

MENDOCINO

Local Agency Formation Commission

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

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

COMMISSIONERS

Jerry Ward, Chair & Treasurer
Public Member

Carre Brown, Vice Chair
County Board of Supervisors

Kevin Doble
Ukiah City Council

Gerardo Gonzalez
Willits City Council

Dan Hamburg
County Board of Supervisors

Theresa McNerlin
Ukiah Valley Sanitation District

Tony Orth
Brooktrails Township CSD

Scott Ignacio, Alternate
Point Arena City Council

John McCowen, Alternate
County Board of Supervisors

Carol Rosenberg, Alternate
Public Member

Angela Silver, Alternate
Calpella County Water 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

AGENDA

Regular Meeting of Monday, August 7, 2017 9:00 AM
County Board of Supervisors Chambers 501 Low Gap Road, Ukiah, California

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

Staff reports are available for review at: <http://mendolafco.org/meeting-documents-2017/>

CALL TO ORDER and ROLL CALL

PUBLIC EXPRESSION

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

CONSENT CALENDAR

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

2. Approval of the May 1, 2017 Regular Meeting Summary Minutes
3. Approval of the June 5, 2017 Regular Meeting Summary Minutes
4. Approval of the June 2017 Claims and Financial Report
5. Approval of the July 2017 Claims and Financial Report
6. Approval of the County of Mendocino Information Services Contract Renewal (Standard Services Agreement No. EO 17-66)
7. Approval of the Pehling & Pehling, CPA Contract for FY 2016-17 Audit
8. Savings Bank of Mendocino Authorized Signatures Update for Checking Account

WORKSHOP ITEMS

Workshops are scheduled for Commission review of draft reports prior to the noticing for public hearing. Questions and comments from the Commission, participating agencies, and members of the public are welcome. Documents are available for review at: <http://mendolafco.org/meeting-documents-2017/>.

9. Public Workshop for Comptche Community Service District (CSD) Sphere of Influence Update
10. Public Workshop for the City of Fort Bragg Municipal Service Review and Sphere of Influence Update)

(Page 2, 8-7-17 Agenda)

MATTERS FOR DISCUSSION & POSSIBLE ACTION

11. Draft Legislative Policy

The Policies & Procedures Committee proposal of draft policy for timely response to CALAFCO requests for legislative participation.

12. CALAFCO Business and Legislation Report

- CALAFCO letter of support request for SB 448
- CALAFCO letter of opposition ratification for AB 1361
- CALAFCO 2017 Conference, San Diego, October 25-27; early registration deadline August 31
- CALAFCO 2017/2018 Board of Directors Nominations, due September
- CALAFCO 2017 Annual Achievement Awards nominations open; due August 31
- CALAFCO Quarterly Report
- CALAFCO Legislative Update (AB 464 Chaptered)

INFORMATION/REPORT ITEMS

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

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

14. Correspondence (copies can be requested from Clerk):

- MendoLake Credit Union name change to Community First Credit Union.
- Special District Risk Management Authority Certificate of Coverage 7/1/17 received.
- Dedication of Jere Melo Street, Fort Bragg.

15. Executive Officer's Report (Verbal)

- Note: the September meeting is the 2nd Monday of the month due to Labor Day.

16. Committee Reports (Verbal)

17. Commissioner Reports, Comments or Questions (Verbal)

- Upper Russian River Water Agency (JPA) Update

ADJOURNMENT

The next Regular Commission Meeting is scheduled for
Monday, September 11, 2017 at 9:00 AM

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

Notes: Participation on LAFCo Matters

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

Americans with Disabilities Act (ADA) Compliance: If you are a disabled person and need a disability-related modification or accommodation to participate in a meeting, please contact the LAFCo office at 707-463-4470, by e-mail to eo@mendolafco.org, or by FAX to 707-462-2088. Requests must be made as early as possible, and at least two full business days prior to the meeting.

Fair Political Practice Commission (FPPC) Notice: State Law requires that a participant in LAFCo proceedings who has a financial interest in a Commission decision, and who has made a campaign contribution of more than \$250 to any Commissioner in the past 12-months, must disclose the contribution. If you are affected, please notify the Commission prior to the agenda item.

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at 9:00 AM
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Agenda Item No. 2

MINUTES

LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY

Regular Meeting of Monday, May 1, 2017

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

CALL TO ORDER and ROLL CALL

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

Members Present: Commissioners Carre Brown, Kevin Doble, Gerardo Gonzalez, Dan Hamburg, Theresa McNerlin, Tony Orth, and Jerry Ward

Members Absent: None

Alternate Members Present: Commissioners Scott Ignacio, John McCowen, Carol Rosenberg, and Angela Silver

Alternate Members Absent: None

Staff Present: Uma Hinman, Executive Officer
Larkyn Feiler, Analyst
Elizabeth Salomone, Clerk

1. City Alternate Representative Appointment (Video Time: 0:6:15)
Newly appointed City Alternate Representative Scott Ignacio was sworn in to Mendocino LAFCo.

PUBLIC EXPRESSION (Video Time: 7:17)

2. Public Expression
No one indicated an interest in speaking.

CONSENT CALENDAR (Video Time: 7:41)

3. Approval of the April 6, 2017 Regular Meeting Summary Minutes
4. Approval of the March 2017 Claims

The following edits were requested:

- Page 3 of 6, Item 5, the second was Commissioner Brown, not Hamburg
- Page 9 of 105, County of Mendocino credit adjustment was noted.

<u>April 2017 claims totaling:</u>	<u>\$9,993.07</u>
Uma Hinman Consulting:	\$ 7,721.08
Ukiah Valley Conf Ctr:	\$ 605.21
P. Scott Browne:	\$ 650.66
Commission Reimbursements:	\$ 156.48
County of Mendocino, audio/video & GIS	\$ 646.59
Newspapers (public hearing notices)	\$ 35.00
Petty Cash Replenishment	\$ 178.05

Upon motion by Commissioner Hamburg and second by Commissioner Gonzalez, the April 6, 2017 Regular Meeting Summary Minutes and April 2017 claims were approved with corrections by roll call vote:

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

MATTERS SET FOR HEARING

5. Public Hearing for Anderson Valley Community Services District (AVCSD)
Application for Activation of Latent Powers (Video Time: 10:00)

Analyst, Larkyn Feiler, presented the AVCSD application, noting the staff was revising the recommendation in the staff report to recommend scheduling the protest hearing during the June 5, 2017 Regular Commission meeting, rather than the Executive Officer conducting a separate Protest Hearing. Comments and questions were offered by Commissioners Hamburg, Orth, McCowen, and Brown.

Commissioner Hamburg complimented staff work and the clarity and breadth of the application presentation.

Commissioner Hamburg noted for the record that prior to AVCSD dropping the annexation portion of their original application, District attempts to initiate discussions with the County Executive Office regarding the tax share agreement were unsuccessful. The County Auditor-Controller's office provided estimates of property tax revenue for the proposed annexation area, which were deemed by the District to be inadequate to sustain the proposed annexation. He noted the County Executive Office did not indicate willingness to enter into negotiations at this point or to share property tax revenue. Commissioner Hamburg shared his concern over the areas that will remain unserved with the withdrawal of the annexation/detachment application.

Commissioner Orth commended the Mendocino County Board of Supervisors on its recent decision to share the Proposition 172 Sales Tax Funds with Mendocino County fire districts who have little financial incentive to annex.

Commissioner McCowen commented for the record that the lack of property tax revenue available in the proposed annexation area resulted in the low revenue estimates given by the County and that tax share negotiations between AVCSD and the County Executive Office were never held. Commissioner Brown stated her consensus with Commissioner McCowen's comments.

**Chair Ward opened the Public Hearing for the Anderson Valley Community Service District
 Application for Activation of Latent Powers at 9:22am**

Chief Andres Avila of AVCSD addressed the Commission, thanking the LAFCo and AVCSD staff for their work on the application. Chief Avila shared his frustration with the process; especially the unwillingness of the County Executive Office to communicate with the District regarding tax share negotiations or discussion of alternative funding options, which delayed their ability to conclude the annexation was not a financially viable endeavor. He

noted it is unlikely the AVCSD will initiate annexing the unserved areas in the future due to lack of financial offset. He also stated his frustration with the LAFCo process and encouraged the Commission to review the efficiency of the annexation procedures. Chief Avila also clarified that the Inter-Governmental Transfer Funding, which reimburses government agencies for the difference between Medicare and Medical Insurance payments and the actual cost of service, is not a secured source of revenue for AVCSD. However, the approval of this application will make the District eligible for the funding.

Commissioner McNerlin asked Chief Avila who will respond to the out-of-District boundary areas in question now that the annexation application has been dropped. Chief Avila confirmed that AVCSD will continue to respond to calls in the area according to the mutual aid agreements in place and remain unpaid for these services. He shared his concern of limited resources to cover both the District boundaries and the out-of-District area in question.

Commissioner Rosenberg stressed the need to review the resources of the fire districts to provide the essential services needed. Commissioner Ward acknowledged there is not enough tax revenue in the area in question and asked what the Board of Supervisors and LAFCo could do to encourage more funding that would prevent reduction of vital public services. Commissioner McCowen noted steps being taken by the County to increase tax sharing with districts. Commissioner Brown commented on the difficulty to balance all the vital needs within the County when County revenue, based on property taxes, has not increased significantly in the years since the recession.

Philip Thomas, Boonville resident and Board Member of Anderson Valley Ambulance Services, addressed the Commission, stressing frustration that the response to the District's efforts to communicate with the County were almost non-existent throughout this LAFCo process. He also asked the Commission, when considering the final application costs to AVCSD, it consider that direction was given to the District from the former LAFCo Executive Officer staff that the annexation/detachment was required to activate latent powers. (49:34 on video)

EO Hinman noted the Executive Committee would be reviewing the AVCSD Application fees at their May 1, 2017, 11:15am meeting.

Chair Ward closed the Public Hearing for the Anderson Valley Community Service District Application for Activation of Latent Powers at 9:46am

Upon motion by Commissioner Hamburg and second by Commissioner McNerlin, the following actions were approved by roll call vote:

- (1) Find the Anderson Valley Community Services District application to activate latent powers for ambulance services is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Class 20 (CCR Section 15320); and
- (2) Adopt LAFCo Resolution 16-17-10, thereby approving the activation of ambulance services authorized by California Government Code Section 61100(d) as detailed in the Plan for Services prepared by the Anderson Valley Community Services District.
- (3) Direct the Executive Officer to schedule a protest hearing pursuant to Government Code Section 57075.

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

6. Public Hearing for the Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for Russian River Flood Control & Water Conservation Improvement (RRFC) District (Video Time: 52.18)

Clerk Salomone presented the RRFC MSR/SOI, reviewing the staff report. Comments and questions were offered by Commissioners Ward, Doble, McCowen, Brown, McNerlin, and Silver.

Commissioners Ward and McNerlin asked for clarification on the financial summary tables and a notation regarding the most current audit available. He also noted a bad debt showing in Fiscal Year 13/14 of \$27,000.

Commissioner Doble noted a very recently vacated board seat.

Commissioner Ward introduced a discussion on the financial health of the proposed consolidation of five water districts, including RRFC. Commissioners and staff offered comments. EO Hinman noted that when the application for the consolidation of water districts is brought before the Commission, it will include a detailed plan of services, including the finances of the proposed new district.

Chair Ward opened the Public Hearing for the Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for Russian River Flood Control & Water Conservation Improvement (RRFC) District at 9:58am.

Tamara Alaniz, General Manager of RRFC, thanked LAFCo for moving forward with the District MSR and SOI. She noted a primary goal of the consolidation effort is to ensure each district remains either at status quo or in a better condition. GM Alaniz noted that the bad debt referred to by Commission Ward may have been credit memos and unapplied payments. The District QuickBooks records have recently been reconfigured to address these issues.

Chair Ward closed the Public Hearing for the Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for Russian River Flood Control & Water Conservation Improvement (RRFC) District at 9:59am.

Upon motion by Commissioner Gonzalez and second by Commissioner Brown, the following actions were approved by roll call vote:

- (1) Find the Russian River Flood Control & Water Conservation Improvement District Municipal Service Review and Sphere of Influence Update is exempt from the California Environmental Quality Act (CEQA) pursuant California Code of Regulations Sections 15306 and 15061(b)(3); and
- (2) Adopt LAFCo Resolution 16-17-08, thereby approving the Russian River Flood Control & Water Conservation Improvement District Municipal Service Review and Sphere of Influence Update and affirming the SOI for the District.

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

7. Public Hearing for the Proposed Budget for Fiscal Year 2017-18 (Video Time: 1:21:22)

EO Hinman presented the staff report for the proposed budget, noting total operating costs of \$160,225 with a decrease of expenses from the current fiscal year of \$10,000. She noted anticipated rollover funds from unutilized account budgets. Comments and questions were offered by Commissioners Silver, McCowen, Ward, Hamburg, Orth, Rosenberg, Gonzalez, and Doble.

Commissioners Silver and McCowen supported Commission discussion on the apportionment fees, reserve fund amounts, and adequate staff budgeting.

Upon motion by Commissioner Gonzalez and second by Commissioner McNerlin, Resolution No. 16-17-09 approving the Proposed Budget for Fiscal Year 2017-18 was passed and staff directed to schedule a public hearing for the Final 2017-18 Budget by roll call vote:

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

MATTERS FOR DISCUSSION & POSSIBLE ACTION

8. LAFCo Legal Services (Video Time:1:41:14)

EO Hinman presented the staff report. Comments and questions were offered by Commissioners Brown, Orth, McNerlin, McCowen, and Gonzalez. Commission consensus was to remain with current LAFCo legal counsel, Scott Browne.

9. Upper Russian River Water Agency (URRWA) Joint Powers of Authority Letter of Support Request (Video Time 1:04:50)

EO Hinman presented the request from URRWA to provide a letter of support to Governor Brown for the voluntary consolidation of water districts in the Ukiah Valley. Comments and questions were offered by Commissioners Orth, Silver, Ward, Brown, Rosenberg, and Doble.

Commissioner Brown noted the Board of Supervisors has a letter of support on the agenda for their next meeting and Commissioner Doble noted the City of Ukiah is considering a letter of support at their next meeting as well.

EO Hinman shared that a call was received by the State Water Board area representative working with the consolidation efforts, encouraging LAFCo staff to participate early on in the process and meetings. The State Water Board would like to see the consolidation move along concurrently with the State Water Resources Control Board approval.

Upon motion by Commissioner Gonzalez and second by Commissioner McNerlin, the letter to Governor Brown regarding the voluntary consolidation of water districts in the Ukiah Valley was approved by unanimous vote:

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

Chair Ward called a break from 10:08 – 10:23 am.

10. Legislative Letters of Support from CALAFCO (Video Time: 1:49:15)

EO Hinman presented the staff report. Comments and questions were offered by Commissioners Ward, Brown, and Silver. Commissioner Brown asked for copies of the letter to be sent to Senator McGuire and Councilperson Woods.

Upon motion by Commissioner Orth and second by Commissioner Gonzalez, CALAFCO requested letters of support to Governor Brown on AB464 and AB 1725 were approved by unanimous vote:

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

11. Legislative Process (Video Time:1:53:04)

EO Hinman presented the staff report, noting that there are times when time-sensitive requests for legislative support letters are forwarded by CALAFCO, not always allowing time to bring forward at the next Commission meeting. Staff requests direction or direction to the Policies and Procedures Committee to develop a policy for handling such requests. Comments and questions were offered by Commissioners Gonzalez, McCowen, McNerlin, Brown, Rosenberg, and Hamburg.

Upon motion by Commissioner Brown and second by Commissioner Orth, direction to the Policies & Procedures Committee to develop a policy regarding time sensitive legislative support letter requests was approved by unanimous vote:

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

INFORMATION/ REPORT ITEMS

12. Status of Applications, Future Projects, MSR and SOI Updates (Video Time: 2:00:00)

EO Hinman presented the staff report. Comments and questions were offered by Commissioners.

Anderson Valley CSD Activation of Latent Powers to Provide Ambulance Services

Application was discussed in Agenda Item 5. A protest hearing will be held at the June 5, 2017 during the Regular Commission meeting. Provided that less than 25% of the registered owners protest, the application can be finalized at the June meeting and a certificate of completion recorded.

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

Commissioner Ward noted that a deposit is being held on this application, which the City requested be placed on hold. Commissioner Doble noted a new Planning Director has been hired at the City and there was no indication the application would be withdrawn at this point.

Fort Bragg RFPD North of 10 Mile Annexation

EO Hinman reported steps being taken to clarify mapping issues for final completion.

Status of MSR/SOI Updates

EO Hinman reported the fire district SOI updates workshop has been delayed to accommodate the urgency of the AVCSO application. LAFCo staff is waiting for the City of Willits to respond with their input on the SOI. The City of Fort Bragg SOI workshop has been rescheduled for a later date in order to give city staff ample opportunity to review the document thoroughly.

13. Correspondence (Video Time: 2:05:00)

No correspondence to report.

14. Executive Officer's Report: (Video Time: 2:05:05)

- Information/Report Items: Attachment in packet includes the SB 1266 JPA letter from LAFCo to the special districts, cities, and the County, as well as a legislative update report. Commissioners were asked to provide staff with known JPA contact information to assist in compiling a complete list for the County.
- CALAFCO Staff Workshop in Fresno was attended by EO Hinman and Analyst Feiler, April. 5th-7th.

15. Committee Reports (Video Time: 2:13:15)

No reports offered.

16. Commissioners Reports, Comments or Questions (Video Time: 2:14:00)

Upper Russian River Water Agency (URRWA) JPA Update was provided by Commissioner Silver. She thanked the Commission for approval of the support letter to Governor Brown on behalf of URRWA.

Commissioner Silver shared information on Women of Water (WoW), a group developed to conduct public outreach on water issues in the Ukiah valley.

Commissioner Orth shared that the Brooktrails Township CSD maximized one of their reservoirs by restoring storage capacity.

Commissioner Orth noted that many districts in the County will be reviewing and choosing to change their election cycles by 2022, per state law requiring modification of their election cycles. Commissioner Brown offered further information on election scheduling changes.

Commissioner Ward reported that he authorized \$50,000 be transferred from the County-held LAFCo account to the checking account, noting three districts that have not yet paid apportionment fees. He requested the final audit be distributed to Commissioners.

Commissioner Ignacio thanked the Commissioners and staff for the warm welcome.

17. Legislation Report

EO Hinman noted that there was a legislative summary in the agenda packet and requested that Commissioners let her know if there were any of interest and she would follow up on those in particular.

ADJOURNMENT

There being no further business, at 11:20am the meeting was adjourned. The next regular meeting is scheduled for Monday, June 5, 2017 at 9:00am in the County Board of Supervisors Chambers at 501 Low Gap Road, Ukiah, California.

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

May 1, 2017

<https://www.youtube.com/watch?v=CYTEJFXmF6E>

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Agenda Item No. 3

MINUTES

LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY

Regular Meeting of Monday, June 5, 2017

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

CALL TO ORDER and ROLL CALL

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

Members Present: Commissioners Carre Brown, Kevin Doble, Gerardo Gonzalez, Dan Hamburg, Theresa McNerlin, Tony Orth, and Jerry Ward

Members Absent: None

Alternate Members Present: Commissioners John McCowen and Carol Rosenberg

Alternate Members Absent: Commissioners Scott Ignacio and Angela Silver

Staff Present: Uma Hinman, Executive Officer
Larkyn Feiler, Analyst
Elizabeth Salomone, Clerk

PUBLIC EXPRESSION (Video Time: 4:20)

1. Public Expression
None.

CONSENT CALENDAR (Video Time: 4:43)

2. Approval of the May 1, 2017 Regular Meeting Summary Minutes
3. Approval of the May 2017 Claims
4. Executive Officer Contractor Business Name Change

Item 2, Minutes of the May 1, 2017 meeting, was pulled and after discussion, tabled until the July 3, 2017 Regular Meeting.

The following edits were requested to the May 1, 2017 meeting:

- Page 4 of 7, Item 6, Review the times of the Russian River Flood Control MSR & SOI Public Hearing.
- Review the recording of Commissioner Hamburg's comments on page 3 of 7, third paragraph.

Commission discussion was held regarding Commissioner Hamburg's comments during the May 1, 2017 meeting during the Anderson Valley Community Service District Application for Activation of Latent Powers Public Hearing and the accuracy of their documentation in the draft minutes. Staff was directed to review the video recording and present the appropriate changes to Commissioners Hamburg and McCowen for review. The May 1, 2017 draft meeting minutes will be brought back to the Commission on July 3, 2017 for approval.

Commissioner Hamburg revisited his comments and stated he believed the County chose not to negotiate in order not to set a precedent of negotiating property taxes with Special Districts in this way. Commissioner Hamburg stated he did not mean to say the County was not negotiating in good faith; he does not believe that is an accurate statement but meant there was not a clear procedure in place.

Commissioner McCowen restated his position that no negotiation of tax share agreements occurred, the County did not refuse to negotiate, and there was confusion and misunderstanding about the process.

Commissioner Orth noted this issue is important to the Commission and a policy review is needed to address the annexation processes in regards to tax negotiations between special districts and Mendocino County. He suggested a Mendocino County Supervisor work directly and officially with the Mendocino County Executive Office directly when a special district is legally required to work through this process of tax negotiations. Chair Ward directed the Policies & Procedures Committee to provide a recommendation on tax negotiation procedures to their next meeting agenda.

<u>May 2017 claims totaling:</u>	<u>\$16,564.14</u>
Uma Hinman Consulting:	\$ 12,838.73
Ukiah Valley Conference Center:	\$ 838.40
P. Scott Browne:	\$ 500.00
Commission Reimbursements:	\$ 233.48
County of Mendocino, audio/video & GIS	\$ 208.96
Newspapers (public hearing notices)	\$ 599.07
Deluxe (checks)	\$ 198.50
County of Mendocino (County Counsel Training)	\$ 160.00
SDRMA (insurance)	\$ 987.00

Upon motion by Commissioner Gonzalez and second by Commissioner Brown, Items 3 & 4, the May 2017 claims and Executive Officer Contractor Business Name Change, were approved with corrections by roll call vote:

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

MATTERS SET FOR PROTEST HEARING

5. Protest Hearing for Anderson Valley Community Services District (AVCSD)
Application for Activation of Latent Powers (Video Time: 10:00)

Analyst, Larkyn Feiler, presented the AVCSD Protest Hearing to receive written protests from affected landowners and registered voters regarding the proposal from AVCSD to Activate Latent Powers for Ambulance Services.

Chair Ward opened the Protest Hearing for the Anderson Valley Community Service District Application for Activation of Latent Powers at 9:23am.

No one indicated an interest in speaking.

Chair Ward closed the Protest Hearing for the Anderson Valley Community Service District Application for Activation of Latent Powers at 9:24am.

Upon motion by Commissioner Orth and second by Commissioner Doble, LAFCo Resolution number 16-17-11 ordering the activation of latent powers for ambulance services without an election pursuant to Government Code Section 57075(a)(3) was approved unanimously:

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

MATTERS SET FOR HEARING

6. Public Hearing for the Final Budget for Fiscal Year 2017-18 (Video Time: 46:55)

EO Hinman presented the staff report and noted no comments were received for the public hearing on the final budget for Fiscal Year 2017-18. The total operating costs of \$160,225, an overall reduction from the previous year's operating expenses just under \$10,000. With the approved motions in Items 8 & 9 of this agenda, the rollover from unutilized account budgets will be approximately \$16,000 rather than \$20,000. Comments and questions were offered by Commissioners Ward and Doble.

Chair Ward opened the Public Hearing for the Final Budget for Fiscal Year 2017-18 at 9:48am.

No one from the public indicated an interest in speaking and no comments were received by staff.

Chair Ward closed the Public Hearing for the Final Budget for Fiscal Year 2017-18 at 9:49am.

Upon motion by Commissioner Gonzalez and second by Commissioner Doble, Resolution No. 16-17-12 approving the Final Budget for Fiscal Year 2017-18 was approved by roll call vote:

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

WORKSHOP ITEMS

7. Public Workshop for the Little Lake Fire Protection District (LL FPD) Sphere of Influence (SOI) Update (Video Time 52:00)

EO Hinman thanked the Little Lake FPD for their cooperation and provided an update on the remaining fire district SOI workshops. Analyst Larkyn Feiler presented the staff report. Incoming Chief, Chris Wilkes of Little Lake FPD noted the District just received the Fiscal Year 15/16 Audit for their review and approval and he will forward it to LAFCo staff as soon as possible. Comments and questions were offered by Commissioners Orth, McNerlin, McCowen, Gonzalez, Rosenberg, and Doble.

The Little Lake FPD SOI will be brought to public hearing at a future meeting.

MATTERS FOR DISCUSSION & POSSIBLE ACTION

8. Request for Authorization to Exceed the Basic Services Contract (Video Time 25:25)

EO Hinman presented the request to approve exceedance of the Basic Services budget line no more than \$4,500. She noted the unexpected projects staff handled throughout the fiscal year included a number of backlog items such as the Fort Bragg Rural Fire District, reconciling QuickBooks discrepancies, and emergency services

meetings between agencies. She pointed out the Fiscal Year 2016-17 budget is currently projected to have unspent funds and therefore the exceedance in Basic Services would not mean an overage for the overall budget.

Commissioner Ward noted the Executive Committee reviewed the request, does not want to see a reduction of staffing, and supported the request. Commissioner McCowen suggested approving an exceedance to ensure sufficient funds. Commissioner Doble noted the difficulty of estimating this type of work and the value of service being provided lends to his support. Commissioner Orth noted the services rendered are very valuable.

Upon motion by Commissioner Brown and second by Commissioner McNerlin, the exceedance of the Basic Services budget line by no more than \$4,500 was approved by roll call vote:

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

9. Request for Anderson Valley Community Services District Application Fee Reimbursement
(Video Time: 29:55)

EO Hinman presented the application fee reimbursement request from Anderson Valley Ambulance Service (AVAS), the funding entity for the application involving the AVCSD annexation/detachment and activation of latent powers for ambulance services.

The AVAS request suggested an adjustment of \$3,761.57, which they believe to be related directly to processing the annexation/detachment project component. The Executive Committee reviewed the request and directed staff to further refine the breakdown of processing costs to differentiate between staff time associated with the annexation/detachment component and the activation of latent powers component. Staff identified \$1,682.50 in application processing costs that are attributable solely to the annexation/detachment portion of the AVCSD application. Not included are charges incurred during May 2017, including \$780 of additional time for protest hearing preparations, public hearing notices, and a \$50 Certificate of Completion recording fee, bringing the refund to \$1,921. Comments and questions were offered by Commissioners Hamburg, McCowen, Orth, McNerlin, Rosenberg, and Ward.

Chief Andres Avila commented that the appropriate effort was made by the applicants but the process was not clear and asked for recognition of their time and effort.

Commissioner McCowen urged the Commission to make their decision on the refund based on staff research.

Commissioner McNerlin made a motion to refund the Anderson Valley Ambulance Service the requested amount of \$3,761.57 for the application involving the AVCSD annexation/detachment and activation of latent powers for ambulance services. Commissioner Hamburg seconded the motion. The motion failed with the following roll call vote:

Ayes: (3) Hamburg, McNerlin, and Orth

Noes: (4) Doble, Gonzalez, Brown, and Ward

Upon motion by Commissioner Doble and second by Commissioner Gonzalez, an adjustment of \$2,845 for the actual cost of the annexation line item in the application involving the AVCSD annexation/detachment and activation of latent powers for ambulance services was approved by roll call vote:

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

Joy Andrews, General Manager of AVCSD, thanked the Commission and LAFCo staff. Philip Thomas, Treasurer of Anderson Valley Ambulance Services, thanked the staff, noting he found them helpful, kind, friendly, and always trying to get to the truth. Chair Ward thanked members of AVAS and AVCSD for their patience.

10. Special District Risk Management Authority (SDRMA) Board of Directors Election (Video Time: 1:05:38)

Upon motion by Commissioner Orth and second by Commissioner Brown, votes for Michael J. Karen, Board Director of Apple Valley Fire Protection District, James M. Hamlin, Board Director of Burney Water District, and David Aranda, General Manager of Mountain Meadows Community Services District candidates on the SDRMA Board of Directors Election were approved by unanimous vote:

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

INFORMATION/ REPORT ITEMS

11. Status of Applications, Future Projects, MSR and SOI Updates (Video Time: 1:09:50)

EO Hinman presented the staff report. Comments and questions were offered by Commissioners.

Fort Bragg RFPD North of 10 Mile Annexation

EO Hinman reported steps being taken to clarify mapping issues for final completion.

Status of MSR/SOI Updates

EO Hinman reported approximately two additional fire district SOIs will be ready for workshop next month. LAFCo staff is waiting for the City of Willits to respond with their input on the SOI. The City of Fort Bragg SOI workshop has been tentatively scheduled for the August 7, 2017 meeting.

12. Correspondence (Video Time: 1:11:37)

Comments were offered by Commissioners Orth, Brown, Doble, and Ward.

13. Executive Officer's Report: (Video Time: 1:15:06)

No comments were offered by Commissioners.

14. Committee Reports (Video Time: 1:15:10)

Executive Committee meeting met May 1, 2017.

15. Commissioners Reports, Comments or Questions (Video Time: 1:16:00)

Commissioners were asked to provide further additions to the Joint Powers of Authority list being compiled by staff.

16. Legislation Report (Video Time: 1:22:16)

No reports.

ADJOURNMENT

There being no further business, at 10:26am the meeting was adjourned. The next regular meeting is scheduled for Monday, July 3, 2017 at 9:00am in the County Board of Supervisors Chambers at 501 Low Gap Road, Ukiah, California.

Live web streaming and recordings of Commission meetings are now available via the County of Mendocino's YouTube Channel. Links to recordings and approved minutes are also available on the LAFCo website. June 5, 2017

https://www.youtube.com/watch?v=5XV1xtBT_ps

MENDOCINO Local Agency Formation Commission

Staff Report

DATE: August 7, 2017
 TO: Mendocino Local Agency Formation Commission
 FROM: Uma Hinman, Executive Officer
 SUBJECT: Financial Report and Claims for June 2017

Claims The following claims are recommended for payment authorization:

Name	Account Description	Amount	Total
Uma Hinman Consulting	5300 Basics Services	\$ 4,908.23	\$ 11,126.46
	6200 Bookkeeping	\$ 99.75	
	7001 MSR's	\$ 4,306.25	
	7501 SOI Updates	\$ 1,756.23	
	5601 Office Supplies	\$ 56.00	
	8016 Applications (AVCSD)	\$ -	
Ukiah Valley Conf. Center	5502 Office space	\$ 404.00	\$ 474.94
	5503 Work room	\$ 30.00	
	5603 Photocopy - (April and May)	\$ 32.20	
	5605 Postage - (April and May)	\$ 8.74	
P. Scott Browne	6300 Legal Counsel	\$ 500.00	\$ 500.00
	Monthly flat fee (April 2017)		
Commissioner Reimbursements	6740 In-County Travel & Stipends:		\$ 178.08
	Rosenberg (June 2017)	\$ 51.08	
	McNerlin (June 2017)	\$ 50.00	
	Orth (June 2017)	\$ 77.00	
County of Mendocino	6000 Video Recording of Meetings	\$ 208.96	\$ 208.96
	7501 GIS Mapping	\$ -	
Newspapers	5900 Public Hearing Notices		\$ 370.99
	Budget, AVCSD protest hearing	\$ 370.99	
CALAFCo	6600 Annual Membership	\$ 899.00	\$ 899.00
Pacific Internet	5700 Internet & Website costs	\$ 979.08	\$ 979.08
Anderson Valley Ambulance Services	8016 Adjustment to application filing fees	\$ 2,845.00	\$ 2,845.00
Total:			\$ 17,582.51

Notes: None

Other Financial Activity:

No application revenues. Deposit of \$50,000 made from County account to checking account will be shown on tracking in July.

Attachments: Budget Track Spreadsheet
 UHC 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 2016-17 Budget and Application Tract

Acct #	Task	FY 16-17 Budget	1st Qtr Subtotals	2nd Qtr Subtotal	3rd Qtr Subtotal	April	May	June	Year to Date	Remaining Budget
EXPENSES										
5301	Basic Services - EO/Analyst/Clerk	\$65,680.00	\$14,902.88	\$13,777.85	\$22,565.37	\$4,273.45	\$8,288.63	\$4,908.23	\$68,716.41	\$-3,036.41
5502	Office Space	\$4,800.00	\$1,200.00	\$1,204.00	\$1,212.00	\$404.00	\$404.00	\$404.00	\$4,828.00	\$-28.00
5503	Work Room	\$360.00	\$90.00	\$90.00	\$90.00	\$30.00	\$30.00	\$30.00	\$360.00	\$0.00
5601	Office Supplies	\$700.00	\$99.50	\$201.03	\$259.99	\$209.05	\$283.20	\$56.00	\$1,108.77	\$-408.77
5603	Photocopy	\$1,000.00	\$98.80	\$44.60	\$214.30	\$62.80	\$253.90	\$32.20	\$706.60	\$293.40
5605	Postage	\$300.00	\$219.87	\$52.17	\$41.51	\$40.90	\$46.90	\$8.74	\$410.09	\$-110.09
5607	Office Equipment	\$0.00	\$0.00	\$237.55	\$0.00				\$237.55	\$-237.55
5700	Internet & Website Costs	\$1,200.00	\$0.00	\$0.00	\$0.00			\$979.08	\$979.08	\$220.92
5900	Publication & Legal Notices	\$2,000.00	\$432.06	\$0.00	\$297.06	\$35.00	\$599.07	\$370.99	\$1,734.18	\$265.82
6000	Televising Meetings	\$1,700.00	\$0.00	\$1,350.80	\$924.85	\$208.96	\$208.96	\$208.96	\$2,902.53	\$-1,202.53
6100	Audit Services	\$3,025.00	\$1,550.00	\$0.00	\$1,450.00				\$3,000.00	\$25.00
6200	Bookkeeping	\$4,800.00	\$369.33	\$418.96	\$1,124.33	\$39.90	\$189.53	\$99.75	\$2,241.80	\$2,558.20
6300	Legal Counsel (S Browne)	\$6,000.00	\$1,500.00	\$1,470.00	\$1,500.00	\$650.66	\$500.00	\$500.00	\$6,120.66	\$-120.66
6400	A-87 Costs County Services	\$2,010.00	\$0.00	\$0.00	\$1,060.00				\$1,060.00	\$950.00
6500	Insurance - General Liability	\$1,000.00	\$0.00	\$0.00	\$0.00		\$987.00		\$987.00	\$13.00
6600	Memberships (CALAFCO/CSDA)	\$2,100.00	\$0.00	\$1,231.00	\$0.00			\$899.00	\$2,130.00	\$-30.00
6740	In-County Travel & Stipends	\$4,300.00	\$702.60	\$411.56	\$623.44	\$156.48	\$233.48	\$178.08	\$2,305.64	\$1,994.36
6750	Travel & Lodging Expenses	\$5,000.00	\$0.00	\$1,805.08	\$0.00				\$1,805.08	\$3,194.92
6800	Conferences (Registrations)	\$3,000.00	\$1,215.73	\$0.00	\$0.00				\$1,215.73	\$1,784.27
	Computer Support Technician		\$0.00	\$0.00	\$87.56				\$87.56	\$-87.56
	LAFCo Sponsored Training		\$0.00	\$0.00	\$0.00		\$160.00		\$160.00	\$-160.00
7000	MSR & SOI Updates	-	\$0.00	\$0.00	\$0.00				\$0.00	\$0.00
7001	MSR Reviews - Admin	\$15,000.00	\$0.00	\$245.00	\$1,343.75	\$787.50	\$79.80	\$4,306.25	\$6,762.30	\$8,237.70
7501	SOI Updates	\$39,000.00	\$1,313.35	\$6,115.95	\$8,769.41	\$369.30	\$3,466.15	\$1,756.23	\$21,790.39	\$17,209.61
	GIS Mapping	\$3,622.00	\$0.00	\$0.00	\$1,161.96	\$525.19	\$0.00	\$0.00	\$1,687.15	\$1,934.85
Monthly/ Year to Date Totals		\$166,597.00	\$23,694.12	\$28,655.55	\$42,725.53	\$7,793.19	\$15,730.62	\$14,737.51	\$133,336.52	\$33,260.48
CONTRACTS/OTHER										
			1st Qtr Subtotals	2nd Qtr Subtotal	3rd Qtr Subtotal	April	May	June	Year to Date	Remaining Budget
7000	Cemetery Dist. MSRs (UHC) (Closed)	\$3,900.00	\$653.38	\$3,241.15	\$0.00	\$0.00	\$0.00	\$0.00	\$3,894.53	\$5.47
8000	N. of 10 Mile Map Correction (SHN)	\$2,000.00	\$2,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,000.00	\$0.00
7000	Baracco & Associates (Closed)	\$2,400.00	\$2,400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,400.00	\$0.00
7000	Planwest Website Transition (Closed)	\$2,460.00	\$2,170.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,170.00	\$290.00
Contracts/Other to Date Totals		\$10,760.00	\$7,223.38	\$3,241.15	\$0.00	\$0.00	\$0.00	\$0.00	\$10,464.53	\$295.47
EXPENSES AND CONTRACTS TOTALS		\$177,357.00	\$30,917.50	\$31,896.70	\$42,725.53	\$7,793.19	\$15,730.62	\$14,737.51	\$143,801.05	\$33,555.95
APPLICATIONS										
		DEPOSIT	1st Qtr Subtotals	2nd Qtr Subtotal	3rd Qtr Subtotal	April	May	June	Year to Date	Remaining Budget
	Irish Beach WD Moores Annexation	\$-610.56	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$-610.56
	City Overlap Area from Ft Bragg RFPD (FBFPD Detachment)	\$7,452.37	\$0.00	\$7,452.37	\$0.00	\$0.00	\$0.00	\$0.00	\$7,452.37	\$0.00
8016	AVCSD (Ambulance) Activation of Latent Powers & Annexation	\$6,000.00	\$1,898.75	\$178.75	\$1,102.50	\$2,219.93	\$679.93	\$2,845.00	\$8,924.86	\$-2,924.86
	City of Ukiah Detachment of UVCSD lands	\$1,532.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,532.75
Applications to Date Totals		\$14,374.56	\$1,898.75	\$7,631.12	\$1,102.50	\$2,219.93	\$679.93	\$2,845.00	\$16,377.23	
EXPENSES, CONTRACTS, AND APPLICATION TOTALS			\$32,816.25	\$39,527.82	\$43,828.03	\$10,013.12	\$16,410.55	\$17,582.51	\$160,178.28	

Operations (Checking) Account Balance \$ 61,693.28 as of 6/30/17 statement
 Legal Reserve Balance \$ 50,000.00 as of 6/30/17 (reported quarterly)
 Operations Reserve Balance \$ 40,237.88 as of 6/30/17 (reported quarterly)



Hinman & Associates Consulting

PO Box 1251 | Cedar Ridge, CA 95924

(916) 813-0818

uhinman@comcast.net

Date June 30, 2017
To Mendocino LAFCo
Project Executive Officer Services
Work Period May 29, 2017 - June 30, 2017

Invoice No. 334
Invoice Total \$ 11,126.45

Account	Description	Staff/Hours			Other (At Cost)	Totals
		Hinman EO (\$90)	Feiler Analyst (\$65)	Salomone Clerk (\$39.90)		
5300	Basic Services	28.00	10.50	42.75		\$ 4,908.23
5601	Office Supplies					\$ 56.00
	Quickbooks Online Fee				\$ 31.00	
	Website Domain Renewal				\$ 25.00	
6200	Bookkeeping			2.50		\$ 99.75
7001	Municipal Service Reviews		66.25			\$ 4,306.25
7501	Sphere of Influence Updates	5.50	19.25	0.25		\$ 1,756.23
Totals		\$ 3,015.00	\$ 6,240.00	\$ 1,815.45	\$ 56.00	\$ 11,126.45

5300 Basic Services

Prepared, posted and distributed June 5 Commission meeting agenda and packet materials. Coordinated preparation of staff reports and meeting packets. Transcribed and reviewed draft minutes for June meeting for review at next meeting. Staffed office during the time period. Prepared July meeting cancelation and posted notices. Posted budget on website distributed final budget to agencies and Auditor-Controller.

EO met with SHN Engineers to finalize FBRFPD North of Ten Mile annexation map. Met with GIS re: same.

6200 Bookkeeping (Other Services)

Compiled claims for Commissioner review and approval at August meeting. Entered claims into Quickbooks and prepared checks for claims to be authorized at August 7 meeting. Reviewed claims, bank records, etc.

7501 Sphere of Influence Updates

Drafted Leggett Valley and Comptche FPD SOIs. Continued outreach to fire districts to solicit RFI responses.

7001 Municipal Service Reviews

Drafted Fort Bragg MSR/SOI Update.

8016 Applications

AVCSD: recorded certificate of completion and distributed to agencies/departments.

Law Offices of P. Scott Browne
 131 South Auburn Street
 Grass Valley, CA 95945

RECEIVED
 6/27/17

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

Marsha A. Burch
Of Counsel

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

Period Ending:

6/15/2017

Payment due by the 15th of next month

In Reference To: CLIENT CODE: MENDO-01

Professional Services

	<u>Hours</u>
6/7/2017 PSB Work on CALAFCo University Presentation (Time split evenly between all LAFCo clients).	0.35
<hr/>	
SUBTOTAL:	[0.35]

	<u>Amount</u>
Total Professional Hours	0.35
Per Representation Agreement, flat fee of \$500/month.	\$500.00
Previous balance	\$500.00

Payments and Credit Activity

6/15/2017 Payment - Thank You. Check No. 1252	(\$500.00)
Total payments and adjustments	(\$500.00)
TOTAL BALANCE NOW DUE	\$500.00

Please make your check for this bill payable to P. SCOTT BROWNE, ATTORNEY. Please write the CLIENT CODE shown on this statement on your check to insure proper credit. Thank you!

MENDOCINO Local Agency Formation Commission

Staff Report

DATE: August 7, 2017
 TO: Mendocino Local Agency Formation Commission
 FROM: Uma Hinman, Executive Officer
 SUBJECT: Financial Report and Claims for July 2017

Claims The following claims are recommended for payment authorization:

Name	Account Description	Amount	Total
Hinman & Associates Consulting	5300 Basics Services	\$ 3,514.25	\$ 9,671.25
	6200 Bookkeeping	\$ 784.50	
	7001 MSRs	\$ 3,313.75	
	7501 SOI Updates	\$ 2,008.75	
	5601 Office Supplies	\$ 50.00	
Ukiah Valley Conf. Center	5502 Office space	\$ 404.00	\$ 442.48
	5503 Work room	\$ 30.00	
	5603 Photocopy	\$ 0.30	
	5605 Postage	\$ 8.18	
P. Scott Browne	<u>6300 Legal Counsel</u>	\$ 600.00	\$ 600.00
	Monthly flat fee		
Pehling & Pehling	<u>6100 Audit Services</u>	\$ 1,550.00	\$ 1,550.00
	1st installment for 2016-17 Audit		
Total:			\$ 12,263.73

Notes:

- none

Other Financial Activity:

- none

Attachments: Budget Track Spreadsheet

H&A Invoice, Scott Browne Invoice, Pehling & Pehling, CPAs Invoice

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

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

Acct #	Task	FY 16-17 Budget	July	Year to Date	Remaining Budget
EXPENSES					
5300	Basic Services - EO/Analyst/Clerk	\$66,815	\$3,514.25	\$3,514.25	\$63,300.75
5500	Rent	\$5,360	\$434.00	\$434.00	\$4,926.00
5600	Office Expenses	\$3,350	\$58.48	\$58.48	\$3,291.52
5700	Internet & Website Costs	\$1,300		\$0.00	\$1,300.00
5900	Publication & Legal Notices	\$2,000		\$0.00	\$2,000.00
6000	Televising Meetings	\$3,000	\$0.00	\$0.00	\$3,000.00
6100	Audit Services	\$3,100	\$1,550.00	\$1,550.00	\$1,550.00
6200	Bookkeeping	\$4,800	\$784.50	\$784.50	\$4,015.50
6300	Legal Counsel (S Browne)	\$7,200	\$600.00	\$600.00	\$6,600.00
6400	A-87 Costs County Services	\$1,100		\$0.00	\$1,100.00
6500	Insurance - General Liability	\$1,000		\$0.00	\$1,000.00
6600	Memberships (CALAFCO/CSDA)	\$2,200		\$0.00	\$2,200.00
6670	GIS Contract with County	\$5,000		\$0.00	\$5,000.00
6740	In-County Travel & Stipends	\$2,000	\$0.00	\$0.00	\$2,000.00
6750	Travel & Lodging Expenses	\$4,000		\$0.00	\$4,000.00
6800	Conferences (Registrations)	\$3,000		\$0.00	\$3,000.00
7000	Work Plan (MSRs and SOIs)	\$45,000	\$5,322.50	\$5,322.50	\$39,677.50
Monthly/ Year to Date Totals		\$160,225.00	\$12,263.73	\$12,263.73	\$147,961.27
APPLICATIONS					
		DEPOSIT	July	Year to Date	Remaining Budget
	Irish Beach WD Moores Annexation	\$-610.56		\$0.00	\$-610.56
	City Overlap Area from Ft Bragg RFPD (FBRFPD Detachment)	\$7,452.37		\$0.00	\$7,452.37
	City of Ukiah Detachment of UVCS D lands	\$1,532.75		\$0.00	\$1,532.75
Applications to Date Totals		\$8,374.56	\$0.00	\$0.00	
EXPENSES, AND APPLICATION TOTALS			\$12,263.73	\$12,263.73	

Operations (Checking) Account Balance	\$ 61,693.28	as of 6/30/17	statement
Legal Reserve Balance	\$ 50,000.00	as of 6/30/17	(reported quarterly)
Operations Reserve Balance	\$ 40,237.88	as of 6/30/17	(reported quarterly)



Hinman & Associates Consulting

PO Box 1251 | Cedar Ridge, CA 95924

(916) 813-0818

uhinman@comcast.net

Date July 30, 2017
To Mendocino LAFCo
Project Executive Officer Services
Work Period July 1, 2017 - July 30, 2017

Invoice No. 339
Invoice Total \$ 9,671.25

Account	Description	Staff/Hours			Other (At Cost)	Totals
		Hinman EO (\$90)	Feiler Analyst (\$65)	Salomone Clerk (\$42)		
5300	Basic Services	18.75	7.75	31.50		\$ 3,514.25
5601	Office Supplies Quickbooks Online Fee				\$ 50.00	\$ 50.00
6200	Bookkeeping	8.25		1.00		\$ 784.50
7001	Municipal Service Reviews	4.50	44.75			\$ 3,313.75
7501	Sphere of Influence Updates	9.50	17.75			\$ 2,008.75
Totals		\$ 3,690.00	\$ 4,566.25	\$ 1,365.00	\$ 50.00	\$ 9,671.25

5300 Basic Services

Prepared July 31 P&P Committee meeting agenda and packet materials. Coordinated preparation of staff reports and meeting packets. Refined June 5 minutes meeting for review at next meeting. Staffed office during the time period. Drafted year end budget review.

6200 Bookkeeping (Other Services)

Compiled claims for Commissioner review and approval at August meeting. Entered claims into Quickbooks and prepared checks for claims to be authorized at August 7 meeting. Reviewed claims, bank records, etc. Reconciled QB with bank statements.

7501 Sphere of Influence Updates

Drafted Long Valley and Southcoast FPD SOIs. Continued outreach to fire districts to solicit RFI responses.

7001 Municipal Service Reviews

Drafted Fort Bragg MSR/SOI Update and coordinate with City staff. Started Brooktrails CSD MSR/SOI Update.

8016 Applications

Law Offices of P. Scott Browne

131 South Auburn Street
Grass Valley, CA 95945

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

Marsha A. Burch
Of Counsel

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

Period Ending:

7/15/2017

Payment due by the 15th of next month

In Reference To: CLIENT CODE: MENDO-01

Professional Services

	<u>Hours</u>
6/19/2017 PSB Work on CALAFCo University Presentation. (Time split evenly between all LAFCo clients)	0.35
6/20/2017 PSB Work on CALAFCo University presentation. (Time split evenly between all LAFCo clients)	1.00
6/22/2017 PSB Review Legislative Committee Packet (Time split evenly between all LAFCo clients).	0.15
6/23/2017 PSB Legislative Committee. (Time split evenly between all LAFCo clients).	0.50
6/26/2017 PSB Present at CALAFCo University Class. (Time split evenly between all LAFCo clients)	1.00
6/29/2017 PSB Review emails re: Legislative Committee. (Time split evenly between all LAFCo clients).	0.20
7/5/2017 PSB Review emails. (Time split evenly between all LAFCo clients)	0.10
SUBTOTAL:	[3.30]

	<u>Amount</u>
Total Professional Hours	3.30
Per Representation Agreement, flat fee of \$600/month.	\$600.00

Previous balance \$500.00

Amount

Payments and Credit Activity

7/11/2017 Payment - Thank You. Check No. 1265 (\$500.00)

Total payments and adjustments (\$500.00)

TOTAL BALANCE NOW DUE ***\$600.00***

Please make your check for this bill payable to P. SCOTT BROWNE, ATTORNEY. Please write the CLIENT CODE shown on this statement on your check to insure proper credit. Thank you!

Pehling & Pehling, CPAs



An Accountancy Corporation ■ 12667 Granite Dr ■ Truckee, CA 96161

Phone: (707)279-4259

E-mail: Zach@PehlingCPA.com

Web: www.PehlingCPA.com

Invoice: 769

Date: 07/01/2017

Due Date: 07/01/2017

Mendocino LAFCO
200 S School St
Ukiah, CA 95482

For professional service rendered as follows:

Assurance

1,550.00

Billed Time & Expenses

\$1,550.00

Invoice Total

\$1,550.00

Beginning Balance

\$0.00

Invoices

1,550.00

Receipts

0.00

Adjustments

0.00

Service Charges

0.00

Amount Due

\$1,550.00

Please return this portion with payment.

Invoice: 769

Date: 07/01/2017

Due Date: 07/01/2017

ID: MLAFCO
Mendocino LAFCO

Amount Due: \$1,550.00

Amount Enclosed: \$_____

**MENDOCINO
Local Agency Formation Commission**

Staff Report

DATE: August 7, 2017
 TO: Mendocino Local Agency Formation Commission
 FROM: Uma Hinman, Executive Officer
 SUBJECT: **County of Mendocino Information Services Contract Renewal
 (Standard Services Agreement No. EO 17-66)**

Summary

The annual contract with the County of Mendocino with the Information Services Division has been signed by the County and presented to LAFCo for approval. This contract covers the mapping services (GIS) and video recording services. The contract is identical to the 2016-17 contract with the following rate changes, shown below.

Mendocino County Information Services Technical Services and Support Standard Rates		
	2016-17 Rate	2017-18 Rate
GIS Coordinator	\$90.55	\$92.52
GIS Technician	\$63.88	\$62.59
Information Systems Technician	\$38.74	\$52.24-\$73.47
Network Systems Analyst	\$61.87-\$77.86	\$69.02-\$88.07

Recommendation

Staff recommends that the Commission approve the 2017-18 County of Mendocino Information Services Division Standard Services Agreement No. EO 17-66 and authorizing the Chair to sign the contract.

SERVICE LEVEL AGREEMENT

This Service Level Agreement ("Agreement") is by and between LAFCO of Mendocino (hereinafter "LAFCO") and the Mendocino County Executive Office, Information Services Division (hereinafter "IS"). This Agreement includes definitions of specific terms and a description of the level of service to be provided by the County Executive Office, Information Services Division.

1. Purpose

This Service Level Agreement has been developed to provide a comprehensive package of professional assistance and support with regard to the technical support activities of the County Executive Office, Information Services Division.

The intention of this agreement is to define and quantify the levels of special services provided by IS staff. It is understood by all parties to this Agreement that the service provided herein may be modified by mutual consent.

2. Compensation and Financial Accountability

In consideration for providing the services contained within this agreement, IS will receive payment according to the rates listed on Attachment B and incorporated herein by this reference.

Within 30 days following each month, IS shall submit to LAFCO an invoice detailing the IS hours spent performing technical support as specified in this Agreement for which reimbursement is sought.

Based on the expenses identified in the invoice, LAFCO shall remit payment within thirty (30) days following acceptance of cost report/invoice.

IS and LAFCO will exercise due diligence in resolving any questions that may arise in regards to services and/or billings.

LAFCO shall not be charged for operational mistakes and errors unless the errors clearly originated in LAFCO.

WITNESSETH

WHEREAS, LAFCO desires to obtain information systems technical services and support; and

WHEREAS, IS is professionally qualified to provide such services and is willing to provide same to LAFCO.

THEREFORE it is agreed that LAFCO does hereby retain IS to provide the services described in Exhibit "A", and IS accepts such engagement, on the General Terms and Conditions hereinafter specified in this Agreement, the Additional Provisions attached hereto, and the following described exhibits, all of which are incorporated into this Agreement by this reference:

- Exhibit A Definition of Services
- Exhibit B Estimated Standard Reimbursable Rates
- Exhibit C Insurance Requirements

The term of this Agreement shall be from July 1, 2017 through June 30, 2018.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

COUNTY OF MENDOCINO

LAFCO OF MENDOCINO

DEPARTMENT NAME:

County Executive Office
Information Services Division

By: 
DEPARTMENT HEAD

By: _____
Signature

Title: _____

INSURANCE REVIEW:

RISK MANAGER

LAFCO
200 S. School Street
Ukiah, CA 95482

By: 
ALAN D. FLORA, Risk Manager

EXECUTIVE OFFICE REVIEW:

APPROVAL RECOMMENDED:

By: 
CARMEL J. ANGELO, Chief Executive Officer

By signing above, signatory warrants and represents that he/she executed this Agreement in his/her authorized capacity and that by his/her signature on this Agreement, he/she or the entity upon behalf of which he/she acted, executed this Agreement

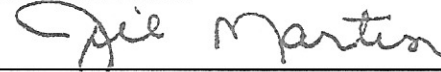
COUNTY COUNSEL REVIEW:

APPROVED AS TO FORM:

KATHARINE L. ELLIOT, County Counsel

By: 
Deputy

FISCAL REVIEW:

By: 
Deputy CEO/Fiscal

GENERAL TERMS AND CONDITIONS

1. IS does, by this Agreement, agree to perform his/her said work and functions at all times in strict accordance with all applicable federal, state and County laws, ordinances, regulations, titles, departmental procedures and currently approved methods and practices in his/her field and that the sole interest of LAFCO is to insure that said service shall be performed and rendered in a competent, efficient, timely and satisfactory manner and in accordance with the standards required by LAFCO.
2. **INDEMNIFICATION:** To the fullest extent permitted by law, IS shall hold harmless, defend and indemnify LAFCO, its employees and agents from and against any and all claims, losses, damages, liabilities and expenses, including but not limited to attorneys' fees, arising out of or resulting from the performance of services under this Agreement, provided that any such claim, loss, damage, liability or expense (1) is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of property, including the loss there from, or to any violation of federal, state or municipal law or regulation, and (2) is caused in whole or in part by any negligent act, omission or willful misconduct of IS, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, regardless of whether or not it is caused in part by any party indemnified hereunder. LAFCO may participate in the defense of any such claim without relieving IS of any obligation hereunder.
3. **INSURANCE AND BOND:** IS shall at all times during the term of the Agreement with the LAFCO maintain in force those insurance policies and bonds as designated in the attached Exhibit C, and will comply with all those requirements as stated therein.
4. **CONFORMITY WITH LAW AND SAFETY:**
 - a. In performing services under this Agreement, IS shall observe and comply with all applicable laws, ordinances, codes and regulations of governmental agencies, including federal, state, municipal, and local governing bodies, having jurisdiction over the scope of services, including all applicable provisions of the California Occupational Safety and Health Act. IS shall indemnify and hold LAFCO harmless from any and all liability, fines, penalties and consequences from any of IS's failures to comply with such laws, ordinances, codes and regulations.
 - b. **Accidents:** If a death, serious personal injury or substantial property damage occurs in connection with IS's performance of this Agreement, IS shall immediately notify LAFCO by telephone.

IS shall promptly submit to LAFCO a written report, in such form as may be required by LAFCO of all accidents which occur in connection with this Agreement. This report must include the following information:
 - (1) Name and address of the injured or deceased person(s); if any;
 - (2) A detailed description of the accident and whether any of LAFCO 's equipment, materials, or staff were involved.

- c. IS further agrees to take all reasonable steps to preserve all physical evidence and information which may be relevant to the circumstances surrounding a potential claim, while maintaining public safety, and to grant to LAFCO the opportunity to review and inspect such evidence, including the scene of the accident.

5. PAYMENT: For services performed in accordance with this Agreement, payment shall be made to IS as provided in Exhibit B hereto.
6. TRAVEL EXPENSES: IS shall not be allowed or paid travel expenses unless set forth in this Agreement.
7. CONFLICT OF INTEREST; CONFIDENTIALITY: The IS covenants that it presently has no interest, and shall not have any interest, direct or indirect, which would conflict in any manner with the performance of services required under this Agreement. Without limitation, IS represents to and agrees with the LAFCO that IS has no present, and will have no future, conflict of interest between providing LAFCO services hereunder and any other person or entity (including but not limited to any federal or state wildlife, environmental or regulatory agency).

These conflict of interest and future service provisions and limitations shall remain fully effective five (5) years after termination of services to LAFCO hereunder.

8. NOTICES: All notices, requests, demands, or other communications under this Agreement shall be in writing. Notices shall be given for all purposes as follows:

Personal delivery: When personally delivered to the recipient, notices are effective on delivery.

First Class Mail: When mailed first class to the last address of the recipient known to the party giving notice, notice is effective three (3) mail delivery days after deposit in a United States Postal Service office or mailbox. Certified Mail: When mailed certified mail, return receipt requested, notice is effective on receipt, if delivery is confirmed by a return receipt.

Overnight Delivery: When delivered by overnight delivery (Federal Express/Airborne/United Parcel Service with charges prepaid or charged to the sender's account, notice is effective on delivery, if delivery is confirmed by the delivery service.

Email: When sent by email to the last email of the recipient known to the party giving notice, notice is effective on receipt, provided that (a) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery, or (b) the receiving party delivers a written confirmation of receipt. Any notice given by email shall be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a non-business day.

Addresses for purpose of giving notice are as follows:

To IS: MENDOCINO COUNTY EXECUTIVE OFFICE
INFORMATION SERVICES DIVISION
501 Low Gap Road, Room 1440
Ukiah, CA 95482
Attn.: Cody Snider
Email: is@co.mendocino.ca.us

To LAFCO: LAFCO of Mendocino
200 S. School Street
Ukiah, CA 95482
Attn: Administration
Email: clerk@mendolafco.org

Any party may change its address or email by giving the other party notice of the change in any manner permitted by this Agreement.

9. USE OF LAFCO PROPERTY: IS shall not use LAFCO property (including equipment, instruments and supplies) or personnel for any purpose other than in the performance of his/her obligations under this Agreement.
10. EQUAL EMPLOYMENT OPPORTUNITY PRACTICES PROVISIONS: IS certifies that it is in compliance with the Equal Employment Opportunity Requirement of Executive Order 11246, as amended by Executive Order 11375 and supplemented I 45CFR, Part 60, Title VII of the Civil Rights Act and any other federal or state laws pertaining to equal employment opportunity and that it shall not discriminate against any employee or applicant for employment on the basis of race, color, religion, age, sex, national origin, ancestry, marital status, political affiliation or physical or mental condition, in matters pertaining to recruitment, hiring, training, upgrading, transfer, compensation or termination.
 - a. IS shall, in all solicitations or advertisements for applicants for employment placed as a result of this Agreement, state that it is an "Equal Opportunity Employer" or that all qualified applicants will receive consideration for employment without regard to their race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor.
 - b. IS shall, if requested to so do by the LAFCO, certify that it has not, in the performance of this Agreement, discriminated against applicants or employees because of their race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Veteran's status, political affiliation, or any other non-merit factor.
 - c. If requested to do so by LAFCO, IS shall provide the LAFCO with access to copies of all of its records pertaining or relating to its employment practices, except to the extent such records or portions of such records are confidential or privileged under state or federal law.
 - d. Nothing contained in this Agreement shall be construed in any manner so as to require or permit any act, which is prohibited by law.
11. DOCUMENTS AND MATERIALS: IS shall maintain and make available to LAFCO for its inspection and use during the term of this Agreement, all Documents and Materials, as defined in Paragraph 9 of this Agreement. LAFCO's obligations under the preceding sentence shall continue for four (4) years following termination or expiration of this Agreement or the completion of all work hereunder (as evidenced in writing by LAFCO), and IS shall in no event dispose of, destroy, alter or mutilate said Documents and Materials, for four (4) years following the LAFCO's last payment to IS under this Agreement.
12. TERMINATION: LAFCO has and reserves the right to suspend, terminate or abandon the execution of any work by the IS without cause at any time upon giving to the IS prior 30 day written notice.

IS has and reserves the right to suspend, terminate or abandon the execution of any work for LAFCO without cause at any time upon giving to LAFCO prior 30 day written notice.

In the event this Agreement is terminated prior to LAFCO, IS shall be paid on a prorated basis for only that portion of the Agreement term during which IS provided services pursuant to this Agreement.

13. ENTIRE AGREEMENT: This Agreement, including all attachments, exhibits, and any other documents specifically incorporated into this Agreement, shall constitute the entire agreement between LAFCO and the IS, relating to the subject matter of this Agreement. As used herein, Agreement refers to and includes any documents incorporated herein by reference and any exhibits or attachments. This Agreement supersedes and merges all previous understandings, and all other agreements, written or oral, between the parties and sets forth the entire understanding of the parties regarding the subject matter thereof. The Agreement may not be modified except by a written document signed by both parties.
14. HEADINGS: herein are for convenience of reference only and shall in no way affect interpretation of the Agreement.
15. ADVERTISING OR PUBLICITY: IS shall not use the name of LAFCO, its officers, directors, employees or agents, in advertising or publicity releases or otherwise without securing the prior written consent of LAFCO in each instance.
16. MODIFICATION OF AGREEMENT: This Agreement may be supplemented, amended or modified only by the mutual agreement of the parties. No supplement, amendment or modification of this Agreement shall be binding unless it is in writing and signed by authorized representatives of both parties.
17. ASSURANCE OF PERFORMANCE: If at any time LAFCO believes IS may not be adequately performing its obligations under this Agreement or that IS may fail to complete the Services as required by this Agreement, LAFCO may request from IS prompt written assurances of performance and a written plan acceptable to LAFCO, to correct the observed deficiencies in IS's performance. IS shall provide such written assurances and written plan within ten (10) calendar days of its receipt of LAFCO's request and shall thereafter diligently commence and fully perform such written plan. IS acknowledges and agrees that any failure to provide such written assurances and written plan within the required time is a material breach under this Agreement.
18. SUBCONTRACTING/ASSIGNMENT: IS shall not subcontract, assign or delegate any portion of this Agreement or any duties or obligations hereunder without LAFCO's prior written approval.
 - a. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. Any agreement that violates this Section shall confer no rights on any party and shall be null and void.
 - b. IS shall remain fully responsible for compliance by its subcontractors with all the terms of this Agreement, regardless of the terms of any agreement between IS and its subcontractors.
19. SURVIVAL: The obligations of this Agreement, which by their nature would continue beyond the termination on expiration of the Agreement, including without limitation, the obligations regarding Indemnification (Paragraph 2), Ownership of Documents (Paragraph 11), and Conflict of Interest (Paragraph 7), shall survive termination or expiration.
20. SEVERABILITY: If a court of competent jurisdiction holds any provision of this Agreement to be illegal, unenforceable, or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them, will not be affected, unless an essential purpose of this Agreement would be defeated by the loss of the illegal, unenforceable, or invalid provision.

21. **PATENT AND COPYRIGHT INDEMNITY:** IS represents that it knows of no allegations, claims, or threatened claims that the materials, services, hardware or software services provided to LAFCO under this Agreement infringe any patent, copyright or other proprietary right. IS shall defend, indemnify and hold harmless LAFCO of, from and against all losses, claims, damages, liabilities, costs expenses and amounts (collectively, "Losses") arising out of or in connection with an assertion that any IS Products or the use thereof, infringe any patent, copyright or other proprietary right of any third party.

22. **OTHER AGENCIES:**

Other tax supported agencies within the State of California who have not contracted for their own requirements may desire to participate in this contract. If IS is requested to service these agencies it will be given the opportunity to accept or reject the additional requirements.

If the IS elects to supply service to other agencies, orders will be placed directly by the agency and payments made directly by the agency.

[END OF GENERAL TERMS AND CONDITIONS]

EXHIBIT A

DEFINITION OF SERVICES

1. General:

- 1.1. Inclusions – Information Services Division (IS) shall provide:
 - 1.1.1. Miscellaneous Geographical Information Services (GIS) and mapping services.
 - 1.1.2. Audio visual administration and support including recording meetings, encoding, uploading and copying meetings.
 - 1.1.3. A point of contact e-mail address and phone number.
 - 1.1.4. Documentation will be maintained for all services provided.
- 1.2. Exclusions - IS will NOT provide:
 - 1.2.1. Funding for providing physical equipment or software.

EXHIBIT B

ESTIMATED STANDARD REIMBURSABLE RATES

MENDOCINO COUNTY shall bill LAFCO for time associated with services provided under this agreement, based upon the following rate schedule:

MENDOCINO COUNTY INFORMATION SERVICES TECHNICAL SERVICES AND SUPPORT STANDARD RATES		
SUPPORT COSTS*	RATE	UNIT OF COST
GIS Coordinator <i>from 90.55</i>	\$92.52	Per Hour
GIS Technician <i>63.88</i>	\$62.59	Per Hour
Information Systems Technician <i>38.74</i>	\$52.24 - \$73.47	Per Hour
Network Systems Analyst <i>61.87-77.86</i>	\$69.02 - \$88.07	Per Hour

1. Weighted average salary rate is per hour based on the above referenced class specifications. Weighted rates may be modified during the term of this agreement when updates are provided by the Mendocino County Auditor's Office.
2. Requests for services outside of regular business hours, as identified in Exhibit A, will be billed at the following rates:
 - a. Service charges will equal 1.5 times the weighted average salary rate
 - b. The minimum call out will equal three (3) hours

EXHIBIT C

INSURANCE REQUIREMENTS

Insurance coverage in a minimum amount set forth herein shall not be construed to relieve COUNTY for liability in excess of such coverage, nor shall it preclude LAFCO from taking such other action as is available to it under any other provisions of this Agreement or otherwise in law.

COUNTY agrees to indemnify and hold harmless LAFCO, its elected or appointed officials, employees or volunteers against any claims, actions, or demands against them, or any of them, and against any damages, liabilities or expenses, including costs of defense and attorneys' fees, for personal injury or death, or for the loss or damage to the property, or any or all of them, to the extent arising out of the performance of this Agreement by COUNTY.

COUNTY affirms that s/he is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for the Workers' Compensation or to undertake self-insurance in accordance with the provisions of the Code and COUNTY further assures that s/he will comply with such provisions before commencing the performance of work under this Agreement. LAFCO shall furnish to COUNTY certificate(s) of insurance evidencing Worker's Compensation Insurance coverage to cover its employees, and COUNTY shall require all subcontractors similarly to provide Workers' Compensation Insurance as required by the Labor Code of the State of California for all of COUNTY's and subcontractors' employees.

COUNTY shall furnish to LAFCO certificates of insurance with Automobile Liability/General Liability Endorsements evidencing at a minimum the following:

- a. Combined single limit bodily injury liability and property damage liability - \$1,000,000 each occurrence.
- b. Vehicle / Bodily Injury combined single limit vehicle bodily injury and property damage liability - \$500,000 each occurrence.

MENDOCINO
Local Agency Formation Commission

Staff Report

DATE: August 7, 2017
TO: Mendocino Local Agency Formation Commission
FROM: Uma Hinman, Executive Officer
SUBJECT: **Pehling & Pehling, CPA Contract for FY 2016-17 Audit**

Summary

A contract with Pehling & Pehling, CPA for the Fiscal Year 2016-17 financial audit has been presented to LAFCo for approval. The proposal is for \$3,100, and increase of \$100 over the 2015-16 audit. The contract would require an upfront payment of \$1,550 to initiate the audit, with a final payment of \$1,550 upon receipt of the final audit.

Recommendation

Staff recommends that the Commission approve the Pehling & Pehling, CPA contract (Standard Services Agreement No. EO 17-66) for preparation of the Fiscal Year 2016-17 financial audit.



June 26, 2017

Mendocino LAFCO
200 S School St
Ukiah, CA 95482

Dear Board:

We are pleased to confirm our understanding of the services we are providing for Mendocino LAFCO for the year ended June 30, 2017,. We will audit the Statement of Net Position, Statement of Activities and where applicable the Statement of Revenues, Expenditures, and Change in Fund Balance, Balance Sheet and Statement of Cash Flows of Mendocino LAFCO as of and for the year ended June 30, 2017,.

Accounting standards generally accepted in the United States of America call for certain required supplementary information (RSI) to accompany the basic financial statements. The Governmental Accounting Standards Board also considers this information a necessary part of financial reporting as it provides perspective to the basic financial statements. Therefore, as part of this engagement, we will apply limited procedures to Mendocino LAFCO's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will primarily consist of inquiries of management regarding their methods of measurement and presentation. However, we will not express an opinion or provide any assurance on this RSI as our limited procedures do not provide us with sufficient evidence to do so under our professional standards. Consequently, the financial statements we present to you will include the following required RSI that will not be audited and, as such, our report will disclaim an opinion on this RSI:

- Management's Discussion and Analysis

We also understand that supplementary information other than RSI will accompany Mendocino LAFCO's basic financial statements. In accordance with auditing standards generally accepted in the United States of America, we will apply auditing procedures and other additional procedures deemed necessary to the following supplementary information accompanying the basic financial statements in order to provide an opinion on this information in relation to the financial statements as a whole.

Objective

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the additional supplementary information referred to above when considered in relation to the financial statements taken as a whole.

Our audit will be conducted in accordance with U.S. generally accepted auditing standards (GAAS). Our professional standards as defined by GAAS require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement and are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. As such, our audit will involve performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and will include tests of the accounting records of Mendocino LAFCO and other procedures we consider necessary. The procedures we determine necessary will depend on our "auditor's" judgment and will be based, in part, on our assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. If our opinion is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or form an opinion, we may disclaim an opinion or not issue a report.

- page 1 of 4 -



Audit Procedures

Our audit will involve performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and will include tests of the accounting records of Mendocino LAFCO and other procedures we consider necessary. The procedures we determine necessary will depend on our “auditor’s” judgment and will be based, in part, on our assessment of the risks of material misstatement of the financial statements, whether from errors, fraudulent financial reporting, misappropriations of assets, or violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. If we deem it appropriate, our procedures will also include tests of documentary evidence supporting the transactions recorded in the accounts, may include tests of the physical existence of inventories, and will include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters. These representations will include acknowledging our assistance with the preparation of your financial statements, the supplementary information, and notes accompanying these documents, and that you have reviewed and approved these documents, approved their release, and that you have accepted responsibility for them.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected by our firm, even though our audit is properly planned and performed in accordance with GAAS and Government Auditing Standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors that come to our attention, and we will inform you, or the appropriate level of management, of any fraudulent financial reporting or misappropriation of assets that comes to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

In making our risk assessments, we will consider internal controls relevant to the preparation and fair presentation of the Mendocino LAFCO's financial statements in order to design audit procedures that are appropriate in the circumstances. However, our audit procedures are not designed for the purpose of expressing an opinion on the effectiveness of your internal control. In accordance with our professional standards, we will communicate in writing to the appropriate level of management and those charged with governance matters concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of Mendocino LAFCO's compliance with applicable laws and regulations and the provisions of contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion. Management maintains the responsibility for identifying and ensuring that Mendocino LAFCO complies with applicable laws, regulations, contracts, and other agreements.

Our responsibility as auditors is, of course, limited to the period covered by our audit and does not extend to any other periods.

Zach Pehling is the engagement partner for the audit services specified in this letter. His responsibilities include supervising Pehling & Pehling CPA's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.



Responsibilities of Management and Those Charged with Governance

As part of our engagement, we may advise you about appropriate accounting principles and their application; however, the management of Mendocino LAFCO acknowledges and understands that the final responsibility for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America remains with you. This responsibility includes the financial statements, all accompanying information, and the representations that accompany them. As such, the management of Mendocino LAFCO is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Other management responsibilities include maintaining adequate records, selecting and applying accounting principles, and safeguarding assets.

By your signature below, you also acknowledge that the management of Mendocino LAFCO is responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements, and all accompanying information, that are free from material misstatement, whether due to fraud or error. This responsibility includes the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Mendocino LAFCO and the respective changes in financial position and where applicable, cash flows, in conformity with accounting principles generally accepted in the United States of America. In addition, management is also responsible for having appropriate programs and controls in place to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the organization that involves management, employees who have significant roles in internal control, regulators, and others where fraud could have a material impact on the financial statements. The management of Mendocino LAFCO is also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting Mendocino LAFCO received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the Mendocino LAFCO complies with applicable laws and regulations and for taking timely and appropriate actions to remedy any fraud, illegal acts, or violations of contracts and agreements. You agree that you will confirm your understanding of your responsibilities as defined in this letter to us in your representation letter.

Management is also responsible for the preparation and fair presentation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree that you will confirm your understanding of your responsibilities with respect to the supplementary information in your representation letter. You further agree to include our report on the supplementary information in any document that contains and indicates that we have reported on such supplementary information.

Management's responsibilities also include designating qualified individuals with the necessary expertise to be responsible and accountable for overseeing all the nonattest services we perform as part of this engagement, as well as evaluating the adequacy and results of those services and accepting responsibility for them.

You further acknowledge and understand that management is responsible for providing us with access to all information management is aware of that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters; for the accuracy and completeness of the information that is provided to us; and for informing us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements. This responsibility also includes providing us with any additional information that we may request from management for the purpose of the audit; as well as allowing us unrestricted access to individuals within the organization from whom we may determine it necessary to obtain audit evidence, including access to your designated employees who will type all confirmations we request.



Written Report

We expect to issue a written report upon completion of our audit of Mendocino LAFCO's financial statements. Our report will be addressed to the Board of Directors of Mendocino LAFCO. We cannot provide assurance that an unmodified opinion will be expressed on the financial statements. Circumstances may arise in which it is necessary for us to modify our opinion, add emphasis-of-matter or other-matter paragraphs, decline to express an opinion or withdraw from the engagement.

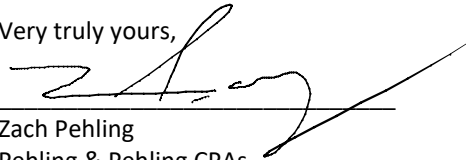
Other Matters

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, typing, postage, copies, and telephone calls), except that we agree that our gross fee, including expenses, will not exceed \$3100 for the audit for this contract. An initial deposit of \$1550 due at the beginning of the year and the remainder due at completion of the audit. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

It is our policy to keep records related to this engagement for 7 years. However, Pehling & Pehling CPAs does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by government or regulatory agencies.

By your signature below, you acknowledge and agree that upon the expiration of the 7-year period Pehling & Pehling CPAs shall be free to destroy our records related to this engagement.

We appreciate the opportunity to be of service to Mendocino LAFCO and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,


Zach Pehling
Pehling & Pehling CPAs

RESPONSE:

This letter correctly sets forth the understanding of Mendocino LAFCO.

APPROVED:

Mendocino LAFCO

Date

MENDOCINO
Local Agency Formation Commission

Staff Report

DATE: August 7, 2017
TO: Mendocino Local Agency Formation Commission
FROM: Uma Hinman, Executive Officer
SUBJECT: **Savings Bank of Mendocino County, Checking Account Authorized Signatures**

Staff is requesting consideration for changes to the list of approved signatories on the LAFCo Account checking account at the Savings Bank of Mendocino County, which are as follows:

Current Signatories/Commissioners:

Gerald Ward
Carre Brown
John McCowen
Holly Madrigal
Doug Hammerstrom

Commissioners to add as signatories:

Kevin Doble
Theresa McNerlin

Remove:

Holly Madrigal
Doug Hammerstrom

Two signatures will continue to be required for withdrawals.

Commissioners Ward, Brown, and Doble serve as the Executive Committee and Commissioners McCowen and McNerlin reside and/or work locally to the LAFCo office. Holly Madrigal and Doug Hammerstrom are no longer on the Commission.

Recommendation:

Commission approve adding Commissioners Doble and McNerlin as signatories to the LAFCo Account at the Savings Bank of Mendocino County and remove Holly Madrigal and Doug Hammerstrom.

MENDOCINO Local Agency Formation Commission

Staff Report

DATE: August 7, 2017
TO: Mendocino Local Agency Formation Commission
FROM: Uma Hinman, Executive Officer
SUBJECT: **Workshop** for Comptche Community Services District Draft Sphere of Influence Update

Background

This is a workshop to introduce the Draft Sphere of Influence (SOI) Update for the Comptche Fire Protection District (Comptche CSD). Comptche CSD was part of the Multi-District Fire Protection Services Municipal Service Review (MSR), which the Commission adopted on April 4, 2016. This report includes informational updates to the MSR that support the SOI analysis, recommendation, and determinations.

The District's boundary area is approximately 87 square miles and is centered around the unincorporated community of Comptche. The District's SOI is coterminous with the District boundary and was established by LAFCo on October 4, 1993, along with other special districts providing fire service in Mendocino County (LAFCo Resolution No. 93-4). The District has not requested a modification to the existing SOI and the SOI Update recommends the Commission affirm the existing coterminous sphere of influence.

SOI Update for Multiple Fire Protection Service Providers

To assist in preparing a Multi-District Fire SOI Update, staff mailed a Request for Information (RFI) to the following fourteen fire protection service providers in September 2016 and received a response from Comptche, Elk, Leggett Valley, Long Valley, South Coast, and Little Lake. Staff is in the process of following up with all the fire districts to re-engage them in the process and to receive information in order to prepare the SOI Updates and move forward with scheduling items for workshop and public hearing.

1. Albion-Little River Fire Protection District
2. Comptche Community Services District
3. Covelo Fire Protection District
4. Elk Community Services District
5. Hopland Fire Protection District
6. Leggett Valley Fire Protection District
7. Little Lake Fire Protection District (Workshop completed)
8. Long Valley Fire Protection District
9. Mendocino Fire Protection District
10. Piercy Fire Protection District
11. Potter Valley Community Services District

12. Redwood Valley-Calpella Fire Protection District
13. South Coast Fire Protection District
14. Ukiah Valley Fire Protection District

Recommendation

Staff recommends the Commission hold a workshop on the Draft SOI Update, provide comments and requested revisions, and direct staff to notice the matter for public hearing once SOI Updates are completed for multiple fire protection service providers in order to bring them together for consideration.

Attachments:

- (1) Comptche Community Services District Draft Sphere of Influence Update

Workshop Draft

FULL DOCUMENT SENT
AS PACKET PART 2 OF 3

COMPTCHE COMMUNITY SERVICES DISTRICT

Sphere of Influence Update

Prepared for:

MENDOCINO LAFCO

200 South School Street
Ukiah, California 95482

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

Workshop: August 7, 2017

Public Hearing: XXXX

August 7, 2017

MENDOCINO Local Agency Formation Commission

Staff Report

DATE: August 7, 2017
TO: Mendocino Local Agency Formation Commission
FROM: Uma Hinman, Executive Officer
SUBJECT: **Workshop** for City of Fort Bragg Draft Municipal Service Review and Sphere of Influence Update

Background

This is a workshop to introduce the Draft Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for the City of Fort Bragg. This Draft MSR/SOI Update also addresses the Fort Bragg Municipal Improvement District (MID) No. 1 which was established on April 28, 1969 as a dependent special district, or a subsidiary of the City, to provide wastewater services to the Fort Bragg community. The prior MSR/SOI Update for the City and MID No. 1 was adopted in 2008.

The City is approximately 2.7 square miles in size. The boundary of MID No. 1 (District) generally follows the City boundaries, but also includes unincorporated territory to the east and south of the City. The District is approximately 2.98 square miles in size. The City provides a wide range of municipal services including general government, finance, community development, law enforcement, public works, parks, water, and wastewater on behalf of the District.

The City's SOI is larger in size than the District's SOI because the District boundary is larger than the City boundary. Annexations into the City require concurrent annexation into the District. There have been no annexations to the City or the District since the 2008 MSR/SOI Update. The City has confirmed the adequacy of the existing City and District boundary and SOI and the Draft SOI Update recommends the Commission affirm the existing SOI for both agencies.

We would like to give special thanks to City Staff for being so helpful and responsive to our requests for information in preparing this Draft MSR/SOI Update.

Recommendation

Staff recommends the Commission hold a workshop on the Draft MSR/SOI Update, provide comments and requested revisions, and direct staff to notice the matter for public hearing for consideration and potential adoption.

Attachments:

(1) City of Fort Bragg Draft Municipal Service Review and Sphere of Influence Update

Workshop Draft

FULL DOCUMENT SENT
AS PACKET PART 3 OF 3

CITY OF FORT BRAGG

Municipal Service Review and Sphere of Influence Update

Prepared for:

MENDOCINO LAFCO

200 South School Street
Ukiah, California 95482

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

Workshop: August 7, 2017

Public Hearing: XXXX

August 7, 2017

MENDOCINO Local Agency Formation Commission

Staff Report

DATE: August 7, 2017
TO: Mendocino Local Agency Formation Commission
FROM: Uma Hinman, Executive Officer
SUBJECT: Draft Legislative Policy

INTRODUCTION

At its May 1, 2017 regular meeting, the Commission directed the Policies and Procedures (P&P) Committee to develop a policy for timely response to CALAFCO requests for legislative participation. This item was discussed starting at video time 1:49:23 via the following Commission meeting link: <https://www.youtube.com/watch?v=CYTEJFXmF6E&t=2215s>.

The P&P Committee met on July 31, 2017 and discussed the proposed policy, which is recommended to the Commission for consideration.

BACKGROUND

State legislators annually propose new legislation that can significantly impact LAFCOs. Examples include legislation that bypasses LAFCOs for changes of organization or reorganization, creation of new unfunded mandates, and other legislative changes that reduce or eliminate local discretion. The ultimate authority to take positions on legislation lies with the Commission, and to the extent possible, positions should be approved by the Commission at regular meetings, where staff can be directed to relay positions appropriately to the legislature. However, given that the Commission's regular meetings are scheduled once a month, the Commission does not always have the opportunity to take a formal position on proposed legislation that requires more immediate response.

The P&P Committee reviewed legislative policies of other LAFCOs and recommends a draft policy that would enable the Commission to take positions in time-sensitive situations when proposed legislation affecting LAFCo cannot be considered by the full Commission due to timing. The draft policy would include annual adoption of a legislative platform, as needed, and which would closely follow the California Association of LAFCOs (CALAFCO) annually adopted legislative policies. The Committee recommends the following draft policy and intends to review and discuss the CALAFCO 2017 Legislative Policies at a follow up meeting in September for future consideration of the Commission.

The following draft policy is provided for the Commission's consideration:

Legislative Policy

- 1) The Commission shall consider adoption of a legislative platform annually, at the first regular Commission meeting following the CALAFCO publication of their legislative platform, or as needed.
- 2) In situations when proposed legislation affecting LAFCo cannot be considered by the full Commission due to timing, the Executive Officer is authorized to provide written or e-mail correspondence regarding the Commission's position if the position is consistent with the adopted legislative platform of the Commission.
- 3) The Chair (or Vice Chair in the absence of the Chair) shall review and either sign the letter or approve the e-mail prior to it being submitted.
- 4) After submission, the Executive Officer shall forward the signed letter or approved e-mail to the Commission.
- 5) The correspondence will be included on the consent calendar of the next available Commission agenda for ratification.

STAFF AND COMMITTEE RECOMMENDATION

Policies & Procedures Committee discuss draft policy and make recommendation to full Commission.

The P&P Committee continues to develop the Legislative Platform policy.

MENDOCINO

Local Agency Formation Commission

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

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

COMMISSIONERS

Jerry Ward, Chair & Treasurer
Public Member

Carre Brown, Vice Chair
County Board of Supervisors

Kevin Doble
Ukiah City Council

Gerardo Gonzalez
Willits City Council

Dan Hamburg
County Board of Supervisors

Theresa McNerlin
Ukiah Valley Sanitation District

Tony Orth
Brooktrails Township CSD

Scott Ignacio, Alternate
Point Arena City Council

John McCowen, Alternate
County Board of Supervisors

Carol Rosenberg, Alternate
Public Member

Angela Silver, Alternate
Calpella County Water 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

August 7, 2017

Senator Bob Wieckowski
California State Senate
California State Capitol, Room 4085
Sacramento, CA 95814

RE: **SB 448 – SUPPORT (As amended July 17, 2017)**

Dear Senator Wieckowski:

On behalf of the Mendocino County Local Agency Formation Commission (LAFCo), we have been monitoring your bill **SB 448**. The July 17 amendments remove the remaining LAFCo concerns and as a result, we are pleased support the bill. We thank you for working closely with CALAFCO to resolve our concerns with the bill.

The proposed authority for LAFCos to dissolve inactive districts as defined in the bill and identified by the State Controller's Office (SCO) through the contemplated streamlined process creates great efficiencies for LAFCo.

Further, we support the idea of increased communication and enhanced transparency through the LAFCo directly receiving reports from the special districts for which they have authority. Having the SCO clearly identify independent special districts on their website is also a great step in gaining efficiencies and greater transparency at the state level.

Thank you again for taking our concerns into consideration and for your work with CALAFCO on this bill. We are pleased to support **SB 448**.

Yours sincerely,

Gerald Ward
Chair, Mendocino County Local Agency Formation Commission

Cc: Pamela Miller, Executive Director, CALAFCO

MENDOCINO

Local Agency Formation Commission

Ukiah Valley Conference Center | 200 South School Street | Ukiah, California 95482
Telephone: (707) 463-4470 | Fax: (707) 462-2088 | E-mail: eo@mendolafco.org | Web: www.mendolafco.org

July 14, 2017

MEMBERS

Jerry Ward, Chair & Treasurer
Public Member

Carre Brown, Vice Chair
County Board of Supervisors

Kevin Doble
Ukiah City Council

Gerardo Gonzalez
Willits City Council

Dan Hamburg
County Board of Supervisors

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ALTERNATE MEMBERS

Scott Ignacio
Point Arena City Council

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First Monday
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in the Mendocino
County Board
of Supervisors Chambers
501 Low Gap Road

Assemblymember Eduardo Garcia
California State Assembly
California State Capitol, Room 4140
Sacramento, CA 95814

Dear Assemblymember Garcia,

RE: **AB 1361 – OPPOSE** (as amended June 28, 2017)

The Mendocino Local Agency Formation Commission (LAFCo) has been following your bill, **AB 1361**, which was recently gutted and amended to allow water districts to provide service to an Indian tribe's lands that are not within the district boundaries without going through the current statutory process of approval by the LAFCo. Because this bill as amended on June 28, 2017, allows for an extension of services without annexation or even the expedited extension of service approval processes by LAFCo, Mendocino LAFCo respectfully opposes **AB 1361**.

It seems **AB 1361** is a solution in search of a problem. As written, the bill is not addressing any current specific service provision problem. Instead, it seeks to subvert existing law by granting a special exception for any potential extension of water service by any public agency to any tribal land throughout the state.

The current decades-old annexation and service extension processes are uniquely crafted by the legislature to ensure the provision of local public agency services are carefully regulated by another neutral local public body in the form of LAFCos in each county. LAFCos currently have authority over the boundaries and service extension of public agency service providers and **AB 1361** gives no consideration to this existing local authority.

We understand the bill's sponsor indicates that LAFCos have no authority over tribal lands. While we understand there exists a unique relationship between the State and Indian Tribes, the fact of the matter is that LAFCos do have authority over the boundaries of the *public agency service provider* and not the service recipient (tribe). So, when an extension of service is sought by that service provider to an area outside the existing boundaries, the existing LAFCo process ensures that all public agency service extensions do not cause harm to either other local agencies or their constituents and are fully vetted in a local public hearing. This transparent process allows the public to have meaningful opportunities to comment and seek remedies at the local level in contrast to this bill, which allows for a blanket statewide loophole that removes all local control and cannot possibly foresee local circumstances and influences that a local LAFCo process would allow for and consider.

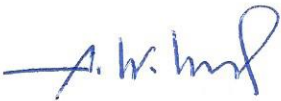
(continued)

Further, allowing a water agency to serve tribal lands even if the LAFCo Municipal Service Review (MSR) indicates the agency has existing service issues will only serve to exacerbate service deficiencies for existing users. The existing, long standing annexation process allows for a thorough, publicly transparent evaluation of both service needs and capability before allowing such a service extension to occur. This protects everyone affected by such a decision and has proven to be good public policy.

In the end, it is imperative that all Californian's be treated equally under the law and especially when creating policy that involves the provision of water service. Giving any special interest an "automatic" approval to limited water supplies without local review authority is bad policy.

For these reasons, Mendocino LAFCo opposes **AB 1361** as currently written.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "A. W. Ward".

Gerald Ward, Chair
Mendocino LAFCo

Cc: Committee Members, Senate Governance and Finance Committee
Anton Favorini-Csorba, Consultant, Senate Governance and Finance Committee
Ryan Eisberg, Senate Republican Caucus Consultant
Pamela Miller, Executive Director, CA Association of Local Agency Formation Commissions



Announcing The 2017 CALAFCO Annual Conference



Hosted by CALAFCO

October 25-27, 2017

Bahia Hotel in Mission Bay
San Diego, CA



Value-Added and Diverse General & Breakout Session Topics

- ▶ Branding and marketing your LAFCo - Your LAFCo story – don't let someone else tell it!*
- ▶ Presentation of public statewide LAFCo survey results and what that means for LAFCos – where do we go from here?*
- ▶ Long-term sustainability of local agencies
- ▶ Future funding of LAFCos
- ▶ Dealing with unincorporated islands
- ▶ Healthcare districts and LAFCos
- ▶ Commission decision making – making the tough choices
- ▶ What do Commissioners and Staff really want from each other?
- ▶ Making the right choices ethically*
- ▶ Annual CALAFCO Legislative Update*
- ▶ CALAFCO Annual Business Meeting*

Plus more!

Note: The Program is subject to change.

*Indicates General Session

Special Highlights

Mobile Workshop

We will tour the nation's largest desalination plant in Carlsbad at the San Diego Water Authority's Claude "Bud" Lewis Desalination Plant. This award winning plant delivers approx. 50 million gallons of water per day to area residents. We are also working on a tour of the adjacent Encina Power Station. A stop for lunch is also planned.

Details will be announced shortly – but register now to secure your seat!

**Wednesday from
7:30 a.m. to 12:30 p.m.**
(times approx..)

LAFCo 101

An introduction to LAFCo and LAFCo law for Commissioners, Staff, and anyone interested in learning more about LAFCo

**Wednesday from
10:00 a.m. to Noon**

**Thursday Luncheon
Keynote**

To Be Announced

Invaluable Networking Opportunities

- ▶ Regional Roundtable discussions on current regional LAFCo issues
- ▶ Roundtable discussions for LAFCo legal counsel
- ▶ Pre-dinner Reception with Sponsors Thursday
- ▶ Networking breakfasts and breaks
- ▶ Welcome Reception Wednesday
- ▶ Awards Banquet Thursday



Bahia Hotel Mission Bay



Make your reservations now at the **Bahia Hotel** Mission Bay at the special CALAFCO rate of \$125. Special rates available 3 days pre and post-conference on availability. Reservation cutoff date is 9/22/17. Reserve your room at

<http://bahiahotel.com/groups/CALAFCO/>

Visit www.calafco.org for Conference details or call us at 916-442-6536.

Mark your calendar and plan to attend!



Registration is now open! Visit www.calafco.org

July 6, 2017

To: Local Agency Formation Commission
Members and Alternate Members

From: John Leopold, Committee Chair
CALAFCO Board Election Committee
CALAFCO Board of Directors

CALAFCO



RE: Nominations for 2017/2018 CALAFCO Board of Directors

Nominations are now open for the fall elections of the CALAFCO Board of Directors. Serving on the CALAFCO Board is a unique opportunity to work with other commissioners throughout the state on legislative, fiscal and operational issues that affect us all. The Board meets four to five times each year at alternate sites around the state. Any LAFCo commissioner or alternate commissioner is eligible to run for a Board seat.

CALAFCO's Election Committee is accepting nominations for the following seats on the CALAFCO Board of Directors:

Northern Region

County Member
District Member

Central Region

City Member
Public Member

Coastal Region

City Member
Public Member

Southern Region

County Member
District Member

The election will be conducted during Regional Caucuses at the CALAFCO Annual Conference prior to the Annual Membership Meeting on Thursday, October 26, 2017 at the Bahia Hotel Mission Bay in San Diego, CA.

Please inform your Commission that the CALAFCO Election Committee is accepting nominations for the above-cited seats until *Monday, September 25, 2017*.

Incumbents are eligible to run for another term. Nominations received by September 25 will be included in the Election Committee's Report and will be on the ballot. The Report will be distributed to LAFCo members no later than October 11 and ballots made available to Voting Delegates at the Annual Conference. Nominations received after this date will be returned; however, nominations will be permitted from the floor during the Regional Caucuses or during at-large elections, if required, at the Annual Membership Meeting.

For those member LAFCos who cannot send a representative to the Annual Meeting an electronic ballot will be made available if requested in advance. The ballot request must be made no later than Monday, September 25, 2017. Completed absentee ballots must be returned by October 23, 2017.

Should your Commission nominate a candidate, the Chair of your Commission must complete the attached Nomination Form and the Candidate's Resume Form, or provide the specified information in another format other than a resume. Commissions may also include a letter of recommendation or resolution in support of their nominee.

The nomination forms and materials must be received by the CALAFCO Executive Director no later than *Monday, September 25, 2017*.

Here is a summary of the deadlines for this year's nomination process:

- **July 6** – Nomination Announcement and packet sent to LAFCo membership and posted on the CALAFCO website.
- **September 25** – Completed Nomination packet due
- **September 25** – Request for an absentee/electronic ballot due
- **September 25** – Voting delegate name due to CALAFCO
- **October 11** – Distribution of the Election Committee Report (includes all completed/submitted nomination papers)
- **October 11** – Distribution of requested absentee/electronic ballots.
- **October 23** – Absentee ballots due to CALAFCO
- **October 26** - Elections

Returning the nomination form prior to the deadline ensures your nominee is placed on the ballot. Names will be listed in the order nominations were received should there be multiple candidates. Electronic filing of nomination forms and materials is encouraged to facilitate the recruitment process. Please send e-mails with forms and materials to info@calafco.org. Alternatively, nomination forms and materials can be mailed or faxed to the address or fax number below. Please forward nominations to:

CALAFCO Election Committee c/o Executive Director
California Association of Local Agency Formation Commissions
1215 K Street, Suite 1650
Sacramento, California 95814
FAX: 916-442-6535
EMAIL: info@calafco.org

Questions about the election process can be sent to the Chair of the Committee, John Leopold, at jleopold@calafco.org or by calling him at 831-454-2055. You may also contact CALAFCO Executive Director Pamela Miller at pmiller@calafco.org or by calling 916-442-6536.

Members of the 2017/2018 CALAFCO Election Committee are:

John Leopold, Chair jleopold@calafco.org	Santa Cruz LAFCo (Coastal Region) 831-454-2200
Cheryl Brothers cbrothers@calafco.org	Orange LAFCo (Southern Region) 714-640-5100
Shiva Frentzen sfrentzen@calafco.org	El Dorado LAFCo (Central Region) 530-295-2707
Josh Susman jsusman@calafco.org	Nevada LAFCo (Northern Region) 530-265-7180

Attached please find a copy of the CALAFCO Board of Directors Nomination and Election Procedures as well as the current listing of Board Members and corresponding terms of office.

Please consider joining us!

Enclosures

CALAFCO Board Members 2016-17*(as of July 5, 2017)*

Board Member Name	LAFCo - Region	Type (Term Expires)
Cheryl Brothers	Orange - <i>Southern</i>	City (2018)
Bill Connelly	Butte - <i>Northern</i>	County (2017)
James Curatalo – Chair	San Bernardino - <i>Southern</i>	District (2017)
Shiva Frentzen	El Dorado - <i>Central</i>	County (2018)
Gay Jones – Vice Chair	Sacramento - <i>Central</i>	District (2018)
Michael Kelley	Imperial - <i>Southern</i>	County (2017)
Dr. William Kirby	Placer - <i>Central</i>	City (2017)
John Leopold	Santa Cruz - <i>Coastal</i>	County (2018)
Gerard McCallum	Los Angeles - <i>Southern</i>	Public (2018)
Michael McGill - Treasurer	Contra Costa - <i>Coastal</i>	District (2018)
John Marchand	Alameda - <i>Coastal</i>	City (2017)
Anita Paque	Calaveras - <i>Central</i>	Public (2017)
Ricky Samayoa	Yuba - <i>Northern</i>	City (2018)
Sblend Sblendorio	Alameda - <i>Coastal</i>	Public (2017)
Josh Susman - Secretary	Nevada - <i>Northern</i>	Public (2018)
<i>Vacant</i>	<i>Northern</i>	District (2017)

Date: 5 July 2017

To: LAFCo Commissioners and Staff
CALAFCO Members
Other Interested Organizations

From: CALAFCO Achievement Awards Committee

Subject: **2017 CALAFCO Achievement Award Nominations**



Each year, CALAFCO recognizes outstanding achievements by dedicated and committed individuals and/or organizations from throughout the state at the Annual Conference Achievement Awards Ceremony.

Recognizing individual and organizational achievements is an important responsibility. It provides visible recognition and support to those who go above and beyond in their work to advance the principles and goals of the Cortese-Knox-Hertzberg Act. We invite you to use this opportunity to nominate the individuals and organizations you feel deserve this important recognition. ***Please carefully review the nomination instructions.***

To make a nomination, please use the following procedure:

1. Nominations may be made by an individual, a LAFCo, a CALAFCO Associate Member, or any other organization. There is no limit to the number of nominations you can submit.
2. Please use a separate form (attached) for each nomination. Nominations must be submitted with a completed nomination form. The form is your opportunity to highlight the most important points of your nomination.
3. Nominations must be limited to no more than 1500 words or 3 pages in length maximum. You are encouraged to write them in a clear, concise and understandable manner. If the Awards Committee members require additional information, you will be contacted with that request.
4. All supporting information (e.g. reports, news articles, etc.) must be submitted with the nomination. Please limit supporting documentation to no more than 5 pages. If the Awards Committee members require additional information, you will be contacted with that request.
5. All nomination materials must be submitted at one time and must be received by the deadline. Electronic submittals are encouraged.
6. **Nominations and supporting materials must be received no later than 5:00 p.m., Thursday, August 31, 2017.** Send nominations via e-mail, or U.S. mail to:

Stephen Lucas, CALAFCO Executive Officer
c/o Butte LAFCo
1453 Downer Street, Suite C
Oroville, CA 95965
slucas@calafco.org

Members of the 2017 CALAFCO Board of Directors Awards Committee are:

Ricky Samayoa, Committee Chair (Yuba LAFCo, Northern Region)
Mike Kelley (Imperial LAFCo, Southern Region)
Gerard McCallum (Los Angeles LAFCo, Southern Region)
John Marchand (Alameda LAFCo, Coastal Region)
Anita Paque (Calaveras LAFCo, Central Region)

rsamayoa@calafco.org
mkelley@calafco.org
gmccallum@calafco.org
jmarshand@calafco.org
apaque@calafco.org

Please contact Steve Lucas, CALAFCO Executive Officer, at slucas@calafco.org or (530) 538-7784 with any questions. A list of the previous Achievement Award recipients is attached to this announcement.



CALAFCO Board Adopts Association's 2017-18 Strategic Plan

During their May 5 meeting, the CALAFCO Board of Directors considered the Association's two-year strategic plan for 2017-18. The draft strategic plan was presented to the Board for consideration as a follow up to their day-long strategic planning retreat session in January. The discussion, both in January and in May focused on current and emerging LAFCo and CALAFCO issues, what puts our members and the Association at risk and current CALAFCO commitments. The Board also carefully considered available resources to fulfill objectives and deliver the highest quality support to our members.



Ultimately the Board approved three strategic areas: (1) Serve as an educational resource to member LAFCo Commissioners, LAFCo staff, Associate members and stakeholders; (2) Focus efforts on Association member development and communication; and (3) Serve as an information resource to all Association members, work as a legislative and policy advocate for LAFCo issues and provide information to the Legislature and other stakeholders. Within those three areas are objectives that address the identified needs of creating value-added educational and networking opportunities, building stronger member LAFCos and a resilient Association, generating ourselves in new ways as an information resource, and continuing our work as a legislative resource.

The 2017-18 Strategic Plan was unanimously adopted by the CALAFCO Board during their May 5 meeting. The adopted plan has been distributed to the membership and can be found on the CALAFCO website.

Additional CALAFCO Board Actions

During the May 5 meeting the Board addressed several administrative issues and took a number of other actions:

- ◆ Reviewed and adopted the Association's FY 2017-18 annual budget.
- ◆ Received and filed the quarterly financial reports. The budget is on track for the year with no changes anticipated.
- ◆ Received a full legislative update.
- ◆ Received other status updates from CALAFCO staff.
- ◆ Directed staff to plan for an in-depth discussion at their August Board meeting on the long-term financial state of the Association.



Conferences and Workshops Update

2017 STAFF WORKSHOP

The 2017 Staff Workshop was held *April 5-7* at the Doubletree by Hilton in downtown Fresno. Our host for this workshop was *Fresno LAFCo*. The Program Planning Committee did a great job in planning a diverse program of topics and interesting speaker line up. The Workshop received a rating of 5.3 out of 6.0 and was a financial success with all revenues and expenses meeting budget expectations. CALAFCO wishes to thank our host, *Fresno LAFCo*, and in particular Executive Officer *David Fey*. Thanks also to the Program Planning Committee Chair, *Kris Berry*, and all who worked to plan another great Workshop.

2017 ANNUAL CONFERENCE

Mark your calendars for the 2017 Annual Conference on *October 25-27*. We will be in Mission Bay, San Diego at the Bahia Hotel. Registration is open so make your hotel reservations early and be sure to send in your Conference registration and payment before August 31 to receive the early bird registration rate. A very special mobile workshop is being planned that will include a tour of the Claude "Bud" Lewis desalination plant, the largest in the nation. We will also be touring the adjacent Encina Power Station. The Program Planning Committee, under the leadership of *Carolyn Emery* (Orange), is busy putting together a fabulous program. For details, visit the CALAFCO website.

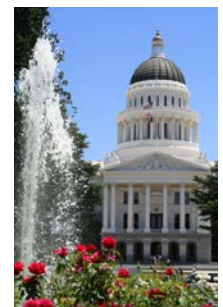
CALAFCO White Papers and Other Publications

In partnership with the American Farmland Trust (AFT), we are currently working on a White Paper on *Ag Policies*. Work on this project is anticipated to be completed by the end of summer. A huge thank you to Serena Unger of the AFT, and to Executive Officers *Christine Crawford* (Yolo), *Neelima Palacherla* (Santa Clara), *David Fey* (Fresno), and Associate Member *Elliot Mulberg* for their work on the paper.



CALAFCO Legislative Update

A busy legislative year to be sure. CALAFCO is sponsoring three bills, tracking 20 bills and has formal positions on 13 bills. A full legislative update including the bills CALAFCO is tracking can be found on the CALAFCO website. The report is updated daily via Capitol Track.





Sponsored bills this year include:

- ◆ **AB 464** (Gallagher) which makes changes addressing the issue of annexations of areas receiving services via an out of area service agreement. The bill was signed into law by the Governor on July 10.
- ◆ **AB 979** (Lackey) (co-sponsored with CSDA) which streamlines the process of seating special districts on LAFCo. The bill passed Assembly and is now on the Senate floor for passage.
- ◆ **AB 1725** (Omnibus) contains several technical, non-substantive changes to CKH. The bill is on the Senate floor awaiting passage.

Other bills of notice include:

- ◆ **AB 1361** (E. Garcia) CALAFCO Oppose – This bill was recently gut and amended. As amended, it allows water districts to provide service to an Indian tribe's lands that are not within the district boundaries without going through the current statutory process of approval by LAFCo. Amendments were taken by the author during the SG&FC hearing July 19 that include LAFCo's ability to apply certain terms and conditions to the application by the water agency and limits the land to be served to lands in trust. However, CALAFCO still has a number of concerns and will continue to work with the author and sponsor.
- ◆ **SB 448 (Wieckowski)** – CALAFCO Support - The bill requires the State Controller to: (1) identify independent special districts separately on their website (from the other thousands of districts); (2) notify LAFCo when a special district becomes inactive (based on the new criteria in statute); and (3) remove the district from the inactive list if it is deemed active or upon dissolution. The bill requires LAFCo to: (1) initiate dissolution within 90 days of notification by the Controller; (2) hold a noticed public hearing for dissolution within 90 days of initiating the process; and (3) determine if the district meets the inactive criteria (and if so then order the dissolution) and if not, notify the Controller. The dissolution process requires only one noticed public hearing and no protest process, special study or MSR. Finally the bill requires a special district to file their audits with the LAFCo at the same time they file with the Controller. CALAFCO has been working extensively with the author and other stakeholders over many months on obtaining a host of amendments.

Little Hoover Commission Update

The LHC held their final roundtable discussion on LAFCos and special districts on June 22. A host of draft recommendations were discussed in detail by the Commission and stakeholders. The next hearing on this

topic, at which they are scheduled to adopt the final recommendations, is set for August 24.



Around the State

San Diego LAFCo

Submitted by Escondido Mayor Sam Abed, Chairman of the San Diego LAFCo

On May 1, 2017, long time San Diego LAFCo Executive Officer Mike Ott announced his retirement, effective August 31, 2017. Some of Mike's good friends and co-workers have also announced their retirement from the San Diego LAFCo. Joining him in retirement this summer will be Chief Local Governmental Analyst Ingrid Hansen, who has been working part-time as a retired worker for the past ten years. She originally started with the San Diego LAFCo in 1981. And Harry Ehrlich, who serves as Legislative Director, also announced that he will be retiring to spend more time with his wife and family. Harry was recently elected to the Borrego Water District and will be able to devote more of his time to this desert water agency in north eastern San Diego County, plus his consulting firm.

Over the past 25 years, Mike was at the helm of the San Diego LAFCo during a time of tremendous change. Among the more difficult projects he oversaw were seven different incorporations – not all of which were successful; one failed special reorganization proposal (La Jolla Secession); one unsuccessful disincorporation attempt (Imperial Beach); and an effort that he discouraged that would have resulted in the formation of a municipal utility district to replace the San Diego Gas and Electric Company. Perhaps, most important were his government streamlining efforts. He was responsible for streamlining government services in a diverse county of over 3.2 million people occupying 4,500 square miles through consolidating 90 special districts. Of particular note is the agency's work with fire agencies. Over one million acres of unincorporated San Diego County are now within a structural fire protection and emergency medical service provider. This has improved life safety for San Diego County residents and millions of tourists that visit the County each year.

The San Diego LAFCo has been honored with sixteen statewide awards for its professional excellence and innovation during the past 25 years that Mike Ott led LAFCo. The agency was recognized by CALAFCO in 1998, 2002 and 2004 as the "Most Effective Commission" in the



State. Mike previously served as the first Deputy Executive Officer of CALAFCO and wrote the groundbreaking 1989 report that resulted in the reorganization of CALAFCO. During his time with the San Diego LAFCo, Mike also completed the first ever LAFCo-initiated district consolidation in California. He served on the Governor's Office of Planning and Research's Incorporation Task Force and Municipal Service Review Working Group between 1999 and 2001. Mike, Ingrid, and Harry Ehrlich are all previous recipients of CALAFCO's Outstanding LAFCo Professional award.

In 2018, the San Diego LAFCo will begin a major update to its Spheres of Influence, Municipal Service Reviews, Disadvantaged Community Program, and launching an Unincorporated Island Program. These programs will affect 18 municipalities and 80 special districts. The San Diego LAFCo is accordingly seeking a talented and experienced leader to manage these programs after Mike Ott retires. The Commission will also be recruiting for several new analysts in the upcoming months.

According to Mike, "Having headed the San Diego LAFCo for twenty-five years, I can say unequivocally it is an excellent organization and this is an exceptional career opportunity for an experienced and creative leader interested in helping to shape the future of San Diego County. San Diego LAFCo is fortunate that it will continue to be staffed by brilliant LAFCo attorney, Mike Colantuono and a talented workforce consisting of Robert Barry, Joe Serrano, Tammy Luckett, Ruth Arellano, Erica Blom, and Dieu Ngu, plus an incredible group of experienced consultants."

Los Angeles LAFCo

LA LAFCo is pleased to announce the hiring of Adriana Romo as Deputy Executive Officer, who recently assumed the office. Adriana recently served as Local Government Analyst III with Riverside LAFCo, where she worked since 2002.

Vector Control Services in LA County:

Given the public health challenges associated with preventing the spread of diseases (chikungunya, dengue, encephalitis, West Nile virus, yellow fever, and Zika), LA LAFCo continues its proactive efforts to annex a handful of unincorporated areas and cities into existing vector control districts. The Commission annexed unincorporated La Crescenta-Montrose and the City of La Cañada Flintridge into the Greater Los Angeles Vector Control District (GLAVCD) in 2015. Tentatively scheduled for the Commission's July 12th meeting is the proposed annexation of the cities of Baldwin Park and Pasadena into the San Gabriel Valley Mosquito and Vector Control District. Within the next few months, the GLAVCD intends to file an out-of-agency service extension request to serve the City of

Vernon on an interim basis (ideally leading to a future annexation). With the exception of the City of Long Beach (which has its own robust in-house vector control program), the City of Vernon is the sole remaining city in Los Angeles County not served by a vector control district. In the face of increasing health risks, the proactive collaboration amongst several parties (LA LAFCo, vector control districts, the County of Los Angeles, and the involved cities) are yielding positive results for the benefit of the public.

Sonoma LAFCo

Sonoma LAFCo is pleased to report the receipt of an application from the City of Santa Rosa for annexation of five unincorporated islands, including the community of Roseland in south west Santa Rosa. The Commission will adjudicate the proposal at its August meeting. Assuming approval and eventual ratification of the application, the annexation will resolve a decades-long exclusion of a large community of approximately 6,500 residents from the City.

Solano LAFCo

Solano LAFCo announces the hiring of a new Executive Officer, Richard J. Seithel, who will begin on August 9, 2017. Richard is a resident of Antioch and currently serves as the Chief of Annexations and Economic Stimulus Programs for Contra Costa County. He has served Contra Costa County in the County Administrator's Office for the past nineteen years as a deputy county administrator. Richard will be a permanent full-time employee of the commission. Since 2013, the Solano LAFCo Executive Officer position has been filled by contractors working only part time. The move to a permanent full-time executive officer will ensure greater availability and service to the county, cities, districts and the public.



*The CALAFCO Board of Directors and Staff
wish all of you a wonderful summer!*



CALAFCO Associate Members' Corner

This section highlights our Associate Members. The information below is provided to CALAFCO by the Associate member upon joining the Association. All Associate member information can be found in the CALAFCO Member Directory.



CALAFCO is pleased to welcome our newest Silver Associate Member, **Peckham & McKenney**. **Peckham & McKenney, Inc.** provides executive search services to local government agencies throughout the Western United States and is headquartered in Roseville, California. The firm was established as a partnership in 2004 by Bobbi Peckham and Phil McKenney, who serve as the firm's Recruiters and bring over 50 years' combined experience in local government and executive search. To learn more about them, visit them at www.peckhamandmckenney.com, or call them at 866-912-1919.



Mark Your Calendars For These Upcoming CALAFCO Events

- ◆ CALAFCO Board of Directors meeting, August 18, San Diego
- ◆ CALAFCO Legislative Committee meeting, August 25, conference call

Upcoming CALAFCO Conferences and Workshops

2017 ANNUAL CONFERENCE

October 25 – 27
Bahia Mission Bay
San Diego, CA
Hosted by CALAFCO

2018 STAFF WORKSHOP

April 11 – 13
Four Points Sheraton
San Rafael, CA
Hosted by Marin LAFCo

2018 ANNUAL CONFERENCE

October 3-5
Tenaya Lodge
Yosemite, CA
Hosted by CALAFCO

MENDOCINO Local Agency Formation Commission

Staff Report

DATE: August 7, 2017
TO: Mendocino Local Agency Formation Commission
FROM: Uma Hinman, Executive Officer
SUBJECT: Status of Applications, Future Projects, MSR & SOI Updates

ACTIVE APPLICATIONS

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

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

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

2. Fort Bragg RFPD North of 10 Mile Annexation

EO met with SHN Engineers to go over the requested corrections to the map, who have provided the revised maps at no additional cost to LAFCo. This project is complete.

FUTURE PROJECTS:

There are five (5) potential project proposals that have been brought to LAFCo's attention:

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

2. Millview CWD Annexation

EO met with Millview CWD General Manager and SHN Engineers on July 31st regarding application requirements for annexation of an area located outside the District boundaries but within its sphere of influence. A pre-application is pending.

3. Proposed Nicolls Annexation to Millview CWD and UVSD

Potential annexation of an undeveloped parcel. This application has been included in the Millview CWD Annexation, above.

4. Calpella CWD Proposed Annexation

Potential annexation of the Central Avenue Area, which has been receiving water services since 2000. The area has been identified for future annexation in the recent SOI Plan. This application will be unnecessary upon consolidation of the five water districts.

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

Potential consolidation of five water districts in the Ukiah valley area: Calpella CWD, Millview CWD, Willow CWD, Redwood Valley CWD, and Russian River Flood Control. LAFCo sent a letter of support for the consolidation to Governor Brown in May 2017. EO Hinman has spoken with the

(Continued...)

SWRCB staff regarding the consolidation; LAFCo has been encouraged to participate in the process early on with the goal of processing concurrent applications.

MSR & SOI UPDATES:

The following MSR and/or SOI Studies are included in the 2017/2018 Work Plan and are in progress:

MSR	SOI	MSR/SOI	Start Date	Targeted Workshop Date	Status
	X	Fire Districts (14)	9/27/16	8/7/17 (some, not all)	The first SOI updates have been set for workshop on 6/5/17 and 8/7/17; staff continues to follow up with districts to obtain information. SOI updates will be brought to workshop for individual districts as they are ready.
X	X	City of Fort Bragg	1/6/17	8/7/17	Workshop scheduled for 8/7/17
	X	City of Willits	11/10/16	10/2/17	In progress; waiting for City to provide information on SOI
X	X	Brooktrails CSD	7/17/17	10/2/17	Draft MSR/SOI in process

MENDOCINO Local Agency Formation Commission

Staff Report

DATE: August 7, 2017
TO: Mendocino Local Agency Formation Commission
FROM: Uma Hinman, Executive Officer
SUBJECT: **Workshop** for Comptche Community Services District Draft Sphere of Influence Update

Background

This is a workshop to introduce the Draft Sphere of Influence (SOI) Update for the Comptche Fire Protection District (Comptche CSD). Comptche CSD was part of the Multi-District Fire Protection Services Municipal Service Review (MSR), which the Commission adopted on April 4, 2016. This report includes informational updates to the MSR that support the SOI analysis, recommendation, and determinations.

The District's boundary area is approximately 87 square miles and is centered around the unincorporated community of Comptche. The District's SOI is coterminous with the District boundary and was established by LAFCo on October 4, 1993, along with other special districts providing fire service in Mendocino County (LAFCo Resolution No. 93-4). The District has not requested a modification to the existing SOI and the SOI Update recommends the Commission affirm the existing coterminous sphere of influence.

SOI Update for Multiple Fire Protection Service Providers

To assist in preparing a Multi-District Fire SOI Update, staff mailed a Request for Information (RFI) to the following fourteen fire protection service providers in September 2016 and received a response from Comptche, Elk, Leggett Valley, Long Valley, South Coast, and Little Lake. Staff is in the process of following up with all the fire districts to re-engage them in the process and to receive information in order to prepare the SOI Updates and move forward with scheduling items for workshop and public hearing.

1. Albion-Little River Fire Protection District
2. Comptche Community Services District
3. Covelo Fire Protection District
4. Elk Community Services District
5. Hopland Fire Protection District
6. Leggett Valley Fire Protection District
7. Little Lake Fire Protection District (Workshop completed)
8. Long Valley Fire Protection District
9. Mendocino Fire Protection District
10. Piercy Fire Protection District
11. Potter Valley Community Services District

12. Redwood Valley-Calpella Fire Protection District
13. South Coast Fire Protection District
14. Ukiah Valley Fire Protection District

Recommendation

Staff recommends the Commission hold a workshop on the Draft SOI Update, provide comments and requested revisions, and direct staff to notice the matter for public hearing once SOI Updates are completed for multiple fire protection service providers in order to bring them together for consideration.

Attachments:

- (1) Comptche Community Services District Draft Sphere of Influence Update

Workshop Draft

**COMPTCHE
COMMUNITY SERVICES DISTRICT**

Sphere of Influence Update

Prepared for:

MENDOCINO LAFCO

200 South School Street
Ukiah, California 95482

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

Workshop: August 7, 2017

Public Hearing: XXXX

August 7, 2017

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1 COMPTCHE COMMUNITY SERVICES DISTRICT

1.1 INTRODUCTION

LAFCo prepares a Municipal Service Review (MSR) prior to or in conjunction with the Sphere of Influence (SOI) Update process. The SOI Update considers whether a change to a district sphere, or probable future boundary, is warranted to plan the logical and orderly development of a district in a manner that supports CKH Law and the Policies of the Commission. This SOI Update and associated determinations is prepared pursuant to California Government Code §56425(e).

The Commission approved the Multi-District Fire Protection Services Municipal Service Review on April 4, 2016, which provides the analysis for the Comptche Community Services District (Comptche CSD) addressed by this SOI Update. This previously approved MSR and associated determinations form the basis of information for this SOI Update. To ensure the Commission has the most updated information for consideration, the MSR determinations were reviewed and updates provided in the relevant sections as appropriate.

1.2 DETERMINATIONS

1.2.1 SPHERE OF INFLUENCE

The Sphere of Influence (SOI) for Comptche CSD was established in October 1993 when Mendocino LAFCo and the Mendocino County Board of Supervisors adopted resolutions establishing the Mendocino County Fire Districts' Spheres of Influence (LAFCo Resolution No. 93-4). The Comptche CSD is the umbrella agency for the Comptche Volunteer Fire Department (Comptche VFD). Comptche VFD is a small rural fire agency serving the unincorporated community of Comptche and surrounding area. The District's SOI is coterminous with the District boundary.

The Comptche CSD comprises approximately 87 square miles centered on the unincorporated community of Comptche. The District is located inland from the Pacific Ocean, and is adjacent to and east of both the Mendocino Fire Protection District and the Albion-Little River Fire Protection District; Anderson Valley Community Services District is located to the south. Lands to the east of the District are not within any fire district and are classified as State Responsibility Area (SRA). The District is centered around the community of Comptche and provides services along Comptche-Ukiah Road, Flynn Creek Road, Marsh Creek Road, Bald Hills Road, Docker Hill Road, and Surprise Valley Road. The Comptche CSD is also responsible for an area in the southern portion of the District along Masonite Industrial Road that is only accessible from Flynn Creek Road and Dutch Henry Creek Road, or via Flynn Creek Road and State Route 128 near Navarro; an area difficult to serve.

Comptche VFD is a member of the Zone 4, Planning Mutual Aid Association, which includes Albion-Little River, Fort Bragg, Mendocino, and Westport Districts.

1.2.2 OUT-OF-AREA SERVICES

The CVFD maintains Mutual Aid Agreements with the neighboring fire districts of Mendocino Fire Protection District, Albion-Little River Fire Protection District, and Anderson Valley Community Services District. Additionally, the District has an Agreement with the California Department of Forestry and Fire Protection (CALFIRE) for wildland fire incidents.

1.2.3 AREAS OF INTEREST

The Highway 128 corridor south and outside the District is unserved. However, this area is more likely to be served by Albion-Little River FPD or Anderson Valley Community Services District.

1.2.4 MSR UPDATE

The MSR information and associated determinations prepared for the District in 2016 remain accurate and serve as a reliable basis for the SOI Determinations contained in this report.

1.2.4.1 Financial Update

The following table provides financial information for Fiscal Year 2010-2013 provided by Comptche CSD for the preparation of this document. The District's financial planning efforts include an annually adopted budget. In 2016, the Mendocino County Board of Supervisors authorized a five-year audit cycle for the Comptche CSD. The most recent audit was for Fiscal Year 2013-2014.

Table 1-1 Comptche Community Services District Financial Summary			
	FY 10-11	FY 11-12	FY 12-13
Revenues			
Property Tax	\$10,307	\$11,276	\$11,209
Property Assessments	\$14,924	\$15,213	\$15,415
Interest Income	\$46	\$22	\$14
Other Government Funds	\$117	\$2,477	\$29,793
Miscellaneous Revenues	\$46	\$22	\$15
Total Income	\$25,440	\$28,995	\$56,446
Expenses			
Salaries & Employee Benefits	\$0	\$0	\$0
Debt Service	\$0	\$0	\$0
Service & Supplies	\$15,702	\$14,662	\$16,977
Other Expenditures	\$13,123	\$10,750	\$7,177
Fixed Assets	\$18	\$0	\$19,373
Total Expenses	\$28,843	\$25,412	\$43,527
Net Income/Loss	-\$3,403	\$3,147	\$12,919

Source: Multi-District Fire Protection Services MSR, April 2016.

In 2016 the County of Mendocino disbursed a share of Proposition 172 funds to eligible fire agencies within the County. The formula for funding allocations was developed by the Mendocino County Association of Fire Districts and incorporates a minimum distribution per district, plus a population-based

proportional allocation. The Comptche CSD received \$9,830 in FY 2016-17 and anticipates the same amount in FY 2017-18. Future disbursements are unknown at this time.

1.2.4.2 MSR Determinations

The following table summarizes the MSR Determinations contained in the 2016 MSR; updates are based on information received from the District and are noted with underline and strikethrough.

Table 2-2 Summary of MSR Determinations
Growth and Population Projections
<ol style="list-style-type: none"> 1. There are approximately 600 residents within the Comptche Community Services District boundary, based on District estimates. There are 159 people residing in the hamlet of Comptche. 2. The population of the District has increased somewhat over the past few years, and is marginally expected to increase in the foreseeable future.
Location and Characteristics of any Disadvantaged Unincorporated Communities Within or Contiguous to the Sphere Of Influence
<ol style="list-style-type: none"> 3. There are no Disadvantages Unincorporated Communities (DUCs) within the District Sphere of Influence.
Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs and Deficiencies
<ol style="list-style-type: none"> 4. The District’s current facilities are adequate, but are operating at capacity. 5. The Fire Department has the capacity to adequately serve current demand within the 87-square mile District boundary, and is able to assist adjoining fire districts through mutual aid as long as volunteer firefighter membership can be maintained. 6. Water supply for firefighting is limited to apparatus with water tank capability. Additional water tanks at strategic locations throughout the District would be beneficial.
Financial Ability of Agency to Provide Services
<ol style="list-style-type: none"> 7. Comptche CSD reported that current financing levels are barely adequate to deliver services. 8. If lack of revenue becomes an issue, the District would consider a new property assessment (special tax) ballot measure, which requires a two thirds approval. However, options for a new special tax are not good because of recent State mandated fees for ‘fire prevention.’
Status and Opportunities for Shared Facilities
<ol style="list-style-type: none"> 9. The Department collaborates with other fire service providers through state and county mutual aid agreements.
Accountability for Community Services, Including Governmental Structure and Operational Efficiencies
<ol style="list-style-type: none"> 10. Comptche CSD is governed by an elected five-person Board of Directors. However, all recent Board positions have been filled by appointment of the Mendocino County Board of Supervisors. All Board vacancies are publicly posted in advance and public participation is always welcome. 11. The District and the Volunteer Fire Department do not have a website. 12. The District maintains a community presence at its Main Fire Station. 13. The agency demonstrated accountability in its cooperation with Mendocino LAFCo information requests.

Source: Multi-District Fire Protection Services Municipal Service Review, April 2016. Comptche CSD Response to Information Request in preparation for the 2017 Sphere of Influence Update, 2017.

The following updated information has been provided by the District related to the above MSR Determinations.

MSR Determination 7

The District has recently received \$9,830 from Proposition 172 funds from the County of Mendocino; the same share is anticipated next year. Future disbursements are unknown.

In 2016, the Mendocino County Board of Supervisors authorized a five-year audit cycle for the Comptche CSD; the last audit was for FYs 2012-14.

1.2.5 SOI RECOMMENDATION

It is recommended that the Commission affirm an SOI for Comptche CSD that is coterminous with the District boundary. The following statements have been prepared in support of this recommendation.

1.2.5.1 Present and planned land uses in the area

The District's boundary area is approximately 87 square miles, with a service area of approximately 100 square miles. The District contains a variety of land uses including rural residential and 'ranchettes,' with limited commercial development in the community of Comptche. Orchards, vineyards, cannabis grows, and grazing land comprise agricultural land uses. Large tracts of forest and range land are predominately in the District's outer areas. Mendocino County has land use authority over privately-owned lands within the District boundary and makes land-use decisions based on the County General Plan and Zoning Regulations.

1.2.5.2 Present and probable need for public facilities and services in the area

Comptche Community Services District, an umbrella agency for the all-volunteer Comptche Volunteer Fire Department, a small rural fire agency serving the rural community of Comptche and the surrounding area. The District provides structural fire protection, emergency medical response, vehicle rescue and extrication, and wildland fire protection response as a first responder.

The District serves an estimated 600 residents within its boundaries. The District reports that it anticipates marginal growth within its boundaries in the next few years because existing land use patterns have been unchanged, and little if any new development is anticipated. It is possible that the District will see a reduced population due to aging and out-migration.

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

As determined in the 2016 MSR prepared for Comptche Community Services District, the District's current Insurance Service Office (ISO) rating is 6Y, which uses a 1-10 class scale covering facilities, systems for water distribution, fire alarms, communication, equipment, and personnel. The Comptche Volunteer Fire Department reported that its main station, located at 8491 Flynn Creek Road in Comptche, is in good condition and operating at capacity.

The Comptche VFD maintains and operates one rescue truck, one command vehicle, one Type 1 Structure Engine, three Type 3 Wildland Fire Engines, and two 1,800-gallon capacity Water Tenders. Water for fire protection provided by on-board tanks on each engine, the water tenders, and a 2,500-gallon portable 'fold-a-tank'. There is no water system/hydrant system within the District. The Comptche VFD must rely on engines with water storage capacity; and/or utilize an on-site storage tank, local ponds and streams,

or occasional local water storage tanks. Currently, water supply for firefighting is considered marginally adequate; however, additional water storage tanks in strategic locations would be very beneficial.

As determined in the 2016 MSR prepared for Comptche CPD, the District's current financing levels are barely adequate to deliver services. It is recommended that the District prepare a facilities plan that identifies current and long-term District facility needs, including maintenance, capital improvements, and facility expansion, and identifies potential revenue sources for addressing those facility needs.

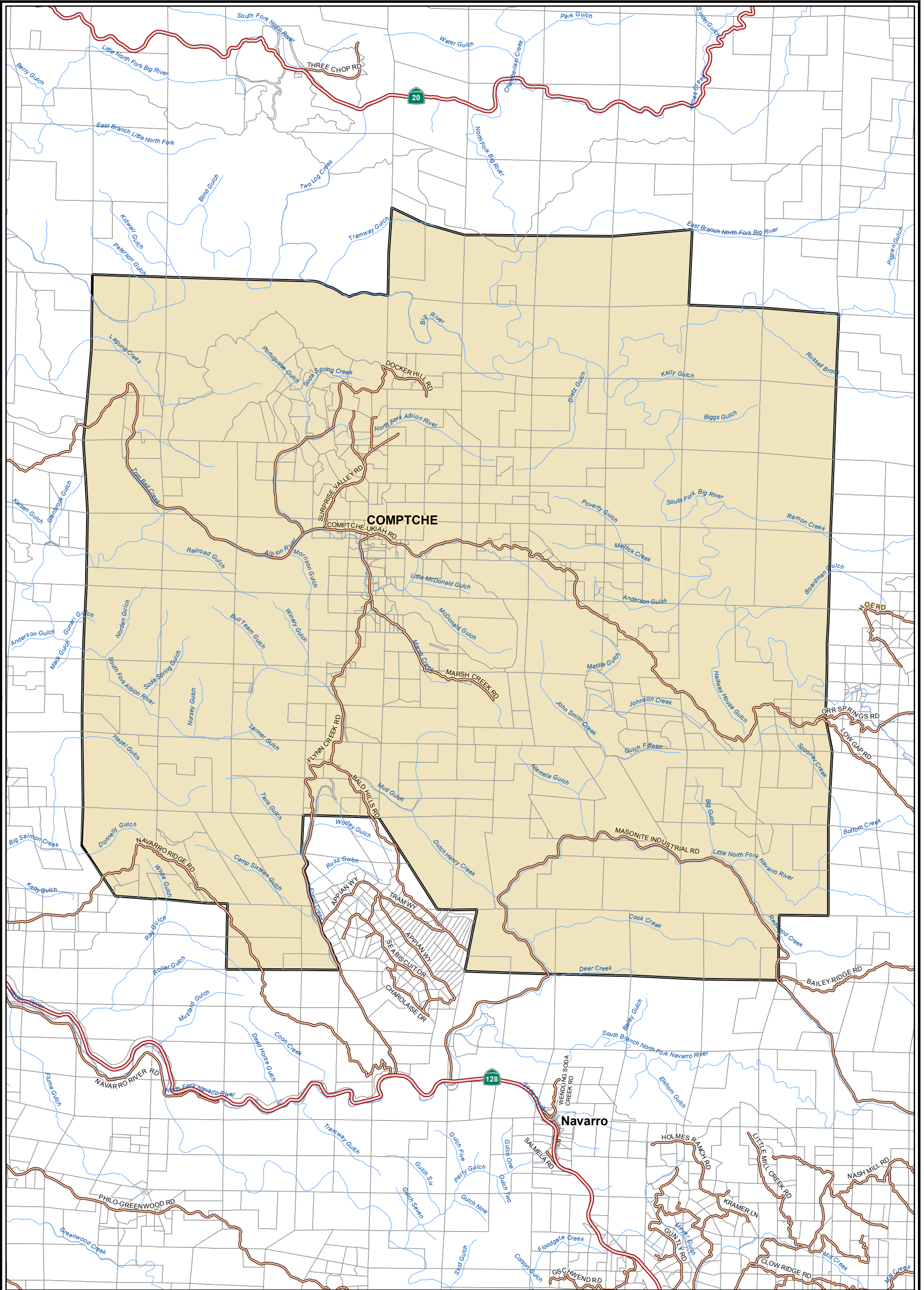
1.2.5.4 Existence of social or economic communities of interest in the area if the Commission determines that they are relevant to the agency

No social or economic communities of interest have been identified in preparation of this SOI Update within the immediate vicinity of the District that should be included in the District boundary.

1.2.5.5 Present and Probable need for Public Facilities and Services of Disadvantaged Unincorporated Communities

The unincorporated community of Comptche is a 'census designated place' (CDP). The Comptche CDP does not qualify as a DUC because the median household income is greater than 80% of the State median household income of \$61,632. For Comptche, the median household income in 2014 was \$83,750 (or 135.9% of the State median household income) according to the US Census American Community Survey.

Structural fire protection provided by the District is considered to be satisfactory. The District does not provide water or sewer services, and is therefore not responsible for ensuring that these services are adequately provided to the community.

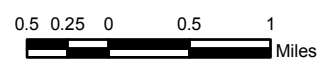


Comptche Community Service District

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

Note: This map is not a survey product.

- Comptche CSD
- Parcels
- Highways
- Roads
- Streams



2 REFERENCES

Comptche Community Services District (Comptche CSD). 2017. District Response to Information Request from LAFCo in preparation for the 2017 Sphere of Influence Update. Available at LAFCo's office upon request.

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3 ACKNOWLEDGEMENTS

3.1 ASSISTANCE AND SUPPORT

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

LAFCo Staff	Uma Hinman, Executive Officer Larkyn Feiler, Analyst Beth Salomone, Commission Clerk
Comptche Community Services District	James Sibbet, Chair, Comptche CSD Michael Schaeffer, Comptche CSD Larry Tunzi, Comptche CSD

4 APPENDICES

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MENDOCINO

Local Agency Formation Commission

Staff Report

DATE: August 7, 2017
TO: Mendocino Local Agency Formation Commission
FROM: Uma Hinman, Executive Officer
SUBJECT: **Workshop** for City of Fort Bragg Draft Municipal Service Review and Sphere of Influence Update

Background

This is a workshop to introduce the Draft Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for the City of Fort Bragg. This Draft MSR/SOI Update also addresses the Fort Bragg Municipal Improvement District (MID) No. 1 which was established on April 28, 1969 as a dependent special district, or a subsidiary of the City, to provide wastewater services to the Fort Bragg community. The prior MSR/SOI Update for the City and MID No. 1 was adopted in 2008.

The City is approximately 2.7 square miles in size. The boundary of MID No. 1 (District) generally follows the City boundaries, but also includes unincorporated territory to the east and south of the City. The District is approximately 2.98 square miles in size. The City provides a wide range of municipal services including general government, finance, community development, law enforcement, public works, parks, water, and wastewater on behalf of the District.

The City's SOI is larger in size than the District's SOI because the District boundary is larger than the City boundary. Annexations into the City require concurrent annexation into the District. There have been no annexations to the City or the District since the 2008 MSR/SOI Update. The City has confirmed the adequacy of the existing City and District boundary and SOI and the Draft SOI Update recommends the Commission affirm the existing SOI for both agencies.

We would like to give special thanks to City Staff for being so helpful and responsive to our requests for information in preparing this Draft MSR/SOI Update.

Recommendation

Staff recommends the Commission hold a workshop on the Draft MSR/SOI Update, provide comments and requested revisions, and direct staff to notice the matter for public hearing for consideration and potential adoption.

Attachments:

(1) City of Fort Bragg Draft Municipal Service Review and Sphere of Influence Update

Workshop Draft

CITY OF FORT BRAGG

Municipal Service Review and Sphere of Influence Update

Prepared for:

MENDOCINO LAFCO

200 South School Street
Ukiah, California 95482

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

Workshop: August 7, 2017

Public Hearing: XXXX

August 7, 2017

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1 INTRODUCTION

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 and adequacy of public services including infrastructure needs or deficiencies
4. Financial ability of agency to provide services

5. Status of, and opportunities for, shared facilities
6. Accountability for community service needs, including government 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 Sphere of Influence (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 LAFCo determines that they are relevant to the agency
5. The present and probable need for sewer, water, and/or fire protection public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence

SOI 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 sphere of influence or probable future boundary.

1.5 SENATE BILL 215

Senate Bill (SB) 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 (SB) 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

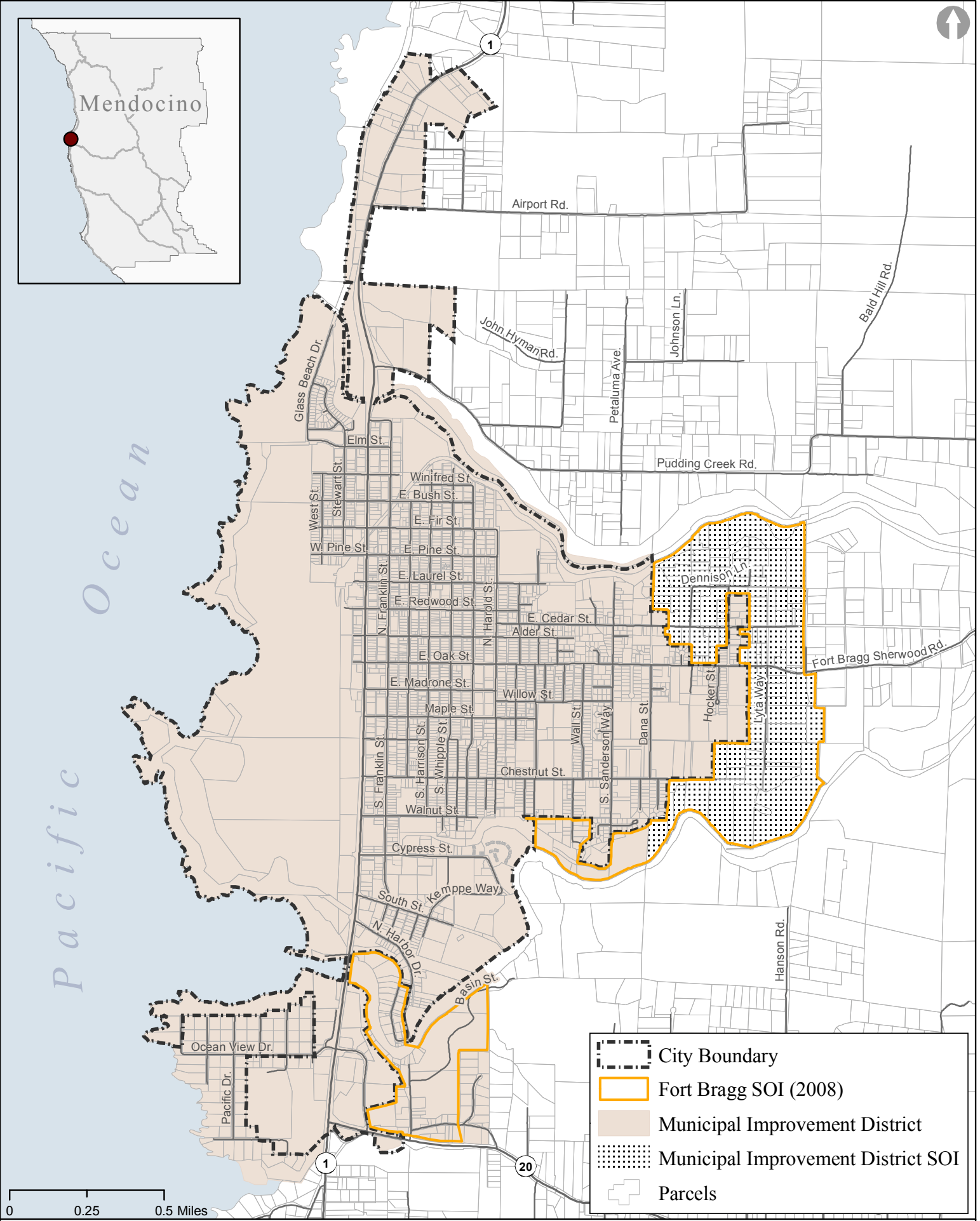
for allocating regional transportation funding to transportation improvement projects consistent with the 2010 RTP for Mendocino County.






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 a General Plan and Zoning Regulations.

Mendocino County is not located within an MPO and there is no proposal to expand the boundary or Sphere of Influence for the City of Fort Bragg or the Fort Bragg Municipal Improvement District No. 1. Therefore, there will be no further discussion of the requirements of SB 375 or SB 215 in this MSR.



Mendocino



-  City Boundary
-  Fort Bragg SOI (2008)
-  Municipal Improvement District
-  Municipal Improvement District SOI
-  Parcels

City of Fort Bragg & Municipal Improvement District #1

Prepared for **PLANWEST PARTNERS, INC.**
 Mendocino 
 LAFCo by: Date: 12/22/2015

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

Path: D:\Planwest_GIS\projects\current\Mendocino_LAFCo\Cities\mapdocs\fort_bragg_SOI.mxd

2 OVERVIEW

2.1 AGENCY PROFILE

Agency Name:	City of Fort Bragg
Phone Number:	(707) 961-2823
Mailing Address (City Hall):	416 North Franklin Street, Fort Bragg, CA 95437
Town Hall:	363 N. Main Street, Fort Bragg, CA 95437
Website:	https://city.fortbragg.com/
Date of Formation:	August 5, 1889
Enabling Legislation:	General Law City: Government Code Section 34000 et seq.
Dependent Special District(s):	Fort Bragg Municipal Improvement District No. 1
City Council Meetings:	2nd and 4th Mondays at 6 p.m. at Town Hall

2.2 FORMATION, BOUNDARY, AND SERVICES

The City of Fort Bragg incorporated on August 5, 1889 and operates as a General Law City. The City is located approximately 35 miles west of the City of Willits and US Highway 101 on the scenic coast of Mendocino County along US Highway 1. The City is approximately 2.7 square miles in size.

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

The Fort Bragg Municipal Improvement District (MID) No. 1 was established as a dependent special district to provide wastewater services to the Fort Bragg community under the auspices of the Municipal Sewer and Water Facilities Law of 1911. The Fort Bragg City Council established the MID on April 28, 1969 by Resolution No. 369. As a subsidiary of the City, the legislative body of MID No. 1 is the Fort Bragg City Council. The boundary of MID No. 1 generally follows the City boundaries; however, they are not exactly the same. The District serves an area slightly larger than the City limits, encompassing unincorporated areas of Mendocino County to the east and south of the City limits. Refer to Figure 1-1 for a map showing the boundaries of the City of Fort Bragg and MID No. 1 and their respective Spheres of Influence. (LAFCo, 2008)

2.3 GOVERNMENT STRUCTURE

The City operates under the Council-Manager form of government. The five members of the Fort Bragg City Council are elected by the voters to serve overlapping four-year terms (Table 2.2). City Council members are paid a stipend for meetings attended in the amount of \$300/month. The Mayor is elected by the members of the City Council following the seating of new Council-members in even-numbered election years, and serves a two-year term. The City Council is the policy-setting body that is responsible for enacting ordinances, establishing policy, adopting and amending the budget, adopting resolutions,

and appointing committees. The City Council appoints the 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. Several boards, commissions, and committees assist the City Council and Administration in carrying out various aspects and functions of city government. The members of the City Council also serve as the governing board for the Successor Agency to the Fort Bragg Redevelopment Agency and the Municipal Improvement District No. 1.

Council Member	Title	Term Expiration
Lindy Peters	Mayor	December 2018
Will Lee	Vice-Mayor	December 2020
Bernie Norvell	Councilmember	December 2020
Dave Turner	Councilmember	December 2018
Michael Cimolino	Councilmember	December 2018

Regularly scheduled City Council meetings are held on the second and fourth Mondays of every month starting at 6:00 p.m. at Town Hall located at 363 N. Main Street in Fort Bragg. Regularly scheduled Planning Commission meetings are held on the second and fourth Wednesdays of every month starting at 6:00 p.m. at Town Hall. There are four standing committees that meet once a month at Town Hall on the following regular schedule: the Community Development Committee meets at 3:00 p.m. on the fourth Tuesday, the Finance and Administration Committee meets at 1:00 p.m. on the first Wednesday, the Public Safety Committee meets at 10:00 p.m. on the third Wednesday, and the Public Works and Facilities Committee meets at 3:00 p.m. on the second Wednesday.

All meetings are open to the public in accordance with the Brown Act and are publicly posted a minimum of 72 hours prior to the meeting in the notice case and lobby at City Hall located at 416 N. Franklin Street, on the City's website, and provided to all interested media outlets via fax.

In addition to posting public meeting notices as outlined above, Public Workshop Flyers are also posted at public kiosks at Main Street and Laurel Street, Franklin Street and Laurel Street, and Franklin Street and Alder, at the Public Library located at 499 E. Laurel Street, at the Post Office located at 203 N. Franklin Street, and on public counters and front doors at City Hall. Workshops are also advertised through Press Releases and local media including the radio and newspaper.

The City is dedicated to a transparent process and offers multiple ways to keep their citizens informed about workshops, hearings, and projects and involved in the overall governance of the community. The following table provides a list of the various public involvement opportunities available to citizens.

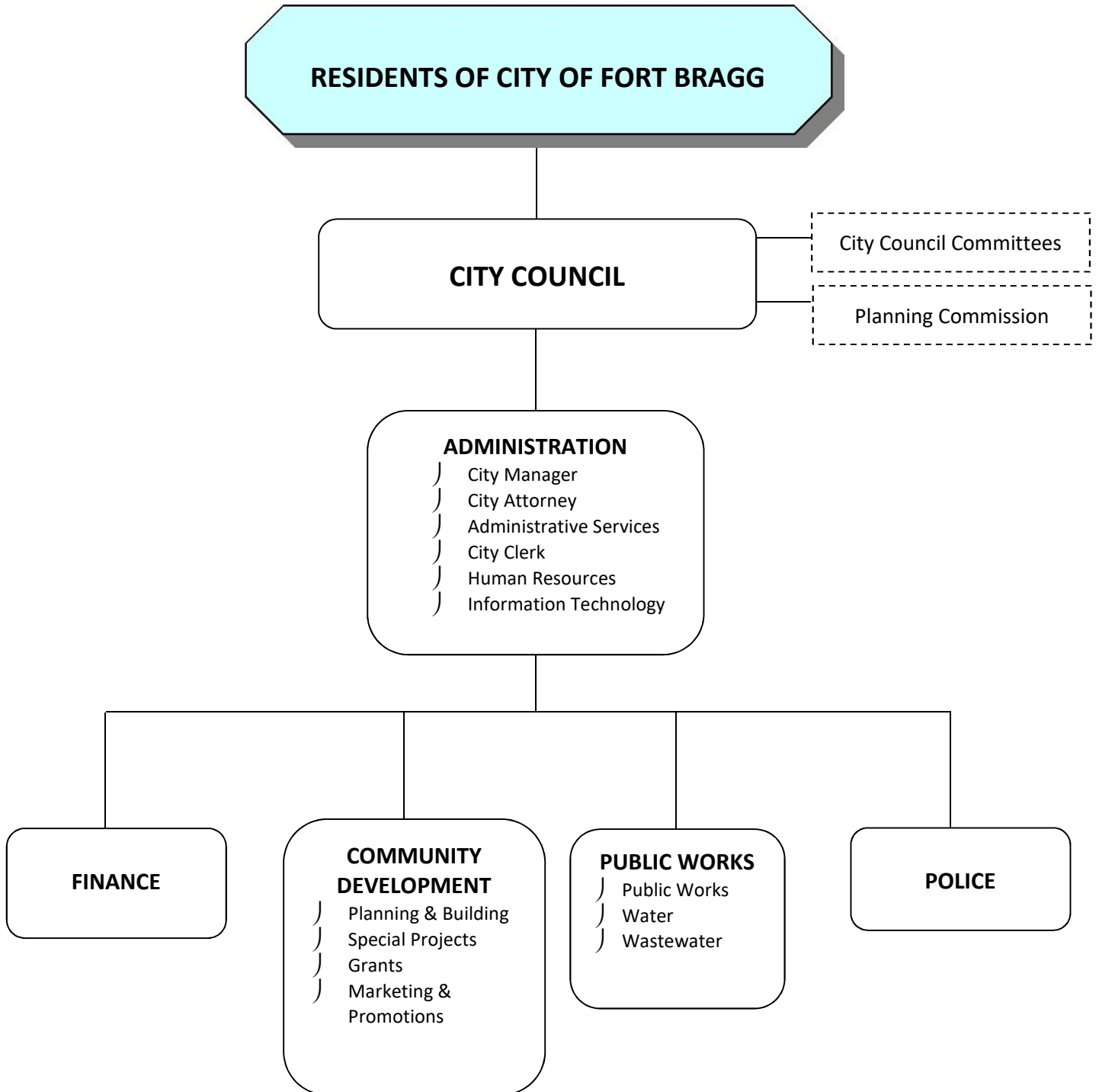
Method	Link
City Website	http://city.fortbragg.com/
City Meetings Archives	https://cityfortbragg.legistar.com/Calendar.aspx
City Meetings Live Stream	http://city.fortbragg.com/501/Council-Meeting-Live-Stream
Public Hearing Notices	http://city.fortbragg.com/417/Public-Hearing-Notices
City Dialogue Meetings	http://city.fortbragg.com/290/City-Dialogue
Public Notification Portal	http://city.fortbragg.com/list.aspx
Online Request Tracker	http://city.fortbragg.com/requesttracker.aspx
City Manager's Biweekly Reports	https://city.fortbragg.com/167/City-Notes
Facebook	https://www.facebook.com/CityFortBraggCA/
Instagram	https://www.instagram.com/cityfortbragg/
Twitter	@CityFortBraggCA
YouTube Channel	https://www.youtube.com/channel/UCHVi8EInW9Davk_zr7CDx7g
Source: Fort Bragg, March 2017	

The public can submit written comments and complaints online using the Request Tracker or by completing a customer satisfaction survey and submitting it in the anonymous Customer Service Questionnaire box at City Hall or electronically by email. The public may also provide verbal comments or complaints by phone or in person at City Hall during business hours and/or at City Council meetings during the general public comment period.

2.4 MANAGEMENT AND STAFFING

The City Manager is responsible for directing and supervising the administration of all departments of the City to ensure that laws, ordinances, orders, resolutions, contracts, leases, and franchises are enforced and executed, and for hiring all City employees. The City's five municipal departments include Administration, Finance, Community Development, Police, and Public Works (Figure 2-2). The City has 60 full-time employees and four seasonal workers for a total staff allocation of 60 full-time equivalents or FTEs (Fort Bragg, July 2017). More detailed information related to staffing is provided in Chapter 3 of this document under the Staffing section for the specific City department.

Figure 2-2 City of Fort Bragg Organizational Chart



Source: Fort Bragg, July 2017

2.4.1 OPPORTUNITIES FOR COLLABORATION OR SHARED FACILITIES

The primary public service issue for remote coastal communities is providing enough public services, not necessarily overlapping or duplicating services provided by another public agency. Due to the isolated

location of Fort Bragg, the services and facilities provided by the City and District are critical to residents of the area. The City collaborates with other public service providers whenever possible to provide service more efficiently or effectively. Some of Fort Bragg’s collaborative activities include the following:

- The City passed a sales tax increase to finance the CV Starr Center and took over ownership of the facility, while it continues to be managed by the Mendocino Coast Park and Recreation District.
- The City has partnered with California State Parks for the operation of Glass Beach Headlands and Noyo Headlands Park. The City obtained grant funding and constructed a joint parking lot and restroom facility that serves both park units. State Parks provided a permanent easement for a portion of the new facility.
- The City has a long-term relationship and agreement with the County of Mendocino for building permit processing and inspection services. The Mendocino County Building Department conducts all plan check reviews, on-site building inspections, and building permit processing for all properties located within the City of Fort Bragg.
- The City has a long-term relationship with the County of Mendocino for the operation of the Caspar landfill, which provides self-haul solid waste transfer services for the Coast. The City and County have been working together for years to complete a new Solid Waste Transfer Station, which will further reduce solid waste management costs for both entities.
- The City has a long-term relationship and collaboration with the Fort Bragg Rural Fire Protection District. The City provides \$400,000 in general fund revenues on an annual basis to the fire district for fire protection services within the City of Fort Bragg. The funds provided by the City go toward the cost of three full-time positions with benefits and volunteer fire protection services provided at a reduced cost. The Fire District covers a large geographic area from Caspar to Westport.
- The City of Ukiah Police Department provides dispatch services to the City of Fort Bragg Police Department.

While the City does face revenue constraints, there are no proposed reductions in City services. City staff works hard to balance fiscally responsible policies and budget decisions with maintaining the existing level of service and continuing to address high priority public facility and infrastructure needs through grants, low interest loans, and special revenue funds.

2.5 FINANCING

Local governments across the nation continue to experience fiscal challenges since the economic downturn, requiring considerable effort to juggle budget shortfalls with maintaining the level of services that the residents have come to expect. The City of Fort Bragg remains under pressure to closely manage operating expenditures and enhance revenue streams where possible to try and maintain a balanced budget each fiscal year. As described below, the City prepares an annual budget that serves as the financial planning and budget control system, and prepares an annual audit that serves as financial assurance for the use of public funds.

2.5.1 ANNUAL BUDGET

The annual budget provides a comprehensive statement of the City’s organization, operations and resources and it expresses City Council and Municipal Improvement District Board policies and priorities

in all areas of the City's operations. The budget process is the vehicle through which the City establishes goals and objectives and prioritizes desired programs and services. In addition, the budget presents a summary of last year's accomplishments for each aspect of the City's operations. The budget is prepared by fund, function, and department. It is the means through which policy decisions are made, effected, controlled and monitored. The City Manager is responsible for submitting and recommending an operating budget and a capital improvements budget for City Council consideration and adoption. Throughout the year, the budget serves as a financial management tool and an operational plan for the delivery of City services and the implementation of funded capital projects.

In addition to the budget planning process, the City maintains budgetary controls. The City's objective in maintaining budgetary control is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The City Manager is authorized to transfer budgeted amounts within funds as deemed necessary in order to meet the City's needs, subject to policy defined in the Fiscal Policies of the budget. The City Council often amends portion of the budget by resolution during the fiscal year. Additionally, the City engages in a mid-year budget review to ensure that the City is on target with regard to departmental and fund budget amounts and to verify whether any budget amendments are necessary.

The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Purchase orders, contracts, and other commitments for expenditure of money are secured in order to reserve that portion of the applicable appropriation. Total expenditures of each fund may not exceed fund appropriations and total expenditures for each department may not exceed departmental appropriations. Encumbrances outstanding at year-end are reported as committed fund balance. Unencumbered amounts lapse at year-end and may be appropriated as part of the following year's budget.

(Fort Bragg, January 2017)

2.5.2 FINANCIAL AUDIT REPORT

The City prepares financial statements upon completion of each fiscal year (July 1 through June 30) that forms the basis of the Comprehensive Annual Financial Report (CAFR). The financial statements are audited by JJACPA, Inc., an accounting firm fully licensed and qualified to perform financial audits and prepare an Independent Auditor's Report.

In the financial statements, all of the City's activities are grouped into Governmental Activities and Business-type activities. Governmental activities are services supported by general City revenues such as taxes and by specific program revenues such as developer fees. All of the City's basic services are considered to be governmental activities, including general government, finance, community development, law enforcement, and public works. Unlike governmental services, Business-type activities are services supported by charges paid by users based on the amount of the service they use (rate-based service charges). The City's enterprise activities include Water and Wastewater. The City is considering developing a drainage enterprise fund as well.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Distinguished Budget Presentation Award in June of 2016 and a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2015. This was the fifth year in a row that the City of Fort Bragg has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable

and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

(Fort Bragg, January 2017)

2.5.3 GENERAL FUND

The City has three major operating funds including the General Fund, Water Enterprise, and Wastewater Enterprise. In addition, the City's chart of accounts includes the C.V. Starr Center Enterprise, special revenue, grant and capital project funds, and internal service funds. The following table shows the revenues, expenses, and changes in fund balance for the City's General Fund based on audited financial statements for Fiscal Years (FY) 2013-14, 2014-15, and 2015-16.

Table 2.4 City of Fort Bragg Financial Summary (General Fund)			
Fiscal Year	FY 2013-14	FY 2014-15	FY 2015-16
Beginning Fund Balance	\$ 4,254,434	\$ 4,619,710	\$ 4,757,789
Prior Period Adjustments	\$ 33,417	\$ -	\$ -
Ending Fund Balance	\$ 4,619,710	\$ 4,757,789	\$ 5,388,494
Revenues			
Taxes and Assessments	\$ 4,705,187	\$ 4,902,171	\$ 5,012,651
Licenses and Permits	\$ 233,793	\$ 253,970	\$ 272,924
Fines and forfeitures	\$ 27,871	\$ 17,201	\$ 18,140
Intergovernmental	\$ 76,752	\$ -	\$ 33,466
Use of money and property	\$ 16,284	\$ 33,101	\$ 44,011
Charges for services	\$ 2,872,945	\$ 417,374	\$ 206,855
Reimbursements	\$ -	\$ 2,929,978	\$ 3,413,306
Other revenues	\$ 178,035	\$ 59,068	\$ 112,311
Total Revenues	\$ 8,110,867	\$ 8,612,863	\$ 9,113,664
Expenses			
General Government	\$ 1,549,164	\$ 2,875,646	\$ 2,655,894
Public Safety	\$ 3,584,448	\$ 3,521,118	\$ 3,670,183
Public Works	\$ 1,509,993	\$ 1,448,279	\$ 1,596,338
Community Development	\$ 1,437,841	\$ 369,180	\$ 405,360
Capital Outlay	\$ 76,836	\$ -	\$ -
Debt Service Principal	\$ 111,821	\$ 116,542	\$ 121,418
Debt Service Interest & Charges	\$ 35,748	\$ 31,027	\$ 26,152
Total Expenses	\$ 8,305,851	\$ 8,361,792	\$ 8,475,345
Other Financing Sources (Uses)			
Proceeds from Sales of Assets	\$ -	\$ -	\$ 40
Transfers In	\$ 739,130	\$ -	\$ 73,276
Transfers Out	\$ (212,287)	\$ (112,992)	\$ (80,930)
Total Other Financing	\$ 526,843	\$ (112,992)	\$ (7,614)
Net Income/(Loss)	\$ 331,859	\$ 138,079	\$ 630,705

Source: (Fort Bragg, January: 2015, 2016, & 2017)

The core operations of the City are accounted for in the General Fund and the General Fund balance is a key measure of the fiscal health of the City. For FY 2013-14, the General Fund ending balance was \$4,619,710, an increase of \$331,859 (7.8%) from the beginning balance. For FY 2014-15, the General Fund ending balance increased \$138,079 (2.99%) from the beginning balance. For FY 2015-16, the General Fund ending balance was \$5,388,494 which was an increase of \$630,705 (13.25%) from the beginning balance. This annual growth in the General Fund balance indicates that the City does not need to utilize reserve funds to balance the General Fund budget.

Comparing revenues to expenses is another way to measure the annual fiscal health of City operations. In FY 2013-14, expenses exceeded revenues by \$194,984. Revenues exceeded expenses by \$251,071 in FY 2014-15. In FY 2015-16, revenues again exceeded expenses by \$638,319. While as yet unaudited, the FY 2016-17 revenues are anticipated to be \$700,000 less than expenses. This indicates that under current levels of public service, the City's annual revenue generally has a structural deficit. However, as the City uses conservative assumptions in its budget, it is likely that much of this structural deficit will be eliminated by the end of year audit through cost saving measures and additional revenues.

During the FY 2016-17 budget process, staff discovered an accounting error in previous years which resulted in over-allocations from the enterprise funds to the general fund. While the error has been remedied for previous years, the general fund is likely to continue to see budget deficits for the next few years. In the short term the City will likely be able to fill budget deficits with appropriated fund balance. (Fort Bragg, January 2017)

2.5.4 ENTERPRISE FUNDS

As enterprise operations, the City's water system and MID No. 1's wastewater system are financed and operated such that the cost of providing services to customers is almost entirely financed or recovered through use charges or service rates. The following tables show the revenues, expenses, and changes in fund balance for the City's Water and Wastewater Enterprise Funds based on audited financial statements for FYs 2013-14, 2014-15, and 2015-16.

Table 2.5 City of Fort Bragg Financial Summary (Water Enterprise)			
Fiscal Year	FY 2013-14	FY 2014-15	FY 2015-16
Beginning Fund Balance	\$ 2,726,698	\$ 2,388,578	\$ 2,787,966
Prior Period Adjustments	\$ (85,386)	\$ -	\$ -
Ending Fund Balance	\$ 2,388,578	\$ 2,787,966	\$ 3,806,373
Operating Revenues			
Charges for services	\$ 2,228,589	\$ 2,460,658	\$ 2,595,679
Other operating revenues	\$ -	\$ 34,955	\$ 28,267
Total Operating Revenues	\$ 2,228,589	\$ 2,495,613	\$ 2,623,946
Operating Expenses			
Personnel services	\$ 672,254	\$ 669,320	\$ 673,226
Administration	\$ 463,937	\$ 636,837	\$ 622,660
Repairs and maintenance	\$ 408,547	\$ 53,894	\$ 98,235
Materials and supplies	\$ 187,663	\$ 274,495	\$ 227,644
Utilities	\$ 95,386	\$ 106,887	\$ 105,090
Contractual services	\$ 107,300	\$ 64,918	\$ 90,478

Table 2.5 City of Fort Bragg Financial Summary (Water Enterprise)			
Fiscal Year	FY 2013-14	FY 2014-15	FY 2015-16
Insurance	\$ 18,103	\$ -	\$ 16,755
Depreciation	\$ 323,135	\$ 332,729	\$ 298,264
Total Operating Expenses	\$ 2,276,325	\$ 2,139,080	\$ 2,132,352
Non-Operating Revenues (Expenses)			
Interest income	\$ 21,782	\$ 27,168	\$ 14,847
Other non-operating revenues	\$ 13,270	\$ 63,741	\$ 182,744
Loss on disposition of capital assets	\$ (23,761)	\$ -	\$ -
Bond issue costs	\$ (67,700)	\$ -	\$ -
Interest expense	\$ (171,191)	\$ (147,070)	\$ (131,645)
Total Non-Operating Income/(Loss)	\$ (227,600)	\$ (56,161)	\$ 65,946
Other Financing Sources (Uses)			
Transfers In	\$ 22,602	\$ 1,809,025	\$ 547,175
Transfers Out	\$ -	\$ (1,710,009)	\$ (86,308)
Total Other Financing	\$ 22,602	\$ 99,016	\$ 460,867
Net Income/(Loss)	\$ 252,734	\$ 399,388	\$ 1,018,407

Source: (Fort Bragg, January: 2015, 2016, & 2017)

The water enterprise operating revenue from service charges in FY 2015-16 was \$2,595,679 and there was \$225,858 in other revenues, including interest income. The water enterprise operating expenditures in FY 2015-16 were \$2,132,352, which includes depreciation, and there was \$131,645 in interest expense. In addition, there was a net total of \$460,867 transferred into the water enterprise fund in FY 2015-16.

Comparing revenues to expenses is one way to measure the annual fiscal health of enterprise operations. In FY 2013-14, expenses exceeded revenues by \$275,336. In FY 2014-15, revenues exceeded expenses by \$300,372. In FY 2015-16, revenues exceeded expenses by \$557,540. This indicates that under current levels of maintenance and capital improvements, the City's water enterprise annual revenue generally sufficiently covers annual operating costs. In addition, the FY 2015-16 ending year water enterprise fund balance was \$3,806,373.

Table 2.6 City of Fort Bragg Financial Summary (Wastewater Enterprise)			
Fiscal Year	FY 2013-14	FY 2014-15	FY 2015-16
Beginning Fund Balance	\$ 7,940,554	\$ 7,929,094	\$ 7,687,401
Prior Period Adjustments	\$ (16,878)	\$ (690,158)	\$ -
Ending Fund Balance	\$ 7,929,094	\$ 7,687,401	\$ 8,203,285
Operating Revenues			
Charges for services	\$ 3,004,493	\$ 3,194,149	\$ 3,332,333
Total Operating Revenues	\$ 3,004,493	\$ 3,194,149	\$ 3,332,333
Operating Expenses			
Personnel services	\$ 1,061,418	\$ 1,127,997	\$ 1,150,738
Administration	\$ 689,511	\$ 785,794	\$ 849,141
Repairs and maintenance	\$ 418,749	\$ 133,670	\$ 84,425
Materials and supplies	\$ 148,731	\$ 189,140	\$ 196,505

Table 2.6 City of Fort Bragg Financial Summary (Wastewater Enterprise)			
Fiscal Year	FY 2013-14	FY 2014-15	FY 2015-16
Utilities	\$ 120,050	\$ 119,030	\$ 119,393
Contractual services	\$ 168,763	\$ 88,856	\$ 102,494
Insurance	\$ 25,502	\$ 23,821	\$ 17,967
Other operating expenses	\$ -	\$ 1,721	\$ 47,404
Depreciation	\$ 308,851	\$ 314,016	\$ 317,785
Total Operating Expenses	\$ 2,941,575	\$ 2,784,045	\$ 2,885,852
Non-Operating Revenues (Expenses)			
Interest income	\$ 8,146	\$ 12,157	\$ 8,420
Other non-operating revenues	\$ 6,512	\$ 52,310	\$ 82,957
Loss on disposition of capital assets	\$ (34,057)	\$ -	\$ -
Interest expense	\$ (16,841)	\$ (16,456)	\$ (11,627)
Total Non-Operating Income/(Loss)	\$ (36,240)	\$ 48,011	\$ 79,750
Other Financing Sources (Uses)			
Transfers In	\$ -	\$ 933,394	\$ 335,589
Transfers Out	\$ (21,260)	\$ (943,044)	\$ (345,936)
Total Other Financing	\$ (21,260)	\$ (9,650)	\$ (10,347)
Net Income/(Loss)	\$ 5,418	\$ 448,465	\$ 515,884

Source: (Fort Bragg, January: 2015, 2016, & 2017)

The wastewater enterprise operating revenue from service charges in FY 2015-16 was \$3,332,333 and there was \$91,377 in other revenues including interest income. The wastewater enterprise operating expenditures in FY 2015-16 were \$2,885,852, which includes depreciation, and there was \$11,627 in interest expense. In addition, there was a net total of \$10,347 transferred out of the wastewater enterprise fund in FY 2015-16.

As with the water enterprise fund, revenues consistently exceeded expenses during the audited fiscal years provided: in FY 2013-14 by \$26,678, in FY 2014-15 by \$458,115, and in FY 2015-16 by \$526,231. This indicates that under current levels of maintenance and capital improvements, the City's wastewater enterprise annual revenue generally sufficiently covers annual operating costs. In addition, the FY 2015-16 ending year wastewater enterprise fund balance was \$8,203,285.

2.5.4.1 Service Rates

Charges for water and wastewater enterprise services provided within and outside the City limits are periodically adjusted to ensure that sufficient revenue is generated to pay all operating expenses as well as build capital reserves. The current water rates went into effect on July 1, 2013 and are shown in Figure 2-3. The water rate structure includes a fixed monthly charge based on the size of the water connection and type of property, and a variable charge based on actual monthly water usage per 100 cubic feet of metered water.

Figure 2-3 City of Fort Bragg Water Service Rates

Adopted Water Rates as of September 1, 2014

Customer Classes/Meter Sizes	FY 2014/2015	FY 2015/2016	FY 2016-2017	FY 2017/2018
Fixed Charges for Residential Customers:				
5/8 & 3/4 inch	\$ 29.00	\$ 31.90	\$ 35.10	\$ 38.61
1 inch	\$ 41.25	\$ 45.38	\$ 49.92	\$ 54.92
1.5 inch	\$ 49.42	\$ 54.36	\$ 59.81	\$ 65.79
2 inch	\$ 85.92	\$ 94.51	\$ 103.96	\$ 114.36
3 inch	\$ 124.17	\$ 136.59	\$ 150.25	\$ 165.27
4 inch	\$ 162.44	\$ 178.68	\$ 196.55	\$ 216.20
6 inch	\$ 391.98	\$ 431.18	\$ 474.30	\$ 521.72
Fixed Charges for Non-Residential Customers:				
5/8 & 3/4 inch	\$ 59.00	\$ 64.91	\$ 71.40	\$ 78.55
1 inch	\$ 90.56	\$ 99.63	\$ 109.60	\$ 120.57
1.5 inch	\$ 111.61	\$ 122.78	\$ 135.07	\$ 148.59
2 inch	\$ 216.82	\$ 238.52	\$ 262.40	\$ 288.66
3 inch	\$ 322.03	\$ 354.27	\$ 389.73	\$ 428.74
4 inch	\$ 427.25	\$ 470.01	\$ 517.06	\$ 568.82
6 inch	\$ 971.75	\$ 1,068.93	\$ 1,175.82	\$ 1,293.40
Commercial Low-Usage Customers:				
5/8 & 3/4 inch	\$ 29.00	\$ 31.90	\$ 35.10	\$ 38.61
Variable Charges:				
<u>Single Family Residential Rates per HCF</u>				
Tier 1: 1-5 HCF	\$ 2.74	\$ 3.02	\$ 3.32	\$ 3.65
Tier 2: 6-10 HCF	\$ 4.11	\$ 4.52	\$ 4.98	\$ 5.47
Tier 3: 11+ HCF	\$ 6.17	\$ 6.78	\$ 7.46	\$ 8.21
<u>Non-Single Family Residential</u>				
Rate per HCF	\$ 4.73	\$ 5.20	\$ 5.72	\$ 6.30

The current wastewater rates went into effect on July 1, 2013 and are shown in Figure 2-4. The wastewater rate structure includes a fixed monthly charge for each dwelling and commercial unit and a variable charge based on actual monthly water usage for all accounts, except Single Family Residences, which is based on winter water usage between November and February.

Figure 2-4 City of Fort Bragg Wastewater Service Rates

Adopted Sewer Rates as of July 1, 2014

Customer Class	FY 2014/2015	FY 2015/2016	FY 2016-2017	FY 2017/2018
Fixed Charges:				
Residential:				
Single Family Residential	\$ 24.50	\$ 26.46	\$ 28.05	\$ 29.73
Multifamily Residential	\$ 24.50	\$ 26.46	\$ 28.05	\$ 29.73
Mobile Home Parks	\$ 24.50	\$ 26.46	\$ 28.05	\$ 29.73
Commercial:				
Low Strength	\$ 24.50	\$ 26.46	\$ 28.05	\$ 29.73
Medium Strength	\$ 24.50	\$ 26.46	\$ 28.05	\$ 29.73
High Strength	\$ 24.50	\$ 26.46	\$ 28.05	\$ 29.73
Variable Charges:				
Residential:				
Single Family Residential	\$ 6.19	\$ 6.69	\$ 7.09	\$ 7.52
Multifamily Residential	\$ 2.78	\$ 3.00	\$ 3.18	\$ 3.38
Mobile Home Parks	\$ 0.20	\$ 0.21	\$ 0.22	\$ 0.24
Commercial:				
Low Strength	\$ 8.40	\$ 9.07	\$ 9.61	\$ 10.19
Medium Strength	\$ 8.63	\$ 9.33	\$ 9.89	\$ 10.48
High Strength	\$ 21.52	\$ 23.24	\$ 24.64	\$ 26.12

In FY 2016-17, the City prepared updated rate studies for water and wastewater services to determine the appropriate timing for implementing the rate increase schedule that was approved in 2013 and which was temporarily suspended in FY 2016-17. Based on revenue transfers from the General Fund to the Enterprise Funds due to the cost allocation error, the rate increases for the enterprise funds will be postponed until Fiscal Year 2018-19.

2.5.5 FISCAL YEAR 2017-18 PROPOSED BUDGET

The information provided in this section is from the May 24, 2017 City Council Staff Report prepared by the City Manager, which accompanied the Proposed Budget for Fiscal Year 2017-18.

The City's total proposed budget for FY 2017-18 is \$54.8 million, including appropriations from all funds and transfers. When transfers between funds for internal service fund expenditures and allocations are taken into account, the combined appropriations in the annual budget amount to \$31.8 million.

In FY 2017-18, the General Fund operating budget has revenues of \$9.05 million and appropriations are budgeted at \$9.38 million. While some portion of the \$354k operating deficit is comprised of one-time capital projects and other one-time expenses that can be funded from unassigned fund balance, the General Fund is not in a robust condition. Fund balance in the General Fund is expected to drop from \$2.41 million in FY 2016-17 to \$2.05 million FY 2017-18. Once reserves and encumbrances are taken into account, the unassigned fund balance in the General Fund is \$301k.

The Wastewater and Water Enterprise Funds are in a healthy position. Both funds received a boost in FY 2016-17 from the cost allocation repayments and, moving forward, the corrected cost allocation formula assigns lower costs to the two Enterprise Funds. While the fund balances in the Wastewater and Water Funds are projected to decline in FY 2017-18, this is a result of an ambitious Capital Improvement Program that utilizes fund balance for one-time capital expenses. On-going operating revenues in the Enterprise Funds are keeping pace with operating expenditures. Revenue in the Wastewater Enterprise increased

from \$3.24 million in FY 2016-17 to \$3.34 million in FY 2017-18. Total operating expenses (excluding transfers) decreased from \$2.69 million in FY 2016-17 to \$2.36 million in FY 2017-18. Water Enterprise Fund revenues are expected to increase from \$2.57 million in FY 2016-17 to \$2.67 million in FY 2017-18 and operating expenses (excluding transfers) will decrease from \$2.12 million in FY 2016-17 to \$2.10 million in FY 2017-18.

The decline in fund balance for the General Fund results primarily from the implementation of a new cost allocation plan beginning in FY 2016-17, repayment of prior year over-allocations made by the Water and Wastewater Enterprise Funds, and ever-increasing costs coupled with slow revenue growth.

The declining fund balances in the Water and Wastewater Enterprise Funds, as shown in the above table, are due primarily to expenditures on capital projects in the FY 2017-18 Capital Projects Budget including \$11.1 million in expenditures for Wastewater Enterprise projects and \$3.4 million in expenditures for Water Enterprise projects. It should be noted that grant revenues are expected to contribute a considerable amount to offset the costs of these capital projects.

The General Fund deficit is by far the biggest budgetary challenge facing the City. The core issue is that General Fund revenues are not keeping pace with increased expenditures. The General Fund is the primary revenue source for Public Safety (Police and Fire) which accounts for 41% of its expenses. Community Services (Community Development and Public Works) is the second largest expense category (24%), followed by General Government (Council, Administration, and Finance) at \$16%.

The largest sources of General Fund revenue are taxes (sales tax, Transient Occupancy Tax (TOT), property tax, franchise taxes) and internal charges for services. TOT is expected to increase significantly as a result of voter approval of Measure AA which increased the TOT rate from 10% to 12%. The additional funds generated by Measure AA do not directly help the General Fund deficit as the revenue is fully offset by new expenditures in accordance with Measure AB, which advised the Council regarding how to spend the new TOT revenue. Nevertheless, "non-Measure AA" TOT revenues are expected to increase by 5.5% in FY 2017-18 and this revenue gain will help to contain the General Fund deficit. TOT and sales tax are the two largest revenue sources in the General Fund and both are directly tied to local economic activity. Thus it is vitally important that the City continue its efforts to support local businesses and grow our local economy while containing ongoing operating costs.

A fundamental concern is that the City's fixed costs, salaries and benefits are increasing at a rate that is faster than growth in recurring revenues. Personnel costs are the largest part of the City's operating budget, totaling \$8.37 million in FY 2017-18. This includes increases in salaries and wages as a result of scheduled merit increases and negotiated wage increases, and increases in the cost of employee benefits. In FY 2017-18, personnel costs are 4.2% higher than the \$8.03 million projected in FY 2016-17. While the City Council has some control over these costs through the authorization of staff positions and collective bargaining agreements, many of the forces driving up personnel costs are outside of the City's control. These include increases in health benefit premiums, increases in CalPERS premiums, and increases in workers compensation premiums.

The City Council's Fiscal Policies address a broad range of fiscal topics including establishment of financial reserves to ensure the continued financial well-being of the City by planning for unanticipated emergency and contingency needs. At the Council's direction, in FY 2016-17 Emergency Contingency Reserve and Economic Stabilization Reserve were drawn to zero to help reimburse the Water and Wastewater Enterprise Funds for past year over-allocations to the General Fund. If funded at the levels designated by

the City Council's adopted reserve policies, the Emergency Contingency Reserve would require \$938k and the Economic Stabilization Reserve would require \$469k. In future years, these two reserves will be replenished as funding becomes available. In FY 2017-18, the General Fund has two funded reserves totaling \$1.6 million: an Operating Reserve which is funded at 15% of the operating budget (\$1.4 million), and a Litigation Reserve which is established at \$200k. The three Internal Service Funds include modest reserves to help pre-fund large purchase and repairs and avoid big swings in funding needs. In FY 2017-18, the Water Capital Reserve will be drawn down to \$1.94 million and the Wastewater Capital Reserve will either be drawn down to zero or long-term financing will be used to close the funding gap for the Wastewater Treatment Plant Upgrade Project.

The City will need to remain vigilant about containing costs while pursuing opportunities to increase General Fund revenues and to offset operating costs with outside revenues (such as grants, developer impact fees, permit and license fees, concessions, fines, and penalties). To the extent that the City succeeds in its efforts to enhance the local economy, the tax base that supports the City's provision of services will continue to grow.

(Fort Bragg, May 2017)

2.5.6 LONG TERM FINANCIAL CONSIDERATIONS

2.5.6.1 Reserves

The City's Fiscal Policies, including Fund Balance and Reserve Policies, were updated as part of the FY 2016-17 budget process. The results of the analysis prompted the City Council to commit to new reserve levels.

Emergency Contingency Reserve: The General Fund balance committed for emergency contingencies is established at an amount equivalent to 10% to 15% of the City's annual operating budget for the General Fund. Depending on the type and severity of the emergency, this range is intended to provide for an initial municipal response to events such as natural disasters, catastrophic accidents, or other declared emergency incidents sufficient to provide a bridge until access to county, state or federal support can be achieved. The Emergency Contingency Reserve is committed fund balance and may only be used when there is a declaration of a state or federal state of emergency or a local emergency as defined in Fort Bragg Municipal Code Section 2.24.020.

Economic Stabilization Reserve: The General Fund balance committed for the purpose of stabilizing the delivery of City services during periods of severe operational budget deficits and to mitigate the effects of major unforeseen changes in revenues and/or expenditures is established at an amount equivalent to 5% to 10% of the City's annual operating budget for the General Fund. This range serves as a cushion to safeguard the City's fiscal health against fluctuations in revenues and costs due to economic volatility. City Council approval shall be required before expending any portion of this committed fund balance. Access to these funds will be reserved for economic emergency situations such as unanticipated major declines in revenue, budgeted revenue taken over by another entity, or a catastrophe exceeding of funds in the Emergency Contingency Reserve.

General Fund Operating Reserve: The City will maintain an unrestricted fund balance of at least 15% to 20% of the annual operating expenditures in the General Fund, as an "Operating Reserve" to ensure liquidity of the General Fund and to ensure adequate cash flow throughout the year. This reserve is necessary to accommodate fluctuations in the timing of expenditures and the receipt of revenues. The

reserve is not committed fund balance and may be tapped into, with Council authorization, for unforeseen operating or capital needs.

Litigation Reserve: The City will maintain a \$300,000 Litigation Reserve to cover unforeseen legal expenses, including unbudgeted settlement costs that are not covered by the City's insurance pool.

(Fort Bragg, January 2017)

2.5.6.2 Outstanding Debt

The City has a number of long term bonds and loans for the General Fund and the Water, Wastewater, and CV Starr Enterprise Funds as shown in Figure 2-5. As of Fiscal Year 2016-17, the City owed \$811,145 in outstanding debt. The City has not defaulted on repayment of any bonds or other debt.

Figure 2-5 City of Fort Bragg Debt Summary

Debt Summary Fiscal Year 2016-2017						
Fund	Balance 6/30/2016	Fees	Interest Expense	Principal Payment	Total FY 2016/17	Balance 6/30/2017
Caspar Closure 2005 Certificates of Participation						
General Fund	\$ 538,764	\$ -	\$ 21,060	\$ 126,509	\$ 147,569	\$ 412,255
Water Enterprise Revenue Bond						
Water O&M	2,418,000	3,000	69,768	276,000	348,768	2,142,000
Water Enterprise Department of Water Resource Loan *						
Water O&M	1,099,552	400	39,228	66,550	106,178	1,033,002
Municipal Improvement District #1 Bonds						
Wastewater O&M	160,000	2,200	7,155	50,000	59,355	110,000
Capital Leases						
Water Enterprise Equipment Purchase						
Water O&M	121,945	-	4,621	121,945	126,566	-
CV Starr Enterprise Energy Commission 1% Loan						
CV Starr Enterprise	43,900	-	1,349	21,360	22,709	22,540
Total required for debt service in FY 2016/17						
					147,569	
					581,512	
					59,355	
					22,709	
				Total	\$ 811,145	

Source: (Fort Bragg, March 2017)

2.5.6.3 Capital Improvement Plan

The City's Five-Year Capital Improvement Program (CIP) outlines current and future infrastructure needs and capital funding priorities in the following areas: Municipal Facilities, Parks & Community Services, Street Maintenance & Traffic Safety, Storm Drains, Water Enterprise and Wastewater Enterprise. The CIP is an important planning tool that identifies and prioritizes all major capital projects in the City and identifies funding sources and deficiencies.

In general, the CIP provides funding for infrastructure construction and non-routine maintenance, while funding for routine infrastructure maintenance is appropriated in the operating budget and in other special revenue funds. CIP projects, including streets, buildings, recreational facilities, and parks are defined as assets with an initial individual cost of at least \$50k and an estimated useful life of greater than two years. Acquisitions of other capital assets (such as machinery, furniture, and vehicles) are generally accounted for in the fund that is responsible for financing such expenditures. Cost estimates are prepared for each capital project using current year dollars.

The CIP shows detailed expenditures and funding for capital projects over the next five years, covering FY 2017-18 through FY 2021-22. "Prior Year" funding for projects which span multiple years is also shown. The CIP also includes a "Beyond CIP" category that recognizes the importance of planning for future significant capital projects beyond the five-year CIP timeframe.

The projects planned for FY 2017-18 include expenditures that will be appropriated through the FY 2017-18 Budget adoption process. Projected expenditures shown for FY 2018-19 through FY 2021-22 and Beyond CIP are provided primarily for project planning and long-range financial planning purposes and do not reflect a commitment of funds. Expenditure approval will be sought for these projects during the appropriate fiscal year.

The CIP is comprised of 33 projects with a total cost of approximately \$40 million. For FY 2017-18, 15 projects totaling approximately \$16.8 million are recommended for appropriation. The most immediate priority projects are: rehabilitation and stabilization of City Hall East (including the old pool building), Phase 2 of Coastal Trail, the next alley rehabilitation project, the installation of a new water tank, a floating cover for the Summers Lane Reservoir, the next phase of the raw water main replacement project, and the Waste Water Treatment Plant (WWTP) Upgrade project.

(Fort Bragg, May 2017)

2.6 GROWTH AND POPULATION PROJECTIONS

2.6.1 PRESENT AND PLANNED LAND USE AND DEVELOPMENT

The City of Fort Bragg encompasses approximately 2.7 square miles (1,728 acres). While Fort Bragg is a small community, it is the largest city on the coast between San Francisco and Eureka and is a popular tourist and recreational area. Commercial land uses in the City are located along the Highway 1 and Franklin Street corridors. The Central Business District, located between Oak and Pine Streets, is the historic, civic and cultural core of the community. Industrial lands are located on the Georgia-Pacific timber mill property located west of Highway 1 on North Franklin Street, immediately north of the Central Business District, and on Highway 1 north of Pudding Creek. Residential neighborhoods are located east of the commercial core and in the west Fort Bragg area. (Fort Bragg, 2012b)

Commercial fishing and recreational boating and fishing operate out of Noyo Harbor. It is an all-weather port and the most active and important harbor between Bodega Bay and Eureka. The Noyo Harbor District has constructed 256 berths since 1968. The berths are nearly always occupied, with approximately 43 percent of the boats moored there being commercial craft. The lower harbor area also contains parking and ship building areas, boat launching and repair facilities, fish processing plants, and marine supply stores. Commercial outlets, including visitor-oriented restaurants, are clustered on the north bank of the harbor. Approximately a half-mile upriver, on the south side of the river, the Dolphin Cove private

commercial marina provides berths for about 150 boats, most of which are recreational. Several jurisdictions share responsibility for the Noyo Harbor, which is largely located in the County's jurisdiction but within the City's Sphere of Influence. (Fort Bragg, 2008)

The City has a full range of land uses including low to high density residential, retail and service commercial, manufacturing, public facilities, recreation, and open space. The General Plan Land Use Element establishes policies and programs to maintain the existing pattern of land uses within the City while anticipating and providing for future growth and development. The 2012 Inland General Plan Land Use Element includes the following land use designations for the Inland area of the City:

- Large Lot Rural Residential (RR5)
- Medium Lot Rural Residential (RR2)
- Rural Residential (RR1)
- Suburban Residential (RS)
- Low Density Residential (RL)
- Medium Density Residential (RM)
- High Density Residential (RH)
- Very High Density Residential (RVH)
- Central Business District (CBD)
- Neighborhood Commercial (CN)
- General Commercial (CG)
- Highway Visitor Commercial (CH)
- Office Commercial (CO)
- Heavy Industrial (IH)
- Light Industrial (IL)
- Parks and Recreation (PR)
- Agriculture (A)
- Open Space (OS)
- Public Facilities and Services (PF)

These land use designations are implemented by the City's zoning regulations of the Inland Land Use and Development Code provided in Chapter 18 of the Fort Bragg Municipal Code.

Making up a large area of the City is the old Georgia Pacific mill site, which has not been in operation since 2002. The site is located in the Coastal Zone and is currently zoned for industrial uses. The City is working on rezoning this 320-acre property based on the Draft 2012 Mill Site Specific Plan. In addition to the land use designations listed above, the 2008 Coastal General Plan Land Use Element includes the zoning designations above as well as Timber Resources Industrial (IT) and Harbor District (HD), all of these zoning districts are located within the Coastal Zone and are implemented by the City's Coastal Land Use and Development Code provided in Chapter 17 of the Fort Bragg Municipal Code.

The largest employment categories in the City include health care, public education, local government, wholesale and retail trade, and tourism. The City's larger employers include the hospital, school district, City government, Caito Fisheries, a number of retailers including Safeway, Harvest Market, Rite Aid, Mendo Mill, Rossi's Lumber Company, and a number of restaurants and hotels (Fort Bragg, 2014).

It is expected that growth will continue to occur at a slow but regular pace. There is no significant growth projected for the City within the next five years, unless the Mill Site is rezoned and an unanticipated new business moves to the City or an existing business expands. In addition, no significant growth is projected in adjacent unincorporated areas of Mendocino County over the next five years. The following potential new development projects may occur within the planning horizon of this MSR (Fort Bragg, March 2017):

- Hare Creek Center, 29,500 square-foot (SF) retail development at the corner of Highway 1 and Highway 20. The City Council is anticipated to consider this project in 2017.
- Avalon Hotel, a 65 unit hotel with a restaurant and bar. This application is currently deemed incomplete.

- A 15,000 square foot retail development south of Noyo River Bridge. No application is on file for this project.
- Replacement of an asphalt plant. No application is on file for this project.
- 50 unit housing project, 25 units affordable and 25 units market rate housing. No application is on file for this project.

Over the next 10-20 years, a portion of the Mill Site property may be slowly built out with a mix of residential, commercial, industrial, and visitor-serving development. The January 2012 Draft Mill Site Specific Plan includes preliminary projects including 532 new residences contributing approximately 1,233 in population growth, 795,00 SF in new commercial and industrial space contributing approximately 1,772 new jobs, and 450 hotel rooms contributing approximately 175 new jobs (Fort Bragg, March 2017). However the Community is restarting the planning process for this site and anticipates a reduction in the total area dedicated to new uses.

Based on the 2012 Inland General Plan Land Use Element 2022 buildout projections, there are 3,313 existing residential units within the City and an additional 200 residential units within the City's SOI. Further, it is estimated that an additional 250 residential units will be built within the City and 15 residential units within the City's SOI by 2022, for a total increase of 265 residential units. In addition to new residential development, the City has projected an increase of 143,000 SF in new commercial development, 20,000 SF in new industrial development, and 100 new Lodging rooms by 2022. (Fort Bragg, 2012b)

2.6.2 EXISTING POPULATION AND PROJECTED GROWTH

There are approximately 7,287 people residing in the City of Fort Bragg and the average household size is 2.47 persons (U.S. Census Bureau, 2016). To determine the estimated population size for the City's SOI, MID No. 1, and the District's SOI the number of residential units or residential service connections is multiplied by the average household size as shown in the table below. As noted in the section above, there are approximately 200 residential units within the City's SOI. MID No. 1 has approximately 2,450 residential service connections. The SOI for MID No. 1 contains 135 parcels but the number of residential units is unknown.

Area	Population
City of Fort Bragg	7,287
City SOI	494
MID No. 1	6,052
District SOI	Unknown

With an annual growth rate of 0.2 percent (U.S. Census Bureau, 2016), the City and surrounding areas are anticipated to experience minimal change in population size over the next 5-10 years. The table below shows the projected growth for the City in 2026 based on this annual growth rate.

2016 Population	Annual Growth Rate (%)	Projected Population (2026)
7,287	0.2	7,433

2.7 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 of 80 percent or less of the statewide median household income (MHI) of \$64,500 in 2015. 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 median household income for Fort Bragg is \$33,867, which is 52 percent of the statewide median household income (U.S. Census Bureau, 2016). The City is therefore considered to be a disadvantaged community and may have adjacent DUCs. However, areas adjacent to the City of Fort Bragg could have higher median household incomes than the City as these generally larger parcels (1 to 5 acres) have a higher market value. Should future annexations to the City be proposed, consideration will need to be given to any DUCs affected by the annexation. The City provides structural fire protection through a partnership with the Fort Bragg Rural Fire Protection District, and the District is responsible for ensuring that that this service is provided to DUCs. The City is responsible for providing drinking water and wastewater services.

3 MUNICIPAL SERVICE REVIEW

3.1 SERVICE OVERVIEW

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

- General Government
- Finance
- Community Development
- Law Enforcement
- Public Works
- Water
- Wastewater

Additional City services are provided by other public agencies, independent special districts, contract, and Joint Powers Authorities (JPAs) as detailed in Table 3.1. This MSR only reviews services provided by the City and MID No. 1. This is the second MSR prepared for the City; the first one was adopted by the Commission in 2008.

Table 3.1 City of Fort Bragg Municipal Service Providers	
Municipal Service	Service Provider
General Government	
City Manager	City of Fort Bragg
City Attorney	Contract Service
City Clerk	City of Fort Bragg
Finance	City of Fort Bragg
Human Resources	City of Fort Bragg
Information Technology	City of Fort Bragg
Public Safety	
Law Enforcement	City of Fort Bragg
Emergency Medical Care	Mendocino Coast District Hospital
Fire Protection	Fort Bragg Fire Protection Authority JPA
Animal Control	Mendocino County (Contract Service)
Community Development	
Planning, Economic Development, Grant Writing	City of Fort Bragg
Building Permit Processing & Inspection	Mendocino County (Contract Service)
Community Services	
Parks & Recreation	City of Fort Bragg
	Mendocino Coast Recreation and Park District
Library	Mendocino County
Marina & Boating Services	Noyo Harbor District
Public Works	
Engineering, Drafting, Surveying	City of Fort Bragg
Roads, Traffic Control, Non-Motorized Facilities	City of Fort Bragg & Caltrans
Water Collection, Treatment, & Distribution	City of Fort Bragg
Wastewater Collection, Treatment, & Discharge	Fort Bragg Municipal Improvement District No. 1
Stormwater Management	City of Fort Bragg
Public Buildings & Facilities Maintenance	City of Fort Bragg
Street Lighting & Landscaping	City of Fort Bragg
Solid Waste Disposal & Recycling	Waste Management
Energy	Sonoma Clean Power
Cable TV/Internet Services	Comcast
Public Education	
K-12 Grade Levels	Fort Bragg Unified School District
College Level	College of the Redwoods Mendocino Coast
Other Services	
Housing Assistance Programs	Community Development Commission DANCO
Public Transportation	Mendocino Transit Authority
Cemetery	Mendocino-Little River Cemetery District
	Westport-Ten Mile Cemetery District

3.2 GENERAL GOVERNMENT

3.2.1 SERVICE OVERVIEW

The City's Administration includes the City Manager, City Attorney, and the Administrative Services Department, who together provide professional organizational leadership, implement City Council policy objectives, and administer City services and programs. The City's Administration works closely with and provides support to each City department to foster professionalism in the delivery of quality public services, to ensure efficient, responsive, and accountable government, and promote fiscal stability, economic vitality, quality of life, and citizen involvement.

The City has a Council-Manager form of government whereby City Council establishes key goals, policies, and priorities for the City and the City Manager is responsible for ensuring sound and effective management of the City based on implementing those goals, policies, and priorities.

The Administrative Services Department is responsible for a wide array of administrative services including:

- Technology infrastructure development and management
- Employee and labor relations
- Contract negotiations
- Personnel and administrative policies and regulations
- Employee benefits administration
- Personnel recruitment and retention
- Employee classification
- Compensation and evaluations
- Risk management
- Assistance with budget preparation and monitoring
- Preparing agenda packets, maintaining official records, responding to public records requests
- Monitoring compliance with Fair Political Practices Commission requirements
- Preparing ordinances for codification
- Maintaining and developing the City's official website and social media pages
- Maintaining updates to the Fort Bragg Municipal Code

(Fort Bragg, July 2016)

3.2.2 STAFFING

The City's Administration is a General Government support function. In addition to the City Manager and City Attorney, the City's Administration is comprised of the Administrative Services Department which has six fulltime staff members including an Administrative Services Director, City Clerk, Human Resources Technician, Administrative Assistant, Technology Support Technician, and an Audio-Visual Technician. The City is seeking a new City Attorney as the existing contract with Burke, Williams, Sorenson, LLP, will expire in October of 2017. (Fort Bragg, July 2016; Fort Bragg, July 2017)

3.3 FINANCE

3.3.1 SERVICE OVERVIEW

The Finance Department is responsible for maintaining the financial integrity of the City by providing oversight to the City's fiscal management and operations, maintaining accurate fiscal records and reports, and providing advice regarding fiscal policies and transactions. The Department directs, monitors, and controls all assets and financial activity and provides a framework for financial planning and analysis to support the operations of City departments. The functions of the Finance Department include utility billing, business licensing, Transient Occupancy Tax collections, accounts payable, account receivable, payroll, purchase orders, financial reporting to federal, State, and other outside agencies, treasury and cash management, budget preparation, budgetary control, audit liaison and oversight of other fiscal activities of the City, Municipal Improvement District, and the Successor Agency to the Fort Bragg Redevelopment Agency. (Fort Bragg, July 2016)

3.3.2 STAFFING

The Finance Department is a General Government support function. The Department has four full-time staff members including a Finance Director, two Government Accountants, and a Finance Technician. (Fort Bragg, July 2016)

3.4 COMMUNITY DEVELOPMENT

3.4.1 SERVICE OVERVIEW

The Community Development Department supports development and preservation of an attractive and functional built environment, a vibrant economy, and needed community and environmental amenities. Department services include:

- Providing effective long-range planning, including rezoning and land use planning for the GP Mill Site, updates to the City's General Plan and Land Use and Development Code, updates to the City's Housing Element.
- Current planning, including planning and CEQA review and permitting for all private sector commercial and non-profit projects, and environmental review (CEQA and NEPA) for all City projects.
- Implementation of a variety of special City projects including construction of the Fort Bragg Coastal Trail Phase I and II and Bainbridge Park improvements.
- Review of all building and sign permits and code enforcement.
- Implementation of the City's economic development strategy, management of the City's tourism promotions and marketing Action Plan, and grant writing and administrative services.

The Community Development Department serves the community by facilitating, guiding, and regulating land use and development activities in Fort Bragg and with planning and implementing City improvement projects. (Fort Bragg, July 2016; Fort Bragg, July 2017)

3.4.2 STAFFING

The Community Development Department has four full-time employees including a Community Development Director, Special Projects Manager, Associate Planner, Administrative Assistant, and a Grants Assistant who is part-time at 0.8 FTE. (Fort Bragg, July 2016; Fort Bragg, July 2017)

3.5 LAW ENFORCEMENT

3.5.1 SERVICE OVERVIEW

The Fort Bragg Police Department provides public safety services on a 24-hour a day, seven-days a week basis. The Police Department Administrative Office is located at 250 Cypress Street in Fort Bragg and normal business hours are Monday through Friday from 8:00 am to 5:00 pm. The Fort Bragg Police Department contracts with the Ukiah Police Department for dispatch services.

The Police Department provides front line emergency and non-emergency police services to the community through uniformed police officers and community service officers, who provide public safety, investigate crimes and traffic accidents, arrest law violators, enforce traffic and parking regulations, and provide a variety of other community-oriented policing services. The department also provides customer service to the community and supports police operations through administrative and business offices of the Police Department including: executive leadership, management and supervision, management of reports, telephone inquiries, statistics, employee training, property and evidence management, fingerprinting, and court coordination. (Fort Bragg, July 2016)

The following table provides a summary of calls for service for years 2013 through 2016.

Table 3.2 Fort Bragg Police Department Service Calls					
Summary of Calls by Type	2013	2014	2015	2016	TOTAL
Crime Reports	1,925	1,681	1,643	1,749	6,998
Calls for Service	17,148	16,350	15,629	14,819	63,946
Arrests	869	721	722	548	2,860
TRAFFIC SAFETY					
Collisions	176	185	182	186	729
Citations (VC only)	352	506	458	204	1,520
DUI	46	41	22	42	151
TOTAL	574	732	662	432	2,400
GANG					
Gang Related Cases	11	9	6	11	37
Gang Affiliated	78	48	69	130	325
TOTAL	89	57	75	141	362
PROPERTY CRIMES					
Burglary	96	53	31	52	232
Theft	284	195	219	254	952
10851 Motor Vehicle Theft	18	19	19	13	69
Vandalism	151	130	97	146	524
TOTAL	549	397	366	465	1,777

Summary of Calls by Type	2013	2014	2015	2016	TOTAL
CRIMES AGAINST PERSONS					
Homicide	1	1	0	1	3
Rape	6	7	8	8	29
Robbery	3	5	5	4	17
Assault	193	112	212	135	652
TOTAL	203	125	225	148	701

Source: (Fort Bragg, March 2017)

3.5.2 STAFFING

The Police Department has five administrative staff consisting of the Chief of Police, the Police Lieutenant, an Administrative Coordinator, and two Police Service Technicians. The operations staff is comprised of four Sergeants, ten Police Officers, and three Community Service Officers. The department has one Police Officer assigned to work the Mendocino County Major Crimes Task Force. (Fort Bragg, July 2016)

The Chief and Lieutenant, with the support of the Administrative Coordinator, are responsible for providing department personnel with strategic goals and objectives, ensuring adequate staffing and equipment, ensuring training and certification in accordance with California Peace Officers Standards and Training regulations (POST), managing the Department's budget, and providing leadership direction. They also serve as a liaison between the Police Department and other City departments and with community members.

The Police Service Technicians ensure that all police records are kept, filed, released, and purged in accordance with applicable laws. They are responsible for numerous State reports and validations, provide Live Scan fingerprinting services to the public, process and forward criminal reports to the appropriate agencies, and provide information to the public. They assist the public with a wide variety of inquiries both over the phone and in person. One Police Service Technician is the Department's Property and Evidence Technician who assists with the intake of property for safe keeping and property held as evidence, oversees the release and purging/destruction of department property, and is also the Department's subpoena clerk and is responsible for all criminal and civil subpoenas received by the department. The other Police Service Technician is the Department's Records Supervisor and is responsible for overseeing all Records activities.

The Police Officers and Community Service Officers, under the day-to-day supervision of the Sergeants, respond to calls for service, conduct investigations, and write police reports relating to those calls. They also respond to traffic accidents, traffic and parking complaints, and animal control issues. They deliver a variety of prevention and awareness information to community members, service organizations, and schools.

(Fort Bragg, July 2016)

3.6 PUBLIC WORKS

3.6.1 SERVICE OVERVIEW

The Public Works Department designs, builds, operates, and maintains essential public infrastructure and facilities to make everyday life as safe and convenient as possible. The basic services provided by the Public Works Department include

- Managing consultants and contractors who undertake a variety of public improvement projects to the City's public buildings, wastewater and water infrastructure, street system and public parks.
- Maintaining and repairing City-owned facilities, parks, and streets, installing and maintaining traffic signage.
- Managing, repairing, and expanding the drinking water system including collection, storage, treatment, distribution and necessary reporting.
- Managing, repairing, and improving the wastewater system for MID No. 1 including collection, treatment, discharge, and necessary reporting and managing the stormwater runoff system.
- Managing and necessary reporting for all stormwater pollution prevention permits.
- Assisting with the review of proposed development projects for planning and building permits.
- Processing all roadway encroachment permits.

The Public Works Department is organized into six divisions including: Administration and Engineering, Parks and Facilities, Corporation Yard and Fleet, Street Maintenance, Water Enterprise, and Wastewater Enterprise. The Administration and Engineering Division provides administrative support, fiscal management, and engineering services to the entire Public Works Department. In addition, this division is also responsible for implementation of the City's Capital Improvement Program and works closely with various regulatory agencies to maintain permit compliance. The Parks and Facilities Division provides maintenance and repairs for City facilities and grounds, parks, streets, and trees and also assist with capital projects, as needed. The Corporation Yard and Fleet Division is responsible for maintenance of City streets, including painted curbs, crosswalks, and signage, and maintenance and repairs of the City's wastewater collection lines, storm drains, water distribution system, utility meters, and fire hydrants. The crew of this division also responds to sewage spills and leaks in water service lines. Fleet is responsible for the maintenance of all City vehicles, heavy equipment, and other large equipment throughout the City. The Public Works crew also provides support for civic and community events. Water and Wastewater are operated as separate enterprises and are addressed in Sections 3.6 and 3.7 of this document.

(Fort Bragg, July 2016; Fort Bragg, July 2017)

3.6.2 STAFFING

The Public Works Department has twenty-two full-time employees including a Public Works Director, Assistant Public Works Director, Public Works Project Analyst, two Engineering Technicians, a Lead Maintenance Worker who oversees a Mechanic and seven Maintenance Workers, and two Lead Treatment Operators that oversee five Treatment Plant Operators and an Environmental Compliance Coordinator. (Fort Bragg, July 2016)

3.6.3 CAPITAL ASSETS

Capital assets include land, easements, buildings, equipment, and infrastructure that the City owns, operates, and maintains to provide a variety of services to its citizens and customers.

3.6.3.1 Public Facilities

The City owns and maintains multiple public buildings including the City Hall, Town Hall, Police Station, Guest House Museum, Fort Building, Gymnasium, Highway 20 Fire Station, and the Main Street Fire Station. The City also owns and/or operates various public facilities including the Water Treatment Plant, Summers Lane Reservoir, Corporation Yard, Caspar Transfer Station, C.V. Starr Center, Harold O. Bainbridge Park, Otis R. Johnson Wilderness Park, Noyo Beach, Noyo Headlands Park, Pomo Bluffs Park, and the Harbor Lite Trail. MID No. 1 owns the Wastewater Treatment Plant, collection system, and discharge facilities which are accounted for in the District's capital assets.

The City's investment in capital assets for its governmental and enterprise activities totals \$73 million as of June 30, 2016 and includes land, construction in progress costs, buildings, machinery, equipment, and vehicles, infrastructure, and land improvements, as shown in Table 3.3 below. Capital assets are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. An exception to this is for infrastructure assets (roads, sidewalks, and similar items) which have the same estimated minimum useful life but only account for infrastructure projects that cost more than \$50,000. (Fort Bragg, January 2017)

Asset Type	Governmental	Enterprise	Total
Land	\$12,952,262	\$785,079	\$13,737,341
Construction in Progress	\$379,412	\$1,427,055	\$1,806,467
Buildings	\$1,885,295	\$22,938,385	\$24,823,680
Machinery, Equipment, & Vehicles	\$387,745	\$1,936,376	\$2,324,121
Infrastructure	\$23,581,455	\$6,415,750	\$29,997,205
Land Improvements	\$0	\$320,863	\$320,863
TOTAL	\$39,186,169	\$33,823,508	\$73,009,677

Source: (Fort Bragg, January 2017)

The City plans for capital projects through the rolling five-year Capital Improvement Program (CIP) as part of the annual budget development process. The following projects are identified in the Fiscal Year 2018-2022 CIP for the City's public facilities:

- Guest House Rehabilitation – total cost \$363,730
- City Hall Maintenance and Painting – total cost \$137,000
- East City Hall Structural and Pool Building Stabilization Project – total cost \$667,000
- Police Station Garage and Roof – total cost \$200,000
- Coastal Trail Phase II (Central Segment) – total cost \$1,220,000
- Bainbridge Park Improvements – total cost \$108,290
- Glass Beach Staircase – total cost \$194,807

(Fort Bragg, May 2017)

3.6.3.2 Public Infrastructure

The Public Works Department is responsible for maintaining over 25 miles of City streets (not including alleys) and associated infrastructure, traffic signage, and street markings. The street system in Fort Bragg is laid out in a grid pattern with Main Street (Highway 1) functioning as the primary north-south roadway. Franklin Street is located one block east of Main Street and provides access along the main commercial corridor. A number of streets, including Cypress Street, Chestnut Street, Oak Street, Redwood Avenue, Pine Street, and Elm Street provide east-west connections.

Highway 1 is the only continuous north-south road serving the Coast of Mendocino County, providing a local transportation corridor for many communities and the primary access route for visitors. Traffic volumes on this roadway have increased steadily over the years. A portion of the traffic in Fort Bragg is through-traffic (trips that originate or have destinations outside of the City). The logging industry, tourist travel, and people coming to Fort Bragg from around the region for shopping, educational, medical, and other services generate much of the traffic. Traffic into and out of Fort Bragg is constrained by the capacity of two bridges, Hare Creek and Pudding Creek, and by the two-lane roadway sections along Highway 1. The Hare Creek and Pudding Creek bridges are limited to one lane of traffic in each direction. Caltrans is working on plans to rebuild both bridges in order to better accommodate non-vehicular travel (pedestrians and cyclists). The Noyo River Bridge is a four lane bridge with a center lane for emergency vehicles and a sidewalk on both sides. The bridge provides access at the south end of the City and to Highway 20 and generally operates at LOS A.

Level of Service (LOS) standards provide an indicator of the functional capacity of a roadway or intersection and describe the relative ease or congestion of traffic movement on a roadway or at an intersection. LOS "A" represents free flow conditions and LOS "F" represents jammed conditions where traffic flow is at or over the capacity of the roadway and consequently moves very slowly.

The most congested street in the City is Main Street between the northbound merge area located just south of Laurel Street through Elm Street. The northbound section of this road currently operates at LOS D to LOS E during peak hours.

Although the volume of traffic on Main Street has increased over the past few years, intersections with traffic signals – Highway 20, Ocean View Drive, Cypress Street, Chestnut Street, Oak Street, Laurel Street, Elm Street, and Redwood Avenue – are operating at LOS B or better. The side street stop sign-controlled intersections with Main Street are also operating at LOS B or better for traffic traveling on Main Street; although traffic turning onto Main Street from some side streets can experience LOS D, E, or F during peak hours.

Land use and transportation must be coordinated so that the capacity of the transportation system will accommodate the traffic generated by the development of the community. To understand the relationship between land use and transportation, the new traffic that would be generated by the 10-year buildout projections (2022) were added to existing traffic volumes on major streets for a summer Friday mid-day peak hour when traffic is generally the most congested. Traffic projections indicate that LOS will remain virtually identical to current conditions, taking into consideration anticipated development in the Inland General Plan area. If all potential future development is taken into consideration throughout the City, including anticipated development on the Mill Site, all intersections and roadway segments will conform to the standards established by the Inland General Plan.

As Fort Bragg continues to grow, vacant and underdeveloped land east and west of Main Street will be developed. The City's annexation policies discussed in the Inland General Plan Land Use Element establish priorities for expansion of City boundaries in an orderly and planned manner. Annexation and development in these areas will require development of and/or improvement to east-west access routes. In some areas new roads will be required, while in other areas extensions to existing roads would be the best solution.

The City has a fairly complete sidewalk system. There are a few streets that have discontinuous sidewalks, sidewalks on one side of the street, or substandard sidewalks. However, in recent years the City has undertaken and completed many sidewalk improvement projects, specifically geared towards providing safe-routes-to-school. Sidewalk widths vary, primarily based on the street type and the width of the existing right-of-way. However the City has established minimum sidewalk width standards for all new sidewalks. The City also has a system of Class I, II, and III bicycle facilities, which given the relatively flat topography of the City, provides an effective bicycle system. The City continues to improve and expand the pedestrian and bicycle facilities consistent with the 2011 Bicycle Master Plan, provide safe and complete sidewalks throughout the City, and provide a mix of land use designations which reduce dependence on vehicle travel between residential areas, schools, parks, and commercial centers. (Fort Bragg, 2012a; Fort Bragg, July 2017)

There are approximately 100 alleys or alley segments included within the City limits. Most of these are located within public right-of-ways, typically 20 feet in width, and there are a few privately-owned alleys. The City's alleys are used by vehicles, bicycles and pedestrians. The alleys serve as the primary corridor for service providers (fire department, police department, solid waste collection, deliveries) and are the preferred alignment for utilities including underground water, sanitary sewer and storm drain pipelines and overhead and underground power, telephone and cable T.V. / internet services. It is the City's goal to improve the condition of the City's alleys to enhance the use of these corridors for access and service. The 2011 Alley Master Plan provides an inventory and evaluates the condition of City alleys and includes a prioritized list of alley improvement projects which the City is working to implement. The City passed a gas tax increase to fund alley improvements and each year the City undertakes about \$200,000 of alley resurfacing capital improvement projects. In 2017, four alleys will be resurfaced. (KASLConsulting Engineers, 2011; Fort Bragg, July 2017)

The priority storm drain improvements in the 2004 Storm Drainage Master Plan have been implemented. Much of the area north of Pudding Creek and south of the Noyo River generally do not have improved drainage systems in place. Drainage in these areas is generally through natural channels or site installed drainage pipes. Chapter 12.14, 17.60 and 18.60 of the City's Municipal Code require the City to review and condition new development to ensure that adequate on-site and off-site drainage is included in the development. New development is required to pay a drainage impact fee and thereby fund improvements necessary to ensure adequate capacity within the storm drain system. (Fort Bragg, 2012c; Fort Bragg, July 2017)

The City plans for capital projects through the rolling five-year Capital Improvement Program (CIP) as part of the annual budget development process. The following are just some of the main projects, which are identified in the Fiscal Year 2018-2022 CIP for some of the City's public infrastructure:

- Annual Alley Rehabilitation Project – total cost \$750,000 annually
- Downtown Crosswalk Rehabilitation – total cost \$62,300

- Chestnut Street Multi Use Trail – total cost \$1,380,000
- Street Resurfacing and Structural Repairs – total cost \$5,084,879

(Fort Bragg, May 2017)

3.7 WATER ENTERPRISE

3.7.1 SERVICE OVERVIEW

The City public water system includes raw water collection, treatment, and distribution facilities, which are owned and operated by the City. The Water Treatment Plant (WTP) is located at 31301 Cedar Street in Fort Bragg. The WTP operates under Domestic Water Supply Permit Number 02-03-09P2310001, issued by the State Water Resources Control Board Drinking Water Division on October 6, 2009 (Fort Bragg, March 2017). The City currently serves approximately 2,829 water connections consisting primarily of residential homes, 356 commercial customers within the City Limits, and an additional 32 commercial/industrial customers located outside the City (Fort Bragg, July 2017).

3.7.2 STAFFING

The City has two Lead Treatment Operators, five level II Treatment Plant Operators, including one Electrician, that operate and maintain the water treatment system and the wastewater treatment system. For the water system, City staff is responsible for operating and maintaining the water treatment plant, source water intakes, three water storage facilities, and various pump stations. The transmission and distribution systems including water meters are maintained by the Public Works maintenance crew; this division includes five distribution operators. (LAFCo, 2008; Fort Bragg, July 2017).

3.7.3 CAPACITY OF FACILITIES

The City's water system is comprised of three surface water sources including the new Summers Lane Reservoir constructed in 2015; three raw water transmission mains; two raw water storage ponds located at the WTP; the WTP that was originally constructed in the 1950's and upgraded in the 1980's and has a capacity of 2.2 million gallons per day (MGD); two 1.5 million gallon (MG) steel storage tanks and one 300,000 gallon storage tank; over 30 miles of distribution lines that deliver water throughout Fort Bragg; and one booster pump station for the East Fort Bragg pressure zone (LAFCo, 2008). Additionally the City has funding for and will add an additional 1.5 million gallon finished water storage tank in Fiscal Year 2017-18. (LAFCo, 2008; Fort Bragg, July 2017)

The City's water supply system draws raw water primarily from the Noyo River with the limitation that pumping does not exceed 3.0 cubic feet per second (cfs). The Noyo River direct diversion flows by gravity into a 5,000 gallon wet well and is then pumped via pipeline to the WTP from a pump station on the river bank. The Newman Reservoir is an on-stream reservoir located on a 54-acre parcel owned by the City of Fort Bragg and impounds water from the Newman Gulch. The Summers Lane Reservoir is a new reservoir with a capacity of 45 acre-feet (AF) located on this same property. The Summers Lane Reservoir is an off-stream storage facility that holds water from Waterfall Gulch. Approximately 20 percent of the City's water supply during the summer months is drawn from the Newman and Summers Lane Reservoirs and approximately 25 percent throughout the year is from the Waterfall Gulch diversion, all of which are gravity fed through a single ten-inch pipeline to the raw water storage ponds at the WTP. (LAFCo, 2008; Fort Bragg, July 2017)

The table below shows the City's approved water appropriations by water source.

Water Supply Source	Permit or License ID	Water Appropriations	Estimated Reliable Pumping Capacity
1. Noyo River	P11383	1,500 AF (488.777 MG)	3.0 cfs
2. Newman Gulch	S009340	300 AF (97.755 MG)	0.5 cfs
3. Waterfall Gulch	012171	475 AF (154.779 MG)	0.668 cfs
Total	n/a	2,275 AF (741.312 MG)	4.168 cfs

Source: (Fort Bragg, March 2017)

The City's operational treated water storage requirement is 3.3 MG. The table below shows the water storage capacity for each of the City's water storage facilities.

Storage Facility	Storage Capacity
Summers Lane Reservoir	14.6 MG
Newman Reservoir	0.3 MG
Water Fall Reservoir	0.005 MG
Raw Water Ponds	3.0 MG
Clearwell	0.025 MG
Total	17.93 MG

Source: (Fort Bragg, March 2017)

During Fiscal Year 2016-2017, the City completed the Summers Lane Reservoir Project providing an additional 15 million gallons (MG) of raw water storage to help ensure a reliable water supply during the late summer months when flows are low at the City's three water sources (Fort Bragg, May 2017). In addition, this new raw water storage will ensure adequate water supply during severe drought years and will help to meet the needs of future development for the City.

3.7.4 DEMAND FOR SERVICES

The water system annual demand is approximately 250 MG or 767 acre-feet (AF) of drinking water. During the summer months, the water demand peaks at around 0.900 MGD with the peak tourist season. During winter months, the water demand averages 0.600 MGD. The table below shows the water demand levels for fiscal year 2015-2016 by season. (Fort Bragg, March 2017)

Season	Average Demand	Maximum Monthly Demand	Peak Day Demand
Summer	0.7188	29.697	1.153
Winter	0.514	16.903	0.728

Source: (Fort Bragg, March 2017)

The table below shows the total historic water demand by source over the last 10 years, which includes the range of wet to critically dry water year types.

Table 3.7 City of Fort Bragg Historic Annual Water Demand (MG)

Source	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1	326.226	188.72	210.512	217.97	180.881	171.931	128.275	142.584	145.049	137.652
2	31.081	74.019	49.525	53.362	49.278	56.086	74.544	56.053	58.314	50.21
3	39.665	68.633	46.514	37.093	60.772	76.109	71.889	51.32	56.239	59.58
Total	396.972	331.372	306.551	308.425	290.931	304.126	274.708	249.957	259.602	247.442

Source: (Fort Bragg, March 2017)

On a daily basis the City currently produces about 50 gallons/resident and 78 gallons/1,000 square-feet (SF) of commercial/industrial space of treated water. Residential development within the Inland Area through 2022 is anticipated to include 63 new residential units (156 new residents), which would require 7,800 additional gallons of water per day, and 52,000 SF of new commercial/industrial development, which will require 4,000 gallons of water per day. In total, all new development proposed for the inland area will result in 12,000 additional gallons of demand, a 1.9 percent overall increase in water demand. The City currently has sufficient water supply and storage to meet an 8 percent increase in water demand and could accommodate the additional growth in the Inland Area without developing additional water storage. Additionally, with the completion of the Summers Lane Reservoir with approximately 45 AF of water storage capacity, the City can accommodate approximately a 20 percent growth in water demand. All new development is required to pay its fair share of the water system infrastructure and future capital improvements through the Water Capacity Charge. (Fort Bragg, 2012c)

3.7.5 INFRASTRUCTURE NEEDS OR DEFICIENCIES

The aging infrastructure of the water system and the reliability of the water collection conduits are the primary factors influencing the City's ability to provide water services to customers. The improvement projects identified in the City's 1986 Water System Study and Master Plan have been addressed. The City plans for capital projects through the rolling five-year Capital Improvement Program (CIP) as part of the annual budget development process. The following projects are identified in the Fiscal Year 2018-2022 CIP for the City's water system:

- Summers Lane Reservoir Cover – total cost \$700,000
- 1.5 MG Water Tank Installation – total cost \$1,395,349
- Raw Water Transmission Line Replacement – total cost \$2,649,000
- Raw Water Pond Rehabilitation – total cost \$200,000
- Water Treatment Plant Overhaul – total cost \$1,350,000
- Cedar Street Water Distribution Line Project – total cost \$195,000
- Pudding Creek Water Main Relocation – total cost \$1,700,000

Source: (Fort Bragg, May 2017)

3.8 WASTEWATER ENTERPRISE

3.8.1 SERVICE OVERVIEW

The public wastewater treatment system includes collection, treatment, and discharge facilities. The wastewater system serving the City is owned by the Fort Bragg Municipal Improvement District (MID/District) No. 1 and is operated and maintained by the City at the expense of the District. The District boundary is larger than the City boundary.

The Fort Bragg MID No. 1 (District) was formed to acquire and construct wastewater system improvements including a wastewater treatment plant and to provide for the incurring of indebtedness for the costs and expansion of such improvements. Any territory annexed to the MID is subject to all the liabilities, including previously authorized taxes, benefit assessments, fees or charges for services, and is entitled to all benefits of the District. (LAFCo, 2008)

The Wastewater Treatment Plant (WWTP) is located at 101 West Cypress Street in Fort Bragg. The WWTP operates under Waste Discharge Requirements pursuant to Order No. R1-2015-0024, NPDES No. CA0023078, and WID No. 1B84083OMEN issued by the North Coast Regional Water Quality Control Board on June 4, 2009 (Fort Bragg, March 2017). The MID serves approximately 2,450 residential wastewater connections, 350 commercial dischargers, and one industrial customer (Fort Bragg, July 2017).

3.8.2 STAFFING

All MID operations and maintenance are performed by City staff. The City has two Lead Treatment Operators, five level II Treatment Plant Operators, including one Electrician, that together operate and maintain the water treatment system and the wastewater treatment system. For the wastewater system, City staff is responsible for operating and maintaining the treatment plant, wastewater collection system, six lift stations, and discharge in compliance with State and Federal water quality standards (LAFCo, 2008; Fort Bragg, July 2017).

3.8.3 CAPACITY OF FACILITIES

The MID wastewater system is comprised of over 25 miles of gravity-fed pipelines and pressure force mains, six sewage lift stations, the WWTP, and an ocean outfall pipeline that extends 690 feet into the Pacific Ocean. The WWTP was completed in 1971 and has a secondary treatment level capacity of 1.0 million gallons per day (MGD) for average dry weather flow (ADWF) and 2.2 MGD for average wet weather flow (AWWF). (LAFCo, 2008)

Over the past five years, the North Coast Regional Water Quality Control Board has issued two settlement agreements for Administrative Civil Liability (ACL) to the District, both were satisfactorily addressed. The most recent ACL (R1-2016-0049) consists of two compliance projects to satisfy the minimum mandatory penalties. These exceedances include biochemical oxygen demand (BOD), total suspended solids (TSS), Total Coliform and Total Chlorine Residual. The compliance projects involve installation of an influent flow meter and installation of sodium hypochlorite and sodium bisulfite analyzers. The previous ACL (R1-2014-0035) included a compliance project to complete the design phase of the WWTP Upgrade Project in order to improve BOD and TSS effluent discharge. These compliance projects have been completed, with the exception of the influent flow meter which is scheduled for installation in September, and satisfactorily addressed the RWQCB concerns. (Fort Bragg, March 2017; Fort Bragg, July 2017)

Currently, the WWTP wet weather treatment capacity is exceeded several times a year due to very high flows of stormwater and groundwater into the wastewater collection system caused by infiltration and inflow (I&I) and cross-connection between storm drains and sewer lines. I&I is problematic for multiple reasons but especially because of the potential for sanitary sewer overflows (SSOs) and penalties for exceeding effluent limitations when the WWTP cannot operate as designed.

The District, via City staff, is making progress to eliminate cross-connections and mitigate I&I in the wastewater collection system by implementing improvement projects identified in the 2009 Final

Wastewater Collection Facilities Management Plan Report prepared by AECOM and by following the 2010 Sewer System Management Plan. In addition, City staff addresses areas with high rates of I&I by implementing slip lining pipe repairs, conducting video inspections and smoke testing of the collection system to identify needed repairs, and making visual inspections during high flows to identify major sources of I&I. Until major capital improvements are made to address I&I problems, the wet weather treatment capacity will continue to be a limiting factor for the wastewater system. (Fort Bragg, 2012c)

3.8.4 DEMAND FOR SERVICES

In 2016, the District's average daily flow volume was 0.842 MGD, which is within the design capacity of the WWTP, and the peak flow volume was 4.075 MGD due to wet weather events, which is above the design capacity of the WWTP (Fort Bragg, March 2017).

The 2013 Predesign Study for Fort Bragg WWTP Upgrade Project prepared by Nolte Associates, Inc., identified upgrade, renovation, and system redundancy projects to improve the long-term performance of the WWTP facility based on future conditions including considerations for City growth and increases in nutrient loading from the North Coast Brewing Company (NCBC), since it is a major industrial discharger to the WWTP. The Predesign Study also provided a characterization of historical wastewater flows as shown in Figure 3-1 below.

Figure 3-1 Historical Wastewater Flow Data 2009-2012

**TABLE 3-2
CITY OF FORT BRAGG WWTP
ADJUSTED HISTORICAL WASTEWATER EFFLUENT FLOW DATA^a
2009-2012**

Parameter	Unit	2009	2010	2011	2012	Average (2009-2012)
ADF	MGD	0.67	1.05	0.79	0.81	0.83
ADWF ^b	MGD	0.61	0.66	0.55	0.59	0.60
MDF	MGD	1.88	4.56	5.53	4.07	4.01
PHF ^c	MGD	-	-	-	4.20	4.20
M7DF	MGD	1.38	3.46	4.11	3.17	3.03
MMF	MGD	0.92	1.70	2.20	1.40	1.56

^a Flow data from January 1, 2009 to October 4, 2012 was increased by 50 percent to account for potential meter inaccuracies.

^b ADWF is the average flow for June 1 – August 31.

^c PHF is not recorded at the WWTP. PHF for 2012 was estimated based on a review of available chart recorder data for the day with the highest MDF recorded December 21, 2012.

Source: (Nolte Associates, 2013)

The following table shows updated wastewater flow data for the City between 2013 and 2016.

Parameter	Unit	2013	2014	2015	2016	Average
ADF	MGD	0.649	0.716	0.595	0.842	0.701
ADWF	MGD	0.610	0.624	0.490	0.502	0.557
AWWF	MDG	0.669	0.762	0.648	1.010	0.772
MDF	MDG	1.247	2.565	2.717	4.075	2.651
MMF	MG	27.13	41.45	30.07	51.34	37.50

Source: (Fort Bragg, July 2017)

The Predesign Study estimates a 10 percent increase in flow (an average daily flow volume of 0.0842 MGD) for future residential and general commercial/industrial growth within the City for the next 10 years. The Predesign Study also estimates a 40 percent increase in NCBC discharge related to a projected expansion of annual brewing operations from 50,000 to 85,000 barrels. These growth parameters provide the basis for the Predesign Study recommended design criteria to size the WWTP process equipment for the WWTP Upgrade Project. The District does not anticipate a significant increase in demand for wastewater service within the District boundary nor does the District expect inclusion of any new customers outside their boundary within the next five years. The existing capacity of the WWTP is sufficient to meet the wastewater service demands within the timeframe of this MSR.

Over the 40-year life span of the WWTP, the facility has undergone various expansions and upgrades. However, most equipment and unit processes have reached their useful service life. The project will upgrade the facility to current technology and energy standards, maintain the current permitted average dry weather flow capacity of 1.0 MGD, and achieve wastewater treatment objectives for discharge. The major project elements include replacing the existing trickling filters with an activated sludge system, constructing a dewatering building, new sludge holding area, splitter box, and pump station to allow for peak flow pumping capacity, installing a biological treatment facility, repurposing the existing primary and secondary clarifiers to emergency/surge storage basins, abandoning storm drain outfalls as stormwater will be treated by the new facility, and grading and asphalt paving for interior site access and modified catchment basins. (Fort Bragg, October 2016)

Construction for the WWTP Upgrade Project is identified as a Fiscal Year 2017-2018 Capital Project and will be implemented once funding is secured. The City has completed the environmental review and permitting process and the plans and specification have been prepared for this project. The City is in the process of obtaining \$11 million in grant funding and loans to construct this project in 2018. With this major improvement project, the District will be able to meet long-term projected wastewater service demands. All new development is required to pay its fair share of the wastewater system infrastructure and future capital improvements through the payment of a Sewer Capacity Charge. (Fort Bragg, July 2017)

3.8.5 INFRASTRUCTURE NEEDS OR DEFICIENCIES

The aging infrastructure of the wastewater system and the peak flow volume during wet weather events are the primary factors influencing the District's ability to provide wastewater services to customers. The City, on behalf of the District, plans for capital projects through the rolling five-year Capital Improvement Program (CIP) as part of the annual budget development process. The following projects are identified in the Fiscal Year 2018-2022 CIP for the City's wastewater system:

- Wastewater Treatment Plant Upgrade Project – total cost \$11,699,000
- Sewer Main Rehabilitation On-going Project – total cost \$300,000 (\$60,000 annually)
- Sanderson Way Sewer Main Replacement, Oak to Cedar – total cost \$215,000

Source: (Fort Bragg, May 2017)

3.9 SERVICES PROVIDED BY CONTRACT OR JPA

This section includes information regarding City services provided by Contract or Joint Powers Authority (JPA).

3.9.1 C.V STARR COMMUNITY CENTER

The C.V. Starr Community Center and Sigrid & Harry Spath Aquatic Facility (C.V. Starr Center) was built by the Mendocino Coast Recreation and Parks District (MCRPD), a special district providing recreation services to residents of the Mendocino Coast. The C.V. Starr Center is a 43,000 square foot recreation and aquatic facility with an indoor water park including an eight-lane competition pool and diving board, a leisure pool with a water-slide, and a lazy river, a cardio-fitness center and weight room, and facilities for other fitness classes and enrichment activities. In addition, the facility has meeting rooms for parties and community events, and the grounds include a dog park, a skateboard park, petanque courts, and picnic and BBQ facilities.

After opening the facility in August 2009, MCRPD was challenged with insufficient operating revenues. In March 2012, the voters of Fort Bragg approved a half-cent special sales tax (Measure A) to provide funding for operation, maintenance, and capital improvements at the facility. The measure also required that ownership of the C.V. Starr Center be transferred to the City and that MCRPD assign a portion of its property tax revenues to the City. The facility reopened under City ownership in July 2012 and MCRPD now operates the facility under contract with the City and the City provides financial and operational oversight.

(Fort Bragg, July 2016)

3.9.2 FIRE PROTECTION

The City of Fort Bragg and the Fort Bragg Rural Fire Protection District jointly provide fire services within their respective boundaries under a JPA known as the Fort Bragg Fire Protection Authority (FBFPA). The JPA was formed in fiscal year 1989-1990 and is a public entity that is separate and apart from both the City and the Fire District. FBFPA has all of the powers relating to fire protection, fire suppression, and emergency rescue authorized by law and has the power to contract for the purchase, lease, or rental of whatever services or equipment that it may consider appropriate for its mission. Debts, liabilities, or other obligations of FBFPA do not accrue to the two agencies that entered into the JPA.

The FBFPA's budget is approved by the FBFPA Board of Directors, the City Council, and the Fire District Board. Funding responsibility is shared by the City and the Fire District with the breakdown of operating costs based on a three-year average call ratio. Typically, the City averages a higher percentage of the calls and therefore pays a higher percentage of FBFPA's budget.

The FBFPA paid staff consists of a Fire Chief, Fire Prevention Officer, Maintenance Engineer, and an Officer Manager. FBFPA also has 35 volunteer firefighters who are considered employees. Neither the City nor the Fire District has employees with the job responsibility of providing fire protection services. For more

information related to FBPA, please refer to the 2011 Fort Bragg Rural Fire Protection District Municipal Service Review.

(Fort Bragg, July 2016)

3.9.3 SUCCESSOR AGENCY TO FORT BRAGG REDEVELOPMENT AGENCY

Between 1986 and 2012, the Fort Bragg Redevelopment Agency carried out redevelopment projects and promoted and supported economic development and affordable housing development within a portion of the City including properties within the Central Business District, commercial and industrial lands along Main Street, and the former Georgia Pacific mill site. In early 2012, the Redevelopment Agency was dissolved as a result of ABx126 and the City Council elected to serve as the Successor Agency to the Fort Bragg Redevelopment Agency. The Successor Agency is the legal entity tasked with winding down the affairs of the former Redevelopment Agency under the supervision of an Oversight Board. The Successor Agency plays a key role in assuring that the existing debt service and other enforceable obligations of the former Redevelopment Agency are properly paid based upon a Recognized Obligation Payment Schedule (ROPS) approved by the Oversight Board and the State Department of Finance. (Fort Bragg, July 2016)

3.10 MSR DETERMINATIONS

3.10.1 Growth and Population Projections

1. The existing population size for the City is estimated to be 7,287 and the existing population size for the District is estimated to be 7,410. The annual growth rate for the City of Fort Bragg is 0.2 percent. The City, the District, and surrounding areas are anticipated to experience minimal change in population size over the next 5-10 years.
2. The City of Fort Bragg has a full range of land uses including low to high density residential, retail and service commercial, manufacturing, public facilities, recreation, and open space. Land uses within the City are established by the City's Inland and Coastal General Plan Land Use Elements and implemented by the City's Inland and Coastal Land Use and Development Codes.
3. The Spheres of Influence for the City and the District are unincorporated areas currently under the land use authority of Mendocino County and are regulated by the County General Plan and Zoning Ordinance.
4. The City and the District have confirmed the adequacy of their existing boundary and SOI. The existing boundary and SOI for the City and the District are appropriate and no modifications are anticipated within the next five years.

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

5. The median household income for Fort Bragg is \$33,867, which is 52 percent of the statewide median household income. The City of Fort Bragg and the Fort Bragg Municipal Improvement District No. 1 are considered to be a disadvantaged community, and may have adjacent Disadvantaged Unincorporated Communities (DUCs). Should future annexations to the City and District be proposed, consideration will need to be given to any DUCs affected by the annexation.

3.10.3 Present and Planned Capacity of Public Facilities and Adequacy of Public Services

6. The City has 2,275 acre-feet, or 741.312 million gallons, of water appropriations from the Noyo River, Newman Gulch, and Waterfall Gulch water sources. The City's annual water demand is

approximately 767 acre-feet or 250 million gallons of drinking water. During Fiscal Year 2016-2017, the City completed the Summers Lane Reservoir Project providing an additional 15 million gallons of raw water storage to help ensure a reliable water supply during severe drought years and for future development.

7. It is recommended that the City update the 1986 Water System Master Plan to identify capital improvement projects and associated costs necessary to ensure adequate water supply for future development; continue efforts to secure additional water sources and/or provide water storage to improve the reliability of the City's water system; take the necessary actions to convert the City's Noyo River Diversion Permit to a permanent license; continue to implement projects to improve the pressure in the water system lines to improve service reliability and provide adequate fire flow in the case of an emergency; and evaluate the feasibility of producing reclaimed water at the Wastewater Treatment Plant.
8. The District's Wastewater Treatment Plant (WWTP) has a secondary treatment level capacity of 1.0 million gallons per day for average dry weather flow and 2.2 MGD for average wet weather flow. In 2016, the District's average daily flow volume was 0.842 MGD and the peak flow volume was 4.075 MGD due to wet weather events. The existing capacity of the WWTP is sufficient to meet the wastewater service demands within the planning horizon of this MSR.
9. A 2013 Predesign Study identified estimated growth parameters for the District and recommended design criteria to size the WWTP process equipment for the WWTP Upgrade Project which is estimated to cost \$11,699,000. Construction for the WWTP Upgrade Project is identified as a Fiscal Year 2017-2018 Capital Project and will be implemented once funding is secured. With this major improvement project, the District will be able to meet long-term projected wastewater service demands.
10. Infiltration and inflow (I&I) into the District's wastewater collection system has been identified as a significant problem. The City, on behalf of the District, is working hard to address areas with high rates of I&I by implementing slip lining pipe repairs, conducting video inspections and smoke testing of the collection system to identify needed repairs, and making visual inspections during high flows to identify major sources of I&I. Until major capital improvements are made to address I&I problems, the wet weather treatment capacity will continue to be a limiting factor for the wastewater system.
11. As part of the rezoning process for the Georgia Pacific Mill Site, it is recommended that the City assess the capacity of the water and wastewater systems to accommodate new development. The City could also include new policies in the Coastal General Plan that require proof of service prior to approval of any permits for new or more intensive development within the Mill Site.
12. Traffic projections, based on the Inland Land Use Element 10-year buildout projections (2022), indicate that the future level of service will remain virtually identical to current conditions. Further, traffic projections for all potential future development throughout the City, including anticipated development on the Georgia Pacific Mill Site, indicate that all intersections and roadway segments will conform to the standards established by the City's Circulation Element.

3.10.4 Financial Ability of Agency to Provide Services

13. Based on financial audit information from Fiscal Years 2013-14, 2014-15, and 2015-16, the City generally operates at a net income and is able to meet its ongoing financial obligations. Based on financial audit information from Fiscal Years 2013-14, 2014-15, and 2015-16, the District generally operates at a net income and is able to meet its ongoing financial obligations.

14. The FY 2017-18 anticipated General Fund deficit is the biggest budgetary challenge facing the City as projected General Fund revenues may not keep pace with projected increases in expenditures. The City budget is based on conservative assumptions and the projected budgets for the past seven years have been deficit budgets. However six of seven audited budgets from the past seven years have shown significant revenue gain. This illustrates that deficit budgets for the City regularly turn into positive cash flow by year end. The City will continue to be vigilant about containing costs, pursuing opportunities to increase General Fund revenues, and leveraging outside revenue sources such as grants.
15. The Water and Wastewater Enterprise Funds are fiscally healthy and on-going operating revenues in these funds are projected to continue to keep pace with operating expenditures. Charges for Water and Wastewater Enterprise services are periodically adjusted to ensure that sufficient revenue is generated to pay all operating expenses as well as build capital reserves. The current water and wastewater rates went into effect on July 1, 2013. In FY 2016-17, the City prepared updated rate studies to determine the appropriate timing for implementing the rate increase schedule that was approved in 2013 and which was temporarily suspended in FY 2016-17. The rate increase will be postponed until FY 2018-19.
16. The City's Five-Year Capital Improvement Program (CIP) covering FY 2017-18 through FY 2021-22 outlines current and future infrastructure needs and capital funding priorities for Municipal Facilities, Parks and Community Services, Street Maintenance and Traffic Safety, Storm Drains, Water Enterprise, and Wastewater Enterprise on behalf of the District. The City identifies funding sources and commits funding for specific capital projects as part of the annual budget development process.
17. The City maintains appropriate staffing levels for each department based on anticipated workloads and assignments and maximizes the unique skill set of the labor force to address unanticipated public needs when they arise.
18. While the City does face revenue constraints, there are no proposed reductions in City services. City staff works hard to balance fiscally responsible policies and budget decisions with maintaining the existing level of service and continuing to address high priority public facility and infrastructure needs through grants, low interest loans, and special revenue funds.

3.10.5 Opportunities for Shared Facilities

19. Due to the isolated location of Fort Bragg, the services and facilities provided by the City and District are critical to residents of the area. The City collaborates with other public service providers whenever possible to provide service more efficiently or effectively. This includes collaboration on the following municipal services: CV Starr Community Center operation, Coastal Trail operation, fire protection services, police dispatch services, building inspection and permitting services, and solid waste services.
20. There are no public agencies providing water or wastewater services near the City/District boundary and so there are no opportunities for joint water or wastewater facilities.
21. There were no opportunities for the City to collaborate with other public service providers to achieve management or operational efficiencies identified during the preparation of this MSR.

3.10.6 Accountability for Community Services

22. The City is governed by a five-member City Council elected to serve a 4-year term. Regularly scheduled City Council meetings are held on the second and fourth Mondays of every month

starting at 6:00 p.m. at Town Hall located at 363 N. Main Street in Fort Bragg. All meetings are open to the public and are publicly posted a minimum of 72 hours prior to the meeting in accordance with the Brown Act.

23. As a subsidiary of the City, the legislative body of MID No. 1 is the City Council. Public meetings for the District are held concurrently with the City Council meetings.
24. The City is dedicated to a transparent process and offers multiple ways to keep its citizens informed about workshops, hearings, and projects and involved in the overall governance of the community. The public can submit written comments and complaints online using the Request Tracker or by completing a customer satisfaction survey. The public may also provide verbal comments or complaints by phone or in person at City Hall during business hours and/or at City Council meetings during the general public comment period.

3.10.7 Any Other Matters Related to Service Delivery as Required by LAFCo Policy

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

4 SPHERE OF INFLUENCE UPDATE

4.1 BACKGROUND

LAFCo prepares a Municipal Service Review (MSR) prior to or in conjunction with the Sphere of Influence (SOI) Update process. The MSR and required determinations for the City of Fort Bragg is presented in Chapter 3 of this document and forms the basis of information for the SOI Update. The SOI Update considers whether a change to an agency's sphere, or probable future boundary, is warranted to plan the logical and orderly development of an agency in a manner that supports CKH Law and the Policies of the Commission. This chapter presents the SOI Update and required determinations pursuant to California Government Code §56425(e) for the City of Fort Bragg.

4.2 SPHERE OF INFLUENCE, OUT-OF-AREA SERVICES, AND COMMUNITIES OF INTEREST

4.2.1 SPHERE OF INFLUENCE

The Sphere of Influence (SOI) for the City of Fort Bragg and the Fort Bragg Municipal Improvement District (MID) No. 1 was last updated in August 2008 by LAFCo Resolution No. 2008-05. At that time, the City's SOI was reduced to coincide with the spatial extent of the City's water and the District's wastewater service areas. (Fort Bragg, 2012b)

The City is approximately 2.7 square miles (1,728 acres) in size. The boundary of MID No. 1 generally follows the City boundaries, but they are not exactly the same. The District serves an area slightly larger than the City limits, encompassing unincorporated territory to the east and south of the City. The District is approximately 2.98 square miles (1,907 acres) in size. (LAFCo, 2008, Fort Bragg, July 2017)

The eastern area of the City's SOI contains 148 parcels (approximately 0.43 square miles) and the southern area of the City's SOI contains 69 parcels (approximately 0.17 square miles). The SOI for MID No. 1 contains 135 parcels and coincides for the most part with the City's eastern SOI area. The District's SOI is smaller in size than the City's SOI because the District boundary is larger than the City boundary and already encompasses the 13 other parcels in the City's eastern SOI area and all the parcels in the City's southern SOI area. (LAFCo, 2008, Fort Bragg, July 2017)

The City's Inland General Plan Land Use Element identifies land east of the City and within the existing SOI for the City and MID No. 1, which is designated for residential development and may be suitable for future annexation. The City's Coastal General Plan Land Use Element identifies the Noyo Harbor, located south of the City and within the City's existing SOI and the MID No. 1 boundary, as potentially suitable for future annexation and emphasizes the importance of maintaining coastal-dependent land uses such as commercial fishing, recreational boating, and related commercial uses, while increasing the range of visitor-serving uses on parcels not located directly on the coast or the Noyo River.

The City's Inland and Coastal General Plan Land Use Elements establish policies for their SOI to ensure that expansion of the City occurs in an orderly fashion, there are clear public benefits achieved by expanding the municipal boundaries, development requiring annexation can be adequately served by infrastructure, and that the costs associated with annexations are fairly allocated.

Annexations into the City require concurrent annexation into MID No. 1. There have been no annexations to the City or MID No. 1 since the 2008 MSR/SOI Update. The City and MID No. 1 have confirmed the adequacy of their existing boundary and SOI. The existing boundary and SOI for the City and MID No. 1 are appropriate and no modifications are anticipated within the next five years.

4.2.2 OUT-OF-AREA SERVICES

The City serves approximately 2,829 water connections and 32 are located outside the City boundary. MID No. 1 serves approximately 2,829 wastewater connections located within the District boundary. The District does not serve property located outside its boundary. The City and MID No. 1 do not have any pending out-of-area service agreements. (Fort Bragg, July 2017)

4.2.3 COMMUNITIES OF INTEREST

Due to the isolated location of Fort Bragg on the Northern California coast, there are few communities located adjacent to the City. There are no incorporated cities located within 25 miles of Fort Bragg. The unincorporated Village of Mendocino is the next largest and closest community to Fort Bragg and is located ten miles south of the City on Highway 1. There could potentially be communities with similar residential and commercial land use densities adjacent to the SOI for the City or MID No. 1. However, there are no currently identified unserved areas of urban density adjacent to the existing boundary and SOI of the City or MID No. 1 that require City or District services within the next five years.

4.3 SOI DETERMINATIONS

It is recommended that the Commission reaffirm the existing SOI for the City of Fort Bragg and the Fort Bragg Municipal Improvement District No. 1. The following statements have been prepared in support of this recommendation.

4.3.1 Present and planned land uses in the area, including agricultural and open space lands

The City of Fort Bragg has a full range of land uses including low to high density residential, retail and service commercial, manufacturing, public facilities, recreation, and open space. Land uses within the City are established by the City's Inland and Coastal General Plan Land Use Elements and implemented by the City's Inland and Coastal Land Use and Development Codes. The Spheres of Influence for the City of Fort Bragg and the Fort Bragg Municipal Improvement District No. 1 are unincorporated areas currently under the land use authority of Mendocino County and are regulated by the County General Plan and Zoning Ordinance.

4.3.2 Present and probable need for public facilities and services in the area

The Sphere of Influence for the City of Fort Bragg includes territory that (a) is already receiving water service from the City, (b) is already within the Fort Bragg Municipal Improvement District No. 1 boundary, or that (c) the City could extend services to within the next five years and has the greatest future need for urban services. The Sphere of Influence for the Fort Bragg Municipal Improvement District No. 1 includes territory that is within the City's Sphere of Influence and that the District could extend wastewater service to within the next five years. The properties that are presently receiving City water service and/or District wastewater service will continue to need those public services.

4.3.3 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 Fort Bragg and the Fort Bragg Municipal Improvement District No. 1, the City and the District have adequate facilities, personnel, finances, and equipment to meet current and future demands for public services within the next five years.

4.3.4 Existence of social or economic communities of interest in the area if the Commission determines that they are relevant to the agency

No social or economic communities of interest have been identified in the immediate vicinity of the City of Fort Bragg and the Fort Bragg Municipal Improvement District No. 1 that should be included in the City or District boundary or Sphere of Influence.

4.3.5 Present and Probable need for Public Facilities and Services of Disadvantaged Unincorporated Communities

The median household income for Fort Bragg is \$33,867, which is 52 percent of the statewide median household income. The City of Fort Bragg and the Fort Bragg Municipal Improvement District No. 1 are considered to be a disadvantaged community, and may have adjacent Disadvantaged Unincorporated Communities (DUCs). Should future annexations to the City and District be proposed, consideration will need to be given to any DUCs affected by the annexation.

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6 ACKNOWLEDGEMENTS

6.1 ASSISTANCE AND SUPPORT

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LAFCo Staff	Uma Hinman, Executive Officer Larkyn Feiler, Analyst Beth Salomone, Commission Clerk
City of Fort Bragg	Linda Ruffing, City Manager Marie Jones, Community Development Director

7 APPENDICES

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