

LAFCO - San Luis Obispo - Local Agency Formation Commission  
SLO LAFCO - Serving the Area of San Luis Obispo County

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**TO: MEMBERS, FORMATION COMMISSION**

**FROM: DAVID CHURCH, AICP, EXECUTIVE OFFICER** 

**DATE: SEPTEMBER 16, 2010**

**SUBJECT: CALAFCO Annual Conference**

**Recommendation:** It is respectfully recommended that the Commission review and provide any comments.

The CALAFCO annual conference will be held from October 6-8 in Palm Springs. Attached is the program for the annual conference in Palm Springs. Also included are the two nomination applications for the Project of Year and Government Leadership Award. The Nipomo Community Services District Sphere Update and Memorandum of Agreement and The Madonna-Gap annexation were nominated for these awards. Of particular note are the letters of support received from the County and District for the NCSD's SOI Update. The letters of support from the City and proponent of the Madonna/Gap annexation are also remarkable as all agreed that the annexation process facilitated a very good result.

# CALAFCO 2010 Annual Conference PRELIMINARY PROGRAM

## Tuesday, 5 October 2010

3:00 Registration Opens Until 5:30 p.m.

## Wednesday, 6 October 2010

7:00 Registration Opens

7:45 **Mobile Workshop – Wind Energy Farms and the Whitewater Reserve**

Increasingly popular as an alternative source of energy, wind turbine generators produce electricity by harnessing the wind. The wind farm on the San Geronio Mountain Pass in the San Bernardino Mountains contains more than 4000 separate windmills and provides enough electricity to power Palm Springs and the entire Coachella Valley. See these iconic towers up close and learn about wind energy production in the desert.



The Whitewater Preserve is 2,851 acres surrounded by the Bureau of Land Management San Geronio Wilderness and is part of the Conservancy's 33,000-acre Sand to Snow Preserve System. The year-round Whitewater River runs through the preserve and riparian vegetation provides habitat for the endangered southwest willow flycatcher and the bell's vireo as well as opportunities to see migrant birds including summer tanagers and vermilion flycatchers. Learn about conservation and restoration efforts and enjoy lunch at the Preserve. **Advance registration required (\$40).** Lunch included.

11:00 **LAFCo 101 – Pre-Conference Session**

This is an informative introductory course designed for new commissioners and staff. It also is a welcome refresher course to assist all in remaining focused on the purpose of LAFCo. **Advance registration required (no charge).** Lunch included.

1:15 **Conference Opening – Welcoming Remarks**

1:30 **General Session – Financial Factors Affecting Local Agencies, Consolidations and Bankruptcy/Dissolution**

Cities, counties and special districts throughout the State continue to face severe financial distress due to declining/stagnant revenues, and rising costs of operation including pensions and post-retirement costs. Increasingly, these agencies are being forced to examine and ultimately implement drastic solutions to their lack of viability. LAFCo officials are increasingly drawn into these discussions, which often deteriorate into conflict.

**SPEAKERS –** Mike Oliver, Tom Sinclair, Bill McCammon and Dan Egan, Municipal Resource Group, LLC

3:30 **Roundtable Discussion Sessions**

A unique opportunity to share and discuss issues and perspectives with peers from around the state.

- *Commissioner Roundtables by Region*
- *Staff Roundtable*
- *LAFCo Counsel Roundtable*
- *CALAFCO Associate Members Roundtable*

6:15 **Reception and Achievement Awards Banquet**

Reception and dinner to honor the annual achievements of individuals and organizations who have exemplified the principles of Cortese-Knox-Hertzberg and the Association.



**SHAPING CALIFORNIA'S FUTURE:  
TODAY'S VISION – TOMORROW'S  
REALITY**

October 6-8 2010 ♦ Palm Springs

**Thursday, 7 October 2010**

- 7:00 Registration Opens
- 7:30 Regional Caucuses and Regional Board Elections
- 8:45 **CALAFCO Annual Business Meeting**  
Action items include introduction of the new Board of Directors and annual report to members.



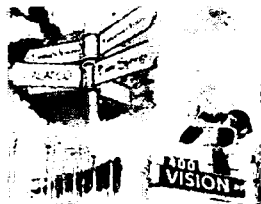
MAKING CALIFORNIA'S FUTURE  
TODAY'S VISION - TOMORROW'S REALITY

**10:00 Breakout Sessions**

- ◆ **Challenges of Providing Municipal Services in Unincorporated Areas**  
Although cities are seen as the "model" for providing municipal services in urban areas, there are a range of "service models" that counties have employed in providing municipal services in urbanized unincorporated areas. This panel will discuss the different approaches that counties have taken as municipal service providers, the challenges that they have faced, and options they are considering in order to continue to meet the municipal service needs of their unincorporated areas.
- ◆ **Fee Structure Methodologies**  
Presentation of various methodologies and the legal requirements for establishing a nexus. Rich Bottarini and Scott Browne will present their understanding of fee structures and explain all the legal requirements which must be considered, highlighting the importance of transparency, fairness, and ample justification in this process.
- ◆ **General LAFCo Procedures and Authorities (LAFCo 201)**  
Sharpen your understanding of LAFCo's duties, powers and responsibilities. After briefly setting the context in which LAFCo's operate, you'll hear case studies from several LAFCos that showcase how they use the tools available to meet LAFCo's legislated mandate to encourage the orderly growth of government agencies, preserve agricultural lands, discourage urban sprawl, and assure efficient local government services. Areas to be covered include island annexations, agricultural mitigation policy, and SOI update/MSR studies as a catalyst for reorganization.

**Noon Networking Luncheon**

- 1:30 **General Session – The Evolving Role of Conservation in Providing Reliable Urban Water Supplies**  
One of the many factors to be considered by LAFCos in the review of a proposal that comes before them is the timely availability of water supplies adequate for projected needs (Sec. 56668 (k) ). This session will present an overview of the statutes that define the growing role of water conservation in the water supply planning and management of local water purveyors. It will also provide examples of water conservation measures that are being developed or have been adopted by water purveys throughout California to help meet increasing water demands within their service areas.



**SPEAKERS** – Evon Chambers, Planning and Conservation League; Susan Longville, Water Resources Institute – CSU San Bernardino; Tom Gorin, Sacramento Water Forum; Mary Lou Cotton, Kennedy/Jenks Consultants

**3:30 Breakout Sessions**

- ◆ **Cities and LAFCos Coordinate City Sphere Updates**  
How cities and LAFCos can maximize opportunities to coordinate LAFCo sphere of influence updates with city mandatory and discretionary general plan updates. Topic would also explore recent performance and opportunities for improved coordination and collaboration.
- ◆ **Managing Effective Meetings**  
This lively session, which will include audience participation, will address issues associated with conducting effective meetings from a legal and practical perspective: Why "meeting

management?" What tools help manage meetings effectively, and when can we use them? What legal issues can arise from meetings not well managed? How should legal and management principles be used in settings as varied as a small meeting of LAFCo insiders to a room full of angry constituents?



SHAPING CALIFORNIA'S FUTURE:  
LEADERS' VISIONS - FUTURELEADERS' REALITY

◆ **Best Practices for LAFCo**

Introduces a self-examination tool for LAFCos to evaluate their own performance in terms of accountability, productivity, efficiency and responsiveness to the public, local agencies, commissioners, and other stakeholders.

- 5:30 **CALAFCO 4<sup>th</sup> Annual Wine & Beer Competition and Reception – Poolside at the Hilton**  
Enter your best wine or beer and vote on your favorites! Great opportunity to network with LAFCo commissioners and staff from around the state.
- 7:00 **Dinner on Your Own – Enjoy the famous Villagefest Street Festival in downtown Palm Springs**

**Friday, 8 October 2010**

7:00 **Networking Breakfast**

7:30 **Board of Directors Meeting and Breakfast**

9:00 **Breakout Sessions**

◆ **Energy and Public Agencies**

From the rolling black outs in 2000 to the failed June 2010 Proposition 16 ("Tax Payers Right to Vote Act") Ballot Measure, the provision of electricity service in California continues to be complicated at best. Members of the panel will provide their respective experiences regarding what issues LAFCo should consider when evaluating proposals from local agencies requesting to provide electricity services.

◆ **Unincorporated Communities and Infrastructure Funding**

This session examines the issues and finance tools available for new infrastructure to existing communities; particularly communities with infrastructure deficiencies. Case studies are used from several unincorporated communities. Discussion focuses on LAFCo's role and tools, such as the review of city/county tax sharing agreements.

◆ **Ethics, Disclosure and Conflicts of Interest for LAFCo Commissioners**

What constitutes a Conflict of Interest under LAFCo law? When must a LAFCo Commissioner abstain from a decision? This session examines the ethical and disclosure issues that cover all public officials as well as those unique to LAFCo commissioners and staff.

10:30 **General Session – Legislative Update and the Next Session in Sacramento**  
CALAFCO sponsored a number of bills this year, and a number of others will affect LAFCos and local agencies. Join the annual roundup of what happened (or didn't happen) in Sacramento and hear about CALAFCO legislative priorities for the coming year.

**SPEAKERS – Peter Detwiler, Staff Director, Senate Local Government Committee; Bill Chiat, Executive Director and Legislative Committee Chair, CALAFCO**

11:45 **Adjourn**

Thank you for attending the 2010 CALAFCO Conference. Look forward to seeing you next year at *Silverado Resort in Napa* on 31 August – 2 September, 2011

**Your Hosts**



**CALAFCO**  
2010 Annual Conference

REGISTRATION AND INFORMATION  
[www.calafco.org](http://www.calafco.org)



## NOMINATION FORM

### NOMINEE

Person or Agency Being Nominated:

Name: Irish Hills, LLC-(Clint Pearce), City of San Luis Obispo, County of San Luis Obispo, San Luis Obispo LAFCO

Address: 1042 Pacific St. San Luis Obispo, CA 93401

Phone: 805-781-5795

E-mail: Dchurch@slolafco.com

### NOMINATION CATEGORY

NOMINATION CATEGORY (check one – see category detail on attached sheet)

Project of the Year

### NOMINATION SUBMITTED BY:

Name: San Luis Obispo LAFCO

Address: 1042 Pacific Street – Suite A, San Luis Obispo, CA 93401

Phone: 805-781-5795

E-mail: DChurch@SLOLAFCO.com

### ACHIEVEMENTS

Please indicate the reasons why this person or agency deserves to be recognized (Use additional sheets as needed):

#### **Preserving Prime Agricultural Land: A Lofty Goal Achieved**

Preserving prime agricultural land is one the goals which LAFCOs aspire to accomplish. The City of San Luis Obispo proposed annexing a 31-acre property of prime agricultural land that was nearly surrounded by the City. San Luis Obispo LAFCO had recently adopted agricultural policies that required preservation of prime agricultural land at a rate of one acre preserved for each acre developed. This meant that for each acre of prime agricultural land that was developed one acre had to be permanently preserved by the City and/or Property Owner through a conservation easement or other land preservation method.

This was the first time the San Luis Obispo LAFCO prime agricultural policy had been applied to a proposal. A total of 19 acres of prime agricultural were being converted and



the site would be home to a future large retail center (Target). Of the 31 acres being annexed, 12 acres were being preserved on-site for agricultural use. The City would own this property in fee, the land would be zoned open space/agriculture and placed in a conservation easement that was recorded on the deed of the property. This left a balance of seven acres that needed to be preserved in order for the annexation to be consistent with the LAFCO policy. Fortunately, the property owner was willing and able to record a conservation easement on seven acres of prime agricultural land located just down the street. This was a key element in this annexation being successfully completed. The next question was how does the annexation get approved if these easements are not yet recorded?

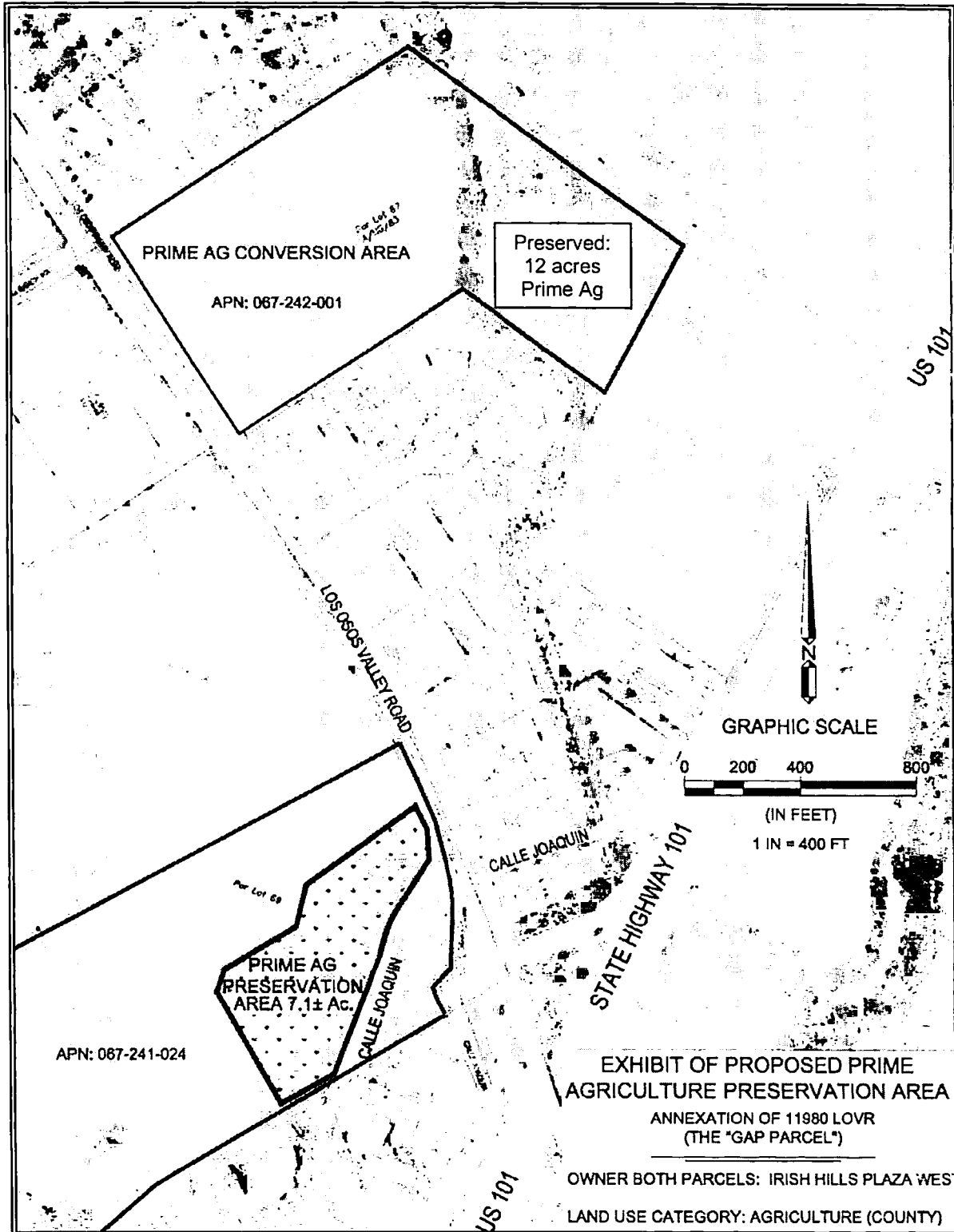
San Luis Obispo LAFCO approved the annexation with conditions of approval that required the City and property owner to provide documentation that the easements had been recorded prior to the Certificate of Completion being filed by LAFCO with the County Clerk. Also, included in the easements would be a requirement that well water for the sites be allocated to provide irrigation for future agricultural use. The conservation easements were recorded as required, the Certificate of Completion was filed with the County Clerk and the annexation submitted to the State Board of Equalization.

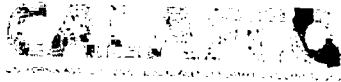
The Cortese-Knox-Hertzberg Act of 2000 calls for LAFCOs to preserve prime agricultural land. In some ways this can be a challenging quest given the pressure (and at times legitimate need) to develop prime agricultural land that are close to urban areas. The San Luis Obispo LAFCO policy offers several options for complying with the 1:1 requirement to preserve prime Agricultural Land. One way is to set aside land and place it permanent conservation easements as was done in this case.

Because the property owner and City were willing participants with San Luis Obispo LAFCO, we were able to craft conditions of approval that achieved the goal of preserving prime agricultural land in perpetuity. The easements were reviewed by the Executive Officer and LAFCO Counsel for final approval of the annexation. The map on the next page shows the areas that were placed in permanent conservation easements for the purpose of agricultural use.

The attached letters of support from the City of San Luis Obispo and property owner show why this was a successful annexation; a willingness on the part of all parties to work together to achieve a mutually beneficial solution for preserving prime agricultural land and for annexing and important retail sales area into the City.

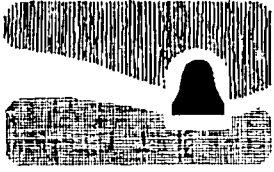
Thank you for considering our award nomination.





## **Attachment**

### **1. Letters of Support**



# city of san luis OBISPO

Community Development Department • 919 Palm Street, San Luis Obispo, CA 93401-3218

August 20, 2010

David Church, AICP  
Executive Officer  
San Luis Obispo LAFCO  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

**SUBJECT: Prefumo Creek Commons (Gap) annexation**

Dear Mr. Church,

This letter is in support of the nomination of the "Gap Annexation" as the CALAFCO project of the year. Also known as Prefumo Creek Commons, the "Gap" project involved a request to annex property to the City of San Luis Obispo in order to develop a retail shopping center. The Gap property is comprised of approximately 31 acres that is bisected by a permanent stream known as Prefumo Creek. The City's General Plan designated the property for both commercial development and permanent open space, with Prefumo Creek and the area to the east (totaling about 12 acres) to be preserved in agriculture and open space. Although the project applicant was the Madonna family, both the City of San Luis Obispo and LAFCO were deeply involved in reviewing the appropriateness of the proposed annexation, development and agricultural land and habitat protection.

The project involves development of approximately 19 acres of the site for commercial uses and road improvements, and dedication of the remaining 12 acres to the City of San Luis Obispo to be incorporated into the City's open space system. The City intends to add the 12 acres to an adjacent 13 acre City-owned property, and ultimately to as much as 65 additional acres, to create a publicly-held agricultural property in which as much as 75 or 80 acres of Class I and II soils will be available for permanent agricultural production.

In support of the open space dedication, the applicant went beyond the City's requirements and agreed to install an agricultural well at a suitable location on the dedicated property so that adequate water would be available for agricultural production. Furthermore, LAFCO had recently adopted a policy that required properties proposing development of agricultural lands to preserve an area equal to that being lost to development. In the case of the Gap property this meant that an additional 7 acres of



The City of San Luis Obispo is committed to include the disabled in all of its services, programs and activities. Telecommunications Device for the Deaf (805) 781-7410.

farmed or "farmable" land had to be protected by easement or public ownership for agricultural uses.

Working with the City and LAFCO staff, the owners identified an area of grazed wetlands, consisting of Class II soils, very high forage production, of considerable scenic and environmental value, and immediately across the street from the project area, to be so protected. This solution was accepted by all parties and has created an excellent example of the use of such a policy to further open space and agricultural land protection within the City's urban reserve line.

LAFCO staff has been extremely supportive of the City's greenbelt program and has found ways to collaborate through the annexation process to further both LAFCO and City policies. This particular annexation provides a stellar example of how LAFCO showed creativity and commitment to make this project one that met multiple policy objectives. We appreciate the work of the LAFCO staff.



Kim Murry  
Deputy Director, Long Range Planning  
City of San Luis Obispo, Community Development  
919 Palm Street  
San Luis Obispo CA 93401

**WHELEN CONSULTING**  
**LAND USE PROJECTS**

Post Office Box 1007  
San Luis Obispo, CA 93401  
whelenconsulting.com

August 31, 2010

Mr. Ted Novelli, Chair  
CALAFCO Achievement Awards Committee  
1215 K Street, Suite 1650  
Sacramento, CA 95814

Sent via email c/o David Church, LAFCO

**Re: Nomination for CALAFCO Project of the Year**  
**Annexation No. 74 to the City of San Luis Obispo**  
**Project: "Prefumo Creek Commons"**  
**Applicant: Irish Hills Plaza East, LLC (Madonna Enterprises)**

Dear Mr. Novelli:

I am writing in support of the nomination of Annexation No. 74 for CALAFCO Project of the Year. This project is worthy of serious consideration due to the combined efforts of the San Luis Obispo County LAFCO, the City of San Luis Obispo, and the Applicant, Madonna Enterprises (for Irish Hills Plaza East, LLC) which resulted in a successful mitigation strategy that permanently preserved prime agricultural land in compliance with current City and LAFCO policies.

These successful results were achieved through a unique combination of ingredients:

- Depth of experience and knowledge existing within the primary parties involved; and
- Shared commitment by these parties to collaborate professionally and creatively on a feasible solution, thereby allowing an appropriate project to proceed while successfully meeting the governing land use policies and requirements.

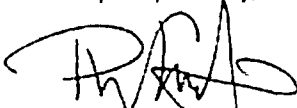
This property has long been planned for annexation to the City of San Luis Obispo; it is surrounded on most sides with incorporated land (hence, the property's nickname, "The Gap"). However, increased standards and regulatory requirements created significant challenges to this project. This necessitated a sophisticated planning and design approach, problem-solving skills, and the Applicant's underlying commitment to community design and contribution.

From my perspective as project manager for the Applicant, I experienced detailed agency reviews of this project, and timely communications with staff. This resulted in design improvements and a successful mitigation strategy through mutual cooperation and agreement. This process and its ultimate collaborative solution, met LAFCO's and the City's goals regarding the preservation of prime agricultural land.

I would like to emphasize that the Applicant, with close involvement by Clint Pearce, Madonna Enterprise's Vice President and Real Estate Manager, has provided repeated generosity in cooperating with the agencies to enable public benefit and preservation of land resources.

Thank you for your consideration.

Very Respectfully,



Patti V. Whelen  
Whelen Consulting, Inc.



## NOMINATION FORM

### NOMINEE

Person or Agency Being Nominated:

Name: Nipomo Community Services District, County of San Luis Obispo  
San Luis Obispo LAFCO

Address: 1042 Pacific St. San Luis Obispo, CA 93401

Phone: 805-781-5795

E-mail: Dchurch@slolafco.com

### NOMINATION CATEGORY

NOMINATION CATEGORY (check one – see category detail on attached sheet)

Government Leadership Award or  Project of the Year

### NOMINATION SUBMITTED BY:

Name: San Luis Obispo LAFCO

Address: 1042 Pacific Street – Suite A, San Luis Obispo, CA 93401

Phone: 805-781-5795

E-mail: DChurch@SLOLAFCO.com

### ACHIEVEMENTS

Please indicate the reasons why this person or agency deserves to be recognized (Use additional sheets as needed):

#### Sphere Update Brings County and Community Service District Closer

A Sphere of Influence Update is generally focused on the service capability of a jurisdiction and future land uses in the area. In the case of updating the Sphere for the Nipomo Community Services District, it turned out to be an excellent opportunity for the County of San Luis Obispo (the land use authority) and the District (service provider) to clarify their intentions regarding the District's Sphere of Influence. To this end the County Board of Supervisors and District Board of Directors approved a Memorandum of Agreement (MOA-Attachment 1) with provisions that clearly stated what the Sphere of Influence meant to each jurisdiction and how they would communicate in the future. Developing the agreement was important to both jurisdictions and LAFCO because: 1) the District and County showed a high level of commitment to improving cooperation and 2) San Luis Obispo LAFCO valued the MOA as way to ensure a more cohesive approach to the Sphere of Influence.

**The Process.** Developing the Memorandum of Agreement was a process that involved numerous meetings with District, County and LAFCO Staff, drafting and re-drafting the provisions of MOA, and eventual approval by governing bodies. San Luis Obispo LAFCO Staff prepared agendas, facilitated and coordinated the meetings, and drafted and re-drafted the MOA for review by the District and County. The District and County enthusiastically provided edits that were discussed at meetings where the language was changed when needed. The result of this work was an increased ability to work together and an MOA that both jurisdictions could agree to at a Staff level. The MOA was modified to include more details with regard to the District's plan for serving the SOI (Provision four) and the common agreements between the County and District (new Provision six). County and District Staff provided edits and additional clarifying language. The revised MOA was approved by the NCSO Board of Directors on June 23, 2010 and by the County Board of Supervisors at its July 13, 2010 meeting.

**Memorandum of Agreement.** The MOA (Attachment 3) more clearly articulates the commitments of both the County and District and identifies the process for evaluating future development under provision six which is list below. It is the intention of both jurisdictions that the South County Area Plan (General Plan) be implemented as it currently exists. Neither jurisdiction intends for an increase in density to be caused by the Sphere of Influence.

6. **Common Agreements by the County and NCSO.** The District and County acknowledge and agree on the following statements:
- a. Protection and management of the groundwater resource in the Nipomo Mesa Water Conservation Area is important for the future of the Nipomo community.
  - b. Current and Phase 1 Project supplemental water supplies from the City of Santa Maria will not be sufficient to provide water service to the Sphere of Influence.
  - c. Continued approval of development based on water service from mutual and private water companies does not encourage the efficient and effective management of the groundwater resource and makes management of the groundwater basin more difficult.
  - d. Future development within the Sphere of Influence, as currently zoned in the South County Area Plan (Inland) adopted in 1994, is intended to be served by the District at such time when an adequate supplemental water supply to serve the development is available and delivered to the District's storage and distribution system.
  - e. Unless amended, the County will process current land use applications under the existing South County Area Plan (Inland) adopted in 1994, standards and policies.
  - f. Subject to LAFCO approval, the District will consider (within its supply capabilities) providing water service to existing developed properties within the Sphere of Influence that experience a documented water supply emergency such as what happened in the Summit Station Road Area.
  - g. Absent additional evidence of impact mitigation and subject to existing County ordinances, standards and policies, the provision of community water service by

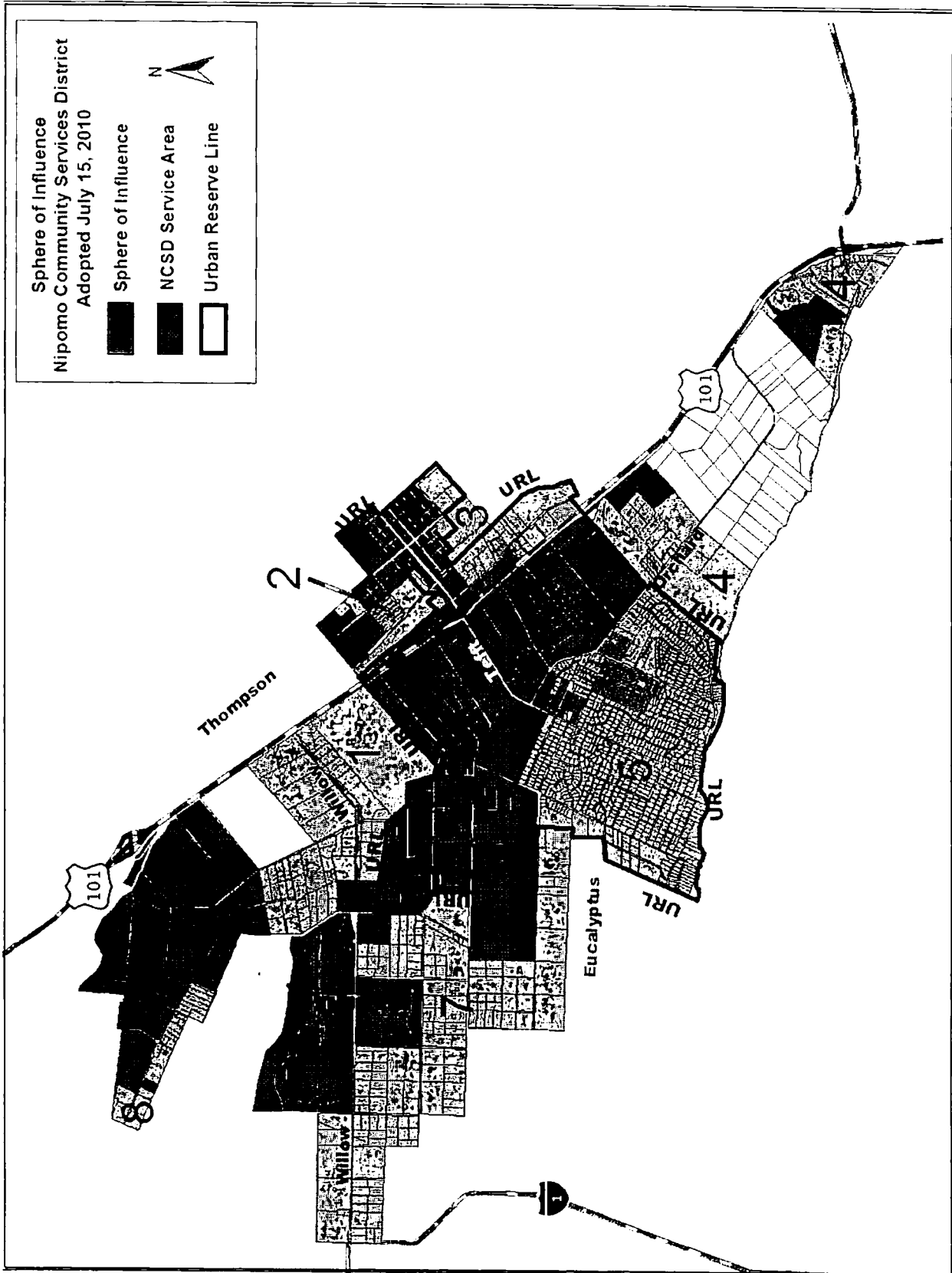
the District should not be considered by individual property owners to justify or support a change in zoning that would increase density in areas zoned Residential Rural.

- h. The process of development within the District's Sphere of Influence shall be accomplished in the following order: 1) the District is consulted through referrals on land use applications; 2) Land Use approvals and CEQA documentation are approved and certified by the County; and 3) Annexation application is submitted by the property owner or District for consideration and approval by LAFCO.

**Outcomes.** Several benefits are evident from this unique way of bringing together a Community Services District with public services and the County of San Luis Obispo which has the Land Use Authority:

- The District and County will refer projects to each other on a routine basis to request input and feedback about a variety of issues and proposals.
- Increased coordination between the District and County should led to a more solution based decision making process that proactively addresses issues.
- Clarifying the intentions of each jurisdiction with regard to approving future development and providing services to the Sphere of Influence.
- Improved working relationship that will result in a more coordinated and informed decision making process for both the District and County.
- A Sphere of Influence that is more meaningful in terms of what annexations might entail and when those annexations might occur.

Maybe the most important outcome is the increase in the level of trust between the Nipomo Community Services District and San Luis Obispo County. If agencies can sit down and better understand each other's point of view, solutions to problems become more apparent. This type of solution-oriented relationship can help change the way jurisdictions approach each other and provide an opportunity for better decisions, less adversity and improved service for the public.





## Attachment

### 1. Letters of Support

Nipomo Community Services District

County of San Luis Obispo

# NIPOMO COMMUNITY

## BOARD MEMBERS

JAMES HARRISON, PRESIDENT  
LARRY VIERHEILIG, VICE PRESIDENT  
MICHAEL WINN, DIRECTOR  
ED EBY, DIRECTOR  
WILLIAM J. NELSON, DIRECTOR



# SERVICES DISTRICT

## STAFF

DON SPAGNOLO, P.E., GENERAL MANAGER  
LISA BOGNUDA, ASST. GEN. MGR./FINANCE DIR.  
PETER SEVCIK, P.E., DISTRICT ENGINEER  
JON SEITZ, GENERAL COUNSEL

*Celebrating 45 Years of Service 1965-2010*

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148 SOUTH WILSON STREET    POST OFFICE BOX 326    NIPOMO, CA 93444 - 0326  
(805) 929-1133    FAX (805) 929-1932    Website address: [ncsd.ca.gov](http://ncsd.ca.gov)

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August 25, 2010

Local Agency Formation Commission  
Attention: David Church, Executive Officer  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

**SUBJECT:**    2010 CALAFCO Achievement Award for Outstanding Leadership or  
Project of the Year

Dear Mr. Church:

The Nipomo Community Services District (the "District") is pleased to support the San Luis Obispo Local Agency Formation Commission for the 2010 CALAFCO Achievement Award for Outstanding Leadership or Project of the Year for its efforts in the preparation of the 2010 Sphere of Influence Update and Memorandum of Agreement between the County of San Luis Obispo (the "County") and the District. The intent of the 2010 Sphere of Influence and Municipal Service Review Update was to identify areas for potential urban and suburban growth within an area that overlays the Nipomo Mesa Water Conservation Area and to plan for future resources and service needs. A map of the Sphere of Influence as well as a map of the Nipomo Mesa Water Conservation Area is attached as a reference. It should be noted that the County of San Luis Obispo has declared that area as a Severity Level III for water resources. The Severity Level III declaration means that the resource is being used at or beyond its estimated dependable supply.

Because of the competing interest between the District's authority to manage water resources and the County's land use authority within the Sphere of Influence, developing a consensus on the boundaries and developing constraints within the Sphere of Influence was no easy task.

Due to the efforts of David Church, Executive Officer of the San Luis Obispo Local Agency Formation Commission, in facilitating many meetings between the representatives of the District and the County (including providing agendas and draft language for discussion) a cooperative Memorandum of Agreement ("MOA") was

developed and approved by both the District and the County. The MOA resolved jurisdictional issues and provides a framework for future development decisions and annexation proposals related to the District's Sphere of Influence.

Thank you David for your hard work. The Commission deserves the award.

Very truly yours,

NIPOMO COMMUNITY SERVICES DISTRICT

A handwritten signature in black ink, appearing to read "Don Spagnolo". The signature is fluid and cursive, with a long horizontal stroke at the end.

Don Spagnolo, P.E.  
General Manager

C: Board of Directors



SAN LUIS OBISPO COUNTY  
DEPARTMENT OF PLANNING AND BUILDING

August 26, 2010

Roseanne Chamberlain  
CALAFCO  
1215 K Street, Suite 1650  
Sacramento, CA 95814

RE: 2009 Achievement Awards Program  
San Luis Obispo LAFCO, CALAFCO Government Leadership Award Nomination

Dear Ms. Chamberlain

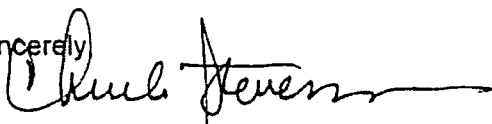
On behalf of the County of San Luis Obispo, I am pleased to submit this letter of support for the nomination by the San Luis Obispo LAFCO for the Government Leadership Award or Project of the Year on behalf of the Nipomo Community Services District (NCSD), County of San Luis Obispo and the San Luis Obispo LAFCO.

The approved Memorandum of Agreement (MOA) sets forth a clear understanding of future intentions by both agencies and a way for the County and the NCSD to work cooperatively toward mutually benefiting results when considering how the type, size and timing of growth at jurisdictional boundaries affect either entity. The County, the NCSD and LAFCO staff met many times to work through issues and details of the Nipomo Sphere of Influence (SOI) and the MOA. Many drafts were prepared and edited until both agencies were satisfied with the result.

The approved MOA is a great document that provides agreed upon standards and requirements but doesn't supersede or limit the existing review authority or environmental review process of either jurisdiction. Rather, the approach of the MOA and the standards and requirements ensures close coordination and cooperation between the NCSD and County on the future planning and development of the areas within the SOI boundary. The results of the approved MOA and SOI adopted by LAFCO will be incorporated into the preparation of a future update of the County General Plan for this area.

Developing the agreement was an important achievement for both agencies and LAFCO because; 1) the District and County showed a high level of commitment to improving cooperation and 2) San Luis Obispo LAFCO valued the MOA as way to ensure a more cohesive approach to the Sphere of Influence.

This unique process has many positive benefits but primarily it will result in better communication, coordination, clarification of intentions, and a better working relationship for future planning.

Sincerely  


Charles Stevenson, AICP  
Division Manager, Long Range Planning  
805-781-5197