



**SAN LUIS OBISPO  
LOCAL AGENCY FORMATION COMMISSION  
MEETING MINUTES FOR  
APRIL 21, 2016**

**Call to Order:**

The San Luis Obispo Local Agency Formation Commission meeting was called to order at 8:58 a.m. on Thursday, April 21, 2016 in the Board of Supervisors Chambers at the County Government Center in San Luis Obispo, California by Chairman Frank Mecham.

**Pledge of Allegiance:** Led by Chairman Mecham

**Roll Call:**

**Present:** Chairman Frank Mecham, Commissioners Robert Enns, Roberta Fonzi, Bruce Gibson, Tom Murray, Ed Waage and Alternate Commissioners David Brooks, Ed Eby and Jamie Irons

**Absent:** Vice-Chairman Marshall Ochylski and Alternate Commissioner Adam Hill

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

**Approval of Minutes:** **Commissioner Fonzi** moved approval of the Minutes for March 17, 2016 with no changes or corrections. **Commissioner Murray** seconded the motion.

AYES: Commissioners Fonzi, Murray, Eby, Enns, Gibson, Waage, Chairman Mecham

NAYS: None

ABSTAINING: None

**Ray Biering, LAFCO Legal Counsel** asked Chairman Mecham if he could add a closed session to the agenda pursuant to Government Code Section 54954(2)(b) to discuss litigation regarding the Los Robles del Mar proposal.

A motion was made by **Commissioner Gibson** to add the closed session to the April 21, 2016 LAFCO Commission meeting. **Commissioner Eby** seconded the motion.

AYES: Commissioners Gibson, Eby, Fonzi, Murray and Chairman Mecham

NAYS: None

ABSTAINING: Commissioners Enns and Waage

The motion passed with a majority roll call vote.

**Non-Agenda Public Comments:** None

**Consent Agenda:**

A-1: Third Quarter Budget Report - Fiscal Year 2015-16

A-2: Contract Amendment SLO LAFCO Executive Officer

**Public Comment:** None

**Commissioner Gibson** moved that the consent agenda be approved.

**Commissioner Fonzi** seconded the motion.

AYES: Commissioners Gibson, Fonzi, Eby, Enns, Murray, Waage and Chairman Mecham

NAYS: None

ABSTAINING: None

The motion passed with a unanimous roll call vote.

**Regular Matters:**

B-1: LAFCO File No. 1-O-16: Outside User Agreement for Water and Wastewater Services between Fiero Lane Water Company and the City of San Luis Obispo

**David Church**, LAFCO Executive Officer, introduced this item and turned the presentation over to LAFCO Senior Analyst, Mike Prater.

**Mr. Prater** discussed the Outside user Agreement (OUA) stating that it was for water and wastewater service only. The City of San Luis Obispo (City) serves the areas surrounding the Fiero Lane site. The site is within the City's Sphere of Influence. The site also has received a notice from the City declaring that the water is unsafe for drinking as well, the site has had past violations for high nitrates in the water.

Mr. Prater stated that LAFCO has conditions of approval regarding the OUA such as:

- The OUA is limited to serving only the west side of Broad Street service area of Fiero Lane

- No other parcels or areas shall be served by this OUA
- The OUA is limited to providing water and wastewater services only
- A one-year extension may be filed with LAFCO for future annexation of the site.

In summary, Mr. Prater indicated that the OUA provides for water and wastewater service which is more reliable and safe than the existing well and septic system on the site; the City's infrastructure for the water and wastewater services are located nearby the site; the demand for water and wastewater are within the City's ability to provide those services.

**Mr. Rob Miller** of the Fiero Lane Mutual Water Company responded to questions from Commissioners regarding fees and charges, the east side of Broad Street, effluent from the wastewater, and use of septic systems from some property owners on the site.

**Public Comment:** None

**Commissioner Gibson** moved to approve the Outside User Agreement limited to serving Fiero Lane Water Company on the west side of Broad Street only as described in exhibits attached to the staff report. No other parcels or areas shall claim entitlements by virtue of this agreement. The Outside User Agreement is limited to water and wastewater service only. In accordance with the Memorandum of Agreement between the Fiero Lane Water Company and the City of San Luis Obispo an annexation application shall be submitted to LAFCO for processing within one year.

**Commissioner Fonzi** seconded the Motion.

AYES: Commissioners Gibson, Fonzi, Eby, Enns, Murray, Waage and Chairman Mecham

NAYS: None

ABSTAINING: None

The motion passed with a unanimous roll call vote.

B-2: SLO LAFCO Proposed Budget for Fiscal Year 2016-17

**Mr. Church** presented this item stating that the proposed LAFCO 2016-2017 fiscal year budget had been distributed to cities, special districts and the County of San Luis Obispo (County) as required by the Cortese-Knox-Hertzberg Act. He added that he had consulted with the County's Auditor's office and San Luis Obispo Pension Trust in preparing the proposed budget.

Mr. Church discussed the items considered in preparing the proposed budget:

- Total expenses;
- Salaries & benefits;
- Services & supplies;
- Revenues;
- Reserves & fund balance

Mr. Church responded to questions from the Commissioners regarding audits and other issues.

Mr. Church stated that the County Auditor processed all of LAFCO's funds and transactions and had completed a review of transactions for LAFCO. An official, full-scale audit has not been performed in the past. The Commission requested that staff research the possibility of completing an annual audit.

**Public Comment:** None

**Commissioner Waage** moved that the proposed Fiscal Year 2016-17 LAFCO Budget be approved as shown in Exhibit A of the staff report, and that the Executive Officer shall submit the Final Budget and Resolution at the May 19, 2016 LAFCO Commission meeting.

**Commissioner Murray** seconded the motion.

AYES: Commissioners Gibson, Fonzi, Eby, Enns, Murray, Waage and Chairman Mecham

NAYS: None

ABSTAINING: None

The motion passed with a unanimous roll call vote.

**Informational Matters:**

C-1: Legislative Update: Letters of Support and Opposition

**Mr. Church** presented this item and discussed the following legislation for which LAFCO had submitted letters of support of opposition:

AB 2910-Local Government Committee	LAFCO submitted a letter of support
SB 1266-McGuire	LAFCO submitted a letter of support
AB 2032-Linder	LAFCO removed opposition to this bill
SB 1318-Wolk }	Recommend that LAFCO oppose this bill
SB 1318-Wolk-amended }	
SB 1262-Pavley	CALAFCO has a "watch with concerns" status for this bill

**Public Comment:** None

**Chairman Mecham** stated that the item had been received and filed.

**Commissioner Fonzi** moved to submit a letter to Senator Wolk regarding SB 1318.

**Commissioner Waage** seconded the motion.

The motion was passed with a unanimous voice vote.

**Closed Session:**

At 9:55 a.m. Chairman Mecham closed the session to the public. The Commission will meet in closed session pursuant to Government Code Section 54956.9(b)(1) to confer with LAFCO

Legal Counsel regarding litigation in the matter of the Los Robles Del Mar Annexation #15 to the City of Pismo Beach.

At 10:01 a.m. Chairman Mecham called the open session back into order.

**Report on Closed Session:**

LAFCO Legal Counsel Ray Biering stated that he had given a status report to the Commission and that no action was taken.

**Commissioner Comments:** None

**Legal Counsel Comments:** None

**Executive Officer Comments:** None

**Adjournment:** With no further business before the Commission, the meeting adjourned at 10:05 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,  
Donna J. Bloyd, LAFCO Commission Clerk