

**2015
Commissioners**

Chair
Sherwood Darington
Public Member

Vice Chair
Joe Gunter
City Member

Fernando Armenta
County Member, Alternate

Matt Gourley
Public Member, Alternate

Maria Orozco
City Member, Alternate

John Phillips
County Member

Warren E. Poitras
*Special District Member,
Alternate*

Ralph Rubio
City Member

Simón Salinas
County Member

Steve Snodgrass
Special District Member

Graig R. Stephens
Special District Member

Counsel

Leslie J. Girard
General Counsel

Staff

Kate McKenna, AICP
Executive Officer

132 W. Gabilan Street, #102
Salinas, CA 93901

P. O. Box 1369
Salinas, CA 93902

Voice: 831-754-5838
Fax: 831-754-5831

AGENDA LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

Monday, September 21, 2015
4:00 p.m.

Board of Supervisors Chambers
Monterey County Government Center
168 West Alisal Street, First Floor
Salinas, California

The Local Agency Formation Commission welcomes you to its meetings. This meeting has been noticed according to the Brown Act. If you want to submit documents, please bring 15 copies for distribution. The meeting will be broadcast live on Comcast Cable TV Channel 28, and is rebroadcast every Monday at 4:00 p.m. Agendas and reports are available on our website at least 72 hours before each meeting.

Roll Call

Call to Order

Pledge of Allegiance

Public Comments

Anyone may address the Commission briefly about items not already on the Agenda. Please fill out a Speaker Request Form available on the rostrum.

Consent Agenda

All items on the Consent Agenda will be approved in one motion and there will be no discussion on individual items, unless a Commissioner or member of the public requests a specific item to be pulled from the Consent Agenda for separate discussion.

1. Approve Draft Minutes from the June 22, 2015 LAFCO Regular Meeting.
Recommended Action: Approve minutes.
2. Approve Draft Notes from the June 29, 2015 Budget and Finance Committee Special Meeting.
Recommended Action: Accept notes.
3. Approve a Reclassification and Salary Range for the Administrative Secretary/Clerk to the Commission Position.
Recommended Action: Approve recommendations of Budget and Finance Committee.
4. Approve the Establishment of an Assistant Analyst Job Classification and Salary Range, and Approve an Update of Other Classifications in the Analyst Series.
Recommended Action: Approve recommendations of Budget and Finance Committee.

5. Accept Report on Anticipated Future Agenda Items and Progress Report on Special Studies.
Recommended Action: Accept report.
6. Approve Registers of Checks for June, July and August 2015.
Recommended Action: Approve registers.
7. Accept Report on Activities of the California Association of Local Agency Formation Commissions.
Recommended Action: Accept Report.

Public Hearing (Continued from the LAFCO June 22, 2015 Regular Meeting)

8. Continued Public Hearing to Consider a Revised South Monterey County Fire Protection District 2015 Annexation Proposal with a Reduced Proposal Area (LAFCO File No. 13-05):

Following the June 22 LAFCO meeting, the Fire District has reduced the scope of its annexation proposal. The revised proposal area consists of San Lucas, San Ardo, Bryson/Hesperia, and lands near Bradley. Parkfield, Cholame, Indian Valley, Peachtree Canyon, Priest Valley, Long Valley areas, and other areas east of San Lucas, San Ardo, and Bradley are no longer included in the Fire District's proposal.

The proposed annexation area consists of approximately 123 square miles of lands adjacent to the Fire District's existing boundaries and within its existing designated Sphere of Influence, plus a proposed 28-acre (0.2-square-mile) Sphere of Influence amendment. The purpose of the proposal is to provide comprehensive fire protection services to these lands, which are currently not within the boundaries of any fire protection district. As the California Environmental Quality Act (CEQA) lead agency, the Fire District has determined the proposal to be exempt from environmental review.

Recommended Actions:

- i. Reopen the public hearing for this item; and following discussion:
- ii. Adopt a Resolution to:
 - a) Consider the finding made by the South Monterey County Fire Protection District that its proposal is exempt under CEQA Guidelines Section 15061(b)(3) (the "general rule" exemption),
 - b) Approve the District's proposed annexation of approximately 123 square miles of lands, including a 0.2-square-mile Sphere of Influence amendment, and
 - c) Authorize the Executive Officer to set October 26, 2015 at 4:00 p.m. as the Conducting Authority hearing for the proposed annexation.

New Business

9. Consider Appointments to LAFCO Committees.
Recommended Action: Consider the Chair's appointments to LAFCO Committees.

Executive Officer's Report

The Executive Officer may make brief announcements in the form of a written report or verbal update, and may not require Commission action. The public may address the Commission on these informational items.

10. California Special Districts Association Conference, September 21-24, Monterey (Information)

Commissioner Comments

Individual Commissioners may comment briefly on matters within the jurisdiction of LAFCO. No discussion or action is appropriate other than referral to staff or setting a matter as a future agenda item. The public may address the Commission on these informational items.

Adjournment to the Next Meeting

The next Regular LAFCO Meeting is on Monday, October 26, 2015 at 4:00 p.m.

Alternative Formats and Facility Accommodations: If requested, the agenda will be made available in alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 USC 12132) and the federal rules and regulations adopted in implementation thereof. Also if requested, facility accommodations will be made for persons with disabilities. Please contact (831) 754-5838 for assistance.

**2015
Commissioners**

Chair

Steve Snodgrass
Special District Member

Vice Chair

Sherwood Darington
Public Member

Fernando Armenta
County Member, Alternate

Matt Gourley
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www.monterey.lafco.ca.gov

**DRAFT MINUTES
LOCAL AGENCY FORMATION COMMISSION
OF MONTEREY COUNTY**

Monday, June 22, 2015

4:00 p.m.

Board of Supervisors Chambers
Monterey County Government Center
168 West Alisal Street, First Floor
Salinas, California

Roll Call

Call To Order

The Local Agency Formation Commission was called to order by Chair Snodgrass at 4:03 p.m. in the Monterey County Board of Supervisors Chambers.

Members Present

Commissioner Snodgrass, Chair
Commissioner Darington, Vice Chair
Commissioner Gourley
Commissioner Gunter
Commissioner Orozco
Commissioner Phillips
Commissioner Poitras
Commissioner Rubio
Commissioner Salinas
Commissioner Stephens

Members Absent (Excused Absences)

None.

Members Not Present (Presence Not Required)

Commissioner Armenta.

Staff Present

Kate McKenna, AICP, Executive Officer
Leslie J. Girard, General Counsel
Darren McBain, Senior Analyst
Gail Lawrence, Clerk to the Commission

Pledge of Allegiance

Commissioner Salinas led the Pledge of Allegiance.

Public Comments

There were no Public Comments on items not on the Agenda.

Special Business

1. Administer the Oath of Office for Appointments of City Member (Regular) Commission Gunter and City Member Commissioner (Alternate) Orozco.
Recommended Action: LAFCO Chair Snodgrass will administer the Oaths of Office.

Chair Snodgrass administered the Oath of Office to City Member Joseph Gunter and City Member (Alternate) Commissioner Orozco. The Commissioners took their seats on the dais.

2. Select the LAFCO Chair and Chair Pro Tempore for a Period Ending in May 2016.
Recommended Action: Conduct the selection process.

Public Comments

There were no Public comments.

Commission Action

Upon motion by Commissioner Salinas, seconded by Commissioner Rubio, Commissioner Sherwood Darington was nominated as Chair for a period ending in May 2016. The Commission unanimously approved the motion.

Commission Action

Upon motion by Commissioner Phillips, seconded by Commissioner Salinas, Commissioner Joseph Gunter was nominated as Chair Pro-Tempore for a period ending May 2016 for a period ending in May 2016. The Commission unanimously approved the motion.

The Chair and the Chair Pro-Tempore took their seats on the dais.

Consent Agenda

All items on the Consent Agenda will be approved in one motion and there will be no discussion on individual items, unless a Commissioner or member of the public requests a specific item to be pulled from the Consent Agenda for separate discussion.

3. Approve Draft Minutes from the April 27, 2015 LAFCO Regular Meeting.
Recommended Action: Approve minutes.
4. Accept Notes from the May 28, 2015 Budget and Finance Committee Meeting.
Recommended Action: Accept meeting notes.
5. Accept Meeting Notes from the Conducting Authority Proceedings of June 1, 2015 (Pajaro/Sunny Mesa Community Services District, LAFCO File No. 14-05).
Recommended Action: Accept meeting notes.
6. Accept Report on Anticipated Future Agenda Items.
Recommended Action: Accept report.
7. Approve Registers of Checks for April and May 2015.
Recommended Action: Approve registers.
8. Accept Report of Draft Financial Statements for Period Ending March 31, 2015.
Recommended Action (by Budget and Finance Committee): Accept report.
9. Approve Budget Amendment No. 2 for Fiscal Year 2014-2015 Budget, and Related Actions.
Recommended Action (by Budget and Finance Committee): Adopt resolution.
10. Accept Report on Activities of the California Association of Local Agency Formation Commissions.
Recommended Action: Accept report.

Public Comments

There were no Public comments.

Commission Action

Upon motion by Commissioner Salinas, seconded by Commissioner Rubio, the Consent Items were unanimously approved.

Public Hearing

11. Public Hearing to Consider a Proposal from the South Monterey County Fire Protection District to Annex Approximately 840 Square Miles of Lands Adjacent to Existing District Boundaries. (*Lafco File No. 13-05*).

The annexation proposal includes the communities of San Lucas, San Ardo, and Parkfield. The proposal also includes the Pleyto/Bryson-Hesperia area south of Lake San Antonio, areas near Bradley, rural lands north of Highway 198 near San Benito and Fresno Counties, and other rural lands extending to the southeast corner of Monterey County. The proposed annexation area consists of the District's existing designated Sphere of Influence, plus a proposed 28-acre (0.2-square-mile) Sphere of Influence expansion. The purpose of the proposal is to provide comprehensive fire protection services and advanced life support emergency medical services to these lands, which are currently not within the boundaries of any fire protection district.

Recommended Action: It is recommended that the Commission receive a report by the Executive Officer, conduct a public hearing, and continue consideration of the District's proposal to the August 24, 2015 (4:00 PM) LAFCO meeting to allow further discussion between the District and stakeholders to identify potential alternatives that may be satisfactory to all interested parties.

Darren McBain, LAFCO Senior Analyst, presented a report.

Chair Darington opened the Public Hearing.

Public Comments

Public comments were made by John Owens, Assistant Chief, Cal Fire-South Monterey County; George Haines, Cal Fire, William Marchand, William Bartosh, Kaeda Barrios, Fire Chief; Ann Myhre, Arthur Lombardo, Attorney, Debbie Roberson, Jim Orradre, Member-San Ardo Volunteer Fire Dept.; Mary Winfree, and John Van Horne.

Chair Darington closed the Public Hearing.

Staff and Commissioner Comments

Kate McKenna, Executive Officer commented. Commissioners Salinas, Gunter, Poitras, Rubio, and L. Girard, Legal Counsel provided comments.

Commission Action

Upon motion by Commissioner Salinas, Seconded by Commissioner Gunter, the Commission received the report for Agenda Item No. 11: Public Hearing to Consider a Proposal from the South Monterey County Fire Protection District to Annex Approximately 840 Square Miles of Lands Adjacent to Existing District Boundaries, by the Executive Officer, conducted a public hearing and agreed to continue consideration of the District's proposal LAFCO meeting to a date to be determined to adequately allow for further review and discussion between the District and stakeholders to identify potential alternatives that may be satisfactory to all interested parties. Absent: (Alternate Commissioner Armenta) (presence not required). Abstain: None. Absent: None. Motion Carried.

New Business

12. Consider Report on Business Items for the 2015 CALAFCO Annual Conference on September 2-4, 2015.

Recommended Actions:

- a. Authorize attendance.
- b. Designate voting delegates.
- c. Consider nominations for Coastal Region city Member and Public Member seats on the CALAFCO Board of Directors.
- d. Consider nominations for CALAFCO Achievement Awards.

Public Comments

There were no Public comments. The Commissioners reviewed the recommended actions.

Commission Action

Upon Motion by Commissioner Salinas, seconded by Commissioner Gunter, the Commission authorized the following actions:

- (a) Authorize the LAFCO Executive Officer, LAFCO Senior Analyst, Commissioners Salinas, Gunter and LAFCO General Counsel to attend the 2015 CALAFCO Annual Conference in Sacramento, California on September 2-4, 2015;
- (b) Selected Commissioner Salinas as the voting delegate and Commissioner Gunter as the alternate voting delegate to the CALAFCO Annual Business Meeting;
- (c) No nominations for Coastal Region City Member and Public Member seats on the CALAFCO Board of Directors; and,
- (d) No nominations for CALAFCO Achievement Awards.

Executive Officer's Report

None.

Commissioner Comments

13. Letter from City of Marina - Marina Coast Water District Annexation of Ord Community, dated June 5, 2015 (Information Only).

The Commission reviewed the information. There were no Public or Commissioner comments.

Closed Session

The Commission will conduct a Public Employee Annual Performance Evaluation in closed session, pursuant to Code Section 54957. *Position: LAFCO Executive Officer*

The Commission convened to Closed Session at 5:08 p.m.

The Commission reconvened the Regular LAFCO Meeting at 5:25 p.m.

Legal Counsel stated there was no reportable action from the Closed Session.

Adjournment to the Next Meeting

Chair Darington adjourned the meeting at 5:28 p.m.

The next Regular LAFCO meeting is scheduled for *Monday, August 24, 2015 at 4:00 p.m.

*(Note: The August Meeting was canceled and the next scheduled meeting is Monday, September 21, 2015).

**2015
Committee**

Chair
Simón Salinas
County Member

Ralph Rubio
City Member

Graig R. Stephens
Special District Member

Staff

Kate McKenna, AICP
Executive Officer

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**MEETING NOTES
BUDGET AND FINANCE COMMITTEE MEETING**

Friday, June 29, 2015, 2:00 p.m.
LAFCO Office
132 W. Gabilan Street, Suite 102
Salinas, California 93901

Roll Call

Members Present

Commissioner Simón Salinas
Commissioner Graig Stephens
Commissioner Ralph Rubio

Staff and Consultants Present

Kate McKenna, AICP, Executive Officer
Kris Humphries, Human Resources Advisor, Regional Government Services
L. Girard, General Counsel

Call to Order

The Budget and Finance Committee of the Local Agency Formation Commission of Monterey County was called to order by Committee Chair/Commissioner Salinas at 2:00 p.m.

Public Comment

There were no public comments.

Old Business (Continued from Meeting of May 28, 2015)

1. Consider Job Classification and Compensation Study for Administrative Secretary/Clerk to the Commission Position.
Recommended Action: Discuss study and approve recommendations.

Executive Officer McKenna and Kris Humphries, Human Resources Advisor, Regional Government Services, presented a report.

After discussion, the Committee unanimously recommended approval of the study and recommendations.

2. Consider Report on Establishing an Assistant Analyst Job Classification and Salary Range, and a Review and Update of Other Analyst Series Classifications.

Executive Officer McKenna and Kris Humphries, Human Resources Advisor, Regional Government Services, reviewed the report.

After discussion, the Committee unanimously approved the report and recommendations.

Other Business

None.

Adjournment to the Next Meeting.

The meeting was adjourned at 3:00 p.m. The next Regular Budget and Finance Committee Meeting is scheduled for Friday, November 6, 2015 at 11:00 a.m.

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

2015

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DATE: September 21, 2015

TO: Chair and Members of the Formation Commission

FROM: Kate McKenna, AICP, Executive Officer

SUBJECT: LAFCO CLERK TO THE COMMISSION STUDY

SUMMARY OF RECOMMENDATION:

The Budget and Finance Committee recommends that the Local Agency Formation Commission approve the attached resolution authorizing a reclassification and salary range for the Clerk to the Commission position.

EXECUTIVE OFFICER'S REPORT:

On June 29, the Budget and Finance Committee considered a report prepared by human resources consultant Kris Humphries, RGS Consulting. The report recommends reclassifying the "Administrative Secretary/Clerk to the Commission" position to a "Clerk to the Commission," and establishing a salary range for the reclassified position. Supporting documentation was attached to the report.

LAFCO General Counsel Leslie Girard joined Ms. Humphries and Executive Officer Kate McKenna in presenting the report on June 29. The item had been continued from Budget and Finance Committee meetings in February 2015 and May 2015.

If the recommended action is approved, the incumbent will be placed on the new range at the step closest to giving her a 5 percent increase, retroactive to March 1, 2015.

FISCAL IMPACT:

The recommended action is anticipated in the adopted annual budget.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

Attachments: Recommended Resolution
Exhibit A – Recommended Job Specification
Exhibit B – Recommended Salary Range

RESOLUTION NO. XX

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF
MONTEREY COUNTY APPROVING RECLASSIFICATION AND UPDATE OF
SALARY RANGE AND JOB SPECIFICATION FOR THE CLERK TO THE
COMMISSION POSITION.

RESOLVED, by the Local Agency Formation Commission of Monterey County,
State of California, that:

WHEREAS, on June 29, 2015, the Budget and Finance Committee considered a
report prepared by Human Resources Consultant Kris Humphries, RGS Consulting,
providing documentation in support of a reclassification and new salary range for the
Administrative Secretary (Confidential)/Clerk to the Commission position; and

WHEREAS, the Budget and Finance Committee recommends a reclassification to
Clerk to the Commission, with an updated job specification (Exhibit A, attached) and
adjusted pay range (Exhibit B, attached), to bring the position into line with the local
competitive market, and to accurately reflect the actual complex duties of the position; and

WHEREAS, the Local Agency Formation Commission considered the Budget and
Finance Committee's recommendations on September 21, 2015;

NOW, THEREFORE, the Local Agency Formation Commission of Monterey County
does hereby resolve, determine and order the recommended actions.

UPON MOTION of Commissioner _____, seconded by Commissioner _____, the
foregoing resolution is adopted this 21st day of September 2015, by the following vote:

AYES: Commissioners:
NOES:
ABSENT:
ABSTAIN:

Sherwood Darington, Chair
Local Agency Formation Commission of Monterey County

ATTEST: I certify that the within instrument is a true and
complete copy of the original resolution of said
Commission on file within this office.

Witness my hand this 21stth day of September, 2015

By: _____
Kate McKenna, AICP, Executive Officer

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

Job Specification CLERK TO THE COMMISSION

Job Title:	Clerk to the Commission
Job Type:	At Will, Full-Time Position
Overtime Eligible	Non-Exempt
Revised:	June 29, 2015 (Draft)

Definition

Under the direction of the Executive Officer, the Clerk to the Commission position performs a wide range of administrative services in support of the Local Agency Formation Commission of Monterey County and LAFCO Staff, and serves as Clerk to the Commission. In addition to performing general office operations, human resources, bookkeeping, finance and public information services, the position acts in official capacities as Clerk to the Commission pursuant to the Cortese-Knox-Hertzberg Act and other State and local laws, and locally adopted LAFCO policies and procedures.

Distinguishing Characteristics

Incumbents work with a substantial level of autonomy performing routine and complicated assignments which require analysis, adaptive thinking and confidentiality. This is an at-will position that serves at the pleasure of the Executive Officer. This position also is responsible for assisting members of the LAFCO Commission on an as-needed basis. Nothing in this specification restricts management's right to assign or reassign duties and responsibilities to this job at any time.

Examples of Duties

Duties may include, but are not limited to the following:

- Processes and files a broad range of legal/technical matters acted upon by LAFCO of Monterey County.

- Oversees the daily administration of accounting and financial affairs of LAFCO in accordance with LAFCO policies and procedures, including coordination of accounts receivable, accounts payable, payroll and annual audit operations.
- Oversees the daily administration of human resources functions including personnel actions and benefits coordination.
- Maintains the LAFCO website in a webmaster capacity, meeting legal deadlines and assessing transparency, accountability and ease of use for visitors, and uploading agenda packets, maps, minutes, etc. and other updates as appropriate.
- Develops and implements office procedures, and manages the office facilities and equipment of LAFCO, including purchases of equipment and supplies, and monitoring and interpreting the budget and expenses related to office operations.
- Coordinates the required filing, distribution and archiving of official documents, forms and reports.
- Conducts statistical and financial research, compiles information and prepares reports such as salary schedules and periodic surveys. Conducts legal research about changes in State and Federal law pertaining to office administration.
- Assists the LAFCO Executive Officer in the preparation and administration of the annual LAFCO budget, financial statements, actual v. budget expense reports, and annual audits.
- Coordinates with Information Technology to ensure proper functioning of computer software, hardware, domain names, and other services. Assists in identifying and resolving technology issues and in maintaining security.
- Analyzes and prepares correspondence, and coordinates and formats information and data for special studies and reviews. Compiles and organizes information for the Executive Officer and Analysts.
- Acts as liaison and coordinates activities with other agencies and public entities for the Commission and the LAFCO Executive Officer, and responds to public inquiries.
- Maintains Administrative and Personnel Policies and Procedures and official records.
- Performs general administrative assistance in the conduct of special projects by the Executive Officer, such as presentations and information for grand juries, local agencies, community groups, new Commissioners and other LAFCOs.
- Serves as Clerk to the Local Agency Formation Commission and its Committees.
- Assists Executive Officer in the conduct of elections, appointments and selections of City, County, Special District and Public Members of the Commission.
- Prepares and manages distribution of agenda packets for presentation to the Commission and its Committees.

- Attends Commission and standing/ad hoc Committee meetings and prepares minutes.
- Receives, prepares, posts, publishes and distributes public notices, agendas, resolutions, certificates, forms, reports and other official documents, and maintains records of public requests for notifications and records.
- Maintains schedule of LAFCO meeting dates, a roster and terms of Commissioners, and contact lists for local agency representatives.
- Works directly with accounting firm to ensure proper processing of accounts payable, accounts receivable, payroll and related documents.
- Maintains consultant and vendor contract records, payment balances, and monitors contract status and amendments. May negotiate vendor contracts.
- Performs banking duties, including wireless transfers from County Treasury to LAFCO checking account, and bank deposits.
- Maintains accounts receivable records, accounts payable records, payment balances, and monthly invoices.
- Ensures staff and Commission compliance with annual economic interest reporting requirements, and bi-annual ethics and harassment training requirements, and maintains records of compliance.
- Serves as the initial point of contact for LAFCO and is responsible for ensuring the agency is professionally represented.
- Assists the Executive Officer in promoting a responsive and positive relationship with community leaders, public agencies, and the public.
- Greets office visitors and answers telephone calls and correspondence.
- Prepares correspondence independently and from written copies, transcription or instructions.
- Exercises independent judgment; monitors the activities and schedules for the LAFCO staff.
- Coordinates LAFCO-related travel for Commissioners and LAFCO staff.
- Supervises extra-help as needed.
- Participates in LAFCO-related organizations and professional associations.

Education and Experience (Typical Qualifications)

The knowledge, skills and abilities listed below may be acquired through various types of experience, education or training, typically:

Education and Experience:

Five or more years of experience in a responsible administrative support position, preferably in a local government agency. Experience with bookkeeping, accounting and human resource functions is highly desirable. Relevant college coursework or degree and a Certificate in Special District Board Management, Board Clerk or City/County Clerk Program are desirable. Must have significant experience in general office operations in a local government environment. Experience in an administrative capacity working with local elected officials is highly desirable.

License and/or Certifications

A valid appropriate California driver's license may be required. Maintain a satisfactory driving record. Works primarily in an office environment, but will be required to visit and meet at various locations in the County of Monterey and coordinate meetings of the Commission at various locations in the County of Monterey.

Knowledge, Skills and Abilities

The position requires strong organizational, communication and interpersonal skills. The combination of experience, education and/or training will substantially demonstrate the following knowledge, skills and abilities:

Knowledge:

Practices of public agency meeting organization, coordination and record keeping. Local Agency Formation Commission law, practices and procedures. Correct grammar, rules of punctuation and spelling. Proper format for business correspondence and communication. Principles and techniques of public agency administrative and fiscal practices. Public meeting setup and procedures. Record keeping and file management. Microsoft Office Suite, including related database and internet software. Ability to work with website software and pdf programs.

Skills and Abilities to:

Administer fiscal operations and budgets. Prepare a variety of financial and database reports. Effectively handle multiple priorities; meet deadlines. Communicate effectively orally and in writing. Manage a small office. Identify problem areas and recommend solutions. Work independently. Establish and maintain effective working relationships with elected officials, co-workers, other agencies, and the public. Implement basic finance, accounting and human resource administrative procedures. Operate office equipment. Read, apply and interpret laws, ordinances, and procedures.

Desirable Work Style and Personal Traits:

A high degree of integrity, be facilitative rather than confrontational in nature, work well with peers and supervisors as well as with difficult and sensitive organizational issues. Possess a commitment to very high ethical standards and quality public services. An active listener, supportive team builder; has strong interpersonal and communication skills, and demonstrates an energetic work style. Embraces challenges, is objective, open minded, accountable, and is comfortable working in a complex political environment. Able to establish and maintain cooperative and effective working relationships with a variety of representatives of public and private organizations, members of boards and commissions, legislative representatives, and the public. Be able to interact well and comfortably with individuals of diverse backgrounds, be able to approach challenges with confidence, and maintain positive, productive and ethical interaction with peers, the public, the Commission and elected officials.

Special Requirements:

Essential duties require the following physical skills and work environment:

Physical Skills: Able to use standard office equipment, including a computer and other electronic equipment; arm, hand, finger, wrist, leg, or foot motion repetitively; firmly or lightly grasp items as needed; sit, stand, walk, kneel, and maintain sustained posture in a seated or standing position for prolonged periods of time; vision to read printed materials, a computer screen, and to work in a typical office environment; hearing and speech to communicate in person, over the telephone, and to make public presentations; lift and carry 30 pound boxes, files, and materials.

Ability to: Travel to different sites and locations; drive safely to different sites and locations; work protracted and irregular hours and evening meetings or work unusual hours for meeting attendance or participation in specific projects or programs.

Work Environment: Mobility to work in a typical office setting.

EXHIBIT B
Recommended Salary Range for Clerk to the Commission Position
September 14, 2015

	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Hourly	\$27.31	\$29.36	\$31.56	\$33.93	\$36.47	\$39.21	\$40.45
Biweekly	\$2,185	\$2,349	\$2,525	\$2,714	\$2,918	\$3,137	\$3,236
Monthly	\$4,734	\$5,089	\$5,470	\$5,881	\$6,322	\$6,796	\$7,011
Annual	\$56,805	\$61,065	\$65,645	\$70,568	\$75,861	\$81,551	\$84,136

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DATE: September 21, 2015
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: LAFCO ANALYST JOB SERIES

SUMMARY OF RECOMMENDATIONS:

The Budget and Finance Committee recommends that the Commission approve a resolution establishing flexible staffing options for the LAFCO Analyst job series, with updated specifications for the job series, and no changes to current salary ranges. Please see Attachment 1 and related exhibits.

EXECUTIVE OFFICER'S REPORT:

On June 29, the Budget and Finance Committee considered a report and supporting documentation prepared by human resources consultant Kris Humphries, RGS Consulting. The report recommended establishing an entry level, overtime eligible Assistant Analyst class and salary range for the LAFCO Analyst job series. The series currently allows for flexible staffing for two positions at Associate, Senior or Principal Analyst levels. The recommended change would add entry level staffing as another option in this job series.

The report also contained a general review and update of the job specifications and salary ranges for the Analyst series. The Associate Analyst specification has been updated to include the new Assistant Analyst specification, and changes the Associate Analyst class from overtime exempt to overtime eligible (Exhibit A). Also, the Senior Analyst specification has been updated to articulate the duties of the Principal Analyst class, with no change in the overtime exempt status of these classes (Exhibit B). Exhibit C is the proposed salary range for the new Assistant Analyst class. No changes are recommended to current salary ranges for Associate, Senior or Principal Analyst classifications.

LAFCO General Counsel Leslie Girard joined Ms. Humphries and Executive Officer Kate McKenna in presenting this item on June 29. The item had been continued from Budget and Finance Committee meetings in February 2015 and May 2015.

FISCAL IMPACT:

The proposed actions will have no effect on the adopted annual budget. For budgeting purposes, the Analyst positions are generally budgeted close to the top step of the Senior class.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Kate McKenna". The signature is fluid and cursive, with the first name "Kate" and last name "McKenna" clearly distinguishable.

Kate McKenna, AICP,
Executive Officer

Attachments:

1 – Recommended Resolution

Exhibit A – Recommended Update to Assistant/Associate Analyst Job Specifications

Exhibit B – Recommended Update to Senior/Principal Analyst Job Specifications

Exhibit C – Recommended Salary Range for New Assistant Analyst Class

RESOLUTION NO. XX

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF
MONTEREY COUNTY APPROVING FLEXIBLE STAFFING OPTIONS FOR THE
LAFCO ANALYST JOB SERIES WITH UPDATED SPECIFICATIONS AND NO
CHANGES TO CURRENT SALARY RANGES.

RESOLVED, by the Local Agency Formation Commission of Monterey County, State of California, that:

WHEREAS, on June 29, 2015, the Budget and Finance Committee considered a report prepared by Human Resources Consultant Kris Humphries, RGS Consulting, providing documentation in support of: (1) establishing an entry level, overtime eligible Assistant Analyst class and salary range for the LAFCO Analyst Job Series; (2) changing the Associate Analyst class from overtime exempt to overtime eligible; (3) updating the Associate Analyst specification to include the new Assistant Analyst specification; and (4) updating the Senior Analyst specification to articulate the duties of the Principal Analyst class, with no change in the overtime exempt status of Senior/Principal classes; and

WHEREAS, based on the recommendation of the Budget and Finance Committee, an Assistant Analyst specification has been prepared and is included in the Associate Analyst specification, and the Associate Analyst class has been changed from overtime exempt to overtime eligible, as set forth in Exhibit A (attached); and

WHEREAS, based on the recommendation of the Budget and Finance Committee, the Senior Analyst specification has been updated to articulate the duties of the Principal Analyst class, with no change in the overtime exempt status of these previously authorized classes, as set forth in Exhibit B (attached); and

WHEREAS, based on the recommendation of the Budget and Finance Committee, the proposed salary range for the new Assistant Analyst class is shown in Exhibit C (attached), with no changes to current salary ranges for other classifications in the Analyst series; and

WHEREAS, the Local Agency Formation Commission considered the Budget and Finance Committee recommendations on September 21, 2015;

NOW, THEREFORE, the Local Agency Formation Commission of Monterey County does hereby resolve, determine and order the recommended actions.

UPON MOTION of Commissioner _____, seconded by Commissioner _____, the foregoing resolution is adopted this 21st day of September 2015, by the following vote:

AYES: Commissioners:
NOES:
ABSENT:
ABSTAIN:

Sherwood Darington, Chair

ATTEST: Local Agency Formation Commission of Monterey County
I certify that the within instrument is a true and complete copy
of the original resolution of said Commission on file within this
office.
Witness my hand this 21stth day of September, 2015

By: _____
Kate McKenna, AICP, Executive Officer

Exhibit A

Recommended Update to
Assistant/Associate Analyst
Job Specifications

EXHIBIT A

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

Job Specification

ASSISTANT/ASSOCIATE ANALYST

Job Title:	Assistant/Associate Analyst
Job Type:	At Will, Full-Time Position
Overtime Eligible	Both Levels are Non-Exempt
Revised:	June 2015 (Draft)

Definition

Under direction, performs responsible professional planning work involving land use planning, environmental analysis, design review, general plan policy and ordinance development, economic development, green technology in economic development, redevelopment, CDBG/HOME program implementation or related areas.

Distinguishing Characteristics

Assistant Analyst: This is the class in the professional planning series approaching the journey level. Under general supervision, work involves the responsibility for assignments that require the application of fundamental planning principles requiring prior planning experience, or project management experience in development permit application review and processing, perform long range planning for policy and ordinance development for general plan, community plans and local coastal program, implement housing and community development, and economic development depending on assignment. Assignments are generally moderately difficult in scope, but within the design and procedural framework established by higher-level employees, however, as experience is acquired, the employee performs with increasing independence.

Associate Analyst: This is the full working level class in the LAFCO professional Analyst series. The Associate Analyst performs a full range of complex professional assignments in all program areas, and acts as project analyst with full responsibility for the review, processing, preparation and presentation of varied and complex projects. The Associate Analyst receives direction from the LAFCO Executive Officer.

Responsibilities may include direct or functional supervision of professional, technical and clerical personnel and consultants.

The class of Associate Analyst is distinguished from the next lower class of Assistant Analyst in that the former performs journey level professional analyst work requiring a thorough knowledge of LAFCO laws, policies, procedures and regulations, whereas an Assistant Analyst performs entry level professional analyst work requiring some knowledge of LAFCO laws, policies, procedures and regulations involving analysis and interpretation.

The class of Associate Analyst is distinguished from the next higher class of Senior Analyst in that the latter class is a leadworker class which serves as a projects coordinator with responsibility for performing the most complex and specialized analyst assignments under general direction, whereas an Associate Analyst functions under direction with responsibility for complex and varied analyst projects within a team of professional analysts.

Classes in this series are flexibly staffed, and incumbents may advance to the higher-level class after demonstrating proficiency and meeting the qualifications for that classification.

Examples of Duties

Duties may include but are not limited to the following:

- Evaluates, analyzes, coordinates, prepares and presents complex background data, studies, petitions, proposals, applications, reports, resolutions and recommendations to the LAFCO Executive Officer and/or to the LAFCO Commission and Committees;
- Maintains, revises and interprets the LAFCO policies, procedures and maps;
- May plan, organize, coordinate and supervise the work of staff or consultant personnel, as assigned;
- Attends LAFCO meetings and makes public presentations;
- Works closely with public agencies, the public, media and special interest groups to form consensus on a variety of complicated subjects;
- Represents LAFCO to local, state and federal agencies and community groups while maintaining strong liaisons and open communication with agencies and administrative staff of the County, cities and special districts;
- Monitors and evaluates local agencies, their service capabilities and proposals for changes or organization or jurisdictional boundaries;
- Prepares and monitors budgets, contracts and financial activity reports for areas of assigned responsibility, and assists in other administrative budget and financial reporting activities;
- Executes the terms and conditions of LAFCO documents in accordance with determinations of LAFCO;
- Assists the Executive Officer in implementing the Commission's directions, policies and procedures, and in developing, tracking and managing the annual work program;
- Actively participates in LAFCO-related organizations and other professional organizations; and
- Other duties as assigned by the Executive Officer.

Education and Experience (Typical Qualifications)

The knowledge, skills and abilities listed below may be acquired through various types of experience, education or training, typically:

Education:

Equivalent to Bachelor's or Master's degree in urban/regional planning, public administration, or a closely related field,

AND

Experience:

Assistant Analyst: One year of responsible professional planning experience or project management experience in assigned area.

Associate Analyst: Three or more years of progressively responsible professional experience performing public sector planning, policy and program analysis duties similar to those of the position.

License and/or Certifications

Depending on assignment, possession of a valid California Class C driver's license may be required.

Knowledge, Skills and Abilities

The position requires strong analytical, communication and interpersonal skills. The combination of experience, education and/or training will substantially demonstrate the following knowledge, skills and abilities:

Knowledge:

Assistant Analyst: Principles and practices of economic development, urban planning; growth management principles and techniques; statistical and analytical research methods related to planning; current literature, information sources and research techniques in the field of urban planning; business retention and attraction activities and marketing.

Associate Analyst: Thorough knowledge of: Principles and practices of LAFCO. Applicable state and local laws, policies and regulations relating to LAFCO, with special emphasis on the Cortese-Knox-Hertzberg Local Government Reorganization Act, the California Environmental Quality Act, and local planning and land use laws and their applicability to LAFCO.

Working knowledge of: Principles and practices of ethics, accountability and transparency in local government. Statistical and research methods and techniques. Principles and practices of budgets,

financial analysis and reporting. Principles and practices of effective training, supervision and performance management. Principles and practices used in project management and public sector contract management.

Skills and Abilities to:

Assistant Analyst: Learn and apply local, state and federal laws underlying general plans, zoning and land divisions; learn applicable environmental laws and regulations; analyze and compile technical and statistical information and prepare reports; allocate time to multiple projects with deadlines; work effectively with the general public, department representatives, and co-workers; communicate clearly and concisely, orally and in writing.

Associate Analyst: Interpret, analyze and effectively communicate complex technical and policy information. Demonstrate excellent oral and written communication skills, and excellent customer service skills. Prepare and present clear, thorough written and oral reports. Plan the work of professional and technical staff in compilation of technical and statistical data, research, and the preparation of plans, reports, studies and technical papers. Perform a variety of complex public planning, research information development and report preparation assignments. Demonstrate the technical competence and ability to meet assigned timelines for multiple tasks. Interpret, apply and explain laws, rules, policies and procedures governing LAFCO issues and actions. Work with and provide timely and relevant information and clear recommendations to the LAFCO Executive Officer. Build trust, credibility and confidence in the work of LAFCO throughout all of Monterey County. Be cognizant and sensitive to the broad economic and social diversity of Monterey County. Build consensus between all interests, and exercise good judgment with tact and diplomacy.

Desirable Work Style and Personal Traits:

A high degree of integrity, be facilitative rather than confrontational in nature, work well with peers and supervisors as well as with difficult and sensitive organizational issues. Possess a commitment to very high ethical standards and quality public services. An active listener, supportive team builder; has strong interpersonal and communication skills, and demonstrates an energetic work style. Embraces challenges, is objective, open minded, accountable, and is comfortable working in a complex political environment. Able to establish and maintain cooperative and effective working relationships with a variety of representatives of public and private organizations, members of boards and commissions, legislative representatives, and the public. Be able to interact well and comfortably with individuals of diverse backgrounds, be able to approach challenges with confidence, and maintain positive, productive and ethical interaction with peers, the public, the Commission and elected officials.

Working Conditions:

Environment: Works in indoor office conditions; may drive a vehicle to different locations; attends evening meetings; and works under media scrutiny. Physical Abilities: Hearing and speaking sufficient to exchange information in person, on the telephone, and at formal presentations; vision sufficient to read computer screens and printed documents; hear in the normal audio range with or without correction; sitting or standing for extended periods of time; uses hands to handle feel or operate standard office equipment including personal computer; and mental capability to read and interpret data and complex written documents, perform highly detailed work under intensive deadlines and media scrutiny and apply this ability across multiple projects. Hazards: Exposed to computer screens.

Exhibit B

Recommended Update to
Senior/Principal Analyst
Job Specifications

EXHIBIT B

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

Job Specification SENIOR/PRINCIPAL ANALYST

Job Title:	Senior/Principal Analyst
Job Type:	At Will, Full-Time Position
Overtime Eligible?	Exempt
Revised:	June 2015 (Draft)

Definition

With minimal direction, the position performs complex professional analytical work in support of LAFCO's statutory activities; may supervise staff and consultants; manages specific functions as assigned; serves as LAFCO representative as assigned; and performs other duties as required.

Distinguishing Characteristics

Senior Analyst: The Senior Analyst receives general direction from the LAFCO Executive Officer. This is the advanced-journey, classification of the Analyst series and may include direct or functional supervision of professional, technical and clerical personnel.

The class of Senior Analyst classification differs from the Associate Analyst classification in that the Senior Analyst leads or supervises the work of subordinate staff, or has responsibility for major project or program area, and performs the more complex assignments.

Principal Analyst: The Principal Analyst receives general direction from the LAFCO Executive Officer. This is the full supervisory classification in the Analyst series. The Principal Analyst is distinguished from the Senior Analyst by the supervision of professional and technical staff, and contractors and by performing the highest level of complex assignments.

Examples of Duties

May include but are not limited to the following:

- Evaluates, analyzes, coordinates, prepares and presents complex background data, studies, petitions, proposals, applications, reports, resolutions and recommendations to the LAFCO Executive Officer and/or to the LAFCO Commission and Committees;
- Maintains, revises and interprets the LAFCO policies, procedures and maps;
- May plan, organize, coordinate and supervise the work of staff or consultant personnel, as assigned;
- Attends LAFCO meetings and makes public presentations;
- Works closely with public agencies, the public, media and special interest groups to form consensus on a variety of complicated subjects;
- Represents LAFCO to local, state and federal agencies and community groups while maintaining strong liaisons and open communication with agencies and administrative staff of the County, cities and special districts;
- Monitors and evaluates local agencies, their service capabilities and proposals for changes or organization or jurisdictional boundaries;
- Prepares and monitors budgets, contracts and financial activity reports for areas of assigned responsibility, and assists in other administrative budget and financial reporting activities;
- Executes the terms and conditions of LAFCO documents in accordance with determinations of LAFCO;
- Assists the Executive Officer in implementing the Commission's directions, policies and procedures, and in developing, tracking and managing the annual work program;
- Actively participates in LAFCO-related organizations and other professional organizations; and
- Other duties as assigned by the Executive Officer.

Education and Experience (Typical Qualifications)

The knowledge, skills and abilities listed below may be acquired through various types of experience, education or training, typically:

Education:

Equivalent to Bachelor's or Master's degree in urban/regional planning, public administration, or a closely related field,

AND

Experience:

Senior Analyst: Four or more years of progressively responsible professional experience performing public sector planning, policy and program analysis.

Principal Analyst: Five or more years of progressively responsible professional experience performing public sector planning, policy and program analysis, including two years of first line supervisory experience or three years of lead responsibility or oversight of projects or programs are required. Professional planning experience in a California public agency is highly desirable.

License and/or Certifications

Depending on assignment, possession of a valid California Class C driver's license may be required. American Institute of Certified Planners (AICP) certification is desirable.

Knowledge, Skills and Abilities

The position requires strong analytical, communication and interpersonal skills. The combination of experience, education and/or training will substantially demonstrate the following knowledge, skills and abilities:

Knowledge:

Principles and practices of LAFCO. Applicable state and local laws, policies and regulations relating to LAFCO, with special emphasis on the Cortese-Knox-Hertzberg Local Government Reorganization Act, the California Environmental Quality Act, local planning and land use laws and their applicability to LAFCO. Principles and practices of ethics, accountability and transparency in local government. Statistical and research methods and techniques. Principles and practices of budgets, financial analysis and reporting. Principles and practices of effective training, supervision and performance management. Principles and practices used in project management and public sector contract management.

Skills and Abilities to:

Interpret, analyze and effectively communicate complex technical and policy information. Demonstrate excellent oral and written communication skills, and excellent customer service skills. Prepare and present clear, thorough written and oral reports. Plan the work of professional and technical staff in compilation of technical and statistical data, research, and the preparation of plans, reports, studies and technical papers. Perform a variety of the most complex public planning, research information development and report preparation assignments. Demonstrate the technical competence and ability to meet assigned timelines for multiple tasks. Interpret, apply and explain laws, rules, policies and procedures governing LAFCO issues and actions. Work with and provide timely and relevant information and clear recommendations to the LAFCO Executive Officer. Build trust, credibility and confidence in the work of LAFCO throughout all of Monterey County. Be cognizant and sensitive to the broad economic and social diversity of Monterey County. Build consensus between all interests, and exercise good judgment with tact and diplomacy.

Desirable Work Style and Personal Traits:

A high degree of integrity, be facilitative rather than confrontational in nature, work well with peers and supervisors as well as with difficult and sensitive organizational issues. Possess a commitment to very high ethical standards and quality public services. An active listener, supportive team builder; has strong interpersonal and communication skills, and demonstrates an energetic work style. Embraces challenges, is objective, open minded, accountable, and is comfortable working in a complex political environment. Able to establish and maintain cooperative and effective working relationships with a variety of representatives of public and private organizations, members of boards and commissions, legislative representatives, and the public. Be able to interact well and comfortably with individuals of diverse backgrounds, be able to approach challenges with confidence, and maintain positive, productive and ethical interaction with peers, the public, the Commission and elected officials.

Working Conditions:

Environment: Works in indoor office conditions; may drive a vehicle to different locations; attends evening meetings; and works under media scrutiny. Physical Abilities: Hearing and speaking sufficient to exchange information in person, on the telephone, and at formal presentations; vision sufficient to read computer screens and printed documents; hear in the normal audio range with or without correction; sitting or standing for extended periods of time; uses hands to handle feel or operate standard office equipment including personal computer; and mental capability to read and interpret data and complex written documents, perform highly detailed work under intensive deadlines and media scrutiny and apply this ability across multiple projects. Hazards: Exposed to computer screens.

Exhibit C

Recommended Salary Range for Assistant Analyst Job Classification

Exhibit C
Recommended Salary Range for Assistant Analyst Job Classification

Assistant A	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Hourly	\$31.01	\$32.56	\$34.19	\$35.90	\$37.69	\$39.58	\$41.56
Biweekly	\$2,481	\$2,605	\$2,735	\$2,872	\$3,015	\$3,166	\$3,325
Monthly	\$5,375	\$5,644	\$5,926	\$6,222	\$6,533	\$6,860	\$7,203
Annual	\$64,501	\$67,726	\$71,112	\$74,668	\$78,401	\$82,321	\$86,437

LOCAL AGENCY FORMATION COMMISSION

P.O. Box 1369

Salinas, CA 93902

Telephone (831) 754-5838

132 W. Gabilan Street, Suite 102

Salinas, CA 93901

Fax (831) 754-5831

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KATE McKENNA, AICP
Executive Officer

DATE: September 21, 2015
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: ANTICIPATED FUTURE AGENDA ITEMS AND PROGRESS REPORT ON
SPECIAL STUDIES

SUMMARY OF RECOMMENDATION:

This report is for information only.

EXECUTIVE OFFICER'S REPORT:

Following are current work priorities and a partial list of items that the Commission may consider in coming months. Attachment 1 is a progress report on LAFCO's special studies.

Anticipated Agenda Items through December 2015

1. **Carmel Area Wastewater District** – Municipal Service Review (*Initiated by LAFCO in March 2014*); Sphere of Influence Amendment and Annexation of all or significant portions of the District's existing Sphere of Influence near the mouth of the Carmel Valley and potentially other areas (*Application is being prepared; not yet received*).
2. **Aromas Water District** – Annexation of several parcels within the District's existing Sphere of Influence Amendment, near the recently completed Oak Ridge – Via del Sol annexation (*To be initiated by District; not submitted yet*).
3. **Monterey County Regional Fire District** – Potential annexation of areas currently served by the Spreckels Volunteer Fire Company by contractual agreement with the Spreckels Community Services District (*To be initiated by the two Districts; anticipated to be submitted to LAFCO in October*).
4. **All Cemetery Districts** – Municipal Service Review and Sphere of Influence Studies for Gonzales, Soledad, Greenfield, King City, San Lucas, San Ardo, Cholame, and Castroville Cemetery Districts (*Initiated by LAFCO in December 2014*).
5. Independent special districts that provide **water, memorial, and recreation services** in the **central and south Salinas Valley** – Municipal Service Review and Sphere of Influence Studies for the San Ardo and San Lucas County Water Districts, Greenfield Memorial District, and Soledad Mission and Greenfield Public Recreation Districts. (*Initiated by LAFCO in December 2014*).

Anticipated Agenda Items through June 2016

6. **City of Soledad** – Sphere of Influence Amendment for Miravale III. Sphere of Influence Amendment and Annexation of Miravale IIB Subdivision. Additional potential inclusions: Existing 10-Unit Residential Development Near Gabilan Drive, Front Street freeway interchange safety improvements, 4.35-acre expansion area within the “Soledad Entry Commercial Annexation,” Metz Road bypass, Los Coches Adobe vicinity; possibly others. *(Municipal Service Review will potentially be initiated by LAFCO, if determined necessary depending on the scope of the proposed Sphere Amendments and Annexations.)*
7. **City of Greenfield** – Potential commercial/industrial and residential annexation proposals located near the City’s southern boundary (Franscioni, Scheid, and others). *(Initial Preliminary Discussion)*
8. **Marina Coast Water District**
 - Municipal Service Review *(Initiated by LAFCO. Administrative draft was prepared by LAFCO staff and reviewed with District in 2013, and will be updated when District is ready to submit an SOI/annexation application to LAFCO. In February 2014, MCWD formed an ad hoc committee to meet with Seaside County Sanitation District to resolve ongoing issues regarding establishment of an appropriate boundary between the two districts. MSR and SOI adoption schedule is dependent on the districts), and*
 - Sphere of Influence Amendment and Annexation of portions of the former Fort Ord, and/or the “Cemex” site, to provide water and wastewater services *(May be initiated by the District; not submitted yet. See MSR discussion above).*
9. **Seaside County Sanitation District**
 - Municipal Service Review *(Initiated by LAFCO. Administrative draft MSR was prepared by LAFCO staff and reviewed with District in 2013, and will be updated when the District is ready to submit a SOI/annexation application to LAFCO. As of February 2015, SCSD is continuing to coordinate with MCWD to resolve ongoing engineering and feasibility issues, and then will arrange a stakeholders meeting to discuss a proposed Sphere of Influence. MSR and SOI adoption schedule is dependent on the two districts).*
 - Sphere of Influence Amendment and Annexation of portions of the former Fort Ord to Provide Wastewater Services *(To be initiated by District; not submitted yet. See MSR discussion and related MCWD item above).*
10. **City of Seaside** – Municipal Service Review *(Will be initiated by LAFCO at such time as warranted by schedule for potential SOI Amendment);* Sphere of Influence Amendment and Annexation of the Proposed Monterey Downs Project, Horse Park, and Central Coast Veterans Cemetery *(To be initiated by City; not submitted yet).*
11. **Salinas Valley Memorial Healthcare System** – Municipal Service Review and Sphere of Influence Study *(Initiated by LAFCO in September 2014)*
12. **Spreckels area** – Municipal Service Review and Sphere of Influence Studies for Spreckels Community Services District and Spreckels Memorial District. *(To be initiated by LAFCO)*
13. **Recreation Districts** – Municipal Service Review and Sphere of Influence Studies for Carmel Valley Recreation and Park District, North County Recreation and Park District, and Monterey Peninsula Regional Park District. *(To be initiated by LAFCO)*
14. Potential formation of a **new community services district** to serve future development of Ferrini Ranch and other Highway 68-area properties. *(May be initiated by County or others)*

Anticipated Future Agenda Items
September 21, 2015

15. City of Salinas –

- Potential annexation of an approximately 20-acre site adjacent to the City’s existing southern boundary near I01 and Airport Boulevard, within the City’s existing Sphere of Influence, for development of a truck stop (*To be initiated by City; not submitted yet*).
- Proposed Economic Development Element of the City’s General Plan. Will require LAFCO review and comment on the City’s environmental document (with LAFCO as a responsible agency under CEQA), and other tasks related to potential future Sphere of Influence Amendments and Annexations to the City of Salinas. A Municipal Service Review update will likely be necessary. (*LAFCO Commission received an informational presentation in 2014; informal staff discussion held with City; awaiting CEQA and other City documents for review and comment*)

16. King City – Potential Sphere of Influence Amendment and Annexation of the existing College Ville farmworker housing complex located adjacent to existing city limits. (*Initial Preliminary Discussion*)

Respectfully Submitted,



Kate McKenna, AICP,
Executive Officer

Attachment I:
Progress Report – Municipal Service Reviews/Sphere of Influence Studies

Attachment 1

Status of 2015 Municipal Service Review / Sphere of Influence Studies

Currently in Progress, as of September 2015:

- Marina Coast Water District – *Administrative draft under review*
- Seaside County Sanitation District – *Administrative draft under review*
- Carmel Area Wastewater District – *Administrative draft under review*
- Salinas Valley Memorial Healthcare System – *Information collection in process*
- San Ardo Water District – *Administrative draft being prepared*
- San Lucas County Water District – *Administrative draft being prepared*
- Castroville Cemetery District – *Administrative draft being prepared*
- Cholame Cemetery District – *Administrative draft being prepared*
- Gonzales Cemetery District – *Administrative draft being prepared*
- King City Cemetery District – *Administrative draft being prepared*
- San Ardo Cemetery District – *Administrative draft being prepared*
- San Lucas Cemetery District – *Administrative draft being prepared*
- Soledad Cemetery District – *Administrative draft being prepared*
- Greenfield Memorial District – *Administrative draft being prepared*
- Soledad Mission Recreation District – *Administrative draft being prepared*
- Greenfield Public Recreation District – *Administrative draft being prepared*

Not Yet Initiated, But Anticipated in LAFCO's Annual Work Program:

- City of Seaside
- City of Soledad
- City of Salinas
- Spreckels Community Services District and Spreckels Memorial District
- Carmel Valley Recreation and Park District, North County Recreation and Park District, and Monterey Peninsula Regional Park District
- Potential formation of a new community services district to serve future development of Ferrini Ranch and other Highway 68-area properties.

LAFCO
 LOCAL AGENCY FORMATION COMMISSION
 OF MONTEREY COUNTY
 RABOBANK WARRANT REGISTER
 FOR JUNE 30, 2015

DATE	CK#	NAME	DESCRIPTION	CHECK AMOUNT	DEPOSIT AMOUNT	ACCOUNT BALANCE
Beginning Balance 6/1/2015						\$ 62,782.58
06/15/2015	EFT	Rabobank	Bank Service Charge	9.77		62,772.81
				<u>\$ 9.77</u>	<u>\$ -</u>	
Ending Balance 6/30/2015						<u>\$ 62,772.81</u>

LAFCO
 LOCAL AGENCY FORMATION COMMISSION
 OF MONTEREY COUNTY
 RABOBANK WARRANT REGISTER
 FOR JULY 31, 2015

DATE	CK#	NAME	DESCRIPTION	CHECK AMOUNT	DEPOSIT AMOUNT	ACCOUNT BALANCE
Beginning Balance 7/1/2015						\$ 62,772.81
07/02/2015	4938	LAFCO	Transfer to WFB	50,000.00		12,772.81
07/24/2015	EFT	Rabobank Visa Card	Office Supplies; CaLafco Conference	2,000.00		10,772.81
07/24/2015	EFT		Bank Service Charge	10.02		10,762.79
				<u>\$ 52,010.02</u>	<u>\$ -</u>	
Ending Balance 7/31/2015						<u>\$ 10,762.79</u>

LAFCO
 LOCAL AGENCY FORMATION COMMISSION
 OF MONTEREY COUNTY
 RABOBANK WARRANT REGISTER
 FOR AUGUST 31, 2015

DATE	CK#	NAME	DESCRIPTION	CHECK AMOUNT	DEPOSIT AMOUNT	ACCOUNT BALANCE
Beginning Balance 8/1/2015						\$ 10,762.79
08/11/2015	Rabobank		Bank Service Charge: Account Analysis Fees	13.66		10,749.13
Ending Balance 8/31/2015				<u>\$ 13.66</u>	<u>\$ -</u>	<u>\$ 10,749.13</u>

LAFCO
 LOCAL AGENCY FORMATION COMMISSION
 OF MONTEREY COUNTY
 WELLS FARGO BANK WARRANT REGISTER
 FOR JUNE 30, 2015

DATE	CK#	NAME	DESCRIPTION	CHECK AMOUNT	DEPOSIT AMOUNT	ACCOUNT BALANCE
Beginning Balance 6/1/2015						\$ 147,057.15
06/04/2015	EFT	QuickBooks Payroll Service	For Payroll Period Ending 5/29/15 Paid 6/25/15	8,104.07		138,953.08
06/05/2015	5059	Darren J McBain	For Payroll Period Ending 5/29/15 Paid 6/25/15	-		138,953.08
06/05/2015	5060	Gail M Lawrence	For Payroll Period Ending 5/29/15 Paid 6/25/15	-		138,953.08
06/05/2015	5061	Kathryn M. McKenna	For Payroll Period Ending 5/29/15 Paid 6/25/15	-		138,953.08
06/05/2015	5062	Thomas A. McCue	For Payroll Period Ending 5/29/15 Paid 6/25/15	-		138,953.08
06/05/2015	5063	CALAFCO	2015-2016 Member Dues	3,221.00		135,732.08
06/05/2015	5064	IBM Corporation	Leased Computers for Lafco Staff 6/1/15-6/30/15	172.96		135,559.12
06/05/2015	5065	MBS Business Systems	Copier Usage 2/8/15-5/7/15	758.23		134,800.89
06/05/2015	5066	Monterey County Weekly Classifieds	Public Notice Hearing: Somoco Fire Protection Dist. 2015 Annexation	203.03		134,597.86
06/05/2015	5067	Principal Life	June 2015 Benefits: LTD,ADD,STD,Life	454.12		134,143.74
06/05/2015	5068	Quality Water Enterprises, Inc.	Water Dispenser Rental 6/1/15-6/30/15	19.30		134,124.44
06/05/2015	5069	SDRMA	2015/2016 Annual Workers Compensation Premium	1,627.44		132,497.00
06/05/2015	5070	South County Newspapers	Public Notice Hearing: Somoco Fire Protection Dist. 2015 Annexation	240.00		132,257.00
06/05/2015	EFT	CalPERS 457 Program	CalPers 457 Deferred Compensation Contribution	2,050.09		130,206.91
06/05/2015	EFT	CalPERS Retirement	CalPers Retirement Contribution	2,136.34		128,070.57
06/05/2015	EFT	EDD	State Payroll Tax Deposit	879.25		127,191.32
06/05/2015	EFT	EFTPS	Federal Payroll Tax Deposit	2,395.96		124,795.36
06/05/2015	EFT	CalPERS Health	June 2015 Health Insurance EFT#1000562452	4,470.24		120,325.12
06/05/2015	EFT	AT&T Mobility	Telephone Service 4/14/15-5/13/15	166.35		120,158.77
06/18/2015	EFT	QuickBooks Payroll Service	For Payroll Period Ending 6/12/15 Paid 6/19/15	8,476.18		107,214.20
06/19/2015	5071	Darren J McBain	For Payroll Period Ending 6/12/15 Paid 6/19/15	-		107,214.20
06/19/2015	5072	Gail M Lawrence	For Payroll Period Ending 6/12/15 Paid 6/19/15	-		107,214.20
06/19/2015	5073	Kathryn M. McKenna	For Payroll Period Ending 6/12/15 Paid 6/19/15	-		107,214.20
06/19/2015	5074	Thomas A. McCue	For Payroll Period Ending 6/12/15 Paid 6/19/15	-		107,214.20
06/19/2015	EFT	CalPERS 457 Program	CalPers 457 Deferred Compensation Contribution	2,055.71		105,158.49
06/19/2015	EFT	CalPERS Retirement	CalPers Retirement Contribution	2,136.34		103,022.15
06/19/2015	EFT	EDD	State Payroll Tax Deposit	813.02		102,209.13
06/19/2015	EFT	EFTPS	Federal Payroll Tax Deposit	2,250.18		99,958.95
06/25/2015	EFT	EDD	Quarterly State Payroll Tax Deposit (SUI & ETT)	39.21		99,919.74
06/12/2015	5075	United Group Insurance Trust	VOID: June 2015 Dental \$645.40;Vision \$78.32	-		120,158.77
06/12/2015	5076	United Group Insurance Trust	June 2015 Dental & Vision	592.35		119,566.42
06/15/2015	5077	Cardmember Service	Certified Mailings	20.80		119,545.62
06/15/2015	5078	County of Monterey, General Services	General Legal Services for P/E 4/30/15	817.82		118,727.80
06/15/2015	5079	Hayashi Wayland	Accounting Services #72520	3,000.00		115,727.80
06/15/2015	5080	Monterey County Herald	12 Week Subscription-Customer #49013	81.52		115,646.28
06/15/2015	5081	MP Express	Signature Stamp for Checks	77.75		115,568.53
06/15/2015	5082	Sunrise Express	5/22 binder deliveries	60.00		115,508.53
06/17/2015	DEP	Wells Fargo Bank	WFB Check Fee Reimbursement		181.85	115,690.38
06/26/2015	5083	Bruce Lindsey	July 2015 Monthly Building Rent	2,027.66		97,892.08
06/26/2015	5084	United Group Insurance Trust	July Benefits: Dental & Vision	592.25		97,299.83
06/26/2015	5085	AT&T	Telephone Service from 2/12/15-6/11/15	790.18		96,509.65

LAFCO
 LOCAL AGENCY FORMATION COMMISSION
 OF MONTEREY COUNTY
 WELLS FARGO BANK WARRANT REGISTER
 FOR JUNE 30, 2015

DATE	CK#	NAME	DESCRIPTION	CHECK AMOUNT	DEPOSIT AMOUNT	ACCOUNT BALANCE
06/26/2015	5086	AT&T Mobility	Telephone Service 5/14/15-6/13/15	100.32		96,409.33
06/26/2015	5087	Magellan Behavioral Health	EAP Insurance July-Sept 2015	80.40		96,328.93
06/26/2015	5088	Pitney Bowes Global Financial Svcs LLC	Postage Machine Rental 3/30/15-6/30/15	160.42		96,168.51
06/26/2015	5089	Quality Water Enterprises, Inc.	Water Dispenser Rental	19.30		96,149.21
06/26/2015	5090	SDRMA	2015-16 Property/Liability Insurance Package	5,037.36		91,111.85
06/26/2015	5091	Thom McCue	Mileage Reimbursement 5/28/15	71.88		91,039.97
06/26/2015	5094	Regional Government Services	Contract Services: Kristine Humphries (Human Resources)	2,700.00		88,339.97
				\$ 58,899.03	\$ 181.85	
Ending Balance 6/30/2015						\$ 88,339.97

LAFCO
**LOCAL AGENCY FORMATION COMMISSION
OF MONTEREY COUNTY
WELLS FARGO BANK WARRANT REGISTER
FOR JULY 31, 2015**

DATE	CK#	NAME	DESCRIPTION	CHECK AMOUNT	DEPOSIT AMOUNT	ACCOUNT BALANCE
Beginning Balance 7/1/2015						\$ 88,339.97
07/01/2015	5092	IBM Corporation	Leased Computers for Lafco Staff 7/1/15-7/31/15	172.96		88,167.01
07/01/2015	5093	Principal Life	July 2015 Benefits: LTD,ADD,STD,Life	391.21		87,775.80
07/02/2015	EFT	QuickBooks Payroll Service	For Payroll Period Ending 6/26/15 Paid 7/3/15	9,003.14		78,772.66
07/02/2015	EFT	CalPERS Health	July 2015 Health Insurance EFT#1000573689	1,835.92		76,936.74
07/02/2015	4938	LAFCO	Transfer to WFB		50,000.00	126,936.74
07/03/2015	5095	Darren J McBain	For Payroll Period Ending 6/26/15 Paid 7/3/15	-		126,936.74
07/03/2015	5096	Gail M Lawrence	For Payroll Period Ending 6/26/15 Paid 7/3/15	-		126,936.74
07/03/2015	5097	Kathryn M. McKenna	For Payroll Period Ending 6/26/15 Paid 7/3/15	-		126,936.74
07/03/2015	5098	Thomas A. McCue	For Payroll Period Ending 6/26/15 Paid 7/3/15	-		126,936.74
07/03/2015	EFT	CalPERS 457 Program	CalPers 457 Deferred Compensation Contribution	2,137.11		124,799.63
07/03/2015	EFT	CalPERS Retirement	CalPers Retirement Contribution	1,838.36		122,961.27
07/03/2015	EFT	EDD	State Payroll Tax Deposit	907.89		122,053.38
07/03/2015	EFT	EFTPS	Federal Payroll Tax Deposit	2,584.08		119,469.30
07/03/2015	5099	Cash	Replenish Petty Cash	86.13		119,383.17
07/03/2015	5100	CP&DR	1 Year Subscription	238.00		119,145.17
07/03/2015	5101	The Special Districts Assc. of Mo. Co.	Special Dist Meeting 7/21/15	30.00		119,115.17
07/03/2015	5102	Monterey County Weekly Classifieds	Legal Notice of Public Hearing	176.55		118,938.62
07/16/2015	EFT	QuickBooks Payroll Service	For Payroll Period Ending 7/10/15 Paid 7/17/15	7,974.26		110,964.36
07/17/2015	5103	Darren J McBain	For Payroll Period Ending 7/10/15 Paid 7/17/15	-		110,964.36
07/17/2015	5104	Gail M Lawrence	For Payroll Period Ending 7/10/15 Paid 7/17/15	-		99,331.20
07/17/2015	5105	Kathryn M. McKenna	For Payroll Period Ending 7/10/15 Paid 7/17/15	-		99,331.20
07/17/2015	EFT	CalPERS 457 Program	For Payroll Period Ending 7/10/15 Paid 7/17/15	2,086.59		97,244.61
07/17/2015	EFT	CalPERS Retirement	CalPers Retirement Contribution	1,838.36		95,406.25
07/17/2015	EFT	EDD	State Payroll Tax Deposit	758.20		94,648.05
07/17/2015	EFT	EFTPS	Federal Payroll Tax Deposit	2,197.22		92,450.83
07/17/2015	5106	Cardmember Service	Lodging for RGS Consultant: Kristine Humphries	215.84		92,234.99
07/17/2015	5107	FedEx Office Customer Administrative Svcs	6/17 Meeting Packet	192.83		92,042.16
07/17/2015	5109	Hayashi Wayland	Accounting Services #72520	3,000.00		89,042.16
07/17/2015	5110	Regional Government Services	RGS Consultant: Kristine Humphries May & June Services	3,649.13		85,393.03
07/17/2015	5111	Staples Advantage	Office Supplies	403.31		110,561.05
07/17/2015	5112	Sunrise Express	6/22 binder deliveries	648.84		109,912.21
07/17/2015	5113	United Group Insurance Trust	August 2015 Dental \$528.07;Vision \$64.28	592.35		109,319.86
07/17/2015	5108	VOID	Voided Check: Printer Error	-		109,319.86
07/28/2015			Deposit		190.53	109,510.39
07/30/2015	EFT	QuickBooks Payroll Service	For Payroll Period Ending 7/24/15 Paid 7/31/15	8,151.53		101,358.86
07/31/2015	5117	Bruce Lindsey	August 2015 Monthly Building Rent	2,027.66		99,331.20
07/31/2015	5114	Darren J McBain	For Payroll Period Ending 7/24/15 Paid 7/31/15	-		99,331.20
07/31/2015	5115	Gail M Lawrence	For Payroll Period Ending 7/24/15 Paid 7/31/15	-		99,331.20
07/31/2015	5116	Kathryn M. McKenna	For Payroll Period Ending 7/24/15 Paid 7/31/15	-		85,393.03
07/31/2015	EFT	CalPERS 457 Program	CalPers 457 Deferred Compensation Contribution	2,117.45		83,275.58
07/31/2015	EFT	CalPERS Retirement	CalPers Retirement Contribution	1,838.36		81,437.22

LAFCO
 LOCAL AGENCY FORMATION COMMISSION
 OF MONTEREY COUNTY
 WELLS FARGO BANK WARRANT REGISTER
 FOR JULY 31, 2015

DATE	CK#	NAME	DESCRIPTION	CHECK AMOUNT	DEPOSIT AMOUNT	ACCOUNT BALANCE
07/31/2015	EFT	EDD	State Payroll Tax Deposit	775.86		80,661.36
07/31/2015	EFT	EFTPS	Federal Payroll Tax Deposit	2,239.46		78,421.90
07/31/2015	5118	AT&T	Telephone Service from 6/12/15-7/11/15	156.76		78,265.14
07/31/2015	5119	AT&T Mobility	Telephone Service 6/14/15-7/13/15	146.86		78,118.28
07/31/2015	5120	Office of County Counsel - Co of Monterey	Legal Services June 2015	414.96		77,703.32
07/31/2015	5121	Principal Life	August 2015 Benefits: LTD,ADD,STD,Life	391.21		77,312.11
07/31/2015	5122	Quality Water Enterprises, Inc.	Water Dispenser Rental	19.30		77,292.81
				61,237.69	50,190.53	
Ending Balance 7/31/15						\$ 77,292.81

LAFCO
LOCAL AGENCY FORMATION COMMISSION
OF MONTEREY COUNTY
WELLS FARGO BANK WARRANT REGISTER
FOR AUGUST 31, 2015

DATE	CK#	NAME	DESCRIPTION	CHECK AMOUNT	DEPOSIT AMOUNT	ACCOUNT BALANCE
Beginning Balance 8/1/2015						\$ 77,292.81
08/03/2015	EFT	CalPERS Health	August 2015 Health Insurance	3,151.80		74,141.01
08/13/2015	EFT	QuickBooks Payroll Service	For Payroll Period Ending 8/7/15 Paid 8/14/15	7,577.73		66,563.28
08/14/2015	5123	Darren J McBain	For Payroll Period Ending 8/7/15 Paid 8/14/15	-		66,563.28
08/14/2015	5124	Gail M Lawrence	For Payroll Period Ending 8/7/15 Paid 8/14/15	-		66,563.28
08/14/2015	5125	Kathryn M. McKenna	For Payroll Period Ending 8/7/15 Paid 8/14/15	-		66,563.28
08/14/2015	EFT	CalPERS 457 Program	CalPers 457 Deferred Compensation Contribution	2,003.87		64,559.41
08/14/2015	EFT	CalPERS Retirement	CalPers Retirement	1,759.46		62,799.95
08/14/2015	EFT	EDD	State Payroll Tax Deposit	770.91		62,029.04
08/14/2015	EFT	EFTPS	Federal Payroll Tax Deposit	2,311.76		59,717.28
08/14/2015	5126	Accountemps	Temp Help: Hutchison, Tiffany W/E 7/31/15	500.31		59,216.97
08/14/2015	5127	County of Monterey, Information Technology	Computer Support Services April-June 2015	3,355.06		55,861.91
08/14/2015	5128	IBM Corporation	Leased Computers for Lafco Staff 8/1/15-8/31/15	172.96		55,688.95
08/14/2015	5129	MBS Business Systems	Copier Rental 8/8/15-11/7/15	947.10		54,741.85
08/14/2015	5130	Cardmember Service	2015 CaLafco Conference Registration; Office Supplies	3,038.28		51,703.57
08/18/2015	TFR		Funds Transfer		150,000.00	201,703.57
08/27/2015	EFT	QuickBooks Payroll Service	For Payroll Period Ending 8/21/15 Paid 8/28/15	9,064.93		192,638.64
08/28/2015	5131	Darren J McBain	For Payroll Period Ending 8/21/15 Paid 8/28/15	-		192,638.64
08/28/2015	5132	Kathryn M. McKenna	For Payroll Period Ending 8/21/15 Paid 8/28/15	-		192,638.64
08/28/2015	5133	Gail M Lawrence	For Payroll Period Ending 8/21/15 Paid 8/28/15	-		192,638.64
08/28/2015	5134	Thomas A. McCue	For Payroll Period Ending 8/21/15 Paid 8/28/15	-		192,638.64
08/28/2015	5135	Bruce Lindsey	September 2015 Monthly Building Rent	2,027.66		190,610.98
08/28/2015	EFT	CalPERS 457 Program	CalPers 457 Deferred Compensation Contribution	2,247.05		188,363.93
08/28/2015	EFT	CalPERS Retirement	CalPers Retirement Contribution	2,053.17		186,310.76
08/28/2015	EFT	EDD	State Payroll Tax Deposit	883.81		185,426.95
08/28/2015	EFT	EFTPS	Federal Payroll Tax Deposit	2,516.12		182,910.83
08/28/2015	5136	Accountemps	Temp Help: Hutchison, Tiffany W/E 8/7/15 & 8/14/15	1,233.94		181,676.89
08/28/2015	5137	AT&T	Telephone Service from 7/12/15-8/11/15	170.34		181,506.55
08/28/2015	5138	AT&T Mobility	Telephone Service 7/14/15-8/13/15	517.09		180,989.46
08/28/2015	5139	Hayashi Wayland	Accounting Services #72520	3,000.00		177,989.46
08/28/2015	5140	MBS Business Systems	Copier Usage 5/8/15-8/7/15	480.51		177,508.95
08/28/2015	5141	Principal Life	Sept 2015 Benefits: LTD,ADD,STD,Life	391.21		177,117.74
08/28/2015	5142	Quality Water Enterprises, Inc.	Water Dispenser Rental	19.30		177,098.44
08/28/2015	5143	Staples Advantage	Office Supplies	63.75		177,034.69
08/28/2015	5144	United Group Insurance Trust	Sept 2015 Dental \$528.07;Vision \$64.28	592.35		176,442.34
				50,850.47	150,000.00	
Ending Balance 8/31/15						\$ 176,442.34

LOCAL AGENCY FORMATION COMMISSION
P.O. Box 1369 132 W. Gabilan Street, Suite 102
Salinas, CA 93902 Salinas, CA 93901
Telephone (831) 754-5838 Fax (831) 754-5831
www.monterey.lafco.ca.gov

KATE MCKENNA, AICP
Executive Officer

DATE: September 21, 2015
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: REPORT ON ACTIVITIES OF THE CALIFORNIA ASSOCIATION OF LOCAL
AGENCY FORMATION COMMISSIONS (CALAFCO)

SUMMARY OF RECOMMENDATION:

This report is for information only.

EXECUTIVE OFFICER'S REPORT:

2015 CALAFCO Annual Conference

On September 2-4, Commissioners Gunter and Salinas, General Counsel Les Girard, and two LAFCO staff members attended the CALAFCO Annual Conference in Sacramento. Attachment 1 is the Conference program. A highlight was the discussion on implementation efforts related to the 2014 Groundwater Sustainability Act, and possible ways that LAFCOs could be affected and should pay attention. As a member of the Conference planning committee, I assisted in various roles and organized a session called "*Fiscal Analysis Tools for New Development*."

CALAFCO Organizational Changes, Including Conference Rotation

On July 31, the CALAFCO Board of Directors approved changes to improve services to the association's members and address long-standing organizational issues. The changes will substantially relieve member LAFCOs of the responsibility for hosting the annual conference, enable CALAFCO to produce enriched educational and technical resources, and allow CALAFCO to increase its involvement with the State Legislature. Attachment 2 is a letter describing the changes.

Of these changes, the most significant to LAFCO of Monterey County is approval of a four-year rotation schedule for the locations of the annual CALAFCO conference. Monterey will be one of the regular conference locations (beginning in 2018). CALAFCO will assume most of the hosting duties that are currently the responsibility of local LAFCOs. In order to do this, the CALAFCO Executive Director's hours will increase from 24 to 32 hours per week, effective January 2016. To pay for the increase in CALAFCO staff hours, CALAFCO annual dues will rise 14 percent over three years, and annual conference registration costs will rise about 25 percent over three years. Monterey LAFCO has been hosting CALAFCO conferences approximately every five years. The change to a four-year rotation cycle, with CALAFCO as host, will require less time from our LAFCO and benefit the local economy.

CALAFCO Newsletter

Attachment 3 is the September 2015 issue of CALAFCO's annual publication "The Sphere," which provides a 2015 legislative program summary and other information of general interest.

Legislative Update

Pages 7-9 of The Sphere discuss CALAFCO's 2015 legislative proposals and activities. Approved and still-pending legislation as of September 4 was further discussed as part of the annual conference (see Attachment 4). Two items are of particular interest.

- **SB 88, Mandatory Consolidations of Water Systems:** This Bill was signed by the Governor and filed with the Secretary of State on June 24. It gives the State Water Resources Control Board the authority to mandate consolidations of water systems (public, private, individual wells) and to order the extension of services as a precursor to a consolidation. CALAFCO and CSDA had expressed concern that the Bill would grant the State unprecedented unilateral power to take ownership and operation of a water system from one entity and force it upon another, with no guarantee the State will cover the costs and no protections for existing ratepayers. CALAFCO also had concerns that the Bill would duplicate already-existing processes in which: a) LAFCOs can respond to existing and pending threats to public health and safety (Government Code section 56133), and b) the State can exercise receivership (Health & Safety Code section 116665). LAFCO staff will monitor the implementation of this law to determine its impact on water providers and users in Monterey County.
- **SB 239 (Hertzberg), Fire Protection Contracts:** This Bill is on the Governor's desk. It would require LAFCOs to review a contract or agreement for new or extended fire service outside of a fire agency's existing service area. These types of agreements are not currently regulated by LAFCO. LAFCO of Monterey County is on record as opposing the Bill (reference an opposition letter authorized on April 27, 2015). CALAFCO submitted an initial opposition letter, but now has no position as there is no unanimous member support for the basic policy issue: should LAFCO be approving agreements between public agencies? Based on the Commission's prior authorization, I will send a letter requesting the Governor to veto the Bill.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

Attachments:

1. 2015 CALAFCO Annual Conference Program
2. Letter from the CALAFCO Chair John Leopold to Member LAFCO Executive Officers, 8/12/2015
3. September 2015 issue of "The Sphere"
4. September 4, 2015 Legislative Update (CALAFCO Conference handout)

Prepared by Darren McBain, Senior Analyst

September 10, 2015

Monterey LAFCo
P.O. Box 1369
Salinas, CA 93902

Dear Chair and Commission:

On behalf of the California Association of Local Agency Formation Commissions (CALAFCO), I would like to thank your commission for allowing some of your members and/or staff the opportunity to attend the CALAFCO 2015 annual conference in Sacramento.

We know how lean budgets and resources are and understand that prioritizing expenditures can be difficult. Ensuring you and your staff have access to ongoing professional development and specialized educational opportunities, allows all of you the opportunity to better serve your commission and fulfill the mission of LAFCo. The sharing of information and resources among the LAFCo commissioners and staff statewide serves to strengthen the LAFCo network and creates opportunities for rich and value-added learning that is applied within each LAFCo.

Thank you again for your participation in the CALAFCO 2015 annual conference, I hope you found it a valuable experience. We truly appreciate your membership and value your involvement in CALAFCO.

Yours sincerely,



Pamela Miller
Executive Director

Kate,
Thank you so much for all your contributions to the Conference planning team this year. I really enjoy working with you.
Thanks also for all you do for CALAFCO.
Pamela

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 Gay Jones, Secretary
 Josh Susman, Treasurer

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 Executive Director
 Clark Alsop
 Legal Counsel
 Stephen Lucas
 Executive Officer
 Jeni Tickler
 Executive Assistant
 Kris Berry
 Deputy Executive Officer
 David Church
 Deputy Executive Officer
 Paul Novak
 Deputy Executive Officer



*See you next year on
 October 26 - 28, 2016 at the
 Fess Parker DoubleTree by Hilton
 in Santa Barbara*

CONFERENCE COMMITTEE

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Gay Jones, Chair, Sacramento LAFCo
 Jim Curatalo, San Bernardino LAFCo
 Dr. William Kirby, Placer LAFCo
 Sblend Sblendorio, Alameda LAFCo
 Chris Tooker, Sacramento LAFCo (former)
 Dr. Roger Welt, Santa Barbara LAFCo

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 Andrea Ozdy, Ventura LAFCo
 Neelima Palacherla, Santa Clara LAFCo
 Mona Palacios, Alameda LAFCo

CALAFCO GOLD ASSOCIATE MEMBERS

Colantuono
 Highsmith &
 Whatley, PC



**The 2015
 CALAFCO Annual Conference**

September 2 - 4, 2015
 At the Hyatt Regency in
 Sacramento, CA

Hosted by
 Sacramento LAFCo





Conference Schedule at a Glance

Wednesday, September 2

- 8:00 am Mobile Workshop
- 10:00 LAFCO 101: Understanding & Applying the Basics
- 1:15pm Conference Opening (Welcoming Remarks)
- 2:00 General Session – At the Confluence of Agriculture, Planning, and Resources
- 3:30 Refreshment Break
- 3:45 General Session - GSAs, GSPs and SGMA: Coming to a Basin Near You!
- 6:00 Bounty of Your County - CALAFCO 9th Annual Beer & Wine Competition/Reception

Thursday, September 3

- 7:00am Continental Breakfast
- 8:00 Regional Caucus Meetings & Elections
- 9:00 CALAFCO Annual Business Meeting
- 10:15 Refreshment Break
- 10:30 Breakout Session – Regional, Legal and Associate Member Roundtables
- 12:00pm Luncheon and Keynote Address
- 1:45 Breakout Session:
 - Broadband: Which Side of the Digital Divide is Your LAFCo On?
 - CKH and the Bell Curve: LAFCo and California's Changing Culture
 - Financing Municipal Services: Find the Right Financial Fit for Your Project
- 3:15 Refreshment Break
- 3:30 Breakout Session:
 - Fiscal Analysis Tools for New Development
 - LAFCos Role in Planning for Climate Change
 - Urban Growth Boundaries and LAFCos
- 6:00 Banquet Reception
- 6:30 Dinner and Achievement Awards Ceremony

Friday, September 4

- 7:30 am Breakfast Buffet
- 7:30 CALAFCO Board of Directors Meeting and Breakfast
- 9:00 General Session: Leadership in a World of VUCA – Volatility, Uncertainty, Complexity, and Ambiguity
- 10:30 Refreshment Break
- 10:45 General Session - CALAFCO Legislative Update – The Good, The Bad, and Everything In-between
- 12:00pm Conference adjourns



On behalf of the CALAFCO Board of Directors, I want to welcome you to our Annual Conference in Sacramento. Thank you for joining us as we gather to merge ideas with solutions to address the unique and complicated challenges of our great State. I encourage you to take advantage of the various educational and networking opportunities that are planned over the next several days. Also take advantage of the perspectives from around the state to discuss statewide and local issues critical to LAFCo, learn from speakers and consultants who are experts in their fields, and share ideas with one another.

I hope you enjoy the conference!

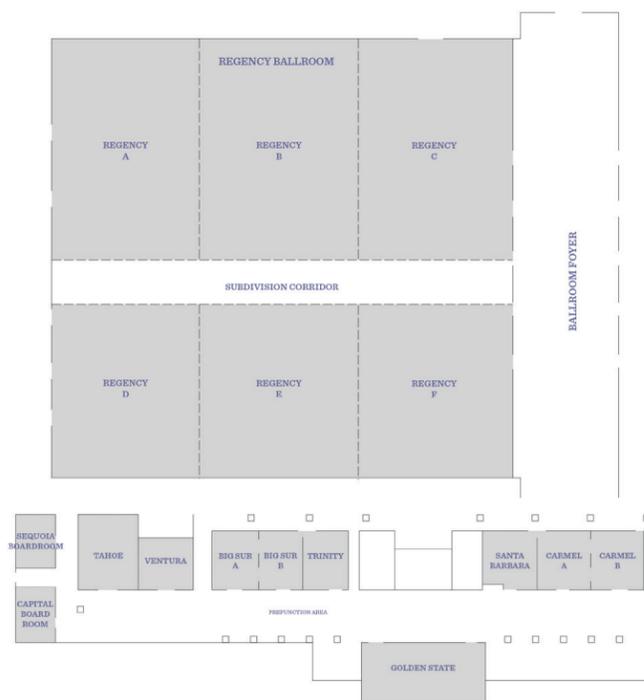
John Leopold
Commissioner, Santa Cruz LAFCo
Chair, CALAFCO Board of Directors



On behalf of your host, Sacramento LAFCo, and the CALAFCO Conference Committee, I am honored and delighted to welcome you to the 2015 CALAFCO Annual Conference. This conference offers a unique opportunity for LAFCos around the state to get together and talk about our roles as LAFCo Commissioners and Staff. I am confident the content-rich sessions will showcase how LAFCos can merge innovative and creative ideas with solutions as we face California's greatest challenges.

I want to thank you for taking the time to participate in this conference and welcome to Sacramento!

Gay Jones
Commissioner, Sacramento LAFCo
Chair, CALAFCO Conference Committee



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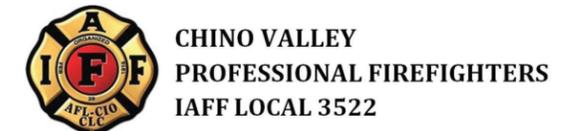
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Wednesday - September 2, 2015

7:30am - 12:30pm

*Bus leaves promptly
at 7:30 am*

Mobile Workshop

Come along on the Mobile Workshop as we have a special look at the physical confluence of the Sacramento & American rivers, followed by a tour of the largest and most progressive inland Waste Water Treatment Plant west of the Mississippi, and close with a tour of the Delta levee & habitat. Lunch at the historic Old Sugar Mill included.

10:00am - 12:00pm

*Approved for 2.0
AICP CM Credits*

LAFCo 101 - Regency Ballroom A/B/C

This informative presentation is intended to assist elected officials and staff members of counties, cities, and special districts who may be new to the LAFCo process. Panelists will discuss the basics; the LAFCo review process; required Spheres of Influence and Municipal Service Reviews; and the latest requirements for Disadvantaged Unincorporated Communities.

Speakers: Michael Colantuono, Attorney, Colantuono, Highsmith & Whatley, PC
Carolyn Emery, Executive Officer, Orange LAFCo
Mary Jane Griego, Commissioner, Yuba LAFCo

Moderator: Lou Ann Teixeira, Executive Officer, Contra Costa LAFCo

1:15pm - 2:00pm

Conference Opening (Welcoming Remarks) - Regency Ballroom

John Leopold, Chair, CALAFCO Board
Gay Jones, Commissioner, Sacramento LAFCo and CALAFCO Conference Chair
Angelique Ashby, Chair, Sacramento LAFCo and City of Sacramento Mayor Pro Tem
Pamela Miller, Executive Director, CALAFCO
Sacramento Area Firefighters Local 552 Honor Guard and Sacramento Firefighters Pipes and Drums

2:00pm - 3:30pm

*Approved for 1.5
AICP CM Credits*

At the Confluence of Agriculture, Planning, and Resources - Regency Ballroom A/B/C

Join us as we hear from top officials in the Governor's administration including the Office of Planning and Research (OPR), Natural Resources, and Food & Agriculture on critical issues facing LAFCOs and the state. We will hear about the role each of these departments has in the planning and execution of drought-related solutions, the alignment of land use planning and integrated regional water management, and how LAFCOs may be a partner in these solutions. We will hear about Sustainable Communities Strategies, the new authorities of the State Water Resources Control Board, and how the drought has impacted the preservation of agricultural lands.

Speakers: Ken Alex, Director, CA Office of Planning & Research
John Laird, Secretary, CA Natural Resources Agency
Karen Ross, Secretary, CA Department of Food & Agriculture

Moderator: John Leopold, Chair, CALAFCO Board

3:30pm - 3:45pm

Refreshment Break - Regency Ballroom Corridor

3:45pm - 5:00pm

*Approved for 1.25
AICP CM Credits*

GSA's, GSPs and SGMA: Coming to a Basin Near You! - Regency Ballroom A/B/C

In 2014, the Groundwater Sustainability Act was enacted to strengthen the sustainability of California's groundwater resources. California's groundwater basins and sub-basins make up approximately 38% of the State's total water supply in average rainfall years, 46% in dry years, and up to 100% in certain communities that rely exclusively on groundwater. Learn about the Act's implementation efforts to date and explore how LAFCOs could be affected and why LAFCOs should pay attention.

Speakers: David Church, Executive Officer, San Luis Obispo LAFCo
Mark Cowin, Director, CA Dept. of Water Resources
Jill Duerig, General Manager, Zone 7 Water Agency
Matt Hurley, Board Member, ACWA

Moderator: Dr. Roger Welt, Commissioner, Santa Barbara LAFCo

6:00pm - 7:30pm

Bounty of Your County - Poolside

CALAFCO 9th Annual Beer & Wine Competition/Reception

Thursday - September 3, 2015

7:00am - 9:00am

Continental Breakfast - Regency Ballroom Corridor

8:00am - 8:45am

Regional Caucus Meetings & Elections

Northern Region - Carmel A
Coastal Region - Golden State

Southern Region - Carmel B
Central Region - Big Sur A/B

9:00am - 10:15am

CALAFCO Annual Business Meeting - Regency Ballroom A/B/C

John Leopold, Chair, CALAFCO Board



August 12, 2015

TO: Member LAFCO Executive Officers

Dear Executive Officer:

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

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

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

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

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

With increasing requests from the Legislature to provide input on bills and calls for consultation with the administration, CALAFCO has witnessed the strain of leading a statewide organization with a very part-time staff. We currently only pay for 24 hrs/wk for our Executive Director, but we still need representation the better part of the week to manage the growing professional demands of the organization. Juggling the aforementioned responsibilities with maintaining our relationships with our sister organizations and meeting the needs of all 58 LAFCos is no longer tenable and we tasked our Executive Committee with the difficult job of developing sustainable solutions for CALAFCO.

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

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

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

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

Next Steps - Your Help is Needed!

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

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

On behalf of the CALAFCO Board of Directors,



John Leopold
Chair of the Board

Cc: CALAFCO Board of Directors
enclosures

Dues Increase Summary

WHAT'S THE ISSUE?

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

HOW DID WE GET HERE?

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

WHAT WILL THE DUES INCREASE PROVIDE?

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

SUMMARY

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

HOW WAS THE RECOMMENDED DUES INCREASE DEVELOPED?

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

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

September 2015

CALAFCO Annual Report to the Membership

Dear CALAFCO Members:

We are proud to report the progress of our Association during the past year. CALAFCO continues as a strong, vibrant educational resource to members and as an advocate for LAFCo and LAFCo principles to statewide decision makers. We are pleased that awareness of and interest in CALAFCO, in Sacramento and throughout the state, is growing. In 2014-2015 the Association maintained a high level of educational services as well as a vigorous agenda of legislative issues. We remain proud of both the program quality and participation in the Staff Workshop and the CALAFCO U courses. Sacramento LAFCo and the Annual Conference planning committee have done an outstanding job with the 2015 Conference. Finally, the Association remains on solid financial ground. The 2015-2016 adopted budget not only maintains member service levels, but in some instances also increases them, retains a healthy reserve, and allows us the opportunity to reinvest in the membership.

Our achievements continue to be the result of the dedicated efforts of the many volunteer LAFCo staff who contribute their time and

expertise. The Board is grateful to the Commissions that support their staff as they serve in the CALAFCO educational and legislative roles on behalf of all LAFCos. We are also grateful to the Associate Members and event sponsors that help underwrite the educational mission of the Association and allow us to keep registration fees as low as possible.

Early in 2015, your Board of Directors held our biennial strategic planning retreat. This year we took a long look into the future of the Association and the possibilities and opportunities that lie ahead in three to five years. With that vision in mind, we looked at the structural components of the organization, considered the evolution of the Association over our 44-year history, and gave careful consideration to the growing and evolving needs of our membership. We realized that the supporting structure of the organization must also evolve to meet those needs. We adopted a very aggressive and robust

Continued on Page 5

ANNUAL CONFERENCE EDITION

2015 Report to the
Membership

Associate Members'
Corner

LAFCo News

Legal Perspectives

Message from the Chair:
CALAFCO
Living Into the Future



The Sphere

CALAFCO Journal

September 2015

The Sphere is a publication of the California Association of Local Agency Formation Commissions.

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To submit articles, event announcements, comments or other materials noteworthy to LAFCo commissioners and staff, please contact the Editor at 916-442-6536 or info@calafco.org.

The contents of this newsletter do not necessarily represent the views of CALAFCO, its members, or their professional or official affiliations.

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A MESSAGE FROM THE CHAIR OF CALAFCO



John Leopold
Chair of the Board
CALAFCO

The past year has been an exciting one for CALAFCO, and I am honored to serve as your Chair during this interesting time. With the very successful Annual Conference held in Ontario last year, the new CALAFCO Board has been working to continue to strengthen the organization to grow and provide excellent resources for our members and valuable education to the Legislature, Governor, and local communities throughout the state.

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

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

One of the areas that the Board has been working on is how to improve the Annual Conference. An important feature of CALAFCO, the Conference also presents a great deal of responsibility for host communities.

Keeping the Conference in accessible locations sometimes impacts the same LAFCos time and again. In addition, as the Conference has grown, managing all aspects of it has become challenging for a part time staff. Working over a series of months, the Board considered a number of changes that will enhance the Conference and not overburden any individual LAFCo. We are proposing to hire a part-time Sponsorship Coordinator who will help raise funds from organizations within the CALAFCO universe to support the conference, which will in turn help bring notable speakers and programming requested by LAFCos around the state. In addition to augmenting the CALAFCO staff for Conferences, the organization may provide discounted registrations to LAFCo staff members who can assist with registration, Conference planning and support during the Conference. With these changes we also intend to hold the Conferences in three primary locations: Sacramento, Monterey, and San Diego, with a rotating list of locations every fourth year. This will allow for greater long-term planning and will help manage the costs of the Conference as well. In order for this all to be accomplished and after careful review of what our sister organizations charge for their annual Conference, CALAFCO will be modestly

raising the registration fee for the Conference by \$95 over the next three years.

With increasing requests from the Legislature to provide input on bills and calls for consultation with the administration, CALAFCO has witnessed the strain of leading a statewide organization with a very part-time staff. We currently pay for only 24 hrs/wk for our Executive Director, but we still need representation the better part of the week to manage the professional demands of the organization. Juggling the aforementioned responsibilities with maintaining our relationships with our sister organizations and meeting the needs of all 58 LAFCo is no longer tenable; we tasked our Executive Committee with the difficult job of developing sustainable solutions for CALAFCO. The Board unanimously agreed that we need to increase the hours of our Executive Director to 32 hrs/wk to better represent the organization. Desiring to also increase resources for our members, the Board is also committing to adding to our White Papers series to support our LAFCos. By increasing our staffing by 30% and providing new resources to our members, the Board is committing to evolving the organization to meet the needs of the 21st century. This comes with a cost, and we are proposing an increase that will be as little as \$110/yr for small LAFCos and \$530/yr for our larger LAFCos. This dues increase will be spread over a two-year period, beginning in FY 2016-17.

Raising fees and dues at any time is a difficult proposition. Our work at CALAFCO does not differentiate between small and large LAFCos when meeting the needs of our members. During the worst years of the recession, CALAFCO held the lines on dues. With effective fiscal management and new efforts to raise sponsorship funds, the organization is in a strong fiscal

position, and we are not contemplating these changes out of crisis. We are committed to continually enhancing the services of CALAFCO and fulfilling our mandate “to assist member LAFCos with educational and technical resources that otherwise would not be available.” I hope you will agree when we discuss this at our annual membership meeting at this year’s Conference.

Over its 44-year existence, CALAFCO has matured from a volunteer organization to a professional educational organization that has helped the state better understand CKH and the LAFCo process.

As I prepare for our Annual Conference, I have the opportunity to look back on our last year. No one can adequately prepare you for leading a statewide organization, and these past months have been very active in the life of CALAFCO. I am thankful that our diverse Board has spent the time in our retreat and through countless committee meetings to accept the challenge of defining our new course. On the legislative front I am hard pressed to remember a more active year. Fortunately our role as an education organization has served us well as we have been at the table with the Governor’s staff, key state agencies

and legislative leaders to provide input on critical pieces of legislation about water, provision of services and key processes such as disincorporation. I suspect that the coming year will also be active, and our organization is well positioned to represent our member LAFCos.

We are fortunate to have many leaders on our 16 member, regional board. The Executive officers on temporary loan from their respective LAFCos do an incredible job and we are fortunate to have an effective Executive Director. I am humbled by the opportunity to serve as the Chair of our CALAFCO Board.

Thank you,

John Leopold



The Adaptive Organization

At its biennial strategic planning retreat this year, the Board of Directors opened the door of possibility for the Association. The Board did this with great intention, compassion, and respect for the 44-year history and culture that is CALAFCO. As is the case in the life cycle of any organization (particularly a non-profit), for the organization to remain relevant, continue to create value, and ultimately be sustainable in the long-term, it must take a long look at itself and the external factors that drive it. And, it must adapt to those changing external environmental factors.

Organizations are living things as are all of its components. Organizational culture is an adaptable thing, and by its very nature, has the capacity to evolve and change. There is a distinct advantage for those willing to not only adapt, but to also seek continuous improvement, both at an individual and organizational level. This advantage is even greater when the continuous improvement is generated in times of success rather than turmoil or crisis. These kinds of adaptive and transformational organizations know that resting on the laurels of successful times will not be enough for sustainability.

Change at the human level is difficult and is an ongoing journey, and organizational change is really no different. Communities today are not what they were five, ten, twenty, or fifty-two years ago, when LAFCOs were first created by the State. The structures created to support and serve those communities have evolved as well. To help lead communities through those shifting conditions, organizations must be adaptive and evolutionary. This is also true for CALAFCO. For those organizations that are not so willing or able to lead adaptive change, their ability to survive and thrive is limited.

Transformational strategic leaders are always open to possibilities, and consequently they are open to generating change not simply as a reaction but as a way for continuous improvement. Organizations with this kind of leadership create a greater opportunity for sustainability, rather than those that react to the

A Message from the CALAFCO Executive Director



Pamela Miller
Executive Director

need for change or simply ignore the need for change.

Any organizational transformation and change in culture must occur over time in order for it to be systemic and sustainable. Over CALAFCO's 44-year history, the organization has successfully experienced numerous transformations and cultural changes. Each one has been thoughtful and well-planned, and the organization has been the better as a result of each. Today's evolution is no different.

Over the past seven months, the Association's leadership has been working hard at strategic reinvention. And they do so during a time of success rather than crisis. This strategic reinvention is being generated so that we can ensure we are not out of balance as we move forward. Now is a successful time for the Association, and the leadership wants to ensure that success continues to grow. There is a strong desire to make sure that the structures and systems to support our members and fulfill the mission of CALAFCO and our strategic plan are in place.

In a conversation I had a few years ago about transformational strategic leadership and adaptive organizations, a very wise and dear friend told me, "Great leaders and great organizations rebirth themselves periodically. They've got to be adaptive. When organizations or leaders fail, it is because they didn't remake themselves. They didn't understand the environment was changing and they did not adapt themselves." [David Whitwam, former Chairman and CEO, Whirlpool Corporation]

I echo Chair Leopold's thoughts that we are fortunate to have many leaders (past and present) on our Board and in our volunteer staff. The Association is also the success it is today because of you, our membership, and I thank you.

Pamela Miller



Annual Membership Report

Continued from cover

strategic plan for 2015-2016 and believe the components of this strategic plan will create even more value for you, our members. In this report we highlight the activities of the last year and look a bit into the future.

EDUCATIONAL SERVICES AND COMMUNICATION

CALAFCO educational and information sharing services are the Board's top priority for member services. The Association focuses its resources in four areas: the Staff Workshop, Annual Conference, CALAFCO University courses, and electronic resources including the web site, quarterly reports and the member list-serves.

Staff Workshop and Annual Conference

We continued the tradition of quality education programming with the Staff Workshop held in Grass Valley in April and the Annual Conference in Sacramento in September. The Workshop, hosted by Nevada LAFCo, brought together 90 LAFCo staff from around the state for a three-day workshop at the Holiday Inn Express and Grass Valley Courtyard Suites. There were 38 LAFCos and 5 associate member organizations represented. An exceptionally diverse program centered on the theme **"After the Gold Rush: Forging the Future and Preserving the Past."** This year's program included a range of both technically-oriented topics and professional development topics. We began with a general session panel on Governor Brown's plans for California's future, followed by a series of concurrent sessions including topics such as options for consolidation, a close look at fire districts, Spheres and CEQA, innovative website management, performance measures, public agency audits, and processing applications. Other topics included dealing with difficult behaviors,

After the Gold Rush



engaging the public, improving presentation skills, and effectively utilizing outside consultants. Honoring the special history and culture of the region, the unique mobile workshop took us to Nevada Irrigation District's Scotts Flat Dam and Powerhouse, followed by a visit to Empire Mine State Park. Attendees enjoyed a special dinner during the Workshop at the historic Miner's Foundry in Nevada City. The Workshop closed with another unique legislative panel consisting of legislative representatives of our sister Associations: League of CA Cities, CSAC, and CSDA. We would like to thank **Paul Novak** (Los Angeles LAFCo) who chaired the Program Committee, our Hosts **SR Jones** and **Deborah Gilcrest** (Nevada LAFCo), and all who worked to make this an outstanding staff Workshop.

Approximately 250 LAFCo commissioners, staff and guests are expected at the 2015 Conference in Sacramento. Hosted by Sacramento LAFCo and held downtown at the Hyatt Regency, just near the confluence of the Sacramento and American rivers, the program centers on the theme

"Confluence...LAFCo – Merging Ideas With Solutions!" and includes a range of content-rich sessions focused on how LAFCos can merge innovative and creative ideas with

solutions as we face California's greatest challenges. Opening General Sessions include a panel of Governor Brown's top cabinet members discussing the confluence of agriculture, planning and resources, followed by a look at the implementation of last year's historic groundwater legislation and how LAFCos could be affected. Other sessions include a unique look at broadband, climate change, urban growth boundaries, financing municipal services, fiscal analysis tools, and LAFCo and California's changing culture. The Conference will open with a special ceremony to include the Sacramento Firefighters Local 552 Honor Guard and Sacramento Firefighters Pipes and Drums, and





close with a unique session on effective leadership in times of uncertainty, followed by our powerful and informative legislative update that includes panelists from both the Assembly Local Government Committee (ALGC) and CALAFCO's Legislative Committee.

The mobile workshop includes a visit to the actual confluence of the Sacramento and American rivers, a tour of the largest and most progressive inland wastewater treatment plant west of the Mississippi, followed by lunch at the historic Sugar Mill.

Again this year we opened up the LAFCo 101 session for attendance to those who are not attending the full conference at a deeply discounted rate. This allows agencies to send staff and elected officials to this very special 2-hour session on understanding and applying the basics of LAFCo.

We acknowledge and thank Sacramento LAFCo for hosting the Conference, its staff for all of their hard work: *Peter Brundage*, *Don Lockhart* and *Diane Thorpe*, the Conference Committee Chair *Gay Jones* (Sacramento), the Program Committee Chair *David Church* (San Luis Obispo), and all who are working on the Program Committee to make this an outstanding Conference.

CALAFCO University

Effective this year, there are now two CALAFCO

U courses scheduled each year. The courses allow staff, commissioners and other interested parties to explore in-depth LAFCo processes, policies and actions. The final session for 2014 was December 8 in Sacramento and featured an impressive panel of LAFCo attorneys who guided us through the *Legal Interpretations of CKH*. This session saw 59 attendees from around the state. In June of this year, 28 people gathered in Orange County to hear an all-star panel of LAFCo Executive Officers and Legal Counsel discuss LAFCo and litigation. The final course for 2015 is set for October 26 in Sacramento and

will focus on the implementation of SB 88, the 2015 legislation that authorizes the State Water Resources Control Board (SWRCB) to mandate consolidation of water systems.

These courses are possible only with the volunteer efforts of LAFCo staff and Associate members. Thank you to all who contributed to the classes. A special thanks to *Paul Novak* (Los Angeles LAFCo), *Marjorie Blom* (Stanislaus LAFCo) and *Kris Berry* (Placer LAFCo) who have been coordinating CALAFCO U this year.

Accreditations

CALAFCO's educational activities continue to be accredited by the American Planning Association to provide AICP credits for certified planners. This benefit is provided at no cost to LAFCo staff and helps them maintain their certifications. In addition, both the Conference and Workshop have sessions for LAFCo counsel that have been accredited for MCLE credits by the California Bar.

Web Site

The CALAFCO web site is a vital resource for both LAFCos and the community with questions about local government in California. The site consistently attracts between 5,500 and 6,500 visits per week. The vast majority of the visits are for the reference and resource materials found on the site and referral information to member LAFCos.

Earlier this year, we approved a complete revision and update of the web site, along with a move to a more stable host and the addition of technical support. After an extensive Request for Proposals process, an all-in-one service provider was selected and work will get underway shortly after the Annual Conference. CALAFCO will seek input and feedback from members to ensure the design is user-friendly and meets the evolving needs of the membership.

List-Serves

The list-serves maintained by the Association continue to be an important communication and information sharing tool among LAFCo staff. In total, we maintain eight list serves to help



members share information, materials, and expertise. The list-serves for executive officers, analysts, clerks and counsel discussions remain the most popular and serve to foster the sharing of information and resources.

Quarterly Updates

After each Board meeting, the Association's executive director creates and distributes through the list-serves a quarterly report on the activities of the Board and Association. These quarterly reports were enhanced this year to contain more information, and a special feature highlighting various Associate Members was added. The quarterly reports were enhanced as The Sphere is now an annual newsletter. These bulletins provide informational updates in a timelier manner and at less cost to the Association.

White Paper

In January of this year, we released an update to the 2008 publication of *The Metamorphosis of Special Districts*. We thank Best Best & Krieger for its work on this white paper.

LEGISLATIVE PROGRAM

This year CALAFCO sponsored two bills, responded to a host of bills that impacted LAFCoS, was asked by two different legislators to act as a technical advisor on their respective bills, and was extensively involved in discussions with the administration on water-related issues (conversations with the SWRCB continue). Due to our efforts to help solve problems and resolve issues constructively, CALAFCO continues to be a sought-after resource to legislative committees, members and staff, and to state agencies.



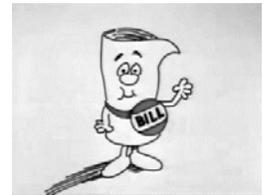
The CALAFCO Legislative Committee (Committee) began work in November and met regularly throughout the year. Based on legislative priorities set by the

Board last year, the focus this year was on shepherding legislation that cleans

up the disincorporations statutes, drafting the next set of changes to the protest provisions, and seeking an author for a bill that strengthens the relationship between LAFCoS and JPAs. In addition, we put a great deal of effort into our annual Omnibus bill.

This year, the Omnibus bill, **AB 1532**, which was signed by the Governor on July 15, contained nine different changes to Cortese-Knox-Hertzberg (CKH) such as clarifying several definitions, making changes to obsolete and incorrect code references, and making minor updates to several outdated sections. Along the way, two additional items were removed from the bill during the extensive stakeholder review process due to concerns by at least one stakeholder. Further, late in the cycle of the bill, another item was removed due to late-breaking opposition. The Committee will consider this item again next year, likely as a stand-alone bill. We are grateful for the efforts of Committee member **Paul Novak** (Los Angeles LAFCo) and ALGC associate consultant **Misa Lennox** for their efforts on shepherding this bill, and to all of you who did the work of submitting proposals for insertion into the Omnibus.

The other CALAFCO sponsored bill is **AB 851** (*Mayes*). This bill cleans up the outdated disincorporations statutes. Beginning as a draft created by a working group (including Kathy Rollings-McDonald, Carolyn Emery, George Spiliotis, Paula de Sousa, Kris Berry, John Leopold and Misa Lennox), the proposed legislation was vetted several times in the Committee before being introduced. The bill required extensive outreach and collaboration with stakeholders and, after a total of six published amendments, CALAFCO obtained the full support of all stakeholders with no current opposition. The bill has passed the Assembly and every committee with unanimous support and is currently on the Senate floor. Additionally, the bill has garnered four co-authors. We wish to thank Kathy Rollings-McDonald for her technical expertise at Capitol hearings and in meetings with stakeholders.





Highlights of the two bills for which CALAFCO was asked to be a technical advisor are:

- **AB 3 (Williams)** This bill would authorize the establishment of the Isla Vista Community Services District by requiring the Board of Supervisors of the County of Santa Barbara to submit a resolution of application to the Santa Barbara LAFCo, and, upon direction by the commission, place the questions of whether the district should be established and whether a utility user tax should be imposed on the ballot at the next countywide election following the completion of the LAFCo review. The bill, as written and amended numerous times, does not give the Santa Barbara LAFCo the authority to make the final determination of the formation of the district, but rather gives that authority to the voters. CALAFCO's position remains *Oppose Unless Amended*, given our policies on preserving LAFCo authority. Despite that position, the author's office sought technical assistance and feedback from CALAFCO over the past several months.
- **AB 402 (Dodd)** This bill creates a five-year pilot opportunity for Napa and San Bernardino LAFCo Commissions to authorize an extension of services outside boundaries and spheres to support existing or planned uses pending the commission's determination that (1) a service deficiency was identified and evaluated in a MSR; and (2) the extension of services will not result in adverse impacts on open space or ag lands or have growth inducing impacts. CALAFCO previously considered (over an extensive period of time) amending GC §56133, and twice (in 2011 and again in 2013) the CALAFCO Board of Directors decided not to pursue those amendments. CALAFCO has maintained a position of *No Position* on this bill, due to the lack of consensus by Committee members on the core policy issue, and the author has not accepted any amendments that would cause CALAFCO to change that position to a less favorable one.

Other bills on which we worked include:

- **SB 239 (Hertzberg)** CALAFCO has worked extensively with the author's office on this very difficult bill, which has changed dramatically since its introduction. Also focusing on amending GC § 56133, the bill concentrates specifically on the extension of fire services and requires LAFCo approval on any contract for the extension of fire services that transfers greater than 25% of the service area or changes the employment status of more than 25% of employees of any affected agencies. Prior versions of the bill required union pre-approval of the agreement, with the current version offering an alternative to that requirement. The bill also contains a host of other provisional requirements including setting a precedent for a state agency to seek LAFCo approval prior to undertaking an action that involves the provision of services outside of a public agency's current service area under contract or agreement. CALAFCO's original position of *Oppose* was changed to one of *No Position* (again due to lack of consensus by the membership on the core policy issue) after substantive changes were made by the author. However, many concerns remain, and CALAFCO continues to work with the author's staff on technical amendments.

Water talks

AB 115 and SB 88

In March, CALAFCO met with OPR, the SWRCB and several members of the Governor's staff to discuss the concept of water



system consolidations. This was in response to the Safe Drinking Water Plan Draft of October 2014 and the CA Water Action Plan Implementation Report of January 2015. Following that, we heard from them again in May to advise us that the administration had put together a budget trailer bill on consolidations as a part of the drought relief package. After several meetings with the administration, held both separately and with other stakeholders over a



very short period of time, CALAFCO issued a 4-page letter of concern to OPR and the SWRCB. That same day the stakeholders gathered and strategized how to collectively oppose and lobby. The next day CALAFCO issued an official *Oppose* letter. In addition, a coalition of stakeholders issued an *Oppose* letter and began meeting with legislators and staffers in the capitol. CALAFCO met again with OPR and the SWRCB as well as the staffers of the Senate Governance & Finance and Assembly Local Government Committees.

Ultimately, both bills grant the SWRCB authority to mandate the consolidation of water systems – public, small state and individual wells, as a response to the drought. The bill was narrowed to have the Board focus only on those located in disadvantaged communities. The SWRCB will identify those systems that have either run out of water or are undrinkable due to water quality issues, then mandate them to consolidate. It is unclear how they will prioritize their targeted entities, or how many they plan to execute. The bill requires the SWRCB to hold a hearing, make findings, and, once the consolidation is ordered, provide financial assistance for infrastructure (although no operations and maintenance funding) and provide compensation in the form of fair market value for the subsumed system.

Throughout the process, CALAFCO offered a host of options for the SWRCB to consider and raised countless questions and concerns, most of which were dismissed based on the language adopted in the bill. Ultimately, **AB 115** was heard in the Senate Budget Committee after being published all of 90 minutes and was pushed through to the Senate floor. Simultaneously, **SB 88** (identical to **AB 115**) was rushing its way through and Assembly floor and back over to the Senate, where it quickly passed and found itself on the Governor's desk and signed on June 24.

Since the passage of **SB 88**, CALAFCO met with the SWRCB to discuss implementation of the legislation. There was some agreement on what "consulting with LAFCo" should look like, and it remains to be seen how the process will actually work. In addition, we are working with

members of the legislature and their staff on policy clean-up legislation. CALAFCO is committed to continuing to work with the SWRCB in creating a workable implementation process, and plans to have the focus of the October CALAFCO U be on the implementation of **SB 88**.

For a complete list of CALAFCO bills, please visit the CALAFCO website. Information is updated daily.

FINANCIAL POLICIES AND REPORTING

The Association continues to stand on a strong financial base. The Board maintains policies and current filings which are in compliance with all federal and state requirements for 501(c)(3) organizations. The CALAFCO Policy Manual, IRS Form 990 and other key Association documents are available on the CALAFCO web site. The Association also maintains its records with the national non-profit reporting organization, GuideStar (www.guidestar.com). In 2015 CALAFCO once again earned the *GuideStar Exchange Gold Seal* in recognition of its transparency and completeness in documentation.

All financial records are reviewed quarterly by an outside CPA with reports to the Treasurer and the Board. The Board also reviews the annual IRS Form 990 tax filing prepared by the CPA and staff.

2015-16 Budget

The Board continues to manage the financial resources of the Association closely. This year LAFCo dues were increased by the CPI as authorized in the Association Bylaws. While only a 2.0% increase, the Board felt it was necessary to keep up with the increasing costs of operating the Association. The dues have not been raised beyond the CPI since FY 2008-2009, and, until FY 2012-2013 when they were raised by the CPI, dues remained stable at the 2008-09 rates.

The adopted budget for 2015-16 provides for several changes from the 2014-15 budget. The



close of the fiscal year showed a slightly greater year-end balance than anticipated in the adopted budget, allowing the Association to once again avoid the use of reserve. The budget adopted in May 2015 is \$418,807, which includes a carry-over net balance and contingency fund of \$69,725. The year-end fiscal report indicates a greater than anticipated net balance of \$76,790. This is due in part to a very profitable Annual Conference and Staff Workshop, as well as diligent fiscal management on the part of staff.

The Board approved several small allowances for the use of Contingency funds during the last fiscal year and we are happy to report the records retention project led to thousands of documents in hundreds of files being scanned and archived electronically. In addition, the CALAFCO office purchased new printers and office equipment, and there was a need for outside legal counsel. In total, \$17,059 of Contingency funds were spent, which is 41% of the total Contingencies.

For the current fiscal year, Contingency funds will be used to fund several additional projects that will create high value for the membership. First, we will be completely revising and updating the CALAFCO website for a more user-friendly look and feel. Along with the new site, we are adding ongoing technical support to assist CALAFCO staff in keeping the site updated and refreshed and to assist when technical issues arise. Next, we have agreed to produce several white papers in the coming 18 months. These papers will include groundwater management and sustainability and a follow up to the "First 25 Years LAFCo Activity Survey" which will address the "Next 25 Years". In addition, CALAFCO has been approached by the American Farmland Trust to collaborate on a White Paper, and by the California Special

Districts Association to partner on creating a guide to forming a special district.

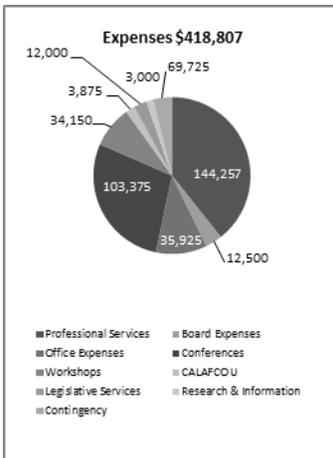
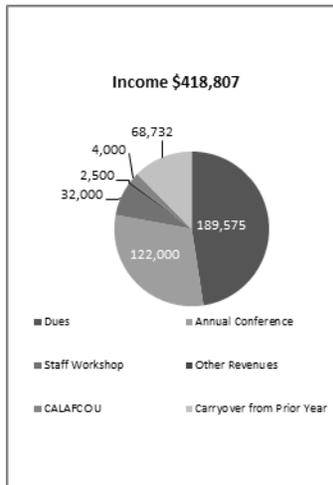
During the July Board meeting, after over six months of information gathering and careful deliberation, we made some decisions about the supporting structure of the organization. We are officially adding additional time the Executive Director will work for the Association, to better meet the evolving needs of the membership and to sustain the current level of activity and Association visibility. This means a slight increase on member LAFCo dues in the next two fiscal years. Furthermore, starting with the 2017 Annual Conference, we will hire a sponsorship

coordinator to assist us in creating a strong branding message and increase our capacities in adding additional revenue streams.

Restricted Fund Reserve

Since 2005 an important goal established by the Board has been to grow and maintain a fund reserve to support member services in uncertain economic times and to avoid the need to tap members for additional funds, as had been done in the past. With an initial goal of 35% of non-conference operating expenses, the reserve balance at the close of the 2014-15 fiscal year was \$150,754, about 72% of the annual operations budget outside of the Conference, Workshop and CALAFCO U. The reserve is not part of the annual budget and requires a vote of the Board to use its funds. The Association has not used the fund reserve since the early 2000s. CALAFCO maintains its funds with the Local Agency Investment Fund (LAIF). While the interest rate has remained low again this year, we have not lost any of the principal in

our savings or investments. Last year the Board amended the organization's policy regarding the reserve fund, changing from having a maximum of 25% held in reserves to having a minimum of 25% held in reserves.



ASSOCIATION MANAGEMENT

New Board Members

Over the course of the past year, two Board members left CALAFCO; we are grateful for the work of **Ted Novelli** (Amador LAFCo) and **Stephen Tomanelli** (Riverside LAFCo). In May, we were honored to welcome two new commissioners to the Board.

The Board appointed El Dorado LAFCo Commissioner **Shiva Frentzen** to fill the County seat in the Central Region. Commissioner Frentzen is a member of the El Dorado County Board of Supervisors, representing District 2, where she has lived for the past 22 years.



The Board also appointed Los Angeles LAFCo Commissioner **Gerard McCallum** to fill the vacant Public Member seat in the Southern region. Commissioner McCallum is a Senior Project Manager with WMS Partners and resides in View Park. He is currently serving his second term on the Commission.



New Associate Members

We are proud to welcome several new Associate members to the Association this past year: **Cucamonga Valley Water District**, **Marjorie Olsson Blom Consulting** and **Ukiah Valley Sanitation District**.

A Final Thank You

Just last month we said goodbye to CALAFCO Executive Officer **Marjorie Blom** who retired as the Stanislaus LAFCo Executive Officer. Marjorie served as the CALAFCO Executive Officer for almost two years and prior to that was the Central region's Deputy Executive Officer for two years. We are happy to report that **Steve Lucas** (Butte LAFCo) has stepped into the role of Executive Officer, and **Kris Berry** (Placer LAFCo) is now the Central region Deputy Executive Officer.

Finally we want to recognize the leadership of our executive director **Pamela Miller** and 2014-2015 executive officer **Marjorie Blom** (Stanislaus LAFCo). Added to that is our appreciation for all

the contributions of executive assistant **Jeni Tickler** in the CALAFCO office, deputy executive officers **Steve Lucas** (Butte LAFCo), **Paul Novak** (Los Angeles LAFCo), and **David Church** (San Luis Obispo LAFCo), Legal Counsel **Clark Alsop** and **Paula de Sousa** (BB&K), and CPA **Jim Gladfelter** (Alta Mesa Group). These people, along with many other volunteers, associate members, and members of the Board have all worked together this year to bring many achievements and a strong Association to you, our Member LAFCos and Associate Members.

Sincerely Yours,

The CALAFCO Board of Directors

What's Ahead?



2015 CALAFCO University

Water Works: The Implementation of SB 88

October 26, 2015
Sacramento, CA

2016 STAFF WORKSHOP

March 30 – April 1, 2016
Hilton Los Angeles at Universal City
Universal City, CA
Hosted by Los Angeles LAFCo

2016 ANNUAL CONFERENCE

October 26 – 28, 2016
Fess Parker DoubleTree by Hilton
Santa Barbara, CA
Hosted by Santa Barbara LAFCo



San Mateo LAFCo July Meeting Covers Broad Set of Deliberations

Written by Martha Poyatos, San Mateo LAFCo Executive Officer

At its meeting on July 15, 2015, San Mateo LAFCo approved a reorganization dissolving a water district and forming a county maintenance district. This will resolve a longstanding dilemma of a water district that sold a water system and continued to collect property tax. At the same meeting, the Commission also completed a municipal service review and sphere update, and reaffirmed the zero sphere of influence of a countywide harbor district that has been under close scrutiny from the Civil Grand Jury and the public and held the first of two hearings on the municipal service review and sphere update of five cities and six special districts in Northern San Mateo County. The range of projects and level of controversy demonstrated both the diverse challenges LAFCos face and the value of collaboration in carrying out LAFCo's mission.

Los Trancos County Water District

The Commission approved the reorganization of the Los Trancos County Water District (LTCWD), dissolving the independent water district and forming a county maintenance district as successor to fund enhanced fire safety, storm drain improvements, and land stewardship. LTCWD was an independent district formed in 1954 to improve a dilapidated water system and provide water service to unincorporated Los Trancos Woods. The heavily wooded area was originally developed with vacation homes and is served predominantly by septic systems. The area lacks storm drain infrastructure and is characterized by steep terrain and narrow, winding roads. In years with heavy rain, significant storms have resulted in erosion and property damage, and the limited access and egress, combined with being heavily wooded, makes the community a high fire danger area. In 2005, the District sold its water system to the California Water Service Company (Cal Water) but continued to receive property tax and funded various initiatives focusing on fire safety, water conservation, and stormwater runoff measures. The District's first use of

property tax after the sale of the system was to provide rebates on water bills, but this program was discontinued based on recommendations in a LAFCo municipal service review in 2006.

The District-initiated application followed several years of study and debate surrounding the District's 2005 sale of its water system to Cal Water; continued receipt of property tax; and spending on community priorities including enhanced fire safety, stormwater runoff, and land stewardship. While these programs might be considered "inactive" services for a water district pursuant to Government Code Section 56824.10, application of 56824.10 was not implicit given that the District no longer operated a water system. Moreover, these activities were already within the authority of three agencies that overlap the District: Midpeninsula Regional Open Space District (MROSD), Woodside Fire Protection District (WFPD), and the County of San Mateo. Since the 2005 sale of the water system, the District has been the subject a LAFCo municipal service review that discouraged use of property tax to provide rebates to Cal Water ratepayers and urged dissolution, since the district no longer provided the service for which it was formed. The District was also the subject of a critical Civil Grand Jury report and was cited by the State Legislative Analyst's office as an argument for shifting property tax from enterprise districts to fund for parole realignment and most recently as an example of the unintended consequence of Proposition 13.

The report Parole Realignment and the 2008-09 Budget¹ contained the following language regarding use of property tax:

Example: Los Trancos County Water District In 1954, residents of a hilly, rural area in San Mateo County created an enterprise special district to provide water service and levied a property tax rate to help pay for this service. In 2005, the water district sold its entire water distribution system to a private company (a change that resulted in lower water service charges to the area's residents). Although the water district no

1

http://www.lao.ca.gov/analysis_2008/2008_pandi/pi_a_n108007.aspx

longer provides water service, the district did not dissolve or request that its property tax revenues be redistributed or eliminated. The water district continues to receive property taxes pursuant to current law. The district uses about one-half of these revenues to provide tax rebates to its residents and the rest for activities unrelated to water delivery.

The November 29, 2012 Legislative Analyst's Office report Understanding California's Property Tax² contained the following language:

Limited Responsiveness to Modern Needs and Preferences: An effective tax allocation system ensures that local tax revenue is allocated in a way that reflects modern needs and preferences. In many ways, California's property tax allocation system—which remains largely based on allocation preferences from the 1970s—does not meet this criterion. California's population and the governance structure of many local communities have changed significantly since the AB 8 system was enacted. For example, certain areas with relatively sparse populations in the 1970s have experienced substantial growth and many local government responsibilities have changed. One water district in San Mateo County—Los Trancos Water District—illustrates the extent to which the state's property tax allocation system continues to reflect service levels from the 1970s. Specifically, this water district sold its entire water distribution system to a private company in 2005, but continues to receive property tax revenue for a service it no longer provides.

The proposal to dissolve the water district and form a county maintenance district as its successor agency to provide enhanced local services is a complex solution to a complex problem. Why complex? While there was support for keeping the District's property tax local by forming a maintenance district or a fire zone of benefit, some board members and residents rejected the idea of losing local control and worried that the District's lake and three-acre wooded parcel would be sold and developed. In addition, the short-staffed fire district didn't want to be burdened with accounting for a new property tax stream by forming a fire zone as successor, and the water district's lands were not

² <http://www.lao.ca.gov/reports/2012/tax/property-tax-primer-112912.aspx>

consistent with lands that MROSD or the County typically acquired for park or open space uses. Over the course of several years of discussion with the District, WFPD, MROSD, and the County, as well as LAFCo workshops in the community, the solution of a county maintenance district as successor to the dissolved District to manage the three programs of enhanced fire safety, storm drain infrastructure, and land stewardship by agreements with WFPD and MROSD took shape. Before submitting its application, the District board commissioned a professionally-conducted community survey that indicated that there was majority support for a county maintenance district to keep property tax local and fund important community priorities. Support depended upon the ability of the District to request, and LAFCo to enforce, conditions that would satisfy the various concerns of the District board, its constituents, and the agencies that were stepping up to facilitate the reorganization. Conditions were many and included formation of a community advisory council to provide for continued community input, conservation easements over the lake and the three-acre parcel that are to be transferred to the County and WFPD, respectively, and scope of service documents for fire safety and storm drain improvements to guide service levels in these areas.

After several years of numerous, at times contentious, community meetings, the LAFCo hearing was attended by a handful of residents and District board members and LAFCo received no written or oral opposition to the proposal. The reorganization, the product of three agencies sharing the same constituency stepping up to respond to important public safety priorities, will become effective October 1, 2015 and upon satisfaction of all conditions. The reorganization could not have been possible without the combined efforts the Los Trancos community and several agencies: kudos to the LTCWD board and constituents LAFCo, the County of San Mateo, MROSD, and WFPD.

San Mateo County Harbor District

The San Mateo County Harbor District was formed in 1933 with countywide boundaries. It operates the Pillar Point Marina in Princeton-by-the-Sea on Half Moon Bay and, under a joint

powers agreement, the City of South San Francisco's Oyster Point Marina and Park on San Francisco Bay. The District receives a share of the countywide property tax estimated at \$5.5 million this fiscal year. The District's long-standing LAFCo sphere of influence, first adopted in 1977, is that it be dissolved with the County of San Mateo as successor agency. This municipal service review and the previous review performed in 2006 identified the District's reliance on property tax to subsidize a portion of enterprise activities and a lack of nexus between the District's receipt of countywide property tax and the countywide benefit of the facilities that are funded.

The consultant-prepared municipal service review followed a harsh Civil Grand Jury report and was undertaken in the midst of the District's implementing Grand Jury recommendations including addressing conflict and discord in Harbor Commission interaction; recruiting for a permanent general manager after retirement of the longtime general manager; other vacancies; an office move, and imminent labor negotiations. In the course of the municipal service review, several issues were identified in addition to the Civil Grand Jury recommendations that the District began to address before the study was complete. The District outsourced with Regional Government Services for an interim general manager, established a line of command and communication between the District commission and staff, revised budgeting practices to more accurately represent the District's revenue and expenditures, and indicated its intention to implement a cost accounting system to better track expenditures for enterprise versus non-enterprise activities.

While it was clear from the outset that LAFCo's legislative purpose and intent were at odds with the Harbor District's purpose and continued existence, the District board and staff diligently participated in the municipal service review process and took heed of LAFCo observations. The value of the municipal service review process was well demonstrated, in that regardless of the outcome of the sphere designation, the exercise of evaluating accountability, transparency, fiscal ability to provide services, and management efficiencies serves as a roadmap for the District to improve in these areas.

North County Cities and Special Districts

The consultant-prepared north county cities and special districts municipal service review and sphere of influence update, which covers five cities and six special districts, got off to a rocky start with considerable anxiety on the part of unincorporated Broadmoor residents who receive service from two districts with LAFCo sphere designations that they be dissolved: Broadmoor Police Protection District (BPPD) and Colma Fire Protection District (CFPD). Broadmoor, with a population of 4,633, is a community wholly surrounded by the City of Daly City and is in the City's sphere of influence but has a long tradition of supporting BPPD and CFPD. Community support includes repeated voter approval of special taxes to augment both district budgets. These two districts include other non-contiguous areas that are also in the City of Daly City sphere of influence and CFPD also serves the Town of Colma, with a population of 1,492.

LAFCo opened the public hearing on the north county study at the July 15, 2015 meeting and received extensive comment from Broadmoor residents, representatives of the police and fire districts, the City of Daly City, and the Town of Colma. The Commission continued the public hearing to September 16, 2015 to allow time for revisions and corrections to the report. The LAFCo Executive Officer followed up with a letter clarifying the purpose of municipal service reviews and the potential effects of spheres of influence in an effort to allay the residents' concerns that municipal service reviews and sphere of influence updates in themselves impacted the ability of a District to provide services. The letter emphasized that sphere recommendations require action from affected agencies or the community and that, based on comments from all involved, there were no agencies interested in implementing the sphere recommendations. The municipal service review and sphere of influence also included recommendations about improving the BPPD and CFPD websites to include agendas, staff reports, budgets, and audits to keep their constituents informed and the districts indicated that they plan on implementing these suggestions. In spite of conflict in response to the municipal service review and sphere of influence study, BPPD Chief Art Stellini noted that the

agencies under study have a long history of working together. LAFCo will aim toward facilitating that effort as it completes the municipal service review process.

Other notable observations in the north county study include a three-city joint powers agreement for shared fire services among the Cities of Pacifica, Daly City, and Brisbane; a partnership between Pacifica and North Coast County Water District (NCCWD) for recycled water; and NCCWD's achievement of being the first special district in San Mateo County to receive the Special District Leadership Foundation (SDLF) Transparency Certificate of Excellence from the California Special Districts Association (CSDA).

THE LEGAL CORNER



Legislature Updates LAFCo Statute

By Megan Knize

Legislation that took effect January 1, 2015 aims to clarify provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. Each year, LAFCo Commissioners or CALAFCO staff suggest changes to be incorporated into an omnibus bill. AB 2762, which took effect in January of this year, sponsored by the Assembly Local Government Committee led by Assembly Member Katcho Achadjian (R- San Luis Obispo) and Chair of the Assembly Local Government Committee, allows a number of technical, non-controversial changes. Most notably, the Act now reflects the following:

Additional Required Factor for Analysis of Proposals. Before AB 2762, the law required a LAFCo to consider a proposal's consistency with both regional transportation plans (RTIPs) and city or county general or specific plans. Government Code section 56668 now requires a LAFCo to review "[t]he proposal's consistency

with city or county general and specific plans." Reference to the RTIP is deleted.

Added Flexibility for Independent Special District Selection Committees. Prior law provided that a special independent district selection committee was made up of the presiding officer of the legislative body of each special district and had to meet in person to do business. This proved unworkable especially in geographically large counties with many special districts. These committees frequently struggled to attain quorums to do business.

The Government Code was amended to allow the legislative body of the special district to appoint one of its members as an alternate to participate in the independent special district selection committee if the presiding officer is unable to participate in a meeting or election of the committee. This change creates flexibility and allows representation if the presiding officer of the special district cannot participate in a committee meeting or election. In addition, the bill allows a majority of independent special district selection committee members to decide to conduct the committee's business by mail, including holding all elections by mailed ballot. If a majority of the independent special district selection committee decides to conduct the committee's business by mail, or if the executive officer decides that a meeting to select special district members or fill vacancies is not feasible, the executive officer shall conduct the committee's business by mail.

Further, special district selection committee elections may be conducted by certified mail or e-mail. For a valid election by mail, a quorum of special districts must submit valid ballots. The candidate receiving the most votes is elected, unless the committee adopts another procedure. If the executive officer does not receive a quorum of ballots by the date specified, the executive director must extend the ballot submission date by 60 days.

Clear Definition of Landowner-Voter District. In the case of a landowner-voter district, existing law was unclear about who was a voter for purposes of confirming the change of organization or reorganization. The bill deleted the word "voter" and replaced it with "landowner." Thus, "if the number of

landowners entitled to vote within a subject agency is less than 300, protests shall be signed by at least 25 percent of the landowners entitled to vote.” (Gov. Code, § 57113, subd. (b).)

Reauthorization of LAFCos to Review and Comment on Services in Unserved Territory.

The bill added language that allows a LAFCo to review and comment upon: (1) extensions of services into previously unserved territory; and (2) the creation of new service providers to extend urban-type development into previously unserved territory within unincorporated areas. The review is to ensure consistency with policies outlined in the Government Code and with adopted policies “promoting orderly development, discouraging urban sprawl, preserving open space and prime agricultural lands, providing housing for persons and families of all incomes, and the efficient extension of governmental services.” Assembly Bill 2259 originally provided this authority, which sunsetted on January 1, 2013. This section will now remain in effect until January 1, 2019.

Thus, CALAFCO and its members continue their good work in improving the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to make it a better tool for LAFCos’ important work. That effort, of course, is ongoing, and further updates to the Act are now pending in the Legislature. Thanks to all who contributed that that effort!

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Megan Knize is Senior Counsel and a member of Colantuono, Highsmith & Whatley’s litigation and advisory practice groups. Megan’s practice covers a wide range of matters involving municipal finance and public revenues litigation and advice, as well as general municipal advisory work, including for Yuba and San Diego LAFCos.
<http://chwlw.us/attorneys/megan-s-knize/>



Around the State

Napa LAFCo Appoints New Executive Officer

Brendon Freeman has been named Executive Officer of the Napa LAFCo. Brendon previously served as LAFCo Analyst for over six years and was LAFCo Interim Executive Officer for the two months prior to his appointment on August 4, 2015.



“I was born and raised as a third-generation Napan and I’m grateful for the opportunity to serve the community I grew up in. My new role brings immense responsibility to be accountable, objective, and transparent with respect to the needs of each individual community within Napa County. This is about doing the right thing and bringing local agencies together. Public service is in my blood and I look forward to building consensus on a variety of difficult issues,” Brendon says.

Upcoming Napa LAFCo projects include municipal service reviews and sphere of influence updates for the City of Calistoga, City of St. Helena, and Town of Yountville. Also on the horizon is a sphere of influence amendment and annexation request for Napa Pipe.

“Brendon has served LAFCo for seven years, and we look forward to working with him in his new role. He really understands the municipal services in Napa County and the need to protect agriculture,” said Juliana Inman, LAFCo Chair.

Alameda LAFCo Has Been Busy



Alameda LAFCo
Local Agency Formation Commission

Commissioner Update: Commissioners *Sblendorio, Haggerty and Miley* were each reappointed for another four year term. *David Haubert* was appointed as the alternate city member replacing Commissioner *Jerry Thorne*

who was elevated to regular city member by the Alameda County Mayors' Conference.

Operations: The Commission held its first strategic planning workshop resulting in the adoption of the following strategic priority goals:

1. Curb urban sprawl, and preserve and protect open space and agricultural lands.
2. Strengthen local agency oversight to encourage organizations to recognize their responsibilities to the public that they serve.
3. Be a catalyst and information resource to promote logical, efficient municipal service provision.

Subsequently, the Commission instituted an innovative agenda item as part of each Commission meeting, hosting a number of municipal services presentations including water, wastewater, flood protection, transportation, parks and recreation, and broadband services. The presentations provide a county-wide overview of each type of service as well as opportunities for Commissioners to learn about and ask questions of the service providers. The Commission will continue to host these presentations in the future to achieve its strategic priority goals.

The Commission renewed its memorandum of understanding (MOU) with Alameda County for staffing and other support services for another five-year term through 2019. Additionally, for the fifth year in a row, the Commission was pleased to offer a paid internship to a recently graduated high school senior. We have been very fortunate to have highly motivated, curious young people with us for six weeks each summer. This internship opportunity is a win-win: the young person earns a small stipend and participates in and learns about local government in its many forms (e.g., attending a local special districts association chapter meeting) as well as LAFCo, while the Commission benefits from completion of a variety of short-term projects.

Projects: Alameda LAFCo approved the reorganization of a county service area (CSA) that provided only solid waste and recycling services to a limited unincorporated area. In order to provide the services in a more cost effective way, Alameda County submitted an

application to dissolve the CSA and annex its territory into the **Oro Loma Sanitary District**.

In another case, a similar application was submitted by Alameda County, also for the purpose of continuing solid waste collection services and establishing recycling services in an area known as the Castro Valley Canyonlands. This area is expansive with a relatively low level of population density. After the private solid waste hauler determined it would no longer provide services in the area using individual contracts with property owners, the county proposed annexation into the **Castro Valley Sanitary District**, a neighboring sanitary district which would provide the solid waste services to property owners under a negotiated franchise agreement. After a lengthy public process, the Commission ordered the annexation.

Finally, the Commission received a presentation on the results of the **Tri-Valley Utilities Coordination/Integration Phase I Study** which was initiated in response to LAFCo's municipal service review process. The Tri-Valley Utility Study is an effort coordinated among six local governments - the cities of **Dublin, Pleasanton, Livermore, and San Ramon**, the **Dublin San Ramon Services District** and the **Zone 7 Water Agency** to identify ways to serve constituents more effectively and efficiently.

Marin LAFCo Is On The Move!

It's been a busy time for Marin LAFCo. This past year we said hello to Commissioners **Damon Connolly** (County) and **Lew Kious** (District) and farewell to Commissioners **Susan Adams** (County) and **Dennis Rodoni** (District).



We created Marin LAFCo's very first logo.

Commission Clerk Candice Bozzard celebrated her 13th year with Marin LAFCo!

Finally, we said a hearty "hello" to funding a fulltime analyst position with recruitment currently underway.

**San Diego
LAFCo
Welcomes
New Staff**



Earlier this summer, we hired *Erica Blom* as an Administrative Aide. Erica has been living in San Diego for about 10 years and yes she is related to Marjorie Blom - she's her daughter! Erica has general administrative responsibilities in our office, but also has some important specific responsibilities with the launching of our multi-year records management project.

Our other new hire is *Joe Serrano*, who is well known within the LAFCo community. Joe was formerly with the Orange and San Bernardino LAFCOs. He is a Local Governmental Analyst and his primary responsibilities will be in the areas of proposal analysis, budget development, and fire protection / emergency medical services. Within the next year, we plan on adding one more analyst, as part of a reorganization plan that will place less reliance on the usage of contract help.....so stay tuned.

CALAFCO Associate Member Corner

CALAFCO deeply appreciates our Associate Members and we thank you for your partnership and support.

This past year we welcomed several new Associate Members. All of these members' contact information is in the CALAFCO Directory as well as on the CALAFCO website.



Silver Associate Members

Berkson Associates

Contact: Richard Berkson

Berkson Associates provides clear, concise analysis for preparation of governance studies including district formation, consolidation and dissolutions. Extensive experience completing incorporation studies. Expertise also includes market analysis, public agency budget forecasting and demographic/housing analysis in support of MSRs.

Cucamonga Valley Water District

Contact: Cindy Cisneros

Formed in 1955, the District provides water and wastewater service to 200,000 customers in a 47 square mile area (48,000 water connections, 38,000 sewer connections and 104 recycled water connections). The District has a mission of providing high quality, reliable water and wastewater service while practicing good stewardship of natural and financial resources. CVWD's water supply is comprised of two main sources: groundwater and imported water. Supplemented by surface water (canyon water), recycled water and water conservation, the District's average demand is 48 million gallons per day.

Marjorie Ollson Blom Consulting

Contact: Marjorie Blom

LAFCo and/or planning agency staff support; preparation of Municipal Service Reviews and Sphere of Influence Updates; application processing and grant writing assistance. With over 26 years of planning and/or LAFCo experience, personalized services are tailored to your Agency's needs.

Ukiah Valley Sanitation District

Contact: Frank McMichael

Provides services within the unincorporated area of the Ukiah Valley and within part of the City of Ukiah's jurisdictional boundaries.

These summaries are written by the Associate Members themselves, not CALAFCO, and can be found in the Membership Directory Associate Members section.

Thank You to All of Our Associate Members

CALAFCO GOLD ASSOCIATE MEMBERS



CALAFCO SILVER ASSOCIATE MEMBERS

- Berkson Associates*
- City of Fontana*
- City of Rancho Mirage*
- County Sanitation Districts of L. A. County*
- Cucamonga Valley Water District*
- Dudek*
- E. Mulberg & Associates*
- Fresno County Fire Protection District*
- Goleta West Sanitary District*
- Griffith & Matsuda, a Professional Law Corp.*
- GST Consulting*
- HdL Coren & Cone*
- LACO Associates*
- Lamphier-Gregory*
- Marjorie Olsson Blom Consulting*
- Planwest Partners, Inc.*
- Policy Consulting Associates*
- Quad Knopf*
- Rancho Mission Viejo*
- P. Scott Browne*
- SWALE Inc.*
- Ukiah Valley Sanitation District*

The Sphere

CALAFCO Journal

CALIFORNIA ASSOCIATION OF LOCAL AGENCY
FORMATION COMMISSIONS

1215 K Street, Suite 1650
Sacramento, CA 95814

www.calafco.org



CALAFCO provides educational, information sharing and technical support for its members by serving as a resource for, and collaborating with, the public, the legislative and executive branches of state government, and other organizations for the purpose of discouraging urban sprawl, preserving open-space and prime agricultural lands, and encouraging orderly growth and development of local agencies.

Sharing Information and Resources

The Year In Pictures *Scenes from CALAFCO Activities*

CALAFCO Annual Conference 2014 *Ontario, CA*



CALAFCO Board 2015-16 Strategic Planning Retreat *Irvine, CA*



CALAFCO Annual Staff Workshop 2015 *Grass Valley, CA*



ATTACHMENT 4

Assembly Local Government Committee

LEGISLATIVE UPDATE FROM SACRAMENTO

2015 CALAFCO ANNUAL CONFERENCE

September 4, 2015

LAFCO-Related Bills

- AB 3 (Williams) – Establishes a formation process, boundaries, governing body, tax authority, and permissible services for the Isla Vista Community Services District. **SENATE FLOOR.**
- AB 402 (Dodd) – Establishes a pilot program, until January 1, 2021, for Napa and San Bernardino local agency formation commissions (LAFCOs) to authorize a city or district to extend services outside of boundaries for additional purposes beyond responding to a threat to public health or safety. **GOVERNOR'S DESK.**
- AB 448 (Brown) – Would have modified the amount of property tax in lieu of vehicle license fees (VLF adjustment amount) allocated to counties and cities to include the growth of assessed property values which benefit cities that have annexed inhabited territory since 2004. **HELD IN SENATE APPROPRIATIONS COMMITTEE.**
- AB 851 (Mayes) – Makes changes to the city disincorporation process in the Cortese-Knox Hertzberg Act. **GOVERNOR'S DESK.**
- AB 1532 (Assembly Local Government Committee) – Annual Assembly Local Government Committee Omnibus bill that makes several minor noncontroversial changes to the Cortese-Knox-Hertzberg Act. **SIGNED - Chapter 114, Statutes of 2015.**
- SB 25 (Roth) – Provides a city incorporating after January 1, 2004, and on or before January 1, 2012, with property tax in lieu of vehicle license fees. **GOVERNOR'S DESK.**
- SB 239 (Hertzberg) – Requires a public agency to receive approval from a LAFCO to provide new or extended fire protections services outside its jurisdictional boundaries, pursuant to a fire protection contract. **ASSEMBLY FLOOR.**

Open Data

- AB 169 (Maienschein) – Requires local agencies to use specified open data standards if they maintain an Internet Resource that is described or titled as "open data" and if they choose to post public records on that Internet Resource. **GOVERNOR'S DESK.**
- SB 272 (Hertzberg) – Requires cities, counties, special districts, and joint powers authorities, by July 2016, to create a catalogue of their enterprise systems and make the catalog available to the public, including on the agency's Web site. **ASSEMBLY FLOOR.**

Mutual Water Companies

- AB 1077 (Holden) – Makes a number of changes to the Mutual Water Company Open Meeting Act to allow mutual water companies to use teleconferencing as a means to allow eligible persons to access board meetings. **GOVERNOR'S DESK.**
- AB 656 (Garcia) – Allows a mutual water company and a public agency to enter into a joint powers agreement (JPA) for the provision of insurance and risk-pooling. **GOVERNOR'S DESK.**

Budget Bills

- AB 113 (Assembly Budget Committee) – Provides specificity to existing law governing the dissolution of redevelopment agencies (RDAs) and the wind-down of their existing activities and obligations. In addition, the measure addresses several ongoing issues relating to state-local fiscal situations. Provides fiscal relief for specified cities in Riverside County incorporated after 2004 which experienced fiscal stress due to lost revenue from the VLF swap, for which they were ineligible, and the loss of the enhanced VLF rate redirected in 2011 to fund public safety realignment. **SENATE BUDGET COMMITTEE.**
- SB 88 (Senate Budget Committee) – Drought Trailer Bill for 2015-16. Authorizes the State Water Resources Control Board (State Water Board) to require water systems that are serving disadvantaged communities with unreliable and unsafe drinking water to consolidate with or receive service from public water systems with safe, reliable, and adequate drinking water. **SIGNED – Chapter 27, Statutes of 2015.**
 - SB 552 (Wolk) – Makes changes to the consolidation process established for the State Water Board by SB 88. **ASSEMBLY RULES COMMITTEE.**

Issues on Deck for Next Session

- "Drought" Related Issues
- Mutual Water Companies
- Proposition 218
- Open Data/Transparency/Privacy
- Infrastructure Needs (Post-Redevelopment)

CONTACT INFORMATION:

Assembly Local Government Committee – (916) 319-3958

Misa Lennox, Senior Consultant, Misa.Lennox@asm.ca.gov

News from the Board of Directors

CALAFCO QUARTERLY

September 2015



CALAFCO Board and Volunteer Staff Changes

At the September Board meeting during the Annual Conference, the CALAFCO Board said goodbye to several Board members and welcomed new ones. We said farewell and thank you to Julie Allen (Tulare), Mary Jane Griego (Yuba), Juliana Inman (Napa) and Roger Welt (Santa Barbara). We welcomed Bill Connelly (Butte), John Marchand (Alameda), Anita Paque (Calaveras) and Sblend Sblendorio (Alameda). David Church was also reappointed as CALAFCO Deputy Executive Officer (DEO) representing the Coastal region, for another two years.

At the July 31 Board meeting, we said goodbye to Marjorie Blom (Stanislaus), CALAFCO's Executive Officer representing the Central region, as she retires, and welcomed Kris Berry (Placer) as the new DEO representing the Central region. We also congratulated Steve Lucas (Butte) who took over as the new EO for CALAFCO.

CALAFCO wishes to thank Julie, Mary Jane, Juliana and Roger for their service to the CALAFCO Board, and to Marjorie for the outstanding work she has done representing the Central region and for her contributions to CALAFCO.

CONFERENCE AND WORKSHOP WERE A SUCCESS

2015 Staff Workshop

After the Gold Rush

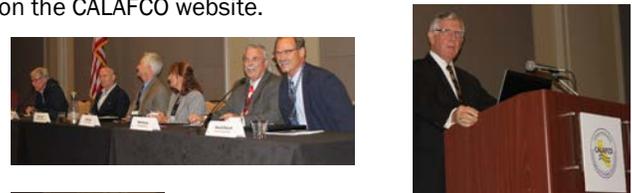


This year's Staff Workshop was held April 15 - 17 in Grass Valley. Our host was Nevada LAFCo and the theme was *After the Gold Rush...Forging the Future and Preserving the Past*. The program was a solid mix of professional/technical course topics and personal/leadership development topics. The overall program rating was 5.3 out of 6.0. Financially, the

Workshop was also a success, netting a 32% net profit (over \$8,800). CALAFCO wishes to thank our Host, Nevada LAFCo, (SR Jones, Deborah Gilcrest and Kate Duroux) and the Program Committee under the leadership of Chair Paul Novak for all of their hard work. All program presentations are on the CALAFCO website.

2015 Annual Conference

Approximately 280 commissioners, staff, associate members, guests and speakers attended the annual conference held in Sacramento earlier this month. The theme was *Confluence...LAFCo Merging Ideas With Solutions!* There was a good representation of LAFCos present, with 48 of the 58 member LAFCos in attendance. Evaluations are still being tabulated but initial comments indicate an interesting and value-added program was provided. People seemed to really enjoy the Mobile Workshop and the newly formatted LAFCo 101 session again had well over 100 in attendance. The Conference officially kicked off with a presentation by the Sacramento Firefighters Pipes and Drums. CALAFCO wishes to thank our Host, Sacramento LAFCo (Peter Brundage, Don Lockhart and Diane Thorpe), the Conference Committee Chair Gay Jones, and the Program Committee Chair David Church for all of their hard work on this conference. A full report on the attendee experience along with a financial accounting of the Conference will be provided to the Board at the November 6 meeting. All program presentations are on the CALAFCO website.





CALAFCO Congratulates the 2015 Annual Achievement Award Recipients

CALAFCO wishes to congratulate all of this year's nominees, and especially those who received the 2015 Achievement Award.

- ❖ Outstanding Commissioner – **Matthew Beekman** (formerly of Stanislaus LAFCo)
- ❖ Outstanding LAFCo Clerk – **Terri Tuck** (Yolo LAFCo)
- ❖ Outstanding LAFCo Professional – **Sam Martinez** (San Bernardino LAFCo)
- ❖ Distinguished Service – **Mary Jane Griego** (Yuba LAFCo)
- ❖ Project of the Year – **Formation of the Ventura County Waterworks District No. 38** (Ventura LAFCo) and **2015 San Diego County Health Care Services five-year sphere of influence and service review report** (San Diego LAFCo)
- ❖ Government Leadership – **The Cities of Dublin, Pleasanton, Livermore and San Ramon, the Dublin San Ramon Services District and the Zone 7 Water Agency**
- ❖ Most Effective Commission – **Butte LAFCo**
- ❖ Outstanding CALAFCO Associate Member – **Michael Colantuono**, Colantuono, Highsmith & Whatley
- ❖ Outstanding CALAFCO Member – **Marjorie Blom** (formerly of Stanislaus LAFCo)
- ❖ Lifetime Achievement – **Jim Chapman** (Lassen LAFCo) and **Chris Tooker** (formerly of Sacramento LAFCo)
- ❖ Mike Gotch Courage & Innovation in Local Leadership – **Yuba County Water Agency**
- ❖ Legislator of the Year – **Assembly member Chad Mayes**



CALAFCO Board Actions

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

- ◆ Adopted the FY 2015-16 annual budget
- ◆ Appointed two Board members to fill vacancies: **Shiva Frentzen** (El Dorado, County Member) and **Gerard McCallum** (Los Angeles, Public Member)
- ◆ Adopted the 2015-16 Strategic Plan
- ◆ Adopted the 2015 Legislative Policies
- ◆ After receiving lengthy updates, the Board directed the two groups working on the outstanding retreat items of the annual conference model and contract/volunteer staffing matters to come back in July with additional information.

In July, the Board had an all-day meeting and at the Annual Conference on September 4 had a short meeting. During the July meeting, the Board addressed several organizational issues on which they had been working since their retreat in January. After long deliberations, they took the following actions, all of which were reported to the membership during the annual business meeting held September 3, 2015:

- ◆ Approved the contract with Matson & Isom Technologies for the new web and email services.
- ◆ Accepted reports including the final Staff Workshop report and the FY 2014-15 year-end budget report.

- ◆ Appointed **Stephen Lucas** as CALAFCO's Executive Officer (replacing the retiring **Marjorie Blom**) and **Kris Berry** as the new Central Region representative and CALAFCO Deputy Executive Officer.
- ◆ Unanimously approved the recommendation of the Executive Committee (EC) to double the stipends paid to the LAFCo whose staff volunteers for any of the four CALAFCO regional volunteer positions, effective July 1, 2015.
- ◆ Unanimously approved the recommendation of the EC to increase the average hours paid of the Association's Executive Director from 24/week to 32/week, effective January 1, 2016.
- ◆ Unanimously approved the recommendation of the EC to increase the compensation of the Executive Director accordingly, and to increase member LAFCo dues over the next two years by seven percent/year beginning in FY 2016-17.
- ◆ Unanimously approved the recommendation of the Conference working group to transition from a local LAFCo host model to a CALAFCO host model for the annual conference effective 2017, and have CALAFCO assume all of the host responsibilities.
- ◆ Unanimously approved the recommendation of the Conference working group to hire an outside firm to assume the responsibility of generating annual conference sponsorships and to create an effective branding and marketing message for CALAFCO.
- ◆ Unanimously approved the recommendation of the Conference working group to increase annual conference registration rates by \$95 over the next three years.
- ◆ Unanimously approved the recommendation of the Conference working group to start a trial program in which CALAFCO will offer partial complimentary registrations to those LAFCos whose staff volunteer to work onsite during the annual conference, and to implement this in a gradual manner as the budget allows.

At their September 3 meeting, the Board reviewed and approved the corporation's annual 990 tax filings and adopted their 2016 meeting calendar. They also elected new officers as follows:

CHAIR - **John Leopold** (Coastal - Santa Cruz) will remain Chair for another year

VICE CHAIR - **Jim Curatalo** (Southern - San Bernardino) was elected to move into the Vice Chair seat

SECRETARY - **Gay Jones** (Central - Sacramento) will remain Secretary for another year

TREASURER - **Josh Susman** (Northern - Nevada) will remain Treasurer for another year.

This unusual rotation was unanimously agreed to by the Board because of the vacancy left on the Executive Committee earlier this year with the resignation of then Vice Chair Stephen Tomanelli (representing the Southern region).





CALAFCO Legislative Update

The CALAFCO Legislative Committee met in May, June and July and responded to a number of bills that impacted LAFCo. Additionally, much effort was focused on the two CALAFCO Sponsored bills, **AB 1532** and **AB 851**.



CALAFCO was also asked to continue the dialogue with the Administration on the concept of water system consolidations. Unfortunately, those conversations ended up in a last-minute budget trailer bill that gave the State Water Resources Control Board (SWRCB) the authority to mandate consolidations of water systems. CALAFCO joined other statewide stakeholders in opposition to **AB 115** and **SB 88**, the budget trailer bills that granted this unprecedented authority. After many follow up meetings and several letters, **SB 88** was passed by the legislature and signed by the Governor. CALAFCO continues to meet with the SWRCB and OPR to review the planned implementation of this legislation.

Below is a summary of each of the top CALAFCO tracked legislative bills, all of which were discussed in detail during the Legislative Update at the Conference. CALAFCO wishes to thank all of the members of the Legislative Committee who volunteer their time and efforts. Thanks also to Vice Chair **Steve Lucas** (Butte) and Omnibus lead **Paul Novak** (Los Angeles) for their efforts, as well as those who participated on the Disincorporations and Water Consolidation working groups this year.

CALAFCO Top Tracked Bills:

- ◆ **AB 1532 (Omnibus – CALAFCO Sponsor)**
Contains 9 non-controversial items cleaning up CKH. Signed by the Governor July 15, 2015.
- ◆ **AB 851 (Mayes – CALAFCO Sponsor)**
Cleans up outdated statutes relating to the disincorporation process. Went through extensive stakeholder review and collaboration resulting in six published amendments. The bill passed through the legislature unanimously and with no opposition and is awaiting the Governor's signature.
- ◆ **AB 3 (Williams – CALAFCO Oppose Unless Amended)**
Authorizes the formation of the Isla Vista Community Services District giving final formation authority to the voters rather than the local LAFCo. The bill was revised a number of times to include the LAFCo in a part of the process but still divests the authority to make the final determination. Also authorizes the CSD to impose a utility user tax. The bill passed on party lines and is now awaiting action by the Governor.
- ◆ **AB 402 (Dodd – CALAFCO No Position)**
This bill creates a five-year pilot opportunity for Napa and San Bernardino LAFCo Commissions to authorize an extension of services outside boundaries and spheres to support existing or planned uses pending specific determinations by the Commission.
- ◆ **SB 239 (Hertzberg – CALAFCO No Position)**
The bill concentrates specifically on the extension of fire services (within GC §56133) and requires LAFCo approval on any contract for the extension of fire services that transfers greater than 25% of the service area or changes

the employment status of more than 25% of employees of any affected agencies. Prior versions of the bill required union pre-approval of the agreement, with the current version offering an alternative to that requirement. The bill also contains a host of other provisional requirements including setting a precedent for a state agency to seek LAFCo approval prior to undertaking an action that involves the provision of services outside of a public agency's current service area under contract or agreement. CALAFCO's original position of **Oppose** was changed to one of **No Position** (due to lack of consensus on the core policy issue) after substantive changes were made by the author. The bill passed the legislature and is awaiting action by the Governor.

- ◆ **AB 448 (Brown – CALAFCO Support)**
Reinstates the VLF payment (through ERAF) and changes the way that the growth in the VLF adjustment amount (property tax in lieu of VLF) is calculated starting in FY 2015-16 to include the growth of assessed valuation, including in an annexed area, from FY 2004-05 to FY 2015-16. Beginning in FY 2016-17, the VLF adjustment amount would be the jurisdiction's annual change in the assessed valuation. Although last year (as AB 1521) this bill unanimously passed the legislature and was ultimately vetoed by the Governor, this year it languished in committee where it died.
- ◆ **SB 25 (Roth – CALAFCO Support)**
Identical to SB 69 (Roth) from 2014, which passed the legislature unanimously and was vetoed by the Governor, the bill calls for reinstatement of the VLF through ERAF for cities that incorporated between January 1, 2004 and January 1, 2012. There are no provisions for back payments for lost revenue, but the bill does reinstate future payments beginning in the 2014/15 year for cities that incorporated between 1-1-2004 and 1-1-2012. The bill is awaiting action by the Governor.



A full detailed legislative tracking report can be found on the CALAFCO website in the Members Only section and in the Annual Report to the membership in the September 2015 edition of *The Sphere*.



CALAFCO U Update

The final CALAFCO U for 2015 is set for Monday, October 26, 2015 in Sacramento. The topic is the implementation of SB 88 (water consolidations). Look for details coming soon!

Sessions for 2016 will be held in Ontario (DoubleTree by Hilton) the first part of the year and in Sacramento (CALAFCO offices) the latter part of the year.



CALAFCO Associate Members' Corner

This section highlights our Associate Members. The information below is provided to CALAFCO by the Associate member upon joining the Association. All Associate member information can be found in the CALAFCO Member Directory.

We want to welcome three new Associate members who recently joined the Association.

Berkson Associates

Contact: Richard Berkson

Berkson Associates provides clear, concise analysis for preparation of governance studies including district formation, consolidation and dissolutions. Extensive experience completing incorporation studies. Expertise also includes market analysis, public agency budget forecasting and demographic/housing analysis in support of MSRs.

Marjorie Ollson Blom Consulting

Contact: Marjorie Blom

LAFCo and/or planning agency staff support; preparation of Municipal Service Reviews and Sphere of Influence Updates; application processing and grant writing assistance. With over 26 years of planning and/or LAFCo experience, personalized services are tailored to your Agency's needs.

Ukiah Valley Sanitation District

Contact: Frank McMichael

Provides services within the unincorporated area of the Ukiah Valley and within part of the City of Ukiah's jurisdictional boundaries.

*Congratulations to the first recipient of the Outstanding CALAFCO Associate Member Award, **Michael Colantuono**, of Colantuono, Highsmith & Whatley!*

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



Mark Your Calendars For These Upcoming CALAFCO Events

- ❖ CALAFCO University course – October 26, 2015 in Sacramento. Topic is scheduled to be the Implementation of SB 88.
- ❖ CALAFCO Board of Directors meeting – November 6, 2015 in Sacramento
- ❖ CALAFCO Legislative Committee organizational meeting – November 13, 2015 via conference call

The full CALAFCO 2015 Calendar of Events can be found on the CALAFCO website. Look for a 2016 calendar of events coming October/November.



Upcoming CALAFCO Conferences and Workshops

2016 STAFF WORKSHOP

March 30 – April 1

Hilton Los Angeles at Universal City
Universal City, CA

Hosted by Los Angeles LAFCo

2016 ANNUAL CONFERENCE

October 26 - 28

Fess Parker DoubleTree by Hilton
Santa Barbara, CA

Hosted by Santa Barbara LAFCo

background information about the original proposal, including the proposal's rationale and merits, its consistency with State law and local policies, and public comments is included in the June 22 Executive Officer's report (Attachment B).

Following the June 22 LAFCO meeting, the District has reduced the scope of its proposed annexation. The revised proposal area consists of San Lucas, San Ardo, Bryson/Hesperia, and lands near Bradley. **Parkfield, Cholame, Indian Valley, Peachtree Canyon, Priest Valley, most of Long Valley, and other areas east of San Lucas, San Ardo, and Bradley are no longer part of the Fire District's proposal.** Exhibit A of the draft resolution is a map of the reduced annexation proposal, which also identifies the location of the 28-acre Sphere of Influence expansion, which remains a part of the Fire District's proposal.

The reduced annexation proposal is about 15% of the area identified in the District's initial proposal. However, it contains the majority of the residences, commercial establishments, and population of the original proposal area. The reduced annexation also includes all portions of the original proposal that are in the state-designated Local Responsibility Area, where CAL FIRE has no responsibility to provide any type of fire protection services.

The reduced annexation proposal includes lands that are relatively close to the District's existing operations, have better road access, and are more populated, as compared to outlying areas of the District's original proposal such as Parkfield. Although not proposed for annexation at this time, Parkfield and other outlying eastern areas remain part of the District's longstanding designated Sphere of Influence¹. The District's Sphere was most recently comprehensively evaluated as part of a countywide study adopted by the Commission in March 2012. As part of a future review cycle, the Commission and the District may wish to explore the possibility of "un-designating" such areas from the District's Sphere.

As reflected in the draft resolution, LAFCO staff's analysis of the Fire District's proposal finds it to be in the public interest and consistent with the requirements of State LAFCO law and locally adopted LAFCO policies. It is also consistent with fundamental LAFCO objectives of encouraging the orderly development of local government agencies and efficiently providing local government services. Staff therefore recommends approval of the annexation as it is currently proposed.

Public Noticing

The continued public hearing was noticed in the Monterey County Weekly on August 27, 2015. Notice of the continued hearing was also sent by mail to all landowners and registered voters within the amended proposed annexation area. Public hearing notices were posted on the LAFCO website, at the County Government Center and the LAFCO office, and mailed to all known interested agencies and organizations. A progress report and a map of the revised proposal were posted to LAFCO's web site in August, and staff also notified known interested parties (residents of the original annexation proposal area who submitted comments on the original proposal) via an email distribution list. LAFCO has therefore met or exceeded all public notice requirements.

Public Comments

On July 7, Cal Fire Chief John Owens, on behalf of the fire district, presented and discussed a draft map of the revised proposal at a Parkfield Community Club evening meeting. LAFCO staff also participated in the July 7 meeting. The revised proposal was generally favorably received by the approximately 30 community members who attended the meeting.

The fire district's board of directors discussed and formally agreed on the rough outlines of its reduced annexation proposal at the district's regular July 16 meeting. Several community members attended the meeting and were supportive of the reduced proposal. No one spoke in opposition.

¹ As defined in State law, "Sphere of influence" means a plan for the probable physical boundaries and service area of a local agency, as determined by the commission."

As was suggested by several community members at the time of the June 22 LAFCO public hearing, the reduced proposal will be presented as an information item at a regular meeting of the County of Monterey Planning Department's South County Land Use Advisory Committee (LUAC). Although the LUAC has no regulatory oversight over annexation proposals, this meeting will serve the south county community's interests by providing a forum for public awareness and discussion of the fire district's annexation proposal. The LUAC is scheduled to meet on Wednesday, September 16 at 7:00 PM in Bradley. LAFCO staff will attend the meeting and will report on outcomes at the September 21 Commission meeting.

Public comments on the original proposal were included as part of the June 22 Executive Officer's report (Attachment B). Since that time, LAFCO staff has discussed the revised proposal one-on-one with several residents but has received no new formal comment letters. Most feedback received by LAFCO staff, to date, has been supportive of the revised proposal.

Reconsideration

After the Commission has adopted a resolution making determinations, any person or affected agency may file a written request with the LAFCO Executive Officer requesting amendments to, or reconsideration of, the resolution. The person or agency shall file the written request within 30 days of the adoption of the resolution. Pursuant to State law (the Cortese-Knox-Hertzberg Act, Section 56895), "The request shall state the specific modification to the resolution being requested and shall state what new or different facts that could not have been presented previously are claimed to warrant the reconsideration."

Conducting Authority ("Protest") Proceedings

The revised annexation proposal appears to have far greater community support than the original, larger proposal. However, if the draft resolution (Attachment A) is approved, then LAFCO will hold Conducting Authority ("Protest") Proceedings to order the Annexation without election, in accordance with and subject to the protest thresholds specified in State law (Government Code sections 57000-57200). Staff recommends that the Commission authorize the Executive Officer to set October 26, 2015 as the protest hearing date, with the protest hearing to be delegated to the Executive Officer should the regular October 26 Commission meeting be canceled. Written protests regarding approval of the proposed action may be filed by persons who are registered voters in, and/or own lands in the current proposal area. Written protests must be filed no later than the conclusion of the Conducting Authority Proceedings (protest hearing) in order to be valid. The State legal requirements for written protests are outlined in the attached June 22 Executive Officer's report.

Alternative Actions

In lieu of the recommended actions, the Commission may act to deny the Sphere of Influence and annexation proposal. The Commission may also act to modify, delete, or add any appropriate conditions of approval. Substantial changes to the draft resolution may require a continuation of the agenda item, with direction to the Executive Officer to prepare a new draft resolution based on the Commission's findings.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

Attachments:

- A. Draft Resolution, including map of proposed Sphere of Influence expansion and reduced annexation (Exhibit A)
- B. June 22 Executive Officer's Report

CC: Chief Brennan Blue, South Monterey County Fire Protection District
Chief Kaeda Barrios, San Ardo Volunteer Fire Company
Delinda Robinson, Senior Planner, County of Monterey
Interested parties

Prepared by: Darren McBain, Senior Analyst

Attachment A:

Draft Resolution, including map of proposed Sphere of Influence expansion and reduced annexation (Exhibit A)

THE LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

RESOLUTION NO. 15 - xx

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
AMENDING THE SOUTH MONTEREY COUNTY FIRE PROTECTION
DISTRICT'S SPHERE OF INFLUENCE BY APPROXIMATELY 28 ACRES AND
APPROVING THE "SOUTH MONTEREY COUNTY FIRE PROTECTION
DISTRICT 2015 ANNEXATION" OF APPROXIMATELY 123 SQUARE MILES
(LAFCO FILE NO. 13-05)

WHEREAS, an application for the proposed Sphere of Influence amendment and annexation to the South Monterey County Fire Protection District ("Proposal") was heretofore filed and accepted for filing by the Executive Officer of this Local Agency Formation Commission, pursuant to Title 6, Division 1, commencing with Section 56000, et seq. of the Government Code; and

WHEREAS, the Commission adopted a countywide "Municipal Service Review and Sphere of Influence Update for Districts Providing Fire Protection and Emergency Medical Services in Monterey County" in March 2012; and

WHEREAS, the Executive Officer, pursuant to Government Code section 56658, set June 22, 2015 as the hearing date on this proposal and provided public notice as required by law; and

WHEREAS, the public hearing by this Commission was held upon the date and at the time and place specified in said notice of hearing; and

WHEREAS, the Executive Officer, pursuant to Government Code section 56665, has reviewed this proposal and prepared a report, including recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the stated purpose of the proposal is to ensure the provision of fire protection, emergency medical service, rescue, hazardous material response, fire prevention, and public education to the annexation areas from a full service fire department; and

WHEREAS, the South Monterey County Fire Protection District ("District" or "Applicant") has indicated its ability and willingness to provide service to the area; and

WHEREAS, this Commission, on June 22, 2015 heard from interested parties, considered the proposal and the report of the Executive Officer, and continued consideration of the District's proposal to allow further discussion between the District and stakeholders to identify potential alternatives that may be satisfactory to all parties; and

WHEREAS, after consulting with interested parties, the District has reduced the size of the proposed annexation from 840 square miles to 123 square miles by removing outlying areas from the proposal, including the communities of Indian Valley, Peachtree Canyon, Long Valley, Priest Valley, Parkfield, Cholame and other areas east of the revised proposal; and

WHEREAS, the continued public hearing has been set for September 21, 2015, and this continued public hearing has been noticed in the Monterey County Weekly on August 27, 2015, and notice of the continued hearing was sent by mail to all land owners and registered voters within the amended proposed annexation area; and

WHEREAS, this Commission, on September 21, 2015 heard from interested parties, considered the amended proposal and the report of the Executive Officer and considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code sections 56425(e) and 56668; and

WHEREAS, the proposed Sphere of Influence expansion area (Assessor's Parcel Number 423-051-019) is effectively surrounded by the currently adopted District Sphere of Influence and boundaries; and

WHEREAS, the South Monterey County Fire Protection District Board of Directors, as the Lead Agency, has reviewed the record and found that the proposed annexation is categorically exempt from the California Environmental Quality Act pursuant to Section 15061(b)(3) as activities covered by the general rule that CEQA only applies to projects that have potential to cause significant environmental impact, and

WHEREAS, the Monterey County Board of Supervisors considered and adopted a property tax transfer agreement for the original proposal between the County and the District on March 24, 2015.

NOW, THEREFORE, the Local Agency Formation Commission of Monterey County does HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

Section 1. The forgoing recitals are true and correct.

Section 2. The Commission has considered the District's finding that the proposed annexation is categorically exempt from the California Environmental Quality Act pursuant to Section 15061(b)(3) and that no additional CEQA documentation is required.

Section 3. In determining the Sphere of Influence of the District, the Commission, in accord with Section 56425(e) of the Government Code, has considered and prepared a written statement of its determinations with respect to each of the following:

- *The present and planned land uses in the area, including agricultural and open-space lands.*

The proposed Sphere of Influence expansion area contains a single 28-acre parcel. This privately owned parcel is an inholding within U.S. Forest Service lands. This parcel is zoned by the County for "Rural Grazing," with a 40-acre minimum for subdivision. Subdivision of this parcel is therefore not allowed. The parcel is currently vacant and contains no structures, although a residential structure would be allowed provided it was accessory to the agricultural use of the property. The current and potential use of this parcel will not be changed by the proposed Sphere expansion.

- *The present and probable need for public facilities and services in the area, and
The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.*

If this parcel were to be developed with a residence or other structures, it would benefit from the provision of fire protection and emergency medical services. The parcel is currently effectively surrounded by the District and its Sphere of Influence. The District states that it can provide serve to this parcel.

- *The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.*

The single-parcel addition to the District's Sphere of Influence is vacant. There are no relevant communities of interest.

- *The present and probable need for . . . [structural fire protection] . . . facilities and services of any disadvantaged unincorporated communities within the existing Sphere of Influence.*

The San Ardo and San Lucas communities, which are within the District's Sphere of Influence, may qualify as disadvantaged unincorporated communities. Both communities are within the District's current annexation proposal. The community of Parkfield, which may also qualify as a

disadvantaged unincorporated community, is discontinuous with the current proposal and was removed from the proposed annexation area in response to community comments.

Section 4. The Commission has considered the factors set forth in the Cortese-Knox-Hertzberg Act for annexation to the South Monterey County Fire Protection District and found them to be consistent with the proposed change of organization as more fully discussed below.

Section 5. *Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years (Gov. Code § 56668(a).)*

The annexation proposal includes the communities of San Ardo and San Lucas, other lands immediately east of U.S. Highway 101 and the Bryson-Hesperia area south of Lake San Antonio. The proposal area represents most South County areas with significant residential development. The 2010 Census population of the proposed annexation area was approximately 2,000.

The areas proposed for annexation to the District are primarily rural lands that are designated for agriculture, mineral extraction and grazing. The annexation excludes Camp Roberts, which has its own fire protection personnel and provisions. The annexation boundaries allow the District to serve areas of the South County that are the most developed. Significant additional residential growth is not anticipated in the annexation area. Growth in the oil fields is dependent on extraction technologies and the market for petroleum products.

Section 6. *The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed [annexation] and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas. (Gov. Code § 56668(b).)*

The annexation area is not currently within the boundaries of any local fire protection agency. The 123 square miles are contiguous with the District's existing boundaries¹. Portions of the proposed annexation area are outside the state-designated State Responsibility Area, which means that no fire protection agency has any legal responsibility to provide service in the area. Although not within existing fire protection agency jurisdiction, fire protection in the affected territory is now informally provided through the District and the California Department of Forestry and Fire Protection (CAL FIRE), which has responsibility only for wildland fires within the "State Responsibility Area." The annexation would grant the District responsibility for the fire protection, emergency medical service, rescue, hazardous material response, and education within the area. It would have the potential to simplify communications, quicken dispatch of equipment and personnel, and assign the financial responsibility to one agency. Mutual aid agreements with adjacent fire protection agencies would be facilitated.

Section 7. *The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county. (Gov. Code § 56668(c).)*

Because the annexation areas are outside the boundaries of any city or fire district, the proposed action would not adversely affect adjacent areas, mutual social and economic interest, or the local governmental structures of the county. The alternative to this action would be to continue to exclude these areas from the boundaries of a fire protection agency. Landowners and residents of the proposed annexation areas would then continue to receive services from nearby fire agencies, but would not contribute financially to the provision of these services and would continue to have no voice in their operations.

¹ Except for the 28-acre parcel which is being added to the District's Sphere of Influence. This privately-owned parcel is an inholding within U.S. Forest Service lands.

Section 8. *The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377. (Gov. Code § 56668(d).)*

The annexation is consistent with all adopted Commission policies on providing planned, orderly, efficient patterns of urban development. Government Code Section 56377 pertains to directing development away from open-space and agricultural land, unless this would be detrimental to the promotion of the planned, orderly, efficient development of an area. Existing and planned land uses are not affected by the proposed annexation. The proposed annexation does not affect any development pattern, or direct the location of development. Open space lands within the annexation areas will benefit from the availability of fire protection and emergency medical services.

Section 9. *The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined in Section 56016. (Gov. Code § 56668(e).)*

The proposed annexation is limited to the provision of fire protection, emergency medical and related services. There will therefore be no impact on maintaining the physical and economic integrity of the area's agricultural land.

Section 10. *The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries. (Government Code §56668(f).)*

The annexation boundaries are definite and certain and consistent with assessment lines and ownership. The proposal allows for the rational expansion of the District to the most developed portions of its Sphere of Influence.

The only parcel proposed for annexation that is not contiguous with the existing District boundaries is the 28-acre parcel (APN 423-051-019) which is the subject of the Sphere of Influence amendment. This privately-owned parcel is an inholding within U.S. Forest Service lands. The annexation of a noncontiguous parcel to a fire protection district is specifically allowed by Section 13811 of the Health & Safety Code ("Fire Protection District Law of 1987").

Section 11. *A regional transportation plan adopted pursuant to Section 65080, and consistency with City or County General and Specific Plans. (Gov. Code § 56668(g).)*

The proposed annexation to the District has no impact on the regional transportation plan. The proposed annexation is consistent with the applicable County general plan and zoning ordinance. The annexation will not change area development patterns.

Section 12. *The proposal's consistency with . . . county general and specific plans. (Gov. Code §§ 56375.5, 56668(h).)*

The 2010 Monterey County General Plan supports the improvement of fire protection services throughout the County. It specifically requires that "all new development shall be required to annex into the appropriate fire district." As such, the proposal is consistent with this plan.

Section 13. *The Sphere of Influence of any local agency, which may be applicable to the proposal being reviewed. (Gov. Code §§ 56375.5, 56668(i).)*

The 123 square mile annexation is located wholly within the District's Sphere of Influence, including the proposed 28-acre expansion of the Sphere. The annexation areas are also located within the boundaries of the county-wide County Service Area 74 (Emergency Medical Services System). The District cooperates with the County's ambulance provider, and provides complementary emergency medical service.

Section 14. *The comments of any affected local agency or other public agency. (Gov. Code § 56668(j).)*

The San Ardo Volunteer Fire Company, which will become an element of the District following annexation, has provided a letter of support. No other public agency commented on the proposal.

Section 15. *The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change. (Gov. Code § 56668(k).)*

The District currently provides services to these areas although it receives no property tax or other compensation for its work. If the annexation is approved, some future funding will be provided through the payment of benefit assessment fees, a tax transfer agreement negotiated with the County, and State funding through Proposition 172. The potential pool of volunteer firefighters would be expanded, and the volunteers from the San Ardo Volunteer Fire Company would be included within the District umbrella.

Section 16. *Timely availability of water supplies adequate for projected needs as specified in Section 65352.5. (Gov. Code § 56668(l).)*

The annexation will have no impact on the timely availability of water supplies.

Section 17. *The extent to which the proposal will affect a City or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7. (Gov. Code § 56668(m).)*

The annexation will have no impact on housing needs.

Section 18. *Any information or comments from the landowner or owners, voters, or residents of the affected territory. (Gov. Code § 56668(n).)*

Prior to the initial June 22 public hearing, numerous members of the public had provided written comments expressing opposition, support, questions or concerns about the District's annexation proposal. The majority of public correspondence has been opposed to the annexation of the more rural areas in the outlying eastern areas of the original proposal. In response to community concerns, the District amended its proposal to limit the proposed annexation to the most developed portions of the South County which have a greater perceived need and the most community support.

Section 19. *Any information relating to existing land use designations. (Gov. Code § 56668(o).)*

The vast majority of the area proposed for annexation is rural. The County's land use designations are rural ones, including "Farmlands," "Permanent Grazing," "Rural Grazing" and "Resource Conservation." There are oil fields in the southern part of the area, along Highway 101, which are zoned "Heavy Industrial" for mineral extraction. The unincorporated communities of San Ardo and San Lucas include parcels designated for commercial and residential uses.

Section 20. *The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services. (Gov. Code § 56668(p).)*

The proposed annexation includes the largest proportion of residential land within the District's Sphere of Influence. No adjacent populated areas remain to be served. The annexation provides fire protection and emergency services to existing and future residents of the annexation areas. The proposal provides a consistent level of service to all residents, regardless of race, ethnicity, or income, through the logical extension of South Monterey County Fire Protection District boundaries.

Section 21. *Whether existing agencies can feasibly provide the needed service or services in a more efficient and accountable manner, or reorganization with other single-purpose agencies that provide related services. (Gov. Code §§ 56301, 56886.5)*

In addition to the District, there are three organizations that currently provide fire protection and emergency medical service within the proposed annexation area. Approximately 100 square miles of the proposed annexation is located within the State Responsibility Area, or SRA. Within the SRA, CAL FIRE is responsible for wildland fire response. CAL FIRE will also respond to structural and medical emergency calls, if and when CAL FIRE is available. However, CAL FIRE stations are typically only open seasonally; they are not typically staffed during the “non-fire” season, which varies from year to year but is generally October through May. CAL FIRE has expanded its services in southern Monterey County through a contract with the South Monterey County Fire Protection District. It is statutorily unable to provide a full range of services without the District. CAL FIRE supports the proposal. San Ardo is currently protected by its own volunteer fire company. This company strongly supports the proposed annexation and would be subsumed by the District following annexation.

Section 22. *Apportionment of property tax revenue. (Revenue & Taxation Code §99.01)*

Monterey County and the District agreed to a property tax transfer agreement for the original proposal in March 2015. Due to a significant reduction of the original proposal's boundaries, the County Administrative Office is determining whether an amended property tax transfer agreement is necessary. Approval of a property tax transfer agreement amendment, if determined necessary, is a condition of approval of the proposed annexation.

Section 23. *Consistency with Policies and Procedures Relating to Spheres of Influence and Changes of Organization and Reorganization.*

The proposal is consistent with local LAFCO Policies and Procedures. Of most relevance, the proposal is consistent with policies relating to Economics, Service Delivery and Development Patterns (Section D.VII.) The proposal will not have adverse financial impacts on the District, will provide fire protection and emergency medical support to an area which is now unprotected, and will provide an appropriate level of service to the large rural area to be annexed.

Section 24. The proposal is approved subject to the following terms and conditions:

- a. Payment of all fees incurred in the processing of the application consistent with the LAFCO fee schedule, including the fee required by the State Board of Equalization;
- b. Review and pre-clearance of the annexation by the United States Department of Justice pursuant to Section 5 of the Voting Rights Act, as applicable;
- c. Approval of an amended property tax transfer agreement by the Board of Supervisors and the South Monterey County Fire District Board of Directors to reflect the reduced annexation proposal area, or a written determination from the County of Monterey that no such amendment is required;
- d. Acceptance of a map and property description by the State Board of Equalization; and
- e. Indemnification of LAFCO by the District (See Section 25, below).

Section 25. The applicant shall agree, as a condition of the approval of this application to defend at its sole expense any action brought against LAFCO, the Commission and its staff, because of the approval of this application. The applicant will reimburse LAFCO for any court costs and attorneys' fees which may be required by a court to pay as a result of such action. LAFCO may, at its sole discretion, participate in the defense of any such action; but such participation shall not relieve applicant of his

obligations under this condition. The obligation on the part of the applicant to indemnify LAFCO is effective upon the adoption of this resolution and does not require any further action.

Section 26. The Certificate of Completion for the Annexation shall not be issued until all terms and conditions are met. The Sphere of Influence expansion shall be effective immediately upon approval of this resolution and the completion of any requested reconsiderations.

Section 27. If a Certificate of Completion for a change of organization or reorganization has not been filed within one year after the Commission approves a proposal for that proceeding, the proceeding shall be deemed abandoned unless prior to the expiration of that year the Commission authorizes an extension of time for that completion. The extension may be for any period deemed reasonable to the Commission for completion of necessary prerequisite actions by any party. If a proceeding has not been completed because of the order or decree of a court of competent jurisdiction temporarily enjoining or restraining the proceedings, this shall not be deemed a failure of completion and the one-year period shall be tolled for the time that order or decree is in effect. [Government Code section 57001]

Section 28. The boundaries of the territory proposed as the Sphere of Influence amendment and the boundaries of the territory proposed for annexation to the District are hereby approved as described in Exhibit "A," attached hereto and made a part hereof. The annexation is assigned the following distinctive short form designation: "South Monterey County Fire Protection District 2015 Annexation."

Section 29. The regular County assessment roll will be used and the annexation area will not be taxed for existing general bonded indebtedness of the South Monterey County Fire Protection District.

Section 30. The affected territory is inhabited and requires the Commission to set a protest hearing for the proposed annexation in accordance with Government Code Section 57000 and Government Code Section 57002. The protest hearing is set for October 26, 2015 at 4:00 P.M. at the Monterey County Board of Supervisors Chambers in Salinas, with the protest hearing to be delegated to the Executive Officer should the regular October 26 Commission meeting be canceled.

Section 31. The effective date will be the filing of the Certificate of Completion.

Section 32. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution in the manner and as provided in Section 56882 of the Government Code.

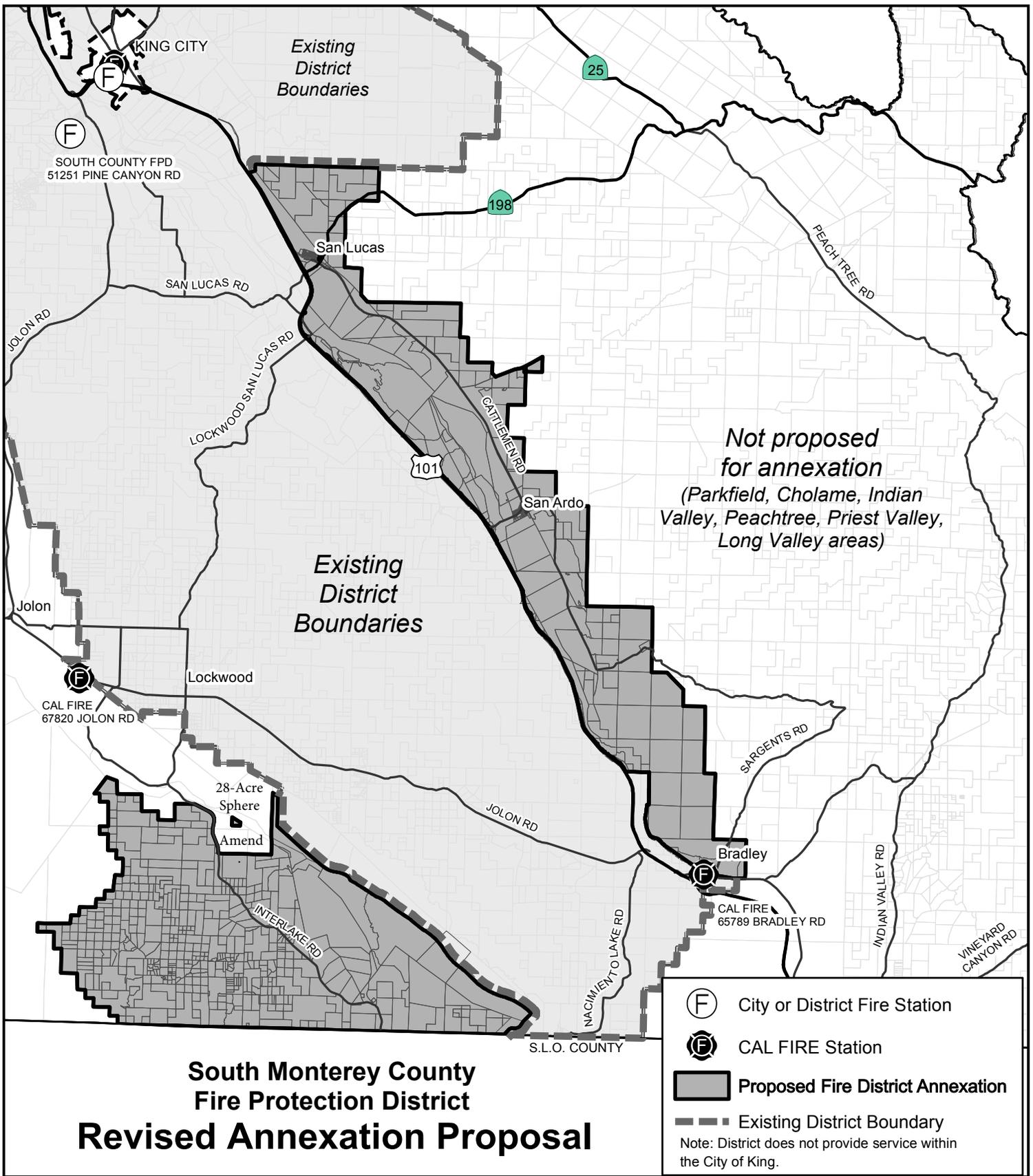
UPON MOTION of Commissioner _____, seconded by Commissioner _____, the foregoing resolution is adopted this 21st day of September, 2015 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Sherwood Darington, Chair
Local Agency Formation Commission of Monterey County

ATTEST: I certify that the within instrument is a true and complete copy of the original resolution of said Commission on file within this office.

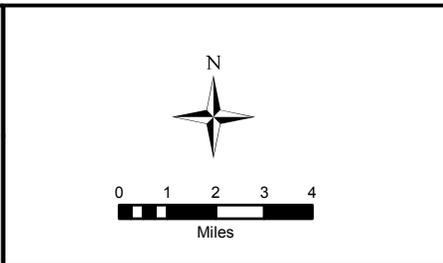
Witness my hand this ___ day of _____, 2015
By: _____
Kate McKenna, AICP, Executive Officer



LAFCO of Monterey County
LOCAL AGENCY FORMATION COMMISSION

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Map Produced: 08/24/2015

South Monterey County Fire Protection District
EXHIBIT "A"

Attachment B:
June 22 Executive Officer's Report

LAFCO staff's analysis of the District's annexation proposal, as further described below, finds that the proposal has much merit and is consistent with the requirements of State LAFCO law, locally adopted LAFCO policies, and LAFCO's basic objectives of encouraging the orderly development of local government agencies and efficiently providing local government services. However based on the volume of written correspondence and the issues and concerns that have been raised, staff believes it would be appropriate for the Commission to open the public meeting on June 22, take public testimony, and continue consideration of the District's proposal to the next scheduled LAFCO public meeting at 4:00 PM on August 24 to allow further discussions to occur between the District, residents of the local communities, and other stakeholders. The goal of the recommended continuation is to identify potential alternatives to the District's current proposal that may satisfy the interests of all stakeholders (i.e. a "downsized" or otherwise modified proposal). Other alternative actions for the Commission's consideration are discussed at the end of this report.

Background

Description of the Existing District: The District is geographically the largest fire protection district in Monterey County. It currently serves approximately 500 square miles of unincorporated lands in the southern Salinas Valley, including Arroyo Seco, the San Antonio Valley, and the unincorporated area around King City. This area covers large areas of farmland, rangeland, and open areas in the south county. The District is rural and contains little commercial development. As of the 2010 Census, population within existing District boundaries was approximately 4,500.

The District was formed in 1997. Its predecessor, County Service Area 61, was originally formed in 1971 to provide structural fire protection in the unincorporated area within the King City Union School District boundaries. Over the years, CSA 61 expanded to include the Arroyo Seco and Bradley areas. The CSA was officially dissolved at the time of the District's 1997 formation.

The District owns and operates two fire stations—one in the Arroyo Seco area west of Greenfield, and the other in the Pine Canyon Area southwest of King City—and also co-locates some firefighting apparatus at the California Department of Forestry and Fire Protection's ("CAL FIRE") Lockwood station. The District's approximately 45 firefighters are all volunteers. CAL FIRE currently provides management and administrative services to the District by contract. For example, the District's Fire Chief is a CAL FIRE employee who also serves as Fire Chief for several other fire protection districts in the county.

Current Annexation Proposal: In June 2013, the District initiated the annexation proposal by a resolution of its board of directors. The District filed its proposal with LAFCO in July 2013. The proposal was inactive for approximately 18 months while the District negotiated terms of a required property tax transfer agreement with the County of Monterey. The County Board of Supervisors approved the tax agreement in March 2015, enabling the proposal to proceed to a LAFCO public hearing.

The vast majority of the District's annexation proposal area (approximately 95%, based on County mapping data) is located within the State Responsibility Area, or SRA. Within the SRA, CAL FIRE is responsible for wildland fire response. CAL FIRE will also respond to structural and medical emergency calls, if and when CAL FIRE is available. However, CAL FIRE stations are typically only open seasonally; they are not typically staffed during the "non-fire" season, which varies from year to year but is generally October through May.

The District considers these areas to be currently unprotected, in the sense that they are outside the boundaries of any agency that is authorized to provide comprehensive fire protection (i.e., structural as well as wildland fire response) and advanced life support response services. Medical-related calls account for approximately 70% of calls for services to fire protection agencies, both countywide and for this particular district. A small part of the annexation proposal area, centered on the communities of San Lucas and San Ardo, is outside the SRA, and is thus further unprotected, in that CAL FIRE does not have responsibility for any fires in this part of the proposal area. San Ardo does, however, have its own

volunteer fire company, which strongly supports being annexed by the District, as noted in the Agency Comments section below. Camp Roberts, a National Guard facility that straddles Monterey and San Luis Obispo Counties, has its own firefighting personnel and provisions and is excluded from the proposal.

Merits of the Proposal

Various aspects of the District's annexation proposal would serve the public interest. The following is a summary of facts and considerations that constitute a fundamentally sound basis for the proposal.

1. Sphere of Influence: The proposal area consists of the District's existing designated Sphere of Influence, plus a 28-acre, single-parcel Sphere expansion. LAFCO first established the District's existing Sphere in 1997 and most recently affirmed it in 2012. State LAFCO law defines a Sphere of Influence as "a plan for the probable physical boundaries and service area of a local agency, as determined by the commission." LAFCO of Monterey County's locally adopted policies further define a Sphere as "the area around a local agency eligible for annexation and extension of urban service within a twenty-year period."
2. Authorization for existing, already-provided services: In its 2013 resolution initiating the LAFCO application process, the District stated that, although the proposed annexation area is outside the District's existing boundaries, it has provided services to the proposal area for many years [i.e., without legal authority or obligation to do so]. The stated reason for the proposal is to authorize the District to provide the services it is already providing in the proposal area. As introduced above, the proposal area is currently unprotected, in the sense that it is situated outside the boundaries of any agency authorized or obligated to provide year-round, comprehensive fire protection services. Approximately 70% of emergency calls for service to the District are medical-related.
3. Unsustainable current arrangements: The District has been responding to calls throughout the proposal area for years on a "good neighbor" basis, outside its jurisdictional boundaries, with no related revenue or cost reimbursement mechanism. This is an increasingly unsustainable financial and operational burden for the District. The District's position is that, while it does not currently have the authority or legal responsibility to respond, it would be impractical for them to stop responding to calls when its services are requested.
4. Funding to enable increased levels of service: If the Commission approves an annexation to the District, the District's existing benefit assessment fees would automatically extend to the annexed area beginning in 2016, if received by the State Board of Equalization by November 30, 2015. The benefit assessment fee is an annual, parcel-based fee that was authorized by a vote of the residents of County Service Area 61 (the District's "predecessor" agency) in 1980 and has remained unchanged since that time.

The District has estimated that its fees would generate approximately \$86,000 per year in the proposal area. Other additional revenue would result from Proposition 172 funds (Public Safety Sales Tax, approximately \$28,000 per year) and from a portion of future property tax proceeds (note: assessed property values and property tax amounts, however, are not affected by annexation). The District's intent is to use this increased revenue base to enhance existing levels of service in the proposal area. There would be a possibility of higher staffing levels at existing fire stations. However, the District is unable to commit to a specific level-of-service increase at this time. More certainty is needed as to how much additional funding would be available after annexation, and how best to deploy such funds.

Implementation of the District's benefit assessment fees would, for many residents, be partly offset by an automatic \$35-per-year reduction, per habitable structure, in the fee that the State of California currently bills, statewide, to residents within the State Responsibility Area (current SRA fee would be reduced from \$152 to \$117). San Ardo and San Lucas residents who live outside the SRA do not pay the SRA fee and would not receive this reduction.

5. Highly efficient district: The District is lean and cost-effective. It currently operates with the second-lowest per-capita revenues of all fire districts in the county, according to LAFCO's 2012 countywide fire study. The district's firefighters are all volunteers. If the District's boundaries expand via the proposed annexation, the potential pool of volunteer firefighters may increase. Volunteers from the San Ardo Volunteer Fire Company would be included within the District's "umbrella" with potential opportunities for improved training resources and other District support.
6. Interagency coordination for improved services: Annexation would provide a mechanism for the District to potentially enter into automatic or mutual aid agreements with other nearby agencies (including in the adjacent counties) to further enhance levels of service and response times. Currently, there is no local fire agency present in eastern Monterey County to enter into such agreements. Annexation of parcels not currently served by a fire agency would also streamline emergency responses by eliminating uncertainty at the County dispatch center (911).
7. District representation: Annexation into the District would make residents eligible to be serve on the District's board of directors and have more of a voice in the District's operations. District board members are appointed by the County of Monterey Board of Supervisors.

Consistency of the Proposal with State Law and Local Policies

Under the requirements of State LAFCO law (the Cortese-Knox-Hertzberg Act) and LAFCO of Monterey County's locally adopted policies, the Commission, in considering an annexation proposal, must review many factors. These include the area's population and land use, the need for services, the agency's capacity, and the adequacy of public facilities and services, among others. For purposes of the current proposal, some of the most specifically relevant factors for LAFCO to consider are:

- "The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas." (*The Cortese-Knox-Hertzberg Act, Section 56668(b)*)
- "The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county." (*The Cortese-Knox-Hertzberg Act, Section 56668(c)*)
- Economics, Service Delivery and Development Patterns (*LAFCO of Monterey County's Policies and Procedures Relating to Spheres of Influence and Changes of Organization and Reorganization*)

LAFCO staff has reviewed the proposal in light of the applicable requirements and policies, and determined the proposal to be consistent in the majority of respects. However, because of widespread concerns and unresolved issues, staff believes the application is not supportable as currently proposed. It should be noted that "Any information or comments from the landowner or owners, voters, or residents of the affected territory" is also one of the statutory factors that a LAFCO must consider. (*The Cortese-Knox-Hertzberg Act, Section 56668(n)*)

Staff therefore recommends that the proposal be continued to the next LAFCO meeting (August 24) to allow for further stakeholder engagement and exploration of possible alternatives. However, should the Commission opt instead to approve the District's proposal at the June 22 meeting, a draft resolution is provided in order to allow such approval to proceed. This option, though not recommended, is further discussed in the Alternative Actions section, below.

Environmental Determination

For purposes of the California Environmental Quality Act (CEQA), the District is the Lead Agency for this proposal and LAFCO is a Responsible Agency with discretionary approval power over the proposed

Sphere of Influence expansion and annexation. As the CEQA Lead Agency, the District's board of directors, in its 2013 initiating resolution, determined the proposal to be categorically exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3), pertaining to activities covered by the "general rule" that CEQA only applies to projects that have potential to cause significant environmental impacts. The Executive Officer has reviewed the record and concurs with this finding.

Public Agency Referrals and Agency Comments

LAFCO referred the proposal to affected local agencies for review and comment in July 2013. The San Ardo Volunteer Fire Company, which would become an element of the District if the proposed annexation is approved, and the San Benito-Monterey Unit of CAL FIRE had earlier provided letters of support for the proposal (Attachment 3). No other agencies have submitted comments.

Public Noticing

In May 2015, the proposal was legally noticed in the Monterey County Weekly and in the King City Rustler for a June 22 LAFCO public hearing. The Cortese-Knox-Hertzberg Act does not require mailed notice in cases in which more than 1,000 envelopes would be required to notify all registered voters and property owners in the affected territory. Although not required in this instance because approximately 1,200 envelopes were involved in the mailing, mailed public hearing notices, along with a map of the proposed annexation, were sent to registered voters and property owners within the proposed annexation area in late April.

In addition to the public hearing notice and map, the mailer included the following supplemental information provided by the District: an introductory letter from Chief Brennan Blue inviting recipients to a May 28 meeting of the District's board of directors at the District's King City fire station to discuss the annexation proposal, a report from the Chief Blue for the May 28 meeting including questions and answers about what it means to be annexed into the District, and information about the District's benefit assessment fees. A copy of the mailer is provided as Attachment 4 to this report.

Public hearing notices were also posted on the LAFCO web site, at the County Government Center and the LAFCO office, and mailed to all known interested agencies and organizations. Based on these measures, LAFCO has met and exceeded all requirements and procedures for public agency referrals and public noticing.

Public Comments

Numerous members of the public have provided written comments expressing opposition, support, questions, or concerns about the District's annexation proposal. The majority of public correspondence has been opposed to the annexation. Written correspondence that had been received as of the distribution of the June 22 meeting packet is provided as Attachment 2. Copies of written correspondence received after packet distribution but prior to the June 22 meeting will be provided to Commissioners in a separate transmittal or at the meeting.

Many of the views expressed in written correspondence were also discussed at a May 28, 2015 regular meeting of the District's board of directors. Notification of the May 28 meeting was provided in early May, along with the public hearing notice and other information pertaining to the June 22 LAFCO public hearing. LAFCO staff and six members of the public attended the District's May 28 meeting.

Written opposition to the proposal has presented a range of objections. The following is a good-faith effort by LAFCO staff to summarize the substantive grounds that have been raised in correspondence and in verbal comments at meetings, as of this writing.

1. Adequacy of existing arrangements and local self-sufficiency: Most property owners in the proposal area pay SRA fees to the State, CAL FIRE responds during the fire season, and CAL FIRE has been able to provide enhanced staffing levels at the Bradley CAL FIRE station year-round in the recent

past. Community members rely on their own fire and emergency medical preparedness (private water storage, neighbors watching out for each other, and other measures). Long travel distances make it difficult for emergency responders to be able to help them in time despite all best intentions and efforts. *(Staff note: According to District representatives, a core of permanent CAL FIRE employees was assigned at the Bradley station during the 2015 winter period due to the drought, but this is not a permanent staffing increase).*

2. Scope of the annexation proposal: Some residents have expressed a view that District annexation may be justifiable in areas along the I01 corridor, such as San Lucas and San Ardo, with relatively higher population densities and nearer to the District's operations—but not in more remote, harder-to-reach communities such as Parkfield. *(Staff note: Annexation of the Parkfield area would result in additional funding becoming available for enhanced District operations, as described in the Merits of the Proposal section. The District has expressed specific interest in prioritizing some of this additional funding to contract with CAL FIRE to increase staffing levels at the Parkfield CAL FIRE station).*
3. District's benefit assessment fee-
 - Equity of implementation: The District's benefit assessment fee is calculated for each Assessor's Parcel Number (APN). Numerous residents own several adjacent parcels, resulting in higher District fees than would be the case for the same acreage under one APN. This is perceived as unfair. *(Staff note: A case-by-case assessment fee appeal process exists for such situations, although the process requires action by the property owner, and approval of an appeal by the District's board of directors is not guaranteed).*
 - Potential for future fee increases: Concern has been expressed that the district's fees are low now, but could increase in the future *(Staff note: The District's existing benefit assessment fee appear to be subject to the requirements of Proposition 218, in which case any future proposed increases by the District would be subject to a voter approval process. There are other classes of fees, known as "regulatory" fees—such as for inspections, plan check, or similar functions—that the district could potentially effectuate without a vote).*
4. Proposal's relationship to the pending California Flats / First Solar project southeast of Parkfield: In February 2015, the County Board of Supervisors approved a large-scale "solar farm" project in the Cholame Valley. Concern has been expressed that the proposal's purpose is to serve development of that project, not to benefit the existing community. *(Staff note: The County's approvals are structured such that either the District or CAL FIRE, as applicable at the time of development, could provide the necessary oversight and fire protection services for the project. Therefore, annexation into the District is not necessary in order for the project to proceed. Should annexation not occur, and if CAL FIRE were to be unable to contract directly with a private developer, then the County would need to identify another equivalent mechanism, such as a memorandum of agreement between the County and CAL FIRE, in order to achieve its identified mitigation measures).*

Conclusion

The rationale for the District's annexation proposal is sound and has merit. The proposal is consistent with the District's longstanding Sphere of Influence. It would authorize the District to provide services it is already providing without corresponding revenue support, in an area where no fire agency is currently authorized or obligated to provide comprehensive year-round fire protection services. The proposal would enable the District to enhance levels of service, with its own resources as well as through potential future automatic/mutual aid agreements with other agencies, in an area that is underserved with regard to fire and emergency services.

The proposal is consistent with the determinations that a LAFCO must make under applicable statutory requirements of State law and locally adopted policies. The proposal is also in keeping with LAFCO's

fundamental legislative purposes of providing for the orderly growth and development of local government agencies and the efficiency of local government services.

However, the significant volume of written responses to the proposal indicates there are unresolved issues of concern that warrant further consideration before taking action on the proposal. LAFCO staff therefore recommends that the Commission open the public hearing for this item on June 22, giving the Commission an opportunity to hear from all parties. Staff recommends that the Commission then continue consideration of the District's proposal to the August 24, 2015 LAFCO meeting (4:00 PM) to allow further discussion between the District and stakeholders to identify one or more potential "compromise" annexation scenarios that may be satisfactory to all interested parties.

Alternative Actions

Staff recommends that the Commission continue consideration of the District's proposal to the next scheduled LAFCO meeting (Monday, August 24, 2015 at 4:00 PM). In lieu of staff's recommendation, the Commission may consider these or other alternatives on June 22:

- 1) Approve the District's annexation and Sphere of Influence proposal as it is currently proposed. A draft resolution is provided (Attachment 5) to enable this course of action to proceed, should the Commission opt to approve the proposal at the June 22 meeting. The draft resolution includes a review of, and potential determinations for, all the factors that must be considered in order to comply with the requirements of State LAFCO law and local policies, should the Commission opt to approve the District's proposal at this time. The resolution includes standard conditions of approval. The annexation and single-parcel Sphere of Influence expansion are both conditioned on the District's payment of all required LAFCO and State fees. The annexation is additionally conditioned on preclearance from the U.S. Department of Justice and the State Board of Equalization's acceptance of the map and property description. The proposal is also subject to LAFCO's indemnification by the District.

If the Commission were to select this alternative, the standard Reconsideration and Conducting Authority ("protest") steps of the annexation process would come into effect, as described below.

Reconsideration:

After the Commission has adopted a resolution making determinations, any person or affected agency may file a written request with the LAFCO Executive Officer requesting amendments to, or reconsideration of, the resolution. The person or agency shall file the written request within 30 days of the adoption of the resolution. Pursuant to State law (the Cortese-Knox-Hertzberg Act, Section 56895), "The request shall state the specific modification to the resolution being requested and shall state what new or different facts that could not have been presented previously are claimed to warrant the reconsideration."

Conducting Authority ("Protest") Proceedings and Hearing:

If the Commission approves an annexation, then a subsequent protest hearing will be required, following consideration of any reconsideration requests as outlined above. Protest proceedings allow registered voters and property owners within the proposed annexation area the opportunity to voice their opposition and to potentially make the annexation subject to a confirmation election of the people, or to terminate the annexation in the event of a majority voter protest. The protest hearing will be scheduled for the next Commission meeting for which notice can be given.

After LAFCO publishes a public hearing notice for the protest hearing, registered voters and landowners within the annexation area will have an ability to file written protests of the Commission's decision via mail, email, fax, or in person. Written protests may also be submitted in person at the protest hearing. Protests must be submitted prior to the close of the protest hearing. Pursuant to State law (the Cortese-Knox-Hertzberg Act, Section 57051), protests must be dated after publication of the protest hearing notice in order to count toward the protest proceedings outcomes.

All protests must be in writing and must include:

- Printed name and signature;
- Dated on or after the date of publication of a hearing notice for the protest proceedings;
- The protest filer's place of residence – street address or other designation sufficient to enable the place of residence to be easily ascertained; and
- Indication of whether each person is signing as a registered voter within the annexation proposal area or as a property owner within the annexation proposal area, or both.

LAFCO staff will prepare and make available a standardized protest form to assist property owners and voters to exercise their right to submit a legally valid protest after publication of a hearing notice for the protest hearing. Protests need not use this form in order to be valid. As stated above, protests must be submitted prior to the close of the protest hearing in order to be valid. Within 30 days of the close of the protest hearing, the Commission shall, pursuant to Government Code section 57075, make a finding regarding the value of written protests that have been filed and not withdrawn, and take one of the actions described below.

- The Commission shall order the annexation subject to a subsequent confirmation election by registered voters residing within the affected territory if written protests have been filed and not withdrawn by either of the following:
 - Between 25 percent and 50 percent of the registered voters residing in the affected territory, or
 - At least 25 percent of the number of owners of land who also own at least 25 percent of the assessed value of land within the affected territory.
 - The proposed change of organization or reorganization shall be abandoned, without need of a confirmation election, if the Commission finds that written protests filed and not withdrawn prior to the conclusion of the hearing represent 50 percent or more of registered voters residing in the territory.
 - If none of the above-described protest thresholds are met, the Commission shall order the annexation without an election. A Certificate of Completion will be filed for the annexation proposal, and the annexation will become effective, once all conditions of approval have been satisfied.
- 2) Deny the District's annexation proposal, in which case the item should be continued to the August 24, 2015 Commission meeting with direction to staff to prepare a new draft resolution based on the Commission's determinations for denial.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

Attachments:

1. Map of existing South Monterey County Fire Protection District boundaries and proposed annexation areas
2. Written correspondence received through Wednesday, June 17 (correspondence received after June 17 will be provided to the Commission as a separate transmittal or at the June 22 meeting)
3. Letters of support for the District's annexation proposal: San Ardo Volunteer Fire Company and California Department of Forestry and Fire Protection (CAL FIRE) San Benito-Monterey Unit
4. Public hearing notice and informational mailer – sent April 30, 2015 to property owners and voters in the annexation proposal areas
5. Draft resolution for "Alternative Action #1" (approve the District's annexation proposal at the June 22 meeting) – *This alternative is not recommended, but a draft resolution is provided in order to allow this alternative to proceed, should the Commission opt for this course of action.*

CC:

Chief Brennan Blue, South Monterey County Fire Protection District

Chief Kaeda Barrios, San Ardo Volunteer Fire Company

Bob Schubert, Senior Planner, County of Monterey

Private citizens who submitted written comments on the proposal to LAFCO staff

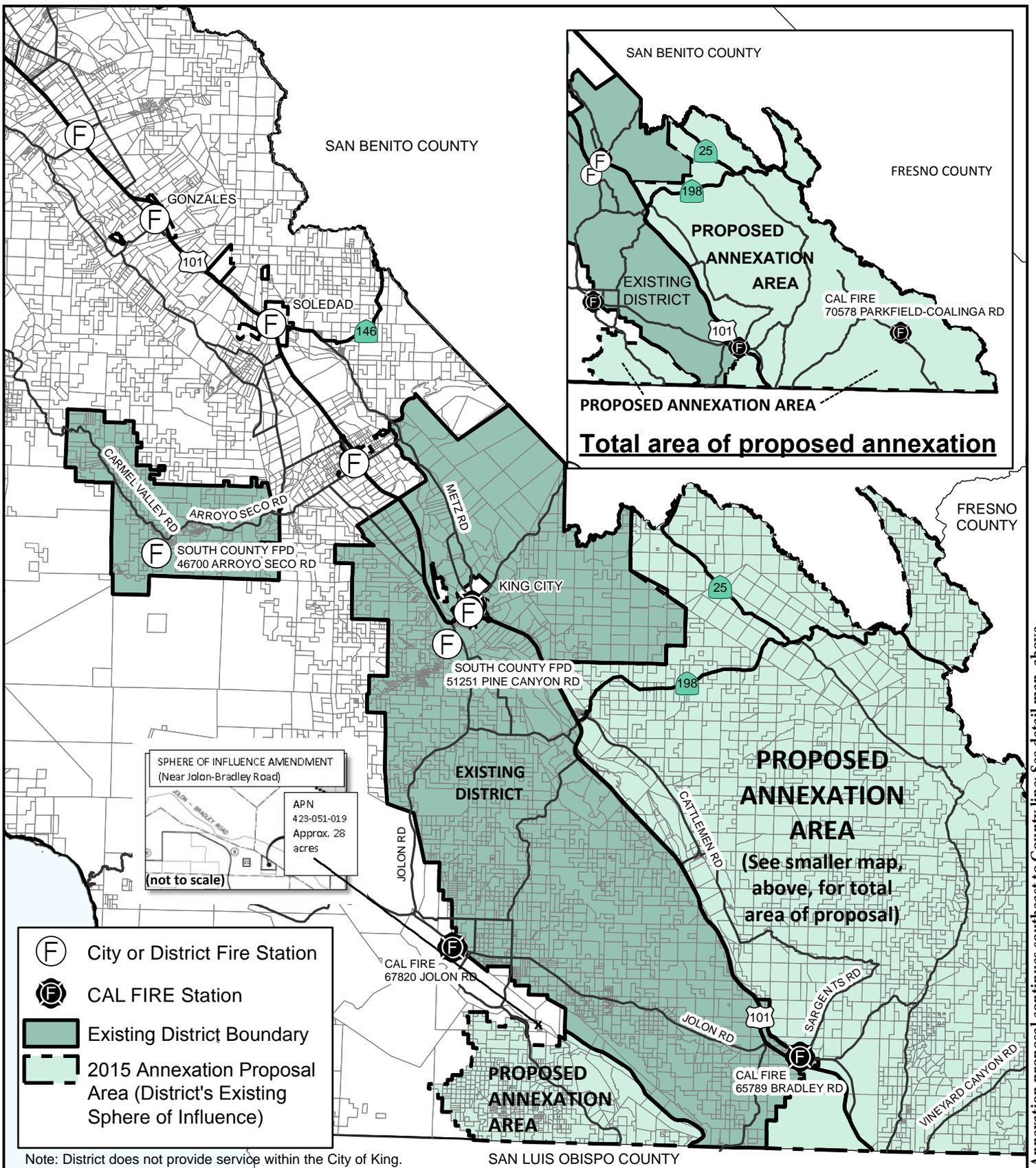
Attachment 1:

Map of existing South Monterey County Fire Protection
District boundaries and proposed annexation areas

**Obsolete map; See 9/21/15 Attachment A (draft resolution)
for updated map of revised annexation proposal.**

Other attachments to the June 22 report are available at:

www.co.monterey.ca.us/lafco/2010-2011/Agendas%20and%20Minutes.htm



Annexation proposal continues southeast to County line; See detail map, above

LAFCO of Monterey County
 LOCAL AGENCY FORMATION COMMISSION

P.O. Box 1369
 Salinas, CA 93902
 Telephone (831) 754-5838

132 W. Gabilan St., Suite 102
 Salinas, CA 93901
 FAX (831) 754-5831

Obsolete map; See 9/21/15 Attachment A (draft resolution) for updated map of revised annexation proposal.

2015 ANNEXATION PROPOSAL

SOUTH MONTEREY COUNTY FIRE PROTECTION DISTRICT

LOCAL AGENCY FORMATION COMMISSION
P.O. Box 1369 132 W. Gabilan Street, Suite 102
Salinas, CA 93902 Salinas, CA 93901
Telephone (831) 754-5838 Fax (831) 754-5831
www.monterey.lafco.ca.gov

KATE McKENNA, AICP
Executive Officer

DATE: September 21, 2015
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: COMMITTEE APPOINTMENTS

SUMMARY OF RECOMMENDATION:

It is recommended that the Commission accept the Chair's list of Committee appointments for FY 2015-2016.

EXECUTIVE OFFICER'S REPORT:

Chair Darington has issued his proposed list of FY 2015-2016 Committee appointments for discussion and action. The list is attached for reference.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

Attachment:
FY 2015-2016 Committee Appointments

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

Committee Assignments For Fiscal Year 2015-16

Proposed on September 21, 2015

Budget and Finance Committee (Standing – Active)

Commissioner Simón Salinas, County Member
Commissioner Ralph Rubio, City Member
Commissioner Graig Stephens, Special District Member

Executive Officer Evaluation and Compensation Review Committee (Standing - Active)

Commissioner Sherwood Darington, Public Member, LAFCO Chair
Commissioner Joseph Gunter, City Member, LAFCO Vice Chair
Commissioner Warren Poitras, Special District Member (Alternate)

LAFCO Sphere of Influence and Annexation Policy Committee (Standing – Inactive)

Commissioner John Phillips, County Member,
Commissioner Maria Orozco, City Member (Alternate),
Commissioner Steve Snodgrass, Special District Member

AGENDA
ITEM
NO. 10

LAFCO of Monterey County

LOCAL AGENCY FORMATION COMMISSION
P.O. Box 1369 132 W. Gabilan Street, Suite 102
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Telephone (831) 754-5838 Fax (831) 754-5831
www.monterey.lafco.ca.gov

KATE McKENNA, AICP
Executive Officer

DATE: September 21, 2015
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: CALIFORNIA SPECIAL DISTRICTS ASSOCIATION CONFERENCE –
INFORMATION ONLY

EXECUTIVE OFFICER'S REPORT:

The California Special Districts Association will host its 2015 annual conference on September 21-24 in Monterey. Approximately 600 people are expected to attend.

I have been invited to be a presenter at the conference. Pamela Miller, Executive Director of the California Association of Local Agency Formation Commissions, and I will co-present a session called "Keys to Understanding and Working with Your LAFCO" on September 23.

Mobile workshops will highlight several local agencies including the Moss Landing Harbor District, the Monterey Peninsula Water Management District, and the Monterey Regional Water Pollution Control Agency. The Water Pollution Control Agency will also be recognized for receiving a "District Transparency Certificate of Excellence" from the Special District Leadership Foundation.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

cc: Linda McIntyre, General Manager/Harbor Master, Moss Landing Harbor District
David Stoldt, General Manager, Monterey Peninsula Water Management District
Paul A. Sciuto, General Manager, Monterey Regional Water Pollution Control Agency