CITY OF UKIAH
CITY COUNCIL AGENDA
Special Meeting
Ukiah Valley Conference Center
200 S. School Street
Ukiah, CA 95482

August 27, 2019
5:30 p.m.

LONG TERM LAND USE PLANNING POLICY WORKSHOP

1. ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. AUDIENCE COMMENTS ON NON-AGENDA ITEMS

The City Council welcomes input from the audience. If there is a matter of business on the agenda that you are interested in, you may address the Council when this matter is considered. If you wish to speak on a matter that is not on this agenda, you may do so at this time. In order for everyone to be heard, please limit your comments to three (3) minutes per person and not more than ten (10) minutes per subject. The Brown Act regulations do not allow action to be taken on audience comments in which the subject is not listed on the agenda.

4. LONG TERM LAND USE PLANNING POLICY WORKSHOP

a. Discussion with Possible Direction to Staff Regarding the City of Ukiah's Long-Term Land Use Planning Policy for Ukiah and the Ukiah Valley.

5. CLOSED SESSION

a. **Conference with Legal Counsel—Anticipated Litigation**
Government Code Section 54956.9(d)(2)
Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2) (Number of potential cases: 1)

6. ADJOURNMENT

Please be advised that the City needs to be notified 72 hours in advance of a meeting if any specific accommodations or interpreter services are needed in order for you to attend. The City complies with ADA requirements and will attempt to reasonably accommodate individuals with disabilities upon request. Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection at the front counter at the Ukiah Civic Center, 300 Seminary Avenue, Ukiah, CA 95482, during normal business hours, Monday through Friday, 8:00 am to 5:00 pm.

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the bulletin board at the main entrance of the City of Ukiah City Hall, located at 300 Seminary Avenue, Ukiah, California, not less than 72 hours prior to the meeting set forth on this agenda.

Dated this 23rd day of August, 2019.
Kristine Lawler, City Clerk

Agenda Item No.: 4a

MEETING DATE/TIME: 8/27/2019

PEAK ITEM NO: COU-784-2017

City of Ukiah

AGENDA SUMMARY REPORT

SUBJECT: Discussion with Possible Direction to Staff Regarding the City of Ukiah's Long-Term Land Use Planning Policy for Ukiah and the Ukiah Valley.

DEPARTMENT: Community Development **PREPARED BY:** Craig Schlatter

ATTACHMENTS:
Attachment 1- Mendocino LAFCo P&P Manual 2018
Attachment 2- Mendocino LAFCo 4-1-19 agenda packet
Attachment 3- UVAP Chap. 3- Land Use and CD
Attachment 4- UVAP Map-Planning Area (Figure 9.1)
Attachment 5- Ukiah Valley Fire District Map

Summary: Council will discuss the status of planning documents relating to long-term land use planning in Ukiah and the Ukiah Valley, with possible direction to Staff. This item specifically addresses the "Actionable Items" identified in the Council's Strategic Plan under "Plan for the Future: Utilize sound principles for valley-wide planning."

Background: The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH Act"), enacted through the passage of AB 2838, combined existing statutes--such as the act formerly known as the Cortese-Knox Act--into a single law and significantly and comprehensively reformed local government reorganization law. The CKH Act provides the framework for proposed city and special district annexations, incorporations/formations, consolidations, and other changes of organization. This law establishes a Local

RECOMMENDED ACTION: 1) Receive report and discuss; 2) direct Staff to proceed with Policy Directives 1, 2, and 3 as outlined in this Staff Report.

BUDGET AMENDMENT REQUIRED: No
CURRENT BUDGET AMOUNT: N/A
PROPOSED BUDGET AMOUNT: N/A
FINANCING SOURCE: N/A
PREVIOUS CONTRACT/PURCHASE ORDER NO.: N/A
COORDINATED WITH: David Rapport, City Attorney

Approved: Sage Sangiacomo, City Manager

Agency Formation Commission (LAFCo) in each county, empowering it to review, approve, or deny proposals for boundary changes and incorporations/formations for cities, counties, and special districts. LAFCos were first created by the Legislature in 1963. Currently, although exercising both regulatory and planning functions, the major planning task of LAFCOs across the state is the "establishment, periodic review, and update of spheres of influence (SOI) for the various governmental bodies within their jurisdiction" (Office of Planning and Research--LAFCOs, General Plans, and City Annexations, 2012).

The Mendocino County Local Agency Formation Commission ("Mendocino LAFCo") is the LAFCo for Mendocino County. Mendocino LAFCo annually reviews its five-year rolling work plan and associated budget, primarily focusing on municipal service reviews ("MSRs") and SOI Updates. Mendocino LAFCo also reviews and updates its policies and procedures manual as needed. The Mendocino Local Agency Formation Commission Policies & Procedures Manual (Attachment 1), last updated and adopted on November 5, 2018, sets forth policies and procedures for carrying out Mendocino LAFCo's functions.

A Sphere of Influence is "a plan for the probable physical boundaries and service area of a local government agency as determined by the commission," while a municipal service review is a "comprehensive review of all agencies that provide the services LAFCo identifies" (Office of Planning and Research, 2012).

Mendocino LAFCo's 2019 five-year rolling work plan and associated budget was adopted on April 1, 2019 (Attachment 2). Included in the work plan was to update the MSR and SOI for the City of Ukiah, planned as being undertaken in Fiscal Year 2020-21. Mendocino LAFCo also voted to re-prioritize the MSR/SOI update for Ukiah Valley Fire District, originally planned to be completed in FY 2019-20, to FY 2020-21 to correspond with the City of Ukiah MSR/SOI update. The City's MSR was last updated in 2012. An update to the City's SOI has not been completed since 1984. AB 2838 and the CKH Act require the local LAFCo to review and update each local agency's SOI every five years. The law also requires local LAFCos to conduct MSRs before or in conjunction with the establishment or update of SOIs.

Both City Staff and Mendocino LAFCo staff have been in communication regarding a tentative work plan for these MSR/SOI updates since 2017. Of significant relevance has been the timing of the City's General Plan Update which, through extensive community engagement and the establishment of other long-term policies, sets forth the City's future intentions for surrounding unincorporated lands within the City's SOI. As the SOI describes the probable physical boundaries and service area for the City, it is important these two advanced planning projects are coordinated and aligned between the City and Mendocino LAFCo as much as possible.

Of additional importance is the City Council's Strategic Plan, which sets as a priority "Plan for the Future: Utilize sound principles for valley-wide planning." The recommended strategy for this item is to "Review and revise land use planning documents to be reflective of the long-term vision for the community." The "actionable items" associated with that strategy are 1) update the Ukiah General Plan; 2) update the City of Ukiah's sphere of influence; 3) prepare and adopt annexation policies, and; 4) evaluate and amend the city zoning code to improve efficiencies/public service and protect natural resources.

Discussion: Although the City's MSR/SOI updates are not scheduled to be undertaken by Mendocino LAFCo until 2020-21, there are primarily two reasons Staff is seeking Council's input regarding policy at this juncture:

1) Mendocino LAFCo has received, or may receive prior to the City's updating of the MSR/SOI, proposals from single- or multi-purpose districts in the City's SOI to annex portions of lands within the City's SOI. Under existing Mendocino LAFCo policy, "where an area could be assigned to the sphere of influence of more than one agency, the following hierarchy typically applies:

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

2) Mendocino LAFCo's guidelines state "in all of its decisions and actions, the Commission's desired result is the most efficient and effective delivery of services by local entities…" and "preference shall be given to those local agencies which can provide services in the most effective and efficient manner." Given the efficiency and potential capacity of both existing and future City services, Staff believes it important that the City outline its potential policy for these services for the future. This policy should be shared publicly but especially outlined to Mendocino LAFCo, the County of Mendocino, and special districts within the City's existing and proposed SOI.

Staff has researched historical City and Ukiah Valley policies regarding long-term growth management planning and analyzed the status of current land use and availability in Ukiah and the Ukiah Valley with the capacity of municipal services. Below are policy recommendations for the Council's consideration and discussion:

Policy Directive No. 1: The goals and vision of the Ukiah Valley Area Plan will be utilized as the basis for the City's policy towards future reorganization efforts in the Valley.

Adopted by the Mendocino County Board of Supervisors in 2011, the Ukiah Valley Area Plan ("UVAP") is a "comprehensive and long range inter-jurisdictional planning document" envisioned as one that would "meet the needs of the County, as well as shared needs of the City" [of Ukiah], "by addressing the important issues that affect how the area will grow..." The UVAP also sets forth a vision that "The Ukiah Valley is understood to be one community with collaborative decision-making between County and City agencies." UVAP policies "take precedence over the [Mendocino County] General Plan" for land use and development proposals in the Valley.

Section 3 of the UVAP, Land Use and Community Development (Attachment 3), lists several goals on Page 3-3 in support of this policy. Promoting compatible land uses and managing future growth to ensure essential support infrastructure is in place prior to development recognizes "that the Ukiah Valley is one community[.]" Realizing the vision of a coherent community will not be possible without the coordinated and efficient provision of services to lands in the Ukiah Valley.

Policy Directive No. 2: Maintain the City's current Sphere of Influence as the City's long-term Sphere of Influence.

Although past attempts were made by the City to revise its SOI, no update has been successfully completed, nor approved by LAFCo, since the 1984 SOI. The 1984 SOI, which is coterminous to the UVAP planning area, "extends from Highway 20 in the north to Boonville Road in the south and from ridge to ridge on east and west" (Attachment 4).

At the time of adoption of the 1984 General Plan, Mendocino LAFCo, working with the City, identified the SOI/planning area to consider the areas surrounding Ukiah that would have an impact on the ultimate development of the City." At that time, the General Plan was "based upon a policy that growth will occur, but will be directed toward existing developed areas and those locales unsuitable for viable agricultural production."

In restating the current (1984) SOI as the City's long-term SOI, the City will reaffirm that the level of growth and/or service delivery anticipated by the City remains consistent for 2020-40 and aligned with the Ukiah Valley Area Plan. Ukiah is the county seat and commercial hub of a growing region that extends over 5,000 square miles, including the counties of Sonoma, Mendocino, Lake, and Humboldt. Ukiah will invariably continue to grow in the coming years. Planned well, that growth can result in a vibrant, healthy, and sustainable community. Unmitigated, the piecemeal provision of services leads to piecemeal development, which leads to urban sprawl and/or the lack of supporting infrastructure.

Staff also recommends reaffirming the current SOI as the City's long-term SOI to ensure efficiency and reliability of service delivery within the Ukiah Valley. As an example, the Ukiah Valley Fire District spans an area larger than the City's city limits (see Attachment 5), and as recent wildfire seasons have shown, having a well-funded and operated Fire Authority is important for the continued safety of the region. Additionally, as much-needed housing is developed, it will be important to ensure adequate water and sewer infrastructure is in place. By utilizing existing tax measures and revenue sources, the City can ensure the effective and efficient provision of services. Reaffirming the current SOI as the long-term SOI will help ensure the City has an active role in directing urbanized growth to appropriate areas in our community and ensuring "the preservation and enhancement of the existing and potential agriculture within the valley," which is one of the primary visions set forth in the 1984 General Plan.

Policy Directive No. 3: Implement an annexation plan, with the first phase designating the area to be annexed within the first 10 years.

In multiple planning documents produced over the past 35 years, including the 1984 Ukiah General Plan, the 1995 Ukiah General Plan, both the 2009-14 and 2014-19 Housing Elements, and the 2011 Ukiah Valley Area Plan, two common and recurring themes emerge: 1) our community values the rural and agricultural identity of Ukiah and its surrounding valley; and 2) our community seeks to preserve that identity through well-designed projects and conservation of open space and agricultural lands.

In developing and adopting a growth management phasing plan, the first 10-year phase would identify the area around existing and forecasted urbanized development north and south of the city limits as the focus of the City's annexation efforts. Encouraging infill development where services are already concentrated will limit unnecessary sprawl and protect agricultural uses.

Development of a growth management phasing plan will ensure adequate services and infrastructure are in place for existing development, as well as ensuring that future development occurs in a sustainable manner. This policy would preserve the agricultural identity of the Valley, including preservation of an existing natural "green belt" around these areas.

Summarizing, Staff recommends Council direct Staff to implement the following three Policy Directives:

1. The goals and vision of the Ukiah Valley Area Plan will be utilized as the basis for the City's policy towards future reorganization efforts in the Valley.

2. The City will maintain the City's current Sphere of Influence as the City's long-term Sphere of Influence.

3. The City will implement an annexation plan, designating the area to be annexed within the first 10 years.

Attachment 1

MENDOCINO
LOCAL AGENCY
FORMATION COMMISSION

POLICIES & PROCEDURES MANUAL

ADOPTED NOVEMBER 5, 2018

RESOLUTION NO. 2018-19-03

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TABLE OF CONTENTS

Part 1:

Administrative Policies & Procedures

1 | PREAMBLE

Actions taken by the Mendocino Local Agency Formation Commission shall be predicated on the following principles.

1.1 MISSION

It shall be the mission of the Mendocino Local Agency Formation Commission to:

a) Consider the present and future needs of the community;
b) Oversee the logical formation and development of cities and special districts;
c) Coordinate the efficient and rational delivery of municipal services;
d) Preserve agricultural and open space resources; and
e) Discourage urban sprawl.

1.2 GENERAL GUIDELINES

First: Commission decisions will be based on the best interests of those served by LAFCo.

Second: Commission actions will take into account 'long term' consequences and effects on future generations, seeking the greater good for the citizens.

Third: In all of its decisions and actions, the Commission's desired result is the most efficient and effective delivery of services by local entities including the County, cities, special districts, and service delivery agencies throughout Mendocino County.

Fourth: LAFCo Commissioners and staff are dedicated to hearing and responding to community needs through an open and engaged process, and to delivering an excellent level of service emphasizing transparency, efficiency, integrity and fairness in its operations.

Fifth: Once a decision has been made, the Commission will not deviate from that decision unless new and compelling information is provided.

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

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

Eighth: Open space and/or undevelopable land will be included within a city sphere of influence only if compelling determinations can be made by the Commission.

Ninth: Prime agricultural land, commercial timberland, and dedicated open space will generally not be considered for annexation to a city.

2 | INTRODUCTION

2.1 AUTHORITY, PURPOSE, JURISDICTION AND GENERAL INTENT

The Mendocino Local Agency Formation Commission (LAFCo) was established by and operates under the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act). (California Government Code Sections 56000 *et seq.* and 57000 *et seq.*)

This law establishes LAFCo as an independent public agency within Mendocino County. LAFCo functions under applicable state statues, and state and local policies relating to the organization of local government; specifically boundary changes for cities and most special districts (including sphere of influence, incorporations, reorganizations, annexations, detachments and other changes of organization). In this capacity, Mendocino LAFCo plans and regulates boundaries for cities and special districts within the County.

The CKH Act requires each LAFCo to adopt written policies and procedures. Other state laws require LAFCo to adopt written policies and guidelines applicable to specialized functions (e.g., California Environmental Quality Act, Political Reform Act, etc.).

This Policies and Procedures Manual is a compilation of written policies and procedures adopted by Mendocino LAFCo. These policies are intended to supplement state law, rather than interpret or reiterate the statute. To fully understand LAFCo processes and procedures, the applicable provisions of state law should be reviewed in conjunction with this document. All citations included in the Manual are from the CKH Act, unless otherwise noted.

Each chapter of the Manual is freestanding and can be amended or changed without amending the entire Manual. The Mendocino LAFCo Executive Officer ensures the Manual is current and up to date and publically available. To the extent that any portion of the Manual conflicts with any provision of law, the applicable law takes precedent.

2.2 PROCEDURAL FLEXIBILITY

The Policies and Procedures Manual is a guide. The Commission may, by majority vote, modify procedures and polices set forth in the Manual when the situation warrants, provided the change is not in conflict with statues governing LAFCo activities; nor inconsistent with other policies and procedures included within the Manual.

2.3 AMENDMENT PROCEDURES

The Commission shall approve all amendments to the Policies and Procedures Manual by a majority vote.

3 | COMMISSION RULES AND PROCEDURES

3.1 AUTHORITY

These rules are adopted pursuant to the CKH Act and apply to Mendocino LAFCo and proceedings conducted before that Commission.

3.2 COMMISSION MEMBERSHIP

The Commission consists of seven regular and four alternate members, selected as follows:

3.2.1 COUNTY

Two Members and one Alternate Member are members of the Mendocino County Board of Supervisors appointed by the Board of Supervisors.

3.2.2 CITY

Two Members and one Alternate Member are City Council Members appointed by the City Selection Committee consisting of the mayors from the four cities.

3.2.3 DISTRICT

Two Members and one Alternate Member are Special District Board Members appointed by the Special District Selection Committee consisting of Presidents or Chairpersons from the Independent Special Districts in the County. If it is determined that a meeting of the special district selection committee is not feasible, the LAFCo Executive Officer shall conduct a nomination and election process by mailed ballot in accordance with G.G. §56332(f).

3.2.4 PUBLIC

One Member and one Alternate Member from the general public are appointed by the six other members of the Commission. Public Members cannot be a current officer (elected or appointed) or employee the County of Mendocino or of any city of special district located within the county.

Commission selection procedures include the following steps:

a) Advertisement of the position(s) in newspapers of general circulation in the county.
b) Interviews of the candidates by the full Commission. If appropriate, the Commission may appoint a screening committee to screen applications to reduce the number to be interviewed to a manageable number.
c) Selection by majority vote subject to the affirmative votes of at least one city, county, and district member seated on LAFCo.

3.3 RESPONSIBILITIES OF COMMISSIONERS

LAFCo Commissioners sit as independent decision-makers and are required by law to exercise their independent judgment on behalf of the general public within Mendocino County. Commissioners shall exercise their responsibilities to consider their decisions within a regional or county-wide perspective without regard to a specific interest group or government agency.

3.4 Commissioner Terms of Office

a) All Commissioner terms of office shall be for four years. Any new appointments made during the four-year term shall be for the purpose of completing the remainder of the four-year term.

b) The expiration date of the term of office for all Commissioners shall be December 31st of the year in which their term expires as allowed by Section 56334. New Commissioner terms of office shall begin on the date of the first Commission meeting in January of the year in which they are appointed, or as soon thereafter as is practical.

3.5 Officers

3.5.1 SELECTION OF CHAIR AND VICE CHAIR

The Members of the Commission shall elect a Chair, a Vice Chair, and a Treasurer at the first meeting of the Commission held in January of each year or as soon thereafter as possible. The Chair, Vice Chair, and Treasurer shall serve for one-year terms, or until their successors are elected, whichever occurs later. Should the Chair, Vice-Chair, or Treasurer cease to be a member of the Commission, the Commission shall at the first available meeting select a successor to fill the position for the balance of the year.

3.5.2 CHAIR

The Chair shall preside at all meetings of the Commission and shall conduct the business of the Commission in the manner prescribed by State Law and by these rules. The Chair shall preserve order and decorum and decide all questions of order, subject to the action of a majority of the Commission.

In the absence of an objection, the Chair may order a motion unanimously approved by the members present, however any Commissioner may call for a roll call vote on any item.

The Chair shall be permitted to participate in debate and vote, move or second a motion without surrender of the Chair.

The Chair shall have the authority to sign all resolutions, directives and contracts approved by the Commission. The Chair shall also have authority to sign any documents necessary for the operation of the Commission and to authorize budget transactions.

The chair shall have the authority to appoint members to Committees.

3.5.3 VICE CHAIR

In the event that the Chair is absent or unable to act, the Vice Chair shall act as Chair and exercise all the powers and duties of the Chair.

3.5.4 TREASURER

The Treasurer shall review monthly revenues and expenditures for consistency with the adopted budget and shall monitor invoices to be paid.

3.5.5 CHAIR PRO TEM

If both the Chair and Vice Chair are absent, or for any reason unable to act, the members of the Commission present shall select one of the members to act as Chair Pro Tem, said selection to be entered into the minutes. The Chair Pro Tem shall have all of the powers and duties of the Chair while the Chair and Vice Chair are absent or for any reason unable to act.

3.6 Participation of Alternate Members

a) Alternate Members shall be seated and entitled to vote if a Regular Member in their category is absent, or has been disqualified on any matter. If both Regular Members in their category are absent or disqualified, the Alternate Member who is authorized to serve shall only have one vote.
b) Alternate Members are encouraged to take an active role in LAFCo matters including Commission discussions, policy development, working groups, workshops, committees, and CALAFCO activities.
c) Because Alternate Members may at any time be called upon to vote in place of a Regular Member, the Mendocino LAFCo encourages Alternate Members to participate in and to attend closed sessions, even when they may not vote. *(Amended by Resolution No. 2017-18-09)*

3.7 Commissioner Compensation

a) Special District, Public Members and their Alternates shall be eligible to receive a meeting per Diem of $50.00 for Regular Commission meetings.
b) Commission Members and Alternates are eligible for and may request mileage reimbursement at the standard federal rate for Regular Commission meetings.
c) Commissioner Members and Alternates are eligible for reimbursement of actual costs associated with approved out-of-county travel, lodging, meals, and registration fees, and other necessary and reasonable expenses. The standard federal mileage rate and meal allowances as established by the California Department of Human Resources shall apply.
(Amended by Resolution No. 2018-19-02)

3.8 Meetings

3.8.1 GENERAL

All meetings conducted by Mendocino LAFCo, including posting and publication of notices and agendas, shall adhere to the provisions of the Ralph M. Brown Act (54950 *et seq.*).

3.8.2 REGULAR MEETINGS

Regular meetings of the Commission shall be held on the first Monday of each month, at the Mendocino County Board of Supervisors Chambers, 501 Low Gap Road, Ukiah, CA, commencing at 9:00 AM unless otherwise noticed. If any regular meeting of the Commission falls on a holiday, the regular meeting of the Commission shall be held on the preceding or succeeding Monday that does not fall on a holiday or on the first available date agreeable to the Commission.

3.8.3 SPECIAL MEETINGS

Special meetings may be called at any time by the Chair or by a majority of Commissioners in a manner provided for in State Law. The order calling the special meeting shall specify the time and place of the meeting and the business to be transacted at such meeting, and no other business shall be considered at that meeting. The call and notice shall be posted at least 24 hours prior to the special meeting at the Commission's regular place of posting.

3.8.4 REQUEST FOR SPECIAL MEETING

Any interested party may request that the Commission hold a special meeting by submitting a written request to the LAFCo Executive Officer indicating the specific reasons for such a meeting. The request will be considered by the Commission at its next regular meeting for which adequate notice can be provided. If the request is granted, the applicant is responsible for all costs associated with the conduct of the special meeting.

3.8.5 MAJOR HEARINGS

At the recommendation of the Executive Officer, the Commission shall consider holding meetings in proximity to the affected project area. The determination of what constitutes a major agenda item shall be made by the LAFCo Executive Officer and is subject to verification by the Commission.

3.9 COMMITTEES

3.9.1 STANDING COMMITTEES

The Executive Committee consists of the Chair, Vice Chair, and Treasurer or a third Commissioner appointed by the Chair." The Executive Committee is responsible for administrative oversight, personnel matters, and budget preparation and review.

The Policies and Procedures Committee is made up of three members appointed at the first Commission meeting of each Calendar Year, as recommended by the Chair and ratified by the Commission. The Policies and Procedures Committee is responsible for developing and maintaining the Policies and Procedures Manual. Revisions shall be proposed to the full Commission for consideration and adoption.

The two Standing Committees are subject to the requirements of the Brown Act. The two Standing Committees shall meet on an as-needed basis. Recommendations from the two Standing Committees can be made by the Committees and presented to the full Commission for consideration and approval.

3.9.2 AD HOC COMMITTEES

Ad Hoc Committees are formed as necessary to address specific topics, projects, and issues. Examples include Municipal Service Review projects, Sphere of Influence Update projects, Grand Jury Reports, and Commission Workshops and Seminars. Each Ad Hoc Committee is made up of three members as recommended by the Chair and ratified by the Commission.

3.10 CONDUCT OF MEETINGS

3.10.1 ORDER OF BUSINESS

The business of each regular meeting of the Commission shall be transacted to the extent practicable in the following order:

a) Call to order and roll call
b) Consent Agenda items
    i. Minutes of the previous meeting or meetings

   ii. Claims for Payment
   iii. Financial Report

c) Verification of any Resolutions
d) Public Expression
e) Matters Set for Hearing
f) Other Matters for Discussion & Possible Action
g) Committee Reports
h) Executive Officer's Report
i) Commissioner Reports, Comments or Questions
j) Legislation Report
k) Adjournment

3.10.2 QUORUM

Four members of the Commission shall constitute a quorum for the transaction of business. In the absence of a quorum, the Executive Officer may adjourn the meeting to a stated time and place in accordance with §54955.

3.10.3 MAJORITY VOTE

Four affirmative votes are required to approve any proposal or other action. A tie vote or any failure to act by at least four affirmative votes shall constitute a denial. An abstention shall not be counted as an affirmative vote.

3.10.4 ROLL CALL VOTING

a) The roll need not be called in voting upon a motion except when the matter involves the adoption of a Resolution, or a roll call vote is requested by a member of the Commission.
b) If the roll is not called and no objection is raised by a member of the Commission, the Chair may order the motion unanimously approved.
c) The Commission Clerk shall determine the voting order, except that the Chair shall be called last.

3.10.5 AUTHORIZATION TO VOTE

a) A member shall not participate in a final vote on a matter on which a hearing has been held at which such member was not in attendance, until that member is familiar with the substance of such hearing.
b) This may be done by reviewing the written material presented at the hearing and by listening to the recording of such hearing; or by viewing a video of the hearing; or by reading a transcript of the proceedings if one has been prepared.

3.10.6 DISQUALIFICATION AND CONFLICT OF INTEREST

The representation by a Regular or Alternate Member of a city or district shall not disqualify the member from acting on a proposal affecting that city or district in accordance with §56336.

3.10.7 COMMISSION ACTIONS

The Commission may act by resolution or motion. All final actions of the Commission on application determinations, budget adoption, spheres of influence, and policy considerations shall be made by resolution. When each Commissioner has received a copy of the resolution, the reading of the resolution is automatically waived unless a Commissioner specifically requests that it is read.

3.10.8 CONSENT CALENDAR

Routine matters that do not require a public hearing may be placed on the Commission's consent calendar. Approval of all items on the consent calendar may be made in one motion. Matters placed on the consent calendar may be removed by any Commissioner or a member of the public for discussion purposes and separate action.

3.10.9 SUMMARY MINUTES

Minutes of the Commission meetings shall be Summary Minutes that include the essence of agenda items considered by the Commission, Commission motions and seconds, and votes cast. The minutes shall also reflect the names of the public speakers, reasons for legally required abstentions from voting, and comments noted for the record. Detailed Commission and staff discussion, comments, questions, and answers are not reflected in the minutes. Minutes of the Commission meetings shall be presented to the Commission at its next regularly scheduled meeting.

3.10.10 COMMENTS FOR THE RECORD

If a Commissioner desires that a comment be included in the minutes, it is his or her responsibility to indicate that the statement is 'for the record' before making the comment and/or shall provide the comment in writing.

3.10.11 RECORDINGS OF THE MEETINGS

Regular Commission meetings are typically recorded and all recordings shall be archived for two years. Copies of meeting recordings are available upon request and compensation for the costs borne in producing copies. Meetings may be transcribed upon request and upon receipt of a deposit to cover the transcription costs (§56379). Failure to record a meeting does not negate the results of that meeting.

3.10.12 INFORMATIONAL PRESENTATIONS

Informational presentations will be placed on the Commission agenda by the LAFCo Executive Officer. Time allowed for such presentations may be limited at the discretion of the Chair.

3.10.13 PUBLIC COMMENT

a) At each regular and special meeting, the Commission shall allow any member of the public to address the Commission on a matter within its jurisdiction.
b) The Chair may establish reasonable regulations including but not limited to limiting the amount of time allocated for public testimony on particular issues and for each speaker (e.g., three minutes). An allocated time limit of three minutes per speaker may be overridden on a majority vote of Commissioners.
c) Comments on agenda items are appropriate when the item is being discussed by the Commission. A speaker shall not be heard during the "Public Expression" portion of the meeting on a matter listed on the agenda except as authorized by the Chair.
d) The Commission shall act only on items appearing on the agenda unless the action is authorized by §54954.2. The Chair may refer matters raised during the "Public Comment" period to the appropriate staff.
e) Members of the public are encouraged to submit comments in writing in advance to the Commission relating to any items within LAFCo's subject-matter jurisdiction, whether on the Commission agenda or otherwise. If received in time, staff will provide such written comments to all members of the Commission.

3.10.14 RULES OF PROCEDURE

Robert's Rules of Order shall be used as the general guide for conducting meetings and to resolve points of order, unless otherwise specified herein.

3.11 COMMISSION REPRESENTATION

3.11.1 CHAIR TO ACT AS CEREMONIAL REPRESENTATIVE

The Chair is delegated to act as the Commission's ceremonial representative at public events and functions. In the Chair's absence, the Vice Chair is delegated to assume this responsibility. In both the Chair and the Vice Chair's absence, the Chair shall appoint another Commission member or alternate to assume this responsibility.

3.11.2 MINISTERIAL DUTIES

The Chair is delegated to sign Commission correspondence and resolutions, and perform other ministerial functions as needed.

3.11.3 SPOKESPERSON

The Chair is considered to be the official spokesperson to represent the Commission. However, the Commission may, from time to time, designate an alternate spokesperson to represent the Commission on a particular matter.

3.11.4 COMMISSION MEMBER PARTICIPATION IN COMMUNITY ACTIVITIES

From time to time, Commission members and alternates may participate in community activities, events and task forces. Unless specifically authorized by the Commission, when a Commission member or alternate participates in such activities, the member or alternate is acting as an interested party rather than acting on behalf of the Commission.

3.11.5 REPRESENTATION

LAFCo members shall represent the official policies or positions of Mendocino LAFCo to the best of their ability when designated by the Commission as a delegate and/or spokesperson for this purpose. When presenting their individual opinions and positions, Commissioners shall explicitly state they are doing so as an individual.

3.11.6 LEGISLATIVE POLICY

1) The Commission shall consider adoption of a legislative platform annually, at the first regular Commission meeting following the CALAFCO publication of their legislative platform, or as needed.
2) In situations when proposed legislation affecting LAFCo cannot be considered by the full Commission due to timing, the Executive Officer is authorized to provide written or e-mail correspondence regarding the Commission's position if the position is consistent with the adopted legislative platform of the Commission.
3) The Chair (or Vice Chair in the absence of the Chair) shall review and either sign the letter or approve the e-mail prior to it being submitted.
4) After submission, the Executive Officer shall forward the signed letter or approved e-mail to the Commission.
5) The correspondence will be included on the consent calendar of the next available Commission agenda for ratification. *(Adopted by Commission, August 7, 2017)*

4 | STAFFING

4.1 EXECUTIVE OFFICER

The Commission shall appoint an Executive Officer as the chief administrative official to implement the policies and directives established by the Commission. The Executive Officer will also be responsible for the day-to-day operation of LAFCo.

The Executive Officer is an independent contractor appointed under a contract by the Commission. The terms, duties, responsibilities, and work program for the Executive Officer shall be based on a response to a Request for Proposal issued by the Commission, and shall be formalized through a Professional Services Agreement.

Additional staff members may also be included in the Agreement, with duties and responsibilities based on the response to the Request for Proposal and formalized in the Professional Services Agreement. These staff members may include a Commission Clerk, a LAFCo Analyst, or any other specialty personnel required to carry out the adopted work program.

4.2 LAFCO COUNSEL

Pursuant to §56384(b), the Commission shall appoint a legal counsel to advise it. The Commission may utilize the services of the Mendocino County Counsel's Office by contract for legal services or may solicit proposals from qualified attorneys to provide such services under contract. In the event of any conflict of interest on a matter before the Commission by the legal counsel, the Commission may appoint an alternate legal counsel pursuant to state law.

5 | BUDGET AND FINANCIAL PROCEDURES

LAFCo encourages an open, collaborative process in the development of its budget, and strives to equitably apportion its expenditures among the member agencies who contribute to the costs of LAFCo.

5.1 BUDGET

5.1.1 AUTHORITY TO DEVELOP AND ADOPT THE BUDGET

Each year, following noticed public hearings, the Commission adopts Proposed and Final Budgets in accordance with the CKH Act. The Proposed Budget must be adopted by May 1st and the Final Budget by June 15th. The budget is based on a July 1 to June 30 fiscal year.

Subsequent to public hearings, consideration of comments, and adoption of a Final Budget by the Commission, the County Auditor is responsible for apportioning the net operating expenses of the Commission to the County, the cities and the independent special districts according to a formula established pursuant to §56381.

If the County, a city or an independent special district does not remit its required payment within 60 days after July 1, the Executive Officer shall request that the County Auditor collect an equivalent amount from the property tax, or any fee or eligible revenue owed to that agency, pursuant to §56381.

5.1.2 PRELIMINARY BUDGET AND PROPOSED ANNUAL WORK PLAN

Prior to March 1st of each year, the Executive Officer shall prepare a Preliminary Budget and Work Plan for the ensuing fiscal year. The Preliminary Budget and Work Plan shall be submitted to the Executive Committee during March for their review, input and comment.

The Preliminary Budget shall show anticipated revenues and expected expenditures by line item in sufficient detail to allow for Commission, member agency, and public review. The Work Program shall provide a narrative of the expected work products to be accomplished during the fiscal year, and likewise shall be in sufficient detail to allow for Commission, member agency, and public review.

5.1.3 PROPOSED BUDGET AND WORK PLAN

At the regular Commission meeting in April, the Executive Committee shall present the Proposed Budget and Work Plan for the ensuing fiscal year to the full Commission. The Proposed Budget shall be adopted following a noticed public hearing for which adequate notice has been given to each member agency.

5.1.4 FINAL BUDGET AND WORK PROGRAM

Prior to June 15th of each year, the Final Budget and Work Plan for the ensuing Fiscal Year shall be adopted by the Commission. The Final budget shall be adopted following a noticed public hearing for which adequate notice has been given to each member agency.

5.1.5 RESERVES FOR FISCAL STABILITY, CASH FLOW, AND CONTINGENCIES

Mendocino LAFCo will strive to maintain reserves for fiscal stability, unforeseen operating or capital needs, cash flow requirements, revenue source stability from revenue shortfalls, and unanticipated legal fees. The reserves consist of an Operating Reserve of 25 percent of the annual operating budget and a Legal Reserve of $35,000 and are to be maintained in separate accounts. *(Resolution No. 2018-19-06)*

5.1.6 BUDGET ADJUSTMENTS

The Commission may make adjustments to its budget at any time during the fiscal year as it deems necessary. The Executive Officer may approve expenditures exceeding individual account budgets up to 5 percent of a budget line, not to exceed $3,000. Any budget exceedances will be reported to the Commission at the following regular meeting. (*Resolution No. 2017-18-03*)

5.2 FINANCIAL PROCEDURES

5.2.1 YEAR–END FINANCIAL REPORT

Following the end of each fiscal year, and as soon as year-end financial data is available, a year-end financial report shall be prepared for presentation to the Commission. This report will show revenues and expenditures for the fiscal year, a statement of net assets, and a statement of activities.

5.2.2 ANNUAL AUDIT

An annual audit shall be performed utilizing the services of a qualified Certified Public Accountant. The contract for audit services shall be awarded by the Commission based on proposals solicited for this purpose, either on an annual basis or a multi-year renewable contract.

5.2.3 INTERIM CLAIMS APPROVAL

The Chair or the Vice-Chair (if the Chair is unavailable) is hereby authorized to approve the Claim forms, authorizing the Executive Officer to issue payments. All such approved payments shall be presented to the Commission at their next meeting for review and ratification. *(Resolution 2016-17-02)*

5.2.4 CONFERENCE REIMBURSEMENT FOR CONTRACT EXECUTIVE OFFICER

Mendocino LAFCo will reimburse the contracted Executive Officer 100 percent of the registration fee for attendance at the annual CALAFCO conference. All other conference related expenses, including travel, meals, and lodging expenses, will be the responsibility of the contracted Executive Officer. *(Resolution 2016-17-03)*

6 | CONFLICT OF INTEREST AND FINANCIAL DISCLOSURE

6.1 Conflict of Interest

The California Political Reform Act, Government Code §81000 *et seq*., requires each state and local government agency to adopt and promulgate a Conflict of Interest Code. The Fair Political Practices Commission (FPPC) has adopted a regulation, Title 2, §18730 of California Code of Regulations, which contains the terms of a standard Conflict of Interest Code. This standard Code is hereby incorporated by reference.

Persons serving in Designated Positions must file annual statements of economic interest (Form 700) with the Commission Clerk by April 1 of each year. Statements of economic interest are also required upon appointment to office and upon leaving office.

The following Designated Positions must file statements of economic interest:

a) Commissioners and Alternate Commissioners
b) Executive Officer
c) LAFCo Counsel

6.2 Financial Disclosure

Pursuant to Government Code §56700.1, expenditures for political purposes related to an application must be disclosed. All applicants, including individual property owners and other representatives who are a party to a proceeding, are required to submit a financial disclosure statement as part of any application package [§84308]. Disclosures must be made in the same manner as disclosures for local initiative measures presented to the electorate.

Any applicant or an agent of an applicant who has made business or campaign contributions totaling $250 or more to any Commissioner (regular or alternate) in the past twelve months, must disclose that fact for the official record of the Commission [§84308(d)]. The disclosure of any such contribution (including amount of contribution and name of recipient Commissioner(s) must be made: (1) in writing and delivered to the Executive Officer prior to the hearing on the matter; or (2) by oral declaration made at the time the hearing on the matter is opened.

Commissioners shall be disqualified and not able to participate in any proceedings within a 12 month period preceding the LAFCo decision if the Commissioner received $250 or more in campaign contributions from the applicant, an agent of the applicant, or any financially interested person who actively supports or opposes the LAFCo decision on the matter.

6.3 Dealing with a Conflict

Whenever a Commissioner is disqualified or has a conflict of interest, that Commissioner shall not participate in the proceedings. It is recommended that the Commissioner state the basis for the conflict of interest immediately after the Chair announces the item for consideration, and then refrain from participating in the deliberations, abstain from voting, and leave the room in which the meeting is being held.

7 | DOCUMENT RETENTION AND DESTRUCTION POLICY

7.1 Document Retention

Except as otherwise provided herein, and subject to the conditions contained in this policy, all original records and documents maintained by LAFCo will be retained for a period of five (5) years. A true copy of all documents shall be kept in a safe and separate place for security purposes.

As used in this policy, the term "record" (or "record of proceedings") is defined to mean documents that show decisions or actions taken by the Commission in fulfillment of its statutory responsibilities. Records maintained by the Commission include the following: Records of proceedings (LAFCo application, petition or other initiating documents; statement of property valuation; statement of tax rate area assignment; indemnification and agreements to pay; Certificates of Filing and Completion; copies of public hearing notice; environmental review documents prepared for purposes of complying with the California Environmental Quality Act ("CEQA"); plan for service; map and legal description; staff reports; impartial analysis; order for change of organization/reorganization; documentation of election and results; Statement of Boundary Change; State Board of Equalization acknowledgement letter, LAFCo meeting minutes, Municipal Service Reviews); and Administrative/Financial documents (budgets, accounts payable, accounts receivable, audits, invoices, ledgers, registers, Commissioner reimbursements, Commissioner policies and procedures, agreements, contracts, leases, purchase orders, requisitions, recruitment/selection/resumes, claims).

7.2 Limited Exceptions to Five Year Retention Period

Original statements of economic interest (Form 700) shall be retained by the Commission for a period of seven (7) years. Environmental review documents that are prepared by a lead agency other than LAFCo (i.e., Environmental Impact Reports and other CEQA documents that are approved or adopted by LAFCo but are not prepared by LAFCo as the lead agency for the project), will be retained by the Commission for a period of two (2) years. Environmental review and CEQA documents prepared by LAFCo as the lead agency for the environmental review of the project will be retained for a period of five (5) years.

7.3 Destruction Authorized Following Required Retention Period

At the conclusion of the applicable required retention period, the Executive Officer is authorized to destroy records as needed. If deemed necessary by the Executive Officer, a photographic or electronic copy of the original record may be made and preserved in the manner specified in §56382. Any documents that are preserved must be made as accessible for public reference as the original records were.

8 | ELECTRONIC EMAIL AND DEVICES POLICY

a) Mendocino LAFCo discourages the use of personal email accounts for LAFCo-related business. All LAFCo related business should be conducted through Commissioners' respective agency-provided email accounts (i.e., county, city, special district), or a personal email account designated specifically for LAFCo business.

b) Mendocino LAFCo discourages the use of personal electronic devices in the course of LAFCo business as any device used may be subject to search as permitted or required by law. Should Commissioners and staff choose to use personal electronic devices for LAFCo-related business, they are assuming the risk that such communications may be public records and their device may be subject to search for public records.

c) In order to avoid inadvertent violations of open meeting laws, the Commissioners may not use portable electronic devices to communicate with each other during a meeting of the Commission. Further, consistent with law, a majority of the Commissioners may not communicate with each other, either at the same time or serially, regarding LAFCo matters, outside of noticed Commission meetings.

d) Use of electronic devices for personal communication during the active portion of LAFCo meetings is discouraged as it creates a public perception of inattention to the LAFCo proceedings.

e) Commissioners and staff should delete all confidential information from portable or personal electronic devices in conformance with LAFCo Record Retention policies, provided a copy has been stored in LAFCo records and will be available for the required retention period.

(Resolution 2017-18-10)

Part 2:

Boundary Change Policies & Procedures

9 | GENERAL POLICIES AND STANDARDS

9.1 COMMUNICATION AMONG LOCAL AGENCIES

LAFCo considers that an important part of its role is to encourage communication and collaborative planning and studies among public agencies (such as the County, cities, and special districts), members of the public, and private sector service providers.

9.2 INTER-LAFCO COORDINATION

Mendocino LAFCo recognizes that special districts may have territory in more than one county and that development patterns similarly do not always follow county boundaries. The Commission also recognizes that decisions made in one county can have significant environmental, economic, or fiscal impacts on another county. Recognizing that sharing information, policies and perspectives with neighboring LAFCos can benefit the public by enhancing and expediting the decision-making process, Mendocino LAFCo seeks to foster such sharing by formalizing its policy on cooperation with other LAFCos. *(Resolution No. 2017-18-13)*

9.2.1 GENERAL

In recognition that the Cortese-Knox-Hertzberg Act vests authority for jurisdictional changes and all other matters with the LAFCo of a district's Principal County, Mendocino LAFCo affirms as policy that activities and decisions affecting independent special districts having territory in more than one county ("multi-county districts") are the sole responsibility of the Principal County LAFCo. This policy applies to:

a) Conduct and adoption of Municipal Service Reviews ("MSRs");
b) Adoption, update and amendment of Sphere of Influence Plans ("SOIs"), including adjustments of sphere horizons and changes in the assignment of territory to particular horizons;
c) Changes of organization such as formation, dissolution, annexation, and detachment;
d) Actions affecting the provision of services, such as changes in service boundaries and provision of new services.
e) Notwithstanding the policy stated above, Mendocino LAFCo will share information and engage in joint activities with neighboring LAFCos whenever doing so can reasonably be expected to reduce costs, improve efficiency in performance of LAFCo actions, or enhance the quality of LAFCo decisions and not conflict with provisions of applicable law.

9.2.2 TRANSFERS OF JURISDICTION

When requested by LAFCo of an affected county, Mendocino LAFCo will consider and determine, on a case-by-case basis, whether is it appropriate to transfer jurisdiction to the LAFCo of the affected county.

The Commission has authority pursuant to the provisions of Section 56388 of the Government Code to transfer jurisdiction for certain district proposals to the LAFCo of the county in which the subject territory is wholly or partially located. Mendocino LAFCo recognizes that such transfer of jurisdiction may benefit the public by expediting service or enhancing development of information regarding the subject territory. The Commission hereby delegates to its Executive Officer its authority to transfer jurisdiction for proposals involving a multi-county district and property located wholly outside Mendocino County if those proposals are of minor significance and the transfer would be of benefit to the public.

a) Proposals for formation or dissolution of agencies, modification of sphere plans, or activation of latent powers may not be transferred without Commission approval.
b) Considerations involved in the determination whether a proposal is of minor significance include, but are not necessarily be limited to, the size of the area involved, the number of property owners, the assessed valuation, and the potential impact of the action on all affected service providers.
c) The Mendocino LAFCo Executive Officer shall make any such transfer of jurisdiction in writing (or subsequently prepare a written record for a transfer first approved orally or electronically) and promptly inform the Chair. The Chair and Executive Officer shall report such transfers to the Commission in a timely manner.

9.2.3 MULTI-COUNTY APPLICATION PROCESSING PROCEDURES

Mendocino LAFCo recognizes the need to collaborate with the LAFCos of affected counties and when considering a change of organization of a district that is located in more than one county. To further this collaboration and assure thorough and consistent consideration of applications affecting more than one county, the Commission adopts the following procedure for processing applications from multi-county districts.

9.2.4 MENDOCINO LAFCO THE PRINCIPAL LAFCO

The Executive Officer of Mendocino LAFCo will inform neighboring LAFCo Executive Officers whenever Mendocino LAFCo receives a proposal for or initiates action on an MSR, SOI, organizational change, or service change involving a multi-county district for which Mendocino is the Principal County but has territory in the neighboring LAFCo's county.

a) Applications affecting the boundaries of a district for which Mendocino LAFCo is the principal LAFCo shall be submitted to Mendocino LAFCo, including instances in which the subject territory is located in another county. Prior to application, applicants should meet with Mendocino LAFCo staff and the staff of the LAFCo in the affected county regarding process and application requirements.
b) Upon receipt of an application involving territory in another county, Mendocino LAFCo staff shall immediately forward a copy of the application to the LAFCo of the affected county. Mendocino LAFCo staff shall also notify all affected local agencies of any proceedings, action, or reports on the proposed change of organization.
c) Mendocino LAFCo staff shall consult with the staff of the LAFCo of the affected county and the staffs of affected agencies, to gather data for the Executive Officer's report and recommendation.
d) Mendocino LAFCo shall schedule Commission consideration of the application so that the LAFCO of the affected county has had time to review the application and submit a written recommendation to be included in the Executive Officer's report for Mendocino LAFCo consideration.
e) During its consideration of the application, the Commission shall consider the Executive Officer's report, the recommendation of the LAFCo of the affected county, and the comments of interested persons and affected local agencies in making its determination.
f) Following the Commission's consideration of the application, the Executive Officer shall forward any resolutions and written report of Commission action to all affected local agencies and the LAFCo of the affected county.

9.2.5 MENDOCINO LAFCO NOT PRINCIPAL LAFCO

Upon receipt by Mendocino LAFCo of a referral from the LAFCo of another county of an application for a change of organization affecting territory in Mendocino County, Mendocino County staff shall place the application and report and recommendation on Mendocino LAFCo's next possible agenda so that the Commission may consider the application and forward a recommendation to the principal LAFCo. The application will be processed and a staff report will be prepared consistent with Mendocino LAFCo's Policies and Procedures.

9.3 PREMATURE EXTENSION OF URBAN SERVICES

Prior to the Commission's consideration of a sphere of influence expansion request or a change of organization involving annexation of territory to a city or district, the applicant shall provide a plan for services including written evidence from the affected agency that it has the service capacity and fiscal capability to adequately serve the subject territory.

The Commission discourages the extension of urban services (i.e., water and sewer service) in the absence of either existing development or plans for imminent development. Unless exceptional circumstances exist, no application for a change of organization or reorganization will be accepted until all discretionary approvals for any pending application for land use entitlements, including land divisions pertaining to the subject territory, are granted.

9.4 DISCOURAGING URBAN SPRAWL

LAFCo has been directed by the State Legislature to discourage urban sprawl, and the Commission will generally deny proposals that can reasonably be expected to result in sprawl. Sprawl is characterized by irregular, dispersed, and/or disorganized urban or suburban growth patterns occurring at a relatively low density and in a manner that precludes or hinders efficient delivery of municipal services, especially roads, sewer, and water.

9.5 ENVIRONMENTAL REVIEW (CEQA)

LAFCo shall operate in accordance with the CEQA and the regulations of the California Resources Agency, which establishes the guidelines for its implementation. Furthermore, whenever an agency other than the Commission is involved in the approval of a project, the Commission prefers that the other agency be designated as the "Lead Agency." For annexations and/or reorganizations involving annexation to a city, the city shall act as the Lead Agency under CEQA for the proposal.

9.6 COMPACT URBAN FORM AND INFILL DEVELOPMENT ENCOURAGED

When reviewing proposals that would result in urban development, LAFCo will consider whether the proposed development is timely, compact in form, and contiguous to existing urbanized areas. LAFCo will favor development of vacant or underutilized parcels already within a city or other urbanized area prior to annexation of new territory.

9.7 PUBLIC ACCESSIBILITY AND ACCOUNTABILITY

LAFCo recognizes that the public's ability to participate in the local governance process is improved when the government structure is clear and accessible and when decision-makers are accountable to the public. The Commission shall consider this principle when it evaluates proposals for changes of organization or reorganization.

9.8 ADEQUATE SERVICES

LAFCo shall consider the ability of an agency to effectively and efficiently deliver adequate, reliable, and sustainable services and shall not approve a proposal that has significant potential to diminish the level of service in the agency's current jurisdiction. The agency will be required to provide satisfactory documentation of capacity to provide service within a reasonable period of time.

9.9 EFFICIENT SERVICES

Community needs are typically met most effectively and efficiently by proposals that:

a) utilize existing public agencies rather than create new ones;
b) consolidate the activities and services of public agencies in order to obtain economies from the provision of consolidated services; and
c) restructure agency boundaries and service areas to provide more logical, effective, and efficient local government services.

9.10 COMMUNITY IMPACTS

LAFCo shall consider the impacts of a proposal and any alternative proposals on adjacent areas, on social and economic interests, and on the local government structures of the County. The Commission may deny a proposal if adverse impacts are not mitigated to an acceptable level.

9.11 CONFORMANCE WITH GENERAL AND SPECIFIC PLANS

9.11.1 CONSISTENCY WITH GENERAL AND SPECIFIC PLANS

LAFCo shall approve changes of organization or reorganization only if the proposal is consistent with the applicable General Plan and any applicable Specific Plan. LAFCo shall discourage proposals that promote urban development in areas not planned for urban uses.

9.11.2 CONSISTENCY FOUND ADEQUATE

The proposal shall be deemed consistent if the proposed use is consistent with the applicable General Plan designation and the anticipated types of services to be provided are appropriate to the land use designated for the area.

9.11.3 PRE-ZONING OR PLANNING

All territory proposed for city annexation must be specifically planned and/or pre-zoned. The pre-zoning of the territory must be consistent with the applicable General Plan and sufficiently specific to determine the likely intended use of the property. Subsequent change to the zoning by a city is prohibited by state law for a period of two years under most circumstances.

9.12 BOUNDARIES

9.12.1 DEFINITE BOUNDARIES REQUIRED

LAFCo shall not accept as complete any application unless it includes boundaries that are definite, certain, and fully described.

9.12.2 BOUNDARY CRITERIA

LAFCo will generally favor applications with boundaries that do the following:

a) create logical boundaries within the affected agency's sphere of influence, and where possible, eliminate previously existing islands or other illogical boundaries;
b) follow natural or man-made features and include logical service areas where appropriate; and
c) place all streets and rights-of-way within the same jurisdiction as the properties which abut thereon and/or for the benefit of which such streets and rights-of-way are intended.

9.12.3 BOUNDARY ADJUSTMENTS

LAFCo will generally amend proposals with boundaries which:

a) Split neighborhoods or divide existing identifiable communities, commercial districts, or other areas having a social or economic identity.
b) Result in islands, corridors, or peninsulas of incorporated or unincorporated territory or otherwise cause or further the distortion of existing boundaries.
c) Are drawn for the primary purpose of encompassing revenue-producing territories.
d) Create areas where it is difficult to provide services.

9.12.4 BOUNDARY DISAPPROVALS

If LAFCo, in consultation with the applicant, cannot suitably adjust the proposed boundaries to meet the criteria established above, it will generally deny the proposal.

9.13 AGRICULTURAL AND OPEN SPACE LAND

9.13.1 AGRICULTURAL POLICIES

a) LAFCo's decisions shall reflect its legislated responsibility to work to maximize the retention of prime agricultural land and open space while facilitating the logical and orderly expansion of urban areas.
b) Urban growth shall be guided away from existing prime agricultural lands unless that action would not promote planned, orderly, and efficient development of an area.
c) The Commission shall not approve a change of organization or reorganization that would result in the annexation of territory that is subject to a Williamson Act contract unless the facilities or services proposed benefit the uses that are allowed under the contract.
d) Development of existing vacant lands for urban uses within the jurisdictional boundaries of a local agency shall be encouraged before any annexation proposal or change to a sphere of influence is approved which would lead to, or allow, the development of prime agricultural or open space lands outside the existing jurisdiction of any local agency.
e) Spheres of influence should reflect consideration for existing and/or potential agricultural use or resource land use and should not be extended into such areas for purposes of allowing urban development.

9.13.2 FACTORS TO CONSIDER IN REVIEW OF A PROPOSAL

A proposal which includes agricultural or open-space designated land shall be evaluated in light of the existence of the following factors:

a) “prime agricultural land” as defined in G.C. §56064;
b) “open space” as defined in G.C. §56059;
c) land that is under contract to remain in agricultural or open-space use, such as a Williamson Act Contract or Agricultural/Open-Space Easement;
d) land which has an agricultural or open-space designation;
e) the adopted General Plan policies of the County and the affected city;
f) the physical and economic integrity of both agricultural lands proposed for conversion to urban use and adjoining land in agricultural use;
g) the potential for the premature conversion of agricultural or open-space designated land to urban use; and
h) the policies and priorities in G.C. §56377.

9.13.3 CONDITIONS FOR APPROVAL OF PRIME AG/OPEN SPACE LAND CONVERSION

LAFCo will apply a heightened level of review when considering proposals which could reasonably be expected to induce, facilitate, or lead to the conversion of prime agricultural land or open space uses to other uses and will approve such proposals only when the Commission finds that the proposal will lead to planned, orderly, and efficient development and/or provision of services. For purposes of this standard, a proposal leads to planned, orderly, and efficient development only if all of the following criteria have been considered:

a) the land subject to the change of organization or reorganization is contiguous either to lands developed with an urban use or to lands which have received all discretionary approvals for urban development;
b) the proposed development of the subject lands is consistent with the sphere of influence plan(s) of the affected agency or agencies;
c) the land subject to the change of organization is likely to be developed within five years. For large development projects, annexation should be phased wherever feasible. If the Commission finds phasing infeasible for specific reasons, it may approve annexation if all or a substantial portion of the subject land is likely to develop within a reasonable period of time;
d) insufficient vacant non-prime or open space land exists within the existing agency boundaries or applicable sphere boundaries that is planned and developable for the same general type of use; and
e) The proposal will have no significant adverse effect on the physical and economic integrity of other ag/open space lands.

9.14 DISADVANTAGED UNINCORPORATED COMMUNITIES

9.14.1 DEFINITION

A Disadvantaged Unincorporated Community (DUC) is defined as a developed area that has been identified as such by LAFCo, the County or applicable city; or one that meets all the following standards:

a) is substantially developed with primarily residential uses;
b) does not have reliable public water, sewer, or structural fire protection service available;
c) contains at least 12 registered voters; and

d) has a median household income level of 80% or less than the statewide median household income.

9.14.2 REQUEST FOR DETERMINATION

In addition to those DUCs identified by LAFCo or other agencies, residents or property owners may request that LAFCo determine whether a specific area meets the definition listed above to be treated as a DUC. The review shall be conducted by LAFCo staff and shall, if appropriate, be submitted for consideration and approval by the Commission.

9.14.3 IDENTIFICATION OF DUCS

The Commission will identify DUCs, for the purpose of:

a) Municipal Service Reviews. Water, Wastewater, and Fire Protection Municipal Service Reviews will identify opportunities for the provision of those services to DUCs.
b) City and District Annexations. DUCs located adjacent to areas proposed for annexation to a city or special district shall be included in the annexation or reorganization proposal or be separately proposed for annexation unless the Commission has determined that the disadvantaged community would not benefit by annexation, or if at least 50% of the registered voters within the affected territory have indicated opposition to annexation.

9.15 UNINCORPORATED ISLANDS

The Commission acknowledges that unincorporated islands are generally costly for county government to serve and often have service impacts on the surrounding city. Cities should be encouraged to annex unincorporated islands or land that is substantially surrounded by a city (G.C. §56375.3 and 56744). LAFCo discourages the formation of special districts within unincorporated islands for services that are readily available from the surrounding city.

9.16 EXCEPTIONS

LAFCo may make exceptions to any of the standards in this chapter if it determines that such exceptions can be justified upon one or more of the following grounds:

a) the project has a unique physical constraint which is so unusual and inconsistent with other similar locations that granting an exception would not be a grant of a special privilege;
b) exceptions are required to resolve conflicts between standards of these policies;
c) the project will result in significantly improved quality or substantially lower cost of service available; and
d) no feasible or logical alternative exists.

10| SPHERES, MSRS, AND SPECIAL STUDIES

10.1 SPHERES OF INFLUENCE

10.1.1 LEGISLATIVE AUTHORITY AND INTENT

A sphere of influence is the probable 20-year growth boundary for a jurisdiction's physical development. The Commission shall use spheres of influence to:

a) promote orderly growth and development within and adjacent to communities;
b) promote cooperative planning efforts among cities, the County, and special districts to address concerns regarding land use and development standards, premature conversion of agriculture and open space lands, and efficient provision of public services;
c) guide future local government reorganization that encourages efficiency, economy, and orderly changes in local government; and
d) assist property owners in anticipating the availability of public services in planning for the use of their property.

10.1.2 DEFINITIONS

The Commission incorporates the following definitions:

a) an "establishment" refers to the initial development and determination of a sphere of influence by the Commission;
b) an "amendment" refers to a limited change to an established sphere of influence typically initiated by a landowner, resident, or agency; and
c) an "update" refers to a comprehensive change to an established sphere of influence typically initiated by the Commission.

10.1.3 SPHERE UPDATES

In updating spheres of influence, the Commission's general policies are as follows:

a) The Commission will review all spheres of influences every five years for each governmental agency providing municipal services. Municipal services include water, wastewater, police, and fire protection services.
b) Sphere of influence changes initiated by any agency providing a municipal service shall generally require either an updated or new service review unless LAFCo determines that a prior service review is adequate.
c) Spheres of influence of districts not providing municipal services including, but not limited to, ambulance, recreation, hospital, resource conservation, cemetery, and pest control shall be updated as necessary.

10.1.4 REDUCED SPHERES

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

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

10.1.5 ZERO SPHERES

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

10.1.6 SERVICE SPECIFIC SPHERES

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

10.1.7 AGRICULTURE AND OPEN SPACE LANDS

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

10.1.8 ANNEXATIONS ARE NOT MANDATORY

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

10.1.9 ISLANDS OR CORRIDORS

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

10.1.10 OVERLAPPING SPHERES

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

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

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

10.1.11 MEMORANDUM OF AGREEMENTS (FOR CITY SPHERE AMENDMENTS AND UPDATES)

Prior to submitting an application to LAFCo for a new city sphere of influence or a city sphere of influence update, the city shall meet with the County to discuss the proposed new boundaries of the sphere and explore methods to reach agreement on development standards and planning and zoning requirements as contained in G.C. §56425. If an agreement is reached between the city and County the agreement shall be forwarded to LAFCo. The Commission shall consider and adopt a sphere of influence for the city consistent with the policies adopted by LAFCo and the County, and LAFCo shall give great weight to the agreement to the extent that it is consistent with LAFCo policies in its final determination of the city sphere.

10.1.12 AREAS OF INTEREST

LAFCo may, at its discretion, designate a geographic area beyond the sphere of influence as an Area of Interest to any local agency. *(Resolution No. 2018-19-01)*

a) An Area of Interest is a geographic area beyond the sphere of influence in which land use decisions or other governmental actions of one local agency (the "Acting Agency") impact directly or indirectly upon another local agency (the "Interested Agency"). For example, approval of a housing project developed to urban densities on septic tanks outside the city limits of a city and its sphere of influence may result in the city being forced subsequently to extend sewer services to the area to deal with septic failures and improve city roads that provide access to the development. The city in such a situation would be the Interested Agency with appropriate reason to request special consideration from the Acting Agency in considering projects adjacent to the city.
b) When LAFCo receives notice of a proposal from another agency relating to the Area of Concern, LAFCo will notify the Interested Agency and will consider its comments.
c) LAFCo will encourage Acting and Interested Agencies to establish Joint Powers Agreements or other commitments as appropriate.

10.2 MUNICIPAL SERVICE REVIEWS

a) A service review will be prepared prior to, or in conjunction with each sphere of influence establishment, update, or amendment unless LAFCo determines that a prior service review is adequate (i.e., there are no significant changes in existing or anticipated circumstances). A minor sphere of influence amendment will not require a service review. A minor sphere of influence amendment is one that does not have any adverse regional, planning, economic, or environmental impacts.
b) LAFCo will consider service review determinations and recommendations when rendering sphere of influence findings.

10.3 Special Studies

The Commission may undertake special studies or service reviews when requested by an agency or initiated by the Commission.

11| GENERAL APPLICATION REQUIREMENTS

11.1 LAFCo Jurisdiction

11.1.1 SPECIFIC AUTHORITY

LAFCo has the specific authority to review and approve or disapprove:

a) Annexations to, or detachments from, cities or districts;
b) Formation or dissolution of districts;
c) Incorporation or disincorporation of cities;
d) Consolidation or reorganization of cities or districts;
e) Merger of a city and a district;
f) Establishment of subsidiary districts;
g) The establishment of, and amendments to, spheres of influence;
h) Extensions of service beyond an agency's jurisdictional boundaries; and
i) Provision of new or different services by districts.

11.1.2 LIMITED AUTHORITY TO INITIATE PROPOSALS

Under specific circumstances, LAFCo may initiate proposals resulting in the formation, dissolution, or consolidation of districts; merger of a city and district; establishment of a subsidiary district; or reorganizations that include any of the aforementioned changes of organization.

11.1.3 LIMITATION OF AUTHORITY RELATING TO LAND USE CONDITIONS

In order to carry out the legislative policies identified above, LAFCo has the power to approve or disapprove applications, or to impose reasonable conditions of approval. However, while LAFCo is charged with consideration of the impacts of land use in its determination, it is prohibited from directing specific land use or zoning actions. LAFCo can deny an application where the land use that would result violates the statutory policies of CKH Act.

11.2 Notice and Public Participation

11.2.1 PUBLIC PARTICIPATION ENCOURAGED

LAFCo encourages participation in its decision-making process. The CKH Act provides for a wide dissemination of notice. LAFCo shall not necessarily be limited to the minimum requirements by law and policy. The Commission will provide opportunity for the public to be heard at LAFCo meetings in accordance with the procedures set forth in its Administrative Policies.

11.2.2 UNNECESSARY PUBLIC HEARINGS ELIMINATED

Where LAFCo is authorized by CKH Act to consider a proposal without public hearing, the proposal will be considered by the Commission without a public hearing, unless the Executive Officer or the Commission determines that the matter is of sufficient public interest or controversy to warrant a public hearing (G.C. §56662, 56664).

11.3 Application by Resolution of Application Preferred

a) While the CKH Act permits initiation of applications to LAFCo either by resolution of an affected agency or by direct landowner/voter petition, LAFCo prefers that the resolution procedure be utilized wherever feasible. Use of the resolution of application procedure is preferred because (1) it involves the affected public agency early in the process to assure that the agency's concerns are considered and (2) it better integrates CEQA processing by the affected public agency as Lead Agency. Each applicant shall be advised of this policy at the earliest possible time.

b) Prior to accepting a petition-initiated application (other than for sphere updates, district formations, and city incorporations), the LAFCo Executive Officer will require the proponent(s) to demonstrate that they have attempted to initiate proceedings by a resolution of application or otherwise obtain the sponsorship of the affected public agency.

c) If the proposal will require a public hearing and is submitted by resolution of application, prior to adopting the resolution, the initiating agency may notify registered voters and property owners and affected/interested agencies (G.C. §56654). A resolution of application must contain the same information as a petition, except for signatures (G.C. §56700).

11.4 Application Requirements

11.4.1 PRE-APPLICATION

LAFCo encourages a pre-application discussion between the proponent and LAFCo staff, which can save the prospective applicant substantial time once the process has begun. LAFCo staff will review procedures, applicable spheres of influence, information requirements, environmental review requirements, processing fees, and provide application forms.

11.4.2 APPLICATION MATERIALS

Applications to the Commission must contain all the information and materials required by the Applications to the Commission must contain all the information and materials required by the CKH Act (G.C. §56652 and 56653), including a plan for services, as well as the applicable fees or deposit toward fees as specified by the LAFCo Fee Schedule. Except when the Commission is the Lead Agency pursuant to the CEQA (as defined in Public Resources Code §21067), an application must also contain complete documentation of the Lead Agency's environmental determination. No application for a change of organization or reorganization will be deemed complete and scheduled for public hearing until proof of a property tax exchange agreement, in the form of adopted resolutions, is provided by the local agencies whose service area or service responsibility will be altered by the proposed jurisdictional change pursuant to Revenue and Taxation Code Section 99(b)(6). To facilitate the tax exchange process, upon receipt of applications requiring the tax exchange agreement, LAFCo staff will provide notification of the application to the County CEO, Auditor and Assessor, the Board of Supervisors, and all affected agencies with a copy also provided to the Supervisor in whose district the change of organization is proposed. *(Resolution No. 2017-18-02)*

11.4.3 FEES AND INDEMNIFICATION

The application shall also include an agreement to pay costs and indemnification. The agreement to pay costs and indemnification must be signed by the applicant for the application to be deemed complete. *(Following approved by the Commission, 5/12/2016)*

11.4.4 DEPOSITS

Where indicated in the Fee Schedule, deposits toward the actual cost of processing proposals must be paid at the time an application is submitted. All deposits are initial payments toward the actual costs of processing proposals, including staff time and materials (e.g., noticing, postage, copying). Applicants must sign an At-Cost Fee Agreement, consenting to reimburse LAFCo for all costs incurred in processing, including pre-application assistance.

11.4.5 BILLING PROCEDURE

Staff's work on applications, which includes overhead costs, is tracked on an hourly basis. LAFCo will provide monthly invoices to the applicant. If actual costs exceed the deposit amount, LAFCo will invoice the applicant for the additional costs. Processing of the application may be suspended until payment is received. All final invoices must be paid by the applicant prior to filing the Certificate of Completion. Any portion of the deposit not used for processing is refunded.

11.4.6 OUTSIDE ASSISTANCE FEES

The Commission may, at its sole discretion, contract for outside assistance in processing and review of an application. The types of assistance include, but are not limited to, legal, engineering, environmental, and planning. The estimated or actual costs, as determined by the Commission for such assistance shall be deposited with the Executive Officer before an application will be processed further.

11.4.7 LEGAL COUNSEL FEES

Applicants will be charged the actual costs of fees associated with legal consultation or review. While most applications do not require legal review, occasionally a proposal will develop significant legal issues that require considerable legal counsel involvement. Legal fees must be paid in full prior the final processing of an application.

11.4.8 INDEMNIFICATION

As part of the application, applicant shall be required to sign an indemnification agreement for all reasonable expenses and attorney fees in connection with the application.

11.4.9 REFUNDS OF FEES

Except for unused portions of deposits, all fees paid to LAFCo are non-refundable. If an application is withdrawn by the applicant prior to the time that the application has been publicly noticed for hearing by the Commission, all unexpended funds shall be returned to the applicant. Otherwise, payment of fees is not a guarantee of approval of the submitted proposal.

11.4.10 WAIVER OF FEES

The Commission may waive a fee in special circumstances or if it finds that payment would be detrimental or contrary to the public interest. Fees may be waived or reduced for applications filed in response to a condition imposed by or a recommendation made by the Commission. A request for waiver, including an explanation for the request, must be submitted in writing to the Commission. Staff will present the request to the Commission, along with analysis and recommendation, for its determination.

11.4.11 AUTHORIZED OFFICER

Where the application is by resolution of application from an agency, the application and related agreements must be signed by an authorized officer of the agency.

11.5 Commission Proceedings

a) Upon submittal of an application, the Executive Officer shall review the proposal and within 30 days of its receipt either:
   i. Determine that the application is complete and issues a Certificate of Filing, setting the Commission hearing within 90 days. After receiving an application and before issuance of a Certificate of Filing, the Executive Officer shall give mailed notice to affected agencies, county departments, school districts, and other affected counties' LAFCos pursuant to G.C. §56658(b), unless the subject agency has already given notice pursuant to G.C. §56654(c); or
   ii. Determine that the application is not complete and notifies the proponent pursuant to G.C. §56658(g).

b) If a proposal involves a district annexation that is not initiated by the annexing district, or a proposal involving the detachment of territory from a city, the proposal shall be scheduled as an informational item for the next Commission meeting and the annexing district or detaching city shall be notified that the proposal has been submitted. No later than 60 days after the date the proposal is on the Commission's agenda as an informational item the annexing district or detaching city may transmit a resolution terminating the proceedings (G.C. §56751, 56857).

c) The Executive Officer, at least 21 days prior to the date set for hearing, shall give notice by publication, posting, website, and mailed notice to landowners and registered voters pursuant to G.C. §56660 and 56661. Some Commission actions can be made without notice and hearing, such as annexations and detachments with written consent of all landowners. Notice and opportunity to request a public hearing must be given to agencies whose boundaries are affected (G.C. §56662).

d) The Executive Officer shall review the application and any comment received, and shall prepare a written report and recommendation. The report reviews pertinent factors and policies, procedures, spheres of influence, and general and specific plans.

e) The Executive Officer shall mail the report at least five days prior to the hearing to each commissioner, each person named in the application to receive a report, each affected local agency requesting a report, each agency whose boundaries or sphere of influence will be changed, and the LAFCo executive officer of any other affected county (G.C. §56665).

f) The Commission shall hear the proposal on the noticed date and time. The hearing may be continued for up to 70 days (G.C. §56666). The Commission must consider a number of factors and policies in compliance with G.C. §56668 and 56668.3.

11.6 Commission Adoption of a Resolution

a) In its actions, the Commission may:
   i. approve the proposal as submitted;
   ii. approve the proposal with an amendment;
   iii. approve the proposal with conditions; or
   iv. deny the proposal.

b) Within 35 days after the conclusion of the hearing, the Commission shall adopt a resolution approving, approving conditionally, or disapproving the proposal (G.C. §56880). Upon execution of the resolution, copies shall be mailed to the chief petitioners, if any, and the affected agencies whose boundaries would be changed by the proposal. (G.C. §56882)

c) If the proposal is approved, a protest hearing shall be scheduled unless it has been waived in accordance with G.C. §56663. If the proposal is approved with conditions, the resolution of approval shall include a description of the required terms and conditions for approval. If the proposal is denied, no further proceedings shall be taken on that proposal and no similar proposal involving the same territory may be initiated for one year unless the Commission waives that stipulation as detrimental to the public interest (G.C. §56884).

11.7 Reconsideration of LAFCo Decisions

11.7.1 REQUEST AND FEES

A request for reconsideration shall be made in accordance with G.C. §56895 within 30 days of the Commission's determination and shall be accompanied by the appropriate reconsideration fee deposit as established in the LAFCo Fee Schedule. If the request does not specify the required grounds for reconsideration or does not otherwise comply with statutory requirements, the Executive Officer shall return the incomplete request to the requesting party, along with a statement of the deficiency. A request will be placed on the Commission's agenda only if the requesting party supplies the missing information before the end of the 30 day reconsideration period.

11.7.2 GROUNDS FOR RECONSIDERATION

LAFCo will consider changing its previous determination only under one or more of the following circumstances:

a) compelling new evidence about the proposal, which was previously unavailable is brought to the Commission's attention;
b) factors significant to the Commission decision were overlooked or have changed, such as a change in an applicable federal, state, or local law; or
c) a significant, prejudicial error in procedure is found.

11.8 Conducting Authority Proceedings

11.8.1 WAIVER OF CONDUCTING AUTHORITY PROCEEDINGS

The Commission may waive final Conducting Authority proceedings in accordance with G.C. §56662 and 56663, and otherwise authorize the Executive Officer to file a Certificate of Completion upon approval of a change of organization or reorganization and satisfaction of all terms and conditions pursuant to G.G. §57200.

11.8.2 SETTING THE MATTER FOR HEARING

Within 35 days of final LAFCo action, the Executive Officer shall set the matter for hearing and cause a notice thereof to be published in accordance with G.C. §57025. The date of the hearing shall not be less than 21 nor more than 60 days, after the date the notice is given. The hearing may be continued for up to 60 days.

11.8.3 CONCLUSION OF HEARING

Within thirty (30) days of the protest hearing, the Executive Officer shall, based on the value of written protests filed, either order the change, order the change subject to an election, or terminate the proposal.

The Executive Officer shall report to the Commission at its next meeting the outcome of any protest hearing that is conducted.

11.8.4 DELEGATION OF AUTHORITY TO CONDUCT PROTEST HEARING

The Commission shall delegate to the Executive Officer the authority to conduct protest hearings unless it specifies otherwise. The purpose of delegating certain duties to the Executive Officer is to increase scheduling flexibility, to avoid extending Commission meetings to conduct non-discretionary procedures, and to expedite the boundary change process. If the Commission chooses to retain such authority, this decision shall be stated in the terms and conditions for approval of the subject proposal. The Executive Officer shall have the authority to issue the appropriate order upon completion of the protest proceedings.

11.9 FINAL FILING

(Resolution No. 2016-17-05)

11.9.1 BOUNDARY MAPS

The Executive Officer shall ensure final boundary maps comply with the following:

a) LAFCo resolution approving a proposal;
b) LAFCo, County, and Board of Equalization mapping requirements;
c) All conditions of approval have been met; and
d) All application fees have been paid prior to filing the Certificate of Completion.

A Final Filing Checklist is included as Appendix B.

11.9.2 EFFECTIVE DATE OF CHANGE

The effective date of the change of organization or reorganization is the date the signed Certificate of Completion is filed at the County Recorder’s office unless otherwise specified by the Commission (G.C. 57202). If the Certificate of Completion has not been filed within one year after the Commission approves a proposal, the proceeding is deemed abandoned unless the Commission authorizes an extension prior the expiration of that year (G.C. 56895).

11.9.3 CERTIFICATE OF COMPLETION

The Certificate of Completion, including the recording numbers affixed by the County recorder, will be distributed to affected agencies, County surveyor, County assessor, County auditor, and the State Board of Equalization. The State Board of Equalization will distribute relevant information to the Department of Finance, the Controller, and to the Secretary of State, as appropriate (G.C. 57203, 57204).

12| SPECIFIC APPLICATION REQUIREMENTS

12.1 Provision of New Services by Districts

a) The Commission is responsible for determining latent powers for special districts under the Commission's jurisdiction. Towards this end, the Commission shall periodically review and update the functions and services established for each special district as part of its periodic review of municipal services pursuant to G.C. §56430. In conducting a municipal service review, the Commission may require the special districts to provide current information concerning established functions and services. The Commission may remove any function or service established for a special district if the Commission determines that the function of service is not currently being provided by the district.

b) Any special district desiring to undertake the provision of any new or different function or class of service, or divest an existing power within its boundaries, shall adopt a resolution of application for filing with LAFCo pursuant to G.C. §56824.12. In addition, applications for provision of new or different functions or classes of service must be accompanied by a plan for providing service consistent with G.C. §56653.

12.2 Extension of Services by Contract

12.2.1 COMMISSION APPROVAL REQUIRED

Except for the specific situations exempted by G.C. §56133(e), a city or district shall not provide new or extended services to any party or property outside its jurisdictional boundaries unless it has obtained written approval from LAFCo, consistent with the CKH Act and the policies described herein.

12.2.2 EXTENSION OF SERVICES WITHIN SPHERE

Annexation to cities and special districts involving territory located within the affected agency's sphere of influence is generally preferred to extending services by contract or agreement. The Commission recognizes, however, there may be local circumstances that justify approval of extended services by contract or agreement within the affected agency's sphere of influence.

Such local circumstances most frequently involve extension of service to meet an existing health and safety need, where annexation is not practical or deemed undesirable for other policy reasons. The Commission will give great weight to properly documented existing health and safety needs when considering justification of such extensions. The Commission discourages use of contract service extensions for the purpose of extending services to new development. The Commission will approve such extensions only under extraordinary circumstance and may apply strict limitations on such services

12.2.3 EXTENSION OF SERVICES OUTSIDE SPHERE

The Commission shall authorize a city or special district's request to provide new or extended services outside their jurisdictional boundary and sphere of influence only in response to an existing or future threat to public health or safety in accordance with G.C. §56133(c).

12.2.4 ADMINISTRATIVE APPROVAL UNDER URGENT CIRCUMSTANCES

The Commission authorizes the Executive Officer, in accordance with G.C. §56133(d), to administratively approve a city or special district's request for extended services by contract or agreement if there is an existing and urgent public health or safety emergency as identified in writing from the local public health officer. The Commission shall ratify the Executive Officer's determination at the next regularly scheduled meeting.

12.2.5 EXEMPTIONS TO LAFCO APPROVAL REQUIREMENT

Commission approval may not be required for cities or special districts to provide new or extended services outside their jurisdictional boundaries in accordance with the provisions of G.C. §56133(e). The Executive Officer shall consult with cities and districts to determine whether extended services agreements are subject to Commission review.

12.2.6 ANTICIPATION OF LATER ANNEXATION.

G.C. §56133(b) authorizes the Commission to approve contracts for extension of services "in anticipation of a later change of organization". The Commission defines the term "anticipation of a later change of organization" as follows:

a) The inclusion of the area to be served within the sphere of influence of the serving agency shall be sufficient to comply with this provision.

12.2.7 AGREEMENTS CONSENTING TO ANNEX

Whenever the Commission determines to condition the approval upon a later annexation of the affected property, the condition shall normally include a requirement that the owner record an agreement consenting to annex the territory, which agreement shall bind future owners of the property. The agreement shall be prepared by LAFCo legal counsel and provided to the landowners for execution and recording. Proof of recordation will be require before the LAFCo contract approval becomes final and effective.

12.3 LAFCO INITIATED PROPOSALS

12.3.1 TYPES OF PROPOSALS

As provided under G.C. §56375(a), the Commission is authorized to initiate the following specific types of proposals:

a) Consolidation of two or more special districts.
b) Dissolution of one or more special districts, where another agency or agencies can assume service responsibilities.
c) Merger of a special district with a city, where the city encompasses the entire district.
d) Establishment of a subsidiary district of a city, where at least 70% of the district's territory and population are within the city.
e) Reorganization which includes two or more of the above changes of organization.

12.3.2 CONDITIONS

The Commission will consider initiation of such proposals in instances in which the following conditions apply:

a) A sphere of influence, municipal service review, or other governmental study has shown that a proposal may result in lower overall public service costs, greater local government access and accountability, or both.
b) The Commission can complete the necessary review, analysis, and processing with its own staff resources, or funds are available to pay for additional assistance needed to complete the review and processing of the proposal.

12.3.3 PROCEEDINGS

The Commission reserves its discretion to initiate such proceedings in exceptional circumstances in which there exists a level of public concern about a district's services or governance which, in the Commission's view, warrants initiation of a proposal. The Commission may refer the proposal to a reorganization committee as provided in G.C. §56827. As an alternative, the Commission may refer the proposal to an advisory committee composed of a representative from each affected district and any additional representative the Commission deems appropriate.

13| APPENDIX A

13.1 DEFINITION OF TERMS

This glossary presents a listing of key terms that are used in Cortese-Knox-Hertzberg Act of 2000 (CKH), Mendocino County Local Agency Formation Commission Policies and Procedures, Executive Officer reports, or Commission proceedings. These definitions of terms used are taken from CKH, other documents (such as CEQA) and from the Policies and Procedures. Where the definition is taken from CKH, the relevant section is cited. The definition of a word applies to any of that word's variants.

Affected city/district/ local agency	Any city, district, or local agency that contains or would contain, or whose sphere of influence contains or would contain territory for which a change of organization is proposed or ordered, either singularly or as part of a reorganization. [§56011, §56013, §56014]
Affected county	Any county that contains, or would contain, any territory for which a change of organization or reorganization is proposed or ordered, either singularly or as part of a reorganization or that contains all or any part of a district for which a change of organization or reorganization is proposed or ordered with respect to territory outside that county, district, or local agency. [§56012]
Affected territory	Any territory for which a change of organization or reorganization, or sphere of influence change is proposed or ordered. [§56015]
Agricultural lands	Land currently used for the purpose of producing an agricultural commodity for commercial purposes, land left fallow under a crop rotational program, or land enrolled in an agricultural subsidy or set-aside program. [§56016; see also “Prime agricultural land” §56064]
Annexation	The inclusion, attachment, or addition of territory to a city or district. [§56017]
Application	Applies to any of the following [§56017.2]: (a) A resolution of application or petition initiating a change of organization or reorganization with supporting documentation as required by the commission or executive officer. (b) A request for a sphere of influence amendment or update pursuant to §56425. (c) A request by a city or district for commission approval of an extension of services outside the agency’s jurisdictional boundaries pursuant to §56133. (d) A request by a public agency for commission approval of an extension of serves outside the agency’s jurisdictional boundaries pursuant to §56134.

Area of Interest The geographical area beyond the Sphere of Influence of a local agency in which land use decisions, or other governmental actions of the jurisdiction impact directly or indirectly upon the local agency, or for which urbanization may be anticipated in the intermediate or long range planning horizons.

Board of supervisors The legislative body or governing board of a county. [§56020]

Categorical Exemption An exemption from CEQA for a class of projects based on a finding by the Secretary for Resources that the class of projects does not have a significant impact on the environment (14 CCR Section 15300-15331). [§15354]

CEQA The California Environmental Quality Act contained in Public Resources Code §21000 et seq.

Certificate of completion The document prepared by the executive officer and recorded with the county recorder that confirms the final successful completion of a change of organization or reorganization. [§56020.5]

Certificate of filing The document issued by the executive officer that confirms an application for a change or organization or reorganization has met submission requirements and is accepted for filing. [§56020.6]

Certificate of termination The document prepared by the executive officer and retained by the commission that indicates that a proposal for a change of organization or reorganization was terminated because of majority written protest, rejection by voters in an election, or the expiration of time prior to completion of proceedings pursuant to §57001 or a court order. [§56020.7]

Change of organization Refers to any of the following [§56021]:

(a) A city incorporation
(b) A district formation
(c) An annexation to a city or district.
(d) A detachment from a city or district.
(e) A disincorporation of a city
(f) A district dissolution
(g) A consolidation of cities or special districts
(h) A merger of a city and a district
(i) Establishment of a subsidiary district
(j) The exercise of new or different functions or classes of services, or divestiture of the power to provide particular functions or classes of services, within all or part of the jurisdictional boundaries of a special district as provided in Article 1.5 (commencing with §56824.10) of Chapter 5 of Part 3 of this division.

City	Any incorporated chartered or general law city, including any city the name of which includes the word "town." [§56023]
Clerk	The clerk or secretary of a commission, county, city, or district, or the clerk or secretary of the legislative body of a county, city, or district. Where the office of county clerk is separate from the office of the clerk of the board of supervisors, "clerk" means the clerk of the board of supervisors. Where the office of county clerk is separate from the office of the registrar of voters, "clerk" means the registrar of voters with respect to all duties pertaining to the conduct of elections and the county clerk with respect to all other duties. [§56026]
Commission	A local agency formation commission. [§56027]
Commission proceedings	Proceedings which are taken by a commission pursuant to Part 3 (commencing with §56650). [§56028]
Conducting authority	The Commission of the principal county, or the commission's executive officer when authorized by the commission, when exercising its responsibility to conduct protest proceedings following approval by the commission of a change of organization or reorganization. [§56029]
Consolidation	The uniting or joining of two or more cities located in the same county into a single new successor city or two or more districts into a single new successor district. [§56030]
Contiguous	(a) Territory that abuts or shares a common boundary with territory within a local agency; (b) Territory is not contiguous if the only contiguity is based upon a strip of land more than 300 feet long and less than 200 feet wide at its narrowest width, that width to be exclusive of highways. [§56031]
Dependent special district or dependent district	Any special district that has a legislative body that consists, in whole or part, of ex officio members who are officers of a county or another local agency, or who are appointees of those officers, and who are not appointed to fixed terms. "Dependent special district" or "dependent district" does not include any district excluded from the definition of district contained in §56036 or §56036.6. [§56032.5]
Detachment	The exclusion, deletion, or removal from a city or district of any portion of the territory of that city or district. [§56033]
"Disadvantaged unincorporated community" (DUC)	Inhabited territory, as defined by §56046, or as determined by commission policy, that constitutes all or a portion of a "disadvantaged community" as defined by Section 79505.5 of the Water Code. [§56033.5]

Disincorporation — The dissolution, extinguishment, or termination of the existence of a city and the cessation of its corporate powers, except for the purpose of winding up the affairs of the city. [§56034]

Dissolution — The disincorporation, extinguishment, and termination of the existence of a district and the cessation of all its corporate powers, except as the commission may otherwise provide pursuant to §56886 or for the purpose of winding up the affairs of the district. [§56035]

District or special district — (a) “District” or “special district” are synonymous and mean an agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries and in areas outside boundaries when authorized by the commission pursuant to §56133.
(b) "District" or "special district" includes a county service area, but excludes all of the following:

1. The state.
2. A county.
3. A city.
4. A school district or community college district.
5. A special assessment district or special assessment district.
6. An improvement district.
7. A community facilities district formed pursuant to the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with §53311) of Part 1 of Division 2 of Title 5).
8. A permanent road division formed pursuant to Article 3 (commenting with §1160) of Chapter 4 of Division 2 of the Streets and Highways Code.
9. An air pollution control district or an air quality maintenance district.
10. A zone of any special district. [§56036]

Elections official — “Elections official” shall have the same meaning as in Section 320 of the Elections Code. [§56037.5]

Environmental Impact Report (EIR) — An environmental impact report is an informational document produced according to CEQA regulations which, when its preparation is required pursuant to Public Resources Code §21000 et seq.) shall be considered by every public agency prior to its approval or disapproval of a project. The purpose of an environmental impact report is to provide public agencies and the public in general with detailed information about the effect which a proposed project is likely to have on the environment; to list ways in which the significant effects of such a project might be minimized; and to indicate alternatives to such a project. [§21061]

Environmental Review	The process set forth in CEQA (Public Resources Code §21000 et seq.) which involves an assessment of potential significant adverse impacts of an action.
Executive officer	The person appointed by a commission pursuant to §56384. [§56038]
Feasible	Capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, legal, social, and technological factors. [§56038.5]
Function	Any power granted by law to a local agency to provide designated governmental or proprietary services or facilities for the use, benefit, or protection of persons or property. [§56040]
Improvement district	An area or zone formed for the sole purpose of designating an area which is to bear a special tax or assessment for an improvement benefiting that area. [§56041]
Inactive District	A special district that meets all of the following: [§56042] (a) The special district is defined in §56036. (b) The special district has had no financial transactions in the previous fiscal year. (c) The special district has no assets and liabilities. (d) The special district has no outstanding debts, judgements, litigation, contracts, liens, or claims.
Incorporation	The creation or establishment of a city. Any area proposed for incorporation as a city shall have at least 500 registered voters residing within the affected territory at the time the proposal is initiated. [§56043]
Independent district or independent special district	Any special district having a legislative body all of whose members are elected by registered voters or landowners within the district, or whose members are appointed to fixed terms, and excludes any special district having a legislative body consisting, in whole or in part, of ex-officio members who are officers of a county or another local agency or who are appointees of those officers other than those who are appointed to fixed terms. "Independent special district" does not include any district excluded from the definition of district contained in §56036 and §56036.6. [§56044]
Infill	Building within unused and underutilized lands within existing development patterns, typically but not exclusively in urban areas.
Inhabited territory	Territory within which there reside 12 or more registered voters. The number of registered voters as determined by the elections officer, shall be established as of the date a certificate of filing is issued by the

	executive officer. All other territory shall be deemed "uninhabited." [§56046]
Initiating petition	A document signed either by registered voters or landowners that requests LAFCo to consider a boundary change. The petition must be in a form prescribed by LAFCo.
Interested agency	Each local agency which provides facilities or services in the affected territory. [§56047.5]
Island	Unincorporated territory substantially surrounded by a city, or territory surrounded by a city on one or more sides and the Pacific Ocean on the remaining side.
Joint powers agency or joint powers authority	An agency or entity formed pursuant to the Joint Exercise of Powers Act (Article 1 (commencing with §6500) of Chapter of Division 7 of Title 1) that is formed for the local performance of governmental functions that includes the provisions of municipal services. [§56047.7]
Landowner, or owner of land, or property owner	Means all of the following: [§56048] (a) Any person or persons shown as the owner of land on the last equalized assessment roll prepared by the county at the time the determination is required to be made pursuant to the requirements of this division. Where that person or persons is no longer the owner, the landowner or owner of land is any person or persons entitled to be shown as owner of land on the next equalized assessment roll. (b) Where land is subject to a recorded written agreement of sale, any person shown in the agreement as purchaser. (c) Any public agency owning land other than highways, rights-of-way, easements, waterways, or canals
Landowner-voter	Any person entitled to vote in a landowner-voter district, or the legal representative of that person or, in the case of an election, the proxy of that person if authorized by the principal act. [§56049]
Landowner-voter district	A district whose principal act provides that owners of land within the district are entitled to vote upon the election of district officers, the incurring of bonded indebtedness, or any other district matter. [§56050]
Latent service or power	Those services, facilities, functions, or powers authorized by the principal act under which the district is formed, but that are not being exercised, as determined by the commission pursuant to §56425(i). [§56050.5]

Lead Agency	Under CEQA, the public agency which has the principal responsibility for carrying out or approving a project which may have a significant effect upon the environment. [§21067]
Legal representative	An officer of a corporation, partnership, or limited-liability company duly authorized to sign for, and on behalf of, the entity. Legal representative also includes a guardian, conservator, executor, administrator, trustee or other person holding property in a trust capacity under appointment of a court, when authorized by an order of the court. [§56052]
Local agency	A city, county, or district. [§56054]
Merger	The termination of the existence of a district when the responsibility for the functions, services, assets, and liabilities of that district are assumed by a city as a result of proceedings taken pursuant to his division. [§56056]
Municipal services	The full range of services that a public agency provides or is authorized to provide.
Municipal service review (MSR)	A comprehensive study designed to better inform LAFCo, local agencies, and the community examining the provision of municipal services for the area.
Open space	Any parcel or area of land or water which is substantially unimproved and devoted to an open-space use, as defined in §65560. [§56059]
Overlap or overlapping territory	Territory which is included within the boundaries of two or more districts or within one or more districts and a city or cities. [56061]
Plan for services	A plan prepared pursuant to §56653 for purposes of providing sufficient information to assess the proposed provision of services for applications.
Prezoning	A zoning designation formally adopted by a city that applies to property outside city limits. Prezoning has no regulatory effect until a property is annexed.
Prime agricultural land	An area of land, whether a single parcel or contiguous parcels, that has not been developed for a use other than an agricultural use and that meet any of the following qualifications: [§56064] (a) Land that qualifies, if irrigated, for rating as class I or class II in the USDA Natural Resources Conservation Service land use capability classification, whether or not the land is actually irrigated, provided that irrigation is feasible. (b) Land that qualifies for rating 80 through 100 Storie Index Rating.

(c) Land that supports livestock used for the production of food and fiber and that has an annual carrying capacity equivalent to at least one animal unit per acre as defined by the United States Department of Agriculture in the National Range and Pasture Handbook, Revision 1, December 2003.
(d) Land planted with fruit or nut-bearing trees, vines, bushes, or crops that have a nonbearing period of less than five years and that will return during the commercial bearing period on an annual basis from the production of unprocessed agricultural plant production not less than four hundred dollars ($400) per acre.
(e) Land that has returned from the production of unprocessed agricultural plant products an annual gross value of not less than four hundred dollars ($400) per acre for three of the previous five calendar years.

Principal act In the case of a district, the law under which the district was formed and, in the case of a city, the general laws or the city charter. [§56065]

Proceeding Proceedings taken by the commission for a proposed change for a change of organization or reorganization pursuant to Part 4 (commencing with §57000). [§56067]

Proposal A desired change of organization or reorganization initiated by petition or by resolution of application of a legislative body or school district for which a certificate of filing has been issued. [§56069]

Protest proceedings Proceedings taken by a commission, or its executive officer when authorized by the commission, as the conducting authority pursuant to Chapter 1 (commencing with §57000), Chapter 2 (commencing with §57025), Chapter 3 (commencing with §57075) of Part 4 of this division. [§56069.5]

Public agency The state or any state agency, board, or commission, any city, county, city and county, special district, or any agency, board, or commission of the city, county, city and county, special district, joint powers authority, or other political subdivision. [§56070]

Reorganization Two or more changes of organization contained within a single proposal. [§56073]

Service A specific governmental activity established within, and as a part of, a general function of the special district as provided by regulations adopted by the commission pursuant to Chapter 5 (commencing with §56820) of Part 3. [§56074]

Sphere of influence (SOI) A plan for the probable physical boundaries and service area of a local agency, as determined by the commission. [§56076]

Subject agency	Each district or city for which a change of organization or reorganization is proposed or provided in a plan of reorganization. [§56077]
Subsidiary district	A district in which a city council is designated as, and empowered to act as, the ex officio board of directors of the district. [§56078]
Urban service area	Developed, undeveloped, or agricultural land, either incorporated or unincorporated, within the sphere of influence of a city, which is served by urban facilities, utilities, and services or which are proposed to be served by urban facilities, utilities, and services during the first five years of an adopted capital improvement program of the city if the city adopts that type of program for those facilities, utilities, and services. The boundary around an urban area shall be called the "urban service area boundary" and shall be developed in cooperation with a city and adopted by a commission pursuant to policies adopted by the commission in accordance with §56300, §56301 and §56425. [§56080]
Zoning	The primary regulatory instrument for implementing the general plan. Zoning divides a community into districts or “zones” which specify the permitted and prohibited uses and development standards.

14| APPENDIX B

14.1 FINAL FILING CHECKLIST

(See Policy 10.9 Final Filing). *(Resolution 2016-17-05)*

Final Filing Checklist		
No.	**Procedure/Step**	**Date Completed**
Mapping Adequacy		
1	Staff confirms it has the final boundary map from the applicant.	
2	Staff compares the map with the LAFCo Resolution of Approval boundary determinations to assure consistency, with particular attention to whether roads are included or excluded.	
3	Staff review the boundaries to make sure they follow parcel lines unless that requirement was specifically waived.	
4	Staff reviews the map for SBOE mapping requirements.	
5	Staff routes the map and legal description to the County Surveyor for review.	
6	Staff routes approved final boundary map and legal description to County GIS staff.	
Final Filing		
7	Staff reviews resolution and final boundary map for compliance; ensures all conditions of approval have been met. If any questions regarding compliance, consult with legal counsel.	
8	Staff confirms all outstanding fees have been paid in full.	
9	Staff prepares Certificate of Completion and submits to County Clerk of the Board for recording.	
10	Staff files with State Board of Equalization and County Assessor.	
11	Upon notification of BOE acceptance, staff notifies all affected parties.	

15| APPENDIX C

15.1 2018 Legislative Platform

(Resolution No. 2017-18-11)

1. LAFCo Purpose and Authority

1.1. Support legislation which enhances LAFCo authority and powers to carry out the legislative findings and authority in Government Code §56000 et seq., and oppose legislation which diminishes LAFCo authority.

1.2. Support authority for each LAFCo to establish local policies to apply Government Code §56000 et seq. based on local needs and conditions, and oppose any limitations to that authority.

1.3. Oppose additional LAFCo responsibilities, which require expansion of current local funding sources. Oppose unrelated responsibilities which dilute LAFCo ability to meet its primary mission.

1.4. Support alignment of responsibilities and authority of LAFCo and regional agencies, which may have overlapping responsibilities in orderly growth, preservation, and service delivery, and oppose legislation or policies which create conflicts or hamper those responsibilities.

1.5. Oppose grants of special status to any individual agency or proposal to circumvent the LAFCo process.

1.6. Support individual commissioner responsibility that allows each commissioner to independently vote his or her conscience on issues affecting his or her own jurisdiction.

2. LAFCo Organization

2.1. Support the independence of LAFCo from local agencies.

2.2. Oppose the re-composition of any LAFCo to create special seats and recognize the importance of balanced representation provided by cities, the county, the public, and special districts in advancing the public interest.

2.3. Support representation of special districts on all LAFCos in counties with independent districts and oppose removal of special districts from any LAFCo.

2.4. Support communication and collaborative decision-making among neighboring LAFCos when growth pressures and multicounty agencies extend beyond a LAFCo's boundaries.

3. Agricultural and Open Space Protection

3.1. Support legislation which clarifies LAFCo authority to identify, encourage and ensure the preservation of agricultural and open space lands.

3.2. Encourage a consistent definition of agricultural and open space lands.

3.3. Support policies which encourage cities, counties and special districts to direct development away from all types of agricultural lands, including prime agricultural lands and open space lands.

3.4. Support policies and tools, which protect all types of agricultural lands, including prime agricultural lands and open space lands.

3.5. Support the continuance of the Williamson Act and restoration of program funding through State subvention payments.

4. Orderly Growth

4.1. Support the recognition and use of spheres of influence as a management tool to provide better planning of growth and development, and to preserve agricultural and open space lands.

4.2. Support recognition of LAFCo spheres of influence by other agencies involved in determining and developing long-term growth and infrastructure plans.

4.3. Support orderly boundaries of local agencies and the elimination of islands within the boundaries of agencies.

4.4. Support communication among cities, counties, and special districts through a collaborative process that resolves service, housing, land use, and fiscal issues, prior to application to LAFCo.

4.5. Support cooperation between counties, cities, and special districts on decisions related to development within the city's designated sphere of influence.

5. Service Delivery and Local Agency Effectiveness

5.1. Support the use of LAFCo resources to review Regional Transportation Plans, including sustainable communities strategies and other growth plans to ensure reliable services, orderly growth, sustainable communities, and conformity with LAFCo's legislative mandates. Support efforts that enhance meaningful collaboration between LAFCo and regional planning agencies.

5.2. Support LAFCo authority as the preferred method of local governance. Support the availability of LAFCo tools which provide options for local governance and efficient service delivery, including the authority to impose conditions that assure a proposal's conformity with LAFCo's legislative mandates.

5.3. Support the creation or reorganization of local governments in a deliberative, open process which will fairly evaluate the proposed new or successor agency's long-term financial viability, governance structure and ability to efficiently deliver proposed services.

5.4. Support the availability of tools for LAFCo to insure equitable distribution of revenues to local government agencies consistent with their service delivery responsibilities.

5.5. Support collaborative efforts, including consolidation, among agencies and LAFCo that encourage opportunities for sharing of services, staff and facilities to provide more efficient and cost effective services. Support legislation which provides LAFCo with additional opportunities to encourage shared services

15.2 2018 Legislative Priorities

Primary Issues

A. Authority of LAFCo

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

B. Agriculture and Open Space Protection

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

C. Water Availability

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

D. Viability of Local Services

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

13| APPENDIX A

13.1 DEFINITION OF TERMS

This glossary presents a listing of key terms that are used in Cortese-Knox-Hertzberg Act of 2000 (CKH), Mendocino County Local Agency Formation Commission Policies and Procedures, Executive Officer reports, or Commission proceedings. These definitions of terms used are taken from CKH, other documents (such as CEQA) and from the Policies and Procedures. Where the definition is taken from CKH, the relevant section is cited. The definition of a word applies to any of that word's variants.

Affected city/district/ local agency — Any city, district, or local agency that contains or would contain, or whose sphere of influence contains or would contain territory for which a change of organization is proposed or ordered, either singularly or as part of a reorganization. [§56011, §56013, §56014]

Affected county — Any county that contains, or would contain, any territory for which a change of organization or reorganization is proposed or ordered, either singularly or as part of a reorganization or that contains all or any part of a district for which a change of organization or reorganization is proposed or ordered with respect to territory outside that county, district, or local agency**.** [§56012]

Affected territory — Any territory for which a change of organization or reorganization, or sphere of influence change is proposed or ordered. [§56015]

Agricultural lands — Land currently used for the purpose of producing an agricultural commodity for commercial purposes, land left fallow under a crop rotational program, or land enrolled in an agricultural subsidy or set-aside program. [§56016; see also "Prime agricultural land" §56064]

Annexation — The inclusion, attachment, or addition of territory to a city or district. [§56017]

Application — Applies to any of the following [§56017.2]:

(a) A resolution of application or petition initiating a change of organization or reorganization with supporting documentation as required by the commission or executive officer.

(b) A request for a sphere of influence amendment or update pursuant to §56425.

(c) A request by a city or district for commission approval of an extension of services outside the agency's jurisdictional boundaries pursuant to §56133.

(d) A request by a public agency for commission approval of an extension of serves outside the agency's jurisdictional boundaries pursuant to §56134.

Area of Interest The geographical area beyond the Sphere of Influence of a local agency in which land use decisions, or other governmental actions of the jurisdiction impact directly or indirectly upon the local agency, or for which urbanization may be anticipated in the intermediate or long range planning horizons.

Board of supervisors The legislative body or governing board of a county. [§56020]

Categorical Exemption An exemption from CEQA for a class of projects based on a finding by the Secretary for Resources that the class of projects does not have a significant impact on the environment (14 CCR Section 15300-15331). [§15354]

CEQA The California Environmental Quality Act contained in Public Resources Code §21000 et seq.

Certificate of completion The document prepared by the executive officer and recorded with the county recorder that confirms the final successful completion of a change of organization or reorganization. [§56020.5]

Certificate of filing The document issued by the executive officer that confirms an application for a change or organization or reorganization has met submission requirements and is accepted for filing. [§56020.6]

Certificate of termination The document prepared by the executive officer and retained by the commission that indicates that a proposal for a change of organization or reorganization was terminated because of majority written protest, rejection by voters in an election, or the expiration of time prior to completion of proceedings pursuant to §57001 or a court order. [§56020.7]

Change of organization Refers to any of the following [§56021]:

(a) A city incorporation
(b) A district formation
(c) An annexation to a city or district.
(d) A detachment from a city or district.
(e) A disincorporation of a city
(f) A district dissolution
(g) A consolidation of cities or special districts
(h) A merger of a city and a district
(i) Establishment of a subsidiary district
(j) The exercise of new or different functions or classes of services, or divestiture of the power to provide particular functions or classes of services, within all or part of the jurisdictional boundaries of a special district as provided in Article 1.5 (commencing with §56824.10) of Chapter 5 of Part 3 of this division.

City	Any incorporated chartered or general law city, including any city the name of which includes the word "town." [§56023]
Clerk	The clerk or secretary of a commission, county, city, or district, or the clerk or secretary of the legislative body of a county, city, or district. Where the office of county clerk is separate from the office of the clerk of the board of supervisors, "clerk" means the clerk of the board of supervisors. Where the office of county clerk is separate from the office of the registrar of voters, "clerk" means the registrar of voters with respect to all duties pertaining to the conduct of elections and the county clerk with respect to all other duties. [§56026]
Commission	A local agency formation commission. [§56027]
Commission proceedings	Proceedings which are taken by a commission pursuant to Part 3 (commencing with §56650). [§56028]
Conducting authority	The Commission of the principal county, or the commission's executive officer when authorized by the commission, when exercising its responsibility to conduct protest proceedings following approval by the commission of a change of organization or reorganization. [§56029]
Consolidation	The uniting or joining of two or more cities located in the same county into a single new successor city or two or more districts into a single new successor district. [§56030]
Contiguous	(a) Territory that abuts or shares a common boundary with territory within a local agency; (b) Territory is not contiguous if the only contiguity is based upon a strip of land more than 300 feet long and less than 200 feet wide at its narrowest width, that width to be exclusive of highways. [§56031]
Dependent special district or dependent district	Any special district that has a legislative body that consists, in whole or part, of ex officio members who are officers of a county or another local agency, or who are appointees of those officers, and who are not appointed to fixed terms. "Dependent special district" or "dependent district" does not include any district excluded from the definition of district contained in §56036 or §56036.6. [§56032.5]
Detachment	The exclusion, deletion, or removal from a city or district of any portion of the territory of that city or district. [§56033]
"Disadvantaged unincorporated community" (DUC)	Inhabited territory, as defined by §56046, or as determined by commission policy, that constitutes all or a portion of a "disadvantaged community" as defined by Section 79505.5 of the Water Code. [§56033.5]

Disincorporation	The dissolution, extinguishment, or termination of the existence of a city and the cessation of its corporate powers, except for the purpose of winding up the affairs of the city. [§56034]
Dissolution	The disincorporation, extinguishment, and termination of the existence of a district and the cessation of all its corporate powers, except as the commission may otherwise provide pursuant to §56886 or for the purpose of winding up the affairs of the district. [§56035]
District or special district	(a) "District" or "special district" are synonymous and mean an agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries and in areas outside boundaries when authorized by the commission pursuant to §56133. (b) "District" or "special district" includes a county service area, but excludes all of the following: 1. The state. 2. A county. 3. A city. 4. A school district or community college district. 5. A special assessment district or special assessment district. 6. An improvement district. 7. A community facilities district formed pursuant to the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with §53311) of Part 1 of Division 2 of Title 5). 8. A permanent road division formed pursuant to Article 3 (commenting with §1160) of Chapter 4 of Division 2 of the Streets and Highways Code. 9. An air pollution control district or an air quality maintenance district. 10. A zone of any special district. [§56036]
Elections official	"Elections official" shall have the same meaning as in Section 320 of the Elections Code. [§56037.5]
Environmental Impact Report (EIR)	An environmental impact report is an informational document produced according to CEQA regulations which, when its preparation is required pursuant to Public Resources Code §21000 et seq.) shall be considered by every public agency prior to its approval or disapproval of a project. The purpose of an environmental impact report is to provide public agencies and the public in general with detailed information about the effect which a proposed project is likely to have on the environment; to list ways in which the significant effects of such a project might be minimized; and to indicate alternatives to such a project. [§21061]

Environmental Review	The process set forth in CEQA (Public Resources Code §21000 et seq.) which involves an assessment of potential significant adverse impacts of an action.
Executive officer	The person appointed by a commission pursuant to §56384. [§56038]
Feasible	Capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, legal, social, and technological factors. [§56038.5]
Function	Any power granted by law to a local agency to provide designated governmental or proprietary services or facilities for the use, benefit, or protection of persons or property. [§56040]
Improvement district	An area or zone formed for the sole purpose of designating an area which is to bear a special tax or assessment for an improvement benefiting that area. [§56041]
Inactive District	A special district that meets all of the following: [§56042] (a) The special district is defined in §56036. (b) The special district has had no financial transactions in the previous fiscal year. (c) The special district has no assets and liabilities. (d) The special district has no outstanding debts, judgements, litigation, contracts, liens, or claims.
Incorporation	The creation or establishment of a city. Any area proposed for incorporation as a city shall have at least 500 registered voters residing within the affected territory at the time the proposal is initiated. [§56043]
Independent district or independent special district	Any special district having a legislative body all of whose members are elected by registered voters or landowners within the district, or whose members are appointed to fixed terms, and excludes any special district having a legislative body consisting, in whole or in part, of ex-officio members who are officers of a county or another local agency or who are appointees of those officers other than those who are appointed to fixed terms. "Independent special district" does not include any district excluded from the definition of district contained in §56036 and §56036.6. [§56044]
Infill	Building within unused and underutilized lands within existing development patterns, typically but not exclusively in urban areas.
Inhabited territory	Territory within which there reside 12 or more registered voters. The number of registered voters as determined by the elections officer, shall be established as of the date a certificate of filing is issued by the

	executive officer. All other territory shall be deemed "uninhabited." [§56046]
Initiating petition	A document signed either by registered voters or landowners that requests LAFCo to consider a boundary change. The petition must be in a form prescribed by LAFCo.
Interested agency	Each local agency which provides facilities or services in the affected territory. [§56047.5]
Island	Unincorporated territory substantially surrounded by a city, or territory surrounded by a city on one or more sides and the Pacific Ocean on the remaining side.
Joint powers agency or joint powers authority	An agency or entity formed pursuant to the Joint Exercise of Powers Act (Article 1 (commencing with §6500) of Chapter of Division 7 of Title 1) that is formed for the local performance of governmental functions that includes the provisions of municipal services. [§56047.7]
Landowner, or owner of land, or property owner	Means all of the following: [§56048] (a) Any person or persons shown as the owner of land on the last equalized assessment roll prepared by the county at the time the determination is required to be made pursuant to the requirements of this division. Where that person or persons is no longer the owner, the landowner or owner of land is any person or persons entitled to be shown as owner of land on the next equalized assessment roll. (b) Where land is subject to a recorded written agreement of sale, any person shown in the agreement as purchaser. (c) Any public agency owning land other than highways, rights-of-way, easements, waterways, or canals
Landowner-voter	Any person entitled to vote in a landowner-voter district, or the legal representative of that person or, in the case of an election, the proxy of that person if authorized by the principal act. [§56049]
Landowner-voter district	A district whose principal act provides that owners of land within the district are entitled to vote upon the election of district officers, the incurring of bonded indebtedness, or any other district matter. [§56050]
Latent service or power	Those services, facilities, functions, or powers authorized by the principal act under which the district is formed, but that are not being exercised, as determined by the commission pursuant to §56425(i). [§56050.5]

Lead Agency	Under CEQA, the public agency which has the principal responsibility for carrying out or approving a project which may have a significant effect upon the environment. [§21067]
Legal representative	An officer of a corporation, partnership, or limited-liability company duly authorized to sign for, and on behalf of, the entity. Legal representative also includes a guardian, conservator, executor, administrator, trustee or other person holding property in a trust capacity under appointment of a court, when authorized by an order of the court. [§56052]
Local agency	A city, county, or district. [§56054]
Merger	The termination of the existence of a district when the responsibility for the functions, services, assets, and liabilities of that district are assumed by a city as a result of proceedings taken pursuant to his division. [§56056]
Municipal services	The full range of services that a public agency provides or is authorized to provide.
Municipal service review (MSR)	A comprehensive study designed to better inform LAFCo, local agencies, and the community examining the provision of municipal services for the area.
Open space	Any parcel or area of land or water which is substantially unimproved and devoted to an open-space use, as defined in §65560. [§56059]
Overlap or overlapping territory	Territory which is included within the boundaries of two or more districts or within one or more districts and a city or cities. [56061]
Plan for services	A plan prepared pursuant to §56653 for purposes of providing sufficient information to assess the proposed provision of services for applications.
Prezoning	A zoning designation formally adopted by a city that applies to property outside city limits. Prezoning has no regulatory effect until a property is annexed.
Prime agricultural land	An area of land, whether a single parcel or contiguous parcels, that has not been developed for a use other than an agricultural use and that meet any of the following qualifications: [§56064] (a) Land that qualifies, if irrigated, for rating as class I or class II in the USDA Natural Resources Conservation Service land use capability classification, whether or not the land is actually irrigated, provided that irrigation is feasible. (b) Land that qualifies for rating 80 through 100 Storie Index Rating.

(c) Land that supports livestock used for the production of food and fiber and that has an annual carrying capacity equivalent to at least one animal unit per acre as defined by the United States Department of Agriculture in the National Range and Pasture Handbook, Revision 1, December 2003.
(d) Land planted with fruit or nut-bearing trees, vines, bushes, or crops that have a nonbearing period of less than five years and that will return during the commercial bearing period on an annual basis from the production of unprocessed agricultural plant production not less than four hundred dollars ($400) per acre.
(e) Land that has returned from the production of unprocessed agricultural plant products an annual gross value of not less than four hundred dollars ($400) per acre for three of the previous five calendar years.

Principal act In the case of a district, the law under which the district was formed and, in the case of a city, the general laws or the city charter. [§56065]

Proceeding Proceedings taken by the commission for a proposed change for a change of organization or reorganization pursuant to Part 4 (commencing with §57000). [§56067]

Proposal A desired change of organization or reorganization initiated by petition or by resolution of application of a legislative body or school district for which a certificate of filing has been issued. [§56069]

Protest proceedings Proceedings taken by a commission, or its executive officer when authorized by the commission, as the conducting authority pursuant to Chapter 1 (commencing with §57000), Chapter 2 (commencing with §57025), Chapter 3 (commencing with §57075) of Part 4 of this division. [§56069.5]

Public agency The state or any state agency, board, or commission, any city, county, city and county, special district, or any agency, board, or commission of the city, county, city and county, special district, joint powers authority, or other political subdivision. [§56070]

Reorganization Two or more changes of organization contained within a single proposal. [§56073]

Service A specific governmental activity established within, and as a part of, a general function of the special district as provided by regulations adopted by the commission pursuant to Chapter 5 (commencing with §56820) of Part 3. [§56074]

Sphere of influence (SOI) A plan for the probable physical boundaries and service area of a local agency, as determined by the commission. [§56076]

Subject agency	Each district or city for which a change of organization or reorganization is proposed or provided in a plan of reorganization. [§56077]
Subsidiary district	A district in which a city council is designated as, and empowered to act as, the ex officio board of directors of the district. [§56078]
Urban service area	Developed, undeveloped, or agricultural land, either incorporated or unincorporated, within the sphere of influence of a city, which is served by urban facilities, utilities, and services or which are proposed to be served by urban facilities, utilities, and services during the first five years of an adopted capital improvement program of the city if the city adopts that type of program for those facilities, utilities, and services. The boundary around an urban area shall be called the "urban service area boundary" and shall be developed in cooperation with a city and adopted by a commission pursuant to policies adopted by the commission in accordance with §56300, §56301 and §56425. [§56080]
Zoning	The primary regulatory instrument for implementing the general plan. Zoning divides a community into districts or “zones” which specify the permitted and prohibited uses and development standards.

14| APPENDIX B

14.1 FINAL FILING CHECKLIST

(See Policy 10.9 Final Filing). *(Resolution 2016-17-05)*

Final Filing Checklist		
No.	**Procedure/Step**	**Date Completed**
Mapping Adequacy		
1	Staff confirms it has the final boundary map from the applicant.	
2	Staff compares the map with the LAFCo Resolution of Approval boundary determinations to assure consistency, with particular attention to whether roads are included or excluded.	
3	Staff review the boundaries to make sure they follow parcel lines unless that requirement was specifically waived.	
4	Staff reviews the map for SBOE mapping requirements.	
5	Staff routes the map and legal description to the County Surveyor for review.	
6	Staff routes approved final boundary map and legal description to County GIS staff.	
Final Filing		
7	Staff reviews resolution and final boundary map for compliance; ensures all conditions of approval have been met. If any questions regarding compliance, consult with legal counsel.	
8	Staff confirms all outstanding fees have been paid in full.	
9	Staff prepares Certificate of Completion and submits to County Clerk of the Board for recording.	
10	Staff files with State Board of Equalization and County Assessor.	
11	Upon notification of BOE acceptance, staff notifies all affected parties.	

15| APPENDIX C

15.1 2019 Legislative Platform

(Resolution No. 2018-19-08)

1. LAFCo Purpose and Authority

1.1. Support legislation which enhances LAFCo authority and powers to carry out the legislative findings and authority in Government Code §56000 et seq., and oppose legislation which diminishes LAFCo authority.

1.2. Support authority for each LAFCo to establish local policies to apply Government Code §56000 et seq. based on local needs and conditions, and oppose any limitations to that authority.

1.3. Oppose additional LAFCo responsibilities, which require expansion of current local funding sources. Oppose unrelated responsibilities which dilute LAFCo ability to meet its primary mission.

1.4. Support alignment of responsibilities and authority of LAFCo and regional agencies, which may have overlapping responsibilities in orderly growth, preservation, and service delivery, and oppose legislation or policies which create conflicts or hamper those responsibilities.

1.5. Oppose grants of special status to any individual agency or proposal to circumvent the LAFCo process.

1.6. Support individual commissioner responsibility that allows each commissioner to independently vote his or her conscience on issues affecting his or her own jurisdiction.

2. LAFCo Organization

2.1. Support the independence of LAFCo from local agencies.

2.2. Oppose the re-composition of any LAFCo to create special seats and recognize the importance of balanced representation provided by cities, the county, the public, and special districts in advancing the public interest.

2.3. Support representation of special districts on all LAFCos in counties with independent districts and oppose removal of special districts from any LAFCo.

2.4. Support communication and collaborative decision-making among neighboring LAFCos when growth pressures and multicounty agencies extend beyond a LAFCo's boundaries.

3. Agricultural and Open Space Protection

3.1. Support legislation which clarifies LAFCo authority to identify, encourage and ensure the preservation of agricultural and open space lands.

3.2. Encourage a consistent definition of agricultural and open space lands.

3.3. Support policies which encourage cities, counties and special districts to direct development away from all types of agricultural lands, including prime agricultural lands and open space lands.

3.4. Support policies and tools, which protect all types of agricultural lands, including prime agricultural lands and open space lands.

3.5. Support the continuance of the Williamson Act and restoration of program funding through State subvention payments.

4. Orderly Growth

4.1. Support the recognition and use of spheres of influence as a management tool to provide better planning of growth and development, and to preserve agricultural and open space lands.

4.2. Support recognition of LAFCo spheres of influence by other agencies involved in determining and developing long-term growth and infrastructure plans.

4.3. Support orderly boundaries of local agencies and the elimination of islands within the boundaries of agencies.

4.4. Support communication among cities, counties, and special districts through a collaborative process that resolves service, housing, land use, and fiscal issues, prior to application to LAFCo.

4.5. Support cooperation between counties, cities, and special districts on decisions related to development within the city's designated sphere of influence.

5. Service Delivery and Local Agency Effectiveness

5.1. Support the use of LAFCo resources to review Regional Transportation Plans, including sustainable communities strategies and other growth plans to ensure reliable services, orderly growth, sustainable communities, and conformity with LAFCo's legislative mandates. Support efforts that enhance meaningful collaboration between LAFCo and regional planning agencies.

5.2. Support LAFCo authority as the preferred method of local governance. Support the availability of LAFCo tools which provide options for local governance and efficient service delivery, including the authority to impose conditions that assure a proposal's conformity with LAFCo's legislative mandates.

5.3. Support the creation or reorganization of local governments in a deliberative, open process which will fairly evaluate the proposed new or successor agency's long-term financial viability, governance structure and ability to efficiently deliver proposed services.

5.4. Support the availability of tools for LAFCo to insure equitable distribution of revenues to local government agencies consistent with their service delivery responsibilities.

5.5. Support collaborative efforts, including consolidation, among agencies and LAFCo that encourage opportunities for sharing of services, staff and facilities to provide more efficient and cost effective services. Support legislation which provides LAFCo with additional opportunities to encourage shared services.

Primary Issues

A. Authority of LAFCo

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

B. Agriculture and Open Space Protection

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

C. Water Availability

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

D. Viability of Local Services

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

Issues of Interest

A. Housing

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

B. Transportation

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

C. Flood Control

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

D. Adequate Municipal Services in Inhabited Territory

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

MENDOCINO

Local Agency Formation Commission

Ukiah Valley Conference Center | 200 South School Street | Ukiah, California 95482
Telephone: (707) 463-4470 | E-mail: eo@mendolafco.org | Web: www.mendolafco.org

COMMISSIONERS
Carre Brown, Chair
County Board of Supervisors

Tony Orth, Vice Chair
Brooktrails Township CSD

Gerald Ward, Treasurer
Public Member

Gerardo Gonzalez
Willits City Council

John Huff
Mendocino Coast Recreation and Park District

Scott Ignacio
Point Arena City Council

John McCowen
County Board of Supervisors

Jenifer Bazzani, Alternate
Ukiah Valley Fire District

Will Lee, Alternate
Fort Bragg City Council

Carol Rosenberg, Alternate
Public Member

Ted Williams, Alternate
County Board of Supervisors

STAFF
Executive Officer
Uma Hinman

Analyst
Larkyn Feiler

Commission Clerk
Elizabeth Salomone

Counsel
Scott Browne

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

A G E N D A

Regular Meeting of Monday, April 1, 2019 ~ 9:00 AM
County Board of Supervisors Chambers 501 Low Gap Road, Ukiah, California

Live web streaming and recordings of Commission meetings are available via the County of Mendocino's YouTube Channel. Links to recordings and approved minutes are available on the LAFCo website http://mendolafco.org/recorded-meetings/
Meeting documents are available online: http://mendolafco.org/meeting-documents-2019/

1. CALL TO ORDER and ROLL CALL

2. PUBLIC EXPRESSION

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

3. OTHER BUSINESS

None.

4. CONSENT CALENDAR

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

4a) Approval of the March 4, 2019 Regular Meeting Summary
4b) Approval of the March 2019 Claims & Financial Reports
4c) Acceptance of the Fiscal Year 2017-2018 Audit

5. PUBLIC HEARING ITEMS

Public Hearings are scheduled for Commission consideration and possible adoption of items. Questions and comments from the Commission, participating agencies, and members of the public are welcome. Documents are available for review at: *http://mendolafco.org/meeting-documents-2019/*

5a) Proposed Budget and Work Plan for Fiscal Year 2019-20

The Commission will consider the Proposed Fiscal Year (FY) 2019-2020 Budget and Work Plan. RECOMMENDED ACTIONS: 1) Adopt Resolution No. 18-19-07, approving the Proposed Budget and Work Plan for FY 2019-2020, and 2) Direct staff to notice a public hearing for the Final Budget and Work Plan for FY 2019-2020 for May 6, 2019; or 3) Provide direction to staff.

(4-1-19 Agenda Continued…)

6. WORKSHOP ITEMS
None.

7. MATTERS FOR DISCUSSION AND POSSIBLE ACTION

7a) County Service Area 3
The Commission will review recent Mendocino County Board of Supervisor actions relating to County Service Area 3, make a determination regarding the active status of the district, and provide direction to staff. RECOMMENDED ACTIONS: 1) Determine that CSA 3 is an active district pursuant to Government Code Section 56042; and 2) Provide direction to staff related to next steps, including: a) Direct staff to notify the State Controller's Office of the active status of CSA 3, and b) Direct staff to prioritize and fund preparation of a municipal service review and sphere of influence study for CSA 3 as part of the FY 2019-20 Work Plan.

7b) Work Plan Schedule Review for Ukiah Valley Fire District MSR/SOI
The Commission will discuss and consider rescheduling the preparation of the Ukiah Valley Fire District Municipal Service Review and Sphere of Influence Update. RECOMMENDED ACTIONS: Provide direction to staff regarding the scheduling of the Ukiah Valley Fire District MSR/SOI Update.

7c) Annual Legislative Platform
The Commission will consider the Draft 2019 Legislative Platform. RECOMMENDED ACTIONS: 1) Adopt Resolution No. 2018-19-08 approving the 2019 Legislative Platform; or 2) Direct the Policies and Procedures Committee to review the Legislative Platform; or 3) Provide direction to staff.

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

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

ADJOURNMENT

The next Regular Commission Meeting is scheduled for Monday, May 6, 2019 at 9:00 AM
in the County Board of Supervisors Chambers 501 Low Gap Road, Ukiah, California

Notes: Participation on LAFCo Matters
All persons are invited to testify and submit written comments to the Commission on public hearing items. Any challenge to a LAFCo action in Court may be limited to issues raised at a public hearing or submitted as written comments prior to the close of the public hearing.
Americans with Disabilities Act (ADA) Compliance: If you are a disabled person and need a disability-related modification or accommodation to participate in a meeting, please contact the LAFCo office at 707-463-4470 or by e-mail to eo@mendolafco.org. Requests must be made as early as possible, and at least two full business days prior to the meeting. Fair Political Practice Commission (FPPC) Notice: State Law requires that a participant in LAFCo proceedings who has a financial interest in a Commission decision, and who has made a campaign contribution of more than $250 to any Commissioner in the past 12-months, must disclose the contribution. If you are affected, please notify the Commission prior to the agenda item.

MENDOCINO

Local Agency Formation Commission

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Agenda Item No. 4a

MINUTES
Local Agency Formation Commission of Mendocino County

Regular Meeting of Monday, March 4, 2019

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

1. **CALL TO ORDER and ROLL CALL** (Video Time 4:52)
   Chair Brown called the meeting to order at 9:01am.

   Regular Commissioners Present: Carre Brown, Gerardo Gonzalez, John Huff, Scott Ignacio (arrived at 9:05), John McCowen, Tony Orth, Gerald Ward

   Alternate Commissioners Present: Will Lee, Carol Rosenberg

   Alternate Commissioners Absent: Jen Bazzani, Ted Williams

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

2. **PUBLIC EXPRESSION** (Video Time 5:19)
   No one from the public indicated interest in public expression.

3. **OTHER BUSINESS** (Video Time 5:30)

   3a) Announcement of Appointments and Oath of Office
   Chair Brown announced the 2019 City representatives: Gerardo Gonzalez (City of Willits) as Regular Member and Will Lee (City of Fort Bragg) as Alternate Member. The Clerk conducted the Oath of Office for both Commissioners.

   3b) Appointments to Committees
   Chair Brown reviewed appointments of Commissioners to the Executive and Policies & Procedures Committees, and confirmed them as follows:

   Executive Committee: Chair Brown, Vice Chair Orth, Commissioner Ignacio

   Policies & Procedures: Commissioners Gonzalez, McCowen, Rosenberg

4. CONSENT CALENDAR (Video Time 11:38)

4a) Approval of the February 4, 2019 Regular Meeting Summary
4b) Approval of the February 2019 Claims & Financial Reports

February 2019 Claims totaling	$ 9,829.52
Hinman & Associates Consulting	$ 8,366.99
P. Scott Browne	$ 600.00
Ukiah Valley Conference Center	$ 481.57
Mendocino County, GIS & Televising	$ 380.96

Upon motion by Commissioner Orth and second by Commissioner Ignacio, Consent Calendar items 4a) Approval of the February 4, 2018 Regular Meeting Summary Minutes with noted edit, 4b) Approval of the February 2018 Claims and Financial Report, were approved by roll call vote:

Ayes: (6) Brown, Huff, Ignacio, McCowen, Orth, and Ward
Abstain: (1) Gonzalez

5. PUBLIC HEARING ITEMS (Video 13:20)

5a) Public Hearing for the Fort Bragg Rural Fire Protection District (FPD), Municipal Service Review (MSR) and Sphere of Influence (SOI) Update

EO Hinman presented the Municipal Service Review and Sphere of Influence Update. Comments and questions were offered by Commissioners Ward, Orth, McCowen, and Gonzalez.

Chair Brown opened the public hearing at 9:17am.

The following points were noted:
- Include the table showing the terms of Board members without their names.
- Page 2-2, Section 2.1.3. Consider changing "service" to "power."
- Reinforcement of the request for future reviews of Fire Authorities to include all Authority entities together (e.g.., the Fort Bragg Rural Fire Protection District and the City of Fort Bragg), so as to capture all finances of the Fire Authority in one document.

Chair Brown invited public comment at 9:25am. No public comments were offered.

Chair Brown closed the public hearing at 9:26 am.

Upon motion by Commissioner Ward and second by Commissioner Gonzalez, adoption of LAFCo Resolution 18-19-05, approving the Fort Bragg Rural Fire Protection District Municipal Service Review and Sphere of Influence Update and affirming the District's existing Sphere of Influence that is coterminous with the District's boundary; finding the Fort Bragg Rural Fire Protection District Municipal Service Review and Sphere of Influence Update exempt from the California Environmental Quality Act (CEQA) pursuant to Title 14 California Code of Regulations Sections 15306 and 15061(b)(3); and approving the Notice of Exemption for filing was approved by roll call vote:

Ayes: (7) Brown, Gonzalez, Huff, Ignacio, McCowen, Orth, and Ward

6. WORKSHOP ITEMS

6a) Workshop on Preliminary Draft Budget and Work Plan for FY 2019-20

EO Hinman presented the Preliminary FY 2019-20 Budget and Work Plan. Comments and questions were offered by Commissioners Ward, Orth, Rosenberg, and McCowen.

- Treasurer Ward reported the Mendocino County Auditor's office updated the County held LAFCo account total as $36,560.38 as of today, with $144 accounts receivable. He recommended removing $35,000 from the account to deposit into the checking account. Based on the information provided, EO Hinman estimated that at the end of the FY 2018-19 expenditures should be approximately $6,300 under the adopted budget. She noted that the adopted budget anticipated withdrawing from Reserves to meet operational expenses and that amount is now anticipated to be $1,500.
- Treasurer Ward noted that because reserves were going to reach or be below the policy minimums, it was very likely that apportionment fees will need to be raised for the next budget.
- Commissioner Orth spoke supporting incremental increases in the apportionment fees rather than a major increase in a future year, as well as noting the possibility of unanticipated additional costs associated with a potential MSR/SOI for the CSA #3.
- Commissioner Rosenberg spoke supporting Commissioner Orth's concerns and noted the recent unfunded mandated requirements placed upon the Commission.
- Commissioner McCowen spoke supporting lowering the legal reserves and not increasing the apportionment fees, referencing the structure of LAFCo provides it the ability to increase the apportionment fees annually to cover the costs of running the Commission and any potential litigation.
- Commissioner Gonzalez spoke supporting incremental increases rather than an upcoming major increase.

Chair Brown tabled Item 6a) Workshop on Preliminary Draft Budget and Work Plan for FY 2019-20 and moved to Item 7a).

6a) CONTINUED (Workshop on Preliminary Draft Budget and Work Plan for FY 2019-20) (Video 49:00)

Upon motion by Commissioner McCowen and second by Commissioner Gonzalez, direction to staff to notice a public hearing for the Proposed Draft Budget and Work Plan for FY 2018-19 for April 1, 2019 with apportionment fees at $135,000 and the budget at $160,248 was approved by roll call vote:

Ayes: (7) Brown, Gonzalez, Huff, Ignacio, McCowen, Orth, and Ward

7. MATTERS FOR DISCUSSION & POSSIBLE ACTION

7a) Proposed Amendment to Financial Reserves Policy (Video 38:36)

EO Hinman presented the staff report. Comments and questions were offered by Commissioners Ward, Orth, Huff, McCowen, Rosenberg, and Ignacio.

Upon motion by Commissioner McCowen and second by Commissioner Ward, adoption of Resolution 2018-19-06 approving LAFCo Resolution No. 18-19-06 amending Policy 5.1.5 to reduce the legal reserve amount to $35,000 was approved by roll call vote:

Ayes: (7) Brown, Gonzalez, Huff, Ignacio, McCowen, Orth, and Ward

Chair Brown called a break from 9:52am – 10:01am. (Video 52:02-1:01:48)

7b) County Service Area 3 Status Determination (Video 1:02:00)

EO Hinman presented the item regarding the State Controller's Office (SCO) notification to Mendocino LAFCo that County Service Area (CSA) 3 was identified as an inactive district in accordance with SB 448, noting the Commission reviewed and tabled the matter during its February 4, 2019 Regular meeting to allow the County Board of Supervisors an opportunity to address the issue at their Regular meeting of February 5, 2019. Comments and questions throughout the discussion were offered by Commissioner McCowen, Ward, Gonzalez, Orth, Rosenberg, and Ignacio.

Katherine Elliot, Mendocino County Counsel, addressed the Commission submitting a letter to the Commission "Re: County Service Area #3, Agenda Item 7b)." The letter was distributed to the Commissioners and placed in the record. Counsel Elliot noted that once the CSA #3 is funded by the County, it no longer meets the criteria for dissolution and once it is funded, a letter from LAFCo notifying the State Controller's office of the current status, would serve as determination of an active status.

Carmel Angelo, Mendocino County CEO, provided an update to the Commission on the progress at the Board of Supervisors on this matter and the proposal for additional revenue for ongoing funding of the CSA #3.

Chief Andres Avilla, Anderson Valley Community Service District, address the Commission. He summarized the past efforts of the District to annex and how an active CSA 3 could assist the District in serving the public.

Upon motion by Commissioner McCowen and second by Commissioner Ward, authorize LAFCo staff that once they have received confirmation that the County of Mendocino has transferred assets into County Service Area, to notify the State Controller's office that CSA 3 does not meet the requirements of an inactive District was approved by unanimous vote:

Ayes: (7) Brown, Gonzalez, Huff, Ignacio, McCowen, Orth, and Ward

7c) Special District Risk Management Agency Board of Directors 2019 Nominations (Video Time: 1:24:15)

EO Hinman presented the call for nominations of candidates for the SDRMA Board of Directors 2019 Election. Commission consensus was to take no action.

8. INFORMATION/ REPORT ITEMS

8a) Work Plan, Current, and Future Proposals (Video Time: 1:25:45)

EO Hinman presented the staff report, noting updates including a pre-application for detachment from the Mendocino Coast Health Care District. She also provided details on the upcoming schedule for MSR/SOI updates.

8b) Correspondence (Video Time: 1:27:20)

EO Hinman noted no correspondence to report.

8c) Executive Officer's Report (Video Time: 1:27:50)

EO Hinman reported on the following:

- Reminder that 700 Forms due.
- Update on communications with Mendocino Coast Health Care District representatives regarding pre-application for detachment from the District.
- Update on development of a LAFCo newsletter to member agencies.

8d) Committee Reports (Video Time: 1:29:00)

EO Hinman noted nothing to note.

8e) Commissioners Reports, Comments or Questions (Video Time: 1:29:32)

Vice Chair Orth noted the Brooktrails Community Service District's MSR and SOI were delayed due to staff changes within the District and the District has appointed an Ad Hoc Committee to review the draft.

Treasurer Ward noted the draft financial statements for the FY 2017-18 Audit were received, recommending the audit be brought forward for Commission review in April and the final payment be made to the auditor.

Treasurer Ward noted he reviewed and reported on the billing for Legal Counsel.

8f) CALAFCO Business and Legislation Report

EO Hinman reported on two requests from CALAFCO for support letters to sponsored bills:

AB 1253 (Rivas) is a bill seeking one-time grant funding for LAFCos as a follow up to the Little Hoover Commission report in 2017 and to last year's attempt. It also calls for reimbursement for the mandatory dissolution of inactive districts pursuant to SB 448 (2017, Wieckowski).

AB 213 (Reyes) is a bill restores funding for inhabited annexations. Payments come from ERAF which is backfilled from the general fund. CALAFCO has historically supported this bill each year.

ADJOURNMENT

There being no further business, at 10:32am the meeting was adjourned. The next regular meeting is scheduled for Monday, April 1, 2018 at 9:00am in the County Board of Supervisors Chambers at 501 Low Gap Road, Ukiah, California.

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https://www.youtube.com/watch?v=03h7LJ0isTw

Agenda Item No. 4c

MENDOCINO
Local Agency Formation Commission
Staff Report

DATE: April 1, 2019

TO: Mendocino Local Agency Formation Commission

FROM: Uma Hinman, Executive Officer

SUBJECT: Financial Report and Claims for March 2019

Claims

The following claims are recommended for payment authorization:

Name	Account Description	Amount	Total
Hinman & Associates	5300 Basics Services	$ 6,763.50	$ 8,720.50
	6200 Bookkeeping	$ 21.00	
	7000 MSR SOI Workplan	$ 544.00	
	5600 Office Expenses	$ 60.00	
	8019 Weger Pre-Application	$ 1,332.00	
P. Scott Browne	6300 Legal Counsel-Monthly flat fee	$ 600.00	$ 600.00
Ukiah Valley Conf. Center	5502 Office space	$ 425.00	$ 455.00
	5503 Work room	$ 30.00	
Commissioner Reimbursement In-County Travel & Stipends	6740 Bazzani (Mar mtg - ABSENT)	-	$ 214.96
	6740 Huff (Mar mtg)	$ 84.80	
	6740 Orth (Mar mtg)	$ 79.00	
	6740 Rosenberg (Mar mtg)	$ 51.16	
Pehling & Pehling CPA	6100 Audit Services	$ 1,550.00	$ 1,550.00
Newspapers	5900 Ft Bragg FBRFPD MSR SOI	$ 118.06	$ 118.06
		Total:	**$ 11,658.52**

PAID, NEEDING RATIFICATION:

Ukiah Valley Conf. Center	5603 Photocopy (February)	$ 37.20	$ 51.70
	5605 Postage (February)	$ 14.50	
		Total:	$ 51.70

Deposits:

- On 2/4/19: $14,000 from County account to SBMC checking account.
- On 2/26/19: $1,500 from Lisa Weger to SBMC checking account.
- On 3/26/19: $35,000 From County account to SBMC checking account.

Attachments:

- Budget Track Spreadsheet
- Work Plan Cost Tracking
- Invoices: Hinman & Associates Consulting, Scott Browne, & Pehling & Pehling CPA

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

Mendocino Local Agency Formation Commission
FY 2018-19 Budget and Application Tract

Acct #	Task	FY 18-19 Budget	1st Qtr Subtotals	2nd Qtr Subtotal	January	February	March	3rd Qtr Subtotal	Year to Date	Remaining Budget
EXPENSES										
5300	**Basic Services - EO/Analyst/Clerk**	$70,560	$14,985.00	$17,390.50	$8,367.00	$7,006.00	$5,563.50	$20,936.50	$54,987.00	$15,573.00
	Unfunded Mandates (CSA 3 Status)	$0		$400.00		$75.00	$1,200.00	$1,275.00		
5500	**Rent**	$5,360	$1,335.00	$1,345.00	$455.00	$455.00	$455.00	$1,365.00	$4,045.00	$1,315.00
5600	**Office Expenses**	$3,450	$411.33	$459.45	$60.00	$101.56	$60.00	$221.56	$1,092.34	$2,357.66
5700	**Internet & Website Costs**	$1,300	$1,081.24	$0.00		$72.00		$72.00	$1,153.24	$146.76
5900	**Publication & Legal Notices**	$2,000	$557.45	$0.00			$118.06	$118.06	$675.51	$1,324.49
6000	**Televising Meetings**	$3,000	$384.48	$401.07	$138.30			$138.30	$923.85	$2,076.15
6100	**Audit Services**	$3,100	$1,550.00	$0.00			$1,550.00	$1,550.00	$3,100.00	$0.00
6200	**Bookkeeping**	$4,000	$2,220.50	$244.00	$31.50	$121.00	$21.00	$173.50	$2,638.00	$1,362.00
6300	**Legal Counsel (S Browne)**	$7,200	$1,800.00	$1,800.00	$600.00	$600.00	$600.00	$1,800.00	$5,400.00	$1,800.00
6400	**A-87 Costs County Services**	$0	$0.00	$0.00				$0.00	$0.00	$0.00
6500	**Insurance - General Liability**	$1,000	$0.00	$0.00				$0.00	$0.00	$1,000.00
6600	**Memberships (CALAFCO/CSDA)**	$2,300	$925.00	$1,377.00				$0.00	$2,302.00	$-2.00
6670	**GIS Contract with County**	$3,500	$1,068.85	$0.00				$0.00	$1,068.85	$2,431.15
6740	**In-County Travel & Stipends**	$2,000	$305.07	$456.14	$0.00	$380.96	$214.96	$595.92	$1,357.13	$642.87
6750	**Travel & Lodging Expenses**	$3,000	$0.00	$4,218.11				$0.00	$4,218.11	$-1,218.11
6800	**Conferences (Registrations)**	$3,000	$2,600.00	$0.00				$0.00	$2,600.00	$400.00
7000	**Work Plan (MSRs and SOIs)**	$35,000	$14,313.50	$9,058.00	$102.00	$850.00	$544.00	$1,496.00	$24,867.50	$10,132.50
9000	**Special District Training Support**	$500	$0.00	$0.00				$0.00	$0.00	$500.00
	Monthly/ Year to Date Totals	**$150,270.00**	**$43,537.42**	**$37,149.27**	**$9,753.80**	**$9,661.52**	**$10,326.52**	**$29,741.84**	**$110,428.53**	**$39,841.47**

APPLICATIONS		BALANCE	1st Qtr Subtotals	2nd Qtr Subtotal	January	February	March	3rd Qtr Subtotal	Year to Date	Remaining Budget
A-2009-8001	**Irish Beach WD Moores Annexation**	$-610.56	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$-610.56
P-2014-8010	**City of Ukiah Detachment of UVSD lands**	$1,532.75	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1,532.75
P-2019-8019	**Weger Detachment Pre-Application**	$1,500.00	$0.00	$0.00	$0.00	$168.00	$1,332.00	$1,500.00	$1,500.00	$0.00
	Applications to Date Totals	**$2,422.19**	**$0.00**	**$0.00**	**$0.00**	**$168.00**	**$1,332.00**	**$1,500.00**	**$1,500.00**	
EXPENSES AND APPLICATION TOTALS			**$43,537.42**	**$37,149.27**	**$9,753.80**	**$9,829.52**	**$11,658.52**	**$31,241.84**	**$111,928.53**	

Operations (Checking) Account Balance	$	17,034.75	from statement as of	2/28/2019
County of Mendocino Account Balance	$	36,560.38	from statement as of	3/15/2019
Legal Reserve Balance	$	35,000.00	from statement as of	2/28/2019
Operations Reserve Balance	$	55,356.26	from statement as of	2/28/2019

Mendocino LAFCo
FY 2018-19 Estimated Work Plan Implementation Schedule and Cost Tracking
April 1, 2019

Disclaimer: The estimated schedule and costs for the Fiscal Year 2018-19 Work Plan are subject to change based on agency responsiveness and timely provision of requested information, complexity of issues, and public controversy. Each study is assumed to be exempt from CEQA; therefore, a separate cost estimate would be necessary for studies subject to a Negative Declaration or EIR. It is difficult to completely contain staff activities in a single fiscal year; therefore, completion of the studies listed below may roll over to the next fiscal year. This estimated work plan implementation schedule and cost tracking table will be prepared on a monthly basis to enhance communication and transparency.

Agency	Request for Information	Outreach	Admin Draft	Public Workshop	Public Hearing	Final Study	Initial Cost Estimate	Current Cost Estimate	Cost to Date (1)
Mutual Water Companies	Completed	Completed	Completed	Completed	N/A	8/6/2018	$1,500	$1,750	$1,750
City of Willits (2)	Completed	Completed	Completed	12/3/2018	5/6/2019	TBD	$9,000	$16,000	$14,068
Brooktrails Township CSD (3)	Completed	In Progress	In Progress	3/4/2019	TBD	TBD	$6,000	$9,000	$7,343
Ukiah Valley FD	In Progress	In Progress	In Progress	4/1/2019	TBD	TBD	$5,500	$5,500	$1,309
Fort Bragg Rural FPD	Completed	Completed	Completed	2/4/2019	3/4/2019	3/4/2019	$5,000	$5,000	$5,025
Mendocino City CSD	Pending	Pending	Pending	TBD	TBD	TBD	$8,000	$8,000	$0
						Estimated Total	$35,000	$45,250	$29,494

(1) The Cost to Date category accounts for all staff activities related to each study and is not limited to a specific fiscal year.
(2) The project scope for the City of Willits study changed from a stand-alone SOI Update to include a partial MSR Update and has also involved subconsultant activities and consulting with Legal Counsel related to complex SOI issues.
(3) The estimated cost for the Brooktrails Township CSD study was reduced from $8,000 to $6,000 to account for staff activities in FY 2017-18 and was not intended to reduce the overall project cost to $6,000.

Hinman & Associates Consulting
PO Box 1251 | Cedar Ridge, CA 95924
(916) 813-0818
uhinman@comcast.net

Date	March 24, 2019	**Invoice No.**	**412**
To	Mendocino LAFCo	**Invoice Total**	**$ 8,720.50**
Project	Executive Officer Services		
Work Period	February 25-March 24, 2019		

		Staff/Hours				
		Hinman	**Feiler**	**Salomone**	**Other**	
Account	**Description**	EO ($100)	Analyst ($68)	Clerk ($40)*	(At Cost)	**Totals**
5300	Basic Services	32.25	12.00	36.25		$ 5,563.50
	CSA 3 inactive status	7.75	6.25			$ 1,200.00
5601	Office Supplies					
	Quickbooks Online Fee				$ 60.00	$ 60.00
6200	Bookkeeping			0.50		$ 21.00
7000	Work Plan (MSR/SOI/Special Studies)					
	City of Willits		5.00			$ 340.00
	Fort Bragg Rural FPD					$ -
	Ukiah Valley FPD					$ -
	Brooktrails CSD		3.00			$ 204.00
8019	Weger MCHD Detachment Pre-App	12.30	1.50			$ 1,332.00
	Totals	$ 5,230.00	$ 1,887.00	$ 1,543.50	$ 60.00	**$ 8,720.50**

5300 Basic Services

Prepared for March 4 and April 1 Regular Commission meeting and postings. Staffed office during the time period. Website updates. File research. Responded to Public Records Act requests and inquiries. Coordinated with Pehling & Pehling regarding the draft 2017/18 audit. Preliminary Budget and Work Plan development. Coordinated with County regarding CSA 3; researched and coordinated with Legal Counsel process and next steps. Development of FY 2019/20 budget and work plan.

6200 Bookkeeping

Compiled claims for Commissioner review and approval at next regular meeting. Entered claims into Quickbooks and prepared checks for claims to be authorized at next Regular meeting. Reviewed claims, bank records, etc. Reconciled Quickbooks with bank statements and claims.

7000 Work Plan (Sphere of Influence Updates, Municipal Service Reviews, and Special Studies)

Coordinate with City on follow items and preparation of Public Hearing Draft Willits MSR/SOI Update and coordinated with City staff. Preparation of Administrative Draft Brooktrails Township CSD MSR/SOI.

8019 Weger MCHD Detachment Pre-App

Researched and prepared response to applicant regarding process and procedures for application and potential issues that may arise. Outreach to affected agencies. Prepared and distributed Notice of Intent to Circulate Petition to affected and interested agencies.

Notes:

* *Plus administrative fee of 5% for subconsultant labor*

Law Offices of P. Scott Browne
131 South Auburn Street
Grass Valley, CA 95945

Marsha A. Burch
Of Counsel

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

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

Period Ending:

3/15/2019
Payment due by the 15th of next month

In Reference To: CLIENT CODE: MENDO-01

Professional Services

			Hours	
2/26/2019	PSB	Review email from Uma re: CSA 3	0.40	
3/7/2019	PSB	Go Over CSA 3 issue with Steve Lucas	0.40	
3/8/2019	PSB	Respond to Uma re: CSA 3 dissolution issue.	0.50	
3/12/2019	PSB	Conference call re: 2019 Staff Workshop (Time split evenly between all CALAFCo clients)	0.20	
3/13/2019	WJC	Work on Form 700	0.50	NO CHARGE
		SUBTOTAL:	[2.00	]

		Amount
Total Professional Hours Per Representation Agreement, flat fee of $600/month.	2.00	$600.00
Previous balance		$600.00
TOTAL BALANCE NOW DUE		***$1,200.00***

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

Pehling & Pehling, CPAs

An Accountancy Corporation ■ 12667 Granite Dr ■ Truckee, CA 96161

Phone: (707)279-4259 E-mail: Zach@PehlingCPA.com Web: www.PehlingCPA.com

Invoice: 908

Date: 03/27/2019
Due Date: 03/27/2019

Mendocino LAFCO
200 S School St
Ukiah, CA 95482

For professional service rendered as follows:

Assurance	1,550.00
Billed Time & Expenses	$1,550.00
Invoice Total	$1,550.00

Beginning Balance	$0.00
Invoices	1,550.00
Receipts	0.00
Adjustments	0.00
Service Charges	0.00
Amount Due	$1,550.00

Please return this portion with payment.

Invoice: 908

Date: 03/27/2019
Due Date: 03/27/2019

ID: MLAFCO
Mendocino LAFCO

Amount Due: $1,550.00
Amount Enclosed: $______________

LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY

FINANCIAL STATEMENTS

JUNE 30, 2018 and 2017

LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY
FINANCIAL STATEMENTS
JUNE 30, 2018 & 2017

TABLE OF CONTENTS

Mendocino Local Agency Formation Commission
Management Discussion & Analysis of
Fiscal Years Ending June 30, 2018 & 2017

1. Discussion of Basic Financial Statements

Mendocino Local Agency Formation Commission's (LAFCo) primary funding source for its annual budget is mandated by Government Code Section 56381. Section 56381 requires that the costs of LAFCo are to be paid in equal one-third shares by the agencies represented on the Commission; that is, the County pays one-third of the adopted budget, the four Cities pay one-third and the fifty Special Districts pay one-third. LAFCo does not receive its annual income directly; instead, an independent third party, the County Auditor, receives and holds the funds for LAFCo.

LAFCo's General Fund is its primary operating fund; it is used to account for most all transactions of the Commission. When application fees are received, a Project Fund will be developed for the income and expenditures associated with that particular Project.

The Commission also maintains a reserves account for holding funds for legal and operational contingencies. Commission policies specify a minimum legal reserve of $50,000 and an operational reserve of 25% of the operational budget.

LAFCo has no other specialized funds such as enterprise funds, capital asset funds, debt payment funds, or other similar funds. Because of the size of its budget, the type of income, and the nature of the funding process mandated by Government Code Section 56381 and the keeping of the funds by the County Auditor, LAFCo has historically utilized a modified cash basis of accounting.

2. Comparative Financial Information

All services needed by LAFCo, including County services received by LAFCo, must be paid for from LAFCo's budget. This includes such services as staff, legal counsel, GIS, County surveyor, Auditor, (A-87 costs), Assessor and Recorder, engineering services, publications of legal notices, communications, website, insurance, the cost of annual audits, etc. These costs have been reflected in LAFCo's budget since Fiscal Year 2001-2002. Additionally, the costs of the Sphere of Influence/Municipal Service Review process as mandated by G.C. 56425 and 56430 have been reflected in LAFCo's budget.

For Fiscal Years 2011/2012, 2012/2013, 2913/2014 and 2014/2015 apportionment costs to the County, Cities, and Special Districts remained at $45,000 each. For Fiscal Year 2015/2016 apportionment costs were lowered to $41,667 and again lowered to $40,000 For Fiscal Year 2016/2017. Apportionment costs remained the same at $40,000 for each category in 2017/2018. However, due to an error in collections that resulted in an over-collection of $3,333 in apportionment costs in Fiscal Year 2015/2016, only $36,667 in apportionment costs were collected in Fiscal Year 2017/2018.

3. Condensed Financial Information

A summation of LAFCo's financial circumstances is provided in the below tables:

Statement of Net Position
June 30, 2018 & 2017

Assets	2018	2017
Cash	105,500	165,947
Accounts Receivable	611	2,726
Total Assets	106,111	168,673
Liabilities	9,127	26,214
Total Net Position	96,984	142,460

Statement of Activities
June 30, 2018 & 2017

	2018	2017
Program Expenses	161,455	149,366
Program Revenues	111,515	126,000
Net Program Income	(49,940)	(23,366)
General Revenue	465	124
Increase in Net Position	(49,475)	(23,242)
Net Position-July 1	142,459	165,702
Net Position-June 30	92,984	142,460

4. LAFCo's Overall Financial Position

The particular financial circumstances of LAFCo are different from most public agencies. LAFCo has no authority to tax, borrow or enter into capital projects. It does have the power to assess fees for applications and services provided. By law, fees can only be the actual, direct costs of providing the service, and cannot be used to fund the operating costs of LAFCo. The primary expenditures for the budget are paid by the participating agencies rather than from fees, taxes or assessments on property. LAFCo has no debt. Its primary monetary assets are its reserve funds. For Fiscal Year 2018-2017, reserve funds were as follows: General Reserves of $90,226.

5. Analysis and Transactions of General Fund-LAFCo's Budget

Following is the adopted budget for Fiscal Year 2017/2018, which was adopted by the Commission in June 2017.

		Commission's Final Budget Fiscal Year 2017/2018	
	Quick Books		Fiscal Year
Line #	Account #	Description	2017/2018
		Revenue	
1	4000	LAFCo Apportionment Fees	$ 120,000
2	4030	Application Filing Fees	-
3	4800	Miscellaneous	-
4	4910	Interest Income	120
5		**Total**	$ 120,120
6		**Use of Residual Cash**	40,105
7		**Total Income**	$ 160,225
		Expenses	
8	5300	Contract Services - Office & Staff	66,815
9	5500	Office Rent	5,360
10	5600	Office Expense	3,350
11	5700	Internet & Website Costs	1,300
12	5900	Publication & Legal Notices	2,000
13	6000	Televising Commission Meetings	3,000
14	6100	Audit Services	3,100
15	6200	Bookkeeping	4,800
16	6300	Legal Counsel	7,200
17	6400	A-87 Costs - County Services	1,100
18	6500	Insurance - General Liability	1,000
19	6600	Memberships (CALAFCO/CSDA)	2,200
20	6740	In-County Travel & Stipends	2,000
21	6750	Travel & Lodging	4,000
22	6800	Conferences (Registrations)	3,000
23	7000	Work Plan (MSRs and SOIs)	45,000
24		**Total Expenses before Application Fees**	$ 160,225
25	8000	Application Filing Fees	-
26		**Total Expense**	$ 160,225
27		Fund Balance	$ 906
28		General Reserves (Legal & Operational)	$ 90,226

6. Analysis of Significant Budgetary Variations-Unspent Funds

LAFCo policy (Resolution No. 2016-17-04) states: *"Mendocino LAFCo will strive to maintain reserves for fiscal stability, unforeseen operating or capital needs, cash flow requirements, revenue source stability from revenue shortfalls, and unanticipated legal fees. The reserves consist of an Operating Reserve of 25 percent of the annual operating budget and a Legal Reserve of $50,000 and are to be maintained in separate accounts."*

Each year, since the beginning of the budget process under Cortese-Knox-Hertzberg (CKH), there have been unspent funds from the various line items. The Commission through its budget deliberations process has determined that money not spent in one budget year from various line items, is to be used in the next year's budget to increase reserves and as a Fund Balance Carryover to offset the forthcoming year's budget for G.C. 56425 & 56430 mandates.

7. Description of Significant Capital Assets and Long-term Debt Activity

Except for a provision in CKH that allows the Board of Supervisors to lend temporary operational funds to the Commission, LAFCo has no authority to borrow or to develop capital projects. The Commission has no mortgages, leases, liens, short-term loans, long-term debt, or any other encumbrances. It owns no stocks, bonds, securities or other investments. It has no capital assets or capitalization programs. The Commission does have the authority to pursue grants to assist in its decision making, but has no grants at this time.

8. Discussion of Significant Changes in Conditions and Estimated Maintenance Expenses for Infrastructure Assets

The Commission owns no land, buildings or infrastructure. Other than normal office furniture, filing cabinets, telephone, computer, and printer, the Commission has no physical assets. Paper and electronic records or past actions and activities are maintained in the LAFCo office, and from the date of inception of LAFCo in 1963.

9. Currently Known Facts, Decisions or Conditions

There are no facts, decisions or conditions that are currently known that are expected to significantly alter LAFCo's future financial picture.

10. Additional Financial Information

This financial report is designed to provide LAFCo's participating agencies, members of the public, customers, and other interested parties with an overview of LAFCo's financial results and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact Mendocino LAFCo at 200 South School Street, Ukiah, CA 95482; 707-463-4470.

September 25, 2018

Mendocino LAFCO

Ukiah, CA

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Mendocino LAFCO as of and for the year-ended June 30, 2018, as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America applicable to financial audits contained in Governmental Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that our audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Certified Public Accountant | Zachary Pehling | Master of Business Administration
12667 Granite Drive | Truckee, CA 96161 | Phone: 707-279-4259 | www.PehlingCPA.com | Zach@PehlingCPA.com

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mendocino LAFCO as of June 30, 2018, and the respective changes in financial position, and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information and Budget VS. Actual comparison be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with managements responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurances on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide an assurance.

Pehling & Pehling, CPA's
An Accountancy Corporation

Certified Public Accountant | Zachary Pehling | Master of Business Administration
12667 Granite Drive | Truckee, CA 96161 | Phone: 707-279-4259 | www.PehlingCPA.com | Zach@PehlingCPA.com

LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY
STATEMENT OF NET POSITION
& GOVERNMENTAL FUNDS BALANCE SHEET
AS OF JUNE 30, 2018 & 2017

Assets	General Fund	Adjustments Note 3	Statement of Net Position 2018	General Fund	Adjustments Note 3	Statement of Net Position 2017
Cash - Note 2	$ 105,500	$ -	$ 105,500	$ 165,947	$ -	$ 165,947
Accounts Receivable	611	-	611	2,726	-	2,726
Total Assets	106,111	-	106,111	168,673	-	168,673
Liabilities						
Accounts Payable	7,594	-	7,594	17,149	-	17,149
Fees Received in Advance	1,533	-	1,533	9,065	-	9,065
Total Liabilities	9,127	-	9,127	26,214	-	26,214
Fund Balance/Net Position						
Fund Balances						
Committed for Legal Reserve	50,000	(50,000)	-	90,238	(90,238)	-
Committed for Operating Reserve	40,226	(40,226)	-	-	-	-
Unassigned	6,758	(6,758)	-	52,221	(52,221)	-
Total Fund Balance	96,984	(96,984)	-	142,459	(142,459)	-
Total Liabilities & Fund Balances	106,111	(96,984)	-	168,673	(142,459)	-
	-					
Net Position						
Unrestricted		96,984	96,984		142,459	142,459
Total Net Position		$ 96,984	$ 96,984		$ 142,459	$ 142,459

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

LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2018 & 2017

	2018	2017
General Government - Planning		
Insurance-General	$ 894	$ 987
Memberships	1,299	1,231
Audit Fees	3,100	4,550
Internet and Website Costs	25	999
Legal Counsel	7,200	6,121
Architect, Engineering and Planning Services	-	-
Professional Services	114,910	100,250
Rent	5,255	5,184
Office Expenses	1,955	2,458
Publication and Legal Notices	924	1,610
County Support Services	3,272	-
Televising Commissioner Meetings	1,772	2,781
Bookkeeping-Financial	4,443	2,412
Professional Fees-Applications	1,500	14,981
Transportation and Travel Out of County	2,014	1,805
In-County Travel & Stipends	1,580	2,328
Miscellaneous Expense	7,313	1,279
Special District Training Support	-	391
Total Progarm Expenses	$ 157,455	$ 149,366
Program Revenues		
Assessments	110,000	120,000
Application Fees & Reimbursements	1,515	6,000
Total Program Revenues	$ 111,515	$ 126,000
Net Program Income	$ (45,940)	$ (23,366)
General Revenues		
Interest Earnings	465	124
Total General Revenues	$ 465	$ 124
Increase(Decrease) in Net Position	$ (45,475)	$ (23,243)
Net Position - July 1,	142,459	165,702
Net Position - June 30,	$ 96,984	$ 142,459

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

Mendocino Local Agency Formation Commission
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018 & 2017

Note 1 – Summary of Significant Accounting Policies

Organization

The Mendocino Local Agency Formation Commission's (LAFCo) primary operates under the rules and requirements of the Cortese-Knox-Hertzberg Local Government Act of 2000. This act is commonly referred to as C-K-H or AB 2838. This act is found in the Government Code beginning with Section 56000. However, this part of the Government Code does not comprise of all the requirements of laws that LAFCo must meet. Other elements of the law such as the Public Resources Code, Guidelines to California Environmental Quality Act (CEQA), Revenue and Taxation Code, Election Code, Brown Act, case decisions, state and local policies and the policies and procedures of LAFCo also affect the decision making responsibilities of LAFCo. However, the primary controlling authority of LAFCo is the Government Code beginning with Section 56000 and LAFCo's policies which implement the law.

Accounting Policies

The Commission's accounting and reporting policies conform to the generally accepted accounting principles as applicable to state and local governments. The following is a summary of the more significant policies.

Basis of Presentation

The Statement of Net Position and Statement of Activities display information about the reporting of the Commission as a whole.

The Commission is comprised of only one fund, the General Fund. The General Fund is the primary operating fund of the Commission and is always classified as a major fund. It is used to account for all activities. The Commission maintains two bank accounts to manage the Fund: a checking account with Savings Bank of Mendocino County and a reserves account with Westamerica Bank in Ukiah, CA. The reserves are set aside for legal and operational contingencies; policies are established for both.

Basis of Accounting

Statement of Net Position and Statement of Activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, asset and liabilities resulting from an exchange are recognized when the exchange takes place.

When an expense is incurred for the purpose for which both restricted and unrestricted net assets are available, the Commission's policy is to apply restricted net assets first.

In the General Fund Financial Statements, government funds are presented on the modified accrual basis of accounting. Under this method, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectable within the current period or within sixty days after year end. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recorded when due.

When an expense is incurred for the purpose for which either committed, assigned or unassigned net assets are available, the Commission's policy is to apply committed or assigned net asset first.

Budget

The Commission is required to adopt an annual budget for the Commission's general operations each fiscal year. The annual budget for the general fund is prepared in accordance with the basis of accounting utilized by the Commission. The budget is amended from time-to-time as needed and is approved by the Commissioners with each amendment.

Deposits and Investments

It is the Commission's policy for deposits and investments to either be insured by the FDIC or collateralized. The Commission's deposits and investments are categorized to give an indication of the level of risk assumed by the Commission as of June 30, 2018 and 2017. The categories are described as follows:

Category 1 Insured, registered or collateralized, with securities held by the entity or its agent in the entity's name.

Category 2 Uninsured and unregistered or collateralized, with securities held by the counter party's trust department or agent in the entity's name.

Category 3 Uninsured and unregistered, or uncollateralized, with securities held by the counter party, or its trust department or agent but not held in the entity's name.

Deposits and Investments as of June 30, 2018 and 2017 consist of Category 1 type only.

State law requires uninsured deposits of public agencies to be secured by certain state approved investment securities. The Commission's deposits are secured as part of an undivided collateral pool covering all public deposits with the financial institution. The market value of the pool must be equal to at least 110% of the total public deposits held by the financial institutions.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Risk Management

The Commission is exposed to various risks of loss related to torts, theft to, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Commission carries insurance for all risks. Settled claims resulting from these risks have not exceeded insurance coverages in the past three years.

Equity Classifications – Government-wide Statements

Equity is classified as net position and displayed as follows:

a. Invested in capital assets, net of related debt – consists of capital assets net of accumulated depreciation and reduced by outstanding liabilities used for acquisition, construction or improvement of these assets.
b. Unrestricted net position – All other net assets that do not meet the definition of "Investment in capital assets, net of unrelated debt".

Equity Classifications – Fund Statements

Government fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned or unassigned.

Note 2 – Cash

The Commission maintains an account with Savings Bank of Mendocino County used for issuing checks for the payment of general operating expenses. The County of Mendocino collects the Apportionment Fees from the County, Cities and Special Districts and holds those funds in an account with the County Auditor. When sufficient funds are collected (Apportionment Fees), LAFCo will then transfer funds into the checking account at Savings Bank of Mendocino County. Cash on deposit in the County of Mendocino's treasury is a pooled money investment account similar to a money market account. The funds deposited with the County, until transferred, are invested in accordance with Sections 53601 and 53635 of the California Government Code that specify the authorized investments that an investment pool can purchase.

The County's investment policy as of July 7, 1997 prohibits the following: reverse repurchase agreements, collaterized mortgage securities, futures or options, lend securities or security with a stated or potential maturity longer than five years. Interest earnings recorded by the Commission for these funds for the fiscal year ended June 30, 2018 and 2017 were $465 and $124, respectively. The County of Mendocino issues a separate comprehensive annual financial report. Copies of the County of Mendocino's annual financial report may be obtained from the County of Mendocino's Auditor-Controller's office, 501 Low Gap Road, Room 1080, Ukiah, CA 95482.

The Commission's deposits with County Treasury have a risk category of "uncategorized" which represents investments in pools where the Commission's investments are not evidenced by specific identifiable securities.

The Commission also maintains an account with Westamerica Bank used for holding reserve funds for legal and operational contingencies. Commission policies specify a minimum legal reserve of $50,000 and an operational reserve of 25% of the operational budget.

Note 3 – Reconciliation to Statement of Net Position

There are no differences in the amounts reported for government activities in the Statement of Net Position.

Note 4 – Accounts Receivable

On an accrual basis, Revenues are recognized in the fiscal year in which the services are billed.

Note 5 – Accounts Payable

On an accrual basis, expenses are recognized in the fiscal year in which the goods or services are received.

Note 6 – Fees Received in Advance

On an accrual basis, Revenues are recognized in the fiscal year in which the services are provided. Some fees are received by the Commission in advance of performing the requested services and are therefore carried as a liability until the work has been completed and the revenues earned.

Note 7 – Joint Powers Agreement

The Commission participates in a joint venture under a joint agreement (JPA) with the Special District Risk Management Authority (SDRMA). The relationship between the Commission and the JPA is such that is not a component unit of the Commission and the JPA is not a component unit of the Commission for financial reporting purposes.

The JPA's purpose is to jointly fund and develop programs to provide comprehensive and economical funding of property, workers compensation and employers liability coverage's for bodily injury by accident or by disease, including resulting from death, arising out of and in the course of an employee's employment with the Commission. This program is provided through collective self-insurance; the purchase of insurance coverage's; or a combination thereof. Copies of SDRMA annual financial reports may be obtained from their executive office at 1112 I Street #300, Sacramento, CA 95814.

Note 8 – Risk Management

The Commission is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets, errors and omissions; injuries to employees; and natural disasters. During 2017/2018, the

Commission contracted insurance for liability, property, crime damage, and employee and director insurance.

Note 9 – Contingencies

As of June 30, 2018, the Commission did not have any pending litigation or potential nondisclosed liabilities that management believes would have a material effect on the financial statements.

Note 10 – Subsequent Events

Subsequent events are those events or transactions that occur subsequent to the effective date of the financial statements, but prior to the issuance of the final reports, which may have a material effect on the financial statement or disclosures therein.

There are no subsequent events that have occurred that meet the above definition.

SUPPLEMENTAL INFORMATION

LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY
BUDGETARY COMPARISONS SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Resources (Inflows)				
Assessments	$ 120,000	$ 120,000	$ 110,000	(10,000)
Fees & Reimbursements	-	-	1,500	1,500
Miscellaneous	-	-	15	15
Interest Earnings	120	120	465	345
Total Resources	120,120	120,120	111,980	(8,140)
Charges (Outflows)				
Insurance-General	1,000	1,000	894	106
Memberships	2,200	2,200	1,299	901
Audit Services	3,100	3,100	3,100	-
Bookkeeping	4,800	4,800	4,443	357
Internet and Website Costs	1,300	1,300	25	1,275
Legal Counsel	7,200	7,200	7,200	-
Basic Services (Contract)	66,815	66,815	69,755	(2,940)
Office Rent	5,360	5,360	5,255	105
Office Expenses	3,350	3,350	1,955	1,395
Publication & Legal Notices	2,000	2,000	924	1,076
Televising Commission Meetings	3,000	3,000	1,772	1,228
A-87 Costs-County Services	1,100	1,100	123	977
In-County Travel & Stipends	2,000	2,000	1,580	420
Travel & Lodging	4,000	4,000	2,014	1,986
Conferences (Registrations)	3,000	3,000	2,231	769
Work Plan (MSR and SOI)	45,000	45,000	45,155	(155)
Contract Services-GIS Services	5,000	5,000	3,272	1,728
Misc Expense	-	-	6,459	(6,459)
Total Charges	160,225	160,225	157,455	2,770
Change in Fund Balance	(40,105)	(40,105)	(45,475)	(10,910)
Beginning Budgetary Fund Balance	142,459	142,459	142,459	
Ending Budgetary Net Position	$ 102,354	$ 102,354	$ 96,984	

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

Agenda Item No. 5a

MENDOCINO
Local Agency Formation Commission

Staff Report

DATE: April 1, 2019

TO: Mendocino Local Agency Formation Commission

FROM: Uma Hinman, Executive Officer

SUBJECT: **Proposed** Budget and Work Plan for FY 2019-2020

RECOMMENDATION

1) Adopt Resolution 18-19-07, approving the Proposed Budget and Work Plan for Fiscal Year 2019-2020, and
2) Direct the Executive Officer to notice a public hearing for the Final Budget and Work Plan for FY 2019-2020 for May 6, 2019; or
3) Provide direction to staff.

DISCUSSION

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

On March 4, 2019, the Commission held a workshop on the Preliminary Budget and Work Plan for FY 2019-18. At that time the Commission provided direction to staff to distribute the approved Preliminary Budget to member agencies for review and to notice the Proposed Budget for hearing on April 1, 2019. The Commission reviewed changes to operating expenses that will be funded with $135,000 in Apportionment Fees and the remaining from Operating Reserves. The Proposed Budget is included as Attachment 2. No comments on the Preliminary Budget and Work Plan.

<u>Expenses</u>

The proposed operating expenses for FY 2019-20 are $160,248 and reflect the anticipated staffing services for day-to-day operations and for conducting MSR/SOI Updates scheduled for FY 2019-20 (Table 1; Attachment 3).

Table 1. Summary of expenses for FYs 2018-19 and 2019-20

Estimated Budget Summary	FY 2018-19 Adopted	FY 2018-19 Projected	Proposed FY 2019-20 Budget
Apportionment	135,000	135,000	135,000
Staffing Total	70,560	70,560	72,060
Services and Supplies Total	44,710	38,410	46,938
Work Plan Total	35,000	35,000	41,250
Totals	**150,270**	**143,970**	**160,248**

The proposed expenses are an increase of $9,978 above the FY 2018-19 budget; changes are summarized in Table 2.

Table 2. Proposed budget changes from FY 2018-19 to FY 2019-20				
Account	**FY 2018-19**	**FY 2019-20**	**Difference**	**Notes**
5300 Basic Services	$70,560	$72,060	$1,500	Increase due to unfunded mandates, current number of inquiries and public records act requests
5500 Rent	5,360	5,460	100	Increase in rent per contract
5600 Office Expenses	3,450	2,700	(750)	Delaying computer replacement
6100 Audit Services	3,100	3,500	400	Potential increase due to new contracted auditor
6200 Bookkeeping	4,000	4,500	500	Anticipated increase in Bookkeeping expenses due to change in auditor and anticipated need to increase coordination
6400 A-87 Costs	0	428	428	Estimate from County
6500 Insurance-General Liability	1,000	1,100	100	Anticipated increase
6600 Memberships (CALAFCO/CSDA)	2,300	2,750	450	CALAFCO increase to $1,075, an increase of $150; CSDA (anticipate 5% increase)
6670 County GIS Services	3,500	2,500	(1,000)	Fewer mapping needs anticipated for Work Plan in FY 2019-20
6740 In-County Travel & Stipends	2,000	4,000	2,000	Due to change in policy that allows City Members to request mileage reimbursement
6750 Travel & Lodging Expenses	3,000	3,500	500	2019 CALAFCO Conference in Sacramento; assumes expenses for four Commissioners
7000 Work Plan (MSR/SOI)	35,000	41,250	6,250	Moved UVSD up to FY 2019-20
9000 Special District Training Support	500	0	(500)	Removed because funding to supplement agency training was unused in FY 2018-19
		Total Difference	**$9,978**	

Revenues and Reserves

Table 3 summarizes the FY 2018-19 and Proposed FY 2019-20 budget revenues and impact to reserves.

Table 3. Summary of operating revenues and reserves			
	FY 2018-19		**Proposed FY 2019-20**
	Adopted	**Projected**	
Budget	$150,270	150,270	$160,248
Revenue/Funds			
Apportionment Fees	135,000	135,000	135,000
Use of reserves	12,000	1,533	25,248
Anticipated Reserve Balances			
At beginning of FY	90,356		88,823
At end of FY	88,823		63,575
Target Reserve Balances Per Policy			
Operational Reserves (25%)	37,568		40,062
Legal Reserves	50,000		35,000
Total Target Balance	89,568		75,062

Work Plan

Staff have reviewed the 5-Year Rolling Work Plan and also considered inquiries regarding potential annexations, and recommends the following MSR/SOI Updates for FY 2019-20. The full 5-year Rolling Work Plan is included as Attachment 3.

Table 4. Proposed Work Plan Tasks for FY 2019-20	
Agency	**Estimated Cost**
Ukiah Valley Sanitation District	$20,000
Mendocino City CSD (2008)	$10,000
County Service Area 3	$10,000

During the March 12, 2019 Board of Supervisors meeting, the Board voted unanimously to reactivate County Service Area (CSA) 3 (Agenda Item 7a). Determining that CSA 3 is an active district necessitates the preparation of an MSR/SOI study of the district; none has been prepared to date.

Staff estimates that the cost of preparing an MSR/SOI for CSA 3 would be approximately $10,000, depending on the level of review and outreach required. Including the CSA 3 MSR/SOI study in the FY 2019-20 Work Plan would require revising the work plan schedule and/or proposed budget. The Proposed Work Plan has been revised to shift Covelo Community Services District to FY 2020-21 to allow for County Service Area 3 to be prioritized without altering the Preliminary Budget.

Staff had previously proposed preparing the City of Ukiah and Ukiah Valley Sanitation District MSR/SOI updates for the same year. However, several property owners have contacted staff regarding proposed annexations into the UVSD, which cannot be considered until the MSR/SOI has been updated. It is anticipated that the UVSD SOI Update will trigger CEQA review.

The City of Ukiah is initiating its General Plan Update in early 2019 and it is anticipated it will take approximately two years to complete. Initial discussions with the City of Ukiah have been to coordinate the General Plan Update and SOI Update so as to save on planning efforts and CEQA costs.

Work Plan Notes:

- No CEQA costs have been included in the estimates other than Exemptions
- Future budget numbers are estimates only and will be reviewed annually and adjusted as needed as part of the budget development process for the next FY.

Attachments: 1) Financial Summary
2) Proposed Budget and Work Plan for FY 2019-20
3) Resolution No.18-19-07

ATTACHMENT 1

Financial Summary

The following table summarizes LAFCo's current financial status and end of FY 2018-19 projection.

Cash in Savings Bank, March 26, 2019		$	42,163
Cash in Treasury (County) February 4, 2019			1,560
Total Funds in Accounts		$	43,723
Accounts Receivable - Apportionment still due		$	144
Total Funds Available		$	43,867
Accounts Payable* - Remaining Claims Due by June 30, 2019			(50,168)
Application Deposit Held - City of Ukiah Detachment/UVSD			(1,532)
2018/2019 Operating Budget Deficit			6,300
2018/2019 Proposed Additions to Operating Budget			-
Estimated Net Funds Available at 6-30-19		$	(1,533)
Reserves:	Operational	$	55,356
	Legal	$	35,000

** Includes March-June Claims*

Attachment 2

Mendocino Local Agency Formation Commission
Proposed Budget FY 2019-2020
(April 2019)

ACCOUNT #	DESCRIPTION	FY 2018-19 Adopted	FY 2019-20 Proposed
	REVENUE		
	Anticipated Cash Balance		$ -
4000	LAFCO Apportionment Fees	$ 135,000	$ 135,000
4100	Service Charges		
4800	Miscellaneous		
4910	Interest Income	$ 120	$ 350
	Revenue Total	**$ 135,120**	**$ 135,350**
	EXPENSES		
5300	Basic Services	$ 70,560	$ 72,060
5500	Rent	$ 5,360	$ 5,460
5600	Office Expenses	$ 3,450	$ 2,700
5700	Internet & Website Costs	$ 1,300	$ 1,300
5900	Publication and Legal Notices	$ 2,000	$ 2,000
6000	Televising Meetings	$ 3,000	$ 3,000
6100	Audit Services	$ 3,100	$ 3,500
6200	Bookkeeping	$ 4,000	$ 4,500
6300	Legal Counsel	$ 7,200	$ 7,200
6400	A-87 Costs County Services	$ -	$ 428
6500	Insurance-General Liability	$ 1,000	$ 1,100
6600	Memberships (CALAFCO/CSDA)	$ 2,300	$ 2,750
6670	GIS Contract with County (Counsel training, IT support)	$ 3,500	$ 2,500
6740	In-County Travel & Stipends	$ 2,000	$ 4,000
6750	Travel & Lodging Expense	$ 3,000	$ 3,500
6800	Conferences (Registrations)	$ 3,000	$ 3,000
7000	Work Plan (MSRs and SOIs)	$ 35,000	$ 41,250
9000	Special District Training Support	$ 500	
	Operating Expense Total	**$ 150,270**	**$ 160,248**
	REVENUE/EXPENSE DIFFERENCE	$ (15,150)	$ (24,898)
	(Negative balance indicates use of fund balance and/or reserves)		
	Reserves Total		$ 90,356
	(As of March 2019)		

Mendocino LAFCo 5-Year Rolling Work Plan FY 2019-20 through 2023-24 Mar-19	
Prior Study	**Municipal Service Provider**
	Fiscal Year 2019-20
2008	Mendocino City CSD
	Ukiah Valley Sanitation District
2010	Covelo CSD
	Fiscal Year 2020-21
2008	Mendocino Coast Recreation and Park District
2012	City of Ukiah
n/a	Lighting Districts Discovery Only (11?)
n/a	CSAs Discovery Only (10?)
	Fiscal Year 2021-22
2015	City of Point Arena
2015	Anderson Valley CSD
2015, 2016	Water/Wastewater Districts (14) - include Mutual Water Companies
	Fiscal Year 2022-23
2017	City of Fort Bragg
2016	Mendocino County Resource Conservation District
2016	Noyo Harbor District
2017	Cemetery Districts (8)
	Fiscal Year 2023-24
2016	Hopland PUD
2018	Brooktrails Township CSD
2018	Fire Districts (16)
2019	City of Willits

OPTION FOR CONSIDERATION

Mendocino LAFCo 5-Year Rolling Work Plan

FY 2019-20 through 2023-24

April 2019

Disclaimer: The schedule for each study identified in this Work Plan is an estimate and is subject to change based on overall staff workload, agency responsiveness and timely provision of requested information, complexity of issues, and public controversy. Each study is assumed to consist of a combined MSR and SOI Update and be exempt from CEQA. The cost estimate reflects the minimum staff time to: coordinate a response to the Request for Information (RFI), draft the study for agency review and make revisions, prepare the study for one Public Workshop and Public Hearing and make revisions, and finalize the study to post online and mail to the subject agency. This Work Plan will be reviewed mid-year, or sooner as needed, and revised to account for a more refined level of detail related to the anticipated scope of work for specific studies. The estimated Work Plan schedule and costs may roll over to the next Fiscal Year.

Prior Study	Municipal Service Provider	Estimated Cost
	Estimated Work Plan roll-over from FY 2018-19	**$ -**
	Fiscal Year 2019-20	
2008	Mendocino City CSD	$ 10,000
n/a	Ukiah Valley Sanitation District	$ 20,000
n/a	County Service Area 3	$ 10,000
	Contingency (reduced to accommodate CSA 3 estimated budget)	$ 1,250
	Estimated Subtotal	**$ 41,250**
	Fiscal Year 2020-21	
2012	City of Ukiah	$ 25,000
2013	Ukiah Valley FD (Ukiah Valley Fire Authority JPA)	$ 7,500
2010	Covelo CSD	$ 7,500
n/a	Lighting Districts Discovery Only (11?)	TBD
	10% Contingency	$ 3,300
	Estimated Subtotal	**$ 43,300**
	Fiscal Year 2021-22	
2015	City of Point Arena	$ 8,000
2015	Anderson Valley CSD	$ 7,500
2015, 2016	Water/Wastewater Districts (14) - include Mutual Water Companies	$ 20,000
2008	Mendocino Coast Recreation and Park District	$ 8,000
	10% Contingency	$ 3,550
	Estimated Subtotal	**$ 47,050**
	Fiscal Year 2022-23	
2017	City of Fort Bragg	$ 10,000
2016	Mendocino County Resource Conservation District	$ 5,000
2016	Noyo Harbor District	$ 8,000
2017	Cemetery Districts (8)	$ 10,000
2016	Mendocino Coast Health Card District	$ 10,000
	10% Contingency	$ 3,100
	Estimated Subtotal	**$ 46,100**
	Fiscal Year 2023-24	
2016	Hopland PUD	$ 8,000
2018	Brooktrails Township CSD	$ 8,000
2018	Fire Districts (16)	$ 10,000
2019	City of Willits	$ 12,000
	10% Contingency	$ 4,000
	Estimated Subtotal	**$ 42,000**

Resolution No. 18-19-07
of the Local Agency Formation Commission of Mendocino County

Adopting the
Proposed Budget and Work Plan for Fiscal Year 2019-20

WHEREAS, the Mendocino Local Agency Formation Commission, hereinafter referred to as the "Commission", annually adopts a proposed budget by May 1st and a final budget by June 15th to fulfill its purposes and functions that are set by State law; and

WHEREAS, the Commission has prepared a Proposed Budget and Work Plan for public review that meets the criteria set forth in Government Code Section 56381, including adopting a Proposed Budget that, although less than the previous fiscal year, will nevertheless allow the Commission to fulfill its purposes and programs; and

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

WHEREAS, the Commission heard and fully considered all oral and written testimony submitted and presented on the proposed budget and work plan, including the Executive Officer's report and recommendations, at a public hearing held on April 1, 2019; and

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

1. The Commission hereby approves a Proposed Budget for fiscal year 2019-20 as set forth in Exhibit A, attached hereto; and
2. Finds that the Proposed Budget as set forth in Exhibit A, attached hereto, will not result in reductions in staffing or program costs to such an extent that the Commission would be impeded from fulfilling the purpose and programs of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and
3. Directs the Executive Officer to forward the Proposed Budget, as adopted, to all independent special districts, cities and the County, and to schedule the Final Budget hearing for no later than June 3, 2019.

The foregoing Resolution was passed and duly adopted at a regular meeting of the Mendocino Local Agency Formation Commission held on this 1st day of April 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

CARRE BROWN, Chair

UMA HINMAN, Executive Officer

Ukiah Daily Journal
617 S. State St
Ukiah, California 95482
(707) 468-3500
advertising@record-bee.com

2117504

MENDOCINO COUNTY LAFCO
200 SOUTH SCHOOL ST
UKIAH, CA 95482

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

STATE OF CALIFORNIA
COUNTY OF MENDOCINO

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

03/07/2019

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

Dated at Ukiah, California,
March 7th, 2019

Audrey Taylor

Audrey Taylor, LEGAL CLERK

Legal No. **0006304738**

3846-19
Mendocino Local Agency Formation Commission (LAFCo) NOTICE OF PUBLIC HEARING. NOTICE IS HEREBY GIVEN that on Monday, **April 1, 2019, at 9:00 AM** (or as soon thereafter as the matter may be heard) in the Mendocino County Board of Supervisors Chambers, **501 Low Gap Road, Ukiah, California,** the Mendocino Local Agency Formation Commission (LAFCo) will hold a public hearing to consider the Proposed Budget for Fiscal Year 2019-2020. This item is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15306 and Section 15061(b)(3). Copies of all related documents are on file and may be reviewed at the LAFCo website (www.mendolafco.org) or at the LAFCo office. If you cannot attend the public hearing described in this notice, you may submit written comments prior to the hearing. Please direct comments, questions, and requests to review documents to LAFCo, 200 South School Street, Ukiah, CA 95482; e-mail: eo@mendolafco.org; phone: (707) 463-4470.
All interested persons are invited to attend, be heard, and participate in the hearings. BY ORDER OF THE MENDOCINO LOCAL AGENCY FORMATION COMMISSION. UMA HINMAN, Executive Officer Date Posted: 3/7/2019

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

2117504

MENDOCINO COUNTY LAFCO
200 SOUTH SCHOOL ST
UKIAH, CA 95482

PROOF OF PUBLICATION

STATE OF CALIFORNIA
COUNTY OF MENDOCINO

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

03/09/2019

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

Dated at Willits, California this 11th day of March, 2019.

Signature

Legal No. **0006304647**

WN19133

Mendocino Local Agency Formation Commission (LAFCo) NOTICE OF PUBLIC HEARING. NOTICE IS HEREBY GIVEN that on Monday, **April 1, 2019, at 9:00 AM** (or as soon thereafter as the matter may be heard) in the Mendocino County Board of Supervisors Chambers, **501 Low Gap Road, Ukiah, California,** the Mendocino Local Agency Formation Commission (LAFCo) will hold a public hearing to consider the Proposed Budget for Fiscal Year 2019-2020. This item is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15306 and Section 15061(b)(3). Copies of all related documents are on file and may be reviewed at the LAFCo website (www.mendolafco.org) or at the LAFCo office. If you cannot attend the public hearing described in this notice, you may submit written comments prior to the hearing. Please direct comments, questions, and requests to review documents to LAFCo, 200 South School Street, Ukiah, CA 95482; e-mail: eo@mendolafco.org; phone: (707) 463-4470.
All interested persons are invited to attend, be heard, and participate in the hearings. BY ORDER OF THE MENDOCINO LOCAL AGENCY FORMATION COMMISSION. UMA HINMAN, Executive Officer Date Posted: 03/09/2019

Fort Bragg Advocate-News
690 S. Main Street
PO Box 1188
Fort Bragg, California 95437
707-964-5642

2114461

MENDOCINO COUNTY LOCAL AGENCY FORMATION COMMISSN
200 S SCHOOL ST STE 2
UKIAH, CA 95482

Legal No. **0006304584**

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

STATE OF CALIFORNIA COUNTY OF MENDOCINO

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

03/14/2019

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

Dated at Fort Bragg, California,
March 14th, 2019

Sandi Mosden

Sandi Mosden, LEGAL CLERK

Mendocino Local Agency Formation Commission (LAFCo) NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on Monday, April 1, 2019, at 9:00 AM (or as soon thereafter as the matter may be heard) in the Mendocino County Board of Supervisors Chambers, 501 Low Gap Road, Ukiah, California, the Mendocino Local Agency Formation Commission (LAFCo) will hold a public hearing to consider the Proposed Budget for Fiscal Year 2019-2020. This item is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15306 and Section 15061(b)(3). Copies of all related documents are on file and may be reviewed at the LAFCo website (www.mendolafco.org) or at the LAFCo office. If you cannot attend the public hearing described in this notice, you may submit written comments prior to the hearing. Please direct comments, questions, and requests to review documents to LAFCo, 200 South School Street, Ukiah, CA 95482; e-mail: eo@mendolafco.org; phone: (707) 463-4470.

All interested persons are invited to attend, be heard, and participate in the hearings. BY ORDER OF THE MENDOCINO LOCAL AGENCY FORMATION COMMISSION. UMA HINMAN, Executive Officer

Date Publish: 03/14/2019

Agenda Item No. 7a

MENDOCINO
Local Agency Formation Commission

Staff Report

DATE: April 1, 2019

TO: Mendocino Local Agency Formation Commission

FROM: Uma Hinman, Executive Officer

SUBJECT: County Service Area 3

RECOMMENDATIONS

1) Determine that CSA 3 is an active district pursuant to Government Code Section 56042.
2) Provide direction to staff related to next steps, including:
   a) Direct staff to notify the State Controller's Office of the active status of CSA 3.
   b) Direct staff to prioritize and fund preparation of a municipal service review and sphere of influence study for CSA 3 as part of the FY 2019-20 Work Plan.

BACKGROUND

On November 6, 2018, Mendocino LAFCo received notice from the State Controller's Office (SCO) that County Service Area (CSA) 3 was identified as an inactive special district. Staff notified the County Executive Officer and Auditor-Controller of the SCO's determination and requested assistance in confirming the status of CSA 3.

This matter was discussed at the February 4th Commission meeting and direction was provided to staff to delay decision of the matter until the Mendocino County Board of Supervisors could discuss the issue, which they did over several meetings in February and March of this year. During the March 12, 2019 Board of Supervisors meeting, the Board voted unanimously to reactivate CSA 3 and approved the transfer of $15,000 into a CSA 3 fund. See attached memorandum from Mendocino County Executive Officer.

NEXT STEPS

Notification to State Controller's Office

With the funding of CSA 3, the district no longer meets the definition of an inactive district pursuant to Government Code §56042 and the Commission may determine that CSA 3 is an active district. Upon making that finding, staff will prepare a letter notifying the State Controller's Office of the active status of CSA 3.

Municipal Service Review/Sphere of Influence

By definition (§56036(b)), county service areas (CSA) are considered special districts and as such are subject to the mandates regarding municipal service reviews (MSR) and the establishment and updating of spheres of influence (SOI) (§56378, §56425). An MSR/SOI has not been prepared for CSA 3 to date. In determining that CSA 3 is an active district, the Commission needs to prepare an MSR/SOI study of the district. During the review and adoption of a sphere, the Commission will establish the nature, location, and extent of any functions or classes of services provided by the district (56425(i)).

Activation of Latent Powers

Pursuant to County Service Area Law (GC §25213.5), CSAs are required to activate latent powers through LAFCo. In reactivating a district, the Commission has the authority to require a local agency to apply for adoption of a sphere and activation of the latent powers originally authorized. It is recommended that the Commission prioritize and fund the preparation of an MSR/SOI for CSA 3 as part of the FY 2019-20 Work Plan. Any proposed activation of latent powers would require an application to the Commission.

Fiscal Impact

Staff estimates that the preparation of the MSR/SOI for CSA 3 would cost approximately $10,000, depending on the level of review and outreach required. Applications for activation of latent powers are processed at cost and require a minimum deposit of $2,500 plus CEQA fees.

Including the CSA 3 MSR/SOI study in the FY 2019-20 Work Plan would require revising the work plan schedule and/or proposed budget. Following are some options for consideration:

1. Revise the proposed FY 2019-20 Work Plan schedule and shift a currently proposed study to a future year (i.e., Mendocino City CSD or the Covelo CSD) to add the CSA 3 MSR/SOI study. This would result in no change to proposed FY 2019-20 budget; or
2. Revise the proposed FY 2019-20 budget to add the CSA 3 MSR/SOI study to the Work Plan, thereby increasing the budget by $10,000; or
3. Request the County reimburse the costs associated with preparing the MSR/SOI.

Attachment: Mendocino County Chief Executive Officer Memo, March 21, 2019

COUNTY OF MENDOCINO
Executive Office

CARMEL J. ANGELO
CHIEF EXECUTIVE OFFICER
CLERK OF THE BOARD

501 Low Gap Road, Room 1010
Ukiah, CA 95482-3734

Email: ceo@mendocinocounty.org
Website: www.mendocinocounty.org

Office: (707) 463-4441
Facsimile: (707) 463-5649

MEMORANDUM

DATE: March 21, 2019

TO: Mendocino Local Agency Formation Commission (LAFCO)

FROM: Carmel J. Angelo, Chief Executive Officer CA

SUBJECT: Funding of Mendocino County Service Area No. 3 (CSA 3)

On February 26, 2019, the Board of Supervisors voted unanimously to reactivate the Mendocino County Service Area No. 3 (CSA 3). On March 12, 2019, this matter was brought back to the Board to discuss funding of CSA 3. On that date, the Board approved the transfer of funds to sufficiently reactivate the CSA 3, in the amount of $15,000 from Miscellaneous Budget Unit 1940, line item 862239 (Special Departmental Expense). The transfer of these funds was done effectuated by the Mendocino County Auditor on March 13, 2019.

If you have any questions or require additional information from my office, please do not hesitate to contact me.

Agenda Item No. 7b

MENDOCINO
Local Agency Formation Commission

Staff Report

DATE: April 1, 2019

TO: Mendocino Local Agency Formation Commission

FROM: Uma Hinman, Executive Officer

SUBJECT: Work Plan Schedule Review for Ukiah Valley Fire District MSR/SOI

RECOMMENDATIONS

Provide direction to staff regarding the scheduling of the Ukiah Valley Fire District MSR/SOI Update.

BACKGROUND

During its March 4, 2019 meeting, the Commission approved the Fort Bragg Rural Fire Protection District's Municipal Service Review and Sphere of Influence Update (MSR/SOI). The Fort Bragg Rural FPD is part of the Fort Bragg Fire Authority under a Joint Powers Agreement (JPA) with the City of Fort Bragg. Commissioners noted the difficulty in receiving an accurate financial picture of the services provided under the Fire Authority when the review was by individual agency. The Commission requested that future Fire Authority JPA agencies be reviewed concurrently so as to receive a full picture of the financial abilities of the agencies to adequately provide services.

The Ukiah Valley Fire District is included in the Work Plan for FY 2018-19. However, the District provides services as a member of the Ukiah Valley Fire Authority under a JPA with the City of Ukiah. The City of Ukiah MSR/SOI is scheduled for FY 2020-21 in the proposed Work Plan in order to coincide with the recently initiated update of the City's General Plan.

The initial estimated budget for the Ukiah Valley Fire District MSR/SOI was $5,500. Outreach associated with the request for information was initiated at the beginning of FY 2018-19 and has been delayed a number of times throughout the year. To date, $1,039 has been expended on outreach and coordination regarding the request for information.

The Commission has requested that the proposed Work Plan be agendized for review and reconsideration of the timing of the study.

Agenda Item No. 7c

MENDOCINO
Local Agency Formation Commission

Staff Report

DATE: April 1, 2019

TO: Mendocino Local Agency Formation Commission

FROM: Uma Hinman, Executive Officer

SUBJECT: 2019 Legislative Platform

Recommendation

a) Adopt Resolution No. 18-19-08 approving the 2019 Legislative Platform; or
b) Direct the Policies and Procedures Committee to review the Legislative Platform; or
c) Provide direction to staff.

Background

Mendocino LAFCo Policy 3.11.6 *Legislative Policy* requires the Commission to annually adopt a legislative platform to assist the Commission and staff with review and responses to proposed legislation. Attached is a Draft 2019 Legislative Platform, which is substantially consistent with CALAFCO's 2019 Legislative Platform and remains unchanged from the 2018 Platform.

Consistent with the 2017 and 2018 adopted Platforms, two modifications from CALAFCO's Platform are proposed and are indicated in the attached proposed 2019 Legislative Platform with underline/~~strikethrough~~.

Attachments:

(1) Proposed 2019 Legislative Platform
(2) Resolution No. 18-19-08

APPENDIX C

Mendocino LAFCo

DRAFT 2019 Legislative Platform

(Resolution No. XX-XX-XX)

1. LAFCo Purpose and Authority

1.1. Support legislation which enhances LAFCo authority and powers to carry out the legislative findings and authority in Government Code §56000 et seq., and oppose legislation which diminishes LAFCo authority.

1.2. Support authority for each LAFCo to establish local policies to apply Government Code §56000 et seq. based on local needs and conditions, and oppose any limitations to that authority.

1.3. Oppose additional LAFCo responsibilities, which require expansion of current local funding sources. Oppose unrelated responsibilities which dilute LAFCo ability to meet its primary mission.

1.4. Support alignment of responsibilities and authority of LAFCo and regional agencies, which may have overlapping responsibilities in orderly growth, preservation, and service delivery, and oppose legislation or policies which create conflicts or hamper those responsibilities.

1.5. Oppose grants of special status to any individual agency or proposal to circumvent the LAFCo process.

1.6. Support individual commissioner responsibility that allows each commissioner to independently vote his or her conscience on issues affecting his or her own jurisdiction.

2. LAFCo Organization

2.1. Support the independence of LAFCo from local agencies.

2.2. Oppose the re-composition of any LAFCo to create special seats and recognize the importance of balanced representation provided by cities, the county, the public, and special districts in advancing the public interest.

2.3. Support representation of special districts on all LAFCos in counties with independent districts and oppose removal of special districts from any LAFCo.

2.4. Support communication and collaborative decision-making among neighboring LAFCos when growth pressures and multicounty agencies extend beyond a LAFCo's boundaries.

3. Agricultural and Open Space Protection

3.1. Support legislation which clarifies LAFCo authority to identify, encourage and ensure the preservation of agricultural and open space lands.

3.2. Encourage a consistent definition of agricultural and open space lands.

3.3. Support policies which encourage cities, counties and special districts to direct development away from all types of agricultural lands, including prime agricultural lands and open space lands.

3.4. Support policies and tools, which protect all types of agricultural lands, including prime agricultural lands and open space lands.

3.5. Support the continuance of the Williamson Act and restoration of program funding through State subvention payments.

4. Orderly Growth

4.1. Support the recognition and use of spheres of influence as a management tool to provide better planning of growth and development, and to preserve agricultural and open space lands.

4.2. Support recognition of LAFCo spheres of influence by other agencies involved in determining and developing long-term growth and infrastructure plans.

4.3. Support orderly boundaries of local agencies and the elimination of islands within the boundaries of agencies.

4.4. Support communication among cities, counties, and special districts through a collaborative process that resolves service, housing, land use, and fiscal issues, prior to application to LAFCo.

4.5. Support cooperation between counties, cities, <u>and special districts</u> on decisions related to development within the city's designated sphere of influence.

5. Service Delivery and Local Agency Effectiveness

5.1. Support the use of LAFCo resources to review Regional Transportation Plans, including sustainable communities strategies and other growth plans to ensure reliable services, orderly growth, sustainable communities, and conformity with LAFCo's legislative mandates. Support efforts that enhance meaningful collaboration between LAFCo and regional planning agencies.

5.2. Support LAFCo authority as the preferred method of local governance. Support the availability of LAFCo tools which provide options for local governance and efficient service delivery, including the authority to impose conditions that assure a proposal's conformity with LAFCo's legislative mandates.

5.3. Support the creation or reorganization of local governments in a deliberative, open process which will fairly evaluate the proposed new or successor agency's long-term financial viability, governance structure and ability to efficiently deliver proposed services.

5.4. Support the availability of tools for LAFCo to insure equitable distribution of revenues to local government agencies consistent with their service delivery responsibilities.

5.5. Support collaborative efforts<u>, including consolidation,</u> among agencies and LAFCo that encourage opportunities for sharing of services, staff and facilities to provide more efficient and cost effective services. Support legislation which provides LAFCo with additional opportunities to encourage shared services.

Primary Issues

A. Authority of LAFCo

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

B. Agriculture and Open Space Protection

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

C. Water Availability

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

D. Viability of Local Services

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

Issues of Interest

A. Housing

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

B. Transportation

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

C. Flood Control

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

D. Adequate Municipal Services in Inhabited Territory

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

Resolution No. 18-19-08
of the Local Agency Formation Commission of Mendocino County

Approving the
Adoption of a 2019 Legislative Platform

WHEREAS, Local Agency Formation Commissions have been created under the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Sections 56000 et. seq. of the Government Code, as independent agencies, with the power to adopt policies and procedures, as necessary, to carry out their functions; and

WHEREAS, the Mendocino Local Agency Formation Commission, hereinafter referred to as the "Commission," shall consider adoption of a legislative platform annually, at the first regular Commission meeting following the CALAFCO publication of their legislative platform, or as needed; and

WHEREAS, the Commission shall consider the annual CALAFCO adopted legislative platform; and

WHEREAS, staff has reviewed CALAFCO's adopted 2019 Legislative Platform and recommends the attached legislative platform to the Commission; and

WHEREAS, this Commission held a public meeting regarding the proposed adoption of a legislative platform for 2019, and at that meeting, this Commission received all oral and written comments with respect to the proposed platform, and the report of the Executive Officer.

NOW, THEREFORE, the Local Agency Formation Commission of the County of Mendocino DOES HEREBY RESOLVE, DETERMINE AND ORDER the adoption of the 2019 Legislative Platform, as set forth in Exhibit A.

The foregoing Resolution was passed and duly adopted at a regular meeting of the Mendocino Local Agency Formation Commission held on this 1st day of April 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

____
UMA HINMAN, Executive Officer

____
CARRE BROWN, Chair

Agenda Item No. 8a

MENDOCINO
Local Agency Formation Commission

Staff Report

DATE: April 1, 2019

TO: Mendocino Local Agency Formation Commission

FROM: Uma Hinman, Executive Officer

SUBJECT: Status of Applications, Proposals, and Work Plan

ACTIVE APPLICATIONS

The following applications have been filed with the Commission and are in process.

- Weger Mendocino Coast Healthcare District Detachment Pre-Application Review
  Status: Pre-Application Referral distributed to agencies for comments.

APPLICATIONS ON-HOLD

The following applications have been filed with the Commission but are currently on hold. Any updates available are noted below in addition to the date of last activity.

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

POTENTIAL FUTURE PROJECTS

The following potential future projects have been brought to LAFCo's attention and are included for informational purposes. Any updates available are noted below in addition to the date of last activity.

- Anderson Valley CSD Proposed Activation of Latent Powers to Provide Water/Sewer Services
  Last Activity: October 2018
- Millview County Water District Proposed Annexation of Masonite Properties
  Last Activity: February 2019

California Association of
Local Agency Formation Commissions

March 6, 2019

TO: Member LAFCos

Dear Member LAFCos:

Over the last several years the CALAFCO Board of Directors has continued to develop member services to meet the changing needs of LAFCo commissioners, staff and stakeholders. Over its 48-year existence, CALAFCO has matured from a volunteer organization to a professional educational organization.

At the CALAFCO Annual Meeting in Yosemite last fall, the Board explained that additional revenues must be raised to close the ongoing structural deficit, which the association has operated with since its inception. As many of you heard, CALAFCO has had an unhealthy reliance on Conference revenue to balance the budget which is not a sound fiscal practice. Approximately $69,000 in additional revenue is needed next fiscal year just to close the structural deficit. Failing to close this deficit jeopardizes CALAFCO's ability to maintain the existing level of services provided.

During the regional roundtables at the 2018 Conference, members provided the Board valuable feedback about the structural deficit and the dues structure. At the Board's recent strategic planning workshop and meeting, they deliberated at length about these two matters. It is clear the current dues structure no longer reflects the diversity of our membership and our structural deficit continues to grow as core revenue does not meet operational expenses.

During the recent Board strategic planning workshop, the Board-appointed ad hoc financial committee (who have been meeting for more than a year) presented the Board several options to close the deficit and offered a recommendation. After long (almost half-day) discussion, followed by another round of discussions at the Board meeting the next day, the Board made two critical decisions.

The first decision is a short-term action strategy to close the structural deficit. The Board unanimously approved a one-time cost sharing option to close the structural deficit. This option will take effect FY 2019-20. The cost sharing option includes a 16.25% dues increase to all member LAFCos, which will generate an additional $33,452. The other $35,591 necessary to close the structural deficit will be covered by using a substantial portion of the net profit received from the 2018 Annual Conference.

Just as important, the Board is committed to a long-term strategy of revising the current dues structure into a more sustainable and equitable model. As a result, the Board directed the ad hoc finance committee to bring a proposal to the Board at their May 10 meeting for a new dues structure to move the organization forward. This new dues structure will use the current FY 2018-19 dues as the baseline (rather than the increased dues for next FY).

A new dues structure requires the approval of the membership as it is a change in the Bylaws. It is the intention of the Board to place this item on the agenda for membership approval at the October 31, 2019 Annual Membership Business Meeting. Once the draft proposal is approved at its May 10 meeting, the Board will distribute the draft dues structure to the membership with ample time for review and discussion before the Annual Membership Business Meeting.

We understand raising dues at any time is a difficult proposition. Our work at CALAFCO strives to support the success and meet the needs of all member LAFCos, large and small. 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." We hope you will agree when we discuss this at our annual membership meeting at this year's Conference.

We 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,

Joshua J. Susman

Josh Susman
Chair of the Board

Pamela Miller

Pamela Miller
Executive Director

Cc: CALAFCO Board of Directors
enclosures

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www.calafco.org

CALAFCO LAFCo Dues FY 2019-2020

As adopted by the Board March 1, 2019

County	DOF Population Jan 2018	Category	2016-2017 Dues	7.0% Increase	2017-2018 Dues	2.9% Increase	2018-2019 Dues	16.25% Increase	2019-2020 Dues
ALAMEDA	1,660,202	Urban	8,107	567	8,674	252	8,926	1,450	10,376
ALPINE	1,154	Rural	840	59	899	26	925	150	1,075
AMADOR	38,094	Rural	840	59	899	26	925	150	1,075
BUTTE	227,621	Suburban	2,548	178	2,726	79	2,805	456	3,261
CALAVERAS	45,157	Rural	840	59	899	26	925	150	1,075
COLUSA	22,098	Rural	840	59	899	26	925	150	1,075
CONTRA COSTA	1,149,363	Urban	8,107	567	8,674	252	8,926	1,450	10,376
DEL NORTE	27,221	Rural	840	59	899	26	925	150	1,075
EL DORADO	188,399	Suburban	2,548	178	2,726	79	2,805	456	3,261
FRESNO	1,007,229	Urban	7,163	501	7,664	222	7,887	1,282	9,169
GLENN	28,796	Rural	840	59	899	26	925	150	1,075
HUMBOLDT	136,002	Suburban	2,548	178	2,726	79	2,805	456	3,261
IMPERIAL	190,624	Suburban	2,548	178	2,726	79	2,805	456	3,261
INYO	18,577	Rural	840	59	899	26	925	150	1,075
KERN	905,801	Urban	6,105	427	6,532	189	6,722	1,092	7,814
KINGS	151,662	Suburban	2,548	178	2,726	79	2,805	456	3,261
LAKE	65,081	Rural	840	59	899	26	925	150	1,075
LASSEN	30,911	Rural	840	59	899	26	925	150	1,075
LOS ANGELES	10,283,729	Urban	8,107	567	8,674	252	8,926	1,450	10,376
MADERA	158,894	Suburban	2,548	178	2,726	79	2,805	456	3,261
MARIN	263,886	Suburban	2,548	178	2,726	79	2,805	456	3,261
MARIPOSA	18,129	Rural	840	59	899	26	925	150	1,075
MENDOCINO	89,299	Rural	840	59	899	26	925	150	1,075
MERCED	279,977	Suburban	2,548	178	2,726	79	2,805	456	3,261
MODOC	9,612	Rural	840	59	899	26	925	150	1,075
MONO	13,822	Rural	840	59	899	26	925	150	1,075
MONTEREY	443,281	Suburban	3,446	241	3,687	107	3,794	617	4,411
NAPA	141,294	Suburban	2,548	178	2,726	79	2,805	456	3,261
NEVADA	99,155	Rural	840	59	899	26	925	150	1,075
ORANGE	3,221,103	Urban	8,107	567	8,674	252	8,926	1,450	10,376
PLACER	389,532	Suburban	2,548	178	2,726	79	2,805	456	3,261
PLUMAS	19,773	Rural	840	59	899	26	925	150	1,075
RIVERSIDE	2,415,955	Urban	8,107	567	8,674	252	8,926	1,450	10,376
SACRAMENTO	1,529,501	Urban	8,107	567	8,674	252	8,926	1,450	10,376
SAN BENITO	57,088	Rural	840	59	899	26	925	150	1,075
SAN BERNARDINO	2,174,938	Urban	8,107	567	8,674	252	8,926	1,450	10,376
SAN DIEGO	3,337,456	Urban	8,107	567	8,674	252	8,926	1,450	10,376
SAN FRANCISCO	883,963	Urban	6,481	454	6,935	201	7,136	1,160	8,296
SAN JOAQUIN	758,744	Suburban	5,297	371	5,668	164	5,832	948	6,780
SAN LUIS OBISPO	280,101	Suburban	2,548	178	2,726	79	2,805	456	3,261
SAN MATEO	774,155	Urban	5,864	410	6,274	182	6,456	1,049	7,505
SANTA BARBARA	453,457	Suburban	3,399	238	3,637	105	3,742	608	4,350
SANTA CLARA	1,956,598	Urban	8,107	567	8,674	252	8,926	1,450	10,376
SANTA CRUZ	276,864	Suburban	2,548	178	2,726	79	2,805	456	3,261
SHASTA	178,271	Suburban	2,548	178	2,726	79	2,805	456	3,261
SIERRA	3,207	Rural	840	59	899	26	925	150	1,075
SISKIYOU	44,612	Rural	840	59	899	26	925	150	1,075
SOLANO	439,793	Suburban	3,419	239	3,658	106	3,764	612	4,376
SONOMA	503,332	Suburban	3,879	272	4,151	120	4,271	694	4,965
STANISLAUS	555,624	Suburban	4,090	286	4,376	127	4,503	732	5,235
SUTTER	97,238	Rural	840	59	899	26	925	150	1,075
TEHAMA	64,039	Rural	840	59	899	26	925	150	1,075
TRINITY	13,635	Rural	840	59	899	26	925	150	1,075
TULARE	475,834	Suburban	3,323	233	3,556	103	3,659	595	4,254
TUOLUMNE	54,740	Rural	840	59	899	26	925	150	1,075
VENTURA	859,073	Urban	6,591	461	7,052	205	7,257	1,179	8,436
YOLO	221,270	Suburban	2,548	178	2,726	79	2,805	456	3,261
YUBA	74,727	Rural	840	59	899	26	925	150	1,075
TOTAL	**39,809,693**		**$187,012**	**$13,091**	**$200,103**	**$5,803**	**$205,906**	**$33,452**	**$239,358**

CALAFCO BULLETIN

Membership Dues Increase Questions & Answers

Question: *What's the issue?*
Answer: The issue is that CALAFCO has operated for many years with a structural deficit. The structural deficit is defined as the member LAFCo dues do not cover the operational costs of the organization. The organization continues an unhealthy and unstable fiscal reliance on net profits from the Annual Conference and a year-end net balance carryover to balance the budget.

Question: *How did the structural deficit happen?*
Answer: For many, many years CALAFCO's member LAFCo dues have not covered the operational costs of the organization. Overall, the cost of doing business is increasing and we are not accounting for the additional inflow of sustainable revenue to keep up with rising costs and expansion of services. As a result, the deficit grows.

Question: *How has CALAFCO been able to sustain itself if the structural deficit has been ongoing?*
Answer: In previous years, the organization relied on Fund Reserves and Conference net profit. Recently we have been using Conference net profits and end-of-year savings (net balance) to avoid having to use reserves. However, for FY 2018-19, the Board adopted an unbalanced budget, relying on Fund Reserves for the first time in a long time.

As recently as FY 2004-05 the organization ended the year with a deficit. The dues restructuring beginning FY 2005-06 helped close a portion of the structural deficit. The Board has been successful over the past 12 years in building a healthy Fund Reserve. Today the Fund Reserve balance is $162,754, which represents approximately 60% of the operating costs of the organization. Some years CALAFCO has a strong net profit on the Conference, which sustains the budget for a few years. Further, CALAFCO has been budgeting a Conference net profit much higher than policy calls for in order to balance the budget. Last year we did not meet that target and this year our Annual Conference was at one time in jeopardy of happening due to the fires in the area.

Question: *How was the cost sharing solution and dues increase developed?*
Answer: In October 2016 the Board formed an ad hoc finance committee (with equitable regional representation as well as urban-suburban-rural representatives). After 15 months of work the committee made recommendations to the Board at the recent strategic planning workshop. To close the structural deficit short-term, the committee provided the Board four (4) options. In addition, CALAFCO has been reducing costs with minimal to no impact to the level of service being provided wherever possible. After lengthy consideration, the Board unanimously approved a hybrid of one of the options. The approved option calls for a 16.25% increase from member LAFCos and the other portion of the deficit to be filled using net profits from the 2018 Annual Conference. These profits would have otherwise been budgeted for transfer to the Reserve Fund and/or used for special projects for the association.

As the cost-sharing strategy is a one-year only solution, the Board instructed the ad hoc committee to work on a long-term solution that calls for a revision of the current dues structure.

Question: *What is the current dues structure based on and will that change?*
Answer: The current dues structure is codified in the CALAFCO Bylaws and was approved by the membership in 2006. It is based on the county population categories by the California State Association of Counties (CSAC) as urban, suburban and rural. As stated above, the ad hoc committee is working on a new dues structure that goes beyond the current three (3) categories. It is anticipated the new structure will have more categories and will create greater equity in terms of the categories and their associated populations. The financial situation was discussed at the 2018 Annual Conference and in response to information gathered from the membership at the regional roundtables, the Board is intent on presenting all member LAFCos with a sustainable and equitable solution.

At its May 10 meeting the Board plans to review and discuss this new draft structure, then distribute the draft recommended dues structure to the membership with ample time for review and discussion before the Annual Membership Business Meeting on October 31, 2019. If approved at this Annual Business Meeting, the new dues structure would take effect FY 2020-21 and serve to finally close the structural deficit.

As directed by the Board, the baseline for the new dues structure will be the current FY 2018-19 dues amount. What this means for you is the lower amount of what your LAFCo is paying now (versus what you will pay in FY 2019-20) will be the minimum baseline for calculating the new dues.

Question: *How do we know there will not be more dues increases in the future?*
Answer: Of course no one can predict the future economy. The goal of the Board is to permanently close the structural deficit and it believes this two-part strategy will accomplish that. Further, setting sights into the future, the hope is eventually there is enough sustainable revenue to again increase member services.

Question: *Who can I talk to if I have questions?*
Answer: If you have questions you are encouraged to contact Pamela Miller, CALAFCO's Executive Director at pmiller@calafco.org or 916-442-6536. You can also contact the CALAFCO Board Chair Josh Susman at jsusman@calafco.org. You are highly encouraged to reach out to any of your regional Board members. All of their names and contact information can be found on the CALAFCO website at www.calafco.org.

Section

3

Land Use and Community Development

Land Use and Community Development

GOAL LU-1
Create compact, mixed-use, and well-balanced communities that can achieve this plan's principles of sustainability.

GOAL LU-2
Promote compatible land uses adjacent to important transportation facilities and protect against incompatible uses.

GOAL LU-3
Consider the needs of education providers in the planning and project review process.

GOAL LU-4
Manage future growth to ensure that essential support infrastructure is in place prior to development.

GOAL LU-5
Create a business development strategy that emphasizes local ownership and/or adds value to local goods or services that re-circulates money within the community.

GOAL LU-6
Establish Ukiah and Mendocino County as leaders in the development of businesses and practices that conserve resources and avoid needless consumption and waste.

GOAL LU-7
Recognize that the Ukiah Valley is one community, and foster collaborative decision-making between County and City Agencies.

GOAL LU-8
Ensure that there is an ongoing process of community involvement for the purposes of providing input and monitoring the success of the Ukiah Valley Area Plan.

GOAL LU-9
Provide that sufficient industrailly zoned areas are protected to provide opportunities for future jobs and economic development.

INTRODUCTION

The UVAP contains several sections that identify important resource and infrastructure issues that have an effect on the density and intensity of land use. This section addresses development issues, land use goals and policies, land use classifications, and land use maps. The land use classifications and the accompanying land use maps govern the location, type, densities, and intensities of development on parcels in unincorporated Ukiah Valley. The assignment of land uses on the attached land use map is reflective of the goals and policies of the UVAP.

The Land Use Section is comprised of four (4) key topic areas. The first part sets forth the land use pattern for unincorporated portion for the Ukiah Valley, as well as land use compatibility issues. The second part presents a discussion of infrastructure and growth management in order to facilitate more orderly development of the plan area. The third part outlines a business strategy to help attract and retain the types of businesses that are encouraged under the plan. The last part of the Land Use Section discusses strategies that will help with the implementation and improvement of the plan.

Mendocino County Administrative Complex

LAND USE CLASSIFICATION AND COMPATIBILITY

Land Use Terminology and Classifications
Land use classifications broadly define how land can be used. These classifications are the foundation upon which the land development codes—zoning, subdivision, and other regulations called for by the Area Plan—will be developed and applied. These implementing regulations specify the criteria that will apply to development on any given parcel. Since implementing regulations are intended to carry out the policy programs in the Area Plan, they must be consistent with the Area Plan's policy programs and land use classifications. The zoning district assigned to a parcel must be

consistent with the types of uses, land use densities and any other criteria defining the land use classification on the property. Land use ***density*** and ***intensity*** are defined for each land use classification. **Density** typically refers to the number of dwelling units allowed per parcel or acre. This number corresponds to the minimum lot size required in each land use classification. Second dwelling units and temporary uses are usually exempt from the density standards of each land use classification. Farm employee housing may be allowed in some classifications subject to specified criteria, and are not subject to density requirements. Other special uses, including affordable housing, may be allowed greater density based on specified criteria. Land use **intensity** typically refers to non-residential activity, and measures the amount of floor area allowed per parcel. Land use intensity is expressed as a Floor Area Ratio or FAR.

When a General Plan, Area Plan, or zoning code is revised, land use classifications or zoning districts may change to reflect the future development patterns desired for the area. When this occurs, uses and structures which were legally approved and in place prior to General Plan, Area Plan or zoning revisions, may no longer conform to the new land use classification or zoning requirements. These existing land uses or structures are normally grandfathered in and may continue to function as existing legally non-conforming land uses or structures.

In some cases, the impacts or requirements of various land uses may be in conflict with other land uses in the area. For instance, the location of industrial land uses near residential uses may produce conflicts related to noise, traffic, use of hazardous materials, or other impacts. When two land uses with mutually exclusive or conflicting requirements adjoin, they may be considered to be incompatible. Sometimes incompatible uses can be made compatible through mitigations such as the use of a buffer. A buffer may take the form of a physical feature—such as the Russian River, US 101, the railroad, streams, or canyons. A buffer may also be other land use types, such as placing commercial uses between industrial and residential uses.

Land use classifications should reflect and support the UVAP's goals and policies. Land use classifications relate to development issues, such as the locations and range of uses, densities and intensities of use, access and circulation, aesthetics and design, as well as other development issues. The UVAP utilizes the same inland land use classifications contained within the County General Plan, supplemented by four special land use classifications to be associated with specific parcels within the UVAP planning area.

The following land use classifications established in the County General Plan also apply without modification to lands in the Ukiah Valley Area Plan:

- SR - Suburban Residential (all densities)
- RC Rural Community
- RR - Rural Residential (all densities)
- RMR - Remote Residential (all densities)
- C - Commercial
- AG - Agricultural
- RL - Range Lands
- I -Industrial
- PS - Public Services
- PL - Public Lands
- OS - Open Space
- MU - Mixed Use

Three new land use classifications are proposed to be added with the UVAP. They are as follows:

- MUNS – Mixed Use North State Street
- MUBST – Mixed Use Brush Street Triangle
- MU-2 – Mixed Use General

Note:

Please refer to Appendix I of this document for complete descriptions of these newly introduced land uses.

The following land use classifications as established by the Ukiah Valley Area Plan, are unique to the UVAP planning area, and apply only to the parcels identified in Figure 3.1: UVAP Land Use, with mixed-use designations.

Table 3.1 - Land Use Classifications Established by UVAP.

Land use type	Mixed Use General (MU-2)	Mixed Use North State Street (MUNS)	Mixed Use Brush Street Triangle (MUBST)
Single Family Residential	Up to 9 units per acre	6 units per acre average density	5 to 9 units per density
Multi-Family Residential	Up to 29 units per acre	Up to 29 units per acre	9 to 20 units per acre density
Commercial and Industrial	0.3 to 1.0 FAR	0.3 to 1.0 FAR	0.3 to 1.0 FAR
Mixed-use	0.3 to 1.0 Non-Residential FAR	0.3 to 1.0 Non-Residential FAR	0.3 to 1.0 Non-Residential FAR
Public Open Space and Facilities	Encouraged	Required component of development	Required component of development

NOTE: Floor Area Ratio (FAR) is a measure of non-residential development intensity based on the ratio of total floor area to total lot area, and expressed as a percentage of total lot area (FAR of 0.3 allows a total floor area of 30% of the total lot area).

Table 3.2 - Maximum Development Potential [1]			
	Maximum Number of Dwelling Units	Maximum Commercial (square Feet)	Maximum Industrial (square feet)
Existing General Plan	1,726	1.8 million	3.7 million
UVAP	4,000	1.9 million	3.2 million

NOTE: [1] Maximum development potential will likely never be realized due to various environmental, infrastructure, and market constraints.

The UVAP goals and policies create a central theme directing that higher density residential uses generally be located within the City of Ukiah's sphere of influence, areas designated Rural Communities, as well as within the City itself, in order to concentrate development in areas with adequate services and access and limit impacts to resource lands. Development potential can be maximized through comprehensive and coordinated planning of areas which are currently undeveloped or underdeveloped.

Key Land Use Issues

While the UVAP allows for a wide range of land use choices, the following three issues are especially important to the area.

- Housing: The UVAP supports the County's Housing Element which plays an important role in the success of community centered growth policies, particularly by supporting affordable worker housing through designating more properties for mixed uses and allowing for higher density development in more locations and configurations. The land use changes contained within this plan meets Action 3.1d of the 2009 Housing Element to rezone additional land to allow for multiple family and mixed uses. The UVAP also promotes the production of housing near transit and other services. Beyond the scope of the Housing Element Requirements, the UVAP provides a wide range of land use categories in which housing is allowed.
- Mixed Use Development: Generally, mixed use and compact development patterns allows greater efficiency and economy in providing public services, conserves agriculture and resource lands, preserves the rural character desired by many of the County's residents, and can provide more affordable housing. It also encourages more walking and biking, benefiting community health. Both the General Plan and this document include Mixed Use as a land use option.

- Agriculture: Agriculture is a major part of Mendocino County's economy. Many types of agriculture exist in the Ukiah Valley, including vineyards, orchards, forage crops, specialty crops, and livestock. Farms are both full time and part time operations. Agricultural production in some areas is threatened both by pressures of urban development and by creation of small residential lots in the midst of agricultural lands. Continued farming is also affected by changes in commodity prices, raw materials, and regulatory costs. The resulting economic pressure on the farmer can lead to requests for land divisions. Land use policy in agricultural areas must consider the extent to which additional small residential lots should be allowed, the need for agricultural support uses in rural areas, and the extent of visitor serving uses that may be supportive of and compatible with farming.

Land Use Compatibility

Part of any land use element is ensuring that development choices are compatible with both neighboring land uses as well as broader community standards. To a certain extent, the UVAP land use map minimizes compatibility issues through the physical separation of incompatible uses such as heavy industrial and residential uses. Section 5, Community Design, provides additional direction to developers on how their potential projects can be compatible with the community's vision for the Valley. A few land use compatibility issues deserve additional attention. The first two deal with specific types of land use conflicts while the last two are broader compatibility related.

Noise Sources: Noise typically comes from two types of sources: mobile and stationary. Mobile sources are generally associated with transportation, such as cars, trucks, trains and aircraft. Stationary sounds can be pinpointed and do not move, such as a factory. Major noise sources in the Ukiah Valley include: highway and local traffic, railroad operations (when active), airports, commercial and industrial uses, and recreation and community facilities such as the fairgrounds and raceway. U.S. Highway 101 generates significant noise throughout the Ukiah Valley. Major industrial noise sources are primarily lumber mills and timber products facilities.

There is one rail line that traverses the planning area from south to north. When operational, this line can generate a significant amount of noise. While there are currently no active railroad operations in the UVAP planning area, rail service is likely to recommence during the plan period. At the moment, many parcels that border the NPWR right of way are industrial or commercially zoned, a classification more compatible to the noise generated by train traffic than residential.

UVAP and General Plan policies are intended to protect County communities from excessive noise generation from stationary and non-stationary sources. Land uses would be controlled to reduce potential for incompatible uses relative to noise. Noise-sensitive receptors include schools, hospitals, and recreational use areas and should be protected from noise-generating uses. Residential uses should be limited near the railroad and agricultural and industrial lands to protect more noise sensitive receptors. Structural development would be required to include noise insulation and other methods of construction to reduce the extent of excessive noise.

Ukiah Municipal Airport: The Ukiah Municipal Airport is valued as a community resource. The airport provides important connections to outside of Ukiah to private and charter aircraft, helping attract business to the Ukiah Valley. Additionally, the airport serves a critical function in emergency response for fires, air ambulance, and search and rescue. During major wild fires, this airport hosts the aerial tactical fire squadron.

As is common in communities with airports, the Ukiah Municipal Airport faces pressure from nearby development. Land use conflicts among adjacent uses, such as residential, commercial, industrial or aviation-related uses, often occur as density of development increases near airports. Safety and noise are among the key concerns reported by citizens. At the same time, the airport land use restrictions in the Airport Comprehensive Land Use Plan (CCLUP) have, to a certain extent, limited infill potential in both the City and the unincorporated County. Through the Mendocino County ACLUP, the Mendocino County Airport Land Use Commission controls land use in the City and surrounding unincorporated areas as it relates to airport safety and viability as well as community safety and compatibility. Both the ACLUP and the City's Airport Master Plan contain a Land Use compatibility map that establishes land use compatibility criteria in four separate zones within the airport planning boundary. These zones are labeled A-D and decrease in land use restrictions, the further one gets away from the airport.

Because airport planning matters involve both jurisdictions, City-County cooperation is essential in planning for the viable operation of the airport in a manner acceptable to the community. It is important to maintain consistent City-County land use regulations that protect the airspace to ensure safe flight operations, minimize hazards on the ground in the event of a crash, and minimize noise. Adhering to airport compatibility guidelines by strategically planning for acceptable types of uses and density of development near the airport will enhance safety and minimize potential land use conflicts.

Aesthetics: Community identity is an important aspect of the quality of life for many of the county's residents. Large, continuous areas of urban development where one urbanized area merges with another without visual relief may detract from the small town feel encapsulated in the Vision for the planning area. Containment of urban areas is also important in maintaining compact city and community boundaries. On the other hand, property owners often consider areas between and around cities and communities to be prime land for development.

Design: Planning efforts will emphasize local culture, reflecting the historic, physical, and social values of the community. This will be accomplished, in part, through the eventual adoption of design guidelines for physical factors such as site planning, architecture, landscaping, screened parking areas, sign control, viewshed preservation, and incorporation of green building and other sustainable development practices. (See UVAP Community Design Section 4 for information related to design.)

CONSTRAINTS AND SERVICES

In order for development to occur at the densities and intensities set out in the Land Use Code, the land should be free of constraints and have services available to it.

Constraints

Development in parts of the Ukiah Valley could result in exposure of people and property to environmental risks or hazards.

Flooding, fire and seismic hazards, landslides, erosion and scarcity of water are examples. Human activities affect vegetation, slope gradients, and drainage processes which can exacerbate the risk to property owners. (For more information on safety, please see Section 8 of the UVAP.)

Water availability has long been an issue in the Ukiah Valley and is a likely constraint to future development in the Valley, complicated by legal, environmental, political and socioeconomic issues. Challenges include decreased water diversion, as well as difficulties and lengthy time inherent in developing new supplies in the face of increasing demand. Various “unknowns” related to water supply make planning for future growth and development a difficult task. Many areas within the UVAP planning area are served by public water providers which are currently under moratorium. For a more complete discussion of water supply issues please refer to Section 6 of the UVAP.

Non-environmental constraints to development include a limited amount of developable land and regulatory requirements mandated by state government. While neither factor prevents development, it does increase time and cost of land use projects.

Infrastructure and Service Needs

In addition to the well-documented issues pertaining to the water supplies, future development requires that other infrastructure and public services be available to support the needs of future residents and businesses. Meeting these needs is a delicate balancing act. The existing population should not bear the costs of new development. At the same time new development should not be placed in a position where it should pay to fix existing problems. In addition, new development should be phased to match the extension of services.

Public Services and Facilities: Public services and facilities include roadways, law enforcement, fire protection, water, sewer, parks, etc. In recent years, many service expansion costs have been paid by new, rather than existing, development. However, a requirement that all services be in place prior to approval of new development might unduly slow new construction. If public services and facilities do not keep pace with development, the quality of service may deteriorate, adversely affecting the quality of life for existing residents.

Solid Waste Disposal: Currently, there are no operating landfills in the UVAP planning area. Solid waste generated in the Valley is exported for disposal to the Potrero Hills Landfill in Solano County. The Valley's solid waste disposal system consists of a large volume transfer station that receives waste for export. This transfer station for the Ukiah Valley is located on Taylor Drive, south of Plant Road and is privately owned and operated under agreements with local government. The Mendocino Solid Waste Management Authority (MSWMA), a Joint Powers Agency formed in 1990 by the County and the City of Ukiah, identifies transfer stations, recycling processing facilities, and composting facilities necessary to implement each jurisdiction's waste diversion goals. The Source Reduction and Recycling Element, jointly adopted by the County of Mendocino and the City of Ukiah, sets forth a strategy to minimize the volume of solid waste requiring land disposal.

Educational Opportunities: Educational facilities are provided by the Ukiah Unified School District (UUSD), County Office of Education, and the Mendocino-Lake Community College District. There are many other private and nonprofit entities that provide services to individuals ranging in age from preschool to adults.

The UUSD serves the Ukiah Valley, providing elementary and middle schools, a high school, and a continuation high school. The District upgrades facilities and if necessary, will build new facilities. As is the case with the existing schools, any new school site should provide the recreational needs of the particular neighborhood it is proposed for.

Mendocino-Lake Community College District operates Mendocino College, located north of the City of Ukiah at the end of Hensley Creek Road. The majority of students attend part time. The college benefits the area by providing a local opportunity for higher education, sponsoring social and cultural events, and helping to train people for work within the local job market. It also houses a satellite learning facility for Sonoma State University, allowing students to take some classes locally instead of having to drive more than an hour to Rohnert Park.

City and County government can assist with the provision of a quality learning environment through policies that promote land use compatibility in school facility siting and operation. School siting should minimize distractions to learning, threats to health and safety, and facilitate multiple uses of public school facilities. Discretionary land uses with the potential to negatively impact school facilities should be discouraged or mitigated. Conversely, the negative impacts of school facilities on local neighborhoods, agriculture, and other surrounding uses should also be mitigated.

Growth Management

Growth management systems emphasize control over urban growth and the types of land uses that are permitted. Urban growth is controlled by many factors, perhaps the most important of which is the community's policy on providing urban services. Some regulatory growth management strategies require public services such as water, sewer, roads, and schools to be in place before new development is approved. Typically such a policy is set forth in the designation of urban service areas or growth boundaries. Comprehensive growth management systems also require that local governments classify land in terms of natural resource value and make development decisions consistent with the classification. Wider recognition of the costs and negative impacts of development have generated greater interest in methods to control it.

Growth management attempts to address a wide range of concerns by developing a consensus on the shape and size of the community's future. Such factors including the development and financing of key infrastructure improvements, maintaining the infrastructure development and financing, the proper balance of development with environmental protection, and the provision of incentives for certain types of development are blended together to ensure that individual land-use decisions foster, rather than harm, a community's goals.

BUSINESS DEVELOPMENT STRATEGY

Even with appropriate services, economic development in the Valley should be facilitated where possible. There are two strategies for accomplishing this within the context of the UVAP Land Use and Community Development Element.

Retain and Attract Businesses

It would be beneficial to both the City and County to work in concert to promote business development and employment opportunities throughout the Ukiah Valley, emphasizing local ownership of businesses in order to keep capital and growth within the community. Local agency staff would work with individuals and business organizations of all sizes and types to locate, expand, start a business or develop a project in the Ukiah Valley. Information could be made available relating to the local market, site location, project development issues and processes, employee base, schools, retail centers, cultural resources, education, etc.

Sustainable Business Strategies:

Some forms of development are both environmentally and socially sustainable. They do not lead to a "trade-off", but to an improved environment together with development that does not draw down the existing environmental "capital." Local agencies and businesses can find approaches that will move towards the goals of environmental protection, social well-being, and economic development at the same time. Sustainable development is good business in itself. It creates opportunities for developers of environmentally safer materials and processes and those that engage themselves in social well-being. These enterprises will generally have a competitive advantage. They can earn their local community's goodwill and see their efforts reflected in the bottom line.

COLLABORATIVE DECISION-MAKING AND REVIEW

In order to make the UVAP successful over the long term, the plan should be implemented in collaboration with the City and reviewed periodically. The Ukiah Valley contains both City and County jurisdictional lands, each with their own unique character and special places. While the local governments are separate jurisdictions, they provide similar and sometimes over-lapping governmental services. Both the City and the County are a popular destination for people and businesses migrating into the Valley. Each jurisdiction is faced with concerns about the most efficient way to expand facilities and services to meet the needs of expected future population. Each is faced with challenges of growing with nearby neighbors, weaving together the fabric of community at their and their neighbors' edges. Local governments that coordinate land development patterns and cooperate in service provision can receive mutual benefits. There are two specific forms of collaboration envisioned for the Valley.

City/County Staff Coordination: It may be advantageous for the City and County to establish a formalized approach to staff review and analysis of projects within the UVAP planning area. A City/County staff committee (organization to be determined) would provide a link between City and County planning agencies by offering a forum for discussion, providing accurate, consistent land-use planning information, and incorporating local planning documents and goals into the project objectives.

Tax Sharing: The City of Ukiah and Mendocino County should continue to work towards a mutually agreeable tax sharing agreement. A tax sharing agreement between the City and the County will reduce and/or eliminate economic competition and position the City and County to make land use decisions based on planning principles.

City and County coordination in planning efforts and tax revenue sharing would allow land use and development proposals to be evaluated purely on how well the proposal fits with adopted plans and not which jurisdiction would benefit more fiscally as a result of the decision. The objectives of the coordination are to seek compatible uses of land and natural resources and to achieve a smooth transition between areas of development within each jurisdiction.

Finally, continued review and revision of this plan on a periodic basis would ensure that the document remains relevant in a changing world.

GOAL LU1

Create compact, mixed-use, and well-balanced communities that can achieve this plan's principles of sustainability.

Policy LU 1.1: Promote development and building practices that support healthy communities.

LU 1.1a: Healthy Communities

Ensure that land use and development decisions include consideration of impacts on water and indoor/outdoor air quality, as well as access to healthy food vendors, social and recreational opportunities, safe networks for walking and bicycling, and other attributes that promote the health of the community.

Policy LU 1.2: Utilize planning tools and incentives to guide the development process towards creating a compact, mixed-use community achieving a balance among social, economic, and environmental systems.

LU 1.2a: Compact Urban Forms

Use land use planning and decision-making to promote compact development forms, mixed uses, infill, reuse, and sustainable technologies. Such strategies are intended to promote resource management and conservation, service and infrastructure efficiencies, and avoid the degradation or waste of social, economic and environmental resources.

Note:

For additional policies that may apply, please see the County of Mendocino General Plan, adopted August 2009.

LU1.2b: Infill Incentives

Prepare and implement an infill development strategic plan to identify incentives to attract desired development types to areas that can support growth.

Revise zoning regulations to accommodate mixed-use/compact development and a variety of housing at urban/village densities, and offer incentives such as density bonuses within the code.

LU1.2c: Policy Coordination

Implement policies and programs in the General Plan and other plans adopted by the County that promote the concepts of sustainable development and livable communities.

LU1.2d: Housing Element Consistency

Ensure that the County's housing program consists of those actions necessary to achieve the policies of the General Plan and the Ukiah Valley Area Plan.

LU 1.2e: Land Supply

Ensure that adequate land is designated to meet the projected future housing needs of the Valley.

LU 1.2f: Master Plans

Prior to any new discretionary project approvals in the Brush Street Triangle (except for the existing application for an affordable housing project), a master plan shall be prepared for the Brush Street Triangle to coordinate area wide circulation and infrastructure, preserve open space, provide recreational facilities, and maximize ultimate development potential.

Policy LU1.3: Promote suitably located housing and services for a range of ages and incomes within the Ukiah Valley.

LU 1.3a: Well-Served Communities

Emphasize complete and integrated communities which encompass the facilities and activities essential to the daily life of the residents and promote community atmosphere and interaction.

LU 1.3b: Zoning and Development Standards

Adopt and implement zoning and development standards which locate higher density and intensity development proximate to the integrated transportation corridor.

LU 1.3c: Mixed-Use Development

Promote mixed-use development at higher densities that support transit along the State Street Corridor.

LU 1.3d: Diversified Neighborhoods

Encourage the development of well-integrated neighborhoods of single-family and multi-family homes that include owner-occupied and rental housing units in single-use and mixed-use environments, with a range of densities and affordability levels.

LU 1.3e: Residential Areas

Allow residential development in a variety of locations that offer a range of housing densities and housing types.

Policy LU 1.4: Continue to allow growth in High Intensity Development Corridors.

LU 1.4a: Land Use Planning

Encourage higher population, building and land use density and intensity along appropriately classified roads with existing capacity.

Priority shall be given to projects that:

- Do not displace existing commercial agricultural activities;
- Do not develop sites containing prime agricultural soils or Unique Farmland;
- Convert less than one acre of oak woodland;
- Maximize green building techniques, energy conservation, and alternative energy systems;
- Maximize access to and provision of alternate transportation modes;
- Do not significantly adversely affect views from major roads or plan area gateways;
- Are not located in “high” or “very high” fire hazard areas; and/or
- Are infill projects near public transit.

GOAL LU2

Promote compatible land uses adjacent to important transportation facilities and protect against incompatible ones.

Policy LU 2.1: Define acceptable standards for development in the vicinity of the airport.

LU 2.1a: Clear Zone

Prohibit development in the clear zone as defined in the Ukiah Municipal Airport Master Plan.

LU 2.1b: Compatibility Guidelines

Only allow development within each airport zone that conforms to the height, use and intensity specified in the land use compatibility table of the Airport Comprehensive Land Use Plan (ACLUP).

As airports evolve and fuel prices change, collaborate with the City of Ukiah, the County Airport Land Use Commission and Caltrans Aeronautics to reassess compatibility issues.

Policy LU 2.2: Evaluate the compatibility of proposed projects located adjacent and near to the rail line.

LU 2.2a: Freight Rail and Land Use

Facilitate the use of rail for freight by locating appropriate industries and land uses near the rail line.

GOAL LU3

Consider the needs of education providers in the planning and project review process.

Policy LU 3.1: Encourage new school facilities to be compatible with surrounding uses, and protect existing schools from the introduction or expansion of incompatible uses.

LU 3.1a: Schools and Nearby Land Use

Consider the potential impacts of discretionary projects on school facilities and the impacts of school facilities on nearby land uses.

Strongly encourage compatible land uses adjacent to or near school facilities.

LU 3.1b: School District Consultation

At the earliest time possible, consult with the public school districts concerning (a) impacts to schools resulting from nearby discretionary projects, and (b) impacts to the surrounding area resulting from the siting of school facilities.

Policy LU3.2: Support the Ukiah Unified School District and Mendocino-Lake Community College District in their efforts to provide adequate facilities and sustain a safe, healthy, peaceful learning environment for their students.

LU 3.2a: Future School Sites

Assist educational institutions in identifying potential future school sites which (a) are compatible with transportation and land use plans, (b) are compatible with neighborhood character, (c) avoid conflicts with agricultural or industrial uses and (d) facilitate multiple uses of community parks and public facilities by public schools.

GOAL LU4

Manage future growth to ensure that essential support infrastructure is in place prior to development.

Policy LU 4.1: Apply growth management strategies when reviewing discretionary projects.

LU 4.1a: Growth Management

- Prepare, adopt and implement a growth management plan for the Ukiah Valley.
- Identify an annual average growth rate of new housing units and commercial services that are allowed to develop.
- Identify priority protection areas where development should be discouraged or prohibited. In addition, identify phasing areas where growth can be accommodated and prioritized in sequence.

Policy LU 4.2: Promote balanced development to improve the community's ability to support and fund facilities and services.

LU 4.2a: Infrastructure Availability

Coordinate with the special planning districts and the Local Agency Formation Commission (LAFCO) in the Ukiah Valley to ensure that municipal service reviews are adequate and up-to-date.
Before approving major projects, require new development applications to identify the impacts that the proposed development would have on the provision of public services, and approve those applications that can mitigate impacts or contribute a proportional fair share so that local public services can be maintained at an acceptable level.

Restrict issuance of development entitlements until infrastructure is known to be available.

GOAL LU 5

Create a business development strategy that emphasizes local ownership and/or adds value to local goods or services that re-circulates money within the community.

Policy LU 5.1: Retain and attract businesses.
LU 5.1a: Economic Development Strategy

Formulate an economic development strategy that reflects current economic and business trends. Collaborate with City staff, elected officials, and business organizations to actively market the Valley as a desirable location for different types of businesses.

Policy LU 5.2: Facilitate investment in "value added" industries, especially in agriculture and timber.

LU 5.2a: Promotion and Branding

Collaborate with existing groups – such as the Mendocino County Promotional Alliance, the Mendocino Lodging Association and the Mendocino County Wine-grape and Wine Commission – to add value to local goods and services through promotion, education and research.

Policy LU 5.3: Support small business development.

LU 5.3a: Business Development Programs

Collaborate with existing groups, such as the Economic Development and Finance Commission and the West Company, to provide business development programs such as business loans, specialty grants, technical assistance, and micro-enterprise training.

Policy LU 5.4: Provide labor force training and development.

LU 5.4a: Training Programs

Collaborate with existing groups, such as the Mendocino Private Industry Council, to provide workforce development and training programs and increase the capabilities of the local workforce.

Policy LU 5.5: Identify locations for community places in both the city and county, and attract public uses to these areas.

LU 5.5a: Market/Mercado

Take the following steps to attract a Latino-oriented Mercado that features a plaza, shops and fresh food:

- Conduct a targeted market analysis to determine what types of business are likely to succeed and identify what facility needs they have;
- Identify sites in either the city or the county that can accommodate development of a Mercado;
- Market these sites to private developers; and
- Market the project to attract tenants

Goal LU 6

Establish Ukiah and Mendocino County as leaders in the development of businesses and practices that conserve resources and avoid needless consumption and waste.

Goal LU 7

Recognize that the Ukiah Valley is one community, and foster collaborative decision-making between County and City Agencies.

Policy LU 7.1: Collaborate with the City of Ukiah to fund programs and evaluate planning issues in the Valley.

LU 7.1a: Tax-Sharing Agreements

Continue to collaborate with the City of Ukiah to create and implement a tax-sharing agreement that will help fund services in both the County and the City.

LU7.1b: Sphere of Influence

Work with the City of Ukiah to revise the City's Sphere of Influence (SOI), and continue to collaborate on planning decisions that regulate land in the SOI.

LU7.1c: Comprehensive Planning Team

Investigate the feasibility of forming a Valley-wide planning team with staff from the City and the County to jointly oversee planning in both jurisdictions.

LU7.1d: Fiscal and Economic Impact Assessment

Assess the fiscal and economic impacts of each new commercial development proposal that includes over 100,000 square feet of new retail commercial development.

GOAL LU8

Ensure that there is an ongoing process of community involvement for the purposes of providing input and monitoring the success of the Ukiah Valley Area Plan.

Policy LU8.1: Periodically monitor Ukiah Valley Area Plan implementation status.

LU8.1a: Ukiah Valley Area Plan Review

Develop a process for the assessment of plan implementation through annual review by the County Planning Commission and Board of Supervisors including:

- At the close of each fiscal year, preparation of an annual UVAP progress report for public review;
- Provision of opportunities for public input and discussion in the review and establishment of annual work priorities for staff and elected officials.

GOAL LU9

Provide that sufficient industrially zoned areas are protected to provide opportunities for future jobs and economic development.

Policy LU9.1: Develop a notification process to insure that adjacent landowners in the community are informed of likely impacts associated with industrial development.

Policy LU9.2: Develop an ordinance which supports industrial development.

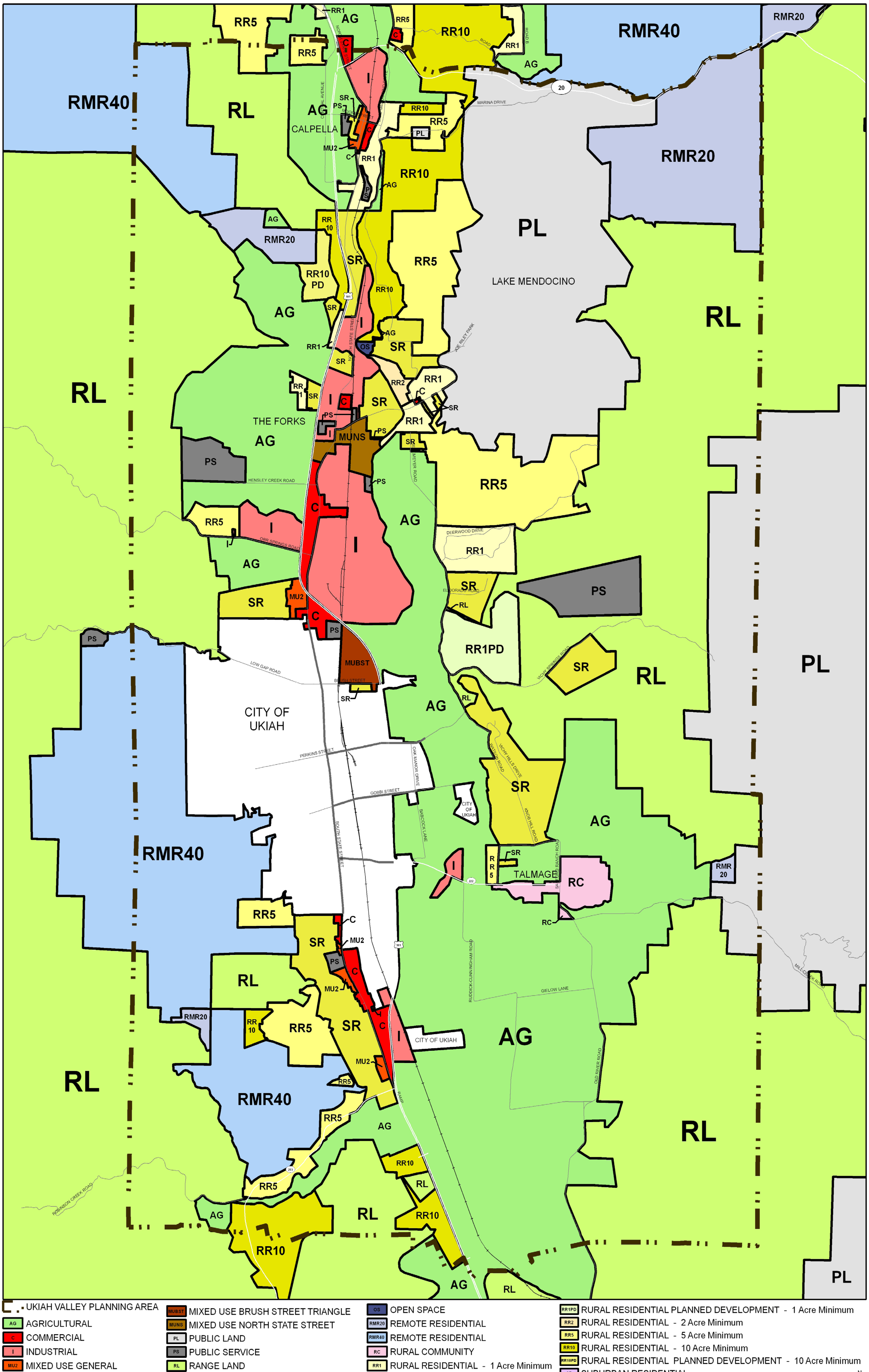
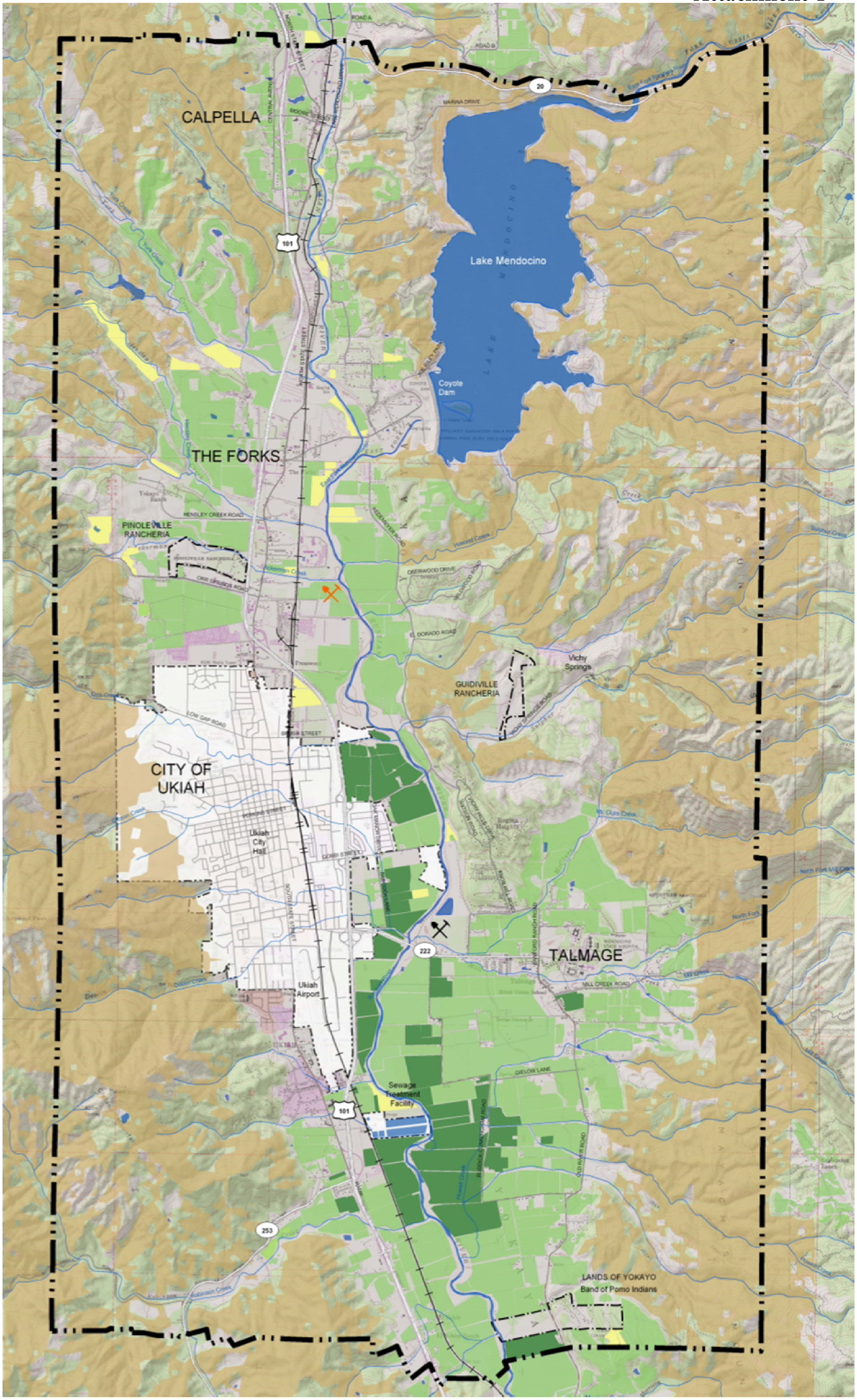


Figure 3.1 Ukiah Valley Area Plan Land Use

Source: Mendocino County Planning & Building Services
This map is provided as a visual display of County information.
Reasonable effort has been made to ensure the accuracy of the map and data provided, nevertheless some information may not be accurate.
August 2011

Attachment 4



Attachment 5