



LAFCO - San Luis Obispo - Local Agency Formation Commission

SLO LAFCO - Serving the Area of San Luis Obispo County

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TO: MEMBERS, FORMATION COMMISSION

**FROM: DAVID CHURCH, EXECUTIVE OFFICER *dc*
MIKE PRATER, SENIOR ANALYST**

DATE: APRIL 19, 2018

**SUBJECT: STATUS REPORT: SPHERE OF INFLUENCE
UPDATE/MUNICIPAL SERVICE REVIEW PROGRAM**

Recommendation: This item is informational only and does not require action by the Commission.

Summary: This status report is to bring the Commission up-to-date regarding the Sphere of Influence (SOI) and Municipal Service Review (MSR) update program. LAFCO is required by the Cortese-Knox-Hertzberg Act to update the Sphere of Influence for a jurisdiction every five years, or as needed.

Each year LAFCO adopts a Work Plan in January that focuses on those agencies that are approaching the five-year cycle. In some cases, development plans or other factors that may lead to future annexations may be considered outside of the five-year cycle. LAFCO has discretion in determining the work plan for the county jurisdictions.

Since 2002, SLOLAFCO adopted SOI/MSR Updates for each agency and has completed what are referred to as the first and second rounds of reviews. Nipomo CSD and Public Cemetery District kicked-off the third round. The Cities of Pismo Beach and Atascadero are next on the list to be updated. It is anticipated an Administrative Draft will be produced by late fall, early winter. Below are the Cities and the five-year update schedules:

CITIES

Jurisdiction	Completion Date	Update 5-Year Date	Status/Action
Pismo Beach	October 2011	October 2016	Begin the update process-2018
Atascadero	September 2011	September 2016	Begin the update process-2018
Arroyo Grande	November 2012	November 2017	Begin the update process-2019
Grover Beach	November 2012	November 2017	Begin the update process-2019
Paso Robles	February 2013	February 2018	Begin the update process-2020
San Luis Obispo	October 2016	October 2021	Begin the update process-2022
Morro Bay	March 2017	January 2022	Begin the update process-2023

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LAFCO is in the process of requesting information from the two Cities. A variety of information is used in updating the Service Review and Sphere Update:

- | | |
|----------------------------|----------------------------------|
| Annual Budgets for 5 years | Water Resource Studies |
| Urban Water Mgt. Plan | Sewer Master Plan |
| Rate Studies | General Plan/Local Coastal Plan |
| Financial Status Reports | Recycled Water Feasibility Study |
| Capital Improvement Plans | WWTP Facility Master Plan |

The update of the existing Municipal Service Review is an informational driven activity. We will be meeting with City staff in the coming weeks to gather the information needed to prepare the Sphere and MSR Update. LAFCO staff will use this information to create an Administrative Draft for City review. The Updated MSR, along with the analysis and determinations called for by the Government Code, will be used to determine the Sphere of Influence. The Sphere of Influence update would identify any changes that might be appropriate to make to the Sphere of Influence. LAFCO staff will be working with the County and the City to update the Memoranda of Agreement (MOA), if necessary. The goal would be to produce a Public Review Draft of the Sphere of Influence and Municipal Service Review Update for release before the end of this year.

Process. The process calls for several status reports and public hearings and provides for a number of points where the public may comment and provide testimony as the update process unfolds. The process for bringing the SOI and MSR Update to the Commission includes the following steps:

Action Items	Dates
Compile and Gather Information	April - May 2018
Prepare documentation: SOI Update-MSR-CEQA	June - Aug 2018
Admin Draft Review and Comment. 30-day comment period	Sept 2018
Release for Public Review and Comment. 45-day comment period	Dec 2018
Facilitate-City/County Memorandum of Agreement Revise, if needed	On-going
Respond to Comments	January 2019
Public Hearing regarding the Service Review/Sphere of Influence Update/City-County MOA	Jan - Feb-2019

Updating the existing City/County Memorandum of Agreement may be part of the SOI update process. The adopted MOA covers special areas of interest and lays out a process to follow if an area should be considered for future development. If the City and

County agree regarding the SOI and a new MOA is adopted, LAFCO is required to give “great weight” to this agreement in its determination of the Sphere of Influence.

Following the Cities of Pismo Beach and Atascadero LAFCO will begin the start of the Five Cities communities (Arroyo Grande, Grover Beach, Oceano, and South County Sanitation) and/or the North County CSD’s (Heritage Ranch, San Miguel, and Templeton) depending on the need.

The SOIs and MSR for the Districts are as shown in the table below.

COMMUNITY SERVICES DISTRICTS

Jurisdiction	Completion Date	Update 5-Year Due	Status/Action
Nipomo	Mar 2018	Mar 2023	Completed in 2018
Oceano	Nov 2012	Nov 2017	Begin the update process-2019
Templeton	Nov 2013	Nov 2018	Begin the update process-2020
San Miguel	Nov 2013	Nov 2018	Begin the update process-2020
Heritage Ranch	Nov 2013	Nov 2018	Begin the update process-2020
Avila Beach	Aug 2014	Aug 2019	Begin the update process-2021
Cambria	Aug 2014	Aug 2019	Begin the update process-2021
Los Osos	Aug 2014	Aug 2019	Begin the update process-2021
San Simeon	Aug 2014	Aug 2019	Begin the update process-2021
Cal Valley (R-S)	Dec 2015	Dec 2020	SOI/MSR Updated in 2015
Independence Ranch (R)	Dec 2015	Dec 2020	SOI/MSR Updated in 2015
Linne (R)	Dec 2015	Dec 2020	SOI/MSR Updated in 2015
Squire Cyn (R)	Dec 2015	Dec 2020	SOI/MSR Updated in 2015
Ground Squirrel Hollow (R-S)	Dec 2015	Dec 2020	SOI/MSR Updated in 2015

(R) These Districts provide only Road Maintenance Services.

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