/> Emergency Project (Sec. 21080(b)(4); 15269 (b)(c));	<input type="checkbox"/> Other: The activity is not a project subject to CEQA.

**Reasons Why Project is Exempt:** It has been determined with certainty that the MSR is categorically exempt under Class 6, Section 15306 and the MSR & SOI qualifies for a general rule exemption under Section 15061(b)(3). There is no possibility that this MSR and SOI update may have a significant effect on the environment because there are no land use changes associated with the documents; therefore, the CCSD MSR & SOI Study is found to be exempt from CEQA pursuant to section 15061(b)(3) and section 15306 of the State Guidelines. LAFCO will file this Notice of Exemption upon approval of the MSR and SOI Study.

\_\_\_\_\_  
 Rob Fitzroy, Executive Officer

\_\_\_\_\_  
 Date

---

## **Service Review Determinations per Government Code Section 56430 for the Cambria Community Services District**

### **1. Growth and population projections for the affected area**

- a. Currently, the estimated population of CCSD is 5,678. With an estimated population of 6,217 by 2050, CCSD is currently 91% built out and with an estimated population of 12,658 by an indefinite buildout year, CCSD is currently 45% built out.

### **2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence**

- a. LAFCO staff has identified one DUC within part of CCSD's SOI and service area boundary. The location identified as a DUC displays characteristics of a DUC pursuant to CKH Act.
- b. The threshold for a DUC (80% of CA's MHI) is an MHI less than \$67,277. Once a Census Block Group (CBG) or a Census Designated Place (CDP), meets the DUC MHI threshold, LAFCO then verifies that those areas are inhabited as specified in government code section 56033.5. One of the CBGs within the CCSD boundary did meet the threshold for a DUC, with an estimated MHI of \$51,875; the area was also determined to be inhabited. Therefore LAFCO, identified one DUC at the Census Block Group level, within the community of CCSD as seen in Figure 2 within the "Population Profile" Section of the Cambria Municipal Service Review and Sphere of Influence Study, LAFCO File No. 2-S-23.

### **3. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies**

- a. **Water** | CCSD is authorized to provide water service as it is described in government code section 61100 (a). CCSD operates and relies on 5 production wells: three wells in the San Simeon aquifer and two wells in the Santa Rosa aquifer. The WRF is currently operated under an emergency permit from the County which limits operation to Extreme and Exceptional Water Shortage

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Emergencies, which means a minimum of 41% or more in reductions to customer demand. CCSD filed its application with SLO County for a regular Coastal Development Permit and pursuant to the County Department of Planning and Building information hold dated August 14, 2020, the CCSD is currently working with consultants to complete this application for permitting of the WRF. The current SWRCB licenses allow CCSD a maximum of 1,017 AF of water during the wet season (799 AFY annually from the San Simeon aquifer & 218 AFY annually from the Santa Rosa aquifer) and 525.3 AF of water during the dry season (370 AFY from the San Simeon aquifer & 155.3 AFY from the Santa Rosa aquifer from May 1 to October 31). This amount of water may not be available every year due to the nature of the two creek aquifers. District staff also indicated that unless a supplementary or additional water source is authorized, the amount available in 2023 and 2045 will be the same. Through the adoption of a build-out reduction program mitigation measure, the recommended build-out goal was set at 4,650, assuming new water connections are allowed in the foreseeable future given that the District is still under a connection moratorium. The total designated amount for buildout commercial and non-residential is 342 connections for a total number of 4,992 connections by 2045. According to CCSD staff, the District's waitlist for future water connections consists of 656 positions on the Single-Family Residential waitlist, 10 on the Commercial waitlist, 7 on the Multi-Family Residential waitlist and 56 units on an affordable housing water waitlist for a grand total of 729 positions on the District's waitlist. Overall connections expected at build-out are 4,992; of those, 4,029 are existing connections and 729 are positions on the District's waitlist, with a remaining 234 positions for new connections. CCSD is working diligently towards securing an additional water supply to bolster its ability to serve the residents of Cambria. The CSD has implemented a very aggressive conservation program and residents have reduced water demand significantly. CCSD has a Water CIP that assists the District in monitoring its water related projects like facility maintenance expenses and identify funding to be set

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aside each year so that equipment and facilities are continuously maintained and operating efficiently. LAFCO determines that CCSD has capability to adequately meet existing water connection demand and some level of increased future water demand at buildout under the assumption that water reliability improves, and the water connection moratorium is lifted.

- b. **Wastewater** | CCSD is authorized to provide wastewater service as it is described in government code section 61100 (b). The sanitary sewer collection system includes ten (10) lift stations and fifty-nine (59) miles of gravity sewers and force mains. CCSD serves 3,903 existing connections for wastewater collection at a flow of 0.5 MGD, with a plant design capacity of 1.0 MGD. CCSD estimates the number of future connections to be 4,632, at a flow of 0.6 MGD, which allows approximately 729 additional connections to meet the wastewater treatment plant capacity. CCSD's Wastewater CIP assists the District in monitoring its projects that include facility maintenance expenses and identifies funding to be set aside each year so that equipment and facilities are continuously maintained and operating efficiently. LAFCO determines that CCSD has capability and capacity to adequately meet the needs existing and future wastewater demand.
- c. **Fire Protection** | CCSD is authorized to provide fire protection service as it is described in government code section 61100 (d). CCSD Fire Department was rated 4/4X<sup>1</sup> out of 10 through the ISO. The largest loss of points coming from the quality of the Fire Department section<sup>2</sup> and the availability of Water Supply section<sup>3</sup> which make up 90% of the score. CCSD's goal is to always provide staffing of four career firefighters on duty. In September 2021, the CCSD Board of Directors unanimously approved the acceptance of an awarded SAFER grant from FEMA. This grant fully funded the hiring of three full-time Firefighter Paramedics for a

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<sup>1</sup> One being the best fire protection rating and 10 being the worst. The first number is the class that applies to properties within 5 road miles from a fire station and 1,000 ft from a water supply. The second number (# X) applies to properties within 5 miles of a station but beyond 1,000 ft from a hydrant.

<sup>2</sup> i.e., staffing levels, training & proximity of the firehouse

<sup>3</sup> i.e., prevalence of fire hydrants & quantity of water available to put out fires



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period of three years and will add a fourth person on the engine to increase staffing, with no match required from the receiving agency. LAFCO determines that CCSD has capability and capacity to adequately provide fire protection service, however, to continue providing the same level of service the District will need to identify a sustainable source of funding into the future once the SAFER grant expires.

- d. **Solid Waste** | CCSD is authorized to provide solid waste service as it is described in government code section 61100 (c). CCSD currently collects sufficient fees and has a Franchise Agreement with Mission Country Disposal to provide solid waste services within the District in its entirety. LAFCO determines that CCSD has capability and capacity to adequately provide solid waste services.
- e. **Parks & Recreation** | CCSD is authorized to provide parks and recreations services as it is described in government code section 61100 (e). CCSD currently owns, operates, and maintains the Veterans Memorial Building Center, Cambria Dog Park, Fiscalini Ranch Preserve, and the San Simeon Creek open space. An ongoing challenge that the Facilities and Resources Department faces is limited funding for recreation operation and maintenance which could conflict with the District's ability to provide adequate service. Over time, as the CCSD continues to maintain the Fiscalini Ranch and take ownership of more open space parcels with insufficient funding, the General Fund budgets for Fire, Facilities and Resources, and Administration will continue to decline and impact operations and safety. LAFCO determines that CCSD has capability to provide parks and recreation services where service is provided in the best manner possible within available funding. However, the District will need to identify a sustainable level of service with available funding into the future.
- f. **Street Lighting** | CCSD is authorized to provide street lighting service as it is described in government code section 61100 (g), this is done through a contract

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with the Pacific Gas and Electric Company. LAFCO determines that CCSD has capability and capacity to adequately provide street lighting.

#### **4. Financial ability of agencies to provide services**

- a. CCSD appears to have adequate revenue to provide for expenditures within its Enterprise Fund. At the end of FY 2021-2022, the CCSD had approximately \$7.855 million in actual revenue and \$7.498 million in actual expenditures.
- b. CCSD appears to have inadequate revenue to provide for expenditures within its General Fund. At the end of FY 2021-2022, the CCSD had approximately \$5.501 million in actual revenue and \$5.988 million in actual expenditures.
- c. CCSD's net position has slightly decreased over the last 5-year audited period ending at \$29.226 million in FY 2021-2022 with a 5-year average of \$30.228 million.
- d. CCSD is financially stable despite increasing costs, limited revenues, and new regulatory requirements. Water and wastewater rates were last revised in 2022 and adopted for a 3-year rate increase to support operating and maintenance needs and to provide funding for capital improvements. LAFCO determines that CCSD's net position has decreased 12% from FY 2017-2018 through FY 2021-2022 and expenditures have exceeded revenues within the General Fund primarily related to increased responsibility within the Facilities and Resources budget with no funding. With insufficient funding, the General Fund budgets for Fire, Facilities and Resources, and Admin will continue to decline and impact operations and safety. Service is to be provided in the best manner possible within available funding, however, the District will need to identify a sustainable level of service with the available funding into the future.

#### **5. Status of and, opportunities for, shared facilities**

- a. At present, the distinction between District and County services with the service boundary is clear.
- b. Opportunities for shared facilities may include:
  - i. Coordination between the District and nearby private water purveyors

- ii. Coordination between neighboring agencies providing emergency response services
- iii. Coordinated open space preservation
- iv. District and County parks and recreational facilities
- c. The potential to create shared relationships for providing some services is suggested and may be appropriate when providing certain services.

**6. Accountability for community service needs, including governmental structure and operational efficiencies**

- a. CCSD is governed by a five-member Board of Directors that are elected to four-year terms. Regularly scheduled monthly Board meetings are held and all meetings are open to the public and are publicly posted a minimum of 72 hours prior to the meeting in accordance with the Brown Act.
- b. CCSD maintains and up-to-date website which contains District information, documents, and updates.
- c. CCSD has demonstrated accountability and transparency in its disclosure of information and cooperation during the process of this MSR. The District responded to the questionnaires and cooperated with document requests.
- d. LAFCO determines that CCSD is accountable and transparent.

**7. Any other matter related to effective or efficient service delivery**

- a. There are no other matters related to the efficiency of services.

**Sphere of Influence Determinations per Government Code Section 56425 for the Cambria Community Services District**

**1. Present and planned land uses in the area, including agricultural and open-space lands.**

- a. Land uses within CCSD's existing SOI are residential suburban, public facilities, and agriculture. The existing SOI areas may contain prime agriculture land as defined by government code section 56064. Should annexation be pursued in the future, then it may be subject to LAFCO Policy 12 which requires 1:1 mitigation on prime

land to be converted from agricultural use. The agriculture zoned portion of the SOI is not under Williamson Act Contract.

- b. The SOI is expected to remain unchanged, with no expansions or reductions for CCSD.

**2. Present and probable need for public facilities and services in the area.**

- a. There is an anticipated need for service within the existing SOI area.
- b. The SOI is expected to remain unchanged, with no expansions or reductions for CCSD.
- c. If serving areas within the existing SOI is not possible due to ongoing and unresolved water constraints, the Commission should consider reducing the sphere boundary to better reflect the District’s future growth limitations.

**3. Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**

- a. CCSD has capability and capacity to adequately meet existing service demand and some level of increased future service demand within the existing SOI area. Although it is important to make note that certain departments face more significant challenges to capacity than others and some departments have been constrained due to financial limitations.

**4. Existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.**

- a. There are no District relevant social or economic communities of interest in the existing SOI area.

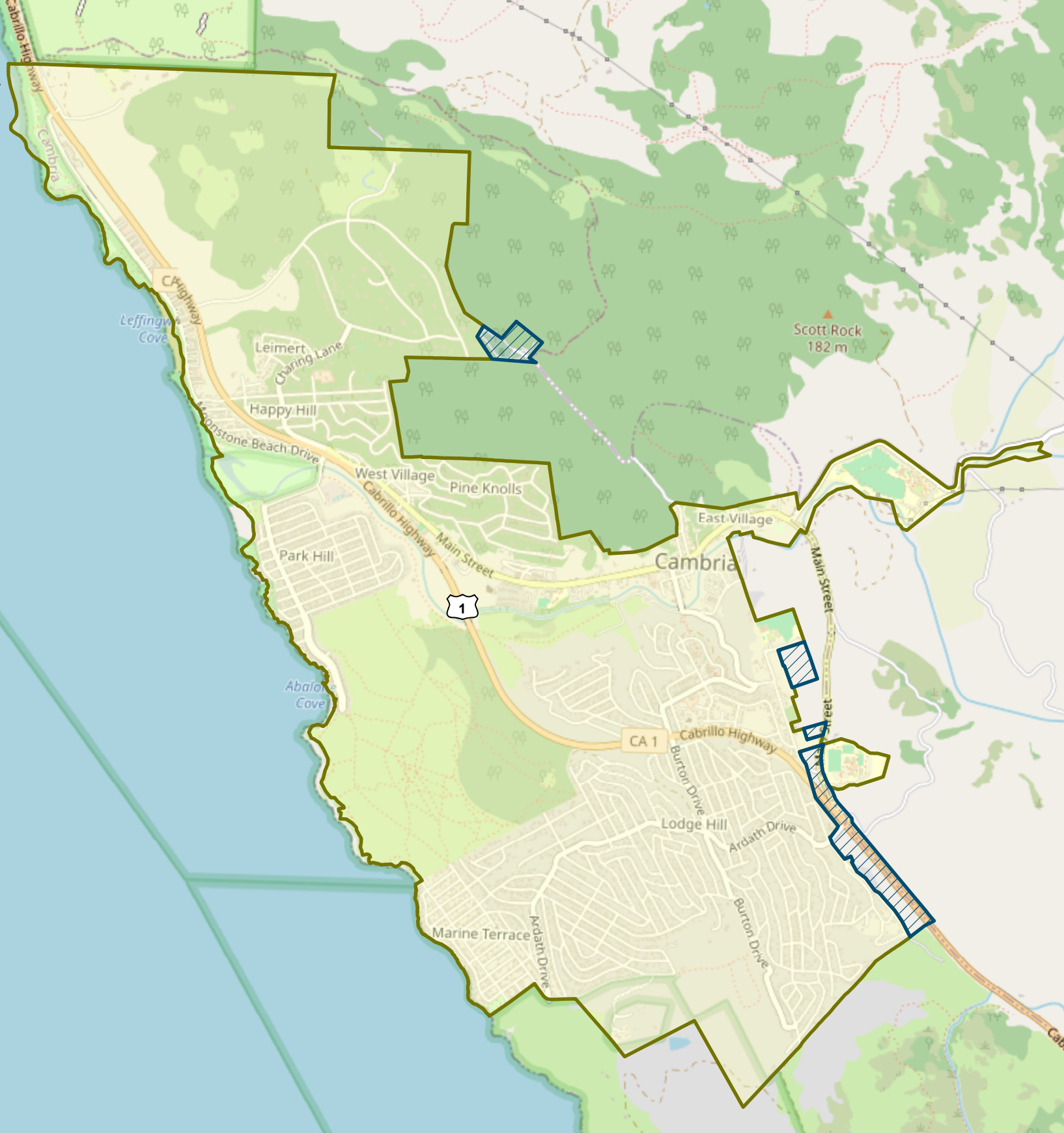
**5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere.**

- a. LAFCO staff has identified one DUC within part of CCSD’s SOI and service area boundary as seen in Figure 2 within the “Population Profile” Section of the Cambria Municipal Service Review and Sphere of Influence Study, LAFCO File No.

---



2-S-23. The location identified as a DUC displays characteristics of a DUC pursuant to CKH Act of 2000.

- b. At present time, the portion of the DUC that is located within CCSD's service area is eligible to receive water, wastewater and fire services through CCSD considering the District's service limitations. The portion of the DUC that is located outside of the District's current service area and within the District's SOI (APNs: 013-151-024, 013-151-022, 013-151-025 and a portion of 013-161-025), is not currently receiving water or sewer service from the District and may at times receive fire service from the District due to the District's participation in mutual aid agreements for fire service.
- c. No particular water, wastewater, or fire service infrastructure needs have been identified for the SOI areas within the DUC. The type of public services and public facilities required in these areas is not anticipated to change, although the level of service demand may increase within the portion of the DUC that is within CCSD's SOI, if annexed in the future.



# Cambria Community Service District

## LAFCO Boundaries

-  Sphere of Influence
-  Service Area

Latest SOI Approval: Jan 2024



Prepared By SLOLAFCO  
Name: Cambria CSD  
Date: 12/14/2023

B-1-19

# **Attachment B**

## CCSD Municipal Service Review and Sphere of Influence Study



**Public Review Draft**

**Cambria Community Services District**

**Municipal Service Review  
and Sphere of Influence Study**

Prepared by  
*the San Luis Obispo Local Agency Formation Commission*

Adopted \_\_\_\_\_, 2024



## Acknowledgments

San Luis Obispo LAFCO gratefully acknowledges the time and effort of staff with the Cambria Community Services District in assisting in the preparation of this report and includes – but not limited to – the following:

Matthew McElhenie,

General Manager

Denise Fritz,

Administrative Department Manager

Haley Dodson,

Confidential Administrative Assistant

Michael Burkey,

Fire Chief

Jim Green,

Utilities Department Manager

Tristan Reaper,

Program Manager

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## ABOUT LAFCO

### Authority and Objectives

Local Agency Formation Commissions (LAFCOs) were established in 1963 and are considered regional subdivisions of the State of California responsible for providing regional growth management services in all 58 counties. LAFCOs' authority is currently codified under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) with principal oversight provided by the Assembly Committee on Local Government. LAFCOs are comprised of locally elected and appointed officials with regulatory and planning powers delegated by the Legislature to coordinate and oversee the establishment, expansion, and organization of cities, towns, and special districts as well as their municipal service areas.

### Regulatory Responsibilities

LAFCOs' principal regulatory responsibility involves approving or disapproving all jurisdictional changes involving the establishment, expansion, and reorganization of cities, towns, and most special districts in California. CKH defines "special district" to mean any agency of the State formed pursuant to general law or special act for the local performance of governmental or proprietary functions within limited boundaries. All special districts in California are subject to LAFCO oversight with the following exceptions: school districts; community college districts; assessment districts; improvement districts; community facilities districts; and air pollution control districts. LAFCOs are also tasked with overseeing the approval process for cities, towns, and special districts to provide new or extended services beyond their jurisdictional boundaries by contracts or agreements or annexation. LAFCOs also oversee special district actions to either activate new service functions and service classes or divest existing services. LAFCOs generally exercise their regulatory authority in response to applications submitted by affected agencies, landowners, or registered voters. Recent amendments to CKH also authorize and encourage LAFCOs to initiate jurisdictional changes to form, consolidate, and dissolve special districts consistent with community needs.

## **Planning Responsibilities**

LAFCOs inform their regulatory actions, in part, through two central planning responsibilities: (a) making sphere of influence determinations and (b) preparing municipal service reviews. With these, and other relevant information in the record, LAFCO makes decisions on a variety of matters, including but not limited to annexations to cities and special districts, city incorporations, activation of powers for special districts, dissolutions of special districts, etc.

## **Sphere of Influence (SOI)**

A SOI is defined by G.C. 56425 as “...a plan for the probable physical boundary and service area of a local agency or municipality...”. A SOI is generally considered a 20-year, long-range planning tool. LAFCOs establish, amend, and update spheres for all applicable jurisdictions in California every five years, or as necessary. When updating the SOI, LAFCOs are required to consider and prepare a written statement of its determinations with respect to each of the following 5 factors:

- 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.

SOI determinations have been a core planning function of LAFCOs since 1971. The intent in preparing the written statements is to orient LAFCOs in addressing the core principles underlying the sensible development of local agencies consistent with the anticipated needs of the affected communities.

### **Municipal Service Reviews (MSR)**

MSRs in contrast, are intended to inform, among other activities, SOI determinations. LAFCOs also prepare MSRs regardless of making any specific sphere determinations in order to obtain and furnish information to contribute to the overall orderly development of local communities. When updating a MSR, LAFCOs are required to consider and prepare written statements of its determinations with respect to each of the following 7 factors:

- 1) Growth and population projections for the affected area.
- 2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
- 3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.
- 4) Financial ability of agencies to provide services.
- 5) Status of, and opportunities for, shared facilities.
- 6) Accountability for community service needs, including governmental structure and operational efficiencies.
- 7) Any other matter related to effective or efficient service delivery, as required by commission policy.

### **LAFCO Decision-Making**

LAFCO decisions are legislative in nature and therefore are not subject to an outside appeal process; only courts can overturn LAFCO decisions. LAFCOs also have broad powers with respect to conditioning

regulatory and planning approvals so long as not establishing any terms that directly effects land use density or intensity, property development, or subdivision requirements.

LAFCOs are generally governed by a board comprising of county supervisors, city council members, independent special district members, and representatives of the general public, and an alternate member for each category. SLO LAFCO is governed by a 7-member board comprising of two county supervisors, two city council members, two independent special district members, one representative of the general public and an alternate member for each category. All members serve four-year terms and must exercise their independent judgment on behalf of the interests of residents, landowners, and the public as a whole. LAFCO members are subject to standard disclosure requirements and must file annual statements of economic interests. LAFCOs are independent of local government with their own staff. All LAFCOs, nevertheless, must appoint their own Executive Officers to manage agency activities and provide written recommendations on all regulatory and planning actions before the Commission. In addition, all LAFCOs must also appoint their own legal counsel.

**SLO LAFCO**

**Regular Commissioners**

Chair Debbie Arnold	County Member
Vice Chair Marshall Ochylski	Special District Member
Jimmy Paulding	County Member
Robert Enns	Special District Member
Steve Gregory	City Member
Ed Waage	City Member
Heather Jensen	Public Member

**Alternate Commissioners**

Charles Bourbeau	City Member
Dawn Ortiz-Legg	County Member
Ed Eby	Special District Member
David Watson	Public Member

**Staff**

Rob Fitzroy	Executive Officer
Imelda Marquez-Vawter	Analyst
Morgan Bing	Clerk Analyst
Brian Pierik	Legal Counsel

**Contact Information**

San Luis Obispo LAFCO’s office is located at 1042 Pacific St Suite A in the City of San Luis Obispo. The LAFCO office is open by appointment to discuss proposals or other matters and can be scheduled by calling 805-781-5795. Additional information is also available online by visiting [slo.lafco.ca.gov](http://slo.lafco.ca.gov).



## DISTRICT MSR & SPHERE STUDY

### Overview

This report represents San Luis Obispo LAFCO's scheduled municipal service review for the Cambria Community Services District (CCSD or District), located in the northwestern coastal region of San Luis Obispo County. The report has been prepared by staff consistent with the requirements of the CKH Act. The purpose of this report is to produce an independent assessment of municipal services in this area over the next five years or as seen necessary, relative to the Commission's regional growth management duties and responsibilities as established by the State Legislature. This includes evaluating the current and future relationship between the availability, demand, and adequacy of municipal services within the service areas of the CCSD subject to the Commission's oversight. Information generated as part of the report will be used by the Commission in (a) guiding subsequent sphere of influence updates, (b) informing future boundary changes, and – if merited – (c) initiating government reorganizations, such as special district formations, consolidations, and/or dissolutions.

The period for collecting data to inform the Commission's analysis and related projections on population growth and service demands has been set to cover any major updates and changes since the last time the MSR was updated in 2014. The financial analysis has been set to cover the last five-year audited fiscal year period. The timeframe for the report has been generally oriented to cover the next five to seven-year period with the former (ten years) serving as the analysis anchor as contemplated under State law.

The document outline serves to inform all the state mandated requirements outlined in government code sections 56430 and 56425. Written determinations have been included as the concluding chapter of this document.

**At A Glance**

Table 1: District Profile<sup>1</sup>

Agency Name	Cambria Community Services District
Formation	1976
Legal Authority	Government Code §61000 - 61850
Office Location	1316 Tamsen Street, Suite 201, Cambria, CA 93428
Website	<a href="http://www.cambriacsd.org">www.cambriacsd.org</a>
General Manager	Matthew McElhenie
Employees	35 Full-time Employees, 4 Part-time employees
Public Meetings	The Cambria Community Services District (CCSD) Board of Directors holds its regular meetings on the second and third Thursday of the month at 1:00 p.m. Special meetings may be scheduled on an as-needed basis.
Board of Directors	Five members elected to four-year terms
Active Powers	Water, Wastewater, Solid Waste, Fire Protection, Street Lighting, Parks & Recreation, Transit, Veterans Memorial Administration
District Service Area	Approx. 2,928 acres
Population Estimate	5,678 <sup>2</sup>
Revenues	\$13,356,664 <sup>3</sup>

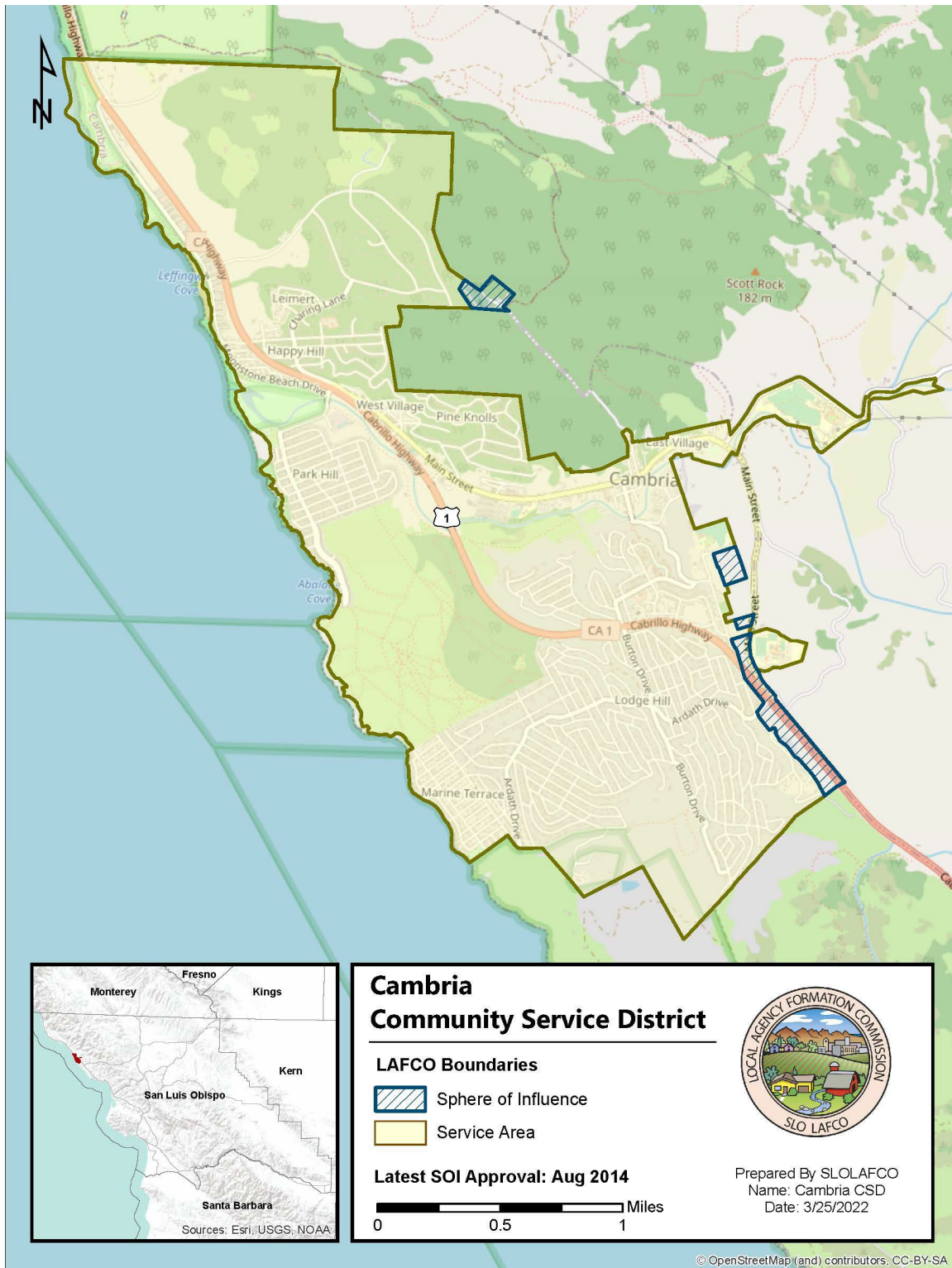
<sup>1</sup> As of submission of MSR-SOI Request for Information Questionnaire, August 2023

<sup>2</sup> Cambria CDP 2020 US Census Data

<sup>3</sup> Cambria Community Services District Financial Statements June 30, 2022

**Boundary Map**

Figure 1: CCSD Boundary Map



## Sphere of Influence

### Existing SOI

CCSD's existing SOI includes approximately 57-acres; comprised of a wide variety of land use categories. It should be noted, should the District pursue annexation of any of the existing SOI areas, LAFCO Policy 2.9.12 may be applicable, which requires 1:1 mitigation of prime agriculture land converted from an agricultural use as defined by government code section 56064. The existing SOI includes four (4) separate areas as described below:

1. APN 013-111-006: zoned public facilities, located northeast of the District's current service area and is approximately a 11.98-acre property owned by the Cambria Public Cemetery District.
2. APNs 013-151-024 & 013-151-022: zoned residential suburban, located southeast of the District's service area and consists of two privately owned parcels totaling approximately 8.13-acres.
3. APN 013-151-025: zoned residential suburban, located southeast of the District's service area and consists of one privately owned parcel of approximately 1.7-acres.
4. A portion of APN 013-161-025: zoned agriculture, located southeast of the District, and consists of approximately 35-acres of a privately owned property within a larger parcel of about 430-acres adjacent to Highway 1. The property is not under Williamson Act Contract.

### Proposed SOI

CCSD wishes to retain their current sphere, therefore no changes are proposed to the District's SOI. Some SOI areas have remained within the sphere for over 20 years; if needed, CCSD is encouraged to review and determine whether areas within the existing SOI should remain in the sphere for eventual annexation to the District or be excluded in the future. If serving areas within the SOI is not possible due to ongoing and unresolved water constraints the commission should consider reducing the sphere boundary to better reflect the District's future growth limitations. Water supply constraints are discussed in more detail within the [water section](#) of this municipal service review. At this time, no areas are being studied for removal or possible inclusion into the District.

**Accountability**

CCSD is an independent special district governed by a five-member Board of Directors that are elected to four-year terms. Directors receive \$100.00 for each day’s attendance at board meetings or board committee meetings, provided that a board member’s compensation does not exceed \$100.00 per day or \$600.00 per month—a \$600.00 cap. The Board holds regular meetings on the second and third Thursday of the month at 1:00 PM at the Cambria Veterans’ Memorial Hall 1000 Main Street, Cambria, CA 93428. Currently, the Board Room is open to the public who wish to attend meetings in-person; however, meetings are also available by teleconference. Agendas and Board Packets are officially posted on the CCSD website and District bulletin boards and sent directly to those subscribed to the District’s email list. Every agenda for a regular meeting provides an opportunity for members of the public to directly address the board.

Table 2: CCSD Board of Directors

<b>Board Member</b>	<b>Title</b>	<b>Term Expiration</b>
<b>Karen Dean</b>	President	December 2024
<b>Tom Gray</b>	Vice President	December 2024
<b>Harry Farmer</b>	Board Member	December 2024
<b>Debra Scott</b>	Board Member	December 2026
<b>Michael Thomas</b>	Board Member	December 2026

CCSD has several sub-committees that help shape the District’s needs and guide District operations; There’s a total of 45 sub-committees (Resources and Infrastructure Committee; Parks, Recreation and Open Space Committee; Finance Committee; and Policy Committee). The CCSD website posts each committee’s regular meeting schedule with dates, time, location, and committee member names.

CCSD currently employs 35 full-time and 4 part-time staff including the General Manager, Administrative Department Manager, Confidential Administrative Assistant, Utilities Department Manager, Wastewater Systems Superintendent, Water Systems Superintendent, Program Manager, Fire Chief, and Facilities & Resources Manager. Current staffing levels are considered adequate to

provide services within the District’s service area, with the exception of the Facilities and Maintenance department which is understaffed as was determined in the MSR-SOI Request for Information Questionnaire. CCSD has identified work efforts to increase efficiency and improve administrative functions such as online document storage, transferring to an online document storage archive, online payment program that integrates with CCSD’s financial software, and updated records retention program.

CCSD maintains an up-to-date website in compliance with Senate Bill 929 which contains contact information for the District, the current agenda, financial transaction reports, compensation reports, and an SB 272 Enterprise System catalog. Approved minutes and audio/visual recordings are also made available for public access on the website. CCSD reports that all Form 700 financial disclosures are current. The District maintains active memberships with several supportive associations including the California Special Districts Association and Special District Risk Management Authority.

### **Population Profile**

CCSD is located within the Cambria Census Designated Place (CDP), which has a population of 5,678<sup>4</sup> according to 2020 US Census data. By 2050, it was determined there’d be an estimated 6,217 persons<sup>5</sup>. The build-out population, defined as the maximum population that can occur considering the zoning and land use designations, was determined to be 12,658 with an indefinite buildout year<sup>6</sup>. Following these projections, CCSD is currently about 91% built out, with 2050 projections, and 45% built out, with the indefinite build out year population projections.

The 2020 Census and 2020 American Communities Surveys both represent a decreasing population for the Cambria CDP; however, CCSD staff analysis of utility billing data does not align with Census data. According to the 2020 Census, Cambria CDP has a total of 4,046 housing units and an occupancy rate

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<sup>4</sup> US Census, 2020 Cambria Census Designated Place Data

<sup>5</sup> San Luis Obispo Council of Governments, 2050 Regional Growth Forecast for San Luis Obispo County

<sup>6</sup> San Luis Obispo Council of Governments, 2050 Regional Growth Forecast for San Luis Obispo County

of just 67%. However, CCSD analysis of 2022 CCSD utility billing data reflects an 80.5%<sup>7</sup> occupancy rate with only 2.5%<sup>8</sup> of residential accounts reporting true zero consumption (i.e. vacant). Approximately 17%<sup>9</sup> of utility billing accounts register usage on a part-time basis. CCSD staff attributes the bulk of the variance between Census and billing data to the high percentage of part-time and full-time vacation rentals along with a large stock of second homes, both of which the Census designates as vacant properties.

Table 3 shows the historical, current, and projected populations for the District. Historical and current populations are calculated for the service area based on US Census data and data developed by the County, and projected populations are calculated from the San Luis Obispo Council of Governments (SLOCOG) data. The timing of future growth within the CCSD service area is subject to the permitting and approval of future projects by other agencies, economic conditions, and other factors that may not be under the direct control of the CCSD. Therefore, any projections on population growth should be viewed with caution. Due to the building moratorium in Cambria, which will be discussed in more detail further in the document, there has been no population growth between 2010 and 2020.

Table 3: CCSD Population<sup>10</sup>

<b>Year</b>	<b>Population</b>	<b>Percent Increase</b>
1980	3,100	-
1990	5,382	74%
2000	6,218	16%
2010	6,025	-3%
2020	5,678	-6%
2030	6,090	7%
2040	6,117	0.4%
2050	6,217	2%

<sup>7</sup> Cambria Community Services District 2023-2024 Annual Water Shortage Assessment, June 2023

<sup>8</sup> Cambria Community Services District 2023-2024 Annual Water Shortage Assessment, June 2023

<sup>9</sup> Cambria Community Services District 2023-2024 Annual Water Shortage Assessment, June 2023

<sup>10</sup> Cambria CDP 2020 US Census Data, North Coast Area Plan, and San Luis Obispo Council of Governments 2050 Regional Growth Forecast.

Indefinite	12,658	104%
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**Disadvantaged Unincorporated Communities**

In 2011, SB 244 (Chapter 513, Statutes of 2011) made changes to the CKH Act related to Disadvantaged Unincorporated Communities (DUCs), including the addition of SOI determination number five, which states:

*“(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.”*

DUCs are defined in government code section 56033.5 as inhabited territories (containing 12 or more registered voters) where the annual median household income (MHI) is less than 80 percent of the statewide annual median household income. LAFCOs are required to make written determinations regarding DUCs within a city or special districts’ SOI and in Municipal Services Reviews. In addition, Government Code Section 56375 (a)(8)(A) prohibits LAFCO from approving a city annexation of more than 10 acres if a DUC is contiguous to the annexation territory but not included in the proposal, unless an application to annex the DUC has been filed with LAFCO. The legislative intent is to prohibit selective annexations by cities of tax-generating land uses while leaving out under-served, inhabited areas with infrastructure deficiencies and lack of access to reliable potable water and wastewater services.

As previously mentioned, one of the qualifications for a DUC is a community with an annual MHI that is less than 80 percent of the statewide annual MHI. California’s MHI is \$84,097; therefore, the threshold for a DUC (80% of the states MHI) is an MHI less than \$67,277. For the purpose of identifying the MHI for locations within the unincorporated areas of SLO County, and to identify those that meet the DUC MHI threshold, LAFCO used U.S. Census American Community Survey (ACS) five-year reports



for Census Block Groups and Census Designated Places data. Once a Census Block Group (CBG)<sup>11</sup> or a Census Designated Place (CDP)<sup>12</sup> meets the DUC MHI threshold, LAFCO must then verify that those areas are inhabited as specified in government code section 56033.5. For the purpose of identifying whether a location is inhabited, LAFCO staff used Registered Voter data from the SLO County Clerk Recorder to verify that any CBG and CDP area that was flagged is also inhabited (containing 12 or more registered voters).

The estimated MHI for Cambria CDP is \$87,744; taking into account that the Cambria CDP encompasses an area much larger than the CCSD service area boundary. When using CBG data, a smaller measurement area, LAFCO staff was able to identify multiple MHI’s within CCSD’s service area. One of the CBG areas within CCSD service area did meet the DUC MHI threshold, with an estimated MHI of \$51,875<sup>13</sup>; the area was also determined to be inhabited. Therefore, LAFCO identified one DUC at the Census Block Group level, located within the community of CCSD as seen in Figure 2 on the following page. It should be noted that the identified DUC includes some open space, recreation, public facilities, and agriculture zoned areas with no registered voters and determinations made are for the inhabited areas within the residential single family, residential multi-family, residential suburban, and commercial service zoned areas, per State law. CCSD DUC #1 was also identified as a disadvantaged community through the California Association of Local Agency Formation Commissions DUC mapping tool and the Department of Water Resources' Disadvantaged Communities (DAC) Mapping Tool.

Table 4: CCSD Disadvantaged Unincorporated Communities Area #1 Census Block Information

<b>DUC</b>	<b>Census Block Group</b>	<b>Median Household Income</b>	<b>Registered Voters<sup>14</sup></b>
Cambria DUC Area #1	104.04.2	\$51,875	529

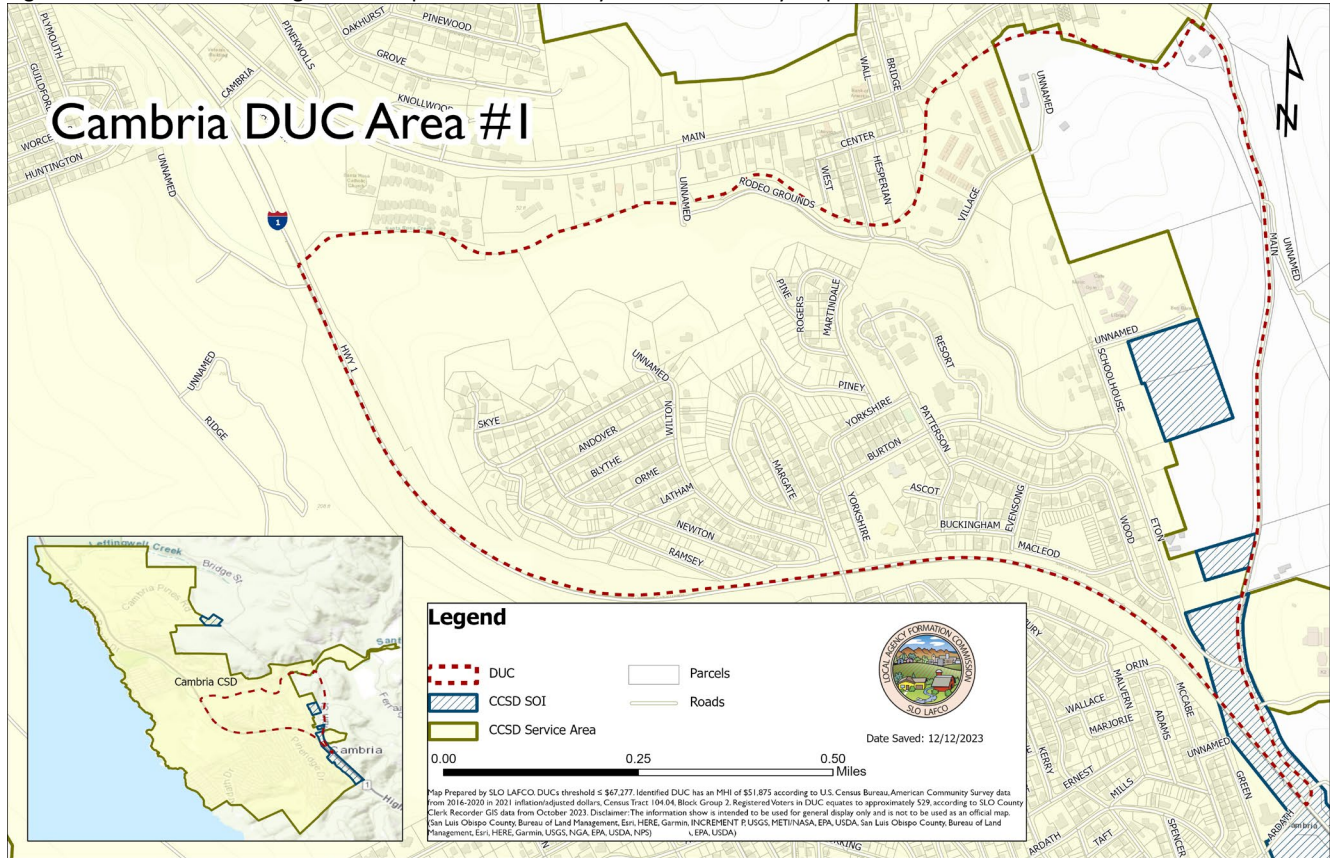
<sup>11</sup> Block groups are a group of blocks within a census tract with populations of 600 to 3,000 people.

<sup>12</sup> CDPs are a statistical geography representing closely settled, unincorporated communities that are locally recognized and identified by name.

<sup>13</sup> U.S. Census Bureau, American Community Survey data from 2016-2020 in 2021 inflation/adjusted dollars, Census Tract 104.04, Block Group 2

<sup>14</sup> SLO County Clerk Recorder Registered Voter GIS Data, October 2023

Figure 2: Cambria Disadvantaged Unincorporated Community Area #1 Boundary Map



### Social or Economic Communities of Interest in the Area

There are no District relevant social or economic communities of interest in the proposed SOI area.

### Present and Planned Land Use

Land Use within the District is subject to the North Coast Area Plan, adopted in 1980, last revised in 2022, which is part of the Local Coastal Program (LCP). The LCP is part of the County General Plan and Zoning Ordinance, and applies to those areas lying within the Coastal Zone. Consistent with State law, the County’s Local Coastal Program also functions as the mandatory Circulation Element and Land Use Element of the General Plan. Table 4 summarizes the acreage of each land use category within the Cambria Urban Reserve Line (URL). The County's Land Use Element establishes URLs, which are boundaries separating urban and non-urban areas, and define the proper level of service needed for each. Any changes to a URL require an amendment to the Land Use Element approved by the County.

In addition, any proposed expansion of a URL is required to be within the Sphere of Influence of the community and any separate service districts.

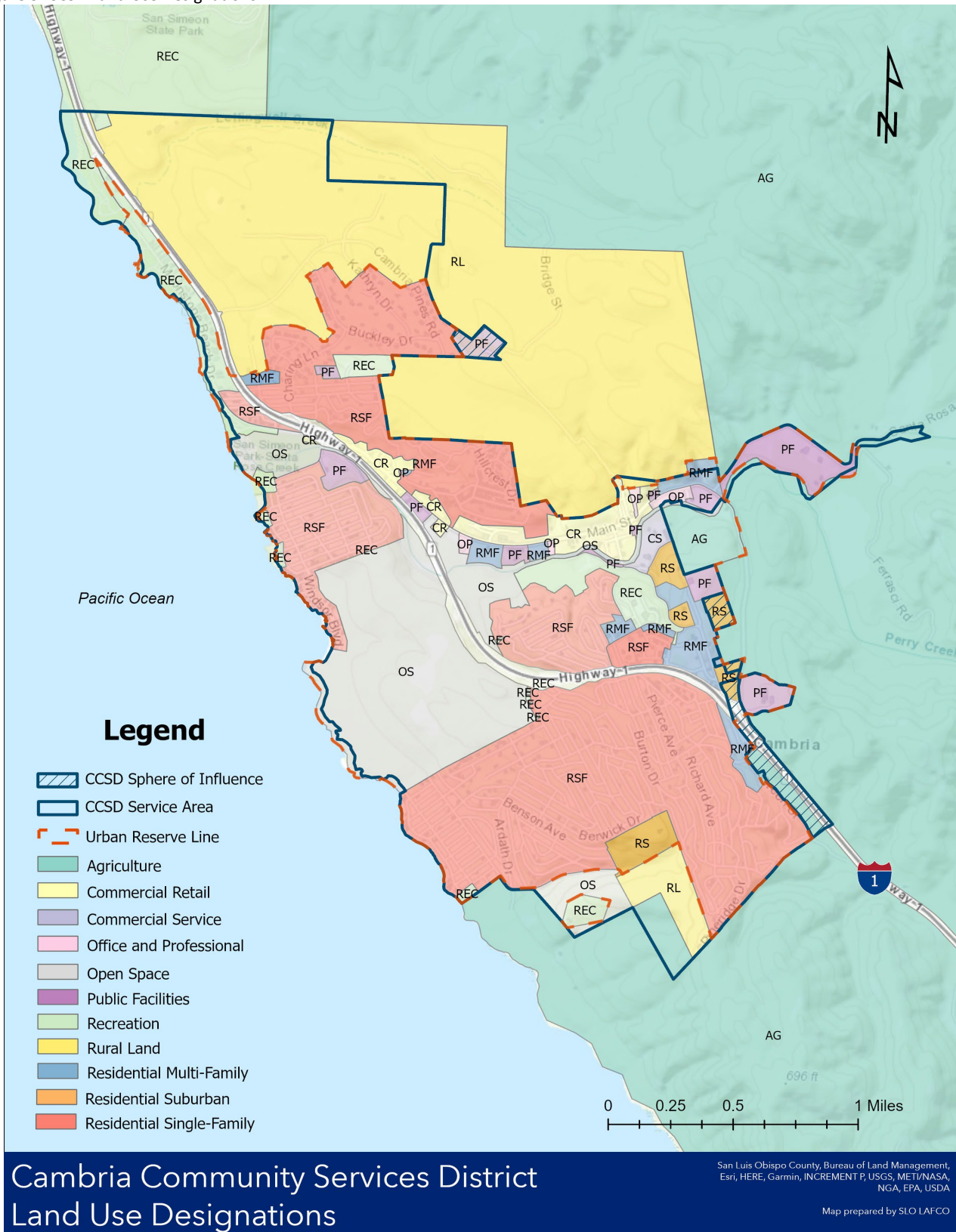
Table 5: Cambria Urban Reserve Line Land Use Category Acreage<sup>15</sup>

<b>Land Use Category</b>	<b>Acreage</b>
Agriculture	39.78
Rural Lands	0
Recreation	41.88
Open Space	515.02
Residential Rural	0
Residential Suburban	57.54
Residential Single Family	893.99
Residential Multi-Family	70.73
Office and Professional	13.05
Commercial Retail	64.61
Commercial Service	21.81
Industrial	0
Public Facilities	72.06
<b>Total</b>	<b>1,790.47</b>

The following map shows the Land Use Categories (zoning) for the community of Cambria as established by the North Coast Area Plan.

<sup>15</sup> SLO County North Coast Area Plan, 2007, Revised April 2022

Figure 3: CCSD Land Use Designations



## Services & Capacity

### Authorized Services

In January of 2006, Senate Bill (SB) 135 took effect and revised state laws governing community services districts (CSD). SB 135 consolidated the provisions for CSDs into a list of 31 services and facilities and changed the definition of latent powers. The old CSD Principal Act from 1955 required voter approval of latent powers and predated the statewide creation of LAFCO in 1963. With SB 135, all powers authorized for CSDs but not being exercised became latent powers, regardless of the initial formation petition. SB 135 redefined latent powers as those services and facilities authorized by the new CSD Principal Act that a CSD did not provide before January 1, 2006, as determined by LAFCO. Therefore, SB 135 effectively grandfathered in all services and facilities that CSDs provided before January 1, 2006.

Following such legislative changes, SLO LAFCO passed resolution No. 2006-03 to clearly document which powers were being exercised by Districts in SLO County and deemed all other powers, not mentioned in the resolution, as latent. According to LAFCO Resolution No. 2006-03, CCSD's active powers were determined to be as follows: 1) Water, 2) Sewer, 3) Solid Waste, 4) Fire Protection, 5) Street Lighting, 6) Parks & Recreation, 7) Transit, and 8) Veterans Memorial Administration.

Government Code § 56425 (i) provides that “[w]hen adopting, amending, or updating a sphere of influence for a special district, the commission shall establish the nature, location, and extent of any functions or classes of services provided by existing districts.” Government Code § 56050.5 defines a latent service or power as “those services, facilities, functions, or powers authorized by the principal act under which the district is formed, but that are not being exercised, as determined by the commission pursuant to subdivision (i) of Section 56425.” Therefore, once the Commission has established what services are being provided pursuant to § 56425 (i), all other services, functions and powers become “latent services or powers” by operation of law.

The last time the Commission adopted a SOI and MSR Update for CCSD was August 2014. In that update, the Commission determined that CCSD was authorized to provide the following services:

1. Water
2. Wastewater
3. Solid Waste
4. Fire Protection
5. Street Lighting
6. Parks and Recreation
7. Veterans Memorial

The 2014 MSR identified “Veterans Memorial” as a standalone power; although, government code section 61100 does not recognize “Veterans Memorial” as a standalone service. CCSD is authorized to provide these services through their Parks and Recreation power, as is described in government code section 61100 (b) and the Recreation and Park District Law, Chapter 4 (commencing with Section 5780) of Division 5 of the Public Resources Code. More information about the Veterans Memorial Administrations can be found within the Parks and Recreation section further in the report.

This “Services and Capacity” section analyzes present and long-term infrastructure demands and resource capabilities of the local agency. LAFCO reviews and evaluates 1) the resources and services that are currently available, and 2) the ability of the CSD to expand such resources and services in line with increasing demands. An adequate supply of services should be documented to support areas in the sphere, envisioned for eventual annexation and service by a jurisdiction. As was previously mentioned, CCSD does not wish to make any SOI adjustments at this time; therefore, no areas are being studied for possible inclusion into the District.

## Water

CCSD is authorized to provide water service as it is described in government code section 61100 (a). CCSD operates and relies on five (5) production wells: three wells in the San Simeon aquifer and two wells in the Santa Rosa aquifer. CCSD’s water rights are subject to the regulatory authority of the State Water Resources Control Board (SWRCB), and to a certain extent, conditions imposed under development permits issued by the California Coastal Commission (CCC).

### ***Water Reclamation Facility***

The CCSD owns and operates the Water Reclamation Facility (WRF) which extracts water from below the CCSD's wastewater percolation ponds, treats it to an advanced degree, and then reinjects the treated water at the CCSD's San Simeon Creek aquifer's potable well field. In 2014, the WRF was constructed in response to exceptional drought conditions and to meet the SWRCB's requirements for indirect potable reuse of recycled water. ~~The WRF went into service early 2015 and can provide 21 to 250 AFY of water depending on its hours of operation. The WRF was commissioned in 2015 and is currently permitted for emergency operations to augment aquifer source supply during drought years.~~

CCSD has a Water Capital Improvement Plan (CIP) that assists the District in monitoring its water related projects such as facility maintenance expenses and identifies funding to be set aside each year so that equipment and facilities are continuously maintained and operating efficiently. In May 2022, the Board concluded a Prop 218 Hearing process and adopted a water rate increase through FY 2024-25<sup>16</sup>.

### ***Water Supply***

CCSD continuously tracks water supply conditions and utilizes metrics to assess supply availability which are included in the criteria for the Water Shortage Contingency Plan (WSCP), as part of the District's Urban Water Management Plan (UWMP). The CCSD's WSCP includes six stages of water shortage, each with its own set of shortage response actions. Each stage aims to achieve a percentage reduction in customer demands. The WRF is currently operated under an emergency permit from the County of San Luis Obispo which limits operation to Extreme (Stage 5) and Exceptional Water Shortage Emergencies (Stage 6) of the WSCP; which can mean a minimum of 41% or greater in reductions to customer demand. The CCSD filed its application with the County of San Luis Obispo for a regular Coastal Development Permit on June 12, 2014, DRC2013-00112. Pursuant to a San Luis Obispo County Department of Planning and Building information hold dated August 14, 2020, the CCSD is currently working with consultants to complete this application, including an instream flow study of the San Simeon and Van Gordon Creeks is pending completion.

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<sup>16</sup> CCSD Website

The current SWRCB licenses allow a maximum of 1,017 AF of water during the wet season (799 AFY annually from the San Simeon aquifer & 218 AFY annually from the Santa Rosa aquifer)<sup>17</sup> and 525.3 AF of water during the dry season (370 AFY from the San Simeon aquifer & 155.3 AFY from the Santa Rosa aquifer from May 1 to October 31)<sup>18</sup>. This amount of water is not necessarily available every year due to the nature of the two creek aquifers. The San Simeon and Santa Rosa aquifers are relatively shallow and porous, with the groundwater levels typically recharged every year during the wet or rainy season and steady decline during the dry season. In addition to the SWRCB licenses, CCC Coastal Development Permit 428-10 limits the CCSD’s annual diversion from both basins to 1,230 AFY<sup>19</sup>. District staff indicated that unless a supplementary or additional water source is authorized, the amount available in 2023 and 2045 will be the same. Table 5 summarizes CCSD’s water supply.

Table 6: Summary of Cambria Community Services District Water Supply

Source	Existing & Future Supply - Wet Season (AFY)	Existing & Future Supply - Dry Season (AFY)
Groundwater – San Simeon Creek Basin	799	370
Groundwater – Santa Rosa Creek Basin	218	155.3
<b>Total</b>	<b>1,017</b>	<b>525.3</b>

***Constraints on Water Supply***

The CCSD has had a water connection moratorium in place since November of 2001 due to concerns over long-term reliability of its water supply and a need to increase water storage for fire suppression. To address these concerns, the CCSD completed a series of water master planning studies, which were incorporated by reference into a program-level water master plan Environmental Impact Report (EIR) that was certified by the CCSD Board on August 21, 2008. Over the years, the CCSD has made steady progress, including the completion of its Pine Knolls storage tanks, and an interconnecting water

<sup>17</sup> Cambria Community Services District 2023-2024 Annual Water Shortage Assessment, June 2023

<sup>18</sup> Cambria Community Services District 2023-2024 Annual Water Shortage Assessment, June 2023

<sup>19</sup> Cambria Community Services District 2020 Urban Water Management Plan, June 2021



distribution main across an open space area (the East-West Ranch pipeline, which interconnects the Lodge Hill distribution system with the Park Hill distribution system).

As with many areas throughout the state, CCSD's water is a limited and shared resource between municipal, agricultural, and environmental needs. The area's two creeks have also been inhabited by listed endangered species. Compliance with the Endangered Species Act is also a key driver in decision making related to use of the coastal streams as a water resource.

The CCSD has historically relied upon its two local coastal groundwater aquifers for its water supply. The relatively small storage in these aquifers make them dependent upon seasonal rains to recharge. When such rainfall arrives late or in low amounts, the aquifers dip in elevation to where the threat of seawater intrusion, subsidence, and a reversal in hydraulic gradient between percolated wastewater and potable wells become key concerns. To adequately prepare for insufficient precipitation, demand management must be implemented during the dry season to ensure supply reliability for the following wet season. The District's WSCP helps take a conservative approach to provide an added buffer to protect fall and winter supplies in a scenario of incomplete aquifer recharge.

According to the CCSD's 2020 UWMP the community's isolated location along the coast has made it difficult to connect to distant water supplies, such as the State Water Project and Nacimiento Water Project. It was also mentioned that for many years, the CCSD pursued seawater desalination as a means to diversify and secure a more reliable supply source. However, the regulatory climate (including denials by state agencies), environmental sensitivity of the area, and growth inducement concerns associated with seawater desalination have proven to be a formidable deterrent toward completing a seawater desalination project.

***Existing Water Demands***

CCSD serves potable drinking water to its customers. Potable drinking water demand includes all municipal uses (residential and commercial). CCSD used about 541 AFY<sup>20</sup> of water during 2020. CCSD residential demand accounts for about 66% of the total water demand in 2020. A summary of 2020 demands are shown in Table 6.

Table 7: Existing Water Demand

<b>Connection Type</b>	<b>Total Service Connections</b>	<b>Total Demand<sup>21</sup> (AFY)</b>
<b>Residential</b>	3,777	358
<b>Commercial</b>	232	114
<b>Other</b>	20	8
<b>Losses</b>	-	61
<b>Total</b>	<b>4,029</b>	<b>541</b>

***Future Water Demand***

As stated in the 2007 North Coast Area Plan, water is one of the most important limiting factors to growth in CCSD. The earlier 2008 water master plan programmatic EIR addressed growth inducement concerns through the adoption of a build-out reduction program mitigation measure. The result was a recommended build-out goal of 4,650 for existing and future residences. The total for commercial and non-residential is 342 for a total number of 4,992 connections by 2045. According to CCSD staff, the District’s waitlist for future water connections consists of 656 positions on the Single-Family Residential waitlist, 10 on the Commercial waitlist, 7 on the Multi-Family Residential waitlist, and 56 units on an affordable housing water waitlist for a grand total of 729 positions on the District’s waitlist. The number of years over which building will take place and the percentage of growth allowed is ultimately determined by the County of SLO, as the land-use authority. Overall connections expected at build-out are 4,992; of those, 4,029 are existing connections and 729 are positions on the District’s waitlist, with

<sup>20</sup> Cambria Community Services District 2020 Urban Water Management Plan, June 2021 & verified by Staff Dec2023

<sup>21</sup> Cambria Community Services District 2020 Urban Water Management Plan, June 2021

a remaining 234 new connections. It is important to note that there is no plan for the remaining 234 connections until a sustainable water supply is secured. A summary of future water demands by 2045 is shown in Table 8.

Table 8: Projected Future Water Demand at Buildout<sup>22</sup>

<b>Connection Type</b>	<b>Total Projected Service Connections</b>	<b>Demand (AFY)</b>
<b>Residential<sup>23</sup></b>	4,650	390
<b>Commercial/Non-Residential</b>	342	170
<b>Losses</b>	-	70
<b>Total</b>	4,992	630

For the purpose of future water planning, the 2020 UWMP assumed that new service connections will not be allowed until 2026; keeping in mind that this estimate represents a best-case scenario and can still vary based on local conditions. A population growth rate of approximately 1% per year for single family was projected in the UWMP, until a goal of 4,650 residential units is reached from 2026 through 2043. Current and projected demands, based on projected water use by customer category and assumptions regarding passive savings, are shown in Table 8.

Table 9: Projected Future Water Demand<sup>24</sup>

<b>Connection Type</b>	<b>Projected Water Demand<sup>25</sup> (AFY)</b>				
	<b>2025</b>	<b>2030</b>	<b>2035</b>	<b>2040</b>	<b>2045</b>
<b>Residential<sup>26</sup></b>	370	370	380	390	390

<sup>22</sup> Cambria Community Services District 2020 Urban Water Management Plan, (Projections from the Decision Support System Model completed by Maddaus Water Management), June 2021 and CCSD Staff, September 2023

<sup>23</sup> Includes vacation rental home water use.

<sup>24</sup> Cambria Community Services District 2020 Urban Water Management Plan, (Projections from the Decision Support System Model completed by Maddaus Water Management), June 2021

<sup>25</sup> Projected demands have been rounded to the nearest 10 AFY

<sup>26</sup> Includes vacation rental home water use

<b>Commercial</b>	140	150	150	160	160
<b>Other</b>	10	10	10	10	10
<b>Losses</b>	60	60	70	70	70
<b>Total</b>	580	590	610	630	630

**Water Supply Reliability**

Water service reliability depends on a number of variables regarding supplies and availability of infrastructure to meet projected demand. The 2020 UWMP water service reliability assessment results indicated that water shortages can be avoided over the next 25 years under normal, single-dry, and five consecutive dry years conditions through supplemental supplies provided by the WRF. Permitting of the WRF is crucial to ensure CCSD’s water supplies are reliable during drought conditions. For the drought risk assessment that assesses surpluses or shortfalls over a five-year drought extending from today through 2025, WSCP Use Reductions or water conservation measures are required to reduce demand because it is assumed that a regular Coastal Development Permit for the WRF will not be obtained until 2025. In addition to the WRF operation, CCSD expects to mitigate water shortages through extensive communication and outreach efforts, demand reduction actions, and operational changes.

**Other Water Providers in the Area**

In addition to CCSD, three other private water purveyors and Water Mutual Companies provide water services to neighboring area residents but none of them overlap with CCSD. These include: 1) San Simeon Community Services District 2) San Simeon Creek Ranch and 3) Harmony Water Works EC.

**Wastewater**

CCSD is authorized to provide Wastewater service as it is described in government code section 61100 (b). CCSD’s Wastewater Department provides wastewater treatment as well as collection of sanitary waste. The sanitary sewer collection system includes ten (10) lift stations and fifty-nine (59) miles of gravity sewers and force mains. In May of 2012, the CCSD Board of directors adopted the CCSD’s

Sanitary Sewer Management Program (SSMP) to be compliant with the State Water Resources Control Board's (SWRCB's) General Waste Discharge Order No. 2006-0003-DWQ Monitoring and Reporting Program (MRP). Since then, the SWRCB amended the MRP with the issuance of Order No. 2013-0058-EXEC. This more recent MRP developed specific categories of sanitary sewer overflows and associated reporting requirements, along with an internal auditing of the SSMP's effectiveness. The audit identifies any deficiencies with the SSMP and steps to correct them. In addition, the title has been modified to match the "Sewer System Management Plan" (SSMP) used by the State in the aforementioned orders and associated guidebooks. The most recent SSMP was adopted in 2018 and is to be periodically updated every five years.

### ***Wastewater Treatment Plant***

CCSD owns and operates a Wastewater Treatment Plant (WWTP) located at 5500 Health Lane in Cambria. The original WWTP was constructed in 1970. In 1995, a major upgrade was completed to improve the WWTP's ability to reliably meet the discharge requirements of the Regional Water Quality Control Board (RWQCB). CCSD's Wastewater CIP assists the District in monitoring its projects that include facility maintenance expenses and identifies funding to be set aside each year so that equipment and facilities are continuously maintained and operating efficiently. Some of those projects include large infrastructure improvements to the wastewater plant that are being funded by bond funds. In May 2022, the Board concluded a Prop 218 Hearing process and adopted a rate increase in wastewater revenues each year through FY 2024-25<sup>27</sup>.

### ***Existing Wastewater Capacity***

CCSD serves 3,903<sup>28</sup> existing connections for wastewater collection. The collection system discharges to the Cambria CSD's one-million gallon per day (MGD) capacity WWTP. The CCSD WWTP has an average influent wastewater flow of approximately 416,337 gallons per day (gpd), or approximately

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<sup>27</sup> CCSD Website

<sup>28</sup> CCSD Staff, September 2023

0.5 million gallons per day (MGD) with capacity of 1.0 MGD based on this design. Table 9 summarizes CCSD’s existing wastewater collection.

Table 10: Existing Wastewater Collection

Description	Number of Connections	Existing Flows (MGD)	Plant Design Capacity (MGD)
Existing Wastewater Collection	3,903	0.5	1.0

***Future Wastewater Capacity***

CCSD estimates 4,632 future connections with a flow of 0.6 MGD; which allows approximately 729 additional connections to meet the WWTP capacity at buildout. Table 10 summarizes CCSD’s future wastewater collection.

Table 11: Future Wastewater Collection

Description	Number of Connections	Future Flows (MGD)	Plant Design Capacity (MGD)
Future Wastewater Collection	4,632	0.6	1.0

**Fire Protection**

CCSD is authorized to provide Fire service as it is described in government code section 61100 (d). The CCSD Fire Department is responsible for providing fire protection and life safety services for all areas within the District boundaries, as well as participating in automatic and mutual aid with neighboring agencies. In 2022, the Department responded to 1,067 calls for service, for an average of 89 calls per month. The Department is capable of providing protection on most incidents encountered within the CCSD. Additional apparatus, equipment, and staffing are available through Automatic or Mutual Aid agreements with Cal Fire, and Cambria Community Healthcare District. This coverage allows a 4-minute emergency response time to any location, greater than 90 percent of the time, within the CCSD service

area and ensures that the special needs of Cambria residents are addressed in the most efficient manner. In an area-wide emergency, assistance is provided by:

- Cal Fire
- Morro Bay Fire Department
- Paso Robles Fire Department
- State of California (for fires burning for extended periods)

***Staffing & Personnel***

The CCSD fire department consists of a Fire Chief, 3 career Captains, 3 career Engineers, 3 career Firefighter Paramedics, 3 career SAFER Firefighter EMT’s and 14 active part-time Reserve Firefighters. CCSD’s goal is to provide staffing of four career firefighters on duty at all times. Their reasoning is to support the 2 in 2 out standard due to their isolated north coast location and the time it takes to get backup mutual aid support. CCSD received a SAFER<sup>29</sup> grant in 2015 that funded 3 additional full-time firefighters to allow for 4 firefighters to be on duty daily (1 career Captain, 1 career Engineer, 1 full-time SAFER Firefighter and 1 part-time Reserve Firefighter). The grant expired and a 2018 ballot measure to approve a special tax to continue funding the 3 additional career firefighters did not receive the required vote. At the time, the District’s Board of Directors chose not to accept an extension of the SAFER grant since continued District funding was not viewed as sustainable. On September 16, 2021, the CCSD Board of Directors unanimously approved the acceptance of another awarded SAFER grant from FEMA. This grant fully funded the hiring of 3 full-time Firefighter Paramedics for a period of 3 years and will add a third, full-time person on the engine to increase staffing, with no match required from the receiving agency. The SAFER grant expires on 1/1/2025. The District has expressed interest in continuing to pursue SAFER grant opportunities.

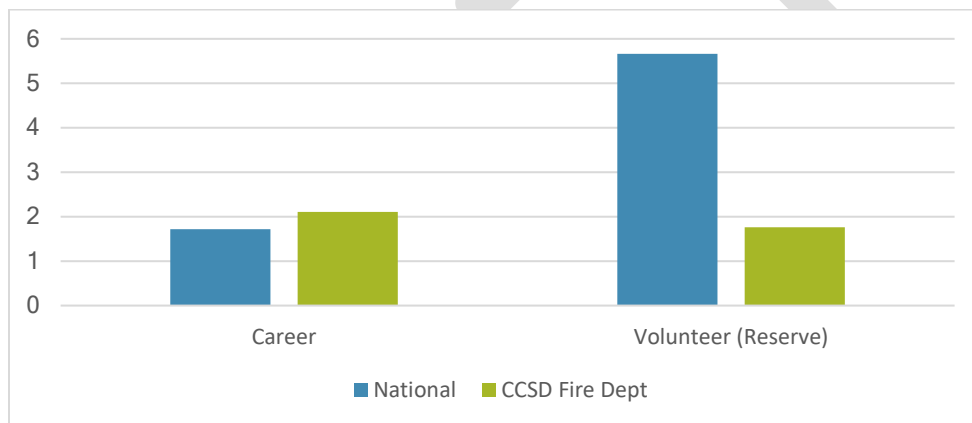
Cambria reports efforts to sustain a reserve firefighter program to augment career staff as well as volunteer/ paid call firefighter (PCF) program but have been largely unsuccessful, which they attribute to community demographics, current NFPA requirements, and monetary restrictions.

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<sup>29</sup> SAFER Grant: Dept. of Homeland Security; FEMA, US Fire Administration grant program

In comparing the number of firefighters on staff per 1,000 population of the service area, the following figure illustrates the current comparison of CCSD Fire Department staffing compared to the national averages within the 2020 United States Fire Department Profile<sup>30</sup> published by National Fire Protection Association. The career staffing level for CCSD Fire Department (including SAFER Firefighters) is 2.11 per 1,000 population, which is above the national average of 1.72. Volunteer/Reserve staff available for emergency operations is 1.76, which falls below the national average of 5.66. According to the 2018 SLO County Special Districts Fire Protection Study, CCSD would like to phase reserves out completely in favor of all career firefighters in 8-10 years.

Figure 4: Firefighters per 1,000 Population<sup>31</sup>



***Service Delivery & Performance***

The CCSD Fire Department responds to emergencies 24 hours a day, 7 days a week. As mentioned previously, CCSD Fire Department coverage allows for a 4-minute emergency response time to any location, greater than 90 percent of the time with assistance from mutual aid agreements. The majority of calls received by the CCSD Fire Department are for emergency medical and rescue services, including ocean rescue and auto extrication.

<sup>30</sup> National Fire Protection Association (NFPA), US Fire Department Profile Sep 2020

<sup>31</sup> NFPA US Fire Department Profile, Table 2, Sep 2020 and CCSD website



CCSD Fire Department was rated 4/4X<sup>32</sup> out of 10<sup>33</sup> through the Insurance Service Office (ISO). The ISO is an agency that evaluates fire protection features for all fire departments to establish rates for underwriters, such as property insurance providers. ISO uses a rating system that is based on a scale of one through 10, with one being the best fire protection rating and 10 being the worst. ISO ratings are also used by fire departments and municipalities as a benchmark for evaluating and improving their fire services. According to ISO's Fire Suppression Rating Schedule (FSRS), four main criteria comprise a fire rating score:

- 1) 50% | Quality of local fire department.
  - a. (i.e., staffing levels, training & proximity of the firehouse)
- 2) 40% | Availability of water supply.
  - a. (i.e., prevalence of fire hydrants & quantity of water available to put out fires)
- 3) 10% | Quality of the area's emergency communications systems.
  - a. (i.e., 911)
- 4) 5.5% | Extra credit, Community outreach.
  - a. (i.e., fire prevention and safety courses)

The largest loss of points came from the quality of the Fire Department section and the availability of Water Supply section which make up 90% of the score. One of CCSD major limitations is that it contracts out dispatch services, therefore the CCSD can't control those point values within the quality of the Fire Department Section. The ~~March 16, February~~ 2023, Fire Chief's Report to the CCSD Board, identified areas/goals where CCSD can increase their overall ISO score by investing in the following: 1) Fire Department Staffing Model, 2) Increasing the staffing number to 4 on duty daily, 3) Building a training site for the fire department, and 4) Having the water department conduct and record annual hydrant flow tests on all hydrants in the district.

### ***Capital Facilities & Equipment***

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<sup>32</sup> The first number is the class that applies to properties within 5 road miles from a fire station and 1,000 ft from a water supply. The second number (# X) applies to properties within 5 miles of a station but beyond 1,000 ft from a hydrant.

<sup>33</sup> CCSD Public Protection Classification Summary Report for Cambria FPSA, November 2017, Effective March 2018

CCSD has a General Fund CIP that assists the District in monitoring its general fund projects that include Fire Department facility maintenance expenses and identifies funding to be set aside each year so that equipment and facilities are continuously maintained and operating efficiently. The CCSD Fire Station was determined to be in relatively new and good condition according to the 2018 SLO County Special Districts Fire Protection Study. District staff state that future remodels may be necessary to accommodate more on-duty staff. CCSD utilizes lease-purchase agreements for significant equipment purchases rather than a sinking fund. They have also had success with utilizing grant funding to pay for some equipment. CCSD utilizes various engines, vehicles, and equipment to mitigate all emergencies and maintains the following apparatus: (1) Chevrolet Tahoe-2023, (2) Pierce Type 1 Fire Engine-2017 & 2007, (1) Ford F-250 Command Vehicle-2017, (1) Ford F-150 Utility Truck-2013, (1) Pierce Water Tender-2002, and (1) Rescue Boat<sup>34</sup>.

## **Solid Waste**

CCSD is authorized to provide solid waste service as it is described in government code section 61100 (c). CCSD has a Franchise Agreement with Mission Country Disposal to provide solid waste services within the District. The current agreement was set for a fifteen-year term, having commenced June 1, 2010; and expiring in May 2025 (with the option to renew at any time prior to the end of the term of the agreement). The agreement allows Mission Country Disposal to include the furnishing of all labor, supervision, equipment, materials, supplies, and all other items necessary to perform the services (refuse collection, disposal and recycling activities). CCSD reserves the right to revise its laws and regulations pertaining to solid waste collection and disposal in order to protect public health, safety and welfare. The most recent amendment to the franchise agreement, between both parties, was adopted in July of 2022. Funding for solid waste collection and disposal activities comes primarily from fees charged to residents. The area being served with solid waste service is consistent with the boundaries of the district.

## **Parks & Recreation**

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<sup>34</sup> CCSD Website

***Background***

CCSD is authorized to provide Parks and Recreation services as it is described in government code section 61100 (e). CCSD has a Parks, Recreation & Open Space Master Plan, that has been a tool for the District to establish adequate park, recreation, and open space resources within the community for the use and enjoyment of all its citizens and visitors. The Master Plan has identified different projects; management and maintenance objectives; funding sources; and criteria for acquisition. The Master Plan was last adopted November 21, 1994, with the intent to establish a vision of the future. CCSD is working with a consultant to update the Community Park Master Plan, with an estimated completion of first quarter 2024.

***Operations***

CCSD currently owns, operates, and maintains the Veterans Memorial Building Center, Cambria Dog Park, and Fiscalini Ranch Preserve. The County of San Luis Obispo and California Department of Parks and Recreation also maintain a number of existing parks, recreation, and open space areas within the boundaries of CCSD. CCSD has a General Fund CIP that assists the District in monitoring its general fund projects that include Parks, Recreation, and Open Space facility maintenance expenses, and identifies funding to be set aside each year so that equipment and facilities are continuously maintained and operating efficiently, however, the District has indicated that sources of revenue within the General Fund have not been sufficient (more information can be found within the Finance section of this report).

More recently, CCSD began pursuing a Skate Park project and on May 25, 2023, the CCSD Board of Directors approved submission of the Land and Water Conservation Fund (LWCF) grant application for the Cambria Skate Park project. This project proposes development of a vacant asphalt lot and adjacent dirt parking area in Cambria into a skatepark facility. The community has been fundraising to build a new skatepark and the District committed \$178,000 towards the preliminary costs of the Skate Park project. This type of grant program requires a 50/50 match and is a reimbursement-based grant program. CCSD General Manager submitted the LWCF grant application on June 1, 2023. Grant awards are expected in late 2025.

### ***Veterans Memorial Hall***

LAFCO Resolution No. 2006-03 and the 2014 CCSD MSR and SOI update recognized “Veterans Memorial” as a power authorized to the District. Government Code Section 61100 does not recognize “Veterans Memorial” as a standalone service; instead, CCSD is authorized to provide these services through their Parks and Recreation power that allows for the management and operation of Recreation Facilities as it is described in government code section 61100 (b) and the Recreation and Park District Law, Chapter 4 (commencing with Section 5780) of Division 5 of the Public Resources Code. Recreation Facilities is defined under Government Code Section 5780.1 as an area, place, structure, or other facility under the jurisdiction of a public agency that is used either permanently or temporarily for community recreation; this can include but is not limited to, an arts and crafts room, auditorium, beach, camp, community center, golf course, gymnasium, lake, meeting place, open space, park, parkway, playground, playing court, playing field, recreational reservoir, river, and swimming pool. Therefore, it was determined that CCSD is utilizing its Parks and Recreation power to maintain and operate the Veterans Memorial Hall.

### **Street Lighting**

CCSD is authorized to provide street lighting services as it is described in government code section 61100 (g). CCSD provides street lighting service to the District through a contract with the Pacific Gas and Electric Company. PG&E operates and maintains approximately 70 streetlights and an additional 42 are customer owned and maintained for a total of 112 streetlights<sup>35</sup>. Street Lighting service is funded through the General Fund which primarily receives revenue from property taxes.

### **Shared Facilities**

There are opportunities for continued shared relationships between agencies for services within the CCSD boundary. The relationship between the District and the County could be enhanced by continued

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<sup>35</sup> CCSD Staff, October 2023

improvement of the lines of communication. At present, the distinction between District and County services in the area is clear. The opportunities for more coordination may include:

- Coordination between the District and nearby private water purveyors
- Coordination between neighboring agencies providing emergency response services
- Coordinated open space preservation
- District and County parks and recreational facilities

## Finance

### District Budget

CCSD prepares and adopts their annual budget prior to the beginning of each fiscal year, consistent with overall Board policy and direction. Along with budget preparation, the District also includes changes or maintenance to the Capital Improvement Plan and fee schedules. In 2021, the Board retained a consultant to prepare a Cost of Services and Rate Study. In May 2022, the Board concluded the Prop 218 Hearing process and adopted a 3-year rate increase which included a maximum 6% increase for water and a maximum 7.5% increase in wastewater revenues each year through FY 2024-25<sup>36</sup>. The District aims to pursue sustainable rate increases into the future that will help collect reserves needed to adequately maintain District infrastructure. CCSD uses fund accounting to maintain control over resources that have been segregated for specific activities as well as to ensure compliance with finance-related legal requirements. The District maintains two fund categories, the General Fund and the Enterprise fund, as seen below:

A. General Fund:

- a. Fire Department
- b. Facilities & Resource Department
- c. Parks, Recreation & Open Space Department<sup>37</sup>
- d. Administrative Department

B. Enterprise Fund:

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<sup>36</sup> CCSD Website

<sup>37</sup> Parks, Recreation, & Open Space is being referred to as a department for financial purposes only. Responsibility for parks, recreation and open spaces falls under the Facilities & Resources Department.

- a. Water Department
- b. Water Reclamation Facility Operations Department
- c. Water Reclamation Facility Capital Department
- d. Wastewater Department

General Fund revenues are primarily property taxes, which are allocated between the Fire, Facilities & Resources, and Parks, Recreation, & Open Space to fund budgeted expenditures. Other revenues, such as the Fire Assessments, are restricted to the Fire Fund. While the CCSD Enterprise Fund revenues are obtained through fees charged to rate payers for water, sewer and Water Reclamation Facility. CCSD summarizes all of the District’s fund activities in the Combined Preliminary Budget of each corresponding fiscal year which is designed to illustrate the District’s overall budget status. In addition, CCSD’s Preliminary Budget provides a narrative on current financial highlights with regard to Significant Budget Items, Trade-Offs, Goals, Objectives, and Plans within the General and Enterprise Funds.

Based on CCSD’s latest Preliminary Operating Budget ending in FY 2023-2024, several unfunded items continue to exist due to stagnant taxes and assessments, that although increasing, are not parallel to the increased rate of inflation. The Fire Fund is allocated 70% of the CCSD property taxes, which together with Fire Assessments of \$544,894, provide most of its funding. The Facilities and Resources Fund receives 27% of the CCSD property taxes, which with the rental income of the Veterans Hall of \$26,000, provides for most of its funding. The remaining portions of property tax are allocated to the Parks, Recreation and Open Space and the Administrative Departments. Allocating more property taxes to one fund, and decreasing the other, would result in trade-offs, changes in staffing, and changes in the list of “Unfunded Requests”. Options to increase revenues to address unfunded items are limited but are being explored as part of the CCSD Board’s Adopted Strategic Plan and ad-hoc committee. More specifically, it was mentioned that CCSD has taken on added responsibilities in recent years without funding. Funding for the maintenance of open space, maintenance of the Veterans Hall, and homeless camp cleanup are three primary responsibilities of the Facilities and Resources budget that continue to be underfunded and where service is provided in the best manner possible within available funding. Over time, as the CCSD continues to maintain the Fiscalini Ranch and take ownership of more open

space parcels (now at over 500 parcels) with insufficient funding, the General Fund budgets for Fire, Facilities and Resources and Admin will continue to decline and impact operations and safety.

### **Financial Statements / Audits**

CCSD hires an outside accounting firm to perform an annual audit in accordance with established governmental accounting standards. This includes auditing CCSD's financial statements with respect to verifying overall assets, liabilities, and net position. These audited statements provide quantitative measurements in assessing CCSD's short and long-term fiscal health with specific focus on delivering its active service functions. LAFCO has used the five most recent audited financial statements to conduct its evaluation of the District's Financial Health; separated into four categories (Revenues and Expenditures, Agency Assets, Agency Liabilities, and Agency Net Position).

### ***Revenues and Expenditures***

CCSD's average operating revenue during the previous five-year audited period was \$12.387 million. CCSD is primarily funded through property tax/assessment and charges for services. CCSD's average operating expense during the last five-year audited period was \$12.686 million. CCSD experienced an overall average decrease in revenue and increase in expenditures from FY 17-18 to FY 21-22, as depicted in Figure 5.

Figure 5: Actual Revenues vs. Actual Expenditures (FY 2017-18 to FY 2021-22)<sup>38</sup>

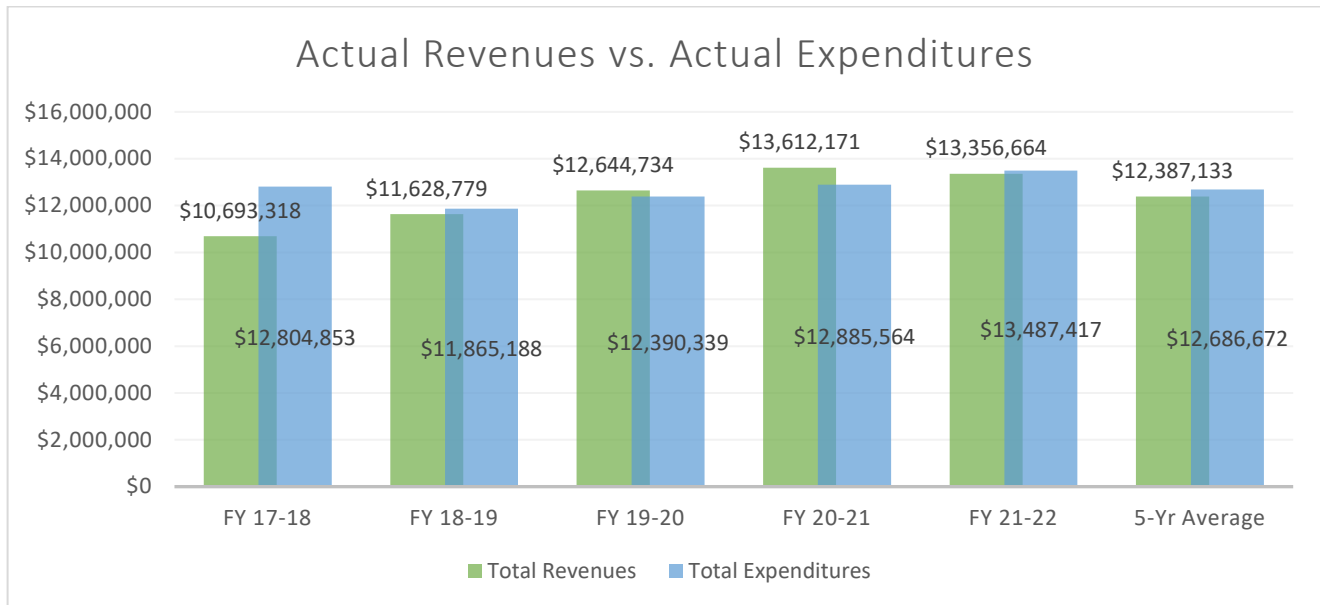


Figure 5 and Table 12 outline CCSD’s General Fund vs Enterprise Fund revenues and expenditures. Overall average General Fund expenses exceeded their revenues during the last five-year audited period whereas average Enterprise Fund expenses did not exceed their revenues. Exceeded expenditures within the General Fund could be attributed to added responsibilities in recent years without funding, as was previously discussed. CCSD has begun new investment strategies with their general fund and reserves that aim to balance their revenues and expenditures. It should be noted, at times, additional factors are considered when reviewing revenues & expenditures; those are “Other Financing Sources” (i.e proceeds from loan payable) and “Non-Operating Revenues (expenses)” (i.e. availability charges, investment income, or interest expense).

Table 12: General Fund Revenues & Expenditures<sup>39</sup>

Category	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Total Revenue	5,207,118	5,256,862	5,327,304	5,452,591	5,501,631
Total Expenditures	5,755,883	5,173,018	5,104,390	5,491,787	5,988,560

<sup>38</sup> Cambria CSD Financial Statements between FY 2017-18 to FY 2021-22

<sup>39</sup> Cambria CSD Financial Statements between FY 2017-18 to FY 2021-22



Table 13: Enterprise Fund Revenues & Expenditures<sup>40</sup>

Category	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Total Revenue	5,486,200	6,371,917	7,317,430	8,159,580	7,855,033
Total Expenditures	7,048,970	6,692,170	7,285,949	7,393,777	7,498,857

**Agency Assets**

An agency’s assets provide current, future, or potential economic benefit for the entity. An agency asset is therefore something that is owned by the agency, or something that is owed to the agency. In this section agency assets will be reviewed in two separate categories as defined below:

- 1) *Current Assets*: cash and other assets that are expected to be converted to cash within a year.
- 2) *Non-Current Assets*: long-term investments that are not expected to become cash within an accounting year.

CCSD’s audited assets at the end of FY 2021-2022 totaled \$49.626 million and are 1.5% lower than the average year-end amount of \$48.875 million documented during the previous five-year audited period. Assets classified as current, with the expectation they could be liquidated within a year, represented 21% of the total amount, or \$10.591 million, and are primarily tied to cash and investments. Assets classified as non-current make up the remainder of the total, \$39.035 million, and are primarily attributed to property, plant, and equipment capital. Overall, all assets for CCSD have increased by 3% over the corresponding 5-year audited period.

In addition to assets, the District’s net position also considers deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. The District has two items which qualify for reporting in this category; those are 1) Deferred Pensions and 2) Deferred Other Post employment Benefits (OPEB). A

<sup>40</sup> Cambria CSD Financial Statements between FY 2017-18 to FY 2021-22

total of \$2.443 million was reported in FY 2021-2022 as deferred outflows of resources and will be recognized as a reduction of the net pension liability in a future reporting period.

Table 14: Audited Assets and Deferred Outflow

Category	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	5-yr % Change	5-yr Average
Current Assets	5,405,900	4,378,388	7,896,254	10,289,400	10,591,362	96%	7,712,261
Non-Current Assets	42,937,030	42,669,774	41,439,504	39,733,415	39,035,156	-9%	41,162,976
<b>Total Assets</b>	<b>48,342,930</b>	<b>47,048,162</b>	<b>49,335,758</b>	<b>50,022,815</b>	<b>49,626,518</b>	<b>3%</b>	<b>48,875,237</b>
Deferred Pensions	1,649,949	1,585,432	1,586,100	1,633,508	1,614,944	-2%	1,613,987
Deferred OPEB	0	1,844,989	1,825,270	1,602,233	828,382	-55%	1,220,175
<b>Total Deferred Outflow of Resources</b>	<b>1,649,949</b>	<b>3,430,421</b>	<b>3,411,370</b>	<b>3,235,741</b>	<b>2,443,326</b>	<b>48%</b>	<b>2,361,801</b>

**Agency Liabilities**

An agency’s liability is something the agency owes, usually a sum of money. Liabilities are settled over time through the transfer of economic benefits including money, goods, or services. In this section agency liabilities will be reviewed in two separate categories as defined below:

- 1) Current Liabilities: an agency's short-term financial obligations due to be paid within a year
- 2) Other Non-Current Liabilities: an agency’s long-term financial obligations that are due more than a year away

CCSD’s audited liabilities at the end of FY 2021-2022 totaled \$18.031 million and were 13.5% lower than the average year-end amount of \$20.460 million documented during the previous five-year audited period. Liabilities classified as current and representing obligations owed in the near-term account for 3%, or \$0.548 million, of the total. Non-current liabilities represent the remaining total, or \$17.482 million, and are largely tied to payments on liabilities due after one year. Overall, all liabilities have increased by 7% over the corresponding 5-year audited period.

In addition to liabilities, the District’s net position also considers deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the District that is applicable to a future reporting period. The District has two items which qualify for reporting in this category; those are 1) Deferred Pensions and 2) Deferred OPEB. A total of \$4.807 million was reported as deferred inflows of resources in FY 2021-2022 and will be recognized as an acquisition of the net position in a future reporting period.

Table 15: Audited Liabilities and Deferred Inflow

Category	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	5-yr % Change	5-yr Average
Current liabilities	1,273,329	396,447	437,705	754,871	548,298	-57%	682,130
Non-Current Liabilities	15,618,888	21,522,800	21,853,868	22,410,945	17,482,958	12%	19,777,892
<b>Total Liabilities</b>	<b>16,892,217</b>	<b>21,919,247</b>	<b>22,291,573</b>	<b>23,165,816</b>	<b>18,031,256</b>	<b>7%</b>	<b>20,460,022</b>
Deferred Pensions	-262,804	453,159	505,795	328,735	3,408,259	-1397%	886,629
Deferred OPEB	0	0	0	0	1,399,711	-	279,942
<b>Total Deferred Inflow of Resources</b>	<b>-262,804</b>	<b>453,159</b>	<b>505,795</b>	<b>328,735</b>	<b>4,807,970</b>	<b>-1929%</b>	<b>972,139</b>

**Agency Net Position**

The agency’s net position is the difference between an entity’s (1) assets plus deferred outflows of resources and (2) liabilities plus deferred inflows of resources. Net position should be displayed in three categories which focus on the accessibility of the underlying assets:

- Net investment in capital assets
- Restricted Net Position
- Unrestricted Net Position

CCSD’s audited net position or equity at the end of FY 2021-2022 totaled \$29.226 million and represents the difference between the District’s total assets and total liabilities along with adjusting for deferred resources (i.e., pension outflows and inflows). The most recent year-end amount is 3.4% lower than the average year-end sum of \$30.228 million documented during the previous 5-year audited period. The ending net investment in capital assets is 109%, or \$31.996 million, with the remainder categorized as unrestricted, at a deficit of \$2.770 million. Overall, the net position for CCSD has decreased by 12% through the corresponding 5-year audited period.

Table 16: Audited Net Position

Category	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	5-yr % Change	5-yr Average
<b>Net Investment in Capital Assets</b>	33,689,954	33,937,875	32,927,649	31,965,202	31,996,640	-5%	32,903,464
<b>Restricted</b>	0	0	0	0	0	-	-
<b>Unrestricted</b>	(326,488)	(5,094,195)	(2,977,889)	(2,204,397.00)	(2,770,290.00)	749%	(2,674,652)
<b>Total Net Position</b>	<b>33,363,466</b>	<b>28,843,680</b>	<b>29,949,760</b>	<b>29,760,805</b>	<b>29,226,350</b>	<b>-12%</b>	<b>30,228,812</b>

**Financial Conclusions**

Statements made in this section are made based on information provided in CCSD’s Financial Audits from Fiscal Year ending in June 30, 2018, through June 30, 2022, and help explain financial trends that have been identified in the tables above. It is also important to note that the District’s audits do not express an opinion or provide any assurance on information because the limited analysis/procedures do not provide sufficient evidence. CCSD’s net position, the difference between assets and liabilities, is one way to measure the District’s financial health, or financial position. Over time, increases or decreases in the District’s net position is one indicator of whether its financial health is improving or deteriorating. CCSD’s net position has decreased by 12% over the last 5-year audited period ending at \$29.226 million in FY 2021-2022 with a 5-year average of \$30.228 million.

Other nonfinancial factors, such as changes in the District’s property tax base and the condition of the District’s assets should also be considered to assess the overall health of the District. The CCSD separates its summary statements into two kinds of categories:

Governmental Activities

Relates to the general fund including the following Departments: 1) Fire, 2) Administration, 3) Facilities and Resources, and 4) Parks and Recreation; taxes & assessments, program fees, rental, grant and interest income finance most of these activities. Revenues and Expenditures for the District’s governmental activities have increased from FY 2017-2018 to FY 2021-2022, ending with a revenue of \$5.501 million and expenditures of \$5.988 in FY 2021-2022. CCSD’s most recent operating budget documentation indicated that several unfunded items continue to exist due to stagnant taxes and assessments and the District has taken on added responsibilities within their “General Fund” budget category without funding. As was previously stated, funding for the maintenance of open space, Veterans Hall and homeless camp cleanup are three primary responsibilities of the Facilities and Resources budget that continues to be underfunded. Over time, as the CCSD continues to maintain the Fiscalini Ranch and take ownership of more open space with insufficient funding, the General Fund will continue to decline and impact operations and safety.

Business-Type Activities

Relates to business-type activities including the Water Fund and Sewer Fund; fees charged to customers help cover cost for these services. Revenues and expenditures for the District’s business-type activities have increased from FY 2017-2018 to FY 2021-2022, ending with a revenue of \$7.855 million, and expenditures of \$7.498 million in FY 2021-2022. CCSD Board concluded a proposition 218 hearing in May 2022, and adopted a 3-year rate increase which included a maximum 6% increase for water and a maximum 7.5% increase in wastewater revenues each year through FY 2024-25. Rate increases will provide CCSD with the ability to cover the cost of anticipated debt service in the wastewater fund and to begin implementation of multi-year capital improvement projects, in both the water and wastewater funds.

## DETERMINATIONS

### Service Review Determinations per Government Code Section 56430

As set forth in Section 56430(a) of the CKH Act—In order to prepare and to update the SOI in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission. The commission shall include in the area designated for a service review the county, the region, the sub-region, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:

**1. Growth and population projections for the affected area**

- a. Currently, the estimated population of CCSD is 5,678. With an estimated population of 6,217 by 2050, CCSD is currently 91% built out and with an estimated population of 12,658 by an indefinite buildout year, CCSD is currently 45% built out.

**2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence**

- a. LAFCO staff has identified one DUC within part of CCSD's SOI and service area boundary. The location identified as a DUC displays characteristics of a DUC pursuant to CKH Act.
- b. The threshold for a DUC (80% of CA's MHI) is an MHI less than \$67,277. Once a Census Block Group (CBG) or a Census Designated Place (CDP), meets the DUC MHI threshold, LAFCO then verifies that those areas are inhabited as specified in government code section 56033.5. One of the CBGs within the CCSD boundary did meet the threshold for a DUC, with an estimated MHI of \$51,875; the area was also determined to be inhabited. Therefore LAFCO, identified one DUC at the Census Block Group level, within the community of CCSD as seen in Figure 2 within the "[Population Profile](#)" Section of this report.

**3. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies**

- a. **Water** | CCSD is authorized to provide water service as it is described in government code section 61100 (a). CCSD operates and relies on 5 production wells: three wells in the San Simeon aquifer and two wells in the Santa Rosa aquifer. The WRF is currently operated under an emergency permit from the County which limits operation to Extreme and Exceptional Water Shortage Emergencies, which means a minimum of 41% or more in reductions to customer demand. CCSD filed its application with SLO County for a regular Coastal Development Permit and pursuant to the County Department of Planning and Building information hold dated August 14, 2020, the CCSD is currently working with consultants to complete this application for permitting of the WRF. The current SWRCB licenses allow CCSD a maximum of 1,017 AF of water during the wet season (799 AFY annually from the San Simeon aquifer & 218 AFY annually from the Santa Rosa aquifer) and 525.3 AF of water during the dry season (370 AFY from the San Simeon aquifer & 155.3 AFY from the Santa Rosa aquifer from May 1 to October 31). This amount of water may not be available every year due to the nature of the two creek aquifers. District staff also indicated that unless a supplementary or additional water source is authorized, the amount available in 2023 and 2045 will be the same. Through the adoption of a build-out reduction program mitigation measure, the recommended build-out goal was set at 4,650, assuming new water connections are allowed in the foreseeable future given that the District is still under a connection moratorium. The total designated amount for buildout commercial and non-residential is 342 connections for a total number of 4,992 connections by 2045. According to CCSD staff, the District's waitlist for future water connections consists of 656 positions on the Single-Family Residential waitlist, 10 on the Commercial waitlist, 7 on the Multi-Family Residential waitlist and 56 units on an affordable housing water waitlist for a grand total of 729 positions on the District's waitlist. Overall connections expected at build-out are 4,992; of those, 4,029 are existing connections and 729 are positions on the District's waitlist, with a remaining 234 positions for new connections. CCSD is working diligently towards securing an additional water supply to bolster its ability to serve the residents of Cambria. The CSD has implemented a very aggressive conservation program and

residents have reduced water demand significantly. CCSD has a Water CIP that assists the District in monitoring its water related projects like facility maintenance expenses and identify funding to be set aside each year so that equipment and facilities are continuously maintained and operating efficiently. LAFCO determines that CCSD has capability to adequately meet existing water connection demand and some level of increased future water demand at buildout under the assumption that water reliability improves, and the water connection moratorium is lifted.

- b. **Wastewater** | CCSD is authorized to provide wastewater service as it is described in government code section 61100 (b). The sanitary sewer collection system includes ten (10) lift stations and fifty-nine (59) miles of gravity sewers and force mains. CCSD serves 3,903 existing connections for wastewater collection at a flow of 0.5 MGD, with a plant design capacity of 1.0 MGD. CCSD estimates the number of future connections to be 4,632, at a flow of 0.6 MGD, which allows approximately 729 additional connections to meet the wastewater treatment plant capacity. CCSD's Wastewater CIP assists the District in monitoring its projects that include facility maintenance expenses and identifies funding to be set aside each year so that equipment and facilities are continuously maintained and operating efficiently. LAFCO determines that CCSD has capability and capacity to adequately meet the needs existing and future wastewater demand.
- c. **Fire Protection** | CCSD is authorized to provide fire protection service as it is described in government code section 61100 (d). CCSD Fire Department was rated 4/4X<sup>41</sup> out of 10 through the ISO. The largest loss of points coming from the quality of the Fire Department section<sup>42</sup> and the availability of Water Supply section<sup>43</sup> which make up 90% of the score. CCSD's goal is to always provide staffing of four career firefighters on duty.

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<sup>41</sup> One being the best fire protection rating and 10 being the worst. The first number is the class that applies to properties within 5 road miles from a fire station and 1,000 ft from a water supply. The second number (# X) applies to properties within 5 miles of a station but beyond 1,000 ft from a hydrant.

<sup>42</sup> i.e., staffing levels, training & proximity of the firehouse

<sup>43</sup> i.e., prevalence of fire hydrants & quantity of water available to put out fires



In September 2021, the CCSD Board of Directors unanimously approved the acceptance of an awarded SAFER grant from FEMA. This grant fully funded the hiring of three full-time Firefighter Paramedics for a period of three years and will add a fourth person on the engine to increase staffing, with no match required from the receiving agency. LAFCO determines that CCSD has capability and capacity to adequately provide fire protection service, however, to continue providing the same level of service the District will need to identify a sustainable source of funding into the future once the SAFER grant expires.

- d. **Solid Waste** | CCSD is authorized to provide solid waste service as it is described in government code section 61100 (c). CCSD currently collects sufficient fees and has a Franchise Agreement with Mission Country Disposal to provide solid waste services within the District in its entirety. LAFCO determines that CCSD has capability and capacity to adequately provide solid waste services.
- e. **Parks & Recreation** | CCSD is authorized to provide parks and recreations services as it is described in government code section 61100 (e). CCSD currently owns, operates, and maintains the Veterans Memorial Building Center, Cambria Dog Park, Fiscalini Ranch Preserve, and the San Simeon Creek open space. An ongoing challenge that the Facilities and Resources Department faces is limited funding for recreation operation and maintenance which could conflict with the District's ability to provide adequate service. Over time, as the CCSD continues to maintain the Fiscalini Ranch and take ownership of more open space parcels with insufficient funding, the General Fund budgets for Fire, Facilities and Resources, and Administration will continue to decline and impact operations and safety. LAFCO determines that CCSD has capability to provide parks and recreation services where service is provided in the best manner possible within available funding. However, the District will need to identify a sustainable level of service with available funding into the future.
- f. **Street Lighting** | CCSD is authorized to provide street lighting service as it is described in government code section 61100 (g), this is done through a contract with the Pacific

Gas and Electric Company. LAFCO determines that CCSD has capability and capacity to adequately provide street lighting.

**4. Financial ability of agencies to provide services**

- a. CCSD appears to have adequate revenue to provide for expenditures within its Enterprise Fund. At the end of FY 2021-2022, the CCSD had approximately \$7.855 million in actual revenue and \$7.498 million in actual expenditures.
- b. CCSD appears to have inadequate revenue to provide for expenditures within its General Fund. At the end of FY 2021-2022, the CCSD had approximately \$5.501 million in actual revenue and \$5.988 million in actual expenditures.
- c. CCSD’s net position has slightly decreased over the last 5-year audited period ending at \$29.226 million in FY 2021-2022 with a 5-year average of \$30.228 million.
- d. CCSD is financially stable despite increasing costs, limited revenues, and new regulatory requirements. Water and wastewater rates were last revised in 2022 and adopted for a 3-year rate increase to support operating and maintenance needs and to provide funding for capital improvements. LAFCO determines that CCSD’s net position has ~~been decreasing at a rate of~~ decreased 12% from FY 2017-2018 through FY 2021-2022 ~~over the last 5 year audited budgets~~ and expenditures have exceeded revenues within the General Fund, primarily related to increased responsibility within the Facilities and Resources budget with no funding. With insufficient funding, the General Fund budgets for Fire, Facilities and Resources, and Admin will continue to decline and impact operations and safety. Service is to be provided in the best manner possible within available funding, however, the District will need to identify a sustainable level of service with the available funding into the future.

**5. Status of and, opportunities for, shared facilities**

- a. At present, the distinction between District and County services with the service boundary is clear.
- b. Opportunities for shared facilities may include:
  - i. Coordination between the District and nearby private water purveyors

- ii. Coordination between neighboring agencies providing emergency response services
- iii. Coordinated open space preservation
- iv. District and County parks and recreational facilities
- c. The potential to create shared relationships for providing some services is suggested and may be appropriate when providing certain services.

**6. Accountability for community service needs, including governmental structure and operational efficiencies**

- a. CCSD is governed by a five-member Board of Directors that are elected to four-year terms. Regularly scheduled monthly Board meetings are held and all meetings are open to the public and are publicly posted a minimum of 72 hours prior to the meeting in accordance with the Brown Act.
- b. CCSD maintains and up-to-date website which contains District information, documents, and updates.
- c. CCSD has demonstrated accountability and transparency in its disclosure of information and cooperation during the process of this MSR. The District responded to the questionnaires and cooperated with document requests.
- d. LAFCO determines that CCSD is accountable and transparent.

**7. Any other matter related to effective or efficient service delivery**

- a. There are no other matters related to the efficiency of services.

**Sphere of Influence Determinations per Government Code Section 56425**

In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development of local governmental agencies to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence of each local agency, as defined by G.C. Section 56036, and enact policies designed to promote the logical and orderly development of areas within the sphere. In determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to the following:

1. **Present and planned land uses in the area, including agricultural and open-space lands.**
  - a. Land uses within CCSD's existing SOI are residential suburban, public facilities, and agriculture. The existing SOI areas may contain prime agriculture land as defined by government code section 56064. Should annexation be pursued in the future, then it may be subject to LAFCO Policy 12 which requires 1:1 mitigation on prime land to be converted from agricultural use. The agriculture zoned portion of the SOI is not under Williamson Act Contract.
  - b. The SOI is expected to remain unchanged, with no expansions or reductions for CCSD.
2. **Present and probable need for public facilities and services in the area.**
  - a. There is an anticipated need for service within the existing SOI area.
  - b. The SOI is expected to remain unchanged, with no expansions or reductions for CCSD.
  - c. If serving areas within the existing SOI is not possible due to ongoing and unresolved water constraints, the Commission should consider reducing the sphere boundary to better reflect the District's future growth limitations.
3. **Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**
  - a. CCSD has capability and capacity to adequately meet existing service demand and some level of increased future service demand within the existing SOI area. Although it is important to make note that certain departments face more significant challenges to capacity than others and some departments have been constrained due to financial limitations.
4. **Existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.**
  - a. There are no District relevant social or economic communities of interest in the existing SOI area.
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, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere.**

- a. LAFCO staff has identified one DUC within part of CCSD’s SOI and service area boundary as seen in Figure 2 within the “[Population Profile](#)” Section of this report. The location identified as a DUC displays characteristics of a DUC pursuant to CKH Act of 2000.
- b. At present time, the portion of the DUC that is located within CCSD’s service area is eligible to receive water, wastewater and fire services through CCSD considering the District’s service limitations. The portion of the DUC that is located outside of the District’s current service area and within the District’s SOI (APNs: 013-151-024, 013-151-022, 013-151-025 and a portion of 013-161-025), is not currently receiving water or sewer service from the District and may at times receive fire service from the District due to the District’s participation in mutual aid agreements for fire service.
- c. No particular water, wastewater, or fire service infrastructure needs have been identified for the SOI areas within the DUC. The type of public services and public facilities required in these areas is not anticipated to change, although the level of service demand may increase within the portion of the DUC that is within CCSD’s SOI, if annexed in the future.

## APPENDIX

### Sources

#### General

1. Sphere of Influence Update and Municipal Service Review for Coastal Community Services Districts and Cambria Healthcare District (Avila Beach Community Services District, Cambria Community Services District, Los Osos Community Services District, San Simeon Community Services District, and Cambria Healthcare District), 2014
2. CCSD Response to LAFCO MSR-SOI Request for Information Questionnaire, August 2023
3. CCSD Website, [Cambria Community Services District \(cambriacsd.org\)](https://www.cambriacsd.org)

#### Accountability

1. CCSD Website, [District Transparency - Cambria Community Services District \(cambriacsd.org\)](https://www.cambriacsd.org/district-transparency)
2. CCSD District Bylaws, August 2023

#### Population Profile

1. Cambria Community Services District 2023-2024 Annual Water Shortage Assessment, June 2023
2. SLO County North Coast Area Plan, 2007, Revised April 2022
3. San Luis Obispo Council of Governments 2050 Regional Growth Forecast
4. US Census, 2020 Cambria Census Designated Place Data
5. U.S. Census Bureau, American Community Survey data from 2016-2020 in 2021 inflation/adjusted dollars

#### Present and Planned Land Use

1. SLO County North Coast Area Plan, 2007, Revised April 2022

#### Water

1. CCSD Staff, 2023
2. CCSD 2023-2024 Annual Water Shortage Assessment, June 2023
3. CCSD 2020 Urban Water Management Plan, June 2021
4. SLO County North Coast Area Plan, 2007, Revised April 2022

#### Wastewater

1. CCSD Staff, 2023
2. CCSD Sewer System Management Plan, 2018

Fire

1. CCSD Fire Chief Report Presentation Slides, ~~March 16,~~ February 2023
2. CCSD Website, [Cambria Fire Department - Cambria Community Services District \(cambriacsd.org\)](http://Cambria Fire Department - Cambria Community Services District (cambriacsd.org))
3. Public Protection Classification (PPC) Summary Report, Cambria FPSA, November 2018
4. Special Districts Fire Protection Study for County of San Luis Obispo, 2018

Parks, Recreation & Open Space

1. CCSD Parks, Recreation & Open Space Master Plan, November 1994
2. CCSD Website, [Parks, Recreation & Open Space - Cambria Community Services District \(cambriacsd.org\)](http://Parks, Recreation & Open Space - Cambria Community Services District (cambriacsd.org))

Finance

1. CCSD Preliminary Budget, Fiscal Year 2023-2024
2. CCSD Approved Fiscal Year 23-24 Operating Budget
3. CCSD Financial Statements June 30, 2022
4. CCSD Financial Statements June 30, 2021
5. CCSD Financial Statements June 30, 2020
6. CCSD Financial Statements June 30, 2019
7. CCSD Financial Statements June 30, 2018

# Attachment C

Written Public Comment



**From:** [Streamline](#)  
**To:** [Imelda Marquez](#)  
**Subject:** New form submission assigned to you: Inquiries, Comments, Questions?  
**Date:** Wednesday, January 3, 2024 1:41:29 PM

Logo used for headers



## Inquiries, Comments, Questions?

<b>Your name:</b>	Lauren Younger
<b>Your email:</b>	zolot@charter.net
<b>Subject:</b>	Water in Cambria
<b>Message:</b>	<p>I don't see how environmental considerations can be excluded from discussions about water availability when Cambria has legally described itself as rural in the Cambria Design Plan. We were required to identify ourselves (rural is our description) to enable the county to issue coastal development permits without having to go before the coastal commission. So to protect our rural self-description from projects that would change that description, environmental rules and codes were put in place. I don't think you should be allowed to skirt around those codes and rules in your discussions about</p>

us since the results of those omissions could re-define Cambria -- and we are protected by the Design Plan. Please take this into consideration in your upcoming talks regarding Cambria. Thanks you

**Attachment:**

[Reply / Manage](#)

Powered by [Streamline](#).

**From:** [Morgan Bing](#)  
**To:** [Imelda Marquez](#)  
**Subject:** FW: Municipal Service Review and Sphere of Influence Study for the Cambria Community Services District  
**Date:** Monday, January 8, 2024 1:08:11 PM  
**Attachments:** [image001.png](#)  
[image003.png](#)

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**Morgan Bing | Clerk Analyst**

San Luis Obispo Local Agency Formation Commission  
1042 Pacific St Suite A  
San Luis Obispo, CA 93401  
(805) 781-5795

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**From:** Michael Thomas <michael1953thomas@gmail.com>  
**Sent:** Monday, January 8, 2024 1:06 PM  
**To:** Morgan Bing <mbing@slo.lafco.ca.gov>  
**Subject:** Municipal Service Review and Sphere of Influence Study for the Cambria Community Services District

SLO County Local Agency Formation Commission:

It was a pleasure reviewing the April 2024 Public Review Draft MSR and SOI Study. This document is much more informative and well organized than the 2014 version which, in one document, dealt with all Coastal CSDs in the County.

As one of the CCSD Directors, I should clarify, these comments in no way represent the opinion of the CCSD Board of Directors, but rather are simply my considered opinions as an active member of our community. I have several comments which I believe will improve the accuracy of the report, and thus its credibility.

Page 14, near the top of the page, the \$600 cap could be ambiguous. The report should specify this is a monthly cap.

Page 14, in the paragraph below the table, correction, there are 4 sub committees, not 5. The 4 subcommittees, which the CCSD refers to as standing committees, are:

1. Resources and Infrastructure Committee;
2. Parks, Recreation and Open Space Committee;
3. Finance Committee; and
4. Policy Committee

Page 34, in the last paragraph, in the sentence that reads, "The February 2023 Fire Chief's Report to the CCSD Board, identified areas/goals where CCSD can increase their overall ISO score by ...3) Building a training site for the fire department,"

- I believe this was actually the March 16, 2023 Fire Chief report to the CCSD Board.
- The statement that building a training site will improve the ISO rating should be verified. Although I can no longer find the reference, I have been told subsequently that having a training site within district boundaries was not a factor in establishing the ISO rating.

Page 39, I'm curious why LAFCO continues to reference a nonexistent PROS Department. Responsibility for parks, recreation and open spaces falls under the Facilities & Resources Department. To my knowledge, the CCSD has never had a Parks, Recreation and Open Spaces Department. There has been a PROS Budget up to the current fiscal year, which was the responsibility of the Facilities & Resources Department. In the next fiscal year budget, the plans are to fold this funding into the Facilities & Resources Department Budget.

Paige 51, 4.d., the statement, "CCSD's net position has been decreasing at a rate of 12% over the last 5 year audited budgets..." is misleading. At that decline rate, our net position would be 52% of what it was 5 years ago. I suspect what you mean is "CCSD's net position has decreased 12% from..."

I hope you find this input useful.

Sincerely,

*Michael Thomas*

[Michael1953Thomas@gmail.com](mailto:Michael1953Thomas@gmail.com)

**From:** [Morgan Bing](#)  
**To:** [Imelda Marquez](#)  
**Subject:** FW: Comment on CCSD MSR  
**Date:** Wednesday, January 10, 2024 1:09:52 PM  
**Attachments:** [image001.png](#)  
[image003.png](#)

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**Morgan Bing | Clerk Analyst**

San Luis Obispo Local Agency Formation Commission  
1042 Pacific St Suite A  
San Luis Obispo, CA 93401  
(805) 781-5795

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**From:** david.pierson.usna@gmail.com <david.pierson.usna@gmail.com>  
**Sent:** Wednesday, January 10, 2024 1:09 PM  
**To:** Morgan Bing <mbing@slo.lafco.ca.gov>  
**Cc:** Matthew McElhenie <mmcelhenie@cambriacsd.org>; mburkey@cambriacsd.org  
**Subject:** Comment on CCSD MSR

To: LAFCO San Luis Obispo County

From: David Pierson, Cambria Resident, Moderator Cambria Fire Safe Focus Group

Re: Municipal Service Review and Sphere of Influence (SOI) Study for the Cambria Community Services District

Thank you for your comprehensive report on the status of Cambria's Services District. There is one area that needs more attention than the report indicates. Cambria's Fire Department is currently well-positioned to respond to fires and medical emergencies, however it lacks the resources to have a robust Fire Prevention Program that is essential in a community that is nearly 100% in the Wildland Urban Interface (WUI) and CalFire's high fire hazard zone.

The minimal prevention that is done is mandated by an ordinance that requires fuel reduction in unimproved lots throughout town. This effort severely stretches the Fire Department as shown this past year with the fuel in many areas not cleared until after Labor Day. This minimal work does not include the improved lots of which many need clearing each year. The evacuation plan is currently outdated, and education of the community is largely done by the local Fire Safe Focus Group.

A full-time Fire Prevention Officer is needed now and cannot be funded by the current revenues of the General Fund. Finding additional revenues is therefore not just a future challenge but a critical need for the safety of the community today.



# San Luis Obispo Local Agency Formation Commission

**TO: MEMBERS OF THE COMMISSION**

**FROM: ROB FITZROY, EXECUTIVE OFFICER  
MORGAN BING, CLERK ANALYST  
IMELDA MARQUEZ-VAWTER, ANALYST**

**DATE: JANUARY 18, 2024**

**SUBJECT: LAFCO FILE NO. 1-S-23 | MUNICIPAL SERVICE REVIEW AND  
SPHERE OF INFLUENCE STUDY FOR AVILA BEACH COMMUNITY  
SERVICES DISTRICT**

## **RECOMMENDATION**

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**Action 1:** Motion finding the Municipal Service Review & Sphere of Influence Study prepared for the Avila Beach Community Services District (LAFCO File No. 1-S-23) to be exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Categorical Exemption section 15306 and CEQA General Rule Exemption 15061(b)(3).

**Action 2:** Motion to adopt resolution approving the Avila Beach Community Services District Municipal Service Review and Sphere of Influence Study (LAFCO File No. 1-S-23) found in Attachment A & B, reaffirming the district's existing Sphere of Influence as depicted in Exhibit C of Attachment A, and establishing that the active services provided by the district are water, wastewater, street lighting, fire, and solid waste.

## **DISCUSSION**

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### **Background**

The Cortese-Knox-Hertzberg (CKH) Act directs Local Agency Formation Commissions (LAFCO) to regularly prepare municipal service reviews (MSRs) in conjunction with establishing and updating each local agency's sphere of influence (SOI). The legislative intent of MSRs is to proactively assess the availability, capacity, and efficiency of local governmental services prior to making SOI determinations. MSRs may also lead LAFCOs to take other actions under their authority, such as forming, consolidating, or dissolving one or more

### COMMISSIONERS

Chair  
DEBBIE ARNOLD  
County Member

Vice Chair  
MARSHALL OCHYLSKI  
Special District Member

JIMMY PAULDING  
County Member

ROBERT ENNS  
Special District Member

ED WAAGE  
City Member

STEVE GREGORY  
City Member

HEATHER JENSEN  
Public Member

### ALTERNATES

DAWN ORTIZ-LEGG  
County Member

ED EBY  
Special District Member

CHARLES BOURBEAU  
City Member

David Watson  
Public Member

### STAFF

ROB FITZROY  
Executive Officer

IMELDA MARQUEZ-VAWTER  
Analyst

MORGAN BING  
Clerk Analyst

BRIAN A. PIERIK  
Legal Counsel

local agencies in addition to any related sphere changes. The MSR for the Avila Beach Community Services District (ABCSD) has been prepared consistent with the Fiscal Year 2023-2024 Work Plan and established timeline.

### **Executive Summary**

CKH requires LAFCOs to review and update, as necessary, each agency's SOI every five years, pursuant to Government Code § 56425. Prior to, or in conjunction with an agency's SOI study, LAFCO is required to conduct an MSR for each agency pursuant to Government Code § 56430. When updating an MSR, state law requires that the Commission adopt written MSR determinations for each of the following seven criteria:

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

The seven criteria, MSR determinations, described above were prepared and included into this staff report as Exhibit B of Attachment A and in the MSR & SOI Study, Attachment B. In summary, ABCSD has an estimated population of 461, with an estimated build-out population of 626. ABCSD is authorized to provide water, wastewater, street lighting, fire, and solid waste services. ABCSD has the capability and capacity to adequately meet existing and future demands for water, wastewater, street lighting, fire, and solid waste as was documented in detail in the MSR & SOI Study. ABCSD appears to have adequate annual revenue and fund balance to provide the services that it currently provides. Overall, ABCSD is accountable, transparent, and functions well as a district.

As part of the SOI study, the Commission is required to consider the following five criteria and make appropriate determinations in relationship to each:

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. . . the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.*

The five criteria, SOI determinations, described above were prepared and included into this staff report as Exhibit B of Attachment A and in the MSR & SOI Study (Attachment B). ABCSD's existing SOI includes 1,908 acres to the north and east of the district and is expected to remain unchanged, with no expansions or reductions for ABCSD. Land uses within ABCSD's existing SOI are predominantly residential, open space, and recreational. There is a present need and anticipated continued need for the services being provided by the ABCSD in the existing SOI area. ABCSD has capability and capacity to adequately meet existing service demand and some level of increased future service demand within the existing SOI area.

### **Agency Coordination / Public Comments**

Staff coordinated with ABCSD throughout the preparation of this MSR. Input from ABCSD was provided via meetings, questionnaires, email correspondence, and during review of the administrative review draft. A public review and comment period was conducted for the public review draft of the ABCSD MSR from December 28, 2023, through January 18, 2024. The draft MSR was published on the SLO LAFCO website. The public review period ran simultaneous to the 21-day noticing requirement for a public hearing. A notice of Public Hearing was published in the newspaper (The Tribune) on December 28, 2023, 21-days in advance of the hearing. Email notices were sent to the district, applicable agencies, and other interested parties as required under Government Code section 56660 & 56661. All public comments received prior to the hearing date will be distributed to each Commissioner and become part of the official record of the Commission hearing. No written comments had been received at the publishing of the regular meeting agenda on January 11, 2024.

## **ENVIRONMENTAL REVIEW**

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LAFCO is the Lead Agency for the proposed MSR and SOI Study. The purpose of the environmental review process is to provide information about the environmental effects of the actions and decisions made by LAFCO and to comply with the California Environmental Quality Act (CEQA).

MSRs are categorically exempt under Class 6, Section 15306, which states: "*Class 6 consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded.*" MSRs collect data for the purpose of evaluating municipal services provided by the agencies. There are no land use changes or environmental impacts created by such studies.



Furthermore, this MSR & SOI qualifies for a general rule exemption under Section 15061(b)(3), which states: "*The activity is covered by the commonsense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.*" Additionally, the SOI update qualifies for the same general exemption from environmental review based upon CEQA Regulation section 15061(b)(3).

There is no possibility that this MSR and SOI update may have a significant effect on the environment because there are no land use changes associated with the documents. If the Commission approves and adopts the MSR and SOI study, staff will file the Notice of Exemption (Exhibit A of Attachment A) as required by CEQA, Regulation section 15062.

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**Attachment A:** Draft LAFCO Resolution No. 2024-\_\_\_\_\_ Approving the Avila Beach Community Services District Municipal Service Review and Sphere of Influence Study

Exhibit A: Notice of Exemption pursuant to Section 15306 and 15061(b)(3)

Exhibit B: Written Determinations

Exhibit C: ABCSD Boundary Map

**Attachment B:** ABCSD Municipal Service Review and Sphere of Influence Study

# Attachment A

Draft LAFCO Resolution 2024-\_\_

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

Thursday, January 18, 2024

**RESOLUTION NO. 2024-XX**

**RESOLUTION APPROVING THE AVILA BEACH COMMUNITY SERVICES DISTRICT MUNICIPAL  
SERVICE REVIEW AND SPHERE OF INFLUENCE STUDY**

The following resolution is now offered and read:

**WHEREAS**, the San Luis Obispo Local Agency Formation Commission, hereinafter referred to as the “Commission”, is authorized to conduct municipal service reviews and establish, amend, and update spheres of influence for local government agencies whose jurisdictions are within San Luis Obispo County; and

**WHEREAS**, the Commission conducted a municipal service review to evaluate availability and performance of governmental services provided by Avila Beach Community Services District, hereinafter referred to as the “District”, pursuant to California Government Code § 56430, hereby incorporated by reference as contained in LAFCO File No. 1-S-23 Avila Beach Community Services District Municipal Service Review and Sphere of Influence Study included as Attachment B of the January 18, 2024, LAFCO Staff Report; and

**WHEREAS**, the Commission conducted a sphere of influence study for the District pursuant to California Government Code § 56425, hereby incorporated by reference as contained in LAFCO File No. 1-S-23 Avila Beach Community Services District Municipal Service Review and Sphere of Influence Study included as Attachment B of the January 18, 2024, LAFCO Staff Report; and

**WHEREAS**, Government Code §56425(i) requires that when adopting, amending, or updating a sphere of influence for a special district, the Commission shall establish the nature, location, and extent of any functions or classes of services provided by those districts; and

**WHEREAS**, Government Code § 56050.5 provides that once the Commission establishes the functions or services being provided by a district pursuant to Government Code § 56425(i), all services, facilities, functions, or powers authorized by the principal act under which the district is formed, but that are not being exercised, are deemed to be latent services or powers; and

**WHEREAS**, no change in regulation, land use, or development will occur as a result of the adoption of a sphere of influence for the district; and

**WHEREAS**, the Executive Officer gave sufficient notice of a public hearing to be conducted by the Commission in the form and manner provided by law; and

**WHEREAS**, the staff report and recommendations on the municipal service review and sphere of influence study were presented to the Commission in the form and manner prescribed by law; and

**WHEREAS**, the Commission heard and fully considered all the evidence presented at a public hearing held on the municipal service review and sphere of influence study on January 18, 2024; and

**WHEREAS**, the Commission considered all of the municipal service review and sphere of influence factors required under California Government Code § 56430 (a) and 56425 (e) and adopts as its written statements of determinations therein, the determinations set in the Public Review Draft of the municipal service review and sphere study titled “Municipal Service Review and Sphere of Influence Study for Avila Beach Community Services District”, with said determinations being included in Exhibit B of this resolution; and

**WHEREAS**, the Notice of Exemption, prepared pursuant to § 15062 is adequate as the documentation to comply with the California Environmental Quality Act (CEQA) under the General Rule Exemption § 15061(b)(3) and Categorical Exemption § 15306, for the municipal service review and sphere of influence study for the District; and

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

1. That the recitals set forth hereinabove are true, correct, and valid and are hereby incorporated by reference.
2. The municipal service review and sphere study titled “Municipal Service Review and Sphere of Influence Study for Avila Beach Community Services District”, includes the related statements of determination, and is determined to be exempt from CEQA pursuant to § 15061(b)(3) and § 15306 of the CEQA Guidelines.
3. That the Notice of Exemption prepared for this proposal is complete and adequate, having been prepared in accordance with the provisions of the CEQA and is hereby determined to be sufficient for the Commission’s actions and is incorporated by reference as Exhibit A of this resolution.
4. That the Executive Officer of this Commission is authorized and directed to mail copies of this resolution in the manner provided by law.
5. Pursuant to Government Code § 56430(a), the Commission makes the written statement of determinations for municipal service reviews, included in Exhibit B of this resolution.

6. Pursuant to Government Code § 56425(e), the Commission makes the written statement of determinations for the sphere of influence, included in Exhibit B of this resolution.
7. That the sphere of influence for the district be adopted pursuant to the map in Exhibit C of this Resolution.
8. In adopting this sphere of influence for the district, pursuant to Government Code § 56425(i), the Commission establishes that the only function or service provided by the district within its jurisdictional boundaries is water, wastewater, street lighting, fire, and solid waste.
9. Water, wastewater, street lighting, fire, and solid waste are considered general terms used to identify the authorized powers of the district and that the powers are further described in Government Code § 61100.
10. Pursuant to Government Code § 56050.5, all other services, facilities, functions, or powers authorized by the Community Services District principal act that are not being exercised are, by operation of law, determined to be latent services or powers.

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

AYES:

NAYS:

ABSENT:

ABSTAIN:

The foregoing resolution is hereby adopted.

---

Debbie Arnold  
LAFCO Chair

Date

ATTEST:

---

Rob Fitzroy  
LAFCO Executive Officer

Date

**APPROVED AS TO FORM AND LEGAL EFFECT:**

---

Brian Pierik  
LAFCO Legal Counsel

Date

DRAFT

# Notice of Exemption

**To:** ✓ Office of Planning and Research  
PO Box 3044, 1400 Tenth Street, Room 222  
Sacramento, CA 95812-3044

**From:** San Luis Obispo LAFCO  
Rob Fitzroy, Executive Officer  
1042 Pacific St. Suite A  
San Luis Obispo, CA 93401  
(805) 781 – 5795  
rfitzroy@slo.lafco.ca.gov

✓ County Clerk  
County of San Luis Obispo  
County Government Center  
San Luis Obispo, CA 93408

**Project Title:** LAFCO File No. 1-S-23 | Avila Beach Community Services District Municipal Service Review and Sphere of Influence Study

**Project Location:** Avila Beach Community Services District (ABCSD) is located in the southwestern portion San Luis Obispo County.

**Description of Nature, Purpose, & Beneficiaries of Project:** The Local Agency Formation Commission (LAFCO) has prepared a Sphere of Influence (SOI) Study and Municipal Service Review (MSR) for the Avila Beach Community Services District pursuant to Government Code § 56425 and § 56430. The SOI is a 20-year growth boundary that includes areas that may be served by the District in the future. State law requires the MSR to be completed either prior to or concurrent with, the SOI study. The MSR evaluates the public services provided by the District and is used as the basis for any changes to the SOI. The Commission took action to reaffirm the district’s SOI as depicted in Exhibit C of Attachment A of the LAFCO January 18, 2024, staff report found on the LAFCO website at <https://slo.lafco.ca.gov/>, and establishing that the active services provided by the district are water, wastewater, street lighting, fire, and solid waste, and deeming all remaining powers not already mentioned as latent pursuant to government code § 56425 (i).

**Name of Public Agency Approving Project:** The San Luis Obispo County LAFCO conducted a noticed public hearing on January 18, 2024, at 9:00 a.m. in the Board of Supervisors Chambers in San Luis Obispo at the County Government Center. Additional information is available on the LAFCO website at <https://slo.lafco.ca.gov/>.

**Exemption Status: (check one)**

<input type="checkbox"/> Ministerial (Sec. 21080(b)(1); 15268);	<input checked="" type="checkbox"/> Categorical Exemption: State type and section number
<input type="checkbox"/> Declared Emergency (Sec. 21080(b)(3); 15269(a));	<input type="checkbox"/> Statutory Exemptions: State code number
<input type="checkbox"/> Emergency Project (Sec. 21080(b)(4); 15269 (b)(c));	<input type="checkbox"/> Other: The activity is not a project subject to CEQA.

**Reasons Why Project is Exempt:** It has been determined with certainty that the MSR is categorically exempt under Class 6, Section 15306 and the MSR & SOI qualifies for a general rule exemption under Section 15061(b)(3). There is no possibility that this MSR and SOI update may have a significant effect on the environment because there are no land use changes associated with the documents; therefore, the ABCSD MSR & SOI Study is found to be exempt from CEQA pursuant to section 15061(b)(3) and section 15306 of the State Guidelines. LAFCO will file this Notice of Exemption upon approval of the MSR and SOI Study.

\_\_\_\_\_  
Rob Fitzroy, Executive Officer

\_\_\_\_\_  
Date

---

## **Service Review Determinations per Government Code Section 56430 for the Avila Beach Community Services District**

### **1. Growth and population projections for the affected area**

- a. Currently, the estimated population of ABCSD is 461. With an estimated build-out population of 626, ABCSD is about 74% built-out.

### **2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence**

- a. The estimated 2021 Median Household Income for the US Census Block Group which most closely coincides with ABCSD's boundary and SOI is \$81,089, which is 96% of California's MHI. Therefore, ABCSD does not qualify as a DUC.

### **3. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies**

- a. **Water** | ABCSD is authorized to provide water service as it is described in Government Code section 61100 (a). ABCSD's water supply consists of surface water from Lopez Reservoir (68 AFY) and the State Water Project (100 AFY). The District also purchased 100 AFY of State Water Project drought buffer to supplement their SWP allocation. ABCSD allocates its water supply to 311 residential connections and 78 non-residential connections with an average water demand of 77.8 AFY. The District projects future water demand to be 124 AFY at build out. LAFCO determines that ABCSD has capability and capacity to adequately meet existing and future water demand.
- b. **Wastewater** | ABCSD is authorized to provide wastewater service as it is described in Government Code section 61100 (b). The District's collection system currently serves the District and conveys raw wastewater to the District WWTP which serves ABCSD and the Port San Luis Harbor District. The WWTP is currently undergoing upgrades to allow for higher peak flows and to increase operational flexibility. The WWTP has a permitted capacity of 200,000 gpd and has an average existing flow



of 50,422 gpd. The District predicts future wastewater flow to be about 78,221 gpd at buildout. LAFCO determines that ABCSD has capability and capacity to adequately meet existing and future water demand.

- a. **Fire Protection** | ABCSD is authorized to provide fire service as it is described in Government Code section 61100 (d). The District contracts with the County for fire protection services and Cal Fire responds to emergencies in ABCSD from Station 62. County Fire maintains adequate response times to serve the Avila region during emergencies and calls. LAFCO determines that ABCSD has capability and capacity to adequately provide fire protection services.
- b. **Solid Waste** | ABCSD is authorized to provide solid waste service as it is described in Government Code section 61100 (c). ABCSD is the solid waste authority and has a Franchise Agreement with South County Sanitary Services to provide solid waste services. LAFCO determines that ABCSD has capability and capacity to adequately provide solid waste services.
- c. **Street Lighting** | ABCSD is authorized to provide street lighting services as it is described in Government Code section 61100 (g). ABCSD provides street lighting services to the District through a contract with Pacific Gas and Electric Company. LAFCO determines that ABCSD has capability and capacity to adequately provide street lighting service.

**4. Financial ability of agencies to provide services**

- a. ABCSD adopts balanced budgets each year that show revenues at least equal to expenditures without relying on reserves.
- b. ABCSD appears to have adequate annual revenue and fund balance to provide the services it currently provides.
- c. ABCSD's net position has increased over the last 5-year audited period ending in \$8.3 million in FY 2021-2022 and with a 5-year average of \$7.7 million. ABCSD is financially stable despite increasing costs and limited revenues. LAFCO determines that ABCSD is financially stable.

**5. Status of and, opportunities for, shared facilities**

- a. There are opportunities for continued shared relationships between agencies for services within the ABCSD boundary including coordination between the District and nearby water purveyors and coordination between the District and the Port San Luis Harbor District in regards to the WWTP.
- b. LAFCO determines that the distinction between District and County services within the service boundary is clear and there are opportunities for continued shared relationships between other agencies.

**6. Accountability for community service needs, including governmental structure and operational efficiencies**

- a. ABCSD is governed by a five-member Board of Directors that are elected to four-year terms. Regularly scheduled monthly Board meetings are held and all meetings are open to the public and are publicly posted a minimum of 72 hours prior to the meeting in accordance with the Brown Act.
- b. ABCSD maintains an up-to-date website which contains District information, documents, and updates.
- c. LAFCO determines that ABCSD is accountable and transparent.

**7. Any other matter related to effective or efficient service delivery**

- a. There are no other matters related to the efficiency of services.

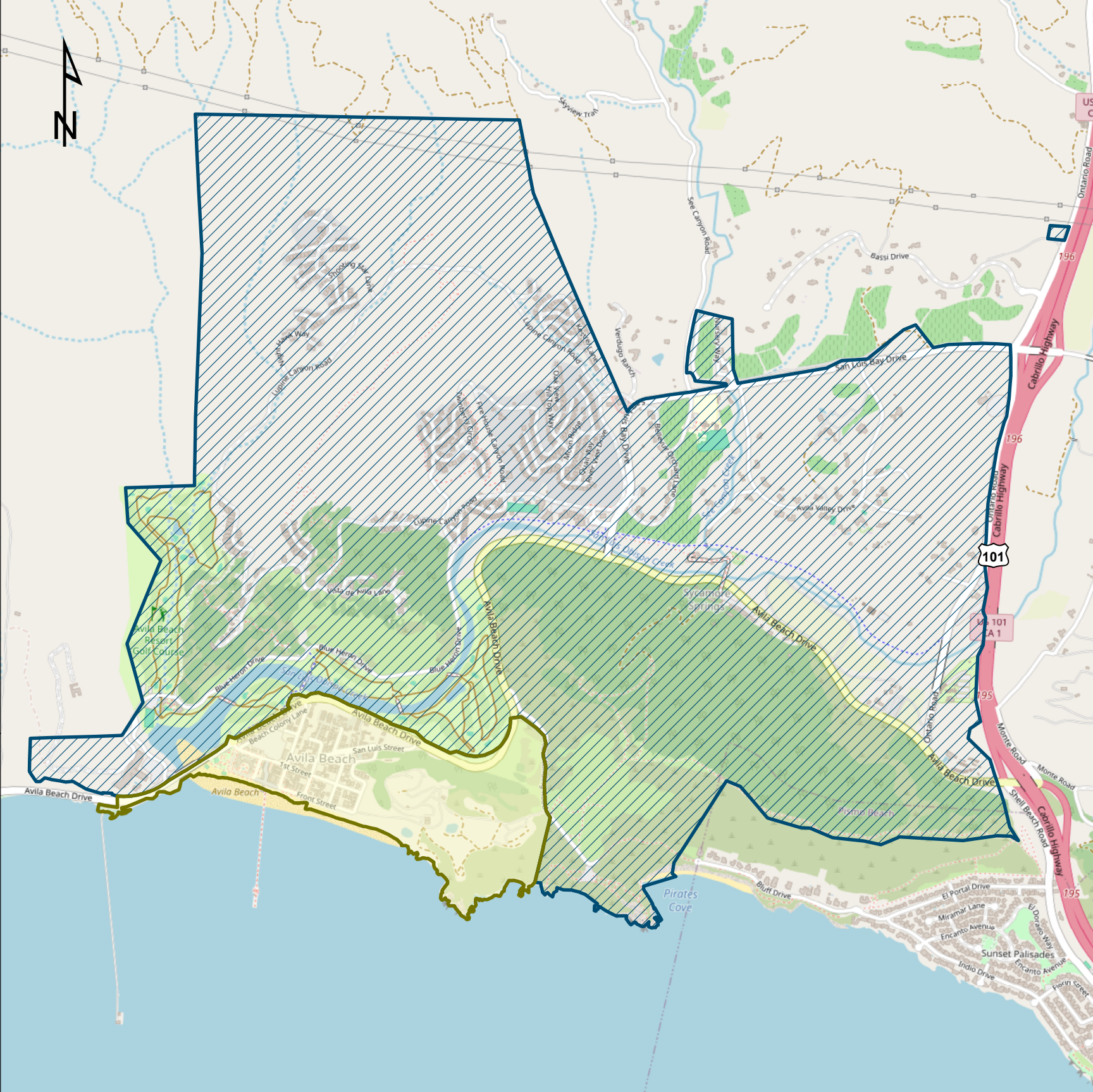
**Sphere of Influence Determinations per Government Code Section 56425 for the San Miguel Community Services District**

**1. Present and planned land uses in the area, including agricultural and open-space lands.**

- a. Land uses within ABCSD's existing SOI are residential suburban, commercial retail, open space, residential rural, rural land, public facilities, and recreation.
- b. The SOI is expected to remain unchanged, with no expansions or reductions for ABCSD.

**2. Present and probable need for public facilities and services in the area.**

- a. There is an anticipated need for service within the existing SOI area.
  - b. The SOI is expected to remain unchanged, with no expansions or reductions for ABCSD.
  - c. Some SOI areas have remained within the sphere for over 20 years; if needed, ABCSD is encouraged to review and determine whether areas within the existing SOI should remain in the sphere for eventual annexation to the District or be excluded in the future. If consolidation continues to be unlikely, the next MSR should consider reducing the sphere boundary to better reflect the District's future growth.
- 3. Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**
- a. ABCSD has capability and capacity to adequately meet existing service demand and some level of increased future service demand within the existing SOI. Although it is important to make note that certain services face more significant challenges to capacity than others.
- 4. Existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.**
- a. There are no District relevant social or economic communities of interest within the existing SOI area.
- 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, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere.**
- a. Unincorporated territory surrounding the District may qualify as disadvantaged. Should future annexations or service extensions be proposed, special consideration will be given to any DUCs affected by the annexation consistent with Government Code section 56375(8)(A) and LAFCO policy.



# Avila Beach Community Service District

## LAFCO Boundaries

- Sphere of Influence
- Service Area

**Latest SOI Approval: Jan 2024**



Prepared By SLOLAFCO  
Name: Avila Beach CSD  
Date: 12/14/2023

B-2-15

# **Attachment B**

## ABCSD Municipal Service Review and Sphere of Influence Study



**Public Review Draft**

**Avila Beach Community Services District**

**Municipal Service Review  
and Sphere of Influence Study**

**Prepared by**

*the San Luis Obispo Local Agency Formation Commission*

**Adopted \_\_\_\_\_, 2024**

## Acknowledgments

San Luis Obispo LAFCO gratefully acknowledges the time and effort of staff with the Avila Beach Community Services District in assisting in the preparation of this report and includes – but not limited to – the following:

Bradley Hagemann, Avila Beach Community Services District, General Manager

DRAFT

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## ABOUT LAFCO

### Authority and Objectives

Local Agency Formation Commissions (LAFCOs) were established in 1963 and are considered regional subdivisions of the State of California responsible for providing regional growth management services in all 58 counties. LAFCOs' authority is currently codified under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) with principal oversight provided by the Assembly Committee on Local Government. LAFCOs are comprised of locally elected and appointed officials with regulatory and planning powers delegated by the Legislature to coordinate and oversee the establishment, expansion, and organization of cities, towns, and special districts as well as their municipal service areas.

### Regulatory Responsibilities

LAFCOs' principal regulatory responsibility involves approving or disapproving all jurisdictional changes involving the establishment, expansion, and reorganization of cities, towns, and most special districts in California. CKH defines "special district" to mean any agency of the State formed pursuant to general law or special act for the local performance of governmental or proprietary functions within limited boundaries. All special districts in California are subject to LAFCO oversight with the following exceptions: school districts; community college districts; assessment districts; improvement districts; community facilities districts; and air pollution control districts. LAFCOs are also tasked with overseeing the approval process for cities, towns, and special districts to provide new or extended services beyond their jurisdictional boundaries by contracts or agreements or annexation. LAFCOs also oversee special district actions to either activate new service functions and service classes or divest existing services. LAFCOs generally exercise their regulatory authority in response to applications submitted by affected agencies, landowners, or registered voters. Recent amendments to CKH also authorize and encourage LAFCOs to initiate jurisdictional changes to form, consolidate, and dissolve special districts consistent with community needs.

## Planning Responsibilities

LAFCOs inform their regulatory actions, in part, through two central planning responsibilities: (a) making sphere of influence determinations and (b) preparing municipal service reviews. With these, and other relevant information in the record, LAFCO makes decisions on a variety of matters, including but not limited to annexations to cities and special districts, city incorporations, activation of powers for special districts, dissolutions of special districts, etc.

## **Sphere of Influence (SOI)**

A SOI is defined by G.C. 56425 as "...a plan for the probable physical boundary and service area of a local agency or municipality...". A SOI is generally considered a 20-year, long-range planning tool. LAFCOs establish, amend, and update spheres for all applicable jurisdictions in California every five years, or as necessary. When updating the SOI, LAFCOs are required to consider and prepare a written statement of its determinations with respect to each of the following 5 factors:

- 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.

SOI determinations have been a core planning function of LAFCOs since 1971. The intent in preparing the written statements is to orient LAFCOs in addressing the core principles underlying the sensible development of local agencies consistent with the anticipated needs of the affected communities.

### **Municipal Service Reviews (MSR)**

MSRs in contrast, are intended to inform, among other activities, SOI determinations. LAFCOs also prepare MSRs regardless of making any specific sphere determinations in order to obtain and furnish information to contribute to the overall orderly development of local communities. When updating a MSR, LAFCOs are required to consider and prepare written statements of its determinations with respect to each of the following 7 factors:

- 1) Growth and population projections for the affected area.
- 2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
- 3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.
- 4) Financial ability of agencies to provide services.
- 5) Status of, and opportunities for, shared facilities.
- 6) Accountability for community service needs, including governmental structure and operational efficiencies.
- 7) Any other matter related to effective or efficient service delivery, as required by commission policy.

### **LAFCO Decision-Making**

LAFCO decisions are legislative in nature and therefore are not subject to an outside appeal process; only courts can overturn LAFCO decisions. LAFCOs also have broad powers with respect to conditioning

regulatory and planning approvals so long as not establishing any terms that directly effects land use density or intensity, property development, or subdivision requirements.

LAFCOs are generally governed by a board comprising of county supervisors, city council members, independent special district members, and representatives of the general public, and an alternate member for each category. SLO LAFCO is governed by a 7-member board comprising of two county supervisors, two city council members, two independent special district members, one representative of the general public and an alternate member for each category. All members serve four-year terms and must exercise their independent judgment on behalf of the interests of residents, landowners, and the public as a whole. LAFCO members are subject to standard disclosure requirements and must file annual statements of economic interests. LAFCOs are independent of local government with their own staff. All LAFCOs, nevertheless, must appoint their own Executive Officers to manage agency activities and provide written recommendations on all regulatory and planning actions before the Commission. In addition, all LAFCOs must also appoint their own legal counsel.

## SLO LAFCO

### **Regular Commissioners**

Chair Debbie Arnold	County Member
Vice Chair Marshall Ochylski	Special District Member
Jimmy Paulding	County Member
Robert Enns	Special District Member
Steve Gregory	City Member
Ed Waage	City Member
Heather Jensen	Public Member

### Alternate Commissioners

Charles Bourbeau	City Member
Dawn Ortiz-Legg	County Member
Ed Eby	Special District Member
David Watson	Public Member

### Staff

Rob Fitzroy	Executive Officer
Imelda Marquez-Vawter	Analyst
Morgan Bing	Clerk Analyst
Brian Pierik	Legal Counsel

### Contact Information

San Luis Obispo LAFCO's office is located at 1042 Pacific St Suite A in the City of San Luis Obispo. The LAFCO office is open by appointment to discuss proposals or other matters and can be scheduled by calling 805-781-5795. Additional information is also available online by visiting [slo.lafco.ca.gov](http://slo.lafco.ca.gov).

## DISTRICT MSR & SPHERE STUDY

### Overview

This report represents San Luis Obispo LAFCO's scheduled municipal service review for the Avila Beach Community Services District (ABCSD), located in the southwestern portion of San Luis Obispo County. The report has been prepared by staff consistent with the requirements of the CKH Act. The purpose of this report is to produce an independent assessment of municipal services in this area over the next five years or as seen necessary, relative to the Commission's regional growth management duties and responsibilities as established by the State Legislature. This includes evaluating the current and future relationship between the availability, demand, and adequacy of municipal services within the service areas of the ABCSD subject to the Commission's oversight. Information generated as part of the report will be used by the Commission in (a) guiding subsequent sphere of influence updates, (b) informing future boundary changes, and – if merited – (c) initiating government reorganizations, such as special district formations, consolidations, and/or dissolutions.

The period for collecting data to inform the Commission's analysis and related projections on population growth and service demands has been set to cover any major updates and changes since the last time the MSR was updated in 2014. The financial analysis has been set to cover the last five-year audited fiscal year period. The timeframe for the report has been generally oriented to cover the next five to seven-year period with the former (ten years) serving as the analysis anchor as contemplated under State law.

The document outline serves to inform all the state mandated requirements outlined in Government Code sections 56430 and 56425. Written determinations have been included as the concluding chapter of this document.

**At A Glance**

Table 1: District Profile<sup>1</sup>

Agency Name	Avila Beach Community Services District
Formation	1997
Legal Authority	Government Code §61000- 61850
Office Location	100 San Luis Street, Avila Beach, CA 93424
Website	<a href="https://www.avilabeachcsd.org/">https://www.avilabeachcsd.org/</a>
General Manager	Bradley Hagemann
Employees	1 Part-time employee, 2 Part-time contractors
Public Meetings	The Avila Beach Community Services District (ABCSD) Board of Directors holds its regular meetings on the on the second Tuesday of each month at 1:00 PM in the District Office Board Room.
Board of Directors	Five members elected to four-year terms
Active Powers	Water, Wastewater, Street Lighting, Solid Waste, and Fire Protection
District Service Area	75 acres
Population Estimate	461
Revenues	\$1,965,803 <sup>2</sup>

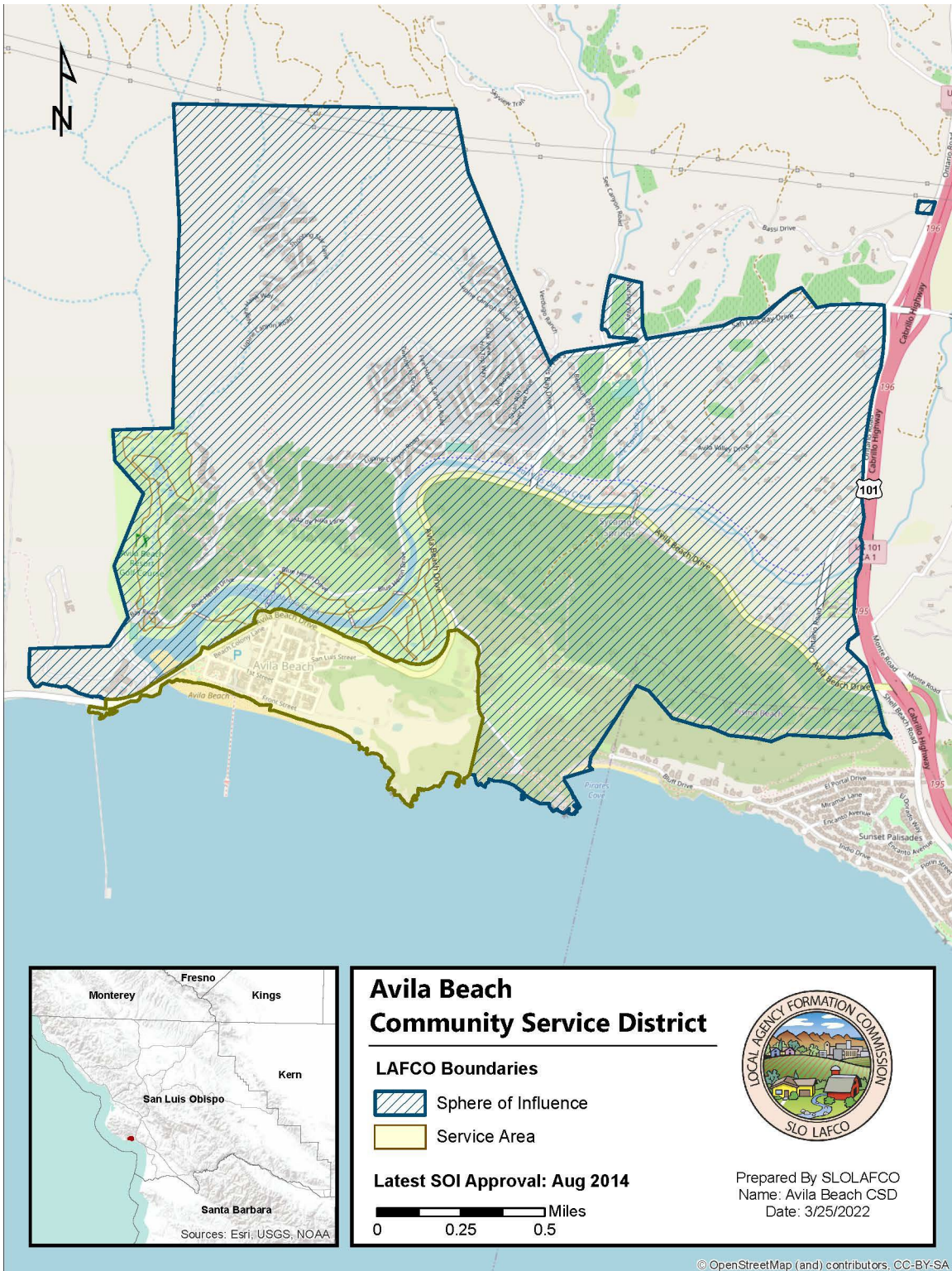
<sup>1</sup> As of submission of MSR-SOI Request for Information Questionnaire, October 2022

<sup>2</sup> Avila Beach Community Services District Annual Financial Report, FY 2021-2022



**Boundary Map**

Figure 1: ABCSD Boundary Map



## Sphere of Influence

### **Existing SOI**

ABCSD's existing sphere of influence is depicted in the boundary map in Figure 1. The existing SOI includes 1,908 acres to the north and east of the District. On May 18, 2000, the ABCSD SOI was revised and adopted by LAFCO to coincide with County Service Area 12 and the Avila Beach Urban Reserve Line of the County's General Plan. This action was at the request of ABCSD by resolution. The SOI includes several developments in the area including the Kingfisher Development, the San Luis Bay Estates Development, the Mallard Green Development, the Heron Crest Development, and the San Luis Bay Inn to the west. These developments are not served by ABCSD but use private water and sewer services from San Miguelito Mutual Water Company. ABCSD's existing SOI was originally established to plan for the possible future consolidation of government services; more specifically, the eventual consolidation of County Service Area 12 with the ABCSD. If annexation of any of these areas were to occur, it would involve the transfer of water and wastewater resources and facilities over to ABCSD to assist the District in serving the areas.

### **Proposed SOI**

ABCSD wishes to retain their current sphere, therefore no changes are proposed to the District's SOI at this time by the affected agency. Some SOI areas have remained within the sphere for over 20 years; if needed, ABCSD is encouraged to review and determine whether areas within the existing SOI should remain in the sphere for eventual annexation to the District or be excluded in the future. If consolidation continues to be unlikely, the next MSR should consider reducing the sphere boundary to better reflect the District's future growth. At this time, no areas are being studied for removal or possible inclusion into the District.

## Accountability

ABCSD is an independent special district governed by a five-member Board of Directors that are elected to four-year terms. The Board of Directors meet on the second Tuesday of each month at 1:00 PM in

the District office board room at 100 San Luis Street, Avila Beach, CA 93424. The public may participate in meetings in-person or via teleconference. Agendas and board packets are officially posted on the ABCSD website. Every agenda for a regular meeting provides an opportunity for members of the public to directly address the board.

Table 2: ABCSD Board of Directors

Board Member	Title	Term Expiration
Peter Kelley	President	December 2026
Ara Najarian	Vice President	December 2026
Howie Kennett	Director	December 2024
Kristin Berry	Director	December 2024
John Janowitz	Director	December 2026

ABCSD currently employs 1 part-time staff and 2 part-time contracted employees. The District currently outsources the operation and maintenance of the water and wastewater systems, and fire protection is provided through a contract with Cal Fire. Current staffing levels are considered adequate to provide services within the District’s service area.

ABCSD maintains an up-to-date website which contains contact information for the District, the current agenda, and financial transaction reports. To maintain compliance with Senate Bill 929, the District is encouraged to annually update their enterprise system catalog and make compensation reports available on their website. Approved minutes and audio/visual recordings are not made available for public access on the website.

**Population Profile**

ABCSD’s historical population was estimated through use of Geographical Information Systems based analysis of US Census data calculated using the California Department of Water Resources (DWR’s) Population Tool. According to the DWR Population Tool, which assumes a 1.21 persons per water

connection factor, the District’s population was 370 in 1990, 262 in 2000, 362 in 2010, and 461 in 2020<sup>3</sup>. Future populations are projected based on the assumption that the District’s population will grow at the same rate as the surrounding region. Historical, projected, and buildout population are shown in Table 3.

Table 3: ABCSD Population

Year	ABCSD Population	Growth Percentage
1990	370	-
2000	262	-29%
2010	362	38%
2020	461	27%
2030	519	13%
2040	602	15%
Buildout	626	4%

### Disadvantaged Unincorporated Communities

In 2011, SB 244 (Chapter 513, Statutes of 2011) made changes to the CKH Act related to Disadvantaged Unincorporated Communities (DUCs), including the addition of SOI determination number five, which states:

*“(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.”*

DUCs are defined in Government Code section 56033.5 as inhabited territories (containing 12 or more registered voters) where the annual median household income (MHI) is less than 80 percent of the statewide annual median household income. LAFCOs are required to make written determinations

<sup>3</sup> Water Resources Analysis Technical Memorandum, 2017.

regarding DUCs within a city or special districts' SOI and in MSRs. In addition, Government Code Section 56375 (a)(8)(A) prohibits LAFCO from approving a city annexation of more than 10 acres if a DUC is contiguous to the annexation territory but not included in the proposal, unless an application to annex the DUC has been filed with LAFCO. The legislative intent is to prohibit selective annexations by cities of tax-generating land uses while leaving out under-served, inhabited areas with infrastructure deficiencies and lack of access to reliable potable water and wastewater services.

As previously mentioned, one of the qualifications for a DUC is a community with an annual MHI that is less than 80 percent of the statewide annual MHI. California's MHI is \$84,097; therefore, the threshold for a DUC (80% of the states MHI) is an MHI less than \$67,277. For the purpose of identifying the MHI for locations within the unincorporated areas of SLO County, and to identify those that meet the DUC MHI threshold, LAFCO used U.S. Census American Community Survey (ACS) five-year reports for Census Block Groups and Census Designated Places data. Once a Census Block Group (CBG)<sup>4</sup> or a Census Designated Place (CDP)<sup>5</sup> meets the DUC MHI threshold, LAFCO must then verify that those areas are inhabited as specified in Government Code section 56033.5. For the purpose of identifying whether a location is inhabited, LAFCO staff used Registered Voter data from the SLO County Clerk Recorder to verify that any CBG and CDP area that was flagged is also inhabited (containing 12 or more registered voters).

The estimated 2021 MHI for the CBG which most closely coincides with the ABCSD boundary and SOI is \$81,089<sup>6</sup>. This is approximately 96% of the estimated California MHI of \$84,097, and therefore the District does not qualify as a DUC.

## Social or Economic Communities of Interest in the Area

There are no District relevant social or economic communities of interest in the area served.

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<sup>4</sup> Block groups are a group of blocks within a census tract with populations of 600 to 3,000 people.

<sup>5</sup> CDPs are a statistical geography representing closely settled, unincorporated communities that are locally recognized and identified by name.

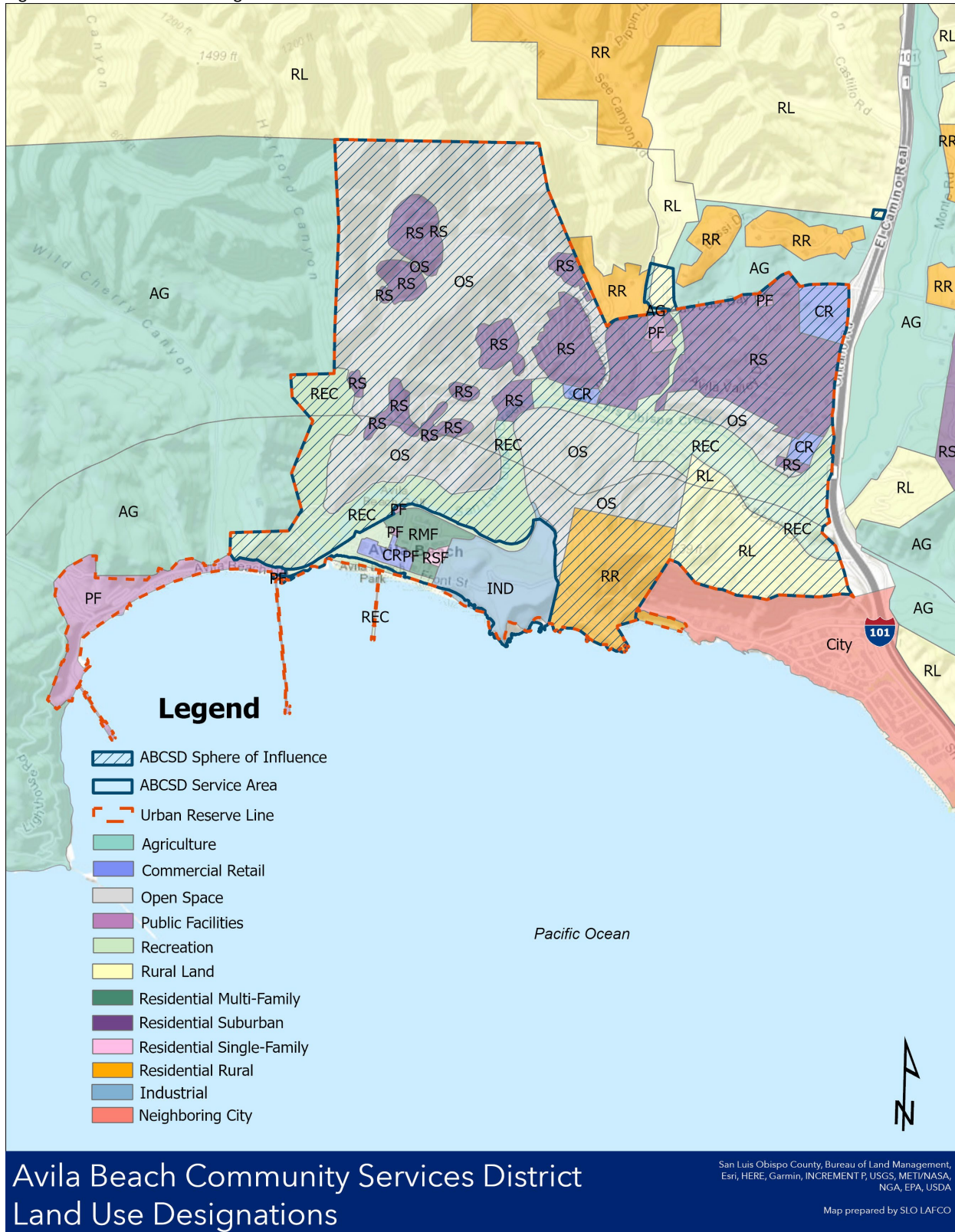
<sup>6</sup> U.S. Census Bureau, American Community Survey data from 2016-2020 in 2021 inflation/adjusted dollars, Census Tract116.00, Block Group 3

## Present and Planned Land Use

Land Use within the District is subject to the Avila Beach Community Plan, adopted in February 2014, which is Part III of the Land Use and Circulation Elements (LUCE) of the County General Plan. The County's Land Use Element establishes URLs, which are boundaries separating urban and non-urban areas, and define the proper level of service needed for each. Any change to a URL requires an amendment to the Land Use Element approved by the County. In addition, any proposed expansion of a URL is required to be within the SOI of the community and any separate service districts. The following map shows the Land Use Categories (zoning) for the community of Avila Beach as established by the Avila Beach Community Plan.

DRAFT

Figure 2: ABCSD Land Use Designations



Avila Beach Community Services District  
Land Use Designations

## Services & Capacity

### Authorized Services

In January of 2006, Senate Bill (SB) 135 took effect and revised state laws governing Community Services Districts (CSD). SB 135 consolidated the provisions for CSDs into a list of 31 services and facilities and changed the definition of latent powers. The previous CSD Principal Act from 1955 required voter approval of latent powers and predated the statewide creation of LAFCO in 1963. With SB 135, all powers authorized for CSDs but not being exercised became latent powers, regardless of the initial formation petition. SB 135 redefined latent powers as those services and facilities authorized by the new CSD Principal Act that a CSD did not provide before January 1, 2006, as determined by LAFCO. Therefore, SB 135 effectively grandfathered in all services and facilities that CSDs provided before January 1, 2006.

Following such legislative changes, SLO LAFCO passed resolution No. 2006-03 to clearly document which powers were being exercised by Districts in SLO County and deemed all other powers, not mentioned in the resolution, as latent. According to LAFCO resolution no. 2006-03, ABCSD's active powers were determined to be as follows: 1) Water, 2) Sewer, 3) Street Lighting, and 4) Fire Protection

The exercise of a latent service or power requires LAFCO approval. In November of 2005, ABCSD applied to LAFCO and received approval in January 2006 to activate and exercise a latent power to provide solid waste service (LAFCO No. 1-E-05).

Government Code § 56425 (i) provides that “[w]hen adopting, amending, or updating a sphere of influence for a special district, the commission shall establish the nature, location, and extent of any functions or classes of services provided by existing districts.” Government Code § 56050.5 defines a latent service or power as “those services, facilities, functions, or powers authorized by the principal act under which the district is formed, but that are not being exercised, as determined by the commission pursuant to subdivision (i) of Section 56425.” Therefore, once the Commission has



established what services are being provided pursuant to § 56425 (i), all other services, functions and powers become “latent services or powers” by operation of law.

The last time the Commission adopted a SOI and MSR Update for ABCSD was August 2014. In that update, the Commission determined that ABCSD was authorized to provide the following services:

1. Water
2. Wastewater
3. Street Lighting
4. Solid Waste
5. Fire

This “Services and Capacity” section analyzes present and long-term infrastructure demands and resource capabilities of the local agency. LAFCO reviews and evaluates 1) the resources and services that are currently available, and 2) the ability of the CSD to expand such resources and services in line with increasing demands. An adequate supply of services should be documented to support areas in the sphere, envisioned for eventual annexation and service by a jurisdiction. As was previously mentioned, ABCSD does not wish to make any SOI adjustments at this time; therefore, no areas are being studied for possible inclusion into the District.

## **Water**

### ***Existing Water Supply***

ABCSD is authorized to provide water service as it is described in Government Code section 61100 (a). The District’s water supply consists of surface water from Lopez Reservoir and the State Water Project (SWP). ABCSD does not own or operate any groundwater production wells.

The District is entitled to 68 AFY of Lopez Water through a contract with the San Luis Obispo Flood Control District and Water Conservation District (SLOFC&WCD) and CSA 12. The reliability of the District’s Lopez Water allocation is determined by hydrological conditions and is governed by the contracts between the SLOFC&WCD and the Zone 3 member agencies. According to the Zone 3 2020

Urban Water Management Plan, the Lopez Reservoir is a very reliable water supply source<sup>7</sup>. Historically, Zone 3 has been able to deliver full entitlements to Contract Agencies, except during the longest drought periods on record (2015/2016), when the District was operating Zone 3 in accordance with certain policies and procedures set forth in the Low Reservoir Response Plan developed by Contract Agencies and SLOFC&WCD staff in 2014. In response to the ongoing drought conditions and declining reservoir levels, entitlements were reduced by 10% in 2015 through April 2017. Recently completed reservoir modeling predicts that Zone 3 will continue to be able to provide Contract Agency entitlements under anticipated future conditions.

In addition to the District’s Lopez Water allocation, ABCSD also has a 100 AFY allocation of SWP Table A water<sup>8</sup>. Contracted Table A allocations vary annually due to hydrologic variability. In response, ABCSD purchased 100 AFY of SWP drought buffer to supplement their Table A allocation of SWP. Drought buffer water is water that has no pipeline capacity for delivery, rather, it is used to increase deliveries when Table A allocations are less than 100%. For example, if Table A allocations were 50% of contracted amounts, the District would receive an additional 50 AFY through their drought buffer allocation.

Table 4: Water Supply Summary

Source	Existing Water Supply (AFY)
Lopez Supply	68
SWP Table A Water	100
SWP Drought Buffer	100
<b>Total Surface Water Supply</b>	<b>168</b>

**Existing Water Demands**

ABCSD allocates its available water supply to 311 residential connections and 78 non-residential connections (restaurant, commercial, industrial, landscape, hydrant) for a total of 389 service

<sup>7</sup> San Luis Obispo County Flood Control and Water Conservation District Zone 3, 2020 Urban Water Management Plan

<sup>8</sup> Table A Water is a term that refers to the maximum amount of water each State Water Project contractor can receive each year, excluding certain “interruptible” deliveries.

connections<sup>9</sup>. ABCSD’s historic water demand is presented below in Table 5. Water demand includes all water sold to customers and non-revenue water that consists of water lost during production and distribution.

Table 5: Historic Water Demand

	2016	2017	2018	2019	2020	2021	2022	Average
<b>Water Demand (AFY)</b>	77.73	75.36	75.88	75.55	86.73	77.4	75.9	77.8

**Future Water Demand**

Water demand within the District is expected to increase as buildout occurs within the service area. Per capita water use methodology is used to project future water demand<sup>10</sup>. This methodology involves establishing a water demand factor measured in gallons per capita per day (GPCD) and applying that factor to projected population to estimate future demand. ABCSD’s projected water demand is shown below in Table 6.

Table 6: Future Water Demand

	2025	2030	2035	2040	Buildout
<b>ABCSD Estimated Population</b>	482	519	573	602	626
<b>Gallons Per Capita Per Day</b>	177	177	177	177	177
<b>Estimated Water Demand (AFY)</b>	96	103	114	119	124

**Wastewater**

ABCSD is authorized to provide wastewater service as it is described in Government Code section 61100 (b). ABCSD provides its customers with wastewater collection, treatment, and disposal services. The District’s collection system currently serves the District and conveys raw wastewater to the District

<sup>9</sup> ABCSD Staff, 2023.

<sup>10</sup> Water Resources Analysis Technical Memorandum, 2017.

Wastewater Treatment Plant which serves the ABCSD and the Port San Luis Harbor District. Treated wastewater is disposed of through the District’s ocean outfall.

To date, funding for a WWTP Improvement Project has been included in the District’s approved annual Capital Improvement Program budget. The project consists of improvements at the influent lift station and added wastewater treatment capacity to allow for operational flexibility and adequate process redundancy to ensure continued treatment as the District receives higher peak flows than it was originally designed for.

**Existing Wastewater Flow**

Four years of wastewater flow records, from 2019 through 2022, were analyzed to determine the average daily flows to the ABCSD WWTP. The wastewater records exhibit an increase over time due to an increase in District customers due to infill and development. According to District staff, ABCSD’s current flow is approximately 70,000 gpd and the WWTP has a permitted capacity of 200,000 gpd<sup>11</sup>. The District’s WWTP flows are summarized below in Table 7.

Table 7: Historic Wastewater Flow<sup>12</sup>

	2019	2020	2021	2022	Average
<b>Total Wastewater (gal)</b>	19,565,418	17,843,767	18,446,787	17,762,135	18,404,527
<b>Average Flow (gpd)</b>	53,600	48,887	50,539	48,663	50,422

**Future Wastewater Flow**

Future wastewater collection system flow was estimated based on projected future development and land use in accordance with San Luis Obispo County zoning. Flow values were calculated by population with respect to total number of potential residential wastewater service connections and based on existing commercial wastewater flow with respect to potential commercial development. Table 8 depicts projected wastewater collection system flows.

<sup>11</sup> ABCSD Staff, 2023.

<sup>12</sup> ABCSD Staff, 2023.

Table 8: Future Average Wastewater Flow<sup>13</sup>

	Residential Flow (gpd)	Commercial Flow (gpd)	Total Flow (gpd)
<b>Buildout</b>	51,537	26,684	78,221

## Fire Protection

ABCSD is authorized to provide fire service as it is described in Government Code section 61100 (d). Although ABCSD has active fire protection authority, the District does not maintain its own fire department. The District began contracting for fire protection service delivery from the County through a contract with CAL FIRE in 2000. San Luis Obispo County Fire Station 62 is located in Avila at 1551 Sparrow Road and has a varied response area which includes the hills west of U.S. 101 in Avila Valley, U.S. 101 from the southern rim of San Luis Obispo to Pismo Beach, Avila Valley, Avila Beach, Port San Luis, Pirates Cove beach area, northern Shell Beach, and Diablo Canyon Nuclear Power Plant.

Currently, Station 62 responds with an ICS Type-1 Engine and a regional Breathing Support unit. A Personal Watercraft is assigned to Station 62 for water rescues as well as an ICS Type 3 engine for wildland incidents. Engine 62 is staffed with two permanent CAL FIRE employees, one Fire Apparatus Engineer, and a Fire Captain.

As shown in Figure 3, on average County Fire responds to about 85 incidents per year for ABCSD. County Fire maintains adequate response times to serve ABCSD during emergencies and calls, averaging 5 minutes from 2018 through 2022, as depicted in Figure 4. In addition, the District has an Insurance Services Office (ISO) rating of three<sup>14</sup>. A representative from CAL FIRE attends the ABCSD Board of Director’s meetings each month and provides information and data on service calls and announcements.

<sup>13</sup> ABCSD Wastewater Collection System Master Plan, 2020.

<sup>14</sup> The ISO scores fire departments on how they are doing against its organization’s standard to determine property insurance costs. The ISO assigns a Public Protection Classification on a scale from 1 to 10, with the higher the ISO fire protection class (with Class 1 being the best), the “better” the department.

Figure 3: Incidents Per Year

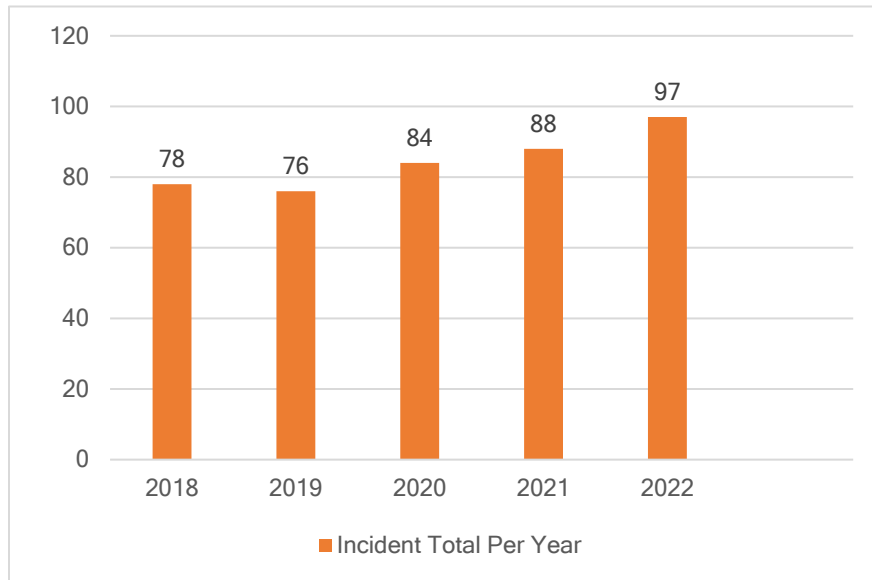
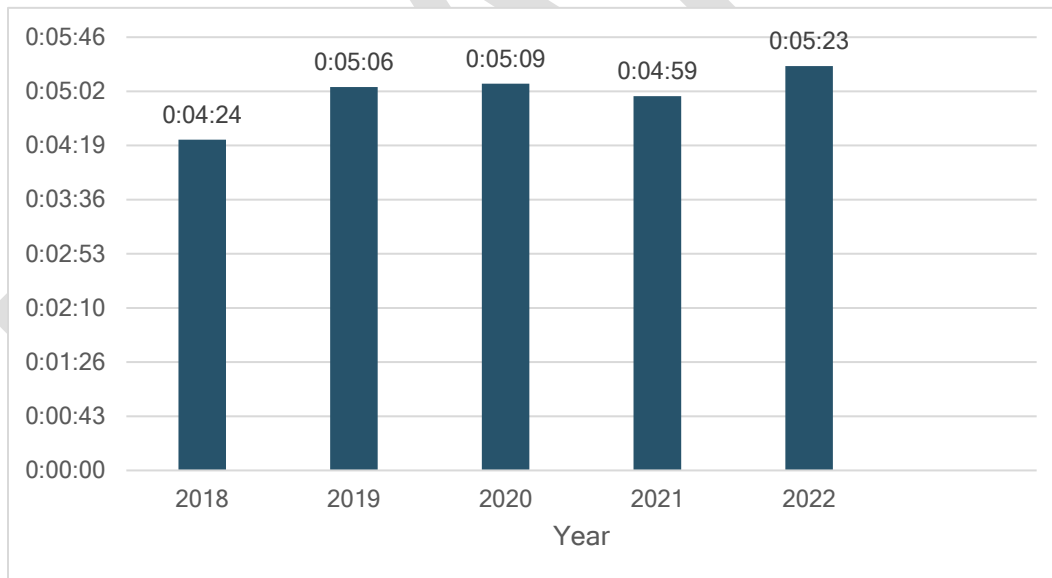


Figure 4: Average Response Times



### Solid Waste

ABCSD is authorized to provide solid waste service as it is described in Government Code section 61100 (c). ABCSD has a Franchise Agreement with South County Sanitary Services, Inc. to provide commercial and residential collection and disposal of solid waste services within the District service area. The

current agreement was set as a twenty-year term, having commenced August 25, 2016. Funding for solid waste collection and disposal activities comes primarily from fees charged to residents.

### Street Lighting

ABCSD is authorized to provide street lighting services as it is described in Government Code section 61100 (g). ABCSD provides street lighting service to the District through a contract with the Pacific Gas and Electric Company. PG&E operates and maintains 23 streetlights in the District, all of which are funded through property tax.

### Shared Facilities

There are opportunities for continued shared relationships between agencies for services within the ABCSD boundary. The County and the District coordinate to provide services and avoid a duplication of effort. At present, the distinction between District and County services in the area is clear. Opportunities for increased and continued coordination between agencies may include:

- Coordination between the District and nearby private water purveyors
- Coordinated open space preservation
- District and County parks and recreational facilities
- Coordination between the District and the Port San Luis Harbor District on the Wastewater Treatment Plant

## Finance

### District Budget

The District prepares and adopts an operating budget and capital projects budget prior to the beginning of each fiscal year. The budget preparation process typically includes any adjustments to the water and/or sewer fee schedules. In late 2019 the Board retained a consultant to prepare a Cost of Services and Rate Study. In May 2020, the Board concluded the Prop 218 Hearing process and adopted a 5-year rate schedule which included a maximum 3% increase in both water and wastewater revenues each year through Fiscal Year 2024-2025. ABCSD uses fund accounting to maintain control over resources

that have been segregated for specific activities as well as to ensure compliance with finance-related legal requirements. The District maintains two individual governmental funds and three enterprises funds, as seen below:

- A. Governmental Funds
  - a. Administrative/General
  - b. Street Lighting
- B. Enterprise Funds
  - a. Water
  - b. Sanitary
  - c. Solid Waste

ABCSD summarizes all of the District’s fund activities into a combined Operations Maintenance Budget which is designed to illustrate the District’s overall budget status. The District’s annual budgets show revenues at least equal to expenditures without relying on reserves.

### **Financial Statements / Audit**

ABCSD hires an outside accounting firm to perform an annual audit in accordance with established governmental accounting standards. This includes auditing ABCSD’s financial statements with respect to verifying overall assets, liabilities, and net position. These audited statements provide quantitative measurements in assessing ABCSD’s short and long-term fiscal health with specific focus on delivering its active service functions. LAFCO has used the five most recent audited financial statements to conduct its evaluation of the District’s Financial Health; separated into four categories (Revenues and Expenditures, Agency Assets, Agency Liabilities, and Agency Net Position). Financial Conclusions have also been included, based on the most recent audited Fiscal Year ending on June 30, 2022.

### **Revenues and Expenditures**

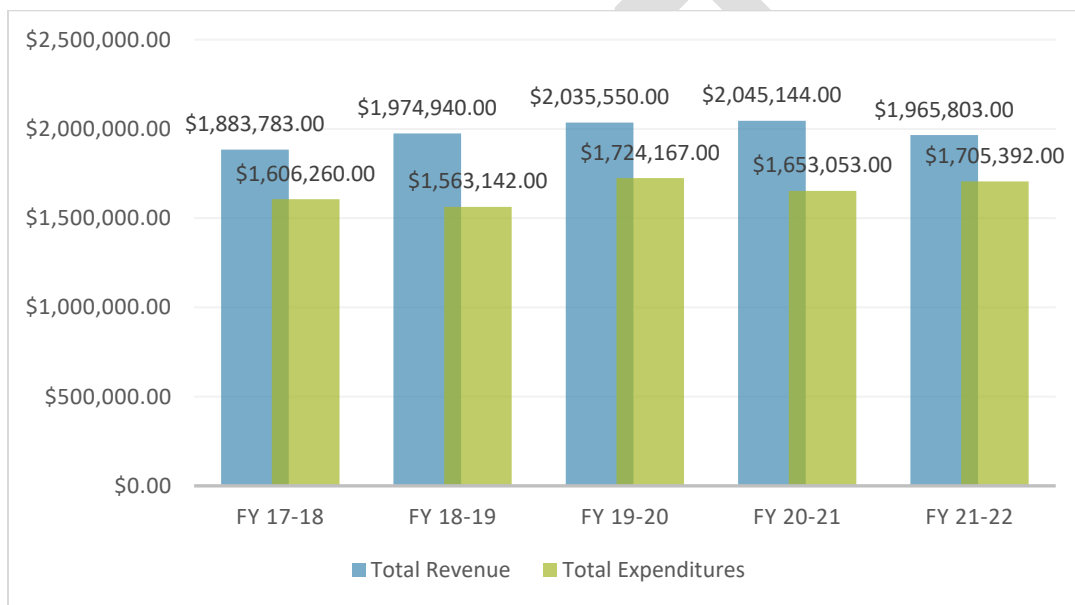
The District is primarily funded through property tax, charges for services, franchise fees, and interest income. As shown in Figure 5 below, the District experienced an increase in revenues from FY 2017-2018 to FY 2020-2021 and experienced a slight decrease in revenue in FY 2021-2022 primarily due to



decreases in interest earnings, property taxes, and charges for services. The primary source of revenue over the past 5 years has been property tax, followed by charges for sanitary and water services.

Similarly, the District’s total expenditures have experienced an overall increase in the last five fiscal years, with increases in expenses related to the Administrative and Water Funds due to increased utility expenses and other operations and management expenses. In addition, expenses related to the District’s Cal Fire contract have increased overtime.

Figure 5: Revenues vs. Expenditures



**Agency Assets**

An agency’s assets provide current, future, or potential economic benefit for the entity. An agency asset is therefore something that is owned by the agency, or something that is owed to the agency. In this section agency assets will review in two separate categories as defined below:

- 1) Current Assets: cash and other assets that are expected to be converted to cash within a year
- 2) Capital Assets: long-term investments that are not expected to become cash within an accounting year

ABCSD’s audited assets at the end of FY 2021-2022 totaled \$11.8 million and are 38% higher than the average year-end amount of \$8.5 million documented during the previous five-year audited period. Assets classified as current, with the expectation they could be liquidated within a year, represented 57% of total assets, or \$6.7 million, and are primarily tied to cash and cash equivalents. Assets classified as capital assets make up the remainder of the total, \$5.1 million, and are primarily attributed to property, plant, and equipment capital. Overall, all assets for ABCSD have increased by 67% over the corresponding 5-year audited period.

In addition to assets, deferred outflows of resources are considered when determining an agency’s net position. Deferred outflows of resources represent the consumption of resources applicable to future periods. Deferred outflows of resources are combined with assets to determine which elements meet the criteria for major fund determination. In FY 2021-2022 ABCSD’s deferred outflows totaled \$28,724 and were related to pensions.

Table 9: Audited Assets

Category	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	5-yr % Change	5-yr Average
<b>Current Assets</b>	\$3,482,085	\$4,028,291	\$4,436,150	\$4,838,256	\$6,652,764	91%	\$4,687,509
<b>Capital Assets</b>	\$3,569,614	\$3,502,430	\$3,426,401	\$3,542,148	\$5,120,010	43%	\$3,832,121
<b>Total Assets</b>	<b>\$7,051,699</b>	<b>\$7,530,721</b>	<b>\$7,862,551</b>	<b>\$8,380,404</b>	<b>\$11,772,774</b>	<b>67%</b>	<b>\$8,519,630</b>
<b>Deferred Pension Outflows</b>	<b>\$31,212</b>	<b>\$27,497</b>	<b>\$24,772</b>	<b>\$26,376</b>	<b>\$28,724</b>	<b>-8%</b>	<b>\$27,716</b>

**Agency Liabilities**

An agency’s liability is something the agency owes, usually a sum of money. Liabilities are settled over time through the transfer of economic benefits including money, goods, or services. In this section agency liabilities will be reviewed in two separate categories as defined below:

- 1) Current Liabilities: are an agency's short-term financial obligations due to be paid within a year.
- 2) Other Non-Current Liabilities: are an agency's long-term financial obligations that are due more than a year away.

ABCSD's audited liabilities at the end of FY 2021-2022 totaled \$3.4 million and were 291% higher than the average year-end amount of \$866,366 documented during the previous five-year audited period. This increase is due to the District entering into a lease agreement to finance the acquisition, construction, and installation of a WWTP improvement in September 2021. Liabilities classified at current which represent obligations owed in the near-term account for 12%, or \$390,850, of the total liabilities. Non-current liabilities represent the remaining total, or \$3 million, and are largely tied to payment of liabilities due after one year. Overall liabilities have increased significantly by 1599% over the corresponding 5-year audited period.

In addition to liabilities, deferred inflows of resources are considered when determining an agency's net position. Deferred inflows of resources represent the acquisition of resources applicable to future periods. Deferred inflows of resources are combined with liabilities to determine which elements meet the criteria for major fund determination. In FY 2021-2022 ABCSD's deferred inflows totaled \$86,221 and were related to pensions.

Table 10: Audited Liabilities

Category	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	5-yr % Change	5-yr Average
<b>Current Liabilities</b>	\$63,253	\$64,064	\$78,464	\$202,335	\$390,850	518%	\$159,793
<b>Non-Current Liabilities</b>	\$136,401	\$126,061	\$131,246	\$136,917	\$3,002,240	2101%	\$706,573
<b>Total Liabilities</b>	<b>\$199,654</b>	<b>\$190,125</b>	<b>\$209,710</b>	<b>\$339,252</b>	<b>\$3,393,090</b>	<b>1599%</b>	<b>\$866,366</b>
<b>Deferred Pension Inflows</b>	\$3,598	\$9,791	\$7,928	\$5,752	\$86,221	2296%	\$22,658

**Agency Net Position**

The statement of net position presents information on all of the District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. ABCSD’s audited net position at the end of FY 2021-2022 totaled \$8.3 million and is 9% higher than the average year-end sum of \$7.7 million documented during the previous 5-year audited period. A portion of the District’s net position, 62%, reflects its net investment in capital assets (e.g. land, water/wastewater, infrastructure, and equipment), with the remainder categorized as unrestricted, totaling 38%, which may be used to meet the District’s ongoing obligations. Overall, the District’s net position has increased by 21% over the corresponding 5-year audited period.

Table 11: Audited Net Position

Category	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	5-yr % Change	5-yr Average
<b>Net Investment in Capital Assets</b>	\$2,607,392	\$3,502,430	\$3,426,401	\$3,542,148	\$5,120,010	96%	\$3,639,676
<b>Unrestricted</b>	\$4,272,267	\$3,855,872	\$4,243,284	\$4,519,628	\$3,202,177	-25%	\$4,018,646
<b>Total Net Position</b>	\$6,879,659	\$7,358,302	\$7,669,685	\$8,061,776	\$8,322,187	21%	\$7,658,322

**Financial Conclusions**

Statements made in this section help explain financial trends that have been identified in the tables above. It is also important to note that the District’s audits do not express an opinion or provide any assurance on information because the limited procedures do not provide sufficient evidence. The District’s net position, which presents information on all of the District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. ABCSD’s net position has increased over

the last 5-year audited period ending at \$8.3 million in FY 2021-2022 with a 5-year average of \$7.7 million.

Other nonfinancial factors, such as changes in the District's property tax base (described further in this paragraph) and the condition of the District's assets (described in the "Agency Assets" portion of the Finance Section) should also be considered to assess the overall health of the District. The County levies, bills, and collects property taxes and special assessments for the District. Property taxes levied are recorded as revenue in the fiscal year of levy, due to the adoption of the "alternate method of property tax distribution," known as the Teeter Plan, by the District and the County. The Teeter Plan authorizes the Auditor/Controller of the County to allocate 100% of the secured property taxes billed, excluding unitary tax (whether paid or unpaid). The County remits tax monies to the District every month and twice a month in December and April. The final amount, which is "teetered", is remitted in August each year. The District's Administrative/General, Sanitary, Water, and Street Lighting funds receive revenue from property taxes.

Overall, ABCSD's operating expenses do not exceed their revenue. ABCSD depends on property tax and rate revenue to fund most of its annual operational costs. Capital expenses, such as equipment purchases, facility construction, and infrastructure installation and replacement, are generally dependent on connection fees and grant funding to be completed. All assets have increased by 67%, liabilities have increased by 1599%, and the net position for ABCSD has increased by 21% over the last 5- year audited period.

## DETERMINATIONS

### Service Review Determinations per Government Code Section 56430

As set forth in Section 56430(a) of the CKH Act—In order to prepare and to update the SOI in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission. The commission shall include in the area designated for a service review the county, the region, the sub-region, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:

**1. Growth and population projections for the affected area**

- a. Currently, the estimated population of ABCSD is 461. With an estimated build-out population of 626, ABCSD is about 74% built-out.

**2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence**

- a. The estimated 2021 Median Household Income for the US Census Block Group which most closely coincides with ABCSD's boundary and SOI is \$81,089, which is 96% of California's MHI. Therefore, ABCSD does not qualify as a DUC.

**3. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies**

- a. **Water** | ABCSD is authorized to provide water service as it is described in Government Code section 61100 (a). ABCSD's water supply consists of surface water from Lopez Reservoir (68 AFY) and the State Water Project (100 AFY). The District also purchased 100 AFY of State Water Project drought buffer to supplement their SWP allocation. ABCSD allocates its water supply to 311 residential connections and 78 non-residential connections with an average water demand of 77.8 AFY. The District projects future water demand to be 124 AFY at build out. LAFCO determines that ABCSD has capability and capacity to adequately meet existing and future water demand.

- b. **Wastewater** | ABCSD is authorized to provide wastewater service as it is described in Government Code section 61100 (b). The District's collection system currently serves the District and conveys raw wastewater to the District WWTP which serves ABCSD and the Port San Luis Harbor District. The WWTP is currently undergoing upgrades to allow for higher peak flows and to increase operational flexibility. The WWTP has a permitted capacity of 200,000 gpd and has an average existing flow of 50,422 gpd. The District predicts future wastewater flow to be about 78,221 gpd at buildout. LAFCO determines that ABCSD has capability and capacity to adequately meet existing and future water demand.
- a. **Fire Protection** | ABCSD is authorized to provide fire service as it is described in Government Code section 61100 (d). The District contracts with the County for fire protection services and Cal Fire responds to emergencies in ABCSD from Station 62. County Fire maintains adequate response times to serve the Avila region during emergencies and calls. LAFCO determines that ABCSD has capability and capacity to adequately provide fire protection services.
- b. **Solid Waste** | ABCSD is authorized to provide solid waste service as it is described in Government Code section 61100 (c). ABCSD is the solid waste authority and has a Franchise Agreement with South County Sanitary Services to provide solid waste services. LAFCO determines that ABCSD has capability and capacity to adequately provide solid waste services.
- c. **Street Lighting** | ABCSD is authorized to provide street lighting services as it is described in Government Code section 61100 (g). ABCSD provides street lighting services to the District through a contract with Pacific Gas and Electric Company. LAFCO determines that ABCSD has capability and capacity to adequately provide street lighting service.

**4. Financial ability of agencies to provide services**

- a. ABCSD adopts balanced budgets each year that show revenues at least equal to expenditures without relying on reserves.

- b. ABCSD appears to have adequate annual revenue and fund balance to provide the services it currently provides.
- c. ABCSD's net position has increased over the last 5-year audited period ending in \$8.3 million in FY 2021-2022 and with a 5-year average of \$7.7 million. ABCSD is financially stable despite increasing costs and limited revenues. LAFCO determines that ABCSD is financially stable.

**5. Status of and, opportunities for, shared facilities**

- a. There are opportunities for continued shared relationships between agencies for services within the ABCSD boundary including coordination between the District and nearby water purveyors and coordination between the District and the Port San Luis Harbor District in regards to the WWTP.
- b. LAFCO determines that the distinction between District and County services within the service boundary is clear and there are opportunities for continued shared relationships between other agencies.

**6. Accountability for community service needs, including governmental structure and operational efficiencies**

- a. ABCSD is governed by a five-member Board of Directors that are elected to four-year terms. Regularly scheduled monthly Board meetings are held and all meetings are open to the public and are publicly posted a minimum of 72 hours prior to the meeting in accordance with the Brown Act.
- b. ABCSD maintains an up-to-date website which contains District information, documents, and updates.
- c. LAFCO determines that ABCSD is accountable and transparent.

**7. Any other matter related to effective or efficient service delivery**

- a. There are no other matters related to the efficiency of services.



## Sphere of Influence Determinations per Government Code Section 56425

In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development of local governmental agencies to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence of each local agency, as defined by G.C. Section 56036, and enact policies designed to promote the logical and orderly development of areas within the sphere. In determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to the following:

- 1. Present and planned land uses in the area, including agricultural and open-space lands.**
  - a. Land uses within ABCSD's existing SOI are residential suburban, commercial retail, open space, residential rural, rural land, public facilities, and recreation.
  - b. The SOI is expected to remain unchanged, with no expansions or reductions for ABCSD.
- 2. Present and probable need for public facilities and services in the area.**
  - a. There is an anticipated need for service within the existing SOI area.
  - b. The SOI is expected to remain unchanged, with no expansions or reductions for ABCSD.
  - c. Some SOI areas have remained within the sphere for over 20 years; if needed, ABCSD is encouraged to review and determine whether areas within the existing SOI should remain in the sphere for eventual annexation to the District or be excluded in the future. If consolidation continues to be unlikely, the next MSR should consider reducing the sphere boundary to better reflect the District's future growth.
- 3. Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.**
  - a. ABCSD has capability and capacity to adequately meet existing service demand and some level of increased future service demand within the existing SOI. Although it is important to make note that certain services face more significant challenges to capacity than others.
- 4. Existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.**

- a. There are no District relevant social or economic communities of interest within the existing SOI area.
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, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere.**
- a. Unincorporated territory surrounding the District may qualify as disadvantaged. Should future annexations or service extensions be proposed, special consideration will be given to any DUCs affected by the annexation consistent with Government Code section 56375(8)(A) and LAFCO policy.

DRAFT

## APPENDIX

### Sources

#### General

1. Sphere of Influence Update and Municipal Service Review for Coastal Community Services Districts and Cambria Healthcare District (Avila Beach Community Services District, Cambria Community Services District, Los Osos Community Services District, San Simeon Community Services District, and Cambria Healthcare District), 2014
2. ABCSD Response to LAFCO MSR-SOI Request for Information Questionnaire, August 2023.
3. ABCSD Website, <https://www.avilabeachcsd.org/>

#### Accountability

1. ABCSD Website, <https://www.avilabeachcsd.org/>

#### Population Profile

1. Avila Beach Water Resources Technical Memorandum, 2017.
2. US Census Bureau, American Community Survey data from 2016-2020 in 2021 inflation/adjusted dollars

#### Present and Planned Land Use

1. San Luis Obispo County Avila Beach Community Plan, 1980.

#### Water

1. ABCSD Staff, 2023
2. San Luis Obispo County Flood Control and Water Conservation District Zone 3, 2020 Urban Water Management Plan
3. Avila Beach CSD Water Master Plan, May 2010.

#### Wastewater

1. ABCSD Staff, 2023
2. Avila Beach CSD Wastewater Collection System Master Plan
3. ABCSD Fiscal Year 2023-2024 Budget Packet

#### Fire

1. Cal Fire SLO County Website, <https://calfireslo.org/>

Street Lighting

1. ABCSD Staff, 2023

Solid Waste

1. Avila Beach Community Services District Amended and Restated Solid Waste collection franchise agreement, 2016.

Finance

1. ABCSD FY 2023-2024 Budget
2. ABCSD Annual Financial Report for the Fiscal Year Ended June 30, 2022
3. ABCSD Annual Financial Report for the Fiscal Year Ended June 30, 2021
4. ABCSD Annual Financial Report for the Fiscal Year Ended June 30, 2020
5. ABCSD Annual Financial Report for the Fiscal Year Ended June 30, 2019
6. ABCSD Annual Financial Report for the Fiscal Year Ended June 30, 2028

Written Comments on the Draft Report



# San Luis Obispo Local Agency Formation Commission

**TO: MEMBERS OF THE COMMISSION**

**FROM: ROB FITZROY, EXECUTIVE OFFICER**

**DATE: JANUARY 18, 2024**

**SUBJECT: SECOND QUARTER FISCAL YEAR 2023-2024 BUDGET STATUS AND WORK PLAN REPORT**

## **RECOMMENDATION**

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**Action 1:** Review the second quarter budget and work plan report for fiscal year (FY) 2023-2024 and approve, by motion, to direct the Executive Officer to file it with the County Auditor.

## **BUDGET OVERVIEW**

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This report is the second FY 2023-2024 quarterly report for the San Luis Obispo Local Agency Formation Commission (LAFCO). The LAFCO operating budget is comprised of four components: 1) salaries, payroll taxes, and benefits, 2) services and supplies, 3) revenues, and 4) fund balance and reserves. 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 budget.

LAFCO’s budget is funded by the County, Cities, and Independent Special Districts. City and District shares are pro-rated based on general revenues reported to the State Controller’s Office on an annual basis. LAFCO also receives revenue from application fees and interest earnings.

The County Auditor Controller provides LAFCO with various financial services. Every financial transaction of LAFCO is processed through the County Auditor’s financial system. This approach ensures accuracy, transparency, and accountability. The County Auditor’s Office also provides LAFCO with claims processing, invoicing, and financial review services. The Auditor’s financial tracking system assists LAFCO in monitoring the budget and compiling budget report data, as well as provides independent review of the budget.

### **COMMISSIONERS**

Chairperson  
DEBBIE ARNOLD  
County Member

Vice-Chair  
MARSHALL OCHYLSKI  
Special District Member

JIMMY PAULDING  
County Member

ROBERT ENNS  
Special District Member

STEVE GREGORY  
City Member

ED WAAGE  
City Member

HEATHER JENSEN  
Public Member

### **ALTERNATES**

DAWN ORTIZ-LEGG  
County Member

ED EBY  
Special District Member

CHARLES BOURBEAU  
City Member

David Watson  
Public Member

### **STAFF**

ROB FITZROY  
Executive Officer

IMELDA MARQUEZ-VAWTER  
Analyst

MORGAN BING  
Clerk Analyst

BRIAN A. PIERIK  
Legal Counsel

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## QUARTERLY BUDGET SUMMARY

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**Executive Officer Comments.** The second quarter budget actuals indicate LAFCO continues to be in a strong budgetary position. Expenditures are as expected within the second quarter. Application activity and associated revenue continues to be strong; with only 50% of the fiscal year complete we have reached 53% of our revenue projections for proposal applications. Additionally, total revenues are 90% realized.

**Expenditures.** Overall, second quarter expenditures are at 45% with 50% of the fiscal year complete. A detailed budget report is provided in Attachment A. Below is a brief summary of line-item expenditures:

- Salaries and benefits are 46% expended.
- Services and Supplies are 44% expended.

LAFCO uses a credit card from a program implemented by the Special District Risk Management Association (SDRMA) for public agencies. LAFCO's policy is to pay each bill in full each month. The statements for October, November, and December are included as Attachment B. Additionally, with any "significant value" (i.e. a purchase over \$400), a receipt is provided for that item for further transparency.

- **October:** Microsoft Office Subscription \$37.50, USPS \$22.35, Costco Wholesale \$60.96, SLO Clerk Recorder \$50.00, SLO Clerk Recorder AMS Service Fee \$1.49
- **November:** Microsoft Office Subscription \$37.50, Fedex \$10.86
- **December:** Microsoft Office Subscription \$37.50, USPS \$29.05

**Revenues.** Overall, revenues are 90% realized through the second quarter. Contributing agencies (Cities, Special Districts and County) have paid 100% of the LAFCO charges billed in the first quarter by the County Auditor. Application fees have been submitted in the amount of \$14,890 or 53% of projected application revenue for the year.

**Fund Balance (Reserves).** Fund Balance is the LAFCO reserve of funds for various expenditures. Fund Balance expenditure requires Commission approval. The current fund balance available is \$280,419.

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## WORK PLAN QUARTERLY UPDATE

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**Executive Officer Comments.** Workload for the second quarter of the FY has been busy, as expected. In addition to our typical workload of proposal application processing, we have

completed MSRs for Avila Beach CSD and Cambria CSD, launched MSRs for Los Osos CSD and Cambria Healthcare District. We have also commenced the financial audit, received a new annexation application to Cayucos SD and finalized the Froom Ranch annexation (post approval action items). We are looking forward to the remainder of the FY.

**Work Plan Update.** In conjunction with the FY 2024-2025 budget process, the Commission adopted an accompanying Work Plan for FY 2025-2025. Our work prioritization is as follows:

1. Process proposal applications as mandated by statute and conduct critical operations necessary for the organization to function.
2. Prepare Municipal Service Reviews (MSRs) as mandated by statute, based on the date an MSR was last updated.
3. Execute special work efforts as directed by the Commission.

Consistent with the priorities established by the Commission for the FY 2024-2025 Work Plan, during the second quarter staff have been diligently working on the following items:

- Updated countywide mapping for Disadvantaged Unincorporated Communities (DUCs)
- Continued proposal application processing including the recently received Cayucos SD annexation, the Dana Reserve Specific Plan annexation, multiple County Service Area annexation applications, and annexations into special independent districts
- Completed MSRs for Avila Beach CSD and Cambria CSD
- Initiated MSRs for Los Osos CSD and Cambria Healthcare District, and San Simeon CSD
- RFP for Auditing Services / commencement of work on the audit
- Conducted ongoing critical operations, invoicing, payroll, records management, office administration, directory update
- Additional work efforts include attendance/presentations at various district public meeting to discuss LAFCO processes, response to numerous public inquiries regarding annexations, coordination with numerous districts and cities regarding potential future annexations, coordination with districts regarding activation / divestiture of powers, responses to Public Record Act requests, reorganizing our record management systems, and LAFCO maps/GIS Boundary Data maintenance

### **Significant Project Status Updates**

Below is a brief summary of the current status of significant applications currently in process:

- **Oceano Community Services District Divestiture** – Recently the Board of Supervisors indicated it was supportive of being the successor agency to provide fire protection within Oceano. The Board of Supervisors provided direction to County staff to contract with Five Cities Fire Authority and develop a Plan for Services accordingly. Next steps – County staff will return to the Board of Supervisors with a draft Plan for Services detailing expenditures, transfers of liabilities and properties, as well as equipment, etc. Once that is complete, Oceano Community Services District Board of Directors will need to pass a

Resolution in support and endorse the revised Plan for Services proposed by the County. Once that has been completed, and a contract with Five Cities Fire Authority is in place, LAFCO will be able to set the item for hearing. This is not expected to occur until Spring or Summer 2024, with a target date of no later than June 2024.

- **Dana Reserve Specific Plan** – The County Planning Commission recommended approval of the project on October 23 and 24. The next step is Board of Supervisors consideration in March 2024. If approved, LAFCO will continue processing and get the item ready for hearing.
- **County Service Area 23** – The Santa Margarita Ranch project containing 111 homes is currently being processed. The project would connect to CSA 23 for water service. Staff conducted a 30-day review and provided a letter detailing informational needs. Once the applicant returns with the necessary information, we will continue processing the application.

**Work Plan Projections.** Looking ahead, we expect the workload to remain high and staff to be operating at full capacity, particularly with large annexation applications such as Dana Reserve and other annexations and reorganizations we anticipate soon. While workload will be high, we expect the number of hearings items to remain on the lighter side as we focus on application processing as well as the MSR program which requires substantial internal staff work and reduced need for hearings until such a time when they are ready for Commission consideration.

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**Attachment A:** Quarterly Budget Status Report

**Attachment B:** Credit Card Statements



# Attachment A

## Quarterly Budget Status Report

	Adopted FY 23-24	Expenditures / Revenue	Percent Expended / Revenue	Projected Year End
<b>Expenditures Summary</b> <i>(Services, Supplies, Salaries, Benefits, Taxes)</i>	<b>\$711,653</b>	<b>\$322,855</b>	<b>45%</b>	<b>\$702,328</b>
<b>Revenues Summary</b> <i>(Processing Fees, Reserves, Agency Contributions)</i>	<b>\$711,653</b>	<b>\$638,720</b>	<b>90%</b>	<b>\$711,653</b>
<b>Services and Supplies Expenditure Details</b>				
Computer Software	\$500	\$343	69%	\$500
Copying-Printing	\$300	\$11	4%	\$300
Meals	\$600	\$280	47%	\$600
LAFCO Insurance Policies	\$20,000	\$18,675	93%	\$18,675
Maintenance-Equipment	\$30	\$70	233%	\$30
Maintenance-Software	\$50	\$0	0%	\$50
CALAFCO/ SDRMA / Other Memberships	\$8,800	\$7,223	82%	\$8,800
Employee Mileage Reimbursement	\$200	\$0	0%	\$200
Commissioner Mileage Reimbursement	\$1,500	\$237	16%	\$1,500
Office Supplies	\$2,500	\$658	26%	\$2,500
Custodial Services	\$1,800	\$900	50%	\$1,800
County Auditor Services	\$9,619	\$9,619	100%	\$9,619
Legal Counsel	\$32,400	\$13,300	41%	\$32,400
Postage	\$1,000	\$105	10%	\$1,000
General Services/ Commissioner Stipends <i>(Includes one time expenditure of \$25,000 for Audit)</i>	\$39,000	\$3,195	8%	\$31,000
Publication & Legal Notices	\$1,000	\$187	19%	\$1,000
Training	\$5,000	\$0	0%	\$5,000
Office Lease	\$42,000	\$21,000	50%	\$42,000
Large Equipment	\$1,500	\$0	0%	\$1,500
Small Equipment	\$400	\$0	0%	\$400
Telephone / Internet	\$3,000	\$1,194	40%	\$3,000
Travel Expenses	\$2,500	\$0	0%	\$2,500
Utilities	\$0	\$0	0%	\$0
Board Chambers - IT Support	\$850	\$0	0%	\$850
Vehicle Allowance	\$5,400	\$2,492	46%	\$5,400
Vehicle Rental	\$500	\$0	0%	\$500
<b>Services and Supplies Subtotal</b>	<b>\$180,449</b>	<b>\$79,490</b>	<b>44%</b>	<b>\$171,124</b>
<b>Salary, Benefits, and Taxes Expenditures</b>				
Salaries	\$326,000	\$150,462	46%	\$326,000
Taxes - FICA SS Employer Match	\$20,212	\$9,080	45%	\$20,212
Taxes - Medicare Employer Match	\$4,727	\$2,128	45%	\$4,727
Pension Rate	\$102,882	\$47,484	46%	\$102,882
Pension Obligation Bond	\$17,882	\$8,253	46%	\$17,882
SDI/SUI Employer Contribution	\$1,500	\$0	0%	\$1,500
Health Insurance	\$48,000	\$21,351	44%	\$48,000
Deferred Compensation	\$10,000	\$4,608	46%	\$10,000
<b>Salary, Benefits, and Taxes Subtotal</b>	<b>\$531,204</b>	<b>\$243,366</b>	<b>46%</b>	<b>\$531,204</b>
<b>Total Expenditures</b>	<b>\$711,653</b>	<b>\$322,855</b>	<b>45%</b>	<b>\$702,328</b>
<b>Revenue Details</b>		<b>Revenue to Date</b>		
Interest Earned	\$4,000	\$4,177	104%	\$4,000
Environmental Review Fees	\$3,000	\$1,500	50%	\$3,000
Sphere of Influence Fees	\$2,000	\$5,000	250%	\$2,000
Application Processing Fees	\$23,000	\$8,390	36%	\$23,000
Other Revenue (Transfer of Reserves)	\$60,000	\$0	0%	\$60,000
<b>Agency Contributions</b>				
Cities	\$206,551	\$206,551	100%	\$206,551
County	\$206,551	\$206,551	100%	\$206,551
Special Districts	\$206,551	\$206,551	100%	\$206,551
<b>Total Revenue</b>	<b>\$711,653</b>	<b>\$638,720</b>	<b>90%</b>	<b>\$711,653</b>
<b>Reserves Fund Balance</b>	<b>\$241,201</b>	<b>\$280,419</b>	<b>116%</b>	<b>\$220,419</b>

# Attachment B

Credit Card Statements

**Account Summary**

Billing Cycle		10/31/2023
Days In Billing Cycle		32
Previous Balance		\$47.35
Purchases	+	\$172.30
Cash	+	\$0.00
Balance Transfers	+	\$0.00
Special	+	\$0.00
Credits	-	\$0.00
Payments	-	\$47.35-
Other Charges	+	\$0.00
Finance Charges	+	\$0.00

**NEW BALANCE** **\$172.30**

**Credit Summary**

Total Credit Line	\$10,000.00
Available Credit Line	\$9,827.70
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](http://www.umpquabank.com)
- Write us at PO BOX 35142 - LB1181, SEATTLE, WA 98124-5142

**Payment Summary**

<b>NEW BALANCE</b>	<b>\$172.30</b>
<b>MINIMUM PAYMENT</b>	<b>\$172.30</b>
<b>PAYMENT DUE DATE</b>	<b>11/25/2023</b>

*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				\$47.35-
Trans Date	Post Date	Reference Number	Transaction Description	Amount
10/13	10/16	7000560328955289130019	PAYMENT - THANK YOU SPOKANE WA	\$47.35-

**Cardholder Account Summary**

ROBERT FITZROY #### #### ###	Payments & Other Credits \$0.00	Purchases & Other Charges \$37.50	Cash Advances \$0.00	Total Activity \$37.50
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**Cardholder Account Detail**

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
10/26	10/27	PPLN01	24430993299400810161719	MSFT * E0200PF9FD MSBILL.INFO WA	\$37.50

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

UMPQUA BANK  
PO BOX 35142 - LB1181  
SEATTLE WA 98124-5142



**Account Number**

#### ##

Check box to indicate name/address change on back of this coupon

AMOUNT OF PAYMENT ENCLOSED

Closing Date	New Balance	Total Minimum Payment Due	Payment Due Date
10/31/23	\$172.30	\$172.30	11/25/23

\$



BL ACCT  
LAFCO  
1042 PACIFIC ST  
SUITE A  
SAN LUIS OBISPO CA 93401

e-Statement



MAKE CHECK PAYABLE TO:

UMPQUA BANK COMMERCIAL CARD OPS  
PO BOX 35142 - LB1181  
SEATTLE WA 98124-5142

IMPORTANT INFORMATION

Finance Charge Calculation Methods and Computation of Average Daily Balance Subject to Finance Charge: The Finance Charge Calculation Method applicable to your account for Cash Advances and Credit Purchases of goods and services that you obtain through the use of your card is specified on the front side of this statement and explained below:

Method A - Average Daily Balance (including current transactions): The Finance Charge on purchases begins on the date the transaction posted to your account. The Finance Charge on Cash Advances begins on the date you obtained the cash advance, or the first day of the billing cycle within which it is posted to your account, whichever is later. There is no grace period.

The Finance Charges for a billing cycle are computed by applying the Periodic Rate to the "average daily balance" of your account. To get the average daily balance, we take the beginning balance of your account each day, add any new purchases or cash advances, and subtract any payments, credits, non-accruing fees, and unpaid finance charges. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle.

Method E - Average Daily Balance (excluding current transactions): To avoid incurring an additional Finance Charge on the balance of purchases (and cash advances if Method E is specified as applicable to cash advances) reflected on your monthly statement, you must pay the New Balance shown on your monthly statement on or before the Payment Due Date. The grace period for the New Balance of purchases extends to the Payment Due Date.

The Finance Charges for a billing cycle are computed by applying the Periodic Rate to the "average daily balance" of purchases (and if applicable, cash advances). To get the average daily balance, we take the beginning balance of your account each day and subtract any payments, credits, non-accruing fees, and unpaid finance charges. We do not add in any new purchases or cash advances. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle.

Method G - Average Daily Balance (including current transactions): To avoid incurring an additional Finance Charge on the balance of purchases (and cash advances, if Method G is specified as applicable to cash advances) reflected on your monthly statement and, on any new purchases (and if applicable, cash advances) appearing on your next monthly statement, you must pay the New Balance, shown on your monthly statement, on or before the Payment Due Date. The grace period for the New Balance of purchases extends to the Payment Due Date.

The Finance Charges for a billing cycle are computed by applying the Periodic Rate to the "average daily balance" of purchases (and if applicable, cash advances). To get the average daily balance, we take the beginning balance of your account each day, add any new purchases or cash advances, and subtract any payments, credits, non-accruing fees, and unpaid finance charges. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle.

Payment Crediting and Credit Balance: Payments received at the location specified on the front of the statement after the phrase "MAKE CHECK PAYABLE TO" will be credited to the account specified on the payment coupon as of the date of receipt. Payments received at a different location or payments that do not conform to the requirements set forth on or with the periodic statement (e.g. missing payment stub, payment envelope other than as provided with your statement, multiple checks or multiple coupons in the same envelope) may be subject to delay in crediting, but shall be credited within five days of receipt. If there is a credit balance due on your account, you may request in writing, a full refund. Submit your request to the Account Inquiries address on the front of this statement.

By sending your check, you are authorizing the use of the information on your check to make a one-time electronic debit from the account on which the check is drawn. This electronic debit, which may be posted to your account as early as the date your check is received, will be only for the amount of your check. The original check will be destroyed and we will retain the image in our records. If you have questions please call the customer service number on the front of this billing statement.

Closing Date: The closing date is the last day of the billing cycle; all transactions received after the closing date will appear on your next statement.

Annual Fee: If your account has been assessed an annual fee, you may avoid paying this annual fee by sending written notification of termination within 30 days following the mailing date of this bill. Submit your request to the Account Inquiries address on the front of this statement. You may use your card(s) during this 30 day period but immediately thereafter must send your card(s), which you have cut in half, to this same address.

Negative Credit Reports: You are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations.

BILLING RIGHTS SUMMARY

In Case of Errors or Inquiries About Your Bill: If you suspect there is an error on your account or you need information about a transaction on your bill, send your written inquiry to the Account Inquiries address on the front of this statement within 60 days of the date of the statement containing the transaction in question. You may telephone us, however a written request is required to preserve your rights.

In your letter, give us the following information:

- Your name and account number.
The dollar amount of the suspected error.
Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

Please provide a legal document evidencing your name change, such as a court document.

Please use blue or black ink to complete form

NAME CHANGE

Last [grid]

First [grid] Middle [grid]

ADDRESS CHANGE

Street [grid]

[grid]

[grid]

City [grid] State [grid] ZIP Code [grid]

Home Phone ( [grid] ) [grid] - [grid] Business Phone ( [grid] ) [grid] - [grid]

Cell Phone ( [grid] ) [grid] - [grid] E-mail Address \_\_\_\_\_

SIGNATURE REQUIRED TO AUTHORIZE CHANGES

Signature \_\_\_\_\_

Cardholder Account Summary				
MORGAN BING #### #### ####6	Payments & Other Credits \$0.00	Purchases & Other Charges \$134.80	Cash Advances \$0.00	Total Activity \$134.80

Cardholder Account Detail					
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
10/12	10/13	PPLN01	24137463286001481093580	USPS PO 0568770075 SAN LUIS OBIS CA	\$22.35
10/16	10/17	PPLN01	24943003290898002039535	COSTCO WHSE #0741 SAN LUIS OBIS CA	\$60.96
10/23	10/24	PPLN01	24343113296900019629584	SLO CLERK RECORDER 805-7815080 CA	\$50.00
10/23	10/25	PPLN01	24343113297900017171372	AMS*SERVICE FEE 101653 888-9147768 FL	\$1.49

Finance Charge Summary / Plan Level Information									
Plan Name	Plan Description	FCM <sup>1</sup>	Average Daily Balance	Periodic Rate *	Corresponding APR	Finance Charges	Effective APR Fees **	Effective APR	Ending Balance
<b>Purchases</b>									
PPLN01 001	PURCHASE	E	\$0.00	0.06024%(D)	21.9900%	\$0.00	\$0.00	0.0000%	\$172.30
<b>Cash</b>									
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: 32		
** includes cash advance and foreign currency fees							APR = Annual Percentage Rate		
<sup>1</sup> FCM = Finance Charge Method									
(V) = Variable Rate If you have a variable rate account the periodic rate and Annual Percentage Rate (APR) may vary.									



Account Number: #### ####



**Account Summary**




Billing Cycle		11/30/2023
Days In Billing Cycle		30
Previous Balance		\$172.30
Purchases	+	\$48.36
Cash	+	\$0.00
Balance Transfers	+	\$0.00
Special	+	\$0.00
Credits	-	\$0.00
Payments	-	\$172.30-
Other Charges	+	\$0.00
Finance Charges	+	\$0.00

**NEW BALANCE \$48.36**

**Credit Summary**

Total Credit Line	\$10,000.00
Available Credit Line	\$9,951.64
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](http://www.umpquabank.com)
-  Write us at PO BOX 35142 - LB1181, SEATTLE, WA 98124-5142

**Payment Summary**

<b>NEW BALANCE</b>	<b>\$48.36</b>
<b>MINIMUM PAYMENT</b>	<b>\$48.36</b>
<b>PAYMENT DUE DATE</b>	<b>12/25/2023</b>

*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				\$172.30-
Trans Date	Post Date	Reference Number	Transaction Description	Amount
11/09	11/14	70005603318555318330023	PAYMENT - THANK YOU SPOKANE WA	\$172.30-

**Cardholder Account Summary**

<b>ROBERT FITZROY ####</b>	<b>Payments &amp; Other Credits</b>	<b>Purchases &amp; Other Charges</b>	<b>Cash Advances</b>	<b>Total Activity</b>
<b>#### ###</b>	<b>\$0.00</b>	<b>\$37.50</b>	<b>\$0.00</b>	<b>\$37.50</b>

**Cardholder Account Detail**

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
11/26	11/27	PPLN01	24430993330400819021592	MSFT * E0200PT6GX MSBILL.INFO WA	\$37.50

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UMPQUA BANK  
PO BOX 35142 - LB1181  
SEATTLE WA 98124-5142



**Account Number**

#### ####

Check box to indicate name/address change on back of this coupon

AMOUNT OF PAYMENT ENCLOSED

Closing Date	New Balance	Total Minimum Payment Due	Payment Due Date
11/30/23	\$48.36	\$48.36	12/25/23

\$

Grid for entering payment amount

BL ACCT  
1042 PACIFIC ST  
SUITE A  
SAN LUIS OBISPO CA  
93401

e-Statement

MAKE CHECK PAYABLE TO:

UMPQUA BANK COMMERCIAL CARD OPS  
PO BOX 35142 - LB1181  
SEATTLE WA 98124-5142

**IMPORTANT INFORMATION**

Finance Charge Calculation Methods and Computation of Average Daily Balance Subject to Finance Charge: The Finance Charge Calculation Method applicable to your account for Cash Advances and Credit Purchases of goods and services that you obtain through the use of your card is specified on the front side of this statement and explained below:

**Method A - Average Daily Balance (including current transactions):** The Finance Charge on purchases begins on the date the transaction posted to your account. The Finance Charge on Cash Advances begins on the date you obtained the cash advance, or the first day of the billing cycle within which it is posted to your account, whichever is later. There is no grace period.

The Finance Charges for a billing cycle are computed by applying the Periodic Rate to the "average daily balance" of your account. To get the average daily balance, we take the beginning balance of your account each day, add any new purchases or cash advances, and subtract any payments, credits, non-accruing fees, and unpaid finance charges. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle.

**Method E - Average Daily Balance (excluding current transactions):** To avoid incurring an additional Finance Charge on the balance of purchases (and cash advances if Method E is specified as applicable to cash advances) reflected on your monthly statement, you must pay the New Balance shown on your monthly statement on or before the Payment Due Date. The grace period for the New Balance of purchases extends to the Payment Due Date.

The Finance Charges for a billing cycle are computed by applying the Periodic Rate to the "average daily balance" of purchases (and if applicable, cash advances). To get the average daily balance, we take the beginning balance of your account each day and subtract any payments, credits, non-accruing fees, and unpaid finance charges. We do not add in any new purchases or cash advances. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle.

**Method G - Average Daily Balance (including current transactions):** To avoid incurring an additional Finance Charge on the balance of purchases (and cash advances, if Method G is specified as applicable to cash advances) reflected on your monthly statement and, on any new purchases (and if applicable, cash advances) appearing on your next monthly statement, you must pay the New Balance, shown on your monthly statement, on or before the Payment Due Date. The grace period for the New Balance of purchases extends to the Payment Due Date.

The Finance Charges for a billing cycle are computed by applying the Periodic Rate to the "average daily balance" of purchases (and if applicable, cash advances). To get the average daily balance, we take the beginning balance of your account each day, add any new purchases or cash advances, and subtract any payments, credits, non-accruing fees, and unpaid finance charges. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle.

**Payment Crediting and Credit Balance:** Payments received at the location specified on the front of the statement after the phrase "MAKE CHECK PAYABLE TO" will be credited to the account specified on the payment coupon as of the date of receipt. Payments received at a different location or payments that do not conform to the requirements set forth on or with the periodic statement (e.g. missing payment stub, payment envelope other than as provided with your statement, multiple checks or multiple coupons in the same envelope) may be subject to delay in crediting, but shall be credited within five days of receipt. If there is a credit balance due on your account, you may request in writing, a full refund. Submit your request to the Account Inquiries address on the front of this statement.

By sending your check, you are authorizing the use of the information on your check to make a one-time electronic debit from the account on which the check is drawn. This electronic debit, which may be posted to your account as early as the date your check is received, will be only for the amount of your check. The original check will be destroyed and we will retain the image in our records. If you have questions please call the customer service number on the front of this billing statement.

**Closing Date:** The closing date is the last day of the billing cycle; all transactions received after the closing date will appear on your next statement.

**Annual Fee:** If your account has been assessed an annual fee, you may avoid paying this annual fee by sending written notification of termination within 30 days following the mailing date of this bill. Submit your request to the Account Inquiries address on the front of this statement. You may use your card(s) during this 30 day period but immediately thereafter must send your card(s), which you have cut in half, to this same address.

**Negative Credit Reports:** You are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations.

**BILLING RIGHTS SUMMARY**

**In Case of Errors or Inquiries About Your Bill:** If you suspect there is an error on your account or you need information about a transaction on your bill, send your written inquiry to the Account Inquiries address on the front of this statement within 60 days of the date of the statement containing the transaction in question. You may telephone us, however a written request is required to preserve your rights.

In your letter, give us the following information:

- ◆ Your name and account number.
- ◆ The dollar amount of the suspected error.
- ◆ Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

Please provide a legal document evidencing your name change, such as a court document.

Please use blue or black ink to complete form

**NAME CHANGE**

Last

First  Middle

**ADDRESS CHANGE**

Street

City  State  ZIP Code

Home Phone (  )  -  Business Phone (  )  -

Cell Phone (  )  -  E-mail Address

**SIGNATURE REQUIRED TO AUTHORIZE CHANGES**

Signature \_\_\_\_\_



**Cardholder Account Summary**

MORGAN BING #####6	Payments & Other Credits \$0.00	Purchases & Other Charges \$10.86	Cash Advances \$0.00	Total Activity \$10.86
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**Cardholder Account Detail**

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
11/27	11/28	PPLN01	24164073331069173473350	FEDEX OFFIC51500051508 SAN LUIS OBIS CA	\$10.86

**Finance Charge Summary / Plan Level Information**

Plan Name	Plan Description	FCM <sup>1</sup>	Average Daily Balance	Periodic Rate *	Corresponding APR	Finance Charges	Effective APR Fees **	Effective APR	Ending Balance
<b>Purchases</b>									
PPLN01 001	PURCHASE	E	\$0.00	0.06024%(D)	21.9900%	\$0.00	\$0.00	0.0000%	\$48.36
<b>Cash</b>									
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  
 \*\* includes cash advance and foreign currency fees  
 Days In Billing Cycle: 30  
 APR = Annual Percentage Rate  
<sup>1</sup> FCM = Finance Charge Method  
 (V) = Variable Rate If you have a variable rate account the periodic rate and Annual Percentage Rate (APR) may vary.



BL ACCT

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**Account Summary**




Billing Cycle		12/31/2023
Days In Billing Cycle		31
Previous Balance		\$48.36
Purchases	+	\$66.55
Cash	+	\$0.00
Balance Transfers	+	\$0.00
Special	+	\$0.00
Credits	-	\$0.00
Payments	-	\$48.36-
Other Charges	+	\$0.00
Finance Charges	+	\$0.00

**NEW BALANCE \$66.55**

**Credit Summary**

Total Credit Line	\$10,000.00
Available Credit Line	\$9,933.45
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](http://www.umpquabank.com)
-  Write us at PO BOX 35142 - LB1181, SEATTLE, WA 98124-5142

**Payment Summary**

<b>NEW BALANCE</b>	<b>\$66.55</b>
<b>MINIMUM PAYMENT</b>	<b>\$66.55</b>
<b>PAYMENT DUE DATE</b>	<b>01/25/2024</b>

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**Corporate Activity**

TOTAL CORPORATE ACTIVITY					\$48.36-
Trans Date	Post Date	Reference Number	Transaction Description	Amount	
12/15	12/15	70005603349555349800013	PAYMENT - THANK YOU SPOKANE WA	\$48.36-	

**Cardholder Account Summary**

ROBERT FITZROY #### #### ###	Payments & Other Credits \$0.00	Purchases & Other Charges \$37.50	Cash Advances \$0.00	Total Activity \$37.50
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**Cardholder Account Detail**

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
12/26	12/27	PPLN01	24430993360400813020627	MSFT * E0200Q6TQW MSBILL.INFO WA	\$37.50

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UMPQUA BANK  
PO BOX 35142 - LB1181  
SEATTLE WA 98124-5142



**Account Number**

#### #

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AMOUNT OF PAYMENT ENCLOSED

Closing Date	New Balance	Total Minimum Payment Due	Payment Due Date
12/31/23	\$66.55	\$66.55	01/25/24

\$



1042 PACIFIC ST  
SUITE A  
SAN LUIS OBISPO CA 93401



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Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

Please provide a legal document evidencing your name change, such as a court document.

Please use blue or black ink to complete form

NAME CHANGE

Last [grid]

First [grid] Middle [grid]

ADDRESS CHANGE

Street [grid]

[grid]

[grid]

City [grid] State [grid] ZIP Code [grid]

Home Phone ( [grid] ) [grid] - [grid] Business Phone ( [grid] ) [grid] - [grid]

Cell Phone ( [grid] ) [grid] - [grid] E-mail Address \_\_\_\_\_

SIGNATURE REQUIRED TO AUTHORIZE CHANGES

Signature \_\_\_\_\_

BL ACCT

Ac

Cardholder Account Summary					
MORGAN BING #### #### ####6	Payments & Other Credits \$0.00	Purchases & Other Charges \$29.05	Cash Advances \$0.00	Total Activity \$29.05	
Cardholder Account Detail					
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
11/30	12/01	PPLN01	24137463335001485864805	USPS PO 0568770075 SAN LUIS OBIS CA	\$29.05

Finance Charge Summary / Plan Level Information									
Plan Name	Plan Description	FCM <sup>1</sup>	Average Daily Balance	Periodic Rate *	Corresponding APR	Finance Charges	Effective APR Fees **	Effective APR	Ending Balance
<b>Purchases</b>									
PPLN01 001	PURCHASE	E	\$0.00	0.06024%(D)	21.9900%	\$0.00	\$0.00	0.0000%	\$66.55
<b>Cash</b>									
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		
<sup>1</sup> FCM = Finance Charge Method									
(V) = Variable Rate If you have a variable rate account the periodic rate and Annual Percentage Rate (APR) may vary.									