



**SAN LUIS OBISPO  
LOCAL AGENCY FORMATION COMMISSION  
MEETING MINUTES FOR  
NOVEMBER 20, 2014**

**Call to Order:**

The San Luis Obispo Local Agency Formation Commission meeting was called to order at 9:00 a.m. on Thursday, November 20, 2014 in the Board of Supervisors Chambers at the County Government Center in San Luis Obispo, California by Chairperson Roberta Fonzi.

**Pledge of Allegiance:** Led by Chairperson Fonzi

**Roll Call:**

**Present:** Chairperson Roberta Fonzi, Vice Chairman Tom Murray, Commissioners Muril Clift, Frank Mecham, Marshall Ochylski and Duane Picanco, and Alternate Commissioners David Brooks and Robert Enns

**Absent:** Commissioner Bruce Gibson and Alternate Commissioners Adam Hill and Kris Vardas

**Staff:** David Church, LAFCO Executive Officer, Raymond A. Biering, LAFCO Legal Counsel, Mike Prater, LAFCO Analyst, Donna J. Bloyd, LAFCO Commission Clerk

**Approval of Minutes:** **Vice Chairman Murray** moved that the Minutes of September 18, 2014 be approved with no changes or corrections. **Commissioner Picanco** seconded the motion. The Minutes were approved with a unanimous roll call vote.

**Non-Agenda Public Comments:**

**Eric Greening**, 7365 Valle Avenue, Atascadero, CA 93422. Mr. Greening thanked the departing commission members for their service to the residents of San Luis Obispo County. Mr. Greening also had questions about filling the City member seat on the LAFCO Commission, the effect of the Price Canyon Initiative and the effect of the Pavley-Dickinson legislation on the Eagle Ranch annexation.

**Debbie Peterson**, 214 West Grand Avenue, Grover Beach, CA 93483. Ms. Peterson suggested that cities and other jurisdictions no longer offer will-serve letters until the Nipomo Mesa has a sustainable water supply.

**David Brooks**, LAFCO Alternate Public Member. Mr. Brooks spoke about the October 2014 CALAFCO Annual Conference which took place in Ontario, CA. Mr. Brooks noted that Mr. Church, LAFCO Executive Officer, won a prestigious award and that the wines provided by

Commissioner Picanco won first and third place In the CALAFCO wine competition.

**Close Public Comment.**

**Chairperson Fonzi** thanked Commissioner Picanco for his 24 years of service to LAFCO.

**Consent Agenda:**

**A-1** Submittal of First Quarter Report for Fiscal Year 2014/15.

**Public Comment:** None

**Commissioner Clift** moved to approve the Consent Agenda and file the first quarter financial report for Fiscal Year 2014/15 with the SLO County Auditors office.

**Commissioner Picanco** seconded the motion.

**AYES:** Commissioners Clift, Picanco, Mecham, Vice Chairman Murray, Commissioner Ochylski and Chairperson Fonzi

**NAYS:** None

**Abstain:** None

The motion carried unanimously with a roll call vote.

**Regular Matters:**

**B-1:** LAFCO File 4-R-14 Dissolution of County Service Area 17 (Recommend that the Commission find the dissolution categorically exempt from CEQA pursuant to CEQA Guideline Section 15320 (Class 20).

Mr. Church, LAFCO Executive Officer, presented this item. LAFCO Analyst, Mike Prater, provided a PowerPoint presentation.

Mr. Church stated that the purpose of this change of organization is a San Luis Obispo County-initiated (County) proposal is to dissolve County Service Area 17 (CSA) California Valley. The Service Area has not provided services in many years, has fully repaid all debt financing and is no longer needed for the provision of services. CSA 17 was formed on May 12, 1969 for the purpose of financing the installation of electrical lines and poles by contract with Pacific Gas and Electric Company (PG&E) in California Valley. The installation was completed in 1972 and the debt financing was fully repaid in 1991. LAFCO has been recommending dissolution of this District since 1981.

**Public Comment:** None

Upon a motion by Commissioner Mecham, to find the dissolution categorically exempt from CEQA pursuant to CEQA Guidelines Section 15320 (Class 20) seconded by Commissioner Picanco and on the following roll call vote:

AYES: Commissioners Mecham, Picanco, Clift, Vice Chairman Murray,  
Commissioner Ochylski and Chairperson Fonzi

NAYS: None

ABSTAINING: None

The motion carried unanimously with a roll call vote.

Upon a motion by Commissioner Mecham to dissolve County Service Area 17 subject to the listed terms and conditions, seconded by Commissioner Picanco and the on the following roll call vote:

AYES: Commissioners Mecham, Picanco, Clift, Vice Chairman Murray,  
Commissioner Ochylski and Chairperson Fonzi

NAYS: None

ABSTAINING: None

The motion carried unanimously with a roll call vote.

**B-2:** Status Report: Sphere of Influence/Municipal Services Review Update for various Special Districts in the County

This SOI Update covered Garden Farms Community Water District, Port San Luis Harbor District, Santa Margarita Fire Protection District, Upper Salinas-Las Tablas Resource Conservation District and the Coastal San Luis Resource Conservation District.

Mr. Prater presented this item as well as providing a PowerPoint presentation.

Mr. Prater summarized the Sphere of Influence/Municipal Services Review (SOI/MSR) process. He stated that a legal notice was published and the SOI Update had been on the LAFCO website for some time.

There were questions from the Commissioners regarding the size of Port San Luis Harbor District and the two RCDs.

Mr. Prater responded to their questions.

**Public Comment:**

**Devin Best**, Executive Officer, Upper Salinas-Las Tablas RCD, 65 South Main Street, Suite 107, Templeton, CA 93465. Mr. Best spoke about the services provided by the RCD and the area that the District covered in San Luis Obispo County.

**Mr. Robert Hartzell**, Board Member, Upper Salinas-Las Tablas RCD, 65 South Main Street, Suite 107, Templeton, CA 93465. Mr. Hartzell spoke about the District's services as well.

**Close Public Comment.**

**Vice Chairman Murray** moved to adopt the Notice of Exemption for compliance with CEQA.

**Commissioner Clift** seconded the motion.

AYES: Vice Chairman Murray, Commissioners Clift, Mecham, Ochylski, Picanco, and Chairperson Fonzi

NAYS: None

ABSTAINING: None

The motion carried with a unanimous roll call vote.

**Vice Chairman Murray** moved to approve by resolution the Sphere of Influence Update and Municipal Services Reviews with the changes recommended in Attachment D of the Staff Report, and strengthen the colors on the SOI/MSR maps.

**Commissioner Ochylski** seconded the motion.

AYES: Vice Chairman Murray, Commissioners Ochylski, Clift, Mecham, Picanco, and Chairperson Fonzi

NAYS: None

ABSTAINING: None

The motion carried with a unanimous roll call vote.

**Informational Matters:**

**C-1: Draft Paso Robles Water District Formation Guide**

Mr. Church presented this item. He began his presentation by stating that this item is an informational item. The draft formation guide is to inform residents of the County about how the district would be formed. The draft guide describes the LAFCO process in a step-by-step manner.

Mr. Church stated that there are laws that guide how the formation process is completed and spoke about the Cortese-Knox-Hertzberg Act's rules for forming a district.

Mr. Ray Biering, LAFCO Legal Counsel, stated that the guide is not a legal document, nor is it to be approved by the Commission. He also stated that LAFCO does not establish scientific boundaries, rather, LAFCO establishes boundaries based on various factors.

There were questions and comments from the Commissioners regarding the application process, new well permits, and how the potential new district would affect the existing community services districts and cities.

There was discussion between the Commission and LAFCO Staff regarding the district boundary.

There was also discussion regarding mutual water companies and residents' individual water rights in the potential district.

**Public Comment:**

**Eric Greening**, 7365 Valle Avenue, Atascadero, CA 93422. Mr. Greening spoke about his concerns regarding the Pavley-Dickinson legislation requiring preparation of a plan for the entire basin shown in a DWR report.

**Gary Kirkland**, 4620 Portola Road, Atascadero, CA 93422. Mr. Kirkland spoke about the complexity of forming a new district.

**Greg Grewal**, Post Office Box 376, Creston, CA 93432. Mr. Grewal stated that the formation of the district was too complex and about his concerns regarding Creston in the potential new district.

**Christine Halley**, City of Paso Robles, 1000 Spring Street, Paso Robles, CA 93446. Ms. Halley spoke about the Paso Robles Basin Water District management subcommittee and the large undertaking in forming a district.

**Jerry Reaugh**, PRAAGS Chairman, 3200 Branch Road, Paso Robles, CA 93446. Mr. Reaugh complimented Mr. Church for his work on the formation guide and his availability to answer questions.

**Elsa Dawson**, Fox Hollow Road, San Luis Obispo, CA 93401. Ms. Dawson had concerns regarding a variety of issues with the draft formation guide.

**Terry Strickland**, no information provided. Ms. Strickland had concerns regarding a variety of issues with the draft formation guide.

**Bob Brown**, PRAAGS Board member, 795 Melody Mountain Lane, Paso Robles, CA 93446. Mr. Brown spoke about the Pavley-Dickinson legislation and AB 2453 powers.

**Mr. Graywall**, no information provided. Mr. Graywall spoke about adjudication of the Paso Robles Basin District.

**Close Public Comment**

**Chairperson Fonzi** requested that LAFCO staff respond to the questions that arose from the public comments.

**Mr. Church and Mr. Biering** responded to the questions as Chairperson Fonzi reiterated them.

**Vice Chairman Murray** requested that LAFCO staff prepare a glossary of terms used in the draft formation guide.

**Mr. Church** stated that a glossary would be prepared.

**Mr. Biering** reiterated that the formation guide was the work product of LAFCO Staff and was not something for the Commission to adopt, the guide is not a regulation.

**Commissioner Ochylski** complimented Mr. Church in his work. He added that he believed that the guide could change over time.

**Closed Session:**

**C-2:** The Commission will meet in closed session pursuant to Government Code Section 54956.9(a) to confer with LAFCO Counsel regarding litigation in the matter of Central Coast Development Co. v San Luis Obispo LAFCO

**Mr. Biering** stated that the Commission would not meet in closed session since the litigation is a public record. He briefly summarized the litigation from its onset to the present.

**Public Comment:** None

**Commissioner Comments:** Commissioner Picanco spoke about the CALAFCO Conference wine competition. He stated that a San Luis Obispo County cabernet won a gold medal and a San Luis Obispo County chardonnay won a silver medal. He added that Firestone beer won third place in the beer competition.

**Legal Counsel Comments:** None

**Executive Officer Comments:** Mr. Church noted that Assemblymember Katcho Achadjian won the CALAFCO Legislator of the Year award and participated in the conference for two of the three days. He also stated that this CALAFCO Conference was a content-rich event with excellent speakers at many of the sessions.

**Adjournment:** With no further business before the Commission, the meeting adjourned at 11:09 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.**

---

Respectfully submitted,  
Donna J. Bloyd, LAFCO Commission Clerk