



**SAN LUIS OBISPO  
LOCAL AGENCY FORMATION COMMISSION  
MEETING MINUTES FOR  
SEPTEMBER 15, 2011**

**Call to Order:**

The San Luis Obispo Local Agency Formation Commission meeting was called to order at 9:01 a.m. on Thursday, September 15, 2011 in the Board of Supervisors Chambers at the County Government Center in San Luis Obispo, California by Chairman Richard Roberts.

**Roll Call:**

**Present:** Chairman Richard Roberts, Vice Chairman Bruce Gibson, Commissioners Muril Clift, Ed Eby, James R. Patterson, Duane Picanco, and Kris Vardas and Alternate Commissioners Roberta Fonzi and Tom Murray

**Absent:** Alternate Commissioner Frank Mecham

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

**Pledge of Allegiance:** Led by Chairman Roberts

**Approval of Minutes:** Motion was made, seconded and passed, to approve the minutes of July 21, 2011.

**Non-Agenda Public Comments:** None

**Consent Agenda:** No Items

**Regular Matters:**

**Item A-1:** Consideration of the Sphere of Influence Update, Municipal Service Review, and Environmental Determination for the City of Atascadero.

LAFCO Executive Officer, David Church introduced this item and provided background regarding the Sphere of Influence (SOI) update process LAFCO Analyst, Mike Prater provided a PowerPoint presentation.

Mr. Church stated that the Memorandum of Agreement (MOA) between the City of Atascadero (City) and the County of San Luis Obispo (County) has been approved.

Mr. Church stated that the City's General Plan studied Eagle Ranch for inclusion into the SOI in the 2003 Update. Eagle Ranch is comprised of 3,500 acres in the southern part of Atascadero that includes the original Colony lots. Four hundred fifty-two Certificates of Compliance are certified as legal for the Eagle Ranch area. Mr. Church added that the area is entitled to water

service from Atascadero Mutual Water Company.

The City approved the MOA on June 14, 2011 and the County approved it on August 2, 2011. The City and LAFCO provided public outreach by holding regular, agendaized Commission updates on the status of the Sphere of Influence (SOI); notices were mailed to interested parties and advertised in *The Tribune* newspaper; information was also available online at [www.slolafco.com](http://www.slolafco.com) and in local county library branches.

**Public Comments:**

**Roberta Fonzi, Atascadero City Council Member, LAFCO Alternate City Commissioner**, spoke stating that she concurred with the Staff Report. Ms. Fonzi stated that the Eagle Ranch property was a part of the Colony and had already been subdivided into lots. She added that the property could be developed and could receive water service.

**Eric Greening, 7360 Valle Avenue, Atascadero, CA 93422**, stated that he felt that the City was going about the SOI process in the right way. He voiced concerns about the highway commercial area adjacent to Highway 101.

**Warren Frace, City of Atascadero Planning Director**, 6907 El Camino Real, #6, Atascadero, CA 93422 stated the Eagle Ranch would be a model project.

**Victor Montgomery, RRM Design Group**, 3765 South Higuera St., San Luis Obispo, CA 93401 stated that no traffic resulting from a highway commercial area would be directed through residential areas.

**Commissioner Comments:**

**Commissioner Patterson** stated that he supported this item and that the City had worked with the public on the project. He added that he appreciated LAFCO work on the MOA and SOI.

**Vice Chairman Gibson** stated that he supported the staff recommendation and that all entities had done good work. He spoke about the Specific Plan, City finances, "Smart Growth" and the CKH Act.

**Motion was made by Commissioner Patterson to:**

- 1. Certify by resolution the Notice of Exemption found in Exhibit A;**
- 2. Give "Great Weight" to the Memorandum of Agreement that has been approved by the Atascadero City Council and the County Board of Supervisors found in Exhibit D; and**
- 3. Approve by resolution the Sphere of Influence Update and Municipal Service Review. The resolution shall incorporate by reference the written determinations related to the six factors stated in the Cortese-Knox-Hertzberg Act and found in the Service Review.**

**Commissioner Vardas seconded the motion.  
The motion passed with a unanimous roll call vote.**

**Informational Matters:**

**Item B-1:** Study Session regarding the Public Review Draft Sphere of Influence Update and Municipal Service Review for the City of Pismo Beach

Mr. Church introduced this item, Mr. Prater provided a PowerPoint presentation.

Mr. Church explained that a Sphere of Influence (SOI) is a 20-year planning boundary, a “probable” physical boundary for a community which is the basis for a community’s orderly growth.

Mr. Church stated that the City of Pismo Beach (City) would need to obtain supplemental water supplies to serve the SOI. In Pismo, the City requires a developer to provide his own source of water. The City has policies that require a developer to pay for the needed services and facilities for a development. Mr. Church added that the population of the City has declined according to the recent census. He stated that there are no apparent fiscal constraints.

Mr. Church indicated that the Cortese-Knox-Hertzberg Act (CKH) and LAFCO policies call for a City-County agreement. He added that the Memorandum of Agreement (MOA) had been approved by both the City and County of San Luis Obispo (County). This MOA’s details include:

- Agreement on the SOI boundary;
- Recognizes a need to coordinate;
- Uses both City and County General Plans;
- Identifies provisions for development; and
- Is more specific than past MOAs.

Mr. Church discussed the key provisions of the MOA, as well as the CEQA and CEQA Mitigation issues. Mitigation regarding water, agricultural, and open space resources were discussed.

Mr. Church also discussed alternatives and options for possible inclusion in the SOI.

Mr. Prater described the seven study areas of the SOI area.

**Vice Chairman Gibson** had comments regarding the comment letters received at LAFCO from members of the public.

**Mr. Church** addressed Mr. Gibson’s comments.

**Chairman Roberts** had questions regarding the existing wells in the area and the Christian school project on Oak Park Road.

**Mr. Church** responded to Chairman Roberts’ questions.

**Commissioner Picanco** asked about the output of the existing wells.

**Mr. Church** responded to his questions.

**Commissioner Eby** spoke about the area’s water supply; “safe yield”; contracts with State water and private water agencies.

**Mr. Church** responded to his questions and stated that LAFCO staff will respond to questions regarding private mutual water agencies at a future LAFCO Commission meeting.

**Commissioner Patterson** had questions regarding validating water use by businesses and residents. He also commented on the importance of having good data regarding water demand.

**Mr. Church** responded to his questions.

**Commissioner Vardas** spoke about the water figures within the Staff Report; existing water and demands from the Godfrey property.

**Mr. Church** responded to his questions.

**Commissioner Clift** asked if, by including the Godfrey property into the SOI, the result would be a “leapfrog” development; Study Areas Five and Six; the presence of open space and the proposed golf course.

**Mr. Church** responded to his questions.

**Commissioner Eby** had further questions about water and acre-feet of water for each SOI area.

**Mr. Church** responded to his questions.

**Mr. Jon Biggs**, City of Pismo Beach Planning Department spoke about the Specific Plan and SOI Update, the City’s comprehensive planning; the MOA; and the long-range planning approach for the SOI area.

**Public Comments:**

**Eric Greening**, 7365 Valle Avenue, Atascadero, CA 93422. Mr. Greening stated that he felt that the LAFCO tour of the SOI area was not complete because it did not include Ormonde Road. He also stated that he felt that Commissioner Eby had good questions about “wet” water vs. “paper” water. He also spoke about public transportation in the SOI area.

**Sheila Blake**, 1320 Longview Avenue, Pismo Beach, CA 93449. Ms. Blake provided comments opposing the potential annexation proposal for part of the SOI area.

**Michael Cox**, no address given. Mr. Cox spoke about his concerns with the fiscal constraints related to the SOI; urban sprawl; and possible “leapfrog” development in Study Area Four.

**Harry Goodnight**, Oak Park Homeowners’ Association, Post Office Box 1083, Pismo Beach, CA 93448. Mr. Goodnight stated his concerns that Arroyo Grande’s residents had no input into the City of Pismo Beach’s development and water needs.

**Carl Bockhahn**, 1597 Vista Grande, Arroyo Grande, CA 93420. Mr. Bockhahn spoke about Vetter Lane and the density and possible water use of potential proposals in the SOI area.

**Dean Berto**, 521 Torrey Pines Place, Arroyo Grande, CA 93420. Mr. Berto spoke about the possible negative impact on the quality of life for residents in the area. He asked about “sensible” infill for the City of Pismo Beach.

**Chuck Stevenson**, County of San Luis Obispo Planning. Mr. Stevenson stated that it was appropriate for the City of Pismo Beach to plan for future growth. He stated that the MOA is a critical tool in planning for growth. He also stated that the MOA showed a high level of agreement between the City and County. Mr. Stevenson identified some issues such as: a documented source of water; protection of open space and agricultural lands; infill and sensible compact development; and public transit in the SOI area.

**Marilyn Morris**, 1750 Little Court, Arroyo Grande, CA 93420. Mr. Morris spoke about Vetter Lane, economic issues and water availability in the County areas. She opposes the SOI expansion.

**David Watson**, Post Office Box 385, Pismo Beach, CA 93448. Mr. Watson spoke on behalf of the owners of property in Study Areas Three, Four, and Six regarding the SOI, the EIR, and water issues. Mr. Watson stated that his clients supported the City’s requirements and would avoid using water in the Oak Park Basin.

**Stewart Robinson**, 1251 Paseo Ladera Lane, Arroyo Grande, CA 93420. Mr. Robinson stated that he felt that including Study Area Four in the SOI would cause “leapfrog” development. He supported infill before new development.

**Susan Testa**, 202 Highland Drive, Pismo Beach, CA 93449. Ms. Testa stated that she felt that an annexation was being blended into the SOI. She also spoke about the MOA; open space in the SOI; and increased density if an annexation was permitted.

**Jackie Relyea**, 1248 Paseo Ladera Lane, Arroyo Grande, CA 93420. Ms. Relyea was opposed to including the Godfrey property into the SOI.

**Michael Hannon**, 665 Vetter Lane, Arroyo Grande, CA 93420. Mr. Hannon spoke about water issues in the Vetter Lane area.

**Mr. Church** stated that he felt that there had been good feedback from members of the community.

**Vice Chairman Gibson** stated that an SOI is more than a line on a map and that probabilities regarding a “drought buffer” should be weighed.

**Item B-2:** Status Report regarding the Public Review Draft Sphere of Influence Update and Municipal Service Review for the City of Paso Robles.

Mr. Church introduced this item. Mr. Prater provided a PowerPoint presentation.

Mr. Church stated that recent activities regarding the City of Paso Roble’s (City) Sphere of Influence Update (SOI) include: an update of the SOI/MSR; five meetings regarding the

Memorandum of Agreement (MOA); study areas have been identified and discussed; provisions to the SOI Update have been updated; the City is receiving feedback from the property owner of Study Area Five.

Mr. Church added that the Public Review Draft of the SOI Update/MSR has been scheduled for release in October 2011.

Mr. Church discussed some of the action items regarding the draft MOA.

There were no public or Commissioner comments for this item.

**Item B-3: CALAFCO Annual Conference Report-Napa County August 31-September 2, 2011**

Mr. Church discussed the recent CALAFCO 2011 Annual Conference. The conference was held in Napa, California on August 31 through September 2.

Mr. Church stated that the conference sessions were productive.

Mr. Church also discussed new legislation specifically AB 54 which is a provision that mutual water companies must provide information and maps to LAFCOs by December 31, 2012. Mr. Church briefly discussed AB 1430 which is an omnibus bill for changes to the Cortese-Knox-Hertzberg Act.

Mr. Church stated that Commissioners Eby, Vardas and Mecham as well as Chairman Roberts attended the conference.

**Commissioner Vardas** stated that he felt that Mr. Church represented SLO LAFCO very well.

**Commissioner Eby** stated that the audience at a conference session was polled about LAFCO powers, recycled water, and SOIs.

**Chairman Roberts** spoke about sessions at the conference which included the Orange County LAFCO's study on services provided by community services districts, the future of LAFCOs and potentially larger roles for LAFCOs.

Chairman Roberts also mentioned the recent CALAFCO newsletter, *The Sphere* regarding water requirements and the SLO LAFCO's input to the article and that the results were very interesting.

**Commissioner Comments:** None

**Legal Counsel Comments:** None

**Executive Officer Comments:** None

**Adjournment:** With no further business before the Commission, the meeting adjourned at 10:58 pm. 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