



**SAN LUIS OBISPO
LOCAL AGENCY FORMATION COMMISSION
JANUARY 17, 2019**

Call to Order:

The San Luis Obispo Local Agency Formation Commission meeting was called to order at 9:01 a.m. on Thursday, January 17, 2019 in the Board of Supervisors Chambers at the County Government Center in San Luis Obispo, California by Chairman Ed Waage.

Pledge of Allegiance: Led by LAFCO Commission Clerk Donna Bloyd

Roll Call:

Present: Chairman Ed Waage, Vice-Chair Lynn Compton, Commissioners Debbie Arnold, Robert Enns, Roberta Fonzi, Tom Murray, Marshall Ochylski and Alternate Commissioner Ed Eby

Absent: Alternate Commissioners Heather Jensen and John Peschong

Staff: David Church, LAFCO Executive Officer
Brian A. Pierik, LAFCO Legal Counsel
Mike Prater, Deputy Executive Officer
Donna J. Bloyd, LAFCO Commission Clerk

Approval of Minutes: **Commissioner Fonzi** moved approval of the Minutes for November 15, 2018 with corrections. **Commissioner Murray** seconded the motion.

Selection of the 2019 Chair and Vice-Chair

Commissioner Arnold moved that **Vice-Chair Compton** be nominated as the Commission Chairman for 2019. **Commissioner Fonzi** seconded the motion.

The motion was passed with a unanimous voice vote.

Commissioner Arnold moved that **Commissioner Murray** be nominated as the Commission Vice-Chair for 2019. **Commissioner Fonzi** seconded the motion.

The motion was passed with a unanimous voice vote.

Presentation:

Chairman Compton presented **Commissioner Waage** with a Certificate of thanks from San Luis Obispo LAFCO.

Commissioner Waage thanked the LAFCO Staff and Commissioners for their efforts in 2018 and complimented the **Commissioners** for working together respectfully.

Vice-Chairman Murray thanked **Commissioner Waage** for his service as Chairman and for his grace in the position.

David Church thanked **Commissioner Ed Waage** for his excellent service as the LAFCO Chairman in 2018 and presented him with the traditional LAFCO gift card for coffee.

Non-Agenda Public Comments:

Sophie Treder, 22985 El Camino Real, Santa Margarita, CA 93453. Ms. Treder spoke about forthcoming detachment applications regarding the Shandon-San Juan Water District.

Consent Agenda:

A-1: Fiscal Year 2018-19 Second Quarter Budget Status Report

Public Comment: None

Commissioner Waage moved to approve the Consent Agenda. The motion was seconded by **Commissioner Ochylski**.

AYES: Commissioners Waage, Ochylski, Arnold, Enns, Fonzi, Vice-Chair Murray and Chairperson Compton

NAYS: None

ABSTAINING: None

The motion was approved by a unanimous roll call vote.

Regular Matters:

B-1: LAFCO Biennial Audit for Year Ending June 30, 2018 prepared by Brown Armstrong CPA

LAFCO Executive Officer David Church presented this item. He began by noting that LAFCO had a contract with Brown Armstrong CPA through 2020.

Mr. Church also reminded the Commission that the County of San Luis Obispo Auditors (County) office tracks LAFCO's financial transactions through its accounting system.

Mr. Church indicated that **Mr. Ryan Nielsen** from Brown Armstrong had worked closely with the County's Auditors office on the audit.

Mr. Church introduced Mr. Nielsen to the Commission.

Mr. Nielsen spoke about the responsibility of an accounting firm in preparing an audit, which is to form an opinion as to the accuracy of the agency's reporting.

Mr. Nielsen stated that LAFCO had received a "clean opinion", the highest opinion that can be issued. He added that LAFCO staff and the County Auditor personnel were easy to work with and timely in their response to his questions.

Mr. James Hamilton, County Auditor spoke about the large amount in liability regarding the pension. Mr. Hamilton stated that it was being monitored and that the issue was "under control". LAFCO is included Pension Trust and on the path to be fully funded by 2040, with a plan to pay.

Mr. Church noted that LAFCO appreciates the personnel in the County Auditors office and their assistance with LAFCO matters.

Vice-Chairman Murray asked about the auditing process.

Mr. Nielsen responded to his question.

Public Comment: None

Commissioner Ochylski moved to accept the audit for FY 2017-18 and direct the Executive Officer to submit the audit to the County Auditor's office.

The motion was seconded by **Commissioner Waage**.

AYES: Commissioners Ochylski, Waage, Arnold, Enns, Fonzi, Vice-Chair Murray and Chairperson Compton

NAYS: None

ABSTAINING: None

The motion was approved with a unanimous roll call vote.

B-2: 2018 LAFCO Annual Report, Proposed Work Plan for 2019 and Commission Meeting Schedule for 2019

Mr. Church presented this item and began by thanking the LAFCO Staff: Mr. Prater, LAFCO Deputy Executive Officer for his analytical and mapping skills and Donna Bloyd, LAFCO Commission Clerk for being the "glue" for the office, and Mr. Pierik, LAFCO Legal Counsel for his excellent counsel.

Mr. Church also thanked the County Auditor's office for their continuing assistance with LAFCO finances, the Assessor's office and the Administrative office for their assistance which allows LAFCO to perform its business.

Mr. Church gave a rundown of LAFCO projects for 2018 and a synopsis of upcoming LAFCO projects in 2019

There were comments from the Commissioners. **Mr. Church and Mr. Prater** responded to the comments and questions.

Public Comment: None

Commissioner Fonzi moved to receive and file the 2018 Annual Report and approve the Work Plan and the Draft Hearing Schedule for 2019.

The motion was seconded by **Vice-Chair Murray**.

AYES: Commissioner Fonzi, Vice-Chairman Murray, Commissioners Arnold, Enns, Ochylski, and Chairperson Compton

NAYS: None

ABSTAINING: None

The motion was approved with a unanimous roll call vote.

Informational Matters

C-1: Status Report: Cities of Pismo Beach and Atascadero, Spheres of Influence and Municipal Services Review Updates.

Mr. Prater presented this item.

Commissioner Fonzi spoke first reporting that the City of Atascadero was currently reviewing its boundaries and plans for the City.

Mr. Prater stated that he had been in contact with both the City of Atascadero and City of Pismo Beach staffs and that the SOI/MSR Updates were moving forward slowly.

Commissioner Waage stated that the City of Pismo Beach may hold the SOI/MSR Update in a "status quo" position for several years.

Public Comment: None

Chairperson Compton stated that the report was received and filed.

At 9:35 a.m. **Chairperson Compton** closed the session to the public.

Commissioner Ochylski left the meeting.

At 9:38 **Commissioner Waage** recused himself from the following closed session item:

CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION

Government Code Section 54956.9 (d)(1)

Name of case: City of Pismo Beach v. Pacific Harbor Homes, Inc., Pacific Harbor Homes, LLC., Central Coast Development Company (Defendants); San Luis Obispo Local Agency Formation Commission (Real Party in Interest); San Luis Obispo Superior Court Case No. CV 130383

and asked that this item be discussed second so that he could hear the following item:

CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9:
(One potential case)

Chairperson Compton, the Commissioners and Legal Counsel Brian Pierik agreed to change the order of the items in closed session.

At 10:51 **Chairperson Compton** called the regular LAFCO commission meeting back into order.

Mr. Pierik reported on the closed session saying that there was no reportable information and that the Commission might wish to consider a motion with respect to the lawsuit and appeal.

Commissioner Eby moved to authorize LAFCO's attorneys to appeal the recent decision.

Vice-Chairman Murray seconded the motion.

AYES: Commissioners Eby, Vice-Chairman Murray, Arnold, Enns, Fonzi,
Chairman Compton

NAYS: None

ABSTAINING: Commissioner Waage

The motion was approved with a unanimous vote.

Commissioner Comments: None

Legal Counsel Comments: None

Executive Officer Comments: None

Adjournment: With no further business before the Commission, the meeting adjourned at 10:53 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