



San Luis Obispo Local Agency Formation Commission Meeting Agenda April 17, 2025, 9:00am

MEETING

APRIL 17, 2025 – 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
SLO.LAFCO.CA.GOV

COMMISSIONERS

STEVE GREGORY, CHAIR, CITY
HEATHER MORENO, VICE CHAIR, COUNTY
DAWN ORTIZ-LEGG, COUNTY
ED WAAGE, CITY
ROBERT ENNS, SPECIAL DISTRICT
VACANT, SPECIAL DISTRICT
DAVID WATSON, PUBLIC
BRUCE GIBSON, COUNTY ALTERNATE
CARLA WIXOM, CITY ALTERNATE
ED EBY, SPECIAL DISTRICT ALTERNATE
MICHAEL DRAZE, PUBLIC ALTERNATE

MEETING PARTICIPATION

- **To submit written comment**, mention the matter or agenda item number and send via email to mmorris@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

Pledge of Allegiance

Call to Order/Roll Call

Approval of the Minutes: March 20, 2025 **(Pages 3-9)**

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 using one of the three methods mentioned above in the “Meeting Participation” section.

Consent Matters

A-1: Third Quarter Fiscal Year 2024-2025 Budget Status and Work Plan Report **(Pages 10-25)**

Recommendation:

Action: Review and approve the third quarter budget and work plan report for Fiscal Year 2024-2025 and direct the Executive Officer to file it with the County Auditor.

Regular Matters

B-1: California Association of Local Agency Formation Commissions Update **(Pages 26-31)**

Recommendation:

Action: Receive and file an informational report on CALAFCO and direct staff to proceed with CALAFCO membership renewal for Fiscal Year 2025-2026.

B-2: Proposed Fee Schedule Update **(Pages 32-45)**

Recommendation:

Action: Review proposed fee updates and set the fee update hearing for May 15, 2025.

B-3: Proposed Fiscal Year 2025-2026 Budget and Work Plan **(Pages 46-57)**

Recommendation:

Action: Approve the Proposed Fiscal Year 2025-2026 Budget and Work Plan (Attachment A), direct the Executive Officer to distribute the Proposed Budget and Work Plan to contributing agencies per government code requirements, and set the Final Budget and Work Plan hearing for May 15, 2025.

Closed Session Matters

C-1: Conference with Legal Counsel: Pending Litigation

Pursuant to California Government Code Section 54596.9(d)(1)

Case: Nipomo Action Committee et al. v. San Luis Obispo LAFCO (San Luis Obispo Superior Court Case No. 24CV-0768)

Commissioner Comments

Legal Counsel Comments

Executive Officer Comments

Adjournment



**SAN LUIS OBISPO
LOCAL AGENCY FORMATION COMMISSION
MARCH 20, 2025, 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, March 20, 2025, by Chairperson Steve Gregory in the Board of Supervisors Chambers at the County Government Center, 1055 Monterey Street, San Luis Obispo, CA 93408.

Pledge of Allegiance

Roll Call

Present: Chairperson Steve Gregory, Vice Chair Heather Moreno, Commissioners Robert Enns, Dawn Ortiz-Legg, Ed Waage, and Alternate Commissioners Ed Eby and Michael Drazo

Absent: Commissioner David Watson and Alternate Commissioners Bruce Gibson and Carla Wixom

Staff: Rob Fitzroy, LAFCO Executive Officer
Imelda Marquez-Vawter, LAFCO Analyst
Morgan Bing, LAFCO Analyst
Melissa Morris, LAFCO Commission Clerk
Holly Whatley, LAFCO Legal Counsel

Approval of the Minutes: January 16, 2025

Chairperson Gregory announced the consideration of approval of the January 16, 2025, Regular Meeting Minutes.

Chairperson Gregory asked for Commissioner comments.

Chairperson Gregory opened the item for public comment, announcing it was closed shortly after hearing none.

Chairperson Gregory asked for a motion to approve the minutes.

Commissioner Ortiz-Legg motioned to approve the minutes.

Commissioner Waage seconded the motion.

AYES: Commissioners Ortiz-Legg, Waage, Enns, Vice Chair Moreno, and Chairperson Gregory

NAYS: None

ABSTAINING: Commissioner Draze

The motion passed.

Chairperson Gregory recognized the arrival of Alternate Commissioner Ed Eby.

Non-Agenda Public Comment Period

Chairperson Gregory opened the item for public comment, announcing it was closed shortly after hearing none.

Regular Matters

A-1: LAFCO File No. 3-R-22: Sphere of Influence Amendment and Annexation No. 19 to Cayucos Sanitary District (Valley Lot)

Mr. Fitzroy and Ms. Marquez-Vawter presented the item.

Chairperson Gregory opened the item for Commissioner questions and comments.

Commissioner Ortiz-Legg inquired about the Cayucos Sanitary District's capacity.

Mr. Fitzroy invited **Gayle Good**, with Cayucos Sanitary District, to provide comment on the item.

Gayle Good responded to questions and provided comment.

Commissioner Draze provided comment on the item.

Commissioner Enns provided comment on the item.

Gayle Good provided comment on the item.

Chairperson Gregory opened the item for public comment, announcing it was closed shortly after hearing none.

Chairperson Gregory opened the item for Commissioner questions and comments.

Commissioner Enns motioned to approve the staff recommendation for Action 1: To find the proposal to be categorically exempt from the California Environmental Quality Act (CEQA)

pursuant to CEQA Guidelines Section 15303 Class 3 (a), (d), (e), and Section 15319, Class 19 (b).

Commissioner Waage seconded the motion.

AYES: Commissioners Enns, Waage, Drazé, Ortiz-Legg, Vice Chair Moreno, Chairperson Gregory, and Commissioner Eby

NAYS: None

ABSTAINING: None

The motion passed.

Commissioner Enns motioned to approve the staff recommendation for Action 2: To approve the proposed Sphere of Influence Amendment and Annexation No. 19 to the Cayucos Sanitary District, as contained in Attachment A, subject to conditions of approval and waive protest proceedings pursuant to Government Code Section 56662 (a).

Commissioner Waage seconded the motion.

AYES: Commissioners Enns, Waage, Drazé, Eby, Ortiz-Legg, Vice Chair Moreno, and Chairperson Gregory

NAYS: None

ABSTAINING: None

The motion passed.

A-2: LAFCO File No. 3-R-23: Sphere of Influence Amendment and Annexation No. 20 to Cayucos Sanitary District (Stanley Lot)

Mr. Fitzroy and Ms. Bing presented the item.

Chairperson Gregory opened the item for Commissioner questions and comments and inquired about the permitting process.

Mr. Fitzroy responded to questions and provided comment.

Vice Chair Moreno inquired about the timeline for the completion of the item.

Mr. Fitzroy responded to questions and provided comment.

Chairperson Gregory opened the item for public comment, and one speaker provided comment to the Commission.

Emily Ewer, from the applicant team, provided comment on the item.

Chairperson Gregory closed public comment and opened the item for Commissioner questions and comments.

Commissioner Enns provided comment.

Commissioner Draze provided comment.

Commissioner Enns motioned to approve the staff recommendation for Action 1: To find the proposal to be categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15303 Class 3 (a), (d), (e), and Section 15319, Class 19 (b).

Vice Chair Moreno seconded the motion.

AYES: Commissioner Enns, Vice Chair Moreno, Commissioners Draze, Eby, Ortiz-Legg, Waage, and Chairperson Gregory

NAYS: None

ABSTAINING: None

The motion passed.

Commissioner Enns provided comment and motioned to approve the staff recommendation for Action 2: To approve the proposed Sphere of Influence Amendment and Annexation No. 20 to Cayucos Sanitary District, as contained in Attachment A, subject to conditions of approval, and waive protest proceedings pursuant to Government Code Section 56662 (a).

Commissioner Ortiz-Legg seconded the motion.

AYES: Commissioners Enns, Ortiz-Legg, Draze, Eby, Waage, Vice Chair Moreno, and Chairperson Gregory

NAYS: None

ABSTAINING: None

The motion passed.

A-3: Second Quarter Fiscal Year 2024-2025 Budget Status and Work Plan Report

Mr. Fitzroy presented the item.

Chairperson Gregory opened the item for Commissioner questions and comments.

Commissioner Enns inquired about the San Simeon CSD dissolution.

Mr. Fitzroy responded to questions and provided comment.

Chairperson Gregory inquired about revenues.

Mr. Fitzroy responded to questions and provided comment.

Chairperson Gregory opened the item for public comment, announcing it was closed shortly after hearing none.

Chairperson Gregory opened the item for Commissioner questions and comments.

Commissioner Waage motioned to approve the staff recommendation for Item A-3: To review the second quarter budget and work plan report for fiscal year (FY) 2024-2025 and approve to direct the Executive Officer to file it with the County Auditor.

Vice Chair Moreno seconded the motion.

AYES: Commissioner Waage, Vice Chair Moreno, Commissioners Draze, Eby, Enns, Ortiz-Legg, and Chairperson Gregory

NAYS: None

ABSTAINING: None

The motion passed.

A-4: Appointment of Designated Representative for Labor Negotiations

Ms. Whatley presented the item.

Chairperson Gregory opened the item for Commissioner questions and comments, announcing it was closed shortly after hearing none.

Chairperson Gregory opened the item for public comment, announcing it was closed shortly after hearing none.

Chairperson Gregory opened the item for Commissioner comments.

Vice Chair Moreno motioned to approve the staff recommendation for Item A-4: To appoint the Commission's General Counsel as its designated agency representative for labor negotiations.

Commissioner Ortiz-Legg seconded the motion.

AYES: Vice Chair Moreno, Commissioners Ortiz-Legg, Draze, Eby, Enns, Waage, and Chairperson Gregory

NAYS: None

ABSTAINING: None

The motion passed.

Closed Session

B-1: Conference with Legal Counsel: Pending Litigation
Pursuant to California Government Code Section 54596.9(d)(1)

Case: Nipomo Action Committee et al. v. San Luis Obispo LAFCO (San Luis Obispo Superior Court Case No. 24CV-0768)

B-2: Public Employee Performance Evaluation
Pursuant to California Government Code Section 54957(b)

Employee: Rob Fitzroy, Executive Officer

B-3: Conference with Labor Negotiators
Pursuant to California Government Code Section 54957.6

Agency designated representative: General Counsel

Unrepresented Employee: Executive Officer

Chairperson Gregory introduced the Closed Session items and stated the Commission would reconvene in Open Session immediately following the Closed Session.

Ms. Whatley provided comment on the Closed Session items.

Chairperson Gregory opened the item for public comment, announcing it was closed shortly after hearing none.

Chairperson Gregory called the meeting into Closed Session at 9:39 AM.

At 10:14 AM, **Chairperson Gregory** called the Open Session back into order and invited Ms. Whatley to report on the Closed Session.

Report on Closed Session: **Ms. Whatley** stated that there were no reportable actions for items B-1 and B-2. For item B-3, direction was given to the labor negotiator.

Regular Matters - Continued

Commissioner Comments: **None**

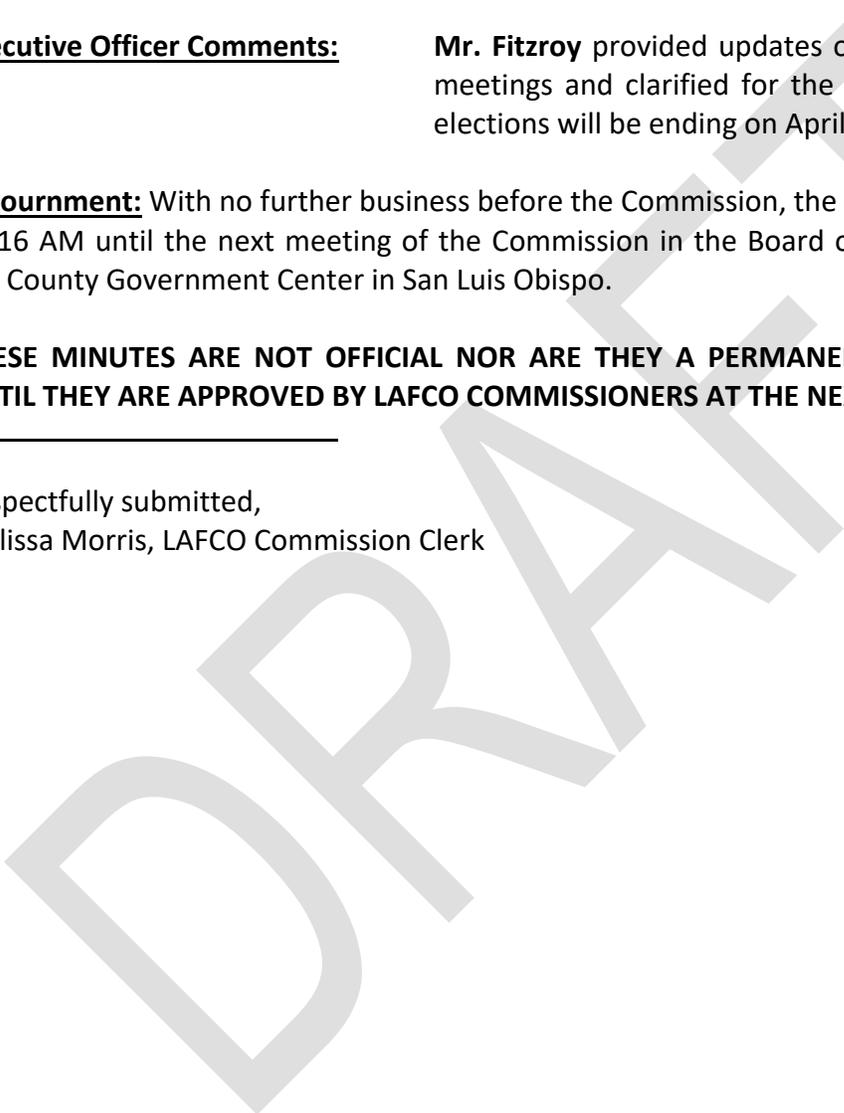
Legal Counsel Comments: **None**

Executive Officer Comments: **Mr. Fitzroy** provided updates on budget items, upcoming meetings and clarified for the record that special district elections will be ending on April 18, 2025.

Adjournment: With no further business before the Commission, the meeting adjourned at 10:16 AM until the next meeting of the Commission in the Board of Supervisors Chambers at the County Government Center in San Luis Obispo.

THESE MINUTES ARE NOT OFFICIAL NOR ARE THEY A PERMANENT PART OF THE RECORD UNTIL THEY ARE APPROVED BY LAFCO COMMISSIONERS AT THE NEXT REGULAR MEETING.

Respectfully submitted,
Melissa Morris, LAFCO Commission Clerk





San Luis Obispo Local Agency Formation Commission

TO: MEMBERS OF THE COMMISSION

FROM: ROB FITZROY, EXECUTIVE OFFICER

DATE: APRIL 17, 2025

SUBJECT: THIRD QUARTER FISCAL YEAR 2024-2025 BUDGET STATUS AND WORK PLAN REPORT

COMMISSIONERS

Chairperson
STEVE GREGORY
City Member

Vice-Chair
HEATHER MORENO
County Member

DAWN ORTIZ-LEGG
County Member

ED WAAGE
City Member

ROBERT ENNS
Special District Member

VACANT
Special District Member

DAVID WATSON
Public Member

ALTERNATES

BRUCE GIBSON
County Member

CARLA WIXOM
City Member

ED EBY
Special District Member

MICHAEL DRAZE
Public Member

STAFF

ROB FITZROY
Executive Officer

IMELDA MARQUEZ-VAWTER
Analyst

MORGAN BING
Analyst

MELISSA MORRIS
Commission Clerk

HOLLY WHATLEY
Legal Counsel

RECOMMENDATION

Action: Review and approve the third quarter budget and work plan report for Fiscal Year 2024-2025 and direct the Executive Officer to file it with the County Auditor.

BUDGET OVERVIEW

This report is the third FY 2024-2025 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, compiling budget report data, and providing an independent review of the budget.

QUARTERLY BUDGET SUMMARY

Executive Officer Comments. The third quarter's budget actuals indicate that LAFCO continues to be in a strong budgetary position. Expenditures are as expected within the third quarter. Application activity and associated revenue continue to be very strong; with 75% of the fiscal year complete, we have reached 160% of our revenue projections for proposal applications. Additionally, total revenues are 92% realized.

Expenditures. Overall, third-quarter expenditures are at 75%, with 75% of the fiscal year complete. A detailed budget report is provided in Attachment A. It should be noted that Salaries are at 76% with 75% of the year completed, in part due to the slightly earlier than expected start date of the recently added Commission Clerk position as approved by the Commission. Overall bottom-line expenditures will not exceed the overall budget, as per our standard practice. Below is a brief summary of line-item expenditures:

- Salaries and benefits are 76% expended.
- Services and Supplies are 74% 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" (i.e., a purchase over \$400), a receipt is provided for that item for further transparency.

- **January:** Microsoft Office Subscription \$50.00, Microsoft Office Subscription \$9.17, Trophy Hunters \$13.01, CSDA Meeting \$40.00, Amazon Office Supplies \$151.23, Rite Aid Waters \$6.09, USPS \$11.20, USPS \$168.00, USPS \$56.00, Clerk Recorder \$82.49, Fedex Map Scanning \$21.73, Rebate Credit -\$87.28
- **February:** CALAFCO Workshop Registration \$625.00, Microsoft Office Subscription \$50.00, CALPERS \$51.18, USPS \$146.00, Walmart \$48.85
- **March:** CALAFCO Workshop Hotel \$211.68, Norton Subscription \$119.99, Microsoft Office Subscription \$50.00, USPS \$4.61, Clerk Recorder \$164.98

Revenues. Overall, revenues are 92% realized through the third quarter. Contributing agencies (Cities, Special Districts, and the County) have paid 100% of the LAFCO charges billed in the first quarter by the County Auditor. Application fees have been submitted in the amount of \$48,126 or 160% of the projected application revenue for the year. In line with current projections, due to higher than expected application fees, use of reserves will be about 30% less than budgeted.

It is important to note that staff included a new line item identified as "pass through revenue". This is specifically related to revenue received for litigation related to the Dana Reserve Specific Plan. As per our indemnification policy, the applicant was required to submit a deposit to offset

any expenses incurred related to the litigation. Staff time and legal counsel time are billed against the deposit. This is a temporary revenue source and is only for pass-through purposes, and as such, it is not included in the general revenue line item. Once the litigation is resolved, any remaining funds will be refunded to the applicant.

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 \$300,873.

WORK PLAN QUARTERLY UPDATE

Work Plan Update. In conjunction with the FY 2024-2025 budget process, the Commission adopted an accompanying Work Plan for FY 2024-2025. Our adopted 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 2024-2025 Work Plan, during the third quarter, staff have been diligently working on the following items:

- Dana Reserve Lawsuit
- Commission Clerk Onboarding
- Special District Member Request for Nominations & Elections
- CSA 23 Annexation
- Cayucos Sanitary District Annexations
- Continued proposal processing of two Nipomo CSD annexations, City of SLO Detachment, and annexations into special independent districts
- City of Paso Robles MSR (in progress)
- Los Osos CSD MSR (in progress)
- San Simeon CSD MSR (initiated – paused pending dissolution action)
- Upper Salinas / Las Tablas Resource Conservation District MSR (in progress)
- Coastal San Luis Resource Conservation District MSR (in progress)
- Santa Margarita Fire Protection District MSR (in progress)
- Port San Luis Harbor District MSR (in progress)
- California Valley CSD MSR (in progress)
- Independence Ranch CSD MSR (in progress)
- Linne CSD MSR (in progress)
- Squire Canyon CSD MSR (in progress)
- Ground Squirrel Hollow CSD MSR (in progress)

- Shandon San Juan Water District MSR(in progress)
- Estrella El Pomar Creston Water District MSR (in progress)
- Garden Farms Water District MSR (in progress)
- Conducted ongoing critical operations, invoicing, payroll, records management, office administration, and directory update
- Additional work efforts include attendance/presentations at various district public meeting to discuss LAFCO processes, response to numerous public inquiries regarding annexations, incorporations, and dissolutions, coordination with numerous districts and cities regarding potential future annexations, coordination with districts regarding activation/divestiture of powers, responses to Public Record Act requests, reorganizing our record management systems, and LAFCO maps/GIS Boundary Data maintenance

Significant Project Status Updates

Below is a brief summary of the current status of significant applications currently in process or items that will be forthcoming in the near future:

- **San Miguel Community Services District** – On November 21, 2024, San Miguel CSD passed a resolution to divest its fire authority. While no formal application has been received, we do anticipate an application in the near future. The details of the proposal are not yet known, but our understanding is that the CSD wishes to divest its fire authority and there will be an initiative to create a new fire district that expands beyond the current CSD boundaries. More details to come.
- **Dana Reserve Specific Plan** – The Board of Supervisors approved the Dana Reserve Specific Plan on April 24, 2024. Your Commission approved the annexation into Nipomo CSD on November 14, 2024. All post-approval requirements are complete; however, within the 30-day statute of limitations, a lawsuit was filed against LAFCO related to the Environmental Impact Report. Staff have been working with legal counsel on this matter, and it currently requires staff bandwidth and is expected to do so over the next several months.
- **San Simeon CSD Dissolution** – The San Simeon CSD submitted a Resolution of Application to LAFCO on May 30, 2024. As required by law, staff provided a 30-day review letter, a copy of which was provided to your Commission. The dissolution is currently on information hold. In brief, the County, the proposed successor agency, requested time to study the issue and would like to explore options. The LAFCO 30-day response letter details some of the items that need to be analyzed, much of which depends on how the County would like to proceed as the successor agency. The process requires a comprehensive analysis of existing and future governance structures and the services to be provided. It requires a detailed Plan for Service pursuant to Government Code Section 56653. The information within the Plan for Service should be informed by a comprehensive analysis reflective of the entirety of the action. In pursuing dissolution, the County, as a successor agency, will be assuming all assets and liabilities, which, in part, includes the responsibility to fund and relocate a wastewater treatment plant as well as several other significant financial obligations. These items will be reviewed in detail by

the County. County staff have indicated they intend to bring the item to the Board of Supervisors for direction in the near future, no date has yet been identified.

- **County Service Area 23** – The County of SLO submitted a Resolution of Application to LAFCO on June 22, 2023. Staff deemed the application complete and issued a Certificate of Filing on December 4, 2024, and set the item for hearing on January 16, 2025. The Commission approved the proposal, and staff are working on post-approval items.
- **Shandon San Juan Water District Annexation** – A landowner petition of application request to annex approximately 4,000 acres into the District has been formally submitted. The proposal was reviewed within the 30-day review period and placed on hold for multiple reasons. The primary issue with the proposed annexation, as identified by the County, is that it would require a boundary modification to the County Groundwater Sustainability Agency (GSA) boundary. Currently, the County does not allow any new wells within the Paso Robles Groundwater Basin within the County’s GSA boundary; however, Shandon San Juan Water District does allow new wells if certain criteria are met. Should the County allow the boundary modification, it would allow increased groundwater extraction that was not otherwise allowed. This matter would have significant implications for the Paso Robles Groundwater Basin Groundwater Sustainability Plan and may trigger an environmental review under the California Environmental Quality Act (CEQA). The County and the District are actively in discussions on this matter. Staff will keep the Commission apprised as this develops.

Work Plan Projections. Looking ahead, we expect the workload to remain high and staff to be operating at full capacity. We will be focused on the existing workload while also focusing on training our new Commission Clerk. We expect that once fully trained, our capacity will increase, and we will be able to further execute items on our work plan.

ATTACHMENTS

Attachment A: Quarterly Budget Status Report

Attachment B: Credit Card Statements

Attachment A

Quarterly Budget Status Report

	Adopted FY 24-25	Expenditures / Revenue	Percent Expended / Revenue	Projected Year End
Expenditures Summary <i>(Services, Supplies, Salaries, Benefits, Taxes)</i>	\$781,961	\$589,086	75%	\$781,961
Revenues Summary <i>(Processing Fees, Reserves, Agency Contributions)</i>	\$781,961	\$720,258	92%	\$781,961
Services and Supplies Expenditure Details				
Computer Software	\$1,000	\$343	34%	\$1,000
Copying-Printing	\$300	\$0	0%	\$300
Commission Meeting Expenses	\$600	\$745	124%	\$745
LAFCO Insurance Policies	\$20,000	\$18,041	90%	\$18,041
Maintenance-Equipment	\$300	\$55	18%	\$300
Maintenance-Software	\$500	\$657	131%	\$657
CALAFCO/ SDRMA / Other Memberships	\$9,000	\$7,498	83%	\$7,498
Employee Mileage Reimbursement	\$200	\$0	0%	\$200
Commissioner Mileage Reimbursement	\$1,500	\$767	51%	\$1,500
Office Supplies	\$2,500	\$3,142	126%	\$3,500
Custodial Services	\$1,800	\$1,500	83%	\$1,800
County Auditor Services	\$10,000	\$9,879	99%	\$9,879
Legal Counsel	\$33,600	\$26,520	79%	\$33,600
Postage	\$1,000	\$962	96%	\$1,000
General Services	\$15,000	\$8,987	60%	\$12,206
Publication & Legal Notices	\$1,000	\$788	79%	\$1,000
Training	\$5,000	\$665	13%	\$5,000
Office Lease	\$42,000	\$31,500	75%	\$42,000
Large Equipment	\$2,000	\$1,004	50%	\$2,000
Small Equipment	\$600	\$0	0%	\$600
Telephone / Internet	\$3,000	\$2,304	77%	\$3,000
Travel Expenses	\$3,000	\$0	0%	\$3,000
IT Support	\$850	\$0	0%	\$850
Vehicle Allowance	\$5,400	\$4,154	77%	\$5,400
Vehicle Rental	\$500	\$0	0%	\$500
Services and Supplies Subtotal	\$160,650	\$119,511	74%	\$155,576
Salary, Benefits, and Taxes Expenditures				
Salaries	\$396,105	\$283,398	72%	\$401,179
Taxes - FICA SS Employer Match	\$21,204	\$18,052	85%	\$21,204
Taxes - Medicare Employer Match	\$4,959	\$4,282	86%	\$4,959
Pension Rate	\$112,440	\$93,324	83%	\$112,440
Pension Obligation Bond	\$19,303	\$15,142	78%	\$19,303
SDI/SUI Employer Contribution	\$1,500	\$482	32%	\$1,500
Health Insurance	\$55,800	\$47,215	85%	\$55,800
Deferred Compensation	\$10,000	\$7,680	77%	\$10,000
Salary, Benefits, and Taxes Subtotal	\$621,311	\$469,575	76%	\$626,385
Total Expenditures	\$781,961	\$589,086	75%	\$781,961
Revenue Details		Revenue to Date		
Interest Earned	\$9,000	\$13,276	148%	\$13,276
Environmental Review Fees	\$3,000	\$1,500	50%	\$3,000
Sphere of Influence Fees	\$3,000	\$1,500	50%	\$3,000
Application Processing Fees	\$24,000	\$45,126	188%	\$45,126
Other Revenue (Transfer of Reserves)	\$84,105	\$0	0%	\$58,703
Agency Contributions				
Cities	\$219,619	\$219,619	100%	\$219,619
County	\$219,619	\$219,619	100%	\$219,619
Special Districts	\$219,619	\$219,619	100%	\$219,619
Total Revenue	\$781,961	\$720,258	92%	\$781,961
Reserves Fund Balance	\$220,419	\$300,873	137%	\$242,170
Pass Through Revenue (Litigation)	\$50,000.00	\$27,864.00	56%	\$50,000

Attachment B

Credit Card Statements



BL ACCT _____

Account Number: #### #### #### _____



Account Summary

Billing Cycle		01/31/2025
Days In Billing Cycle		31
Previous Balance		\$2,055.51
Purchases	+	\$608.92
Cash	+	\$0.00
Balance Transfers	+	\$0.00
Special	+	\$0.00
Credits	-	\$87.28-
Payments	-	\$2,055.51-
Other Charges	+	\$0.00
Finance Charges	+	\$0.00

NEW BALANCE **\$521.64**

Credit Summary

Total Credit Line	\$10,000.00
Available Credit Line	\$9,478.36
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	\$521.64
MINIMUM PAYMENT	\$521.64
PAYMENT DUE DATE	02/25/2025

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	\$2,142.79-
Trans Date	Post Date	Reference Number	Transaction Description	Amount	
01/21	01/21	0000000LBX2501216379001	PAYMENT - THANK YOU	\$2,055.51-	
01/29	01/29	70005605029777029890138	REBATE CREDIT	\$87.28-	

Cardholder Account Summary

IMELDA MARQUEZ	Payments & Other Credits	Purchases & Other Charges	Cash Advances	Total Activity
	\$0.00	\$13.01	\$0.00	\$13.01

Cardholder Account Detail

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
01/23	01/24	PPLN01	24453885024000019900032	TROPHY HUNTERS SN LUIS OBISP CA	\$13.01

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
01/31/25	\$521.64	\$521.64	02/25/25

\$

Grid for amount of payment enclosed

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

Account Number: ##### ### _____

Cardholder Account Summary				
ROBERT FITZROY #### #### ####	Payments & Other Credits \$0.00	Purchases & Other Charges \$99.17	Cash Advances \$0.00	Total Activity \$99.17

Cardholder Account Detail					
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
01/05	01/06	PPLN01	24204295005001208134026	Microsoft-G072547668 701-2817490 WA	\$9.17
01/21	01/22	PPLN01	24692165021100642837287	SQ *SLO COUNTY CHAPTER CS gosq.com CA	\$40.00
01/26	01/26	PPLN01	24204295026000801618091	Microsoft-G075366563 701-2817490 WA	\$50.00

Cardholder Account Summary				
MORGAN BING	Payments & Other Credits \$0.00	Purchases & Other Charges \$496.74	Cash Advances \$0.00	Total Activity \$496.74

Cardholder Account Detail					
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
01/07	01/08	PPLN01	24692165007108565853395	AMAZON MKTPL*ZP29H5851 Amzn.com/bill WA	\$151.23
01/07	01/08	PPLN01	24943005008127192280073	RITE AID 05820 SAN LUIS OBIS CA	\$6.09
01/09	01/12	PPLN01	24137465011001461660041	USPS KIOSK 0568779551 SAN LUIS OBIS CA	\$11.20
01/10	01/12	PPLN01	24137465011001461659985	USPS PO 0568770075 SAN LUIS OBIS CA	\$168.00
01/09	01/12	PPLN01	24137465011001461660124	USPS KIOSK 0568779551 SAN LUIS OBIS CA	\$56.00
01/17	01/20	PPLN01	24343115019900011637651	AMS*SERVICE FEE 101653 888-9147768 FL	\$1.49
01/17	01/22	PPLN01	24343115021900019610581	SLO CLERK RECORDER 805-7815080 CA	\$81.00
01/27	01/28	PPLN01	24164075027069222837997	FEDEX OFFIC51500051508 SAN LUIS OBIS CA	\$21.73

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%	\$521.64
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.									



BL ACCT

Account Number: #### #### ####



Account Summary

Billing Cycle		02/28/2025
Days In Billing Cycle		28
Previous Balance		\$521.64
Purchases	+	\$921.03
Cash	+	\$0.00
Balance Transfers	+	\$0.00
Special	+	\$0.00
Credits	-	\$0.00
Payments	-	\$521.64
Other Charges	+	\$0.00
Finance Charges	+	\$0.00

NEW BALANCE \$921.03

Credit Summary

Total Credit Line	\$10,000.00
Available Credit Line	\$9,078.97
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	\$921.03
MINIMUM PAYMENT	\$921.03
PAYMENT DUE DATE	03/25/2025

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
02/13	02/14	70005605045555045990011	PAYMENT - THANK YOU SPOKANE WA	\$521.64-

Cardholder Account Summary

IMELDA MARQUEZ #### #### ####	Payments & Other Credits	Purchases & Other Charges	Cash Advances	Total Activity
	\$0.00	\$625.00	\$0.00	\$625.00

Cardholder Account Detail

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
02/26	02/27	PPLN01	24445005057300574803423	FSP*CALAFCO 916-442-6536 CA	\$625.00

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
02/28/25	\$921.03	\$921.03	03/25/25

\$



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

BL ACCT

Account Number: #####

Cardholder Account Summary					
ROBERT FITZROY ##### #####		Payments & Other Credits \$0.00	Purchases & Other Charges \$50.00	Cash Advances \$0.00	Total Activity \$50.00
Cardholder Account Detail					
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
02/26	02/26	PPLN01	24204295057000054581048	Microsoft-G079678987 800-6427676 WA	\$50.00

Cardholder Account Summary					
MORGAN BING #####		Payments & Other Credits \$0.00	Purchases & Other Charges \$246.03	Cash Advances \$0.00	Total Activity \$246.03
Cardholder Account Detail					
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
02/20	02/21	PPLN01	24755425051280511893861	CALPERS SACRAMENTO MAIN 916-7957621 CA	\$50.00
02/20	02/21	PPLN01	24755425052130526263353	ELAVON SERVICE FEE 916-7957621 TN	\$1.18
02/20	02/21	PPLN01	24137465052001452010750	USPS PO 0568770075 SAN LUIS OBIS CA	\$146.00
02/20	02/23	PPLN01	24445005053100251681207	WALMART.COM 8009256278 800-966-6546 AR	\$48.85

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%	\$921.03
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.									

Register for 2025 Staff Workshop in Temecula on April 30, 2025 to May 2, 2025

Registration Information



California Association of Local Agency Formation Commissions

Meeting Date: Wed, Apr 30, 2025 1:30 pm -
Fri, May 2, 2025 12:00 pm
Meeting Title: 2025 Staff Workshop in Temecula
Venue: Temecula Creek Inn
Location: 44501 Rainbow Canyon Rd
Temecula, CA 92592

Imelda Marquez-Vatwater
 Member:
 San Luis Obispo LAFCO
 1042 Pacific Street Suite A
 San Luis Obispo, CA 93401

Item	QTY	Price	Total
Mobile Workshop Wednesday (Limited to first 50)			
Guest: Imelda Marquez-Vatwater SLO LAFCO imarquez@slo.lafco.ca.gov	1	\$85.00	\$85.00

MEMBER - FULL WORKSHOP

List Price: \$640.00

Early Bird Discount: \$100.00

Member: Imelda Marquez-Vawter

San Luis Obispo LAFCO

imarquez@slo.lafco.ca.gov

1	\$540.00	\$540.00
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Subtotal: \$625.00

Total Registrations: 2

Order Total: \$625.00

Date	Payment Method	Amount
02-26-2025	Paid by: Credit Card (visa) Card Ending: Entered by: Imelda Marquez-Vatwater	\$625.00

Order Total: \$625.00

Amount Paid: \$625.00

Amount Due: \$0.00



BL ACCT

Account Number: #### #### ####



Account Summary

Billing Cycle		03/31/2025
Days In Billing Cycle		31
Previous Balance		\$921.03
Purchases	+	\$551.26
Cash	+	\$0.00
Balance Transfers	+	\$0.00
Special	+	\$0.00
Credits	-	\$0.00
Payments	-	\$921.03-
Other Charges	+	\$0.00
Finance Charges	+	\$0.00

NEW BALANCE \$551.26

Credit Summary

Total Credit Line	\$10,000.00
Available Credit Line	\$9,448.74
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	\$551.26
MINIMUM PAYMENT	\$551.26
PAYMENT DUE DATE	04/25/2025

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	\$921.03-
Trans Date	Post Date	Reference Number	Transaction Description	Amount	
03/13	03/14	70005605073555073150053	PAYMENT - THANK YOU SPOKANE WA	\$921.03-	

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
03/31/25	\$551.26	\$551.26	04/25/25

\$

Grid for entering amount of payment enclosed

BL ACCTLAFCO
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



BL ACCT

Account Number: ##### ###

Cardholder Account Summary					
IMELDA MARQUEZ #####		Payments & Other Credits \$0.00	Purchases & Other Charges \$331.67	Cash Advances \$0.00	Total Activity \$331.67
Cardholder Account Detail					
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
02/27	03/02	PPLN01	24755425059170599728018	TEMECULA CREEK INN FD 951-6941000 CA	\$211.68
03/18	03/19	PPLN01	24692165077102517515983	NORTON *AP1590197679 NORTON.COM/CC AZ	\$119.99

Cardholder Account Summary					
ROBERT FITZROY ##### #####		Payments & Other Credits \$0.00	Purchases & Other Charges \$50.00	Cash Advances \$0.00	Total Activity \$50.00
Cardholder Account Detail					
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
03/26	03/26	PPLN01	24204295085000210872022	Microsoft-G084167598 701-2817490 WA	\$50.00

Cardholder Account Summary					
MORGAN BING #####		Payments & Other Credits \$0.00	Purchases & Other Charges \$169.59	Cash Advances \$0.00	Total Activity \$169.59
Cardholder Account Detail					
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
03/13	03/16	PPLN01	24137465074001730132933	USPS KIOSK 0568779551 SAN LUIS OBIS CA	\$4.61
03/21	03/23	PPLN01	24343115080900019631643	SLO CLERK RECORDER 805-7815080 CA	\$81.00
03/21	03/23	PPLN01	24343115080900019629100	SLO CLERK RECORDER 805-7815080 CA	\$81.00
03/21	03/23	PPLN01	24343115080900012619801	AMS*SERVICE FEE 101653 888-9147768 FL	\$1.49
03/21	03/23	PPLN01	24343115080900012631665	AMS*SERVICE FEE 101653 888-9147768 FL	\$1.49

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%	\$551.26	
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

TO: MEMBERS OF THE COMMISSION

FROM: ROB FITZROY, EXECUTIVE OFFICER

DATE: APRIL 17, 2025

SUBJECT: CALIFORNIA ASSOCIATION OF LOCAL AGENCY FORMATION COMMISSIONS UPDATE

RECOMMENDATION

Action: Receive and file an informational report on CALAFCO and direct staff to proceed with CALAFCO membership renewal for Fiscal Year 2025-2026.

BACKGROUND

The California Association of Local Agency Formation Commissions (CALAFCO) is a non-profit founded in 1971 dedicated to supporting LAFCOs and providing statewide coordination of LAFCO activities. CALAFCO is responsible for providing legislative representation and educational training to its member LAFCOs. It primarily serves as a conduit to the State Legislature and other governmental agencies throughout the state on LAFCO-related matters. San Luis Obispo LAFCO has been a member of CALAFCO for decades.

Key membership services include legislative working groups and committees, maintaining multiple Listservs for state-wide networking and support, hosting of annual conferences and workshops, and lastly, practitioner training to support the ever-changing landscape of the field. Annual member dues serve as the primary revenue source to help fund CALAFCO's budget. CALAFCO has a 16-member board of directors that oversees the agency's activities and a full-time executive director to administer the agency's daily activities.

DISCUSSION

This item is being presented to the Commission as an informational report regarding recent concerns related to the decision-making of the CALAFCO Board and the agency's organizational direction. This report also provides the staff's reasoning to recommend continued membership for FY 25-26 for at least one additional year.

COMMISSIONERS

Chairperson
STEVE GREGORY
City Member

Vice-Chair
HEATHER MORENO
County Member

DAWN ORTIZ-LEGG
County Member

ED WAAGE
City Member

ROBERT ENNS
Special District Member

VACANT
Special District Member

DAVID WATSON
Public Member

ALTERNATES

BRUCE GIBSON
County Member

CARLA WIXOM
City Member

ED EBY
Special District Member

MICHAEL DRAZE
Public Member

STAFF

ROB FITZROY
Executive Officer

IMELDA MARQUEZ-VAWTER
Analyst

MORGAN BING
Analyst

MELISSA MORRIS
Commission Clerk

HOLLY WHATLEY
Legal Counsel

Recently, there have been several concerns among member LAFCOs across the State regarding recent decisions made by the CALAFCO Board, including perceived lack of transparency and membership engagement. A coalition of LAFCOs have written multiple letters and provided live comment at CALAFCO Board of Directors meetings expressing significant concerns. The following provides a summary of SLO LAFCO's concerns for the Commission review and considerations for renewing its membership with CALAFCO for the Fiscal Year 2025-2026:

- Continuous absence of collaboration among the Executive Officers and the CALAFCO Executive Director, as well as a lack of responsiveness from the former Executive Director to LAFCO staff
- Lack of transparency and membership engagement involving the restructuring of the CALAFCO legislative platform and complete dissolution of the legislative committee without notifying any LAFCOs
- Inconsistent and potentially disadvantageous actions relative to a legislative proposal vetted through the CALAFCO process – SB1209 (SLO LAFCO submitted a letter of opposition to SB 1209)
- Prioritization of external group interests over LAFCO practitioners by hiring an outside lobbying firm instead of consulting with LAFCOs
- Lack of training opportunities outside of the annual staff workshop

In response to the concerns expressed by LAFCOs across the state, the Board scheduled a meeting on January 10, 2025, to discuss and address the concerns outlined in the letters and took hours of testimony. The meeting was attended in person by staff from numerous LAFCOs. At the culmination of the meeting, the CALAFCO Board did not take any action to address the concerns expressed by its membership. In response, many member LAFCOs have chosen not to renew their annual memberships for the upcoming fiscal year. Since the January 10 meeting, CALAFCO's Executive Director resigned, and the CALAFCO Board recently held an additional meeting on February 7, 2025, to further discuss its membership concerns.

At that meeting, the CALAFCO Board approved and immediately implemented key policy changes developed in collaboration with member LAFCO staff. A letter submitted to SLO LAFCO (Attachment A) outlines key actions underway intended to rebuild trust and transparency and improve CALAFCO's communication and operational efficiency. These efforts include the following:

- Internal reorganization and assemblage of a highly qualified transition team
- Updated policy manual developed in collaboration with member LAFCO staff
- Recommended Bylaws update, which will be discussed widely to ensure full transparency and active participation
- Hosting regional focus groups and visioning sessions to engage members in shaping CALAFCO's future
- Facilitating a focus group for staff at the upcoming staff workshop
- Providing ongoing updates and open forums for discussion

Direction

CALAFCO is an important organization that has benefited LAFCOs for decades, particularly on legislative matters and education. It is to the advantage of all LAFCOs to see the organization succeed and improve. Staff is of the opinion that since corrective actions have been proposed, it is reasonable to allow time for those changes to be implemented before withdrawing from the organization. In light of CALAFCO's recent attempts to address these issues, SLO LAFCO staff recommend one-year renewal of our membership for FY 2025-2026. Staff will monitor CALAFCO's progress and suggest revisiting our membership status again as part of the FY 2026-2027 budget process. Staff will provide any updates as needed to your Commission over the next year. If the proposed corrective actions are not implemented over the course of the year, staff will likely recommend non-renewal.

ATTACHMENTS

Attachment A: CALAFCO Letter dated March 14, 2025

Attachment A

CALAFCO Letter dated March 14, 2025

March 14, 2025

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

Subject: Addressing Member Concerns & Strengthening CALAFCO's Future

Dear Chair Gregory, Commissioners, and Executive Officer Fitzroy;

We recognize that the current state of our organization is troubling to our valued members. We must, and will, do better regarding governance, transparency, and the overall direction of CALAFCO. As an organization committed to serving the best interests of LAFCOs across the state, we take your concerns seriously and want to assure you that we are actively taking steps to address them.

A Period of Transition & Rebuilding Trust

Every organization evolves as new paths are taken, and CALAFCO is currently undergoing a phase of transition and internal reorganization. Our goal is to emerge stronger, more transparent, and better positioned to serve our membership.

The Board of Directors and Regional Officers are fully engaged in this process, listening to feedback, and implementing meaningful changes that will reinforce trust and ensure the long-term viability of CALAFCO. We are committed to refocusing our mission, improving communication, and enhancing operational efficiency.

Key Actions Underway

To support this effort, we have assembled a highly qualified transition team:

- **José Henríquez (Interim Executive Director)** Currently the CALAFCO Central Region Officer and Executive Officer of Sacramento LAFCo, José is leading day-to-day operations, managing fiscal and budgetary matters, and facilitating member engagement.
- **Pamela Miller (Governance Consultant & Organizational Development Specialist)** – A former CALAFCO Executive Director, Pamela is conducting a full organizational assessment and comprehensive organizational structural assessment, reviewing policies and Bylaws, and assisting in the recruitment of a permanent Executive Director. She is also leading governance consultation and stakeholder outreach to ensure member voices are heard. Pamela will also be facilitating the March 20th Board retreat.
- **Jeni Tickler (Administrative & Event Planning Specialist)** A former CALAFCO Administrative Assistant, Jeni is handling critical administrative functions, including

financial management, membership support, and coordination of upcoming events such as the staff workshop.

Policy & Bylaws Updates

On February 7, 2025, the Board approved and immediately implemented key policy changes developed in collaboration with member LAFCo staff. An updated policy manual reflecting these changes will be published soon.

Additionally, a series of recommended changes to CALAFCO's Bylaws have been approved for presentation and potential member adoption at the October 2025 Annual Business Meeting. These recommendations will be widely discussed in advance through member outreach efforts to ensure full transparency and active participation.

Engaging Membership & Next Steps

We are committed to listening to you, our membership, and including you throughout this transition. To that end, we are:

- Hosting regional focus groups and visioning sessions to engage members in shaping CALAFCO's future.
- Facilitating a focus group for staff at the upcoming staff workshop.
- Providing ongoing updates and open forums for discussion.

We understand that trust is built through action, and we are dedicated to making the necessary improvements to better serve you. Your voices matter, and we encourage you to reach out with any questions, concerns, or insights.

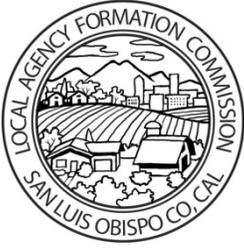
For more information or to provide feedback, please contact:

- José Henríquez: jhenriquez@calafco.org
- Pamela Miller: pmiller@millermcg.com
- Jeni Tickler: jtickler@calafco.org

We appreciate your patience, engagement, and commitment to the future of CALAFCO. Together, we will strengthen our organization and reaffirm our mission to support LAFCOs statewide.

Sincerely,

CALAFCO Board of Directors



San Luis Obispo Local Agency Formation Commission

TO: MEMBERS OF THE COMMISSION
FROM: ROB FITZROY, EXECUTIVE OFFICER
DATE: APRIL 17, 2025
SUBJECT: PROPOSED FEE SCHEDULE UPDATE

COMMISSIONERS

Chairperson
STEVE GREGORY
City Member

Vice-Chair
HEATHER MORENO
County Member

DAWN ORTIZ-LEGG
County Member

ED WAAGE
City Member

ROBERT ENNS
Special District Member

VACANT
Special District Member

DAVID WATSON
Public Member

ALTERNATES

BRUCE GIBSON
County Member

CARLA WIXOM
City Member

ED EBY
Special District Member

MICHAEL DRAZE
Public Member

STAFF

ROB FITZROY
Executive Officer

IMELDA MARQUEZ-VAWTER
Analyst

MORGAN BING
Analyst

MELISSA MORRIS
Commission Clerk

HOLLY WHATLEY
Legal Counsel

RECOMMENDATION

Action: Review proposed fee updates and set the fee update hearing for May 15, 2025.

FEE UPDATE OVERVIEW

No action will be taken today to change the fee schedule. This item is intended to introduce the proposed changes. A hearing is proposed to be set for May 15, 2025, for action on the fee schedule changes.

LAFCO's existing fee schedule was adopted on April 20, 2023. The existing fee schedule and structure are deposit-based. Staff track and charge time against deposits commensurate with staff hourly rates as contained in the fee schedule. Staff are not recommending any changes to deposits for application processing. The proposed changes are primarily related to pass-through rates. More specifically, the proposed changes are related to:

- County Public Works rates for County Surveyor review of map and legal descriptions
- California Department of Fish and Wildlife environmental filing fees
- Legal counsel rates (the rates charged to applicants for legal counsel involvement)

See Attachment A for strikethrough and underlined changes.

FEE UPDATE DETAILS

County Public Works Fees. Currently, County Public Works charges a flat rate of \$721 for County Surveyor review of Map and Legal Descriptions, which are a

legally required component for actions such as annexations. The time required to review a Map and Legal Description varies significantly with each application. In certain cases, the flat rate is sufficient to cover County Public Works staff time, but in other cases, it is not. As such, County Public Works has requested to move to a deposit-based structure to ensure full cost recovery. See Attachment B for an example agreement.

California Department of Fish and Wildlife (CDFW). The CDFW regularly updates its environmental review fees for the review of CEQA documents. CDFW fees are included in LAFCCO’s fee schedule and collected if necessary. These fees are direct pass-through rates of CDFW. Under most circumstances, when LAFCO is a Responsible Agency under CEQA, it is not necessary to collect these fees because they have already been paid by the applicant or Lead Agency. However, when LAFCO is a Lead Agency, it may be necessary to collect applicable CDFW fees. This fee update is to reflect the most recent fee of CDFW.

Legal Counsel. On October 17, 2024, LAFCO retained new legal counsel and entered into a contract with Colantuono, Highsmith, and Whatley, PC. Their rate for legal services reimbursable by applicants differs from the existing rate in the adopted fee schedule. Often, legal counsel review of an application is necessary, and to ensure full cost recovery, the fee needs to be updated. This fee update reflects the rate as per the contract. See Attachment C for Legal Counsel contracted rates.

Below is a summary of rate changes.

Entity	Existing Fee/Rate	Proposed Fee/Rate
County Public Works Surveyor Review Fee	\$721	Deposit Based/Actual Cost
CDFW ND/MND Review/Filing Fee	\$2,548	\$2,968.75
CDFW EIR Review/Filing Fee	\$3,539.25	\$4,123.50
Legal Counsel Application Review	\$150/hr	\$360/hr

ATTACHMENTS

Attachment A: Proposed Fee Changes – LAFCO Fee Schedule

Attachment B: County Public Works – Fees and Example Deposit Based Agreement

Attachment C: Exhibit A of Legal Counsel Contract

Attachment A

Proposed Fee Changes - LAFCO Fee Schedule



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 · Adopted May 15, 2025

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,~~ When deposited fees are expended and additional fees are required, the applicant shall be notified by the Executive Officer or the Commission Clerk to pay an additional deposit amount not exceeding the ~~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 <u>\$360/hour</u>

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	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	\$81

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

Filing for a Negative Declaration	\$2,548 <u>\$2,968.75</u>
Filing for a Mitigated Negative Declaration	\$2,548 <u>\$2,968.75</u>
Filing for an Environmental Impact Report	\$3,539.25 <u>\$4,123.50</u>

SLO COUNTY PUBLIC WORKS DEPARTMENT FEE

	\$721
Map & Legal Description Review	<u>Real Time Billing – Reimbursement Agreement Required Between Applicant and County Public Works</u>

STATE BOARD OF EQUALIZATION 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	\$	81.00
Other Fees:	\$	_____
TOTAL	\$	_____

2. ~~Check made payable to the SLO County Public Works Department:~~ LAFCO will submit required information to Public Works. Public Works will subsequently coordinate directly with applicant to execute real-time billing agreement and invoice applicant accordingly.

Public Works Department Fee:	\$	721.00

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

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

Attachment B

County Public Works - Fees and Example Deposit-Based Agreement



REAL-TIME BILLING

WHEREAS, _____ hereinafter referred to as "Applicant," has applied for project/ permit number _____ (hereinafter "Project") from San Luis Obispo County, a political subdivision of the State of California, hereinafter referred to as "County."

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which is hereby acknowledged, this Agreement is made and entered into this _____ day of _____, 20____, by and between the Applicant and the County.

Agreement

1. Applicant shall deposit with the San Luis Obispo County Department of Public Works the amount of \$ _____ ("Deposit") upon execution of this Agreement and the Deposit shall be maintained in full at all times. The San Luis Obispo County Department of Public Works shall invoice the Applicant on a monthly or quarterly basis, in accordance with Project type, for costs incurred by the Department related to the Project during the prior month(s). Within thirty (30) days of the invoice date, the Applicant shall submit payment to the Department for the amount of the invoice, if a Deposit is required then payment is made in order to maintain the original Deposit balance. Amounts remaining unpaid for thirty (30) days from the date of the County's invoice shall accrue interest at the rate of one percent (1%) per month beginning thirty (30) days after the date of the invoice. Upon completion of the work performed in accordance with this Agreement, any unspent portion of the Deposit shall be returned to the Applicant after deducting any unpaid invoices. The Applicant shall be charged and shall pay to the County the actual cost for all services related to the Project rendered by County personnel or its consultants. Failure to maintain the Deposit or make full payment on an account within thirty (30) days from the date of the County's invoice may result in suspension of all work on the Project until payment is received, and the account is brought current, and the Deposit restored.

2. The Applicant shall pay the County for the cost of checking of the Project submittal documents (i.e. subdivision map, lot line adjustment, improvement plans, building permit application, FEMA documents, etc.) and the cost of inspection of any such improvements by the San Luis Obispo County Department of Public Works.

3. Permission is hereby granted to the County, or its authorized agent, to enter upon the land which is the subject of the Project for the purpose of inspection of any and/or all work to be done under the Agreement.

4. The Applicant shall employ a California Registered Civil Engineer of work to provide inspection during the course of construction, to certify to the County Department of Public Works that the improvements were installed in accordance with approved plans, and to submit as-built plans to the County Department of Public Works. If the engineer of work is other than the designing engineer or is replaced during the course of construction, the County Department of Public Works shall be notified in

writing; and each such engineer of work shall certify as to their respective involvement. The County Department of Public Works may make such additional construction observations as is deemed necessary and shall be available to review field conditions and/or proposed changes with the engineer of work.

5. It is understood and agreed by and between the Parties hereto that this Agreement shall bind the heirs, executors, administrators, successors and assigns of the respective Parties to this Agreement.

6. The Applicant shall defend, indemnify and save harmless the San Luis Obispo County, its officers, agents and employees from any and all claims, demands, damages, costs, expenses, judgments, or liability occasioned by the performance or attempted performance of the provisions hereof, or in any way arising out of this Agreement, including, but not limited to, those predicated upon theories of violation of statute, ordinance or regulation, violation of civil rights, inverse condemnation, equitable relief, or any wrongful act or any negligent act or omission to act on the part of the Applicant or of agents, employees or independent contractors directly responsible to the Applicant; providing further that the foregoing obligations to defend, indemnify and safe harmless shall apply to any wrongful acts, or any passively negligent acts or omissions to act, committed jointly or concurrently by the Applicant, the Applicant's agents, employees, or independent contractors and the County, its agents, employees or independent contractors. Nothing contained in the foregoing indemnity provisions shall be construed to require the Applicant to indemnify the County against any responsibility or liability in contravention of Section 2782 of the Civil Code.

7. Unless otherwise provided, all notices herein required shall be in writing and delivered in person or sent by United States first class mail, postage prepaid. Notices required to be given to County shall be addressed as follows: Director of Public Works, County of San Luis Obispo, County Government Center, Room 207, San Luis Obispo, California 93408. Notices required to be given to Applicant shall be sent to the Applicant's billing address as set forth below. Any party may change such address by notice in writing to the other party and thereafter notices shall be addressed and transmitted to the new address.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

APPLICANT

COUNTY OF SAN LUIS OBISPO

John Diodati, Director of Public Works

By: _____
Applicant's signature

By: _____
Development Services Division Manager (or designee)

Applicant's name

Street & PO Box

City, State, Zip

Email address & Phone Number (8:00 a.m. to 5:00 p.m.)

Attachment C

Exhibit A of Legal Counsel Contract

Exhibit A

Advisory Hourly Billing Rates*

For general counsel services: Standard rates capped at \$315/hour.

For special legal services: Standard rates capped at \$345/hour.

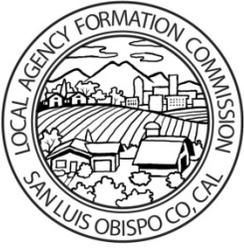
“Special legal services” are those that are more complex in nature and require significant amounts of work and as approved by the Executive Officer in advance.

For legal services reimbursed by applicants: Standard rates capped at \$360/hour

Litigation Hourly Billing Rates*

Litigation Services: Standard rates capped at \$430/hour

* Beginning on July 1, 2026, the above rates will be adjusted annually based on the 12-month Consumer Price index for the Los Angeles-Long Beach-Anaheim region.



San Luis Obispo Local Agency Formation Commission

COMMISSIONERS

Chairperson
STEVE GREGORY
City Member

Vice-Chair
HEATHER MORENO
County Member

DAWN ORTIZ-LEGG
County Member

ED WAAGE
City Member

ROBERT ENNS
Special District Member

VACANT
Special District Member

DAVID WATSON
Public Member

ALTERNATES

BRUCE GIBSON
County Member

CARLA WIXOM
City Member

ED EBY
Special District Member

MICHAEL DRAZE
Public Member

STAFF

ROB FITZROY
Executive Officer

IMELDA MARQUEZ-VAWTER
Analyst

MORGAN BING
Analyst

MELISSA MORRIS
Commission Clerk

HOLLY WHATLEY
Legal Counsel

TO: MEMBERS OF THE COMMISSION
FROM: ROB FITZROY, EXECUTIVE OFFICER
DATE: APRIL 17, 2025
SUBJECT: PROPOSED FISCAL YEAR 2025-2026 BUDGET AND WORK PLAN

RECOMMENDATION

Action: Approve the Proposed Fiscal Year 2025-2026 Budget and Work Plan (Attachment A), direct the Executive Officer to distribute the Proposed Budget and Work Plan to contributing agencies per government code requirements, and set the Final Budget and Work Plan hearing for May 15, 2025.

INTRODUCTION

The government code requires that Local Agency Formation Commissions (LAFCO) consider a proposed annual budget no later than 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 the government code. Upon collection of the apportioned shares from each contributing agency, the County Auditor retains the funds within its accounting system for use by the San Luis Obispo LAFCO. Every financial transaction conducted by LAFCO is processed through the County Auditor. This ensures financial transparency, accuracy, and accountability.

FY 25-26 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. In August/September 2024, the Commission approved the addition of a ¾ time Commission Clerk position and converted the previous Clerk Analyst position to an Analyst position in an effort to increase overall workload capacity and deliverables. This will be the first regular budget cycle with

the $\frac{3}{4}$ time Commission Clerk position and converted Analyst position, thus, there is a slightly larger than normal increase in the overall budget when compared to past budget cycles. In addition, we have selected a new General Legal Counsel, and it is expected that expenses related to legal services will increase modestly.

The Fiscal Year 2025-2026 (FY 25-26) budget will remain balanced and represents an overall increase of 12%, totaling \$877,831.

LAFCO staff workload continues to be significant. With many Municipal Service Reviews (MSRs) in need of updating, multiple large-scale changes of organization in process and on the horizon, and an overall increase in application activity, we anticipate the next several years to be very busy for staff. However, with the recent addition of the Commission Clerk position and conversion of the Clerk Analyst to Analyst, workload capacity will increase once staff have been fully trained. With the additional capacity gained by these staffing changes, this year, we intend to focus on the MSR program so that within approximately two years, we will achieve a routine 5-year cycle for all 53 agencies we prepare MSR/SOI updates for, as required by government code.

WORK PLAN

Work Plan Priorities. 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 the 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, though we are not able to keep pace with updating them every 5 years as we must prioritize applications and other matters. The attached Work Plan is consistent with this mandate because it lists MSRs that need updating based on which is the oldest. It is our goal to achieve a 5-year cycle within two years with the additional resources the Commission has recently approved. 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 and prioritize another agency's MSR should the commission decide to do so. Nonetheless, MSRs will generally be updated based on that which is oldest.

FY 24-25 Results. For FY 24-25, pursuant to the Commission's top priority, staff prioritized the processing of various applications, including:

- Dana Reserve Specific Plan Annexation into Nipomo CSD

- Oceano Community Services District Divestiture of Fire Authority
- CSA 23 Annexation – Santa Margarita Ranch
- San Simeon CSD Dissolution
- City of San Luis Obispo Detachment
- City of Pismo Beach Outside Agency Agreement
- Shandon San Juan Water District Annexation
- Cayucos Sanitary District – Valley and Stanley Projects

In addition to the above proposal applications, staff provided preliminary consultation for future 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 24-25, staff initiated and/or completed Municipal Services Reviews for the following agencies:

- Cambria Healthcare District (completed)
- City of Paso Robles (in progress)
- Los Osos Community Services District (in progress)
- San Simeon Community Services District (initiated – paused pending dissolution action)
- Upper Salinas / Las Tablas Resource Conservation District (in progress)
- Coastal San Luis Resource Conservation District (in progress)
- Santa Margarita Fire District (in progress)
- Port San Luis Harbor District (in progress)
- California Valley Community Services District (in progress)
- Independence Ranch Community Services District (in progress)
- Linne Community Services District (in progress)
- Squire Canyon Community Services District (in progress)
- Ground Squirrel Hollow Community Services District (in progress)
- Shandon San Juan Water District (in progress)
- Estrella El Pomar Creston Water District (in progress)
- Garden Farms Water District (in progress)

FY 25-26 Work Plan. The proposed Work Plan for FY 25-26 is included in Attachment A. For FY 25-26, 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. No new Commission Initiatives are proposed by staff at this time.

Staffing. LAFCO staffing is currently comprised of four permanent staff: one Executive Officer, two Analysts, and a ¾ time Commission Clerk, as well as one contract legal counsel. As noted, the Commission recently approved the additional Commission Clerk position, which is expected to increase capacity. A key goal with these staffing changes is to achieve a 5-year routine cycle for MSRs within 2 years.

FY 2025-2026 BUDGET

Expenditures. Overall, FY 25-26 expenditures, when compared to the previous fiscal year, are proposed to increase by **12%** to \$877,831. The budget will remain balanced based on anticipated revenue, as discussed further below. The expenditure details are as follows.

Service and Supplies. Overall, FY 25-26 Services and Supplies expenditures are proposed to increase by **8%** to \$173,650. Increases are generally related to general consumer price index cost increases for goods/services and the addition of a new staff member, which results in the need for more office items, software licenses, etc. Increases can be seen in the following line items:

- Computer software
- Office equipment
- LAFCO Insurance Liability Policies
- County Auditor Services
- Legal Counsel Services
- Professional Memberships
- Travel (training, conferences, etc.)

Salaries, Taxes, and Benefits. Overall, FY 25-26 Salaries, Benefits, and Taxes are proposed to increase by **13%** to \$704,181. The single largest increase is directly due to the newly added Commission Clerk position and converted Analyst position approved mid-year by the Commission in September 2024, as this is the first budget cycle that reflects these additional expenses/positions. In general, increases in this category relate to the following factors:

- New Position – Commission Clerk
- Modified Position – Analyst
- New Legal Counsel
- Pension Liabilities
- Health Insurance
- Taxes
- Cost of living adjustments (3.5%) /merit-based adjustments (variable based on position)

Revenues. Commensurate with the increase in expenditures discussed above, revenues will be **12%** higher for FY 25-26 when compared to the previous fiscal year. Further details are below.

Application / Interest Revenue. It is always difficult to predict how many applications will be received. We have conservatively assumed that application/interest revenue will remain constant and will not increase from the previous year. We have processed several applications this year, and we expect a similar number of applications for FY 25-26 based on discussions with agencies, preapplication activity, and discussions with potential applicants.

Agency Contributions. Agency contributions for cities, districts, and the county are anticipated to increase by **20%**, to \$262,944. This is slightly larger than the usual increase primarily related to

the newly added/converted positions, as well as other expenditures noted above. This amount is proportionately divided among cities/districts based on an agency's total revenue 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, and as such, it is important to note that agencies do not necessarily see an increase of 20%.

Reserves. For FY 24-25, LAFCO planned to use \$84,105 of reserves; however, we anticipate the need to only use \$58,703 of reserves based on unanticipated exceedance of revenue projections for application processing (noted above). For FY 25-26, we recommend using a transfer of \$50,000 of reserves *if* needed at year end. The Commission has adopted a reserve/fund balance policy of maintaining at least a 15% reserve fund balance. It is anticipated that the year-end reserve fund balance for FY 25-26 will be \$192,170 if we need to use the entire \$50,000. This remaining amount exceeds the 15% contingency policy of LAFCO and would result in a reserve of approximately 22%.

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 days in advance of the hearings.

ATTACHMENTS

Attachment A: Proposed FY 25-26 Budget & Work Plan

Attachment A

Proposed FY 25-26 Budget & Work Plan



Final FY 25-26 Budget and Work Plan

Adopted May 15, 2025

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ABOUT US

Commissioners

Chair: Steve Gregory, City Member

Vice Chair: Heather Moreno, County Member

Dawn Ortiz-Legg, County Member

Ed Waage, City Member

Robert Enns, Special District Member

Vacant, Special District Member

Dave Watson, Public Member

Alternates

Bruce Gibson, County Member

Carla Wixom, City Member

Ed Eby, Special District Member

Michael Drazee, Public Member

Staff

Rob Fitzroy, Executive Officer

Imelda Marquez-Vawter, Analyst

Morgan Bing, Analyst

Melissa Morris, Commission Clerk

Holly Whatley, Legal Counsel

Introduction

This document represents the Fiscal Year 2025-2026 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	No Active Initiatives
Los Osos CSD MSR	Aug-14	Aug-19	In Progress, ETA 2025
San Simeon CSD MSR	Aug-14	Aug-19	On Hold - Pending Active Dissolution
City of Paso Robles MSR	Feb-13	Feb-18	In Progress, ETA 2025
Coastal San Luis Resource Conservation District (RCD) MSR	Nov-14	Nov-19	In Progress, ETA 2025
Upper Salinas-Las Tablas RCD MSR	Nov-14	Nov-19	In Progress, ETA 2025
Santa Margarita Fire Protection District	Nov-14	Nov-19	In Progress, ETA 2025
Garden Farms Community Water District	Nov-14	Nov-19	In Progress, ETA 2025
Port San Luis Harbor District	Nov-14	Nov-19	In Progress, ETA 2025
Cayucos Sanitary District	Jan-15	Jan-20	Initiate 2025, ETA 2026 (Pending Potential Reorg)
Cal Valley CSD MSR	Dec-15	Dec-20	In Progress, ETA 2025
Independence Ranch CSD MSR	Dec-15	Dec-20	In Progress, ETA 2025
Linne CSD MSR	Dec-15	Dec-20	In Progress, ETA 2025
Squire Canyon CSD MSR	Dec-15	Dec-20	In Progress, ETA 2025
Ground Squirrel Hollow CSD MSR	Dec-15	Dec-20	In Progress, ETA 2025
Shandon-San Juan Water District MSR	Oct-16	Oct-21	In Progress, ETA 2025
Estrella-El Pomar-Creston Water District MSR	Apr-17	Apr-22	In Progress, ETA 2025
City of San Luis Obispo MSR	Oct-16	Oct-21	Initiate 2026, ETA 2026
City of Morro Bay MSR	Mar-17	Mar-22	Initiate 2026, ETA 2026
County Service Area 1 - and Nipomo Lighting District MSR	Aug-17	Aug-22	Initiate 2026, ETA 2027
County Service Area 7 - Oak Shore MSR	Aug-17	Aug-22	Initiate 2026, ETA 2027
County Service Area 9 - Los Osos MSR	Aug-17	Aug-22	Initiate 2026, ETA 2027
County Service Area 10 - Cayucos MSR	Aug-17	Aug-22	Initiate 2026, ETA 2027
County Service Area 12 - Lopez Water MSR	Aug-17	Aug-22	Initiate 2026, ETA 2027
County Service Area 16 - Shandon MSR	Aug-17	Aug-22	Initiate 2026, ETA 2027
County Service Area 18 - SLO Country Club MSR	Aug-17	Aug-22	Initiate 2026, ETA 2027
County Service Area 21 - Countywide Roads MSR	Aug-17	Aug-22	Initiate 2026, ETA 2027
County Service Area 22 - Airport Area MSR	Aug-17	Aug-22	Initiate 2026, ETA 2027
County Service Area 23 - Santa Margarita MSR	Aug-17	Aug-22	Initiate 2026, ETA 2027
Adelaida Cemetery District MSR	Mar-18	Mar-23	Initiate 2027, ETA 2027
Arroyo Grande Cemetery District MSR	Mar-18	Mar-23	Initiate 2027, ETA 2027
Atascadero Cemetery District MSR	Mar-18	Mar-23	Initiate 2027, ETA 2027
Cambria Cemetery District MSR	Mar-18	Mar-23	Initiate 2027, ETA 2027
Cayucos-Morro Cemetery District MSR	Mar-18	Mar-23	Initiate 2027, ETA 2027
Pleasant Valley Cemetery District MSR	Mar-18	Mar-23	Initiate 2027, ETA 2027
Paso Robles Cemetery District MSR	Mar-18	Mar-23	Initiate 2027, ETA 2027
San Miguel Cemetery District MSR	Mar-18	Mar-23	Initiate 2027, ETA 2027
Santa Margarita Cemetery District MSR	Mar-18	Mar-23	Initiate 2027, ETA 2027
Shandon Cemetery District MSR	Mar-18	Mar-23	Initiate 2027, ETA 2027
Templeton Cemetery District MSR	Mar-18	Mar-23	Initiate 2027, ETA 2027
Nipomo CSD MSR	May-18	May-23	Initiate 2027, ETA 2027
City of Pismo Beach MSR	Sep-19	Sep-24	Initiate 2027, ETA 2027
City of Atascadero MSR	Nov-19	Nov-24	Initiate 2027, ETA 2027
City of Arroyo Grande MSR	Jul-20	Jul-25	Up to Date
City of Grover Beach	Jul-20	Jul-25	Up to Date
South County Sanitation District	Jul-20	Jul-25	Up to Date
Oceano CSD	Jul-20	Jul-25	Up to Date
Heritage Ranch CSD MSR	Apr-23	Apr-28	Up to Date
Templeton Community Services District (CSD) MSR	Aug-23	Aug-28	Up to Date
San Miguel CSD MSR	Oct-23	Oct-28	Up to Date
Avila Beach CSD MSR	Jan-24	Jan-29	Up to Date
Cambria CSD MSR	Jan-24	Jan-29	Up to Date
Cambria Community Healthcare District MSR	May-24	May-29	Up to Date

BUDGET

	Adopted FY 24-25	Projected Year End FY 24-25	Proposed FY 25-26	Increase / Decrease From FY 24-25
Expenditures Summary	\$781,961	\$781,961	\$877,831	12%
Revenues Summary	\$781,961	\$781,961	\$877,831	12%
<i>Services and Supplies Expenditure Details</i>				
Vehicle Stipend	\$5,400	\$5,400	\$5,400	0%
Vehicle Rental	\$500	\$500	\$500	0%
Computer Software	\$1,000	\$1,000	\$2,000	100%
Copying-Printing	\$300	\$300	\$300	0%
Commission Meeting Expenses	\$600	\$745	\$600	0%
LAFCO Insurance Policies	\$20,000	\$18,041	\$22,000	10%
IT Support	\$850	\$850	\$850	0%
Maintenance-Equipment	\$300	\$300	\$500	67%
Maintenance-Software	\$500	\$657	\$500	0%
CALAFCO/ SDRMA / Other Memberships	\$9,000	\$7,498	\$9,000	0%
Employee Mileage Reimbursement	\$200	\$200	\$200	0%
Commissioner Mileage Reimbursement	\$1,500	\$1,500	\$1,500	0%
Office Supplies	\$2,500	\$3,500	\$3,000	20%
Custodial Services	\$1,800	\$1,800	\$1,800	0%
County Auditor Services	\$10,000	\$9,879	\$10,500	5%
Legal Counsel	\$33,600	\$33,600	\$38,000	13%
Postage	\$1,000	\$1,000	\$1,000	0%
General / Commissioner Stipends	\$15,000	\$12,206	\$17,000	13%
Publication & Legal Notices	\$1,000	\$1,000	\$1,000	0%
Training	\$5,000	\$5,000	\$6,000	20%
Office Lease	\$42,000	\$42,000	\$42,000	0%
Large Equipment	\$2,000	\$2,000	\$3,000	50%
Small Equipment	\$600	\$600	\$1,000	67%
Telephone / Internet	\$3,000	\$3,000	\$3,000	0%
Travel Expenses	\$3,000	\$3,000	\$3,000	0%
<i>Services/ Supplies Subtotal</i>	<i>\$160,650</i>	<i>\$155,576</i>	<i>\$173,650</i>	<i>8%</i>
<i>Salary, Benefits and Taxes Expenditures</i>				
Salaries	\$396,105	\$401,179	\$427,610	8%
Federal Taxes - FICA Social Security	\$21,204	\$21,204	\$26,509	25%
Federal Taxes - Medicare	\$4,959	\$4,959	\$6,200	25%
SLOCPT Pension Rate	\$112,440	\$112,440	\$145,904	30%
SLOCPT Pension Obligation Bond	\$19,303	\$19,303	\$18,358	-5%
SDI/SUI Employer Contribution	\$1,500	\$1,500	\$0	-100%
Health Insurance	\$55,800	\$55,800	\$69,600	25%
Deferred Compensation	\$10,000	\$10,000	\$10,000	0%
<i>Salary, Benefits and Taxes Subtotal</i>	<i>\$621,311</i>	<i>\$626,385</i>	<i>\$704,181</i>	<i>13%</i>
Total Expenditures	\$781,961	\$781,961	\$877,831	12%
<i>Revenues</i>				
Interest Earned	\$9,000	\$13,276	\$9,000	0%
Environmental Review Fees	\$3,000	\$3,000	\$3,000	0%
Sphere of Influence Fees	\$3,000	\$3,000	\$3,000	0%
Application Processing Fees	\$24,000	\$45,126	\$24,000	0%
Other Revenue (Transfer of Reserves)	\$84,105	\$58,703	\$50,000	-41%
<i>Agency Contributions</i>				
Cities	\$219,619	\$219,619	\$262,944	20%
County	\$219,619	\$219,619	\$262,944	20%
Special Districts	\$219,619	\$219,619	\$262,944	20%
Total Revenue	\$781,961	\$781,961	\$877,831	12%
Reserves Fund Balance	\$216,768	\$242,170	\$192,170	-11%