

# 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](mailto:eo@mendolafco.org) | Web: [www.mendolafco.org](http://www.mendolafco.org)

### **COMMISSIONERS**

**Jerry Ward, Chair & Treasurer**  
Public Member

**Carre Brown, Vice Chair**  
County Board of Supervisors

**Kevin Doble**  
Ukiah City Council

**Gerardo Gonzalez**  
Willits City Council

**John McCowen**  
County Board of Supervisors

**Theresa McNerlin**  
Ukiah Valley Sanitation District

**Tony Orth**  
Brooktrails Township CSD

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

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

**Carol Rosenberg, Alternate**  
Public Member

**Vacant**  
Special District Seat, Alternate

**STAFF**  
**Executive Officer**  
Uma Hinman

**Analyst**  
Larkyn Feiler

**Commission Clerk**  
Elizabeth Salomone

**Counsel**  
Scott Browne

### **Regular Meetings**

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

### **A G E N D A**

Regular Meeting of Monday, March 5, 2018 9:00 AM

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

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

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

#### **1. CALL TO ORDER and ROLL CALL**

#### **2. PUBLIC EXPRESSION**

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

#### **3. OTHER BUSINESS**

##### **3a) City Representative Appointments**

Announcement of the 2018 City representatives Kevin Doble (Regular Seat) and Scott Ignacio (Alternate Seat.)

#### **4. CONSENT CALENDAR**

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

**4a) Approval of the February 5, 2018 Regular Meeting Summary Minutes**

**4b) Approval of the February 2018 Claims and Financial Report**

**4c) Ratification of the signed 2018 Lease Agreement between the City of Ukiah and Mendocino LAFCo for office space at the Ukiah Valley**

**Conference Center.**

#### **5. PUBLIC HEARING ITEMS**

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

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

No Public Hearings this month.

(3-5-18 Agenda Continued...)

## 6. WORKSHOP ITEMS

Workshops are scheduled for Commission review of draft reports prior to the noticing for public hearing. The Commission is invited to discuss the draft reports and provide feedback to staff in anticipation of receiving final SOI Updates for formal action as part of a public hearing at a future meeting. No action will be taken by the Commission as part of the following items. Questions and comments from the Commission, participating agencies, and members of the public are welcome. Documents are available for review at:

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

- 6a) Covelo Fire Protection District Draft Sphere of Influence (SOI) Update
- 6b) Potter Valley Community Services District Draft Sphere of Influence (SOI) Update
- 6c) Mendocino Fire Protection District Draft Sphere of Influence (SOI) Update
- 6d) Redwood Valley-Calpella Fire Protection District Draft Sphere of Influence (SOI) Update
- 6e) Hopland Fire Protection District Draft Sphere of Influence (SOI) Update
- 6f) Preliminary Draft Budget and Work Plan for Fiscal Year 2018-19

## 7. MATTERS FOR DISCUSSION AND POSSIBLE ACTION

### 7a) Proposed Executive Officer Services Contract Amendment and Agreement

The Commission will consider 1) a contract amendment with Hinman & Associates Consulting, and 2) revisions to and renewal of the Executive Officer Services Agreement that expires June 30, 2018.

### 7b) Recommendation of New Financial Institution for Reserve Fund

The Commission will consider moving its reserve fund to a new financial institution.

### 7c) LAFCo's Evolving Mission; New Laws, Requirements, and Transparency

EO Hinman will provide a report on the CALAFCO course, highlighting relevant issues and suggestions for implementation.

## 8. INFORMATION AND REPORT ITEMS

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

- 8a) Work Plan, Current and Future Proposals (Written)
- 8b) Correspondence (copies provided upon request)
  - SDRMA letter of appreciation
- 8c) Executive Officer's Report (Verbal)
- 8d) Committee Reports (Verbal)
- 8e) Commissioner Reports, Comments or Questions (Verbal)
- 8f) CALAFCO Business and Legislative Report

## ADJOURNMENT

The next Regular Commission Meeting is scheduled for Monday, April 2, 2018 at 9:00 AM in the County Board of Supervisors Chambers 501 Low Gap Road, Ukiah, California

Notes: Participation on LAFCo Matters

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

Americans with Disabilities Act (ADA) Compliance: If you are a disabled person and need a disability-related modification or accommodation to participate in a meeting, please contact the LAFCo office at 707-463-4470, by e-mail to [eo@mendolafco.org](mailto: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

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

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

Agenda Item No. 4a

### MINUTES

#### Local Agency Formation Commission of Mendocino County

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

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

#### 1. CALL TO ORDER and ROLL CALL (Video Time 1:27)

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

Members Present: Commissioners Carre Brown, Kevin Doble, Gerardo Gonzalez, John McCowen, Theresa McNerlin (departed at noon), Tony Orth, and Jerry Ward

Members Absent: None

Alternate Members Present: Commissioners Dan Hamburg and Carol Rosenberg

Alternate Members Absent: Commissioner Scott Ignacio

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

#### 2. PUBLIC EXPRESSION (Video Time 2:08)

No one from the public addressed the Commission.

#### 3. OTHER BUSINESS (Video Time 2:14)

##### 3a) City and County Representative Appointments

The City Select Committee was unable to meet in time to appoint City representatives to the Commission. The County Board of Supervisors appointments to LAFCo for 2018 were seated in January. The deadline for Special District Alternate Seat representatives is February 16, 2018 and no nominations have been received as of yet.

##### 3b) Selection of Officers and Appointments to Committees

Upon motion by Commissioner McCowen and second by Commissioner Orth, the nomination and election of Jerry Ward to serve as Chair and Treasurer, and Carre Brown to serve as Vice Chair was approved by roll call vote:

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

Chair Ward appointed Kevin Doble to the Executive Committee.

Commissioner McNerlin suggested Commissioner Orth's appointment to the Executive Committee, noting a Special District Representative has not been on the Executive Committee for some time. Chair Ward confirmed his appointment of Kevin Doble to the Executive Committee.

Chair Ward appointed Dan Hamburg, Tony Orth, and Carol Rosenberg to the Policy & Procedures Committee.

4. **CONSENT CALENDAR** (Video Time 7:46)

4a) **Approval of the January 8, 2017 Regular Meeting Summary Minutes**

4b) **Approval of the January 2018 Claims and Financial Report**

Commissioner Brown noted “Willow County Water District” on the claims staff report should read “Millview County Water District.” Chair Ward provided an update on the Ukiah Valley Conference Center Lease renewal, noting there is a credit from January overpayment reflected on the current invoice.

<u>January 2018 Claims totaling:</u>	\$ 11,224.34
Uma Hinman Consulting:	\$ 9,589.75
Ukiah Valley Conference Center:	\$ 494.60
P. Scott Browne:	\$ 600.00
Commissioner Reimbursement	\$ 178.07
County of Mendocino (audio/video, GIS, etc):	\$ 351.92
County of Mendocino A-87 Costs	\$ 123.00
Millview County Water District, remainder of deposit	\$ 10.00

Upon motion by Commissioner McCowen and second by Commissioner Orth, Item 4a) Approval of the January 8, 2017 Regular Meeting Minutes and Item 4b) Approval of the January 2018 Claims and Financial Report were approved as corrected by roll call vote:

Ayes: (6/7) Brown, Doble, Gonzalez, McCowen, McNerlin, Orth, and Ward  
Abstain: (1) Gonzalez (abstained from item 4a only)

5. **PUBLIC HEARING ITEMS** – (Video Time 10:59)

No public hearings in February 2018.

*Note: Items 6c) Workshop for Piercy Fire Protection District Draft Sphere of Influence (SOI) Update and Item 9 Closed Session for Public Employee Performance Evaluation were moved up after Item 5. Chair Ward called a break from 10:05am – 10:10 am before Closed Session, and again from 11:03 - 11:08 am after Closed Session.*

6. **WORKSHOP ITEMS**

6a) **Leggett Valley Fire Protection District Draft Sphere of Influence (SOI) Update** (Video Time 2:44:00)

EO Hinman presented. Comments and questions were offered by Commissioners Brown, McCowen, Doble, Ward, and Rosenberg. The Commission directed staff to address Commissioner comments and edit suggestions to the workshop draft and bring to Public Hearing with the full Fire District SOI Update document.

Items for staff to address:

It was noted that some suggestions refer to the previously adopted MSR rather than the current SOI Update and staff will evaluate those items for appropriate updating.

- Pg 1-3: Clarify the reference to Mutual Aid Agreements with Mendocino County – should it be CALFIRE?
- Pg 1-3, 1.2.2.3: Clarify “The areas of interest described above...” as section 1.2.2.2.
- Pg 1-7, 6: Add “the” before “main station at Drive Thru Tree Road.”
- Pg 1-7, 11: Clarify “CPFD.”
- Pg 1-7, 13: Evaluate the necessity of statement inclusion.
- Pg 1-3: Clarify the references to previously adopted SOI boundaries in several places in document.



- 1-6, clarify the \$10,000 received from 501 (c)(3) Leggett Valley Volunteer Firefighters Association on a line item in revenue.
- Pg 1-7, 6: Update the main station remodeling “four years ago” and referring to 2015 in past.
- Pg 1-7, 7: Clarify the capital improvement reserve on budget.
- Pg 1-7, 11: Verify if they are a member of the Mendocino County Association of Fire Districts and include, if so.
- Request to include results of annual audits by certified CPA to verify the net income and address depreciation on capital assets.

**6b) Long Valley Fire Protection District Draft Sphere of Influence (SOI) Update** (Video Time 2:09:53) EO Hinman presented. Comments and questions were offered by Commissioners Brown, Ward, McCowen, Doble, Orth, Rosenberg, and McNerlin. The Commission directed staff to address Commissioner comments and edit suggestions to the workshop draft and bring to Public Hearing with the full Fire District SOI Update document.

Items for staff to address:

It was noted that some suggestions refer to the previously adopted MSR rather than the current SOI Update and staff will evaluate those items for appropriate updating.

- Pg 1-5: Remove extra spacing after “Policy Consistency Analysis
- 1-8, 16: Clarify the Board of Directors terms (November 2017)
- Request for the annual CPA financial audit in document.
- Pg 1-8, 1.2.4.1. General Store is now closed.
- Staff Report Pg 26 of agenda packet: Clarify if “Laytonville Volunteer Ambulance” as later stated in report.
- Pg 1-4 1.2.2.4: Discussion on Consistency with LAFCo Policies section in each District SOI or in the compiled report.
- Pg 1-5 1.2.2.4: Consider moving last 2 sentences of last paragraph regarding SOI to Section 1.2.2.3 Proposed SOI Changes.
- Check labeling on maps.
- Discussion on the clarification of relationships and identification of volunteer fire companies and in the LAFCo documents and maps.
- Discussion on the clarification of the relationship between Fire Districts and their volunteer fire departments.
- Check status of website and update report, if necessary.
- Pg 1-3 1.2.1.3. and Pg1-7 Determination 7: Change “emergency medical ~~transport~~ response services”
- Pg 1-3: Include statement referring to annual funding contribution from County and clarify where this money is allocated in financial tables.
- Pg 1-8 Determination 14: Clarify if a member of the Mendocino County Association of Fire Districts member.
- Pg 1-8 Determination 16: strike-through statement is accurate.

**6c) Piercy Fire Protection District Draft Sphere of Influence (SOI) Update** (Video Time 12:45) EO Hinman presented. Jeffrey Hedin and Judith Castell, Piercy Fire Protection District residents, addressed the Commission with corrections, comments, and questions. Comments and questions were offered by Commissioners McCowen, Orth, McNerlin, Brown, Gonzalez, Doble, and Rosenberg. The Commission directed staff to consult with Piercy Fire Protection District representatives to develop a Public Hearing Draft of the SOI Update for the Piercy Fire Protection District.

Items for staff to address:

It was noted that some suggestions refer to the previously adopted MSR rather than the current SOI Update and staff will evaluate those items for appropriate updating.

- Pg 1-6 Paragraph under financial table: specify of fundraising on financial table [District Representative noted inaccuracy in the reporting of amount of money.]
- Discussion on the clarification of the relationship between Fire Districts and their volunteer fire departments.
- Pg 1-6 MSR Determinations 5 and 13: Discussion on service areas – address MSR determination to discontinue services.
- Discussion on up to date required audits, website, out of service coordination and agreements.

Further action: District Representatives and LAFCo staff to meet and review the draft document.

**7. MATTERS FOR DISCUSSION & POSSIBLE ACTION**

**7a) Introduction to AB 54 LAFCO Requirements for Mutual Water Companies** (Video Time: 3:05:14)

EO provided an Introduction to AB 54 LAFCO Requirements for Mutual Water Companies and Assembly Bill 54 (2011) establishing requirements for cooperation with LAFCo requests for information. An overview of LAFCo's responsibilities under AB 54 and approach to complying with the requirements was provided. Comments and questions were offered by Commissioners Brown and Ward. A draft of the Mutual Water Company Profile is scheduled to be presented to the Commission in April 2018.

**8. INFORMATION/ REPORT ITEMS** (Video Time 3:11:53)

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

No comments or questions were offered.

**8b) Correspondence**

No comments or questions were offered.

**8c) Executive Officer's Report**

EO Hinman reported on the following:

- Special District Alternate Seat replacement nominations are due February 15, 2018.
- EO and Analyst attended a CALAFCO course on LAFCo's Evolving Mission; New Laws, Requirements, and Transparency. EO Hinman gave a summary and was directed by Commission to bring a full report to the March 2018 meeting.

**8d) Committee Reports**

An Executive Committee was held directly after the January 8, 2018 Regular Meeting and another is scheduled directly following today's Regular Meeting. No further comments or questions were offered.

**8e) Commissioners Reports, Comments or Questions**

No comments or questions were offered.

**8f) CALAFCO Business and Legislation Report**

No comments or questions were offered.

**9. CLOSED SESSION** (Video Time: 1:03:46)

Public Employee Performance Evaluation – Contract Executive Officer (Government Code 54957(b)(1)).

The Commission entered closed session at 10:10am and returned to open session at 11:08am. Chair Ward reported the evaluation of LAFCo Executive Officer was completed.

## **ADJOURNMENT**

There being no further business, at 12:14pm the meeting was adjourned. The next regular meeting is scheduled for Monday, March 5, 2018 at 9:00am in the County Board of Supervisors Chambers at 501 Low Gap Road, Ukiah, California.

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DRAFT

# MENDOCINO Local Agency Formation Commission

## Staff Report

DATE: March 9, 2018  
 TO: Mendocino Local Agency Formation Commission  
 FROM: Uma Hinman, Executive Officer  
 SUBJECT: Financial Report and Claims for February 2018

**Claims** The following claims are recommended for payment authorization:

Name	Account Description	Amount	Total
Hinman & Associates	5300 Basics Services	\$ 6,895.25	\$ 11,858.50
	6200 Bookkeeping	\$ 591.00	
	7000 MSR SOI Workplan	\$ 4,223.25	
	5601 Office Supplies	\$ 149.00	
Ukiah Valley Conf. Center	5502 Office space	\$ 415.00	\$ 445.00
	5503 Work room	\$ 30.00	
	5603 Photocopy (Feb 2018)	TBA	
	5605 Postage (Feb 2018)	TBA	
P. Scott Browne	<u>6300 Legal Counsel</u>		\$ 600.00
	Monthly flat fee	\$ 600.00	
Commissioner Reimbursements	<u>6740 In-County Travel &amp; Stipends:</u>		\$ 178.07
	Rosenberg (February 2018)	\$ 51.07	
	McNerlin (February 2018)	\$ 50.00	
County of Mendocino	6000 Video Recording of Meetings	\$ 122.69	\$ 416.68
	7501 GIS Mapping	\$ 293.99	
<b>Total:</b>			<b>\$ 13,498.25</b>

**Deposits:**

Records Request Copy Charge: \$15.00 deposited on 1/19/18.  
 Fund Transfer between County account and Checking Account: \$50,000 on 2/15/17.

**Attachments:**

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

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

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

Acct #	Task	FY 17-18 Budget	1st Qtr Subtotals	2nd Qtr Subtotal	January	February	Year to Date	Remaining Budget
<b>EXPENSES</b>								
5300	Basic Services - EO/Analyst/Clerk	\$66,815	\$15,543.00	\$16,769.75	\$5,449.25	\$6,895.25	\$44,657.25	\$22,157.75
5500	Rent	\$5,360	\$1,302.00	\$1,292.00	\$436.00	\$445.00	\$3,475.00	\$1,885.00
5600	Office Expenses	\$3,350	\$231.56	\$602.09	\$108.60	\$149.00	\$1,091.25	\$2,258.75
5700	Internet & Website Costs	\$1,300	\$0.00	\$0.00	\$0.00		\$0.00	\$1,300.00
5900	Publication & Legal Notices	\$2,000	\$0.00	\$114.22	\$0.00		\$114.22	\$1,885.78
6000	Televising Meetings	\$3,000	\$259.02	\$408.98	\$163.59	\$122.69	\$954.28	\$2,045.72
6100	Audit Services	\$3,100	\$1,550.00	\$0.00	\$0.00		\$1,550.00	\$1,550.00
6200	Bookkeeping	\$4,800	\$1,614.00	\$696.00	\$694.50	\$591.00	\$3,595.50	\$1,204.50
6300	Legal Counsel (S Browne)	\$7,200	\$1,800.00	\$1,800.00	\$600.00	\$600.00	\$4,800.00	\$2,400.00
6400	A-87 Costs County Services	\$1,100	\$0.00	\$0.00	\$123.00		\$123.00	\$977.00
6500	Insurance - General Liability	\$1,000	\$0.00	\$0.00	\$0.00		\$0.00	\$1,000.00
6600	Memberships (CALAFCO/CSDA)	\$2,200	\$0.00	\$1,299.00	\$0.00		\$1,299.00	\$901.00
6670	GIS Contract with County	\$5,000	\$571.90	\$254.98	\$65.33	\$293.99	\$1,186.20	\$3,813.80
6740	In-County Travel & Stipends	\$2,000	\$128.08	\$484.21	\$178.07	\$178.07	\$968.43	\$1,031.57
6750	Travel & Lodging Expenses	\$4,000	\$533.80	\$1,361.26	\$0.00	\$0.00	\$1,895.06	\$2,104.94
6800	Conferences (Registrations)	\$3,000	\$2,125.50	\$0.00	\$0.00	\$0.00	\$2,125.50	\$874.50
7000	Work Plan (MSRs and SOIs)	\$45,000	\$8,616.75	\$12,757.50	\$3,396.00	\$4,223.25	\$28,993.50	\$16,006.50
Monthly/ Year to Date Totals		\$160,225.00	\$34,275.61	\$37,839.99	\$11,214.34	\$13,498.25	\$96,828.19	\$63,396.81
<b>APPLICATIONS</b>								
		DEPOSIT	1st Qtr Subtotals	2nd Qtr Subtotal	January	February	Year to Date	Remaining Budget
A-2009-8001	Irish Beach WD Moores Annexation	\$-610.56	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$-610.56
P-2014-8010	City of Ukiah Detachment of UVCS D lands	\$1,532.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,532.75
P-2017-8017	Millview CWD Annexation	\$1,500.00	\$0.00	\$0.00	\$10.00	\$0.00	\$1,500.00	\$0.00
Applications to Date Totals		\$922.19	\$1,490.00	\$0.00	\$10.00	\$0.00	\$0.00	
<b>EXPENSES AND APPLICATION TOTALS</b>			\$35,765.61	\$37,839.99	\$11,224.34	\$13,498.25	\$96,828.19	

Operations (Checking) Account Balance	\$	21,909.15					from statement as of	1/31/2018
Legal Reserve Balance	\$	50,000.00					from statement as of	1/31/2018
Operations Reserve Balance	\$	40,279.92					from statement as of	1/31/2018
County of Mendocino Account Balance	\$	54,299.74					from statement as of	12/31/2017



## Hinman & Associates Consulting

PO Box 1251 | Cedar Ridge, CA 95924

(916) 813-0818

uhinman@comcast.net

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

**Invoice No.** 356  
**Invoice Total** \$ 11,858.50

Account	Description	Staff/Hours			Other (At Cost)	Totals
		Hinman EO (\$90)	Feiler Analyst (\$65)	Salomone Clerk (\$42)		
5300	Basic Services	56.50	4.75	35.75		\$ 6,895.25
5601	Office Supplies					
	Quickbooks Online Fee				\$ 50.00	\$ 50.00
	Dropbox Annual Fee				\$ 99.00	\$ 99.00
6200	Bookkeeping	5.75		1.75		\$ 591.00
7001	Municipal Service Reviews		0.25	9.75		\$ 425.75
7501	Sphere of Influence Updates	1.75	56.00			\$ 3,797.50
<b>Totals</b>		<b>\$ 5,760.00</b>	<b>\$ 3,965.00</b>	<b>\$ 1,984.50</b>	<b>\$ 149.00</b>	<b>\$ 11,858.50</b>

### 5300 Basic Services

Prepared March Commission and February Executive Committee meeting agendas, staff reports and meeting packets. Draft meeting minutes for review at next meeting. File maintenance. Staffed office during the time period. Website updates. Responded to State Controller's request for comprehensive listing of special districts within the County.

### 6200 Bookkeeping (Other Services)

Compiled claims for Commissioner review and approval at March meeting. Entered claims into Quickbooks and prepared checks for claims to be authorized at March 5th meeting. Reviewed claims, bank records, etc. Quickbooks reconciliation. Compiled budget and actual data for FY 2018-19 budget preparation.

### 7501 Sphere of Influence Updates

Continued drafting fire district SOI Updates and outreach to districts. Updated previous workshop fire district SOI documents to be consistent with Commission direction for recent SOI updates. Coordinated with County GIS regarding mapping. EO met with Piercy FPD in Piercy and Covelo FPD in Covelo.

### 7001 Municipal Service Reviews

Research and outreach to Mutual Water Companies in Mendocino County to comply with AB 54. Reviewed files and previous outreach efforts to Ukiah Valley FPD in preparation for MSR/SOI update.



**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:

2/15/2018

*Payment due by the 15th of next month*

*In Reference To:* CLIENT CODE: MENDO-01

**Professional Services**

	<u>Hours</u>
1/18/2018 PSB Work on new Legislation. (Time split evenly between all LAFCo clients)	0.20
1/25/2018 PSB Review emails and respond; Telephone call to Uma --Left Message.	0.50
1/26/2018 PSB Telephone call from Uma re: miscellaneous issues.	0.50
1/31/2018 PSB Review UVSD lawsuit.	0.75
2/5/2018 PSB Participate in personnel meeting by phone.	1.00
2/15/2018 PSB Review packet for Legislative Meeting. (Time split evenly between all LAFCo clients)	0.25
SUBTOTAL:	[ 3.20 ]

	<u>Amount</u>
<b>Total Professional Hours</b>	3.20
Per Representation Agreement, flat fee of \$600/month.	\$600.00
<b>Previous balance</b>	\$600.00

**Payments and Credit Activity**

2/12/2018 Payment - Thank You. Check No. 1325	(\$600.00)
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**MENDOCINO**  
**Local Agency Formation Commission**

**Staff Report**

DATE: March 5, 2018  
TO: Mendocino Local Agency Formation Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: 2018 Office Space Lease Renewal

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**RECOMMENDATION**

Ratify the signed 2018 Lease Agreement between the City of Ukiah and Mendocino County Local Agency Formation Commission for office space at the Ukiah Valley Conference Center.

**DISCUSSION**

The Commission leases office space in the Ukiah Valley Conference Center, which is subject to an annual lease renewal. The Ukiah Valley Conference Center issued the 2018 lease renewal for office space, which was provided to the Commission for review in the November 6, 2017 Regular Meeting Agenda Packet. The City's letter informed that in accordance with the terms of the current lease, the proposed rent increase was from \$404.00 to \$424.00, effective January 1, 2018.

The terms of the current Lease provides for annual increases in rent at the rate equal to the Consumer Price Index, not to exceed 5 percent. The Commission authorized Chair Ward to review the Consumer Price Index and negotiate the rent increase with the City of Ukiah, if appropriate.

When no response was available by the December 4, 2017 Commission meeting, the Commission authorized the Chair to negotiate and sign the 2018 Lease Agreement and return for ratification by the full Commission.

Chair Ward negotiated a rate of \$415.00 per month for a term of three (3) years, expiring January 31, 2020. The Lease was signed on February 8, 2018.



**LEASE AGREEMENT  
BETWEEN THE CITY OF UKIAH AND  
MENDOCINO COUNTY LOCAL AGENCY FORMATION COMMISSION**

The Lease, made this first day of February 2018, by and between the City of Ukiah, hereinafter referred to as “Lessor” and the Mendocino County Local Agency Formation Commission, hereinafter referred to as “Lessee.”

**WITNESSETH:**

WHEREAS, Lessor does determine that the use of certain property owned by the Lessor is not requires for its use at this time and is available for lease;

NOW, THEREFORE, the parties hereto agree that on the terms and conditions hereinafter expressed, Lessor does hereby let to Lessee and Lessee does hereby hire from Lessor, approximately 160 square feet of the property and building located at 200 South School Street, Suite N in the City of Ukiah, County of Mendocino.

**1. TERM**

The term of this Lease shall be a 3 years (36 months), commencing on the date set forth above, through January 31, 2020. Both parties understand that the subject property is part of the Ukiah Valley Conference Center.

**2. RENT**

2.1 Rent for the leased premises Suite N shall be \$415.00 per month, payable on or before the fifth day of each month. If rent due under this paragraph is not received by Lessor on or before the tenth day of the month, lessee shall pay Lessor a late fee of 10% of monthly rent. The imposition of this fee is in addition to any other remedies Lessor may have for Lessee’s failure to pay rent when due under the terms of this Lease.

2.2 At the commencement of each subsequent year the rent shall be adjusted based on 100% of the change in the value of the most recently published AL Urban Consumers Index (CPI-U), all items, for the U.S. City Average, CA, Base Period 1982—1984-100, not seasonally adjusted, compiled and published by the U.S. Department of Labor, Bureau of Labor Statistics or its successor and its value twelve months before, however not to exceed 5%

2.3 Lessee shall also pay any real property, possessory interest or personal property taxes, and assessments imposed on the leased premises, property located on or affixed to the lease premises or as a result of the lease, use or ownership of the leased premises.

**3. USE, UTILITIES, REPAIRS, MAINTENANCE AND SHARED WORKSPACE**

- 3.1 The Premises shall be used for general office business to be conducted by Lessee. Lessee shall not use or store in the Premises any hazardous or toxic substances, with the sole exception of reasonably necessary substances that are kept in reasonable necessary quantities for normal office operation, provided that their use and storage are in accordance with applicable laws. Lessee shall not do or permit anything to be done on the Premises that will obstruct or interfere with the rights of other tenants of the Building or injure or annoy them, or use or allow the Premises to be used for any unlawful purposes, nor shall Lessee cause, maintain, or permit any nuisance or waste on or about the Premises.
- 3.1(a) At Lessee's sole cost, Lessee shall promptly comply with all laws and governmental rules now or later in force; with the requirements of any board of fire underwriters or other similar body now or in the future constituted; with any direction or occupancy certificate issued by public officers ("Legal Requirements"), insofar as they relate to the condition, use, or occupancy of the Premises. Excluded are (a) structural changes or changes to the electrical, mechanical, or plumbing systems of the Building, all to the extent not necessitated by Lessee's acts or by improvements made for Lessee, other than the tenant improvements to be made pursuant to this Lease by Lessor, if any; (b) alterations or improvements to the Building as a whole or the Premises of tenants generally that are not by law the tenant's responsibility with which to comply; and (c) work necessitated by defects in the construction of the Building. Lessor shall comply in a timely manner with all Legal Requirements that are not Lessee's responsibility under this Section to the extent noncompliance would adversely affect Lessee's use or occupancy of the Premises
- 3.1(b) Lessee shall comply with all rules adopted by Lessor regarding the use of the Building or the Premises which are furnished to Lessee in writing (copy of the current rules are attached hereto as Exhibit "A"). Lessor shall not be responsible to Lessee for the nonperformance of any of these rules by any other tenant or occupant of the Building, but Lessor shall take reasonable steps to enforce any rules, the nonperformance of which by other tenants materially and adversely affects Lessee in the use of the Premises. However, if any rule conflicts with any term, covenant, or condition of this Lease, this Lease shall prevail. In addition, no rules, or any subsequent amendments adopted by Lessor shall alter, reduce, or adversely affect any of Lessee's rights or enlarge Lessee's obligations under this Lease.
- 3.1(c) Lessor may enter the Premises at reasonable hours and, except in the event of an emergency, on reasonable prior notice, to: (a) inspect the Premises; (b) exhibit the Premises to prospective purchasers, lenders, or tenants; (c) determine whether Lessee is complying with all obligations under this Lease; (d) supply janitorial service and any other services to be provided by Lessor under this Lease; (e) post notices of no responsibility; and (f) make repairs or perform maintenance required of Lessor by this Lease, make repairs to any space or utility services, or make repairs alterations, or improvements to any other portion of the Building. However, all this work shall be done as promptly as reasonably possible and cause as little interference to Lessee as reasonably possible. Subject to Lessor's undertakings in the previous sentence, Lessee waives any damage claims for inconvenience to or interference with Lessee's business or loss of occupancy or quiet enjoyment of the Premises caused by Lessor's entry. At all times Lessor shall have a key with which to unlock the doors on the Premises, excluding Lessee's vaults, safes, and similar areas designated as secure areas. In an emergency,

Lessor shall have the right to use any means that Lessor deems proper to open Lessee's doors and enter the Premises. Entry to the Premises by Lessor in an emergency shall not be construed as a forcible or unlawful entry, or an actual or constructive eviction of Lessee.

- 3.2 Both parties agree that rent for the premises includes all costs for utilities and custodial maintenance.
- 3.3 Lessor shall maintain the public and Common Areas of the Building, including lobbies, stairs, corridors, restrooms, all exterior landscaping windows, the mechanical, plumbing, and electrical equipment serving the building, and the structure itself, in reasonably good order and condition so as to meet the reasonable needs of Lessee, except for damage, excluding normal wear and tear, caused by the Lessee. Damage by Lessee shall be repaired by Lessor at Lessee's expense. The standard of maintenance shall equal that of commercial office buildings of a similar class in the City of Ukiah.
- 3.3(a) Lessor shall furnish electricity for lighting and the operation of office, and heat and air conditioning to the extent reasonably required for comfortable occupancy by lessee.
- 3.3(b) Lessor shall not be in default under this lease, nor be liable for any damages resulting from, nor shall the required rental be abated because of: (I) the installation, use or interruption of use of any equipment in connection with furnishing the previously listed services, (II) failure to furnish or delay in furnishing these services, when failure or delay is caused by accident or conditions beyond the reasonable control of Lessor or by necessary repairs or improvements to the Premises or to the building, or (III) the limitation, curtailment, rationing, or restrictions on use of water, electricity, gas or any other form of energy serving the Premises or the Building. Lessor shall use reasonable efforts to diligently remedy interruptions in the furnishing of these services.
- 3.3(c) Upon receipt of a bill, Lessee shall reimburse Lessor for the cost of: (I) all heat or air conditioning provided to the Premises during hours requested by Lessee when those services are not otherwise furnished by Lessor, and (II) all power and cooling energy provided for supplementary air conditioning facilities in the Premises. Lessee shall also pay the cost of any transformers, additional risers, panel boards, and other facilities, if reasonably required to furnish power for supplementary air conditioning facilities in the Premises. The cost of item (I) shall be a per hour charge reflecting the electrical energy, labor and fixed plant costs (excluding depreciation) of operating the heating and air conditioning system.
- 3.3(d) In the event that Lessor, at Lessee's request, provides services to Lessee that are not otherwise provided for in this Lease, Lessee shall pay Lessor's reasonable charges for these services on billing of Lessor.
- 3.4 In addition to the monthly rental and other charges to be paid by Lessee under this Lease, Lessee shall pay Lessor for all of the following items (collectively, "Impositions"): possessory interest or other taxes imposed on the leased premises, its contents or the activities conducted in them, to the extent not paid to the taxing entity by Lessee.

3.5 Lessee accepts the Premises as being in the condition in which Lessor is obligated to deliver the Premises, subject to the tenant improvements, if any, that Lessor has agreed to make. At all times during the term of this Lease and at Lessee's sole cost, Lessee shall keep the Premises in good condition and repair; exceptions are ordinary wear and tear and damage to the Premises by fire, earthquake, or act of God or the elements. Lessee waives all rights to make repairs at the expense of Lessor or instead to vacate the Premises, and Lessee further waives the provisions of Civil Code §§1941 and 1942 with respect to Lessor' obligations under this Lease. At the end of the term of this Lease, Lessee shall surrender to Lessor the Premises and all Alterations that are to remain in the Premises in the same condition as when received; exceptions are ordinary wear and tear and damage by fire, earthquake, or act of God or the elements. Lessor has no obligation and has made no promise to alter, remodel, improve, repair, decorate, or paint the Premises, except as specifically set forth in this Lease. Lessor has made no representations respecting the condition of the Premises or the Building, except as specifically set forth in this Lease.

#### **4. ALTERATIONS**

4.1 Lessee shall not make any alterations to the interior or exterior of the leased premises without the prior written consent of the Lessor. Lessor may, but need not, require the Lessee to furnish drawings, plans or specifications for any proposed alterations, which the Lessor may review prior to authorizing any such alterations.

4.2 Lessee shall keep the Premises and the Building free from any liens arising out of any work performed, materials furnished, or obligations incurred by Lessee. Lessor may have posted on the Premises any notices that may be provided by Law or that Lessor may deem proper for the protection of Lessor, the Premises, and the Building from those liens. Lessee may contest any lien for which Lessee is responsible under this Section, provided that Lessee shall have caused the lien to be bonded against.

#### **5. HOLD HARMLESS AND LIABILITY INSURANCE**

5.1 Indemnification. Lessor shall not be liable for and is free from the cost of any damages for personal injury or property damage resulting from the use made by Lessee of the leased premises, any defective condition or faulty construction of the leased premises existing at the time of letting or arising thereafter and Lessee covenants and agrees to indemnify and save harmless said Lessor and its officers, agents and employees from and against any and all claims, liability, loss, cost, or other obligation, including reasonable attorneys' fees, on account of or arising out of Lessee's use of the leased premises.

5.2 Liability insurance. Lessee covenants and agrees during the life of this Lease at Lessee's sole expense to comply with the requirements of Exhibit "B", Insurance Requirements for Lessees (No Auto Risks) attached hereto and incorporated herein by reference.

#### **6. ASSIGNMENT**

Lessee will not assign this Lease, or any interest therein, and will not let or underlet the said premises, or any part thereof, without the prior written consent of the Lessor.



**7. OWNERSHIP OF IMPROVEMENTS**

If Lessee installs any permanent improvements, in accordance with paragraph four of this Lease or otherwise, such improvements shall become a part of the leased premises and title to said improvements shall be vested in the Lessor upon termination of this Lease. Lessor shall have the right to demand that Lessee restore the premises to the condition it was in prior to the date this Lease is made and if such demand is made, Lessee shall so restore the premises within ten (10) days of the date such notice is given.

**8. TERMINATION**

Notwithstanding any other provision of this Lease to the contrary, the parties shall have the right to terminate this Lease under the following circumstances.

- 8.1 Upon ninety (90) days prior written notice to the other party Lessor and Lessee shall have the mutual right to terminate the Lease for any reason.
- 8.2 Either party shall have an immediate right to terminate this Lease without prior notice to the other party other than that required by law for any breach of a term of the Lease by the other party, including, but not limited to, the Lessee's obligation to provide liability insurance.
- 8.3 Even though Lessee has breached this Lease and abandoned the Premises, this Lease shall continue in effect for so long as Lessor does not terminate Lessee's right to possession, and Lessor may enforce all rights and remedies under this Lease, including the right to recover the rental as it becomes due under this Lease. Acts of maintenance or preservation, efforts to relet the Premises, or the appointment of a receiver upon initiative of Lessor to protect Lessor's interest under this Lease shall not constitute a termination of Lessee's right to possession.
- 8.4 The remedies provided in this Lease are in addition to any other remedies available to Lessor at law, in equity, by statute, or otherwise.
- 8.5 Agreements and provisions to be performed by Lessee under this Lease shall be at Lessee's sole cost and without abatement of rental, except as specifically provided in this Lease. If Lessee (I) fails to pay any sum of money, other than rental, required under this Lease, or (II) fails to perform any other act required of lessee under this Lease, and this failure continues for thirty (30) days after notice of the failure by Lessor, or a longer period as may be allowed under this Lease, Lessor may, without waiving or releasing Lessee from any obligations of Lessee, make payment or perform other acts required by this Lease on Lessee's behalf. All sums paid by Lessor and all necessary incidental costs shall be payable to Lessor on demand and shall constitute additional rental under this Lease.

- 8.5(a) If, without objection by Lessor, Lessee holds possession of the Premises after expiration of the term of this Lease, Lessee shall become a tenant from month-to-month on the terms specified in this lease, except those pertaining to term, option to extend, and option to acquire the Building, but at a monthly rental equivalent to one hundred ten percent (110%) of the then prevailing monthly rental paid by Lessee at the expiration of the term of this Lease, payable in advance on or before the first day of each month. Each party shall give the other notice of intention to terminate the tenancy at least one (1) month prior to the date of termination of a monthly tenancy.
- 8.5(b) If, over Lessor's objection, Lessee holds possession of the Premises after expiration of the term of this Lease or expiration of the holdover tenancy, Lessee shall be deemed to be a tenant-at-sufferance and, without limiting the liability of Lessee for unauthorized occupancy of the Premises, Lessee shall indemnify Lessor and any replacement tenant for the Premises for any damages or loss suffered by either Lessor or the replacement tenant resulting from Lessee's failure to vacate the Premises in a timely manner.

**9. ATTORNEY'S FEES**

If either party to this Lease prevails in any legal proceeding arising under or in connection with the terms of the Lease, that party shall recover its reasonable attorney's fees from the other party.

**10. NOTICE**

Whenever notice is required to be given under this Lease, it shall be deemed given when deposited in the U.S. Mail with first class postage properly affixed thereto or when personally delivered and addressed as follows:

City of Ukiah  
300 Seminary Avenue  
Ukiah, CA 95482

Mendocino County Local Agency  
Formation Commission  
200 S. School Street, Suite N  
Ukiah, CA 95482

**11. WAIVER**

Waiver of any breach of this Lease, including the failure to pay rent or obtain prior approval for an assignment of the Lease, shall not be deemed a waiver of any subsequent breach of the same or a different provision of the Lease.

**12. PARAGRAPH HEADINGS**

Paragraph headings are included for the convenience of the parties and are not intended to define or limit the scope of this Lease.


**13. PREVIOUS AGREEMENT**

Any and all existing statement or agreements, whether oral or written, or renewals thereof between the parties hereto, covering the same subject matter, are hereby canceled and superseded by the terms of this Lease, and such prior agreements, statements or understandings shall have no further force or effect.

14. **DUPLICATE ORIGINALS**

This Lease may be executed in one or more duplicate originals bearing the original signature of both parties and when so executed any such duplicate original shall be admissible as proof of the existence and terms of this Lease.

Entered on the date referenced above (January 1, 2018).

  
\_\_\_\_\_  
Sage Sangiacomo, City Manager  
City of Ukiah

  
\_\_\_\_\_  
A.W. Huff, CHAIR  
Mendocino County Local Agency Formation Commission

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

**Staff Report**

DATE: March 5, 2018  
TO: Mendocino Local Agency Formation Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: **Workshop** for Covelo Fire Protection District Draft Sphere of Influence Update

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**RECOMMENDATION**

Hold a workshop on the Draft Covelo Fire Protection District SOI Update, provide comments and requested revisions, and direct staff to notice the matter for public hearing on April 2, 2018 for consideration along with 12 other fire protection service providers.

**DISCUSSION**

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

The Covelo FPD was formed in 1961 and encompasses the unincorporated community of Covelo. The District's boundary area is approximately 25.7 square miles. The Covelo FPD provides multiple services including structural fire protection, emergency medical and ambulance services including 24-hour Basic Life Support (BLS), rescue and extrication, first responder for hazardous materials incidents, fire prevention, and wildland fire protection as a secondary provider.

This Draft SOI Update includes an updated financial summary table based on data from the State Controller's Office. The District did not provide feedback on the SOI Update Administrative Draft.

The District's SOI is coterminous with the District boundary and was established by LAFCo on October 4, 1993 (LAFCo Resolution No. 93-4). The District has not requested a modification to the existing SOI and the SOI Update recommends the Commission affirm the existing sphere of influence.

**Attachments:**

(1) Covelo Fire Protection District Draft Sphere of Influence Update

**WORKSHOP DRAFT**

**COVELO  
FIRE PROTECTION DISTRICT**

**Sphere of Influence Update**

Prepared for:

**MENDOCINO LAFCO**

200 South School Street

Ukiah, California 95482

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

March 5, 2018

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# 1 SPHERE OF INFLUENCE UPDATE

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## 1.1 OVERVIEW

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

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

## 1.2 COVELO FIRE PROTECTION DISTRICT

### 1.2.1 BACKGROUND

#### 1.2.1.1 District Services

The Covelo Fire Protection District (Covelo FPD or District) was formed in 1961 and is the governing agency for the Covelo Volunteer Fire Department. The District added ambulance service in 1975. The Covelo FPD provides the following services: structural fire protection, emergency medical and ambulance services including 24-hour Basic Life Support (BLS), rescue and extrication, first responder for hazardous materials incidents, and fire prevention. Wildland fire protection service is primarily provided by the California Department of Forestry and Fire Protection (CAL FIRE) in State Responsibility Areas (SRA) during the wildfire season and secondarily by the District; although, the District is often the first to respond to such incidents, particularly during non-fire season months when the Covelo CAL FIRE station is not staffed.

Due to the isolated location of the District, ambulance service is critical and is provided through collaborative efforts. The District provides emergency medical response to a Basic Life Support (BLS) level and transfers patients via State Highway 162 to Willits for Advanced Life Support (ALS). Air ambulance services are also provided via the Round Valley Airport (AirNav O09) by CALSTAR (Willits) and Enloe (Chico). In 2016, CALSTAR and REACH merged under REACH Medical Holdings and continues to operate under CALSTAR (REACH, 2016). CALSTAR (California Shock Trauma Air Rescue), a nonprofit regional air medical services company serving California and northern Nevada, provides an affordable service to the Round Valley community and other remote areas from which ground transport would exceed an hour for people in critical need of hospital care. More than 600 Round Valley residents are CALSTAR subscribers, paying \$65 per year to be eligible for helicopter transport services for no cost beyond their insurance coverage. (LAFCo, 2016a)

#### 1.2.1.2 District Boundary

The Covelo FPD boundary comprises 25.7 square miles and encompasses the unincorporated community of Covelo and the Round Valley area (Figure 1-1). The District is located in the northeast portion of

Mendocino County along 3.5-miles of the State Highway 162 corridor and is situated approximately halfway between the Mendocino National Forest to the east and the Eel River to the west. Covelo is located approximately 14 air-miles northeast of Laytonville and the District boundary and the Long Valley FPD boundary line are approximately 7-miles apart. Access to the District is from State Highway 162, which traverses east from US Highway 101 for approximately 29-miles. The average travel time between Covelo and the City of Ukiah is roughly 90 minutes. Fire protection providers adjacent to the District include the Long Valley Fire Protection District to the west and the Little Lake Fire Protection District to the southwest. The District is primarily within the Local Responsibility Area (LRA), but there are also areas of the District within the State Responsibility Area (SRA) and the Federal Responsibility Area (FRA).

### **1.2.1.3 Out-of-Area Services**

The District does not maintain contracts with individual property owners to provide services outside its boundary. The District response area is larger than the District boundary area based on mutual aid services and dispatched service calls, especially for ambulance services. The District responds to medical calls in the following areas located outside the District boundary: from Dos Rios on State Highway 162, to the Tehama County line, to the Trinity County line, and to the top of Forest Highway 7 in the National Forest and Wilderness Area. The District also responds to calls from the Round Valley Indian Tribes of the Round Valley Reservation.

The District relies heavily on and participates in mutual aid services with adjacent fire districts through the Countywide Mutual Aid System. The District maintains Mutual Aid Agreements for ambulance service with the Ukiah Valley and Long Valley Fire Protection Districts. The District also participates in Mutual Aid Agreements for wildland fire incidents with CAL FIRE, the U.S. Forest Service, and the Bureau of Indian Affairs. Similar to all fire districts and EMS providers within the County, the Covelo FPD responds to calls outside the District boundary as needed and as dispatched. According to the 2015 Mendocino County Community Wildfire Protection Plan, Covelo FPD is within Mutual Aid/Planning Zone 1, which includes Brooktrails Township Community Services District, Little Lake Fire Protection District, Long Valley Fire Protection District, Leggett Valley Fire Protection District, Piercy Fire Protection District, and Whale Gulch Volunteer Fire Company (MCFCA, 2015).

## **1.2.2 SPHERE OF INFLUENCE**

### **1.2.2.1 Existing Sphere of Influence**

The Sphere of Influence (SOI) for Covelo FPD is coterminous with the District boundary and was established by LAFCo on October 4, 1993, along with other special districts providing fire service in Mendocino County (LAFCo Resolution No. 93-4).

### **1.2.2.2 Areas of Interest**

The majority of land adjacent to the District boundary is not within a fire district jurisdiction and is therefore considered to be unserved from a local provider perspective. These adjacent areas are primarily within the SRA; although, there are also large unserved areas that are owned by the Federal Government and are within the FRA. These areas are difficult to serve due to the distance from existing District fire stations, remote location, and access.

There is a large unserved area between the District and the Long Valley Fire Protection District and the Little Lake Fire Protection District boundaries.

### 1.2.2.3 Proposed SOI Changes

The District has confirmed the adequacy of their existing District boundary and SOI.

The areas of interest described above are not proposed to be added to the District SOI at this time. While these areas are not located within the boundary of a local fire protection agency, they do receive fire protection services from the District and adjacent providers when dispatched. These areas will be re-evaluated for suitability of inclusion in the District SOI in the next MSR/SOI Update.

There are no proposed SOI changes for the Covelo FPD.

### 1.2.2.4 Consistency with LAFCo Policies

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

While there are agricultural lands, open space lands, and agricultural preserves located within and adjacent to the District boundary, the provision of fire protection services alone does not jeopardize the preservation of these areas. There are adjacent lands that could be added to the District boundary in the future; however, the coterminous SOI is appropriate given the District's current operating level. Maintaining the existing District SOI is consistent with Mendocino LAFCo Policies.

## 1.2.3 MSR UPDATES

The MSR information and associated determinations prepared for the District in 2016 serve as a substantially reliable basis for this study. The following updated information has been provided by the District for the preparation of this SOI Update.

### 1.2.3.1 Financial Information

The 2016 MSR for the District included financial information for Fiscal Years 2010-11, 2011-12, and 2012-13. This section includes updated financial information for Fiscal Years 2013-14, 2014-15, and 2015-16 and highlights specific revenue sources such as Proposition 172 funds, Strike Team reimbursement, and fundraising/donations.

The following table provides year-end (not budget) financial information for the District. This table summarizes the District's annual revenues, expenditures, and changes in fund balances based on data from the State Controller's Office. This financial data represents the actual flow of cash resources for a given year. The Capital Outlay expenditure category shown in the table represents the cost of acquiring capital assets (land, buildings and improvements, equipment and vehicles) at the time of acquisition and does not account for depreciation of capital assets. If financial audit information was available for the District, this table would represent the long-term financial standing of the District based on depreciation expense reporting.

<b>Table 1.1 Financial Summary</b>			
	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>
<b>Beginning Fund Balance</b>	\$648,979	\$588,764	\$561,846

<b>Prior Period Adjustments</b>	\$0	\$0	\$13,057
<b>Ending Fund Balance</b>	\$588,764	\$561,846	\$527,554
<b>Reserve Balance</b>			
<b>Revenues</b>			
Property Tax	\$53,560	\$54,229	\$55,489
Special Tax/Assessment	\$0	\$0	\$0
Charges for Services	\$119,277	\$61,198	\$28,106
Rents	\$0	\$0	\$0
Property Owner Contributions	\$23,255	\$23,405	\$14,164
Interest Income	\$535	\$500	\$35,666
Other Revenue	\$3,122	\$0	\$0
<b>Total Revenues</b>	<b>\$199,749</b>	<b>\$139,332</b>	<b>\$133,425</b>
<b>Expenses</b>			
Salaries & Employee Benefits	\$34,573	\$35,008	\$32,526
Debt Service	\$0	\$0	\$0
Services & Supplies	\$156,251	\$107,842	\$148,248
Capital Outlay	\$69,140	\$23,400	\$0
Interest Expense	\$0	\$0	\$0
Other Expenses	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$259,964</b>	<b>\$166,250</b>	<b>\$180,774</b>
<b>Net Income/Loss</b>	<b>-\$60,215</b>	<b>-\$26,918</b>	<b>-\$47,349</b>

Source: CSCO, 2017.

According to the financial information in the table above, the District generally operates at a net loss and maintains a significant fund balance or reserve.

In 2017, the County of Mendocino disbursed a share of Proposition 172 funds to eligible fire agencies within the County. The formula for funding allocations was developed by the Mendocino County Association of Fire Districts and incorporates a minimum distribution per district, plus a population-based proportional allocation. The Covelo FPD received approximately \$17,832 in FY 2016-17 and anticipates approximately \$18,517 in FY 2017-18 (BOS, 2018). Future disbursements are unknown at this time.

The Covelo Fire Auxiliary hosts annual fundraising activities and holds charitable funds for the benefit of the District.

The District also bills non-residents for services provided according to the District Billing Ordinance and Fee Schedule; however, reimbursement is unpredictable and often is not received (LAFCo, 2016a).

### 1.2.3.2 MSR Determinations

The following table summarizes the MSR Determinations contained in the 2016 MSR and includes updated information shown as underlined text for additions and strikethrough text for deletions.

<b>Table 1.2 MSR Determination Updates</b>	
Growth and population projections for the affected area	
1.	There are approximately 3,400 residents within the District according to the 2010 Census.

2. The population of the District has seen very limited growth increases over the last few years, and expects very little growth to occur in the future.
The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence
3. <del>Two DUCs are identified within the RVCWD: the unincorporated community of Covelo and the Round Valley Indian Tribe.</del> Covelo, a census designated place, had a 2010 population of 1,255 and a median income of \$28,114 (U.S. Census Bureau, 2011, pp. Covelo, CA). The median income for Covelo residents is less than 80 percent of the statewide annual median, and is therefore considered a DUC.
Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies
4. The District's current facilities are limited but they do have the capacity to adequately serve current demand in the 26 square mile area and limited future growth for fire protection; medical response services are extremely thin due to the size of the area and its remoteness. However, the CFPD relies heavily on mutual aid with the U.S. Forest Service and CALFIRE.
5. The District reported that the SR 162 Station is 75% complete with renovations and remodeling.
6. Capital improvement needs for the District are generally planned in the budget.
Financial ability of agencies to provide services
7. CFPD reported that current financing levels are barely adequate to deliver services.
8. The fire department receives income from a property tax assessment which varies depending on the type of parcel and square footage. In FY 11-12, the CFPD received \$52,194 in property tax. The District's strike team gets reimbursed for responding to wild fires when the fire event lasts longer than four hours. The Covelo Fire Protection District also charges emergency fire response fees for providing services to non-residents who do not have a contract with the District.
9. In FY 11-12, total expenditures exceeded total revenues by \$36,538. The District maintains a Fund Equity Account to account for years in which expenditures exceed revenues.
Status of, and opportunities for, shared facilities
10. The District collaborates with other fire service providers through federal, state and county mutual aid agreements. CFPD has contributed to the creation of the Mendocino Fire Plan through the Fire Safe Council. The District is a member of the California Special District Association (CSDA), Fire Safe Council, Mendocino County Fire Chief's Association, and Mendocino County Special District Association.
11. <del>On January 18, 2015, paramedics from verihealth, Inc. began utilizing District facilities and ambulances in partnership with the District. As of fall 2017, the paramedics from verihealth, Inc. discontinued its partnership with the District to provide private sector ambulance service to the Round Valley community due to a lack of funding. Emergency medical transport services are still provided by the District and air medical services providers.</del>
Accountability for community service needs, including governmental structure and operational efficiencies
12. CFPD is governed by an elected five-person Board of Directors. However, all recent Board positions have been filled by appointment of the Mendocino County Board of Supervisors. The District should renew its efforts to identify more than one candidate for each Board position so that voters within the District will be afforded a choice and an opportunity to vote.
13. In addition to the required agendas and minutes, CFPD tries to inform its constituents through multiple outreach activities.
14. The District maintains a community presence at its SR 162 fire station where it posts information about district activities, documents and updates. The fire station is a gathering place for the



community. The Covelo Volunteer Fire Department is regularly recognized and used by residents as a first-aid station.

15. There is a need to negotiate with the Round Valley Indian Tribes (RVIT) for a reimbursement formula for medical and fire calls and responses.
16. The agency demonstrated accountability in its cooperation with the Mendocino LAFCo information requests.

Source: LAFCo, 2016a; UDJ, 2017.

#### **1.2.4 SOI DETERMINATIONS**

It is recommended that the Commission affirm the existing Sphere of Influence for the Covelo Fire Protection District that is coterminous with the District boundary. The following statements have been prepared in support of this recommendation.

##### **1.2.4.1 Land Uses**

GC §56425(e)(1): The present and planned land uses in the area, including agricultural and open space lands.

The Covelo FPD boundary includes the unincorporated community of Covelo, which is the hub of the Round Valley area, and consists of a range of commercial enterprises, churches, a lodging establishment, restaurants, grocery stores, gas stations, Post Office, Round Valley Airport, Round Valley Public Library, Round Valley Elementary School (K–8), Round Valley High School (7-12), Eel River Charter School (K-8), and residential areas interspersed throughout the community. The Hidden Oaks Casino and the Round Valley Indian Health Center are located within the District and the Round Valley Indian Reservation is located in the northwest portion of Round Valley. A majority of the land within the District consists of a mixture of commercial and residential uses, agricultural and grazing lands, and large tracts of forest and timber production lands in outlying areas. Mendocino County has land use authority over privately-owned lands within the District boundary and makes land-use decisions based on the County General Plan and Zoning Regulations.

##### **1.2.4.2 Need for Facilities and Services**

GC §56425(e)(2): The present and probable need for public facilities and services in the area.

The Covelo FPD provides the following services: structural fire protection, emergency medical and ambulance services including 24-hour Basic Life Support (BLS), rescue and extrication, first responder for hazardous materials incidents, fire prevention, and wildland fire protection as a secondary provider.

As determined in the 2016 MSR prepared for Covelo FPD, the District serves approximately 3,400 residents, including 1,255 in Covelo. Population growth within the County of Mendocino is expected to increase at an annual rate of approximately 0.2% (DOT, 2016). The population of the District is not expected to increase significantly and no substantial new development is anticipated in the foreseeable future. The District provides a critical service to the public. The residents and visitors currently receiving fire protection services from the District will continue to need this public service.

##### **1.2.4.3 Capacity of Facilities and Adequacy of Services**

GC §56425(e)(3): The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

As detailed in the 2016 MSR prepared for Covelo FPD, the District has an ISO rating of 9 for residential structures and 10 for commercial structures. Of special concern is the closure of a critical fire access road by the Department of Fish and Wildlife. The District operates one fire station located at 75900 State Highway 162 in Covelo, which is a four-bay structure that was renovated in 2016 and is adequate. The District has one 2,500-gallon Water Tender, two Type 2 Structure Engines, two Type 3 Wildland Engines, three Type 3 Ambulances, two light-duty trucks for the Fire Chief's squad, and one SUV for the Ambulance Director. There is a limited hydrant system within Covelo and the District has two water wells at a depth of 250-feet located on fire station property and reserved for filling water tenders. Water for fire protection in the District is provided by on-board tanks on each engine, one water tender, and other available water supplies such as ponds, swimming pools, and cisterns.

As determined in the 2016 MSR prepared for Covelo FPD and updated based on this SOI Update, the District's current facilities are limited but they do have the capacity to adequately serve current demand in the District boundary and limited future growth for fire protection services. Medical response resources are extremely spread thin due to the size of the response area and the remoteness of Round Valley and adjacent areas. The District relies heavily on mutual aid with the U.S. Forest Service and CALFIRE. The District's current financing levels are barely adequate to deliver services. The District should consider options for increasing revenue, such as negotiating with the Round Valley Indian Tribes to establish a reimbursement formula for District medical and fire services and a ballot measure to increase the existing benefit assessment.

It is suggested that the District prepare a capital plan that identifies current and long-term District facility and equipment needs, including upgrades, renovations, and major maintenance, capital improvements and purchases, and facility expansions, and identifies potential revenue sources for addressing those capital needs. It is also suggested that the District consider the feasibility of increased collaboration, such as formation of a Joint Powers Authority (JPA), with adjacent fire agencies to provide services more cost effectively and to enhance volunteer resources. Finally, it is suggested that the District create an agency website which can be a helpful communication tool to enhance government transparency and accountability.

#### **1.2.4.4 Communities of Interest**

GC §56425(e)(4): The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

The large unserved area between the District and the Long Valley Fire Protection District and the Little Lake Fire Protection District boundaries will be re-evaluated for suitability of inclusion in the District SOI in the next MSR/SOI Update.

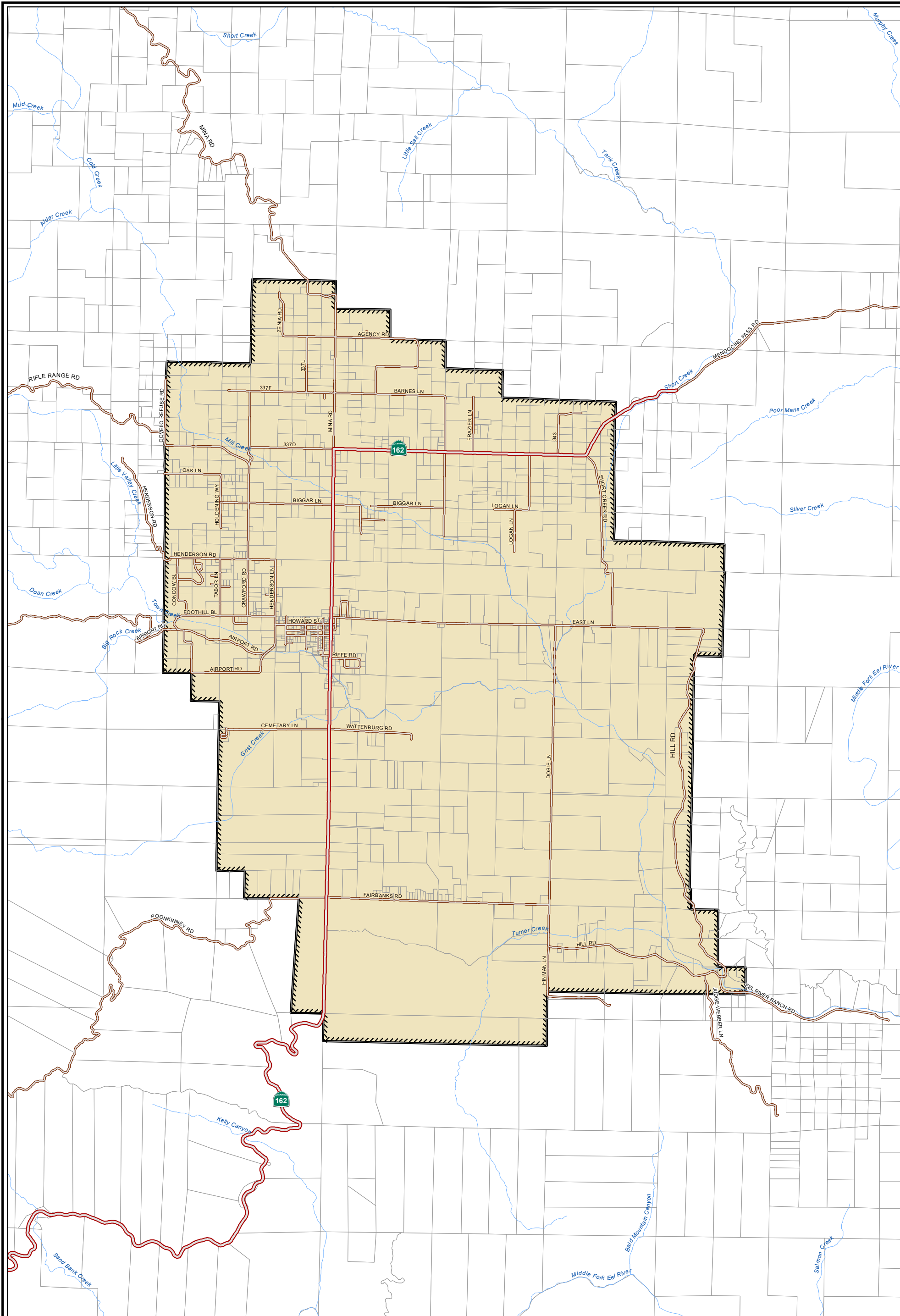
No other social or economic communities of interest have been identified in the preparation of this SOI Update that should be included in the District boundary.

#### **1.2.4.5 Disadvantaged Unincorporated Communities**

GC §56425(e)(5): For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

A Disadvantaged Unincorporated Community (DUC) is an area with 12 or more registered voters with a Median Household Income (MHI) that is less than 80% of the State MHI of \$61,632. The unincorporated community of Covelo is the population center within the District. Covelo qualifies as a DUC with a MHI of \$24,750 which is 40% of the State MHI (LAFCo, 2016a). The areas surrounding Covelo might also qualify as a DUC.

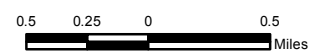
All future proposed annexations to the District will require consideration of any DUC in proximity to the annexation area. The District does not provide water or sewer services, and is therefore not responsible for ensuring that these services are adequately provided to the community.



# Covelo Fire Protection District SOI

Source: This map was prepared by the Mendocino County Division of Information Services GIS Program, February 2018.  
 Note: This map is not a survey product.

- Covelo FPD
- Sphere of Influence
- Parcels
- Highways
- Roads
- Streams



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# 3 ACKNOWLEDGEMENTS

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## 3.1 ASSISTANCE AND SUPPORT

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

Hinman & Associates Consulting, Inc.	Uma Hinman, LAFCo Executive Officer Larkyn Feiler, LAFCo Analyst Beth Salomone, LAFCo Commission Clerk
Covelo Fire Protection District	Doren Freeman, Fire Chief

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

**Staff Report**

DATE: March 5, 2018  
TO: Mendocino Local Agency Formation Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: **Workshop** for Potter Valley Community Services District Draft Sphere of Influence Update

---

**RECOMMENDATION**

Hold a workshop on the Draft Potter Valley Community Services District SOI Update, provide comments and requested revisions, and direct staff to notice the matter for public hearing on April 2, 2018 for consideration along with 12 other fire protection service providers.

**DISCUSSION**

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

The Potter Valley CSD was formed in 1948 and encompasses the unincorporated community of Potter Valley. The District's boundary area is approximately 134 square miles. The Potter Valley CSD provides multiple services including structural fire protection, emergency medical services to an Emergency Medical Technician (EMT)/First Responder level, rescue and extrication, first responder for hazardous materials incidents, fire prevention, and wildland fire protection as a secondary provider.

This Draft SOI Update includes an updated financial summary table based on data from the State Controller's Office. The District provided feedback on the SOI Update Administrative Draft.

The District's SOI is coterminous with the District boundary and was established by LAFCo on October 4, 1993 (LAFCo Resolution No. 93-4). The District has not requested a modification to the existing SOI and the SOI Update recommends the Commission affirm the existing sphere of influence.

**Attachments:**

(1) Potter Valley Community Services District Draft Sphere of Influence Update

**WORKSHOP DRAFT**

**POTTER VALLEY  
COMMUNITY SERVICES DISTRICT**

**Sphere of Influence Update**

Prepared for:

**MENDOCINO LAFCO**

200 South School Street

Ukiah, California 95482

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

March 5, 2018



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# 1 SPHERE OF INFLUENCE UPDATE

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## 1.1 OVERVIEW

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

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

## 1.2 POTTER VALLEY COMMUNITY SERVICES DISTRICT

### 1.2.1 BACKGROUND

#### 1.2.1.1 District Services

The Potter Valley Community Services District (Potter Valley CSD or District) was formed in 1948 and is the governing agency for the 501(c)(3) Potter Valley Volunteer Fire Department. The Potter Valley CSD provides the following services: structural fire protection, emergency medical services to an Emergency Medical Technician (EMT)/First Responder level, rescue and extrication, first responder for hazardous materials incidents, and fire prevention. Wildland fire protection service is primarily provided by the California Department of Forestry and Fire Protection (CAL FIRE) in State Responsibility Areas (SRA) during the wildfire season and secondarily by the District; although, the District is often the first to respond to such incidents, particularly during non-fire season months when the CAL FIRE stations are not staffed.

#### 1.2.1.2 District Boundary

The Potter Valley CSD boundary comprises 134 square miles and encompasses the unincorporated community of Potter Valley (Figure 1-1). The District is located in the eastern central portion of Mendocino County at the headwaters of the East Fork of the Russian River, and extends north of State Highway 20 to the Mendocino National Forest in the northeast quadrant of the District and easterly to the Mendocino-Lake County Line. Potter Valley is located approximately 15 road-miles northeast of the City of Ukiah. Access to the District is from Potter Valley Road (County Road 240) via State Highway 20. Fire protection providers adjacent to the District include the Redwood Valley-Calpella Fire Protection District to the southwest, the Little Lake Fire Protection District to the northwest, and the Northshore Fire Protection District to the east in Lake County. The core of the District is within the Local Responsibility Area (LRA), but the remainder of the District is primarily within the SRA and the Federal Responsibility Area (FRA).

#### 1.2.1.3 Out-of-Area Services

The District does not maintain contracts with individual property owners to provide services outside its boundary. The District response area is larger than the District boundary area due to mutual aid services

and dispatched service calls. The District relies on and participates in mutual aid services with adjacent fire districts through the Countywide Mutual Aid System. The District does not maintain an agreement with CAL FIRE for wildland fire incidents (PVCSD, 2018). Similar to all fire districts and EMS providers within the County, the Potter Valley CSD responds to calls outside the District boundary as needed and as dispatched. According to the 2015 Mendocino County Community Wildfire Protection Plan, Potter Valley CSD is within Mutual Aid/Planning Zone 2, which includes Redwood Valley-Calpella Fire Protection District, Ukiah Valley Fire Protection District, and Hopland Fire Protection District (MCFCA, 2015).

## **1.2.2 SPHERE OF INFLUENCE**

### **1.2.2.1 Existing Sphere of Influence**

The Sphere of Influence (SOI) for Potter Valley CSD is coterminous with the District boundary and was established by LAFCo on October 4, 1993, along with other special districts providing fire service in Mendocino County (LAFCo Resolution No. 93-4).

### **1.2.2.2 Areas of Interest**

The majority of land adjacent to the District boundary is located within an adjacent fire district boundary. However, land adjacent to the northern and southern boundary of the District is not within a fire district jurisdiction and is therefore considered to be unserved from a local provider perspective. These adjacent areas are primarily within the SRA; although, there are also large unserved areas that are owned by the Federal Government and are within the FRA. These areas are difficult to serve due to the distance from existing District fire stations, remote location, and access.

There is a small unserved area accessible from Tomki Road between the District and the Redwood Valley-Calpella Fire Protection District boundary.

There is a small unserved area accessible from Black Bart Trail between the District and the Redwood Valley-Calpella Fire Protection District boundary.

There is a small unserved island area near the center of the District boundary comprised of two parcels and water conveyance canals that are believed to be owned by the Pacific Gas and Electric Company (PG&E) and which are not within the District boundary.

There is a large area in the northeast portion of the District boundary along Ridgeway Highway that is difficult to serve because it is extremely remote with rugged terrain and access roads are in poor condition. Emergency medical air ambulance service to this area is typically provided by CALSTAR.

### **1.2.2.3 Proposed SOI Changes**

The District has confirmed the adequacy of their existing District boundary and SOI.

The areas of interest described above are not proposed to be added to or removed from the District SOI at this time. While these areas are not located within the boundary of a local fire protection agency, they do receive fire protection services from the District and adjacent providers when dispatched. These areas will be re-evaluated for suitability of inclusion in the District SOI in the next MSR/SOI Update.

There are no proposed SOI changes for the Potter Valley CSD.

### 1.2.2.4 Consistency with LAFCo Policies

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

While there are agricultural lands, open space lands, and agricultural preserves located within and adjacent to the District boundary, the provision of fire protection services alone does not jeopardize the preservation of these areas. There are adjacent lands that could be added to the District boundary in the future; however, the coterminous SOI is appropriate given the District’s current operating level. Maintaining the existing District SOI is consistent with Mendocino LAFCo Policies.

### 1.2.3 MSR UPDATES

The MSR information and associated determinations prepared for the District in 2016 serve as a substantially reliable basis for this study. The following updated information has been provided by the District for the preparation of this SOI Update.

#### 1.2.3.1 Financial Information

The 2016 MSR for the District included financial information for Fiscal Years 2010-11, 2011-12, and 2012-13. This section includes updated financial information for Fiscal Years 2013-14, 2014-15, and 2015-16 and highlights specific revenue sources such as Proposition 172 funds, Strike Team reimbursement, and fundraising/donations.

The following table provides year-end (not budget) financial information for the District. This table summarizes the District’s annual revenues, expenditures, and changes in fund balances based on data from the State Controller’s Office. This financial data represents the actual flow of cash resources for a given year. The Capital Outlay expenditure category shown in the table represents the cost of acquiring capital assets (land, buildings and improvements, equipment and vehicles) at the time of acquisition and does not account for depreciation of capital assets. If financial audit information was available for the District, this table would represent the long-term financial standing of the District based on depreciation expense reporting.

<b>Table 1.1 Financial Summary</b>			
	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>
<b>Beginning Fund Balance</b>	\$298,715	\$313,664	\$292,781
<b>Prior Period Adjustments</b>	\$0	\$3,179	\$0
<b>Ending Fund Balance</b>	\$313,664	\$292,781	\$286,771
<b>Reserve Balance</b>			
<b>Revenues</b>			
Property Tax	\$72,365	\$73,357	\$76,384
Special Tax/Assessment	\$0	\$	\$0
Charges for Services	\$0	\$	\$0
Other State	\$5	\$	\$0
Rents	\$0	\$	\$0
Property Owner Contributions	\$0	\$	\$0

Interest Income	\$1,293	\$910	\$1,040
Other Revenue	\$149	\$906	\$0
<b>Total Revenues</b>	<b>\$73,812</b>	<b>\$75,173</b>	<b>\$77,424</b>
<b>Expenses</b>			
Salaries & Employee Benefits	\$0	\$0	\$0
Debt Service	\$0	\$0	\$0
Services & Supplies	\$58,863	\$45,235	\$83,434
Capital Outlay	\$0	\$54,000	\$0
Interest Expense	\$0	\$0	\$0
Other Expenses	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$58,863</b>	<b>\$99,235</b>	<b>\$83,434</b>
<b>Net Income/Loss</b>	<b>\$14,949</b>	<b>-\$24,062</b>	<b>-\$6,010</b>

Source: CSCO, 2017.

According to the financial information in the table above, the District generally operates at a net balance and maintains a sufficient fund balance or reserve.

In 2017, the County of Mendocino disbursed a share of Proposition 172 funds to eligible fire agencies within the County. The formula for funding allocations was developed by the Mendocino County Association of Fire Districts and incorporates a minimum distribution per district, plus a population-based proportional allocation. The Potter Valley CSD received approximately \$15,074 in FY 2016-17 and anticipates approximately \$16,137 in FY 2017-18 (BOS, 2018). Future disbursements are unknown at this time.

The District does not receive reimbursement from CAL FIRE for Strike Team assistance. However, the District does participate in the 50% matching fund grant program from CAL FIRE for Wildlands Fire Fighting Equipment and Clothing such as helmets, goggles, pants. The Potter Valley Volunteer Fire Department hosts annual fundraising activities and holds charitable funds for the benefit of the District. (PVCSD, 2018)

### 1.2.3.2 MSR Determinations

The following table summarizes the MSR Determinations contained in the 2016 MSR and includes updated information shown as underlined text for additions and strikethrough text for deletions.

<b>Table 1.2 MSR Determination Updates</b>
Growth and population projections for the affected area
1. There are approximately 2,500 residents within the Potter Valley community Services District, based on District estimates. There are 646 people residing in the Potter Valley community.
2. The population of the District has not increased <u>significantly</u> over the past few years, and is not expected to increase in the foreseeable future.
The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence
3. There are no Disadvantages Unincorporated Communities (DUCs) within the District Sphere of Influence.
Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies
4. The District's current facilities are adequate, but need upgrading.

<p>5. The Fire Department does have the capacity to adequately serve current demand within the 134 square mile District boundary, but <del>due to time and distance factors</del> the District has difficulty responding to incidents on USFS lands <u>because this area is extremely remote with rugged terrain and access roads are in poor condition.</u></p> <p>6. Water supply for firefighting is always a challenge, given the limited water supply sources within the District. The Department is dependent on wells, portable pumps, portable tanks, and local ponds.</p> <p>7. Capital improvement needs for the District are generally planned in the budget, and the District is accruing funds to renovate the Main Station.</p>
<p>Financial ability of agencies to provide services</p>
<p>8. PVVFD reported that current financing levels are adequate to deliver services.</p> <p>9. The <del>Fire Department</del> District receives the bulk of its operating funds from property tax revenue. Additional sources of revenue (such as government grants or Proposition 172 funds) would benefit the Department's ability to provide greater services, equipment, <del>paid personnel</del>, and firefighter training.</p> <p>10. The District maintains a Fund Equity Account to account for years in which expenditures exceed revenues.</p>
<p>Status of, and opportunities for, shared facilities</p>
<p>11. The District collaborates with other fire service providers through federal, state and county mutual aid agreements. PVVFD has contributed to the creation of the Mendocino Fire Plan through the Fire Safe Council. The District is a member of the California Special District Association (CSDA), Fire Safe Council, Mendocino County Fire Chief's Association, and Mendocino County Special District Association.</p>
<p>Accountability for community service needs, including governmental structure and operational efficiencies</p>
<p>12. PVCSD is governed by an elected five-person Board of Directors. However, all recent Board positions have been filled by appointment of the Mendocino County Board of Supervisors. The District should renew its efforts to identify more than one candidate for each Board position so that voters within the District will be afforded a choice and an opportunity to vote.</p> <p>13. The District maintains a community presence at its Main Street Fire Station, where it posts information about district and fire department activities, documents and updates.</p> <p>14. The District does not have a website. Establishing a website and the posting of agendas, minutes, budgets, and financial data would provide better transparency.</p> <p>15. The agency demonstrated accountability in its cooperation with Mendocino LAFCo information requests.</p>

Source: LAFCo, 2016a; PVCSD, 2018.

## 1.2.4 SOI DETERMINATIONS

It is recommended that the Commission affirm the existing Sphere of Influence for the Potter Valley Community Services District that is coterminous with the District boundary. The following statements have been prepared in support of this recommendation.

### 1.2.4.1 Land Uses

GC §56425(e)(1): The present and planned land uses in the area, including agricultural and open space lands.

The Potter Valley CSD boundary includes the unincorporated community of Potter Valley, which is the hub of the area, and consists of a range of limited commercial enterprises, including wineries, a restaurant, a

grocery store and gas station, beauty salon, real estate office, nursery and garden supply store, automobile repair shop, churches, the Post Office, Potter Valley Elementary School, Potter Valley Junior High School, Potter Valley High School, Potter Valley Youth and Community Center, and Potter Valley Rodeo, and residential areas and agricultural lands interspersed throughout the community. Potter Valley is a richly diverse farming and ranching community best known for excellent wine grapes, grass-fed beef, pastured pork and lamb, pears, and premium hay and alfalfa. The northeast portion of land within the District is located within the Mendocino National Forest administered by the US Forest Service. Mendocino County has land use authority over privately-owned lands within the District boundary and makes land-use decisions based on the County General Plan and Zoning Regulations.

#### **1.2.4.2 Need for Facilities and Services**

GC §56425(e)(2): The present and probable need for public facilities and services in the area.

The Potter Valley CSD provides the following services: structural fire protection, emergency medical services to an Emergency Medical Technician (EMT)/First Responder level, rescue and extrication, first responder for hazardous materials incidents, fire prevention, and wildland fire protection as a secondary provider.

As determined in the 2016 MSR prepared for Potter Valley CSD, the District serves approximately 2,500 residents, including 646 in Potter Valley which is a Census Designated Place (CDP). Population growth within the County of Mendocino is expected to increase at an annual rate of approximately 0.2% (DOT, 2016). The population of the District is not expected to increase significantly and no substantial new development is anticipated in the foreseeable future. The District provides a critical service to the public. The residents and visitors currently receiving fire protection services from the District will continue to need this public service.

#### **1.2.4.3 Capacity of Facilities and Adequacy of Services**

GC §56425(e)(3): The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

As detailed in the 2016 MSR prepared for Potter Valley CSD, the District has an ISO rating of 8.5 on the valley floor and 10 in the remainder of the District. The District operates one fire station located at 10521 Main Street in Potter Valley, which is a two-bay 3,456-square foot metal building with a training room, kitchen, bathroom, washroom, equipment storage bays, and a storage room. There is also a shade structure behind the station for additional apparatus and vehicle storage. The Main Station is in fair condition but needs to be renovated; the District is currently saving funds in order to accomplish this work utilizing volunteers. The District has two Type 1 Pumper/Structure/Wildland Engines, one Type 3 Wildland Engine, and one Type 2 Pumper/Structure Engine, one Type 2 Pumper/Tender Engine, and two Rescue/Attack Engines (PVCSD, 2018). Water supply for firefighting is limited within the District. With the exception of one fire hydrant supplied by a well, the District does not have access to a piped water system. Water for fire protection in the District is provided by four ponds plumbed for water extraction, on-board tanks on each engine, one 2,200-gallon water tender, and other available water supplies such as irrigation canals, ponds, swimming pools, and cisterns.

As determined in the 2016 MSR prepared for Potter Valley CSD and updated based on this SOI Update, the District's current facilities are adequate but need upgrading and the District has the capacity to adequately serve current demand in the District boundary. The District has difficulty responding to calls



in the northeast portion of the District and on US Forest Service lands because this area is extremely remote with rugged terrain and access roads are in poor condition. The District's current financing levels are adequate to deliver services and the District maintains a Fund Equity Account, or reserve account, for years in which expenditures exceed revenues.

It is suggested that the District prepare a capital plan that identifies current and long-term District facility and equipment needs, including upgrades, renovations, and major maintenance, capital improvements and purchases, and facility expansions, and identifies potential revenue sources for addressing those capital needs. It is also suggested that the District consider the feasibility of increased collaboration, such as formation of a Joint Powers Authority (JPA), with adjacent fire agencies to provide services more cost effectively and to enhance volunteer resources. Finally, it is suggested that the District create an agency website which can be a helpful communication tool to enhance government transparency and accountability.

#### **1.2.4.4 Communities of Interest**

GC §56425(e)(4): The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

Several areas will be re-evaluated for suitability of inclusion in the District SOI in the next MSR/SOI Update: two small unserved areas accessible from Tomki Road and Black Bart Trail, and located between the District and the Redwood Valley-Calpella Fire Protection District boundary; and the small unserved island area near the center of the District boundary comprised of two parcels and water conveyance canals.

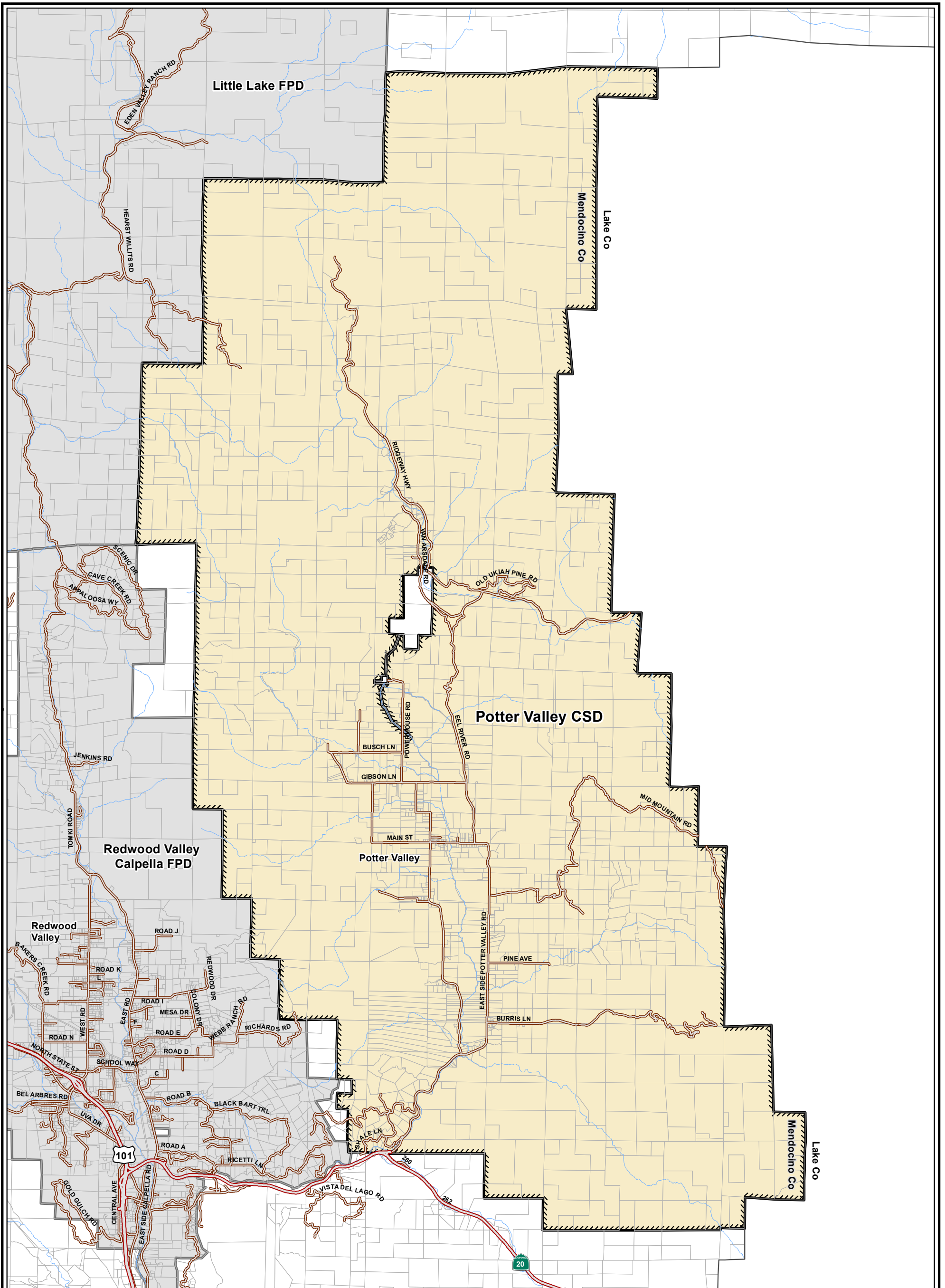
No other social or economic communities of interest have been identified in the preparation of this SOI Update that should be included in the District boundary.

#### **1.2.4.5 Disadvantaged Unincorporated Communities**

GC §56425(e)(5): For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

A Disadvantaged Unincorporated Community (DUC) is an area with 12 or more registered voters with a Median Household Income (MHI) that is less than 80% of the State MHI of \$61,632. The unincorporated community of Potter Valley is the population center within the District. Potter Valley does not qualify as a DUC because this area has a MHI of \$73,125 which is 118.6% of the State MHI (LAFCo, 2016a). The areas surrounding Potter Valley might qualify as a DUC.







All future proposed annexations to the District will require consideration of any DUC in proximity to the annexation area. The District does not provide water or sewer services, and is therefore not responsible for ensuring that these services are adequately provided to the community.



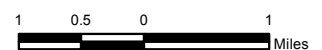
# Potter Valley Community Service District SOI

Source: This map was prepared by the Mendocino County Division of Information Services GIS Program, February 2018.

Note: This map is not a survey product.

-  Potter Valley CSD SOI
-  Potter Valley CSD
-  Adjacent Fire Protection Services
-  Parcels
-  Highways
-  Roads
-  Streams

Note: Assessor Parcel Number 176-130-08 is overlapped by both Potter Valley CSD and Redwood Valley FPD.



## 2 REFERENCES

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# 3 ACKNOWLEDGEMENTS

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## 3.1 ASSISTANCE AND SUPPORT

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

Hinman & Associates Consulting, Inc.	Uma Hinman, LAFCo Executive Officer Larkyn Feiler, LAFCo Analyst Beth Salomone, LAFCo Commission Clerk
Potter Valley Community Services District	Bill Pauli, Fire Chief

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

**Staff Report**

DATE: March 5, 2018  
TO: Mendocino Local Agency Formation Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: **Workshop** for Mendocino Fire Protection District Draft Sphere of Influence Update

---

**RECOMMENDATION**

Hold a workshop on the Draft Mendocino Fire Protection District SOI Update, provide comments and requested revisions, and direct staff to notice the matter for public hearing on April 2, 2018 for consideration along with 12 other fire protection service providers.

**DISCUSSION**

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

The Mendocino FPD was formed in 1948 and encompasses the unincorporated community of Mendocino. The District's boundary area is approximately 23.8 square miles. The Mendocino FPD provides multiple services including structural fire protection, emergency medical services to an Emergency Medical Technician (EMT)/First Responder level, rescue and extrication, cliff and ocean rescue, first responder for hazardous materials incidents, fire prevention, and wildland fire protection as a secondary provider.

This Draft SOI Update includes an updated financial summary table based on financial audit data from the District. The District will provide more recent audits once complete. The District provided feedback on the SOI Update Administrative Draft.

The District's SOI is coterminous with the District boundary and was established by LAFCo on October 4, 1993 (LAFCo Resolution No. 93-4). The District has not requested a modification to the existing SOI and the SOI Update recommends the Commission affirm the existing sphere of influence.

**Attachments:**

(1) Mendocino Fire Protection District Draft Sphere of Influence Update

**WORKSHOP DRAFT**

**MENDOCINO  
FIRE PROTECTION DISTRICT**

**Sphere of Influence Update**

Prepared for:

**MENDOCINO LAFCO**

200 South School Street

Ukiah, California 95482

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

March 5, 2018

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# 1 SPHERE OF INFLUENCE UPDATE

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## 1.1 OVERVIEW

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

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

## 1.2 MENDOCINO FIRE PROTECTION DISTRICT

### 1.2.1 BACKGROUND

#### 1.2.1.1 District Services

The Mendocino Fire Protection District (Mendocino FPD or District) was formed in 1948 and is the governing agency for the 501(c)(3) Mendocino Volunteer Fire Department. The Mendocino FPD provides the following services: structural fire protection, emergency medical services to an Emergency Medical Technician (EMT)/First Responder level, rescue and extrication, cliff and ocean rescue, first responder for hazardous materials incidents, and fire prevention. Wildland fire protection service is primarily provided by the California Department of Forestry and Fire Protection (CAL FIRE) in State Responsibility Areas (SRA) during the wildfire season and secondarily by the District; although, the District is often the first to respond to such incidents, particularly during non-fire season months when the Woodlands CAL FIRE station is not staffed. More information regarding the Mendocino Volunteer Fire Department is available at the following website: <http://www.mendocinofire.com/>.

#### 1.2.1.2 District Boundary

The Mendocino FPD boundary comprises 23.8 square miles and encompasses the unincorporated community of Mendocino (Figure 1-1). The District is located along the Pacific Ocean, approximately 9.5-miles south of the City of Fort Bragg, and is bisected in a north-south direction by 7.5-miles of State Highway 1, the primary transportation route in the area. The District extends from Caspar Bridge to the north and Little River Airport Road to the south. The District boundary extends inland for approximately 4-miles for most of the District and approximately 7.5-miles along Comptche-Ukiah Road at the southern end of the District. Fire protection providers adjacent to the District include the Fort Bragg Rural Fire Protection District to the north, the Albion-Little River Fire Protection District to the south, and the Comptche Community Services District to the east. The District is entirely within the SRA.

### **1.2.1.3 Out-of-Area Services**

The District does not maintain contracts with individual property owners to provide services outside its boundary. The District response area is larger than the District boundary area due to mutual aid services and dispatched service calls. The District has mutual aid agreements with the Fort Bragg Rural Fire Protection District, the Albion-Little River Fire Protection District, and the Comptche Community Services District. The District does not maintain a standing Strike Team for assignment throughout the State, but the District does respond to wildland fire incidents within Mendocino County, (MFPD, 2018). Similar to all fire districts and EMS providers within the County, the Mendocino FPD responds to calls outside the District boundary as needed and as dispatched. According to the 2015 Mendocino County Community Wildfire Protection Plan, Mendocino FPD is within Mutual Aid/Planning Zone 4, which includes Fort Bragg Rural Fire Protection District, Albion-Little River Fire Protection District, Comptche Community Services District, and Westport Volunteer Fire Department (MCFCA, 2015).

## **1.2.2 SPHERE OF INFLUENCE**

### **1.2.2.1 Existing Sphere of Influence**

The Sphere of Influence (SOI) for Mendocino FPD is coterminous with the District boundary and was established by LAFCo on October 4, 1993, along with other special districts providing fire service in Mendocino County (LAFCo Resolution No. 93-4).

### **1.2.2.2 Areas of Interest**

The majority of land adjacent to the District boundary is not within a fire district jurisdiction and is therefore considered to be unserved from a local provider perspective. These adjacent areas are within the SRA and are primarily in public ownership with some areas owned by a timber production company. These areas are difficult to serve due to the distance from existing District fire stations, remote location, and access.

There is a small unserved area at Van Damme State Park, which is between the District and the Albion-Little River Fire Protection District boundary.

### **1.2.2.3 Proposed SOI Changes**

The District has confirmed the adequacy of their existing District boundary and SOI.

The areas of interest described above are not proposed to be added to the District SOI at this time. While these areas are not located within the boundary of a local fire protection agency, they do receive fire protection services from the District and adjacent providers when dispatched. These areas will be re-evaluated for suitability of inclusion in the District SOI in the next MSR/SOI Update.

There are no proposed SOI changes for the Mendocino FPD.

### **1.2.2.4 Consistency with LAFCo Policies**

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

While there are agricultural lands, open space lands, and agricultural preserves located within and adjacent to the District boundary, the provision of fire protection services alone does not jeopardize the preservation of these areas. There are adjacent lands that could be added to the District boundary in the

future; however, the coterminous SOI is appropriate given the District’s current operating level. Maintaining the existing District SOI is consistent with Mendocino LAFCo Policies.

### 1.2.3 MSR UPDATES

The MSR information and associated determinations prepared for the District in 2016 serve as a substantially reliable basis for this study. The following updated information has been provided by the District for the preparation of this SOI Update.

#### 1.2.3.1 Financial Information

The 2016 MSR for the District included financial information for Fiscal Years 2010-11, 2011-12, and 2012-13. This section includes updated financial information for Fiscal Years 2013-14, 2014-15, and 2015-16 and highlights specific revenue sources including Proposition 172 funds, Strike Team reimbursement, and fundraising/donations.

The following table provides year-end (not budget) financial information for the District. This table summarizes the Statement of Activities prepared by a Certified Public Accountant and represents the long-term financial standing of the District based on reporting capital asset activity using the full accrual basis of accounting. This involves depreciation which is a method of spreading the cost of a capital asset over its estimated useful life as opposed to recognizing the cost of a capital asset as an expenditure at the date of acquisition. Capitalization policies commonly define a capital asset as a fixed asset (land, buildings and improvements, equipment and vehicles) with an initial cost of \$5,000 or greater with an estimated useful life in excess of one year. Also, refer to Figure 1-2 for the most recent Statement of Net Position which represents the difference between the District’s assets and liabilities.

<b>Table 1.1 Financial Summary</b>			
	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>
<b>Prior Period Adjustments</b>	-\$17,329		
<b>Ending Unassigned Fund Balance</b>	\$1,011,994	\$1,081,110	
<b>Reserve Balance</b>			
<b>Revenues</b>			
Special Assessments	\$141,190	\$140,875	
Charges for Services	\$6,692	\$1,665	
Property Taxes	\$163,014	\$165,766	
Gain on Sale of Capital Assets	\$7,660	\$91	
Rental Income	\$1,594	\$1,778	
Interest Income	\$3,737	\$2,836	
<b>Total Revenues</b>	<b>\$323,887</b>	<b>\$313,011</b>	
<b>Expenses</b>			
Personnel Costs	\$30,987	\$29,313	
Supplies & Small Tools	\$34,958	\$43,842	
Communications	\$6,283	\$6,843	
Insurance	\$25,168	\$30,049	
Office Expenses	\$2,657	\$3,126	

Memberships	\$2,418	\$4,430	
Professional Fees	\$13,387	\$8,104	
Repairs & Maintenance	\$27,601	\$39,726	
Training	\$4,087	\$4,400	
Travel & Transportation	\$10,759	\$11,262	
Utilities	\$9,289	\$8,880	
Depreciation	\$96,565	\$98,354	
<b>Total Expenses</b>	<b>\$264,159</b>	<b>\$288,329</b>	
<b>Net Income/Loss</b>	<b>\$59,728</b>	<b>\$24,682</b>	

Source: Bowers, 2017.

According to the financial information in the table above, the District generally operates at a net income and maintains a significant fund balance or reserve.

In 2017, the County of Mendocino disbursed a share of Proposition 172 funds to eligible fire agencies within the County. The formula for funding allocations was developed by the Mendocino County Association of Fire Districts and incorporates a minimum distribution per district, plus a population-based proportional allocation. The Mendocino FPD received approximately \$18,185 in FY 2016-17 and anticipates approximately \$18,823 in FY 2017-18 (BOS, 2018). Future disbursements are unknown at this time.

The District occasionally receives reimbursement from CAL FIRE for Strike Team assistance. The highest reimbursement amount was \$5,201 for assistance provided in 2013 (MFPD, 2018).

Since the passage of Special Tax Measure T (property assessment) in 2004, the Mendocino Volunteer Fire Department no longer hosts annual fundraising activities for the District, but continues to receive various individual donations and has raised approximately \$35,000 for a new fire station. The Volunteer Fire Department holds charitable funds for the benefit of the District. (MFPD, 2018)

### 1.2.3.2 MSR Determinations

The following table summarizes the MSR Determinations contained in the 2016 MSR; no updates to the determinations were noted in the preparation of this SOI Update.

<b>Table 1.2 MSR Determination Updates</b>	
Growth and population projections for the affected area	
1.	There are approximately 3,000 residents within the Mendocino fire Protection District boundary, based on District estimates. There are 894 people residing in the Town of Mendocino.
2.	The population of the District has not increased over the past few years, and is not expected to increase in the foreseeable future.
The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence	
3.	There are no Disadvantages Unincorporated Communities (DUCs) within the District Sphere of Influence.
Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies	
4.	The District's current facilities are adequate, with the possibility of adding new fire stations when funding becomes available.

5. The Fire Department has the capacity to adequately serve current demand within the 24 square mile District boundary, and is able to assist adjoining fire districts through mutual aid.
6. Water supply for fire fighting is available in the Town of Mendocino, but the outlying areas rely on tanker trucks, and limited water tanks. Additional water tanks at strategic locations would be beneficial.
<b>Financial ability of agencies to provide services</b>
7. MFPD reported that current financing levels are adequate to deliver services.
8. The District has been accruing significant reserve funds as revenues exceed expenditures each Fiscal Year.
<b>Status of, and opportunities for, shared facilities</b>
9. The District collaborates with other fire service providers through state and county mutual aid agreements.
<b>Accountability for community service needs, including governmental structure and operational efficiencies</b>
10. MFPD is governed by an elected five-person Board of Directors. However, all recent Board positions have been filled by appointment of the Mendocino County Board of Supervisors. The District should renew its efforts to identify more than one candidate for each Board position so that voters within the District will be afforded a choice and an opportunity to vote.
11. The Volunteer Fire Department maintains a website. However, District governance, meeting notices, agendas, minutes and financial data are not published on this website.
12. The District maintains a community presence at its Main Fire Station, where it posts information about district and fire department activities, documents and updates.
13. The agency demonstrated accountability in its cooperation with Mendocino LAFCo information requests.

Source: LAFCo, 2016a.

#### 1.2.4 SOI DETERMINATIONS

It is recommended that the Commission affirm the existing Sphere of Influence for the Mendocino Fire Protection District that is coterminous with the District boundary. The following statements have been prepared in support of this recommendation.

##### 1.2.4.1 Land Uses

GC §56425(e)(1): The present and planned land uses in the area, including agricultural and open space lands.

The Mendocino FPD boundary includes the unincorporated community of Mendocino. Mendocino has a Historical District and a balance of residential, commercial, and visitor-serving facilities including restaurants, shops, art and entertainment venues, and a variety of lodging types such as hotel, inn, bed-and-breakfast, and vacation home rentals. The Mendocino Headlands State Park, Russian Gulch State Park, and Point Cabrillo Light Station State Historic Park are located within the District. There are large tracts of forest and range land in outlying areas of the District, and cliffs and rocky shores along the Pacific Ocean. Mendocino County has land use authority over privately-owned lands within the District boundary and makes land-use decisions based on the County General Plan and Zoning Regulations.

##### 1.2.4.2 Need for Facilities and Services

GC §56425(e)(2): The present and probable need for public facilities and services in the area.

The Mendocino FPD provides the following services: structural fire protection, emergency medical services to an Emergency Medical Technician (EMT)/First Responder level, rescue and extrication, cliff and ocean rescue, first responder for hazardous materials incidents, fire prevention, and wildland fire protection as a secondary provider.

As determined in the 2016 MSR prepared for Mendocino FPD, the District serves approximately 3,000 residents, including 894 in Mendocino which is a Census Designated Place (CDP). There are also large influxes of transient residents during local festivals, summer tourism, and the fishing season. Population growth within the County of Mendocino is expected to increase at an annual rate of approximately 0.2% (DOT, 2016). The population of the District has experienced limited growth over the past few years. The population of the District is not expected to increase significantly and no substantial new development is anticipated in the foreseeable future. The District provides a critical service to the public. The residents and visitors currently receiving fire protection services from the District will continue to need this public service.

#### **1.2.4.3 Capacity of Facilities and Adequacy of Services**

GC §56425(e)(3): The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

As detailed in the 2016 MSR prepared for Mendocino FPD, the District has an ISO rating of 6. The District operates three fire stations. The main station, located at 44700 Little Lake Road in Mendocino, was constructed in 1975 and is a 10,000-square foot, 2-story facility with three drive-through apparatus bays, a meeting/training room, kitchen, bathroom, shop, and storage area. The Main Station is in very good condition but is operating at capacity. The District's original station is located in downtown Mendocino at 10461 Lansing Street. The third station is a building leased from CAL FIRE at the Woodlands Fire Station located at 41722 Little Lake Road. The District is examining sites for fire stations that will be constructed as funding becomes available. The District has one Type 3 Rescue Attack Engine, one Type 3 Wildland Fire Engine, one Type 6 Wildland Fire Engine, two Type 2 Structure Engines, one Type 2 2,200-gallon Pumper/Water Tender, one Type 2 1880-gallon Pumper/Water Tender, one Utility Vehicle, two Zodiac boats, and two jet skis. The District also has a 1948 antique fire engine that is used for parades and community events. In addition, the District has a 30-year plan for apparatus replacement. Within Mendocino, which is served by the Mendocino City Community Services District, there is a water supply and hydrant system for firefighting. The hydrant system covers approximately 5% of the District, including key locations such as the Mendocino K-8 School, the Community Center, and commercial buildings and hotel/motel accommodations. There is a dedicated water source at the Main Station, and the district maintains water tanks in three other locations. Water for fire protection outside of these areas is provided by on-board tanks on each engine, two water tenders, and other available water supplies such as ponds, swimming pools, and cisterns.

As determined in the 2016 MSR prepared for Mendocino FPD and updated based on this SOI Update, the District's current facilities are adequate and have the capacity to adequately serve current demand within the District boundary and to assist adjacent fire districts through mutual aid services. The District is looking for sites to add new fire stations, when funding becomes available, to support future growth for fire protection services. The inland area of the District along Caspar-Little Lake Road (County Road 409) to the east and the Old Mill Farm area are difficult to serve. The District's current financing levels are adequate

to deliver services and the District has been accruing significant reserve funds as revenues exceed expenditures in most years.

It is suggested that the District prepare a capital plan that identifies current and long-term District facility and equipment needs, including upgrades, renovations, and major maintenance, capital improvements and purchases, and facility expansions, and identifies potential revenue sources for addressing those capital needs. It is also suggested that the District consider the feasibility of increased collaboration, such as formation of a Joint Powers Authority (JPA), with adjacent fire agencies to provide services more cost effectively and to enhance volunteer resources. Finally, it is suggested that the District create an agency website, which can be a helpful communication tool to enhance government transparency and accountability.

#### **1.2.4.4 Communities of Interest**

GC §56425(e)(4): The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

The small unserved area at Van Damme State Park which is between the District and the Albion-Little River Fire Protection District boundary will be re-evaluated for suitability of inclusion in the District SOI in the next MSR/SOI Update.

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

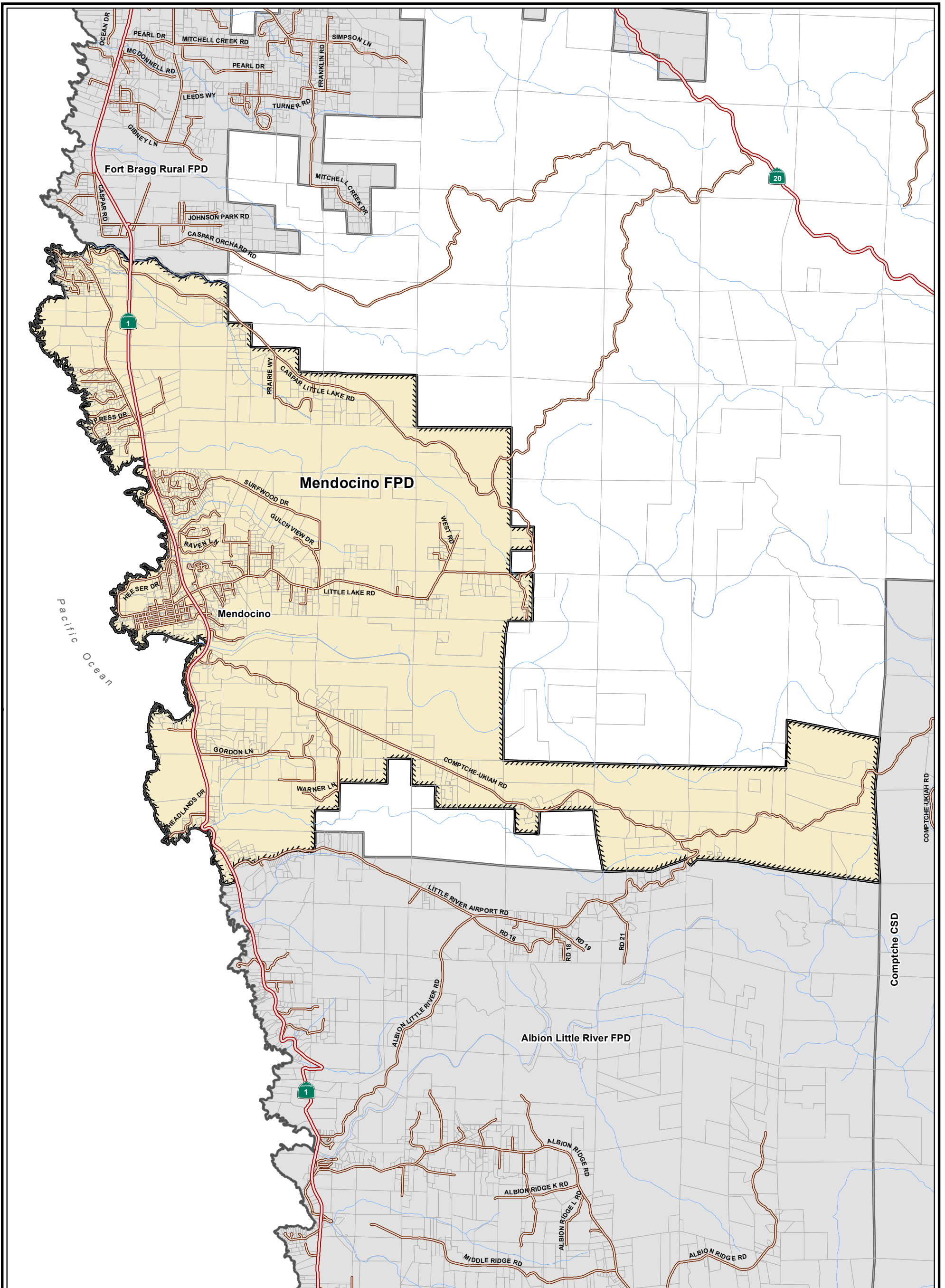
#### **1.2.4.5 Disadvantaged Unincorporated Communities**

GC §56425(e)(5): For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

A Disadvantaged Unincorporated Community (DUC) is an area with 12 or more registered voters with a Median Household Income (MHI) that is less than 80% of the State MHI of \$61,632. The unincorporated community of Mendocino is the population center within the District. Mendocino does not qualify as a DUC because this area has an MHI of \$56,203 which is 91.2% of the State MHI (LAFCo, 2016a). The areas surrounding Mendocino might qualify as a DUC.

All future proposed annexations to the District will require consideration of any DUC in proximity to the annexation area. The District does not provide water or sewer services, and is therefore not responsible for ensuring that these services are adequately provided to the community.







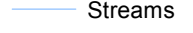


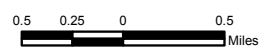


# Mendocino Fire Protection District SOI

Source: This map was prepared by the Mendocino County Division of Information Services GIS Program, February 2018.

Note: This map is not a survey product.

-  Mendocino FPD SOI
-  Mendocino FPD
-  Adjacent Fire Protection Services
-  Parcels
-  Highways
-  Roads
-  Streams





**MENDOCINO FIRE PROTECTION DISTRICT**  
**STATEMENTS OF NET POSITION**  
June 30, 2015 and 2014

<b>ASSETS</b>	June 30, 2015	June 30, 2014
<b>Current Assets</b>		
Cash	\$ 1,091,654	\$ 1,019,688
<b>Capital Assets</b>		
Land	70,000	70,000
Buildings and Improvements	917,400	875,746
Vehicles and Equipment	1,561,580	1,549,314
Total	2,478,980	2,425,060
Less: Accumulated Depreciation	(1,802,626)	(1,704,272)
Total	676,354	720,788
<b>Total Net Capital Assets</b>	746,354	790,788
<b>TOTAL ASSETS</b>	1,838,008	1,810,476
 <b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accrued Expenses	10,544	7,694
 <b>NET POSITION</b>		
Net Investment in Capital Assets	746,354	790,788
Unrestricted	1,081,110	1,011,994
<b>TOTAL NET POSITION</b>	\$ 1,827,464	\$ 1,802,782

The accompanying notes are an integral part of these financial statements.

## 2 REFERENCES

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- Mendocino County Fire Chief's Association (MCFCA). 2015. Mendocino County Community Wildfire Protection Plan. [Online]. Available at: <https://www.co.mendocino.ca.us/bos/meetings/28658/28666/28667/28988/29050/ProtectionPlan29050.pdf>. Accessed June 28, 2017.
- Mendocino Fire Protection District (MFPD). February 22, 2018. District Response to Information Request from the Local Agency Formation Commission of Mendocino County in preparation for the Sphere of Influence Update. Available at LAFCo's office upon request.

# 3 ACKNOWLEDGEMENTS

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## 3.1 ASSISTANCE AND SUPPORT

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

Hinman & Associates Consulting, Inc.	Uma Hinman, LAFCo Executive Officer Larkyn Feiler, LAFCo Analyst Beth Salomone, LAFCo Commission Clerk
Mendocino Fire Protection District	John Pisas, Fire Captain

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

**Staff Report**

DATE: March 5, 2018  
TO: Mendocino Local Agency Formation Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: **Workshop** for Redwood Valley-Calpella Fire Protection District Draft Sphere of Influence Update

---

**RECOMMENDATION**

Hold a workshop on the Draft Redwood Valley-Calpella Fire Protection District SOI Update, provide comments and requested revisions, and direct staff to notice the matter for public hearing on April 2, 2018 for consideration along with 12 other fire protection service providers.

**DISCUSSION**

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

The Redwood Valley-Calpella FPD was formed in 1958 and encompasses the unincorporated communities of Redwood Valley and Calpella. The District's boundary area is approximately 60.5 square miles. The Redwood Valley-Calpella FPD provides multiple services including structural fire protection, first responder for emergency medical services and hazardous materials incidents, rescue and extrication, water rescue, fire prevention, and wildland fire protection as a secondary provider.

This Draft SOI Update includes an updated financial summary table based on financial audit data from the District. The District provided feedback on the SOI Update Administrative Draft.

The District's SOI is coterminous with the District boundary and was established by LAFCo on October 4, 1993 (LAFCo Resolution No. 93-4). The District has not requested a modification to the existing SOI and the SOI Update recommends the Commission affirm the existing sphere of influence.

**Attachments:**

(1) Redwood Valley-Calpella Fire Protection District Draft Sphere of Influence Update

**WORKSHOP DRAFT**

**REDWOOD VALLEY-CALPELLA  
FIRE PROTECTION DISTRICT**

**Sphere of Influence Update**

Prepared for:

**MENDOCINO LAFCO**

200 South School Street

Ukiah, California 95482

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

March 5, 2018

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# 1 SPHERE OF INFLUENCE UPDATE

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## 1.1 OVERVIEW

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

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

## 1.2 REDWOOD VALLEY-CALPELLA FIRE PROTECTION DISTRICT

### 1.2.1 BACKGROUND

#### 1.2.1.1 District Services

The Redwood Valley-Calpella Fire Protection District (Redwood Valley-Calpella FPD or District) was formed in 1958 and is the governing agency for the Redwood Valley-Calpella Volunteer Fire Department. The Redwood Valley-Calpella FPD provides the following services: structural fire protection, first responder for emergency medical services and hazardous materials incidents, rescue and extrication, water rescue, and fire prevention. Wildland fire protection service is primarily provided by the California Department of Forestry and Fire Protection (CAL FIRE) in State Responsibility Areas (SRA) during the wildfire season and secondarily by the District; although, the District is often the first to respond to such incidents, particularly during non-fire season months when the CAL FIRE stations are not staffed.

#### 1.2.1.2 District Boundary

The Redwood Valley-Calpella FPD boundary comprises 60.5 square miles and encompasses the unincorporated communities of Redwood Valley and Calpella (Figure 1-1). The District is located in the eastern central portion of Mendocino County along the Russian River and the intersection of US Highway 101 and State Highway 20. Redwood Valley is located approximately 7 air-miles north of the City of Ukiah and 10 air-miles southeast of the City of Willits. Fire protection providers adjacent to the District include the Potter Valley Community Services District to the northeast, the Little Lake Fire Protection District to the northwest, and the Ukiah Valley Fire Protection District to the south. The core of the District is within the Local Responsibility Area (LRA), but the remainder of the District is primarily within the SRA with a few pockets of the Federal Responsibility Area (FRA).

#### 1.2.1.3 Out-of-Area Services

The District does not maintain contracts with individual property owners to provide services outside its boundary. The District response area is larger than the District boundary area due to mutual aid services and dispatched service calls. The District responds to emergency medical calls in the northern portion of



Lake Mendocino, south of State Highway 20, under an agreement with the US Army Corps of Engineers. The District also assists the Potter Valley Community Services District by responding to calls in the Bushay Camp area, and coordinates with the Little Lake Valley Fire Protection District for emergency response to the Ridgewood Road area. The District also responds to residential areas northwest of the City of Ukiah at Greenfield Ranch and MacMurray Ranch (RVCFPD, 2018).

The District relies on and participates in mutual aid services with adjacent fire districts through the Countywide Mutual Aid System. The District has an agreement with the Coyote Valley Band of Pomo Indians to provide fire protection and emergency medical services to the Coyote Valley Casino. The District also has an agreement with the Coyote Valley Tribal Council to provide fire suppression, fire protection, medical aid, and public assistance to residents of the Rancheria. Additionally, the District maintains an agreement with CAL FIRE for wildland fire incidents. Similar to all fire districts and EMS providers within the County, the Redwood Valley-Calpella FPD responds to calls outside the District boundary as needed and as dispatched. According to the 2015 Mendocino County Community Wildfire Protection Plan, Redwood Valley-Calpella FPD is within Mutual Aid/Planning Zone 2, which includes Potter Valley Community Services District, Ukiah Valley Fire Protection District, and Hopland Fire Protection District (MCFCA, 2015).

## **1.2.2 SPHERE OF INFLUENCE**

### **1.2.2.1 Existing Sphere of Influence**

The Sphere of Influence (SOI) for Redwood Valley-Calpella FPD is coterminous with the District boundary and was established by LAFCo on October 4, 1993, along with other special districts providing fire service in Mendocino County (LAFCo Resolution No. 93-4).

### **1.2.2.2 Areas of Interest**

The majority of land adjacent to the District boundary to the north and east is located within an adjacent fire district boundary. However, there are lands adjacent to the west, north, and southeast boundary of the District that are not within a fire district jurisdiction and are therefore considered to be unserved from a local provider perspective. These adjacent areas are primarily within the SRA; although, there are also some unserved areas that are owned by the Federal Government and are within the FRA. These areas are difficult to serve due to the distance from existing District fire stations, remote location, and access.

There is a small unserved area accessible from Tomki Road between the District and the Potter Valley Community Services District boundary.

There is a small unserved area accessible from Black Bart Trail between the District and the Potter Valley Community Services District boundary.

There is a small unserved area accessible from Mariposa Creek Road between the District and the Little Lake Fire Protection District boundary.

There is a small unserved island area in the southern end of the District boundary comprised of one parcel with an electrical substation that is owned by the Pacific Gas and Electric Company (PG&E) and which is not within the District boundary.

### **1.2.2.3 Proposed SOI Changes**

The District has confirmed the adequacy of their existing District boundary and SOI.

The areas of interest described above are not proposed to be added to the District SOI at this time. While these areas are not located within the boundary of a local fire protection agency, they do receive fire protection services from the District and adjacent providers when dispatched. These areas will be re-evaluated for suitability of inclusion in the District SOI in the next MSR/SOI Update.

There are no proposed SOI changes for the Redwood Valley-Calpella FPD.

**1.2.2.4 Consistency with LAFCo Policies**

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

While there are agricultural lands, open space lands, and agricultural preserves located within and adjacent to the District boundary, the provision of fire protection services alone does not jeopardize the preservation of these areas. There are adjacent lands that could be added to the District boundary in the future; however, the coterminous SOI is appropriate given the District’s current operating level. Maintaining the existing District SOI is consistent with Mendocino LAFCo Policies.

**1.2.3 MSR UPDATES**

The MSR information and associated determinations prepared for the District in 2016 serve as a substantially reliable basis for this study. The following updated information has been provided by the District for the preparation of this SOI Update.

**1.2.3.1 Financial Information**

The 2016 MSR for the District included financial information for Fiscal Years 2010-11, 2011-12, and 2012-13. This section includes updated financial information for Fiscal Years 2013-14, 2014-15, and 2015-16 and highlights specific revenue sources including Proposition 172 funds, Strike Team reimbursement, and donations.

The following table provides year-end (not budget) financial information for the District. This table summarizes the Statement of Activities prepared by a Certified Public Accountant and represents the long-term financial standing of the District based on reporting capital asset activity using the full accrual basis of accounting. This involves depreciation which is a method of spreading the cost of a capital asset over its estimated useful life as opposed to recognizing the cost of a capital asset as an expenditure at the date of acquisition. Capitalization policies commonly define a capital asset as a fixed asset (land, buildings and improvements, equipment and vehicles) with an initial cost of \$5,000 or greater with an estimated useful life in excess of one year. Also, refer to Figure 1-2 for the most recent Statement of Net Position which represents the difference between the District’s assets and liabilities.

<b>Table 1.1 Financial Summary</b>			
	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>
<b>Prior Period Adjustments</b>			
<b>Ending Fund Balance</b>	\$573,904	\$597,756	\$629,441
<b>Equipment Trust Reserve</b>	\$8,613	\$29,535	\$50,252

<b>Revenues</b>			
Donations	\$8,594	\$20,898	\$5,786
Charges for Services	\$120,000	\$107,674	\$109,903
Special Fire Assessment	\$193,528	\$195,170	\$199,270
Other Income	\$14,684	\$47,700	\$13,105
Interest Income	\$2,190	\$1,599	\$2,033
Taxes & Intergovernmental	\$223,399	\$228,470	\$239,869
<b>Total Revenues</b>	<b>\$562,396</b>	<b>\$601,511</b>	<b>\$569,967</b>
<b>Expenses</b>			
Salaries & Employee Benefits	\$333,175	\$323,796	\$333,492
Insurance	\$20,901	\$14,622	\$14,923
Maintenance	\$43,294	\$48,484	\$41,954
Miscellaneous Expense	\$165	\$2,214	\$496
Professional Services	\$2,912	\$3,088	\$3,234
Travel	\$15,524	\$12,545	\$11,014
Depreciation	\$78,687	\$78,687	\$62,653
Equipment	\$3,917	\$4,062	\$26,340
Services, Supplies, & Refunds	\$25,661	\$121,923	\$52,629
<b>Total Expenses</b>	<b>\$524,236</b>	<b>\$609,421</b>	<b>\$546,735</b>
<b>Net Income/Loss</b>	<b>\$38,159</b>	<b>-\$7,910</b>	<b>\$23,232</b>

Source: Pehling, 2014; 2015; and 2017.

According to the financial information in the table above, the District generally operates at a net income and maintains a significant fund balance and a sufficient equipment trust reserve.

In 2017, the County of Mendocino disbursed a share of Proposition 172 funds to eligible fire agencies within the County. The formula for funding allocations was developed by the Mendocino County Association of Fire Districts and incorporates a minimum distribution per district, plus a population-based proportional allocation. The Redwood Valley-Calpella FPD received approximately \$33,475 in FY 2016-17 and anticipates the same amount in FY 2017-18 (BOS, 2018). Future disbursements are unknown at this time.

### 1.2.3.2 MSR Determinations

The following table summarizes the MSR Determinations contained in the 2016 MSR; no updates to the determinations were noted in the preparation of this SOI Update.

<b>Table 1.2 MSR Determination Updates</b>	
Growth and population projections for the affected area	
1.	There are approximately 7,500 to 8,000 residents within the Redwood Valley-Calpella Fire District, based on District estimates. There are 679 people residing in Calpella, and 1,729 people residing in Redwood Valley. The remaining population is distributed in the outlying areas of the District.
2.	The population of the District may increase slightly as residential units are constructed on individual homesites.

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence
3. There are no Disadvantages Unincorporated Communities (DUCs) within the District Sphere of Influence.
Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies
4. The District's current facilities are considered adequate, and provide necessary space to house apparatus and carry out the District's administrative and service functions. 5. The Fire District does have the capacity to adequately serve current demand within the 60 square mile District boundary, along with limited future growth. 6. Water supply for fire fighting is always a concern, especially during the drought. Outside the core area of Redwood Valley, the District is dependent on transported water and local ponds. 7. Capital improvement needs for the District are generally planned in the budget, and the District is completing a 10-year program to replace its vehicles.
Financial ability of agencies to provide services
8. RVCFD reported that current financing levels are adequate to deliver services. 9. The Fire District receives the bulk of its operating funds from property tax revenue and a special assessment. Additional sources of revenue would benefit the District's ability to provide greater services. One such source could be charges for services for non-residents, which would require a more aggressive collections effort. 10. The District has an agreement with the Coyote Valley Casino and the Coyote Valley Tribal Council which spells out service obligations and reimbursement amounts. 11. The District maintains a Fund Equity Account to account for years in which expenditures exceed revenues.
Status of, and opportunities for, shared facilities
12. The District collaborates with other fire service providers through state and county mutual aid agreements. RVCFD has contributed to the creation of the Mendocino Fire Plan through the Fire Safe Council. The District is a member of the California Special District Association (CSDA), Fire Safe Council, Mendocino County Fire Chief's Association, and Mendocino County Special District Association. 13. The District makes its facilities available for regional training exercises.
Accountability for community service needs, including governmental structure and operational efficiencies
14. RVCFD is governed by an elected five-person Board of Directors. However, all recent Board positions have been filled by appointment of the Mendocino County Board of Supervisors. The District should renew its efforts to identify more than one candidate for each Board position so that voters within the District will be afforded a choice and an opportunity to vote. 15. The District maintains a community presence at its Main Fire Station, where it posts information about district and fire department activities, documents and updates. 16. The District's current Facebook efforts are not adequate to inform its constituents about District meetings, minutes, and financial data. The District should establish a District website. 17. The agency demonstrated accountability in its cooperation with Mendocino LAFCo information requests.

Source: LAFCo, 2016a.

## 1.2.4 SOI DETERMINATIONS

It is recommended that the Commission affirm the existing Sphere of Influence for the Redwood Valley-Calpella Fire Protection District that is coterminous with the District boundary. The following statements have been prepared in support of this recommendation.

### 1.2.4.1 Land Uses

GC §56425(e)(1): The present and planned land uses in the area, including agricultural and open space lands.

The Redwood Valley-Calpella FPD boundary includes the unincorporated communities of Redwood Valley and Calpella. Redwood Valley is characterized by a town center with a range of limited commercial and public uses, surrounded by rural residential uses and a mixture of agricultural lands, including vineyards, row crops, orchards, grazing. There are additional commercial uses located west of US Highway 101. Calpella was originally focused around lumber mills which are now closed. Limited downtown commercial uses remain, although the community is now mostly a mixture of industrial, commercial, and residential uses. The Coyote Valley Reservation, the Coyote Valley Casino, and the Redwood Valley Rancheria are located within the District. There are large tracts of forest and range land in outlying areas of the District. Mendocino County has land use authority over privately-owned lands within the District boundary and makes land-use decisions based on the County General Plan and Zoning Regulations.

### 1.2.4.2 Need for Facilities and Services

GC §56425(e)(2): The present and probable need for public facilities and services in the area.

The Redwood Valley-Calpella FPD provides the following services: structural fire protection, first responder for emergency medical services and hazardous materials incidents, rescue and extrication, water rescue, fire prevention, and wildland fire protection as a secondary provider.

As determined in the 2016 MSR prepared for Redwood Valley-Calpella FPD, the District serves approximately 7,500 to 8,000 residents, including 1,729 in Redwood Valley and 679 in Calpella, which are Census Designated Places (CDP). Population growth within the County of Mendocino is expected to increase at an annual rate of approximately 0.2% (DOT, 2016). The population of the District has increased slightly over the past few years and some growth and new development is anticipated in the foreseeable future. The District provides a critical service to the public. The residents and visitors currently receiving fire protection services from the District will continue to need this public service.

### 1.2.4.3 Capacity of Facilities and Adequacy of Services

GC §56425(e)(3): The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

As detailed in the 2016 MSR prepared for Redwood Valley-Calpella FPD, the District's ISO rating was modified in 2005 from a rating of 6 to a rating of 5 in the core area of the District, and from a rating of 8 to a rating of 9 in areas without water and hydrant systems. The District believes that the ISO rating in the valley floor can be further reduced. The District operates one fire station located at 8481 East Road in Redwood Valley, which is a three-bay custom metal building with a training room, kitchen, bathroom, washroom, equipment storage bays, and a meeting room. The Main Station is in good condition and serves the entire District. The District has five Pumpers, one 2,000-gallon Water Tender, two Patrol Vehicles, one Rescue Vehicle, one Utility Vehicle, and a 1997 incident support bus due for replacement.

The District has been working over the past 10 years to replace its fleet of 11 vehicles. Most of these replacement vehicles are either purchased from other fire agencies or acquired under the Federal Excess Property Program. Within the core area of Redwood Valley, which is served by the Redwood Valley County Water District, there is a water supply and hydrant system for firefighting. Water supply for firefighting is marginally adequate within Calpella and outlying areas of the District, especially during drought conditions. Water for fire protection outside the core of Redwood Valley is provided by a 2,000-gallon portable tank that all engines can draft from, one water tender, and other available water supplies such as ponds, swimming pools, and cisterns. The District is exploring ways to augment its existing water supplies, such as through mutual aid tanker support from other fire agencies and acquisition of additional water tenders.

As determined in the 2016 MSR prepared for Redwood Valley-Calpella FPD and updated based on this SOI Update, the District's current facilities are adequate and provide the necessary space to house apparatus and carry out the District's administrative and service functions. The District has the capacity to adequately serve current demand in the District boundary and limited future growth. The anticipated expansion of the Coyote Valley Casino is expected to require additional District apparatus and a new service fee to support the expansion of use (RVCFPD, 2018). The District's current financing levels are adequate to deliver services and the District maintains a Fund Equity Account, or reserve account, for years in which expenditures exceed revenues.

It is suggested that the District prepare a capital plan that identifies current and long-term District facility and equipment needs, including upgrades, renovations, and major maintenance, capital improvements and purchases, and facility expansions, and identifies potential revenue sources for addressing those capital needs. It is also suggested that the District consider the feasibility of increased collaboration, such as formation of a Joint Powers Authority (JPA), with adjacent fire agencies to provide services more cost effectively and to enhance volunteer resources. Finally, it is suggested that the District create an agency website which can be a helpful communication tool to enhance government transparency and accountability.

#### **1.2.4.4 Communities of Interest**

GC §56425(e)(4): The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

Several areas will be re-evaluated for suitability of inclusion in the District SOI in the next MSR/SOI Update: two small unserved areas accessible from Tomki Road and Black Bart Trail, and located between the District and the Potter Valley Community Services District boundary; one small unserved area accessible from Mariposa Creek Road, and located between the District and the Little Lake Fire Protection District boundary; and the small unserved island area in the southern end of the District boundary comprised of a PG&E electrical substation.

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

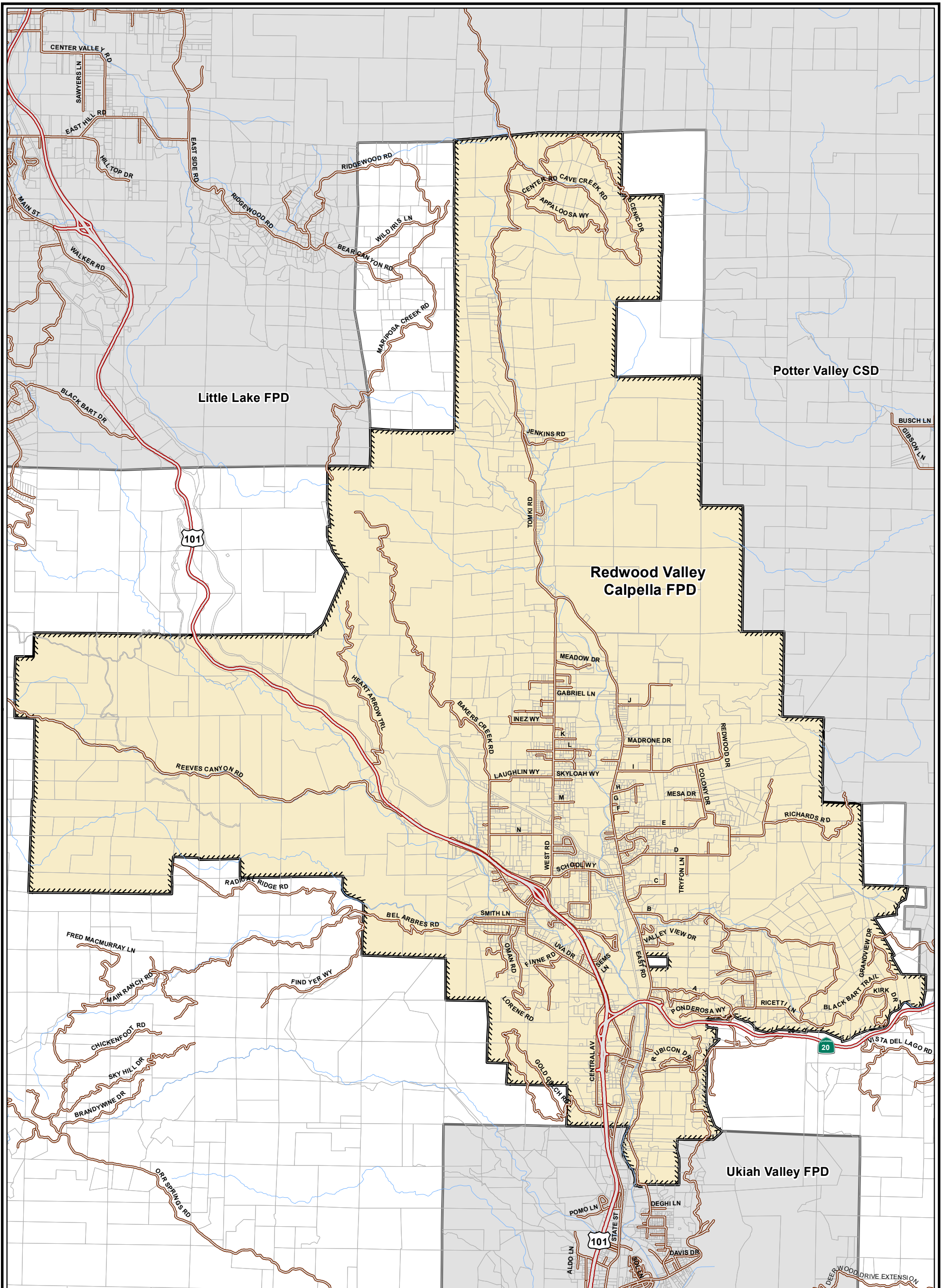
#### 1.2.4.5 Disadvantaged Unincorporated Communities

GC §56425(e)(5): For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

A Disadvantaged Unincorporated Community (DUC) is an area with 12 or more registered voters with a Median Household Income (MHI) that is less than 80% of the State MHI of \$61,632. The unincorporated communities of Redwood Valley and Calpella are the population centers within the District. Redwood Valley does not qualify as a DUC because this area has a MHI of \$68,527 which is 111.2% of the State MHI. In addition, Calpella does not qualify as a DUC because this area has a MHI of \$50,584 which is 82.1% of the State MHI. The areas surrounding Redwood Valley and Calpella might qualify as a DUC. (LAFCo, 2016a)

All future proposed annexations to the District will require consideration of any DUC in proximity to the annexation area. The District does not provide water or sewer services, and is therefore not responsible for ensuring that these services are adequately provided to the community.












# Redwood Valley Calpella Fire Protection District SOI

Source: This map was prepared by the Mendocino County Division of Information Services GIS Program, February 2018.

Note: This map is not a survey product.

-  Redwood Valley Calpella FPD SOI
-  Redwood Valley Calpella FPD
-  Adjacent Fire Protection Services
-  Parcels
-  Highways
-  Roads
-  Streams

Note: Assessor Parcel Number 176-130-08 is overlapped by both Potter Valley CSD and Redwood Valley FPD.





**REDWOOD VALLEY-CALPELLA FIRE DISTRICT**

**Statement of Net Position  
June 30, 2016**

**ASSETS**

Current Assets:

Cash in County	\$ 643,539
Cash in Bank	28,770
Deposits & Prepaid Expenses	<u>7,384</u>
Total Current Assets	<u>679,692</u>

Fixed Assets:

Buildings & Land	366,157
Vehicles & Equipment	1,337,665
Less: Accumulated Depreciation	<u>(1,079,335)</u>
Total Fixed Assets	<u>624,487</u>

**TOTAL ASSETS** 1,304,179

**LIABILITIES**

Current Liabilities:

Accrued Liabilities	13,343
Accounts Payable	-
Current Portion	<u>28,019</u>
Total Current Liabilities	<u>41,362</u>

Long-Term Liabilities:

Capital Leases Payable	<u>-</u>
Total Long-Term Liabilities	<u>-</u>

**TOTAL LIABILITIES** 41,362

**NET POSITION**

Restricted for Capital	50,252
Net Investment in Capital Assets	596,468
Unrestricted	<u>616,098</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 1,262,817</u></u>

The accompanying notes are an integral part of these financial statements.

## 2 REFERENCES

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# 3 ACKNOWLEDGEMENTS

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## 3.1 ASSISTANCE AND SUPPORT

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

Hinman & Associates Consulting, Inc.	Uma Hinman, LAFCo Executive Officer Larkyn Feiler, LAFCo Analyst Beth Salomone, LAFCo Commission Clerk
Redwood Valley-Calpella Fire Protection District	Don Dale, Fire Chief

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

**Staff Report**

DATE: March 5, 2018  
TO: Mendocino Local Agency Formation Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: **Workshop** for Hopland Fire Protection District Draft Sphere of Influence Update

---

**RECOMMENDATION**

Hold a workshop on the Draft Hopland Fire Protection District SOI Update, provide comments and requested revisions, and direct staff to notice the matter for public hearing on April 2, 2018 for consideration along with 12 other fire protection service providers.

**DISCUSSION**

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

The Hopland FPD was formed in 1997 and encompasses the unincorporated community of Hopland. The District's boundary area is approximately 110 square miles. The Hopland FPD provides multiple services including structural fire protection, emergency medical services to an Emergency Medical Technician (EMT)/First Responder level, rescue and extrication, search and rescue including swift water rescue, first responder for hazardous materials incidents, fire prevention, and wildland fire protection as a secondary provider.

This Draft SOI Update includes an updated financial summary table based on data from the State Controller's Office. The District provided feedback on the SOI Update Administrative Draft.

The District's SOI is coterminous with the District boundary and was established by LAFCo on October 4, 1993 (LAFCo Resolution No. 93-4). The District has not requested a modification to the existing SOI and the SOI Update recommends the Commission affirm the existing sphere of influence.

**Attachments:**

(1) Hopland Fire Protection District Draft Sphere of Influence Update

**WORKSHOP DRAFT**

**HOPLAND  
FIRE PROTECTION DISTRICT**

**Sphere of Influence Update**

Prepared for:

**MENDOCINO LAFCO**

200 South School Street

Ukiah, California 95482

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

March 5, 2018

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# 1 SPHERE OF INFLUENCE UPDATE

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## 1.1 OVERVIEW

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

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

## 1.2 HOPLAND FIRE PROTECTION DISTRICT

### 1.2.1 BACKGROUND

#### 1.2.1.1 District Services

The Hopland Fire Protection District (Hopland FPD or District) was formed in 1997 and is the governing agency for the 501(c)(3) Hopland Firefighters Association. The Hopland FPD provides the following services: structural fire protection, emergency medical services to an Emergency Medical Technician (EMT)/First Responder level, rescue and extrication, search and rescue including swift water rescue, first responder for hazardous materials incidents, and fire prevention. Wildland fire protection service is primarily provided by the California Department of Forestry and Fire Protection (CAL FIRE) in State Responsibility Areas (SRA) during the wildfire season and secondarily by the District; although, the District is often the first to respond to such incidents, particularly during non-fire season months when the Hopland CAL FIRE station is not staffed. More information regarding the District is available at the following website: <http://www.hoplandfire.org/>.

The Hopland Public Utility District (HPUD) was established in 1955 to provide water, wastewater, and fire protection services in the Sanel Valley area. In November 1997, the HPUD Fire Department became a separate district known as the Sanel Valley Fire Protection District. In February 2002, the Board of Directors changed the name of the agency to the Hopland Fire Protection District. (LAFCo, 2016a)

#### 1.2.1.2 District Boundary

The Hopland FPD boundary comprises 110 square miles and encompasses the unincorporated community of Hopland (Figure 1-1). The District is located in the southeastern portion of Mendocino County along US Highway 101, the Russian River, and the Sanel Valley. Hopland is located approximately 11 air-miles south of the City of Ukiah, and the District boundary extends east along Highway 175 to the Mendocino-Lake County Line and south to the Mendocino-Sonoma County Line. Fire protection providers adjacent to the District include the Ukiah Valley Fire Protection District to the north, the Anderson Valley Community Services District to the west, the Cloverdale Fire Protection District in Sonoma County to the south, and



the Lakeport County Fire Protection District in Lake County to the east. The core of the District is within the Local Responsibility Area (LRA), but the remainder of the District is primarily within the SRA with a few pockets of the Federal Responsibility Area (FRA).

### **1.2.1.3 Out-of-Area Services**

The District does not maintain contracts with individual property owners to provide services outside its boundary. The District response area is larger than the District boundary area due to mutual aid services and dispatched service calls. The District has automatic aid agreements with the Ukiah Valley Fire Protection District, the Anderson Valley Community Services District, the Cloverdale City Fire Department in Sonoma County, and the Lakeport County Fire Protection District in Lake County. The District also has an agreement to serve the Hopland Sho-Ka-Wah Casino and the Hopland Band of Pomo Indians Rancheria. Additionally, the District maintains an agreement with CAL FIRE and the US Forest Service for wildland fire incidents. Similar to all fire districts and EMS providers within the County, the Hopland FPD responds to calls outside the District boundary as needed and as dispatched. According to the 2015 Mendocino County Community Wildfire Protection Plan, Hopland FPD is within Mutual Aid/Planning Zone 2, which includes Potter Valley Community Services District, Redwood Valley-Calpella Fire Protection District, and Ukiah Valley Fire Protection District (MCFCA, 2015).

## **1.2.2 SPHERE OF INFLUENCE**

### **1.2.2.1 Existing Sphere of Influence**

The Sphere of Influence (SOI) for Hopland FPD is coterminous with the District boundary and was established by LAFCo on May 22, 1997 along with the formation of the Sanel Valley Fire Protection District (LAFCo Resolution No. 97-04).

### **1.2.2.2 Areas of Interest**

The majority of land adjacent to the District boundary is located within an adjacent fire district boundary. However, land adjacent to the west, north, and southeast boundary of the District is not within a fire district jurisdiction and is therefore considered to be unserved from a local provider perspective. These adjacent areas are primarily within the SRA; although, there are also some unserved areas that are owned by the Federal Government and are within the FRA. These areas are difficult to serve due to the distance from existing District fire stations, remote location, and access.

There is a large unserved area that extends from State Highway 253 to the north to the end of Solace Springs Road to the south and which is between the District and the Anderson Valley Community Services District boundary.

### **1.2.2.3 Proposed SOI Changes**

The District has confirmed the adequacy of their existing District boundary and SOI.

The areas of interest described above are not proposed to be added to the District SOI at this time. While these areas are not located within the boundary of a local fire protection agency, they do receive fire protection services from the District and adjacent providers when dispatched. These areas will be re-evaluated for suitability of inclusion in the District SOI in the next MSR/SOI Update.

There are no proposed SOI changes for the Hopland FPD.

#### 1.2.2.4 Consistency with LAFCo Policies

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

While there are agricultural lands, open space lands, and agricultural preserves located within and adjacent to the District boundary, the provision of fire protection services alone does not jeopardize the preservation of these areas. There are adjacent lands that could be added to the District boundary in the future; however, the coterminous SOI is appropriate given the District's current operating level. Maintaining the existing District SOI is consistent with Mendocino LAFCo Policies.

#### 1.2.3 MSR UPDATES

The MSR information and associated determinations prepared for the District in 2016 serve as a substantially reliable basis for this study. The following updated information has been provided by the District for the preparation of this SOI Update.

##### 1.2.3.1 Contact Information

The following updated contact information has been provided by the District.

Contact: Mitch Franklin, Fire Chief  
Email Address: hopchief6100@gmail.com

##### 1.2.3.2 Financial Information

The 2016 MSR for the District included financial information for Fiscal Years 2010-11, 2011-12, and 2012-13. This section includes updated financial information for Fiscal Years 2013-14, 2014-15, and 2015-16 and highlights specific revenue sources such as Proposition 172 funds, Strike Team reimbursement, and fundraising/donations.

The following table provides year-end (not budget) financial information for the District. This table summarizes the District's annual revenues, expenditures, and changes in fund balances based on data from the State Controller's Office. This financial data represents the actual flow of cash resources for a given year. The Capital Outlay expenditure category shown in the table represents the cost of acquiring capital assets (land, buildings and improvements, equipment and vehicles) at the time of acquisition and does not account for depreciation of capital assets. If financial audit information was available for the District, this table would represent the long-term financial standing of the District based on depreciation expense reporting.

<b>Table 1.1 Financial Summary</b>			
	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>
<b>Beginning Fund Balance</b>	\$133,532	\$133,360	\$120,478
<b>Prior Period Adjustments</b>	\$10,326	-\$5,538	\$758
<b>Ending Fund Balance</b>	\$133,360	\$120,478	\$148,035
<b>Reserve Balance</b>			

<b>Revenues</b>			
Property Tax	\$31,329	\$38,140	\$33,363
Special Tax/Assessment	\$128,510	\$127,740	\$126,475
Charges for Services	\$1,500	\$1,500	\$1,500
Other State	\$52,618	\$0	\$182,149
Other Federal	\$40,887	\$0	\$0
Rents	\$2	\$0	\$0
Property Owner Contributions	\$23,725	\$23,800	\$17,974
Interest Income	\$501	\$271	\$350
Other Revenue	\$114,078	\$155,991	\$127,767
<b>Total Revenues</b>	<b>\$393,150</b>	<b>\$347,442</b>	<b>\$489,578</b>
<b>Expenses</b>			
Salaries & Employee Benefits	\$287,035	\$240,109	\$348,281
Debt Service	\$16,912	\$17,911	\$18,968
Services & Supplies	\$71,965	\$68,284	\$77,841
Capital Outlay	\$8,786	\$3,671	\$5,559
Interest Expense	\$14,186	\$13,188	\$12,130
Other Expenses	\$4,764	\$11,623	\$0
<b>Total Expenses</b>	<b>\$403,648</b>	<b>\$354,786</b>	<b>\$462,779</b>
<b>Net Income/Loss</b>	<b>-\$10,498</b>	<b>-\$7,344</b>	<b>\$26,799</b>

Source: CSCO, 2017.

According to the financial information in the table above, the District generally operates at a net balance and maintains a sufficient fund balance or reserve.

In 2017, the County of Mendocino disbursed a share of Proposition 172 funds to eligible fire agencies within the County. The formula for funding allocations was developed by the Mendocino County Association of Fire Districts and incorporates a minimum distribution per district, plus a population-based proportional allocation. The Hopland FPD received approximately \$15,014 in FY 2016-17 and anticipates approximately \$16,086 in FY 2017-18 (BOS, 2018). Future disbursements are unknown at this time.

The Hopland Firefighters Association hosts annual fundraising activities and holds charitable funds for the benefit of the District. (HFPD, 2018)

### 1.2.3.3 MSR Determinations

The following table summarizes the MSR Determinations contained in the 2016 MSR and includes updated information shown as underlined text for additions and strikethrough text for deletions.

<b>Table 1.2 MSR Determination Updates</b>
Growth and population projections for the affected area
1. There are approximately 2,500 residents within the District as estimated by the District, and 756 residents in Hopland according to the 2010 Census.
2. The population of the District has experienced limited growth over the last few years. The majority of growth occurred along US Highway 101.

<p>3. Less than one percent growth per year is anticipated within the District boundaries over the next several years.</p> <p>4. Potential growth may also result from further growth in the wine industry in the region, and more retirees moving into the area. The casinos bring an increase in the visitor population.</p>
<p>The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence</p>
<p>5. Within the Hopland Fire Protection District boundary there is one Disadvantaged Unincorporated Community (DUC) located in the Hopland CDP (Census Designated Place).</p> <p>6. For HFPD, structural fire protection and emergency related response to an EMT or First Responder level is provided by the District. The HFPD provides adequate structural fire protection services to Hopland and the surrounding area. The District maintains a strong presence in Hopland where the main fire station is located. The District does not provide water or sewer services, and is therefore not responsible for assuring that these services are adequately provided to the community.</p>
<p>Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies</p>
<p>7. The District's current facilities generally have the capacity to adequately serve current demand and limited future growth for fire protection services.</p> <p>8. However, the Fire Department struggles to provide a sufficient level of services in the remote area between the District's western boundary and the Anderson Valley Community Services District eastern boundary.</p> <p>9. The HFPD reported that the main station at Feliz Creek Road is currently being expanded. An extension will include a meeting room, training room, offices, and a kitchen facility. The foundation work and framing has been funded through a loan program. The finish work will be completed by the volunteers and the District's donations, with additional loans as they become available.</p> <p>10. Capital improvement needs for the District are generally planned in the annual budget. The Fire Department Long Range Plan is a planning tool for the fire department.</p>
<p>Financial ability of agencies to provide services</p>
<p>11. HFPD reported that current financing levels were adequate to deliver services. However, there is not enough funding to accommodate an additional need for expansion of medical response services, and training of additional personnel.</p> <p>12. Additional financing opportunities identified by the District include a potential grant for a new water tender and going to the voters for approval of an additional special tax when the current assessment becomes inadequate.</p> <p>13. The HFPD has a modest reserve fund available to even out fluctuations when expenditures exceed revenues in a given year.</p> <p>14. The District collaborates with other fire service providers through statewide and countywide mutual aid agreements, an arrangement which is financially beneficial to the District.</p>
<p>Status of, and opportunities for, shared facilities</p>
<p>Accountability for community service needs, including governmental structure and operational efficiencies</p>
<p>15. HFPD is governed by an elected five-person Board of Directors. <del>Currently, one seat is vacant.</del> However, all recent Board positions have been filled by appointment of the Mendocino County Board of Supervisors. The District should renew its efforts to identify more than one candidate for each Board position so that voters within the District will be afforded a choice and an opportunity to vote.</p>

16. In addition to the required agendas and minutes, the District tries to inform its constituents through multiple outreach activities.
17. Operational efficiencies are achieved by utilizing a shared Fire Chief and a shared Administrative Clerk.
18. The District maintains a website where it posts information about District activities, documents and updates. The website currently does not provide necessary District documents including present and past agendas and minutes, budget and audit documents, operational data, and regulations and fee schedules.
19. HFPD demonstrates accountability by keeping its residents and customers apprised of District functions, and by utilizing a pro-active fire prevention program.

Source: LAFCo, 2016a; HFPD, 2018.

#### **1.2.4 SOI DETERMINATIONS**

It is recommended that the Commission affirm the existing Sphere of Influence for the Hopland Fire Protection District that is coterminous with the District boundary. The following statements have been prepared in support of this recommendation.

##### **1.2.4.1 Land Uses**

GC §56425(e)(1): The present and planned land uses in the area, including agricultural and open space lands.

The Hopland FPD boundary includes the unincorporated community of Hopland. Hopland is located in the Sanel Valley and is characterized by having two communities in one, separated by the Russian River. The older portion of Hopland is half a mile east of US Highway 101 and is primarily developed with residential uses, a small pocket of commercial along State Highway 175, and surrounded by vineyards. The downtown portion of Hopland is bisected by US Highway 101 and developed with commercial uses including retail, lodging, gas stations, restaurants, and offices with residential uses to the west and north ends of the community. The 40-acre Hopland Band of Pomo Indians Rancheria and the Hopland Sho-Ka-Wah Casino are located in the southeastern portion of the District. There are large tracts of forest and range land in outlying areas of the District. Mendocino County has land use authority over privately-owned lands within the District boundary and makes land-use decisions based on the County General Plan and Zoning Regulations.

##### **1.2.4.2 Need for Facilities and Services**

GC §56425(e)(2): The present and probable need for public facilities and services in the area.

The Hopland FPD provides the following services: structural fire protection, emergency medical services to an Emergency Medical Technician (EMT)/First Responder level, rescue and extrication, search and rescue including swift water rescue, first responder for hazardous materials incidents, fire prevention, and wildland fire protection as a secondary provider.

As determined in the 2016 MSR prepared for Hopland FPD, the District serves approximately 2,500 residents, including 756 in Hopland which is a Census Designated Place (CDP). The Hopland Band of Pomo Indians has approximately 291 tribal members that live in the area, of which 45 members live on the Rancheria. Events and activities at the Hopland Sho-Ka-Wah Casino increase the visitor population to the District by 1,000 to 2,000 people. Population growth within the County of Mendocino is expected to increase at an annual rate of approximately 0.2% (DOT, 2016). The population of the District has

experienced limited growth over the past few years, including small subdivisions along US Highway 101. The District anticipates less than one percent of growth per year in the foreseeable future related to further growth in the wine industry in the region. The District provides a critical service to the public. The residents and visitors currently receiving fire protection services from the District will continue to need this public service.

#### **1.2.4.3 Capacity of Facilities and Adequacy of Services**

GC §56425(e)(3): The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

As detailed in the 2016 MSR prepared for Hopland FPD, the District has an ISO rating of 7 in the core area of Hopland served by water and hydrant systems, and an ISO rating of 8/9 in surrounding areas without water and hydrant systems. The District operates two fire stations. The main station, located at 21 Feliz Creek Road in Hopland, which was recently expanded to include a meeting room, training room, offices, and a kitchen facility and will be completed by volunteers as funding becomes available. The District's sub-station is located on Retech property at 100 Henry Station Road in Ukiah and houses the District's wildland fire engine and an antique fire engine that is used for parades and community events. The District has four Engines, one 2,000-gallon Water Tender, one Rescue Vehicle, and three Utility Vehicles (HFPD, 2018). Most of the District vehicles were either purchased from other fire agencies or acquired under the Federal Excess Property Program. Within the core area of Hopland, which is served by the Hopland Public Utility District, there is a water supply and hydrant system for firefighting. Water for fire protection outside the core of Hopland is provided by on-board tanks on each engine, one water tender, and other available water supplies such as ponds, swimming pools, and cisterns.

As determined in the 2016 MSR prepared for Hopland FPD and updated based on this SOI Update, the District's current facilities generally have the capacity to adequately serve current demand in the District boundary and limited future growth for fire protection services. The District struggles to provide a sufficient level of service in the remote area between the District's western boundary and the Anderson Valley Community Services District eastern boundary and relies heavily on mutual aid services. The District's current financing levels are adequate to deliver services and the District maintains a modest reserve fund for years in which expenditures exceed revenues. However, there is not enough funding to accommodate the additional need for expansion of medical response services, and training of additional personnel.

It is suggested that the District prepare a capital plan that identifies current and long-term District facility and equipment needs, including upgrades, renovations, and major maintenance, capital improvements and purchases, and facility expansions, and identifies potential revenue sources for addressing those capital needs. It is also suggested that the District consider the feasibility of increased collaboration, such as formation of a Joint Powers Authority (JPA), with adjacent fire agencies to provide services more cost effectively and to enhance volunteer resources. Finally, it is suggested that the District create an agency website which can be a helpful communication tool to enhance government transparency and accountability.

#### **1.2.4.4 Communities of Interest**

GC §56425(e)(4): The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

The large unserved area that extends from State Highway 253 to the north to the end of Solace Springs Road to the south and which is between the District and the Anderson Valley Community Services District boundary will be re-evaluated for suitability of inclusion in the District SOI in the next MSR/SOI Update.

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

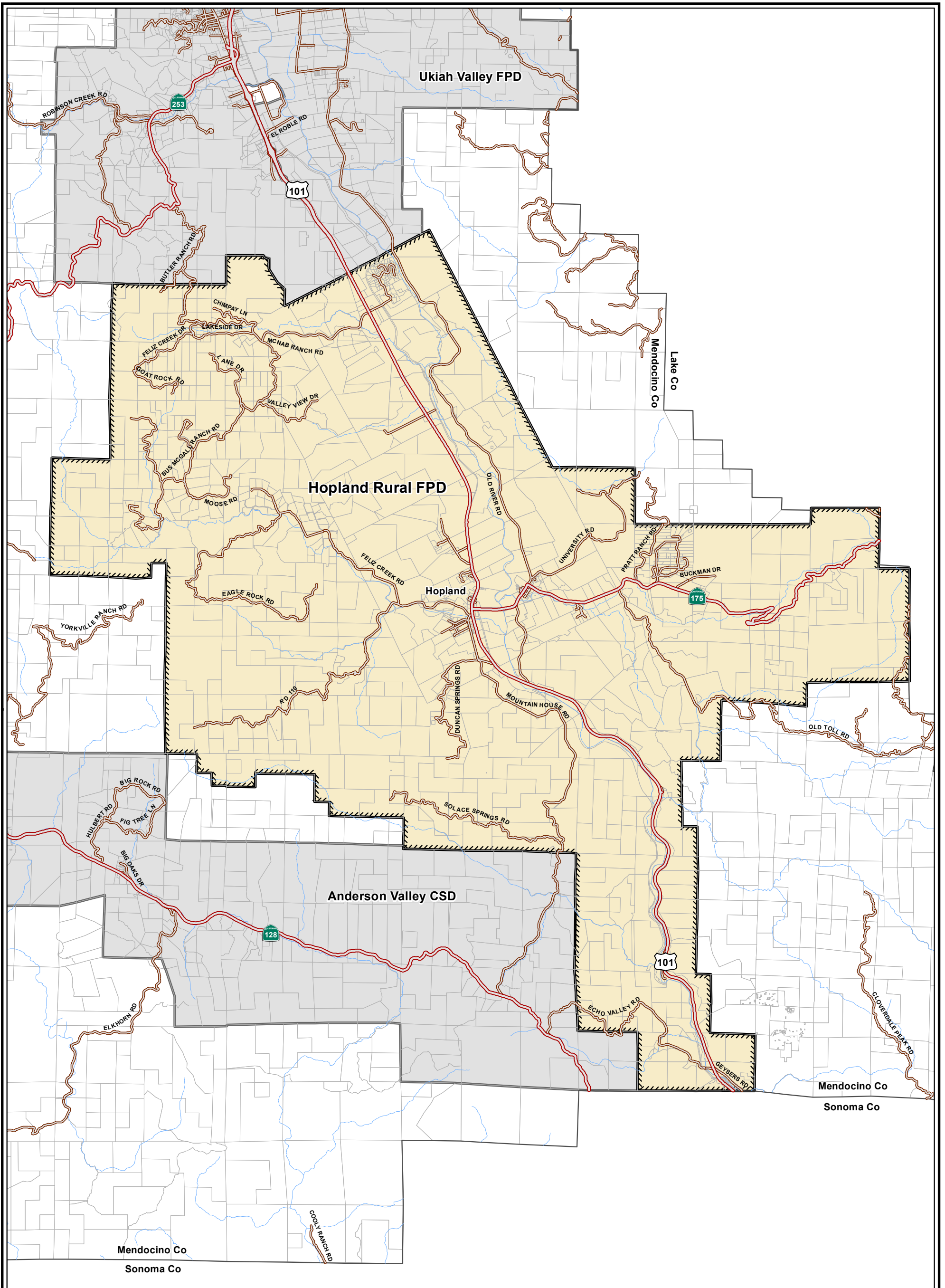
#### **1.2.4.5 Disadvantaged Unincorporated Communities**

GC §56425(e)(5): For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

A Disadvantaged Unincorporated Community (DUC) is an area with 12 or more registered voters with a Median Household Income (MHI) that is less than 80% of the State MHI of \$61,632. The unincorporated community of Hopland is the population center within the District. Hopland qualifies as a DUC because this area has a MHI of \$28,068 which is 45.5% of the State MHI (LAFCo, 2016a). The areas surrounding Hopland might also qualify as a DUC.

All future proposed annexations to the District will require consideration of any DUC in proximity to the annexation area. The District does not provide water or sewer services, and is therefore not responsible for ensuring that these services are adequately provided to the community.








# Hopland Rural Fire Protection District SOI

Source: This map was prepared by the Mendocino County Division of Information Services GIS Program, February 2018.

Note: This map is not a survey product.

-  Hopland Rural FPD SOI
-  Hopland Rural FPD
-  Adjacent Fire Protection Services
-  Parcels
-  Highways
-  Roads
-  Streams





## 2 REFERENCES

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# 3 ACKNOWLEDGEMENTS

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## 3.1 ASSISTANCE AND SUPPORT

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

Hinman & Associates Consulting, Inc.	Uma Hinman, LAFCo Executive Officer Larkyn Feiler, LAFCo Analyst Beth Salomone, LAFCo Commission Clerk
Hopland Fire Protection District	Mitch Franklin, Fire Chief

# MENDOCINO Local Agency Formation Commission

## Staff Report

DATE: March 5, 2018  
 TO: Mendocino Local Agency Formation Commission  
 FROM: Uma Hinman, Executive Officer  
 SUBJECT: **Workshop** on Preliminary Budget Review for FY 2018-19

---

**Recommendation**

Staff recommends the Commission review the Preliminary FY 2018-19 Budget, provide requested revisions, and direct staff to notice a public hearing for the Proposed Draft Budget and Work Plan for FY 2018-19 for April 2, 2018.

**Background**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 mandates operating costs for Local Agency Formation Commissions (LAFCoS) shall be annually funded by the affected counties, cities, and independent special districts on a one-third apportionment process. Apportionments for cities and independent special districts are further divided and proportional to each agency’s total revenues as a percentage of the overall revenue amount collected in the county. LAFCoS are also authorized to establish and collect fees to offset agency contributions.

The Executive Committee has reviewed the Preliminary Budget, Basic Services and Proposed Tasks, and Draft Work Plan, and recommends them to the Commission for discussion and consideration.

Proposed Operating Expenses

The proposed operating expenses for FY 2018-19 are \$148,770 and reflect the anticipated staffing services for day-to-day operations and for conducting MSR/SOIs scheduled for FY 2018-19 (Attachment 1). The proposed expenses total is \$11,455 less than the FY 2017-18 budget.

The projected changes from the adopted FY 2017-18 budget are summarized below:

Account	FY 2017-18	FY 2018-19	Difference	Notes
5300 Basic Services	\$66,815	\$69,060	\$2,245	Proposed increase in staff rates; reformatting and updating Policies and Procedures Manual, adding definitions, Transparency Action Plan
5600 Office Expenses	3,350	3,450	100	New office computer, increase in postage for elections

6200 Bookkeeping	4,800	4,000	(800)	Decrease in Bookkeeping expenses due to streamlining recording and reporting through Quickbooks
6400 A-87 Costs County Services	1,100	0	(1,100)	Decrease in A-87 Costs County Services per estimate from County Auditor
6600 Memberships (CALAFCO/CSDA)	2,200	2,300	100	CALAFCO (\$925) CSDA (\$1,299 in FY2017-18)
6670 County GIS Services	5,000	3,500	(1,500)	Work Plan for FY 2018-19 will require fewer mapping efforts
6750 Travel & Lodging Expenses	4,000	3,000	(1,000)	2018 CALAFCO Conference in Yosemite (Tenaya Lodge); assumes expenses for four Commissioners
7000 Work Plan (MSR/SOI)	45,000	35,000	(10,000)	Any "roll-over" of MSR/SOI tasks and budget from FY 2017-18 would be applied during the FY 2018-19
9000 Special District Training Support	0	500	500	Executive Committee recommends including two LAFCo-hosted Ethics/Brown Act trainings
			(\$11,455)	

In addition to the baseline services listed in the Preliminary Budget, staff has identified a number of tasks that would benefit operations and office management (Attachment 2):

- Enhanced outreach to member agencies
- File Management
- Manual Development
- Preparation for potential State funding opportunity

Should the Commission wish to include the *Proposed Tasks for Consideration* at an additional cost of \$13,000, the budget expenses would increase to \$161,770. Another option is to prioritize the additional tasks identified and spread them out over the next couple of years.

#### Proposed Operating Revenues

The proposed expenses would require increasing apportionment fees from \$120,000 to \$135,000 for baseline services, utilizing operational fund balance rollover, and approximately \$5,600 of reserves to balance the budget.

As of January 31, 2018, the total available operational fund balance was \$75,196. It is anticipated that expenses for the remainder of FY 2017-18 will be approximately \$69,657, leaving an anticipated cash balance of approximately \$8,150 to roll into next FY. The estimated cash balance consists primarily of unexpended funds allocated for Conferences (Account 6800), Travel & Lodging (Account 6750), A-87 Costs County Services (Account 6400), and Office Expenses (Account 5600).

The past three years' budgets have relied upon reserves to balance the budget, ranging from \$6,363 in FY 2014-15 to \$23,662 in FY 2016-17. During that time, apportionment fees were lowered in order to utilize the excess reserves that had accumulated, primarily from work plan delays in previous years. The excess reserves have been expended and the proposed FY 2018-19 budget will result in a slight dip below operational reserve balances established in Mendocino LAFCo policy.

LAFCo financial policies adopted in 2016 established reserve amounts of \$50,000 for legal and operational reserves of 25% of operating costs. The following table summarizes estimated apportionment fees and reserves for the two basic services options.

	<b>Current/ Anticipated Funds</b>	<b>Proposed Baseline Tasks</b>	<b>Proposed All Tasks</b>
Proposed Budgets	--	\$148,770	\$161,770
2018-19 Apportionment Fees	--	135,000	150,000
Anticipated cash balance end of FY 2017-18	8,150	8,150	8,150
<b>Subtotal</b>		<b>143,150</b>	<b>158,150</b>
Use of reserves	--	5,620	3,620
Reserve Balances			
Operational Reserves per policy (25% of budget)	40,280	37,192	40,443
Legal Reserves	50,000	50,000	50,000

Financial Summary

The following table summarizes LAFCo's current financial status and end of FY 2017-18 projection. The estimated net funds available are primarily dependent on work plan progress.

Cash in Savings Bank, January 31, 2018	\$ 21,909
Cash in Treasury (County) January 31, 2018	54,300
Total Funds in Accounts	\$ 76,209
Accounts Receivable - Apportionment still due	\$ 520
Total Funds Available	\$ 76,729
Accounts Payable - Remaining Claims Due by June 30, 2018	(69,657)
Application Deposit Held - City of Ukiah Detachment/UVSD	(1,532)
2017/2018 Operating Budget Deficit	-
2017/2018 Proposed Additions to Operating Budget	-
Estimated Net Funds Available at 6-30-18	\$ 8,150
Reserve: General/Legal	\$ 40,280
Legal	\$ 50,000

## Work Plan

The Draft Work Plan (Attachment 3) is a rolling five-year work plan that has been developed to achieve the following:

- 1) Combine future MSR/SOI updates
- 2) Schedule updates chronologically based on last completed SOI update
- 3) Spread the work plan out such that the budget will be fairly consistent (approximately \$35,000 per year) both for work load planning and to help regulate future apportionment needs
- 4) Assumptions:
  - a. No CEQA costs have been included in the estimates other than Exemptions
  - b. Future budget numbers are estimates only and will be reviewed annually and adjusted as needed as part of the budget development process for the next FY

Attachments: 1) Preliminary FY 2018-19 Budget Spreadsheet  
2) Basic Services FY 2018-19 Proposed Tasks  
3) Preliminary Draft 5-year Work Plan

**Mendocino Local Agency Formation Commission  
Preliminary Budget FY 2018-2019**

ACCOUNT #	DESCRIPTION	FY 2014-15 Final Adopted	FY 2014-15 Actual	FY 2015-16 Final Adopted	FY 2015-16 Actual	FY 2016-17 Final Adopted	FY 2016-17 Actual	FY 2017-18 Adopted	FY 2017-18 Actual to Date	FY 2018-19 Proposed	Difference
<b>REVENUE</b>											
4000	LAFCO Apportionment Fees	\$ 135,000	\$ 135,000	\$ 125,000	\$ 135,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 109,480	\$ 135,000	\$ 15,000
4100	Service Charges	\$ -	\$ 60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4800	Miscellaneous	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4910	Interest Income	\$ 500	\$ 60	\$ 128	\$ 232	\$ 120	\$ 140	\$ 120	\$ 120	\$ 120	\$ -
	<b>Revenue Total</b>	<b>\$ 135,600</b>	<b>\$ 135,120</b>	<b>\$ 125,128</b>	<b>\$ 135,232</b>	<b>\$ 120,120</b>	<b>\$ 120,140</b>	<b>\$ 120,120</b>	<b>\$ 109,600</b>	<b>\$ 135,120</b>	<b>\$ 15,000</b>
4030	Application Filing Fees	\$ 12,000	\$ 12,156	\$ 33,900	\$ 16,977	\$ 30,000	\$ 6,000	\$ -	\$ 1,490	\$ -	\$ -
	<b>Revenue Total (with Application Fees)</b>	<b>\$ 147,600</b>	<b>\$ 147,276</b>	<b>\$ 159,028</b>	<b>\$ 152,209</b>	<b>\$ 150,120</b>	<b>\$ 126,140</b>	<b>\$ 120,120</b>	<b>\$ 111,090</b>	<b>\$ 135,120</b>	
<b>EXPENSES</b>											
5300	Basic Services	\$ 55,000	\$ 56,282	\$ 59,000	\$ 60,218	\$ 65,680	\$ 68,716	\$ 66,815	\$ 37,762	\$ 69,060	\$ 2,245
5301	Executive Officer Contract			\$ -	\$ 41,257	\$ 44,080		\$ 44,135		\$ 46,380	\$ 2,245
5302	Clerk Contract			\$ -	\$ 18,961	\$ 21,600		\$ 22,680		\$ 22,680	\$ -
5500	Rent	\$ 6,100	\$ 5,355	\$ 5,035	\$ 5,035	\$ 5,160	\$ 5,188	\$ 5,360	\$ 3,060	\$ 5,360	\$ -
5502	Office Space	\$ 5,800	\$ -	\$ 4,675	\$ 4,675	\$ 4,800	\$ 4,828	\$ 5,000	\$ 2,850	\$ 5,000	\$ -
5503	Work Room	\$ 300	\$ -	\$ 360	\$ 360	\$ 360	\$ 360	\$ 360	\$ 210	\$ 360	\$ -
5600	Office Expenses	\$ 3,100	\$ 1,450	\$ 3,500	\$ 2,991	\$ 2,000	\$ 2,463	\$ 3,350	\$ 942	\$ 3,450	\$ 100
5601	Office Supplies (petty cash)	\$ 700	\$ -	\$ 700	\$ 735	\$ 700	\$ 1,109	\$ 800	\$ 545	\$ 800	\$ -
5603	Photocopy	\$ 1,800	\$ -	\$ 1,000	\$ 1,345	\$ 1,000	\$ 707	\$ 1,000	\$ 252	\$ 1,000	\$ -
5605	Postage	\$ 200	\$ -	\$ 300	\$ 766	\$ 300	\$ 410	\$ 300	\$ 145	\$ 400	\$ 100
5607	Office Equipment (includes phone)	\$ 400	\$ -	\$ 1,500	\$ 145	\$ -	\$ 238	\$ 1,250		\$ 1,250	\$ -
5700	Internet & Website Costs	\$ 920	\$ 1,038	\$ 1,200	\$ 1,267	\$ 1,200	\$ 979	\$ 1,300	\$ -	\$ 1,300	\$ -
5900	Publication and Legal Notices	\$ 1,950	\$ 3,144	\$ 2,000	\$ 1,883	\$ 2,000	\$ 1,735	\$ 2,000	\$ 114	\$ 2,000	\$ -
6000	Televising Meetings	\$ 1,760	\$ 1,480	\$ 1,700	\$ 1,030	\$ 1,700	\$ 2,903	\$ 3,000	\$ 832	\$ 3,000	\$ -
6100	Audit Services	\$ 3,000	\$ 1,475	\$ 3,025	\$ 4,575	\$ 3,025	\$ 3,000	\$ 3,100	\$ 1,550	\$ 3,100	\$ -
6200	Bookkeeping	\$ 4,100	\$ 4,117	\$ 4,800	\$ 4,819	\$ 4,800	\$ 2,242	\$ 4,800	\$ 3,005	\$ 4,000	\$ (800)
6300	Legal Counsel	\$ 6,000	\$ 5,005	\$ 6,000	\$ 6,180	\$ 6,000	\$ 6,121	\$ 7,200	\$ 4,200	\$ 7,200	\$ -
6400	A-87 Costs County Services	\$ 6,000	\$ -	\$ 2,010		\$ 2,010	\$ 1,060	\$ 1,100	\$ 123	\$ -	\$ (1,100)
6500	Insurance-General Liability	\$ 1,050	\$ 1,939	\$ 1,000	\$ 807	\$ 1,000	\$ 987	\$ 1,000	\$ -	\$ 1,000	\$ -
6600	Memberships (CALAFCO/CSDA)	\$ 1,755	\$ 2,635	\$ 2,000	\$ 1,996	\$ 2,100	\$ 2,130	\$ 2,200	\$ 1,299	\$ 2,300	\$ 100
6670	Professional Fees (SHN Consulting - North of Ten Mile Annex map fix)						\$ 2,000	\$ -	\$ -	\$ -	\$ -
6670	Professional Fees (Planwest website transition)						\$ 2,170	\$ -	\$ -	\$ -	\$ -
6670	Contract with County (GIS, Counsel training, IT support)					\$ 3,622	\$ 1,775	\$ 5,000	\$ 892	\$ 3,500	\$ (1,500)
6740	In-County Travel & Stipends	\$ 1,500	\$ 255	\$ 2,000	\$ 1,949	\$ 4,300	\$ 2,306	\$ 2,000	\$ 790	\$ 2,000	\$ -
6750	Travel & Lodging Expense	\$ 6,000	\$ 1,251	\$ 2,500	\$ 1,487	\$ 5,000	\$ 1,805	\$ 4,000	\$ 1,895	\$ 3,000	\$ (1,000)
6800	Conferences (Registrations)	\$ 3,000	\$ 1,021	\$ 3,000	\$ 1,876	\$ 3,000	\$ 1,216	\$ 3,000	\$ 2,126	\$ 3,000	\$ -
7000	Barraco & Associates MSR Contract	\$ -	\$ 7,700	\$ 6,300	\$ 385		\$ 2,400	\$ -	\$ -		\$ -
7000	Uma Hinman Consulting Cemetery District MSR Contract						\$ 3,895	\$ -	\$ -		\$ -
7000	Work Plan (MSRs and SOIs)	\$ 34,000	\$ 30,015	\$ 47,000	\$ 46,999	\$ 54,000	\$ 28,553	\$ 45,000	\$ 24,770	\$ 35,000	\$ (10,000)
7001	MSR Reviews - Admin	\$ 5,000	\$ 60	\$ 5,000	\$ 4,995	\$ 15,000	\$ 6,762	\$ -	\$ -	\$ -	\$ -
7501	SOI Updates	\$ 29,000	\$ 29,955	\$ 42,000	\$ 42,004	\$ 39,000	\$ 21,790	\$ -	\$ -	\$ -	\$ -
9000	Special District Training Support	\$ -	\$ -	\$ 12,000	\$ 12,000	\$ -	\$ 160	\$ -	\$ -	\$ 500	\$ 500
	<b>Operating Expense Total</b>	<b>\$ 135,235</b>	<b>\$ 124,161</b>	<b>\$ 164,070</b>	<b>\$ 155,497</b>	<b>\$ 166,597</b>	<b>\$ 143,802</b>	<b>\$ 160,225</b>	<b>\$ 82,418</b>	<b>\$ 148,770</b>	<b>\$ (11,455)</b>
8000	Application Filing Fees	\$ 12,000	\$ 17,323	\$ 33,900	\$ 16,977	\$ 30,000	\$ 16,377	\$ -	\$ 1,490	\$ -	\$ -
	<b>Expenses Total</b>	<b>\$ 147,235</b>	<b>\$ 141,483</b>	<b>\$ 197,970</b>	<b>\$ 172,475</b>	<b>\$ 196,597</b>	<b>\$ 160,179</b>	<b>\$ 160,225</b>	<b>\$ 83,908</b>	<b>\$ 148,770</b>	
	<b>REVENUE/EXPENSE DIFFERENCE</b>	<b>\$ (11,635)</b>	<b>\$ (6,363)</b>	<b>\$ (38,942)</b>	<b>\$ (20,265)</b>	<b>\$ (46,477)</b>	<b>\$ (23,662)</b>	<b>\$ (40,105)</b>	<b>\$ 27,182</b>	<b>\$ (13,650)</b>	
	<i>(Negative balance indicates use of fund balance)</i>										

**Operational Fund**

Savings Bank of Mendocino (January 31, 2018)	\$ 21,909
County Account (January 2018)	\$ 54,300
Apportionment outstanding (December 31, 2017)	\$ 520
<b>Total Fund Balance (January 31, 2018)</b>	<b>\$ 76,729</b>
Application Deposits Held - City of Ukiah Detachment/UVCSD	\$ (1,533)
<b>Total Available Fund Balance (January 31, 2018)</b>	<b>\$ 75,196</b>

**Operational Rollover** (estimated for end of FY 2017-18)

Anticipated Cash Balance	\$ 8,150
Anticipated Work Plan roll over to FY 2018-19	\$ -
Total Unreserved/Unrestricted Funds	\$ 8,150

**Reserves** (January 31, 2018)

Operational Reserves (Community First Bank)	\$ 40,280
Legal Reserves (Community First Bank)	\$ 50,000
Total Reserve Funds	\$ 90,280



**Basic Services Contract  
FY 2018-19 Proposed Tasks**

<b>Tasks</b>	<b>Description &amp; Assumptions</b>	<b>Estimated Budget</b>
<b>Baseline Tasks</b>		
Office hours/Administrative duties	Clerk duties not related to projects; office hours; budget development, tracking; EO correspondence; response to requests for Agency Comments for projects and/or environmental documents routed to LAFCo for review; policy development as directed, etc.	\$ 39,260
Commission & Subcommittee Meetings	Commission & Subcommittee meeting attendance (2/month); agenda packet development, staff reports, presentations.	\$ 22,800
Consult Legal Counsel	Counsel Contract provides for a minimum of 2 hours per month.	Existing Contract
Application Processing	Process change in organization or reorganization applications from Cities and/or Special Districts to modify existing powers and/or annex/detach territory from agency boundaries.	Paid by applicant
Work Plan Support	Prepare Public Notices, development of staff reports specifically related to MSR/SOI studies, presentation at Commission meetings for Public Workshops and Public Hearings.	\$ 3,500
Policy & Procedures Manual	Include definitions in PP Manual; reformat and update	\$ 1,200
Special District Appointment	Fill the current vacancy for Special District Alternate Commissioner; District Appointment to Consolidated RDA Oversight Board (AB 979)	\$ 1,000
Transparency Action Plan	Assessment/develop/implement Plan; website improvements (JPAs, Special Districts, etc.); Enterprise Catalog (SB 272); Homepage Link to Meeting Agenda (AB 2257); Post JPA Agreements on website (SB 1266)	\$ 1,300
<b>Subtotal</b>		<b>\$ 69,060</b>
<b>Proposed Tasks for Consideration</b>		
File Management	Develop file management system; systematically organize and streamline files	\$ 2,500
File Scanning Project (future)	Consider a comprehensive hardcopy file scanning project	TBD
Manual Development	Clerk's Manual, Commissioners' Manual, Office Procedures Manual	\$ 2,500
Enhanced Outreach to Member Agencies (County/4 cities/51 special districts)	EO attend up to two member agency meetings per month, associated to MSR/SOI updates when possible	\$ 6,500
Potential State funding opportunity	Identify potential consolidations/reorganizations for further and more in-depth studies to be ready for grant application (This is a result of the Little Hoover Commission Report, and if approved, will result in a one-time funding opportunity available for next fiscal year only)	\$ 1,500
<b>Subtotal</b>		<b>\$ 13,000</b>

<b>DRAFT Mendocino LAFCO MSR/SOI 5-Year Rolling Work Plan (FY 2018/19 - 2022/23)</b>		
<p><b>Project Scope:</b> The schedule and budget for each project identified in this Work Plan is an <u>estimate</u> based on receiving complete information from applicable agencies within a reasonable time frame and minimal controversy through the public review process. Each study is assumed to consist of a combined MSR and SOI Update. Budget estimates reflect the anticipated staff time to: coordinate a response to the Request for Information (RFI), draft the study for agency review and make revisions, prepare the study for the Public Workshop and Public Hearing process and make revisions, and file a Notice of Exemption for CEQA compliance. A separate budget will be prepared for studies subject to Negative Declaration or EIR analysis.</p>		
<p><b>Rolling Plan:</b> The estimated annual Work Plan tasks and budget may <u>roll over</u> into the following fiscal year depending on overall staff workload and the level of agency responsiveness. It is advised that this Work Plan be viewed as a guideline that is subject to change. This Work Plan will be reviewed mid-year and revised to account for a more refined level of detail related to the anticipated scope of work for individual projects.</p>		
<b>Year Adopted</b>	<b>Service Provider</b>	<b>Estimated Budget</b>
<b>Fiscal Year 2017/18 (Remainder)</b>		<i>Remaining Work Plan Budget (2/5/17)</i> \$ 20,500
2016	13 Fire Protection Service Providers - SOI Update	\$ 3,000
2006	Redwood Coast FPD	\$ 3,000
2010	Brooktrails Township CSD	\$ 5,000
2015 (MSR)	City of Willits	\$ 12,000
		<i>Estimated Subtotal</i> \$ 23,000
		<i>Estimated Work Plan roll-over to FY 2018/19</i> \$ (2,500)
<b>Fiscal Year 2018/19</b>		
2011	Fort Bragg Rural FPD	\$ 5,000
2013	Ukiah Valley FPD	\$ 5,000
2010	Covelo CSD	\$ 5,000
2008	Mendocino City CSD	\$ 8,000
2008	Mendocino Coast Rec & Park District	\$ 8,000
n/a	Mutual Water Companies (9) - profiles and maps only	\$ 2,000
n/a	Lighting Districts (11? Discovery Only)	\$ 1,000
n/a	CSAs (10? Discovery Only)	\$ 1,000
		<i>Estimated Subtotal</i> \$ 35,000
<b>Fiscal Year 2019/20</b>		
2012	City of Ukiah	\$ 20,000
??	Ukiah Valley Sanitation District	\$ 20,000
n/a	Lighting Districts (needs research)	TBD
n/a	CSAs (needs research)	TBD
		<i>Estimated Subtotal</i> \$ 40,000
<b>Fiscal Year 2020/21</b>		
2015	City of Point Arena	\$ 8,000
2015	Anderson Valley CSD	\$ 7,500
2015, 2016	Water/Wastewater Districts (14)	\$ 20,000
		<i>Estimated Subtotal</i> \$ 35,500
<b>Fiscal Year 2021/22</b>		
2016	Hopland PUD	\$ 7,500
2016	Mendocino Health Care District	\$ 7,500
2016	Mendocino County RCD	\$ 5,000
2016	Noyo Harbor District	\$ 7,500
2017	Cemetery Districts (8)	\$ 8,000
		<i>Estimated Subtotal</i> \$ 35,500
<b>Fiscal Year 2022/23</b>		
2017	City of Fort Bragg	\$ 8,000
2017	Brooktrails Township CSD	\$ 7,500
2017	Fire Districts (16)	\$ 20,000
		<i>Estimated Subtotal</i> \$ 35,500

**Fire Districts**

Albion-Little River FPD  
 Comptche CSD  
 Covelo FPD  
 Elk CSD  
 Fort Bragg Rural FPD  
 Hopland FPD  
 Leggett Valley FPD  
 Little Lake FPD  
 Long Valley FPD  
 Mendocino FPD  
 Piercy FPD  
 Potter Valley CSD  
 Redwood Valley-Calpella FPD

**Water Districts**

Redwood Coast FPD  
 South Coast FPD  
 Ukiah Valley FPD

**Cemetery Districts**  
 Anderson Valley CD  
 Cemetery District of the Redwoods  
 Covelo Public CD  
 Hopland CD  
 Mendocino-little River CD  
 Potter Valley CD  
 Russian River CD  
 Westport-Ten Mile CD

**Water Districts**

Calpella CWD  
 Caspar South WD  
 Elk CWD  
 Gualala CSD  
 Irish Beach WD  
 Laytonville CWD  
 Millview CWD  
 Pacific Reefs WD  
 Redwood Valley CWD  
 Round Valley CWD  
 Russian River FCD  
 Westport CWD  
 Willow CWD  
 Potter Valley ID

# MENDOCINO Local Agency Formation Commission

## Staff Report

DATE: March 5, 2018  
TO: Mendocino Local Agency Formation Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: Proposed Executive Officer Services Contract Amendment and Agreement

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### Recommendation

1. Executive Officer Services Contract Amendment:
  - a. Approve Amendment No. 1 to the Executive Officer Services Agreement dated July 1, 2016; or
  - b. Direct the Policies and Procedures Committee to develop a policy regarding subcontracting and a list of qualified consultants.
2. Executive Officer Services Agreement:
  - a. Authorize the Chair to sign the proposed Executive Officer Services Agreement with Hinman & Associates Consulting, which expires June 30, 2018.

### Executive Officer Services Contract Amendment

In order to effectively and efficiently manage workload, specifically for MSR/SOI updates and application processing, the Executive Officer (EO) is requesting a modification to the Executive Officer Services Agreement to allow the EO to subcontract as needed. Current contract language specifies that the EO shall not subcontract without prior written approval from the Commission (Attachment 2, page 8).

The EO, as the contractor to the Commission, would be responsible for any work performed by subcontractors. This approach places the responsibility of the work performed by the subcontractor on Hinman & Associates Consulting rather than the Commission, as would be the case if the Commission approved each contractor. However, if the Commission wishes to approve subcontractors, a contract would be established between the Commission and the subcontractor so as to avoid blurring the independent contract status.

It is anticipated that projects such as large CEQA documents (i.e., EIRs) and/or potentially controversial projects would be contracts between the Commission and qualified consultant, as has been the practice.

Alternatively, if the Commission wishes to contract directly with other contractors for work plan tasks or to process applications, it is recommended that a policy and list of approved consultants be developed in order to minimize costs and workload delays associated with extended contracting processes.

Counsel has provided revised language for the subcontracting clause of the contract for the Commission's consideration (Attachment 1).

## Executive Officer Services Agreement

The current Executive Officer Services Agreement is a 2-year contract that is set to expire June 30, 2018. Hinman & Associates Consulting proposes a contract of indefinite term and updated payment terms. The following outlines the proposed revisions to the Executive Officer Services Agreement.

### Term of Contract

Hinman & Associates Consulting is requesting contract of indefinite term to provide continuity, allowing staff to both continue the work plan efforts and build on relationships with member agencies. Counsel has advised that contracts may be extended for a specified period of time, typically two to three years, or, as in the case of most LAFCos, have no set term and the contract continues until either party wishes to terminate. (Attachment 1, page 1)

Contract clause 18, Termination, stipulates the terms and conditions for terminating the contract by either party. The Executive Committee recommended the termination notice be increased to six months to allow sufficient time for contracting with a replacement Executive Officer (EO). (Attachment 1, page 8)

### Exhibit B Five-Year Work Plan

Revise language to “To be reviewed and updated annually” to address contract of indefinite term. (Attachment 1, Page 13)

### Exhibit C Payment Terms

Contract clause 2, contracted staff rates.

Uma Hinman, <del>Contract</del> Executive Officer	<del>\$90.00</del> <u>100.00</u> per hour
Larkyn Feiler, Analyst	<del>\$65.00</del> <u>70.00</u> per hour
Elizabeth Salomone, Clerk*	\$40.00 per hour*
(*plus 5% subcontractor administrative fee)	

Contract clause 5 revised to update work plan language and proposed contract of indefinite term. (Attachment 1, page 14)

The Executive Committee has reviewed the proposed contract Amendment and Agreement revisions and recommends the attached Amendment and Proposed Executive Officer Services Agreement to the Commission for consideration.

Attachments: Proposed Executive Officer Services Agreement Amendment No. 1  
Proposed Executive Officer Services Agreement

**Mendocino Local Agency Formation Commission  
Executive Officer Services Agreement**

**AMENDMENT NO. 1**

This Agreement, dated as of March 5, 2018, is by and between the Mendocino Local Agency Formation Commission, hereinafter referred to as "COMMISSION", and Hinman & Associates Consulting, Inc., (previously Uma Hinman Consulting) hereinafter referred to as "CONTRACTOR".

**WITNESSETH**

WHEREAS, pursuant to Government Code Section 56375(k) COMMISSION may contract for professional or consulting services; and,

WHEREAS, COMMISSION'S contract for professional services with CONTRACTOR to provide Executive Officer Services includes management of office workload; and

WHEREAS, CONTRACTOR, in order to manage workload efficiently, may require additional support to complete tasks identified in the adopted work plan and/or application processing, as needed, to deliver work products efficiently and in a timely manner; and,

WHEREAS, CONTRACTOR agrees to the following amendment to terms and conditions as were contained in the Executive Officer Services Agreement dated July 1, 2016.

Revise GENERAL TERMS AND CONDITIONS as follows:

17. SUBCONTRACTING: The parties understand that CONTRACTOR, as an independent contractor, may from time to time subcontract with other qualified individuals or companies to assist CONTRACTOR in the performance of CONTRACTOR's duties under this Agreement. Such subcontracting is subject to the following conditions:
- a. CONTRACTOR shall supervise the work done by any subcontractor and be responsible for the subcontractor's work;
  - b. CONTRACTOR shall assure that any subcontractor maintains the same level of insurance required of CONTRACTOR under this agreement or CONTRACTOR covers the subcontractor under CONTRACTOR's insurance;
  - c. CONTRACTOR shall indemnify, defend and hold LAFCo harmless from any liability arising out of the work of its subcontractors; and
  - d. If the Commission is at any time dissatisfied with the work of a subcontractor, CONTRACTOR shall promptly remedy the problem.

NOW, THEREFORE it is agreed that COMMISSION does hereby amend the contract of Contract Amendment as listed above.

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

Mendocino LAFCo

Contractor

By: \_\_\_\_\_  
Jerry Ward, Chair

\_\_\_\_\_  
Uma Hinman, Principal

**Mendocino Local Agency Formation Commission**  
**Executive Officer Services Agreement**  
**July 1, ~~2016~~ 2018**

This Agreement, dated as of July 1, ~~2016~~ 2018, is by and between the Mendocino Local Agency Formation Commission, hereinafter referred to as "COMMISSION" and ~~Uma Hinman~~ Hinman & Associates Consulting, Inc. 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~~ Hinman & Associates Consulting, Inc. 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 and SOPs~~
- Exhibit C Payment Terms
- Exhibit D Insurance Requirements

~~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:\_\_\_\_\_

Gerald Ward  
Commission Chair

By:

Uma Hinman  
~~Uma Hinman Consulting~~  
Hinman & Associates 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

DRAFT

## 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~~  
Hinman & Associates 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: The parties understand that CONTRACTOR, as an independent contractor, may from time to time subcontract with other qualified individuals or companies to assist CONTRACTOR in the performance of CONTRACTOR's duties under this Agreement. Such subcontracting is subject to the following conditions:

- a. CONTRACTOR shall supervise the work done by any subcontractor and be responsible for the subcontractor's work;
- b. CONTRACTOR shall assure that any subcontractor maintains the same level of insurance required of CONTRACTOR under this agreement or CONTRACTOR covers the subcontractor under CONTRACTOR's insurance;
- c. CONTRACTOR shall indemnify, defend and hold LAFCo harmless from any liability arising out of the work of its subcontractors; and
- d. If the Commission is at any time dissatisfied with the work of a subcontractor, CONTRACTOR shall promptly remedy the problem.

~~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 ~~thirty (30) days~~ six (6) months 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 Hinman & Associates Consulting, Inc. may terminate this agreement at any time by giving ~~sixty (60) days~~ six (6) months 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.

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**FIVE-YEAR WORK PLAN**

**(To be reviewed and updated annually)**

**DRAFT**

**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 contract personnel and their hourly rates are specified under this Agreement as follows:

Uma Hinman, <del>Contract</del> -Executive Officer	<del>\$90.00</del> <u>100.00</u> per hour
Larkyn Feiler, Analyst	<del>\$65.00</del> <u>70.00</u> per hour
Elizabeth Salomone, Clerk*	\$40.00 per hour*
<u>(*plus 5% subcontractor administrative fee)</u>	

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~~ each fiscal year budget's resolution of adoption. Progress payments for MSR 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**

**Staff Report**

DATE: March 5, 2018  
TO: Mendocino Local Agency Formation Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: Recommendation of New Financial Institution for Reserve Fund

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**Recommendation**

Direct Chair and Executive Officer to move reserves account from Community First Credit Union to Westamerica Bank, Ukiah Branch.

**Discussion**

Mendocino LAFCo's reserves account is currently held at Community First Credit Union (previously Mendocino Credit Union). At this time, one signature is required for moving funds out of the reserves account; signatories are the Chair and Vice-Chair. In an effort to increase safety measures, the Executive Committee discussed adding a two signature requirement to the account. Because Community First Credit Union's policies do not allow them to accommodate the request, staff has researched alternative financial institutions.

Westamerica Bank, located at 325 East Perkins Street, is a regional community bank with more than 80 branches throughout Northern and Central California. Their policies allow for the requirement of two signatures for account withdrawals. Westamerica Bank's Ukiah Branch staff recommended a Money Market Savings account that has a slightly higher return rate than a regular savings account and has no service fees, provided balances remain above \$2,500 (\$5/month service charge for balances below the threshold). There is also the ability to write up to six checks on the account per month.

The Executive Committee has reviewed the proposal and is recommending the change in banking institutions to the Commission for consideration.

# MENDOCINO Local Agency Formation Commission

## Staff Report

DATE: March 5, 2018  
TO: Mendocino Local Agency Formation Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: LAFCo's Evolving Mission; New Laws, Requirements, and Transparency

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### Recommendation

Receive informational report from staff regarding CALAFCO's course *LAFCO's Evolving Mission, New Laws, Requirements, and Transparency*.

### Background

Executive Officer Hinman and Analyst Feiler attended a one-day CALAFCO University course in Sacramento on January 22, 2018. The course, titled *LAFCO's Evolving Mission, New Laws, Requirements, and Transparency*, included summaries and discussion of new laws from 2016 and 2017 that affect LAFCOs, a presentation of recommendations and potential impacts resulting from the Little Hoover Commission report, and an exercise and discussion on transparency best management practices. The following briefly summarizes the key points.

### Legislative Review

AB 2257 – Amended Brown Act to require agendas be posted on agency's primary website accessible through a "prominent, direct link." Effective 1/1/19.

- *Action Item:*
  - Create direct link to agendas on homepage

AB 2853 – Amended Government Code Section 6253 to allow a public agency to post any public record on its website and, in response to a public record request, direct the requestor to the location on the website where the record exists.

SB 1436 – Amends Government Code Section 54953 to require legislative bodies, prior to taking final action, to orally report the summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive during the open meeting in which the final action is to be taken. Definition of local agency executive applies to chief executive officers (CEOs) or deputy/assistant CEOs and includes positions held by an employment contract between the local agency and the person.

SB 272 – Most public agencies must create and make available a catalog of "enterprise systems" the agency uses (software applications that collect, stores, exchanges, and analyzes information) that is a multi-departmental system or contains information collected about the public and is a system of record. Deadline is 7/1/2016 and should be posted on agency's website. Actual records are not covered in the requirement.

- *Action Item:*
  - Create catalog of enterprise systems and post on website (Transparency Action Plan)

SB 1266 – Requires JPAs to file agreements and amendments with LAFCo. All preexisting agreements and amendments to be filed by 7/1/2017. JPAs cannot incur new bonded debt without LAFCo filing.

- *Action Items:*
  - Define “municipal services”
  - Create public repository on website
  - Expand MSRs to include discussion of relevant JPAs

SB 239 – Relates to the extension of fire protection services outside existing city/district boundaries (Government Code Section 56017.2, 56133 and 56134). Requires LAFCo approval on any new contract for the extension of fire services or a contract extension or amendment that transfers greater than 25% of the service area or changes the employment status of more than 25% of employees of any affected agency. Requires applicant to provide LAFCo, as part of the application, proof that the 25% trigger is occurring. Does not apply to mutual/automatic aid agreements or ambulance service agreements.

- *Action Item:*
  - Up to LAFCo to determine what the required proof would be.

AB 464 – Amends LAFCo law to make explicit LAFCo’s authority to annex served lands to agencies.

AB 979 – Updates CKH to administer district appointments to consolidated RDA oversight boards and encourages special district representation on LAFCos.

- *Action Items:*
  - Mendocino County is identified as one of the 37 counties in California that is required to establish a Consolidated RDA Oversight Board. Mendocino LAFCo is tasked with performing the election for the special district seat on the new Board by 7/1/2018 or the Governor will make an appointment.
  - Participate in CALAFCO webinar on February 28, 2018.

SB 448 – Requires Controller to publish and update annually list of independent special districts beginning 7/1/2019 (Government Code Section 12463.4). Requires special districts to file audits with LAFCo and Controller (Government Code Section 26909(a)(2)(B)(ii)). Defines “inactive district.” Requires Controller to create list of inactive special districts, post on their website, and notify the district and LAFCo. LAFCo is required to initiate dissolution within 90 days of notification or make determination that district does not meet criteria. Streamlined the dissolution process.

- *Action Item:*
  - Upon notification by the Controller, review and initiate dissolution of inactive districts.

AB 1361 – Requires LAFCo approve extensions of water service to tribal land as if lands had been fully annexed into district and any other public agencies required for water service, provided the tribe meets specified conditions. LAFCo may impose conditions provided they don’t impair water service to Indian land and on terms similar to other recipients of services. Applicable until 1/1/2023, although services may continue to be provided thereafter, provided terms and conditions are being met.

### Little Hoover Commission

- Website transparency – CALAFCO facilitating conversations with member LAFCoS
  - CALAFCO will include session at Staff Workshop
  - CALAFCO University Course
- 2018 bill seeking one-time grant funding
  - *Action Item*
    - Consider potential entities for further and more in-depth studies for greater efficiencies so that if bill passes, we are ready to submit grant application.

### LAFCoS and Transparency

In addition to basic requirements and current Mendocino LAFCo's website and practices, the following were recommended:

- *Action Items:*
  - Provide sphere maps to each agency and publish on website.
  - Publish compensation information on website.
  - Prepare and implement a Transparency Action Plan.



# MENDOCINO Local Agency Formation Commission

## Staff Report

DATE: March 5, 2018  
TO: Mendocino Local Agency Formation Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: Status of Applications, Future Projects, MSR & SOI Updates

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### Active Applications

Active applications on file with the Commission are listed below with any updates noted and the date of last activity.

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

### Pre- Applications

None

### Future Projects

Potential project proposals that have been brought to LAFCo's attention are listed below with any updates noted and the date of last activity.

- Anderson Valley CSD Proposed Activation of Latent Powers to Provide Water and Sewer Services  
Last Activity: September 2017
- Proposed Consolidation of Five Water Districts in the Ukiah Valley area  
Last Activity: December 2016

(Continued...)

**MSR & SOI UPDATES:**

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

<b>MSR</b>	<b>SOI</b>	<b>MSR/SOI</b>	<b>Targeted Workshop Date</b>	<b>Status</b>
	X	Fire Districts (13)	Varies	Staff continues to follow up with districts to obtain information. SOI updates will be brought to workshop for individual districts as they are ready. The Public Hearing Notice has been published for April 2, 2018.
		Albion-Little River FPD	12/4/17	Workshop completed
		Comptche CSD	8/1/17	
		Elk CSD	10/2/17	
		Little Lake FPD	6/5/17	
		South Coast FPD	12/4/17	
		Long Valley FPD	2/5/17	Workshop completed
		Piercy FPD	2/5/17	
		Leggett Valley FPD	2/5/17	
		Covelo FPD	3/5/17	Workshop scheduled
		Potter Valley CSD	3/5/17	
		Mendocino FPD	3/5/17	
		Redwood Valley-Calpella FPD	3/5/17	
		Hopland FPD	3/5/17	
X	X	Ukiah Valley FPD	FY 18-19	The MSR was completed in 2013 and changes since then, including a new JPA with the City of Ukiah, warrant an MSR Update in addition to the SOI study. This MSR/SOI Update will be completed in FY 2018-19.
	X	City of Willits		In progress; waiting for City to provide information on SOI.
X	X	Brooktrails CSD	6/4/17	In Progress
X	X	Redwood Coast FPD	5/7/17	In Progress
X	X	Fort Bragg Rural FPD		Pending
X	X	Covelo CSD		Pending
X	X	Mendocino City CSD		Pending
X	X	Mendocino Coast RPD		Pending
		Mutual Water Companies		Profiles only; information being received and compilation in progress
X	X	City of Fort Bragg	--	Completed – Adopted 12/4/17



# **CALAFCO 2018 Legislative Policies**

*As adopted by the Board of Directors on 23 February, 2018*

## **1. LAFCo Purpose and Authority**

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

## **2. LAFCo Organization**

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

## **3. Agricultural and Open Space Protection**

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

**4. Orderly Growth**

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

**5. Service Delivery and Local Agency Effectiveness**

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

## **2018 Legislative Priorities**

### **Primary Issues**

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#### **Authority of LAFCo**

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

#### **Agriculture and Open Space Protection**

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

#### **Water Availability**

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

#### **Viability of Local Services**

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

## **Issues of Interest**

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### **Housing**

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

### **Transportation**

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

### **Flood Control**

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

### **Adequate Municipal Services in Inhabited Territory**

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