



**SAN LUIS OBISPO  
LOCAL AGENCY FORMATION COMMISSION  
MEETING MINUTES FOR  
SEPTEMBER 17, 2015**

**Call to Order:**

The San Luis Obispo Local Agency Formation Commission meeting was called to order at 9:01 a.m. on Thursday, September 17, 2015 in the Board of Supervisors Chambers at the County Government Center in San Luis Obispo, California by Chairman Tom Murray.

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

**Roll Call:**

**Present:** Chairman Tom Murray, Vice-Chairman Frank Mecham, Commissioners Muril Clift, Roberta Fonzi, Bruce Gibson, Marshall Ochylski, Ed Waage and Alternate Commissioners David Brooks and Jamie Irons

**Absent:** Alternate Commissioners Robert Enns and 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 August 20, 2015 with no changes or corrections. **Vice-Chairman Mecham** seconded the motion.

**AYES:** Commissioner Fonzi, Vice-Chairman Mecham, Commissioners Clift, Gibson, Waage and Chairman Murray

**NAYS:** None

**ABSTAINING:** Commissioner Ochylski

The Minutes were approved with a roll call vote.

LAFCO Chairman Tom Murray stated that any member of the audience who wished to speak regarding non-agenda matters for one minute would speak first. Anyone wishing to speak for two minutes would speak second and those wishing to speak for three minutes would speak third.

After some confusion about what constituted a non-agenda comment, three members of the public spoke at this time.

**Non-Agenda Public Comments:**

**Greg Grewal**, P.O. Box 376, Creston, CA 93432. Mr. Grewal spoke about local control of the proposed District, which was determined to be an agenda item.

**Cindy Steinbeck**, 5940 Union Road, Paso Robles, CA 93446. Ms. Steinbeck spoke about a LAFCO meeting which took place in 2014; this was also determined to be an agenda item.

**Cody Ferguson**, P.O. Box 1168, Paso Robles, CA 93447. Mr. Ferguson complimented LAFCO Chairman, Tom Murray, on his leadership at the August 20, 2015 LAFCO Commission meeting.

**Regular Matters:**

A-1: LAFCO File 2-R-15: Formation of Paso Robles Basin Water District - Financial and Formation Matters

LAFCO Executive Officer, David Church, introduced this item. Mr. Church stated that LAFCO Legal Counsel Ray Biering would discuss legal matters and that LAFCO Senior Analyst Mike Prater would discuss exclusion requests. Mr. Church also stated that he would discuss the financial and other formation issues.

**Mr. Biering** stated that at the August 20, 2015 LAFCO meeting there had been questions regarding LAFCO's authority to create a condition that forbids exporting of water outside of the District. Mr. Biering stated that, based on the Cortese-Knox-Hertzberg Act (CKH Act), LAFCO does have the authority to adopt such a condition upon the approval of formation of the proposed Paso Robles Basin Water District (District).

Mr. Biering also discussed the potential adjudication action regarding the proposed District and a quiet title action that has been begun by members of the public. Mr. Biering indicated that the formation of the District does not impact the adjudication process. Also discussed were:

- Water rights and a mutual water company and formation of the District. Mr. Biering explained that the District would be formed based on land ownership. Water rights were not the basis for forming the District.
- Activities normally and historically undertaken by the County of San Luis Obispo.

**LAFCO Senior Analyst, Mike Prater**, discussed mapping of the exclusion requests and the protest letters. He had prepared maps showing the Fugro boundary of the proposed District and where the parcels for both the exclusion requests and protest letters are located in relation to the proposed District. Mr. Prater also presented a map that showed the 892 protest form letters that were submitted at the August 20, 2015 meeting.

Also discussed were:

- Protest letters that were submitted at the August 20, 2015 LAFCO hearing and those submitted to LAFCO on Tuesday, September 15, 2015. Mr. Prater estimated the total to be over 1,000.
- Exclusion requests that were received by LAFCO by August 28, 2015. Mr. Prater showed maps of the exclusion requests and the findings from the Cleath-Harris Geologists, Inc. review.

Mr. Church stated that all exclusion requests were evaluated by consultants Cleath-Harris Geologists, Inc. and mapped by LAFCO Senior Analyst Mike Prater. Mr. Church also stated that LAFCO does have discretion in making boundary decisions. He cited the CKH Act and AB 2453, both of which give LAFCO the authority to review and approve (modify or deny) the formation of the District and to determine the powers and boundaries of the proposed District. Mr. Church also confirmed that an estimated 1,000 protest form letters had been submitted.

Mr. Church discussed the five-year budget for the proposed District which was prepared and approved by the County of San Luis Obispo (County) as part of the Plan for Services.

9:29 a.m. Alternate Commissioner Jamie Irons arrives at the hearing.

Mr. Church indicated that the County has used the comparative analysis prepared by Hydrometrics to prepare the budget. He also discussed what line items were to be funded as part of the proposed budget.

Mr. Church indicated that the budget did not include future capital improvement projects. Mr. Church discussed the financing proposed for the District; how it was developed, and that the “parcel tax” is subject to a two-thirds (2/3) majority of registered voters in an election. A table that detailed the parcel tax formula was presented.

Mr. Church presented a number of other formation topics including: activation of District powers, Governor’s signing of SB 184 to correct the error in AB 2453 regarding the adoption of an Emergency Ordinance, the transition plan for the District and County, and the California Environmental Quality Act (CEQA).

There were questions to LAFCO Staff and Mr. John Diodati, County Public Works Department, from the Commissioners regarding exclusion requests, boundaries and financing.

Mr. Church, Mr. Diodati, and Mr. Biering responded to the questions.

**Public Comment:**

**One-minute Speakers:**

**Jan Seals**, 8290 Shordon Place, Paso Robles, CA 93446. Ms. Seals stated that she supports the formation of the District and wants local control of the proposed District.

**George Sullivan**, P.O. Box 531, Santa Margarita, CA 93453. Mr. Sullivan stated that he is opposed to formation of the District.

**Cindy Steinbeck**, 5940 Union Road, Paso Robles, CA 93446. Ms. Steinbeck stated that she is part of the quiet title litigation and that there were more adjudicants (over 500) than were indicated in the Staff Report. She indicated that there was opposition to the formation of the District.

**Mary Russell**, P.O. Box 82, Shandon, CA 93462. Ms. Russell also wished to speak for three minutes. Ms. Russell stated that she is opposed to formation of the District.

**Bill Stansbury**, 4497 El Pomar, Templeton, CA 93453. Mr. Stansbury stated that he is in favor of forming the District.

**Two-minute Speakers:**

**Steve Rath**, 932 Solida del Sol Drive, Paso Robles, CA 93446. Mr. Rath stated that he supports formation of the District and local control.

**Hilary Graves**, P.O. Box 577, Creston, CA 93432. Ms. Graves stated that she is in favor of formation of the District.

**Eric Greening**, 7365 Valle Avenue, Atascadero, CA 93422. Mr. Greening had questions regarding financing of the District.

**Daniel Sinton**, 8705 Shell Creek Road, Santa Margarita, CA 93453. Mr. Sinton thanked LAFCO staff for their work on this issue and is in favor of forming the District.

**Susan Harvey**, North County Watch, 2430 Geneseo Road, Paso Robles, CA 93446. Ms. Harvey spoke about a letter from Attorney Ernest Conant regarding powers of the proposed District. Ms. Harvey indicated that she was opposed to formation of the District.

**Three-minute Speakers:**

**Sue Luft**, Basin Advisory Committee, 4562 Almond Drive, Templeton, CA 93465. Ms. Luft stated that the Committee supports formation of the District and the use of the Fugro boundary as the District's boundary, as well as the funding formula.

**Dennis Loucks**, 1810 San Marcos, Paso Robles, CA 93446. Mr. Loucks spoke about the costs of the proposed District and stated that he is opposed to formation of the District.

**James Voos**, 225 Kin Court, Templeton, CA 93465. Mr. Voos stated that he is in favor of formation of the District. He stated that his well level had dropped significantly over time.

**Michael Baugh**, 7900 Creston Road, Paso Robles, CA 93446. Mr. Baugh stated that he supports AB 2453 and that he wants the residents to decide on the formation of the District.

**Laurie Gage**, 5715 Linne Road, Paso Robles, CA 93446. Ms. Gage stated that she thought the funding formula was fair and that she wants to vote on the formation of the District.

**William Frost**, 1990 Surrey Way, Paso Robles, CA 93446. Mr. Frost spoke about opponents' of the Districts fears about who would be on the Board of Directors. Mr. Frost stated that he is in favor of forming the District.

**Robert Brown**, PRAAGS, 7995 Melody Lane, Paso Robles, CA 93446. Mr. Brown wants the issue sent to the voters to decide on the formation of the District.

At 10:35 a.m. Chairman Murray called for a 10-minute break

At 10:45 a.m. Chairman Murray called the session back into order.

**Three-minute Speakers, continued:**

**Jerry Reaugh**, PRAAGS, 3200 Branch Road, Paso Robles, CA 93446. Mr. Reaugh stated that he was impressed by the LAFCO process and that he supports formation of the District.

**Steve Sinton**, P.O. Box 112, Shandon, CA 93461. Mr. Sinton stated that he wants to be able to vote on the formation of the District. He spoke about many issues regarding the Paso Robles Groundwater Basin.

**James Nielson**, 485 LP Ranch Road, Templeton, CA 93465. Mr. Nielson stated that he is opposed to the formation of the District and that he is concerned about cost overruns for the potential new District.

**Mike Brown**, COLAB, 979 Osos Street, San Luis Obispo, CA 93401. Mr. Brown stated that he felt that people who were opposed to the District had not been given an opportunity to speak at length before the Commission.

**Ann Myhre**, 60901 Pancho Rico Road, San Ardo, CA 93450. Ms. Myhre asked that parcels east of San Juan Road be excluded from the District. She is opposed to formation of the District.

**Ted Gilbert**, 1714 Kings Drive, Paso Robles, CA 9346. Mr. Gilbert stated that the problem with the water level in the Paso Robles Groundwater Basin is due, in part, to the El Nino effect. He stated that he is opposed to formation of the District.

**Greg Grewal**, P.O. Box 376, Creston, CA 93432. Mr. Grewal spoke about residents' dry wells and stated his opposition to the formation of the District.

**Jacqueline Plant-Mason**, P.O. Box 1667, Paso Robles, CA 93447. Ms. Plant-Mason stated that she felt that the LAFCO staff report is disappointing because she felt that it was biased. She indicated her opposition to the formation of the District.

**Reddy V. Reddy**, 5895 Forked Horn Place, Paso Robles, CA 93446. Mr. Reddy stated that he opposes formation of the District.

**Allen Duckworth**, 5535 Forked Horn Place, Paso Robles, CA 93446. Mr. Duckworth stated that he is opposed to formation of the District and would like another option. He prefers adjudication.

**Ralph Herman, Sr.**, P.O. Box 4160, Paso Robles, CA 93447. Mr. Herman stated that he is opposed to the formation that has been presented to the Commission. He stated that he is also opposed to formation of the District and wishes to be excluded.

**Kathleen Maas**, 4900 Lenion Road, Paso Robles, CA 93446. Ms. Maas stated that she supports a locally managed district and local government.

**Bill Pelfrey**, 160 Foxtail Lane, Templeton, CA 93465. Mr. Pelfrey stated that he does not support use of the Fugro boundary for the formation of the District. He stated that he felt that the Bulletin 118 boundary should be used in formation of the District.

**Jerry Lohr**, 6169 Airport Road, Paso Robles, CA 93446. Mr. Lohr stated that he supports formation of the District and wants to be able to vote on the formation of the District.

**Mary Russell**, P.O. Box 82, Shandon, CA 93461. Ms. Russell stated that she is opposed to the formation of the District. She does not want land to the east of San Juan Road included in a district.

**Cody Ferguson**, P.O. Box 1168, Paso Robles, CA 93447. Mr. Ferguson spoke about the Bulletin 118 boundary, de minimus users within the Paso Robles Groundwater Basin, and his opposition to the formation of the District.

**Michael Raine**, 6475 Champagne, Paso Robles, CA 93446. Mr. Raine is opposed to formation of the District.

Close Public Comment.

There were comments by the Commissioners regarding potential legal costs for the new District; cost of potential projects for the new District; budget and financing for the proposed District; properties east of San Juan Road; the Fugro and Bulletin 118 boundaries; adjudication versus formation of the proposed District; and State involvement if the District is not formed.

Other topics discussed included whether the County's application to LAFCO was the best way to form a district, the financing scheme for the District and future expenses. There was concern about the fairness of the funding formula and duplication of services with the Flood Control District.

There was discussion among the Commissioners that the residents of the area should have the opportunity to vote on the formation of the District.

Upon a motion by **Vice Chairman Mecham**, seconded by **Commissioner Gibson** to approve the Staff recommendation as stated in the Staff Report. LAFCO Counsel clarified that the motion included the exclusion requests as presented by Staff, the transition plan found in the Staff Report, the conditions of approval, and environmental determination consistent with CEQA.

AYES: Vice-Chairman Mecham, Commissioners Gibson, Clift, Ochylski, Waage, and Chairman Murray

NAYS: Commissioner Fonzi

ABSTAINING: None

The motion passed with a six-to-one roll call vote.

**Commissioner Comments:** None

**Legal Counsel Comments:** None

**Executive Officer Comments:** Mr. Church thanked the Commissioners and LAFCO staff for their work on the formation of the Paso Robles Basin Water District

**Adjournment:** With no further business before the Commission, the meeting adjourned at 12:04 p.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