



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 *(DC)*

DATE: DECEMBER 15, 2016

SUBJECT: PROTEST PROCEEDINGS RESULTS - IMPARTIAL ANALYSIS: SHANDON-SAN JUAN WATER DISTRICT FORMATION - LAFCO FILE NO. 3-R-16

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- STAFF**
- DAVID CHURCH
Executive Officer
- RAYMOND A. BIERING
Legal Counsel
- MIKE PRATER
Senior Analyst
- DONNA J. BLOYD
Commission Clerk

RECOMMENDATION: It is respectfully recommended that your Commission approve: 1) the attached Protest Proceeding Results; and 2) the attached impartial analysis regarding the formation of the Shandon-San Juan Water District and authorize its submittal to the County Clerk.

DISCUSSION: The Conducting Authority (Protest) Process was completed as required by the Cortese-Knox-Hertzberg Act. The hearing was conducted by the Executive Officer and LAFCO Clerk on November 23, 2016. Zero protests were submitted as expected 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 Shandon-San Juan Water District (Water District). On October 20, 2016, 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 requested that the Board of Supervisors call for the necessary election. The request from LAFCO was sent to the County Clerk on November 23, 2016. 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.

EXHIBITS

A: Results-Protest Hearing

B: Impartial Analysis

The Board of Supervisors called for the election on December 13, 2016. The Water Code states that within five days after a district formation election has been called, the legislative body which called for the election shall submit a written notification to the Executive Officer of the Local Agency Formation Commission. Such written notice shall include the name and a description of the proposed district, and may be in the form of a certified copy of the resolution adopted by the legislative body calling the district formation election. The Executive Officer shall submit to the LAFCO Commission, for its approval or modification, an impartial analysis of the proposed district formation. The impartial analysis shall not exceed 500 words in length (it does not) 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 analysis.



Exhibit A

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

TO: INTERESTED PARTIES

FROM: DAVID CHURCH, LAFCO EXECUTIVE OFFICER

DATE: NOVEMBER 23, 2016

SUBJECT: RESULTS FOR THE PROTEST HEARING OF THE FORMATION OF THE SHANDON-SANJUAN WATER DISTRICT LAFCO FILE #3-R-16

On November 23, 2016 at 9:00 a.m. David Church, the LAFCO Executive Officer (E.O.) conducted the Protest (Conducting Authority) Hearing pursuant to the Cortese-Knox-Hertzberg Act and as delegated to the E.O. by the Commission under Government Code Section 57000(c). The Protest (Conducting Authority) Hearing regarding the formation of the Shandon-San Juan Water District was held in the Board of Supervisors Chambers, 1055 Monterey Street, County Government Center, San Luis Obispo, California.

This was the date, time and place of a hearing for the submittal of written protests from the land owners within the formation boundary area. A total of zero written protests were submitted to LAFCO. Pursuant to the Cortese-Knox-Hertzberg Act and the Water Code the formation is subject to a vote of the landowners within the boundary and the terms and conditions of the approval.

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EXHIBIT B
IMPARTIAL ANALYSIS FOR MEASURE _____
FORMATION OF THE SHANDON-SAN JUAN WATER DISTRICT

The proposed Shandon-San Juan Water District (Water District) is approximately 144,000 acres. The Water District generally lies east of Highway 101 and of the Cities of Paso Robles and Atascadero, and the community of Templeton. To the north the Water District boundary is the Monterey-San Luis Obispo County line. The 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 Water District is to provide for the sustainable management of portions of the Paso Robles Groundwater Basin. The responsibilities of the 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. DWR has identified the Paso Robles Basin as a high-priority basin. If the Water District is not formed, the County or the State would be responsible for SGMA compliance. If the Water District is formed would be a Groundwater Sustainability Agency or be part of 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 October 20, 2016 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 Water District must complete the assessment process subject to proposition 218 procedures to fund the District within one year of being formed. The Water District's five-member landowner Board of Directors would be elected by landowners based on acreage owned within the boundary. The Water District is not allowed to import, export, or transfer water outside of the Paso Robles Groundwater Basin. The Water District's sewer power is inactive. Other conditions of approval were adopted as part of the formation of the Water District.

A "yes" vote on this measure requires the acreage of an individual property to be counted in favor of forming the Shandon-San Juan Water District. A "no" vote on this measure requires the acreage to be counted against forming the 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 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