

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

Thursday, May 21, 2026

RESOLUTION NO. 2026-10

RESOLUTION ADOPTING THE FINAL FISCAL YEAR 2026-2027 BUDGET AND WORK PLAN

The following Resolution is now offered:

RECITALS

WHEREAS, the Executive Officer has given the notices required by law and forwarded the LAFCO budget to officers, persons, and public agencies as prescribed by law; and

WHEREAS, the matter was set for public hearing at 9:00 a.m. on Thursday, April 16, 2026, and May 21, 2026, staff reports were prepared, and the hearing was conducted as required by law, and the LAFCO Fiscal Year 2026-2027 Budget and Work Plan was considered; and

WHEREAS, at said hearing, this Commission heard and received any written protests, objections, and evidence which were made, presented, or filed, and all persons present were given the opportunity to hear and be heard in respect to any matter relating to the budget and work plan; and

WHEREAS, the Commission considered and approved the Fiscal Year 2026-2027 Proposed Budget and Work Plan at the April 16, 2026, meeting as recommended by staff and approved the Final Fiscal Year 2026-2027 Budget and Work Plan on May 21, 2026, as recommended by staff;

WHEREAS, the San Luis Obispo Local Agency Formation Commission finds that it can accomplish its legislative purpose and adopted work plan with the final budget as required by the Cortese-Knox-Hertzberg Act by Section 56381(a); 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 and are hereby incorporated by this reference.
2. That pursuant to Government Code Section 56381(a), the Commission hereby adopts a Final Budget and Work Plan for Fiscal Year 2026-2027 as shown in Exhibit A attached hereto. The amount charged to the Cities, Special Districts, and the County, after deducting fees from applications and using of fund balance available, is in Exhibit A attached hereto. This amount will be charged to contributing agencies based on the formula and procedure contained in the Government Code and as implemented by the County Auditor-Controller's office.

3. That the Commission finds that it can accomplish its legislative purpose and adopted work plan with the final budget as required by Government Code Section 56381(a).
4. That the Executive Officer of this Commission is hereby authorized to transmit the Fiscal Year 2026-2027 Budget and Work Plan in the manner required by law.

Upon a motion of Commissioner Michael Draz, seconded by Commissioner Ed Eby, and on the following roll call vote:

AYES: Commissioners Michael Draz, Ed Eby, Navid Fardanesh, Steve Gregory, and Chair Pro-Tem Ed Waage
NAYS: None.

ABSENT: None.

ABSTAIN: None.

Ed Waage 5/21/26
_____, Chair Pro-Tem Date
Local Agency Formation Commission

ATTEST:

[Signature] 5/21/26

Rob Fitzroy Date
LAFCO Executive Officer

APPROVED AS TO FORM AND LEGAL EFFECT:

[Signature] 5/21/26

Holly Whatley Date
LAFCO Legal Counsel



Final FY 26-27 Budget and Work Plan

May 21, 2026

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ABOUT US

Commissioners

Chair: Heather Moreno, County Member

Vice Chair: Dave Watson, Public Member

Dawn Ortiz-Legg, County Member

Ed Waage, City Member

Steve Gregory, City Member

Ed Eby, Special District Member

Navid Fardanesh, Special District Member

Alternates

Bruce Gibson, County Member

Carla Wixom, City Member

Vacant, Special District Member

Michael Draze, Public Member

Staff

Rob Fitzroy, Executive Officer

Imelda Marquez-Vawter, Senior Analyst

Morgan Bing, Analyst

Melissa Morris, Commission Clerk

Holly Whatley, Legal Counsel

Introduction

This document represents the Fiscal Year 2026-2027 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
San Simeon CSD MSR and SOI Study	Aug-14	Aug-19	On Hold - Pending Dissolution
Garden Farms Community Water District MSR and SOI Study	Nov-14	Nov-19	In Progress, ETA May 2026
Port San Luis Harbor District MSR and SOI Study	Nov-14	Nov-19	In Progress, ETA May 2026
Ground Squirrel Hollow CSD MSR and SOI Study	Oct-15	Oct-20	In Progress, ETA July 2026
Linne CSD MSR and SOI Study	Oct-15	Oct-20	In Progress, ETA Summer 2026
Squire Canyon CSD MSR and SOI Study	Oct-15	Oct-20	In Progress, ETA Summer 2026
City of San Luis Obispo MSR and SOI Study	Oct-16	Oct-21	In Progress, ETA 2027
Cayucos Sanitary District MSR and SOI Study	Jan-15	Jan-20	In Progress, ETA 2027
City of Morro Bay MSR and SOI Study	Aug-17	Aug-22	Initiate 2026, ETA 2027
County Service Areas			
County Service Area 1 - and Nipomo Lighting District MSR and SOI Study	Aug-17	Aug-22	Initiate 2026, ETA 2028
County Service Area 7 - Oak Shores MSR and SOI Study	Aug-17	Aug-22	Initiate 2026, ETA 2028
County Service Area 9 - Los Osos MSR and SOI Study	Aug-17	Aug-22	Initiate 2026, ETA 2028
County Service Area 10 - Cayucos MSR and SOI Study	Aug-17	Aug-22	Initiate 2026, ETA 2028
County Service Area 12 - Lopez Water MSR and SOI Study	Aug-17	Aug-22	Initiate 2026, ETA 2028
County Service Area 16 - Shandon MSR and SOI Study	Aug-17	Aug-22	Initiate 2026, ETA 2028
County Service Area 18 - SLO Country Club MSR and SOI Study	Aug-17	Aug-22	Initiate 2026, ETA 2028
County Service Area 21 - Countywide Roads MSR and SOI Study	Aug-17	Aug-22	Initiate 2026, ETA 2028
County Service Area 22 - Airport Area MSR and SOI Study	Aug-17	Aug-22	Initiate 2026, ETA 2028
County Service Area 23 - Santa Margarita MSR and SOI Study	Aug-17	Aug-22	Initiate 2026, ETA 2028
Cemetery Districts			
Adelaida Cemetery District MSR	Mar-18	Mar-23	Initiate 2027, ETA 2028
Arroyo Grande Cemetery District MSR	Mar-18	Mar-23	Initiate 2027, ETA 2028
Atascadero Cemetery District MSR	Mar-18	Mar-23	Initiate 2027, ETA 2028
Cambria Cemetery District MSR	Mar-18	Mar-23	Initiate 2027, ETA 2028
Cayucos-Morro Bay Cemetery District MSR and SOI Study	Mar-18	Mar-23	Initiate 2027, ETA 2028
Pleasant Valley Estrella Cemetery District MSR and SOI Study	Mar-18	Mar-23	Initiate 2027, ETA 2028
Paso Robles Cemetery District MSR and SOI Study	Mar-18	Mar-23	Initiate 2027, ETA 2028
San Miguel Cemetery District MSR and SOI Study	Mar-18	Mar-23	Initiate 2027, ETA 2028
Santa Margarita Cemetery District MSR and SOI Study	Mar-18	Mar-23	Initiate 2027, ETA 2028
Shandon Cemetery District MSR and SOI Study	Mar-18	Mar-23	Initiate 2027, ETA 2028
Templeton Cemetery District MSR and SOI Study	Mar-18	Mar-23	Initiate 2027, ETA 2028
Nipomo CSD MSR and SOI Study	Mar-18	Mar-23	Initiate 2027, ETA 2027
City of Pismo Beach MSR and SOI Study	Sep-19	Sep-24	Initiate 2027, ETA 2028
City of Atascadero MSR and SOI Study	Nov-19	Nov-24	Initiate 2027, ETA 2028
City of Arroyo Grande MSR and SOI Study	Jul-20	Jul-25	Initiate 2028, ETA 2028
City of Grover Beach MSR and SOI Study	Jul-20	Jul-25	Initiate 2028, ETA 2028
South San Luis Obispo County Sanitation District MSR and SOI Study	Jul-20	Jul-25	Initiate 2028, ETA 2028
Oceano CSD MSR and SOI Study	Jul-20	Jul-25	Initiate 2028, ETA 2028
Heritage Ranch CSD MSR and SOI Study	Apr-23	Apr-28	Up to Date
Templeton CSD MSR and SOI Study	Aug-23	Aug-28	Up to Date
San Miguel CSD MSR and SOI Study	Oct-23	Oct-28	Up to Date
Avila Beach CSD MSR and SOI Study	Jan-24	Jan-29	Up to Date
Cambria CSD MSR and SOI Study	Jan-24	Jan-29	Up to Date
Cambria Community Healthcare District MSR and SOI Study	May-24	May-29	Up to Date
Santa Margarita Fire Protection District MSR and SOI Study	Jul-25	Jul-30	Up to Date
Coastal San Luis Resource Conservation District MSR and SOI Study	Jul-25	Jul-30	Up to Date
Los Osos CSD MSR and SOI Study	Sep-25	Sep-30	Up to Date
Shandon - San Juan Water District MSR and SOI Study	Dec-25	Dec-30	Up to Date
Estrella -El Pomar - Creston Water District MSR and SOI Study	Jan-26	Jan-31	Up to Date
City of Paso Robles MSR and SOI Study	Jan-26	Jan-31	Up to Date
Upper Salinas - Las Tablas Resource Conservation District MSR and SOI Study	Feb-26	Feb-31	Up to Date
Independence Ranch CSD MSR and SOI Study	Mar-26	Mar-31	Up to Date
Cal Valley CSD MSR and SOI Study	Apr-26	Apr-31	Up to Date

SLO LAFCO
FY 26-27 Budget & Work Plan

BUDGET

	Adopted FY 25-26	Projected Year End FY 25-26	Proposed FY 26-27	Increase / Decrease From FY 25-26
Expenditures Summary	\$877,831	\$858,207	\$924,005	5%
Revenues Summary	\$877,831	\$858,207	\$924,005	5%
<i>Services and Supplies Expenditure Details</i>				
Vehicle Stipend	\$5,400	\$5,400	\$5,400	0%
Vehicle Rental	\$500	\$689	\$750	50%
Computer Software	\$2,000	\$1,000	\$3,000	50%
Copying-Printing	\$300	\$300	\$300	0%
Commission Meeting Expenses	\$600	\$745	\$750	25%
LAFCO Insurance Policies	\$22,000	\$16,687	\$22,000	0%
IT Support	\$850	\$850	\$850	0%
Maintenance-Equipment	\$500	\$300	\$500	0%
Maintenance-Software	\$500	\$576	\$500	0%
CALAFCO/ SDRMA / Other Memberships	\$9,000	\$7,776	\$9,000	0%
Employee Mileage Reimbursement	\$200	\$200	\$200	0%
Commissioner Mileage Reimbursement	\$1,500	\$1,500	\$1,500	0%
Office Supplies	\$3,000	\$3,500	\$3,000	0%
Custodial Services	\$1,800	\$1,800	\$1,800	0%
County Auditor Services	\$10,500	\$10,215	\$10,800	3%
Legal Counsel	\$38,000	\$32,000	\$32,000	-16%
Postage	\$1,000	\$2,000	\$2,000	100%
General / Commissioner Stipends	\$17,000	\$11,000	\$17,000	0%
Publication & Legal Notices	\$1,000	\$1,000	\$1,000	0%
Training	\$6,000	\$5,040	\$8,000	33%
Office Lease	\$42,000	\$42,000	\$42,000	0%
Large Equipment	\$3,000	\$2,000	\$3,000	0%
Small Equipment	\$1,000	\$1,000	\$1,000	0%
Telephone / Internet	\$3,000	\$3,000	\$3,000	0%
Travel Expenses	\$3,000	\$3,000	\$3,000	0%
<i>Services/ Supplies Subtotal</i>	<i>\$173,650</i>	<i>\$153,578</i>	<i>\$172,350</i>	<i>-1%</i>
<i>Salary, Benefits, and Taxes Expenditures</i>				
Salaries	\$427,610	\$427,610	\$450,080	5%
Federal Taxes - FICA Social Security	\$26,509	\$26,509	\$27,905	5%
Federal Taxes - Medicare	\$6,200	\$6,200	\$6,526	5%
SDI/SDU	\$0	\$448	\$500	100%
SLOCPT Pension Rate	\$145,904	\$145,904	\$158,722	9%
SLOCPT Pension Obligation Bond	\$18,358	\$18,358	\$19,439	6%
Health Insurance	\$69,600	\$69,600	\$78,483	13%
Deferred Compensation	\$10,000	\$10,000	\$10,000	0%
<i>Salary, Benefits and Taxes Subtotal</i>	<i>\$704,181</i>	<i>\$704,629</i>	<i>\$751,655</i>	<i>7%</i>
Total Expenditures	\$877,831	\$858,207	\$924,005	5%
<i>Revenues</i>				
Interest Earned	\$9,000	\$20,000	\$20,000	122%
Environmental Review Fees	\$3,000	\$1,000	\$3,000	0%
Sphere of Influence Fees	\$3,000	\$0	\$3,000	0%
Application Processing Fees	\$24,000	\$12,015	\$24,000	0%
Other Revenue (Transfer of Reserves)	\$50,000	\$36,360	\$0	-100%
<i>Agency Contributions</i>				
Cities	\$262,944	\$262,944	\$291,335	11%
County	\$262,944	\$262,944	\$291,335	11%
Special Districts	\$262,944	\$262,944	\$291,335	11%
Total Revenue	\$877,831	\$858,207	\$924,005	5%
Reserves Fund Balance	\$254,363	\$218,003	\$218,003	-14%