

# MENDOCINO

## Local Agency Formation Commission

Ukiah Valley Conference Center | 200 South School Street | Ukiah, California 95482  
Telephone: (707) 463-4470 | E-mail: [eo@mendolafco.org](mailto:eo@mendolafco.org) | Web: [www.mendolafco.org](http://www.mendolafco.org)

### A G E N D A

#### 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

**John McCowen**  
County Board of Supervisors

**Theresa McNerlin**  
Ukiah Valley Sanitation District

**Tony Orth**  
Brooktrails Township CSD

**Scott Ignacio, Alternate**  
Point Arena City Council

**Dan Hamburg, Alternate**  
County Board of Supervisors

**Carol Rosenberg, Alternate**  
Public Member

**Jenifer Bazzani, Alternate**  
Ukiah Valley Fire District

**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

Regular Meeting of Monday, December 3, 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

##### 3a) Public Member Representative Appointment

RECOMMENDED ACTIONS: a) Complete the interview and selection process for the LAFCo Regular Public Member; and/or b) Select and appoint a candidate to the LAFCo Regular Public Member term to commence on January 1, 2019.

##### 3b) 2019 Meeting Schedule

Establish 2019 regular meeting dates. RECOMMENDED ACTIONS: a) Approve the proposed Mendocino LAFCo Regular Meeting Schedule for the 2019 calendar year; or b) Direct staff to make changes and approve.

##### 3c) Executive Committee Interim Member Appointment

Upon Commissioner Doble's end of term on the Ukiah City Council December 5<sup>th</sup>, 2018, his term at LAFCo also ends. RECOMMENDED ACTIONS: a) Appoint a Commissioner to the Executive Committee to serve from December 6, 2018 to February 4, 2018; and/or b) provide direction to staff.

#### 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 November 5, 2018 Regular Meeting Summary Minutes

##### 4b) Approval of the November 2018 Claims & Financial Reports

(12-3-18 Agenda Continued...)

## 5. PUBLIC HEARING ITEMS

None

## 6. WORKSHOP ITEMS

Workshops are scheduled for Commission review of draft reports prior to the noticing for public hearing. The Commission is invited to discuss the draft report and provide feedback to staff in anticipation of receiving a final SOI Update for formal action as part of a public hearing at a future meeting. No action will be taken by the Commission as part of the following item. 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>

### 6a) City of Willits MSR/SOI Update

The Commission will review and discuss a Draft Municipal Service Review (MSR) and options for the Sphere of Influence (SOI) Update for the City of Willits.

## 7. MATTERS FOR DISCUSSION AND POSSIBLE ACTION

### 7a) Mendocino Coast Healthcare District Report

The Commission will hear the report it requested from the Executive Officer regarding the history of the District boundary and as well as review the possibility of scheduling the Municipal Service Review and Sphere of Influence update in 2019.

### 7b) Anderson Valley Community Services District Out of Area Fire Service Agreements

The Commission will hear a report from the Executive Officer regarding the history and process for considering out of area fire service agreements.

## 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)

### 8c) Executive Officer's Report (Verbal)

### 8d) Committee Reports (Policies & Procedures and Executive) (Verbal)

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

### 8f) CALAFCO Business and Legislative Report

## ADJOURNMENT

The next Regular Commission Meeting is scheduled for Monday, January 7, 2019 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 or by e-mail to [eo@mendolafco.org](mailto:eo@mendolafco.org). 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**

**Staff Report**

DATE: December 3, 2018  
TO: LAFCo Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: Public Member Applicant Interviews

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**Recommendation**

- a) Complete the interview and selection process for the LAFCo Regular Public Member; and/or
- b) Select and appoint a candidate to the LAFCo Regular Public Member term to commence on January 1, 2019.

**Background**

State law establishes a four-year term for the LAFCo Regular Public Member. Before the regular public member's term expires, the Commission must appoint a Mendocino County resident to the seat at an open meeting. Public members may not be a current officer (elected or appointed) or employee of the County of Mendocino or of any city or special district located within the County. There is no term limit and the incumbent regular member may be reappointed.

The current term for the incumbent regular public member expires on December 31, 2018. Per the direction of the Commission, the public member seat was advertised on August 17, 2018. LAFCo received one letter of interest by the deadline of October 26, 2018: incumbent regular public member, Gerald Ward. See attached letter.

The regular public member selected will hold the four-year term January 1, 2019 through December 2022.

As stated in the current LAFCo Policies & Procedures, selection of the public member shall be subject to the affirmative vote of at least one of the members selected by each of the other appointing authorities (City, County and Special District.)

Attachment:

- 1) Letter of Interest, Gerald Ward

Mendocino Local Agency Formation Commission  
200 S. School Street  
Ukiah, CA 95490

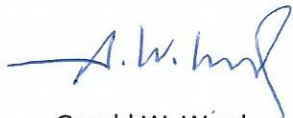
Re: Application for Public Member

Commissioners:

I am interested in continuing my position of Public Member on the Mendocino Local Agency Formation Commission for the 4 year term beginning January 1, 2019. As the Commission is aware, I began my service as a Public Member as an alternate in the year 2000 and was elevated to the regular Public Member position in 2010. For the past 3 years I have served as the Commission's Chair and Treasurer.

With the Commission's approval I would like to continue my service as a Public Member.

Respectfully,

A handwritten signature in blue ink, appearing to read "G. W. Ward", with a stylized flourish at the end.

Gerald W. Ward



**MENDOCINO  
Local Agency Formation Commission**

**Staff Report**

DATE: December 3, 2018  
TO: Mendocino Local Agency Formation Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: 2019 Meeting Schedule

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**RECOMMENDED ACTIONS:**

- a) Approve the following proposed Mendocino LAFCo Regular Meeting Schedule for the 2019 calendar year; or
- b) Provide direction to staff and approve.

**DISCUSSION**

All regular meetings of the Commission fall on Mondays at 9 a.m. in the Mendocino County Board of Supervisors Chambers on Low Gap Road, Ukiah. The following 2019 dates are proposed:

January 7  
February 4  
March 4  
April 1  
May 6  
June 3  
July 1  
August 5  
September 9 \* (Note: second Monday, first is Labor Day)  
October 7  
November 4  
December 2

Attachment: 2019 Calendar

# 2019 Calendar

January 2019							
Nº	S	M	T	W	T	F	S
1			1	2	3	4	5
2	6	7	8	9	10	11	12
3	13	14	15	16	17	18	19
4	20	21	22	23	24	25	26
5	27	28	29	30	31		

**01:** New Year's Day  
**21:** Martin Luther King Day

February 2019							
Nº	S	M	T	W	T	F	S
5						1	2
6	3	4	5	6	7	8	9
7	10	11	12	13	14	15	16
8	17	18	19	20	21	22	23
9	24	25	26	27	28		

**18:** Presidents Day

March 2019							
Nº	S	M	T	W	T	F	S
9						1	2
10	3	4	5	6	7	8	9
11	10	11	12	13	14	15	16
12	17	18	19	20	21	22	23
13	24	25	26	27	28	29	30
14	31						

April 2019							
Nº	S	M	T	W	T	F	S
14		1	2	3	4	5	6
15	7	8	9	10	11	12	13
16	14	15	16	17	18	19	20
17	21	22	23	24	25	26	27
18	28	29	30				

May 2019							
Nº	S	M	T	W	T	F	S
18				1	2	3	4
19	5	6	7	8	9	10	11
20	12	13	14	15	16	17	18
21	19	20	21	22	23	24	25
22	26	27	28	29	30	31	

**27:** Memorial Day

June 2019							
Nº	S	M	T	W	T	F	S
22							1
23	2	3	4	5	6	7	8
24	9	10	11	12	13	14	15
25	16	17	18	19	20	21	22
26	23	24	25	26	27	28	29
27	30						

July 2019							
Nº	S	M	T	W	T	F	S
27		1	2	3	4	5	6
28	7	8	9	10	11	12	13
29	14	15	16	17	18	19	20
30	21	22	23	24	25	26	27
31	28	29	30	31			

**04:** Independence Day

August 2019							
Nº	S	M	T	W	T	F	S
31					1	2	3
32	4	5	6	7	8	9	10
33	11	12	13	14	15	16	17
34	18	19	20	21	22	23	24
35	25	26	27	28	29	30	31

September 2019							
Nº	S	M	T	W	T	F	S
36	1	2	3	4	5	6	7
37	8	9	10	11	12	13	14
38	15	16	17	18	19	20	21
39	22	23	24	25	26	27	28
40	29	30					

**02:** Labor Day

October 2019							
Nº	S	M	T	W	T	F	S
40			1	2	3	4	5
41	6	7	8	9	10	11	12
42	13	14	15	16	17	18	19
43	20	21	22	23	24	25	26
44	27	28	29	30	31		

**14:** Columbus Day

November 2019							
Nº	S	M	T	W	T	F	S
44						1	2
45	3	4	5	6	7	8	9
46	10	11	12	13	14	15	16
47	17	18	19	20	21	22	23
48	24	25	26	27	28	29	30

**11:** Veterans' Day  
**28:** Thanksgiving

December 2019							
Nº	S	M	T	W	T	F	S
49	1	2	3	4	5	6	7
50	8	9	10	11	12	13	14
51	15	16	17	18	19	20	21
52	22	23	24	25	26	27	28
1	29	30	31				

**25:** Christmas Day

○ Regular Meeting of the Commission

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**STAFF**  
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Uma Hinman

**Analyst**  
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**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

Agenda Item No. 4a

### MINUTES

#### Local Agency Formation Commission of Mendocino County

#### Regular Meeting of Monday, November 5, 2018

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

#### 1. CALL TO ORDER and ROLL CALL (Video Time 1:30)

Vice Chair Brown called the meeting to order at 9:01am.

Members Present: Commissioners Carre Brown, Kevin Doble, Gerardo Gonzalez, John McCowen, Theresa McNerlin, and Tony Orth

Members Absent: Commissioner Jerry Ward

Alternate Members Present: Commissioners Jenifer Bazzani and Scott Ignacio

Alternate Members Absent: Commissioner Dan Hamburg

Staff Present: Uma Hinman, Executive Officer  
Elizabeth Salomone, Clerk

*Commissioner Carol Rosenberg was immediately seated as the Public Representative and Commission Brown was acting Chair in Commissioner Ward's absence.*

#### 2. PUBLIC EXPRESSION (Video Time 1:54)

No one from the public indicated interest in public expression.

#### 3. OTHER BUSINESS (Video Time 2:23 )

##### 3a) Announcement of Special District Representatives

EO Hinman provided information on the process for the Special District Representative elections and announced the results. Commissioner Jenifer Bazzani (Ukiah Valley Fire District) will continue as the Alternate Member and John Huff (Mendocino Coast Recreation & Park District) will join LAFCo as the Regular Member Representative, with terms to being January 2019.

##### 3b) Public Member Representative Interviews

EO Hinman provided information on the process for the Public Representative, noting current Commissioner Gerald Ward was the only applicant.

Commissioner Orth moved to reappoint Gerald Ward as the Public Representative and Commissioner Gonzalez seconded the motion. However due to Commissioner Ward's absence and to provide adequate notice on the Agenda, Commission consensus was to table the motion until the December 3, 2018 meeting.

4. **CONSENT CALENDAR** (Video Time 6:15)
  - 4a) Approval of the September 10, 2018 Regular Meeting Summary Minutes
  - 4b) Approval of the September 2018 Claims
  - 4c) Approval of the October 2018 Claims & Financial Reports

Vice Chair Brown noted a question submitted to her by absent Chair Ward regarding the verification of costs related to the CALAFCO Conference hotel reimbursement requests. EO Hinman confirmed the amounts as stated in the claims forms are correct.

<u>September 2018 Claims totaling</u>	<u>\$ 8,523.40</u>
Hinman & Associates Consulting	\$ 6,391.00
P. Scott Browne	\$ 600.00
Ukiah Valley Conference Center	\$ 462.09
Commissioner Reimbursement	\$ 127.00
Mendocino County, GIS & Televising	\$ 385.86
Newspaper notices	\$ 557.45
<u>October 2018 Claims totaling</u>	<u>\$ 15,462.02</u>
Hinman & Associates Consulting	\$ 10,560.25
P. Scott Browne	\$ 600.00
Ukiah Valley Conference Center	\$ 445.00
California Special District Association dues	\$ 1377.00
CALAFCO Conference, travel & lodging	\$ 2,479.77

Upon motion by Commissioner Gonzalez and second by Commissioner Rosenberg, Consent Calendar items 4a) Approval of the September 10, 2018 Regular Meeting Summary Minutes, 4b) Approval of the September 2018 Claims, and 4c) Approval of the October 2018 Claims & Financial Reports were approved by roll call vote:

Ayes: (7) Brown, Doble Gonzalez, McCowen, McNerlin, Orth, and Rosenberg  
 Absent: (1) Ward

5. **PUBLIC HEARING ITEMS** (Video 7:51)

None

6. **WORKSHOP ITEMS** (Video time 7:53)

None

7. **MATTERS FOR DISCUSSION & POSSIBLE ACTION** (Video time 8:00)

- 7a) **Presentation: Mendocino County Sustainable Agricultural Lands Committee (SALC)**

(Video time 8:07)

Megan McCluer, Executive Director of Mendocino County Resource Conversation District (MCRCD) presented to the Commission regarding the Mendocino County Sustainable Agricultural Lands Committee (SALC.) She provided a handout with information on the background, key members, vision/mission, approach, and collaborations of the Committee. SALC members Carol Mandel, USDA Natural Resources Conservation Service and Alan Nicholson, Inland Mendocino Land Trust, also presented to the Commission. Comments and questions were offered by Commissioners Brown, Doble, Orth, and Gonzalez.

**7b) Mendocino Coast Healthcare District Report** (Video time 28:55)

This item was postponed, as requested by the Mendocino Coast Healthcare District, to allow the District additional opportunity to review the report and respond. The Commission will hear the report it requested from the Executive Officer regarding the history of the District boundary as well as review the possibility of scheduling the Municipal Service Review and Sphere of Influence update in 2019, at the December 3, 2018 regular meeting.

**7c) Commissioner Compensation Policy Amendment** (Video time: 29:40)

EO Hinman presented the policy amendment to include City Member and Alternates' eligibility for mileage reimbursement, as recommended by the Policies & Procedures Committee. Comments and questions were offered by Commissioners Orth, Rosenberg, McCowen, McNerlin, Ignacio, and Brown.

Upon motion by Commissioner McCowen and second by Commissioner Orth, Resolution No. 2018-19-02, approving the Commissioner Compensation Policy amendment, adding underlined word as shown below, was approved by roll call vote:

“Commission Members and Alternates are eligible for reimbursement of actual costs associated with approved out-of-county travel, lodging, meals, and registration fees, and other necessary and reasonable expenses. The standard federal\_mileage rate and meal allowances as established by the California Department of Human Resources shall apply.”

Ayes: (7) Brown, Doble Gonzalez, McCowen, McNerlin, Orth, and Rosenberg  
Absent: (1) Ward

**7d) Proposed Policies & Procedures Manual Update** (Video time 38:45)

EO Hinman presented the updated Manual as recommended by the Policies & Procedures Committee, noting that all content had been previously approved by the Commission and the update was related to reformatting of the document. Comments and questions were offered by Commissioners Gonzalez, McCowen, Rosenberg, and Ignacio.

Upon motion by Commissioner McCowen and second by Commissioner Orth, Resolution No. 2018-19-03, approving the Policies & Procedures Manual update was approved by roll call vote:

Ayes: (7) Brown, Doble Gonzalez, McCowen, McNerlin, Orth, and Rosenberg  
Absent: (1) Ward

**8. INFORMATION/ REPORT ITEMS**

**8a) Work Plan, Current, and Future Proposals** (Video Time: 46:15)

EO presented the staff report, noting no new changes to the applications. She reviewed recent inquiries regarding potential projects with no formal pre-application on file as of yet. She also provided details on the upcoming schedule for MSR/SOI updates. There were no comments or questions.

**8b) Correspondence** (Video Time: 48:00)

EO Hinman noted correspondence as listed on the agenda is available from the Clerk, upon request.

**8c) Executive Officer's Report** (Video Time: 48:42)

EO Hinman reported.

**8d) Committee Reports** (Video Time: 50:25)

The Executive Committee is meeting directly after the regular meeting.

The last Policies and Procedures committee meeting was held in October and it was noted the Committee has no current issues to discuss.

**8e) Commissioners Reports, Comments or Questions** (Video Time: 50:55)

None.

**8f) CALAFCO Business and Legislation Report** (Video Time: 51:11)

CONFERENCE: EO Hinman, Commissioners Ignacio, Gonzalez, and Bazzani all shared information on their recent attendance of the CALAFCO conference, thanking the Commission for the opportunity to participate. It was noted that all handouts from the conference are available on the CALAFCO website and further information will continue to be provided in future meetings.

**ADJOURNMENT**

There being no further business, at 10:21am the meeting was adjourned. The next regular meeting is scheduled for Monday, December 3, 2018 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 CALAFCO website.*

<https://www.youtube.com/watch?v=eDRGHS0HK-s>

# MENDOCINO Local Agency Formation Commission

## Staff Report

DATE: December 3, 2018  
 TO: Mendocino Local Agency Formation Commission  
 FROM: Uma Hinman, Executive Officer  
 SUBJECT: Financial Report and Claims for November 2018

### Claims

The following claims are recommended for payment authorization:

Name	Account Description	Amount	Total
Hinman & Associates	5300 Basics Services	\$ 7,107.00	\$ 10,160.00
	6200 Bookkeeping	\$ 21.00	
	7000 MSR SOI Workplan	\$ 2,972.00	
	5601 Office Supplies	\$ 60.00	
	6750 Conference Lodging (Commissioners)		
P. Scott Browne	6300 Legal Counsel-Monthly flat fee	\$ 600.00	\$ 600.00
Ukiah Valley Conf. Center	5502 Office space	\$ 415.00	\$ 459.74
	5503 Work room	\$ 30.00	
	5603 Photocopy (Oct 2018)	\$ 13.80	
	5605 Postage (Oct 2018)	\$ 0.94	
Commissioner Reimbursement In-County Travel & Stipends	6740 Bazzani (Sept & Nov mtg)	\$ 100.00	\$ 278.07
	6740 McNerlin (Nov mtg)	\$ 50.00	
	6740 Orth (Nov mtg)	\$ 77.00	
	6740 Rosenberg (Nov mtg)	\$ 51.07	
County of Mendocino	6000 Video Recording of Meetings	\$ 165.96	\$ 165.96
	7501 GIS Mapping	\$ -	
<b>Total:</b>			<b>\$ 11,663.77</b>

### Deposits:

- none

### Attachments:

- Budget Track Spreadsheet
- Workplan Cost Tracking
- 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 2018-19 Budget and Application Tract

Acct #	Task	FY 18-19 Budget	1st Qtr Subtotals	October	Nov	2nd Qtr Subtotal	Year to Date	Remaining Budget
<b>EXPENSES</b>								
5300	Basic Services - EO/Analyst/Clerk	\$70,560	\$14,985.00	\$5,285.50	\$7,107.00	\$12,392.50	\$27,377.50	\$43,182.50
5500	Rent	\$5,360	\$1,335.00	\$445.00	\$445.00	\$890.00	\$2,225.00	\$3,135.00
5600	Office Expenses	\$3,450	\$411.33	\$60.00	\$73.80	\$133.80	\$545.13	\$2,904.87
5700	Internet & Website Costs	\$1,300	\$1,081.24			\$0.00	\$1,081.24	\$218.76
5900	Publication & Legal Notices	\$2,000	\$557.45			\$0.00	\$557.45	\$1,442.55
6000	Televising Meetings	\$3,000	\$384.48		\$165.96	\$165.96	\$550.44	\$2,449.56
6100	Audit Services	\$3,100	\$1,550.00			\$0.00	\$1,550.00	\$1,550.00
6200	Bookkeeping	\$4,000	\$2,220.50	\$42.00	\$21.00	\$63.00	\$2,283.50	\$1,716.50
6300	Legal Counsel (S Browne)	\$7,200	\$1,800.00	\$600.00	\$600.00	\$1,200.00	\$3,000.00	\$4,200.00
6400	A-87 Costs County Services	\$0	\$0.00			\$0.00	\$0.00	\$0.00
6500	Insurance - General Liability	\$1,000	\$0.00			\$0.00	\$0.00	\$1,000.00
6600	Memberships (CALAFCO/CSDA)	\$2,300	\$925.00	\$1,377.00		\$1,377.00	\$2,302.00	\$-2.00
6670	GIS Contract with County	\$3,500	\$1,068.85			\$0.00	\$1,068.85	\$2,431.15
6740	In-County Travel & Stipends	\$2,000	\$305.07	\$0.00	\$278.07	\$278.07	\$583.14	\$1,416.86
6750	Travel & Lodging Expenses	\$3,000	\$0.00	\$3,062.52		\$3,062.52	\$3,062.52	\$-62.52
6800	Conferences (Registrations)	\$3,000	\$2,600.00			\$0.00	\$2,600.00	\$400.00
7000	Work Plan (MSRs and SOIs)	\$35,000	\$14,313.50	\$4,590.00	\$2,972.00	\$7,562.00	\$21,875.50	\$13,124.50
9000	Special District Training Support	\$500	\$0.00			\$0.00	\$0.00	\$500.00
	Unfunded Mandates							
Monthly/ Year to Date Totals		\$150,270.00	\$43,537.42	\$15,462.02	\$11,662.83	\$27,124.85	\$70,662.27	\$79,607.73
<b>APPLICATIONS</b>								
		<b>BALANCE</b>	<b>1st Qtr Subtotals</b>	<b>October</b>	<b>Nov</b>	<b>2nd Qtr Subtotal</b>	<b>Year to Date</b>	<b>Remaining Budget</b>
A-2009-8001	Irish Beach WD Moores Annexation	\$-610.56	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$-610.56
P-2014-8010	City of Ukiah Detachment of UVSD lands	\$1,532.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,532.75
Applications to Date Totals		\$922.19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
<b>EXPENSES AND APPLICATION TOTALS</b>			<b>\$43,537.42</b>	<b>\$15,462.02</b>	<b>\$11,662.83</b>	<b>\$27,124.85</b>	<b>\$70,662.27</b>	

Operations (Checking) Account Balance	\$	48,454.23				from statement as of	10/31/2018
Legal Reserve Balance	\$	50,000.00				from statement as of	10/31/2018
Operations Reserve Balance	\$	40,335.17				from statement as of	10/31/2018
County of Mendocino Account Balance	\$	50,401.58				from statement as of	11/19/2018

**Mendocino LAFCo**  
**FY 2018-19 Estimated Work Plan Implementation Schedule and Cost Tracking**  
 December 3, 2018

**Disclaimer:** The estimated schedule and costs for the Fiscal Year 2018-19 Work Plan are subject to change based on agency responsiveness and timely provision of requested information, complexity of issues, and public controversy. Each study is assumed to be exempt from CEQA; therefore, a separate cost estimate would be necessary for studies subject to a Negative Declaration or EIR. It is difficult to completely contain staff activities in a single fiscal year; therefore, completion of the studies listed below may roll over to the next fiscal year. This estimated work plan implementation schedule and cost tracking table will be prepared on a monthly basis to enhance communication and transparency.

Agency	Request for Information	Outreach	Admin Draft	Public Workshop	Public Hearing	Final Study	Initial Cost Estimate	Current Cost Estimate	Cost to Date <sup>(1)</sup>
Mutual Water Companies	Completed	Completed	Completed	Completed	N/A	N/A	\$1,500	\$1,750	\$1,750
City of Willits <sup>(2)</sup>	Completed	Completed	In Progress	12/3/2018	TBD	TBD	\$9,000	\$16,000	\$13,234
Brooktrails Township CSD <sup>(3)</sup>	Completed	In Progress	In Progress	2/4/2019	TBD	TBD	\$6,000	\$9,000	\$6,391
Ukiah Valley FD	In Progress	In Progress	In Progress	3/4/2019	TBD	TBD	\$5,500	\$5,500	\$1,309
Fort Bragg Rural FPD	Completed	In Progress	In Progress	1/7/2019	TBD	TBD	\$5,000	\$5,000	\$3,801
Mendocino City CSD	Pending	Pending	Pending	5/6/2019	TBD	TBD	\$8,000	\$8,000	\$0
<b>Estimated Total</b>							<b>\$35,000</b>	<b>\$45,250</b>	<b>\$26,484</b>

(1) The Cost to Date category accounts for all staff activities related to each study and is not limited to a specific fiscal year.

(2) The project scope for the City of Willits study changed from a stand-alone SOI Update to include a partial MSR Update and has also involved subconsultant activities and consulting with Legal Counsel related to complex SOI issues.

(3) The estimated cost for the Brooktrails Township CSD study was reduced from \$8,000 to \$6,000 to account for staff activities in FY 2017-18 and was not intended to reduce the overall project cost to \$6,000.



# Hinman & Associates Consulting

PO Box 1251 | Cedar Ridge, CA 95924

(916) 813-0818

uhinman@comcast.net

**Date** November 25, 2018  
**To** Mendocino LAFCo  
**Project** Executive Officer Services  
**Work Period** October 29, 2018 - November 25, 2018

**Invoice No.** 390  
**Invoice Total** **\$ 10,160.00**

Account Description	Staff/Hours			Other (At Cost)	Totals
	Hinman EO (\$100)	Feiler Analyst (\$68)	Salomone Clerk (\$40)*		
5300 Basic Services	48.50	7.25	42.00		\$ 7,107.00
5601 Office Supplies				\$ 60.00	\$ 60.00
Quickbooks Online Fee					
Office Supplies					
6200 Bookkeeping			0.50		\$ 21.00
7000 Work Plan (MSR/SOI/Special Studies)					
City of Willits	1.50	16.00			\$ 1,238.00
Fort Bragg Rural FPD		23.25			\$ 1,581.00
Ukiah Valley FPD		2.25			\$ 153.00
Brooktrails CSD					\$ -
<b>Totals</b>	<b>\$ 5,000.00</b>	<b>\$ 3,315.00</b>	<b>\$ 1,785.00</b>	<b>\$ 60.00</b>	<b>\$ 10,160.00</b>

### 5300 Basic Services

Scheduled and prepared for November 5 Regular and Executive Committee meeting and postings. Staffed office during the time period. Website updates. File research. Responded to inquiries regarding Point Arena Harbor capstone project. EO meeting with Lisa Weger regarding MCHD concerns and staff report. EO met with Mendocino Voice to be interviewed for "Gears of Democracy" project. Corresponded with AVCSO regarding out of area fire services. Coordinated with Pehling & Pehling regarding the draft 2017/18 audit.

### 6200 Bookkeeping

Compiled claims for Commissioner review and approval at next regular meeting. Entered claims into Quickbooks and prepared checks for claims to be authorized at next Regular meeting. Reviewed claims, bank records, etc. Reconciled Quickbooks with bank statements and claims.

### 7000 Work Plan (Sphere of Influence Updates, Municipal Service Reviews, and Special Studies)

Finalized workshop draft Willits MSR/SOI Update with the City and coordinated with City staff. Worked on preparing admin Fort Bragg Rural FPD MSR/SOI Update. Corresponded with Ukiah Valley FPD regarding RFI response.

Notes:

\* Plus administrative fee of 5% for subconsultant labor

**MENDOCINO**  
**Local Agency Formation Commission**

**Staff Report**

DATE: December 3, 2018  
TO: Mendocino Local Agency Formation Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: **Workshop** for City of Willits Draft Municipal Service Review and options for the Sphere of Influence Update

---

**RECOMMENDATION**

Hold a workshop on the Draft City of Willits Municipal Service Review and options for the Sphere of Influence Update, provide comments and requested revisions, and direct staff to notice the matter for public hearing once complete, for consideration.

**DISCUSSION**

This is a workshop to introduce the Draft Municipal Service Review (MSR) and options for the Sphere of Influence (SOI) Update for the City of Willits (City or Willits). The last MSR for the City was adopted by the Commission on February 15, 2015. The City has undergone changes in the last few years that warrant an update to the MSR and associated determinations in order to provide a reliable basis of information for evaluating the appropriate current and future service area for the City as part of the SOI Update process. This combined MSR/SOI Update includes information from the 2015 MSR and provides updated information related to the three following MSR service review factors: capacity of facilities, financial ability to provide services, and governance and accountability. The District reviewed and provided feedback on the MSR/SOI Update Administrative Draft and requested changes have been incorporated into this Workshop Draft as appropriate.

As background, the City was incorporated on November 19, 1888 as a General Law City. The City is approximately 2.82-square miles in size and includes two incorporated island areas, or non-contiguous land, for city-owned property comprising the Municipal Airport and Municipal Water Treatment Plant. The City provides a wide range of municipal services including general government, finance, public safety, community development, engineering, public works, water, wastewater, airport, and parks and recreation. The City also provides water and wastewater services to properties located outside the City limits.

There is no information available to indicate that a Sphere of Influence (SOI) has been adopted by Mendocino LAFCo for the City of Willits. The City's 1992 General Plan Planning Area is limited to the then (and current) City limits. The current SOI for the City is considered to be coterminous with the current City jurisdictional boundary. City staff is in the process of coordinating with County staff related to potential modifications to the City's SOI and associated annexations in addition to

identifying Areas of Interest. The attached Draft SOI Options document was prepared to assist the City in defining the scope of SOI amendments to be addressed during this MSR/SOI Update process and related CEQA compliance considerations.

Attachments:

- (1) City of Willits Draft Municipal Service Review and Sphere of Influence Update
- (2) Draft SOI Options
- (3) Area of Interest Policy

# **PUBLIC WORKSHOP DRAFT**



(Hotels.com, L.P., 2018)

## **CITY OF WILLITS**

### **Municipal Service Review and Sphere of Influence Update**

Prepared for:

**MENDOCINO LAFCO**

200 South School Street  
Ukiah, California 95482

<http://www.mendolafco.org/>

Workshop: December 3, 2018

Public Hearing: XXX

Adopted: XXX

LAFCo Resolution No: 2018-19-XX

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# 1 INTRODUCTION

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## 1.1 LOCAL AGENCY FORMATION COMMISSION

Local Agency Formation Commissions (LAFCo) are quasi-legislative, independent local agencies that were established by State legislation in 1963 to oversee the logical and orderly formation and development of local government agencies including cities and special districts. There is one LAFCo for each county in California.

LAFCo is responsible for implementing the Cortese-Knox-Hertzberg (CKH) Local Government Reorganization Act of 2000 (California Government Code Section 56000 et. seq.) in order to promote orderly growth, prevent urban sprawl, preserve agricultural and open space lands, and oversee efficient provision of municipal services.

LAFCo has the authority to establish and reorganize cities and special districts, change their boundaries and authorized services, allow the extension of public services, perform municipal service reviews, and establish spheres of influence. Some of LAFCo's duties include regulating boundary changes through annexations or detachments and forming, consolidating, or dissolving local agencies.

## 1.2 MENDOCINO LAFCO

The CKH Act provides for flexibility in addressing State regulations to allow for adaptation to local needs. Mendocino LAFCo has adopted policies, procedures and principles that guide its operations. These policies and procedures can be found on Mendocino LAFCo's website at the following location: <http://www.mendolafco.org/policies.html>.

Mendocino LAFCo has a public Commission with seven regular Commissioners and four alternate Commissioners. The Commission is composed of two members of the Mendocino County Board of Supervisors, two City Council members, two Special District representatives, and one Public Member-At-Large. The Commission also includes one alternate member for each represented category.

## 1.3 MUNICIPAL SERVICE REVIEW

The CKH Act (GC §56430) requires LAFCo to prepare a Municipal Service Review (MSR) for all local agencies within its jurisdiction. MSRs are required prior to and in conjunction with the update of a Sphere of Influence (SOI).

An MSR is a comprehensive analysis of the services provided by a local government agency to evaluate the capabilities of that agency to meet the public service needs of their current and future service area. An MSR must address the following seven factors:

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial

water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

MSRs include written statements or determinations with respect to each of the seven mandated areas of evaluation outlined above. These determinations provide the basis for LAFCo to consider the appropriateness of a service provider's existing and future service area boundary.

## 1.4 SPHERE OF INFLUENCE

The CKH Act requires LAFCo to adopt a Sphere of Influence (SOI) for all local agencies within its jurisdiction. A SOI is "a plan for the probable physical boundary and service area of a local agency or municipality as determined by the Commission" (GC §56076).

When reviewing an SOI for a municipal service provider, LAFCo will consider the following five factors:

1. The present and planned land uses in the area, including agricultural and open space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

Sphere of Influence Updates include written statements or determinations with respect to each of the five mandated areas of evaluation outlined above. These determinations provide the basis for LAFCo to consider the appropriateness of establishing or modifying a service provider's SOI or probable future boundary.

## 1.5 MENDOCINO LAFCO POLICIES

In addition to making the necessary determinations for establishing or modifying a SOI consistent with the CKH Act, the appropriateness of an agency's SOI is also based on an evaluation of consistency with local LAFCo policies.

The following SOI policies are from the Mendocino LAFCo Policies and Procedures Manual, adopted January 4, 2016, under Chapter 9 (Spheres of Influence, MSRs, and Special Studies) and Sections 1.4 through 1.10 (LAFCo, 2016).

## Reduced Spheres

The Commission shall endeavor to maintain and expand, as needed, SOIs to accommodate planned and orderly urban development. The Commission shall, however, consider removal of land from an agency's SOI if either of the following two conditions apply:

- a. The land is outside the affected agency's jurisdictional boundary but has been within the SOI for 10 or more years; or
- b. The land is inside the affected agency's jurisdictional boundary but is not expected to be developed for urban uses or require urban-type services within the next 10 years.

## Zero Spheres

LAFCo may adopt a "zero" SOI encompassing no territory for an agency. This occurs if LAFCo determines that the public service functions of an agency are either nonexistent, no longer needed, or should be reallocated to some other agency (e.g., mergers, consolidations). A local agency that has been assigned a zero sphere should ultimately be dissolved.

## Service Specific Spheres

If territory within the proposed sphere boundary of a local agency does not need all of the services of the agency, a "service specific" SOI may be designated.

## Agriculture and Open Space Lands

Territory not in need of urban services, including open space, agriculture, recreational, rural lands, or residential rural areas shall not be assigned to an agency's SOI unless the area's exclusion would impede the planned, orderly and efficient development of the area. In addition, LAFCo may adopt a SOI that excludes territory currently within that agency's boundaries. This may occur when LAFCo determines that the territory consists of agricultural lands, open space lands, or agricultural preserves whose preservation would be jeopardized by inclusion within an agency's sphere. Exclusion of these areas from an agency's SOI indicates that detachment is appropriate.

## Annexations are not Mandatory

Before territory can be annexed to a city or district, it must be within the agency's SOI (G.G. §56375.5). However, territory within an agency's sphere will not necessarily be annexed. A sphere is only one of several factors that are considered by LAFCo when evaluating changes of organization or reorganization.

## Islands or Corridors

Sphere of influence boundaries shall not create islands or corridors unless it can be demonstrated that the irregular boundaries represent the most logical and orderly service area of an agency.

## Overlapping Spheres

LAFCo encourages the reduction of overlapping SOIs to avoid unnecessary and inefficient duplication of services or facilities. In deciding which of two or more equally capable agencies shall include an area within its SOI, LAFCo shall consider the agencies' service and financial capabilities, social and economic interdependencies, topographic factors, and the effect that eventual service extension will have on adjacent agencies. Where an area could be assigned to the SOI of more than one agency, the following hierarchy typically applies:

- a. Inclusion within a city's sphere.
- b. Inclusion within a multi-purpose district's sphere.
- c. Inclusion within a single-purpose district's sphere.

Territory placed within a city's sphere indicates that the city is the most logical provider of urban services. LAFCo encourages annexation of developing territory (i.e., area not currently receiving services) that is currently within a city's sphere to that city rather than to one or more single-purpose special districts. LAFCo discourages the formation of special districts within a city's sphere. To promote efficient and coordinated planning among the county's various agencies, districts that provide the same type of service shall not have overlapping spheres.

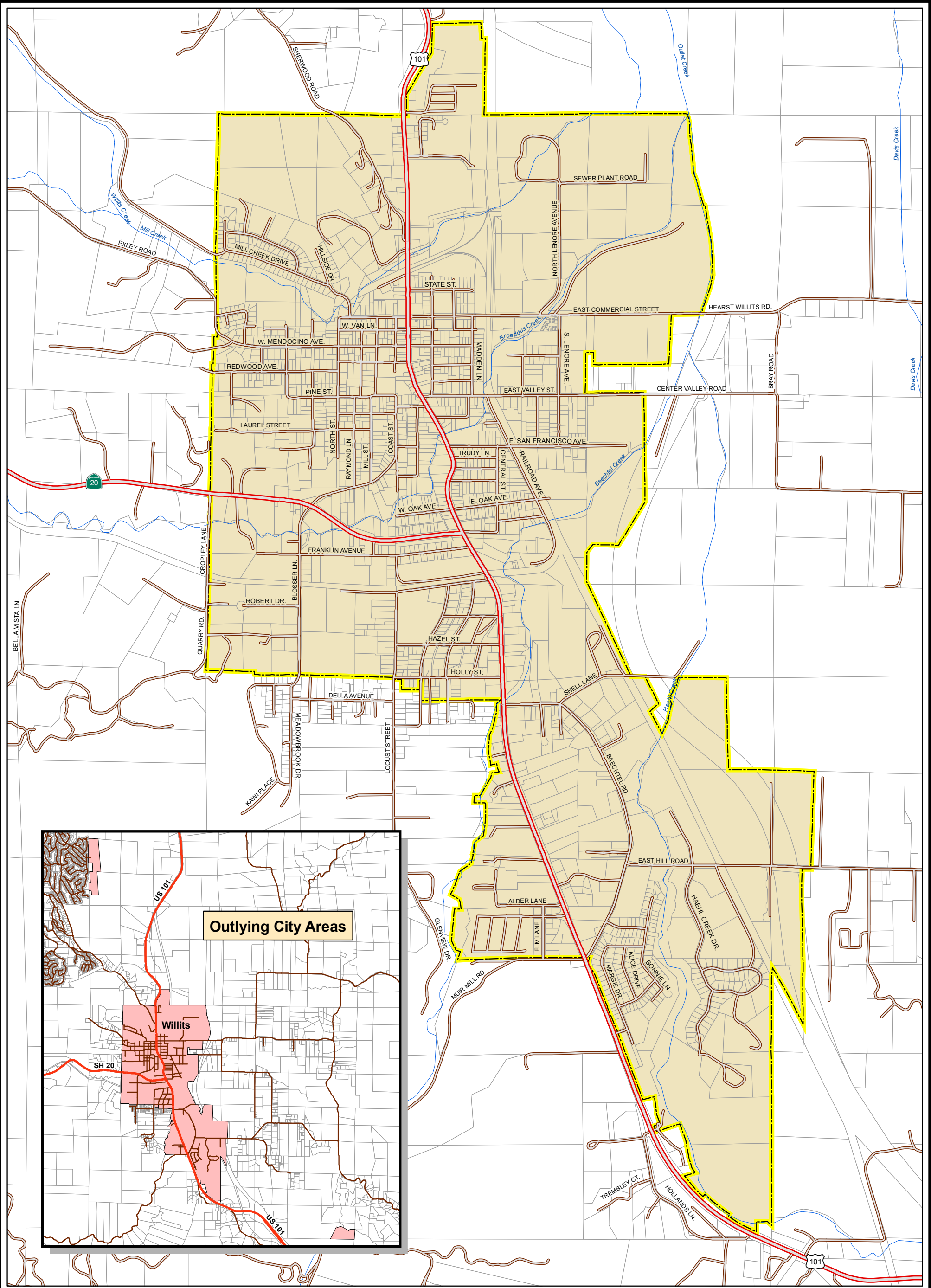
## 1.6 SENATE BILL 215

Senate Bill 375 (Sustainable Communities and Climate Protection Act) requires each metropolitan planning organization (MPO) to address regional greenhouse gas (GHG) emission reduction targets for passenger vehicles in their Regional Transportation Plan (RTP) by integrating planning for transportation, land-use, and housing in a sustainable communities strategy. Senate Bill 215 (Wiggins) requires LAFCo to consider regional transportation plans and sustainable community strategies developed pursuant to SB 375 before making boundary decisions.

Mendocino County is not located within an MPO boundary and therefore is not subject to the provisions of SB 375. However, the Mendocino Council of Governments (MCOG) supports and coordinates the local planning efforts of Mendocino County and the Cities of Fort Bragg, Point Arena, Ukiah, and Willits to address regional housing and transportation needs and helps provide a framework for sustainable regional growth patterns through the Vision Mendocino 2030 Blueprint Plan. MCOG is also responsible for allocating regional transportation funding to transportation improvement projects consistent with the 2010 RTP for Mendocino County.

Mendocino County and the Cities of Fort Bragg, Point Arena, Ukiah, and Willits are the local agencies primarily responsible for planning regional growth patterns through adoption and implementation of general plan and zoning regulations. While Mendocino County is not subject to the provisions of SB 375, LAFCo will review applicable regional transportation and growth plans when considering a change of organization or reorganization application.



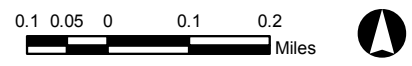


# City of Willits

Source: This map was created by the Mendocino County Department of Information Services GIS Program, April 2013.

Note: This map is not a survey product.

- City of Willits
- Parcels
- Highways
- Roads
- Streams





## 2 AGENCY OVERVIEW

**Table 2.1 City of Willits Profile**

<b>Agency Name:</b>	City of Willits
<b>Phone Number:</b>	(707) 459-4601
<b>Mailing Address:</b>	111 E Commercial Street, Willits, CA 95490
<b>City Hall:</b>	111 E Commercial Street, Willits, CA 95490
<b>Website:</b>	<a href="http://www.cityofwillits.org/">http://www.cityofwillits.org/</a>
<b>General Email:</b>	citycouncil@cityofwillits.org
<b>Date of Formation:</b>	November 19, 1888
<b>Agency Type:</b>	General Law City, Multiple-Service Provider
<b>Enabling Legislation:</b>	Government Code Section 34000 et seq.
<b>Council Meeting Schedule:</b>	2nd and 4th Wednesday of the month at 6:30 p.m. at City Hall

### 2.1 HISTORY

#### 2.1.1 FORMATION

The City of Willits (City or Willits) incorporated on November 19, 1888 and is a General Law City under the California Constitution (LAFCo, 2015).

#### 2.1.2 BOUNDARY

The City of Willits is located in the geographic center of Mendocino County and along the County’s main transportation corridor of US Highway 101. The City lies within the Little Lake Valley at the edge of the Jackson State Forest and is known as “The Gateway to the Redwoods”. The City is approximately 2.82-square miles (1,804-acres) in size and includes two incorporated island areas or non-contiguous land (Figure 1-1). The contiguous portion, or core, of the City boundary is approximately 2.65-square miles (1,696 acres) in size. The two incorporated islands include city-owned property comprised of the Municipal Airport (73-acres) located northwest of the core of the City and the Municipal Water Treatment Plant (34-acres) located southeast of the core of the City and which is included in the City’s 3,136-acre watershed. There are no unincorporated islands within the City boundary. (LAFCo, 2015; Willits, Nov 2018)

Until recently, a portion of the US Highway 101 corridor connecting San Francisco to Eureka traversed the City in a north-south direction along Main Street. In 2016, Caltrans completed the Willits Bypass project, which re-routed 6-miles of US Highway 101 to the eastern edge of the City limits and added two interchanges located just south (Haehl Creek) and north (Quail Meadows) of the City limits. The State Highway 20 corridor traverses the southern portion of the City in a north-south direction along South Main Street and heads west, just past the Willits Arch, 35-miles to the City of Fort Bragg. The City is located approximately 20 air-miles northwest of the City of Ukiah. (LAFCo, 2015; Willits, 2018c)

##### 2.1.2.1 Boundary Changes

The most recent addition to the City’s boundary was the “Southeast Annexation” in 1986, which added 260-acres to the City and is zoned for a variety of uses. This annexation area is partially developed and includes the new Adventist Health Howard Memorial Hospital, which opened in 2015, and the 2006 Haehl

Creek Subdivision for Bemcore Enterprises creating 58 residential parcels (Willits, Nov 2018). In June of 2014, a 5.5-acre non-contiguous parcel that was the site of the City’s former water treatment plant (and now in private ownership) was detached from the City as required by law. No subsequent actions relating to City annexations, detachments, or boundary changes have occurred. (LAFCo, 2015)

### 2.1.3 SERVICES

The City provides a wide range of municipal services including general government, finance, public safety, community development, engineering, public works, water, wastewater, airport, and parks and recreation. For more information regarding these City services and other services provided by contract or Joint Powers Authority (JPA), refer to Chapter 3.

## 2.2 GOVERNMENT STRUCTURE

### 2.2.1 GOVERNING BODY

The City operates under the Council-Manager form of government. The City Council is the legislative body for the City and is responsible for enacting ordinances, establishing policy, adopting and amending the annual budget, adopting resolutions, and appointing committees. The City is governed by a five-member City Council elected at-large to serve staggered four-year terms (Table 2.2). City Council elections are held in November of even numbered years. The Nomination Period for the upcoming November 6, 2018 City Council Election closed on August 15, 2018 and the following three-candidates are running for two-seats: Larry Stranske (Incumbent), Greta Kanne, and Jeremy Hershman (Willits, 2018c). The City Council appoints a Mayor and Vice Mayor to serve one-year terms at the first meeting in December. City Council members are paid a stipend for meetings attended in the amount of \$200/month for the Mayor and \$100/month for the remaining Council members. The City also contributes annually to health care coverage for the Councilmembers. In addition, out-of-County travel and other eligible expenses incurred by Councilmembers in the performance of City-related duties are subject to reimbursement (Willits, Nov 2018). Staff support for the City Council includes the City Manager, City Clerk, and Contract City Attorney. (LAFCo, 2015)

<b>Name</b>	<b>Title</b>	<b>Term Expiration</b>
Madge Strong	Mayor	Nov 2020
Saprina Rodriguez	Vice Mayor	Nov 2020
Gerardo “Gerry” Gonzalez	Councilmember	Nov 2020
Larry Stranske	Councilmember	Nov 2018
Ron Orenstein	Councilmember	Nov 2018

Source: LAFCo, 2015; Willits, 2018c; Willits, Nov 2018.

### 2.2.2 PUBLIC MEETINGS

Regularly scheduled City Council meetings are held on the second and fourth Wednesday of the month at 6:30 p.m. in the City Council Chambers at City Hall located at 111 E Commercial Street in Willits. In accordance with the Brown Act, all meetings are open to the public and are publicly posted a minimum of 72 hours prior to regular meetings and a minimum of 24 hours prior to special meetings at the City Hall main entrance bulletin board, on the City’s website, and notices are emailed to anyone that has requested

such notification. City Council meetings are broadcast live on Cable Channel 3 by Willits Community Television, Inc. (WCTV), and rebroadcast at 5:00 p.m. on Saturdays. Minutes are kept for all public meetings and are adopted at a subsequent meeting. Currently, there is not a searchable document archive system on the City’s website for past City Council meeting agendas, agenda packets, public hearing notices, meeting minutes, and adopted ordinances and resolutions. However, there is a City Council meeting event calendar that provides online access to download agenda packets for specific meetings starting on April 12, 2017. (LAFCo, 2015; Willits, 2018c)

### 2.2.3 STANDING COMMITTEES

Boards, commissions, and committees assist in carrying out various functions of local government. The City Council also serves as the Planning Commission, the Oversight Board of the Successor Agency to the Willits Redevelopment Agency, and the Industrial Development Authority (not currently active). Councilmembers serve on various committees including Finance, Revitalization and Economic Development (Revit-ED), and Water and Wastewater Systems. The 2015 Municipal Service Review recommended the City consider appointing a separate Planning Commission to provide greater public input and review, as well as a defined appeal process. (LAFCo, 2015)

### 2.2.4 PUBLIC OUTREACH

In addition to public meetings and workshops, the City conducts public outreach to help keep citizens informed regarding current projects and overall governance of the community (see Table 2.3 below). The City maintains a website at <http://www.cityofwillits.org/>, which is a helpful communication tool to enhance government transparency and accountability. The homepage of the City’s website includes current information such as City Hall hours and location, Councilmember and City staff contact information, important documents available for download, updated information on current local elections, and a reference to the County Sheriff’s Facebook page for information regarding current emergency and safety information (Willits, 2018c). The City’s website could be enhanced to include a searchable and chronological document archive system to post current and past meeting agendas and agenda packets, public hearing and workshop notices, adopted meeting minutes, adopted resolutions, adopted annual budgets, financial audit reports, fee schedules, and draft/final plans, studies, reports, and maps. The City has hired a consultant to update and improve their website, which is scheduled to launch in early 2019 (Willits, Nov 2018).

Table 2.3 City of Willits Online Public Outreach Opportunities	
Method	Link
<b>City Website</b>	<a href="http://www.cityofwillits.org/">http://www.cityofwillits.org/</a>
City Council Meetings	<a href="http://www.cityofwillits.org/city-council-meetings/">http://www.cityofwillits.org/city-council-meetings/</a>
<b>Downtown Sidewalk Improvements</b>	<a href="https://willitsbypass.wordpress.com/">https://willitsbypass.wordpress.com/</a>
* Official information for the Willits Bypass and Willits Rehabilitation and Relinquishment of Old Highway 101 from Caltrans.	
<b>Willits Municipal Airport Ells Field</b>	<a href="http://willitsairport.com/">http://willitsairport.com/</a>
<b>Facebook</b>	
City of Willits	<a href="https://www.facebook.com/CityofWillits">https://www.facebook.com/CityofWillits</a>
Willits Police Department	<a href="https://www.facebook.com/WillitsPD">https://www.facebook.com/WillitsPD</a>

City Pool	<a href="https://www.facebook.com/willitscitypool">https://www.facebook.com/willitscitypool</a>
<b>Willits Municipal Code</b>	<a href="https://library.municode.com/ca/willits/codes">https://library.municode.com/ca/willits/codes</a>
* Interested individuals can subscribe to receive an email notification when there is an Ordinance Update published through Municode.	

Source: Willits, 2018c.

### 2.2.5 COMPLAINTS

The public may file complaints with the City Clerk and may provide verbal comments or complaints in person at City Hall during business hours, Monday through Thursday from 9 a.m. to 5:30 p.m., or at the City Council meetings during the general public comment period. (LAFCo, 2015; Willits, 2018c)

### 2.2.6 TRANSPARENCY AND ACCOUNTABILITY

The City has adopted the following Mission Statement:

- The City of Willits is primarily responsible for maintaining a safe, pleasant environment within the community by providing effective delivery of public services.
- In the process of providing representatives local government, the City identifies and anticipates concerns, problems and opportunities and takes action to address them. The City also provides a catalyst in the development and maintenance of a well-integrated community.
- The City delivers critical public services in an efficient, professional and timely manner.
- The City is responsible for the preservation of community physical and aesthetic assets, and for the efficient management and equitable allocation of community fiscal resources.
- Essential to accomplishing the objectives outlined above is the selection, training, motivation and retention of highly qualified men and women as City employees.

(Willits, 2018a)

The City's Personnel Policies and Procedures contain a general Code of Conduct (Willits, Nov 2018).

The Political Reform Act requires all state and local government agencies to adopt and promulgate a Conflict of Interest Code pursuant to Government Code §81000 et seq.

The Political Reform Act also requires persons who hold office to disclose their investments, interests in real property, and incomes by filing a Statement of Economic Interests (Fair Political Practices Commission Form 700) each year pursuant to Government Code §87203.

According to AB 1234, if a local agency provides compensation or reimbursement of expenses to local government officials, then all local officials are required to receive two hours of training on public service ethics laws and principles at least once every two years and establish a written policy on reimbursements pursuant to Government Code §53235.

The City complies with the above requirements (Willits, Nov 2018).

Refer to **Appendix A** for a brief list of educational resources regarding open government laws.

## 2.3 OPERATIONAL EFFICIENCY

### 2.3.1 MANAGEMENT AND STAFFING

The City Council appoints a City Manager to support their efforts and oversee the daily operations of the City to ensure that the Council’s policies, programs, and priorities are implemented. The City is comprised of nine municipal departments including Administration, Finance, Police, Community Development, Engineering, Public Works, Water Treatment, Wastewater Treatment, and Seasonal Parks and Recreation. The City employs both full-time and part-time positions for a total staffing level of 53.60 Full Time Equivalent (FTE) positions in addition to 5 FTEs for Councilmembers. The City contracts for the City Attorney position. Table 2.4 shows City staffing levels by department.

Table 2.4 City of Willits Staffing Levels by Department	
Department	FTE
Administration	3.00
Finance	5.33
Police	16.94
Community Development	4.00
Engineering	4.18
Public Works	7.13
Sewer Treatment	6.00
Water Treatment	5.00
Seasonal Parks & Recreation	2.02
<b>Total</b>	<b>53.60</b>

Source: Willits, 2018a

Table 2.5 shows a comparison of City staffing levels between FY 2012-13 and FY 2018-19.

Table 2.5 City of Willits Staffing Levels by Fiscal Year	
Fiscal Year	FTE
FY 2018-19	58.60
FY 2017-18	52.98
FY 2016-17	55.02
FY 2015-16	57.50
FY 2014-15	56.31
FY 2013-14	58.83
FY 2012-13	56.25
<b>Average</b>	<b>56.50</b>
The staffing number includes 5 FTEs for Councilmembers.	

Source: Willits, 2018a

Figure 2-1 shows the City’s organizational chart.

# Figure 2-1 City of Willits Organizational Chart



### **2.3.2 AGENCY PERFORMANCE**

A component of monitoring agency performance is the routine evaluation of staff productivity by tracking employee workload through regular timesheets and conducting annual written employee performance evaluations.

All line employees are evaluated annually by their department heads. Department heads are evaluated annually by the City Manager. The City Manager is evaluated annually by the City Council. The last City Manager evaluation was held on June 28, 2017. An evaluation form is utilized for all evaluations and follows prescribed steps. All employees submit detailed time sheets by job task. This is important because employees can work in more than one department and/or perform duties tied to a specific funding source during a pay period. All time sheets are reviewed by the City Manager and entered into the bookkeeping system by the Finance Department.

The City Manager was tasked with a significant number of duties including City Clerk, the Human Resources Director, the Risk Manager, and the Director of Emergency Services. Since the 2015 MSR, the City Manager's workload has been reduced by adding Assistant City Manager, Human Resources Analyst, and City Clerk positions. In consultation with the City Council, the City Manager manages employee workload and makes adjustments as necessary. The City Manager commissioned a bench-marking study and organizational assessment in 2013. As a result of this study, the City has completed a reorganization of City Staff to increase the efficiency of City operations.

The City-sponsored Voter Measure I for a Cannabis Industry Tax for the City was approved on the November 6, 2018 Election and it is estimated that the City could receive annual cannabis related tax revenue in the range of \$250,000 to \$400,000 (Willits, 2018b).

(LAFCo, 2015; Willits, 2017f; Willits, Nov 2018)

There are no new opportunities for the City to achieve management or operational efficiencies identified during the preparation of this update to the City's 2015 MSR.

### **2.3.3 STRATEGIC PLANNING**

On August 9, 2018, the City Council held a goal-setting workshop and the following goals reflect the most critical items, projects, and strategic initiatives resulting from that effort. Some of these tasks will span a number of years and many of these tasks are proposed to be addressed in the FY 2018-19 Draft Budget:

- ADA accessibility improvements
- Vacancy Ordinance
- Update flood zone maps
- Finance – developing and implementing best practices recommendations
- Develop Purchasing Policy
- Negotiations with WPOA and IBEW; key positions to be recruited include Finance Director, Public Works Director, and Building Official
- Coordinate with Caltrans and business owners on Main Street Beautification Work and Relinquishment Project
- Brooktrails Settlement compliance
- Keep abreast of plans for the old Frank R. Howard Memorial Hospital
- Landfill closure
- Redesign website to improve on-line presence



- Emergency Action Plan for City dams
- Work on emergency communications tactics
- City Emergency Plan Update, including hazardous materials
- Close out underground storage tank at the Public Works Yard
- Maintain services levels around everyday operations
- Send out an RFQ and begin General Plan Update
- Interim Zoning adjustments
- Development Impact Fees
- Update Use Fees
- Work with County on annexations and Sphere of Influence
- Continue to develop groundwater resources to ensure water sustainability into the future
- Continue to upgrade 4" steel water line in the oldest sections of town
- Blosser Drainage Improvement Project
- Blosser Lane Rehabilitation Project
- Coast Street Sewer replacement
- East Valley Bridge & Commercial Bridge rehabilitation
- Local limits for wastewater
- Upgrade Maple Water Pump Station
- Seek grants for Main Street Beautification Corridor Enhancement Plan
- Targeted Economic Development Efforts to bring jobs and companies to Willits
- Targeted Economic Development Efforts for downtown businesses
- Enhance cultural arts (public art; art & music fairs)
- Improve recreational opportunities
- Create an Energy Management Plan and examine the use of renewable energy, like solar and methane
- Create a Landscape and Lighting District to help fund Main Street Beautification and Landscaping
- Set up a recreation district for 95490

(Willits, 2018a)

#### **2.3.4 REGIONAL AND SERVICE-SPECIFIC COLLABORATION**

The City participates in regional and service-specific associations and organizations including the League of California Cities, Mendocino Council of Governments (MCOG), Economic Development and Financing Corporation (EDFC), Mendocino Solid Waste Management Authority (MSWMA), Mendocino Transit Authority (MTA), and Visit Willits Tourism Board (Willits, Nov 2018).

#### **2.3.5 GOVERNMENT RESTRUCTURE OPTIONS**

Government restructure options should be pursued if there are potential benefits in terms of reduced costs, greater efficiency, greater accountability, or other advantages to the public. The City of Willits and the Little Lake Fire Protection District (LLFPD) are the only two municipal service providers in the Little Lake Valley area. The Brooktrails Township Community Services District (BTCSD) is a municipal service provider in the region, but its services do not extend into the Little Lake Valley area except for mutual aid responses and dispatched service calls. There is no recommendation for a reorganization of local municipal service providers in the Little Lake Valley area at this time. To address the provision of municipal services outside the City limits, the City could consider pursuing an opportunity to create a subsidiary district or sponsor the creation of a new independent special district.

## 2.4 FINANCES

The core operations of the City are accounted for in the General Fund and include administration, public safety, community development, public works, engineering, and community services. The Landfill closure and remediation activities are also accounted for in the General Fund. The primary sources of General Fund revenue are sales and use tax, General Fund overhead allocations, motor vehicle license fees, property tax, transient occupancy tax (TOT), franchise fees, and business license tax. The City also receives gas tax, which is dedicated to the public works department to maintain roadways and other services. In addition, the City's enterprise or business-type operations include water, wastewater, and airport services. These enterprise activities are accounted for in Enterprise or Proprietary Funds and the cost of providing enterprise services are intended to be recovered through service rates. (Willits, 2018a)

The City-sponsored Voter Measure I for the Cannabis Industry Tax for the City was approved by the Voters in the November 6, 2018 Election and it is estimated that the City could receive annual cannabis related tax revenue in the range of \$250,000 to \$400,000 (Willits, 2018b).

### 2.4.1 CURRENT FISCAL HEALTH

The annual budget serves as a financial planning tool and an expense control system. Expenses cannot exceed the authorized budgeted amounts unless the budget is amended by City Council by resolution during the fiscal year. Unused appropriations lapse at the end of the fiscal year (June 30) and are available to be allocated in the following budget.

The City holds quarterly Finance Committee meetings and normally prepares a preliminary budget in March of each year, which is reviewed in detail by the City Council at scheduled budget workshop meetings. The Final Budget is then presented to the Council for adoption in June in preparation for the new fiscal year, which begins on July 1st. However, the most recent budget preparation cycle is behind the normal schedule. At the June 27, 2018 Regular City Council Meeting, Councilmembers adopted a resolution authorizing continuation of municipal operations based upon the Fiscal Year (FY) 2017-18 Budget per agenda item 5e on the Consent Calendar. The City held a Budget Workshop on August 21, 2018 and adopted the Final FY 2018-19 Budget on September 20, 2018. The City's FY 2018-19 Budget projects operating revenues of \$13,097,974 and operating expenses of \$14,950,020 and includes both General Fund and Enterprise Fund activities (Willits, Nov 2018).

Annually audited financial statements prepared by a Certified Public Accountant (CPA) serve as financial assurance for the use of public funds. The City's financial records are audited each year by a qualified CPA. The most recent audit was prepared by Moss, Levy, and Hartzheim, LLP for FY 2016-17 and was presented to the City Council on May 9, 2018.

#### 2.4.1.1 Financial Summary

The following table (Table 2.6) provides year-end (not budget) financial information for FY 2014-15, 2015-16, and 2016-17. This table summarizes the Statement of Activities prepared by a CPA and represents the long-term financial standing of the City based on reporting capital asset activity using the full accrual basis of accounting. This involves depreciation, which is a method of spreading the cost of a capital asset over its estimated useful life, as opposed to recognizing the cost of a capital asset as an expenditure at the date of acquisition. The City's Capitalization Policy defines a capital asset as property, plant, equipment, and infrastructure with an initial cost of \$10,000 or greater, and depreciation is charged to operations using the straight-line method over the estimated useful lives of the assets as follows: buildings and

improvements 30-years, vehicles 5-years, machinery and equipment 5 to 15-years, and infrastructure 50 to 80-years (MLH, 2018). Also, refer to Figure 2-2 for the most recent Statement of Net Position, which represents the difference between the City’s assets and liabilities.

<b>Table 2.6 City of Willits Financial Summary</b>			
	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>
Ending General Fund Balance	\$2,321,611	\$2,470,229	\$2,545,972
Ending Net Position	\$24,122,740	\$26,403,548	\$26,792,328
<b>Revenue</b>			
<u>General Revenues</u>			
Property Taxes	\$373,917	\$392,423	\$427,518
Sales and Use Taxes	\$2,833,771	\$2,495,055	\$2,451,743
Business License Taxes	-	\$146,819	\$148,698
Franchise	\$221,811	\$307,681	\$213,787
Transient Occupancy Tax	-	-	\$291,908
Other Taxes	\$563,878	\$1,002,561	\$537,156
Investment Earnings	-	\$18,057	\$42,314
Fines and Forfeitures	-	\$4,425	\$4,455
Other Revenue	\$882,333	\$148,705	\$321,069
Transfers	\$15,000	\$15,000	\$15,000
Sub-total	\$4,890,710	\$4,530,726	\$4,453,648
<u>Program Revenues</u>			
General Government	\$176,323	\$773,313	\$491,806
Public Safety	\$160,749	\$137,060	\$245,098
Community Development	-	\$0	\$40,382
Public Works	\$301,261	\$23,502	\$106,839
Parks and Recreation	\$46,647	\$0	\$28,661
Planning	-	\$114,167	\$96,882
Community Services	-	\$0	\$0
Water Enterprise	\$3,997,579	\$2,764,420	\$2,693,891
Wastewater Enterprise	\$3,112,013	\$2,933,363	\$3,087,137
Solid Waste	-	\$0	\$0
Airport	\$73,120	\$181,016	\$106,942
Sub-total	\$7,867,692	\$6,926,841	\$6,897,638
<b>Total Revenue</b>	<b>\$12,758,402</b>	<b>\$11,457,567</b>	<b>\$11,351,286</b>
<b>Expenses</b>			
General Government	\$1,111,783	\$2,025,406	\$1,024,565
Public Safety	\$1,085,933	\$2,353,044	\$2,201,409
Community Development	-	\$28,271	\$21
Public Works	\$936,560	\$799,729	\$756,319
Parks and Recreation	\$178,655	\$181,682	\$212,584

Planning	\$101,430	\$286,906	\$430,246
Community Services	\$182,375	\$175,032	\$205,174
Water Enterprise	\$2,530,249	\$1,589,737	\$2,060,281
Wastewater Enterprise	\$3,373,594	\$4,094,837	\$3,148,122
Solid Waste	-	\$57	\$114
Airport	\$113,629	\$188,870	\$90,408
<b>Total Expenses</b>	\$9,618,820	\$11,723,571	\$10,129,243
<b>Net Income/(Loss)</b>	<b>\$ 3,139,582</b>	<b>(\$266,004)</b>	<b>\$1,222,043</b>
Net Accumulated Depreciation	\$36,438,394	\$43,997,410	\$44,032,065

Source: RJR, 2016; MLH: 2017, 2018.

The following are financial highlights for FY 2016-17:

- The City's total net position was \$26,792,328 as of June 30, 2017. This was an increase of \$388,780 or 1% from the prior year when prior period adjustments are taken into consideration. Of this total, \$2,214,651 was governmental net position and \$24,577,677 was business-type net position.
- Government-wide revenues were \$5,463,316 and were (\$115,452) or 2% less than the prior year. They include program revenues of \$1,009,668 and general revenues of \$4,453,648.
- Government-wide expenses were \$4,830,318 and were (\$1,019,752) or 17% less than the prior year.
- Business-type revenues were \$5,924,228 and were \$43,183 or 1% greater than the prior year. They include program revenues of \$5,887,970 and general revenues of \$36,258.
- Business-type expenses were \$5,298,925 and were (\$574,576) or 10% less than the prior year.
- General Fund revenues were \$4,350,769 and were (\$12,983) lower than the prior year.
- General Fund expenditures were \$4,452,217 and represented an increase of \$222,073 over the prior year.
- General Fund balance was \$2,545,972 as of June 30, 2017 and increased by \$75,743 or 3% from the FY 2015-16 fund balance of \$2,470,229 when prior period adjustments are taken into consideration.

(MLH, 2018)

The following are financial highlights for FY 2015-16:

- The City's total net position was \$26,403,548 as of June 30, 2016. Of this total, \$1,591,536 was governmental net position and \$24,812,012 was business-type net position.
- Government-wide revenues include program revenues of \$1,048,042 and general revenues of \$4,515,726, for a total of \$5,563,768.
- Government-wide expenses were \$5,850,070.
- Business-type program revenues, other revenue and interest were \$5,896,045 while business-type expenses were \$5,873,501.
- General Fund revenues were \$4,363,752 and were \$82,548 lower than the prior year.
- General Fund expenditures were \$4,230,144 and represented an increase of \$127,900 over the prior year.
- General Fund fund balance was \$2,455,229 as of June 30, 2016, and increased by \$133,618 from the FY 2015-16 fund balance of \$2,321,611.

(MHL, 2017)

The City budgeted for a General Fund deficit in FY 2014-15 and 2015-16 and anticipated using General Fund Reserves to cover the net loss. By year-end for both fiscal years, the City was able to reduce expenditures and/or increase revenue to the point that the City successfully increased General Fund Reserves during that time period. The General Fund balance increased approximately 18% from July 1, 2013 to June 30, 2016. (Willits, 2017f)

#### **2.4.1.2 Enterprise Activities**

The City's enterprise operations include water, wastewater, and airport services. These enterprise activities are accounted for in Enterprise Funds and the cost of providing enterprise services are recovered through service rates. The current industry standard is to review service rates every five-years to ensure that they accurately reflect the cost of operating enterprise funds in a self-sufficient manner. On August 9, 2017, the City increased the water and wastewater service rates, effective September 1, 2017, based on the 2017 Water and Sewer Rate Study prepared with the assistance of Bartle Wells Associates.

The water rate schedule includes a projection of the anticipated capital improvement costs through FY 2026-27 and is based on a two-tiered rate schedule, an annual rate increase of up to 4%, a reduced cost to the fixed "base" charge to all meter sizes, and a proposed increase to the Fire Charges. Single family water service is currently set at a flat monthly meter fee of \$23.50 and a two-tiered usage fee of \$5.79 per hundred cubic feet (hcf) for up to 600 hcf, and \$8.02 per hcf for over 600 hcf. The wastewater rate schedule includes a projection of the anticipated capital improvement costs through FY 2026-27 and is based on incremental increases to the Wastewater Charges per EDU ranging from 4.5% - 7% increases per fiscal year. Residential sewer service is currently set at an annual rate of \$790.73 or \$65.89 per month. (Willits, 2017e; Willits, 2017a)

The water service enterprise operates at a net income. The wastewater service enterprise operates at a deficit due to debt service interest and payments for loans and bonds used to upgrade the wastewater treatment facility. The airport enterprise service also operates at a deficit, although the shortfall is relatively small and has been offset by grants from federal and state agencies. In 2016 and 2017, the airport operated at a surplus due to an increase in hangar fees adopted in 2016, new tenants at the airport, grants, and greater operating efficiencies (Willits, 2017f). The City receives income from emergency response operations requiring the use of the Municipal Airport for Helibase operations; for example, the City has billed the Mendocino National Forest in the amount of \$40,500 for the Eel and Mendocino Complex Fire incidents (Willits, Nov 2018).

#### **2.4.1.3 Fiscal Year 2018-19 Draft Budget**

The information provided in this section is from the FY 2017-18 Draft Budget proposed for the August 21, 2018 City Council Budget Workshop. The General Fund revenue is projected to be \$4,536,314 and is based upon the assumptions of modest economic growth, a gradually improving real estate market, and increasing development activity within the City. This revenue estimate does not include revenue from the cannabis excise tax approved by the Voters in the November 6, 2018 Election.

The General Fund expenditures are projected to be \$5,508,678 and reflect the baseline on-going operations from the prior fiscal year, plus additional funding requests from departments to increase service levels, and restore staff positions that existed in previous years (some of which were vacant in FY 2017-18) including the filled Public Works Director and Community Development Director, the recently filled Assistant City Planner/Code Compliance Officer (approved in FY 2017-2018), Senior Accountant, Office Assistant 1, and Police Officer – Willits Unified School District School Resource Officer. Additional

increases in expenditures include increased costs such as utilities and insurance, and dedication of funds to capital facilities projects and significant strategic projects such as the Willits General Plan Update.

Increased expenditures constitute an increase of \$723,531 (15%) from the FY 2017-18 Adopted Budget expenditures projection. The adopted FY 2018-19 Budget revenue and expenditure estimates for the General Fund combine to create an initial budget deficit of \$765,979, which is anticipated to be reduced at year-end because the projected revenue is conservatively under-estimated and the projected expense is over-estimated to allow for flexibility, and the adopted budget meets the City's General Fund Reserve Policy to maintain a minimum unassigned fund balance of 35%. In addition, more than half of the projected budget deficit includes a number of carry-over projects from the prior fiscal year, one-time purchases, and capital facility expenditures that are consistent with the City's Reserve Policy for appropriate or permissible expenditures of available General Fund balance. Finally, it is anticipated that the City will collect some offsetting user fee revenues for new positions and filled vacant positions providing services within departments that are substantially funded by user fees, particularly for community development activities.

The FY 2018-19 Draft Budget proposes to maintain existing services, enhance service levels where strategic, and fund critical infrastructure improvements. In moving forward, it will be important for the City to build financial capacity for the development of a General Plan Update, a Long Range Financial Plan, a Master Facilities Plan, a Development Impact Fee Study, a User Fee Study, Lighting and Landscaping Assessment Districts, a Recreation District, and continue periodic Utility Rate Studies.

(Willits, 2018a; Willits, Nov 2018)

## **2.4.2 LONG TERM FINANCIAL CONSIDERATIONS**

### **2.4.2.1 Reserves**

Reserves for the City's special revenue funds and enterprise funds are held in separate accounts. However, general reserves for the City are not held in a separate account. General reserves are accounted for in the General Fund balance, which primarily represents unrestricted reserve funds (Willits, Nov 2018).

The following is the City's General Fund Reserve Policy.

#### Reserves for Fiscal Stability, Cash Flow and Contingencies

The City will strive to maintain a minimum unassigned fund balance of at least 35% of operating expenditures in the General Fund for fiscal stability, cash flow and contingencies. This is based on the risk assessment methodology for setting reserve levels developed by the Government Finance Officers Association of the United States and Canada (GFOA) in adequately addressing:

- Revenue source stability, local disasters and other financial hardships or downturns in the local or national economy.
- Contingencies for unseen operating or capital needs.
- Unfunded liabilities such as self-insurance, pensions and retiree health obligations.
- Dependency of other funds on the General Fund.
- Institutional changes, such as State budget takeaways and unfunded mandates.
- Cash flow requirements.

Whenever the City's General Fund unrestricted fund balance falls below this target, the City will strive to restore reserves to this level within five years. As revenues versus expenditures improve, the City will

allocate at least half of any operating surplus to reserve restoration, with the balance available to fund outstanding liabilities, asset replacements, service levels restoration, new operating programs or capital improvement projects.

Circumstances in which taking reserves below policy levels would be appropriate include responding to the risks that reserves are intended to mitigate, such as:

- Meeting cash flow needs during the fiscal year; closing a projected short term revenue expenditure gap; responding to unexpected expenditure requirements or revenue shortfalls; and making investments in human resources, technology, liability reductions, economic development and revenue base improvements, productivity improvements and other strategies that will strengthen City revenues or reduce future costs.
- Where a forecast shows an ongoing structural gap in providing a strategic bridge to the future.

On the other hand, the City should avoid using reserves to fund ongoing costs or projected systemic “gaps.” Stated simply, reserves can only be used once, so their use should be restricted to one-time (or short-term) uses.

Future Capital Project Fund Balance Assignments

The Council may also commit or assign specific General Fund balance levels above the reserve target for future development of capital projects or other long-term goals that it determines to be in the best interests of the City.

Other Commitments and Assignments

In addition to the 35% target noted above, unrestricted fund balance levels will be sufficient to meet funding requirements for programs or projects approved in prior years that are carried forward into the new year; debt service reserve requirements; commitments for encumbrances; and other restrictions, commitments or assignments required by contractual obligations, state law or generally accepted accounting principles.

(Willits, 2017d)

**2.4.2.2 Outstanding Debt**

Although the City does not have long term debt related to general government activities, it does have long term debt related to enterprise activities. Debt was acquired to make improvements to the City water and wastewater treatment facilities. Table 2.7 shows the City’s outstanding financial obligations based on these bonds and loans. The City will be obligated through FY 2045-46 for current debt payments and the payment amount will vary as payoff approaches. In addition to the water and wastewater debt, the City incurred a long term obligation when it closed the City landfill in FY 1997-98.

Table 2.7 City of Willits Long Term Debt Obligations		
Bond and Loan Liabilities	FY 2016-17 Balance	FY 2017-18 Payment
<b>Water Service Enterprise</b>		
1984 California Dept. of Water Resources Loan	\$483,264	\$205,485
2012 Safe Drinking Water State Revolving Fund	\$2,965,730	\$105,919
<b>Wastewater Service Enterprise</b>		



2007 USDA Wastewater Sewer Loan A	\$8,044,500	\$469,235
2007 USDA Wastewater Sewer Loan B	\$1,151,500	\$66,939
2011 Wastewater Bonds	\$7,512,000	\$329,013
2015 Wastewater Tax Compliance Certificates	\$3,207,585	\$269,178
<b>Total</b>	<b>\$23,364,579</b>	<b>\$1,445,769</b>

Source: MLH, 2018.

As a result of the Governor’s elimination of redevelopment programs state-wide in 2011, residential loans are no longer available for low-income home improvement and construction through the Revolving Loan Account under the Community Development Block Grant (CDBG) program. (LAFCo, 2015)

### 2.4.2.3 Capital Improvement Plan

The City does not have a Capital Improvement Plan (CIP). However, the City does establish a Fixed Assets/Capital Projects 5-Year Plan in the annual budget to define capital improvement priorities. Funding for projects is identified from various sources including: the General Fund, Street Maintenance Fund, Sales Tax Transportation Improvement Fund, Humboldt Street and Vicinity Rehabilitation Fund, Baechtel Road/Railroad Avenue Corridor Phase II Feasibility Study, Sewer Fund, Water Fund, and Other Water Assets/Projects. (Willits, 2018a)

Based on the 2017 Water and Sewer Rate Study, the water and wastewater systems will require maintenance and capital improvements over the next five-years. The City anticipates spending \$4.0 million for capital improvements to the water system and \$4.1 million for capital improvements to the wastewater system. (Willits, 2017c)



**CITY OF WILLITS**  
**Statement of Net Position**  
June 30, 2017

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets:</b>			
Cash and Investments	\$ 5,344,998	\$ 4,654,132	\$ 9,999,130
Restricted Cash and Investments		312,387	312,387
Accounts Receivable	658,970	617,561	1,276,531
Notes Receivable	267,731		267,731
Interest Receivable	3,886	3,672	7,558
Prepaid Expenses		3,544	3,544
Inventory	1,720	9,688	11,408
Capital Assets, Not Being Depreciated	150,963	1,845,865	1,996,828
Capital Assets, Net of Accumulated Depreciation	815,564	43,216,501	44,032,065
Total Assets	<u>7,243,832</u>	<u>50,663,350</u>	<u>57,907,182</u>
<b>Deferred Outflows of Resources:</b>			
Pension related	2,013,074	560,418	2,573,492
Total Deferred Outflows of Resources	<u>2,013,074</u>	<u>560,418</u>	<u>2,573,492</u>
<b>Liabilities:</b>			
Accounts Payable	113,537	63,906	177,443
Interest Payable		129,389	129,389
Deposits Payable	4,000	74,110	78,110
Noncurrent Liabilities:			
Due Within One Year		733,664	733,664
Due in More Than One Year	6,631,533	25,563,403	32,194,936
Total Liabilities	<u>6,749,070</u>	<u>26,564,472</u>	<u>33,313,542</u>
<b>Deferred Inflow of Resources:</b>			
Pension related	293,185	81,619	374,804
Total Deferred Inflow of Resources	<u>293,185</u>	<u>81,619</u>	<u>374,804</u>
<b>Net Position:</b>			
Net Investment in Capital Assets	966,527	21,929,564	22,896,091
Restricted for:			
Community Development	547,629		547,629
Streets and Roads	2,807,271		2,807,271
Public Safety	258,896		258,896
Unrestricted	(2,365,672)	2,648,113	282,441
Total Net Position	<u>\$ 2,214,651</u>	<u>\$ 24,577,677</u>	<u>\$ 26,792,328</u>

The notes to the financial statements are an integral part of this statement.

## 2.5 GROWTH

### 2.5.1 PRESENT AND PLANNED LAND USE AND DEVELOPMENT

Willits has a full range of land uses in the City, ranging from low density residential through multi-family residential, retail and service commercial, manufacturing, public facilities, recreation, and undeveloped properties. The 1992 General plan identified general land use categories as follows:

- Residential – 650 acres (37%)
- Commercial – 241 acres (14%)
- Industrial – 646 acres (37%)
- Public Facilities – 174 acres (10%)
- Open Space – 35 acres (2%)

As of January 2014, the State Department of Finance (DOF) estimates that there are 2,082 dwelling units in the City, of which 1,218 (59%) are single-family units, 587 (28%) are multi-family units and 277 (13%) are mobile homes. The current vacancy rate in the City is 7.7%.

According to the 2009 General Plan Housing Element adopted in 2014, the top ten employers in the City are: Adventist Health Howard Memorial Hospital (260), Willits Unified School District (225), Metal/fx Custom Manufacturing (121), Safeway Stores (107), Sparetime Garden Supply (65), Grocery Outlet (60), City of Willits (52), Shusters Transportation & Logging, Inc. (42), and Microphor, Inc. Manufacturing (30). The Sherwood Valley Casino (adjacent to the City limits) employs 90 people.

The City also has important local services including the Willits Branch of the Mendocino County Library System, the North County Center of Mendocino Community College, the Mendocino County Museum, The Skunk Train, Willits City Park, Recreation Grove Park, Willits Rodeo Grounds, Willits Center for the Arts, the Noyo Theater, Roots of Motive Power, and two local newspapers.

The current City General Plan was adopted by the City Council in August 1992 with a planning horizon to the year 2020. The General Plan contains goals and policies related to public safety services (police, fire, and emergency medical services) and infrastructure (water, sanitary sewer, and storm drainage).

The General Plan evaluated properties within the existing City limits that could accommodate residential development. Twenty-seven sites were identified for both single-family and multi-family dwellings that could accommodate construction of an estimated 1,631 residential units. The General Plan looked at three growth scenarios: 1.0% population growth per year; 1.7% population growth per year; and 2.5% population growth per year. The lower the growth rate (currently 0.3% per year) the longer the time period required to utilize all the land identified on the 27-sites. The City is in the process of seeking a consultant to prepare a General Plan Update.

(LAFCo, 2015; Willits, Nov 2018)

### 2.5.2 EXISTING POPULATION AND PROJECTED GROWTH

According to California Department of Finance (DOF), the City of Willits had a population of approximately 4,937 as of January 2014. Since 2000, the population has declined by 136 residents or 2.7%, which is attributed to an aging population and out-migration. However, the City population increased between January 2013 and January 2014 by 33 persons, a 0.7% increase.

The 2009 General Plan Housing Element projected a City population of 7,500 at General Plan buildout in 2020. Between 2000 and 2014, there were 69 new residential dwelling units constructed in the City (an average of five per year) with an associated population increase of 174 (based on 2.52 persons per household). At this rate of residential construction, the population of Willits will be approximately 5,013 in 2020.

(LAFCo, 2015)

## **2.6 DISADVANTAGED UNINCORPORATED COMMUNITIES**

Senate Bill (SB) 244, which became effective in January 2012, requires LAFCo to evaluate any Disadvantaged Unincorporated Communities (DUCs), including the location and characteristics of any such communities, when preparing an MSR that addresses agencies that provide water, wastewater or structural fire protection services. A DUC is an unincorporated geographic area with 12 or more registered voters with a median household income (MHI) that is less than 80% of the State MHI of \$63,783, or \$51,026 (USCB, 2017). This State legislation is intended to ensure that the needs of these communities are met when considering service extensions and/or annexations in unincorporated areas.

The City of Willits has an MHI of \$36,466, which is less than 80% of the State MHI of \$61,632 (LAFCo, 2015). While the City MHI is 59% of the State MHI, the City does not qualify as a DUC because it is an incorporated area. The areas surrounding Willits may qualify as a DUC, especially given the existing out-of-area water and wastewater services currently being provided by the City. Special consideration will be given to any DUCs affected by future annexation proposals consistent with GC §56375(8)(A) and LAFCo Policy. The City is responsible for providing water and wastewater services. The Little Lake Fire Protection District is responsible for providing structural fire protection services.

Pursuant to GC §65302.10(b), SB 244 also requires each City to plan for DUCs in their General Plan Land Use Element in conjunction with adopting their Housing Element. To comply with this requirement, each City must identify, describe, and map each island and fringe community within the City's Sphere of Influence that qualifies as a DUC; analyze the water, wastewater, stormwater drainage, and structural fire protection needs or deficiencies of the DUCs; and analyze potential funding mechanisms that could make the extension of services to the DUCs financially feasible.

## 3 MUNICIPAL SERVICES

A Municipal Service Review (MSR) is a comprehensive analysis of the services provided by a local government agency to evaluate the capabilities of that agency to meet the public service needs of their current and future service area. The MSR determinations inform the SOI Update process and assist LAFCo in considering the appropriateness of a public service provider's existing and future service area boundary. The information and analysis presented in Chapters 2 and 3 of this document form the basis for the MSR determinations provided under Section 3.13.

### 3.1 SERVICE OVERVIEW

This section provides information regarding the wide range of municipal services provided by the City of Willits including the following:

- General Government
- Finance
- Public Safety
- Community Development
- Engineering
- Public Works
- Water
- Wastewater
- Airport
- Parks and Recreation

Additional municipal services are provided to City residents by other public agencies through agreements and Joint Powers Authority (JPA) and by private businesses through service contracts, as detailed in Section 3.12. This MSR only reviews services provided by the City.

This is the second MSR prepared for the City; the first one was adopted by the Commission on February 2, 2015. The City has undergone changes in the last few years that warrant a minor update to the MSR and associated determinations in order to provide a reliable basis of information for evaluating the appropriate current and future service area for the City as part of the SOI Update process.

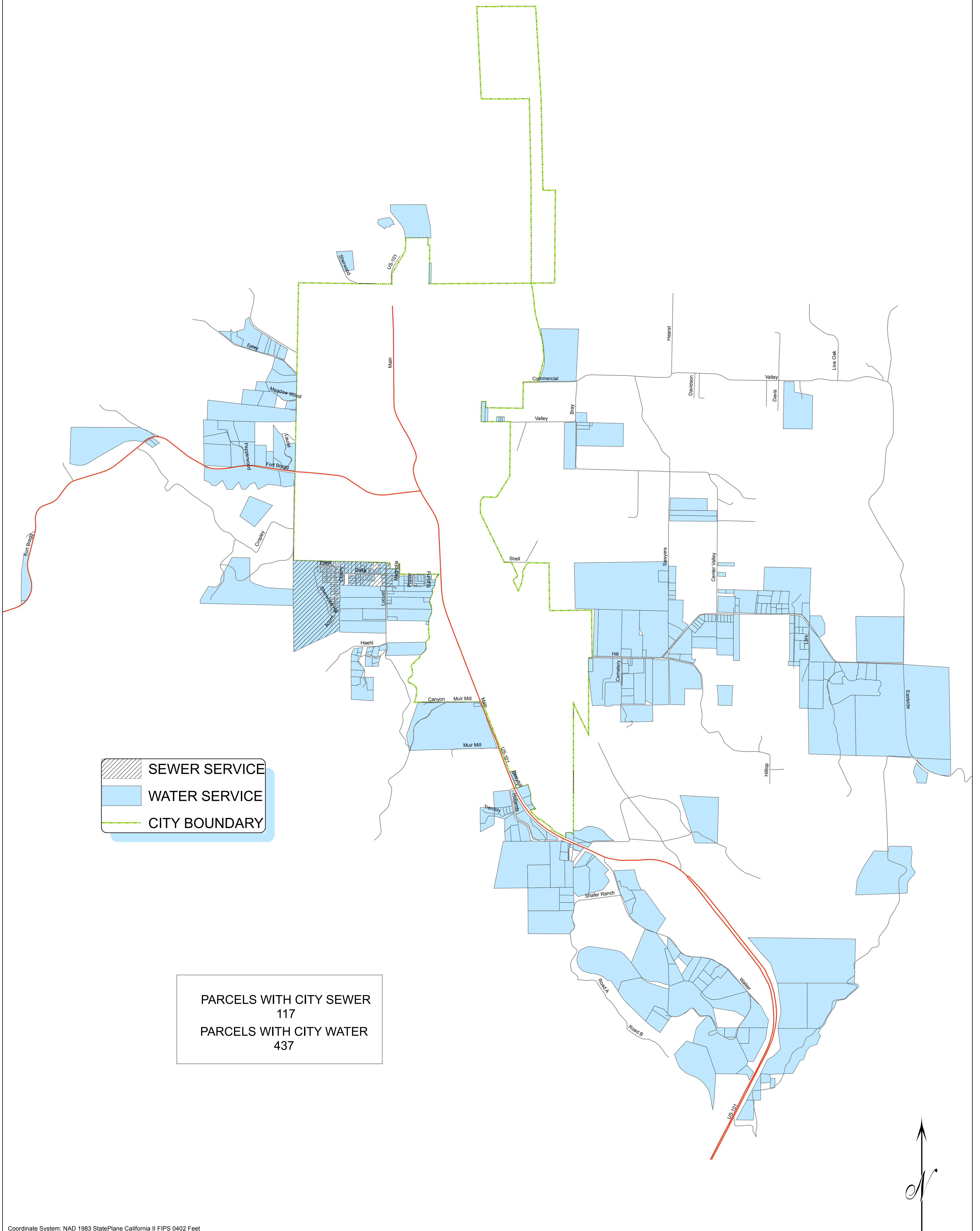
This combined MSR/SOI Update includes information from the 2015 MSR and provides updated information related to the three following MSR service review factors: capacity of facilities, financial ability to provide services, and governance and accountability.

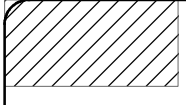
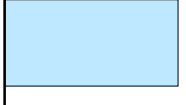

#### 3.1.1 OUT-OF-AREA SERVICES

The City has 437 water and 117 wastewater service connections to properties located outside the City limits (Willits, 2016). As shown on Figure 3-1, many of these out-of-agency (OAS) services are located in the Della Avenue, Locust Street, Meadowbrook Drive, and Pineview Drive area, with the remaining located in fringe areas outside the City limits. These OAS connections serve individual homeowners and groups of homeowners from master meters located at the City limit boundary. The large majority of the OAS water services were exempt from LAFCo approval pursuant to Government Code Section 56133(e)(4), which states that an extended service that a city or district was providing on or before January 1, 2001, is exempt from LAFCo review.

# CITY OF WILLITS

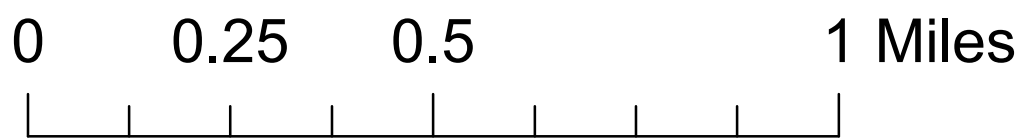
## WATER AND WASTEWATER PARCEL INVENTORY OUTSIDE OF CITY LIMITS



	SEWER SERVICE
	WATER SERVICE
	CITY BOUNDARY

<p>PARCELS WITH CITY SEWER 117</p> <p>PARCELS WITH CITY WATER 437</p>
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Coordinate System: NAD 1983 StatePlane California II FIPS 0402 Feet  
 Projection: Lambert Conformal Conic  
 Datum: North American 1983  
 False Easting: 6,561,666.6667  
 False Northing: 1,640,416.6667  
 Central Meridian: -122.0000  
 Standard Parallel 1: 38.3333  
 Standard Parallel 2: 39.8333  
 Latitude Of Origin: 37.6667  
 Units: Foot US



The City inherited most of the OAS water customers when they acquired the private Little Lake Water Company through eminent domain from Clifford and Katherine Horn in November of 1983 for \$1.4 million. The City's purchase of the water system was financed through Certificates of Participation, with the final payment of \$340,000 made in September of 2014. The water system was originally acquired by the Horns from the Pacific Gas and Electric (PG&E) Company and entailed all water collection, treatment, transmission, and distribution facilities and infrastructure. The purchase of the water system included a water treatment plant, a 3-million gallon water storage tank, and watershed lands of approximately 3,136-acres with Morris Lake and Dam, all timber situated on the property, and associated permits, licenses, easements, and franchise agreements.

By agreement, the City provides wastewater treatment and disposal services to the adjacent domestic wastewater collection system of Brooktrails Township, and provides 117 wastewater service connections to the Meadowbrook Manor subdivision and Sherwood Valley Band of Pomo Indians Rancheria.

(LAFCo, 2015)

## 3.2 GENERAL GOVERNMENT

Many of the City's government functions are housed at City Hall, which is located at 111 East Commercial Street, including the City Manager, City Clerk, Finance/City Treasurer, Human Resources, Elections Official, Planning, Building Safety, and Code Enforcement. City Council Chambers are also located at City Hall. Services available to the public at City Hall include meeting with Councilmembers and staff, water service payments, business licenses, building permits, job applications, accounts payable and receivable, various document requests, and filing complaints. The normal business hours at City Hall are 9:00 a.m. to 5:30 p.m., Monday through Thursday. (LAFCo, 2015)

The City's General Government services include Administration, Legal Counsel, Human Resources, and Elections.

### Administration

The basic functions of City Administration include:

- Coordination of legal services
- Management and coordination of all City policies, programs, and services
- Negotiation and management of contracts
- Interface with other local governments, regulatory agencies, and state and federal agencies
- Management and coordination of City fiscal and human resources
- Public and agency notices as required
- Review of correspondence received and preparation/review of correspondence sent
- Implementation of ordinances and policies
- Interaction with and response to media
- Presentations to community groups
- Staff support to various JPA's and other intergovernmental agencies
- Revenue development, budgets and expenditure control
- Management of special projects
- Various franchise administration activities
- Coordination of economic development activities



- Risk management and insurance
- Management of City facilities
- Management of leases, agreements, etc.
- Response to citizen and community complaints
- Long range planning
- Maintenance of relationship with legislative and congressional representatives
- Other assignments established by City Council

Additional duties of City Administration include:

- Oversee the general administration of police services for the City of Willits.
- Continue to seek alternative sources to fund police services while managing the day to day budget of the police department.
- Manage the various intergovernmental, community and local partnerships associated with providing basic police services to the greater Willits community.
- Administer compliance requirements associated with maintaining police services for the City of Willits.
- Coordinate update of City Emergency Plan with other City Departments.
- Continue work on establishing a Volunteer Program.
- Digitize and catalogue old crime reports for destruction, obtain authorization for destruction from City Council, and purge by shredding, with goal of being mostly paperless.

The specific duties and responsibilities of the City Clerk include:

- Coordination of Form 700 FPPC filing
- Staff support to Council Members and Council Committees/Commissions
- Attendance at Council and Committee meetings
- Preparation of City Council agendas and minutes

#### Legal Counsel

The specific duties and responsibilities of the City Attorney include:

- Provision or coordination and management of defense in all litigation and hearings
- Rendering of legal opinions
- Legal support services to City departments
- Attendance at all meetings of Council, Redevelopment Agency, Planning Commission, etc.
- Preparation and/or review of various documents including demand letters, indemnification agreements, contracts, joint powers agreements, leases, licenses and permits, policies, and memoranda of understandings
- Other duties as assigned by City Manager

#### Human Resources

The purpose of Human Resources is to provide quality services and support to the City Manager, City Departments, employees and applicants in the areas of employee relations, employee benefits, recruitment, retention, testing, classification/compensation, and risk management. The basic functions of Human Resources include:

- Manage and administer all personnel programs and policies for the City and its employees

- Ensure compliance with various state and federally mandated programs including, but not limited to, OSHA, SB198 compliance, ADA requirements, harassment and workplace violence training, various federal and state labor code, etc.
- Manage modifications to personnel policies and procedures manual
- Conduct formal and informal negotiations with represented and unrepresented employees
- Employee-related dispute resolution
- Implementation of employee training and certification programs
- Interface with Payroll and City departments regarding application of terms and conditions of labor agreements

### Elections

The City Clerk serves as the City's Elections Official and is responsible for:

- Coordination of municipal elections, including preparation and review of documents as mandated by state law.
- Analysis of election correspondence.
- Preparation of resolutions.
- Coordination of County Elections Office contract to conduct consolidated elections.
- Preparation and publication of notices.
- Coordination of special or recall elections.
- Records management.

(Willits, 2018a; Willits, Nov 2018)

## **3.3 FINANCE**

The Finance Director/City Treasurer is the Chief Financial Officer of the City and exercises general supervision over the accounting of all departments under the direction of the City Manager and City Council. The Finance department maintains all basic financial information. The specific duties and responsibilities of this department include: the receipt and disbursement of all City funds, cash management, compilation of the City budget under the direction of the City Manager, budgetary control, payroll preparation, billing functions, coordination of annual audit, preparation of various State and Federal reports, maintenance and improvement of data processing systems, review, approval and payment of all claims against the City, special projects, attendance at the City Council meetings and assistance to the various departments as required. (Willits, 2018a)

## **3.4 PUBLIC SAFETY**

The Willits Police Department operates at the joint County of Mendocino-City of Willits Justice Center, which is located adjacent to City Hall at 125 East Commercial Street. Services are available 24-hours a day, seven-days a week and normal business hours are from 8:00 a.m. to 4:00 p.m. on Monday through Friday. (LAFCo, 2015)

As of October 2018, the City's Police Department is staffed with one Chief of Police, three Sergeants, one Corporal, and four Officers for a total of nine sworn Officers. The Department also employs four Dispatcher/Records Clerks, and one Community Service Officer. In 2017, the Police Department responded to 10,437 calls for service. As of October 2018, the Police Department responded to 9,951 calls



for service with a projected total of 11,941 calls for service in 2018. Officers work many overtime hours to maintain the existing level of service and address the volume of calls received, thus indicating that the Officer staffing level is not sufficient. (Warnock, 2018; Willits, Nov 2018)

The City's Public Safety services include Police Administration, Public Safety Dispatch, Field Operations, and the State Citizens Options for Public Safety (COPS) Program.

### Police Administration

The basic functions of Police Administration include:

- Direct the goals, objectives, policies, and priorities of the Police Department.
- Plan and direct Police Department personnel in preserving order, protecting life and property, and enforcement of laws.
- Research and implement modern police management methods.
- Confer with citizens and City officials on law enforcement and public safety problems.
- Prepare and administer the Police Department budget.
- Recruit and process applicants for employment.
- Attend City Council meetings, community meetings, county, and area and state law enforcement meetings with other public officials.
- Supervise, train, and evaluate staff.
- Manage criminal intelligence.
- Assist Director of Emergency Services.
- Personnel and risk management.
- Administration of the jail, dispatch, and records.
- Facility maintenance.
- Parking program management.
- Crime analysis/data entry.
- Payroll.
- Oversight of Arson, Narcotics and Sex Offender Registration Programs.
- Direct/conduct personnel/administrative investigations.

### Public Safety Dispatch

The basic functions of Public Safety Dispatch include:

- Through radio communications, provide dispatch in response to calls for service for the Willits Police Department, Little Lake Fire Protection District, Mendocino County Sheriff, CAL FIRE, and other City departments.
- Answer 9-1-1 emergency calls for the City of Willits.
- Answer department business telephones.
- Provide reception needs to citizens. Operate California Law Enforcement Telecommunications System (C.L.E.T.S.) terminal and Computer Aided Dispatch (C.A.D.).
- Monitor persons in custody through jail camera/monitor.
- Collect bails and fines.
- Perform records functions: data entry – Alpha and CAD, process reports for submission to the District Attorney, maintain subpoena logs for the Police Department, process police records for submission

to the Department of Justice, maintain Daily Activity and Press logs, maintain fingerprint and identification files for arrested persons.

- Complete other duties as required including some of the duties of the supervising administrator position.

### Field Operations

The basic functions of Sworn Officers in Field Operations include:

- Respond to and investigate all types of calls for service involving criminal, civil, traffic, and medical emergency incidents, and write reports based on the investigation of those incidents.
- Arrest criminal suspects.
- Issue citations to offending drivers.
- Collect and preserves evidence.
- Book, photograph, process, and transport prisoners to County Jail.
- Testify in court when subpoenaed.
- Appear at and provide crime prevention presentations at schools and community based organizations.
- Attend basic and advanced training sessions to keep current on modern police tactics and methods.
- Assist other law enforcement agencies when called upon, and assist other City departments as needed.

### State COPS Program

The Citizens Options for Public Safety (COPS) is funded through a State grant program. The purpose of the State COPS Program is to perform a wide variety of tasks to ensure that the Willits Justice Center Temporary Holding Facility (THF) is in compliance with all applicable laws, rules, and regulations of the State of California and the Willits Police Department. The basic functions of Community Services Officers (CSO) and Corrections Officers (CO) in the State COPS Program include:

- Routine security, custodial, and clerical work.
- Book, search, examine, and instruct arrestees.
- Conduct the distribution of meals when necessary.
- Transport arrestees to County Jail.
- Transport arrestees to medical facilities and other facilities when necessary.
- Maintain discipline.
- Monitor and conduct visiting hours when necessary.
- Assist Field Operations by handling selected calls for service.
- Assist in the dispatch center.
- Assist in evidence room and records room when necessary.
- Perform other duties as required.
- A Level II Community Services Officer provide administrative assistance as needed.

(Willits, 2018a)

## **3.5 COMMUNITY DEVELOPMENT**

The City's Community Development services include Planning, Building Safety, and Code Compliance.

### Planning

The purpose of Planning is to provide professional services and information in four functional areas of day-to-day operations, current planning, long-range planning, and regional planning. The basic functions of Planning are related to the four service areas as follows:

- A. Day-to-day operations involve interaction with the general public, developers, consultants, and public officials on planning matters, which include: Responding to questions in the field, in the office, or over the telephone, promoting the managed growth of the community, meeting and working with other organizations and jurisdictions, attending public meetings and workshops to stay aware of programs and policy development, presenting staff recommendations at public meetings, administration of budgets and grants, and other duties as assigned.
- B. Current planning operations involve researching issues concerning zoning, zone text amendments, general plan amendments, annexations, subdivisions, minor land divisions, lot line adjustments, variances, conditional use permits, planned unit developments, environmental reviews, and other minor permits, processing land use applications by conducting field checks, coordinating reviews with the Technical Advisory Committee, and writing staff reports with legal findings, presenting staff recommendations and findings on planning matters to the Planning Commission/City Council, reviewing site plans, landscape plans, and building plans for zoning compliance, writing, editing, and presenting draft ordinances to the Planning Commission/City Council, writing and editing minutes of public meetings.
- C. Long-range planning operations involve researching issues concerning population, housing, land use (including the Municipal Service Review and other issues before LAFCO and MCOG), economics, and transportation, information collection and analysis, developing specific plans, working on special studies, including monitoring projects and consultants, and promoting public participation.
- D. Regional planning includes staff support to Caltrans Main Street Relinquishment Project Development Team, to MCOG in developing the Regional Transportation Plan Update, Transportation Overall Work Program, the Regional Housing Needs Plan, and Countywide Capital Improvement Plan, and the Blueprint planning effort for Mendocino County and to the Willits Chamber of Commerce and EDFC in developing and implementing local economic development strategies.

### Building Safety

The basic functions of Building Safety include:

- Enforce building codes and municipal code regulations; perform duties as Flood Plain Administrator and Health and Safety Officer.
- Coordinate building and safety related activities.
- Interface with other City departments regarding future developments.
- Coordinate with all interdepartmental agencies with regard to policies and procedures.
- Provide plan checks and issue building permits.
- Perform onsite inspections and assist in resolving technical questions relating to various code requirements.
- Maintain Building and Safety files for department reference and public information.
- Attend meetings as required for City Council, Planning Commission and Technical Advisory Committee.
- Provide technical staff assistance.

- Investigate complaints of building, housing and zoning violations in conjunction with Code Enforcement.
- Issues notices and orders, prepare policies, procedures, studies, reports, and code changes. Prepare and administer department budget.

### Code Compliance

The purpose of Code Compliance is to provide comprehensive and competent information, services and programs associated with the enforcement of those City Ordinances under the purview of the Community Development Department. The basic functions of Code Compliance include:

- Continue the development of written procedures for initiating, investigating, processing, resolving and documenting code enforcement cases
- Respond to citizen inquiries, complaints and information requests relating to potential Municipal Code violations
- Initiate appropriate investigative procedures including property inspections to determine the nature of potential code violations
- Explain the pertinent codes, their purpose, how they will be enforced and the steps necessary for gaining compliance
- Work with appropriate agencies to abate abandoned vehicles on private and public property
- Work with appropriate agencies to abate hazardous or blighted conditions on public or private property
- Work with the City Attorney to prepare cases for legal action and testify in court proceedings
- Maintain files of all documents related to each code enforcement case

(Willits, 2018a)

## **3.6 ENGINEERING**

The Engineering Department serves the engineering related needs of other City departments. This work includes engineering, construction management, inspection, and contract administration for projects initiated by departments within the City. Collectively, the Engineering Department is fully capable of assisting with all phases of project development, from developing plans, specifications, and cost estimating to construction inspection and management. When specialized engineering or other outside services are required, the department participates in the selection and supervision of contracted professional services. The Engineering Department is also responsible for mapping & analysis of city utilities and infrastructure, locating and enforcing the City's right-of-way, performing deed research, and reviewing community initiated construction plans, Boundary Line Adjustments, and legal descriptions.

(Willits, 2018a)

## **3.7 PUBLIC WORKS**

The Public Works Department operates at the City's Corporation Yard located at 380 East Commercial Street and this facility includes an administrative office. Regular office hours are from 8:00 a.m. to 4:30 p.m. on Monday through Friday. Public access to the Public Works administrative office is from Commercial Street located behind the Public Library and can be difficult to find. (LAFCo, 2015)

The Public Works services include Administration, Operations and Equipment, Park Maintenance, Building Maintenance, Traffic Safety Operations, Gas Tax Street Administration, Street Maintenance, Storm Drain Maintenance, and Transportation Sales Tax Improvement Program.

### Administration

Public Works Administration administers and directs the Public Work Department and prepares the annual departmental budget. Participation in staff meetings, City of Willits Council Meetings, Technical Advisory Committee (TAC), and other various meetings is required.

This division manages the City's Public Works projects with duties such as preparation of RFP's, administration of outside contracts, development of project specifications, development and management of project scheduling and funding, management of the public bidding process, and some project inspection during construction. Project management also requires the development and preservation of positive working relationships with other City departments as well as with outside agencies.

Public Works Administration is also responsible for various community needs such as the issuance of encroachment permits, including review and inspection, participation in the acknowledgement and resolution of Citizen Reports; and the administration and technical support for the Willits Community Pool and Willits Unified School District. This department serves as a funding mechanism for the County of Mendocino Animal Control and Weed Abatement contracts. Additionally, Public Works Administration acts as the lead public agency for the administration, oversight, and monitoring of the REMCO facility, as required by the Consent Decree, including remedial investigation, feasibility study, IRA, work plans, and for the duties and expenditures related thereto.

### Operations and Equipment

Public Works Operations is responsible for maintaining the City's infrastructure and buildings including: maintenance and support to water and sewer departments, airport buildings, grounds, and fuel system, Public Works buildings and grounds, City Hall and Community Center buildings and grounds, arch inspection and maintenance, holiday decorations installation and removal.

Public Works Operations is also responsible for overseeing vehicle and equipment repairs, including processing purchase orders, ordering parts, scheduling repairs and safety inspections, and reviewing operating costs. The using funds or departments are charged a sum to recover the cost of personnel, fuel and oil, and vehicle maintenance.

### Park Maintenance

The Public Works Parks Department is responsible for the maintenance of the City's parks, including grounds and buildings, electrical repairs, graffiti removal, tree trimming, tree removal, painting, vandalism repair, plumbing repairs, restroom supplies, playground equipment, skate park, baseball/soccer grounds, fences, parking areas and the irrigation system from City well. This department also support for community activities which utilize City parks traffic control, garbage collection, etc.

### Building Maintenance

Public Works Building Maintenance coordinates maintenance activities with other departments and outside agencies, orders and maintains inventory of parts and supplies, is responsible for cleaning

schedules, coordinates Community Center activities and schedules, manage all related building maintenance contracts, and performs other duties as required.

#### Traffic Safety Operations

The Traffic Safety Department oversees and administers the City's traffic safety program. Basic functions include assistance with the engineering and design of projects, vegetation management for sight distance and sign visibility, repair and replacement of traffic and street signs, painting of pavement markings, such as curbs, crosswalks, stop bars, railroad crossings, and traffic lane stripping. This department communicates traffic safety concerns directly with Caltrans and assists with the development and engineering review of existing and proposed traffic control devices. Grant applications and other funding applications are developed and filed with appropriate federal, state and local offices. The Traffic Safety Department also provides traffic control for parades including Frontier Days and Homecoming.

#### Gas Tax Street Administration

The Street Administration Department oversees and administers all Gas Tax funded departments. Gas Tax revenues are the funding mechanism for City wide street lights. Basic functions include scheduling street maintenance projects, such as grading, pothole patching, brush clearing, storm drain projects, engineering review and implementation of the City's Pavement Management Program. Public Works engineering drawings and specifications are prepared and reviewed. RFPs are administered for outside engineering contracts storm damage projects, etc. This department provides contract administration, construction engineering and project inspection for Public Works projects, working closely with MCOG to secure street rehabilitation funding.

#### Street Maintenance

The Street Maintenance Department is responsible for the maintenance and repair of City streets and sidewalks, including pothole patching, section patching, chip sealing, dust control, tree trimming safety, sight distance and sweeping of City streets, US Highway 101, and State Highway 20. The street crew coordinates work with other departments to maintain City streets in a safe drivable condition to reduce/limit City's liability exposure.

#### Storm Drain Maintenance

The Storm Drain Maintenance Department is responsible for the clearing of debris from storm drain grates, catch basins and drainage channels, construction and replacement of storm drains and catch basins, coordination of storm drain rehabilitation projects, contract administration and project inspection.

#### Transportation Sales Tax Improvement Program

This Department funds projects from the City Transportation Sales Tax revenues (0.5% approved in 2003). Projects include local streets and roads maintenance, rehabilitation, reconstruction and construction, including sidewalks, curbs and gutters, ADA accessibility, and drainage facilities. Funds are applied to local street projects and administrative expenses such as Board of Equalization contract costs, account maintenance fees, and fiscal audit costs.

(Willits, 2018a)

### 3.8 WATER

The City owns, operates, and maintains a public water system including water supply facilities, a Water Treatment Plant (WTP), and distribution infrastructure. The City's water system is classified as a Large Water System because it has more than 500 connections and is under the jurisdiction of the State Water Resources Control Board (SWRCB) Division of Drinking Water. The City's Water Department is responsible for the water enterprise service.

The City's water system serves 1,817 (82%) residential customers and 400 (18%) non-residential customers for a total of 2,217 water customers (Willits, 2017c). Of the total, there are 437 (20%) water customers located outside the City limits and 1,780 (80%) water customers located within the City (Willits, 2016). The City's water system also serves 51 fire customers, which are defined as providing fire protection for commercial and industrial buildings (Willits, 2017c; Willits, Nov 2018).

Through an agreement executed in November of 1995, the City provides water and wastewater services to the Sherwood Valley Band of Pomo Indians Rancheria located southwest of the City limits, which includes residential units, a community center, and the Sherwood Valley Casino. This agreement provides for the water needs of up to 50 residential units or their functional equivalent. (LAFCo, 2015)

The City's water supply is a combination of surface water from Davis Creek and groundwater from the Elias Replacement Well. Davis Creek is a tributary to Outlet Creek, which is tributary to the Eel River. The City stores water along Davis Creek at Morris Reservoir with 726 acre-feet (AF) capacity and Centennial Reservoir with 635 AF capacity. The watershed area for Davis Creek upstream from Morris Dam is 4.9 square miles (3,136 acres). (LAFCo, 2015; Willits, Nov 2018)

The City's WTP is located adjacent to Morris Dam, has a capacity of 3.3 million gallons per day (MGD), and utilizes alternative filtration technology and an upflow clarifier process to produce treated water. The City has five water storage tanks, with a total capacity of 4.711 million gallons (MG), including: a 3.0 MG tank installed in 1980, a 1.5 MG tank and clear well installed in 1989 (both adjacent to the treatment plant), a 0.125 MG tank on Locust Street installed in 1993, a 0.043 MG tank on Laurel Street installed in 1977, and a 0.043 MG tank on Berry Hill installed in 1980. There are eight pressure zones within the City's water distribution system. (LAFCo, 2015)

The City has taken the following corrective actions to meet drinking water standards: completely upgraded the Water Treatment Plant in 2015, added a third filter and a 220,000-gallon pre-treatment upflow solids contact clarifier, lined the 3 MG main water storage tank in 2016, and replaced 3,400-feet of 10-inch steel pipe with 12-inch ductile iron and C-900 piping in 2009 and 2016 (Willits, Nov 2018).

On October 17, 2014, the SWRCB issued the City a compliance order which determined that the City did not have a reliable supply of water to serve its customers due to the drought conditions and senior water right demands. The order allowed the City to serve existing customers, but prohibited new service connections. It also required the City to secure a reliable long-term supply of water. This order by the SWRCB was rescinded at the end of November 2014 based on further information provided by City Staff to the SWRCB that addressed their concerns. (LAFCo, 2015)

On August 9, 2017, the City Council approved full-time use of the Elias Replacement Well to supplement the City's surface water supply. Groundwater is now a regular water supply to the City's water system, instead of being limited to emergency situations. A Source Capacity Analysis prepared for the City by GHD consultants specified a maximum well capacity of 800 gallons per minute (gpm); however, with head-loss,



friction, and overcoming system pressure, the well pump is a limiting factor. The City routinely pumps this groundwater well at a production rate of 330 gpm and proposes not to exceed a total annual use of 400 AF (131 MG). The City is currently evaluating potential enhancements to this groundwater system including changing the configuration and increasing the pump size. The Elias Replacement Well offers a consistent high quality water source that is not prone to seasonal water quality issues like surface water sources. (Willits, 2017b; Willits, Nov 2018)

Based on a water supply planning study prepared by West Yost and Associates in 2006, the City's water demand was 886 AF per year, of which 565 AF per year was for residential use. Based on 2,245 water service connections at that time, the average water usage was 154 gallons per person per day. Between 1994 and 2002, the WTP pumped an average of 445 MG per year (1.22 MGD). In 2011, the WTP produced 270 MG per year (0.74 MGD). Based on a City-estimated population of 8,062 served at the time, the average water usage was 92 gallons per person per day. (LAFCo, 2015)

The City's annual metered water consumption between July 2015 and June 2016 was 257,350 hundred cubic feet (CCF) or 192.5 MG. The City's projected annual water demand is approximately 200 MG or 614 AF. The City currently has 2,931 Equivalent Domestic Units (EDU) of water service provided within and outside the City limit. (Willits, 2017c)

With the City's 330 gpm groundwater well providing a regular supplement to the City's existing surface water supply, the City now has the ability to serve an additional 460 EDUs (16%), based on the assumption that a single family home uses 230 gallons of water per day. (Herman, 2018)

In the case of wildfire disaster, the best-case scenario for the total amount of water supply available from the City's water system in a 24-hour period is 1,387.05 AF (452 MG) based on full surface water storage (1,361 AF), groundwater pumping capacity (1.46 AF), WTP capacity (10.13 AF), and full water storage tanks (14.46 AF). Due to the unpredictable nature of wildfire, the water system facilities and infrastructure (WTP, pumps, tanks, piping, etc.) may not be fully functional in this type of an emergency.

Chapter 14-90 of the Willits Municipal Code addresses drought conditions and provisions for implementing a Water Shortage Emergency Plan. The last time the City declared a state of drought emergency was in 2014. (LAFCo, 2015)

The Water Enterprise services include Water Administration, Water System Maintenance, Groundwater Plant Operations, Water Plant Operations, and Water Engineering.

### Water Administration

This department is responsible for compliance with laws and regulations relating to the water system, such as reporting, data storage and correspondence with California Department of Public Health, Division of Safety of Dams, Department of Forestry and Department of Water Resources. Staff assigned to the Water Administration Department maintain American Water Works Association training and certification programs, oversee mandated water quality testing, reporting and public notification functions. This division assures that proposed changes in the system and treatment facilities meet the needs of the community and comply with all regulatory agencies requirements. Water Administration staff also assist water customers and contractors. Administrative tasks include: assisting with program administration, preparing correspondence on behalf of the Water Department, contract administration for water related professional services contracts, preparing and transmitting regulatory agency reports, purchasing, record keeping, and file maintenance. Staff participates in the Technical Advisory Committee, Water Resources



Committee, and Council meetings. This department is also responsible for long range planning, including researching and preparing project proposal documents, such as requests for proposals (RFP), technical reports, proposal packets and preparing Council reports for water related projects. It also includes the preparation of the annual Water and Capital Improvement Budgets.

#### Water System Maintenance

The Water System Maintenance Department is responsible for the operation and maintenance of water lines, pump stations, tanks, leak detection, utility locating, pipeline replacement, fire hydrants, system flushing, construction liaison, inspection of all pipeline and service installations, valve exercising program, maintenance of easements, emergency response, coordination with water billing staff, notifications, service termination and restoration, 24-hour on-call service, data storage, meter reading and reporting, installation of meters and customer shut-off valves and related components, cross connection control program and corrosion control.

#### Groundwater Plant Operations

The Groundwater Treatment Plant Operations Department is responsible for the operation and maintenance of the groundwater treatment plant and associated wells.

#### Water Plant Operations

The Water Plant Operations Department is responsible for the operation and maintenance of the water treatment plant and watershed. Tasks for this department include: process monitoring and adjustment, chemical laboratory analysis and treatment strategy, instrumentation calibrations, installation and repair, filter and clarifier inspection and servicing, disinfection systems, chemical storage, handling and application, map file system, computer systems, cathodic protection systems, report generation, disaster response, lake and dam operation and maintenance, lake level and stream releases, algae control, pumps, tanks, forestry management, tree planting, fire protection program, security, fence, sign and road maintenance, review of plans and specifications, liaison with engineering. Generate Annual Consumer Confidence Report. Conditions require operators to respond quickly, safely and decisively in rapidly changing conditions with knowledge of treatment demands and options in emergency situations. Operators provide continuous coverage by remaining on call 24 hours a day, 7 days a week. Operators are also responsible for trouble-shooting processes, doing complex mathematical calculations, and staying abreast of state and federal regulations and plan accordingly.

#### Water Engineering

This division is a component of the Engineering Department. It is responsible for the production of plans and specifications for water related projects. Staff also conducts reviews consultant produced engineering drawings and specifications.

(Willits, 2018a)

### **3.9 WASTEWATER**

The City owns, operates, and maintains a public wastewater system including wastewater collection infrastructure, the recently upgraded Wastewater Treatment Plant (WWTP), and water reclamation facilities. The City's Wastewater Department is responsible for the wastewater enterprise service.

The City's wastewater system serves an estimated total population of approximately 8,600 people including: 5,000 located in the City limits, 3,300 located in the Brooktrails Township Community Services District, 200 located in the Meadowbrook Manor Sanitation District, and 100 in the Sherwood Valley Band of Pomo Indians Rancheria.

The City provides wastewater service outside the City limits by agreement. The City has provided wastewater treatment and disposal services to the Brooktrails Township Community Services since 1967, and 117 wastewater service connections to the Meadowbrook Manor Sanitation District since 1970 and the Sherwood Valley Band of Pomo Indians since 1989.

The City's WWTP is located in the northeast corner of the City at the end of Sewer Plant Road via North Lenore Avenue and East Commercial Street and the northerly portion of the treatment plant area is located outside the City limits. The WWTP includes associated reclamation and disposal facilities. Depending on the time of year, secondary-level treated effluent from the plant is either discharged into Outlet Creek or used to irrigate local pasture lands. The City's wastewater system also includes a sewage collection system consisting of approximately 22-miles of gravity-fed sewer mains ranging in size from 4-inches in diameter to 24-inches in diameter and one lift station and 450 manholes.

The original secondary aeration treatment plant dates from 1975. Subsequent upgrades included headworks with grit removal, two extended aeration basins, a circular clarifier, a chlorine contact chamber, and dechlorination capability. That facility was designed to treat an average dry weather flow (ADWF) of 1.3 MGD and peak flows up to 3.0 MGD. However, the City experienced wet weather flows exceeding secondary treatment capability due to Inflow and Infiltration (I&I) and utilized up to five holding basins with a capacity of 16 MG to capture the overflow. The City was operating under North Coast Regional Water Quality Control Board (RWQCB) Order No. R1-2001-71. Between January 2000 and May 2006, the City was fined \$21,000 related to effluent discharge violations (Willits, Nov 2018).

In response to Statewide General Waste Discharge Requirements issued in 2006, and a Supplemental Report of Waste Discharge submitted by the City in 2009, the City proposed to upgrade its WWTP to include enhanced secondary-level treatment of wastewater. Construction of the upgraded WWTP included septage receiving stations prior to the existing headworks, extended aeration/activated sludge processes with nutrient removal, ultraviolet (UV) disinfection, and enhanced effluent polishing within a new 30-acre treatment wetland.

In July of 2010, the North Coast RWQCB issued Order No. R1-2010-0017 establishing new waste discharge requirements as well as reclamation requirements for the City. The Regional Board also required relocation of the discharge point on Outlet Creek, prohibited discharge of treated effluent between May 15th and October 30th of each year, set new limitations on biochemical oxygen demand (BOD), total suspended solids (TSS), pH, nitrogen, and total coliform, placed requirements for land disposal of treated effluent, and specified standard provisions and additional monitoring requirements.

In October 2015, the North Coast RWQCB issued the current waste discharge requirements and master reclamation permit under Order No. R1-2015-0029 which will expire on November 30, 2020. The enhanced secondary-level treatment WWTP was completed in 2013 and has a design discharge capacity of 7.0 MGD and a permitted average monthly flow of 4.0 MGD (Willits, Nov 2018). The City requested that permitted flow be limited to 4.0 MGD based on projected needs through 2025. The treatment plant currently treats an average of 0.65 MGD dry weather flow (without I&I) and 1.20 MGD wet weather flow.

The City and the Brooktrails Township Community Services District (BTCSD) entered into an agreement on September 11, 1967 for treatment and disposal of BTCSD wastewater at the City's WWTP. This agreement has been amended over time. Contract amendment No. 2 in 1975 granted BTCSD an exclusive right to dispose of 0.16 MGD of effluent and a subsequent contract amendment in 2014 increased the allowable volume of effluent from BTCSD to 0.49 MGD. BTCSD contributes approximately 30% of the effluent treated at the City's WWTP.

In 2007, the City commenced construction of improvements to the WWTP, which included new headworks and metering facilities. In 2010 the City began the second phase of WWTP improvements, which included the construction of treatment wetlands for storage, polishing, and discharge of treated effluent, which was completed in 2012. In 2010, BTCSD filed a lawsuit against the City seeking, among other things, declaratory relief regarding wastewater accounting methods and allocation of operating costs and annual audits. The City filed a cross complaint against BTCSD to recover certain costs and expenses incurred by the City related to the WWTP improvement project.

(LAFCo, 2015)

Per the contract terms, BTCSD agreed to reimburse the City for costs allocated to BTCSD based on the ratio of total flow entering the City's treatment plant; the cost allocation was carried over from previous years. On April 6, 2015, the City and BTCSD settled the lawsuit stipulating a new cost allocation to BTCSD of \$22,000 per month beginning July 1, 2015 in addition to 36% of the bond payments. (MLH, 2018)

The Wastewater Enterprise services include Sewer Administration, Sewer Maintenance, Sewer Plant Operations, Sewer Engineering, and Septage Receiving.

#### Sewer Administration

This department provides administrative support to the Sewer Department. Administrative tasks include: assisting with program administration, preparing correspondence on behalf of the Sewer Department, contract administration for sewer related professional services contracts, preparing and transmitting regulatory agency reports, purchasing, record keeping, and file maintenance. Staff participates in the Technical Advisory Committee, Sewer Task Force Committee, and Council meetings. This department is also responsible for long range planning, including researching and preparing project proposal documents, such as RFPs, technical reports, proposal packets and preparing Council reports for sewer related projects. It also includes the preparation of the annual Sewer and Capital Improvement Budgets.

#### Sewer Maintenance

This department maintains and repairs the City sewer collection system. This work includes: inspection, cleaning, and repair of sewer pipelines. This department is also responsible for the implementation and enforcement of the Inflow and Infiltration I&I Program, Fats Oils and Grease (FOG) Program, Flow Monitoring Program, and Wastewater Discharge Program. Staff responds and resolves sewer problems, including emergency overflows. Staff also performs lift station maintenance, inspects new pipeline construction and marks sewer facilities for Underground service Alert.

#### Sewer Plant Operations

This department is responsible for the operation and maintenance of the City's sewer plant and reclaimed water irrigation, sludge thickening & dewatering, compost mixing and disposal systems. WWTP operators conduct laboratory testing as defined by regulatory agencies. This department is also responsible for the

disinfection and disposal of effluent water as defined by the City's NPDES permit. Operators respond to all sewer plant alarms and emergencies. Operators also maintain plant grounds and equipment.

#### Sewer Engineering

This department is a component of the Engineering Department and responsibilities include:

- Preparing and reviewing engineering plans, specifications, construction engineering, and providing inspection for projects.
- Securing permit approval from outside agencies including Caltrans, Mendocino County Department of Public Works, Fish & Wildlife, Regional Water Quality Control Board, and Army Corps of Engineers.
- Preparing sewer line and appurtenances standard details, specifications, and infiltration and inflow (I&I) analysis.

#### Septage Receiving

This department is responsible for providing a NPDES compliant point of receipt for wastewater trucked in from the City's outlying areas. The volume of wastewater is metered, and the fees collected for receipt of the wastewater pay for a portion of the overall costs of the Sewer Enterprise Fund. This department is also responsible regulating septage haulers and reporting to state and regional authorities.

(Willits, 2018a)

## 3.10 AIRPORT

The City owns the Willits Municipal Airport (FAA LID O28), also known as Ells Field, which is managed under contract by Mulligan Aviation. This public airport facility is located on 76-acres approximately 3-miles northwest of the City. The airport began private operations in the 1960s by the Deerwood Corporation as a destination for flights from Oakland to prospective buyers of parcels in the adjacent Brooktrails Vacation Village subdivision known today as Brooktrails Township. The Airport property was donated to the City in 1964. (LAFCo, 2015)

The Airport is used for General Aviation and recreation-oriented flights. Facilities at the airport include a single 3,000-foot runway (16-34), 23 hangars on-site for rent and 25 tie-downs available for \$5.00 per night, lights for night operations, a 24-hour self-serve fueling station, and the Pilot Cave facility which includes a pilot's lounge, restrooms, showers, kitchen, and outdoor picnic tables. REACH Air Medical Services has a helicopter for medical transport services at the Municipal Airport. (LAFCo, 2015; Willits, Nov 2018)

The Airport Manager represents the interests of the airport to the City, Federal Aviation Administration, and Cal Trans Aeronautical Division. The duties and responsibilities of the Airport Manager include:

- Producing required reports and managing grant obligations.
- Managing the airport fuel facility for the City, including inventory and sales of fuel and maintenance and testing as required by the fuel supplier.
- Inspecting and maintaining airport facilities for the City, including buildings, hangars, runways, taxiways, and lighting systems.
- Reporting airport facility conditions and repair requirements to the City and performing basic repairs.
- Working with the City, volunteers, and CAL FIRE crews to maintain airport grounds.
- Promoting airport facilities and related Willits attractions to the community and visiting pilots.

(Willits, 2018a)

### **3.11 PARKS AND RECREATION**

The City operates and maintains a park system that includes two family parks with playground equipment, three neighborhood parks, four baseball diamonds, one soccer field, four tennis courts, one 3-acre open use field, and one skate park. Park and recreation facilities are maintained by the Public Works Department. (LAFCo, 2015)

During the summer months (June to August) the City funds full-time use, and during September and October part-time use, of the community pool for recreation purposes including swimming lessons and water aerobics. A fee is charged to the public and used to partially offset the maintenance, utilities, and other costs of operating the pool. A number of seasonal employees are hired each year, including a Pool Manager, Assistant Pool Manager, Swim Instructors, and Lifeguards, to staff and supervise the use of the pool. Since 2012 the pool has been open additional hours for private swim lessons and water aerobics. (Willits, 2018a; Willits, Nov. 2018)

### **3.12 SHARED FACILITIES, RESOURCES, AND SERVICES**

The City works cooperatively with other service providers to deliver services more effectively or efficiently by sharing public facilities, resources, and/or service delivery responsibility when feasible. This section provides information regarding municipal services provided to City residents by other public agencies through agreements and Joint Powers Authority (JPA) and by private businesses through service contracts.

#### **3.12.1 FIRE PROTECTION**

The Little Lake Fire Protection District (LLFPD) is 239.4 square miles in size and provides fire protection services to the City of Willits and the surrounding Little Lake Valley area. Fire protection services to the Brooktrails Township subdivision are provided by Brooktrails Township Community Services District. In 1964, the Little Lake Volunteer Fire Department was established to serve the area immediately adjacent to the City of Willits. In 1974, the City of Willits Fire Department joined the Little Lake Volunteer Fire Department to create the LLFPD.

The LLFPD provides the following services: structural fire protection, emergency medical services to an Emergency Medical Technician (EMT)/First Responder level, rescue and extrication, first responder for hazardous materials incidents, and fire prevention. Wildland fire protection service is primarily provided by the California Department of Forestry and Fire Protection (CAL FIRE) in State Responsibility Areas (SRA) during the wildfire season and secondarily by special districts; although, the LLFPD is often the first to respond to such incidents, particularly during non-fire season months. Ambulance service is also provided to the Willits area by Verihealth, Inc. which is located at 1135 S. Main St in Willits (Willits, Nov 2018).

The LLFPD operates two fire stations. The Main Station is located at 74 E Commercial Street in Willits and the Sub-station is located at 1575 Baechtel Road in Willits. LLFPD has an ISO rating of 4 within the City of Willits and in adjacent areas with water hydrants, a Rural ISO rating of 8 in outlying areas within 5-miles of a fire station, and a Rural ISO rating of 10 outside the 5-mile limit from a fire station. Within the City of Willits and along major roads, water supply for firefighting is supplied by the City water and hydrant system; there are 298 fire hydrants on the City water system. However, in rural subdivisions there are few or no hydrants available. Water for fire protection in portions of LLFPD outside the City is provided by one

4,000-gallon water tender, one 2,000-gallon tactical water tender, on-board tanks on each engine, and other available water supplies such as ponds, creeks, swimming pools, and cisterns.

More information regarding the LLFPD is available in the Multi-District Fire Protection Services Sphere of Influence Update adopted on May 7, 2018 and at the following website: <https://www.littlelakefire.org/>.

(LAFCo: 2015, 2018)

### **3.12.2 SOLID WASTE AND RECYCLING**

The City contracts with Solid Wastes of Willits, Inc. (SWOW) for collection, transportation, disposal, and recycling of garbage, refuse, and rubbish. SWOW pays a franchise fee to the City as the service provider. Curbside pickup for both garbage and recycling occurs Monday through Friday depending on the location within the City. In addition, SWOW maintains a recycle center at the Willits Transfer Station located at 350 Franklin Street. Recyclables are accepted at no charge and may include: newspapers, cardboard, office paper, food and beverage glass, steel cans, plastic food and beverage containers, and aluminum cans. Yard waste is picked up on Fridays with an alternating schedule between areas located west and east of the former US Highway 101 corridor. (LAFCo, 2015)

### **3.12.3 WILLITS SOLID WASTE DISPOSAL FACILITY OPERATIONS**

The City and the County of Mendocino have entered into a Solid Waste Disposal Facility Operations Agreement for the purpose of joint ownership, maintenance, and operation of the solid waste landfill serving the City and certain unincorporated areas. Per the contract terms, the City has complete control of and authority over the administration, operation, and maintenance of the landfill and the City and County equally share the costs associated with the landfill including the purchase of equipment and closure/post-closure costs. (MLH, 2018)

### **3.12.4 SOLID WASTE DISPOSAL SITES AND MANAGEMENT PLAN**

The City is a member of the Mendocino Solid Waste Management Authority which consists of three Mendocino County cities and the County of Mendocino and was created for the purpose of (a) siting, licensing, developing, constructing, maintaining, and operating disposal sites and sanitary landfills, and (b) preparing and implementing a solid waste management plan. (MLH, 2018)

### **3.12.5 EMERGENCY SERVICES**

The City is a member of the Mendocino Emergency Services Authority which consists of all four Mendocino County cities and the County of Mendocino and was created for the purpose of coordinating disaster and other emergency preparedness planning and recovery programs, training employees and volunteers, administering disaster recovery programs, and other related activities. (MLH, 2018)

### **3.12.6 POOLED INSURANCE**

The City is a member of the Redwood Empire Municipal Insurance Fund (REMIF) which is a group of Northern California cities that participate in an agreement to provide themselves with various levels of liability, property, and workers' compensation insurance. (MLH, 2018)

### **3.12.7 OTHER SERVICES**

Below are additional examples of the City's interagency collaborative arrangements:

- The City's Police Department is the Public Safety Answering Point (PSAP) for emergency (9-1-1) calls within the City and in the surrounding area. The Police Department coordinates with the Mendocino

County Sheriff's Office, the California Highway Patrol, the Little Lake Fire Protection District, and CALFIRE.

- The City's Police Department provides dispatch services for the Little Lake Fire Protection District.
- A School Resource Officer position is staffed by the City's Police Department for the Willits Unified School District.
- The City, in conjunction with the Willits Unified School District, operates a summer swim program at the Community Pool on the Willits High School campus.
- The City leases a portion of the Corporation Yard to the Mendocino Transit Authority (MTA) for parking public buses.
- The City contracts with the Mendocino County Information Services Division for all computer hardware and software technology repairs, upgrades, and maintenance including all network computers, internet, email, servers, copiers, desktops, laptops and documentation.

(LAFCo, 2015; Willits, 2018a)



### 3.13 DETERMINATIONS

This section presents the required MSR determinations pursuant to California Government Code §56430(a) for the City of Willits.

#### 3.13.1 MSR REVIEW FACTORS

##### 3.13.1.1 Growth

Growth and population projections for the affected area

1. As of January 2014, the Department of Finance (DOF) estimated the population of Willits was 4,937.
2. Since 2000, the population of Willits has declined by 136 residents or 2.7%. However, between January 2013 and January 2014, the City added 32 persons, a 0.7% increase.
3. Population growth for the City is projected to be a small increase to 5,013 by 2020, based on the historical average of five new dwelling units constructed per year.
4. The City's wastewater system serves approximately 8,600 persons; the City (population 5,000), Brooktrails Township Community Services District (population 3,300), Meadowbrook Manor Sanitation District (population 200), and the Sherwood Valley Rancheria (population 100).
5. The current City General Plan was adopted in 1992 and has a planning horizon ending in 2020. The City is in the process of seeking a consultant to prepare a General Plan Update.
6. The City of Willits has land use authority within incorporated areas and Mendocino County has land use authority within unincorporated areas of the Little Lake Valley area. The City and the County make land use decisions based on their respective General Plans and Zoning Regulations.

##### 3.13.1.2 Disadvantaged Unincorporated Communities

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence

7. The median household income (MHI) for the City of Willits is \$36,466, which is 59% of the State MHI. While the City MHI is less than 80% of the State MHI, the City does not qualify as a disadvantaged unincorporated community (DUC) because it is an incorporated area. The areas surrounding Willits may qualify as a DUC. Special consideration will be given to any DUCs affected by future annexation proposals consistent with GC §56375(8)(A) and LAFCo Policy.

##### 3.13.1.3 Capacity of Facilities and Adequacy of Services

Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere of influence

8. The City provides a wide range of municipal services including general government, finance, public safety, community development, engineering, public works, water, wastewater, airport, and parks and recreation. The City owns the Willits Municipal Airport, which is managed under contract by Mulligan Aviation. The City contracts with Solid Wastes of Willits, Inc. (SWOW) for solid waste services and recycling. The Little Lake Fire Protection District provides fire protection services to the City and the surrounding Little Lake Valley area.



9. The City has 437 water service connections to properties located outside the City limits. The City provides wastewater treatment and disposal services to the adjacent domestic water collection system of Brooktrails Township, and provides 117 wastewater service connections to the Meadowbrook Manor subdivision and Sherwood Valley Band of Pomo Indians Rancheria located outside the City limits.
10. The City's water system serves 2,217 customers. The City's water supply is a combination of surface water from Davis Creek, including Morris Reservoir (726 acre-feet) and Centennial Reservoir (635 acre-feet), and groundwater from the Elias Replacement Well (400 acre-feet). The City's WTP has a capacity of 3.3 million gallons per day and the City has five water storage tanks with a total capacity of 4.711 million gallons. The City's projected annual water demand is approximately 200 MG (614 acre-feet) and the City currently has 2,931 Equivalent Domestic Units (EDU). The City's 330 gpm groundwater well has allowed the City to serve an additional 460 EDUs.
11. Although not required because the City has less than 5,000 water connections, the City should consider developing an Urban Water Management Plan (UWMP) for the 2015 cycle of the State Water Resources Control Board. The UWMP can evaluate future water needs, long-term supply, drought response, and identification of new water sources.
12. The new WWTP has a design discharge capacity of 7.0 MGD; however the City requested that permitted flow be limited to 4.0 MGD based on projected needs through 2025. The treatment plant currently treats an average of 0.65 MGD dry weather flow (without I&I) and 1.20 MGD wet weather flow.
13. Inflow and infiltration (I&I) into the City's wastewater collection system still occurs but is no longer a significant problem. The City has a program to systematically eliminate the major sources of I&I. The City also has a low-interest loan program that will allow property owners to take out loans from the City to pay for repairs to private sewer laterals.
14. On April 6, 2015, the City and BTCSD settled the lawsuit stipulating a new cost allocation to BTCSD of \$22,000 per month beginning July 1, 2015 in addition to 36% of the bond payments.
15. As of October 2018, the City's Police Department was staffed with nine sworn Officers, four dispatcher/records clerks, and one Community Service Officer. In 2017, the Police Department responded to 10,437 calls for service. As of October 2018, the Police Department responded to 9,951 calls for service with a projected total of 11,941 calls for service in 2018. Officers work many overtime hours to maintain the existing level of service and address the volume of calls received, thus indicating that the Officer staffing level is not sufficient.
16. There are no significant capacity issues or major infrastructure needs for the City that need to be addressed within the timeframe of this MSR.
17. It is suggested that the City prepare a Capital Improvement Plan that identifies current and long-term City facility and equipment needs, including upgrades, renovations, and major maintenance, capital improvements and purchases, and facility expansions, and identifies potential revenue sources for addressing those capital needs.

### 3.13.1.4 Financial Ability of Agency

Financial ability of agencies to provide services
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18. The City prepares an annual Budget and has annual Independent Financial Audits prepared by a qualified Certified Public Accountant.

19. The City budgeted for a General Fund deficit in FY 2014-15 and 15-16 and anticipated using General Fund Reserves to cover the net loss. By year-end for both fiscal years, the City was able to reduce expenditures and/or increase revenue to the point that the City successfully increased General Fund Reserves during that time period. The General Fund balance increased approximately 18% from July 1, 2013 to June 30, 2016.
20. Based on the FY 2016-17 Audit, General Fund revenues were \$4,350,769 and were \$12,983 lower than FY 2015-16, General Fund expenditures were \$4,452,217 and were \$222,073 higher than FY 2015-16, and the General Fund balance was \$2,545,972 and increased by \$75,743 or 3% from the FY 2015-16 fund balance of \$2,470,229 when prior period adjustments are taken into consideration.
21. The City's Budget for FY 2017-18 was \$11.2 million and included both General Fund and Enterprise Fund activities. Enterprise Fund activities account for almost half of the FY 2017-18 Budget and are primarily funded by charges for services. The City's General Fund has no long term debt but Enterprise Funds have \$23 million in long term debt with payments of \$1.4 million in FY 2017-18.
22. The water enterprise operates at a net income. The wastewater enterprise operates at a deficit due to debt service interest and payments for loans and bonds used to upgrade the wastewater treatment facility. On August 9, 2017, the City increased the water and wastewater service rates effective September 1, 2017. The City anticipates spending \$4.0 million over five-years for capital improvements to the water system and \$4.1 million over five-years for capital improvements to the wastewater system. In 2016 and 2017, the Municipal Airport operated at a surplus due to an increase in hangar fees adopted in 2016, new tenants at the airport, grants, and greater operating efficiencies.
23. The City-sponsored Voter Measure I for the Cannabis Industry Tax for the City was approved by the Voters in the November 6, 2018 Election and it is estimated that the City could receive annual cannabis related tax revenue in the range of \$250,000 to \$400,000.

### 3.13.1.5 Shared Facilities

Status of, and opportunities for, shared facilities
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24. The City has an agreement with Mendocino County to share the cost of operations and closure of the Willits Solid Waste Disposal Facility.
25. The City is a member of the Mendocino Solid Waste Management Authority which consists of three Cities and Mendocino County formed for the purpose of siting solid waste disposal facilities and solid waste management planning.
26. The City is a member of the Mendocino Emergency Services Authority which consists of all four Cities and Mendocino County and was created for the purpose of coordinating disaster and other emergency preparedness planning and recovery programs.
27. The City is a member of the Redwood Empire Municipal Insurance Fund (REMIF) which is a group of Northern California cities that participate in an agreement pooled insurance including liability, property, and workers' compensation.
28. The City's Police Department is the Public Safety Answering Point (PSAP) for emergency (9-1-1) calls within the City and in the surrounding area. The Police Department coordinates with the Mendocino County Sheriff's Office, the California Highway Patrol, the Little Lake Fire Protection District, and CALFIRE.
29. The City's Police Department provides dispatch services for the Little Lake Fire Protection District.
30. A School Resource Officer position is staffed by the City's Police Department for the Willits Unified School District.

31. The City, in conjunction with the Willits Unified School District, operates a summer swim program at the Community Pool on the Willits High School campus.
32. The City leases a portion of the Corporation Yard to the Mendocino Transit Authority (MTA) for parking public buses.
33. The City contracts with the Mendocino County Information Services Division for all computer hardware and software technology repairs, upgrades, and maintenance including all network computers, internet, email, servers, copiers, desktops, laptops and documentation.

### **3.13.1.6 Accountability, Structure, and Operational Efficiencies**

Accountability for community service needs, including governmental structure and operational efficiencies

34. The City of Willits is a General Law City and operates under the Council-Manager form of government. The City is governed by a five-member City Council elected at-large to serve staggered four-year terms. Regularly scheduled City Council meetings are held on the second and fourth Wednesday of the month at 6:30 p.m. in the City Council Chambers at City Hall located at 111 E Commercial Street in Willits. All meetings are open to the public and are publicly posted prior to the meeting in accordance with the Brown Act.
35. The City Council also serves as the Planning Commission and the Oversight Board of the Successor Agency to the Willits Redevelopment Agency. The 2015 Municipal Service Review recommended the City consider appointing a separate Planning Commission to provide greater public input and review, as well as a defined appeal process.
36. The Willits City Council is very receptive to public input and new ideas, and may benefit from establishing a Task Force to evaluate City operations, practices, and activities. A Task Force has not been established to date; however, the City conducted an organizational analysis in 2013 which resulted in a number of organizational changes.
37. The City Manager was tasked with a significant number of duties including City Clerk, the Human Resources Director, the Risk Manager, and the Director of Emergency Services. Since the 2015 MSR, the City Manager's workload has been reduced by adding Assistant City Manager, Human Resources Analyst, and City Clerk positions.
38. The City is comprised of nine municipal departments including Administration, Finance, Police, Community Development, Engineering, Public Works, Water Treatment, Wastewater Treatment, and Seasonal Parks and Recreation. The City employs both full-time and part-time positions for a total staffing level of 53.60 Full Time Equivalent (FTE) positions. A review of City staffing levels did not identify any instances where government functions are over-staffed. On the contrary, the City of Willits operates in a very efficient manner with employees who are capable of accomplishing different tasks in a seamless manner.
39. The City works cooperatively with other service providers to deliver services more effectively or efficiently by sharing public facilities, resources, and/or service delivery responsibility when feasible. There are no new opportunities for the City to achieve management or operational efficiencies identified during the preparation of this update to the City's 2015 MSR. There is no recommendation for a reorganization of local municipal service providers in the Little Lake Valley area at this time. To address the provision of municipal services outside the City limits, the City could consider pursuing an opportunity to create a subsidiary district or sponsor the creation of a new independent special district.

40. The City maintains a website at <http://www.cityofwillits.org/>, which is a helpful communication tool to enhance government transparency and accountability. The City has hired a consultant to update and improve their website, which is scheduled to launch in early 2019.
41. The public may file complaints with the City Clerk and may provide verbal comments or complaints in person at City Hall during business hours, Monday through Thursday from 9 a.m. to 5:30 p.m., or at the City Council meetings during the general public comment period.

#### **3.13.1.7 Other Service Delivery Matters**

Any other matter related to effective or efficient service delivery, as required by commission policy

42. There are no other matters related to service delivery required by Mendocino LAFCo Policy.

## 4 SPHERE OF INFLUENCE

LAFCo prepares a Municipal Service Review (MSR) prior to or in conjunction with the Sphere of Influence (SOI) Update process. An SOI Update considers whether a change to the SOI, or probable future boundary, of a local government agency is warranted to plan the logical and orderly development of that agency in a manner that supports CKH Law and the Policies of the Commission. The MSR and required determinations for the City of Willits are presented in Chapters 2 and 3 of this document and form the basis of information and analysis for this SOI Update. This chapter presents the SOI Update and required determinations pursuant to California Government Code §56425(e) for the City of Willits.

### 4.1 SOI UPDATE

#### 4.1.1 EXISTING SPHERE OF INFLUENCE

There is no information available to indicate that a Sphere of Influence (SOI) has been adopted by Mendocino LAFCo for the City of Willits. The City's 1992 General Plan Planning Area is limited to the then (and current) City limits. The current SOI for the City is considered to be coterminous with the current City jurisdictional boundary. (LAFCo, 2015)

#### 4.1.2 SOI STUDY AREAS

TBD

#### 4.1.3 CITY AND COUNTY COORDINATION

As part of the City's SOI Update, and pursuant to Government Code Section 56425(b), the City is encouraged to meet and confer with the County of Mendocino with respect to the City's SOI Update proposal including development standards, planning requirements, and zoning requirements.

The four goals, eleven policies, and five actions established for the Willits area from Chapter 6 (Community Specific Policies) of Mendocino County's 2009 General Plan would serve as a helpful discussion framework for this meeting.

The following goals, policies, and actions are specific to the Willits area, and supplement the countywide goals and policies included elsewhere in the County's General Plan.

#### Willits Community Goals

Goal CP-W-1: Coordinate planning and development of the areas around Willits in a manner that complements the City of Willits' role as the local center for services and civic life.

Goal CP-W-2: Plan for the development of the Brooktrails Township through implementation of the Brooktrails Township Specific Plan and resolution of infrastructure issues.

Goal CP-W-3: Adopt planning policies to govern new development opportunities along the State Route 101 Willits Bypass route east of the City in advance of development demand.

Goal CP-W-4: Maintain the rural character of Little Lake Valley using "smart growth" principles including defining a stable limit to urban growth and avoiding a proliferation of rural ranchettes.

### Willits Community Area Policies

Policy CP-W-1: Places and facilities that create a sense of community should be established in the Willits area.

Policy CP-W-2: The County will work with the City of Willits to create a unified community encompassing urban development both within and adjacent to the City.

Policy CP-W-3: Residential uses in the unincorporated area should be focused in areas south of the City of Willits and in the Brooktrails Township (as supported by necessary water and sewer service connections).

Policy CP-W-4: The County supports expanded and diversified economic ventures for the Willits area. Potential strategies include:

- Accommodate State Route 20 and 101 tourist-based traffic by establishing, expanding and redeveloping commercial uses suitable to meet the needs of residents and visitors.
- Support operation of the Skunk Train as a significant tourist feature for the Willits area.

Policy CP-W-5: The County shall seek to maximize the compatibility of the US 101 Willits Bypass with community identity and the protection of economic ventures and agricultural resources.

Policy CP-W-6: The County shall actively plan for changes in circulation and associated effects that will accompany the US 101 Willits Bypass. The following concepts shall be included in the County's plans for the Willits area when the Bypass is complete:

- Maintain land use patterns as they existed in 2007 around the Bypass interchanges unless contiguous to the City.
- Bypass ramp design should provide convenient access to downtown commercial areas while minimizing impacts on residential neighborhoods.
- New development should be focused on the western side of the Bypass.
- The side of the Bypass closest to the City should develop first before permitting development to the "outside" of the Bypass.
- Create substantial green space buffers around the Bypass ramps reflecting a rural perspective and mitigating the visual impacts of new development where allowed.
- Avoid locating highway commercial uses (gas stations, fast food, convenience store, etc.) within green space buffers around the Bypass ramps.

Policy CP-W-7: The County supports improvements to the State Route 20 and 101 corridors in the suburban areas around the Willits City limits.

Action Item CP-W-7.1: Work with Caltrans to evaluate and support measures to reduce traffic hazards associated with pedestrian crossings of US 101.

Action Item CP-W-7.2: Establish public parking areas with easy access to, but substantially screened from, State Route 20 and 101.

Policy CP-W-8: Minimize the visibility of parking areas, utilities and similar improvements.

Policy CP-W-9: Highway visitor travel should be accommodated through visually enhanced parking and streetscapes.

Policy CP-W-10: The County shall collaborate with the City of Willits in providing services, housing and economic opportunity to support a healthy community.

Action Item CP-W-10.1: Work with the City of Willits in planning for the efficient extension of water and wastewater services and annexation to facilitate compact development patterns, efficient service delivery, and affordable housing, consistent with County goals.

Action Item CP-W-10.2: Negotiate an equitable property tax revenue sharing agreement between the County and the City of Willits to facilitate annexations, ensuring that the County receives credit for the transfer of its regional housing needs allocation.

Policy CP-W-11: The County will support the Brooktrails Township Community Services District in its efforts to implement the Brooktrails Township Specific Plan, including the District's efforts to resolve major services and infrastructure problems and reduce the risk of wildfire in the urban-rural interface.

Action Item CP-W-11.1: Organize an annual meeting with the City of Willits and the California Department of Forestry and Fire Protection to ensure continuity of action and address planning issues of mutual concern.

(Mendocino County, 2009)

#### **4.1.4 PROPOSED SOI CHANGES**

TBD

#### **4.1.5 CONSISTENCY WITH LAFCO POLICIES**

TBD

#### **4.1.6 DETERMINATIONS**

It is recommended that the Commission establish an SOI for the City of Willits that \_\_\_\_\_. The following statements have been prepared in support of this recommendation.

##### **4.1.6.1 Land Uses**

The present and planned land uses in the area, including agricultural and open space lands

The City of Willits has a history of commercial development along the former US Highway 101 corridor and industrial development on outlying parcels within the City limits. The Brooktrails Township subdivision of approximately 6,000-parcels is located northwest of the City. The City is located in the Little Lake Valley area with a visual backdrop of wooded ridgelines and is primarily surrounded by agricultural lands, undeveloped properties, and rural-scale development. The City of Willits provides a variety of urban land uses ranging from suburban residential to multi-family residential, retail and service commercial, manufacturing, public facilities, and recreation. The primary land uses for unincorporated areas adjacent to the City of Willits are agricultural, forest, rangelands, and Variable Residential including suburban and rural. The Sherwood Valley Band of Pomo Indians Rancheria is located southwest of the City limits and includes residential units, a community center, and the Sherwood Valley Casino. The City of Willits has land use authority within incorporated areas and Mendocino County has land use authority within unincorporated areas of the Little Lake Valley area. The City and the County make land use decisions based on their respective General Plans and Zoning Regulations.



#### 4.1.6.2 Need for Facilities and Services

The present and probable need for public facilities and services in the area

The City provides a wide range of municipal services including general government, finance, public safety, community development, engineering, public works, water, wastewater, airport, and parks and recreation. The City owns the Willits Municipal Airport which is managed under contract by Mulligan Aviation. The City contracts with Solid Wastes of Willits, Inc. (SWOW) for solid waste services and recycling. The Little Lake Fire Protection District (LLFPD) provides fire protection services to the City and the surrounding Little Lake Valley area and has a coterminous sphere.

The City has 437 water and 117 wastewater service connections to properties located outside the City limits. The City provides wastewater treatment and disposal services to the adjacent domestic water collection systems of Brooktrails Township, Meadowbrook Manor, and Sherwood Valley Band of Pomo Indians Rancheria.

The City and LLFPD are the only two municipal service providers in the Little Lake Valley area. The Brooktrails Township Community Services District (BTCSD) is a municipal service provider in the region, but its services do not extend into the Little Lake Valley area except for mutual aid responses and dispatched service calls. There is no MSR recommendation for a reorganization of local municipal service providers in the Little Lake Valley area at this time.

The two new highway interchanges created north and south of the City limits from the Caltrans US Highway 101 Bypass project have the potential for new commercial and residential development and associated municipal service needs.

The City's residents, visitors, and the areas located outside the City limits that are currently receiving City services will continue to need the public services provided by the City.

#### 4.1.6.3 Capacity of Facilities and Adequacy of Services

The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide

As determined in the MSR prepared for the City of Willits, the City has adequate facilities, personnel, finances, and equipment to meet current and limited future growth demands for public services within the next five years.

#### 4.1.6.4 Communities of Interest

The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency

There are at least three social or economic communities of interest that have been identified in the Willits area that are relevant to the City.

The Brooktrails Township subdivision located three-miles northwest of the City and which already receives wastewater service from the City.

The Sherwood Valley Band of Pomo Indians Rancheria, including residential units, a community center, and the Sherwood Valley Casino, located directly southwest of the City and which already receives water and wastewater services from the City.



The two new highway interchanges created north and south of the City limits from the Caltrans US Highway 101 Bypass project have the potential for new commercial and residential development and associated municipal service needs. It will be important to monitor new development occurring in these areas and the potential financial implications and other impacts to the City, as the primary municipal service provider, and the City's ability to continue to provide services to the Little Lake Valley area.

#### **4.1.6.5 Disadvantaged Unincorporated Communities**

The present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence

The median household income (MHI) for the City of Willits is \$36,466, which is 59% of the State MHI. While the City MHI is less than 80% of the State MHI, the City does not qualify as a disadvantaged unincorporated community (DUC) because it is an incorporated area. The areas surrounding Willits may qualify as a DUC. Special consideration will be given to any DUCs affected by future annexation proposals consistent with GC §56375(8)(A) and LAFCo Policy.

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# 6 ACRONYMS

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AF	Acre-feet
BTCSD	Brooktrails Township Community Services District
CCF	hundred cubic feet
CEQA	California Environmental Quality Act
CKH	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
CSD	Community Services District
FY	Fiscal Year
GPM	gallons per minute
HCF	hundred cubic feet
LAFCo	Local Agency Formation Commission
LLFPD	Little Lake Fire Protection District
MG	million gallons
MGD	million gallons per day
MSR	Municipal Service Review
SOI	Sphere of Influence
WTP	Water Treatment Plant
WWTP	Wastewater Treatment Plant

# 7 ACKNOWLEDGEMENTS

## 7.1 REPORT PREPARATION

This Municipal Service Review and Sphere of Influence Update was prepared by Hinman & Associates Consulting, Inc., contracted staff for Mendocino LAFCo.

- Uma Hinman, LAFCo Executive Officer
- Larkyn Feiler, LAFCo Analyst
- Beth Salomone, LAFCo Commission Clerk

## 7.2 ASSISTANCE AND SUPPORT

This Municipal Service Review and Sphere of Influence Update could not have been completed without the assistance and support from the following organizations and individuals.

City of Willits	Stephanie Garrabrant-Sierra, City Manager Adrienne Moore, Former City Manager Dusty Duley, Community Development Director Scott Herman, Utilities Superintendent Scott Warnock, Chief of Police
E Mulberg & Associates	Elliot Mulberg

## 8 APPENDICES

### 8.1 APPENDIX A – OPEN GOVERNMENT RESOURCES

The purpose of this appendix is to provide a brief list of some educational resources for local agencies interested in learning more about the broad scope of public interest laws geared towards government transparency and accountability. This appendix is not intended to be a comprehensive reference list or to substitute legal advice from a qualified attorney. Feel free to contact the Mendocino LAFCo office at (707) 463-4470 to make suggestions of additional resources that could be added to this appendix.

The websites listed below provide information regarding the following open government laws: (1) **Public Records Act** (Government Code §6250 et seq.), (2) **Political Reform Act** – Conflict-of-Interest regulations (Government Code §81000 et seq.), (3) **Ethics Principles and Training** (AB 1234 and Government Code §53235), (4) **Brown Act** – Open Meeting regulations (Government Code §54950 et seq.), and (5) **Online Compliance** regulations (Section 508 of the US Rehabilitation Act and Government Code §11135).

- Refer to the State of California Attorney General website for information regarding public access to governmental information and processes at the following link: <https://oag.ca.gov/government>.
- Refer to the State of California Attorney General website for information regarding Ethics Training Courses required pursuant to AB 1234 at the following link: <https://oag.ca.gov/ethics>.
- The Fair Political Practices Commission (FPPC) is primarily responsible for administering and enforcing the Political Reform Act. The website for the Fair Political Practices Commission is available at the following link: <http://www.fppc.ca.gov/>.
- Refer to the California Department of Rehabilitation website for information regarding Section 508 of the US Rehabilitation Act and other laws that address digital accessibility at the following link: <http://www.dor.ca.gov/DisabilityAccessInfo/What-are-the-Laws-that-Cover-Digital-Accessibility.html>.
- Refer to the Institute for Local Government (ILG) website to download the Good Governance Checklist form at the following link: [www.ca-ilg.org/post/good-governance-checklist-good-and-better-practices](http://www.ca-ilg.org/post/good-governance-checklist-good-and-better-practices).
- Refer to the Institute for Local Government (ILG) website to download the Ethics Law Principles for Public Servants pamphlet at the following link: [www.ca-ilg.org/node/3369](http://www.ca-ilg.org/node/3369).
- Refer to the Institute for Local Government (ILG) website for information regarding Ethics Training Courses required pursuant to AB 1234 at the following link: <http://www.ca-ilg.org/ethics-education-ab-1234-training>.
- Refer to the California Special Districts Association (CSDA) website for information regarding online and website compliance webinars at the following link: <http://www.csda.net/tag/webinars/>.

**CITY OF WILLITS SOI UPDATE OPTIONS - DRAFT**

There are multiple options available for addressing the City SOI Study Areas. Table 1-1 summarizes these options for each SOI Study Area.

Table 1-1 City of Willits Summary of SOI Update Options						
SOI Study Areas	Coterminous Sphere	Minor Sphere Expansion	Development Proposal	Area of Interest Designation	Government Restructure	Comprehensive Sphere Expansion
1 City General Plan Southwest Area (250-acres)			X	X	X	X
2 East Peninsula Area (Commercial St. & Center Valley Rd.)			X	X	X	X
3 Municipal Airport		X		X		X
4 Municipal Water Treatment Plant		X		X		X
5 Highway 101 Bypass Interchanges			X	X	X	X
6 Marijuana Cultivation and/or Processing Sites			X	X	X	X
7 Outside Water Services				X	X	X
8 Outside Wastewater Services				X	X	X
9 Davis Creek Watershed Upstream of Morris Dam				X		
10 Municipal Wastewater Treatment Facility New Outfall Line				X		
11 Lake Winawa (Wente Boy Scout Camp Reservoir)				X		

Each SOI Update option identified in the summary table above is described below.

**Coterminous Sphere**

A coterminous sphere is a Sphere of Influence (SOI) boundary that is the same as or identical to the existing jurisdictional boundary of a local agency. The current SOI for the City is considered to be coterminous with the current City boundary. The “Coterminous Sphere” option would maintain the City’s existing coterminous sphere and therefore would be exempt from environmental review and would result in filing a Notice of Exemption (NOE).

**Minor Sphere Expansion**

The “Minor Sphere Expansion” option would be limited to addressing two discontinuous areas (islands) containing City-owned municipal facilities and would expand the City’s SOI to include the existing Municipal Airport and the Municipal Water Treatment Plant. While LAFCo discourages creating irregular boundaries, such as incorporated islands, it may be possible to demonstrate that this SOI boundary represents the most logical and orderly shape for reasons such as: (a) these properties contain City-owned

public facilities developed for supporting the provision of municipal services to the City's existing service areas, (b) including the unincorporated lands located between the existing City boundary and these City-owned properties would create large peninsulas and facilitate urban sprawl, and (c) neither the County nor an adjacent special district provides or proposes to provide municipal services to these areas, thus making the City the most logical and efficient service provider to these areas.

If these City properties are fully developed for their municipal use with no further development potential, then the minor sphere expansion option would likely be exempt from environmental review and would result in filing a Notice of Exemption (NOE). However, depending on whether annexation of these properties would facilitate further development or impact the existing provision of municipal services to existing service areas, the minor sphere expansion option could be subject to environmental review and CEQA Compliance could result in a Negative Declaration, Mitigated Negative Declaration, or an Environmental Impact Report (EIR).

### **Development Proposal**

The LAFCo-initiated periodic SOI Update process is not the only timeframe available to a local agency for requesting an expansion of their sphere. A local agency can make an application to LAFCo at any time for a Sphere Amendment and an associated Annexation proposal. Therefore, the City can apply to expand their SOI and add land located within an unincorporated area to the City boundary when a specific property is proposed for development. The City can also try to coordinate with a specific developer, the County of Mendocino, and LAFCo to concurrently process a discretionary land use permit application and a LAFCo application for a change of organization.

This option has the potential for cost savings and maximizing the CEQA process for a development project by addressing land use requirements and LAFCo requirements in one environmental document and one public review process. If the City decides to pursue this option, it may help streamline the process to establish a master tax share agreement with the County of Mendocino in advance of the development proposal.

### **Area of Interest Designation**

An Area of Interest is an unincorporated area outside the jurisdictional boundary and established Sphere of Influence (SOI) boundary of a local agency (the "Interested Agency") in which land use decisions, or other governmental actions of another local agency (the "Acting Agency"), impact directly or indirectly upon the Interested Agency.

For example, approval of a housing project developed to urban densities on septic tanks outside the boundaries of a city and its sphere of influence may result in the city being forced to subsequently extend sewer services to the area to address septic failures and improve city roads that provide access to the development. The city, in such a situation, would be the Interested Agency with appropriate reason to request special consideration from the Acting Agency in considering projects adjacent to the city.

Mendocino LAFCo is in the process of developing an "Area of Interest" Policy, which is a tool used by other LAFCOs throughout the state to serve as a compromise approach that recognizes situations involving challenging boundary or municipal service delivery considerations, or for which urbanization may be anticipated in the intermediate or long range planning horizons. An Area of Interest designation is intended to enhance communication and coordination between a County and a city or special district



regarding development plans in unincorporated areas located near the jurisdictional boundary of the city or district but outside an established SOI.

An Area of Interest designation is most helpful when the County and city or district can reach agreement that development plans related to Areas of Interest designated by LAFCo will be treated the same as if these areas were within the city or district SOI boundary regarding notification to the city or district and consideration of input from the city or district. The draft Mendocino LAFCo Area of Interest Policy includes a provision for LAFCo staff to notify an Interested Agency when LAFCo receives an application for a change of organization or reorganization related to a specific Area of Interest. This draft policy also encourages the Acting Agency and the Interested Agency to establish Joint Powers Agreements or other commitments as appropriate regarding coordination on projects within the Areas of Interest.

This option would designate SOI Study Areas as Areas of Interest to assist the City in requesting consideration from Mendocino County for discretionary land use entitlements or other development plans adjacent to City limits and/or SOI, or with the potential to impact City lands, facilities, and/or services. Since the designation of an Area of Interest would not actually establish an SOI or allow for annexation or out-of-area services, the Area of Interest option would be exempt from environmental review.

### **Government Restructure**

The Government Restructure option would create a separate layer of government to deliver specific municipal services, such as water, wastewater, and park and recreation services, to areas inside and outside the City limits by creating a subsidiary or dependent special district. Formation of a subsidiary special district would be subject to a LAFCo application process and environmental review. The environmental analysis would evaluate such issues as the level of significance of potential impacts associated with development or additional growth facilitated by the availability of municipal services provided by the special district, potential impacts on the existing capacity for providing municipal services to existing service areas to be transferred from the City to the special district, and potential impacts from construction activities to build new or expand existing municipal facilities and infrastructure necessary for the special district to provide municipal services. CEQA compliance for the formation of a special district could result in a Negative Declaration, Mitigated Negative Declaration, or an Environmental Impact Report (EIR).

Per LAFCo Policy, a “Service Specific Sphere” is a special SOI designation for territory that does not need all of the services of a local agency. A service specific sphere would apply to areas located inside and outside the City boundary that receive municipal services from a subsidiary district. Establishing a service specific sphere for a subsidiary district would limit the type of services provided by the subsidiary district upon annexation. If the City created a subsidiary district, then the City, via the subsidiary district, could address existing and proposed out-of-agency water and wastewater service contracts without needing to provide full City services upon annexation of these service specific areas to the subsidiary district. In addition, if undeveloped areas located outside the City limits are included in the subsidiary district boundary upon formation, then services could be provided to these undeveloped areas without requiring LAFCo approval for an out-of-area service agreement, as would be necessary if the City maintained provision of the municipal service.

### Comprehensive Sphere Expansion

The “Comprehensive Sphere Expansion” option would expand the City’s SOI to include all SOI Study Areas proposed for near-term future annexation, including undeveloped land and areas already receiving city services. The comprehensive sphere expansion option would support future annexation proposals, additional out-of-area services, and confer affected agency status upon the City pursuant to Government Code Section 56014. Affected agency status requires LAFCo to notify a local agency of any proposed changes of organization or reorganization applications and allows the affected local agency to provide comments that would be considered by the Commission pursuant to Government Code Section 56668.3(a)(4).

An amendment to an existing SOI that involves substantial undeveloped land that could be developed with the provision of city services, or that would allow more intense development than could occur without the availability of city services, is subject to environmental review. This environmental analysis would evaluate such issues as the level of significance of potential impacts associated with development or additional growth facilitated by the availability of city services, potential impacts on the City’s existing capacity for providing municipal services to existing service areas upon annexation of the SOI Study Areas, and potential impacts from construction activities to build new or expand existing municipal facilities and infrastructure necessary to address new service areas. CEQA compliance for the comprehensive sphere expansion option could result in a Negative Declaration, Mitigated Negative Declaration, or an Environmental Impact Report (EIR). In general, the greater the development potential of a sphere amendment, the more likely that preparation of an EIR will be necessary.

If the comprehensive sphere expansion option requires an EIR level of environmental review, it may be possible to tier from an existing EIR and prepare a Supplemental or Addendum EIR. A Supplemental EIR would be appropriate if only minor additions or changes would be necessary to make the previous EIR adequate for the SOI Update. An Addendum EIR would be appropriate if some changes or additions are necessary but they are not substantial changes and/or new information is not of substantial importance. A Supplemental EIR requires public notice and circulation, whereas an Addendum EIR does not.

Some examples of existing EIRs that may be possible to tier from for the SOI Update include: (1) the City of Willits EIR prepared for their new Wastewater Treatment Plant, (2) the Mendocino County EIR prepared for the Community Plan for the Willits area in the County General Plan, (3) the City of Willits EIR prepared for the most recent Land Use Element of their General Plan, and (4) the Caltrans EIR prepared for the Highway 101 Bypass project since it might address impacts associated with new development related to the new highway interchanges. Note that the older a CEQA document is, the more deficiencies there may be due to evolving CEQA requirements.

Territory placed within a city's sphere indicates that the city is the most logical provider of urban services. LAFCo encourages annexation of developing territory (i.e., area not currently receiving services) that is currently within a city's sphere to that city rather than to one or more single-purpose special districts. LAFCo discourages the formation of special districts within a city's sphere. To promote efficient and coordinated planning among the county's various agencies, districts that provide the same type of service shall not have overlapping spheres.

#### **10.1.11 MEMORANDUM OF AGREEMENTS (FOR CITY SPHERE AMENDMENTS AND UPDATES)**

Prior to submitting an application to LAFCo for a new city sphere of influence or a city sphere of influence update, the city shall meet with the County to discuss the proposed new boundaries of the sphere and explore methods to reach agreement on development standards and planning and zoning requirements as contained in G.C. §56425. If an agreement is reached between the city and County the agreement shall be forwarded to LAFCo. The Commission shall consider and adopt a sphere of influence for the city consistent with the policies adopted by LAFCo and the County, and LAFCo shall give great weight to the agreement to the extent that it is consistent with LAFCo policies in its final determination of the city sphere.

#### **10.1.12 AREAS OF INTEREST**

LAFCo may, at its discretion, designate a geographic area beyond the sphere of influence as an Area of Interest to any local agency. (*Resolution No. 2018-19-01*)

- a) An Area of Interest is a geographic area beyond the sphere of influence in which land use decisions or other governmental actions of one local agency (the "Acting Agency") impact directly or indirectly upon another local agency (the "Interested Agency"). For example, approval of a housing project developed to urban densities on septic tanks outside the city limits of a city and its sphere of influence may result in the city being forced subsequently to extend sewer services to the area to deal with septic failures and improve city roads that provide access to the development. The city in such a situation would be the Interested Agency with appropriate reason to request special consideration from the Acting Agency in considering projects adjacent to the city.
- b) When LAFCo receives notice of a proposal from another agency relating to the Area of Concern, LAFCo will notify the Interested Agency and will consider its comments.
- c) LAFCo will encourage Acting and Interested Agencies to establish Joint Powers Agreements or other commitments as appropriate.

## **10.2 MUNICIPAL SERVICE REVIEWS**

- a) A service review will be prepared prior to, or in conjunction with each sphere of influence establishment, update, or amendment unless LAFCo determines that a prior service review is adequate (i.e., there are no significant changes in existing or anticipated circumstances). A minor sphere of influence amendment will not require a service review. A minor sphere of influence amendment is one that does not have any adverse regional, planning, economic, or environmental impacts.
- b) LAFCo will consider service review determinations and recommendations when rendering sphere of influence findings.

# MENDOCINO Local Agency Formation Commission

## Staff Report

DATE: December 3, 2018  
TO: Mendocino Local Agency Formation Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: Mendocino Coast Healthcare District Informational Report

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### **Recommendation**

Provide staff direction regarding next steps for addressing property owner concerns related to the Mendocino Coast Healthcare District's Measure C Parcel Tax and Sphere of Influence boundary.

### **Background**

At the Commission's September 10, 2018 regular meeting under the Public Expression Agenda Item, the Commission was addressed by several property owners with land located in the Mendocino Coast Healthcare District (MCHD) boundary. Property owners raised concerns related to the recently approved MCHD Measure C Parcel Tax and the District's jurisdictional and Sphere of Influence (SOI) boundaries, as outlined below.

### Measure C

Voters within the Mendocino Coast Healthcare District approved a tax measure in the June 5, 2018 Primary Election to levy a healthcare parcel tax of \$144 per parcel per year for 12 years starting on July 1, 2018. The purpose of the parcel tax is to provide funding to help maintain local emergency room services, attract and retain high quality doctors and nurses, maintain local ambulance and related 911 services, make critical repairs and upgrades to medical equipment and facilities, maintain local surgical services, and maintain local obstetric services. Measure C includes a provision for independent taxpayer oversight as an accountability measure and specifies that revenue raised by this annual parcel tax may not be used for MCHD administrators' salaries, benefits, and pensions.

Pre-election literature prepared by MCHD included mapping of the District's primary and secondary service areas based on zip codes and did not specify the Ukiah (95482) and Redwood Valley (95470) zip code areas, which cover areas within the District boundary (Attachment 1). Property owners within this portion of the District boundary believed they were not subject to the Measure C Parcel Tax and were concerned to discover, after the passage of Measure C, that the parcel tax applies to all land within the District boundary (Attachment 2). Concerns expressed by property owners in this portion of the District boundary state that they do not receive emergency transport or medical services from MCHD or the Mendocino Coast District Hospital facility in Fort Bragg, which is located twice the distance from their property as the Adventist Health Ukiah Valley hospital facility in Ukiah upon which they rely for healthcare services. These property owners have requested that the Commission support a suspension of the Measure C Parcel Tax as it relates to their properties.

### MCHD SOI

The District's Sphere of Influence (SOI) boundary is the same as the District's jurisdictional boundary and was reaffirmed by the Commission in 2016 based on a Municipal Service Review

(MSR) prepared for the District in 2014. Property owners within the Ukiah and Redwood Valley zip code areas within the District boundary and located east of the Comptche-Ukiah Road and Low Gap Road intersection are requesting that the Commission prepare a new MSR/SOI Update for the District in 2019 to address the proposed detachment of their properties from the MCHD boundary (Attachment 3).

### **Commission Direction**

The Commission directed staff to research the concerns expressed by property owners related to the Mendocino Coast Healthcare District and report back to the Commission at their November meeting. This informational report includes details regarding the history of the MCHD name and boundary formation, the 5-Year Rolling Work Plan, the history of the MCHD share of LAFCo apportionment fees, and some other options for addressing the concerns raised by property owners.

### District Name

The Mendocino Coast Healthcare District was established in 1966 as the Mendocino Coast Hospital District. The District's hospital facility is named the Mendocino Coast District Hospital. In 1994, Senate Bill 1169 (Maddy) renamed the hospital district principal act as health care districts to reflect that health care was increasingly being provided outside of the hospital setting. The District's Board of Directors meeting agendas and minutes and Measure C refer to the Mendocino Coast Health Care District.

### District Formation History

The formation of the Mendocino Coast Healthcare District was approved by LAFCo on May 2, 1966 per Resolution No. 66-3. The MCHD boundary was established primarily based on school district boundary lines in existence at the time and generally followed the Mendocino Unified School District in the southern portion of the District and the Fort Bragg Unified School District in the northern portion of the District (Attachment 4). Since it is expensive to survey large areas to prepare legal descriptions when initially forming a local agency, it is not uncommon to base the boundary of a new local agency on the boundary lines of existing local agencies.

### MCHD MSR/SOI Update

The existing MCHD boundary has been in place since 1966. No concerns were raised by the District or property owners prior to, during, or after the Public Hearing for the Mendocino Coast Healthcare District SOI Update on June 6, 2016 or the Mendocino Coast Healthcare District Municipal Service Review (MSR) on August 4, 2014. The Commission and LAFCo staff rely heavily on the knowledge base of each local agency and their constituency when evaluating the adequacy of an SOI in order to establish the provision of logical and efficient municipal services consistent with actual conditions. It appears that this issue has come forward as result of passage of the MCHD Measure C Parcel Tax.

Pursuant to Government Code §56425(g), on or before January 1, 2008, and every five years thereafter, the commission shall, as necessary, review and update each sphere of influence. Therefore, this legal-mandate specifies that once the first-round MSR/SOI study is complete, subsequent MSR/SOI Updates can occur as needed within the framework of a five year review cycle. The following Mendocino LAFCo policy specifies that local agencies providing non-municipal services (including hospital districts) are not subject to a five year MSR/SOI Update review cycle.

In updating spheres of influence, the Commission's general policies are as follows:

- a) The Commission will review all spheres of influences every five years for each governmental agency providing municipal services. Municipal services include water, wastewater, police, and fire protection services.

- b) Sphere of influence changes initiated by any agency providing a municipal service shall generally require either an updated or new service review unless LAFCo determines that a prior service review is adequate.
- c) Spheres of influence of districts not providing municipal services including, but not limited to, ambulance, recreation, hospital, resource conservation, cemetery, and pest control shall be updated as necessary.

LAFCo staff developed a Rolling 5-Year MSR/SOI Update schedule in an effort to try and address the needs of each local agency on a five year basis. The next MCHD MSR/SOI Update is scheduled in fiscal year 2021-2022. The estimated cost to prepare and adopt a limited-scope update to the financial, population, and government accountability sections of the 2014 MCHD MSR and amend the MCHD SOI to address the proposed detachment area is approximately \$5,000, assuming the study is exempt from CEQA and the District provides information within a timely manner.

LAFCo’s annual operating budget is limited, so it is not feasible to fund an additional study in a given year. Therefore, moving one agency ahead in the Rolling 5-Year MSR/SOI Update schedule results in redirecting the budget allocated for another agency and pushing their study back a year, and results in a similar domino effect on another agency in each subsequent year.

From a financial and administrative perspective, it is difficult to justify a third-round LAFCo-funded MSR/SOI Update study for the Mendocino Coast Healthcare District when nine other local agencies are scheduled for completion of a second-round study and 17 other local agencies are scheduled in sequence of prior study adoption for completion of a third-round study before the next MCHD study, as listed below. All of these local agencies, except Mendocino Coast Recreation and Park District, provide municipal services as defined by local LAFCo policy (water, wastewater, police, and fire protection services).

Second-Round Studies

- City of Willits – In progress
- Brooktrails Township CSD – In progress
- Ukiah Valley FD – In progress
- Fort Bragg Rural FPD – In progress
- Mendocino City CSD – Pending
- Covelo CSD – Pending
- City of Ukiah – Pending
- Ukiah Valley Sanitation District – Pending
- Mendocino Coast Recreation and Park District – Pending

Third-Round Studies

- City of Point Arena
- Anderson Valley CSD
- Water/Wastewater Districts (14)
- Hopland PUD

The LAFCo-initiated periodic SOI Update process is not the only timeframe available to a local agency or interested property owners for requesting an expansion to or reduction of an existing sphere. A local agency or property owners, if sufficient petition exists, may make an application to LAFCo at any time for a sphere amendment, which typically is associated with an annexation or detachment proposal.

Regardless of the timing of a sphere amendment, a change of organization application is required to officially remove land from the MCHD jurisdictional boundary and is subject to application processing fees paid for by the applicant.

In addition, a sphere amendment has no impact on the applicability of taxes. The options for removing the MCHD Measure C Parcel Tax from a property owner’s tax bill include (a) agreement from the MCHD Board of Directors to request the County Assessor’s Office to remove the properties in question from assessment of the MCHD Measure C Parcel Tax, and (b) approval of a LAFCo change of organization application for the proposed MCHD detachment area.

Statutory Exception for Payment of LAFCo Apportionment Fees

In 2002, Assembly Bill 1948 (Kelley) redefined the formula for allocating fees to independent special districts for the LAFCo annual operating budget to: (a) limit the apportionment amount for any independent special district to not exceed 50% of the total independent special districts’ share of cost, and (b) for independent special districts formed under the Local Health Care District Law that operate a hospital, such districts may not be apportioned any share until the fiscal year following positive net revenue or after its discharge from federal bankruptcy. The following table provides the LAFCo apportionment fee history for MCHD and shows that the District was not billed for years in which there was no prior year positive net income pursuant to GOV §56381(b)(1)(D)(ii) commencing in Fiscal Year 2003-04.

<b>MCHD Apportionment Fee History</b>			
<b>Fiscal Year</b>	<b>Total Revenues</b>	<b>Allocation Factor</b>	<b>Allocation Amount</b>
2001-02	\$20,186,024	0.667677	31,324.42
2002-03	\$20,406,584	0.649132	29,805.99
2003-04	-	0.000000	\$0
2004-05	-	0.000000	\$0
2005-06	-	0.000000	\$0
2006-07	-	0.000000	\$0
2007-08	-	0.000000	\$0
2008-09	-	0.000000	\$0
2009-10	-	0.000000	\$0
2010-11	\$468,146	0.022424	1,240.06
2011-12	-	0.000000	\$0
2012-13	-	0.000000	\$0
2013-14	-	0.000000	\$0
2014-15	-	0.000000	\$0
2015-16	-	0.000000	\$0
2016-17	-	0.000000	\$0
2017-18	-	0.000000	\$0
2018-19	-	0.000000	\$0

**Options**

The following information includes details regarding some other options available to interested property owners regarding the MCHD Measure C Parcel Tax and SOI boundary.

### Contiguous Parcel Exemption

File a Contiguous Parcel Exemption Form (Attachment 5) with MCHD staff by June 15<sup>th</sup> of each year to be treated as a single parcel for purposes of levying the healthcare parcel tax of \$144 per parcel per year for 12 years. This option applies to parcels that are contiguous, used for owner-occupied, single-family residential purposes, and held under identical ownership. For the fiscal year (FY) 2018-2019 tax cycle, the Contiguous Parcel Exemption application deadline was extended to July 31, 2018. However, the District will honor any valid applications submitted during the first fiscal year (July 1, 2018 through June 30, 2019) by reimbursing property owners for exempt contiguous parcels paid for per the tax bill with the exemption granted in the following year (FY 2019-2020).

### Special Exception to Measure C from MCHD Board of Directors

Request a special exception to the Measure C Parcel Tax from the MCHD Board of Directors and wait until the next scheduled MSR/SOI Update process to request removal from the MCHD SOI boundary.

### Sphere Amendment and Change of Organization Application

Submit a combined application for a sphere amendment and associated change of organization. LAFCo staff will begin processing the application upon submittal of a complete application packet and application processing fees. If not exempt from CEQA, this option has the potential for maximizing the CEQA process by addressing the proposed sphere amendment and change of organization in one environmental document and one public review process. Refer to the attached details related to the LAFCo change of organization fee estimate and application process for a detachment proposal initiated by petition (Attachment 6).

### Voter Initiative to Repeal Measure C

Attempt to create a June 2019 voter initiative to repeal the Mendocino Coast Healthcare District's Measure C Parcel Tax related to the properties in question pursuant to the initiative power provided by Proposition 218 for voters to repeal existing taxes that are not tied to bond indebtedness.

Attachment 1 MCHD Service Area Map with zip codes

Attachment 2 Mendocino Coast Healthcare District Existing Sphere of Influence Map

Attachment 3 Proposed Detachment Map

Attachment 4 Mendocino County School Districts Map

Attachment 5 Mendocino Coast Healthcare District Contiguous Parcel Exemption Form

Attachment 6 LAFCo Change of Organization Fee Estimate and Application Process



# Attachment 1

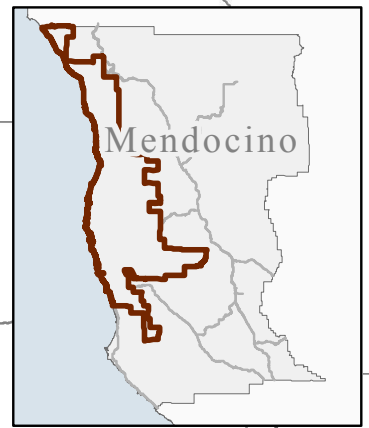


The Mendocino Coast Health Care District is divided into a Primary Service Area and a Secondary Service Area. The Primary Service Area consists of seven zip codes, encompassing the communities of Westport, Fort Bragg, Caspar, Mendocino, Little River, Albion, Elk, and Comptche. The Secondary Service Area consists of three zip codes in the southern coastal communities of Gualala, Manchester, and Point Arena.



**FIGURE 1.**

**Attachment 2**



HUMBOLDT

TRINITY

MENDOCINO

Southern Humboldt  
Community Healthcare District

*Pacific Ocean*

Rockport

Laytonville

Branscomb Rd.

Fort Bragg

Sherwood Rd.

162

20

Willits

Tonki Rd.

LAKE

Mendocino

Compche Ukiah Rd.

Orr Springs Rd.

Ukiah

Elk

128

253

1



Mountain View Rd.

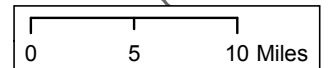
101

Point Arena

SONOMA

Gualala

 District Boundary  
 SOI



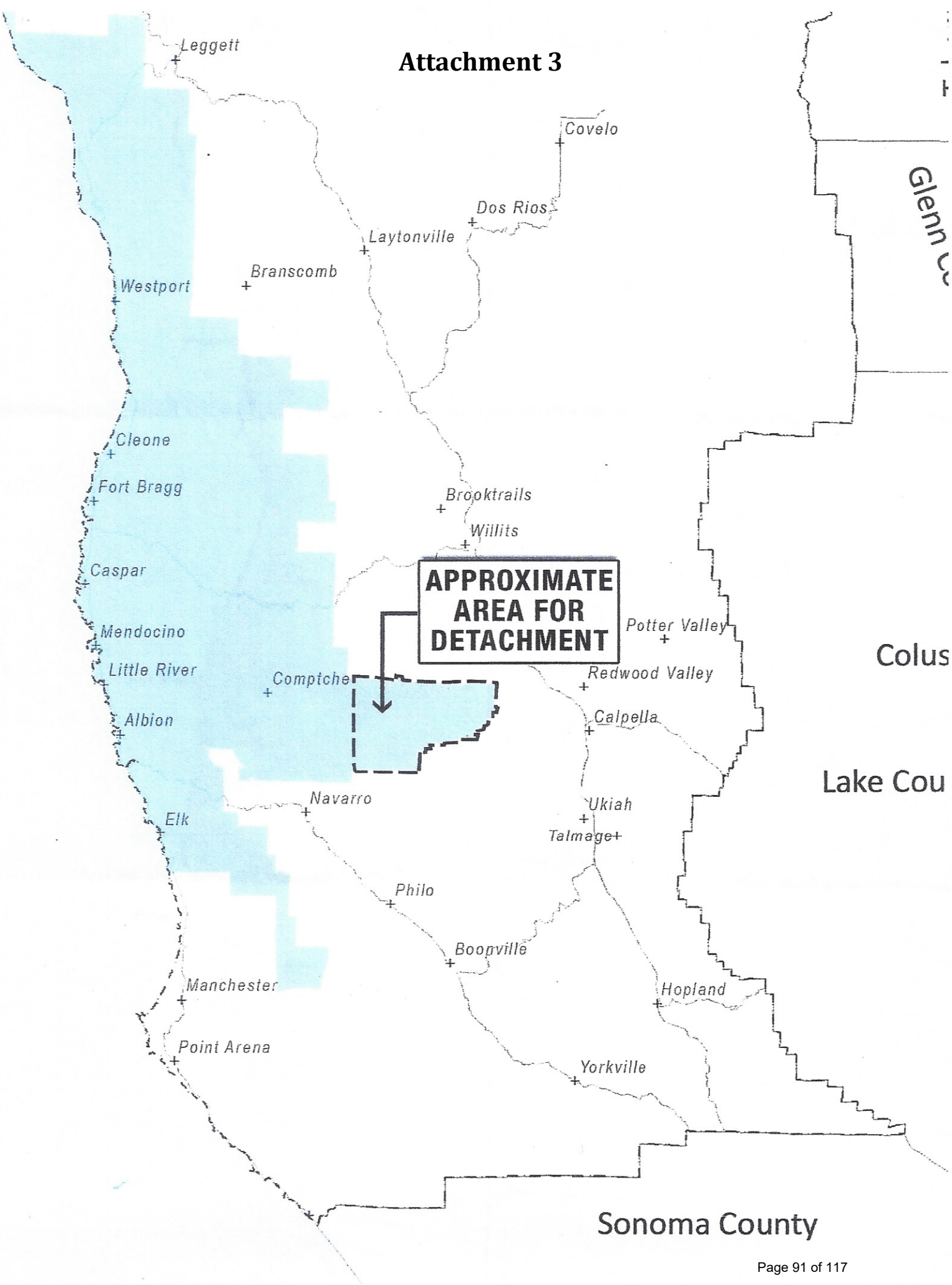
# Mendocino Coast Healthcare District

Prepared for **PLANWEST**  
 PARTNERS, INC.  
 Mendocino  
 Page 90 of 117  
 LAFCo by:  Date: 4/25/2016

Sources: Boundaries: Mendocino County; Roads: US Census TIGER.

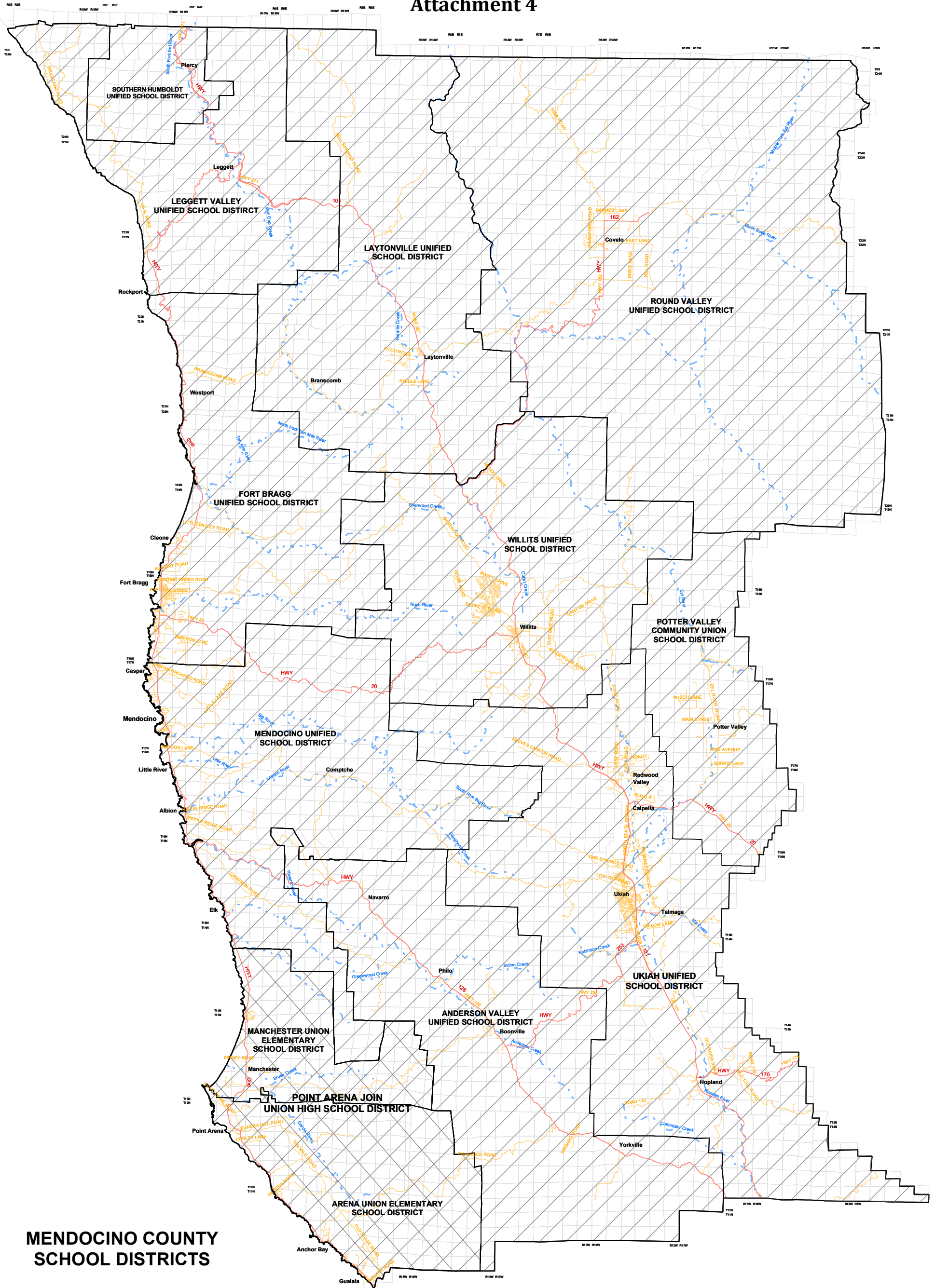
Path: D:\Planwest\_GIS\projects\current\Mendocino\_LAFCo\Other\_Districts\Mendocino\_Coast\_Healthcare\_District.mxd

# Attachment 3





# Attachment 4



## MENDOCINO COUNTY SCHOOL DISTRICTS

- School Districts
- Highways
- County Maintained & Private Roads
- Major Rivers

Source: Map prepared by the Department of Planning and Building Services Cartographic Section, June 2009. Data was extracted from the County's Property System Database using the appropriate use codes assigned by the Assessors Office.

This map is provided as a visual display of County Information. Reasonable effort has been made to ensure the accuracy of the map and data provided: nevertheless, some information may not be accurate. The positional accuracy of the data is approximate and not intended to represent map accuracy from a published record of survey.

THE MAPS AND ASSOCIATED DATA ARE PROVIDED WITHOUT WARRANTY OF ANY KIND. Either expressed or implied, including but not limited to, the implied warranties of merchantability and fitness for a particular purpose. Do not make a business decision based on these data without first validating the information with appropriate County agency or other government entity.



# Attachment 5

## MENDOCINO COAST HEALTH CARE DISTRICT CONTIGUOUS RESIDENTIAL PARCEL TAX EXEMPTION INFORMATION SHEET 2018-19

### 1. What is the Measure “C” parcel tax?

Measure “C” is a parcel tax that will raise money for the Mendocino Coast Health Care District to continue essential healthcare at Mendocino Coast District Hospital by attracting and retaining high quality doctors and nurses, maintaining local emergency room, obstetric, surgical, ambulance and related 911 services, and making critical repairs and upgrades to medical equipment and facilities. All funds raised by the Measure “C” parcel tax must be dedicated to local healthcare facilities and services.

Each parcel within the Mendocino Coast Health Care District will be taxed \$144 per year for the next 12 years. The Measure “C” parcel tax will be levied by Mendocino County and included in annual property tax bills.

### 2. What exemptions are available?

There is an exemption for certain contiguous parcels. This will allow immediately adjacent parcels, owned by the same owner and used for residential purposes, to be treated as a single parcel requiring the owner to pay \$144 annually (as opposed to \$144 multiplied by the total number of contiguous parcels). To provide these exemptions, the District will utilize an application process (the application can be found in the following pages). Granted exemptions will be honored until there is a change of ownership of the parcels.

Normally, the deadline to submit this application will be June 15<sup>th</sup> to potentially receive the exemption in the following fiscal year. This deadline allows sufficient time to process applications prior to the County’s annual deadline for preparation of tax bills. However, given the proximity of the Measure “C” election to the deadline, the District is committed to honoring any valid applications submitted during this first fiscal year (July 1<sup>st</sup>, 2018 through June 30<sup>th</sup>, 2019). This means:

- If the District receives a valid application prior to the County deadline in this first year of the parcel tax at the end of July of 2018, that property owner should receive the exemption.
- If the District does not receive a valid application prior to the County’s deadline in this first year, reimbursement will be provided to the property owner for whatever is billed and paid for exempt contiguous parcels – and then the exemption will be granted in the following year.

### 3. How do I apply for an exemption?

Complete an application form which is included in the following pages. Your Assessor's Parcel Number (APN#) can be found on your annual Tax Bill, the Notification of Assessment card, or by calling the Mendocino County Assessor's Office at (707) 234-6800.

- a. Additionally, provide one of the following as verification of residency:
  - Driver's License
  - Utility Bill
  - Tax Bill

Bring or mail the completed application form and a copy of proof of residency to:

Mendocino Coast District Hospital  
Parcel Tax Exemption  
Attn: Mike Ellis, CFO  
700 River Drive  
Fort Bragg, CA 95437

Please do not mail original proof of residency documentation.

Alternatively, the completed application form and proof of residency can be emailed to:  
[exemption@mcdh.net](mailto:exemption@mcdh.net).

**FOR ADDITIONAL INFORMATION CALL MENDOCINO COAST HEALTH CARE DISTRICT AT (707) 961-4610.**

**MENDOCINO COAST HEALTH CARE DISTRICT  
Contiguous Residential Parcel Tax Exemption Application  
For Tax Year 2018-19**

**APPLICATION DUE ON OR BEFORE 6/30/19**  
*To: Mendocino Coast District Hospital  
Parcel Tax Exemption  
Attn: Mike Ellis, CFO  
700 River Drive, Fort Bragg, CA 95437  
Email: [exemption@mcdh.net](mailto:exemption@mcdh.net)*

Instructions are on back of this form.

**Please Print**

Owner's Name: \_\_\_\_\_

Co-Owner's Name: \_\_\_\_\_

Primary Parcel Number (See Property Tax bill): \_\_\_\_\_

Primary Property Address: \_\_\_\_\_

\_\_\_\_\_

Primary Mailing Address: (if different) \_\_\_\_\_

\_\_\_\_\_

Contiguous Parcel Number (See Property Tax bill): \_\_\_\_\_

(if more than one contiguous parcel, please write numbers on additional page and attach)

Property Address: \_\_\_\_\_

\_\_\_\_\_

(if more than one contiguous parcel, please write addresses on additional page and attach)

Phone Number: \_\_\_\_\_

I wish to claim the Contiguous Property Exemption so that the contiguous parcels I own will be treated as a single "parcel" for purposes of the levy of the Mendocino Coast Health Care District Measure "C" parcel tax.

Measure C – Mendocino Coast Health Care District - \$144 per year.

**I certify that the properties for which I am claiming the Contiguous Residential Parcel Exemption are contiguous, used solely for owner-occupied single-family purposes, and held under identical ownership, and that the information above is true and correct.**

\_\_\_\_\_  
Owner's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Owner's Signature

\_\_\_\_\_  
Date

**MENDOCINO COAST HEALTH CARE DISTRICT  
2018-19 PARCEL TAX  
Contiguous Residential Parcel Exemption Form**

**Instructions**

1. This Measure “C” parcel tax exemption is for property owners who own parcels that are contiguous, used solely for owner occupied, single-family residential purposes, and held under identical ownership.
2. This Measure “C” parcel tax exemption allows for such parcels to be treated as a single “parcel” for purposes of the levy of the parcel tax.
3. Granted exemptions to the Measure “C” parcel tax will be honored until there is a change of ownership of the parcels.
4. The parcel tax applies to parcels with land value. If your parcel is taxed for improvement value only (as in some mobile home parks), the parcel tax will not be assessed on your parcel, and you do not need to fill out this application.
5. To find your Parcel Number, look for the likely 10 digit number (XXX-XXX-XXXX) beginning with “0” or “1” located in the upper left section of your property tax bill, or call the County Assessor at 707-234-6800.
6. Return the signed, completed application and a copy of proof of residency (i.e. driver’s license, utility bill or tax bill) to:

Mendocino Coast District Hospital  
Parcel Tax Exemption  
Attn: Mike Ellis, CFO  
700 River Drive  
Fort Bragg, CA 95437

Or email both to: [exemption@mcdh.net](mailto:exemption@mcdh.net)                      Attn: Mike Ellis, CFO

7. **Return by June 30, 2019.**
8. Responses to the application will be mailed to all applicants.
9. Should you apply after the County’s deadlines in this first year (FY 2018-19) *and* your application be granted, Mendocino Coast Health Care District will mail your refund in a timely manner.

If you have questions, please contact Mendocino Coast Health Care District at (707) 961-4610.



# Attachment 6

## Mendocino LAFCo Estimated Minimum Fee Deposit for Application Detachment from Mendocino Coast Healthcare District

Please note that the fees identified below are minimum deposits and are not necessarily the entire cost of processing the application. Applications are processed at cost, which consists of staff labor and costs associated with public noticing and associated mailings. Once application deposit fees are expended, Mendocino LAFCo will request an additional deposit before proceeding. Any unused funds will be refunded to the applicant.

The following deposit estimate is based on the proposed detachment of 26,000(+/-) acres initiated by petition of land owners.

<b>MCHD Proposed Detachment LAFCo Fee Estimate</b>	
<b>Fee Type</b>	<b>Fee Amount</b>
Petition*	\$150
Minimum Deposit	\$1,500
Additional Minimum Deposit (50 + acres)	\$2,500
<u>CEQA</u>	
Notice of Exemption	\$550
<i>Or</i>	
Negative Declaration	\$5,000
<b>Estimated Total Deposit</b>	<b>\$4,700</b>
<i>Or</i>	
<b>Estimated Total Deposit</b>	<b>\$9,150</b>
*Plus the cost of County Elections verifying petition signatures. Once a Certificate of Sufficiency is issued by the Executive Officer, the other application fees are due.	

**Notes:**

The minimum application deposit amount estimated above reflects LAFCo processing fees only.

There may be other fees/costs applicable to your application such as State Board of Equalization (BOE) fees, Department of Fish and Wildlife (DFW) fees, and professional services costs associated with preparing the application materials (e.g., surveying, mapping, etc.).

BOE boundary changes filing fees are based on acreage and are available online at:  
<https://www.boe.ca.gov/proptaxes/pdf/jurboundaryreq.pdf>.

DFW CEQA Environmental Document Filing Fees:  
<https://www.wildlife.ca.gov/Conservation/CEQA/Fees>

**Mendocino LAFCo**  
**Change of Organization Application Process**  
**Detachment from Mendocino Coast Healthcare District**

The LAFCo Application Form (Justification of Proposal) and Checklist can be downloaded in PDF format from the following website: <http://mendolafco.org/applications/>. The following LAFCo application process is based on the proposed detachment of 26,000(+/-) acres initiated by petition of land owners.

Pre-Application Steps:

1. Applicant and/or applicant's representative meets with LAFCo staff to discuss relevant issues, policies, process, coordination with agencies, and other considerations. A pre-application agreement may be required to cover costs associated with pre-application review and assistance, which would facilitate application review once filed.
2. For proposals initiated by petition, prior to circulating any petition for a change of organization, the applicant files with LAFCo a Notice of Intent to Circulate Petition.
3. For proposals initiated by petition, the applicant circulates a petition for signatures.
4. For proposals initiated by petition, within 30 days of receiving the petition, LAFCo issues a Certificate of Sufficiency or a Notice of Insufficiency.
5. Applicant and/or applicant's representative prepares application materials, including:
  - a. LAFCo Application form (Justification of Proposal);
  - b. Plan for Services;
  - c. Boundary map and geographic description conforming with State Board of Equalization requirements ([www.boe.ca.gov/proptaxes/pdf/jurboundaryreq.pdf](http://www.boe.ca.gov/proptaxes/pdf/jurboundaryreq.pdf));
  - d. Proof of property owner consent, if applicable;
  - e. Applicable fee deposit and agreement to pay authorization;
  - f. Documentation of method of CEQA compliance;
  - g. Other applicable items from the LAFCo application submittal checklist.

Public Hearing Steps:

1. Applicant or applicant's representative submits application package to LAFCo with deposit.
2. LAFCo will:
  - a. Refer the application to affected agencies for comment;
  - b. Review application for completeness and analysis of policies and procedures consistency;
  - c. Confirm receipt of property tax exchange agreement;
  - d. Issue a Certificate of Filing, once any issues have been resolved and the application is deemed complete; and
  - e. Schedule a public hearing date and issue public notices.
3. LAFCo holds public hearing. The Commission will consider the proposal, the staff report, and staff's recommendation. The public hearing may be continued, or the proposal may be approved, approved with modifications or conditions, or denied.

Post-Hearing Steps:

1. If the Commission approves the application, then:
  - a. A 30-day "reconsideration" period begins;
  - b. A follow-up "protest hearing" may be required;
  - c. An "election" may be required;
  - d. Applicant and/or applicant's representative coordinates with LAFCo staff to satisfy any conditions of approval;
  - e. LAFCo staff issues a Certificate of Completion; and
  - f. LAFCo staff files any required final documents with the County Recorder and State Board of Equalization.
2. If the Commission denies the application, a similar application cannot be filed for one year.

The following code sections related to the LAFCo application process are provided for informational purposes only and are not intended to be an exhaustive list of the laws and regulations applicable to the MCHD Detachment proposal.

**Cortese-Knox-Hertzberg (CKH) Local Government Reorganization Act of 2000**

**LAFCo Proceedings by Resolution or Petition**

California Government Code §56650

**Application Contents**

California Government Code §56652

**Plan for Services**

California Government Code §56653

The Plan for Services for the MCHD Detachment proposal can be tailored to the Disincorporation Plan for Services pursuant to California Government Code §56653.1. The application packet should include a “Will Serve” letter from the alternate health care provider (Adventist Health Ukiah Valley) specific to serving the entire detachment area.

**Application Required**

California Government Code §56658

**Factors to be Considered**

California Government Code §56668

**Petition Form and Filing**

California Government Code §56700 through §56705

**Initiation by Petition**

California Government Code §56864

**Protest Hearing (Protest Proceedings or Conducting Authority Proceedings)**

The Commission may waive protest proceedings pursuant to California Government Code §56663. If protest proceedings are not waived, then the provisions of California Government Code §57000 et seq. would apply, including the potential need for an election depending on the level of protest received from landowners and registered voters pursuant to California Government Code §57075.

**Property Tax Exchange Negotiation Process**

Per Revenue and Taxation Code (RTC) §99(b), upon the filing of an application, but prior to the issuance of a certificate of filing, the Executive Officer shall give notice of the filing to the Assessor and Auditor of each county within which the territory subject to the jurisdictional change is located. Per RTC §99(b)(6), an application for a change of organization or reorganization will not be deemed complete and scheduled for public hearing until proof (in the form of adopted resolutions from all applicable negotiating parties) of a property tax exchange agreement is provided by the local agencies whose service area or service responsibility will be altered by the proposed jurisdictional change. If no agreement is reached, the applicant may choose to move forward with the application and provide written notice to LAFCo to that effect.

**Landowner Consent**

If your proposal for annexation contains only uninhabited territory (territory within which there reside less than 12 registered voters pursuant to California Government Code §56046), application processing

can be expedited if proof is provided of 100% affected landowners consent to the proposal and LAFCO does not receive any opposition from affected agencies in response to mailed notice required pursuant to California Government Code §56658(b).

### **California Environmental Quality Act**

The applicability of the California Environmental Quality Act (CEQA) will be determined at the time of proposal submittal based on the whole of the project. The following is provided for informational purposes only and is not intended to be construed as a guarantee of the application parameters or process.

The Municipal Service Review may be exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Title 14 CCR §15306.

The Sphere of Influence Amendment may be exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Title 14 CCR §15061(b)(3).

The Change of Organization application (Detachment proposal) may be exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Title 14 CCR §15320.

**MENDOCINO**  
**Local Agency Formation Commission**  
**Staff Report**

DATE: December 3, 2018  
TO: Mendocino Local Agency Formation Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: Anderson Valley Community Services District Out of Area Fire Service Agreements

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**Recommendation**

Receive report from staff and direct staff to work with the Anderson Valley Community Services District regarding application for out of area fire services.

**Background**

LAFCo received a number of out of area fire service agreements from the Anderson Valley Community Services District (AVCSD) for properties located within its sphere of influence (SOI). The packet of contracts consists of 17 new agreements and 17 agreement renewals. The renewals are for properties recognized and mapped in the 2015 SOI Update for the District. The service agreements consist of District-adopted contracts, and include statements that properties are located within the District's SOI and require LAFCo approval for completion.

**History**

The District's out of area service agreements (OASA) began in approximately 2008 as a way to charge for services provided outside the district boundary and to avoid exposing the District to additional liability (MSR, 2014). The 2014 MSR reported 29 contracts for OASAs. A recent list of properties provided by the District included 40 properties under fire service contract located outside of its jurisdictional boundaries but within the sphere of influence, which also coincides with the District's recognized response area.

During its March 3, 2008 regular meeting, the Commission approved a test process specific to AVCSD for administratively approving out of area fire service agreements, with additional direction to the Executive Officer to provide annual reports to the Commission. Because of the 2008 "test process" and the Commission's direction for annual reports, staff brought the AVCSD contracts to the Executive Committee for discussion and direction.

While the contracts do not contain specified contract expiration dates, the agreements may be renewed annually upon payment of the annual fee until annexation occurs, and shall terminate upon annexation or upon written notice of cancellation by the owner, the District or LAFCo. The contracts include a clause stating that both the District and resident anticipate eventual annexation into the District. Each individual contract has a clause that an OASA becomes effective upon LAFCo approval. (MSR, 2014)

The Executive Committee directed EO Hinman to consult with Legal Counsel regarding 1) whether the 2008 test process was appropriate for approving OASA fire contracts, and 2) whether or not the

Commission could incur liability by approving such contracts. Counsel affirmed that the OASA contracts are subject to 56133 and require Commission approval in accordance with CKH and Mendocino LAFCo policies. Mendocino LAFCo policies (Policies & Procedures Manual Section 12.2) set forth the procedure for processing and consideration (attached) and specifically require consideration by the Commission regarding the allowance of contracting rather than annexing to the district. Additionally, current Legal Counsel response was consistent with the 2007 Legal Opinion by Counsel Houston that LAFCo should not incur any liability for approving such contracts.

**Application Process (Policies & Procedures Manual, Section 12.2)**

Out of area service agreements require application to LAFCo, including submission of an application form, the proposed contract(s), a statement from the District as to their capacity to provide the proposed service without detracting from current service levels, and a fee deposit for processing the application. Mendocino LAFCo's Fee Schedule requires "a minimum deposit of 50% of the cost of an Agreement: annexation, plus agency costs plus CEQA." It is anticipated that the applications would be exempt from CEQA.

Once an application is deemed complete, the Executive Officer prepares and presents a written report with recommendation(s) at a public hearing of the Commission. The public hearing is to be scheduled for the next regular meeting of the Commission for which adequate notice can be given, and within 90 days of receipt of a complete application.

The Commission may approve or deny the request, and if approved, such approval may be with or without conditions. The conditions may include a requirement that the affected agency submit an application for annexation by a specific date and that the owner bind the property to consent to annex as set forth in Mendocino LAFCo policies and the CKH. If denied, the affected agency may ask for reconsideration within 30 days of Commission action. Out of area services agreements are not subject to the protest hearing process.

In conclusion, consistent with Government Code Section 56133(d) and Mendocino LAFCo Policies, the AVCS D out of area fire service agreements must be considered and approved by the Commission.

Attachments: Mendocino LAFCo Policy 12.2  
CKH Section 56133

**12.2 EXTENSION OF SERVICES BY CONTRACT (LAFCo POLICY)**

**12.2.1 COMMISSION APPROVAL REQUIRED**

Except for the specific situations exempted by G.C. §56133(e), a city or district shall not provide new or extended services to any party or property outside its jurisdictional boundaries unless it has obtained written approval from LAFCo, consistent with the CKH Act and the policies described herein.

**12.2.2 EXTENSION OF SERVICES WITHIN SPHERE**

Annexation to cities and special districts involving territory located within the affected agency’s sphere of influence is generally preferred to extending services by contract or agreement. The Commission recognizes, however, there may be local circumstances that justify approval of extended services by contract or agreement within the affected agency’s sphere of influence.

Such local circumstances most frequently involve extension of service to meet an existing health and safety need, where annexation is not practical or deemed undesirable for other policy reasons. The Commission will give great weight to properly documented existing health and safety needs when considering justification of such extensions. The Commission discourages use of contract service extensions for the purpose of extending services to new development. The Commission will approve such extensions only under extraordinary circumstance and may apply strict limitations on such services

**12.2.3 EXTENSION OF SERVICES OUTSIDE SPHERE**

The Commission shall authorize a city or special district’s request to provide new or extended services outside their jurisdictional boundary and sphere of influence only in response to an existing or future threat to public health or safety in accordance with G.C. §56133(c).

**12.2.4 ADMINISTRATIVE APPROVAL UNDER URGENT CIRCUMSTANCES**

The Commission authorizes the Executive Officer, in accordance with G.C. §56133(d), to administratively approve a city or special district’s request for extended services by contract or agreement if there is an existing and urgent public health or safety emergency as identified in writing from the local public health officer. The Commission shall ratify the Executive Officer’s determination at the next regularly scheduled meeting.

**12.2.5 EXEMPTIONS TO LAFCo APPROVAL REQUIREMENT**

Commission approval may not be required for cities or special districts to provide new or extended services outside their jurisdictional boundaries in accordance with the provisions of G.C. §56133(e). The Executive Officer shall consult with cities and districts to determine whether extended services agreements are subject to Commission review.

**12.2.6 ANTICIPATION OF LATER ANNEXATION.**

G.C. §56133(b) authorizes the Commission to approve contracts for extension of services “in anticipation of a later change of organization”. The Commission defines the term “anticipation of a later change of organization” as follows:

- a) The inclusion of the area to be served within the sphere of influence of the serving agency shall be sufficient to comply with this provision.

**12.2.7 AGREEMENTS CONSENTING TO ANNEX**

Whenever the Commission determines to condition the approval upon a later annexation of the affected property, the condition shall normally include a requirement that the owner record an agreement consenting to annex the territory, which agreement shall bind future owners of the property. The agreement shall be prepared by LAFCo legal counsel and provided to the landowners for execution and recording. Proof of recordation will be require before the LAFCo contract approval becomes final and effective.

## **CORTESE-KNOX-HERTZBERG**

### **56133.**

#### **Services by Contract Outside City and District Boundaries**

- (a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundary only if it first requests and receives written approval from the commission.
- (b) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundary but within its sphere of influence in anticipation of a later change of organization.

#### **Threat to Health and Safety**

(c) If consistent with adopted policy, the commission may authorize a city or district to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to respond to an existing or impending threat to the health or safety of the public or the residents of the affected territory, if both of the following requirements are met:

- (1) The entity applying for approval has provided the commission with documentation of a threat to the health and safety of the public or the affected residents.

#### **Notice for Alternate Service Provider**

- (2) The commission has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, that has filed a map and a statement of its service capabilities with the commission.

#### **Proceedings for Review**

(d) The executive officer, within 30 days of receipt of a request for approval by a city or district to extend services outside its jurisdictional boundary, shall determine whether the request is complete and acceptable for filing or whether the request is incomplete. If a request is determined not to be complete, the executive officer shall immediately transmit that determination to the requester, specifying those parts of the request that are incomplete and the manner in which they can be made complete. When the request is deemed complete, the executive officer shall place the request on the agenda of the next commission meeting for which adequate notice can be given but not more than 90 days from the date that the request is deemed complete, unless the commission has delegated approval of requests made pursuant to this section to the executive officer. The commission or executive officer shall approve, disapprove, or approve with conditions the extended services. If the new or extended services are disapproved or approved with conditions, the applicant may request reconsideration, citing the reasons for reconsideration.



# MENDOCINO Local Agency Formation Commission

## Staff Report

DATE: December 3, 2018  
TO: Mendocino Local Agency Formation Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: Status of Applications, Proposals, and Work Plan

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### **ACTIVE APPLICATIONS**

None

### **APPLICATIONS ON-HOLD**

The following applications have been filed with the Commission but are currently on hold. Any updates available are noted below in addition to the date of last activity.

- City of Ukiah Detachment of Ukiah Valley Sanitation District (UVSD) Served Areas  
Last activity: December 2014

### **PRE-APPLICATIONS**

None

### **POTENTIAL FUTURE PROJECTS**

The following potential future projects have been brought to LAFCo's attention and are included for informational purposes. Any updates available are noted below in addition to the date of last activity.

- Anderson Valley CSD Proposed Activation of Latent Powers to Provide Water/Sewer Services  
Last Activity: October 2018
- Proposed Consolidation of Four Water Districts in the Ukiah Valley area  
Last Activity: December 2016

### **WORK PLAN STATUS UPDATE:**

The attached Gantt chart summarizes the current work plan priorities and implementation schedule for fiscal year 2018-19. Please note that staff works concurrently on multiple studies at a time to maintain progress on the different phases of the study development process.

### **Attachments:**

- (1) FY 2018-19 Work Plan Gantt Chart

# Mendocino LAFCo FY 2018-19 Work Plan Gantt Chart

## December 3, 2018 Draft



### Study Development Process



# ASSEMBLY LOCAL GOVERNMENT COMMITTEE

2017-2018 LEGISLATIVE SUMMARY



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ANGELA MAPP  
JIMMY MACDONALD  
COMMITTEE SECRETARY  
DIXIE PETTY

November 1, 2018

TO ALL INTERESTED PARTIES:

The 2017-2018 legislative session was a busy one for the Assembly Local Government Committee. Because of the large number of Assembly Members and Senators with local government backgrounds, interest in local government issues remains high.

Enclosed is a summary of chaptered and vetoed bills that were introduced during the 2017-2018 session and referred to the Assembly Local Government Committee. The summary includes a brief description of all bills, divided into the following categories: Contracting and Procurement; Elections; Governance; Health Care Districts and Health Authorities; Housing and Land Use; Joint Exercise of Powers; Local Agency Formation Commissions; Local Government Finance; Powers and Duties; Transportation and Transit Districts; Utilities, Telecommunications, and Energy; and, Water.

For quick and easy reference, please see the table of contents in the front of this document or the index located at the end. Additional information regarding this summary can be obtained through the Assembly Local Government Committee office at (916) 319-3958.

Sincerely,

  
Cecilia M. Aguiar-Curry, Chair

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## LOCAL AGENCY FORMATION COMMISSIONS (LAFCOs)

### *Chaptered Legislation:*

#### **AB 464 (Gallagher), Chapter 43, Statutes of 2017**

##### **Local government reorganization.**

Makes changes to LAFCO statutes which govern changes of organization and reorganization, including annexation proceedings.

#### **AB 722 (Limón), Chapter 409, Statutes of 2017**

##### **Isla Vista Community Services District: board of directors.**

Authorizes a member of the Santa Barbara County Board of Supervisors or any public officer of the County or their deputies to serve on the Isla Vista Community Services District Board of Directors.

#### **AB 979 (Lackey), Chapter 203, Statutes of 2017**

##### **Local agency formation commissions: district representation.**

Makes changes to the statutes which govern the independent special district selection committee and representation of special districts on LAFCOs.

#### **AB 1361 (Eduardo Garcia and Waldron), Chapter 449, Statutes of 2017**

##### **Municipal water districts: water service: Indian tribes.**

Authorizes a municipal water district, until January 1, 2023, to apply to a LAFCO to extend water service to Indian lands and prohibits the LAFCO from denying the application.

#### **AB 1577 (Gipson), Chapter 859, Statutes of 2018**

##### **California Safe Drinking Water Act: Sativa-Los Angeles County Water District.**

Requires the State Water Resources Control Board (SWRCB) to order the Sativa-Los Angeles County Water District to accept administrative and managerial services from an administrator selected by SWRCB.

#### **AB 1725 (Local Government Committee), Chapter 353, Statutes of 2017**

##### **Local agency formation.**

Makes several non-controversial changes to LAFCO statutes which govern local government organization and reorganization.

#### **AB 2019 (Aguilar-Curry), Chapter 257, Statutes of 2018**

##### **Health care districts.**

Requires set-asides for affordable units when a healthcare district uses design-build to construct housing, requires healthcare districts to post additional information online, expands what healthcare districts must include in their grant policies, and requires healthcare districts to notify their LAFCO when a district files for bankruptcy.

**AB 2238 (Aguiar-Curry), Chapter 990, Statutes of 2018**

**Change of organization or reorganization: LAFCO review: hazard mitigation plan: safety element.**

Makes a number of minor changes to LAFCO law, regional housing needs allocation law, and the law that governs public health emergencies.

**AB 3254 (Local Government Committee), Chapter 86, Statutes of 2018**

**Local government organization: omnibus.**

Makes several non-controversial changes to the LAFCO statutes which govern local government organization and reorganization.

**SB 365 (Dodd), Chapter 216, Statutes of 2017**

**Regional park and open-space districts: County of Solano.**

Authorizes the Solano County Board of Supervisors to initiate the formation of a regional park and open-space district by adopting a resolution and calling an election in lieu of LAFCO approval and circulating a petition.

**SB 448 (Wieckowski), Chapter 334, Statutes of 2017**

**Local government: organization: districts.**

Requires the State Controller to publish a list of inactive special districts and establishes a process for LAFCO to dissolve inactive special districts.

***Vetoed Legislation:***

**AB 2258 (Caballero), 2018**

**Local agency formation commissions: grant program.**

Would have authorized the Strategic Growth Council to administer a grant program to finance certain LAFCO activities.