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SLO LAFCO - Serving the Area of San Luis Obispo County

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TO: MEMBERS, FORMATION COMMISSION

FROM: DAVID CHURCH, EXECUTIVE OFFICER

DATE: MAY 18, 2017

**SUBJECT: IMPARTIAL ANALYSIS: ESTRELLA-EL POMAR-CRESTON
WATER DISTRICT FORMATION - LAFCO FILE NO. 4-R-16**

RECOMMENDATION: It is respectfully recommended that your Commission approve the attached impartial analysis regarding the formation of the Estrella-El Pomar-Creston Water District and authorize its submittal to the County Clerk.

DISCUSSION: The Conducting Authority (Protest) Process is scheduled for May 24th to be completed as required by the Cortese-Knox-Hertzberg Act. Two protests have been submitted so far, but not expected to achieve the threshold because all landowners had voluntarily chose to be within the District's Boundary. The California Water Code requires the LAFCO Executive Officer to prepare an impartial analysis regarding the formation of Estrella-El Pomar-Creston Water District (EPC Water District). On April 6, 2017, LAFCO approved the formation of the Water District subject to, among other things, a successful vote on formation in accordance with the Water Code. Pursuant to the Cortese-Knox-Hertzberg Act, LAFCO will request that the Board of Supervisors call for the necessary election. The request from LAFCO will likely be sent to the County Clerk on May 25, 2017. The County Board of Supervisors has 45 days to call for and direct the Clerk to conduct the election. After 45 days the Clerk is authorized to call for the election directly.

EXHIBITS

A: Impartial Analysis

B: Draft Election Schedule

The Board of Supervisors is expected to call for the election on June 20, 2017. The election is conducted by mailed ballot to the landowners within the boundary. The Executive Officer shall submit to the LAFCO Commission, for its approval or modification, an impartial analysis of the proposed district formation. Once approved the Impartial Analysis is submitted to the County Clerk. The Impartial Analysis shall not exceed 500 words in length (it does not-492) and shall include a description of the boundaries of the district proposed to be formed. The Commission shall approve or modify the analysis and submit it to the officials in charge of conducting the district formation election (Water Code § 34402.1). LAFCO Counsel has also reviewed the recommended impartial analysis.

**IMPARTIAL ANALYSIS FOR MEASURE ____
FORMATION OF THE ESTRELLA-EL POMAR-CRESTON WATER DISTRICT**

The proposed Estrella-El Pomar-Creston Water District (EPC Water District) is approximately 37,000 acres. The EPC Water District is generally around the City of Paso Robles and lies east of Highway 101 and Atascadero, and the communities of San Miguel, Templeton and Creston. To the north the EPC Water District boundary is the Monterey-San Luis Obispo County line. The EPC Water District's service area boundary includes the rural, unincorporated properties in San Luis Obispo County that overlie a portion of the Paso Robles Groundwater Basin.

The purpose of the EPC Water District is to provide for the sustainable management of portions of the Paso Robles Groundwater Basin. The responsibilities of the EPC Water District would include compliance with the Sustainable Groundwater Management Act (SGMA) within its boundaries. SGMA requires the preparation of a Groundwater Sustainability Plan (GSP) for basins identified by the Department of Water Resources (DWR) as medium and high-priority basins. If the EPC Water District is not formed, the County would be responsible for SGMA compliance for those properties. If the EPC Water District is formed it would request to be a Groundwater Sustainability Agency.

The formation process and powers of the proposed District are described in the San Luis Obispo LAFCO staff report prepared for the April 6, 2017 meeting. For the District to be formed a majority of the landowner-voters who submit ballots and own a majority of the acreage within the boundary must approve the formation. Also, the EPC Water District must complete the assessment process subject to proposition 218 procedures to fund the District within one year of being formed. The EPC Water District's five-member landowner Board of Directors would be elected by landowners based on acreage owned within the boundary. The EPC Water District is not allowed to export, or transfer water outside of the Paso Robles Groundwater Basin. The EPC Water District's sewer power is inactive. Only consenting landowners can become part of the District. Other conditions of approval were adopted as part of the formation of the EPC Water District.

A "yes" vote on this measure requires the acreage of an individual property to be counted in favor of forming the Estrella-El Pomar-Creaton Water District. A "no" vote on this measure requires the acreage to be counted against forming the EPC Water District. A majority of the "yes" votes cast by the landowner-voters who own a majority of the acreage within the boundary is needed to approve the formation. If a majority of "no" votes who own a majority of the acreage in the boundary are cast, the EPC Water District would not be formed.

The above statement is an impartial analysis of Measure _____. If you desire a copy of the measure, please call the County Elections Office at 805-781-5228 and a copy will be mailed at no cost to you.

by/David A. Church, Executive Officer
San Luis Obispo LAFCO

**SAN LUIS OBISPO COUNTY ELECTIONS OFFICIAL'S ACTIVITY SCHEDULE FOR THE
SPECIAL ALL-MAILED BALLOT ELECTIONS FOR THE
FORMATION OF THE PROPOSED ESTRELLA-EL POMAR-CRESTON WATER DISTRICT
TO BE HELD ON OCTOBER 17, 2017**

<p>June 20 EC4108(C) WC34000; GC 57000</p>	<p>Board of Supervisors calls and directs the County Elections Official to hold special all-mailed ballot elections for the formation of the Estrella-El Pomar-Creston Water District and election of the initial Board of Directors to be held on October 17, 2017.</p>
<p>June 21- June 30 EC9190, 9380</p>	<p>PUBLIC EXAMINATION PERIOD – Ten day examination period begins the day after the adoption of the resolution by the Governing Board.</p>
<p>June 26 EC9163, 9316 GC 57146 WC34402</p>	<p>BY THIS DATE the Elections Official shall publish the Notice Calling for Submission of arguments FOR or AGAINST the measure.</p>
<p>July 14 EC9161-9163, 9315-9316, 9600-9601 GC 57144-57146 WC 34402.2-34402.3</p>	<p>PRIMARY ARGUMENTS DUE – LAST DAY for proponent(s) to change or withdraw Primary Arguments. IMPARTIAL ANALYSIS DUE from LAFCO Executive Director</p>
<p>July 15 – July 24 EC9190, 9380</p>	<p>PUBLIC EXAMINATION PERIOD - Primary Arguments and Impartial Analysis</p>
<p>July 25 EC 9167 GC 57144; GC 57147</p>	<p>REBUTTAL ARGUMENTS DUE</p>
<p>July 26 - Aug 4 EC9190, 9380</p>	<p>PUBLIC EXAMINATION PERIOD - Rebuttal Arguments.</p>
<p>September 2 WC35003, 35003.1</p>	<p>LAST DAY TO NOTIFY ELECTIONS OFFICIAL OF TRANSFER OF LAND-CHANGE OWNERSHIP</p>
<p>September 18 (E-29) EC Sec 3001</p>	<p>FIRST DAY BALLOTS ARE AVAILABLE</p>
<p>October 17</p>	<p>ELECTION DAY</p>
<p>November 7 OR 14 EC15372</p>	<p>COMPLETE OFFICIAL CANVASS</p>