



**SAN LUIS OBISPO
LOCAL AGENCY FORMATION COMMISSION
SEPTEMBER 18, 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, September 18, 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 Navid Fardanesh, Ed Waage, David Watson, and Alternate Commissioner Bruce Gibson

Absent: Commissioners Ed Eby and Dawn Ortiz-Legg, and Alternate Commissioners Michael Drazé and Carla Wixom

Staff: Rob Fitzroy, LAFCO Executive Officer
Imelda Marquez-Vawter, LAFCO Senior Analyst (not present)
Morgan Bing, LAFCO Analyst (not present)
Melissa Morris, LAFCO Commission Clerk
Holly Whatley, LAFCO Legal Counsel, via phone

Approval of the Minutes: July 17, 2025

Chairperson Gregory announced the consideration of approval of the July 17, 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.

Vice Chair Moreno motioned to approve the minutes.

Commissioner Watson seconded the motion.

AYES: Vice Chair Moreno, Commissioners Watson, Fardanesh, Gibson, Waage, and

Chairperson Gregory

NAYS: None

ABSTAINING: None

The motion passed.

Non-Agenda Public Comment Period

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

Consent Matters

A-1: Appointment of Voting Delegate and Alternate for the 2025 CALAFCO Annual Conference

Chairperson Gregory opened the item for Commissioner questions and comments.

Mr. Fitzroy provided comment.

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

Commissioner Waage motioned to approve the staff recommendation for Item A-1: Motion to appoint Commissioner Ed Eby as the Commission’s voting delegate and Rob Fitzroy as the alternate voting delegate for the 2025 CALAFCO Annual Conference.

Vice Chair Moreno seconded the motion.

AYES: Commissioner Waage, Vice Chair Moreno, Commissioners Fardanesh, Gibson, Watson, and Chairperson Gregory

NAYS: None

ABSTAINING: None

The motion passed.

Regular Matters

B-1: LAFCO File No. 3-S-23: Municipal Service Review and Sphere of Influence Study for the Los Osos Community Services District

Mr. Fitzroy presented the item.

Chairperson Gregory opened the item for Commissioner questions and comments.

Commissioner Waage inquired about LAFCO's involvement with a state water intertie.

Mr. Fitzroy responded to questions and provided comment.

Vice Chair Moreno inquired about LOCSD water usage.

Mr. Fitzroy responded to questions and provided comment.

Vice Chair Moreno inquired about wastewater and the use of septic systems within the district.

Mr. Fitzroy responded to questions and provided comment.

Commissioner Gibson also provided comment on the use of septic systems in the district.

Commissioner Fardanesh inquired about fire protection services.

Mr. Fitzroy responded to questions, provided comment, and invited **Ron Munds**, Los Osos Community Services District General Manager, to respond.

Ron Munds responded to questions and provided comment.

Commissioner Watson inquired about the District's water supply.

Ron Munds responded to questions and provided comment.

Commissioner Gibson responded to questions and provided comment.

Commissioner Waage responded to questions and provided comment.

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

Jeff Edwards provided comment.

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

Vice Chair Moreno provided comment.

Commissioner Watson provided comment.

Commissioner Gibson provided comment.

Commissioner Gibson motioned to approve the staff recommendation for Item B-1, Action 1: Find, by motion, the Municipal Service Review and Sphere of Influence Study prepared for the Los Osos Community Services District (LAFCO File No. 3-S-23) to be exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Categorical Exemption Section 15306 and CEQA General Rule Exemption 15061(b)(3).

Commissioner Waage seconded the motion.

AYES: Commissioners Gibson, Waage, Fardanesh, Watson, Vice Chair Moreno, and Chairperson Gregory

NAYS: None

ABSTAINING: None

The motion passed.

Commissioner Gibson motioned to approve the staff recommendation for Item B-1, Action 2: Approve, by resolution, the Los Osos Community Services District Municipal Service Review and Sphere of Influence Study (LAFCO File No. 3-S-23) as contained in Attachments A and B of item B-1, and correct and reaffirm the District's existing Sphere of Influence as depicted in Attachment A, Exhibit C, of item B-1.

Commissioner Waage seconded the motion.

AYES: Commissioners Gibson, Waage, Fardanesh, Watson, Vice Chair Moreno, and Chairperson Gregory

NAYS: None

ABSTAINING: None

The motion passed.

B-2: LAFCO File No. 2-S-24: Municipal Service Review and Sphere of Influence Study for the Upper Salinas – Las Tablas Resource Conservation District

Mr. Fitzroy 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 questions and comments.

Commissioner Gibson inquired about financial documents and consolidation.

Commissioner Waage inquired about the financial status of the Coastal San Luis Resource Conservation District.

Commissioner Gibson provided comment.

Mr. Fitzroy responded to questions and provided comment.

Vice Chair Moreno provided comment and inquired about internal controls.

Mr. Fitzroy responded to questions and provided comment.

Commissioner Watson provided comment and inquired about next steps.

Mr. Fitzroy responded to questions and provided comment.

Commissioner Fardanesh provided comment.

Chairperson Gregory provided comment.

Commissioner Gibson inquired about the upcoming meeting schedule.

Mr. Fitzroy responded and provided comment.

Commissioner Waage inquired about options for District consolidation.

Ms. Whatley responded to questions and provided comment.

Commissioner Gibson motioned to 1) Continue consideration of this MSR to the December 2025 LAFCO Meeting, 2) Direct staff to contact the USLTRCD and indicate that the lack of audited statements in recent years raises serious concerns regarding their financial health, and 3) Direct staff to report back to the Commission at the December 2025 LAFCO Meeting on whether the necessary information has been provided, or that staff has reasonable certainty that it will be provided, and give detailed options for Commission action, including consolidation.

Commissioner Watson seconded the motion.

AYES: Commissioners Gibson, Watson, Fardanesh, Waage, Vice Chair Moreno, and Chairperson Gregory

NAYS: None

ABSTAINING: None

The motion passed.

B-3: Year End Budget Report and Fourth Quarter Work Plan Update for Fiscal Year 2024-2025

Mr. Fitzroy presented the item.

Chairperson Gregory opened the item for Commissioner questions and comments, and inquired about both the Dana Reserve Project and the San Simeon Dissolution.

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 comments.

Vice Chair Moreno motioned to approve the staff recommendation for Item B-3: Receive and file the Fiscal Year 2024-2025 Year End Budget Report and Work Plan and direct the Executive Officer to submit it to the County Auditor/Controller.

Commissioner Waage seconded the motion.

AYES: Vice Chair Moreno, Waage, Fardanesh, Gibson, Watson, and Chairperson Gregory

NAYS: None

ABSTAINING: None

The motion passed.

Commissioner Comments:

Chairperson Waage provided comment on grant funding for special districts.

Chairperson Gregory provided comment on upcoming public discussion regarding food trucks in Paso Robles.

Legal Counsel Comments:

None.

Executive Officer Comments:

Mr. Fitzroy provided updates on future meetings.

Adjournment: With no further business before the Commission, the meeting adjourned at 10:30 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

DRAFT