

REGULAR MEETING AGENDA

Del Norte Local Agency Formation Commission
Board of Supervisors Chambers
981 H Street, Suite 100, Crescent City, CA 95531
January 23, 2017 4:00 pm

1. Call to Order/Roll Call
 - Pledge of Allegiance
 - Welcome new regular City Member Jason Greenough and alternate City member Darrin Short
 - Election of Chair and Vice-chair for 2017
 - Certificate of Appreciation for City Member Kathryn Murray
2. Closed Session
 - Public Comment on Closed Session items only
 - Conference with Legal Counsel- Existing litigation pursuant to Government Code § 54956.9(d)(1) *Bertsch-Ocean View Community Services District v. Del Norte LAFCo et. al* CVPT 16-1124
3. Public Hearings
 - None
4. Regular Business
 - A. Approval of October 24, 2016 Draft Minutes (ATTACHMENT 4A)
 - B. Compliance Work Plan for 2017
 - C. Meeting Dates for 2017
 - D. FY 2016-17 Mid Year Budget Review
 - E. CALAFCO Quarterly Reports
5. Inquiries, Correspondence, Application Status and Referrals
 - A. Staff - The Executive Officer will provide a report of current projects, issues of interest, and pending legislation.
 - California Special Districts Association (CSDA) inquiry into legislation streamlining special district membership in LAFCo
 - Klamath Special Districts Update
 - B. Commission - On their own initiative, Commission members may make brief announcements or reports on their own activities. They may ask questions for clarification, make a referral to staff or request a business matter for a future agenda per Government Code Section 54954.2 (a).
 - C. Public - Public comment on items of interest within LAFCo subject matter jurisdiction, and not otherwise appearing on the agenda. No action may be taken on any item not appearing on the agenda.
6. Adjournment

Regular Meeting Minutes

**DEL NORTE LOCAL AGENCY FORMATION COMMISSION
OCTOBER 24, 2016 4:00 P.M.**

Members Present: Chair Gerry Hemmingsen, Vice Chair Blake Inscore, Roger Gitlin, Sparky Countess, Darrin Short

Members Absent: Kathryn Murray

Others Present: County Counsel Elizabeth Cable, LAFCo Administrator Vanessa Blodgett, LAFCo Secretary Nicole Burshem,
No Public present.

1. Call to Order/ Roll Call

Chairman Hemmingsen called the meeting to order at 4:00 p.m. Nicole Burshem conducted Roll Call.

2. Closed Session

Public Comment on Closed Session items only

The following person(s) addressed the Commission on Closed Session items:
None

Chairman Hemmingsen adjourned open session at 4:00 p.m. and immediately reconvened in closed session.

Conference with Legal Counsel-Existing litigation pursuant to Government Code § 54956.9(d)(1) Bertsch-Ocean View Community Services District v. Del Norte LAFCo et. al CVPT 16-1124

Chairman Hemmingsen adjourned closed session at 4:14 p.m. and immediately reconvened in open session. There was nothing to report out of closed session.

3. Public Hearings

A. FY 2016-17 Budget Amendment (ATTACHMENT 3A)

Discussion was held in regards to the budget amendment. Vanessa Blodgett reported the amendment is to take into account the difference in the budget after the final budget reporting for FY 2015-16. LAFCo came up with two options to address the issue. One is to reduce staffing services budget and MSR/SOI preparation or option two to request additional City and County contributions to maintain the professional staffing services budget. Commissioner Gitlin asked if the actual balance was determined by subtracting the balance of \$4,255.00 from \$4,569.00.

Ms. Blodgett responded to get the actual balance of \$4,255.00 you would take \$4,569.00 from the projected balance \$8,824.00. Commissioner Gitlin asked why the inner cost plan was reduced from \$1,759.00 to \$1,598.00. Ms. Blodgett responded the amounts came directly from the Auditor's Office and the Commission could check with them. Commissioner Countess asked if the County and City were in agreement to increase their amount to \$37,139.00. Ms. Blodgett responded that is still up for discussion. Chairman Hemmingsen expressed that it would be hard to change the City and County budgets at this point because they have already finalized their revenue for this year. Chairman Hemmingsen suggested option one. Commissioner Gitlin asked if the reduction of staff would be for just a period of time. Ms. Blodgett responded that could be worked out.

Chairman Hemmingsen opened the public hearing at 4:19 p.m.
The following person(s) addressed the Commission: None
Chairman Hemmingsen closed the public hearing at 4:20 p.m.
Commissioner Countess asked if LAFCo should propose for an increase in the amount of revenue to the City and County now for next year.
Chairman Hemmingsen responded the actual balance of the Fund Balance doesn't show until the Auditor releases it. Ms. Blodgett reported when the draft budget is done it is sent to the County and City to account the revenue in their budget cycle. Chairman Hemmingsen expressed he doesn't feel it's a big deal either way. If LAFCo continues to have a Fund Balance every year it might pick up the slack.

On a motion by Commissioner Gitlin, seconded by Commissioner Inscore, and unanimously carried on a polled vote the Del Norte Local Agency Formation Commission, approved and adopted Resolution 16-07 approving FY 2016-17 budget amendment as provided in Exhibit A, Option 1 to reduce the overall budget by reducing professional staffing services and MSR/SOI preparation.

4. Regular Business

A. Approval of September 19, 2016 Draft Minutes (ATTACHMENT 4A)

On a motion by Commissioner Gitlin, seconded by Commissioner Inscore, and unanimously carried on a polled vote the Del Norte Local Agency Formation Commission, approved the September 19, 2016 minutes, as presented.

5. Inquiries, Correspondence, Application Status and Referrals

A. Staff – The Executive Officer will provide a report of current project issues of interest, and pending legislation.

There was nothing to report at this time.

- B. Commission – On their own initiative, Commission members may make brief announcements or reports on their own activities. They may ask questions for clarification, make a staff referral or request a business matter for a future agenda per Government Code § 54954.2 (a).

The following Commissioners commented on the following: Chairman Hemmingsen requested the Pledge of Allegiance be added to the agenda. Ms. Blodgett responded that could be done.

- C. Public – Public comment on items of interest within LAFCo subject matter jurisdiction, and not otherwise appearing on the agenda. No action may be taken on any item no appearing on the agenda.

The following Person(s) addressed the Commission: None

6. Adjournment

There being no further business to come before the Commission, the Chairman Hemmingsen adjourned the meeting at 4:50 p.m. until the next regularly scheduled meeting.

George Williamson, Executive Officer

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AGENDA ITEM 4B
Compliance Work Program for 2016-17

Agency Name	SOI & MSR Status	Contact Information	Next Update
CITIES			
City of Crescent City	MSR & SOI Approved May 2011	377 J. St, Crescent City, CA 95531; David VanDermark; City Manager; (707) 464-7483, dvandermark@crescentcity.org	2017
COMMUNITY SERVICE DISTRICTS			
Bertsch-Ocean View	MSR & SOI Approved August 2010	159 Club Drive, Crescent City, CA 95531; Carol Leuthold Secretary/ Treasurer; H: 707-458-4702, Contact 2: David Weeks, Manager, H: 464-5586	2017
Big Rock	MSR Approved Nov 2015 & SOI Approved April 2016	P.O. Box 453, Crescent City, CA 95531; Craig Bradford; (707) 458-9933	2021
Church Tree	MSR & SOI Approved May 2009	251 Church Tree Road, Crescent City, CA 95531; Tim Criteser; (707) 465-1753	2017
Gasquet	MSR & SOI Approved 2016	P.O. Box 86, Gasquet, CA 95543; Michael Morgan (707)457-3450 or (707)457-3107; gcsd1@outlook.com	2021
Hunter Valley	MSR & SOI Approved 2016 Part of Regional South County	25 Del Ponte Drive, Klamath CA, 95548; Paul Crandall; (707) 482-0369	2021
Hussey Ranch (HRC)	MSR & SOI June 2009	159 Club Drive, Crescent City, CA 95531; Carol Leuthold Secretary - Treasurer; H: 707-458-4702	2017
Klamath	MSR & SOI Approved 2016 Part of Regional South County	P.O. Box 430, Klamath, CA 95548; Margaret Caldwell, (707) 482-0245 or (707)482-1375	2021
Redwood Park	MSR & SOI Approved 2016 Part of Regional South County	P.O. Box 650, Klamath, CA 95548; Gordon Karnes; (707) 482-9295	2021
Smith River	MSR & SOI Approved January 2009	241 W. 1 st Street, Smith River, CA 95567; Venus Thomas; (707) 487-5381; vmmyers@srwater.net	2017

Agency Name	SOI & MSR Status	Contact Information	Next Update
FIRE DISTRICTS			
Crescent FPD	MSR & SOI Approved 2016 Part of Countywide Fire MSR	255 W. Washington, Crescent City 95531; Steve Wakefield; (707)464 2421; admin@crescentfire.com	2021
Fort Dick FPD	MSR & SOI Approved 2016 Part of Countywide Fire MSR	P.O. Box 369, Fort Dick, CA 95538; Randy Crawford; (707) 487-8185; FDFD81@aol.com	2021
Gasquet FPD	MSR & SOI Approved 2016 Part of Countywide Fire MSR	P.O. Box 85, Gasquet, CA 95543; Fire Chief, (707) 457-3332; gasquetvfd@charter.net	2021
Klamath FPD	MSR & SOI Approved 2016 Part of Countywide Fire MSR	P.O. Box 369, Klamath, CA 95548; Eloisa Gaboni Board Chair & Lonnie Levi Fire Chief 482-3311	2021
Smith River FPD	MSR & SOI Approved 2016 Part of Countywide Fire MSR	P.O. Box 187, Smith River, CA 95567; Fire Chief; (707) 487-5621; smithriverfireprotectiondistrict@smithriverfire.com	2021
OTHER DISTRICTS			
County Service Area (CSA) No.1	MSR & SOI Approved November 2015	Mary Jo Duncan, Del Norte County Engineering Division, 981 H Street, Suite 110, Crescent City, CA 95531, (707) 464- 7229	2020
Crescent City Harbor District	MSR & SOI Approved August 2015	101 Citizens Dock Road, Crescent City, CA 95531; (707) 464-6174; Charles Helms, CEO; Wilma Madden wilma@ccharbor.com	2020
Del Norte Co. Health Care District	MSR & SOI Approved August 2012	P.O. Box 2064, Crescent City, CA 95531; Peggy; (707) 464-9494; dnhcd@delnortehealth.com	2017
Del Norte Co. Library District	MSR & SOI Approved October 2012	190 Price Mall, Crescent City, CA 95531; (707) 464-9783	2017
Del Norte Co. Resource Conservation District	MSR & SOI Approved February 2015	241 1st Street, Unit B, Smith River, CA 95567; Brian Ferguson, Board Chair; (707) 487-7630; Linda Crockett Manager - delnorteRCD@yahoo.com	2020
Smith River Cemetery District	MSR & SOI Prepared June 2014	P.O. Box 762, Smith River, CA 95567; Colleen Luttrell; (707) 487-6705	2019
Del Norte Fairgrounds Recreation and Park District	District Formed/ MSR Approved April 2014	421 Hwy 101 North, Crescent City, CA 95531 - 41st District Agricultural Association Randy Hatfield (707) 464-9556; r.hatfield@charterinternet.com	2019

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AGENDA ITEM 4C

MEETING DATE: January 23, 2017
TO: Del Norte Local Agency Formation Commission
FROM: George Williamson AICP, Executive Officer
SUBJECT: 2017 Del Norte LAFCo Commission Meeting Dates

DISCUSSION

The Commission meets every other month instead of monthly. The proposed 2017 meeting dates are listed below.

January 23
March 27
May 22
July 24
September 25
November 27

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ATTACHMENT 4D

MEETING DATE: January 23, 2017
TO: Del Norte Local Agency Formation Commission
FROM: George Williamson AICP, Executive Officer
SUBJECT: FY 2016-17 Mid-Year Budget Review

RECOMMENDATION

Receive and File

DISCUSSION

The Final FY 2016-17 Budget was adopted by the Commission at the May 23, 2016 meeting. The budget applies the prior year end fund balance to the budget to reduce City and County contributions. Staff had projected that balance amount prior to year-end, to meet budget adoption requirements as set forth in the Cortese Knox Herzberg Act. At year end the County Auditor reported a year end fund balance less than what was projected. The budget was amended to be consistent with actual FY 2015-16 year-end fund balance on October 24, 2016.

Attached to this staff report is a budget spreadsheet with columns for Adopted, Amended and Mid-year budget amounts, and a comparison column.

This fiscal year to date, there have been no new applications filed, therefore no deposits (acct 91125) have been received. Application expenses continue to be incurred related to the City's application to provide water service to Martin Ranch, due to litigation by the Bertsch Ocean View Community Services District. These expenses to be paid by the applicant (including legal counsel expenses).

There will be increased Municipal Services Review and Sphere of Influence Update activity in the latter half of the fiscal year. This will be discussed in more detail in the compliance work program agenda item. Staffing costs at mid-year are 47% of the amended budget amount. The reduced meeting frequency has been effective in cost controls.

ATTACHMENTS

FY 2016-17 Mid-Year Budget Revenues and Expenditure Comparison Report

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FY 2016-17 Adopted and Amended Budget with Mid-year Review

		FY 2016-17	FY 2016-17	FY 2016-17	Difference
		FINAL	AMEND.	Mid-Year	(over)/under
Account	EXPENDITURES				
Line #	SERVICES & SUPPLIES				
20150	Insurance	\$2,100.00	\$2,100.00	\$1,870.44	\$ 229.56
20200	CALAFCO Membership	\$840.00	\$840.00	\$840.00	\$ -
20221	Printing/ Postage	\$100.00	\$100.00	\$0.00	\$ 100.00
20230	Professional Services				
	MSR/SOI Preparation	\$24,500.00	\$22,405.00	\$2,795.00	\$ 19,610.00
	Application Processing: City Water to Martin Ranch ¹	\$10,000.00	\$10,000.00	\$3,656.05	\$ 6,343.95
20231	Prof. Serv. Executive Officer/ Admin.	\$47,500.00	\$45,500.00	\$21,330.43	\$ 24,169.57
20232	Prof. Serv. Legal Counsel	\$1,500.00	\$1,500.00	\$0.00	\$ 1,500.00
20240	Advertising/Publications	\$400.00	\$400.00	\$36.15	\$ 363.85
20290	Conferences (CALAFCO when funds available)	\$0.00	\$0.00	\$0.00	\$ -
70530	Interfund-Cost Plan	\$1,759.00	\$1,598.00	\$1,598.00	\$ -
20233	Public Member Stipend (up to 8 mtgs @ \$40/mtg)	\$320.00	\$320.00	\$80.00	\$ 240.00
	TOTAL EXPENDITURES	\$89,019.00	\$84,763.00	\$32,206.07	
	REVENUES				
91125	Project Revenue (Application Deposit)*	\$10,000.00	\$10,000.00	\$0.00	\$ 10,000.00
90300	Interest	\$10.00	\$10.00	\$0.00	\$ 10.00
90780	Del Norte County	\$35,092.42	\$35,092.00	\$35,092.00	\$ -
90781	City of Crescent City	\$35,092.42	\$35,092.00	\$35,092.00	\$ -
07100	Funds from Account #42801007100	\$8,824.16	\$4,569.00	\$4,569.00	\$ -
	TOTAL REVENUES	\$89,019.00	\$84,763.00	\$74,753.00	
	FUND BALANCE				
07100	Account #42801007100	\$0.00	\$0.00	\$0.00	

¹ Includes legal counsel charges to be paid by applicant.

*Deposit paid by applicants to cover application processing. Projected amount for Auditor use in issuing payment for expense claim

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AGENDA ITEM 4E

MEETING DATE: January 23, 2017
TO: Del Norte Local Agency Formation Commission
FROM: George Williamson AICP, Executive Officer
SUBJECT: CALAFCO Reports and CKH Act Update

CALAFCO 2016 Conference Update

AVAILABLE AT WEBSITE

The 2016 Conference program and presentations are now posted on CALAFCO website:
<http://www.calafco.org/index.php/education/conferences-workshops>

To log-in as a new user, go to www.calafco.org/user and select Create New Account. Once you have entered your desired user name and e-mail address, CALAFCO will be notified and approve you. You will then get a follow-up email from the system and have full access to resources on the CALAFCO website.

CALAFCO Quarterly Report – December 2016 ATTACHED

Report on Board and Staff Activities of the end of 2016, including results of the recent CALAFCO Board of Directors elections netted no new Board members for 2017. All incumbent Board members won their election, so the Board of Directors membership stays the same.

CALAFCO Sphere Magazine October 2016 TO BE DISTRIBUTED AT MEETING

Journal of the California Association of Local Agency Formation Commissions.
CALAFCO Activities including the 2016 Annual Report to the Membership

2016 CKH Guide

AVAILABLE AT WEBSITES

The Assembly Local Government Committee has released the 2016 CKH Guide and it is now available online and for ordering. The Guide is on the CALAFCO website here.
<http://calafco.org/sites/default/files/documents/CKH%20Guide%20Update%202016.pdf>

The Guide is also available on the Committee's website in their publications section here.
[http://alcl.assembly.ca.gov/sites/alcl.assembly.ca.gov/files/publications/CKH%20GUIDE.p
df](http://alcl.assembly.ca.gov/sites/alcl.assembly.ca.gov/files/publications/CKH%20GUIDE.pdf)

October 2016

ANNUAL CONFERENCE EDITION

2016 Report to the
Membership

Associate Members'
Corner

Message from the Chair:
Reflections of the Past;
Responsibilities for Today

The Challenges of
Reorganizations: Local
LAFCo Perspectives



CALAFCO 2016 Annual Report to the Membership

Dear CALAFCO Members:

The CALAFCO Board of Directors is proud to report the progress of our Association during the past year, which was a very full year. This year we successfully integrated many of the organizational changes the Board approved in July 2015. The year was also marked with a successful Annual Conference in Sacramento, Staff Workshop in Los Angeles, an increased presence across the state and as an advocate for LAFCo and LAFCo principles to statewide decision makers, and a mixed-bag of legislative efforts that included sponsoring two legislative bills (both signed into law), responding to a host of LAFCo-related bills, and testifying at a special hearing of the Little Hoover Commission (LHC).

The Association continues to be on sound financial ground. We are pleased to report that all 58 member LAFCos have renewed their membership for the 2016-17 fiscal year, and today we have six (6) Gold Associate members and twenty-four (24) Silver Associate members. The FY 2016-17 adopted budget not only increases member service levels, it also retains a healthy reserve, and allows us the opportunity to reinvest into the membership in several ways.

Our achievements are the result of the dedicated efforts of many volunteer LAFCo staff from around the state who contribute their time and expertise. The Board is grateful to the Commissions who support their staff as they serve in the CALAFCO educational and legislative roles on behalf of all LAFCos. We are also grateful to the Associate members and event Sponsors that help underwrite the educational mission of the Association and allow us to keep registration fees as low as possible.

Early in 2016 your Board of Directors conducted a full review of the Association's performance in meeting the 2015 objectives as outlined in the organization's 2015-2016 Strategic Plan. This was the first time such a review was conducted. We also took this time to review the objectives set for 2016 and revise them where appropriate. We reported our "dashboard report card" and the changes to the Strategic Plan to you, the membership, shortly thereafter. The objectives for 2016 remained aggressive and robust, and we are pleased to report the outcomes to date.

Continued on Page 6

The Sphere

CALAFCO Journal

October 2016

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

BOARD OF DIRECTORS

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

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

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A MESSAGE FROM THE CHAIR OF CALAFCO

Over the last two years that I have served as Chair of CALAFCO, I have been able to experience the strength of our individual LAFCos, help lead a valuable restructuring of our organization, and work directly with the Governor's office, state Legislators and most recently with the Little Hoover Commission (LHC). Through this all, I have gained some insight into what makes our work critical to the development of our state and the role that our local organizations play in helping shape the future of California.

CALAFCO was recently invited to testify before the LHC to talk about the role that special districts play in our state. The last time the LHC looked at LAFCos was 16 years ago, and some of their recommendations were included as part of the major overhaul, which became the Cortese-Knox-Hertzberg (CKH) Act of 2000, the operating legislation for LAFCos. They were revisiting some of the issues with special districts, and, with the LHC's important role in influencing LAFCo law, we took the opportunity to review with them some of the additions made to the law and their impacts.

Our written testimony was a valuable report on the history of LAFCos, some of the contributions we have made to state governance, and both the challenges and opportunities that exist for LAFCos. It included useful information about the budgets, staffing and makeup of the state's 58 LAFCos. I encourage you to read it at www.calafco.org because it is a wonderful overview of who we are and what we do.



John Leopold
Chair of the Board
CALAFCO

Before the LHC, Pamela Miller, our Executive Director, related an analogy about the Legislature's giving LAFCos a brand new Rambler in 1963 when the original law was written. Over the years they have added new passengers and even changed part of the course for LAFCos, but they have never given us a new car so we are still rolling down the road with a few dings, a bumper hanging off, and a car filled to the brim. We all tried to make the point that there is only so much a LAFCo can do when our funding is fairly static but our responsibilities continue to grow.

We focused on the development of Municipal Service Reviews (MSRs) since CKH. We pointed out how various LAFCos approached this new responsibility and their role, along with Spheres of Influence (SOIs), in long-term planning. LAFCos can make recommendations that are operational in nature, such as addressing governance, managerial or financial concerns. When using these tools, a LAFCo can recommend a consolidation and dissolution of a district, but it can't mandate a district to take action; further LAFCos lack the authority to ensure implementation. Districts are not required to adhere to LAFCo recommendations and, even when they agree, the voters may decide in the end that they don't want to make any changes.

LAFCoS are able to consider local circumstances and conditions, and, while special legislation addresses an immediate concern, it often results in collateral long-term impacts to resolving local issues.

Increasing demands from the Legislature for LAFCoS to address local agency deficiencies without the authority and resources to do so and the reluctance of local agencies to readily accept LAFCo assistance or intervention combine to create a lose-lose for all. Instead, we suggested remedies that would help legislators deal with underperforming districts while maintaining the important local control for decisions.

In our testimony we advocated for increased revenue options for LAFCoS. We suggested that the state grant LAFCo the statutory authority and financial resources to identify inactive districts and dissolve these districts after the appropriate study has been conducted or certain determinations have been made by the LAFCo. In order to assess the effectiveness of MSR, we recommended a statewide study and from that study, make legislative changes as appropriate. It has now been 16 years since LAFCoS were authorized to conduct regular SOI updates and MSR. Enough time has passed, and enough LAFCoS have completed several "rounds" of these studies for there to be the kind of data needed to study and evaluate the effectiveness of the requirement. Lastly, we urged the LHC to push for some of the findings they made 16 years ago that would help in the statewide discussion about the efficacy of district consolidations or reorganizations. The LHC study previously pointed to the need for a long-

term study of consolidations; the development of metrics to assess special districts that LAFCoS could use in their MSR and SOI; and the development of cadre of trainers of former LAFCo and special district executives to train and or assist and advise in certain situations.

Our shared challenges are best worked out in partnership. We emphasized our interest for CALAFCO to work with special districts and the Legislature as a partner to help provide efficient services in our state and prepare for challenges that were unseen when LAFCoS were created.

We have come a long way as LAFCoS since our birth in 1963. Our testimony before the LHC gave me an opportunity to reflect on the many changes that we have experienced and the challenges that lay ahead.

"Our shared challenges are best worked out in partnership."

Over the last two years as your chair, I have seen our organization grow in size, financial capacity, and effectiveness at the state level. CALAFCO will continue to evolve in the future to meet the needs of our 58 LAFCoS and serve the state.

It has been an honor to lead this incredible organization over the last two years. Thank you to all the wonderful Board members with whom I have had the pleasure to serve, our dedicated staff of Executive Officers who have ably supported our work, and our effective and talented Executive Director who has helped CALAFCO grow in ways that strengthen our organization internally and externally.

Thank you,

John Leopold





A Message from the CALAFCO Executive Director

Pamela Miller
Executive Director

The Road Ahead: Looking Back at the Steps Forward

Last year has been an interesting one for CALAFCO. The Association dealt with some expected changes and challenges and faced some unexpected ones too. We forged new partnerships with CV Strategies to create a new Conference Sponsorship model, began the work of transitioning our email and website hosting services to a new firm, Matson & Isom Technologies, and began work with the American Farmland Trust on a White Paper on Agricultural Preservation Policies.

We strengthened existing partnerships, continued to work with the State Water Resources Control Board (SWRCB) on water-related legislative matters and collaborated with CSDA on two projects: a Formation Guide for Special Districts and Countywide RDA Oversight Board Procedures (pertaining to special district seats).

We responded to a plethora of legislation that deeply impacted LAFCo, not the least of which was SB 1318 (Wolk). And, in an unexpected turn of events, CALAFCO was called to testify before the Little Hoover Commission (LHC) at its August hearing on special districts. The combination of experiences of working on SB 1318 and preparing the testimony for the LHC was both educational and eye-opening for me.

The study and report for the LHC on the evolution of LAFCos, especially focusing on the past 16 years, allowed me the chance to look in the rear view mirror; the focus on challenges for LAFCos today allowed me the chance to stand in the present moment; and the report's attention on future opportunities for LAFCos allowed me to look forward. This interesting perspective made clear for me several things.

First, LAFCos have come a long way over the past 53 years and especially over the past 16 years.

"Increasing demands from the Legislature for LAFCos to address local agency deficiencies without the authority and resources to do so, and the reluctance of local agencies to readily accept LAFCo assistance or intervention, combine to create a no-win for all."



Think about it – LAFCo was originally created in 1963 to review and approve or disapprove proposals for incorporations and the creation of special districts. Compare that to today's charge for LAFCo and there is a world of difference...as I suppose there should be over a 53-year timespan.

Think of how the world has changed in the past 53 years...it only makes sense that LAFCo would change with it.

Next, if you ever wonder what use the CALAFCO Biennial Survey data is...let me tell you – the 2015 survey data was certainly put to good use in the LHC testimony. This data provided support to several points made within the testimony: first is the different staffing models of LAFCos throughout the state; second, the range in LAFCo budgets; third, the level of independence and employment models used by LAFCos around the state; and finally, the ability or inability of

LAFCos to meet their statutory requirements based on their current budget levels.

Another thing that became clear to me is that the resources available to LAFCo have not kept pace with the evolution of the role and responsibilities of LAFCo through the years. Increasing demands from the Legislature for LAFCos to address local agency deficiencies without the authority and resources to do so, and the reluctance of local agencies to readily accept LAFCo assistance or intervention, combine to create a no-win for all. Ultimately, LAFCos must still rely on the participating local agencies as their primary source of operational revenue (other than fees for services). These are the same agencies that are also critically reviewed by LAFCo and that may not view a strong LAFCo as a helpful entity. This has become increasingly challenging as local agencies continue to grapple with their own fiscal shortages and desire to maintain local control in an era of increasing regional planning demands.

Other challenges facing LAFcos today and in the future that crystalized for me include the matter of independence, which remains a struggle for many of our LAFcos; political pressures for Commissioners; dealing with unique service entity structures such as Mutual Water Companies and JPAs; and the recent challenge of LAFCo authority by the Legislature pursuant to bills introduced in the 2015-16 legislative year.

Finally, in working on SB 1318, what became very clear to me and others is that there is a need for us to ensure that all of our LAFcos are in compliance with the disadvantaged unincorporated communities (DUC) mapping required by SB 244 (Wolk, 2011).

From the realization of these challenges also came the clarity that there are many opportunities.

As part of our written and verbal testimony to the LHC, CALAFCO offered a number of opportunities to address many of these challenges. While some of these opportunities are not within our direct control, some are, while others can be influenced by us.

These opportunities include additional state-level funding for LAFcos across the board – or at the very least to conduct more in-depth studies on service providers that need greater scrutiny. To that end CALAFCO offered a number of options for the LHC and state Legislature to consider. We suggested considering the appointment of Commission members to fixed terms as a potential opportunity to create a better balance of the democratic appointment process with the empowerment of the official to act more independently. We also suggested a statewide study on the effectiveness of MSRs and a review and revisions of certain outdated principal acts,

and we advocated strongly to keep LAFCo decisions local without interference from the state Legislature. CALAFCO also recommended that the state support a study of the long-term effects of consolidations and reorganizations. This recommendation stems from the ever-increasing pressure LAFcos are feeling to initiate and/or approve such actions.

Further, as an outcome of all of the work done by CALAFCO this year on SB 1318, the CALAFCO Board approved staff's recommendation (supported by our Legislative Committee) to embark on a project of mapping DUCs in all 58 counties and including this mapping within a White Paper on DUCs to be produced within the next year. These maps will be provided to both OPR and the SWRCB. CALAFCO is committed to having these maps updated every five years. This does not mean LAFcos cannot continue to produce their own mapping – as many of you are already mapping DUCs at a more detailed level than this project will do. However, this project will not only bring all LAFcos into compliance with the mapping requirements but will also demonstrate that we are willing and able to respond to the critique of non-compliance. By approaching this mapping with a consistent and statewide effort, CALAFCO has the opportunity to provide a significant benefit to our member LAFcos, which in turn benefits the communities they serve.

No one knows what the future holds for LAFcos, but one thing is for certain: the road ahead is wide open with possibilities, challenges and opportunities. We just need to make sure we have our eyes open wide enough to see everything and be able make the distinctions necessary to take the correct turn.

Pamela Miller





Annual Membership Report

Continued from cover

EDUCATIONAL SERVICES AND COMMUNICATION

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

Staff Workshop and Annual Conference

We continued the tradition of quality education programming with the Staff Workshop held in Universal City in late March and the Annual Conference in Santa Barbara in October. The Workshop, hosted by Los Angeles (LA) LAFCo, brought together 111 LAFCo staff from around the state and six Associate members.

With the theme ***JEOPARDY: What is the Evolving Role of LAFCo?***, this year's program included a range of both technically-oriented and professional development topics. We began with a special Mobile Workshop panel and tour learning about the NBC Universal Evolution Plan, Alt. No. 10: No Residential Alternative. The panel included those from local public and private entities who worked with LA LAFCo on the project, as well as LA LAFCo staff who offered their own perspective on the project. Also included was a very special backlot tour of NBC Universal Studios, which was followed by lunch. NBC Universal was a very gracious host, and CALAFCO very much appreciated its generous full sponsorship of this very special Mobile Workshop.

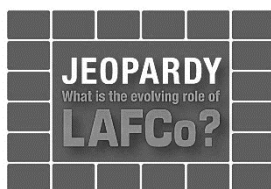
Workshop sessions included general sessions on water, legislative impacts of 2015, legislative updates, and a special session on Building Trust by the Franklin Covey Group. Breakout sessions were a mixed bag of technical topics such as

website development, database management, new LAFCo laws for clerks, protest provisions, Brown Act 101 and legislation 101. In addition to the Building Trust session, personal development topics included team building.

We were treated to a very special lunch program that involved a look back in time at some of our LAFCo members and after dinner entertainment in the form of a LAFCo Jeopardy game (which turned out to be highly competitive as well as a lot of fun). We would like to thank the Program Planning Committee members and ***Kris Berry*** (Placer LAFCo), ***Marjorie Blom*** (Assoc. member) and ***Pamela Miller*** (CALAFCO), all of whom co-chaired the Program Committee, our host, ***LA LAFCo***, led by ***Paul Novak*** and his entire team of staff, and all who worked to make this an outstanding Staff Workshop. We also acknowledge and thank the sponsors of this year's Staff Workshop.

The 2017 Staff Workshop is set for April 5-7, 2017 at the beautiful Doubletree by Hilton in downtown Fresno. Our host for this workshop will be ***Fresno LAFCo***.

Approximately 270 LAFCo commissioners, staff and guests are expected at the 2016 Annual Conference in Santa Barbara. Hosted by ***Santa Barbara LAFCo*** and held at the Fess Parker DoubleTree, just across from the breathtaking Pacific Ocean, the program centers on the theme ***"Orchards to Oceans: Balancing California's Diversity"*** and includes a range of content-rich sessions focused on how LAFCos can be even more effective at balancing our state's diverse needs. The Mobile Workshop is scheduled to take us on a local greenhouse tour where cutting-edge technology is used to grow plants, followed by a tour of Bradbury Dam at Lake Cachuma. Following the theme of water and land, opening general sessions include a water report from varying perspectives and a look at the preservation of open space and agricultural lands. Other sessions include a unique look at cutting-edge trends and LAFCo, disadvantaged





unincorporated communities, CEQA, LAFCo and demographics over time, AB 8, the status of city incorporations, and the Legislature's recent trend of overriding LAFCo authority. We will close with our powerful and informative legislative update that includes panelists from both the Senate Governance and Finance Committee and CALAFCO's Legislative Committee.

The LAFCo 101 session was once again open for attendance to those who are not attending the full conference at a deeply discounted rate. This allows agencies to send staff and elected officials to this very special 2-hour session on understanding and applying the basics of LAFCo. This year we are proud to announce a very special luncheon keynote speaker, **Mr. Jean-Michel Cousteau**.

We acknowledge and thank **Santa Barbara LAFCo** for hosting the Conference, their staff for all of their hard work: **Paul Hood, Michael Allen** and **Jacqueline Alexander**, the Conference Committee Chair **Sblend Sblendorio** (Alameda LAFCo), the Program Committee Chair **David Church** (San Luis Obispo LAFCo), and all who are working on the Program Committee to make this an outstanding Conference.

We wish to also thank all of our sponsors for this year's Annual Conference, without whom this special event would not be possible.

This is the last year a local LAFCo will host the Annual Conference. Next year's Conference will be hosted by CALAFCO and held at the beautiful Bahia Hotel in Mission Bay, San Diego, October 25 – 27.

CALAFCO University

Last year the Board approved a reduction in the number of annual offerings for CALAFCO U courses. Now, we offer two sessions annually, one in Sacramento and the other in the southern part of the state. Your feedback was to hold fewer courses with topics that were meaningful and timely, as LAFCos have limited training dollars and there were too many options from which to choose.



The final CALAFCO U for 2015 was held in Sacramento on November 9 and had 34 people in attendance. The topic was **Implementing SB 88 – Water System Consolidations: What Does It Mean For LAFCo?** Panelists included staff from the State Water Resources Control Board (SWRCB) and the Governor's Office of Planning and Research (OPR). After hearing about the functions of the SWRCB, an overview of SB 88 and how the SWRCB plans to implement the legislation, attendees had an opportunity, in small group discussions, to provide the panel feedback on potential issues, how we see LAFCo involved in the implementation, and what would be needed in order to make that work. This information was collated and presented to the SWRCB and OPR, and used by CALAFCO to inform clean-up legislation this past year.

Topics for the next two sessions have been identified as **Enhancing Partnerships and Relationships With Affected Agencies** and **Negotiations and Mediation: How LAFCos Have Dealt With Unique Situations**. Watch for confirmation of dates and locations as staff continues to work out details.

Accreditations

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

Web Site

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

This year we planned to migrate to our new website and email host in the spring. We



seamlessly transitioned our email services to the new host as planned. However, the website revision and migration have taken longer than expected. After receiving input from various LAFCo staff on the look and feel of the design and the features and functionalities desired, the site was designed. Migration of the existing data took longer than expected due to many broken links and content duplication behind the scenes. These things are a result of a lack of security updates and patches, not a result of the original design. Other primary delays were due to a very heavy legislative year and an unexpected call to testify before the LHC.

We are happy to report full migration will occur before the end of this year, and our new host will provide technical support and full security for our new site.

List-Serves

The list-serves maintained by the Association continue to be an important communication and information sharing tool among LAFCo staff. In total, we maintain eight list serves to help members share information, materials, and expertise. The List-Serves for executive officers, analysts, clerks and counsel discussions remain the most popular and serve to foster the sharing of information and resources. As mentioned above, all of the Association's email services have successfully been transferred to the new provider.

Quarterly Updates

After each Board meeting, the Association's executive director creates and distributes through the list serves a quarterly report on the activities of the Board and Association. Since The Sphere is now an annual newsletter, these quarterly reports have been enhanced to contain more information, a special feature highlighting Associate Members and local LAFCo updates. These bulletins provide informational updates in a timelier manner and at less cost to the Association. The feedback we've received as a result of these changes is positive, so this is a change the Association will keep in place.

White Papers

This year we focused our efforts on a White Paper pertaining to the Sustainable Management Groundwater Act (SGMA) and LAFCos. Last minute feedback from OPR and the SWRCB requires one final update to the paper before release, which is scheduled within the next month. CALAFCO wishes to thank **David Church** (SLO LAFCo), **John Marchand** and **Mona Palacios** (Alameda LAFCo), and **Best Best and Krieger** for their work on this paper.

Additionally, CALAFCO recently teamed up with the **American Farmland Trust** (AFT) on a joint collaboration White Paper on Agricultural Land Preservation. With work just getting underway on this paper and an estimated completion date of June 2017, we want to acknowledge the volunteers working on this paper: **Christine Crawford** (Yolo LAFCo), **David Fey** (Fresno LAFCo), **Elliot Mulberg** (Solano LAFCo), **Neelima Palacherla** (Santa Clara LAFCo) and **Serena Unger** of the AFT.

Finally, in July of this year your Board approved an earmark for part of the carry-over from the FY 2015-16 budget that is being moved into Contingency for a White Paper to be completed on disadvantaged unincorporated communities (DUCs) that would include mapping all DUCs throughout the state at the census block group level. This project is a result of the work done by CALAFCO this past year on SB 1318 (*Wolk*), during which we determined that not all LAFCos are in compliance with the mapping requirements of SB 244 (*Wolk, 2011*). This document allows CALAFCO to proactively be in control of the information being shared and most importantly brings all 58 LAFCo members into compliance with the requirements of SB 244. Once completed, the information will be shared with OPR, the SWRCB and the Legislature. CALAFCO is committed to updating the maps every five years.



LEGISLATIVE PROGRAM

This year CALAFCO sponsored two bills, responded to a host of bills that impacted LAFCo's, remained in discussions with OPR and the SWRCB on water-related matters, and testified before the LHC. Due to our efforts to help solve problems and resolve issues constructively, CALAFCO continues to be a sought-after resource to legislative committees, members and staff, and to state agencies.



The CALAFCO Legislative Committee (Committee) began work in November and met regularly throughout the year. Based on a very narrow scope of legislative priorities set by the Board last year, the focus this year was on a limited Omnibus bill, sponsoring legislation that strengthened the communication relationship between LAFCo's and JPAs, and we continued work on finding an author to carry the technical clean-up language needed for SB 88 (2015). The limited scope was due to the anticipation of a need to react to legislation introduced that would impact LAFCo, which turned out to be an insightful decision.

This year's Omnibus bill, **AB 2910**, which was signed by the Governor on August 22, contained eight different changes to Cortese-Knox-Hertzberg (CKH) such as clarifying several definitions, making changes to obsolete and incorrect code references, and making minor updates to several outdated sections. In particular there were minor clean-ups done to the work CALAFCO did last year in the disincorporation statutes and the removal of the requirement of a comprehensive fiscal analysis based on last year's changes to GC §56133 done through SB 239 (Hertzberg).

With thirteen proposals submitted by LAFCo staff and two additional items included from the Assembly Local Government Committee (ALGC), a large number of items had to be left

off the bill this year. These will likely be considered for next year's Omnibus bill.

We are grateful for the efforts of Committee member **Paul Novak** (LA LAFCo) and ALGC consultant **Misa Lennox** for their efforts on shepherding this bill, and to all of you who did the work of submitting proposals for insertion into the Omnibus.

The other CALAFCO sponsored bill is **SB 1266** (McGuire). This bill was also signed by the Governor on August 22. This bill requires certain JPAs that were formed for the purpose of providing municipal services to file a copy of their agreement, or any amendments to their agreement, with the local LAFCo, just as they do with the Secretary of State. The bill allows for the same punitive actions for the JPA that are under existing statutes should they not comply with this filing. JPAs have until July 1, 2017 to comply with the filings. This data will help inform every LAFCo as to exactly which JPAs exist and the exact services they were formed to provide. CALAFCO conducted extensive stakeholder outreach prior to the bill's introduction and continued these efforts in the bill's early stages. This concentrated effort afforded us no opposition to this piece of legislation (although several amendments were required to get to that point). We want to thank **Keene Simonds** (Marin LAFCo) for his work in leading the efforts with this bill.

The other big piece of legislation that required great resources from CALAFCO this year was **SB 1318** (Wolk), which was a follow up bill to SB 244. CALAFCO assumed an **Oppose** position but worked very hard with the author's office and sponsor on several rounds of amendments. We wish to thank **José Henríquez** (El Dorado LAFCo), **Steve Lucas** (Butte LAFCo), **Bill Nicholson** (Merced LAFCo), **Paul Novak** (LA LAFCo) and **Keene Simonds** (Marin LAFCo) for assisting the executive director with the efforts pertaining to this bill. CALAFCO attended hours of stakeholder meetings, and meetings with the sponsor and author's staff in an effort to reach common ground. Additionally, this team spent many hours crafting multiple re-writes of the bill. The bill, which focused on the provision of



drinking water and wastewater to DUCs, initially severely restricted LAFCo when considering certain annexations and created, for LAFCo, a host of unfunded mandates pertaining to DUCs. In that the bill was widely opposed by stakeholders, the author's office and sponsor considered a number of amendments. In the end, however, no agreement was reached among stakeholders, the sponsor and the author, and Senator Wolk dropped the bill. The bill also contained an amendment that addressed our need to amend GC §56653, but that was lost when the bill was dropped.

As mentioned previously in this report, even though the bill died, CALAFCO came away with a significant outcome in the form of a future action. As a direct result of our involvement and discussions on **SB 1318**, CALAFCO will undertake a White Paper and full mapping project of all DUCs within the state in 2017.

CALAFCO was also actively involved in stakeholder discussions regarding **SB 1262** (Pavley). A follow up to the groundwater legislation passed in recent years, this bill made substantive changes to the Water Code as it pertains to water supply planning. Several of our requested amendments were taken and ultimately the bill was signed into law by the Governor. CALAFCO maintained a **Watch with Concerns** position on this bill until the majority of our concerns were addressed, at which time we moved to a **Watch** position.

This year we saw a rash of bills introduced that either bypassed LAFCo completely or in some way diminished LAFCo authority. The ALGC saw enough of these bills (almost all of them introduced in the Assembly) such that, by mid-year, the Chair created a questionnaire asking authors their reasoning behind the action. CALAFCO worked on a number of these bills with the respective authors' offices. These and other bills on which we worked included:



- **SB 552** (Wolk) This bill served as the vehicle to pass the one technical amendment CALAFCO sought to SB 88 (2015). It contained several other technical amendments and gave the SWRCB the authority to appoint an Administrator for a water system (as opposed to mandating consolidation). The bill was signed by the Governor. CALAFCO did not take a formal position on this bill.
- **SB 817** (Roth) As he has done the past several years, Senator Roth again carried this bill which called for reinstatement of the VLF through ERAF for cities that incorporated between January 1, 2004 and January 1, 2012. Although it passed the Legislature, the bill was again vetoed by the Governor. CALAFCO had a **Support** position on this bill.
- **AB 2414** (Garcia) As amended, this bill requires Riverside LAFCo to approve the expansion of the Desert Healthcare District providing a determination is made that the expansion is financially feasible. Although the author accepted several of CALAFCO's requested amendments, in the end it left no discretion to Riverside LAFCo. As a result, we maintained our **Oppose** position. The Governor signed the bill September 21.
- **AB 2470** (Gonzalez) As amended, this bill requires a water agency to provide water service upon request of an Indian tribe and under certain conditions, to the tribe at substantially the same terms as existing customers of the water district even though no annexation of the land to be serviced is required. The proposed process bypasses entirely the LAFCo process and requires the water agency to provide the service without discretion. The author introduced the bill to deal with a local issue, despite the fact the bill did not name the Indian tribe for which it was written. CALAFCO maintained a **Watch With Concerns** position on the bill. The author had the support of the entire San Diego legislative delegation as well as the local water providers. Ultimately the bill was signed by the Governor.



- **AB 2471** (Quirk) As amended, the bill divested Alameda LAFCo of its authority and discretion pertaining to the Eden Healthcare District. The bill required the Alameda LAFCo to review Eden Healthcare District's compliance with certain criteria set forth in the bill and if all of the prescribed criteria was met, required the LAFCo to order the dissolution of the district. After much work by Alameda LAFCo and CALAFCO and a formal request by the City of Hayward to the LAFCo to conduct a thorough district review, the author dropped the bill. CALAFCO maintained an *Oppose Unless Amended* position.

Thorough legislative updates are provided in each Quarterly Report. For a complete list of CALAFCO bills, please visit the CALAFCO website. Information is updated daily.

CALAFCO AS A RESOURCE

The Little Hoover Commission

The LHC contacted CALAFCO in early summer this year as it planned to hold an informational hearing on special districts. This hearing was a follow-up to the Commission's 2000 report on the effectiveness of special districts. CALAFCO was one of six primary witnesses to testify at the hearing on August 25. Preparation leading up to the hearing required CALAFCO to submit written testimony to the LHC in response to a specific series of questions posed. Our executive director, with the proofreading help of several local LAFCo and legal staff (and we thank **Harry Ehrlich**, San Diego LAFCo, **Steve Lucas**, Butte LAFCo, **John Leopold** and **Pat McCormick** of Santa Cruz LAFCo, and **Clark Alsop** and **Paula de Sousa Mills** of BB&K for their assistance) produced a 19-page written testimony in advance of the hearing. The report was also distributed to the CALAFCO membership and placed on the CALAFCO website.

In addition to CALAFCO's testimony, during the hearing the LHC heard from the CA Special Districts Association (CSDA), the CA Healthcare Districts Association, the North

Tahoe Fire Protection District, the Howard Jarvis Taxpayers Association, and Michael Coleman. The Commission heard from Pamela Miller, John Leopold and Steve Lucas on the primary points of our written testimony, which included: (1) how the evolution of the resources available to LAFCo has not kept pace with the evolution of the role and responsibilities of LAFCo through the years; (2) the role that Municipal Service Reviews (MSRs) actually play in the relationship between LAFCos and special districts; (3) LAFCo limitations as they pertain to actions and accountability of MSRs; and (4) the short and long term effects of the Legislature making state-level decisions on local LAFCo matters.

This was the perfect opportunity for CALAFCO to address the need for additional funding and resources, to urge the LHC to encourage the Legislature to keep local LAFCo decisions local, and to clarify the actual role of LAFCo in the relationship with special districts.

The LHC is holding a follow-up hearing in late October which will focus on special districts and climate change, at which CALAFCO was not required to testify. Additionally the Commission is holding a roundtable discussion for stakeholders on the issue of healthcare (hospital) districts operating with a hospital that does not provide direct healthcare services in November, at which CALAFCO will be present.

CALAFCO will distribute the Commission's final written report as soon as it becomes available.

Collaborative Projects with CSDA

This year CALAFCO teamed up with CSDA on two special projects. The first was a Special District Formation Guide, which is intended to assist anyone who is considering the formation of a special district. The Guide is not intended to sway readers either in favor of or against the formation of a district. The final Guide is set to be released late October. CALAFCO wishes to thank CSDA for its partnership in the creation of this Guide, and especially those who represented CALAFCO along with our executive director in



its preparation: **Jeff Brax** (Sonoma LAFCo), **SR Jones** (Nevada LAFCo) and **Elliot Mulberg** (Solano LAFCo). Each LAFCo will receive one complimentary copy of the Guide and it will be available for download or purchase.

The other project was the creation of a White Paper and an outreach campaign plan on the implementation of the statutory requirements of the Countywide RDA Oversight Board Special District appointments. Thirty-seven counties have multiple oversight boards that will require consolidation. Of those, eleven counties do not currently have an independent special district selection committee in place. If not addressed in time, the Governor will have the authority to make those appointments. This White Paper is intended to address how to best meet these requirements. CALAFCO thanks CSDA for its partnership in addressing this issue, and we would like to thank those who represented CALAFCO along with our executive director in its preparation: **Gary Bell** (Colantuono, Highsmith & Whatley), **José Henriquez** (El Dorado LAFCo) and **Keene Simonds** (Marin LAFCo).

OPR statewide workshops

In the latter months of 2015, OPR hosted statewide workshop on both rural community needs and the connection between water and land use. CALAFCO was one of a few (if not the only) statewide entity allowed to attend all of these invitation-only sessions. They were held in various locations around the state and brought together a select group of local people to discuss the issues of rural community needs and land use and water. The messages received at each were very different, as you can imagine. OPR is still deliberating on the data received and plans to publish a report sometime in 2017. CALAFCO thanks those who attended these workshops to ensure LAFCos' voice was heard: **George Spiliotis** (Riverside LAFCo), **Kris Berry** (Placer LAFCo), **Steve Lucas** (Butte LAFCo), **David Church** (SLO LAFCo), **Bill Nicholson** (Merced LAFCo), **George**



Williamson (Del Norte LAFCo) and **Kate McKenna** (Monterey LAFCo).

FINANCIAL POLICIES AND REPORTING

The Association continues to stand on a strong financial base. The Board maintains policies and current filings which are in compliance with all federal and state requirements for 501(c)(3) organizations. The CALAFCO Policy Manual, IRS Form 990 and other key Association documents are available on the CALAFCO web site. The Association also maintains its records with the national non-profit reporting organization, GuideStar (www.guidestar.com). In 2016 CALAFCO once again earned the *GuideStar Exchange Gold Seal* in recognition of its transparency and completeness in documentation.

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

2016-17 Budget

The Board continues to manage the financial resources of the Association closely. This year, after many years of either no dues increase or an increase only by the CPI, LAFCo dues were increased by seven (7) percent, which is a range of \$55 to \$530 per year. This increase was unanimously approved by the Board to cover the costs required to maintain sustainable organizational support for the Association. These changes were communicated to the membership during last year's Annual Business meeting (as well as in a letter distributed to the membership in advance of that meeting). Prior to this fiscal year, the last time the dues were increased beyond the CPI was 2008-09.

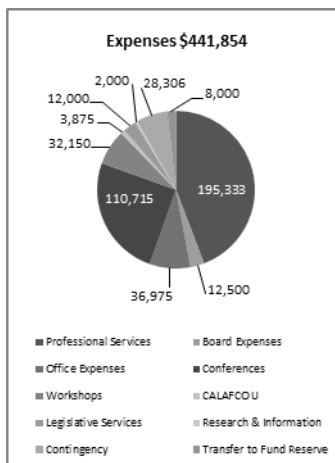
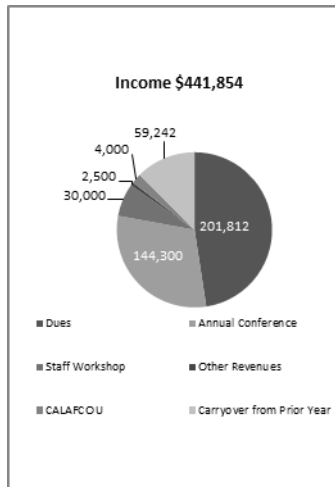
The adopted budget for 2016-17 provides for several changes from the 2015-16 budget. The close of the fiscal year showed a slightly greater year-end balance than anticipated in the adopted budget, allowing the Association to once again avoid the use of reserves. The budget adopted in



May 2016 was revised and adopted as such in July by the Board. The revised FY 2016-17 budget is \$441,854, which includes a carry-over net balance of \$59,242 and contingency fund of \$28,306. This is due in part to another profitable Annual Conference as well as diligent fiscal management on the part of staff. The Board approved several allowances for the use of Contingency funds during the last fiscal year which includes a website design, services to increase sponsorship revenue at Conferences, 2015 Conference support services, special LAFCO 101 sessions at the Capitol for legislative staff in the fall of 2015, and the purchase of updated visual equipment (LCD projectors) for use at Workshops and Conferences. The year-end balance in Contingency was \$11,274. For the current fiscal year, Contingency funds will be used to fund several additional projects that will create high value for the membership, including the White Paper and mapping of DUCs and the Ag Policies White Paper.

Restricted Fund Reserve

Since 2005 an important goal established by the Board has been to grow and maintain a fund reserve to support member services in uncertain economic times and to avoid the need to tap members for additional funds, as had been done in the past. With an initial goal of 35% of non-conference operating expenses, the reserve balance at the close of the 2015-16 fiscal year was \$150,754, about 72% of the annual operations budget outside of the Conference, Workshop and CALAFCO U. The reserve is not part of the annual budget and requires a vote of the Board to use its funds. The Association has not used the fund reserve since the early 2000s. CALAFCO maintains its funds with the Local Agency Investment Fund (LAIF). While the interest rate has remained low again this year, we have not



lost any of the principal in our savings or investments. The current Policy calls for having a minimum of 25% held in reserves. At the beginning of the current fiscal year, the Board approved the transfer of \$8,000 to Fund Reserves, making the current total held \$158,754.

All financial reports, including budgets and annual tax filings, are available to the membership on the CALAFCO website as well as on GuideStar's website.

ASSOCIATION MANAGEMENT

Board Member Activity

As a result of last year's regional Board elections, the Board welcomed four new members: **Bill Connelly** (Butte) representing the Northern region County seat; **John Marchand** (Alameda) representing the Coastal region City seat; **Anita Paque** (Calaveras) representing the Central region's Public seat; and **Sblend Sblendorio** (Alameda) representing the Coastal region's Public seat.

New Associate Members

We are proud to welcome several new Associate members to the Association this past year. We welcomed new Gold member **CV Strategies**, and Silver members **Braitman & Associates** and **Meijun, LLC**. We also welcomed back to the CALAFCO Associate member family **Rosenow Spevacek Group Inc. (RSG)**. Each of these new members was featured in one of our Quarterly Reports to the membership. We are proud to feature our Associate Members in these reports and look forward to continuing that practice in the future.

A Final Thank You

We wish to thank **Paul Novak** (LA LAFCo) who served the past two years as Deputy Executive Officer (DEO) representing the Southern region. We welcome **Carolyn Emery** (Orange LAFCo)

who will step in as the Southern region's DEO effective October 31, 2016.

Finally we want to recognize the leadership of our executive director **Pamela Miller** and executive officer **Steve Lucas** (Butte LAFCo). Added to that is our appreciation for all the contributions of executive assistant **Jeni Tickler** in the CALAFCo office, DEOs **David Church** (San Luis Obispo LAFCo) and **Kris Berry** (Placer LAFCo), Legal Counsel **Clark Alsop** (BB&K), and CPA **Jim Gladfelter** (Alta Mesa Group). These people, along with many other volunteers, Associate members, and members of the Board have all worked together this year to bring many achievements and a strong Association to you, our member LAFCos and Associate members.

Sincerely Yours,

The CALAFCo Board of Directors



Redefining the Meaning of Long-term

Written by Michael Ott, San Diego LAFCo Executive Officer

The San Diego LAFCo recently approved a complicated fire agency reorganization that took over 30-years to complete. Work on this reorganization redefined the meaning of "long-term." The reorganization consisted of the dissolution of a 6,163-acre volunteer fire organization, operating as County Service Area No. 107 (Elfin Forest / Harmony Grove); annexation of the dissolved CSA territory to the Rancho

Santa Fe Fire Protection District; annexation of another 341 acres to eliminate several large service islands; and the initiation of a second cross-conditional annexation totaling 3,163 acres. The cross-conditional aspect of this reorganization was a unique feature permitted by Government Code Section 56886(o) and involved the initiation of an annexation to an ambulance transport district run by the County of San Diego, called CSA No. 17 (San Dieguito Ambulance).

This multi-faceted reorganization involved prolonged discussions, substantial outreach, and adherence to basic LAFCo principles. Approval of the reorganization not only improved fire protection response times -- but will eventually upgrade emergency medical and ambulance transport services from basic life support to advanced life support levels. When fully implemented, the reorganization will bring



safer conditions to over five thousand people and tens of thousands of commuters and visitors traveling on winding roads that traverse this fast growing semi-rural part of San Diego County.

The most unique element of the reorganization is the condition the San Diego LAFCo placed on the overall reorganization, requiring the initiation of a second proposal per Government Code Section 56886 (o). The use of this condition proved to be a valuable tool for phasing in the delivery of services over an extended period of time. In the case of the Elfin Forest / Harmony Grove reorganization, LAFCo staff needed to break down 30 years of political barriers that prevented community members and the County of San Diego from agreeing on adequate funding to support paramedic transport services. The use of this obscure LAFCo condition placed the funding issue in the proper forum and provided additional time for LAFCo staff to mediate stakeholder discussions.



While it would have been preferable for the ambulance transport issue to have been addressed together with the overall fire district reorganization, the timing was such that additional outreach was necessary with ambulance transport stakeholders. Rather than risking more

delays and the high probability of failure for both the fire district reorganization and emergency medical services annexation, the use of this LAFCo condition permitted one proposal to move forward, albeit contingent on the initiation of a second proposal. The second proposal was initiated within months of the first proposal. This approach is admittedly unorthodox and not applicable in all situations. It should be used sparingly -- but it can be an effective and innovative way to focus public attention on certain jurisdictional issues that would otherwise be overlooked. In the future, residents, commuters, and recreationalists that drive the winding roads in this unincorporated San Diego County community will probably not know the lengths and time in which the San Diego LAFCo was involved with improving public safety; however, it will be reassuring to know that the public will be safer and finally receive an adequate level of fire protection and emergency medical services.

Fire Everywhere

Written by Kathy Rollings McDonald, San Bernardino LAFCo Executive Officer

California continues its late summer/early fall designation as the tinderbox of the nation. But during 2015-16, San Bernardino LAFCo was consumed by fire, as in reorganizations prompted by financial crisis. Adequate fire protection and emergency medical response are key health and safety issues for any community. This was no more evident as the tragic events of December 2, 2015, in San Bernardino County played out on our television screens and cellphones, and the exemplary response by all emergency responders was on display. Fiscal stress, lack of economic investment and a population experiencing high unemployment, however, have placed a severe strain on many cities and special districts in San Bernardino County. Some can no longer afford to provide a sustainable revenue source to support adequate fire and emergency medical response services,

"While challenging, each issue was addressed through the perseverance and creative problem solving efforts of LAFCo and all affected agencies in an overall effort to provide critical services to residents both effectively and efficiently."

which is threatening the health, safety and welfare of residents.

During 2016, San Bernardino LAFCo was presented with three extraordinarily complex fire reorganizations which proposed the transfer of responsibility for fire and emergency medical response services from two cities (San Bernardino and Needles) and one special district (Twentynine Palms Water District) to the San Bernardino County Fire Protection District (County Fire). By taking advantage of the economies of scale available through County Fire, including existing fire stations and personnel, and the transfer of an existing special tax to financially support the enhanced services, these communities now have adequate fire and emergency medical response services that are fiscally sustainable over the long-term.

Each reorganization involved an array of complex issues, including but not limited to, the transfer of facilities and personnel, retirement funding, agency debt obligations, workers' compensation, the transfer of property tax and an existing special tax, and the creative crafting of conditions of approval to ensure that the transition of services was successful. Each of the three reorganizations was unique, and the many technical, fiscal and procedural issues that surfaced throughout their review often stretched staff's abilities to develop solutions. However, with the support of the commission, legal counsel and affected agencies, staff was able to meet the challenges and bring forward all three proposals for commission review. All became effective July 1, 2016.

What follows is a summary of key issues which LAFCo addressed during the processing of the City of San Bernardino and Twentynine Palms Water District fire reorganizations.

City of San Bernardino Fire Reorganization

In June 2014, Citygate Associates, a fire services consultant, completed a study evaluating the City of San Bernardino Fire Department. The study described the City's fire department and community as under "severe stress" from a combination of factors, including:

(1) a lack of economic investment, (2) the City's bankruptcy, and (3) a population experiencing high unemployment (and a low median income), placing additional strain on City social, recreation and social services. Staff reductions in the City Fire Department, combined with an exceptionally high volume of emergency medical calls and structure fires, resulted in longer response times which threatened the health, safety and welfare of the City of San Bernardino residents.

On May 18, 2015, the City adopted a Plan of Recovery and Plan of Adjustment in support of the City's efforts to emerge from bankruptcy. The Plan described in detail the City's inability to pay for adequate levels of municipal services, including fire protection and emergency medical services. Thereafter, the City conducted a Request for Proposal (RFP) process to outsource its fire protection and emergency medical response service. This process was fraught with legal questions, for the Superior and Bankruptcy courts, which were submitted by the Fire Union representatives and others. Ultimately, it was identified that annexation into the San Bernardino County Fire Protection District was the best option for the City. On August 24, 2015, the City Council of the City of San Bernardino initiated the annexation of its corporate territory to County Fire.

This approach allowed the City to take advantage of substantial economies of scale available from the District, including existing fire stations and personnel located close to the City. This approach also allowed the City to include its territory into one of County Fire's established fire zones with an existing special tax that is spread to City property owners to address service delivery costs. This strategy allowed the City to reduce the level of revenue currently allocated to fire service delivery and enable scarce revenue to be redirected to address other critical service needs in the community. It was a philosophically simple approach – provide the most efficient and effective means to continue the service through annexation to County Fire.

Simple in approach, but as for many LAFCo proposals, the “devil is in the details,” and this proposal had some of the most unique details ever encountered by LAFCo, including:

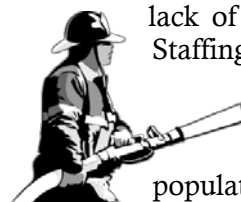
- Significant unfunded retirement obligations;
- Ongoing litigation between the City and the fire union over outsourcing fire responsibilities;
- Complex transfer of facilities, employees and benefits; and
- Transfer of an existing special tax to fund fire and emergency medical response services without a vote of landowners – while legal, it raised the level of controversy in an already contentious process.

While challenging, each issue was addressed through the perseverance and creative problem solving efforts of LAFCo and all affected agencies in an overall effort to provide critical services to residents both effectively and efficiently.

Twentynine Palms Fire Department Fire Reorganization

In 1958, the Twentynine Palms County Water District began to provide fire protection services to the community of Twentynine Palms under the name Twentynine Palms Fire Department (TPFD), after the California Department of Forestry ceased providing local fire protection. Over time, the TPFD evolved into a two station, fully staffed Basic Life Support operation providing fire, rescue and EMS functions to the citizens of the City of Twentynine Palms and surrounding communities.

Through staff attrition and funding shortfalls, the foundation for the TPFD's fire and emergency services eroded over time. On June 1, 2013, the provision of fire protection and emergency medical services was reduced from two staffed fire stations to one staffed fire station due to the lack of a sustainable revenue source.



Staffing was reduced to five full time personnel augmented by a small “paid call” fire fighter and volunteer force to serve a population of 17,974 residents.

In June 2015, members from the Twentynine Palms City Council and the TPFD formed an ad hoc committee to discuss alternatives. Ultimately, the committee expressed support for a LAFCo application to annex the TPFD into

the San Bernardino County Fire District. Like the other fire reorganizations processed by San Bernardino LAFCo staff, the TPFD proposal was complex and required strategic and creative problem solving skills to keep the proposal moving forward.

One of the more complicated issues addressed by LAFCo on this proposal related to unfunded retirement obligations. At the outset of LAFCo's review, it was estimated that the unfunded retirement obligation for closure of the Safety portion of the TPFD's California Public Employee Retirement System (CALPERS) contract would be in the range of \$1,000,000, and LAFCo staff proposed the creation of a separate service zone to address that liability. Later, it was learned the amount was actually estimated at \$2.9 million, three times the original estimate, which set in motion fervent discussions on the best method to resolve this liability.

To resolve this situation, the Safety portion of the TPFD's PERS contract was placed in "inactive" status on the effective date of the reorganization, and the City agreed to assume the long-term obligation through a contractual relationship. This unprecedented mechanism to have an agency that is not directly affected by a jurisdictional change assuming an uncapped liability caused heartburn for LAFCo staff. This concern was tempered, however, by staff's primary concern – providing effective and sustainable emergency medical response and fire protection to the community and its residents.



primary concern – providing effective and sustainable emergency medical response and fire protection to the community and its residents.

The cumulative results of these efforts represent the best of what LAFCos can achieve – structurally reorganizing failing agencies that can no longer provide critical services into efficient and financially sustainable organizations to effectively serve the public long into the future and working collaboratively with the agencies involved to craft the solutions for that future. In addition, we don't expect 2016 to be the end of Fire Season in San Bernardino County.



CALAFCO Associate Member Corner

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

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



New Gold Associate Member

CV Strategies

CV Strategies is a dedicated team



helping companies with strategic planning, communications and training. To learn more about their team and the services they offer, visit them at www.cvstrategies.com or contact Erin Gilhuly at erin@cvstrat.com.

New Silver Associate Members

Braitman & Associates

Fresh into retirement, Bob Braitman is now a Silver Associate Member. **Braitman & Associates** services include preparing municipal service reviews and spheres of influence, the analysis of proposed boundary changes and the extension of public services proposals in support of the efforts of LAFCo staffs. You can contact Bob at bob@braitmanconsulting.com.

Meijun, LLC

Meijun, LLC provides custom programming services and business solutions related to IT. They create websites, software applications, mobile engagement platforms and provide general consulting for



process improvement and streamlining information technology in the workplace. To learn more about them, visit them at www.meijun.cc or contact Huy Ly at hly@meijun.cc.

Rosenow Spevacek Group, Inc.

We welcome back to the CALAFCO family
Rosenow Spevacek Group, Inc., or RSG.



RSG is a creatively charged counterpart to California public agencies. They work with the people responsible for vibrant places and propel them to their goals. Better Communities. Bolder futures. To learn more about them visit their website at www.webrsg.com or contact Cassandra Ravenna at cravenna@webrsg.com.



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



2017 STAFF WORKSHOP

April 5 - 7, 2017

DoubleTree by Hilton

Fresno, CA

Hosted by Fresno LAFCo

2017 ANNUAL CONFERENCE

October 25 – 27, 2017

Bahia Hotel, Mission Bay

San Diego, CA

Hosted by CALAFCO

2018 STAFF WORKSHOP

April 11 – 13, 2018

Four Points by Sheraton

San Rafael, CA

Hosted by Marin LAFCo

2018 ANNUAL CONFERENCE

October 3 – 5, 2018

Tenaya Lodge

Yosemite, CA

Hosted by CALAFCO

Thank You to All of Our Associate Members

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HIGHSMITH
WHATLEY, PC

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Braitman & Associates
City of Fontana
City of Rancho Mirage
County Sanitation Districts of L. A. County
Cucamonga Valley Water District
Dudek
E. Mulberg & Associates
Fresno County Fire Protection District
Goleta West Sanitary District
Griffith & Matsuda, a Professional Law Corp.
GST Consulting
HdL Coren & Cone
LACO Associates
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The Sphere

CALAFCO Journal

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

Sharing Information and Resources

The Year In Pictures *Scenes from CALAFCO Activities*

CALAFCO Annual Conference 2015 *Sacramento, CA*



CALAFCO Annual Staff Workshop 2016 *Universal City, CA*



News from the Board of Directors

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CALAFCO Board and Staff Changes

Results of the recent CALAFCO Board of Directors elections netted no new Board members for 2017. All incumbent Board members won their election, so the Board of Directors membership stays the same.

At the October Board meeting during the Annual Conference, the appointment of **Carolyn Emery** (Orange LAFCo) was made to represent the southern region as the Deputy Executive Officer (DEO). We said farewell to **Paul Novak** who served in this role for the past two years.

CALAFCO Board 2017 Committees

At their December 9 meeting, the CALAFCO Board appointed members to the 2017 standing committees as follows:

Legislative Committee

Bill Connelly (North)
Jim Curatalo (South)
Shiva Frentzen (Central)
William Kirby (At-Large)
John Leopold (Coastal)
Mike McGill (At-Large)

Gay Jones (a) (At-Large)
Michael Kelley (a) (South)
Anita Paque (a) (Central)
Sblend Sblendorio (a) (Coastal)
Josh Susman (a) (North)

Nominations Committee

Cheryl Brothers
Shiva Frentzen
John Leopold (Chair)
Josh Susman

Awards Committee

Mike Kelley
Gerard McCallum
John Marchand
Anita Paque
Ricky Samayoa (Chair)

2017 Annual Conference

Jim Curatalo
Bill Kirby (Chair)
Sblend Sblendorio
Josh Susman

Conferences and Workshops Update

2016 ANNUAL CONFERENCE A SUCCESS



A final Conference report was provided to the Board on December 9. The Conference was held October 26 - 28 in Santa Barbara at the beautiful Fess Parker DoubleTree. Our theme this year was **Orchards to Oceans: Balancing California's Diversity**, and the host was Santa Barbara LAFCo. Approximately 285 commissioners, staff, associate members, guests and speakers attended the Conference. A total of 48 LAFCos were represented.

Participant evaluations rated the overall experience a 5.2 out of 6.0 with an evaluation return rate of 25%. While the books are still being finalized, it appears that financially the Conference was a success. We had a total of \$19,500 in sponsorship revenue, with 16 total sponsors of varying levels. CALAFCO thanks all of our sponsors for your support and participation in this event.

Our program and speaker lineup was diverse, and highlighted by our luncheon keynote speaker Jean-Michel Cousteau.

CALAFCO wishes to thank our host, Santa Barbara LAFCo, for all of their work in planning the mobile workshop, lining up the luncheon keynote speaker, and tending to many of the details. In particular, we thank **Jeff Moorhouse**, **Roger Welt**, **Paul Hood**, **Michael Allen** and **Jacquelyne Alexander**. We also thank Conference Chair **Sblend Sblendorio**, Program Committee Chair **David Church**, everyone who worked to plan the program and all of you who volunteered and helped on site.

All program presentations were placed on the CALAFCO website the week after the Conference.



2017 STAFF WORKSHOP

The 2017 Staff Workshop is set for April 5-7, 2017 at the beautiful Doubletree by Hilton in downtown Fresno. Our host for this workshop will be Fresno LAFCo. The Program Planning Committee will begin their work the first week of January.

CALAFCO Congratulates the 2016 Annual Achievement Award Recipients

CALAFCO wishes to congratulate all of this year's nominees, and especially those who received the 2016 Achievement Award.

- ❖ Outstanding Commissioner – **Don Tatzin** (Contra Costa LAFCo)
- ❖ Outstanding LAFCo Clerk – **Cheryl Carter-Benjamin** (Orange LAFCo)
- ❖ Outstanding LAFCo Professional – **Steve Lucas** (Butte LAFCo)
- ❖ Distinguished Service – **Peter Brundage** (Sacramento LAFCo)
- ❖ Project of the Year – **Countywide Water Study** (Marin LAFCo)
- ❖ Government Leadership – **Southern Region of CALAFCO**
- ❖ Most Effective Commission – **San Luis Obispo LAFCo**
- ❖ Outstanding CALAFCO Member – **John Leopold** (Santa Cruz LAFCo)
- ❖ Lifetime Achievement – **Bob Braitman** (Retired EO) and **Ed Robey** (Lake LAFCo)



News from the Board of Directors

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CALAFCO Board Actions

The Board met on October 28 and appointed the staff members of the 2017 Legislative Committee and adopted their 2017 meeting calendar.



During the Board's meeting on December 9, they took the following actions:

- ◆ Received and filed the 1st quarter financial reports
- ◆ Received and filed the Annual Conference report
- ◆ Heard a presentation from Erin Gilhuly, President of CV Strategies and agreed to consider a change in scope of work for next year's contract
- ◆ Decided on the priority topics for their January Strategic Planning Workshop
- ◆ Unanimously approved the 2017 legislative priorities.

CALAFCO White Papers and Other Publications

The White Paper on the **Sustainable Groundwater Management Act (SGMA) and LAFcos** is being released the last week of December on the website and will be widely distributed the first week of January. The purpose of this paper is to summarize how SGMA will impact LAFcos across the state.

We are currently partnering with the American Farmland Trust (AFT) on a White Paper on **Ag Policies**. Work on this project is underway with an anticipated July completion date.

At the Annual Conference CALAFCO introduced the publications completed in collaboration with the CA Special Districts Association (CSDA). The first is a **Special District Formation Guide**. The Guide is intended as informational only and not written to promote or discourage the formation of a special district. The intent is to inform anyone considering forming a special district of the many factors involved and resources needed. The other publication distributed is the **Countywide RDA Oversight Board Special District Appointments Guide**. The Guide is an informational document on the process of appointing special district representatives to countywide oversight boards, and provides guidance on potential questions related to the process of RDA Oversight Board consolidations and the appointment of special district representatives to those Boards. Both of these Guides are on the CALAFCO website.

CALAFCO Legislative Update

This was a very full legislative year for CALAFCO. A full legislative update was provided to the membership at the Annual Conference in late October.

The new Legislature has convened and is currently in recess until January 4. It is expected to be another full year.

During their December 9 meeting, the CALAFCO Board of Directors deliberated at length about the 2017 legislative priorities. In the end, they unanimously decided to sponsor an Omnibus bill that contains only changes addressing risks and vulnerabilities for LAFcos. Further, the Association's focus in 2017 will be on those things that place our members in a vulnerable position. As a result, we will be working



on things that follow-up recommendations and opportunities identified in our written testimony to the Little Hoover Commission. We will also be working closely with CSDA and the Healthcare Districts Association in addressing issues that were identified in 2016 as a result of legislation.

CALAFCO will sponsor a bill that addresses the ongoing legal concerns of Government Code Section 56653 (previous attempts in 2015 and 2016 were unsuccessful), and co-sponsor a bill with CSDA that simplifies the process of seating special districts on LAFco (this process will remain voluntary).

We continue to be engaged with the Administration and Water Board on drinking water accessibility issues, and expect another bill similar to last year's SB 1318 (Wolk) to be introduced again.

CALAFCO has been asked to engage with OPR and the Strategic Growth Council in the creation of a Guide pertaining to Urban Growth Management.



CALAFCO Associate Members' Corner

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

We are pleased to welcome a new Silver Associate Member to CALAFCO, the Santa Ynez CSD.

Santa Ynez Community Services District



SANTA YNEZ
COMMUNITY SERVICES DISTRICT

Founded in 1971, the **Santa Ynez Community Services District** provides wastewater collection and transportation and street lighting, serving approximately 688 wastewater connections. Effluent collected by the District is treated at the City of Solvang wastewater treatment plant. For more information about the District, visit their website at www.sycsd.com, or contact the General Manager Jeff Hodge at jhodge@sycsd.com.



City of Rancho Mirage

The **City of Rancho Mirage** has been a Silver Associate Member since July 2010. With a population of just over 18,000, the **City of Rancho Mirage** is located in the County of Riverside. The City offers an abundant amount of sunshine, great climate, and related resort-style living. For more information about the City, contact the City Manager Randy Bynder at randalb@ranchomirageca.gov, or visit the website at www.ci.rancho-mirage.ca.us.

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Lamphier-Gregory

A Silver Associate Member since September 2010, **Lamphier-Gregory** provides on-call planning and environmental consultant services to various LAFcos including Alameda and Contra Costa on long-term contracts. For more information about **Lamphier-Gregory**, visit their website at www.lamphier-gregory.com or contact Senior Planner Nathaniel Taylor at ntaylor@lamphier-gregory.com.



LAMPHIER · GREGORY

Policy Consulting Associates

A Silver Associate Member since September 2010, **Policy Consulting Associates** prepares interdisciplinary research studies for LAFcos, COGs, counties, cities, states, elected representatives and candidates, with an emphasis on MSRs and fiscal studies. The **PCA** team's combined experience covers the spectrum of governance configurations and alternatives, and runs the gamut of services under LAFco jurisdiction. To learn more about **PCA**, contact either Jennifer Stephenson or Oxana Wolfson at info@pccateam.com or visit their website at www.pccateam.com.

QK (formerly known as Quad Knopf)

A Silver Associate Member since September 2010, **QK** provides planning, engineering, biology, environmental and survey services to public and private clients. Their planners have previous experience working for public agencies, including serving as LAFco Analysts. They specialize in the San Joaquin and Sacramento Valley regions. For more information on **QK**, visit their website at www.qkinc.com, or contact Steve Brandt at steveb@qkinc.com.



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

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Upcoming CALAFCO Conferences and Workshops

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Hosted by Marin LAFco

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October 3-5
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CALAFCO on the Road Again...

By: Pamela Miller, CALAFCO Executive Director

This past year I've had the pleasure of tooling around the state to visit various LAFcos. As part of the Association's Strategic Plan, one of the objectives is to have the Executive Director connect and visit with six LAFcos each year. The past few years I visited some really cool places, so I thought I would start an annual column on where I visit and the uniqueness of each place. Going forward, this will be an article you can find in the Annual Edition of The Sphere.

We are, undeniably, a diverse state. And it is amazing to me as a native Californian just how much of the state I have yet to see and fully experience. So I really appreciate the opportunity to visit with you, our members, to share what is happening in Sacramento and what CALAFCO is doing. But more importantly, to better understand the issues each of you is dealing with today.

Last October I visited with the Bay Area Executive Officers who were meeting in Napa. Having previously worked in Napa, I was excited to drive through the always beautiful vineyards on my way to the meeting. During my visit I answered questions about the new organizational changes being implemented and learned what was happening in each of the Bay Area LAFcos.



In January of this year I visited Fresno LAFCo while doing a site visit for the 2017 Staff Workshop. With a beautiful skyline as a backdrop to a bustling city, I found myself wondering why I had not visited here before. I was surprised (although I am not sure why) to drive through



acres and acres of vineyards and learned that Fresno State has one of the state's leading Viticulture and Enology programs. It was interesting to hear Fresno LAFCo staff discuss some of the challenges they were facing as they worked to obtain information from service providers to conduct their MSRs. I appreciated the cooperative nature in which they approached the conversation and the suggestions offered by their Commission. I'm looking forward to returning to Fresno in April 2017 for our Staff Workshop.

At the end of January, I was down in the heart of Los Angeles attending the annual meeting of the Southern Region (now an annual pilgrimage for me). There again I was able to share with commissioners and staff the newly implemented changes the Association had adopted and answered a number of questions the region had about our new models. It was interesting to hear their discussions regarding their own implementation of a shared service model. I also shared the legislative platform CALAFCO adopted for 2016. A short train ride back to airport that same afternoon and I was quickly on my way back home.

It was not until late September that I was able to get back out on the road, and, boy, was this a trip worth waiting for. I spent four days visiting several of our most northern LAFcos, including Del Norte, Humboldt and Shasta. They were very gracious hosts, and I owe a huge shout out to George Williamson and his team for letting me set up camp in their



office, driving me around and even offering themselves as my tour guides.

The drive was scenic and serene with the beautiful Klamath Falls River winding its way alongside the road. A pretty amazing view by itself, but add the Pacific Ocean and some Redwoods in there from time to time and WOW. Visiting Del



Norte allowed me to share for the first time with this commission what is happening in Sacramento and with CALAFCO. I also fielded a

number of historical questions about CALAFCO as well as legislative questions. Before departing we visited Battery Point Lighthouse, which first lit up the night sky December 10, 1856.

From there it was a wonderful drive back to Humboldt, which I was told is not complete without an elk sighting. Well sure enough, there were plenty to see, and I thank our driver (who I think prefers to remain nameless) for stopping, making U-turns and pulling by the side of the road (all safely and fully legal – of course), so that this city slicker could get a good eyeful. We came across a number of herds, and the last one was the largest and most impressive.



The next day I tagged along with Humboldt LAFCo staff to make a LAFCo 101 presentation to the local APA chapter. Once done, I was very politely asked to leave so I could take in some of the sites. I gladly obliged the request and found myself hiking among the redwoods at Arcata Redwood Park. I got lost in the serenity of time and space while there.

That evening, I was treated to a very special welcome reception at the home of Humboldt commissioner Bob McPherson. He and his wife were very gracious hosts, opening up their magnificent home. I learned quite a bit about the history of the area from them and was treated to this sunset ocean view from their kitchen window.



The next morning I attended the Humboldt LAFCo meeting, which was very interesting in that they discussed the dissolution of a special district that had gone inactive, as well as a proposed annexation into the City of Fortuna. It was a great opportunity for me to hear residents who lack drinking water share their story, first-hand (a story being told all around the state) and to listen to the Commission do its due diligence in the questions they asked LAFCo and City staff.

Upon my departure I stopped off at the Arcata Marsh and Wildlife Sanctuary. The interesting thing about this marsh is that it integrates



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conventional wastewater treatment with the natural processes of constructed wetlands, thereby turning wastewater into a resource. It was an interesting and beautiful place.

After tooling down the highway to Redding, the next morning I had the pleasure of attending the Shasta LAFCo meeting, at which they were treated to not only a CALAFCO 101 but also a LAFCo 101 session. It was a great opportunity for me to field lots of questions and reconnect with this Commission. No visit to Redding would be complete without stopping to admire the Sundial Bridge at Turtle Bay. Spanning the Sacramento River, the Sundial Bridge is an environmentally-conscious structure, intentionally constructed without river footings to leave the salmon-spawning habitat undisturbed. While world-renowned and environmentally sensitive, Sundial Bridge also inspires onlookers with its "bird in flight" design, symbolizing overcoming adversity, and serves as a real sundial.



My final stop before heading into Sacramento was in Butte County to visit the offices of Butte LAFCo. It was here I was treated to a peek at the Oroville Dam. It was very interesting to note that, in the first stages of construction, under the direction of Governor Edmund G. Brown on April

24, 1963, a sackful of sand and gravel from each of the 58 counties in the state was used in the first concrete poured at the base of the dam. While the lake was low, it was a beautiful site. Thanks Steve Lucas for the tour!

My last stop of 2016 came the week after the Annual Conference visiting Santa Cruz LAFCo. It was in Scotts Valley to be exact. I learned a few interesting facts about Scotts Valley, thanks to the Keeper of LAFCo Knowledge, Pat McCormick (also the Executive Officer of Santa Cruz LAFCo). The LAFCo meeting was held in Scotts Valley City Hall, a quaint building nestled on a hill with a beautiful view of the surrounding mountains. Just below City Hall sits the Historical Scott House, built in 1853. This area is home to significant archaeological finds and contains one of the longest records of human occupation known in the Western North America. Today this historical landmark is part of a wonderful City Park.



The LAFCo meeting was another interesting one, with a proposed sphere of influence update for Scotts Valley Water District and a robust discussion about MSRs for Fire Districts. Turns out several of the Fire Districts want a more detailed MSR (they got one the first round and did nothing with the recommendations, so this round of MSRs was approached a bit differently), and after a very interesting discussion, the Commission decided to accept the MSRs as presented with the exception of three of the twelve districts, which will be looked at more closely in the future. It was interesting to observe the dialogue that occurred between the district personnel and Commission as they worked towards a common understanding of each other's' perspectives. After all the excitement was over, I made a brief CALAFCO presentation to the Commission and was able to acknowledge Commissioner John Leopold for receiving the

Outstanding CALAFCO Member award and for his time as Chair of the Board.

After over four years of being the Executive Director for this great Association, I grow prouder of who we are and what we do, and of the great things you - our membership - are doing in your respective communities. I look forward to packing up, hitting the road, and visiting more of you very soon!



*Happy Holidays
to all of
our Members
and your families.*

*May 2017 bring all of us
peace and prosperity.*

*CALAFCO
Board of Directors
and Staff*

