

**MEMORANDUM OF AGREEMENT  
BETWEEN THE NIPOMO COMMUNITY SERVICES DISTRICT (NCSD)  
AND THE COUNTY OF SAN LUIS OBISPO  
REGARDING THE NCSD'S SPHERE OF INFLUENCE**

This Agreement is entered into on this 13<sup>th</sup> day of July, 2010 by and between the Nipomo Community Services District (hereinafter "District") and the County of San Luis Obispo (hereinafter "County").

**WHEREAS**, the Cortese-Knox-Hertzberg Act ("the Act" Government Code 56000 et seq.) requires the Local Agency Formation Commission ("LAFCO") to update the Spheres of Influence for all applicable jurisdictions in the County every five years; and

**WHEREAS**, the District and the County enter into this agreement with the common goals of preserving and protecting the rural character of Nipomo, identifying areas of potential urban and suburban growth using the existing South County Area Plan-Inland ("SCAP") implementing the District's annexation policies, and planning for future resource and service needs; and

**WHEREAS**, Section 56001 of the Act declares that it is the policy of the state to encourage orderly growth and development which are essential to the social, fiscal, and economic well-being of the state; and

**WHEREAS**, the purposes of the Local Agency Formation Commission as stated in Section 56301 of the Government Code are to discourage urban sprawl, preserve open space and prime agricultural lands, efficiently provide government services, and to encourage the orderly formation and development of local agencies based upon local conditions and circumstances; and

**WHEREAS**, a Sphere of Influence is defined by Government Code Section 56076 as a "plan for the probable physical boundaries and service area of a local agency, as determined by the Local Agency Formation Commission", and is further defined in SLO LAFCO's Policies and Procedures as a 20-year growth boundary for a jurisdiction's physical development in; and

**WHEREAS**, the District and the County voluntarily enter into this agreement for the purpose of enhancing and promoting the orderly and logical development of the Nipomo Community; and

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**WHEREAS**, this MOA contains three Exhibits, including: A-Provisions, B-Map of the Potential Areas for the Sphere of Influence, C-Map of Project Referral Area; and

**WHEREAS**, the County Board of Supervisors has certified a Level of Severity III for the Nipomo Mesa Water Conservation Area (June 2007), as indicated in the 2009 Annual Resources Summary Report; and

**WHEREAS**, the Santa Maria Groundwater Basin Litigation has resulted in a Stipulated Agreement and Final Judgment that calls for the management of the area's water resources;

**WHEREAS**, the District has adopted an Annexation Policy designed to protect and conserve water resources by requiring all annexations into the District to be supplied by supplemental water; and

**WHEREAS**, the County has adopted Ordinance 3090 establishing the Nipomo Mesa Water Conservation Area and specific development standards to protect and conserve water resources within the Nipomo Mesa Water Conservation Area; and

**WHEREAS**, while this agreement clarifies the intent and purpose of the District's and the County's policies regarding the Sphere of Influence, the agreement does not establish the Sphere of Influence for the District; and

**WHEREAS**, the County, through the inland South County Area Plan adopted in 1994, has established development policies and standards for the rural areas, village areas and within the Nipomo Urban Reserve Line that identifies the areas of urban and suburban development for the community; and

**WHEREAS**, the District and County have reached an agreement regarding the intent and purpose of the District's Sphere of Influence, the County's Urban Reserve Line and Village Reserve Lines as described in Exhibit A, Provisions; and

**WHEREAS**, the Sphere of Influence Boundary shall be established by the Local Agency Formation Commission based on the evaluation of the eight Areas shown in Exhibit B and may include all of the eight areas, a combination of Areas, a portion of some areas, or other configuration as approved by LAFCO. (Exhibit B is not intended to be the proposed Sphere of Influence and this agreement does not establish the Sphere of Influence.)

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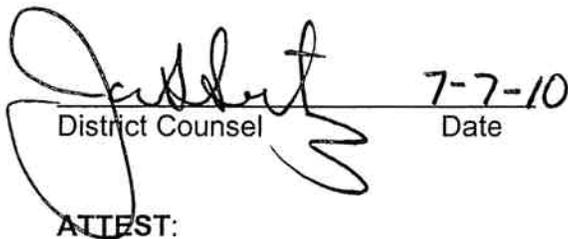
NOW, THEREFORE, the parties agree as follows:

1. The provisions found in Exhibit A are intended to state the common understandings and agreements between the County and the District regarding the District's Sphere of Influence, the County's Urban Reserve Line and Village Reserve Lines respectively.
2. The provisions found in Exhibit A are intended to provide the District and the County with guidance for evaluating future annexation proposals for the areas in the District's Sphere of Influence and do not supersede or limit either agency's mission of legislatively established function and do not bind either agency.
3. The parties agree that the above recitals are true and correct.

  
\_\_\_\_\_  
President, Board of Directors    Date  
Nipomo Community Services District

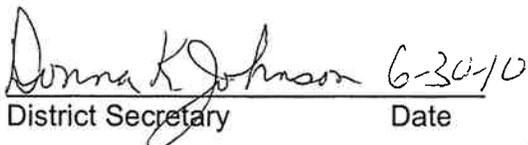
**FRANK R. MECHAM**    JUL 13 2010  
\_\_\_\_\_  
Chair, Board of Supervisors    Date  
County of San Luis Obispo

APPROVED AS TO FORM AND ~~LEGAL EFFECT~~

  
\_\_\_\_\_  
District Counsel    Date  
7-7-10

\_\_\_\_\_  
County Counsel    Date

ATTEST:

  
\_\_\_\_\_  
District Secretary    Date  
6-30-10

**JULIE L. RODEWALD**    JUL 13 2010  
\_\_\_\_\_  
County Clerk-Recorder    Date

By: **ANNETTE RAMIREZ** -   
\_\_\_\_\_  
Deputy Clerk



## Exhibit A - PROVISIONS

The following provisions are the provisions identified in the Memorandum of Agreement between the Nipomo Community Services District and the County of San Luis Obispo dated July 13, 2010 and shall be used by the District and County to guide the development decisions within the Sphere of Influence as eventually approved by the San Luis Obispo Local Agency Formation Commission ("LAFCO").

1. **Intent.** It is the intent of the District and the County to work cooperatively toward the goals of preserving and protecting the rural character of the Nipomo area by: identifying areas of potential urban and suburban growth using the existing South County Area Plan (Inland, adopted 1994); implementing the District's annexation policies and procedures; and planning for future resource and service needs. These goals shall be achieved in accordance with the Cortese-Knox-Hertzberg Act ("CKH"), the County's General Plan, the Policies and Procedures of the District, the California Environmental Quality Act and any other applicable laws and regulations.
2. **Term.** Upon adoption of the District's Sphere of Influence ("SOI") by LAFCO, this agreement shall be reviewed, evaluated, or amended as necessary at such time as the SOI is updated by LAFCO, or concurrent with a comprehensive update of the South County Area Plan (Inland) adopted in 1994, as initiated by the County.
3. **Interagency Cooperation.** The District and County shall work cooperatively regarding, but not limited to, issues and policies relating to water, its supply and legal entitlements for the area within the Nipomo Mesa Water Conservation Management Area and Nipomo Valley. For project referrals concerning planning for land use, the provision of public services, utility and road rights-of-way, traffic and circulation, agricultural land and open space preservation, and General Plan Amendments, County planning staff will continue to use the map shown in Exhibit C. Each party shall refer proposals, applications, and actions on a proposal/project to the other party. Information about the proposal/project shall be referred immediately to the following address for review and comment:

Division Manager, Long Range Planning  
Department of Planning & Building  
County Government Center  
San Luis Obispo, CA 93408

General Manager  
Nipomo Community Services District  
148 South Wilson Street  
PO Box 326  
Nipomo, CA 93444

This provision shall not supersede or terminate other methods of commenting or providing feedback regarding a proposal or project, but is meant to enhance and increase interagency cooperation and communication.

4. **Commitment by the Nipomo Community Services District.** The District is currently designing and, with the assistance from the County, intends to construct a Waterline Intertie Project with the City of Santa Maria to deliver approximately 3,000 AFY of supplemental water (Phase I Project). The Phase I Project will deliver supplemental water to the District, the Woodlands, the Golden State Water Company and the Rural Water Company consistent with the Judgment and Stipulation in the Santa Maria Groundwater Adjudication. Water delivered to the District from the Phase I Project will be used to serve existing and future customers within the District's current boundary.

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The District intends to design and construct certain components of the Phase I Project with the capacity for delivery of an additional 3,200 AFY. This additional water (Phase II Project), and subject to appropriate financing mechanisms and approvals, is intended by the District to provide supplemental water within the District's SOI as currently zoned, consistent with the District's Annexation Policy, dated May 24, 2006, and the South County Area Plan (Inland) adopted in 1994, as amended to the date of this MOA by the County Board of Supervisors (except for existing litigation).

The District's SOI is not intended to increase density or encourage urbanization in areas outside the Urban Reserve Line and/or Village Reserve Lines. The District does not encourage or promote projects that are inconsistent with the community's vision for Nipomo, as described in the South County Area Plan (Inland) adopted in 1994.

The District does not intend to extend water or sewer services into Study Area 1 west or northwest of Hetrick Road, unless preceded by (i) a General Plan amendment initiated by the County that would extend the Urban Reserve Line into that area; and (ii) the approval of LAFCO. Subject to LAFCO approval and the delivery of Phase II Project supplemental water, the District will support extension of services into Study Areas 2 and 3. The District will not extend future/new sewer services into Study Area 4 except for the area south of Southland Street, identified as the Southland Specific Plan area in the South County Area Plan (Inland) adopted in 1994, unless the General Plan is amended. The District does not intend to extend sewer service into Study Areas 4, 5, 7 or 8 unless authorized by a County General Plan Amendment and approval by LAFCO.

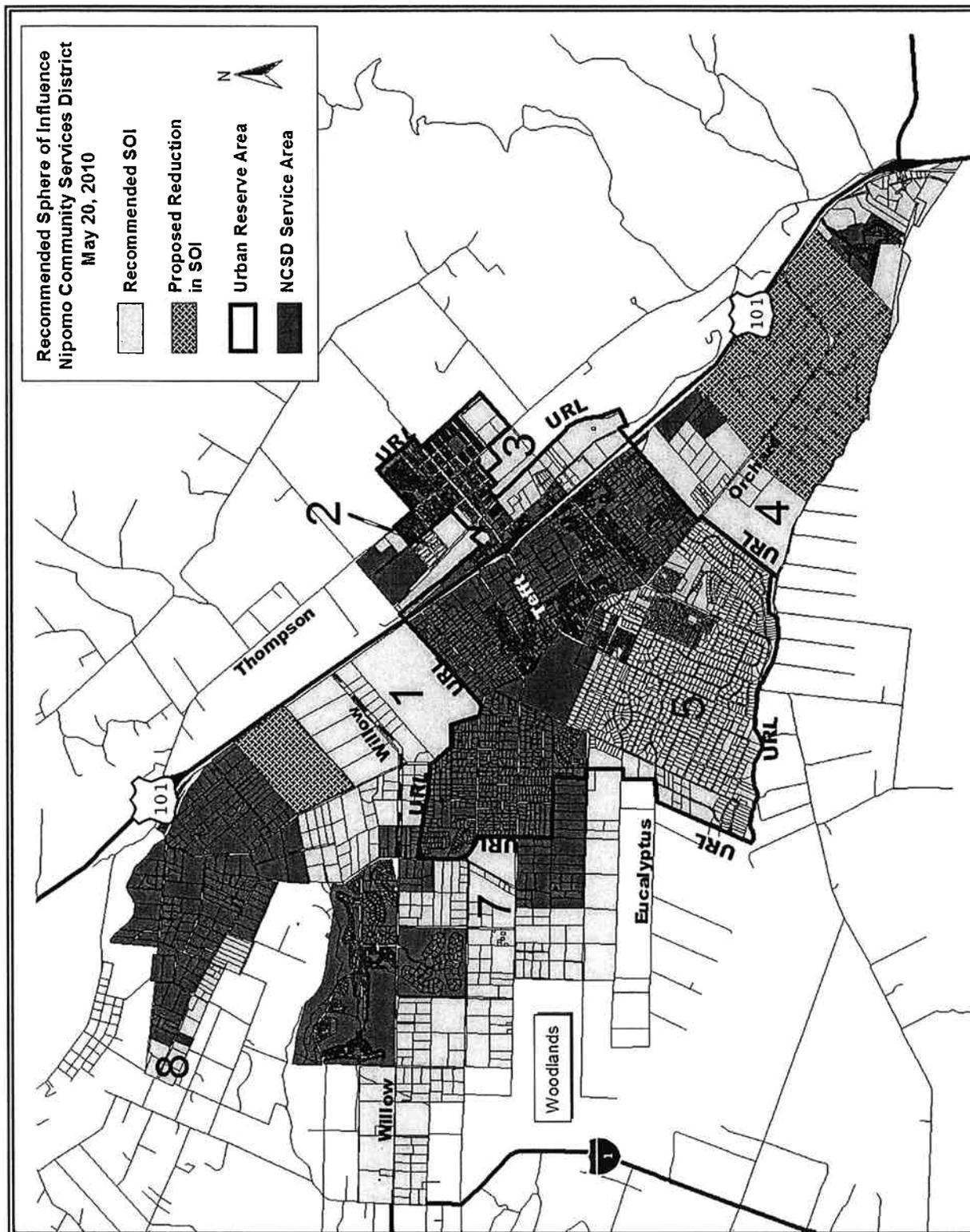
5. **Commitment by the County of San Luis Obispo.** The County shall work cooperatively with the District to efficiently and effectively provide for public services to residents in the Nipomo area. The County intends to continue implementing the vision, goals and policies of the existing South County Area Plan (Inland) adopted in 1994, and as amended from time-to-time by the County Board of Supervisors. The County does not intend, nor does it promote, expanding the existing Urban Reserve Line for the purpose of increasing the density allowed on a particular parcel of land unless approved as a General Plan Amendment or Specific Plan by the Board of Supervisors. The County shall strongly discourage the creation of new Private or Mutual Water Companies, or service by such entities to proposed land divisions within the Nipomo Mesa Water Conservation Area.
6. **Common Agreements by the County and NCSD.** The District and County acknowledge and agree on the following statements:
  - a. Protection and management of the groundwater resource in the Nipomo Mesa Water Conservation Area is important for the future of the Nipomo community.
  - b. Current and Phase 1 Project supplemental water supplies from the City of Santa Maria will not be sufficient to provide water service to the Sphere of Influence.
  - c. Continued approval of development based on water service from mutual and private water companies does not encourage the efficient and effective management of the groundwater resource and makes management of the groundwater basin more difficult.

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- d. Future development within the Sphere of Influence, as currently zoned in the South County Area Plan (Inland) adopted in 1994, is intended to be served by the District at such time when an adequate supplemental water supply to serve the development is available and delivered to the District's storage and distribution system.
  - e. Unless amended, the County will process current land use applications under the existing South County Area Plan (Inland) adopted in 1994, standards and policies.
  - f. Subject to LAFCO approval, the District will consider (within its supply capabilities) providing water service to existing developed properties within the Sphere of Influence that experience a documented water supply emergency such as what happened in the Summit Station Road Area.
  - g. Absent additional evidence of impact mitigation and subject to existing County ordinances, standards and policies, the provision of community water service by the District should not be considered by individual property owners to justify or support a change in zoning that would increase density in areas zoned Residential Rural.
  - h. The process of development within the District's Sphere of Influence shall be accomplished in the following order: 1) the District is consulted through referrals on land use applications; 2) Land Use approvals and CEQA documentation are approved and certified by the County; and 3) Annexation application is submitted by the property owner or District for consideration and approval by LAFCO.
7. **Urban Reserve Line and Sphere of Influence.** The County's Urban Reserve Line (URL) is the official boundary in the South County Area Plan (Inland) adopted in 1994, designating future urban growth. The District's SOI boundary as approved by LAFCO is not intended to show, and/or encourage, future urban growth or to compete with the URL. The SOI may be considered when some services that are provided by the NCSD, such as trash pickup; lighting or emergency provision of water as described above is desired by property owners. The Urban Reserve Line shall not extend beyond the SOI unless approved as part of a county initiated General Plan amendment. The County does not intend for areas that are zoned Agriculture, Rural Lands and Residential Rural to be included within the Urban Reserve Line or served with urban services other than solid waste. Areas that are zoned Residential Suburban, Residential Single Family and Residential Multi-Family are intended to be within the Urban Reserve Line and are included in the SOI.
8. **General Plan Update/Specific Plans.** The County is presently in the process of updating the Land Use and Circulation Element (LUCE) of the County General Plan for the unincorporated rural areas of the county. One of the goals of the LUCE is to identify possible least constrained areas adjacent to urban areas for possible future expansion of communities. Any such expansion would be considered at a later date in a separate update of the community general plan. Currently, the South County Area Plan (Inland) adopted in 1994, calls for the preparation of Specific Plans to identify land uses within the areas known as Canada Ranch and the area just south of Southland Street. These Specific Plans should be prepared and adopted by the County prior to annexation of the property into the District.

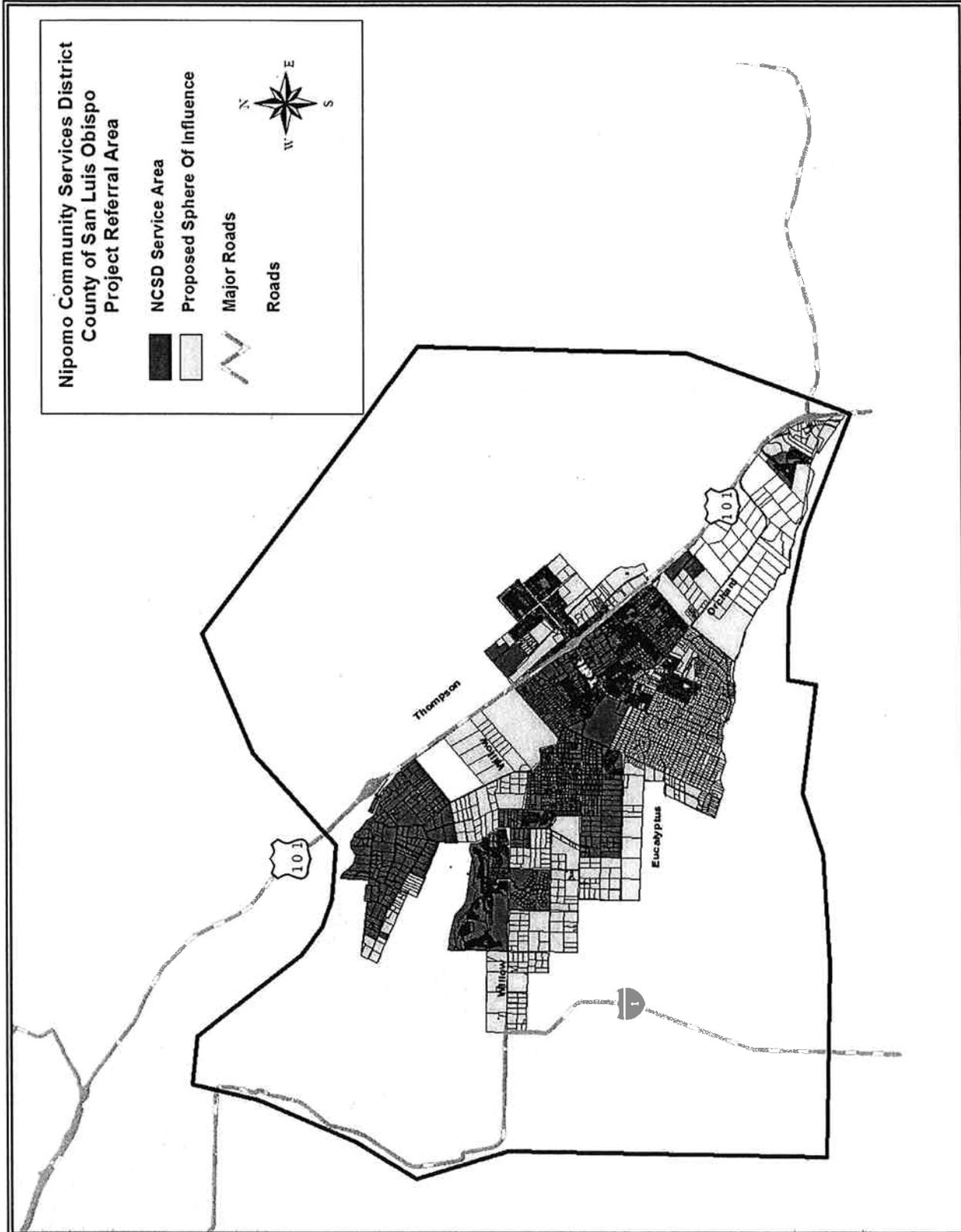
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Exhibit B-Possible Sphere of Influence



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Exhibit C-Project Referral Area

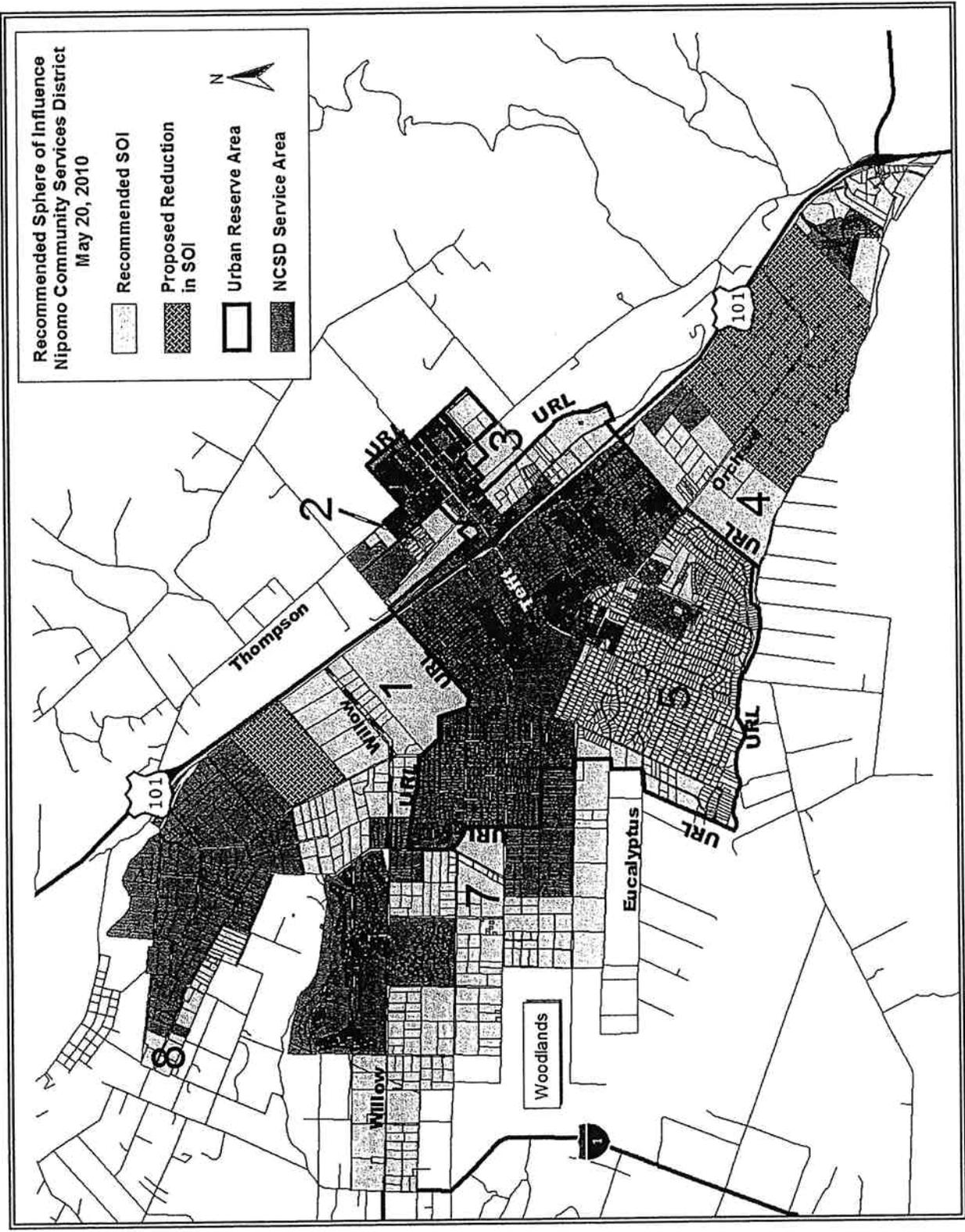


# Attachment 2

Proposed Nipomo Sphere of Influence Map

Recommended Sphere of Influence  
Nipomo Community Services District  
May 20, 2010

- Recommended SOI
- Proposed Reduction in SOI
- Urban Reserve Area
- NCSD Service Area



# BOARD OF SUPERVISORS

## COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

Tuesday, July 13, 2010

**PRESENT:** Supervisors: Bruce S. Gibson, Adam Hill, K.H. 'Katcho' Achadjian, James R. Patterson and Chairperson Frank Mecham

**ABSENT:** None

**In the matter of a Memorandum of Agreement with the Nipomo Community Services District:**

This is the time set for consideration of a Memorandum of Agreement with the Nipomo Community Services District for the District's Sphere of Influence update; 4th District.

**Chairperson Mecham:** opens the floor to public comment.

**Mr. James Harrison - Nipomo Community Services District (NCSD) President and Mr. Michael Winn - NCSD:** speak.

**Mr. Chuck Stevenson - Planning and Building:** amends the staff report on page D-1 11, Exhibit A - PROVISIONS, under #3 Interagency Cooperation, by removing "as shown in Exhibit F" from the first sentence.

Thereafter, on motion of Supervisor K.H. 'Katcho' Achadjian, seconded by Supervisor James R. Patterson, and on the following roll call vote:

**AYES:** Supervisors: K.H. 'Katcho' Achadjian, James R. Patterson, Bruce S. Gibson, Adam Hill, Chairperson Frank Mecham

**NOES:** None

**ABSENT:** None

the Board amends Exhibit A - Provisions, on page D-1 11, under #3 Interagency Cooperation, by removing "shown in Exhibit F" from the first sentence and approves the proposed "Memorandum of Agreement between the Nipomo Community Services District (NCSD) and the County of San Luis Obispo regarding the Sphere of Influence" as amended.

07/20/10 ar  
cc: Planning (3), Auditor (1)  
filed

STATE OF CALIFORNIA     )  
  ) ss.  
County of San Luis Obispo )

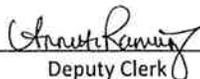
I, **JULIE L. RODEWALD**, County Clerk and ex-officio Clerk of the Board of Supervisors, in and for the County of San Luis Obispo, State of California, do hereby certify the foregoing to be a full, true and correct copy of an order made by the Board of Supervisors, as the same appears spread upon their minute book.

WITNESS my hand and the seal of the said Board of Supervisors, affixed this 20th day of July, 2010.

**JULIE L. RODEWALD**

County Clerk and Ex-Officio Clerk of the Board of Supervisors

By: \_\_\_\_\_

  
Deputy Clerk