

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

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

CHAIR

Jerry Ward
Public Member

VICE CHAIR

Holly Madrigal
Willits City Council

TREASURER

Doug Hammerstrom
Fort Bragg City Council

MEMBERS

Carre Brown
County Board
of Supervisors

John McCowen
County Board
of Supervisors

Theresa McNerlin

Ukiah Valley Sanitation District

Tony Orth

Brooktrails Township CSD

ALTERNATE MEMBERS

Dan Hamburg
County Board
of Supervisors

Kevin Doble
Ukiah City Council

Carol Rosenberg
Public Member

Angela Silver
Calpella County Water District

Executive Officer

Uma Hinman

Analyst

Larkyn Feiler

Commission Clerk

Elizabeth Salomone

Counsel

Scott Browne

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, July 11, 2016 9:00 AM
County Board of Supervisors Chambers 501 Low Gap Road, Ukiah, California

Call to Order and Roll Call

PUBLIC EXPRESSION

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

OATH OF OFFICE

2. Swearing In of New Executive Officer, Uma Hinman

CONSENT CALENDAR

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

3. Approval of the June 6, 2016 Regular Meeting Summary Minutes
4. Approval of the June 2016 Claims totaling \$8,548.02
5. Acceptance of the Monthly Financial Report

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.

6. Willow County Water District Sphere of Influence Update
A motion is before the Commission for discussion and vote on the approval of the Willow CWD Sphere of Influence. On June 30, 2016, a letter signed by management of WCWD, Millview CWD, Russian River Water Agency, and Angela Silver, Calpella CWD Board member and LAFCo Commissioner, was received from Angela Silver at the LAFCo office. The letter and documentation have been included in the packet.
7. Cemetery District Municipal Service Reviews (MSRs) Contract
The Commission will review and consider approving the proposed contract with Uma Hinman Consulting for completion of the Cemetery District MSRs as recommended by the Executive Committee.

(continued...)

8. Website Transition Contract
The Commission will review and consider approving the proposed contract with Planwest Partners for completion of the website transition as recommended by the Executive Committee.
9. Hastings Frontage Road
Mendocino County Department of Transportation is looking for direction from LAFCo regarding procedure to correct discrepancy in the records of the 1981 annexation of a portion of the Hastings Frontage Road (on the east side of 101) to the City of Ukiah from the County.
10. Special District Elections
Staff presentation of a timeline for the Special District election process to fill the four year term expiring December 2016, currently held by Commissioner Tony Orth.
11. Policy Review: Chapter 9, Section 1.10 Overlapping Spheres
At the May 2016 Regular Meeting the Commission requested a review and discussion of possible changes to the Policy.

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.

12. Status of Applications, Future Projects, MSR & SOI Updates. (Written)
13. Correspondence
 - **CALAFCO 2016 Annual Conference** is being held in Santa Barbara October 26 – 28. The draft program reflects diversity, with topics ranging from water to ag land preservation to today's hot issues LAFCos are dealing with regularly. The draft program and registration information can be found on the CALAFCO website at www.calafco.org. Deadline for early bird registration is September 16, 2016. All registrations and payments must be received by that date for the discounted rates – NO EXCEPTIONS. Registration deadline is October 14, 2016.
 - **CALAFCO Board of Directors Nominations** are now open for the fall elections. Any LAFCo commissioner or alternate commissioner is eligible to run for a Board seat. A hard copy of the full packet is available through the LAFCo Clerk.
 - **2016 Annual CALAFCO Achievement Awards** nomination period is open. These awards provide visible recognition to those who consistently go above and beyond in their work to advance the principles of LAFCo. Nominations are due by August 31, 2016. Nomination packet available from Clerk or at www.calafco.org.
 - SDRMA issued Certificate of Coverage in Property/Liability Program.
14. Executive Officer's Report (Verbal)
15. Committee Reports (Written)

(continued...)

16. Commissioner Reports, Comments or Questions (Verbal)

- Status of CSDA Special District Training

17. Legislation Report

- Assembly Bill 2613, which would make it less costly for small special districts to comply with audit requirements, passed out of the Senate Committee on Governance and Finance with unanimous support.
- Assembly Bill 779 (Duplicative Compensation Legislation) passed the Senate Governance and Finance Committee unanimously after significant amendments to the bill and agreements to work on concerns raised by CSDA. This bill will create a duplicative annual compensation report that is required to be posted on every local agency's website. The report will include the total compensation for the governing board of the agency. Further information can be found on www.CSDA.net.

ADJOURNMENT

The next Regular Commission Meeting is scheduled for
Monday, August 1, 2016 at 9:00 AM
in the County Board of Supervisors Chambers
501 Low Gap Road, Ukiah, California

Notes: Participation on LAFCo Matters

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

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

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

MENDOCINO

Local Agency Formation Commission

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

Agenda Item No. 3

CHAIR

Jerry Ward
Public Member

VICE CHAIR

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County Board
of Supervisors

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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

MINUTES LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY

Regular Meeting of Monday, June 6, 2016

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

Call to Order

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

Roll Call

Members Present:

Commissioners, Doug Hammerstrom, Holly Madrigal, John McCowen, Theresa McNerlin, Tony Orth, and Jerry Ward

Members Absent:

Commissioner Carre Brown

Alternate Members Present:

Commissioners Kevin Doble, Dan Hamburg (9:03am), Carol Rosenberg, and Angela Silver

Staff Present:

George Williamson, Executive Officer
Elizabeth Salomone, Clerk

Alternate Commissioner Hamburg immediately took seat as County Board of Supervisors Representative.

PUBLIC EXPRESSION

1. No one from the public indicated an interest to speak.

STAFFING SERVICES FOR DISCUSSION & POSSIBLE ACTION

2. Authorization of Executive Officer Services Contract

The proposed contract with Uma Hinman Consulting for Executive Officer Services was presented. Comments and questions were offered by Commissioners McCowen, Ward, and Madrigal.

It was noted that the approval of the contract would automatically approve Elizabeth Salomone as a subcontractor for Uma Hinman Consulting, as required in Item #17 of the contract.

Upon motion by Commissioner Madrigal and second by Commissioner McCowen the contract with Uma Hinman Consulting for Executive Officer Services with the changes listed below was approved by roll call vote:

Page 1, Exhibit B, add words in bold: “Work Plan for Completion of MSRS **and SOIs**”

Page 8, #18: add words in bold - “giving to CONTRACTOR **30 days** prior written notice.” And change as noted - “Uma Hinman Consulting may terminate this agreement at any time by giving ~~thirty (30)~~ **sixty (60)** days written notice to the Commission.”

Page 13, Exhibit B, add Hopland FPD and Leggett Valley FPD

Ayes: (7) Hamburg, Hammerstrom, Madrigal, McCowen, McNerlin, Orth, and Ward
Absent: (1) Brown

CONSENT CALENDAR

3. Approval of the May 2, 2016 Regular Meeting Summary Minutes
4. Approval of the May 12, 2016 Special Meeting Summary Minutes
5. Approval of the May 2016 Claims -Item 5 was pulled from the consent calendar for further discussion
6. Acceptance of the Monthly Financial Report

Upon motion by Commissioner McCowen and second by Commissioner Orth the Consent Calendar Items 3, 4 and 6 with the following edits to Item 3 were approved by unanimous consent:

Correction:

Pg 5, Item 16, within motion: change “April 12” to “May 12”

Ayes: (7) Hamburg, Hammerstrom, Madrigal, McCowen, McNerlin, Orth, and Ward
Absent: (1) Brown

Approval of May 2016 claims totaling \$14,993.87

Planwest Partners:	\$6,749.25
Ukiah Valley Conf Ctr:	\$451.29
P. Scott Browne:	\$500.00
Commission Reimbursements:	\$621.61
Pacific Internet	\$25.00
CSDA	\$5,000.00
SDRMA	\$806.72
CALAFCO	\$840.00

Chair Ward asked Clerk to verify the Ukiah Valley Sanitation District and the City of Ukiah received the Trust account reimbursements.

Chair Ward asked for an update on the Moores Annexation outstanding balance. Mr. Williamson noted follow up calls have been made to Mr. Moore for payment and Mr. Moore does intend to activate his application again.

It was noted the Anderson Valley CSD pre-application and deposit for the Activation of Latent Powers were received after the agenda packet was distributed.

Upon motion by Commissioner Hammerstrom and second by Commissioner Madrigal, Item 5, May 2016 Claims, with the following edits was approved by roll call vote:

Edits:

- Commissioner Reimbursements: Policy states Commissioners representing Public and Special District may be reimbursed for Regular Meetings only. Any Commissioner claims for the May 12 Special Meeting will be adjusted.
- Clerk hours on summary invoice needs updating on Planwest Partners Invoice from 49 hours to 53.75 hours. The dollar amount is correct.

Ayes: (7) Hamburg, Hammerstrom, Madrigal, McCowen, McNerlin, Orth, and Ward

Absent: (1) Brown

PUBLIC HEARINGS

7. Willow Water County Water District (WCWD) Sphere of Influence Update

Public Hearing Notice was published in the newspapers for the June 6, 2016 regular meeting. George Williamson presented the SOI Update and recommended approving an SOI amendment (reduction) for the WCWD to include only those properties currently receiving service within the existing SOI or with appropriate land use designations to receive municipal water services, and to exclude those properties which overlap with the City of Ukiah boundary and do not currently receive services from the District (i.e., Area 1bIII as shown in Figure 2 of the SOI Report included in the June 6, 2016 Agenda Packet.)

Chair Ward opened the Public Hearing Comments at 9:20am.

Charley Stump, City of Ukiah Planning & Community Development Director, addressed the Commission. The City Council conducted a Public Hearing on this matter and stands by the letter submitted in April 2016 opposing the WCWD SOI extension into the City of Ukiah boundaries. The City and District staff met and intends to continue meeting to resolve the issues of overlap. The City Council is hopeful that LAFCo will not take action on the SOI Update today. Comments and questions were offered by Commissioners McCowen, Hammerstrom, Rosenberg, Ward, Madrigal, and Orth.

Dave Redding, WCWD General Manager, addressed the Commission. He noted the WCWD Board has not had a Board meeting since the District and City staff meeting, though had previously expressed their interest in working with the City for a solution. Mr. Redding asked the Commission to consider the long term implications of the removal of this overlap area from the District SOI. Comments and questions were offered by Commissioners McCowen, McNerlin, Hammerstrom, and Hamburg.

Chair Ward closed the Public Hearing Comments at 9:42am

Further comments and questions were offered by Commissioner Orth, McCowen, Madrigal, Doble, McNerlin, Rosenberg, and Hammerstrom.

A motion was made by Commissioner McCowen and seconded by Commissioner Madrigal to approve the Resolution 15-16-23 approving WCWD SOI Update with the following changes:

- Pg 14, 1st Para to read:
Those overlap territories not receiving services from the District should be removed from the District's SOI. These include those territories identified in items "1bI", "1bII", and "1bIII" discussed above in the "Sphere of Influence" section (See Figure 2.) Those territories within both the District's boundary and the City's boundary which receive services from the District should ~~continue to be within~~ *be removed from the District's SOI, but shall not be detached from the District prior to analysis of the fiscal impacts to the District and approval of a plan to make the District whole financially.* This includes the 85 customers discussed in item "1a" and the agricultural territories in "1bIV" ~~Additionally, those territories within the City's boundary that are receiving service from the District should remain within the District's SOI; this includes~~ *and includes* those properties discussed in item "1C." No other boundary overlaps are identified at this time.
- Pg 16, Conclusion 1 to read:
Those properties receiving service within the existing SOI ~~remain within~~ *but which are within the City limits be removed from the proposed updated sphere.*
- Changes to the map as appropriate per the above changes.

The motion was not approved by roll call vote:

Ayes: (2) McCowen, Ward
Noes: (5) Orth, Hamburg, Hammerstrom, Madrigal, McNerlin
Absent: (1) Brown

A motion was made by Commissioner McNerlin and seconded by Commissioner Hamburg to approve the recommended action. This motion was not voted upon due to a substitute motion put forward.

A motion was made by Commissioner Hammerstrom and seconded by Commissioner McCowen to approve a Substitute Motion ahead of the motion made by Commissioner McNerlin. The substitute motion would be to take up the prior motion made by Commissioner McCowen in the next Regular Commission meeting.

Ayes: (4) Hammerstrom, Madrigal, McCowen, and Ward
Noes: (3) Orth, Hamburg, and McNerlin
Absent: (1) Brown

A substitute motion was made by Commissioner Hammerstrom and seconded by Commissioner McCowen to approve to take up the prior motion made by Commissioner McCowen in the next Regular Commission meeting.

Ayes: (5) Hamburg, Hammerstrom, Madrigal, McCowen, and Ward
Noes: (2) Orth and McNerlin
Absent: (1) Brown

The Public Hearing was continued to the Regular July Commission Meeting.

Chair Ward called a break from 10:27 – 10:38am.

8. Mendocino Coast District Sphere of Influence Update

Mr. Williamson presented the SOI Update and recommended to reaffirm the existing coterminous SOI for the District.

Ellen Hardin, Chief HR Officer of the Mendocino Coast District Hospital, attended on behalf of Bob Edwards, CEO, due to a scheduling conflict. Ms. Hardin confirmed the District supports the recommendations and the proposed Resolution No. 15-16-24 as it does meet current and anticipated needs of the District. Ms. Hardin thanked LAFCo for their consideration and work.

Upon motion by Commissioner Hammerstrom and second by Commissioner McCowen, Resolution No. 15-16-24 to reaffirm the existing coterminous SOI for the Mendocino Coast District Hospital District was approved by roll call vote:

Ayes: (7) Hamburg, Hammerstrom, Madrigal, McCowen, McNerlin, Orth, and Ward

Absent: (1) Brown

9. Final Budget for Fiscal Year 2016-17

George Williamson presented and recommended approving the Resolution No. 15-16-25 to approve the final budget for FY 2016-17.

Comments and questions were offered by Commissioners Ward, Madrigal, and Rosenberg. It was noted the apportionment fees from the County, City, and Special District were again reduced for the fiscal year.

Upon motion by Commissioner McCowen and second by Commissioner Orth, Resolution No. 15-16-25 to approve the final budget for FY 2016-17 was approved by roll call vote:

Ayes: (7) Hamburg, Hammerstrom, Madrigal, McCowen, McNerlin, Orth, and Ward

Absent: (1) Brown

OTHER MATTERS FOR DISCUSSION/POSSIBLE ACTION

10. Transition of Executive Officer Services

George Williamson presented, thanking the Commission for the opportunity to work with Mendocino LAFCo. Uma Hinman responded to questions.

Commissioner McCowen acknowledged Planwest Partners and George Williamson as Executive Officer for the excellent efforts. Commissioners Madrigal and Orth also expressed their gratitude.

The proposal for the Cemetery District MSR from Uma Hinman Consulting was discussed. Comments and questions were offered by Commissioners McCowen, Madrigal, and Doble. Chair Ward asked for the proposed contract with Uma Hinman Consulting to complete the Cemetery District MSR be placed on the July Regular Meeting Agenda.

INFORMATION/REPORT ITEMS

11. Status of MSR and SOI Updates

George Williamson presented. Chair Ward asked for an update on the City of Ukiah SOI Update and Mr. Williamson noted the City has launched the General Plan update and intends to address the Sphere in that process, though no schedule has been provided by the City.

12. Status of Current and Future Projects

George Williamson noted that a meeting with the Millview County Water District (MCWD) staff and a property owner to discuss a possible annexation to the MCWD and Ukiah Valley Sanitation District will be attended by himself and Uma Hinman.

13. Correspondence - No discussion was held.

14. Executive Officer's Report

CSDA Special District Training

Mr. Williamson reviewed the remaining training available. Comments and questions were offered by Commissioner Orth, Hamburg, Rosenberg, Madrigal, McNerlin, McCowen, and Ward.

15. July 11, 2016 Regular Meeting, Agenda Items and Packet Distribution Date

The Clerk noted the next regular meeting is the second Monday of the month due to the Independence Day holiday and asked for any requested agenda items to be submitted as soon as possible to accommodate the Executive Officer transition period.

16. Commissioners Reports, Comments or Questions

Commissioner Hammerstrom asked staff to be aware of the CALAFCO white paper development regarding policies on Agriculture and report to the Policy and Procedures Committee.

Commissioner Ward has received FY 14/15 financial information from Planwest, reviewed and forwarded to the Auditor and will work on the FY 15/16 as soon as the fiscal year is complete.

17. Legislation Report

No report was offered.

ADJOURNMENT

There being no further business, at 11:21am the meeting was adjourned to the next regular meeting on Monday, July 11, 2016 at 9:00 AM in the County Board of Supervisors Chambers at 501 Low Gap Road, Ukiah, California.

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

MENDOCINO Local Agency Formation Commission

Staff Report

DATE: July 11, 2016
 TO: Mendocino Local Agency Formation Commission
 FROM: Uma Hinman, Executive Officer
 SUBJECT: Claims for June 2016

 The following claims are recommended for payment authorization:

Name	Account Description	Amount
Planwest Partners	5300 Basics Services: Planwest \$ 718.00 5300 Basic Services: Clerk \$ 1,242.50 6200 Bookkeeping: \$ 270.00 7001 MSRs Admin: \$ 1,314.00 7501 SOI Updates: \$ 613.00 9000 SD Training & Support: \$ 231.00	\$4,388.50
Ukiah Valley Conf. Center	5502 Office space: \$ 400.00 5503 Work room: \$ 30.00 5603 Photocopy: \$ 78.30 5605 Postage: \$ 29.04	\$ 537.34
P. Scott Browne	6300 Legal Counsel, Monthly flat fee	\$ 500.00
Commissioner Reimbursements	6740 In-County Travel & Stipends: Silver (June) \$ 50.00 Rosenberg (June) \$ 50.00 McNerlin (\$50 for June pd previously) \$ 0 Orth (June) \$ 77.00 Madrigal (Feb, March 2016 mileage) \$ 23.76	\$ 200.76
Ukiah Daily Journal Willits News Fort Bragg Advocate-News	5900 Publication and Legal Notices (Public Hearing Notices for June 2016, SOI Updates and Final Budget)	\$ 246.87
Pehling & Pehling	6100 Audit Services: Final payment for FY 2014-15 Audit [Note: FY 2015-16 Audit deposit of \$1,550.00 to be paid in July claims]	\$1,550.00
Pacific Internet	5700 Internet and Website expenses Annual Internet Provider service	\$ 998.62
Petty Cash	Replenish Petty Cash	\$ 125.93
Total:		\$8,548.02

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



INVOICE

DATE: June 30, 2016 INVOICE #: 16-218-06
TO: Mendocino LAFCo
PROJECT: LAFCo Planning Services & Expense (May 26 – June 30, 2016)

April 26 – May 25, 2016 COSTS SUMMARY

Table with 2 columns: Description and Amount. Rows include Acct 5300 - Basic Services Planwest (\$718.00), Acct 5300 - Basic Services Clerk Services - Beth Salomone (\$1,242.50), Acct 6200 - Bookkeeping (Other Services) (\$270.00), Acct 7001 - MSR Review - Admin. (\$1,314.00), Acct 7501 - Sphere of Influence Updates (\$613.00), Acct 9000 - Special District Training Support (\$231.00), and TOTAL AMOUNT DUE (\$4,388.50).

Basic Services Acct 5300

Table with 3 columns: Role, Hours, and Rate. Rows include Executive Officer, George Williamson (2.0 hours at \$108 per hour, \$216.00), Analyst, Colette Metz (4.5 hours at \$84 per hour, \$378.00), Clerk, Elizabeth Salomone (35.5 hours at \$35 per hour, \$1,242.50), and GIS Analyst/Web (2.0 hours at \$62 per hour, \$124.00).

Bookkeeping (Other Services) Acct 6200

Table with 3 columns: Role, Hours, and Rate. Row includes Executive Officer, George Williamson (2.5 hours at \$108 per hour, \$270.00).

MSR Review – Admin. Acct 7001

Table with 3 columns: Role, Hours, and Rate. Rows include Executive Officer, George Williamson (4.0 hours at \$108 per hour, \$432.00), GIS Analyst/Web (3.0 hours at \$62 per hour, \$186.00), and Service Specialist (12.0 hours at \$58 per hour, \$696.00).

SOI Updates Acct 7501

Table with 3 columns: Role, Hours, and Rate. Rows include Executive Officer, George Williamson (1.5 hours at \$108 per hour, \$162.00), GIS Analyst/Web (4.0 hours at \$62 per hour, \$248.00), and Service Specialist (3.5 hours at \$58 per hour, \$203.00).

Special District Training and Support Acct 9000

Table with 3 columns: Role, Hours, and Rate. Row includes Analyst, Colette Metz (2.75 hours at \$84 per hour, \$231.00).

Basic Services Acct 5300

Prepared and posted June agenda and packet materials and updated website. Coordinated meeting packet preparations, and staffed June 2016 commission meeting. Transcribed and reviewed draft June meeting minutes for review at July meeting. Staffed office in June. Started preparing July meeting agenda and staff reports. Posted completed SOI Update to website. Compiled claims for July agenda.

Met with property owner Nicoll and Millview CWD Manager June 6 to discuss annexations to Ukiah Valley water and wastewater districts for services. Responded to ongoing inquiries from member organizations and property owners on potential annexations and organization changes. Provided new EO with background for proposed Calpella CWD Central Ave. annexation Coordinated transfers and information exchange for transition of executive officer services. Coordinated with

SHN on revised mapping and description for Fort Bragg RFPD North of Ten Mile annexation Sent reminder to surveyor Forest Francis on need for revised description to complete Fort Bragg RFPD detachment BOE Filing. Provided scope for website transition services for consideration by Executive Committee and Commission.

Bookkeeping - Other Services Acct 6200

Compiled claims for commissioner review and approval at June meeting. Provided QBooks file to auditor Pehling & Pehling as requested. Entering claims into QuickBooks and preparing checks for claims to be authorized at July 2016 meeting.

MSR Reviews – Administrative Wrap-up Acct 7001

Reviewed MSRs worked on during contract period. Prepared transitional record for new Executive Officer. This includes compiling MSR notes for next contract period.

Sphere of Influence Updates Acct 7501

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

Mendocino Coast Healthcare District Sphere of Influence Update.

The Willow County Water District Sphere of Influence Update was continued to the July meeting per commission direction.

Special District Training and Support Acct 9000

All Special District Training and Support done in coordination with CSDA has been completed. Communicated with CSDA staff on completion of overall training program.

Invoice

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

Invoice Detail for Elizabeth Salomone

<u>Date</u>	<u>Hours</u>		<u>Total Hours</u>
	<u>5302 Contract Services</u>	<u>no charge items</u>	
5/31/2016	4.00		4.00
6/1/2016	1.00		1.00
6/2/2016	2.50		2.50
6/6/2016	3.00		3.00
6/7/2016	3.00		3.00
6/9/2016	2.00	2.00	2.00
6/13/2016RRFC Board Meeting		2.00	0.00
6/14/2016	4.00		4.00
6/16/2016	3.00	1.00	3.00
6/21/2016	3.00	1.00	3.00
6/23/2016	3.50	1	3.50
6/24/2016	0.25		0.25
6/28/2016	3.25	0.75	3.25
6/29/2016		0.5	
6/30/2016	3.00	1	3.00
	35.50		35.50
Subtotal		\$ 1,242.50	\$ 1,242.50
Total Amount Due		\$	\$ 1,242.50

Law Offices of P. Scott Browne

131 South Auburn Street
Grass Valley, CA 95945

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

Marsha A. Burch
Of Counsel

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

Period Ending:

6/15/2016

Payment due by the 15th of next month

In Reference To: CLIENT CODE: MENDO-01

Professional Services

	<u>Hours</u>
5/18/2016 PSB Work on tribal lands opinion; Review letter from Opposing Counsel re: Willow County Water District.	2.00
5/19/2016 PSB Telephone call from Jerry Ward.	0.50
5/20/2016 WJC Draft Baracco letter; revise letter and finalize; email to Jerry Ward for approval:	0.50
PSB Legislative Committee Meeting (Time split between all LAFCo clients).	0.42
5/31/2016 PSB Do opinion on overlapping spheres; Seperate memo on CEQA	2.50
SUBTOTAL:	[5.92]

	<u>Amount</u>
Total Professional Hours	5.92
Per Representation Agreement, flat fee of \$500/month.	\$500.00
Previous balance	\$500.00

Payments and Credit Activity

6/7/2016 Payment - Thank You. Check No. 1142	(\$500.00)
Total payments and adjustments	<u>(\$500.00)</u>

**MENDOCINO
Local Agency Formation Commission**

Staff Report

DATE: July 11, 2016
TO: Mendocino Local Agency Formation Commission
FROM: Uma Hinman, Executive Officer
SUBJECT: Monthly Financial Report

Application Revenues: \$6,000 (pending deposit)

Anderson Valley CSD submitted a Justification for Proposal for the Proposed Reorganization (Annexation, Detachment, and Activation of Latent Powers to Provide Ambulance Services) with a check for \$6,000.00. District General Manager, Joy Andrews, agreed to a slight delay in the processing of the application due to the Executive Officer transition, therefore the check will be deposited week commencing July 11, 2006.

Other Deposits: \$1,563.00

June 2, 2016 deposit of \$63.00 from David DeRuiter and \$1,500 deposit from Anderson Valley CSD for the Ambulance Pre-Application Agreement.

Budgeted Expenses:

Attached is the updated budget track form with budget items, account numbers, and amounts for FY 2015-16 through June 2016. The June claims are also itemized in Agenda Item 4.

Petty Cash: \$52.42

Paper and envelopes purchased at Staples. Replenishment of Petty Cash included in claims.

(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 June 2016

Task	Account #s	FY 15-16 Budget Amendment	July	August	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	June	Year to Date	Remaining Budget*
Contract Services - Basic Services		\$59,000.00														
Basic Services - EO/Analyst/GIS	5300	\$41,000.00	\$5,213.00	\$4,819.00	\$4,270.00	\$6,532.00	\$5,303.00	\$4,478.00	\$1,979.00	\$1,921.00	\$2,976.00	\$2,157.00	\$891.00	\$718.00	\$41,257.00	\$-257.00
Basic Services - Clerk	5300	\$18,000.00	\$1,216.25	\$1,837.50	\$1,251.25	\$1,540.00	\$1,715.00	\$1,461.25	\$1,732.50	\$1,636.25	\$1,426.25	\$1,715.00	\$1,881.25	\$1,242.50	\$18,655.00	\$-655.00
Other Expenses		\$51,770.00														
Rent	5500															
Office Space	5502	\$4,675.00	\$375.00	\$375.00	\$375.00	\$375.00	\$375.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00	\$4,675.00	\$0.00
Work Room	5503	\$360.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$360.00	\$0.00
Office Expenses	5600															
Office Supplies	5601	\$700.00	\$135.39	\$27.02	\$0.00	\$188.59				\$167.21		\$73.51		\$52.42	\$644.14	\$55.86
Photocopy	5603	\$1,000.00	\$104.40	\$16.10	\$105.50	\$299.79	\$6.80	\$172.20	\$87.96	\$15.80	\$142.00	\$121.00	\$18.50	\$78.30	\$1,168.35	\$-168.35
Postage	5605	\$300.00	\$11.76	\$0.97	\$4.59	\$37.64	\$8.67	\$1.46		\$30.70	\$9.22	\$222.10	\$2.79	\$29.04	\$358.94	\$-58.94
Office Equipment	5607	\$1,500.00										\$144.90			\$144.90	\$1,355.10
Internet & Website Costs	5700	\$1,200.00				\$45.54				\$198.00			\$25.00	\$998.62	\$1,267.16	\$-67.16
Publication & Legal Notices	5900	\$2,000.00		\$261.45			\$225.57	\$213.18		\$244.68	\$301.70	\$390.03	\$0.00	\$246.87	\$1,883.48	\$116.52
Televising Meetings	6000	\$1,700.00	\$380.00							\$400.00					\$780.00	\$920.00
Audit Services	6100	\$3,025.00							\$3,025.00					\$1,550.00	\$4,575.00	\$-1,550.00
Bookkeeping	6200	\$4,800.00	\$416.00	\$416.00	\$520.00	\$520.00	\$312.00	\$312.00	\$260.00	\$630.00	\$270.00	\$461.00	\$432.00	\$270.00	\$4,819.00	\$-19.00
Legal Counsel (\$ Browne)	6300	\$6,000.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$536.80	\$642.94	\$500.00	\$500.00	\$6,179.74	\$-179.74
A-87 Costs County Services	6400	\$2,010.00														\$2,010.00
Insurance - General Liability	6500	\$1,000.00											\$806.72		\$806.72	\$193.28
Memberships (CALAFCO/CSDA)	6600	\$2,000.00				\$1,156.00							\$840.00		\$1,996.00	\$4.00
In-County Travel & Stipends	6740	\$2,000.00							\$855.63	\$160.39	\$105.40		\$621.61	\$174.03	\$1,917.06	\$82.94
Travel & Lodging Expenses	6750	\$2,500.00			\$1,307.08		\$179.50								\$1,486.58	\$1,013.42
Conferences (Registrations)	6800	\$3,000.00	\$1,796.00				\$80.12								\$1,876.12	\$1,123.88
Special District Training Support	9000	\$12,000.00					\$338.00	\$78.00	\$39.00	\$5,294.00	\$1,020.00		\$5,000.00	\$231.00	\$12,000.00	\$0.00
MSR & SOI Updates		\$47,000.00														
MSR Reviews - Admin	7001	\$5,000.00						\$1,450.00	\$319.00	\$580.00	\$432.00	\$0.00	\$900.00	\$1,314.00	\$4,995.00	\$5.00
SOI Updates	7501	\$42,000.00	\$5,457.00	\$4,930.00	\$4,350.00	\$6,066.00	\$4,470.00	\$696.00	\$1,181.00	\$4,727.00	\$5,187.00	\$3,146.00	\$1,181.00	\$613.00	\$42,004.00	\$-4.00
FY 2013-14 MSRs Finalization																
Barraco & Associates **	7000	\$6,300.00						\$306.25	\$78.75						\$385.00	\$5,915.00
Monthly/ Year to Date Totals			\$15,634.80	\$13,213.04	\$12,713.42	\$17,290.56	\$13,543.66	\$10,098.34	\$10,487.84	\$16,935.03	\$12,836.37	\$9,503.48	\$13,529.87	\$8,447.78	\$154,234.19	\$9,835.81

* Amount remaining reflects prior year charges

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

** Amount reflects balance from prior year contract (office equipment)

Acct 8000: Application Revenues tracked separately

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

MENDOCINO
Local Agency Formation Commission
Staff Report

DATE: July 11, 2016
TO: Mendocino Local Agency Formation Commission
FROM: Uma Hinman, Executive Officer
SUBJECT: Willow County Water District Sphere of Influence Update

Background

A public hearing to consider the Willow County Water District (WCWD or District) Draft SOI Update was held at the June 6, 2016 Regular Commission Meeting. The public hearing portion of the SOI Update agenda item was opened and closed. The Commissioners discussed the SOI Update and heard from the Ukiah City Manager and the WCWD General Manager. After discussion and two failed motions, the Commission continued the item to July. At the direction of the Commission, the following motion is before the Commission for discussion and action:

Approve the Resolution 15-16-23, approving the WCWD SOI Update with the following changes:

- Pg 14, 1st Paragraph to read:
Those overlap territories not receiving services from the District should be removed from the District's SOI. These include those territories identified in items "1.b.I", "1.b.II", and "1.b.III" discussed above in the "Sphere of Influence" section (See Figure 2.) Those territories within both the District's boundary and the City's boundary which receive services from the District should ~~continue to be within~~ be removed from the District's SOI, but shall not be detached from the District prior to analysis of the fiscal impacts to the District and approval of a plan to make the District whole financially. This includes the 85 customers discussed in item "1.a" and the agricultural territories in "1.b.IV" Additionally, those territories within the City's boundary that are receiving service from the District should remain within the District's SOI; this and includes those properties discussed in item "1.C." No other boundary overlaps are identified at this time.
- Pg 16, Conclusion 1 to read:
Those properties receiving service within the existing SOI, ~~remain within~~ but which are within the City limits, be removed from the proposed updated sphere.
- Modifications to the map as appropriate per the above changes.

On June 30, 2016, a letter (attached) signed by management of WCWD, Millview CWD, Russian River Water Agency, and Angela Silver, Calpella CWD Board member and LAFCo Commissioner, was received from Angela Silver at the LAFCo office. The letter and documentation has been attached for information.

Recommendation

Staff recommends the Commission discuss and vote on the motion before the Commission. If the motion fails, staff recommends the Commission consider other action or provide additional direction to staff.

Attachments: 1) LAFCo Resolution No. 15-16-23. 2) Letter and documentation from Angela Silver, LAFCo Commissioner, received June 30, 2016

MENDOCINO LOCAL AGENCY FORMATION COMMISSION

LAFCo Resolution No. 15-16-23

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

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

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

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

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

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

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

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

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

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

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

The foregoing Resolution was passed and duly adopted at a regular meeting of the Mendocino Local Agency Formation Commission held on this 11th day of July, 2016, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

JERRY WARD, Chair

ATTEST:

UMA HINMAN, Executive Officer

June 30, 2016

Angela Silver
Mendocino LAFCo Alternate Commissioner
123 Moore Street
Ukiah, CA 95482

To: Mendocino LAFCo
Uma Hinman LAFCo Executive Officer

RE: Commissioner John McCowen's Motion to **reduce** Willow County Water District's SOI

This Statement is against the Motion made by Commissioner John McCowen at the June 6th LAFCo meeting, to remove the area described as 85 connections in the Rose Avenue and Yokayo Avenue from Willow County Water District's current SOI.

This action is a direct contradiction from the **adopted** Willow County Water District MSR dated May 6, 2013 Page 2-12.

The Willow County Water District (WCWD) was formed on July 20, 1950 under section 30321 of the Water Code. The WCWD provides water service to 85 customers in the City of Ukiah on South Dora, Rose, and Yokayo Avenue. The area was annexed to the City, however; in order to maintain revenue stability, WCWD continues to provide service.

The water district that serves a community should be reflected in its SOI. We feel the MSR does not support the SOI change.

P. Scott Brown for Mendocino LAFCo and Duane Morris for Willow County Water District support the continuation that WCWD's SOI remains current.

Duane Morris states that: "Through this letter we explain that there is no legal or practical prohibition on a city and a water district having overlapping boundaries, and there is no reason or justification for reducing Willow's SOI to exclude areas within the City limits of Ukiah." Further the letter states: "The Attorney General for the State of California also issued an opinion, in a dispute involving a county water district, which stated that relevant authority, including the County Water District Law, does not contain any requirement **which would mandate the detachment of territory from a county water district upon its partial annexation to a city. Nor are we aware of any other statutory provision which would mandate such detachment.**" (61 Ops. Cal. Atty. Gen. 497(1978).)

P. Scott Brown states that: "I would concur with Duane Morris that indeed it is not that unusual for water districts to provide service within a city. Unless Ukiah is a Charter City, it may not prohibit the district from providing service in any area where boundaries overlap." Further this letter states: "That said, it is LAFCo's job to decide whether it is desirable policy for the water district to continue to provide service within the City. LAFCo has the power to set the sphere and, **upon receipt of an appropriate application**, detach the land within the City of Ukiah from the District. (section56375,56012(f))

As of this date no application has been made by the City of Ukiah.

**According to LAFCo's Policies & Procedures Adopted January 4, 2016:
Page 5 under Preamble**

(the numbers pertain to the numbers in the Preamble)

Third: In all of its decisions and actions, the Commission's desired result is the **most efficient and effective delivery of services** by local entities including the County, Cities, Special Districts, and Service Delivery Agencies throughout Mendocino County.

Sixth: Preference shall be given to those local agencies which can provide **services in the most effective manner.**

Seventh: Where special district's boundaries overlap city limits, the Commission will advocate for the district detachments if the city can demonstrate a higher level of service or an **equivalent level of service at lower cost.**

The Willow County Water District has been providing service to the area for 56 years without incident or disruption of service. Willow County Water District provides water at a rate lower than that of the City of Ukiah Water.

Willow County Water Districts provides water
WCWD:3/4" Meter no charge
\$20.00 for 0 to 4,500 gallons
\$1.80 per 1000 gallons there after

The City of Ukiah provides water.
3/4" Meter with monthly meter charge of \$33.63
\$2.96 per 748 gallons

The break down:

Assuming an average residential monthly water consumption of 15,000 gallons.

Willow County Water District customers would pay: \$38.90
City of Ukiah customers would pay \$90.83

The City of Ukiah has announced that in 2020 the same amount of water will cost the City residents \$102.25

WCWD has made no such announcement and has no plans to do so in the future.

It has been mentioned that with the reduced SOI and the elimination of water service to the 85 customers, the infrastructure would also be reduced and the impact to the Willow County Water District would be lessened. **This is not accurate, operating cost such as personnel, office staff, along with insurance and licensing, testing and water rights, will remain the same.**

It was also mentioned that Willow County Water Districts must buy Water Rights from Russian River Water Control Board. **This is also a misleading statement as Willow County Water District has Water Rights afforded to all its customer base and has a right to part of the 8000 acre feet since 1960.**

It was stated at the LAFCo Meeting of June 6th that the LAFCo Board would wait to make a decision so that Willow County Water District could discuss this action at its regular board meeting to be held on June 13th, 2016.

WCWD meeting was held and the board members were joined by two members of LAFCo and a City of Ukiah staff member. It was unanimous on the Willow side that the motion by LAFCo was viewed as unnecessary and invasive. The City of Ukiah and Willow County Water District are willing to work out an M.O.U. for further investigation into this matter but feel that LAFCo is creating a riff instead of solving a problem that neither agency feel's is a problem.

The desire of Willow County Water District is that the current SOI be adopted without change.

The Following Support This Statement:

David Rullier General Manager Willow CWSD
Jay L. Mum - Director - Willow
Jerry Cardozo, Director, Millview Co. Water District
Chairman, Upper Russian River Water Agency
Richard Mack, Vice President, Millview County Water District
Angela Silver LAFCo Commissioner

Attachment

Willow: 3/4" Meter

\$ 20.00 for 0 to 4,500 gallons

\$ 1.80 per thousand thereafter

City: 3/4" Meter

Monthly meter charge = \$ 33.63

\$ 2.96 per 748 gallons

Assuming an average residential monthly water consumption is 15,000 gallons,

- Willow customer would pay: \$ 38.90

- City customer would pay: \$ 90.83

The city says that in 2020 for the same amount of water will cost the city residents

\$ 102.25

Dave Redding

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GOWERS INTERNATIONAL

May 18, 2016

VIA E-MAIL AND U.S. MAIL

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

Re: Willow County Water District Sphere of Influence Update

Dear Mr. Williamson:

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

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

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

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

DUANE MORRIS LLP

SPEAR TOWER, ONE MARKET PLAZA, SUITE 2200
SAN FRANCISCO, CA 94105-1127
DM216804258.1 R2239/00001

PHONE: +1 415 957 3000 FAX: +1 415 957 3001

Mr. George Williamson
May 18, 2016
Page 2

1. No Prohibition on Overlapping Boundaries

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

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

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

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

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

P. SCOTT BROWNE
ATTORNEY AT LAW

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

May 31, 2016

MEMORANDUM

TO: Mendocino LAFCo
George Williamson, LAFCo Executive Officer

FROM: P. Scott Browne, Legal Counsel

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

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

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

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

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

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

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

10) Overlapping Spheres

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

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

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

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

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

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

Sincerely,

/s/

P. Scott Browne

Status of and Opportunities for Shared Facilities

The RRFC works cooperatively with a number of other water agencies such as SCWA. The RRFC holds a seat on the IWPC and has participated in the study with other regional agencies to assess impacts of the quagga/zebra mussels.

Government Structure and Accountability

The RRFC is governed by a five-member board elected at large to four-year staggered terms. The board meets on the second Wednesday of the month at RRFC headquarters. The board has four standing committees. Meetings are noticed according to the Brown Act. The RRFC communicates with residents through its website and meeting notices.

The RRFC has one employee, the general manager. He is able to manage water contracts, has the technical background to operate the RRFC, and provides technical expertise to other agencies.

The RRFC has been actively working with the Redwood Valley County Water District on a consolidation. Both Districts have signed a Memorandum of Agreement that has expired; however, the consolidation hinges on the ability to acquire additional water rights.

Matters Related to Effective or Efficient Service Delivery Required by Commission Policy

Since the RRFC is considering consolidation with the RRFC, LAFCO policies relating to consolidation apply.

Willow County Water District

The Willow County Water District (WCWD) was formed on July 20, 1950 under section 30321 of the Water Code. The WCWD provides water service to approximately 990 residential and 60 commercial connections covering approximately 2,760 acres located immediately south of Ukiah. The WCWD also serves 85 customers in the City on South Dora, Rose, and Yokayo Streets. The area was annexed to the City; however, in order to maintain revenue stability, the WCWD continues to provide service.

Growth and Population Projections for the Affected Area

The current population of the WCWD is estimated at 3,760. The unincorporated portion of the Ukiah Valley is expected to grow at a rate of 1.00 to 1.63 percent annually. Economic conditions would favor the lower rate, so the estimated population of the WCWD is expected to be approximately 4,200 by 2020.

Disadvantaged Unincorporated Communities

Hopland to the south is adjacent to district boundaries and meets the definition of a disadvantaged unincorporated community. The Hopland community receives municipal services from the Hopland Public Utility District, which provides water and sewer, and from the Hopland Fire Protection District.

MENDOCINO Local Agency Formation Commission

Staff Report

DATE: July 11, 2016
TO: Mendocino Local Agency Formation Commission
FROM: Uma Hinman, Executive Officer
SUBJECT: Cemetery District Municipal Service Reviews (MSRs) Contract

Background

The Commission is considering a contract with Uma Hinman Consulting to complete the Cemetery District MSRs as listed below. The MSRs would be prepared and presented in combination with the Sphere of Influence (SOI) Reports as outlined in the Executive Officer Services with Uma Hinman Consulting. The contractor would be compensated in the amount of \$3,900 for preparation of the MSRs, as well as for any reimbursable expenses for postage, printing, and similar costs. The Cemetery District SOIs, which will be prepared concurrently with the MSRs are included in the 2016/2017 Work Plan and budget.

District	Proposed Adoption with SOI
Anderson Valley Cemetery District	November 2016
Cemetery District of the Redwoods	November 2016
Covelo Public Cemetery District	November 2016
Hopland Cemetery District	November 2016
Mendocino-Little River Cemetery District	November 2016
Potter Valley Cemetery District	November 2016
Russian River Cemetery District	November 2016
Westport-Ten Mile Cemetery District	November 2016

Recommendation

Executive Committee recommendation to the full Commission is to approve the proposed contract.

Attachments: Proposed Contract

**MENDOCINO LOCAL AGENCY FORMATION COMMISSION
CONTRACT EXTENSION FOR PROFESSIONAL SERVICES**

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

WITNESSETH

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

WHEREAS, COMMISSION desires to contract for professional services with Uma Hinman Consulting as CONTRACTOR in order to complete the Municipal Service Review (MSR) Program for the Cemetery Districts as shown below.

District	Proposed Adoption with SOI
Anderson Valley Cemetery District	November 2016
Cemetery District of the Redwoods	November 2016
Covelo Public Cemetery District	November 2016
Hopland Cemetery District	November 2016
Mendocino-Little River Cemetery District	November 2016
Potter Valley Cemetery District	November 2016
Russian River Cemetery District	November 2016
Westport-Ten Mile Cemetery District	November 2016

IT IS FURTHER AGREED that the CONTRACTOR will be compensated in the amount of \$3,900 as well as for any reimbursable expenses for postage, printing, and similar costs.

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

Mendocino LAFCo

Uma Hinman Consulting

By: _____
GERALD WARD, Chair

UMA HINMAN, Principal

**MENDOCINO
Local Agency Formation Commission**

Staff Report

DATE: July 11, 2016
TO: Mendocino Local Agency Formation Commission
FROM: Uma Hinman, Executive Officer
SUBJECT: Website Transition Contract

Background

The Commission is considering a contract with Planwest Partners to transition the LAFCo website from the older and more cumbersome HTML format to an updated and more user-friendly format, (i.e., WordPress or similar platform). Planwest Partners estimates approximately 20 hours to transfer files and 15 to 20 hours to set up the new site's map and design in a CMS format. The Contractor will be compensated at a rate of \$62.00 per hour for approximately 40 hours, for an estimated cost of \$2,480.00.

Recommendation

Executive Committee recommendation to the full Commission is to approve the proposed contract.

Attachments: Proposed Contract

**MENDOCINO LOCAL AGENCY FORMATION COMMISSION
CONTRACT EXTENSION FOR PROFESSIONAL SERVICES**

This Agreement, dated as of July 1, 2016, is by and between the Mendocino County Local Agency Formation Commission, hereinafter referred to as "COMMISSION", and Planwest Partners, 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 Planwest Partners as CONTRACTOR in order to complete the Website Transition, transitioning the HTML format website over and new site set up, estimated at approximately 20 hours to transfer files and 15 to 20 hours to set up the new site's map and look in a CMS format.

IT IS FURTHER AGREED that the CONTRACTOR will be compensated at a rate of \$62.00 per hour for approximately 40 hours, for an estimated cost of \$2,480.00

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

Mendocino LAFCo

Planwest Partners

By: _____
GERALD WARD, Chair

GEORGE WILIAMSON, Principal

**MENDOCINO
Local Agency Formation Commission**

Staff Report

DATE: July 11, 2016
TO: Mendocino Local Agency Formation Commission
FROM: Uma Hinman, Executive Officer
SUBJECT: Hastings Frontage Road

Background

On May 31, 2016, Matthew Kiedrowski of the Mendocino County Counsel's office inquired regarding a 1981 annexation of property to the City of Ukiah. At issue is what portion of the Hastings Frontage Road (on the east side of 101) is within the City of Ukiah and what portion remains in the County.

Mendocino County Department of Transportation's (DOT) files regarding the annexation included legal descriptions and maps of what was approved by LAFCO. Based on the correspondence in the files, it appears that LAFCO conditionally approved the annexation, directing that the annexation be finalized with additional portions of Hastings Road being included in the City. However, the final recorded version does not appear to show that any such changes were made. The DOT is looking for direction from LAFCo as to the procedure to correct what was recorded versus what was approved by LAFCo.

LAFCo Clerk researched office files and at the time this report was written, was unable to locate any definitive information. Upon further discussion with Mr. Kiedrowski and Chair Ward, it was agreed to place this item on the LAFCo July Regular meeting agenda for input from Commissioners that may have historical knowledge to offer. Staff will continue to explore files and work with County Counsel. Staff recommends Commissioner assignment to assist in this inquiry due to the high workload of staff during transition.

**MENDOCINO
Local Agency Formation Commission**

Staff Report

DATE: July 11, 2016
TO: Mendocino Local Agency Formation Commission
FROM: Uma Hinman, Executive Officer
SUBJECT: Special District Elections

Proposed Timeline for Special District Election Process to be conducted by LAFCo Staff on behalf of the Mendocino County Special Districts:

August 15, 2016: Distribute nomination forms to Special Districts.
October 10, 2016: Nominations due to Commission.
October 17, 2016: Ballots issued.
December 15, 2016: Ballots due.
January 2017: Commissioner begins four year term.

MENDOCINO Local Agency Formation Commission

Staff Report

DATE: July 11, 2016
TO: Mendocino Local Agency Formation Commission
FROM: Uma Hinman, Executive Officer
SUBJECT: Policy Review: Chapter 9, Section 1.10 Overlapping Spheres

Background

In January 2016, the Commission considered alternate language on overlapping spheres but ultimately voted to approve the policy as shown below.

Due to a continued lack of agreement among Commissioners on whether this hierarchy applies in all situations, especially in rural areas where there are existing overlapping jurisdictional boundaries and spheres, the language in blue (underlined) below is once again being brought forward for discussion upon direction from the Commission.

10) Overlapping Spheres

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

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

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

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

Recommendation

The staff recommendation is for to the Commission to review and discuss the policy and provide staff direction for any changes, as necessary.

MENDOCINO
Local Agency Formation Commission

Staff Report

DATE: July 11, 2016
TO: Mendocino Local Agency Formation Commission
FROM: Uma Hinman, Executive Officer
SUBJECT: Status of Applications, Future Projects, MSR & SOI Updates

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

-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.

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

The AVCSO has submitted application materials to LAFCo for a reorganization consisting of annexation, detachment, and latent powers activation for ambulance services. The proposed latent powers activation would allow the AVCSO to pursue a functional merger by contract with the Anderson Valley Ambulance Service, an independent non-profit entity that currently provides ambulance services to the Anderson Valley community. The proposed merger into a single entity for fire/rescue and EMS transport would support the provision of local ambulance services and improve financial and operational efficiencies. This past week, the District submitted an application and deposit of \$6,000.00 for processing the application.

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

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

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

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

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

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

-Calpella CWD Proposed Annexation

The Calpella CWD provides out of district water services to an area adjacent to the district boundary known as the Central Avenue Area. This "Out of District Service Area" has been receiving water

services since 2000 and was part of past annexation proposals that were disapproved by LAFCo. The 2013 Ukiah Valley MSR noted that annexation of this area should be considered in the future. At the February 1, 2016 LAFCo meeting, the Commission approved a SOI amendment (reduction) for the Calpella CWD to include only those areas within the Out of District Service Area and District boundary (Resolution No. 15-16-11). The District has expressed interest in annexing the Central Avenue Area now that the MSR and SOI Update are complete. A fee waiver/reduction in LAFCo application costs was considered by the Commission on May 12, 2016. The Commission approved providing one-half of the required deposit to be matched by the District.

-Laytonville CWD Proposed Annexation

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

-Elk County Water District Proposed Annexation

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

MSR & SOI Updates: At the June 6, 2016 meeting, staff provided a table which presented an overview of all agencies and their current MSR and SOI status. Since then, the Mendocino Coast Healthcare District SOI has been finalized and posted on the website.

**MENDOCINO
Local Agency Formation Commission**

Staff Report

DATE: July 11, 2016
TO: Mendocino Local Agency Formation Commission
FROM: Uma Hinman, Executive Officer
SUBJECT: Committee Reports

The Executive Committee met on June 28, 2016 in Willits. The following items were discussed:

Contract with Uma Hinman Consulting for Cemetery District MSRs

Committee recommendation to the full Commission at the July Regular Meeting is to approve the proposed contract with Contractor compensation in the amount of \$3,900 as well as for any reimbursable expenses for postage, printing, and similar costs for the production of 8 Cemetery District MSRs.

Budget Amendments

Discussion was held regarding possible budget amendments to the Fiscal Year 2016-17 Annual Budget that was approved at the June 6, 2016 Regular Commission meeting. The Committee directed staff to provide further information on anticipated expenses to present at the July Executive Committee and to place Budget Amendments and Reserve Policy discussion on the August 1, 2016 Regular Commission meeting agenda.

Transition of Contract Executive Officer Services

Committee recommendation to the full Commission at the July Regular Meeting is to approve the proposed contract with Planwest Partners to conduct the website transition at a rate of \$62.00 per hour for approximately 40 hours, for an estimated cost of \$2,480.00.

No other Committees met in June 2016.