

MENDOCINO

Local Agency Formation Commission

Ukiah Valley Conference Center | 200 South School Street | Ukiah, California 95482

Telephone: (707) 463-4470 | Fax: (707) 462-2088 | E-mail: eo@mendolafco.org | Web: www.mendolafco.org

COMMISSIONERS

Jerry Ward, Chair & Treasurer
Public Member

Carre Brown, Vice Chair
County Board of Supervisors

Kevin Doble
Ukiah City Council

Gerardo Gonzalez
Willits City Council

Dan Hamburg
County Board of Supervisors

Theresa McNerlin
Ukiah Valley Sanitation District

Tony Orth
Brooktrails Township CSD

Scott Ignacio, Alternate
Point Arena City Council

John McCowen, Alternate
County Board of Supervisors

Carol Rosenberg, Alternate
Public Member

Vacant
Special District Seat, Alternate

STAFF
Executive Officer
Uma Hinman

Analyst
Larkyn Feiler

Commission Clerk
Elizabeth Salomone

Counsel
Scott Browne

Regular Meetings
First Monday
of each month
at 9:00 AM
in the Mendocino
County Board
of Supervisors Chambers
501 Low Gap Road

A G E N D A

Regular Meeting of Monday, January 8, 2018 9:00 AM
County Board of Supervisors Chambers 501 Low Gap Road, Ukiah, California

Live web streaming and recordings of Commission meetings are available via the County of Mendocino's YouTube Channel. Links to recordings and approved minutes are available on the LAFCo website (<http://mendolafco.org/recorded-meetings/>).

Meeting documents are available online: <http://mendolafco.org/meeting-documents-2018>

1. CALL TO ORDER and ROLL CALL

2. PUBLIC EXPRESSION

The Commission welcomes participation in the LAFCo meeting. Any person may address the Commission on any subject within the jurisdiction of LAFCo which is not on the agenda. There is a three minute limit and no action will be taken at this meeting. Individuals wishing to address the Commission under Public Expression are welcome to do so throughout the meeting.

3. OTHER BUSINESS

None

4. CONSENT CALENDAR

The following consent items are expected to be routine and non-controversial, and will be acted on by the Commission in a single action without discussion, unless a request is made by a Commissioner or a member of the public for discussion or separate action.

4a) Approval of the December 4, 2017 Regular Meeting Summary Minutes

4b) Approval of the December 2017 Claims and Financial Report

5. PUBLIC HEARING ITEMS

Public Hearings are scheduled for Commission consideration and possible adoption of items. Questions and comments from the Commission, participating agencies, and members of the public are welcome. Documents are available for review at:

<http://mendolafco.org/meeting-documents-2018>

No public hearings in January 2018.

(1-8-18 Agenda Continued...)

6. WORKSHOP ITEMS

Workshops are scheduled for Commission review of draft reports prior to the noticing for public hearing. Questions and comments from the Commission, participating agencies, and members of the public are welcome. Documents are available for review at: <http://mendolafco.org/meeting-documents-2018>

No workshop items in January 2018.

7. MATTERS FOR DISCUSSION AND POSSIBLE ACTION

7a) Mid-Year Budget and Work Plan Review FY 2017-18

Commission review of operating expenses and work plan progress.

8. INFORMATION AND REPORT ITEMS

The following informational items are reports on current LAFCo activities, communications, studies, legislation, and special projects. General direction to staff for future action may be provided by the Commission.

8a) Work Plan, Current and Future Proposals (Written)

8b) Correspondence (copies provided upon request)

- SDRMA 2016-17 Annual Report & Labor Law Poster
- Cortese-Knox-Hertzberg Act, December 2017
- CSDA Special District Board Member/Trustee Handbook

8c) Executive Officer's Report (Verbal)

8d) Committee Reports (Verbal)

8e) Commissioner Reports, Comments or Questions (Verbal)

8f) CALAFCO Business and Legislative Report

ADJOURNMENT

The next Regular Commission Meeting is scheduled for
Monday, February 5, 2018 at 9:00 AM
in the County Board of Supervisors Chambers 501 Low Gap Road, Ukiah, California

Notes: Participation on LAFCo Matters

All persons are invited to testify and submit written comments to the Commission on public hearing items. Any challenge to a LAFCo action in Court may be limited to issues raised at a public hearing or submitted as written comments prior to the close of the public hearing.

Americans with Disabilities Act (ADA) Compliance: If you are a disabled person and need a disability-related modification or accommodation to participate in a meeting, please contact the LAFCo office at 707-463-4470, by e-mail to eo@mendolafco.org, or by FAX to 707-462-2088. Requests must be made as early as possible, and at least two full business days prior to the meeting. Fair Political Practice Commission (FPPC) Notice: State Law requires that a participant in LAFCo proceedings who has a financial interest in a Commission decision, and who has made a campaign contribution of more than \$250 to any Commissioner in the past 12-months, must disclose the contribution. If you are affected, please notify the Commission prior to the agenda item.

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Regular Meetings

First Monday
of each month
at 9:00 AM
in the Mendocino
County Board
of Supervisors Chambers
501 Low Gap Road

Agenda Item No. 4a

MINUTES

Local Agency Formation Commission of Mendocino County

Regular Meeting of Monday, December 4, 2017

County Board of Supervisors Chambers, 501 Low Gap Road, Ukiah, California

1. CALL TO ORDER and ROLL CALL (Video Time 1:41)

Chair Ward called the meeting to order at 9:02am.

Members Present: Commissioners Carre Brown, Kevin Doble, Gerardo Gonzalez, Dan Hamburg, Tony Orth, and Jerry Ward
Members Absent: Commissioner Theresa McNerlin
Alternate Members Present: Commissioners John McCowen and Carol Rosenberg
Alternate Members Absent: Commissioners Scott Ignacio
Staff Present: Uma Hinman, Executive Officer
Elizabeth Salomone, Clerk

2. PUBLIC EXPRESSION (Video Time 2:27)

No one from the public addressed the Commission.

3. OTHER BUSINESS (Video Time 2:40)

No Other Business to discuss.

4. CONSENT CALENDAR (Video Time 2:41)

- 4a) Approval of the November 6, 2017 Regular Meeting Summary Minutes
- 4b) Approval of the November 2017 Claims and Financial Report
- 4c) Approval of the 2018 Lease Contract Renewal for Office Space at the Ukiah Valley Conference Center
- 4d) Acceptance of the Draft Fiscal Year 2016/17 Financial Statements
- 4e) Approval of the 2018 Meeting Calendar

Chair Ward pulled Item 4c) Approval of the 2018 Lease Contract Renewal for Office Space at the Ukiah Valley Conference Center. He reported negotiations continue and the expected outcome is a three year lease agreement with an adjusted Consumer Price Index rate increase.

Upon motion by Commissioner Brown and second by Commissioner Orth, the authorization of Chair Ward to continue negotiations and sign the 2018 Lease Agreement between the City of Ukiah and Mendocino County LAFCo for office space at the Ukiah Valley Conference Center and return the signed lease agreement for ratification in January 2018 was approved by roll call vote:

Ayes: (6) Brown, Doble, Gonzalez, Hamburg, Orth, and Ward
Absent: (1) McNerlin

(Consent Calendar continued...)

Upon motion by Commissioner Gonzalez and second by Commissioner Orth, the Consent Calendar items 4a, 4b, 4d, and 4e, listed below, were approved by roll call vote:

- 4a) Approval of the November 6, 2017 Regular Meeting Summary Minutes
- 4b) Approval of the November 2017 Claims and Financial Report
- 4d) Acceptance of the Draft Fiscal Year 2016/17 Financial Statements
- 4e) Approval of the 2018 Meeting Calendar

<u>November 2017 Claims totaling:</u>	<u>\$ 12,081.22</u>
Uma Hinman Consulting:	\$ 8,706.75
Ukiah Valley Conference Center:	\$ 659.27
P. Scott Browne:	\$ 600.00
Commissioner Reimbursement (stipend, CALAFCO conference)	\$ 601.34
County of Mendocino (audio/video, GIS, etc):	\$ 190.86
California Special District Association membership:	\$ 1,299.00

Ayes: (6) Brown, Doble, Gonzalez, Hamburg, Orth, and Ward
Absent: (1) McNerlin

5. PUBLIC HEARING ITEMS – (Video Time 6:02)

5a) Continued Public Hearing to Consider Adoption of a Resolution Approving the City of Fort Bragg & Municipal Improvement District No. 1 Municipal Service Review/Sphere of Influence Update

The Public hearing was opened on November 6 and continued to today, December 4, 2017.

EO Hinman presented the continued MSR and SOI Update Public Hearing, noting the current document incorporates comments from the LAFCo workshop on November 6, 2017 and has been reviewed by City of Fort Bragg staff who provided no further comments. The Proof of Publication of the Public Hearing Notice was provided in the packet. Comments and questions were offered by Commissioners McCowen, Ward, Orth, Brown.

Commissioner McCowen thanked LAFCo staff for the work done as per Commission direction. Chair Ward noted this document is a valuable resource on the City of Fort Bragg and the Municipal Improvement District.

The Public Comment Period was opened at 9:10am. There were no comments from the public. *The Public Comment Period was closed at 9:10am.*

Upon motion by Commissioner Brown and second by Commissioner Gonzalez, the City of Fort Bragg and Fort Bragg Municipal Improvement District No. 1 MSR/SOI Update 2017 was found exempt from the California Environmental Quality Act (CEQA) pursuant to Title 14 California Code of Regulations §15306 and §15061(b)(3) and the Notice of Exemption was approved for filing; and adoption of LAFCo Resolution 17-18-05, approving the City of Fort Bragg and Fort Bragg Municipal Improvement District No. 1 MSR/SOI Update 2017, affirming the existing sphere of influence for each agency, was approved by roll call vote:

Ayes: (6) Brown, Doble, Gonzalez, Hamburg, Orth, and Ward
Absent: (1) McNerlin

Maria Jones, Community Development Director of City of Fort Bragg complimented LAFCo staff and the quality of the MSR/SOI Update document. (Video Time 45:44)

6. WORKSHOP ITEMS (Video Time 11:18)

6a) South Coast Fire Protection District (FPD) SOI Update

EO Hinman presented the Draft SOI Update for the South Coast FPD, thanking the representatives from the District for their attendance at the meeting and their cooperation on the draft report. Comments and questions were offered by Commissioners Ward, Orth, Brown, Gonzalez, Hamburg, and McCowen.

Chief Greg Warner, from South Coast FPD, received comments and questions from the Commission. Topics discussed were as follows:

- District financial reserves balance and District Board policy to set aside \$25,000 each year.
- Providing a District Profit and Loss Financial Statement or an Income Statement and accounting for capital outlay as depreciation instead of an expense.
- Wildfire response procedures and responsibilities.
- Automatic aid agreements and service of areas-of-interest out of the District.
- Maintaining more than one fire station within the District, in addition to ensuring appropriate facility maintenance and upgrades are made and sufficient volunteers exist to respond to each station, is critical in relation to ISO ratings and the affordability of fire insurance to residents.
- Measure Z which increased the District's per parcel benefit assessment.
- Revenue gain shown in the financial summary table is primarily related to District strike team support for CAL FIRE wildland fire incidents throughout the state.
- Equipment update: a new Type 3 engine is on order and one Type 1 engine is designated for upgrading next. All but 2 of 11 District apparatus is year 2000 or newer.
- Disadvantaged Unincorporated Community (DUC) status was discussed. EO Hinman noted CALAFCO is undertaking a statewide analysis of DUCs in 2018 to identify all areas within the state. Commissioner Brown noted the definitions of DUCs vary based on the State agency involved.
- Suggestion for creating a District website for government transparency.

Commissioner Brown thanked the Fire District representatives for their support and assistance during the recent fire storms in Mendocino County.

No action was taken by the Commission as part of this item.

6b) Albion-Little River Fire Protection District (FPD) SOI Update

EO Hinman presented the Draft SOI Update for the Albion-Little River FPD. Comments and questions were offered by Commissioners Ward, Orth, McCowen, Rosenberg, Hamburg, and Brown.

Topics discussed were as follows:

- A neutral description of the unresolved Measure M legal challenge.
- Further explanation of the donation information provided under the financial summary table.
- Providing a District Profit and Loss Financial Statement or an Income Statement and accounting for capital outlay as depreciation instead of an expense.
- Page 1-6, #10 the strike out language regarding Board elections/appointments should remain.
- Pg 1-5, the Board of Supervisors has yet to confirm their decision for allocation of Proposition 172 funds. Language suggestion of "...anticipates the same amount..." for all the Fire District SOI Updates, for consistency.

- Pg 1-8, Paragraph 1, language suggestion of replacing “recommended” with “suggested” in two places under the capital plan and increased collaboration recommendations, and language suggestion of replacing “discuss” with “consider” under the increased collaboration portion. Ensure consistency between SOI Updates regarding including the suggestion for increased collaboration with adjacent Fire Districts in each respective document.
- Pg 1-5, Determination 1: reference DOF as Department of Finance.
- Pg 1-5, Determination 2: reference population growth as 0.8% as noted under Section 1.2.4.2.
- Compliments regarding the District website.

No action was taken by the Commission as part of this item.

7. MATTERS FOR DISCUSSION & POSSIBLE ACTION

No Matters were presented.

8. INFORMATION/ REPORT ITEMS (Video Time: 48:20)

8a) Status of Applications, Future Projects, MSR and SOI Updates

Current & Current Projects

No activity to report on new or future projects.

MSR/SOI Updates

- *Fire District SOI Updates:* Final Workshop tentatively scheduled for March 2018 and Public Hearing to consider approval of all SOI Updates tentatively scheduled for April 2018.
- *City of Willits SOI Update:* LAFCo and City staff continue to coordinate on the draft SOI Update.
- *Brooktrails CSD MSR/SOI Update:* Workshop tentatively scheduled for January 2018.
- *Redwood Coast FPD MSR/SOI Update:* Workshop tentatively scheduled for January or February 2018

8b) Correspondence (Video Time: 49:45)

No comments offered.

8c) Executive Officer’s Report (Video Time: 50:07)

- *Training Opportunity:* Brooktrails CSD is holding an Ethics training on January 20, 2018 9:30 – noon, which they are opening to the public for free. Staff will be receiving and forwarding a flyer when available.
- *Special District Election Update:* LAFCo Legal Counsel advised to fill the remainder of the current Alternate Special District seat and hold a second election cycle for the next 4 year term, as per Government Code. Nomination packets have been distributed.

8d) Committee Reports (Video Time: 51:09)

Neither committee met during the month of December 2017.

8e) Commissioners Reports, Comments or Questions (Video Time: 51:26)

- *Commissioner Orth noted the Brooktrails CSD water curtailment for new hookups has been lifted by the State.*
- *Commissioner Orth opened a discussion on Transportation Tax in unincorporated areas.*
- *Commissioner Rosenberg opened a discussion on fire safe planning, with particular emphasis on road access. Commissioner Brown noted County Supervisors are further examining the issues. Commissioners Ward and Orth noted Brooktrails CSD is in discussion to improve their roads and access at this time.*

8f) CALAFCO Business and Legislation Report (Video Time: 57:25)

A letter of thanks was received from CALAFCO for the attendance of Mendocino LAFCo representatives.

ADJOURNMENT

There being no further business, at 9:56am the meeting was adjourned. The next regular meeting is scheduled for Monday, January 8, 2018 at 9:00am in the County Board of Supervisors Chambers at 501 Low Gap Road, Ukiah, California.

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<https://www.youtube.com/watch?v=eevoXVpyYV8&index=1&list=PLraKTU7AyZLQITOm-6cQAS8JjZiD91yWd>

MENDOCINO Local Agency Formation Commission

Staff Report

DATE: January 8, 2018
 TO: Mendocino Local Agency Formation Commission
 FROM: Uma Hinman, Executive Officer
 SUBJECT: Financial Report and Claims for December 2017

Claims The following claims are recommended for payment authorization:

Hinman & Associates	5300 Basics Services	\$ 6,161.50	\$ 10,936.75
	6200 Bookkeeping	\$ 379.50	
	7000 MSR SOI Workplan	\$ 4,293.25	
	5601 Office Supplies	\$ 102.50	
	8017 Millview CWD Pre Application	\$ -	
Ukiah Valley Conf. Center	5502 Office space	\$ 424.00	\$ 456.84
	5503 Work room	\$ 30.00	
	5603 Photocopy (Dec 2017)	\$ 1.00	
	5605 Postage (Dec 2017)	\$ 1.84	
P. Scott Browne	<u>6300 Legal Counsel</u>	\$ 600.00	\$ 691.45
	6750 Travel & Lodging CALAFCO	\$ 91.45	
Commissioner Reimbursements	<u>6740 In-County Travel & Stipends:</u>		\$ 128.07
	Rosenberg (December 2017)	\$ 51.07	
	McNerlin (absent Dec 2017)	\$ -	
County of Mendocino	Orth (December 2017)	\$ 77.00	\$ 348.78
	6000 Video Recording of Meetings	\$ 218.12	
Petty Cash Reimbursement	7501 GIS Mapping	\$ 130.66	\$ 168.94
	5601 Office supplies	\$ 142.84	
	5605 Postage	\$ 26.10	
Total:		\$ 12,730.83	\$ 12,730.83

Attachments:

Budget Track Spreadsheet
 Hinman & Associates Consulting Invoice & Scott Browne Invoice

Please note that copies of all invoices, bank statements, and petty cash register were forwarded to Commission Treasurer.

Mendocino Local Agency Formation Commission
 FY 2017-18 Budget and Application Tract

Acct #	Task	FY 16-17 Budget	1st Qtr Subtotals	October	Nov	Dec	2nd Qtr Subtotal	Year to Date	Remaining Budget
EXPENSES									
5300	Basic Services - EO/Analyst/Clerk	\$66,815	\$15,543.00	\$5,064.50	\$5,543.75	\$6,161.50	\$16,769.75	\$32,312.75	\$34,502.25
5500	Rent	\$5,360	\$1,302.00	\$434.00	\$404.00	\$454.00	\$1,292.00	\$2,594.00	\$2,766.00
5600	Office Expenses	\$3,350	\$231.56	\$52.54	\$275.27	\$274.28	\$602.09	\$833.65	\$2,516.35
5700	Internet & Website Costs	\$1,300	\$0.00				\$0.00	\$0.00	\$1,300.00
5900	Publication & Legal Notices	\$2,000	\$0.00	\$114.22			\$114.22	\$114.22	\$1,885.78
6000	Televising Meetings	\$3,000	\$259.02		\$190.86	\$218.12	\$408.98	\$668.00	\$2,332.00
6100	Audit Services	\$3,100	\$1,550.00				\$0.00	\$1,550.00	\$1,550.00
6200	Bookkeeping	\$4,800	\$1,614.00	\$52.50	\$264.00	\$379.50	\$696.00	\$2,310.00	\$2,490.00
6300	Legal Counsel (S Browne)	\$7,200	\$1,800.00	\$600.00	\$600.00	\$600.00	\$1,800.00	\$3,600.00	\$3,600.00
6400	A-87 Costs County Services	\$1,100	\$0.00				\$0.00	\$0.00	\$1,100.00
6500	Insurance - General Liability	\$1,000	\$0.00				\$0.00	\$0.00	\$1,000.00
6600	Memberships (CALAFCO/CSDA)	\$2,200	\$0.00		\$1,299.00		\$1,299.00	\$1,299.00	\$901.00
6670	GIS Contract with County	\$5,000	\$571.90	\$124.32		\$130.66	\$254.98	\$826.88	\$4,173.12
6740	In-County Travel & Stipends	\$2,000	\$128.08	\$178.07	\$178.07	\$128.07	\$484.21	\$612.29	\$1,387.71
6750	Travel & Lodging Expenses	\$4,000	\$533.80	\$846.54	\$423.27	\$91.45	\$1,361.26	\$1,895.06	\$2,104.94
6800	Conferences (Registrations)	\$3,000	\$2,125.50				\$0.00	\$2,125.50	\$874.50
7000	Work Plan (MSRs and SOIs)	\$45,000	\$8,616.75	\$5,561.25	\$2,903.00	\$4,293.25	\$12,757.50	\$21,374.25	\$23,625.75
Monthly/ Year to Date Totals		\$160,225.00	\$34,275.61	\$13,027.94	\$12,081.22	\$12,730.83	\$37,839.99	\$72,115.60	\$88,109.40
APPLICATIONS									
		DEPOSIT	1st Qtr Subtotals	October	Nov	Dec	2nd Qtr Subtotal	Year to Date	Remaining Budget
A-2009-8001	Irish Beach WD Moores Annexation	\$-610.56	\$0.00				\$0.00	\$0.00	\$-610.56
P-2014-8010	City of Ukiah Detachment of UVCSD lands	\$1,532.75	\$0.00				\$0.00	\$0.00	\$1,532.75
P-2017-8017	Millview CWD Annexation	\$1,500.00	\$0.00				\$0.00	\$1,490.00	\$10.00
Applications to Date Totals		\$922.19	\$1,490.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EXPENSES AND APPLICATION TOTALS			\$35,765.61	\$13,027.94	\$12,081.22	\$12,730.83	\$37,839.99	\$72,115.60	

Operations (Checking) Account Balance	\$	46,793.38						from statement as of	11/30/2017
Legal Reserve Balance	\$	50,000.00						from statement as of	11/30/2017
Operations Reserve Balance	\$	40,272.25						from statement as of	11/30/2017



Hinman & Associates Consulting

PO Box 1251 | Cedar Ridge, CA 95924

(916) 813-0818

uhinman@comcast.net

Date December 31, 2017

Invoice No. 352

To Mendocino LAFCo

Invoice Total **\$ 10,936.75**

Project Executive Officer Services

Work Period November 27, 2017 - December 31, 2017

Account	Description	Staff/Hours			Other (At Cost)	Totals
		Hinman EO (\$90)	Feiler Analyst (\$65)	Salomone Clerk (\$42)		
5300	Basic Services	43.25	11.00	37.00		\$ 6,161.50
5601	Office Supplies					
	Quickbooks Online Fee				\$ 50.00	\$ 50.00
	County NOE Recording Fees				\$ 52.50	\$ 52.50
6200	Bookkeeping	3.75		1.00		\$ 379.50
7001	Municipal Service Reviews	5.00	6.25	6.00		\$ 1,108.25
7501	Sphere of Influence Updates		49.00			\$ 3,185.00
Totals		\$ 4,680.00	\$ 4,306.25	\$ 1,848.00	\$ 102.50	\$ 10,936.75

5300 Basic Services

Prepared January Commission and Executive Committee meeting agendas, staff reports and meeting packets. Draft meeting minutes for review at next meeting. File maintenance. Staffed office during the time period. Researched and responded to CALAFCO MSR/SOI determinations survey. Website updates.

6200 Bookkeeping (Other Services)

Compiled claims for Commissioner review and approval at January meeting. Entered claims into Quickbooks and prepared checks for claims to be authorized at January 8th meeting. Reviewed claims, bank records, etc. Quickbooks reconciliation, prepared mid-year budget summary.

7501 Sphere of Influence Updates

Continued drafting fire district SOI Updates and outreach to districts. Coordinated with County GIS regarding all SOI Updates adopted to date to ensure records are consistent and accurate.

7001 Municipal Service Reviews

Finalized and distributed Fort Bragg MSR/SOI Update. Brooktrails CSD MSR/SOI Update. Research and outreach to Mutual Water Companies in Mendocino County to comply with AB 54.

Law Offices of P. Scott Browne

131 South Auburn Street
Grass Valley, CA 95945

(530) 272-4250
(530) 272-1684 Fax

Marsha A. Burch
Of Counsel

Mendocino Lafco
200 South School Street, Suite F
Ukiah, CA 95482

Period Ending:

12/15/2017

Payment due by the 15th of next month

In Reference To: CLIENT CODE: MENDO-01

Professional Services

	<u>Hours</u>	
11/28/2017 PSB Review Agenda & Reports.	1.00	
12/15/2017 PSB Legislative Meeting; Work on Legislative proposal. (Time split evenly between all LAFCo clients.)	0.50	
	<hr/>	
SUBTOTAL:	[1.50]	
		<hr/>
Total Professional Hours	1.50	Amount \$600.00
 <u>Additional charges:</u>		
12/5/2017 CALAFCo Conference Hotel Room (Time split evenly between all LAFCo clients).		91.45
		<hr/>
SUBTOTAL:		[91.45]
		<hr/>
Total costs		\$91.45
		<hr/>
Total billing this month		\$691.45
 Per Representation Agreement, flat fee of \$600/month.		
Previous balance		\$600.00

**MENDOCINO
Local Agency Formation Commission**

Staff Report

DATE: January 8, 2018
TO: Mendocino Local Agency Formation Commission
FROM: Uma Hinman, Executive Officer
SUBJECT: Mid-Year Budget and Work Plan Review FY 2017-18

RECOMMENDATION

Informational item.

DISCUSSION

Summary of Mid-Year Budget

The mid-year budget review is an opportunity to review itemized operating expenses and make adjustments as necessary. Staff has prepared the attached multi-year budget comparison. No outstanding budget concerns are noted.

Summary of MSR/SOI Work Plan

Staff time to date on SOI updates has largely focused on coordinating with affected agencies to assure that information presented to the Commission accurately reflects the agency's services and functions, and also contains an appropriate level of detail/analysis to make the required determinations. Addressing these issues ensures that LAFCo records for each agency are organized and correct with miscellaneous issues identified and addressed. Since most municipal service reviews (MSRs) for districts and cities were completed by the end of FY 2015-16, staff has focused on establishing and/or updating spheres of influence (SOIs) per Cortese-Knox-Hertzberg statutes. Many districts lacked a LAFCo-recognized SOI and others had not been through a SOI update in many years. The SOI updates consider future changes to boundaries and services, and address whether there is sufficient capacity to support additional growth. Staff's efforts to coordinate with agencies have focused on improving the understanding of LAFCo's role, and building relationships with agencies. This level of coordination will help to streamline future MSR and SOI Update cycles, and any future boundary change or reorganization proposals.

The following is a summary of the SOI Update process, including the administrative draft, workshop, and hearing phases:

- 1) Administrative draft review – Staff prepares an administrative draft SOI Update based largely on the information included in the MSR and returned SOI questionnaire. The administrative draft is provided to the agency for internal review. For the most part it takes a lot of energy and back-and-forth between the agency and LAFCo staff before both parties feel confident that the administrative draft accurately represents the agency, addresses the requirements of the CKH Act, and meets the needs of the Commission prior to taking it to workshop.
- 2) Workshop review – Staff incorporates agency feedback and develops a workshop draft SOI Update. Agencies are encouraged to participate in the workshop to answer questions and be

involved in the process. Staff keeps agencies informed of document review progress, offers opportunities to address commissioner questions and requested revisions (if needed), and provides the staff report and workshop draft document to the agency prior to the meeting. Following the workshop, staff works with the agency to address any questions or changes requested by the Commission prior to scheduling it for hearing.

- 3) Public Hearing and adoption via resolution – Staff incorporates agency and commissioner feedback and develops a hearing draft SOI Update. A 21-day notice is published in the newspaper and posted on the LAFCo website. Staff circulates the hearing draft to the Commission. Ideally this version would have all necessary changes made, and the Commission would take public testimony, address questions or comments, and adopt the document by resolution. However, the reality is that the hearing often results in more changes made to the document as a part of the motion to adopt the resolution. Post meeting, staff makes all the required revisions and creates an "adopted" SOI Update document. This adopted version is then posted on the website and sent to the agency involved.

Difficulties in keeping the work plan progressing on schedule is primarily related to delays in obtaining requested information from the agencies. Staff continues to outreach to agencies and work to keep the work plan moving forward. Progress on the Work Plan is summarized in Agenda Item 8a.

Mutual Water Companies

Assembly Bill 54 (2011) required mutual water companies to file maps of their service area boundaries and directed LAFCOs to include mutual water companies in their studies. Staff are in the process of researching and outreaching to mutual water companies throughout Mendocino County. The outreach consists of identification, verification of contact information, an introductory letter, and request for maps and information. The collected information will be organized into a stand-alone report with profiles and service area maps of each mutual water company and presented to the Commission.

Project Finalization

Staff has been working to complete a number of projects that had various outstanding issues needing to be addressed before finalizing. The Fort Bragg Rural Fire Protection District had two applications that required rectifying mapping issues before finalizing. The North of Ten Mile Annexation was finalized at the beginning of this fiscal year. The mapping for the 2011 Detachment of overlap parcels was accepted by the Board of Equalization in early 2017 and staff is working to get all County Surveyor requirements met.

Staff has been working with County GIS staff to update the County's SOI map files. Through this effort, a number of boundary inconsistencies have been identified. Once the data review and update has been completed, staff will bring an omnibus resolution to LAFCo clarify the mapping and administrative record.

Attachments: 1) Mid-Year Budget Review Spreadsheet

**Mendocino Local Agency Formation Commission
Mid-Year Budget Review FY 2017-2018**

LAFCo Resolution No. 16-17-12

ACCOUNT #	DESCRIPTION	FY 2014-15 Adopted	FY 2014-15 Actual	FY 2015-16 Adopted	FY 2015-16 Actual	FY 2016-17 Adopted	FY 2016-17 Actual	FY 2017-18 Adopted	FY 2017-18 Actual to Date
REVENUE									
4000	LAFCO Apportionment Fees	\$ 135,000	\$ 120,000	\$ 125,000	\$ 135,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 50,000
4100	Service Charges	\$ -	\$ 60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4800	Miscellaneous	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4910	Interest Income	\$ 500	\$ 60	\$ 128	\$ 232	\$ 120	\$ 140	\$ 120	\$ 120
	Revenue Total	\$ 147,600	\$ 132,276	\$ 125,128	\$ 135,232	\$ 120,120	\$ 120,140	\$ 120,120	\$ 50,120
EXPENSES									
5300	Basic Services	\$ 55,000	\$ 56,282	\$ 59,000	\$ 60,218	\$ 65,680	\$ 68,716	\$ 66,815	\$ 32,313
5500	Rent	\$ 6,100	\$ 5,355	\$ 5,035	\$ 5,035	\$ 5,160	\$ 5,188	\$ 5,360	\$ 2,614
5600	Office Expenses	\$ 3,100	\$ 1,450	\$ 3,500	\$ 2,991	\$ 2,238	\$ 2,463	\$ 3,350	\$ 830
5700	Internet & Website Costs	\$ 920	\$ 1,038	\$ 1,200	\$ 1,267	\$ 1,200	\$ 979	\$ 1,300	\$ -
5900	Publication and Legal Notices	\$ 1,950	\$ 3,144	\$ 2,000	\$ 1,883	\$ 2,000	\$ 1,735	\$ 2,000	\$ 114
6000	Televising Meetings	\$ 1,760	\$ 1,480	\$ 1,700	\$ 1,030	\$ 2,900	\$ 2,903	\$ 3,000	\$ 668
6100	Audit Services	\$ 3,000	\$ 1,475	\$ 3,025	\$ 4,575	\$ 3,025	\$ 3,000	\$ 3,100	\$ 1,550
6200	Bookkeeping	\$ 4,100	\$ 4,117	\$ 4,800	\$ 4,819	\$ 4,800	\$ 2,242	\$ 4,800	\$ 2,310
6300	Legal Counsel	\$ 6,000	\$ 5,005	\$ 6,000	\$ 6,180	\$ 6,000	\$ 6,121	\$ 7,200	\$ 3,600
6400	A-87 Costs County Services	\$ 6,000	\$ -	\$ 2,010	\$ -	\$ 1,060	\$ 1,060	\$ 1,100	\$ -
6500	Insurance-General Liability	\$ 1,050	\$ 1,939	\$ 1,000	\$ 807	\$ 1,000	\$ 987	\$ 1,000	\$ -
6600	Memberships (CALAFCO/CSDA)	\$ 1,755	\$ 2,635	\$ 2,000	\$ 1,996	\$ 2,100	\$ 2,130	\$ 2,200	\$ 1,299
6670	Professional Fees (SHN Consulting - North of Ten Mile Annex map fix)	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ 2,000	\$ -	\$ -
6670	Professional Fees (Planwest website transition)	\$ -	\$ -	\$ -	\$ -	\$ 2,170	\$ 2,170	\$ -	\$ -
6670	GIS Contract with County (Counsel training, IT support)	\$ -	\$ -	\$ -	\$ -	\$ 3,622	\$ 1,935	\$ 5,000	\$ 827
6740	In-County Travel & Stipends	\$ 1,500	\$ 255	\$ 2,000	\$ 1,949	\$ 2,500	\$ 2,306	\$ 2,000	\$ 612
6750	Travel & Lodging Expense	\$ 6,000	\$ 1,251	\$ 2,500	\$ 1,487	\$ 2,500	\$ 1,805	\$ 4,000	\$ 1,895
6800	Conferences (Registrations)	\$ 3,000	\$ 1,021	\$ 3,000	\$ 1,876	\$ 1,250	\$ 1,216	\$ 3,000	\$ 2,126
7000	Barraco & Associates MSR Contract	\$ -	\$ 7,700	\$ 6,300	\$ 385	\$ 2,400	\$ 2,400	\$ -	\$ -
7000	Uma Hinman Consulting Cemetery District MSR Contract	\$ -	\$ -	\$ -	\$ -	\$ 3,900	\$ 3,895	\$ -	\$ -
7000	Work Plan (MSRs and SOIs)	\$ 34,000	\$ 30,015	\$ 47,000	\$ 46,999	\$ 54,000	\$ 28,553	\$ 45,000	\$ 21,374
	Operating Expense Total	\$ 135,235	\$ 124,161	\$ 152,070	\$ 143,497	\$ 171,505	\$ 143,802	\$ 160,225	\$ 72,132
	REVENUE/EXPENSE DIFFERENCE	\$ 365	\$ (9,208)	\$ (26,942)	\$ (8,265)	\$ (51,385)	\$ (23,661)	\$ (40,105)	
	<i>(Negative balance indicates use of fund balance)</i>								
Reserve Fund Balance (as of 11/30/17)									
	Operational Reserves					\$ 40,056		\$ 40,265	
	Legal Reserves					\$ 50,000		\$ 50,000	
	Total Reserve Funds					\$ 90,056		\$ 90,265	

MENDOCINO Local Agency Formation Commission

Staff Report

DATE: January 8, 2018
TO: Mendocino Local Agency Formation Commission
FROM: Uma Hinman, Executive Officer
SUBJECT: Status of Applications, Future Projects, MSR & SOI Updates

ACTIVE APPLICATIONS

There are currently two (2) active applications on file with the Commission:

1. City of Ukiah Detachment of Ukiah Valley Sanitation District (UVSD) Served Areas

The City of Ukiah was notified in December 2014 that their detachment application was incomplete pending submittal of a Plan for Services and property tax exchange agreement.

2. Pre-Application Request Millview County Water District Annexation

A pre-application request and deposit was submitted by Millview County Water District on August 17 to receive staff feedback regarding application requirements for annexation of an area located outside the District boundaries but within its sphere of influence. The proposal includes the Nicolls annexation properties as well.

FUTURE PROJECTS:

Three (3) potential project proposals that have been brought to LAFCo's attention:

1. Anderson Valley CSD Proposed Activation of Latent Powers to Provide Water and Sewer Services

Staff has been corresponding with AVCSO regarding application requirements and timing with grant needs. AVCSO is in the process of preparing an EIR; LAFCo will be included as a Responsible Agency.

2. Proposed Consolidation of Five Water Districts in the Ukiah Valley area

Potential consolidation of five water districts in the Ukiah valley area: Calpella CWD, Millview CWD, Willow CWD, Redwood Valley CWD, and Russian River Flood Control. SWRCB staff have encouraged LAFCo's early participation in hopes of processing parallel applications.

(Continued...)

MSR & SOI UPDATES:

The following provides an update on the 2017/2018 Work Plan:

MSR	SOI	MSR/SOI	Targeted Workshop Date	Status
	X	Fire Districts (14)	Varies	Staff continues to follow up with districts to obtain information. SOI updates will be brought to workshop for individual districts as they are ready.
		Albion-Little River FPD	12/4/17	Workshop completed
		Comptche CSD	8/1/17	Workshop completed
		Covelo FPD		No response to RFI
		Elk CSD	10/2/17	Workshop completed
		Hopland FPD		No response to RFI
		Leggett Valley FPD	2/5/17	Pending District review of Administrative Draft
		Little Lake FPD	6/5/17	Workshop completed
		Long Valley FPD	2/5/17	Pending District review of Administrative Draft
		Mendocino FPD		No response to RFI
		Piercy FPD		No response to RFI
		Potter Valley CSD		No response to RFI
		Redwood Valley-Calpella FPD		No response to RFI
		South Coast FPD	12/4/17	Workshop completed
		Ukiah Valley FPD		No response to RFI
X	X	City of Fort Bragg	--	Completed – Adopted 12/4/17
	X	City of Willits	4/2/18	In progress; waiting for City to provide information on SOI.
X	X	Brooktrails CSD	4/2/17	Awaiting additional information from District
X	X	Redwood Coast FPD	3/5/17	In Progress
X	X	Fort Bragg Rural FPD		Pending
X	X	Covelo CSD		Pending
X	X	Mendocino City CSD		Pending
X	X	Mendocino Coast RPD		Pending
		Mutual Water Companies		Profiles only; research and outreach in progress