

# MENDOCINO

# Local Agency Formation Commission

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

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## CHAIR

**Jerry Ward**  
Public Member

## VICE CHAIR

**Holly Madrigal**  
Willits City Council

## TREASURER

**Doug Hammerstrom**  
Fort Bragg City Council

## MEMBERS

**Dan Hamburg**  
County Board  
of Supervisors

**John McCowen**  
County Board  
of Supervisors

**Theresa McNerlin**  
Ukiah Valley Sanitation District

## Vacant

Special District 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, February 1, 2016 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 January 4, 2015 Regular Meeting Summary Minutes
2. Approval of the January 2016 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.

### PUBLIC HEARINGS

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

5. Calpella County Water District Sphere of Influence Update
6. Redwood Valley County Water District Sphere of Influence Update
7. Round Valley County Water District Sphere of Influence Update (continued hearing item)
8. Proposed Budget Amendment for FY 2015-16

### WORKSHOPS

Workshops are scheduled for Commission review of draft reports prior to noticing for hearing. Questions and comments from the Commission, participating agencies, and members of the public are welcome. Documents are available for review at [www.mendolafco.org](http://www.mendolafco.org) or by contacting the LAFCo office.

9. Preliminary Budget Review for FY 2016-17
10. Potter Valley Irrigation District Sphere of Influence Update
11. Hopland Public Utility District Sphere of Influence Update

12. Countywide Fire Protection Services Municipal Service Review (Part 3)
  - Comptche Community Services District
  - Elk Community Services District
  - Piercy Fire Protection District
  - South Coast Fire Protection District
  - Westport Volunteer Fire Department
  - Whale Gulch Volunteer Fire Company

## **CLOSED SESSION**

The Commission will meet in Closed Session to discuss the following:

13. Annual Performance Evaluation. Title: Contract Executive Officer

## **REPORT ON CLOSED SESSION**

## **MATTERS FOR DISCUSSION & POSSIBLE ACTION**

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

14. Planwest Contract Amendment for FY 2015-16
15. Planwest Contract Extension or Staffing RFP Options for FY 2016-17
16. MSR Completion
17. Alternate Public Member Appointment
18. Status of Audits for FY 2012-13, FY 2013-14, and FY 2014-15

## **INFORMATION/REPORT ITEMS**

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

19. Status of Current and Future Projects
20. Correspondence
  - January 26, 2016 Letter to Bill Moores re: County LCP Amendment and LAFCo Cost Accounting
21. Executive Officer's Report (Verbal)
  - LAFCo Role in JPAs
  - Status of Special District Election
  - Status of CSDA Special District Training
22. Commissioner Reports, Comments or Questions (Verbal)
  - January 22, 2016 Executive Committee Meeting
23. Legislation Report

## **ADJOURNMENT**

The next Regular Commission Meeting is scheduled for  
Monday, March 7, 2016 at 9:00 AM  
in the County Board of Supervisors Chambers  
501 Low Gap Road, Ukiah, California

Notes: Participation on LAFCo Matters

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

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

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

# MENDOCINO

# Local Agency Formation Commission

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**Angela Silver**  
Calpella County Water District

**Executive Officer**  
George Williamson

**Counsel**  
Scott Browne

**Analyst**  
Colette Metz

**Commission Clerk**  
Elizabeth Salomone

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

**Agenda Item No. 1**

## MINUTES

### LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY

#### Regular Meeting of Monday, January 4, 2016

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

#### Call to Order

Chair Ward called the meeting to order at 9:06am.

#### Roll Call

Members Present:

Commissioners Dan Hamburg, Doug Hammerstrom, Holly Madrigal, John McCowen (arrived 9:09am departed 1:18pm), Theresa McNerlin(out 9:33am-10:06am), and Jerry Ward

Members Absent:

None

Alternate Members Present:

Commissioners Carre Brown (departed 11:12am) Kevin Doble, Carol Rosenberg, and Angela Silver

Alternate Members Absent:

None

Staff Present:

George Williamson, Executive Officer  
Elizabeth Salomone, Clerk  
Sarah West

*Alternate Commissioner Silver immediately took seat as Special District Representative. Alternate Commissioner Brown immediately took seat as County Representative until Commissioner McCowen arrived.*

#### Annual Appointments

##### 1. Officer Appointments

Upon motion by Commissioner Brown and second by Commissioner Hamburg, Jerry Ward was appointed Commission Chair by roll call vote:

Ayes: Commissioners Brown, Hamburg, Hammerstrom, Madrigal, McNerlin Silver, and Ward

Absent: McCowen

Motion was made by Commissioner Madrigal to appoint John McCowen for Vice Chair. The motion was not seconded and therefore dropped.

Upon motion by Commissioner Silver and second by Commissioner Hamburg, Holly Madrigal was appointed Commission Vice Chair by roll call vote:

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

Upon motion by Commissioner Madrigal and second by Commissioner McNerlin, Doug Hammerstrom was appointed Commission Treasurer by roll call vote:

Ayes: Commissioners Hamburg, Hammerstrom, Madrigal, and Ward

Abstain: Commissioners McNerlin, McCowen and Silver

## 2. Committee Appointments 2016

Chair Ward noted the Executive Committee consists of the Chair, Vice Chair, and Treasurer appointed in the previous action. Chair Ward appointed Commissioners Hamburg, McNerlin, and Doble to the Planning Committee. (Note: later in the meeting, the updated Policies and Procedures were approved that change this Committee name to the Policies and Procedures Committee.)

## **Consent Calendar**

3. Approval of the December 7, 2015 Regular Meeting Summary Minutes

4. Approval December 2015 Claims

5. Acceptance of the Monthly Financial Report

6. Approval of Lease Renewal

Commissioner Ward asked for Item 5 to be pulled from the Consent Calendar for discussion.

Clarification was made that the Lease Renewal includes \$50 raise in office rent, as negotiated at time of office move.

Upon motion by Commissioner Madrigal and second by Commissioner Hammerstrom, Items 3, 4, & 6 of the Consent Calendar were approved by unanimous vote:

Ayes: Commissioners Doble, Hamburg, Hammerstrom, Madrigal, McCowen, McNerlin, Silver, and Ward

Commissioner Ward noted the following in regards to Item 5: Monthly Financial Report:

- E. Salomone (Clerk) timesheet shows hours allocated to Contract Services that may be more appropriately allocated to another budget line. Comments and questions were offered by Commissioners Silver, Hammerstrom, Rosenberg, Ward, and Mr. Williamson. It was noted the work is finalizing the MSRs prepared by Baracco & Associates. Chair Ward held further discussion until Agenda Item 14.
- Mr. Williamson confirmed the Access TV estimated charges are based on the previous fiscal year charges. It was noted Access TV has not invoiced for some time, despite requests from staff.

Upon motion by Commissioner Silver and second by Commissioner Madrigal, Item 5 of the Consent Calendar was approved by unanimous vote:

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

## 7. Public Expression

Lee Howard, private citizen, commented the public had not been invited to comment during the meeting until this point. He suggested a public copy of the agenda packet was not available and the Clerk pointed out the Public Copy to Mr. Howard.

## Continued Public Hearing

### 8. Gualala Community Service District Sphere of Influence Update

A Public Hearing Notice was published in the newspapers on November 10, 2015 for the Public Hearing of Gualala CSD SOI Update.

**The Public Hearing was opened on December 7, 2015 and continued until today.**

Staff recommended approval of the Gualala CSD SOI Update. Comments and questions were offered by Commissioners McCowen, Rosenberg, Hamburg, Doble, and Hammerstrom. Commissioner Hammerstrom complimented staff on the report with specific appreciation to the practice of citing references. He also noted the letter from Sonoma LAFCo reflects well on the working relationship with Mendocino LAFCo.

*The Public Hearing was closed at 9:36am.*

Upon motion by Commissioner Madrigal and second by Commissioner Silver, approval of the Gualala Community Services District Sphere of Influence Update as stated in Resolution 15-16-10 with changes listed below was approved by roll call vote:

Edits: Pg 10: eliminate sentence regarding expansion of the treatment plant

Ayes: Commissioners Hamburg, Hammerstrom, Madrigal, McCowen, Silver, and Ward  
Absent: McNerlin

## Workshops

### 9. Calpella County Water District Sphere of Influence Update

Mr. Williamson presented the Calpella CWD SOI Update taking comments, questions, and suggested edits from Commissioners McCowen, Hamburg, Hammerstrom, Rosenberg, Madrigal, and Brown. Commissioner Silver complimented staff on the document. The SOI update will be scheduled for Public Hearing.

### 10. Redwood Valley County Water District Sphere of Influence Update

Mr. Williamson presented the Redwood Valley CWD SOI Update taking comments, questions, and suggested edits from Commissioners McCowen and Rosenberg. Bill Kohler, General Manager, and Lee Howard, private citizen, spoke. The SOI update will be scheduled for Public Hearing.

### 11. Countywide Fire Protection Services Municipal Service Review (Part 3)

**Comptche Community Services District  
Piercy Fire Protection District  
Westport Volunteer Fire Department**

**Elk Community Services District  
South Coast Fire Protection District**

Commissioner Madrigal read out an email that was received from Baracco & Associates at 8:42 am providing an update. Comptche CSD and Elk CSD were distributed before today's meeting. South Coast FPD and Piercy FPD are expected later this week. There will also be short write ups on Westport Fire Company and Whale Gulch Fire Company. Commissioner Doble asked for clarification on the version of the draft that was being considered at today's meeting.

### Comptche CSD MSR

Comments and questions were offered by Commissioners McCowen, Madrigal, Rosenberg, Ward, and Silver. Commissioner Rosenberg asked if the District had been shown the current draft. Staff was not able to answer this question on behalf of Baracco & Associates.

The Commission directed staff to bring the Comptche CSD MSR to Public Hearing with the suggested edits and confirmations.

#### Elk CSD MSR

Comments and questions were offered by Commissioners McCowen, Brown, Hamburg, Madrigal, Doble, and McNerlin. Commissioner McNerlin asked why the information in the Three-Year Revenues and Expenditures Comparison was so old, requesting more up to date reporting. Commissioner McNerlin also noted the inconsistency between the numbers in Comparison and the District Balance Sheet.

The Commission directed staff to bring the Elk CSD MSR to Public Hearing with the suggested edits and confirmations.

#### *Workshop Action*

Upon motion by Commissioner Madrigal and second by Commissioner Silver, direction to staff to complete the requested edits and provide further analysis as needed to bring the Comptche and Elk draft MSRs to Public Hearing was approved by unanimous vote:

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

***Chair Ward called a break from 10:48am – 10:55am.***

#### **Closed Session**

Chair Ward reviewed Legal Counsel opinions received regarding the inclusion of Alternate Members in Closed Sessions. Comments and questions were offered by Commissioners McCowen, McNerlin, Hammerstrom, Madrigal, and Brown. Consensus was to exclude the Alternates from the scheduled Closed Session until further legal counsel can be obtained.

#### 12. Significant Exposure to litigation pursuant to subdivision (b) of Section 54956.9: (1 potential case)

The Commission entered closed session at 11:10am and reconvened at 11:38am. Chair Ward stated Staff was directed to proceed with direction from the Commission and no other action reported from closed session.

#### **Matters for Discussion & Possible Action**

#### 13. Mid-Year Budget Review and MSR/SOI Work Plan

George Williamson reviewed the staff reports which included a mid-year review of the FY 2015/16, request for an amended budget, request for one year contract extension for Planwest, proposal for FY 2016/17 budget, review of the MSR and SOI work completed and scheduled, and a letter from Commissioner Silver.

Mr. Williamson noted the additional amount being requested for the FY 2015/16 budget amendment would come from unrestricted funds in the account at this time and have no impact on member contributions or reserves. Comments and questions were offered by Commissioners Madrigal, Hamburg, McCowen, Ward, and Rosenberg.

#### *FY 2015/16 Budget Amendment*

Commissioner Madrigal noted that the Executive Committee held a healthy discussion on the proposals. She further clarified Mr. Williamsons assurance that should the Commission proceed with recommendation for the budget amendment, for no reason would overruns beyond the proposed budget amendments incurred by Planwest be charged to the Commission. Mr. Williamson confirmed.

Commissioner Hamburg asked how the proposed budget amendment amount for Line Item 18, Account # 7501 SOI Updates can be so small, considering the previous 6 months charges. Mr. Williamson noted the work has been “front loaded” and less staff expense is expected for the remaining 6 months.

#### *Planwest Contract Amendment*

Commissioner Ward noted if the budget amendment was approved, a Planwest contract amendment would also be required. Mr. Williamson noted it would be placed on the next agenda.

#### *Proposed FY 16/17 Budget*

Commissioner Rosenberg noted concern that there is enough in the FY 16/17 Budget to cover the actual costs.

Commissioner Ward noted the proposed FY 16/17 budget needs to show the excess funds. He also noted A-87 costs are being incurred and both the budget amendment and the proposed budget need to be adjusted.

Commissioner Hammerstrom noted the procedure for presenting the proposed budget to the Executive Committee before bringing to the full Commission.

#### *MSR/SOI Overview*

Commissioner McCowen asked for clarification on the report schedules.

Commissioner Silver presented her letter included in the packet. She noted that in 2015, 74 reports, only 22 being original (11 MSRs and 11 SOIs) and the remaining reappearing, were reviewed. Of those, 18 were approved (11 MSRs and 7 SOIs.) Her letter suggests an alternative procedure. Comments and questions were offered by Commissioner McCowen, Madrigal, Ward, and Rosenberg.

#### *Action*

Mr. Williamson noted the following will be brought to the February regular meeting:

- Noticed public hearing to amend the FY 2015/16 budget
- Contract amendment discussion (after Executive Committee review)
- Proposed FY 2016/17 budget (after Executive Committee review)
- Contract Executive Officer Services for RFP (after Executive Committee review)

Upon motion by Commissioner McCowen and second by Commissioner Hammerstrom, approval to place the FY 2015/16 budget amendment and the 2015/16 Planwest contract amendment on the February Regular meeting agenda was approved by roll call vote:

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

Upon motion by Commissioner Hammerstrom and second by Commissioner Hamburg, approval to place discussion of the Executive Committee recommendations regarding the requested contract Planwest extension and the RFP for Contract Executive Officer Services on the February Regular Meeting agenda was approved by unanimous vote:

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

#### 14. MSR Completion

George Williamson presented the staff report. Comments and questions were offered by Commissioners Madrigal, Ward, McCowen, and McNerlin.

#### 15. Caspar South Water District MSR Review

George Williamson presented the staff report. Comments and questions were offered by Commissioners Ward, Hammerstrom, Madrigal, McCowen.

Commissioner Hammerstrom noted the District is not meeting the requirement of having an SSMP and the District is not adequately addressing funding needs without a Capital Improvement Plan. Commissioner McCowen noted the MSR required the processes to be initiated, which they have been.

Upon motion by Commissioner McCowen and second by Commissioner Madrigal, approval to add the one year review as an addendum to the Caspar South Water District MSR was approved by roll call vote:

Ayes: Commissioners Hamburg, Madrigal, McCowen, McNerlin, Silver, and Ward

Noes: Commissioners Hammerstrom

#### 16. Policies and Procedures Manual Revision

Comments and questions were offered by Commissioners Madrigal, McCowen, Ward, and McNerlin.

##### *Officers*

Discussion was held regarding Chapter 3, section 9A, Standing Committees. The Commission requested to edit the document to read: "The Executive Committee consists of the Chair, Vice Chair, and Treasurer or a third Commissioner appointed by the Chair."

##### *Participation of Alternate Members in closed sessions*

It was noted that the current version of Policies and Procedures Chapter 3, Section 6C does not support Alternate Commissioners attending closed sessions unless the Regular Member in their category is not present. If legal counsel advises otherwise, the P&P will be revised at a later date.

##### *Overlapping Spheres*

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

##### *Stipend*

Commissioner McNerlin noted Chapter 3 Section 7A&B has been changed dramatically from the previous version. Commissioner Madrigal noted for the record that she supports adding City Council members to the stipend eligibility.

Upon motion by Commissioner McCowen and second by Commissioner Hammerstrom, approval to adopt the presented Policies and Procedures including the points listed below was approved by roll call vote:

1. Chapter 3, section 9A, Standing Committees. To read: "The Executive Committee consists of the Chair, Vice Chair, and Treasurer or a third Commissioner appointed by the Chair."
2. No change to Chapter 3, Section 6C regarding the participation of Alternate Commissioners in closed sessions.
3. Inclusion of suggested language regarding overlapping spheres in Chapter 9, Section 1-10 as shown below:

Where an area could be assigned to the sphere of influence of more than one agency, the following hierarchy typically applies:

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

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

Ayes: Commissioners Hamburg, Hammerstrom, McCowen, Silver, and Ward



Noes: Commissioners Madrigal and McNerlin

## **Information/Report Items**

### 17. Status of Commissioner Terms

The Commission supported reappointing Carol Rosenberg for Alternate Public Member however, the reappointment needs to be on the February 1, 2016 agenda as an action item.

### 18. Correspondence

Mr. Williamson reviewed the presented correspondence.

### 19. Executive Officer's Report

#### *Special District Elections*

Mr. Williamson provided an update on the Special District Election. Commissioner Rosenberg volunteered to assist Mr. Williamson in the counting of ballots. Commissioner McNerlin asked that in the future, 90 days be given to the Districts submitting their vote.

#### *CSDA Special District Training*

Mr. Williamson noted the first training is to be held in March. Commissioner Hammerstrom asked for a report from CSDA on response from the Special Districts.

#### *FY 2013-14 Audit*

Mr. Williamson noted the first draft is expected later this week.

### 20. Commissioners Reports, Comments or Questions

*Commissioner Silver:* presented information on the class she attended regarding Implementing SB88 Water System Consolidations; What Does it Mean for LAFCo. She reported that some limited role will be played by LAFCo in the consolidation of the water systems. Funding is made available by grants and low interest loans.

*Commissioner Ward:* Asked for a report on the Round Valley County Water District and Tribe meeting. Sarah West noted a meeting is still being scheduled between the two agencies and LAFCo.

He also requested placing on the next agenda The Role of LAFCo in JPAs.

### 21. Legislation Report

No report was offered.

## **Adjournment**

There being no further business, at 1:22pm the meeting was adjourned to the next regular meeting on Monday, February 1, 2016 at 9:00 AM in the County Board of Supervisors Chambers at 501 Low Gap Road, Ukiah, California.

# MENDOCINO Local Agency Formation Commission

## Staff Report

DATE: February 1, 2016  
 TO: Mendocino Local Agency Formation Commission  
 FROM: George Williamson, Executive Officer  
 SUBJECT: Claims for January 2016

The following claims are recommended for payment authorization:

Name	Account Description	Amount
Planwest Partners	5300 Basics Services: EO, Analyst, Administrator; 7001 MSRs; 7501 SOI Updates; 6200 Bookkeeping; 9000 CSDA Training Coord; 8008 & 8015 Applications: \$ 4,114.00 5300 Basic Services: Clerk \$ 1,732.50 7000 MSR Updates: Clerk \$78.75	\$5,925.25
Ukiah Valley Conf. Center	5502 Office space: \$ 400.00 5503 Work room: \$ 30.00 5603 Photocopy: \$TBD from invoice 5605 Postage : \$TBD from invoice	\$ 430.00
P. Scott Browne	6300 Legal Counsel Monthly flat fee: \$500.00	\$ 500.00
City of Ukiah	8008 & 8015 Reimbursement of remaining deposit (SOI application reduction and EIR)	\$7,274.81
Pehling and Pehling	6100 Audit Services Balance Due FY 2013-14 Audit \$1,475.00 Deposit FY 2014-15 Audit \$1,550.00	\$3,025.00
Commissioner Reimbursements	<u>Angela Silver</u> (Year 2015 \$641.96; Jan 2016 \$55.40) FY 2014-15: Acct 6740 In County Travel and Stipends: \$277.00 (Stipends \$250.00; Travel \$27.00) FY 2015-16: Acct 6740 In County Travel and Stipends: \$332.40 (Stipends \$300.00; Travel \$32.40) Acct 5603 Photocopy (ink): \$87.96  <u>Carol Rosenberg</u> (Dec 2015 \$50, Jan 2016 \$50) Acct 6740 In County Travel and Stipends: \$100.00  <u>Holly Madrigal</u> (6 months mileage) Acct 6740 In County Travel and Stipends: \$151.63	\$691.96  \$100.00  \$151.63

**Please note: invoices, bank statements, and any petty cash replenishment for this claim period provided to Commission Treasurer.**



INVOICE

DATE: January 27, 2016 INVOICE #: 16-218-01
TO: Mendocino LAFCo
PROJECT: LAFCo Planning Services & Expense (December 26 2015 – January, 27 2016)

December 26 2015 – January, 27 2016 COSTS SUMMARY

Table with 2 columns: Description and Amount. Rows include Acct 5300 - Basic Services Planwest (\$1,979.00), Acct 5300 - Basic Services Clerk Services - Beth Solomone (\$1,732.50), Acct 6200 - Bookkeeping (Other Services) (\$260.00), Acct 7001 - Municipal Services Reviews (\$319.00), Acct 7501 - Sphere of Influence Updates (\$1,181.00), Acct 8008 - Application City of Ukiah SOI Reduction (\$174.00), Acct 8015 - Application City of Ukiah SOI Reduction (EIR) (\$162.00), Acct 9000 - CSDA Training Coordination (\$39.00), and TOTAL AMOUNT DUE (\$5,846.50).

Basic Services Acct 5500

Table with 3 columns: Description, Hours, and Amount. Rows include Executive Officer, George Williamson (7 hours at \$104 per hour, \$728.00), Analyst, Colette Metz (6 hours at \$78 per hour, \$468.00), Clerk, Elizabeth Salomone (49.5 hours at \$35 per hour, \$1,732.50), GIS Analyst/Web Maint. (2.5 hours at \$58 per hour, \$145.00), and Service Specialist (11 hours at \$58 per hour, \$638.00).

Other Services Acct 6200

Table with 3 columns: Description, Hours, and Amount. Row includes Executive Officer, George Williamson (2.5 hours at \$104 per hour, \$260.00).

MSRs Account 7001

Table with 3 columns: Description, Hours, and Amount. Row includes GIS Analyst (5.5 hours at \$58 per hour, \$319.00).

SOI Updates Acct 7501

Table with 3 columns: Description, Hours, and Amount. Rows include Analyst, Colette Metz (2.5 hours at \$78 per hour, \$218.40) and Service Specialist (17 hours at \$58 per hour, \$986.00).

Application - City of Ukiah SOI Reduction Acct 8008

Table with 3 columns: Description, Hours, and Amount. Row includes Service Specialist (3 hours at \$58 per hour, \$174.00).

Application - City of Ukiah SOI Reduction (EIR) Acct 8015

Table with 3 columns: Description, Hours, and Amount. Rows include Executive Officer, George Williamson (1 hour at \$104 per hour, \$104.00) and Service Specialist (1 hour at \$58 per hour, \$58.00).

CSDA Training Coordination Acct 9000

Table with 3 columns: Description, Hours, and Amount. Row includes Analyst, Colette Metz (0.5 hours at \$78 per hour, \$39.00).

Basic Services/Administration

Prepared and posted agenda and packet materials and updated website. Coordinated meeting packet preparations, and staffed January 2016 commission meeting. Transcribed and reviewed draft January meeting minutes for review at February meeting. Prepared letter to former staff as directed by commission in closed session. Staffed office in January. Prepared January meeting agenda and staff reports for posting to website. Compiled claims for payment in February. Staffed January Executive Committee meeting and compiled minutes. Responded to inquiries from member organizations and property owners on potential annexations and changes in organization.

**Other Services**

Compiled claims for commissioner review and approval at February meeting. Entered claims into QuickBooks and prepared checks for claims to be authorized at February 2016 meeting. Reviewed letter of engagement from Pehling and Pehling for FY 2014-15 audit.

**Municipal Service Reviews**

Continued work on MSR Updates for City of Fort Bragg, Brooktrails Township CSD, Mendocino City CSD, Mendocino Coast Recreation and Park District, Mendocino City, Covelo CSD, Fort Bragg Rural FPD, and Redwood Coast FPD.

**Sphere of Influence Updates/**

Presented Final Draft SOI Updates for January 2016 hearing based on commission review and agency input for Gualala CSD. All SOIs adopted by Commission. Incorporated Commission comments into an adopted version for LAFCo records.

Prepared SOI hearing draft versions for Calpella County Water District and Redwood Valley County Water District.

Prepared SOI workshop draft versions for Potter Valley Irrigation District and Hopland Public Utility District.

Continued to coordinate staff level reviews for the following agencies, Redwood Valley CWD, Willow CWD, Millview CWD; Calpella County Water District, Hopland PUD, Potter Valley Irrigation District.

Continued review of SOI update for Round Valley CWD and provided outreach to Round Valley Tribes.

**Applications**

**8008 - City of Ukiah SOI Reduction**

Final Cost Accounting following City requests to withdraw application and preparing cost accounting.

**8015 - City of Ukiah SOI Reduction (EIR)**

Final Cost Accounting following City requests to withdraw application and preparing cost accounting.

**CSDA Training Coordination**

Staff continued working with California Special Districts Association (CSDA) to bring one full-day workshop and three part-day workshops in 2016. CSDA distributed the interest survey to special districts by e-mail with Commission review and survey content approval.

# Invoice

To: Planwest Partners  
on behalf of Mendocino LAFCo

## Invoice Detail for Elizabeth Salomone

### Hours

<u>Date</u>	<b>5302</b> Contract Services	<b>7000</b> MSR Updates	<u>Total Hours</u>
12/29/2015	4.00		4.00
12/30/2015	2.25	0.75	3.00
12/31/2015	3.25	1.00	4.25
1/4/2016	5.00		5.00
1/5/2016	4.50		4.50
1/6/2016	1.00		1.00
1/7/2016	4.00		4.00
1/12/2016	4.50		4.50
1/13/2016	0.50		0.50
1/14/2016	4.00	0.50	4.50
1/19/2016	4.00		4.00
1/21/2016	4.25		4.25
1/22/2016	4.00		4.00
1/26/2015	4.25		4.25
<hr/>			
	49.50	2.25	51.75
	\$ 1,732.50	\$ 78.75	\$ 1,811.25
<hr/>			
<b>Total Amount Due</b>			<b>\$ 1,811.25</b>

**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:

1/15/2016

*Payment due by the 15th of next month*

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

**Professional Services**

	<u>Hours</u>
12/17/2015 PSB Review agenda; Telephone call to George Williamson.	0.65
12/18/2015 PSB Review Executive Committee documents; Barracco contract; Conference with Executive Committee	0.85
12/29/2015 PSB Review email from Coleen: Research and email re Brown Act.	0.75
1/4/2016 PSB Review documents; Conference with commission re: Barracco contract.	1.00
1/8/2016 PSB Review and respond to letter to Barracco; Review and respond to letter re: Tribal lands.	1.30
SUBTOTAL:	[ 4.55 ]

	<u>Amount</u>
<b>Total Professional Hours</b>	4.55
Per Representation Agreement, flat fee of \$500/month.	\$500.00
<b>Previous balance</b>	\$500.00

**Payments and Credit Activity**

1/8/2016 Payment - Thank You. Check No. 1099	(\$500.00)
<b>Total payments and adjustments</b>	(\$500.00)

CLIENT CODE: MENDO-01

Amount

***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!*

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# 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

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**DATE:** January 25, 2016  
**TO:** City of Ukiah  
c/o Charley Stump, Planning Director  
**FROM:** George Williamson AICP, Executive Officer  
**SUBJECT:** **City of Ukiah Sphere of Influence Reduction (Account 8008) and Environmental Impact Report (Account 8015) Final Cost Accounting and Summary**

### Account 8008 – SOI Reduction

Processing the Sphere of Influence (SOI) Reduction application in Fiscal Year 2014-2015 for Account 8008 incurred expenses in the amount of \$3,693.75 at year end. A deposit of \$5,000 was received on August 6, 2015. Total expenses incurred through January 2016 for Fiscal Year 2015-2016 are \$1,569.00. The balance for Account 8008 is -\$262.75.

The reduction application was withdrawn by the City of Ukiah on December 16, 2015.

### Account 8015 – SOI Reduction Environmental Impact Report

A separate account, Account 8015, was set up for the City of Ukiah SOI Reduction Environmental Impact Report (EIR). A deposit of \$20,000 was received on September 10, 2015. The total cost through January 2016 for processing the EIR is \$12,462.44 for Account 8015, with a remaining balance of \$7,537.56.

A balance of \$7,274.81 remains for Accounts 8008 and 8015 combined.

LAFCo policy is full cost recovery for application processing activities, which includes application review, analysis, report preparation, and hearing. Below is an accounting of LAFCo expenses.

Acct 8008	Description	Cost
FY 2014-15	Ukiah SOI Reduction Account 8008 had a starting negative balance of \$3,693.75 due to prior year charges exceeding deposits.. Additional deposit was requested.	-\$3,693.75
July 2015	<b>Planwest:</b> Sent EIR RFP to city staff and legal counsel for review prior to distribution. Responded to multiple consultant inquiries on EIR preparation request for proposal (RFP) for City of Ukiah SOI Reduction. Posted RFP and support materials to website. Published RFP availability in Ukiah Daily Journal. Prepared responses to Public Record Act request by UVSD. <b>Legal:</b> Assist EO in responding to PRA Request form UVSD re: SOI Update and UVSD detachment; Research. Review proposals; Email to George Williamson; Email from George Williamson.	\$927.00
Aug 2015	<b>Planwest:</b> 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. <b>\$5,000.00 Deposit Received August 6, 2015 for Account 8008</b>	\$104.00
Dec 2015	<b>Planwest:</b> Received City request to withdraw application pending City General Plan Update, preparing cost accounting as requested by the City.	\$364.00



<b>Jan 2016</b>	Final Cost Accounting based on the City's withdrawal of the account.	\$174.00
Acct 8008		

<b>FY 2014-15 Starting Balance</b>	<b>-\$3,693.75</b>
<b>8008 Deposit Total</b>	<b>\$5,000.00</b>
<b>FY 2015-16 Expenses</b>	<b><u>-\$1,569.00</u></b>
<b>8008 Net Balance</b>	<b>-\$262.75</b>

<b>Acct 8015</b>	<b>Description</b>	<b>Cost</b>
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<b>Sept 2015</b>	<p><b>Planwest:</b> Met with selected consultant LACO Associates for Draft EIR startup meeting. Reviewed prior environmental documents including City General Plan and Ukiah Valley Area Plan.</p> <p><b>Engineer:</b> Project Management &amp; Client Communications. Project Initiation Meeting</p> <p><b>\$20,000.00 Deposit Received September 10, 2015 for Account 8015</b></p>	\$3,764.05
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<b>Oct 2015</b>	<p><b>Planwest:</b> Attended startup meeting with LACO Associates for Draft EIR startup meeting. Reviewed scope for reduced SOI analysis in relation to prior environmental documents including City General Plan and Ukiah Valley Area Plan. At applicant's request, advised consultant to stop work on project.</p> <p><b>Engineer:</b> Project Management &amp; Client Communications, Project Initiation Meeting, Draft Project Description/PEIR Outline, Notice of Preparation &amp; Scoping Meeting, Prepare Admin Draft PEIR: Impact Evaluation I Environmental Issues.</p>	\$8,249.64
-----------------	--	------------

<b>Dec 2015</b>	<b>Legal:</b> Telephone call from Ukiah City Attorney re: SOI, Telephone call from Sharp re: status; Telephone call from George Williamson, Review letter from UVSD Attorney.	\$286.75
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<b>Jan 2016</b>	Final Cost Accounting based on the City's withdrawal of the account.	\$162.00
Acct 8015		

<b>8015 Deposit Total</b>	<b>\$20,000.00</b>
<b>FY 2015-16 Expenses</b>	<b><u>-\$12,462.44</u></b>
<b>8015 Net Balance</b>	<b>\$7,537.56</b>

<b>8008 Net Balance</b>	<b>-\$262.75</b>
<b>8015 Net Balance</b>	<b><u>\$7,537.56</u></b>
<b>TOTAL REFUND AMOUNT</b>	<b>\$7,274.81</b>

A total deposit refund amount of \$7,274.81 will be remitted to the City of Ukiah for unexpended funds in Accounts 8008 and 8015, combined.

Should you have any questions, please don't hesitate to contact Mendocino LAFCo staff at 707-463-4470.

**Mendocino Local Agency Formation Commission  
City of Ukiah SOI Reduction & EIR Application Deposits/Expenses Track**

**Applications**

Task	Account #	End FY 14-15 Standing	FY 15-16 Deposits	July	Aug **	Sept ***	October	November	December	January	FY 15-16 Total Expenses	Remaining Deposit
City of Ukiah SOI Reduction Total	8008	(3,693.75)	5,000.00	(927.00)	(104.00)				(364.00)	(174.00)	(1,569.00)	(262.75)
	Planwest			(520.00)	(104.00)				(364.00)	(174.00)		
	Legal			(407.00)								
City of Ukiah SOI (EIR) Total	8015		20,000.00			(3,764.05)	(8,249.64)		(286.75)	(162.00)	(12,462.44)	7,537.56
	Planwest					(520.00)	(520.00)			(162.00)		
	Legal								(286.75)			
	Engineer/Sub					(3,244.05)	(7,729.64)					
<b>Total Remaining Deposit</b>											<b>7,274.81</b>	

\* Acct 8008 - August 6, 2015 - Received \$5,000.00 deposit

\*\* Acct 8015 - September 10, 2015 Set up new EIR account - Received \$20,000.00 deposit check

# Pehling & Pehling, CPAs



12667 Granite Dr ■ Truckee, CA 96161

Phone: (707) 279-4259

E-mail: Zach@PehlingCPA.com

Web: www.PehlingCPA.com

Mendocino LAFCO  
200 S School St  
Ukiah, CA 95482

Invoice: 614  
Date: 12/31/2015  
Due Date: 12/31/2015

For professional service rendered as follows:

Deposit for Audit Services 14/15	1,550.00
Balance Due 13/14	1,475.00
	<hr/>
Deposit Due	\$3,025.00
Invoice Total	\$3,025.00
	<hr/>
Beginning Balance	\$0.00
Invoices	3,025.00
Receipts	0.00
Adjustments	0.00
Service Charges	0.00
	<hr/>
Amount Due	\$3,025.00
	<hr/>

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Please return this portion with payment.  
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Please mail payment to the following address:

12667 Granite Dr  
Truckee, CA 96161

Invoice: 614  
Date: 12/31/2015  
Due Date: 12/31/2015

ID: MLAFCO  
Mendocino LAFCO

Amount Due: \$3,025.00  
Amount Enclosed: \$\_\_\_\_\_

**MENDOCINO  
Local Agency Formation Commission**

**Staff Report**

DATE: February 1, 2016  
TO: Mendocino Local Agency Formation Commission  
FROM: George Williamson, Executive Officer  
SUBJECT: Monthly Financial Report

---

**Application Revenues:**

Payments received in January for Application Deposits: NONE

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

**Other Deposits:**

NONE

**Budgeted Expenses:**

Attached is the updated budget track form with budget items, account numbers, and amounts for FY 2015-16 through January 2016. The January claims are also itemized in Agenda Item 2.

**Petty Cash:**

Office Supplies: NONE

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

Attachments: Budget Track Spreadsheet  
Application Track Spreadsheet

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

Task	Account #	FY 15-16 Budget/Depts	July	August	Sept.	Oct.	Nov.	Dec.	Jan.	Year to Date	Remaining Budget*
<b>Contract Services - Basic Services</b>		<b>\$59,000.00</b>									
Basic Services - EO/Analyst/GIS	5300	\$41,000.00	\$5,213.00	\$4,819.00	\$4,270.00	\$6,532.00	\$5,303.00	\$4,478.00	\$1,979.00	\$32,594.00	\$8,406.00
Basic Services - Clerk	5300	\$18,000.00	\$1,216.25	\$1,837.50	\$1,251.25	\$1,540.00	\$1,715.00	\$1,461.25	\$1,732.50	\$10,753.75	\$7,246.25
<b>Other Expenses</b>		<b>\$46,235.00</b>									
Rent	5500	\$4,860.00									
Office Space	5502	\$4,500.00	\$375.00	\$375.00	\$375.00	\$375.00	\$375.00	\$400.00	\$400.00	\$2,675.00	\$1,825.00
Work Room	5503	\$360.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$210.00	\$150.00
Office Expenses	5600	\$2,800.00									
Office Supplies (petty cash)	5601	\$900.00	\$135.39	\$27.02	\$0.00	\$188.59	\$0.00	\$0.00	\$0.00	\$351.00	\$549.00
Photocopy	5603	\$1,200.00	\$104.40	\$16.10	\$105.50	\$299.79	\$6.80	\$172.20	\$87.96	\$792.75	\$407.25
Postage	5605	\$700.00	\$11.76	\$0.97	\$4.59	\$37.64	\$8.67	\$1.46		\$65.09	\$634.91
Office Equipment	5607	\$0.00								\$0.00	\$0.00
Internet & Website Costs	5700	\$1,056.00				\$45.54				\$45.54	\$1,010.46
Publication & Legal Notices	5900	\$3,100.00		\$261.45			\$225.57	\$213.18		\$700.20	\$2,399.80
Televising Meetings	6000	\$2,112.00	\$380.00							\$380.00	\$1,732.00
Audit Services	6100	\$3,000.00							\$3,025.00	\$3,025.00	-\$25.00
Bookkeeping	6200	\$4,100.00	\$416.00	\$416.00	\$520.00	\$520.00	\$312.00	\$312.00	\$260.00	\$2,756.00	\$1,344.00
Legal Counsel (S Browne)	6300	\$6,000.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$3,500.00	\$2,500.00
A-87 Costs County Services	6400	\$3,000.00								\$0.00	\$3,000.00
Insurance - General Liability	6500	\$1,200.00								\$0.00	\$1,200.00
Memberships (CALAFCO/CSDA)	6600	\$2,100.00				\$1,156.00				\$1,156.00	\$944.00
In-County Travel & Stipends	6740	\$4,300.00						\$855.63	\$855.63	\$855.63	\$3,444.37
Travel & Lodging Expenses	6750	\$5,000.00			\$1,307.08		\$179.50			\$1,486.58	\$3,513.42
Conferences (Registrations)	6800	\$3,000.00	\$1,796.00				\$80.12			\$1,876.12	\$1,123.88
Special District Training Support	9000	\$12,000.00					\$338.00	\$78.00	\$39.00	\$455.00	\$11,545.00
<b>MSR &amp; SOI Updates</b>		<b>\$34,000.00</b>									
MSR Reviews - Admin	7001	\$5,000.00						\$1,450.00	\$319.00	\$1,769.00	\$3,231.00
SOI Updates	7501	\$29,000.00	\$5,457.00	\$4,930.00	\$4,350.00	\$6,066.00	\$4,470.00	\$6,966.00	\$1,181.00	\$27,150.00	\$1,850.00
<b>FY 2013-14 MSRs Finalization</b>		<b>\$6,300 * Expenses</b>									
Barraco & Associates **	7000	\$6,300.00						\$306.25	\$78.75	\$385.00	\$5,915.00
<b>Monthly/ Year to Date Totals</b>		<b>\$15,634.80</b>	<b>\$13,213.04</b>	<b>\$12,713.42</b>	<b>\$17,290.56</b>	<b>\$10,098.34</b>	<b>\$13,543.66</b>	<b>\$10,487.84</b>	<b>\$92,981.66</b>		

\* Amount remaining reflects prior year charges

\*\* Amount reflects balance from prior year contract

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

Act 8000: Application Revenues tracked separately

**Mendocino Local Agency Formation Commission  
FY 2015-16 Applications Deposits/Expenses Track - Through January 26 2015**

**Applications**

Task	Account #	FY 14-15 Standing	FY 15-16 Deposits	July	Aug **/**	Sept ***	October	November	December	January	FY 15-16 Total Expenses
City of Ukiah SOI Reduction	8008	(3,693.75)	5,000.00	(927.00)	(104.00)				(364.00)	(174.00)	(1,569.00)
Planwest				(520.00)					(364.00)	(174.00)	
Legal				(407.00)							
Irish Beach WD Detachment	8009	1,808.00			(182.00)	(832.00)	(312.00)		(156.00)		(1,482.00)
Irish Beach WD Moores Annex	8001	839.44									-
City of Ukiah UVSD Detachment	8010	1,532.75									-
RRFC/RVWD Reorganization	8014	(624.00)	624.00								-
City of Ukiah SOI (EIR)	8015		20,000.00			(3,764.05)	(8,249.64)		(286.75)	(162.00)	(12,462.44)
Planwest						(520.00)	(520.00)			(162.00)	
Legal											
Engineer/Sub						(3,244.05)	(7,729.64)		(286.75)		

\* Acct 8008 - City of Ukiah SOI - **August** - Received \$5,000.00 deposit

\*\* Acct 8014 - RRVC/RVWD - **August** Received \$312.00 deposit checks (final payment) from each totalling \$624.00

\*\*\* Acct 8015- City of Ukiah SOI (EIR) - **September** Set up new account - Received a deposit check \$20,000.00

Note: Fort Bragg FDP Detachment still outstanding \$7,452.37

# MENDOCINO Local Agency Formation Commission

## Staff Report

DATE: February 1, 2016  
TO: Mendocino Local Agency Formation Commission  
FROM: George Williamson, Executive Officer  
SUBJECT: **Public Hearing** for Calpella County Water District Sphere of Influence Update

---

### Background

This is a public hearing item to consider a reduction of the Calpella County Water District's (CWD) sphere of influence (SOI). The Commission reviewed the draft SOI Update at a public workshop in January. Comments and revisions made to the document subsequent to the January workshop are highlighted in track changes.

Calpella CWD provides water and wastewater services to the community of Calpella in the Ukiah Valley. The District was a part of the 2013 Ukiah Valley MSR. The MSR includes recommendations for consolidating the Calpella CWD, Willow CWD, and Hopland Public Utility District (PUD) due to shared staffing and management between these agencies. It is important to note that similar staffing agreements have since been extended to the Millview CWD and Redwood Valley CWD.

Calpella CWD provides out of district water services to an area adjacent to the district boundary known as the Central Avenue Area. This Out of District Service Area has been receiving water services since 2000 and is within the District's current SOI, which includes other areas not currently receiving services beyond the Out of District Service Area. Similar to other water providers in this region, the District is under a moratorium for new water service hook ups. Water supply for Ukiah Valley residents continues to be a regional concern.

Considering the current SOI includes areas not currently served by the Calpella CWD, a sphere of influence amendment (reduction) is proposed to include only those areas within the Out of District Service Area and District boundary. A reduced SOI would allow the District to consider annexing their Out of District Service Area in the future.

### Recommendation

Staff recommends the Commission adopt Resolution No. 15-16-11 (attachment 2), thereby approving a sphere of influence amendment (reduction) for the Calpella County Water District to include only those areas within the Out of District Service Area and District boundary.

Attachments: 1) Calpella CWD SOI Update Hearing Draft  
2) LAFCo Resolution No. 15-16-11  
3) Proof of Publications  
- Notice of hearing for budget amendment and SOI updates in Fort Bragg  
- Notice of hearing for budget amendment and SOI updates in Ukiah  
- Notice of hearing for budget amendment and SOI updates in Willits

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

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

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**CALPELLA COUNTY WATER DISTRICT**  
**SPHERE OF INFLUENCE UPDATE**

Prepared in accordance with Government Code §56425

**Update Dates**

Commission Review

Administrative Draft Workshop- January 2016

Draft Hearing- February 2016

Final Adoption- DATE



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The Calpella community is a census designated place. According to the 2010 census, the population within the Calpella CWD is 679. There are an estimated 272 total housing units, 253 of which are occupied. Using the conservative annual growth rate referenced in the Ukiah Valley’s Municipal Service Review (2013) of 1 percent, the expected population in 2020 would be approximately 730 people (MSR 2013). .....	7
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## **INTRODUCTION**

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### **OVERVIEW**

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

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

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

### **REVIEW PERIOD**

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

### **EVALUATION CONSIDERATIONS**

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

#### **Sphere Determinations: Mandatory Written Statements**

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1. Present and planned land uses in the area, including agricultural and open space

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  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

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  5. If the agency provides services related to water, sewer, or fire, then the present and probable need for these services by any disadvantaged unincorporated communities within the existing sphere should be considered
-

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

### **General Guidelines for Determining Spheres of Influence**

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

#### **Section 1. Spheres of Influence**

##### *Reduced Spheres*

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

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

##### *Zero Spheres*

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

##### *Service Specific Spheres*

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

##### *Agriculture and Open Space Lands*

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

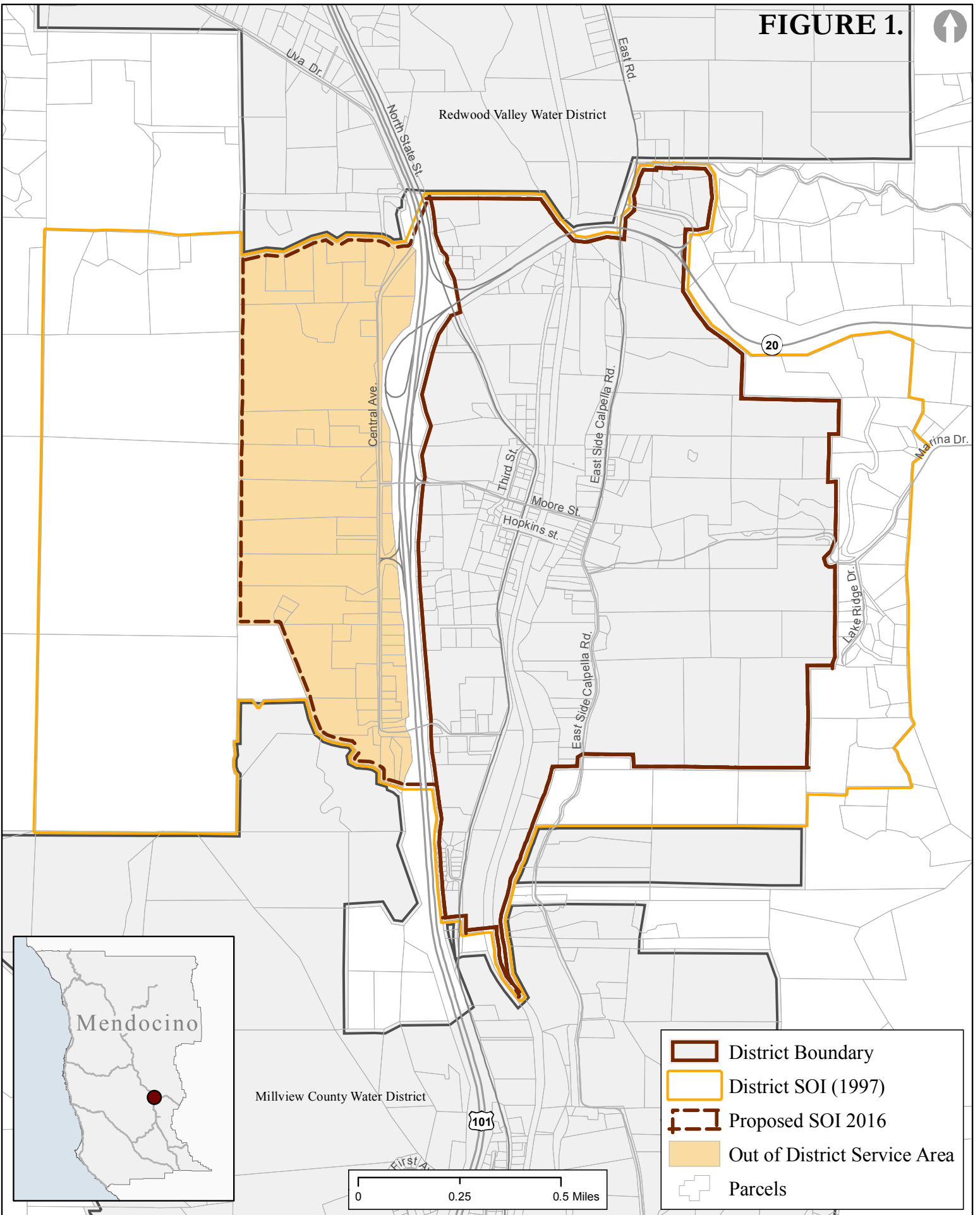
##### *Annexations are not Mandatory*

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

##### *Islands or Corridors*

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

FIGURE 1.



# Calpella County Water District

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

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

Path: D:\Planwest\_GIS\projects\current\Mendocino\_LAFCo\Water\_Districts\mapdocs\Calpella\_Water\_District.mxd

## OVERVIEW

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### CURRENT AGENCY OPERATIONS

The Calpella County Water District provides water and wastewater services to the community of Calpella. The District operates a wastewater treatment plant which serves 103 wastewater connections. It contracts with Willow County Water District (CWD) for staffing and office services. A five-member board governs the District (MSR 2013). The District is currently under a moratorium for new water service connections due to a lack of water availability for any new customers (District General Manager, August, 2015).

### BACKGROUND

Calpella CWD was formed in 1955 under the County Water District Law. It provides water and wastewater service to an area east of Highway 101 and directly south of California State Route 20. Additionally, it provides out of district water services to an area off the Central Avenue corridor west of Highway 101. In total, the Calpella CWD serves an area of approximately 1,297 acres (MSR 2013).

### MUNICIPAL SERVICE REVIEW

In 2012/13, LAFCo prepared the *Ukiah Valley Special Districts Municipal Service Review* (MSR) to consider services provided by Ukiah Valley special districts and identify opportunities for more effective and efficient provision of services. MSRs are a prerequisite for establishing, amending, or updating spheres of influence. As such, much of the information contained herein comes directly from the Ukiah Valley Special Districts MSR, accepted by the Commission on May 8, 2013. The MSR includes recommendations for consolidating the Calpella CWD, Willow CWD, and Hopland Public Utility District (PUD) due to shared staffing and management between these agencies. It is important to note that management agreements have also since been extended to Millview CWD and the Redwood Valley CWD.

### SPHERE OF INFLUENCE

The Calpella CWD's current boundary and SOI are shown in Figure 1. The current SOI is larger than the District's boundary and was last amended by LAFCo in 1997 as part of the Southwest Annexation (Resolution No. 97-07). The Out of District Service Area discussed below is included within the District's adopted sphere. The District's existing SOI, out of district services, and boundary will be considered as a part of this SOI update.

#### Out of Area Service

Through a 2000 Out of Area Service Agreement the District provides water for non-agricultural uses to an area external to its boundaries. This area is known herein as the Out of District Service Area. (Out of District Service Area). It consists of 46 parcels and approximately 233 acres, and there are 30 residential water connections in the area. The District indicated in their MSR questionnaire that they would like to pursue annexation of this area into their district.

### DISADVANTAGED UNINCORPORATED COMMUNITIES

LAFCo is required to evaluate disadvantaged unincorporated communities (DUCs) as part of a SOI review, including "...the present and probable need for those public facilities and services of any

DUCs within the existing sphere of influence” (GC §56425). A DUC is defined as any area with 12 or more registered voters where the median household income (MHI) is less than 80 percent of the statewide MHI. Within a DUC, three basic services are evaluated: water, sewage, and fire protection. Calpella CWD provides water and wastewater services, and is therefore only responsible for assuring that these services are adequately provided to communities.

The 2013 MSR estimates Calpella’s median household income to be \$53,725, which is 93% of the California Median Household Income of \$57,708 (MSR 2013. pp. 3-5). Therefore, Calpella is not considered to be a DUC. The communities of Redwood Valley to the north and Hopland to the south neighbor the District. Of these, only Hopland meets the definition of a disadvantaged unincorporated community. The Hopland community receives municipal services from the Hopland Public Utility District, which provides water and wastewater services, and from the Hopland Fire Protection District which provides fire suppression (MSR 2013 pp. 3-5).

## **POPULATION AND LAND USE**

### **Population and Growth**

The Calpella community is a census designated place. According to the 2010 census, the population within the Calpella CWD is 679. There are an estimated 272 total housing units, 253 of which are occupied. Using the conservative annual growth rate referenced in the Ukiah Valley’s Municipal Service Review (2013) of 1 percent, the expected population in 2020 would be approximately 730 people (MSR 2013).

### **Land Use and Development**

The primary land uses within the District are Agricultural and Rural Residential, with a majority Rural Residential<sup>1</sup>. The District also contains a fair amount of Industrial and Suburban Residential designated land, the latter being mostly unimproved. See Land Use Map in Appendix A.

The Rural Residential classification is intended to encourage local small scale food production (farming) in areas which are not well suited for large scale commercial agriculture, defined by present or potential use. The Rural Residential classification is not intended to be a growth area and residences should be located as to create minimal impact on agricultural viability. The Agricultural Lands classification is intended to be applied to lands which are suited for and are appropriately retained for production of crops. As such, little population growth can be expected within either of these designations, which make up the majority of the land within the district.

The Suburban Residential land appears to be largely undeveloped, and could represent an area of significant population growth within the district. This growth is limited by the need for public services and the current moratorium on new water service hookups.

The western portion of Calpella CWD’s SOI (external to District boundaries) contains resource lands and Rural Residential lands. The Out of District Service Area is within this region, and the primary land use designation of properties served is Agricultural, with some Rural Residential. The Rural Residential properties all appear to be improved, so little additional demand may be expected for water services. The eastern portion of the SOI (external to District boundaries) is entirely

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<sup>1</sup> All land use designation information from Mendocino County GIS Parcel Information Layer. October, 2014.

designated as rural residential. The western portion of the SOI is primarily designated as range or agricultural lands.

**CAPACITY AND SERVICE**

Calpella CWD has contracted office space and staff services with the Willow CWD since 1993. The Calpella CWD contracts the general manager, office personnel, and maintenance staff of Willow CWD.

**Water**

The District owns and operates a public water system with more than two miles of pipeline and infrastructure, booster stations and multiple storage tanks. The District’s water supply comes from a combination of groundwater and surface water. Surface water is purchased from the Russian River Flood Control and Water Conservation Improvement District (RRFC), which is then transported via the Millview CWD (MSR 2013). Surface water treatment and transport services are provided on a continuing basis by Millview CWD.

The 2013 MSR reports a demand increase from approximately 100 acre feet (AFY) in 2000 to 120 AF in 2006. Well production is reported as fairly consistent at 30 to 40 AFY and the District has a contract for 101 AFY from RRFC. The maximum the Calpella CWD can supply is 140 AFY. The well water extracted accounts for approximately 30 percent of demand, and imported water provides the remaining water needed (MSR 2013). See the table below for the District’s 2013 flow data.

Table 1. Calpella CWD Flow Rates

<b>Calpella CWD Updated Flow Data Based on Calendar Year 2013</b>	
	ac/ft.
Maximum daily water demand	0.51
Maximum daily production	0.55
Contract water from RRFC	101
Well	33.3
<b>Total annual water supply</b>	134.3
<b>Annual water demand</b>	99.27

Information in the table was submitted by the District General Manager, December 2015.

The District maintains two storage tanks. One has a capacity of 250,000 gallons, built in 2001, while the other has the capacity of 50,000 gallons. The 250,000-gallon facility was at 83-percent capacity, while the 50,000-gallon facility was at 17 percent capacity in 2006. The storage facilities provide a three-day supply for average daily demand and a two-day supply based on maximum daily demand (MSR 2013).

Calpella CWD has sufficient infrastructure capacity but lacks additional water capacity. According to the MSR (2013), the District will have an insufficient water supply to meet future demands with current pump capacity and current purchase contracts from RRFC. Calpella CWD is currently under a moratorium for new service hookups because the District currently does not have water available for any new customers. Multiple agencies in the Ukiah Valley are under a moratorium for extending

new water services (2013 MSR, 1-1). It is important to note the District reports that it has a reliable water supply for its current customers, including the Out of District Service Area (General Manager, August 2015).

### **Wastewater**

The Calpella CWD provides wastewater services to a total of 103 units all of which are in District boundaries. Calpella CWD operates a wastewater treatment plant. The wastewater system was upgraded in 2004 and has additional treatment capacity that can accommodate up to 1,000 residents, about 300 more than the current population.

### **Relevant Local Agencies and Communities of Interest**

The Calpella CWD works closely with other special districts and lies within proximity to multiple other agencies. It is located within the Redwood Valley/Calpella Fire District, which provides fire protection services.

Willow CWD provides staffing for Calpella CWD through a management contract. The contract provides for what can be considered a functional consolidation of the district with Willow CWD. Willow CWD also contracts staffing and office facilities for Hopland PUD, Millview CWD, Redwood Valley CWD and the River Estates Mutual Water Company. (District General Manager, November 2015).

## **RELEVANT PLANNING AND SERVICE FACTORS**

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

### **County of Mendocino General Plan- Development Element (DE)**

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

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

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

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

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

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

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

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



- Encourage the development and use of innovative systems and technologies for the treatment of wastewater.

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

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

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

## UKIAH VALLEY AREA PLAN

Excerpts from the Ukiah Valley Area Plan are below. Only items relevant to this document are included.

### ***WATER MANAGEMENT***

#### **Water Distribution and Infrastructure**

Community Water Services: There are five major providers of community water services in the Ukiah Valley. The City of Ukiah serves customers within the City, while Rogina Water Company and Millview, Calpella, and Willow County Water Districts serve the unincorporated areas. All suppliers are regulated by the California Department of Health Services, and Rogina Water Company is additionally regulated by the California Public Utilities Commission. These water providers hold varying claims to water rights for current and future use.

The primary water source for water providers in the Valley is the Russian River and diversion of Eel River water with storage in Lake Mendocino. Property owners without access to the City or community systems obtain water from individual wells, springs or direct diversions of Russian River water. Some water needs are also supplied by wells that tap groundwater aquifers that are not connected to the underflow of the Russian River.

**Policy WM1.1: Maintain and increase water supplies and systems for existing and future water system needs.**

#### **WM1.1a Identify Water Sources**

Cooperate and coordinate with the City of Ukiah, LAFCO, the Water Agency, and local water districts in the provision of infrastructure and services within the Ukiah Valley.

#### **WM1.2a Groundwater Stewardship Program**

Assemble baseline information describing existing conditions of the Valley's groundwater system (quality, quantity, demand and re-supply), and develop a comprehensive groundwater protection program with specific protection and mitigation measures.

**Policy WM2.1: Strive for efficient delivery of public water services.**

#### **WM2.1a Service Evaluation**

Involve water agencies, City and agricultural water users in collaboration with LAFCO to perform mandated municipal service reviews.

**WM 2.1b Water Rights and Distribution**

Coordinate with water purveyors to actively participate in hearings and actions involving water rights and distribution of area water in order to ensure efficient and equitable use of available water rights and supplies.

***DISCUSSION***

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**Annexation**

The 2013 MSR provided the following recommendation: “Calpella CWD provides water services to the area of the Central Avenue corridor west of US 101. The District has been providing services since 2001. According to LAFCo policies, Calpella CWD should consider annexation. One concern with annexation is that the District is under a moratorium for new water service connections. Since the Calpella CWD already provides services, there would be no additional hookups that would violate the moratorium. Annexation may allow the District to collect some additional property tax revenue. Since the average of revenues and expenditures has shown a deficit in the last couple of years, the added property tax may help resolve the deficit. Should the District pursue annexation, it may have to establish two zones of services. One zone would provide water and sewer. The other zone would provide water only” (MSR 2013).

**Consolidation**

The 2013 MSR provided the following recommendation: “Willow CWD has management agreements with both Calpella CWD and Hopland PUD whereby Willow CWD provides office space, administrative staff, and field staff for the two districts. Both Calpella and Hopland have no employees, so the management agreements represent a functional consolidation of the three districts. Other than maintaining separate boards of directors, Calpella CWD and HPUD are essentially one with Willow CWD. Given this arrangement, the Districts should consider consolidation so that policies and service delivery are consistent. The three districts have not yet consolidated because they desire to maintain community identity. Although having separate districts is one way to maintain identity, other ways include community advisory councils that would be made up of concerned residents of Calpella and Hopland. Community advisory councils would be able to focus on their respective communities and have standing with the board of directors. Other options include establishing districts so that representation on the board would be sure to include residents of Calpella and Hopland. Nevertheless, the three districts should evaluate the options” (MSR 2013).

As of November 2015, WCWD now also has management agreements with Millview CWD and Redwood Valley CWD, further functionally consolidating the region’s water service providers.

**Water Supply**

Water availability has long been an issue in the Ukiah Valley and is a likely constraint to future development in the Valley, further complicated by legal, environmental, political and socioeconomic issues (UVAP 2011). In the MSR process the District identified water supply demand stemming from growth in the Ukiah Valley as a key issue for ensuring adequate future service to Valley

customers. Three of the five county water districts in the area (including Calpella CWD) have state imposed water connection moratoriums (MSR 2013).

As discussed above, for the past 15 years the District has been involved in an agency water works agreement. The agreement allows this small district to participate in cost sharing with the other agencies to provide a higher level of service than would otherwise be possible. However, this functional consolidation will not resolve any of the limited water supply issues for the agencies served by the Ukiah-Valley-Russian River watershed (General Manager, 2012 MSR Questionnaire).

Opportunities to help alleviate the Ukiah Valley water supply issues ~~may should~~ be considered further at the regional level by LAFCO.

### **Sphere of Influence**

The District has long provided service to the Out of District Service Area. This Area is within the District's current SOI, and present services provided warrant the continued inclusion of it in the District's updated SOI. The current SOI includes other areas beyond the Out of District Service Area. Given the District's water moratorium on new service hookups and that no services are provided to these other areas, an updated sphere of influence should exclude these areas.

## ***ANALYSIS***

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

### **1.) Present and Planned Land Use**

The primary land use designations of the Out of District Service Area properties served are Agricultural and Rural Residential. The District provides water to these properties for non-agricultural uses.

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

Calpella CWD has provided services to the Out of District Service Area since 2000. This precedent indicates a continued need for services within the Area and warrants inclusion within the updated SOI.

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

The District does not have supply capacity for additional connections, however, the Out of District service Area already receives service, and the District has demonstrated a capability to serve the area.

### **4.) Social and Economic Communities of Interest**

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

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

Calpella CWD is not considered a DUC, nor are there any DUCs within the vicinity of Calpella CWD which have been identified that should be considered for service by the District.

## ***CONCLUSION***

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Given that the Out of District Service Area receives water services from Calpella CWD and is within the current SOI, this area should be included in the updated SOI. The updated SOI will *only* include the Out of District Service Area and lands that are already within LAFCo approved District boundaries. Territory external to the areas served within the existing SOI are to be removed. See Proposed SOI in Figure 1.

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

## ***REFERENCES***

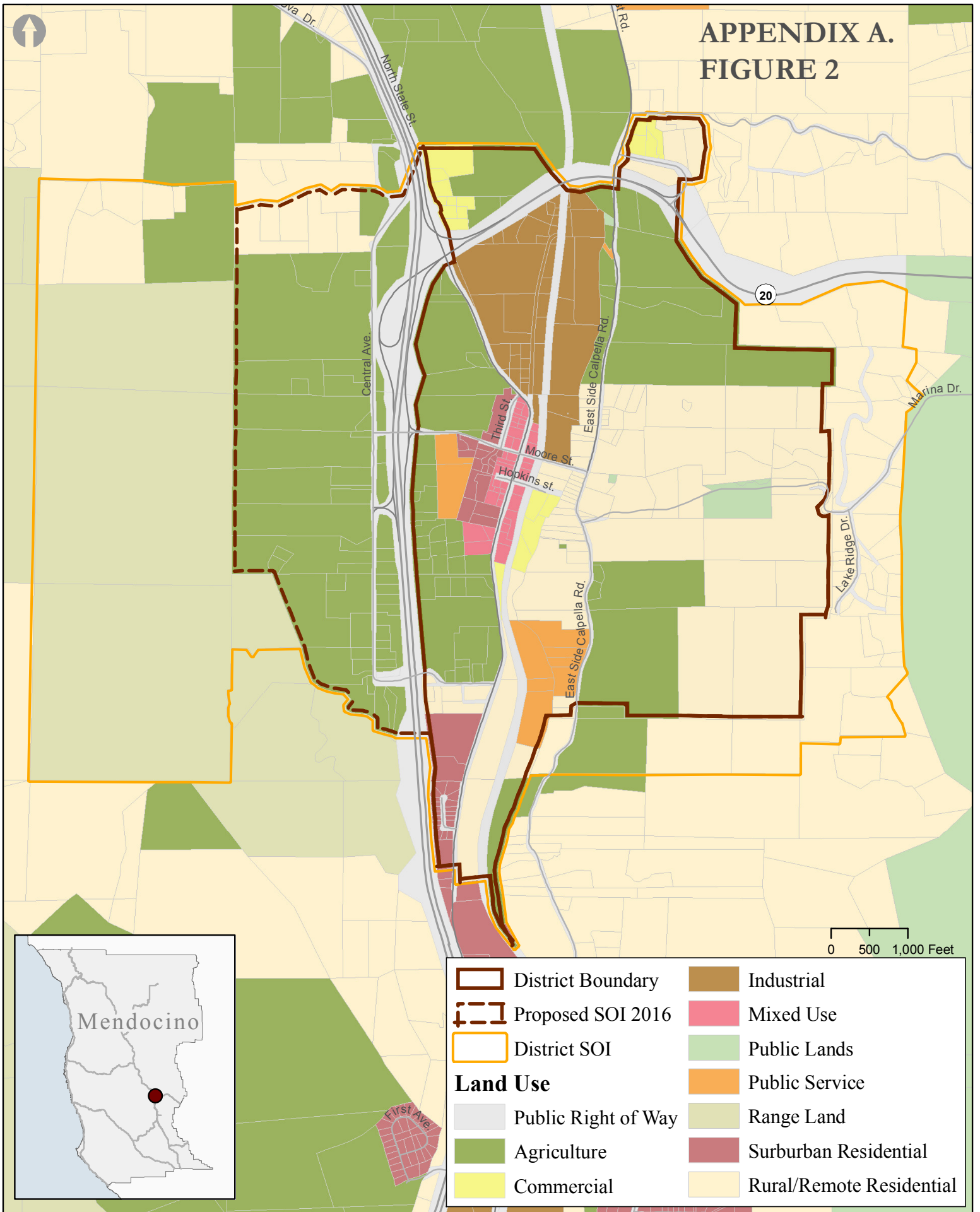
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Mendocino LAFCo, 2004 Policies and Procedures, Chapter 5- Policies That May Apply for Some Applicants, D. Sphere of Influence.

(UVAP 2011) Mendocino County. Ukiah Valley Area Plan, August 2011.  
<http://www.co.mendocino.ca.us/planning/UVAP.htm>

Ukiah Valley Municipal Service Review, 2013. LAFCO of Mendocino County. May 6, 2013. E Mulberg & Associates

# APPENDIX A. FIGURE 2



	District Boundary		Industrial
	Proposed SOI 2016		Mixed Use
	District SOI		Public Lands
<b>Land Use</b>			Public Service
	Public Right of Way		Range Land
	Agriculture		Suburban Residential
	Commercial		Rural/Remote Residential



## Calpella County Water District Landuse Designations

Sources: Boundaries - Mendocino County CDSD, Roads - US Census TIGER.

Packet Page 37

Prepared for Mendocino  
LAFCo by:  
**PLANWEST**  
PARTNERS, INC.

Date: 12/17/2015

Path: D:\Planwest\_GIS\projects\current\Mendocino\_LAFCo\Water\_Districts\mapdocs\Calpella\_Water\_District\_Landuse.mxd

**MENDOCINO LOCAL AGENCY FORMATION COMMISSION**

**LAFCo Resolution No. 15-16-11**

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

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

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

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

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

WHEREAS, the Commission heard and fully considered all the evidence presented at a public hearing held on the sphere of influence update on February 1, 2016; and

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

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

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

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

BE IT FURTHER RESOLVED that the Calpella County Water District's sphere of influence is amended (reduced) to include only those areas within the Out of District Service Area and District boundary, as depicted in Exhibit "A".

The foregoing Resolution was passed and duly adopted at a regular meeting of the Mendocino Local Agency Formation Commission held on this 1<sup>st</sup> day of February, 2016, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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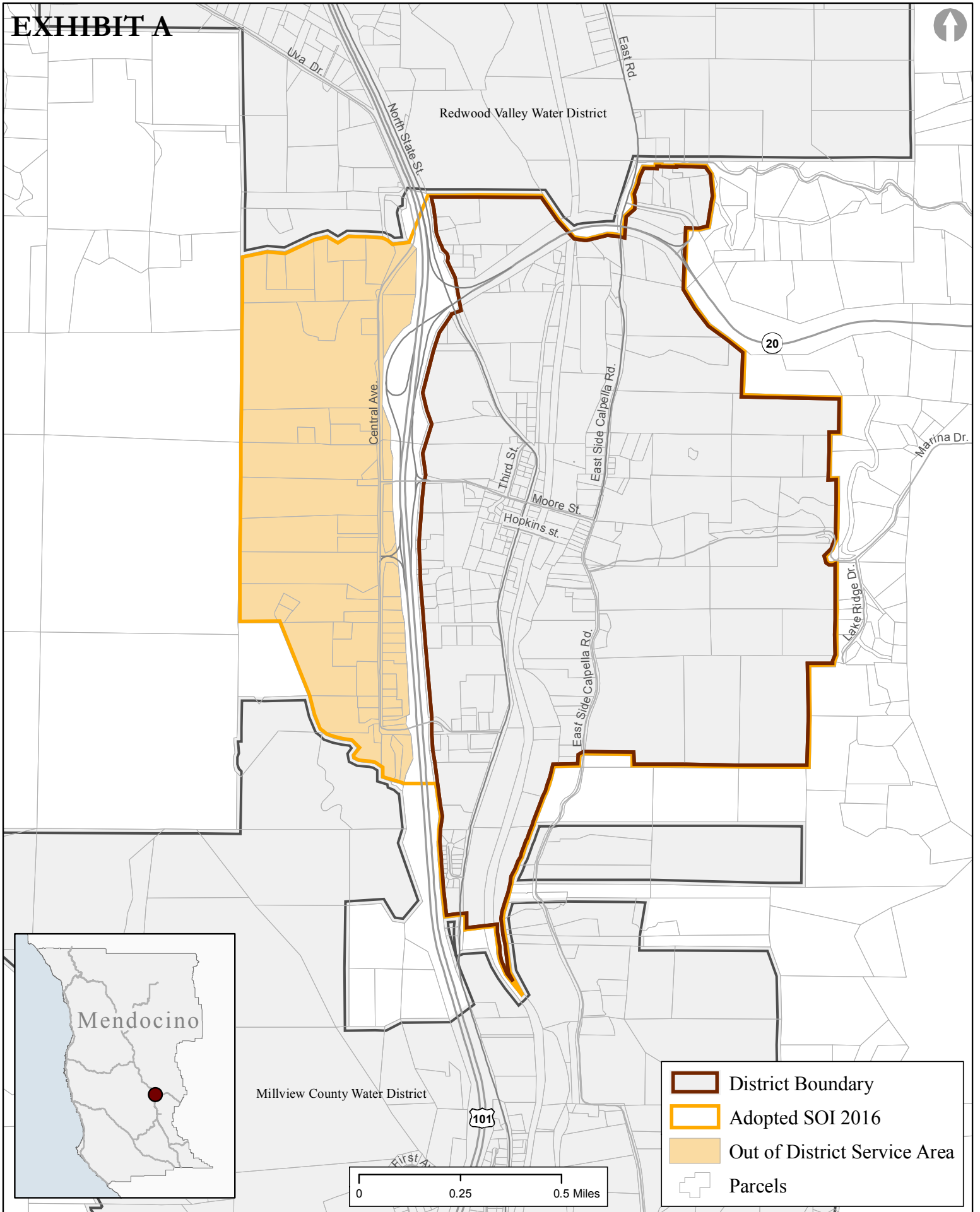
JERRY WARD, Chair

ATTEST:

---

GEORGE WILLIAMSON, Executive Officer

# EXHIBIT A



## Calpella County Water District

Prepared for **PLANWEST PARTNERS, INC.**  
Mendocino LAFCo by: Date: 1/27/2016



# MENDOCINO Local Agency Formation Commission

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

## CHAIR

Jerry Ward  
Public Member

## VICE CHAIR

Holly Madrigal  
Willits City Council

## TREASURER

Doug Hammenstrom  
Fort Bragg City Council

## MEMBERS

Dan Hansburg  
County Board  
Of Supervisors

John McCowan  
County Board  
Of Supervisors

Theresa McNeelin  
Ukiah Valley Sanitation District

Vacant  
Special District Member

## ALTERNATE MEMBERS

Caree Brown  
County Board  
Of Supervisors

Kevin Doble  
Ukiah City Council

Carol Rosenberg  
Public Member

Angela Silver  
Calpella County Water District

**Executive Officer**  
George Williamson

## COMMITTEE

Scott Browne

## ANALYST

Colene Menz

## 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

## Mendocino Local Agency Formation Commission

### NOTICE OF PUBLIC HEARING

### FY 2015-16 Budget Amendment and Executive Officer Services Contract Amendment

NOTICE IS HEREBY GIVEN that on Monday, February 1, 2016, at 9:00 AM (or as soon thereafter as the matter may be heard) in the Mendocino County Board of Supervisors Chambers, 501 Low Gap Road, Ukiah, California, the Mendocino Local Agency Formation Commission (LAFCo) will hold a public hearing to consider Amendments to the FY 2015-16 Budget and the Executive Officer Services Contract with Planwest Partners Inc.

The Approved LAFCo Budget for FY 2015-16 anticipated revenues in the amount of \$150,628 and expenditures in the amount of \$150,628 not including reimbursable application costs. The amendment proposes adjusting expenditures to the amount of \$154,310, drawing on unexpended funds without impact to reserves or current fiscal year contributions. The proposed contract amendment reflects these budget amendments.

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

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

BY ORDER OF THE MENDOCINO  
LOCAL AGENCY FORMATION COMMISSION

GEORGE WILLIAMSON, Executive Officer

Date Posted: January 11, 2016

## The Willits News

77 W Commercial Street  
PO Box 628  
Willits, CA 95490  
707-459-4643  
2117504

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

## PROOF OF PUBLICATION

## STATE OF CALIFORNIA COUNTY OF MENDOCINO

### FILE NO. WN16005

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:

01/08/2016

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

Dated at Willits, California this 8th day of January, 2016.

  
Signature



Legal No. 0005649773

WN16005

### Mendocino LAFCo Notice of Public Hearings

NOTICE IS HEREBY GIVEN that on Monday, February 1, 2016, at 9:00am (or as soon thereafter as the matter may be heard) in the Mendocino County Board of Supervisors Chambers, 501 Low Gap Road, Ukiah, CA, the Mendocino Local Agency Formation Commission will hold public hearings to consider the following: Calpella County Water District Sphere of Influence Update Redwood Valley County Water District Sphere of Influence Update Proposed FY 2015-16 Budget Amendment. Copies of all related documents are on file and may be reviewed at the LAFCo office, if you cannot attend the public hearing(s) described in this notice, you may submit written comments prior to the hearing. Please direct comments, questions, and requests to review documents to LAFCo, 200 South School Street, Ukiah, CA 95482; e-mail: [eo@mendolafco.org](mailto:eo@mendolafco.org); phone: (707) 463-4470. All interested persons are invited to attend, be heard, and participate in the hearings.

BY ORDER OF THE MENDOCINO  
LOCAL AGENCY FORMATION  
COMMISSION  
GEORGE WILLIAMSON,  
Executive Officer

Date Posted: January 11, 2016  
01/08/16

**Ukiah Daily Journal**

590 S. School St  
PO Box 749  
Ukiah, California 95482  
(707) 466-3500  
ydlegal@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:

01/08/2016

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

Dated at Ukiah, California,  
January 11th, 2016



Molly E. Morandi, LEGAL CLERK

Legal No. 00

1660-16 1-8/16

**Mendocino LAFCo Notice of  
Public Hearings**

NOTICE IS HEREBY GIVEN that on Monday, February 1, 2016, at 9:00am (or as soon thereafter as the matter may be heard) in the Mendocino County Board of Supervisors Chambers, 501 Low Gap Road, Ukiah, CA, the Mendocino Local Agency Formation Commission will hold public hearings to consider the following:

- Calpella County Water District Sphere of Influence Update
- Redwood Valley County Water District Sphere of Influence Update

Proposed FY 2015-16 Budget Amendment

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

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

BY ORDER OF THE MENDOCINO LOCAL AGENCY FORMATION COMMISSION

GEORGE WILLIAMSON, Executive Officer  
Date Posted: January 11, 2016

**Fort Bragg Advocate-News**

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200 SOUTH SCHOOL ST, STE 2  
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Legal No. 0005650294

**Mendocino  
LAFCO  
NOTICE OF  
PUBLIC  
HEARINGS**

NOTICE IS HEREBY GIVEN that on Monday, February 1, 2016, at 9:00am (or as soon thereafter as the matter may be heard) in the Mendocino County Board of Supervisors Chambers, 501 Low Gap Road, Ukiah, CA, the Mendocino Local Agency Formation Commission will hold public hearings to consider the following:

- Calpella County Water District Sphere of Influence Update
- Redwood Valley County Water District Sphere of Influence Update

Proposed FY 2015-16 Budget Amendment

Copies of all related documents are on file and may be reviewed at the LAFCo office. If you cannot attend the public hearing(s) described in this notice, you may submit written comments prior to the hearing.

Please direct comments, questions, and requests to review documents to LAFCo, 200 South School Street, Ukiah, CA 95482; e-mail: eo@mendocinolafo.org; phone: (707) 463-4470.

All interested persons are invited to attend.

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

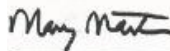
**STATE OF CALIFORNIA  
COUNTY OF MENDOCINO**

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:

01/14/2016

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

Dated at Ukiah, California,  
January 14th, 2016



Mary Martin, LEGAL CLERK

be heard, and participate in the hearings.

BY ORDER OF THE MENDOCINO LOCAL AGENCY FORMATION COMMISSION

GEORGE WILLIAMSON, Executive Officer

Date Posted: January 11, 2016  
Publish: 01/14/2016

# MENDOCINO Local Agency Formation Commission

## Staff Report

DATE: February 1, 2016  
TO: Mendocino Local Agency Formation Commission  
FROM: George Williamson, Executive Officer  
SUBJECT: **Public Hearing** for Redwood Valley County Water District Sphere of Influence Update

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### Background

This is a public hearing item to consider maintaining a coterminous sphere of influence (SOI) for the Redwood Valley County Water District (CWD). The Commission reviewed the draft SOI Update at a public workshop in January. Comments and revisions made to the document subsequent to the January workshop are highlighted in track changes. The District manager and Board have reviewed this item and support the coterminous SOI.

The District provides water services to the community of Redwood Valley, located adjacent to the Ukiah Valley. Like many providers in this region, the Redwood Valley CWD is currently under a court-ordered moratorium for domestic connections and a board-initiated moratorium for irrigation connections. Water supply for local residents continues to be a regional concern.

The District was reviewed as part of the 2013 Ukiah Valley MSR. The MSR includes recommendations for consolidating the Redwood Valley CWD with the Russian River Flood Control and Water Conservation Improvement District (RRFC). Subsequent to the completion of the MSR, both districts preliminarily explored consolidation. In November of 2015, the Redwood Valley CWD submitted a letter to LAFCo indicating the consolidation was on hold.

The Ukiah Valley MSR also included a recommendation for consolidating the Calpella CWD, Willow CWD, and Hopland Public Utility District (PUD) based on shared staffing and management agreements with Willow CWD. It is important to note that similar management agreements have since been extended to the Redwood Valley CWD and Millview CWD.

The Redwood Valley CWD does not provide out of district services and currently has a coterminous SOI. The updated SOI is proposed to remain coterminous with the District's boundary.

### Recommendation

Staff recommends the Commission adopt Resolution No. 15-16-12 (attachment 2), thereby reaffirming the existing sphere of influence for the Redwood Valley County Water District to remain coterminous with the District's boundary.

Attachments: 1) Redwood Valley CWD SOI Update Hearing Draft  
2) LAFCo Resolution No. 15-16-12

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

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

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**REDWOOD VALLEY COUNTY WATER  
DISTRICT**

**SPHERE OF INFLUENCE UPDATE**

Prepared in accordance with Government Code §56425

**Update Dates**

Commission Review

Draft Workshop- January 4, 2016

Draft Hearing- February 1, 2016

Final Adoption- DATE

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## **INTRODUCTION**

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### **OVERVIEW**

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

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

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

### **REVIEW PERIOD**

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

### **EVALUATION CONSIDERATIONS**

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

#### **Sphere Determinations: Mandatory Written Statements**

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

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

### **General Guidelines for Determining Spheres of Influence**

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

#### **Section 1. Spheres of Influence**

##### *Reduced Spheres*

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

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

##### *Zero Spheres*

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

##### *Service Specific Spheres*

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

##### *Agriculture and Open Space Lands*

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

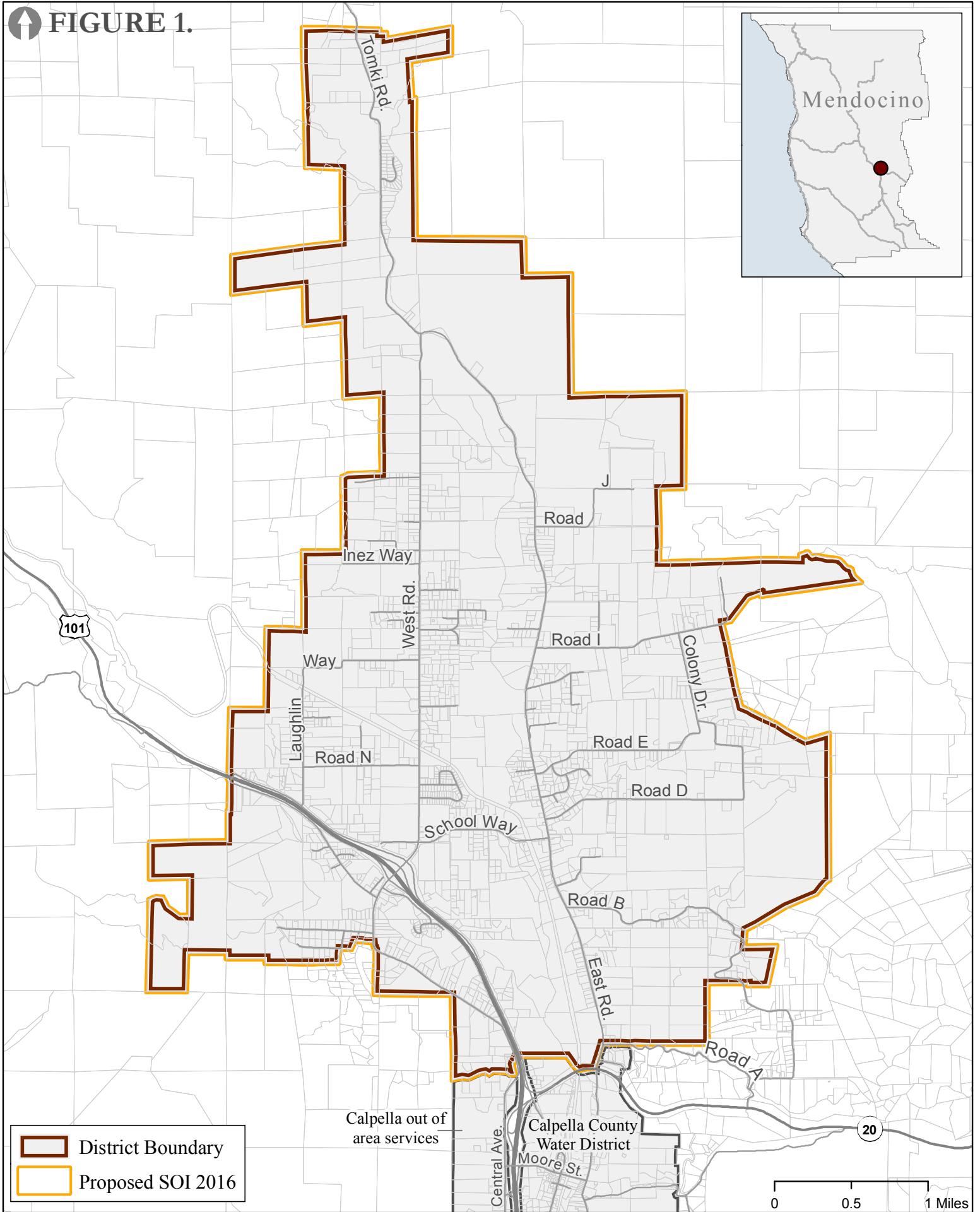
##### *Annexations are not Mandatory*

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

##### *Islands or Corridors*

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

**FIGURE 1.**



# Redwood Valley County Water District

Prepared for **PLANWEST PARTNERS, INC.**  
Mendocino  
LAFCo by: Date: 12/10/2015



## **OVERVIEW**

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### **CURRENT AGENCY OPERATIONS**

The Redwood Valley County Water District (Redwood Valley CWD or District) provides domestic and agricultural water services to the community of Redwood Valley, including a total of 1,345 equivalent dwelling units and 200 agricultural customers. The District is currently under a court-ordered moratorium for domestic connections and a board-initiated moratorium for irrigation connections (MSR 2013). In November of 2015, the District entered into contracts with Willow CWD for staffing and future office management services (District Manager, December 2015).

### **BACKGROUND**

The Redwood Valley CWD was formed on January 16, 1964 pursuant to County Water District Law (California Water Code, Division 12, Section 30000-33901). The District's service area is roughly 15 square miles in area. The Redwood Valley CWD began operating a dual distribution system for irrigation water service in April 1979 and for domestic water service in November 1979 (MSR 2013).

### **MUNICIPAL SERVICE REVIEW**

In 2013, LAFCo prepared the Ukiah Valley Special Districts Municipal Service Review (MSR) to consider services provided by Ukiah Valley special districts and identify opportunities for more effective and efficient provision of services. Redwood Valley CWD was included as a part of this Review. MSRs are a prerequisite for establishing, amending, or updating spheres of influence. As such, much of the information contained herein comes directly from the Ukiah Valley Special Districts MSR.

The MSR included recommendations for possibly consolidating the Redwood Valley CWD and the Russian River Flood Control and Water Conservation Improvement District (RRFC). It is important to note that the MSR also included recommendations for consolidating the Calpella CWD, Willow CWD, and Hopland Public Utility District (PUD) due to shared staffing and management between these agencies. Since this recommendation, similar services from Willow CWD have been extended to Millview CWD and the Redwood Valley CWD.

### **SPHERE OF INFLUENCE**

The Redwood Valley CWD's current SOI is coterminous with District's boundaries. Furthermore, there are no reported out of district service connections, and services provided are limited by infrastructure and elevational changes in the surrounding valley. The present boundary (with minor exceptions) represents the service elevational limits of the current system (District Manager, November 2015).

### **DISADVANTAGED UNINCORPORATED COMMUNITIES**

LAFCo is required to evaluate disadvantaged unincorporated communities (DUCs) as part of an SOI review, including "...the present and probable need for those public facilities and services of any DUCs within the existing sphere of influence (GC §56425). A DUC is defined as any area with 12 or more registered voters where the median household income (MHI) is less than 80 percent of the statewide MHI. Within a DUC, three basic services are evaluated: water, sewage, and fire

protection. The Redwood Valley CWD provides water services, and is therefore only responsible for assuring that this service is adequately provided to communities.

The MSR reports that there are no disadvantaged unincorporated communities in the vicinity of the Redwood Valley CWD boundaries. The community of Calpella lies just outside the district boundaries to the south and is served water and wastewater services by the Calpella County Water District and fire protection services by the Redwood Valley-Calpella Fire District. The median income for Calpella exceeds the 80 percent threshold and is not considered a disadvantaged unincorporated community (MSR 2013).

## POPULATION AND LAND USE

### Population

The 2013 MSR estimated the population of Redwood Valley to be somewhere between 3,349 and 3,969 residents. In October of 2014, the population was adjusted to 5,200 residents by the Division of Drinking Water (District Manager, December 2015).

## CAPACITY AND SERVICE

The Redwood Valley CWD's water supply comes from Lake Mendocino. A pump station located at the lake pumps water to a holding reservoir 4.5 miles away. The holding reservoir has a capacity of 68 acre feet (AF). During typical demand, water is pumped to the reservoir from the lake at night to take advantage of lower electricity rates. From there, domestic water is delivered by gravity flow to the water treatment plant. The plant can treat up to 1.7 million gallons per day (mgd). Treated potable water is then pumped to six covered steel tanks with a total volume of 1.85 million gallons. Water flows by gravity from these tanks to customers. Irrigation water flows from the reservoir by gravity to the irrigation distribution system. During periods of high demand, gravity flows are augmented by pressure flows from the lake pumps (MSR 2013).

The Redwood Valley CWD currently delivers approximately 750 AFY for residential and commercial uses, and 1,450 AFY for agricultural purposes—a combined annual demand of 2,200 AFY. The District's water supply consists of a ~~largely un-exercisable~~ mostly unusable right permit to divert up to 4,900 AFY directly from Lake Mendocino between November 1 and April 30 of each year. Water diversions made according to the Redwood Valley CWD's Lake Mendocino water right permit can only occur in instances when stream flows in the Russian River main stem (as measured near the confluence of the East and West forks) exceeds 150 cubic feet per second (cfs) and Lake Mendocino storage exceeds the Army Corps of Engineers' Operating Target Storage Curve. This curve volume varies between 64,000 AF and 86,400 AF seasonally. (District Manager, December 2015). These limitations represent a relatively narrow window of opportunity for diversions that can be as much as 70 days in wet years or as little as one or two days in dry years.

During dry years when the Redwood Valley CWD water right permit is ~~un-exercisable~~ unusable, and during spring and summer, water supplies are diverted from the Mendocino County Russian River Flood Control and Water Conservation Improvement District (RRFC). By definition, the water being sold to Redwood Valley by the RRFC is surplus to the ongoing needs of RRFC district customers. Although a negotiated agreement between the RRFC and the Redwood Valley CWD could provide a more stable source of water for the District it would also preclude the RRFC surplus water supply from being used, at least in part, to meet future water demands of RRFC customers in the Ukiah Valley.

An emergency intertie constructed in 2014 allows for the transfer of up to approximately 400 AFY from Millview CWD into Redwood Valley. This intertie has been in operation since January 2015 (District Manager, December 2015).

Because of the uncertain supply, the Redwood Valley CWD is currently under a court-ordered moratorium for domestic connections and a board initiated moratorium for irrigation connections. The Redwood Valley CWD adopted a conservation ordinance in 2007 to deal with droughts such as those that occurred in 2007–2009 [and 2013-2015](#). The ordinance is based on six tiers, of which the most severe restrictions are declared for Tier 6. Tier 4 was implemented in 2009 when Lake Mendocino water levels receded to record lows and mandatory rationing was instituted by the Mendocino County Board of Supervisors, resulting in a 50 percent reduction in water use (MSR 2013).

The District operates with a budget of approximately \$1.2 million. The primary source of revenues is water sales, for domestic and irrigation purposes. It also receives a limited amount of property tax. Water sales account for approximately 96 percent of all revenues; property taxes and interest income about 2 percent each. Of the total water sales, 75 percent is for domestic water and 25 percent is for irrigation water. The average volumetric split is 1/3 domestic and 2/3 irrigation. The actual ratio of domestic to irrigation water is highly weather-dependent (MSR 2013).

Each year, the RVCWD addresses capital improvement needs in its budget. Projects include upgrades to the water treatment plant, meter upgrades, filter upgrades, SCADA upgrades, and security (MSR 2013).

### **Relevant Local Agencies and Communities of Interest**

The Redwood Valley CWD works cooperatively with federal, state, and local agencies. The District is very active with agencies that are involved with the Russian River and Eel River Watersheds related to the Potter Valley Project that supplies water to Lake Mendocino. The Redwood Valley CWD works with other agencies such as the Mendocino County Inland Water and Power Commission (MCIWPC), which is a joint powers agency that includes Mendocino County, the City of Ukiah, Russian River Flood Control, and Potter Valley Irrigation District (MSR 2013).

The Redwood Valley CWD is a participating member of the Joint Powers Insurance Authority (JPIA). [This JPIA, known as the Association of California Water Agencies](#) is an association of a large number of independent water agencies that have pooled funds to be self-insured for liabilities up to \$1,000,000 per occurrence. The JPIA also purchases excess insurance to cover each member for liabilities to \$50 million per occurrence (MSR 2013).

## **RELEVANT PLANNING AND SERVICE FACTORS**

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

### **County of Mendocino General Plan- Development Element (DE)**

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

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

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

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

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

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

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

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

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

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

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

### **County of Mendocino General Plan- Community Specific Policies (CP) – Redwood Valley Community Planning Area**

*Redwood Valley Community Area Policies* (only relevant policies to this update are included below)

Policy CP-RV-8: The County encourages the Redwood Valley County Water District to evaluate the merits of a water conservation program for all customers and to pursue the provision or management of sewage treatment facilities. The County shall facilitate this process and support funding applications consistent with technical studies and General Plan objectives.

### **SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA)**

The Sustainable Groundwater Management Act, signed by Governor Brown in September 2014, applies to groundwater basins designated as medium or high-priority by the California Department of Water Resources. Mendocino County has one medium-priority basin (Ukiah Valley) and no high-priority basins. The Groundwater Act requires formation of a Groundwater Sustainability Agency (GSA) for the Ukiah Valley Basin by June 30, 2017, and preparation of a Groundwater Sustainability Plan by 2022. The Mendocino County Water Agency, a dependent special district governed by the Mendocino County Board of Supervisors, is coordinating efforts among stakeholders to identify

options for establishing a GSA for the Ukiah Valley Basin. Ultimately, the decision on which public agency (or agencies) will serve as the GSA for the Ukiah Valley Basin will be made by the Mendocino County Board of Supervisors with input from the Water Agency and in consultation with other local agencies (cities, tribes, special districts) situated within the groundwater basin boundary.

## ***DISCUSSION***

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### **Sphere of Influence**

The Redwood Valley CWD does not provide services external to current boundaries, nor do they anticipate any expansion of services in the ~~new~~ near future. A coterminous SOI fits the present and anticipated near-future needs of the District.

### **Shared Services**

Recently, the Redwood Valley CWD entered into a staffing contract with the Willow County CWD. The Willow CWD now provides office space, administrative staff, and field staff for Redwood Valley CWD, Calpella CWD, Millview CWD, and Hopland PUD. The shared staffing and management contracts are viewed as a step towards a functional consolidation between these agencies. Given to the coordination of services between these districts, there may be opportunity to consider a structural consolidation in the future.

### **Water Supply**

Water availability has long been an issue in the Ukiah Valley and is likely to constrain future development in the area. (UVAP 2010, 6-3). Though Redwood Valley stands geographically separately from the Ukiah Valley, it is a part of the regional community, utilizes the same water supply and faces the same service challenges. The Redwood Valley CWD is one of four water service providers in the area to have state imposed water connection moratoriums (MSR 2013).

Challenges cited in the Ukiah Valley Area plan include decreased water diversion from the Eel River, as well as difficulties and lengthy time inherent in developing new supplies in the face of increasing demand. Various unknowns complicating growth planning include the water rights of water purveyors, the definition of Russian River underflow versus groundwater, continued refinement of water agreements, and changes in imports from the Eel River through the Potter Valley Project.”(UVAP 2011, 6-3).

As discussed above, the District has worked to streamline service provision via contracted staffing services. However, this functional consolidation will not resolve any of the limited supply issues for the agencies served by the Ukiah Valley-Russian River watershed. Opportunities to help alleviate the Ukiah Valley water supply issues ~~may should~~ be considered further at the regional level by LAFCo.

### **Consolidation**

The 2013 MSR provided the following recommendation: “Both Redwood Valley CWD and RRFC have expressed interest in consolidation. A consolidation would offer Redwood Valley CWD a more reliable source of water and the RRFC an opportunity to acquire more water rights. In fact, there is a pending application with the State Water Resources Control Board for an additional 6,000 AFY of water rights. The RRFC is in the process of meeting with the authors of protest letters to help

resolve protests. The consolidation hinges on an agreement with SCWA, which controls much of the water in Lake Mendocino. Should the water rights application be approved and both districts adopt substantially similar resolutions to consolidate, LAFCO cannot turn them down.”

Subsequent to the 2013 MSR, Redwood Valley CWD and RRFC initiated a pre-application for consolidation process with LAFCo. In November of 2015, Mendocino LAFCo received a letter from Redwood Valley CWD indicating that the consolidation was put on hold.

[The 2013 MSR observes that the Redwood Valley CWD has two outstanding, long-term debt obligations. It has been noted that these debts may be a barrier to consolidation. Should the District pursue consolidation, the application to LAFCo would need to address outstanding debts.](#)

## ***ANALYSIS***

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

### **1.) Present and Planned Land Use**

Service outside District boundaries is limited by infrastructure and elevational changes in the surrounding valley. The current SOI, which is coterminous with the District’s boundary, suits the District’s current service needs.

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

There are no reported out of district service connections. The District has indicated that the present coterminous SOI fits their service needs.

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

The District does not have a supply capacity for additional connections, however, service to present customers appears to be adequate and a coterminous sphere suits the District’s current service needs.

### **4.) Social and Economic Communities of Interest**

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

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

The Redwood Valley CWD is not considered a DUC, nor are there any DUCs within the vicinity of the District which have been identified and should be considered for service by the District.

## ***CONCLUSIONS***

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The current SOI for the District is coterminous. Given that no services are provided outside of District boundaries, and the District indicates no future plans for service beyond district boundaries,

an updated SOI that remains coterminous with Redwood Valley CWD's current service boundary is sufficient (See Proposed Sphere Figure 1).

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

## ***REFERENCES***

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

Ukiah Valley Municipal Service Review, 2013. LAFCO of Mendocino County. May 6, 2013. E Mulberg & Associates

(UVAP 2011) Mendocino County. Ukiah Valley Area Plan, August 2011.  
<http://www.co.mendocino.ca.us/planning/UVAP.htm>

DRAFT

**MENDOCINO LOCAL AGENCY FORMATION COMMISSION**

**LAFCo Resolution No. 15-16-12**

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

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

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

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

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

WHEREAS, the Commission heard and fully considered all the evidence presented at a public hearing held on the sphere of influence update on February 1, 2016; and

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

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

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



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

BE IT FURTHER RESOLVED that the Redwood Valley County Water District's sphere of influence is reaffirmed to be coterminous with the District boundary, as depicted in Exhibit "A".

The foregoing Resolution was passed and duly adopted at a regular meeting of the Mendocino Local Agency Formation Commission held on this 1<sup>st</sup> day of February, 2016, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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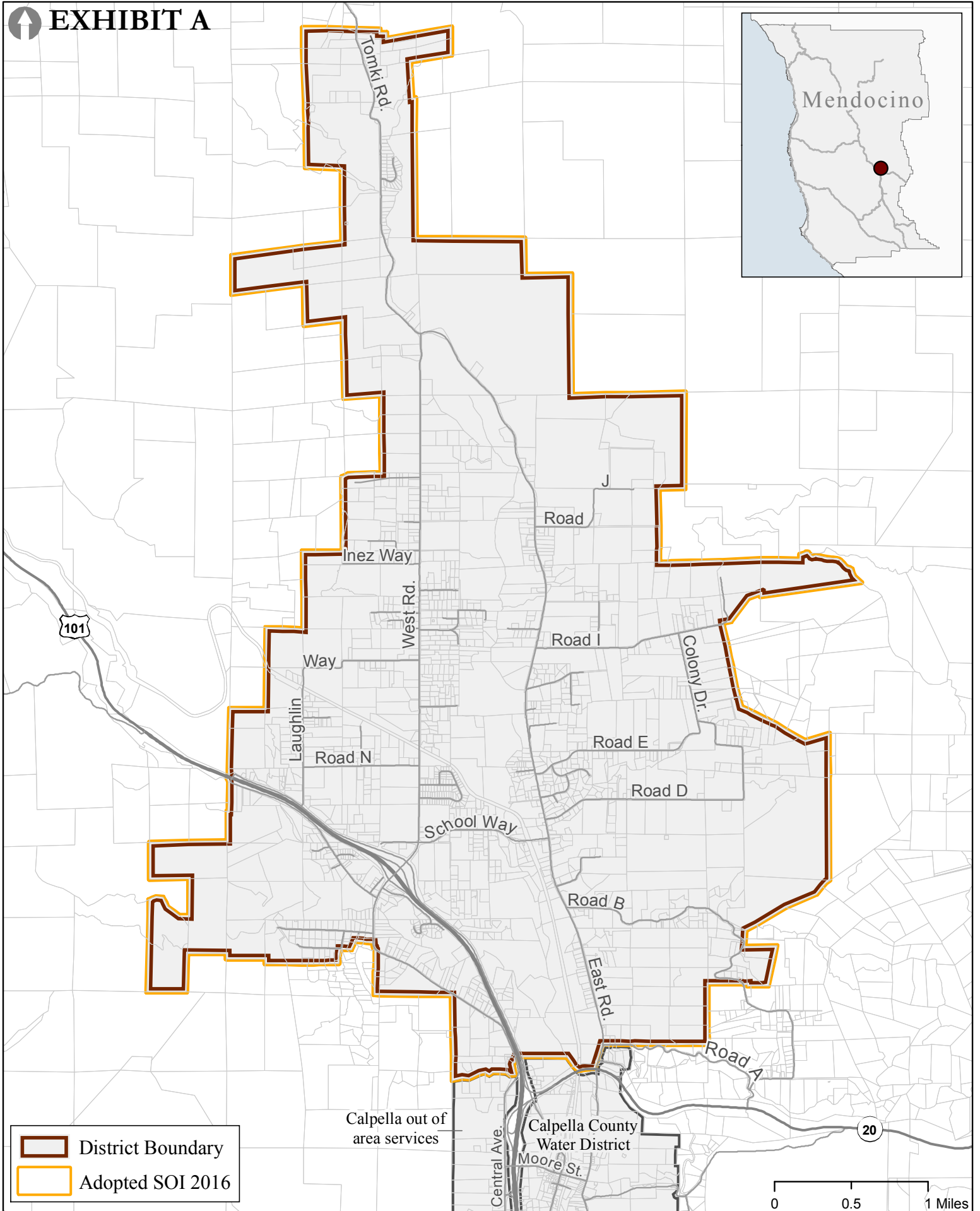
JERRY WARD, Chair

ATTEST:

---

GEORGE WILLIAMSON, Executive Officer

# EXHIBIT A



## Redwood Valley County Water District

Prepared for **PLANWEST PARTNERS, INC.**  
Mendocino  
LAFCo by: Date: 1/27/2016

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

**Staff Report**

DATE: February 1, 2016  
TO: Mendocino Local Agency Formation Commission  
FROM: George Williamson, Executive Officer  
SUBJECT: **Public Hearing** for Round Valley County Water District Sphere of Influence Update (continued hearing item)

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**Background**

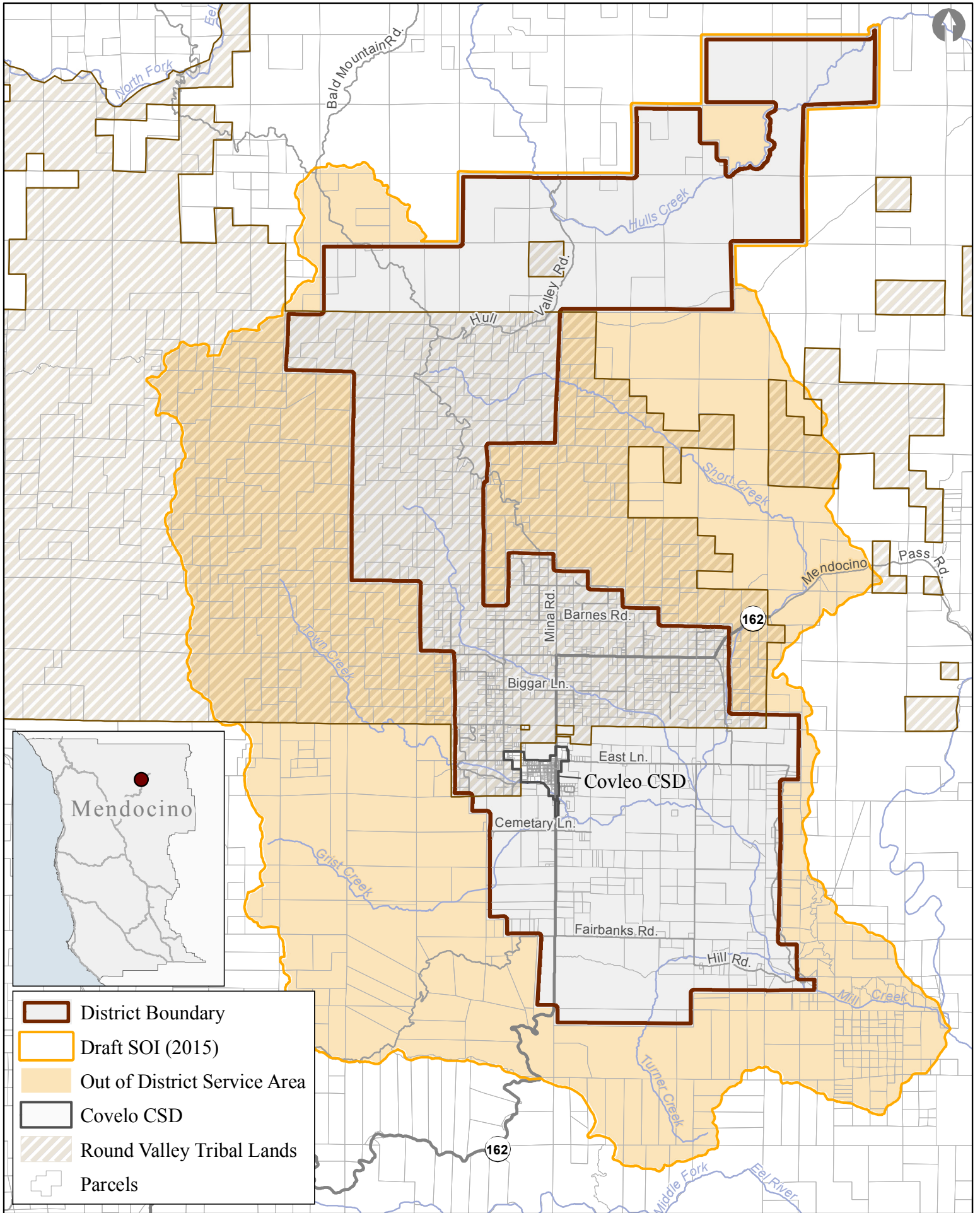
This item was originally noticed for public hearing at the September 2015 meeting and subsequently continued to the December 2015 meeting to involve the Round Valley Tribes in SOI discussions. At the December 2015 hearing, the Round Valley Tribes requested more time to review and comment on the document. Specifically, the Tribe expressed concern for tribal land included within the District boundary and proposed SOI. The hearing was continued to the February 1, 2016 meeting. The Round Valley CWD and Round Valley Tribes have been communicating via email and have requested more time to work together and discuss this item.

LAFCo would like to provide as much of an opportunity as possible for interested parties to work together to come to mutual agreement on the SOI Update. However, in the interest of completing the SOI Update in a timely manner, staff is recommending that the Commission provide one more continuance with the understanding that should no agreement be reached on the proposed SOI expansion, staff is likely to recommend a conterminous SOI for this update cycle. If this is the case, the Round Valley SOI could be updated again in the future via application or during the next cycle of SOI Updates.

**Recommendation**

Staff recommends the Commission continue this hearing item to its April 4, 2016 meeting to allow sufficient time for interested parties to continue to review the Round Valley CWD SOI Update. At such a time, if the item is still not resolved, the Commission may consider updating the Round Valley CWD's SOI to remain coterminous.

Attachments: Proposed SOI Map for the Round Valley CSD (September 2015)



# Round Valley County Water District

Prepared for **PLANWEST PARTNERS, INC.**  
 Mendocino  
 LAFCo by: Date: 9/29/2015

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

**Staff Report**

DATE: February 1, 2016  
TO: Mendocino Local Agency Formation Commission  
FROM: George Williamson, Executive Officer  
SUBJECT: **Public Hearing** on Proposed Budget Amendment for FY 2015-16

---

**Background**

This is a public hearing to consider approving a FY 2015-16 Budget Amendment that would reallocate funds based on the mid-year budget review and in anticipation of funds necessary to carry out the Commission's work for the remainder of the year. Several accounts are proposed to be reduced based on those mid-year expenditures and a review of FY 2014-15 year end expenditures. There are several accounts proposed for increase, including A-87 expenses based on County Auditor amount reported this month, office expenses to allow for a computer upgrade, bookkeeping expenses in anticipation of additional work to provide reports for FY 2014-15 audit, and SOI Updates for the remainder of this fiscal year. In addition, costs for office space have increased and funds to cover anticipated MSR costs for Account 7000 have been added. While account expense reductions will cover some costs, the net increase would draw on unexpended funds on account in the Commissions checking account.

The largest proposed increase is in Account #7501 for SOI Updates. The mid-year amount expended is (89%) which reflects the considerable amount of staff time involved in working with member organizations, adapting and correcting MSR information, and mapping and analyzing prior boundaries for these updates. There has been a completely new format developed for these updates, and workshops added into the review and adoption process. The extent of this was not reflected in the budget for these line items. Staff hopes that the Commission can appreciate the effort expended thus far to complete the SOI updates and allow staff to extend the timeframe for MSR and SOI updates into FY 2016-17. An investment now in this current cycle is expected to result in cost savings in the next five-year cycle, as well as a complete detailed record of services, boundaries, and spheres.

The Commission previously allocated \$25,500 of available fund balance to cover the Special District Training Program and to reduce agency apportionment fees for FY 2015-16. The proposed amendment to accommodate all adjustments noted above would draw an additional \$13,442 of unexpended funds. The Chair has prepared a cash analysis that shows net funds available before reserves in the amount of \$77,428.39.

**Recommendation**

Staff recommends the Commission adopt Resolution No. 15-16-13 (attachment 1), thereby approving a budget amendment for FY 2015-16.

Attachments: 1) Proposed FY 2015-16 Budget Amendment Spreadsheet

**Mendocino Local Agency Formation Commission**  
**Proposed Budget Amendment for FY 2015-16**

					<b>Proposed</b>
<b>LINE</b>	<b>ACCOUNT</b>		<b>FY 2015-16</b>	<b>FY 2015-16</b>	<b>FY 2015-16</b>
<b>#</b>	<b>#</b>	<b>DESCRIPTION</b>	<b>Adopted</b>	<b>Mid-Year (Dec)</b>	<b>Amendment</b>
		<b>REVENUE</b>			
1	4000	LAFCO Apportionment Fees	\$125,000.00	\$125,000.00	\$125,000.00
2	4030	Application Filing Fees	\$33,900.00	\$25,624.00	\$33,900.00
3	4100	Service Charges	\$0.00	\$0.00	\$0.00
4	4800	Miscellaneous	\$0.00	\$0.00	\$0.00
5	4910	Interest Income	\$128.00	\$22.57	\$128.00
6		<b>Total Revenue</b>	<b>\$159,028.00</b>	<b>\$150,646.57</b>	<b>\$159,028.00</b>
7		<b>OPERATING EXPENSES</b>			
8	5300	Basic Services - EO/Analyst/GIS/Clerk	\$59,000.00	\$39,636.25	\$59,000.00
9	5500	Rent (split between sub-accounts)	\$4,860.00	\$0.00	\$0.00
10	5502	Office Space	\$0.00	\$2,275.00	\$4,675.00
11	5503	Work Room	\$0.00	\$180.00	\$360.00
12	5600	Office Expenses (split between sub-accounts)	\$2,800.00	\$0.00	\$0.00
13	5601	Office Supplies (petty cash)	\$0.00	\$351.00	\$700.00
14	5603	Photocopy	\$0.00	\$704.79	\$1,000.00
15	5605	Postage	\$0.00	\$65.09	\$300.00
16	5607	Office Equipment	\$0.00	\$0.00	\$1,500.00
17	5700	Internet & Website Costs	\$1,056.00	\$45.54	\$1,200.00
18	5900	Publication and Legal Notices	\$3,100.00	\$700.20	\$2,000.00
19	6000	Televising Meetings	\$2,112.00	\$380.00	\$1,700.00
20	6100	Audit Services	\$3,000.00	\$0.00	\$3,025.00
21	6200	Bookkeeping	\$4,100.00	\$2,496.00	\$4,800.00
22	6300	Legal Counsel	\$6,000.00	\$3,000.00	\$6,000.00
23	6400	A-87 Costs County Services	\$3,000.00	\$0.00	\$2,010.00
24	6500	Insurance-General Liability	\$1,200.00	\$0.00	\$1,000.00
25	6600	Memberships (CALAFCO/CSDA)	\$2,100.00	\$1,156.00	\$2,000.00
26	6740	In-County Travel & Stipends	\$4,300.00	\$0.00	\$2,000.00
27	6750	Travel & Lodging Expense	\$5,000.00	\$1,486.58	\$2,500.00
28	6800	Conferences (Registrations)	\$3,000.00	\$1,876.12	\$3,000.00
29	7000	Barraco & Associates	\$0.00	\$306.25	\$6,300.00
30	7001	MSR Reviews - Admin	\$5,000.00	\$1,450.00	\$5,000.00
31	7501	SOI Updates	\$29,000.00	\$25,969.00	\$42,000.00
32	9000	Special District Training Support	\$12,000.00	\$416.00	\$12,000.00
33		<b>Total Operating Expenses</b>	<b>\$150,628.00</b>	<b>\$82,493.82</b>	<b>\$164,070.00</b>
34	8000	Application Filing Expenses	\$33,900.00	\$15,177.44	\$33,900.00
35		<b>Total Net Expenses</b>	<b>\$184,528.00</b>	<b>\$97,671.26</b>	<b>\$197,970.00</b>
		<i>Operating Differences to Date</i>	<b>-\$25,500.00</b>	<b>\$52,975.31</b>	<b>-\$38,942.00</b>
		(Negative balance indicates use of fund balance)			

**MENDOCINO LOCAL AGENCY FORMATION COMMISSION**

**LAFCo Resolution No. 15-16-13**

**A RESOLUTION OF  
THE LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY  
AMENDING THE BUDGET FOR FISCAL YEAR 2015-16**

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

WHEREAS, the Commission adopted a fiscal year 2015-16 budget for \$184,528.00 at its June 8, 2015 meeting; and

WHEREAS, the Commission considered a proposed fiscal year 2015-16 budget amendment for \$197,970.00, a difference of \$13,442.00 which would be covered by the Commission’s available fund balance; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a public hearing held on the proposed fiscal year 2015-16 budget amendment on February 1, 2016.

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

1. The Commission approves a fiscal year 2015-16 budget increase in the amount of \$13,442.00, as shown in Exhibit A.

The foregoing resolution was duly adopted by the Local Agency Formation Commission of the County of Mendocino, State of California.

The foregoing Resolution was passed and duly adopted at a regular meeting of the Mendocino Local Agency Formation Commission held on this 1<sup>st</sup> day of February, 2016, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

\_\_\_\_\_  
JERRY WARD, Chair

\_\_\_\_\_  
GEORGE WILLIAMSON, Executive Officer

# MENDOCINO Local Agency Formation Commission

## Staff Report

DATE: February 1, 2016  
TO: Mendocino Local Agency Formation Commission  
FROM: George Williamson, Executive Officer  
SUBJECT: **Workshop** on Preliminary Budget Review for FY 2016-17

---

### **Background**

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

### Proposed Operating Expenses:

The proposed operating expenses for FY 2016-17 reflect the anticipated staffing services for day-to-day operations and for conducting MSRs and SOIs scheduled for FY 2016-17. The operating expenses projected to increase from what is presented in the proposed FY 2015-16 budget amendment include:

- Basic Services for an anticipated increase in staff time associated with meetings, staffing, inquiries, etc. (Account 5300);
- Rent increase for the office space (Account 5502);
- Audit services to fund the remaining costs for FY 2014-15 audit services (\$1,550) and the total estimated cost for FY 2015-16 audit services (\$3,100) (Account 6100);
- Anticipated increases in memberships for CALAFCO and CSDA (Account 6600);
- MSR Reviews to fund the projected combined MSR/SOIs scheduled for FY 2016-17 (not part of Baracco and Associates contract) (Account 7001)

Applications for the FY 2016-17 are budgeted at \$33,900 (no change from prior fiscal year).

### Proposed Operating Revenues:

The proposed expenses would require increase the amount of LAFCo apportionment fees and/or the use unexpended funds, from \$125,000 to \$156,000.

### **Recommendation**

Staff recommends the Commission review the Preliminary FY 2016-17 Budget, provide requested revisions, and direct staff to notice a public hearing for the Draft FY 2016-17 Budget.

Attachments: 1) Preliminary FY 2016-17 Budget Spreadsheet



**Mendocino Local Agency Formation Commission**

**Preliminary Budget for FY 2016-17**

LINE #	ACCOUNT #	DESCRIPTION	FY 2015-16 Adopted	FY 2015-16 Mid-Year (Dec)	Proposed FY 2015-16 Amendment	FY 2016-17 Preliminary
<b>REVENUE</b>						
1	4000	LAFCO Apportionment Fees	\$125,000.00	\$125,000.00	\$125,000.00	\$156,000.00
2	4030	Application Filing Fees	\$33,900.00	\$25,624.00	\$33,900.00	\$30,000.00
3	4100	Service Charges	\$0.00	\$0.00	\$0.00	\$0.00
4	4800	Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00
5	4910	Interest Income	\$128.00	\$22.57	\$128.00	\$120.00
6		<b>Total Revenue</b>	<b>\$159,028.00</b>	<b>\$150,646.57</b>	<b>\$159,028.00</b>	<b>\$186,120.00</b>
<b>OPERATING EXPENSES</b>						
8	5300	Basic Services - EO/Analyst/GIS/Clerk	\$59,000.00	\$39,636.25	\$59,000.00	\$62,000.00
9	5500	Rent (split between sub-accounts)	\$4,860.00	\$0.00	\$0.00	\$0.00
10	5502	Office Space	\$0.00	\$2,275.00	\$4,675.00	\$4,800.00
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15	5605	Postage	\$0.00	\$65.09	\$300.00	\$300.00
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19	6000	Televising Meetings	\$2,112.00	\$380.00	\$1,700.00	\$1,700.00
20	6100	Audit Services	\$3,000.00	\$0.00	\$3,025.00	\$4,650.00
21	6200	Bookkeeping	\$4,100.00	\$2,496.00	\$4,800.00	\$4,800.00
22	6300	Legal Counsel	\$6,000.00	\$3,000.00	\$6,000.00	\$6,000.00
23	6400	A-87 Costs County Services	\$3,000.00	\$0.00	\$2,010.00	\$2,010.00
24	6500	Insurance-General Liability	\$1,200.00	\$0.00	\$1,000.00	\$1,000.00
25	6600	Memberships (CALAFCO/CSDA)	\$2,100.00	\$1,156.00	\$2,000.00	\$2,100.00
26	6740	In-County Travel & Stipends	\$4,300.00	\$0.00	\$2,000.00	\$2,000.00
27	6750	Travel & Lodging Expense	\$5,000.00	\$1,486.58	\$2,500.00	\$2,500.00
28	6800	Conferences (Registrations)	\$3,000.00	\$1,876.12	\$3,000.00	\$3,000.00
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31	7501	SOI Updates	\$29,000.00	\$25,969.00	\$42,000.00	\$39,000.00
32	9000	Special District Training Support	\$12,000.00	\$416.00	\$12,000.00	\$0.00
33		<b>Total Operating Expenses</b>	<b>\$150,628.00</b>	<b>\$82,493.82</b>	<b>\$164,070.00</b>	<b>\$156,120.00</b>
34	8000	Application Filing Expenses	\$33,900.00	\$15,177.44	\$33,900.00	\$30,000.00
35		<b>Total Net Expenses</b>	<b>\$184,528.00</b>	<b>\$97,671.26</b>	<b>\$197,970.00</b>	<b>\$186,120.00</b>
		<i>Operating Differences to Date</i>	-\$25,500.00	\$52,975.31	-\$38,942.00	\$0.00
		(Negative balance indicates use of fund balance)				

**MENDOCINO  
Local Agency Formation Commission**

**Staff Report**

DATE: February 1, 2016  
TO: Mendocino Local Agency Formation Commission  
FROM: George Williamson, Executive Officer  
SUBJECT: **Workshop** for Potter Valley Irrigation District Sphere of Influence Update

-----  
**Background**

This is a workshop to introduce the Draft SOI Update for the Potter Valley Irrigation District (PVID), which provides irrigation water services to the community of Potter Valley, located adjacent to the Redwood Valley. Similar to other providers in this region, the PVID is currently under a water moratorium for additional connections. Water supply for local residents continues to be a regional concern.

The District’s current SOI extends beyond the district boundary to include surrounding agricultural land. While there is land outside the current district boundary and within the current SOI that could be irrigated, the 1997 moratorium precludes any annexation of lands based on the limited and uncertain future water supply through the PG&E Potter Valley Project until FERC license renewal in 2022. The District maintains a priority list of requests for annexation in the event future water conditions change.

PVID has indicated that they would like to maintain their current SOI based on the demand for irrigation water services and requests for annexation, most of which are presumably within the current SOI. Given the District’s water supply may change due to FERC relicensing within the 5 to 10 year planning horizon of this Update, and given the District is the only municipal irrigation water supplier in the Potter Valley, staff recommends the update reaffirm the current SOI.

**Recommendation**

Staff recommends the Commission hold a public workshop on the Draft SOI Update; provide comments and requested revisions, and direct staff to notice the matter for public hearing at the Commission’s March meeting.

Attachments: 1) PVID Draft SOI Update

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

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

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**POTTER VALLEY IRRIGATION DISTRICT**  
**SPHERE OF INFLUENCE UPDATE**

Prepared in accordance with Government Code §56425

**Update Dates**

Commission Review

Administrative Draft Workshop- February 1

Draft Hearing- DATE

Final Adoption- DATE

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## **INTRODUCTION**

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### **OVERVIEW**

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

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

The following document will assess and recommend an appropriate Potter Valley Irrigation District (PVID or District) Sphere of Influence (SOI). The objective is to update PVID’s SOI relative to current legislative directives, local policies, and agency preferences. The update draws on information from the Potter Valley Irrigation District Municipal Services Review (MSR), which includes the evaluation of availability, adequacy, and capacity of services provided by the District.

### **REVIEW PERIOD**

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

### **EVALUATION CONSIDERATIONS**

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

#### **Sphere Determinations: Mandatory Written Statements**

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

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

### **General Guidelines for Determining Spheres of Influence**

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

#### **Section 1. Spheres of Influence**

##### *Reduced Spheres*

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

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

##### *Zero Spheres*

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

##### *Service Specific Spheres*

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

##### *Agriculture and Open Space Lands*

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

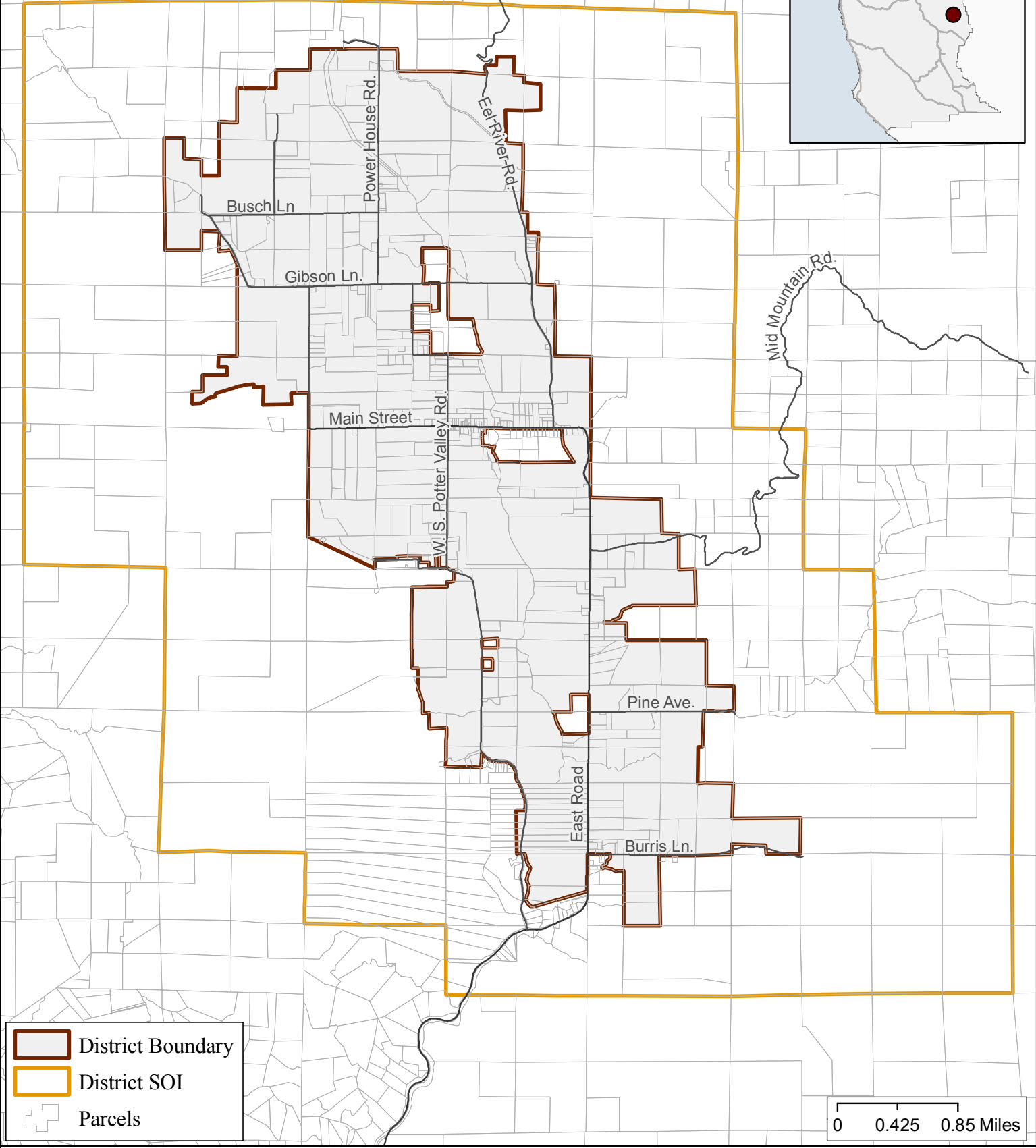
##### *Annexations are not Mandatory*




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

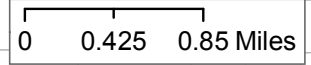
##### *Islands or Corridors*

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

 **FIGURE 1. DISTRICT BOUNDARY AND SOI**



-  District Boundary
-  District SOI
-  Parcels



# Potter Valley Irrigation District

Prepared for **PLANWEST PARTNERS, INC.**  
Mendocino  
LAFCo by:   
Date: 1/21/2016

## **OVERVIEW**

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### **CURRENT AGENCY OPERATIONS**

The PVID diverts water from the tailrace of the PG&E Potter Valley Powerhouse into its canals to provide irrigation water to its customers. The PVID serves 272 agricultural customers on 6,964 acres (MSR 2013).

### **BACKGROUND**

The Potter Valley Irrigation District (PVID) was formed by the Board of Supervisors in 1924 under Section 20500 of the Water Code that relates to irrigation districts. The purpose was to provide irrigation water to support agriculture in Potter Valley. Potter Valley produces wine grapes, clover/grass hay, pears, grass-fed cattle, sheep, and other agricultural products (MSR 2013).

Lake Pillsbury was formed as part of the PG&E Potter Valley Project (PVP), which diverts water from the Eel River. The PVP, which began in 1905, consists of a 9.4-megawatt hydroelectric project, owned and operated by PG&E, and two dams on the Upper Main Stem Eel River. Scott Dam forms Lake Pillsbury and Cape Horn Dam forms Van Arsdale Reservoir. The PVID has a contract with PG&E for 50 cubic feet per second (cfs) from Lake Pillsbury water through 2022 (MSR 2013).

### **MUNICIPAL SERVICE REVIEW**

In 2013, LAFCo prepared the Ukiah Valley MSR, which included the Potter Valley Irrigation District. The PVID portion of the MSR was adopted by the LAFCo Commission on May 6, 2013. A MSR is a part of and a prerequisite for a SOI Update; as such, much of the information contained herein comes directly from the 2013 PVID MSR.

### **SPHERE OF INFLUENCE**

The District's SOI was established in 1995 via LAFCo Resolution No. 95-3 (See Figure 1). The SOI expands beyond District boundaries, generally following parcel lines. A few sections of the boundary follow township and range lines instead of parcel boundaries. The District has indicated that they would like to maintain their current SOI. The current SOI and a reduced SOI which is coterminous with District boundaries will both be evaluated in this document.

### **DISADVANTAGED UNINCORPORATED COMMUNITIES**

LAFCo is required to evaluate disadvantaged unincorporated communities (DUCs) as part of a SOI review, including "...the present and probable need for those public facilities and services of any DUCs within the existing sphere of influence" (GC §56425). A DUC is defined as any area with 12 or more registered voters where the median household income (MHI) is less than 80 percent of the statewide MHI. Within a DUC, three basic services are evaluated: water, sewage, and fire protection. PVID provides irrigation water to support agriculture, and is therefore not responsible for assuring that any of the basic services – potable water, sewer, and fire protection – are adequately provided to communities. No potable water services are provided to the community, nor are wastewater services. The Potter Valley Community Services District provides fire protection services to the region.



Potter Valley is a census designated place which has an estimated MHI of \$64,500, which is 106 percent of California's estimated \$61,094 MHI (U.S. Census Bureau, 2014). Therefore Potter Valley is not considered a DUC.

## **POPULATION AND LAND USE**

### **Population and Growth**

According to the 2010 Census, the Potter Valley community has approximately 646 residents. However, the PVID is much larger in area than the Potter Valley community. The California Department of Finance (CDOF) also analyzed the population by zip codes in the 2000 and 2010 census. According to the CDOF, the population ranged from 1,883 in 2000 to 1,767 in 2010. However, the size of the zip code area was reduced by 10 square miles in 2010, which would account for the decrease in population. The population density in 2000 and 2010 remained at 10 persons per square mile. Based on this information, the population in the PVID remained unchanged over a 10-year period and no growth rate in population is inferred (MSR 2013). In summary, PVID has an estimated population of approximately 1,700, with little growth anticipated in the coming decade (MSR 2013).

### **Land Use and Development**

Of the approximately 6,964 acres within the District, 4,728 are irrigated. The MSR estimates 276 landowners are located within PVID and 260 water customer accounts (MSR 2013).

## **CAPACITY AND SERVICE**

The PVID has access to water under three licenses (5246, 1199, 5545) with the State Water Resources Control Board that allow it to divert up to 22,670 AFY between May 1 and April 30 of each year. As part of this allotment, the PVID has a contract with PG&E to supply 19,000 AFY irrigation water through 2022 (MSR 2013).

The contract between the District and PG&E depends on a Federal Energy Regulatory Commission (FERC) hydropower production license that PG&E holds allowing the diversion of water from the Upper Main Eel River termed the Potter Valley Project. The current FERC license expires on April 14, 2022. The relicensing process is scheduled to begin in 2017 (MSR 2013).

The total annual diversion of water through the Potter Valley Project has been reduced by up to 60% of the flows allowed prior to the last relicensing in 1983. The District uses some of the water. The remaining water, and recharge from the District system, flows into the East Branch of the Russian River and is stored in Lake Mendocino. The water stored in Lake Mendocino subsequently becomes the majority of the water supply for downstream water users, including Redwood Valley, Calpella, Ukiah, Ukiah Valley, Hopland and northern Sonoma County above the confluence with Dry Creek. The water stored in Lake Mendocino is also an integral part of Russian River flow releases provided to protect and enhance anadromous fish populations (MSR 2013).

The PVID sells between 70 to 80 percent of the water that is diverted. The remainder is returned to the East Branch Russian River. Average daily supply and average daily demand are 120 acre feet (AF). Maximum daily water demand is 170 AF and minimum is 100 AF. The PVID's peak demand capacity is 100 cfs or 200 AF per day. The average annual demand is 16,588 AFY (MSR 2013).

The 2013 MSR found that PVID has sufficient capacity to serve its customers in normal years. During drought years, estimated total available water could be reduced by 50 percent. In dry years, customers must rely on private ponds and storage facilities to address the district rotational delivery interval. The PVID also looks to winter storage in Lake Pillsbury to meet customer demand. A self-imposed annexation moratorium was placed on the PVID in 1997, due to uncertainty in capacity. The moratorium extends through 2022 limiting the number of new customers to the PVID.

## **RELEVANT LOCAL AGENCIES AND COMMUNITIES OF INTEREST**

The PVID works with other agencies such as the Mendocino County Inland Water and Power Commission (MCIWPC). The MCIWPC is a joint powers agency that includes Mendocino County, the City of Ukiah, Potter Valley Irrigation District, Russian River Flood Control and Water Conservation Improvement District, and Redwood Valley County Water District. The agency was formed to protect and procure adequate water supplies for its members.

## **RELEVANT PLANNING AND SERVICE FACTORS**

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

### **County of Mendocino General Plan- Development Element (DE)**

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

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

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

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

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

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

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

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

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

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

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

### **County of Mendocino General Plan- Ch. 6 Community Specific Policies (CP) – Potter Valley Community Plan**

“The Potter Valley community planning area lies north of State Route 20 and is accessed via Potter Valley Road. The East Fork of the Russian River bisects the valley. A downtown area located along Main Street includes commercial operations, a school, a post office, a health clinic, and other uses. A “Central Park” is currently being developed off Main Street to invite travelers to stop, rest, and visit the town, and provide a central gathering point for community festivals and events. The remainder of the area is mainly agricultural, with grazing lands, vineyards and orchards covering most of the valley floor. The Potter Valley Irrigation District (PVID) serves agricultural uses in the District. Residential ranchettes of 5 to 10 acre lots are situated in and around these farm sites. The valley floor rapidly transitions to upland forests and rural grazing lands.”

## ***DISCUSSION***

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As an irrigation district, the PVID is responsible for providing irrigation water delivery for agricultural uses, thereby indirectly helping to maintain land in productive use for agriculture. While there is land outside the current district boundary and within the current SOI that could be irrigated, the 1997 moratorium precludes any annexation of lands based on the limited and uncertain future water supply through the PG&E Potter Valley Project until FERC license renewal in 2022. The District maintains a priority list of requests for annexation in the event future water conditions change. PVID Bylaws and recorded stipulations prohibit delivery of water outside of district boundaries (District Superintendent, December 2015).

When the present SOI was established, an environmental review and master plan for service were conducted. As discussed previously, the District has indicated that they would like to maintain their current SOI based on the demand for irrigation water services and requests for annexation, most of which are presumably within the current SOI. Given the District’s water supply may change due to FERC relicensing within the 5 to 10 year planning horizon of this Update, and given the District is the only municipal irrigation water supplier in the Potter Valley, it is appropriate to maintain the current SOI.

## ***ANALYSIS***

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

### **1.) Present and Planned Land Use**

One of the main functions of LAFCo is the preservation of agricultural land and open space. There are no policies that would be of concern or limit the mission of the PVID, as operations of the PVID are consistent with local LAFCo policies.

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

The PVID has provided irrigation water services to the community of Potter Valley since 1928. Continued service to the area, and a waiting list of customers who desire service should the moratorium be lifted, indicates an ongoing need for services into the future. The self-imposed moratorium limits District growth until 2022, at which time the District may consider whether water supplies are sufficient to support annexation within the current sphere.

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

The PVID has sufficient capacity to serve its customers in normal years. The District does not have supply capacity for additional connections under present conditions.

**4.) Social and Economic Communities of Interest**

The nearby community of the Ukiah Valley is of interest. Multiple agencies provide similar water service in a community which shares geography and water supply concerns. The District has a common interest with the other local water purveyors to manage the water supply systems and watersheds of the region.

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

The PVID provides irrigation water to support agriculture, and is therefore not responsible for assuring that any of the basic services – potable water, sewer, or fire protection – are adequately provided to communities.

***CONCLUSION***

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Given the District maintains a waiting list of customers requesting service outside District boundaries and given the District is the most logical irrigation water service provider for Potter Valley, the present sphere of influence should be maintained (See District SOI in Figure 1).

***REFERENCES***

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Mendocino LAFCo, 2016 Policies and Procedures, Chapter 5- Policies That May Apply for Some Applicants, D. Sphere of Influence.

U.S. Census Bureau. American (2014) Fact Finder, “Potter Valley CDP, California. [http://factfinder.census.gov/faces/nav/jsf/pages/community\\_facts.xhtml?src=bkmk](http://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml?src=bkmk)

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

**Staff Report**

DATE: February 1, 2016  
TO: Mendocino Local Agency Formation Commission  
FROM: George Williamson, Executive Officer  
SUBJECT: **Workshop** for Hopland Public Utility District Sphere of Influence Update

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**Background**

This is a workshop to introduce the Draft SOI Update for the Hopland Public Utility District (Hopland PUD) which is located in the southern portion of the Ukiah Valley. The District provides water and wastewater services to the residents of the unincorporated Hopland community. Hopland PUD receives all of its water supply from the RRFC. Water supply for local residents continues to be a regional concern.

The District was a part of the 2013 Ukiah Valley MSR. The MSR includes recommendations for consolidating the Hopland PUD with Calpella CWD and Willow CWD based on shared staffing and management agreements with Willow CWD. It is important to note that similar management agreements have since been extended to Millview CWD and Redwood Valley CWD.

Hopland PUD does not provide out of district services and currently has a coterminous SOI. The updated SOI is proposed to remain coterminous with the District's boundary.

**Recommendation**

Staff recommends the Commission hold a public workshop on the Draft SOI Update; provide comments and requested revisions, and direct staff to notice the matter for public hearing at the Commission's March meeting.

Attachments: 1) Hopland PUD Draft SOI Update

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

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

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**HOPLAND PUBLIC UTILITY DISTRICT**  
**SPHERE OF INFLUENCE UPDATE**

Prepared in accordance with Government Code §56425

**Update Dates**

Commission Review

Administrative Draft Workshop- February 1, 2016

Draft Hearing- DATE

Final Adoption- DATE

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## ***INTRODUCTION***

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### **OVERVIEW**

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

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

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

### **REVIEW PERIOD**

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

### **EVALUATION CONSIDERATIONS**

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

#### **Sphere Determinations: Mandatory Written Statements**

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



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

### **General Guidelines for Determining Spheres of Influence**

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

#### **Section 1. Spheres of Influence**

##### *Reduced Spheres*

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

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

##### *Zero Spheres*

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

##### *Service Specific Spheres*

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

##### *Agriculture and Open Space Lands*

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

##### *Annexations are not Mandatory*

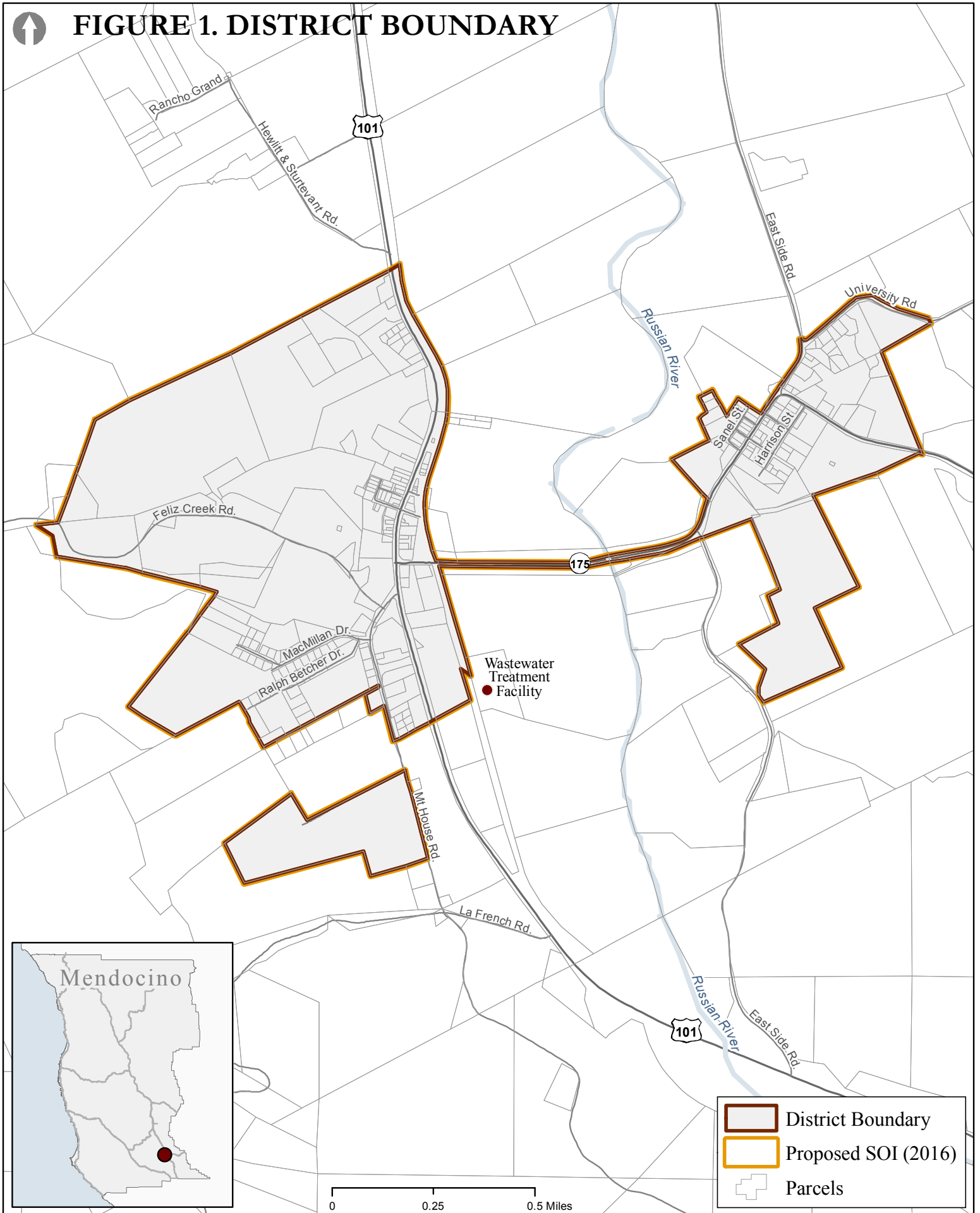
Before territory can be annexed to a city or district, it must be within the agency's sphere of influence (G.G. §56375.5). However, territory within an agency's sphere will not necessarily be annexed. A sphere is only one of several factors that are considered by LAFCo when evaluating changes of organization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

##### *Islands or Corridors*

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



# FIGURE 1. DISTRICT BOUNDARY



	District Boundary
	Proposed SOI (2016)
	Parcels

## Hopland Public Utility District

Prepared for **PLANWEST PARTNERS, INC.**  
 Mendocino **LAFCo** by: Date: 1/27/2016

## **OVERVIEW**

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### **CURRENT AGENCY OPERATIONS**

The Hopland Public Utility District (HPUD) provides water and sewer service to the Hopland community. There are 350 water connections and 303 sewer connections. The boundaries of HPUD are shown in Figure 1.

### **BACKGROUND**

The HPUD established in 1955 is located approximately 12 miles south of Ukiah and outside the Ukiah Valley Area Plan study area. Hopland PUD originally provided water, wastewater, and fire services. The fire department became a separate entity in 1995 (MSR 2013).

The Willow County Water District (WCWD) operated the HPUD system from 1983 to 1992 and in 2008 entered into a staffing agreement with WCWD. HPUD shares office space and staff services with the WCWD. The HPUD relies on the general manager, office personnel, and maintenance staff of the WCWD. As such, the HPUD has no employees and the Board of Directors works directly with staff of WCWD (MSR 2013).

### **MUNICIPAL SERVICE REVIEW**

In 2012, the Ukiah Valley Special Districts Municipal Service Review (MSR) was prepared by LAFCo, which included a section on the Hopland Public Utility District. MSR's are a prerequisite for establishing, amending, or updating spheres of influence. As such, much of the information contained herein comes directly from the Hopland PUD MSR, adopted by the Commission on May 8, 2013.

### **SPHERE OF INFLUENCE**

The SOI is considered to be coterminous with the District's boundaries at this time, and there is no information in LAFCo files to indicate otherwise.

### **DISADVANTAGED UNINCORPORATED COMMUNITIES**

LAFCo is required to evaluate disadvantaged unincorporated communities (DUCs) as part of a SOI review, including "...the present and probable need for those public facilities and services of any DUCs within the existing sphere of influence" (GC §56425). A DUC is defined as any area with 12 or more registered voters where the median household income (MHI) is less than 80 percent of the statewide MHI. Within a DUC, three basic services are evaluated: water, sewage, and fire protection. The Hopland PUD provides water and wastewater, and is responsible for assuring that these services are adequately provided to the community.

Hopland's median household income was reported as \$44,700, which is 77 percent of the California median household income of \$57,708 (MSR 2013). The community of Hopland therefore meets the definition of a DUC. The 2013 MSR reports that there are no island communities, legacy communities, or fringe communities adjacent to the HPUD's boundaries.

## POPULATION AND LAND USE

### Population and Growth

The population of Hopland was estimated at 756 residents by the 2010 Census. The MSR estimated the population in Hopland in 2020 would be 830. (MSR 2013).

### Land Use and Development

The District's boundary encompasses much of the unincorporated community of Hopland. The District is surrounded on all sides by territory designated as either agriculture or rangeland (see Figure 2 in Appendix A). HPUD's current boundary is not continuous. South of the main body of the District is an island parcel which was annexed to the District some time ago. The District reports this area is a winery which receives both water and wastewater services. No services are provided outside of District boundaries.

## CAPACITY AND SERVICE

### Water

Hopland currently provides water to approximately 350 service connections. Current annual water demands are estimated to be approximately 350 acre feet per year (AFY). HPUD purchases up to 400 AFY of water per year from the Russian River Flood Control and Water Conservation Improvement District (RRFC). The HPUD maintains two storage tanks, one to the east and one to the west. The east tank has a capacity of 300,000 gallons and the west tank has a capacity of 500,000 gallons (MSR 2013).

### Wastewater

The HPUD has 303 sewer connections. Average daily flow is 45,000 gpd, while capacity is 90,000 gpd. The peak daily flow capacity is 220,000. The HPUD has the capacity to double its sewer customers (MSR 2013).

## RELEVANT PLANNING AND SERVICE FACTORS

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

### County of Mendocino General Plan- Development Element (DE)

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

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

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

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

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

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

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

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

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

## SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA)

The Sustainable Groundwater Management Act, signed by Governor Brown in September 2014, applies to groundwater basins designated as medium or high-priority by the California Department of Water Resources. Mendocino County has one medium-priority basin (Ukiah Valley) and no high-priority basins. The Groundwater Act requires formation of a Groundwater Sustainability Agency (GSA) for the Ukiah Valley Basin by June 30, 2017, and preparation of a Groundwater Sustainability Plan by 2022. The Mendocino County Water Agency, a dependent special district governed by the Mendocino County Board of Supervisors, is coordinating efforts among stakeholders to identify options for establishing a GSA for the Ukiah Valley Basin. Ultimately, the decision on which public agency (or agencies) will serve as the GSA for the Ukiah Valley Basin will be made by the Mendocino County Board of Supervisors with input from the Water Agency and in consultation with other local agencies (cities, tribes, special districts) situated within the groundwater basin boundary.

## *DISCUSSION*

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### **Sphere of Influence**

HPUD does not provide services external to current boundaries, nor do they anticipate any expansion of services in the near future. A coterminous SOI fits the present and anticipated near-future needs of the District.

### **Consolidation**

The 2013 MSR provided the following recommendation: “Willow CWD has management agreements with both Calpella CWD and HPUD whereby Willow CWD provides office space, administrative staff, and field staff for the two districts. Both Calpella and Hopland have no

employees, so the management agreements represent a functional consolidation of the three districts. Other than maintaining separate boards of directors, Calpella CWD and HPUD are essentially one with Willow CWD. Given this arrangement, the Districts should consider consolidation so that policies and service delivery are consistent. The three districts have not yet consolidated because they desire to maintain community identity. Although having separate districts is one way to maintain identity, other ways include community advisory councils that would be made up of concerned residents of Calpella and Hopland. Community advisory councils would be able to focus on their respective communities and have standing with the board of directors. Other options include establishing districts so that representation on the board would be sure to include residents of Calpella and Hopland. Nevertheless, the three districts should evaluate the options” (MSR 2013).

As of November 2015, WCWD now also has management agreements with Millview CWD and Redwood Valley CWD, further functionally consolidating the region’s water service providers.

### **Water Supply**

Water availability has long been an issue in the Ukiah Valley and is a likely to constrain future development in the area. (UVAP 2010, 6-3). HPUD is a part of the regional community, utilizes the same water supply and faces the same service challenges as other water service providers in the area. Three of the five county water districts in the area have state imposed water connection moratoriums (MSR 2013).

Challenges cited in the Ukiah Valley Area plan include decreased water diversion from the Eel River, as well as difficulties and lengthy time inherent in developing new supplies in the face of increasing demand. Various unknowns complicating growth planning include the water rights of water purveyors, the definition of Russian River underflow versus groundwater, continued refinement of water agreements, and changes in imports from the Eel River through the Potter Valley Project”(UVAP 2011, 6-3).

As discussed above, the District has worked to streamline service provision via contracted staffing services. However, this functional consolidation will not resolve the any of the limited supply issues for the agencies served by the Ukiah Valley-Russian River watershed. Opportunities to help alleviate the Ukiah Valley water supply issues may be considered further at the regional level by LAFCo

## ***ANALYSIS***

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### **1.) Present and Planned Land Use**

The District’s boundary encompasses much of the unincorporated community of Hopland. HPUD is surrounded on all sides by territory designated as either agriculture or rangeland. No services are extended to these areas outside the boundary.

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

Growth within the Hopland community is anticipated to continue at a low rate, with an estimated population of 830 residents in 2020. There are no reported out of district service connections. The District has indicated that the present coterminous SOI fits their service needs.

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

The HPUD purchases enough water to meet present needs and enough wastewater capacity to meet present needs and potentially double the current number of wastewater customers. Service to present customers appears to be adequate and a coterminous sphere suits the District's current service needs.

### **4.) Social and Economic Communities of Interest**

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

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

The Hopland community is considered a DUC. The 2013 MSR reports that there are no island communities, legacy communities, or fringe communities adjacent to the HPUD's boundaries which require services. Should the District pursue annexation, services provide within and coterminous to the DUC should be considered further.

## ***CONCLUSIONS***

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Given that no services are provided outside of District boundaries, and the District indicates no future plans for service beyond district boundaries, an updated SOI that remains coterminous with HPUD's current service boundary is sufficient (See Proposed Sphere Figure 1).

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

## ***REFERENCES***

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

U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, State and County Housing Unit Estimates, County Business Patterns, Non-employer Statistics, Economic Census, Survey of Business Owners, and Building Permits. Last Revised: Wednesday, 14 Oct-2015 10:53:57 EDT. Accessed: 15-Oct-2015.

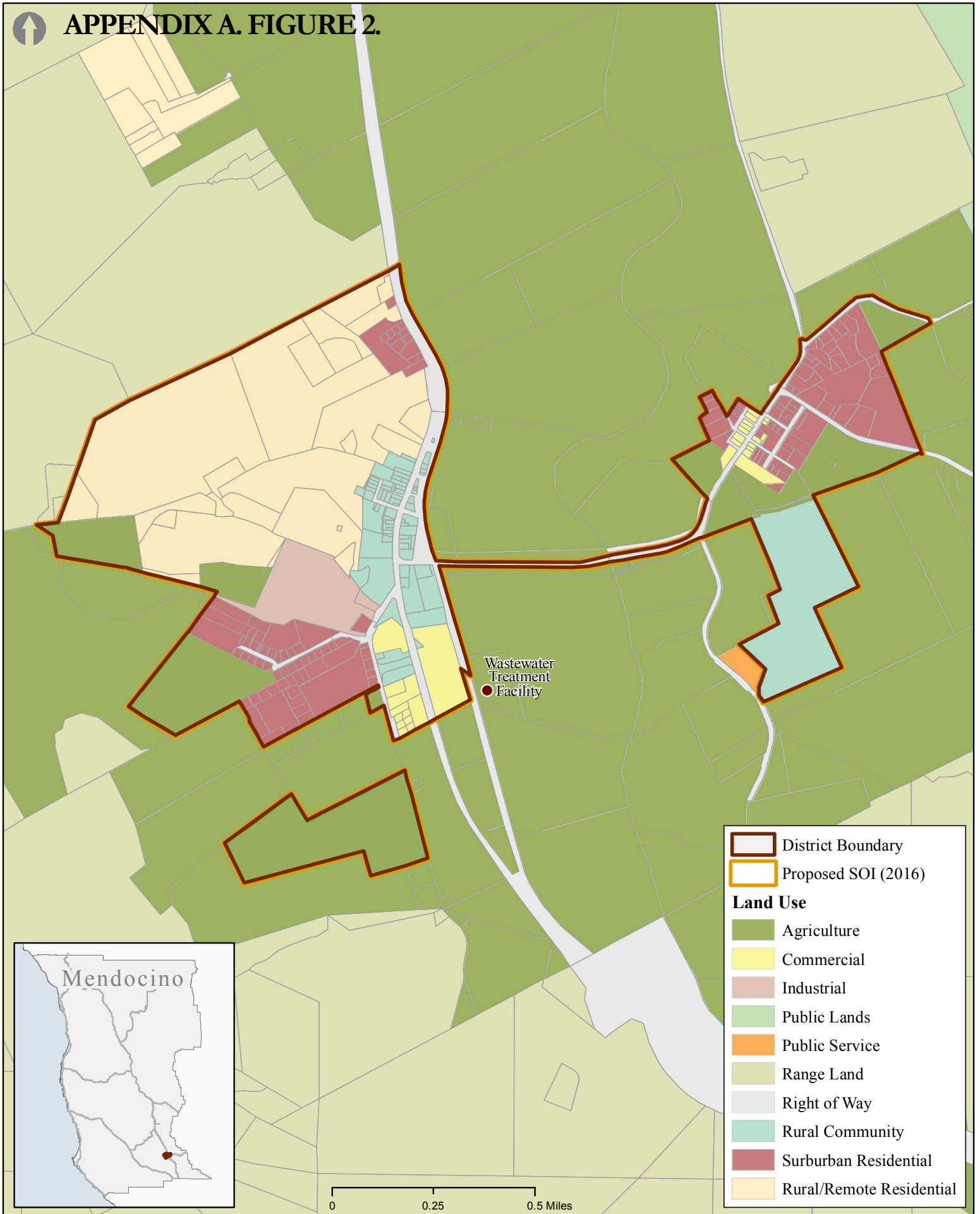
<http://quickfacts.census.gov/qfd/states/06000.html>

Ukiah Valley Municipal Service Review, 2013. LAFCO of Mendocino County. May 6, 2013. E Mulberg & Associates

(UVAP 2011) Mendocino County. Ukiah Valley Area Plan, August 2011.  
<http://www.co.mendocino.ca.us/planning/UVAP.htm>



# APPENDIX A. FIGURE 2.



	District Boundary
	Proposed SOI (2016)
<b>Land Use</b>	
	Agriculture
	Commercial
	Industrial
	Public Lands
	Public Service
	Range Land
	Right of Way
	Rural Community
	Suburban Residential
	Rural/Remote Residential



0 0.25 0.5 Miles

## Hopland Public Utility District Land Use

Prepared for **PLANWEST PARTNERS, INC.**  
 Mendocino LAFCo by: Date: 1/27/2016



# MENDOCINO Local Agency Formation Commission

## Staff Report

DATE: February 1, 2016  
TO: Mendocino Local Agency Formation Commission  
FROM: George Williamson, Executive Officer  
SUBJECT: **Workshop** for Countywide Fire Protection Services (Part 3) Municipal Service Review

---

### Background

This is a workshop to continue reviewing the Draft MSR for Part 3 of the Regional Fire Protection Services MSR, which include the following fire-related districts:

- Comptche Community Services District (introduced in January)
- Elk Community Services District (introduced in January)
- Piercy Fire Protection District
- South Coast Fire Protection District
- Westport Volunteer Fire Department
- Whale Gulch Volunteer Fire Company

Copies of the draft MSRs distributed by Baracco & Associates subsequent to the January meeting are attached. Baracco & Associates has stated that full agency profiles are not anticipated for Westport VFD and Whale Gulch VFC.

Please note that the Comptche CSD Draft MSR (dated 12-23-15) was reviewed at the January workshop and no additional revisions have been received to date; therefore this has not been included in the packet.

In addition, the Elk CSD Draft MSR (dated 12-27-15) was provided in print copy at the January meeting. A *revised* Elk CSD Draft MSR (dated 01-21-16) has been received and is included in this packet.

### Recommendation

Staff recommends the Commission hold a public workshop on the Draft MSRs; provide comments and requested revisions, and direct staff to notice the matter for public hearing at the Commission's March meeting.

Attachments: 1) Elk Community Services District (dated 01-21-16)  
2) Piercy Fire Protection District (dated 01-08-16)  
3) South Coast Fire Protection District (dated 01-20-16)

## ELK COMMUNITY SERVICES DISTRICT

### ***1. AGENCY OVERVIEW***

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The Elk Community Services District (ECSD or District) is the umbrella agency for the Elk Volunteer Fire Department (EVFD). EVFD is a small rural fire agency organized **in 1997** as a 501(c)(3) non-profit organization serving the village of Elk (also called Greenwood) and the surrounding area. The District is located along the Pacific Coast between Mendocino and Point Arena. (Refer to Figure 1: Mendocino County Fire Protection Services) The Volunteer Fire Department provides structural fire protection, wildland fire protection, emergency medical response, vehicle rescue and extrication, and ambulance service. This is the first municipal service review (MSR) for ECSD/EVFD.

#### **FORMATION**

The Elk Community Services District was formed by the Mendocino County Board of Supervisors and Mendocino LAFCo on ~~August 7, 1990~~ **April 3, 1990** following an election approving formation of the District.

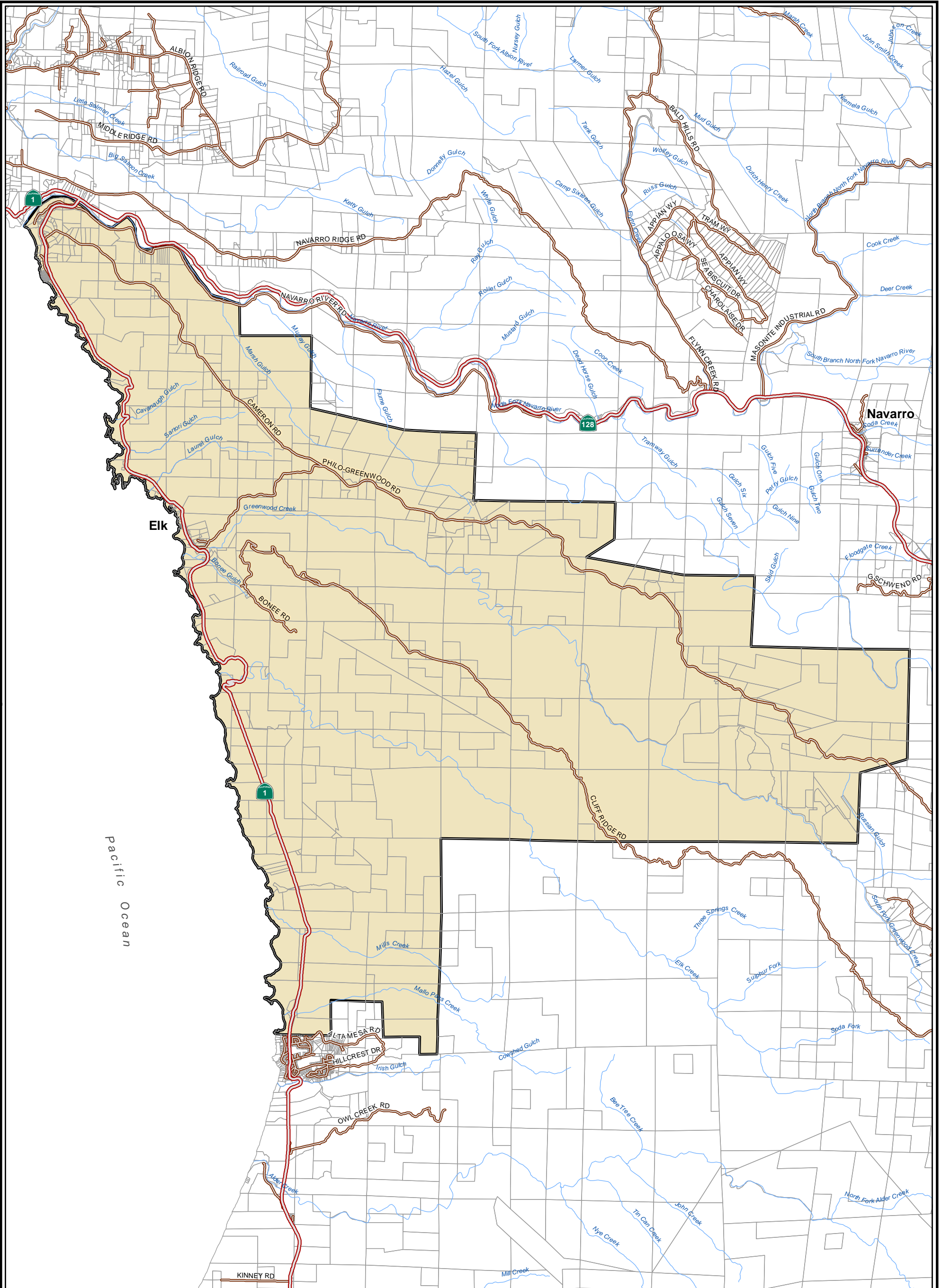
The Volunteer Fire Department was organized in 1956 following a fire which destroyed the Greenwood Hotel and the L.E. White Company Store. The EVFD reorganized in ~~1966~~ **1990** and was affiliated with the Elk County Water District **until 1990**. Upon formation of the Elk Community Services District in 1990, the EVFD became affiliated with the District. EVFD remains an all-volunteer department.

The principal act that governs the District is the State of California Community Services District Law, Government Code Section 61000 *et seq.*

#### **BOUNDARY**

The ECSD comprises 57 square miles (36,527 acres) centered on the unincorporated community of Elk. The District is located adjacent to the Pacific Ocean between State Route 128 and the Navarro River on the north, and Irish Beach on the south. State Highway 1 traverses the District in a north-south direction adjacent to the Coast for approximately 15-miles, and is the primary transportation route in the area. ECSD is adjacent to the Albion-Little River Fire Protection District on the north; Anderson Valley Community Services District to the east; and Redwood Coast Fire Protection District to the south. (Refer to Figure 1)

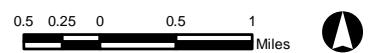
The District extends ~~five~~ **ten** miles inland from the Coast where it adjoins Anderson Valley Community Services District. (Refer to Figure 1)



# Elk Community Services District

- Elk CSD
- Parcels
- Highways
- Roads
- Streams

Source: This map was prepared by the Mendocino County Department of Information Services GIS Program, June 2013.  
 Note: This map is not a survey product.



The Districted is centered around the village of Elk, and provides services along the Highway 1 corridor. The District is also responsible for the Cameron Road and Philo-Greenwood Road area, and Cliff Ridge Road. (Refer to Figure 46: Elk Community Services District Map)

There have not been any annexations of detachments since the District was formed.

EVFD also provides fire protection and emergency medical services to Greenwood State Beach and portions of the Navarro River Redwoods State Park (and the associated Navarro River Estuary State Marine Conservation Area). The Navarro River Redwoods State Park lands parallel the Navarro River and State Highway 128; although this segment of Highway 128 is not within the District boundary. (Refer to Figure 46) The Albion-Little River Fire Protection District provides out-of-agency service to this area, and it may be appropriate to expand **that District's Sphere of Influence to include the Highway 128 corridor.** (Refer to Figure 1 and the Albion-Little River MSR chapter).

---

## Extra-territorial Services

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The Elk Volunteer Fire Department does not provide services outside its district boundary to other agencies by contract, but does maintain Mutual Aid Agreements with the neighboring fire districts of Mendocino Fire Protection District, Albion-Little River Fire Protection District, Comptche Community Services District, Redwood Coast Fire Protection District, and Anderson Valley Community Services District; and the California Department of Forestry and Fire Protection (CALFIRE) for wildland fire incidents.

The ~~EVFD~~ **EVFD** has responded to calls outside the District boundary including **mutual aid calls dispatched by CALFIRE.**

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## Unserved Areas

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~~The far eastern areas of the District along Philo-Greenwood Road and Cliff Ridge Road are difficult to serve due to the remoteness, poor roads, travel distance and terrain.~~ **There are no unserved areas within the District boundary.**

## SPHERE OF INFLUENCE

The Sphere of Influence (SOI) for Elk Community Services District was established in October 1993 when Mendocino LAFCo and the Mendocino County Board of Supervisors adopted resolutions establishing the Mendocino County Fire Districts' Spheres of Influence. **The District's SOI** is co-terminus with the District boundary.

## ACCOUNTABILITY AND GOVERNANCE

Accountability of a governing body is signified by a combination of several indicators. The indicators chosen here are limited to 1) agency efforts to engage and educate constituents through outreach activities, in addition to legally required activities such as agenda posting and public meetings, 2) a defined complaint process designed to handle all issues to resolution, and 3) transparency of the agency as indicated by cooperation with the MSR process and information disclosure.

The Elk Community Services District is governed by a five-member Board of Directors elected by registered voters within the District boundary. The Directors are normally elected at large to staggered four-year terms. However, Board Members may be appointed by the Mendocino County Board of Supervisors in lieu of election if there are insufficient candidates to require an election. Currently, three Board Members were elected in November 2013, and two Board Members were appointed by the Mendocino Board of Supervisors in November 2015. In the November 2013 election, there were five candidates for three positions with 334 voters casting ballots. Current Board Member names, positions, type of selection, and term expiration dates are shown in Figure 47.

**Figure 47: Elk Community Services District Governing Body**

<b>Elk Community Services District</b>				
<b><i>District Contact Information</i></b>				
<b>Contact:</b>	Jeff Roy, Fire Chief <b>Ben MacMillan, Board President</b>			
<b>Address:</b>	6129 S Highway 1 (PO Box 1) Elk CA 95432			
<b>Telephone:</b>	707-877-3558 or 707-877-1776			
<b>Email/website:</b>	jeffroy@mcn.org or macs@mcn.org www.elkweb.org			
<b><i>Board of Directors</i></b>				
<b>Member Name</b>	<b>Position</b>	<b>Term Expiration</b>	<b>Selection</b>	<b>Length of Term</b>
Ben MacMillan	President	November 2017	Elected	4 years
Ed Oliveira	VP/Treasurer	November 2017	Elected	4 years
Robert 'Bob' Matson	Director	November 2019	Appointed	4 years
Michael 'Mike' Powers	Director	November 2017	Elected	4 years
Lucien E. Long	Director	November 2019	Appointed	4 years
<b><i>Meetings</i></b>				
<b>Date:</b>	Second Thursday of each month at 7:00 PM			
<b>Location:</b>	Fire Station at the Greenwood Community Center 6129 S Highway 1 Elk			
<b>Agenda Distribution:</b>	Posted at the Greenwood Community Center, Elk Store, Elk Garage, and Elk Post Office			
<b>Minutes Distribution:</b>	Available by request.			

The Board conducts regular meetings once per month at the Fire Station which is part of the Greenwood Community Center. Board meeting agendas are posted at the community center, Elk Store, Elk Garage, and the post office. Minutes are available upon request.

In addition to the required public notices in compliance with the Brown Act (including the posting of agendas), the District and the Volunteer Fire Department reaches its constituents through community outreach and a number of community activities and events. **The District is also sponsoring incident command training for local residents to become community leaders in addressing emergency incidents.**

Elk has a community website ([www.elkweb.org](http://www.elkweb.org)) which includes sections for the Community Services District and the Volunteer Fire Department. Basic contact information is provided; however, the District does not post agendas, minutes, budget and audit financial information, or rules and regulations. The Volunteer Fire Department provides a roster of volunteer firefighters, but no statistical information.

The District maintains written procedures for addressing grievances. The District reported that it has received zero complaints in recent years.

ECSD demonstrated accountability in its disclosure of information and cooperation with Mendocino LAFCo. The District responded to the questionnaires and staff telephone calls, and cooperated with document requests.

## **MANAGEMENT AND STAFFING**

While public sector management standards vary depending on the size and scope of the organization, there are minimum standards. Well-managed organizations evaluate employees annually, track employee and agency productivity, periodically review agency performance, prepare a budget before the beginning of the fiscal year, conduct periodic financial audits to safeguard the public trust, maintain relatively current financial records, conduct advanced planning for future service needs, and plan and budget for capital needs.

The Elk Volunteer Fire Department has one Chief (who is also the Communications Officer), three Assistant Chiefs, and 11 Volunteer Firefighters. Of the 15 total personnel, five are also trained Emergency Medical Technicians (EMTs). One Assistant Chief also serves as the Vehicle Officer, and one Firefighter/EMT serves as the Medical Officer and Skills Trainer. All volunteers are part of the Fire Department and do not receive remuneration for their services. Volunteers are evaluated as part of the bi-monthly training sessions which are held on the first and third Thursdays at the Firehouse. Firefighters have also volunteered for extra **training and skill development to qualify them to serve as a 'Strike Team' to respond to wildfires.**

Due to the aging population within the District, volunteers are becoming harder to recruit. The most challenging position to fill is EMT, and the Department recently went from nine EMTs on staff to five EMTs. With the lengthy training time required, filling EMT positions is the most difficult, **along with Firefighter I positions.**

The Fire Chief prepares detailed response sheets to determine how time is being spent and how to improve efficiencies. In addition, the Department keeps an emergency log and training records. The Department reported that it did not conduct formal evaluations of its own performance such as annual reports or benchmarking. However, EVFD does informally review the best practices of other fire agencies.

The Department's **District's** financial planning efforts include an annually adopted budget and a semi-annual audited financial statement. Capital improvement needs are generally planned in the budget. Audits are prepared by Rick Bowers, CPA. The most recent audit is for Fiscal Year 2013-2014.

## **GROWTH AND POPULATION PROJECTIONS**

This section discusses the factors affecting service demand, such as land uses, and historical and anticipated population growth.

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### **Land Use**

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The District's boundary area is approximately 57 square miles, which is the same as the service area. The District contains a variety of land uses including rural residential and 'ranchettes,' and limited commercial development in the village of Elk along with tourist-oriented businesses. Row crops and grazing land comprise agricultural land uses along the Coast. Large tracts of forest and range land are predominate in the District's easterly areas. The land use authority for land within the District is the County of Mendocino.

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### **Existing Population**

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There are approximately ~~350~~ **450** residents within the District, based on District estimates **and according to the 2010 Census demographic profile based on zip codes.** Elk is not a 'census designated place;' therefore more detailed population data is not available. The District reports that seasonal tourism can increase the visitor population by as much as ~~200~~ **500** per day; and that annual events like 'Great Day in Elk' can draw up to ~~1,000~~ **1,500** participants.

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### **Projected Growth and Development**

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The District reports that it anticipates little growth within its boundaries in the next few years because existing land use patterns have been unchanged, and new development is not anticipated. Any potential development is likely to occur within the Highway 1 Corridor.

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## Disadvantaged Unincorporated Communities

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LAFCo is required to evaluate water service, sewer service, and structural fire protection within disadvantaged unincorporated communities (DUCs) as part of this service review, including the location and characteristics of any such communities. A DUC is defined as any area with 12 or more registered voters where the median household income is less than 80 percent of the statewide median household income.

~~Because there are no 'census designated places' (CDPs) within the District, median household income data is not available. However, based on higher value residential units in the Elk area, the District does not believe there are any DUCs within or adjacent to the District.~~ **Based on 2010 Census demographic information related to zip codes, Elk has a median household income of \$32,431 (or 52.6% of the State median household income of \$61,632).**

**For EVFD, one of the three basic services – structural fire protection – is provided. Based on an evaluation of Fire Department operations and a review of service calls, structural fire protection services to customers within the ECSD are considered to be satisfactory. The District does not provide water service or sewer service, and is therefore not responsible for assuring that these services are adequately provided to the community.**



## FINANCING

The financial ability of agencies to provide services is affected by available financing sources and financing constraints. This section discusses the major financing constraints faced by the Elk Community Services District and identifies the revenue sources currently available to the District.

ECSD reports that current financing levels are ~~adequate~~ **inadequate** to deliver services **and to address essential priorities including:**

- **Training;**
- **Recruitment; and**
- **Facilities including a new main fire station and satellite stations.**

~~thanks. The District is in fair financial condition and has identified apparatus replacement as a priority.~~

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## Revenues

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The primary revenue sources for the District are property tax revenues, ~~the benefit assessment~~ **a special tax** (property assessment), and charges for services. Even though the District was formed after 1978 (Proposition 13), the District is allocated a share of the One Percent Ad Valorem Property Tax. An additional ~~property assessment (special tax)~~ was approved by District voters in 1997 and charges an annual fee of \$0.04 per square foot of residential dwellings, ~~and~~ **\$0.06 per square foot for commercial space, and \$0.02 for other structures and satellite buildings.** In addition, the District has been actively collecting costs for providing services, which in Fiscal Year (FY) 2012-2014 amounted to 44% of total revenues.

Revenue sources and a three-year comparison are shown in Figure 48. Revenues over the past three fiscal years have increased, with a large increase in FY 2012-2013 from ~~Charges for Services~~ **Strike Team reimbursements from CALFIRE under a California Fire Assistance Agreement (CFAA).**

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## Expenditures

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~~As an~~ **Even though EVFD is an** 'all volunteer' Fire Department, ~~the District spends no monies on employee salaries or fringe benefits~~ **individual firefighters are reimbursed directly under the CFAA, and the District is responsible for payment of payroll taxes on the reimbursements.** Expenditures for ECSD have fluctuated over the past three fiscal years due to increased costs for services and supplies, and expenditures for fixed assets, including a Water Tender in 2013.

Revenues have exceeded expenditures over the past three fiscal years, allowing the District to build up its reserve account. **Refer to Figure 48 for details.**

**Figure 48: Three-year Revenues and Expenditures Comparison**

	FY 10-11		FY 11-12		FY 12-13	
<b>Revenues</b>						
Property Tax	\$33,136	44%	\$33,609	40%	\$33,728	26%
Property Assessments	\$25,589	34%	\$25,528	30%	\$25,616	20%
Charges for Services	\$3,763	5%	\$5,808	7%	\$57,800	45%
Property Owner Contributions	\$500	1%	\$750	1%	\$10,450	8%
Interest Income	\$249	0%	\$214	0%	\$185	0%
Other Government Funds	\$542	1%	\$359	0%	\$360	0%
Miscellaneous Revenues	\$10,818	15%	\$18,373	22%	\$0	0%
<b>Total Income</b>	<b>\$74,597</b>	<b>100%</b>	<b>\$84,641</b>	<b>100%</b>	<b>\$128,139</b>	<b>100%</b>
<b>Expenses</b>						
Salaries-Wages & Benefits	\$0	0%	\$0	0%	\$0	0%
Services & Supplies	\$42,085	59%	\$50,405	89%	\$94,983	82%
Debt Service	\$11,595	16%	\$5,925	11%	\$4,023	3%
Fixed Assets	\$17,057	24%	\$0	0%	\$17,034	15%
Other Expenditures	\$0	0%	\$0	0%	\$0	0%
<b>Total Expenses</b>	<b>\$71,101</b>	<b>100%</b>	<b>\$56,330</b>	<b>100%</b>	<b>\$116,040</b>	<b>100%</b>
<b>Net Income (or Loss)</b>	<b>\$3,496</b>		<b>\$28,311</b>		<b>\$12,099</b>	
Current Year Depreciation					\$ 22,000	
Accumulated Depreciation					\$ 247,719	

## Liabilities and Assets

The District has one long term liability, a bank note **from Savings Bank of Mendocino County** for \$71,945 taken out in ~~2011~~ **2013**. The loan has a monthly payment of \$1,340.96 at 4.5% interest. It will be paid off in March 2018.

The District's fund balance on June 30, 2014 (which can be considered to be a 'Reserve Account') totaled \$143,503. ~~These funds are classified as 'unrestricted' and can be used for any purpose.~~ **Of these funds, \$80,000 is a 'contingency reserve' while the remainder is not specified.** (Refer to Exhibit A: District Balance Sheet for details.)

## Financing Efficiencies

The District participates in one joint powers authority (JPA), the Golden State Risk Management Authority (GSRMA). **The JPA's purpose is to provide economical funding for workers compensation and employers liability coverage.**

The District also has mutual aid agreements with neighboring fire agencies within Mutual Aid Zone 4 which includes Albion-Little River Fire Protection District, Mendocino Fire Protection District, Fort Bragg Rural Fire Protection District, Comptche Community Services District, and Westport Volunteer Fire Department.

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## **Fundraising**

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The Fire Department holds an annual Summer BBQ in August to raise funds for fire equipment and department operations. This event raises around \$12,000.

## 2. MUNICIPAL SERVICES

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### FIRE SERVICES

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#### Service Overview

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The Elk Volunteer Fire Department provides structural fire protection, wildland fire protection, emergency medical response, vehicle rescue and extrication, ambulance service, and fire prevention. Fire prevention includes continuing inspections of public and private property; working with several wildland/urban interface communities to improve survivability of homes and businesses threatened by wildland fires; and providing public education on fire safety through various types of public presentations. The Fire Department also responds to wildland fires to a 'first responder' level under a Mutual Aid Agreement with CALFIRE.

Fire Department personnel undergo diverse training at bi-monthly training sessions which are held on the first and third Thursdays at the Firehouse. **Firefighters have extra training on some weekends for 'Strike Team' training.** The Department also participates in County-wide and Mutual aid training exercises.

The Department is dispatched by CALFIRE. All firefighters are alerted by pagers.

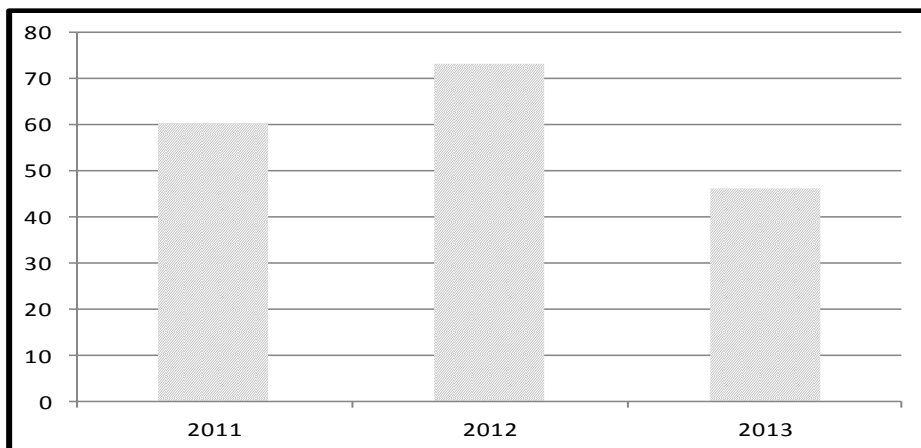
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#### Demand for Services

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As shown in Figure 49, the number of calls have increased slightly over the past three years. The annual calls average about ~~200~~, **60** with the majority of calls being ~~medical response to traffic accidents and other medical service responses (85%)~~ **(55%)**. Fifteen percent of the calls are fire or hazardous materials-related. Typically there are 3 structure fires and 12 vegetation fires per year. The highest reported call volume occurs daily between the hours of 2:00 and 10:00 PM.

**Figure 49: Number of Calls by Year, 2011-2013**



The Elk Volunteer Fire Department reported that it ~~generally had sufficient~~ **is experiencing a declining** capacity to provide services to its current service area, and to assist other fire departments through mutual aid.

## ----- Infrastructure and Facilities -----

EVFD operates one main fire station **which is leased from the Elk County Water District, and is** located at 6129 South Highway 1 at the Greenwood Community Center; and three minor garage-type buildings where single engines are housed. Property for the Main Station was acquired in 1971 and an initial firehouse was constructed. Additions were subsequently constructed, with a current fire station of approximately ~~8,000~~ **2,000** square feet with ~~four~~ **three** single apparatus bays and an ambulance bay; plus ~~an office/~~meeting/training room (**250 square feet**), kitchen, bathroom, **tiny** shop, and storage area.



Main Fire Station The Skilton/McKnight Station 6129 S Highway 1 Elk

The Department maintains and operates ~~one~~ **two** rescue trucks, one ambulance, one Type 1 Structure Engine, ~~three~~ **two** Type 3 Wildland Fire Engines, two Water Tenders (1,500 and 2,000 gallon capacity respectively), and a breather refilling trailer.

Within the village of Elk, water for firefighting is supplied by a hydrant system **and two water storage tanks (50,000 gallons and 20,000 gallons respectively)** as part of the Elk County Water District water system. In the outlying areas, water for fire protection is provided by on-board tanks on each engine, the water tenders, ~~and~~ eight 5,000 gallon water tanks located on ridge tops, **and individual private water storage tanks ranging in size from 2,500 gallons to 10,000 gallons.**

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## Infrastructure Needs or Deficiencies

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EVFD reported that the Main Station is in 'fair' '**poor**' condition but **and** is operating at capacity. **The Main Station is undersized and is inadequate to meet the needs of the Fire Department.** The minor garage or barn structures housing apparatus need to be replaced.

The District is in the process of replacing its older apparatus, and recently replaced its oldest water tender with a new 2011 Peterbilt Model 337.

Currently, water supply for fire fighting is considered 'adequate' – however, additional water storage tanks in strategic locations would be very beneficial.

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## Shared Facilities and Regional Collaboration

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No apparatus or facilities are shared with other districts. The District collaborates with other fire service providers through statewide (CALFIRE) and countywide mutual aid agreements.

The Fire Department did not identify any future opportunities for facility sharing.

The District participates in joint training exercises with other fire departments, and is involved in the the Mendocino Fire Plan through the Fire Safe Council.

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## Service Adequacy

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While there are several benchmarks that may define the level of fire service provided by an agency, indicators of service adequacy discussed here include ISO ratings, response times, and level of staffing and station resources for the service area.

Fire services in the communities are classified by the Insurance Service Office (ISO), an advisory organization. This classification indicates the general adequacy of coverage, with classes ranking from 1 to 10. Communities with the best fire department facilities, systems for water distribution, fire alarms and communications, and equipment and personnel receive a rating of 1. EVFD has an ISO rating of 7 within the village of Elk, and a rating of 9 in the outlying areas of the District.

Emergency response time standards vary by level of urbanization of an area; the more urban an area, the faster a response is required to be. The California EMS Agency established the following response time guidelines: five minutes in urban areas; 15 minutes in suburban or rural areas; and as quickly as possible in wildland areas. The Department tracks its response times for each incident. ~~Eighty-five~~ **Fifty-five** percent of responses are medically related. Response times for the Elk Volunteer Fire Department average ~~45 minutes~~ **20-minutes**, with up to 45-minutes for the outlying areas.

The Fire Department Service Profile is presented in Figure 50.

## AMBULANCE SERVICE

The EVFD operates one ambulance stationed at the main fire station and is utilized for first responder and emergency medical calls. Ambulance transport is coordinated with the Mendocino Coast Healthcare District. Air ambulance services are available from CalStar and REACH.

The ambulance service is not cost-effective, and requires the District to subsidize the ambulance service from District General Funds. **The ambulance service provides a critical medical response capability and service to the community.** Elk and District territory north of Elk are within the Primary Service Area for the Mendocino Coast Healthcare District; while areas south of Elk along the Coast are within the Secondary Service Area for the Mendocino Coast Healthcare District. Inland areas of the District are not within the Mendocino Coast Healthcare District service area.

**Figure 50: Elk Volunteer Fire Department Profile**

<b>Fire Service Profile - Elk Community Services District</b>					
<b>District Resource Statistics</b>		<b>Service Configuration</b>		<b>Service Demand</b>	
Staffing Base Year	2013	Configuration Base Year	2013	Statistical Base Year	2013
Fire Stations in District	<del>4</del> <b>4</b>	Fire Suppression	Direct	Total <u>Average</u> Service Calls	<b>60</b>
Main Station Location:	Elk	Emergency Medical Service	Direct	% Emergency Medical Service	<b>55%</b>
Square Miles Served per Station <sup>1</sup>	57	Ambulance Transport	Direct	% Fire/Hazardous Materials	<b>11%</b>
Total Staff <sup>2</sup>	15	Hazardous Materials	County	% False	<b>2%</b>
Total Paid Firefighters (in FTE)	0	Air Ambulance	CalStar/REACH	% <u>Traffic-related</u> Emergency	<b>19%</b>
Total Volunteer Firefighters	15	Fire Suppression Helicopter	CalFire	% Non-Emergency	<b>8%</b>
Total Firefighters per Station <sup>3</sup>	<del>4</del> <b>4</b>	Public Safety Answering Point	Sheriff	% Mutual Aid Calls	<b>5%</b>
Total Firefighters per 1,000 pop.	N.A.	Fire/EMS Dispatch	CalFire	Calls per 1,000 population	N.A.
<b>Service Adequacy</b>			<b>Service Challenges</b>		
Response Time Base Year			2013		
Response Time (in minutes)			15		
Maximum Response Time (in minutes)			45		
ISO Rating			7-9		
Reduction in the number of available EMT-trained firefighters. <b>Necessary improvements to the Main Station.</b> <b>Adequate funding for future facilities and equipment.</b> Adequate structures to house satellite engines.					
<b>Training</b>					
Firefighters train by-weekly and on some weekends. Specialized training available for 'Strike Team' members.					
Notes:					
1) Primary service area (square miles) per station.					
2) Total staff includes firefighters (paid and volunteer), emergency medical personnel, and administrative personnel.					
3) Based on ratio of firefighters to the number of stations. Actual staffing levels of each station vary.					

### 3. MSR DETERMINATIONS

---

-----  
Growth and Population Projections  
-----

1. There are approximately ~~350~~ **450** residents within the Elk Community Services District boundary, based on District estimates **and according to the 2010 Census demographic profile based on zip codes.**
2. The population of the District has not increased over the past few years, and is not expected to increase in the foreseeable future.

-----  
Location and Characteristics of Any Disadvantaged Unincorporated Communities Within or Contiguous to the Sphere of Influence  
-----

- ~~3. There are no Disadvantaged Unincorporated Communities (DUCs) within the District Sphere of Influence.~~
- 3. The community of Elk, as well as the surrounding areas, qualify as a Disadvantaged Unincorporated Community (DUC). Any future annexations to the District will require consideration of any DUC in proximity to the annexation area.**
- 4. For ECSD, structural fire protection is provided by the District and is considered to be satisfactory. The District does not provide water or sewer services, and is therefore not responsible for assuring that these services are adequately provided to the community.**

-----  
Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs and Deficiencies  
-----

5. The District's current facilities are ~~adequate,~~ but **inadequate and** are operating at capacity. **The Main Station needs to be replaced.**
6. The Fire Department ~~has the~~ **is experiencing a declining** capacity to adequately serve current demand within the 57 square mile District boundary, and ~~is able~~ to assist adjoining fire districts through mutual aid.



- 7. Water supply for firefighting is limited in the outlying areas of the District. Additional water tanks at strategic locations throughout the District would be beneficial.
- 8. Existing garage/barn structures utilized to house fire apparatus need to be replaced.

-----  
 Financial Ability of Agency to Provide Services  
 -----

- 9. ECSD reported that current financing levels are ~~adequate~~ **inadequate** to deliver fire protection and emergency medical services.
- ~~10. Ambulance service is operating at a deficit and may need to be reconsidered as a Fire Department service.~~

-----  
 Status and Opportunities for Shared Facilities  
 -----

- 10. The District collaborates with other fire service providers through state and county mutual aid agreements.

-----  
 Accountability for Community Services, Including  
 Governmental Structure and Operational Efficiencies  
 -----

- 11. ECSD is governed by an elected five-person Board of Directors. Elk is a small community, but its citizens are engaged in ECSD operations as demonstrated in the 2013 election cycle when five candidates ran for three seats. The District should continue efforts to identify more than one candidate for each Board position so that voters within the District will be afforded an opportunity to vote.
- 12. A community website exists. However, the District and the Volunteer Fire Department do not provide all necessary information. Improving the District section of the website to include agendas, minutes, budgets, and audits would provide better transparency. The Fire Department likewise can provide more statistical information, rules and regulations, and fire prevention material.
- 13. The District maintains a community presence at its Main Fire Station, where it operates in conjunction with the Greenwood Community Center. A new directional sign at the driveway entrance from State Route 1 identifying the fire station would be helpful.
- 14. The agency demonstrated accountability in its cooperation with Mendocino LAFCo information requests.

\* \* \* \*

## District Balance Sheet

**ELK COMMUNITY SERVICES DISTRICT**  
 STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES - GOVERNMENTAL FUNDS  
 BUDGET TO ACTUAL  
 June 30, 2014 and 2013

	June 30, 2014			June 30, 2013		
	Budget	Actual	Difference	Budget	Actual	Difference
<b>Revenues</b>						
Property Taxes & Assess.	\$57,978	\$ 62,414	\$ 4,436	\$ 57,978	\$ 59,623	\$ 1,645
Charge for Services	50,522	77,568	27,046	21,330	57,114	35,784
Contributions	7,764	39,005	31,241	2,400	13,950	11,550
Grant Income		2,305	2,305			0
Other Income		2,622	2,622			0
Interest	150	187	37	150	185	35
<b>Total Revenues</b>	<b>116,414</b>	<b>184,101</b>	<b>67,687</b>	<b>81,858</b>	<b>130,872</b>	<b>49,014</b>
<b>Expenditures</b>						
Salaries and Wages	28,000	47,739	(19,739)	13,000	37,424	(24,424)
Payroll Tax Expense	2,142	3,784	(1,642)	2,600	2,815	(215)
Operating Expenses	32,000	21,780	10,220	30,750	30,295	455
General and Admin.	26,180	22,103	4,077	23,508	27,076	(3,568)
Interest on LTD	2,800	2,888	(88)		797	(797)
Principal on LTD	13,292	13,271	21		3,226	(3,226)
Capital Outlay	12,000	44,519	(32,519)	12,000	20,534	(8,534)
<b>Total Expenditures</b>	<b>116,414</b>	<b>156,084</b>	<b>(39,670)</b>	<b>81,858</b>	<b>122,167</b>	<b>(40,309)</b>
<b>Excess of Revenues Over Expenditures</b>	<b>0</b>	<b>28,017</b>	<b>28,017</b>	<b>0</b>	<b>8,705</b>	<b>8,705</b>
<b>Fund Balances - Beginning</b>		115,486			103,000	
<b>Prior Period Adjustment</b>					3,781	
<b>Fund Balances - Ending</b>		<b>\$143,503</b>			<b>\$115,486</b>	

## **PIERCY FIRE PROTECTION DISTRICT**

### ***1. AGENCY OVERVIEW***

---

The Piercy Fire Protection District (PFPD or District) is a small rural fire agency serving the rural hamlet of Piercy and the surrounding area. The District is located along U.S. Highway 101 at the Mendocino County-Humboldt County Line. (Refer to Figure 1: Mendocino County Fire Protection Services) The District provides structural fire protection, wildland fire protection, emergency medical response, vehicle rescue and extrication, and hazardous materials response as a first responder. This is the first municipal service review (MSR) for PFPD.

#### **FORMATION**

The Piercy Fire Protection District was formed by the Mendocino County Board of Supervisors in 1968. The District replaced the Piercy Volunteer Fire Department, which was formed in 1956.

The principal act that governs the District is the State of California Health and Safety Code Section 13800 *et seq.* (Fire Protection District Law of 1987).

#### **BOUNDARY**

The PFPD comprises 6.8 square miles (4,336 acres) centered along U.S. Highway 101 (The Redwood Highway) and the South Fork of the Eel River. The District is located in the northwest corner of Mendocino County and serves the small community of Piercy and adjacent areas. The District is adjacent to the Sprowel Creek Volunteer Fire Company response area in Humboldt County on the north, and the Leggett Valley Fire Protection District to the south. Lands to the east and west of the District are not within any fire district and are classified as State Responsibility Area (SRA) areas. (Refer to Figure 1)

The Districted provides services along 7.6 miles of Highway 101 as well as along 6.6 miles of State Route 271 (Old Highway 101) which is parallel to Highway 101. In the southern half of the District services are provided to Ebert Lane, Malcombs Road, and Red Mountain Creek Road. (Refer to Figure 56: Piercy Fire Protection District Map)

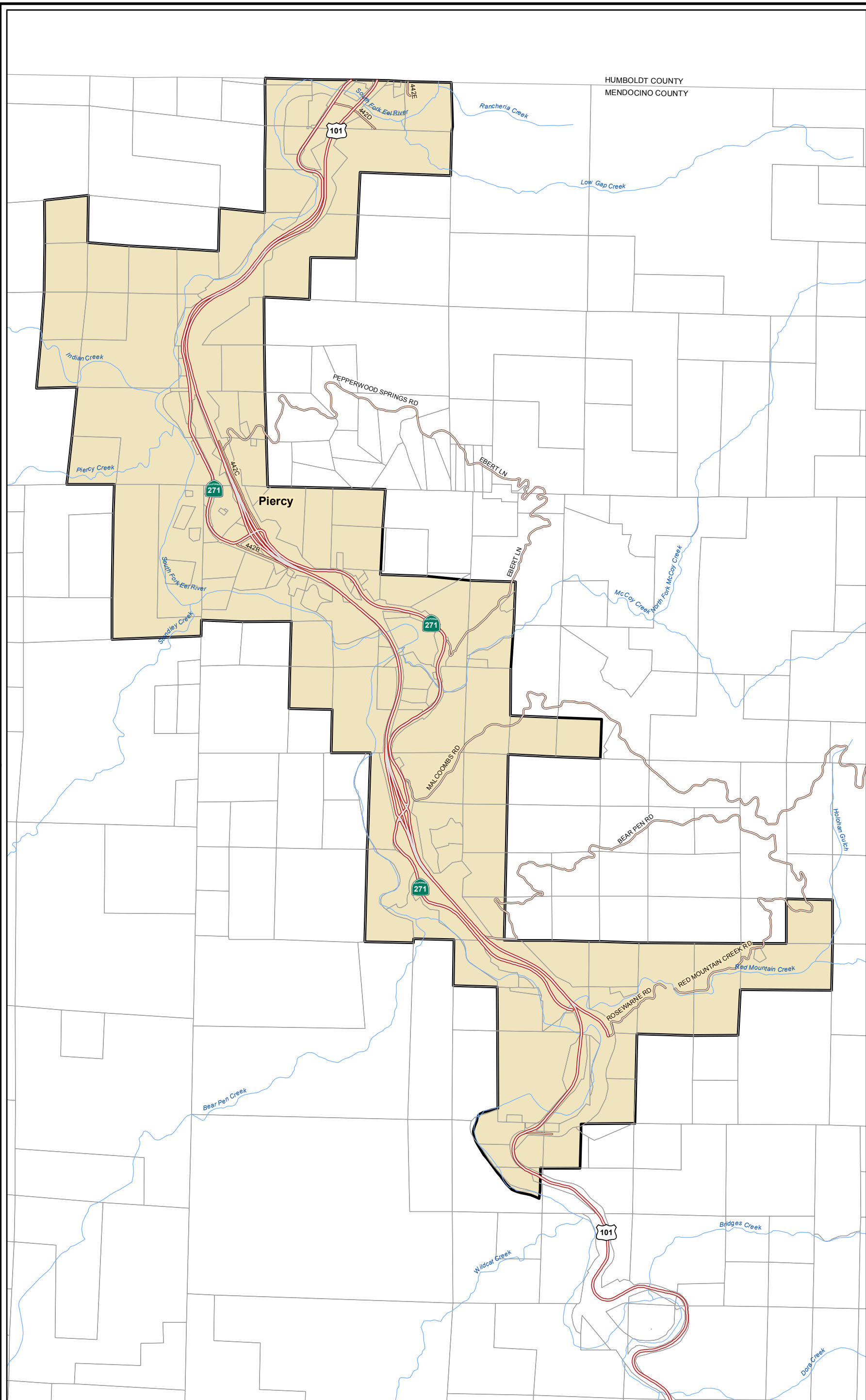
There have not been any annexations or detachments since the District was formed.

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#### **Extra-territorial Services**

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The Piercy Fire Protection District provides services beyond its boundary to approximately 100 square miles, including north to Garberville in Humboldt County, south almost to Laytonville, east to the Bell Springs Road area, and west to the Pacific Ocean. The District also responds to calls for service at Richardson Grove State Park, a mile north of the District boundary.



HUMBOLDT COUNTY  
MENDOCINO COUNTY

# Piercy Fire Protection District

- Piercy FPD
- Parcels
- Highways
- Roads
- Streams

Source: This map was prepared by the Mendocino County Department of Information Services GIS Program, June 2013.  
Note: This map is not a survey product.



PFPD maintains Mutual Aid Agreements with the neighboring fire districts of Garberville Fire Protection District in Humboldt County, and the Leggett Valley Fire Protection District.

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### Unserved Areas

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There are no unserved areas with the District boundary.

### **SPHERE OF INFLUENCE**

The Sphere of Influence (SOI) for Piercy Fire Protection District was established in October 1993 when Mendocino LAFCo and the Mendocino County Board of Supervisors adopted resolutions establishing the Mendocino County Fire Districts' Spheres of Influence. The District's SOI is co-terminus with the District boundary.

## ACCOUNTABILITY AND GOVERNANCE

Accountability of a governing body is signified by a combination of several indicators. The indicators chosen here are limited to 1) agency efforts to engage and educate constituents through outreach activities, in addition to legally required activities such as agenda posting and public meetings, 2) a defined complaint process designed to handle all issues to resolution, and 3) transparency of the agency as indicated by cooperation with the MSR process and information disclosure.

The Piercy Fire Protection District is governed by a five-member Board of Directors elected by registered voters within the District boundary. The Directors are normally elected at large to staggered four-year terms. However, Board Members may be appointed by the Mendocino County Board of Supervisors in lieu of election if there are insufficient candidates to require an election, which is the case for PFPD. Currently, two Board Members were appointed by the Mendocino County Board of Supervisors in November 2013, and one in November 2015. There are currently two vacancies, which the Board does not intend to fill. There have been no contested elections in the past five years. Current Board Member names, positions, and term expiration dates are shown in Figure 57.

**Figure 57: Piercy Fire Protection District Governing Body**

<b>Piercy Fire Protection District</b>				
<b><i>District Contact Information</i></b>				
<b>Contact:</b>	Larry Casteel, Secretary/Treasurer			
<b>Address:</b>	80401 Highway 271 (PO Box 206) Piercy CA 95587			
<b>Telephone:</b>	707-367-0563			
<b>Email/website:</b>	larrycasteel@gmail.com      None			
<b><i>Board of Directors</i></b>				
<b>Member Name</b>	<b>Position</b>	<b>Term Expiration</b>	<b>Selection</b>	<b>Length of Term</b>
Jeff Hedin	President	November 2019	Appointed	4 years
Larry L. Casteel	Secretary/Treasurer	November 2017	Appointed	4 years
Ed R. Ryan	Director	November 2017	Appointed	4 years
Vacant				
Vacant				
<b><i>Meetings</i></b>				
<b>Date:</b>	Third Wednesday of each month at 6:00 PM			
<b>Location:</b>	Fire Station 80401 Highway 271 Piercy			
<b>Agenda Distribution:</b>	Posted at the postal gang box shelter, County Road 442B at Highway 271			
<b>Minutes Distribution:</b>	Available by request.			

The Board conducts regular meetings on the third Wednesday of each month at 6:00 PM at the Fire Station. Board meeting agendas are posted at the Fire Station and at the Postal Service gang boxes on County Road 442B just south of its intersection with Highway 271. Piercy does not have a Post Office.

In addition to the required public notices in compliance with the Brown Act (including the posting of agendas), the District reaches its constituents through community outreach and participation at community events.

The District does not have a website. There is an existing out-of-date Facebook page.

Complaints to the District are handled on a direct basis by either the Board President or the Fire Chief. The District reported that it receives on average, about one complaint per year.

PFPD demonstrated accountability in its disclosure of information and cooperation with Mendocino LAFCo. The District responded to the questionnaires and staff telephone calls, and cooperated with document requests.

## **MANAGEMENT AND STAFFING**

While public sector management standards vary depending on the size and scope of the organization, there are minimum standards. Well-managed organizations evaluate employees annually, track employee and agency productivity, periodically review agency performance, prepare a budget before the beginning of the fiscal year, conduct periodic financial audits to safeguard the public trust, maintain relatively current financial records, conduct advanced planning for future service needs, and plan and budget for capital needs.

The Piercy Fire Protection District has one Chief, one Assistant Chief, one Training Officer, one Safety Officer, and five Volunteer Firefighters. Volunteers do not receive remuneration for their services. Volunteers are evaluated as part of the weekly training sessions which are held on the second Tuesday of each month. Firefighters also attend academy classes and train with the Leggett Valley Fire Protection District.

The Fire Chief prepares detailed response sheets to determine how time is being spent and how to improve efficiencies. In addition, the Department keeps an emergency log and training records. The Department reported that it did not conduct formal evaluations of its own performance such as annual reports or benchmarking. However, PFPD does informally review the best practices of other fire agencies.

The District's financial planning efforts include an annually adopted budget. Capital improvement needs are generally planned in the budget. The district has not had an annual audit in several years.

## GROWTH AND POPULATION PROJECTIONS

This section discusses the factors affecting service demand, such as land uses, and historical and anticipated population growth.

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### Land Use

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The District’s boundary area is approximately 6.8 square miles, with a service area of approximately 100 square miles. Land uses in the service area include rural residential and ‘ranchettes,’ orchards, vineyards and grazing land. Large tracts of forest and range land are predominate in the outlying areas. The land use authority for land within the District is the County of Mendocino.

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### Existing Population

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There are approximately 200 residents within the District, based on District estimates and according to the 2010 Census demographic profile based on zip codes. The 95587 Zip Code for Piercy correlates fairly well with the District boundary and adjacent service area.

Local festivals and seasonal events can increase the visitor population by 500 to 1,000 on specific weekends

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### Projected Growth and Development

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The District reports that it anticipates little growth within its boundaries in the next few years because existing land use patterns have been unchanged, and new development is not anticipated. It is possible that the District will see a reduced population due to aging and out-migration.

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### Disadvantaged Unincorporated Communities

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LAFCo is required to evaluate water service, sewer service, and structural fire protection within disadvantaged unincorporated communities (DUCs) as part of this service review, including the location and characteristics of any such communities. A DUC is defined as any area with 12 or more registered voters where the median household income is less than 80 percent of the statewide median household income.

Based on 2010 census date correlated to Zip Codes, the Piercy area does not qualify as a DUC because the median household income is greater than 80% of the State median household income of \$61,632. For Piercy, the median household income in 2010 was \$114,542 (or 185.8% of the State median household income).



## FINANCING

The financial ability of agencies to provide services is affected by available financing sources and financing constraints. This section discusses the major financing constraints faced by the Piercy Fire Protection District and identifies the revenue sources currently available to the District.

PFPD reports that current financing levels are barely adequate to deliver services. Providing services along US Highway 101 (predominately traffic accidents), and services provided outside the District have placed a real financial strain on the District.

---

### Revenues

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The primary revenue sources for the District are property tax revenues and fund-raisers. The District does not charge additional fees for services to residents or non-residents, with the exception of the Raggae Rising Music Festival and the Kiwanis Redwood Run Biker Rally, which make donations to the District in exchange for services.

Revenue sources and a three-year comparison are shown in Figure 58. Revenues over the past three fiscal years have remained relatively steady. However, these revenues do not reflect monies earned from fund raising events.

In 2010, the District received a \$4,000 grant from the Community Foundation of Mendocino County to fund equipment and a computer at the fire station.

---

### Expenditures

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As an 'all volunteer' agency, the District spends no monies on employee salaries or fringe benefits. Expenditures for PFPD have remained relatively constant over the past three fiscal years, with expenditures exceeding revenues by approximately eight to twelve percent per year. (Refer to Figure 58) These deficits are made up by utilizing District reserve funds.

---

### Liabilities and Assets

---

The District does not have any long-term debt or liabilities.

Because the District financial reports do not reflect revenues derived from fund-raising activities, and because there is no current District audit, the amount of available funds held in reserve is unknown.

**Figure 58: Three-year Revenues and Expenditures Comparison**

	FY 10-11		FY 11-12		FY 12-13	
<b>Revenues</b>						
Property Tax	\$11,043	69%	\$12,210	79%	\$11,512	68%
Property Assessments	\$0	0%	\$0	0%	\$0	0%
Interest Income	\$57	0%	\$109	1%	\$112	1%
Property Owner Contributions	\$4,680	29%	\$2,995	19%	\$3,200	19%
Other Government Funds	\$213	1%	\$219	1%	\$211	1%
Miscellaneous Revenues	\$0	0%	\$0	0%	\$1,990	12%
<b>Total Income</b>	<b>\$15,993</b>	<b>100%</b>	<b>\$15,533</b>	<b>100%</b>	<b>\$17,025</b>	<b>100%</b>
<b>Expenses</b>						
Salaries-Wages & Benefits	\$0	0%	\$0	0%	\$18,434	100%
Services & Supplies	\$14,836	83%	\$17,358	100%	\$0	0%
Debt Service	\$0	0%	\$0	0%	\$0	0%
Fixed Assets	\$0	0%	\$0	0%	\$0	0%
Other Expenditures	\$3,000	17%	\$0	0%	\$0	0%
<b>Total Expenses</b>	<b>\$17,836</b>	<b>100%</b>	<b>\$17,358</b>	<b>100%</b>	<b>\$18,434</b>	<b>100%</b>
<b>Net Income</b>	<b>-\$1,843</b>		<b>-\$1,825</b>		<b>-\$1,409</b>	

-----  
**Financing Efficiencies**  
 -----

The District does not participate in any Joint Powers Agencies (JPAs).

The District has direct mutual aid agreements with Leggett Valley Fire Protection District and Garberville Fire Protection District. The District is also a member of Mutual Aid Zone 1 which includes Covelo Fire Protection District, Little Lake Fire Protection District, Brooktrails Township Community Services District, Long Valley Fire Protection District, and Leggett Valley Fire Protection District.

-----  
**Fundraising**  
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The District conducts a number of fund-raising activities during the year, including an annual barbeque started in 2013, as well as other fundraisers which in total generate from \$25,000 to \$30,000 per year.

## 2. MUNICIPAL SERVICES

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### FIRE SERVICES

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#### Service Overview

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The Piercy Fire Protection District provides structural fire protection, wildland fire protection, emergency medical response, vehicle rescue and extrication, and hazardous materials response as a first responder.

The District is in serious need of additional firefighters, as well as firefighters who can train to become Emergency Medical Technicians. This capability is not currently available.

Volunteer personnel undergo training once per month, and also participate in County-wide training exercises.

The Department is dispatched by CALFIRE via text message to each firefighter,

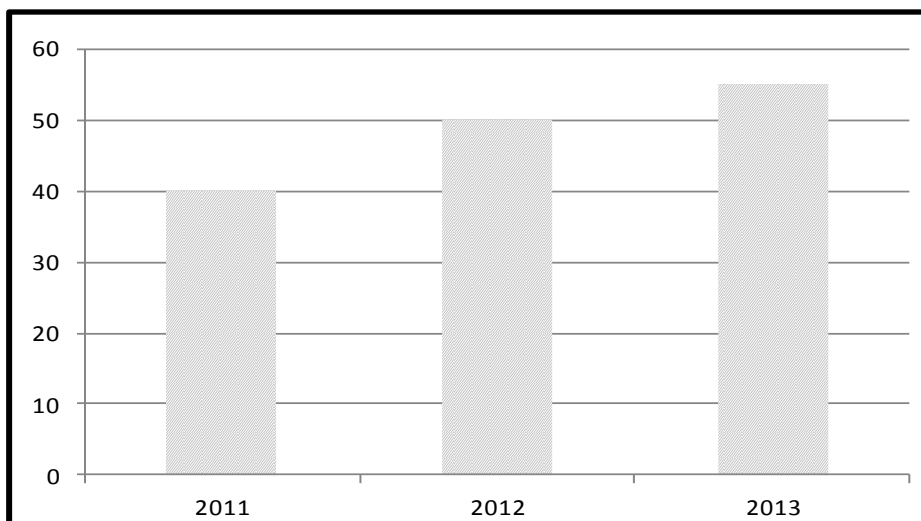
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#### Demand for Services

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As shown in Figure 59, the number of calls have increased slightly over the past three years. The annual calls average about 50, with the majority of calls being responses to traffic accidents along Highway 101 (80%). Ten percent of the calls are fire or hazardous materials-related, and 10% are medical. Typically there is one structure fire and four vegetation fires per year. The highest reported call volume occurs daily between the hours of 2:00 and 10:00 PM.

**Figure 59: Number of Calls by Year, 2011-2013**



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## Infrastructure and Facilities

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PFPD operates one main fire station located at 80401 State Highway 271 near the Highway 101-Highway 271 interchange. The Main Station is a basic metal building in poor condition. It is approximately 8,000 square feet, with four apparatus bays along with room for a meeting/training room, bathroom, and storage area. The apparatus bays do not have roll-up doors. Adjacent 'cargo boxes' are utilized to store equipment.

The Department maintains and operates one Type 1 Structure Engine, one Type 3 Wildland Fire Engine, and one Water Tender (1,800 gallon capacity).

Water for fire protection provided by on-board tanks on each engine, plus the water tender. There is no water system/hydrant system within the District. PFPD must rely on water drafted from the South Fork of the Eel River, and cisterns on private property; and/or utilize ponds and streams, or occasional water storage tanks.

Ambulance service might be provided by the Long Valley Fire Protection District from their station in Laytonville, or verihealth from their station in Willits. Air ambulance service is provided by CalStar and REACH.



Main Fire Station 80401 Highway 271 Piercy

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## Infrastructure Needs or Deficiencies

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PFPD reported that the Main Station is in 'poor' condition and needs to be replaced.

The District would also like to replace its apparatus which date from 1974, 1984, and 1993.

Equipment, including 'turnouts' are in good condition. Acquisition of a new Rescue Vehicle is being planned for; and grant funding is being sought for SCBA (self-contained breathing apparatus) rescue equipment.

Currently, water supply for fire fighting is considered 'adequate' – however, additional water storage tanks in strategic locations would be very beneficial.

---

## Shared Facilities and Regional Collaboration

---

No apparatus or facilities are shared with other districts. The District collaborates with other fire service providers through mutual aid agreements.

PFPD did not identify any future opportunities for facility sharing.

The District participates in joint training exercises with other fire departments, and is involved in the the Mendocino Fire Plan through the Fire Safe Council.

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## Service Adequacy

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While there are several benchmarks that may define the level of fire service provided by an agency, indicators of service adequacy discussed here include ISO ratings, response times, and level of staffing and station resources for the service area.

Fire services in the communities are classified by the Insurance Service Office (ISO), an advisory organization. This classification indicates the general adequacy of coverage, with classes ranking from 1 to 10. Communities with the best fire department facilities, systems for water distribution, fire alarms and communications, and equipment and personnel receive a rating of 1. PFPD previously had an ISO rating of 9, however, this has been downgraded to a 10.

Emergency response time standards vary by level of urbanization of an area; the more urban an area, the faster a response is required to be. The California EMS Agency established the following response time guidelines: five minutes in urban areas; 15 minutes in suburban or rural areas; and as quickly as possible in wildland areas. The Department tracks its response times for each incident. Eighty percent of responses are traffic accident related to Highway 101 and can be reached within 12-minutes. Response times for outlying areas outside the District range from 15-minutes to 45-minutes.

The Fire District Service Profile is presented in Figure 60.

**Figure 60: Piercy Fire Protection District Profile**

<b>Fire Service Profile - Piercy Fire Protection District</b>					
<b>District Resource Statistics</b>		<b>Service Configuration</b>		<b>Service Demand</b>	
Staffing Base Year	2013	Configuration Base Year	2013	Statistical Base Year	2013
Fire Stations in District	1	Fire Suppression	Direct	Total Service Calls	220
Main Station Location:	Piercy	Emergency Medical Service	Direct	% Emergency Medical Service	10%
Square Miles Served per Station <sup>1</sup>	100	Ambulance Transport	Unknown	% Fire/Hazardous Materials	10%
Total Staff <sup>2</sup>	9	Hazardous Materials	County OES	% Traffic Accidents	80%
Total Paid Firefighters (in FTE)	0	Air Ambulance	REACH, CalStar	% Miscellaneous Emergency	0%
Total Volunteer Firefighters	9	Fire Suppression Helicopter	CalFire	% Non-Emergency	0%
Total Firefighters per Station <sup>3</sup>	9	Public Safety Answering Point	Sheriff	% Mutual Aid Calls	36%
Total Firefighters per 1,000 pop.	N.A.	Fire/EMS Dispatch	CalFire	Calls per 1,000 population	N.A.
<b>Service Adequacy</b>			<b>Service Challenges</b>		
Response Time Base Year	2013	Upgrading firefighter capabilities to include EMT trained firefighters. Replacement of marginal apparatus that are subject to breakdowns. Construction of a new fire station with needed amenities.			
Response Time (in minutes)	12	<b>Training</b>			
Maximum Response Time (in minutes)	45 minutes	Monthly with extra training on some weekends; classes and joint training sessions with other districts.			
ISO Rating	10				
Notes:					
1) Primary service area (square miles) per station.					
2) Total staff includes firefighters (paid and volunteer), emergency medical personnel, and administrative personnel.					
3) Based on ratio of firefighters to the number of stations. Actual staffing levels of each station vary.					

### **3. MSR DETERMINATIONS**

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#### Growth and Population Projections

---

1. There are approximately 200 residents within the Piercy Fire Protection District boundary, based on District estimates and Federal Census zip code data.
2. The population of the District has not increased over the past few years, and is not expected to increase in the foreseeable future.

---

#### Location and Characteristics of Any Disadvantaged Unincorporated Communities Within or Contiguous to the Sphere of Influence

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3. There are no Disadvantages Unincorporated Communities (DUCs) within the District Sphere of Influence.

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#### Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs and Deficiencies

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4. The Main Fire Station is in poor condition, is substandard, and needs to be replaced..
5. The District is marginally capable of providing services within the District boundary; and is in no position to provide services outside the District boundary.
6. Water supply for fire fighting is limited to apparatus with water tank capability, and drawing from the South fork of the Eel River. Additional water tanks at strategic locations throughout the District would be beneficial.

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#### Financial Ability of Agency to Provide Services

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7. In order to increase revenue to a sustainable level, the District could consider the following actions:
  - Adopt an ordinance and fee schedule which charges out-of-District residents for services provided; especially for response to traffic accidents on Highway 101.
  - Given the high median family income of District residents, the District could consider a special tax (property assessment) ballot measure, which would require a two-thirds approval.

- 8. The District should immediately undertake efforts to have a bi-annual Audit prepared by a qualified Certified Public Accountant for the 2013-2014 and 2014-2015 Fiscal Years.

-----  
 Status and Opportunities for Shared Facilities  
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- 9. The District collaborates with other fire service providers through mutual aid agreements.

-----  
 Accountability for Community Services, Including  
 Governmental Structure and Operational Efficiencies  
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- 10. In order to reduce the Board of Directors to three members, formal action pursuant to Health and Safety Code Sections 13842 and 13845(a) would be required.
- 11. The District does not have a website. Establishing a website and the posting of agendas, minutes, budgets, and financial data would provide better transparency.
- 12. Service priorities should be given to properties and residents within the District boundary. Given the limited resources available to the District, services to the so-called 100 square mile Service Area are no longer viable. These areas should be put on notice that PFPD will no longer respond to these areas.
- 13. A formal Automatic Aid Agreement with Richardson Grove State Park should be developed which spells out services to be provided and charges for such services.
- 14. The agency demonstrated accountability in its cooperation with Mendocino LAFCo information requests.

\* \* \* \*



## **SOUTH COAST FIRE PROTECTION DISTRICT**

### ***1. AGENCY OVERVIEW***

---

The South Coast Fire Protection District (SCFPD or District) is the umbrella agency for the South Coast Volunteer Fire Department (SCVFD). SCVFD is a small rural fire agency serving the communities of Gualala and Anchor Bay, along with adjacent coastal areas. The District is located along the Pacific Coast in southwest Mendocino County. (Refer to Figure 1: Mendocino County Fire Protection Services) The Volunteer Fire Department provides structural fire protection, wildland fire protection, emergency medical response, vehicle rescue and extrication, and hazardous materials response as a first responder. This is the first municipal service review (MSR) for SCFPD/SCVFD.

#### **FORMATION**

The South Coast Fire Protection District was formed by the Mendocino County Board of Supervisors on April 24, 1962. The Volunteer Fire Department was organized at that time.

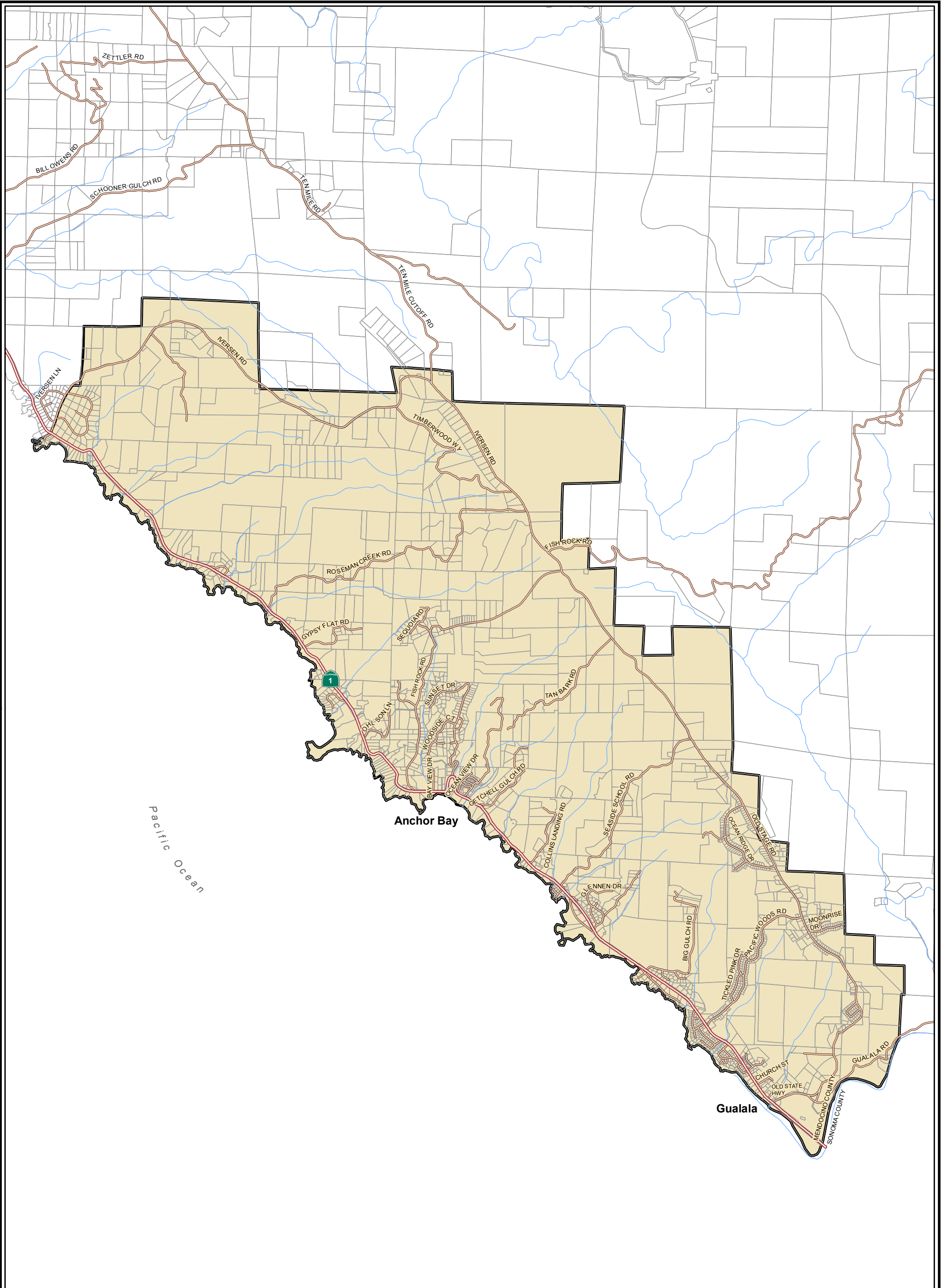
The principal act that governs the District is the State of California Health and Safety Code Section 13800 *et seq.* (Fire Protection District Law of 1987).

#### **BOUNDARY**

The SCFPD comprises 20 square miles (12,797 acres) centered on the unincorporated community of Gualala. The District is located along the Pacific Coast and extends inland for up to seven miles. SCFPD is adjacent to the Redwood Coast Fire Protection District on the north, and the Sea Ranch Volunteer Fire Department in Sonoma County to the south. Lands to the east of the District are not within any fire district and are classified as State Responsibility Area (SRA). (Refer to Figure 1)

The SCVFD provides services along the Coast to the south half of Iverson Ridge on the north, Anchor Bay, and Gualala south to the Gualala River (Mendocino-Sonoma County Line). The Fire Department also provides services along Iverson Road- Old Stage Road near the District's northern and eastern boundary. East-west cross roads between Highway 1 and Iverson Road-Old Stage Road provide access to the interior of the District and include Roseman Creek Road, Fish Rock Road, Seaside School Road, and Pacific Woods Road. (Refer to Figure 51: South Coast Fire Protection District Map) The Department also serves the Ocean Ridge Airport adjacent to Old Stage Road.

There have been no annexations or detachments to the District since formation.



# South Coast Fire Protection District

- South Coast FPD
- Parcels
- Highways
- Roads
- Streams

Source: This map was prepared by the Mendocino County Department of Information Services GIS Program, June 2013.  
 Note: This map is not a survey product.



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## Extra-territorial Services

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When requested by the California Department of Forestry and Fire Protection (CALFIRE), the South Coast Volunteer Fire Department does provide services outside its district boundary, primary easterly via Fish Rock Road. SCVFD maintains Automatic Aid Agreement with Sea Ranch Volunteer Fire Department; and has Mutual Aid Agreements with the neighboring fire districts of Redwood Coast Fire Protection District and Anderson Valley Community Services District.

The District is developing an Automatic Aid Agreement with the Redwood Coast Fire Protection District to provide fire and emergency medical services to the Ten Mile Cutoff Road area, north of Iverson Road. (Refer to Figure 51)

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## Unserved Areas

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There are no unserved areas within the District boundary.

## **SPHERE OF INFLUENCE**

The Sphere of Influence (SOI) for South Coast Fire Protection District was established in October 1993 when Mendocino LAFCo and the Mendocino County Board of Supervisors adopted resolutions establishing the Mendocino County Fire Districts' Spheres of Influence. The District's SOI is co-terminus with the District boundary.

## ACCOUNTABILITY AND GOVERNANCE

Accountability of a governing body is signified by a combination of several indicators. The indicators chosen here are limited to 1) agency efforts to engage and educate constituents through outreach activities, in addition to legally required activities such as agenda posting and public meetings, 2) a defined complaint process designed to handle all issues to resolution, and 3) transparency of the agency as indicated by cooperation with the MSR process and information disclosure.

The South Coast Fire Protection District is governed by a five-member Board of Directors elected by registered voters within the District boundary. The Directors are normally elected at large to staggered four-year terms. However, Board Members may be appointed by the Mendocino County Board of Supervisors in lieu of election if there are insufficient candidates to require an election, which is the case for SCFPD. Currently, four of the Board Members were appointed by the Mendocino Board of Supervisors, two in November 2013, and two in November 2015. There is currently one vacancy on the Board. There have been no contested elections in the past five years. Current Board Member names, positions, and term expiration dates are shown in Figure 52.

**Figure 52: South Coast Fire Protection District Governing Body**

<b>South Coast Fire Protection District</b>				
<b><i>District Contact Information</i></b>				
<b>Contact:</b>	Gregg Warner, Fire Chief			
<b>Address:</b>	39215 Baptist Church Street (PO Box 334) Gualala CA 95445			
<b>Telephone:</b>	707-884-4700			
<b>Email/website:</b>	gregg@southcoastvfd.org www.southcoastvfd.org			
<b><i>Board of Directors</i></b>				
<b>Member Name</b>	<b>Position</b>	<b>Term Expiration</b>	<b>Selection</b>	<b>Length of Term</b>
Pete Slunaker	Chair	November 2017	Appointed	4 years
Rod Headrick	Director	November 2017	Appointed	4 years
Richard L. 'Rick' O'Neil	Director	November 2019	Appointed	4 years
Chuckie Sorenson	Director	November 2019	Appointed	4 years
Vacant	Director			
<b><i>Meetings</i></b>				
<b>Date:</b>	<b>Third Thursday of every other month at 6:30 PM</b>			
<b>Location:</b>	Main Fire Station 39215 Baptist Church Street Gualala			
<b>Agenda Distribution:</b>	Posted at the Main Fire Station, Gualala Post Office, and Surf-Market <b>Sundstrom Mall</b>			
<b>Minutes Distribution:</b>	Available by request.			

The Board conducts regular meetings ~~once per~~ **every other** month at the Fire Station. Board meeting agendas are posted at the Main Fire Station in Gualala, the Gualala Post Office, and ~~Surf Market~~ **Sundstrom Mall and Shopping Center** in Gualala. Minutes are available upon request.

In addition to the required public notices in compliance with the Brown Act (including the posting of agendas), the District and the Volunteer Fire Department reaches its constituents through community outreach.

The District does not have a website. The South Coast Volunteer Firefighters Association has a limited website ([www.southcoastvfd.org](http://www.southcoastvfd.org)) with basic information about the service area, equipment and photos.

Complaints to the District are handled on a direct basis by either the Board of Directors or the Fire Chief. The District reported that it has received zero complaints over the past few years.

SCFPD demonstrated accountability in its disclosure of information and cooperation with Mendocino LAFCo. The District responded to the questionnaires and staff telephone calls, and cooperated with document requests.

## MANAGEMENT AND STAFFING

While public sector management standards vary depending on the size and scope of the organization, there are minimum standards. Well-managed organizations evaluate employees annually, track employee and agency productivity, periodically review agency performance, prepare a budget before the beginning of the fiscal year, conduct periodic financial audits to safeguard the public trust, maintain relatively current financial records, conduct advanced planning for future service needs, and plan and budget for capital needs.

The South Coast Volunteer Fire Department has two part-time paid positions: one Fire Chief; and one Administrative Assistant. Remaining personnel are volunteers and include one Assistant Chief, ~~one Training Officer,~~ and ~~ten~~ **19** Firefighters (of which five are also trained Emergency Medical Technicians (EMTs)). Volunteers are evaluated as part of the weekly training sessions which are held a minimum of three evening per month. Firefighters also attend academy classes, EMT training, and additional weekend drills during the year.

The Fire Chief prepares detailed response sheets to determine how time is being spent and how to improve efficiencies. In addition, the Department keeps an emergency log and training records. The Department reported that it did not conduct formal evaluations of its own performance such as annual reports or benchmarking. However, SCVFD does informally review the best practices of other fire agencies.

The Department's financial planning efforts include an annually adopted budget and an annual audited financial statement. Capital improvement needs are generally planned in the budget. Audits are prepared by Michael Celentano, CPA. The most recent audit is for Fiscal Year 2013-2014.

## GROWTH AND POPULATION PROJECTIONS

This section discusses the factors affecting service demand, such as land uses, and historical and anticipated population growth.

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### Land Use

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The District's boundary area is approximately 20 square miles, with a service area of approximately 40 square miles. The District contains a variety of land uses including: rural residential and 'ranchettes;' commercial development in Gualala, Anchor Bay and various places along State Highway 1; and higher elevation vineyards, grazing land and row crops. Large tracts of forest and range land are predominate in the District's outer areas. The land use authority for land within the District is the County of Mendocino.

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### Existing Population

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There are approximately 2,100 residents within the District, based on District estimates and according to the 2010 Census demographic profile based on zip codes. Anchor Bay is a 'census designated place' (CDP) with a 2010 population of 340; however, Gualala is not a CDP so specific population data is not available.

Local festivals and seasonal events can increase the visitor population by 500 to 1,000 on weekends.

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### Projected Growth and Development

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The District reports that it anticipates little growth within its boundaries in the next few years because existing land use patterns have been unchanged, and new development is not anticipated. It is possible that the District will see a slight increase in new residential construction on existing parcels.

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### Disadvantaged Unincorporated Communities

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LAFCo is required to evaluate water service, sewer service, and structural fire protection within disadvantaged unincorporated communities (DUCs) as part of this service review, including the location and characteristics of any such communities. A DUC is defined as any area with 12 or more registered voters where the median household income is less than 80 percent of the statewide median household income.

The primary communities within the District (Gualala and Anchor Bay) both have median household incomes less than 80% of the State median household income of \$61,632. For Gualala, the median household income in 2013 was \$36,201 (or 58.7% of the State median household income; while Anchor Bay was at \$34,191 (55.5%).

For SCFPD, one of the three basic services – structural fire protection – is provided by the District. Based on an evaluation of District operations and a review of the District’s service calls, structural fire protection services to customers within the District is considered to be satisfactory. The District does not provide water service or sewer service, and is therefore not responsible for assuring that these services are adequately provided to the community.

## FINANCING

The financial ability of agencies to provide services is affected by available financing sources and financing constraints. This section discusses the major financing constraints faced by the South Coast Fire Protection District and identifies the revenue sources currently available to the District.

SCFPD reports that current financing levels are adequate to deliver services, thanks to the special tax (property assessment) approved by the voters in November 2006. Measure Z was approved with 67.89% (66.67% required). Measure Z increased the previously approved special tax from \$40 per parcel per year to \$75 per year and went into effect July 1, 2007.

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### Revenues

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The primary revenue sources for the District are property tax revenues and the special tax (property assessment). In some years, reimbursements from CALFIRE for Strike Team assistance increases District revenue. However, these monies are paid to the firefighters, while the District is still responsible for payment of payroll taxes.

The District does not charge additional fees for services to residents or non-residents. Revenue sources and a three-year comparison are shown in Figure 53. Revenues over the past three fiscal years have been sufficient to allow the District to increase its reserve funds.

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### Expenditures

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Expenditures for SCFPD have fluctuated over the past three fiscal years, and usually balance out over a longer period. Expenditures and a three-year comparison are shown in Figure 53.

The District has purchased fire apparatus by utilizing a lease-purchase approach with local banks.

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### Liabilities and Assets

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The District has four equipment leases with the option to purchase, three with WestAmerica Bank and one with Community National Bank. Three leases have been paid off, with the remaining lease with Community National Bank for the purchase of a 2014 Freightliner Water Tender. Annual payments for five years at 3.19% are \$33,148.64. The lease will be paid off in July 2018.



The District's fund balance on June 30, 2014 (which can be considered to be a 'Reserve Account') totaled \$174,384. These funds are classified as 'unrestricted' and can be used for any purpose. (Refer to Exhibit A: District Balance Sheet for details.)

**Figure 53: Three-year Revenues and Expenditures Comparison**

	FY 10-11		FY 11-12		FY 12-13	
<b>Revenues</b>						
Property Tax	\$139,152	35%	\$139,916	44%	\$153,586	47%
Property Assessments	\$164,237	41%	\$166,919	53%	\$167,450	52%
Interest Income	\$68	0%	\$64	0%	\$55	0%
Other Government Funds	\$93,505	24%	\$8,636	3%	\$0	0%
Miscellaneous Revenues	\$575	0%	\$800	0%	\$3,659	1%
<b>Total Income</b>	<b>\$397,537</b>	<b>100%</b>	<b>\$316,335</b>	<b>100%</b>	<b>\$324,750</b>	<b>100%</b>
<b>Expenses</b>						
Salaries-Wages & Benefits	\$102,716	36%	\$93,066	24%	\$76,053	36%
Services & Supplies	\$101,330	36%	\$213,569	56%	\$126,754	60%
Debt Service	\$0	0%	\$67,490	18%	\$7,781	4%
Fixed Assets	\$66,612	24%	\$6,183	2%	\$0	0%
Other Expenditures	\$11,644	4%	\$0	0%	\$0	0%
<b>Total Expenses</b>	<b>\$282,302</b>	<b>100%</b>	<b>\$380,308</b>	<b>100%</b>	<b>\$210,588</b>	<b>100%</b>
<b>Net Income (or Loss)</b>	<b>\$115,055</b>		<b>-\$63,973</b>		<b>\$114,162</b>	
Current Year Depreciation					\$ 111,358	
Accumulated Depreciation			\$ 736,518		\$ 876,187	

## Financing Efficiencies

The District participates in two joint powers authorities (JPAs): the Fire Agencies Insurance Risk Authority (FAIRA); and the Fire Agencies Self Insurance System (FASIS). The JPAs' purpose is to provide stable, efficient and long term risk financing for the District, and are funded through collective self-insurance and/or the purchase of insurance coverage's.

The District also has mutual aid agreements with neighboring fire agencies within Mutual Aid Zone 4 which includes Anderson Valley Community Services District, Redwood Coast Fire Protection District, and Elk Community Services District.

## Fundraising

The South Coast Volunteer Firefighters Association, a non-profit organization, conducts fund-raisers during the year to benefit the Fire Department and local service organizations.

## 2. MUNICIPAL SERVICES

### FIRE SERVICES

#### Service Overview

The South Coast Volunteer Fire Department provides structural fire protection, wildland fire protection, emergency medical response to an Emergency Medical Technician (EMT) level, vehicle rescue and extrication, hazardous materials response as a first responder, and fire prevention. Fire prevention includes continuing inspections of public and private property; working with several wildland/urban interface communities to improve survivability of homes and businesses threatened by wildland fires; and providing public education on fire safety through various types of public presentations. The Fire Department also responds to wildland fires with a 'Strike Team' capability under a Mutual Aid Agreement with CALFIRE.

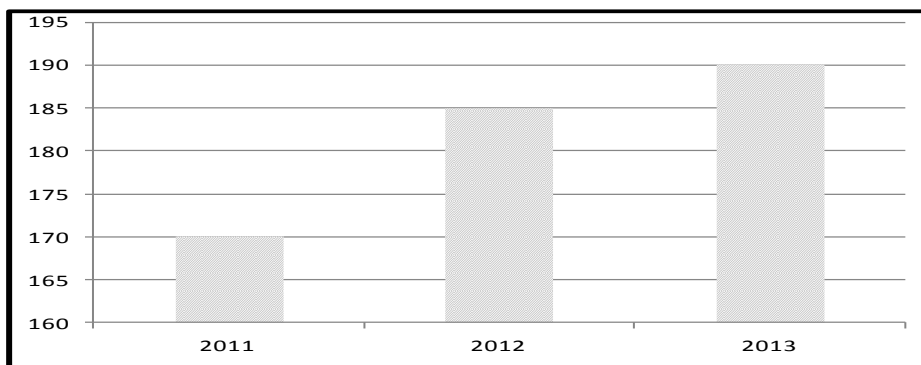
Fire Department personnel undergo diverse training three evenings per month, and special training sessions three to four times per year. The Department also participates in County-wide training exercises, and sends volunteer firefighters to academy classes and EMT training sessions.

The Department is dispatched by CALFIRE. All firefighters are alerted by pagers through Verizon.

#### Demand for Services

As shown in Figure 54, the number of calls have increased slightly over the past three years. The annual calls average about 185, with the majority of calls being medical response to traffic accidents and other medical service responses (80%). Fifteen percent of the calls are fire or hazardous materials-related. Typically there are 6 structure fires and 15 vegetation fires per year. The highest reported call volume occurs daily between the hours of 2:00 and 10:00 PM.

**Figure 54: Number of Calls by Year, 2011-2013**



The South Coast Volunteer Fire Department reported that it generally had sufficient capacity to provide services to its current service area, and to assist other fire departments through automatic and mutual aid.

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## Infrastructure and Facilities

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SCVFD operates four stations: the main fire station located at 39215 Baptist Church Street in Gualala; and single bay stations at 43080 Iverson Point Road at Highway 1 in the northern end of the District, at Anchor Bay at 46930 Ocean View Avenue, and at 1 Country Club Way near Old Stage Road and the Ocean View Airport. The Main Station was constructed in 1985 and is a 3,500 square foot facility with four apparatus bays (one engine each); plus a meeting/training room, kitchen, bathroom, shop, and storage area.

The Department maintains and operates one command vehicle, two rescue trucks (used for rescue and emergency medical calls), three Type 1 Structure Engines, four Type 3 Wildland Fire Engines, and three Water Tenders (1,800 gallon capacity each).

Within the Gualala community, water for fire protection is supplied by a water and hydrant system provided by the Gualala Community Services District. Outside of Gualala, water for fire protection is provided by on-board tanks on each engine, and the water tenders. The Fire Department also **has a 20,000 gallon water storage tank at the Iverson Station, and** relies on occasional private water storage tanks scattered throughout the District.

Ambulance service is provided by the Coast Life Support District with a station in Gualala. Air ambulance service is provided by CalStar and REACH.



Main Fire Station 39215 Baptist Church Street Gualala

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## Infrastructure Needs or Deficiencies

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SCVFD reported that the Main Station is in 'good' condition but is operating at capacity. Additional buildings are needed to house apparatus that is currently stationed outdoors.

Currently, water supply for fire fighting is considered 'adequate' – however, additional water storage tanks in strategic locations would be very beneficial.

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## Shared Facilities and Regional Collaboration

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No apparatus or facilities are shared with other districts. The District collaborates with other fire service providers through statewide (CALFIRE) and countywide mutual aid agreements.

The Fire Department did not identify any future opportunities for facility sharing.

The District participates in joint training exercises with other fire departments, and is involved in the the Mendocino Fire Plan through the Fire Safe Council.

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## Service Adequacy

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While there are several benchmarks that may define the level of fire service provided by an agency, indicators of service adequacy discussed here include ISO ratings, response times, and level of staffing and station resources for the service area.

Fire services in the communities are classified by the Insurance Service Office (ISO), an advisory organization. This classification indicates the general adequacy of coverage, with classes ranking from 1 to 10. Communities with the best fire department facilities, systems for water distribution, fire alarms and communications, and equipment and personnel receive a rating of 1. SCVFD ~~has an~~ **was recently upgraded from an** ISO rating of 7, ~~and~~ **to a rating of 5.** All areas of the District are within 5-miles of a fire station. ~~The Department reports that an ISO rating of 5 to 6 may be possible in the future.~~

Emergency response time standards vary by level of urbanization of an area; the more urban an area, the faster a response is required to be. The California EMS Agency established the following response time guidelines: five minutes in urban areas; 15 minutes in suburban or rural areas; and as quickly as possible in wildland areas. The Department tracks its response times for each incident. Eighty percent of responses are medically related. Response times for the South Coast Volunteer Fire Department **average 10-minutes per call, and** range from 5-minutes to 30-minutes.

The Fire Department Service Profile is presented in Figure 55.

**Figure 55: South Coast Volunteer Fire Department Profile**

<b>Fire Service Profile - South Coast Volunteer Fire Department</b>					
<b>District Resource Statistics</b>		<b>Service Configuration</b>		<b>Service Demand</b>	
Staffing Base Year	2013	Configuration Base Year	2013	Statistical Base Year	2013
Fire Stations in District	4	Fire Suppression	Direct	Total Service Calls	190
Main Station Location:	Gualala	Emergency Medical Service	Direct	% Emergency Medical Service	80%
Square Miles Served per Station <sup>1</sup>	5	Ambulance Transport	CLSD	% Fire/Hazardous Materials	15%
Total Staff <sup>2</sup>	<del>14</del> <b>22</b>	Hazardous Materials	County	% False	5%
Total Paid Firefighters (in FTE)	0.5	Air Ambulance	CalStar/REACH	% Miscellaneous Emergency	3%
Total Volunteer Firefighters	<del>13</del> <b>20</b>	Fire Suppression Helicopter	CalFire	% Non-Emergency	2%
Total Firefighters per Station <sup>3</sup>	<del>4</del> <b>5</b>	Public Safety Answering Point	Sheriff	% Mutual Aid Calls	1%
Total Firefighters per 1,000 pop.	<del>7</del> <b>10</b>	Fire/EMS Dispatch	CalFire	Calls per 1,000 population	95
<b>Service Adequacy</b>			<b>Service Challenges</b>		
Response Time Base Year			2013		
Response Time (in minutes)			<b>5 to 30, average 10</b>		
Maximum Response Time (in minutes)			30		
ISO Rating			<b>7 5/5Y</b>		
<p>Notes:</p> <p>1) Primary service area (square miles) per station.</p> <p>2) Total staff includes firefighters (paid and volunteer), emergency medical personnel, and administrative personnel.</p> <p>3) Based on ratio of firefighters to the number of stations. Actual staffing levels of each station vary.</p>					
			<b>Training</b>		
			Firefighters train three times per month and on some weekends. Specialized training available for 'Strike Team' members.		

### **3. MSR DETERMINATIONS**

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#### Growth and Population Projections

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1. There are approximately 2,100 residents within the District boundary, based on District estimates and Census data.
2. The population of the District has not increased over the past few years, and is not expected to increase in the foreseeable future.

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#### Location and Characteristics of Any Disadvantaged Unincorporated Communities Within or Contiguous to the Sphere of Influence

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3. The Gualala and Anchor Bay communities, as well as the surrounding areas appears to qualify as a Disadvantaged Unincorporated Community (DUC). Any future annexations to the District will require consideration of any DUC in proximity to the annexation area.
4. For SCFPD, structural fire protection is provided by the District and is considered to be satisfactory. The District does not provide water or sewer services, and is therefore not responsible for assuring that these services are adequately provided to the community.

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#### Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs and Deficiencies

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5. The District's current facilities are adequate, but are operating at capacity.
6. The Fire Department has the capacity to adequately serve current demand within the 20 square mile District boundary, and also provides services to an additional 20 square mile area through automatic and mutual aid.
7. Water supply for fire fighting is considered 'adequate' with the Gualala Community Services District water system, **the 20,000 gallon water storage tank at the Iverson Station**, and apparatus with on-board water tanks. Additional water tanks at strategic locations throughout the District would be beneficial.

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Financial Ability of Agency to Provide Services  
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- 8. SCFPD reported that current financing levels are adequate to deliver services.
- 9. The District has adequate reserve funds to deal with revenue short-falls in any given year.

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Status and Opportunities for Shared Facilities  
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- 10. The District collaborates with other fire service providers through state and county mutual aid agreements.

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Accountability for Community Services, Including  
Governmental Structure and Operational Efficiencies  
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- 11. SCFPD is governed by an elected five-person Board of Directors. However, all recent Board positions have been filled by appointment of the Mendocino County Board of Supervisors. The District should renew its efforts to identify more than one candidate for each Board position so that voters within the District will be afforded a choice and an opportunity to vote.
- 12. Filling the current Board vacancy should be a priority.
- 13. The District does not have a website. Establishing a website and the posting of agendas, minutes, budgets, and audits would provide better transparency.
- 14. The District maintains a community presence at its Main Fire Station, where it posts information about district and fire department activities, documents and updates. Similar information should be posted at the satellite fire stations.
- 15. The agency demonstrated accountability in its cooperation with Mendocino LAFCo information requests.

\* \* \* \*

## District Balance Sheet

SOUTH COAST FIRE PROTECTION DISTRICT  
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2014

<u>ASSETS</u>	<u>General Fund</u>	<u>Adjustments Note 6</u>	<u>Statement of Net Assets</u>
Cash	\$ 230,572	\$ -	\$ 230,572
Taxes receivable	26,124		26,124
Prepaid insurance	7,200		7,200
Land		52,500	52,500
Other capital assets, net of accumulated depreciation	-	683,854	683,854
<b>Total Assets</b>	<b><u>\$ 263,896</u></b>	<b><u>736,354</u></b>	<b><u>1,000,250</u></b>
 <u>LIABILITIES</u>			
Accounts payable	\$11,823		\$ 11,823
Accrued payroll	3,608		3,608
Payroll taxes payable	284		284
Deferred insurance proceeds	73,797		73,797
Long-term liabilities			
Due within one year		71,123	71,123
Due after one year	-	155,184	155,184
<b>Total Liabilities</b>	<b><u>89,512</u></b>	<b><u>226,307</u></b>	<b><u>315,819</u></b>
 <u>FUND BALANCE / NET POSITION</u>			
Fund balances			
Unassigned	174,384	(174,384)	-
<b>Total Fund Balance</b>	<b><u>174,384</u></b>	<b><u>(174,384)</u></b>	<b><u>-</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 263,896</u></b>	<b><u>(174,384)</u></b>	<b><u>-</u></b>
 Net Position			
Investment in capital assets		510,047	510,047
Unrestricted		174,384	174,384
<b>Total Net Position</b>		<b><u>\$ 684,431</u></b>	<b><u>\$ 684,431</u></b>



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

**Staff Report**

DATE: February 1, 2016  
TO: Mendocino Local Agency Formation Commission  
FROM: George Williamson, Executive Officer  
SUBJECT: Planwest Contract Amendment for FY 2015-16

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**Background**

Staff is requesting a contract amendment for the remainder of FY 2015-16, primarily to allow for the completion of MSRs and SOI Updates. This was presented to the Executive Committee at their December 2015 meeting, and then forwarded to the Commission at the January 2016 meeting. At that meeting staff noted that the additional amount being requested for the FY 2015-16 budget amendment would come from unrestricted funds in the account at this time and have no impact on member contributions or reserves. The Executive Committee reviewed this again at their January meeting and took action to bring it back for Commission review and possible action at the February meeting.

The proposed contract amendment includes the following changes:

LAFCo Chairman Name: replace Richard Shoemaker with Jerry Ward  
Revise EXHIBIT B - Work Plan for Completion of MSRs and SOIs  
Revise EXHIBIT C - Payment Terms

The proposed amendment and revised exhibits are attached.

**Recommendation**

Staff recommends the Commission approve the Planwest FY 2015-16 Contract Amendment.

Attachments: 1) Planwest FY 2015-16 Contract Amendment and Revised Exhibits B & C

**MENDOCINO LOCAL AGENCY FORMATION COMMISSION  
PROFESSIONAL SERVICES AGREEMENT**

**AMENDMENT NO. 1**

This Agreement, dated as of February 1, 2016, is by and between the Mendocino Local Agency Formation Commission, hereinafter referred to as "COMMISSION", and Planwest Partners Inc., hereinafter referred to as "CONTRACTOR".

**WITNESSETH**

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

WHEREAS, COMMISSION desires to contract for professional services with CONTRACTOR in order to complete the Municipal Service Reviews (MSRs) and Sphere of Influence (SOI) Update Program initiated in 2014; and

WHEREAS, CONTRACTOR is willing to provide such services with the following amendments to terms and conditions as were contained in the Executive Officer Services Agreement dated July 1, 2014.

LAFCo Chairman Name: replace Richard Shoemaker with Jerry Ward

Revise EXHIBIT B - Work Plan for Completion of MSRs and SOIs

Revise EXHIBIT C - Payment Terms

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

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

Mendocino LAFCo

Contractor

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

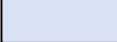
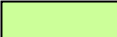
\_\_\_\_\_  
George Williamson, Principal

Attachments

EXHIBIT B REVISED - Work Plan for Completion of MSRs and SOIs  
EXHIBIT C REVISED - Payment Terms

**WORK PLAN FOR COMPLETION OF MSRS AND SOIS**

Agency	MSR	SOI Update	Notes
<b>Cities</b>			
City of Fort Bragg	Scheduled for FY 2016-17	Scheduled for FY 2016-17	
City of Point Arena	City of Point Arena MSR (Adopted Feb 2, 2015)	Completed in FY 2015-16 (Adopted Nov 2, 2015)	
City of Ukiah	City of Ukiah MSR (Adopted Sept 4, 2012)	SOI Amendment Application in progress – on hold status	
City of Willits	City of Willits MSR (Adopted Feb 2, 2015)	Scheduled for FY 2016-17	
<b>Fire Related Districts</b>			
Albion-Little River FD	Countywide Fire MSR – Part 3 (In Progress)	Scheduled for FY 2016-17	
Comptche CSD	Countywide Fire MSR – Part 2 (Adopted Nov 2, 2015)	Scheduled for FY 2016-17	
Covelo FPD	Countywide Fire MSR – Part 1 (Adopted Mar 2, 2015)	Scheduled for FY 2016-17	
Elk CSD	Countywide Fire MSR – Part 3 (In Progress)	Scheduled for FY 2016-17	
Fort Bragg Rural FPD	Scheduled for FY 2016-17	Scheduled for FY 2016-17	
Hopland FPD	Countywide Fire MSR – Part 1 (Adopted Mar 2, 2015)	Scheduled for FY 2016-17	
Leggett Valley FPD	Countywide Fire MSR – Part 1 (Adopted Mar 2, 2015)	Scheduled for FY 2016-17	
Little Lake FPD	Countywide Fire MSR – Part 1 (Adopted Mar 2, 2015)	Scheduled for FY 2016-17	

 FY 2015-16  
 FY 2016-17

Agency	MSR	SOI Update	Notes
Long Valley FPD (Laytonville VFD)	Countywide Fire MSR – Part 1 (Adopted Mar 2, 2015)	Scheduled for FY 2016-17	
Mendocino FPD	Countywide Fire MSR – Part 2 (Adopted Nov 2, 2015)	Scheduled for FY 2016-17	
Piercy FPD	Countywide Fire MSR – Part 3 (In Progress)	Scheduled for FY 2016-17	
Potter Valley CSD	Countywide Fire MSR – Part 2 (Adopted Nov 2, 2015)	Scheduled for FY 2016-17	
Redwood Coast FPD	Scheduled for FY 2016-17	Scheduled for FY 2016-17	
Redwood Valley-Calpella FD	Countywide Fire MSR – Part 2 (Adopted Nov 2, 2015)	Scheduled for FY 2016-17	
South Coast FPD	Countywide Fire MSR – Part 3 (In Progress)	Scheduled for FY 2016-17	
Westport VFD (not a special district)	Countywide Fire MSR – Part 3 (In Progress)	Sphere update n/a - Potential fire district formation	
Ukiah Valley FPD	Part of UV Special Districts MSR (Adopted May 6, 2013)	Scheduled for FY 2016-17	
<b>Community Services Districts</b>			
Anderson Valley CSD	Anderson Valley CSD MSR (Adopted Feb 3, 2014)	Completed in FY 2015-16 (Adopted Dec 7, 2015)	
Brooktrails Township CSD	Scheduled for FY 2016-17	Scheduled for FY 2016-17	
Covelo CSD	Scheduled for FY 2016-17	Scheduled for FY 2016-17	
Gualala CSD	Countywide W/WW MSR (Adopted Oct 6, 2014)	Completed FY 2015-16 (Adopted Jan 4, 2016)	
Mendocino City CSD	Scheduled for FY 2016-17	Scheduled for FY 2016-17	

Agency	MSR	SOI Update	Notes
<b>County Water Districts</b>			
Calpella County Water District	Part of UV Special Districts MSR (Adopted May 6, 2013)	Scheduled for FY 2015-16	
Elk County Water District	Countywide W/WW MSR (Adopted Oct 6, 2014)	Completed in FY 2015-16 (Adopted Nov 2, 2015)	
Laytonville County Water District	Countywide W/WW MSR (Adopted Oct 6, 2014)	Completed in FY 2015-16 (Adopted Dec 7, 2015)	
Millview County Water District	Part of UV Special Districts MSR (Adopted May 6, 2013)	Scheduled for FY 2015-16	
Redwood Valley County Water District	Part of UV Special Districts MSR (Adopted May 6, 2013)	Scheduled for FY 2015-16	
Round Valley County Water District	Countywide W/WW MSR (Adopted Oct 6, 2014)	Scheduled for FY 2015-16	
Westport County Water District	Countywide W/WW MSR (Adopted Oct 6, 2014)	Completed in FY 2015-16 (Adopted Nov 2, 2015)	
Willow County Water District	Part of UV Special Districts MSR (Adopted May 6, 2013)	Scheduled for FY 2015-16	
<b>California Water Districts</b>			
Caspar South Water District	Countywide W/WW MSR (Adopted Dec 1, 2014)	Completed in FY 2015-16 (Adopted Nov 2, 2015)	
Irish Beach Water District	Countywide W/WW MSR (Adopted Nov 3, 2014)	Scheduled for FY 2015-16	
Pacific Reefs Water District	Countywide W/WW MSR (Adopted Oct 6, 2014)	Completed in FY 2015-16 (Adopted Nov 2, 2015)	
<b>Other Districts</b>			
Ukiah Valley Sanitation District	Part of UV Special Districts MSR (Adopted March 3, 2014)	Scheduled for FY 2016-17	
Hopland Public Utility District	Part of UV Special Districts MSR (Adopted May 6, 2013)	Scheduled for FY 2015-16	

Agency	MSR	SOI Update	Notes
Potter Valley Irrigation District	Part of UV Special Districts MSR (Adopted May 6, 2013)	Scheduled for FY 2015-16	
Russian River Flood Control and WCID	Part of UV Special Districts MSR (Adopted May 6, 2013)	Scheduled for FY 2016-17	
Noyo Harbor District	Noyo Harbor District MSR (Adopted Feb 3, 2014)	Scheduled for FY 2015-16	
Mendocino Coast Healthcare District	Mendocino Coast Healthcare District MSR (Adopted Aug 4, 2014)	Scheduled for FY 2015-16	
Mendocino County RCD	Mendocino County RCD MSR (Adopted Aug 4, 2014)	Scheduled for FY 2015-16	
Mendocino Coast Rec & Park District	Scheduled for FY 2016-17	Scheduled for FY 2016-17	
<b>Cemetery Districts</b>			
Anderson Valley Cemetery District	Countywide Cemetery MSR (In Progress)	Scheduled for FY 2016-17	
Cemetery District of the Redwoods	Countywide Cemetery MSR (In Progress)	Scheduled for FY 2016-17	
Covelo Public Cemetery District	Countywide Cemetery MSR (In Progress)	Scheduled for FY 2016-17	
Hopland Cemetery District	Countywide Cemetery MSR (In Progress)	Scheduled for FY 2016-17	
Mendocino-Little River Cemetery District	Countywide Cemetery MSR (In Progress)	Scheduled for FY 2016-17	
Potter Valley Cemetery District	Countywide Cemetery MSR (In Progress)	Scheduled for FY 2016-17	
Russian River Cemetery District	Countywide Cemetery MSR (In Progress)	Scheduled for FY 2016-17	
Westport-Ten Mile Cemetery District	Countywide Cemetery MSR (In Progress)	Scheduled for FY 2016-17	

**PAYMENT TERMS**

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

George Williamson, Contract Executive Officer	\$108.00 per hour
Colette Metz, LAFCo Analyst; Deputy Executive Officer	\$ 84.00 per hour
Vanessa Blodgett, MSR/SOI Preparer	\$ 76.00 per hour
Sarah West, Administrator; MSR/SOI Preparer	\$ 58.00 per hour
John McFarland, Fire Services Specialist	\$ 58.00 per hour
Steven Tyler, Water/Wastewater Services Specialist	\$ 58.00 per hour
Jason Barnes, GIS Analyst; Website Administrator	\$ 62.00 per hour
Elizabeth Salomone, Sub-Contract Commission Clerk	\$ 35.00 per hour
Uma Hinman, Sub-Contract Environmental Coordinator	\$ 85.00 per hour
Colette Metz, Facilitator	\$ 78.00 per hour
Leslie Marshall, Administrative Analyst	\$ 58.00 per hour
Jodi Lee Bookkeeper	\$ 40.00 per hour
3. CONTRACTOR will submit monthly invoices to COMMISSION on the first day of each subsequent month. Said invoices shall identify the task completed and payment due for such task, and provide an itemization of allowable costs incurred, accompanied by receipts for all expenditures and an explanation of same. Except as otherwise set forth in this Agreement, payment for services and reimbursement of allowable costs will be made by COMMISSION within 30 days of approval of the invoice by COMMISSION.
4. COMMISSION shall pay CONTRACTOR for actual time spent in the completion of BASIC SERVICES at the rates and within task management limits shown below but not to exceed \$59,000 for Fiscal Year 2015-16. In addition CONTRACTOR may not bill for more than \$10,000 for BASIC SERVICES in any one month without prior approval from COMMISSION.
5. COMMISSION shall pay CONTRACTOR for completion of Sphere of Influences for all Cities and Special Districts within Mendocino County as they are completed as per EXHIBIT B for FY 2015-2016. Total price not to exceed \$49,000. Progress payments for SOIs and MSR reviews may be included in separate monthly invoices. Final payment for SOIs and MSR reviews will be made within 30 days acceptance of the SOI or MSR review.

[END OF PAYMENT TERMS]

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

**Staff Report**

DATE: February 1, 2016  
TO: Mendocino Local Agency Formation Commission  
FROM: George Williamson, Executive Officer  
SUBJECT: Planwest Contract Extension or Staffing RFP Options for FY 2016-17

---

**Background**

Staff has requested a one year contract extension for FY 2016-17. The primary purpose is to complete the MSRs and SOI Updates scheduled for this update cycle. This staff proposal was presented to the Executive Committee at their December 2015 meeting, and then forwarded to the commission at the January 2016 meeting. At that meeting the Commission requested that this staff proposal, and an option to consider distributing a request for proposal for staffing services, come back as a discussion item at the February 2016 meeting. The Executive Committee reviewed this again at their January meeting and took action to bring both options back as discussion items, for Commission review and direction at the February meeting.

Subsequent to the January Executive Committee meeting, legal counsel was contacted to advise on this matter. Counsel advised that a closed session be scheduled at the February meeting. This closed session has been agendaized as Item 13 Annual Performance Evaluation, Title Contract Executive Officer, preceding this agenda item. The intent is that the performance evaluation guide the Commission discussion on which option to pursue.

**Recommendation**

Staff recommends the Commission direct staff to either bring a FY 2016-17 Contract Extension or a Request for Proposals to be distributed to qualified candidates at the March meeting.

Attachments: None



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

**Staff Report**

DATE: February 1, 2016  
TO: Mendocino Local Agency Formation Commission  
FROM: George Williamson, Executive Officer  
SUBJECT: MSR Completion

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**Background**

At the January LAFCo meeting the Commission, during closed session, authorized Chair Ward to a sign and send a letter to Baracco and Associates regarding MSR completion. The Commission also directed legal counsel to contact Bruce Baracco after receipt of the letter. Mr. Baracco responded to legal counsel on January 27, 2016 (see attached). The tentative completion schedule as presented by Mr. Baracco in the January 27<sup>th</sup> e-mail is summarized below:

Fire Districts:

- All Administrative Draft MSRs for the Fire Districts were completed by January 21, 2016, as required in Chair Ward's letter of January 8, 2016.
- Commission approval of the remaining Fire District MSR chapters at a Public Hearing on March 7, 2016.

Cemetery Districts:

- Admin Draft MSRs for the Cemetery Districts by February 8, 2016 for both Commissioner and Districts' review, as required in Chair Ward's letter of January 8, 2016.
- Commission approval of the Cemetery District MSR chapters at a Public Hearing on April 4, 2016.

Remaining Districts:

- Commission approval of the three Miscellaneous District MSR chapters at a public hearing on May 2, 2016.

**Recommendation**

Staff recommends the Commission review and discuss the report and provide additional direction, as necessary.

Attachments: E-mail correspondence from Mr. Baracco on January 27, 2016

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**From:** Bruce Baracco  
**Sent:** Wednesday, January 27, 2016 1:42 PM  
**To:** Scott Brown  
**Cc:** George Williamson  
**Subject:** Completion of Municipal Service Reviews

Hi Scott,

As you requested in our telephone conversation earlier today, here is a run-down on the Municipal Service Reviews that I am finalizing:

1. All Administrative Draft MSR for the Fire Districts were completed by January 21, 2016 as required in Chair Ward's letter of January 8, 2016.
2. Initial comments were received from Elk Community Services District and were incorporated into an annotated Public Review Draft MSR issued on January 21, 2016.  
The District has indicated that they will be submitting additional comments in response to the Public Review Draft MSR.
3. Comments have not yet been received from the Comptche Community Services District on the Admin Draft MSR issued on December 23, 2015.  
The District has indicated that they will submit comments following their Board meeting on February 4, 2016.
4. Comments were received from the South Coast Fire Protection District and were incorporated into an annotated Public Review Draft MSR issued on January 20, 2016.
5. Comments have not yet been received from the Piercy Fire Protection District on the Admin Draft MSR issued on January 11, 2016.
6. I am in continual contact with above mentioned Districts and will issue subsequent MSR chapters as information is received.
7. Preliminary Draft MSRs have been prepared for all of the Cemetery Districts.
8. I am endeavoring to issue Admin Draft MSRs for the Cemetery Districts by February 8, 2016 for both Commissioner and Districts' review, as required in Chair Ward's letter of January 8, 2016.
9. One thing that I don't think has been understood is that all of our work products are posted to the Mendocino LAFCo Dropbox.  
Dropbox is accessible to any staff member, including the EO, Analyst and Clerk.  
Data, preliminary drafts, admin drafts, public review drafts, annotated drafts, final drafts, maps, charts, RFIs, etc. are available for all work products completed to date.
10. Completion Schedule:  
I would anticipate Commission approval of the remaining Fire District MSR chapters at a Public Hearing on March 7, 2016.  
I would anticipate Commission approval of the Cemetery District MSR chapters at a Public Hearing on April 4, 2016.  
I would anticipate Commission approval of the three Miscellaneous District MSR chapters at a public hearing on May 2, 2016.

Please let me know if you need any additional information or explanation.

Regards,  
Bruce

# MENDOCINO Local Agency Formation Commission

## Staff Report

DATE: February 1, 2016  
TO: Mendocino Local Agency Formation Commission  
FROM: George Williamson, Executive Officer  
SUBJECT: Alternate Public Member Appointment

---

### Background

The term of office for Carol Rosenberg as Alternate Public Member expired on December 31, 2015. Commissioner Rosenberg may continue to serve until the new appointment is made. At the January meeting, staff proposed a schedule for distributing a notice of vacancy for the open seat. However, based on expressed interest by Commissioner Rosenberg for being re-appointed, the Commission directed staff to determine whether reappointment was possible without soliciting candidates.

Government Code Section 56334 states: “The term of office of each member shall be four years and until the appointment and qualification of his or her successor...However, the length of a term of office shall not be extended more than once...”

Based on the above cited Government Code, staff contacted legal counsel to determine whether a “term extension” could be an option for re-appointing Commissioner Rosenberg for the 2016-2020 term. Legal counsel has advised that that Commission must distribute a notice of vacancy in accordance with Government Code Section 56325(d), which states: “...Whenever a vacancy occurs in the public member or alternate public member position, the commission shall cause a notice of vacancy to be posted as provided in Section 56158.”

Therefore, the updated timeline for soliciting candidates for the open seat includes the following:

- Notice of Alternate Public Member opening be posted/published by February 5, 2016.
- Deadline for applications February 26<sup>th</sup>, 2016.
- Interview of applicants at the March 7, 2016 Regular Meeting.

### Recommendation

Staff recommends the Commission discuss this item and direct staff to solicit candidates for the open alternate public member seat.

Attachments: None

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

**Staff Report**

DATE: February 1, 2016  
TO: Mendocino Local Agency Formation Commission  
FROM: George Williamson, Executive Officer  
SUBJECT: Status of Audits for FY 2012-13, 2013-14, and 2014-15

---

**Background**

The Commission approved contracting with Michael Celentano to conduct the FY 2012-13 audit and Pehling & Pehling to conduct the FY 2013-14 and 2014-15 audits. Below is a summary of the current status:

FY 2012-13 Audit

On April 6, 2015, the Commission reviewed and accepted the FY 2012-13 audit report and directed staff to include a response in the management letter regarding the deficiencies noted in the report. The cited deficiencies was discussed at the January Executive Committee meeting, and staff was directed to contact Michael Celentano regarding this particular audit and report back to the Commission.

FY 2013-14 Audit

A Draft FY 2013-14 audit report has been prepared by Pehling & Pehling. The FY 2013-14 audit is being presented for approval.

FY 2014-15 Audit

On July 13, 2015, the Commission approved contracting with Pehling & Pehling for the 2014-15 audit. The Commission has received a Letter of Engagement and initial deposit invoice for the FY 2014-15 audit. Staff will be providing financial information to Pehling & Pehling as soon as possible in order to complete this audit.

**Recommendation**

Staff recommends the Commission discuss this item, approve the FY 2013-14 audit, and provide additional direction to staff as needed.

Attachments: FY 2013-14 Audit

**Mendocino Local Agency Formation  
Commission**

**FINANCIAL STATEMENTS**

**AUDIT REPORT**

**June 30, 2014**

**January 12, 2016**

Mendocino Local Agency Formation Commission  
200 S School St, Suite F  
Ukiah, CA 95482

**INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying financial statements of Mendocino Local Agency Formation Commission as of and for the year ended June 30, 2014, as listed in the Table of Contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that our audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mendocino Local Agency Formation as of June 30, 2014, and the respective

changes in financial position for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

#### **Other Matters**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information and Budget VS. Actual comparison be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquires of management regarding the methods of preparing the information and comparing the information for consistency with managements responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurances on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide an assurance.

Pehling & Pehling, CPA's  
An Accountancy Corporation

**Mendocino Local Agency Formation Commission**

**Audit Report  
June 30, 2014**

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**Mendocino Local Agency Formation Commission  
Management Discussion & Analysis of  
Fiscal Years Ending June 30, 2014**

**1. Discussion of Basic Financial Statements**

Mendocino Local Agency Formation Commission's (LAFCo) primary funding source for its annual budget is mandated by Government Code Section 56381. Section 56381 requires that the costs of LAFCo are to be paid in equal one-third shares by the agencies represented on the Commission; that is, the County pays one-third of the adopted budget, the four Cities pay one-third and the fifty Special Districts pay one-third. LAFCo does not receive its annual income directly; instead, an independent third party, the County Auditor, receives and holds the funds for LAFCo.

LAFCo's General Fund is its primary operating fund; it is used to account for most all transactions of the Commission. When application fees are received, a Project Fund will be developed for the income and expenditures associated with that particular Project.

LAFCo has no other specialized funds such as enterprise funds, capital asset funds, debt payment funds, or other similar funds. Because of the size of its budget, the type of income, and the nature of the funding process mandated by Government Code Section 56381 and the keeping of the funds by the County Auditor, LAFCo has historically utilized a modified cash basis of accounting.

**2. Comparative Financial Information**

All services needed by LAFCo, including County services received by LAFCo, must be paid for from LAFCo's budget. This includes such services as staff, legal counsel, GIS, County surveyor, Auditor, (A-87 costs), Assessor and Recorder, Engineering services, publications of legal notices, communications, website, insurance, the cost of annual audits, etc. These costs have been reflected in LAFCo's budget since Fiscal Year 2001-2002. Additionally, the costs of the Sphere of Influence/Municipal Service Review process as mandated by G.C. 56425 and 56430 have been reflected in LAFCo's budget.

For the past five years the one-third apportionment costs to the County, Cities, and Special Districts have changed as follows: for Fiscal Year 2008-2009, the apportionment amount was \$65,092; for Fiscal Year 2009-2010, the apportionment amount was \$65,067; for Fiscal Year 2010-2011 the amount was reduced to \$55,301; for Fiscal Year 2011-2012, the apportionment amount was further reduced to \$45,000. For Fiscal Years 2013-2012 & 2014-2013, the apportionment amount remained at \$45,000.

**3. Condensed Financial Information**

A summation of LAFCo's financial circumstances is provided in the below tables:

**Statement of Net Position  
June 30, 2014 & 2013**

<b>Assets</b>	<b>2014</b>	<b>2013</b>
Cash	206,887	198,109
Total Assets	206,887	198,715
Liabilities	35,036	13,091
Total Net Position	171,851	185,624

**Statement of Activities  
June 30, 2014 & 2013**

	<b>2014</b>	<b>2013</b>
Program Expenses	149,801	133,246
Program Revenues	135,000	135,000
Net Program Income	(14,801)	1,754
General Revenue	1,028	712
Increase in Net Position	(13,773)	2,466
Net Position-July 1	185,624	183,158
Net Position-June 30	171,851	185,624

#### **4. LAFCo's Overall Financial Position**

The particular financial circumstances of LAFCo are different from most public agencies. LAFCo has no authority to tax, borrow or enter into capital projects. It does have the power to assess fees for applications and services provided. By law, fees can only be the actual, direct costs of providing the service, and cannot be used to fund the operating costs of LAFCo. The primary expenditures for the budget are paid by the participating agencies rather than from fees, taxes or assessments on property. LAFCo has no debt. Its primary monetary assets are its reserve funds. For Fiscal Year 2014-2013, reserve funds were as follows: General Reserves of \$145,624, Municipal Service Review Reserves of \$20,000, and Legal Reserves of \$20,000.

#### **5. Analysis and Transactions of General Fund-LAFCo's Budget**

Following is the adopted budget for Fiscal Year 2014-2013, which was adopted by the Commission in June 2013.

**Commission's Final Budget Fiscal Year 2013-2014**

Quick Books			Fiscal Year
Line #	Account #	Description	2013/2014
<b>Revenue</b>			
1	4000	LAFCo Apportionment Fees	135,000.00
2	4110	Application Filing Fees	16,500.00
3	4140	Miscellaneous	100.00
4	4910	Interest Income	500.00
5		<b>Total Income</b>	152,100.00
<b>Expenses</b>			
6	6000	Contract Services - Office & Staff	61,250.00
7	6100	Office Rent	6,130.00
8	6300	Office Expense	3,300.00
9	6400	Internet & Website Costs	920.00
10	6500	Publication & Legal Notices	2,400.00
11	6550	Televising Commission Meetings	1,760.00
12	6600	Audit Services	3,000.00
13	6700	Contract Services - Financial	3,000.00
14	6800	Legal Counsel	3,000.00
15	6900	A-87 Costs - County Services	5,000.00
16	7000	Insurance - General Liability	1,050.00
17	7110	CALAFCO Membership	760.00
18	7120	CSDA Membership	950.00
19	7130	Miscellaneous Membership	25.00
20	7200	Commissioner Travel - In County	6,000.00
21	7400	Conference & Workshop Expense	3,400.00
22		<b>Subtotal</b>	101,945.00
23	7500	SOI/MSR Process & Mandates	40,000.00
24	7700	Application Processing Costs	16,500.00
25		<b>Total Apportionment Expenses</b>	158,445.00
26		<b>Expenditures in Excess of Revenue</b>	<u>(6,345.00)</u>
<b>Reserve Funds</b>			
27		General Reserves	64,210.00
28		Legal Services Reserves	20,000.00
29		Municipal Service Reviews & SOI Reviews	20,000.00
30		Allocated Reserves	<u>104,210.00</u>

## **6. Analysis of Significant Budgetary Variations-Unspent Funds**

LAFCo policy (Chapter III, Section O, Item 7 of the Policy & Procedures) states: *“The annual budget will include a fund set by the Commission for the purpose of funding sphere updates or sphere reviews, service reviews and special studies and any tasks, consultants, special staff, or CEQA review associated with this process. This fund may be carried over from year-to-year for purposes of accumulating sufficient reserves to accomplish the indicated tasks. Excess funds not used as budgeted shall accumulate to this reserve.”*

Each year, since the beginning of the budget process under Cortese-Knox-Hertzberg (C-K-H), there have been unspent funds from the various line items. The Commission through its budget deliberations process has determined that money not spent in one budget year from various line items, is to be used in the next year’s budget to increase reserves and as a Fund Balance Carryover to offset the forthcoming year’s budget for G.C. 56425 & 56430 mandates.

## **7. Description of Significant Capital Assets and Long-term Debt Activity**

Except for a provision in C-K-H that allows the Board of Supervisors to lend temporary operational funds to the Commission, LAFCo has no authority to borrow or to develop capital projects. The Commission has no mortgages, leases, liens, short-term loans, long-term debt, or any other encumbrances. It owns no stocks, bonds, securities or other investments. It has no capital assets or capitalization programs. The Commission does have the authority to pursue grants to assist in its decision making, but has no grants at this time.

## **8. Discussion of Significant Changes in Conditions and Estimated Maintenance Expenses for Infrastructure Assets**

The Commission owns no land, buildings or infrastructure. Other than normal office furniture, filing cabinets, telephone, computer, and printer, the Commission has no physical assets. Paper and electronic records or past actions and activities are maintained in the LAFCo office, and from the date of inception of LAFCo in 1963.

## **9. Currently Known Facts, Decisions or Conditions**

There are no facts, decisions or conditions that are currently known that are expected to significantly alter LAFCo’s future financial picture.

## **10. Additional Financial Information**

This financial report is designed to provide LAFCo’s participating agencies, members of the public, customers, and other interested parties with an overview of LAFCo’s financial results and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact Mendocino LAFCo at 200 South School Street, Suite F, Ukiah, CA 95482; 707-463-4470.

**LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY**  
**STATEMENT OF NET POSITION & GOVERNMENTAL FUNDS BALANCE SHEET**  
**AS OF JUNE 30, 2014**

<u>Assets</u>	General Fund	Adjustments Note 3	Statement of Net Position 2014
Cash - Note 2	\$ 206,887	\$ -	\$ 206,887
Accounts Receivable	-	-	-
<b>Total Assets</b>	<b>\$ 206,887</b>	<b>\$ -</b>	<b>\$ 206,887</b>
 <u>Liabilities</u>			
Accounts Payable	26,064	-	26,064
Fees Received in Advance	8,972	-	8,972
<b>Total Liabilities</b>	<b>\$ 35,036</b>	<b>\$ -</b>	<b>\$ 35,036</b>
 <u>Fund Balance/Net Position</u>			
Fund Balances			
Reserved for Legal	20,000	(20,000)	-
Reserved for Municipal Service Reviews	20,000	(20,000)	-
Unassigned	131,851	(131,851)	-
<b>Total Fund Balance</b>	<b>\$ 171,851</b>	<b>\$ (171,851)</b>	<b>\$ -</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 206,887</b>	<b>\$ (171,851)</b>	<b>\$ -</b>
 <u>Net Position</u>			
Unrestricted		\$ 171,851	\$ 171,851
<b>Total Net Position</b>		<b>\$ 171,851</b>	<b>\$ 171,851</b>

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

**LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	2014
<u>General Government - Planning</u>	
Insurance-General	\$ 944
Memberships	3,699
Audit Fees	3,000
Data Processing Fees and Website Costs	1,202
Legal fees	4,624
Architect, Engineering and Planning Services	5,808
Professional Services	104,594
Rent	6,544
Office Expenses	1,003
Public and legal notices	1,092
County Support Services	13,426
Televising Commissioner Meetings	880
Professional Services-Financial	160
Transportation and Travel Out of County	1,054
Miscellaneous Expense	1,771
Total Program Expenses	\$ 149,801
<u>Program Revenues</u>	
Assessments	135,000
Fees & Reimbursements	-
Total Program Revenues	\$ 135,000
Net Program Income	\$ (14,801)
<u>General Revenues</u>	
Interest Earnings	1,028
Total General Revenues	\$ 1,028
Increase in Net Position	\$ (13,773)
Net Position - July 1,	185,624
Net Position - June 30,	\$ 171,851

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

**Mendocino Local Agency Formation Commission**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2014**

**Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The Mendocino Local Agency Formation Commission's (LAFCo) primary operates under the rules and requirements of the Cortese-Knox-Hertzberg Local Government Act of 2000. This act is commonly referred to as C-K-H or AB 2838. This act is found in the Government Code beginning with Section 56000. However, this part of the Government Code does not comprise of all the requirements of laws that LAFCo must meet. Other elements of the law such as the Public Resources Code, Guidelines to California Environmental Quality Act (CEQA), Revenue and Taxation Code, Election Code, Brown Act, case decisions, state and local policies and the policies and procedures of LAFCo also affect the decision making responsibilities of LAFCo. However, the primary controlling authority of LAFCo is the Government Code beginning with Section 56000 and LAFCo's policies which implement the law.

**Accounting Policies**

The Commission's accounting and reporting policies conform to the generally accepted accounting principles as applicable to state and local governments. The following is a summary of the more significant policies.

**Basis of Presentation**

The Statement of Net Position and Statement of Activities display information about the reporting of the Commission as a whole.

The Commission is comprised of only one fund, the General Fund. The General Fund is the primary operating fund of the Commission and is always classified as a major fund. It is used to account for all activities.

**Basis of Accounting**

Statement of Net Position and Statement of Activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, asset and liabilities resulting from an exchange are recognized when the exchange takes place.

When an expense is incurred for the purpose for which both restricted and unrestricted net assets are available, the Commission's policy is to apply restricted net assets first.

In the General Fund Financial Statements, government funds are presented on the modified accrual basis of accounting. Under this method, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectable within the current period or within sixty days after year end. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recorded when due.

When an expense is incurred for the purpose for which either committed, assigned or unassigned net assets are available, the Commission's policy is to apply committed or assigned net asset first.

## **Budget**

The Commission is required to adopt an annual budget for the Commission's general operations each fiscal year. The annual budget for the general fund is prepared in accordance with the basis of accounting utilized by the Commission. The budget is amended from time-to-time as needed and is approved by the Board of Commissioners with each amendment.

## **Deposits and Investments**

It is the Commission's policy for deposits and investments to either be insured by the FDIC or collateralized. The Commission's deposits and investments are categorized to give an indication of the level of risk assumed by the Commission as of June 30, 2014 and 2013. The categories are described as follows:

- Category 1      Insured, registered or collateralized, with securities held by the entity or its agent in the entity's name.
  
- Category 2      Uninsured and unregistered or collateralized, with securities held by the counter party's trust department or agent in the entity's name.
  
- Category 3      Uninsured and unregistered, or uncollateralized, with securities held by the counter party, or its trust department or agent but not held in the entity's name.

Deposits and Investments as of June 30, 2014 and 2013 consist of Category 1 type only.

State law requires uninsured deposits of public agencies to be secured by certain state approved investment securities. The Commission's deposits are secured as part of an undivided collateral pool covering all public deposits with the financial institution. The market value of the pool must be equal to at least 110% of the total public deposits held by the financial institutions.

## **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.



## **Risk Management**

The Commission is exposed to various risks of loss related to torts, theft to, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Commission carries insurance for all risks. Settled claims resulting from these risks have not exceeded insurance coverages in the past three years.

## **Equity Classifications – Government-wide Statements**

Equity is classified as net position and displayed as follows:

- a. Invested in capital assets, net of related debt – consists of capital assets net of accumulated depreciation and reduced by outstanding liabilities used for acquisition, construction or improvement of these assets.
- b. Unrestricted net position – All other net assets that do not meet the definition of “Investment in capital assets, net of unrelated debt”.

## **Equity Classifications – Fund Statements**

Government fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned or unassigned.

## **Note 2 – Cash**

The Commission maintains an account with the County of Mendocino used for issuing warrants for the payment of general operating expenses. Cash on deposit in the County of Mendocino’s treasury is a pooled money investment account similar to a money market account. The funds deposited with the County are invested in accordance with Sections 53601 and 53635 of the California Government Code that specify the authorized investments that an investment pool can purchase.

The County’s investment policy as of July 7, 1997 prohibits the following: reverse repurchase agreements, collateralized mortgage securities, futures or options, lend securities or security with a stated or potential maturity longer than five years. Interest earnings recorded by the Commission for these funds for the fiscal year ended June 30, 2014 and 2013 were \$1,028 and \$712, respectively. The County of Mendocino issues a separate comprehensive annual financial report. Copies of the County of Mendocino’s annual financial report may be obtained from the County of Mendocino’s Auditor-Controller’s office, 501 Low Gap Road, Room 1080, Ukiah, CA 95482.

The Commission’s deposits with County Treasury have a risk category of “uncategorized” which represents investments in pools where the Commission’s investments are not evidenced by specific identifiable securities.

### **Note 3 – Reconciliation to Statement of Net Position**

There are no differences in the amounts reported for government activities in the Statement of Net Position.

### **Note 4 – Accounts Receivable**

On an accrual basis, Revenues are recognized in the fiscal year in which the services are billed.

### **Note 5 – Accounts Payable**

On an accrual basis, expenses are recognized in the fiscal year in which the goods or services are received.

### **Note 6 – Fees Received in Advance**

On an accrual basis, Revenues are recognized in the fiscal year in which the services are provided. Some fees are received by the Commission in advance of performing the requested services and are therefore carried as a liability until the work has been completed and the revenues earned.

### **Note 7 - JOINT POWERS AGREEMENT**

The Commission participates in a joint venture under a joint agreement (JPA) with the Special District Risk Management Authority (SDRMA). The relationship between the Commission and the JPA is such that is not a component unit of the Commission and the JPA is not a component unit of the Commission for financial reporting purposes.

The JPA'S purpose is to jointly fund and develop programs to provide comprehensive and economical funding of property, workers compensation and employers liability coverage's for bodily injury by accident or by disease, including resulting from death, arising out of and in the course of an employee's employment with the Commission. This program is provided through collective self-insurance; the purchase of insurance coverage's; or a combination thereof. Copies of SDRMA annual financial reports may be obtained from their executive office at 1112 I Street # 300, Sacramento, CA 95814.

### **Note 8: RISK MANAGEMENT**

The Commission is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2014, the Commission contracted with insurance for liability, property, crime damage, and employee and director insurances.

### **Note 9: CONTIGENCIES**

As of June 30, 2014, the Commission did not have any pending litigation or potential nondisclosed liabilities that management believes would have a material effect on the financial statements.

## **Note 10 – Subsequent Events**

Subsequent events are those events or transactions that occur subsequent to the effective date of the financial statements, but prior to the issuance of the final reports, which may have a material effect on the financial statement or disclosures therein.

There are no subsequent events that have occurred that meet the above definition.

**MENDOCINO  
Local Agency Formation Commission**

**Staff Report**

DATE: January 1, 2016  
TO: Mendocino Local Agency Formation Commission  
FROM: George Williamson, Executive Officer  
SUBJECT: Status of Current and Future Projects

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

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

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

*-Irish Beach Water District De Ruiter Detachment*

Based on correspondence from the County, the Building Permit and Deed Restrictions have been completed for the De Ruiter project. The IBWD has indicated that the District passed a resolution at their November meeting finalizing an agreement to allow a replacement and back-up well for the property. Based on this, LAFCo staff is determining application status.

Future Proposals: There are four (4) potential new proposals that may be submitted in the future:

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

AVCSD has indicated they are making progress on preparing a Plan for Services and associated LAFCo application materials.

*-Anderson Valley CSD Proposed Activation of Ambulance Latent Powers*

AVCSD has indicated they are coordinating with the local ambulance service provider to determine whether ambulance service could be alternatively provided by the District. Upon request, LAFCo staff provided a description of the LAFCo application process (see attached).

*-Piercy FPD Potential Out of District Fire Services Contract*

Piercy FPD contacted LAFCo in November 2015 regarding the possibility of entering into an out of district contract with the property owner of One Log House in Humboldt County. The property owner is seeking subdivision, and his application with Humboldt County Planning and Building is currently on hold status pending certain findings regarding the availability of fire protection services. Upon request, LAFCo staff prepared a draft contract for Piercy PFD which is being reviewed by Humboldt County staff to determine whether it satisfies the required subdivision map act findings, specifically how the agreement would be monitored/funded by the County or other public entity.

*Elk County Water District Proposed Annexation*

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

## Overview of LAFCo Process

### **Anderson Valley Community Services District Activation of Ambulance Services**

#### **Reorganization Proposal:**

1. Activation of latent power to provide ambulance services;
2. Annexation to expand existing district boundaries to match ambulance/fire service response areas; and
3. Sphere of Influence amendment, if needed.

This would be considered a “reorganization” proposal under LAFCo law because it consists of two or more “changes of organization” (i.e., latent power activation and annexation). This reorganization can be processed under one LAFCo application.

#### **LAFCo Considerations:**

- Costs for providing ambulance services;
- Revenues and billing;
- Management and staffing;
- Service area and level of service;
- Sphere of Influence (all land proposed for annexation must be within the District’s SOI. Should territory outside the SOI be included in the annexation, a concurrent SOI amendment will be required);
- Property tax exchange agreement with Mendocino County for annexation. This is required before the Commission can approve an annexation; and
- Effect on adjacent public and private service providers.

#### **Process:**

##### Pre-Application Steps:

- District meets with LAFCo staff to discuss relevant issues, policies, process, coordination with agencies, and other considerations. A pre-application agreement may be required to cover costs associated with pre-application review and assistance, which would facilitate application review once filed.
- District contacts Mendocino County to initiate property tax exchange agreement between District and County, if applicable.
- District circulates “Notice of Intent to Adopt Resolution of Application” to interested and affected agencies, and publishes a 21-day legal notice for public hearing in newspaper.
- District holds public hearing and adopts a Resolution of Application to LAFCo.
- District prepares application materials, including:
  - a. Application form
  - b. Resolution of Application
  - c. Plan for Services
  - d. Boundary map and description
  - e. Applicable fee deposit

Public Hearing Steps:

- District submits application package to LAFCo with deposit. LAFCo will:
  - a. Refer the application to affected agencies for comment
  - b. Review the application for completeness and analyze it for consistency with policies and procedures
  - c. Confirm property tax exchange agreement with Mendocino County
  - d. Set a hearing date and issue public notices, after the application is determined to be complete and any issues have been resolved
- LAFCo holds public hearing. The Commission will consider the proposal, the staff report, and staff's recommendation. The public hearing may be continued, or the proposal may be approved, approved with modifications or conditions, or denied.

Post-Hearing Steps:

- If the Commission approves the application, then:
  - a. Begin a 30-day "reconsideration" period
  - b. A follow-up "protest hearing" may be required
  - c. District coordinates with LAFCo staff to satisfy any conditions of approval
  - d. LAFCo staff files any required final documents with the County Recorder and State Board of Equalization

# MENDOCINO

## Local Agency Formation Commission

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

January 26, 2016

William Moores  
3880 Sleepy Hollow  
Santa Rosa, CA 95404

**FAX TRANSMITTAL** 707-526-3759

RE: Outstanding Charges for Annexation and LCP Status

Dear Mr. Moores,

Your application for annexation to the Irish Beach Water District had been processed on a cost recovery basis per Mendocino LAFCo policy. At this time there is a negative balance of \$ 610.56 in the application account. Please submit a check for **\$ 610.56** payable to Mendocino LAFCo and mail to 200 South School Street, Ukiah CA 95482.

Your annexation application requires a Local Coastal Program (LCP) Amendment, which must be acted on by Mendocino County and then submitted to the California Coastal Commission.

At your request I spoke with Bill Kinser, Mendocino County Planning Fort Bragg Office, regarding the processing of your LCP Amendment. Mr. Kinser reports that he has been waylaid by the Mendocino Town Plan but hope to give your request greater attention in the coming months. One way to potentially moving the application processing along would be to retain a consultant with coastal planning and Mendocino County experience. The following are names of consultants you may wish to contact.

Brian Millar  
Land Logistics  
216 F Street, #38  
Davis, CA 95616  
(530) 902-9218  
[brian@landlogistics.com](mailto:brian@landlogistics.com)

Randy Rouda  
LACO Associates  
21 West 4th Street  
Eureka, California 95501  
(800) 515-5054  
[roudar@lacoassociates.com](mailto:roudar@lacoassociates.com)

Amy Wynn  
Wynn Coastal Planning  
703 North Main Street  
Fort Bragg, CA 95437  
(707) 964-2537  
[Amy@WCPlan.com](mailto:Amy@WCPlan.com)

Sincerely,

George Williamson AICP  
Executive Officer  
Mendocino LAFCo