



**SAN LUIS OBISPO
LOCAL AGENCY FORMATION COMMISSION
MEETING MINUTES FOR
MAY 20, 2010**

Call to Order:

The San Luis Obispo Local Agency Formation Commission meeting was called to order at 9:01 a.m. on Thursday, May 20, 2010 in the Board of Supervisors Chambers at the County Government Center in San Luis Obispo, California by Chairman Duane Picanco.

Roll Call:

Present: Chairman Picanco, Vice Chairman Roberts, Commissioners Achadjian, Eby, Gibson, Settle, and Alternate Commissioner Vardas

Absent: Commissioner Brooks and Alternate Commissioners Murray and Patterson

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 Commissioner Achadjian

Non-Agenda Public Comments: None

Regular Matters:

Item A-1: LAFCO File No. 2-S-09: Sphere of Influence Update and Municipal Service Review for the Nipomo Community services District.

LAFCO Executive Officer, David Church, introduced this item and provided a Power Point presentation. Mr. Church stated that a jurisdiction's Sphere of Influence (SOI) is supposed to be updated every five years. The Nipomo Community Services District's (NCSD) SOI had last been updated in 2004. The Public Review Draft of the SOI Update was distributed for a 45-day public review period which ended on March 22, 2010.

Mr. Church stated that LAFCO had received comments from a number of agencies and individuals and that LAFCO staff had reviewed the comments letters.

Mr. Church stated that proposed changes and responses to comments are provided in the Hearing Draft of the SOI Update.

Mr. Church stated that the NCSD, County of San Luis Obispo (County) and LAFCO staff met regarding the Memorandum of Agreement (MOA). There is a draft agreement which is shown in Appendix B of the Hearing Draft for this item.

Mr. Church stated that there were conditions of approval for the SOI which are discussed in

Chapter Two of the Hearing Draft. Most of the conditions remain in effect and some modifications are suggested.

Mr. Church stated that prior to an annexation to the NCSD, a water conservation program shall be implemented reducing water use by 15%. There must also be a documented supplemental water supply prior to annexation.

Mr. Church stated that the NCSD is well-organized and operates in a professional manner. It carefully considers decisions and plans for the future. The NCSD is financially stable and has reserves. The NCSD's website is a very useful source of information.

Mr. Church recommended that the certified Program Environmental Impact Report (EIR) be used as CEQA documentation. He also recommended that the Commission conditionally approve the SOI Update with the recommended reductions in the SOI.

There were questions from the Commissioners regarding plans for services within the NCSD and the adequacy of the CEQA documentation. Commissioners had questions about and discussed the various Study Areas and the NCSD's current and future water supply. There was discussion about the General Plan Amendments and private and mutual water purveyors in the area.

Chairman Picanco opened the Item to public comment.

Michael LeBrun, NCSD Interim General Manager, reported that the NCSD had hired a new General Manager, Mr. Don Spagnola, formerly with the City of Arroyo Grande.

Mr. LeBrun stated that the NCSD's ability to serve residents was constrained by the lack of water in the NCSD.

Mr. LeBrun provided the Commission with information about the Water Intertie Project (WIP) including: potential phases and timeline, the future assessment district vote on the intertie, and the start of construction of the pipeline.

Michael McNeil, representative for the Capanna family. Mr. McNeil stated that the Capanna family would like their property to remain within the SOI so that the family did not incur expenses upon annexing back into the SOI.

Commissioner Achadjian asked if remaining within the SOI was necessary for the projects the family had planned.

Mr. McNeil responded that the specific plans for the property were not known at this time.

John Snyder, Koch California, Ltd. PO Box 1127, Nipomo, CA 93444, spoke about assessment properties, the Water Intertie Project project, the possible sewer plant expansion, and strawberry crops.

Carol Florence, Oasis Associates, Inc. is representing four families in the NCSD who own property. She stated that the families supported approval of Staff recommendation.

Jamie Lopes, County of San Luis Obispo Department of Planning and Building. Mr. Lopes presented and read a letter from the County stating that the County did not agree with the

draft MOA.

There was discussion between the Commissioners and Mr. Lopes regarding several issues including: the lack of notice from the County regarding the change in position on the MOA, urban and rural densities, urban expansion, water supply in the NCSD, the NCSD's water and sewer policies, and water tanks and pipelines

There was discussion among the Commissioners regarding the SOI Update and the MOA.

El-Jay Hansson, 2315 Idlewild Place, Arroyo Grande, CA 93420, spoke about the Mehlschau and Canãda Ranch properties. Ms. Hanson also stated that she felt that an assessment vote should include all property owners who would be affected by the costs of the WIP. Ms. Hansson indicated that she was monitoring the SOI Update for the Nipomo Advisory Committee.

Mr. Jon Seitz, Esq. Special District Counsel. Mr. Seitz stated that the County and the NCSD routinely cooperated on projects outside of the NCSD. He stated that the waterlines that are outside of the NCSD's boundaries and within the SOI are intended to serve the NCSD but not areas that are outside the NCSD.

Mr. Seitz discussed the WIP's phases, and establishing restrictions on services provided outside the NCSD.

Mr. Seitz discussed the MOA and stated that he had believed that the draft MOA between the County and the NCSD had been agreed to at a staff level.

Commissioner Eby asked Mr. Seitz if the County and the NCSD had an agreement on the MOA.

Mr. Seitz stated that there was an existing MOA that both entities agreed upon.

Commissioner Eby asked if the County and NCSD were ready to present the MOA to the Board of Supervisors and to the NCSD Board.

Mr. Seitz stated that was unknown.

Mr. Church stated that it appeared that the County was not comfortable with the draft MOA and wanted more changes.

Commissioner Gibson stated that the situation was complex regarding providing water within and outside the NCSD. He also indicated support for working on the MOA to address some of these concerns.

There was discussion among the Commissioners, Mr. LeBrun and Mr. Seitz regarding the SOI's conditions of approval of the Study Areas.

There was also discussion about various parcels in the NCSD.

Mr. Lopes stated that there had been progress on the MOA but that the County had a strong concern about land use and was seeking changes to the MOA.

At 10:43 a.m. Chairman Picanco called for a brief break.

At 10:59 a.m. the Chairman Picanco called the meeting back to order.

Chairman Picanco asked for comments from the Commissioners about the Sphere of Influence Update and Municipal Service Review for the Nipomo Community Services District.

Commissioner Eby stated that, for clarity's sake, he had a couple changes to the SOI on pages 1-5 and 3-43.

Vice Chairman Roberts stated that he believed that the County's wish to make changes to the MOA should be considered and asked if the Commission wished to defer taking action on Item A-1.

Mr. Church stated that the current SOI is under the current MOA and that there were two options:

1. Approve the updated SOI and direct LAFCO staff to review the MOA with the County and the NCSD.
2. Review the MOA with the County and the NCSD and defer the action on the SOI until the next Commission meeting.

Vice Chairman Roberts asked Mr. Church if LAFCO was the facilitating agency for the MOA talks.

Mr. Church stated this was true and that the MOA is reviewed by the County and the NCSD staff in order to reach an agreement.

Mr. Ray Biering, LAFCO Legal Counsel, stated that LAFCO has no liability in the MOA discussions.

There was discussion among LAFCO staff and Commissioners regarding the proposed SOI boundaries and service to residents of the NCSD.

Commissioner Settle stated that he was in agreement with the SOI Update/MSR and that he supported the recommendations of LAFCO staff.

Commissioner Eby stated that the SOI Update was flawed because Appendix B (the Draft MOA) was no longer valid.

Commissioner Gibson stated that, with the last minute information presented by the County staff, there was no pressing need to go forward with approval of the SOI Update. He suggested that there be more work done on the MOA.

Chairman Picanco stated that he agreed with Commissioner Gibson's statement and that to approve the SOI Update immediately would be unfair to the NCSD.

Motion was made by Commissioner Eby to reconvene all parties to the MOA and reach a speedy agreement and insert a new Final Memorandum of Agreement into the Sphere of

Influence Update/Municipal Service Review.

Commissioner Settle seconded the motion.

Vice Chairman Roberts stated that he supported the LAFCO staff recommendations regarding the SOI boundary in the SOI Update.

Commissioner Achadjian stated that he supported the SOI boundary as it was presented and asked how the MOA would change the SOI.

Mr. Church responded that a change could affect the provision of water services to certain areas of the NCSD.

Vice Chairman Roberts asked if an MOA is agreed to by both the NCSD Board of Directors and the San Luis Obispo Board of Supervisors.

Commissioner Eby responded in the affirmative.

Commissioner Achadjian asked if this issue could be expedited.

Mr. Church stated that the issue could possibly be heard at the June 2010 Commission meeting.

Commissioner Achadjian stated that Commission meetings during the summer months were often cancelled because of vacation schedules and asked if it were possible that the issue might not be heard until August.

Chairman Picanco asked for the vote on the motion.

AYES: Commissioners Eby, Settle, Achadjian, Gibson, Vice Chairman Roberts, Chairman Picanco.

NOES: None

ABSTAIN: None

The motion carried with a unanimous roll call vote.

Special Matters:

Item B-1: San Luis Obispo LAFCO 2010-11 Work Program

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

Mr. Church stated that there would be a number of SOI Updates/MSRs carried out over the following year.

He added that the Memorandums of Agreement between each City and the County should be reviewed and updated.

Mr. Church reported that certain annexation applications may be processed in the coming year including:

City of San Luis Obispo
Orcutt Specific Plan in July 2010
Airport Area Phase II

City of Pismo Beach
Los Robles del Mar

Mr. Biering stated that, regarding the Los Robles del Mar application, the City of Pismo Beach (City) and the developer had reached an agreement and that State water would be obtained for the project.

Vice Chairman Roberts asked Mr. Church if the residents in the area of Los Robles del Mar were aware of the new application.

Mr. Church stated that the residents would be notified during the review process. He added that the CEQA documents for the project were 12 years old and that the City staff were aware of the age of the documents.

There was discussion among the Commissioners regarding water for the project and the Coastal Christian School which wanted to build in the area. The Commission, in general, supported the development of the school.

Item B-2: CALAFCO Mailed Ballot to Change the Bylaws to Create Four Geographic Regions.

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

Mr. Church stated that the CALAFCO Board of Directors approved a proposal to regionalize CALAFCO at their January 15, 2010 meeting. Changes to the Bylaws were submitted to the Board via mailed ballot. The changes create four CALAFCO regions in the state. There would be four representatives to CALAFCO from each region.

Mr. Church stated that an overriding concern is to keep CALAFCO as a cohesive organization which would maximize CALAFCO's effectiveness. Mr. Church recommended supporting the proposal.

Commissioner Settle stated that he had participated in the CALAFCO meeting on May 14, 2010. He stated that this proposed change would change the composition of the CALAFCO Board and stated that he recommended supporting the proposal.

The Commissioners agreed that LAFCO should support the proposal and directed Mr. Church to return the ballot to CALAFCO with their "yes" vote.

Closed Session:

Item C-1: Public Employee Personnel Evaluation and Amendments to Employment Contract: LAFCO Executive Officer

Mr. Biering asked that this item be continued to the next LAFCO meeting.

Commissioner Comments: Commissioner Gibson asked that the new LAFCO Analyst be formally introduced to the Commission.

Mr. Church introduced Mr. Mike Prater, the new LAFCO Analyst.

Mr. Biering commended Mr. Prater for his high qualifications for the position.

Vice Chairman Roberts asked Mr. Prater to give a brief history.

Mr. Prater gave a brief summary of his qualifications.

Legal Counsel Comments: None

Executive Officer Comments: None

Adjournment: With no further business before the Commission, the meeting adjourned at 11:41 a.m. until the next meeting scheduled for June 17, 2010 at 9:00 a.m. 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 Bloyd, LAFCO Commission Clerk