



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

**TO: MEMBERS, FORMATION COMMISSION**  
**FROM: DAVID CHURCH, AICP, EXECUTIVE OFFICER**  
**DATE: OCTOBER 15, 2015**  
**SUBJECT: STATUS REPORT: CURRENT ACTIVITIES AND PROPOSALS**

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

This Report provides the Commission with information regarding possible upcoming proposals and current activities. The following items have been recently approved by the Commission and the post approval steps have been completed:

### **Recent Approvals**

**Creekside Annexation.** The Certificate of Completion has been acknowledged by the State Board of Equalization and this annexation is complete. A 24-acre District owned parcel just east of the town of Templeton was added to the District. The property has two District operated wells located on the property. A Permit was approved by the County to allow the construction of a Fire Training facility. Future uses of prime agricultural land must be set aside on 1 acre preserved per 1 acre developed basis.

**The Heights Annexation.** The Certificate of Completion has been acknowledged by the State Board of Equalization and this annexation is complete. The Commission conditionally approved the 48-acre annexation to the City of Arroyo Grande based on a water conservation plan that will reduce overall water consumption by the City. LAFCO and the City required that an open space easement be recorded on the property to preserve 15 acres of oak trees and open space on the property (31% of the site).

**PRBWD.** The Formation of Paso Robles Basin Water District was approved on September 17, 2015. The County is scheduled to consider calling for an election and establishing a Zone of Benefit on November 10, 2015.

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DAVID CHURCH  
Executive Officer

RAYMOND A. BIERING  
Legal Counsel

MIKE PRATER  
Analyst

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Commission Clerk

LAFCO will be preparing the Impartial Analysis that will be submitted as part of the election ballot materials as called for by the Cortese-Knox-Hertzberg Act.

### **Applications Submitted**

**California Valley CSD - Activate Parks and Recreation Powers.** This application has been refunded with all fees returned back to the District and is no longer on file.

**CSA 18 - Tract 2429 Annexation.** County Service Area No.18 has submitted an annexation application for Tract 2429 a 13-unit development that desires to connect to the wastewater facility at the San Luis Country Club. This application has been put on-hold pending further information regarding CSA #18 facility capabilities. A study is currently underway to evaluate the capacity of the existing treatment plant, sewer collection system, realistic build-out of the service area and the projects additional demand on the system. A plan and cost estimate for any improvements should be provided to accommodate the proposed 13-unit development before LAFCO would take action.

### **Other Possible Applications**

**Fiero Lane Outside User Agreement.** This proposal would allow properties in the Fiero Lane area in the City of San Luis Obispo's Sphere of Influence to be served water by the City and eventually lead to an annexation. Agreement details are being worked on by the City and property owners.

**Pismo Beach - Preserve SOI & Outside User Agreement.** This proposal would request that a part of the Preserve property be added to the City of Pismo Beach's Sphere of Influence to be served by an Outside User Agreement for the purpose of adding a restroom and parking area for users that enjoy the open space trails. The restrooms would be served by City's sewer.

**Templeton CSD - Udsen SOI/Annexation.** This proposal would request the Udsen property to be serviced by the District for fire service only. The property would call for an open space/conservation easement covering the majority of the parcel in exchange for receiving fire flow services from the Templeton CSD. The Districts infrastructure already exists across the street from the property.

### **On the Horizon - Possible Applications**

**Eagle Ranch Annexation to the City of Atascadero.** The development plans for this project are underway. The City of Atascadero has contracted with a consultant for the preparation of an Environmental Impact Report and Specific Plan. The City will use the adopted MOA in the preparation of these documents. The City is working towards an application for the annexation that would include pre-zoning, completion of CEQA. Staff is providing the City and County with information about the LAFCO process.

**Cayucos Fire District – Dissolution.** LAFCO recently completed the SOI/MSR

Update for the Cayucos area districts. The document identified financial concerns with the Fire District. Alternatives are being considered to continue fire services in the community. The District has brought forward the idea of dissolution in favor of the County/CalFire to provide these services. Additional discussions with the County are ongoing and could provide important information regarding future funding options and levels of services. LAFCO is working on developing Guidelines to explain the dissolution process for everyone involved.

### **Sphere of Influence/Municipal Service Review Updates**

**SOI/MSR Update for Road CSDs.** This SOI/MSR Update is being considered by the Commission at today's meeting.

**SOI/MSR Update for City of San Luis Obispo.** This SOI/MSR is being developed based on the City taking final action on its General Plan Update. No new SOI areas were considered in the City's General Plan Update. The update may be available to the public as early as the first quarter of next year.

**SOI/MSR Update for City of Morro Bay.** This SOI/MSR for the City will consider the Rancho Colina site for a new Wastewater/Reclamation Facility. The Commission was provided a status update March 15, 2015 where three potential SOI Study Areas could be considered. The City has hired consultants to assist in the development of a new facility. The City expects a Facility Master Plan to be available as early as February 2016 when they will begin the CEQA process for locating the new facility at the Rancho Colina site. The CEQA and permitting process is expected to take a longer timeframe to complete. The update may be available to the public as early as the first quarter of next year.

### **Other Key Activities**

**Special District Representative.** LAFCO Staff will start the election process for the Special District position held by Muril Clift. This process involves noticing the 35 Special Districts about the position and requesting nominations and then sending out a ballot for voting to the Special Districts if two or more candidates are nominated. The election is being conducted via electronic mail and likely start in January 2016. In the meantime, the Alternate Member Robert Enns will fill-in as the Special District Representative.

**CALAFCO Activities.** The Executive Officer was the program Chair for this year's CALAFCO Annual Conference. The Conference was well attended and the program was well received. Mr. Church was re-appointed by the CALFACO Board of Directors as the Deputy Executive Officer for the Coastal Region of CALAFCO.

### **2015 Work Program**

**Work Plan January 2015.** The Work Plan for San Luis Obispo LAFCO in 2015 included the following:

**Goals in 2015**

1. Serve the Commission and the public by providing accurate, clear and well-organized information for decision making.
2. Serve the Cities, County and Special Districts by providing information about LAFCO’s purpose and the processes LAFCO is authorized to complete.
3. Process proposals in an efficient manner; consistent with the Cortese-Knox-Hertzberg Act, CEQA and other state laws.
4. Implement the Sphere of Influence/Municipal Service Review Update Work Plan, while working on applications and other topics at the same time.
5. Provide the Commission with regular status reports regarding upcoming proposals, Sphere of Influence Updates, Legislative Activities, and the Budget.
6. Participate in CALAFCO events to improve and enhance the Commission and Staff’s expertise.
7. Inform the Commission and Public regarding the formation of Paso Robles Basin Water District.

**SPHERE OF INFLUENCE/MUNICIPAL SERVICE REVIEW UPDATE**

The Sphere of Influence (SOI) is a boundary that identifies areas a jurisdiction might serve over the next 20 years. The Municipal Service Review (MSR) provides information about a jurisdiction’s ability to serve a particular area. The MSR is an informational document that summarizes the existing service situation of a jurisdiction.

**CITIES**

The 2015 Work Plan focused on those Cities which have passed, or are approaching the five-year requirement for update. In 2015, Staff recommended beginning the update process for the Cities of Morro Bay and San Luis Obispo. These updates were temporary put on hold while the Water District was being processed. Work has begun and a Public Review Draft is expected sometime in the first quarter of 2016. Below are the Cities and the five-year update schedule:

Jurisdiction	Completion Date	Update 5-Year Date	Status/Action
Pismo Beach	October 2011	October 2016	SOI/MSR/MOA Updated in 2011
Atascadero	Sept. 2011	September 2016	SOI/MSR/MOA Updated in 2011
Arroyo Grande	November 2012	February 2017	SOI/MSR/MOA Updated in 2012
Grover Beach	November 2012	February 2017	SOI/MSR Updated in 2012
Paso Robles	February 2013	September 2018	SOI/MSR Updated in 2013
San Luis Obispo	January 2006	January 2011	<b>Complete in 2016</b>
Morro Bay	October 2007	October 2012	<b>Complete in 2016</b>

**DISTRICTS**

The 2015 Work Plan focused on those Districts which have passed, or are approaching the five-year requirement for update. Staff recommends the schedule for updating the SOIs and MSR for the Districts be followed as shown in the table below.

**COMMUNITY SERVICES DISTRICTS**

Jurisdiction	Completion Date	Update 5-Year Due	Status/Action
Oceano	November 2012	Nov 2017	SOI/MSR Updated in 2012
Nipomo	May 2010	May 2015	SOI/MSR Updated in 2010
Templeton	November 2013	Nov 2018	SOI/MSR Updated in 2013
San Miguel	November 2013	Nov 2018	SOI/MSR Updated in 2013
Heritage Ranch	November 2013	Nov 2018	SOI/MSR Updated in 2013
Avila Beach	August 2014	Aug 2019	SOI/MSR Updated in 2014
Cambria	August 2014	Aug 2019	SOI/MSR Updated in 2014
Los Osos	August 2014	Aug 2019	SOI/MSR Updated in 2014
San Simeon	August 2014	Aug 2019	SOI/MSR Updated in 2014
Cal Valley (R-S)	Dec 2007	Dec 2012	<b>Complete in 2015</b>
Independence Ranch (R)	Dec 2007	Dec 2012	<b>Complete in 2015</b>
Linne (R)	Dec 2007	Dec 2012	<b>Complete in 2015</b>
Creston Hills Ranch (R)	Dec 2007	Dec 2012	<b>Complete in 2015</b>
Squire Cyn (R)	Dec 2007	Dec 2012	<b>Complete in 2015</b>
Ground Squirrel Hollow (R)	Dec 2007	Dec 2012	<b>Complete in 2015</b>

**(R)** These Districts provide only Road Maintenance Services.

**(R-S)** California Valley provides Road Maintenance and Solid Waste Services.

**Other Special Districts**

There are numerous other Special Districts that are providing services to County residents and visitors. The Special Districts found below provide a variety of services including; soils management, Fire Protection, Harbor and Marine, and Healthcare and Sanitary. Each of these districts has independent Board of Directors.

### SPECIAL DISTRICTS

Jurisdiction	Completion Date	Update 5-Year Due Date	Status/Action
Coastal San Luis RCD	Nov 2014	Nov 2019	SOI/MSR Updated in 2014
Upper Salinas/Las Tablas RCD	Nov 2014	Nov 2019	SOI/MSR Updated in 2014
Cayucos Fire	Dec 2007	Dec 2012	<b>Completed in 2015</b>
Santa Margarita Fire	Nov 2014	Nov 2019	SOI/MSR Updated in 2014
So. County Sanitation	Nov 2012	Nov 2017	Completed in 2012
Garden Farms Co. Water District	Nov 2014	Nov 2019	SOI/MSR Updated in 2014
Cayucos Sanitary	Dec 2007	Dec 2012	<b>Completed in 2015</b>
Cambria Healthcare	Aug 2014	Aug 2019	SOI/MSR Updated in 2014
Port San Luis Harbor District	Nov 2014	Nov 2019	SOI/MSR Updated in 2014

### COUNTY SERVICE AREAS

Jurisdiction	Completion Date	Update Due	Status/Action
CSA 1 – and Nipomo Lighting District	Oct 2007	Oct 2012	Start update in 2016
CSA 7 - Oak Shores	Oct 2007	Oct 2012	Start update in 2016
CSA 9 - Los Osos	Oct 2007	Oct 2012	Start update in 2016
CSA 10 - Cayucos	Oct 2007	Oct 2012	<b>Completed in 2015</b>
CSA 12 - Lopez Water	Oct 2007	Oct 2012	Start update in 2016
CSA 16 - Shandon	Oct 2007	Oct 2012	Start update in 2016
CSA 18 - Country Club	Oct 2007	Oct 2012	Start update in 2016
CSA 21 - Countywide	Oct 2007	Oct 2012	Start update in 2016
CSA 22 - Airport	Oct 2007	Oct 2012	Start update in 2016
CSA 23-Santa Margarita	Oct 2007	Oct 2012	Start update in 2016