



# Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

## NOTICE OF REGULAR MEETING AND AGENDA

### Marin Local Agency Formation Commission

Thursday, June 8, 2017

Marin Clean Energy | Charles McGlashan Room  
1125 Tamalpais Avenue, San Rafael, California

**\* REMINDER OF NEW MEETING LOCATION \***

#### 7:00 P.M. – CALL TO ORDER BY CHAIR

#### ROLL CALL BY CHAIR

#### AGENDA REVIEW

The Chair or designee will consider any requests to remove or rearrange items by members.

#### ADJOURN TO CLOSED SESSION (Set Time at 7:00 P.M.)

The Commission will adjourn to closed session regarding the following two items:

- ANTICIPATED LITIGATION – The Commission will meet to discuss significant exposure to litigation for one case pursuant to Government Code Section 54956.9(d)(2).
- LABOR NEGOTIATIONS – The Commission will meet to discuss recommendations of its negotiators (Blanchfield and Connolly) involving potential compensation changes to the employment contract with the Executive Officer pursuant to Government Code Section 54957.6.

#### RETURN TO OPEN SESSION (Estimated Time at 7:30 P.M.)

The Chair or designee will report out of closed session.

#### OPEN TIME

This portion of the meeting is reserved for persons desiring to address the Commission on any matter not on the current agenda. All statements that require a response will be referred to staff for reply in writing or will be placed on the Commission's agenda for consideration at a later meeting. Speakers are limited to three minutes.

#### CONSENT CALENDAR ITEMS

All items calendared as consent are considered ministerial or non-substantive and subject to a single motion approval. The Chair of designee will also consider requests from the Commission to pull an item for discussion.

##### 1. Approval of Meeting Minutes |

##### March 16, 2017 Special Meeting and April 13, 2017 Regular Meeting (action)

Staff has prepared meeting minutes for the last two meetings of the Commission. This involves a special meeting held on March 16th and a regular meeting held on April 13th. The minutes are being presented for formal approval with any desired corrections or clarifications.

##### 2. Commission Ratification |

##### Reconciled Payments from April 1, 2017 to April 30, 2017 (action)

The Commission will consider ratifying payments made by the Executive Officer during the month of April. The payments cover all reconciled payroll and non-payroll expenses during the period and total \$42,413. The payments are being presented for formal ratification consistent with adopted policies.

**CONSENT CALENDAR CONTINUED...**

**3. Budget Update for 2016-2017 and Year End Projections (action)**

The Commission will review a report comparing budgeted and actual transactions for 2016-2017 through April 30, 2017 and its projection Marin LAFCO is on pace to finish with an operating net of \$1,908 or 0.4%. This projection marks a substantive improvement over the budgeted operating net of (\$25,000) and largely attributed to unexpected savings in payroll costs. The report is being presented to the Commission to accept and file as well as to provide direction as needed.

**4. Approval of Budget Amendments for 2016-2017 |  
Transfer of \$24,000 Between Operating Expense Units (action)**

The Commission will consider two related budget amendments to help ensure all operating expense units maintain positive balances through the end of the fiscal year. The proposed amendments seek to make use of unexpected savings in payroll by transferring \$24,000 out of the Salaries and Benefits Unit with \$19,000 going to the Administrative Activities Unit to cover increased legal services. The remaining \$5,000 would go to the Services and Supplies Unit to cover increased general office supplies.

**5. Approval to Extend Agreement |  
Support Services with the Southern Marin Fire Protection District (action)**

The Commission will consider making amendments to its existing support services agreement with the Southern Marin Fire Protection District. This agreement currently provides terms for the Commission to receive specified bookkeeping and related accounting services from the District and through its Finance Director at a total not-to-exceed cost of \$15,000 through June 30, 2017. Staff is seeking authorization to amend the agreement terms through December 31, 2017 and at a total not-to-exceed cost of \$22,500.

**6. Progress Report on 2016-2017 Workplan (action)**

The Commission will receive a progress report on accomplishing administrative and planning projects established in the adopted workplan for 2016-2017. This includes summarizing the seven projects completed to date while highlighting the dozen-plus activities substantively underway. The report notes ongoing reductions in staffing levels and related matters have slowed agency efficiencies in addressing certain projects, and most notably as it relates to scheduled municipal service reviews. The report is being presented to the Commission to formally accept as well as to provide direction to staff as needed.

**7. Request for Time Extension to Complete Approval Terms |  
Annex 700 and 726 Sequoia Valley Road to Homestead Valley Sanitary District (action)**

The Commission will consider a request for a time extension to complete the terms established by Marin LAFCO in approving the annexation of territory at 700 and 726 Sequoia Valley Road to the Homestead Valley Sanitary District on June 9, 2016. Staff recommends approval of a one-year extension subject to receipt of the \$680 filing fee as provided under policy by June 16, 2017. The affected parcels are identified by the County of Marin Assessor as 046-231-07 and 046-301-01.

**8. Notice of Extended Public Review and Comment | Central Marin Wastewater Study (information)**

The Commission will receive an update on its scheduled Central Marin Wastewater Study. This includes – and with the concurrence of the Chair – approval by the Executive Officer to extend the public review and comment period on the draft report presented at the April 13th meeting. The review and comment period now extends for an additional 30 days through June 30th. A final report is expected to be presented for action at the August 10th meeting.

**9. Comment Letter | Plan Bay Area 2040 Update (information)**

The Commission will receive an update on the Metropolitan Transportation Commission and Association of Bay Area Governments' joint project to update the region's sustainable communities strategy plan; the document under State law that establishes long-term development and transportation priorities in the region. This includes the Commission receiving a copy of the comment letter jointly submitted by staff with Alameda, Contra Costa, and San Mateo LAFCOs ahead of a June 1st deadline.

## CONSENT CALENDAR CONTINUED...

### **10. Marin LAFCO Brochure (information)**

Consistent with the adopted workplan the Commission will receive a copy of the newly created brochure on Marin LAFCO. The brochure has been prepared by staff and based on earlier input from the Commission and part of the agency's ongoing interest in advancing its branding and outreach efforts within Marin County. The brochure is being provided to the Commission for information with an opportunity for members to provide direction on desired revisions going forward.

### **11. Current and Pending Proposals (information)**

The Commission will receive a report identifying active proposals on file with Marin LAFCO as required under statute. The report also identifies pending local agency proposals to help telegraph future workload. The report is being presented to the Commission for information only.

## PUBLIC HEARING ITEMS

### **12. Proposal for Reorganization of 238 Summit Drive et al | Concurrent Annexations Involving Ross Valley Sanitary District and Corte Madera Sanitary District with Sphere Amendments (action)**

The Commission will consider a reorganization proposal filed on behalf of interested landowners from the Corte Madera Sanitary District involving four incorporated parcels in the Town of Corte Madera totaling 4.5 acres. The proposal seeks approval to concurrently annex 244, 246, and 260 Summit Drive to Corte Madera Sanitary District and 238 Summit Drive to the Ross Valley Sanitary District. The proposal's purpose is to formalize as well as rationalize current public wastewater services provided in the affected territory through earlier actions outside of Marin LAFCO review. Staff recommends approval without modifications and subject to standard terms. Conforming sphere amendments are also recommended. The subject parcels comprising the affected territory are identified by the County of Marin Assessor's Office as 021-161-20, 021-161-26, 021-161-17, and 021-161-02.

### **13. Final Amendments | Policies on Outside Service Extensions (action)**

The Commission will consider approving final amendments prepared by staff as part of the adopted workplan on Marin LAFCO's policies on outside service extensions. The amendments return to the Commission entirely intact following their presentation in draft-form in April and subsequent public review. The amendments address two distinct issues divided between non-fire protection services and fire protection services with the latter necessitated by the recent enactment of Senate Bill 239 (Hertzberg). Approval is recommended with any changes as identified by members.

### **14. Adoption of Final Workplan and Operating Budget for 2017-2018 (action)**

The Commission will consider adopting a final workplan and budget for 2017-2018. Both items return following their adoption in draft-form in April and subsequent public review. Revisions are reflected in both items and highlighted in the workplan by the addition of district reorganizations within Murray Park and San Quentin Village as well as prioritizing a contract review with CalPERS for employee pension services. Revisions to the budget are limited to accommodating revised insurance estimates that increase costs by an additional 0.3% and contribute to an updated overall budgeted expense total of \$556,781; a difference of 5.7% over 2016-2017 and entirely attributed to funding additional non-payroll costs.

## BUSINESS HEARING ITEMS

### **15. Draft Report on Sphere of Influence Update | North Marin Water District (action)**

The Commission will review a report from staff representing Marin LAFCO's scheduled sphere of influence update on the North Marin Water District. The report is in draft-form and recommends making one immediate change to the sphere to add 2,230 acres located off of State Highway 1 in the West Marin service area; lands already connected to the water system through earlier outside service extensions and support commercial agricultural uses. The report also recommends formal placeholders for additional review and analysis for the possible future expansion of the sphere to include portions of Dillion Beach and southern Sonoma County. The report is being presented for discussion and formal authorization to proceed with a noticed public review ahead of presenting a final report at the August 10<sup>th</sup> meeting.

## BUSINESS HEARING ITEMS CONTINUED...

### **16. Initial Review | Draft Proposal to Readopt Study Schedule (action)**

The Commission will review a draft proposal to readopt a new five-year study schedule calendaring municipal service reviews. The draft proposal would replace the existing study schedule, which terms at the end of the next fiscal year, and calendar municipal service reviews beginning in 2017-2018 and extending to 2021-2022. The draft proposal is being presented for discussion as well as authorization to proceed with a formal public review – include notice to all affected 65 local agencies – ahead of considering final action at the August 10<sup>th</sup> meeting.

### **17. Legislative Report | Update on First Year of 2017-2018 Session (action)**

This item is for the Commission to consider bill proposals generated as part of the first year of the Legislature's 2017-2018 session that directly or indirectly impact LAFCOs' duties and or interests. This includes considering position recommendations on three bills not previously reviewed by the Commission as well as receiving an update on the ongoing review of the Little Hoover Commission on special districts and LAFCOs' oversight therein. The Commission is also invited to provide direction on other legislative matters of interests.

### **18. Election of Chair and Vice Chair (action)**

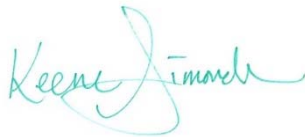
The Commission will consider the election of a Chair and Vice Chair as provided under adopted policy. The terms are each one year and will commence immediately.

## EXECUTIVE OFFICER REPORT

## COMMISSIONER ANNOUCEMENTS AND REQUESTS

## ADOURNMENT TO NEXT MEETING

Thursday, August 10, 2017



Attest: Keene Simonds  
Executive Officer

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Pursuant to GC Section 84308, if you wish to participate in the above proceedings, you or your agent are prohibited from making a campaign contribution of \$250 or more to any Commissioner. This prohibition begins on the date you begin to actively support or oppose an application before LAFCO and continues until 3 months after a final decision is rendered by LAFCO. If you or your agent have made a contribution of \$250 or more to any Commissioner during the 12 months preceding the decision, in the proceeding that Commissioner must disqualify himself or herself from the decision. However, disqualification is not required if the Commissioner returns that campaign contribution within 30 days of learning both about the contribution and the fact that you are a participant in the proceedings. Separately, any person with a disability under the Americans with Disabilities Act (ADA) may receive a copy of the agenda or a copy of all the documents constituting the agenda packet for a meeting upon request. Any person with a disability covered under the ADA may also request a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting. Please contact the LAFCO office at least three (3) working days prior to the meeting for any requested arraignments or accommodations.

**Marin LAFCO**  
Administrative Office  
1401 Los Gamos Drive, Suite 220  
San Rafael California 94903

T: 415-448-5877  
E: [staff@marinlafco.org](mailto:staff@marinlafco.org)  
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# Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

## AGENDA REPORT

June 8, 2017

Item No. 1 (Consent/Action)

June 2, 2017

**TO:** Marin Commissioners

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: Approval of Meeting Minutes | March 16, 2017 Special Meeting and April 13, 2017 Regular Meeting**  
 Staff has prepared meeting minutes for the last two meetings of the Commission. This involves a special meeting held on March 16<sup>th</sup> and a regular meeting held on April 13<sup>th</sup>. The minutes are being presented for formal approval with any desired corrections or clarifications.

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Local Agency Formation Commissions (LAFCOs) are political subdivisions of the State of California responsible for providing regional growth management services in all 58 counties. LAFCOs’ duties and responsibilities are prescribed under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

### A. Background

The Ralph M. Brown Act was enacted by the State Legislature in 1953 and establishes standards and processes therein for the public to attend and participate in meetings of local government bodies as well as those local legislative bodies created by State law; the latter category applying to LAFCOs. The “Brown Act” requires – and among other items – public agencies to maintain minutes for all meetings.

### B. Discussion

This item is for Marin LAFCO (“Commission”) to consider approving action minutes for the March 16, 2017 special meeting and the April 13, 2017 regular meeting. Attendance at both meetings is noted below.

- All members were present at the special meeting held on March 16<sup>th</sup> with the exception of Commissioner Arnold (alternate).
- All members were present at the regular meeting held on April 13<sup>th</sup> with exception of Commissioners Blanchfield and Arnold (alternate).

### **C. Analysis**

The action minutes for both listed meetings accurately reflect the Commission's actions as recorded by staff. A video recording of the April 13<sup>th</sup> regular meeting is also available online for viewing at [www.marinlafco.org](http://www.marinlafco.org).

### **D. Alternatives for Action**

The following alternatives are available to the Commission:

Alternative One (Recommended):

Approve the draft action minutes prepared for the March 16<sup>th</sup> special meeting and the April 13, 2017 regular meeting with any desired corrections or clarifications.

Alternative Two:

Continue consideration of the item to the next regular meeting and provide direction to staff as needed.

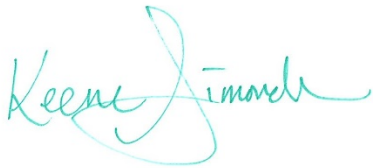
### **E. Recommendation**

It is recommended the Commission proceed with the action identified in the preceding section as Alternative One.

### **F. Procedures for Consideration**

This item has been agendized as part of the consent calendar. Accordingly, a successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation as provided unless otherwise specified by the Commission.

Respectfully,



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Keene Simonds  
Executive Officer

Attachments:

- 1) Draft Minutes for March 16, 2017
- 2) Draft Minutes for April 13, 2017



Marin Local Agency Formation Commission  
Regional Service Planning | Subdivision of the State of California

**DRAFT MINUTES**

**SPECIAL MEETING**

Wednesday, March 16, 2017  
Marin LAFCO Administrative Office  
1401 Los Gamos Drive, Suite 220, San Rafael California

**CALL TO ORDER BY CHAIR**

**Chair Blanchfield called the meeting to order at 3:05 pm.**

**ROLL CALL BY CHAIR**

**Regulars Present:** Jeffry Blanchfield, Chair  
Carla Condon, Vice Chair  
Jack Baker  
Damon Connolly (3:15 pm)  
Sashi McEntee (3:10 pm)  
Craig K. Murray  
Dennis J. Rodoni

**Alternates Present:** Chris Burdick  
Matt Brown  
Lew Kious

**AGENDA REVIEW**

**Chair Blanchfield asked if there were any requests for changes to the agenda. No requests were made, and the Chair confirmed the Commission would proceed as planned.**

**OPEN TIME**

**Chair Blanchfield invited members of the audience to address the Commission on any LAFCO related matters not listed on the agenda. No comments were received.**

**ADJOURN TO CLOSED SESSION**

**Consideration of a Complaint Against a Public Employee | Government Code Section 54957**

**Chair Blanchfield briefly introduced the item before proceeding into closed session and stated that the Commission had properly placed a matter on its closed session agenda for “consideration of a complaint brought against a public employee,” pursuant to the Brown Act at Government Code section 54957. Moreover, pursuant to the Brown Act, Government Code section 54957(b)(2), the employee in question was given notice (1) that this matter had been placed on the closed session agenda of March 16, 2017, and that (2) the employee may request that this matter be heard in open session. The employee requested that the matter continue as scheduled and be deliberated in closed session**

**ADJOURN TO CLOSED SESSION CONTINUED...**

Chair Blanchfield stated (1) that any members of the public who wish to speak on this matter may speak at this time, subject to the Commission's usual procedures for hearing public comment; and (2) after receiving any public comment, the Commission will move to closed session for its deliberations. In the closed session the Commission will consider the findings of its independent investigator. Any final action of the Commission will be reported out as required by the Brown Act.

Chair Blanchfield asked whether there were any public comments on this matter. Not hearing or seeing any request from the public to comment, at 3:20 p.m. the Commission moved into closed session to deliberate this matter.

**RETURN TO OPEN SESSION**

Chair Blanchfield brought the Commission back into open session at 3:45 p.m. and stated that the closed portion of the scheduled special meeting was concluded. Chair Blanchfield further stated that the Commission had considered the complaint at issue and he will, on behalf of the Commission, provide direction to legal counsel. No reportable action was taken.

**COMMISSIONER ANNOUCEMENTS AND REQUESTS**

**None**

**ADOURNMENT TO NEXT MEETING**

Chair Blanchfield adjourned the meeting at 3:50 pm.

**APPROVED and ATTESTED:**

\_\_\_\_\_  
Jeffry Blanchfield  
Chair





**Marin Local Agency Formation Commission**  
Regional Service Planning | Subdivision of the State of California

**DRAFT MINUTES**

**REGULAR MEETING**

Thursday, April 13, 2017

Marin Clean Energy | Charles McGlashan Room  
1125 Tamalpais Avenue, San Rafael, California

**CALL TO ORDER BY CHAIR**

**Vice Chair Condon called the meeting to order at 7:05 pm.**

**ROLL CALL BY CHAIR**

**Regulars Present:** Carla Condon, Vice Chair  
Jack Baker  
Damon Connolly (7:12pm)  
Sashi McEntee  
Craig K. Murray  
Dennis Rodoni

**Alternates Present:** Chris Burdick \*  
Matt Brown  
Lew Kious

*\* voting in place of absent regular members*

**SERVICE RECOGNITION**

**Commissioners and staff recognized Alternate Public Member Chris Burdick for his distinguished service on Marin LAFCO and ahead of his term expiring on May 1<sup>st</sup>.**

**AGENDA REVIEW**

**Vice Chair Condon asked if there were any requests for changes to the agenda. No requests were made, and the Vice Chair confirmed the Commission would proceed as planned.**

**OPEN TIME**

**Vice Chair Condon invited members of the audience to address the Commission on any LAFCO related matters not listed on the agenda. One comment was made by Mr. Jeff Jacob Chase. Mr. Chase commented – among other items – about the Marin LAFCO website and importance for government agencies to maintain the majority of their work in-house whenever possible.**

## **CONSENT CALENDAR ITEMS**

All items calendared as consent are considered ministerial or non-substantive and subject to a single motion approval. The Chair of designee will also consider requests from the Commission to pull an item for discussion.

**1. Approval of Meeting Minutes | February 9, 2017 Regular Meeting (action)**

Staff has prepared meeting minutes for the Commission's February 9, 2017 regular meeting. The minutes are being presented for formal approval with any desired corrections or clarifications.

**2. Commission Ratification | Reconciled Payments from January 1, 2017 to March 31, 2017 (action)**

The Commission will consider ratifying payments made by the Executive Officer between January 1, 2017 and March 31, 2017. The payments cover all reconciled payroll and non-payroll expenses during the period and total \$91,484. The payments are being presented for formal ratification by the Commission consistent with adopted policies.

**3. Budget Update for 2016-2017 and Year End Projections (action)**

The Commission will review a report comparing budgeted and actual transactions for 2016-2017 through March 31, 2017 and its projection Marin LAFCO is on pace to finish with an operating net of \$12,837 or 2.6%. This projection marks a substantive improvement over the budgeted operating net of (\$25,000) and largely attributed to unexpected savings in payroll costs. The report is being presented to the Commission to accept and file as well as to provide direction as needed.

**4. Progress Report on 2016-2017 Workplan (action)**

The Commission will receive a progress report on accomplishing administrative and planning projects established in the adopted workplan for 2016-2017. This includes summarizing the four projects completed to date while highlighting the dozen-plus activities substantively underway. While progress is being made ongoing reductions in staffing continue to slow agency efficiencies in addressing certain projects, and will result in several going unaddressed this fiscal year. The report is being presented to the Commission to formally accept as well as to provide direction as needed.

**5. Special Districts Risk Management Authority: Call for Nominations (action)**

The Commission will consider interest among the membership to serve on the Special Districts Risk Management Authority's Board of Directors. Nominations must be formalized through the adoption of a resolution and submitted no later than May 5, 2017. All Commissioners are eligible for nomination. It is recommended the Commission authorize the Chair to execute a resolution making one or more nominations should any Commissioner express interest before the referenced deadline.

**6. Current and Pending Proposals (information)**

The Commission will receive a report identifying active proposals on file with Marin LAFCO as required under statute. The report also identifies pending proposals to help telegraph future workload. The report is being presented to the Commission for information only.

**APPROVED; motion and second made by Commissioners Murray and Baker to approve the consent calendar and recommendations therein; all yes**

## **PUBLIC HEARING ITEMS**

**7. Alternate Public Member | Interviews and Possible Appointment for New Term (action)**

The Commission will conduct interviews for the alternate public member position and thereafter consider making an appointment for a new four-year term commencing on May 2, 2017. A total of four candidates have applied without withdrawing and each has been assigned an approximate 10 to 15 minute interview time. The incumbent – Chris Burdick – has not reapplied. All proceedings will be done in open session.

**Vice Chair Condon summarized the interview and selection process for the alternate public member with Commission Burdick being recused. Candidates interviewed by the Commission were Charon Dawson, Wanda Sarti, Chris Skelton, and Stephen Voss.**

**PUBLIC HEARING ITEMS CONTINUED...**

**Vice Chair Condon opened the public hearing and invited any members of the public to address the Commission. No comments were received.**

**Based on a rank-choice voting process the Commission's city, county, and district members (Baker, Condon, Connolly, McEntee, Murray, and Rodoni) selected Chris Skelton.**

**APPROVED; motion and second made by Commissioners Connolly and McEntee to appoint Chris Skelton to the position of Alternate Public Member effective May 2, 2017; all yes**

**8. Central Marin Wastewater Study | Presentation of Draft Report with Determinations (action)**

The Commission will receive a draft report on its scheduled Central Marin Wastewater Study. The draft report represents an independent assessment on the relationship between public wastewater demands and capacities relative to the Commission's regional growth management interests and duties. This includes preparing determinative statements addressing all of the factors required by the Legislature as part of the municipal service review mandate. The draft report is being presented for discussion with the recommendation the Commission authorize staff to proceed with a formal 45-day review period in anticipation of returning in June with final actions.

**Staff provided a summary of the draft report prepared as part of the Commission's scheduled municipal service review on wastewater services in Central Marin. This included staff highlighting key conclusions and action recommendations included in the draft directed towards the Commission and/or one or more of the affected agencies.**

**Vice Chair Condon opened the public hearing and invited comments from the audience. Comments were received by Jeff Jacob Chase. Vice Chair closed the public hearing.**

**Commission discussion followed.**

**APPROVED; motion and second made by Commissioners Connolly and Murray to authorize staff to proceed with a formal 45-day public review and comment period on the draft and in anticipation of a final report being presented in June; all yes**

**9. Adoption of Proposed Workplan and Operating Budget for 2017-2018 (action)**

The Commission will consider adopting a proposed workplan and budget for 2017-2018 in anticipation of taking final actions in June. The proposed workplan draws on direction provided at the recent strategic planning session and identifies over 20 specific projects for the fiscal year – including the rollover of three previously scheduled municipal service reviews – and directly informs the proposed budget. Proposed budget expenses total \$555,384 and represents an increase of \$28,522 or 5.4% with the change entirely attributed to funding additional non-payroll costs and marked by enhancing legal services. Proposed budget revenues total \$545,384 with the remaining shortfall – (\$10,000) – to be covered by reserves.

**Staff provided a summary of the proposed budget and workplan as provided in the accompanying agenda report. Additional comments were provided by Budget Committee members McEntee and Murray.**

**Vice Chair Condon opened the public hearing. No comments received, and the Vice Chair closed the hearing.**

**Commission discussion followed.**

**APPROVED; motion and second made by Commissioners Murray and McEntee adopt the attached resolution approving the proposed workplan and proposed budget as presented; all yes (Resolution No. 16-14)**

## BUSINESS ITEMS

### **10. Updated Draft Amendments | Policies on Outside Service Extensions (action)**

The Commission will review updated draft amendments prepared by staff on Marin LAFCO's policies on outside service extensions. The updated draft amendments – which incorporate revisions following an initial presentation in February and subsequent extended local agency review – address two distinct issues and divided between non-fire protection services and fire protection services with the latter necessitated by the recent enactment of Senate Bill 239 (Hertzberg). The updated draft amendments are being presented to the Commission for additional feedback and authorization to proceed with a formal public review in anticipation of returning in June with final actions.

**Staff provided a summary of the updated draft amendments and changes made to the document since its initial presentation at the February 9<sup>th</sup> meeting and as detailed in the accompanying agenda report.**

**Vice Chair Condon invited comments from the audience. Comments were received from Larkspur City Manager Dan Schwarz.**

**Commission discussion followed.**

**APPROVED; motion and second made by Commissioners Murray and McEntee to authorize staff to proceed with a formal 45 day public review and comment period on the updated draft amendments in anticipation of final action at the next regular meeting; all yes**

### **11. Legislative Report | Update on First Year of 2017-2018 Session (action)**

The Commission will receive a report on the first year of the Legislature's 2017-2018 session as it relates to bill proposals directly or indirectly affecting Local Agency Formation Commissions. The report is being presented to the Commission to discuss and consider position recommendations. It is also an opportunity for the Commission to provide direction on other legislative matters of interests.

**Staff provided a summary of current legislative items of interest as detailed in the accompanying agenda report. This included a recommendation to approve a support position for AB 464 to clarify the ability of LAFCOs to approve city, town, and district annexations of lands that have already established outside services by contract or agreement. Additional comments were provided by Legislative Committee members McEntee and Kious.**

**Commission discussion followed.**

**APPROVED; motion and second made by Commissioners Murray and Baker to support AB 464 with the clarification that the support is premised on covering all types of outside service extensions; all yes**

### **12. Report on CALAFCO Annual Workshop (information)**

The Commission will receive a report from staff on their recent attendance at the CALAFCO Annual Workshop held in Fresno on April 5-7<sup>th</sup>. Verbal report only.

**Administrative Analyst provided a summary of the workshop including her presentation as part of a panel regarding web transparency for special districts.**

## EXECUTIVE OFFICER REPORT

**None**

**COMMISSIONER ANNOUNCEMENTS AND REQUESTS**

**None**

**ADJOURNMENT TO NEXT MEETING**

**Vice Chair Condon adjourned the meeting at 9:50 pm.**

**APPROVED:**

**ATTESTED:**

\_\_\_\_\_  
Carla Condon  
Vice Chair

\_\_\_\_\_  
Keene Simonds  
Executive Officer

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# Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

## AGENDA REPORT

June 8, 2017

Item No. 2 (Consent / Action)

June 1, 2017

**TO:** Marin Commissioners  
**FROM:** Keene Simonds, Executive Officer  
Alyssa Schiffmann, Contract Bookkeeper

**SUBJECT: Commission Ratification | Reconciled Payments from April 1, 2017 to April 30, 2017**  
The Commission will consider ratifying payments made by the Executive Officer during the month of April. The payments cover all reconciled payroll and non-payroll expenses during the period and total \$42,413. The payments are being presented for formal ratification by the Commission consistent with adopted policies.

Local Agency Formation Commissions (LAFCOs) are responsible under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”) to establish written policies and procedures in providing regional growth management services in all 58 counties in California. LAFCOs are also authorized to make their own provisions – including entering into contracts and agreements and without going through the Department of General Services – for all necessary staffing and service needs therein.

### A. Background

Marin LAFCO’s (“Commission) adopted Policy Handbook directs all payments made by the Executive Officer to be reconciled at the end of each month by the membership’s contracted bookkeeper. All reconciled payments are to be reported to the Commission at the next available meeting for formal ratification.

### B. Discussion

This item is for the Commission to consider ratification of all payments made by the Executive Officer between April 1, 2017 and April 30, 2017. These payments have been reconciled by the Commission’s contracted bookkeeper – Alyssa Schiffmann with the Southern Marin Fire Protection District – and total \$42,143. The payments are detailed in Attachment One.

### C. Analysis

The forwarded payments have been reconciled as required under adopted policy and in-step with presenting for Commission ratification. An expanded discussion regarding the need and impact of the expenditures reported herein is also incorporated as part of the budget status presented separately as Agenda Item No. 3.

#### **D. Alternatives for Action**

The following alternatives are available to the Commission:

Alternative One (Recommended):

Ratify the reconciled payments made by the Executive Officer between April 1<sup>st</sup> and April 30<sup>th</sup> as shown in Attachment One.

Alternative Two:

Continue consideration of the item to the next regular meeting and provide direction to staff as needed.

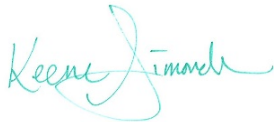
#### **E. Recommendation**

It is recommended the Commission proceed with the actions outlined in the preceding section as Alternative One.

#### **F. Procedures for Consideration**

This item has been agendized as part of the consent calendar. Accordingly, a successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation unless otherwise specified by the Commission.

Respectfully,



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Keene Simonds  
Executive Officer

Attachment:

- 1) Reconciled Payments from April 1, 2017 to April 30, 2017



## Marin LAFCO

	<u>Date</u>	<u>Purpose</u>
ALHAMBRA & SIERRA SPRINGS	04/21/2017	Services Through April 2017
BAKER, JOHN M	04/21/2017	Per Diem for 4-13-17
BEST BEST & KRIEGER LLP	04/11/2017	Services Through February 2017
	04/21/2017	Services Through March 2017
BURDICK, CHRISTOPHER D	04/21/2017	Per Diem for 4-13-17
COMCAST	04/21/2017	Services Through April 2017
CONDON, CARLA STONE	04/21/2017	Per Diem for 4-13-17
CONNOLLY, DAMON	04/21/2017	Per Diem for 4-13-17
FOURTH STREET PRESS	04/07/2017	Central Marin WW Study
FP MAILING SOLUTIONS	04/21/2017	Meter Rental through 4-17-17
GRAF VAN & STORAGE INC	04/21/2017	Rent for April 2017
JONES, RACHEL	04/11/2017	Reimbursement   Travel to CALAFCO SW
KIOUS, LEWIS	04/21/2017	Per Diem for 4-13-17
LIEBERT CASSIDY WHITMORE	04/11/2017	Services Through February 2017
MARIN INDEPENDENT JOURNAL	04/21/2017	March 2017 Notices
MARIN IT INC	04/21/2017	IT Services Through 4-21-17
MATT BROWN	04/21/2017	Per Diem for 4-13-17
McENTEE, SASHI	04/21/2017	Per Diem for 4-13-17
MURRAY, CRAIG K	04/21/2017	Per Diem for 4-13-17
PAYROLL	04/07/2017	Pay Period No. 22 out of 26
	04/21/2017	Pay Period No. 23 out of 26
RICCIARDI, R J	04/21/2017	15-16 Audit Work   Through March 31 2017
RODONI, DENNIS JAMES	04/21/2017	Per Diem for 4-13-17
SECURITY MORTGAGE GROUP 2	04/05/2017	April 2017 Rent
STATE OF CALIFORNIA-EMPLOYMT DEVELO	04/14/2017	Unemployment Insurance
US BANK GOVERNMENT SERVICES	04/19/2017	March 2017 Statement
	04/22/2017	April 2017 Statement
VERIZON WIRELESS	04/21/2017	EO Mobile Plan for March 2017

**Marin Local Agency Formation Commission**

**Transaction by Vendor**

	Funding Account	Billing Account
ALHAMBRA & SIERRA SPRINGS	April 2017	
	Wells Fargo Secondary	5220110 · Office Supplies
BAKER, JOHN M	Wells Fargo Secondary	5211533 · Commissioner Per Diems
BEST BEST & KRIEGER LLP	Wells Fargo Primary	5210131 · Legal Services
	Wells Fargo Primary	5210131 · Legal Services
BURDICK, CHRISTOPHER D	Wells Fargo Secondary	5211533 · Commissioner Per Diems
COMCAST	Wells Fargo Secondary	5210710 · Communications Services
CONDON, CARLA STONE	Wells Fargo Secondary	5211533 · Commissioner Per Diems
CONNOLLY, DAMON	Wells Fargo Secondary	5211533 · Commissioner Per Diems
FOURTH STREET PRESS	Wells Fargo Secondary	5211520 · Publications/Notices
FP MAILING SOLUTIONS	Wells Fargo Secondary	5210710 · Communications Services
GRAF VAN & STORAGE INC	Wells Fargo Secondary	5211215 · Rent - Storage
JONES, RACHEL	Wells Fargo Secondary	5211440 · Travel - Mileage
KIOUS, LEWIS	Wells Fargo Secondary	5211533 · Commissioner Per Diems
LIEBERT CASSIDY WHITMORE	Wells Fargo Primary	5210131 · Legal Services
MARIN INDEPENDENT JOURNAL	Wells Fargo Secondary	5211520 · Publications/Notices
MARIN IT INC	Wells Fargo Secondary	5210710 · Communications Services
MATT BROWN	Wells Fargo Secondary	5211533 · Commissioner Per Diems
McENTEE, SASHI	Wells Fargo Secondary	5211533 · Commissioner Per Diems
MURRAY, CRAIG K	Wells Fargo Secondary	5211533 · Commissioner Per Diems
PAYROLL	County of Marin - LAFCO	-SPLIT-
	County of Marin - LAFCO	-SPLIT-
RICCIARDI, R J	Wells Fargo Secondary	5210110 · Professional Services
RODONI, DENNIS JAMES	Wells Fargo Secondary	5211533 · Commissioner Per Diems
SECURITY MORTGAGE GROUP 2	Wells Fargo Secondary	5211270 · Office Lease/Rent
STATE OF CALIFORNIA-EMPLOYMT DEVELO	County of Marin - LAFCO	5140140 · Payroll Tax
US BANK GOVERNMENT SERVICES	County of Marin - LAFCO	-SPLIT-
	County of Marin - LAFCO	-SPLIT-
VERIZON WIRELESS	Wells Fargo Secondary	5210710 · Communications Services

**TOTAL**

Marin Local Agency Formation Commission  
Transaction List by Vendor

	Amount
ALHAMBRA & SIERRA SPRINGS	-58.08
BAKER, JOHN M	-125.00
BEST BEST & KRIEGER LLP	-6,198.03
BURDICK, CHRISTOPHER D	-3,215.46
COMCAST	-125.00
CONDON, CARLA STONE	-221.89
CONNOLLY, DAMON	-125.00
FOURTH STREET PRESS	-125.00
FP MAILING SOLUTIONS	-558.48
GRAF VAN & STORAGE INC	-65.85
JONES, RACHEL	-35.19
KIOUS, LEWIS	-839.05
LIEBERT CASSIDY WHITMORE	-125.00
MARIN INDEPENDENT JOURNAL	-1,940.00
MARIN IT INC	-30.40
MATT BROWN	-185.85
McENTEE, SASHI	-125.00
MURRAY, CRAIG K	-125.00
PAYROLL	-125.00
	-10,780.60
	-10,780.60
RICCIARDI, R J	-2,427.50
RODONI, DENNIS JAMES	-125.00
SECURITY MORTGAGE GROUP 2	-2,493.83
STATE OF CALIFORNIA-EMPLOYMT DEVELO	-606.26
US BANK GOVERNMENT SERVICES	-89.98
	-349.56
VERIZON WIRELESS	-141.07
	<b>-42,142.68</b>

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# Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

## AGENDA REPORT

June 8, 2017

Item No. 3 (Consent/Action)

June 1, 2017

**TO:** Marin Commissioners

**FROM:** Keene Simonds, Executive Officer  
Alyssa Shiffmann, Contract Bookkeeper

**SUBJECT: Budget Update for 2016-2017 and Year End Projections**

The Commission will review a report comparing budgeted and actual transactions for 2016-2017 through April 30, 2017 and its projection. Marin LAFCO is on pace to finish with an operating net of \$1,908 or 0.4%. This projection marks a substantive improvement over the budgeted operating net of (\$25,000) and largely attributed to unexpected savings in payroll costs. The report is being presented to the Commission to accept and file as well as to provide direction as needed.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 mandates operating costs for Local Agency Formation Commissions (LAFCOs) shall be annually funded by the affected counties, cities and towns, and independent special districts on a one-third apportionment process. Apportionments for cities/towns and independent special districts are further divided and proportional to each agency’s total revenues as a percentage of the overall revenue amount collected by these agencies during the most recently completed fiscal year as determined by the State Controller’s Office. LAFCOs are also authorized to collect fees to offset annual contributions.

### A. Background

#### 2016-2017 Budget

Marin LAFCO’s (“Commission”) adopted final budget as amended for 2016-2017 totals \$526,862. This amount represents the total approved operating expenditures for the fiscal year divided between three active expense units: salaries and benefits; administrative activities; and services and supplies. A purposeful operating deficit of (\$25,000) or (5%) was budgeted with setting annual revenues at \$501,862 in step with phasing corresponding contribution increases among the funding agencies in recent years. Budgeted revenues are divided between three active units: intergovernmental contributions; service charges; and investments. The Commission’s estimated unaudited fund balance as of July 1, 2016 totaled \$140,905.

Budgeted 16-17 Expenses	Budgeted 16-17 Revenues	Budgeted 16-17 Year End Balance	Beginning 16-17 Fund Balance
\$526,862	\$501,862	(\$25,000)	\$140,905

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Damon Connolly, Regular  
County of Marin

Dennis J. Rodoni, Regular  
County of Marin

Judy Arnold, Alternate  
County of Marin

Carla Condon, Vice Chair  
Town of Corte Madera

Sashi McEntee, Regular  
City of Mill Valley

Matthew Brown, Alternate  
City of San Anselmo

Jack Baker, Regular  
North Marin Water District

Craig K. Murray, Regular  
Las Gallinas Valley Sanitary

Lew Kious, Alternate  
Almonte Sanitary District

Jeffrey Blanchfield, Chair  
Public Member

Chris Skelton, Alternate  
Public Member

## B. Discussion

This item is for the Commission to receive an update comparison of (a) budgeted to (b) actual expenses and revenues through the month of April. The report provides the Commission the opportunity to track expenditure trends and consider year-end operating projections from the Executive Officer. The report is being presented to the Commission to formally accept and file as well as to provide related direction as needed.

### Summary of Operating Expenses

The Commission's budgeted operating expense total for 2016-2017 is \$526,862. This amount includes all subsequently approved amendments. Actual expenses through the first 10 months of the fiscal year totaled \$386,193. This amount represents 73% of the budgeted total with 83% of the fiscal year complete. A summary comparison of budgeted to actual operating expenses follows.

Expense Units	Adopted w/ Amendments	Actuals Through 4/30	Percent Expended	Unexpended Balance
1) Salaries and Benefits	369,716	242,686	66	127,030
2) Administrative	78,166	77,526	99	640
3) Services and Supplies	78,980	65,981	84	12,999
4) Contingencies	-	-	-	-
<b>Total</b>	<b>\$526,862</b>	<b>\$386,193</b>	<b>73%</b>	<b>\$140,669</b>

Actuals through the first 10 months and related analysis suggest the Commission is on pace to finish the fiscal year with \$492,982 in total expenses. Should this projection hold the Commission will achieve an unexpended budgeted savings of \$33,880 or 6%. An expanded discussion on budgeted and actual expenses through the first 10 months and related year-end projections follow in Attachment Two.

### Summary of Operating Revenues

The Commission's budgeted operating revenue total for 2016-2017 is \$501,862. Actual revenues collected through the first 10 months totaled \$494,090. This amount represents 98% of the budgeted total with 83% of the fiscal year complete. A summary comparison of budgeted to actual operating revenues follows.

Revenue Unit	Adopted	Actuals Through 4/30	Percent Collected	Amount Outstanding
1) Intergovernmental	470,362	469,161	99	1,201
2) Service Charges	30,000	23,778	79	6,222
3) Interest Earnings	1,500	1,151	77	349
	<b>\$501,862</b>	<b>\$494,090</b>	<b>98%</b>	<b>\$7,772</b>

Actuals through the first 10 months and related analysis suggest the Commission's year-end revenue totals will tally \$494,890 and result in a shortfall of (\$6,972) or (1%). An expanded discussion on the budgeted and actual revenues through the first 10 months in the main revenue units follows in Attachment Two.

### **C. Analysis**

Activity through the first 10 months of the fiscal year indicates the Commission is on schedule to eliminate its budgeted operating deficit of (\$25,000) and finish the fiscal year with an operating surplus of \$1,908 or 0.4%. This projected improvement is largely tied to accruing payroll savings associated with the continued unexpected leave of one the Commission's three budgeted positions. (This budget improvement tied to the decrease in staff hours, however and importantly, does impact the Commission with respect to meeting its work program and is further detailed in Agenda Item No. 6.) Savings in payroll are also expected to fully absorb the significant overruns projected in legal services and general office expenses with the latter the result of the delayed relocation of Marin LAFCO into its permanent suite at 1401 Los Gamos Drive as detailed in the accompanying footnote.<sup>1</sup> Amendments also appear merited to transfer excess funds out of salaries and benefits unit and into the administrative activities and services and supplies units and detailed as part of Agenda Item No. 4.

### **D. Alternatives for Action**

The following alternatives are available to the Commission:

Alternative One (Recommended):

Accept and file the report as presented and provide direction as needed to staff with respect to any related matters for future consideration.

Alternative Two:

Continue consideration of the report to a future meeting and provide direction for more information as needed.

### **E. Recommendation**

It is recommended the Commission proceed with the actions outlined in the preceding section as Alternative One.

### **F. Procedures for Consideration**

This item has been agendized as part of the consent calendar. Accordingly, a successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation unless otherwise specified by the Commission.

Respectfully,



Keene Simonds  
Executive Officer

Attachments:

- 1) 2016-2017 General Ledger through April 30, 2017
- 2) Summary of Transactions in Revenue and Expense Units

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<sup>1</sup> In setting the FY2016-17 budget it was initially expected Marin LAFCO would move into its permanent suite at 1401 Los Gamos Drive in mid-June 2016. Permitting issues, however, delayed the move to August, and as such many of the associated moving costs have been borne out of the current fiscal year as opposed to 2015-2016.

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**MARIN LOCAL AGENCY FORMATION COMMISSION**  
Regional Service Planning | State of California

Operating Budget Through April 30, 2017

**Expense Ledger**

		FY2013-2014		FY2014-2015		FY2015-2016		FY2016-2017			
		Adopted FY13-14	Actuals FY13-14	Adopted FY14-15	Actuals FY14-15	Adopted FY15-16	Actuals FY15-16	Adopted FY16-17	Actuals FY16-17 (83% Complete)	%	Projected Year End
<b>Salaries and Benefits</b>											
<u>Account</u>	<u>Description</u>										
5110110	Staff Salaries (Regular and Extra Help)	173,497.00	154,422.02	189,883.89	179,671.82	246,687.85	241,698.82	258,111.02	177,961.97	68.95%	218,345.17
5130510	MCERA / Retirement Pension	49,901.00	42,231.41	51,792.54	45,257.81	61,990.20	59,729.78	57,852.41	36,440.57	62.99%	45,560.17
5140125	Employee Benefits	19,000.00	14,586.33	16,888.33	15,486.14	25,442.65	25,980.43	26,867.40	17,895.99	66.61%	22,209.99
5140141	Payroll Tax / Medicare	2,567.00	2,177.84	2,518.41	2,703.51	3,692.97	4,270.25	4,020.10	4,566.99	113.60%	5,152.55
5140115	Workers Compensation	1,400.00	804.96	736.00	791.82	742.00	1,064.10	960.00	1,730.51	180.26%	1,730.51
5140145	Unemployment Insurance	868.00	1,302.00	868.00	1,214.66	868.00	2,234.24	6,290.40	106.20	1.69%	3,500.00
5130525	MCERA / Retiree Medical	14,100.00	5,946.84	16,798.34	24,897.94	14,880.00	13,480.93	15,615.00	3,983.73	25.51%	15,615.00
		<b>261,333.00</b>	<b>221,471.40</b>	<b>279,485.51</b>	<b>270,023.70</b>	<b>354,303.67</b>	<b>348,458.55</b>	<b>369,716.33</b>	<b>242,685.96</b>	<b>65.64%</b>	<b>312,113.38</b>
<b>Administrative Activities</b>											
<u>Account</u>	<u>Description</u>										
5210110	Professional Services	31,350.00	9,183.46	5,800.00	17,183.00	15,255.00	15,793.43	15,020.00	11,868.53	79.02%	19,431.03
5210131	Legal Services	5,000.00	1,323.04	14,196.23	2,477.21	10,075.00	10,045.28	39,578.75	44,713.78	112.97%	51,213.78
5210230	Accounting Services	8,000.00	-	8,000.00	-	4,925.00	1,200.00	6,125.00	6,207.73	101.35%	9,125.00
5211325	Conferences	3,100.00	3,330.90	4,000.00	2,614.42	2,975.00	3,494.97	2,450.00	1,911.94	78.04%	1,911.94
5211440	Mileage/Travel	1,500.00	2,873.03	3,000.00	3,522.55	3,037.00	3,850.51	4,117.50	4,324.26	105.02%	5,000.00
5211533	Commissioner Per Diems	6,800.00	5,050.00	7,100.00	4,600.00	7,100.00	5,500.00	10,875.00	8,500.00	78.16%	10,375.00
		<b>55,750.00</b>	<b>21,760.43</b>	<b>42,096.23</b>	<b>30,397.18</b>	<b>43,367.00</b>	<b>39,884.19</b>	<b>78,166.25</b>	<b>77,526.24</b>	<b>99.18%</b>	<b>97,056.75</b>
<b>Services and Supplies</b>											
<u>Account</u>	<u>Description</u>										
5211270	Office Lease/Rent	14,300.00	12,622.50	16,770.00	16,770.00	17,370.00	19,774.42	24,938.30	17,890.95	71.74%	23,078.55
5211330	Membership and Dues	13,300.00	13,775.00	13,340.00	13,896.00	14,092.00	14,017.00	14,368.68	14,269.00	99.31%	14,368.68
5210525	General Insurance	3,000.00	2,537.86	3,000.00	2,771.03	2,771.03	2,677.02	2,677.02	2,564.33	95.79%	2,564.33
5210715	Communication Services	1,600.00	2,508.88	5,874.60	5,416.36	6,053.60	7,496.60	6,567.60	7,002.80	106.63%	8,794.80
5211516	Reprographic/Map Services	2,500.00	1,302.25	-	-	-	-	-	120.00	-	180.00
5220110	General Office	2,000.00	5,267.76	2,000.00	5,831.11	23,399.96	19,795.05	2,590.00	5,266.38	203.34%	7,766.38
5210935	Office Equipment Purchases	6,000.00	721.35	6,000.00	8,671.54	2,907.16	4,706.39	5,137.16	1,531.17	29.81%	6,931.17
5211340	Training	1,000.00	483.50	1,500.00	326.70	1,095.00	820.24	1,800.00	807.51	44.86%	1,000.00
5211520	Publications/Notices	1,600.00	692.26	2,000.00	1,121.28	2,095.00	3,803.92	5,000.00	3,381.75	67.64%	5,431.75
5210129	Graphic Design/Website Design/Edits	1,000.00	-	2,000.00	3,000.00	2,000.00	-	15,500.00	12,795.48	82.55%	13,295.48
5211215	Storage	650.00	517.03	800.00	314.64	800.00	365.75	400.94	351.90	87.77%	400.94
		<b>46,950.00</b>	<b>40,428.39</b>	<b>53,284.60</b>	<b>58,118.66</b>	<b>72,583.75</b>	<b>73,456.39</b>	<b>78,979.70</b>	<b>65,981.27</b>	<b>83.54%</b>	<b>83,812.08</b>
<b>Contingencies</b>											
<u>Account</u>	<u>Description</u>										
*****	Operating Reserve	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
<b>EXPENSE TOTALS</b>		<b>364,033.00</b>	<b>283,660.22</b>	<b>374,866.34</b>	<b>358,539.54</b>	<b>470,254.42</b>	<b>461,799.13</b>	<b>526,862.28</b>	<b>386,193.47</b>	<b>73.30%</b>	<b>492,982.21</b>

**Revenue Ledger**

		FY2013-2014		FY2014-2015		FY2015-2016		FY2016-2017				
		Adopted FY13-14	Actual FY13-14	Adopted FY14-15	Actual FY14-15	Adopted FY15-16	Actual FY15-16 (100% of FY)	Adopted FY16-17	Actuals FY16-17 (83% Complete)	%	Projected Year End	
<b>Intergovernmental</b>												
<b>Account</b>	<b>Description</b>											
4710510	Agency Contributions	339,033.00	339,033.00	348,366.36	348,367.13	387,528.42	387,528.42	470,362.28	469,161.48	99.74%	469,161.48	
	County of Marin	113,011.00	113,011.00	116,122.12	116,122.12	129,176.14	129,176.14	156,787.43	156,387.16	99.74%	156,387.43	
	Marin Cities	113,011.00	113,011.00	116,122.12	116,122.12	129,176.14	129,176.14	156,787.43	156,387.16	99.74%	156,387.43	
	Marin Special Districts	113,011.00	113,011.00	116,122.12	116,122.12	129,176.14	129,176.14	156,787.43	156,387.16	99.74%	156,387.43	
		<b>339,033.00</b>	<b>339,033.00</b>	<b>348,366.36</b>	<b>348,367.13</b>	<b>387,528.42</b>	<b>387,528.42</b>	<b>470,362.28</b>	<b>469,161.48</b>	99.74%	469,161.48	
<b>Service Charges</b>												
4640333	Application Fees	25,000.00	3,300.00	25,000.00	15,536.00	25,000.00	17,424.00	30,000.00	23,778.00	79.26%	23,778.00	
4710631	Miscellaneous	-	-	-	-	226.00	364.52	-	-	-	-	
		<b>25,000.00</b>	<b>3,300.00</b>	<b>25,000.00</b>	<b>15,536.00</b>	<b>25,226.00</b>	<b>17,788.52</b>	<b>30,000.00</b>	<b>23,778.00</b>	79.26%	23,778.00	
<b>Investments</b>												
*****	Interest	-	-	1,500.00	700.00	1,500.00	769.28	1,500.00	1,150.52	-	1,950.52	
		-	-	<b>1,500.00</b>	<b>700.00</b>	<b>1,500.00</b>	<b>769.28</b>	<b>1,500.00</b>	<b>1,150.52</b>	76.70%	1,950.52	
	<b>REVENUE TOTALS</b>	<b>364,033.00</b>	<b>342,333.00</b>	<b>374,866.36</b>	<b>364,603.13</b>	<b>414,254.42</b>	<b>406,086.22</b>	<b>501,862.28</b>	<b>494,090.00</b>	98.45%	494,890.00	
<b>OPERATING NET</b>		-	58,672.78	-	6,063.59	(56,000.00)	(55,712.91)	(25,000.00)			1,907.79	
<b>AUDITED UNRESERVED/UNRESTRICTED FUND BALANCE</b>												
<b>As of June 30th</b>		\$ 192,856.78		\$ 196,618.00		\$ 140,905.09	not audited	\$ 115,905.09	not audited		\$ 142,812.88	projected



# Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

## MEMORANDUM

June 1, 2017

**TO:** Marin Commissioners

**FROM:** Budget Committee (McEntee, Murray, and Rodoni)  
Keene Simonds, Executive Officer

**SUBJECT: Budget Update for 2016-2017 |  
Summary of Expense and Revenue Units Through April 30<sup>th</sup>**

The following summary supplements the agenda report and further details expense and revenue transactions through April 30<sup>th</sup>.

### Summary of Operating Expenses

The Commission's budgeted operating expense total for 2016-2017 is \$526,862. This amount includes all subsequently approved amendments. Actual expenses through the first 10 months of the fiscal year totaled \$386,193. This amount represents 73% of the budgeted total with 83% of the fiscal year complete. A summary comparison of budgeted to actual operating expenses follows.

Expense Units	Adopted w/ Amendments	Actuals Through 4/30	Percent Expended	Unexpended Balance
1) Salaries and Benefits	369,716	242,686	66	127,030
2) Administrative	78,166	77,526	99	640
3) Services and Supplies	78,980	65,981	84	12,999
4) Contingencies	-	-	-	-
<b>Total</b>	<b>\$526,862</b>	<b>\$386,193</b>	<b>73%</b>	<b>\$140,669</b>

Actuals through the first 10 months and related analysis suggest the Commission is on pace to finish the fiscal year with \$492,982 in total expenses. Should this projection hold the Commission will achieve an unexpended budgeted savings of \$33,880 or 6%. An expanded discussion on budgeted and actual expenses through the first 10 months and related year-end projections within specific units follows.

### Salaries/Benefits Unit

The Commission budgeted with amendments \$369,716 in the Salaries and Benefits Unit for 2016-2017 with the proceeds largely tied to funding 2.85 fulltime equivalent employees as well as existing retiree obligations. Through the first 10 months the Commission's actual expenses within the seven affected accounts totaled \$242,686 or 66% of the budgeted amount. Two of the affected accounts – Payroll Tax and Workers Compensation – finished with balances exceeding the proportional 83%

spending threshold for the period with explanations provided below. In the absence of any additional amendments it is projected the Commission will finish the fiscal year with an expense total of \$312,113, and result in a surplus of \$57,603 or 16%.<sup>1</sup>

- Payroll Tax

This account is principally used to cover the Commission's obligation to contribute towards Medicare based on a flat 1.45% of salary totals paid to regular employees. The Commission budgeted \$4,020 in this account in 2016-2017 based on projected payroll totals. Actual expenses through April totaled \$4,567 or 113% of the budgeted amount with the proportional overrun attributed to the unbudgeted costs of contributing to Social Security as a result of employing an extra help employee through the first half of the fiscal year.<sup>2</sup> It is projected the Commission will ultimately expend \$5,153 in this account through June, and result in a year-end shortfall of (\$1,133) or (28%).

- Workers Compensation

This account covers the Commission's contract costs to participate in the Special Districts Risk Management Authority's (SDRMA) risk-pool for employee injury and disability coverage while performing work related functions. The Commission budgeted \$960 in this account in 2016-2017 based on recent trends and ahead of a formal notification from SDRMA. Actual expenses through April totaled \$1,731 or 180% of the budgeted amount and tied to providing full invoice payment in October. The end result is a year-end deficit balance of (\$771) or (80%) and attributed to a premium adjustment due to a recent claim award against the Commission.

### **Administrative Activities Unit**

The Commission budgeted with amendments \$78,166 in the Administrative Activities Unit for 2016-2017 to provide funding for *direct* support services necessary to operate Marin LAFCO (emphasis).<sup>3</sup> Through the first 10 months the Commission's actual expenses within the six affected accounts totaled \$77,526 or 99% of the budgeted amount. Three of the affected accounts – Legal, Accounting, and Mileage/Travel – finished with balances exceeding the proportional 83% spending threshold for the period with explanations provided below. In the absence of subsequent amendments it is projected the Commission will finish the fiscal year with an expense total of \$97,057, and result in a shortfall of (\$18,891) or (24%).<sup>4</sup>

- Legal Services

This account covers the Commission's costs for all legal services with expenses typically generated from Outside Counsel (Best Best and Krieger). The Commission budgeted with amendments \$39,579 in this account in 2016-

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<sup>1</sup> The projected year-end total assumes the Commission Clerk will remain on full leave through June 30<sup>th</sup>.

<sup>2</sup> Regular employees are exempt from funding into Social Security.

<sup>3</sup> The original budgeted amount in the Administrative Unit totaled \$49,166. This total was subsequently amended to \$78,166 with the increase – \$29,000 – being drawn from the Salaries/Benefits Unit.

<sup>4</sup> Subsequent amendments are necessary to mitigate the projected year-end deficit and separately provided as part of a separate agenda item.

2017.<sup>5</sup> Actual expenses through April totaled \$44,714 or 113% of the budgeted amount with two-thirds attributed to payment to Liebert Cassidy and Whitmore (LCW) for project-specific services beginning in August 2016. It is projected the Commission will ultimately expend \$51,214 in this account through June, and result in a year-end shortfall of (\$11,635) or (29%).

- Accounting

This account covers the Commission's costs to retain professional accounting services specific to transacting day-to-day business. The Commission budgeted \$6,125 in this account in 2016-2017 based on projected needs and highlighted by transitioning Marin LAFCO's accounting system from the County of Marin to a stand-alone QuickBooks program.<sup>6</sup> Actual expenses in this account through April totaled \$6,208 or 101% of the budgeted amount with the overrun to date attributed to additional work needed in preparing the 15-16 audit; the first audit since leaving the County's accounting system. It is projected the Commission will ultimately expend \$9,125 in this account through June, and result in a year-end shortfall of (\$3,000) or (49%).

- Mileage/Travel

This account primarily covers the Commission's costs to reimburse members and staff for private automobile mileage incurred in attending official agency business. It also – and as needed – provides related reimbursement for airfare and other forms of public transportation. The Commission budgeted \$4,118 in this account in 2016-2017 based on recent trends. Actual expenses in this account through April totaled \$4,324 or 105% of the budgeted amount with the proportional overrun attributed to additional travel by the Executive Officer associated with legislative duties with CALAFCO. It is projected the Commission will ultimately expend \$5,000 in this account through June, and result in a year-end shortfall of (\$882) or (21%).

### **Services and Supplies Unit**

The Commission budgeted \$78,980 in the Services and Supplies Unit for 2016-2017 to provide funding for *indirect* support services necessary to operate Marin LAFCO (emphasis). Through the first 10 months the Commission's actual expenses within the 11 affected accounts totaled \$65,981 or 84% of the budgeted amount. Five accounts – Membership Dues, General Insurance, Communications, General Office Expenses, and Storage – finished with balances exceeding the proportional 83% spending threshold for the period with explanations provided below. In the absence of subsequent amendments it is projected the Commission will finish the fiscal year with an expense total of \$83,812, and result in an overall shortfall of (\$4,832) or (6%).

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<sup>5</sup> The Commission initially budgeted \$10,578 in this account based on recent expense trends. The Commission approved an amendment on December 8, 2016 to increase the total budget amount to \$39,579.

<sup>6</sup> The Commission has contracted with Southern Marin Fire Protection to provide bookkeeping services in FY16-17. This includes assisting in the transition of the Commission's accounting system to QuickBooks.

- Membership Dues

This account covers the Commission's annual dues for ongoing membership with several outside agencies and organizations as previously authorized by the members. This includes MarinMap, CALAFCO, Marin Television, and the California Special Districts Association (CSDA). The Commission budgeted \$14,369 in this account in 2016-2017 based on recent actual trends. Actual expenses in this account through the first 10 months totaled \$14,269 or 99% of the budgeted amount and tied to providing full payment of all budgeted costs with the exception of Marin Television. Staff anticipates all budgeted costs will be paid and the Commission will finish with a \$0 ending balance.

- General Insurance

This account covers the Commission's contract cost to participate in SDRMA's risk-pool for general liability coverage to meet future claims and losses tied to third-party injuries and property damages. The Commission budgeted \$2,677 in this account in 2016-2017 based on the prior year's charge. Actual expenses through the first 10 months totaled \$2,564 or 96% of the budgeted amount and tied to providing full payment upon receipt of an invoice in August. No other invoices are expected, and accordingly the Commission should finish the fiscal year with an account surplus of \$113 or 4%.

- Communications

This account covers the Commission's cost for general communicative services ranging from telephone/internet to video recording. The Commission budgeted \$6,568 in this account in 2016-2017 based on expected needs. Actual expenses through the first 10 months totaled \$7,003 or 107% of the budgeted amount with the proportional overrun mainly attributed to transferring internet and telephone services to a new carrier with the move to 1401 Los Gamos Drive. It is projected the Commission will ultimately expend \$8,795 in this account through June, and result in a year-end deficit of (\$2,227) or (34%).

- General Office Expenses

This account covers the Commission's general overhead costs ranging from basic material supplies to office furniture. The Commission budgeted \$2,590 in this account in 2016-2017 based on recent year-end totals. Actual expenses in this account through the first 10 months totaled \$5,266 or 203% of the budgeted amount. Nearly two-thirds of these expenses are directly tied to furniture and related moving costs tied to Marin LAFCO relocating into its permanent suite at 1401 Los Gamos in late August; costs that had been budgeted in the prior fiscal year but delayed due to permit issues with the new space. It is projected the Commission will ultimately expend \$7,766 in this account through June, and result in a year-end deficit of (\$5,176) or (300%).

- Graphic/Website Design  
This account covers the Commission's general costs tied to utilizing professional services for all specified graphic and website design or edits. The Commission budgeted \$15,500 in this account in 2016-2017 with nearly all funds earmarked for the design and launch of a new website. Actual expenses in this account through the first 10 months totaled \$12,795 or 83% of the budgeted amount and predominately tied to paying in full the first of four annual installment payments to CivicPlus for website design and ongoing support services.<sup>7</sup> Limited additional costs are expected, and as such the Commission is projected to finish with an ending surplus of \$2,204 or 14%.
- Storage  
This account covers the Commission's costs to store offsite archived records ranging from old proposals to fiscal year documents dating back to 1963. The Commission budgeted \$401 in this account in 2016-2017 based on a current monthly rent fee of \$34. Actual expenses in this account through the first 10 months totaled \$351 or 88% of the budgeted amount and cover all monthly rents through April as well as incurring a small service charge for late payment; the latter of which is expected to be reversed, and in doing so the Commission will finish with a \$0 ending balance.

### Summary of Operating Revenues

The Commission's budgeted operating revenue total for 2016-2017 is \$501,862. Actual revenues collected through the first 10 months totaled \$494,090. This amount represents 98% of the budgeted total with 83% of the fiscal year complete. A summary comparison of budgeted to actual operating revenues follows.

Revenue Unit	Adopted	Actuals Through 4/30	Percent Collected	Amount Outstanding
1) Intergovernmental	470,362	469,161	99	1,201
2) Service Charges	30,000	23,778	79	6,222
3) Interest Earnings	1,500	1,151	77	349
	<b>\$501,862</b>	<b>\$494,090</b>	<b>98%</b>	<b>\$7,772</b>

Actuals through the first 10 months and related analysis suggest the Commission's year-end revenue totals will tally \$494,890 and result in a shortfall of (\$6,972) or (1%). An expanded discussion on the budgeted and actual revenues through the first 10 months in the main revenue units follows.

<sup>7</sup> The Commission approved a contract with CivicPlus in August 2016 consistent with the firm's formal proposal received as part of an open bid process. The total expense of the contract for a new website design along with maintenance and support services is \$38,730 with costs divided and spread out over four years. The first year charge of \$11,216 was paid in August.

### **Intergovernmental Fees Unit**

The Commission budgeted \$470,362 in the Intergovernmental Fees Unit in 2016-2017. This total budgeted amount was to be divided into three equal shares at \$156,787 and invoiced among the County of Marin, 11 cities/towns, and 30 independent special districts as provided under State statute. However, and as recently identified, an error was made in transmitting invoice tallies in early June to the County Auditor's Office that identified the total amount as \$469,161, and as such lowered the proportional shares to \$156,161. All invoices based on the lower tally have been received. Accordingly, and in the absence of seeking a corrective payment from all 42 funding agencies to recover the remaining \$1,201, the Commission will finish with an ending balance of \$469,161 or 99% of the budgeted amount.

### **Application Fees Unit**

The Commission budgeted \$30,000 in the Application Fees Unit in 2016-2017. Through the first 10 months \$23,778 in application fees have been collected. Staff anticipates – and at least for budgeting purposes – the account remaining stagnant and result in a year-end deficit of (\$6,222) or (20%).

### **Interest Unit**

The Commission budgeted \$1,500 in the Interest Unit in 2016-2017. Through the first 10 months the Commission received \$1,150 from the County Treasurer and reflects earnings through the first two quarters less applied administrative charges. Staff anticipates – and at least for budgeting purposes – the account ultimately tallying \$1,951 and result in a year-end surplus of \$451 or 30%.





# Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

## AGENDA REPORT

June 8, 2017

Item No. 4 (Consent/Action)

June 1, 2017

**TO:** Local Agency Formation Commission

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: Approval of Budget Amendments for 2016-2017 |  
Transfer of \$24,000 Between Operating Expense Units**

The Commission will consider two related budget amendments to help ensure all of Marin LAFCO's operating expense units maintain positive balances through the end of the fiscal year. The proposed amendments seek to make use of unexpected savings in payroll by transferring \$24,000 out of the Salaries and Benefits Unit with \$19,000 going to the Administrative Activities Unit to cover increased legal services. The remaining \$5,000 would go to the Services and Supplies Unit to cover increased general office supplies as a result of the recent office move.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH") requires Local Agency Formation Commission's (LAFCOs) to adopt annual operating budgets no later than June 15<sup>th</sup> of each year. This legislation also directs LAFCOs to make changes to the operating budget as necessary to help ensure the agency is adequately funded to fulfill its prescribed regulatory and planning responsibilities. This includes prohibiting LAFCOs from approving budget decreases unless making special findings the reduction in funding will not preclude LAFCOs from fulfilling its purposes and programs therein.

### A. Background

#### 2016-2017 Budget

Marin LAFCO's ("Commission") adopted final budget for 2016-2017 totals \$526,862. This amount represents the total approved operating expenditures for the fiscal year divided between three active expense units: Salaries and Benefits; Administrative Activities; and Services and Supplies. A purposeful operating deficit of (\$25,000) or (5%) was budgeted with setting annual revenues at \$501,862 in step with phasing a corresponding contribution increase among the funding agencies over the next few years to accommodate additional work activities. The Commission's estimated available unaudited fund balance as of July 1, 2016 was \$140,905.

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Sashi McEntee, Regular  
City of Mill Valley

Matthew Brown, Alternate  
City of San Anselmo

Jack Baker, Regular  
North Marin Water District

Craig K. Murray, Regular  
Las Gallinas Valley Sanitary

Lew Kious, Alternate  
Almonte Sanitary District

Jeffrey Blanchfield, Chair  
Public Member

Chris Skelton, Alternate  
Public Member

## Actuals to Date | Projected Year End Totals

As detailed in the preceding agenda item the Commission is generally proceeding as planned while on course to make an overall improvement by eliminating its budgeted shortfall of (\$25,000) and finishing the fiscal year with a net operating balance of \$1,908. However, and as also detailed, the Commission is on course to experience negative balances within two of its three expense units – Administrative Activities and Services and Supplies – and the result of increased legal and general office expenses.

### B. Discussion

This item is for the Commission to consider authorizing two related budget amendments to ensure all of Marin LAFCO’s operating expense units maintain positive balances through the end of the fiscal year and conform to the principles of bottom-line accounting. These amendments would transfer \$24,000 out of the regular salaries account within the Salaries and Benefits Unit and into the following two accounts/units:

- \$19,000 to legal services within the Administrative Activities Unit; and
- \$5,000 to general office in the Services and Supplies Unit.

The proposed amendments, if authorized, are reflected on the following ledger.

Expense Units	BASELINE		PROPOSED AMENDMENTS	
	Adopted 2016-17	Projected Actuals w/o Amendments	Amended 2016-17	Projected Actuals w/ Amendments
Salaries and Benefits	369,716	312,113	345,716	362,362
Administrative Activities	78,166	97,057	97,166	78,046
Services and Supplies	78,980	83,812	83,980	77,140
	\$526,862	\$492,982	\$526,862	\$517,548

### C. Analysis

The proposed amendments affirmatively responds to current fiscal year needs in which legal and general office expenses have already surpassed their budgeted limit and in the absence of amendments therein will cause end-of-year deficits within their respective units. Similarly, the proposed amendments make advantageous use of unexpected savings in regular salaries generated as a result of the ongoing leave in one of the Commission’s three budgeted positions. Proceeding with the proposed amendments – importantly – does not affect the bottom-line expense total of \$526,862 or draw down on Marin LAFCO’s reserves.

**D. Alternatives for Action**

The following alternatives are available to the Commission:

Alternative One (Recommended):

Authorize the following budget amendments for 2016-2017:

- a) Transfer \$19,000 out of the Salaries and Benefits Unit's staff salaries account and into the Administrative Activities Unit's legal services account; and
- b) Transfer \$5,000 out of the Salaries and Benefits Unit's staff salaries account and into the Services and Supplies Unit's general office account.

Alternative Two:

Continue consideration of the item to a special meeting and prior to June 30<sup>th</sup> and provide direction to staff for more information as needed.


**E. Recommendation**

It is recommended the Commission proceed with the action identified in the preceding section as Alternative One.

**F. Procedures for Consideration**

This item has been agendized as part of the consent calendar. Accordingly, a successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation unless otherwise specified by the Commission.

Respectfully,



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Keene Simonds  
Executive Officer

Attachments: none

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Marin Local Agency Formation Commission  
Regional Service Planning | Subdivision of the State of California

**AGENDA REPORT**

June 8, 2017

Item No. 5 (Consent/Action)

June 1, 2017

**TO:** Marin Commissioners

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: Agreement Extension Approval | Support Services with the Southern Marin Fire Protection District**

The Commission will consider making amendments to its existing support services agreement with the Southern Marin Fire Protection District. This agreement currently provides terms for the Commission to receive specified bookkeeping and related accounting services from the District and through its Finance Director at a total not-to-exceed cost of \$15,000 through June 30, 2017. Staff is seeking authorization to amend the agreement terms through December 31, 2017 and at a total not-to-exceed cost of \$22,500.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”) authorizes Local Agency Formation Commissions (LAFCOs) to enter into agreements or contracts with public and private parties for services necessary to meet their regional growth management responsibilities. All contracts and agreements are subject to compliance with LAFCOs’ adopted procurement policies and procedures.

**A. Background**

**Adopted Policies / Consultant Services and Procurement Limits**

Marin LAFCO’s (“Commission”) Policy Handbook was formally adopted in June 2016 and provides direction and protocols in entering into contracts and agreements with outside vendors. This includes providing broad authorization to the Executive Officer to proceed with procuring services from vendors subject to certain monetary limitations. These monetary limitations include setting the Executive Officer’s spending authorization at \$3,000 per any one transaction and \$5,000 per any one vendor during the fiscal year; all transactions above these thresholds require Commission approval.

## **Existing Support Services Agreement | Southern Marin Fire Protection District**

At its August 11, 2016 meeting the Commission approved a series of actions in conjunction with establishing a new financial accounting system. This new system was marked by transitioning away from the County of Marin and its Munis program and to a stand-alone process directly managed by Marin LAFCO and through QuickBooks. One of the associated actions tied to this transition was the Commission's authorization for the Executive Officer to enter into a memorandum of understanding agreement with the Southern Marin Fire Protection District (SMFPD) to assist in implementing the referenced accounting transition as well as to provide initial bookkeeping services thereafter. The Commission's initial authorization included terming the agreement through December 31, 2016 and at a total do-not-exceed cost of \$7,500. The Commission subsequently approved amendments to the agreement to extend the term through June 30, 2017 and at a total do-not-exceed cost of \$15,000.<sup>1</sup>

### **B. Discussion**

This item is for the Commission to consider additional amendments to Marin LAFCO's agreement with SMFPD before it is set to expire on June 30, 2017. Two specific amendments are proposed. The first amendment extends the agreement term by an additional six months and through December 31, 2017. The second amendment increases the total do-not-exceed cost of the agreement from \$15,000 to \$22,500. All other agreement provisions – including the services to be provided by SMFPD through its Finance Director Alyssa Schiffmann and based on an hourly charge of \$112.18 – would remain entirely intact proceeding forward.

### **C. Analysis**

The proposed amendments to the agreement with SMFPD provides the Commission with the additional bookkeeping and related accounting services needed through the end of current calendar year at a relatively low and cost-certain level. This includes providing needed assistance to close 2016-2017 as well as help with the planned audit for the current fiscal year; the latter of which is expected to start in September 2017. The proposed amendments also provide the Commission with added time to evaluate long-term options as it relates to the need/type of bookkeeping oversight appropriate for Marin LAFCO as contemplated in the final workplan recommended for 2017-2018. Staff has communicated the proposed amendments to SMFPD and their staff is agreeable to proceeding subject to their own Board review and approval.

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<sup>1</sup> As of date the Commission has expended \$5,708 out of the authorized \$15,000 amount. This expended amount, however, does not include recent and considerable billable hours incurred by SMFPD instep with assisting the Commission in the 2015-2016 audit.

#### **D. Alternatives for Action**

The following alternative are available to the Commission.

Alternative One (Recommended):

Authorize the Executive Officer to execute two amendments to the support services agreement with SMFPD to (a) extend the term to December 31, 2017 and (b) increase the maximum billable costs to \$22,500.

Alternative Two:

Continue consideration of this item to a future meeting and provide direction to staff with respect to providing additional information as needed.

Alternative Three:

Take no action.

#### **E. Recommendation**

Staff recommends the Commission proceed with Alternative One and authorize the Executive Officer to execute the proposed amendments as provided with any adjustments as identified by the membership.

#### **F. Procedures for Consideration**

This item has been agendized as part of the consent calendar. Accordingly, a successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation as provided unless otherwise specified by the Commission.

Respectfully,



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Keene Simonds  
Executive Officer

Attachment:

- 1) Memorandum of Understanding Agreement with SMFPD for Support Services

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**MEMORANDUM OF UNDERSTANDING  
MARIN LOCAL AGENCY FORMATION COMMISSION AND THE  
SOUTHERN MARIN FIRE PROTECTION DISTRICT**

**Support Services**

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**I. Participants:**

This Memorandum of Understanding (MOU) is between the following agencies jointly referred hereafter as the “affected parties.”

- The Marin Local Agency Formation Commission, hereafter referred to as LAFCO, is a political subdivision of the State of California operating pursuant to California Government Code Section 56000 et seq. and providing regional growth management services in Marin County.
- The Southern Marin Fire Protection District, hereafter referred to as SMFPD, is an independent governmental entity operating pursuant to California Health and Safety Code Section 13800 et seq. providing fire protection and related services in Marin County.

**II. MOU Purpose**

The affected parties voluntarily desire to enter into this MOU to provide the agreed upon means in which LAFCO will contract with SMFPD for specified support services through their employee, Alyssa Schiffmann. These services are detailed in the succeeding section and tied to assisting LAFCO to successfully transition its financial accounting system from the County of Marin to a stand-alone program directly managed by LAFCO and through QuickBooks.

**III. MOU Commitments:**

The affected parties agree to all of the following MOU commitments:

1. SMFPD to LAFCO:

- a) SMFPD shall make available Alyssa Schiffmann to LAFCO to design, implement, and oversee a new accounting system using QuickBooks. Specific services anticipated to be provided by SMFPD and through Ms. Schiffmann include – but not limited to – the following:
  - Install QuickBooks software at LAFCO and on its computer network system.
  - Create a customized chart of accounts in QuickBooks scaled to LAFCO’s budget and accounting needs.
  - Interface with the County of Marin in any related activity tied to the transition of LAFCO’s financial accounting to QuickBooks.
  - Close out LAFCO’s 2015-2016 accounts and help produce a year-end financial report in QuickBooks.
  - Open up LAFCO’s 2016-2017 accounts in QuickBooks.

- Coordinate the documentation requirements tied to a third-party audit of LAFCO for 2015-2016 in QuickBooks.
  - Perform monthly reconciliation of bank statements for LAFCO in QuickBooks.
  - Provide training to LAFCO staff in QuickBooks.
- b) SMFPD shall make reasonable efforts to make available Alyssa Schiffmann and her services to LAFCO as needed in achieving the specified services identified in subsection (a). It is understood, however, by the affected parties Ms. Schiffmann shall prioritize the needs of SMFPD during the term of this MOU.
- c) SMFPD and Alyssa Schiffmann shall secure prior approval from LAFCO of any needed software, equipment, or related purchase tied to this MOU.
- d) SMFPD shall provide invoices to LAFCO identifying total number of hours worked by Allyssa Schiffmann and billed according to the hourly rates detailed in the succeeding section no less than every 60 days.

## 2. LAFCO to SMFPD

- a) LAFCO agrees to pay SMFPD an hourly rate for all services provided by Alyssa Schiffmann as part of this MOU as set below.
- All services provided through August 31, 2016 will be billed to LAFCO based on an hourly rate of \$107.29.
  - All services provided after August 31, 2016 and through the term of this MOU will be billed to LAFCO based on an hourly rate of \$112.18.
- b) LAFCO shall be responsible for providing and/or purchasing all related software, equipment, and ancillary supplies necessary as part of this MOU.

## **IV. Maximum Billable Costs**

The affected parties agree this MOU shall be limited to a do-not-exceed cost to LAFCO of \$7,500 unless amended by both parties.

## **V. Term of MOU / Termination**

The term of this MOU is effectively immediately upon the approval by both affected parties' administrative officers as attested by their dated signatures below with a term date of December 31, 2016 unless amended by both parties. The MOU may also be immediately terminated at either parties' written request.

**VI. Authorizations**

The following signatures attest the approval of the MOU by both parties.

**LAFCO**

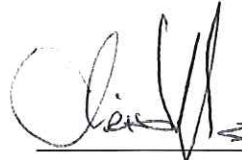


KEENE SIMONDS  
EXECUTIVE OFFICER

8-11-16

DATE

**SMFPD**



CHRIS TUBBS  
FIRE CHIEF

8-25-16

DATE

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**AMENDMENT NO. 1**

**MEMORANDUM OF UNDERSTANDING**

**MARIN LOCAL AGENCY FORMATION COMMISSION AND THE  
SOUTHERN MARIN FIRE PROTECTION DISTRICT**

**Support Services**

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**I. Existing Memorandum of Understanding**

The Marin Local Agency Formation Commission (LAFCO) and Southern Marin Fire Protection District (SMFPD), hereinafter referred to as the “affected parties,” voluntarily entered into an agreement on August 25, 2016. This agreement is provided as Attachment One and provides the means for LAFCO to contract with SMFPD for specified support services through SMFPD employee Alyssa Schiffmann. These services are outlined in Section III of the Agreement and involve SMFPD assisting LAFCO in transitioning its financial accounting system from the County of Marin to a stand-alone program directly managed by LAFCO and through QuickBooks. The Agreement’s terms extend through December 31, 2016 and at a maximum billable costs to LAFCO of \$7,500 and based on an hourly rate of \$112.18.

**II. Amendments to Memorandum of Understanding**

The affected parties agree certain amendments to the existing agreement entered into on August 25, 2016 are mutually beneficial and specific to the following two items.

- a) Extend the term of the Agreement from December 31, 2016 to June 30, 2017; and
- b) Increase the maximum billable costs in the Agreement to LAFCO from \$7,500 to \$15,000.

All other terms outlined in the Agreement remain agreeable to the affected agencies.

**III. Authorizations**

The following signatures attest the affected agencies agree to the amendments outlined in Section II, and shall go into effect as of the last signature date.

**LAFCO**



\_\_\_\_\_  
Keene Simonds  
Executive Officer

Date: December 12, 2016

**SMFPD**



\_\_\_\_\_  
Chris Tubbs  
Fire Chief

Date: 12-14-2016

Attachments:

- 1) Memorandum of Understanding (Agreement), August 25, 2016

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# Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

## AGENDA REPORT

June 8, 2017

Item No. 6 (Consent/Action)

June 1, 2017

**TO:** Marin Commissioners

**FROM:** Keene Simonds, Executive Officer  
Rachel Jones, Administrative Analyst

**SUBJECT: Progress Report on 2016-2017 Workplan**

The Commission will receive a progress report on accomplishing administrative and planning projects established in the adopted workplan for 2016-2017. This includes summarizing the seven projects completed to date while highlighting the dozen-plus activities substantively underway. The report notes ongoing reductions in staffing levels and related matters have slowed agency efficiencies in addressing certain projects, and most notably as it relates to scheduled municipal service reviews. The report is being presented to the Commission to formally accept as well as to provide direction to staff as needed.

Local Agency Formation Commissions (LAFCOs) are responsible for regulating the formation and development of local governmental agencies and municipal service areas under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH). This includes timing the establishment, expansion, and reorganization of local government and their public services to meet current and future community needs. LAFCOs inform their regulatory powers through various administrative and planning activities with an increasing emphasis on performance measurement.

### A. Background

Marin LAFCO’s (“Commission”) current fiscal year workplan was adopted at a noticed public hearing held on June 9, 2016. The workplan is divided into three distinct categories – administrative, planning, and regulatory – with the former two emphasized. The workplan was prepared along with the fiscal year budget and serves as a management tool to allocate Commission resources consistent with members’ collective preferences as well as measure performance over the affected twelve months.

### B. Discussion

This item provides the Commission with a status update on the targeted activities established for the fiscal year; the majority of which involve 34 separate administrative and planning projects. This includes identifying activities already completed or underway. The report is being presented to the Commission to accept as well as to provide direction to staff as needed.

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County of Marin

Carla Condon, Vice Chair  
Town of Corte Madera  
Sashi McEntee, Regular  
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Matthew Brown, Alternate  
City of San Anselmo

Jack Baker, Regular  
North Marin Water District  
Craig K. Murray, Regular  
Las Gallinas Valley Sanitary  
Lew Kious, Alternate  
Almonte Sanitary District

Jeffrey Blanchfield, Chair  
Public Member  
Chris Skelton, Alternate  
Public Member

A copy of workplan with staff notations is provided as Attachment One.

### Completed Projects

The Commission has completed the following projects as of date.

- Transition Accounting to Internal Program (A-6)  
Work in transitioning the Commission's accounting processes from the County of Marin to a stand-alone system directly managed by Marin LAFCO is now complete. This transition – which was engendered at the recommendation of the County – is marked by the Commission's accounting records and processes having been successfully migrated into QuickBooks and with the contract assistance of Alyssa Shiffmann with Southern Marin Fire Protection District.
- Protocols and Procedures for Own Banking/Payroll System (A-7)  
Work in establishing an independent commercial banking relationship along with the associated protocols and procedures is complete with the Commission now working with Wells Fargo to transact Marin LAFCO's day-to-day business. This banking relationship and the associated protocols and procedures support and follow the related accounting transition referenced above.
- Audit on 2015-2016 (A-8)  
Work on preparing an audit for the most recently completed fiscal year is all but complete pending formal acceptance by the Commission and anticipated as part of a separate agenda item for the June 8<sup>th</sup> meeting. This audit has been prepared under contract by R.J. Ricciardi and Associates and represents the first review of the financial statements following the Commission's transition from the County of Marin to LAFCO's own stand-alone accounting system.
- Review and Update Adopted Fee Schedule (A-12)  
Work on the Commission's biennial review and update of its adopted fee schedule was adopted at a noticed public hearing held on October 13<sup>th</sup>. The adopted update became effective on December 13<sup>th</sup> and includes three substantive changes and headlined by increasing the composite hourly staff rate from \$126 to \$136. The other substantive changes involve the establishment of a new applicant digital mapping fee as well as setting policy guidance to apply the composite hourly to any member of the general public should their inquiry take more than two hours.
- Professional Marin LAFCO Brochure (A-13)  
Work on creating a professional brochure was recently completed through the use of an online graphic design program and in conformance with the Commission's interest in improving agency branding within Marin County. The brochure will be formally presented to the Commission as part of a separately scheduled agenda item at the June 8<sup>th</sup> meeting.

- Meeting Place/Time Options and Take Action as Needed (A-15)  
Work in identifying and evaluating alternative meeting locations was completed in December 2016 with the Commission selecting Marin Clean Energy's Board Room as its new regular venue beginning in 2017. The site has its own dedicated parking lot and outfitted with video recording equipment for use by Marin TV.
- SB 239 Implementation | Local Policy Adoption (P-1)  
Work on adopting local implementing policies consistent with the new requirements established under SB 239 are expected to be formally complete upon Commission action on June 8<sup>th</sup> as part of a separate agenda item. The implementing policies have been developed over the past twelve months with considerable input from affected agencies and address the Commission's new approval responsibilities over certain types of outside fire service contracts.

### **Underway Projects**

Work has been initiated on over two dozen other scheduled administrative and planning projects as part of the calendared workplan. This includes intensive projects to work with an outside vendor on the development and launch of new agency website (A-9) as well as completing sphere of influence updates for both the Marin Municipal Water District and North Marin Water District (P-3). Progress also continues to be made on the scheduled municipal service review on wastewater services in the Central Marin region (P-5). Markedly, all three of these reference projects are expected to be complete within the first few months of the upcoming fiscal year.

### **C. Analysis**

The Commission continues to make reasonable progress in addressing the activities set for the fiscal year within the workplan and in-line with Marin LAFCO's adopted budgetary resources and as outlined in the preceding section. This includes prioritizing work on the most time-sensitive new projects involving the transition of the Commission's accounting system and associated commercial banking set-up as well as collaborating with local agencies in developing implementing policies on SB 239. However, and as previously noted in recent status reports, the ongoing leave of the Commission Clerk position and associated administrative matters therein continue to lessen the efficiency. These impacts are most notable with respect to staff proceeding forward with the scheduled studies given the need for the Executive Officer to redirect focus away from assisting in preparing these documents in favor of addressing tasks that would be typically performed by the Commission Clerk. Current staffing levels are not expected to change through the end of the fiscal year.

#### **D. Alternatives for Action**

The following alternatives are available to the Commission:

Alternative One (Recommended):

Accept and file the report as presented.

Alternative Two:

Continue consideration of the report to a future meeting and provide direction to staff for more information as needed.

#### **E. Recommendation**

It is recommended the Commission formally accept and file the progress report on the workplan as presented. This recommendation is provided as Alternative One.

#### **F. Procedures for Consideration**

This item has been agendized as part of the consent calendar. Accordingly, a successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation as provided unless otherwise specified by the Commission.

Respectfully,



---

Keene Simonds  
Executive Officer

Attachments:

- 1) 2016-2017 Workplan with Notations



# Marin Local Agency Formation Commission

## Regional Service Planning | Subdivision of the State of California

## 2016-2017 Work Plan

### Introduction:

Local Agency Formation Commissions' (LAFCOs) operate under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2001 ("CKH") and are delegated broad regulatory and planning responsibilities by the Legislature to oversee the formation and subsequent development of local government agencies and their municipal service areas. Common regulatory functions include approving boundary change and outside service requests. Common planning functions include preparing studies to independently evaluate the availability, performance, and need for urban services and establishing spheres of influence – which are the Legislature's version of urban growth boundaries and gatekeepers to future boundary changes – for all cities and special districts. All regulatory and planning activities undertaken by LAFCOs may be conditioned and must be consistent with administrative policies and procedures.

### Objective:

This document represents Marin LAFCO's ("Commission") formal 2016-2017 Work Plan. The Work Plan draws on the Commission's existing strategic plan and other germane activities identified by the Executive Officer and vetted with the Budget Committee in the course of developing a operating budget for the fiscal year. The Work Plan is divided into three distinct categories – administrative, planning, and regulatory – and serves as a management tool to allocate Commission resources in an accountable and transparent manner over the 12 month period. Further, while it is a stand-alone document, the Work Plan should be reviewed in relationship to the adopted operating budget given the planned goals and activities are facilitated and or limited accordingly.

### Executive Summary:

The 2016-2017 Work Plan guides the Commission to focus considerable resources on administrative and planning activities. Notable administrative projects include completing a comprehensive policy update, establishing a stand-alone accounting system, and several outreach-oriented efforts highlighted by designing and launching a new website to improve content management. Notable planning activities include completing and/or initiating several scheduled municipal service reviews consistent with the Commission's adopted study schedule in and around the San Rafael, Ross Valley, and Novato regions as well as following up on tasks tied to the completed water study; the latter including pursuing a boundary clean up in West Marin for North Marin Water District.

## Administrative Activities

ID	Type	Activity	Priority	Key Issues / Notes	Start	End
A-1	Rollover	Actively Participate in CALAFCO	High	Best Practices; Influence Legislation; JPA Bill	started	...
A-2	Rollover	Regularly Update Commission on Budget and Work Plan Activities	High	Keep Commissioners and Public Informed	started	...
A-3	Rollover	Targeted LAFCO 101 Presentations	High	Introductory Overview to Boards, Councils, Groups	started	...
A-4	Rollover	Complete Comprehensive Update of Policies and Procedures	High	Last Substantive Update in 2000; Personnel Policies	started	8/16
A-5	New	Evaluate Merits/Demerits of Pension Contract with CalPERS	High	Possible Cost-Savings Opportunity; Synch with OPEB	started	3/17
A-6	New	Transition Accounting to Internal Program (e.g. QuickBooks or Other)	High	Response to County Change; Organization Capacity	started	12/16
A-7	New	Establish Protocols/Procedures for Own Banking/Payroll	High	Subset of A-8	7/16	12/16
A-8	New	Prepare 15-16 Audit	High	Best Practice; Ensure Sound Fiscal Management	7/16	3/17
A-9	New	RFP for New Website; Design and Launch	High	Existing Site on Joomla; Limits Content Management	8/16	4/17
A-10	New	Perform Outreach to Novato and Surrounding Special Districts	High	Anticipatory Discussions Before Scheduled MSR	8/16	12/16
A-11	New	Establish and Manage Student Internship	Moderate	Assist with Basic Data Collection / School Credit?	8/16	10/16
A-12	New	Review and Update Adopted Fee Schedule	Moderate	Cost-Recovery Check-In; Envisioned in Policy Update	8/16	12/16
A-13	New	Create Professional Marin LAFCO Brochure	Moderate	Footprinting; Compliments Outreach Efforts	9/16	1/17
A-14	New	Develop Outside Speaker List for 16-17 Meetings	Moderate	Outside Groups to Inform on Pertinent Topics	10/16	12/16
A-15	New	Review Meeting Place/Time Options and Take Action as Needed	Moderate	Scale Meeting Space to Needs	10/16	12/16
A-16	New	Update Boundary Change Application; Establish OSA Application	Low	Existing Boundary Application Pre 2000; New Issues	12/16	3/17
A-17	New	Develop and Implement Social Media Program/Activities	Low	Expand Outreach to Capture Alternative Media Forums	1/17	4/17
A-18	Rollover	Prepare Bounded and Expanded Local Agency Directory	Low	Expand Usefulness for Agencies; Hand-Held Resource	1/17	4/17
A-19	Rollover	Development Management Plan for LAFCO Records	Low	Anticipatory Review Ahead of 17-18 Project	2/17	6/17

## Planning Activities

ID	Type	Activity	Priority	Key Issues / Notes	Start	End
P-1	New	SB 239 Implementation / Local Policy Adoption	High	Legislative Direction; Outside Fire Service Contracts	started	12/16
P-2	Rollover	Continue to Implement AB 54; Mutual Water Companies	High	Follow Up to Water Study: Legislative Direction	started	12/16
P-3	Rollover	Prepare and Adopt Sphere Updates on NMWD and MMWD	High	Reconcile Spheres with Existing/Anticipated Services	started	12/16
P-4	Rollover	Complete Wastewater MSR on Las Gallinas/San Rafael/Ross Valley Area	High	Supply v. Demand; Alternative Governance Options	started	1/17
P-5	Rollover	Complete General MSR on San Rafael/Lucas Valley Region	High	Governance Issues in Islands and Lucas Valley	started	6/17
P-6	Rollover	Outreach/Survey Work for Country Club Island	High	Subset to P-3; Legislative Direction	10/16	4/17
P-7	New	Community Workshop in Lucas Valley on Governance/Boundary Issues	High	Subset to P-3; Staff Outreach to Communicate Key Issues	10/16	4/17
P-7	New	Prepare General MSR on Novato/North County Region	High	Relation to Novato UGB; Adjacent Special Districts	10/16	6/17
P-9	New	Prepare General MSR on Ross Valley	High	Functional and Political Consolidation Opportunities	12/16	8/17
P-10	New	Outreach/Facilitate NMWD Reorganization in West Marin	High	Subset of P-2; Marshall, Inverness, Etc.	12/16	5/17
P-11	Rollover	Implement SB 244; Local Definition of DUCs	Moderate	Scaling Legislative Intent to Marin County	12/16	6/17
P-12	Rollover	Revisit Reestablishing Special District Committee	Low	Conduit for Sharing Best Practices / Elections	12/16	4/17
P-13	Rollover	Participate in Local/Regional Climate Change Planning/Training	Low	Impute and Align LAFCO with Best Practices	12/16	6/17
P-14	Rollover	Establish Work Group to Streamline Responses to Failing Septics	Low	Shared Objectives/Procedures to Help Landowners	2/17	6/17
P-15	Rollover	Informational Report on Existing Shared Service Activities	Low	Follow Up on Earlier Grand Jury Report	2/17	6/17

## Regulatory Activities

ID	Type	Activity	Priority	Key Issues	Start	End
R-1	Rollover	Change of Organization / Reorganization Proposals	High	Variable	ongoing	...
R-2	Rollover	Special District Service Power Activation / Divesture	High	Variable	ongoing	...
R-3	Rollover	Outside Service Extension Requests	High	Variable	ongoing	...

### Activity Status / As of June 1, 2017

Completed  Underway 





# Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

## AGENDA REPORT

June 8, 2017

Item No. 7 (Consent/Action)

June 1, 2017

**TO:** Marin Commissioners

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: Request for Time Extension to Complete Approval Terms | Annex 700 and 726 Sequoia Valley Road to Homestead Valley Sanitary District (LAFCO File No. 1322)**

The Commission will consider a request for additional time to complete the terms established by Marin LAFCO in approving the annexation of territory at 700 and 726 Sequoia Valley Road to the Homestead Valley Sanitary District on June 9, 2016. Staff recommends approval of a one-year extension subject to receipt of the \$680 filing fee as provided under policy no later than June 16, 2017. The affected parcels are identified by the County of Marin Assessor as 046-231-07 and 046-301-01.

Local Agency Formation Commissions (LAFCOs) are responsible under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”) to regulate the formation and development of local governmental agencies and their municipal service areas. This includes approving or disapproving proposed changes of organization, such as boundary changes, consistent with adopted policies and procedures pursuant to California Government Code (G.C.) Section 56375. LAFCOs are authorized to exercise broad discretion in amending as well as establishing conditions in approving changes of organization as long as they do not directly regulate land use.

### A. Background

#### Earlier Commission Action | Annexation Proposal Involving 700 and 726 Sequoia Valley Road to Homestead Valley Sanitary District

At the June 9, 2016 meeting Marin LAFCO (“Commission”) considered a proposal from the Homestead Valley Sanitary District (HVSD) requesting annexation approval involving two developed unincorporated lots totaling 0.64 acres in Muir Woods. The stated purpose of the proposal is to align HVSD’s jurisdictional boundary with existing service commitments given the two affected residential lots – 700 and 726 Sequoia Valley Road – previously established wastewater services through pre CKH outside service agreements. The Commission approved the proposal with amendments to include portions of the adjacent public right-of-ways. The Commission also applied approval terms and marked by having the applicant submit a map and geographic description of the approved annexation area consistent with the standards of the Board of Equalization.

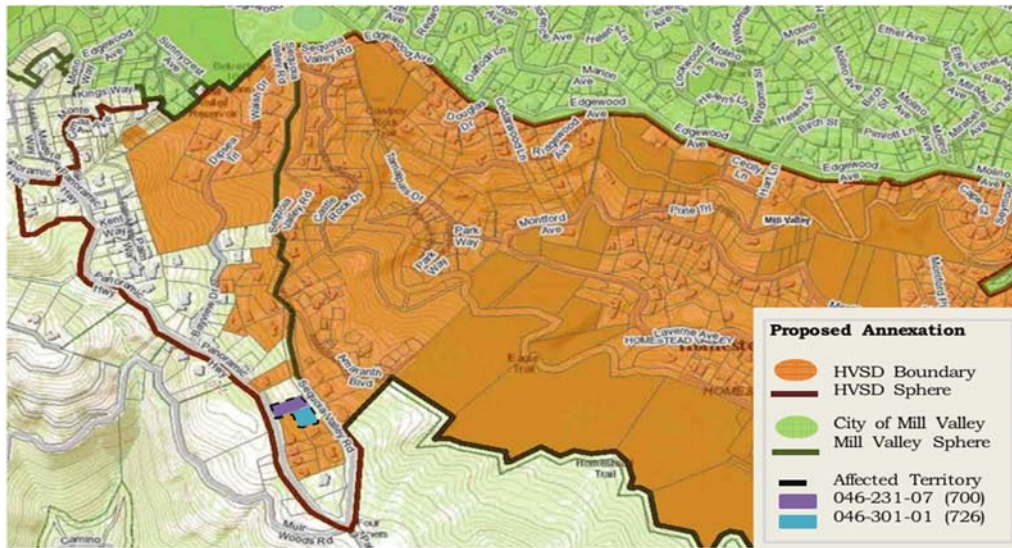
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North Marin Water District  
Craig K. Murray, Regular  
Las Gallinas Valley Sanitary  
Lew Kious, Alternate  
Almonte Sanitary

Jeffrey Blanchfield, Chair  
Public Member  
Chris Skelton, Alternate  
Public Member



### Statutory Deadline | Period to Complete Approval Terms

G.C. Section 57001 specifies a certificate of completion must be recorded for all change of organization/reorganization proposals within one calendar year of approval or be automatically terminated unless LAFCO grants an extension at a public meeting. The extension may be for any period deemed reasonable by LAFCO.

### B. Discussion

This item is for the Commission to consider a request by the applicant for a time extension necessary to complete all approval terms established for the proposal given the approaching one-year statutory deadline to record a certificate of completion. This includes noting the need for additional time to work with the affected landowners in a cost-sharing arrangement to produce the requested map and geographic description of the approved annexation area as established by the Commission.

### C. Analysis

The applicant's request for a time extension to complete the proposal's approval terms appears reasonable given underlying circumstances. This includes the challenge of negotiating cost-sharing with two separate landowners in preparing a map and geographic description of the approved annexation area. The applicant has remained in regular contact with staff throughout the last year, and in doing so shown good-faith in addressing the Commission's interests. Accordingly, a one-year time extension is recommended to extend the deadline to June 9, 2018. It also recommended the Commission term extension approval – and in the absence of a waiver – on the applicant providing payment to Marin LAFCO in the amount of \$680 as provided under adopted policy no later than Friday, June 16, 2017.

#### **D. Alternatives for Action**

The following alternative actions are available to the Commission.

Alternative Action One (Recommended):

Approve a one-year time extension for the applicant to complete approval terms subject to submitting a \$680 fee with Marin LAFCO no later than June 16, 2017.

Alternative Action Two:

Approve a one-year time extension for the applicant to complete approval terms and waive the \$680 filing fee.

Alternative Action Two:

Deny the requested time extension. This will terminate the Commission's prior proposal approval assuming the terms remain outstanding and as such a certificate of completion cannot be recorded by June 9, 2017.

#### **E. Recommendation**

Staff recommends the Commission proceed with Alternative Action One as outlined in the preceding section.

#### **F. Procedures for Consideration**

This item has been agendized as part of the consent calendar. Accordingly, a successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation unless otherwise specified by the Commission.

Respectfully,



Keene Simonds  
Executive Officer

Attachments: none

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# Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

## AGENDA REPORT

June 8, 2017

Item No. 8 (Consent/Information)

June 1, 2017

**TO:** Marin Commissioners  
**FROM:** Keene Simonds, Executive Officer  
Rachel Jones, Administrative Analyst

**SUBJECT: Notice of Extended Public Review and Comment | Central Marin Wastewater Study**

The Commission will receive an update on its scheduled Central Marin Wastewater Study. This includes – and with the concurrence of the Chair – approval by the Executive Officer to extend the public review and comment period on the draft report presented at the April 13<sup>th</sup> meeting. The review and comment period now extends for an additional 30 days through June 30<sup>th</sup>. A final report is expected to be presented at the August 10<sup>th</sup> meeting.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”) directs Local Agency Formation Commissions (LAFCOs) to regularly prepare municipal service reviews in conjunction with updating each local agency’s sphere of influence. The legislative intent of the municipal service review and its five-year cycle requirement is to proactively inform LAFCOs and the general public therein with regard to the availability and sufficiency of governmental services relative to need. Municipal service reviews statutorily inform sphere of influence updates, and may also lead LAFCOs to take other actions, such as forming, consolidating, or dissolving one or more local agencies.

### A. Information/Discussion

#### Adopted Workplan | Central Marin Wastewater Study

Marin LAFCO (“Commission”) current workplan tasks staff with preparing a municipal service review on wastewater services in Central Marin. An associated scope of analysis also approved by the Commission guides the preparation with the ultimate goal of independently evaluating the availability, capacity, and performance of wastewater services in the approximate 60-square mile study area relative to Marin LAFCO’s regional growth management responsibilities. This includes – and among other items – fulfilling the Legislature’s direction to assess the effectiveness of the current governance relationships underlying wastewater services and to consider the merits of any potential alternatives. Sphere of influence establishments/updates will also immediately follow the completion of the study. A listing of the affected agencies included in the study follow.

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Almonte Sanitary District

Jeffrey Blanchfield, Chair  
Public Member  
Chris Skelton, Alternate  
Public Member

Central Marin Wastewater Study   Affected Agencies	
Central Marin Sanitation Agencies	Murray Park Sewer Maintenance District
County Sanitary District No. 1 (Ross Valley)	San Rafael Sanitation District
County Sanitary District No. 2 (Corte Madera)	San Quentin Village Sewer Maintenance District
Las Gallinas Valley Sanitary District	

**Work to Date |  
 Presentation of Draft Report**

At the April 13, 2017 meeting the Commission received a draft report from by staff on the scheduled Central Marin Wastewater Study for discussion and feedback. The draft includes individual profiles of each affected agency paired with regional analysis addressing all of the factors required under CKH anytime the Commission performs a municipal service review. This includes making independent statements on infrastructure needs and deficiencies, population projections, and opportunities and merits therein for reorganizations. Specific recommendations for action by the Commission and or by one or more of the affected agencies are also provided and detailed in the accompanying Executive Summary.

**Public Review and Comment |  
 Request and Approval for Additional Time Subsequent Extension**

In step with providing feedback on the draft report as part of the April 13<sup>th</sup> meeting the Commission authorized staff to proceed with a formal 45-day public review and comment period and ahead of receiving a final report as early as the June 8<sup>th</sup> meeting. Notices were subsequently provided to all seven affected agencies as well as individuals and organizations that are registered with Marin LAFCO’s e-notification system. Staff subsequently received a written request on May 1<sup>st</sup> from the Central Marin Sanitation Agency (CMSA) seeking additional time to review and provide comments on the draft report. The CMSA request was made on behalf of its member agencies – which includes a majority of the affected agencies included in the study – and sought a minimum of additional 30 days to review the document. In consultation with Chair Blanchfield the Executive Officer approved extending the public review and comment period on the draft report to June 30<sup>th</sup>. Accordingly, it is now expected a final report will be presented to the Commission for action at the August 10<sup>th</sup> meeting.

**B. Commission Review**

This item has been agendized as part of the consent calendar for information only. The Commission is invited to discuss the item and provide direction to staff on any related matter as needed for future discussion and or action.

Attachments:

- 1) CMSA Request for Additional Review Time, Dated May 1, 2017
- 2) Central Marin Wastewater Study – Draft Report Takeaways (Informational Handout Used by Staff)

**From:** Jason Dow  
**To:** [Keene Simonds](#)  
**Cc:** [Greg Norby \(gnorby@rvsd.org\)](#); [Doris.Toy@cityofsanrafael.org](#); [Nisha Patel \(npatel@tcmmail.org\)](#)  
**Subject:** CMSA Request for LAFCO Report Response Extension  
**Date:** Monday, May 1, 2017 10:32:22 AM

---

Hi Keene,

The CMSA JPA member agencies met last Friday for our monthly managers' meeting, during which we briefly discussed the LAFCO Wastewater MSR Report. We would appreciate LAFCO extending the response deadline date for our agencies, to allow our respective staff and boards adequate time to review and discuss the report and prepare responses.

Please let me know if that is acceptable. Extending the deadline to end of June would be great, and end of July would be better.

Thanks for your consideration of our request.

Regards,  
Jason - CMSA

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# Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

## Central Marin Wastewater Study

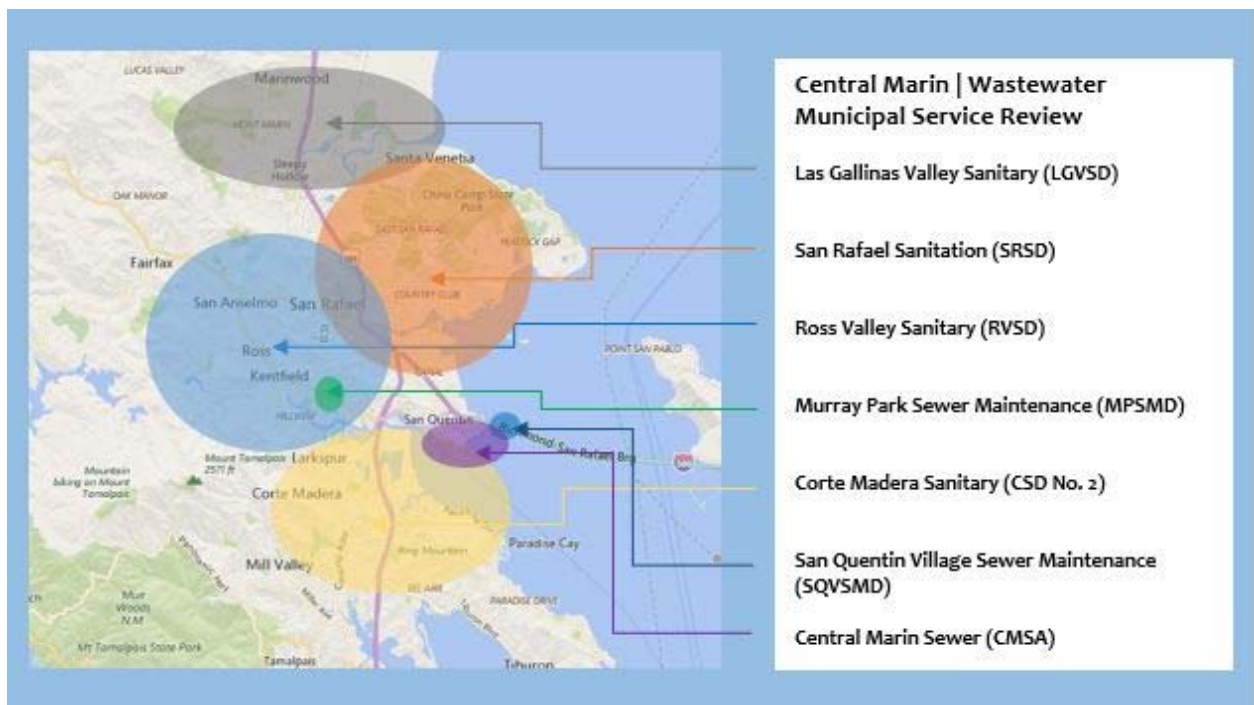
### Draft Report Takeaways

#### Why...

State law directs all LAFCOs to prepare municipal service reviews every five years to proactively and independently assess the availability, range, and performance of local governmental services relative to current and future needs. These studies serve as the source document in (a) guiding subsequent sphere of influence updates, (b) informing future boundary changes, and (c) initiating – if merited – government reorganizations, such as formations, consolidations, and/or dissolutions. These studies must culminate with LAFCO adopting written determinations addressing specific factors listed under G.C. Section 56430 and include infrastructure needs or deficiencies, growth and population projections, financial standing, and opportunities and merits for government reorganizations.

#### What...

The underlying aim of the study is to independently assess the relationship and influencing factors therein in Central Marin between public wastewater demands versus collection, treatment, and disposal capacities based on recent data (2010-2014) and relative to the Commission’s regional growth management duties and interests. This includes – and among other items – fulfilling the Legislature’s direction to assess the effectiveness of the current governance relationships underlying wastewater services and to consider the merits of any potential alternatives. A listing of the seven affected agencies included in the study follow.



## General Conclusions ...

### **No. 1 | Agencies' Substantive Influence on Growth in Marin County**

- LAFCO projects the affected agencies collectively serve 48% of the entire Marin County population

### **No. 2 | Service Areas are Nearing Current Residential Buildout; Growth Exceeding Earlier Estimates**

- LAFCO projects the affected agencies are collectively at 89% of current residential buildout

### **No. 3 | Increasing Diseconomies of Scale**

- Combined increases in operating expenses has outpaced operating revenues by more than three-fold

### **No. 4 | Variation in Civic Engagement; Board Type Matters**

- Civic engagement appears highest within the two independent agencies: LGVSD and RVSD

### **No. 5 | Immediate Merit to Reorganize MPSMD and SQVSMD**

- RVSD appears readily capable in directly assuming service / governance control

### **No. 6 | Additional Merit to Explore Regional Consolidation**

- Determine if notional benefits of consolidation are real and warrant proceeding with reorganization

### **No. 7 | Wastewater Demands Deintensifying During Normal Conditions**

- Overall relative wastewater demands have declined by 20% on a per capita basis (133 gallons to 111 gallons)

### **No. 8 | Wastewater Demands Intensifying During Peak-Day Conditions; Increasing Impacts from I/I**

- Overall relative peak day demands have increased by 6% on a per capita basis during the study

### **No. 9 | Collection System Capacities are Sufficient to Accommodate Demands Now and Over Next Ten Years**

- The highest agency demand -to-capacity ratio during peak day periods was 72% with RVSD

### **No. 10 | Treatment Capacities are Sufficient to Accommodate Demands with Some Stress**

- Average peak and dry weather flows within CMSA's service area equals 79% and 89% respectively

### **No. 11 | Near-Term Finances in Generally Good Shape**

- Agencies finished study period with available capital with no more than 54% of debt relative to net assets

### **No. 12 | Climate Change Requires Resiliency Planning**

- More information please...

## Specific Recommendations...

**No. 1 |** The Commission should proactively work with local agencies to develop a local definition of DUCs

**No. 2 |** CMSA should develop a plan to allocate treatment capacities among its member agencies

**No.3 |** CSD No. 2 should make additional efforts to distinguish itself as a stand-alone governmental entity

**No. 4 |** CMSA should reorganize its governing board structure

**No. 5 |** SRSD should designate the lone board seat incumbent holding Supervisor District 1

**No. 6 |** Agency boundary clean ups are needed within Ross Valley and San Rafael Creek Watersheds

**No. 7 |** The Commission should initiate reorganizations of MPSMD and SQVSMD to dissolve and annex to RVSD

**No. 8 |** The Commission should commit additional resources to independently evaluate reorganization options

**No. 9 |** The affected agencies should work to identify/eliminate all septic systems in their respective service areas

**No.10 |** County and cities/towns should match the affected wastewater service provider to potential development opportunities in housing elements



Marin Local Agency Formation Commission  
Regional Service Planning | Subdivision of the State of California

**AGENDA REPORT**

June 8, 2017

Item No. 9 (Consent/Information)

June 1, 2017

**TO:** Marin Commissioners

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: Comment Letter | Plan Bay Area 2040 Update**

The Commission will receive an update on the Metropolitan Transportation Commission and Association of Bay Area Governments’ joint activity to update the region’s sustainable communities strategy plan; the document under State law that establishes long-term development and transportation priorities in the region. This includes the Commission receiving a copy of the comment letter jointly submitted by staff with Alameda, Contra Costa, and San Mateo LAFCOs ahead of a June 1<sup>st</sup> deadline.

The Federal Highway Act of 1962 requires all census-defined urban areas with 50,000 or more residents establish metropolitan planning organizations (MPOs). The baseline function of MPOs’ is to plan and finance coordinated transportation routes through and around urban areas in cooperation with states and local governments. MPOs in California currently total 16 and have increasingly evolved through State legislation to provide broader connectivity with other forms of regional planning. This now includes preparing integrated transportation and housing documents titled sustainable communities strategy or SCS as a result of Senate Bill 375 in 2008 and with the goal of meeting targeted greenhouse gas emission reductions. The Metropolitan Transportation Commission (MTC) serves as the MPO for the nine-county San Francisco Bay Area region.

**A. Information/Discussion**

**Plan Bay Area 2040 | Purpose and Key Conclusions**

Plan Bay Area 2040 is a joint-project undertaken by MTC and the Association of Bay Area Governments (ABAG) to update the region’s existing SCS – Plan Bay Area – which was adopted in 2013. Plan Bay Area 2040 was made public in draft-form in April 2017 and paired with an accompanying draft environmental impact report (DEIR) with a comment period extending to June 1<sup>st</sup>. Plan Bay Area 2040 builds on the growth patterns and strategies developed in Plan Bay Area with updated planning assumptions as it relates to economics and demographics. To this end, Plan Bay Area 2040 continues an emphasis on “fix it first” transportation policies in accommodating a growing population through focused development within existing transit corridors. Key conclusions follow.

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Las Gallinas Valley Sanitary  
Lew Kiou, Alternate  
Almonte Sanitary District

Jeffrey Blanchfield, Chair  
Public Member  
Chris Skelton, Alternate  
Public Member

- The entire region is currently in the middle of a strong economic growth cycle, having added significant numbers of jobs since 2011. The region has not, however, been building enough housing to meet the demand generated by the strong economy, and as a result there is a significant affordability crisis.
- The imbalance between housing and jobs in the region has led to ripple effects throughout the transportation system. People are using the freeways and rail system at record levels and overtaking existing infrastructure.
- It is forecasted the entire region will generate 1.3 million new jobs by 2040 and create a demand for 840,000 new household units. Plan Bay Area 2040 plans nearly three-fourths of this new job and housing growth will be accommodated within the Cities of San Jose, San Francisco, and Oakland.
- Within Marin County it is forecasted 8,400 new households and 13,200 new jobs will be created by 2040. This forecast produces an annual change in jobs and households in Marin County of 0.36% and 0.27%, respectively.
- Consistent with a “fix it” approach approximately 90% of the envisioned \$303 billion in investments through 2040 will focus on operating, maintaining and modernizing the existing transportation system in the region.
- The largest transportation project included in Plan Bay Area 2040 for Marin County is the SMART extension between San Rafael and Larkspur.

### **Plan Bay Area 2040 | LAFCO Comments**

Marin LAFCO (“Commission”) previously submitted comments to MTC/ABAG in the early development of Plan Bay Area 2040 in June 2016. A copy of the earlier comment letter is attached and it draws attention to the role of LAFCOs in establishing spheres of influence for all cities and towns to guide and phase new development. The earlier comment letter, notably, also draws attention to LAFCOs role in setting spheres of influence for special districts; the entities in many parts of the region – including Marin County – that are solely responsible for providing the necessary services to accommodate development, such as potable water and wastewater. A review of the draft version of Plan Bay Area 2040 and associated DEIR show some of these earlier comments have been addressed, and most notably incorporating service information for several special districts with respect to serving priority development areas. These documents, however, continue to understate the importance of spheres of influence and municipal service reviews in coordinating the regional planning contemplated by MTC/ABAG.

Ahead of the June 1<sup>st</sup> deadline to submit comments on the draft version of Plan Area 2040 and associated DEIR staff proceeded to prepare a letter addressing items of interest. This process subsequently evolved based on discussions with other Executive Officers and ultimately a joint comment letter from Alameda, Contra Costa, Marin and San Mateo LAFCOs was submitted on May 19<sup>th</sup>. A copy of the joint comment letter is attached.

## **B. Commission Review**

This item has been agendaized as part of the consent calendar for information only. The Commission is invited to discuss the item and provide direction to staff on any related matter as needed for future discussion and or action. More information on Plan Bay Area 2040 is also available online at [www.2040.planbayarea.org](http://www.2040.planbayarea.org).

Attachments:

- 1) Joint Comment Letter on Plan Bay Area 2040, May 19, 2017
- 2) Comment Letter on Plan Bay Area 2040, dated June 21, 2016

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<p><b>ALAMEDA LAFCo</b>          1221 OAK STREET, SUITE 555          OAKLAND, CA 94612          (510) 271-5142  <a href="http://WWW.ACGOV.ORG/LAFCo">WWW.ACGOV.ORG/LAFCo</a></p>	<p><b>CONTRA COSTA LAFCo</b>          651 PINE STREET, 6TH FLOOR          MARTINEZ, CA 94553          (925) 335-1094  <a href="http://WWW.CONTRACOSTALAFCo.ORG">WWW.CONTRACOSTALAFCo.ORG</a></p>	<p><b>MARIN LAFCo</b>          1401 LOS GAMOS DRIVE, SUITE 220          SAN RAFAEL, CA 94903          (415) 448-5877  <a href="http://WWW.MARINLAFCo.ORG">WWW.MARINLAFCo.ORG</a></p>	<p><b>SAN MATEO LAFCo</b>          455 COUNTY CENTER, 2ND FLOOR          REDWOOD CITY, CA 94063          (650) 363-4224  <a href="http://WWW.SANMATEOLAFCo.ORG">WWW.SANMATEOLAFCo.ORG</a></p>
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May 19, 2017

MTC Public Information  
 375 Beale Street, Suite 800  
 San Francisco, CA, 94105  
 eircomments@mtc.ca.gov

Dear MTC Public Information Officer:

Thank you for the opportunity to comment on the Draft Environmental Impact Report (EIR) for Plan Bay Area 2040. The Alameda Local Agency Formation Commission (LAFCo), Contra Costa LAFCo, and Marin LAFCo submitted comments in response to the Notice of Preparation circulated by the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) in June 2016 (see attached letters).

LAFCos are independent agencies with discretion to approve or disapprove changes of organization and reorganization of cities and special districts. LAFCos consider a variety of factors when evaluating a matter or project for approval, including potential impacts on agricultural land and open space, and on the provision of public services.

LAFCos determine spheres of influence (SOIs) which are plans for the probable physical boundaries and service areas for cities and special districts. SOI plans include determinations on present and planned land uses; present and probable need for public facilities and services; present capacity and adequacy of public services and facilities; the existence of relevant social and economic communities of interest, and the present and probable public facility and services needs of any identified disadvantaged unincorporated communities. In light of this, Alameda, Contra Costa, Marin, and San Mateo LAFCos offer the following comments pertaining to these environmental topics in the Draft EIR for Plan Bay Area 2040.

**Plan Bay Area 2040 Goals**

The proposed Plan Bay Area 2040 outlines seven goals. Among the goals are adequate housing, and open space and agricultural preservation. Regarding the goal of adequate housing, the draft EIR should include an analysis of whether adequate municipal services exist now as well as whether such services will be available in the future to support the proposed housing and transportation plans. Examples of municipal services that should be reviewed include water, sewer, police, fire, schools, etc.

**Agricultural Lands and Open Space**

We appreciate the inclusion of a table showing the number of farmland and open space acres potentially affected within Transit Priority Areas (TPAs). However, this table does not illustrate where these potential land use conflicts would occur. We therefore request that the EIR be updated to include a figure which overlays the farmland and open space areas with the TPAs, Priority Development Areas (PDAs), and potential future transportation projects.

As noted in the Regulatory Setting discussion on page 2.3-30, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Gov't. Code §56000 et. seq., hereinafter the "CKH Act") assigns LAFCos a prominent role in regional planning issues by charging each LAFCo to consider a wide range of factors when it acts on matters under its jurisdiction such as setting SOIs, annexations, incorporations and other matters. Preserving agricultural and open space lands is a high priority for LAFCos. Pursuant to §56001 of the CKH Act, LAFCos have broad statutory responsibility to consider planned, orderly, efficient patterns of urban development that may assist in preserving agricultural and open space lands and achieving a share of the region's housing needs. For

these reasons, it is important to consider SOIs of both cities and special districts when analyzing the impact of implementing the proposed Plan. Additionally, several LAFCOs in the Bay Area, including Contra Costa, Santa Clara, and Sonoma, have adopted agricultural and open space preservation policies. We would encourage MTC and ABAG to enhance its discussion in the EIR regarding the Priority Conservation Areas (PCAs) and include more specific measures for assessing the impacts of development on agricultural and open space lands.

CKH Act §56016 defines agricultural land as “land currently used for the purpose of producing an agricultural commodity for commercial purposes, land left fallow under a crop rotational program, or land enrolled in an agricultural subsidy or set-aside program.” Additionally, §56064 defines Prime agricultural land as:

*“an area of land, whether a single parcel or contiguous parcels, that has not been developed for a use other than an agricultural use and that meets any of the following qualifications:*

- (a) Land that qualifies, if irrigated, for rating as class I or class II in the U.S. Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) land use capability classification, whether or not land is actually irrigated, provided that irrigation is feasible.*
- (b) Land that qualifies for rating 80 through 100 Storie Index Rating.*
- (c) Land that supports livestock used for the production of food and fiber and that has an annual carrying capacity equivalent to at least one animal unit per acre as defined by the USDA in the National Range and Pasture Handbook, Revision 1, December 2003.*
- (d) Land planted with fruit or nut-bearing trees, vines, bushes, or crops that have a nonbearing period of less than five years and that will return during the commercial bearing period on an annual basis from the production of unprocessed agricultural plant production not less than four hundred dollars (\$400) per acre.*
- (e) Land that has returned from the production of unprocessed agricultural plant products an annual gross value of not less than four hundred dollars (\$400) per acre for three of the previous five calendar years.”*

We recognize that the CKH Act definition of prime agricultural land is different from the significance criteria used in the California Environmental Quality Act (CEQA) regarding impacts to agricultural lands. In regards to agricultural lands and open space, we see an opportunity to improve the public discussion of Plan Bay Area 2040 and its EIR if the EIR were to integrate the two different sets of criteria related to potential impacts in the document, setting a model for local jurisdictions to likewise consider impacts under both criteria, especially when a project requires subsequent action by a LAFCo.

We, therefore, request that the Draft EIR include a reference to the CKH Act, include the definition of prime agricultural land per the CKH Act, and evaluate potential impacts of Plan Bay Area 2040 on agricultural lands pursuant to the definitions in CKH Act. Local land use projects whose CEQA documents seek to tier from the Plan Bay Area EIR without an evaluation of potential impacts to agricultural lands using the CKH definitions may find their CEQA document inadequate.

#### **Public Utilities, Public Services and Recreation**

The Draft EIR does not provide an update to the 2013 Plan Bay Area EIR Table 2.12-5, which depicts the flow and capacity of wastewater treatment facilities. The analysis of wastewater capacity references the previous estimates included in the table, but does not update data to reflect current capacities. LAFCOs throughout California are required to periodically conduct Municipal Service Reviews (MSRs) for cities and special districts within their jurisdiction. Wastewater collection and treatment infrastructure are among the services included in MSRs. We request that the Plan Bay Area 2040 EIR be revised to include updated wastewater capacity



information where available. If not already done, we encourage the EIR preparers to contact the Bay Area Clean Water Agencies for an opportunity to provide comment.

The Plan Bay Area should recognize special districts as critical service providers in addition to counties and cities. In many counties, including all counties in the Bay Area, sewer, water, fire, and parks and recreation services, among others, are provided by special districts. We strongly encourage the EIR preparers to reach out to special districts to provide opportunities to comment on the proposed Plan.

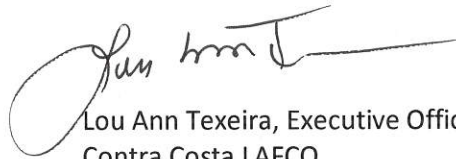
In general, we encourage the EIR preparers to avail themselves of the rich data source provided by LAFCo MSRs as a way of presenting to the public an assessment of the degree to which necessary public services are available or would likely become available, in support of the anticipated growth embodied in Plan Bay Area 2040.

Thank you for your consideration of our comments.

Sincerely,



Mona Palacios, Executive Officer  
Alameda LAFCo  
[mona.palacios@acgov.org](mailto:mona.palacios@acgov.org)



Lou Ann Texeira, Executive Officer  
Contra Costa LAFCO  
[LouAnn.Teixeira@lafco.cccounty.us](mailto:LouAnn.Teixeira@lafco.cccounty.us)



Keene Simonds, Executive Officer  
Marin LAFCO  
[ksimonds@marinlafco.org](mailto:ksimonds@marinlafco.org)



Martha Poyatos, Executive Officer  
San Mateo LAFCo  
[mpoyatos@smcgov.org](mailto:mpoyatos@smcgov.org)

Attachments

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Marin Local Agency Formation Commission
Regional Service Planning | Subdivision of the State of California

June 21, 2016

Delivered by Email

Metropolitan Transportation Commission (MTC)
Public Information Office
375 Beale Street, Suite 800
San Francisco, California 94105
eircomments@mtc.ca.gov

SUBJECT: Comments on Notice of Preparation |
Draft Environmental Impact Report for MTC's Plan Bay Area 2040

Public Information Office:

The Marin Local Agency Formation Commission (LAFCO) is aware of MTC's recent circulation of a notice of preparation of a draft environmental impact report (EIR) for Plan Bay Area 2040. Marin LAFCO did not receive the notice directly, and therefore we respectfully request MTC accept our late submittal beyond the prescribed June 15th deadline given our potential and/or probable role as a responsible agency in directly facilitating implementation aspects of Plan Bay Area 2040.

With the preceding comments in mind, Marin LAFCO offers the following comments to MTC as it develops and sets the content and analysis in the Draft EIR.

- 1. State law directs MTC to coordinate with LAFCOs in preparing Plan Bay Area 2040 as a sustainable communities strategy and specifically consider the spheres of influence that have been adopted by LAFCOs (Section 65080(b)(2)(F)). To this end, please note there are 65 local agencies in Marin County divided between 11 cities and 54 special districts that are each assigned a sphere of influence by Marin LAFCO. Additional comments herein follow.
a) A listing of all 65 local agencies under Marin LAFCO's jurisdiction is attached.
b) A digital viewing of Marin LAFCO's spheres of influence for the 65 local agencies are available online through MarinMap at www.marinmap.org.
c) Pertinent information concerning the availability, need, and performance of public services tied to the 65 local governmental agencies are regularly updated by Marin LAFCO as part of our municipal service review program. These studies are available online at www.marinlafco.org.

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Keene Simonds, Executive Officer
1401 Los Gatos Drive, Suite 220
San Rafael, California 94903
T: 415-448-5877 E: staff@marinlafco.org
www.marinlafco.org

Judy Arnold, Regular
County of Marin
Damon Connolly, Regular
County of Marin
Kate Sears, Alternate
County of Marin

Carla Condon, Vice Chair
Town of Corte Madera
Gary Phillips, Regular
City of San Rafael
Sashi McEntee, Alternate
City of Mill Valley

Jack Baker, Regular
North Marin Water District
Craig K. Murray, Regular
Las Gallinas Valley Sanitary
Lew Kious, Alternate
Almonte Sanitary

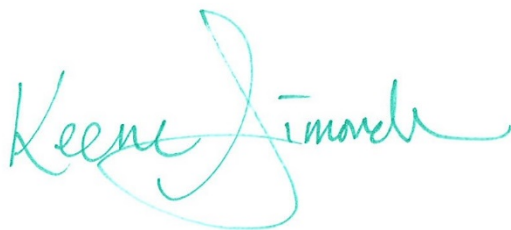
Jeffrey Blanchfield, Chair
Public Member
Chris Burdick, Alternate
Public Member

2. In step with streamlining the collection and analysis of information required of MTC in preparing the Draft EIR under Section 65080(b)(2)(F) it would seem reasonable to conduct one or more staff workshops between MTC and the nine Bay Area LAFCOs. This platform, notably, would help MTC and LAFCOs enhance their shared interests and duties – albeit divided between distinct functions – in regional growth management in the Bay Area.

Thank you for the opportunity to comment on the preparation of the Draft EIR and its role in informing decision-makers on potential impacts tied to MTC’s statutory task to integrate land use and transportation in the Bay Area. As reflected in the above comments Marin LAFCO’s principal interest is to help ensure the document effectively considers the impacts generated in the referenced integration with respect to local municipal service providers on a programmatic level.

Should you have any questions or related follow up please contact me at your convenience by telephone at 415-448-5877 or by email at [ksimonds@marinlafco.org](mailto:ksimonds@marinlafco.org).

Sincerely,



Keene Simonds  
Executive Officer

Attachments:

- 1) List of Local Agencies Under Marin LAFCO

cc: Marin LAFCO Commissioners  
Bay Area LAFCO Executive Officers

# ATTACHMENT TO LETTER

## AGENCIES SUBJECT TO MARIN LAFCO JURISDICTION

Marin LAFCO has explicit jurisdiction over 65 local governmental agencies in Marin County. These agencies include all 11 cities/towns, 30 independent special districts (i.e., directly elected board members), and 24 dependent special districts (appointed board members from other governmental agencies). A current listing of agencies subject to Marin LAFCO follows.

### A. Cities and Towns:

- Belvedere
- Corte Madera
- Fairfax
- Larkspur
- Mill Valley
- Novato
- Ross
- Sausalito
- San Rafael
- San Anselmo
- Tiburon

### B. Independent Special Districts *(Directly Elected Governing Boards)*

- Almonte Sanitary District
- Alto Sanitary District
- Bel Marin Key Community Services District
- Bolinas Fire Protection District
- Bolinas Community Public Utility District
- Homestead Valley Sanitary District
- Inverness Public Utility District
- Kentfield Fire Protection District
- Las Gallinas Valley Sanitary District
- Marin City Community Services District
- Marin County Resource Conservation District
- Marin Healthcare District
- Marin Municipal Water District
- Marinwood Community Services District
- Muir Beach Community Services District
- North Marin Water District
- Novato Fire Protection District

- Novato Sanitary District
- Richardson Bay Sanitary District
- Ross Valley Sanitary District (County Sanitary District 1)
- Sausalito-Marín City Sanitary District
- Sleepy Hollow Fire Protection District
- Southern Marin Fire Protection District
- Stinson Beach Fire Protection District
- Stinson Beach Water District
- Strawberry Recreation District
- Tamalpais Community Services District
- Tiburon Fire Protection District
- Tiburon County Sanitary District (County Sanitary District 5)
- Tomales Village Community Services District

### C. Dependent Special Districts (Appointed Governing Boards)

- County Service Area 1 (Loma Verde)
- County Service Area 6 (Gallinas Creek)
- County Service Area 9 (Northbridge)
- County Service Area 13 (Upper Lucas Valley)
- County Service Area 14 (Homestead Valley)
- County Service Area 16 (Greenbrae)
- County Service Area 17 (Kentfield/Larkspur)
- County Service Area 18 (Las Gallinas)
- County Service Area 19 (Country Club)
- County Service Area 20 (Indian Valley, Country Club, and Domingo Canyon)
- County Service Area 23 (Terra Linda)
- County Service Area 25 (San Marin)
- County Service Area 27 (Ross Valley)
- County Service Area 28 (West Marin)
- County Service Area 29 (Paradise Cay)
- County Service Area 31 (Unincorporated Area)
- County Service Area 33 (Stinson Beach)
- Marin/Sonoma Mosquito and Vector Control District
- Marin County Parks Open Space District
- San Rafael Sanitation District
- Corte Madera Sanitary District No. 2
- Murray Park Sewer Maintenance District
- San Quentin Village Sewer Maintenance District
- Marin County Flood Control and Water Conservation District



# Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

## AGENDA REPORT

June 8, 2017

Item No. 10 (Consent/Information)

June 1, 2017

**TO:** Marin Commissioners  
**FROM:** Keene Simonds, Executive Officer  
**SUBJECT:** **Marin LAFCO Brochure**

Consistent with the adopted workplan the Commission will receive a copy of the newly created brochure on Marin LAFCO. The brochure has been prepared by staff and based on earlier input from the Commission and part of the agency’s ongoing interest in advancing its branding efforts in Marin County. The brochure is being provided for information with an opportunity for Commissioners to provide direction on desired revisions going forward.

Local Agency Formation Commissions (LAFCOs) are subdivisions of the State of California and currently responsible for administering the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH). LAFCOs are located in all 58 counties and tasked with regulating and planning the orderly formation and expansion of local government agencies and their municipal service areas based on local conditions and needs; the latter taking into account both current and future residents. This also includes – importantly – balancing the need to accommodate new growth and development with the sometimes competing interest of protecting agricultural and open-space resources.

### A. Information and Discussion

#### Adopted Workplan | Creation of an Agency Brochure

Marin LAFCO’s (“Commission”) current fiscal year workplan was adopted at a noticed public hearing held on June 9, 2016. The workplan was prepared along with the fiscal year budget and serves as a management tool to allocate Commission resources in accomplishing targeted projects consistent with members’ collective preferences. This includes a targeted project in the current workplan to prepare an agency brochure as part of the Commission’s ongoing efforts to improve agency branding and more effectively communicate core duties and responsibilities to the general public.

With the preceding direction in mind, this item is for the Commission to receive a copy of the newly created brochure on Marin LAFCO. The brochure is for immediate use and has been prepared by staff drawing on earlier input provided by Commissioners. The brochure is purposefully organized to provide a user-friendly overview of the Commission with respect to legislative background, prescribed goals, existing duties, and a summary description of the affected local agencies subject to Marin LAFCO oversight.

**Administrative Office**  
Keene Simonds, Executive Officer  
1401 Los Gamos Drive, Suite 220  
San Rafael, California 94903  
T: 415-448-5877 E: staff@marinlafco.org  
www.marinlafco.org

Damon Connolly, Regular  
County of Marin  
Dennis J. Rodoni, Regular  
County of Marin  
Judy Arnold, Alternate  
County of Marin

Carla Condon, Vice Chair  
Town of Corte Madera  
Sashi McEntee, Regular  
City of Mill Valley  
Matthew Brown, Alternate  
City of San Anselmo

Jack Baker, Regular  
North Marin Water District  
Craig K. Murray, Regular  
Las Gallinas Valley Sanitary  
Lew Kious, Alternate  
Almonte Sanitary District

Jeffry Blanchfield, Chair  
Public Member  
Chris Skelton, Alternate  
Public Member

## **B. Commission Review**

This item has been agendaized as part of the consent calendar for information. The Commission is invited to discuss the item and provide direction any desired revisions in subsequent updates. Commissioners are also encouraged to request additional copies of the brochure for their own distribution within Marin County.

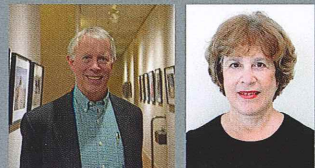
Attachments:

- 1) Marin LAFCO Brochure



# The Who | Commissioners

Decision-making at Marin LAFCO is directly vested with an 11-member Commission. The Commission is divided between seven regular members and four alternate members. Representation on the Commission is also divided between four distinct appointee categories: (a) three from the County of Marin; (b) three from the cities and towns; (c) three from the independent special districts; and (d) two from the general public. The Commission holds regular meetings on the second Thursday of each even-numbered month at 7:00 P.M. at Marin Clean Energy located at 1125 Tamalpais Avenue in San Rafael. Special meetings are also scheduled throughout the year as needed.



**Jeffrey Blanchfield**  
General Public  
Chair

**Carla Condon**  
Town of Corte Madera  
Vice Chair



**Jack Baker**  
North Marin Water

**Damon Connolly**  
County of Marin

**Sashi McEntee**  
City of Mill Valley

**Craig Murray**  
Las Gallinas Valley

**Dennis J. Rodoni**  
County of Marin



**Judy Arnold**  
County of Marin  
Alternate

**Matthew Brown**  
Town of San Anselmo  
Alternate

**Lew Kious**  
Almonte Sanitary  
Alternate

**Chris Skelton**  
General Public  
Alternate

*Roster as of May 2017*

State law directs the Commission and its 11-members shall independently fulfill their duties and responsibilities while serving on Marin LAFCO in the best interest of the general public, and irrespective of interests of any of the appointing authorities. State law also specifies a Commissioner shall only be disqualified from voting on matters unless they have a reportable or reasonably foreseeable direct financial interests.

# Online Resources

The following resources are available 24/7 online at [marinlafco.org](http://marinlafco.org)

- Meeting information, including current and past agendas along with associated staff reports
- Current and past studies on local governmental services in Marin County, including municipal service reviews.
- Application materials to initiate boundary changes and outside municipal service extensions.
- Interactive mapping system showing local governmental boundaries in Marin County.
- Video recordings of past Commission meetings.

# Hours of Operation

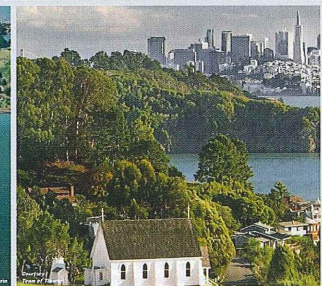
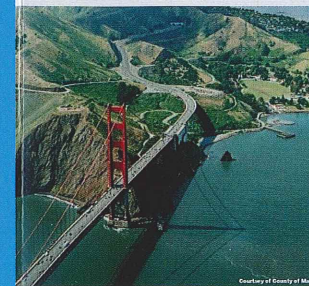
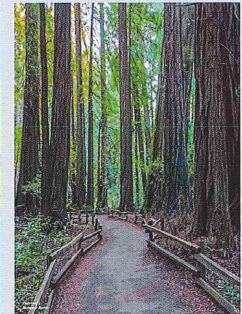
Day	Hours
Monday	8:00am - 5:00pm
Tuesday	8:00am - 5:00pm
Wednesday	8:00am - 5:00pm
Thursday	8:00am - 5:00pm
Friday	8:00am - 4:00pm

Marin LAFCO is a small governmental agency, and it is common for the office to be periodically closed during normal business hours. With this in mind, it is recommended all potential visitors call ahead and make an appointment.

# Contact Information



Marin LAFCO's administrative office is located at 1401 Los Gamos Drive, Suite 220, San Rafael, California, 94903. The administrative office is immediately accessible from Highway 101 by taking the Lucas Valley Road exit. General inquires should be directed by telephone at 415.488.5877 or by e-mail at [staff@marinlafco.org](mailto:staff@marinlafco.org).



# Marin County Local Agency Formation Commission

Regional Service Planning | State of California



- Facilitate Orderly Development
- Discourage Urban Sprawl
- Ensure Efficient Municipal Services
- Protect Open Space and Agriculture
- Prepare Independent Studies

# The Why | History

Local Agency Formation Commissions (LAFCOs) were established in 1963 by the California Legislature with the initial tasks of approving or disapproving proposals for the incorporation of new cities and creation of new special district in all 58 counties. The impetus leading to LAFCOs' creation began several years earlier when the newly elected Governor Edmund (Pat) Brown created the Commission on Metropolitan Area Problems and tasked this blue-ribbon group with making recommendations to coordinate the management of statewide growth and development. Markedly, at the time, county governments were largely empowered to form and expand cities and special districts without any substantive oversight. The prior decade highlighted the need for coordinated management as California's population increased between 1950 and 1960 by more than half from 10.6 million to 15.9 and approximately 100 cities and special districts were formed, often with illogical and overlapping boundaries.

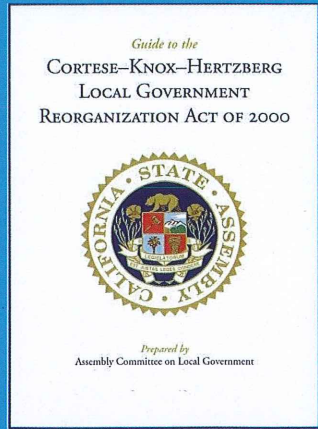


The Commission on Metropolitan Area Problems and its findings ultimately led to a unique compromise between the State and local government as it relates to setting regional growth management responsibilities in California. This compromise remains largely intact today in which the Legislature sets policies and procedures for managing the formation and post-formation development of local agencies highlighted by the directive to curb sprawl and protect agriculture while delegating implementation to locally elected officials through LAFCOs.

LAFCOs' power and authority have increasingly expanded since their creation in 1963 through additional legislation and in step with the State's ongoing interest in ensuring effective local governance. The substantive result of the additional legislation over the past 50 plus years is the delineation of two distinct LAFCO duties: (a) regulating the physical development of cities, towns, and special districts and their service areas and (b) informing such decisions through various planning activities.

# The What | Duties and Responsibilities

Marin LAFCO is a subdivision of the State of California and currently responsible for administering the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH). This includes regulating and planning the orderly formation and expansion of local government agencies and their municipal service areas based on local conditions and circumstances. In carrying out its duties, LAFCO is required to balance orderly development with the sometimes competing state interests of discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently extending government services, and providing housing for persons and families of all incomes.



Marin LAFCO's authority in regulating and planning government boundaries and service areas in Marin County include, but not limited to, the following:

- Establish new cities, towns, and special districts through incorporations and formations.
- Increase or decrease city, town, and special district jurisdictional boundaries through annexations and detachments.
- Consolidate or merge two or more existing cities, towns, and special districts.
- Disincorporate and dissolve cities, towns, and special districts.
- Establish and regularly update spheres of influence - which are plans for the probable jurisdictional boundaries and services areas and gatekeepers in allowing future changes - for all cities, towns, and special districts.
- Regularly conduct independent studies - including municipal service reviews - evaluating the availability, performance, and need for governmental services to inform the Commission's regulatory functions.

# The Who | Local Agencies Subject to Marin LAFCO

Marin LAFCO has direct jurisdiction over 65 current local governmental agencies located throughout Marin County. These agencies include 11 cities and towns, 30 independent special districts (i.e., directly elected board members), and 24 dependent special districts (i.e., appointed board members from other governmental agencies).

### Cities and Towns

- 11 incorporated communities in Marin County as of 2017
- Incorporation dates range from 1874 (San Rafael) to 1964 (Tiburon)
- Boundaries and service areas determined by LAFCO
- Services determined by the agency
- Primary functions generally include land use control and police protection

### Special Districts

- 54 special districts in Marin County as of 2017
- Formation dates range from 1899 (Ross Valley Sanitary District) to 1999 (Tomas Community Services District)
- Boundaries and service areas determined by LAFCO
- Services determined by LAFCO
- Primary function is to provide urban services in support of development planned and approved by the County of Marin and 11 cities and towns

Marin LAFCO also has indirect oversight of joint-power authorities (JPAs); legally separate government agencies authorized under State law to provide contract municipal services - such as water, wastewater, and fire - on behalf of two or more member agencies, and typically consisting of counties, cities, towns, and special districts. Beginning in 2016 all JPAs providing a local municipal service as defined by LAFCO must file their agreements and any subsequent amendments with LAFCO.

It is important to note there are additional "districts" in Marin County that are legislatively exempted from LAFCO oversight. Most commonly, this includes all school districts and community facilities districts.



# Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

## AGENDA REPORT

June 8, 2017

Item No. 11 (Consent/Information)

June 1, 2017

**TO:** Marin Commissioners

**FROM:** Keene Simonds, Executive Officer  
Rachel Jones, Administrative Analyst

**SUBJECT: Current and Pending Proposals**

The Commission will receive a report identifying active proposals on file with Marin LAFCO as required under statute. The report also identifies pending local agency proposals to help telegraph future workload. The report is being presented to the Commission for information only.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”) delegates Local Agency Formation Commissions (LAFCOs) with regulatory and planning duties to coordinate the formation and development of local governmental agencies and their municipal services. This includes approving or disapproving boundary changes involving the formation, expansion, merger, and dissolution of cities, towns, and special districts as well as sphere of influence amendments. It also includes overseeing outside service extensions. Proposals involving jurisdictional changes filed by landowners or registered voters must be agendized as information items before any action may be considered by LAFCO at a subsequent meeting.

### A. Information/Discussion

#### Current Proposals | Approved and Awaiting Term Completions

The following three proposals were previously approved by Marin LAFCO (“Commission”), but remain active given not all approval terms established by the membership have been satisfied. CKH provides applicants one calendar year to complete approval terms or receive extension approvals before the proposals are automatically terminated.

- **Annexation of 263 Second Street et al. |**

- **Tomales Village Community Services District (LAFCO File No. 1321)**

- This proposal was filed by the affected landowners (Alex Derbes and Rebecca Hodges) requesting approval to annex approximately 0.82 unincorporated and partially improved acres covering four legal lots to the Tomales Village Community Services District (TVCS D). The stated purpose of the proposal is to make public sewer available to the applicants’ single-family residence at 263 Second Street (102-041-42) and in doing so eliminate an aging septic system while also facilitating possible future improvements. The other three lots are all undeveloped and included in the proposal as a cost-savings measure and in step with their

possible future development (102-041-40; 41; and 43). The Commission approved the proposal without amendments on August 13, 2015. The Commission also termed approval to include – among other items – recordation of a written agreement between the landowners and a neighboring owner for an easement to ensure gravity access to the TVCSD sewer main. Terms remain outstanding as of date and therefore the proposal remain active. The Commission separately approved a one-year extension to complete the terms in August 2016.

- **Annexation of 700 and 726 Sequoia Valley Road | Homestead Valley Sanitary District (LAFCO File No. 1322)**

This proposal was filed by the Homestead Valley Sanitary District requesting approval to annex approximately 1.1 acres of unincorporated territory. The stated purpose of the proposal is to align HVSD’s existing jurisdictional boundary with its existing service area given the affected territory and its two developed residential parcels at 700 (046-231-07) and 726 (046-301-01) Sequoia Valley Road connected to the District through non-conforming connections in the early 1990s. The Commission approved the proposal with amendments to include adjacent portions of the public right-of-way along Sequoia Valley Road and Panoramic Highway on June 9, 2016 with standard terms. Terms remains outstanding as of date and therefore the proposal remains active with a separately scheduled time extension requested as part of Agenda Item No. 7.

- **Annexation of 355 and 347 Margarita Drive | San Rafael Sanitation District (LAFCO File No. 1333)**

This proposal was filed by the affected landowner (Matthew Thomas) at 355 Margarita Drive (016-011-19) requesting approval to annex an approximate 0.52 acre parcel in the unincorporated community of Country Club to the San Rafael Sanitation District (SRSD). The stated purpose of the proposal is to make public sewer available to facilitate a home remodeling project and in doing so eliminate a private septic system. The Commission approved the proposal with an amendment to include an adjacent unincorporated parcel at 347 Margarita Drive (016-011-18) along with terms on February 9, 2017; the latter highlighted by requiring both landowners to record consent agreements to annex into the City of San Rafael should it be proposed in the future. All terms are complete with the exception of a final map and description, and as such the proposal remains active.

### **Current Proposals | Under Review and Awaiting Hearings**

There are currently four active proposals on file with the Commission that remain under administrative review and awaiting hearings as of the date of this report.

- **Annexation of 1501 Lucas Valley Road | Marin Municipal Water District (LAFCO File No. 1324)**

The Commission has received an application by the affected landowner (Andre Souang) requesting approval to annex approximately 61.3 acres of unincorporated/improved territory (164-280-35) located at 1501 Lucas Valley Road to Marin Municipal Water District (MMWD). The affected territory is improved

with an existing single-family residence and was recently acquired by the applicant with the intention of serving as a primary residence going forward. The applicant is proposing annexation to MMWD to provide a reliable source of domestic water service given concerns regarding the continued use of an onsite well. The Commission extracted this proposal from an earlier and larger application involving a concurrent sphere amendment and annexation request to the Las Gallinas Valley Sanitary District, which was conditionally approved with amendments on February 12, 2015 and ultimately recorded on September 12, 2016. The application remains incomplete at this time and await a consent determination by MMWD.

- **Annexation of 255 Margarita Drive | San Rafael Sanitation District (LAFCO File No. 1328)**

The Commission has received a proposal by the affected landowner (Paul Thompson) requesting annexation approval of 255 Margarita Drive (016-011-29) in the unincorporated island community of Country Club to the San Rafael Sanitation District. The affected territory is approximately 1.1 acres in size and currently developed with a single-family residence. It also recently established service with the San Rafael Sanitation District as part of a LAFCO approved outside service connection due to evidence of a failing septic system. The outside service extension was conditioned – among other items – on the applicant applying to LAFCO to annex the affected territory to the San Rafael Sanitation District as a permanent means to public wastewater service.<sup>1</sup> The application remains incomplete at this time and await a consent determination by SRSD.

- **Annexation of 571 McClay Road | Novato Sanitary District (LAFCO File No. 1334)**

The Commission has received a proposal by the affected landowner (Saratoga LLC) requesting annexation approval of 571 McClay Road (146-180-46) in the unincorporated community of Indian Valley to the Novato Sanitary District. The affected territory is approximately 3.3 acres in size and currently developed with a single-family residence and presently dependent on a private septic system. The affected territory already lies within the established sphere of influence for Novato Sanitary District. The applicant is seeking annexation given the septic system has failed. The residence is currently vacant and as such does not pose an immediate public health threat as further detailed in the accompanying footnote.<sup>2</sup> The application is currently under review and is deemed incomplete at this time while – and among other items – an initial study as requested by the City of Novato be prepared to assess potential environmental impacts under State law.

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<sup>1</sup> The outside service extension originally extended for one calendar year through August 13, 2016 before receiving separate six month extensions that currently run one full calendar year to August 13, 2017.

<sup>2</sup> Marin LAFCO initially received a request from Novato Sanitary District on March 10<sup>th</sup> to approve an outside sewer service extension involving the affected territory given concern regarding a septic failure reported and verified by the County Environmental Health Services. As allowed under adopted policy, the Chair approved the outside service extension request on March 14<sup>th</sup> subject to formal Commission ratification and completion of certain conditions – including the ability to establish an actual connection to the sewer main within 10 business days. This and other conditions generated additional discussion and in step with the current renters relocating to another property it was collectively determined the outside service request would be tabled in favor of a formal annexation proposal.

- **Reorganization of 400 Upper Toyon Road | City of San Rafael and Town of Ross (LAFCO File No. 1335)**

The Commission has received a proposal from the affected landowner (Raphael de Balmann) requesting approval to reorganize one incorporated parcel totaling 2.5 acres located at 400 Upper Toyon Drive (012-121-28) in the City of San Rafael. The proposed reorganization involves the detachment of the affected territory and concurrent annexation therein to the Town of Ross. The affected territory is developed to date with a four-bedroom single-family residence and accessible through a privately-owned and maintained road located atop a ridge at approximately 520 feet. The stated purpose of the proposal is to match the affected territory with the applicant's preferred municipality given communities of interests with Ross. Concurrent sphere of influence amendments would be needed to accommodate the request. The application is currently under review and is deemed incomplete at this time while – and among other items – a property tax exchange between the affected agencies is negotiated.

### Pending Proposals

There are three potential new proposals staff believes *may* be submitted to the Commission in the near future from local agencies based on ongoing discussions with proponents (emphasis added).<sup>3</sup> These potential proposals are summarized below to aid the Commission in telegraphing the agency's impending workload.

- **Outside Fire Service Contract Approval | City of Larkspur and Town of Corte Madera**

The City of Larkspur and Town of Corte Madera are working with Commission staff on a proposal for Marin LAFCO consideration to approve a new outside fire service agreement. The anticipated proposal is part of the municipalities' collective interests to form a new stand-alone joint-powers authority (JPA) to assume fire service protection responsibilities within both municipal jurisdictions. The formation of the JPA as the contract provider triggers compliance with the recent enactment of Senate Bill 239 (Hertzberg) and its provisions that certain types of outside fire service arrangements – and namely those expanding service responsibilities or employment status by more than 25% – now requires LAFCO approval and subject to certain determinations.

\* This project may become exempt from Commission review should a local policy ultimately be adopted as detailed in Agenda Item No. 13.

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<sup>3</sup> Staff uses discretion in listing pending proposals and limits notice to only activities to be initiated by a local governmental agency. Pending proposals to be initiated by landowners and/or registered voters are not disclosed until an actual filing is made.

- **Police Power Activation |  
Muir Beach Community Services District**

The Muir Beach Community Services District – which presently provides water, fire, and recreation services – has conveyed interest on a potential proposal to activate the District’s latent police powers. This interest is borne from the District’s desire to establish and maintain more effective traffic/parking control either directly or by contract with an existing law enforcement agency. The interest – which has been effectuated in areas like Pebble Beach (Monterey County) – responds to an increasing problem with visitors to Muir Beach where illegal/haphazard parking has become a public nuisance to community residents.

- **Convents, Contracts, and Restrictions Service Power Activation |  
Bel Marin Community Services District**

The Bel Marin Community Services District – which presently provides park and recreation, reclamation, and lighting services – received special legislation through Assembly Bill 1995 (Levine) to add enforcement of convents, contracts, and restrictions (CCRs) as a latent power under its principal act. The special legislation became effective January 1, 2015 with the intent the District will proceed to apply for formal activation approval with Marin LAFCO as part of an agreement with the local home owner associations.

## **B. Commission Review**

This item has been agendized as part of the consent calendar for information only as required under State law. The Commission is invited to discuss the item and provide direction to staff on any related matter as needed for future discussion and/or action.

Attachments: none

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# Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

## AGENDA REPORT

June 8, 2017

Item No. 12 (Public Hearing)

June 2, 2017

**TO:** Marin Commissioners  
**FROM:** Keene Simonds, Executive Officer  
Rachel Jones, Administrative Analyst

**SUBJECT: Proposal for Reorganization of 238 Summit Drive et al | Concurrent Annexations Involving Corte Madera Sanitary District and Ross Valley Sanitary District (LAFCO File No. 1336)**

The Commission will consider a reorganization proposal filed on behalf of interested landowners from the Corte Madera Sanitary District involving four incorporated parcels in the Town of Corte Madera totaling 4.5 acres. The proposal seeks approval to concurrently annex 244, 246, and 260 Summit Drive to Corte Madera Sanitary District and 238 Summit Drive to the Ross Valley Sanitary District. The proposal’s purpose is to formalize and rationalize current public wastewater services provided in the affected territory through earlier actions outside of Marin LAFCO. Staff recommends approval without modifications while applying standard terms. Conforming sphere amendments are needed and recommended. The subject parcels comprising the affected territory are identified by the County of Marin Assessor’s Office as 021-161-20, 021-161-26, 021-161-17, and 021-161-02.

Local Agency Formation Commissions (LAFCOs) are responsible under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”) to regulate the formation and development of local governmental agencies and their municipal service areas. This includes approving or disapproving proposed changes of organization, such as boundary changes, consistent with adopted policies and procedures pursuant to California Government Code (G.C.) Section 56375. LAFCOs are authorized to exercise broad discretion in amending as well as establishing conditions in approving changes of organization as long as they do not directly regulate land use.

### A. Background

#### Applicant Request | Affected Territory as Proposed

Marin LAFCO (“Commission”) has received a proposal through a resolution of application from Corte Madera Sanitary District (CMSD) requesting reorganization approval involving four incorporated parcels totaling 4.5 acres in the Town of Corte Madera. It is proposed three of the parcels at 244, 246, and 260 Summit Drive annex to CMSD. It is further proposed the fourth parcel at 238 Summit Drive annex to the Ross Valley Sanitary District

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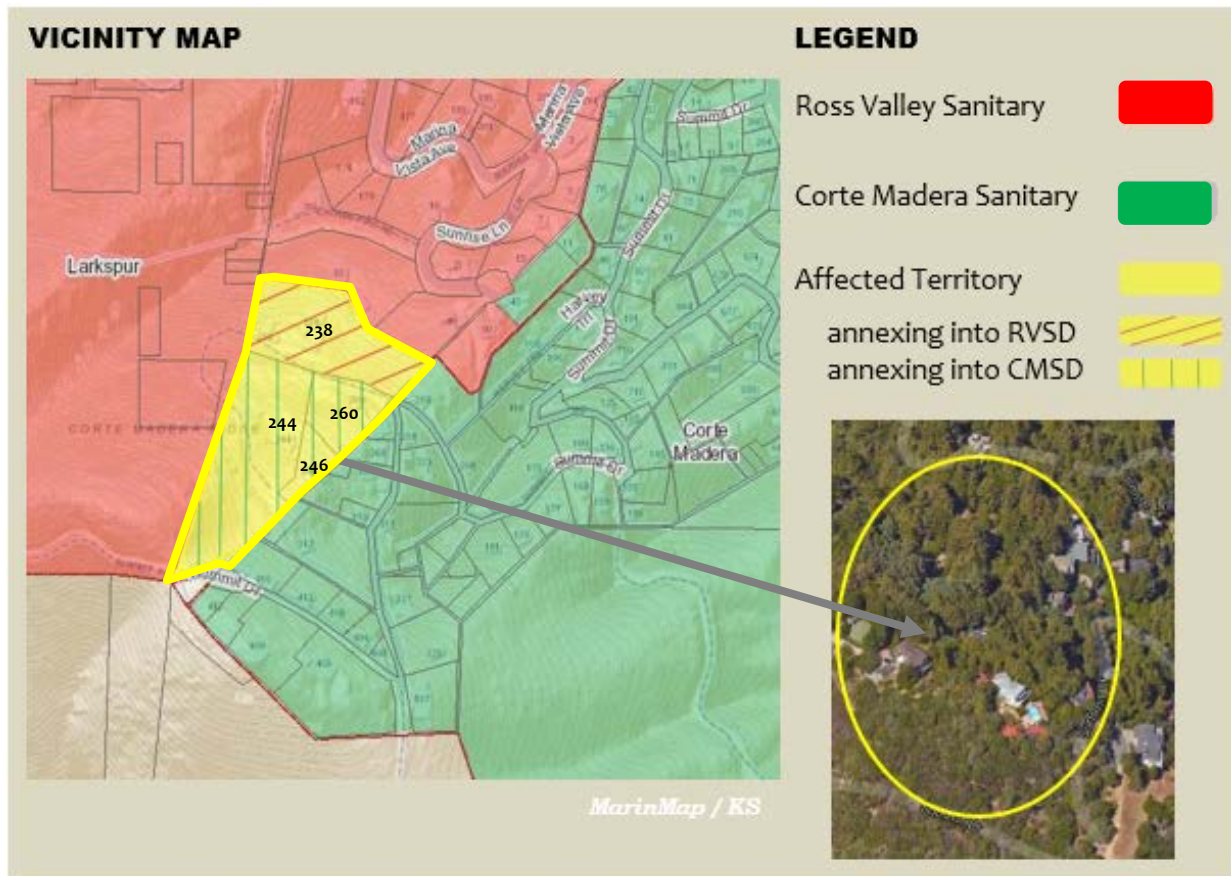
Damon Connolly, Regular  
County of Marin  
Dennis J. Rodoni, Regular  
County of Marin  
Judy Arnold, Alternate  
County of Marin

Carla Condon, Vice Chair  
Town of Corte Madera  
Sashi McEntee, Regular  
City of Mill Valley  
Matthew Brown, Alternate  
City of San Anselmo

Jack Baker, Regular  
North Marin Water District  
Craig K. Murray, Regular  
Las Gallinas Valley Sanitary  
Lew Kious, Alternate  
Almonte Sanitary District

Jeffrey Blanchfield, Chair  
Public Member  
Chris Skelton, Alternate  
Public Member

(RVSD). RVSD has been consulted during the application process and has not filed an objection as allowed under CKH. All landowners have consented to the proposal.



### Other Subject Agencies

The affected territory as proposed lies entirely within the Town of Corte Madera. It also lies within the boundaries of several special districts and marked by the Marin Municipal Water District. The affected territory lies also within Tamalpais Union High School District, Corte Madera School District, and Marin Community College District. All subject agencies have been provided notice of the proposal as required under CKH.

### B. Discussion

This item is for the Commission to consider approving – with or without physical modifications – the applicant’s reorganization proposal to concurrently annex 244, 246, and 260 Summit Drive to CMSD and 238 Summit Drive to RVSD. The Commission may also consider applying conditions to an approval so long as it does not directly regulate land use, property development, or subdivision requirements.

## Proposal Purpose

The primary purpose of the proposal is to formally authorize current public wastewater services within the affected territory and in support of existing single-family residential development. Markedly, and as documented in the application materials, all four of the affected parcels already send – albeit through unorthodox and or disjointed means – wastewater to CMSD or RVSD. The following summary details current service arrangements for each parcel.

The proposal's purpose is to formalize and rationalize current public wastewater services provided in the affected territory through earlier actions outside of Marin LAFCO.

- 238 Summit Drive (021-161-01) has an existing and pre CKH outside service agreement with CMSD and is billed accordingly for wastewater services. However, and upon a recent inspection, it has been determined the parcel actually flows into RVSD. It is proposed this parcel annex into RVSD.
- 244 Summit Drive (021-161-20) has an existing and pre CKH outside service agreement with CMSD and is billed accordingly for wastewater services. Actual wastewater access is provided by an unsecured easement connecting plumbing downhill to 238 Summit Drive, and as a result the parcel actually flows in RVSD. It is proposed this parcel annex into CMSD.
- 246 Summit Drive (021-161-26) currently flows to RVSD through an unauthorized lateral connection. This parcel is not billed. Actual wastewater access is provided by an unsecured easement connecting plumbing downhill to 238 Summit Drive. It is proposed this parcel annex into CMSD.
- 260 Summit Drive (021-161-17) currently flows to CMSD through an unauthorized lateral connection directly to the District sewer main. This parcel is not billed. It is proposed this parcel annex into CMSD.

## Development Potential

The affected territory as detailed in Appendix B is designated and zoned by the Town of Corte Madera for low-density residential development. The existing zoning allowance prescribes a minimum lot size of 0.46 acres for all four subject parcels. This development threshold potentially allows for additional density within two of the four subject at 238 and 244 Summit Drive to include up to three and four residential lots, respectively, and irrespective of other limiting factors that includes applicability of the Town's Hillside Overlay. Density increases for the remaining two lots at 244 and 260 Summit Drive are not permissible based on existing zoning. Intensity improvements, and specifically second units, are allowed for all four subject parcels under existing zoning.

## Commission Focus

Staff has identified three central and sequential policy items for the Commission in considering the merits of the submitted proposal under CKH. These policy items ultimately take the form of Commission determinations and orient the membership to consider – and in sequential order – the stand-alone merits of (a) amending the spheres of influence for CMSD and RVSD, (b) timing of the requested reorganization itself, and (c) whether applying discretionary modifications or terms are appropriate.

### C. Analysis

The analysis of the proposal is organized into two subsections. The first subsection considers the three central policy issues introduced in the preceding section. This pertains to evaluating the merits of accommodating sphere amendments, the timing of the proposed reorganization relative to the factors mandated for review by the Legislature as well as through local policies, and whether approval modifications or terms are appropriate. The second subsection considers issues required by other applicable State statutes in processing boundary changes. This includes making findings for the proposal under the California Environmental Quality Act.

## Consideration of Central Policy Items | Sphere Amendments, Reorganization Timing, and Modifications and Terms

### Policy Item No. 1 | Sphere Amendments

Staff believes amendments to RVSD and CMSD’s spheres to collectively include the affected territory as proposed is sufficiently justified under CKH and adopted local policy and marked by deference to three related policy factors. First, the affected territory lies in a developing urban area, and as such public wastewater services are readily contemplated under CKH and local policy, and should be planned accordingly by local agencies as selected by the Commission through sphere designations. Second, development in the affected territory – albeit through unorthodox and disjointed means – is already dependent in directing wastewater to CMSD or RVSD, and sphere amendments therein would reflect and rationalize these existing relationships. Third, proceeding with the sphere amendments are sufficiently informed by the Commission’s recently prepared Central Marin Wastewater Study; a municipal service review that includes a detailed evaluation of both agencies’ wastewater systems. Statements addressing the specific factors required under CKH in making sphere amendments is provided as Appendix A.

#### **Conclusion on Sphere Amendments:**

Amending the CMSD and RVSD spheres to collectively add the affected territory appears sufficiently merited for reasons detailed. This includes aligning the spheres in support of current and planned urban uses as well as reflecting and ultimately improving existing service commitments. Amending the spheres are also sufficiently informed by the Commission’s recently prepared Central Marin Wastewater Study.

## **Policy Item No. 2 | Reorganization Timing**

The timing of the proposed reorganization – and specifically annexing 244, 246, and 260 Summit Drive to CMSD and 238 Summit Drive to RVSD – appears appropriate and highlighted by the analysis of the 16 factors required for consideration under CKH.<sup>1</sup> The majority of the prescribed factors under CKH focus on the impacts of the proposed annexations on the service and financial capacities of the two affected agencies. No single factor is determinative and the intent is to provide a uniform baseline for LAFCOs in considering all boundary changes in context to the Commission’s own adopted policies and practices. A summary of key conclusions generated in the review of these factors for the reorganization proposal follows with a complete analysis provided in Appendix B.

- Reorganization of the affected territory to annex 244, 246, and 260 Summit Drive to CMSD and 238 Summit Drive to RVSD is consistent with the adopted land use policies of the existing and preferred land use authority – Corte Madera – as designated by the Commission by placing the lands within the Town’s sphere.
- Corte Madera’s land use policies covering the affected territory were most recently reviewed and ultimately affirmed in 2009 as part of an update to the Town General Plan. This planning document along with conforming zoning assignments contemplate residential uses for the affected territory and at a density/intensity level that merits the Commission authorize the extension of municipal wastewater services to the subject parcels.
- Reorganization of the affected territory to annex 244, 246 and 260 Summit Drive to CMSD and 238 Summit Drive to RVSD can be readily accommodated by the agencies’ existing infrastructure. This includes both agencies having excess capacities to accommodate projected uses should the affected territory be developed at its maximum density/intensity as allowed by Corte Madera.
- The reorganization would serve as a beneficial and needed clean-up to formalize and rationalize the existing provision of wastewater service previously established in the affected territory outside of the Commission’s approval process.
- The reorganization would significantly reduce an existing “non-jurisdictional island” in which the affected territory is substantially surrounded collectively by CMSD and RVSD.

### **Conclusion on Reorganization Timing:**

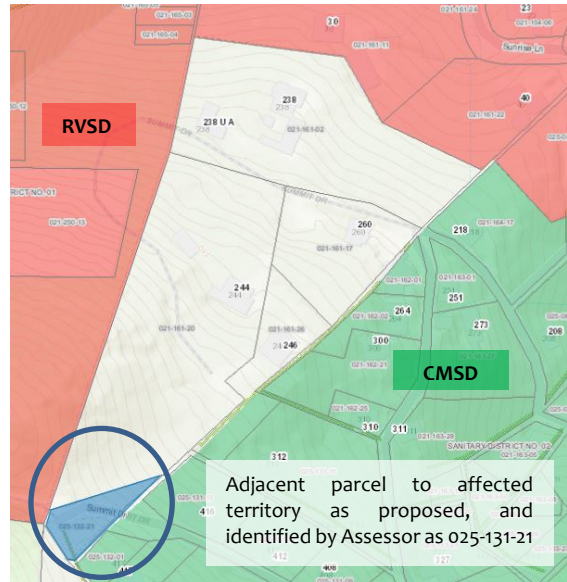
The timing of the reorganization proposal appears sufficient under CKH an adopted policy given the referenced (a) planning consistency, (b) service need, and (c) capacity of the agencies’ infrastructure to accommodate the potential maximum buildout.

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<sup>1</sup> There are 15 standard factors that apply to all boundary changes with a 16<sup>th</sup> factor applying to boundary changes involving special districts under Government Code Section 56668.

### Policy Item No. 3 | Potential Modifications and Terms

Staff has identified one potential boundary modification in the course of reviewing the proposal relative to CKH and local policies that merit consideration by the Commission, although ultimately not recommended for reasons provided. This potential modification would involve the addition of an adjacent and approximate 1.0 acre parcel immediately to the south of the affected territory closest to 244 Summit. The adjacent parcel – which is undeveloped and identified by the County Assessor as 025-132-21 – represents the rest of the substantially surrounded “island” that the affected territory as proposed comprises. To this end, the primary merit in adding this adjacent parcel to the reorganization would be to further rationalize boundaries and eliminate the existing substantially surrounded island.



The demerits in proceeding with this potential modification, however, are administratively significant. This includes creating a disconnect in which the Commission would add a parcel to CMSD or RVSD that presumably does not plan on connecting to the District in the immediate future given the associated and upfront expenses - namely a processing a development application with Corte Madera plus a connection fee and related plumbing costs; dynamics that would be further exasperated since CMSD collects user fees on the property tax roll. Other demerits are outlined in the accompanying footnote and collectively inform staff in recommending against proceeding with the modification.<sup>2</sup>

The application of standard approval terms appears sufficient and are recommended. These terms are further defined in the accompanying footnote.<sup>3</sup>

#### **Conclusion on Potential Modifications and Terms:**

No modifications to the proposal appear sufficiently merited at this time as detailed. Staff recommends the Commission apply standard approval terms.

<sup>2</sup> Proceeding with the referenced modification would also trigger protest proceedings and costs therein as well as require additional environmental review given the adjacent parcel is undeveloped and presently unserved; both of which preclude the reasonable use of the exemption that applies to the affected territory as proposed.

<sup>3</sup> Standard approval terms include requiring the applicant to submit outstanding fees, prepare a final map an description of the affected territory with any modifications required by the Commission, and completing the necessary reconsideration periods under both CKH and the California Environmental Quality Act.

## **Other Considerations | Tax Exchange, Environmental Review, and Protest Proceedings**

### **Property Tax Exchange**

California Revenue and Taxation Code Section 99(b)(6) requires the adoption of a property tax exchange agreement by the affected local agencies before LAFCOs can consider jurisdictional changes. Markedly, and pertinent to this proposal, RTC Section 99(b)(5) allows the County of Marin to adopt a single resolution establishing a tax exchange on behalf of both affected agencies given CMSD and RVSD's status as special districts. Towards this end, and upon formal noticing by the Commission, CMSD and RVSD and through the County have agreed to a "no" exchange tax agreement for this proposal – i.e., neither CMSD or RVSD will receive any new property tax allocation if the reorganization and resulting annexations are approved and recorded.

### **Environmental Review**

The Commission is tasked with making two distinct determinations as both a lead and responsible agency for the proposal under the California Environmental Quality Act (CEQA). These roles and determinations therein are summarized as follows.

- The Commission serves as lead agency under CEQA for the conforming sphere amendments given it has sole authority to approve or deny the action. Staff has determined the activity is a project under CEQA, but exempt from further review under the "general rule" given it can be seen with certainty the sphere is a planning policy and any amendments do not make any changes to the environment or authorize any new uses or services.<sup>4</sup>
- The Commission serves as a responsible agency under CEQA for the proposed reorganization given CMSD – and through its parent governing body, Corte Madera – has assumed lead agency status as the initiating party. CMSD has determined the proposal is a project under CEQA, but exempt from further review under Public Resources Code Section 15302(c). This exemption contemplates the replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity. Staff has independently reviewed this determination and concurs it is appropriate.

### **Conducting Authority Proceedings (Protest Hearings)**

The affected territory as proposed is uninhabited under CKH and all four subject landowners have provided written consent the reorganization proceedings.<sup>5</sup> CMSD has provided their written consent to the proposal and waived their right to protest in adopting the resolution of application. RVSD has also indirectly consented to the proposal by not filing either an objection or requesting protest. Accordingly, conducting authority proceedings may be waived under CKH (G.C. Section 56663).

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<sup>4</sup> Reference to Code of Regulations Section 15301(b)(3)).

<sup>5</sup> CKH defines uninhabited as territory with less than 11 registered voters (G.C. Section 56046).

## D. Alternatives for Action

The following alternative actions are available to the Commission.

### Alternative Action One (Recommended):

- 1) Adopt the attached draft resolution conditionally approving conforming sphere of influence amendments to add all of 244, 246, and 260 Summit Drive to the CMSD sphere and all of 238 Summit Drive to the RVSD sphere.
- 2) Adopt the attached draft resolution conditionally approving a reorganization to annex all of 244, 246, and 260 Summit Drive to CMSD and all of 238 Summit Drive to RVSD.

### Alternative Action Two:

Continue consideration of the item to the next regular meeting and provide direction to staff for additional information as needed.

### Alternative Action Three:

Disapprove the proposal.

## E. Recommendation

Staff recommends proceeding with the action identified as Alternative Action One as summarized in the preceding section. These actions would provide for modest and orderly sphere and boundary expansions for CMSD and RVSD while rationalizing the existing provision of wastewater service in the affected territory consistent with CKH.

## F. Procedures for Consideration

This item has been agenzied for action as part of a noticed public hearing.<sup>6</sup> The following procedures, accordingly, are recommended in the consideration of this item:

- 1) Receive verbal report from staff;
- 2) Invite comments from the applicant or representatives (practice)
- 3) Open the hearing and invite audience comments (mandatory); and
- 4) Close the hearing, discuss item, and consider action on recommendation.

On behalf of staff,



Rachel Jones  
Administrative Analyst

### Attachments:

- 1) Draft Resolution | Conforming Sphere Amendments
- 2) Draft Resolution | Proposed Reorganization
- 3) Application Materials
- 4) Proof of Publication

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<sup>6</sup> CKH mandates all sphere of influence changes be considered at noticed public hearings (G.C. Section 56427).



## APPENDIX A

### SPHERE OF INFLUENCE AMENDMENTS ANALYSIS OF MANDATORY FACTORS GOVERNMENT CODE SECTION 56425

#### **1. Present and Planned Land Uses (G.C. Section 56425(e)(1))**

The present and planned land uses within the affected territory as well as in the surrounding area are substantively urban in nature and marked by low to moderate dense single-family residential development. These uses are reflected in the affected territory's zoning, which provides a minimum lot size of 0.46 acres for all four parcels.

#### **2. Need for Affected Agency's Services (G.C. Section 56425(e)(2))**

All four parcels comprising the affected territory have demonstrated the need for wastewater services through the earlier establishment of connections – directly and indirectly – to CMSD and RVSD. This existing service supports the current residential development occupying each parcel and is a superior alternative to the construction, operation, and maintenance of installing private septic systems.

#### **3. Adequacy of the Affected Agency's Services (G.C. Section 56425(e)(3))**

The Commission recently prepared a municipal service review on public wastewater services within Central Marin. This includes a detailed evaluation of CMSD and RVSD. This municipal service review indicates both CMSD and RVSD have established adequate administrative, service, and financial capacities to accommodate present and planned uses associated with the affected territory.

#### **4. Shared Communities of Interests (G.C. Section 56425(e)(4))**

The sphere of influence amendments to add all of 244, 246, and 260 Summit Drive to the CMSD sphere and all of 238 Summit Drive to the RVSD sphere would memorialize under CKH the social and economic ties existing between the subject parcels and agencies.

#### **5. Social Equity/Justice (G.C. Section 56425(e)(5))**

The affected territory does not lie within a disadvantaged unincorporated community, and as such does not require any additional analysis under CKH.

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## APPENDIX B

### BOUNDARY CHANGE ANALYSIS OF MANDATORY FACTORS GOVERNMENT CODE SECTION 56668

**1) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent areas, during the next 10 years.**

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The affected territory as proposed includes four legal parcels that amount to approximately 4.5 acres in size with situs addresses of 238, 244, 246, and 260 Summit Drive. All four subject parcels are developed with single-family residences with one – 238 Summit – also possessing a second unit. A private road memorialized through easements also traverses all four parcels and provides access to the affected territory off of Summit Drive. Additional use details within the affected territory is provided in the accompanying footnote.<sup>7</sup> There are approximately 10 fulltime residents within the affected territory. The current and collective assessed value of the affected territory – including land and physical improvements – tallies \$9,866,967. Analysis of growth and development potential within the affected territory is provided in the succeeding sections.

**(2) The need for municipal services; the present cost and adequacy of municipal services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.**

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The affected territory currently receives a multitude of services in support of its existing residential use from various agencies. This includes receiving the full range of municipal services provided by Corte Madera and highlighted by planning, police, and fire. All four subject parcels are also within and connected to the Marin Municipal Water District. Wastewater collection is also provided to all four parcels, albeit through unorthodox and disjointed means, from CMSD and RVSD. The proposal would formalize and rationalize wastewater services for the affected territory going forward and as detailed below.

- **Reorganizing Public Wastewater to Affected Territory**

The affected territory currently has parcels located at 238, 244 and 246 Summit Drive directing flows into RVSD, while the parcel located at 260 Summit Drive flows into CMSD. Both RVSD and CMSD convey collected flows to a regional treatment provider, Central Marin Sanitation Agency (CMSA). Should the proposal be approved, the following wastewater connections will be established/affirmed:

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<sup>7</sup> Existing development includes a 4,517 square foot living area of two units located at 238 Summit Drive; a 1,294 square foot single-residential dwelling unit at 244 Summit Drive; a 1,960 square foot single-residential dwelling unit at 246 Summit Drive; and a 3,298 square foot single-family residential unit located at 260 Summit Drive.

- 238 Summit Drive will formally connect to RVSD. This parcel presently includes a single-family residence and detached second unit. Under buildout conditions this parcel could potentially be divided into three residential lots each with the additional allowance of second units under existing zoning and subject to vetting possible constraints; the net result being a maximum unit count of six. It is estimated the flow demand at buildout with six units for this parcel is 1,182 daily gallons under dry weather conditions and 2,232 daily gallons under wet weather conditions.<sup>8</sup>
- 244 Summit Drive will establish a new connection to CMSD. This parcel presently includes a single-family residence. Under buildout conditions this parcel could be divided into four residential lots each with the additional allowance of second units under existing zoning and subject to vetting possible constraints; the net result being a maximum unit count of eight. It is estimated the flow demand at buildout with eight units for this parcel is 1,672 daily gallons under dry weather conditions and 2,544 daily gallons under wet weather conditions.<sup>9</sup>
- 246 Summit Drive will establish a new connection to CMSD. This parcel presently includes a single-family residence. Under buildout conditions this parcel cannot be further divided, but could be further intensified to include a second unit; the net result being a maximum unit count of two. It is estimated the flow demand at buildout with two units for this parcel is 418 daily gallons under dry weather conditions and 636 daily gallons under wet weather conditions.<sup>10</sup>
- 260 Summit Drive will formally connect to CMSD. This parcel presently includes a single-family residence. Under buildout conditions this parcel cannot be further divided, but could be further intensified to include a second unit; the net result being a maximum unit count of two. It is estimated the flow demand at buildout with two units for this parcel is 418 daily gallons under dry weather conditions and 636 daily gallons under wet weather conditions.<sup>11</sup>

Drawing from the preceding analysis both RVSD and CMSD have sufficient capacities to accommodate maximum buildout flows projected for the subject parcels comprising the affected territory with negligible impact on existing capacities. The additional maximum uses projected within 238 Summit Drive for RVSD would increase its overall system demand-to-capacity ratio from 5.98% to 6.01% under normal conditions (dry-weather). The additional maximum uses projected within 244, 246, and 260 Summit Drive for CMSD would increase its overall system demand-to-capacity ratio from 6.48% to 9.49%

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<sup>8</sup> It is projected the per unit wastewater flow to RVSD is 197 and 372 gallons per day under dry and wet weather conditions, respectively. Projection based on data generated as part of Marin LAFCO's recent Central Marin Wastewater Study.

<sup>9</sup> It is projected the per unit wastewater flow to CMSD is 209 and 318 gallons per day under dry and wet weather conditions, respectively. Projection based on data generated as part of Marin LAFCO's recent Central Marin Wastewater Study.

<sup>10</sup> See preceding footnote for per unit demand projections.

<sup>11</sup> See preceding footnote for per unit demand projections.

**(3) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on local governmental structure.**

---

Approving the proposal to annex all of 244, 246, and 260 Summit Drive to CMSD and all of 238 Summit Drive to RVSD would recognize existing economic and social ties between the agencies and properties. The subject parcels lie directly adjacent to the agencies and have developed to a density/intensity warranting public sewer service just as other neighboring lots have done in the recent past.

**(4) The conformity of the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies/priorities set forth in G.C. Section 56377.**

---

Proposal approval would provide for an orderly expansion of both CMSD and RVSD and in a manner that advantageously matches urban-type uses with urban-type services. The affected territory does not qualify as “open-space” under LAFCO law and therefore does not conflict with G.C. Section 56377. The affected territory, notably, is not devoted to a defined open-space use under the Corte Madera General Plan.

**(5) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by G.C. Section 56016.**

---

The affected territory does not qualify as “agricultural land” under CKH. Specifically, the affected territory is not used for any of the following purposes: producing an agricultural commodity for commercial purposes; left fallow under a crop rotational program; or enrolled in an agricultural subsidy program.

**(6) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.**

---

The proposal as submitted is parcel-specific and includes four legal parcels approximately 4.50 acres in size at 238, 244, 246 and 260 Summit Drive and identified for assessment purposes as 021-161-02, 17, 20, and 26, respectively. No lines of assessment are crossed. If the Commission approves the proposal, a map and geographic description consistent will be required and subject to the review and edit by the Executive Officer before the issuance of a Certificate of Completion.

The affected territory represents the majority of an existing “island” in which the lands are substantially surrounded by the combination of CMSD and RVSD. Approval of the proposal would significantly reduce this existing island. Modifying the proposal to include the remaining parcel would advantageously eliminate the existing island, but due to other considerations as detailed on page 6 of the agenda report is not recommended.

**(7) Consistency with the general plans, specific plans, and adopted regional transportation plans.**

The affected territory is designated for a residential-type use under the Town of Corte Madera General Plan as *Low Density Residential*. Corte Madera similarly zones the entire affected territory with a minimum lot size of 0.46 acres. These planned land uses are consistent with the proposal’s immediate and future purpose to authorize public wastewater services to all four subject parcels comprising the affected territory.

Affected Territory	Corte Madera
General Plan Designation	Residential Low Density
Zoning Standard	Residential Single Family Planned
....minimum lot size	0.46 acres

There is also no conflict between the proposal and the regional transportation plan established by the Metropolitan Transportation Commission in cooperation with the Transportation Authority of Marin.

**(8) The sphere of influence of any local agency affected by the proposal.**

The proposal requires conforming sphere of influence amendments for both CMSD and RVSD to accommodate the annexations. Analysis addressing the sphere amendments are provided in the agenda report beginning on page 4.

**(9) The comments of any affected local agency or other public agency.**

Staff provided notice of the proposal and invitation to review and provide comments – including request approval conditions – to all subject agencies and other interested public agencies as required under CKH. No substantive comments or term requests were received as of date of the agenda report.

**(10) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.**

Information collected and reviewed as part of this proposal indicates CMSD and RVSD appear to have established sufficient financial resources in formally assuming wastewater service responsibilities to the subject parcels without adversely impacting existing ratepayers. This statement is supported by the following factors.

- CMSD’s audit issued for 2014-15 shows the District has overall good liquidity levels and manageable debt obligations. This includes finishing with an agency-wide current ratio of 35.1 (i.e., \$35.10 in current assets for every \$1.00 in current liabilities) and a debt-to-net-assets ratio of 66.1 (i.e. \$66.10 of every \$100.00 in assets is tied to long-term debt.) CMSD’s operating margin for the sewer system, however, finished the fiscal year with a loss of (57.37%) and follows similar operating shortfalls over the preceding three-year period indicating a structural imbalance. These losses have been mitigated through general fund contributions and has allowed CMSD to have more than double the amount of available cash resources to cover near-term debt.

- RVSD's audit issued for 2014-15 shows the District has manageable liquidity and debt obligations. This includes finishing the 2014-15 fiscal year with an agency-wide current ratio of 4.10 (i.e., \$4.10 in current assets for every \$1.00 in current liabilities) and a debt-to-net-assets ratio of 46.1 (i.e. \$46.10 of every \$100.00 in assets is tied to long-term debt.) RVSD's operating margin for the sewer system, however, finished the fiscal year with a loss of (12.45%) and follows similar operating shortfalls over the preceding three-year period indicating a structural imbalance. These losses have been mitigated by RVSD generating positive total margins in all preceding subject years with an average net income of 16.25%.

**(11) Timely availability of water supplies adequate for projected needs as specified in G.C. Section 65352.5.**

---

The affected territory's four subject parcels all have existing water connections with MMWD. The Commission recently completed a municipal service review on MMWD as part of a Countywide Water Study. The municipal service review independently projects MMWD's potable supplies are sufficient in meeting existing demands under normal conditions with available/excess capacity of 72%. It is projected the capacity drops under single dry-year conditions to (1%), but adequately mitigated through the establishment of a series of existing conservation/drought contingency plans. Given the existing connections along with the referenced capacities and controls there appears to be adequate supplies for the affected territory going forward.

**(12) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments.**

---

The proposal would not impact any local agencies in accommodating regional housing needs. The affected territory is already within Corte Madera, and as such all current and future housing allocations made by the Association of Bay Area Governments potentially tied to the affected territory are planned and counted towards the Town.

**(13) Any information or comments from the landowner or owners, voters, or residents of the affected territory.**

---

CMUSD provided the Commission with documentation showing the written consent of all landowners subject to the proposal.

**(14) Any information relating to existing land use designations.**

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See analysis on page 14 of this agenda report.

**(15) The extent to which the proposal will promote environmental justice.**

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There is no documentation or evidence suggesting the proposal will have a measurable effect with respect to promoting environmental justice.

**(16) Whether the proposed annexation will be for the interest of the landowners or present or future inhabitants within the district and within the territory proposed to be annex to the district.**

---

The proposal's request for reorganization to annex 244, 246 and 260 Summit Drive into CMSD and 238 Summit Drive into RVSD would authorize public wastewater services to the affected territory consistent with the expressed interest of the landowners.



RESOLUTION \_\_\_\_\_

**MARIN LOCAL AGENCY FORMATION COMMISSION  
APPROVING SPHERE OF INFLUENCE AMENDMENTS**

**CORTE MADERA SANITARY DISTRICT  
(County Sanitary District No. 2)**

**ROSS VALLEY SANITARY DISTRICT  
(County Sanitary District No. 1)**

**WHEREAS**, Corte Madera Sanitary District (CMSD) has filed a resolution of application with the Marin Local Agency Formation Commission, hereinafter referred to as “Commission,” pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

**WHEREAS**, the proposal seeks Commission approval to reorganize approximately 4.5 acres of incorporated land in the Town of Corte Madera consisting of four residential parcels at 238, 244, 246, and 260 Summit Drive with corresponding assessment numbers of 021-161-01, 021-161-20, 021-161-26, and 021-161-17, respectively; and

**WHEREAS**, the proposal specifically seeks to annex 244, 246, and 260 Summit Drive to CMSD and 238 Summit Drive to Ross Valley Sanitary District (RVSD); and

**WHEREAS**, the affected territory as proposed currently lies outside of both CMSD and RVSD’s established spheres of influence, and as a result requires conforming amendments to accommodate the requested reorganization under Government Code Section 56375.5; and

**WHEREAS**, the Executive Officer’s report and recommendations on the proposal and need for concurrent sphere of influence amendments involving both CMSD and RVSD have been presented to the Commission in the manner provided by law; and

**WHEREAS**, the Commission heard and fully considered all the evidence presented at a noticed public hearing on the sphere of influence amendments on June 8, 2017;

**WHEREAS**, the Commission considered all the factors required by law under Government Code Section 56425 and adopted local policies and procedures on the sphere of influence amendments.

**NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND ORDER** as follows:

1. The Commission’s determinations on the sphere of influence amendments to CMSD and RVSD incorporate the information and analysis provided in the Executive Officer’s written report on June 8, 2017.

2. The Commission serves as lead agency under the California Environmental Quality Act (CEQA) in considering the impacts of the sphere of influence amendments. The Commission independently finds the action is a project under CEQA, but exempt from further CEQA review under the “general rule” pursuant to Code of Regulations Section 15301(b)(3). This exemption applies given it can be seen with certainty the spheres of influence are planning policies and the amendments do not make any changes to the environment or authorize any new uses or services.
3. The sphere of influence amendments involving CMSD and RVSD as provided below are APPROVED:
  - a) All of 238 Summit Drive is added to the RVSD sphere of influence.
  - b) All of 244, 246, and 260 Summit Drive are added to the CMSD sphere of influence
4. Approval of the sphere of influence amendments are CONDITIONED on the following terms being satisfied within one calendar year – or June 8, 2018 – unless a prior written request for a time extension is received and approved by the Commission.
  - a) Approval and completion of the reorganization of the affected territory – with or without any boundary modifications made by the Commission – to annex all of 238 Summit Drive to RVSD and all of 244, 246, and 260 Summit Drive to CMSD.
  - b) An indemnification agreement signed by the applicant in a form approved by Commission Counsel.
5. The affected territory as approved is shown in Exhibit “A.”
6. The statements of the Commission addressing the mandatory factors required for consideration anytime spheres of influence are amended or updated under Government Code Section 56425 is provided as Exhibit “B.”
7. The effective date of the sphere of influence amendments shall be determined by the Executive Officer and based on successful completion of the conditions outlined in this resolution.
8. As allowed under Government Code 56107, the Commission authorizes the Executive Officer to make non-substantive corrections to this resolution to address any technical defect, error, irregularity, or omission.

**PASSED AND ADOPTED** by the Marin Local Agency Formation Commission on June 8, 2017 by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ATTEST:

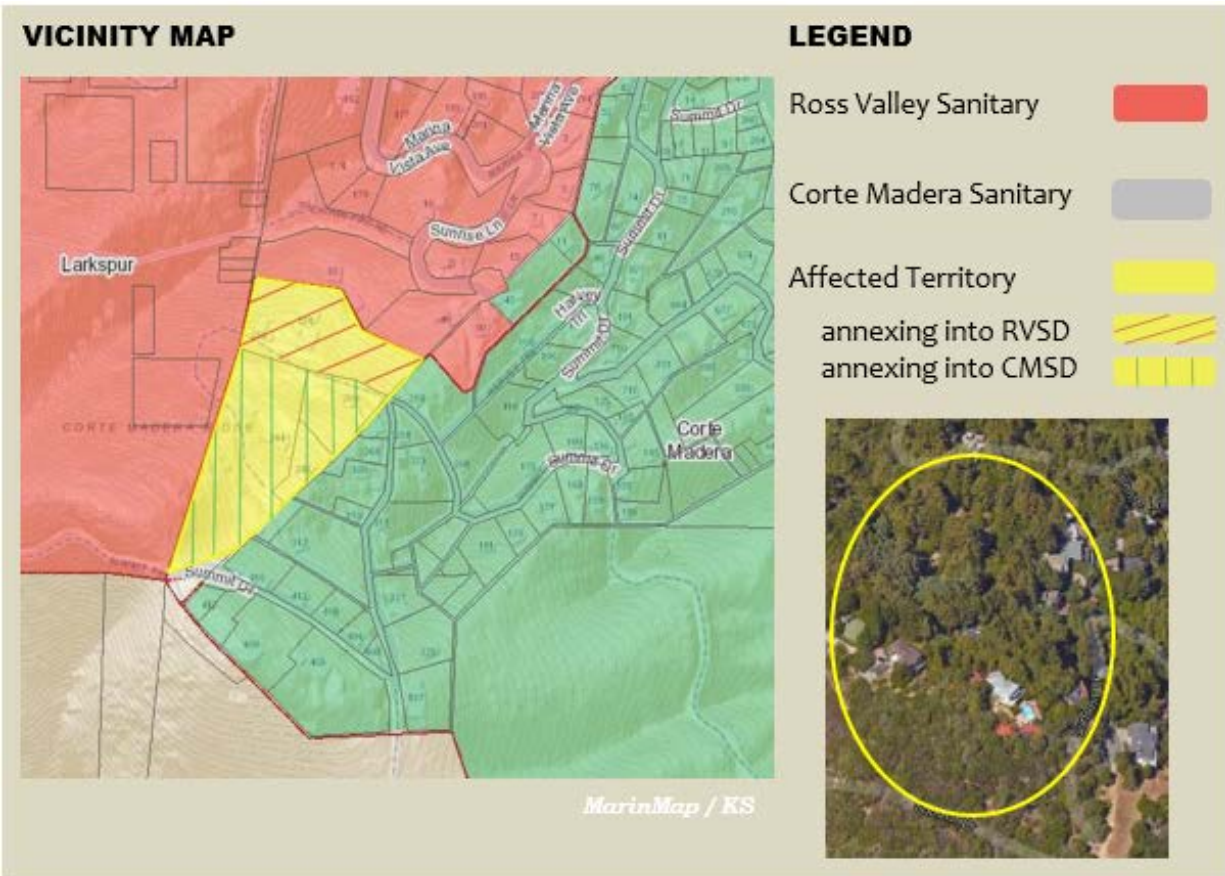
APPROVED:

Keene Simonds  
Executive Officer

Jeffry Blanchfield  
Chair

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**EXHIBIT A**  
**AFFECTED TERRITORY**



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## **EXHIBIT B**

### **SPHERE OF INFLUENCE AMENDMENTS ANALYSIS OF MANDATORY FACTORS GOVERNMENT CODE SECTION 56425**

**1. Present and Planned Land Uses (G.C. Section 56425(e)(1))**

The present and planned land uses within the affected territory as well as in the surrounding area are substantively urban in nature and marked by low to moderate dense single-family residential development. These uses are reflected in the affected territory's zoning, which provides a minimum lot size of 0.46 acres for all four parcels.

**2. Need for Affected Agency's Services (G.C. Section 56425(e)(2))**

All four parcels comprising the affected territory have demonstrated the need for wastewater services through the earlier establishment of connections – directly and indirectly – to CMSD and RVSD. This existing service supports the current residential development occupying each parcel and is a superior alternative to the construction, operation, and maintenance of installing private septic systems.

**3. Adequacy of the Affected Agency's Services (G.C. Section 56425(e)(3))**

The Commission recently prepared a municipal service review on public wastewater services within Central Marin. This includes a detailed evaluation of CMSD and RVSD. This municipal service review indicates both CMSD and RVSD have established adequate administrative, service, and financial capacities to accommodate present and planned uses associated with the affected territory.

**4. Shared Communities of Interests (G.C. Section 56425(e)(4))**

The sphere of influence amendments to add all of 244, 246, and 260 Summit Drive to the CMSD sphere and all of 238 Summit Drive to the RVSD sphere would memorialize under LAFCO law the social and economic ties existing between the subject parcels and agencies.

**5. Social Equity/Justice (G.C. Section 56425(e)(5))**

The affected territory does not lie within a disadvantaged unincorporated community, and as such does not require any additional analysis under LAFCO law.

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RESOLUTION \_\_\_\_\_

**MARIN LOCAL AGENCY FORMATION COMMISSION  
MAKING DETERMINATIONS AND APPROVING A REORGANIZATION**

**CORTE MADERA SANITARY DISTRICT  
(County Sanitary District No. 2)**

**ROSS VALLEY SANITARY DISTRICT  
(County Sanitary District No. 1)**

“Summit Drive No. 1 Reorganization”  
(LAFCO File No. 1336)

**WHEREAS**, Corte Madera Sanitary District (CMSD) has filed a resolution of application with the Marin Local Agency Formation Commission, hereinafter referred to as “Commission,” pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

**WHEREAS**, the proposal seeks Commission approval to reorganize approximately 4.5 acres of incorporated land in the Town of Corte Madera consisting of four residential parcels at 238, 244, 246, and 260 Summit Drive with corresponding assessment numbers of 021-161-01, 021-161-20, 021-161-26, and 021-161-17, respectively; and

**WHEREAS**, the proposal specifically seeks to annex 244, 246, and 260 Summit Drive to CMSD and 238 Summit Drive to Ross Valley Sanitary District (RVSD); and

**WHEREAS**, the Commission’s Executive Officer has reviewed the proposal and prepared a report with recommendations; and

**WHEREAS**, the Executive Officer’s report and recommendations on the proposal have been presented to the Commission in the manner provided by law; and

**WHEREAS**, the Commission heard and fully considered all the evidence presented at a public hearing along with a necessary concurrent sphere of influence amendments for consistency under Government Code Section 56375.5 on June 8, 2017;

**WHEREAS**, the Commission considered all the factors required by law under Government Code Section 56668 and adopted local policies and procedures.

**NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND ORDER** as follows:

1. The Commission’s determinations on the proposal incorporate the information and analysis provided in the Executive Officer’s written report presented June 8, 2017.

2. The Commission serves as a responsible agency under California Environmental Quality Act (CEQA) for the proposed reorganization given CMSD – and through its parent governing body, Corte Madera – has assumed lead agency status as the initiating party. CMSD has determined the proposal is a project under CEQA, but exempt from further review under Public Resources Code Section 15302(c). This exemption contemplates the replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity. The Commission has independently reviewed this determination and concurs within the finding as responsible agency.
3. The proposal to reorganize the affected territory involving CMSD and RVSD is APPROVED without modification as provided below:
  - a) All of 238 Summit Drive is annexed to RVSD.
  - b) All of 244, 246, and 260 Summit Drive are annexed to CMSD.
4. The proposal approval is CONDITIONED on the following terms being satisfied within one calendar year – June 8, 2018 – unless a prior written request for a time extension is received and approved by the Commission.
  - a) Approval and completion of concurrent sphere of influence amendments involving CMSD and RVSD to accommodate the annexations as stated.
  - b) Completion of the 30-day reconsideration period provided under Government Code Section 56895.
  - c) An indemnification agreement signed by the applicant in a form approved by Commission Counsel.
  - d) Submittal of a final map and geographic description of the affected territory as designated by the Commission conforming to the requirements of the State Board of Equalization as determined by the Executive Officer.
5. The proposal is assigned the following distinctive short-term designation:

“Summit Drive No. 1 Reorganization”
6. The affected territory as designated by the Commission is shown in Exhibit “A” and further described in Exhibit “B.” (To be added prior to recordation.)
7. The affected territory as designated by the Commission is uninhabited as defined in Government Code Section 56046.
8. The Commission waives conducting authority proceedings under Government Code Section 56663.
9. Both CMSD and RVSD utilize the regular assessment roll of the County of Marin.

10. Upon effective date of the proposal, 238 Summit Drive will be subject to all previously authorized charges, fees, assessments, and taxes that were lawfully enacted by RVSD. This parcel will also be subject to all of the rates, rules, regulations, and ordinances of the RVSD.
11. Upon effective date of the proposal, 244, 246, and 260 Summit Drive will be subject to all previously authorized charges, fees, assessments, and taxes that were lawfully enacted by CMSD. These parcels will also be subject to all of the rates, rules, regulations, and ordinances of the CMSD.
12. The effective date shall be the date of recordation of the Certificate of Completion.
13. As allowed under Government Code 56107, the Commission authorizes the Executive Officer to make non-substantive corrections to this resolution to address any technical defect, error, irregularity, or omission.

**PASSED AND ADOPTED** by the Marin Local Agency Formation Commission on June 8, 2017 by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ATTEST:

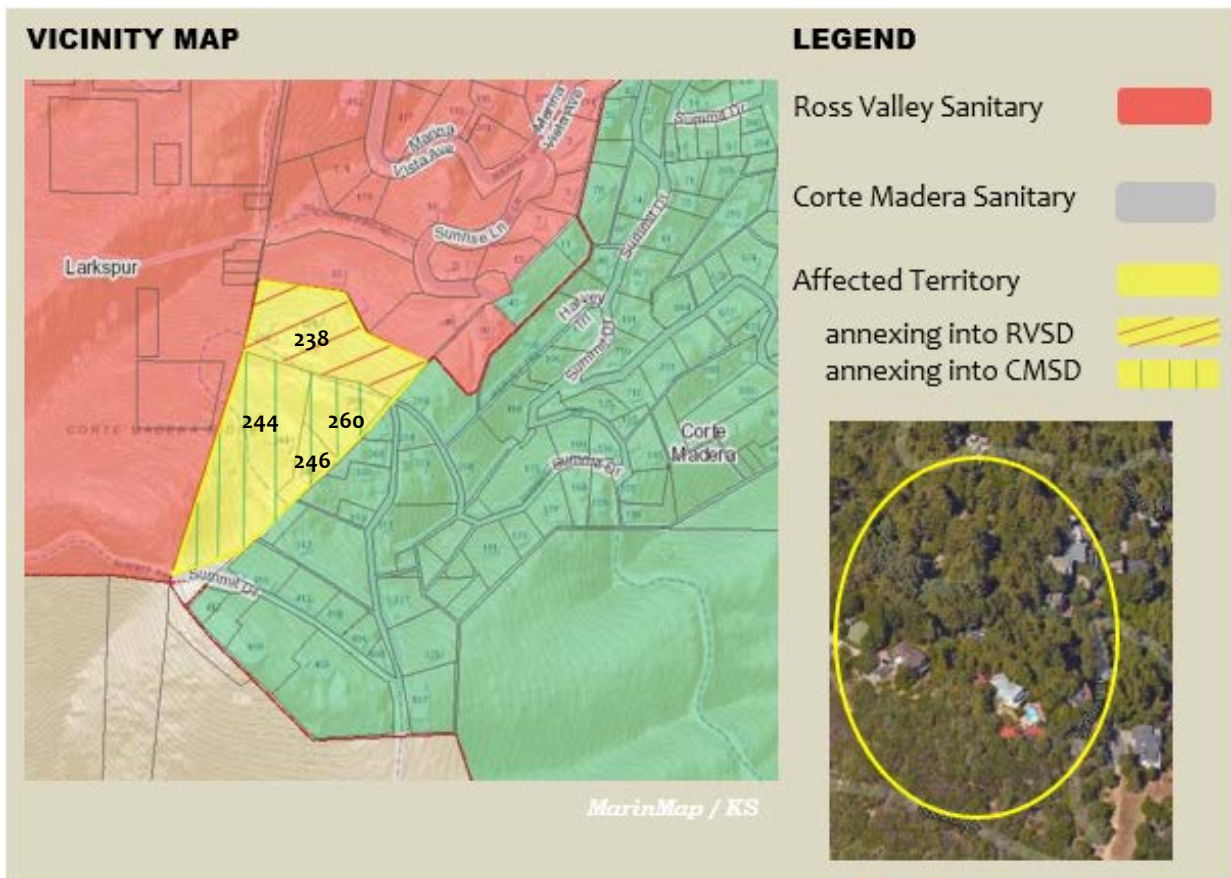
APPROVED:

Keene Simonds  
Executive Officer

Jeffry Blanchfield  
Chair

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**EXHIBITS A and B**  
**AFFECTED TERRITORY**



\* The above aerial map serves as a placeholder and shall be replaced prior to final recordation with a map (Exhibit "A") and geographic description (Exhibit "B") meeting the requirements of the State Board of Equalization.

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THE TOWN OF  
CORTE MADERA  
MARIN COUNTY CALIFORNIA

300 TAMALPAIS DRIVE  
CORTE MADERA, CA  
94925-1418

www.ci.corte-madera.ca.us

TOWN MANAGER  
TOWN COUNCIL  
415-927-5050

TOWN CLERK  
415-927-5086

FINANCE / BUS. LICENSE  
415-927-5055

FIRE DEPARTMENT  
415-927-5077

PLANNING / ZONING  
415-927-5064

BUILDING INSPECTOR  
415-927-5062

TOWN ENGINEER  
PUBLIC WORKS  
415-927-5057

RECREATION DEPARTMENT  
415-927-5072

SANITARY DISTRICT NO. 2  
415-927-5057

TWIN CITIES POLICE AUTHORITY  
415-927-5150

**SANITARY DISTRICT NO. 2 OF MARIN COUNTY**

300 TAMALPAIS DRIVE  
CORTE MADERA, CA 94925-1418  
(415) 927-5057 FAX: (415) 927-6711  
EMAIL: sewer\_dept@ci.corte-madera.ca.us

February 15, 2017

Rachel Jones  
LAFCO  
1401 Los Gamos Drive Suite 220  
SAN RAFAEL CA 94903

Re: Sanitary District Annexation for  
238 Summit Drive  
244 Summit Drive  
246 Summit Drive  
260 Summit Drive

Dear Ms. Jones:

Transmitted herewith is your "Marin LAFCO Application Questionnaire" filled out and the "Landowner Consent Form" for the four addresses referenced above.

Please let the District know if you need additional information and how much your charges will be so the District can send you a check.

Sincerely,

David Keane  
Sanitary District 2

Cc: David Bracken, District Engineer

**MARIN LAFCO**  
**APPLICATION QUESTIONNAIRE**

In accordance with requirements set forth in the California Government Code, the Commission must review specific factors in its consideration of this proposal. In order to facilitate the Commission's review, please respond to the following questions:

**I. GENERAL INFORMATION**

1. Please check the method by which this application was initiated:

Resolution of Application  
 Petition

2. Does the application possess 100% written consent of each property owner in the subject territory? Yes  No

3. A. Application is submitted for the following boundary change:

(BE SPECIFIC; i.e., "annexation," "reorganization".)

Annexation of three (3) properties to Sanitary District No. 2 and one (1) property to Sanitary District No. 1.

B. The reason the proposed action(s) has been requested:

(BE SPECIFIC; i.e., "annexation to sewer district for construction of three homes")

Annexation to Sanitary District No. 2 and Sanitary District No. 1 for properties outside any sanitary sewer district boundaries.

4. State general location of proposal:

Location on Summit Drive, Town of Corte Madera, specifically 238, 244, 246, and 260 Summit Drive.

5. Is the proposal within a city's boundaries?

Yes . Which city? Town of Corte Madera.  
No . If the proposal is adjacent to a city, provide city name: \_\_\_\_\_.

6. Is the subject territory located within an island of unincorporated territory? Yes  No   
Indicate city, if applicable: \_\_\_\_\_



7. Would this proposal create an island of unincorporated territory? Yes \_\_\_ No X. If yes, please justify proposed boundary change: \_\_\_\_\_  
\_\_\_\_\_

8. Provide the following information regarding the area proposed for annexation:  
(Attach list if necessary.)

<u>A. Assessor's Parcel Number(s)</u>	<u>Site Address(es)</u>	<u>Land Area</u>
<u>021-161-02</u>	<u>238 Summit Drive</u>	<u>59,200 s.f.</u>
<u>021-161-20</u>	<u>244 Sunnit Drive</u>	<u>63,000 s.f.</u>
<u>021-161-26</u>	<u>246 Summit Drive</u>	<u>14,181 s.f.</u>
<u>021-161-17</u>	<u>260 Summit Drive</u>	<u>21,000 s.f.</u>

B. Total number of parcels: 4

9. Total land area: 157,381 s.f. (Sanitary District 2 = 98,181 s.f.)  
(Sanitary District 1 = 59,200 s.f.)

## II. LAND USE AND DEVELOPMENT POTENTIAL

1. Describe any special land use concerns: None  
\_\_\_\_\_  
\_\_\_\_\_

2. Indicate current land use:  
(i.e., number of dwellings, permits currently held, etc.)  
One (1) dwelling at 244, 246 and 260 Summit Drive. One (1) dwelling and One (1) second unit at 238 Summit Drive.  
\_\_\_\_\_

3. Indicate the current zoning (either city or county) title and densities permitted:  
RIA zoning for all properties. Single family low density per the Town of Corte Madera.  
\_\_\_\_\_

4. Has the area been rezoned? No \_\_\_\_\_ N/A X Yes \_\_\_\_\_  
What is the rezoning classification, title and densities permitted? \_\_\_\_\_  
\_\_\_\_\_

5. Describe the specific development potential of the property:  
(Number of units allowed in zoning.)  
All properties under hillside land capacity overlay (HLC) and cannot be split for a potential sub-division.  
\_\_\_\_\_

### III. ENVIRONMENT

1. Is the site presently zoned or, designated for, or engaged in agricultural use?

Yes \_\_\_\_\_ No   X  

If yes, explain: \_\_\_\_\_  
\_\_\_\_\_

2. Will the proposal result in a reduction of public or private open space?

Yes \_\_\_\_\_ No   X  

If yes, explain: \_\_\_\_\_  
\_\_\_\_\_

3. Will service extension accomplished by this proposal induce growth in:

A. This site?	Yes _____	No <u>  X  </u>	N/A _____
B. Adjacent sites?	Yes _____	No <u>  X  </u>	N/A _____
C. Unincorporated?	Yes _____	No <u>  X  </u>	
D. Incorporated?	Yes _____	No <u>  X  </u>	

4. State general description of site topography:   Hillside    
\_\_\_\_\_  
\_\_\_\_\_

5. Indicated Lead Agency for this project:   Sanitary District No. 2    
\_\_\_\_\_

6. Indicate Environmental Determination by Lead Agency:   CATEGORICAL EXEMPTION    
with respect to (indicate project)   See Notice of Exemption SECTION 15302(C)    
dated   February 8, 2017  

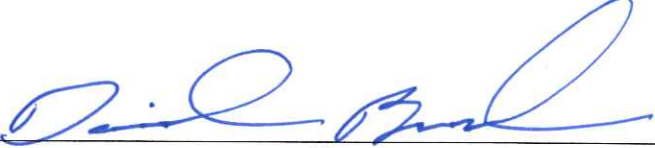
**(COPY OF ENVIRONMENTAL DOCUMENTS MUST BE SUBMITTED WITH APPLICATION.)**

Please provide the names and addresses of persons who are to be furnished copies of the Agenda, Executive Officer's Report, and Notice of Hearing:

<u>Name</u>	<u>Address</u>
Edward Grammens	238 Summit Drive, Corte Madera, CA 94925
Elizabeth & Jim Thomas	244 Summit Drive, Corte Madera, CA 94925
Sharon Leach	246 Summit Drive, Corte Madera, CA 94925
Daniela Mateva	260 Summit Drive, Corte Madera, CA 94925
Sanitary District No. 2	300 Tamalpais Drive, Corte Madera, CA 94925
Sanitary District No. 1	2960 Kerner Blvd., San Rafael, CA 94901

Name and Address of Applicant: Sanitary District No.2  
300 Tamalpais Drive, Corte Madera, CA 94925

Telephone Number: H ( ) N/A W(415 ) 927-5057

  
Signature

2/14/17  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Recording requested by:  
Town of Corte Madera

When recorded mail to:  
Town of Corte Madera  
300 Tamalpais Drive  
Corte Madera, CA 94925

21-2017-30.

(above for use by County Clerk-Recorder's Office only)

# NOTICE OF EXEMPTION

From: Development Services Department  
300 Tamalpais Drive  
Corte Madera, California 94925

**FILED**

FEB 08 2017

RICHARD N. BENSON  
MARIN COUNTY CLERK  
BY **J. MANNION** Deputy

1. **APPLICANT:** Sanitary District No. 2 of Marin County
2. **ADDRESS:** 300 Tamalpais Drive, Corte Madera, CA 94925
3. **LEAD AGENCY:** Sanitary District No. 2, 300 Tamalpais Drive, Corte Madera, CA 94925
4. **PROJECT MGR.:** David Keane
5. **PHONE NUMBER:** (415)927-5792
6. **PROJECT TITLE:** Annexation of three properties (244, 246, and 260 Summit Drive to Sanitary District No. 2 and one property (238 Summit Drive) to Sanitary District No.1
7. **PROJECT LOCATION:** 238, 244, 246, and 260 Summit Drive, Corte Madera, CA
8. **DESCRIPTION:** Annexation of three properties (244, 246, and 260 Summit Drive) to Sanitary District No. 2 (SD2) and one property (238 Summit Drive) to Sanitary District No.1 (SD1).  
Currently, 238, 244, and 246 Summit Drive flow to SD1, but the properties are not necessarily billed for sewer services by SD1. 260 Summit Drive flows to SD2 and is not currently billed by either district. When the 4-inch sewer line that currently collects sewer from 238, 244, and 246 Summit Drive to SD1 is relocated with a 6-inch sewer line, 244, 246, and 260 Summit Drive will flow to SD2 and 238 Summit Drive will flow to SD1. The four properties are not annexed into either District which has caused some of the confusion for billing. The addition of 244 and 246 Summit Drive into SD2 will not have a capacity impact on SD2. The addition of 238 Summit Drive into SD1 will not have a capacity impact on SD1. The annexations will resolve the past issues on tracking of the properties.

**ADMINISTRATIVE DETERMINATION:** The Department of Planning and Building has completed a preliminary review of this project in accordance with 15061 of the California Environmental Quality Act (CEQA) Guidelines. Based on that review, the Director of Planning and Building finds that the proposed project constitutes a Categorical Exemption per Section 15302 (c), Replacement or Reconstruction. Therefore, the Director of Planning and Building has determined that further environmental evaluation is not required because:

- The project is not subject to CEQA because it "does not involve the exercise of discretionary power," or "will not result in a direct or reasonably foreseeable indirect physical change in the environment," or, "is not a project as defined in Section 15378 of the CEQA guidelines." (Sections 15060(c)(1), (2) & (3)); or,
- "The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA" (Section 15061(b)(3)); or,
- The project is statutorily exempt, Section \_\_\_\_\_, <name> (Sections 15260-15277); or,
- The project is categorically exempt under Article 19, Section 15302 (c), Class 2, Replacement or Reconstruction, because the project replaces an existing sewer line that serves the same residences and involves negligible/ no expansion of capacity.

Adam Wolf, AICP, Director of Planning and Building  
Town of Corte Madera

2-7-17

Date

~~2/8/17~~ 3/10/2017

**SANITARY DISTRICT NO. 2  
RESOLUTION NO. 02/2017**

**A RESOLUTION OF APPLICATION  
BY SANITARY DISTRICT NO. 2 OF MARIN COUNTY  
REQUESTING THE MARIN LOCAL AGENCY FORMATION COMMISSION  
TO COMMENCE PROCEEDINGS FOR THE ANNEXATION OF THREE (3) PROPERTIES TO  
SANITARY DISTRICT NO. 2 AND ONE (1) PROPERTY TO SANITARY DISTRICT NO. 1**

RESOLVED, by the Board of Directors of Sanitary District No. 2 of Marin County, that:

WHEREAS, the Board of Directors of Sanitary District No. 2 of Marin County desires to initiate proceedings pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000, Division 3, commencing with Section 56000 of the California Government Code, for the annexation of three (3) properties to Sanitary District No. 2 and one (1) property to Sanitary District No. 1; and

WHEREAS, the proposed change of organization includes the following jurisdictional change:

The parcels known as Assessor's Parcel Numbers 021-161-17, 021-161-20, and 021-161-26, and will be annexed into Sanitary District No. 2 of Marin County, and the parcel known as Assessor's Parcel Number 021-161-02 will be annexed into Sanitary District No. 1 of Marin County.

WHEREAS, the reason for the proposed changes of organization is as follows:

The above cited parcels are currently being serviced by either Sanitary District No. 1 or Sanitary District No.2 however they are currently outside the boundary and sphere of influence of either of those two Sanitary Districts.

WHEREAS, the territory subject to the proposed changes of organization is inhabited, and a description of the external boundary of the territory is set forth as shown on Exhibit "A" attached hereto and by this reference incorporated herein; and

WHEREAS, the owners of the four parcels cited above have each signed a Landowner Consent Form consenting to the annexation of their property and waiving their right for conducting authority proceedings specific to the listed proposal, and

WHEREAS, Sanitary District No. 2 requests that the proposed changes of organization be subject to the following terms and conditions:

1. The owners of AP Nos. 021-161-20 and 021-161-26 be required to re-route their laterals to flow into Sanitary District No. 2 facilities.

NOW, THEREFORE, this Resolution of Application is hereby approved and adopted by the Board of Directors of Sanitary District No. 2 of Marin County. The Marin Local Agency Formation Commission is hereby requested to take proceedings for the proposed change of organization that include the territory as shown on Exhibit "A" according to the terms and conditions stated above and in the manner provided by the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000.

---

Passed and adopted by the Board of Directors of Sanitary District No. 2 of Marin County at a regular meeting thereof held on May 2, 2017 by the following vote:

AYES: ANDREWS, BAILEY, CONDON, FURST, RAVASIO  
NOES: -NONE-  
ABSENT: -NONE-  
ABSTAIN: -NONE-

  
\_\_\_\_\_  
Diane Furst, Board President

Attest:

  
\_\_\_\_\_  
Rebecca Vaughn, District Clerk

Attachment: Exhibit "A", Map of external boundary of annexation area

**Marin Independent Journal**

4000 Civic Center Drive, Suite 301  
San Rafael, CA 94903  
415-382-7335  
legals@marinij.com

2071569

MARIN LAFCO  
ATTN: CADICE BOZZARD  
1401 LOS GAMOS DR SUITE 220  
SAN RAFAEL, CA 94903-3698

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

**STATE OF CALIFORNIA  
County of Marin**

I am a citizen of the United States and a resident of the County aforesaid: I am over the age of eighteen years, and not a party to or interested in the above matter. I am the principal clerk of the printer of the MARIN INDEPENDENT JOURNAL, a newspaper of general circulation, printed and published daily in the County of Marin, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Marin, State of California, under date of FEBRUARY 7, 1955, CASE NUMBER 25566; that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

**05/18/2017**

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

Dated this 18th day of May, 2017.



Signature

**PROOF OF PUBLICATION**

Legal No. **0005957081**

**MARIN LOCAL AGENCY FORMATION  
COMMISSION**

**NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN BY THE MARIN LOCAL AGENCY FORMATION COMMISSION (LAFCO) will hold a regular meeting on Thursday, June 8, 2017 at 7:00 P.M. at Marin Clean Energy located at 1125 Tamalpais Avenue in San Rafael to consider – and among other items – the following proposal:

**Proposed Summit Drive No. 1 Reorganization and Conforming Sphere of Influence Amendments | County Sanitary District No. 1 and County Sanitary District No. 2**

In accordance with Government Code Sections 56375 and 56425, Marin LAFCO will consider a proposal involving four incorporated parcels in Corte Madera along Summit Drive totaling approximately 4.5 acres. The proposal seeks approval to annex three of the parcels at 244 (021-161-20), 246 (021-161-26), and 260 (021-161-17) Summit Drive to County Sanitary District No. 2. The proposal also seeks annexation of the fourth parcel at 238 Summit Drive (021-161-17) to County Sanitary District No. 1. The purpose of the proposal is to formally establish public wastewater services to the affected territory in support of existing single-family residential development. All four subject landowners have consented to the proposal. Conforming sphere of influence amendments are necessary under State law to facilitate the requested reorganization, and as such necessitates noticing of a public hearing. Public comments are welcomed through the end of the scheduled hearing. An associated staff report will be available for download at [www.marinlafco.org](http://www.marinlafco.org) approximately one week prior to the hearing date. You may also request a written copy of the associated staff report by contacting LAFCO at 415-448-5877

Keene Simonds, Executive Officer  
Marin Local Agency Formation Commission  
May 15, 2017

NO. 615 MAY 18, 2017

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# Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

## AGENDA REPORT

June 8, 2017

Item No. 13 (Public Hearing)

June 1, 2017

**TO:** Marin Commissioners

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: Final Amendments | Policies on Outside Service Extensions**

The Commission will consider approving final amendments prepared by staff consistent with the adopted workplan on Marin LAFCO's policies on outside service extensions. The amendments return entirely intact following their presentation in draft-form in April and subsequent public review. The amendments address two distinct issues divided between non-fire protection services and fire protection services with the latter necessitated by the recent enactment of Senate Bill 239 (Hertzberg). Approval is recommended with any changes as identified by members.

Local Agency Formation Commissions (LAFCOs) are political subdivisions of the State of California responsible for regulating the physical formation and development of local governmental agencies and their municipal service areas under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH"). Commonly exercised regulatory powers include forming and expanding cities, towns, and special districts for purposes of facilitating orderly urban growth. LAFCOs are required to inform their regulatory actions through various planning activities, namely preparing municipal service reviews and sphere of influence updates. CKH specifies all actions undertaken by LAFCOs be consistent with their written policies and procedures.

### A. Background

#### Adopted Policy Handbook | Placeholder on Outside Service Extensions

Marin LAFCO's ("Commission) Policy Handbook was comprehensively updated following a two-year process in June 2016. Adoption marked the first update of the Policy Handbook since 2000 and the document was reorganized into four distinct sections beginning with general administration matters and followed by regulatory, planning, and personnel activities. A small number of targeted placeholders were also included in the update to reflect the need for additional policy review and development at a future date. This included assigning a placeholder in anticipation of returning to the Commission's policies on outside service extensions given the need to further define the duties and preferences in administering the underlying statute, Government Code Section 56133; a statute enacted in 2001 that requires local agencies to first receive LAFCO approval to provide new or extended outside services by contract less certain exemptions.

#### Administrative Office

Keene Simonds, Executive Officer  
1401 Los Gatos Drive, Suite 220  
San Rafael, California 94903  
T: 415-448-5877 E: staff@marinlafco.org  
www.marinlafco.org

Damon Connolly, Regular  
County of Marin

Dennis J. Rodoni, Regular  
County of Marin

Judy Arnold, Alternate  
County of Marin

Carla Condon, Vice Chair  
Town of Corte Madera

Sashi McEntee, Regular  
City of Mill Valley

Mathew Brown, Alternate  
City of San Anselmo

Jack Baker, Regular  
North Marin Water District

Craig K. Murray, Regular  
Las Gallinas Valley Sanitary

Lew Kious, Alternate  
Almonte Sanitary

Jeffrey Blanchfield, Chair  
Public Member

Chris Skelton, Alternate  
Public Member

## Senate Bill 239 | Outside Fire Protection Services

Senate Bill 239 (Hertzberg) was introduced in February 2015 to eliminate the exemption for fire protection services inferred under Section 56133 while now making these arrangements explicitly subject to LAFCO review and approval under a new statute, Section 56134.<sup>1</sup> SB 239 passed along party lines in both the Senate and Assembly and signed by Governor Brown with an effective date of January 1, 2016. SB 239's underlying function is to mandate all State and local agencies first request and receive LAFCO approval before entering into contracts to provide or receive new or extended fire protection services should either of the following thresholds apply:

- Contracts transferring the responsibility for providing fire protection services in more than 25 percent of the area within the jurisdictional boundaries of any public agency affected by the contract or agreement; or
- Contracts changing the employment status of more than 25 percent of the employees of any public agency affected by the contract or agreement.

Other notable provisions underlying SB 239 are provided in the accompanying footnote.<sup>2</sup>

## Draft Amendments | February and April Meetings

As provided under the adopted workplan for 2016-2017 staff presented draft amendments covering Marin LAFCO's existing policies on outside service extensions in February and again – with updates – in April. The draft amendments as presented distinguished between proposed changes to current policies involving non fire protection and proposed new policies involving fire protection services with the latter associated with the aforementioned enactment of SB 239. Following extensive discussion in April the Commission directed staff to proceed with a formal public review of the draft amendments and return in June for final action.

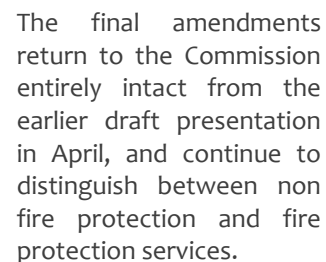
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<sup>1</sup> SB 239 was sponsored by the California Firefighters Association. The stated policy purpose by the sponsor for the request was “past agreements have generated controversy while failing to produce anticipated cost-savings and administrative efficiencies, and accordingly more scrutiny is required.”

<sup>2</sup> Three additional and explicit mandates are provided in SB 239. First local agencies are mandated to first provide written notice to all recognized employee organizations that represent the affected firefighters before applying with LAFCO. Second specific approval thresholds to LAFCOs are prescribed in reviewing applicable requests for outside fire protection service contracts. This includes all requests necessitating the preparation of an independent comprehensive fiscal analysis. Third, it specifies contracts between local agencies and the State of California (CalFire) for fire protection services now be approved by LAFCOs if the referenced conditions (i.e., 25% of service area or 25% of employment status) are triggered.

## B. Discussion

This item is for the Commission to consider approving final amendments to Marin LAFCO's policies on outside service extensions. The final amendments return to the Commission entirely intact from their draft presentation in April and continue to distinguish between two distinct outside service functions as contemplated under statute: (a) non fire protection and (b) fire protection. The final amendments follow the Commission's most recent review in April and a subsequent 45-day public review period; the latter of which included providing direct notices to all local agencies subject to LAFCO oversight as well as representatives with local labor organizations.<sup>3</sup> A summary of key provisions reflected in the final amendments follows.



The final amendments return to the Commission entirely intact from the earlier draft presentation in April, and continue to distinguish between non fire protection and fire protection services.

### Summary | Amendments on Non-Fire Protection Services

The final amendments on non-fire protection services take aim at supplementing existing policies and provide more local detail and prescription in how the Commission chooses to manage these type of arrangements under Section 56133 in Marin County. The amendments do not propose any substantive new policy thresholds; instead the amendments establish clarifying direction in determining when exemptions apply as well as procedures for the submittal, review, and ultimate action on requested extensions.<sup>4</sup> No changes have been made since the draft presentation in April. A listing of all key amendments follow.

- Makes explicit the Commission determines when approval exemptions listed under Section 56133(e) apply as intended in the statute.
- Establishes a no-cost process for cities, towns, and special districts to request exemption review with respect to whether any potential new or extended outside service arrangement requires LAFCO approval under Section 56133(e).
- Delegates the responsibility to the Executive Officer to determine and respond to requests from cities, towns, and special districts for exemption review under Section 56133(e).
- Prescribes a uniform application process for cities, towns, and special districts and byway of their agency manager to submit approval requests to provide new or extended outside services by contracts or agreements.

---

<sup>3</sup> No formal comments were received on the updated draft amendments presented to the Commission in April. Comments received on the draft amendments before April remain pertinent in informing the amendment process and are attached to this agenda report.

<sup>4</sup> An initial draft amendment presented in February proposed a significant policy change and involved making it explicit that retail recycled water services would be subject to Commission approval under Section 56133. The Commission ultimately decided to remove this amendment from further consideration due to concerns in creating a new layer of government approval for recycled water services.

- Prescribes the review process for the Commission and includes addressing specific baseline factors anytime the membership considers a request to approve new or extended outside services by contract or agreement.
- Mandates requests by cities, towns, and special districts to provide new or extended outside services beyond their spheres of influence be considered at noticed public hearings. (Requests involving lands within the agency's sphere would not require public hearings.)

### **Summary | Amendments on Fire Protection Services**

The final amendments on fire protection services establish take aim at establishing new policies in-step with the recent enactment of SB 239. The amendments focus on narrowing the implementation thresholds underlying the new requirements and highlighted by establishing local exemptions in Marin County. This includes incorporating a joint-request made by the Town of Corte Madera and City of Larkspur to create an exemption involving joint-power authorities under certain conditions. No changes have been made since the draft presentation in April. A listing of all key amendments follow.

- Prescribes standards in determining the applicability of any proposed fire service contract relative to Section 56134 and its 25% threshold on changes to service areas. Provides the determination shall be based on acreage differences calculated in MarinMap. This is intended to avoid any confusion with discrepancies generated from other potential sources.
- Prescribes standards in determining the applicability of any proposed fire service contract relative to 56134 and its 25% threshold on changes to employment status. Provides the determination shall be based on actual and agency-wide staffing totals within the affected agencies as of July 1<sup>st</sup> of the subject year. This approach – i.e., basing changes in employment status only on actual employee numbers – provides a macro approach and avoids the micro issues of changes tied to hours, wages, etc.
- Defines “employment status” under Section 56134 to be limited to emergency/sworn personnel.
- Makes explicit fire service contracts entered into before December 31, 2015 or recipient of LAFCO approval after December 31, 2015 do not require separate LAFCO approval due to renewals or renegotiated terms so long as it does not constitute a new 25% change in service area or employment status.
- Authorizes local exemptions for certain types of fire protection contracts in which the services are considered administrative in nature and/or presumably beyond Section 56134’s legislative intent. This includes:

- Mutual aid agreements in which no monetary payment is provided to the affected agencies. Reimbursement costs associated with mutual aid contracts between the State and local agencies are also exempt.
- Ambulance services, including billing and related administrative support.
- Pre hospital emergency medical services.
- Permit and inspection review.
- Fire alarm system plan reviews and inspections.
- Business and occupancy reviews and inspections.
- Vehicle maintenance and repair.
- Sharing of management or other personnel between or among two or more public agencies in which the contracts or agreements do not constitute a 25% change in employment status as defined.
- Sharing or loaning of equipment, facility, or property between or among two or more agencies.
- Establishment of joint-power authorities to provide fire protection services in which all of the following criteria is satisfied as verified by the Commission's Executive Officer:
  - The boundaries of the proposed joint-powers authority are entirely coterminous with the member agency boundaries, and therefore services are not extended to previously unserved areas by the agencies.
  - The member agencies and the affected represented safety employees' organizations have ratified agreements in support of the proposed joint-powers authority and any changes therein to employment status.
  - The proposed joint-powers authority does not create any conflicts with adopted LAFCO polices or recommendations with respect to fire protection services in Marin County.
  - The proposed joint-powers authority does not create any conflicts with any active reorganization application on file with LAFCO.
  - The total service area for the proposed joint-powers authority does not exceed a resident service population of 50,000.
- Establishes a no-cost process for State and local agencies to request exemption review with respect to whether any potential new or extended outside fire protection arrangement requires LAFCO approval under Section 56134.

- Delegates to the Executive Officer the responsibility to determine and respond to requests from State and local agencies for exemption review under Section 56134.

## **Analysis**

The final draft amendments on the Commission's policies on outside service extensions have been prepared consistent with the adopted workplan and incorporate input provided by local agencies and vetted through the Commission over the last 12 months. The amendments specific to non-fire protection services have been refined through the process to be entirely focused on procedural items in prescribing the manner in which requests should be received, reviewed, and ultimately considered by the Commission. The amendments addressing outside fire protection services have similarly been refined and further narrows the implementation scope of the Commission's new responsibilities established under SB 239. This includes expanding local exemptions to cover the creation of joint-power authorities to assume fire protection services on behalf of their member agencies so long as certain criteria are satisfied, such as consent by all affected labor organizations. This exemption responds to a formal joint-request by Corte Madera and Larkspur and – among other outcomes – allows these agencies to proceed to transition fire protection services through functional consolidations within their respective municipalities without the need for Commission approval. All of the language formally requested by the two municipalities is reflected in the forwarded amendment with one addition made by staff to limit the applicability of the joint-powers exemption to resident service populations of no more than 50,000. This amount is close – although purposefully lower – than the 25% of the current county population and means any large functional consolidation to assume fire protection services exceeding the referenced resident threshold will be independently vetted by the Commission.

## **C. Alternatives for Action**

The following alternatives are available to the Commission:

### Alternative One (Recommended):

Approve the final amendments as provided in Attachment Three with any desired changes and effective immediately.

### Alternative Two:

Continue consideration of the final amendments to a future meeting and provide direction to staff for more information as needed.

### Alternative Three:

Take no action.

## **D. Recommendation**

It is recommended the Commission proceed with the actions outlined in the preceding section as Alternative One.

## **F. Procedures for Consideration**

This item has been agenzized for action as part of a voluntarily noticed public hearing. The following procedures, accordingly, are recommended in the consideration of this item:

- 1) Receive verbal report from staff;
- 2) Open the hearing and invite audience comments (mandatory); and
- 3) Close the hearing, discuss item, and consider action on recommendation.

Respectfully,



Keene Simonds  
Executive Officer

### Attachments:

- 1) SB 239 (Hertzberg); Chaptered
- 2) Submitted Comments on Amendments to Date
  - a) Corte Madera/Larkspur
  - b) Marin County Fire Chiefs' Association
  - c) Ross Valley Fire Protection Agency
  - d) North Marin Water District
- 3) Final Amendments (track-change)
- 4) Proof of Hearing Publication

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BILL NUMBER: SB 239      CHAPTERED  
BILL TEXT

CHAPTER 763  
FILED WITH SECRETARY OF STATE    OCTOBER 10, 2015  
APPROVED BY GOVERNOR    OCTOBER 10, 2015  
PASSED THE SENATE    SEPTEMBER 10, 2015  
PASSED THE ASSEMBLY    SEPTEMBER 8, 2015  
AMENDED IN ASSEMBLY    SEPTEMBER 2, 2015  
AMENDED IN ASSEMBLY    AUGUST 31, 2015  
AMENDED IN SENATE    JUNE 1, 2015  
AMENDED IN SENATE    APRIL 23, 2015  
AMENDED IN SENATE    MARCH 23, 2015

INTRODUCED BY    Senator Hertzberg

FEBRUARY 17, 2015

An act to amend Sections 56017.2 and 56133 of, and to add Section 56134 to, the Government Code, relating to local services.

#### LEGISLATIVE COUNSEL'S DIGEST

SB 239, Hertzberg. Local services: contracts: fire protection services.

Existing law prescribes generally the powers and duties of the local agency formation commission in each county with respect to the review approval or disapproval of proposals for changes of organization or reorganization of cities and special districts within that county. Existing law permits a city or district to provide extended services, as defined, outside its jurisdictional boundaries only if it first requests and receives written approval from the local agency formation commission in the affected county. Under existing law, the commission may authorize a city or district to provide new or extended services outside both its jurisdictional boundaries and its sphere of influence under specified circumstances.

This bill would, with certain exceptions, permit a public agency to exercise new or extended services outside the public agency's jurisdictional boundaries pursuant to a fire protection contract, as defined, only if the public agency receives written approval from the local agency formation commission in the affected county. The bill would require that the legislative body of a public agency that is not a state agency adopt a resolution of application and submit the resolution along with a plan for services, as provided, that a proposal by a state agency be initiated by the director of the agency with the approval of the Director of Finance, and that a proposal by a local agency that is currently under contract for the provision of fire protection services be initiated by the local agency and approved by the Director of Finance. The bill would require, prior to adopting the resolution or submitting the proposal, the public agency to enter into a written agreement for the performance of new or extended services pursuant to a fire protection contract with, or provide written notice of a proposed fire protection contract to, each affected public agency and recognized employee organization representing firefighters in the affected area, and to conduct a public hearing on the resolution.

The bill would require the commission to approve or disapprove the

proposal as specified. The bill would require the commission to consider, among other things, a comprehensive fiscal analysis prepared by the executive officer in accordance with specified requirements.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

This bill would incorporate additional changes to Section 56133 of the Government Code proposed by AB 402 that would become operative if this bill and AB 402 are both enacted and this bill is enacted last.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 56017.2 of the Government Code is amended to read:

56017.2. "Application" means any of the following:

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

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

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

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

SEC. 2. Section 56133 of the Government Code is amended to read:

56133. (a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundaries only if it first requests and receives written approval from the commission in the affected county.

(b) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence in anticipation of a later change of organization.

(c) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries and outside its sphere of influence to respond to an existing or impending threat to the public health or safety of the residents of the affected territory if both of the following requirements are met:

(1) The entity applying for the contract approval has provided the commission with documentation of a threat to the health and safety of the public or the affected residents.

(2) The commission has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, or sewer system corporation as defined in Section 230.6 of the Public Utilities Code, that has filed a map and a statement of its service capabilities with the commission.

(d) The executive officer, within 30 days of receipt of a request for approval by a city or district of a contract to extend services outside its jurisdictional boundary, shall determine whether the request is complete and acceptable for filing or whether the request

is incomplete. If a request is determined not to be complete, the executive officer shall immediately transmit that determination to the requester, specifying those parts of the request that are incomplete and the manner in which they can be made complete. When the request is deemed complete, the executive officer shall place the request on the agenda of the next commission meeting for which adequate notice can be given but not more than 90 days from the date that the request is deemed complete, unless the commission has delegated approval of those requests to the executive officer. The commission or executive officer shall approve, disapprove, or approve with conditions the contract for extended services. If the contract is disapproved or approved with conditions, the applicant may request reconsideration, citing the reasons for reconsideration.

(e) This section does not apply to any of the following:

(1) Contracts or agreements solely involving two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.

(2) Contracts for the transfer of nonpotable or nontreated water.

(3) Contracts or agreements solely involving the provision of surplus water to agricultural lands and facilities, including, but not limited to, incidental residential structures, for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county.

(4) An extended service that a city or district was providing on or before January 1, 2001.

(5) A local publicly owned electric utility, as defined by Section 9604 of the Public Utilities Code, providing electric services that do not involve the acquisition, construction, or installation of electric distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundaries.

(6) A fire protection contract, as defined in subdivision (a) of Section 56134.

SEC. 2.5. Section 56133 of the Government Code is amended to read:

56133. (a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundary only if it first requests and receives written approval from the commission.

(b) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundary but within its sphere of influence in anticipation of a later change of organization.

(c) If consistent with adopted policy, the commission may authorize a city or district to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to respond to an existing or impending threat to the health or safety of the public or the residents of the affected territory, if both of the following requirements are met:

(1) The entity applying for approval has provided the commission with documentation of a threat to the health and safety of the public or the affected residents.

(2) The commission has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, that has filed a map and a statement of its service capabilities with the commission.

(d) The executive officer, within 30 days of receipt of a request for approval by a city or district to extend services outside its jurisdictional boundary, shall determine whether the request is complete and acceptable for filing or whether the request is incomplete. If a request is determined not to be complete, the executive officer shall immediately transmit that determination to the requester, specifying those parts of the request that are incomplete and the manner in which they can be made complete. When the request is deemed complete, the executive officer shall place the request on the agenda of the next commission meeting for which adequate notice can be given but not more than 90 days from the date that the request is deemed complete, unless the commission has delegated approval of requests made pursuant to this section to the executive officer. The commission or executive officer shall approve, disapprove, or approve with conditions the extended services. If the new or extended services are disapproved or approved with conditions, the applicant may request reconsideration, citing the reasons for reconsideration.

(e) This section does not apply to any of the following:

(1) Two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.

(2) The transfer of nonpotable or nontreated water.

(3) The provision of surplus water to agricultural lands and facilities, including, but not limited to, incidental residential structures, for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county.

(4) An extended service that a city or district was providing on or before January 1, 2001.

(5) A local publicly owned electric utility, as defined by Section 9604 of the Public Utilities Code, providing electric services that do not involve the acquisition, construction, or installation of electric distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundary.

(6) A fire protection contract, as defined in subdivision (a) of Section 56134.

(f) This section applies only to the commission of the county in which the extension of service is proposed.

SEC. 3. Section 56134 is added to the Government Code, to read:

56134. (a) (1) For the purposes of this section, "fire protection contract" means a contract or agreement for the exercise of new or extended fire protection services outside a public agency's jurisdictional boundaries, as authorized by Chapter 4 (commencing with Section 55600) of Part 2 of Division 2 of Title 5 of this code or by Article 4 (commencing with Section 4141) of Chapter 1 of Part 2 of Division 4 of the Public Resources Code, except those contracts entered into pursuant to Sections 4143 and 4144 of the Public Resources Code, that does either of the following:

(A) Transfers responsibility for providing services in more than 25 percent of the area within the jurisdictional boundaries of any public agency affected by the contract or agreement.

(B) Changes the employment status of more than 25 percent of the employees of any public agency affected by the contract or agreement.

(2) A contract or agreement for the exercise of new or extended fire protection services outside a public agency's jurisdictional

boundaries, as authorized by Chapter 4 (commencing with Section 55600) of Part 2 of Division 2 of Title 5 of this code or Article 4 (commencing with Section 4141) of Chapter 1 of Part 2 of Division 4 of the Public Resources Code, except those contracts entered into pursuant to Sections 4143 and 4144 of the Public Resources Code, that, in combination with other contracts or agreements, would produce the results described in subparagraph (A) or (B) of paragraph (1) shall be deemed a fire protection contract for the purposes of this section.

(3) For the purposes of this section, "jurisdictional boundaries" shall include the territory or lands protected pursuant to a fire protection contract entered into on or before December 31, 2015. An extension of a fire protection contract entered into on or before December 31, 2015, that would produce the results described in subparagraph (A) or (B) of paragraph (1) shall be deemed a fire protection contract for the purposes of this section.

(b) Notwithstanding Section 56133, a public agency may provide new or extended services pursuant to a fire protection contract only if it first requests and receives written approval from the commission in the affected county pursuant to the requirements of this section.

(c) A request by a public agency for commission approval of new or extended services provided pursuant to a fire protection contract shall be made by the adoption of a resolution of application as follows:

(1) In the case of a public agency that is not a state agency, the application shall be initiated by the adoption of a resolution of application by the legislative body of the public agency proposing to provide new or extended services outside the public agency's current service area.

(2) In the case of a public agency that is a state agency, the application shall be initiated by the director of the state agency proposing to provide new or extended services outside the agency's current service area and be approved by the Director of Finance.

(3) In the case of a public agency that is a local agency currently under contract with a state agency for the provision of fire protection services and proposing to provide new or extended services by the expansion of the existing contract or agreement, the application shall be initiated by the public agency that is a local agency and be approved by the Director of Finance.

(d) The legislative body of a public agency or the director of a state agency shall not submit a resolution of application pursuant to this section unless both of the following occur:

(1) The public agency does either of the following:

(A) Obtains and submits with the resolution a written agreement validated and executed by each affected public agency and recognized employee organization that represents firefighters of the existing and proposed service providers consenting to the proposed fire protection contract.

(B) Provides, at least 30 days prior to the hearing held pursuant to paragraph (2), written notice to each affected public agency and recognized employee organization that represents firefighters of the existing and proposed service providers of the proposed fire protection contract and submits a copy of each written notice with the resolution of application. The notice shall, at minimum, include a full copy of the proposed contract.

(2) The public agency conducts an open and public hearing on the resolution, conducted pursuant to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5) or the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2), as applicable.

(e) A resolution of application submitted pursuant to this section shall be submitted with a plan which shall include all of the following information:

(1) The total estimated cost to provide the new or extended fire protection services in the affected territory.

(2) The estimated cost of the new or extended fire protection services to customers in the affected territory.

(3) An identification of existing service providers, if any, of the new or extended services proposed to be provided and the potential fiscal impact to the customers of those existing providers.

(4) A plan for financing the exercise of the new or extended fire protection services in the affected territory.

(5) Alternatives for the exercise of the new or extended fire protection services in the affected territory.

(6) An enumeration and description of the new or extended fire protection services proposed to be extended to the affected territory.

(7) The level and range of new or extended fire protection services.

(8) An indication of when the new or extended fire protection services can feasibly be extended to the affected territory.

(9) An indication of any improvements or upgrades to structures, roads, sewer or water facilities, or other conditions the public agency would impose or require within the affected territory if the fire protection contract is completed.

(10) A determination, supported by documentation, that the proposed fire protection contract meets the criteria established pursuant to subparagraph (A) or (B) of paragraph (1) or paragraph (2), as applicable, of subdivision (a).

(f) The applicant shall cause to be prepared by contract an independent comprehensive fiscal analysis to be submitted with the application pursuant to this section. The analysis shall review and document all of the following:

(1) A thorough review of the plan for services submitted by the public agency pursuant to subdivision (e).

(2) How the costs of the existing service provider compare to the costs of services provided in service areas with similar populations and of similar geographic size that provide a similar level and range of services and make a reasonable determination of the costs expected to be borne by the public agency providing new or extended fire protection services.

(3) Any other information and analysis needed to support the findings required by subdivision (j).

(g) The clerk of the legislative body of a public agency or the director of a state agency adopting a resolution of application pursuant to this section shall file a certified copy of the resolution with the executive officer.

(h) (1) The executive officer, within 30 days of receipt of a public agency's request for approval of a fire protection contract, shall determine whether the request is complete and acceptable for filing or whether the request is incomplete. If a request does not comply with the requirements of subdivision (d), the executive officer shall determine that the request is incomplete. If a request is determined incomplete, the executive officer shall immediately transmit that determination to the requester, specifying those parts of the request that are incomplete and the manner in which they can be made complete. When the request is deemed complete, the executive officer shall place the request on the agenda of the next commission meeting for which adequate notice can be given but not more than 90 days from the date that the request is deemed complete.

(2) The commission shall approve, disapprove, or approve with conditions the contract for new or extended services following the hearing at the commission meeting, as provided in paragraph (1). If the contract is disapproved or approved with conditions, the applicant may request reconsideration, citing the reasons for reconsideration.

(i) (1) The commission shall not approve an application for approval of a fire protection contract unless the commission determines that the public agency will have sufficient revenues to carry out the exercise of the new or extended fire protection services outside its current area, except as specified in paragraph (2).

(2) The commission may approve an application for approval of a fire protection contract where the commission has determined that the public agency will not have sufficient revenue to provide the proposed new or different functions or class of services, if the commission conditions its approval on the concurrent approval of sufficient revenue sources pursuant to Section 56886. In approving a proposal, the commission shall provide that, if the revenue sources pursuant to Section 56886 are not approved, the authority of the public agency to provide new or extended fire protection services shall not be exercised.

(j) The commission shall not approve an application for approval of a fire protection contract unless the commission determines, based on the entire record, all of the following:

(1) The proposed exercise of new or extended fire protection services outside a public agency's current service area is consistent with the intent of this division, including, but not limited to, the policies of Sections 56001 and 56300.

(2) The commission has reviewed the comprehensive fiscal analysis prepared pursuant to subdivision (f).

(3) The commission has reviewed any testimony presented at the public hearing.

(4) The proposed affected territory is expected to receive revenues sufficient to provide public services and facilities and a reasonable reserve during the three fiscal years following the effective date of the contract or agreement between the public agencies to provide the new or extended fire protection services.

(k) At least 21 days prior to the date of the hearing, the executive officer shall give mailed notice of that hearing to each affected local agency or affected county, and to any interested party who has filed a written request for notice with the executive officer. In addition, at least 21 days prior to the date of that hearing, the executive officer shall cause notice of the hearing to be published in accordance with Section 56153 in a newspaper of general circulation that is circulated within the territory affected by the proposal proposed to be adopted and shall post the notice of the hearing on the commission's Internet Web site.

(l) The commission may continue from time to time any hearing called pursuant to this section. The commission shall hear and consider oral or written testimony presented by any affected local agency, affected county, or any interested person who appears at any hearing called and held pursuant to this section.

(m) This section shall not be construed to abrogate a public agency's obligations under the Meyers-Milias-Brown Act (Chapter 10 (commencing with Section 3500) of Division 4 of Title 1).

SEC. 4. The Legislature finds and declares that, with respect to fire protection contracts subject to this act, the provisions of this act are not intended to change, alter, or in any way affect either of the following:

(a) The existing jurisdiction of a local agency formation

commission over proceedings that involve the provision of prehospital emergency medical services.

(b) Mutual aid agreements, including mutual aid agreements entered into pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 1 of the Government Code) or the Fire Protection District Law of 1987 (Part 2.7 (commencing with Section 13800) of Division 12 of the Health and Safety Code).

SEC. 5. The Legislature finds and declares that Section 3 of this act, which adds Section 56134 to the Government Code, furthers, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

This act provides for notice to the public in accordance with existing provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and will ensure that the right of public access to local agency meetings is protected.

SEC. 6. Section 2.5 of this bill incorporates amendments to Section 56133 of the Government Code proposed by both this bill and Assembly Bill 402. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2016, (2) each bill amends Section 56133 of the Government Code, and (3) this bill is enacted after Assembly Bill 402, in which case Section 2 of this bill shall not become operative.





*Diane Furst Sloan Bailey, Mayor  
Carla Condon, Vice-Mayor  
James Andrews  
Sloan Bailey*

*Kevin Haroff, Mayor  
Dan Hillmer, Vice-Mayor  
Larry Chu  
Ann Morrison  
Catherine Way*



February 7, 2017

Chair Jeffry Blanchfield and Members of the Commission  
Marin Local Agency Formation Commission (LAFCO)  
1401 Los Gamos Drive, Suite 220  
San Rafael, CA 94903

SUBJECT: Draft Amendments to Policies on Outside Service Extensions

Dear Chair Blanchfield:

The Town of Corte Madera and the City of Larkspur appreciate the opportunity to review and comment on the staff report for Agenda Item No. 12, *Draft Amendments to Policies on Outside Service Extensions*. Commissioners may be aware that these draft amendments are of particular interest to our agencies as we are in the process of forming a joint powers authority (JPA) to deliver fire protection services to our communities, and the Executive Officer and Special Counsel to Marin LAFCO have jointly opined that Government Code Section 56134 applies to this process.

We applaud the Executive Officer's proposal to provide exemptions to the application requirements under Section 56134 when specified criteria are met; providing exemptions recognizes that there are conditions under which the agencies entering into interagency agreements are acting responsibly to improve service delivery in their communities, and that asking the taxpayers to fund a LAFCO review of such agreements is not the best use of their money.

With particular consideration to avoiding undue burdens on the taxpayers in our communities, we respectfully request that the Commission consider establishing a set of criteria by which qualifying formations of JPAs are exempt from LAFCO review under Section 56134. The criteria we suggest are:

- The boundaries of the proposed JPA will be coterminous with the boundaries of the member agencies. *(No new service territory is established by the formation of the JPA.)*
- The member agencies and the represented safety employees affected by the JPA formation have negotiated a Transition Agreement and a Memorandum of Understanding, and these agreements have been ratified by the affected employee groups. *(The change in employment status caused by the JPA has the support of the affected employee groups.)*
- The proposed JPA does not create conflicts with adopted LAFCO recommendations about fire service reorganizations in Marin County.
- The proposed JPA does not create conflicts with any active reorganization application on file with LAFCO.

It is our belief that any proposed JPA formation that meets the above criteria fulfills the legislative intent of Senate Bill 239 in that it neither extends fire protection services outside of existing service territories nor imposes unacceptable employment conditions on sworn fire personnel.

The Executive Officer has suggested to us that the review of a proposed JPA formation would not require the breadth of analysis LAFCO might apply to many other forms of reorganization, and that there is a very good chance the cost to the member agencies for their application to LAFCO could be contained to \$10,000 or less. While we are appreciative of the Executive Officer's efforts to create a review process that is narrower and less costly in scope, we strongly believe that the application costs could better benefit the taxpayers by funding fire prevention services.

Thank you for your consideration.

Sincerely,



Todd Cusimano, Corte Madera Town Manager



Dan Schwarz, Larkspur City Manager

c:     Corte Madera Councilmembers  
       Larkspur Councilmembers  
       LAFCO EO K. Simonds  
       County/City Managers  
       Marin Fire Chiefs



## Marin County Fire Chiefs Association

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March 22, 2017

Chair Jeffry Blanchfield and Members of the Commission  
Marin Local Agency Formation Commission  
1401 Los Gamos Drive, Suite 220  
San Rafael, CA 94903

Subject: Amendments to Policies on Outside Service Extensions – Fire Protection Services

Dear Chair Blanchfield,

The Marin County Fire Chiefs Association has been engaged in collaborative conversation with LAFCO Executive Officer Keene Simonds regarding the implementation of SB 239 since May 12, 2016. Mr. Simonds has been extremely helpful during this period in soliciting comments and feedback from our membership and has kept us well-informed on the progress of the policy implementation. Many of the Draft Amendments to the Policy on Outside Service Extensions stem from this collaborative interaction with our membership and we appreciate the opportunity to contribute to the decision making of how to best apply the intent of the legislation to the local jurisdictions.

In large part, our membership agrees with and supports the amendments proposed by staff. However, we would also like to express our strong and united support for the additional exemption sought by the Town of Corte Madera and the City of Larkspur in regard to the consolidation of their two fire departments. It is our belief that the specific criteria that are suggested respect the intent of the law and should ensure that none of the issues that prompted the legislation are present within the proposed merger.

The Marin County Fire Chiefs believe that all inter-agency contracts and agreements should be developed and implemented with a goal of providing increased efficiency or improved levels of service. We feel that these goals are in the best interest of the local taxpayers and of all those to whom we provide service. We feel a responsibility to seek opportunities and to innovate for the public good. Collaborations such as the current Corte Madera and Larkspur fire merger should stand as an example of good government and should be encouraged.

It is our hope that this and other similar examples of creative and effective public resource stewardship are not discouraged by the prospect of additional financial and administrative burdens but instead encouraged toward the notion of allocating public resources with both the

taxpayer and the end user in mind. Please understand that we are not proposing a blanket exemption from LAFCO review of all Outside Service Extensions. Instead, we are only proposing the addition of an exemption under the specific set of criteria outlined by the managers of Corte Madera and Larkspur as presented in the letter dated February 7, 2017. We feel confident that under these criteria both the intent of the underlying law and the public trust are ultimately honored.

Thank you for your consideration of this matter,

A handwritten signature in black ink that reads "Mark Mills". The signature is written in a cursive, flowing style.

Mark Mills  
Chief, Ross Valley Fire Department  
President, Marin County Fire Chiefs Association

**Keene Simonds**

---

**From:** Garrett Toy  
**Sent:** Thursday, March 2, 2017 1:12 PM  
**To:** Keene Simonds  
**Cc:** Rachel Jones; Scott Smith  
**Subject:** RE: Marin LAFCO | Extended Agency Review on Draft Amendments to Outside Service Extension Policies through March 22nd

Hi Keene,

The Ross Valley Fire Department (RVFD) has a few comments on the proposed policies. Specifically, with the regard to the exemptions, we would like it to be made more clear that: 1) “contractual shared services” is also included in the definition of “sharing” of management and services and 2) RVFD has an existing agreement with Marin County to provide fire protection services for some unincorporated areas. We would like the exemptions to clarify renewal of agreements includes the renegotiation (such as an amended and restated agreement) of the contract for such services and that there is no timeframe for renewal. For example, if an agreement expires, but we enter into a new agreement 12 months later with the same agency we shouldn’t need to go to LAFCO for approval. As clarification, if an existing agreement exceeds the 25% threshold and the agencies renew the agreement, but doesn’t add area, does that trigger LAFCO review? We don’t believe it should.

Let me know any questions.

Thanks for the help.

Garrett

=====  
Garrett Toy  
Town Manager  
Town of Fairfax  
142 Bolinas Rd  
Fairfax, CA 94930  
415-458-2345

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**NORTH MARIN  
WATER DISTRICT**

Via email at [ksimonds@marinlafco.org](mailto:ksimonds@marinlafco.org)

999 Rush Creek Place  
P.O. Box 146  
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[www.nmwd.com](http://www.nmwd.com)

March 8, 2017

Keene Simonds, Executive Officer  
Marin LAFCo  
1401 Las Gamos Drive Suite 220  
San Rafael, CA 94903

Dear Mr. Simonds:

North Marin Water District is in receipt of the Marin LAFCo Draft Amendments to Policies on Outside Service Extensions. As indicated in my verbal comments to the Marin LAFCo Commissioners on February 9<sup>th</sup>, the proposed amendment adding an Implementation Definition of "transfer" to mean the wholesale delivery of non-potable or non-treated water, exceeds legislative authority. SB-239, for which Marin LAFCo references in triggering these policy amendments, makes no such definition of transfer and explicitly exempts contracts for the transfer of non-potable or non-treated water.

Recycled water producers and distributors need all the latitude possible to sell this very expensive product. Identifying a transfer as a wholesale delivery implies that some other entity will sell recycled water at a retail commodity and the interjection of another layer of bureaucratic approval by Marin LAFCo may stifle recycled water expansion for future uses which may not be contemplated at this time.

North Marin Water District requests that you strike the proposed implementation definition 10d).

Sincerely,

  
Chris DeGabriele  
General Manager

CD/kly  
T:\GMLAFCO\tr re proposed amendment. doc.doc

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## **K. Outside Service Agreement Policy | Non Fire Protection Services**

### **General Provisions**

1. ~~1.~~ As specified in Government Code §56133, cities, towns, and special districts seeking to provide new or extended services other than fire protection to areas outside their jurisdictions by contracts or agreements after January 1, 2001 shall apply to Marin LAFCO for approval.
2. Marin LAFCO may approve such proposals requests under this section for new or extended services by contract or agreement for areas within the applying agency's sphere of influence only in anticipation of eventual annexation to that agency. Approval may also be granted for such proposals requests involving areas outside the applying agency's sphere of influence to respond to an existing or impending threat to the public health or safety of the residents of the affected territory.

### **Exemptions**

23. ~~As provided under subsection (e)~~ Marin LAFCO approval is not required for cities, towns, or special districts to provide new or extended services outside their jurisdictional boundaries if any of the following conditions apply as determined by the Commission. outlined under Government Code §56133(e):
  - a) Outside service agreements between two or more public agencies where the contracted service is an alternative or substitute for public service already established.
  - b) Outside service agreements involving the transfer of non-potable or non-treated water.
  - c) Outside service agreements involving the provision of surplus water to agricultural lands for conservation projects or to directly support agricultural industries.
  - d) Outside service agreements involving a service that a city, town, or special district was providing on or before January 1, 2001.

### **Applicability Determination**

34. Cities, towns, and special districts may request at no cost a written response from Marin LAFCO as to whether any potential new or extended outside service contract or agreement qualifies as an exempted action under subsection (e).
  - a) The Commission delegates to the Executive Officer the responsibility to determine whether applicability inquiries made by cities, towns, and special districts qualify as exempted actions under subsection (e).

- b) The Executive Officer shall provide a written response to the affected city, town, or special district on their applicability inquiry within 30 days.
- c) Should the Executive Officer determine an inquiry is not exempt under subsection (e) the affected city, town, or special district shall proceed with submitting a formal approval request with the Commission consistent with these policies.

### **Submitting a Request**

- 5. Requests to authorize cities, towns, or special districts to provide new or extended services outside their jurisdictional boundaries under this section shall conform to the following procedures.
  - a) Requests shall be made only by the affected agency and through their appointed director/manager and filed with the Executive Officer.
  - b) Joint requests by two or more affected agencies are permitted.
  - c) Requests shall be made in letter form and include all of the following information.
    - A list of all addresses and/or parcel numbers comprising the subject territory along with the accompanying zoning assignments made by the applicable land use authority;
    - A description of how the applying agency would provide the proposed new or extend service to the subject territory. This includes any infrastructure or facility improvements and associated funding requirements necessary to provide service to the subject territory; and
    - Any information or associated findings made pursuant to the California Environmental Quality Act.

### **Request Review**

- 6. Marin LAFCO's review and consideration of requests to authorize cities, towns, or special districts to provide new or extended services outside their jurisdictional boundaries under this section shall conform to the following procedures.
  - a) The Executive Officer shall review and determine within 30 days of receipt whether the applying agency's request is complete. If a request is deemed incomplete, the Executive Officer shall immediately notify the affected agency(s) and identify the information needed to deem it complete.
  - b) Once a request is deemed complete, the Executive Officer shall prepare a written report with a recommendation for consideration by the Commission. The written report shall address – and among other items – the following three factors.

- The ability of the applying agency to provide the requested service to the subject territory and potential impact on existing service levels;
  - The effect on urban growth and development within and adjacent to the subject territory should the request be approved; and
  - The consistency of the request with the Commission’s adopted policies.
- c) The Executive Officer shall present their written report at the next earliest regular meeting for which adequate notice can be provided, and no further than 90 days from the date the request has been deemed complete.
- d) Requests involving service extensions beyond the applying agency’s sphere of influence shall be noticed under §56153 and 56154 and considered as part of public hearings.

### **Commission Action**

7. Marin LAFCO may approve requests to authorize cities, towns, or special districts to provide new or extended services outside their jurisdictional boundaries under this section with or without conditions.
8. Should Marin LAFCO disapprove requests to authorize cities, towns, or special districts to provide new or extended services outside their jurisdictional boundaries under this section the affected agency may ask for reconsideration within 30 days of the Commission action under §56895.
9. Marin LAFCO authorizes the Chair to approve a city, ~~town,~~ or special district’s ~~proposal request to provide new or extended services outside their jurisdictional boundaries under this section for an outside service agreement~~ if there is an existing or impending public health or safety emergency. Marin LAFCO shall ratify the Chair’s determination at the next regular scheduled meeting.

### **Implementation Definitions**

410. Marin LAFCO incorporates the following definitions in administering these policies concerning outside services under ~~Government Code~~ §56133:
- a) “Service” shall mean any municipal service supporting – directly or indirectly – urban type uses ~~and includes, but not limited to, water, wastewater, fire protection, and police protection.~~ –with the referenced exclusion of fire protection.
- b) “New” shall mean the actual extension of a municipal service to previously unserved non-jurisdictional land.

- c) “Extended” shall mean the intensification use of a municipal service provided by a city, town, or special district to non-jurisdictional land that is directly tied to a redesignation and/or rezoning of the affected territory by the appropriate land use authority.

## **L. Outside Service Agreement Policy | Fire Protection Services**

### **General Provisions**

1. As specified in Government Code §56134, the County, cities, towns, special districts, and State agencies seeking to provide new or extended fire protection services to areas outside their jurisdictions by contracts or agreements after December 31, 2015 shall apply to Marin LAFCO for approval should either of the following conditions apply.
  - a) Contracts that transfers responsibility for providing fire protection services in more than 25 percent of the area within the jurisdictional boundaries of any public agency affected by the contract or agreement; or
  - b) Contracts that changes the employment status of more than 25 percent of the employees of any public agency affected by the contract or agreement.
2. A proposed outside contract or agreement for fire protection services in combination with other existing contracts or agreements that triggers either of the two above conditions is subject to approval by Marin LAFCO.
3. Contracts or agreements for fire protection services entered into before December 31, 2015 or recipient of LAFCO approval after December 31, 2015 do not require separate LAFCO approval due to renewals or renegotiated terms so long as it does not constitute a new 25 percent change in service area or employment status.
4. Changes in jurisdictional boundary shall be based on acreage differences calculated in MarinMap.
5. Changes in employment status shall be based on actual and agency-wide staffing totals within the affected agencies as of the July 1<sup>st</sup> of the subject fiscal year.

### **Exemptions**

6. Marin LAFCO approval under this section is not required for the County, cities, towns, special districts, or State agencies to provide new or extended fire protection services outside their jurisdictional boundaries that involve any of the following.
  - a) Renewals of existing contracts or agreements, unless the renewal includes amendments or inclusions that triggers the referenced 25% threshold with respect to changing the service area or employment status of the affected agencies.

b) Mutual aid agreements in which there is no monetary reimbursement for fire protection services. Reimbursement costs associated with mutual aid contracts between the State and local agencies are also exempt.

c) Cooperative agreements for wildland fires under Public Resource Code §4143 or 4144.

d) Contracts or agreements that involve any of the following:

- Ambulance services, including billing and related administrative support.
- Pre hospital emergency medical services.
- Permit and inspection review.
- Fire alarm system plan reviews and inspections.
- Business and occupancy reviews and inspections.
- Vehicle maintenance and repair.
- Sharing of management or other personnel between or among two or more agencies in which the contracts or agreements do not constitute a 25 percent change in employment status as defined.
- Sharing or loaning of equipment, facility, or property between or among two or more agencies
- Establishment of joint-power authorities to provide fire protection services in which all of the following criteria is satisfied as verified by the Commission's Executive Officer:
  - The boundaries of the proposed joint-powers authority are entirely coterminous with the member agency boundaries, and therefore services are not extended to previously unserved areas by the agencies.
  - The member agencies and the affected represented safety employees' organizations have ratified agreements in support of the proposed joint-powers authority and any changes therein to employment status.
  - The proposed joint-powers authority does not create any conflicts with adopted LAFCO polices or recommendations with respect to fire protection services in Marin County.
  - The proposed joint-powers authority does not create any conflicts with any active reorganization application on file with LAFCO.

- The total service area for the proposed joint-powers authority does not exceed a resident service population of 50,000.

### **Applicability Determination**

6. The County, cities, towns, special districts, and State agencies may request at no cost a written response from Marin LAFCO as to whether any potential new or extended contract or agreement for fire protection is subject or exempt to these proceedings.
  - a) The Commission delegates to the Executive Officer the responsibility to determine whether applicability inquiries made by the County, cities, towns, special districts, and State agencies are subject or exempt from these proceedings.
  - b) The Executive Officer shall provide a written response on the applicability inquiry to the County, city, town, special district, or State agency within 30 days.
  - c) Should the Executive Officer not determine an inquiry is subject or non-exempted the County, city, town, special district, or State agency shall proceed with submitting a formal approval request with the Commission consistent with these policies.

### **Submitting a Request**

7. Requests to authorize the County, cities, towns, special districts, or State agencies to provide new or extended fire protection services outside their jurisdictional boundaries under this section shall conform to the following procedures.
  - a) Requests shall be made by an affected agency by adopted resolution consistent with the direction provided under subsection (c).
  - b) Joint requests by two or more affected agencies are permitted.
  - c) Requests shall be filed with the Executive Officer and only after both of the following conditions as prescribed under subsection (d) have been satisfied by the applying agency.
    - The applying agency provides written consent of all recognized employee organizations representing the subject firefighters and/or shows proof of notice to all recognized employee organizations representing the subject firefighters no less than 30 days before taking action on the resolution of application.
    - The applying agency conducts a noticed public hearing in conjunction with taking action on the resolution of application.
  - d) Requests filed with the Executive Officer shall also include all of the information in letter form as prescribed under subsection (e).

## **Request Review**

8. Marin LAFCO's review and consideration of requests to authorize the County, cities, towns, special districts or State agencies to provide new or extended fire protection services outside their jurisdictional boundaries under this section shall conform to the following procedures.
- a) The Executive Officer shall review and determine within 30 days of receipt whether the request is complete. If a request is deemed incomplete, the Executive Officer shall immediately notify the applying agency and identify the information needed to deem it complete.
- b) Once a request is deemed complete, the Executive Officer shall prepare a written report with a recommendation for consideration by the Commission. The written report shall address – and in addition to other items – the following three factors.
- The ability of the affected agency to provide the requested service to the subject territory and potential impact on existing service levels;
  - The effect on urban growth and development within and adjacent to the subject territory should the request be approved; and
  - The consistency of the request with the Commission's adopted policies.
- c) The Executive Officer shall present their written report at the next earliest regular meeting for which adequate notice can be provided and no further than 90 days from the date in which the request has been deemed complete.
- d) All requests under this section shall be noticed under §56153 and 56154 and considered as part of public hearings.

## **Commission Action**

9. Marin LAFCO may approve requests to authorize the County, cities, towns, special districts, or State agencies to provide new or extended fire protection services outside their jurisdictional boundaries under this section with or without conditions.
10. Marin LAFCO shall only approve requests to authorize the County, cities, towns, special districts, or State agencies to provide new or extended fire protection outside their jurisdictional boundaries under this section when the Commission determines the applying agency will have sufficient revenues to provide the underlying service consistent with subsection (i). Conditioning approval on the applying agency establishing a new or augmented revenue source is permissible.

11. Should Marin LAFCO disapprove requests to authorize the County, cities, towns, or special districts to provide new or extended services outside their jurisdictional boundaries under this section the affected agency may ask for reconsideration within 30 days of the Commission action under §56895.

### **Implementation Definitions**

12. Marin LAFCO incorporates the following definitions in administering these policies concerning outside fire protection services under §56134.

- a) “Fire protection” shall mean the provision of said services by contract or agreement as permitted under §55600 et al unless exempted under this policy.
- b) “New” shall mean the provision of fire protection services to previously unserved non-jurisdictional land by the affected agency; i.e., the applying County, city, town, special district, or State agency.
- c) “Extended” shall mean the intensification and/or improvement of a fire protection service provided by the County, city, town, special district, or State agency to non-jurisdictional land.
- d) “Employment status” shall apply to any one of the affected agencies subject to the fire protection contract or agreement. Changes in employment status is specific to emergency or sworn personnel and does not apply cumulatively across all affected agencies. Changes in wages, benefits, hours worked, or working conditions does not affect employment status.
- e) “Jurisdictional boundary” shall mean lands already being served under a fire protection contract entered into prior to December 31, 2015.



**Marin Independent Journal**

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SAN RAFAEL, CA 94903-3698

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

**STATE OF CALIFORNIA  
County of Marin**

I am a citizen of the United States and a resident of the County aforesaid: I am over the age of eighteen years, and not a party to or interested in the above matter. I am the principal clerk of the printer of the MARIN INDEPENDENT JOURNAL, a newspaper of general circulation, printed and published daily in the County of Marin, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Marin, State of California, under date of FEBRUARY 7, 1955, CASE NUMBER 25566; that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

**05/18/2017**

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

Dated this 18th day of May, 2017.

*Donna Lazarus*

Signature

**PROOF OF PUBLICATION**

**Attachment Four**

Legal No. **0005957079**

**MARIN LOCAL AGENCY FORMATION  
COMMISSION**

**NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN BY THE MARIN LOCAL AGENCY FORMATION COMMISSION (LAFCO) will hold a regular meeting on Thursday, June 8, 2017 at 7:00 P.M. at Marin Clean Energy located at 1125 Tamalpais Avenue in San Rafael to consider – and among other items – the following action:

**Amended Policies Concerning  
Outside Service Extensions**

This action – if approved – would update Marin LAFCO's written policies and procedures immediately and with respect to overseeing outside service extensions under Government Code Sections 56133 (non fire protection services) and 56134 (fire protection services). Public comments are welcomed through the end of the scheduled hearing. An associated staff report will be available for download at [www.marinlafco.org](http://www.marinlafco.org) approximately one week prior to the hearing date. You may also request a written copy of the associated staff report by contacting LAFCO at 415-448-5877

Keene Simonds, Executive Officer  
Marin Local Agency Formation Commission  
May 15, 2017

No. 614 May 18, 2017

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# Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

## AGENDA REPORT

June 8, 2017

Item No. 14 (Public Hearing)

June 1, 2017

**TO:** Marin Commissioners

**FROM:** Budget Committee (McEntee, Murray, and Rodoni)  
Keene Simonds, Executive Officer

**SUBJECT: Adoption of Final Workplan and Operating Budget for 2017-2018**

The Commission will consider adopting a final workplan and budget for 2017-2018. Both items return following their adoption in draft-form in April and subsequent public review. Revisions are reflected in both items and highlighted in the workplan by the addition of district reorganizations within Murray Park and San Quentin Village as well as prioritizing a contract review with CalPERS for employee pension services. Revisions to the budget are more limited to accommodate revised insurance estimates that increase costs by an additional 0.3% and contribute to an updated overall budgeted expense total of \$556,781; a difference of 5.7% over 2016-2017 and entirely attributed to funding additional non-payroll costs.

---

Local Agency Formation Commissions (LAFCOs) are responsible under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”) to adopt a proposed budget by May 1<sup>st</sup> and a final budget by June 15<sup>th</sup>. A mandatory review by local funding agencies is required between the two adoption periods. CKH also specifies the proposed and final budgets shall – at a minimum – be equal to the budget adopted for the previous fiscal year unless the LAFCO finds any reduced costs will nonetheless allow the agency to adequately meet its regional growth management duties.

### A. Background

#### Prescriptive Funding Sources

Marin LAFCO’s (“Commission”) annual operating expenses are primarily funded by proceeds collected from 42 local public agencies operating within Marin County. CKH specifies the Commission’s operating expenses shall be divided in one-third increments between the (a) County of Marin, (b) 11 cities and towns, and (c) 30 independent special districts with the latter two categories apportioned based on total revenues as provided in the most recent annual report published by the State Controller’s Office. A relatively small portion – typically representing less than one-tenth of total revenues – is also funded from application fees and interest earnings.

## Policy Considerations

It is the policy of the Commission to utilize a Budget Committee (“Committee”) to inform the agency’s decision-making process in adopting an annual workplan and corresponding budget. The Commission establishes a new Committee each fiscal year to include three appointed members with one member each from the county, cities and towns, and special districts. Staffing is provided by the Executive Officer. The Committee’s core responsibilities are divided between presenting “proposed” and “final” documents at the Commission’s April and June meetings, respectively. The Committee is delegated broad discretion in preparing both documents with the lone budgetary constraint to endeavor to maintain a 20% reserve relative to budgeted expenses.

## Current Operating Budget

The Commission’s adopted final budget for 2016-2017 totals \$526,862. This amount represents the total approved operating expenditures for the fiscal year divided between three active expense units: salaries and benefits; general administrative; and services and supplies. A purposeful operating deficit of (\$25,000) or (5.0%) was budgeted with setting annual revenues at \$501,862 as part of a multi-year process to phase corresponding contribution increases among the funding agencies and instep with raising resources beginning in 2015-2016 and highlighted by expanding staff. The Commission’s available fund balance less other post-employment benefit commitments as of the beginning of 2016-2017 was \$140,905.

Budgeted 16-17 Expenses	Budgeted 16-17 Revenues	Budgeted 16-17 Year End Balance	Beginning 16-17 Fund Balance
\$526,862	\$501,862	(\$25,000)	\$140,905

## B. Discussion

This agenda item is for the Commission to consider recommendations by the 2017-2018 Committee (McEntee, Murray, and Rodoni) in adopting a final workplan and budget for the upcoming fiscal year. Both items return to the Commission from their initial presentation and adoption in April with revisions based on additional Committee review. Both items also return following a formal 45-day public review and comment period that included providing direct notice to all 42 local funding agencies as required under statute.<sup>1</sup> A summary discussion of the main aspects underlying both items follows. This includes highlighting the revisions made by the Committee since the April meeting.

<sup>1</sup> One formal comment was received during the 45-day review period, and was submitted by the Strawberry Recreation District (SRD). The letter requests the workplan be amended to include a municipal service review for the affected region as envisioned in the Commission’s existing study schedule and for reasons detailed. The Committee agrees the requested change to the workplan is reasonable, but – and in the absence of a substantive increase in agency contributions – cannot be readily accommodated. This conclusion is consistent with the Policy Committee’s separate review of the study schedule performed that includes recommendations on calendaring studies as part of readoption as part of a separate agenda item. Nonetheless, and in deference to the SRD request, the Committee does support prioritizing a municipal service review for Strawberry region in 2018-2019.

## Summary | Final Workplan in 2017-18

The final workplan largely draws on discussion and direction generated at the Commission’s strategic planning session held on January 27<sup>th</sup> and subsequently vetted by the Committee at a noticed meeting held on March 1<sup>st</sup>. The final workplan remains intact from its draft presentation in April with the exception of five specific revisions. These revisions are highlighted by now calendaring resources to accommodate special district reorganizations within Murray Park and San Quentin Village as well as prioritizing a contract review with CalPERS for employee pension services. (Details on all five revisions added to the final workplan are provided in the accompanying footnote.<sup>2</sup>) The final workplan also continues to incorporate several streamlining changes introduced in April. This includes now consolidating all projects irrespective of type into one single and prioritized listing (high, moderate, and low). Volume has also been purposefully reduced by omitting projects considered routine or otherwise expected, such as processing applications, performing community outreach, and training activities. A detail summary of all 10 high priority projects in the final workplan is provided as Attachment One

The final workplan incorporates five revisions since the draft in April:

- scheduling district reorganizations within Murray Park and San Quentin Village (high-priority)
- advancing a contract review with CalPERS for employee pensions from moderate to high-priority
- removing a general municipal service review on Ross Valley
- removing a policy review on outside service extensions
- scheduling a review of GIS needs and options (low-priority)

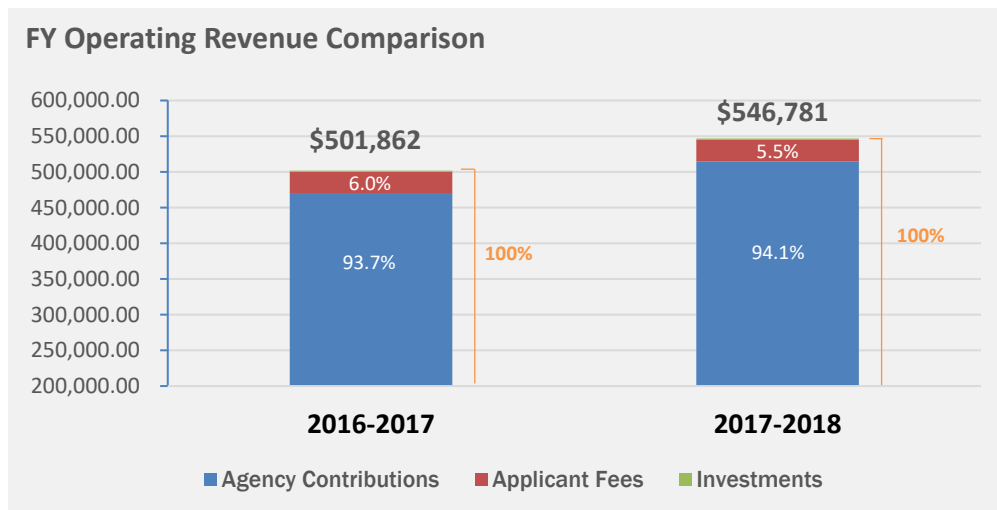
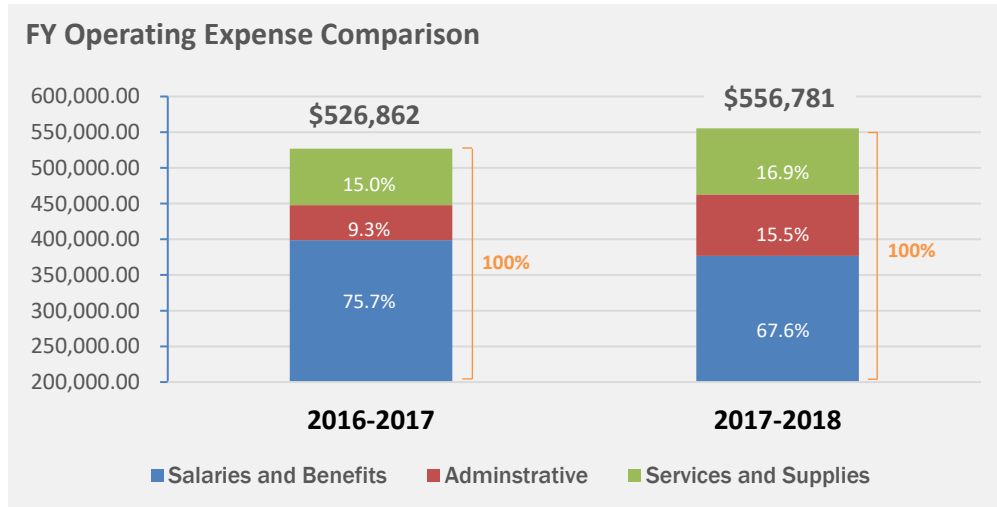
## Summary | Final Budget in 2017-18

The final budget developed by the Committee in-step with the referenced workplan sets operating expenses at \$556,781; a net increase of \$29,919 or 5.7% over the current fiscal year. The operating expense total – which has been revised since April to include an additional \$1,397 or 0.3% to account for updated insurance estimates – is divided between labor and non-labor costs at an approximate 68-to-32 percent split with increases in the latter category accounting for the referenced change in the bottom-line. Proposed

The final budget returns to the Commission intact from April with the exception of accommodating updated insurance estimates that add 0.3% in costs, and contribute to an overall budgeted expense total of \$556,781; a difference of \$29,919 or 5.7% over FY16-17.

<sup>2</sup> The final workplan reflects five specific revisions relative to the document’s draft presentation in April. The first revision responds to a recommendation included in the recently released Central Marin Wastewater Study and involves scheduling reorganizations to ultimately consolidate the Murray Park and San Quentin Village Sewer Maintenance Districts into the Ross Valley Sanitary District. The second revision responds to Commission feedback from April and involves advancing the review of options to contract with CalPERS for employee pension services from moderate to high-priority. The third revision removes scheduling of a municipal service review for the Ross Valley region and is consistent with the recommendations of the Policy Committee (Baker, Blanchfield, and Connolly) in amending the Commission’s study schedule as part of a separately scheduled agenda item. The fourth revision removes carrying-forward a policy update on outside service extensions given this project is now expected to be completed before the end of the current fiscal year. The fifth and final revision involves adding – albeit as a low priority – a review of GIS needs and options relative to continuing the Commission’s baseline investment and use of MarinMap.

operating revenues have also been revised and specifically within agency contributions to account for the referenced increased in insurance and now set at \$546,781. A budgeted shortfall is planned with the difference – (\$10,000) – covered by reserves.



A detail summary of the final budget and listing of notable changes is provided as Attachment Two.

**C. Analysis**

The final workplan and budget as proposed by the Committee affirmatively responds to feedback provided by the Commission at its January and April 2017 meetings and premised on Marin LAFCO remaining proactive in meeting its existing and expanding duties under CKH. The following comments provide additional context in the Commission’s consideration of the final workplan and budget as proposed.

- The final workplan has been streamlined by the Committee and now consolidates all projects irrespective of type into one single and prioritized inventory (high, moderate, and low) and highlighted by a top 10 list. The workplan also focuses staff resources in preparing quality-over-quantity municipal service reviews as well as advancing the Commission’s organizational capacity through targeted policy updates and administrative enhancements.
- The final budget purposefully focuses on targeted increases in support services and underlies the 5.7% increase in operating expenses going into 2017-2018. These targeted support service enhancements are marked by expanding funding for outside legal counsel, bookkeeping, and human resource services. Savings in salaries and benefits, notably and largely attributed to an anticipated staffing adjustment, is helping to absorb the referenced increases in support services.
- The final budget brings Marin LAFCO closer to what the Committee believes is the appropriate funding level relative to the membership’s expressed direction in meeting its increasing growth management responsibilities coupled with baseline expenses as a stand-alone government agency. This includes, most intensively, the directive from the Legislature to regularly prepare independent studies assessing the availability, need, and performance of local governmental services affecting all 65 local agencies.
- The final budget brings Marin LAFCO closer – but still below – the current fiscal year average budgeted operating costs of \$638,589 among the seven other active Bay Area LAFCOs.<sup>3</sup> This referenced distinction exists despite Marin LAFCO having more local agencies under its oversight at 65 than the others with the exception of Contra Costa LAFCO at 67.
- As intended increases to operating expenses are significantly leveling off compared to the changes reflected in recent fiscal years and instep with the Commission purposefully phasing in funding enhancements beginning in 2015-2016. This includes noting payroll expenses have already stabilized with non-payroll expenses expected to do the same after 2017-2018 with annual changes thereafter expected to align more closely with inflation. To this end, operating expenses in 2018-2019 are tentatively projected to rise only by 3.2%.

	2014-15 Adopted	2015-16 Adopted	2016-17 Adopted	2017-18 Pending	2018-19 Projected
Expense Total	374,866	470,254	526,862	556,781	574,464
Increase Over Prior FY	3.2%	25.4%	12.0%	5.7%	3.2%

Targeted Funding  
Enhancements

<sup>3</sup> San Francisco LAFCO is organized as a special studies division of the City/County of San Francisco.

#### **D. Alternatives for Action**

The following two alternatives are available to the Commission:

##### Alternative Action One (Recommended):

- (a) Adopt the attached resolution approving the final workplan (Exhibit A) and budget (Exhibit B) for 2017-2018 with any desired changes; and
- (b) Authorize the Executive Officer to work with the County of Marin Auditor's Office in calculating and issuing agency invoices for payment no later than August 1<sup>st</sup>.

##### Alternative Action Two:

Continue consideration of the item to a special meeting scheduled no later than legislative deadline of June 15, 2017 and provide direction to the Committee with respect to any additional information requests.

#### **E. Recommendation**

It is recommended the Commission proceed with the actions identified in the preceding section as Alternative Action One.

#### **F. Procedures for Consideration**

This item has been agendized for action as part of a noticed public hearing. The following procedures, accordingly, are recommended in the Commission's consideration.

- 1) Receive verbal report from the Committee;
- 2) Open the public hearing and invite comments from interested audience members (mandatory); and
- 3) Close the public hearing, discuss item, and consider recommendation.

Respectfully on behalf of the Committee,



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Keene Simonds  
Executive Officer

##### Attachments:

- 1) Comment Letter from Strawberry Recreation District
- 2) Detail Summary of Final Workplan
- 3) Detail Summary of Final Budget
- 4) Draft Resolution Adopting Final Workplan and Budget
- 5) Budget Comparison Among Bay Area LAFCOs
- 6) Publication Notice





May 9, 2017

To: Marin Local Agency Formation Commission  
 Regional Service Planning |  
 Subdivision of the State of California  
 1401 Los Gamos Drive, Suite 220  
 San Rafael, California 94903

Regarding: Municipal Service Review covering the Strawberry Recreation District Area

Dear Marin LAFCO Commissioners,


The Strawberry Recreation District (SRD) Board of Directors have reviewed the Marin LAFCO proposed work plan and budget for fiscal 2017/18. The SRD Municipal Review was originally scheduled in 2017 and appears to have been removed from the proposed 2017/18 work plan. A review of the SRD was last performed by LAFCO in 2004. SRD would like to request a review in 2017/18 as it's been 13 years since our last review and we have several important matters we would like LAFCO to consider.

There are three topics or key items that the SRD would like to bring to the attention of LAFCO during the review. They are as follows:

- 1) Current service area boundaries of SRD do not match the County of Marin unincorporated area of Strawberry. SRD would like to propose a service area boundary change for SRD to include the area north of Tiburon Boulevard and the Horse Hill, Lomita areas of the County of Marin Unincorporated Strawberry Area. This is approximately 300 residents. The benefit of this change will provide resident rate discounts to the parcels in the area as well as address the ongoing confusion by parcel owners and the community as to what jurisdiction these properties lie in and address their concerns of exclusion from the SRD.
- 2) Zone IV Strawberry Channel Maintenance Area property ownership, boundaries, funding and management.
- 3) Maintain status as a "special district- recreation" or considerations to transition to a "community service district" possibly expanding roles and services to the Strawberry Area.

The SRD Board strongly expresses the need for Municipal Service Review covering the Strawberry Recreation District Area as the information gathered and considered is imperative to the future decision making, work plans and fiscal management of the SRD. SRD would like reiterate our request for a review in 2017/18 as it's been 13 years since our last review and there are several important matters we would like LAFCO to consider.

Regards,  
 SRD Board of Directors:

Cale Nichols, SRD Chair   
 Peter Teese, SRD Vice Chair  
 Pamela Bohner, Board Member  
 Jeff Francis, Board Member  
 Sylvia Marino, Board Member

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Marin Local Agency Formation Commission
Regional Service Planning | Subdivision of the State of California

MEMORANDUM

June 1, 2017

TO: Marin Commissioners
FROM: Budget Committee (McEntee, Murray, and Rodoni)
Keene Simonds, Executive Officer
SUBJECT: Final Workplan Summary | High-Priority Projects

The following activities have been identified by the Committee as high-priority projects for the upcoming 2017-2018 fiscal year.

Priority No. 1 | New Commission Counsel Appointment

Commission Counsel David Zaltsman recently retired from County Counsel, and as such Commission action is needed to make a new appointment. Previous appointments of Commission Counsel have been done exclusively by County Counsel and reflected pre CKH provisions. These provisions changed with CKH and now require the Commission to independently make its own appointment. With this in mind, the Committee believes the appointment process would be best informed by first conducting a formal request for proposals among those attorneys and/or firms familiar with LAFCOs.

Priority No. 2 | Rollover New Website Design and Implementation

In 2016-2017 the Commission approved funding and awarded a contract therein for CivicPlus to design and implement a new agency website in step with improving the agency's community branding and communicative means with the general public. Staffing limitations during the fiscal year have caused the development of the new site to fall behind schedule with final design and launch not expected until early 2017-2018. It is reasonable to also assume follow up by the Commission will also be necessary to address implementation issues/preferences once the new site goes live.

Priority No. 3 | New Establish Contract Bookkeeping Services

The Commission currently contracts with the Southern Marin Fire Protection District (SMFPD) for bookkeeping services through District Finance Director Alyssa Schiffmann. This contractual relationship was established on a temporary

basis during 2016-2017 and instep with SMFPD assisting the Commission in transitioning to a stand-alone accounting system using QuickBooks. SMSPD is agreeable to continuing this relationship in the immediate future with the mutual understanding the Commission ultimately proceed with securing its own independent bookkeeping services.

- **Priority No. 4 | Rollover**  
**General Municipal Service Review on San Rafael/Lucas Valley Region**

Consistent with the study schedule – as already adopted as well as proposed for readoption by the Policy Committee – the Commission is committed to preparing a general municipal service review for the San Rafael/Lucas Valley region. Preliminary work on this study by staff has begun and will ultimately cover eight local agencies and headlined by the City of San Rafael and the Marinwood Community Services District. The study marks the first municipal service review on the region since 2006 and will – among other items – inform future sphere updates.

- **Priority No. 5 | Rollover**  
**General Municipal Service Review on Novato Region**

Consistent with the study schedule – as already adopted as well as proposed for readoption by the Policy Committee – the Commission is committed to preparing a general municipal service review for the greater Novato region. Preliminary work on this study by staff has begun and will ultimately cover seven local agencies in the region and headlined by the City of Novato, Novato Sanitary District, and the Novato Fire Protection District. The study will mark the first municipal service review on the region since 2002 and will – among other items – inform future sphere updates.

- **Priority No. 6 | New**  
**Review and Update: Personnel Policies**

The Commission’s existing personnel policies predate CKH and generally align and/or defer to the procedures and protocols with the County of Marin. The Committee believes agrees a comprehensive update is warranted to better scale the personnel policies relative to the size and needs of the Commission, and recommends a stand-alone review and update process accordingly. This includes utilizing an outside consultant to help guide the review and update process and ensure current best practices are addressed.

- **Priority No. 7 | New**  
**Murray Park and San Quentin Village SMD Reorganizations**

Consistent with recommendations included in the recently released Central Marin Wastewater Study the Committee believes it would be appropriate to commit resources to facilitate two special district reorganizations. These reorganizations ultimately involve the consolidation of the Murray Park and San Quentin Sewer Maintenance Districts into the Ross Valley Sanitary District. It is envisioned –

and as contemplated under CKH – the Commission would utilize a reorganization committee in guiding this project, and this includes determining whether LAFCO should initiate the proceedings itself or defer and assist an outside applicant, such as the affected agencies.

- **Priority No. 8 | New  
Recruit and Hire New Staff Member**

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The fulltime Commission Clerk position has been vacated since October 2015 due to the ongoing and authorized leave of the incumbent employee. Extra-help personnel have been intermittently used to date to help provide some basic position coverage, but a more permanent solution is desired given – and among other factors – the limitations associated with hiring, training, and retaining temporary employees. A recruitment for a new staff member to either replace or supplement some or all of the Commission Clerk duties appears appropriate with the added suggestion it be timed to follow the separately scheduled update to the personnel policies.

- **Priority No. 9 | New  
Sphere Updates for Central Marin Wastewater Agencies**

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In line with the pending completion of the Commission’s municipal service review on public wastewater services in Central Marin sphere updates are needed for four of the agencies reviewed under CKH. These agencies are County Sanitary No. 1 (Ross Valley), County Sanitary No. 2 (Corte Madera), Las Gallinas Valley Sanitary, and San Rafael Sanitation.<sup>1</sup>

- **Priority No. 10 | New  
Evaluate Pension Contract with CalPERS**

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The Commission currently provides employee pension benefits through the Marin County Employee Retirement Association (MCERA). This existing relationship was established several decades earlier and instep with originally contracting for staff with the County of Marin before the Commission transitioned to having its own employees beginning in the early 2000s. Given the increasing cost commitment underlying pension benefits the Committee believes it would be appropriate to evaluate options and specifically the merits and or demerits of establishing a pension contract with CalPERS.<sup>2</sup>

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<sup>1</sup> Three other agencies in the Central Marin Wastewater Study do not require sphere of influence updates. This includes the two sewer maintenance districts (San Quentin Village and Murray Park) given it is separately anticipated these agencies will be consolidated into Ross Valley Sanitary District. The third agency (Central Marin Sewer Agency) is a joint powers authority and as such not subject to the sphere designation under CKH.

<sup>2</sup> The Commission already maintains a contract with CalPERS to prefund other post-employment benefit obligations, or OPEB. This contract was established beginning in 2014-2015.

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## Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

### MEMORANDUM

June 1, 2017

**TO:** Marin Commissioners

**FROM:** Budget Committee (McEntee, Murray, and Rodoni)  
Keene Simonds, Executive Officer

**SUBJECT: Final Budget Summary |  
Key Expense and Revenue Items**

The following summary details key expense and revenue items incorporated into the final report for the upcoming 2017-2018 fiscal year.

#### Operating Expenses

- The final budget provides the salaries and benefits unit (i.e., payroll) decrease by (\$21,912) or (5.5%) over the current fiscal year from \$398,716 to \$376,805. This unit covers labor costs tied to staffing three fulltime employees: Executive Officer; Analyst; and Commission Clerk. Notable adjustments in this unit follow.
  - Assumes a 3.0% cost-of-living adjustment in regular salaries consistent with the County of Marin's contract with unrepresented employees for 2017-2018 with discretion on the part of the Commission in choosing to match.
  - Assumes successful step increases for the Administrative Analyst consistent with the adopted pay scale raising the annual salary from \$73,154 to \$83,061.
  - Establishes a \$10,000 placeholder to absorb additional salary adjustments approved by the Commission during the fiscal year.
  - Assumes the hiring of a new employee to fill the duties of the Commission Clerk at an annual salary of \$49,843 and result in an approximate savings of \$21,000. Savings based on resetting and lowering the position's (a) work hours and (b) hourly pay. (It is assumed the Commission will reset and lower the weekly work hours for the position from 35 to 30 to reflect pre 2016-2017 levels. Second, it is assumed the Commission will reset the pay scale for the position to explicitly match the most comparable classification available with the County of Marin: Office Assistant II.)

- Assumes additional savings in retirement costs tallying \$26,291 and largely associated with the aforementioned employment change in the Commission Clerk position and leading to lower contribution rates under California's Public Employees' Pension Reform Act or PEPRRA. A related adjustment in lowering budgeted contributions for the Administrative Analyst position also underlies the anticipated savings in pension costs.
- The final budget provides the administrative services unit increase by \$36,947 or 75.1% over the current fiscal year from \$49,166 to \$86,114. This unit provides funding for *direct* support services necessary to operate Marin LAFCO (emphasis). Notable adjustments proposed within this unit include the following.
  - Adds \$25,301 in the legal services account to raise the total line-item from \$10,579 to \$39,579; a difference of 239.2% over the current fiscal year. The increase responds to recent demands and calculated to assume most billed hours will be generated from an outside firm and instep with the appointment of new Commission Counsel as further detailed in the accompanying footnote.<sup>1</sup>
  - Adds \$11,160 to the professional services account to raise the total line-item from \$15,020 to \$26,180; a difference of 74.3% over the current fiscal year. The increase is largely tied to begin contracting with an outside consultant firm to provide human resource services as needed to the Commission.
- The final budget provides the services and supplies unit increase by \$14,883 or 18.8% over the current fiscal year from \$78,980 to \$93,863. This unit provides funding for *indirect* support services necessary to operate Marin LAFCO (emphasis). Notable adjustments proposed within this unit include the following.
  - Adds \$6,314 to the office lease account to raise the line-item from \$24,938 to \$31,253; a difference of 25.3% over the current fiscal year. The increase is largely attributed to accounting for the first full year of the Commission's new office space at 1401 Los Gamos Drive in San Rafael.<sup>2</sup>
  - Adds \$6,263 to the office equipment/replacement account to raise the line-item total from \$5,137 to \$11,400; a difference of 121.9% over the current fiscal year. The increase accommodates the establishment of an ongoing funding source to provide the rotation replacement of staff computers every 36 months consistent with industry standards. The increase also provides funding to purchase up to eight electronic tablets for Commissioners as part of a planned transition to paperless agenda packets.<sup>3</sup>

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<sup>1</sup> It is assumed for budgeting purposes the Commission will use 10 hours a month of regular legal services from its new Commission Counsel at an hourly rate of \$275. It is also assumed the Commission will continue to utilize on average one hour per month with County at an hourly rate of \$245.

<sup>2</sup> The increase also accounts for the new rental fee to hold regular meetings at Marin Clean Energy (\$30 per hour).

<sup>3</sup> Staff anticipates having sufficient funding available through the end of the current fiscal year to purchase up to three electronic tablets with associated software/components to ensure all 11 members are covered.



- Establishes a new line-item account for miscellaneous/petty cash with an inaugural budget of \$1,961. This account addresses an existing need to appropriately account for nominal and routine transactions highlighted by now maintaining up to \$100 in petty cash in the office as well as covering non-training meals/registration costs.

## Operating Revenues

- The final budget provides the intergovernmental unit increase by \$44,419 or 9.4% over the current fiscal year from \$470,362 to \$514,781. This unit covers payments received from the 42 local government agencies responsible under State law for funding Marin LAFCO with apportions divided in three equal shares among the County of Marin, 11 cities and towns, and 30 independent special districts. Actual invoice amounts for the cities/towns and special districts would be determined by the County Auditor's Office consistent with the allocation formula outlined under CKH and based on local revenue tallies.
- The final budget provides the service charge unit remain as is at \$30,000. This unit covers payments received from outside applicants to process change of organizations (annexations, detachments, formations, etc.), outside service extensions, and sphere amendments.
- The final budget provides the interest earnings unit increase to by one-third from \$1,500 to \$2,000. The proposed increase reflects anticipated changes in interest earnings consistent with recent quarters.

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RESOLUTION \_\_\_\_\_

**RESOLUTION OF THE  
MARIN LOCAL AGENCY FORMATION COMMISSION  
ADOPTING A FINAL WORK PLAN AND BUDGET  
FOR FISCAL YEAR 2017-2018**

**WHEREAS**, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires the Marin Local Agency Formation Commission (“Commission”) to perform certain regulatory and planning duties for purposes of facilitating efficient and accountable local government; and

**WHEREAS**, the Commission is required to adopt proposed and final budgets each year by May 1<sup>st</sup> and June 15<sup>th</sup>, respectively; and

**WHEREAS**, the Commission’s Executive Officer prepared a written report outlining the recommendations of the Budget Committee on a proposed workplan and budget that was adopted by the Commission at a noticed public hearing on April 13, 2017; and

**WHEREAS**, the adopted proposed workplan and budget was made available for public review as well as circulated to all local funding agencies for a period of no less than 45 days; and

**WHEREAS**, a final workplan and budget has been prepared by the Budget Committee and summarized in a written report prepared by the Executive Officer that has been presented to the Commission in the manner provided by law; and

**WHEREAS**, the Commission has heard and fully considered all the evidence on a final workplan and budget for 2017-2018 presented at a public hearing held on June 8, 2017;

**WHEREAS**, the adoption of a final work plan and budget are not projects under the California Environmental Quality Act.

**NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, DETERMINE, AND ORDER** as follows:

1. The final workplan for 2017-2018 shown as Exhibit A is APPROVED.
2. The final budget for 2017-2018 shown as Exhibit B is APPROVED.

The foregoing resolution was duly and regularly adopted by the Commission at a public meeting held on June 8, 2017, by the following vote:

Yes: \_\_\_\_\_

No: \_\_\_\_\_

Abstain: \_\_\_\_\_

Attest

\_\_\_\_\_  
Keene Simonds  
Executive Officer

Approve

\_\_\_\_\_  
Jeffry Blanchfield  
Commission Chair



# Marin Local Agency Formation Commission

## Regional Service Planning | Subdivision of the State of California

### 2017-2018 Workplan

#### Introduction:

Local Agency Formation Commissions' (LAFCOs) operate under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2001 (“CKH”) and are delegated broad regulatory and planning responsibilities by the Legislature to oversee the formation and subsequent development of local government agencies and their municipal service areas. Common regulatory functions include approving boundary change and outside service requests. Common planning functions include preparing studies to independently evaluate the availability, performance, and need for urban services and establishing spheres of influence – which are the Legislature’s version of urban growth boundaries and gatekeepers to future boundary changes – for all cities and special districts. All regulatory and planning activities undertaken by LAFCOs may be conditioned and must be consistent with administrative policies and procedures.

#### Objective:

This document represents Marin LAFCO’s (“Commission”) formal 2017-2018 Workplan. The Workplan draws on the Commission’s existing strategic plan and other germane and time-demanding projects identified by the Executive Officer and vetted with the Budget Committee (McEntee, Murray, and Rodoni) in the course of developing an operating budget for the fiscal year. The Workplan is divided into two distinct categories – statutory and administrative – with one of three priority rankings: high, moderate, or low. The underlying intent of the Workplan is to serve as a management tool to allocate Commission resources in an accountable and transparent manner over the 12 month period. Further, while it is a stand-alone document, the Workplan should be reviewed in relationship to the adopted operating budget given the planned goals and activities are facilitated and or limited accordingly.

#### Executive Summary:

The 2017-2018 Workplan continues to guide the Commission to prioritize resources in addressing statutory duties and responsibilities. Most notably this includes p two comprehensive municipal service reviews involving the San Rafael/Lucas Valley and Novato regions. Commission initiated reorganizations involving Murray Park and San Quentin Village Sewer Maintenance Districts are also scheduled. Notable new administrative projects include filling staff positions, performing policy updates, and establishing long-term bookkeeping and payroll protocols instep with the Commission’s recent transition to a stand-alone accounting system. A limited number of projects have also been identified as low priorities with the policy intention therein for the Commission to address – such as updating the application packet and establishing social media polices and protocols – as resources allow.

Priority	Urgency	Type	Status	Project	Key Issues
1	High	Statutory	New	Commission Counsel Appointment	Statutory Need for Commission to Appoint Counsel   RFP Process
2	High	Statutory	Rollover	New Website Design and Implementation	Required to Maintain Website; Serves as Main Communicative Tool   Focus on Branding
3	High	Administrative	New	Contract Bookkeeping Services	Need Long-Term Bookkeeping Solution in Step with New Finance System
4	High	Statutory	Rollover	General MSR on San Rafael/Lucas Valley Region	First MSR for Region since 2005   Community Outreach in Islands
5	High	Statutory	Rollover	General MSR on Novato Region	First MSR for Region since 2002   Community Outreach and UGB Compatibility
6	High	Statutory	New	Policy Review: Personnel Procedures	Existing Policies Tie LAFCO to County; Need to Scaledown
7	High	Administrative	New	MPSMD and SQVSM Reorganization	Discretionary; Consistent with Recommendation of Central Marin Wastewater Study
8	High	Administrative	New	Recruit and Hire New Staff Member	Fill and/or Supplement Commission Clerk Position
9	High	Statutory	New	Sphere Updates for Central Marin WW Agencies	First SOI Updates for Most Agencies Since 2005   RVSD; CMSD; SRSD; and LGVSD
10	High	Administrative	New	Evaluate Pension Contract with CalPERS	Explore Cost-Savings Opportunity; Potential Synch with OPEB Relationship
11	Moderate	Administrative	New	Prepare Informational Report on JPAs	Post Enactment of SB 1266; Enhance Repository on Local Governmental Services
12	Moderate	Administrative	New	Policy Review: Dual Annexation Policy	Follows San Rafael and Novato Region MSRs; Define Substantially Surrounded
13	Moderate	Administrative	New	Establish Contract Payroll Services	County Desiring Separation with Outside Users; Address Benefits and Holdings
14	Moderate	Administrative	New	2016-2017 Audit	Best Practice   First Audit of QuickBooks System
15	Moderate	Administrative	New	E-Agenda Packets	Simplify Agenda Packet Production through E-Tablets   Purchase and Training
16	Moderate	Administrative	New	Host 2018 CALAFCO Staff Workshop	April 2018   Expected 120 Plus Attendees
17	Moderate	Administrative	New	Memorialize Employer Benefit Contracts	Potential MOU with County or Other to Memorialize Benefit Services
18	Moderate	Administrative	New	Evaluate Contract Human Resource Services	Reconcile Government Agency with Scale
19	Low	Statutory	Rollover	Mutual Water Companies	AB 54 Implementation; Onus on Mutual to Cooperate
20	Low	Statutory	Rollover	Disadvantaged Unincorporated Communities	SB 244 Implementation; Coordinate with CALAFCO
21	Low	Administrative	Rollover	Update Application Packet	Current Application Dated; Need to Address New Requirements; Make User Friendly
22	Low	Administrative	Rollover	Social Media Polices and Protocols	Expand Outreach to Capture Alternate Media Forums
23	Low	Administrative	Rollover	Local Agency Directory	Current Directory Out of Date and Limited to Browser   Opportunity to Show Value
24	Low	Administrative	New	Review GIS Needs and Options	Existing Benefit of MarinMap Relative to Cost Merits Review; Address Data Limitations
25	Low	Administrative	Rollover	Special District Selection Committee	Assist in Re-establishing Special Selection Committee in Marin County

**Exhibit B**



**MARIN LOCAL AGENCY FORMATION COMMISSION**  
Regional Service Planning | State of California

**Expense Ledger**

		FY2014-2015		FY2015-2016		FY2016-2017			FY2017-2018			FY2018-2019	
		Adopted FY14-15	Actuals FY14-15	Adopted FY15-16	Actuals FY15-16	Adopted FY16-17	Amended FY16-17	Estimated FY16-17	Final FY17-18	Difference		Telegraph FY18-19	
<b>Salary and Benefit Costs</b>													
<u>Account</u>	<u>Description</u>												
5110110	Staff Salaries	189,884	179,672	246,688	241,699	281,111	258,111	218,345	282,079	968	0.3%	290,541.51	
5130510	Employee Retirement (MCERA)	51,793	45,258	61,990	59,730	63,852	57,852	45,560	37,561	(26,291)	-41.2%	38,687.90	
5140125	Employee Benefits (County of Marin)	16,888	15,486	25,443	25,980	26,867	26,867	22,210	32,313	5,445	20.3%	32,797.34	
5140141	Payroll Tax	2,518	2,704	3,693	4,270	4,020	4,020	5,153	3,887	(133)	-3.3%	4,358.12	
5140115	Workers Compensation	736	792	742	1,064	960	960	1,731	1,744	784	81.7%	1,770	
5140145	Unemployment Insurance	868	1,215	868	2,234	6,290	6,290	3,500	3,605	(2,685)	-42.7%	3,605	
5130525	Post Employment Benefits (CalPERS)	16,798	24,898	14,880	13,481	15,615	15,615	15,615	15,615	-	0.0%	15,615	
		279,486	270,024	354,304	348,459	398,716	369,716	312,113	376,805	(21,912)	-5.5%	387,375	
<b>General Administrative Costs</b>													
<u>Account</u>	<u>Description</u>												
5210110	Professional Services	5,800	17,183	15,255	15,793	15,020	15,020	19,431	26,180	11,160	74.3%	27,180	
5210131	Legal Services	14,196	2,477	10,075	10,045	10,579	39,579	51,214	35,880	25,301	239.2%	36,880	
5210230	Accounting and Payroll	8,000	-	4,925	1,200	6,125	6,125	9,125	5,550	(575)	-9.4%	5,550	
5211325	Work Conferences	4,000	2,614	2,975	3,495	2,450	2,450	1,912	2,965	515	21.0%	3,465	
5211440	Mileage and Travel	3,000	3,523	3,037	3,851	4,118	4,118	5,000	4,539	421	10.2%	4,539	
5211533	Commissioner Per Diems	7,100	4,600	7,100	5,500	10,875	10,875	10,375	11,000	125	1.1%	11,000	
		42,096	30,397	43,367	39,884	49,166	78,166	97,057	86,114	36,947	75.1%	88,614	
<b>Service and Supply Costs</b>													
<u>Account</u>	<u>Description</u>												
5211270	Office Space Leases/Rents	16,770	16,770	17,370	19,774	24,938	24,938	23,079	31,253	6,314	25.3%	32,190.33	
5211330	Membership and Dues	13,340	13,896	14,092	14,017	14,369	14,369	14,369	14,556	187	1.3%	14,756	
5210525	General Insurance	3,000	2,771	2,771	2,677	2,677	2,677	2,564	3,993	1,316	49.2%	3,993	
5210715	Communication Services	5,875	5,416	6,054	7,497	6,568	6,568	8,795	8,236	1,668	25.4%	8,236	
5211516	Reprographic/Map Services	-	-	-	-	-	-	180	-	-	0.0%	-	
5220110	General Office Supplies	2,000	5,831	23,400	19,795	2,590	2,590	7,766	4,200	1,610	62.2%	4,200	
5210935	Office Equipment and Replacement	6,000	8,672	2,907	4,706	5,137	5,137	6,931	11,400	6,263	121.9%	15,000	
5211340	Ongoing Education and Training	1,500	327	1,095	820	1,800	1,800	1,000	1,250	(550)	-30.6%	1,000	
5211520	Public Notices and Publications	2,000	1,121	2,095	3,804	5,000	5,000	5,432	5,000	-	0.0%	5,000	
5210129	Website and Graphic Design	2,000	3,000	2,000	-	15,500	15,500	13,295	11,613	(3,887)	-25.1%	11,613	
TBD	Miscellaneous / Petty Cash	-	-	-	-	-	-	-	1,961	1,961	100.0%	2,086	
5211215	Records Storage	800	315	800	366	401	401	401	401	-	0.0%	401	
		53,285	58,119	72,584	73,456	78,980	78,980	83,812	93,863	14,883	18.8%	98,476	
<b>Contingencies</b>													
<u>Account</u>	<u>Description</u>												
	Operating Reserve	-	-	-	-	-	-	-	-	-	0.0%	-	
<b>EXPENSE TOTALS</b>		374,866	358,540	470,254	461,799	526,862	526,862	492,982	556,781	29,919	5.7%	574,464	
Prior Year Difference		3.2%	11,566	25.4%	95,388	12.0%	56,608		5.7%	29,919		3.2%	17,683

Revenue Ledger

		FY2014-2015		FY2015-2016		FY2016-2017			FY2017-2018			FY2018-2019
		Adopted FY14-15	Actual FY14-15	Adopted FY15-16	Actual FY15-16	Adopted FY16-17	Amended FY16-17	Estimated FY16-17	Final FY17-18	Difference		Telegraph FY18-19
<b>Intergovernmental</b>												
<b>Account</b>	<b>Description</b>											
4710510	Agency Contributions	348,366	348,367	387,528	387,528	470,362	470,362	469,161	514,781	44,419	9.4%	542,464
	County of Marin	116,122	116,122	129,176	129,176	156,787	156,787	156,387	171,594	14,806	9.4%	180,821
	Cities and Towns (11)	116,122	116,122	129,176	129,176	156,787	156,787	156,387	171,594	14,806	9.4%	180,821
	Independent Special Districts (30)	116,122	116,122	129,176	129,176	156,787	156,787	156,387	171,594	14,806	9.4%	180,821
		348,366	348,367	387,528	387,528	470,362	470,362	469,161	514,781	44,419	9.4%	542,464
<b>Service Charges</b>												
4640333	Application Fees	25,000	15,536	25,000	17,424	30,000	30,000	23,778	30,000	-	0.0%	30,000
4710631	Miscellaneous	-	-	226	365	-	-	-	-	-	0.0%	-
		25,000	15,536	25,226	17,789	30,000	30,000	23,778	30,000	-	0.0%	30,000
<b>Investments</b>												
	Interest	1,500	700	1,500	769	1,500	1,500	1,951	2,000	500	33.3%	2,000
		1,500	700	1,500	769	1,500	1,500	1,951	2,000	500	33.3%	2,000
<b>REVENUE TOTALS</b>		374,866	364,603	414,254	406,086	501,862	501,862	494,890	546,781	44,919	9.0%	574,464
<b>OPERATING NET</b>		-	6,064	(56,000)	(55,713)	(25,000)	(25,000)	1,908	(10,000)			-
(negative amounts reflect draw down on reserves)												
<b>UNRESERVED/UNRESTRICTED FUND BALANCE</b>												
As of June 30th		\$ 196,618.00		140,905		142,813		132,813				132,813



Bay Area LAFCO Budget Comparisons

County	2015-2016	2016-2017	Full Time Employees	Consultant Staff	Cities & Towns	Special Districts	Total Agencies
Alameda	636,337.00	665,037.00	2.5	yes	14	35	49
Contra Costa	813,750.00	893,733.00	2.0	yes	19	48	67
Marin	470,254.42	526,862.28	2.8	no	11	54	65
Napa	525,684.00	534,328.00	2.0	yes	5	18	23
San Francisco	297,342.00	297,342.00	1.0	no	1	0	1
San Mateo	476,248.00	450,230.00	1.8	no	9	56	65
Santa Clara	819,843.00	881,227.00	3.0	no	15	29	44
Solano	394,235.00	419,514.00	1.0	yes	7	44	51
Sonoma	596,975.00	626,055.00	3.0	no	9	54	63

Outside Average:       \$ 609,010.29       \$ 638,589.14  
                                       excludes SF        excludes SF

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**Marin Independent Journal**

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MARIN LAFCO  
ATTN: CADICE BOZZARD  
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SAN RAFAEL, CA 94903-3698

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

**STATE OF CALIFORNIA  
County of Marin**

I am a citizen of the United States and a resident of the County aforesaid: I am over the age of eighteen years, and not a party to or interested in the above matter. I am the principal clerk of the printer of the MARIN INDEPENDENT JOURNAL, a newspaper of general circulation, printed and published daily in the County of Marin, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Marin, State of California, under date of FEBRUARY 7, 1955, CASE NUMBER 25566; that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

**05/18/2017**

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

Dated this 18th day of May, 2017.



Signature

**PROOF OF PUBLICATION**

Legal No. **0005957087**

**MARIN LOCAL AGENCY FORMATION  
COMMISSION**

**NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN BY THE MARIN LOCAL AGENCY FORMATION COMMISSION (LAFCO) will hold a regular meeting on Thursday, June 8, 2017 at 7:00 P.M. at Marin Clean Energy located at 1125 Tamalpais Avenue in San Rafael to consider - and among other items - the following action:

**Adoption of Final Workplan and Budget for  
Fiscal Year 2017-2018**

In accordance with Government Code Section 56381, Marin LAFCO will consider adopting a final workplan and budget to direct and fund, respectively, the agency's regulatory and planning responsibilities for Fiscal Year 2017-2018. Public comments are welcomed through the end of the scheduled hearing. An associated staff report will be available for download at [www.marinlafco.org](http://www.marinlafco.org) approximately one week prior to the hearing date. You may also request a written copy of the associated staff report by contacting LAFCO at 415-448-5877

Keene Simonds, Executive Officer  
Marin Local Agency Formation Commission  
May 15, 2017

NO. 616 MAY 18, 2017

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# Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

## AGENDA REPORT

June 8, 2017

Item No. 15 (Business Item)

June 1, 2017

**TO:** Marin Commissioners

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: Draft Report on Comprehensive Sphere of Influence Update | North Marin Water District**

The Commission will review a report from staff representing Marin LAFCO's scheduled sphere of influence update on the North Marin Water District. The report is in draft-form and recommends making one immediate change to the sphere to add 2,230 acres located off of State Highway 1 in the West Marin service area; lands already connected to the water system through earlier outside service extensions and support commercial agricultural uses. The report also recommends formal placeholders for additional review and analysis for the possible future expansion of the sphere to include portions of Dillion Beach and southern Sonoma County. The report is being presented for discussion and formal authorization to proceed with a noticed public review ahead of presenting a final report at the August 10<sup>th</sup> meeting.

---

Local Agency Formation Commissions (LAFCOs) are required under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to establish, amend, and update spheres of influence for all cities and most special districts in California. Spheres serve to designate the territory LAFCOs independently believes represents the appropriate and probable future service areas and jurisdictional boundaries of the affected agencies. All jurisdictional changes and outside municipal service extensions must be consistent with the spheres of the affected local agencies with limited exceptions. LAFCOs must update all spheres every five years and in conjunction with preparing municipal service reviews to assess the level, range, and need of governmental services in the respective county.

### A. Background

#### Adopted Study Schedule | Countywide Water Study

Marin LAFCO's ("Commission") current five-year cycle for preparing municipal service reviews was adopted in June 2014 in step with establishing a formal study schedule. The purpose of the schedule is to methodically prepare municipal service reviews with respect to targeted services or regions in Marin County and ahead of the Commission's legislative directive to perform individual agency sphere of influence updates and/or initiate reorganizations. Consistent with this schedule the Commission completed a countywide municipal service review on public water services ("water study") that included an

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Judy Arnold, Alternate  
County of Marin

Carla Condon, Vice Chair  
Town of Corte Madera

Sashi McEntee, Regular  
City of Mill Valley

Mathew Brown, Alternate  
City of San Anselmo

Jack Baker, Regular  
North Marin Water District

Craig K. Murray, Regular  
Las Gallinas Valley Sanitary

Lew Kious, Alternate  
Almonte Sanitary

Jeffrey Blanchfield, Chair  
Public Member

Chris Skelton, Alternate  
Public Member

independent evaluation of the North Marin Water District (NMWD). The water study was completed in 2016 and culminated with the Commission adopting a series of written determinations addressing all of the administrative, service, and governance factors required for consideration under the directing legislation (Government Code 56430).

### **Adopted Work Plan | Scheduled Sphere Update on NMWD**

The Commission's adopted work plan for 2016-2017 directs staff to prepare a comprehensive sphere of influence update on NMWD. The scheduled update purposefully follows and draws on the recently completed water study and represents the first comprehensive review of the NMWD sphere since its establishment in the early 1980s.<sup>1</sup> The underlying objective of the update is for the Commission to independently ensure the NMWD sphere reflects the appropriate jurisdictional boundary and service area of the District over the next five to ten year period. This also includes – importantly – using the update process to formally signal the Commission's expectations in the appropriateness of future boundary changes and outside service extensions along with the associated

#### **B. Discussion**

This item is for the Commission to review a draft report prepared by staff representing Marin LAFCO's scheduled sphere update on NMWD. Staff is seeking Commission discussion and feedback on the content and scope of the draft report as well as authorization to proceed with a formal review and comment period. Should the Commission proceed with authorizing the review and comment period on the draft report staff anticipates returning with a final document as part of a noticed public hearing for August 10<sup>th</sup>. A copy of the draft report is attached.

#### **C. Analysis**

As detailed in the attached report and in-step with identifying and analyzing certain study areas staff is recommending the Commission make one immediate modification to the NMWD sphere as part of this update. The recommended modification is to add approximately 2,230 acres located off of State Highway 1 in the West Marin service area and identified in the report as A-1. This proposed expansion would recognize NMWD's existing service commitments within A-1 as a result of pre CKH outside water service contracts reached by the District beginning in the late 1970s with the subject landowners; contracts that provide interruptible supplies and help mitigate against known low and poor groundwater in the region. Adding A-1 would also comport with a Commission interest – and specifically through memorializing water availability – in supporting agricultural uses in Marin County. Two other potential modifications are also flagged – albeit not for immediate action but for telegraphing purposes to signal Commission interests ahead of the next sphere update in 2022 – and this involves adding portions of Dillion Beach (B-1) and southern Sonoma County (B-2).

---

<sup>1</sup> A cursory update of the NMWD sphere specific to just the East Marin service area was performed by Marin LAFCO in 2002. No updates have been performed to date for the West Marin service area.

## **D. Alternatives for Action**

The following alternatives are available to the Commission:

### Alternative Action One (recommended):

1. Review and discuss the draft report prepared on the scheduled NMWD sphere update and provide feedback to staff on desired changes and or additions; and
2. Authorize staff to proceed with initiating a formal 45-day public review of the draft report in anticipation of a final document being presented for action as part of a noticed hearing on August 10<sup>th</sup>.

### Alternative Action Two:

Review and discuss the draft report prepared on the scheduled NMWD sphere update and continue the item to August 10<sup>th</sup> and provide direction to staff for additional information as needed.

## **E. Recommendation**

It is recommended the Commission proceed with Alternative Action One as outlined in the preceding section.

## **F. Procedures for Consideration**

This item has been agendized as part of the business calendar. The following procedures are recommended in the Commission's consideration of this item:

- 1) Receive verbal report from staff;
- 2) Invite comments from any interested audience members (voluntary); and
- 3) Consider recommendation

Respectfully,



---

Keene Simonds  
Executive Officer

### Attachments:

- 1) Draft Report on NMWD Sphere Update, June 2017

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**SPHERE OF INFLUENCE UPDATE |  
NORTH MARIN WATER DISTRICT**  
Government Code Section 56425

**Draft Report |** June 2017

**Project Manager**  
Keene Simonds  
Executive Officer

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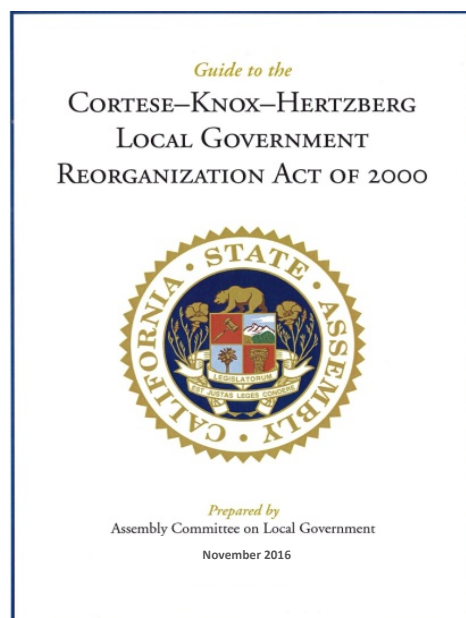
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## CHAPTER ONE INTRODUCTION

### 1.0 LOCAL AGENCY FORMATION COMMISSIONS

#### A. Authority and Objectives

Local Agency Formation Commissions (LAFCOs) were established in 1963 and are political subdivisions of the State of California responsible for providing regional growth management services in all 58 counties. LAFCOs' authority is currently codified under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH") with principal oversight provided by the Assembly Committee on Local Government.<sup>1</sup> LAFCOs' are comprised of locally elected and appointed officials with regulatory and planning powers delegated by the Legislature to coordinate and oversee the establishment, expansion, and organization of cities, towns, and special districts as well as their municipal service areas. LAFCOs' creation were engendered by Governor Edmund "Pat" Brown Sr. (1959-1967) to more effectively address the needs of California's growing and diversifying population with an emphasis on promoting governmental efficiencies. Towards this end, LAFCOs are commonly referred to as the Legislature's "watchdog" for local governance issues.<sup>2</sup>



Guiding LAFCOs' regulatory and planning powers is to fulfill specific purposes and objectives that collectively construct the Legislature's regional growth management priorities under Government Code (G.C.) Section 56301. This statute reads:

<sup>1</sup> Reference California Government Code Section 56000 et seq.

<sup>2</sup> In its ruling on *City of Ceres v. City of Modesto* the 5th District Court of Appeal referred to LAFCOs as the "watchdog" of the Legislature to "guard against the wasteful duplication of services." (July 1969)

*“Among the purposes of the commission are discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing governmental services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances. One of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities.”*

LAFCO decisions are legislative in nature and therefore are not subject to an outside appeal process. LAFCOs also have broad powers with respect to conditioning regulatory and planning approvals so long as not establishing any terms that directly control land uses, densities, or subdivision requirements.

## **B. Regulatory Responsibilities**

LAFCOs’ principal regulatory responsibility involves approving or disapproving all jurisdictional changes involving the establishment, expansion, and reorganization of cities, towns, and most special districts in California.<sup>3</sup> More recently LAFCOs have been tasked with also overseeing the approval process

LAFCOs have been responsible since 1963 to oversee formation, expansion, reorganization, and dissolution actions involving cities, towns, and districts in California with limited exceptions.

for cities, towns, and districts to provide new or extended services beyond their jurisdictional boundaries by contract as well as district actions to activate a new service or divest an existing service. LAFCOs generally exercise their regulatory authority in response to applications submitted by the affected agencies, landowners, or registered voters. Recent amendments to CKH, however, now authorize and encourage LAFCOs to initiate on their own jurisdictional changes to form, consolidate, and dissolve special districts consistent with current and future community needs. The following table provides a complete list of LAFCOs’ regulatory authority as of date.

<sup>3</sup> CKH defines “special district” to mean any agency of the State formed pursuant to general law or special act for the local performance of governmental or proprietary functions within limited boundaries. All special districts in California are subject to LAFCO with the following exceptions: school districts; community college districts; assessment districts; improvement districts; community facilities districts; and air pollution control districts.

## LAFCOs' Regulatory Powers

As of January 1, 2017

- City Incorporations / Disincorporations
- District Formations / Dissolutions
- City and District Consolidations
- City and District Outside Service Extensions
- City and District Annexations
- City and District Detachments
- Merge/Establish Subsidiary Districts
- District Service Activations / Divestitures

### C. Planning Responsibilities

LAFCOs inform their regulatory actions through two central planning responsibilities: (a) making sphere of influence (“sphere”) determinations and (b) preparing municipal service reviews. Sphere determinations have been a core planning function of LAFCOs since 1971 and effectively serve as the Legislature’s version of “urban growth boundaries” with regard to cumulatively

LAFCOs are tasked with planning the location of future urban development and services through two interrelated activities: (a) establish and update spheres and (b) prepare municipal service reviews to independently evaluate the availability and performance of governmental services relative to need.

delineating the appropriate interface between urban and non-urban uses within each county. Municipal service reviews, in contrast, are a relatively new planning responsibility enacted as part of CKH and are intended to inform – among other activities – sphere determinations. The Legislature mandates all sphere changes as of 2001 be accompanied by preceding municipal service reviews to help ensure LAFCOs are effectively aligning governmental services with current and anticipated community needs. An expanded summary of these two planning responsibilities follows.

#### **Spheres of Influence**

LAFCOs establish, amend, and update spheres for all cities, towns, and most special districts in California to designate the territory LAFCO independently believes represents the appropriate and probable future service area and jurisdictional boundary of the affected agency. Importantly, all jurisdictional changes, such as annexations and detachments, must be consistent with the spheres of the affected local agencies with limited exceptions.<sup>4</sup> Further, an increasingly important role

<sup>4</sup> Exceptions in which jurisdictional boundary changes do not require consistency with the affected agencies’ spheres include annexations of State correctional facilities or annexations to cities involving city owned lands used for municipal purposes with the latter requiring automatic detachment if sold to a private interest.

involving sphere determinations relates to their use by regional councils of governments as planning areas in allocating housing need assignments for counties, cities, and towns and as part of the seven-year housing element cycle.

As of January 1, 2008, LAFCO must review and update as needed each local agency's sphere every five years. In making a sphere determination, LAFCO is required to prepare written statements addressing five specific planning factors listed under G.C. Section 56425. These mandatory factors range from evaluating current and future land uses to the existence of pertinent communities of interest. The intent in preparing the written statements is to orient LAFCO in addressing the core principles underlying the sensible development of each local agency consistent with the anticipated needs of the affected community. The five mandated planning factors are summarized in the following table.

Spheres serve as the Legislature's version of urban growth boundaries and – among other items – delineate where cities, towns, or districts may seek future annexation and outside service approvals with LAFCOs. All jurisdictional changes must be consistent with the affected agencies' spheres with limited exceptions.

#### Mandatory Determinations / Spheres of Influence (Government Code Section 56425)

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



## Municipal Service Reviews

Municipal service reviews were a centerpiece to CKH’s enactment in 2001 and are comprehensive studies of the availability, range, and performance of governmental services provided within a defined geographic area. LAFCOs generally prepare municipal service reviews to explicitly inform subsequent sphere determinations. LAFCOs also prepare municipal service reviews irrespective of making any specific sphere determinations in order to obtain and furnish information to contribute to the overall orderly development of local communities. Municipal service reviews vary in scope and can focus on a particular agency or governmental service. LAFCOs may use the information generated from municipal service reviews to initiate other actions under their authority, such as forming, consolidating, or dissolving one or more local agencies. All municipal service reviews – regardless of their intended use – culminate with LAFCOs preparing written statements addressing seven specific service factors listed under G.C. Section 56430. These mandated factors are summarized below.

Municipal service reviews serve to fulfill the Legislature’s interests in LAFCOs regularly assessing the adequacy and performance of local governmental services in order to inform possible future actions ranging from sphere determinations to reorganizations.

### Mandatory Determinations / Municipal Service Reviews (Government Code Section 56430)

1. Growth and population projections for the affected area.
2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to affected spheres of influence.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies.
4. Financial ability of agencies to provide services.
5. Status and opportunities for shared facilities.
6. Accountability for community service needs, including structure and operational efficiencies.
7. Matters relating to effective or efficient service delivery as required by LAFCO policy.

## D. LAFCO Composition | Direction on Decision-Making

LAFCOs are generally governed by 11-member board comprising three county supervisors, three city councilmembers, three independent special district members, and two representatives of the general public.<sup>5</sup> Members are divided between “regulars” and “alternates” and must exercise their independent

State law directs all LAFCO members to independently discharge their responsibilities for the good of the region and irrespective of the interests of their local appointing authorities.

judgment on behalf of the interests of residents, landowners, and the public as a whole. LAFCO members are subject to standard disclosure requirements and must file annual statements of economic interests. LAFCOs have sole authority in administering their legislative responsibilities and its decisions are not subject to an outside appeal process. All LAFCOs are independent of local government with the majority employing their own staff; an increasingly smaller portion of LAFCOs, however, choose to contract with their local county government for staff support services. All LAFCOs must appoint their own Executive Officers to manage agency activities and provide written recommendations on all regulatory and planning actions before the membership. All LAFCOs must also appoint their own legal counsel.

## E. Prescriptive Funding

As part of the original negotiations between the State and local agencies in establishing LAFCOs in 1963 and later updated in 2001, CKH prescribes local agencies fund LAFCOs’ annual operating costs. Counties are generally responsible for funding one-third of LAFCO’s annual operating costs with the remainder one-third portions allocated to the cities and independent special districts. The allocations to cities and special districts are calculated based on standard formula using tax revenues unless an alternative formula has been approved by a majority of the local agencies. LAFCOs are also authorized to collect applicant fees to offset local agency contributions.

<sup>5</sup> Approximately two-fifths of LAFCOs in California currently operate without special district representation based on local conditions. A limited number of LAFCOs also have additional seats through special legislation.

## 1.1 MARIN LAFCO

### A. Adopted Policies and Procedures | Sphere Updates and Municipal Service Reviews

The majority of Marin LAFCO's ("Commission") existing policies and procedures were comprehensively updated in June 2016. These policies and procedures collectively guide the Commission in implementing LAFCO law in Marin County in a manner consistent with regional growth management priorities as determined by the membership. This includes overarching policies and procedures to direct existing and new urban uses towards city-centers along the State Highway 101 corridor and maintaining restrictive allowances for the potential development and use therein of agricultural and open-space lands. The Commission has also established pertinent policies and procedures specific to preparing sphere updates and municipal service reviews with several key statements summarized below.

- The Commission shall adopt a study schedule every five years to calendar sphere updates and the associated municipal services reviews at noticed public hearings. The adopted study schedule shall guide and prioritize the studies to be undertaken by the Commission over the five-year period paired with the ability to approve amendments as needed and or resources merit.
- The Commission shall generally defer requests made by applicants for individual sphere amendments for consideration as part of the next comprehensive update as determined in the adopted study schedule.
- The Commission shall orient the establishment and update of spheres to focus on community needs over the next 10 years.
- The Commission shall consider the plans and objectives contained within the adopted general plans of the local land use authorities in establishing and updating spheres.

- The Commission shall utilize municipal service reviews as the source document in informing all sphere determinations. The Commission shall only utilize municipal service reviews that are less than five years old in making sphere determinations unless specific circumstances warrant otherwise.
- The Commission shall generally assign three types of sphere designations for local agencies unless special circumstances warrant otherwise. A larger sphere denotes the Commission’s expectation the agency will annex certain lands in the near-future. A smaller sphere denotes an expectation the agency will detach certain lands in the near-future. A coterminous sphere denotes an expectation of no changes to the agency in the near future.
- The Commission shall assign a zero sphere encompassing no territory to signal the membership’s interest and intent to dissolve and or disincorporate the affected agency.
- The Commission shall assign a common sphere to include the territory served by two or more agencies to signal the membership’s interest and intent to consolidate and or merge the affected agencies.

## B. Commission Roster

The Commission’s current membership is provided below.

### Current Members

Name	Position	Agency Affiliation
Jeffrey Blanchfield, Chair	Public	Commission
Carla Condon, Vice Chair	City	Town of Corte Madera
Damon Connolly	County	County of Marin
Jack Baker	Special District	North Marin Water
Sashi McEntee	City	City of Mill Valley
Craig K. Murray	Special District	Las Gallinas Valley Sanitary
Dennis J. Rodoni	County	County of Marin
Judy Arnold, Alternate	County	County of Marin
Matthew Brown, Alternate	City	City of San Anselmo
Lew Kious, Alternate	Special District	Almonte Sanitary
Chris Skelton, Alternate	Public	Commission

### **C. Contact Information**

Marin LAFCO's administrative office is located at 1401 Los Gamos Drive in San Rafael (Terra Linda). Visitor parking is available. LAFCO is a small governmental agency and as a result the office is sometimes closed during normal business hours when staff is in the field. Accordingly, appointments to discuss proposals or other matters are strongly encouraged and can be scheduled by calling 415-448-5877. Communication by e-mail is also welcome and general questions or comments should be directed to [staff@marinlafco.org](mailto:staff@marinlafco.org). Additional information regarding Marin LAFCO's functions and activities is also available online by visiting [www.marinlafco.org](http://www.marinlafco.org).

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## CHAPTER TWO DISCUSSION

### 2.0 OVERVIEW

#### A. Report Objective

This report represents Marin LAFCO’s scheduled sphere of influence update for the North Marin Water District (NMWD). The report has been prepared by staff and considers whether any changes – additions and or subtractions – to NMWD’s current sphere are warranted in terms of consistency with the provisions of CKH as well as the adopted policies of the Commission. The report draws on information generated as part of the recently completed municipal service review on countywide public water service and intended to inform the Commission’s decision-making in independently aligning NMWD’s potable water and wastewater services with current and planned community needs as directed under State law. This also includes incorporating, as appropriate, information on adopted land use policies from affected land use authorities that are within and or adjacent to NMWD’s two distinct services areas: East and West Marin.

The underlying objective of this report is to inform the Commission’s decision making in independently aligning NMWD’s potable water and wastewater services with current and planned community needs in the East and West Marin service areas.

#### B. Key Assumptions and Premises

The report and its analysis is premised on reconciling current CKH directives and Commission policy preferences therein with updating NMWD’s sphere. Most notably, this includes incorporating new directives for LAFCOs subsequent to the last coordinated review of the NMWD sphere in the early 1980s that – and among other items – substantively expand the policy intent and application of sphere designations. A key and central example herein is the expanded definition of a sphere to demark not just the current and future jurisdictional boundary but also the agency’s

The central assumption is the explicit intention the sphere of influence represent – and through the Commission – the State’s designation of NMWD’s appropriate service area, and all future annexations and outside service extensions shall conform accordingly.

*service area* (emphasis added.) This definition expansion, notably, follows legislative changes in LAFCOs' responsibilities to now also regulate the ability of cities, towns, and special districts to enter into contracts to provide municipal services outside their jurisdictional boundaries. Further, and pertinent to this update, this referenced new oversight limits LAFCOs' authority to approve these type of service arrangements – which in many instances previously worked to circumvent the annexation process – only to lands within the affected agencies' spheres with limited exceptions. Accordingly, a central assumption within the update is the explicit intention the sphere represent the State's formal designation – and byway of the Commission – of NMWD's appropriate service area, and all annexations and outside service extensions conform unless special circumstances warrant otherwise. Other pertinent assumptions and premises underlying the update and its analysis are summarized below.

- Analyses of potential changes to the NMWD sphere emphasize a 10-year horizon in which resulting boundary changes – annexations or detachments – and outside service extensions are expected.
- Non jurisdictional lands included in the NMWD sphere does not provide any guarantees the territory will be annexed or provided outside services. Jurisdictional changes and outside service extensions must be considered on their own merits with particular attention focused on assessing whether the timing of the request is appropriate.
- Potential changes identified and evaluated in this update shall be vetted with NMWD and any resulting comments – should there be any – will be incorporated into the final analysis prior to Commission action.



## 2.1 AGENCY PROFILE

### A. Formation and Organization

NMWD was formed in 1948 with the initial task of assuming potable water services from the Novato Water Company. Formation proceedings were approved by voters along with supporting tax measures and highlighted by providing funding for NMWD to establish a new stand-alone surface water supply by damming Novato Creek and creating Stafford Lake. NMWD's jurisdictional boundary has expanded since its formation and presently expands nearly 100 square miles and marked therein by two distinct service areas. The main service area – “East Marin” – includes the City of Novato and the adjacent unincorporated areas of Bel Marin Keys, Black Point, Loma Verde, Green Point, and Indian Valley. This main service area, notably, also extends into Sonoma County to include several unincorporated properties south of the City of Petaluma. The second service area – “West Marin” – is further divided between the unincorporated communities of Point Reyes Station/Olema and Dillon Beach.

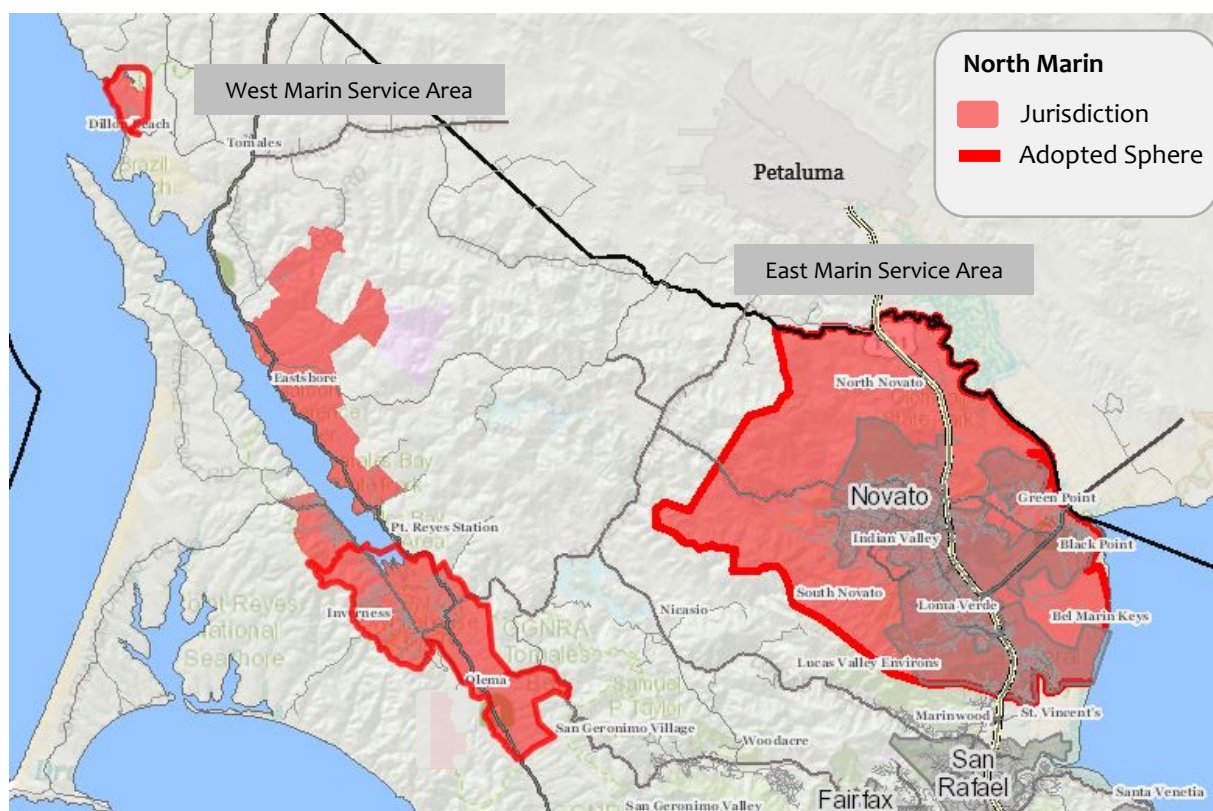
NMWD is organized as a limited-purpose agency and provides three services: (a) potable water; (b) non-potable water; and (c) wastewater with the latter limited to the Oceana Marin Subdivision in Dillon Beach. Governance is provided by a five-person board whose members are registered voters elected at-large to staggered four-year terms. NMWD appoints an at-will General Manager to oversee all District activities. The current General Manager – Drew McIntyre – was appointed by the Board in 2017 and oversees a present budgeted staff of 55 fulltime equivalent employees.

### B. Finances

NMWD most recently completed audit report covered the 2015-2016 fiscal year and showed the District finished the period with an overall net asset or equity sum of \$92.6 million. This amount – which represents the difference between total assets and liabilities – increased by approximately 5% over the prior fiscal year. The end of year equity amount includes \$5.0 million in unrestricted funds that can be used for any purposes and translates to an approximate per capita reserve ratio of \$76. Other notable measurements include NMWD finishing the fiscal year with moderately high

liquidity with more than double the amount of current assets compared to current liabilities; similarly the District ended with relatively low debt with non-current liabilities equaling less than one-third of non-current assets.

### C. Boundary Map



### D. Service Population and Development

The Commission estimates the overall resident service population within NMWD totals 65,479.<sup>7</sup> The portion of NMWD’s jurisdictional boundary under private ownership is largely developed – though not necessarily to maximum density – with 95% of the affected legal parcels with improved structures. This existing development includes 24,228 total residential units with four-fifths – or 19,391 – of the amount lying within the City of Novato.

<sup>7</sup> The resident service population is divided between two distinct estimates. The first estimate – calculated by Marin LAFCO – tallies 65,079 and represents the service population of the NMWD water system. The second estimate – calculated by NMWD – tallies 400 and represents the service population of the District sewer system.

## E. Service Capacities and Demands

NMWD’s primary service function involves the retail delivery of potable water within both its East and West Marin service areas and was the focus of the recently completed municipal service review. Below is a summary of key analysis and conclusions generated as part of the municipal service review as it relates to the supply and demand of NMWD’s potable water within its two service areas. An abbreviated review of NMWD’s wastewater services specific to Dillion Beach in the West Marin service area is provided as an appendix.

### Supply and Demand | East Marin

NMWD’s potable water supplies for the East Marin service area are drawn from a combination of local and imported sources and collectively provide a maximum annual availability of 22,554 acre-feet. The primary supply is the Russian River and secured through a contract with the Sonoma County Water Agency. A secondary supply is drawn from Novato Creek, and secured through appropriative rights and impounded at Stafford Lake. Average annual demands within the East Marin service area over the municipal service review’s five-year timeframe (2009 to 2013) totaled 9,150 acre-feet and represents 41% of the maximum yield supply.<sup>8</sup> This ratio changes under projected single-dry conditions to 101% - or a (1%) deficit.

Average annual demands generated over the municipal service review’s 60 month study period within the East Marin service area equaled 41% of the maximum available supply.

### Supply and Demand | West Marin

NMWD’s potable water supplies for the West Marin service area are entirely drawn locally from Lagunitas Creek and collectively provide a maximum annual availability of 654 acre-feet based on appropriated rights. The primary access point to this local source is through two groundwater wells that capture underflow

Average annual demands generated over the municipal service review’s 60 month study period within the West Marin service area equaled 39% of the maximum available supply.

<sup>8</sup> Active connections in the East Marin service area as of the end of the study period totaled 20,492. Annual water demands increased by 3.8% during the five-year study period with an average daily per capita use of 127 gallons.

and located on land owned by the Coast Guard. Average annual demands within the West Marin service area over the municipal service review's five-year timeframe (2009 to 2013) totaled 257 acre-feet and represents 39% of the maximum yield supply.<sup>9</sup> This ratio changes under projected single-dry conditions to 45%.

## 2.2 SPHERE OF INFLUENCE

### A. Establishment

Records show the Commission established the NMWD sphere as part of two separate actions in the early 1980s. The first action occurred in 1982 and involved the establishment of a sphere specific to the East Marin service area to be entirely coterminous with the then-NMWD jurisdictional boundary. The second action occurred in 1984 and involved the establishment of a sphere specific to the West Marin Service area and also to coterminous with the then-NMWD jurisdictional boundary with a limited number of exceptions. Most notable among the exceptions was involved the exclusion of jurisdictional lands comprising all of the Marshall area as well as the portion of lands in the Inverness area overlapping the Inverness Public Utility District.

### B. Subsequent Commission Updates

The Commission performed a partial update on the NMWD sphere in 2002 as part of a regional study of the Novato region. The partial update resulted in the Commission formally affirming the NMWD sphere specific to the East Marin service area to be coterminous with the jurisdictional boundary. No previous update has been performed on the West Marin service area.

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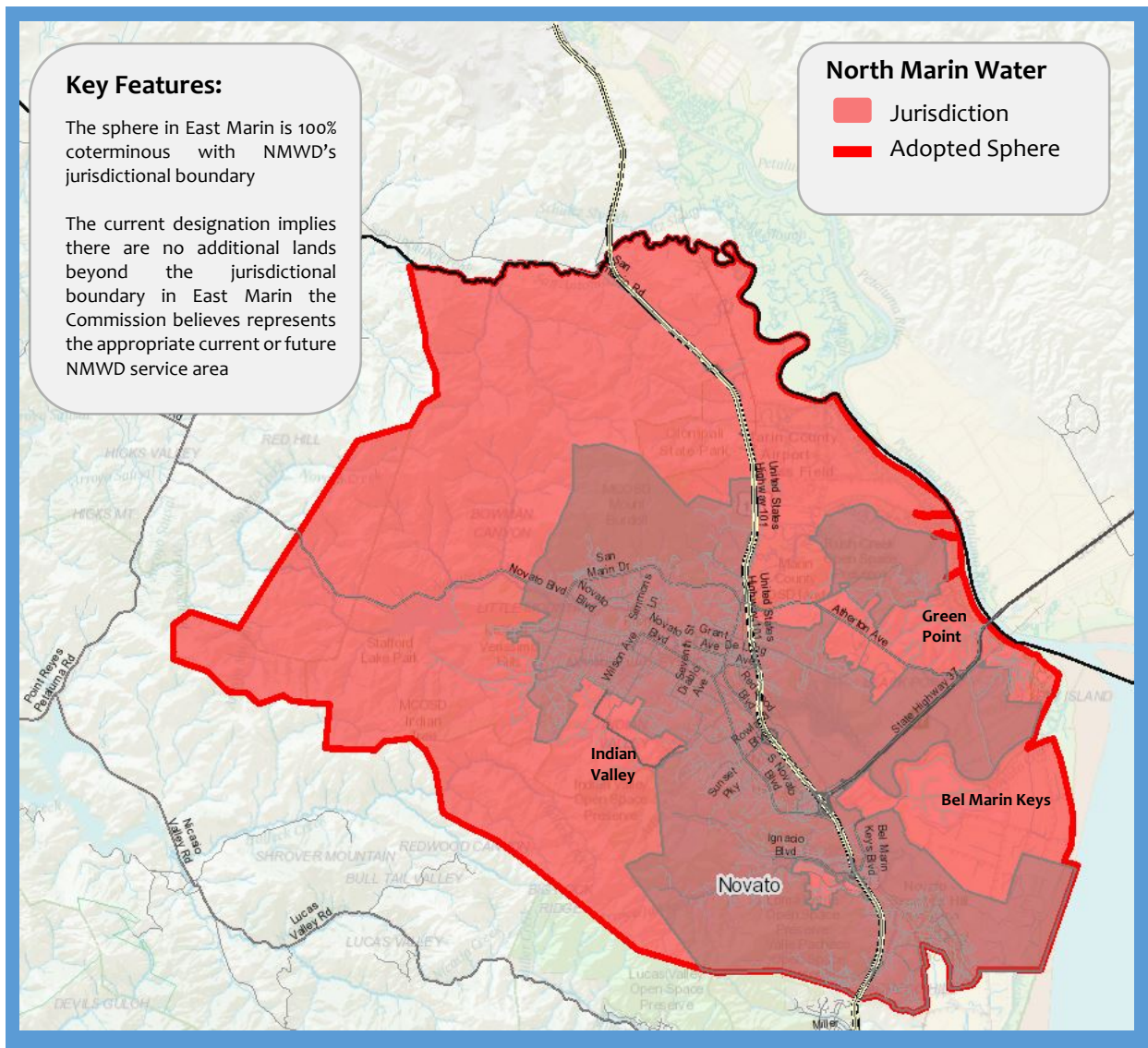
<sup>9</sup> Active connections in the West Marin service area as of the end of the study period totaled 776. Annual water demands decreased by (3.1%) during the five-year study with an average daily per capita use of 118 gallons.

### C. Current Composition

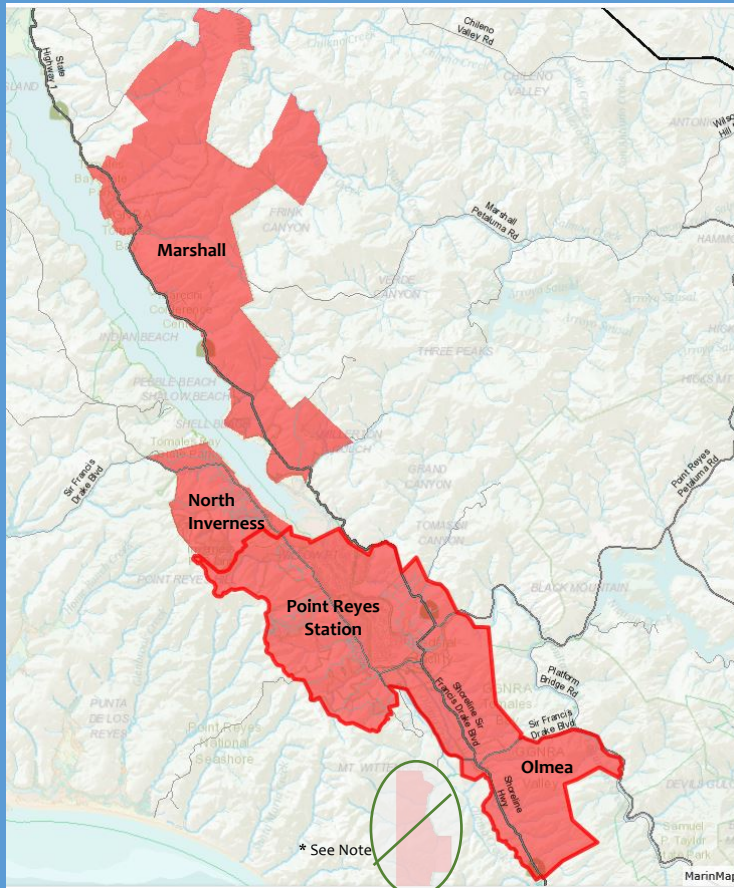
NMWD’s sphere presently spans approximately 55,329 acres or 87 square miles. As noted in the preceding paragraphs, the NMWD sphere is generally – but not entirely – coterminous with the jurisdictional boundary with the deviations specific to the West Marin service area. These deviations are reflected in the following maps and produces a sphere capturing only 86% of the jurisdictional boundary.

The NMWD sphere of influence captures 86% of the jurisdictional boundary with all deviations within the West Marin service area.

#### East Marin Service Area



### West Marin Service Area



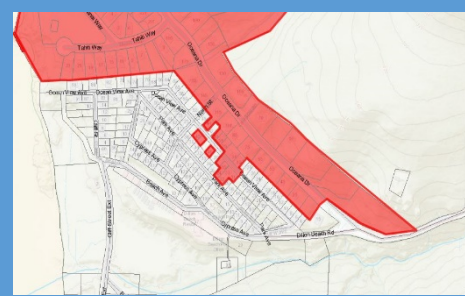
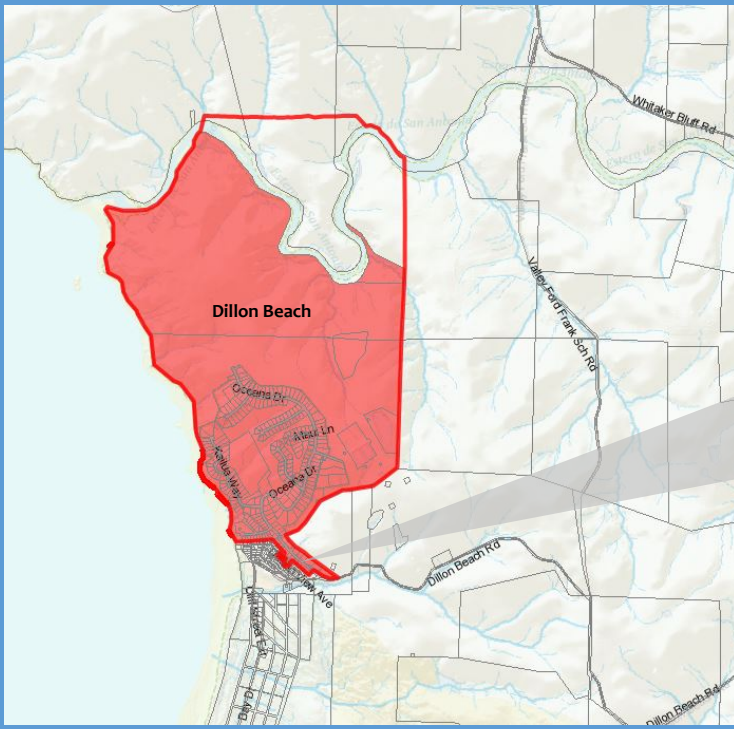
**Key Features:**

The sphere in West Marin captures 51% of NMWD’s jurisdictional boundary and marked by the notable exclusion of Marshall and North Inverness

The standing exclusion of jurisdictional lands in Marshall and North Inverness from the NMWD sphere reflects the Commission’s policy expectation that these approximate 9,000 acres be detached

The current inclusion of 190 acres of non-jurisdictional lands in Dillon Beach within the NMWD sphere reflects an expectation the lands be served by the District through annexation or an outside service extension

\* GIS records presently shows an approximate 755 acre addition within the jurisdictional boundary. It appears this single parcel – which is owned by the US Coast Guard – was never legally annexed, and as such is assumed not to be part of NMWD pending formal confirmation.



**North Marin Water**

- Jurisdiction
- Adopted Sphere

## CHAPTER THREE ANALYSIS & RECOMMENDATIONS

### 3.0 ANALYSIS FOCUS

Consistent with CKH the underlying purpose of this report is to provide context and related analysis in step with the Commission’s directive to review and update NMWD’s sphere with any appropriate modifications therein. To this end, staff has performed its own assessment of the current NMWD sphere designation with the premising interest to identify modifications that facilitate the District’s logical development relative to the factors prescribed by the Legislature and further defined under Commission policy. This also includes – and consistent with earlier input from Commissioners – orienting this process to identify (a) modifications that appear merited now as well as those (b) changes that may be merited in the near future but require additional study and analysis. Markedly, this latter category responds to the Commission’s interests to “telegraph”

This report’s analysis on potential sphere modifications to NMWD is the first comprehensive review of the District and takes into account two distinct study category types. The first category type considers potential changes that appear warranted now and based on existing information and analysis. The second category type considers potential changes that generate some level of merit, but requires additional informational and related analysis before making specific recommendations. This latter category is consistent with the Commission’s interest to begin “telegraphing” significant matters and provide advance notice to agencies and the public with respect to potential future undertakings by Marin LAFCO.

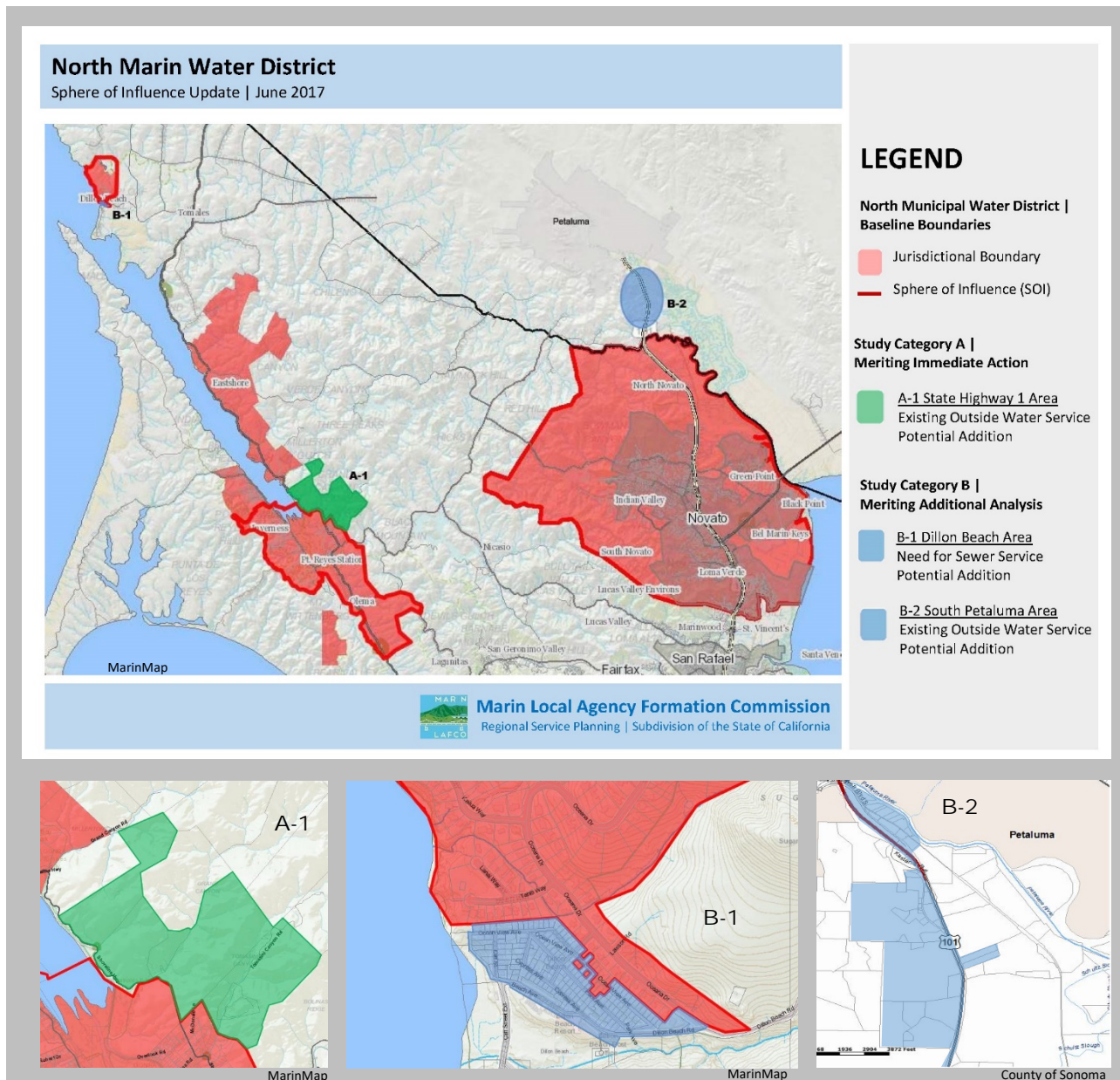
potential sphere modifications ahead of actual action with the goal of engaging the affected agency and communities with the expectation of returning to the topic with more information as part of the next five-year update.

### 3.1 STUDY CATEGORIES

#### A. Selection Criteria

As introduced in the preceding section the analysis on potential modifications to the NMWD sphere is the work of staff and divided into two categories. The first – Study Category “A” – represents those areas that existing information and analysis appears

sufficient in recommending an action (i.e., addition or subtraction from the sphere). The second – Study Category “B” – represents those areas that existing information and analysis suggests there may be merit for a modification, but given the scope of the potential change additional work is needed to reach a more informed recommendation before reaching any conclusions. An accounting of the areas selected and evaluated therein under both of categories is shown in the following map and detailed in the succeeding sections.





## Study Category A | Areas Meriting Immediate Action

A review of the NMWD sphere with respect to potential modifications now based on existing information and analysis identifies one selection for Commission consideration. This selection is identified as A-1 and is detailed below.

- A-1 has been identified for immediate addition into the sphere and encompasses an approximate 2,230 acre unincorporated area located off of State Highway 1 in the West Marin service area. A-1 consists of eleven legal parcels that are all under private ownership and largely developed with commercial agricultural uses ranging from livestock to dairy operations. There are also seven residential units within A-1. The proposed modification would principally serve to recognize NMWD's existing service commitments within A-1 as a result of pre CKH outside water service contracts reached by the District beginning in the late 1970s with the subject landowners; contracts that provide interruptible supplies and help mitigate against known low and poor groundwater in the region. Adding A-1 would conform to the expanded State definition of spheres of influence to emphasize the current and future NMWD service area as well as comport with the Commission's interest – and specifically through memorializing water availability – in supporting agricultural uses in Marin County. Additional and technical details – including assessor parcels and existing uses – relating to the lands comprising A-1 as selected by staff are provided as Appendix A.

A-1 spans approximately 2,230 unincorporated acres in the West Marin service area off of State Highway 1 and largely under commercial agricultural uses along with 7 residential units. It appears appropriate to add A-1 to the NMWD sphere now as a means – and among other considerations – to recognize the existing service commitments to the lands as part of pre CKH outside service agreements.

## Study Category B | Areas Meriting Additional Analysis

A review of the NMWD sphere with respect to potential modifications that may be merited – and as such warrant identification in this update as a formal placeholder – but require additional information and analysis before making an informed recommendation identifies two selections for Commission consideration. These selections are identified as B-1 and B-2 and separately addressed below.

- B-1 has been identified as a placeholder for consideration in the future for possible inclusion into the sphere. It encompasses approximately 13.5 acres of unincorporated land located in Dillion Beach and within the West Marin service area. B-1 consists of 156 legal parcels that are nearly all under private ownership and largely developed with single-family residences as part of the Oceana Marin Subdivision and highlighted by the existing construction of 139 units.<sup>1</sup> These parcels represents the remaining portion of the Oceana Marin Subdivision that are not already connected to NMWD’s public wastewater system. Adding B-1 to the sphere, markedly, would formally signal the Commission’s interest to NMWD to proceed with the infrastructure improvements necessary to extend public sewer to these parcels and in doing so help remove the ongoing operation of private onsite septic systems within a high-density residential area along the coastline.<sup>2</sup> Adding B-1 to the sphere and the subsequent annexations, similarly, would help expand economies of scale necessary to improve community funding to cover the needed

B-1 spans approximately 14 unincorporated acres in the West Marin service area in the Dillion Beach community and marked by 139 residential units. Adding B-1 to the sphere makes notional sense in meeting the Commission’s interest in ultimately expanding public sewer services in an existing high-density area, but merits more analysis to fully assess service and funding capabilities. Accordingly, it appears appropriate to formally designate B-1 as a priority review ahead of the next schedule five-year sphere update and in doing so clearly signal LAFCO’s intent to more fully explore options for purposes of generating proactive and informing discussions.

<sup>1</sup> The Oceana Subdivision was originally developed in the 1910s as a seasonal community. The subdivision has transitioned over the last several decades to include more permanent residences.

<sup>2</sup> The majority of parcels comprising B-1 are less than 0.1 acres in size.

infrastructure improvements; the latter of which are attested by NMWD as significant constraints on the District’s ability to assume more service responsibilities in the area at this time. To this latter end, staff agrees more analysis is merited to assess actual service and funding capacities in B-1 instead with managing public expectations, as well as whether any further expansion into the remaining part of Dillon Beach is ultimately warranted under CKH. Additional and technical details – including assessor parcels and existing uses – relating to the lands comprising B-1 are provided as Appendix B.

- B-2 has been identified as a placeholder for consideration in the future for possible inclusion into the sphere. It encompasses approximately 600 acres of unincorporated land located in southern Sonoma County and within the East Marin service area. B-2 consists of 30 legal parcels that are all under private ownership and largely developed with non-conforming residential uses immediately south of the City of Petaluma along State Highway 101. An exact number of dwelling units within B-2 is not presently available, but is reasonable to assume most of the 30 lots have at least one residence. All of these parcels have outside water service connections with NMWD with nearly all established pre CKH.<sup>3</sup> Similar to the merits underlying A-1, the potential addition of B-2 into the sphere would recognize NMWD’s existing service commitments, and as such conform to the

B-2 spans approximately 600 unincorporated acres in the East Marin service area south of the City of Petaluma in Sonoma County. It includes 30 legal parcels that are largely developed with residential uses, and are already served with water from NMWD byway of earlier outside service agreements. Adding B-2 to the sphere makes notional sense in meeting the Commission’s interest in matching the sphere to reflect current service commitments, but merits more analysis due to certain and detailed externalities. Accordingly, it appears appropriate to formally designate B-2 as a priority review ahead of the next schedule five-year sphere update and in doing so clearly signal LAFCO’s intent to more fully explore options for purposes of generating proactive and informing discussions.

<sup>3</sup> The Commission most recently approved two outside service connections involving 3367 and 3357 Petaluma Boulevard in southern Sonoma County at its November 4, 2015 meeting. The approval was made without conforming sphere amendments and premised on the Commission addressing a documented public safety threat as provided under Government Code Section 56133.

expanded State definition of spheres in emphasizing local agencies' current and future service areas. However, and distinct from A-1, there exist uncertainty with respect to NMWD continuing to serve all of its existing outside water connections in B-2 beyond the near term. This uncertainty is tied to NMWD's ongoing discussions with the City of Petaluma for Petaluma to ultimately assume direct service responsibility for some or all of the service connections in B-2. Should B-2 remain in NMWD's service area going forward separate questions arise meriting additional analysis. This includes whether it would be appropriate to size the sphere to accommodate any new connections and what would be the impacts therein to local land use authorities in Sonoma County. Additional and technical details – including assessor parcels and existing uses – relating to the lands comprising B-2 are provided as Appendix C.

## 3.2 RECOMMENDATIONS

### A. Summary

The preceding analysis produces a staff recommendation for the Commission to make one modification to the NMWD sphere as part of this scheduled comprehensive update process. This recommended modification is to add all of the territory that comprises Study Category A-1 (State Highway 1) into the sphere. The addition of A-1 is consistent with CKH's underlying objective for sphere designations to reflect the current and probable future jurisdictional boundary *and* service area of the subject agencies as determined by the Commission (emphasis added). A-1 has been part of NMWD's service area in West Marin for several decades through the establishment of pre CKH outside water service agreements with the landowners. The addition of A-1 would also comport with the Commission's interest – and specifically through memorializing water availability – in supporting existing agricultural uses in West Marin.

It is recommended the Commission make one change to the NMWD sphere as part of this update and this involves the addition of A-1 (State Highway 1) in West Marin. This addition would more accurately align the sphere to reflect NMWD's existing water service area while also serving as a policy tool to support the economic vitality of agricultural uses in West Marin by encouraging the availability of a reliable water source to the affected lands.

Similarly the preceding analysis also produces staff recommendations for the Commission to formally encourage more discussion going forward regarding the potential merits of adding Study Areas B-1 (Dillon Beach) and B-2 (South Sonoma County) to the NMWD sphere. These discussions would be in anticipation of revisiting the topics in greater detail – and potentially for action – in the next five-year update cycle for reasons provided. This includes addressing the notional interest of the Commission documented in this report to facilitate the expansion of NMWD’s public wastewater services in Dillon Beach and memorializing existing District water service commitments south of the City of Petaluma. Deferring these topics in earnest to the next scheduled update process would also provide NMWD the opportunity to internally engage these matters for discussion as well as provide advance notice to the affected land use authorities: County of Marin (B-1) and County of Sonoma (B-2).

It is also recommended the Commission formally designate B-1 (Dillon Beach) and B-2 (South Sonoma County) as priority reviews ahead of the next scheduled five-year sphere update and in doing so clearly signal LAFCO’s intent to more fully explore long-term options for purposes of generating proactive and informing discussions.

Implicit in the preceding analysis is the conclusion that no other areas within or outside the existing NMWD sphere warrant review for potential amendment at this time. This includes – most notably – determining it remains appropriate for the Commission to continue to exclude from the sphere the portions of the NMWD jurisdictional boundary in the West Marin service area comprising the North Inverness and Marshall areas. This report affirms these areas merit detachment from NMWD given the lack of social and economic communities of interests, and furthermore the Commission encourages the District to submit one or more proposals to facilitate the referenced changes.

It is separately recommended NMWD proceed with filing one or more proposals with the Commission to detach the portion of its jurisdictional boundary comprising the North Inverness and Marshall communities. Accordingly, and given the lack of germane social and economic ties, these areas remain outside the recommended sphere update.

## B. Mandatory Statements

The following statements have been prepared in support of the above recommendations on an updated NMWD sphere and address the Commission's mandatory review factors required under CKH. The statements collectively address the NMWD sphere as a whole and assume the recommended modifications are enacted.

### **Factor No. 1 | Present and Planned Land Uses in the Area**

Lands in the updated NMWD sphere are predominately developed for urban type uses as planned for by the affected land use authorities that are separately subject to Commission review and oversight directly or indirectly. Less intensive uses – including rural residential, agricultural, and open-space – within the updated sphere are limited and their inclusion directly corresponds with local proximity and need to NMWD's potable water system.

### **Factor No. 2 | Present and Probable Need for Public Facilities and Services in the Area**

Lands within the updated NMWD sphere reflect the appropriate current and future jurisdictional boundary and/or service area of the District as independently determined by the Commission.

### **Factor No. 3 | Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide**

The Commission's recently completed municipal service review on countywide public water services indicates NMWD has established adequate administrative, service, and financial capacities to accommodate present and planned uses in the updated sphere. An abbreviated review of NMWD's limited wastewater options in the Dillon Beach area has also been prepared with its analysis incorporated into this update.

**Factor No. 4 |  
Existence of any Social or Economic Communities of Interest in the Area if the  
Commission Determines they are Relevant**

Lands in the updated NMWD sphere have established social and economic interdependencies with the District that are distinct from neighboring areas and premised on the existing delivery of potable water or wastewater services. This update affirms and strengthens these ties.

**Factor No. 5 |  
Present and Probable Need for Public Facilities and Services of Any Disadvantaged  
Unincorporated Communities Within or Adjacent to the Sphere**

There are no known disadvantaged unincorporated communities (DUCs) within or immediately adjacent to the updated NMWD sphere based on the statewide definition provided under CKH. Should the Commission adopt its own local DUC definition additional analysis will be required to revisit whether any lands within or immediately adjacent to the updated NMWD sphere qualify.

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# Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

## AGENDA REPORT

June 8, 2017

Item No. 16 (Business/Action)

June 1, 2017

**TO:** Marin Commissioners

**FROM:** Policy Committee (Baker, Blanchfield, and Connolly)  
Keene Simonds, Executive Officer

**SUBJECT: Initial Review |  
Draft Proposal to Readopt Study Schedule**

The Commission will review a draft proposal from the Policy Committee to readopt a new five-year study schedule calendaring municipal service reviews. The draft proposal would replace the existing study schedule set to expire at the end of the next fiscal year and calendars municipal service reviews beginning in 2017-2018 and extending to 2021-2022. The draft proposal is being presented for discussion as well as authorization to proceed with a formal public review – include notice to all affected 65 local agencies – ahead of considering final action in August.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”) requires all local agency formation commissions (LAFCOs) to review and update spheres of influence for all cities, towns, and special districts by January 1, 2008 and every five years thereafter as needed. CKH specifies LAFCOs must inform their sphere updates by preparing comprehensive evaluations – titled municipal service reviews – to determine the availability and adequacy of local governmental services relative to current and future community needs. The legislative purpose of the municipal service review is to make LAFCOs more proactive in independently overseeing local government agencies and their municipal services ahead of subsequent sphere updates with increasingly emphasis in promoting accountability and achieving efficiencies.

### A. Background

#### Current Study Schedule | Adoption and Subsequent Amendment

Marin LAFCO’s (“Commission”)’s current and inaugural five-year study schedule calendaring municipal service reviews was adopted in June 2014. Adoption followed a formal public review and comment period as well as extensive discussion within the Commission starting with the preceding annual strategic workshop held in January 2014. The study schedule was subsequently amended in January 2015 to transition from calendar year to fiscal year orientation, and as such extend through 2017-2018. The current study schedule generally emphasizes regional studies in which multiple cities, towns, and or special districts are grouped together based on common geographic

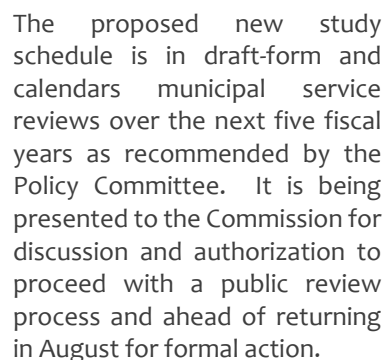
settings with the majority in East Marin and divided along corridor sections of State Highway 101. The current study schedule assumes all municipal service review work will be performed in-house by staff and contemplates reviewing most – but not all – of the 65 local agencies directly subject to Commission oversight in Marin County.

### Current Study Schedule | Progress to Date

The Commission is approximately two years behind in completing the municipal service reviews calendared as part of the current study schedule. The lack of anticipated progress is primarily the result of unexpected staffing shortfalls affecting the three-person office and marked by the delayed hiring of the Analyst in October 2015 and ongoing leave of the Clerk beginning in November 2015. Municipal service reviews completed or near completion include the Countywide Water Study and Central Marin Wastewater Study, which collectively covers thirteen local governmental agencies.<sup>1</sup>

### B. Discussion

This item is for the Commission to consider a draft proposal prepared by the Policy Committee (Baker, Blanchfield, and Connolly) to readopt a new five-year study schedule calendaring municipal service reviews.<sup>2</sup> The draft proposal would replace the existing study schedule terming at the end of the next fiscal year and calendar municipal service reviews beginning in 2017-2018 and extends to 2021-2022. The draft proposal is being presented to the Commission for discussion and feedback as well as authorization to proceed with a formal public review – include notice to all affected 65 local agencies – ahead of considering final action at the August 10<sup>th</sup> meeting. A summary of key provisions reflected in the draft proposal follows.



The proposed new study schedule is in draft-form and calendars municipal service reviews over the next five fiscal years as recommended by the Policy Committee. It is being presented to the Commission for discussion and authorization to proceed with a public review process and ahead of returning in August for formal action.

### Proposed New Study Schedule | Policy Emphasis

The proposed new study schedule draws on earlier Commission feedback and the Policy Committee’s own observations in calendaring municipal service reviews over the next five-year period. Markedly, this includes the collective input of the Commission as communicated at the most recent annual strategic workshop held in January to readopt a new study schedule to reflect the current status in preparing municipal service reviews as well as budget resources; the latter of which is assumed not to significantly increase in the near term to accommodate – among other items – additional staffing. Relatedly, and consistent with current practice, the proposed new study schedule is telegraphed

<sup>1</sup> The Countywide Water Study was awarded “Project of the Year” by CALAFCO in October 2016.

<sup>2</sup> The Policy Committee met at a noticed special meeting held on May 1, 2017 to discuss – and among other items – recommendations on a proposed readoption of the study schedule. At the time of the meeting the Policy Committee consisted of members Blanchfield, Burdick, and Connolly. The membership subsequently changed with Commissioner Burdick leaving office on May 2<sup>nd</sup> and was replaced by the Chair appointment of Commission Baker.

in terms of reach to assume the studies will be performed in-house by staff for purposes of cost-control as well as investing in the Commission’s organizational capacity.<sup>3</sup>

### Proposed New Study Schedule | Key Components

The proposed new study schedule picks up where the current study schedule ends in terms of completed municipal service reviews and proceeds to calendar – with some timing adjustments – the remaining commitments over the next five-year period. The proposed new study schedule includes continuing to emphasize regional municipal service reviews within East Marin in which cities, towns, and or special districts are grouped together based on common geographic settings with a gradual north-to-south orientation along the Highway 101. The proposed new study schedule also includes new municipal service reviews towards the back end as recommended by the Policy Committee. This includes now calendaring a regional study covering the Sausalito-Marín City area and preparing an update to the earlier Southern Marin Wastewater Study performed in the late 2000s. In all, 46 out of the 65 local governmental agencies subject to the Commission’s oversight are included in the proposed new study schedule.

The proposed new study schedule generally picks up where the existing document ends in terms of completed municipal service review while adding new reviews towards the back end. The proposed new study schedule continues to emphasize regional reviews in East Marin and ultimately covers 70% of all local agencies under Commission oversight.

### C. Analysis

The proposed new study schedule affirmatively responds to the Commission’s discussion at its most recent strategic planning workshop and stated preferences in meeting its municipal service review directive in Marin County. The substantive result is a proposal to “reset” the study schedule going forward to address remaining commitments while also adding new commitments in-step with existing policy preferences to emphasize regional studies in East Marin. The proposal also continues to purposefully reflect quality over quantity and marked by generally scheduling no more than two studies a fiscal year. This measured approach, consequently, means not all local agencies subject to the proceedings are included in the new five-year schedule. It is expected, accordingly, the Commission will prioritize the inclusion of the local agencies not covered over the next five-year period in the subsequent study schedule beginning in 2022-2023.

<sup>3</sup> Consistent with adopted policy commencement on all calendared municipal service reviews are preceded by the Commission adopting an actual scope of analysis at a noticed public hearing.

#### **D. Alternatives for Action**

The following alternatives are available to the Commission:

Alternative One (Recommended):

- a) Review the draft proposal for a new five-year study schedule and provide additional feedback and direction on potential revisions; and
- b) Authorize staff to proceed with the formal public review of the draft proposal in anticipation returning for final action at the August 10<sup>th</sup> regular meeting.

Alternative Two:

Continue consideration of the draft proposal for a new five-year study schedule to a future meeting and provide direction to the Policy Committee as needed.

Alternative Three:

Take no action.

#### **E. Recommendation**

It is recommended the Commission proceed with the actions outlined in the preceding section as Alternative One.

#### **F. Procedures for Consideration**

This item has been agenzized for action as part of the regular business calendar. The following procedures, accordingly, are recommended in the consideration of this item:

- 1) Receive verbal report from the Policy Committee;
- 2) Invite comments from any interested audience members (voluntarily); and
- 3) Discuss item and consider action on recommendation.

Respectfully and on behalf of the Policy Committee,



Keene Simonds  
Executive Officer

Attachments:

- 1) Existing Study Schedule Through 2018
- 2) Draft Proposal for a New Study Schedule Through 2022

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## Marin Local Agency Formation Commission

### *Political Subdivision of the State of California*

**2013/14-2017/18  
Study Schedule**

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Adopted June 12, 2014  
Amended January 21, 2015

**Preamble:**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”) requires Local Agency Formation Commissions (LAFCOs) to review and update spheres of influence for all cities and special districts by January 1, 2008 and every five years thereafter. CKH specifies LAFCOs inform their sphere of influence updates by preparing comprehensive evaluations – municipal service reviews – to determine the availability and adequacy of local governmental services relative to current and future community needs. The collective purpose of these studies is to make LAFCOs more proactive in independently overseeing the logical formation and development of local government agencies and their services with increasingly emphasis on promoting accountability and efficiency.

**Objective:**

This study schedule is intended to serve as a guide to Marin LAFCO in fulfilling its statutory directives to prepare municipal service reviews and sphere of influence updates during the legislative cycle covering the 2013/14 to 2017/18 period. The study schedule has been prepared in consultation with affected agencies and input from the general public and reflects the Commission’s interests and priorities over the referenced period. The Commission will regularly review and amend, as needed, the study schedule to help track progress as well as adjust to changes in priorities and resources.

**Study Schedule:**

#### **Fiscal Year 2014/15**

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**Countywide Study on Public Water Service**

Marin Municipal Water District  
 North Marin Water District  
 Muir Beach Community Services District  
 Bolinas Community Public Utility District  
 Inverness Public Utility District  
 Stinson Beach County Water District  
 Las Gallinas Valley Sanitary District  
 Novato Sanitary District

*\* Limited to water service activities*

### **Fiscal Year 2015/16**

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#### **North/North Central 101 Study on Sewer**

San Rafael Sanitation District  
Las Gallinas Valley Sanitary District  
Corte Madera Sanitary District No. 2  
Ross Valley Sanitary District No. 1  
Murray Park Sewer Maintenance District  
San Quentin Sewer Maintenance District  
Central Main Sanitation Agency (JPA)

#### **North Central 101 Study**

City of San Rafael  
Marinwood Community Services District  
CSA 6 (Gallinas Creek)  
CSA 9 (Northbridge)  
CSA 13 (Lucas Valley)  
CSA 18 (Las Gallinas)  
CSA 19 (San Rafael)  
CSA 23 (Terra Linda)

### **Fiscal Year 2016/17**

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#### **North 101 Study**

City of Novato  
Novato Sanitary District  
Novato Fire Protection District  
Bel Marin Keys Community Services District  
CSA 1 (Loma Verde)  
CSA 20 (Indian Valley)  
CSA 25 (San Marin)

#### **South Central 101 Study**

Town of Fairfax  
Town of San Anselmo  
City of Larkspur  
Town of Corte Madera  
Town of Ross  
Kentfield Fire Protection District  
Sleepy Hollow Fire Protection District  
CSA 16 (Greenbrae)  
CSA 17 (Kentfield/Larkspur)  
CSA 27 (Ross Valley)  
Central Marin Police Authority (JPA)

### **Fiscal Year 2017/18**

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#### **South 101 Study**

City of Mill Valley  
Almonte Sanitary District  
Alto Sanitary District  
Homestead Valley Sanitary District  
Richardson Bay Sanitary District  
Southern Marin Fire Protection District  
Strawberry Recreation District  
Tamalpais Community Services District  
CSA 14 (Homestead Valley)  
Sewerage Agency of Southern Marin (JPA)

#### **East Peninsula Study**

Town of Tiburon  
City of Belvedere  
Tiburon Sanitary District No. 5  
Tiburon Fire Protection District  
CSA 29 (Paradise Cay)

### **Agencies Not Scheduled for Review During Cycle...**

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#### **West County**

Bolinas Community Public Utility District  
Bolinas Fire Protection District  
Inverness Public Utility District  
Muir Beach Community Services District  
Stinson Beach Fire Protection District  
Stinson Beach County Water District  
Tomales Village Community Services District  
CSA 28 (West Marin)  
CSA 33 (Stinson Beach)

#### **Golden Gate Corridor**

City of Sausalito  
Marin City Community Services District  
Marin City – Sausalito Sanitary District

#### **Miscellaneous**

Marin County Resource Conservation District  
Marin Healthcare District  
Marin/Sonoma Mosquito and Vector District  
Marin County Parks and Open Space District  
Marin County Flood Control District  
CSA 31 (Unincorporated Area)



## Marin Local Agency Formation Commission

### Regional Service Planning | State of California

## Five-Year Study Schedule FY2018 to FY2022

Readopted on \*\*\*\*\*  
(**PROPOSED**)

### Preamble:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”) requires Local Agency Formation Commissions (LAFCOs) to review and update spheres of influence for all cities, towns, and special districts by January 1, 2008 and every five years thereafter as needed. CKH specifies LAFCOs inform all sphere of influence updates by preparing comprehensive evaluations –municipal service reviews – to determine the availability and adequacy of local governmental services relative to current and future community needs. The collective purpose of these studies is to make LAFCOs more proactive in independently overseeing the logical formation and development of local government agencies and their services with increasingly emphasis on promoting accountability and efficiency.

### Objective:

This study schedule serves as a guide to Marin LAFCO in fulfilling its statutory directives to prepare municipal service reviews and subsequent sphere of influence updates in five-year cycles under Government Codes 56425 and 56430, respectively. The study reflects the Commission’s interests and priorities in meeting LAFCO’s study directives beginning in FY2018 and extending through FY 2022 with a focus on preparing municipal service reviews; subsequent sphere of influence updates on individual agencies will be separately scheduled as part of annual workplans as needed and based on the analysis of the informing municipal service reviews. Consistent with legislative intent the Commission is committed to preparing comprehensive studies with a focus on quality over quantity, and as such not all local agencies in Marin County subject to the proceedings are included in the five-year schedule. However, and going forward, those local agencies not included in the current five-year schedule will be prioritized for inclusion in the next five-year schedule by the Commission.

**FY2017-2018**

**San Rafael Area Study**

- Region Specific
- City of San Rafael
  - Marinwood Community Services District
  - CSA No. 6 (Santa Venetia)
  - CSA No. 9 (Northbridge)
  - CSA No. 13 (Lucas Valley)
  - CSA No. 18 (Gallinas Village)
  - CSA No. 19 (Unincorporated San Rafael)
  - CSA No. 23 (Terra Linda)

**Novato Area Study**

- Region Specific
- City of Novato
  - Novato Sanitary District
  - Novato Fire Protection District
  - Bel Marin Keys Community Services District
  - CSA No. 1 (Loma Verde)
  - CSA No. 20 (Indian Valley)
  - CSA No. 25 (San Marin)

**FY2018-2019**

**East Peninsula Area Study**

- Region Specific
- Town of Tiburon
  - City of Belvedere
  - Strawberry Recreation District
  - Tiburon Sanitary District No. 5
  - Tiburon Fire Protection District
  - CSA No. 29 (Paradise Cay)

**Ross Valley Area Study**

- Region Specific
- Town of Fairfax
  - Town of Ross
  - Town of San Anselmo
  - Kentfield Fire Protection District
  - Sleepy Hollow Fire Protection District
  - Ross Valley Fire Authority (JPA)
  - CSA No. 27 (Ross Valley)

**FY2019-2020**

**Twin Cities Area Study**

- Region Specific
- City of Larkspur
  - Town of Corte Madera
  - CSA No. 16 (Greenbrae)
  - CSA No. 17 (Kentfield)
  - Central Marin Police Authority (JPA)

**Flood Control and Storm Drainage Study**

- Service Specific
- Marin County Flood Control
  - Multiple CSAs
- \* Sea Level Rise To Be Incorporated*

**FY2020-2021**

**Golden Gate Corridor Study**

- Region Specific
- City of Mill Valley
  - City of Sausalito
  - Marin City Community Services District
  - Tamalpais Community Services District
  - Marin City – Sausalito Sanitary District
  - Southern Marin Fire Protection District
  - CSA No. 14 (Homestead)

**Park and Open Space Services Study**

- Service Specific
- Marin County Parks and Open Space District
  - Marin County Resources Conservation District
  - Multiple CSAs

**FY2021-2022**

**Southern Marin Wastewater Study**

- Service Specific
- City of Mill Valley
  - Almonte Sanitary District
  - Alto Sanitary District
  - Homestead Valley Sanitary
  - Richardson Bay Sanitary District
  - Sewer Agency of Southern Marin (JPA)

**Mosquito and Vector Control Study**

- Service Specific
- Marin/Sonoma Mosquito Control District

**Public Healthcare Services Study**

- Service Specific
- Marin Healthcare District
  - Multiple CSAs





# Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

## AGENDA REPORT

June 8, 2017

Item No. 17 (Business/Action)

June 1, 2017

**TO:** Marin Commissioners

**FROM:** Legislative Committee (Baker, Kiouss, and McEntee)  
Keene Simonds, Executive Officer

**SUBJECT: Legislative Report |  
Update on First Year of 2017-2018 Session**

This item is for the Commission to consider bill proposals generated as part of the first year of the Legislature’s 2017-2018 session that directly or indirectly impact LAFCOs’ duties and or interests. This includes considering position recommendations on three bills not previously reviewed by the Commission as well as receiving an update on the ongoing review of the Little Hoover Commission on special districts and LAFCOs’ oversight therein. The Commission is also invited to provide direction on other legislative matters of interests.

Local Agency Formation Commissions (LAFCOs) are political subdivisions of the State of California tasked with providing regional growth management services in all 58 counties. LAFCOs’ duties and powers have increasingly expanded since their creation in 1963 as more than 200 bills have been subsequently enacted with the majority addressing changes in boundary management and service provision. The substantive result of these amendments is the delineation of two distinct LAFCO responsibilities: regulating the physical development of cities, towns, and special districts and their service areas as well as informing such decisions through various planning activities.

### A. Background

Marin LAFCO (“Commission”) draws on two complimentary resources in considering legislative matters affecting the agency’s ability to effectively administer its regulatory and planning responsibilities. The first and primary resource is the California Association of LAFCOs’ or “CALAFCO” Legislative Committee. The CALAFCO Legislative Committee comprises 16 appointed members – including the Commission’s Executive Officer – and tasked with drafting and or reviewing legislation along with related items and taking formal positions therein for consideration by the Board. The second resource is the Commission’s own Legislative Committee, which is responsible for vetting legislation as needed with specific consideration of impacts on Marin LAFCO and offering recommendations on potential positions. The Commission’s Legislative Committee meets as needed, and for the current calendar year include Commissioners Baker, Kiouss, and McEntee and is hereafter referred to as “CLC.”

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City of Mill Valley

Matthew Brown, Alternate  
City of San Anselmo

Jack Baker, Regular  
North Marin Water District

Craig K. Murray, Regular  
Las Gallinas Valley Sanitary

Lew Kiouss, Alternate  
Almonte Sanitary District

Jeffrey Blanchfield, Chair  
Public Member

Chris Skelton, Alternate  
Public Member

## B. Discussion

This item is for the Commission to consider bill proposals generated as part of the first year of the Legislature’s 2017-2018 session that directly or indirectly impact LAFCOs’ duties and or interests. This includes considering CLC position recommendations on three bills not previously reviewed by the Commission as well as receiving an update on the ongoing review of the Little Hoover Commission on special districts and LAFCOs’ oversight therein. The item also provides the Commission the opportunity to discuss and provide direction on other legislative matters of interests.

### Overview of Active Bills | CLC Position Recommendations

The first year of the 2017-2018 legislative session began on January 4, 2017 and added over 1,200 new bills through the February 17<sup>h</sup> introduction deadline for non-committee proposals. A review of all active bills identifies 18 proposals that directly or indirectly impact LAFCOs and are briefly outlined in the attached CALAFCO report. Of this total, CLC has identified four bill proposals that merit specific consideration by the Commission given their substantive impact on LAFCO law and or precedent-setting potential.<sup>1</sup> One of these bills – Assembly Bill 464 (Gallagher) – was previously reviewed by the Commission in April with the membership approving a support position and is further detailed in the accompanying footnote.<sup>2</sup> A summary of the remaining three bills not previously reviewed by the Commission follows with CLC position recommendations.

- **Assembly Bill 1728 (Local Government Committee) | Healthcare Districts  
CLC Recommendation: Support**

AB 1728 as currently written is a byproduct of the Little Hoover Commission’s ongoing review of special districts and responds to an increasing concern regarding a lack of overall transparency involving healthcare districts. To this end, the bill would require all healthcare districts to uniformly adopt annual budgets outlining certain information at public meetings no later than September 1<sup>st</sup> of each year as well as maintaining websites. The bill also prescribes recommended items for all healthcare districts to provide on their websites, and this includes the most recently completed municipal service review prepared by the applicable LAFCO.<sup>3</sup> CALAFCO has worked closely

AB 1728 would establish best practices for healthcare districts in adopting annual budgets and maintaining websites; the latter of which would include posting the most recent MSR from LAFCO.

<sup>1</sup> This excludes CALAFCO’s annual omnibus bill authored by the Assembly Committee on Local Government.

<sup>2</sup> AB 464 is sponsored by CALAFCO to amend Government Code Section 56653 – which is the lone means in State law for applicants to propose boundary changes – in response to a recent ruling out of the 5<sup>th</sup> District Court of Appeal in the case of City of Patterson v. Turlock Irrigation District. The ruling invalidated the annexation approval by Stanislaus LAFCO of territory to the City of Paterson given it was already receiving services from the Turlock Irrigation District through an earlier outsider service extension. The District sued and the Court agreed the annexation was invalid because service had already been established, and as such the referenced statute, which anchors all boundary change proposals on providing a plan to “extend services,” could not be used. This bill would specify that the plan being submitted would also include information regarding services already provided to the affected territory by way of an outside service extension. The Commission approved a support position per the CLG recommendation at the April 13<sup>th</sup> meeting. (A copy of the support letter sent on the Commission’s behalf is attached.) AB 464 recently passed out of the Assembly and is awaiting hearing within the Senate Committee on Local Government and Finance.

<sup>3</sup> Marin LAFCO completed a municipal service review on the lone healthcare district in Marin County – Marin Healthcare – in 2011.

with the Assembly’s Local Government Committee in drafting this bill and additional friendly amendments are expected. This includes – notably – revising existing statute to provide a new method in calculating healthcare districts’ annual contribution to LAFCO given current law effectively exempts most from the apportionment process. CLC believes the Commission should approve a support position consistent with the actions already taken by CALAFCO.

- **Senate Bill 448 (Wieckowski) | Dissolving Inactive Special Districts**  
**CLC Recommendation: Oppose Unless Amended**

SB 448 as currently written would establish an expedited process for LAFCOs to initiate dissolution of inactive special districts as defined and without holding protest proceedings. The bill is drawn from the author’s own interest to proactively sunlight and eliminate dormant special districts. The bill defines inactive special districts as agencies that have no financial transactions over the previous fiscal year as well as no assets or liabilities. Other key aspects of the bill include requiring all special districts to begin filing copies of their audit with LAFCOs. CALAFCO has taken an oppose unless amended position on this bill and is seeking discretion for LAFCOs to pivot from dissolution in favor of consolidating or merging inactive special districts when deemed more appropriate. CLC believes the Commission should take a similar position to CALAFCO with the added request the bill include a noticing process in which special districts could contest an inactive finding before LAFCO proceeds and schedules an expedited action (i.e., dissolution, consolidation, merger, etc.). SB 448 is currently awaiting a floor vote in the Senate.

SB 448 would establish new direction to LAFCOs to initiate the dissolution of certain special districts deemed “inactive” through an expedited process that waives protest proceedings.

- **Senate Bill 365 (Dodd) | Regional Park and Open Space District in Solano**  
**CLC Recommendation: Watch and Provide Communication to CALAFCO**

SB 375 as currently written would establish the creation of a regional park and open space district in Solano County subject to voter approval and without the normalized third-party review and approval process under LAFCO law. The bill is being sponsored by the County of Solano and premised on reducing the costs and related uncertainty underlying the proponent going through Solano LAFCO. Solano LAFCO has adopted a support position for the bill. CALAFCO has raised concerns with the author regarding the bill and its circumvention of LAFCO processes but ultimately has taken a watch position in deference to a request made by Solano LAFCO.<sup>4</sup> CLC believes the bill’s function to omit LAFCOs’ traditional third-party review and

SB 365 would establish special legislation specific to Solano County in forming a new special district without proceeding under the normalized LAFCO review and approval process.

<sup>4</sup> CALAFCO initially approved an oppose position on SB 365 in late March 2017. CALAFCO switch to watch following Solano LAFCO approving its own support position for the bill in early May 2017.

approval process in overseeing special district formations is concerning and precedent-setting going forward. However, and because the bill does not directly impact Marin County, CLC believes a watch position is appropriate while also – importantly – communicating the Commission’s interest to CALAFCO in proactively opposing special legislation circumventing LAFCOs’ established oversight role in all 58 counties in California.

### **Other Items of Interests | Little Hoover Commission**

As previously communicated legislation is ultimately expected to address pending findings from the Little Hoover Commission (LHC) in-step with their ongoing review of special districts and oversight provided by LAFCOs. Initial hearings were held in late 2016 and included extensive testimony provided by CALAFCO. These initial hearings led several LHC members to express concern with the lack of proactiveness from LAFCOs in taking actions to further reduce the total number of special districts and otherwise streamline their services since the last topical review was performed in 2000. (A copy of the Executive Summary prepared as part of the 2000 review is attached.) Several LHC members, accordingly, have expressed interest in advancing significant changes either by expanding LAFCOs’ authority and/or having the State assume more direct oversight of special districts with recent discussions focusing more on the former (i.e., expanding LAFCOs authority and/or tools). This includes LHC most recently inviting CALAFCO to offer its own recommendations on authority expansions. CALAFCO has responded with forming a small working group – which includes the Commission’s Executive Officer – in developing recommendations with the goal of presenting findings at the next LHC meeting scheduled on June 22<sup>nd</sup>. Additional information will be forwarded to the Commission as this referenced process advances.

### **C. Analysis**

The first year of the 2017-2018 legislative session is relatively quiet in terms of bills proposing substantive impacts on LAFCOs with a few noted exceptions. These exceptions are highlighted by AB 448 (Wieckowski) and its provisions to establish a new directive for LAFCOs to initiate and dissolve special districts deemed inactive and without holding protest proceedings. CLC believes AB 448 is promising, but concerns remain regarding implementation. Accordingly, it is recommended the Commission approve an oppose unless amended position with the goal the author redraft and provide LAFCOs added discretion in pursuing reorganization alternatives – like consolidation and mergers – as well as provide special districts the opportunity to contest an inactive finding. Other bills detailed also merit Commission review, albeit for more indirect reasons, and involve AB 1728 (Committee on Local Government) and SB 375 (Dodd). AB 1728 proposes establishing new accountability standards for all healthcare districts that – and among other items – includes posting LAFCO municipal service reviews on their websites. CLC recommends a support position for AB 1728. SB 375 proposes to bypass LAFCO review and approval in forming a new regional park and open-space district in Solano County, and while not directly impacting the Commission it generates precedent concerns going forward. CLC believes a watch position on SB 375 is appropriate for reasons provided and marked by deference to Solano LAFCO in adopting

a support position for the bill for their own reasons. However, and a detailed, CLC believes it would be appropriate to directly communicate the Commission's interest to CALAFCO in proactively opposing at the statewide level all special legislation circumventing LAFCOs' established oversight role in all 58 counties.

#### **D. Alternatives for Action**

The following alternative actions are available to the Commission.

##### Alternative Action One (Recommended):

- (a) Approve an oppose unless amended position for AB 448 (Wieckowski) as detailed and direct the Executive Officer to provide a letter therein to the author.
- (b) Approve a support position for AB 1728 (Committee on Local Government) as detailed and direct the Executive Officer to provide a letter therein to the author.
- (c) Approve a watch position for SB 365 (Dodd) and direct the Executive Officer to communicate the Commission's interest on related policy issues to CALAFCO as detailed.

##### Alternative Action Two:

Continue consideration of this item to a future meeting and provide direction to CLC with respect to providing additional information as needed.

##### Alternative Action Three:

Take no action.

#### **E. Recommendation**

It is recommended the Commission proceed with the actions outlined under Alternative Action One in the preceding section.

## **F. Procedures for Consideration**

Staff has agendized this item for action as part of the business hearing calendar. The following procedures, accordingly, are recommended in the Commission's consideration:

- 1) Receive verbal report from staff;
- 2) Invite comments from any interested audience members (voluntary); and
- 3) Discuss item and consider action on recommendation.

On behalf of CLC,



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Keene Simonds  
Executive Officer

### Attachments:

- 1) Authorized Comment Letter on AB 464
- 2) AB 448 (Wieckowski) Text
- 3) AB 1728 (Local Government Committee) Text
- 4) SB 365 (Dodd) Text
- 5) Executive Summary from Little Hoover Commission's 2000 Report on Special Districts and LAFCOs
- 6) Current CALAFCO Legislative Report



Marin Local Agency Formation Commission  
Regional Service Planning | Subdivision of the State of California

April 17, 2017

**Delivered by E-Mail**

Assemblymember James Gallagher  
California State Assembly  
c/o Katja Townsend, Legislative Director  
State Capital Room 2158  
Sacramento, CA 95814  
[katja.townsend@asm.ca.gov](mailto:katja.townsend@asm.ca.gov)

**Subject: Support of AB 464 as Amended**

Assemblymember Gallagher:

The Marin Local Agency Formation Commission (LAFCO) is pleased to join our statewide association – CALAFCO – and support your bill AB 464, as amended on March 14, 2017. The bill makes necessary technical changes to existing State law to clarify the current practice of Marin and other LAFCOs throughout California in approving annexations of areas already being served by local agencies through outside service contracts under Government Code Sections 56133 and 56134. Most notably, this bill addresses a recent court-identified flaw in State law that undermines LAFCOs' ability to appropriately phase the delivery of municipal services (water, wastewater, fire protection, etc.) first through outside service contracts and later – and once it is legally and politically feasible – by annexations when local conditions merit.

Thank you for your leadership on this item. Should you or your staff have any questions please contact me by telephone at 415-448-5877 or e-mail at [ksimonds@marinlafco.org](mailto:ksimonds@marinlafco.org).

Respectfully,

Keene Simonds  
Executive Officer

cc: Pamela Miller, CALAFCO Director  
Steven Lucas, CALAFCO Executive Officer  
Misa Lennox, Assembly Local Government Committee  
William Weber, Consultant, Assembly Republican Caucus

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### SB-448 Local government: organization: districts. (2017-2018)

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Date Published: 05/26/2017 02:00 PM

AMENDED IN SENATE MAY 26, 2017

AMENDED IN SENATE MAY 02, 2017

AMENDED IN SENATE APRIL 18, 2017

AMENDED IN SENATE APRIL 04, 2017

CALIFORNIA LEGISLATURE— 2017–2018 REGULAR SESSION

## SENATE BILL

## No. 448

Introduced by Senator Wieckowski

February 15, 2017

An act to amend Section 26909 of, to add Sections ~~12463.4, 56040.5,~~ 12463.4 and 56042 to, and to add Article 9.5 (commencing with Section 53898) to Chapter 4 of Part 1 of Division 2 of, and to add Article 6 (commencing with Section 56879) to Chapter 5 of Part 3 of Division 3 of, of Title 5 of, the Government Code, and to amend Section 2611.6 of the Revenue and Taxation Code, relating to local government.

### LEGISLATIVE COUNSEL'S DIGEST

SB 448, as amended, Wieckowski. Local government: organization: districts.

(1) Existing law requires the officer of each local agency, as defined, who has charge of the financial records of the local agency, to furnish to the Controller a report of all the financial transactions of the local agency during the next preceding fiscal year within 90 days of the close of each fiscal year, or within 110 days if the report is furnished in an electronic format, 7 months after the close of each fiscal year. Existing law also requires a report of an audit of a special district's accounts and records made by a certified public accountant or public accountant to be filed with the Controller and the county auditor of the county in which the special district is located within 12 months of the end of the fiscal year or years under examination.

This bill would require that those audit reports also be filed with the local agency formation commission of either the county in which the special district is located or, if the special district is located in 2 or more counties, the county containing the greatest percentage of the assessed value of taxable property of the district. This bill would require the Controller, on or before October 1, 2018, and every year thereafter, to create a list of idle districts, as defined, and notify each special district that has been identified as an idle district, on or before November 1, 2018, and every 2 years thereafter. This bill would require each special district to submit, with

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~~every audit or other specified documents filed with the Controller and the local agency formation commission, a statement of purpose, as specified. The bill would require the Controller to post each statement of purpose it receives on its Internet Web site, with each local agency formation commission within each county in which the district is located until January 1, 2027, and thereafter with the county containing the greatest percentage of the assessed value of taxable property in the district.~~ The bill would also require the Controller to publish on the Controller's Internet Web site a comprehensive list of special districts on or before July 1, 2019, and to annually update that list.

(2) The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts, as specified.

This bill would require a local agency formation commission to dissolve any special district that is an inactive district. ~~The bill would additionally require a local agency formation commission to initiate proceedings for the dissolution of idle districts, as specified. This~~ The bill would define the terms "inactive district" and "idle district" for these purposes. By increasing the duties of local officials, this bill would impose a state-mandated local program.

(3) Existing property tax law requires that each county tax bill, or a statement accompanying that bill, include specified information.

This bill would additionally require that ~~each county tax bill, or a statement accompanying that bill, to include a list of all services provided by a city, county, special district, or school district that are funded by the general ad valorem property tax and any special taxes or special assessments levied, information contained in a county tax bill that is electronically transmitted reflect the same information contained on both the mailed county tax bill and any separate statements.~~ By increasing the duties of local officials, this bill would impose a state-mandated local program.

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** Section 12463.4 is added to the Government Code, to read:

**12463.4.** On or before July 1, 2019, the Controller shall publish on the Controller's Internet Web site a comprehensive list of special districts. The Controller shall update the list every year thereafter. For purposes of this section, the term "special district" means an "independent district" or "independent special district" as those terms are defined in Section 56044.

**SEC. 2.** Section 26909 of the Government Code, as amended by Section 1 of Chapter 164 of the Statutes of 2016, is amended to read:

**26909.** (a) (1) The county auditor shall either make or contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of every special district within the county for which an audit by a certified public accountant or public accountant is not otherwise provided. In each case, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards.

(2) If an audit of a special district's accounts and records is made by a certified public accountant or public accountant, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards, and a report thereof shall be filed with the Controller, with the county auditor of the county in which the special district is located, and with the local agency formation commission of

the county in which the special district is located, unless the special district is located in two or more counties, then the county containing the greatest percentage of the assessed value of taxable property of the district. ~~with each local agency formation commission within each county in which the district is located.~~ The report shall be filed within 12 months of the end of the fiscal year or years under examination.

(3) Any costs incurred by the county auditor, including contracts with, or employment of, certified public accountants or public accountants, in making an audit of every special district pursuant to this section shall be borne by the special district and shall be a charge against any unencumbered funds of the district available for the purpose.

(4) For a special district that is located in two or more counties, this subdivision shall apply to the auditor of the county in which the treasury is located.

(5) The county controller, or ex officio county controller, shall effect this section in those counties having a county controller or ex officio county controller.

(b) A special district may, by unanimous request of the governing board of the special district and with unanimous approval of the board of supervisors, replace the annual audit required by this section with one of the following, performed in accordance with professional standards, as determined by the county auditor:

(1) A biennial audit covering a two-year period.

(2) An audit covering a five-year period if the special district's annual revenues do not exceed an amount specified by the board of supervisors.

(3) An audit conducted at specific intervals, as recommended by the county auditor, that shall be completed at least once every five years.

(c) (1) A special district may, by unanimous request of the governing board of the special district and with unanimous approval of the board of supervisors, replace the annual audit required by this section with a financial review, or an agreed-upon procedures engagement, in accordance with the appropriate professional standards, as determined by the county auditor, if the following conditions are met:

(A) All of the special district's revenues and expenditures are transacted through the county's financial system.

(B) The special district's annual revenues do not exceed one hundred fifty thousand dollars (\$150,000).

(C) The special district shall pay for any costs incurred by the county auditor in performing an agreed-upon procedures engagement. Those costs shall be charged against any unencumbered funds of the district available for that purpose.

(2) If the board of supervisors is the governing board of the special district, it may, upon unanimous approval, replace the annual audit of the special district required by this section with a financial review, or an agreed-upon procedures engagement, in accordance with the appropriate professional standards, as determined by the county auditor, if the special district satisfies the requirements of subparagraphs (A) and (B) of paragraph (1).

(d) (1) A special district may, by annual unanimous request of the governing board of the special district and with annual unanimous approval of the board of supervisors, replace the annual audit required by this section with an annual financial compilation of the special district to be performed by the county auditor in accordance with professional standards, if all of the following conditions are met:

(A) All of the special district's revenues and expenditures are transacted through the county's financial system.

(B) The special district's annual revenues do not exceed one hundred fifty thousand dollars (\$150,000).

(C) The special district shall pay for any costs incurred by the county auditor in performing a financial compilation. Those costs shall be a charge against any unencumbered funds of the district available for that purpose.

(2) A special district shall not replace an annual audit required by this section with an annual financial compilation of the special district pursuant to paragraph (1) for more than five consecutive years, after which a special district shall comply with subdivision (a).

(e) Notwithstanding this section, a special district shall be exempt from the requirement of an annual audit if the financial statements are audited by the Controller to satisfy federal audit requirements.

(f) Upon receipt of the financial review, agreed-upon procedures engagement, or financial compilation, the county auditor shall have the right to appoint, pursuant to subdivision (a), a certified public accountant or a public accountant to conduct an audit of the special district, with proper notice to the governing board of the special district and board of supervisors.

(g) This section shall remain in effect only until January 1, 2027, and as of that date is repealed.

**SEC. 3.** Section 26909 of the Government Code, as added by Section 2 of Chapter 164 of the Statutes of 2016, is amended to read:

**26909.** (a) (1) The county auditor shall either make or contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of every special district within the county for which an audit by a certified public accountant or public accountant is not otherwise provided. In each case, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards.

(2) If an audit of a special district's accounts and records is made by a certified public accountant or public accountant, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards, and a report thereof shall be filed with the Controller, with the county auditor of the county in which the special district is located, and with the local agency formation commission of the county in which the special district is located unless the special district is located in two or more counties, then the county containing the greatest percentage of the assessed value of taxable property of the district. The report shall be filed within 12 months of the end of the fiscal year or years under examination.

(3) Any costs incurred by the county auditor, including contracts with, or employment of, certified public accountants or public accountants, in making an audit of every special district pursuant to this section shall be borne by the special district and shall be a charge against any unencumbered funds of the district available for the purpose.

(4) For a special district that is located in two or more counties, this subdivision shall apply to the auditor of the county in which the treasury is located.

(5) The county controller, or ex officio county controller, shall effect this section in those counties having a county controller or ex officio county controller.

(b) A special district may, by unanimous request of the governing board of the special district and with unanimous approval of the board of supervisors, replace the annual audit required by this section with one of the following, performed in accordance with professional standards, as determined by the county auditor:

(1) A biennial audit covering a two-year period.

(2) An audit covering a five-year period if the special district's annual revenues do not exceed an amount specified by the board of supervisors.

(3) An audit conducted at specific intervals, as recommended by the county auditor, that shall be completed at least once every five years.

(c) (1) A special district may, by unanimous request of the governing board of the special district and with unanimous approval of the board of supervisors, replace the annual audit required by this section with a financial review, in accordance with the appropriate professional standards, as determined by the county auditor, if the following conditions are met:

(A) All of the special district's revenues and expenditures are transacted through the county's financial system.

(B) The special district's annual revenues do not exceed one hundred fifty thousand dollars (\$150,000).

(2) If the board of supervisors is the governing board of the special district, it may, upon unanimous approval, replace the annual audit of the special district required by this section with a financial review in accordance with the appropriate professional standards, as determined by the county auditor, if the special district satisfies the requirements of subparagraphs (A) and (B) of paragraph (1).

(d) Notwithstanding this section, a special district shall be exempt from the requirement of an annual audit if the financial statements are audited by the Controller to satisfy federal audit requirements.

(e) The ~~This~~ section shall become operative on January 1, 2027.

~~SEC. 4. Article 9.5 (commencing with Section 53898) is added to Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code, to read:~~

~~9.5. Idle Districts~~

~~53898.(a) On or before October 1, 2018, and every two years thereafter, the Controller shall create a list of special districts that are idle. A special district shall be included on that list and considered idle if the special district has not submitted financial materials to the Controller pursuant to Section 26909 by two years from the date the financial materials were due.~~

~~(b)(1) On or before November 1, 2018, and every two years thereafter, the Controller shall notify a special district if the Controller has added the special district to the list pursuant to subdivision (a):~~

~~(2)(A) A special district shall submit a statement of purpose with every audit, financial review, agreed-upon procedures engagement, or financial compilation the special district submits to the Controller and the local agency formation commission. The statement of purpose shall include all of the following:~~

~~(i) A list of any previous efforts made by the special district, the local agency formation commission, or the county toward dissolution, reorganization, or consolidation of the special district.~~

~~(ii) The date that the special district last performed a service.~~

~~(iii) Any planned date that the special district expects to perform a service.~~

~~(iv) An explanation for why services provided by the special district cannot be provided by the county or city in which the special district is located.~~

~~(v) A list of services provided by the special district that are also provided by the county or city, if any.~~

~~(B) The Controller shall publish each statement of purpose received pursuant to this subdivision on the Controller's Internet Web site.~~

~~(c) For purposes of this article, the term "special district" means "independent district" or "independent special district" as those terms are defined in Section 56044.~~

~~SEC. 5. Section 56040.5 is added to the Government Code, to read:~~

~~56040.5. "Idle district" means a district included on the list created by the Controller pursuant to Section 53898.~~

~~**SEC. 6.** SEC. 4. Section 56042 is added to the Government Code, to read:~~

~~56042. "Inactive district" means a special district that meets all of the following:~~

~~(a) The special district is an independent district or an independent special district, as defined in Section 56044, as defined in Section 56036.~~

~~(b) The special district has had no financial transactions in the previous fiscal year.~~

~~(c) The special district has no assets.~~

~~(d) The special district has no fund equity.~~

~~(e) The special district has no outstanding debts, judgments, litigation, contracts, liens, claims, or postemployment liabilities.~~

~~**SEC. 7.** SEC. 5. Article 6 (commencing with Section 56879) is added to Chapter 5 of Part 3 of Division 3 of Title 5 of the Government Code, to read:~~

~~Article 6. Idle and Inactive Special Districts~~

~~56879. (a) The commission shall dissolve inactive districts. The commission shall hold one public hearing on the dissolution of an inactive district pursuant to this section. The dissolution of an inactive district shall not be subject to any of the following:~~

~~(1) Protest proceedings, as defined in Section 56069.5.~~

~~(2) A report pursuant to Section 56665.~~

~~(3)~~

(2) Determinations pursuant to subdivision (b) of Section 56881.

~~(4)~~

(3) Requirements for commission-initiated changes of organization described in paragraph (3) of subdivision (a) of Section 56375.

(b) An inactive district may not object to a proceeding pursuant to this section.

~~56879.5.(a) The commission shall initiate proceedings to dissolve an idle district identified by the Controller pursuant to Section 53898 if the special district remains on that list for two years.~~

~~(b) If the commission determines that, based upon the information contained in a statement of purpose submitted pursuant to paragraph (2) of subdivision (b) of Section 53898, there is sufficient grounds to initiate a dissolution, reorganization, or consolidation, the commission may utilize the statement of purpose to initiate the process. Failure to submit a statement of purpose shall be sufficient grounds to initiate a dissolution, reorganization, or consolidation.~~

~~(c) An idle district may not object to dissolution pursuant to this section.~~

**SEC. 8. SEC. 6.** Section 2611.6 of the Revenue and Taxation Code is amended to read:

**2611.6.** The following information shall be included in each county tax bill, whether mailed or electronically transmitted, or in a separate statement accompanying the bill:

(a) The full value of locally assessed property, including assessments made for irrigation district purposes in accordance with Section 26625.1 of the Water Code.

(b) The tax rate required by Article XIII A of the California Constitution.

(c) The rate or dollar amount of taxes levied in excess of the 1-percent limitation to pay for voter-approved indebtedness incurred before July 1, 1978, or bonded indebtedness for the acquisition or improvement of real property approved by two-thirds of the voters on or after June 4, 1986.

(d) The amount of any special taxes, *taxes, fixed charges*, and special assessments levied.

(e) The amount of any tax rate reduction pursuant to Section 96.8, with the notation: "Tax reduction by (name of jurisdiction)."

(f) The amount of any exemptions. Exemptions reimbursable by the state shall be shown separately.

(g) The total taxes due and payable on the property covered by the bill.

(h) Instructions on tendering payment, including the name and mailing address of the tax collector.

(i) The billing of any special purpose parcel tax as required by paragraph (2) of subdivision (b) of Section 53087.4 of the Government Code, or any successor to that paragraph.

~~(j) A list of all services provided by a city, county, special district, or school district that are funded by the general ad valorem property tax and any special taxes or special assessments levied. For purposes of this subdivision, the term "special district" means an "independent district" or "independent special district" as those terms are defined in Section 56044 of the Government Code.~~

*(j) Information contained in a county tax bill that is electronically transmitted shall reflect the same information contained on both the mailed county tax bill and any separate statements.*

(k) Information specifying all of the following:

(1) That if the taxpayer disagrees with the assessed value as shown on the tax bill, the taxpayer has the right to an informal assessment review by contacting the assessor's office.

(2) That if the taxpayer and the assessor are unable to agree on a proper assessed value pursuant to an informal assessment review, the taxpayer has the right to file an application for reduction in assessment for the

following year with the county board of equalization or the assessment appeals board, as applicable, and the time period during which the application will be accepted.

(3) The address of the clerk of the county board of equalization or the assessment appeals board, as applicable, at which forms for an application for reduction in assessment may be obtained.

(4) That if an informal or formal assessment review is requested, relief from penalties shall apply only to the difference between the county assessor's final determination of value and the value on the assessment roll for the fiscal year covered.

**SEC. 9. SEC. 7.** No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for certain costs that may be incurred by a local agency or school district because, in that regard, ~~this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.~~ Code.

However, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

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### AB-1728 Health care districts: board of directors. (2017-2018)

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CALIFORNIA LEGISLATURE— 2017–2018 REGULAR SESSION

## ASSEMBLY BILL

## No. 1728

**Introduced by Committee on Local Government (Assembly Members Aguiar-Curry (Chair), Waldron (Vice Chair), Bloom, Caballero, Gonzalez Fletcher, Grayson, Lackey, and Voepel)**

**March 22, 2017**

An act to add Section 32139 to the Health and Safety Code, relating to health care districts.

### LEGISLATIVE COUNSEL'S DIGEST

AB 1728, as introduced, Committee on Local Government. Health care districts: board of directors.

The Local Health Care District Law provides for local health care districts that govern certain health care facilities. Each health care district has a board of directors with specific duties and powers respecting the creation, administration, and maintenance of the district, including purchasing, receiving, having, taking, holding, leasing, using, and enjoying property.

This bill would require the board of directors to adopt an annual budget in a public meeting, on or before September 1 of each year, that conforms to generally accepted accounting and budgeting procedures for special districts, establish and maintain an Internet Web site that lists contact information for the district, and adopt annual policies for providing assistance or grant funding, if the district provides assistance or grants. By increasing the duties of the board of directors, relating to disclosure of public records and other duties, this bill would impose a state-mandated local program.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** Section 32139 is added to the Health and Safety Code, in Article 2 of Chapter 2 of Division 3, to read:

**32139.** The board of directors shall do all of the following:

(a) Adopt an annual budget in a public meeting, on or before September 1 of each year, that conforms to generally accepted accounting and budgeting procedures for special districts.

(b) Establish and maintain an Internet Web site that lists contact information for the district. The Internet Web site may also list any of the following:

(1) The adopted budget.

(2) A list of current board members.

(3) Information regarding public meetings required pursuant to Section 32106 or the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code).

(4) A municipal service review or special study conducted by a local agency formation commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Division 3 (commencing with Section 56000) of Title 5 of the Government Code), if any.

(5) Recipients of grant funding or assistance provided by the district, if any.

(6) Audits of the district's accounts and records pursuant to Section 26909 of the Government Code or Section 32133 of this code.

(7) Annual financial reports to the Controller, submitted pursuant to Section 53890 of the Government Code.

(8) Any other information the board deems relevant.

(c) Adopt annual policies for providing assistance or grant funding, if the district provides assistance or grants pursuant to Section 32126.5 or any other law. This policy shall include all of the following:

(1) A nexus between the allocation of assistance and grant funding with health care and the mission of the district.

(2) A process for the district to ensure allocated grant funding is spent consistently with the grant application and the mission and purpose of the district.

**SEC. 2.** The Legislature finds and declares that Section 1 of this act, which adds Section 32139 of the Health and Safety Code, furthers, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

By requiring health care districts to post specified information on their Internet Web site, this act increases public access to public records, and thereby furthers the purposes of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution.

**SEC. 3.** No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district under this act would result from a legislative mandate that is within the scope of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution.



# California

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### SB-365 Regional park and open-space districts: County of Solano. (2017-2018)

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CALIFORNIA LEGISLATURE— 2017–2018 REGULAR SESSION

**SENATE BILL****No. 365**

**Introduced by Senator Dodd**  
**(Principal coauthor: Assembly Member Grayson)**  
**(Coauthor: Assembly Member Frazier)**

February 14, 2017

An act to add Section 5506.13 to the Public Resources Code, relating to parks.

### LEGISLATIVE COUNSEL'S DIGEST

SB 365, as introduced, Dodd. Regional park and open-space districts: County of Solano.

Existing law authorizes proceedings for the formation of a regional park and open-space or regional open-space district in specified counties in the state to be initiated by resolution of the county board of supervisors adopted after a noticed hearing, and specifies the contents of the resolution.

This bill, in addition, would authorize the formation of a regional district in the County of Solano to be initiated by resolution of the county board of supervisors after a noticed hearing. The bill would specify the contents of the resolution, including the calling of an election, as prescribed.

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

### THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** (a) There is increasing interest in preserving the natural and open-space areas of the County of Solano and in creating opportunities for public access to these areas for hiking and other recreational activities.

(b) Formation of a regional park and open-space district or regional open-space district in the County of Solano is critically needed to help address the unresolved needs in the Solano County area with respect to the preservation of open-space and natural areas and the enhancement of regional parks and recreation facilities, including regional trail connections to the greater San Francisco Bay area.

**SEC. 2.** Section 5506.13 is added to the Public Resources Code, to read:

5506.13. (a) A proceeding for the formation of a regional district in the County of Solano may be initiated by resolution of the Board of Supervisors of the County of Solano, adopted after a hearing noticed in accordance with Section 6064 of the Government Code, in lieu of the petition and related proceedings specified in this article.

(b) The resolution shall do all of the following:

(1) Name the proposed regional district and state the reasons for forming it.

(2) Specify that the Board of Supervisors of the County of Solano shall act, ex officio, as the governing body for the regional district, except as provided in paragraph (8). The provisions of this article pertaining to district directors do not apply, and all powers and authority of the regional district shall be vested in the board of supervisors in its capacity as the governing body of the regional district, unless a separate board is elected pursuant to paragraph (8).

(3) Describe the territory to be included in the regional district.

(4) Describe the methods by which the regional district will be financed.

(5) Specify that the district shall not have, and may not exercise, the power of eminent domain pursuant to Section 5542 or any other law.

(6) (A) Call and give notice of an election to be held in the proposed regional district for the purpose of determining whether the regional district shall be formed. The election shall be consolidated with a statewide election or any election conducted throughout the County of Solano.

(B) Notwithstanding Section 5518, the County Counsel of the County of Solano shall prepare the language in the ballot label. The proposition shall specify the matters set forth in the resolution, except for subparagraph (A). The analysis and review of the measure shall be carried out pursuant to Section 9160 of the Elections Code.

(7) Include any other matters necessary to the formation of the proposed regional district.

(8) Specify all of the following:

(A) No sooner than 10 years after formation of the regional district, the directors may, after holding a hearing, adopt a resolution placing the question of having an elected board of directors pursuant to Section 5527 on the ballot. Notice of the hearing on the resolution, specifying the time and place, shall be published at least once in a newspaper of general circulation in the district.

(B) If a majority of the voters voting upon the question are in favor, the regional district shall have an elected board of directors, with boundaries of the proposed wards or subdistricts being drawn pursuant to Section 5515. At the election, the voters shall also elect members to the regional district's board of directors. Those persons shall take office only if a majority of the voters voting upon the question of having an elected board of directors are in favor of the question.

(C) If the question is submitted to the voters at a general district election, the notice required by Section 12112 of the Elections Code shall contain a statement of the question to appear on the ballot. If the question is submitted to the voters at a special election, the notice of election and ballot shall contain a statement of the question.

(c) The resolution calling the election may provide for a single ballot measure or separate ballot measures on the question of formation, establishment of an appropriations limit authorized by Section 4 of Article XIII B of the California Constitution, the authority to tax pursuant to Section 5566, and the authority to sell bonds pursuant to Section 5568, or any combination of those questions.

(d) (1) The formation of the regional district is not subject to Section 5517.1 or to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Division 3 (commencing with Section 56000) of Title 5 of the Government Code).

(2) The district shall be formed if a majority of voters voting on the proposition vote in favor of formation of the regional district.

(e) If the regional district is created and established in the County of Solano, officers and employees of the County of Solano may act, ex officio or under contract, as officers and employees of the regional district and may discharge the authority and responsibility specified in the article.

## *Executive Summary*

Turn the tap and the water flows. On Thursdays the garbage gets collected. When it gets dark, the streetlights go on.

In many communities these are government services that are taken for granted. But democratic government is not designed to function in obscurity or anonymity. Absent citizen involvement, government agencies of all sizes are prone to inefficiencies and public resources are vulnerable to abuse.

The Little Hoover Commission found that independent special districts often lack the kind of oversight and citizen involvement necessary to promote their efficient operation and evolution. And without robust mechanisms of public accountability, inefficiency can become routine and the occasional scandal inevitable. Some examples:

- ❑ Independent special districts, according to the most recent information available, have \$19.4 billion in reserves – nearly 2½ times their annual gross revenues. Yet in many cases, community and state leaders do not know the size of these reserves and why they are being held – and as a result, these resources are often not integrated into regional and statewide plans for fortifying the State’s infrastructure.<sup>1</sup>
- ❑ Twenty-four health care districts in California no longer operate hospitals. Most continue to receive property taxes, which might be better spent on other community needs. Some provide services that could be administered by other agencies. Most of the districts report that they have not considered dissolution.
- ❑ Consolidations, even when they make sense, are hard to accomplish. It took five years of intense pressure from the Orange County Local Agency Formation Commission to merge three small water purveyors into one. The reorganization, within three to five years, is expected to save more than \$1 million a year. Similar opportunities for savings can be found throughout the state, but are lost because the mechanisms for reform are thwarted by the power of the status quo.

California has 58 counties, 474 cities – and more than 3,800 special districts. About two-fifths of those districts are considered “dependent” because they are governed by a larger entity, such as a county board of supervisors. But more than 2,200 of these districts are “independent,”

governed by their own elected bodies, including park districts, water districts, hospital districts and sanitation districts.

Many independent districts also are "enterprise" districts, like water and sewer agencies, which directly charge customers fees for the services they provide. Others, such as library and park districts, are "non-enterprise" districts, which rely mostly on property tax revenues to serve their communities.

The Commission focused on independent districts – both fee-based enterprise districts and tax-dependent non-enterprise districts.

Many of these independent special districts were created to extend public services – such as drinking water or parks – to rural and slowly developing communities that were beyond the reach of incorporated cities. But many, such as the water districts in Orange County, survive as separate government agencies even after urbanization has paved over the economic or geographic reasons for their independence.

Some districts have evolved in ways that cities and counties cannot – to manage consolidated fire protection services and regional parklands. Others, such as the health care districts, were created to provide a unique service, but persist after that service is provided by another public or private organization. Very few districts close their doors on their own initiative.

If no news is good news, the vast majority of districts are successful, and clearly many are. But most Californians would be hard pressed to identify the providers of some of their most basic services or to assess whether the fees are appropriate and the quality is what it should be.

The essential lesson of the last decade is that successful enterprises – public or private – are those that understand the needs of their customers and continuously strive to improve the services they offer. Similarly, successful organizations evolve to capture efficiencies and to align their core competencies with customer needs. Bigger is not always better, and sometimes smaller is.

But most special districts were formed when California looked different than it does today. Nothing ensures that these districts evolve to whatever size, shape and governance structure makes the most sense – given contemporary technologies, economics and social considerations. Local Agency Formation Commissions (LAFCOs) were created to be the venue for these discussions and catalysts for change. If strengthened, LAFCOs hold the best promise for individual communities to shape their government.

The Commission believes its reforms would yield improvements in three areas:

- ❑ **Improved public involvement and scrutiny.** The complexity and pace of modern life has diminished the electoral process as a mechanism for ensuring that government – and special districts in particular – provide greater value with fewer resources. Special districts need to be more visible to the public they serve and to community and business leaders who can influence decisions.
- ❑ **The efficient evolution of independent special districts.** Fiscal and political pressures have brought about some consolidations and reorganizations of small special districts that collectively serve large urban areas. But Local Agency Formation Commissions can be fortified to more effectively facilitate prudent changes.
- ❑ **More vigorous review of public resources.** Some 195 independent enterprise districts have reserves greater than five times their 1996-97 gross revenue. But these resources are often not incorporated into community and statewide discussions about how to improve infrastructure or reduce the cost of living and doing business in California. Similarly, nearly 600 enterprise districts continue to receive more than \$400 million in property tax revenue, while many other districts providing the same services rely solely on fees. State and community leaders need to openly reconsider how these resources are being used.

To accomplish these reforms, special districts need to be more visible and Local Agency Formation Commissions need to become advocates for improvement. To challenge the status quo, policy-makers need a better understanding of the potential benefits of reorganizing special districts. State and community leaders need to know more about the assets held by special districts, and they must reassess the lingering reliance of some enterprise districts on property taxes.

Many of the Commission's recommendations for special districts should become standards for all governments – making themselves more understood and relevant to their constituents. The recommendations in this report concern independent special districts because that was the focus of the Commission's study – not because other local governments and state agencies are immune to inefficiency.

These recommendations are offered to state policy-makers for formal consideration and some would require state direction and support. But many of these practices could be voluntarily adopted by independent

special districts and Local Agency Formation Commissions working with civic and business leaders in their communities.

A fundamental question facing California is how it will be governed in the 21<sup>st</sup> Century. The government closest to the people is often times a special district. Sorting out the problems and the potential of these districts will help state and community leaders in what should be a continuous pursuit of improved services at lower costs. In that spirit the Commission finds and recommends the following:

**Finding 1: Special districts are often invisible to the public and policy-makers, compromising oversight and accountability.**

In contrast to general-purpose local governments, special districts often operate in relative obscurity, hidden from the scrutiny of the public they were created to serve. The accountability mechanisms that do exist – financial information filed with the State Controller and the electoral process – are often inadequate. Districts submit financial information to the State Controller that is not easily accessed or understood by the public or policy-makers.

Research conducted by the Commission found that in Sacramento and Contra Costa counties the electoral process for special districts is less vigorous than for city council elections. It found that fewer races were competitive, more seats were filled with appointments and fewer voters participated in special district elections than other local elections. Sacramento County did increase participation in special district elections when it consolidated those elections in even years – but not even that effort brought special district elections in line with city councils.

Equally important, the media, interest groups and active citizens who frequently observe the actions of city and county governments understandably do not participate at the same level in special district governance. The city manager of a small Southern California coastal city, speaking in support of a city takeover of a water district, compared an average turnout of 75 people at city council meetings to no citizen attendance at water district meetings.<sup>1</sup>

For this and other reasons, when problems or abuses do occur, they often do not come to the attention of the public or policy-makers until they are egregious and the remedies drastic. In the controversy involving the Water Replenishment District of Southern California, officials from the cities served by the district were shocked to learn the size of the district's reserve funds that took several years to amass. Relationships



with other local governments, as well as broad citizen participation, would enhance the visibility and accountability of special districts.

**Recommendation 1: The Governor and Legislature should enact legislation that would make special districts more visible and accountable. Specifically, the legislation should:**

- **Require special districts to actively make their activities visible to the public.** To help the public – as citizens, consumers and voters – to participate effectively, independent special districts should annually develop and publicize the following information, stated in easily understood terms:
  - ✓ District mission and purpose
  - ✓ Summary financial information presented in a standard format and simple language, including reserve funds and their purpose
  - ✓ District policy on the accumulation and use of reserves
  - ✓ Plans for the future, including anticipated revenues, expenditures, reserves and trends in user rates
  - ✓ Per capita tax contributions of property owners
  - ✓ Performance and quality of service indicators
  - ✓ Board member benefits and compensation

Financial information should be posted on Web sites, provided in property tax bills, customer billing statements, and be available from cities, counties and libraries. Districts should be required to publicly notice all meetings in local newspapers, invite coverage by local cable television and conduct annual mailings to district residents.

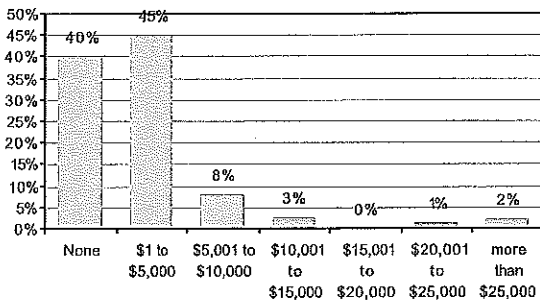
- **Require special districts to submit information to other local governments.** Independent special districts also should annually and publicly present financial information to county boards of supervisors and city councils, which represent the broader community of interests. Districts also should submit budgets and financial audits to their Local Agency Formation Commission, which could then determine which districts warrant closer scrutiny.
- **Encourage special district elections to be held as part of even year general elections.** To increase voter participation in special district elections, counties should be encouraged to consolidate special district elections in even-year general elections.

**Finding 2: Local Agency Formation Commissions, by not aggressively scrutinizing the organization of special districts, have failed to promote the efficient and effective evolution of independent special districts.**

The State created LAFCOs in counties and charged them with fostering the rational and orderly evolution of local government. It subsequently gave them the authority to initiate special district consolidations. But LAFCOs often lack the technical skills or political will to make change. LAFCO officials report that the commissions are often ineffective because they lack independence, clear direction from the State and funds to conduct studies. Another longstanding concern is that compensation paid to board members discourages them from giving up their seats in the name of efficiency. The Commission found evidence that this could be the case in some districts.

These problems are exemplified by California's 24 health care districts that no longer operate hospitals. Having sold, leased or closed their hospitals, the districts endure. Nearly half of them pay meeting stipends or benefits to elected board members. But LAFCOs consistently fail to examine these districts to determine whether they should be eliminated.

**Annual Compensation to Board Members**



Where consolidations have occurred, particularly in urbanizing communities, services have been improved and costs reduced. Water and sanitary districts in Orange County reduced administrative

overhead by eliminating two general managers, cut the number of board members from 17 to five, improved customer service and integrated infrastructure as a result of consolidation. Over time, they expect to save \$1 million annually.

Following a decades-long trend toward a regional fire service, districts in Sacramento County merged to create an agency that will cover nearly 400 square miles and serve 600,000 people. They will save money through lower overhead costs, a reduction in the number of management positions, economies of scale in purchasing equipment and supplies, and a reduction in the number of elected officials.

The Little Hoover Commission believes that decisions about the form and function of independent special districts in California are best made locally. But it finds that LAFCOs often do not have the capacity or will to make informed and economically sound decisions, particularly regarding independent special districts.

**Recommendation 2: The State should provide LAFCOs with the direction and resources necessary to make them a catalyst for the effective and efficient evolution of independent special districts. Specifically, the Governor and Legislature should:**

- **Require periodic and specific reviews of independent special districts.** The State should require LAFCOs in urbanizing counties, in cooperation with special districts and other local governments, to periodically review services provided by special districts. The reviews should identify areas of duplication and overlap and assess whether services are being provided in the most efficient and cost-effective manner. Where duplication, overlap and inefficiency are identified, LAFCOs should be required to initiate a study. Specific triggers could be established, such as when the fundamental mission of a district changes or reserves exceed defined limits.
- **Enhance the independence of LAFCOs.** The State should encourage LAFCOs in urban counties to appoint their own executive officer and legal counsel, thereby establishing employment relationships free of the real and perceived conflicts that occur when county employees hold those positions.
- **Require shared funding of LAFCOs.** To increase the resources available to LAFCOs, enhance their independence and increase their effectiveness, the State should require counties, cities and special districts to jointly fund LAFCOs. Special districts should contribute whether or not they have opted to sit on a LAFCO.
- **Identify funds for studies.** The State should require special districts that are the subject of a required LAFCO study to fund the study. For financial hardship cases, the State should provide grants or loans, which could be repaid from savings accrued as a result of reorganizations.

**Finding 3: Policy-makers and community leaders lack the analytical tools necessary to assess the benefits of consolidation, impeding their ability to advocate effectively for change and overcome the tenacity of the status quo.**

Reliable information is needed to aggressively and assertively fuel the evolution and optimize the use of special districts. These tools are especially important as communities strive to efficiently provide housing and transportation in growing urban areas, concepts known as “smart growth.” Research is needed that will help policy-makers and community leaders know when consolidations will achieve improved efficiency and service and identify strategies for facilitating those consolidations. Policy-makers also need guidelines, best practices and

access to a cadre of experts who can provide technical assistance and training. Absent these resources, even if LAFCOs are independent and have the political will, resistance from board members and the momentum of the status quo will prevent the evolution of independent special districts.

The State can play an important role in building the competence necessary for effective and informed local decision-making. The California Policy Research Center (formerly the California Policy Seminar) was created at the University of California to inform California's policy-makers about the most pressing issues of the day. The resources of this center, or other private and public institutions like it, could fill the information void that in some communities works to prevent structural reforms.

***Recommendation 3: To equip policy-makers and the public with the tools necessary to assess and guide the organization of independent special districts, the Governor and Legislature should establish a program at the California Policy Research Center, or similar institute, to do the following:***

- ***Develop guidelines and protocols for special district consolidations.*** The consulting research center should conduct research to identify conditions when consolidation or reorganization of special districts will result in cost-savings, improved service and other benefits.
- ***Study the long-term outcomes of consolidations and reorganizations.*** The consulting research center should review and quantify the long-term outcomes of special district consolidations and reorganizations.
- ***Establish a cadre of trainers.*** The consulting research center should establish a cadre of experts to provide training and technical assistance to LAFCOs, enabling them to perform periodic reviews and analyze and facilitate special district consolidations. They could also be called to advise in instances where conflicts arise between special districts and their customers.
- ***Develop performance measures.*** The consulting research center, in cooperation with the California Association of Local Agency Formation Commissions, California Special Districts Association and Special Districts Institute, should develop and encourage special districts to establish and report performance measures as a means of building public understanding and support.

**Finding 4: Hundreds of independent special districts have banked multi-million dollar reserves that are not well publicized and often not considered in regional or statewide infrastructure planning.**

In 1996-97, the most recent year for which data is available from the State Controller, independent special districts reported \$19.4 billion in retained earnings and fund balances. Enterprise districts, which charge fees for their services, reported \$18.2 billion in retained earnings. Non-enterprise districts, which rely on property taxes, reported \$1.2 billion in fund balances. More than 600 districts reported reserves of \$1 million or more. More than 1,300 districts have reserves in excess of their gross annual revenue.<sup>2</sup> From a state perspective little is known about these funds, including how they are invested or the purposes for which they are earmarked. State law specifies that local government agencies are to make relatively conservative investments. But there is virtually no oversight by the State or other local governments of the investment policies and practices of special districts. And there are no standards guiding the size and use of reserve funds. These issues are of concern, as evidenced by pending legislation that would require all local governments to submit their investment portfolios to the California Debt Advisory Commission in the State Treasurer's Office.

The size of special district reserves raises a number of important policy issues.

- ✓ Special district reserves represent significant public resources. Many districts have good rationales for maintaining reserves at certain levels, including providing a cushion during lean years and permitting investment in infrastructure. But the size of the reserves and how they are invested are often not understood by community leaders and district customers.
- ✓ The State and local communities are grappling with the need to fund infrastructure that will contribute to California's continued prosperity. But the resources of special districts frequently are not considered in plans to meet these needs. The resources and capacities of special districts could play a larger role in planning and financing regional and statewide infrastructure.
- ✓ There are no guidelines for accumulating or using reserves and no oversight of the investment practices of special districts. Reserve and investment policies and practices could be improved through the establishment of guidelines and enhanced scrutiny.

A number of steps should be taken to help communities understand and make the best use of special districts and their assets.

**Recommendation 4: The Governor and Legislature should enact policies that will ensure prudent management of special district reserve funds and incorporate these resources into regional and statewide infrastructure planning. Specifically, the State should require:**

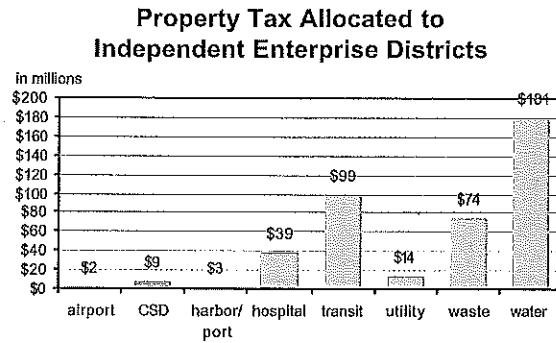
- **Districts to publicize their reserves.** Districts should be required to clearly identify and publicly report, in terms understandable to the public, the size and purpose of reserves and how they are invested. The information should be included in budgets and audited financial statements, highlighted on district Web sites, reported to boards of supervisors and city councils and sent to customers, as described in Recommendation 1. Special districts also should be required to adopt and publicize policies for the accumulation and use of reserves by the district.
- **Policy-makers to integrate enterprise district reserve information into infrastructure planning.** The services and assets of enterprise districts should be included in regional and statewide infrastructure planning. To this end, special districts should be required to coordinate their activities with other districts and general-purpose governments and to participate in the development of county general plans.
- **Guidelines for prudent reserves.** The Governor and Legislature should appoint a panel including experts in finance, management and government, and community representatives, to recommend guidelines for establishing and maintaining prudent reserves by special districts. The panel also should review the investment policies and practices of districts and determine if additional oversight is warranted.

**Finding 5: Property tax allocations to some enterprise districts create inequities among districts and distort the true costs of services. A significant portion of the property tax allocated to all enterprise districts subsidizes districts with the highest reserves.**

Those enterprise districts that levied property taxes prior to the 1978 passage of Proposition 13 continue to receive property tax allocations. Those districts also charge customers fees for water, sewer and other services they provide. In 1996-97, independent enterprise districts received \$421 million in property tax allocations. Water districts, which generate the highest annual revenues and maintain the largest reserves of all special districts, received 38 percent of that amount, a total of \$161 million.

The allocation formulas may have made sense when they were implemented more than two decades ago. But over time the logic has faded. Significant policy questions are raised by the continuing practice of allocating property taxes to enterprise districts.

- ✓ Property taxes subsidize the cost of providing services in some districts. This practice allows some districts to rely on these revenues to keep rates low or provide a higher quality of services. Other districts offering similar services must rely solely on fees to cover those costs. The property tax subsidy also can exaggerate inequities among classes of ratepayers within a district.



- ✓ Some districts that continue to receive property tax revenues are among those that have the highest reserves. Meanwhile, non-enterprise districts such as parks and recreation and library districts have seen their revenues dwindle and their ability to provide services diminished.
- ✓ Taxpayers do not understand how their property taxes are allocated among the special districts serving them. And they do not know how these allocations affect their rates or quality of services, preventing them from providing feedback to district officials.

These issues should be explored in any discussion of property tax allocations to enterprise districts. Beyond the dollars involved, policy-makers and the public must understand the consequences of the current policy for taxpayers generally and for some customers specifically. They also need to understand consequences for districts that cannot charge fees and have seen their property tax revenues diminished.

**Recommendation 5: Policy-makers should scrutinize the appropriateness of maintaining property tax allocations to enterprise districts. Among the alternatives:**

- **Annually review the level of property tax support.** The Controller could annually report the property tax revenue distributed among enterprise districts with the largest reserves. With the assistance of the Legislative Analyst, and as part of the budget process, the Legislature could decide whether to continue or modify this allocation of property taxes.

- **Examine all allocations to enterprise districts.** The Legislature could appoint a task force to examine how individual enterprise districts use property tax revenues. The task force could identify districts that should continue to receive the revenues, those that should receive smaller allocations, and those that should no longer receive property tax revenue.
  
- **Require a state audit of some districts.** The Legislature could require the State Auditor to examine enterprise districts that receive property taxes and also have the highest reserves. The Legislature could then take specific action to reduce or eliminate the allocations to those districts without a strong rationale for tax funding.
  
- **Allow counties to reclaim and reallocate property tax revenues.** The Legislature could provide a mechanism for counties, following a public review process, to reclaim property tax revenues from enterprise districts and reallocate those funds to meet contemporary community needs and priorities.
  
- **Enhance public understanding of property tax allocations.** Property tax bills should identify for taxpayers the independent special districts that provide services to them, along with the tax allocation, reserves and other financial information about those districts.



## Notes

- i. The retained earnings presented in this report were provided by the State Controller's office. Prior to the release of the report, the Controller's office asserted that its definition of retained earnings did not include fixed assets or infrastructure. As part of its research, the Commission contacted several districts, which confirmed the accuracy of the Controller's information. Subsequent to the report's release, the Commission has become aware that some districts include some of their fixed assets in the values they report to the Controller as retained earnings. The Controller's office now believes that to accurately separate fixed assets from other retained earnings would require a detailed case-by-case analysis.
  1. Personal communication.
  2. State Controller, 1996-97 data on special district retained earnings and fund balances, on file. The term reserves refers to retained earnings, fund balances, or a combination.

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**CALAFCO Daily Legislative Report  
as of Tuesday, May 30, 2017**

**1**

**AB 464 (Gallagher R) Local government reorganization.**

**Current Text:** Amended: 3/14/2017 [Text](#)

**Introduced:** 2/13/2017

**Last Amended:** 3/14/2017

**Status:** 5/24/2017-Referred to Com. on GOV. & F.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, current law requires that an applicant seeking a change of organization or reorganization submit a plan for providing services within the affected territory that includes, among other requirements, an enumeration and description of the services to be extended to the affected territory and an indication of when those services can feasibly be extended. This bill would specify that the plan is required to also include specific information regarding services currently provided to the affected territory, as applicable, and make related changes.

**Attachments:**

[CALAFCO Letter of Support April 2017](#)

**Position:** Sponsor

**Subject:** Annexation Proceedings

**CALAFCO Comments:** This bill makes a fix to Gov. Code Sec. 56653 based on the court finding in the case of The City of Patterson v. Turlock Irrigation District. The court found that because the services were already being provided via an out of area service agreement, the application for annexation was deemed incomplete because it was not a new service to be provided. By making the fix in statute, any pending/future annexation for a territory that is already receiving services via an out of area service agreement will not be in jeopardy.

As amended, corrections were made to: 56653(b)(3) reading "proposed" rather than "provided", and in Government Code Section 56857 an exemption added pursuant to Public Utilities Code Section 9608 for territory already receiving electrical service under a service area agreement approved by the Public Utilities Commission pursuant to Public Utilities Code Section 9608.

**AB 979 (Lackey R) Local agency formation commissions: district representation.**

**Current Text:** Amended: 5/15/2017 [Text](#)

**Introduced:** 2/16/2017

**Last Amended:** 5/15/2017

**Status:** 5/22/2017-Read third time. Passed. Ordered to the Senate. In Senate. Read first time. To Com. on RLS. for assignment.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides for the selection of representatives of independent special districts on each local agency formation commission by an independent special district selection committee pursuant to a nomination and election process. This bill would additionally require the executive officer to call and hold a meeting of the special district selection committee upon the adoption of a resolution of intention by the committee relating to proceedings for representation of independent special districts upon the commission pursuant to specified law.

**Attachments:**

[CALAFCO Sponsor/Support Letter April 2017](#)

**Position:** Sponsor

**Subject:** CKH General Procedures

**CALAFCO Comments:** This bill is co-sponsored by CALAFCO and CSDA. As amended, the bill amends code Sec. 56332.5 to streamline the process of seating special districts on LAFCo by

mirroring current statute 56332 (the process for electing special district representatives into the special district seats). Keeping the process voluntary, it allows for voting by mail whether or not the district wants to have special districts represented on LAFCo. Further, it will allow for the consolidation of that question with the independent special district selection committee appointment to a countywide redevelopment agency oversight board pursuant to Health and Safety Code 34179 (j)(3).

**AB 1725 (Committee on Local Government) Local agency formation.**

**Current Text:** Amended: 5/2/2017 [Text](#)

**Introduced:** 3/20/2017

**Last Amended:** 5/2/2017

**Status:** 5/18/2017-Read third time. Passed. Ordered to the Senate. In Senate. Read first time. To Com. on RLS. for assignment.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts, as specified. The act authorizes a local agency formation commission to establish a schedule of fees and a schedule of service charges for proceedings taken pursuant to the act, as specified. This bill would revise that provision to authorize a local agency formation commission to establish a schedule of fees and a schedule of service charges pursuant to the act.

**Attachments:**

[CALAFCO Letter of Support April 2017](#)

**Position:** Sponsor

**Subject:** CKH General Procedures

**CALAFCO Comments:** This is the annual Omnibus bill. The bill currently has two items and will be amended soon to include four (4) additional items. The bill makes only minor, non-substantive technical changes to CKH.

**SB 37 (Roth D) Local government finance: property tax revenue allocations: vehicle license fee adjustments.**

**Current Text:** Introduced: 12/5/2016 [Text](#)

**Introduced:** 12/5/2016

**Status:** 5/25/2017-May 25 hearing: Held in committee and under submission.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Beginning with the 2004–05 fiscal year and for each fiscal year thereafter, existing law requires that each city, county, and city and county receive additional property tax revenues in the form of a vehicle license fee adjustment amount, as defined, from a Vehicle License Fee Property Tax Compensation Fund that exists in each county treasury. Current law requires that these additional allocations be funded from ad valorem property tax revenues otherwise required to be allocated to educational entities. This bill would modify these reduction and transfer provisions for a city incorporating after January 1, 2004, and on or before January 1, 2012, for the 2017–18 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation.

**Attachments:**

[CALAFCO Support Letter Feb 2017](#)

**Position:** Support

**Subject:** Financial Viability of Agencies, Tax Allocation

**CALAFCO Comments:** This bill is identical to SB 817 (Roth, 2016), SB 25 (Roth, 2015) and SB 69 (Roth, 2014) with the exception of the chaptering out language included in the 2016 version (which addressed the companion bill AB 2277 (Melendez, 2016)). The bill calls for reinstatement of the VLF through ERAF for cities that incorporated between January 1, 2004 and January 1, 2012. There are no provisions for back payments for lost revenue, but the bill does reinstate future payments beginning in the 2017/18 year for cities that incorporated between 1-1-2004 and 1-1-2012.

**SB 448 (Wieckowski D) Local government: organization: districts.**

**Current Text:** Amended: 5/26/2017 [Text](#)

**Introduced:** 2/15/2017

**Last Amended:** 5/26/2017

**Status:** 5/26/2017-From committee: Do pass as amended. (Ayes 6. Noes 0.) (May 25). Read second time and amended. Ordered to third reading.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:**

5/30/2017 #213 SENATE SEN THIRD READING FILE - SEN BILLS

**Summary:**

Current law requires a report of an audit of a special district’s accounts and records made by a certified public accountant or public accountant to be filed with the Controller and the county auditor of the county in which the special district is located within 12 months of the end of the fiscal year or years under examination. This bill would require that those audit reports also be filed with the local agency formation commission of either the county in which the special district is located or, if the special district is located in 2 or more counties, with each local agency formation commission within each county in which the district is located until January 1, 2027, and thereafter with the county containing the greatest percentage of the assessed value of taxable property in the district.

**Attachments:**

[CALAFCO Oppose Unless Amended Letter](#)

**Position:** Oppose unless amended

**Subject:** CKH General Procedures

**CALAFCO Comments:** As amended, this bill authorizes LAFCo to dissolve inactive districts by holding one hearing and without conducting a special study and with the waiver of protest proceedings. The bill creates an "idle" status for districts based on certain criteria, and authorizes LAFCo to dissolve idle districts under certain conditions.

The bill requires districts to conduct a biennial audit and submit to the State Controller's Office (SCO). The SCO will create a listing of idle districts based on those audits. Idle districts are defined as either: (1) no financial transactions and no revenue in the audit period; OR (2) district failed to submit the audit. The bill also adds a definition of inactive district as outlined in the bill. Once a district has been labeled idle, they have 180 days to file a statement of purpose with the SCO (criteria for content of the statement of purpose also outlined in the bill).

CALAFCO has several concerns with the processes identified in the bill, the location (code section) being used to address these new LAFCo powers, and several other minor technical issues. CALAFCO will work with the author's office and key stakeholders on amendments.

**3**

**[AB 267](#) (Waldron R) Community services districts.**

**Current Text:** Introduced: 2/1/2017 [Text](#)

**Introduced:** 2/1/2017

**Status:** 5/12/2017-Failed Deadline pursuant to Rule 61(a)(3). (Last location was PRINT on 2/1/2017)(May be acted upon Jan 2018)

2 year	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Current law provides for the organization and powers of community services districts, including the continuation of any community services district, improvement district of a community services district, or zone of a community services district, that was in existence on January 1, 2006. This bill would make nonsubstantive changes to these provisions.

**Position:** Watch

**CALAFCO Comments:** According to the author's office this is a spot bill.

**[AB 548](#) (Steinorth R) Omnitrans Transit District.**

**Current Text:** Amended: 4/4/2017 [Text](#)

**Introduced:** 2/14/2017

**Last Amended:** 4/4/2017

**Status:** 4/28/2017-Failed Deadline pursuant to Rule 61(a)(2). (Last location was TRANS. on 3/23/2017)(May be acted upon Jan 2018)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Would create the Omnitrans Transit District in the County of San Bernardino. The bill would provide that the jurisdiction of the district would initially include the Cities of Chino, Chino Hills, Colton, Fontana, Grand Terrace, Highland, Loma Linda, Montclair, Ontario, Rancho Cucamonga, Redlands, Rialto, San Bernardino, Upland, and Yucaipa, and unspecified portions of the unincorporated areas of the County of San Bernardino. The bill would authorize other cities in the County of San Bernardino to subsequently join the district.

**Position:** None at this time

**CALAFCO Comments:** This bill, as amended, appears to dissolve the Omnitrans JPA and form a new independent special district to be known as the Omnitrans Transit District. The formation process does not include LAFCo. CALAFCO is reaching out to the author's office for more details.

**AB 577 (Caballero D) Disadvantaged communities.**

**Current Text:** Amended: 3/9/2017 [Text](#)

**Introduced:** 2/14/2017

**Last Amended:** 3/9/2017

**Status:** 4/28/2017-Failed Deadline pursuant to Rule 61(a)(2). (Last location was E.S. & T.M. on 2/27/2017)(May be acted upon Jan 2018)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Current law defines a disadvantaged community as a community with an annual median household income that is less than 80% of the statewide annual median household income for various purposes, that include, but are not limited to, the Water Quality, Supply, and Infrastructure Improvement Act of 2014, eligibility for certain entities to apply for funds from the State Water Pollution Cleanup and Abatement Account, and authorization for a community revitalization and investment authority to carry out a community revitalization plan. This bill would expand the definition of a disadvantaged community to include a community with an annual per capita income that is less than 80% of the statewide annual per capita income.

**Position:** Watch

**Subject:** Disadvantaged Communities

**CALAFCO Comments:** Sponsored by the Environmental Justice Coalition for Water, this bill is intended to expand the definition of disadvantaged communities to include multi-family households. According to the author's office this will be a two-year bill. CALAFCO will retain a Watch position until any amendments are in print.

**AB 645 (Quirk D) Local government: organization: dissolution.**

**Current Text:** Introduced: 2/14/2017 [Text](#)

**Introduced:** 2/14/2017

**Status:** 5/12/2017-Failed Deadline pursuant to Rule 61(a)(3). (Last location was L. GOV. on 3/2/2017)(May be acted upon Jan 2018)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Under current law, if a change of organization consists of a dissolution, the commission is required to order the dissolution subject to confirmation of voters if, among other things, the proposal was not initiated by the commission and if a subject agency has not objected to the proposal, the commission has found that, for an inhabited territory protests have been signed by either 25% of the number of landowners within the affected territory who own at least 25% of the assessed value of land within the territory or 25% of the voters entitled to vote as a result of residing or owning land within the affected territory. This bill would decrease that threshold to 10% of the number of landowners within the affected territory who own at least 25% of the assessed value of land within the territory or 10% of the voters entitled to vote as a result of residing or owning land within the affected territory.

**Position:** Watch

**Subject:** CKH General Procedures, Disincorporation/dissolution, Special District Consolidations

**CALAFCO Comments:** According to the author's office this is a spot bill pending the outcome of the Alameda LAFCo special study on Eden Healthcare District. Update: The author's office indicates they will hold off moving this bill. CALAFCO will continue to Watch.

**AB 892 (Waldron R) Municipal water districts: water service: Indian tribes.**

**Current Text:** Amended: 3/23/2017 [Text](#)

**Introduced:** 2/16/2017

**Last Amended:** 3/23/2017

**Status:** 5/12/2017-Failed Deadline pursuant to Rule 61(a)(3). (Last location was L. GOV. on 3/23/2017)(May be acted upon Jan 2018)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Current law, upon the request of certain Indian tribes and the satisfaction of certain conditions, requires a district to provide service of water at substantially the same terms applicable to the customers of the district to the Indian tribe’s lands that are not within a district, as prescribed. This bill would authorize, rather than require, a district to provide this service of water. The bill would apply this authorization to all Indian tribes whose lands are owned by the tribe.

**Position:** Watch

**Subject:** Water

**CALAFCO Comments:** According to the author's office, this may very well become a two-year bill. The intent of the bill was to make it permissive for an Indian tribe to negotiate directly with a water provider to obtain water services. This would circumvent LAFCo. This bill expands on last year's bill by Gonzalez-Fletcher, AB 2470. The author's office has indicated the bill will not move forward in it's current version. They understand CALAFCO's concerns. CALAFCO will continue to monitor the bill for any amendments and will consider a position if/when amendments are in print.

**AB 1728 (Committee on Local Government) Health care districts: board of directors.**

**Current Text:** Introduced: 3/22/2017 [Text](#)

**Introduced:** 3/22/2017

**Status:** 5/18/2017-Read third time. Passed. Ordered to the Senate. In Senate. Read first time. To Com. on RLS. for assignment.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Each health care district has a board of directors with specific duties and powers respecting the creation, administration, and maintenance of the district, including purchasing, receiving, having, taking, holding, leasing, using, and enjoying property. This bill would require the board of directors to adopt an annual budget in a public meeting, on or before September 1 of each year, that conforms to generally accepted accounting and budgeting procedures for special districts, establish and maintain an Internet Web site that lists contact information for the district, and adopt annual policies for providing assistance or grant funding, if the district provides assistance or grants.

**Attachments:**

[AB 1728 CALAFCO Letter of Support](#)

**Position:** Support

**Subject:** Other

**CALAFCO Comments:** As introduced, this bill requires healthcare districts to adopt annual budgets, establish and maintain a website (and prescribes the required site content), and adopt policies for grant funding.

**SB 206 (Committee on Governance and Finance) Validations.**

**Current Text:** Introduced: 2/1/2017 [Text](#)

**Introduced:** 2/1/2017

**Status:** 5/18/2017-Referred to Com. on L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:**

6/14/2017 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

**Summary:**

Would enact the First Validating Act of 2017, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill would declare that it is to take effect immediately as an urgency statute.

**Attachments:**

[CALAFCO Support Feb 2017](#)

**Position:** Support

**Subject:** LAFCo Administration

**CALAFCO Comments:** One of three annual acts which validate the boundaries of all local agencies.

**SB 207 (Committee on Governance and Finance) Validations.**

**Current Text:** Introduced: 2/1/2017 [Text](#)

**Introduced:** 2/1/2017

**Status:** 5/18/2017-Referred to Com. on L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:**

6/14/2017 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

**Summary:**

Would enact the Second Validating Act of 2017, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill would declare that it is to take effect immediately as an urgency statute.

**Attachments:**

[CALAFCO Support Feb 2017](#)

**Position:** Support

**Subject:** LAFCo Administration

**CALAFCO Comments:** One of three annual acts which validate the boundaries of all local agencies.

**SB 208 (Committee on Governance and Finance) Validations.**

**Current Text:** Introduced: 2/1/2017 [Text](#)

**Introduced:** 2/1/2017

**Status:** 5/18/2017-Referred to Com. on L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:**

6/14/2017 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

**Summary:**

Would enact the Third Validating Act of 2017, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

**Attachments:**

[CALAFCO Support Letter Feb 2017](#)

**Position:** Support

**Subject:** LAFCo Administration

**CALAFCO Comments:** One of three annual acts which validate the boundaries of all local agencies.

**SB 365 (Dodd D) Regional park and open-space districts: County of Solano.**

**Current Text:** Introduced: 2/14/2017 [Text](#)

**Introduced:** 2/14/2017

**Status:** 5/26/2017-Referred to Com. on L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Current law authorizes proceedings for the formation of a regional park and open-space or regional open-space district in specified counties in the state to be initiated by resolution of the county board of supervisors adopted after a noticed hearing, and specifies the contents of the resolution. This bill, in addition, would authorize the formation of a regional district in the County of Solano to be initiated by resolution of the county board of supervisors after a noticed hearing. The bill would specify the contents of the resolution, including the calling of an election, as prescribed.

**Attachments:**

[SB 365 CALAFCO Letter of Oppose 03 28 17](#)



**Position:** Oppose**Subject:** LAFCo Administration

**CALAFCO Comments:** This bill calls for the formation of a regional park and open space district which will circumvent the LAFCo formation process. CALAFCO discussed our concerns with the author's office, who has made it clear they will not be considering any potential amendments unless requested by Solano LAFCo. As Solano LAFCo is now formally in support of the bill, it is not likely there will be any amendments.

**SB 435 (Dodd D) Williamson Act: payments to local governments.****Current Text:** Amended: 5/2/2017 [Text](#)**Introduced:** 2/15/2017**Last Amended:** 5/2/2017**Status:** 5/25/2017-May 25 hearing: Held in committee and under submission.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Would, under the Williamson act, reduce the amount per acre paid to a city, county, or city and county under these provisions to \$2.50 for prime agricultural land, \$0.50 for all other land devoted to open-space uses of statewide significance, and, for counties that have adopted farmland security zones, \$4 for land that is within, or within 3 miles of the sphere of influence of, each incorporated city.

**Attachments:**[CALAFCO Support Letter May 2017](#)**Position:** Support**Subject:** Ag Preservation - Williamson

**CALAFCO Comments:** This bill renews partial subvention funding for the Williamson Act as a fiscal incentive to lift contract moratoria, implements solar use easements and Farmland Security Zone Contracts, and increases subvention funding for counties that adopt conservation planning strategies for agriculturally zoned property that further our state's sustainable community goals.

**SB 634 (Wilk R) Santa Clarita Valley Water District.****Current Text:** Amended: 5/26/2017 [Text](#)**Introduced:** 2/17/2017**Last Amended:** 5/26/2017**Status:** 5/30/2017-Action From SECOND READING: Read second time.To THIRD READING.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:**

5/30/2017 #4 SENATE SEN SECOND READING FILE - SENATE BILLS

**Summary:**

Current law, the Castaic Lake Water Agency Law, created the Castaic Lake Water Agency and authorizes the agency to acquire water and water rights, including water from the State Water Project, and to provide, sell, and deliver water at wholesale for municipal, industrial, domestic, and other purposes. This bill would repeal the Castaic Lake Water Agency Law. This bill contains other related provisions and other current laws.

**Attachments:**[CALAFCO Letter Oppose Unless Amended 03 27 17](#)**Position:** Oppose unless amended**Subject:** Special District Consolidations

**CALAFCO Comments:** As amended, this bill consolidates two independent water districts in Los Angeles. The bill was amended to include LAFCo in the process via an application for binding conditions. There are still several minor technical changes that have been requested to the sponsors and author, and CALAFCO will retain our oppose unless amended position until those changes are in print.

**SB 693 (Mendoza D) Lower San Gabriel River Recreation and Park District.****Current Text:** Introduced: 2/17/2017 [Text](#)**Introduced:** 2/17/2017**Status:** 5/26/2017-Read second time. Ordered to third reading.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Calendar:**

5/30/2017 #121 SENATE SEN THIRD READING FILE - SEN BILLS

**Summary:**

Would specifically authorize the establishment of the Lower San Gabriel River Recreation and Park District, by petition or resolution submitted to the Los Angeles County Local Agency Formation Commission before January 1, 2020, subject to specified existing laws governing recreation and park districts, including their formation, except as provided. The bill would authorize specified city councils and the Los Angeles County Board of Supervisors to appoint the initial board of directors of the district.

**Position:** Watch**Subject:** LAFCo Administration**CALAFCO Comments:** This bill forms the Lower San Gabriel River Recreation and Park District while leaving a majority of the LAFCo process intact. CALAFCO will keep watching to ensure it stays that way.

Total Measures: 18

Total Tracking Forms: 18

5/30/2017 12:50:41 PM



# Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

## AGENDA REPORT

June 8, 2017

Item No. 18 (Business/Action)

June 1, 2017

**TO:** Marin Commissioners

**FROM:** Keene Simonds, Executive Officer

**SUBJECT: Election of Chair and Vice Chair**

The Commission will consider the election of a Chair and Vice Chair. The terms are each one year and will commence immediately.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”) prescribes the composition of Local Agency Formation Commissions (LAFCOs) shall generally include seven regular members consisting of county (two), city (two), special district (two), and public (one) representation. Each category represented on LAFCO also has one alternate member. CKH also prescribes each LAFCO shall elect a chair and vice chair in a manner consistent with its written policies and procedures.

### A. Background

Marin LAFCO’s (“Commission”) policies direct the membership to elect a Chair and Vice Chair from among its ranks to one-year terms at the first regular meeting in or immediately following May. The Chair serves as presiding officer of the Commission and is responsible for preserving appropriate order and decorum at all meetings. The Chair shall also serve as the immediate supervisor to the Executive Officer and is responsible for confirming agendas as well as making committee appointments. The Vice Chair shall have all the powers and duties of the Chair during their absence or inability to act.

### B. Discussion

This agenda item is for the Commission’s voting members to elect a Chair and Vice Chair for one year terms commencing immediately.

### C. Analysis

There are no set procedures for the Commission with respect to electing a Chair and Vice Chair. The voting members retain full discretion in proceeding with the selection process as collectively deemed appropriate and compliant with the Brown Act.

#### **D. Alternatives for Action**

The following alternative actions are available to the Commission.

Alternative Action One (Recommended):

Elect by a majority of voting members a (a) Chair and (b) Vice Chair to one-year terms commencing immediately and extending to May 2018 and or until successors are elected.

Alternative Action Two:

Continue consideration of this item to a future meeting and provide direction to staff with respect to providing additional information as needed.

#### **E. Recommendation**

It is recommended the Commission's voting members elect two regular members to the positions of Chair and Vice Chair consistent with Alternative Action One.

#### **F. Procedures for Consideration**

This item has been agendaized for action as part of the business hearing calendar. The following procedures are recommended with respect to Commission consideration:

- 1) Discuss item and consider action on recommendation.

Respectfully,



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Keene Simonds  
Executive Officer

Attachments: none