



**SAN LUIS OBISPO
LOCAL AGENCY FORMATION COMMISSION
MEETING MINUTES FOR
MAY 18, 2017**

Call to Order:

The San Luis Obispo Local Agency Formation Commission meeting was called to order at 9:00 a.m. on Thursday, May 18, 2017 in the Board of Supervisors Chambers at the County Government Center in San Luis Obispo, California by Chairman Marshall Ochylski

Pledge of Allegiance: Led by Chairman Ochylski

Roll Call:

Present: Chairman Marshall Ochylski, Commissioners Debbie Arnold, Robert Enns, Roberta Fonzi, Tom Murray, and Alternate Commissioners Ed Eby, Jamie Irons, and Heather Jensen

Absent: Vice-Chairman Ed Waage, Commissioner Lynn Compton and Alternate Commissioner Adam Hill

Staff: David Church, LAFCO Executive Officer
Raymond A. Biering, LAFCO Legal Counsel,
Mike Prater, LAFCO Senior Analyst,
Donna J. Bloyd, LAFCO Commission Clerk

LAFCO Legal Counsel Ray Biering was in attendance at the meeting via telephone conference call.

Approval of Minutes: **Commissioner Fonzi** moved approval of the Minutes for April 6, 2017 with no changes or corrections. **Commissioner Irons** seconded the motion. The motion passed with a unanimous voice vote.

Non-Agenda Public Comments: None

Consent Agenda:

A-1: Third Quarter Budget Report - Fiscal Year 2016/17

A-2: Contract Amendment - San Luis Obispo LAFCO Executive Officer

Public Comment: None

Commissioner Murray moved to approve the consent agenda.

Commissioner Fonzi seconded the motion.

The motion was approved with a unanimous voice vote with Commissioner Irons abstaining on Item A-2.

Regular Matters:

B-1: LAFCO File 4-R-16 - Estrella-El Pomar-Creston Water District: Impartial Analysis for the Formation Election.

Mr. Church presented this item stating that a Conducting Authority (Protest) hearing will be conducted by LAFCO on May 24, 2017 at 9:00 a.m. at the County Board of Supervisors' Chambers 1055 Monterey Street, San Luis Obispo, CA. Mr. Church added that the election would likely take place in October 2017. He also stated that LAFCO is required to submit the Impartial Analysis to the San Luis Obispo County Clerk.

Commissioners had questions and minor grammatical corrections to the Impartial Analysis

Mr. Church responded to the questions and minor changes which were made to the Impartial Analysis.

Public Comment:

Eric Greening, 7365 Valle Avenue, Atascadero, CA 93442. Mr. Greening stated that the Impartial Analysis appeared to be accurate and impartial but he felt that the information in the analysis could cause confusion regarding where to look for information about the EPC Water District.

Ed Eby, LAFCO Alternate Special District Member speaking as a member of the public. Mr. Eby stated that he noticed that two protests had been submitted to LAFCO and that he thought the WEPC Water District was an "opt-in" district.

Mr. Church responded that two individuals had signed and returned protest forms and that he understood, from Mr. Jerry Reaugh, a partner in forming the EPC Water District, that the signers were possibly confused about what they were signing. Mr. Church also indicated that the protests may be withdrawn before or at the May 24 Protest Hearing.

Commissioners Irons and **Arnold** had questions regarding the wording about the inactive sewer power in the Staff Report.

There was discussion between the Commissioners and Mr. Church concerning the issue.

Mr. Church stated that the wording could be changed to be less confusing and that activation of the sewer power would have to go through the LAFCO process to be activated.

Commissioner Fonzi moved to approve the Impartial Analysis with the discussed corrections.

Commissioner Arnold seconded the motion.

AYES: Commissioners Fonzi, Arnold, Enns, Irons, Murray and
Chairman Ochylski

NAYS: None

ABSTAINING: None

The motion passed with a unanimous roll call vote.

B-2: San Luis Obispo LAFCO - Proposed Budget for Fiscal Year 2017/18

Mr. Church discussed this item stating that the budget process is guided by the Cortese-Knox-Hertzberg Act (CKH) and local procedures. He added that he consulted the San Luis Obispo Auditor's office and San Luis Obispo Pension Trust personnel.

Mr. Church stated that the proposed budget had been sent to county cities, special district and the county agencies as required by CKH.

Mr. Church discussed total expenses, salaries, services and supplies, and revenues. He added that an error had been made on the original budget spreadsheet but that it had been corrected and presented to the Commission at the meeting.

Mr. Church indicated that there would be an increase in the LAFCO legal counsel fees, since the fees had not been raised for 10 years.

Commissioner Murray had a question about how LAFCO assesses fees to applicants.

Mr. Prater displayed the LAFCO website showing the Application fees.

Mr. Church also indicated that the audit currently being prepared for LAFCO would be presented to the Commission at the June meeting and asked the Commission about having an audit prepared for LAFCO every two years rather than every year.

Commissioner Murray stated that he felt that having an audit every two years was more than adequate.

Public Comment: None

Commissioner Arnold moved to approved the Proposed Fiscal Year 2017/18 LAFCO Budget and direct the LAFCO Executive Officer to distribute the Final Budget and Resolution to the local agencies and submit the Final Budget at the June 2017 LAFCO meeting.

Commissioner Irons seconded the motion.

AYES: Commissioners Arnold, Irons, Enns, Fonzi, Murray and
Chairman Ochylski

NAYS: None

ABSTAINING: None

The motion passed with a unanimous roll call vote.

At 9:30 a.m. **Chairman Ochylski** left the meeting because of another commitment. Since Vice-Chairman Waage was not in attendance, Chairman Ochylski selected **Commissioner Fonzi** to Chair the rest of the meeting.

At this time **Alternate Commission Eby** (Special District Member) was seated to complete the meeting as well.

Informational Matters

C-1: City of Morro Bay Sphere of Influence and Municipal Services Review Update
LAFCO Senior Analyst Mike Prater presented this item.

Mr. Prater stated that the City of Morro Bay staff (City) requested LAFCO to review the Municipal Services Review (MSR) in the context of the City's General Plan update. He added that the Public Review Draft of the SOI Update/MSR will be revised and that the updated version would be presented to the Commission in June.

Commissioner Irons asked that references to the City's former General Plan and the MSR be deleted. The City's General Plan has not been approved by the Coastal Commission.

Chairperson Pro Tem, Fonzi asked about the progress of the City's wastewater treatment plan.

Commissioner Irons responded that progress on site selection had been made and that the South Bay Boulevard site was the preferred site.

Public Comment: None

Commissioner Irons moved to receive and file this item.

Commissioner Murray seconded the motion.

AYES: Commissioners Irons, Murray, Arnold, Enns, and Chairperson Pro Tem
Fonzi

NAYS: None

ABSTAINING: None

The motion passed with a unanimous roll call vote.

C-2: CALAFCO Activities and Legislative Update

Mr. Church presented this item stating that the CALAFCO Annual Conference for 2017 would

be held in San Diego this year. Mr. Church added that he was also working on CALAFCO U classes and that Commissioner Murray would be a guest speaker at a CALAFCO U session.

Mr. Church suggested that the Commissioners check out the strategic plan for CALAFCO in the next year. He indicated that a flyer had been attached to the staff report regarding guiding growth and services, LAFCOs' responsibilities and possible challenges for LAFCOs.

Mr. Church then summarized various bills before California legislators and the CALAFCO position on the bills.

Public Comment: None

Commissioner Arnold moved to receive and file this item.

Commissioner Eby seconded the motion.

AYES: Commissioners Arnold, Eby, Enns, Irons, Murray, and Chairperson Pro Tem Fonzi

NAYS: None

ABSTAINING: None

The motion passed with a unanimous roll call vote.

Commissioner Comments: None

Legal Counsel Comments: None

Executive Officer Comments: None

Adjournment: With no further business before the Commission, the meeting adjourned at 9:44 a.m. until the next meeting of the Commission in the Board of Supervisors Chambers at the County Government Center in San Luis Obispo.

THESE MINUTES ARE NOT OFFICIAL NOR ARE THEY A PERMANENT PART OF THE RECORD UNTIL THEY ARE APPROVED BY LAFCO COMMISSIONERS AT THE NEXT REGULAR MEETING.

Respectfully submitted,
Donna J. Bloyd, LAFCO Commission Clerk