



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
DATE: MAY 18, 2017
SUBJECT: STATUS REPORT-CITY OF MORRO BAY SPHERE OF INFLUENCE UPDATE/MUNICIPAL SERVICE REVIEW

Recommendation: It is respectfully recommended that the Commission receive and file this status report.

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 City of Morro Bay. LAFCO is required by the Cortese-Knox-Hertzberg Act to update the Sphere of Influence for a jurisdiction every five years or as needed.

The City has requested LAFCO proceed with the SOI/MSR Update with revisions to reflect the City's efforts to update their General Plan and Local Coastal Plan (GP/LCP) and the One Water Plan that are currently underway. These documents would provide important information that could be included in a future MOA and MSR. These documents are in the process of being prepared and would be very helpful in establishing the Sphere of Influence in the future.

Morro Bay's previous update to its Sphere of Influence (SOI) was completed in 2007. The Commission received status reports regarding the SOI Update and Municipal Service Review starting back in 2013, 2016 and on January 19, 2017. A break was taken to allow the City to work through a preferred site selection of the wastewater treatment plant site. The Public Review Draft of the Sphere of Influence Update and Municipal Services Review was distributed on January 19, 2017. The comment period was extended from February 27, 2017 through May 2017.

The City has been working on siting the wastewater treatment plant facility (WWTP) for a number of years and is in the process of selecting a site. Studies have been completed by the City and development of the WWTP will be underway within the next five years. The WWTP is a key facility for the City's continued well-being. Staff is recommending that based on the studies already completed the following conditions are added to the Sphere of Influence:

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- 1) Add a condition that allows the SOI to be expanded to include the wastewater site, when a site is selected by the City and the EIR is completed. This way the SOI is amended to include the selected property. Annexation would be the next step.
- 2) Delete references to the 2004 General Plan in the MSR and indicate these sections will be updated when the City completes the update of its GP/LCP.
- 3) Add a condition indicating that LAFCO would revisit the SOI upon completion of the GP/LCP update.
- 4) Leave the existing MOA in place until we update the SOI based on the updated GP/LCP.