

MENDOCINO

Local Agency Formation Commission

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

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

CHAIR

Richard Shoemaker
Russian River Flood Control
And Water Conservation
Improvement District

VICE-CHAIR

John McCowen
County Board
Of Supervisors

MEMBERS

Dan Hamburg
County Board
Of Supervisors

Doug Hammerstrom
Fort Bragg City Council

Holly Madrigal
Willits City Council

Theresa McNerlin
Ukiah Valley Sanitation District

Jerry Ward
Public Member

ALTERNATE MEMBERS

Carre Brown
County Board
Of Supervisors

Kevin Doble
Ukiah City Council

Carol Rosenberg
Public Member

Angela Silver
Calpella County Water District

Executive Officer
George Williamson

Counsel
Scott Browne

Analyst
Colette Metz

Commission Clerk
Elizabeth Salomone

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

A G E N D A

Regular Meeting of Monday, September 14, 2015 9:00 AM
County Board of Supervisors Chambers 501 Low Gap Road, Ukiah, California

Call to Order and Roll Call

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.

1. Approval of the August 3, 2015 Meeting Summary Minutes
2. Approval August 2015 claims
3. Acceptance of the Monthly Financial Report

PUBLIC EXPRESSION

4. 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.

WORKSHOP (Part 1)

5. Format Discussion for Sphere of Influence (SOI) Update
Presentation and discussion on format, organization and content.

PUBLIC HEARINGS

6. Fire District Municipal Services Reviews (CONTINUED)
Commission consideration and possible adoption of the Final Municipal Service Reviews for the following: *Potter Valley CSD, Redwood Valley-Calpella FPD, Mendocino FPD, Albion-Little River FPD*
Comments and suggestions by the Commission, participating agencies, and members of the public. The Final MSR's are available for review at www.mendolafco.org or by contacting the LAFCo office.
7. Sphere of Influence (SOI) Updates
Staff presentation and Commission consideration and possible adoption of the Final SOI Updates for the following: *City of Point Arena, Round Valley County Water District, Elk County Water District, Irish Beach Water District, Caspar South Water District.*
Comments and suggestions by the Commission, participating agencies, and members of the public. The Final SOI Updates are available for review at www.mendolafco.org or by contacting the LAFCo office.

WORKSHOP (Part 2)

8. Sphere of Influence (SOI) Updates

Staff presentation of the Admin Draft SOI Updates for the following: *Pacific Reefs Water District; and Anderson Valley Community Services District*. Continued Workshop for *Calpella County Water District*.

Comments and suggestions by the Commission, participating agencies, and members of the public. The Draft SOI Updates are available for review at www.mendolafco.org or by contacting the LAFCo office.

MATTERS FOR DISCUSSION & POSSIBLE ACTION

9. Proposed De Ruiters Detachment from the Irish Beach Water District

Staff presentation on the proposed detachment by property owner petition, and District comments.

10. Status of Current and Future Projects

Staff presentation of the status of active and future projects. Questions and comments from Commission, participating agencies, and members of the public.

11. Status of MSRs and SOI Updates

Staff presentation of the status of MSR and SOI updates. Questions and comments from Commission, participating agencies, and members of the public

OTHER ITEMS

12. Correspondence

Staff report of correspondence received. No action will be taken on these items at this meeting.

13. Executive Officer's Report

EO report on status of FY 2013-14 Audit and the Policies and Procedures Update by the Planning Committee. Not action will be taken at this meeting.

14. Commissioner Reports, Comments or Questions

Commissioner opportunity to make announcements, comments, etc. No action will be taken on these items.

15. Legislation Report

Staff and Commissioner opportunity to make announcements, comments, etc. on legislation. No action will be taken on these items at this meeting.

ADJOURNMENT

The next Regular Commission Meeting is scheduled for
Monday, October 5, 2015 at 9:00 AM
in the County Board of Supervisors Chambers
501 Low Gap Road, Ukiah, California

Notes: Participation on LAFCo Matters

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

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

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

MENDOCINO

Local Agency Formation Commission

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CHAIR

Richard Shoemaker
Russian River Flood Control
And Water Conservation
Improvement District

Agenda Item No. 1

MINUTES

LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY

VICE CHAIR

John McCowen
County Board
Of Supervisors

Regular Meeting of Monday, August 3, 2015

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

MEMBERS

Dan Hamburg
County Board
Of Supervisors

Call to Order & Roll Call

Chair Shoemaker called the meeting to order at 9:04am.

Doug Hammerstrom
Fort Bragg City Council

Members Present:

Commissioners Dan Hamburg (9:23am), Doug Hammerstrom, Holly Madrigal, John McCowen, Theresa McNerlin, Richard Shoemaker, and Jerry Ward

Holly Madrigal
Willits City Council

Members Absent:

None

Theresa McNerlin
Ukiah Valley Sanitation District

Alternate Members Present:

Commissioners Carre Brown (until 12:02pm), Kevin Doble, Carol Rosenberg, and Angela Silver

Jerry Ward
Public Member

ALTERNATE MEMBERS

Carre Brown
County Board
Of Supervisors

Alternate Members Absent:

None

Kevin Doble
Ukiah City Council

Staff Present:

George Williamson, Executive Officer
Elizabeth Salomone, Clerk

Carol Rosenberg
Public Member

Commissioners Carre Brown, was seated on behalf of Commissioner Dan Hamburg from 9:04am-9:23am.

Angela Silver
Calpella County Water District

Consent Calendar

Executive Officer
George Williamson

1. Approval of the July 13, 2015 Regular Meeting Summary Minutes
2. Approval July 2015 Claims
3. Acceptance of the Monthly Financial Report

Counsel
Scott Browne

It was noted that Commissioner McCowen did not open the July 13, 2015 Regular Meeting as stated in the minutes. Commissioner Ward asked for Item 2 to be pulled from the Consent Calendar for discussion.

Analyst
Colette Metz

Upon motion by Commissioner McNerlin and second by Commissioner Madrigal, Items 1 and 3 of the Consent Calendar were approved by roll call vote:

Commission Clerk
Elizabeth Salomone

Regular Meetings

Frist Monday
of each month
At 9:00 AM
At the Mendocino
County Board
Of Supervisors Chambers
501 Low Gap Road

Ayes:

Commissioners Brown, Hammerstrom, Madrigal, McCowen, McNerlin, Shoemaker, and Ward

Commissioner Ward asked George Williamson for clarification on a number of items in the Claims Report.

Upon motion by Commissioner Madrigal and second by Commissioner Ward, Item 2 of the Consent Calendar was approved by roll call vote:

Ayes: Commissioners Brown, Hammerstrom, Madrigal, McCowen, McNerlin, Shoemaker, and Ward

4. Public Expression. No member of the public indicated an interest in speaking.

Public Hearing

5. Fire District Municipal Services Review CONTINUATION

The Public Hearing was opened at 9:48am on July 13, 2015 and continued to this meeting.

Bruce Baracco presented the Fire District Municipal Services Reviews.

Potter Valley Community Service District

Mr. Baracco recommended the MSR be held in abeyance pending resolution of the District Boundaries between the District and the County GIS. Mr. Baracco noted he would send an annotated version of this MSR to Commissioners.

Redwood Valley-Calpella Fire Protection District

The Draft MSR has been reviewed by the District. Comments and questions were offered by Commissioners McCowen, Brown, Hammerstrom, Ward, Shoemaker, Madrigal, Doble, and McNerlin.

Fire Chief Don Dale spoke regarding questions and comments raised by Commissioners.

Discussion was held regarding the financial reporting of this and other special districts.

Mendocino Fire Protection District

Having received the draft MSR last week, the District has provided no formal comment yet, though Mr. Baracco noted he has been in touch with the Fire Chief. Commissioner Hamburg noted from his conversation with Fire Chief O'Brien last week there are no problems with the draft aside from grammatical edits. Comments and questions were offered by Commissioner Hamburg, Madrigal, Ward, Doble, Hammerstrom, Brown, McNerlin, and Shoemaker.

Discussion was held regarding the election and/or appointment of Board members for this and other special districts.

Albion-Little River Fire Protection District

The District Board meets mid-August to review the draft MSR and it will be back on the agenda for the September Regular LAFCo meeting. Comments and questions were offered by Commissioners McCowen, Hammerstrom, Madrigal, Rosenberg, and Shoemaker.

Workshop

6. Sphere of Influence Updates

George Williamson presented an overview of the SOI Updates, asking the Commission for feedback on the process. Comments and questions were offered by Commissioners Ward, Hammerstrom, Rosenberg, McCowen, Shoemaker, and Brown.

Chair Shoemaker called a break from 10:45am to 10:57am.

City of Point Arena

George Williamson presented the draft SOI to the Point Arena City Council last week. Commissioner Hamburg asked whether the SOI boundary in Point Arena Cove coincided with the Marine Life Protection Act (MLPA) Boundary. Other comments and questions were offered by Commissioners Ward, McCowen, Hammerstrom, Shoemaker, and Madrigal.

Elk County Water District

George Williamson complimented the District for their cooperation. The draft SOI extends to out of district areas that are receiving water service. Comments and questions were offered by Commissioners Madrigal, Ward, McCowen, Hamburg, and Madrigal.

Round Valley County Water District

District cooperation was noted in the presentation by George Williamson. The Draft SOI extends to watershed boundaries due to watershed management services provided by the District. Comments and questions were offered by Commissioners Ward, Hammerstrom, McCowen, Shoemaker, Brown, and Madrigal.

Chair Shoemaker asked if the affected Tribes have been given an opportunity to review and comment directly to Mendocino LAFCo on the draft SOI. Mr. Williamson noted he will do so.

Calpella County Water District

The District has asked to continue the workshop until the District Board has an opportunity to meet and review the draft SOI. Comments and questions were offered by Commissioners McCowen, Brown, Shoemaker, Doble, Ward, Rosenberg, and Madrigal.

Caspar South Water District

George Williamson noted difficulty in obtaining information from the District and anticipates more information coming forth with the Commission mandated early MSR update. Comments and questions were offered by Commissioners McCowen, Shoemaker and Hammerstrom.

Irish Beach Water District

It was noted there is a pending detachment for this District, which the District is currently opposing. A letter was received from The Law Offices of Elizabeth Ann Reifler on behalf of her client, David De Ruitter regarding the proposed SOI and its impact on the proposed De Ruitter detachment. Mr. Williamson noted the four-page letter was received at 12:30am this morning and includes a written request from Mr. De Ruitter that this written Objection be added to the Agenda and READALOUD at LAFCo's August 3, 2015 Workshop. Mr. De Ruitter further requests that this written Objection be included in the Minutes and in any follow up report addressing IBWD's SOI. The Commission requested the record reflect the letter will be distributed to the Commissioners as soon as possible after the meeting. Comments and questions were offered by Commissioners McCowen, Shoemaker, and Ward.

Action on Proposed SOI

The Commission directed George Williamson to publish the Public Review Drafts of the Proposed SOIs. Comments from Commissioners are to be received by staff by August 10, 2015.

Matters for Discussion & Possible Action

7. EIR Contract Award for City of Ukiah SOI Reduction

George Williamson presented. Comments and questions were offered by Commissioners Doble, McNerlin, McCowen, Shoemaker, Ward and Hammerstrom. Commissioner Doble clarified that the City Planner did not participate in the selection due to possible conflict of interest.

Comments were received from Randy Rouda, LACO Associates.

Upon motion by Commissioner McCowen and second by Commissioner Ward, the selection of LACO Associates to prepare the City of Ukiah SOI Reduction EIR and authorization of the Chair to sign an agreement for services, subject to the deposit of funds by the City of Ukiah was approved by roll call vote:

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

8. Status of Current and Future Projects

George Williamson presented the staff report, focusing on the Anderson Valley CSD request for activating latent powers.

9. Status of MSR and SOI Updates

It was noted by Bruce Baracco the five MSRs that have been approved by the Commission:

Covelo FPD	Hopland FPD	Leggett Valley FPD
Little Lake FPD	Long Valley FPD	

Comments and questions were offered by Commissioner Ward, McCowen, and Shoemaker.

Other Items

10. Correspondence - Nothing to report.

11. Executive Officer's Report

George Williamson noted the audit information was provided to Zach Pehling, CPA. He also noted the Planning Committee is making progress on the Policies & Procedures update in their ongoing meetings.

12. Commissioners Reports, Comments or Questions

Commissioner Ward: The agenda needs to reflect the specific districts for discussion.

Chair Shoemaker: George Williamson was asked to review his Mendocino County activities in the last week, when he visited a number of agencies.

13. Legislation Report – There was no report presented.

Adjournment

There being no further business, at 12:48pm the meeting was adjourned to the next regular meeting on Monday, September 14, 2015 at 9:00 AM in the County Board of Supervisors Chambers at 501 Low Gap Road, Ukiah, California.

**MENDOCINO
Local Agency Formation Commission**

Staff Report

DATE: September 14, 2015
 TO: Mendocino Local Agency Formation Commission
 FROM: George Williamson, Executive Officer
 SUBJECT: Claims for the Period August, 2015

 The following claims are recommended for payment authorization:

Name	Account Description	Amount
Planwest Partners	5500 Basics Services – EO/Analyst, 7501 - SOI Updates, 6200 Bookkeeping, 8008 & 8009 Applications: \$ 10,451.00 5500 Basic Services – Clerk: \$ 1,837.50	\$ 12,288.50
Ukiah Valley Conf. Center	5502 Office space: \$375.00 5503 Work room: \$ 30.00 5603 Photocopy: \$ 16.10 5605 Postage : \$ 0.97	\$ 422.07
P. Scott Brown	6300 Legal Counsel: August flat fee: \$500.00	\$ 500.00
Ukiah Daily Journal	5900 Publications and Legal Notices – UDJ \$83.70, Willits DN \$ 74.24, Ft Bragg Advocate \$103.51	\$ 261.45
Access TV	6000 July and August Production, Broadcast Setup and Post Production Services	\$ 250.00
Petty Cash	5600 Staples: office supplies	\$ 27.02

Please note that copies of all invoices, bank statements, and petty cash register were forwarded to Commission Treasurer, Jerry Ward for review at time of Agenda Packet distribution.



INVOICE

DATE: August 31, 2015 INVOICE #: 15-218-08
TO: Mendocino LAFCo
PROJECT: LAFCo Planning/Staffing Services & Expense -August 1 - 31 2015

August 1 - 31 COSTS SUMMARY

Table with 2 columns: Description and Amount. Rows include Acct 5500 - Basic Services, Acct 8008 - Application City of Ukiah SOI Reduction, Acct 8009 - Application DeRuiter Detachment from IBWD, Acct 7501 - Sphere of Influence Updates, Acct 6200 - Other Services, and TOTAL AMOUNT DUE \$ 12,288.50.

Basic Services Acct 5500

Table with 3 columns: Description, Hours, and Amount. Rows include Executive Officer, George Williamson (18 hours at \$104 per hour), Analyst, Colette Metz (12.5 hours at \$78 per hour), Clerk, Elizabeth Salomone (52.5 hours at \$35 per hour), GIS Analyst (9.5 hours at \$58 per hour), and Service Specialist (24.5 hours at \$58 per hour).

Application - City of Ukiah SOI Reduction Acct 8008

Table with 3 columns: Description, Hours, and Amount. Row includes Executive Officer, George Williamson (1 hour at \$104 per hour).

Application - Irish Beach Water District - Proposed Detachment (De Ruiter) Acct 8009

Table with 3 columns: Description, Hours, and Amount. Rows include Executive Officer, George Williamson (1 hour at \$104 per hour) and Analyst, Colette Metz (1 hour at \$78 per hour).

SOI Updates Acct 7501

Table with 3 columns: Description, Hours, and Amount. Rows include GIS Analyst (47 hours at \$58 per hour) and Service Specialist (38 hours at \$58 per hour).

Other Services Acct 6200

Table with 3 columns: Description, Hours, and Amount. Row includes Executive Officer, George Williamson (4 hours at \$104 per hour).

Basic Services/Administration

Prepared and posted agenda updated website, coordinated meeting preparations, and staffed August 3 commission meeting. Transcribed and reviewed draft July meeting minutes for review at August meeting. Staffed office in August. Prepared August meeting agenda and staff reports. Updated pending and filed applications status report. Provided policy materials and staffed Policy committee meeting Thursday, August 13th, 2015.

Applications

8008 - City of Ukiah SOI Reduction.

Notified consultants of Commission selection of LACO Associates for EIR Contract at August meeting. Requested scoping materials and incorporated into contract. Started compilation of materials as requested by consultant. Prepared and sent payment schedule to Executive Committee for review, then to City of Ukiah.

TEL: (707) 825-8260
FAX: (707) 825-9181

P.O. Box 4581
Arcata, CA 95518

planners@planwestpartners.com
www.planwestpartners.com



8009 - Irish Beach Water District – Proposed Detachment (De Ruiter)

Started staff report for commission consideration of detachment by petition proposal at September 14 2015 meeting.

Sphere of Influence Updates/ Municipal Service Reviews

Prepared the following Draft SOI Updates for September 14 hearing:

City of Point Arena; Calpella County Water District; Willow County Water District; Elk County Water District; Irish Beach Water District; and Caspar South Water District

Preparing the following Administrative Draft SOI Updates for September 14 Workshop:

Laytonville County Water District; Round Valley County Water District; Pacific Reefs Water District; Westport County Water District; Millview County Water District; and Anderson Valley Community services District.

Other Services

Compiled claims for commissioner review and approval at September meeting. Finalized budget tracking and QuickBooks accounting/checks for claims to be considered at August 3 2015 meeting.

To: Planwest Partners on behalf of Mendocino LAFCo

Invoice

Invoice Detail for Elizabeth Salomone

<u>Date</u>	<u>Item</u>	<u>Hours</u>		<u>Total Hours</u>
		5302 Contract Services	Other Services	
7/28/2015	Basic Service Office Duties	4.50		4.50
7/30/2015	Basic Service Office Duties	4.00		4.00
8/3/2015	Regular Commission Meeting & Admin	4.50		4.50
8/4/2015	Basic Service Office Duties	4.00		4.00
8/6/2015	Basic Service Office Duties	4.25		4.25
8/11/2015	Basic Service Office Duties	4.00		4.00
8/13/2015	Basic Service Office Duties	4.00		4.00
8/17/2015	Basic Service Office Duties	3.75		3.75
8/20/2015	Basic Service Office Duties	3.75		3.75
8/25/2015	Basic Service Office Duties	4.25		4.25
8/27/2015	Basic Service Office Duties	2.50		2.50
9/1/2015	Basic Service Office Duties	5.00		5.00
9/3/2015	Basic Service Office Duties	4.00		4.00
Subtotal Hours		52.50	0.00	52.50
Costs at \$35 per hour		\$ 1,837.50	\$ -	\$ 1,837.50
Total Amount Due				\$ 1,837.50

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:

8/15/2015

Payment due by the 15th of next month

In Reference To: CLIENT CODE: MENDO-01

Professional Services

	<u>Hours</u>
8/3/2015 PSB Review letter from De Ruiter re: Irish Beach Detachment; Telephone Call to George Williamson --Left Message.	0.50
8/4/2015 PSB Review email.	0.20
	<hr/>
SUBTOTAL:	[0.70]

	<u>Amount</u>
Total Professional Hours	0.70
Per Representation Agreement, flat fee of \$500/month.	\$500.00

Previous balance \$500.00

Payments and Credit Activity

8/15/2015 Payment - Thank You. Check No. 1071 (\$500.00)

Total payments and adjustments (\$500.00)

TOTAL BALANCE NOW DUE \$500.00

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

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:

8/15/2015

Payment due by the 15th of next month

In Reference To: CLIENT CODE: MENDO-02, File #8008 Ukiah SOI update

	<u>Amount</u>
Previous balance	\$407.00
 <u>Payments and Credit Activity</u>	
8/15/2015 Payment - Thank You. Check No. 1071	(\$407.00)
Total payments and adjustments	(\$407.00)
<i>TOTAL BALANCE NOW DUE</i>	<i>\$0.00</i>

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

**MENDOCINO
Local Agency Formation Commission**

Staff Report

DATE: September 14, 2015
TO: Mendocino Local Agency Formation Commission
FROM: George Williamson, Executive Officer
SUBJECT: Monthly Financial Report

Application Revenues:

Payments received in August from LAFCo generated invoices for Application Deposits:
City of Ukiah, SOI Reduction \$ 5,000 (additional deposit)

Payments received in August from LAFCo generated invoices for Pre-Application Services:
RRFC \$ 312.00
RVCWD \$ 312.00

Note at Treasurers direction, these revenues are being tracked separately, as they are not budgeted expenses, but reimbursable fees paid by applicants on separate cost recovery track.

Budgeted Expenses:

Attached is the updated budget track form including budget items, account numbers and amounts for FY 2015-16 through August 2015. The August claims are also itemized in Agenda Item 2

Petty Cash:

Petty cash expenses are listed below.

8/12/15 Staples: office supplies \$27.02 Balance \$175.97

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

Attachments: Budget Track Spreadsheet

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

Task	Account #s	FY 15-16 Budget/Deps	July	August	Year to Date	Remaining Budget*
Contract Services - Basic Services		\$59,000.00				
Basic Services - EO/Analyst/GIS	5500	\$41,000.00	\$5,213.00	\$4,819.00	\$10,032.00	\$30,968.00
Basic Services - Clerk	5500	\$18,000.00	\$1,216.25	\$1,837.50	\$3,053.75	\$14,946.25
Other Expenses		\$46,235.00				
Rent	5501-5503	\$4,860.00	\$405.00	\$405.00	\$810.00	\$4,050.00
Office Expenses (postage, copying, petty cash replenishment)	5600-5607	\$2,800.00	\$254.14	\$44.09	\$298.23	\$2,501.77
Internet & Website Costs	5700-5703	\$1,056.00			\$0.00	\$1,056.00
Publication & Legal Notices	5900	\$3,100.00		\$261.45	\$261.45	\$2,838.55
Televising Meetings	6000	\$2,112.00	\$380.00	\$250.00	\$630.00	\$1,482.00
Audit Services	6100	\$3,000.00			\$0.00	\$3,000.00
Bookkeeping (Other)	6200-6203	\$4,100.00	\$416.00	\$416.00	\$832.00	\$3,268.00
Legal Counsel (S Browne)	6300	\$6,000.00	\$500.00	\$500.00	\$1,000.00	\$5,000.00
A-87 Insurance Costs	6400	\$3,000.00			\$0.00	\$3,000.00
Insurance General Liability	6500	\$1,200.00			\$0.00	\$1,200.00
Memberships (CALAFCO)	6600	\$2,100.00			\$0.00	\$2,100.00
In-County Travel	6740	\$4,300.00			\$0.00	\$4,300.00
Travel & Lodging Expenses	6750	\$5,000.00			\$0.00	\$5,000.00
Conferences (CALAFCO)	6800	\$3,000.00	\$1,796.00		\$1,796.00	\$1,204.00
Training	9000	\$12,000.00				\$12,000.00
MSR & SOI Updates		\$34,000.00				
MSR Reviews - Admin	7001	\$5,000.00			\$0.00	\$5,000.00
SOI Updates	7501	\$29,000.00	\$5,457.00	\$4,930.00	\$10,387.00	\$18,613.00
FY 2013-14 MSRs Finalization		\$6,300 + Expenses				
Barraco & Associates **	7000	\$6,300.00			\$0.00	\$6,300.00
FY 2013-14 Final MSRs Exp.	7000				\$0.00	\$0.00
Monthly/ Year to Date Totals			\$16,564.39	\$13,749.04	\$30,313.43	

** Amount reflects balance from prior year contract

Application revenues are being tracked on a separate sheet

MENDOCINO Local Agency Formation Commission

Staff Report

DATE: September 14, 2015
TO: Mendocino Local Agency Formation Commission
FROM: George Williamson, Executive Officer
SUBJECT: Sphere of Influence Update Format and Reorganization

Staff is presently drafting Sphere of Influence (SOI) updates for cities and special districts within Mendocino County. Several of these were the subject of a workshop in August, and are scheduled for hearing on September 14. There are several more SOI updates scheduled for workshop on September 14 as well. The original template used for these SOI Updates has not adapted, as well as hoped, to the various sphere conditions encountered thus far in the update process. Staff is seeking input from the Commission to guide the SOI Update structure and content organization, to meet the needs of the Commission and agencies.

Based on discussions among staff, information from the recent CALAFCO conference, and commissioner feedback, staff has revised the document template beyond what was presented at the August 3rd meeting where the first SOI Update Workshops were conducted. An updated template to guide content has been developed and is presented here for commission review and input. Please see attached template. Once Commission comments have been received and incorporated, a final template will be used as a guide in each of the SOI updates in order to ensure consistency between the various documents. This will be applied to all SOI Updates, even those in draft form. The need for an updated template has been prompted by a range of issues encountered thus far including:

Out of Area Service (OAS) and District Sphere Records - OAS parcels have been included in several SOI Updates, even when it involves a sphere expansion. In addition, there are instances where districts provide SOI maps not found in LAFCo records.

Including Non-Served Parcels in Sphere - Staff includes parcels not currently served by the agency in the sphere when the geographic location of these parcels logically warrants inclusion. We include parcels not served by the agency within the SOI when doing so encourages orderly and logical boundaries (i.e. prevents the formation of islands, etc.) or when services to un-served parcels are anticipated within the 5-10 year need for services horizon of the update document.

Resource Lands - Given the rural nature of much of the County, the urban rural interface is not as well defined as it is in more metropolitan areas. LAFCo's policies on resource lands, particularly agricultural lands are pertinent to most of the SOI updates. Many agencies have resource lands within their boundaries or SOIs, and some are providing services to these parcels. Staff has been researching land use designations, prime agricultural soil information and Williamson Act contracts to gain a better understanding of the potential impacts of services in these areas.

Staff believes that devoting a workshop to SOI format and organization now will streamline the overall process for the commission and agencies.

Attachment SOI Template

MENDOCINO **Local Agency Formation Commission**

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

SPHERE OF INFLUENCE UPDATE TEMPLATE

For September 14 2015 Commission Workshop

AGENCY NAME HERE

SPHERE OF INFLUENCE UPDATE

Prepared in accordance with Government Code §56425

Update Dates

Commission Review

Administrative Draft Workshop- DATE

Draft Hearing- DATE

Final Adoption- DATE

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INTRODUCTION

OVERVIEW

This update is prepared as part of a CKH Act mandated (GC §56076) process. As stated in that section, “In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local government agencies so as to advantageously provide for the present and future needs of the county and its communities, LAFCo shall develop and determine the Sphere of Influence (SOI) of each local governmental agency within the county”. A “SOP” under the CKH Act (GC §56076) definition is “.... a plan for the probable physical boundaries and service area of a local (government) agency”.

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

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

REVIEW PERIOD

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

EVALUATION CONSIDERATIONS

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

Sphere Determinations: Mandatory Written Statements

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

Policies specific to Mendocino LAFCo are also considered along with determinations in administering the CKH Act in Mendocino County. This includes considering the merits of the SOI, or any changes, relative to the Commission's seven interrelated policies, as listed below, with respect to determining the appropriate SOI. For Mendocino LAFCo policy guidelines specific to updating either special districts or cities see Appendix B.

General Guidelines for Determining Spheres of Influence

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

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

For further definitions of the above discussed sphere types, see Appendix B.

OVERVIEW

CURRENT AGENCY OPERATIONS

[Based upon information provided in the MSR, an introduction to agency activities and services.]

BACKGROUND

[Based upon information provided in the MSR, a discussion of the history of the agency and of context for provision of services.]

SPHERE OF INFLUENCE

[Based upon information in the MSR, LAFCo records, and agency feedback. A discussion of the formation of the sphere, the present sphere, and any out of agency services provided]

CURRENT AND PROJECTED POPULATION

Population and Growth

[Based upon information in the MSR, a discussion of present and future population and development. Informs the Present and Probable Need for Public Facilities and Services Analysis.]

Disadvantaged Unincorporated Communities

[Based upon information in the MSR and the Disadvantaged Unincorporated Communities Assessment provided by the County as a part of their housing element. Informs Determination 5, Services for DUCs]

CAPACITY AND SERVICE

Relevant Services

[Based upon information in the MSR, discusses services provided by the agency in detail. Particular attention is paid to water, wastewater, and fire protection services. Informs Determination 3, Present Capacity of Facilities and Adequacy of Public Services.]

Relevant Local Agencies and Communities of Interest

[Presents the local conditions of the agency's area in terms of proximal communities and other agencies providing service. Informs Determinations 2-5]

RELEVANT PLANNING AND SERVICE FACTORS

County of Mendocino General Plan

[Presents relevant land-use policies for consideration. This may include land-use designations, community plans, and development policies.]

Other Relevant Policy, Analyses or Reports

[Presents other information on local conditions and policies for consideration. This may include, but not limited to Grand Jury Reports, Local Coastal Plans, analyses or studies, and agency resolutions.]

DISCUSSION

[Provides discussion on information provided above, particularly in relation to the Evaluation Considerations presented above.]

ANALYSIS

[Specific determinations based off of information provided in the Overview and Discussion sections]

- 1.) Present and Planned Land Use Determination**
- 2.) Present and Probable Need for Public Facilities and Services Determination**
- 3.) Present Capacity of Facilities and Adequacy of Public Services Determination**
- 4.) Social and Economic Communities of Interest Determination**
- 5.) Present and Probable Need for Water, Sewer, or Fire Protection Services for Disadvantaged Unincorporated Communities (DUCs) Determination**

RECOMMENDATIONS

[Summary or next steps for agency and commission to consider.]

REFERENCES

Mendocino LAFCo, 2004 Policies and Procedures, Chapter 5- Policies That May Apply for Some Applicants, D. Sphere of Influence.

APPENDIX A

[Additional maps or information, such as a land-use map, if applicable.]

APPENDIX B

[Additional Mendocino LAFCo information and policy]

Types of Spheres

In acting to adopt spheres of influence for each local government agency under its jurisdiction, the Commission may take the following types of actions:

1. *Larger or Smaller than Present Sphere*- Adopt a sphere of influence that is larger or smaller than the present boundaries of the agency. Such a designation will be accompanied by a map showing the agency's present boundary and the sphere of influence or planned boundary. The areas between the present and planned boundaries define the territory in which the Commission anticipates territory to be annexed or detached.
2. *Coterminous Sphere*- Adopt a "coterminous" sphere of influence that is equal to the current boundaries of the agency. This designation indicates that the Commission does not anticipate any change to the agencies boundary (annexations or detachments) or organization (consolidation, dissolution) in the foreseeable future.
3. *Zero Sphere*- Recommend that a city or district be reorganized by adopting a "zero" sphere of influence, encompassing no territory. This designation indicates LAFCO's determination that, after consideration of all factors in Section 56425, that the agency should cease to exist and that its public service responsibilities should be re-allocated to another unit of local government through consolidation, dissolution or establishment as a subsidiary district.
4. *Service Specific Sphere*- A sphere designation for territory outside the agency's jurisdiction that may require some-but not all-of the services that the agency is authorized to provide. Assigning a service specific sphere allows LAFCo to retain review authority over the provision of important governmental services in order to promote the timely and orderly expansion of service.
5. *Partial Sphere*- Where additional information is necessary to determine a sphere boundary a partial sphere may be approved and a special study area may be designated. Additional information may be needed for a pending annexation, change in physical conditions, or projected growth.

Guidelines for Updating City Spheres of Influence

The following is excerpted from *Mendocino LAFCo's 2004 Policies and Procedures*, "Chapter 5: Policies That May Apply for Some Applicants", D. Pages 10-12:

24. After completion of the initial requirements to conduct a sphere of influence update and service review, once every five years thereafter a preliminary sphere evaluation will be prepared by the

Executive Officer for each city in Mendocino County to determine whether a sphere update study should be conducted.

- A preliminary evaluation may be conducted at any time if requested by a city.
- Applications for changes of organization or reorganization may trigger a preliminary sphere evaluation by the Executive Officer; the closer the time to the five year mark, the greater the likelihood of a preliminary sphere evaluation upon receipt of an application for a change of organization or reorganization.
- If the initial review has not been made as required by law, then LAFCO will require a sphere of influence update and service review.
- Applications for changes of organization or reorganization with a sphere of influence amendment will trigger a preliminary sphere evaluation and may require a comprehensive sphere update study.

25. A preliminary evaluation will begin with a questionnaire requesting the city to update pertinent information. The city's response should include:

- Information necessary to complete a statement of determinations required under Section 56430.
- Each city's assessment as to the need for a sphere update, sphere change or sphere amendment.
- Information as to changes in land use (e.g. General Plan or Specific Plan changes), planning policy, demographics, service capabilities, resource availability or increased demand for public services.
- Necessary maps and legal descriptions
- Other data or information as considered appropriate by the Commission or the Executive Officer

26. The preliminary sphere evaluation will be distributed to the subject city, other affected agencies, the county and other interested parties.

- 27. The preliminary sphere evaluation will include one of the following recommendations by the Executive Officer:
 - Proceed with a comprehensive sphere of influence update study because of significant changes in circumstances from the previous study or last update
 - Affirm the city's existing sphere of influence without an update study
 - Amend the city's existing sphere of influence with a comprehensive update study
 - Amend the city's existing sphere of influence without a comprehensive update study (e.g. minor amendments)

28. The subject city will be requested to respond to the preliminary sphere evaluation and recommendation within 90 days. Failure to respond within 90 days will be regarded as concurrence with the evaluation and recommendation.

29. The Executive Officer will present his/her preliminary sphere evaluation and recommendation, along with the response and recommendations from the subject city and comments received from other local agencies or interested parties, to the Commission at a noticed public hearing.

30. At the hearing the Commission may approve, with or without changes, or deny the Executive Officer's recommendation.

31. If the Commission determines to proceed with a city comprehensive sphere update study/service review, applications for jurisdictional changes will be considered incomplete until the sphere update is completed. Exceptions will be made if the Executive Officer has issued a Certificate of Filing prior to the Commission's decision to proceed with an update study.
32. Within 90 days of a public hearing where the Commission determines to proceed with a comprehensive sphere of influence update study/service review, LAFCO staff in cooperation with city staff will develop a work plan, time table and mapping requirements needed for completing the update study, service review and appropriate environmental study.
33. City staff, in cooperation with LAFCO staff, will prepare a comprehensive sphere update study/service review according to the agreed upon work program and time table. If the city chooses not to participate in the development of the sphere update study, then the Executive Officer may proceed with the process using LAFCO staff or consultants. Costs for this process will be billed to the city.
34. At least 30 days prior to formally submitting the sphere update study to LAFCO, the city must distribute its proposal to all affected agencies and other interested parties who have requested a copy, other than the county. Affected agencies must be notified that their comments will be received by LAFCO for purposes of evaluating the update study.
35. At least 60 days prior to formally submitting the sphere update study to LAFCO the city must distribute the study to the county. Representatives of the city are required to meet with representatives of the county to discuss the proposed sphere and its boundaries and explore methods to reach agreement on the boundaries, development standards and zoning requirements within the sphere. The purpose of the discussions between the city and the county is to ensure that development within the sphere occurs in a manner that reflects the concerns of the city and is accomplished in a manner that promotes the logical and orderly development of the sphere territory.
37. Upon receipt of the sphere update study from the city, LAFCO staff will review the spheres of influence for affected districts in conjunction with the review of the city sphere update study.
38. The Executive Officer will present a report and recommendations concerning the city sphere update study and sphere amendment, if any, to the Commission at a noticed public hearing. The report may include recommendations to amend the spheres of affected special districts.
39. The Commission will approve, with or without changes, or deny the Executive Officer's recommendation for the comprehensive sphere update.

Guidelines for Updating Special District Spheres of Influence

The following is excerpted from *Mendocino LAFCO's 2004 Policies and Procedures*, "Chapter 5: Policies That May Apply for Some Applicants", D. Pages 12-15:

40. After completion of the initial requirements to conduct a sphere of influence update and service review, once every five years, a preliminary sphere evaluation will be prepared for each special district to determine whether a comprehensive sphere update study is warranted.
 - A preliminary evaluation may be conducted at any time if requested by a district.

- Applications for changes of organization or reorganization may trigger a preliminary sphere evaluation by the Executive Officer; the closer the time to the five year mark, the greater the likelihood of a preliminary sphere evaluation upon receipt of an application for a change in organization or reorganization.
 - If the initial review has not been made as required by law, then LAFCO will require a sphere of influence update and service review.
 - Reasonable questions as to the lack of financial resources, infrastructure capacity, availability of resources, and the inability to provide service to the affected territory or the potential to degrade service to the existing territory of the district will trigger a comprehensive sphere of influence review and service review.
 - Applications for changes of organization or reorganization with a sphere of influence amendment will trigger a preliminary sphere evaluation and may require a comprehensive sphere update study.
 - The adoption, amendment or update of a special district sphere of influence will be closely coordinated with other affected jurisdictions that provide similar services.
41. A preliminary evaluation will begin with a questionnaire requesting the district to update pertinent information. The district's response should include:
- Information necessary to complete a statement of determinations required under Section 56430 (service reviews).
 - Each district's assessment as to the need for changes in sphere boundaries
 - A written statement specifying the functions or classes of service provided by the district as required by Section 56425
 - Identification of the nature and location of facilities that provide the services as required by Section 56425
 - Necessary maps and legal descriptions as required by the Executive Officer
 - Other data or information as considered appropriate by the Commission or the Executive Officer
42. The Executive Officer will review each district's response and make a preliminary evaluation as to whether a comprehensive sphere update appears to be warranted.
43. The preliminary evaluation will include one of the following recommendations by the Executive Officer:
- Proceed with a comprehensive sphere of influence update study because of significant changes in circumstances from the previous study or last update
 - Affirm the district's existing sphere of influence without a comprehensive update study
 - Amend the district's existing sphere of influence with a comprehensive update study
 - Amend the district's existing sphere of influence without an update study (e.g. minor amendments)
44. The Executive Officer will notify the district of his/her recommendation. The recommendation shall be distributed to each affected city and special district, the county and other interested parties.
45. The district will be requested to respond to the recommendation of the Executive Officer concerning the preliminary sphere of influence evaluation. Failure to respond within 90 days will be regarded as district concurrence with the preliminary evaluation.

47. The Executive Officer will present his/her preliminary sphere evaluation and recommendation, along with the response and recommendations from the subject district and comments received from other local agencies or interested parties, to the Commission at a noticed public hearing.
48. At the hearing the Commission may approve, with or without changes, or deny the Executive Officer's recommendation.
49. If the Commission determines to proceed with a comprehensive district sphere update study, applications for jurisdictional changes will be considered incomplete until the sphere update is completed. Exceptions will be made if the Executive Officer has issued a Certificate of Filing prior to the Commission's decision to proceed with an update study.
50. Within 90 days of a public hearing where the Commission determines to proceed with a comprehensive sphere of influence update study, LAFCO staff in cooperation with district staff will develop a work plan, time table and mapping requirements needed for completing the update study/service review and appropriate environmental study. LAFCO will then conduct the update study using LAFCO staff, consultants or district staff at the discretion of the Executive Officer.
51. Comprehensive sphere update studies for special districts may be conducted individually, or as part of a larger study that considers either cities and/or other special districts. Service Reviews will be conducted in conjunction with the sphere update and will include determinations as required in Section 56430.
52. The Executive Officer will present a report and recommendation concerning the comprehensive special district sphere update to the Commission at a noticed public hearing.
53. The Commission will approve, with or without changes, or deny the Executive Officer's recommendation for the comprehensive sphere update.

**MENDOCINO
Local Agency Formation Commission**

Staff Report

DATE: September 14, 2015
TO: Mendocino Local Agency Formation Commission
FROM: Bruce Baracco, Former Executive Officer
SUBJECT: **CONTINUED Public Hearing** for Mendocino County Fire Protection Districts
(Part 2, 4 Districts) Municipal Service Review (LAFCo File M-2012-06)

This is a CONTINUED public hearing for which notices were posted and published for the Mendocino County Fire Protection Districts Municipal Service Review (MSR) as required by Mendocino LAFCo Policies and Procedures Chapter IV, Section B.

Annotated MSRs specific to the following fire protection districts (Part 2) to be submitted prior to meeting:

**Potter Valley Community Services District
Redwood Valley-Calpella Fire Protection District
Mendocino Fire Protection District
Albion-Little River Fire Protection District**

The purpose of the public hearing today is to: hear further presentation from LAFCo staff; entertain comments and questions; and following completion of the hearing, consider a motion to approve the final MSRs for the aforementioned districts.

Copies of the public review draft MSR to be distributed to Commissioners and to the Fire Districts by Baracco & Associates.

A Public Hearing will also be scheduled for Part 3 (Comptche, Elk, Piercy, South Coast and Westport) after part 2 is completed.

MENDOCINO
Local Agency Formation Commission
Staff Report

DATE: September 14, 2015
TO: Mendocino Local Agency Formation Commission
FROM: George Williamson Executive Officer
SUBJECT: Public Hearing for Sphere of Influence Updates

This is a public hearing to consider Sphere of Influence (SOI) Updates for which notices were posted and published for the following Mendocino County Special Districts Sphere of Influence (SOI) Updates as required by Mendocino LAFCo Policies and Procedures Chapter IV, Section B:

City of Point Arena
Caspar South Water District
Irish Beach Water District

Calpella County Water District
Elk County Water District
Round Valley County Water District

Final SOI Updates incorporating comments, corrections, and revisions will be considered by the Commission for adoption. Copies of the Draft SOI Updates will be distributed to Commissioners prior to the meeting. They have also been distributed to the agencies for review and comment.

City of Point Arena

The Point Arena City Council received a Draft SOI Update presentation from the Executive Officer at their July Meeting and reviewed the document at their August meeting. No comments provided.

Elk County Water District

The Elk County Water District General Manager and Board President have reviewed the Draft SOI Update. The General Manager intends to attend the September hearing.

Irish Beach Water District

The Irish Beach Water District General Manager and Board reviewed the Draft SOI Update at their September meeting. The General Manager intends to attend the September hearing.

Round Valley County Water District

The Round Valley County Water District General Manager and Board have reviewed the Draft SOI Update. An annotated draft is attached.

Caspar South Water District

The Water District Board has been provided with the Draft SOI Update and has not commented.

Calpella County Water District

The August Workshop for this District was continued to the September meeting to give District representatives more time to review. Comments will be presented at the meeting.

Attachments: Draft SOI Updates

Ukiah Daily Journal

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

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

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

**STATE OF CALIFORNIA
COUNTY OF MENDOCINO**

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

8/21/2015

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

Dated at Ukiah, California,
August 27th, 2015



Molly E. Morandi, LEGAL CLERK

Legal No. **0005551068**

1205-15

8-21/15

**Mendocino
Local Agency Formation
Commission**

NOTICE OF PUBLIC HEARING
SHERE OF INFUENCE UPDATES
NOTICE IS HEREBY GIVEN that on Monday, September 14, 2015, at 9:00 AM (or as soon thereafter as the matter may be heard) in the Mendocino County Board of Supervisors Chambers, 501 Low Gap Road, Ukiah, California, the Mendocino Local Agency Formation Commission (LAFCo) will hold a public hearing to consider Sphere of Influence (SOI) Updates for the following:
City of Point Arena, Calpella CWD, Caspar South WD, Elk CWD, Irish Beach WD, Round Valley CWD
Final SOI Updates incorporating comments, corrections, and revisions will be considered by the Commission for adoption on September 14, 2015.

Copies of the Public Review Draft SOI Updates will be available for review at the LAFCo office, 200 South School Street, Ukiah, California; A PDF version of the reports will also be available on the LAFCo website the week prior to the hearing: mendolafco.org, click on 'Studies.'

All interested persons may appear at said meeting and present their views on any matter relating to the report; or may submit written comments to the LAFCo office or by e-mail to eo@mendolafco.org prior to the close of business on Friday September 11, 2015.

BY ORDER OF THE MENDOCINO
LOCAL AGENCY FORMATION
COMMISSION

GEORGE WILLIAMSON, Executive
Officer

Date Posted: August 13, 2015

Fort Bragg Advocate-News

450 N. Franklin Street
P.O. Box 1188
Fort Bragg, California 95437
707-964-5642

Mendocino LAFCo
200 S. School St.
Ukiah, CA 95482

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

STATE OF CALIFORNIA COUNTY OF MENDOCINO

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

08/20/2015

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

Dated at Fort Bragg, California,
August 20, 2015


SANDI MOSDEN, CLERK

Legal No. 0005551178

Mendocino Local Agency Formation Commission NOTICE OF PUBLIC HEARING HERE OF INFLUENCE UPDATES

NOTICE IS
HEREBY GIVEN
that on Mon-
day, September
14, 2015, at 9:00
AM (or as soon
thereafter as
the matter may
be heard) in the
Mendocino
County Board of
Supervisors
Chambers, 501
Low Gap Road,
Ukiah, Califor-
nia, the Men-
docino Local
Agency Forma-
tion Commis-
sion (LAFCo)
will hold a pub-
lic hearing to
c o n s i d e r
Sphere of Infl-
uence (SOI) Up-
dates for the
following:

**City of Point
Arena, Calpella
CWD, Caspar
South WD, Elk
CWD, Irish
Beach WD,
Round Valley
CWD**

Final SOI Up-
dates incorpo-
rating com-
ments, correc-
tions, and revi-
sions will be
considered by
the Commission
for adoption on
September 14,
2015.

Copies of the
Public Review
Draft SOI Up-
dates will be
available for re-
view at the
LAFCo office,
200 South
School Street,

Ukiah, Califor-
nia; A PDF ver-
sion of the re-
ports will also
be available on
the LAFCo web-
site the week
prior to the
hearing; mendolafco.org, click
on 'Studies.'

All interested
persons may
appear at said
meeting and
present their
views on any
matter relating
to the report; or
may submit
written com-
ments to the
LAFCo office or
by e-mail to eo@mendolafco.org
prior to the
close of busi-
ness on Friday
September 11,
2015.

BY ORDER OF
THE
MENDOCINO
LOCAL AGENCY
FORMATION
COMMISSION
GEORGE
WILLIAMSON,
Executive
Officer
Date Posted:
August 13, 2015
Publish:
08/20/2015

The Willits News

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

2117504

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

PROOF OF PUBLICATION

**STATE OF CALIFORNIA
COUNTY OF MENDOCINO**

FILE NO. WN15126

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

8/21/2015

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

Dated at Willits, California this 21th day of August, 2015.



Signature

Legal No. **000555326**

WN15126

**Mendocino
Local Agency Formation Commission
NOTICE OF PUBLIC HEARING
SPHERE OF INFLUENCE UPDATES**

NOTICE IS HEREBY GIVEN that on Monday, September 14, 2015, at 9:00 AM (or as soon thereafter as the matter may be heard) in the Mendocino County Board of Supervisors Chambers, 501 Low Gap Road, Ukiah, California, the Mendocino Local Agency Formation Commission (LAFCo) will hold a public hearing to consider Sphere of Influence (SOI) Updates for the following:

City of Point Arena, Calpella CWD, Caspar South WD, Elk CWD, Irish Beach WD, Round Valley CWD

Final SOI Updates incorporating comments, corrections, and revisions will be considered by the Commission for adoption on September 14, 2015.

Copies of the Public Review Draft SOI Updates will be available for review at the LAFCo office, 200 South School Street, Ukiah, California; A PDF version of the reports will also be available on the LAFCo website the week prior to the hearing: mendolafco.org, click on 'Studies.'

All interested persons may appear at said meeting and present their views on any matter relating to the report; or may submit written comments to the LAFCo office or by e-mail to eo@mendolafco.org prior to the close of business on Friday September 11, 2015.

BY ORDER OF THE MENDOCINO
LOCAL AGENCY FORMATION
COMMISSION
GEORGE WILLIAMSON,
Executive Officer
Date Posted: August 13, 2015
08/21/2015

**MENDOCINO
Local Agency Formation Commission**

Staff Report

DATE: September 14, 2015
TO: Mendocino Local Agency Formation Commission
FROM: George Williamson Executive Officer
SUBJECT: **Workshop Part 2 – Sphere of Influence Updates**

Administrative Draft SOI Updates for the following:

Calpella County Water District - Continued from August meeting

Pacific Reefs Water District

Anderson Valley Community Services District

Attachments: Administrative Draft SOI Updates

**MENDOCINO
Local Agency Formation Commission**

Staff Report

DATE: September 14, 2015
TO: Mendocino Local Agency Formation Commission
FROM: George Williamson, Executive Officer
SUBJECT: DeRuiter Detachment from the Irish Beach Water District
LAFCo File No. D-2014-01, Start Date: May 26, 2015

LAFCo has received an application, by landowner petition, to detach a single parcel (APN 132-210-44), approximately 60.5 acres, from the Irish Beach Water District (IBWD). The De Ruiter parcel is part of an area referred to as the “Nichols Ranch” in the southerly portion of the District. It is separated from the portion of the District that currently receives water services by Irish Gulch Creek. The subject property is designated Range Lands (RL-160) in the Mendocino County General Plan and is outside the Urban/Rural Boundary. The proposed detachment would create an ‘island’, encompassing the remainder of the Nichols Ranch (see Attachment A).

The subject property is currently vacant with an existing well. On September 9, 2014, the Mendocino County Board of Supervisors authorized the issuance of Coastal Development Permit No. CDP 8-2014 for construction of a single-family residence, barn, guest cottage, driveway and related development for the subject property. In addition, an application for a building permit is on file with the Mendocino County Planning and Building Services Department. However, in order for a building permit to be issued, the applicant must satisfy all CDP conditions.

One of the CDP conditions, as requested by the IBWD, ensures compliance with IBWD Resolution No. 2013-1, as follows:

CDP Condition 11: Prior to issuance of the Coastal Development Permit, the applicant shall record a declaration, reviewed and approved by Planning and Building Services Staff, County Counsel, and the Irish Beach Water District consistent with the requirements of Irish Beach Water District Resolution 2013-1.

The IBWD Resolution No. 2013-1 serves to exempt the subject property from the District’s well drilling moratorium established in 2000, but limits the pumping to 300 gallons per day for *domestic purposes only* [emphasis added], as provided below:

Pumping shall be limited to 300 gallons per day for domestic purposes only. If more water is needed, the owner of Parcel No. 132-210-44-00 shall: 1) notify the District in writing setting forth the reason(s) why more than 300 gallons per day is needed for the Parcel (consistent with

the principles of reasonable and beneficial use in Water Code sections 100 and 300 et seq.); and provide the District with a hydrologic study conducted by a properly licensed engineering firm showing conclusively that the additional pumping will not adversely impact underflow or subsurface flow to Irish Gulch. The District shall have the right to reject any such hydrologic study based on review by the District's manager and engineering consultants.

The property owner objects to the 300 gallon per day pumping requirement and notes that this restricts use of the parcel for agriculture purposes as permitted by zoning, as well as contradicts the following CDP condition:

CDP Condition 16: Prior to issuance of the Coastal Development Permit, the applicant shall record a declaration, reviewed and approved by Planning and Building Services staff and the Agricultural Commissioner precluding any use, *other than agricultural uses* [emphasis added], on all areas of the parcel not within the footprint of the development depicted in Exhibit 4: Site Plan.

The IBWD has expressed concern about the effect of withdrawals from the well affecting surface water flow rates at the District's intake in Irish Gulch. The District contracted with a hydrogeologist to conduct an independent evaluation of the hydrologic setting and groundwater recharge rates at the subject property in order to estimate a "safe yield" for the De Ruiter well (i.e., the quantity of groundwater that can be withdrawn from the well without causing a significant reduction in stream flow in Irish Gulch Creek at the IBWD diversion). Based on the conclusions of the independent well evaluation, the De Ruiter well could be safely operated at a steady-state withdrawal rate between 2,280 and 4,000 gallons per day, indefinitely, without materially affecting stream flows in Irish Gulch Creek (see Attachment B). Therefore, it appears that agricultural water use, even in addition to a single-family residential water use, on the De Ruiter property is unlikely to significantly affect the existing IBWD water sources.

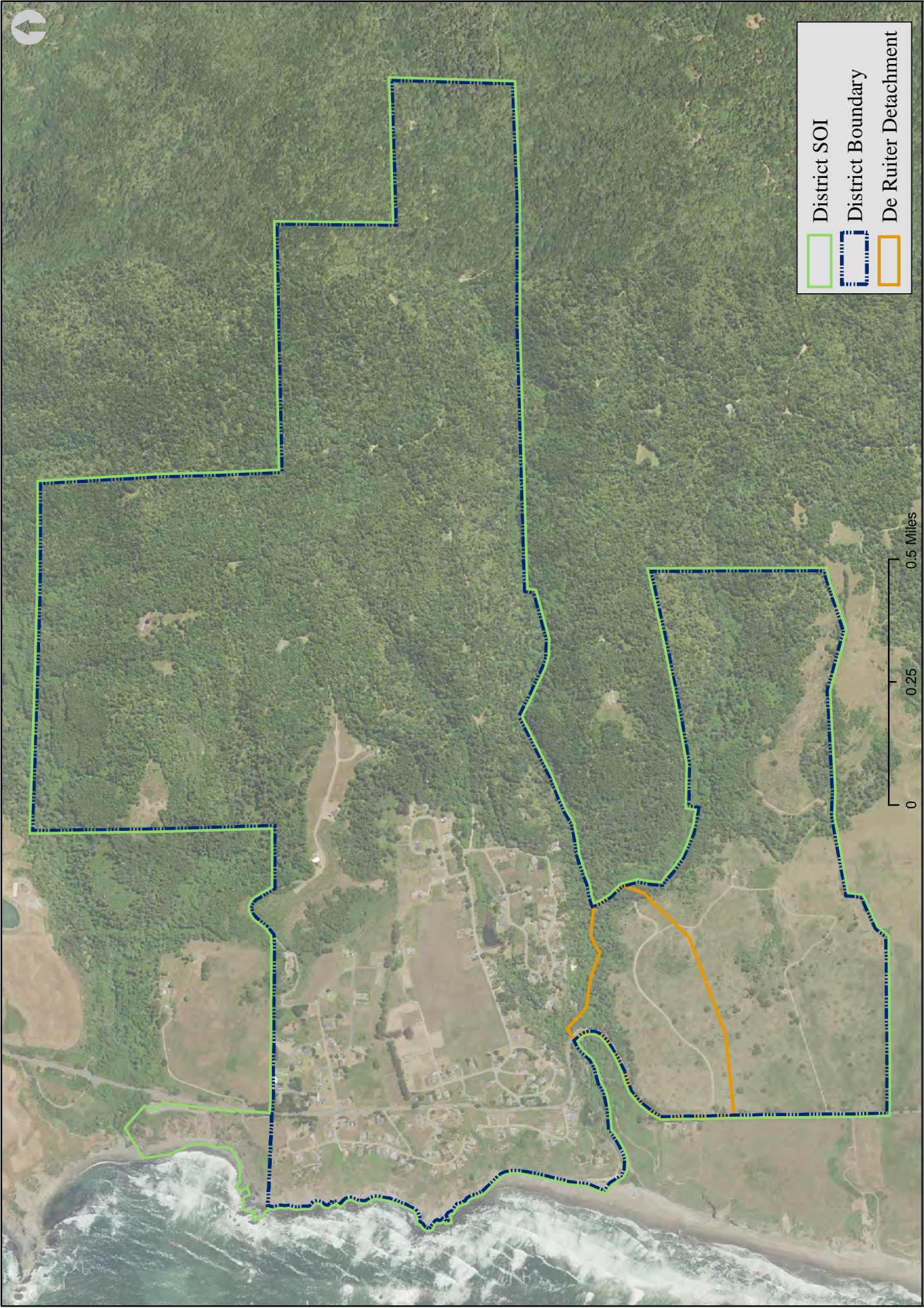
The IBWD Board will be meeting on September 12, 2015, to consider whether IBWD Resolution No. 2013-1 should be amended in response to the independent well evaluation. District staff has expressed opposition to the proposed detachment given IBWD's interest in maintaining its water supplies and monitoring both district and private groundwater withdrawals. In addition, the District has noted that they own granted easements across the subject property which they want preserved.




As discussed above, there are several concerns with the proposal that do not favor the detachment of this area. While the subject property will not require the provision of urban services by the IBWD in the foreseeable future, the District has expressed interest in monitoring groundwater use that may affect the existing IBWD water sources. In addition, the proposed detachment would necessitate a concurrent sphere of influence (SOI) amendment to remove the affected territory from the District's SOI. There are adjacent RL-160 designated properties within the District boundaries that should be considered in any change to the SOI or District Boundary. For these reasons, staff recommends the Commission deny the proposed detachment. If the Commission determines it is appropriate to detach the territory, staff recommends continuance to consider the SOI amendment in more detail and to consider amending the proposal to include the adjacent property owners.

Attachments:

Attachment A - Boundary figure

Attachment B - De Ruiter Well Evaluation



	District SOI
	District Boundary
	De Ruiter Detachment

Irish Beach Water District Boundary & SOI De Ruiter Detachment Applications

Sources: Boundaries - Mendocino County, Imagery - Esri

July 9, 2015

Mr. Charles Acker
Irish Beach Water District
via email

Subject: DeRuiter well evaluation

Dear Mr. Acker:

This letter presents my findings regarding the potential effects of withdrawals from a well on the DeRuiter property. Based on information provided by you at our meeting on June 10, 2015, and subsequently by e-mail, you are concerned about the possibility of abstraction from the De Ruiter well affecting surface water flow rates at the Irish Beach Water District (IBWD) intake in Irish Gulch, and wish to obtain an independent evaluation of the hydrogeological setting in order to formulate a policy response.

A specific question the District would like answered is: Should IBWD require a hydrology study (as prescribed in the Mendocino County coastal groundwater ordinance, i.e., a pump test) as a condition of approval for a proposed development on the property? The answer to this question may be facilitated if the safe yield of the DeRuiter well can be estimated. Safe yield generally represents the maximum amount that a well can produce without causing adverse consequences.

Hydrologic Setting

The DeRuiter well is situated on a coastal terrace just south of the confluence of Irish Creek with an unnamed tributary (Figure 1). Groundwater in this environment is recharged by infiltrating rainfall during winter and spring (principally November through April).

The water table in similar geologic environments along the Mendocino coast is typically less than 50 feet below the ground surface, except along the highest ridges, and therefore the groundwater contours generally reflect the surface topography. Groundwater discharges through seeps and springs along the lower elevations into perennial and intermittent streams. Stream flows in late summer or early fall (before winter rains) are sustained entirely by groundwater discharge.

Groundwater also moves through the subsurface to the west-southwest under a regional gradient, discharging as seepage along the coastal bluffs. No groundwater data are available to calculate this gradient or the potential flow rates beneath the DeRuiter property.

Irish Creek and the unnamed tributary reportedly flow year-round. IBWD makes periodic measurements of the flow rate in Irish Creek at two locations (Table 1).

Ground elevation at the DeRuiter well is approximately 340 feet, and the bottom of Irish Gulch directly to the north is approximately 180 feet. The horizontal distance from the well to the nearest reach of Irish Creek is approximately 450 feet.

Water level in the DeRuiter well was reported on the driller's Well Completion Report as 40 feet below grade (approximately 300 feet above mean sea level). No subsequent measurements are available. This level indicates a very steep hydraulic gradient from the terrace to the stream, approximately 0.3 feet per foot. Typical hydraulic gradients in permeable aquifer materials are less than 0.1 feet/ft; very steep gradients generally indicate low-permeability materials are present.

Groundwater Recharge rates

To evaluate the potential safe yield of a well, it is first necessary to estimate the groundwater recharge rate. This represents the long-term average amount of water added to the aquifer each year.

Daily rainfall records have been kept by IBWD from December 2008 (Table 2). The average annual rainfall over the 6-year period of records was 47.8 inches. Data for a weather station at Point Arena¹ for the period 1948 - 1988 indicated a long-term average of 40.9 inches per year. For the purpose of this analysis, a value of 41 inches per year is assumed to represent long-term average rainfall.

Average annual recharge rate to groundwater can be roughly estimated from dry-season flow rates in Irish Creek, using the following assumptions:

- Dry-season flows in Irish Creek are entirely from groundwater discharge
- Measured flow rates represent the total groundwater discharge within the watershed
- Groundwater recharge and discharge are in long-term equilibrium

Four such measurements have been recorded. Dividing the stream flow rate by the catchment area gives the average recharge rate for the entire watershed (Table 3). Using the USGS Mallo Pass Creek 7.5 minute topographic map, I calculated the Irish Creek catchment area upstream from the lower diversion point to be roughly 1.8×10^7 ft². The recorded dry-season flow rates range from 4% to 7% of the total rainfall for the previous 12 months within this catchment area, and 5% to 9% of the average annual rainfall.

Actual groundwater recharge is probably higher than these values, because (1) evaporation and plant uptake along the streambed reduce the surface flow, and (2) groundwater also migrates

¹ <http://www.wrcc.dri.edu/cgi-bin/cliMAIN.pl?capoin+nca>, retrieved 7/8/2015

through the subsurface to discharge along the coastal bluffs. A single recorded flow rate during the wet season (January 2014) may provide an indication of the upper limit for recharge rate. This measurement was taken during an unusually dry winter (only 3 inches of rain were recorded in the previous 3 months). Evaporation and plant uptake are at minimum levels in January, therefore, this measurement may be a closer indication of actual groundwater flow.

For the purpose of this analysis, the average recharge rate to groundwater is conservatively estimated to be between 2.1 and 3.7 inches per year, representing roughly 5% to 9% of the average annual incident rainfall.

Safe Yield estimation

One way to evaluate the potential impact of groundwater withdrawal is to estimate the "safe yield" of a well. For this analysis, safe yield is defined as the quantity that can be withdrawn without causing a significant reduction in stream flow in Irish Creek at the IBWD diversion.

A single measurement at the time of drilling indicates groundwater in the DeRuiter well is approximately 120 feet higher in elevation than the stream bed of Irish Creek approximately 450 feet to the north, so there is a very large hydraulic gradient to overcome before Irish Creek would be affected. The well is reportedly 220 feet deep, however, so it is at least theoretically possible that pumping could lower the water table below the stream bed, thereby inducing infiltration and reducing the downstream flow rate. For this to occur, the well's radius of influence (or cone of depression) would have to exceed the distance from the well to the stream.

In general, a well's radius of influence extends outward over time² until it captures a recharge source equal to the pumping rate, at which point a steady-state condition is established.

The DeRuiter well is situated on a coastal terrace approximately 450 feet from Irish Gulch. At recharge rates of 2.1 to 3.7 inches per year, a circle with radius 450 feet receives approximately 2,280 to 4,000 gallons per day of groundwater recharge. This may be taken as a rough approximation of the minimum safe yield, as this amount is replaced, on average, by rainfall within the well's radius of influence. Groundwater levels beyond this radius would likely be affected only slightly, if at all, by long-term abstraction at this rate, and stream flow in Irish Creek would not be affected to a measurable extent.

Conservative assumptions regarding rainfall rates, infiltration, and aquifer hydraulics were employed for this estimation, so it is unlikely that the safe yield will be less than the calculated value. Actual safe yield may be greater than calculated because:

- Long-term average rainfall rates may be greater than assumed for this analysis

² The time required to achieve steady-state conditions cannot be estimated without knowing the aquifer hydraulic parameters. It may be years or decades.

- The well may be drawing water from a part of the aquifer that is not directly connected to the stream bed
- Aquifer storage was not considered
- Aquifer transmissivity may limit the well's area of influence

Consideration of these factors would require additional study. In particular, aquifer storage and transmissivity estimation would require performing a hydraulic stress test (pump test) using the existing well and at least one observation well.

Conclusions

Using conservative assumptions, it appears that the DeRuiter well could be safely operated³ at a steady-state withdrawal rate between 2,280 and 4,000 gallons per day, indefinitely, without materially affecting stream flows in Irish Creek.

This analysis only considers the long-term, steady-state condition. In the short term, aquifer hydraulics (storage and transmissivity) will affect the rate of drawdown and growth of a cone of depression around the well. Storage is particularly important, as the large gradient between the well and the stream implies a large volume of water that can be withdrawn from storage before the stream is affected. Transmissivity may limit the amount of water that can be produced from the well. These parameters are only important, however, if an estimation of nonequilibrium conditions is desired.

Tim D. Bray

Professional Geologist #5180

Certified Hydrogeologist #212

³ "Safely" in this context means no adverse consequences to IBWD. The well itself may or may not sustain these pumping rates without damage; no analysis of well yield has been performed.

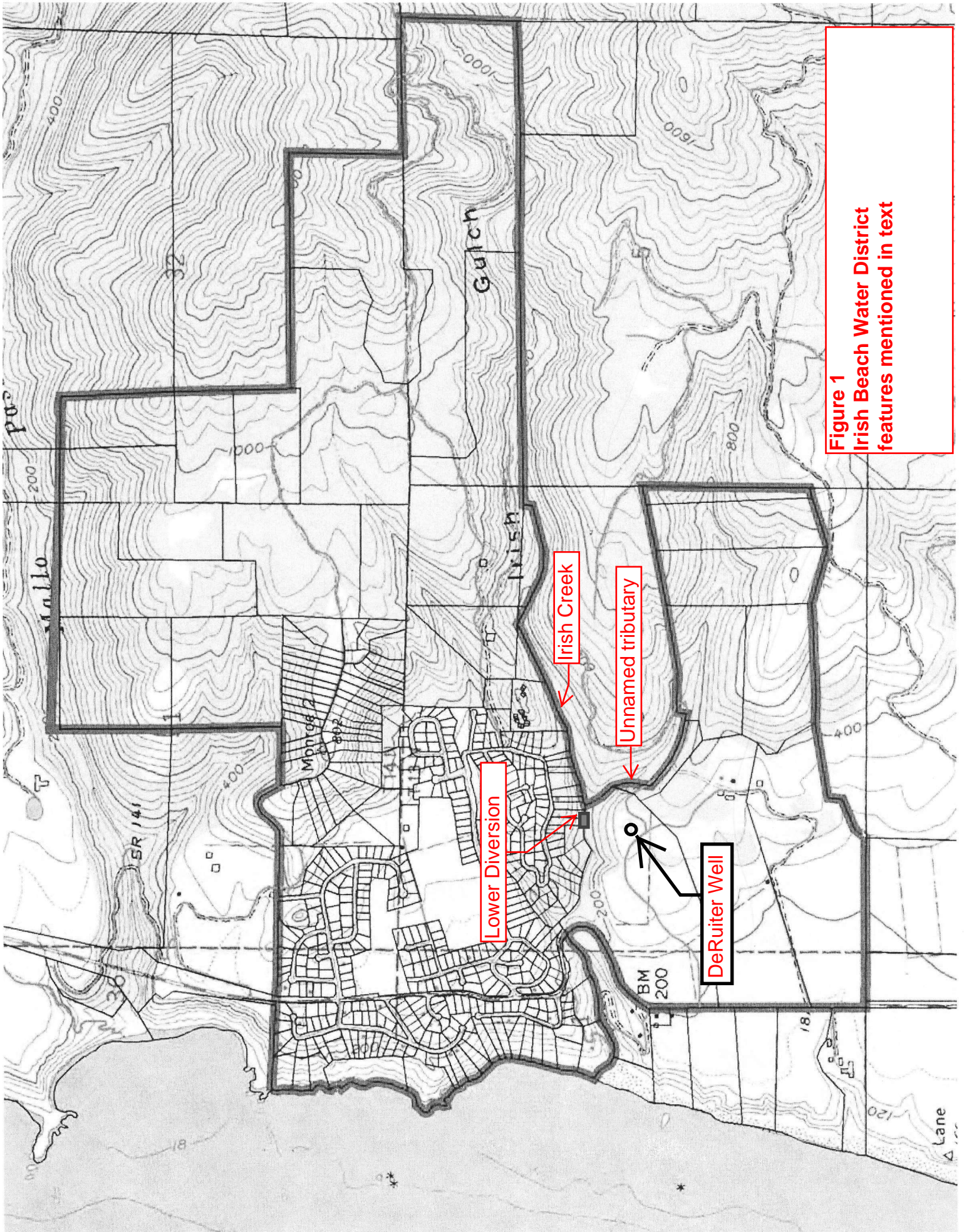


Figure 1
Irish Beach Water District
features mentioned in text

Table 1		
Irish Gulch Stream Measurements		
Date	Location	Flow Rate
9/3/2010	Upper Diversion	16 GPM
9/3/2010	Lower Diversion	75 GPM
9/3/2010	Treatment Plant Flow	25 GPM
10/5/2012	Upper Diversion	3 GPM
10/5/2012	Lower Diversion	45 GPM
10/5/2012	Treatment Plant Flow	24 GPM
1/21/2014	Upper Diversion	20 GPM
1/21/2014	Lower Diversion	40 GPM
1/21/2014	Treatment Plant Flow	20 GPM
9/16/2014	Upper Diversion	5 GPM
9/16/2014	Lower Diversion	40 GPM
9/16/2014	Treatment Plant Flow	20 GPM

Source: IBWD staff

Table 2	
Annual Rainfall Totals	
Year	Total (inches)
2009	29.88
2010	65.35
2011	46.75
2012	66.5
2013	13.05
2014	65.05
Average	47.76

Source: IBWD staff

Note: Annual totals by calendar year

Table 3**Estimated Annual Groundwater Recharge Rates, Irish Gulch Watershed**

Date of Flow Rate Measurement	Rainfall total, previous 12 months (inches)	Rainfall total (ft3)	Lower Diversion flow (gpm)	Flow (ft3/yr)	Recharge fraction	Recharge fraction, annual average
9/3/2010	48.93	7.3E+07	75	5.3E+06	7%	9%
10/5/2012	50.45	7.6E+07	45	3.2E+06	4%	5%
1/21/2014	13.75	2.1E+07	40	2.8E+06	14%	5%
9/16/2014	35.9	5.4E+07	40	2.8E+06	5%	5%

Catchment area 1.80E+07 ft2

**MENDOCINO
Local Agency Formation Commission**

Staff Report

DATE: September 14, 2015
TO: Mendocino Local Agency Formation Commission
FROM: George Williamson, Executive Officer
SUBJECT: Status of Current and Future Projects

Active Proposals: There are currently three (3) active applications on file with the Commission:

-City of Ukiah Sphere of Influence Update
EIR Contract Award, Startup Meeting with LACO Associates September 3. Initial payment provided by City of Ukiah. EIR Scoping Meeting tentatively scheduled for October 5, 2015.

-City of Ukiah Detachment of Ukiah Valley Sanitation District (UVSD) Served Areas
No activity in August.

-Irish Beach County Water District Detachment
Scheduled for review September 14 meeting.

Future Proposals: There are two (2) potential new proposals that may be submitted in the future:

-Formation of a Recreation and Park District in the Long Valley/Willits Area
No activity this month.

-Anderson Valley CSD Activation of Water and Sewer Services Latent Powers
No contact from District this month.

Elk County Water District potential annexation associated with adjacent parcel map
No contact from District this month.

MENDOCINO Local Agency Formation Commission

Staff Report

DATE: September 14, 2015
TO: Mendocino Local Agency Formation Commission
FROM: George Williamson, Executive Officer
SUBJECT: Status of MSR & SOI Updates

MSRs for the following Special Districts are remaining on the Baracco & Associates contract:

Fire Related Districts

Albion-Little River FPD	Comptche CSD	Covelo FPD	South Coast FPD
Elk CSD	Hopland FPD	Leggett Valley FPD	Westport VFD
Little Lake FPD	Long Valley FPD	Mendocino FPD	
Piercy FPD	Potter Valley CSD	Redwood Valley-Calpella FPD	

Cemetery Districts

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

Dependent Special Districts

Legal Counsel opinion – Lighting District MSRs not necessary
Meadowbrook Manor Co San District Mendocino County Water Agency
Mendocino Co Waterworks District No. 2

Special Districts Admin Draft SOI Updates prepared for review by Planwest:

Water Districts

Sept. 14 hearings: Irish Beach WD	Elk CWD;	Caspar South WD
Sept. 14 workshops: Calpella CWD	Pacific Reefs WD	
In preparation: Willow CWD	Westport CWD	Millview CWD
Laytonville CWD	Round Valley CWD	Redwood Valley CWD

SOI Update status for the following Cities

Cities

City of Point Arena Public Hearing September 14
City of Willits - Questionnaire out
City of Fort Bragg - Questionnaire in progress

Other Districts

Anderson Valley CSD Workshop September 14. In preparation:
Mendocino Co. RCD Noyo Harbor District Mendocino HCD
Elk CSD Gualala CSD Mendocino City CSD
Rural Fort Bragg FPD (includes resolving annex boundary discrepancy)
Redwood Valley-Calpella & Piercy Fire Protection Districts (SOI Mapping)

August 12, 2015

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



Dear Executive Officer:

In January of this year the Board held its biennial retreat to review our Strategic Plan and enhance it to address the organizations future needs. As the economy has picked up, there has been renewed interest in the Legislature for ways to work with and work around the LAFCo process. As we looked at our Strategic Plan we saw a need to both improve services to our members and address some long-standing issues with the infrastructure of the organization itself.

Over its 44-year existence, CALAFCO has matured from a volunteer organization to a professional educational organization that has helped the state better understand CKH and the LAFCo process. At different periods in the lifetime of the organization, the Board has looked for ways to continually evolve CALAFCO to address current circumstances and conditions.

One of the areas that the Board has been working on is how to improve the Annual Conference. An important feature of CALAFCO, the conference also presents a great deal of responsibility for host communities. In working to keep the conference in accessible locations, the conference sometimes impacts the same LAFCos time and again. In addition, as the conference has grown, managing all aspects of it has become challenging for a part time staff. The Board formed a subcommittee in January to delve into the issue of evolving the conference, and that subcommittee worked diligently over the past six months exploring the issues and generating a series of options and solutions for the Board to consider. Working over six months, the Board considered a number of changes that will enhance the conference and reduce the dependence upon member LAFCos to act as host. At our July meeting, the Board unanimously approved a number of changes in the evolution of the current annual conference model.

Those changes include the hiring of a part-time Sponsorship Coordinator who will help raise funds from organizations within the CALAFCO universe to support the conference, which will in turn help bring notable speakers and programing requested by LAFCos around the state. Further, they will help us to better brand and market ourselves as an organization. In addition to augmenting the CALAFCO staff for conferences, it is the intent of the organization to provide discounted registrations to LAFCos whose staff members can assist with registration, conference planning and support during the conference.

CALAFCO will transition away from the LAFCo volunteer "host" model currently used to a CALAFCO-hosted model beginning in 2017. With these changes we also intend to hold the conferences in three primary locations: Sacramento, Monterey and San Diego, with a rotating list of locations every fourth year. We anticipate this will allow for greater long term planning and help manage the costs of the conference. Additionally, it will relieve the burden of work for those LAFCos who volunteer to host the annual conference. In order for this all to be accomplished and after careful review of what our sister organizations charge for their annual conference, the Board unanimously approved a modest raise in the registration fee for the conference by \$95 over the next three years.

With increasing requests from the Legislature to provide input on bills and calls for consultation with the administration, CALAFCO has witnessed the strain of leading a statewide organization with a very part-time staff. We currently only pay for 24 hrs/wk for our Executive Director, but we still need representation the better part of the week to manage the growing professional demands of the organization. Juggling the aforementioned responsibilities with maintaining our relationships with our sister organizations and

meeting the needs of all 58 LAFCoS is no longer tenable and we tasked our Executive Committee with the difficult job of developing sustainable solutions for CALAFCO.

After months of work, the Executive Committee (John Leopold, Coastal region; Gay Jones, Central region; Josh Susman, Northern region; and Jim Curatalo, Southern region) brought recommendations to the full Board for consideration at the July 31 meeting. After much deliberation, the Board unanimously approved a series of changes to the organizational structure.

First, the Board approved an increase in the hours of our Executive Director effective January 1, 2016 to 32 hrs/wk to better represent the organization. Desiring to also increase resources for our members, the Board is also committing to adding to our White Papers series to support our LAFCoS. By increasing our staffing and providing new resources to our members, the Board is committing to evolving the organization to meet the needs of the 21st century and ensuring continued high levels of service to our members.

Current service levels are not sustainable without additional funding and the Board recognizes that the services provided by CALAFCO are valuable tools for all LAFCoS and help all of us fulfill our missions. This comes with a cost and after very lengthy discussion at the July 31 Board meeting, the Board unanimously approved an increase in dues that will be as little as \$55/yr for small LAFCoS and \$530/yr for our larger LAFCoS. This dues increase will be spread over a two-year period, beginning in FY 2016-17. The increase reflects a seven (7) percent in year one, and a seven (7) percent increase in year two. The total increase over the two-year period equates to a range of \$114 to \$1,098. The Board also declared its intention to not raise the dues by the CPI during these two years.

Raising fees and dues at any time is a difficult proposition. Our work at CALAFCO does not differentiate between small and large LAFCoS when meeting the needs of our members. During the worst years of the recession, CALAFCO held the lines on dues. With effective fiscal management and new efforts to raise sponsorship funds, the organization is in a strong fiscal position and we are not contemplating these changes out of crisis. We are committed to continually enhancing the services of CALAFCO and fulfilling our mandate "to assist member LAFCoS with educational and technical resources that otherwise would not be available." I hope you will agree when we discuss this at our annual membership meeting at this year's conference.

Next Steps - Your Help is Needed!

This is an important element in the growth of our Association, the profession, and the role of LAFCo. We recognize that for some LAFCoS these changes represent a financial increase. However, we also realize that the current service levels are not sustainable without additional funding, and that evolving and expanding our service levels are not possible without additional resources. We trust that you see this as an investment in the Association and your Commission, and that we have demonstrated through our actions the value of your membership. Your positive support and assistance in securing the support of your Commission is greatly appreciated. We are providing you with a one-page summary of the organizational changes and the reasons for them, along with a copy of the DRAFT minutes of the July 31, 2015 Board meeting, at which all of these actions were taken.

I and the rest of the Board are available to answer any questions you may have. You are encouraged to seek out the feedback of your regional Board members.

On behalf of the CALAFCO Board of Directors,



John Leopold
Chair of the Board

Cc: CALAFCO Board of Directors
enclosures

Dues Increase Summary

WHAT'S THE ISSUE?

- ❖ Desired membership needs and expectations requires additional funding to allow CALAFCO to effectively deliver services and expanded efforts to meet expectations.
- ❖ CALAFCO's current part-time contracted staff hours are insufficient to meet the current and evolving needs and expectations.
- ❖ Dues do not fully cover the operational and staff costs of the organization (and have not for some years).
- ❖ Heavy reliance on carry-over fund balances and annual conference profit each year to balance the budget.

HOW DID WE GET HERE?

1. Availability of volunteer staff to provide services has diminished; workload shifting to CALAFCO staff.
 - Natural evolution in a volunteer-based organization that faces ever increasing responsibilities
 - Current annual conference "host model" not as effective as it once was (not as many LAFcos able to or wanting to act as host)
 - Legislative monitoring and participation have grown substantially and created additional workload
 - CALAFCO assuming "host" responsibilities for annual conference starting in 2017
 - Member LAFco volunteer staff (CALAFCO Executive Officer and Deputy Executive Officers) roles have expanded and stipends have not kept pace (not increased since 2001/2002)
2. No increase in dues since 2008/2009 (except CPI increases beginning in 2012/2013)
3. Increased demand for services from member LAFcos and stakeholders
 - Increase in requests for CALAFCO to serve on state policy workgroups (e.g. water and land use)
 - Expanding legislative agenda and efforts
 - Research (e.g. implementation of 2014 groundwater and 2015 water system consolidation legislation)
 - Website upgrades (upgrading of existing CALAFCO website, increase in online resources and addition of technical support)
 - Increasing revenue opportunities for CALAFCO through increased conference sponsorships (hiring specialized firm to assist with branding message and solicitations)

WHAT WILL THE DUES INCREASE PROVIDE?

1. Add and expand services in the current year and beyond
 - Expand Executive Director hours from 24/wk to 32/wk (to meet expectations beyond contracted scope of work and better align compensation with hours worked)
 - Improved website and ongoing technical support for web services to ensure reliable accessibility and functionality
 - Increase external education and outreach about LAFco
 - Add professional assistance in conference branding, marketing and increase sponsorship outreach
 - Reasonable compensation for LAFcos who provide volunteer staff (EO and DEOs)
 - Maintaining the increased legislative effort
 - Enhanced partnerships with sister organizations to increase CALAFCO credibility and effectiveness
2. Reduce dependence upon member LAFcos to act as conference host
 - Transfer to CALAFCO all current local LAFco host responsibilities (effective 2017 conference)
 - Provide incentives for CALAFCO volunteers (partial conference registration compensation for LAFcos who provide volunteer staff at conferences)

SUMMARY

1. CALAFCO members should commit to funding professional staff at appropriate funding to ensure continued high levels of service.
2. CALAFCO members should recognize that the current service levels are not sustainable without additional funding.
3. CALAFCO members should consider that excellent service is a valuable tool for all LAFcos and helps us fulfill our missions.

HOW WAS THE RECOMMENDED DUES INCREASE DEVELOPED?

Board worked on various approaches over the course of the past six months

- Began discussions at biennial strategic planning retreat on January 29, 2015
- Formed two subcommittees, conducted extensive research, reported to the full Board on May 8, subcommittees did further work and considered a number of options for implementation
- Final recommendations made to full Board on July 31, receiving unanimous Board of Directors support



**Association of Local Agency Formation Commissions
Board of Directors
Meeting for Friday, 31 July 2015
(San Diego)
DRAFT MINUTES**

Call to Order and Establish Quorum

Chair Leopold called the meeting to order at 9:05 a.m. and a quorum was declared.

Board Members Present:

John Leopold, Chair , County (Santa Cruz)	Gay Jones, Secretary , District (Sacramento)
Josh Susman, Treasurer , Public (Nevada) * joined 10:46 a.m.	
Julie Allen, Public (Tulare)	Cheryl Brothers, City (Orange)
James Curatalo, District (San Bernardino)	Larry R. Duncan, District (Butte)
Shiva Frentzen, County (El Dorado)	Mary Jane Griego, County (Yuba)
Juliana Inman, City, (Napa) *	Michael Kelley, County (Imperial)
William Kirby, City (Placer)	Gerard McCallum, Public (Los Angeles)
Michael McGill, District (Contra Costa) *	Ricky Samayoa, City (Yuba) arrived 9:13 a.m.

Board Members Absent:

Roger Welt, Public (Santa Barbara)

Staff Present:

Clark Alsop, Legal Counsel, BB&K	Marjorie Blom, CALAFCO Executive Officer (EO)
Kris Berry, CALAFCO Deputy EO (DEO)	Paula de Sousa, Legal Counsel, BB&K
Stephen Lucas, CALAFCO Deputy EO (DEO)	Pamela Miller, Executive Director
Paul Novak, CALAFCO Deputy EO (DEO)	

Guests:

José Henríquez, EO, El Dorado *	Kathy Rollings-McDonald, EO, San Bernardino
---------------------------------	---

****Participated By Phone***

CONSENT

1. Minutes, 8 May 2015 Board Meeting

Director Duncan noted he participated at the 8 May 2015 Board meeting in person and not by telephone phone as indicated on the draft minutes.

On motion of Director Duncan, seconded by Director Jones, and carried unanimously, the 8 May 2015 Board Meeting minutes were approved as amended.

ACTION ITEMS

2. FY 2014-15 Year-End Financial Report

EO Blom provided a summary of the year-end financial report. She noted in general revenues came in over budget by \$24,921 (in particular higher than expected conference and workshop revenues of \$25,099 and \$1,185, respectively), offsetting items which came in under budget including associate member dues revenue (by \$2,500) and CALAFCO U revenue (by \$1,071). She stated cost savings were realized in office expenses, annual conference expenses (due to lower attendance and lower hotel costs), and staff workshop expenses (due to lower facility costs and not having legal counsel in attendance). She reviewed items that were appreciably higher than budgeted, including legal expenses (due to a mid-year switch in legal counsel), legislative matters due to high volume and brochure expenses due to the publication of the newly revised "What is LAFCo" brochure.

Director Leopold stated CALAFCO is in a very strong financial position at the end of Fiscal Year 2014-2015.

On motion of Director Griego, seconded by Director Allen, and carried unanimously, the Board received and filed the Fiscal Year 2014-15 Year-End Financial Report.

Director Leopold stated this is the last meeting for Directors Griego, Inman and Welt, all of whom are not running for re-election to the CALAFCO Board of Directors and thanked them for their dedication and service to CALAFCO.

3. Investment and Bank Account Report

EO Blom provided a summary of the CALAFCO investment and bank account report, noting the Association received \$175 in interest generated during the third quarter which was reflected during the fourth quarter.

On motion of Director Curatalo, seconded by Director Duncan, and carried unanimously, the Board received and filed the report.

4. Appointment of CALAFCO Executive Officer and Deputy Executive Officer

Executive Director Miller stated Marjorie Blom is retiring from Stanislaus LAFCo effective August 3 so Marjorie is resigning as CALAFCO EO. Executive Director Miller recommended the Board appoint Stephen Lucas, who has served as DEO since 2012, as the CALAFCO EO. She noted Kris Berry will fill the DEO vacancy representing the Central region. Executive Director Miller indicated both appointees have the full support of their respective LAFCos.

On motion of Director Duncan, seconded by Director Frentzen, the Board appointed Stephen Lucas as the CALAFCO EO and received and filed the appointment of Kris Berry as CALAFCO DEO.

Executive Director Miller thanked Marjorie Blom for her "unwavering commitment to CALAFCO," adding "her contributions to CALAFCO are immeasurable." She announced Marjorie is re-joining CALAFCO as an Associate Member. Chair Leopold thanked Marjorie for her service to CALAFCO, stating she has "made a really big difference in the organization."

5. Website Services Contract

Executive Director Miller addressed issues with CALAFCO's existing website, noting the organization needs a more reliable website and improved technical support. Earlier this year CALAFCO issued a Request for Proposals (RFP) for a complete re-design of the website as well as new hosting services and on-going maintenance and technical support. Six (6) proposals were received of which three (3) were selected for interviews. Along with Director Frentzen, CALAFCO staff interviewed all three firms and selected the firm of Matson & Isom Technology Consulting as the service provider. CALAFCO Legal counsel assisted staff in the preparation of a contract. The preliminary work is scheduled to begin in August and is targeted for completion in December 2015 or January 2016. The total cost of the project is not to exceed \$15,000 (excluding tech support) and will be paid using FY 2015-2016 contingency funds. In future years, annual service and maintenance costs would be funded in the "website expenses" budget line.

Executive Director Miller recommended the Board approve the proposed contract with Matson & Isom Technology Consulting.

On motion of Director Frentzen, seconded by Director Allen, and carried unanimously, the Board voted to approve the contract with Matson & Isom Technology Consulting for website revision, web and e-mail hosting, and annual technical service support.

6. Discussion Concerning Annual Conference Model

Executive Director Miller noted the completion of two previous actions from the May 8 Board meeting, which are the hiring of additional help for the 2015 Annual Conference from Contingency funds (Marjorie Blom has been contracted for this work, with a budget not to exceed \$4,000) and the change in CALAFCO letterhead to remove all Board member names to accommodate FPPC regulations concerning solicitations in excess of \$5,000. She noted that the subcommittee (Directors Leopold, Curatalo, Susman and Brothers, as well as Pamela Miller and Stephen Lucas) met via conference call and conferred by e-mail several times since the last Board meeting, has considered multiple issues surrounding the Annual Conference, and recommends the following to the Board:

1. Shift to a CALAFCO-hosted model for the conference, beginning in 2017;
2. Adopt a four-year conference location rotation with three anchor sites (Sacramento, San Diego, and Monterey) and a fourth site randomly rotated in every four years;
3. Hire a part-time sponsorship coordinator for the 2016 Annual Conference through a one-year contract;
4. Increase conference registration rates by \$95 over a three-year period, beginning in 2016; and
5. Communicate these changes to the membership at the Annual membership meeting at the Annual Conference (September 3, 2015).

Given all of these proposed changes, the subcommittee recommended postponing consideration of adding exhibitors to the conference.

A lengthy discussion followed the staff report presentation, during which every Board member and staff present asked questions and commented. Chair Leopold stated CALAFCO is not an all-volunteer organization any longer and felt the recommended changes would build a stronger financial position for the organization. Director Curatalo voiced his support for hiring an outside sponsorship coordinator, as he has worked with such vendors in other organizations and finds their contribution to be helpful. He also expressed support for the rotation plan noting it will make it easier to promote the Conference. Director Brothers recommended a longer-term contract for the

outside sponsorship coordinator saying it will take several years to determine the effectiveness. Director Susman suggested establishing “step-up” incentives for the outside sponsorship coordinator, rewarding the coordinator for securing larger sponsorships and for retaining sponsors year-to-year.

EO Lucas noted concerns about volunteer burnout amongst LAFCo staff, in addition to the fact that many more LAFCos are using contract staff, who generally do not volunteer as much for CALAFCO. Director Allen voiced support for the rotation schedule but identified a concern that the increased sponsorship revenues were not proposed to be utilized to offset registration costs. Chair Leopold said that the increased sponsorship revenues are extremely conservative and that the risks of retaining a sponsorship coordinator are relatively low while the potential benefits are very high. Director Griego suggested that annual conference sponsors be given free admission to the Wednesday morning LAFCO 101 session. Director Frentzen asked what the sponsorship revenues had been at previous annual conferences, to which Executive Director Miller replied that the traditional average has been \$9,000 - \$12,000 in revenue from approximately six to ten sponsors, and that the 2014 Annual Conference in Ontario was an outlier, with sponsorship revenue of approximately \$40,000. Director Frentzen suggested interviewing several potential vendors to serve as sponsorship coordinator and incentivizing the sponsorship coordinator based on the number and amount of sponsorships obtained.

Director Kirby stated the contract with the sponsorship coordinator should include provisions for returning multi-year sponsors and also said he preferred increasing sponsorships to raising annual CALAFCO dues on individual LAFCos. Director Kelley voiced support for the recommendations from the subcommittee and felt the sponsorship revenue estimates are too low. Director McCallum voiced his support for the subcommittee recommendations and suggested a longer term (three years) for the contract with the sponsorship coordinator as there can be a long lead time in securing sponsors. Director Duncan stated he supports the subcommittee’s recommendations. Director Samayoa indicated he supports the recommendations noting the organization must move away from volunteers and have a consistent message to potential sponsors. Director Jones said she supports the subcommittee recommendations and she likes the idea of compensating the sponsorship coordinator for retaining sponsors year-to-year. Director McGill stated support for the subcommittee recommendations.

Marjorie Blom noted other trade associations have full-time staff working on their annual conferences and many “host” LAFCos are unable to raise sponsorship revenues. Kathy Rollings-McDonald stated the subcommittee’s recommendations are a good idea. DEO Novak noted the hiring of a professional sponsorship coordinator would still accommodate volunteer fundraising but would make it easier for volunteers to “hand off” the contact/relationship to the sponsorship coordinator and that the sponsorship coordinator would raise revenues without significant impacts on individual LAFCos.

Director Allen suggested that staff track the intangible and qualitative benefits associated with the increased sponsorship effort, in order to facilitate explaining the value of the effort to individual LAFCos. Director Jones reiterated Chair Leopold’s comment that the sponsorship coordinator effort involves low risks but high potential. Director Kirby asked that staff track the in-kind contributions of sponsors and volunteers for future conferences.

On motion of Director Frentzen, seconded by Director Allen, and carried unanimously, the Board approved the following actions:

- 1. Approve shifting to a CALAFCO-hosted model for the conference beginning in 2017;*
- 2. Approve a four-year conference rotation with three anchor sites (Sacramento, San Diego and Monterey) and a fourth random site rotated in every four years;*
- 3. Postpone the idea of adding exhibitors to the conference; and*

4. *Approve communicating these changes to the membership at the 2015 annual membership meeting on September 3, 2015.*

The Board took a break at 11:19 a.m. and reconvened at 11:33 a.m.

The Board resumed discussion on the annual conference, taking up the matter of raising the conference registration rate pursuant to the subcommittee's recommendation.

Chair Leopold stated conference registration rates needed to be increased in order to cover the rising costs of holding the event. He noted the comparison in conference registration rates of various associations in the staff report and the fact that CALAFCO remains the lowest priced.

Director Kirby made a motion to increase registration rates by \$25 in 2016, with no additional registration raises beyond 2016, and Director Duncan seconded the motion. After further discussion, Director Kirby withdrew the motion.

Director Griego voiced her support for the increased registration rates as a preferred option to increasing CALAFCO dues for all LAFCOs.

After further discussion, the Board took the following action:

On motion of Director Jones, seconded by Director Kelley, and carried unanimously, the Board voted to approve an increase in conference registration rates by \$95 over a three-year period beginning with the 2016 Annual Conference.

Going back to the discussion of a sponsorship coordinator, Chair Leopold suggested the Board authorize the subcommittee and Executive Director Miller to work out key details of a contract, including establishing metrics to measure success and consideration of incentives, and requested the subcommittee move quickly so that the coordinator could start shortly after this year's conference. It was also suggested the contract be brought back to the full Board to be ratified.

Director Griego suggested staff invite potential vendors for the sponsorship coordinator to the 2015 annual conference in Sacramento.

On motion of Director Frentzen, seconded by Director Duncan, and carried unanimously, the Board voted to approve the hiring of a part-time sponsorship coordinator for the 2016 Annual Conference, and to authorize the subcommittee to work out the details of the selection and the contract.

7. CALAFCO Staffing

Executive Director Miller presented the lengthy staff reporting, noting there are a number of matters contained within the Executive Committee's recommendation. Those include: (1) Whether or not to increase the contracted scope of work hours for the Executive Director; (2) Whether or not to increase the stipends paid to the LAFCOs whose staff volunteer as CALAFCO EO or DEO; and (3) Whether or not to make these decisions today or wait until November after receiving member feedback. Executive Director Miller stated compensation for the CALAFCO volunteers (one EO and three DEOs) had not changed since Fiscal Year 2001-2002, and volunteers have more responsibility and expend considerably more hours on CALAFCO activities than they did more than a decade ago. In terms of revenue options, she noted the last "non-CPI" increase in the dues was in 2008-2009, and, since that time, the Board has, twice, decided not to adopt annual CPI increases. Executive Director Miller reported the Executive Director has averaged substantially more hours than the contract specifies over a number of years (including the former Executive Director), and

the Board is faced with a decision to either reduce the strategic plan deliverables to what can be done within the current contracted scope of work or increase the contracted scope of work to be more aligned with fulfilling the strategic plan objectives.

Chair Leopold stated Board members, LAFCo commissioners, Associate Members and LAFCo staff all have an expectation that they can communicate their needs to the Executive Director, whom they expect to be responsive to their concerns. He noted there are limitations on the Executive Director's ability to be responsive given a contract that entails working an average of twenty-four (24) hours per week. He noted this is not a new issue for the organization, but rather one that has existed for a number of years. He also commented the Executive Committee worked extensively the past several months in looking at the problem and creating viable solutions for the Board's consideration. Chair Leopold voiced his support for Option 2 in the staff report as a way of addressing this issue by means that are within the Board's control, adding this option is unanimously supported by the full Executive Committee.

Director Samayoa asked if the issue of Executive Director compensation needed to be addressed in closed session and Legal Counsel Alsop indicated it could be discussed in open session as it involves compensation and hours for the position itself and is not considered to be an employee evaluation of the current Executive Director.

Director Curatalo voiced his support for Option 2. Director Jones indicated her support for Option 2, noting the issue is about professional staff support versus volunteerism. Director Griego stated this is not a new issue for the organization, noting the former Executive Director also worked hours well beyond the contracted scope of work and voiced her support for Option 2.

Director Frentzen stated individual LAFCos in the same dues category (urban, suburban, and rural) should pay the same dues and questioned whether the Board needs to consider if the Executive Director position should be a full-time position. Legal Counsel Alsop noted existing dues are based on a formula that includes the following components: (1) They are population based; (2) A maximum dues amount was set for FYs 2006-07, 2007-08 and 2008-09 respectively (pursuant to Bylaws); and (3) Minimum dues have two components including the use of CSAC population classifications of urban-suburban-rural, and that no LAFCo shall pay less than the amount of dues they were paying at the time the current dues structure was established.

Director Kelley stated something needed to be done to address the issue of compensation versus hours worked. Director Kirby stated his concern about discussing the matter outside of closed session, given the outcome involves a potential raise for the current Executive Director. Director McCallum stated his support for Option 2. Director Duncan said there really aren't other options available and he is supportive of Option 2. Director Allen stated CALAFCO either has to significantly reduce responsibilities, to match the twenty-four hour/week scope of work or increase the hours and she is supporting Option 2 and the volunteer compensation increase.

Director Samayoa stated a full-time staff position option should be considered, including an evaluation of how to pay the increased costs. Legal Counsel Alsop noted CALAFCO has never had an employer-employee relationship with staff and this was due, in part, to the preferences of the individuals who have been contracted as the Executive Director, stating further that CALAFCO did have a lobbyist in the 1970's, but the organization has worked with a part-time legislative representative through the Executive Director since then.

Director McGill indicated his support for the increased compensation for volunteers and for Option 2. Director Inman stated she supports Option 2, noting that while the percentage increases may seem high, the actual dollar amounts involved are relatively nominal, amounting to \$114 for the lowest-paying member LAFCos and \$1,098 for the highest-paying member LAFCos.

EO Lucas stated CALAFCO is providing greater value to LAFCoS today than ever before and the disparity of hours worked to compensation paid needs to be addressed. Kathy Rollings-McDonald said CALAFCO greatly benefits all LAFCoS because regions now have a voice under the current structure and added there is great value received from the Executive Director but that this work needs to be reflected in the compensation. DEO Novak stated a concern about volunteer burnout given the many CALAFCO events (annual conference, staff workshop, CALAFCO U).

The Board took a break at 1:40 p.m. to discuss the issue of the Executive Director increase in hours and commensurate compensation in Executive Session. The Board reconvened at 1:55 p.m.

At this point, the Board broke out into regional and staff subgroups to discuss the matter further. Each group was asked to discuss the preferred options presented and select the one those preferred to move forward with, discuss the pros and cons of that option, the message to be conveyed to the membership and what they needed from CALAFCO in order to convey the message.

Upon reconvening, each regional group and the staff group reported on their discussions and recommendations, with all five groups unanimously indicating support for Option 2 and for the increased compensation for volunteers.

A discussion ensued about the timing of the decision, with a consensus reached that all actions should occur presently at the Board meeting and be announced at the Annual Business meeting.

On motion of Director Griego, seconded by Director Curatalo, and carried unanimously, the Board voted to approve the recommended stipend increase paid to the LAFCo of the volunteer EO and DEOs, effective July 1, 2015, with a clarification that the compensation is to the LAFCo of volunteer staff and not to the individual volunteers.

On motion of Director Allen, seconded by Director Kelley, and carried unanimously, the Board voted to approve Option 2 relative to increasing the Executive Director's contracted scope of work hours from an average of 24/week to 32/week and adjust the compensation accordingly by \$30,000/year, effective January 1, 2016.

On motion of Director Samayoa, seconded by Director McGill, and carried unanimously, the Board voted to increase member dues by seven percent (7%) in Fiscal Year 2016-2017 and seven percent (7%) in Fiscal Year 2017-2018, with a clarification that the Board's intent is to not increase dues in those years by the CPI.

Director Kelley asked staff to prepare a one-page memorandum to be used as talking points, as well as the draft minutes, as both documents would be helpful in explaining the Board's actions to the membership.

Commissioner Inman and Commissioner McGill both announced they would be leaving the call now that the Board had taken action on Agenda Items 6 and 7.

8. CALAFCO Legislative Committee Report

Executive Director Miller indicated the Legislative Committee (Committee) met twice since the last Board meeting. She reported the Governor signed the annual Omnibus Bill (AB 1532) on July 15, 2015 and only one item was removed (due to opposition from the Turlock Irrigation District). AB 851 (Mayes), the CALAFCO-sponsored bill on disincorporations, has passed the Assembly; the bill has been amended five (5) times, with a final set of amendments pending before the full Senate vote.

Executive Director Miller addressed changes to AB 3 (Williams) concerning the Isla Vista Community Services District, noting CALAFCO's position remains Oppose Unless Amended, as well as recent changes to AB 402 (Dodd) concerning a five year pilot project involving Napa and San Bernardino LAFcos, noting CALAFCO's position is No Position. She described changes to SB 239 (Hertzberg) relative to contracts between two public agencies, noting that although the most concerning parts of the bill had been removed, the Committee still had a number of concerns. She went on to report the Committee discussed the matter at length and what arose was an obvious lack of consensus on the basic policy matter of whether or not LAFcos should be reviewing agreements between two public agencies. Ultimately, the Committee decided to be consistent with the position taken on AB 402 (a position taken due to lack of consensus on the basic policy matter of the bill), which resulted in CALAFCO changing its position from Oppose to No Position. Executive Director Miller stated she continues to work with Senator Hertzberg on potential amendments, given lingering concerns by members of the Committee. She described the efforts involved with SB 552 (Wolk) to clean-up certain provisions of SB 88, the water system consolidation bill previously passed as a budget trailer bill.

Executive Director Miller stated the Board, at its May 8 meeting, added a legislative position of "No Position" to the Committee's guidelines. Because the Committee amended the language slightly at its June 19 meeting, she recommended the Board ratify the amended guidelines.

On motion of Director Frentzen, seconded by Director Jones, and carried unanimously, the Board voted to ratify the amendment by the Committee to the description of "No Position" and to receive and file the report on current legislation.

9. 2015 Staff Workshop Final Report

Executive Director Miller provided a brief report on the Staff Workshop, held April 15-17 in Grass Valley. There were 90 participants representing 38 LAFcos as well as five Associate Members, and the overall ratings in the evaluations was 5.3 on a 6.0 scale. The Mobile Workshop as well as the sessions on consolidation options and website management were particularly well-received. The Thursday evening dinner at Miner's Foundry received a 6.0 rating, the highest ratings of any dinner in recent workshops. The Workshop was a financial success, with revenues exceeding expenses by \$8,886.

10. 2015 Annual Conference Update

Executive Director Miller stated the 2015 Annual Conference in Sacramento is coming together with all presentations finalized and all speakers confirmed. Speakers will include three of the Governor's cabinet members (Director Ken Alex of the Office of Planning & Research, Secretary John Laird of Natural Resources, and Secretary Karen Ross of Food & Agriculture). Director and Conference Chair Jones noted she has secured a local fire department's drum and bagpipes corps and color guard to start the opening session on Wednesday afternoon.

11. Nominations Committee Report

Executive Director Miller stated she has received nominations for Board Member positions and the deadline to submit nominations is Monday, August 3.

12. Awards Committee

Marjorie Blom stated the Awards Committee had received twenty-seven (27) nominations for awards and reported she is passing off the coordination of the work of the Awards Committee to select award recipients to Executive Director Miller.

13. 2015 CALAFCO U Update

Marjorie Blom reported the “LAFCO and Litigation” course was held on Monday, June 29 at the John Wayne/Orange County Airport. She noted the four speakers (Carolyn Emery of Orange LAFCo, Pat McCormick of Santa Cruz LAFCo, and attorneys Michael Colantuono and Scott Smith) were well received.

Executive Director Miller indicated staff plans to organize one CALAFCO session in Sacramento in the fall, likely focused on water district consolidations pursuant to the recent adoption of SB 88.

14. Board Member Reports and Announcements

Director Griego noted that a local team from Yuba County is advancing to the Little League World Series.

Director Duncan noted Butte LAFCo recently completed annexations to the City of Chico and the City of Oroville.

15. Executive Director’s Report

Executive Director Miller noted she had nothing to add to what was included in her written Director’s Report which was provided to the Board.

ADJOURNMENT

Chair Leopold adjourned the meeting at 4:28 p.m. to the 4 September, 2015 Board of Directors Meeting in Sacramento.



August 12, 2015

Mr. Richard Shoemaker
Commission Chair
Local Agency Formation Commission of Mendocino County
200 South School Street, Suite F
Ukiah, California 95482-4828

Re: President's Special Acknowledgement Award – Property/Liability Program

Dear Mr. Shoemaker:

This letter is to formally acknowledge the dedicated efforts of the Local Agency Formation Commission of Mendocino County's Governing Body, management and staff towards proactive risk management and loss prevention training for earning the President's Special Acknowledgement Award! The Award is to recognize members with no "paid" claims during the prior **five consecutive program years** in either the Property/Liability or Workers' Compensation Programs.

A "paid" claim for the purposes of this recognition represents the first payment on an open claim during the prior program year and excludes property claims. Your agency's efforts have resulted in no "paid" property/liability claims for the prior 5 consecutive program years including 2014-15. This is an outstanding accomplishment that serves as an example for all SDRMA members!

It is through the efforts of members such as Local Agency Formation Commission of Mendocino County that SDRMA has been able to continue providing affordable property/liability coverage to over 491 public agencies throughout California. While 424 members or 86% in the property/liability program had no "paid" claims in program year 2014-15, 287 members or 58% had no paid claims for the prior 5 consecutive years.

In addition to this annual recognition, members with no "paid" claims during 2014-15 earn 2 credit incentive points (CIPs) reducing their annual contribution amount and members with no "paid" claims for the prior 5 consecutive program years will earn 3 additional bonus CIPs. Also, members with no "paid" claims for at least 3 consecutive program years may receive a lower "risk factor" which also helps to reduce the annual contribution amount.

On behalf of the SDRMA Board of Directors and staff, it is my honor to congratulate the Governing Body, management and staff of Local Agency Formation Commission of Mendocino County for their commitment to proactive risk management and loss prevention training.

Sincerely,
Special District Risk Management Authority



David Aranda, President
Board of Directors



SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

President's Special Acknowledgement Award

THE PRESIDENT OF THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY
HEREBY GIVES SPECIAL RECOGNITION TO

Local Agency Formation Commission of Mendocino County

The President's Special Acknowledgement Award is to recognize members with no "paid" claims during the prior five consecutive program years in the Property/Liability Program. A "paid" claim for the purposes of this recognition represents the first payment on an open claim during that same period and excludes property claims. Congratulations on your excellent claims record!

David Aranda, SDRMA Board President

August 12, 2015
Date