



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, EXECUTIVE OFFICER
MIKE PRATER, DEPUTY EXECUTIVE OFFICER

DATE: FEBRUARY 20, 2020

SUBJECT: STATUS REPORT – FIVE CITIES AREA SPHERE OF INFLUENCE UPDATE/MUNICIPAL SERVICE REVIEW

Recommendation: It is respectfully recommended that the Commission review this status report and provide comments to staff.

Summary: This status report is to bring the Commission up-to-date regarding the Sphere of Influence (SOI) update and Municipal Service Review (MSR) being prepared for the Five Cities Area including Cities of Arroyo Grande, Grover Beach, Oceano CSD and South San Luis Obispo County Sanitation District. LAFCO is required by the Cortese-Knox-Hertzberg Act to update the Sphere of Influence for a jurisdiction every five years or as needed. LAFCO Staff has completed an Administrative Draft of the MSR that the respective agency staffs are currently reviewing and commenting on. These comments should be returned in the next couple of weeks.

Discussions have started with regard to updating the MOA with the City of Arroyo Grande, with a meeting scheduled in the coming weeks with the County and City. The updated MOA will be changed to reflect current circumstances in terms of City and County Policies and timing.

The MSR along with the analysis and determinations called for by the Government Code will be used to form the Sphere of Influence Update. The Sphere of Influence update will identify any changes that might be appropriate to make to the Sphere of Influence. LAFCO staff has been working with the County and the City with the goal of producing a Public Review Draft of the Sphere of Influence Update and Municipal Service Review for released in March 2020 for review and comment.

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Process. The process calls for several status reports and public hearings and provides for a number of points that the public may comment and provide testimony as the Sphere of Influence update process unfolds. The process for bringing the SOI update and Municipal Service Review to the Commission includes the following steps:

Action Items	Dates
Compile and Gather Information	Sept - Nov 2019
Prepare documentation: SOI Update-MSR-CEQA	Dec 2019
Release for Public Review and Comment. 30-day comment period	March 2020
Facilitate-City/County Memorandum of Agreement Revise, if needed	On-going
Respond to Comments	April- May 2020
Public Hearing regarding the Service Review/Sphere of Influence Update/City-County MOA	June 2020

Municipal Service Review

A Draft MSR is in the process of being completed and will evaluate the capability of the Cities and Districts to serve existing residents and future development in the Sphere of Influence. The Service Review Factors required by the Cortese-Knox-Hertzberg Act are shown on the right. A new Chapter 7 related to Five Cities Fire Authority and regional fire service challenges facing the communities was added.

<u>SERVICE REVIEW FACTORS</u>
1. Growth and Population
2. Disadvantaged Unincorporated Communities
3. Present - Planned Capacity of Public Facilities
4. Financial Services
5. Shared Facilities
6. Accountability
7. Other Matters

Sphere of Influence

The Five Cities Area Sphere of Influence was last updated in 2012. Under this update no additional study areas are being considered with the small exception of Virginia Drive in City of Arroyo Grande. The SOI/MSR will likely consider a status quo Sphere of Influence for the City of Grover Beach, Oceano CSD, and South County Sanitation District.