



**SAN LUIS OBISPO
LOCAL AGENCY FORMATION COMMISSION
JANUARY 15, 2009**

Call to Order:

The San Luis Obispo Local Agency Formation Commission meeting was called to order at 9:00 a.m. on Thursday, January 15, 2009, in the Board of Supervisors Chambers at the County Government Center in San Luis Obispo, California by Chairman Richard Roberts.

Roll Call:

Commissioners Present: K. H. "Katcho" Achadjian, Vice-Chairman David L. Brooks, Bruce Gibson, Duane Picanco, Allen Settle, Chairman Richard Roberts, Alternate Commissioners Ed Eby, Tom Murray, and James R. Patterson

Commissioners Absent: Commissioner Barbara Mann

Commissioner Eby, Alternate Special District Member, was seated for Commissioner Mann, Special District Member.

Staff:

Paul L. Hood, Executive Officer, David Church, Deputy Executive Officer, Ray Biering, LAFCO Legal Counsel, Donna J. Boyd LAFCO Commission Clerk.

Pledge of Allegiance: Led by Commissioner Picanco

Approval of Minutes: Motion was made, seconded, and unanimously passed to approve the draft minutes of November 20, 2008.

Non-Agenda Public Comments: None

Selection of 2009 Chairman and Vice-Chairman

Vice-Chairman David L. Brooks was selected to serve as the LAFCO Chairman for 2009. Commissioner Duane Picanco was selected to serve as Vice-Chairman for the same period.

Commissioner Achadjian thanked Chairman Roberts for serving as Chairman in 2008.

Consent Agenda Items:

Item A-1: Submittal of Second Quarter Budget Report.

There were no Staff comments or comments from the Commission regarding this item.

Motion was made by Commissioner Achadjian to approve the Consent Agenda

Vice-Chairman Picanco seconded the motion.

The motion carried with a unanimous voice vote.

Special Matters:

Item B-1: Consideration of Appointment/Reappointment of LAFCO Public Member and Alternate Public Member to Terms Ending in 2012

LAFCO Executive Officer Paul Hood introduced the item stating that the Public and Alternate Public Member positions expired in December 2008. It is, therefore, necessary for the Commission to reappoint the present Public and Alternate Public member or to appoint replacements.

Mr. Hood stated that Government Code Section 56325(d) requires that whenever a vacancy occurs in the Public Member or Alternate Public Member positions, the Commission shall cause a notice of the vacancy to be posted and a copy of the notice to be sent to the clerk or secretary of the legislative body of each local agency in the County. Mr. Hood stated that all cities, the County, and special districts within San Luis Obispo County had been sent such a notice.

Mr. Hood stated that both positions are presently filled by Richard Roberts (Public Member) and Tom Murray (Alternate Public Member) and that both had requested reappointment. He added that no other persons had applied for the positions.

Motion was made by Commissioner Achadjian to approve the Reappointment of Regular and Alternate Public Members.

Commissioner Settle seconded the motion.

The motion carried with a unanimous voice vote.

Item B-2: Results of Sphere of Influence and Municipal Service Review Work Plan Update Surveys.

Mr. Hood introduced this item stating that questionnaires had been sent to five cities, two community services districts (CSDs), the cemetery districts, and to South County Sanitation District.

Of all the questionnaires sent, LAFCO received responses from four of the five cities with a telephone call from the City of Grover Beach. One of the two CSDs responded and six of the 10 cemeteries responded.

Mr. David Church, LAFCO Deputy Executive Officer, provided a PowerPoint presentation and gave a brief summary of the jurisdictions based on their responses to the questionnaire.

Mr. Church stated that the City of Pismo Beach is working on the Price Canyon Master Plan. There are 1700± acres being studied. Some constraints include traffic, topography, water, the need for a railroad crossing, as well as biological-wildlife concerns.

Mr. Church stated that the Pismo Beach City Council will meet to provide direction for the project in February 2009.

Commissioner Settle stated that water is an issue for this area and wanted assurance that the

City of Pismo Beach can service this project area.

Mr. Church responded that the City is reviewing possible options for providing water to the area, including talks with the PXP Oil Company in Price Canyon

Commissioner Gibson asked if LAFCO could hold discussions with the cities of Pismo Beach and Arroyo Grande regarding water in their respective areas.

Mr. Hood stated that LAFCO was not a part for the water discussions at the present time, but that LAFCO staff realizes that water is a key issue for this project.

Commissioner Gibson stated that he felt that inter-city discussions regarding water were important.

Commissioner Settle again stressed that there are real concerns regarding Pismo Beach and water capacity. He asked about availability of State water and the Nacimiento Water Project.

Commissioner Picanco stated that LAFCO Commissioners should not hold preconceived ideas about this project and to wait until it comes before the Commission before making any determinations about water service to the project area.

Mr. Hood stated that LAFCO staff will continue to attend all meetings regarding the project.

Commissioner Settle stated that residents of the area had approached him in his office at the City of San Luis Obispo City Council regarding the water issues for the project area.

Commissioner Achadjian stated that the cities of Pismo Beach and Arroyo Grande might want to meet with the Oceano Community Services District (CSD) to discuss water issues.

Commissioner Roberts stated that he felt there was a consensus among Commissioners about water issues for the project area and asked if it would be appropriate for LAFCO to send a letter to the City of Pismo Beach stating the concerns and issues. He asked if the Commission would direct Mr. Hood to draft such a letter for the Chairman's signature.

Mr. Ray Biering, LAFCO Legal Counsel, stated that it would be appropriate to draft such a letter.

Mr. Hood indicated that he would draft such a letter for the Chairman's signature.

The next jurisdiction under this Item is the City of Atascadero.

Mr. Church stated that the City of Atascadero advised that the Eagle Ranch project is in the works and that LAFCO would receive a report about the project. He added that there were 400-500 lots that could be built upon within this area.

Mr. Church stated that no other expansions were planned or requested in the City of Atascadero.

The Atascadero Mutual Water Company is updating its Master Plan.

Mr. Hood stated that there are lands within the area whose Williamson Act contracts expired on

January 1, 2009. The City is actively pursuing developing those lands.

The next jurisdiction under this Item is the City of Arroyo Grande.

Mr. Hood stated that there are a number of small SOI adjustments that need to take place. This would involve a SOI reduction. Mr. Hood stated that there are three mobile home parks that the City of Arroyo Grande would like the Oceano CSD to annex so that the City does not have to provide water service to them. Oceano CSD states that it does have the water to provide to the parks and that it currently is negotiating a water-wheeling agreement with the City of Arroyo Grande.

Mr. Hood stated that two of the three mobile home parks were served by the City of Arroyo Grande, and the third park has its own well. If there is a SOI adjustment, Mr. Hood stated that all three parks should be included in the adjustment, since omitting the third park would create an irregular boundary.

There was discussion among the Commissioners regarding the pros and cons of a boundary adjustment for the City of Arroyo Grande and the Oceano CSD.

Commissioner Settle stated that it is part of LAFCO's mission to encourage urban areas to join with cities rather than with CSDs.

There was discussion among the Commissioners regarding annexations from one jurisdiction to another.

Commissioner Roberts asked about ownership of the three parks.

Mr. Hood stated that the parks were all privately owned.

The next jurisdiction under this Item is the City of Paso Robles.

Mr. Church stated that the City of Paso Robles had requested that there not be a review of their SOI for two years because the City is updating its Circulation and Housing Elements.

Mr. Church stated that the River Oaks project is pending and includes a 20-acre SOI amendment and annexation of a potential "island" parcel of land. He added that the owner of the parcel did not necessarily want to be annexed, but that if the land were not annexed, an island would be created.

Commissioner Gibson asked if the unincorporated island had been considered in the City's General Plan. He stated that the greater good needed to be considered in this issue.

Mr. Hood responded that the City is in the process of considering an amendment to the General Plan by adding parcels and the River Oaks project site to the Plan.

There was discussion among the Commissioners and LAFCO staff regarding the River Oaks development.

Chairman Brooks asked why the City had requested a two-year delay in their SOI review.

Mr. Hood responded that the City was very involved with various projects at this time and

requested the extension in order to be able to focus upon their current in-house projects.

Chairman Brooks asked if LAFCO had the latitude to extend the timing of the update.

Mr. Hood responded in the affirmative.

There was discussion among the Commissioners, LAFCO staff and LAFCO legal counsel regarding the delay of SOI updates.

Mr. Church stated that LAFCO has the discretion to perform SOI updates "as necessary".

The next jurisdiction under this Item is the City of Grover Beach.

Mr. Church stated that in December 2008 the Interim Community Development Director for the City of Grover Beach had requested a meeting with LAFCO to take place in early 2009 to discuss the SOI update. No further contact from the City of Grover Beach regarding this issue has occurred.

There was discussion among the Commissioners and LAFCO staff regarding possible SOI update options for the City of Grover Beach.

The next jurisdiction under this Item is the Nipomo Community Services District.

Mr. Church stated that the Nipomo CSD is proceeding with the water pipeline project with the City of Santa Maria. He stated that an Environmental Impact Report (EIR) had been distributed for review.

Mr. Church stated that the Nipomo CSD is satisfied with its existing SOI. The CSD is in the process of complying with the existing SOI conditions which include:

- Reducing water consumption by 15%
- Obtaining a supplemental water supply for the CSD
- Updating the Urban Water Management Plan - this has been completed.

Commissioner Eby asked Mr. Hood if the NCSD General Manager had spoken with him regarding an extension of the SOI review period.

Mr. Hood stated that in conversations with the manager, the NCSD is satisfied with its current SOI and that there had been discussion with residents of the Blacklake area regarding detachment from the NCSD.

Commissioner Eby stated that the SOI Update is due in May, and that nothing in the NCSD had changed to require an amendment.

Mr. Hood stated that LAFCO would not perform another SOI review at this time. LAFCO will wait until the NCSD complies with the conditions of the SOI.

Commissioner Eby confirmed that 2011 would be the date for the next SOI review for the NCSD.

Commissioner Settle asked Commissioner Eby if the NCSD was considering using State

Water.

Commissioner Eby stated that the water from Santa Maria is a “blend” of State Water and Santa Maria groundwater.

The next jurisdiction under this Item is the Oceano Community Services District.

Mr. Church stated that there is a possible mobile home park annexation (detachment from Arroyo Grande’s SOI) and that is all that is pending in that area.

Public Comments:

Tom Murray, LAFCO Alternate Public Member, speaking as a private citizen asked if LAFCO will work with the NCSD to clean up conflicted private water service areas within the NCSD.

Commissioner Achadjian asked LAFCO staff to meet with all of the water purveyors and the NCSD to discuss the provision of water service to the NCSD. They meet with him on a regular basis.

James R. Patterson, LAFCO Alternate County Member, speaking as a private citizen gave a quick update on the City of Atascadero’s Eagle Ranch project.

Chairman Brooks asked about the LAFCO letter to the City of Pismo Beach.

Mr. Hood stated that he will prepare a letter for Chairman Brooks’ review and signature. He also stated that LAFCO staff will present a work plan with a list of priorities at the next LAFCO meeting in February 2009.

Regular Matters:

Item C-1: LAFCO File 3-S-08: Status Report for the Municipal Service Review and Sphere of Influence Determination for the Avila Beach Community Services District.

Mr. Hood asked the Commission to continue this item until the February 19, 2009 meeting.

Motion was made by Commissioner Roberts to approve the continuance.

Commissioner Achadjian seconded the motion.

The motion carried with a unanimous voice vote.

Commissioner Comments:

Commissioner Roberts stated that he enjoyed serving as LAFCO Commission Chairman for 2008. He stated that this commission was courteous, thoughtful and a pleasure to work with.

Commissioner Eby stated that comments on the Santa Maria pipeline draft EIR are due on Friday, February 16, 2009. Public comments will be responded to and the Final EIR will be published by March 2009.

Commissioner Settle asked if the pipeline needed the approval of the Santa Barbara County

LAFCO.

Commissioner Eby responded that the Santa Barbara LAFCO had not indicated interest in the pipeline project.

Legal Counsel Comments: None

Executive Officer Comments:

Mr. Hood spoke about the upcoming CALAFCO Staff Workshop which will take place in San Luis Obispo beginning April 29, 2009.

Mr. Hood also reminded the Commissioners about the CALAFCO 2009 Annual Conference which will take place at Tenaya Lodge near Yosemite in Fish Camp from October 28-30, 2009. This conference is being held later in the year than usual. Historically the Annual Conference has taken place immediately following the Labor Day holiday.

Mr. Hood stated that he will attend the Local Chapter of the Special Districts Association meeting on February 16, 2009. There will be discussion about the election of the LAFCO Special District Commissioner at this meeting. This seat is currently held by Chairman Brooks.

Adjournment: With no further business before the Commission, the meeting adjourned at 10:17 a.m. until the next meeting scheduled for February 19, 2009 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