



San Luis Obispo Local Agency Formation Commission Meeting Agenda April 20, 2023, 9:00am

MEETING

April 20, 2023 – 9 A.M.
BOARD OF SUPERVISORS
CHAMBERS
COUNTY GOVT. CENTER
1055 MONTEREY STREET,
SAN LUIS OBISPO, CA 93408

CONTACT

ROB FITZROY
EXECUTIVE OFFICER
805-781-5795
FAX 805-788-2072
SLO.LAFCO.CA.GOV

COMMISSIONERS

ED WAAGE, CHAIR, CITY
DEBBIE ARNOLD, VICE CHAIR, COUNTY
JIMMY PAULDING, COUNTY
STEVE GREGORY, CITY
MARSHALL OCHYLSKI, SPECIAL DISTRICT
ROBERT ENNS, SPECIAL DISTRICT
HEATHER JENSEN, PUBLIC
DAWN ORTIZ-LEGG, COUNTY ALTERNATE
CHARLES BOURBEAU, CITY ALTERNATE
ED EBY, SPECIAL DISTRICT ALTERNATE
DAVID WATSON, PUBLIC ALTERNATE

MEETING PARTICIPATION

- **To submit written comment**, mention the matter or agenda item number and send via email to mbing@slo.lafco.ca.gov or fill out an online submission form on our website at slo.lafco.ca.gov, or U.S. mail at 1042 Pacific St Suite A, San Luis Obispo CA, 93401. All correspondence is distributed to each Commissioner and will become part of the official record of the Commission meeting.
- **To submit a pre-recorded verbal comment** call (805) 781-5795; state and spell your name, mention the agenda item number you are calling about and leave your comment. Your comments will be distributed to each Commissioner and will become part of the official record of the Commission meeting.
- **To provide live comment**, attend the in-person meeting and fill out a “request to speak form” provided in the front and back of the meeting room and hand it to the Commission Clerk prior to the beginning of that item. Each speaker will be limited to a three-minute presentation. During public hearings, applicants or their representatives will be given the opportunity to speak first after the staff report is given and questions of the Commission have been addressed.

Other Notes:

- In compliance with the Americans with Disabilities Act (ADA), if you need special assistance to participate at this meeting, please contact the Clerk at 805-781-5795. Notification provided a minimum of 48 hours prior to the meeting will enable the Clerk to make reasonable arrangements to ensure accessibility to this meeting. Pursuant to the ADA, the meeting room is accessible to the physically disabled.
- It is required by Government Code Section 84308 that a participant in a LAFCO proceeding who has a financial interest in the decision and who has made a campaign contribution of more than \$250 to any Commissioner within (12) months prior, must disclose the contribution. If you are affected, please notify Commission Staff before the hearing.



MEETING AGENDA

Call to Order/Roll Call

Selection of the 2023 Chair and Vice-Chair

Presentation of a Certificate of Appreciation to Chair Ed Waage for his service as Chair

New Commissioners / Election Updates

Approval of the Minutes: December 15, 2022 (Pages 3 - 5)

Non-Agenda Public Comment Period

This is the period in which persons may speak on items that are not on the regular agenda. You may provide public comment in one of the three methods mentioned above in the “Meeting Participation” section.

Consent Agenda

A-1: Second Quarter Fiscal Year 2022-2023 Budget Status and Work Plan Report (Recommend Review and Approve) (Pages 6 - 21)

Informational Matters

B-1: Notice of Petition of Landowner Application for LAFCO File No. 1-R-23 Sphere of Influence Amendment and Annexation No. 4 to County Service Area 12 (Recommend Receive and File) (Pages 22 -23)

Regular Matters

C-1: LAFCO File No. 1-R-22 Annexation #12 to County Service Area 18 (Windmill Way) One-Year Time Extension Request to Allow Additional Time for Condition Compliance (Recommend Review and Approve) (Pages 24 - 26)

C-2: Comprehensive Application Update and Minor Fee Schedule Update (Recommend Review and Approve) (Pages 27 - 139)

C-3: LAFCO File No. 3-S-23 Municipal Service Review and Sphere of Influence Study for Heritage Ranch Community Services District (Recommend Review and Approve) (Pages 140 - 200)

C-4: Third Quarter Fiscal Year 2022-2023 Budget Status and Work Plan Report (Recommend Review and Approve) (Pages 201 - 216)

C-5: Proposed Fiscal Year 2023-2024 Budget and Work Plan (Recommend Review and Approve) (Pages 217 - 230)

Commissioner Comments

Legal Counsel Comments

Executive Officer Comments

Adjournment



**SAN LUIS OBISPO
LOCAL AGENCY FORMATION COMMISSION
DECEMBER 15, 2022, MEETING MINUTES**

Call to Order

The San Luis Obispo Local Agency Formation Commission (LAFCO) meeting was called to order at 9:00 a.m. on Thursday, December 15, 2022, by Chairperson Ed Waage through Zoom pursuant to the COVID-19 provisions of the Governor's Executive Order AB 361.

Roll Call

Present: Chairperson Ed Waage, Vice-Chair Debbie Arnold, Commissioners Lynn Compton, Robert Enns, Heather Jensen, and Alternate Commissioners Ed Eby and David Watson

Absent: Commissioners Steve Gregory and Marshall Ochylski, and Alternate Commissioners Charles Bourbeau and Dawn Ortiz-Legg

Staff: Rob Fitzroy, LAFCO Executive Officer
Imelda Marquez, LAFCO Analyst
Morgan Bing, LAFCO Clerk Analyst
Brian Pierik, LAFCO Legal Counsel

Approval of the Minutes: November 17, 2022

Chairperson Waage announced the consideration of approval for the November 17, 2022, Regular Meeting Minutes.

Chairperson Waage asked if any written or live public comments were received.

Ms. Bing reported that no written or live public comments were received.

Chairperson Waage closed public comment and asked for Commissioner comments or a motion to approve the minutes.

Vice Chair Arnold motioned to approve the minutes.

Commissioner Compton seconded the motion.

AYES: Vice Chair Arnold, Commissioners Compton, Enns, Jensen, and Chairperson Waage

NAYS: None

ABSTAINING: Commissioner Eby

The motion was passed.

Non-Agenda Public Comment

Chairperson Waage asked if any written or live non-agenda public comment requests were received.

Ms. Bing reported that no written or live public comments were received.

Consent Agenda

A-1: Resolution Regarding Commission Meetings Held by Teleconference as Provided by AB 361 (Recommend Review and Approve)

Chairperson Waage asked if any written or live comments from the public were received.

Ms. Bing reported that no written or live public comments were received.

Chairperson Waage closed public comment and asked for Commissioner motion to approve the Consent Agenda items.

Commissioner Enns motioned to approve the items on consent.

Vice Chair Arnold seconded the motion.

AYES: Commissioner Enns, Vice Chair Arnold, Commissioners Compton, Jensen, Eby, and Chairperson Waage

NAYS: None

ABSTAINING: None

The motion was passed with a unanimous roll call vote.

Regular Matters

B-1: LAFCO File No. 3-R-22: Sphere of Influence Amendment and Annexation #19 to Cayucos Sanitary District (Valley Lot) (Recommend Continuance for a Future Meeting to be Determined)

Mr. Fitzroy presented the item.

Chairperson Waage opened the item for Commissioner questions.

Chairperson Waage opened the floor to public comment.

Russell Taylor commented on his written public comment which was previously submitted to the commission.

Chairperson Waage closed public comment and asked for Commissioner motion to approve continuance of LAFCO File No. 3-R-22: Sphere of Influence Amendment and Annexation #19 to Cayucos Sanitary District (Valley Lot) to a future meeting to be determined.

Commissioner Enns made a motion to approve staff recommendation.

Vice Chair Arnold seconded the motion.

AYES: Commissioner Enns, Vice Chair Arnold, Commissioners Compton, Jensen, and Eby, and Chairperson Ed Waage

NAYS: None

ABSTAINING: None

The motion was passed with a unanimous roll call vote.

Commissioner Comments: Vice Chair Arnold and Chairperson Waage wished everyone a happy holiday and thanked staff for their work.

Legal Counsel Comments: None

Executive Officer Comments: Mr. Fitzroy thanked Commissioner Compton for her service on the Commission for the last six years and presented her with a certificate of appreciation. Vice Chair Arnold and Chairperson Waage joined in thanking Commissioner Compton for her time and service.

Adjournment: With no further business before the Commission, the meeting adjourned at 9:12 a.m. until the next meeting of the Commission pursuant to Governor's Executive Orders, depending upon the progression of the COVID-19 pandemic.

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,
Morgan Bing, LAFCO Clerk Analyst



San Luis Obispo Local Agency Formation Commission

TO: MEMBERS OF THE COMMISSION

FROM: ROB FITZROY, EXECUTIVE OFFICER

DATE: APRIL 20, 2023

SUBJECT: SECOND QUARTER FISCAL YEAR 2022-2023 BUDGET STATUS AND WORK PLAN REPORT

COMMISSIONERS

Chairperson
ED WAAGE
City Member

Vice-Chair
DEBBIE ARNOLD
County Member

JIMMY PAULDING
County Member

MARSHALL OCHYLSKI
Special District Member

ROBERT ENNS
Special District Member

STEVE GREGORY
City Member

HEATHER JENSEN
Public Member

ALTERNATES

DAWN ORTIZ-LEGG
County Member

ED EBY
Special District Member

CHARLES BOURBEAU
City Member

David Watson
Public Member

STAFF

ROB FITZROY
Executive Officer

IMELDA MARQUEZ-VAWTER
Analyst

MORGAN BING
Clerk Analyst

BRIAN A. PIERIK
Legal Counsel

RECOMMENDATION

Action 1: Review the second quarter budget status and work plan report for Fiscal Year (FY) 22-23 and approve, by motion, to direct the Executive Officer to file it with the County Auditor.

BUDGET OVERVIEW

This report is the second Fiscal Year (FY) 22-23 quarterly report for the San Luis Obispo Local Agency Formation Commission (LAFCO). The LAFCO operating budget is comprised of four components: 1) salaries, payroll taxes, and benefits, 2) services and supplies, 3) revenues, and 4) fund balance and reserves. Day-to-day management of the budget is based on “bottom-line” principles that allow for variation within individual line-item accounts as long as the overall expenditures remain within the approved budget.

LAFCO’s budget is funded by the County, Cities and Independent Special Districts. City and District shares are pro-rated based on general revenues reported to the State Controller’s Office on an annual basis. LAFCO also receives revenue from application fees and interest earnings.

The County Auditor Controller provides LAFCO with various financial services. Every financial transaction of LAFCO is processed through the County Auditor’s financial system. This approach ensures accuracy, transparency and accountability. The County Auditor’s Office also provides LAFCO with claims processing, invoicing and financial review services. The Auditor’s financial tracking system assists LAFCO in monitoring the budget and compiling budget report data, as well as provides independent review of the budget.

QUARTERLY BUDGET SUMMARY

Executive Officer Comments. The second quarter budget actuals indicate LAFCO continues to be in a strong budgetary position. Expenditures are as expected within the second quarter. Application activity and associated revenue continue to be strong; with 50% of the fiscal year complete we have reached 63% of our revenue projections for proposal applications. Additionally, total revenues are 93% realized.

Expenditures. Overall, second quarter expenditures are at 49% with 50% of the fiscal year complete. A detailed budget report is provided in Attachment A. Below is a brief summary of line-item expenditures:

- Salaries and benefits are 48% expended.
- Services and Supplies are 52% expended.

LAFCO uses a credit card from a program implemented by the Special District Risk Management Association (SDRMA) for public agencies. LAFCO's policy is to pay each bill in full each month. The statements for October, November, and December are included as Attachment B. Additionally, with any "significant value" purchases over \$400, a receipt is provided for that item for further transparency.

- **October:** Zoom Subscription \$98.50, Microsoft Office Subscription \$37.50, FedEx Scanning \$10.86, Canva Business Cards \$86.50, and USPS Postage \$104.00.
- **November:** Zoom Subscription \$98.50, Microsoft Office Subscription \$37.50, Sherwin Williams Paint Samples \$15.23, USPS Mailings \$19.10, SLO Clerk Recorder Fees \$50.00, and USPS Postage \$70.40.
- **December:** Zoom Subscription \$98.50, Microsoft Office Subscription \$37.50, USPS Mailings \$27.90.

Revenues. Overall, revenues are 93% realized through the second quarter. Contributing agencies (Cities, Special Districts and County) have paid 99% of the LAFCO charges billed in the first quarter by the County Auditor. Application fees have been submitted in the amount of \$15,191 or 63% of projected application revenue.

Fund Balance (Reserves). Fund Balance is the LAFCO reserve of funds for various expenditures. Fund Balance expenditure requires Commission approval. The current fund balance available is \$301,201.

WORK PLAN QUARTERLY UPDATE

Executive Officer Comments. Workload for the second quarter of the FY has been substantial, as expected. While workload will be high, we expect the number of hearings items to remain on the lighter side as we focus on application processing as well as the MSR program which requires substantial internal staff work and reduced need for hearings until such a time when they are ready for Commission consideration. In addition to our typical workload of proposal application processing, we have been onboarding and training the new Clerk Analyst, launching our MSR program, and focusing on internal items such as our new application package and an updated Policies and Procedures manual, as directed by the Commission.

Work Plan Update. In conjunction with the FY 22-23 budget process, the Commission adopted an accompanying Work Plan for FY 22-23 (see May 19, 2022, staff report for additional details). Our work prioritization is as follows:

1. Process proposal applications as mandated by statute and conduct critical operations necessary for the organization to function.
2. Prepare Municipal Service Reviews (MSRs) as mandated by statute, based on the date an MSR was last updated.
3. Execute special work efforts as directed by the Commission.

Consistent with the priorities established by the Commission for the FY 22-23 Work Plan, during the second quarter staff have been diligently working on the following items, as well as onboarding and training the new Clerk Analyst:

- Processing proposal applications including Dana Reserve Specific Plan annexation, multiple County Service Area annexation applications, and annexations into special independent districts
- Initiated MSR for City of Paso Robles, Templeton Community Services District, Heritage Ranch Community Services District, and San Miguel Community Services District, and implemented a new MSR process intended to streamline work efforts, improve coordination, and increase usability of the document
- Initiated new application forms, and an updated Policies and Procedure manual
- Conducted ongoing critical operations, invoicing, payroll, records management, office administration, directory update
- Additional work efforts include response to numerous public inquiries regarding annexations, coordination with numerous districts and cities regarding potential future annexations, coordination with districts regarding activation / divestiture of powers, responses to Public Record Act requests, and reorganizing our record management systems

Work Plan Projections. Looking ahead, we expect the workload to remain high and staff to be operating at full capacity, particularly with large annexation applications such as Dana Reserve and other annexations and reorganizations we anticipate soon. We have had a substantial

number of inquiries and potential items on the horizon, including Oceano Community Services District divestiture of fire authority, various outside user agreements, potential annexations into multiple cities and districts.

Attachment A: Quarterly Budget Status Report

Attachment B: Credit Card Statements

Attachment A

Quarterly Budget Status Report

	Adopted Budget FY 22-23	Expenditures / Revenue	Percent Expended/ Revenue	Projected Year End
Expenditures Summary <i>(Services, Supplies, Salaries, Benefits, Taxes)</i>	\$649,615	\$180,919	28%	\$649,615
Revenues Summary <i>(Processing Fees, Reserves, Agency Contributions)</i>	\$649,615	\$603,030	93%	\$649,615
Services and Supplies Expenditure Details				
Computer Software	\$500	\$150	30%	\$500
Copying-Printing	\$300	\$11	4%	\$300
Meals	\$600	\$73	12%	\$600
LAFCO Insurance Policies	\$17,500	\$16,539	95%	\$17,500
Maintenance-Equipment	\$30	\$55	183%	\$30
Maintenance-Software	\$50	\$0	0%	\$50
CALAFCO/ Other Memberships	\$8,800	\$6,722	76%	\$8,800
Employee Mileage Reimbursement	\$200	\$0	0%	\$200
Commissioner Mileage Reimbursement	\$1,500	\$110	7%	\$1,500
Office Supplies	\$2,500	\$278	11%	\$2,500
Custodial Services	\$1,800	\$854	47%	\$1,800
County Auditor Services	\$8,931	\$8,931	100%	\$8,931
Legal Counsel	\$31,200	\$14,800	47%	\$31,200
Postage	\$1,000	\$19	2%	\$1,000
Prof. Services/General/Commissioner Stipends	\$12,000	\$3,657	30%	\$12,000
Publication & Legal Notices	\$1,000	\$179	18%	\$1,000
Training	\$5,000	\$0	0%	\$5,000
Office Lease	\$37,000	\$20,556	56%	\$37,000
Large Equipment	\$1,500	\$5	0%	\$1,500
Small Equipment	\$400	\$0	0%	\$400
Telephone	\$3,000	\$1,230	41%	\$3,000
Travel Expenses	\$2,500	\$0	0%	\$2,500
Utilities	\$4,700	\$707	15%	\$4,700
Board Chambers - IT Support	\$850	\$0	0%	\$850
Vehicle Allowance	\$5,400	\$2,700	50%	\$5,400
Vehicle Rental	\$500	\$0	0%	\$500
Services and Supplies Subtotal	\$148,761	\$77,575	52%	\$148,761
Salary, Benefits and Taxes Expenditures				
Salaries	\$315,000	\$154,250	49%	\$315,000
Taxes - FICA SS Employer Match	\$19,530	\$7,751	40%	\$19,530
Taxes - Medicare Employer Match	\$4,568	\$2,155	47%	\$4,568
Pension Employer Contribution	\$88,698	\$43,334	49%	\$88,698
Pension Obligation Bond	\$16,558	\$8,169	49%	\$16,558
SDI/SUI Employer Contribution	\$1,500	\$84	6%	\$1,500
Health Insurance	\$45,000	\$20,364	45%	\$45,000
Deferred Compensation	\$10,000	\$4,992	50%	\$10,000
Salary, Benefits and Taxes Subtotal	\$500,854	\$241,099	48%	\$500,854
Total Expenditures	\$649,615	\$318,674	49%	\$649,615
Revenue To Date				
Revenue Details				
Interest Earned	\$4,000	\$1,395	35%	\$4,000
Environmental Review Fees	\$3,000	\$1,500	50%	\$3,000
Sphere of Influence Fees	\$2,000	\$1,500	75%	\$2,000
Application Processing Fees	\$19,000	\$12,191	64%	\$19,000
Other Revenue (Transfer of Reserves)	\$35,000	\$0	0%	\$35,000
Agency Contributions				
Cities	\$195,538	\$195,538	100%	\$195,538
County	\$195,538	\$195,538	100%	\$195,538
Special Districts	\$195,538	\$195,367	99.9%	\$195,538
Total Revenue	\$649,615	\$603,030	93%	\$649,615
Reserves Fund Balance	\$262,579	\$301,021	\$0	\$266,021

Attachment B

Credit Card Statements



Account Summary

Billing Cycle		10/31/2022
Days In Billing Cycle		31
Previous Balance		\$98.08
Purchases	+	\$337.36
Cash	+	\$0.00
Balance Transfers	+	\$0.00
Special	+	\$0.00
Credits	-	\$0.00
Payments	-	\$98.08-
Other Charges	+	\$0.00
Finance Charges	+	\$0.00

NEW BALANCE \$337.36

Credit Summary

Total Credit Line	\$10,000.00
Available Credit Line	\$9,662.64
Available Cash	\$0.00
Amount Over Credit Line	\$0.00
Amount Past Due	\$0.00
Disputed Amount	\$0.00

Account Inquiries

-  Call us at: (866) 777-9013
Lost or Stolen Card: (866) 839-3485
-  Go to www.umpquabank.com
-  Write us at PO BOX 35142 - LB1181, SEATTLE, WA 98124-5142

Payment Summary

NEW BALANCE	\$337.36
MINIMUM PAYMENT	\$337.36
PAYMENT DUE DATE	11/25/2022

NOTE: Grace period to avoid a finance charge on purchases, pay entire new balance by payment due date. Finance charge accrues on cash advances until paid and will be billed on your next statement.

Corporate Activity

TOTAL CORPORATE ACTIVITY				\$98.08-
Trans Date	Post Date	Reference Number	Transaction Description	Amount
10/17	10/20		PAYMENT - THANK YOU	\$98.08-

Cardholder Account Summary

IMELDA MARQUEZ #### #### ####9	Payments & Other Credits \$0.00	Purchases & Other Charges \$98.50	Cash Advances \$0.00	Total Activity \$98.50
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Cardholder Account Detail

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
10/01	10/02	PPLN01		ZOOM.US 888-799-9666 WWW.ZOOM.US CA	\$98.50

PLEASE DETACH COUPON AND RETURN PAYMENT USING THE ENCLOSED ENVELOPE - ALLOW UP TO 7 DAYS FOR RECEIPT

UMPQUA BANK
PO BOX 35142 - LB1181
SEATTLE WA 98124-5142



Account Number

####

Check box to indicate
name/address change
on back of this coupon

AMOUNT OF PAYMENT ENCLOSED

Closing Date	New Balance	Total Minimum Payment Due	Payment Due Date
10/31/22	\$337.36	\$337.36	11/25/22

\$



BL ACCT0 LAFCO
1042 PACIFIC ST
SUITE A
SAN LUIS OBISPO CA 93401

MAKE CHECK PAYABLE TO:

UMPQUA BANK COMMERCIAL CARD OPS
PO BOX 35142 - LB1181
SEATTLE WA 98124-5142



IMPORTANT INFORMATION

Finance Charge Calculation Methods and Computation of Average Daily Balance Subject to Finance Charge: The Finance Charge Calculation Method applicable to your account for Cash Advances and Credit Purchases of goods and services that you obtain through the use of your card is specified on the front side of this statement and explained below:

Method A - Average Daily Balance (including current transactions): The Finance Charge on purchases begins on the date the transaction posted to your account. The Finance Charge on Cash Advances begins on the date you obtained the cash advance, or the first day of the billing cycle within which it is posted to your account, whichever is later. There is no grace period.

The Finance Charges for a billing cycle are computed by applying the Periodic Rate to the "average daily balance" of your account. To get the average daily balance, we take the beginning balance of your account each day, add any new purchases or cash advances, and subtract any payments, credits, non-accruing fees, and unpaid finance charges. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle.

Method E - Average Daily Balance (excluding current transactions): To avoid incurring an additional Finance Charge on the balance of purchases (and cash advances if Method E is specified as applicable to cash advances) reflected on your monthly statement, you must pay the New Balance shown on your monthly statement on or before the Payment Due Date. The grace period for the New Balance of purchases extends to the Payment Due Date.

The Finance Charges for a billing cycle are computed by applying the Periodic Rate to the "average daily balance" of purchases (and if applicable, cash advances). To get the average daily balance, we take the beginning balance of your account each day and subtract any payments, credits, non-accruing fees, and unpaid finance charges. We do not add in any new purchases or cash advances. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle.

Method G - Average Daily Balance (including current transactions): To avoid incurring an additional Finance Charge on the balance of purchases (and cash advances, if Method G is specified as applicable to cash advances) reflected on your monthly statement and, on any new purchases (and if applicable, cash advances) appearing on your next monthly statement, you must pay the New Balance, shown on your monthly statement, on or before the Payment Due Date. The grace period for the New Balance of purchases extends to the Payment Due Date.

The Finance Charges for a billing cycle are computed by applying the Periodic Rate to the "average daily balance" of purchases (and if applicable, cash advances). To get the average daily balance, we take the beginning balance of your account each day, add any new purchases or cash advances, and subtract any payments, credits, non-accruing fees, and unpaid finance charges. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle.

Payment Crediting and Credit Balance: Payments received at the location specified on the front of the statement after the phrase "MAKE CHECK PAYABLE TO" will be credited to the account specified on the payment coupon as of the date of receipt. Payments received at a different location or payments that do not conform to the requirements set forth on or with the periodic statement (e.g. missing payment stub, payment envelope other than as provided with your statement, multiple checks or multiple coupons in the same envelope) may be subject to delay in crediting, but shall be credited within five days of receipt. If there is a credit balance due on your account, you may request in writing, a full refund. Submit your request to the Account Inquiries address on the front of this statement.

By sending your check, you are authorizing the use of the information on your check to make a one-time electronic debit from the account on which the check is drawn. This electronic debit, which may be posted to your account as early as the date your check is received, will be only for the amount of your check. The original check will be destroyed and we will retain the image in our records. If you have questions please call the customer service number on the front of this billing statement.

Closing Date: The closing date is the last day of the billing cycle; all transactions received after the closing date will appear on your next statement.

Annual Fee: If your account has been assessed an annual fee, you may avoid paying this annual fee by sending written notification of termination within 30 days following the mailing date of this bill. Submit your request to the Account Inquiries address on the front of this statement. You may use your card(s) during this 30 day period but immediately thereafter must send your card(s), which you have cut in half, to this same address.

Negative Credit Reports: You are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations.

BILLING RIGHTS SUMMARY

In Case of Errors or Inquiries About Your Bill: If you suspect there is an error on your account or you need information about a transaction on your bill, send your written inquiry to the Account Inquiries address on the front of this statement within 60 days of the date of the statement containing the transaction in question. You may telephone us, however a written request is required to preserve your rights.

In your letter, give us the following information:

- ◆ Your name and account number.
- ◆ The dollar amount of the suspected error.
- ◆ Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

Please provide a legal document evidencing your name change, such as a court document.

Please use blue or black ink to complete form

NAME CHANGE

Last

First Middle

ADDRESS CHANGE

Street

City State ZIP Code

Home Phone () - Business Phone () -

Cell Phone () - E-mail Address

SIGNATURE REQUIRED TO AUTHORIZE CHANGES

Signature _____

Account Number:

Cardholder Account Summary

ROBERT FITZROY #### #### ####	Payments & Other Credits \$0.00	Purchases & Other Charges \$37.50	Cash Advances \$0.00	Total Activity \$37.50
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Cardholder Account Detail

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
10/26	10/27	PPLN01		MSFT * E0200KMW45 msbill.info WA	\$37.50

Cardholder Account Summary

MORGAN BING #### #### ####6	Payments & Other Credits \$0.00	Purchases & Other Charges \$201.36	Cash Advances \$0.00	Total Activity \$201.36
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Cardholder Account Detail

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
09/30	10/02	PPLN01		FEDEX OFFIC51500051508 SAN LUIS OBIS CA	\$10.86
10/14	10/16	PPLN01		CANVA* I03573-28584928 HTTPSCANVA.CO DE	\$16.50
10/14	10/16	PPLN01		CANVA* I03573-28607328 HTTPSCANVA.CO DE	\$35.00
10/14	10/16	PPLN01		CANVA* I03573-28631176 HTTPSCANVA.CO DE	\$35.00
10/21	10/23	PPLN01		USPS PO 0568770075 SAN LUIS OBIS CA	\$104.00

Finance Charge Summary / Plan Level Information

Plan Name	Plan Description	FCM ¹	Average Daily Balance	Periodic Rate *	Corresponding APR	Finance Charges	Effective APR Fees **	Effective APR	Ending Balance
Purchases									
PPLN01 001	PURCHASE	E	\$0.00	0.06024%(D)	21.9900%	\$0.00	\$0.00	0.0000%	\$337.36
Cash									
CPLN01 001	CASH	A	\$0.00	0.06572%(D)	23.9900%	\$0.00	\$0.00	0.0000%	\$0.00
* Periodic Rate (M)=Monthly (D)=Daily							Days In Billing Cycle: 31		
** includes cash advance and foreign currency fees							APR = Annual Percentage Rate		
¹ FCM = Finance Charge Method									
(V) = Variable Rate If you have a variable rate account the periodic rate and Annual Percentage Rate (APR) may vary.									



Account Summary

Billing Cycle		11/30/2022
Days In Billing Cycle		30
Previous Balance		\$337.36
Purchases	+	\$290.73
Cash	+	\$0.00
Balance Transfers	+	\$0.00
Special	+	\$0.00
Credits	-	\$0.00
Payments	-	\$337.36-
Other Charges	+	\$0.00
Finance Charges	+	\$0.00

NEW BALANCE \$290.73

Credit Summary

Total Credit Line	\$10,000.00
Available Credit Line	\$9,709.27
Available Cash	\$0.00
Amount Over Credit Line	\$0.00
Amount Past Due	\$0.00
Disputed Amount	\$0.00

Account Inquiries

-  Call us at: (866) 777-9013
Lost or Stolen Card: (866) 839-3485
-  Go to www.umpquabank.com
-  Write us at PO BOX 35142 - LB1181, SEATTLE, WA 98124-5142

Payment Summary

NEW BALANCE	\$290.73
MINIMUM PAYMENT	\$290.73
PAYMENT DUE DATE	12/25/2022

NOTE: Grace period to avoid a finance charge on purchases, pay entire new balance by payment due date. Finance charge accrues on cash advances until paid and will be billed on your next statement.

Corporate Activity

TOTAL CORPORATE ACTIVITY					\$337.36-
Trans Date	Post Date	Reference Number	Transaction Description	Amount	
11/07	11/08		PAYMENT - THANK YOU SPOKANE WA	\$337.36-	

Cardholder Account Summary

IMELDA MARQUEZ #### #### ##9	Payments & Other Credits \$0.00	Purchases & Other Charges \$98.50	Cash Advances \$0.00	Total Activity \$98.50
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Cardholder Account Detail

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
11/01	11/02	PPLN01		ZOOM.US 888-799-9666 WWW.ZOOM.US CA	\$98.50

PLEASE DETACH COUPON AND RETURN PAYMENT USING THE ENCLOSED ENVELOPE - ALLOW UP TO 7 DAYS FOR RECEIPT

UMPQUA BANK
PO BOX 35142 - LB1181
SEATTLE WA 98124-5142



Account Number

####

Check box to indicate name/address change on back of this coupon

AMOUNT OF PAYMENT ENCLOSED

Closing Date	New Balance	Total Minimum Payment Due	Payment Due Date
11/30/22	\$290.73	\$290.73	12/25/22

\$



BL ACCT
1042 PACIFIC ST
SUITE A
SAN LUIS OBISPO CA 93401

MAKE CHECK PAYABLE TO:

UMPQUA BANK COMMERCIAL CARD OPS
PO BOX 35142 - LB1181
SEATTLE WA 98124-5142



IMPORTANT INFORMATION

Finance Charge Calculation Methods and Computation of Average Daily Balance Subject to Finance Charge: The Finance Charge Calculation Method applicable to your account for Cash Advances and Credit Purchases of goods and services that you obtain through the use of your card is specified on the front side of this statement and explained below:

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The Finance Charges for a billing cycle are computed by applying the Periodic Rate to the "average daily balance" of your account. To get the average daily balance, we take the beginning balance of your account each day, add any new purchases or cash advances, and subtract any payments, credits, non-accruing fees, and unpaid finance charges. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle.

Method E - Average Daily Balance (excluding current transactions): To avoid incurring an additional Finance Charge on the balance of purchases (and cash advances if Method E is specified as applicable to cash advances) reflected on your monthly statement, you must pay the New Balance shown on your monthly statement on or before the Payment Due Date. The grace period for the New Balance of purchases extends to the Payment Due Date.

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Method G - Average Daily Balance (including current transactions): To avoid incurring an additional Finance Charge on the balance of purchases (and cash advances, if Method G is specified as applicable to cash advances) reflected on your monthly statement and, on any new purchases (and if applicable, cash advances) appearing on your next monthly statement, you must pay the New Balance, shown on your monthly statement, on or before the Payment Due Date. The grace period for the New Balance of purchases extends to the Payment Due Date.

The Finance Charges for a billing cycle are computed by applying the Periodic Rate to the "average daily balance" of purchases (and if applicable, cash advances). To get the average daily balance, we take the beginning balance of your account each day, add any new purchases or cash advances, and subtract any payments, credits, non-accruing fees, and unpaid finance charges. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle.

Payment Crediting and Credit Balance: Payments received at the location specified on the front of the statement after the phrase "MAKE CHECK PAYABLE TO" will be credited to the account specified on the payment coupon as of the date of receipt. Payments received at a different location or payments that do not conform to the requirements set forth on or with the periodic statement (e.g. missing payment stub, payment envelope other than as provided with your statement, multiple checks or multiple coupons in the same envelope) may be subject to delay in crediting, but shall be credited within five days of receipt. If there is a credit balance due on your account, you may request in writing, a full refund. Submit your request to the Account Inquiries address on the front of this statement.

By sending your check, you are authorizing the use of the information on your check to make a one-time electronic debit from the account on which the check is drawn. This electronic debit, which may be posted to your account as early as the date your check is received, will be only for the amount of your check. The original check will be destroyed and we will retain the image in our records. If you have questions please call the customer service number on the front of this billing statement.

Closing Date: The closing date is the last day of the billing cycle; all transactions received after the closing date will appear on your next statement.

Annual Fee: If your account has been assessed an annual fee, you may avoid paying this annual fee by sending written notification of termination within 30 days following the mailing date of this bill. Submit your request to the Account Inquiries address on the front of this statement. You may use your card(s) during this 30 day period but immediately thereafter must send your card(s), which you have cut in half, to this same address.

Negative Credit Reports: You are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations.

BILLING RIGHTS SUMMARY

In Case of Errors or Inquiries About Your Bill: If you suspect there is an error on your account or you need information about a transaction on your bill, send your written inquiry to the Account Inquiries address on the front of this statement within 60 days of the date of the statement containing the transaction in question. You may telephone us, however a written request is required to preserve your rights.

In your letter, give us the following information:

- ◆ Your name and account number.
- ◆ The dollar amount of the suspected error.
- ◆ Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

Please provide a legal document evidencing your name change, such as a court document.

Please use blue or black ink to complete form

NAME CHANGE

Last

First Middle

ADDRESS CHANGE

Street

City State ZIP Code

Home Phone () - Business Phone () -

Cell Phone () - E-mail Address

SIGNATURE REQUIRED TO AUTHORIZE CHANGES

Signature _____

Cardholder Account Summary					
ROBERT FITZROY #### #### ####4		Payments & Other Credits \$0.00	Purchases & Other Charges \$37.50	Cash Advances \$0.00	Total Activity \$37.50
Cardholder Account Detail					
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
11/26	11/27	PPLN01		MSFT * E0200L14KJ MSBILL.INFO WA	\$37.50

Cardholder Account Summary					
MORGAN BING #### #### ####6		Payments & Other Credits \$0.00	Purchases & Other Charges \$154.73	Cash Advances \$0.00	Total Activity \$154.73
Cardholder Account Detail					
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
10/31	11/01	PPLN01		SHERWIN WILLIAMS 708004 SAN LUIS OBIS CA	\$15.23
11/10	11/11	PPLN01		USPS PO 0568770075 SAN LUIS OBIS CA	\$19.10
11/17	11/18	PPLN01		SLO CLERK RECORDER 805-7815080 CA	\$50.00
11/21	11/22	PPLN01		USPS PO 0568770075 SAN LUIS OBIS CA	\$70.40

Finance Charge Summary / Plan Level Information									
Plan Name	Plan Description	FCM ¹	Average Daily Balance	Periodic Rate *	Corresponding APR	Finance Charges	Effective APR Fees **	Effective APR	Ending Balance
Purchases									
PPLN01 001	PURCHASE	E	\$0.00	0.06024%(D)	21.9900%	\$0.00	\$0.00	0.0000%	\$290.73
Cash									
CPLN01 001	CASH	A	\$0.00	0.06572%(D)	23.9900%	\$0.00	\$0.00	0.0000%	\$0.00
* Periodic Rate (M)=Monthly (D)=Daily							Days In Billing Cycle: 30		
** includes cash advance and foreign currency fees							APR = Annual Percentage Rate		
¹ FCM = Finance Charge Method									
(V) = Variable Rate If you have a variable rate account the periodic rate and Annual Percentage Rate (APR) may vary.									

Account Summary

Billing Cycle		12/30/2022
Days In Billing Cycle		30
Previous Balance		\$290.73
Purchases	+	\$163.90
Cash	+	\$0.00
Balance Transfers	+	\$0.00
Special	+	\$0.00
Credits	-	\$0.00
Payments	-	\$0.00
Other Charges	+	\$35.00
Finance Charges	+	\$5.25

NEW BALANCE \$494.88

Credit Summary

Total Credit Line	\$10,000.00
Available Credit Line	\$9,505.12
Available Cash	\$0.00
Amount Over Credit Line	\$0.00
Amount Past Due	\$290.73
Disputed Amount	\$0.00

Account Inquiries

- Call us at: (866) 777-9013
Lost or Stolen Card: (866) 839-3485
- Go to www.umpquabank.com
- Write us at PO BOX 35142 - LB1181, SEATTLE, WA 98124-5142

Payment Summary

NEW BALANCE	\$494.88
MINIMUM PAYMENT	\$494.88
PAYMENT DUE DATE	01/25/2023

NOTE: Grace period to avoid a finance charge on purchases, pay entire new balance by payment due date. Finance charge accrues on cash advances until paid and will be billed on your next statement.

Corporate Activity

TOTAL CORPORATE ACTIVITY				\$40.25
Trans Date	Post Date	Reference Number	Transaction Description	Amount
12/30	12/30		LATE FEE	\$35.00
12/30	12/30		FINANCE CHARGE PURCHASE	\$5.25

Cardholder Account Summary

IMELDA MARQUEZ #### ##9	Payments & Other Credits \$0.00	Purchases & Other Charges \$98.50	Cash Advances \$0.00	Total Activity \$98.50
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Cardholder Account Detail

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
12/01	12/02	PPLN01		ZOOM.US 888-799-9666 WWW.ZOOM.US CA	\$98.50

PLEASE DETACH COUPON AND RETURN PAYMENT USING THE ENCLOSED ENVELOPE - ALLOW UP TO 7 DAYS FOR RECEIPT

UMPQUA BANK
PO BOX 35142 - LB1181
SEATTLE WA 98124-5142



Account Number

Check box to indicate name/address change on back of this coupon

AMOUNT OF PAYMENT ENCLOSED

Closing Date	New Balance	Total Minimum Payment Due	Payment Due Date
12/30/22	\$494.88	\$494.88	01/25/23

\$



BL ACCT
LAFCO
1042 PACIFIC ST
SUITE A
SAN LUIS OBISPO CA 93401

e-Statement

MAKE CHECK PAYABLE TO:

UMPQUA BANK COMMERCIAL CARD OPS
PO BOX 35142 - LB1181
SEATTLE WA 98124-5142

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In your letter, give us the following information:

- ◆ Your name and account number.
- ◆ The dollar amount of the suspected error.
- ◆ Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

Please provide a legal document evidencing your name change, such as a court document.

Please use blue or black ink to complete form

NAME CHANGE

Last

First Middle

ADDRESS CHANGE

Street

City State ZIP Code

Home Phone () - Business Phone () -

Cell Phone () - E-mail Address

SIGNATURE REQUIRED TO AUTHORIZE CHANGES

Signature _____

Cardholder Account Summary

ROBERT FITZROY #### #### ###	Payments & Other Credits \$0.00	Purchases & Other Charges \$37.50	Cash Advances \$0.00	Total Activity \$37.50
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Cardholder Account Detail

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
12/26	12/27	PPLN01		MSFT * E0200LEXEZ MSBILL.INFO WA	\$37.50

Cardholder Account Summary

MORGAN BING #### #### ####6	Payments & Other Credits \$0.00	Purchases & Other Charges \$27.90	Cash Advances \$0.00	Total Activity \$27.90
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Cardholder Account Detail

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
12/19	12/20	PPLN01		USPS PO 0568770075 SAN LUIS OBIS CA	\$27.90

Additional Information About Your Account

PLEASE NOTE MINIMUM PAYMENT DUE.

Finance Charge Summary / Plan Level Information

Plan Name	Plan Description	FCM ¹	Average Daily Balance	Periodic Rate *	Corresponding APR	Finance Charges	Effective APR Fees **	Effective APR	Ending Balance
Purchases									
PPLN01 001	PURCHASE	E	\$290.73	0.06024%(D)	21.9900%	\$5.25	\$0.00	21.9706%	\$494.88
Cash									
CPLN01 001	CASH	A	\$0.00	0.06572%(D)	23.9900%	\$0.00	\$0.00	0.0000%	\$0.00

* Periodic Rate (M)=Monthly (D)=Daily
 ** includes cash advance and foreign currency fees
¹ FCM = Finance Charge Method
 Days In Billing Cycle: 30
 APR = Annual Percentage Rate
 (V) = Variable Rate If you have a variable rate account the periodic rate and Annual Percentage Rate (APR) may vary.



San Luis Obispo Local Agency Formation Commission

COMMISSIONERS

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City Member

Vice-Chair
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County Member

JIMMY PAULDING
County Member

MARSHALL OCHYLSKI
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ROBERT ENNS
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ALTERNATES

DAWN ORTIZ-LEGG
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Public Member

STAFF

ROB FITZROY
Executive Officer

IMELDA MARQUEZ-VAWTER
Analyst

Morgan Bing
Clerk Analyst

BRIAN A. PIERIK
Legal Counsel

TO: MEMBERS OF THE COMMISSION

**FROM: ROB FITZROY, EXECUTIVE OFFICER
MORGAN BING, CLERK ANALYST**

DATE: APRIL 20, 2023

**SUBJECT: NOTICE OF PETITION OF LANDOWNER APPLICATION FOR
LAFCO FILE NO. 1-R-23: SPHERE OF INFLUENCE
AMENDEMENT AND ANNEXATION NO. 4 TO COUNTY
SERVICE AREA 12**

RECOMMENDATION

It is respectfully recommended that the Commission receive and file this report.

SUMMARY

The San Luis Obispo Local Agency Formation Commission (LAFCO) received a landowner petition of application on February 21, 2023, for Sphere of Influence Amendment and Annexation No. 4 to County Service Area (CSA) 12, LAFCO File No. 1-R-23. The proposal consists of approximately 177 acres of property requesting to obtain water service from CSA 12. The project includes two designated building envelopes that could support future development of single-family residences. The property is located at 6226 Ontario Road, approximately 0.5 miles north of the community of Avila Beach.

As required by government code section 56857, this report provides the Commission with a formal notice of receipt for a new annexation application that was not filed by a district. Typically, an annexation application is received by the district or city wishing to annex an area into their jurisdiction. However, State law also allows annexation requests to be submitted by a petition of landowner directly to LAFCO. When this occurs government code section 56857 requires that we inform the Commission at the first available meeting. The application request must then be forwarded to the affected agency (CSA 12), who will have 60 days to terminate the request if they do not wish to annex the area based on service or financial related concerns as is detailed out in government code section 56857 (b). If

they do not formally request termination, the application will be processed by staff and the Commission will consider the item at a public hearing.

Staff will provide appropriate notice and requests for information to affected agencies and interested individuals consistent with Government Code section 56658 and 56857. Staff will update the Commission as necessary as this application is processed. The Commission may provide staff with any questions or comments on this item.



San Luis Obispo Local Agency Formation Commission

TO: MEMBERS OF THE COMMISSION

**FROM: ROB FITZROY, EXECUTIVE OFFICER
IMELDA MARQUEZ-VAWTER, ANALYST**

DATE: APRIL 20, 2023

**SUBJECT: LAFCO FILE 1-R-22: ANNEXATION #12 TO COUNTY SERVICE AREA
18 (WINDMILL WAY) | ONE-YEAR TIME EXTENTION REQUEST TO
ALLOW ADDITIONAL TIME FOR CONDITION COMPLIANCE**

RECOMMENDATION

Action 1: Approve, by motion, a one-year time extension for LAFCO File No. 1-R-22 to comply with required Conditions of Approval as established by LAFCO Resolution 2022-08.

DISCUSSION

On May 19, 2022, the Commission approved the Windmill Way Annexation to County Service Area 18 (LAFCO File No. 1-R-22). The action included a Condition of Approval that required impacts related to prime soils to be offset at a 1:1 ratio per LAFCO's preservation policy (Policy 12). The applicant team has been working diligently to satisfy the condition in consultation with LAFCO and County staff; however, additional time is needed to complete the necessary mitigation and comply with the Condition of Approval.

The subject territory will be formally annexed into the CSA 18 upon filing of the Certificate of Completion (Section 57202). However, per Section 57200, the Certificate of Completion cannot be filed until all Conditions of Approval are satisfied. Per Section 57001, if a Certificate of Completion has not been filed within one year of approval, the proceeding shall be deemed terminated unless prior to the expiration of that year the Commission authorizes an extension of time for completion (expiration date is May 19, 2022). The Commission can extend for any reasonable period of time. Staff is recommending a one-year time extension.

Attachment A: Request for Time Extension from the Applicant

COMMISSIONERS

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County Member

MARSHALL OCHYLSKI
Special District Member

ROBERT ENNS
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ALTERNATES

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STAFF

ROB FITZROY
Executive Officer

IMELDA MARQUEZ-VAWTER
Analyst

MORGAN BING
Clerk Analyst

BRIAN A. PIERIK
Legal Counsel

Attachment A

Request for Time Extension
from the Applicant

OGDEN & FRICKS LLP
656 Santa Rosa Street, Suite 2B
San Luis Obispo, California 93401
Phone: 805•544•5600 Fax: 805•544•7700
www.ogdenfricks.com

March 28, 2023

Via Email

Rob Fitzroy, Executive Officer
San Luis Obispo Local Agency Formation
Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

**Re: Request for Extension – Annexation No. 12 to Community Service Area 18
(Windmill way), LAFCO No. 1-R-22**

Dear Mr. Fitzroy:

Please accept this letter as the formal request to extend the term for completion of the conditions of approval for Annexation No. 12 to Community Service Area 18 (Windmill Way). Specifically, LAFCO condition 2 requires that, prior to filing the Certificate of Completion with the State Board of Equalization, the project applicant shall submit to LAFCO documentation that demonstrates compliance with the intent of LAFCO's 1:1 preservation policy (Policy 12).

As you are aware, the Applicant and County have been working diligently to prepare the required documentation in coordination with your office. At the present time it appears that the parties are largely in agreement as to the method for complying with LAFCO Policy 12, although work remains to ensure acceptance of the final documentation.

In consideration of the foregoing, we respectfully request the accommodation of an extension of the term for completion of this condition of approval for Annexation No. 12 to Community Service Area 18 (Windmill Way). Thank you for your thoughtful consideration of our request.

Sincerely yours,

Ogden & Fricks LLP



Roy E. Ogden

Cc: Laura Holder, County of San Luis Obispo, Utilities Division Program Manager



San Luis Obispo Local Agency Formation Commission

TO: MEMBERS OF THE COMMISSION

FROM: ROB FITZROY, EXECUTIVE OFFICER

DATE: APRIL 20, 2023

SUBJECT: COMPREHENSIVE APPLICATION UPDATE AND MINOR FEE SCHEDULE UPDATE

RECOMMENDATION

Action 1: It is recommended that the Commission approve, by motion, the proposed comprehensive application update (Attachments A-D) and minor fee schedule update (Attachment E).

DISCUSSION

Background

The Commission approved the FY 22-23 Budget and Work Plan on May 19, 2022, of which included a work effort to comprehensively update the existing proposal application packet. LAFCO's existing proposal application packet, which is used by applicants including landowners and agencies, was last comprehensively updated more than 15 years ago. The intent of the comprehensive update is to streamline and modernize the application process, make the application easy to use, ensure that staff/applicants obtain/provide all necessary information at the beginning of the process, tailor the application forms to meet the demand of our most common proposals, and align with the latest requirements of the Cortese, Knox, Hertzberg Act (CKH).

Overview of Application Updates

The application packets have been revamped from the ground up. Staff researched best practices of other LAFCOs throughout the state and solicited feedback from previous applicants within our County. We also analyzed how our application should better align with the requirements of CKH. The end result is a substantially improved application packet that includes clear instructions, details on what information is required, and meets the requirements of CKH.

COMMISSIONERS

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Analyst

MORGAN BING
Clerk Analyst

BRIAN A. PIERIK
Legal Counsel

The first major change is that we have created four new application packets that are intended to align with our most commonly submitted proposals. The primary reason we have created four, instead of just the one application that we currently have, is because each proposal type has distinctly different submittal requirements under CKH, and as such each application type warranted a specific application packet. This ensures that when an application is submitted, relevant information and requirements will be submitted up front, which in turn will increase processing efficiency, time, and expense. In addition, we balance the requirements of CKH with the frequency and the type of proposals we receive, as well as the need to make the application process easier for applicants. We found the most commonly submitted proposals are changes of organization by landowner, changes of organization by resolution of an agency, sphere of influence amendments, and outside user agreements. The result was the creation of four specific applications, as follows:

- Change of Organization – Landowner Petition
- Change of Organization – Resolution of Agency Application
- Sphere of Influence Amendment – Includes proposals by both landowner or by resolution of agency application
- Outside Agency Agreement – may be initiated by landowner or agency



Making The Application Process Easier and More Efficient

The next step in the update process was to ensure our application was very clear and easy to understand. This would not only benefit the applicants but also any affected agencies that review the application during the referral process. The LAFCO application process can be complicated and every application can vary substantially depending on the proposed action, location, project type, etc. Even if two similar proposals, such as two annexations, are submitted, they each can vary substantially and have different submittal requirements or procedures specified in CKH. As such, we have taken a lot of time to ensure we crafted an application packet with a clear, step-by-step guide on how to most effectively and efficiently submit an application while simultaneously ensuring the four application types we prepared cover all potential proposal types. While we have taken strides to make the application process clearer, easier, and applicant-focused, it is important to note that the application is still substantial because any proposal submitted to LAFCO has major implications on a variety of issue areas and has to meet the requirements of existing regulations; therefore, substantial information must be collected. Regardless, staff is confident the way in which the new application is crafted will improve the overall process. All four new applications include:

- An “**understanding terms and definitions**” section. CKH can include a variety of legal terms and definitions, so we have made sure critical definitions are clear and easy to understand.
- A “**general step by step process**” guide. This guide is intended to detail each step throughout the entire process from start to finish. This helps applicants not only understand the process but affords them the opportunity to plan accordingly and know what lies ahead.
- An “**important tips**” section that provides important information and guidance of how to most effectively work through the process. The “tips” are based on real world experiences and important information to be aware of such as protest periods and how those may affect a project, etc.
- An “**application checklist**”. This checklist details every specific item that will be required for the applicable process. An applicant can use this checklist to ensure they have included all necessary items. Once all checked items are provided, the proposal application can be processed accordingly.
- A “**LAFCO Questionnaire**”. This Questionnaire form is similar to the one in the previous application but it includes a variety of new questions that differ based on proposal type. The goal is to have all the information needed upfront to respond to regulatory factors that are required for each proposal. This could also reduce the likelihood of an application getting placed on hold.
- A “**Fee Schedule**” that includes the same fee structure that has been previously used, but the outline has been restructured in simpler and more user-friendly manner. It

updates and corrects the Environmental fees and separates the fees based on “LAFCO as a Responsible Agency” and “LAFCO as a Lead Agency” as well as informs applicants of the California Department of Fish and Game Filing Fees if LAFCO were to assume “Lead Agency”.

- A “**Pre-Application Meeting**”. A meeting would be strongly encouraged with all proposal types due to the complexity of submittal requirements and applicable laws. This would also allow the applicant to have realistic expectations and set open lines of communication with all parties involved, earlier in the process. Limited to 3 hours of staff time at no cost.

Website As a Guide

We have utilized our new website to enhance the new application process and application packets. During the presentation on this item, staff will provide a demonstration of the new application webpage. In addition to the variety of new features on the application webpage, a key feature we would like to highlight is the ability to submit an application electronically. This functionality further streamlines the process and makes the application submittal process easier for applicants. Staff have also added a “Procedural Flow Charts” tab to the website to help applicants visualize the LAFCO process and set realistic expectations.

Fee Schedule Updates

The fee schedule has been updated to reflect and align with the new applications. It is important to note no new fees are proposed. We only have augmented the fee schedule to match the format of the new applications and have deleted some redundant or outdated fees. The LAFCO fee schedule remains deposit based and staff time on a project is billed against the deposit based on established rates.

STAFF RECOMMENDATION

Recommended Action and Options

Action 1: It is recommended that the Commission approve, by motion, the proposed comprehensive application update (Attachments A-D) and minor fee schedule update (Attachment E).

Other Options: The Commission may also wish to provide feedback on the proposed application packets. Depending on the complexity of the comments, staff can take direction and make the changes accordingly before we make the applications publicly available, or if warranted staff can return at a later date with revisions for further Commission review.

Attachment A: Change of Organization Application | Resolution of Application

Attachment B: Change of Organization Application | Petition of Application

Attachment C: Sphere of Influence Amendment Application

Attachment D: Outside Agency Agreement Application

Attachment E: Fee Schedule

Attachment A

Change of Organization
Application | Resolution of
Application



DRAFT

San Luis Obispo LAFCO

Change of Organization or Reorganization

Resolution of Application

1042 Pacific Street · Suite A · San Luis Obispo, CA 93401

805-781-5795 · www.slo.LAFCO.ca.gov · Updated: _____

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INSTRUCTIONS & INFORMATION ON THE LAFCO APPLICATION

The following information is designed to help you understand and move your project through the various stages of the LAFCO process.

Understanding Terms

1. Understanding whether your application is a **“Change of organization”**.
 - a. “Change of organization” means any of the following under gov code section 56021:
 1. *A city incorporation.*
 2. *A consolidation of cities.*
 3. *A district formation.*
 4. *A consolidation of special districts.*
 5. *An annexation to a city.*
 6. *A merger of a city and a district.*
 7. *An annexation to a district.*
 8. *Establishment of a subsidiary district.*
 9. *A detachment from a city.*
 10. *The exercise of new or different functions or classes of services, or divestiture of the power to provide particular functions or classes of services, within all or part of the jurisdictional boundaries of a special district as provided in Article 1.5 (commencing with Section 56824.10) of Chapter 5 of Part 3 of this division).*
 11. *A detachment from a district.*
 12. *A disincorporation of a city.*
 13. *A district dissolution.*
2. Understanding whether your application is a **“Reorganization”**. “Reorganization” means two or more changes of organization contained in a single proposal per gov code section 56073.
3. Difference between a **Resolution of Application** and a landowner or registered voter **Petition of Application**.
 - a. “Resolution of Application” (gov code section 56654), is an application initiated by the affected agency. A certified resolution from the local agency requesting LAFCO action would be required through this method; or

- b. “Petition of Application” is an application initiated by landowner or registered voters. This proposal is made pursuant to Part 3, Division 3, Title 5 of the California Government Code, Section 56000 et seq. of the Cortese -Knox -Hertzberg.

General Step by Step Process – Resolution of Application Route

1. Applicant Gathers Application Materials and Meets with Staff for a Pre-Application Meeting
2. Applicant Submits Their Application to LAFCO Through Resolution of Application
3. LAFCO Review Period Begins
4. Property Tax Negotiations between the County & Affected Agency (*not applicable to Activation/ Divestiture of Power*)
5. 30-Day Review – Information Hold Letter or Deemed Sufficient for Filing
6. Certificate of Filing stating when the item will be taken to the Commission
7. LAFCO Hearing. LAFCO has the authority to approve, conditionally approve or deny a proposal.
8. 30-Day Reconsideration Period
9. If Conducting Authority (Protest) Proceedings are not waived then LAFCO will conduct the protest pursuant to Part 3, Section 57000 et seq. of the Cortese-Knox-Hertzberg Act
10. Notification of Commission Action Form
11. After Condition Compliance a Certificate of Completion shall be filed with the Clerk Recorder
12. Filing With the State Board of Equalization (*not applicable to Activation/ Divestiture of Power*)
13. Final Notice of Completion with Affected Agencies / Interested Parties
14. LAFCO GIS Boundary Updates

Important Tips

- Resolutions of application by agencies must include certain required elements (§56800).
- If your proposal area contains Williamson Act lands, special provisions apply.
- Your map and legal description must meet the requirements of the State Board of Equalization, but you may file a preliminary map to start your project.
- Government Code section 56662 allows the Commission to make determinations and waive protest proceedings entirely if the proposal meets the criteria specified below:

- 1) *The territory is uninhabited.*
- 2) *An affected local agency has not submitted a written demand for notice and hearing during the 10-day period as described in subdivision (c).*
- 3) *The proposal meets either of the following criteria:*
 - a. *The petition accompanying the proposal is signed by all of the owners of land within the affected territory.*
 - b. *The proposal is accompanied by proof, satisfactory to the commission, that all the owners of land within the affected territory have given their written consent to the proposal.*

DRAFT

RESOLUTION OF APPLICATION CHECKLIST

The following information must be submitted when filing a change of organization or reorganization proposal with the San Luis Obispo Local Agency Formation Commission (LAFCO); additional information may be requested during review of the proposal.

-
- 1. Completed **CHANGE OF ORGANIZATION OR REORGANIZATION APPLICATION CHECKLIST** with applicable materials (*everything listed in the checklist*).
 - 2. A **RESOLUTION OF APPLICATION** from an affected city/district making application to SLO LAFCO.
 - 3. **LAFCO QUESTIONNAIRE**.
 - 4. A **MAP & LEGAL DESCRIPTION** of the proposal territory perimeter for the proposed boundary change(s), and a reproducible parcel map (*Not applicable to activations/ divestiture of powers*).
 - 5. **PLAN FOR SERVICES** prepared in compliance with §56653.
 - 6. **ENVIRONMENTAL DOCUMENTATION** to comply with the California Environmental Quality Act (CEQA); submit documents for applicable category only. For an ND, MND, or EIR, a copy of the Notice of Determination and the Environmental Filing Cash Receipt for the fee paid to the California Department of Fish and Game must be submitted.
 - (a) CATEGORICAL EXEMPTION (CE): Submit document if an agency has determined is exempt
 - (b) NEGATIVE DECLARATION (ND) or MITIGATED NEGATIVE DECLARATION (MND): Submit document from agency making said determination;
 - (c) ENVIRONMENTAL IMPACT REPORT (EIR): Submit a copy of the certified Final EIR.
 - (d) NO CEQA DOCUMENTATION: If the proposed action has not been analyzed pursuant to the requirements of CEQA, please indicate this and CEQA will be performed by LAFCO and the appropriate level of documentation will be determined, i.e. CE, ND, MND or EIR.
 - 7. If annexation to a city is proposed, submit one copy of the **city resolution approving rezoning and general plan land-use designations** for the proposal territory.
 - 8. **LAND-OWNER CONSENT FORM** for inclusion property.
 - 9. **LAFCO PROCESSING FEES & COST ACCOUNTING AGREEMENT**.
 - 10. **PRE-APPLICATION MEETING**. A pre-application meeting with staff is strongly encouraged due to the complexity of submittal requirements and applicable laws. (Limited to 3 hours of staff time at no cost.)

QUESTIONNAIRE

The information provided in this application will be used to evaluate this proposal. Please complete this form to facilitate our review. Please respond to all items in this form, indicating "NA" when an item does not apply. It is important to note that while a change of organization, such as an annexation, may be initiated by a landowner, ultimately, the affected agency must consent to the change and all parties including the landowner and affected agency may be required to provide information, conduct studies and may be subject to conditions of approval.

Subject Agency(ies)

(City or Special District):

Proposed Change of Organization/Action:

Applicant/ Agents

Name

Email

Telephone

Mailing

1.

2.

3.

4.

5.

Interested Parties

Name

Email

Telephone

Mailing

1.

2.

3.

4.

A. General Information

1. This application was initiated by: Petition Resolution of Application

2. Does the application include 100% written consent of each property owner in the affected territory?
 No Yes *If yes, please fill out the **PROPERTY-OWNER CONSENT FORM** found on the website under the Applications & Fees tab*

3. State reason(s) for requesting the proposed action **at this time** (e.g., condition of an approved tentative map, an existing structure requires new services, etc.):

4. Describe the use of developed property within the proposal territory, including details about existing Structures, if applicable. Describe anticipated development of vacant property, including types of buildings, number of units, supporting facilities, etc., and when development is scheduled to occur, if applicable.

5. State the location of the property and its general location in relation to communities, major freeways/highways, roads, etc. :

6. How many residents live within the proposal territory? _____

7. How many of these residents are registered voters? _____

8. Do the boundaries of the district or city overlap or conflict with the boundaries of the proposed annexation? No Yes

If yes, justify the need for overlapping or conflicting boundaries: _____

9. Do the boundaries of the territory split lines of assessment? No Yes

10. Do the boundaries of the territory proposed create an island or corridor of unincorporated territory or a strip? No Yes

If yes, justify the necessity for the boundaries as proposed: _____

11. If the proposed boundary follows a street or highway, does it include the entire street or highway?

No Yes

12. List the cities or district(s) that will be affected by this proposal:

B. Land Use Information

1. Total acreage: _____
2. Assessor Parcel Number: _____
3. Indicate the current zoning:
 - a. County: _____
 - b. City: _____

4. What community plan or General Plan is the territory in:

5. The County/City General Plan land use designation:

6. Describe any special land use concerns found in General Plans:

7. What is the proposed land use?

8. Has the affected territory been rezoned? No Yes
 If yes, what is the rezoning use and densities (if applicable) permitted?

9. Indicate below all permits or approvals that will be needed/ or have been granted by the County or any city to complete the project.

Type of Approval	File No.	Approval Date	Resolution attached?
Tentative Parcel Map			<input type="checkbox"/> No / <input type="checkbox"/> Yes / <input type="checkbox"/> N/A
Use Permit			<input type="checkbox"/> No / <input type="checkbox"/> Yes / <input type="checkbox"/> N/A

City/ County General Plan Amendment			<input type="checkbox"/> No / <input type="checkbox"/> Yes / <input type="checkbox"/> N/A
City Rezoning			<input type="checkbox"/> No / <input type="checkbox"/> Yes / <input type="checkbox"/> N/A
County Rezone			<input type="checkbox"/> No / <input type="checkbox"/> Yes / <input type="checkbox"/> N/A
Other			<input type="checkbox"/> No / <input type="checkbox"/> Yes / <input type="checkbox"/> N/A

10. Have any of the above-mentioned approvals been appealed? No Yes

If yes, please state when the project was appealed and when it would get reconsidered.

11. Is the property within Williamson Act Contract? No Yes

If yes, please attach the following (if applicable)

- Copy of contract
- Board of Supervisor’s resolution upholding contract
- City resolution protesting contract
- City resolution succeeding to contract

12. How will the proposal assist city or county to achieve its fair share of regional housing needs as determined by its current General Plan Housing Element?

C. Environmental Information

1. Has an environmental determination (Negative Declaration-Environmental Impact Report) been certified by a legislative body? No Yes (If yes, please attach a copy)

a. Is the certified environmental documentation currently being challenged? No Yes

2. Is the site presently zoned for or engaged in agricultural use?

If yes, please explain: _____

-
3. Does the site contain prime agricultural land as defined in gov code sec 56064? No Yes
4. Will extension of services requested for this proposal induce growth on affected property? No Yes
- a. On adjacent properties? No Yes
- b. Unincorporated? No Yes
5. Please describe the environmental setting of the site: _____

6. Terrain:
- Level to gently rolling (0-10%)
 - Slopes (10-30%)
 - Steep slopes (over 30%)

7. Hydrology (streams, lakes, or marshes on site)? No Yes

If yes, please explain: _____

8. Has the natural vegetation already removed or altered? No Yes
9. Are there any endangered plant species on site? No Yes
10. Have any endangered or threatened species been identified? No Yes

If yes, please explain: _____

D. Public Service Information

SEWER SERVICE

1. Is the proposal territory within a district or city that provides public sewer service? No Yes
If yes, which agency? _____
2. Is a developed parcel in need of annexation due to failed septic system? No Yes
 - a. If yes, include a copy of any letters from the San Luis Obispo County Department of Environmental Health or private septic-system company.
 - b. If no, is annexation for sewer service part of this application? No Yes
3. If annexation for sewer service is proposed, which district or city would serve the territory if this jurisdictional change is approved? _____
4. Has the agency that will be providing service issued a letter of sewer availability? No Yes
 - a. If yes, please provide a copy of the letter with this application. (This documentation should be completed by the agency no longer than 6 months prior to submittal to LAFCO.)
5. Will the agency be prepared to furnish sewer service upon annexation? No Yes
If no, please explain: _____

WATER SERVICE

1. Is the proposal territory within a district or city that provides public water service? No Yes
If yes, which agency? _____
2. Is a well or other on-site water system currently used on the property? No Yes
3. Is an on-site system proposed to be used when the property is developed? No Yes
4. Is an annexation for water service part of this application? No Yes
 - a. If yes, which district or city would serve the territory if this jurisdictional change is approved?

 - b. Will the agency that will be providing service be prepared to furnish water service upon annexation? No Yes
5. Has the agency that will be providing service issued a letter of water availability? No Yes
 - a. If yes, please provide a copy of the letter with this application. (This documentation should be completed by the agency no longer than 6 months prior to submittal to LAFCO.)

FIRE PROTECTION SERVICES

1. Is the proposal territory currently within an agency that provides fire protection? No Yes

a. If yes, provide name and address/location of current fire service provider:

b. Provide estimated response times to the proposal territory:

Priority _____ minutes; non-priority _____ minutes

2. Is annexation for fire protection service part of this application? No Yes

3. Which city or district would serve the proposal territory if this jurisdictional change is approved?

a. Location/address of the proposed fire service provider:

b. Estimated response times to the proposal territory:

Priority _____ minutes; non-priority _____ minutes

POLICE PROTECTION SERVICES

1. Which police agency currently serves the proposal territory?

a. Location/address of nearest police station:

b. Estimated response times to the proposal territory:

Priority _____ minutes; non-priority _____ minutes

2. Which police agency would serve the proposal territory if this jurisdictional change is approved?

a. Location/address of nearest police station:

b. Estimated response times to the proposal territory:

Priority _____ minutes; non-priority _____ minutes

OTHER SERVICES

	Existing	Proposed Change
Solid Waste Collection	_____	_____
Street Lighting	_____	_____
Parks & Recreation	_____	_____
Storm Drainage	_____	_____

I hereby certify that the statements made in this entire Change of Organization or Reorganization Application are to the best of my knowledge accurate.

 PRINT name of person completing this application

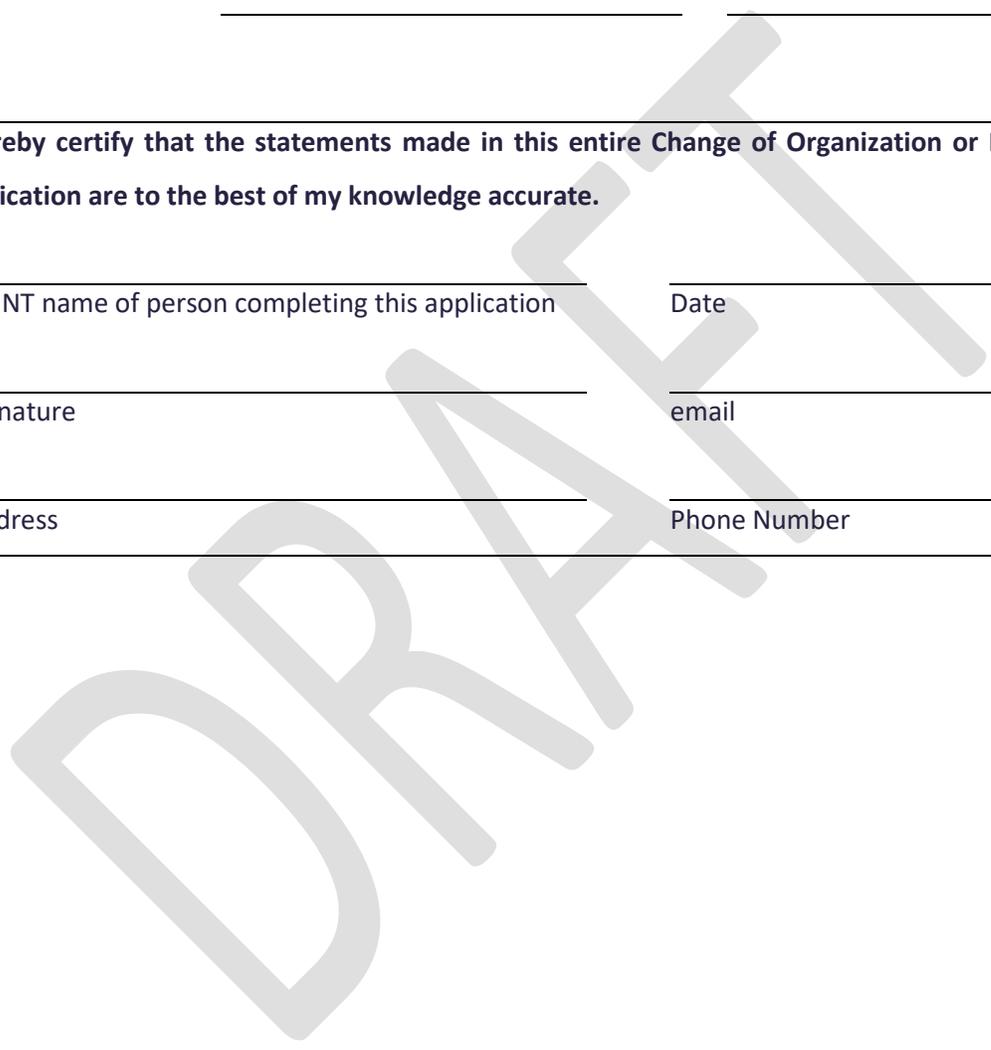
 Date

 Signature

 email

 Address

 Phone Number



MAP & LEGAL DESCRIPTION REQUIREMENTS

Note: A map & legal description are not necessary for activations / divesture of powers.

Map and legal descriptions should meet LAFCO and State Board of Equalization (BOE) requirements; listed below:

1. The map & legal description shall be prepared by a Registered Civil Engineer or a Licensed Land Surveyor.
2. First submittal shall be digital. Once the map and legal description have been reviewed and determined to be definite and certain you may submit four (4) copies. Map size shall be a maximum of 24" x 36" and a minimum of 18" x 26" with a minimum ½" border.
3. Applicable fees shall be paid by the applicant for County Surveyor Review and BOE filing on or after LAFCO Approval in accordance with their fee schedules.
4. Map and Legal Description examples are available on our website at <https://slo.LAFCO.ca.gov/applications-and-fees>.

Written Geographic Description(s) of the Project Area(s):

5. Every written geographic description (a document separate from the maps) must stand on its own without the necessity of reference to any extraneous document; a description that relies solely on the use of secondary references will not be accepted.
6. The written description shall be of the project area only. If a complete description of the special district is filed, the project area shall be clearly identified in a separate document.
7. The geographic description shall:
 - a. State the township and range, section number(s) or rancho(s)
 - b. Have a point of beginning (POB) referenced to a known major geographic position (e.g., section corners, intersection of street centerlines, or the intersection of street centerline and an existing district boundary at the time of filing). A description will be rejected if the POB refers only to a tract map, a subdivision map or a recorded survey map. It is preferable that the POB be the point of departure from an existing district boundary (when applicable).

- c. Be expressed as a specific parcel description in sectionalized land (e.g., “The SW 1/4 of Section 22, T1N, R1W”) or by bearings and distances. When the description is by bearings and distances, all courses shall be numbered and listed individually in a consistent clockwise direction. The description shall not be written in a narrative format. All courses required to close the traverse of the project area must be stated. All curves must be described by direction of concavity. Delta, arc length, chord, and radius shall be listed, including radial bearings for all points of non-tangency.
8. The written description shall state the acreage for each separate single area (Special Fee Provisions for each single area as defined but the BOE) and a combined total acreage of the project area.
Example: “Area A containing 2.50 acres, Area B containing 1.75 acres: Total computed acreage containing 4.25 acres more or less.”
9. All information stated on the description must match with the map(s), such as the name of the short title, the point of beginning, the course numbers, all the bearings and distances, and the acreage(s).

Map(s)

10. All maps shall be professionally and accurately drawn or copied. Rough sketches or pictorial drawings will not be accepted. Assessor's parcel maps will not be accepted as a substitute for the project map.
11. Original or copies of the same size project map must be submitted. Reduced maps are not acceptable and will be rejected.
12. A vicinity map shall be included. The vicinity map shall show the location of the project area in relationship to a larger geographic area that includes major streets and highways or other physical features.
13. Any portion of an existing district boundary in close proximity to the project area shall be shown and identified.
14. Every map must clearly show all existing streets, roads and highways with their current names that are within and adjacent to the project area. Additionally, every map shall indicate each

township and range, section lines and numbers, or ranchos that are in proximity of the project area.

15. Every map shall bear a scale and a north arrow. The point of beginning shall be clearly shown and match the written geographic description.
16. The boundaries of the project area shall be distinctively delineated on each map without masking any essential geographic or political features. The boundaries of the project area must be the most predominant line on the map. Boundary lines that are delineated by a line that exceeds 1.5 millimeter in width will be rejected by the BOE. The use of graphic tape or broad tip marking pens to delineate the boundary is not acceptable.
17. All dimensions needed to plot the boundaries must be given on the map of the project area. Each map shall have numbered courses matching the written geographic description. Index tables may be utilized.
18. All parcels within the project area that touch the new boundary shall be clearly labeled with the assessor's parcel number. Interior parcels that do not touch the boundary need not be identified on the map.
19. If the project area has an interior island(s) of exclusion or the boundary has a peninsula of exclusion (or inclusion), that area(s) should be shown in an enlarged drawing.
20. When it is necessary to use more than one map sheet to show the boundaries of the project area, the sheet size should be uniform. A small key map giving the relationship of the several sheets shall be furnished. Match lines between adjoining sheets must be used. While the geography on adjoining sheets may overlap, the project boundaries must stop at the match lines.

PLAN FOR SERVICES REQUIREMENTS

The plan for providing services must be prepared in compliance with California Government Code §56653 and contain the following information:

1. An enumeration and description of how services will be provided and who will provide the services to the affected territory (including but not limited to water, sewer, storm drainage, solid waste collection/ disposal, fire, police, lighting, library services, roads and schools)
2. The level and range of those services including detailed information on the extent, size, location and capacity of existing infrastructure. Capacity analysis should include:
 - The total capacity / service units of the system
 - Number of service units already allocated
 - Number of service units within current boundaries anticipating future service
 - Number of service units within the system available after providing service to areas within current boundaries that anticipate future service
 - Number of service units required to serve the proposed project
 - Number of service units proposed to be added to meet the demand

In the event there are not enough service units available to serve the proposed project, the applicant shall provide a plan for obtaining the capacity necessary to provide service which must include the following information:

- A description of any required facility or infrastructure expansions or other necessary capital improvements
- The likely schedule for completion of the expanded capacity project, the viability of the needed project, and the relation of the subject project to the overall project and project time line
- A list of required administrative and legislated processes, such as CEQA review or State Water Resources Board allocation permits, including assessment of likelihood of approval of any permits and existence of pending or threatened legal or administrative challenges if known
- The planned total additional capacity

- The size and location of needed capital improvements
 - The proposed project cost, financing plan and financing mechanisms including a description of the persons or properties who will be expected to bear project costs
 - Any proposed alternative projects if the preferred project cannot be completed.
3. The estimated time frame for service delivery
 4. A statement indicating any capital improvements, or upgrading of structures, roads, sewer or water facilities or other conditions the agency would impose or require within the affected territory prior to providing service if proposal is approved
 5. A description of how the services will be financed
 6. Agency's general statement of intent to provide services to the affected territory, indicating the agency's capability of providing the necessary services in a timely manner to the affected territory while being able to serve all areas within its current boundaries and without lowering the level of service provided to areas currently being served by the agency.

LANDOWNER CONSENT FORM

If applicable, please include a consent letter that states that 100% of property owners consent to the proposed project. If 100% of the property are in favor of the proposal, the protest process can be waived pursuant to government code section 56663. All the property owners must sign the consent letter.

Name of Proposal: _____

Description of Proposal: _____

Annex to _____

Detach from _____

Each of the undersigned represents that they are the owner of the property described opposite their name and located within the territory described in the attached legal description, and hereby consents to the change of organization or reorganization described above of said property to the above-named city and or district.

Date: _____

Address: _____

Property Assessor _____

Parcel Number: _____

Landowner / Print Name

Landowner Signature

FEE SCHEDULE

All fees shall be paid prior to the acceptance of an application for processing. All fees should be submitted to LAFCO as a separate check to each of the agencies listed below:

1. LAFCO Processing Fee & Environmental Fee
2. Public Works Department Fee
3. Board of Equalization Filing Fee

Where indicated below, the fees are an initial deposit toward the actual cost of processing a proposal. The applicant shall enter into an agreement to provide for reimbursement to LAFCO for the actual costs of processing an application. A refund shall be issued for any portion of the fee not used for processing. Where fees exceed the required amount indicated below, the applicant shall be notified by the Executive Officer to pay an additional amount equal to the initial deposit. The proposal shall be suspended until such additional funds are deposited with the LAFCO Clerk. Below are the charge out rates for each LAFCO Staff member:

LAFCO Charge-out Rates:

Executive Officer	\$110/hour
Analyst	\$85/hour
Commission Clerk	\$50/hour
Legal Counsel	\$150/hour

Other Charges

In addition to the fees specified herein, the Executive Officer may charge an applicant/appellant for the actual costs that are incurred as a result of processing a proposal that are not covered in the Commission's fee schedule. An applicant/appellant may appeal the decision of the Executive Officer in writing. Such appeal will be presented to the Commission at its next meeting.

Refunds for withdrawn proposals shall be based on an estimate by the Executive Officer of the total costs incurred in processing the proposal up to the date of the withdrawal request.

Fee Waiver

The Commission, as per government code section 56382, may waive fees partially or in total upon finding that payment of fees would be detrimental to the public interest. Requests for fee waiver must be submitted in writing to the Commission and there is a \$500 fee. The waiver will be considered at a public meeting of the Commission.

ANNEXATION / DETACHMENT PROCESSING FEES

Acreage	Amount
0.01 – 4.99	\$1,500
5.00 – 9.99	\$2,500
10.00 – 14.99	\$3,500
15.00 – 19.99	\$4,500
20.00 +	\$5,000 plus \$10 per acre
Any size Annexation to a California Water District	\$2,000

OTHER PROCESSING FEES

Action	Deposit Amount
Activation or Divestiture of Latent District Powers	\$2,500
Incorporation of a City	\$15,000
Formation of a Special District	\$5,000
Dissolution of one or more Districts	\$2,500
Disincorporation of a City	\$5,000
Consolidation of Districts/ Cities	\$3,000
Merger of Districts/ Cities	\$3,000
Establishment of Subsidiary Districts	\$3,000
Reorganization of City or District (Two or more of the above changes of organization, excluding the 1 st three actions.)	\$7,500

OTHER FEES

Item	Amount
Request for Reconsideration	\$1,500
Fee Waiver Request	\$500
Request for Time Extension	\$500
Study Session Request	\$2,500
Request for Fiscal Analysis or Other Studies	\$2,500
Pre-application Review	Limited to 3 hours of staff time, then actual cost
Petition Verification Fee	Minimum filing fee of \$10 + \$1.00 per signature
Processing request for the State Controller's review of an incorporation fiscal analysis	\$1,500
Postage, Mail Supplies, Photocopies, etc.	At cost

ENVIRONMENTAL FEES | LAFCO AS A RESPONSIBLE AGENCY

Review of ND, MND, or EIR	\$1,000
Review of Categorical Exemption	\$500
County Clerk Recorder Filing Fee	\$50

ENVIRONMENTAL FEES | LAFCO AS A LEAD AGENCY

Initial Study, ND, MND	\$1,000 deposit, outside consultant to be hired, applicant pays full cost of environmental review
Categorical Exemption	\$500
Environmental Impact Report	\$5,000 deposit, outside consultant to be hired, applicant pays full cost of environmental review
County Clerk Recorder Filing Fee	\$50

CALIFORNIA DEPARTMENT OF FISH AND GAME FILING FEE | LAFCO AS A LEAD AGENCY

Filing for a Negative Declaration	\$2,548
Filing for a Mitigated Negative Declaration	\$2,548
Filing for an Environmental Impact Report	\$3,539.25

SLO COUNTY PUBLIC WORKS DEPARTMENT FEE

Map & Legal Description Review | \$721

STATE BOARD OF EQUILIZATION FEES

The Tax-Rate Area System is administered by the State Board of Equalization (Board) and used by counties for the proper allocation of property tax revenues between counties, cities, and special tax districts. LAFCO works with the County Assessor, County Auditor, and the State Board of Equalization to ensure that boundary changes are filed with the state after LAFCO approval to update the database of the new Tax-Rate Area designations. These fees are collected after proposal approval. The fees can be found on the LAFCO website under the “Application & Fees” tab or on the State Board of Equalization website at: <https://www.boe.ca.gov/proptaxes/pdf/jurboundaryreq.pdf>

FEE SCHEDULE WORKSHEET

If you need help in determining your fees, please contact LAFCO staff for assistance at (805) 781-5795.

1. Check made payable to the *San Luis Obispo Local Agency Formation Commission*:

Processing Fee (depends upon proposal type):	\$ _____
Sphere of Influence Fee:	\$ _____
Environmental Fees	\$ _____
County Clerk Recorder Filing Fee	\$ 50.00
Other Fees:	\$ _____
TOTAL	\$ _____

2. Check made payable to the *SLO County Public Works Department*:

Public Works Department Fee:	\$ 721.00
------------------------------	-----------

3. Check made payable to the *Board of Equalization*:

BOE Processing Fee:	\$ _____
---------------------	----------

COST ACCOUNTING AGREEMENT

Applicant: _____
Mailing Address: _____
Telephone: _____
Fax: _____
E-mail Address: _____

The cost of processing an application may exceed the initial deposit required. In order to recover any additional costs associated with processing your application, the Local Agency Formation Commission, LAFCO, has found it necessary to implement a provision of the Fee Schedule that provides full cost recovery for processing an application.

I, _____, the landowner and/or responsible Applicant, agree to pay the actual costs pursuant to the Fee Schedule attached hereto, plus copying charges and related expenses incurred in the processing of this application. I also understand that if payment on any billings prior to final action is not paid within thirty (30) days, I agree that processing of my application will be suspended until payment is received.

In order to implement the cost accounting provisions, please sign and date this statement indicating your agreement to the cost accounting procedure agreement. This signed agreement is required for your application to be accepted for processing. Checks may be made payable to LAFCO and delivered or mailed to the LAFCO Office at 1042 Pacific Street, Suite A, San Luis Obispo, CA 93401. If you have questions regarding your application, please contact the LAFCO Office at (805) 781-5795.

Applicant Signature

Date

Applicant Signature

Date

Applicant Signature

Date

Attachment B

Change of Organization
Application | Petition of
Application



DRAFT

San Luis Obispo LAFCO

Change of Organization or Reorganization

Through Petition of Application

1042 Pacific Street · Suite A · San Luis Obispo, CA 93401

805-781-5795 · www.slo.lafco.ca.gov · Updated: _____

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INSTRUCTIONS & INFORMATION ON THE LAFCO APPLICATION

The following information is designed to help you understand and move your project through the various stages of the LAFCO process.

Understanding Terms

1. Understanding whether your application is a **“Change of organization”**.

a. “Change of organization” means any of the following under gov code section 56021:

- *A city incorporation.*
- *A district formation.*
- *An annexation to a city.*
- *An annexation to a district.*
- *A detachment from a city.*
- *A detachment from a district.*
- *A disincorporation of a city.*
- *A district dissolution.*
- *A consolidation of cities.*
- *A consolidation of special districts.*
- *A merger of a city and a district.*
- *Establishment of a subsidiary district.*
- *The exercise of new or different functions or classes of services, or divestiture of the power to provide particular functions or classes of services, within all or part of the jurisdictional boundaries of a special district as provided in Article 1.5 (commencing with Section 56824.10) of Chapter 5 of Part 3 of this division).*

2. Understanding whether your application is a **“Reorganization”**. “Reorganization” means two or more changes of organization contained in a single proposal per gov code section 56073.

3. Difference between a **Resolution of Application** and a landowner or registered voter **Petition of Application**.

- a. “Resolution of Application” (gov code section 56654), is an application initiated by the affected agency. A certified resolution from the local agency requesting LAFCO action would be required through this method; or

- b. “Petition of Application” is an application initiated by a landowner or landowners, or registered voters. This proposal is made pursuant to Part 3, Division 3, Title 5 of the California Government Code, Section 56000 et seq. of the Cortese -Knox -Hertzberg.

It is important to note that while a change of organization, such as a an annexation, may be initiated by a landowner, ultimately, the affected agency must consent to the change and all parties including the landowner and affected agency may be required to provide information, conduct studies and may be subject to conditions of approval.

General Step by Step Process – Petition of Application Route

1. When applicable, before circulating any petition for change of organization, the Applicant shall file a notice of intention with the Executive Officer.
2. Applicant Gathers Application Materials and Meets with Staff for a Pre-Application Meeting
3. Applicant Submits Their Application to LAFCO Through Petition of Application
4. LAFCO Review Period Begins
5. Notice To Commission at Next Available Commission Meeting for Applications Not Filed by Agency
6. Property Tax Negotiations between the County & Affected Agency (*not applicable Activation/ Divestiture of Power*)
7. 30-Day Review – Information Hold Letter or Deemed Sufficient for Filing
8. Certificate of Filing stating when the item will be taken to the Commission
9. LAFCO Hearing. LAFCO has the authority to approve, conditionally approve or deny a proposal.
10. 30-Day Reconsideration Period
11. If Conducting Authority (Protest) Proceedings are not waived then LAFCO will conduct the protest pursuant to Part 3, Section 57000 et seq. of the Cortese-Knox-Hertzberg Act
12. Notification of Commission Action Form

13. After Condition Compliance a Certificate of Completion shall be filed with the Clerk Recorder
14. Filing With the State Board of Equalization (*not applicable Activation/ Divestiture of Power*)
15. Final Notice of Completion with Affected Agencies / Interested Parties
16. LAFCO GIS Boundary Updates

Important Tips

- When there is more than one Landowner or Voter petitions must designate the “chief petitioner” and submit “Intent to File Petition”
- Landowners may designate an agent, but the agent may not sign the petition on behalf of landowners.
- All signatures must be collected within 6 months from the date of the first signature.
- All petitions must be filed with LAFCO at the same time, within 60 days of date of the last signature.
- If more than one owner owns a parcel, all owners must sign on a landowner petition.
- Landowner petitions are verified by the Assessor’s Office and Registered voter petitions are checked by the Elections department. There may be additional fees for this verification.
- Signature requirements vary. Most petitions require 25% of the voters or landowners in the project area.
- If your proposal area contains Williamson Act lands, special provisions apply.
- Your map and legal description must meet the requirements of the State Board of Equalization, but you may file a preliminary map to start your project.
- Government Code section 56662 allows the Commission to make determinations and waive protest proceedings entirely if the proposal meets the criteria specified below:
 - 1) *The territory is uninhabited.*
 - 2) *An affected local agency has not submitted a written demand for notice and hearing during the 10-day period as described in subdivision (c).*
 - 3) *The proposal meets either of the following criteria:*

- a. *The petition accompanying the proposal is signed by all of the owners of land within the affected territory.*
- b. *The proposal is accompanied by proof, satisfactory to the commission, that all the owners of land within the affected territory have given their written consent to the proposal.*

DRAFT

PETITION OF APPLICATION CHECKLIST

The following information must be submitted when filing a change of organization or reorganization proposal with the San Luis Obispo Local Agency Formation Commission (LAFCO); additional information may be requested during review of the proposal. Please contact LAFCO Staff with any questions.

-
- 1. Completed **CHANGE OF ORGANIZATION OR REORGANIZATION APPLICATION CHECKLIST** with applicable materials (*everything listed in the checklist*).
 - 2. **NOTICE OF INTENTION TO CIRCULATE A PETITION** submitted to LAFCO Executive Officer.
 - 3. A landowner or registered voter **PETITION FOR PROPOSAL** making application to San Luis Obispo LAFCO.
 - 4. **LAFCO QUESTIONNAIRE**.
 - 5. A **MAP AND LEGAL DESCRIPTION** of the proposal territory perimeter for the proposed boundary change(s), and a reproducible parcel map (*Not applicable to activations/ divestiture of powers*).
 - 6. **PLAN FOR SERVICES** prepared by affected agency, in compliance with §56653.
 - 7. **ENVIRONMENTAL DOCUMENTATION** to comply with the California Environmental Quality Act (CEQA); submit documents for applicable category only. For an ND, MND, or EIR, a copy of the Notice of Determination and the Environmental Filing Cash Receipt for the fee paid to the California Department of Fish and Game must be submitted.
 - (a) CATEGORICAL EXEMPTION (CE): Submit document if an agency has determined is exempt
 - (b) NEGATIVE DECLARATION (ND) or MITIGATED NEGATIVE DECLARATOIN (MND): Submit document from agency making said determination*;
 - (c) ENVIRONMENTAL IMPACT REPORT (EIR): Submit a copy of the certified Final EIR.
 - (d) NO CEQA DOCUMENTATION: If the proposed action has not been analyzed pursuant to the requirements of CEQA, please indicate this and CEQA will be performed by LAFCO and the appropriate level of documentation will be determined, i.e., CE, ND, MND or EIR.
 - 8. If annexation to a city is proposed, submit one copy of the **city resolution approving rezoning and general plan land-use designations** for the proposal territory.
 - 9. **LAND-OWNER CONSENT FORM** for inclusion property.
 - 10. **APPLICANT FINANCIAL DISCLOSURE FORM**.
 - 11. **LAFCO PROCESSING FEES & COST ACCOUNTING AGREEMENT**.
 - 12. **PRE-APPLICATION MEETING**. A pre-application meeting with staff is strongly encouraged due to the complexity of submittal requirements and applicable laws. (Limited to 3 hours of staff time at no cost.)

NOTICE OF INTENTION TO CIRCULATE A PETITION

Before circulating any petition for change of organization, the Applicant shall file a notice of intention with the Executive Officer that shall include the name and mailing address of the Applicant and a written statement pursuant to subdivision (a) of Section 56700.4, not to exceed 500 words in length, setting forth the reasons for the proposal. Please provide this information below.

Please print your name, address, and phone number.

Notice is hereby given of the intention to circulate a petition proposing to

Please provide the reasons for the proposal:

Signature / Applicant

Date

PETITION FOR PROPOSAL

Name of Proposal:

The undersigned by their signature hereon DO HEREBY REPRESENT REQUEST AND PETITION as follows:

1. The proposal is made pursuant to Part 3, Division 3, Title 5 of the California Government Code (commencing with section 56000, Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000).
2. The nature of the proposed change of organization (i.e., annexation, detachment, Reorganization, etc.) is/are:

3. The name or names of all districts and/or cities for which any such change or organization is proposed is as follows:

4. The names of all other affected counties, cities and districts are:

5. The territory(ies) is/are:

uninhabited [less than 12 people] or inhabited (12 or more people)

6. This proposal (is / is not) within the sphere of influence of the affected city and/or district.

7. Complete description of the exterior boundaries of the territory proposed for annexation.
(Please attach legal description to this petition.)

8. Do the boundaries of the districts or cities listed above overlap or conflict with the boundaries of the proposed annexation? No Yes

If yes, justify the need for overlapping or conflicting boundaries:

9. List any of the districts or cities, as above listed, which possess authority to perform the same or similar function as requested herein.

10. Do the boundaries of the territory proposed split lines of assessment?

No Yes

11. Do the boundaries of the territory proposed create an island or corridor of unincorporated territory or a strip? No Yes

If yes, justify the necessity for the island corridor or strip:

12. If the proposed boundary follows a street or highway, does it follow the center of the street or highway? No Yes

13. It is desired that this proposal provides for and be made subject to the following terms and conditions:

A.

B.

14. The reasons for this proposal are:

15. The persons signing this petition have signed as: Registered Voters Landowners

16. If the formation of a new district is included in the proposal:

a. The principal act(s) under which said district(s) is/are proposed to be formed is/are:

b. The proposed name(s) of the new district(s) is/are:

c. The boundaries of the proposed new district(s) are as described in Exhibit(s)
heretofore incorporated herein. No Yes

17. If an incorporation or formation of a district is in the proposal:

a. The proposed name of the new city/district is:

b. Provisions are requested for appointment of:

c. Number of members proposed for initial Board of Directors/City Council, pursuant to
Chapter Three commencing with §61120. 3/Three 5/Five

18. If the proposal includes the consolidation of special districts, the proposed name of the
consolidated district(s) is/are:

19. How will the new district be financed?

20. Proponents of this proposal: (Names of Chief Petitioners, not to exceed three (3), who hereby request that proceedings be taken in accordance with the provisions of Section 56000, et. seq. of the Government Code and herewith affix signatures) as follows:

	Name	Mailing Address / Email
1.	<hr/>	<hr/>
	(Print)	<hr/>
	<hr/>	
	(Sign)	
2.	<hr/>	<hr/>
	(Print)	<hr/>
	<hr/>	
	(Sign)	
3.	<hr/>	<hr/>
	(Print)	<hr/>
	<hr/>	
	(Sign)	

When a form is completed and the requisite number of qualified signatures has been obtained (after circulation), the petition is to be filed with the Executive Officer. The petition and signature sheets must be left intact. Removal of the signature sheets from one counterpart to another counterpart will invalidate the entire petition.

NOTE: THIS PAGE MUST BE COMPLETED AND ATTACHED TO EACH PETITION.

According to Election Code, Section 104, whenever any petition is submitted to the elections official, each section of the petition shall have attached to it a declaration signed by the Circulator of the petition, setting forth, in the Circulator's own hand, the following:

1. PRINTED NAME OF CIRCULATOR (including given name, middle name, or initial and last name):

2. RESIDENCE ADDRESS OF CIRCULATOR:

3. DATES ON WHICH ALL SIGNATURES TO THE PETITION WERE OBTAINED:

The Circulator, by affixing his/her signature below, hereby certifies:

- a. That the Circulator circulated the attached petition and witnessed the appended signatures being written.
- b. That, according to the best information and belief of the Circulator, each signature is the genuine signature of the person whose name it purports to be.
- c. That the Circulator shall certify to the content of the declaration as to its truth and correctness, under penalty or perjury under the laws of the State of California, with the signature of his or her name at length, including given name, middle name, or initial, and last name.

Name (as required above)

Date

As a signer of this Petition, I hereby certify that I have read the content of the Petition and request that proceedings be taken for the proposal as provided by said Petition.

PLEASE SIGN NAME ON THE TOP LINE PRINT NAME ON THE SECOND LINE

<u>Date</u> <u>Signed</u>	<u>Signature & Printed Name</u> <u>of Petitioners</u>	<u>Residential Address of Petitioner</u>
_____	Print _____ Sign _____	_____ _____

QUESTIONNAIRE

The information provided in this application will be used to evaluate this proposal. Please complete this form to facilitate our review. Please respond to all items in this form, indicating "NA" when an item does not apply. It is important to note that while a change of organization, such as a an annexation, may be initiated by a landowner, ultimately, the affected agency must consent to the change and all parities including the landowner and affected agency may be required to provide information, conduct studies and may be subject to conditions of approval.

Subject Agency(ies)
(City or Special District):

Proposed Change of Organization/Action:

Applicant/ Agents

Name	Email	Telephone	Mailing
------	-------	-----------	---------

1.

2.

3.

4.

5.

Interested Parties

Name	Email	Telephone	Mailing
1.			
2.			
3.			
4.			
5.			

A. General Information

1. This application was initiated by: Petition Resolution of Application
2. Does the application include 100% written consent of each property owner in the affected territory?
 No Yes *If yes, please fill out the **PROPERTY-OWNER CONSENT FORM** found on the website under the Applications & Fees tab*
3. State reason(s) for requesting the proposed action **at this time** (e.g., condition of an approved tentative map, an existing structure requires new services, etc.):

4. Describe the use of developed property within the proposal territory, including details about existing Structures, if applicable. Describe anticipated development of vacant property, including types of buildings, number of units, supporting facilities, etc., and when development is scheduled to occur, if applicable.

5. State the location of the property and its general location in relation to communities, major freeways/highways, roads, etc. :

6. How many residents live within the proposal territory?

7. How many of these residents are registered voters?

8. Do the boundaries of the district or city overlap or conflict with the boundaries of the proposed annexation? No Yes

If yes, justify the need for overlapping or conflicting boundaries:

9. Do the boundaries of the territory split lines of assessment? No Yes

10. Do the boundaries of the territory proposed create an island or corridor of unincorporated territory or a strip? No Yes

If yes, justify the necessity for the boundaries as proposed:

11. If the proposed boundary follows a street or highway, does it include the entire street or highway? No Yes
12. List the cities or district(s) that will be affected by this proposal:

B. Land Use Information

1. Total acreage: _____
2. Assessor Parcel Number: _____
3. Indicate the current zoning:
- a. County: _____
- b. City: _____
4. What community plan or General Plan is the territory in:
- _____
5. The County/City General Plan land use designation:
- _____
6. Describe any special land use concerns found in General Plans:
- _____
- _____
7. What is the proposed land use?
- _____
8. Has the affected territory been rezoned? No Yes
- If yes, what is the rezoning use and densities (if applicable) permitted?
- _____
- _____

9. Indicate below all permits or approvals that will be needed/ or have been granted by the County or any city to complete the project.

Type of Approval	File No.	Approval Date	Resolution attached?
Tentative Parcel Map			<input type="checkbox"/> No / <input type="checkbox"/> Yes / <input type="checkbox"/> N/A
Use Permit			<input type="checkbox"/> No / <input type="checkbox"/> Yes / <input type="checkbox"/> N/A
City/ County General Plan Amendment			<input type="checkbox"/> No / <input type="checkbox"/> Yes / <input type="checkbox"/> N/A
City Rezoning			<input checked="" type="checkbox"/> No / <input type="checkbox"/> Yes / <input type="checkbox"/> N/A
County Rezone			<input type="checkbox"/> No / <input type="checkbox"/> Yes / <input type="checkbox"/> N/A
Other			<input type="checkbox"/> No / <input type="checkbox"/> Yes / <input type="checkbox"/> N/A

10. Have any of the above-mentioned approvals been appealed? No Yes

If yes, please state when the project was appealed and when it would get reconsidered.

11. Is the property within Williamson Act Contract? No Yes

If yes, please attach the following (if applicable)

- Copy of contract
- Board of Supervisor’s resolution upholding contract
- City resolution protesting contract
- City resolution succeeding to contract

12. How will the proposal assist city or county to achieve its fair share of regional housing needs as determined by its current General Plan Housing Element?

C. Environmental Information

1. Has an environmental determination (Negative Declaration-Environmental Impact Report) been certified by a legislative body? No Yes (If yes, please attach a copy)
 - a. Is the certified environmental documentation currently being challenged? No Yes
2. Is the site presently zoned for or engaged in agricultural use?
If yes, please explain:

3. Does the site contain prime agricultural land as defined in gov code sec 56064? No Yes
4. Will extension of services requested for this proposal induce growth on affected property? No Yes
 - a. On adjacent properties? No Yes
 - b. Unincorporated? No Yes
5. Please describe the environmental setting of the site:

6. Terrain:
 - Level to gently rolling (0-10%)
 - Slopes (10-30%)
 - Steep slopes (over 30%)
7. Hydrology (streams, lakes, or marshes on site)? No Yes
If yes, please explain:

- 8. Has the natural vegetation already removed or altered? No Yes
- 9. Are there any endangered plant species on site? No Yes
- 10. Have any endangered or threatened species been identified? No Yes

If yes, please explain: _____

D. Public Service Information

SEWER SERVICE

- 1. Is the proposal territory within a district or city that provides public sewer service? No Yes
If yes, which agency? _____
- 2. Is a developed parcel in need of annexation due to failed septic system? No Yes
 - a. If yes, include a copy of any letters from the San Luis Obispo County Department of Environmental Health or private septic-system company.
 - b. If no, is annexation for sewer service part of this application? No Yes
- 3. If annexation for sewer service is proposed, which district or city would serve the territory if this jurisdictional change is approved? _____
- 4. Has the agency that will be providing service issued a letter of sewer availability? No Yes
 - a. If yes, please provide a copy of the letter with this application. (This documentation should be completed by the agency no longer than 6 months prior to submittal to LAFCO.)
- 5. Will the agency be prepared to furnish sewer service upon annexation? No Yes
If no, please explain: _____

WATER SERVICE

- 1. Is the proposal territory within a district or city that provides public water service? No Yes
If yes, which agency? _____
- 2. Is a well or other on-site water system currently used on the property? No Yes

3. Is an on-site system proposed to be used when the property is developed? No Yes
4. Is an annexation for water service part of this application? No Yes
 - a. If yes, which district or city would serve the territory if this jurisdictional change is approved?

 - b. Will the agency that will be providing service be prepared to furnish water service upon annexation? No Yes
5. Has the agency that will be providing service issued a letter of water availability? No Yes
 - a. If yes, please provide a copy of the letter with this application. (This documentation should be completed by the agency no longer than 6 months prior to submittal to LAFCO.)

FIRE PROTECTION SERVICES

1. Is the proposal territory currently within an agency that provides fire protection? No Yes
 - a. If yes, provide name and address/location of current fire service provider:

 - b. Provide estimated response times to the proposal territory:
Priority _____ minutes; non-priority _____ minutes
2. Is annexation for fire protection service part of this application? No Yes
3. Which city or district would serve the proposal territory if this jurisdictional change is approved?

 - a. Location/address of the proposed fire service provider:

 - b. Estimated response times to the proposal territory:
Priority _____ minutes; non-priority _____ minutes

POLICE PROTECTION SERVICES

1. Which police agency currently serves the proposal territory?

- a. Location/address of nearest police station:
 - b. Estimated response times to the proposal territory:
Priority _____ minutes; non-priority _____ minutes
2. Which police agency would serve the proposal territory if this jurisdictional change is approved?

- a. Location/address of nearest police station:
- b. Estimated response times to the proposal territory:
Priority _____ minutes; non-priority _____ minutes

OTHER SERVICES

	Existing	Proposed Change
Solid Waste Collection	_____	_____
Street Lighting	_____	_____
Parks & Recreation	_____	_____
Storm Drainage	_____	_____

I hereby certify that the statements made in this entire Change of Organization or Reorganization Application are to the best of my knowledge accurate.

_____	_____
PRINT name of person completing this application	Date
_____	_____
Signature	email
_____	_____
Address	Phone Number

MAP & LEGAL DESCRIPTION REQUIRMENTS

Note: A map & legal description are not necessary for activations / divesture of powers.

Map and legal descriptions should meet LAFCO and State Board of Equalization (BOE) requirements; listed below:

1. The map & legal description shall be prepared by a Registered Civil Engineer or a Licensed Land Surveyor.
2. First submittal shall be digital. Once the map and legal description have been reviewed and determined to be definite and certain you may submit four (4) copies. Map size shall be a maximum of 24" x 36" and a minimum of 18" x 26" with a minimum ½" border.
3. Applicable fees shall be paid by the applicant for County Surveyor Review and BOE filing on or after LAFCO Approval in accordance with their fee schedules.
4. Map and Legal Description examples are available on our website at <https://slo.lafco.ca.gov/applications-and-fees>.

Written Geographic Description(s) of the Project Area(s):

5. Every written geographic description (a document separate from the maps) must stand on its own without the necessity of reference to any extraneous document; a description that relies solely on the use of secondary references will not be accepted.
6. The written description shall be of the project area only. If a complete description of the special district is filed, the project area shall be clearly identified in a separate document.
7. The geographic description shall:
 - a. State the township and range, section number(s) or rancho(s)
 - b. Have a point of beginning (POB) referenced to a known major geographic position (e.g., section corners, intersection of street centerlines, or the intersection of street centerline and an existing district boundary at the time of filing). A description will be rejected if the POB refers only to a tract map, a subdivision map or a recorded survey map. It is preferable that the POB be the point of departure from an existing district boundary (when applicable).

- c. Be expressed as a specific parcel description in sectionalized land (e.g., “The SW 1/4 of Section 22, T1N, R1W”) or by bearings and distances. When the description is by bearings and distances, all courses shall be numbered and listed individually in a consistent clockwise direction. The description shall not be written in a narrative format. All courses required to close the traverse of the project area must be stated. All curves must be described by direction of concavity. Delta, arc length, chord, and radius shall be listed, including radial bearings for all points of non-tangency.
8. The written description shall state the acreage for each separate single area (Special Fee Provisions for each single area as defined but the BOE) and a combined total acreage of the project area.
Example: “Area A containing 2.50 acres, Area B containing 1.75 acres: Total computed acreage containing 4.25 acres more or less.”
9. All information stated on the description must match with the map(s), such as the name of the short title, the point of beginning, the course numbers, all the bearings and distances, and the acreage(s).

Map(s)

10. All maps shall be professionally and accurately drawn or copied. Rough sketches or pictorial drawings will not be accepted. Assessor's parcel maps will not be accepted as a substitute for the project map.
11. Original or copies of the same size project map must be submitted. Reduced maps are not acceptable and will be rejected.
12. A vicinity map shall be included. The vicinity map shall show the location of the project area in relationship to a larger geographic area that includes major streets and highways or other physical features.
13. Any portion of an existing district boundary in close proximity to the project area shall be shown and identified.
14. Every map must clearly show all existing streets, roads and highways with their current names that are within and adjacent to the project area. Additionally, every map shall indicate each township and range, section lines and numbers, or ranchos that are in proximity of the project area.

15. Every map shall bear a scale and a north arrow. The point of beginning shall be clearly shown and match the written geographic description.
16. The boundaries of the project area shall be distinctively delineated on each map without masking any essential geographic or political features. The boundaries of the project area must be the most predominant line on the map. Boundary lines that are delineated by a line that exceeds 1.5 millimeter in width will be rejected by the BOE. The use of graphic tape or broad tip marking pens to delineate the boundary is not acceptable.
17. All dimensions needed to plot the boundaries must be given on the map of the project area. Each map shall have numbered courses matching the written geographic description. Index tables may be utilized.
18. All parcels within the project area that touch the new boundary shall be clearly labeled with the assessor's parcel number. Interior parcels that do not touch the boundary need not be identified on the map.
19. If the project area has an interior island(s) of exclusion or the boundary has a peninsula of exclusion (or inclusion), that area(s) should be shown in an enlarged drawing.
20. When it is necessary to use more than one map sheet to show the boundaries of the project area, the sheet size should be uniform. A small key map giving the relationship of the several sheets shall be furnished. Match lines between adjoining sheets must be used. While the geography on adjoining sheets may overlap, the project boundaries must stop at the match lines.

PLAN FOR SERVICES REQUIREMENTS

It is important to note, a Plan for Services must be provided by the affected agency to which the change would occur. It is not necessary to provide a Plan for Services upon application submittal; however, doing so will expedite processing. If a Plan for Services is not provided upon submittal of application, the proposed change of organization will be referred to the affected agency and a Plan for Services will be prepared at a later date. The plan for providing services must be prepared in compliance with California Government Code §56653 and contain the following information:

1. An enumeration and description of how services will be provided and who will provide the services to the affected territory (including but not limited to water, sewer, storm drainage, solid waste collection/ disposal, fire, police, lighting, library services, roads and schools)
2. The level and range of those services including detailed information on the extent, size, location and capacity of existing infrastructure. Capacity analysis should include:
 - The total capacity / service units of the system
 - Number of service units already allocated
 - Number of service units within current boundaries anticipating future service
 - Number of service units within the system available after providing service to areas within current boundaries that anticipate future service
 - Number of service units required to serve the proposed project
 - Number of service units proposed to be added to meet the demand

In the event there are not enough service units available to serve the proposed project, the applicant shall provide a plan for obtaining the capacity necessary to provide service which must include the following information:

- A description of any required facility or infrastructure expansions or other necessary capital improvements
- The likely schedule for completion of the expanded capacity project, the viability of the needed project, and the relation of the subject project to the overall project and project time line

- A list of required administrative and legislated processes, such as CEQA review or State Water Resources Board allocation permits, including assessment of likelihood of approval of any permits and existence of pending or threatened legal or administrative challenges if known
 - The planned total additional capacity
 - The size and location of needed capital improvements
 - The proposed project cost, financing plan and financing mechanisms including a description of the persons or properties who will be expected to bear project costs
 - Any proposed alternative projects if the preferred project cannot be completed.
3. The estimated time frame for service delivery
 4. A statement indicating any capital improvements, or upgrading of structures, roads, sewer or water facilities or other conditions the agency would impose or require within the affected territory prior to providing service if proposal is approved
 5. A description of how the services will be financed
 6. Agency's general statement of intent to provide services to the affected territory, indicating the agency's capability of providing the necessary services in a timely manner to the affected territory while being able to serve all areas within its current boundaries and without lowering the level of service provided to areas currently being served by the agency.

LANDOWNER CONSENT FORM

If applicable, please include a consent letter that states that 100% of property owners consent to the proposed project. If 100% of the property are in favor of the proposal, the protest process can be waived pursuant to government code section 56663. All the property owners must sign the consent letter.

Name of Proposal:

Description of Proposal:

Annex to

Detach from

Each of the undersigned represents that they are the owner of the property described opposite their name and located within the territory described in the attached legal description, and hereby consents to the change of organization or reorganization described above of said property to the above named city and or district.

Date:

Address:

Property Assessor

Parcel Number:

Landowner / Print Name

Landowner Signature

APPLICANT FINANCIAL DISCLOSURE FORM

LAFCOs are subject to the campaign disclosure provisions detailed in Government Code Section 84308, and the Regulations of the Fair Political Practices Commission (FPPC), Section 18438.

Please carefully read the following information to determine if the provisions apply to you. If you determine that the provisions are applicable, the Campaign Disclosure Form must be completed and returned to San Luis Obispo LAFCO with your application.

1. No LAFCO commissioner shall accept, solicit, or direct a contribution of more than \$250 from any party or agent while a change of organization proceeding is pending, and for three months subsequent to the date a final decision is rendered by LAFCO. This prohibition commences when your application has been filed, or the proceeding is otherwise initiated.
2. A party to a LAFCO proceeding shall disclose on the record of the proceeding any contribution of more than \$250 made to any commissioner by the party, or agent, during the preceding 12 months. No party to a LAFCO proceeding, or agent, shall make a contribution to a commissioner during the proceeding and for three months following the date a final decision is rendered by LAFCO.
3. Prior to rendering a decision on a LAFCO proceeding, any commissioner who received contribution of more than \$250 within the preceding 12 months from any party, or agent, to a proceeding shall disclose that fact on the record of the proceeding, and shall be disqualified from participating in the proceeding. However, if any commissioner receives a contribution that otherwise would require disqualification, and returns the contribution within 30 days of knowing about the contribution and the relevant proceeding, that commissioner shall be permitted to participate in the proceeding.

To determine whether a campaign contribution of more than \$250 has been made by you or your agent to a commissioner within the preceding 12 months, all contributions made by you or your agent during that period must be aggregated. Names of current LAFCO commissioners are available at <https://slo.lafco.ca.gov/the-commission>. If you have questions about Government Code Section 84308, FPPC regulations, or the Campaign Disclosure Form, please contact San Luis Obispo LAFCO at 1042 Pacific Street Suite A, San Luis Obispo CA 93401, (805) 781-5795.

FINANCIAL DISCLOSURE FORM

Proposed change(s) of organization:

Name and address of any party, or agent, who has contributed more than \$250 to any commissioner within the preceding 12 months:

1.

2.

3.

Date and amount of contribution:

Date:

Amount \$

Date:

Amount \$

Name of commissioner to whom contribution was made:

1.

2.

I certify that the above information is provided to the best of my knowledge.

Printed Name:

Signature:

Date:

Phone:

FEE SCHEDULE

All fees shall be paid prior to the acceptance of an application for processing. All fees should be submitted to LAFCO as a separate check to each of the agencies listed below:

1. LAFCO Processing Fee & Environmental Fee
2. Public Works Department Fee
3. Board of Equalization Filing Fee

Where indicated below, the fees are an initial deposit toward the actual cost of processing a proposal. The applicant shall enter into an agreement to provide for reimbursement to LAFCO for the actual costs of processing an application. A refund shall be issued for any portion of the fee not used for processing. Where fees exceed the required amount indicated below, the applicant shall be notified by the Executive Officer to pay an additional amount equal to the initial deposit. The proposal shall be suspended until such additional funds are deposited with the LAFCO Clerk. Below are the charge out rates for each LAFCO Staff member:

LAFCO Charge-out Rates:

Executive Officer	\$110/hour
Analyst	\$85/hour
Commission Clerk	\$50/hour
Legal Counsel	\$150/hour

Other Charges

In addition to the fees specified herein, the Executive Officer may charge an applicant/appellant for the actual costs that are incurred as a result of processing a proposal that are not covered in the Commission's fee schedule. An applicant/appellant may appeal the decision of the Executive Officer in writing. Such appeal will be presented to the Commission at its next meeting.

Refunds for withdrawn proposals shall be based on an estimate by the Executive Officer of the total costs incurred in processing the proposal up to the date of the withdrawal request.

Fee Waiver

The Commission, as per government code section 56382, may waive fees partially or in total upon finding that payment of fees would be detrimental to the public interest. Requests for fee waiver must be submitted in writing to the Commission and there is a \$500 fee. The waiver will be considered at a public meeting of the Commission.

ANNEXATION / DETACHMENT PROCESSING FEES

Acreage	Amount
0.01 – 4.99	\$1,500
5.00 – 9.99	\$2,500
10.00 – 14.99	\$3,500
15.00 – 19.99	\$4,500
20.00 +	\$5,000 plus \$10 per acre
Any size Annexation to a California Water District	\$2,000

OTHER PROCESSING FEES

Action	Deposit Amount
Activation or Divestiture of Latent District Powers	\$2,500
Incorporation of a City	\$15,000
Formation of a Special District	\$5,000
Dissolution of one or more Districts	\$2,500
Disincorporation of a City	\$5,000
Consolidation of Districts/ Cities	\$3,000
Merger of Districts/ Cities	\$3,000
Establishment of Subsidiary Districts	\$3,000
Reorganization of City or District (Two or more of the above changes of organization, excluding the 1 st three actions.)	\$7,500

OTHER FEES

Item	Amount
Request for Reconsideration	\$1,500
Fee Waiver Request	\$500
Request for Time Extension	\$500
Study Session Request	\$2,500
Request for Fiscal Analysis or Other Studies	\$2,500
Pre-application Review	Limited to 3 hours of staff time, then actual cost
Petition Verification Fee	Minimum filing fee of \$10 + \$1.00 per signature
Processing request for the State Controller's review of an incorporation fiscal analysis	\$1,500
Postage, Mail Supplies, Photocopies, etc.	At cost

ENVIRONMENTAL FEES | LAFCO AS A RESPONSIBLE AGENCY

Review of ND, MND or EIR	\$1,000
Review of Categorical Exemption	\$500
County Clerk Recorder Filing Fee	\$50

ENVIRONMENTAL FEES | LAFCO AS A LEAD AGENCY

Initial Study, ND, MND	\$1,000 deposit, outside consultant to be hired, applicant pays full cost of environmental review
Categorical Exemption	\$500
Environmental Impact Report	\$5,000 deposit, outside consultant to be hired, applicant pays full cost of environmental review
County Clerk Recorder Filing Fee	\$50

CALIFORNIA DEPARTMENT OF FISH AND GAME FILING FEE | LAFCO AS A LEAD AGENCY

Filing for a Negative Declaration	\$2,548
Filing for a Mitigated Negative Declaration	\$2,548
Filing for an Environmental Impact Report	\$3,539.25

SLO COUNTY PUBLIC WORKS DEPARTMENT FEE

Map & Legal Description Review	\$721
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STATE BOARD OF EQUILIZATION FEES

The Tax-Rate Area System is administered by the State Board of Equalization (Board) and used by counties for the proper allocation of property tax revenues between counties, cities, and special tax districts. LAFCO works with the County Assessor, County Auditor, and the State Board of Equalization to ensure that boundary changes are filed with the state after LAFCO approval to update the database of the new Tax-Rate Area designations. These fees are collected after proposal approval. The fees can be found on the LAFCO website under the “Application & Fees” tab or on the State Board of Equalization website at: <https://www.boe.ca.gov/proptaxes/pdf/jurboundaryreg.pdf>

FEE SCHEDULE WORKSHEET

If you need help in determining your fees, please contact LAFCO staff for assistance at (805) 781-5795.

1. Check made payable to the *San Luis Obispo Local Agency Formation Commission*:

Processing Fee (depends upon proposal type):	\$ _____
Sphere of Influence Fee:	\$ _____
Environmental Fees	\$ _____
County Clerk Recorder Filing Fee	\$ 50.00
Other Fees:	\$ _____
TOTAL	\$ _____

2. Check made payable to the *SLO County Public Works Department*:

Public Works Department Fee:	\$ 721.00
------------------------------	-----------

3. Check made payable to the *Board of Equalization*:

BOE Processing Fee:	\$ _____
---------------------	----------

COST ACCOUNTING AGREEMENT

Applicant: _____
Mailing Address: _____
Telephone: _____
Fax: _____
E-mail Address: _____

The cost of processing an application may exceed the initial deposit required. In order to recover any additional costs associated with processing your application, the Local Agency Formation Commission, LAFCO, has found it necessary to implement a provision of the Fee Schedule that provides full cost recovery for processing an application.

I, _____, the landowner and/or responsible Applicant, agree to pay the actual costs pursuant to the Fee Schedule attached hereto, plus copying charges and related expenses incurred in the processing of this application. I also understand that if payment on any billings prior to final action is not paid within thirty (30) days, I agree that processing of my application will be suspended until payment is received.

In order to implement the cost accounting provisions, please sign and date this statement indicating your agreement to the cost accounting procedure agreement. This signed agreement is required for your application to be accepted for processing. Checks may be made payable to LAFCO and delivered or mailed to the LAFCO Office at 1042 Pacific Street, Suite A, San Luis Obispo, CA 93401. If you have questions regarding your application, please contact the LAFCO Office at (805) 781-5795.

_____ Applicant Signature	_____ Date
_____ Applicant Signature	_____ Date
_____ Applicant Signature	_____ Date

Attachment C

Sphere of Influence
Amendment Application



DRAFT

San Luis Obispo LAFCO

Sphere of Influence Amendment Application

1042 Pacific Street · Suite A · San Luis Obispo, CA 93401

805-781-5795 · www.slo.lafco.ca.gov · Updated: _____

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INSTRUCTIONS & INFORMATION ON THE LAFCO APPLICATION

The following information is designed to help you understand and move your project through the various stages of the LAFCO process.

General Step by Step Process

1. Applicant Gathers Application Materials and Meets with Staff for a Pre-Application Meeting
2. Applicant Submits Their Application to LAFCO
3. LAFCO Review Period Begins
4. 30-Day Review – Information Hold Letter or Deemed Sufficient for Filing
5. Certificate of Filing stating when the item will be taken to the Commission
6. LAFCO Hearing. LAFCO has the authority to approve, conditionally approve or deny a proposal.
7. 30-Day Reconsideration Period
8. Review requests, if any, for Petition for removal from sphere of influence (§56429)
9. Notification of Commission Action Form
10. After Condition Compliance a Certificate of Completion shall be filed with the Clerk Recorder
11. Final Notice of Completion with Affected Agencies / Interested Parties
12. LAFCO GIS Boundary Updates

Important Tips

- Any person or local agency may file a written request with the executive officer requesting amendments to a sphere of influence or urban service area adopted by the commission. The request shall state the nature of the proposed amendment, state the reasons for the request, include a map of the proposed amendment, and contain any additional data and information as may be required by the executive officer (§56428).
- It is important to note that while a SOI amendment, may be initiated by any person or local agency, ultimately, the affected agency must consent to the change and all parties may be required to provide information, conduct studies and may be subject to conditions of approval.

SPHERE OF INFLUENCE APPLICATION CHECKLIST

The following information must be submitted when filing a proposal with the San Luis Obispo Local Agency Formation Commission (LAFCO); additional information may be requested during review of the proposal.

-
- 1. Completed **SPHERE OF INFLUENCE APPLICATION CHECKLIST** with applicable materials (everything listed in the checklist).
 - 2. Any person or local agency may file a written request to the Executive Officer for a SOI Amendment.
 - 3. **LAFCO QUESTIONNAIRE**.
 - 4. A **MAP AND LEGAL DESCRIPTION** of the proposal territory perimeter for the proposed boundary change(s), and a reproducible parcel map
 - 5. **ENVIRONMENTAL DOCUMENTATION** to comply with the California Environmental Quality Act (CEQA); submit documents for applicable category only. For an ND, MND, or EIR, a copy of the Notice of Determination and the Environmental Filing Cash Receipt for the fee paid to the California Department of Fish and Game must be submitted.
 - (a) CATEGORICAL EXEMPTION (CE): Submit document if an agency has determined is exempt
 - (b) NEGATIVE DECLARATION (ND) or MITIGATED NEGATIVE DECLARATOIN (MND): Submit document from agency making said determination*;
 - (c) ENVIRONMENTAL IMPACT REPORT (EIR): Submit a copy of the certified Final EIR.
 - (d) NO CEQA DOCUMENTATION: If the proposed action has not been analyzed pursuant to the requirements of CEQA, please indicate this and CEQA will be performed by LAFCO and the appropriate level of documentation will be determined, i.e. CE, ND, MND or EIR.
 - 6. **APPLICANT FINANCIAL DISCLOSURE FORM**.
 - 7. **LAFCO processing fees & COST ACCOUNTING AGREEMENT**
 - 8. **PRE-APPLICATION MEETING**. A pre-application meeting with staff is strongly encouraged due to the complexity of submittal requirements and applicable laws. (Limited to 3 hours of staff time at no cost.)

QUESTIONNAIRE

The information provided in this application will be used to evaluate this proposal. Please complete this form to facilitate our review. Please respond to all items in this form, indicating "NA" when an item does not apply. It is important to note that while a SOI amendment, may be initiated by any person or local agency, ultimately, the affected agency must consent to the change and all parties may be required to provide information, conduct studies and may be subject to conditions of approval.

Subject Agency(ies)

(City or Special District):

Proposed Change of Organization/Action:

Applicant/ Agents

Name

Email

Telephone

Mailing

1.

2.

3.

4.

5.

Interested Parties

Name

Email

Telephone

Mailing

1.

2.

- 3. _____
- 4. _____

A. General Information

1. This application was initiated by:

2. State reason(s) for requesting the proposed action **at this time**.

3. Describe the use of developed property within the proposal territory, including details about existing Structures, if applicable. Describe anticipated development of vacant property, including types of buildings, number of units, supporting facilities, etc., and when development is scheduled to occur, if applicable.

4. State the location of the property and its general location in relation to communities, major freeways/highways, roads, etc. :

5. Describe the present and planned uses in the area, including agricultural and open space lands.

6. Describe the present and probable need for public facilities and services in the area.

7. Describe the present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.

8. Describe the existence of any social or economic communities of interest in the area that the Commission may determine are relevant to the agency.

B. Land Use Information

1. Total acreage: _____

2. Assessor Parcel Number: _____

3. Indicate the current zoning:

a. County: _____

b. City: _____

4. What community plan or General Plan is the territory in:

5. The County/City General Plan land use designation:

6. Describe any special land use concerns found in General Plans:

7. What is the proposed land use?

8. Has the affected territory been rezoned? No Yes

If yes, what is the rezoning use and densities (if applicable) permitted?

9. Indicate below all permits or approvals that will be needed/ or have been granted by the County or any city to complete the project.

Type of Approval	File No.	Approval Date	Resolution attached?
Tentative Parcel Map			<input type="checkbox"/> No / <input type="checkbox"/> Yes / <input type="checkbox"/> N/A
Use Permit			<input type="checkbox"/> No / <input type="checkbox"/> Yes / <input type="checkbox"/> N/A
City/ County General Plan Amendment			<input type="checkbox"/> No / <input type="checkbox"/> Yes / <input type="checkbox"/> N/A
City Rezoning			<input type="checkbox"/> No / <input type="checkbox"/> Yes / <input type="checkbox"/> N/A
County Rezone			<input type="checkbox"/> No / <input type="checkbox"/> Yes / <input type="checkbox"/> N/A
Other			<input type="checkbox"/> No / <input type="checkbox"/> Yes / <input type="checkbox"/> N/A

10. Have any of the above-mentioned approvals been appealed? No Yes

If yes, please state when the project was appealed and when it would get reconsidered.

11. Is the property within Williamson Act Contract? No Yes

If yes, please attach the following (if applicable)

- Copy of contract
- Board of Supervisor’s resolution upholding contract
- City resolution protesting contract
- City resolution succeeding to contract

12. How will the proposal assist city or county to achieve its fair share of regional housing needs as determined by its current General Plan Housing Element?

C. Environmental Information

1. Has an environmental determination (Negative Declaration-Environmental Impact Report) been certified by a legislative body? No Yes (If yes, please attach a copy)

a. Is the certified environmental documentation currently being challenged? No Yes

2. Is the site presently zoned for or engaged in agricultural use?

If yes, please explain: _____

3. Does the site contain prime agricultural land as defined in gov code sec 56064? No Yes

4. Will extension of services requested for this proposal induce growth on affected property? No Yes

a. On adjacent properties? No Yes

b. Unincorporated? No Yes

5. Please describe the environmental setting of the site: _____

6. Terrain:

Level to gently rolling (0-10%)

Slopes (10-30%)

Steep slopes (over 30%)

7. Hydrology (streams, lakes, or marshes on site)? No Yes

If yes, please explain: _____

8. Has the natural vegetation already removed or altered? No Yes

9. Are there any endangered plant species on site? No Yes

10. Have any endangered or threatened species been identified? No Yes

If yes, please explain: _____

I hereby certify that the statements made in this entire Sphere of Influence Amendment Application are to the best of my knowledge accurate.

PRINT name of person completing this application

Date

Signature

email

Address

Phone Number

DRAFT

MAP & LEGAL DESCRIPTION REQUIREMENTS

Map and legal descriptions should meet LAFCO and State Board of Equalization (BOE) requirements; listed below:

1. The map & legal description shall be prepared by a Registered Civil Engineer or a Licensed Land Surveyor.
2. First submittal shall be digital. Once the map and legal description have been reviewed and determined to be definite and certain you may submit four (4) copies. Map size shall be a maximum of 24" x 36" and a minimum of 18" x 26" with a minimum ½" border.
3. Applicable fees shall be paid by the applicant for County Surveyor Review and BOE filing on or after LAFCO Approval in accordance with their fee schedules.
4. Map and Legal Description examples are available on our website at <https://slo.lafco.ca.gov/applications-and-fees>.

Written Geographic Description(s) of the Project Area(s):

5. Every written geographic description (a document separate from the maps) must stand on its own without the necessity of reference to any extraneous document; a description that relies solely on the use of secondary references will not be accepted.
6. The written description shall be of the project area only. If a complete description of the special district is filed, the project area shall be clearly identified in a separate document.
7. The geographic description shall:
 - a. State the township and range, section number(s) or rancho(s)
 - b. Have a point of beginning (POB) referenced to a known major geographic position (e.g., section corners, intersection of street centerlines, or the intersection of street centerline and an existing district boundary at the time of filing). A description will be rejected if the POB refers only to a tract map, a subdivision map or a recorded survey map. It is preferable that the POB be the point of departure from an existing district boundary (when applicable).
 - c. Be expressed as a specific parcel description in sectionalized land (e.g., "The SW 1/4 of Section 22, T1N, R1W") or by bearings and distances. When the description is by bearings and distances, all courses shall be numbered and listed individually in a consistent clockwise direction. The description shall not be written in a narrative format. All courses required to close the traverse

of the project area must be stated. All curves must be described by direction of concavity. Delta, arc length, chord, and radius shall be listed, including radial bearings for all points of non-tangency.

8. The written description shall state the acreage for each separate single area (Special Fee Provisions for each single area as defined but the BOE) and a combined total acreage of the project area.

Example: "Area A containing 2.50 acres, Area B containing 1.75 acres: Total computed acreage containing 4.25 acres more or less."

9. All information stated on the description must match with the map(s), such as the name of the short title, the point of beginning, the course numbers, all the bearings and distances, and the acreage(s).

Map(s)

10. All maps shall be professionally and accurately drawn or copied. Rough sketches or pictorial drawings will not be accepted. Assessor's parcel maps will not be accepted as a substitute for the project map.
11. Original or copies of the same size project map must be submitted. Reduced maps are not acceptable and will be rejected.
12. A vicinity map shall be included. The vicinity map shall show the location of the project area in relationship to a larger geographic area that includes major streets and highways or other physical features.
13. Any portion of an existing district boundary in close proximity to the project area shall be shown and identified.
14. Every map must clearly show all existing streets, roads and highways with their current names that are within and adjacent to the project area. Additionally, every map shall indicate each township and range, section lines and numbers, or ranchos that are in proximity of the project area.
15. Every map shall bear a scale and a north arrow. The point of beginning shall be clearly shown and match the written geographic description.
16. The boundaries of the project area shall be distinctively delineated on each map without masking any essential geographic or political features. The boundaries of the project area must be the most predominant line on the map. Boundary lines that are delineated by a line that exceeds 1.5 millimeter in width will be rejected by the BOE. The use of graphic tape or broad tip marking pens to delineate the boundary is not acceptable.
17. All dimensions needed to plot the boundaries must be given on the map of the project area. Each map shall have numbered courses matching the written geographic description. Index tables may be utilized.

18. All parcels within the project area that touch the new boundary shall be clearly labeled with the assessor's parcel number. Interior parcels that do not touch the boundary need not be identified on the map.
19. If the project area has an interior island(s) of exclusion or the boundary has a peninsula of exclusion (or inclusion), that area(s) should be shown in an enlarged drawing.
20. When it is necessary to use more than one map sheet to show the boundaries of the project area, the sheet size should be uniform. A small key map giving the relationship of the several sheets shall be furnished. Match lines between adjoining sheets must be used. While the geography on adjoining sheets may overlap, the project boundaries must stop at the match lines.

DRAFT

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FPPC regulations, or the Campaign Disclosure Form, please contact San Luis Obispo LAFCO at 1042 Pacific Street Suite A, San Luis Obispo CA 93401, (805) 781-5795.

FINANCIAL DISCLOSURE FORM

Proposed change(s) of organization:

Name and address of any party, or agent, who has contributed more than \$250 to any commissioner within the preceding 12 months:

1.

2.

3.

Date and amount of contribution:

Date:	<hr/>	Amount \$	<hr/>
Date:	<hr/>	Amount \$	<hr/>

Name of commissioner to whom contribution was made:

1.

2.

I certify that the above information is provided to the best of my knowledge.

Printed Name:

Signature:

Date:

 Phone:

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Fee Waiver

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SLO LAFCO
Sphere of Influence Amendment Application

writing to the Commission and there is a \$500 fee. The waiver will be considered at a public meeting of the Commission.

SPHERE OF INFLUENCE AMENDMENT FEES

Acreage	Amount
0.01 – 4.99	\$1,500
5.00 – 9.99	\$2,500
10.00 +	\$3,500
Agency Request for Comprehensive Sphere of Influence Update or Municipal Service Review	\$5,000
Any size SOI Amendment to a California Water District	\$1,000

OTHER FEES

Item	Amount
Request for Reconsideration	\$1,500
Fee Waiver Request	\$500
Request for Time Extension	\$500
Study Session Request	\$2,500
Request for Fiscal Analysis or Other Studies	\$2,500
Pre-application Review	Limited to 3 hours of staff time, then actual cost
Petition Verification Fee	Minimum filing fee of \$10 + \$1.00 per signature
Postage, Mail Supplies, Photocopies, etc.	At cost

ENVIRONMENTAL FEES | LAFCO AS A RESPONSIBLE AGENCY

Review of ND, MND, OR EIR	\$1,000
Review of Categorical Exemption	\$500
County Clerk Recorder Filing Fee	\$50

ENVIRONMENTAL FEES | LAFCO AS A LEAD AGENCY

Initial Study, ND, MND	\$1,000 deposit, outside consultant to be hired, applicant pays full cost of environmental review
Categorical Exemption	\$500
Environmental Impact Report	\$5,000 deposit, outside consultant to be hired, applicant pays full cost of environmental review
County Clerk Recorder Filing Fee	\$50

CALIFORNIA DEPARTMENT OF FISH AND GAME FILING FEE | LAFCO AS A LEAD AGENCY

Filing for a Negative Declaration	\$2,548
Filing for a Mitigated Negative Declaration	\$2,548
Filing for an Environmental Impact Report	\$3,539.25

FEE SCHEDULE WORKSHEET

If you need help in determining your fees, please contact LAFCO staff for assistance at (805) 781-5795.

1. Check made payable to the *San Luis Obispo Local Agency Formation Commission*:

Processing Fee (depends upon proposal type):	\$
Sphere of Influence Fee:	\$
Environmental Fees	\$
County Clerk Recorder Filing Fee	\$ 50.00
Other Fees:	\$
TOTAL	\$

COST ACCOUNTING AGREEMENT

Applicant: _____
Mailing Address: _____
Telephone: _____
Fax: _____
E-mail Address: _____

The cost of processing an application may exceed the initial deposit required. In order to recover any additional costs associated with processing your application, the Local Agency Formation Commission, LAFCO, has found it necessary to implement a provision of the Fee Schedule that provides full cost recovery for processing an application.

I, _____, the landowner and/or responsible Applicant, agree to pay the actual costs pursuant to the Fee Schedule attached hereto, plus copying charges and related expenses incurred in the processing of this application. I also understand that if payment on any billings prior to final action is not paid within thirty (30) days, I agree that processing of my application will be suspended until payment is received.

In order to implement the cost accounting provisions, please sign and date this statement indicating your agreement to the cost accounting procedure agreement. This signed agreement is required for your application to be accepted for processing. Checks may be made payable to LAFCO and delivered or mailed to the LAFCO Office at 1042 Pacific Street, Suite A, San Luis Obispo, CA 93401. If you have questions regarding your application, please contact the LAFCO Office at (805) 781-5795.

_____ Applicant Signature	_____ Date
_____ Applicant Signature	_____ Date
_____ Applicant Signature	_____ Date

Attachment D

Outside Agency Agreement Application



DRAFT

San Luis Obispo LAFCO

Outside Agency Agreement Application

(Previously known as Outside User Agreement)

1042 Pacific Street · Suite A · San Luis Obispo, CA 93401

805-781-5795 · www.slo.lafco.ca.gov · Updated: _____

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INSTRUCTIONS & INFORMATION ON THE LAFCO APPLICATION

The following information is designed to help you understand and move your project through the various stages of the LAFCO process.

General Step by Step Process

1. Applicant Gathers Application Materials and Meets with Staff for a Pre-Application Meeting
2. Applicant Submits Their Application to LAFCO
3. LAFCO Review Period Begins
4. 30-Day Review – Information Hold Letter or Deemed Sufficient for Filing
5. Certificate of Filing stating when the item will be taken to the Commission
6. LAFCO Hearing. LAFCO has the authority to approve, conditionally approve or deny a proposal.
7. 30-Day Reconsideration Period
8. Notification of Commission Action Form
9. After Condition Compliance a Certificate of Completion shall be filed with the Clerk Recorder
10. Final Notice of Completion with Affected Agencies / Interested Parties
11. LAFCO GIS Boundary Updates

Important Tips

- Resolutions of application by agencies must include certain required elements (§56800).
- Outside Agency Agreements can only be pursued if a later change of organization is anticipated (§56133).
- It is important to note that all parties may be required to provide information, conduct studies and may be subject to conditions of approval.

OUTSIDE AGENCY AGREEMENT APPLICATION CHECKLIST

The following information must be submitted when filing a proposal with the San Luis Obispo Local Agency Formation Commission (LAFCO); additional information may be requested during review of the proposal.

-
- 1. Completed **OUTSIDE AGENCY AGREEMENT APPLICATION CHECKLIST** with applicable materials (everything listed in the checklist).
 - 2. A certified **RESOLUTION** from an affected city or district requesting LAFCO action.
 - 3. Signed **CONTRACT BETWEEN APPLICABLE PARTIES** seeking service that stipulates the terms & conditions of extending service to the property and indicates that service is contingent on LAFCO approval
 - 4. **LAFCO QUESTIONNAIRE.**
 - 5. A **VICINITY MAP** of the proposal territory perimeter for the proposed Outside Agency Agreement.
 - 6. **ENVIRONMENTAL DOCUMENTATION** to comply with the California Environmental Quality Act (CEQA); submit documents for applicable category only. For an ND, MND, or EIR, a copy of the Notice of Determination and the Environmental Filing Cash Receipt for the fee paid to the California Department of Fish and Game must be submitted.
 - (a) **CATEGORICAL EXEMPTION (CE)**: Submit document if an agency has determined is exempt.
 - (b) **NEGATIVE DECLARATION (ND) or MITIGATED NEGATIVE DECLARATOIN (MND)**: Submit document from agency making said determination*.
 - (c) **ENVIRONMENTAL IMPACT REPORT (EIR)**: Submit a copy of the certified Final EIR.
 - (d) **NO CEQA DOCUMENTATION**: If the proposed action has not been analyzed pursuant to the requirements of CEQA, please indicate this and CEQA will be performed by LAFCO and the appropriate level of documentation will be determined, i.e., CE, ND, MND or EIR.
 - 7. **APPLICANT FINANCIAL DISCLOSURE FORM.**
 - 8. **LAFCO PROCESSING FEES & COST ACCOUNTING AGREEMENT.**
 - 9. **PRE-APPLICATION MEETING.** A pre-application meeting with staff is strongly encouraged due to the complexity of submittal requirements and applicable laws. (Limited to 3 hours of staff time at no cost.)

QUESTIONNAIRE

The information provided in this application will be used to evaluate this proposal. Please complete all relevant portions to facilitate our review. Please respond to all items in this form, indicating "NA" when an item does not apply. It is important to note that all parties may be required to provide information, conduct studies and may be subject to conditions of approval.

Subject Agency(ies)

(City or Special District):

Property Address:

**Assessor Parcel
Numbers:**

Applicant/ Agents

Name

Email

Telephone

Mailing

1.

2.

3.

4.

5.

Interested Parties

Name

Email

Telephone

Mailing

1.

2.

3.

4.

A. General Information

1. Type of service to be provided:

2. Project area within agency' s Sphere of Influence? No Yes

If not, a sphere amendment should be requested concurrent with this application. If an amendment is not being requested, provide documentation of existing or impending threat to public health or safety.

3. State reason(s) for requesting the proposed service agreement/contract. Explain why a jurisdictional change is not possible at this time. Indicate if this is an emergency health and safety situation:

4. Is the reorganization of the territory anticipated at a future date? No Yes If yes, when?

Possible reorganization date:

5. If development is proposed, please provide a description of the project:

SLO LAFCO
Outside Agency Agreement Application

6. State the location of the property and its general location in relation to communities, major freeways/highways, roads, etc. : _____

7. How many residents live within the proposal territory? _____

8. How many of these residents are registered voters? _____

9. Do the boundaries of the territory split lines of assessment? No Yes

10. If the project approval is discretionary, please attach all supporting development documentation and resolutions including, but not limited to:

Type of Approval	File No.	Approval Date	Resolution attached?
Tentative Map			<input type="checkbox"/> No / <input type="checkbox"/> Yes / <input type="checkbox"/> N/A
Subdivision Map or Parcel Map			<input type="checkbox"/> No / <input type="checkbox"/> Yes / <input type="checkbox"/> N/A
Use Permit			<input type="checkbox"/> No / <input type="checkbox"/> Yes / <input type="checkbox"/> N/A
City/ County General Plan Amendment			<input type="checkbox"/> No / <input type="checkbox"/> Yes / <input type="checkbox"/> N/A
City Rezoning			<input type="checkbox"/> No / <input type="checkbox"/> Yes / <input type="checkbox"/> N/A
County Rezone			<input type="checkbox"/> No / <input type="checkbox"/> Yes / <input type="checkbox"/> N/A
Other			<input type="checkbox"/> No / <input type="checkbox"/> Yes / <input type="checkbox"/> N/A

11. Have any of the above-mentioned approvals been appealed? No Yes

If yes, please state when the project was appealed and when it would get reconsidered.

B. Environmental Information

1. Has an environmental determination been certified by a legislative body? No Yes (If yes, please attach a copy or a copy of the exemption)

a. Is the certified environmental documentation currently being challenged? No Yes

2. Is the site presently zoned for or engaged in agricultural use?

If yes, please explain: _____

3. Does the site contain prime agricultural land as defined in gov code sec 56064? No Yes

4. Will extension of services requested for this proposal induce growth on affected property? No Yes

a. On adjacent properties? No Yes

b. Unincorporated? No Yes

5. Please describe the environmental setting of the site: _____

6. Terrain:

Level to gently rolling (0-10%)

Slopes (10-30%)

Steep slopes (over 30%)

7. Hydrology (streams, lakes, or marshes on site)? No Yes

If yes, please explain: _____

8. Has the natural vegetation already removed or altered? No Yes

9. Are there any endangered plant species on site? No Yes

SLO LAFCO
Outside Agency Agreement Application

10. Have any endangered or threatened species been identified? No Yes

If yes, please explain: _____

I hereby certify that the statements made in this entire Outside Agency Agreement Application are to the best of my knowledge accurate.

PRINT name of person completing this application

Date

Signature

email

Address

Phone Number

DRAFT

APPLICANT FINANCIAL DISCLOSURE FORM

LAFCOs are subject to the campaign disclosure provisions detailed in Government Code Section 84308, and the Regulations of the Fair Political Practices Commission (FPPC), Section 18438.

Please carefully read the following information to determine if the provisions apply to you. If you determine that the provisions are applicable, the Campaign Disclosure Form must be completed and returned to San Luis Obispo LAFCO with your application.

1. No LAFCO commissioner shall accept, solicit, or direct a contribution of more than \$250 from any party or agent while a change of organization proceeding is pending, and for three months subsequent to the date a final decision is rendered by LAFCO. This prohibition commences when your application has been filed, or the proceeding is otherwise initiated.
2. A party to a LAFCO proceeding shall disclose on the record of the proceeding any contribution of more than \$250 made to any commissioner by the party, or agent, during the preceding 12 months. No party to a LAFCO proceeding, or agent, shall make a contribution to a commissioner during the proceeding and for three months following the date a final decision is rendered by LAFCO.
3. Prior to rendering a decision on a LAFCO proceeding, any commissioner who received contribution of more than \$250 within the preceding 12 months from any party, or agent, to a proceeding shall disclose that fact on the record of the proceeding, and shall be disqualified from participating in the proceeding. However, if any commissioner receives a contribution that otherwise would require disqualification, and returns the contribution within 30 days of knowing about the contribution and the relevant proceeding, that commissioner shall be permitted to participate in the proceeding.

To determine whether a campaign contribution of more than \$250 has been made by you or your agent to a commissioner within the preceding 12 months, all contributions made by you or your agent during that period must be aggregated. Names of current LAFCO commissioners are available at <https://slo.lafco.ca.gov/the-commission>. If you have questions about Government Code Section 84308,

FPPC regulations, or the Campaign Disclosure Form, please contact San Luis Obispo LAFCO at 1042 Pacific Street Suite A, San Luis Obispo CA 93401, (805) 781-5795.

FINANCIAL DISCLOSURE FORM

Proposed change(s) of organization:

Name and address of any party, or agent, who has contributed more than \$250 to any commissioner within the preceding 12 months:

1.

2.

3.

Date and amount of contribution:

Date:

 Amount \$

Date:

 Amount \$

Name of commissioner to whom contribution was made:

1.

2.

I certify that the above information is provided to the best of my knowledge.

Printed Name:

Signature:

Date:

 Phone:

FEE SCHEDULE

All fees shall be paid prior to the acceptance of an application for processing. All fees should be submitted to LAFCO as a separate check to each of the agencies listed below:

1. LAFCO Processing Fee & Environmental Fee

Where indicated below, the fees are an initial deposit toward the actual cost of processing a proposal. The applicant shall enter into an agreement to provide for reimbursement to LAFCO for the actual costs of processing an application. A refund shall be issued for any portion of the fee not used for processing. Where fees exceed the required amount indicated below, the applicant shall be notified by the Executive Officer to pay an additional amount equal to the initial deposit. The proposal shall be suspended until such additional funds are deposited with the LAFCO Clerk. Below are the charge out rates for each LAFCO Staff member:

LAFCO Charge-out Rates:

Executive Officer	\$110/hour
Analyst	\$85/hour
Commission Clerk	\$50/hour
Legal Counsel	\$150/hour

Other Charges

In addition to the fees specified herein, the Executive Officer may charge an applicant/appellant for the actual costs that are incurred as a result of processing a proposal that are not covered in the Commission's fee schedule. An applicant/appellant may appeal the decision of the Executive Officer in writing. Such appeal will be presented to the Commission at its next meeting.

Refunds for withdrawn proposals shall be based on an estimate by the Executive Officer of the total costs incurred in processing the proposal up to the date of the withdrawal request.

Fee Waiver

SLO LAFCO
Outside Agency Agreement Application

The Commission, as per government code section 56382, may waive fees partially or in total upon finding that payment of fees would be detrimental to the public interest. Requests for fee waiver must be submitted in writing to the Commission and there is a \$500 fee. The waiver will be considered at a public meeting of the Commission.

FEES

Item	Amount
Outside Agency Agreement	\$2,500
Request for Reconsideration	\$1,500
Fee Waiver Request	\$500
Request for Time Extension	\$500
Study Session Request	\$2,500
Request for Fiscal Analysis or Other Studies	\$2,500
Pre-application Review	Limited to 3 hours of staff time, then actual cost
Postage, Mail Supplies, Photocopies, etc.	At cost

ENVIRONMENTAL FEES | LAFCO AS A RESPONSIBLE AGENCY

Review of ND, MND, or EIR	\$1,000
Review of Categorical Exemption	\$500
County Clerk Recorder Filing Fee	\$50

ENVIRONMENTAL FEES | LAFCO AS A LEAD AGENCY

Initial Study, ND, MND	\$1,000 deposit, outside consultant to be hired, applicant pays full cost of environmental review
Categorical Exemption	\$500
Environmental Impact Report	\$5,000 deposit, outside consultant to be hired, applicant pays full cost of environmental review
County Clerk Recorder Filing Fee	\$50

CALIFORNIA DEPARTMENT OF FISH AND GAME FILING FEE | LAFCO AS A LEAD AGENCY

Filing for a Negative Declaration	\$2,548
Filing for a Mitigated Negative Declaration	\$2,548
Filing for an Environmental Impact Report	\$3,539.25

FEE SCHEDULE WORKSHEET

If you need help in determining your fees, please contact LAFCO staff for assistance at (805) 781-5795.

1. Check made payable to the *San Luis Obispo Local Agency Formation Commission*:

Processing Fee (depends upon proposal type):	\$
Sphere of Influence Fee:	\$
Environmental Fees	\$
County Clerk Recorder Filing Fee	\$ 50.00
Other Fees:	\$
TOTAL	\$

COST ACCOUNTING AGREEMENT

Applicant: _____

Mailing Address: _____

Telephone: _____

Fax: _____

E-mail Address: _____

The cost of processing an application may exceed the initial deposit required. In order to recover any additional costs associated with processing your application, the Local Agency Formation Commission, LAFCO, has found it necessary to implement a provision of the Fee Schedule that provides full cost recovery for processing an application.

I, _____, the landowner and/or responsible Applicant, agree to pay the actual costs pursuant to the Fee Schedule attached hereto, plus copying charges and related expenses incurred in the processing of this application. I also understand that if payment on any billings prior to final action is not paid within thirty (30) days, I agree that processing of my application will be suspended until payment is received.

In order to implement the cost accounting provisions, please sign and date this statement indicating your agreement to the cost accounting procedure agreement. This signed agreement is required for your application to be accepted for processing. Checks may be made payable to LAFCO and delivered or mailed to the LAFCO Office at 1042 Pacific Street, Suite A, San Luis Obispo, CA 93401. If you have questions regarding your application, please contact the LAFCO Office at (805) 781-5795.

Applicant Signature

Date

Applicant Signature

Date

Applicant Signature

Date

Attachment E

Fee Schedule



DRAFT San Luis Obispo Local Agency Formation Commission

Fee Schedule

1042 Pacific Street · Suite A · San Luis Obispo, CA 93401

805-781-5795 · www.slo.lafco.ca.gov · Updated: _____

SAN LUIS OBISPO LOCAL AGENCY FORMATION COMISSION

FEE SCHEDULE

All fees shall be paid prior to the acceptance of an application for processing. All fees should be submitted to LAFCO as a separate check to each of the agencies listed below:

1. LAFCO Processing Fee & Environmental Fee
2. Public Works Department Fee
3. Board of Equalization Filing Fee

Where indicated below, the fees are an initial deposit toward the actual cost of processing a proposal. The applicant shall enter into an agreement to provide for reimbursement to LAFCO for the actual costs of processing an application. A refund shall be issued for any portion of the fee not used for processing. Where fees exceed the required amount indicated below, the applicant shall be notified by the Executive Officer to pay an additional amount equal to the initial deposit. The proposal shall be suspended until such additional funds are deposited with the LAFCO Clerk. Below are the charge out rates for each LAFCO Staff member:

LAFCO Charge-out Rates:

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Legal Counsel	\$150/hour

Other Charges

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Refunds for withdrawn proposals shall be based on an estimate by the Executive Officer of the total costs incurred in processing the proposal up to the date of the withdrawal request.

Fee Waiver

The Commission, as per government code section 56382, may waive fees partially or in total upon finding that payment of fees would be detrimental to the public interest. Requests for fee waiver must be submitted in writing to the Commission and there is a \$500 fee. The waiver will be considered at a public meeting of the Commission.

ANNEXATION / DETACHMENT PROCESSING FEES

Acreage	Deposit Amount
0.01 – 4.99	\$1,500
5.00 – 9.99	\$2,500
10.00 – 14.99	\$3,500
15.00 – 19.99	\$4,500
20.00 +	\$5,000 plus \$10 per acre
Any size Annexation to a California Water District	\$2,000

SPHERE OF INFLUENCE AMENDMENT FEES

Acreage	Deposit Amount
0.01 – 4.99	\$1,500
5.00 – 9.99	\$2,500
10.00 +	\$3,500
Agency Request for Comprehensive Sphere of Influence Update or Municipal Service Review	\$5,000
Any size SOI Amendment to a California Water District	\$1,000

OTHER PROCESSING FEES

Action	Deposit Amount
Activation or Divestiture of Latent District Powers	\$2,500
Outside Agency Agreement	\$2,500

Incorporation of a City	\$15,000
Formation of a Special District	\$5,000
Dissolution of one or more Districts	\$2,500
Disincorporation of a City	\$5,000
Consolidation of Districts/ Cities	\$3,000
Merger of Districts/ Cities	\$3,000
Establishment of Subsidiary Districts	\$3,000
Reorganization of City or District (Two or more of the above changes of organization, excluding the 1 st three actions.)	\$7,500

OTHER FEES

Item	Deposit Amount
Request for Reconsideration	\$1,500
Fee Waiver Request	\$500
Request for Time Extension	\$500
Study Session Request	\$2,500
Request for Fiscal Analysis or Other Studies	\$2,500
Pre-application Review	Limited to 3 hours of staff time, then actual cost
Petition Verification Fee	Minimum filing fee of \$10 + \$1.00 per signature
Processing request for the State Controller's review of an incorporation fiscal analysis	\$1,500
Postage, Mail Supplies, Photocopies, etc.	At cost

ENVIRONMENTAL FEES DEPOSIT | LAFCO AS A RESPONSIBLE AGENCY

Review of ND, MND or EIR	\$1,000
Review of Categorical Exemption	\$500
County Clerk Recorder Filing Fee	\$50

ENVIRONMENTAL FEES DEPOSIT | LAFCO AS A LEAD AGENCY

Initial Study, ND, MND	\$1,000 deposit, outside consultant to be hired, applicant pays full cost of environmental review
Categorical Exemption	\$500
Environmental Impact Report	\$5,000 deposit, outside consultant to be hired, applicant pays full cost of environmental review
County Clerk Recorder Filing Fee	\$50

CALIFORNIA DEPARTMENT OF FISH AND GAME FILING FEE | LAFCO AS A LEAD AGENCY

Filing for a Negative Declaration	\$2,548
Filing for a Mitigated Negative Declaration	\$2,548
Filing for an Environmental Impact Report	\$3,539.25

SLO COUNTY PUBLIC WORKS DEPARTMENT FEE

Map & Legal Description Review	\$721
--------------------------------	-------

STATE BOARD OF EQUILIZATION FEES

The Tax-Rate Area System is administered by the State Board of Equalization (Board) and used by counties for the proper allocation of property tax revenues between counties, cities, and special tax districts. LAFCO works with the County Assessor, County Auditor, and the State Board of Equalization to ensure that boundary changes are filed with the state after LAFCO approval to update the database of the new Tax-Rate Area designations. These fees are collected after proposal approval. The fees can be found on the LAFCO website under the “Application & Fees” tab or on the State Board of Equalization website at:

<https://www.boe.ca.gov/proptaxes/pdf/jurboundaryreq.pdf>

FEE SCHEDULE WORKSHEET

If you need help in determining your fees, please contact LAFCO staff for assistance at (805) 781-5795.

1. Check made payable to the *San Luis Obispo Local Agency Formation Commission*:

Processing Fee (depends upon proposal type):	\$	_____
Sphere of Influence Fee:	\$	_____
Environmental Fees	\$	_____
County Clerk Recorder Filing Fee	\$	50.00
Other Fees:	\$	_____
TOTAL	\$	_____

2. Check made payable to the *SLO County Public Works Department*:

Public Works Department Fee:	\$	721.00
------------------------------	----	--------

3. Check made payable to the *Board of Equalization*:

BOE Processing Fee:	\$	_____
---------------------	----	-------



San Luis Obispo Local Agency Formation Commission

TO: MEMBERS OF THE COMMISSION

**FROM: ROB FITZROY, EXECUTIVE OFFICER
IMELDA MARQUEZ-VAWTER, ANALYST
MORGAN BING, CLERK ANALYST**

DATE: APRIL 20, 2023

SUBJECT: LAFCO NO. 3-S-22 | MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE STUDY FOR HERITAGE RANCH COMMUNITY SERVICES DISTRICT

RECOMMENDATION

Action 1: Finds, by motion, the project to be exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15061(b)(3).

Action 2: Approve by resolution the Heritage Ranch Community Services District Municipal Service Review and Sphere of Influence Study found in Attachment B.

DISCUSSION

Background

The Cortese-Knox-Hertzberg (CKH) Act directs Local Agency Formation Commissions to regularly prepare municipal service reviews (MSRs) in conjunction with establishing and updating each local agency's sphere of influence (SOI). The legislative intent of MSRs is to proactively assess the availability, capacity, and efficiency of local governmental services prior to making SOI determinations. MSRs may also lead LAFCOs to take other actions under their authority, such as forming, consolidating, or dissolving one or more local agencies in addition to any related sphere changes.

The Fiscal Year 2022-2023 Work Plan revised the schedule for completion of the next MSR cycle, and an MSR for the Heritage Ranch Community Services District (HRCSD) has been prepared consistent with the established timeline. Prior to the continuation of this MSR cycle, staff worked to substantially revamp the formatting and organization of the MSR document to align with best practices of

COMMISSIONERS

Chairperson
ED WAAGE
City Member

Vice-Chair
DEBBIE ARNOLD
County Member

JIMMY PAULDING
County Member

MARSHALL OCHYLSKI
Special District Member

ROBERT ENNS
Special District Member

STEVE GREGORY
City Member

HEATHER JENSEN
Public Member

ALTERNATES

DAWN ORTIZ-LEGG
County Member

ED EBY
Special District Member

CHARLES BOURBEAU
City Member

David Watson
Public Member

STAFF

ROB FITZROY
Executive Officer

IMELDA MARQUEZ-VAWTER
Analyst

MORGAN BING
Clerk Analyst

BRIAN A. PIERIK
Legal Counsel

today and current requirements of CKH. In line with those changes, one individual MSR will be produced for each jurisdiction rather than the previous approach of grouping multiple service reviews together. While in certain instances it would be more efficient to group MSRs together, for example if multiple agencies shared a common service or resource, we have found that in most instances this is not the case.

As such, the new approach will deliver more individualized and navigable reports to the benefit of the Commission and each jurisdiction. It will also increase the rate at which we are able to produce MSRs because completion of one agency's MSR will not be dependent on the timeline or delays of another agency's MSR.

SOI Summary

The HRCSD SOI is coterminous with their service area boundary. HRCSD does not wish to make any SOI adjustments, therefore no areas specifically requested by the HRCSD are being studied for possible inclusion at this time. HRCSD is currently 69% built-out, with the number of possible build-out units limited to 2,900 based on estimated future population projections and water supply constraints. Therefore, the current district boundaries are sufficient to accommodate growth at this time and there is no need to consider expansion beyond current boundaries. Staff is recommending that HRCSD's SOI be reaffirmed. Written determinations pursuant to Government Code 56425 can be found in the last section of the draft MSR (Attachment B).

MSR Summary

HRCSD is in a healthy state. It is able to adequately deliver the services it is authorized to provide. It maintains adequate financial records and controls. Anticipated growth within the Community within the next 5-7 years is expected to be well within the service capacities and capabilities of the district. The HRCSD is encouraged to review and consider LAFCO's recommendations, to be able to better serve the community, found in the last section of the draft MSR (Attachment B).

MSR Written Determinations

Pursuant to Government Code section 56430(a), the MSR process requires that the Commission prepare statements of determination with respect to seven factors. Staff have provided a written statement of determination and recommendation for each of the following seven factors below for HRCSD. These determinations are also available, in full with staff recommendations, in the MSR (Attachment B).

1. **Growth and Population projections for the affected area:** Currently, the estimated population of HRCSD is 2,956. The estimated build-out population is 4,274 with an approximate build-out year of 2070.

Recommendation: No action recommended.

2. Location and characteristics of any disadvantaged unincorporated communities: According to 2020 US Census data, the median household income for the Lake Nacimiento Census Designated Place, which largely represents HRCSD, is \$72,101. HRCSD therefore does not qualify as a disadvantaged unincorporated community.

Recommendation: HRCSD may wish to consider conducting a community survey that could, in part, more accurately determine the MHI. This information may be helpful with regard to eligibility for grant funding and other planning efforts.

3. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies:

a. *Water* | To serve existing and future service demand, the HRCSD Board approved a Five-Year Capital Improvement Program (CIP) on August 18, 2022, for water and sewer operations. HRCSD can serve its current 2,076 residential approved lots and the 18 miscellaneous approved units/parcels (school, commercial center, & public facilities). There is an approximate balance of 342 AFY water allocation for the 824 remainder lots. To serve full future build-out, HRCSD will require some additional water allocation aside from the current contractual 889 AFY allocation. However, it is anticipated that HRCSD can serve some level of new development without new water allocations. In context to the low growth rate of the HRCSD, water availability is expected to remain adequate for the foreseeable future.

Table 1: Summary of Heritage Ranch Community Services District Water Demand

Description	Lots	Connections	Total Water Demand (AFY)	Water Supply (AFY)	Balance (AFY)
Existing	2,076	1,932	547 – used	889	342
Future	2,900	2,900	952 – anticipated	889	-63

Recommendation: HRCSD is encouraged to continue with the planned facility improvements as outlined in the approved CIP to ensure that there is continued reliable water service for the existing and future residents. With uncertainty as to the type and size of the remaining 824 lots to develop in the future, HRCSD and future developers will need to address water demands beyond the current 889 AFY contractual allocation with the County when timing necessitates. It is important to note that the number of permanent residents may increase or decrease over time, and other variables change over the years that may impact this water demand forecast. As stated in determination #2 above, HRCSD may wish to consider preparing a community wide survey to better understand demographics.

b. *Wastewater* | To serve existing and future service demand, the HRCSD Board approved a Five-Year CIP on August 18, 2022, for water and sewer operations as was previously mentioned. The HRCSD has an aging secondary wastewater treatment pond system and must upgrade their Water Reclamation Facility to ensure compliance with NPDES and

Waste Discharge Requirements imposed by the Regional Water Quality Control Board. Future average daily flows to the WWTP facility will be at 65% of the original plant design hydraulic capacity (original design facility capacity of 0.4 MGD).

Table 2: Heritage Ranch Community Services District Wastewater Capacity

Description	Number of Connections	Estimated Population	Flow (MGD)	Facility Capacity (MGD)
Existing Wastewater	1,748	3,402	0.13	0.4
Future Wastewater	2,400	4,800	0.26	0.4

Recommendation: HRCSD is encouraged to continue with the approved CIP facility improvements and comply with RWQCB requirements to ensure that there is continued reliable wastewater treatment service.

- c. **Solid Waste** | HRCSD is the solid waste authority and has a Franchise Agreement with San Miguel Garbage Company to provide solid waste services. HRCSD reserves the right to revise its laws and regulations pertaining to solid waste collection and disposal in order to protect public health, safety and welfare. The current agreement expires January 31, 2032.

Recommendation: No action recommended.

- d. **Parks & Recreation** | HRCSD does not operate any parks and recreation facilities or activities. However, it does lease property to the Heritage Village Senior Association, who built and funds all costs associated with their Senior Center. The Heritage Ranch Owners Association manages all the parks and recreation functions around the Heritage Ranch Area; the County does not provide these services.

Recommendation: HRCSD is encouraged to deactivate this power which would require an application from HRCSD to LAFCO and ultimately Commission approval.

- e. **Gas Station Operation** | HRCSD is authorized to provide gas station services but no longer provides the community that service.

Recommendation: HRCSD is encouraged to deactivate this power which would require an application from HRCSD to LAFCO and ultimately Commission approval. This could be done in tandem with the above recommendation to deactivate parks and rec power.

- 4. **Financial ability of agencies to provide services:** The HRCSD is financially stable despite increasing costs, limited revenues, and new regulatory requirements. HRCSD remains dependent on both property taxes and standby charges to fund the water and sewer

operations. HRCSD increased its water and sewer rates charges in 2018 and expects a rate study and increases for FY 2023.

Recommendation: HRCSD is encouraged to continue to apply for additional funding via loans, grants, or a combination of both, for these major improvement projects as well as conduct rate studies and potential rate increases for services provided as seen necessary.

5. **Status of, and opportunity for, shared facilities:** The HRCSD installed an emergency connection, with cooperation from the County of San Luis Obispo, to the Nacimiento Water Project (NWP) pipeline. This emergency connection provides HRCSD with the ability to convey up to 491 acre-feet per year of Nacimiento raw lake water directly to the water treatment plant for processing in an emergency situation. Other opportunities for shared facilities may include:

- i. Coordination between HRCSD and nearby private water purveyor
- ii. HRCSD, County, & HROA coordination for parks and recreational facilities
- iii. Coordinated open space preservation and development of trails
- iv. Under the Camp Roberts Joint Land Use Study (JLUS) policy (Policy IE-2A) supports regional coordination on infrastructure such as combining water and wastewater treatment facilities between San Miguel, Heritage Ranch, and Camp Roberts.

Recommendation: Continue to coordinate with other agencies and parties to achieve HRCSD goals.

6. **Accountability for community service needs including governmental structure and operational efficiencies:** HRCSD is governed by a five-member Board of Directors that are elected to four-year terms. Regularly scheduled monthly Board meetings are held and all meetings are open to the public and are publicly posted a minimum of 72 hours prior to the meeting in accordance with the Brown Act. HRCSD maintains an up-to-date website which contains District information, documents, and updates. The HRCSD has demonstrated accountability and transparency in its disclosure of information and cooperation during the process of this MSR. HRCSD responded to questionnaires and cooperated with document requests.

Recommendation: Board of Directors contact information and audio/visual recordings could be made available to improve transparency.

7. **Any other matter related to effective or efficient service delivery, as required by commission policy:** There are no other matters related to delivery of services.

Recommendation: No action recommended.

Agency Coordination / Public Comments

Staff coordinated with HRCSD throughout the preparation of this MSR. Input from HRCSD was provided via meetings, questionnaires, and during review of the Administrative and Public Review drafts. A 30-day review and comment period (February 7, 2023, through March 10, 2023) was conducted for the Public Review draft MSR for HRCSD. The draft MSR was published on the SLO LAFCO and HRCSD's websites. No written comments had been received at the publishing of the regular meeting agenda on April 13, 2023.

A notice of Public Hearing was published in the newspaper (The Tribune) on March 30, 2023, 21-days in advance of the hearing. The general public will have another opportunity to comment on the draft MSR when this staff report is released, a week before the LAFCO Hearing. All public comments received will be distributed to each Commissioner and become part of the official record of the Commission hearing.

STAFF RECOMMENDATION

Environmental Review

LAFCO is the Lead Agency for the proposed Municipal Service Review and Sphere of Influence Study. The purpose of the environmental review process is to provide information about the environmental effects of the actions and decisions made by LAFCO and to comply with the California Environmental Quality Act (CEQA). In this case, it has been determined with certainty that there is no possibility that the project may have a significant environmental effect on the environment because no changes are proposed and therefore it is found to be exempt from CEQA pursuant to section 15061(b)(3). The Local Agency Formation Commission will file this Notice of Exemption (Exhibit A) upon approval of the Sphere of Influence Study.

Recommended Actions

If your Commission moves to approve the Municipal Service Review and Sphere of Influence Study, staff recommends that roll call vote be taken for each of the following actions:

Action 1: Finds, by motion, the project to be exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3).

Action 2: Approve by resolution, the Municipal Service Review and Sphere of Influence Study found in Attachment B.

Attachment A: Draft LAFCO Resolution No. 2023-01

Exhibit A: CEQA Notice of Exemption

Exhibit B: Heritage Ranch CSD Boundary Map

Attachment B: Heritage Ranch CSD Municipal Service Review and Sphere of Influence Study

Attachment A

Draft LAFCO Resolution No.
2023-01

IN THE LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

Thursday, April 20, 2023

RESOLUTION NO. 2023-

RESOLUTION APPROVING THE HERITAGE RANCH COMMUNITY SERVICES DISTRICT MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE STUDY

The following resolution is now offered and read:

WHEREAS, the San Luis Obispo Local Agency Formation Commission, hereinafter referred to as the “Commission”, is authorized to conduct municipal service reviews and establish, amend, and update spheres of influence for local government agencies whose jurisdictions are within San Luis Obispo County; and

WHEREAS, the Commission conducted a municipal service review to evaluate availability and performance of governmental services provided by Heritage Ranch Community Services District, hereinafter referred to as the “District”, pursuant to California Government Code section 56430; and

WHEREAS, the Commission conducted a sphere of influence study for the District pursuant to California Government Code Section 56425; and

WHEREAS, the Executive Officer gave sufficient notice of a public hearing to be conducted by the Commission in the form and manner provided by law; and

WHEREAS, the staff report and recommendations on the municipal service review and sphere of influence study were presented to the Commission in the form and manner prescribed by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a public hearing held on the municipal service review and sphere of influence study on April 20, 2023; and

WHEREAS, the Commission considered all of the sphere of influence factors required under California Government Code Section 56430 and 56425 (e) and adopts as its written statements of determinations therein, the determinations set in the Public Review Draft of the Heritage Ranch Community Service District Municipal Service Review and Sphere of Influence Study, with said determinations being incorporated by reference herein as though set forth in full; and

WHEREAS, the Notice of Exemption, is adequate as the documentation to comply with the California Environmental Quality Act (CEQA) Guidelines section 15061(b)(3) for the municipal service review and sphere of influence study for the District; and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Local Agency Formation Commission of the County of San Luis Obispo, State of California, as follows:

1. That the recitals set forth hereinabove are true, correct, and valid.
2. That the Notice of Exemption prepared for this proposal is complete and adequate, having been prepared in accordance with the provisions of the California Environmental Quality Act and is hereby determined to be sufficient for the Commission's actions and is incorporated by reference as Exhibit A.
3. That the Executive Officer of this Commission is authorized and directed to mail copies of this resolution in the manner provided by law.
4. Pursuant to Government Code Section 56430(a), the Commission makes the written statement of determinations for municipal service reviews, hereby incorporated by reference as contained in the 2023 Heritage Ranch Community Services District Municipal Service Review and Sphere of Influence Study included as Attachment B of the April 20, 2023 LAFCO Staff Report.
5. Pursuant to Government Code Section 56425(e), the Commission makes the written statement of determinations for sphere of influences, hereby incorporated by reference as contained in the 2023 Heritage Ranch Municipal Service Review and Sphere of Influence Study included as Attachment B of the April 20, 2023 LAFCO Staff Report.
6. That the Sphere of Influence Study for Heritage Ranch Community Service District is adopted pursuant to the map in Exhibit B of this Resolution.

Upon a motion of Commissioner _____, seconded by Commissioner _____ and on the following roll call vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

The foregoing resolution is hereby adopted.

LAFCO Chair

Date

ATTEST:

Rob Fitzroy Date
LAFCO Executive Officer

APPROVED AS TO FORM AND LEGAL EFFECT:

Brian Pierik Date
LAFCO Legal Counsel

Exhibit A

Notice of Exemption

To: Office of Planning and Research
PO Box 3044, 1400 Tenth Street, Room 222
Sacramento, CA 95812-3044

From: San Luis Obispo LAFCO
Rob Fitzroy, Executive Officer
1042 Pacific St. Suite A
San Luis Obispo, CA 93401
(805) 781 – 5795
rfitzroy@slo.lafco.ca.gov

County Clerk
County of San Luis Obispo
County Government Center
San Luis Obispo, CA 93408

Project Title: LAFCO File No. 3-S-22 | Heritage Ranch Community Services District Municipal Service Review and Sphere of Influence Study

Project Location: Heritage Ranch Community Services District (HRCSD) is located in northern San Luis Obispo County.

Description of Nature, Purpose, & Beneficiaries of Project: LAFCO has prepared a Sphere of Influence (SOI) Study and Municipal Service Review (MSR) for the Heritage Ranch Community Services District. The SOI is a 20-year growth boundary that includes areas that may be served by the District in the future. State law requires the MSR to be completed either prior to or concurrent with, the Sphere of Influence study. The MSR evaluates the public services provided by the District and is used as the basis for any changes to the SOI. No changes to the SOI are proposed.

Name of Public Agency Approving Project: The Local Agency Formation Commission (LAFCO) of San Luis Obispo County conducted a noticed public hearing on April 20, 2023, at 9:00 a.m. in the Board of Supervisors Chambers in San Luis Obispo at the County Government Center. Additional information is available on the LAFCO website at <https://slo.lafco.ca.gov/>.

Exemption Status: (check one)

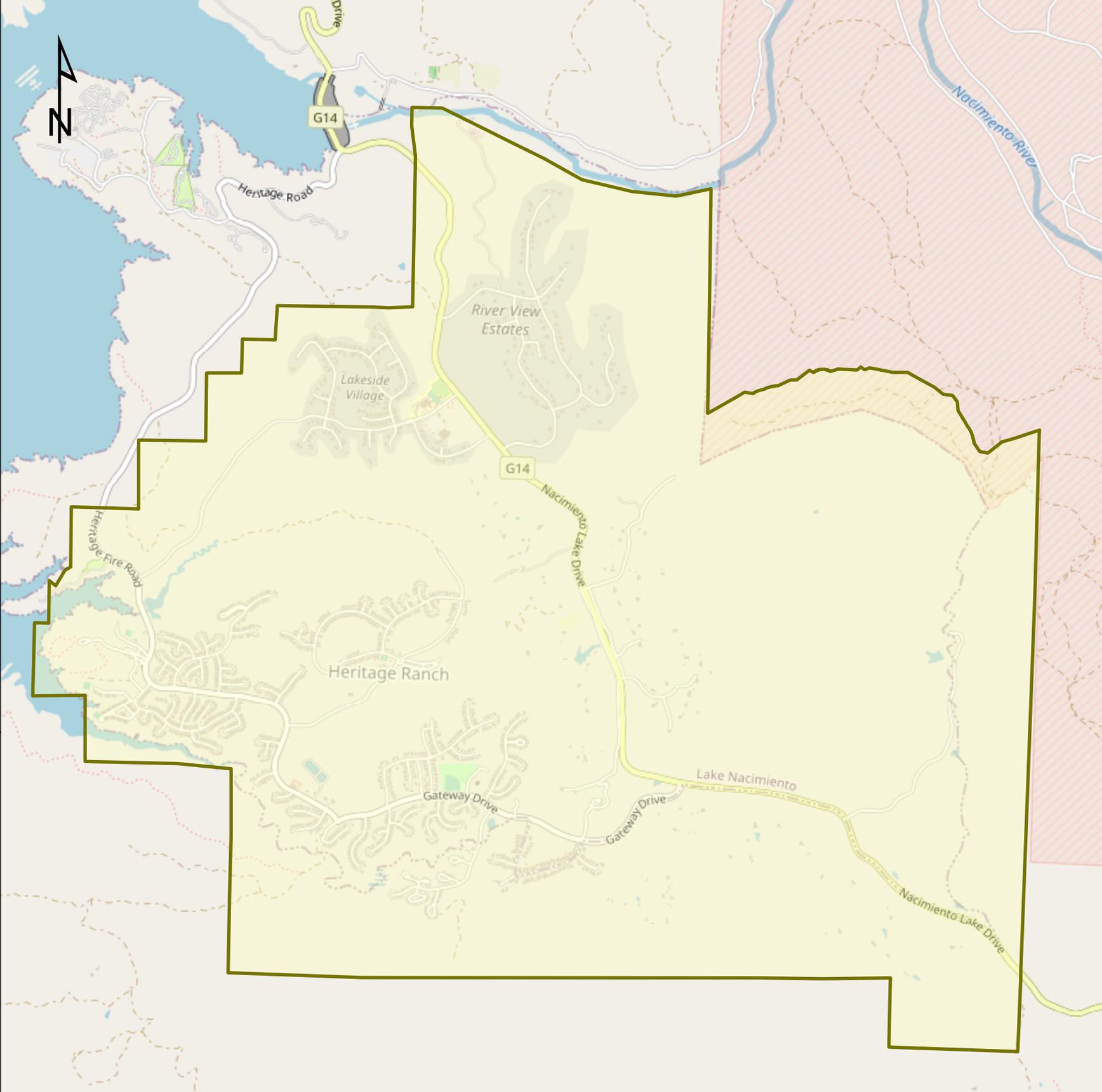
<input type="checkbox"/> Ministerial (Sec. 21080(b)(1); 15268);	<input checked="" type="checkbox"/> Categorical Exemption: State type and section number
<input type="checkbox"/> Declared Emergency (Sec. 21080(b)(3); 15269(a));	<input type="checkbox"/> Statutory Exemptions: State code number
<input type="checkbox"/> Emergency Project (Sec. 21080(b)(4); 15269 (b)(c));	<input type="checkbox"/> Other: The activity is not a project subject to CEQA.

Reasons Why Project is Exempt: It has been determined with certainty that there is no possibility that the project may have a significant environmental effect on the environment because no changes to the existing SOI are proposed and therefore it is found to be exempt from CEQA pursuant to section 15061(b)(3) of the State Guidelines. The Local Agency Formation Commission will file this Notice of Exemption upon approval of the Municipal Service Review and Sphere of Influence Study.

Rob Fitzroy, Executive Officer

Date

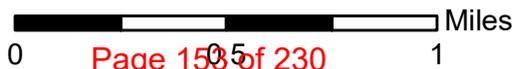
Exhibit B



Heritage Ranch Community Services District

- LAFCO Boundaries**
- Sphere of Influence
(Same as Service Area)
 - Service Area

Latest SOI Approval: Apr 2023



Prepared By SLOLAFCO
Name: Heritage Ranch CSD
Date: 3/31/2023
C-3-14

Attachment B

Heritage Ranch CSD Municipal
Service Review and Sphere of
Influence Study



Public Review Draft

Heritage Ranch Community Services District

**Municipal Service Review
and Sphere of Influence Study**

Prepared by

the San Luis Obispo Local Agency Formation Commission

Adopted ____ **TBD ____, 2023**

Acknowledgments

San Luis Obispo LAFCO gratefully acknowledges the time and effort of officials and staff of the Heritage Ranch Community Services District (CSD) in assisting in the preparation of this report and includes – but not limited to – the following:

Scott B. Duffield, PE, Heritage Ranch CSD General Manager

Public Review Draft

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ABOUT LAFCO

Authority and Objectives

Local Agency Formation Commissions (LAFCOs) were established in 1963 and are considered regional subdivisions of the State of California responsible for providing regional growth management services in all 58 counties. LAFCOs' authority is currently codified under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) with principal oversight provided by the Assembly Committee on Local Government. LAFCOs are comprised of locally elected and appointed officials with regulatory and planning powers delegated by the Legislature to coordinate and oversee the establishment, expansion, and organization of cities, towns, and special districts as well as their municipal service areas.

Regulatory Responsibilities

LAFCOs' principal regulatory responsibility involves approving or disapproving all jurisdictional changes involving the establishment, expansion, and reorganization of cities, towns, and most special districts in California. CKH defines "special district" to mean any agency of the State formed pursuant to general law or special act for the local performance of governmental or proprietary functions within limited boundaries. All special districts in California are subject to LAFCO oversight with the following exceptions: school districts; community college districts; assessment districts; improvement districts; community facilities districts; and air pollution control districts. LAFCOs are also tasked with overseeing the approval process for cities, towns, and special districts to provide new or extended services beyond their jurisdictional boundaries by contracts or agreements or annexation. LAFCOs also oversee special district actions to either activate new service functions and service classes or divest existing services. LAFCOs generally exercise their regulatory authority in response to applications submitted by affected agencies, landowners, or registered voters. Recent amendments to CKH also authorize and encourage LAFCOs to initiate jurisdictional changes to form, consolidate, and dissolve special districts consistent with community needs.

Planning Responsibilities

LAFCOs inform their regulatory actions, in part, through two central planning responsibilities: (a) making sphere of influence determinations and (b) preparing municipal service reviews. With these, and other relevant information in the record, LAFCO makes decisions on a variety of matters, including but not limited to annexations to cities and special districts, city incorporations, activation of powers for special districts, dissolutions of special districts, etc.

Sphere of Influence (SOI)

A SOI is defined by G.C. 56425 as "...a plan for the probable physical boundary and service area of a local agency or municipality...". A SOI is generally considered a 20-year, long-range planning tool. LAFCOs establish, amend, and update spheres for all applicable jurisdictions in California every five years, or as necessary. When updating the SOI, LAFCOs are required to consider and prepare a written statement of its determinations with respect to each of the following 5 factors:

- 1) The present and planned land uses in the area, including agricultural and open-space lands.
- 2) The present and probable need for public facilities and services in the area.
- 3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
- 4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
- 5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

SOI determinations have been a core planning function of LAFCOs since 1971. The intent in preparing the written statements is to orient LAFCOs in addressing the core principles underlying the sensible development of local agencies consistent with the anticipated needs of the affected communities.

Municipal Service Reviews (MSR)

MSRs in contrast, are intended to inform, among other activities, SOI determinations. LAFCOs also prepare MSRs regardless of making any specific sphere determinations in order to obtain and furnish information to contribute to the overall orderly development of local communities. When updating an MSR, LAFCOs are required to consider and prepare written statements of its determinations with respect to each of the following 7 factors:

- 1) Growth and population projections for the affected area.
- 2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
- 3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.
- 4) Financial ability of agencies to provide services.
- 5) Status of, and opportunities for, shared facilities.
- 6) Accountability for community service needs, including governmental structure and operational efficiencies.
- 7) Any other matter related to effective or efficient service delivery, as required by commission policy.

LAFCO Decision-Making

LAFCO decisions are legislative in nature and therefore are not subject to an outside appeal process; only courts can overturn LAFCO decisions. LAFCOs also have broad powers with respect to conditioning regulatory and planning approvals so long as not establishing any terms that directly effects land use density or intensity, property development, or subdivision requirements.

LAFCOs are generally governed by a board comprising of county supervisors, city councilmembers, independent special district members, and representatives of the general public and an alternate

member for each category. SLO LAFCO, specifically, is governed by a 7-member board comprising of two county supervisors, two city councilmembers, two independent special district members, and one representative of the general public. All members serve four-year terms and must exercise their independent judgment on behalf of the interests of residents, landowners, and the public as a whole. LAFCO members are subject to standard disclosure requirements and must file annual statements of economic interests. All LAFCOs are independent of local government with their own staff. All LAFCOs, nevertheless, must appoint their own Executive Officers to manage agency activities and provide written recommendations on all regulatory and planning actions before the Commission. In addition, all LAFCOs must also appoint their own legal counsel.

Public Review Draft

SLO LAFCO

Regular Commissioners

Chair Ed Waage	City Member
Vice Chair Debbie Arnold	County Member
Jimmy Paulding	County Member
Marshall Ochylski	Special District Member
Robert Enns	Special District Member
Steve Gregory	City Member
Heather Jensen	Public Member

Alternate Commissioners

Charles Bourbeau	City Member
Dawn Ortiz-Legg	County Member
Ed Eby	Special District Member
David Watson	Public Member

Staff

Rob Fitzroy	Executive Officer
Imelda Marquez	Analyst
Morgan Bing	Clerk Analyst
Brian Pierik	Legal Counsel

Contact Information

San Luis Obispo LAFCO's office is located at 1042 Pacific St Suite A in the City of San Luis Obispo. The LAFCO office is open by appointment to discuss proposals or other matters and can be scheduled by calling 805-781-5795. Additional information is also available online by visiting slo.lafco.ca.gov.

DISTRICT MSR & SPHERE STUDY

Overview

This report represents San Luis Obispo LAFCO's scheduled municipal service review for the Heritage Ranch Community Services District (HRCSD), located in northern San Luis Obispo County. The report has been prepared by staff consistent with the requirements of the Cortese, Knox, Hertzberg Act. The purpose of this report is to produce an independent assessment of municipal services in this area over the next five years or as seen necessary, relative to the Commission's regional growth management duties and responsibilities as established by the State Legislature. This includes evaluating the current and future relationship between the availability, demand, and adequacy of municipal services within the service areas of HRCSD directly subject to the Commission's oversight. Information generated as part of the report will be used by the Commission in (a) guiding subsequent sphere of influence updates, (b) informing future boundary changes, and – if merited – (c) initiating government reorganizations, such as special district formations, consolidations, and/or dissolutions.

The period for collecting data to inform the Commission's analysis and related projections on population growth and service demands has been set to cover any major updates and changes from the last time the MSR was updated, in 2013. The financial analysis has been set to cover the last five budgeted years and the last five audited fiscal year periods. The timeframe for the report has been oriented to cover the next five to seven-year period with the former (ten years) serving as the analysis anchor as contemplated under State law.

The document outline serves to inform all the state mandated requirements outlined in government code sections 56430 and 56425. Written determinations and recommendations have been included as the concluding chapter of this document.

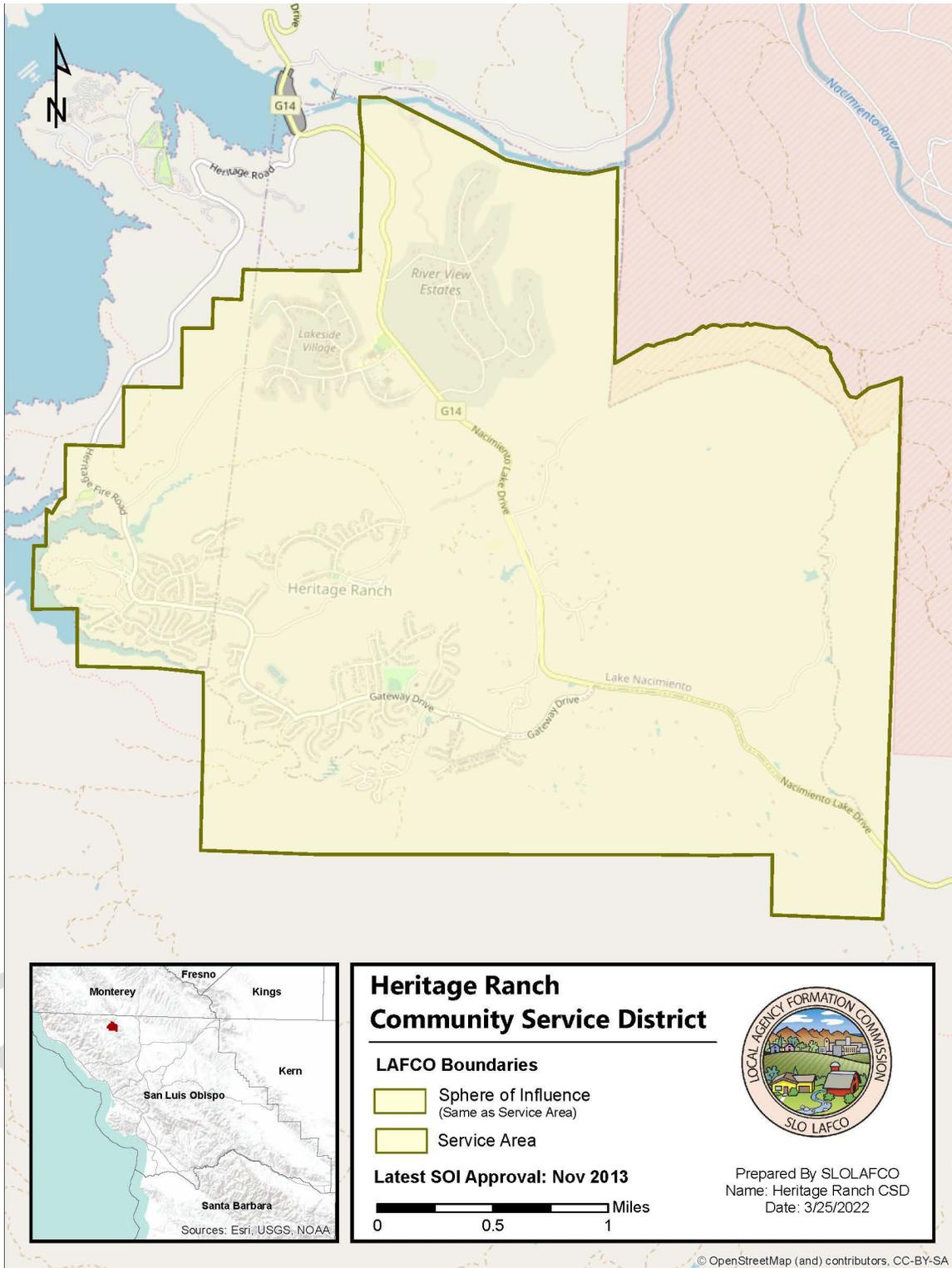
At A Glance

Table 1: Heritage Ranch Community Services District Summary Profile

Agency Name	Heritage Ranch Community Services District
Formation	1990
Legal Authority	Government Code §61000- 61850
Office Location	4870 Heritage Rd, Paso Robles, CA 93465
Website	https://heritageranchcsd.ca.gov/
General Manager	Scott Duffield
Employees	9 Full-time Employees
Public Meetings	HRCSD Board of Directors Meetings are held on the third Thursday of each month at the Heritage Ranch Community Services District Board Room, 4870 Heritage Road, Paso Robles, CA 93446. Meetings begin at 4:00 p.m. unless otherwise noticed. Special Meetings are held on an as needed basis.
Board of Directors	Five members elected to four-year terms
Active Powers	<ol style="list-style-type: none"> 1. Water 2. Sewer 3. Solid Waste 4. Parks & Recreation 5. Gas Station Operation
District Service Area	5,361 acres
Population Estimate	2,956
Revenues	\$4,598,554 for FY 22-23

Boundary Map

Figure 1: Heritage Ranch Community Services District Boundary Map



Sphere of Influence

Current & Proposed SOI

HRCSD’s existing sphere is coterminous with the District’s existing boundary. The District does not wish to make any SOI adjustments at this time; therefore no areas specifically requested by the District are being studied for possible inclusion into the District.

Accountability

HRCSD is an independent special district governed by a five-member Board of Directors that are elected to four-year terms. The Board holds meetings on the third Thursday of each month at the HRCSD Board Room, 4870 Heritage Road, Paso Robles, CA 93446. Agendas are officially posted at the HRCSD office, on the District’s website, and sent out to those subscribed via email at least 72 hours prior to a meeting. Every agenda for a regular meeting provides opportunity for members of the public to directly address the board. Directors receive \$100.00 a day for a District Board, Committee, or any other meeting attended for the purpose of conducting district business.

Table 2: Heritage Ranch Community Services District Board of Directors

Board Member	Title	Term Expiration
Bill Barker	President	12/1/2022 – 12/1/2026
Dan Burgess	Vice President	12/1/2022 – 12/1/2024
Devin Capps	Director	12/1/2022 – 12/1/2026
Michael Camou	Director	12/1/2022 – 12/1/2026
Masen Yaffee	Director	12/1/2022 – 12/1/2026

The District currently employs 9 full-time staff including the general manager, office supervisor, district engineer, operations manager, and 5 operators. Current staffing levels are considered adequate to provide services within the District’s service area. The District reports that all Form 700 financial disclosures are current and that the District maintains active memberships with several supportive

associations including the California Special Districts Association, Special District Risk Management Authority, American Water Works Association, and California Rural Water Association.

HRCSD maintains an up-to-date website in compliance with Senate Bill 929 which contains contact information for the District, the current agenda, financial transaction reports, compensation reports, and SB 272 Enterprise System Catalog.

Population Profile

According to 2020 US Census data, the Lake Nacimiento Census-designated Place (CDP), which largely represents HRCSD, had a population of 2,956¹. Total housing units is estimated to be 1932 units². The estimated build-out population within Heritage Ranch is estimated to be 4,274 with an approximate build-out year of 2070³. Following these projections, HRCSD is currently about 69% built-out.

Development of Heritage Ranch commenced in 1971 as a vacation and retirement home community with recreational and commercial facilities provided for the residents. The County of San Luis Obispo's Land Use Element provides for substantial reduction in the extent of development originally authorized by the specific plan. Re-evaluation of county water allocations for development around Lake Nacimiento resulted in a maximum of 1,100 acre-feet a year being set aside for development of Heritage Ranch Village Area. This allocation was expected to support the development of a maximum 4,000 residential units and other non-residential uses. (Amended 1986, Ord. 2270) In 1986, the developer reduced the number of potential dwelling units further to 2,900⁴ to reflect a more realistic development capability within the intended semi-rural character of the ranch. As a result, both the physical area within the entire Heritage Ranch Village reserve line (including Lake Nacimiento Resort) and the densities proposed for specific locations have been revised. To date, 2076⁵ units have been approved in the existing subdivisions.

¹ US Census, 2020 Decennial Census, Lake Nacimiento CDP

² Heritage Ranch Community Services District Staff, 2022

³ San Luis Obispo Council of Governments, 2050 Regional Growth Forecast for San Luis Obispo County, Figure 11. Buildout Estimates for Communities and Villages in the Unincorporated Area by Planning Area (2010)

⁴ Heritage Ranch Village Plan, San Luis Obispo County, 2014

⁵ Heritage Ranch Community Services District Staff, 2022

Disadvantaged Unincorporated Communities

SB 244 (Chapter 513, Statutes of 2011) made changes to the CKH Act related to “disadvantaged unincorporated communities,” including the addition of SOI determination number five listed above. Disadvantaged unincorporated communities, or “DUCs,” are inhabited territories (containing 12 or more registered voters) where the annual median household income (MHI) is less than 80 percent of the statewide annual median household income.

CKH Act Section 56375(a)(8)(A) prohibits LAFCO from approving a city annexation of more than 10 acres if a DUC is contiguous to the annexation territory but not included in the proposal, unless an application to annex the DUC has been filed with LAFCO. The legislative intent is to prohibit selective annexations by cities of tax-generating land uses while leaving out under-served, inhabited areas with infrastructure deficiencies and lack of access to reliable potable water and wastewater services. DUCs are recognized as social and economic communities of interest for purposes of recommending SOI determinations pursuant to Section 56425(c).

HRCSD is within Lake Nacimiento CDP which according to 2020 US Census Data had an estimated MHI of \$72,101⁶. This is approximately 92 percent of the estimated California MHI of \$78,672⁷, therefore the District does not qualify as a DUC. However, the census data is based on a small sample size and may not accurately depict the income levels of the District.

Social or Economic Communities of Interest in the Area

There are no District relevant social or economic communities of interest in the area served.

⁶ US Census, American Community Survey 2020 5-year estimates, Lake Nacimiento CDP

⁷ US Census, California Quick Facts, 2022

Present and Planned Land Use

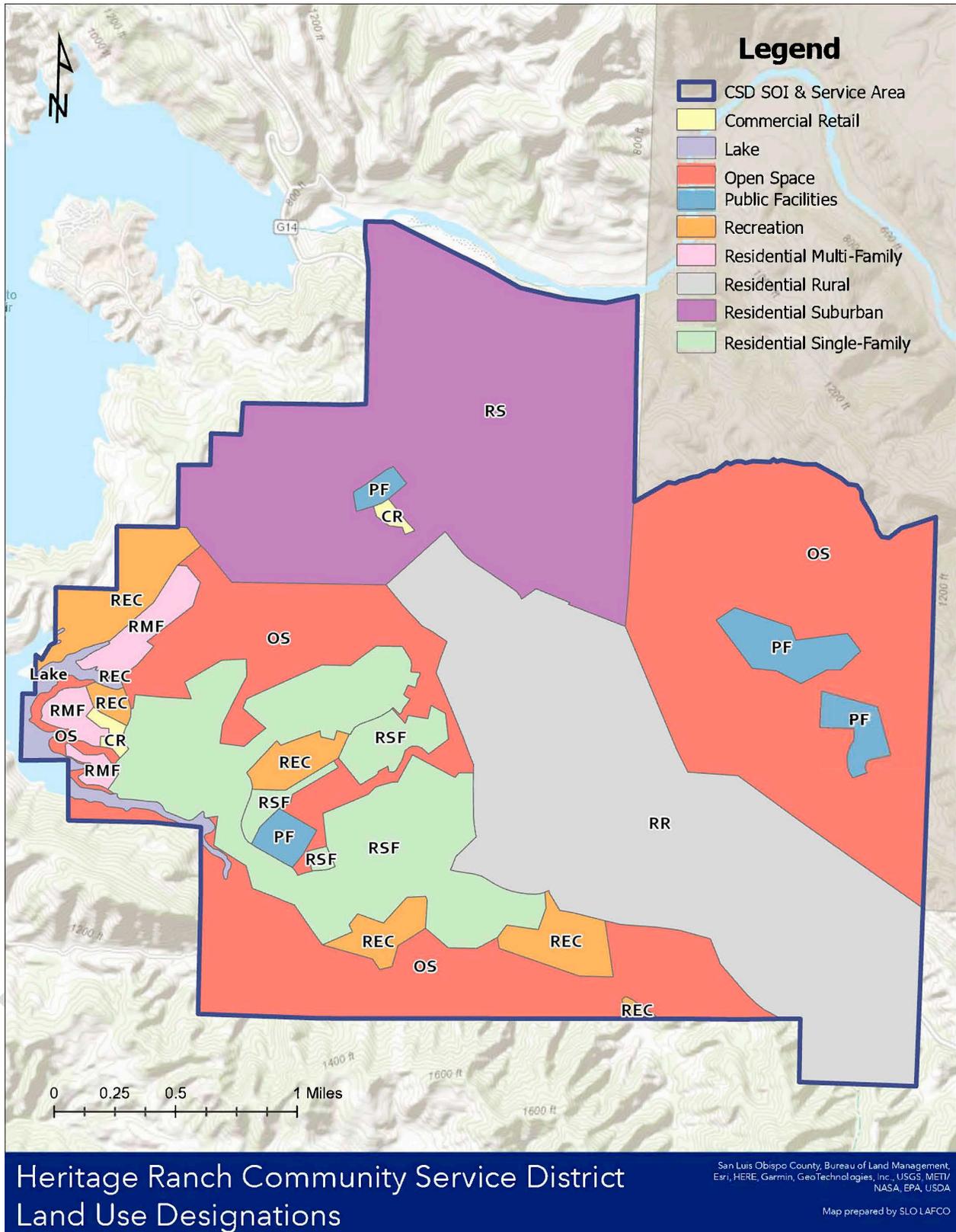
Land use within the District is subject to the Heritage Ranch Village Plan which is Part III of the Land Use and Circulation Elements (LUCE) of the County General Plan. Table 3 summarizes the acreage of each land use category within Heritage Ranch Village Reserve Line. Rural Land Use acreage is summarized in the North County Area Plan.

Table 3: Heritage Ranch Village Reserve Line Land Use Category Acreage

Land Use Category	Acreage
Agriculture	0
Rural Lands	0
Recreation	1,453
Open Space	3,520
Residential Rural	1,533
Residential Suburban	0
Residential Single Family	1,194
Residential Multi-Family	325
Office and Professional	0
Commercial Retail	71
Commercial Service	0
Industrial	0
Public Facilities	166
Dalidio Ranch	0
Total	8,262

The map on the following page shows the Land Use Categories (zoning) for the community of Heritage Ranch as established by the Heritage Ranch Village Plan.

Figure 2: Heritage Ranch Community Services District Land Use Designations



As previously stated, Heritage Ranch is currently about 69% built-out and has ample opportunity for growth within the existing boundaries. HRCSD's service area and sphere of influence boundaries are coterminous, and no sphere of influence update is anticipated at this time. Additionally, no impacts to agriculture or open space are expected at this time.

Services and Capacity

Services Currently Provided

In 2006, Senate Bill (SB) 135 revised the state laws governing community services districts (CSD). Following such legislative changes, SLO LAFCO passed resolution No. 2006-03 recognizing active powers for the County's CSDs. Since January of 2006, LAFCO has not received any requests from HRCSD to activate or divest any power. SB 135 requires an existing CSD to receive LAFCO approval to authorize/activate a latent power. HRCSD's active powers are listed below:

1. Water
2. Sewer
3. Solid Waste
4. Parks & Recreation
5. Gas Station Operation

An adequate supply of service capability should be documented to support areas in the sphere envisioned for eventual annexation and service by a jurisdiction. In this case, the HRCSD SOI is coterminous with the District's service area boundary and no changes to the SOI are proposed. This section analyzes present and long-term infrastructure demands and resource capabilities of HRCSD. LAFCO reviews and evaluates 1) the resources and services that are currently available, and 2) the ability of the CSD to expand such resources and services in line with increasing demands.

Water

Water Treatment Facility

HRCSD operates a treatment plant that removes contaminants and treats the water to ensure a healthful water supply for its residents. The treatment plant is regularly monitored by the State of California for compliance with State and Federal standards and regulations. HRCSD also provides its customers with an annual Consumer Confidence Report; this report is required by the California Department of Drinking Water and becomes available to all HRCSD customers in April of each year.

HRCSD Board last approved a Five-Year Capital Improvement Program (CIP) on August 18, 2022, for water and sewer operations. It is customary for the District to develop and project key capital improvement projects anticipated to occur during 5-year time period increments. Some of the capital improvement projects are required in part to serve future growth, while other CIPs are meant to serve existing customer needs. The overall costs get incorporated into customer water and sewer rate structure revisions. In the case where a capital project is needed to increase capacity to serve new development, that cost will be paid for by the developer at the time of development. More discussion about specific projects, impacts, financing, and implementation schedule is available in the HRCSD's approved 5-Year CIP dated August 18, 2022.

Existing Water Supply

HRCSD provided water treatment and distribution services to about 1,879⁸ residential units and 18 other units (commercial, public facilities, and irrigation) in 2017, in 2022 that number increased to 1,932⁹. To serve its residents, the HRCSD operates a water treatment plant (WTP) that sources water from the Nacimiento River through an infiltration gallery well. HRCSD is located within the Nacimiento Water Planning Area (WPA) 16 (Inland Sub-Region) as determined in the Master Water Report of 2012, which includes agricultural and rural land users, as well as Heritage Ranch and Oak Shores residential users. Similarly, WPA 16 receives water supply solely from the Nacimiento Reservoir. Table 4 is a

⁸ Heritage Ranch Community Services District Recycled Water Study, MKN & Associates, 2017

⁹ Heritage Ranch Community Services' District Staff, 2022

summary of San Luis Obispo’s total Nacimiento Water entitlements/allocations and allocation details for the Heritage Ranch Area.

Table 4: Nacimiento Water Entitlements

Agency	Existing Water Allocation (AFY) ¹⁰
Heritage Ranch Community Services District	889
County of San Luis Obispo & Private Landowners (within the Village of Heritage Ranch Reserve area)	211
Village of Heritage Ranch Area	1,100
Nacimiento Water Company (serves Oak Shores)	600
Other Lakeside Users	50
Other Nacimiento Reservoir Users	650
Nacimiento Water Pipeline	15,750
Total County of San Luis Obispo Entitlement	17,500

Emergency Water Supply

During dead pool conditions, the period when water can no longer be released through the dam & reservoir elevation is below 670 feet, water can no longer be gravity fed to the lower outlet works of the dam. At this reservoir elevation, the Nacimiento River is not capable of receiving gravity fed water from the outlet works of the dam and HRCSD (gallery wells downstream of the dam) will be without a water supply.

As of January 2016, HRCSD installed an emergency connection, with cooperation from the County of San Luis Obispo to the Nacimiento Water Project (NWP) pipeline. This emergency connection would provide the District with the ability to convey up to 491 acre-feet per year of Nacimiento raw lake water directly to the WTP for processing. This would only occur when lake water cannot be released through

¹⁰ Chapter 4, Volume II of San Luis Obispo County Master Water Report, Carollo Engineers, 2012

the dam to the District's downstream gallery wells for river water intake to the WTP. This emergency water project would only operate during drought years and would provide access to the District's sole potable water supply source through the Nacimiento Pipeline. Without this emergency connection project, the District would not be able to provide water during drought conditions for the life, health and safety of their residents. This supply of water is considered sufficient to meet the minimum needs of the community during drought conditions and implementing water shortage restrictions per the District's water restriction codes/requirements.

It should be noted that any water taken from the emergency connection would remain within the District's current Nacimiento Water allocation and the District would not be able to draw from this emergency connection such that they exceed their contractual water allocation.

Existing Water Demands

The District has four contracts with the County that allow the District an allocation of 889 acre-feet per year (AFY). The remaining water allocation within the Village of Heritage Ranch (211 AFY) is held by private landowners and the County. The District has allocated all its available contracted water supply to 2,076¹¹ approved residential lots. There is an additional 18 water meters¹² serving a variety of commercial, recreational, and public uses, and while these uses do add to the water demand, they do not count against the build-out limit for residential lots.

As of 2017, of the 2,076 approved residential lots, 1,889 had active meters (400 AFY allocation) and 187 were vacant unmetered lots (45 AFY allocation); of the 1,889 lots 19 were locked/inactive meters per the Updated Water Allocation Evaluation Report. As of 2022, HRCSD staff indicated that of the 2,076 approved residential lots, 1,932 have active meters (with an approximate demand of 464 AFY) and 144 are vacant unmetered lots (estimated reserved demand of 35 AFY). The average water demand per residential water meter is between 0.16 and 0.27 AFY/ lot¹³, with the lower amount occurring

¹¹ Updated Water Allocation Evaluation Report, Wallace Group, 2017

¹² Updated Water Allocation Evaluation Report, Wallace Group, 2017

¹³ Updated Water Allocation Evaluation Report, Wallace Group, 2017

during extreme drought conditions and the standard amount being .24 AFY/lot¹⁴. The 5-year average raw water intake between 2012-2015 was 505.8 AFY¹⁵ and potable water sales was 378.8 AFY¹⁶. In 2022, the amount of raw water intake was 547 AFY and potable water sales was 470 AFY¹⁷. Table 5 shows HRCSD’s existing water demand.

Table 5: Heritage Ranch Community Services District Existing Water Demand

Connection Type	Number of Users	Total Allocation (AFY)	Water Used (AFY)	Estimated Population ¹⁸
Residential	1,914 – metered	889	547 - raw (470 – potable of 547 raw)	3,758
	144 - vacant/unmetered			
Commercial/ Non-Residential	18 - misc.			
Total	2,076	889	547	

Future Water Demands

The Nacimiento Area Plan limits the maximum number of build-out residential units within HRCSD to 2,900 units, including existing RV sites. To serve new development within the District service area, beyond the approved 2,076, the District would require that developers transfer Nacimiento Reservoir water rights to the District prior to approving/accepting new developments. New developments are not approved until the District has reviewed the potential impacts to available water supply. Based on

¹⁴ Heritage Ranch Community Service’s District Staff, 2022

¹⁵ Updated Water Allocation Evaluation Report, Wallace Group, 2017

¹⁶ Updated Water Allocation Evaluation Report, Wallace Group, 2017

¹⁷ Heritage Ranch Community Service’s District Staff, 2022

¹⁸ Heritage Ranch Community Services District Recycled Water Study, MKN & Associates, 2017

a future population of 5,200 persons¹⁹, and a per capita demand of 160 GPD or .18 AFY/lot²⁰, the estimated future water demand is assumed to be 0.83 million gallons per day (MGD) or 930 AFY²¹; that number was later adjusted to 952 AFY²². The total amount of water needed to meet build-out demand is 272 AFY²³ of raw water needs to produce 680 AFY²⁴ of potable water sales for a total of 952 AFY to serve the existing and remaining lots. Table 6 below summarizes HRCSD’s future water demand.

Table 6: Heritage Ranch Community Services District Future Water Demand

Connection Type	Number of Users	Total Allocation (AFY)	Water Needed (AFY)	Estimated Population
Residential	2,900 lots	889	272 - raw	5,200
Commercial/ Non-Residential	18 - misc.		680 - potable	
Total		889	952	

In summary, to accommodate for HRCSD’s future build-out water demand, it would require the following:

- Water demand for 2,900 units, 680 AFY
- Raw Water Needs to Produce Potable Water, 272 AFY
- Total Nacimiento Water Allocation to Meet Future Build-out of 2,900 units, 952 AFY
- Current Contracted Nacimiento Water Allocation, 889 AFY
- Additional Allocation Required to Meet Future Demands, 63 AFY

¹⁹ Heritage Ranch Community Services District Recycled Water Study, MKN & Associates, 2017
²⁰ Heritage Ranch Community Services District Recycled Water Study, MKN & Associates, 2017
²¹ Heritage Ranch Community Services District Recycled Water Study, MKN & Associates, 2017
²² Updated Water Allocation Evaluation Report, Wallace Group, 2017
²³ Updated Water Allocation Evaluation Report, Wallace Group, 2017
²⁴ Updated Water Allocation Evaluation Report, Wallace Group, 2017

The District will require some additional water allocation beyond the current contractual 889 AFY allocation, as was discussed previously, but ultimately can serve future growth for many years into the future given current growth rates and available water supply. HRCSD should also keep in mind that the number of permanent residents may increase over time, and other variables change over the years that may impact this water demand forecast. HRCSD's water demand review should be updated every 5 to 10 years as was recommended in the 2017 Water Allocation Evaluation Report.

The District is encouraged to continue with the planned facility improvements as outlined in the approved CIP to ensure that there is continued reliable water service for existing and future residents. District policy requires new development to bring in new water source (i.e. a portion of the remaining 211 AF), without increasing the full reserved Nacimiento water allocation of 1,100 AFY. To allow the remaining 824 lots to be developed would require the District and future developers to address water demands beyond the current 889 AFY contractual allocation with the County.

Additional recommendations, included in the MKN & Associates Recycled Water Study, determined the feasibility of augmenting the District's water resources portfolio by adding recycled water usage for potential customers; the in-depth study included moving forward with the effort to include recycled water to their portfolio which would help the District's water supply to meet build out demands.

Other Water Providers in the Area

In addition to HRCSD, nine other private water purveyors/ Water Mutual Companies provide water services to area residents but none of them overlap with HRCSD. The primary source for all of these water providers is groundwater under the direct influence of surface water of Nacimiento Lake or River.

These include:

- South Shore Village Club
- Christmas Cove Company
- Cal Shasta Club
- Nacimiento Water Company (Allocation of 600AFY)
- Tri-Counties Club
- Laguna Vista Boat Club
- Northshore S&B Inc.
- Lake Nacimiento
- Babe Ruth Oak View Mobile Home Park

Wastewater

Wastewater Treatment Facility

The sewer treatment plant is located on Heritage Road next to the District office. Heritage Ranch CSD Water Reclamation Facility is an extended aeration facility. Aeration treatment relies on aerobic bacteria to digest the sewage, which gets discharged to an unnamed ephemeral drainageway that is a tributary to the Nacimiento River 4.2 miles downstream of the discharge point. HRCSD has an aging secondary wastewater treatment pond system and must upgrade their Water Reclamation Facility (WRF) for reasons that are described below.

The California Regional Water Quality Control Board (RWQCB), Central Coast Region, issues a Waste Discharge permit for discharge of the treated effluent. A National Pollution Discharge Elimination System (NPDES) permit is also required for the discharge of treated water. A NPDES permit is required because the ephemeral creek discharges to the Nacimiento River during heavy rains and thus to a “water of the United States” that is under Federal authority. Basic effluent limitations set by the RWQCB are that the discharge must be treated to a degree that protects groundwater, streams and riparian habitat.

HRCSD’s aging secondary wastewater treatment pond system must upgrade their facility to ensure compliance with NPDES and Waste Discharge Requirements imposed by the RWQCB. According to HRCSD WRF Upgrade design plans, the District’s NPDES Permit was revised, and the Regional Board also issued a Time Schedule Order which acknowledges the District is unable to immediately comply with the copper, un-ionized ammonia, and nitrate effluent limits.

HRCSD is working on major upgrades to comply with these effluent limits, and this WRF Upgrade Project will be needed in order to meet these treatment objectives and requirements, the project will also set the District up for recycled water programs. District staff anticipate the facility upgrades to be completed by the end of 2027.

In addition, as was mentioned in the water section of this report, the HRCSD Board last approved a Five-Year CIP on August 18, 2022, for water and sewer operations. It is customary for the District to develop and project key capital improvement projects anticipated to occur during 5-year time period increments which helps keep the District’s facilities up to code.

Existing Wastewater Capacity

As of 2017, the District provided wastewater collection and disposal services to approximately 1,701²⁵ residential units and 11²⁶ other units (commercial and public facilities); in 2022 the number of service connections slightly increased to 1,748²⁷. The existing average daily flow was estimated at 0.13 MGD or 145 AFY with a maximum monthly flow of 0.16 MGD or 179 AFY, according to the HRCSD 2017 Recycled Water Study. It is important to note that wastewater demand will differ from water demand because there are residents within the HRCSD service area that are on septic. Table 7 below summarizes the existing wastewater collection amounts.

Table 7: Heritage Ranch Community Services District Existing Wastewater Demand

Description	Number of Connections	Estimated Population ²⁸	Existing Flows (MGD)
Existing Wastewater Collection	1,748	3,402	0.13

Future Wastewater Capacity

As mentioned in the water section, the HRCSD has allocated all of its available contracted water supply to 2,087 residential and 18 miscellaneous approved units/parcels (school, commercial center, HRHOA/public facilities) and buildout population served by the District’s wastewater facilities was

²⁵ Heritage Ranch Community Services District Recycled Water Study, MKN & Associates, 2017

²⁶ Heritage Ranch Community Services District Recycled Water Study, MKN & Associates, 2017

²⁷ Heritage Ranch Community Service’s District Staff, 2022

²⁸ Heritage Ranch Community Services District Recycled Water Study, MKN & Associates, 2017

determined to be limited to 2,400²⁹ connections. Based on a future population of 4,800 (for wastewater needs) and a per capita flow of 55 gpd the estimated average daily flow was determined to be 0.26 MGD or 291 AFY with a maximum monthly flow of 0.34 MGD or 381 AFY as was stated in the 2017 HRCSD Recycled Water Study. Future average daily flows to the WTP will be at 65% of the original plant design hydraulic capacity (original design capacity of 0.4 MGD).

Once the District implements its CIP, last approved August 2022, to meet existing system deficiencies and future flow and effluent requirements, the HRCSD would be able to better serve its existing and build-out capacity and meet all regulatory requirements. Table 8 below recaps the future wastewater collection amounts.

Table 8: Heritage Ranch Community Services District Future Wastewater Demand

Description	Number of Connections	Estimated Population	Future Flows (MGD)
Future Wastewater Collection	2,400	4,800	0.26

Solid Waste

HRCSD is the solid waste authority and has a Franchise Agreement with San Miguel Garbage Company to provide solid waste services within the District. The current agreement expires January 31, 2032. The agreement allows the San Miguel Garbage Company to include the furnishing of all labor, supervision, equipment, materials, supplies, and all other items necessary to perform the services (refuse collection, disposal and recycling activities). The District reserves the right to revise its laws and regulations pertaining to solid waste collection and disposal in order to protect public health, safety and welfare. Funding for solid waste collection and disposal activities comes primarily from fees charged to residents.

²⁹ Heritage Ranch Community Services District Recycled Water Study, MKN & Associates, 2017

Parks & Recreation

Currently, HRCSD does not operate any parks and recreation facilities or activities. However, it does lease property to the Heritage Village Senior Association, who built and owns a Senior Center for the community since October 1, 1996, with a fifty-year term, which expires in the year 2046 with the option to renew. The Senior Association funds all cost of operations.

The HRCSD does not plan to manage any parks and recreation operations as the Heritage Ranch Owners Association (HROA) manages all these functions around the Heritage Ranch Area; the County does not provide these services. The District is encouraged to deactivate this power which would require an application from the District to LAFCO with Commission approval.

Gas Station

The District is authorized to provide gas station services but no longer provides the community that service. HRCSD is encouraged to deactivate this power which would require an application from the District to LAFCO with Commission approval.

Shared facilities

There are opportunities for continued shared relationships between agencies for services within the HRCSD boundary. The County, the Homeowners Association, San Miguel Garbage Company, The Nacimiento Water Project pipeline, and the District coordinate to provide services and avoid a duplication of effort. At present, the distinction between District and County services in the area is clear. The opportunities for more coordination may include:

- District and nearby private water purveyor
- District, County, & HROA coordination for parks and recreational facilities
- Coordinated open space preservation and development of trails & maintenance
- Under the Camp Roberts Joint Land Use Study (JLUS) policy (Policy IE-2A) supports regional coordination on infrastructure such as combining water and wastewater treatment facilities between San Miguel, Heritage Ranch, and Camp Roberts.

Services provided by the District and the County are well delineated. The HROA provides for all roads and streets maintenance within the District except for Nacimiento Lake Drive (NLD) and a short portion of Heritage Loop Road from NLD to Holly Drive which is maintained by the County. The County provides Sheriff Services, Fire Protection, Tax Collecting, and other general governmental services. The District provides water, sewer, and solid waste. The HROA provides parks and recreation services.

Finance

District Budget

The District adopts the budget each year and it is used as the spending plan for the District. The budget provides a framework for the District to address the following issues: reserves, revenues, expenditures, transfer authority, fiscal management, investments, capital improvements, rates and fees. HRCSD's Information Manual provides more details on the budget, financial structure, and processes of the District. The HRCSD Budget is divided into the following categories:

1. **Capital and Equipment Budget:** Any revenue and expense for specific HRCSD projects and/or equipment is presented in its own spreadsheet.
2. **Water Fund Budget:** All Water related revenue and expenses are presented in a separate spreadsheet.
3. **Sewer Fund Budget:** All Sewer related revenue and expenses are presented in a separate spreadsheet.
4. **Solid Waste Fund Budget:** All Solid Waste related revenue and expense is presented in a separate spreadsheet.
5. **General Fund Budget:** All miscellaneous revenue (transfer from other funds, miscellaneous income, property tax) and miscellaneous expense (salaries and benefits and other District Office expenses) are presented in its own spreadsheet.
6. **Consolidated Budget:** Primary District Budget - all District revenue and expenses are summarized in a spreadsheet.

The Consolidated Budget summarizes all of the District’s budget categories (listed as 1-5 above). The table below shows the District’s operating total expenses for the 5 most recent adopted budgets. Data was pulled from the consolidated budget for each corresponding FY.

Table 9: Heritage Ranch Community Services District Operating Expense³⁰

Category	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Operating Total Expense	\$2,258,944	\$2,552,867	\$4,587,054	\$4,830,802	\$4,503,037

Revenues

The District is funded by a variety of revenue sources separated out into four separate budget categories (Water Fund, Sewer Fund, Solid Waste Fund, & General Fund). Each budget fund receives revenue from service fees, inspection fees, property taxes, interest, use of reserves etc. The total revenue amounts for the 5 most recent adopted budgets are documented in the table below:

Table 10: Heritage Ranch Community Services District Revenue³¹

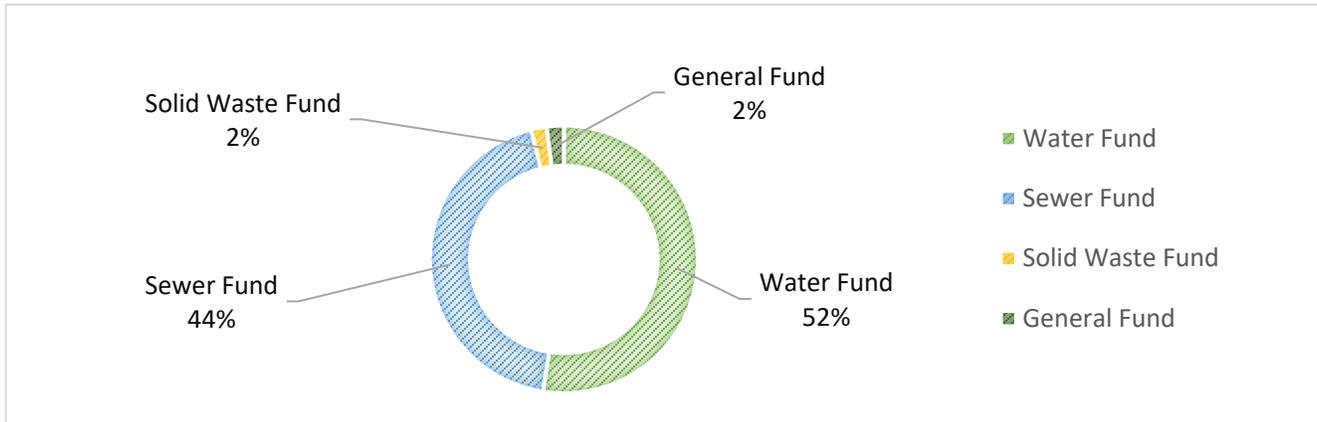
Category	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Total All Revenue	\$2,354,121	\$2,785,280	\$4,695,895	\$4,933,788	\$4,598,554

LAFCO used HRCSD’s most recent adopted budgets to determine the average primary source of revenue over the past 5-years. About 52% of the District’s revenues come from the Water Fund and about 44% from the Sewer Fund, which combined is 96% of the District’s total revenue sources.

³⁰ Heritage Ranch Community Service District Budgets for each corresponding Fiscal Year, FY 18/19 through FY 22/23

³¹ Heritage Ranch Community Service District Budgets for each corresponding Fiscal Year, FY 18/19 through FY 22/23

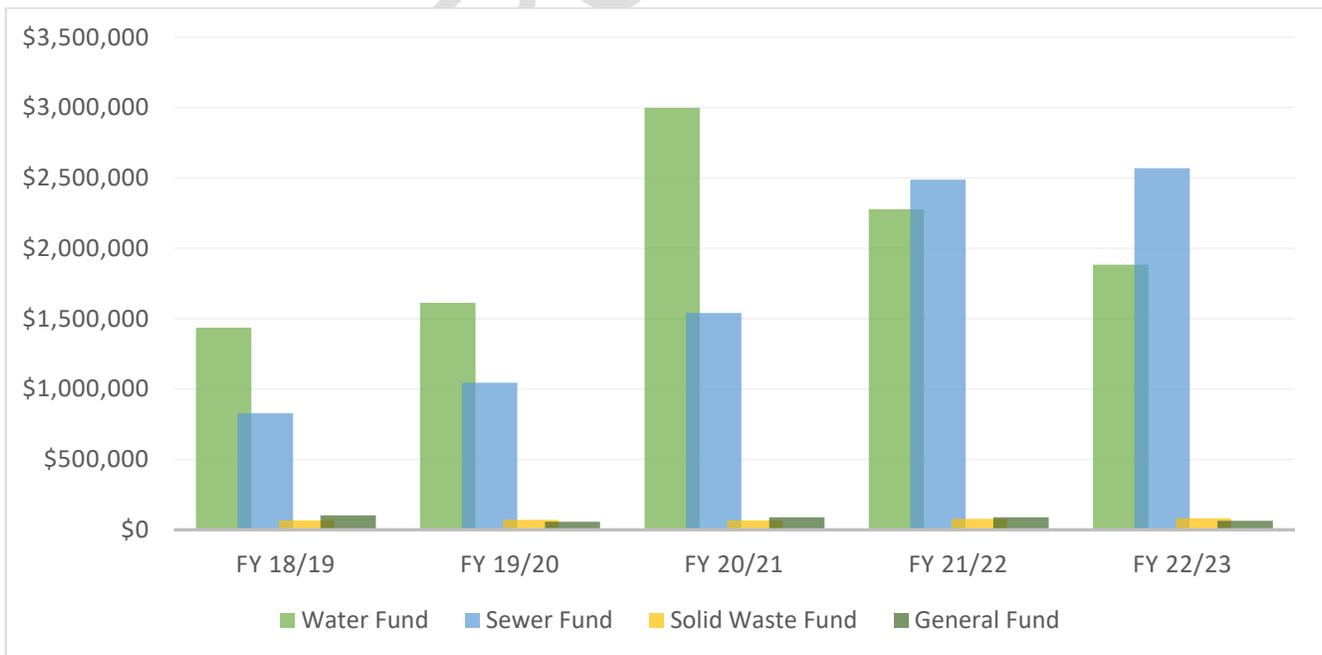
Figure 3: Heritage Ranch Community Services District Revenue Sources



Revenue Trend Analysis

The graph below represents revenue sources by year. As depicted, the water fund was the primary source of revenue between FY 2018-19 through FY 2020-22. In FY 2021-22 through FY 2022-23 the sewer fund became the primary source of revenue. The overall increase in revenue may be attributed to increased water and sewer rates. The District plans to conduct another rate study in 2023.

Figure 4: Heritage Ranch Community Services District Revenue Sources by Year



Financial Statements / Audits

HRCSD hires an outside accounting firm to perform the annual audit in accordance with established governmental accounting standards. This includes auditing HRCSD's statements with respect to verifying overall assets, liabilities, and net position. These audited statements provide quantitative measurements in assessing HRCSD's short and long-term fiscal health with specific focus on delivering its active service functions. LAFCO has used the 5 most recent audited budgets to conduct its evaluation of the District's Financial Health; separated into three categories (Agency Assets, Agency Liabilities, and Agency Net Position). Financial Conclusions have also been included, primarily based on the most recent audited Fiscal Year ending on June 30, 2021.

Agency Assets

Agency assets provide current, future, or potential economic benefit for the entity. An agency asset is therefore something that is owned by the agency, or something that is owed to the agency. In this section agency assets will be reviewed in two separate categories as defined below:

- 1) *Current Assets*: cash and other assets that are expected to be converted to cash within a year.
- 2) *Long-Term Assets*: long-term investments that are not expected to become cash within an accounting year.

HRCSD's audited assets at the end of 2020-2021 totaled to \$12.132 million and are 10.6% higher than the average year-end amount of \$10.912 million documented during the previous five-year audited period. Assets classified as current, with the expectation they could be liquidated within a year, represented 42% of the total amount, or \$5.118 million, and primarily tied to cash and investments. Assets classified as non-current make up the remainder of the total, \$7.014 million, and primarily attributed to property, plant and equipment capital. Overall, all assets for HRCSD have increased by 17% over the corresponding 5-year audited period.

Table 11: Heritage Ranch Community Services District Audited Assets³²

Category	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	5-yr % Change	5-yr Average
Current Assets	3,037,941	3,392,698	3,780,018	5,268,449	5,118,055	68%	4,119,432
Non-Current Assets	7,333,911	6,719,896	6,374,628	6,521,173	7,014,252	-4%	6,792,772
Total Assets	10,371,852	10,112,594	10,154,646	11,789,622	12,132,307	17%	10,912,204

Agency Liabilities

An agency liability is something the agency owes, usually a sum of money. Liabilities are settled over time through the transfer of economic benefits including money, goods, or services. In this section agency liabilities will be reviewed in two separate categories as defined below:

- 1) Current Liabilities: an agency's short-term financial obligations due to be paid within a year.
- 2) Other Non-Current Liabilities: an agency's long-term financial obligations that are due more than a year away.

HRCSD's audited liabilities at the end of FY 2020-2021 totaled \$5.561 million and is 23.5% higher than the average year-end amount of \$4.392 million documented during the previous five-year audited period. Liabilities classified as current and representing obligations owed in the near-term account for 5%, or \$0.311 million, of the total and largely tied to current portion of loans payable and current portion of capital lease payable. Non-current liabilities represent the remaining total, or \$5.250 million, and largely tied to payments on capital lease payable, loans payable and pension liability. Overall, all liabilities have increased by 84% over the corresponding 5-year audited period.

³² Heritage Ranch Community Service District Basic Financial Statements for each corresponding Fiscal Year, FY 16/17 through FY 20/21

Table 12: Heritage Ranch Community Services District Audited Liabilities³³

Category	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	5-yr % Change	5-yr Average
Current liabilities	430,194	317,830	280,313	206,155	311,110	-28%	309,120
Non-Current Liabilities	2,592,069	3,530,975	3,598,384	5,447,231	5,250,142	103%	4,083,760
Total Liabilities	3,022,263	3,848,805	3,878,697	5,653,386	5,561,252	84%	4,392,881

Agency Net Position

The agency net position is the difference between (1) total assets, and (2) total liabilities. Net position should be displayed in three categories which focus on the accessibility of the underlying assets:

- Net investment in capital assets
- Restricted for Debt Service
- Unrestricted (In this case it’s restricted by Resolution)

HRCSD’s audited net position or equity at the end of FY 2020-2021 totaled \$6.804 million and represents the difference between the District’s total assets and total liabilities. The most recent year-end amount is 2.6% higher than the average year-end sum of \$6.624 million documented during the previous 5-year audited period. 60 percent of the ending net investment, or \$4.087 million, is tied to capital assets with the remainder categorized as restricted for debt service, at \$0.113 million, and \$2.602 million as restricted by resolution. Overall, the net position for HRCSD has decreased by (6%) through the corresponding 5-year audited period.

³³ Heritage Ranch Community Service District Basic Financial Statements for each corresponding Fiscal Year, FY 16/17 through FY 20/21

Table 13: Heritage Ranch Community Services District Audited Net Position³⁴

Category	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	5-yr % Change	5-yr Average
Net Investment in Capital Assets	5,272,523	4,772,237	4,543,743	4,228,344	4,087,781	-22%	4,580,926
Restricted for Debt Service	112,392	112,666	112,948	113,231	113,434	1%	112,934
Restricted by Resolution	1,874,721	1,346,430	1,729,157	2,101,198	2,602,903	39%	1,930,882
Total Net Position	7,259,636	6,231,333	6,385,848	6,442,773	6,804,118	-6%	6,624,742

Financial Conclusions

Statements made in this section are all sourced from the HRCSD Financial Audit for Fiscal Year Ending June 30, 2021, and help explain financial trends that have been identified in the tables above. The District was determined to be financially stable despite increasing costs, limited revenues, and new regulatory requirements. The District remains dependent on both property taxes and standby charges to fund the water and sewer operations. Cost increases are projected for labor, utilities, maintenance, and supplies in future years. The District has increased its water and sewer rate charges in recent years, the last time being in 2022 through the rate study and Capital Improvement Program that was approved in conjunction back in 2017. The District has begun work on a new rate study and increases are expected for FY 2023 with the most significant increase anticipated in the sewer fund to provide for the major plant upgrade and other necessary projects to meet future operating stability; this would be followed by complying with proposition 218 requirements if necessary. The District currently has \$3,181,324 in long-term debt due on two water treatment plant loans and the photovoltaic system loan. It is anticipated that the District will apply for additional funding via loans, grants, or a combination of both, for these major projects.

³⁴ Heritage Ranch Community Service District Basic Financial Statements for each corresponding Fiscal Year, FY 16/17 through FY 20/21

DETERMINATIONS & RECOMMENDATIONS

Service Review Determinations per Government Code Section 56430

As set forth in Section 56430(a) of the CKH Act, in order to prepare and update the SOI in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission. The commission shall include in the area designated for a service review the county, the region, the sub-region, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:

1. **Growth and population projections for the affected area:** Currently, the estimated population of Heritage Ranch Community Services District is 2,956. The estimated build-out population is 4,274 with an approximate build-out year of 2070.

Recommendation: No action recommended.

2. **The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence:** According to 2020 US Census Data, the median household income for Lake Nacimiento CDP is \$72,101, which does not qualify it as a DUC.

Recommendation: The District may wish to consider conducting a community survey that could, in part, more accurately determine the MHI. This information may be helpful with regard to eligibility for grant funding and other planning efforts.

3. **Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies:**
 - a. Water | To serve existing and future service demand, the HRCSD Board approved a Five-Year Capital Improvement Program (CIP) on August 18, 2022, for water and sewer operations. HRCSD can serve its current 2,076 residential approved lots and the 18

miscellaneous approved units/parcels (school, commercial center, & public facilities). There is an approximate balance of 342 AFY water allocation for the 824 remainder lots. To serve full future build-out, the District will require some additional water allocation aside from the current contractual 889 AFY allocation. However, it is anticipated that the District can serve some level of new development without new water allocations. In context to the low growth rate of the District, water availability is expected to remain adequate for the foreseeable future. Table 14 shows a summary of the HRCSD’s Water.

Table 14: Summary of Heritage Ranch Community Services District Water Demand

Description	Lots	Connections	Total Water Demand (AFY)	Water Supply (AFY)	Balance (AFY)
Existing	2,076	1,932	547 - used	889	342
Future	2,900	2,900	952 - anticipated	889	-63

Recommendation: The District is encouraged to continue with the planned facility improvements as outlined in the approved CIP to ensure that there is continued reliable water service for the existing and future residents. With uncertainty as to the type and size of the remaining 824 lots to develop in the future, the District and future developers will need to address water demands beyond the current 889 AFY contractual allocation with the County when timing necessitates. It is important to note that the number of permanent residents may increase or decrease over time, and other variables change over the years that may impact this water demand forecast. As stated in determination #2 above, the District may wish to consider preparing a community wide survey to better understand demographics.

- b. Wastewater | To serve existing and future service demand, the HRCSD Board approved a Five-Year CIP on August 18, 2022, for water and sewer operations as was previously mentioned. The HRCSD has an aging secondary wastewater treatment pond system and

must upgrade their Water Reclamation Facility to ensure compliance with NPDES and Waste Discharge Requirements imposed by the RWQCB. Future average daily flows to the WWTP facility will be at 65% of the original plant design hydraulic capacity (original design facility capacity of 0.4 MGD). Table 15 summarizes the District’s existing and future wastewater treatment flows.

Table 15: Heritage Ranch Community Services District Wastewater Capacity

Description	Number of Connections	Estimated Population	Flow (MGD)	Facility Capacity (MGD)
Existing Wastewater	1,748	3,402	0.13	0.4
Future Wastewater	2,400	4,800	0.26	0.4

Recommendation: The District is encouraged to continue with the approved CIP facility improvements and comply with RWQCB requirements to ensure that there is continued reliable wastewater treatment service.

- c. Solid Waste | HRCSD is the solid waste authority and has a Franchise Agreement with San Miguel Garbage Company to provide solid waste services. HRCSD reserves the right to revise its laws and regulations pertaining to solid waste collection and disposal in order to protect public health, safety and welfare. The current agreement expires January 31, 2032.

Recommendation: No action recommended.

- d. Parks & Recreation | HRCSD does not operate any parks and recreation facilities or activities. However, it does lease property to the Heritage Village Senior Association, who built and funds all costs associated with their Senior Center. The HROA manages all

the parks and recreation functions around the Heritage Ranch Area; the County does not provide these services.

Recommendation: The District is encouraged to deactivate this power which would require an application from the District to LAFCO and ultimately Commission approval.

- e. Gas Station Operation | The District is authorized to provide gas station services but no longer provides the community that service.

Recommendation: The District is encouraged to deactivate this power which would require an application from the District to LAFCO and ultimately Commission approval. This could be done in tandem with the above recommendation to deactivate parks and rec power.

- 4. **Financial ability of agencies to provide services:** The District is financially stable despite increasing costs, limited revenues, and new regulatory requirements. The District remains dependent on both property taxes and standby charges to fund the water and sewer operations. The District increased its water and sewer rates charges in 2018 and expects a rate study and increases for FY 2023.

Recommendation: The District is encouraged to continue to apply for additional funding via loans, grants, or a combination of both, for these major improvement projects as well as conduct rate studies and potential rate increases for services provided as seen necessary.

- 5. **Status of and, opportunities for, shared facilities:** The HRCSD installed an emergency connection, with cooperation from the County of San Luis Obispo, to the Nacimiento Water Project (NWP) pipeline. This emergency connection provides the District with the ability to convey up to 491 acre-feet per year of Nacimiento raw lake water directly to the water

treatment plant for processing in an emergency situation. Other opportunities for shared facilities may include:

- i. Coordination between the District and nearby private water purveyor
- ii. District, County, & HROA coordination for parks and recreational facilities
- iii. Coordinated open space preservation and development of trails
- iv. Under the Camp Roberts Joint Land Use Study (JLUS) policy (Policy IE-2A) supports regional coordination on infrastructure such as combining water and wastewater treatment facilities between San Miguel, Heritage Ranch, and Camp Roberts.

Recommendation: Continue to coordinate with other agencies and parties to achieve District goals.

6. **Accountability for community service needs, including governmental structure and operational efficiencies:** HRCSD is governed by a five-member Board of Directors that are elected to four-year terms. Regularly scheduled monthly Board meetings are held and all meetings are open to the public and are publicly posted a minimum of 72 hours prior to the meeting in accordance with the Brown Act. HRCSD maintains an up-to-date website which contains District information, documents, and updates. The District has demonstrated accountability and transparency in its disclosure of information and cooperation during the process of this MSR. The District responded to questionnaires and cooperated with document requests.

Recommendation: Board of Directors contact information and audio/visual recordings could be made available to improve transparency.

7. **Any other matter related to effective or efficient service delivery:** There are no other matters related to delivery of services.

Recommendation: No action recommended.

Sphere of Influence Determinations per Government Code Section 56425

In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development of local governmental agencies to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence of each city, as defined by G.C. Section 56036, and enact policies designed to promote the logical and orderly development of areas within the sphere. In determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to the following:

1. Present and planned land uses in the area, including agricultural and open-space lands.

- The HRCSD SOI is coterminous with the District's service area boundary. The SOI is expected to remain unchanged, with no expansions or reductions for HRCSD.
- Land uses within the District's SOI are predominantly recreation, open space, residential rural and residential single family. Other land uses include residential multi-family, commercial retail, and public facilities.
- HRCSD is currently 69% built-out, with the number of possible build-out units limited to 2,900 based on estimated future population projections and water supply constraints. Therefore, the current District boundaries are sufficient to accommodate growth at this time.

2. Present and probable need for public facilities and services in the area.

- The HRCSD SOI is coterminous with the District's service area boundary. The SOI is expected to remain unchanged, with no expansions or reductions for HRCSD. The current District boundaries are sufficient to accommodate growth at this time.

3. Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

- The HRCSD SOI is coterminous with the District’s service area boundary. The SOI is expected to remain unchanged, with no expansions or reductions for HRCSD; therefore, this factor does not need to be addressed.

4. Existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

- The HRCSD SOI is coterminous with the District’s service area boundary. The SOI is expected to remain unchanged, with no expansions or reductions for HRCSD; therefore, this factor does not need to be addressed.

5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere.

- The HRCSD SOI is coterminous with the District’s service area boundary. The SOI is expected to remain unchanged, with no expansions or reductions for HRCSD.
- Unincorporated territory surrounding the District may qualify as disadvantaged. Should future annexations or service extensions be proposed, special consideration will be given to any DUCs affected by the annexation consistent with GC §56375(8)(A) and LAFCO policy.

MSR Conclusions

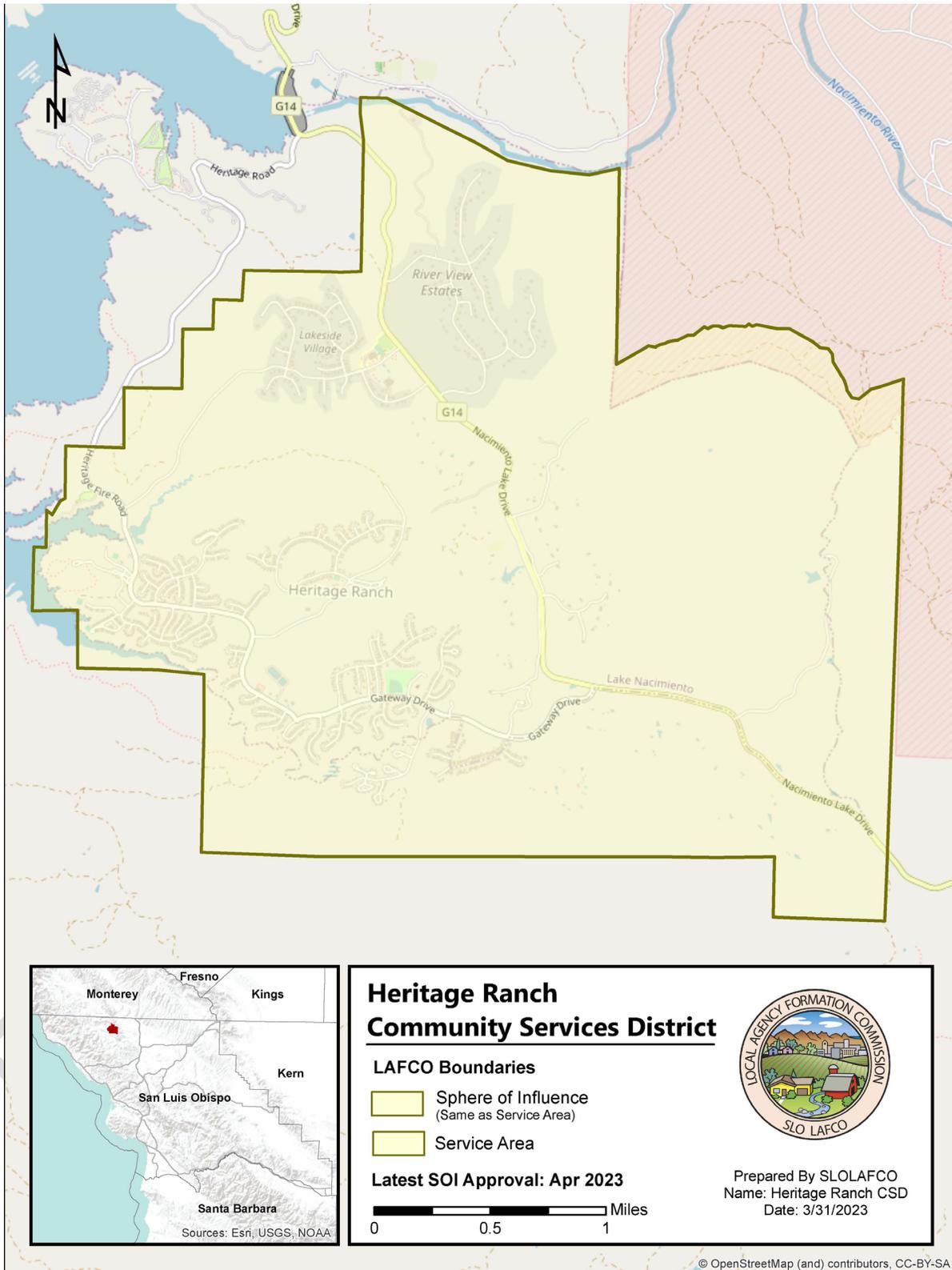
HRCSD is in a healthy state. The District is able to adequately deliver the services it is authorized to provide. It maintains adequate financial records and controls. Anticipated growth within the community is expected to be well within the service capacities and capabilities of the District within the next 5-7 years.

Sphere of Influence Recommendation

Based on the aforementioned determinations, it is recommended that the SOI for HRCSD be reaffirmed and remain coterminous with the District's existing boundary as depicted on the following page in Figure 5.

Public Review Draft

Figure 5: Heritage Ranch Community Services District Proposed Boundary



APPENDIX

Sources

General

1. Sphere of Influence Update and Municipal Service Review for Templeton CSD, San Miguel CSD and Heritage Ranch CSD, 2013

Accountability

1. HRCSD Website
2. District Board Policies and Procedures

Population Profile

1. 2020 Census Data
2. San Luis Obispo Council of Governments, 2050 Regional Growth Forecast
3. Heritage Ranch Village Plan, 2014

Present and Planned Land Use

1. Heritage Ranch Village Plan, 2014

Water Section

1. Chapter 4, Volume II of San Luis Obispo County Master Water Report prepared by Carollo Engineers, final report May 2012
2. Heritage Ranch Community Services District Recycled Water Study, Final January 2017
3. Heritage Ranch Community Service's District Staff, 2022
4. Updated Water Allocation Evaluation Report, 2017

Wastewater

1. 5-Year Capital Improvement Program, HRCSD, August 18, 2022
2. Heritage Ranch Community Services District Recycled Water Study, Final January 2017
3. Heritage Ranch Community Services District Wastewater Treatment Plant Improvements Preliminary Engineering Memorandum, Rev. 1 April 16, 2021

Finance

1. HRCSD Approved Fiscal Year 18-19 Budget
2. HRCSD Approved Fiscal Year 19-20 Budget

3. HRCSD Approved Fiscal Year 20-21 Budget
4. HRCSD Approved Fiscal Year 21-22 Budget
5. HRCSD Approved Fiscal Year 22-23 Budget
6. HRCSD Basic Financial Statements June 30, 2021
7. HRCSD Basic Financial Statements June 30, 2020
8. HRCSD Independent Auditor's Report and Financial Statements June 30, 2019
9. HRCSD Independent Auditor's Report and Financial Statements June 30, 2018
10. HRCSD Independent Auditor's Report and Financial Statements June 30, 2017

Written Comments on the Draft Report

A notice of Public Hearing was published in the newspaper (The Tribune) on March 30, 2023, 21-days in advance of the hearing on April 20, 2023. The general public will have another opportunity to comment on the draft MSR when the staff report is released, a week before the LAFCO Hearing. All public comments received will be distributed to each Commissioner and become part of the official record of the Commission hearing.



San Luis Obispo Local Agency Formation Commission

TO: MEMBERS OF THE COMMISSION

FROM: ROB FITZROY, EXECUTIVE OFFICER

DATE: APRIL 20, 2023

SUBJECT: THIRD QUARTER FISCAL YEAR 2022-2023 BUDGET STATUS AND WORK PLAN REPORT

COMMISSIONERS

Chairperson
ED WAAGE
City Member

Vice-Chair
DEBBIE ARNOLD
County Member

JIMMY PAULDING
County Member

MARSHALL OCHYLSKI
Special District Member

ROBERT ENNS
Special District Member

STEVE GREGORY
City Member

HEATHER JENSEN
Public Member

ALTERNATES

DAWN ORTIZ-LEGG
County Member

ED EBY
Special District Member

CHARLES BOURBEAU
City Member

David Watson
Public Member

STAFF

ROB FITZROY
Executive Officer

IMELDA MARQUEZ-VAWTER
Analyst

MORGAN BING
Clerk Analyst

BRIAN A. PIERIK
Legal Counsel

RECOMMENDATION

Action 1: Review the third quarter budget status and work plan report for Fiscal Year (FY) 22-23 and approve, by motion, to direct the Executive Officer to file it with the County Auditor.

BUDGET OVERVIEW

This report is the third Fiscal Year (FY) 22-23 quarterly report for the San Luis Obispo Local Agency Formation Commission (LAFCO). The LAFCO operating budget is comprised of four components: 1) salaries, payroll taxes, and benefits, 2) services and supplies, 3) revenues, and 4) fund balance and reserves. Day-to-day management of the budget is based on “bottom-line” principles that allow for variation within individual line-item accounts as long as the overall expenditures remain within the approved budget.

LAFCO’s budget is funded by the County, Cities and Independent Special Districts. City and District shares are pro-rated based on general revenues reported to the State Controller’s Office on an annual basis. LAFCO also receives revenue from application fees and interest earnings.

The County Auditor Controller provides LAFCO with various financial services. Every financial transaction of LAFCO is processed through the County Auditor’s financial system. This approach ensures accuracy, transparency and accountability. The County Auditor’s Office also provides LAFCO with claims processing, invoicing and financial review services. The Auditor’s financial tracking system assists LAFCO in monitoring the budget and compiling budget report data, as well as provides independent review of the budget.

QUARTERLY BUDGET SUMMARY

Executive Officer Comments. The third quarter budget actuals indicate LAFCO continues to be in a strong budgetary position. Expenditures are as expected within the third quarter. Application activity and associated revenue continues to be strong; with 75% of the fiscal year complete we have reached 125% of our revenue projections for proposal applications.

Expenditures. Overall, third quarter expenditures are at 73% with 75% of the fiscal year complete. A detailed budget report is provided in Attachment A. Below is a brief summary of line-item expenditures:

- Salaries and benefits are 75% expended.
- Services and Supplies are 67% expended.

LAFCO uses a credit card from a program implemented by the Special District Risk Management Association (SDRMA) for public agencies. LAFCO's policy is to pay each bill in full each month. The statements for January, February, and March are included as Attachment B. Additionally, with any "significant value" purchases over \$400, a receipt is provided for that item for further transparency.

- **January:** Zoom Subscription \$98.50, Microsoft Office Subscription \$37.50
- **February:** Zoom Subscription \$98.50, Microsoft Office Subscription \$37.50, Staples Supplies \$34.79, Trophy Hunters Name Plate \$12.51
- **March:** Zoom Subscription \$99.50, Microsoft Office Subscription \$37.50, Trophy Hunters Name Plates \$25.01, Norton Antivirus Software \$109.99.

Revenues. Overall, revenues are 100% realized through the third quarter. Contributing agencies (Cities, Special Districts and County) have paid 100% of the LAFCO charges billed by the County Auditor. Application fees have been submitted in the amount of \$29,972 or 125% of projected application revenue.

Fund Balance (Reserves). Fund Balance is the LAFCO reserve of funds for various expenditures. Fund Balance expenditure requires Commission approval. The current fund balance remains unchanged and \$301,201 is available.

WORK PLAN QUARTERLY UPDATE

Executive Officer Comments. Workload for the third quarter of the FY has been substantial, as expected. While workload will be high, we expect the number of hearings items to remain on the lighter side as we focus on application processing as well as the MSR program which requires

substantial internal staff work and reduced need for hearings until such a time when they are ready for Commission consideration. In addition to our typical workload of proposal application processing, we have been onboarding and training the new Clerk Analyst, executing our MSR program, and focusing on internal items such as our new application package and an updated Policies and Procedures manual, as directed by the Commission.

Work Plan Update. In conjunction with the FY 22-23 budget process, the Commission adopted an accompanying Work Plan for FY 22-23 (see May 19, 2022, staff report for additional details). Our work prioritization is as follows:

1. Process proposal applications as mandated by statute and conduct critical operations necessary for the organization to function.
2. Prepare Municipal Service Reviews (MSRs) as mandated by statute, based on the date an MSR was last updated.
3. Execute special work efforts as directed by the Commission.

Consistent with the priorities established by the Commission for the FY 22-23 Work Plan, during the third quarter staff have been diligently working on the following items, as well as training the new Clerk Analyst:

- Completed the Special District Election process for Regular and Alternate LAFCO seats
- Onboarding new Commissioner
- Responding to extensive number of public inquiries
- Responding and researching a number of various inquiries regarding potential future proposed changes of organization or reorganizations
- Continued processing of proposal applications including the recently received Oceano Community Services District Fire Authority Divestiture, Dana Reserve Specific Plan annexation, multiple County Service Area annexation applications, and annexations into special independent districts
- Continued work on the MSR for City of Paso Robles, Templeton Community Services District, Heritage Ranch Community Services District, and San Miguel Community Services District, and continued to execute our new MSR process intended to streamline work efforts, improve coordination, and increase usability of the document
- Continued work on new application forms, and an updated Policies and Procedure manual
- Conducted ongoing critical operations, invoicing, payroll, records management, and office administration
- Coordination with districts regarding activation / divestiture of powers, responses to Public Record Act requests, and reorganizing our record management systems

Work Plan Projections. Looking ahead, we expect the workload to remain high and staff to be operating at full capacity, particularly with large annexation applications such as Dana Reserve and other annexations and reorganizations we anticipate soon. We received an application from Oceano Community Services District to divest fire authority on February 6, 2023. We commenced

work on this application and continue to coordinate with affected agencies. We also received a new annexation application into CSA 12.

Attachment A: Quarterly Budget Status Report

Attachment B: Credit Card Statements

Attachment A

Quarterly Budget Status Report

	Adopted Budget FY 22-23	Expenditures / Revenue	Percent Expended/ Revenue	Projected Year End
Expenditures Summary <i>(Services, Supplies, Salaries, Benefits, Taxes)</i>	\$649,615	\$474,639	73%	\$619,244
Revenues Summary <i>(Processing Fees, Reserves, Agency Contributions)</i>	\$649,615	\$620,405	96%	\$620,405
Services and Supplies Expenditure Details				
Computer Software	\$500	\$200	40%	\$200
Copying-Printing	\$300	\$11	4%	\$280
Meals	\$600	\$154	26%	\$446
LAFCO Insurance Policies	\$17,500	\$16,539	95%	\$16,539
Maintenance-Equipment	\$30	\$55	183%	\$55
Maintenance-Software	\$50	\$0	0%	\$50
CALAFCO/ Other Memberships	\$8,800	\$6,722	76%	\$6,722
Employee Mileage Reimbursement	\$200	\$0	0%	\$0
Commissioner Mileage Reimbursement	\$1,500	\$110	7%	\$1,000
Office Supplies	\$2,500	\$574	23%	\$1,500
Custodial Services	\$1,800	\$1,454	81%	\$1,800
County Auditor Services	\$8,931	\$8,931	100%	\$8,931
Legal Counsel	\$31,200	\$20,000	64%	\$31,200
Postage	\$1,000	\$66	7%	\$800
Prof. Services/General/Commissioner Stipends	\$12,000	\$5,382	45%	\$6,618
Publication & Legal Notices	\$1,000	\$179	18%	\$700
Training	\$5,000	\$840	17%	\$2,000
Office Lease	\$37,000	\$31,056	84%	\$37,000
Large Equipment	\$1,500	\$5	0%	\$1,400
Small Equipment	\$400	\$0	0%	\$0
Telephone	\$3,000	\$2,212	74%	\$3,000
Travel Expenses	\$2,500	\$0	0%	\$1,500
Utilities	\$4,700	\$707	15%	\$4,700
Board Chambers - IT Support	\$850	\$0	0%	\$0
Vehicle Allowance	\$5,400	\$4,154	77%	\$5,400
Vehicle Rental	\$500	\$0	0%	\$500
Services and Supplies Subtotal	\$148,761	\$99,350	67%	\$132,341
Salary, Benefits and Taxes Expenditures				
Salaries	\$315,000	\$239,058	76%	\$302,040
Taxes - FICA SS Employer Match	\$19,530	\$12,844	66%	\$18,726
Taxes - Medicare Employer Match	\$4,568	\$3,345	73%	\$4,380
Pension Employer Contribution	\$88,698	\$67,762	76%	\$88,698
Pension Obligation Bond	\$16,558	\$12,143	73%	\$16,558
SDI/SUI Employer Contribution	\$1,500	\$420	28%	\$1,500
Health Insurance	\$45,000	\$32,037	71%	\$45,000
Deferred Compensation	\$10,000	\$7,680	77%	\$10,000
Salary, Benefits and Taxes Subtotal	\$500,854	\$375,289	75%	\$486,903
Total Expenditures	\$649,615	\$474,639	73%	\$619,244
Revenue Details				
	Revenue To Date			
Interest Earned	\$4,000	\$3,818	95%	\$3,818
Environmental Review Fees	\$3,000	\$3,000	100%	\$3,000
Sphere of Influence Fees	\$2,000	\$5,000	250%	\$5,000
Application Processing Fees	\$19,000	\$21,972	116%	\$21,972
Other Revenue (Transfer of Reserves if Needed)	\$35,000	\$0	0%	\$0
Agency Contributions				
Cities	\$195,538	\$195,538	100%	\$195,538
County	\$195,538	\$195,538	100%	\$195,538
Special Districts	\$195,538	\$195,538	100.0%	\$195,538
Total Revenue	\$649,615	\$620,405	96%	\$620,405
Reserves Fund Balance	\$262,579	\$301,021	\$0	\$301,201

Attachment B

Credit Card Statements



Account Summary

Billing Cycle		01/31/2023
Days In Billing Cycle		32
Previous Balance		\$494.88
Purchases	+	\$136.00
Cash	+	\$0.00
Balance Transfers	+	\$0.00
Special	+	\$0.00
Credits	-	\$90.56
Payments	-	\$0.00
Other Charges	+	\$35.00
Finance Charges	+	\$9.27

NEW BALANCE \$584.59

Credit Summary

Total Credit Line	\$10,000.00
Available Credit Line	\$9,415.41
Available Cash	\$0.00
Amount Over Credit Line	\$0.00
Amount Past Due	\$404.32
Disputed Amount	\$0.00

Account Inquiries

-  Call us at: (866) 777-9013
Lost or Stolen Card: (866) 839-3485
-  Go to www.umpquabank.com
-  Write us at PO BOX 35142 - LB1181, SEATTLE, WA 98124-5142

Payment Summary

NEW BALANCE	\$584.59
MINIMUM PAYMENT	\$584.59
PAYMENT DUE DATE	02/25/2023

NOTE: Grace period to avoid a finance charge on purchases, pay entire new balance by payment due date. Finance charge accrues on cash advances until paid and will be billed on your next statement.

Corporate Activity

				TOTAL CORPORATE ACTIVITY	\$46.29-
Trans Date	Post Date	Reference Number	Transaction Description	Amount	
01/27	01/27	70005603027777027290122	2022 CCC REBATE	\$90.56-	
01/31	01/31	74807253031260031162009	LATE FEE	\$35.00	
01/31	01/31	74807253031259031064009	FINANCE CHARGE PURCHASE	\$9.27	

PLEASE DETACH COUPON AND RETURN PAYMENT USING THE ENCLOSED ENVELOPE - ALLOW UP TO 7 DAYS FOR RECEIPT

UMPQUA BANK
PO BOX 35142 - LB1181
SEATTLE WA 98124-5142



Account Number

####

Check box to indicate name/address change on back of this coupon

AMOUNT OF PAYMENT ENCLOSED

Closing Date	New Balance	Total Minimum Payment Due	Payment Due Date
01/31/23	\$584.59	\$584.59	02/25/23

\$

LAFCO
1042 PACIFIC ST
SUITE A
SAN LUIS OBISPO CA 93401



MAKE CHECK PAYABLE TO:
UMPQUA BANK COMMERCIAL CARD OPS
PO BOX 35142 - LB1181
SEATTLE WA 98124-5142

IMPORTANT INFORMATION

Finance Charge Calculation Methods and Computation of Average Daily Balance Subject to Finance Charge: The Finance Charge Calculation Method applicable to your account for Cash Advances and Credit Purchases of goods and services that you obtain through the use of your card is specified on the front side of this statement and explained below:

Method A - Average Daily Balance (including current transactions): The Finance Charge on purchases begins on the date the transaction posted to your account. The Finance Charge on Cash Advances begins on the date you obtained the cash advance, or the first day of the billing cycle within which it is posted to your account, whichever is later. There is no grace period.

The Finance Charges for a billing cycle are computed by applying the Periodic Rate to the "average daily balance" of your account. To get the average daily balance, we take the beginning balance of your account each day, add any new purchases or cash advances, and subtract any payments, credits, non-accruing fees, and unpaid finance charges. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle.

Method E - Average Daily Balance (excluding current transactions): To avoid incurring an additional Finance Charge on the balance of purchases (and cash advances if Method E is specified as applicable to cash advances) reflected on your monthly statement, you must pay the New Balance shown on your monthly statement on or before the Payment Due Date. The grace period for the New Balance of purchases extends to the Payment Due Date.

The Finance Charges for a billing cycle are computed by applying the Periodic Rate to the "average daily balance" of purchases (and if applicable, cash advances). To get the average daily balance, we take the beginning balance of your account each day and subtract any payments, credits, non-accruing fees, and unpaid finance charges. We do not add in any new purchases or cash advances. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle.

Method G - Average Daily Balance (including current transactions): To avoid incurring an additional Finance Charge on the balance of purchases (and cash advances, if Method G is specified as applicable to cash advances) reflected on your monthly statement and, on any new purchases (and if applicable, cash advances) appearing on your next monthly statement, you must pay the New Balance, shown on your monthly statement, on or before the Payment Due Date. The grace period for the New Balance of purchases extends to the Payment Due Date.

The Finance Charges for a billing cycle are computed by applying the Periodic Rate to the "average daily balance" of purchases (and if applicable, cash advances). To get the average daily balance, we take the beginning balance of your account each day, add any new purchases or cash advances, and subtract any payments, credits, non-accruing fees, and unpaid finance charges. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle.

Payment Crediting and Credit Balance: Payments received at the location specified on the front of the statement after the phrase "MAKE CHECK PAYABLE TO" will be credited to the account specified on the payment coupon as of the date of receipt. Payments received at a different location or payments that do not conform to the requirements set forth on or with the periodic statement (e.g. missing payment stub, payment envelope other than as provided with your statement, multiple checks or multiple coupons in the same envelope) may be subject to delay in crediting, but shall be credited within five days of receipt. If there is a credit balance due on your account, you may request in writing, a full refund. Submit your request to the Account Inquiries address on the front of this statement.

By sending your check, you are authorizing the use of the information on your check to make a one-time electronic debit from the account on which the check is drawn. This electronic debit, which may be posted to your account as early as the date your check is received, will be only for the amount of your check. The original check will be destroyed and we will retain the image in our records. If you have questions please call the customer service number on the front of this billing statement.

Closing Date: The closing date is the last day of the billing cycle; all transactions received after the closing date will appear on your next statement.

Annual Fee: If your account has been assessed an annual fee, you may avoid paying this annual fee by sending written notification of termination within 30 days following the mailing date of this bill. Submit your request to the Account Inquiries address on the front of this statement. You may use your card(s) during this 30 day period but immediately thereafter must send your card(s), which you have cut in half, to this same address.

Negative Credit Reports: You are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations.

BILLING RIGHTS SUMMARY

In Case of Errors or Inquiries About Your Bill: If you suspect there is an error on your account or you need information about a transaction on your bill, send your written inquiry to the Account Inquiries address on the front of this statement within 60 days of the date of the statement containing the transaction in question. You may telephone us, however a written request is required to preserve your rights.

In your letter, give us the following information:

- ◆ Your name and account number.
- ◆ The dollar amount of the suspected error.
- ◆ Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

Please provide a legal document evidencing your name change, such as a court document.

Please use blue or black ink to complete form

NAME CHANGE

Last

First Middle

ADDRESS CHANGE

Street

City State ZIP Code

Home Phone () - Business Phone () -

Cell Phone () - E-mail Address

SIGNATURE REQUIRED TO AUTHORIZE CHANGES

Signature _____

Cardholder Account Summary

IMELDA MARQUEZ #####9	Payments & Other Credits \$0.00	Purchases & Other Charges \$98.50	Cash Advances \$0.00	Total Activity \$98.50
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Cardholder Account Detail

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
01/01	01/02	PPLN01	24011343001000044465953	ZOOM.US 888-799-9666 WWW.ZOOM.US CA	\$98.50

Cardholder Account Summary

ROBERT FITZROY #### #####	Payments & Other Credits \$0.00	Purchases & Other Charges \$37.50	Cash Advances \$0.00	Total Activity \$37.50
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Cardholder Account Detail

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
01/27	01/29	PPLN01	24430993027400812046214	MSFT * E0200LT8V5 MSBILL.INFO WA	\$37.50

Additional Information About Your Account

YOUR ACCOUNT IS TWO PAYMENTS PAST DUE. IN ORDER TO AVOID CANCELLATION, WE MUST ASK FOR FULL PAYMENT OF THE AMOUNT DUE BY RETURN MAIL.

Finance Charge Summary / Plan Level Information

Plan Name	Plan Description	FCM ¹	Average Daily Balance	Periodic Rate *	Corresponding APR	Finance Charges	Effective APR Fees **	Effective APR	Ending Balance
Purchases									
PPLN01 001	PURCHASE	E	\$480.73	0.06024%(D)	21.9900%	\$9.27	\$0.00	21.9949%	\$584.59
Cash									
CPLN01 001	CASH	A	\$0.00	0.06572%(D)	23.9900%	\$0.00	\$0.00	0.0000%	\$0.00
* Periodic Rate (M)=Monthly (D)=Daily							Days In Billing Cycle: 32		
** includes cash advance and foreign currency fees							APR = Annual Percentage Rate		
¹ FCM = Finance Charge Method									
(V) = Variable Rate If you have a variable rate account the periodic rate and Annual Percentage Rate (APR) may vary.									

Account Summary

Billing Cycle		02/28/2023
Days In Billing Cycle		28
Previous Balance		\$584.59
Purchases	+	\$183.30
Cash	+	\$0.00
Balance Transfers	+	\$0.00
Special	+	\$0.00
Credits	-	\$0.00
Payments	-	\$1,079.47-
Other Charges	+	\$494.88
Finance Charges	+	\$0.00

NEW BALANCE \$183.30

Credit Summary

Total Credit Line	\$10,000.00
Available Credit Line	\$9,816.70
Available Cash	\$0.00
Amount Over Credit Line	\$0.00
Amount Past Due	\$0.00
Disputed Amount	\$0.00

Account Inquiries

- Call us at: (866) 777-9013
Lost or Stolen Card: (866) 839-3485
- Go to www.umpquabank.com
- Write us at PO BOX 35142 - LB1181, SEATTLE, WA 98124-5142

Payment Summary

NEW BALANCE	\$183.30
MINIMUM PAYMENT	\$183.30
PAYMENT DUE DATE	03/25/2023

NOTE: Grace period to avoid a finance charge on purchases, pay entire new balance by payment due date. Finance charge accrues on cash advances until paid and will be billed on your next statement.

Corporate Activity

				TOTAL CORPORATE ACTIVITY	\$584.59-
Trans Date	Post Date	Reference Number	Transaction Description	Amount	
02/10	02/13	70005603044555044080109	PAYMENT - THANK YOU SPOKANE WA	\$204.15-	
02/10	02/13	70005603044555044080117	PAYMENT - THANK YOU SPOKANE WA	\$290.73-	
02/10	02/15	70005603046777046350011	MISAPP PAYMENT ADJUSTMENT	\$204.15	
02/10	02/15	70005603046777046360010	MISAPP PAYMENT ADJUSTMENT	\$290.73	
02/16	02/16	70005603047555047780058	PAYMENT - THANK YOU SPOKANE WA	\$290.73-	
02/16	02/16	70005603047555047780066	PAYMENT - THANK YOU SPOKANE WA	\$204.15-	
02/16	02/16	0000000LBX2302164691010	PAYMENT - THANK YOU	\$89.71-	

PLEASE DETACH COUPON AND RETURN PAYMENT USING THE ENCLOSED ENVELOPE - ALLOW UP TO 7 DAYS FOR RECEIPT

UMPQUA BANK
PO BOX 35142 - LB1181
SEATTLE WA 98124-5142



Account Number

Check box to indicate name/address change on back of this coupon

AMOUNT OF PAYMENT ENCLOSED

Closing Date	New Balance	Total Minimum Payment Due	Payment Due Date
02/28/23	\$183.30	\$183.30	03/25/23

\$



BL ACCT0 LAFCO
1042 PACIFIC ST
SUITE A
SAN LUIS OBISPO CA 93401

e-Statement



MAKE CHECK PAYABLE TO:

UMPQUA BANK COMMERCIAL CARD OPS
PO BOX 35142 - LB1181
SEATTLE WA 98124-5142

IMPORTANT INFORMATION

Finance Charge Calculation Methods and Computation of Average Daily Balance Subject to Finance Charge: The Finance Charge Calculation Method applicable to your account for Cash Advances and Credit Purchases of goods and services that you obtain through the use of your card is specified on the front side of this statement and explained below:

Method A - Average Daily Balance (including current transactions): The Finance Charge on purchases begins on the date the transaction posted to your account. The Finance Charge on Cash Advances begins on the date you obtained the cash advance, or the first day of the billing cycle within which it is posted to your account, whichever is later. There is no grace period.

The Finance Charges for a billing cycle are computed by applying the Periodic Rate to the "average daily balance" of your account. To get the average daily balance, we take the beginning balance of your account each day, add any new purchases or cash advances, and subtract any payments, credits, non-accruing fees, and unpaid finance charges. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle.

Method E - Average Daily Balance (excluding current transactions): To avoid incurring an additional Finance Charge on the balance of purchases (and cash advances if Method E is specified as applicable to cash advances) reflected on your monthly statement, you must pay the New Balance shown on your monthly statement on or before the Payment Due Date. The grace period for the New Balance of purchases extends to the Payment Due Date.

The Finance Charges for a billing cycle are computed by applying the Periodic Rate to the "average daily balance" of purchases (and if applicable, cash advances). To get the average daily balance, we take the beginning balance of your account each day and subtract any payments, credits, non-accruing fees, and unpaid finance charges. We do not add in any new purchases or cash advances. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle.

Method G - Average Daily Balance (including current transactions): To avoid incurring an additional Finance Charge on the balance of purchases (and cash advances, if Method G is specified as applicable to cash advances) reflected on your monthly statement and, on any new purchases (and if applicable, cash advances) appearing on your next monthly statement, you must pay the New Balance, shown on your monthly statement, on or before the Payment Due Date. The grace period for the New Balance of purchases extends to the Payment Due Date.

The Finance Charges for a billing cycle are computed by applying the Periodic Rate to the "average daily balance" of purchases (and if applicable, cash advances). To get the average daily balance, we take the beginning balance of your account each day, add any new purchases or cash advances, and subtract any payments, credits, non-accruing fees, and unpaid finance charges. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle.

Payment Crediting and Credit Balance: Payments received at the location specified on the front of the statement after the phrase "MAKE CHECK PAYABLE TO" will be credited to the account specified on the payment coupon as of the date of receipt. Payments received at a different location or payments that do not conform to the requirements set forth on or with the periodic statement (e.g. missing payment stub, payment envelope other than as provided with your statement, multiple checks or multiple coupons in the same envelope) may be subject to delay in crediting, but shall be credited within five days of receipt. If there is a credit balance due on your account, you may request in writing, a full refund. Submit your request to the Account Inquiries address on the front of this statement.

By sending your check, you are authorizing the use of the information on your check to make a one-time electronic debit from the account on which the check is drawn. This electronic debit, which may be posted to your account as early as the date your check is received, will be only for the amount of your check. The original check will be destroyed and we will retain the image in our records. If you have questions please call the customer service number on the front of this billing statement.

Closing Date: The closing date is the last day of the billing cycle; all transactions received after the closing date will appear on your next statement.

Annual Fee: If your account has been assessed an annual fee, you may avoid paying this annual fee by sending written notification of termination within 30 days following the mailing date of this bill. Submit your request to the Account Inquiries address on the front of this statement. You may use your card(s) during this 30 day period but immediately thereafter must send your card(s), which you have cut in half, to this same address.

Negative Credit Reports: You are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations.

BILLING RIGHTS SUMMARY

In Case of Errors or Inquiries About Your Bill: If you suspect there is an error on your account or you need information about a transaction on your bill, send your written inquiry to the Account Inquiries address on the front of this statement within 60 days of the date of the statement containing the transaction in question. You may telephone us, however a written request is required to preserve your rights.

In your letter, give us the following information:

- ◆ Your name and account number.
- ◆ The dollar amount of the suspected error.
- ◆ Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

Please provide a legal document evidencing your name change, such as a court document.

Please use blue or black ink to complete form

NAME CHANGE

Last

First Middle

ADDRESS CHANGE

Street

City State ZIP Code

Home Phone () - Business Phone () -

Cell Phone () - E-mail Address

SIGNATURE REQUIRED TO AUTHORIZE CHANGES

Signature _____

Cardholder Account Summary					
IMELDA MARQUEZ #### #### ####9		Payments & Other Credits \$0.00	Purchases & Other Charges \$98.50	Cash Advances \$0.00	Total Activity \$98.50
Cardholder Account Detail					
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
02/24	02/26	PPLN01	24011343055000052236622	ZOOM.US 888-799-9666 WWW.ZOOM.US CA	\$98.50

Cardholder Account Summary					
ROBERT FITZROY #### #### #		Payments & Other Credits \$0.00	Purchases & Other Charges \$37.50	Cash Advances \$0.00	Total Activity \$37.50
Cardholder Account Detail					
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
02/26	02/27	PPLN01	24430993057400818031056	MSFT * E0200M71VS MSBILL.INFO WA	\$37.50

Cardholder Account Summary					
MORGAN BING #### #### ####6		Payments & Other Credits \$0.00	Purchases & Other Charges \$47.30	Cash Advances \$0.00	Total Activity \$47.30
Cardholder Account Detail					
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
02/01	02/02	PPLN01	24453883033000016200018	TROPHY HUNTERS SN LUIS OBISP CA	\$12.51
02/01	02/03	PPLN01	24164073033105003280168	STAPLES 00103614 SAN LUIS OBIS CA	\$34.79

Finance Charge Summary / Plan Level Information										
Plan Name	Plan Description	FCM ¹	Average Daily Balance	Periodic Rate *	Corresponding APR	Finance Charges	Effective APR Fees **	Effective APR	Ending Balance	
Purchases										
PPLN01 001	PURCHASE	E	\$0.00	0.06024%(D)	21.9900%	\$0.00	\$0.00	0.0000%	\$183.30	
Cash										
CPLN01 001	CASH	A	\$0.00	0.06572%(D)	23.9900%	\$0.00	\$0.00	0.0000%	\$0.00	
* Periodic Rate (M)=Monthly (D)=Daily							Days In Billing Cycle: 28			
** includes cash advance and foreign currency fees							APR = Annual Percentage Rate			
¹ FCM = Finance Charge Method										
(V) = Variable Rate If you have a variable rate account the periodic rate and Annual Percentage Rate (APR) may vary.										

Account Summary

Billing Cycle		03/31/2023
Days In Billing Cycle		31
Previous Balance		\$183.30
Purchases	+	\$272.05
Cash	+	\$0.00
Balance Transfers	+	\$0.00
Special	+	\$0.00
Credits	-	\$0.00
Payments	-	\$183.30-
Other Charges	+	\$0.00
Finance Charges	+	\$0.00

NEW BALANCE \$272.05

Credit Summary

Total Credit Line	\$10,000.00
Available Credit Line	\$9,727.95
Available Cash	\$0.00
Amount Over Credit Line	\$0.00
Amount Past Due	\$0.00
Disputed Amount	\$0.00

Account Inquiries

- Call us at: (866) 777-9013
Lost or Stolen Card: (866) 839-3485
- Go to www.umpquabank.com
- Write us at PO BOX 35142 - LB1181, SEATTLE, WA 98124-5142

Payment Summary

NEW BALANCE	\$272.05
MINIMUM PAYMENT	\$272.05
PAYMENT DUE DATE	04/25/2023

NOTE: Grace period to avoid a finance charge on purchases, pay entire new balance by payment due date. Finance charge accrues on cash advances until paid and will be billed on your next statement.

Corporate Activity

Trans Date	Post Date	Reference Number	Transaction Description	Amount
TOTAL CORPORATE ACTIVITY				\$183.30-
03/09	03/09	7000560306855068200022	PAYMENT - THANK YOU SPOKANE WA	\$183.30-

Cardholder Account Summary

IMELDA MARQUEZ #####	Payments & Other Credits	Purchases & Other Charges	Cash Advances	Total Activity
	\$0.00	\$209.54	\$0.00	\$209.54

Cardholder Account Detail

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
03/01	03/02	PPLN01	24011343060000049100470	ZOOM.US 888-799-9666 WWW.ZOOM.US CA	\$99.55
03/19	03/20	PPLN01	24692163078106781972246	NORTON *AP1455089885 877-294-5265 AZ	\$109.99

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UMPQUA BANK
PO BOX 35142 - LB1181
SEATTLE WA 98124-5142



Account Number

Check box to indicate name/address change on back of this coupon

AMOUNT OF PAYMENT ENCLOSED

Closing Date	New Balance	Total Minimum Payment Due	Payment Due Date
03/31/23	\$272.05	\$272.05	04/25/23

\$

BL ACCT 0000 LAFCO
1042 PACIFIC ST
SUITE A
SAN LUIS OBISPO CA 93401

e-Statement

MAKE CHECK PAYABLE TO:
 UMPQUA BANK COMMERCIAL CARD OPS
PO BOX 35142 - LB1181
SEATTLE WA 98124-5142

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By sending your check, you are authorizing the use of the information on your check to make a one-time electronic debit from the account on which the check is drawn. This electronic debit, which may be posted to your account as early as the date your check is received, will be only for the amount of your check. The original check will be destroyed and we will retain the image in our records. If you have questions please call the customer service number on the front of this billing statement.

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In your letter, give us the following information:

- ◆ Your name and account number.
- ◆ The dollar amount of the suspected error.
- ◆ Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

Please provide a legal document evidencing your name change, such as a court document.

Please use blue or black ink to complete form

NAME CHANGE

Last

First Middle

ADDRESS CHANGE

Street

City State ZIP Code

Home Phone () - Business Phone () -

Cell Phone () - E-mail Address

SIGNATURE REQUIRED TO AUTHORIZE CHANGES

Signature _____

Cardholder Account Summary				
ROBERT FITZROY #### #### ####	Payments & Other Credits \$0.00	Purchases & Other Charges \$37.50	Cash Advances \$0.00	Total Activity \$37.50

Cardholder Account Detail					
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
03/26	03/27	PPLN01	24430993085400816171926	MSFT * E0200MLJSX MSBILL.INFO WA	\$37.50

Cardholder Account Summary				
MORGAN BING #### #### ####6	Payments & Other Credits \$0.00	Purchases & Other Charges \$25.01	Cash Advances \$0.00	Total Activity \$25.01

Cardholder Account Detail					
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
03/22	03/23	PPLN01	24453883082000010000042	TROPHY HUNTERS SN LUIS OBISP CA	\$25.01

Finance Charge Summary / Plan Level Information									
Plan Name	Plan Description	FCM ¹	Average Daily Balance	Periodic Rate *	Corresponding APR	Finance Charges	Effective APR Fees **	Effective APR	Ending Balance
Purchases									
PPLN01 001	PURCHASE	E	\$0.00	0.06024%(D)	21.9900%	\$0.00	\$0.00	0.0000%	\$272.05
Cash									
CPLN01 001	CASH	A	\$0.00	0.06572%(D)	23.9900%	\$0.00	\$0.00	0.0000%	\$0.00
* Periodic Rate (M)=Monthly (D)=Daily							Days In Billing Cycle: 31		
** includes cash advance and foreign currency fees							APR = Annual Percentage Rate		
¹ FCM = Finance Charge Method									
(V) = Variable Rate If you have a variable rate account the periodic rate and Annual Percentage Rate (APR) may vary.									



San Luis Obispo Local Agency Formation Commission

COMMISSIONERS

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ED WAAGE
City Member

Vice-Chair
DEBBIE ARNOLD
County Member

JIMMY PAULDING
County Member

MARSHALL OCHYLSKI
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ROBERT ENNS
Special District Member

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ALTERNATES

DAWN ORTIZ-LEGG
County Member

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CHARLES BOURBEAU
City Member

David Watson
Public Member

STAFF

ROB FITZROY
Executive Officer

IMELDA MARQUEZ-VAWTER
Analyst

MORGAN BING
Clerk Analyst

BRIAN A. PIERIK
Legal Counsel

TO: MEMBERS OF THE COMMISSION

FROM: ROB FITZROY, EXECUTIVE OFFICER

DATE: APRIL 20, 2023

SUBJECT: PROPOSED FISCAL YEAR 2023-2024 BUDGET AND WORK PLAN

RECOMMENDATION

Action 1: Approve, by roll call vote, the Proposed Fiscal Year 2023-2024 Budget and Work Plan (Attachment A).

Action 2: Direct the Executive Officer, by roll call vote, to distribute the Proposed Budget and Work Plan to contributing agencies per the Cortese, Knox Hertzberg Act, and set the Final Budget and Work Plan hearing for May 18, 2023.

INTRODUCTION

The Cortese, Knox, Hertzberg Act (CKH) requires that Local Agency Formation Commissions (LAFCO) consider a proposed annual budget by May 1st and adopt a final annual budget by June 15th and transmit the budget to each contributing agency. After adoption of the final budget by LAFCO, the County Auditor is required to apportion the share of the budget to each contributing agency represented on the Commission based on the formulas specified in CKH. Upon collection of the apportioned share from each contributing agency, the County Auditor retains the funds within its accounting system for use by LAFCO. Every financial transaction conducted by LAFCO is processed through the County Auditor. This ensures financial transparency, accuracy and accountability.

WHAT WE DO

The primary purpose of LAFCO is to help government agencies provide efficient services, foster orderly growth and development, preserve agricultural lands and open space, and discourage urban sprawl. SLO LAFCO currently serves 53 local government agencies, including 7 cities and 35 special districts and 11 dependent special districts within the county. LAFCOs are responsible for, in part, establishing spheres of influence, evaluating annexations, approving the formation of districts,

activating or divesting district powers, the incorporation of cities, and other changes to governmental organizations.

FY 23-24 BUDGET AND WORK PLAN SUMMARY

LAFCO is in a healthy budgetary and operational state. Staff continue to bring positive, effective and efficient changes to the organization. Numerous improvements to processes, operations, technology, communication, and budgeting have occurred. We expect to continue to provide a high level of service to agencies and the public.

The Fiscal Year 2023-2024 (FY 23-24) budget will remain balanced and represents an overall increase of 6% for regular ongoing expenditures, totaling \$686,653, an increase of \$37,038 from FY 22-23 and an overall increase of 10% due to a one-time expenditure of \$25,000 for a financial audit to be paid by existing reserves, totaling \$711,653 in expenditures. Note, staff make the distinction between regular and one-time expenditures because audit expenditure will not be included in charges to agencies. Ongoing budgetary expenditure increases primarily relate to unprecedented inflation this past year (approximately 6.5% for this region based on Bureau of Labor Statistics), as well as other factors discussed further below.

We anticipate that FY 23-24 will bring further stability to the organization as we continue to onboard and train staff, refine new processes and procedures, and implement ongoing improvements to the organization.

LAFCO staff workload is currently projected to be larger than any other point in time. With over 20 Municipal Service Reviews (MSR) in need of updating, multiple large-scale annexations and proposals on the horizon, and an overall increase in application activity, we anticipate the next several years to be very busy for staff. With that said, we have crafted a budget and work plan that is commensurate with budgetary realities of local agencies, and designed to minimize fiscal impacts. Because the budget represents a modest increase, contributing agencies can expect rates to be similar to previous years with some variance.

When budgeting and work planning, not only is it important to analyze the organization but to also conduct a comparison to other similar organizations. When comparing our LAFCO to that of other LAFCOs with a similar number of cities, districts and staff, we have the lowest budget per staff when compared to other similar coastal LAFCOs and the lower 25th percentile when compared to a combination of similar coastal and inland LAFCOs, respectively. This information tells us that we are able to accomplish a lot relative to our available budget and staff. Moving forward, we will continue to evaluate our organizational needs. Regardless of our staffing levels or budget, it is your Executive Officer's priority to set clear expectations for our contributing agencies and the public so that we can provide the highest level of service relative to the resources available.

WORK PLAN

Work Plan. The Commission established the following workload prioritization:

1. Process proposal applications as mandated by statute, and conduct critical operations necessary for organizations to function.
2. Update agency SOIs and MSRs every five years, as mandated by statute, based on the date an MSR was last updated.
3. Execute special work efforts as directed by the Commission.

These priorities are established in the manner listed above for a few key reasons. Processing proposal applications is by default our top priority because of mandated timeframes in which an application must be processed. SOIs and MSRs are also mandated by law; however, the timeframe associated with updating an SOI is longer. SOIs must be updated every 5 years. The attached Work Plan is consistent with this mandate because it lists MSRs that need updating based on that which is oldest. While prioritizing the oldest MSR is a logical approach, there may be instances where it is necessary to delay an update for a particular reason. For example, a City may have an update that is needed because their MSR is older than 5 years; however, they may also be embarking on a comprehensive General Plan update. If this is the case, it would not make sense to update a MSR when the City is in the process of determining how it will grow over the next 20 years, since the MSR evaluates future growth and Spheres of Influence. Nonetheless, MSRs will be generally updated based on that which is oldest.

For the previous fiscal year, FY 22-23, pursuant to the Commission's top priority, staff prioritized the processing of various applications, including:

- Oceano Community Services District Divestiture of Fire Authority
- Dana Reserve Specific Plan
- Froom Ranch Specific Plan Time Extensions and Post Approval Items
- CSA 18 Annexation – Windmill Way Time Extension and Post Approval Items
- CSA 18 Annexation – Jack Ranch Headquarters
- Cayucos Sanitary District – Valley Project
- CSA 12 Annexation – Weldon
- Shandon San Juan Water District Annexation

In addition to the above proposal applications, staff provided preliminary consultation for on the radar applications, various legislative updates, quarterly reports, various closed session items, and study sessions.

Pursuant to the Commission's second priority and identified to be initiated in FY 22-23, staff initiated Municipal Services Reviews for the following agencies:

- City of Paso Robles
- Heritage Ranch Community Services District

- Templeton Community Services District
- San Miguel Community Services District

Pursuant to the Commission's third priority, Commission Initiates, in FY 22-23 staff was to conduct the following organizational work items.

- New website launch (completed)
- Application update and procedure improvements (completed)
- Policy and Procedures manual updates (completed, to be presented on May 18, 2023)

The proposed Work Plan for FY 23-24 is included in Attachment A. For FY 23-24, it is recommended that Priorities #1 and #2 remain the same, that is, staff will continue to process applications and prepare Municipal Services Reviews as efficiently as possible. It is recommended for Priority #3, Commission Initiatives, that we conduct a financial audit. The last financial audit was prepared in 2018. Because all of LAFCO funds and transactions are processed through the County Auditor, audits are typically conducted every 2 to 5 years. It should be noted that LAFCO conducts audits voluntarily, LAFCO's are not required by law to conduct audits.

Conducting an audit will impact staff workload capacity for other priorities and application processing. Although an audit requires a significant amount of staff time to complete, to ensure we maintain best financial practices and to maintain transparency, it is recommended that the organization issue an RFP to solicit bids to prepare an audit. It is important to note that staff has proposed use of existing fund balance reserves for this work effort. The fund balance is in a healthy state and because this is a one-time expense, we do not want to incorporate this expense into our agency contribution amounts. Based on the cost of the last financial audit and research of current rates, we propose a budgetary expense of \$25,000 for an audit. It is likely the costs will be less than \$25,000 but would like to ensure we have adequately budgeted for this expense. We will conduct a complete bidding process to ensure we have a range of bids to choose from.

Staffing. LAFCO staffing is currently comprised of three permanent staff; one Executive Officer, one Analyst, and one Clerk Analyst, as well as one contract legal counsel. No changes to the number of permanent staff are proposed at this time. In FY 22-23, the Commission supported the creation of a Clerk Analyst position in lieu of the former Commission Clerk position. As stated in the FY 22-23 budget and work plan staff report, the Executive Officer stated that he would report back to the Commission after one year to discuss impacts of the change. Overall, the addition of the Clerk Analyst position has been very positive for the organization. The Clerk Analyst is able to perform clerk functions and responsibilities, as well as provide workload support to the Analyst and Executive Officer so that we can continue to complete proposal applications and MSRs in a timely manner in light of observed increased demand. The intent of the position having been created was to provide additional capacity for the organization and the position has done just that. While workload remains heavy, this addition has been beneficial for LAFCO. We will continue to monitor workload during FY 23-24, and discuss status next fiscal cycle. Because we are anticipating several more large and complex proposal applications, it is expected that capacity to prepare Municipal Service Reviews will decrease over the coming year.

Staff will continue to work diligently on the Municipal Service Review program and continue to provide updates to the Commission with each quarterly report.

FISCAL YEAR 2023/2024 BUDGET

Expenditures. Overall, FY 23-24 expenditures when compared to the previous fiscal year are proposed to increase by **6%** to \$686,653 for regular ongoing expenditures, an increase of \$37,038 from FY 22-23. A one-time audit is also proposed for the following fiscal year, as is discussed in more detail below, for a total increase of **10%** to \$711,653 for regular expenditures and the one-time audit. Note, the audit expenditure will not be included in charges to agencies but will be paid by existing reserves. The budget will remain balanced based on anticipated revenue, as discussed further below. Expenditure details are as follows.

Service and Supplies. Overall, FY 23-24 Service and Supplies expenditures are proposed to increase by **4%** to \$155,449, an increase of \$6,688 from FY 22-23 for regular ongoing expenditures and an increase of **21%** to \$180,449 when including the one-time audit expenditure of \$25,000. The majority of expenditures remain constant from the previous fiscal year; however, increases do occur in certain line items, mostly those which relate to unprecedented inflation (approximately 6.5% for this region based on Bureau of Labor Statistics) and the one-time audit. Increases can be seen in the following line items.

- General Services/Commissioner Stipends (includes one-time \$25,000 audit expense)
- LAFCO Insurance Liability Policies
- County Auditor Services
- Legal Counsel Services
- Professional Memberships
- Office Lease
- General Office Equipment / Supplies

Any contract amendments or new contracts required for the above services will be brought back to the Commission for approval once the budget is approved.

Salaries, Taxes and Benefits. Overall, FY 23-24 Salaries, Benefits and Taxes are proposed to increase by **6%** to \$531,204, an increase of \$30,350. Increases in this category relate to the following factors.

- Pension Liabilities
- Health Insurance
- Consumer Price Index salary adjustments for Analyst and Clerk Analyst positions

Revenues. Commensurate with the increase in expenditures discussed above, revenues will be **6%** higher than the previous fiscal year for regular ongoing fiscal years, and **10%** higher when including the one-time expenditure for the audit, which will result in a balanced budget for FY 23-24. Further details are below.

Application Revenue. It is always difficult to predict how many applications will be received. Due to the number of inquiries this fiscal year, we expect application fees to modestly increase again. We have assumed that application revenue will increase to \$32,000, from \$28,000 the previous fiscal year.

Agency Contributions. Agency contributions for cities, districts and the county are anticipated to increase by 6%, from \$195,538 to \$206,551. This increase does not include the one-time expenditure for the financial audit. This is a typical average annual increase that has been seen over the last 10 years. This amount is proportionately divided among cities/districts based on an agencies' total revenues as reported to the State Controller. The County Auditor uses the most recent Cities and Special Districts Annual Report prepared by the State Controller to allocate the charges to each of the agencies in the County on a proportionate basis.

Reserves. As with past practice, LAFCO uses transfers of reserves to offset agency contributions and/or carry forward any budget surplus from the preceding year. The amount transferred typically coincides with unanticipated revenue or budget surplus. For FY 22-23, LAFCO planned to use \$35,000 of reserves. We anticipate projected year-end expenditures to be approximately \$25,000 to \$35,000 under expected expenditures. As such, we recommend, as with last fiscal year, using a transfer of \$35,000 of reserves. In addition, it is also recommended to use an additional \$25,000 from reserves to fund the cost of a one-time audit and not burden contributing agencies with that expense. The total transfer of reserves would be \$60,000.

In April 2008, the Commission adopted a reserve/fund balance guideline of maintaining at least a 15% contingency or reserve. If the proposed transfer of reserves is actually used at the year end of FY 23-24, this would leave a reserve fund balance of approximately \$241,201 (note this also includes a one-time expense of \$25,000 for a financial audit). This remaining amount exceeds the 15% contingency policy of LAFCO, and would result a reserve of approximately 35%.

Distribution. As required by Government Code Section 56381, the proposed budget has been transmitted to the Board of Supervisors, each City Manager, and each Independent Special District. The budget has also been sent to the County Administrative and Auditor's Offices. A legal notice was published 21 in advance of the hearings.

STAFF RECOMMENDATION

The Commission may approve or modify the proposed budget. Staff recommends the following actions:

Action 1: Approve, by roll call vote, the Proposed Fiscal Year 23-24 Budget and Work Plan (Attachment A).

Action 2: Direct the Executive Officer, by roll call vote, to distribute the Proposed Budget and Work Plan to contributing agencies per the Cortese, Knox Hertzberg Act, and set the Final Budget and Work Plan hearing for May 18, 2023.

Attachment A: Proposed FY 23-24 Budget & Work Plan

Attachment A

Proposed FY 23-24 Budget &
Work Plan



Proposed FY 23-24 Budget and Work Plan

The San Luis Obispo Local Agency Formation Commission's public budget hearings are scheduled for April 20, 2023, and May 18, 2023, as required by government code section 56381.

Approved _____, 2023

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ABOUT US

Commissioners

Chair: Ed Waage, City Member

Vice Chair: Debbie Arnold, County Member

Jimmy Paulding, County Member

Marshall Ochylski, Special District Member

Robert Enns, Special District Member

Steve Gregory, City Member

Heather Jensen, Public Member

Alternates

Charles Bourbeau, City Member

Dawn Ortiz-Legg, County Member

Ed Eby, Special District Member

David Watson, Public Member

Staff

Rob Fitzroy, Executive Officer

Imelda Marquez-Vawter, Analyst

Morgan Bing, Clerk Analyst

Brian Pierik, Legal Counsel

Introduction

This document represents the Fiscal Year 2023-2024 Budget and Work Plan for the San Luis Obispo Location Agency Formation Commission.

Mission

Our mission is to serve the residents of San Luis Obispo County and the State of California by discouraging urban sprawl and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances.

Goals

LAFCO's goals are to:

- Serve the Commission, Cities, Districts, the County, and the public by providing accurate, objective, clear, and well-organized information for decision making purposes
- Process proposal applications efficiently; consistent with the Cortese-Knox-Hertzberg Act, Local Policies and Procedures, CEQA and other applicable state laws
- Prepare Sphere of Influence/Municipal Service Review updates as necessary, while working on applications and other work efforts simultaneously
- Provide the Commission with regular status reports regarding upcoming proposals, Sphere of Influence Updates, Legislative Activities, and the Budget
- Participate in CALAFCO events to improve Commission and Staff expertise
- Inform the Commission and Public regarding various local governance issues and processes by providing regular status reports and study sessions
- Monitor the new legislation that may affect LAFCO

Priorities

Our workload prioritization is as follows:

1. Process proposal applications as mandated by statute and conduct critical operations necessary for organization to function.
2. Prepare Municipal Service Reviews every five years, as mandated by statute, based on the date a Municipal Service Review was last updated.
3. Execute special work efforts as directed by the Commission.

WORK PLAN

Project	Latest MSR Adopted	MSR Update Due Date	Status
Application Processing	N/A	N/A	Ongoing, Highest Priority
Commission Initiatives	N/A	NA	<i>Financial Audit - ETA 2024</i>
City of Paso Robles MSR	Feb-13	Feb-18	Initiated, ETA 2023
Templeton Community Services District (CSD) MSR	Nov-13	Nov-18	Initiated, ETA 2023
San Miguel CSD MSR	Nov-13	Nov-18	Initiated, ETA 2023
Heritage Ranch CSD MSR	Nov-13	Nov-18	Initiated, ETA 2023
Avila Beach CSD MSR	Aug-23	Aug-19	Initiate 2023, ETA 2024
Cambria CSD MSR	Aug-14	Aug-19	Initiate 2023, ETA 2024
Los Osos CSD MSR	Aug-14	Aug-19	Initiate 2023, ETA 2024
San Simeon CSD MSR	Aug-14	Aug-19	Initiate 2023, ETA 2024
Cambria Healthcare District MSR	Aug-14	Aug-19	Initiate 2023, ETA 2024
Coastal San Luis Resource Conservation District (RCD) MSR	Nov-14	Nov-19	Initiate 2024, ETA 2024
Upper Salinas/Las Tablas RCD MSR	Nov-14	Nov-19	Initiate 2024, ETA 2024
Santa Margarita Fire District	Nov-14	Nov-19	Initiate 2024, ETA 2024
Garden Farms Water District	Nov-14	Nov-19	Initiate 2024, ETA 2024
Port San Luis Harbor District	Nov-14	Nov-19	Initiate 2024, ETA 2024
Cayucos Sanitary District	Jan-15	Jan-20	Initiate 2024, ETA 2025
Cal Valley CSD MSR	Dec-15	Dec-20	Initiate 2024, ETA 2025
Independence Ranch CSD MSR	Dec-15	Dec-20	Initiate 2024, ETA 2025
Linne CSD MSR	Dec-15	Dec-20	Initiate 2024, ETA 2025
Squire Canyon CSD MSR	Dec-15	Dec-20	Initiate 2024, ETA 2025
Ground Squirrel Hollow CSD MSR	Dec-15	Dec-20	Initiate 2024, ETA 2025
City of San Luis Obispo MSR	Oct-16	Oct-21	Initiate 2025, ETA 2025
Shandon-San Juan Water District MSR	Oct-16	Oct-21	Initiate 2025, ETA 2025
City of Morro Bay MSR	Mar-17	Mar-22	Initiate 2025, ETA 2025
Estrella-El Pomar-Creston Water District MSR	Apr-17	Apr-22	Up to Date
County Service Area 1 - and Nipomo Lighting District MSR	Aug-17	Aug-22	Up to Date
County Service Area 7 - Oak Shore MSR	Aug-17	Aug-22	Up to Date
County Service Area 9 - Los Osos MSR	Aug-17	Aug-22	Up to Date
County Service Area 10 - Cayucos MSR	Aug-17	Aug-22	Up to Date
County Service Area 12 - Lopez Water MSR	Aug-17	Aug-22	Up to Date
County Service Area 16 - Shandon MSR	Aug-17	Aug-22	Up to Date
County Service Area 18 - SLO Country Club MSR	Aug-17	Aug-22	Up to Date
County Service Area 21 - Countywide Roads MSR	Aug-17	Aug-22	Up to Date
County Service Area 22 - Airport Area MSR	Aug-17	Aug-22	Up to Date
County Service Area 23 - Santa Margarita MSR	Aug-17	Aug-22	Up to Date
Adelaida Cemetery District MSR	Mar-18	Mar-23	Up to Date
Arroyo Grande Cemetery District MSR	Mar-18	Mar-23	Up to Date
Atascadero Cemetery District MSR	Mar-18	Mar-23	Up to Date
Cambria Cemetery District MSR	Mar-18	Mar-23	Up to Date
Cayucos-Morro Cemetery District MSR	Mar-18	Mar-23	Up to Date
Pleasant Valley Cemetery District MSR	Mar-18	Mar-23	Up to Date
Paso Robles Cemetery District MSR	Mar-18	Mar-23	Up to Date
San Miguel Cemetery District MSR	Mar-18	Mar-23	Up to Date
Santa Margarita Cemetery District MSR	Mar-18	Mar-23	Up to Date
Shandon Cemetery District MSR	Mar-18	Mar-23	Up to Date
Templeton Cemetery District MSR	Mar-18	Mar-23	Up to Date
Nipomo CSD MSR	May-18	May-23	Up to Date
City of Pismo Beach MSR	Sep-19	Sep-24	Up to Date
City of Atascadero MSR	Nov-19	Nov-24	Up to Date
City of Arroyo Grande MSR	Jul-20	Jul-25	Up to Date

BUDGET

	Adopted FY 22-23	Projected FY 22-23 Year End	Proposed FY 23-24	Increase / Decrease From FY 23-23
Regular Ongoing Expenditures Summary	\$649,615	\$619,244	\$686,653	6%
One Time Expenditure for Financial Audit	NA	NA	\$25,000	NA
Total Expenditures with One Time Audit Expense	NA	NA	\$711,653	10%
Revenues Summary	\$649,615	\$620,405	\$711,653	10%
Services and Supplies Expenditure Details				
Computer Software	\$500	\$200	\$500	0%
Copying-Printing	\$300	\$280	\$300	0%
Meals	\$600	\$446	\$600	0%
LAFCO Insurance Policies	\$17,500	\$16,539	\$20,000	14%
Maintenance-Equipment	\$30	\$55	\$30	0%
Maintenance-Software	\$50	\$50	\$50	0%
CALAFCO/ SDRMA / Other Memberships	\$8,800	\$6,722	\$8,800	0%
Employee Mileage Reimbursement	\$200	\$0	\$200	0%
Commissioner Mileage Reimbursement	\$1,500	\$1,000	\$1,500	0%
Office Supplies	\$2,500	\$1,500	\$2,500	0%
Custodial Services	\$1,800	\$1,800	\$1,800	0%
County Auditor Services	\$8,931	\$8,931	\$9,619	8%
Legal Counsel	\$31,200	\$31,200	\$32,400	4%
Postage	\$1,000	\$800	\$1,000	0%
General Services/ Commissioner Stipends (Includes one time expenditure of \$25,000 for Audit)	\$12,000	\$6,618	\$39,000	225%
Publication & Legal Notices	\$1,000	\$700	\$1,000	0%
Training	\$5,000	\$2,000	\$5,000	0%
Office Lease	\$37,000	\$37,000	\$42,000	14%
Large Equipment	\$1,500	\$1,400	\$1,500	0%
Small Equipment	\$400	\$0	\$400	0%
Telephone / Internet	\$3,000	\$3,000	\$3,000	0%
Travel Expenses	\$2,500	\$1,500	\$2,500	0%
Utilities	\$4,700	\$4,700	\$0	-100%
Board Chambers - IT Support	\$850	\$0	\$850	0%
Vehicle Allowance	\$5,400	\$5,400	\$5,400	0%
Vehicle Rental	\$500	\$500	\$500	0%
Ongoing Services / Supplies Subtotal w/o Audit	\$148,761	\$132,341	\$155,449	4%
Services/ Supplies Subtotal with One Time Audit	\$148,761	\$132,341	\$180,449	21%
Salary, Benefits and Taxes Expenditures				
Salaries	\$315,000	\$302,040	\$326,000	3%
Taxes - FICA SS Employer Match	\$19,530	\$18,726	\$20,212	3%
Taxes - Medicare Employer Match	\$4,568	\$4,380	\$4,727	3%
Pension Rate	\$88,698	\$88,698	\$102,882	16%
Pension Obligation Bond	\$16,558	\$16,558	\$17,882	8%
SDI/SUI Employer Contribution	\$1,500	\$1,500	\$1,500	0%
Health Insurance	\$45,000	\$45,000	\$48,000	7%
Deferred Compensation	\$10,000	\$10,000	\$10,000	0%
Salary, Benefits and Taxes Subtotal	\$500,854	\$486,903	\$531,204	6%
Total Expenditures w/o Audit Expenses	\$649,615	\$619,244	\$686,653	6%
Total Expenditures with Audit Expenses	\$649,615	\$619,244	\$711,653	10%
Revenue Details				
Interest Earned	\$4,000	\$3,818	\$4,000	0%
Environmental Review Fees	\$3,000	\$3,000	\$3,000	0%
Sphere of Influence Fees	\$2,000	\$5,000	\$2,000	0%
Application Processing Fees	\$19,000	\$21,972	\$23,000	21%
Other Revenue (Transfer of Reserves)	\$35,000	\$0	\$60,000	71%
Agency Contributions				
Cities	\$195,538	\$195,538	\$206,551	6%
County	\$195,538	\$195,538	\$206,551	6%
Special Districts	\$195,538	\$195,538	\$206,551	6%
Total Revenue	\$649,615	\$620,405	\$711,653	10%
Reserves Fund Balance	\$301,201	\$301,201	\$241,201	-20%