

MENDOCINO

Local Agency Formation Commission

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

CHAIR

Jerry Ward
Public Member

VICE CHAIR

Holly Madrigal
Willits City Council

TREASURER

Doug Hammerstrom
Fort Bragg City Council

MEMBERS

Carre Brown
County Board
of Supervisors

John McCowen
County Board
of Supervisors

Theresa McNerlin
Ukiah Valley Sanitation District

Tony Orth
Brooktrails Township CSD

ALTERNATE MEMBERS

Dan Hamburg
County Board
of Supervisors

Kevin Doble
Ukiah City Council

Carol Rosenberg
Public Member

Angela Silver
Calpella County Water District

Executive Officer
George Williamson

Counsel
Scott Browne

Analyst
Colette Metz

Commission Clerk
Elizabeth Salomone

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

A G E N D A

Regular Meeting of Monday, June 6, 2016 9:00 AM
County Board of Supervisors Chambers 501 Low Gap Road, Ukiah, California

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.

STAFFING SERVICES FOR DISCUSSION & POSSIBLE ACTION

The following item(s) are for review and possible action by the Commission. Questions and comments from the Commission, participating agencies, and members of the public are welcome.

2. Authorization of Executive Officer Services Contract
-Contract award authorization to Uma Hinman Consulting beginning July 1, 2016

CONSENT CALENDAR

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

3. Approval of the May 2, 2016 Regular Meeting Summary Minutes
4. Approval of the May 12, 2016 Special Meeting Summary Minutes
5. Approval of the May 2016 Claims
6. Acceptance of the Monthly Financial Report

PUBLIC HEARINGS

Any member of the public may address the Commission on public hearing items. The Chair may regulate the order of such presentations and reserves the right to limit the time allowed for each person to speak. Documents are available for review at www.mendolafco.org or by contacting the LAFCo office.

7. Willow County Water District Sphere of Influence Update
8. Mendocino Coast Healthcare District Sphere of Influence Update
9. Final Budget for Fiscal Year 2016-17

OTHER MATTERS FOR DISCUSSION & POSSIBLE ACTION

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

10. Transition of Executive Officer Services

INFORMATION/REPORT ITEMS

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

11. Status of MSR and SOI Updates
12. Status of Current of Future Projects
13. Correspondence
 - CALAFCO Quarterly, May 2016
14. Executive Officer's Report (Verbal)
 - Status of CSDA Special District Training
15. July 11, 2016 Regular Meeting, Agenda Items and Packet Distribution Date (Verbal Report by Clerk)
16. Commissioner Reports, Comments or Questions (Verbal)
 - May 17, 2016 Executive Committee Meeting
 - May 24, 2016 Executive Committee Meeting
17. Legislation Report

ADJOURNMENT

The next Regular Commission Meeting is scheduled for
Monday, July 11, 2016 at 9:00 AM
in the County Board of Supervisors Chambers
501 Low Gap Road, Ukiah, California

Notes: Participation on LAFCo Matters

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

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

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

MENDOCINO
Local Agency Formation Commission

Staff Report

DATE: June 6, 2016
TO: Mendocino Local Agency Formation Commission
FROM: George Williamson, Executive Officer
SUBJECT: Authorization of Executive Officer Services Contract

Discussion

Upon direction of the Commission, the Executive Committee met and negotiated a contract with Uma Hinman Consulting for Executive Officer Services.

The contract includes the following designated personnel:

Uma Hinman, Executive Officer	\$90.00 per hour
Larkyn Feiler, Analyst	\$65.00 per hour
Elizabeth Salomone, Clerk	\$40.00 per hour Fiscal Year 2016-17 \$42.00 per hour Fiscal Year 2017-18

Note:

Clerk Subcontract rate reflects increased hourly rate and 5% overhead for Contractor

Please note, the Executive Committee has requested a separate contract from Uma Hinman Consulting to complete the Cemetery District MSRs. This contract will be presented as soon as available.

Recommendation

The Executive Committee recommends the Commission approve the Executive Officer Services Agreement and authorize the Chair to sign the proposed contract with Uma Hinman Consulting beginning July 1, 2016.

Attachments: 1) Executive Officer Services Agreement with Uma Hinman Consulting

**Mendocino Local Agency Formation Commission
Executive Officer Services Agreement
July 1, 2016**

This Agreement, dated as of July 1, 2016, is by and between the Mendocino Local Agency Formation Commission, hereinafter referred to as "COMMISSION" and Uma Hinman Consulting hereinafter referred to as "CONTRACTOR".

WITNESSETH

WHEREAS, pursuant to Government Code Section 56375(k) COMMISSION may employ or appoint staff or contract for professional or consulting services and whereas pursuant to Government Code Section 56384, COMMISSION shall appoint an Executive Officer who shall conduct and perform the day-to-day business of COMMISSION as prescribed by the Cortese-Knox-Hertzberg Act of 2000 and COMMISSION adopted policies; and,

WHEREAS, COMMISSION desires to contract for professional services with Uma Hinman Consulting as CONTRACTOR and desires to appoint Uma Hinman as its Executive Officer who pursuant to Government Code 56384 shall not have the authority to appoint an alternate Executive Officer; and,

WHEREAS, CONTRACTOR is willing to provide such services on the terms and conditions set forth in this Agreement.

NOW, THEREFORE it is agreed that COMMISSION does hereby retain CONTRACTOR to provide the services of Executive Officer, as described in Exhibit "A", and CONTRACTOR 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 Description of Basic Services
- Exhibit B Work Plan for Completion of MSRs
- Exhibit C Payment Terms
- Exhibit D Insurance Requirements
- Exhibit E Commission Clerk Duties

The term of this Agreement shall be from July 1, 2016 through June 30, 2018, unless terminated sooner as provided herein.

The compensation payable to CONTRACTOR hereunder shall be according to Exhibit C.

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

Mendocino County LAFCO

CONTRACTOR/COMPANY NAME

By: _____

By:

Gerald Ward
Commission Chair

Uma Hinman
Uma Hinman Consulting
PO Box 1251 Cedar Ridge, CA 95924

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

GENERAL TERMS AND CONDITIONS

1. **INDEPENDENT CONTRACTOR:** No relationship of employer and employee is created by this Agreement; it being understood and agreed that CONTRACTOR is an Independent Contractor. CONTRACTOR is not an employee of COMMISSION and is only an agent of COMMISSION as prescribed by LAFCO law or COMMISSION policies. As required by the Section 2 - Indemnification, COMMISSION shall not be liable for any acts, omissions or other failures by CONTRACTOR nor for any obligations or liabilities incurred by CONTRACTOR.

CONTRACTOR shall have no claim under this Agreement or otherwise, for seniority, vacation time, vacation pay, sick leave, personal time off, overtime, health insurance medical care, hospital care, retirement benefits, social security, disability, Workers' Compensation, or unemployment insurance benefits, civil service protection, or employee benefits of any kind.

CONTRACTOR shall be solely liable for and obligated to pay directly all applicable payroll taxes (including federal and state income taxes) or contributions for unemployment insurance or old age pensions or annuities which are imposed by any governmental entity in connection with the labor used or which are measured by wages, salaries or other remuneration paid to its officers, agents or employees and agrees to indemnify and hold COMMISSION harmless from any and all liability which COMMISSION may incur because of CONTRACTOR's failure to pay such amounts.

In carrying out the work contemplated herein, CONTRACTOR shall comply with all applicable federal and state workers' compensation and liability laws and regulations with respect to the officers, agents and/or employees conducting and participating in the work; and agrees that such officers, agents, and/or employees will be considered as Independent Contractors and shall not be treated or considered in any way as officers, agents and/or employees of COMMISSION.

CONTRACTOR does, by this Agreement, agree to perform his/her said work and functions at all times in strict accordance with all applicable federal and state laws and COMMISSION policies, including but not limited to prevailing wage laws, ordinances, regulations, titles, departmental procedures and currently approved methods and practices in his/her field and that the sole interest of COMMISSION is to ensure that said service shall be performed and rendered in a competent, efficient, timely and satisfactory manner and in accordance with the standards required by COMMISSION.

2. **INDEMNIFICATION:** CONTRACTOR shall indemnify, defend, and hold harmless COMMISSION, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever including damages to property and injuries to, or death of persons, reasonable attorney's fees, expert fees and court costs occurring or resulting, or alleged to be occurring or resulting, to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connections with CONTRACTOR's performance or its obligations under this Agreement, and from any and all claims, liabilities, and losses occurring or resulting, or alleged to be occurring or resulting, to any person, firm, or corporation for damage, injury, or death arising out of or connected with CONTRACTOR's performance of its obligations under this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of COMMISSION. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.

3. **INSURANCE:** CONTRACTOR shall at all times during the term of the Agreement with COMMISSION maintain in force those insurance policies as designated in the attached Exhibit D, and will comply with all those requirements as stated therein.
4. **WORKERS' COMPENSATION:** CONTRACTOR shall provide Workers' Compensation insurance, as applicable, at CONTRACTOR's own cost and expense and further, neither CONTRACTOR nor its carrier shall be entitled to recover from COMMISSION any costs, settlements, or expenses of Workers' Compensation claims arising out of this Agreement.
5. **CONFORMITY WITH LAW AND SAFETY:**
 - a. In performing services under this Agreement, CONTRACTOR 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. CONTRACTOR shall indemnify and hold COMMISSION harmless from any and all liability, fines, penalties and consequences from any of CONTRACTOR'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 CONTRACTOR's performance of this Agreement, CONTRACTOR shall immediately notify COMMISSION. CONTRACTOR shall promptly submit to COMMISSION a written report 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); (2) name and address of CONTRACTOR's sub-contractor, if any; (3) name and address of CONTRACTOR's liability insurance carrier; and (4) a detailed description of the accident and whether any COMMISSION members were involved.
 - c. CONTRACTOR 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 COMMISSION the opportunity to review and inspect such evidence, including the scene of the accident.
6. **PAYMENT:** For services performed in accordance with this Agreement, payment shall be made to CONTRACTOR as provided in Exhibit "C" hereto as funding permits.
7. **TAXES:** Payment of all applicable federal, state, and local taxes shall be the sole responsibility of CONTRACTOR.
8. **OWNERSHIP OF DOCUMENTS:** CONTRACTOR hereby agrees to provide to COMMISSION all copyright and other use rights in any and all proposals, plans, specification, designs, drawings, sketches, renderings, models, reports and related documents (including computerized or electronic copies) respecting in any way the subject matter of this Agreement, whether prepared by CONTRACTOR, CONTRACTOR's subcontractors or third parties at the request of CONTRACTOR (collectively, "Documents and Materials"). This explicitly includes the electronic copies of all above stated documentation.

CONTRACTOR shall be permitted to retain copies, including reproducible copies and computerized copies, of said Documents and Materials. CONTRACTOR agrees to take such further steps as may be reasonably requested by COMMISSION to implement the aforesaid assignment. If for any reason said assignment is not effective, CONTRACTOR hereby grants to COMMISSION an express royalty – free license to retain and use said Documents and Materials. COMMISSION's rights under this paragraph shall apply regardless of the degree of completion of the Documents and Materials and whether or not CONTRACTOR's services as set forth in Exhibit "A" of this Agreement have been fully performed or paid for.

CONTRACTOR shall pay all royalties and license fees which may be due for any patented or copyrighted materials, methods or systems selected by CONTRACTOR and incorporated into the work as set forth in Exhibit "A", and shall defend, indemnify and hold COMMISSION harmless from any claims for infringement of patent or copyright arising out of such selection.

All LAFCO records and documents created by CONTRACTOR shall be generated utilizing generally available software that provides that the records or documents may be readily accessed by the Commission and future users. COMMISSION's rights under this Paragraph 8 shall not extend to any computer software used to create such Documents and Materials.

9. CONFLICT OF INTEREST: CONTRACTOR 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.

10. 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/DHL WorldWide Express) with charges prepaid or charged to the sender's account, notice is effective on delivery, if delivery is confirmed by the delivery service.

Facsimile transmission: When sent by facsimile to the facsimile number 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 facsimile 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 COMMISSION:

LAFCO Chair Gerald Ward 200 S. School St. Ukiah, CA 95482	LAFCO Counsel Scott Browne 131 South Auburn Street Grass Valley, CA 95945
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To CONTRACTOR:

Uma Hinman Consulting
PO Box 1251 Cedar Ridge, CA 95924

For Noticing the Commission, both the Chairman and Counsel must be noticed. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger, or overnight delivery service.

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

11. EQUAL EMPLOYMENT OPPORTUNITY PRACTICES PROVISIONS: CONTRACTOR certifies that it will comply with all federal and 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. CONTRACTOR 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. CONTRACTOR shall, if requested to so do by COMMISSION, 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, Vietnam era Veteran’s status, political affiliation, or any other non-merit factor.
- c. If requested to do so by COMMISSION, CONTRACTOR shall provide COMMISSION 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.
- e. CONTRACTOR shall include the provisions set forth in paragraphs a through d (above) in each of its subcontracts.

12. COMPLIANCE WITH LICENSING REQUIREMENTS: CONTRACTOR shall comply with all necessary licensing requirements and shall obtain appropriate licenses and display the same in a location that is reasonably conspicuous, as well as file copies of same with COMMISSION.
13. AUDITS; ACCESS TO RECORDS: CONTRACTOR shall make available to COMMISSION, its authorized agents, officers, or employees, for examination any and all ledgers, books of accounts, invoices, vouchers, cancelled checks, and other records or documents evidencing or relating to the expenditures and disbursements charged to COMMISSION, and shall furnish to COMMISSION, within sixty (60) days after examination, its authorized agents, officers or employees such other evidence or information as COMMISSION may require with regard to any such expenditure or disbursement charged by CONTRACTOR.

CONTRACTOR shall maintain full and adequate records in accordance with COMMISSION requirements to show the actual costs incurred by CONTRACTOR in the performance of this Agreement. CONTRACTOR shall provide such assistance as may be reasonably required in the course of such inspection. COMMISSION further reserves the right to examine and reexamine said books, records and data during the four (4) year period following termination of this Agreement or completion of all work hereunder, as evidenced in writing by COMMISSION, and CONTRACTOR shall in no event dispose of, destroy, alter, or mutilate said books, records, accounts, and data in any manner whatsoever for four (4) years after COMMISSION makes the final or last payment or within four (4) years after any pending issues between COMMISSION and CONTRACTOR with respect to this Agreement are closed, whichever is later.

14. DOCUMENTS AND MATERIALS: CONTRACTOR shall maintain and make available to COMMISSION for its inspection and use during the term of this Agreement, all Documents and Materials, as defined in Paragraph 8 of this Agreement. CONTRACTOR'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 COMMISSION), and CONTRACTOR shall in no event dispose of, destroy, alter or mutilate said Documents and Materials, for four (4) years following COMMISSION's last payment to CONTRACTOR under this Agreement.
15. TIME OF ESSENCE: Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a party of the benefits of any grace or use period allowed in this Agreement.

16 ASSURANCE OF PERFORMANCE:

a) If at any time COMMISSION has good objective cause to believe CONTRACTOR may not be adequately performing its obligations under this Agreement or that CONTRACTOR may fail to complete the Services as required by this Agreement, COMMISSION may request from CONTRACTOR prompt written assurances of performance and a written plan acceptable to COMMISSION, to correct the observed deficiencies in CONTRACTOR's performance. CONTRACTOR shall provide such written assurances and written plan within thirty (30) calendar days of its receipt of COMMISSION's request and shall thereafter diligently commence and fully perform such written plan. CONTRACTOR 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.

- b) CONTRACTOR shall assign only competent personnel to perform services pursuant to this agreement. In the event that COMMISSION, at its sole discretion, at any time during the terms of this agreement, desires the reassignment of any such persons, CONTRACTOR shall immediately upon receiving notice from COMMISSION of such desire of COMMISSION reassign such person or persons.
17. SUBCONTRACTING/ASSIGNMENT: CONTRACTOR shall not subcontract, assign or delegate any portion of this Agreement or any duties or obligations hereunder without COMMISSION'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.
18. TERMINATION: COMMISSION has and reserved the right to suspend, terminate or abandon the execution of any work by CONTRACTOR without cause at any time upon giving to CONTRACTOR prior written notice. In the event that COMMISSION should abandon, terminate or suspend CONTRACTOR's work, CONTRACTOR shall be entitled to payment for services provided hereunder prior to the effective date of said suspension, termination or abandonment. Said payment shall be computed in accordance with Exhibit C hereto. Uma Hinman Consulting may terminate this agreement at any time by giving thirty (30) days written notice to the Commission.
19. CHOICE OF LAW: This Agreement, and any dispute arising from the relationship between the parties to this Agreement, shall be governed by the laws of the State of California, excluding any laws that direct the application of another jurisdiction's laws.
20. WAIVER: No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right or remedy. No waiver of any breach, failure, right or remedy shall be deemed a waiver of any other breach, failure, right or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.
21. ENTIRE AGREEMENT: This Agreement, including all attachments, Exhibits, and any other documents specifically incorporated into this Agreement, shall constitute the entire agreement between COMMISSION and CONTRACTOR 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. This Agreement may not be modified except by a written document signed by both parties.
22. HEADINGS: Headings are for convenience of reference only and shall in no way affect interpretation of this Agreement.
23. 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.

24. 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 8), and Conflict of Interest (Paragraph 9), shall survive termination or expiration for two (2) years.
25. 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.

[END OF GENERAL TERMS AND CONDITIONS]

DESCRIPTION OF BASIC SERVICES

CONTRACTOR shall provide “Basic Services” to insure the day-to-day operations of LAFCO in an appropriate and professional manner. Such “Basic Services” shall allow COMMISSION to carry out its responsibilities in a timely and cost-efficient manner.

Such services shall be provided in accordance within the provisions of the Cortese-Knox-Hertzberg Local Governmental Reorganization Act of 2000 (“CKH Act”), the Brown Act, and LAFCO policies and procedures.

These services will include staffing for Executive Officer, Analyst and Clerk with duties including, but not limited to, the following:

- Conduct State-mandated LAFCO functions, including: application processing; sphere of influence determinations; and other studies related to the efficient delivery of public services, local growth and development options.
- Act as project manager for such studies conducted by outside consultants.
- During the first year Contractor shall:

Coordinate completion and final adoption of the MSRs as identified in EXHIBIT B, and determination of their SOIs. Work with existing MSR contractor as appropriate. Meet with MSR Ad Hoc Committee as appropriate. Prepare necessary SOI reports and resolutions and schedule and staff noticed public hearing(s) for determination of the Sphere of Influence as identified in EXHIBIT B.
- Oversee the staffing of the COMMISSION's office at the Ukiah Valley Conference Center, 200 S. School St., Ukiah, CA where all COMMISSION files are maintained on a regular posted schedule for a minimum time of 8 hours a week.
- Prepare agendas, agenda reports, written correspondence, notices, resolutions, recordings, filings and minutes consistent with the requirements of the C-K-H and Brown Acts and COMMISSION direction.
- Prepare and present reports, including alternatives and recommendations to COMMISSION regarding requests for incorporation, annexation, or detachment consolidation of jurisdictions or other changes of organization.
- Schedule and attend meetings of COMMISSION and its committees as needed or as directed by COMMISSION.
- Assist the Commission in the review and update of Mendocino LAFCO’s policies and procedures.
- Direct, oversee and participate in public hearings and other activities connected to COMMISSION.

- Research, analyze, evaluate and synthesize data and information to include but not limited to information about population, land use, transportation and availability of public services in consideration of changes of organization reports or reports for other purposes.
- Schedule and meet with potential applicants or other members of the public for the purpose of explaining LAFCO requirements for the application process and status of applications or other processes before COMMISSION.
- Receive and process applications for city and district changes of organization. Determine when an application is complete; notice and schedule public hearings on applications. Prepare reports to COMMISSION containing recommendations on applications consistent with the requirements of C-K-H Act.
- Assist COMMISSION in the development of Request for Proposals (RFP) for SOI/MSR Reports, CEQA studies or other studies needed by COMMISSION.
- Provide thorough, concise, and objective analyses of studies and reports developed by other consultants presented for action to the COMMISSION along with recommendations that are well-researched and grounded in LAFCO law.
- Implement COMMISSION goals, policies and procedures.
- Represent the COMMISSION before various public and private policy making boards and agencies. Meet and assist with interested parties and government agencies to resolve technical, policy and boundary disputes.
- Build and maintain positive working relationships with elected officials and staff of all local government jurisdictions and agencies and the public using principals of good customer service.
- Assist COMMISSION in development of its annual budget and manage the budget and financial affairs for COMMISSION.
- Assist the LAFCO Treasurer with setting up a LAFCo account at an independent financial institution for LAFCO funds. The LAFCO Treasurer is responsible for the selecting institution, opening account(s) and arranging for transfer of LAFCO funds from the County Auditor. The EO will work with the Treasurer to set up a LAFCO chart of accounts in QuickBooks, for both revenues and expenditures, using account numbers the same as or similar to those used by the County Auditor, process payment claims and submit checks to Treasurer. The EO will provide monthly statements to the COMMISSION.
- Interface with the County Auditor with respect to transfer of deposits, accounts receivable, and accounts payable.
- Track and analyze legislative actions impacting LAFCO and other local governments or agencies.

- Update and maintain COMMISSION website, including the posting of agendas, minutes, staff reports, and other relevant documents.
- Facilitate special meetings as necessary with the LAFCO Commission to determine how it envisions LAFCO should function in terms of level of engagement in fulfilling its legislative intent. Find and provide examples of varying approaches from other counties.
- Provide the Commission with recommendations on a staffing structure for LAFCO for the future five-year period.
- Administer the Oath of Office to new Commissioners.
- Interface with LAFCO Legal Counsel, as appropriate.
- Other related basic services as assigned by COMMISSION.

Exhibit B

PROPOSED Mendocino LAFCO MSR/SOI Work Plan (FY 2016/17 and 2017/18)							
NOTE: This Proposed Work Plan is a first draft. During the first 2-3 months of the EO contract, the team will be reviewing the Work Plan, existing MSR/SOIs and working to develop a clear picture of							
Year Adopted	Service Provider	MSR	SOI	Start Date	Completion Date	Proposed Budget	Cemetery MSR Budget
Cemetery Districts MSR/SOI Studies (one combined document, assumes no CEQA)							
	Anderson Valley Cemetery District	X	X	7/11/2016	11/7/2016		Not included in Work Plan budget. Separate contract for MSR.
	Cemetery District of the Redwoods	X	X	7/11/2016	11/7/2016		
	Covelo Public Cemetery District	X	X	7/11/2016	11/7/2016		
	Hopland Cemetery District	X	X	7/11/2016	11/7/2016		
	Mendocino-little River Cemetery District	X	X	7/11/2016	11/7/2016		
	Potter Valley Cemetery District	X	X	7/11/2016	11/7/2016		
	Russian River Cemetery District	X	X	7/11/2016	11/7/2016		
	Westport-Ten Mile Cemetery District	X	X	7/11/2016	11/7/2016		
<i>Subtotal SOI only (MSR portion separate contract,</i>						\$ 2,000	\$ 3,900
Fire-Related District SOI Updates (one combined document, assumes no CEQA)							
	Albion-Little River FD		X	7/1/2016	1/9/2017		
	Comptche CSD		X	7/1/2016	1/9/2017		
	Covelo FPD		X	7/1/2016	1/9/2017		
	Elk CSD		X	7/1/2016	1/9/2017		
	Little Lake FPD		X	7/1/2016	1/9/2017		
	Long Valley FPD		X	7/1/2016	1/9/2017		
	Mendocino FPD		X	7/1/2016	1/9/2017		
	Piercy FPD		X	7/1/2016	1/9/2017		
	Potter Valley CSD		X	7/1/2016	1/9/2017		
	Redwood Valley-Calpella FD		X	7/1/2016	1/9/2017		
	South Coast FPD		X	7/1/2016	1/9/2017		
	Ukiah Valley FPD		X	7/1/2016	1/9/2017		
<i>Subtotal</i>						\$ 19,000	
Cities and Special Districts (assumes separate documents, no CEQA)							
	Ukiah Valley Sanitation District		X	FY 2017/18	FY 2017/18	\$ 5,500	
	Russian River Flood Control and WCID		X	8/1/2016	12/5/2016	\$ 2,500	
	City of Willits		X	8/1/2016	2/6/2017	\$ 6,500	
2010	Brooktrails Township CSD	X	X	FY 2017/18	FY 2017/18	\$ 12,000	
2008	City of Fort Bragg	X	X	9/1/2016	2/6/2017	\$ 15,000	
2010	Covelo CSD	X	X	FY 2017/18	FY 2017/18	\$ 5,000	
2008	Mendocino City CSD	X	X	FY 2017/18	FY 2017/18	\$ 17,500	
2008	Mendocino Coast Rec & Park District	X	X	FY 2017/18	FY 2017/18	\$ 5,000	
2011	Fort Bragg Rural FPD	X	X	1/2/2017	6/5/2017	\$ 4,500	
2006	Redwood Coast FPD	X	X	1/2/2017	6/5/2017	\$ 4,500	
<i>Subtotal</i>						\$ 78,000	
WORK PLAN TOTAL						\$ 99,000	
					Budget	FY 2016/17	\$ 54,000
					Budget	FY 2017/18	\$ 45,000
Notes:							
1. Budget estimates assume minimal controversy, one Public Draft presentation to Commission and one public hearing for adoption.							
2. Budget estimates do not include fees associated with preparing CEQA analyses or County GIS							
3. Projects that are controversial and/or larger in scope than the above assumptions will require more refined budget estimates upon further evaluation.							

EXHIBIT C

PAYMENT TERMS

1. COMMISSION shall pay CONTRACTOR for actual time spent in completion of BASIC SERVICES at the rates and within task payment limits shown below. COMMISSION shall also reimburse CONTRACTOR for allowable costs incurred in the performance of those services. Office overhead, preparation of invoices, travel time by CONTRACTOR and incidental expenses other than the allowable costs set forth below will not be compensated.
2. The following designated personnel and their hourly rates are specified under this Agreement as follows:

Uma Hinman, Contract Executive Officer	\$90.00 per hour
Larkyn Feiler, Analyst	\$65.00 per hour
Elizabeth Salomone, Clerk (Fiscal Year 2016/17)	\$40.00 per hour
Elizabeth Salomone, Clerk (Fiscal Year 2017/18)	\$42.00 per hour

3. CONTRACTOR will submit monthly invoices to COMMISSION on the first day of each subsequent month. Said invoices shall identify the task completed and payment due for such task, and provide an itemization of allowable costs incurred, accompanied by receipts for all expenditures and an explanation of same. Except as otherwise set forth in this Agreement, payment for services and reimbursement of allowable costs will be made by COMMISSION within 30 days of approval of the invoice by COMMISSION.
4. Payment for BASIC SERVICES, as outlined in Exhibit A, shall not exceed Fiscal Year budgeted amount, In addition CONTRACTOR may not bill for more than \$10,000 for BASIC SERVICES in any one month without prior approval from COMMISSION.
5. COMMISSION shall pay CONTRACTOR for completion of the initial Municipal Service Reviews and/or Sphere of Influence Updates for all cities and special districts within Mendocino County as they are completed, according to the not to exceed costs as stated in Exhibit B for FY 2016-17. Progress payments for MSRs will be included in monthly invoices. Final payment to be made within 30 days of acceptance of the MSR and/or SOI by COMMISSION.

[END OF PAYMENT TERMS]

INSURANCE REQUIREMENTS

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

CONTRACTOR agrees to indemnify and hold harmless COMMISSION against any claims, actions, or demands against them, or any of them, and against any damages, liabilities or expenses, including costs of defense and attorney's 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 CONTRACTOR.

CONTRACTOR 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 CONTRACTOR further assures that s/he will comply with such provisions before commencing the performance of work under this Agreement. CONTRACTOR shall furnish to COMMISSION certificate(s) of insurance evidencing Worker's Compensation Insurance coverage to cover its employees, and CONTRACTOR shall require all subcontractors similarly to provide Workers' Compensation Insurance as required by the Labor Code of the State of California for all of CONTRACTOR'S and subcontractors' employees.

CONTRACTOR shall furnish to COMMISSION 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 - \$1,00,000 each occurrence.

[END OF INSURANCE REQUIREMENTS]

MENDOCINO

Local Agency Formation Commission

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

CHAIR

Jerry Ward
Public Member

VICE CHAIR

John McCowen
County Board
of Supervisors

MEMBERS

Carre Brown
County Board
of Supervisors

Doug Hammerstrom
Fort Bragg City Council

Holly Madrigal
Willits City Council

Theresa McNerlin
Ukiah Valley Sanitation District

Tony Orth
Brooktrails Township CSD

ALTERNATE MEMBERS

Kevin Doble
Ukiah City Council

Dan Hamburg
County Board
of Supervisors

Carol Rosenberg
Public Member

Angela Silver
Calpella County Water District

Executive Officer
George Williamson

Counsel
Scott Browne

Analyst
Colette Metz

Commission Clerk
Elizabeth Salomone

Regular Meetings

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

Agenda Item No. 3

MINUTES

LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY

Regular Meeting of Monday, May 2, 2016

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

Call to Order

Chair Ward called the meeting to order at 9:05 am.

Roll Call

Members Present:

Commissioners Carre Brown, Doug Hammerstrom, John McCowen (arrived 9:07am), Theresa McNerlin), and Jerry Ward

Members Absent:

Commissioner Holly Madrigal

Alternate Members Present:

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

Alternate Members Absent:

None

Staff Present:

George Williamson, Executive Officer
Elizabeth Salomone, Clerk

Kevin Doble immediately took seat as City Representative.

1. Public Expression

No one from the public indicated an interest in speaking.

NEW APPOINTMENTS

2. Confirmation of Independent Special District Election

George Williamson reviewed the process and results of the Independent Special District Election, announcing Tony Orth of the Brooktrails Township Community Service District (CSD) as the new Special District Representative to complete the term vacated by Richard Shoemaker through December 31, 2016.

3. Oath of Office for Newly Elected Commissioner

Tony Orth was sworn in by Clerk.

STAFFING SERVICES

4. Interviews: Contract Executive Services

The Commission interviewed three applicants for the Executive Officer Contract Executive Services: Uma Hinman Consulting, LACO Associates, and Policy Consulting Associates. The Commission offered applicants a chance to present their proposals and presented questions regarding proposed services, experience, and personnel.

5. Independent Clerk Contract

Chair Ward noted he had not received supporting documentation for this item in a timely manner for today's discussion. Commission consensus was to table this item for a future meeting.

CONSENT CALENDAR

6. Approval of the April 4, 2016 Regular Meeting Summary Minutes

7. Approval of the April 2016 Claims

8. Acceptance of the Monthly Financial Report

9. Approval of the Revised Mendocino LAFCo Fee Schedule

Item 9 was pulled from the consent calendar for further discussion.

Upon motion by Commissioner McCowen and second by Commissioner Doble, approval of the Consent Calendar items 6, 7, and 8, with changes to Item 6 as noted below, were approved by roll call vote:

Changes to Item 6: April 4, 2016 Regular Meeting Minutes:

Pg 3 of 8, Item 6: Within motion, change district name from Willow to Millview.

Pg 6 of 8, Item 11: Spelling correction of "siting" to "sighting" and remove the extra "2nd Para:"

Pg 6 of 8, Item 11: Addition of the sentence: "Mr. Orth noted he supported inclusion of areas along the coastal strip in the SOI would be a good consideration for LAFCo."

Ayes: Commissioners Brown, Doble, Hammerstrom, McCowen, McNerlin, Orth, and Ward

Absent: Commissioner Madrigal

Fee Schedule:

Commissioner McCowen asked for a "red line" version to highlight the changes. The Clerk reported that the Revised Fee Schedule was completely redeveloped and did not support a line by line comparison with the previous version.

Commissioner McNerlin made a motion to approve the Revised Mendocino LAFCo Fee Schedule but without a second to the motion, the motion failed.

A motion was made to add this issue to the Agenda for the April 12, 2016 Special Meeting. See Item #16.

PUBLIC HEARINGS

10. Millview County Water District Sphere of Influence Update(Continued)

The Public Hearing was continued from the April 4, 2016 meeting.

George Williamson presented the revised report and staff recommendation to adopt Resolution 15-16-20 approving the sphere of influence amendment (reduction.)

The Public Hearing was closed at 11:20 am.

Upon motion by Commissioner McCowen and second by Commissioner Brown, adoption of Resolution 15-16-20 approving the sphere of influence amendment (reduction) for the Millview County Water District Sphere of Influence Update was adopted by roll call vote:

Ayes: Commissioners Brown, Doble, Hammerstrom, McCowen, McNerlin, Orth, and Ward
Absent: Commissioner Madrigal

Bill Koehler, General Manager of Millview CWD, thanked Planwest for their responsiveness to suggested changes and expressed the District is pleased with the final SOI Update.

11. Irish Beach Water District Sphere of Influence Update

Mr. Williamson presented the SOI Update and staff recommendation to adopt Resolution 15-16-21 approving the sphere of influence amendment reaffirming the existing sphere of influence.

The Public Hearing was opened at 11:22 am

Charlie Acker, District Manager, spoke in regards to the importance of resource lands within the proposed SOI and answered questions. Comments and questions were offered by Commissioners Orth and McCowen. Mr. Acker thanked George Williamson and Planwest for their work.

The Public Hearing was closed at 11:41 am.

Upon motion by Commissioner McCowen and second by Commissioner Orth, Resolution No. 15-16-21 approving the sphere of influence amendment reaffirming the existing sphere of influence of the Irish Beach County Water District, with the following addition and edits, was adopted by roll call vote:

Addition:

Page 11, New second paragraph for Discussion section: "The portion of the District east of the Irish Beach subdivision consists primarily of large parcels designated Forest Lands and zoned Timber Production. These lands are not currently served by the District, but several parcels contain wells and tanks that are integral to District operations. The District has no plans or intention to provide services that would facilitate the subdivision of these parcels or the parcels zoned rangeland located south of Irish Gulch. The District has expressed a desire to maintain these parcels within the current District boundary to provide for watershed and groundwater management activities."

Edits:

Page 11, Analysis, section 1): "landuse" changed to "land use", "tot" changed to "into"

Ayes: Commissioners Brown, Hammerstrom, McCowen, McNerlin, Orth, and Ward
Absent: Commissioner Madrigal

12. Noyo Harbor District Sphere of Influence Update

George Williamson presented the SOI Update with the options of maintaining a coterminous SOI or an expanded SOI.

The Public Hearing was opened at 12:25 am

No one indicated a desire to speak.

The Public Hearing was closed at 12:25 am

Comments and questions were offered by Commissioners Hammerstrom, McCowen, and Orth.

Upon motion by Commissioner McCowen and second by Commissioner Hammerstrom, Resolution No. 15-16-22 affirming the existing sphere of influence of the Noyo Harbor District as coterminous with the District's boundary was adopted by roll call vote:

Ayes: Commissioners Brown, Doble, Hammerstrom, McCowen, McNerlin, Orth, and Ward
Absent: Commissioner Madrigal

WORKSHOPS

13. Willow County Water District Sphere of Influence Update (continued)

George Williamson presented the SOI Update, noting the City of Ukiah was asked for and provided a response (in agenda packet) to the proposed SOI update.

Charley Stump, Community Development Director for the City of Ukiah, addressed the Commission. He noted that though the City has submitted a written response, it may or may not be the final standing of the City as City Staff and City Council have not had adequate time to review this issue. Mr. Stump stated the intention to schedule a meeting between the City of Ukiah and the Willow County Water District to reach a consensus which would include discussion on a possible Memorandum of Agreement, as suggested by LAFCo staff. Comments and questions were offered by Commissioners Brown, McNerlin, and McCowen.

Commissioner Brown noted for clarification that the City's letter does state the parcels should logically be served by the City and be detached from the District.

Dave Redding, General Manager of Willow CWD, addressed the Commission. He noted the Willow CWD Board has not had an opportunity to meet regarding this issue, though District staff does support a meeting between the City of Ukiah and the Willow County Water District to reach a consensus which would include discussion on a possible Memorandum of Agreement, as suggested by LAFCo staff. He noted that the approximately 85 service connections in this area represent about 10% of the revenue for the District and noted his concern for the financial stability of the District if this area is served by the City of Ukiah instead. He confirmed his support of LAFCo staff recommendation to move forward with the SOI. Comments and questions were offered by Commissioners Ward, McCowen, Rosenberg, Hammerstrom, Brown, McNerlin, and Doble.

Workshop Action:

- Staff to consult with LAFCo counsel for clarity on the responsibility of LAFCo in the overlap area as discussed, noting the issue of setting precedent and the response circulated to Commissioners well in advance of the Public Hearing.
- The Willow County Water District SOI Update Public Hearing to be scheduled for June 2016 maintaining the current District SOI (except for the removal of resource lands not served) and not including the recommended sphere condition regarding the Memorandum of Agreement.

The Commission also directed staff to agendize discussion and possible revision of the overlap policy in the recently adopted Policies & Procedures for a future meeting.

14. Mendocino Coast Healthcare District Sphere of Influence Update

George Williamson presented the Administrative draft SOI Update. Comments were offered by Commissioner Orth.

Workshop Action:

- The Mendocino Coast Healthcare District SOI Update Public Hearing to be scheduled for June 2016.

MATTERS FOR DISCUSSION/POSSIBLE ACTION

15. Authorization for SHN Consulting Engineers & Geologists to Prepare a Revised Map/Description for the 2013 North of Ten Mile River Annexation to the Fort Bragg Rural Fire Protection District

George Williamson presented the bid from SHN Consulting Engineers of a not-to-exceed amount to correct the map of the Annexation. He noted the action will not require additional Board of Equalization (BOE) payment, though the correction will be sent to the BOE for updating of records. Comments and questions were offered by Commissioners McCowen, Ward, and Hammerstrom. Chair Ward noted this amount will be withdrawn from the FY 2015-16 Budget and the work will be completed by June 30, 2016.

Upon motion by Commissioner Doble and second by Commissioner Hammerstrom, authorization of payment to SHN Consulting Engineers not to exceed \$2,000 in order to have a revised map and description for the North of Ten Mile River Annexation was approved by unanimous vote:

Ayes: Commissioners Brown, Doble, Hammerstrom, McNerlin McCowen, Orth, and Ward

Absent: Commissioner Madrigal

16. Calpella County Water District Request for Annexation Deposit Fee Waiver/Reduction

Upon motion by Commissioner McCowen and second by Commissioner Orth, Items 9 and 16 were continued to the Special Meeting of April 12, 2016 was approved by 5-1 vote:

Ayes: Commissioners Brown, Doble, Hammerstrom, McCowen, Orth, and Ward

Noes: Commissioner McNerlin

Absent: Commissioner Madrigal

INFORMATION/REPORT ITEMS

17. Status of MSR and SOI Update

George Williamson presented. Comments and questions were offered by Commissioner Ward.

18. Correspondence – None presented.

19. Executive Officer's Report

CSDA Special District Training

Mr. Williamson thanked Commissioner Madrigal for assisting with the previous training and reviewed the remaining trainings available. Commissioner Orth offered his assistance for the next training.

20. Commissioners Reports, Comments or Questions

Commissioner Ward asked for a report on the legal opinion on the issue of Tribal Lands within a Special District as in the Round Valley County Water District SOI Update, noting payment was already made to Legal Counsel for this work.

Commissioner Ward asked for the requested letter to the Mendocino County Auditor instructing distribution of the remainder of the Fund held on behalf of the Sanitation District and City of Ukiah.

21. Legislation Report

No report was offered.

ADJOURNMENT

There being no further business, at 12:51pm the meeting was adjourned to the next regular meeting on Monday, June 6, 2016 at 9:00 AM in the County Board of Supervisors Chambers at 501 Low Gap Road, Ukiah, California.

MENDOCINO

Local Agency Formation Commission

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

CHAIR

Jerry Ward
Public Member

VICE CHAIR

Holly Madrigal
Willits City Council

TREASURER

Doug Hammerstrom
Fort Bragg City Council

MEMBERS

Carre Brown
County Board
of Supervisors

John McCowen
County Board
of Supervisors

Theresa McNerlin
Ukiah Valley Sanitation District

Tony Orth
Brooktrails Township CSD

ALTERNATE MEMBERS

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County Board
of Supervisors

Carol Rosenberg
Public Member

Angela Silver
Calpella County Water District

Executive Officer
George Williamson

Counsel
Scott Browne

Analyst
Colette Metz

Commission Clerk
Elizabeth Salomone

Regular Meetings

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

Agenda Item No. 4

MINUTES

LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY

Special Meeting of Tuesday, May 12, 2016

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

Call to Order Chair Ward called the meeting to order at 9:04 am.

Roll Call

Members Present:

Commissioners Doug Hammerstrom, Holly Madrigal (arrived 9:06am), John McCowen, Theresa McNerlin, and Jerry Ward

Members Absent:

Commissioner Carre Brown

Alternate Members Present:

Commissioners Dan Hamburg, Carol Rosenberg, and Angela Silver

Alternate Members Absent:

Commissioners Kevin Doble

Staff Present:

Elizabeth Salomone, Clerk

Dan Hamburg immediately took seat as County Board of Supervisors Representative.

1. Public Expression

No one from the public indicated an interest in speaking.

MATTERS FOR DISCUSSION/POSSIBLE ACTION

2. Revised Mendocino LAFCo Fee Schedule

Chair Ward presented. Comments and questions were offered by Commissioners McNerlin and Hamburg.

Upon motion by Commissioner McCowen and second by Commissioner Hamburg, approval of the Revised Fee Schedule with inclusion of the existing At-Cost-Fee Agreement was approved by unanimous vote:

Ayes: Commissioners Hamburg, Hammerstrom, Madrigal, McNerlin McCowen, Orth, and Ward

Absent: Commissioner Brown

3. Calpella County Water District (CWD) Request for Annexation Deposit Fee Waiver/Reduction

Comments and questions were offered by Commissioners McCowen, Hamburg, Silver, and McNerlin.

Upon motion by Commissioner McCowen and second by Commissioner Madrigal, a credit of one half of the required deposit for the Calpella CWD to be matched by the District was approved by unanimous vote:

Ayes: Commissioners Hamburg, Hammerstrom, Madrigal, McNerlin McCowen, Orth, and Ward

Absent: Commissioner Brown

4. Baracco and Associates Contract for MSR Completion

Chair Ward presented. Comments and questions were offered by Commissioners McCowen, Madrigal, Ward, and Rosenberg.

Upon motion by Commissioner McCowen and second by Commissioner Madrigal, the termination of the contract with Baracco & Associates, retaining the balance of funds to apply toward completion of the MSRs covered by the contract, refunding the balance due to Baracco & Associates, and authorizing Chair to work with Legal Counsel to produce a letter stating these terms, to sign and send letter without returning to Commission was approved by unanimous vote:

Ayes: Commissioners Hamburg, Hammerstrom, Madrigal, McNerlin McCowen, Orth, and Ward

Absent: Commissioner Brown

5. PUBLIC EMPLOYMENT (continued to Closed Session)

Title: Independent Clerk Contract

The Commission did not discuss this item in Open Session, but indicated it would be continued directly to Closed Session.

CLOSED SESSION

6. PUBLIC EMPLOYMENT (continued from Open Session)

Title: Independent Clerk Contract

7. PUBLIC EMPLOYMENT

Title: Executive Officer Services Contract

REPORT OUT FROM CLOSED SESSION

The Commission reported that the Chair had been given direction.

ADJOURNMENT

There being no further business, at 10:40am the meeting was adjourned to the next regular meeting on Monday, June 6, 2016 at 9:00 AM in the County Board of Supervisors Chambers at 501 Low Gap Road, Ukiah, California.

**MENDOCINO
Local Agency Formation Commission**

Staff Report

DATE: June 6, 2016
 TO: Mendocino Local Agency Formation Commission
 FROM: George Williamson, Executive Officer
 SUBJECT: Claims for May 2016

The following claims are recommended for payment authorization:

Name	Account Description	Amount
Planwest Partners	5300 Basics Services: EO, Analyst, Administrator; 7501 SOI Updates; 7001 MSRs Admin; 6200 Bookkeeping; Applications, \$ 4,868.00 5300 Basic Services: Clerk \$ 1,881.25	\$ 6,749.25
Ukiah Valley Conf. Center	5502 Office space: \$ 400.00 5503 Work room: \$ 30.00 5603 Photocopy: \$ 18.50 5605 Postage: \$ 2.79	\$ 451.29
P. Scott Browne	6300 Legal Counsel Monthly flat fee: \$500.00	\$ 500.00
Commissioner Reimbursements	6740 In-County Travel & Stipends: Angela Silver \$171.34 (April \$115.94, May \$55.40) Carol Rosenberg \$100 (April \$50, May \$50) Theresa McNerlin \$300 (Jan-May 2016 \$50 ea) Tony Orth \$50.27(May 2016)	\$ 621.61
Pacific Internet	5700 Internet & Website: Domain Name Renewal	\$ 25.00
CSDA	9000 Special District Training Support: CSDA Invoice	\$5,000.00
SDRMA	6500 Insurance: Property/Liability Insurance for FY 2016-17 Due July 15	\$ 806.72
CALAFCO	6600 Membership: CALAFCO Membership Dues for FY 2016-17 Due July 31	\$ 840.00

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



INVOICE

DATE: May 26, 2016 INVOICE #: 16-218-05
TO: Mendocino LAFCo
PROJECT: LAFCo Planning Services & Expense (April 26 - May 25, 2016)

April 26 - May 25, 2016 COSTS SUMMARY

Table with 2 columns: Description and Amount. Rows include Acct 5300 - Basic Services Planwest (\$891.00), Acct 5300 - Basic Services Clerk Services - Beth Salomone (\$1,881.25), Acct 6200 - Bookkeeping (Other Services) (\$432.00), Acct 7001 - MSR Review - Admin. (\$900.00), Acct 7501 - Sphere of Influence Updates (\$1,181.00), Pre-Application - Anderson Valley CSD - Activation of Latent Powers (\$1,464.00), and TOTAL AMOUNT DUE (\$6,749.25).

Basic Services Acct 5300

Table with 3 columns: Description, Hours, and Amount. Rows include Executive Officer, George Williamson (1 hour at \$108 per hour, \$108.00), Analyst, Colette Metz (2.5 hours at \$84 per hour, \$210.00), Clerk, Elizabeth Salomone (49 hours at \$35 per hour, \$1,881.25), GIS Analyst/Web (5.5 hours at \$62 per hour, \$341.00), and Service Specialist (4 hours at \$58 per hour, \$232.00).

Bookkeeping (Other Services) Acct 6200

Table with 3 columns: Description, Hours, and Amount. Row includes Executive Officer, George Williamson (4 hours at \$108 per hour, \$432.00).

MSR Review - Admin. Acct 7001

Table with 3 columns: Description, Hours, and Amount. Rows include Executive Officer, George Williamson (2 hours at \$108 per hour, \$216.00), Analyst, Colette Metz (4 hours at \$84 per hour, \$336.00), and Service Specialist (6 hours at \$58 per hour, \$348.00).

SOI Updates Acct 7501

Table with 3 columns: Description, Hours, and Amount. Rows include Executive Officer, George Williamson (5 hours at \$108 per hour, \$540.00), Analyst, Colette Metz (1 hour at \$84 per hour, \$84.00), GIS Analyst/Web (1.5 hours at \$62 per hour, \$93.00), and Service Specialist (8 hours at \$58 per hour, \$464.00).

Pre-Application Anderson Valley CSD Activation of Latent Powers

Table with 3 columns: Description, Hours, and Amount. Rows include Executive Officer, George Williamson (2 hours at \$108 per hour, \$216.00), Analyst, Colette Metz (13.75 hours at \$84 per hour, \$1,155.00), and GIS Analyst/Web (1.5 hours at \$62 per hour, \$93.00).

Basic Services

Prepared and posted agenda and packet materials and updated website. Coordinated meeting packet preparations, and staffed May 2016 commission meeting. Transcribed and reviewed draft May meeting minutes for review at June meeting. Staffed office in May. Started preparing June meeting agenda and staff reports. Posted notices, agendas and completed SOI Updates to website. Prepared and distributed hearing notices for publishing. Compiled claims for May agenda. Compiled agenda and packet materials for April committee meeting. Prepared materials and participated in policies and procedures committee meeting.



Responded to property owner follow up inquiry regarding annexation to separate Ukiah Valley water and wastewater districts for services. Responded to inquiries from member organizations and property owners on potential annexations and organization changes. Updated application cost track for executive committee review.

Bookkeeping - Other Services

Compiled claims for commissioner review and approval at May meeting. Entered claims into QuickBooks and prepared checks for claims to be authorized at June 2016 meeting.

MSR Reviews – Administrative Wrap-up.

Reviewed MSRs worked on during contract period, Started preparation of transitional record for new Executive Officer. This includes questionnaires sent out and responses received. Compiling MSR notes for next contract period.

Sphere of Influence Updates

Finalized, based on Commission approval in May, and posted to website per Commission direction:

Millview County Water District Sphere of Influence Update

Irish Beach Water District Sphere of Influence Update

Noyo Harbor District Sphere of Influence Update

Prepared Hearing Draft SOI Updates for June 2016 hearing for:

Willow County Water District Sphere of Influence Update (continued)

Mendocino Coast Healthcare District Sphere of Influence Update.

Applications

Pre-Application Anderson Valley CSD Latent Powers Activation

In response to Anderson Valley CSD request prepared and sent application form, resolution and support materials for filing Latent Powers Activation application with Mendocino LAFCo. District had requested this pre-application support for their consideration of latent powers activation prior to LAFCo filing. Provided pre-application agreement and advised District that fees paid per this agreement would be in addition to filing deposit.

Invoice

**To: Planwest Partners
on behalf of Mendocino LAFCo**

Invoice Detail for Elizabeth Salomone

<u>Date</u>	<u>Hours</u>		<u>Total Hours</u>
	5302 Contract Services	no charge items	
4/26/2016	4.25		4.25
4/28/2016	5.00		5.00
5/2/2016	5.00		5.00
5/3/2016	5.00		5.00
5/4/16 - Water JPA meeting		2.00	0.00
5/5/2016	5.25		5.25
5/7/2016	1.75		1.75
5/10/2016	5.00		5.00
5/11/2016	0.50		0.50
5/12/2016	4.50		4.50
5/13/2016	2.00		2.00
5/16/2016	0.50		0.50
5/16/16 - RRFC Board Meeting		2	0.00
5/17/2016	4.00		4.00
5/14/16 - Millview CWD Board Meeting		2	0.00
5/19/2016	4.50		4.50
5/24/2016	4.00		4.00
5/26/2016	2.50		2.50
5/26/2016 - CSDA Training		1	0.00
	<hr/>		<hr/>
	53.75		53.75
Subtotal		\$ 1,881.25	\$ 1,881.25
		<hr/>	<hr/>
	Total Amount Due	\$	1,881.25

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:

5/15/2016

Payment due by the 15th of next month

In Reference To: CLIENT CODE: MENDO-01

Professional Services

	<u>Hours</u>	
5/3/2016 PSB Review email from George Williamson re: Willow CWD.	0.20	
5/5/2016 PSB Review and respond to email from George Williamson re: special meeting.	0.40	
5/6/2016 PSB CALAFCo Board Meeting in Sacramento.	1.00	
5/10/2016 PSB Review email from George Williamson.	0.25	
5/11/2016 PSB Review email from George Williamson.	0.25	
	<hr/>	
SUBTOTAL:	[2.10]	
		<hr/>
Total Professional Hours	2.10	Amount
Per Representation Agreement, flat fee of \$500/month.		\$500.00
Previous balance		\$642.94
 <u>Payments and Credit Activity</u>		
5/15/2016 Payment - Thank You. Check No. 1130		(\$642.94)
		<hr/>
Total payments and adjustments		(\$642.94)
		<hr/>
TOTAL BALANCE NOW DUE		\$500.00
		<hr/> <hr/>

CLIENT CODE: MENDO-01

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: June 6, 2016
TO: Mendocino Local Agency Formation Commission
FROM: George Williamson, Executive Officer
SUBJECT: Monthly Financial Report

Application Revenues:

None

Note: At Treasurer's direction, application revenues are being tracked separately, as they are not budgeted expenses, but reimbursable fees paid by applicants on separate cost recovery track.

Other Deposits:

None

Budgeted Expenses:

Attached is the updated budget track form with budget items, account numbers, and amounts for FY 2015-16 through May 2016. The May claims are also itemized in Agenda Item 5.

Petty Cash:

None

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

Attachments: Budget Track Spreadsheet
Application Track Spreadsheet

**Mendocino Local Agency Formation Commission
FY 2015-16 Budget Track - Through May 2016**

Task	Account #	FY 15-16 Budget Amendment	July	August	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	Year to Date	Remaining Budget*
Contract Services - Basic Services		\$59,000.00													
Basic Services - EO/Analyst/GIS	5300	\$41,000.00	\$5,213.00	\$4,819.00	\$4,270.00	\$6,532.00	\$5,303.00	\$4,478.00	\$1,979.00	\$1,921.00	\$2,976.00	\$2,157.00	\$891.00	\$40,539.00	\$461.00
Basic Services - Clerk	5300	\$18,000.00	\$1,216.25	\$1,837.50	\$1,251.25	\$1,540.00	\$1,715.00	\$1,461.25	\$1,732.50	\$1,636.25	\$1,426.25	\$1,715.00	\$1,881.25	\$17,412.50	\$587.50
Other Expenses		\$51,770.00													
Rent	5500														
Office Space	5502	\$4,675.00	\$375.00	\$375.00	\$375.00	\$375.00	\$375.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$4,275.00	\$400.00
Work Room	5503	\$360.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$330.00	\$30.00
Office Expenses	5600														
Office Supplies (petty cash)	5601	\$700.00	\$135.39	\$27.02	\$0.00	\$188.59				\$167.21		\$73.51		\$591.72	\$108.28
Photocopy	5603	\$1,000.00	\$104.40	\$16.10	\$105.50	\$299.79	\$6.80	\$172.20	\$87.96	\$15.80	\$142.00	\$121.00	\$18.50	\$1,090.05	-\$90.05
Postage	5605	\$300.00	\$11.76	\$0.97	\$4.59	\$37.64	\$8.67	\$1.46		\$30.70	\$9.22	\$222.10	\$2.79	\$329.90	-\$29.90
Office Equipment	5607	\$1,500.00										\$144.90		\$144.90	\$1,355.10
Internet & Website Costs	5700	\$1,200.00				\$45.54				\$198.00			\$25.00	\$268.54	\$931.46
Publication & Legal Notices	5900	\$2,000.00		\$261.45			\$225.57	\$213.18		\$244.68	\$301.70	\$390.03	\$0.00	\$1,636.61	\$363.39
Televising Meetings	6000	\$1,700.00	\$380.00							\$400.00				\$780.00	\$920.00
Audit Services	6100	\$3,025.00							\$3,025.00					\$3,025.00	\$0.00
Bookkeeping	6200	\$4,800.00	\$416.00	\$416.00	\$520.00	\$520.00	\$312.00	\$312.00	\$260.00	\$630.00	\$270.00	\$461.00	\$432.00	\$4,549.00	\$251.00
Legal Counsel (S Browne)	6300	\$6,000.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$536.80	\$642.94	\$500.00	\$5,679.74	\$320.26
A-87 Costs County Services	6400	\$2,010.00												\$0.00	\$2,010.00
Insurance - General Liability	6500	\$1,000.00											\$806.72	\$806.72	\$193.28
Memberships (CALAFCO/CSDA)	6600	\$2,000.00				\$1,156.00							\$840.00	\$1,996.00	\$4.00
In-County Travel & Stipends	6740	\$2,000.00							\$855.63	\$160.39	\$105.40		\$621.61	\$1,743.03	\$256.97
Travel & Lodging Expenses	6750	\$2,500.00			\$1,307.08		\$179.50							\$1,486.58	\$1,013.42
Conferences (Registrations)	6800	\$3,000.00	\$1,796.00				\$80.12							\$1,876.12	\$1,123.88
Special District Training Support	9000	\$12,000.00					\$338.00	\$78.00	\$39.00	\$5,294.00	\$1,020.00		\$5,000.00	\$11,769.00	\$231.00
MSR & SOI Updates		\$47,000.00													
MSR Reviews - Admin	7001	\$5,000.00						\$1,450.00	\$319.00	\$580.00	\$432.00	\$0.00	\$900.00	\$3,681.00	\$1,319.00
SOI Updates	7501	\$42,000.00	\$5,457.00	\$4,930.00	\$4,350.00	\$6,066.00	\$4,470.00	\$696.00	\$1,181.00	\$4,727.00	\$5,187.00	\$3,146.00	\$1,181.00	\$41,391.00	\$609.00
FY 2013-14 MSRs Finalization															
Barraco & Associates **	7000	\$6,300.00						\$306.25	\$78.75					\$385.00	\$5,915.00
Monthly/ Year to Date Totals			\$15,634.80	\$13,213.04	\$12,713.42	\$17,290.56	\$13,543.66	\$10,098.34	\$10,487.84	\$16,935.03	\$12,836.37	\$9,503.48	\$13,529.87	\$145,786.41	

* Amount remaining reflects prior year charges

Note: Account 5500 for Rent has been split out to show costs allocated to accounts 5502 (office space) and 5503 (work room) separately; Account 5600 has been split into 4 Accounts: 5601 (office supplies: petty cash), 5603 (photocopy), 5605 (postage), and 5607 (office equipment)

** Amount reflects balance from prior year contract

Acct 8000: Application Revenues tracked separately

Mendocino LAFCo Application Cost Track FY 2015-16								
Application Name	Acct #	FY 14-15 Standing	2015/16 Deposits	Expenses to Date	Remaining Budget	Final Payment/ Reimbursement	Remaining Balance	Final Invoice
Filed Applications	8000							
Irish Beach WD Moores Annexation	8001	-\$610.56		\$0.00	-\$610.56		-\$610.56	sent
City of Ukiah/UVSD MSR Trust Fund	8002	\$11,000.00		\$0.00	\$11,000.00		\$11,000.00	
Fort Bragg FPD Detachment	8003	\$7,452.37		\$0.00	\$7,452.37		\$7,452.37	
Fort Bragg FPD North of Ten Mile Annexation	8004	\$0.00		\$0.00	\$0.00		\$0.00	
Schuster - Willits Detachment	8006	\$0.00		\$0.00	\$0.00		\$0.00	
City of Ukiah SOI Reduction	8008	-\$3,693.75	\$5,000.00	\$1,569.00	-\$262.75	\$262.75	\$0.00	complete- 2/1/16 check 1109
De Ruiter Detachment from Irish Beach WD	8009	\$1,419.00		\$1,482.00	-\$63.00	\$63.00	\$0.00	complete - 4/26/16
City of Ukiah Detachment of UVSD lands	8010	\$1,532.75		\$0.00	\$1,532.75		\$1,532.75	
RRFC/RVCWD Consolidation	8014	-\$624.00	\$624.00	\$0.00	\$0.00		\$0.00	complete- payment rec.
City of Ukiah SOI Reduction (EIR)	8015		\$20,000.00	\$12,462.44	\$7,537.56	\$7,537.56	\$0.00	complete- 2/1/16 check 1109
Pre-application Review								
AVCSD Activation of Latent Powers & Annexation	-			\$1,464.00				

MENDOCINO Local Agency Formation Commission

Staff Report

DATE: June 6, 2016
TO: Mendocino Local Agency Formation Commission
FROM: George Williamson, Executive Officer
SUBJECT: **Public Hearing** for the Willow County Water District Sphere of Influence Update

Background

This is a public hearing to consider the Willow County Water District (CWD or District) Draft SOI Update. The Commission reviewed the Draft SOI Update at workshops in April and May.

The SOI includes lands in both the Ukiah's city limit and rural agricultural areas. There are several areas (approximately 123 parcels in total) where the District service area (including those areas served in the SOI) overlaps with Ukiah's city limits. A reduced SOI excluding the majority of agricultural lands and minimizing the overlap between the City and District are recommended.

District/City Overlap

Of particular note are 80 connections in the Yokayo and Rose Avenues areas currently serviced by the District which are within both the District's boundary and the Ukiah city limit. The District first provided service to this area and the City of Ukiah later annexed the territory. No formal agreement between the two agencies regarding this annexation has been located.

At the May meeting Willow CWD representation noted that they would like to continue serving this area based on historical precedence and financial stability. Removing this area from the District boundary would likely prove a financial hardship for the District. The City of Ukiah noted that parcels located in the City limits should logically be served by the City and that these parcels should be detached from the District. They further stated that the City has the capacity to serve these overlap parcels in the case of the Rose Avenue/Yokayo Drive overlap area, and switching service to the City would not be difficult¹. Finally both the District and City noted that they are interested in working together to try and come to an agreement regarding the issue. After hearing from City Staff and the General Manager of the Willow County Water District, the Commission directed its staff to seek information on its role and responsibilities when confronted with overlap areas, and asked that the City and District representatives meet and attempt to reach an approach/agreement that would satisfy both parties and LAFCo.

A City Council staff report (see attachment 1) notes that on May 17, 2016 City representatives met with Willow CWD representatives to discuss the overlap areas. At this meeting City staff and District representatives discussed formalizing an agreement asking LAFCo to exclude overlap areas from the District SOI (per this LAFCo SOI Update hearing) in exchange for the City not

¹ The City does not clarify whether it is prepared to serve 1) the City of Ukiah Wastewater Treatment Plant, located within the District's SOI and served by the District (APNs 184-100-05, -07, -08, -09, -10, and -11), and 2) APNs 180-120-04 and 184-080-01 which are within both the City and District boundaries and are receiving service from the District.

immediately seeking “detachment”². The staff report further states that “if the District is successful in enlarging its SOI elsewhere, it could generate future revenue that would help offset its revenue loss from a future detachment of the subject areas.”

On May 18th, Willow CWD submitted a letter to the Executive Officer which outlines that (1) there is no legal or practical prohibition on a city and water district having overlapping boundaries, and (2) there is no reason or justification for reducing Willow’s SOI to exclude areas within the city limits of Ukiah (see attachment 2). The City was informed of the letter by LAFCo staff and the City’s current position on this matter will be developed at the City Council discussion on June 1, 2016 (after the publication date of this staff report).

Per Commission direction, LAFCo staff sought a legal counsel opinion, (see attachment 3). Legal counsel’s memorandum addresses both the Willow CWD’s May 18th letter and includes Mendocino LAFCo’s relevant adopted policies. It notes that these policies do not mandate that LAFCo “eliminate the overlapping sphere but do indicate a preference for cities to provide services within their boundaries rather than special purpose districts.” He further says that “the Commission could nevertheless determine to retain the Water District Sphere within the City if it determines that there are reasons for doing so that outweigh the considerations of the policies. For example, the Commission could find that the water district can provide service to this area of the city more efficiently or that the district would no longer be viable if the service area within the city were removed. Any such deviation from the general preference stated in the Policy should be incorporated into express written findings.”

He additionally notes that “the sphere determination will ultimately determine whether LAFCo may approve a subsequent request by the City to detach the territory from the district, as any change of organization must be consistent with the adopted sphere.”

Finally, the Cortese-Knox-Hertzberg Act (CKH Act) sets forth the priorities of LAFCo in section §56001 which states that, “the Legislature finds and declares that a single multipurpose governmental agency is accountable for community service needs and financial resources and, therefore, may be the best mechanism for establishing community service priorities especially in urban areas. Nonetheless, the Legislature recognizes the critical role of many limited purpose agencies, especially in rural communities. The Legislature also finds that, whether governmental services are proposed to be provided by a single-purpose agency, several agencies, or a multipurpose agency, responsibility should be given to the agency or agencies that can best provide government services.”

Options to Address Overlap

1. Contract or Agreement – A formal agreement between the District and the City for the provision of services in the overlap areas could be developed. This would clearly define service responsibility for both agencies, now and into the future, and ensure that any action taken regarding these overlap areas is mutually agreeable for *both* parties.
2. Detachment – Detachment of overlap areas from either the District and/or the City would address overlapping jurisdictional boundaries and reduce any future duplication of service. This would promote District and City boundaries that clearly define service responsibility for the benefit of land use authorities, the public, and other service providers.

² The City staff report does not clarify what party would be detaching what territory, but the term is assumed here to mean a City initiated LAFCo detachment application to remove the above discussed overlap areas from the District’s service boundary.

LAFCo Action

LAFCo would like to provide as much of an opportunity as possible for interested parties to work together to come to mutual agreement on the SOI Update. However, in the interest of completing the SOI Update in a timely manner, staff is recommending that the Commission amend the current District SOI to include only those properties currently receiving service within the existing SOI or with appropriate land use designations to receive municipal water services. Such an action maintains the current conditions, satisfies LAFCo's mandate to preserve agriculture and open space, and allows sufficient time for both parties to address services to the overlap areas. This includes analyzing the existing services and infrastructure in the overlap areas, determining whether detachment or a formal services agreement is preferred, and addressing a plan for future service provision. The Willow CWD SOI could then be updated to reflect any such arrangements or findings in the future. This could be done during the next SOI update cycle or initiated by either agency through a boundary change and SOI amendment application.

Recommendation

Staff recommends the Commission adopt Resolution No. 15-16-23 (attachment 5), thereby approving an SOI amendment (reduction) for the Willow CWD to include only those properties currently receiving service within the existing SOI or with appropriate land use designations to receive municipal water services, and to exclude those properties which overlap with the City of Ukiah boundary and do not currently receive services from the District (i.e., Area 1bIII as shown in Figure 2 of the SOI Report).

- Attachments:
- 1) City of Ukiah Staff Report "Item 12a" for June 1, 2016 City Council Meeting
 - 2) Letter from Willow CWD Legal Council dated May 18, 2016
 - 3) Memorandum to Mendocino LAFCo from P. Scott Browne, Legal Counsel
 - 4) Willow County Water District Draft SOI Update
 - 5) LAFCo Resolution No. 15-16-23
 - 6) Proof of Publications
 - Notice of hearing for MSRs and SOI updates in Fort Bragg, Willits, Ukiah



ITEM NO.: 12a

MEETING DATE: June 1, 2016

AGENDA SUMMARY REPORT

SUBJECT: RECEIVE STATUS REPORT AND PROVIDE DIRECTION CONCERNING THE PROPOSED LAFCO SPHERE OF INFLUENCE FOR THE WILLOW COUNTY WATER DISTRICT

Summary: At the April 20, 2016, City Council meeting the Council approved a letter commenting on the proposed sphere of influence (SOI) for the Willow County Water District and directed staff to submit it to the LAFCo. The letter expressed concern for and opposed the proposal to include lands in the SOI that were situated within the city limits ("overlap areas" – Attachment 1). Staff attended the May 2, 2016, LAFCo meeting and expressed the concerns listed in the letter approved by the City Council. This agenda item is intended to provide a status report and seek further direction from the City Council.

Discussion: After hearing from City Staff and the General Manager of the Willow County Water District, the LAFCo did not take formal action on the proposed sphere of influence for the district. The Commission directed its staff to seek information on its role and responsibilities when confronted with "overlap areas," and asked that the City and District representatives meet and discuss the history of the overlap areas and attempt to reach an approach/agreement that would satisfy both parties and LAFCo.

Meeting with the Willow County Water District: On May 17, 2016, City Staff met with representatives from the Willow County Water District to discuss the "overlap areas." The meeting was productive. While there is no documentation of why these areas were not detached from the District when the City annexed them, the assumption is that at that time, the loss of revenue may have substantially affected the District and the City agreed not to immediately seek detachment.

In regards to the current proposal to include the "overlap areas" within the District's sphere of influence, City Staff and the District representatives discussed the idea of asking LAFCo to exclude these areas from the SOI at this time in exchange for the City not immediately seeking detachment. An agreement could be prepared formalizing this arrangement. Such an approach may have merit given the fact that while both the City and District can provide equally efficient water service to this area, the loss of District revenue from detachment could be an issue. If the District is successful in enlarging its SOI elsewhere, it could generate future revenue that would help offset its revenue loss from a future detachment of the subject areas.

Continued on Page 2

RECOMMENDED ACTION(S): 1) Receive report; 2) Direct Staff to attend the June 6, 2016 LAFCo meeting and recommend excluding the overlap areas from the Sphere of influence for the Willow County Water District in exchange for the City not immediately pursuing detachment of these areas; and 3) Work with the District to prepare an agreement.

ALTERNATIVES: Provide alternative direction to Staff.

Citizens advised:	N/A
Requested by:	Charley Stump, Community Development Director.
Contact/Prepared by:	Charley Stump, Community Development Director.
Coordinated with:	Sage Sangiacomo, City Manager, Tim Eriksen, Director of Public Works, and Sean White, Director of Water and Sewer Services.
Presenter:	Charley Stump, Community Development Director.
Attachment:	1. Diagram showing Overlap Areas

COUNCIL ACTION DATE: _____; Approved Continued to _____ Other _____

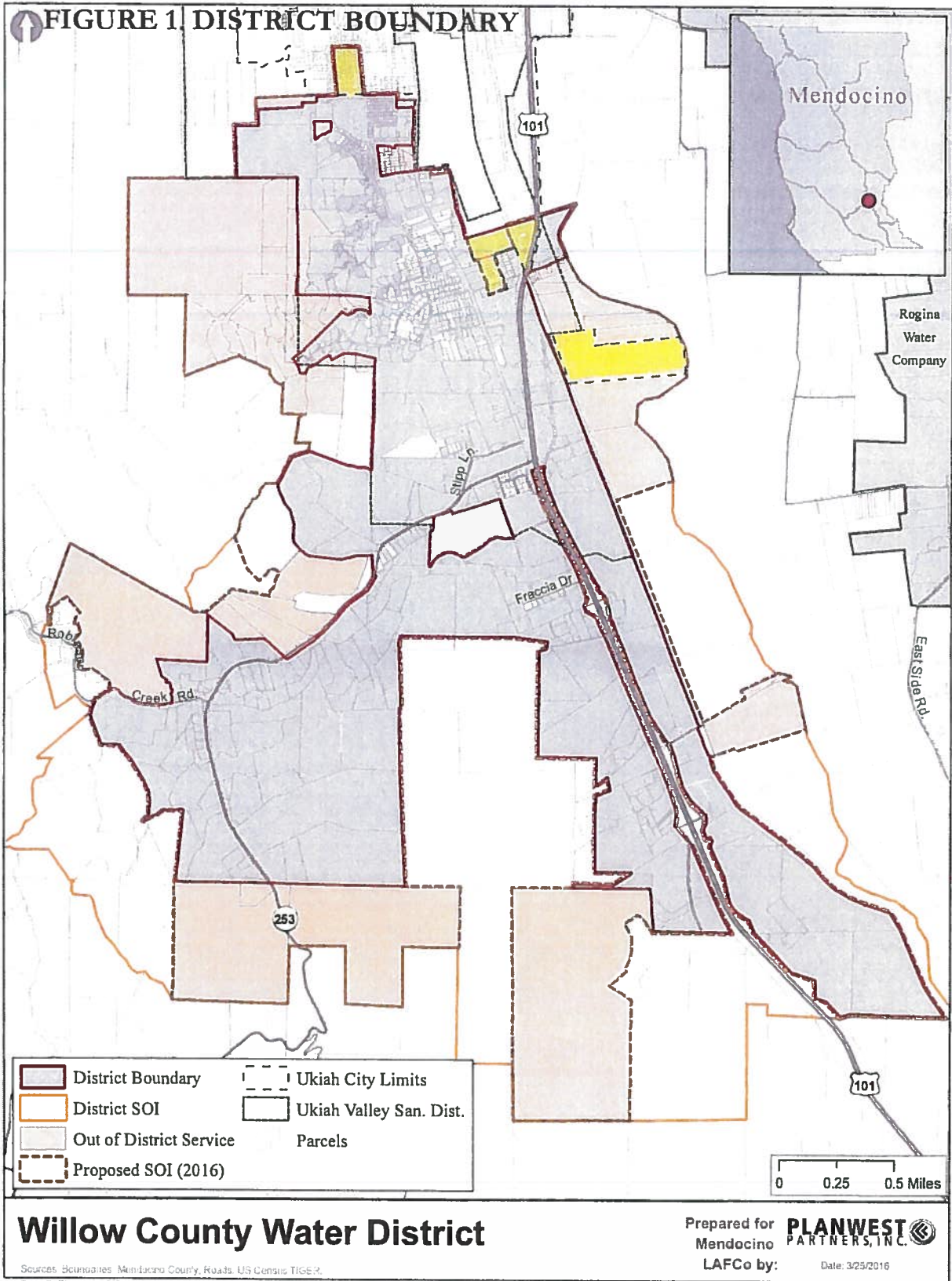
RECORDS APPROVED: Agreement: _____ Resolution: _____ Ordinance: _____

Note: Please write Agreement No. in upper right corner of agreement when drafted.

Approved: 
Sage Sangiacomo, City Manager

If the City Council is comfortable with this approach, staff is prepared to attend the June 6, 2016, LAFCo meeting and recommend it to the Commission. The District staff agreed to present this concept to their Board and similarly attend the June 6th LAFCo meeting.

FISCAL IMPACT:					
Budgeted Amount in 15-16 FY	New Appropriation Source of Funds (Title & No.)	Account Number	Budget Amendment Required		Previous Contract or Purchase Order No.
N/A	N/A	N/A	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	N/A



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May 18, 2016

VIA E-MAIL AND U.S. MAIL

George Williamson, Executive Officer
Local Agency Formation Commission
200 South School Street
Ukiah, CA 95482

Re: Willow County Water District Sphere of Influence Update

Dear Mr. Williamson:

I represent the Willow County Water District (“Willow”). This letter addresses the Mendocino County LAFCO’s current review and consideration of Willow’s Sphere of Influence (“SOI”) update.

At a May 2, 2016 LAFCO workshop on Willow’s SOI update, I understand a LAFCO Board Member expressed some concern with the fact that a portion of Willow’s boundaries overlap with the boundaries of the City of Ukiah. Willow has historically provided water service and still provides water service within the portion of Ukiah which overlaps its boundaries. The LAFCO Board Member asked LAFCO’s legal counsel to review the legal issues associated with or arising from a water district’s overlapping boundaries with a city.

We are not aware of any petition to modify or detach any of Willow’s actual geographic boundaries or service area in the vicinity of Ukiah, or otherwise. We do understand that LAFCO is considering reducing Willow’s SOI to exclude parcels located within Ukiah’s city limits, as requested in an April 21, 2016 letter from Ukiah to LAFCO.

Through this letter we explain that (1) there is no legal or practical prohibition on a city and water district having overlapping boundaries, and (2) there is no reason or justification for reducing Willow’s SOI to exclude areas within the city limits of Ukiah.

DUANE MORRIS LLP

SPEAR TOWER, ONE MARKET PLAZA, SUITE 2200
SAN FRANCISCO, CA 94105-1127
DM2/6804258.1 R2239/00001

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Mr. George Williamson
May 18, 2016
Page 2

1. No Prohibition on Overlapping Boundaries

There is absolutely no legal prohibition on a water district's boundaries overlapping with or encompassing the boundaries of a city or other public entity. The California Water Code instead expressly authorizes county water districts to provide service within or without "incorporated," areas of a county, meaning within a city. (Wat. Code § 30200.)

California Courts recognize that "very often land is included within the boundaries" of several government agencies. (*Oakdale Irrigation Dist. v. County of Calaveras* (1955) 133 Cal.App.2d 127.) In *City of Patterson v. Turlock Irrigation Dist.* (2014) 227 Cal.App.4th 484, the court noted that there was nothing in the law, including in the County Water District Law (Wat. Code §§ 30000 et seq.) "which would mandate the detachment of territory from a county water district upon its partial annexation to a city." In *La Mesa Homes Co. v. La Mesa Lemon Grove & Spring Valley Irrigation District* (1916) 173 Cal. 121, the court observed that there was no prohibition on the inclusion of portions of a city within the boundaries of a California irrigation district. (See also *Pixley v. Saunders* (1914) 168 Cal. 152, holding that a sanitary district retained its duties and powers upon annexation of a portion of its territory into a city.)

Willow's right and ability to provide service to customers within its boundaries, including to residents of Ukiah, does not conflict with Ukiah's "police power." (*Home Gardens Sanitary Dist. v. City of Corona* (2002) 96 Cal.App.4th 87.) In *Home Gardens*, the court held that a city could not prevent a utility district from providing exclusive sewer service within overlapping boundaries of the city and the district. The court therein explained: "Although the City has, under its police power, the authority to provide sewer service to its residents in the absence of any competing authority, it must yield when, as here, the District, as the extension of the state, has decided to exercise exclusive jurisdiction within that portion of the City that is within the District." (*Id.*, at 94-95.)

The Attorney General for the State of California also issued an opinion, in a dispute involving a county water district, which stated that relevant authority, including the County Water District Law, does not contain any requirement "which would mandate the detachment of territory from a county water district upon its partial annexation to a city. Nor are we aware of any other statutory provision which would mandate such detachment." (61 Ops. Cal. Atty. Gen. 497 (1978).)

In a prior opinion, the Attorney General similarly explained "It is to be expected that where one governmental agency is adequately providing a particular service within an area under the jurisdiction of two districts having common powers over the subject, the agency first in time and functioning in the area would continue to provide the service without duplication by the other. (36 Ops. Cal. Atty. Gen. 297 (1960).) In that opinion, the Attorney General further indicated that a county "would have no authority to determine which district" should provide service in the overlapping area. (*Id.*)

Mr. George Williamson
May 18, 2016
Page 3

2. No Need to Reduce or Limit Willow's Sphere of Influence


Willow also maintains that LAFCO should deny any request by Ukiah or any other entity or individual to detach or remove areas within the City from Willow's SOI. There is no legal or practical justification for a reduction or detachment of Willow's SOI where Willow's boundaries overlap with Ukiah's boundaries.

A sphere of influence is "a plan for the probable physical boundaries and service area of a local agency." (Govt. Code § 56076; *Alameda County Land Use Assn. v. City of Hayward* (1995) 38 Cal.App.4th 1716, 1720.) A change in its SOI will not impact Willow's ability to serve customers within its actual, geographic boundaries, including customers also located within the boundaries of Ukiah. Detachment or reduction of Willow's SOI would therefore be an unnecessary and useless act.

We note that LAFCO's May 2, 2016 draft "Sphere of Influence Update" does not recommend reduction of Willow's SOI in the area where its boundaries overlap with the City. Instead, the report states: "Those territories within both the District's boundary and the City's boundary which receive service from the District should continue to be within the District's SOI." (P. 14.) LAFCO's May 2, 2016 Staff Report further states that "Staff recommends the Commission maintain the current District SOI," except for lands not served by Willow.

Thank you for your consideration of these comments. If you have any questions or would like us to present additional information or authority, please let me know.

Sincerely,



Colin L. Pearce
For DUANE MORRIS LLP

CLP:bah

cc: Dave Redding, Willow County Water District

P. SCOTT BROWNE
ATTORNEY AT LAW

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scott@scottbrowne.com
(530) 272-4250
Fax (530) 272-1684

May 31, 2016

MEMORANDUM

TO: Mendocino LAFCo
George Williamson, LAFCo Executive Officer

FROM: P. Scott Browne, Legal Counsel

RE: Overlapping Spheres and Boundaries for the City of Ukiah and the Willows County Water District

The Commission has requested my advice regarding the legal considerations in making the determination whether the Willows County Water District should continue to have a sphere influence and water service area that extends into the City of Ukiah. I understand from the correspondence you have provided to me that if the sphere is modified, it is possible that the City of Ukiah will apply to detach the area within the city boundaries from the District and commence providing city water service to the area.

You have provided an opinion letter from counsel for the Water District with respect to this issue for my consideration. The attorney for the Willow County Water district points out in his opinion letter, there is nothing in the state law prohibiting water districts from providing service within cities. I would concur. Indeed, it is not that unusual for water districts to provide service within a city. Unless Ukiah is a charter city, it may not prohibit the district from providing service in any area where their boundaries overlap.

That said, it is LAFCo's job to decide whether it is desirable policy for water district to continue to provide service within the City. LAFCo has the power to set the sphere and, upon receipt of an appropriate application, detach the land within the City of Ukiah from the District. (§56375, 56012(f))

Overlapping spheres and service boundaries are not prohibited under CKH, but must be considered as part of LAFCo's charge to promote orderly growth and development and efficient provision of public services. (§56001) Local LAFCo policies may more specifically address overlapping spheres and such policies are binding upon the Commission (§56375(a)). Mendocino LAFCo's policies address the issue as follows:

Memo from P. Scott Browne to the Mendocino LAFCo Commission
RE: Overlapping Spheres of the Willow County Water District and City of Ukiah

9. Spheres of Influence, MSRs, and Special Studies
Section 1. Spheres of Influence

10) Overlapping Spheres

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

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

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

This policy does not mandate that the LAFCo eliminate the overlapping sphere but does indicate a preference for cities to provide services within their boundaries rather than special purpose districts. The Commission could nevertheless determine to retain the Water District Sphere within the City if it determines that there are reasons for doing so that outweigh the considerations of the policies. For example, the Commission could find that the water district can provide service to this area of the city more efficiently or that the district would no longer be viable if the service area within the city were removed. Any such deviation from the general preference stated in the Policy should be incorporated into express written findings.

The sphere determination will ultimately determine whether LAFCo may approve a subsequent request by the City to detach the territory from the district, as any change of organization must be consistent with the adopted sphere.

I hope this will be of assistance to you. Please let me know if you have any questions regarding this memorandum.

Sincerely,

/s/

P. Scott Browne

MENDOCINO **Local Agency Formation Commission**

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

WILLOW COUNTY WATER DISTRICT
SPHERE OF INFLUENCE UPDATE

Prepared in accordance with Government Code §56425

Update Dates

Commission Review

Administrative Draft Workshop- April 4, 2016

May 2, 2016

Draft Hearing- June 2, 2016

Final Adoption- DATE

Table of Contents

INTRODUCTION	3
OVERVIEW	3
REVIEW PERIOD	3
EVALUATION CONSIDERATIONS	3
General Guidelines for Determining Spheres of Influence	4
FIGURE 1.DISTRICT BOUNDARY.....	5
OVERVIEW	6
CURRENT AGENCY OPERATIONS	6
BACKGROUND	6
MUNICIPAL SERVICE REVIEW	6
SPHERE OF INFLUENCE.....	6
FIGURE 2.DISTRICT SERVICE AREA REFERENCE MAP.....	10
DISADVANTAGED UNINCORPORATED COMMUNITIES.....	11
POPULATION AND LAND USE	11
Population and Growth	11
Land Use and Development	11
CAPACITY AND SERVICE	12
Water	12
Supply and Storage.....	12
Relevant Local Agencies and Communities of Interest.....	12
RELEVANT PLANNING AND SERVICE FACTORS.....	12
County of Mendocino General Plan- Development Element (DE).....	12
DISCUSSION	13
SPHERE OF INFLUENCE.....	13
WATER SUPPLY	15
ANALYSIS	15
1.) Present and Planned Land Use	15
2.) Present and Probable Need for Public Facilities and Services	15
3.) Present Capacity of Facilities and Adequacy of Public Services	16
4.) Social and Economic Communities of Interest.....	16
5.) Present and Probable Need for Water, Sewer, or Fire Protection Services for Disadvantaged Unincorporated Communities (DUCs).....	16
CONCLUSIONS	16
REFERENCES.....	17
APPENDIX A.....	18
FIGURE 3.DISTRICT LAND USE DESIGNATION MAP	18
FIGURE 4.LANDS UNDER WILLIAMSON ACT CONTRACTS MAP	19

INTRODUCTION

OVERVIEW

This update is prepared in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act (CKH Act) which states, “In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local government agencies so as to advantageously provide for the present and future needs of the county and its communities, LAFCo shall develop and determine the Sphere of Influence (SOI) of each local governmental agency within the county” (GC §56425). A “SOI” is defined under the CKH Act as “.... a plan for the probable physical boundaries and service area of a local (government) agency” (GC §56076).

Decisions on organizational changes must be consistent with the SOI boundary and determinations. The adopted SOI is used by LAFCo as a policy guide in its consideration of boundary change proposals affecting each city and special district in Mendocino County. Other agencies and individuals use adopted SOIs to better understand the services provided by each local agency and the geographic area in which those services will be available. Clear public understanding of the planned geographic availability of urban services is crucial to the preservation of agricultural land and discouraging urban sprawl.

The following update will assess and recommend an appropriate Sphere of Influence (SOI) for the Willow County Water District (Willow CWD or District). The objective is to update Willow CWD’s SOI relative to current legislative directives, local policies, and agency preferences in justifying whether to (a) change or (b) maintain the designation. The update draws on information from the Willow CWD Municipal Services Review (MSR), which includes the evaluation of availability, adequacy, and capacity of services provided by the District.

REVIEW PERIOD

SOI reviews and updates typically occur every five years, or as needed. A local agency’s services are analyzed with a twenty year planning horizon, and a sphere is determined in a manner emphasizing a probable need for services within the next 5-10 years. Actual boundary change approvals, however, are subject to separate analysis with particular emphasis on determining whether the timing of the proposed action is appropriate.

EVALUATION CONSIDERATIONS

When updating the SOI, the Commission considers and adopts written determinations:

Sphere Determinations: Mandatory Written Statements

1. Present and planned land uses in the area, including agricultural and open space
 2. Present and probable need for public facilities and services in the area
 3. Present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide
 4. Existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency
 5. If the agency provides services related to water, sewer, or fire, then the present and probable need for these services by any disadvantaged unincorporated communities within the existing sphere should be considered
-

Policies specific to Mendocino LAFCo are also considered along with determinations in administering the CKH Act. This includes considering the merits of the SOI, or any changes, relative to the Commission's seven interrelated policies, as listed below, with respect to determining the appropriate SOI.

General Guidelines for Determining Spheres of Influence

The following is excerpted from *Mendocino LAFCo's 2016 Policies and Procedures*, "Chapter 9: Spheres of Influence, MSRs, and Special Studies":

Section 1. Spheres of Influence

Reduced Spheres

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

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

Zero Spheres

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

Service Specific Spheres

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

Agriculture and Open Space Lands

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

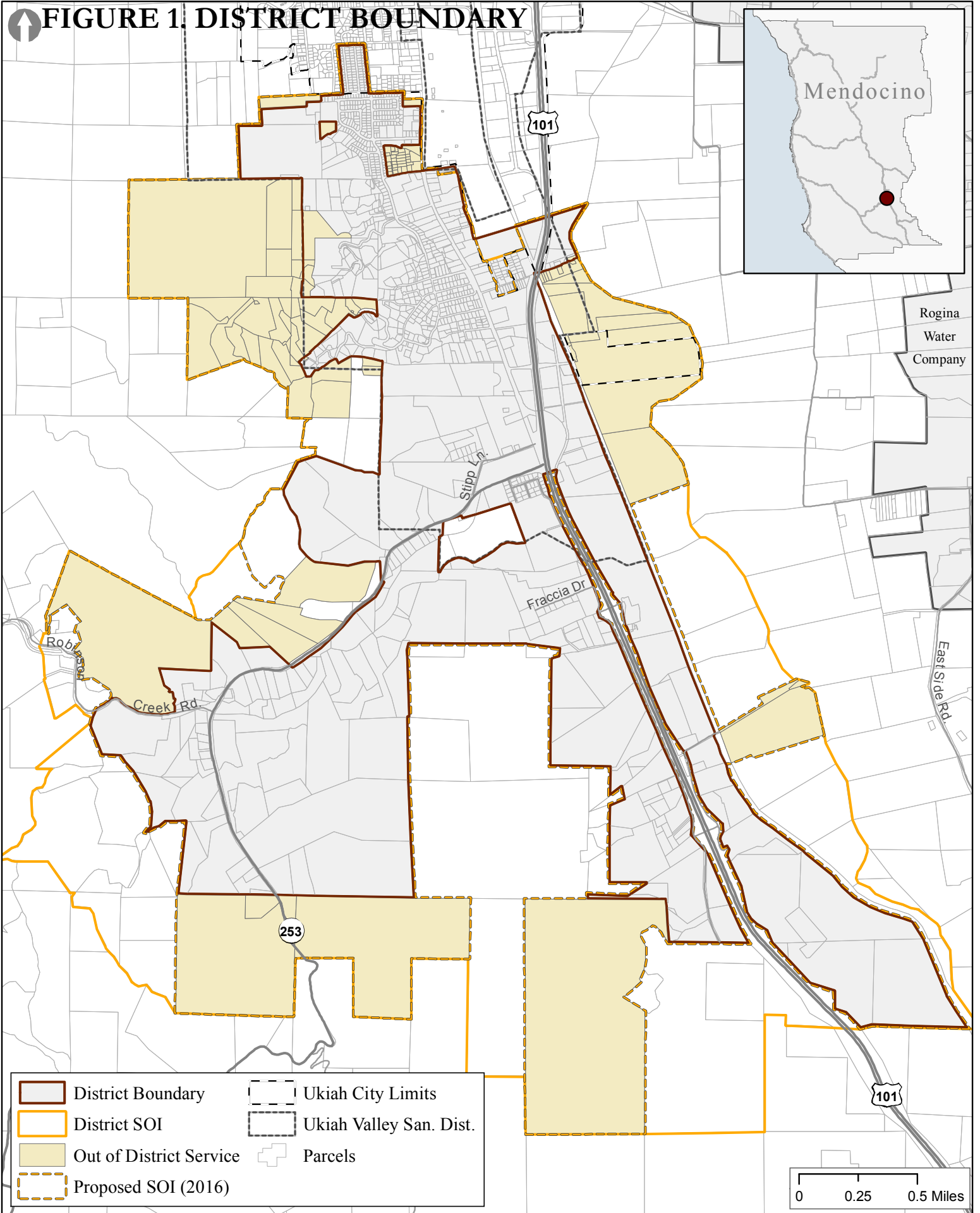
Annexations are not Mandatory

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

Islands or Corridors

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

FIGURE 1. DISTRICT BOUNDARY



- District Boundary
- District SOI
- Out of District Service
- Proposed SOI (2016)
- Ukiah City Limits
- Ukiah Valley San. Dist.
- Parcels

0 0.25 0.5 Miles

Willow County Water District

Prepared for **PLANWEST PARTNERS, INC.**
 Mendocino LAFCo by: Date: 3/25/2016

OVERVIEW

CURRENT AGENCY OPERATIONS

The Willow County Water District (Willow CWD or District) provides water service to approximately 990 residential and 60 commercial connections in the unincorporated area south of the City of Ukiah, located within the Ukiah Valley (MSR 2013). Figure 1 shows the Willow CWD boundaries.

The Willow CWD provides treated water to domestic and irrigation connections. Several sources are utilized including wells, surface water, and Lake Mendocino water. The District has agreements with other water agencies to provide staffing and management services for these agencies, including: Calpella CWD, Hopland PUD, Millview CWD, Redwood Valley CWD, and River Estates Mutual Water Company.

BACKGROUND

The Willow CWD, formed as an independent special district on July 20, 1950 pursuant to County Water District Law (Division 12, Section 30000-33901 of the California Water Code). The District is governed by a five member board of directors who are elected at-large for four year terms by constituents within the District.

MUNICIPAL SERVICE REVIEW

A municipal service review (MSR) for the District was conducted as a part of a larger study of the Ukiah Valley in 2013, known as the *Ukiah Valley Special Districts Final Municipal Service Review*. The Willow CWD's section of this report was adopted May 6th, 2013. A Municipal Service Review is a part of and a prerequisite for a SOI Update; as such, much of the information contained herein comes directly from the Willow CWD portion of the 2013 MSR.

SPHERE OF INFLUENCE

The District reports its current SOI extends beyond its service boundary as shown in Figure 1. This update considers the area the District serves in the updated SOI. The current SOI also includes lands in the City of Ukiah's city limit and unserved rural agricultural areas. As such, these areas warrant analysis in relation to LAFCo policy. Please note the following description and numbering corresponds with Figure 2, District Service Areas.

- 1) ***District/City Boundary Overlap:*** There are several areas (123 parcels in total) where the Willow CWD overlaps/provides services to territory that is within Ukiah's city limits. These served areas include:
 - a) The neighborhood of South Dora, Rose, and Yokayo Streets, located south of Wabash Avenue and north of Beacon Lane (See Figure 2). Consisting of 85 customers, this area was annexed to the City; however, in order to maintain revenue stability the Willow CWD continues to provide service (MSR 2013). This area is within both the District's boundary and SOI, as well within the City limits.
 - b) Territory surrounding the Ukiah Municipal Airport. The Airport is owned and operated by the City of Ukiah and is within the City limits. The airport facility is along the northeast

WILLOW COUNTY WATER DISTRICT SPHERE OF INFLUENCE UPDATE
MENDOCINO LAFCO

border of Willow CWD's boundary, generally along State Street. Several parcels that are now considered a part of the airport are within District boundaries, as described below.

- I. APNs 003-330-69 and -70. These two parcels are within the Willow CWD boundary and outside of the existing City limits (see Figure 2). The City and the District have an informal agreement that these parcels are served by the City, and they are therefore not within the existing District SOI. The parcels are designated as Commercial and currently house airport infrastructure.
 - II. APN 180-120-03. This parcel is at the southern end of the airport and is within both the District boundary and City limits (see Figure 2). The City and the District also have an informal agreement that this parcel is served by the City, and it is therefore not within the existing District SOI. The parcel is currently in use as a part of the airport runway infrastructure.
 - III. Approximately 28 small parcels at the southernmost tip of the airport, west of Pomo Lane and east of State Street, along the north and south sides of Norgard Lane (see Figure 2). These parcels are within the District's boundary and SOI, as well as the Ukiah City limits. They are currently an empty field at the end of the airport runway. The District indicates they are not providing service to this area. APNs 184-061-03, -04, -05, -07, -08, -09, -12, -13, -14, -15, -16, -17; 184-062-01, -03, -07, -09, -10, -12, -13, -14, -16; 184-070-02, -03, -04, -05, -06, -07 -08.
 - IV. APNs 180-120-04 and 184-080-01. This territory is on the southeastern border of the airport, between Highway 101 and the airport runway (see Figure 2). This area is within the District's boundary and SOI, and well as the Ukiah City limits. The District reports it provides water services to this territory, which is currently under a Williamson Act contract and is in agricultural production as a grape vineyard.
- c) The City of Ukiah Wastewater Treatment Plant. APNs 184-100-05, -07, -08, -09, -10, and -11 (see Figure 2). These parcels contain the City's wastewater treatment plant and the Mendocino County Animal Control facility (APN 184-100-07). The area is outside of the Willow CWD boundary, but within its SOI. All parcels except APN 184-100-04 are within the Ukiah City limits (note: this parcel was not included in the 123 parcel total noted at the beginning of this section). The District reports that it provides service to the entire area.
- 2) **Out of District Service:** The Willow CWD provides out of district services to multiple properties (approximately 106 parcels, including the 6 reported above in *City Overlap* part 3) located outside their district boundary but within their existing SOI. The District reports that these connections all occurred prior to 2001. Although the District provides what it considers to be agricultural water to several of these properties, all water provided by the District is treated, potable water. These served areas are described below, and their numbering corresponds with the labeling in Figure 2, District Service Areas.
- a) A residential area between South Dora Street and State Street, located north of Jefferson Lane (see Figure 2). This area consists of 33 parcels, designated for use as Suburban Residential, Mixed Use, and Commercial. The area is substantially surrounded by District territory, and is not within the Ukiah City limits. The area is also within the Ukiah Valley Sanitation District (UVSD) service boundary. APN's: 003-420-35; 003-430-21, -023, -024, -

WILLOW COUNTY WATER DISTRICT SPHERE OF INFLUENCE UPDATE
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- 30, -31, -33, -35, -42, -45, -46, -47, -48, -50, -51, -53, -55, -60, -63, -64, -65, -66, -68, -70, -71, -72, -74, -75, -76, -77, -78, -79, and -80.
- b) Two adjacent parcels along the northern District boundary-APNs 003-260-48 and 003-390-48 (see Figure 2). Located adjacent to the District's northwestern boundary, APN 003-260-48 is designated as Rural Residential. Located adjacent to the District's northeastern boundary, APN 003-390-48 is designated as Commercial and is in use as a car wash. Both of these parcels are also within the UVSD service boundary.
 - c) Northern island area-APN 003-410-25. This parcel is in the northern portion of the District and is entirely surrounded by District territory, though the parcel itself is not considered to be within the District boundary (see Figure 2). Designated as Suburban Residential, this area is in use as a parking lot. The area is also within the UVSD service boundary.
 - d) Crestview Drive area. This area is along the District's northwestern boundary (see Figure 2) and is designated as Rangeland. The area is forested and developed with low-density residential uses. APNs 157-150-03, -06, -07, and 180-240-01 are fully outside the District's boundary, while APNs 180-160-05, -06, and 182-023-01 are partially located within the District. These split parcels are also partially within the UVSD service boundary.
 - e) Oak Knoll Road area. Located just south of the Crestview Drive area (see Figure 2), these parcels are designated for Remote Residential use and contain scattered residences along Fircrest Drive and Oak Knoll Road. Several of the parcels are also within the UVSD's service boundary. Consisting of thirty parcels, this area contains APNs: 157-150-05,-157-160-16, -17,-18; 157-170-02, -03, -04, -05, -13, -21, -22, -023, -27, -31, -33, -34, -43, -44, -47, -49, -50, -51, -52, -53; 157-180-09, -10, -17, -19, -20; and 180-160-04.
 - f) Boonville Road/Shepard Lane area (see Figure 2). APN's 046-271-10, 185-260-18, -24, and -25 are all designated remote residential and receive service. APN 185-110-22 also receives service in this area and is designated as Rangeland. It appears to support a residence on the property.
 - g) Boonville Road area south of the District's boundary. APNs 046-290-03, -44, -45, and 046-300-01 are all adjacent to the District's southern border near Boonville Road (see Figure 2). With the exception of APN 046-290-03 (designated as Remote Residential) these parcels are designated as Rangeland and contain scattered residences.
 - h) Burkehill Road area south of the District's boundary. APN 046-300-60 receives service from the District (see Figure 2). This parcel is designated as Range Land and is currently under a Williamson Act contract with the County of Mendocino for which a notice of non-renewal has been filed (Mendocino County Assessor's Office, Personal communication, March 17, 2016).
 - i) El Roble Road area-APNs 186-030-01, 184-240-04, and -05. This area located east of the District along El Roble Road (see Figure 2) is designated for Agriculture and Public Service use. The agriculturally-designated parcel (186-030-01) is currently in production as an orchard.
 - j) Two agricultural areas surrounding the Wastewater Treatment Plant-APNs, 184-080-28, 184-090-01, -06, -07, 184-100-04, 184-160-01, and 184-150-01 (see Figure 2). These parcels are adjacent to the District's eastern boundary and are located north and south of the above

WILLOW COUNTY WATER DISTRICT SPHERE OF INFLUENCE UPDATE
MENDOCINO LAFCo

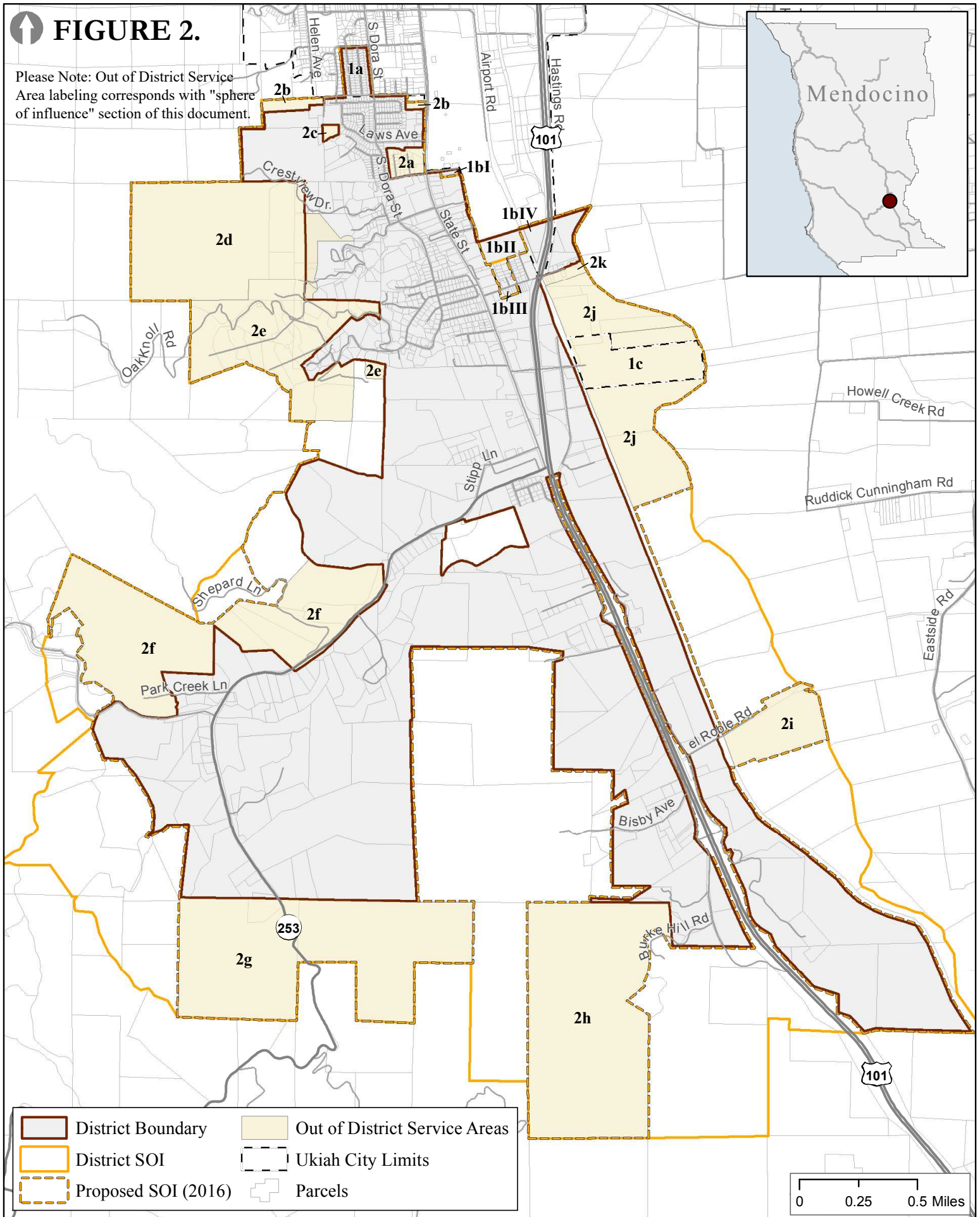
mentioned City of Ukiah Wastewater Treatment Plant. All of the parcels are designated for agricultural use and, with the exception of APN 184-090-06 and 184-150-01, are currently under a Williamson Act contract with the County of Mendocino. All lands in this area are in agricultural production. APNs 184-090-06 and 184-090-01 are also within UVSD's service boundary.

- k) North of the aforementioned agricultural area described under item "j" and adjacent to the Willow CWD-APNs 184-080-08, -09, -10, -11, -13, -20, and -27 (see Figure 2). These parcels are also designated for agricultural use, but are presently developed with residential uses. All parcels except APN 184-080-13 are within UVSD boundaries.

DRAFT

FIGURE 2.

Please Note: Out of District Service Area labeling corresponds with "sphere of influence" section of this document.



Willow County Water District District Service Areas

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

Packet Page

Prepared for **PLANWEST PARTNERS, INC.**
Mendocino
LAFCo by: Date: 3/25/2016

DISADVANTAGED UNINCORPORATED COMMUNITIES

LAFCo evaluates disadvantaged unincorporated communities (DUCs) as part of an SOI review, including the location and characteristics of any such communities. A DUC is defined as any area with 12 or more registered voters where the median household income (MHI) is less than 80 percent of the statewide MHI. Within a DUC, three basic services are evaluated: water, sewage, and fire protection. The Willow CWD provides water services, and is therefore only responsible for assuring that this service is adequately provided to communities.

No specific MHI estimates are available for the area which Willow CWD encompasses. The community of Hopland approximately five miles to the south meets the definition of a disadvantaged unincorporated community. The community of Hopland has an MHI of \$44,700, which is 77% of the statewide MHI of \$57,708 (MSR 2013). The Hopland community receives municipal services from the Hopland Public Utility District, which provides water and sewer, and the Hopland Volunteer Fire District, which provides fire protection.

The northern extent of the District's border is the City of Ukiah. Ukiah has an estimated MHI of \$42,609 (Census FactFinder, 2010), which is 73 percent of the California MHI, thereby qualifying it as disadvantaged. Ukiah is incorporated, and therefore does not qualify as a DUC. However, it stands to reason that sections of unincorporated territory surrounding the City may also qualify as disadvantaged, though no area has been identified as such at this time. Should the District pursue annexation, DUC communities within the District's vicinity may be examined further.

POPULATION AND LAND USE

Population and Growth

The community served by the Willow CWD is situated at the City of Ukiah's southern boundary. The Willow CWD shares a common boundary with the City in some areas, and the boundaries overlap in other areas. According to the Ukiah Valley Municipal Service Review, the 2012 Willow CWD population was estimated at 3,910 residents. A 2020 District population of 4,222 residents is estimated based on a conservative 1.0 percent annual growth rate and 4,418 residents based on higher growth estimate of 1.63 percent (MSR 2013).

Land Use and Development

Similar to many other special districts in Mendocino County, the Willow CWD boundary and existing SOI include agriculturally-designated lands and land under Williamson Act contract. Around 30 percent of the land within the District is designated as some sort of resource land and approximately 60 percent is designated as suburban, remote, or rural residential¹ (See Figure 3 in Appendix A). Some of the resource parcels within District boundaries are subject to a contract under the Williamson Act² (See Figure 4 in Appendix A). Other designations within the District include Commercial and Industrial.

Within the existing SOI the majority of territory is designated as either Rangeland or Agricultural. Again, many of these parcels also have Williamson Act contracts associated with them (See Figure 4

¹ All Land use designation information from Mendocino County GIS Parcel Information Layer. October, 2014.

in Appendix A). Other designations in the existing SOI include Rural and Remote Residential, and Public Service.

CAPACITY AND SERVICE

Water

The Willow CWD provides treated water to both domestic and irrigation water connections. Domestic production ranges up to 1,200 acre feet per year (AFY) and irrigation water may be up to 100 acre feet (AF). Production declined from 2006 to 2009, which coincided with a severe drought in the area. During that period, Lake Mendocino water levels receded to record lows, and mandatory rationing—a 50-percent reduction in water use—was instituted by the Mendocino County Board of Supervisors. Water usage in 2004, a year of near-average precipitation and a year with no extraordinary water conservation efforts, is considered more typical of an average year. Domestic production was 1,137 AF and agricultural production was 73 AF in 2004, for a total of 1,210 AF. The average production over the ten-year period was 1,094 AF, with 94 percent for domestic use and 6 percent for irrigation (MSR 2013).

Demand in 2010 was 1,301 AF and is expected to increase to 1,904 AF in 2030 if required conservation measures are not put in place. Total supply from all sources is estimated at 2,681 AF in a normal year and 2,308 AF in an extended dry year. On that basis, the Willow CWD has sufficient capacity to meet anticipated demand (MSR 2013).

Supply and Storage

The Willow CWD has surface water rights for 1,440 AFY from November to June and 726 AFY year round through diversion of underflow of the Russian River. The Willow CWD also contracts with RRFC for 515 AFY. The Willow CWD has five wells, of which three are used only during dry months. The total capacity of the two well fields is 2,700 gallons per minute. In addition, there are nine storage tanks with a capacity of 1,348,000 gallons. The Willow CWD recently replaced one of its 100,000-gallon storage tanks with a 350,000-gallon tank. As such, Willow CWD now has a storage capacity of 1.598 million gallons (MSR 2013).

Relevant Local Agencies and Communities of Interest

The District has adjacent and overlapping borders with the City of Ukiah (See Figure 1). The Ukiah Valley Fire District, which provides fire protection services, encompasses the Willow CWD. Wastewater services are provided by the Ukiah Valley Sanitation District, though their service area only covers the northern half of the Willow CWD. Willow CWD also lies within the Russian River Flood Control and Water Conservation Improvement District Boundary (RRFC). The RRFC contracts with the Willow CWD to supply surface water to the Willow CWD.

RELEVANT PLANNING AND SERVICE FACTORS

Local planning policies and land-use designations inform LAFCo SOI decisions. Below are relevant policies and service factors that are used as a guide.

County of Mendocino General Plan- Development Element (DE)

General Plan Water Supply and Sewer (Wastewater Treatment) Services Policies:

Policy DE-186: Coordinate community water and sewer services with General Plan land use densities and intensities.

Policy DE-187: The County supports efficient and adequate public water and sewer services through combined service agencies, shared facilities, or other inter-agency agreements.

Action Item DE-187.1: Work aggressively with water and sewer service providers to overcome current and projected system and supply deficiencies necessary to serve planned community growth.

Action Item DE-187.2: Support funding applications to improve and expand water and sewer service capabilities in areas planned for future growth or to resolve existing deficiencies.

Action Item DE-187.3: Work with communities and public water and sewer service entities to monitor, manage and/or maintain community-wide or decentralized water/sewer systems.

Policy DE-188: Encourage water and sewer service providers to incorporate water conservation, reclamation, and reuse.

- Encourage the development and use of innovative systems and technologies that promote water conservation, reclamation, and reuse.
- Encourage the development of systems that capture and use methane emissions from their operation.
- Encourage the development and use of innovative systems and technologies for the treatment of wastewater.

Policy DE-189: Oppose extension of water or sewer services to rural non-community areas when such extensions are inconsistent with land use and resource objectives of the General Plan, except where the extension is needed to address a clear public health hazard.

Policy DE-190: Development of residential, commercial, or industrial uses shall be supported by water supply and wastewater treatment systems adequate to serve the long-term needs of the intended density, intensity, and use.

Policy DE-191: Land use plans and development shall minimize impacts to the quality or quantity of drinking water supplies.

DISCUSSION

SPHERE OF INFLUENCE

This update considers the existing SOI as depicted in Figure 1 and proposes an updated SOI consistent with the area the District presently serves within the updated SOI.

District/City Overlap

Among the purposes of the Commission are efficiently providing government services and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances (GC §56301). As discussed above, the District service area (including some out of district services) overlaps with the City of Ukiah's boundary. Territory overlap between the two agencies providing the same service should be minimized to facilitate efficient services and orderly formation.

WILLOW COUNTY WATER DISTRICT SPHERE OF INFLUENCE UPDATE
MENDOCINO LAFCO

Those overlap territories not receiving services from the District should be removed from the District's SOI. These include those territories identified in items "1bI", "1bII", and "1bIII" discussed above in the "Sphere of Influence" section (See Figure 2). Those territories within both the District's boundary and the City's boundary which receive services from the District should continue to be within the District's SOI. This includes the 85 customers discussed in item "1a" and the agricultural territories in "1bIV". Additionally, those territories within the City's boundary that are receiving service from the District should remain within the District's SOI; this includes those properties discussed in item "1C". No other boundary overlaps are identified at this time.

Out of District Service

Retaining those parcels designated as Suburban Residential, Rural Residential, and Remote Residential within the District's SOI is consistent with LAFCo policy. All out of district properties receiving service from the District on or before January 1, 2001 are exempt from LAFCo out-of-district-service approval (GC §56133(e)(4)). This includes all areas receiving service identified in the SOI.

Lands designated for agricultural or open space uses are typically not included in spheres for purposes of discouraging urban sprawl and preserving open space and prime agricultural lands. Nonetheless, similar to many other special districts in Mendocino County, the District's boundary and existing SOI include agriculturally-designated lands and land under Williamson Act contract (See Appendix A, Figure 4). This update proposes to exclude from the District SOI the majority of territory identified as agricultural land pursuant to GC §56016, consistent with LAFCo's objective to preserve agricultural and open-space land (See Appendix A Figures 3 & 4). However, this proposed reduced SOI maintains those areas already receiving service which have agricultural land uses because these services benefit the agricultural land uses occurring on the properties.

With respect to the areas under Williamson Act contract, those properties currently served will also remain in the SOI. These Williamson Act contracts will not experience a sphere change and therefore are not subject to GC §56426.6. In addition, the change of sphere designation to exclude non-served contracted lands would not impact their non-serviced status, would facilitate efficient land use patterns, and would not adversely impact the existing Williamson Act contracts in accordance with GC §56426.6.

There are two island areas within the District boundary which are not a part of the Willow CWD, but which are wholly surrounded by District territory. The northern island area-APN 003-410-25 receives service and is designated as Suburban Residential. The southern island area- APNs 185-050-03, -04, and -05 are all agriculturally designated and do not water receive service from the District. Typically, to promote orderly boundaries and the efficient delivery of services, the creation of islands or substantially surrounded territory are discouraged, particularly within an annexation process. Maintaining both of these islands within the SOI for the Willow CWD supports the orderly formation and development of the District's boundary.

Should annexation be proposed in the future, the potential for agricultural land conversion should be evaluated based on LAFCo policies. Pursuant to GC §56668(e), any proposed annexation shall demonstrate the effect of the proposal on maintaining the physical and economic integrity of agricultural lands. In accordance with GC §56377, development shall be guided away from existing prime agricultural lands towards areas containing nonprime agricultural lands, unless that action

would not promote the planned, orderly, efficient development of an area. Additionally, local policies and standards adopted by Mendocino LAFCo for agricultural lands should be considered.

SHARED SERVICES

The District has agreements with other water agencies to provide staffing and management services for these agencies, including: Calpella CWD, Hopland PUD, Millview CWD, Redwood Valley CWD, and River Estates Mutual Water Company. The shared staffing and management contracts are viewed as a step towards a functional consolidation between these agencies. Given the coordination of services between these districts, there may be opportunity to consider a structural consolidation in the future.

WATER SUPPLY

Water availability has long been an issue in the Ukiah Valley and is likely to constrain future development in the area (UVAP 2010, 6-3). Though not under a water moratorium, Willow CWD is a part of the regional community, utilizes the same water supply, and faces similar service challenges.

Challenges cited in the Ukiah Valley Area Plan include decreased water diversion from the Eel River, as well as difficulties and lengthy time inherent in developing new supplies in the face of increasing demand. Various unknowns complicating growth planning include the water rights of water purveyors, the definition of Russian River underflow versus groundwater, continued refinement of water agreements, and changes in imports from the Eel River through the Potter Valley Project”(UVAP 2011, 6-3). Opportunities to help alleviate the Ukiah Valley water supply issues may be considered further at the regional level by LAFCo.

ANALYSIS

As presented in the introduction, when updating the SOI, the Commission considers and adopts written determinations. The following are the formal determinations for this SOI Update:

1.) Present and Planned Land Use

The existing SOI includes agriculturally-designated lands and land under Williamson Act contract. This update proposes to exclude the majority of territory identified as agricultural lands pursuant to GC §56016 and LAFCo’s objective to preserve agricultural and open-space land. However this proposed reduced SOI maintains those areas already receiving water service which have agricultural land uses because these services benefit the agricultural uses occurring on the properties.

The change of sphere designation to exclude non-served Williamson Act contracted lands does not impact their unserved status, facilitates efficient patterns of land use, and is not likely to adversely impact the existing Williamson Act contracts in accordance with GC §56426.6.

2.) Present and Probable Need for Public Facilities and Services

The Willow CWD provides out of district services to approximately 106 parcels within their existing SOI. The District reports that they are considering annexation of some or all of the properties receiving services within the existing SOI. Those properties receiving service outside of District boundaries represent a need for service external to District boundaries. A 2020 District population of 4,222 is estimated based on a conservative 1.0 percent annual growth rate and 4,418 based on higher growth estimate of 1.63 percent. Given this estimated growth, additional demand for services within the District and SOI are anticipated.

3.) Present Capacity of Facilities and Adequacy of Public Services

Demand for water services from the District is expected to increase to 1,904 AF by 2030 if required conservation measures are not put in place. Total supply from all sources is estimated at 2,681 AF in a normal year and 2,308 AF in an extended dry year. On this basis, the District has sufficient capacity to meet anticipated demand within the District and reduced SOI.

4.) Social and Economic Communities of Interest

The larger Ukiah Valley is a community of interest for purposes of coordinating common water supply and management needs. Multiple agencies provide water services in a community which shares geography and in most cases, the same water source. The District has a common interest with other local water purveyors to manage the water supply systems and watersheds of the Ukiah Valley.

5.) Present and Probable Need for Water, Sewer, or Fire Protection Services for Disadvantaged Unincorporated Communities (DUCs)

The City of Ukiah has been identified as disadvantaged but is incorporated and therefore does not qualify as a DUC. It stands to reason that sections of unincorporated territory surrounding the City may also qualify as disadvantaged, though no area has been identified as such at this time. Should the District pursue annexation, DUC communities within the District's vicinity may be examined further.

CONCLUSIONS

This update considers the existing SOI relative to services provided and its consistency with LAFCo policies. The existing SOI should be reduced to exclude the majority of territory identified as agricultural lands pursuant to GC §56016 and consistent with LAFCo's objective to preserve agricultural and open-space land. The following considerations guide the proposed SOI reduction:

1. Those properties receiving service within the existing SOI remain within the proposed updated sphere.
2. Those properties designated as Suburban Residential, Rural Residential and Remote Residential within the District's SOI are considered appropriate to receive municipal water services consistent with LAFCo policy. They remain within the proposed updated SOI.
3. Those properties which overlap with the City of Ukiah boundary and do not receive services from the District are excluded from the proposed updated sphere.
4. APNs 003-330-69 and -70, which are within the District's boundary, should also be excluded from the District's proposed updated SOI as they do not receive District service. Both the District and City have informally agreed that the City serves this area.
5. Territories recognized as agricultural, rangeland, or open space are removed from the SOI with the exceptions of those territories receiving services and the island territories listed in the above *Discussion* section.

See proposed 2016 SOI in Figure 1.

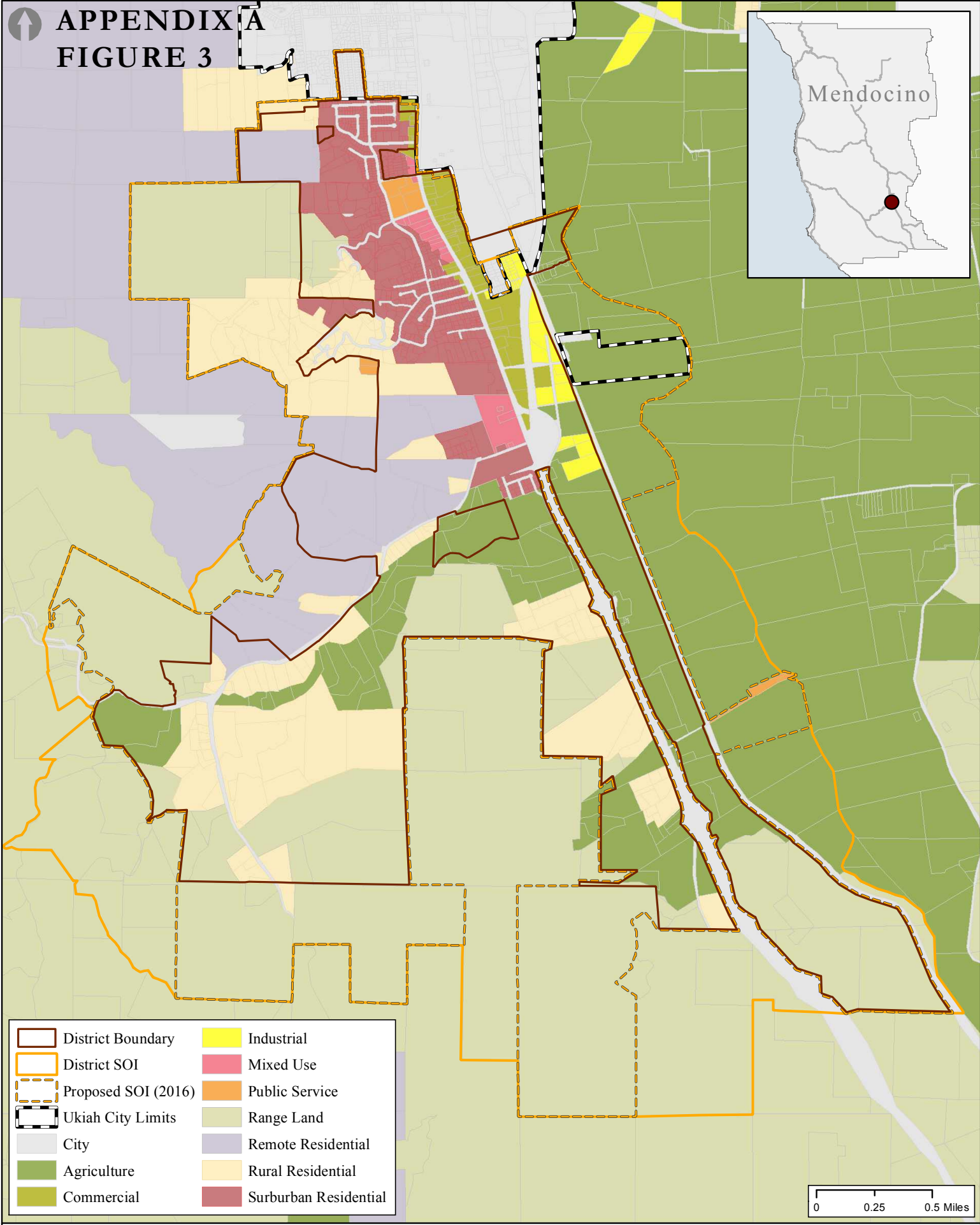
Further consideration may be given to the water supply issues in the Ukiah Valley and the potential for consolidation of multiple agencies providing water services within this area.

REFERENCES

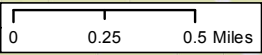
- (Census American FactFinder, 2010) United States Census Bureau. Community Facts- City of Ukiah, California.
http://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml?src=bkml
- (UVAP 2011) Mendocino County. Ukiah Valley Area Plan, August 2011.
<http://www.co.mendocino.ca.us/planning/UVAP.htm>
- Ukiah Valley Municipal Service Review, 2013. LAFCO of Mendocino County. May 6, 2013. E Mulberg & Associates

DRAFT

APPENDIX A
FIGURE 3



District Boundary	Industrial
District SOI	Mixed Use
Proposed SOI (2016)	Public Service
Ukiah City Limits	Range Land
City	Remote Residential
Agriculture	Rural Residential
Commercial	Suburban Residential

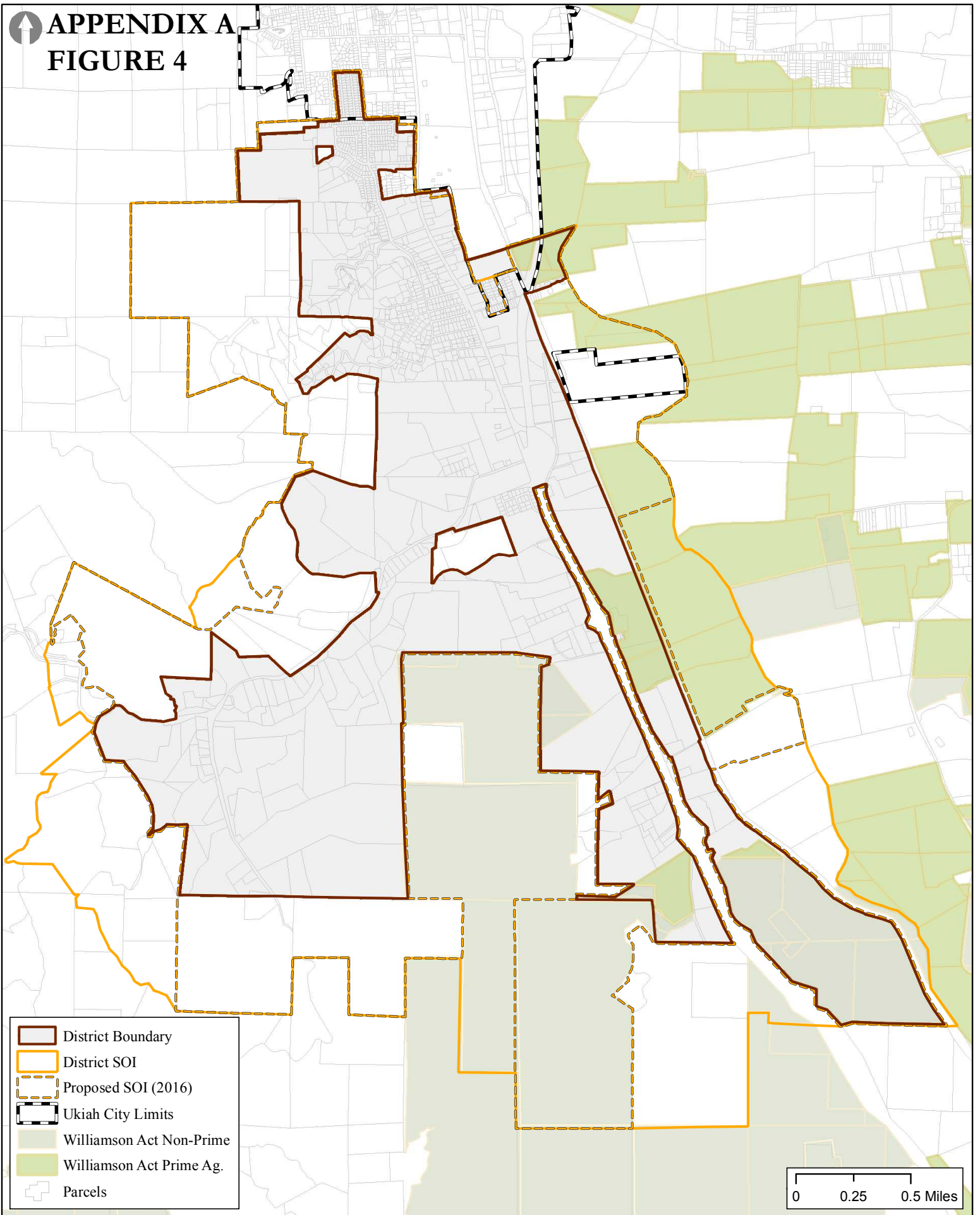









Willow County Water District

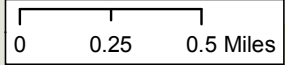
Land Use Designations

Prepared for **PLANWEST PARTNERS, INC.**
Mendocino
LAFCo by: Date: 3/16/2016

APPENDIX A
FIGURE 4



-  District Boundary
-  District SOI
-  Proposed SOI (2016)
-  Ukiah City Limits
-  Williamson Act Non-Prime
-  Williamson Act Prime Ag.
-  Parcels



Willow County Water District
Williamson Act Agriculture Lands

Prepared for **PLANWEST PARTNERS, INC.**
Mendocino
LAFCo by: Date: 3/25/2016

MENDOCINO LOCAL AGENCY FORMATION COMMISSION

LAFCo Resolution No. 15-16-23

**A RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY
APPROVING THE WILLOW COUNTY WATER DISTRICT
SPHERE OF INFLUENCE UPDATE 2016**

WHEREAS, the Mendocino Local Agency Formation Commission, hereinafter referred to as the “Commission”, is authorized to establish, amend, and update spheres of influence for local governmental agencies whose jurisdictions are within Mendocino County; and

WHEREAS, the Commission conducted an update for the Willow County Water District’s sphere of influence pursuant to California Government Code Section 56425; and

WHEREAS, the Executive Officer gave sufficient notice of a public hearing to be conducted by the Commission in the form and manner prescribed by law; and

WHEREAS, the Executive Officer’s report and recommendations on the sphere of influence update were presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a public hearing held on the sphere of influence update on June 6, 2016; and

WHEREAS, the Commission considered all the factors required under California Government Code Section 56425.

NOW, THEREFORE, the Mendocino Local Agency Formation Commission does hereby RESOLVE, DETERMINE, and ORDER as follows:

1. This sphere of influence update has been informed by the Commission’s earlier municipal service review on the Ukiah Valley special districts, for which the section on the Willow County Water District was accepted by the Commission on May 6, 2013.
2. The Commission, as Lead Agency, finds the update to the Willow County Water District’s sphere of influence is exempt from further review under the California Environmental Quality Act pursuant to California Code of Regulations Section 15061(b)(3). This finding is based on the Commission determining with certainty the update will have no possibility of significantly effecting the environment given no new land use or municipal service authority is granted.
3. The Willow County Water District confirmed during the review of its sphere of influence that its services are currently limited to water services. Accordingly, the Commission waives the requirement for a statement of services prescribed under Government Code Section 56425(i).
4. This sphere of influence update is assigned the following distinctive short-term designation: “Willow County Water District Sphere of Influence Update 2016”
5. Pursuant to Government Code Section 56425(e), the Commission makes the written statement of determinations included in the Willow County Water District Sphere of Influence Update report, hereby incorporated by reference.

6. The Executive Officer shall revise the official records of the Commission to reflect this update of the Willow County Water District sphere of influence.

BE IT FURTHER RESOLVED that the Willow County Water District's sphere of influence is amended (reduced) to include only those properties currently receiving service within the existing SOI or with appropriate land use designations to receive municipal water services, and to exclude those properties which overlap with the City of Ukiah boundary and do not receive services from the district, as depicted in Exhibit "A".

The foregoing Resolution was passed and duly adopted at a regular meeting of the Mendocino Local Agency Formation Commission held on this 6nd day of June, 2016, by the following vote:

AYES:

NOES:

ABSTAIN:

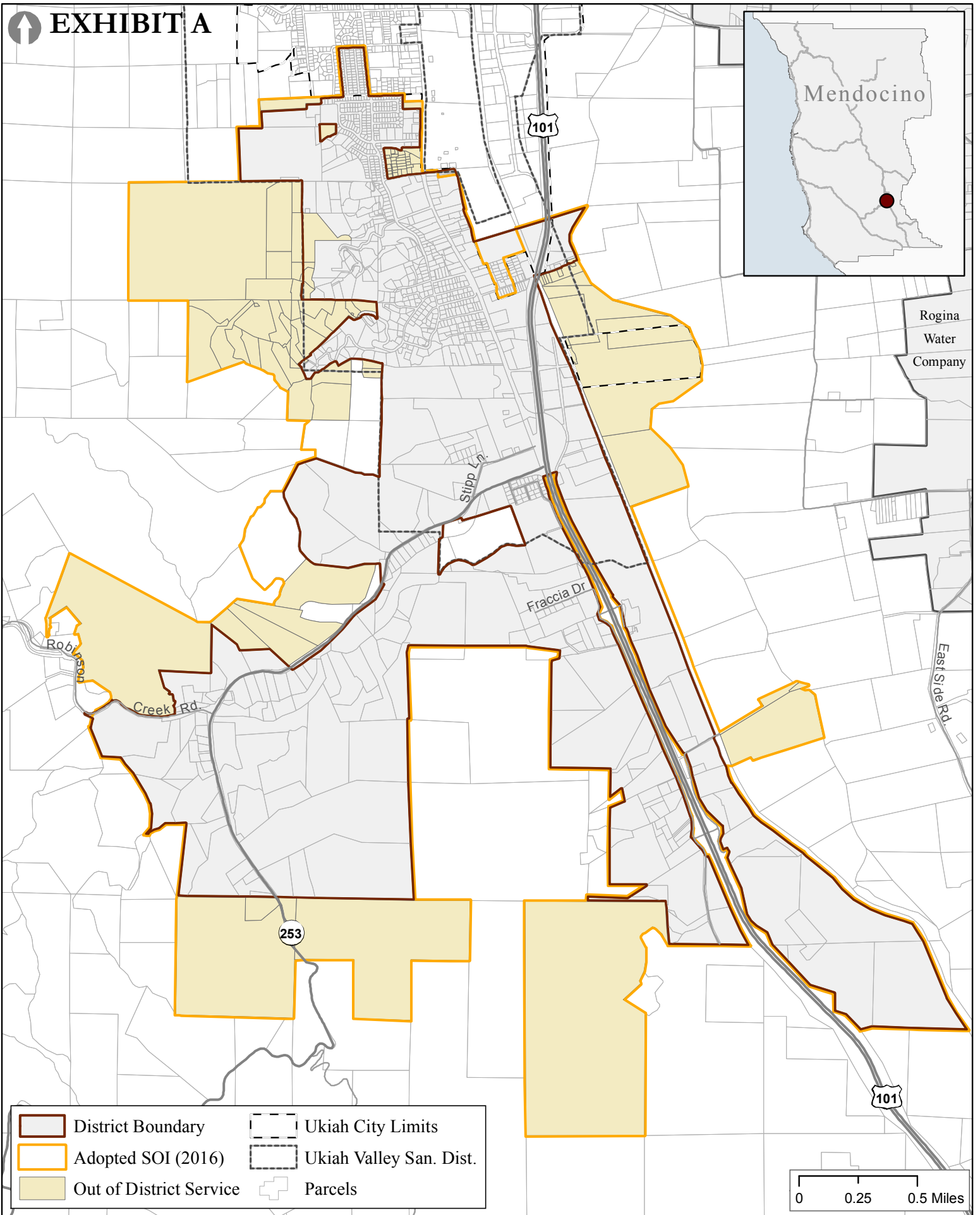
ABSENT:

JERRY WARD, Chair

ATTEST:

GEORGE WILLIAMSON, Executive Officer

EXHIBIT A



Willow County Water District

LAFCo Resolution No. 15-16-23

06-06-16

Page 3 of 3

Prepared for
Mendocino
LAFCo by:



Date: 5/31/2016

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

Packet Page

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Fort Bragg Advocate-News

450 N. Franklin Street
PO Box 1188
Fort Bragg, California 95437
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2117504

MENDOCINO COUNTY LAFCO
200 SOUTH SCHOOL ST, STE 2
UKIAH, CA 95482

PROOF OF PUBLICATION (2015.5 C.C.P.)


STATE OF CALIFORNIA COUNTY OF MENDOCINO

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the Office Clerk of the Fort Bragg Advocate-News, a newspaper of general circulation by the Superior Court of the County of Mendocino, State of California under the date of May 9, 1952 - Case Number 9151, that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been printed in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates:

05/19/2016

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Dated at Ukiah, California,
May 19th, 2016



Mary Martin, LEGAL CLERK

Legal No. 0005733402

Mendocino LAFCo Notice of Public Hearings NOTICE IS

HEREBY GIVEN that on Monday, June 6, 2016, at 9:00 AM (or as soon thereafter as the matter may be heard) in the Mendocino County Board of Supervisors Chambers, 501 Low Gap Road, Ukiah, California, the Mendocino Local Agency Formation Commission (LAFCo) will hold public hearings to consider the following:

- Willow County Water District Sphere of Influence Update
- Mendocino Coast Healthcare District Sphere of Influence Update
- Final Budget for Fiscal Year 2016-17

Copies of all related documents are on file and may be reviewed at the LAFCo office. If you cannot attend the public hearing(s) described in this notice, you may submit written comments prior to the hearing. Please direct comments, questions, and requests to review documents to LAFCo, 200 South School Street, Ukiah, CA 95482; e-mail: eo@mendolafco.org; phone: (707) 463-4470.

All interested persons are invited to attend.



RECEIVED *ST*

9/31/16

be heard, and participate in the hearings.
BY ORDER OF
THE
MENDOCINO
LOCAL AGENCY
FORMATION
COMMISSION
GEORGE
WILLIAMSON,
Executive
Officer
Date Posted:
May 10, 2016
Publish:
5/19/2016

The Willits News

77 W Commercial Street
PO Box 628
Willits, CA 95490
707-459-4643

2117504

MENDOCINO COUNTY LAFCO
200 SOUTH SCHOOL ST, STE 2
UKIAH, CA 95482

PROOF OF PUBLICATION

**STATE OF CALIFORNIA
COUNTY OF MENDOCINO**

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above-entitled matter. I am the principal clerk of the printer of The Willits News, a newspaper of general circulation, printed and published Every Wednesday and Friday in the City of Willits, California, County of Mendocino, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Mendocino, State of California, in the year 1903, Case Number 9150; that the notice of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

05/13/2016

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Dated at Willits, California this 13th day of May, 2016.



Signature



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5/16/16

Legal No. **0005731271**

WN16069

Mendocino LAFCo Notice of Public Hearings

NOTICE IS HEREBY GIVEN that on Monday, June 6, 2016, at 9:00 AM (or as soon thereafter as the matter may be heard) in the Mendocino County Board of Supervisors Chambers, 501 Low Gap Road, Ukiah, California, the Mendocino Local Agency Formation Commission (LAFCo) will hold public hearings to consider the following:

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All interested persons are invited to attend, be heard, and participate in the hearings.

BY ORDER OF THE MENDOCINO
LOCAL AGENCY FORMATION COMMISSION
GEORGE WILLIAMSON, Executive Officer
Date Posted: May 13, 2016

Ukiah Daily Journal

590 S. School St
PO Box 749
Ukiah, California 95482
(707) 468-3500
udjlegals@pacific.net
2117504

MENDOCINO COUNTY LAFCO
200 SOUTH SCHOOL ST, STE 2
UKIAH, CA 95482

**PROOF OF PUBLICATION
(2015.5 C.C.P.)**

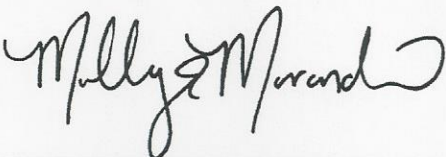
**STATE OF CALIFORNIA
COUNTY OF MENDOCINO**

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer of the Ukiah Daily Journal, a newspaper of general circulation, printed and published daily in the City of Ukiah, County of Mendocino and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Mendocino, State of California, under the date of September 22, 1952, Case Number 9267; that the notice, of which the annexed is a printed copy (set in type not smaller than non-pareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

05/12/2016

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Dated at Ukiah, California,
May 12th, 2016



Molly E. Morandi, LEGAL CLERK

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5/31/16

Legal No. **0005730796**

1900-16

5-12/16

**Mendocino LAFCo Notice of
Public Hearings**

NOTICE IS HEREBY GIVEN that on Monday, June 6, 2016, at 9:00 AM (or as soon thereafter as the matter may be heard) in the Mendocino County Board of Supervisors Chambers, 501 Low Gap Road, Ukiah, California, the Mendocino Local Agency Formation Commission (LAFCo) will hold public hearings to consider the following:

**Willow County Water District
Sphere of Influence Update
Mendocino Coast Healthcare
District Sphere of Influence Update
Final Budget for Fiscal Year
2016-17**

Copies of all related documents are on file and may be reviewed at the LAFCo office. If you cannot attend the public hearing(s) described in this notice, you may submit written comments prior to the hearing. Please direct comments, questions, and requests to review documents to LAFCo, 200 South School Street, Ukiah, CA 95482; e-mail: e o@mendocinolafo.org; phone: (707) 463-4470.

All interested persons are invited to attend, be heard, and participate in the hearings.

BY ORDER OF THE MENDOCINO
LOCAL AGENCY FORMATION
COMMISSION
GEORGE WILLIAMSON, Executive
Officer
Date Posted: May 10, 2016

MENDOCINO
Local Agency Formation Commission

Staff Report

DATE: June 6, 2016
TO: Mendocino Local Agency Formation Commission
FROM: George Williamson, Executive Officer
SUBJECT: **Public Hearing** for the Mendocino Coast Healthcare District Sphere of Influence Update

Background

This is a public hearing for the Mendocino Coast Healthcare District (MCHD or District) Draft SOI Update. The Mendocino Coast Healthcare District owns and operates the critical access Mendocino Coast District Hospital and the North Coast Family Health Center (a primary care rural health clinic). Both facilities are located in the City of Fort Bragg. The District also provides home healthcare services, ambulance, and hospice services along the Coast of Mendocino County. The District's current SOI is coterminous with the District boundary.

The District's 2014 MSR reported that the District had a Secondary Service Area located outside District boundaries. Further conversation with the District revealed that this Secondary Service Area accounted for where residents utilizing District services originate from, and does not signify the provision of District services in the Secondary Service Area. With the exception of occasional goodwill ambulance responses, the District does not provide services outside its District boundary.

The District Sphere of Influence Update was considered by the Commission at a workshop in May 2016.

The document was set for hearing in June. Staff recommends an affirmation of the coterminous SOI with the District boundaries.

Recommendation

Staff recommends the Commission adopt Resolution No. 15-16-25 (attachment 2), thereby reaffirming the existing coterminous sphere of influence for the Mendocino Coast Healthcare District. See Exhibit A in Attachment 2.

Attachments: 1) Mendocino Coast Healthcare District Draft SOI Update
2) LAFCo Resolution No. 15-16-25

MENDOCINO **Local Agency Formation Commission**

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

**MENDOCINO COAST HEALTHCARE
DISTRICT**

SPHERE OF INFLUENCE UPDATE

Prepared in accordance with Government Code §56425

Update Dates

Commission Review

Administrative Draft Workshop- May 2, 2016

Draft Hearing- June 2, 2016

Final Adoption- DATE

Table of Contents

INTRODUCTION	3
OVERVIEW	3
REVIEW PERIOD	3
EVALUATION CONSIDERATIONS	3
General Guidelines for Determining Spheres of Influence	4
FIGURE 1. DISTRICT BOUNDARY AND SPHERE OF INFLUENCE	5
OVERVIEW	6
CURRENT AGENCY OPERATIONS	6
BACKGROUND	6
MUNICIPAL SERVICE REVIEW	6
SPHERE OF INFLUENCE	6
DISADVANTAGED UNINCORPORATED COMMUNITIES	6
POPULATION AND LAND USE	7
Population and Growth	7
Land Use and Development	7
CAPACITY AND SERVICE	7
Relevant Services	7
Demand for Services and Capacity	8
Financial Ability to Provide Services	9
DISCUSSION	9
Sphere of Influence	9
ANALYSIS	10
1.) Present and Planned Land Use	10
2.) Present and Probable Need for Public Facilities and Services	10
3.) Present Capacity of Facilities and Adequacy of Public Services	10
4.) Social and Economic Communities of Interest	10
5.) Present and Probable Need for Water, Sewer, or Fire Protection Services for Disadvantaged Unincorporated Communities (DUCs)	10
CONCLUSIONS	10
REFERENCES	11
APPENDIX A	11
FIGURE 2. DISTRICT PRIMARY AND SECONDARY SERVICE AREAS	11

INTRODUCTION

OVERVIEW

This update is prepared in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act (CKH Act) which states, “In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local government agencies so as to advantageously provide for the present and future needs of the county and its communities, LAFCo shall develop and determine the Sphere of Influence (SOI) of each local governmental agency within the county” (GC §56425). A “SOI” is defined under the CKH Act as “.... a plan for the probable physical boundaries and service area of a local (government) agency” (GC §56076).

Decisions on organizational changes must be consistent with the SOI boundary and determinations. The adopted SOI is used by LAFCo as a policy guide in its consideration of boundary change proposals affecting each city and special district in Mendocino County. Other agencies and individuals use adopted SOIs to better understand the services provided by each local agency and the geographic area in which those services will be available. Clear public understanding of the planned geographic availability of urban services is crucial to the preservation of agricultural land and discouraging urban sprawl.

The following update will assess and recommend an appropriate Mendocino Coast Healthcare District (MCHD or District) Sphere of Influence (SOI). The objective is to establish MCHD’s SOI relative to current legislative directives, local policies, and agency preferences in justifying whether to (a) change or (b) maintain the designation. The update draws on information from the MCHD’s Municipal Services Review (MSR), which includes the evaluation of availability, adequacy, and capacity of services provided by the District.

REVIEW PERIOD

SOI reviews and updates typically occur every five years, or as needed. A local agency’s services are analyzed with a twenty year planning horizon, and a sphere is determined in a manner emphasizing a probable need for services within the next 5-10 years. Actual boundary change approvals, however, are subject to separate analysis with particular emphasis on determining whether the timing of the proposed action is appropriate.

EVALUATION CONSIDERATIONS

When updating the SOI, the Commission considers and adopts written determinations:

Sphere Determinations: Mandatory Written Statements

1. Present and planned land uses in the area, including agricultural and open space.
 2. Present and probable need for public facilities and services in the area.
 3. Present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide.
 4. Existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency.
 5. If the city or district provides water, sewer, or fire, the present and probable need for those services of any disadvantaged unincorporated communities within the existing sphere.
-

Policies specific to Mendocino LAFCo are also considered along with determinations in administering the CKH Act in Mendocino County. This includes considering the merits of the SOI, or any changes, relative to the Commission's seven interrelated policies, as listed below, with respect to determining the appropriate SOI.

General Guidelines for Determining Spheres of Influence

The following is excerpted from *Mendocino LAFCo's 2004 Policies and Procedures*, "Chapter 5: Policies That May Apply for Some Applicants":

1. Territory that is currently receiving services from a local agency shall be considered for inclusion within that agency's sphere. Territory that is projected to need services within the next 5-10 years may be considered for inclusion within an agency's sphere, depending on a number of factors required to be reviewed by LAFCo. Additional territory may be considered for inclusion if information is available that will enable the Commission to make determinations as required by Section 56425.
2. Territory will not be considered for inclusion within a city's sphere of influence unless the area is included within the city's general plan land use or annexation element.
3. A special district that provides services, which ultimately will be provided by another agency (e.g. mergers, consolidations) will be assigned a zero sphere.
4. When more than one agency can serve an area, agency service capabilities, costs for providing services, input from the affected community, and LAFCo's policies will be factors in determining a sphere boundary.
5. If additional information is necessary to determine a sphere boundary a partial sphere may be approved and a special study area may be designated.
6. A local agency may be assigned a coterminous sphere with its existing boundaries if:
 - There is no anticipated need for the agency's services outside its existing boundaries.
 - There is insufficient information to support inclusion of areas outside the agency's boundaries in a sphere of influence.
 - The agency does not have the service capacity, access to resources (e.g. water rights) or financial ability to serve an area outside its boundaries.
 - The agency's boundaries are contiguous with the boundaries of other agencies providing similar services.
 - The agency's boundaries are contiguous with the sphere of influence boundaries previously assigned to another agency providing similar services.
 - The agency requests that their sphere of influence be coterminous with their boundaries.
7. If territory within the proposed sphere boundary of a local agency does not need all of the services of the agency, a service specific sphere of influence may be designated.



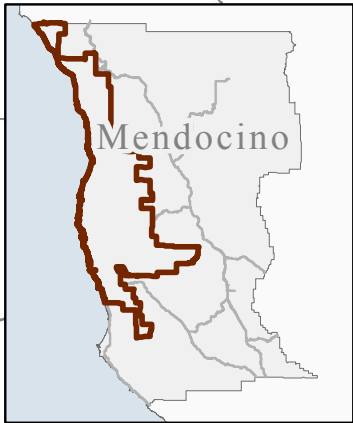
FIGURE 1.

HUMBOLDT

TRINITY

MENDOCINO

Southern Humboldt
Community Healthcare District



Pacific Ocean

Rockport

Laytonville

Fort Bragg

Willits

Mendocino

Ukiah



Elk

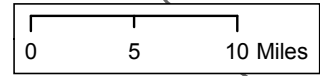
Point Arena

Gualala

LAKE

SONOMA

 District Boundary
 SOI



Mendocino Coast Healthcare District

Prepared for **PLANWEST PARTNERS, INC.**

Mendocino

LAFCo by:

Date: 4/25/2016

OVERVIEW

CURRENT AGENCY OPERATIONS

The Mendocino Coast Healthcare District (MCHD) owns and operates the critical access Mendocino Coast District Hospital, the North Coast Family Health Center (a primary care rural health clinic), home healthcare services, ambulance, and hospice services along the coast of Mendocino County (MSR 2014).

BACKGROUND

MCHD was formed as an independent special district on January 17, 1967 by a vote of the District's constituents for the purpose of constructing a public hospital to serve the people of Mendocino County and continues to operate as a local healthcare district pursuant to California Health & Safety Code Section 3200, et seq. The hospital was completed in 1971. The principal act that governs the District is the Local Healthcare District Law which empowers healthcare districts to provide medical services, emergency medical, ambulance, and any other services relating to the protection of residents' health and lives. Districts must apply and obtain LAFCo approval to exercise services authorized by the principal act which are not already provided (i.e., latent powers) by the district at the end of 2000 (MSR 2014).

MCHD encompasses approximately 680 square miles and extends about 70 miles south from the Humboldt/Mendocino County line. The District is bordered on the west by the Pacific Ocean and includes the City of Fort Bragg and the communities of Westport, Cleone, Caspar, Mendocino, Little River, Albion, Comptche, and Elk. (Refer to Figure 1) Both, the hospital and the rural health clinic are located in the City of Fort Bragg.

MUNICIPAL SERVICE REVIEW

A Municipal Service Review (MSR) was adopted for MCHD by the LAFCo Commission on August 4, 2014. A MSR is a part of and a prerequisite for a SOI Update; as such, much of the information contained herein comes directly from the 2014 MCHD MSR.

SPHERE OF INFLUENCE

Sphere of Influence

The District's Sphere of Influence (SOI) is coterminous with its boundaries; refer to Figure 1 (MSR 2014). In addition to service to residents within the District, MCHD also serves an area along the south coast of Mendocino (Manchester, Point Arena and Gualala,), which the District calls their Secondary Service Area (Refer to Figure 2 in Appendix A). Residents in these communities do not contribute revenue to the District, nor can they be charged additional fees for services. The same applies to non-residents (visitors and tourists) who require District services while on the Mendocino Coast. The 2014 MSR recommended that this secondary service area be considered for inclusion within an updated SOI and possibly annexed into the District.

DISADVANTAGED UNINCORPORATED COMMUNITIES

LAFCo is required to evaluate disadvantaged unincorporated communities (DUCs) as part of an SOI review, including the location and characteristics of any such communities. A DUC is defined as any area with 12 or more registered voters where the median household income (MHI) is less

than 80 percent of the statewide MHI. Within a DUC, three basic services are evaluated: water, sewage, and fire protection. The MCHD does not provide these services and is therefore not responsible are adequately provided to the communities.

POPULATION AND LAND USE

Population and Growth

In the 2014 MSR the District reported that their estimated population within the District boundary was approximately 28,000 residents. Its population density was estimated at 41 residents per square mile, compared to the countywide population density of approximately 22 residents per square mile. MCHD reported that the population within its bounds had been decreasing over the last five years; however, no formal population projections have been prepared by MCHD (MSR 2014).

The California Department of Finance (DOF) projects a population growth average of 9.5 percent every 10 years for the entirety of Mendocino County (MSR 2014). If the population within District boundaries were to grow at this rate, the District's population would reach 30,660 by the year 2020. The District contains the City of Fort Bragg, who estimates that growth in its inland areas will continue to occur at a slow but regular pace (less than 0.5 percent per year) as experienced in the last decade (MSR 2014). Along the coastal areas, similarly, the City is expecting growth at a slow but regular pace (one to two percent per year) as during the last decade (MSR 2014).

Land Use and Development

As noted above, the District encompasses the City of Fort Bragg, the town of Mendocino, and various smaller coastal communities. The District is not a land use authority, and does not hold primary responsibility for implementing growth strategies. The City of Fort Bragg is the land use authority within the city boundaries, while Mendocino County is the land use authority for the unincorporated areas within the District. Within the unincorporated areas, designated land uses within the District consist primarily of timberland production, grazing, and rural residential development (MSR 2014).

CAPACITY AND SERVICE

Relevant Services

The MCHD owns and operates an acute-care critical access hospital and a primary-care rural health clinic, both of which are located in Fort Bragg. The District also provides hospice services and home healthcare services (MSR 2014).

Hospital

Mendocino Coast District Hospital is a 25-bed acute care facility licensed by the State of California Department of Health Services and accredited by The Joint Commission on Accreditation of Healthcare Organizations. The hospital provides emergency, inpatient and outpatient services, and healthcare education to prevent, manage and treat chronic and acute conditions. Fifteen of the hospital's acute care medical/surgical beds are licensed by the California State Department of Public Health for utilization as swing beds for use as either acute care beds or as skilled nursing beds, as the need demands (MSR 2014).

MENDOCINO HEALTHCARE DISTRICT SPHERE OF INFLUENCE UPDATE
MENDOCINO LAFCo

Clinic

In 2007, the District purchased a local physician group and converted the practice into a provider-based rural health clinic. The purchase of the North Coast Family Health Center permits the District to maintain a continuity of care for primary care services in the community, and provides an additional revenue source for the District. The clinic offers primary care and specialty care services to the community, including family practice, internal medicine, women's health, general medicine, nephrology, endocrinology, ophthalmology, orthopedics, osteopathy, podiatry, pediatrics, diabetes education, bone densitometry, pacemaker checks, and spinal adjustments (MSR 2014).

Home Health Care Program

Under the direction of a referring physician, the home care program provides skilled healthcare and social services to the patient and family in familiar and comfortable surroundings. The home care team promotes family integrity and independence by teaching families the skills they need to care for the home patient. All referrals and communications are received through the Fort Bragg Home Healthcare office (MSR 2014).

Ambulance Service

The hospital is designated as a "base hospital." It monitors local and countywide emergency radio channels and can dispatch two advanced life support ambulances to any location in the District. The District operates one ambulance in Fort Bragg and one in Mendocino (MSR 2014). The District reports that the ambulance will occasionally answer calls outside the District boundary. This type of service is common among medical responders and is typically known as "goodwill" service.

Other Providers

Other providers deliver similar services within or adjacent to MCHD bounds, including private physicians. One of the providers is Venice Group, which provides outpatient lab services. There is also the Mendocino Coast Clinic, which is a federally qualified, not-for-profit, health center (MSR 2014). The Southern Humboldt Community Healthcare District (SHCHD) provides similar services to portions of northern Mendocino County (see Figure 1). There is no overlap between these two Districts. Although the SHCHD provides services in Mendocino County, its primary LAFCo is the Humboldt County LAFCo.

Demand for Services and Capacity

Demand

In the 2014 MSR the District reported that demand for services had decreased slightly over the previous three years (approximately 2% per year). In addition to the population decline within the District's bounds, MCHD also attributes the decreased demand for services to outflow of patients to larger hospitals, and to the fact that customers are healthier because of the focus on preventative medicine. The District also reported that they expect a slight increase in demand within their bounds over the next 10 years (MSR 2014).

Capacity

By 2030, MCHD will be required to replace the main hospital building because it will no longer meet the State of California earthquake requirements. The District has already commenced facility planning for this eventual need. In addition, the District has planned a number of other minor capital improvement projects, including replacing the nurse call system, adding a new telephone switchboard, and replacing flooring materials in multiple departments of the hospital. The District's

hospital had an overall occupancy rate of 57.8 percent in FY 12-13, compared to a statewide average of 59.5 percent. This occupancy rates suggest that service adequacy is satisfactory, and there are enough hospital beds in the area to serve patients as needed (MSR 2014).

However, the emergency room is currently beyond capacity on major weekends and holidays. The rural health clinic is also expected to have a substantially increased number of visits and require additional facilities to handle the increase in population. Currently, the North Coast Family Health Center has about 30,000 medical visits per year. With an increase in this number, it will require an increase in the number of providers and facilities to deliver the needed services (MSR 2014).

With the increase in population, there is anticipated to be an increase in inpatient census at the hospital, which will impact the other ancillary services associated with inpatient care, such as the laboratory operation, food nutritional services, and diagnostic services. The only department that would reportedly be able to handle the increase in demand is the new diagnostic imaging center that opened in 2011 (MSR 2014).

The adequacy of hospital facilities and services in meeting the needs of District residents can be also gauged by the extent to which residents travel outside their region to receive hospital services. The rates were calculated based on patient discharge data from the Office of Statewide Health Planning and Development. About 82 percent of residents who live within MCHD boundaries patronize the District hospital.

Financial Ability to Provide Services

As with most rural hospitals and districts in California, MCHD struggles financially. The financial stability of MCHD has been impacted by the closures of the Georgia Pacific Mill, reductions in the fishing and logging industry on the coast, and reductions in various reimbursement rates (MSR 2014). In 2006, the District's financing situation improved after the hospital was converted to critical access hospital (CAH) and started receiving Medicare reimbursements. However, a combination of the recession, a need for sterilized surgical equipment, and a slight loss of market share to larger hospital operators damaged the district's operating position. It is challenging for rural area hospitals to recruit physicians, and as a consequence, lack of available physicians causes an outflow of patients from the area to larger hospitals (MSR 2014).

On October 17, 2012, MCHD filed a voluntary petition for bankruptcy. The approximate amount of pre-bankruptcy debt was \$1,991,000. The District is currently taking several steps to implement operational improvements by the time it exits from bankruptcy. MCHD had to decrease its personnel and combine some positions at the hospital (MSR 2014).

Although MCHD reported that current financial levels were adequate to deliver services, the District's revenue stream significantly decreased in FY 12-13—falling short of expenditures by over \$3.2 million (MSR 2014).

DISCUSSION

Sphere of Influence

MCHD does not typically provide services external to their boundary. Although District patrons may originate from outside the District, they receive services within District boundaries and are charged a fee for services rendered. The exception this is the occasional “goodwill” ambulance

response outside District boundaries. Such responses are common among districts which provide medical response and do not necessarily warrant an expanded SOI. The District indicates that their current District boundary and SOI meet their needs, and they do not anticipate any expansion of services in the near future (District Representative, personal communication, April 22, 2016). A coterminous SOI fits the present and anticipated near-future needs of the District.

ANALYSIS

As presented in the introduction, when updating the SOI, the Commission considers and adopts written determinations. The following are the formal determinations for this SOI Update:

1.) Present and Planned Land Use

The MCHD consists of the City of Fort Bragg, various unincorporated communities, and unincorporated resource and rural residential land uses in Mendocino County. The Mendocino County General Plan designates the majority of land as Forest Land and Remote Residential.

2.) Present and Probable Need for Public Facilities and Services

The MCHD provides healthcare facilities and services to an estimated District population of 28,000 residents. Additional residents travel from outside District boundaries to utilize services. The Mendocino Coast District Hospital is a Critical Access Hospital, which is a federal designation given to acute care hospitals located in rural areas over 35 miles from another hospital. Given the population served and distance to other medical providers, there is an ongoing need for the District's facilities and services.

3.) Present Capacity of Facilities and Adequacy of Public Services

The MCHD provides a range of healthcare services and facilities, including the Mendocino Coast District Hospital and North Coast Family Health Center. The 2014 MSR deemed services provide by the District to be adequate, although the District's financial health is of concerning. A coterminous SOI is appropriate for the District given capacity and financial ability.

4.) Social and Economic Communities of Interest

The MCHD supports the mutual social and economic interests of the communities in coastal Mendocino County by providing vital emergency care and other healthcare services. No areas of social or economic interest are known that are not already being served by the District.

5.) Present and Probable Need for Water, Sewer, or Fire Protection Services for Disadvantaged Unincorporated Communities (DUCs)

The District does not provide water, sewer or fire protection services. No further analysis is needed.

CONCLUSIONS

This update serves to reaffirm the District's SOI boundary to be coterminous with the existing District boundary. See SOI in Figure 1.

REFERENCES

(MSR 2014) Mendocino Local Agency Formation Commission. "Mendocino Coast Healthcare District Municipal Service Review", adopted August 4, 2014. Prepared for the Commission by Policy Consulting Associates, LLC.

APPENDIX A

FIGURE 2. DISTRICT PRIMARY AND SECONDARY SERVICE AREAS



MENDOCINO LOCAL AGENCY FORMATION COMMISSION

LAFCo Resolution No. 15-16-24

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY APPROVING THE MENDOCINO COAST HEALTHCARE DISTRICT SPHERE OF INFLUENCE UPDATE 2016

WHEREAS, the Mendocino Local Agency Formation Commission, hereinafter referred to as the “Commission”, is authorized to establish, amend, and update spheres of influence for local governmental agencies whose jurisdictions are within Mendocino County; and

WHEREAS, the Commission conducted an update for the Mendocino Coast Healthcare District’s sphere of influence pursuant to California Government Code Section 56425; and

WHEREAS, the Executive Officer gave sufficient notice of a public hearing to be conducted by the Commission in the form and manner prescribed by law; and

WHEREAS, the Executive Officer’s report and recommendations on the sphere of influence update were presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a public hearing held on the sphere of influence update on June 6, 2016; and

WHEREAS, the Commission considered all the factors required under California Government Code Section 56425.

NOW, THEREFORE, the Mendocino Local Agency Formation Commission does hereby RESOLVE, DETERMINE, and ORDER as follows:

1. This sphere of influence update has been informed by the Commission’s earlier municipal service review on the Mendocino Coast Healthcare District, which was adopted by the Commission on August 4, 2014.
2. The Commission, as Lead Agency, finds the update to the Mendocino Coast Healthcare District’s sphere of influence is exempt from further review under the California Environmental Quality Act pursuant to California Code of Regulations Section 15061(b)(3). This finding is based on the Commission determining with certainty the update will have no possibility of significantly effecting the environment given no new land use or municipal service authority is granted.
3. The Mendocino Coast Healthcare District confirmed during the review of its sphere of influence that its services are currently limited to operating the critical access Mendocino Coast District Hospital, the North Coast Family Health Center (a primary care rural health clinic), home healthcare services, ambulance, and hospice services. Accordingly, the Commission waives the requirement for a statement of services prescribed under Government Code Section 56425(i).
4. This sphere of influence update is assigned the following distinctive short-term designation: “Mendocino Coast Healthcare District Sphere of Influence Update 2016”

5. Pursuant to Government Code Section 56425(e), the Commission makes the written statement of determinations included in the Mendocino Coast Healthcare District Sphere of Influence Update report, hereby incorporated by reference.
6. The Executive Officer shall revise the official records of the Commission to reflect this update of the Mendocino Coast Healthcare District sphere of influence.

BE IT FURTHER RESOLVED that the Mendocino Coast Healthcare District's sphere of influence is reaffirmed to remain coterminous with the District boundary, as depicted in Exhibit "A".

The foregoing Resolution was passed and duly adopted at a regular meeting of the Mendocino Local Agency Formation Commission held on this 6th day of June, 2016, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

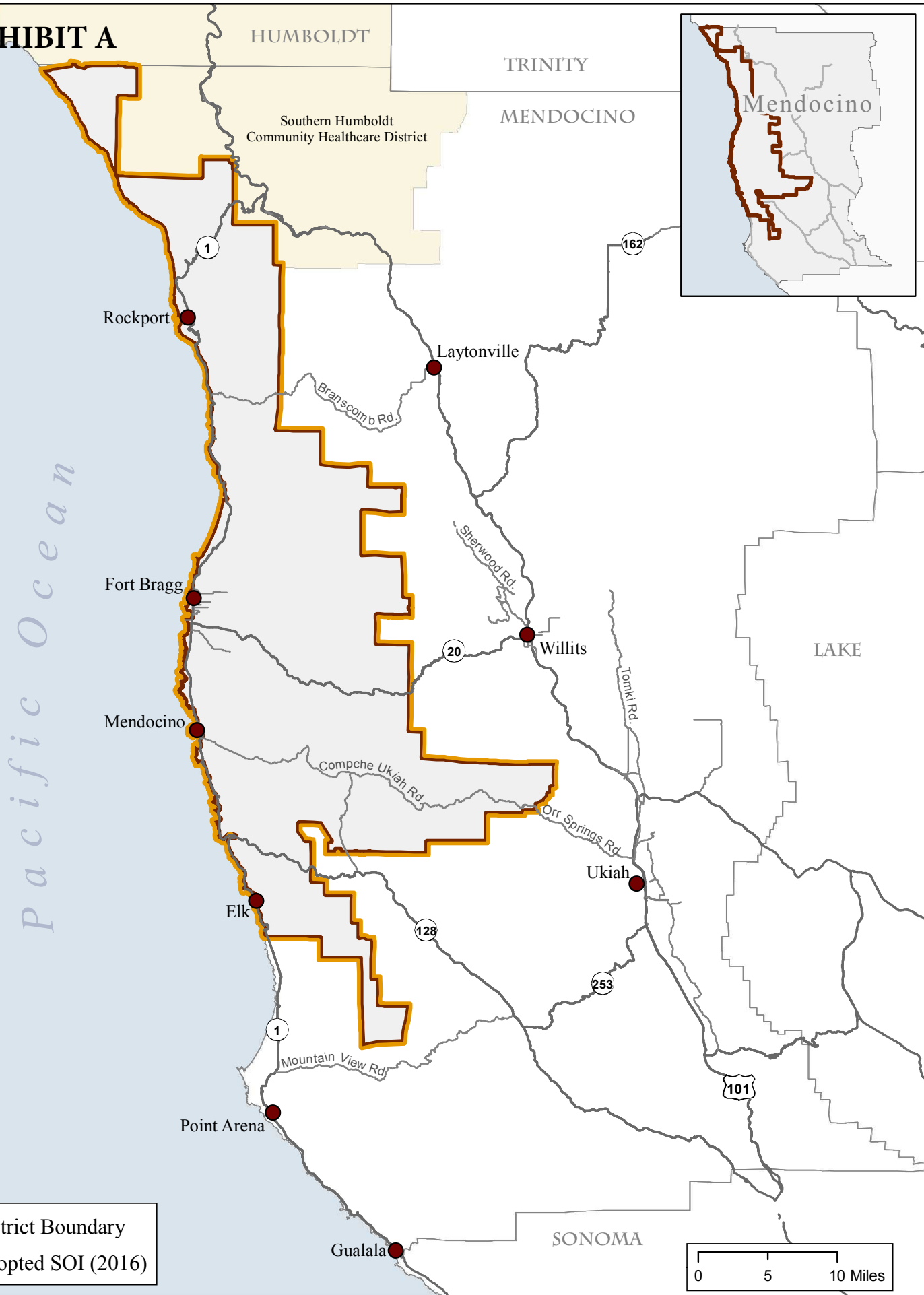
JERRY WARD, Chair



ATTEST:

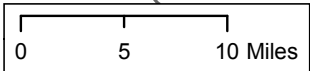
GEORGE WILLIAMSON, Executive Officer



EXHIBIT A



 District Boundary
 Adopted SOI (2016)



Mendocino Coast Healthcare District

LAFCo Resolution No. 15-16-24

06-06-16

Page 3 of 3

Prepared for **PLANWEST PARTNERS, INC.**
 Mendocino LAFCo by: 
 Date: 5/31/2016

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

Packet Page

Path: D:\Planwest_GIS\projects\current\Mendocino_LAFCo\Other_Districts\Mendocino_Coast_Healthcare_District.mxd

MENDOCINO
Local Agency Formation Commission
Staff Report

DATE: June 6, 2016
TO: Mendocino Local Agency Formation Commission
FROM: George Williamson, Executive Officer
SUBJECT: Public Hearing for Final Budget, Fiscal Year 2016-17

Background

Local Agency Formation Commissions (LAFCo) are responsible under State law for annually adopting a proposed budget by May 1st and a final budget by June 15th. State law specifies the proposed and final budgets shall – at a minimum – be equal to the budget adopted for the previous fiscal year unless LAFCo finds the reduced costs will nevertheless allow the agency to fulfill its prescribed regulatory and planning duties.

Discussion

At the February 1, 2016 LAFCo meeting, the Commission approved a Preliminary Budget for FY 2016-17. At this meeting, the Commission approved increases to operating expenses that would be funded through the use of the unexpended fund balance (i.e., no increases to member agency apportionment fees).

At the April 4, 2016 LAFCo meeting, the Commission held a public hearing and adopted a Proposed Budget. The Proposed Budget allocates use of the Commission’s reserves to reduce overall agency apportionment fees (Account #4000) by \$5,000.00, compared to fiscal year 2015-16 levels. As required by law the Proposed Budget was distributed to member agencies, and public hearing notices for the Final Budget were posted and published.

This Final Budget has been modified to reflect the following changes requested by the Commission at the April 4, 2016 meeting:

- Line 4000 Apportionment Fees to be decreased to \$120,000
- Audit Services \$3,025
- Fund Balance \$73,968

Recommendation

Staff recommends the Commission adopt Resolution No. 15-16-25, thereby approving a Final Budget for fiscal year 2016-17 with any requested revisions, and direct staff to distribute the Final Budget to cities, special districts and the County as required by law.

Attachments: 1) LAFCo Resolution No. 15-16-25

MENDOCINO LOCAL AGENCY FORMATION COMMISSION

LAFCo Resolution No. 15-16-25

**A RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY
ADOPTING A FINAL BUDGET FOR FISCAL YEAR 2016-17**

WHEREAS, the Mendocino Local Agency Formation Commission, hereinafter referred to as the “Commission”, annually approves a proposed budget by May 1st and a final budget by June 15th to fulfill its purposes and functions that are set by State law; and

WHEREAS, the Executive Officer gave sufficient notice of a public hearing to be conducted by the Commission in the form and manner prescribed by law; and

WHEREAS, the Executive Officer’s report and recommendations on the final budget were presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a public hearing held on the final budget for fiscal year 2016-17 on June 6, 2016.

NOW, THEREFORE, the Mendocino Local Agency Formation Commission does hereby RESOLVE, DETERMINE, and ORDER as follows:

1. The Commission hereby approves a final budget for fiscal year 2016-17 in the amount of \$189,295, as shown in Exhibit A.
2. The final budget reflects the use of unrestricted fund balance and/or reserves in the amount of \$39,175 for purposes of: 1) reducing apportionment fees of member agencies in the amount of \$5,000 as compared to the prior fiscal year amount; and 2) increasing necessary operating expenses without increasing apportionment fees of member agencies.
3. The final budget allows the Commission to fulfill its prescribed regulatory and planning duties.

BE IT FURTHER RESOLVED that the Commission directs staff to distribute the final budget to member agencies.

The foregoing Resolution was passed and duly adopted at a regular meeting of the Mendocino Local Agency Formation Commission held on this 6th day of June, 2016, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

JERRY WARD, Chair

GEORGE WILLIAMSON, Executive Officer

**Mendocino Local Agency Formation Commission
Operating Budget**

ACCOUNT #	DESCRIPTION	FY 2015-16 Amended	FY 2016-17 Draft Final
REVENUE			
4000	LAFCO Apportionment Fees	\$125,000.00	\$120,000.00
4030	Application Filing Fees	\$33,900.00	\$30,000.00
4100	Service Charges	\$0.00	\$0.00
4800	Miscellaneous	\$0.00	\$0.00
4910	Interest Income	\$128.00	\$120.00
	Revenue Total	\$159,028.00	\$150,120.00
EXPENSES			
5300	Basic Services (split between sub-accounts)	\$59,000.00	\$0.00
5301	Executive Officer Contract	\$0.00	\$43,000.00
5302	Clerk Contract	\$0.00	\$19,000.00
5500	Rent (split between sub-accounts)	\$0.00	\$0.00
5502	Office Space	\$4,675.00	\$4,800.00
5503	Work Room	\$360.00	\$360.00
5600	Office Expenses (split between sub-accounts)	\$0.00	\$0.00
5601	Office Supplies (petty cash)	\$700.00	\$700.00
5603	Photocopy	\$1,000.00	\$1,000.00
5605	Postage	\$300.00	\$300.00
5607	Office Equipment	\$1,500.00	\$0.00
5700	Internet & Website Costs	\$1,200.00	\$1,200.00
5900	Publication and Legal Notices	\$2,000.00	\$2,000.00
6000	Televising Meetings	\$1,700.00	\$1,700.00
6100	Audit Services	\$3,025.00	\$3,025.00
6200	Bookkeeping	\$4,800.00	\$4,800.00
6300	Legal Counsel	\$6,000.00	\$6,000.00
6400	A-87 Costs County Services	\$2,010.00	\$2,010.00
6500	Insurance-General Liability	\$1,000.00	\$1,000.00
6600	Memberships (CALAFCO/CSDA)	\$2,000.00	\$2,100.00
6740	In-County Travel & Stipends	\$2,000.00	\$4,300.00
6750	Travel & Lodging Expense	\$2,500.00	\$5,000.00
6800	Conferences (Registrations)	\$3,000.00	\$3,000.00
7000	Barraco & Associates MSR Contract	\$6,300.00	\$0.00
7001	MSR Reviews - Admin	\$5,000.00	\$15,000.00
7501	SOI Updates	\$42,000.00	\$39,000.00
9000	Special District Training Support	\$12,000.00	\$0.00
	Operating Expense Total	\$164,070.00	\$159,295.00
8000	Application Filing Expenses	\$33,900.00	\$30,000.00
	Expense Total	\$197,970.00	\$189,295.00
	REVENUE/EXPENSE DIFFERENCE	-\$38,942.00	-\$39,175.00
	<i>(Negative balance indicates use of fund balance)</i>		
	Fund Balance		73,968.00
	<i>(As of April 2016)</i>		
	Reserves Total		\$100,105.41
	<i>(As of December 2015)</i>		

MENDOCINO Local Agency Formation Commission

Staff Report

DATE: June 6, 2016
TO: Mendocino Local Agency Formation Commission
FROM: George Williamson, Executive Officer
SUBJECT: Executive Officer Transition

Contract award in Agenda Item 2 authorized Uma Hinman Consulting beginning July 1, 2016, as recommended by the Executive Committee. The following is the complete list of Planwest transition tasks through June 30 2016

Website and email addresses

The current website uses a basic HTML website platform. Planwest inherited this platform from prior EO staff & has re-vamped, organized, maintained the very basic platform using our in-house HTML capabilities. Current management consists of existing site maintenance, and coordinating/posting Planwest and Clerk generated content to the website. To transition the site to the next Executive Officer, Planwest will move all HTML files over to Dropbox in one folder and provide the needed login information to manage the site. This should be all that is needed to continue to manage the existing site, with a working knowledge of HTML website management.

If HTML website management is unavailable to new EO, using a Content Management System (CMS) such as Wordpress, Drupal, Foursquare, etc., which is much more user friendly, should be considered. To do this the HTML format website would need to be transitioned over and new site set up. If helpful, Planwest has the capability to do a short term subcontract with new EO and do the website transition to a CMS. Planwest's website manager estimates around 20 hours to transfer files and somewhere between 15 and 20 hours to set up the new site's map and look in a CMS @\$62.00/hr.

For Mendocino email addresses, Planwest will hand them off with passwords end of June/early July.

Fiscal Accounting

Planwest will update claims received through June 30 2016 in the QuickBooks file maintained for Mendocino LAFCo. A QuickBooks file will be provided to the new Executive Officer on or about June 30 2016. The cost tracking excel spreadsheet will be updated and emailed to the LAFCo Clerk, on or about June 30 2016. This cost track spreadsheet with costs itemized per month, and the QuickBooks file through June 30 2016, will serve as the Planwest submittal for the FY 2015-16 Audit. The remaining checks for the Savings Bank of Mendocino County checking account, and other materials received from SBMC will be turned over to the new EO.

Municipal Services Reviews and Sphere of Influence Updates

All MSRs and SOI Updates included in Planwest scope have been completed. All but two have been approved by the Commission and those remaining two are scheduled for Commission Adoption on June 6. This will complete the Planwest Scope. Planwest will provide and brief

summary of progress made (where applicable) on those agencies scheduled to be completed in the 2016-17 fiscal year to new EO.

Status of current and pending applications

Planwest will prepare an updated description of current and pending applications as of June 30 2016. This is not expected to change much from the staff report for June 6 Agenda Item 12.

Geographic Information Systems (GIS) Data Files

Storage, management and display of LAFCo designated boundaries is done using GIS shapefiles. Planwest was provided a set of shapefiles from Mendocino County for independent special district and city boundaries and spheres of influence for use during the contract period. Planwest has updated, organized, and maintained these files using our in-house GIS capabilities and software licenses. Current management consists of maintaining files, developing proposed boundaries, creating new boundary files per Commission action, and providing official LAFCo boundaries to requesting agencies. To transition the files to the next Executive Officer, Planwest will move all relevant GIS files over to a Dropbox folder, and provide the same files to Mendocino County GIS /Information Services Staff.

General File Management

All hard copy files developed by Planwest staff will be returned to the Mendocino LAFCo office. All relevant files on Planwest servers will be copied over to Dropbox on or about June 30, 2016.

MENDOCINO
Local Agency Formation Commission

Staff Report

DATE: June 6, 2016
TO: Mendocino Local Agency Formation Commission
FROM: George Williamson, Executive Officer
SUBJECT: MSR and SOI Completion Update

Background

At the May 2nd 2016 meeting, staff provided a table which presented an overview of all agencies and their current MSR and SOI status. Both tables have been updated to reflect current document statuses.

Recommendation

This item has been agenzized for information only. Staff recommends the Commission review and discuss the report and provide additional direction, as necessary.

Attachments: 1) SOI Update Overview Table
2) MSR Overview Table

Mendocino LAFCo SOI Overview as of May 31, 2016

Type	Agency	SOI Preparer	Date of Comm. Adoption This Update Cycle (FY 2015-16 & 2016-17)	Notes
CEM	Anderson Valley Cemetery District	FY 2016-17	None Adopted	
CEM	Cemetery District of the Redwoods	FY 2016-17	None Adopted	
CEM	Covelo Public Cemetery District	FY 2016-17	None Adopted	
CEM	Hopland Cemetery District	FY 2016-17	None Adopted	
CEM	Mendocino-Little River Cemetery District	FY 2016-17	None Adopted	
CEM	Potter Valley Cemetery District	FY 2016-17	None Adopted	
CEM	Russian River Cemetery District	FY 2016-17	None Adopted	
CEM	Westport-Ten Mile Cemetery District	FY 2016-17	None Adopted	
CITY	City of Fort Bragg	FY 2016-17	None Adopted	Previous 2008 adopted SOI available on website
CITY	City of Point Arena	Planwest Partners	Nov 2015	Available on website
CITY	City of Ukiah	FY 2016-17	None Adopted	
CITY	City of Willits	FY 2016-17	None Adopted	
CONS	Mendocino County Resource Conservation District	Planwest Partners	Apr 2016	Available on website
CSD	Anderson Valley Community Services District	Planwest Partners	Dec 2015	Available on website
CSD	Brooktrails Township Community Services District	FY 2016-17	None Adopted	
CSD	Covelo Community Services District	FY 2016-17	None Adopted	Previous 2010 adopted SOI available on website
CSD	Gualala Community Services District	Planwest Partners	Jan 2016	Available on website
CSD	Mendocino City Community Services District	FY 2016-17	None Adopted	Previous 2008 adopted SOI available on website
FIRE	Albion-Little River Fire Protection District	FY 2016-17	None Adopted	
FIRE	Comptche Community Services District	FY 2016-17	None Adopted	
FIRE	Covelo Fire Protection District	FY 2016-17	None Adopted	
FIRE	Elk Community Services District	FY 2016-17	None Adopted	
FIRE	Fort Bragg Rural Fire Protection District	FY 2016-17	None Adopted	
FIRE	Hopland Fire Protection District	FY 2016-17	None Adopted	
FIRE	Leggett Valley Fire Protection District	FY 2016-17	None Adopted	
FIRE	Little Lake Fire Protection District	FY 2016-17	None Adopted	
FIRE	Long Valley Fire Protection District	FY 2016-17	None Adopted	

Mendocino LAFCo SOI Overview as of May 31, 2016

FIRE	Mendocino Fire Protection District	FY 2016-17	None Adopted	
FIRE	Piercy Fire Protection District	FY 2016-17	None Adopted	
FIRE	Potter Valley Community Services District	FY 2016-17	None Adopted	
FIRE	Redwood Coast Fire Protection District	FY 2016-17	None Adopted	Previous 2006 adopted SOI available on website
FIRE	Redwood Valley-Calpella Fire Protection District	FY 2016-17	None Adopted	
FIRE	South Coast Fire Protection District	FY 2016-17	None Adopted	
FIRE	Westport Volunteer Fire Company	NA	NA	Not a special district
FIRE	Whale Gulch Volunteer Fire Company	NA	NA	Not a special district
HARBOR	Noyo Harbor District	Planwest Partners	May 2016	Available on website
HEALTH	Mendocino Coast Health Care District	Planwest Partners	In Progress	Scheduled for June 6, 2016 hearing
PARK	Mendocino Coast Recreation and Park District	FY 2016-17	None Adopted	
UVD	Calpella County Water District	Planwest Partners	Feb 2016	Available on website
UVD	Hopland Public Utility District	Planwest Partners	Mar 2016	Available on website
UVD	Millview County Water District	Planwest Partners	May 2016	Available on website
UVD	Potter Valley Irrigation District	Planwest Partners	Mar 2016	Available on website
UVD	Redwood Valley County Water District	Planwest Partners	Feb 2016	Available on website
UVD	Russian River Flood Control and WCID	FY 2016-17	None Adopted	
UVD	Ukiah Valley Fire Protection District	FY 2016-17	None Adopted	
UVD	Ukiah Valley Sanitation District	FY 2016-17	None Adopted	
UVD	Willow County Water District	Planwest Partners	In Progress	Scheduled for June 6, 2016 hearing
WAT	Caspar South Water District	Planwest Partners	Nov 2015	Available on website
WAT	Elk County Water District	Planwest Partners	Nov 2014	Available on website
WAT	Irish Beach Water District	Planwest Partners	May 2016	Available on website
WAT	Laytonville County Water District	Planwest Partners	Dec 2015	Available on website
WAT	Pacific Reefs Water District	Planwest Partners	Nov 2015	Available on website
WAT	Round Valley County Water District	Planwest Partners	Apr 2016	Available on website
WAT	Westport County Water District	Planwest Partners	Nov 2015	Available on website

**Mendocino LAFCo MSR Overview as of May
31, 2016**

Type	Agency	MSR Preparer	Date of Comm. Final Adoption	Adopted Document Present in LAFCo Records	Notes
CEM	Anderson Valley Cemetery District	Baracco	None Adopted	None Adopted	None Adopted
CEM	Cemetery District of the Redwoods	Baracco	None Adopted	None Adopted	None Adopted
CEM	Covelo Public Cemetery District	Baracco	None Adopted	None Adopted	None Adopted
CEM	Hopland Cemetery District	Baracco	None Adopted	None Adopted	None Adopted
CEM	Mendocino-Little River Cemetery District	Baracco	None Adopted	None Adopted	None Adopted
CEM	Potter Valley Cemetery District	Baracco	None Adopted	None Adopted	None Adopted
CEM	Russian River Cemetery District	Baracco	None Adopted	None Adopted	None Adopted
CEM	Westport-Ten Mile Cemetery District	Baracco	None Adopted	None Adopted	None Adopted
CITY	City of Fort Bragg	2008: McMichael	Aug 2008	Present	Available on website
CITY	City of Point Arena	Baracco	Feb 2015	Present	Available on website
CITY	City of Ukiah	Mulberg	Sept 2012	Present	Available on website
CITY	City of Willits	Baracco	Feb 2015	No	Adopted version in progress by staff
CONS	Mendocino County Resource Conservation District	Baracco	Aug 2014	Present	Available on website
CSD	Anderson Valley Community Services District	Baracco	Feb 2014	Present	Available on website
CSD	Brooktrails Township Community Services District	2010: McMichael□	Oct 2010	Present	Available on website
CSD	Covelo Community Services District	2010: McMichael□	Sept 2010	Present	Available on website
CSD	Gualala Community Services District	Baracco	Oct 2014	Present	Available on website
CSD	Mendocino City Community Services District	2008: McMichael	Nov 2008	Present	Available on website
FIRE	Albion-Little River Fire Protection District	Baracco	Nov 2015	Present	Available on website
FIRE	Comptche Community Services District	Baracco	Mar 2016	Present	Available on website
FIRE	Covelo Fire Protection District	Baracco	Mar 2015	Present	Available on website
FIRE	Elk Community Services District	Baracco	Mar 2016	Present	Available on website
FIRE	Fort Bragg Rural Fire Protection District	2011: Barraco□	Sept 2011	Present	Available on website
FIRE	Hopland Fire Protection District	Baracco	Mar 2015	Present	Available on website
FIRE	Leggett Valley Fire Protection District	Baracco	Mar 2015	Present	Available on website
FIRE	Little Lake Fire Protection District	Baracco	Mar 2015	Present	Available on website
FIRE	Long Valley Fire Protection District	Baracco	Mar 2015	Present	Available on website
FIRE	Mendocino Fire Protection District	Baracco	Nov 2015	Present	Available on website

**Mendocino LAFCo MSR Overview as of May
31, 2016**

FIRE	Piercy Fire Protection District	Baracco	Mar 2016	Present	Available on website
FIRE	Potter Valley Community Services District	Baracco	Nov 2015	Present	Available on website
FIRE	Redwood Coast Fire Protection District	2006: McMichael	Oct 2006	Present	Available on website
FIRE	Redwood Valley-Calpella Fire Protection District	Baracco	Nov 2015	Present	Available on website
FIRE	South Coast Fire Protection District	Baracco	Mar 2016	Present	Available on website
FIRE	Westport Volunteer Fire Company	Baracco	Mar 2016	Present	Available on website
FIRE	Whale Gulch Volunteer Fire Company	Baracco	Mar 2016	Present	Available on website
HARBOR	Noyo Harbor District	Baracco	Feb 2014	Present	Available on website
HEALTH	Mendocino Coast Health Care District	Baracco	Aug 2014	Present	Available on website
PARK	Mendocino Coast Recreation and Park District	2008: McMichael	Aug 2008	Present	Available on website
UVD	Calpella County Water District	Mulberg	May 2013	Present	Available on website
UVD	Hopland Public Utility District	Mulberg	Mar 2013	Present	Available on website
UVD	Millview County Water District	Mulberg	May 2013	Present	Available on website
UVD	Potter Valley Irrigation District	Mulberg	May 2013	Present	Available on website
UVD	Redwood Valley County Water District	Mulberg	May 2013	Present	Available on website
UVD	Russian River Flood Control and WCID	Mulberg	May 2013	Present	Available on website
UVD	Ukiah Valley Fire Protection District	Mulberg	May 2013	Present	Available on website
UVD	Ukiah Valley Sanitation District	Baracco	Mar 2014	No	Adopted version in progress by staff
UVD	Willow County Water District	Mulberg	May 2013	Present	Available on website
WAT	Caspar South Water District	Baracco	Dec 2014	Present	Available on website
WAT	Elk County Water District	Baracco	Oct 2014	Present	Available on website
WAT	Irish Beach Water District	Baracco	Nov 2014	Present	Available on website
WAT	Laytonville County Water District	Baracco	Oct 2014	No	Available on website
WAT	Pacific Reefs Water District	Baracco	Oct 2014	Present	Available on website
WAT	Round Valley County Water District	Baracco	Oct 2014	Present	Available on website
WAT	Westport County Water District	Baracco	Oct 2014	Present	Available on website

**MENDOCINO
Local Agency Formation Commission**

Staff Report

DATE: June 6, 2016
TO: Mendocino Local Agency Formation Commission
FROM: George Williamson, Executive Officer
SUBJECT: Status of Current and Future Projects

Active Proposals: There is currently one (1) active application on file with the Commission:

-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.

Future Proposals: There are five (5) potential new proposals that may be submitted in the future:

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

AVCSD is preparing the necessary application materials to LAFCo for a Reorganization consisting of annexation, detachment, and latent powers activation for ambulance services. The proposed latent powers activation would allow the AVCSD to pursue a functional merger by contract with the Anderson Valley Ambulance Service, an independent non-profit entity that currently provides ambulance services to the Anderson Valley community. The proposed merger into a single entity for fire/rescue and EMS transport would support the provision of local ambulance services and improve financial and operational efficiencies. The District has a pre-application agreement with LAFCo for early consultation and assistance. As part of this agreement, LAFCo staff has provided an application process description, information on application materials to be submitted, and responded to application inquiries.

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

AVCSD has indicated they are making progress on preparing a Plan for Services and associated LAFCo application materials. This process is ongoing and will be maintained separately from the Ambulance Services Latent Powers process described above.

-Property Owner inquiries into water and wastewater services in the Ukiah Valley

A property owner with an undeveloped parcel located in both the Millview CWD and the Ukiah Valley Sanitation District (UVSD) inquired about annexation options. Staff is coordinating a meeting with the property owner and District Managers to discuss annexation options.

In addition the Mavericks Company has requested information into the process required to apply to LAFCO for a proposed annexation, by property owner petition, of the Ford Road site into the UVSD boundary

-Calpella CWD Proposed Annexation

The Calpella CWD provides out of district water services to an area adjacent to the district boundary known as the Central Avenue Area. This "Out of District Service Area" has been receiving water services since 2000 and was part of past annexation proposals that were disapproved by LAFCo.

The 2013 Ukiah Valley MSR noted that annexation of this area should be considered in the future. At the February 1, 2016 LAFCo meeting, the Commission approved a SOI amendment (reduction) for the Calpella CWD to include only those areas within the Out of District Service Area and District boundary (Resolution No. 15-16-11). The District has expressed interest in annexing the Central Avenue Area now that the MSR and SOI Update are complete. A fee waiver/reduction in LAFCo application costs was considered by the Commission on May 12, 2016. The Commission approved providing one-half of the required deposit to be matched by the District.

-Laytonville CWD Proposed Annexation

The Laytonville CWD has received a property owner inquiry regarding the availability of water service to parcels located outside the District's boundary. These properties are located within the District's sphere of influence (SOI), which was adopted by LAFCo in December 2015. The District has indicated it has available capacity to provide additional water service hookups, and has expressed potential interest in expanding its boundaries in order to allow additional properties to connect to the system.

-Elk County Water District Proposed Annexation

Elk CWD has expressed interest in annexing areas currently served within their SOI, which includes an associated parcel map being filed with Mendocino County.

News from the Board of Directors

CALAFCO QUARTERLY

May 2016



CALAFCO
University

Conferences and Workshops Update

2016 ANNUAL CONFERENCE UPDATE



Don't forget to mark your calendars! The 2016 CALAFCO Annual Conference is set for October 26 - 28 in Santa Barbara at the beautiful Fess Parker DoubleTree. Our theme this year is *Orchards to Oceans:*

Balancing California's Diversity. Our host, Santa Barbara LAFCo, and the program planning committee are in the midst of creating a fabulous program. Session topics include general sessions on water, ag preservation, and state legislative overrides on LAFCo. Breakout sessions include topics such as growth & development, cutting edge LAFCo trends, AB 8, CEQA, water source alternatives, and a look at DUCs. Of course we will finish with our annual legislative update. A diverse and unique mobile workshop is being planned, as well as a fun time for Wednesday night's welcome reception and Thursday night's awards banquet.

CALAFCO wishes to thank Santa Barbara LAFCo for hosting this year's conference, program committee chair David Church, conference chair Sblend Sblendorio, and all those who volunteered to plan the program. Registration for the conference will be opening very soon.

2016 STAFF WORKSHOP

This year's staff workshop was hosted by LA LAFCo and held in Universal City. With the theme of *JEOPARDY: What is the Evolving Role of LAFCo?*, we experienced a special mobile workshop panel and tour learning about the NBC



Universal Evolution Plan, Alt. No. 10: No Residential Alternative. The program was a diverse combination of technical and professional development sessions, and the Thursday lunch and dinner were entertaining. Attendance was high this year and the overall rating of the Workshop was 4.9 out of 6.0. There were a total of 111 in attendance, with 38 LAFCos and 6 Associate members represented. Financially, the workshop appears to show a virtual breakeven event. (Financials will be closed with the close of the 4th Quarter.)

CALAFCO thanks LA LAFCo for hosting the workshop, Kris Berry and Marjorie Blom for assuming the lead on the program committee at various times in the planning process, and all those who volunteered to plan the program.

The 2017 Staff Workshop is set for April 5-7, 2017 at the beautiful Doubletree by Hilton in downtown Fresno. Our host for this workshop will be Fresno LAFCo.

CALAFCO U UPDATE

Staff will be announcing the next CALAFCO U session very soon. Watch the website and your email for details!

CALAFCO Technology Update

Earlier this month CALAFCO moved our email hosting service to a new provider. The transition was seamless to our members. We are still hard at work preparing our new and improved website, which will also move to a new host. The new site is more user friendly and provides greater security and reliability. We anticipate the transition to occur sometime in late June.

CALAFCO Board Actions

The Board met on May 6 in Sacramento and took the following administrative actions:



The quarterly financial reports were reviewed. The budget is on track for the year with no changes anticipated. Contingency fund usage is aligned with previous Board approval. All financial reports are located on the website.

The Board adopted the 2016-17 budget. Revenues are budgeted at \$432,167 which includes a projected carryover from the current fiscal year of \$49,555. Expenses are budgeted at \$426,167 which includes a contingency fund of \$20,619. The Board also approved a transfer to fund reserves of \$6,000.

The Board received a presentation from CV Strategies, the firm hired to assist us in creating an enhanced marketing message and increase conference sponsorships.

The Board also received a lengthy legislative update, and considered a request from five member LAFCos to reconsider making urgent changes to Code Section 56653. After discussing the matter, the Board directed CALAFCO staff to include this proposed amendment in the amendments being negotiated with Senator Wolk for SB 1318.

CALAFCO/CSDA Joint Projects

CALAFCO and CSDA have teamed up on two projects. The first is the creation of an informational guide on the formation of a special district. The document is in its final review stage and should be sent to CSDA's publication department very soon. CALAFCO thanks SR Jones (Nevada), Elliot Mulberg (Solano) and Jeff Brax (Sonoma) for being a part of that team.

The second working group is focusing on the implementation of countywide RDA oversight boards. Representing CALAFCO along Pamela Miller are Keene Simonds (Marin), José Henríquez (El Dorado) and Gary Bell (Colantuono, Highsmith & Whatley).



CALAFCO White Papers

CALAFCO is currently working on a White Paper on SGMA implementation and the affects to LAFCo. Thank you to David Church (SLO LAFCo), John Marchand (CALAFCO Board Member), Mona Palacios (Alameda LAFCo) and BB&K for their work on this document.

CALAFCO been asked by the American Farmland Trust (AFT) to partner on a White Paper on Ag Policies. After polling the Executive Officers on the idea and the scope of the paper, CALAFCO will now work with AFT on the production of this paper.

CALAFCO Legislative Update

As anticipated, this has been another very busy legislative year for CALAFCO. The Legislative Committee (Committee) has met every month since November. This year we are sponsoring two bills. The first is **AB 2910**, our annual Omnibus bill. Having been amended once already, there is one more set of amendments pending. The bill passed through the Assembly and is now in the Senate Governance & Finance Committee (SGFC).



The other bill CALAFCO is sponsoring is **SB 1266** (McGuire), which is the legislation that creates a direct communication link between LAFCos and JPAs. The bill requires stand-alone JPAs meeting the definition found in GC Section 56047.7 that were formed to provide municipal services and have at least one member who is a public agency to file a copy of their agreement or amendment to that agreement with the LAFCo. The bill passed the Senate and is now in the Assembly Local Government Committee (ALGC).

Other bills CALAFCO has been actively involved in include:

- ◆ **AB 2032** (Linder) **CALAFCO Support**. This bill pertains to statutes involving disincorporations. All of CALAFCO's concerns have been removed from the bill. As a result, our position has gone from Oppose to Support.
- ◆ **SB 1262** (Pavley) **CALAFCO Watch**. This bill focuses on permitting new water systems and water supply planning. CALAFCO has been actively involved in stakeholder meetings and our primary concern has been removed from the bill. We continue to maintain a **Watch** position and participate in stakeholder meetings on our remaining concerns all of which were outlined in our letter of concern to the author.
- ◆ **SB 1318** (Wolk) **CALAFCO Oppose**. This bill focuses on disadvantaged unincorporated communities (DUCs) and accessibility to safe drinking water and adequate wastewater services. A follow-up to the requirements in SB 244 (Wolk, 2011), the bill as amended on April 12, 2016,

imposes many requirements on LAFCo including conducting services reviews sufficient to cover the entire county every five years, adopt and implement plans to provide service coverage to DUCs lacking services, prohibits LAFCo from approving any service extensions or annexations unless all DUCs within the service area are provided for, and a number of other requirements – all without funding.

Despite widespread opposition, the bill was moving through the Senate, and CALAFCO saw that changes needed to be offered before the bill moved any further. After a very lengthy discussion during their April meeting, the Committee formed a subcommittee to work on potential amendments. With the help of (and much work done) by David Church (SLO), José Henríquez (El Dorado), Steve Lucas (Butte), Bill Nicholson (Merced), Paul Novak (LA) and Keene Simonds (Marin), a draft set of amendments (a virtual gut and amend to the current version) were created and presented to the Committee on May 20. After receiving more feedback, the subgroup revised the proposed amendments and presented them to the author and sponsor for consideration.

CALAFCO will continue to seek member feedback, work with stakeholders, the author and sponsor in preparing amendments that make the bill more tolerable than it is today.

Other bills for which CALAFCO has taken a position include:

- ◆ **AB 1707** (Linder) **Oppose** (now dead)
- ◆ **AB 2277** (Melendez) **Support**
- ◆ **AB 2414** (Garcia) **Oppose**
- ◆ **AB 2470** (Gonzalez) **Watch with concerns**
- ◆ **AB 2471** (Quirk) **Oppose unless amended**
- ◆ **SB 817** (Roth) **Support**
- ◆ **SB 971-972-973** (SGFC) **Support**
- ◆ **SB 1292** (Stone) **Support**

CALAFCO thanks all who serve on the Legislative Committee, and those on the Committee who volunteered to assist in subgroups for many of this year's complicated bills. A full detailed legislative tracking report can be found on the CALAFCO website in the Members Only section. We thank all of our member LAFCos who have taken the time to write position letters on these various bills. Together our voice is stronger.





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.

We are pleased to welcome two new Silver Associate Members to CALAFCO – *Braitman & Associates* and *Meijun, LLC*.

Braitman & Associates

Fresh into retirement, Bob Braitman is now a Silver Associate Member. *Braitman & Associates* services include preparing municipal service reviews and spheres of influence, the analysis of proposed boundary changes and the extension of public services proposals in support of the efforts of LAFCO staffs. You can contact Bob at bob@braitmanconsulting.com.

Meijun, LLC

Meijun, LLC provides custom programming services and business solutions related to IT. They create websites, software applications, mobile engagement platforms and provide general consulting for process improvement and streamlining information technology in the workplace. To learn more about them, visit them at www.meijun.cc or contact Huy Ly at hly@meijun.cc.



City of Fontana

City of Fontana has been a Silver Associate member since July 27, 2006. They are responsible for managing the City's annexation program, which includes coordinating annexation meetings, meeting with landowners/developers concerning the benefits of annexation, preparing Plans for Services, overseeing preparation of environmental documents pertaining to rezoning and annexation, and presenting them to the Planning Commission, City Council and LAFCo for review and consideration. In addition, oversee the preparation of out-of-agency service agreements for sewer and other municipal services. Visit them at www.fontana.org.



P. Scott Browne

Scott Browne has been a Silver Associate member since February 27, 2007. Scott provides legal services and staff support to various LAFCOs throughout the state. He has served as a member of the CALAFCO Legislative Committee for a number of years. To learn more about the services he provides or to contact him, visit www.scottbrowne.com.

CALAFCO wishes to thank all of our Associate Members for your support and partnership. We look forward to continuing to highlight our Associate Members in each Quarterly Report.



Around the State

Glenn LAFCo

In July of 2015, a group of farmers in Glenn County petitioned Glenn LAFCo to form the first new water district in Glenn County in over 45 years. The approximately 35,000 acre district intends to manage groundwater in compliance with the Sustainable Groundwater Management Act of 2015 ("SGMA"). There remain large areas within Glenn County that are not within an existing water district. The landowners retained John Garner of Garner Law Office in Willows as well as John O'Farrell, former Sacramento LAFCo Officer, of John O'Farrell and Associates to help navigate the LAFCo process. The hearing is set for June 6, 2016. Petitioners are optimistic their effort will lead to creation of the Glenn County Ground Water Management District.

Los Angeles LAFCo

At its June 8th Commission meeting, LA LAFCo will consider 19 (nineteen) proposals to exercise new or different functions or classes of services (formerly known as "activation of latent powers") to provide stormwater and dry-weather urban runoff services within the boundaries of existing County Sanitation Districts. These proposals were filed in the wake of passage of Senate Bill 485 in 2015, which enabled the Los Angeles County Sanitation Districts to provide stormwater and dry-weather urban runoff services (prior to SB 485, the existing County Sanitation District Act did not authorize sanitation districts in Los Angeles to provide these services). The Commission's consideration of these proposals is the culmination of 18 months of collaboration between staff of LA LAFCo and the County Sanitation Districts. Because this is the first such proposal to come before LA LAFCo in two decades, staff reviewed the determinations by other LAFCOs (Butte, Napa, Riverside, Sacramento and Santa Cruz) for similar proposals.

Merced LAFCo

In April 2016, the Merced LAFCo Commission approved a reorganization that helped address a longstanding budget problem for the small rural Merquin Cemetery District. With the establishment of the San Joaquin Valley National Veterans Cemetery located in nearby Santa Nella in 1992, this rural district experienced a reduction in burials and in corresponding revenue. After pursuing various alternatives over two decades, a partial solution was identified through the cooperation of the neighboring Winton Cemetery District. This more urban



LAFCo Tracks Cont'd

district which includes two cities and a fair amount of property tax growth, willingly agreed to detach 834 acres allowing the annexation of this territory into their sister cemetery district, along with the corresponding \$7,000 in annual tax receipts. This land contains a large and growing E & J Gallo Winery which has been adding millions of dollars in buildings and fermentation vats every few years – with a corresponding increase in assessed value.

While the lost property tax revenue only represents about 1% of Winton's income, it will provide a 14% increase in revenue for the Merquin Cemetery District. In return, the Winton Cemetery District Board of Directors just gets to feel good – an uncommon act of generosity among local governmental agencies in these times of national political discord. So have a glass of Gallo wine and you will be contributing to maintenance of the pastoral setting at Merquin's "Sunnyside Cemetery" and its happy occupants.

San Mateo

At its March 16th meeting, San Mateo LAFCo honored Linda Craig on her retirement in January as public member on the Commission. Ms. Craig first served on the Commission as an alternate public member beginning in 1974. She made extensive contributions to the Commission's deliberations on a number of complex proposals and studies of importance to many communities, including facilitating the understanding of the Cortese-Knox-Hertzberg Act following its enactment in 2000. Commissioner Horsley commented Ms. Craig's deep understanding of the role of LAFCo begun during her service in the 1970s and developed by her participation in CALAFCO conferences and trainings, services on various LAFCo committees, and as chair.

On May 3rd, the Special District Selection Committee reappointed Joe Sheridan (Broadmoor Police Protection District) and Ric Lohman (Granada Community Services District) as special district members. In March, the Commission's Public Member Recruitment Committee received seven applications for public member for the term expiring in 2018. After conducting interviews with the applicants and careful consideration of their applications in April, the Committee selected Ann Draper as the new public member based on her broad professional experience as a city and county planner; serving as member and chair of numerous civic organizations; and her understanding of the LAFCo process from county, city, and special district perspectives. The Commission voted to appoint Ms. Draper at its May 18th meeting and looks forward to working with her.

Santa Cruz LAFCo

In 2009-10, the Santa Cruz County Grand Jury issued a report titled "Up a Creek without a Financial Paddle" critical of the Lompico County Water District. The district serves 500 residential customers in the redwoods of the Santa Cruz Mountains. In 2014, the State Department of Health

identified Lompico as one the seventeen communities in the state that was most likely to run out of water during the drought. The Lompico district negotiated to reorganize into the adjacent larger San Lorenzo Valley Water District. One condition of the LAFCo-authorized reorganization is that Lompico fund \$1.75 million in infrastructure repairs and improvements. The first vote on the funding failed by one vote. The districts got a time extension from LAFCo and tried again to pass an assessment in Lompico. On May 4, 2016, the second try passed with an affirmative 79.5% of the property owners supporting the assessment. The effective date of the reorganization is expected to be June 1, 2016.

Sonoma LAFCo

Sonoma LAFCo is working with fire protection agencies throughout the County to amend Spheres of Influence to synch up with a regional service model determined through a comprehensive review by the County. In addition, LAFCo will be adjudicating a detachment application filed by residents seeking to leave one of four health care districts in the County.

Mark Your Calendars For These Upcoming CALAFCO Events



- ❖ CALAFCO Legislative Committee meeting, June 24, Conference Call
- ❖ CALAFCO Board of Directors meeting, July 29, San Diego
- ❖ CALAFCO Legislative Committee meeting, August 5, Conference Call

Upcoming CALAFCO Conferences and Workshops

2016 ANNUAL CONFERENCE

October 26 - 28

Fess Parker DoubleTree by Hilton
Santa Barbara, CA

Hosted by Santa Barbara LAFCo

2017 STAFF WORKSHOP

April 5 – 7

DoubleTree by Hilton Fresno Convention Center
Fresno, CA

Hosted by Fresno LAFCo

2017 ANNUAL CONFERENCE

October 25 – 27

Bahia Mission Bay
San Diego, CA

Hosted by CALAFCO