

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

CHAIR

Jerry Ward
Public Member

VICE CHAIR

TBA Feb 2017

TREASURER

TBA Feb 2017

MEMBERS

Carre Brown
County Board
of Supervisors

John McCowen
County Board
of Supervisors

Theresa McNerlin
Ukiah Valley Sanitation District

Tony Orth
Brooktrails Township CSD

Kevin Doble
Ukiah City Council

Gerry Gonzalez
Willits City Council

ALTERNATE MEMBERS

Dan Hamburg
County Board
of Supervisors

Carol Rosenberg
Public Member

Angela Silver
Calpella County Water District

**Alternate City Representative
to be announced Feb 2017
by City Select Committee**

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
at the Mendocino
County Board
of Supervisors Chambers
501 Low Gap Road

A G E N D A

Regular Meeting of Monday, February 6, 2017 9:00 AM

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

Live web streaming and recordings of Commission meetings are now available via the County of Mendocino's YouTube Channel. Links to recordings and approved minutes are also available on the LAFCo website.

Call to Order and Roll Call

1. City and County Representative Appointments

Introduction of the 2017 City and County representatives, with Oath of Office conducted as necessary.

PUBLIC EXPRESSION

2. 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.

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.

3. Approval of the January 9, 2017 Regular Meeting Summary Minutes
4. Approval of the January 2017 Claims
5. Acceptance of the Monthly Financial Report

BUSINESS ITEMS

Business items are for review and possible action by the Commission.

6. Selection of Officers

The Members of the Commission shall elect a Chair, a Vice Chair, and a Treasurer and each shall serve for one-year terms, or until their successors are elected, whichever occurs later. Should the Chair, Vice-Chair, or Treasurer cease to be a member of the Commission, the Commission shall at the first available meeting select a successor to fill the position for the balance of the year.

7. Standing Committee Appointments

The Commission shall appoint members to the following standing committees:

- a. Executive Committee
- b. Policies and Procedures Committee

MATTERS FOR DISCUSSION & POSSIBLE ACTION

The following discussion and business items are for review and possible action by the Commission. Questions and comments from the Commission, participating agencies, and members of the public are welcome.

8. Commission Financial Reserve Policy

Policies & Procedures Committee recommendation on policy regarding financial reserves. The Commission may consider the draft policy and resolution for action, provide direction to staff, or provide additional direct to the Policies and Procedures Committee.

9. Application Final Filing Procedures Policy

Policies & Procedures Committee recommendation on policy regarding steps for complete finalization of applications. The Commission may consider the draft policy and resolution for action, provide direction to staff, or provide additional direct to the Policies and Procedures Committee.

10. LAFCO 101 and Ethics Training

Discuss scheduling a LAFCo 101 and/or the annual Ethics training. The Commission may provide direction to staff and schedule a training.

INFORMATION/REPORT ITEMS

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

11. Status of Applications, Future Projects, MSR and SOI Updates (Written)

12. Correspondence (listed below, copies available upon request from Clerk)

- CALAFCO Quarterly Report, January 2017
- CALAFCO 2017 Calendar

13. Executive Officer's Report (Verbal)

- 700 Forms (www.fppc.ca.gov)

14. Committee Reports (Verbal)

- Executive Committee
- Policies and Procedures Committee: January 20, 2017

15. Commissioner Reports, Comments or Questions (Verbal)

- Upper Russian River Water Agency (JPA) Update

16. Legislation Report

- CALAFCO Legislative Policies 2017

ADJOURNMENT

The next Regular Commission Meeting is scheduled for Monday, March 6, 2017 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.

MENDOCINO

Local Agency Formation Commission

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

Agenda Item No. 3

CHAIR

Jerry Ward
Public Member

VICE CHAIR

TBA Feb 2017

TREASURER

TBA Feb 2017

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**Two City Representatives
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Executive Officer

Uma Hinman

Analyst

Larkyn Feiler

Commission Clerk

Elizabeth Salomone

Counsel

Scott Browne

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

MINUTES LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY

Regular Meeting of Monday, January 9, 2017

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

Call to Order

Chair Ward called the meeting to order at 9:03am.

Roll Call

Members Present:

Commissioners Carre Brown, John McCowen, Theresa McNerlin, Tony Orth, and Jerry Ward

Members Absent:

None

Alternate Members Present:

Commissioners Kevin Doble, Dan Hamburg, and Carol Rosenberg, Angela Silver

Alternate Members Absent:

None

Staff Present:

Uma Hinman, Executive Officer
Larkyn Feiler, Analyst
Elizabeth Salomone, Clerk

PUBLIC EXPRESSION

1. No one from the public offered comments.

CONSENT CALENDAR (Video Time: 0:40)

2. Approval of the December 5, 2016 Regular Meeting Summary Minutes
3. Approval of the December 2016 Claims
4. Acceptance of the Monthly Financial Report

December 2016 claims totaling \$13,816.56

Uma Hinman Consulting:	\$11,307.18
Ukiah Valley Conf Ctr:	\$455.10
P. Scott Browne:	\$470.00
Commission Reimbursements:	\$233.48
County of Mendocino	\$1,350.80

Corrections and clarifications of December 2016 claims report were as follows:

- County of Mendocino invoice for January to June 2016 is shown as Fiscal Year 2015-16. However, the end of year financials have been completed, therefore the invoice will be shown in Fiscal Year 2016-17.
- Ukiah Valley Conference Center 2017 lease agreement is not yet signed; however, the invoice dated December 31, 2016 reflected the requested changes. Monthly office space rent is now \$404.00 rather than \$400.00.
- Clerical error on claims staff report regarding description for Uma Hinman Consulting invoice. Total invoice amount includes 7001 MSR \$245.00 that was not shown in 'Amount Description' column on claims staff report.
- P. Scott Browne invoice includes notice of an increase of professional hourly rates. Staff directed to establish if monthly flat fee will also change.

The Claims Staff Report is incorrectly labeled "Agenda Item No. 3" and should be "Agenda Item No. 2."

Upon motion by Commissioner McCowen and second by Commissioner Brown, the Consent Calendar (Items 2, 3, and 4) was approved by roll call vote:

Ayes: (7) Brown, Doble, Hamburg, McNerlin, McCowen, Orth, and Ward

WORKSHOP(Video Time: 4:44)

5. A Workshop was held for the Countywide Cemetery District Draft Municipal Service Review (MSR) and Sphere of Influence (SOI) Updates for:
 - Anderson Valley Cemetery District
 - Cemetery District of the Redwoods
 - Covelo Public Cemetery District
 - Hopland Cemetery District
 - Mendocino-Little River Cemetery District
 - Potter Valley Cemetery District
 - Russian River Cemetery District
 - Westport-Ten Mile Cemetery District

Analyst Feiler presented the draft MSR and SOI, reviewing efforts of staff to contact and receive feedback from Cemetery Districts. Comments and questions were offered by Commissioners Brown, McCowen, and Orth. The following changes and clarifications were discussed:

- Staff confirmed Leif Farr, County GIS, was unaware of any official SOI mapping done on the Cemetery Districts.
- Where District financial problems are noted in MSR/SOI, include a determination acknowledging such.
- Staff will confirm edits from the December 2016 were incorporated in current draft.
- Staff will clarify current state laws regarding whether special districts are required to have websites.
- Pg 1-2 of the report: replace the names of LAFCo Commissioners with a description of the make-up of the Commission body.
- Pg 1-4 Public Relations of the report: add italicized text: "District personnel *and Trustees* assist residents and the public...."
- Add explanation of how the industry standard of plots-per-acre is being applied.
- Staff will confirm with County Auditor the terms of interest income for special districts.

- Include a County-wide map showing all cemetery district boundaries within the final MSR/SOI.
- Address the governance of cemeteries located within the County but outside of cemetery district's boundaries.
- Within all district chapters in the MSR/SOI:
 - State clearly that there is no official established SOI, where appropriate.
 - Note actual location of cemeteries on maps.
 - Include information regarding the endowment fund, interest income, and property tax apportionment wherever possible.
 - Financial summary table to include beginning and ending cash balance, total of reserve, and total of Endowment fund to be added.
 - Availability of above-ground interment facilities needs to be confirmed for each district. Potter Valley, for example, does not have this capacity.
 - Board vacancies need to be clearly shown in each district table.
 - Consider including Tribal lands on each district map.
 - Notation of acreage of Cemeteries.
 - Indicate open or closed status of each cemetery.
 - Disadvantaged unincorporated communities status is reviewed in introduction and does not need repeating in each chapter.
 - Where indicated that cemetery districts should host a website, if not mandated by law to do so, change to "consider" hosting a website.

Anderson Valley Cemetery District (Video 59:00 and 1:18:36)

Comments and questions were offered by Commissioners Brown, McCowen, and Rosenberg. The following changes and clarifications were discussed:

- Ingram's Cemetery on Hill Ranch needs status confirmation.
- Staff will confirm accuracy of burials per year noted.
- Sawmill is no longer functional and reference should be removed.
- Request to check on available capacity (Evergreen.)

Cemetery District of the Redwoods (Video 1:07:41)

Comments and questions were offered by Commissioners Brown and Ward. The following changes and clarifications were discussed:

- Suggestion to change recommendation to increase Board from 3 to 5 members.

Covelo Public Cemetery District (Video 1:11:17)

Comments and questions were offered by Commissioners Brown.

Hopland Cemetery District (Video 45:00)

Comments and questions were offered by Commissioners Orth, Hamburg, Brown, McCowen, and Rosenberg. The following changes and clarifications were discussed:

- Clarification is needed on the island shown on the District map.

Mendocino-Little River Cemetery District (Video 1:12:35)

No comments and questions were offered by Commissioners.

Potter Valley Cemetery District (Video 1:13:30)

Commissioner Brown met with District Board and the following comments were offered to LAFCo:

- Pg 2-39, 2.6.1.3: add italicized text: “no *official* record of an established Sphere of Influence...”
- P 2-40, 2.6.1.5: rework sentence to reflect Board taking recommendations from Contractors.
- Pg 2-40, 2.6.2.2: no above-ground interment available.
- Pg 40, Table 2-38: 200 available plots.
- Pg 2-41, 2.6.3: no interest income is received by District at this time. CPA looks at records annually.

Russian River Cemetery District (Video 17:30)

Condolences were offered by LAFCo for recent passing of Trustee Wayne Pittman.

Analyst Feiler commended District representatives for their continued cooperation and assistance in the MSR/SOI process. Comments and questions were offered by Commissioners Brown, McCowen, McNerlin, Orth, Hamburg, Rosenberg, Dana Kornegay (District Office Manager), Gary Mirata (District Trustee.) The following changes and clarifications were discussed:

- District staff and Board are consulting their legal counsel regarding website legalities.
- Table 2-44 RRCD Capacity of Facilities needs to be reviewed and edited.

Commissioner Hamburg introduced discussion on the consideration of Russian River Cemetery District assisting Hopland Cemetery District. Trustee Mirata offered to bring the discussion to the District Board. Commissioner Hamburg will bring the discussion to Hopland Board Member, Ernie Harp.

Westport-Ten Mile Cemetery District (1:17:16)

No comments and questions were offered by Commissioners.

Workshop Summary:

LAFCo staff to update Cemetery Districts MSR/SOI as per workshop feedback and continue to work with Districts' staff and trustees. A final draft will be provided to the District for their staff and Board to review and comment. A Public Hearing to consider the County-Wide Cemetery District MSR/SOI will be scheduled for March 2017.

Chair Ward called a break from 10:24 to 10:30am.

MATTERS FOR DISCUSSION/POSSIBLE ACTION

6. City and County Representative Appointments and Selection of Officers (Video Time: 1:25:43)

Staff recommended postponing the selection of officers to the February 6, 2017 meeting to allow time for City and County representative 2017 assignments.

Upon motion by Commissioner Brown and second by Commissioner McCowen, the postponement of selection of Commission officers to the February 2017 Regular LAFCo meeting was approved by roll call vote:

Ayes: (7) Brown, Doble, Hamburg, McNerlin, McCowen, Orth, and Ward

7. Conference Reimbursement for Contracted Staff Policy (Video Time: 1:25:35)

The Policies & Procedures Committee recommended 100 percent reimbursement of Executive Officer registration fee for attendance to the annual CALAFCO conference. Commissioner McCowen noted he has not been supportive of paying for professional education of contractors; however “in the spirit of unanimity” supports the Committee recommendation with the alternative wording to the proposed policy, shown in italicized and stricken text:

Mendocino LAFCo will reimburse contracted Executive Officer 100 percent of the registration fee for *attendance at allowance* to the annual CALAFCO conference. All other conference related expenses, including travel, meals, and lodging expenses, will be the responsibility of the contracted Executive Officer.

Upon motion by Commissioner McNerlin and second by Commissioner Orth, Resolution 16-17-03 with changes noted above was approved by roll call vote:

Ayes: (7) Brown, Doble, Hamburg, McNerlin, McCowen, Orth, and Ward

INFORMATION/ REPORT ITEMS

8. Status of Applications, Future Projects, MSR and SOI Updates (Video Time: 1:31:15)

EO Hinman presented the staff report. Comments and questions were offered by Commissioners Ward, Brown, and Silver.

Fort Bragg RFP North of 10 Mile Annexation: Staff continues to communicate with County GIS and Ft Bragg Fire Chief to gain clarity on application intent.

Russian River Flood Control (RRFC) SOI: With a possible District consolidation being discussed, Staff and Executive Committee need to discuss RRFC General Manager’s suggested consideration to delay. It was added that the application may not be submitted for another 2 years. Chair Ward noted the Executive Committee cannot meet until officers are selected in February.

9. Correspondence (Video Time 1:36:37)

- *Special District Risk Management Authority 2015-16 Annual Report* was received.

10. Executive Officer’s Report: (Video Time 1:36:48)

- *CALAFCO Quarterly Report* was received and emailed to Commissioners.
- *CALAFCO White Paper on Sustainable Groundwater Management Act:* Commissioner Brown noted page 12 addresses the LAFCo role and impacts of the Act.
- *700 Forms:* Discussion of deadlines for varying Commissioners status.
- *New CALAFCO website:* Link was emailed to Commissioners.
- *Ethics Training:* Discussion was held for scheduling a training. It was suggested to hold it at the end of the February regular meeting and to invite special districts, Cities, and County to attend the training.

11. Committee Reports (Video Time 1:28:25)

Executive Committee: Meeting will be held as soon as possible after selection of officers at the February meeting to discuss 2017-18 budget development and MSR/SOI work plan adjustments.

Policies & Procedures Committee: The Committee met on December 5, 2016 and discussed the following: (Video Time 1:28:04)

- Reserve Policy Analysis and Project Completion Policy – Staff asked to further research and present at next P&P Committee meeting.
- Conference Reimbursement for Contracted Staff Policy – Policy presented at today’s meeting.
- Nonpayment of Application Fees Policy – Implementation of application deposit policy voids the need for this additional policy, as funds will be secured before work is undertaken.

12. Commissioners Reports, Comments or Questions (Video Time 1:45:10)

Commissioner Ward: 2015-16 Financial Statements were completed and sent to Auditor. Chair Ward announced the amount of apportionment fees collected by the County Auditor (\$135,000) does not match the amount LAFCo budgeted (\$120,000). Discussion was held regarding the procedure for notifying the County Auditor of approved budget (and amendments). Chair Ward will verify information with the Auditor and present options for action at a future meeting.

Upper Russian River Water Agency JPA Update was given by Commissioner Silver. At their January 4th meeting, they continued to discuss their role in SGMA and what part the Russian River Flood Control District (newest JPA member) will have. Interviews for legal counsel representation were conducted. Water right issues are being address by the combined efforts of the three general managers. Consolidation of all district offices was discussed. Commissioners Brown, Orth, and McCowen commended the efforts of the districts, their boards, and staff in moving forward with the consolidation effort, which will benefit all rate payers and citizens of the Ukiah Valley.

13. Legislation Report

The 2016 updated Cortese Knox Hertzburg (CKH) Act has been published. An omnibus bill is being drafted in 2017 to assess the risks and vulnerabilities of LAFCOs.

ADJOURNMENT

There being no further business, at 11:10am the meeting was adjourned. The next regular meeting is Monday, February 6, 2017 at 9:00am in the County Board of Supervisors Chambers at 501 Low Gap Road, Ukiah, California.

Live web streaming and recordings of Commission meetings are now available via the County of Mendocino's YouTube Channel. Links to recordings and approved minutes are also available on the LAFCo website.

January 9, 2017 meeting:

https://www.youtube.com/watch?v=4_7GoqIK4TA&list=PLraKTU7AyZLS-y2htsLamY6DO6IFMHuwP&index=15

MENDOCINO Local Agency Formation Commission

Staff Report

DATE: February 6, 2017
 TO: Mendocino Local Agency Formation Commission
 FROM: Uma Hinman, Executive Officer
 SUBJECT: Claims for January 2017

The following claims are recommended for payment authorization:

Name	Account Description	Amount
Uma Hinman Consulting	<u>Executive Director Contract:</u> 5300 Basics Services: \$ 7,072.40 6200 Bookkeeping: \$ 514.50 7001 MSRs \$ 697.50 7501 SOI Updates \$ 3,919.83 5601 Office Supplies \$ 40.00 8016 Applications \$ 32.50	\$12,276.73
Ukiah Valley Conf. Center	5502 Office space: \$ 404.00 5503 Work room: \$ 30.00 5603 Photocopy: \$ 36.30 5605 Postage: \$ 0.47	\$ 470.77
P. Scott Browne	6300 Legal Counsel Monthly flat fee	\$ 500.00
Commissioner Reimbursements	<u>6740 In-County Travel & Stipends:</u> Rosenberg \$51.08 (January 2017) McNerlin \$50.00 (January 2017) Orth \$77.00 (January 2017) Silver \$55.40 (January 2017) <u>5601 Office Supplies</u> Silver \$58.99	\$ 241.39 \$ 58.99
County of Mendocino	<u>6000 Video Recording of Meetings</u> November 2016: \$359.96 December 2016: \$94.73	\$ 453.69
County of Mendocino	<u>6400 A-87 Cost Plan Charges</u> Based on 2014/15 actuals	\$1,060.00
Total:		\$15,053.66

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



Uma Hinman Consulting

Invoice

Date January 29, 2017 **Invoice No.** 312
To Mendocino LAFCo
Project Executive Officer Services
Work Period December 30, 2016 - January 29, 2017

Cost Summary		Total
Acct 5300	Basic Services	\$ 7,072.40
Acct 5601	Office Supplies	\$ 40.00
Acct 5607	Office Equipment	\$ -
Acct 6200	Bookkeeping (Other Services)	\$ 514.50
Acct 7001	Municipal Service Reviews	\$ 697.50
Acct 7501	Sphere of Influence Updates	\$ 3,919.83
Acct 8016	Applications (AVCSD)	\$ 32.50
Total Amount Due:		\$ 12,276.73

Basic Services (Acct 5300)	Rate	Hours	Total
Executive Officer, Uma Hinman	\$ 90.00	57.00	\$ 5,130.00
Analyst, Larkyn Feiler	\$ 65.00	6.25	\$ 406.25
Clerk, Elizabeth Salomone	\$ 39.90	38.50	\$ 1,536.15
Subtotal			\$ 7,072.40

Office Supplies (Acct 5601)			
Quickbooks Online (monthly fee)			\$ 40.00
Subtotal			\$ 40.00

Office Equipment (Acct 5607)			
			\$ -
Subtotal			\$ -

Bookkeeping (Acct 6200)	Rate	Hours	Total
Executive Officer, Uma Hinman	\$ 90.00	3.50	\$ 315.00
Clerk, Elizabeth Salomone	\$ 39.90	5.00	\$ 199.50
Subtotal			\$ 514.50

Municipal Service Reviews (Acct 7001)	Rate	Hours	Total
Executive Officer, Uma Hinman	\$ 90.00	4.50	\$ 405.00
Analyst, Larkyn Feiler	\$ 65.00	4.50	\$ 292.50
Subtotal			\$ 697.50

Sphere of Influence Updates (Acct 7501)		Rate	Hours	Total
	Executive Officer, Uma Hinman	\$ 90.00	4.50	\$ 405.00
	Analyst, Larkyn Feiler	\$ 65.00	53.00	\$ 3,445.00
	Clerk, Elizabeth Salomone	\$ 39.90	1.75	\$ 69.83
	Subtotal			\$ 3,919.83
Applications		Rate	Hours	Total
	Executive Officer, Uma Hinman	\$ 90.00		\$ -
8016	Analyst, Larkyn Feiler	\$ 65.00	0.50	\$ 32.50
8016	Clerk, Elizabeth Salomone	\$ 39.90	0.00	\$ -
	Subtotal			\$ 32.50

Basic Services

Prepared, posted and distributed agenda and packet materials. Coordinated meeting packet preparation. Transcribed and reviewed draft January meeting minutes for review at next meeting. Staffed office in January. Preparing February meeting agenda and staff reports, posted notices and agendas. Compiled claims for February agenda. Worked on updating district/city contact information.

Completed Fort Bragg RFPD Detachment. Participated in Policies & Procedures Jan 20 meeting and performed follow up on assigned tasks. Corresponded with Scott Browne regarding special districts website requirements and LAFCo 101/Ethics training. Development of work plan and 2017/2018 budget. Research ambulance services and County EOS relationship.

Bookkeeping (Other Services)

Compiled claims for Commissioner review and approval at February meeting. Entered claims into Quickbooks and prepared checks for claims to be authorized at February 6 meeting. Maintenance of Quickbooks and worked on reconciling past account number discrepancies. Prepare 1099s. Review budget and annual financial report.

Sphere of Influence Updates

Followed up calls and emails regarding the City of Willits and Fort Bragg RFIs. Continued outreach and preparation of the draft MSR/SOI for the cemetery districts. Worked on RRFC District SOI.

Municipal Service Reviews

Drafted RFI to Redwood Coast FPD to begin the District's MSR/SOI update.

Applications

Corresponded with County Assessor and Auditor-Controller regarding updates on the tax share agreement for AVCSO reorganization. Provided updates to AVCSO staff.

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:

1/15/2017

Payment due by the 15th of next month

In Reference To: CLIENT CODE: MENDO-01

Professional Services

	<u>Hours</u>
12/16/2016 PSB Review documents; Participate in legislative committee. (Time split between all CALAFCo clients).	0.67
1/5/2017 PSB Review emails re: Legislative proposal and respond.	0.15
1/9/2017 PSB CAL LEG - Meeting with assembly man Gallagher re: revision to 56553. (Time split between all CALAFCo clients).	1.15
SUBTOTAL:	[1.97]

	<u>Amount</u>
Total Professional Hours Per Representation Agreement, flat fee of \$500/month.	1.97 \$500.00
Previous balance	\$470.00
<u>Payments and Credit Activity</u>	
1/14/2017 Payment - Thank You. Check No. 1207	(\$470.00)
Total payments and adjustments	(\$470.00)
TOTAL BALANCE NOW DUE	<u>\$500.00</u>

MENDOCINO
Local Agency Formation Commission

Staff Report

DATE: February 6, 2017
TO: Mendocino Local Agency Formation Commission
FROM: Uma Hinman, Executive Officer
SUBJECT: Monthly Financial Report

Application Revenues: none

Other Deposits: none

Budgeted Expenses: Attached is the updated budget track form with budget items, account numbers, and amounts. The monthly claims are also itemized in the Claims under Consent Calendar.

Petty Cash:	Deposits:	\$0
	Expenses:	\$0
	Balance:	\$200.00

(Note: Petty cash expenses allocated in budget track at time of expenditure)

Attachments:
Budget Track Spreadsheet

Mendocino Local Agency Formation Commission
 FY 2016-17 Budget and Application Tract - Through January 2017

Task	Acct #	FY 16-17 Budget	July	August	Sept	October	Nov	Dec	January	Year to Date	Remaining Budget*
EXPENSES											
Basic Services - EO/Analyst/Clerk	5301	\$65,680.00	\$4,610.00	\$6,265.43	\$4,027.45	\$2,833.70	\$4,232.20	\$6,711.95	\$7,072.40	\$35,753.13	\$29,926.87
Office Space	5502	\$4,800.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$404.00	\$404.00	\$2,808.00	\$1,992.00
Work Room	5503	\$360.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$210.00	\$150.00
Office Supplies	5601	\$700.00	\$63.50	\$18.00	\$18.00	\$18.00	\$165.03	\$18.00	\$98.99	\$399.52	\$300.48
Photocopy	5603	\$1,000.00	\$37.00	\$55.70	\$6.10	\$5.20	\$22.40	\$17.00	\$36.30	\$179.70	\$820.30
Postage	5605	\$300.00	\$3.72	\$211.50	\$4.65	\$36.10	\$11.97	\$4.10	\$0.47	\$272.51	\$27.49
Office Equipment	5607	\$0.00						\$237.55		\$237.55	\$-237.55
Internet & Website Costs	5700	\$1,200.00								\$0.00	\$1,200.00
Publication & Legal Notices	5900	\$2,000.00	\$244.95	\$187.11						\$432.06	\$1,567.94
Televising Meetings	6000	\$1,700.00						\$1,350.80	\$454.69	\$1,805.49	\$-105.49
Audit Services	6100	\$3,025.00	\$1,550.00							\$1,550.00	\$1,475.00
Bookkeeping	6200	\$4,800.00	\$100.00	\$109.73	\$159.60	\$159.60	\$129.68	\$129.68	\$514.50	\$1,302.79	\$3,497.21
Legal Counsel (S Browne)	6300	\$6,000.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$470.00	\$500.00	\$3,470.00	\$2,530.00
A-87 Costs County Services	6400	\$2,010.00							\$1,060.00	\$1,060.00	\$950.00
Insurance - General Liability	6500	\$1,000.00								\$0.00	\$1,000.00
Memberships (CALAFCO/CSDA)	6600	\$2,100.00					\$1,231.00			\$1,231.00	\$869.00
In-County Travel & Stipends	6740	\$4,300.00	\$237.80	\$232.40	\$232.40		\$233.48	\$178.08	\$241.39	\$1,355.55	\$2,944.45
Travel & Lodging Expenses	6750	\$5,000.00				\$1,751.78	\$53.30			\$1,805.08	\$3,194.92
Conferences (Registrations)	6800	\$3,000.00			\$1,215.73					\$1,215.73	\$1,784.27
MSR & SOI Updates	7000										
MSR Reviews - Admin	7001	\$15,000.00						\$245.00	\$697.50	\$942.50	\$14,057.50
SOI Updates	7501	\$42,622.00		\$364.90	\$948.45	\$899.70	\$1,316.25	\$3,900.00	\$3,919.83	\$11,349.13	\$31,272.87
Monthly/ Year to Date Totals		\$166,597.00	\$7,776.97	\$8,374.77	\$7,542.38	\$6,634.08	\$8,325.31	\$13,696.16	\$15,030.07	\$67,379.74	\$99,217.26

CONTRACTS/OTHER											
Cemetery District MSRs	7000	\$3,900.00	\$130.00	\$272.23	\$251.15	\$1,274.90	\$1,966.25			\$3,894.53	\$5.47
North of 10 Mile Map Correction	8000	\$2,000.00	\$2,000.00							\$2,000.00	\$0.00
Baracco & Associates Final Payment	7000	\$2,400.00	\$2,400.00							\$2,400.00	\$0.00
Planwest Website Transition	7000	\$2,460.00			\$2,170.00					\$2,170.00	\$290.00
Contracts/Other to Date Totals		\$10,760.00	\$4,530.00	\$272.23	\$2,421.15	\$1,274.90	\$1,966.25	\$0.00	\$0.00	\$10,464.53	\$295.47

EXPENSES AND CONTRACTS TOTALS:		\$177,357.00	\$12,306.97	\$8,647.00	\$9,963.53	\$7,908.98	\$10,291.56	\$13,696.16	\$15,030.07	\$77,844.27	\$99,512.73
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APPLICATIONS	Acct #	DEPOSIT	July	August	Sept	October	Nov	Dec	January	Year to Date	Remaining Budget*
Irish Beach WD Moores Annexation		\$-610.56								\$0.00	\$-610.56
City Overlap Area from Ft Bragg RFPD (FBRFPD Detachment)		\$7,452.37				7452.37				\$7,452.37	\$0.00
AVCSD (Ambulance) Activation of Latent Powers & Annexation		\$6,000.00		\$1,297.50	\$601.25	\$48.75	\$65.00	\$65.00	\$32.50	\$2,077.50	\$3,922.50
City of Ukiah Detachment of UVCS lands		\$1,532.75								\$0.00	\$1,532.75
APPLICATIONS TO DATE TOALS:		\$14,374.56	\$0.00	\$1,297.50	\$601.25	\$7,501.12	\$65.00	\$65.00	\$32.50	\$9,529.87	\$4,844.69

EXPENSES, CONTRACTS, AND APPLICATION TOTALS:			\$12,306.97	\$9,944.50	\$10,564.78	\$15,410.10	\$10,356.56	\$13,761.16	\$15,062.57	\$87,374.14	
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BOLD OUTLINE indicates update from last month	double line border indicates multiple FY billing
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MENDOCINO
Local Agency Formation Commission

Staff Report

DATE: February 6, 2017
TO: Mendocino Local Agency Formation Commission
FROM: Uma Hinman, Executive Officer
SUBJECT: Selection of Officers

Background

LAFCo policy is that the members of the Commission shall elect a Chair, a Vice-Chair, and a Treasurer at the first meeting of the Commission held in January of each year, or as soon thereafter as possible. The Chair, Vice-Chair, and Treasurer each serve one-year terms, or until successors are elected, whichever occurs later.

At a regular meeting of the Commission on January 9, 2017, selection of officers was unanimously delayed to the February Commission meeting.

Discussion

The roles of the officers are as follows:

Chair: The Chair shall preside at all meetings of the Commission and shall conduct the business of the Commission in the manner prescribed by State Law and by these rules. The Chair shall preserve order and decorum and decide all questions of order, subject to the action of a majority of the Commission.

Vice-Chair: In the event that the Chair is absent or unable to act, the Vice-Chair shall act as Chair and exercise all duties of the Chair.

Treasurer: The Treasurer shall review monthly revenues and expenditures for consistency with the adopted budget and shall monitor invoices to be paid.

Recommendations

Staff recommends the Commission select a Chair, Vice-Chair and Treasurer to serve for the 2017 calendar year.

MENDOCINO
Local Agency Formation Commission

Staff Report

DATE: February 6, 2017
TO: Mendocino Local Agency Formation Commission
FROM: Uma Hinman, Executive Officer
SUBJECT: Standing Committee Appointments

Background

Mendocino LAFCo has two standing committees: the Executive Committee and the Policies and Procedures Committee. Each committee is made up of three members appointed at the first Commission meeting of each calendar year. At a regular meeting of the Commission on January 9, 2017, committee appointments were unanimously delayed to the February Commission meeting.

Discussion

The Executive Committee consists of the Chair, Vice-Chair, and Treasurer, or a third Commissioner appointed by the Chair. The Executive Committee is responsible for administrative oversight, personnel matters, and budget preparation and review.

The Policies and Procedures Committee is made up of three members recommended by the Chair and ratified by the Commission. The Policies and Procedures Committee is responsible for developing and maintaining the Policies and Procedures Manual. Current Committee members are Commissioners McNerlin, Doble, and Hamburg.

Recommendations

Staff recommends the Commission take action on the following items:

- a. Confirm appointment of the Executive Committee members.
- b. Appoint three members of the Commission to the Policies and Procedures Committee.

MENDOCINO Local Agency Formation Commission

Staff Report

DATE: February 6, 2017
TO: Mendocino Local Agency Formation Commission
FROM: Uma Hinman, Executive Officer
SUBJECT: Financial Reserve Policy

Background

In 2015, the Commission directed the Policies and Procedures (P&P) Committee to research and develop a policy regarding reserves. The P&P Committee met and discussed reserves on February 29, December 5, 2016 and January 20, 2017. Upon direction from the P&P Committee, the Executive Officer contacted LAFCo Counsel for recommendations on adequate reserves to assist in development of a policy. The recommendation received was a reserve equating to approximately one-third operations and two-thirds legal reserve, with a minimum of \$50,000 to \$75,000 for the legal reserve.

A survey of other LAFCo's demonstrated reserve policies ranging from 10 to 20 percent of annual operating budgets. Additionally, some LAFCo's maintain a separate reserve for unanticipated legal fees. Legal or litigation reserves range from \$50,000 to \$100,000.

Mendocino LAFCo's current budget (2016/17) and reserves:

Total Revenue (FY 2016/17):	\$120,120
Total Operating Expenses (FY 2016/17):	\$166,597
Use of Fund Balance	(\$46,477)
Fund Balance (as of April 2016):	\$ 73,968
Reserves Total (as of December 2016):	\$100,105

Recommended Action

The Policies and Procedures Committee recommends the following policy to the Commission for approval; staff recommends adoption of the attached resolution. The draft policy has been reviewed and approved by legal counsel.

Reserves for Fiscal Stability, Cash Flow, and Contingencies

Mendocino LAFCo will strive to maintain reserves for fiscal stability, unforeseen operating or capital needs, cash flow requirements, revenue source stability from revenue shortfalls, and unanticipated legal fees. The reserves consist of an Operating Reserve of 25 percent of the annual operating budget and a Legal Reserve of \$50,000 and are to be maintained in separate accounts.

**A RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY**

LAFCo Resolution No. 16-17-04

FINANCIAL POLICIES

Reserves for Fiscal Stability, Cash Flow, and Contingencies

WHEREAS, Local Agency Formation Commissions have been created under the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Sections 56000 et. seq. of the Government Code, as independent agencies, with the power to adopt expenditure and finance policies, as necessary, to carry out their functions, (§56384); and

WHEREAS, there is a need for the Commission to adopt written reserve policies for the financial operation of LAFCo; and

WHEREAS, this Commission held a public meeting on the proposed policy regarding Reserves for Fiscal Stability, Cash Flow, and Contingencies, and at that meeting, this Commission received all oral and written comments with respect to the proposed policy and the report of the Executive Officer.

NOW, THEREFORE, the Local Agency Formation Commission of the County of Mendocino DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Reserves for Fiscal Stability, Cash Flow, and Contingencies

Mendocino LAFCo will strive to maintain reserves for fiscal stability, unforeseen operating or capital needs, cash flow requirements, revenue source stability from revenue shortfalls, and unanticipated legal fees. The reserves consist of an Operating Reserve of 25 percent of the annual operating budget and a Legal Reserve of \$50,000 and are to be maintained in separate accounts.

The foregoing Resolution was passed and duly adopted at a regular meeting of the Mendocino Local Agency Formation Commission held on this 6th day of February 2017, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

GERALD WARD, Chair

UMA HINMAN, Executive Officer

MENDOCINO Local Agency Formation Commission

Staff Report

DATE: February 6, 2017
TO: Mendocino Local Agency Formation Commission
FROM: Uma Hinman, Executive Officer
SUBJECT: Application Finalization Policy

Background

Upon Commission direction, the Policies and Procedures (P&P) Committee met to develop policy regarding steps for application finalization, including mapping, documentation and ensuring all required conditions are met prior to final completion and filing. The Commission also requested that the Committee consider how best to ensure payment of all fees to avoid after-the-fact collection situations.

Discussion

The P&P Committee met on December 5, 2016 and January 20, 2017 and discussed a draft policy to ensure all conditions of approval are met and fees are paid prior to finalizing an application. The policy is intended to guide staff in performing all necessary steps prior to finalizing a project.

The consensus of the Committee was that if staff ensured all fees were paid prior to filing the Certificate of Completion, the issue of unpaid fees would be substantially lessened and no new policy was necessary. This step has been specified in the draft "Appendix A Final Filing Checklist." Further, current fee policies included in LAFCo's Fee Schedule (approved at a special meeting of the Commission on May 12, 2016) state that:

"All fees are considered to be an estimate and estimated fees received are considered to be a deposit. The estimated deposit is due at the time of application submittal to LAFCO. Final costs will be set, if different than the deposit, after all agency comments and invoices for services have been received. All fee estimates must be paid in full prior to the Certificate of Filing being issued, the environmental review documents being certified, the Resolution of Determination being recorded, or the Final Map being filed with the Board of Equalization, as appropriate."

Further, the Mendocino LAFCo At-Cost Fee Agreement form includes the following statement:

"I agree to remit the applicable State Board of Equalization and California Department of Fish and Wildlife Filing Fees when required. I agree to pay all charges within 30 days of receipt of invoice or in any case prior to the filing of the Certificate of Completion for the project."

Recommended Action:

The Committee's unanimous recommendation is the following draft policy for consideration and approval by the Commission. The draft policy and Appendix A have been reviewed by legal counsel.

Continued...

Final Filing [*new draft language underlined*]

1. The Executive Officer shall ensure final boundary maps comply with the following:
 - a. LAFCo resolution approving a proposal;
 - b. LAFCo, County and Board of Equalization mapping requirements;
 - c. All conditions of approval have been met; and
 - d. All application fees have been paid prior to filing the Certificate of Completion.

A Final Filing checklist is included as Appendix A.
2. The effective date of the change of organization or reorganization is the date the signed Certificate of Completion is filed at the County Recorder’s office unless otherwise specified by the Commission (G.C. 57202). If the Certificate of Completion has not been filed within one year after the Commission approves a proposal, the proceeding is deemed abandoned unless the Commission authorizes an extension prior the expiration of that year (G.C. 56895).
3. The Certificate of Completion, including the recording numbers affixed by the County recorder, will be distributed to affected agencies, County surveyor, County assessor, County auditor, and the State Board of Equalization. The State Board of Equalization will distribute relevant information to the Department of Finance, the Controller, and to the Secretary of State, as appropriate (G.C. 57203, 57204).

Appendix A: Final Filing Checklist

Final Filing Checklist		
No.	Procedure/Step	Date Completed
Mapping Adequacy		
1	Staff confirms it has the final boundary map from the applicant.	
2	Staff compares the map with the LAFCo Resolution of Approval boundary determinations to assure consistency, with particular attention to whether roads are included or excluded.	
3	Staff review the boundaries to make sure they follow parcel lines unless that requirement was specifically waived.	
4	Staff reviews the map for SBOE mapping requirements.	
5	Staff routes the map and legal description to the County Surveyor for review.	
6	Staff routes approved final boundary map and legal description to County GIS staff.	
Final Filing		
7	Staff reviews resolution and final boundary map for compliance; ensures all conditions of approval have been met. If any questions regarding compliance, consult with legal counsel.	
8	Staff confirms all outstanding fees have been paid in full.	
9	Staff prepares Certificate of Completion and submits to County Clerk of the Board for recording.	
10	Staff files with State Board of Equalization and County Assessor.	
11	Upon notification of BOE acceptance, staff notifies all affected parties.	

**A RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY**

LAFCo Resolution No. 16-17-05

**General Application Requirements Policies
Final Filing for Applications**

WHEREAS, Local Agency Formation Commissions have been created under the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Sections 56000 et. seq. of the Government Code, as independent agencies, with the power to adopt expenditure and finance policies, as necessary, to carry out their functions, (§56384); and

WHEREAS, this Commission held a public meeting on the proposed policy regarding Final Filing for Applications and at that meeting, this Commission received all oral and written comments with respect to the proposed policy and the report of the Executive Officer.

NOW, THEREFORE, the Local Agency Formation Commission of the County of Mendocino DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Final Filing

1. The Executive Officer shall ensure final boundary maps comply with the following:
 - a. LAFCo resolution approving a proposal;
 - b. LAFCo, County and Board of Equalization mapping requirements;
 - c. All conditions of approval have been met; and
 - d. All application fees have been paid prior to filing the Certificate of Completion.

A Final Filing Checklist is included as Appendix A.

2. The effective date of the change of organization or reorganization is the date the signed Certificate of Completion is filed at the County Recorder's office unless otherwise specified by the Commission (G.C. 57202). If the Certificate of Completion has not been filed within one year after the Commission approves a proposal, the proceeding is deemed abandoned unless the Commission authorizes an extension prior the expiration of that year (G.C. 56895).
3. The Certificate of Completion, including the recording numbers affixed by the County recorder, will be distributed to affected agencies, County surveyor, County assessor, County auditor, and the State Board of Equalization. The State Board of Equalization will distribute relevant information to the Department of Finance, the Controller, and to the Secretary of State, as appropriate (G.C. 57203, 57204).

Appendix A: Final Filing Checklist

Final Filing Checklist		
No.	Procedure/Step	Date Completed
Mapping Adequacy		
1	Staff confirms it has the final boundary map from the applicant.	
2	Staff compares the map with the LAFCo Resolution of Approval boundary determinations to assure consistency, with particular attention to whether roads are included or excluded.	
3	Staff review the boundaries to make sure they follow parcel lines unless that requirement was specifically waived.	
4	Staff reviews the map for SBOE mapping requirements.	
5	Staff routes the map and legal description to the County Surveyor for review.	
6	Staff routes approved final boundary map and legal description to County GIS staff.	
Final Filing		
7	Staff reviews resolution and final boundary map for compliance; ensures all conditions of approval have been met. If any questions regarding compliance, consult with legal counsel.	
8	Staff confirms all outstanding fees have been paid in full.	
9	Staff prepares Certificate of Completion and submits to County Clerk of the Board for recording.	
10	Staff files with State Board of Equalization and County Assessor.	
11	Upon notification of BOE acceptance, staff notifies all affected parties.	

The foregoing Resolution was passed and duly adopted at a regular meeting of the Mendocino Local Agency Formation Commission held on this 6th day of February 2017, by the following vote:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

ATTEST:

GERALD WARD, Chair

UMA HINMAN, Executive Officer

MENDOCINO
Local Agency Formation Commission

Staff Report

DATE: February 6, 2017
TO: Mendocino Local Agency Formation Commission
FROM: Uma Hinman, Executive Officer
SUBJECT: LAFCO 101 and/or Ethics Training

Background

Each local agency official is required to receive at least two hours of training in general ethics principles and ethics laws relevant to his or her public service every two years (Public Resources Code 53235(b)). The section further states that information shall be provided regarding available ethics trainings available at least annually.

Discussion

During the Commission’s regular January meeting some discussion was held regarding possibly hosting a joint LAFCO 101 and Ethics training, which would be made available to Commissioners, special districts, cities and the County. Staff has researched some options for providing the training, which are summarized in the following table:

Trainer	LAFCO 101	Ethics	Cost Estimate
Scott Browne (LAFCo Counsel)	X	X	TBD
County Counsel		X	\$160.00
*Scheduled Training 2/22			Free
California Special Districts Association		X	Free

Recommended Action:

Discuss and provide direction to staff regarding:

- a) Decide whether or not to host a LAFCO 101 and/or Ethics Training.
- b) Direct staff to coordinate with a trainer to perform the training.
- c) Schedule a date and time for the training.

MENDOCINO Local Agency Formation Commission

Staff Report

DATE: February 6, 2017
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 three (3) active applications on file with the Commission:

1. Anderson Valley CSD Proposed Reorganization (Annexation, Detachment, and Activation of Latent Powers to Provide Ambulance Services)

The AVCSD has submitted application materials to LAFCo for a Reorganization consisting of annexation, detachment, and latent powers activation for ambulance services. The proposed latent powers activation would allow the AVCSD to pursue a functional merger by contract with the Anderson Valley Ambulance Service, an independent non-profit entity that currently provides ambulance services to the Anderson Valley community. The proposed merger into a single entity for fire/rescue and EMS transport would support the provision of local ambulance services and improve financial and operational efficiencies. Staff met with the Assessor and Auditor-Controller on December 7 to discuss schedule for preparing the tax share analysis, which is required before the application can be scheduled for hearing. Staff was given a mid-January timeframe for having the tax share analysis ready for distribution, which has since been delayed. Staff continues to work on reviewing the application so as to be ready to schedule the proposal for hearing upon receipt of the tax share agreement.

2. 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.

3. Fort Bragg RFPD North of 10 Mile Annexation

SHN Engineers submitted a revised annexation map and legal description in July 2016. The map has been reviewed for accuracy and accepted by Mendocino County GIS and the County Surveyor. The remaining task is to resubmit the map and legal description to the State Board of Equalization. Staff is corresponding with the BOE and County GIS regarding this project.

4. Fort Bragg RFPD Detachment

A Certification of Completion for the detachment was filed November 11, 2011 and a map filing submitted to the State Board of Equalization. On April 11, 2012, LAFCo staff received a rejection letter from the BOE requesting a corrected legal description and processing fee. In September and October of this year staff have been working with the BOE to determine the insufficiencies of the mapping submittal and a path forward to completion. Staff coordinated with the District and the original surveyor and was able to obtain electronic files for a new submittal. BOE filing fees, which were deposited with LAFCo in 2011 and 2016, and an electronic map submittal have been made to the BOE. The BOE has accepted the final submittal; project has been completed.

(continued...)

FUTURE PROJECTS:

There are five (5) 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

AVCSD has indicated they are making progress on preparing a Plan for Services and associated LAFCo application materials. This process is ongoing and will be maintained separately from the Ambulance Services Latent Powers process described above. Staff received additional questions from the District in January; application materials were provided upon request.

2. Millview CWD Annexation

SHN and Streamline Planning are working with the Millview CWD on an application for annexation of an area located outside the district boundaries but within its sphere of influence. Staff participated in a conference call with SHN and Streamline Planning staff on September 22, 2016 regarding a proposed annexation. At this time, the proposal includes Mr. Nicolls' parcels noted below. The meeting consisted of going over application submittal requirements. Staff has provided forms and example documents to SHN.

3. Proposed Nicolls Annexation to Millview CWD and UVSD

A property owner with an undeveloped parcel located in both the Millview CWD and the Ukiah Valley Sanitation District (UVSD) inquired about annexation options. Staff met with the property owner and District Managers in June 2016 to discuss annexation options. Owners are discussing options for coordinating with the annexation noted in No. 2, above.

4. Calpella CWD Proposed Annexation

The Calpella CWD provides out of district water services to an area adjacent to the district boundary known as the Central Avenue Area. This "Out of District Service Area" has been receiving water services since 2000 and was part of past annexation proposals that were disapproved by LAFCo. The 2013 Ukiah Valley MSR noted that annexation of this area should be considered in the future. At the February 1, 2016 LAFCo meeting, the Commission approved a SOI amendment (reduction) for the Calpella CWD to include only those areas within the Out of District Service Area and District boundary (Resolution No. 15-16-11). The District has expressed interest in annexing the Central Avenue Area now that the MSR and SOI Update are complete. A fee waiver/reduction in LAFCo application costs was considered by the Commission on May 12, 2016. The Commission approved providing one-half of the required deposit to be matched by the District. Staff met with the District to review files and history of annexation on July 11, 2016. Staff has provided a cost estimate for the annexation application at the request of Commissioner Silver.

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

As part of the Upper Russian River Water Districts JPA's efforts to address upcoming SGMA requirements, information was requested on process and application requirements for consolidation of five water districts in the Ukiah Valley area. Staff provided a summary of the application process and estimated deposit requirement. It has been estimated that an application is approximately two years out.

(continued...)

MSR & SOI UPDATES:

Staff is continuing to work on finalizing MSR and SOI studies that have been adopted in the past year. Finalizing these documents consists of mapping verification with County GIS, document assembly, distribution to relevant district(s), and posting on the website.

The following MSR and/or SOI Studies are included in the 2016/2017 Work Plan and are in progress:

MSR	SOI	MSR/SOI	Start Date	Targeted Completion Date	Status
X	X	Cemetery Districts (8)	7/11/16	1/9/17 (Workshop) 3/6/17 (Hearing)	Workshop was held on 1/9/17; staff working with districts to address Commission questions; public hearing anticipated 3/6/1
	X	Fire Districts (14)	9/27/16	3/6/17 4/3/17	Staff continues to follow up with districts to obtain to RFI. Staff is attending an Association meeting on 2/15/17 in Boonville to discuss SOI updates.
	X	Russian River FCWCID	10/20/16	4/3/17	In progress
	X	City of Willits	11/10/16	4/3/17	In progress; EO Hinman meeting with Willits planning staff on 2/6/17
X	X	City of Fort Bragg	1/6/17	5/1/17	City is coordinating response to RFI



CALAFCO 2017 Legislative Policies

As adopted by the Board of Directors on 12 January 2017

1. LAFCo Purpose and Authority

- 1.1. Support legislation which enhances LAFCo authority and powers to carry out the legislative findings and authority in Government Code §56000 et seq., and oppose legislation which diminishes LAFCo authority.
- 1.2. Support authority for each LAFCo to establish local policies to apply Government Code §56000 et seq. based on local needs and conditions, and oppose any limitations to that authority.
- 1.3. Oppose additional LAFCo responsibilities which require expansion of current local funding sources. Oppose unrelated responsibilities which dilute LAFCo ability to meet its primary mission.
- 1.4. Support alignment of responsibilities and authority of LAFCo and regional agencies which may have overlapping responsibilities in orderly growth, preservation, and service delivery, and oppose legislation or policies which create conflicts or hamper those responsibilities.
- 1.5. Oppose grants of special status to any individual agency or proposal to circumvent the LAFCo process.
- 1.6. Support individual commissioner responsibility that allows each commissioner to independently vote his or her conscience on issues affecting his or her own jurisdiction.

2. LAFCo Organization

- 2.1. Support the independence of LAFCo from local agencies.
- 2.2. Oppose the re-composition of any LAFCo to create special seats and recognize the importance of balanced representation provided by cities, the county, the public, and special districts in advancing the public interest.
- 2.3. Support representation of special districts on all LAFCos in counties with independent districts and oppose removal of special districts from any LAFCo.
- 2.4. Support communication and collaborative decision-making among neighboring LAFCos when growth pressures and multicounty agencies extend beyond a LAFCo's boundaries.

3. Agricultural and Open Space Protection

- 3.1. Support legislation which clarifies LAFCo authority to identify, encourage and ensure the preservation of agricultural and open space lands.
- 3.2. Encourage a consistent definition of agricultural and open space lands.
- 3.3. Support policies which encourage cities, counties and special districts to direct development away from prime agricultural lands.
- 3.4. Support policies and tools which protect prime agricultural and open space lands.
- 3.5. Support the continuance of the Williamson Act and restoration of program funding through State subvention payments.

4. Orderly Growth

- 4.1. Support the recognition and use of spheres of influence as a management tool to provide better planning of growth and development, and to preserve agricultural, and open space lands.

- 4.2. Support recognition of LAFCo spheres of influence by other agencies involved in determining and developing long-term growth and infrastructure plans.
- 4.3. Support orderly boundaries of local agencies and the elimination of islands within the boundaries of agencies.
- 4.4. Support communication among cities, counties, and special districts through a collaborative process that resolves service, housing, land use, and fiscal issues prior to application to LAFCo.
- 4.5. Support cooperation between counties and cities on decisions related to development within the city's designated sphere of influence.

5. Service Delivery and Local Agency Effectiveness

- 5.1. Support the use of LAFCo resources to review Regional Transportation Plans, including sustainable communities strategies and other growth plans to ensure reliable services, orderly growth, sustainable communities, and conformity with LAFCo's legislative mandates. Support efforts that enhance meaningful collaboration between LAFCos and regional planning agencies.
- 5.2. Support LAFCo authority as the preferred method of local governance. Support the availability of LAFCo tools which provide communities with local governance and efficient service delivery options, including the authority to impose conditions that assure a proposal's conformity with LAFCo's legislative mandates.
- 5.3. Support the creation or reorganization of local governments in a deliberative, open process which will fairly evaluate the proposed new or successor agency's long-term financial viability, governance structure and ability to efficiently deliver proposed services.
- 5.4. Support the availability of tools for LAFCo to insure equitable distribution of revenues to local government agencies consistent with their service delivery responsibilities.
- 5.5. Support collaborative efforts among agencies and LAFCos that encourage opportunities for sharing of services, staff and facilities to provide more efficient and cost effective services. Support legislation which provides LAFCo with additional opportunities to encourage shared services.

2017 Legislative Priorities

Primary Issues

Authority of LAFCo

Support legislation that maintains or enhances LAFCo's authority to condition proposals to address any or all financial, growth, service delivery, and agricultural and open space preservation issues. Support legislation that maintains or enhances LAFCo's ability to make decisions regarding boundaries and formations, as well as to enact recommendations related to the delivery of services and the agencies providing them, including consolidations, reorganizations or dissolutions.

Agriculture and Open Space Protection

Support policies, programs and legislation that recognize LAFCo's mission to protect and mitigate the loss of prime agricultural and open space lands and that encourage other agencies to coordinate with local LAFCos on land preservation and orderly growth. Support efforts that encourage the creation of habitat conservation plans.

Water Availability

Support policies, programs and legislation that promote an integrated approach to water availability and management. Promote adequate water supplies and infrastructure planning for current and planned growth as well as to support the sustainability of agriculture. Support policies that assist LAFCo in obtaining accurate and reliable water supply information to evaluate current and cumulative water demands for service expansions and boundary changes including impacts of expanding water company service areas on orderly growth, and the impacts of consolidation or dissolution of water companies providing services.

Viability of Local Services

Support legislation that maintains or enhances LAFCo's ability to review and act to determine the efficient and sustainable delivery of local services and the financial viability of agencies providing those services to meet current and future needs including those identified in regional planning efforts such as sustainable communities strategies. Support legislation which provides LAFCo and local communities with options for local governance and service delivery to ensure efficient, effective, and quality service delivery. Support efforts which provide tools to local agencies to address aging infrastructure, fiscal challenges and the maintenance of services.

Issues of Interest

Housing

Provision of territory and services to support housing plans consistent with regional land use plans and local LAFCo policies.

Transportation

Effects of Regional Transportation Plans and expansion of transportation systems on future urban growth and service delivery needs, and the ability of local agencies to provide those services.

Flood Control

The ability and effectiveness of local agencies to maintain and improve levees and protect current infrastructure. Carefully consider the value of uninhabited territory, and the impact to public safety of proposed annexation to urban areas of uninhabited territory which is at risk for flooding. Support legislation that includes assessment of agency viability in decisions involving new funds for levee repair and maintenance. Support efforts that encourage the creation of habitat conservation plans.

Adequate Municipal Services in Inhabited Territory

Expedited processes for inhabited annexations should be consistent with LAFCo law and be fiscally viable. To promote environmental justice for underserved inhabited communities, funding sources should be identified for extension of municipal services, including options for annexation of contiguous disadvantaged unincorporated communities. Promote the delivery of adequate, sustainable, efficient, and effective levels of service through periodic updates of Municipal Service reviews, Spheres of Influence, and other studies.