

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 10/6/2015	(3) CONTACT/PHONE John Diodati, Project Manager/Department Administrator (805) 788-2832	
(4) SUBJECT Submittal of a resolution of intent to establish Zone 19 of the San Luis Obispo County Flood Control and Water Conservation District; request direction regarding noticing a public hearing on a resolution establishing Zone 19; and direction regarding noticing a public hearing on a resolution proposing adoption of the Paso Robles Basin Parcel Tax. Hearings date set for November 10, 2015. Districts 1 and 5.			
(5) RECOMMENDED ACTION It is recommended that the Board, acting as the Board of Supervisors for the San Luis Obispo County Flood Control and Water Conservation District (Flood Control District): <ol style="list-style-type: none"> <li>1. Adopt a Resolution of Intent to Establish Zone 19 of the Flood Control District (Resolution of Intent) fixing November 10, 2015 at 9:00 AM or as soon thereafter as the matter may be heard, or at any time to which the hearing may be continued, in the Board of Supervisors Chambers as the time and place for the public hearing on the establishment of proposed Zone 19; and</li> <li>2. Direct the Clerk to make the Resolution of Intent available for inspection at the Office of the Clerk-Recorder and to publish notice of the public hearing on the establishment of Zone 19 in a newspaper of general circulation within proposed Zone 19 once a week for two consecutive weeks prior to the hearing, the last publication of which must be at least seven (7) days before the hearing; and</li> <li>3. Direct the Public Works Department to make the Resolution of Intent available for inspection at the Creston Public Library, 6290 Adams Street, Creston, CA 93432; and</li> <li>4. Direct the Clerk to publish notice of the public hearing on the establishment of the Paso Robles Basin Parcel Tax on November 10, 2015 at 9:00 AM or as soon thereafter as the matter may be heard, or at any time to which the hearing may be continued, in accordance with Government Code Section 50077.</li> </ol>			
(6) FUNDING SOURCE(S) San Luis Obispo County Flood Control and Water Conservation District Fund 1300000000	(7) CURRENT YEAR FINANCIAL IMPACT \$314,400.00	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input checked="" type="checkbox"/> 4/5 Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A    Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW David E. Grim			
(18) SUPERVISOR DISTRICT(S) Districts 1 and 5.			

Reference: 15OCT16-C-8

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works  
John Diodati, Project Manager/Department Administrator

VIA: Wade Horton, Director of Public Works

DATE: 10/6/2015

SUBJECT: Submittal of a resolution of intent to establish Zone 19 of the San Luis Obispo County Flood Control and Water Conservation District; request direction regarding noticing a public hearing on a resolution establishing Zone 19; and direction regarding noticing a public hearing on a resolution proposing adoption of the Paso Robles Basin Parcel Tax. Hearings date set for November 10, 2015. Districts 1 and 5.

## **RECOMMENDATION**

It is recommended that the Board, acting as the Board of Supervisors for the San Luis Obispo County Flood Control and Water Conservation District (Flood Control District):

1. Adopt a Resolution of Intent to Establish Zone 19 of the Flood Control District (Resolution of Intent) fixing November 10, 2015 at 9:00 AM or as soon thereafter as the matter may be heard, or at any time to which the hearing may be continued, in the Board of Supervisors Chambers as the time and place for the public hearing on the establishment of proposed Zone 19; and
2. Direct the Clerk to make the Resolution of Intent available for inspection at the Office of the Clerk-Recorder and to publish notice of the public hearing on the establishment of Zone 19 in a newspaper of general circulation within proposed Zone 19 once a week for two consecutive weeks prior to the hearing, the last publication of which must be at least seven (7) days before the hearing; and
3. Direct the Public Works Department to make the Resolution of Intent available for inspection at the Creston Public Library, 6290 Adams Street, Creston, CA 93432;<sup>1</sup> and
4. Direct the Clerk to publish notice of the public hearing on the establishment of the Paso Robles Basin Parcel Tax on November 10, 2015 at 9:00 AM or as soon thereafter as the matter may be heard, or at any time to which the hearing may be continued, in accordance with Government Code Section 50077.

---

<sup>1</sup> Recommendations (1) through (3) shall be undertaken in accordance with Section 3.1 of the San Luis Obispo County Flood Control and Water Conservation District Act (Water Code Appendix Chapter 49).

## **DISCUSSION**

### ***Background***

On January 27, 2015, your Board directed staff to return with a resolution of application and related material within approximately ninety (90) days for the potential formation of the Paso Robles Basin Water District (Water District) as described in Assembly Bill 2453 (2014) (AB 2453) in the unincorporated portions of the Paso Robles Groundwater Basin (Basin).

On April 21, 2015, staff returned to your Board with an application to the Local Agency Formation Commission (LAFCO) which your Board approved. Approval and submission of the application commenced LAFCO's official review process.

On June 25, 2015, LAFCO sent its 30-Day Initial Review Letter to the Public Works Department in which it requested submittal of, among other things, "the Phase II NBS funding report that provides for a more detailed analysis of the revenues and the funding mechanisms to be used to fund the Water District."

On August 18, 2015, your Board approved the Phase II NBS Funding report which recommended a parcel tax levied by the Flood Control District as the mechanism to fund initial Sustainable Groundwater Management Act (SGMA) compliance activities.<sup>2</sup> Your Board further directed staff to return to the Board at the appropriate time to initiate parcel tax proceedings.

On August 20, 2015 and on September 17, 2015, LAFCO conducted public hearings on the formation of the Water District. At its September 17th hearing, LAFCO adopted a resolution establishing the boundaries of the proposed Water District and approving the formation of the Water District subject to, among other things, "approval of a Proposition 218 proposal capable of funding the activities of the [Water] District." According to your Board's direction, staff is proceeding with the necessary steps to initiate the parcel tax.

The purpose of today's action is to commence satisfaction of the two conditions precedent to the proposal of the parcel tax:

- 1) Establish a zone of benefit during a noticed public hearing; and
- 2) Provide notice and hold a public hearing prior to proposing the parcel tax.

### **1) Resolution of Intent to Establish a Zone of Benefit**

The attached Resolution of Intent is strictly a noticing procedure, and no formal action other than meeting the legal requirements for noticing the November 10, 2015 public hearing is being requested

---

<sup>2</sup> The Flood Control District is authorized to establish a zone and levy and collect a parcel tax within said zone by the authority of Section 5-11 and Section 13-3 of the San Luis Obispo County Flood Control and Water Conservation District Act and in accordance with Government Code Sections 53720 et seq. and 50075 et seq. and Articles XIII A and XIII C of the California Constitution.

at this time. The notice, which will be published in a newspaper of general circulation, must state the following:

- i. The name of the proposed zone
- ii. The boundaries of the proposed zone
- iii. That the resolution or petition may be inspected at the Clerk's office
- iv. A public place in the proposed zone where a copy of a map of the proposed zone may be seen
- v. The time and place for the public hearing
- vi. That protests will be considered at the hearing
- vii. That written requests for exclusion from or inclusion of land in the proposed zone will be heard and considered<sup>3</sup>

The public place within the proposed zone identified in the Resolution of Intent is the Creston Library. Additionally, staff will make a copy of the Resolution of Intent available for inspection at all of the public libraries in the Basin.

## **2) Provide Notice and Hearing Prior to Proposing a Resolution Establishing the Paso Robles Basin Parcel Tax**

Government Code Section 50077 permits the Flood Control District to propose by resolution the adoption of a special tax following notice and a public hearing. Today's action is to authorize staff to notice the public hearing to be held on November 10, 2015, in accordance with all legal requirements.

### Next Steps

After adoption of the attached Resolution of Intent, staff will return on November 10, 2015 for a public hearing on the proposed establishment of Zone 19. Following said hearing, a resolution to establish Zone 19 will be submitted for your Board's approval (Exhibit B to the Resolution of Intent).

Also on November 10, 2015, after the conclusion of the noticed public hearing (condition precedent 2), your Board may consider a resolution to establish the Paso Robles Basin Parcel Tax. That resolution will define the parcel tax and call for an election by the voters to approve the parcel tax and locally fund SGMA compliance activities.

If the voters approve the parcel tax and the formation of the Water District, then the Flood Control District will transfer the parcel tax revenue to the Water District for SGMA activities.<sup>4</sup> If the parcel tax is approved, but the Water District is not formed, the Flood Control District will have the option to choose to become or participate in a Groundwater Sustainability Agency and utilize the approved parcel tax to fund the SGMA activities thereby saving taxpayers the expense of a second special tax election for the same purposes.

---

<sup>3</sup> All of the above items have also been included in the Resolution of Intent.

<sup>4</sup> Section 13-3 of the Flood Control District Act authorizes the Flood Control District to enter into contracts with other governmental bodies for the transfer of tax proceeds for the performance of the purposes of the Flood Control District within an established zone. In addition, Government Code Section 50077, subdivision (c), authorizes the legislative body of a local agency which is conducting proceedings for the formation of a district to propose a special tax on behalf of said district.

Staff Direction

Staff is seeking adoption of the Resolution of Intent in order to initiate Proposition 218 proceedings to establish a local source of funding for SGMA compliance and authorization and direction to provide the requisite public hearing notices.

**OTHER AGENCY INVOLVEMENT/IMPACT**

Other agencies that have worked on the Proposition 218 funding mechanism are as follows:

County Clerk, County Assessor, County Counsel, Agricultural Commissioner's Office and the Paso Basin Advisory Committee.

**FINANCIAL CONSIDERATIONS**

\$314,400 from Flood Control District reserves has been allocated to fund the application process through this fiscal year.

**RESULTS**

Approval of the recommended action will allow the registered voters in the unincorporated areas of the Basin to decide if they support a local source of funding for SGMA compliance.

**ATTACHMENTS**

1. Resolution of the San Luis Obispo County Flood control and Water Conservation District, California, of Intent to Establish Zone 19 of the Flood Control and Water Conservation District

File: 340.280.01

Reference: 15OCT06-C-8

L:\MANAGMNT\OCT15\BOS\Zone 19 Reso of Intent 10 06 15\_final draft brd ltr 09 22 15.docx.JD.mj