



**SAN LUIS OBISPO  
LOCAL AGENCY FORMATION COMMISSION  
MEETING MINUTES FOR  
OCTOBER 20, 2011**

**Call to Order:**

The San Luis Obispo Local Agency Formation Commission meeting was called to order at 9:00 a.m. on Thursday, October 20, 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, 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 September 15, 2011.

**Non-Agenda Public Comments:** None

**Consent Agenda:**

**Item A-1: Submittal for First Quarter 2010/11 LAFCO Budget Status Report.**

Motion was made by Commissioner Clift to receive and file the Budget Status Report.

Vice Chairman Gibson seconded the motion.

The motion passed with a unanimous voice vote.

**Regular Matters:**

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

LAFCO Executive Officer, David Church, introduced this item. LAFCO Analyst, Mike Prater, provided a PowerPoint presentation.

Mr. Church stated that LAFCO had completed several public outreach efforts, meeting with and

explaining to residents the Sphere of Influence (SOI) process and answering questions from residents about the process and potential proposals for the SOI area.

Key issues in the SOI area include the water supply, phasing and timing for future expansion, permanent protection of agricultural and open space lands, infrastructure improvement needs, and costs of public services.

Mr. Church stated that conditions of approval (conditions) had been prepared based on input from the public, the Memorandum of Agreement (MOA) and the Initial Study/Mitigated Negative Declaration. He added that the conditions address the key issues that have been raised. The conditions must be met before an annexation may be processed and completed.

Mr. Church stated further that the City of Pismo Beach (City) and the County of San Luis Obispo (County) both supported the conditions.

Mr. Church stated that LAFCO had received over 118 comments via letters, postcards, emails, and petitions. He added that the input covered common themes: water, need for development, costs to taxpayers, phasing, urban sprawl, and use of eminent domain.

In discussing the MOA, Mr. Church stated that it was approved by the City and County. A summary of the key provisions of the MOA include: agreement on the SOI boundary; that the MOA identifies the Guiding Principles for Development, and that the City and County will meet and discuss future development.

**Vice Chairman Gibson** had questions regarding development of properties not included within the SOI boundaries.

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

**Commissioner Clift** had questions regarding defining the Oak Park aquifer and what would happen to it if annexations were approved in the future.

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

**Alternate Commissioner Fonzi** asked about the Mankins' property vis-à-vis possible eminent domain taking of an easement on his property for a road.

**Mr. Church** responded to Commissioner Fonzi's question.

**Vice Chairman Gibson** asked if a jurisdiction can originate an eminent domain action outside of its jurisdiction.

**LAFCO Legal Counsel Ray Biering** stated that was possible, but the jurisdiction must show need for taking such an action.

**Commissioner Patterson** asked Mr. Church to clarify the areas included in the SOI.

**Mr. Church** responded to his request.

**Mr. Jon Biggs**, Community Development Director, City of Pismo Beach, 760 Mattie Road, Pismo Beach, CA stated that the City concurs with the SOI and approved of the conditions listed

in the staff report for the SOI.

Mr. Biggs stated that approval of the SOI is one step in a long series of steps toward any annexation and development of an area. He added that the MOA and SOI are the first steps and development of a Specific Plan/EIR is the next step.

Mr. Biggs stated that the City is updating its General Plan and that members of the public can be involved in that process.

**Commissioner Patterson** asked Mr. Biggs about the City's General Plan update.

**Mr. Biggs** responded that the update is currently in process of ongoing discussions regarding "the future of Price Canyon".

**Commissioner Clift** asked Mr. Biggs about the possible road that is shown going around the "Big Bird" area of the SOI.

**Mr. Biggs** responded that a Constraints Analysis for a possible route for a road would be performed to find an appropriate location for the road.

**Commissioner Clift** asked about phasing constraints in the SOI.

**Mr. Biggs** stated that the City would develop the edges of the SOI adjacent to the City first.

**Commissioner Eby** asked about water allotments and entitlements, "new" water and future water to future development sites in the SOI area.

**Mr. Biggs** stated that as properties were annexed, the City would need to demonstrate the availability of the water supply to the properties.

**Commissioner Vardas** had questions about the Godfrey property, pipelines for water, an inland arterial road, and location of a bridge to cross the railroad tracks.

**Mr. Biggs** responded to Commissioner Vardas' questions.

**Commissioner Vardas** also had questions about some of the conditions in the staff report.

**Mr. Biggs** responded to the questions and spoke about the 2010 Housing Element for the City.

**Commissioner Picanco** asked if the City's waste treatment plant was designed to receive added waste from new development.

**Mr. Biggs** responded to his question.

**Vice Chairman Gibson** asked if bringing water and new infrastructure to the area was a part of the City's original infrastructure plan.

**Mr. Biggs** stated that the Specific Plan and Environmental Impact Report (EIR) and the upcoming Specific Plan would provide details. He added that the financing for such needs would be paid by developers.

**Vice Chairman Gibson** asked if the City had 10% or 30% of the design planned for

development in the SOI area.

**Mr. Biggs** responded in the negative, that the City was working with developers on a plan.

**Mr. Mike Wulkan**, County of San Luis Obispo Planning Department, stated that the County supports the SOI recommendations and the MOA.

**Public Comments:**

**Janice Packer**, 103 Moore Lane, Arroyo Grande, CA 93420 is opposed to approval of the SOI. She has concerns about traffic and infrastructure.

**David Scheeff**, 820 Erhart Road, Arroyo Grande, CA 93420 is opposed to approval of the SOI.

**Susan Testa**, 202 Highland Drive, Pismo Beach, CA 93449, is opposed to approval of the SOI and would like approval delayed for five years.

**Steve Puglisi**, 226 Encanto Avenue, Pismo Beach, CA 93449, stated that he was not opposed to or in favor of approval of the SOI, but that approval of the SOI is vital.

**John Fairweather**, 142 South Alpine Street, Arroyo Grande, CA 93420, Pismo Beach Hospitality Association, is in favor of approval of the SOI and stated that the area needed increased tourism to pay for infrastructure needs.

**Tony Hyman**, 2141 Shoreline Drive, Pismo Beach, CA 93449, thanked the LAFCO staff for a thorough examination of the SOI and is in favor of approval of the SOI.

**Jackie Relyea**, 1248 Paseo Ladera, Arroyo Grande, CA 93421, is opposed to approval of the SOI.

**Eric Greening**, 7365 Valle Avenue, Atascadero, CA 93422, stated that he had concerns about the reliability of State water and that he felt approval of the SOI was premature because of water and sewer needs in the area.

**Rick Turton**, 610 Cyprus Street, Pismo Beach, CA 93449, stated that he is a business owner in Pismo Beach and is in favor of approval of the SOI for the long-term vision of the City.

**John Sorgenfrei**, 1327 Costa del Sol, Pismo Beach, CA 93449, is in favor of approval of the SOI.

**Marilee Hyman**, 2141 Shoreline Drive, Pismo Beach, CA 93449, is in favor of approval of the SOI.

**Richard Foster**, 1178 Longview Avenue, Pismo Beach, CA 93449, is opposed to approval of the SOI. Mr. Foster provided a slide show of slides showing the area's population increases and declines.

**John Fredolage**, 592 Equestrian Way, Arroyo Grande, CA 9342, is opposed to approval of the SOI. He voiced concerns about costs to taxpayers, water, traffic, and sewage treatment.

**Harry Goodnight**, PO Box 1083, Pismo Beach, CA 93448, is opposed to approval of the SOI.

Mr. Goodnight voiced concerns about water availability in the area.

**Bob Thomas**, 313 East Ormonde Road, Arroyo Grande, CA 93420, is opposed to approval of the SOI. MR. Thomas felt that the City did not have a good traffic circulation plan.

**Dean Berto**, 521 Torrey Pine Place, Arroyo Grande, CA 93420, is opposed to approval of the SOI. He has concerns about a potential project.

**Michael Hannon**, 665 Vetter Lane, Arroyo Grande, CA 93420, is opposed to approval of the SOI.

**Clive Gray**, 655 Vetter Lane, Arroyo Grande, CA 93420, is opposed to approval of the SOI. Mr. Gray has concerns about water and increased traffic in the area.

**Glen Richardson**, 840 Erhart Road, Arroyo Grande, CA 93420, is opposed to approval of the SOI.

**Kelly Richardson**, 840 Erhart Road, Arroyo Grande, CA 93420, is opposed to approval of the SOI.

**Natalie Beller**, 1620 Old Oak Park Road, Arroyo Grande, CA 93420, is opposed to approval of the SOI.

**Heather Muran**, 105 Karen Way, Pismo Beach, CA 93449, is opposed to approval of the SOI. She has concerns about increased traffic in the area.

**Martin Storm**, 76 El Viento, Pismo Beach, CA 93449, feels that the SOI and planning area should be coterminous and should include the Mankins' property.

**Stewart Robinson**, 1251 Paseo Ladera, Arroyo Grande, CA 93420, thanked Mr. Church for working with the City and County on the SOI and is opposed to approval of the SOI. He feels that the Godfrey property is a natural separator for the boundary between Pismo Beach and Arroyo Grande.

**Marilyn Morris**, 1750 Little Court, Arroyo Grande, CA 93420, is opposed to approval of the SOI. She has concerns about funding for improved infrastructure and thought that the SOI should be delayed.

10:49 a.m.

Chairman Roberts requested a ten minute break.

10:57 a.m.

Chairman Roberts called the meeting back to order.

**Michael Cox**, 1735 Little Court, Arroyo Grande, CA 93420, is opposed to approval of the SOI.

**Stephen Hester**, 85 Argonaut, Aliso Viejo, CA 92656. Mr. Hester is owner of the Godfrey parcel in the SOI area. He stated that he approved of the conditions and will not use the aquifer in future development planning. He also stated that there would be no road on the Mankins' property. He thanked LAFCO staff for their diligence on this matter.

**Dave Watson**, PO Box 385, Pismo Beach, CA 93448. Mr. Watson is employed by property

owners in the SOI and is in favor of approval of the SOI. He stated that the SOI Update identifies problems and offers fixes to the problems.

**Howard Mankins**, 1005 El Camino Real, Arroyo Grande, CA 93420, has concerns regarding a possible road crossing his property and stated that he has no intention of developing his property.

**Marcia Guthrie**, 112 Frances Way, Pismo Beach, CA 93449, is opposed to approval of the SOI. She thanked Mr. Church for his work on the SOI.

**Trudy Jarratt**, 555 Windermere Lane, Arroyo Grande, CA 93420, is opposed to approval of the SOI.

**Diane Muraski**, 745 Quebrada Lane, Arroyo Grande, CA 93420, is opposed to approval of the SOI.

**Sheila Blake**, 1320 Longview Avenue, Pismo Beach, CA 93449, is opposed to approval of the SOI. She is in favor of delaying the SOI for Pismo Beach and has concerns about increased traffic, water and funding.

**Bruce Hilton**, no address provided, Arroyo Grande, CA 93420, is opposed to approval of the SOI.

**Jeff Auerbach**, 897 Oak Park Road, #271, Pismo Beach, CA 93449, is opposed to approval of the SOI. He has concerns about water and resource capacity.

**Christy Molony**, 1564 Vista Grande Lane, Arroyo Grande, CA 93420, is opposed to approval of the SOI. She voiced concerns about water, traffic and pollution in the SOI area.

**Carolyn Moffatt**, 1096 Noyes Road, Arroyo Grande, CA 93420, is opposed to approval of the SOI. She voiced concerns about increased traffic in the area.

### **Commissioner Comments**

**Mr. Church** stated that he had reviewed LAFCO policies and stood behind the conditions of approval and the staff recommendation found in the staff report.

**Mr. Biggs**, City of Pismo Beach, stated that the City takes the MOA seriously. He added that the City would not take the Mankins' property via an eminent domain action. He stated that developing the area will increase the City's permanent resident base.

**Commissioner Patterson** spoke about water and upgrading the sewage treatment plant.

**Mr. Biggs** stated that the City's General Plan is studying the Urban Water Management Plan and that the wastewater treatment facility for the City is ready to be upgraded and that new development will pay for the upgrade.

**Commissioner Patterson** asked about infill in the City.

**Mr. Biggs** stated that the City encouraged property owners to develop their properties within the city.

**Commissioner Eby** asked Mr. Biggs about the costs of upgrading the wastewater treatment plant and for tertiary upgrades.

**Mr. Biggs** stated that he did not have figures at hand but that the City had been planning for the upgrade starting in 2002.

**Commissioner Eby** asked about receipt of state water for the City.

**Mr. Biggs** stated that State water would be contracted for as development is proposed.

**Commissioner Picanco** asked if there were constraints on undeveloped parcels.

**Mr. Biggs** answered in the affirmative.

**Vice Chairman Gibson** thanked City, County and LAFCO staff for their work on the SOI, MSR and MOA. He suggested a possible reduction in the City's SOI area (South Ranch) and stated that adding the Godfrey parcel to the SOI was premature.

**Vice Chairman Gibson** also spoke about water issues, roads and plants, transportation for the area, housing needs, and phasing.

**Commissioner Vardas** thanked the LAFCO staff for its work on the SOI. He stated that including the Godfrey parcel in the SOI would help the City plan for the future. Commissioner Vardas indicated that the SOI as proposed gives the City the opportunity to work on the issues that have been identified. He also stated that the City's Specific Plan would use material from the SOI Update.

**Commissioner Clift** asked if the Godfrey Parcel qualified to be included in the SOI. He stated that he did not see any facts that showed that it should be included. He added that he could not support inclusion of the Godfrey parcel into the SOI and that the SOI should be left as it was.

**Commissioner Picanco** stated that he met with the owner of the Godfrey parcel. He further stated that the Godfrey parcel should be included in the SOI because of agricultural, traffic circulation and water issues that need to be worked out. He stated that he approved of the LAFCO staff recommendation.

**Commissioner Patterson** commended LAFCO staff for their work on the SOI. He stated that this SOI was a challenging issue. He added that the Godfrey parcel could be added to the SOI without jeopardizing the surrounding area if the conditions of approval were properly implemented. Commissioner Patterson stated that he supported the LAFCO staff recommendation for approval of the SOI.

**Commissioner Eby** stated that the area had no water and no evidence of water being brought to the area, and no evidence of a plan for bringing water to the area. He added that he did not want potential developers to get "false hope" by approving the SOI.

**Chairman Roberts** stated that the conditions were the most restrictive that he had seen, and that the process should move forward to approval of the SOI. He added that LAFCO should

look at any annexation request very seriously and carefully. He also stated that the Godfrey parcel should be included.

**Vice Chairman Gibson** stated that the SOI was not a foundation for moving forward, he stated that the MOA and General Plan were the foundation for progress.

**Motion was made by Commissioner Patterson to approve the Sphere of Influence Update and Municipal Service Review for the City of Pismo Beach.**

**LAFCO Legal Counsel, Ray Biering, clarified that the motion was to:**

- 1. Certify that the Initial Study/Mitigated Negative Declaration found in the Public Review Draft of the Sphere of Influence Update and Municipal Service Review is complete and adequate with the changes found in Attachment E of the Staff Report;**
- 2. Give “Great Weight” to the Memorandum of Agreement that has been approved by the Pismo Beach City Council and the County Board of Supervisors found in Attachment D of the Staff Report;**
- 3. Approve the Sphere of Influence Update and Municipal Service Review which adds Study Area 4 (Godfrey) to the SOI with the conditions found in Attachment A of the Staff Report and the proposed changes in Attachment E.**

**Commissioner Vardas seconded the motion.**

**AYES: Commissioners Patterson, Vardas, Eby, Picanco and Chairman Roberts**

**NAYS: Commissioner Clift and Vice Chairman Gibson**

**ABSTAIN: None**

**The motion passed with a five-to-two roll call vote.**

**Commissioner Comments:** None

**Legal Counsel Comments:** None

**Executive Officer Comments:** Mr. Church thanked Chairman Roberts for the manner in which he chaired the meeting.

**Commissioner Patterson** asked Mr. Church where the SOI was going.

**Mr. Church** stated that the City is working on a Specific Plan for the SOI areas that would be in “compliance with the conditions” of the SOI.

**Commissioner Vardas** asked Mr. Church if LAFCO would review financing plans for any proposal for annexation.

**Mr. Church** responded that the City’s Specific Plan should have a financial section and that an annexation should be “fiscally neutral”.

**Adjournment:** With no further business before the Commission, the meeting adjourned at 12:30 p.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.**