

**DRAFT - ACTION MINUTES OF THE - DRAFT
LOCAL AGENCY FORMATION COMMISSION
HEARING OF MARCH 16, 2016**

REGULAR MEETING

9:00 A.M.

MARCH 16, 2016

PRESENT:

COMMISSIONERS:	Jim Bagley	Robert Lovingood
	Kimberly Cox, Vice-Chair	James Ramos
	James Curatalo, Chair	Acquanetta Warren, Alternate
	Steve Farrell, Alternate	Diane Williams

STAFF:

- Kathleen Rollings-McDonald, Executive Officer**
- Clark Alsop, LAFCO Legal Counsel**
- Samuel Martinez, Assistant Executive Officer**
- Michael Tuerpe, Project Manager**
- Jeffery Lum, LAFCO Analyst**
- Rebecca Lowery, Clerk to the Commission**
- Bob Aldrich, LAFCO Consultant**

ABSENT:

COMMISSIONERS:	Janice Rutherford, Alternate	Sunil Sethi, Alternate
	Larry McCallon	

9:06 A.M. – CALL TO ORDER – FLAG SALUTE

Chairman Curatalo calls the regular session of the Local Agency Formation Commission to order and leads the flag salute.

CONSENT ITEMS – APPROVE STAFF RECOMMENDATION:

(Commissioner Ramos arrives at the dais at 9:07 a.m.)

The following consent items are expected to be routine and non-controversial and will be acted upon by the Commission at one time without discussion, unless a request has been received prior to the hearing to discuss the matter.

1. Approval of Minutes for Regular Meeting of February 17, 2016
2. Approval of Executive Officer's Expense Report
3. Ratify Payments as Reconciled for Months of February 2016 and Note Cash Receipts

LAFCO considered the items listed under its consent calendar, which includes a Visa Justification, the Executive Officer's expense report and ratification of payments as

reconciled for the month of February. Copies of each report are on file in the LAFCO office and are made part of the record by their reference herein.

Chairman Curatalo calls for requests for deferral from Commissioners or staff; there are none.

Commissioner Lovingood moves approval of the consent calendar, second by Commissioner Cox. There being no opposition, the motion passes unanimously with the following roll call vote: Ayes: Cox, Curatalo, Lovingood, Ramos, Warren, Williams. Noes: None. Abstain: None. Absent: Bagley, McCallon (Ms. Warren voting in his stead.)

DISCUSSION ITEMS

ITEM 4. CONSENT ITEMS DEFERRED FOR DISCUSSION

No items deferred for discussion.

ITEM 5. STATUS REPORT ON LAFCO 3176 -- SPECIAL STUDY FOR YERMO, DAGGETT AND NEWBERRY COMMUNITY SERVICES DISTRICTS (CONTINUED FROM FEBRUARY 17, 2016 HEARING)

Project Manager Michael Tuerpe presents the staff report for LAFCO 3176, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here.

Mr. Tuerpe states that at the Commission's January 2015 hearing, the Commission completed the special study of the Daggett, Newberry, and Yermo Community Service Districts addressing issues identified in the 2012-13 Grand Jury report. He states that the Newberry CSD has satisfied all of its outstanding requirements, and Daggett CSD has satisfied all but one of its outstanding requirements. He states that for Yermo CSD, it has not satisfied any of its outstanding requirements as identified in the special study; however, the District did include LAFCO on its recent notification to its independent auditor requesting the commencement of the process to establish an appropriations limit, but no other information has been received.

(It is noted the Commissioner Bagley arrives at the dais at 9:10 a.m.)

Mr. Tuerpe states that it is LAFCO staff's position that for the communities of Newberry Springs and Daggett, continued updates will not serve a future purpose as, in general, they have fulfilled the requests of the Commission. He states that since the Yermo CSD has not satisfied any of its outstanding requirements identified in the special study and has not been responsive to LAFCO staff's continuing review and recommendations for a reorganization of governance, it is staff's position that to continue to review would serve little purpose as no resolution appears to be in sight.

Mr. Tuerpe states that LAFCO staff remains committed to providing assistance to the districts whenever requested and states that it is staff's recommendation that the Commission determine that additional status reports for LAFCO 3176 would not serve the

intended purpose, and direct the Executive Officer to remove this from any future consideration.

Commissioner Williams asks what would happen if the Commission were to stop monitoring Yermo CSD; Executive Officer Kathleen Rollings-McDonald states that the Commission can readdress outstanding items during its service review.

Commissioner Cox states that Newberry and Daggett CSDs should be commended for their achievements. She states that representatives from these districts have been strong participants in the governance training provided by LAFCO and that Yermo CSD is going through a transitional period and that there may be positive change after the upcoming election. She also states that she is in support of staff's recommendation.

Commissioner Bagley states that the two districts have made progress and that the level of training that some of the leaders of the special districts receive is limited, especially for the districts with limited financial ability and that the special education efforts provided by LAFCO has helped with educating these districts.

Commissioner Lovingood states that both Newberry and Daggett have increased their community participation in district meetings and that his office continues to receive complaints regarding the Yermo CSD and their lack of compliance is a problem for all agencies.

Executive Officer Kathleen Rollings-McDonald states that the staff report notes that the Mojave Water Agency, in conjunction with the California Rural Water Association, is assisting Daggett CSD with financial management training as well as outlining the proper financial management system for the water operations and that they should be commended for the work they do with helping the smaller agencies.

Chairman Curatalo asks what the service levels are with regards to Emergency Medical Response along Interstates 15 and 40. Ms. McDonald states that the service will continue as it currently stands, with assistance from the Army's presence at the Daggett Airport and others. She continues that no change is foreseen for the future but that staff will continue to review this as part of its service review.

Chairman Curatalo confirms that every effort has been made by staff to contact and reach out to the Yermo CSD to help them fulfill the requests noted in the Special Study, to which Ms. McDonald responds in the affirmative.

Commissioner Williams moves approval of staff recommendations for LAFCO 3176, second by Commissioner Lovingood. There being no opposition, the motion passes unanimously with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Lovingood, Ramos, Warren, Williams. Noes: None. Abstain: None. Absent: McCallon (Ms. Warren voting in his stead.)

ITEM 6. STATUS REPORT ON LAFCO 3189 -- SPECIAL STUDY FOR MORONGO VALLEY COMMUNITY SERVICES DISTRICT (CONTINUED FROM FEBRUARY 17, 2016 HEARING)

Project Manager Michael Tuerpe presents the staff report for LAFCO 3189, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here.

Mr. Tuerpe states that at the Commission's July 2015 hearing, the special study of the Morongo Valley Community Services District was completed and that the special study was conducted at the request of a district board member due to financial and governance concerns. The special study was narrow in focus – determining the financial sustainability of the district to perform its authorized range of services, most specifically fire protection and emergency response. Mr. Tuerpe states that at the conclusion of the special study, the District took significant measures and received additional State reimbursement revenue to break-even for FY 2014-15 and that as part of that special study LAFCO staff provided a forecast for the next five fiscal years.

Mr. Tuerpe states that staff identified four variables which could result in budget challenges for the district, ranging from severe to moderate which include the replacement of the current fire truck, the recall of the wild land fire truck, the replacement of the current general manager and other major expenses. He states that as part of the special study, staff was directed to continue to monitor the District's financial position and sustainability by requesting that the district provide to LAFCO its adopted annual budget, mid-year financial report, and financial statements for the next three years, and monitor and update the Commission biannually for the next three years regarding the District's financial position and sustainability.

Mr. Tuerpe reviews the District's Audit and Fiscal Indicators and states that the District's 2015-16 Mid-Year did not reveal major concerns since revenue exceed expenditures. However, the narrative provided by the District for the second half of the year reveals major concerns for the District and LAFCO staff. He states that for the park and recreation services, 75 percent of the expenditure authority has been incurred to date which is \$8,000 above the mid-year benchmark, and that the District's documents identify \$2,500 in plumbing costs at the park, and that the lease agreement with the County for continued use of the Mojave Park resulted in an unbudgeted expense of \$2,077. He states that for fire, the medic engine incurred an unbudgeted expense of \$25,000 for repairs.

Mr. Tuerpe states that additional mid-year materials included by the District identify that payroll for fire personnel has dramatically increased during the past months and that District staff explained that while the Fire Chief was on medical leave, his salary was partially paid by workers compensation, which reduced the amount that the District paid to its highest earner and that this reduction in staffing has created the unintended consequence of more overtime, which is resulting in a higher payroll. He says that at current levels, payroll during the second half will exceed its budget by roughly \$74,000, without offsetting increase in revenues. He states that the general manager has voluntarily reduced the compensation of her position more than once, and that these actions are not

reflective of a well-funded agency and cannot be relied upon to achieve a sustainable budget. He states that these issues leads to questions on the District's immediate sustainability.

Mr. Tuerpe states that the special study concluded that the District should consider placing a ballot measure to convert its current benefit assessment into a special tax. He states that the tax proposal will be placed on the June 7 election and will require two-thirds approval to pass. If it is successful, the \$350 special tax would replace the current assessment. Mr. Tuerpe states that given the issues identified in the staff report, staff is recommending that the Commission await the outcome of the June 7 election to be presented at the next scheduled update at the August 2016 hearing to decide upon any future actions.

Commissioner Curatalo asks what the current assessment amount is, Mr. Tuerpe states that the amount is in the mid to high \$100's.

Donna Munoz, General Manager, Morongo Valley CSD, states that it is a benefit assessment district and runs about \$160 per year and will be replaced by the \$350 if the special tax is successful. She states that she inherited an unbalanced budget and has worked very hard to change the finances of the District, including reductions to her wages twice. She states that there have been issues with fire service, but that those have been resolved. She states that by using strike teams for fire service and a supervisor being provided from Cal-Fire at no cost, the District has been able to save monies as well. She states that the District is communicating with the community and that a large portion of the community has expressed support for the special tax.

Commissioner Cox commends the District for their efforts in turning around the financial issues and hopes that the Community will support the District. Ms. Munoz states that District has worked hard and that they are fortunate to have a great citizen's committee that has helped to circulate information around the community.

Chairman Curatalo asks about the engine that broke down and how the District went about repairing it. Ms. Munoz states that the District had the engine rebuilt and installed; that the County loaned an engine to the District during the interim. He also asks about the fire officer rotation, Ms. Munoz states that CalFire, by agreement, provides the fire officer to the District at no cost and that they also have an engine that goes out on strike teams.

Commission Warren asks if the District has reached out to other agencies in search of surplus fire equipment that might be available to the District at a discounted cost. Ms. Munoz states that the District has started a campaign called Highway Heroes to raise funds for the fire department and that they have procured a command vehicle from Morongo Basin Ambulance Association for \$5 and that the District is always looking for ways to keep expenses low.

Commissioner Bagley states that he would also like to commend Ms. Munoz for her leadership, especially in taking a cut in pay for the benefit of the District's budget. He states that the District is a small one and is burdened by being on a major highway leading to the Morongo Basin where they are responsible to respond to accidents on that highway.

He states that he hopes the tax effort passes so that the District will not be so financially burdened. Ms. Munoz states that in a two year period, there have been over 18 deaths on the highway, and that the responsibility does present challenges.

Commissioner Ramos asks for clarification of the percentage of parcels that are owned versus those that are vacant. Ms. Munoz states that out of the 2,600 parcels there are approximately 700 that are vacant and that the rest are occupied. Mr. Ramos questions his understanding that only those who are registered to vote in the area will be allowed to vote in June and landowners who are not registered to vote in the district area will not; to which Ms. McDonald responds in the affirmative. Commissioner Ramos states that the County will continue to offer support to the District as they have in the past.

Ms. Munoz states that if the District does not have their own fire service, the cost of fire insurance for the residents will increase since the District's ISO rating will change and that the cost to the District if County Fire were to provide the service, would be twice what the District currently spends, if not more.

Commissioner Ramos asks what the Commission can expect to see in the next update scheduled for August. Ms. McDonald states that at the next update the Commission will see the results of the special tax election, the unaudited year-end financials, and budget will be presented to the Commission, at that time the Commission can decide how to direct staff with regards to further monitoring through the special study.

Commissioner Bagley states that if the tax election fails the District may not be sustainable and become insolvent; he asks if County Fire would be obligated to provide fire service. Ms. McDonald states that the County Fire is not legally obligated to provide fire service in that area, but in all probability the County would step in to ensure the safety of the County constituents and that they would have to ask the question about what the costs would be and how they would be paid at that time.

Commissioner Bagley states that he hopes that in the future Morongo will be able to incorporate into a City and have the funds from the property taxes to support a fire and police department. Ms. McDonald states that as the service review for the District is conducted, other questions will need to be addressed regarding water provision and others service concerns and that by conducting these reviews it helps the District to plan and prepare for the future.

Commissioner Cox states that there is ability to combine parcels for the purpose of tax savings through the assessor's office and that the information should be passed along to the community.

Commissioner Ramos states that the report heard at today's hearing is strictly regarding the special study directed by the Commission; to which Ms. McDonald responds in the affirmative.

Commissioner Ramos moves approval of staff recommendations for LAFCO 3189, second by Commissioner Cox. There being no opposition, the motion passes unanimously with the

following roll call vote: Ayes: Bagley, Cox, Curatalo, Lovingood, Ramos, Warren, Williams. Noes: None. Abstain: None. Absent: McCallon (Ms. Warren voting in his stead.)

ITEM 7. STATUS REPORT ON RIM OF THE WORLD PARK AND RECREATION DISTRICT (CONTINUED FROM FEBRUARY 17, 2016 HEARING)

Project Manager Michael Tuerpe presents the staff report for the Rim of the World Park and Recreation District, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here.

Mr. Tuerpe states that at the July 2010 hearing the Commission completed its service review for the Rim of the World Recreation and Park District. He states that the Commission identified a number of financial issues which prompted the Commission to question the District's financial solvency. He states that the District has satisfied all of the conditions outlined in the Commission's resolution from the service review and that many of the questions and concerns identified by the Commission are being addressed.

Mr. Tuerpe states that at the March 2015 scheduled update, the Commission made the determination to continue monitoring of the District for one additional year even though the District had made great strides in operational management and its finances, since it takes time to collect data to review for evidence of sustainability. He states that the District has one more status report scheduled for August 2016.

Mr. Tuerpe states that the District has provided LAFCO staff with its FY 2014-15 audit and FY 2015-16 mid-year budget for this update and that on the whole the financial position of the District is improving. He states that for the past four years the fund balances of the District has improved and he reviews the audit information presented on the overhead display. He states that the audited financials for FY14-15 end the year at \$1.1 million with expenditures at roughly \$950,000, and that the District has improved its reserve balance. He states that the FY14-15 audit shows an improving financial position of the District and its mid-year numbers to date do not reveal any areas of concern.

Mr. Tuerpe states that staff is recommending that the Commission note receipt the Status Report and set the final Status Report for the August 2016 hearing.

Executive Officer Kathleen Rollings-McDonald states that the Commission had noted in its original resolution that failure to provide for a balanced budget and reconciliation of the outstanding debts would be cause for the discussion of the potential dissolution of the District.

Commissioner Cox states that this is another example of a small district with well-meaning elected officials that might not have understood all of the elements that need to be in place for the management of a district. She states that the District has done a tremendous job in meeting the call to action that the Commission placed before them and that they have achieved and surpassed the Commission's expectation for fiscal solvency. She congratulates the District on a job well done.

Karen Reams, General Manager, Rim of the World Recreation and Park District, states that they have come a long way and that it has been a struggle but they are pleased with how well they have been able to turn the financial situation around. She thanks staff for their continued patience and guidance and states that they have paid off all their debts to the County and have monies in reserves. She says the District has made many improvements to the buildings and park; they have added more programs and are partnering with other agencies in order to provide better services to the residents and that they have a dedicated staff and board and are cautiously moving forward. Ms. Reams states that the District staff gave up their SBCERA retirement for a more affordable retirement program and that they are proud of the great strides their District has made in reaching financial solvency.

Chairman Curatalo congratulates the District on their success.

Commissioner Bagley commends the District on their achievement and states that the report shows declining revenues in the childcare program. Ms. Reams states that the District has reviewed the childcare program and has partnered with the Boys and Girls Club to provide childcare for the community and that the District will be providing enrichment classes instead of childcare starting in June. Commissioner Bagley states that he hopes the District will have success with this new partnership.

Commissioner Cox moves approval of staff recommendations for Rim of the World Recreation and Park District, second by Commissioner Williams. There being no opposition, the motion passes unanimously with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Lovingood, Ramos, Warren, Williams. Noes: None. Abstain: None. Absent: McCallon (Ms. Warren voting in his stead.)

(It is noted that Commissioner Cox and Commissioner Ramos leave the dais at 10:07 a.m.)

ITEM 8. UPDATE ON STATUS OF LAFCO 3157A – SERVICE REVIEW FOR OPEN SPACE AND HABITAT CONSERVATION WITHIN THE VALLEY REGION AND REQUEST FOR CONTINUANCE TO SEPTEMBER 21, 2016 HEARING

Assistant Executive Officer Samuel Martinez presents the staff report for LAFCO 3157A, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here.

(It is noted that Commissioner Cox returns to the dais at 10:08 a.m.)

Mr. Martinez states that at the September 2014 hearing, the Commission deferred the consideration of LAFCO 3157A until the completion of the Countywide Habitat Preservation/Conservation Framework Study. He states that LAFCO staff has collaborated extensively with SANBAG and its consultant on Phase 1 of the Framework Study by providing data that was already collected through the initial process of LAFCO's service review on open space and habitat conservation.

Mr. Martinez states that Phase 1 of the Framework Study was completed in February 2015 and that Phase 2 of the Framework Study is moving forward in evaluating habitat preservation/conservation for the entire San Bernardino County. He says that, because of this, staff is recommending that the Commission's service review for open space and habitat conservation be modified to encompass the entire County.

(It is noted that Commissioner Ramos returns to the dais at 10:12 a.m.)

Mr. Martinez states that Phase 2 is anticipated to be complete in 12 to 18 months and since much of the information that is being generated for Phase 2 is what staff will use for its data analysis, that it would be beneficial for the Commission to await the completion of Phase 2 so that the efforts of the Countywide Vision Environment Element Group and SANBAG are not duplicated. He states that staff is also recommending the deferral of consideration of LAFCO 3157A, as modified, until after the completion of Phase 2 of the Countywide Habitat Preservation/Conservation Framework Study.

(It is noted that Commissioner Lovingood leaves the dais at 10:16 a.m.)

Mr. Martinez states that in September 2014, the Commission approved LAFCO 3157, the sphere of influence establishment for County Service Area (CSA) 120 followed by the Commission's adoption of Resolution No. 3190 for LAFCO 3157. Resolution No. 3190 included conditions imposed on CSA 120's sphere of influence establishment, which are outlined in the staff report. He states that as of the date of this report, no documentation has been provided regarding the satisfaction of any of these conditions. He states that since it is the recommendation that the Commission defer its consideration of the service review for open space and habitat conservation for San Bernardino County until after Phase 2 is completed (anticipated to be 12-18 months from now), staff is recommending that the Commission consider designating a zero sphere of influence for CSA 120 if it still has not fulfilled all of the conditions that were imposed on its sphere establishment by that time, noting that an additional 18 months should be more than enough time to complete all the conditions related to CSA 120's sphere establishment as outlined in Resolution No 3190 approved almost two years ago.

(It is noted that Commissioner Lovingood returns to the dais at 10:20 a.m.)

Jane Hunt Ruble, concerned citizen and member of the Save Lytle Creek Wash Group, states that she has concerns over the loss of open space and habitat conservation in the valley area and that she has attended some of the framework meetings and asks for clarification with regard to the Framework Study and the zero sphere of influence for CSA 120. Mr. Martinez states the Framework study is separate from the LAFCO Service Review and that it is proposed to be used as a tool in the LAFCO review process. Executive Officer Kathleen Rollings-McDonald states that staff will also conduct its service reviews regionally with the understanding that not all areas are the same and need to be reviewed regionally. She state that CSA120 will receive a zero sphere of influence designation if they do not submit the required documentation to staff within the designated time.

Commissioner Farrell asks what the service review is looking at. Ms. McDonald states that staff review is looking at who currently provides the service and how it is being addressed.

Commissioner Williams moves approval of staff recommendations for LAFCO 3157A, second by Commissioner Lovingood. There being no opposition, the motion passes unanimously with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Lovingood, Ramos, Warren, Williams. Noes: None. Abstain: None. Absent: McCallon (Ms. Warren voting in his stead.)

ITEM 9. REVIEW AND CONSIDERATION OF POLICY UPDATES RELATED TO APPROVAL OF SB 239 – CONTRACTS FOR THE PROVISIONS OF FIRE PROTECTION BY CONTRACT

Executive Officer Kathleen Rollings-McDonald presents the staff report for SB 239, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here.

Ms. McDonald states that Senate Bill (SB) 239 was signed by Governor Brown in October 2015 and became effective January 1, 2016; staff is requesting additional time to evaluate the bill and is asking that the Commission continue the item to the April 20, 2016 hearing.

Commissioner Lovingood moves approval of staff recommendation, second by Commissioner Ramos. There being no opposition, the motion passes unanimously with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Lovingood, Ramos, Warren, Williams. Noes: None. Abstain: None. Absent: McCallon (Ms. Warren voting in his stead.)

ITEM 10. REVIEW AND CONSIDERATION OF POLICY UPDATES RELATED TO APPROVAL OF AB 402 – SPECIAL PROVISIONS FOR REVIEW OF OUT OF AGENCY CONTRACTS OUTSIDE A SPHERE OF INFLUENCE WITHIN SAN BERNARDINO COUNTY

Assistant Executive Officer Samuel Martinez presents the staff report for AB 402, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here.

Mr. Martinez states that Assembly Bill (AB) 402 was signed by Governor Brown in October 2015 and became effective January 1, 2016. He states that it establishes a five-year pilot program for both Napa and San Bernardino Counties that allows both Commissions a mechanism to authorize the provision of service outside an agency's boundaries and outside its sphere of influence when deemed appropriate. He states that the proposed changes through this bill are very similar to the proposed language that San Bernardino LAFCO has been advocating for years related to Government Code Section 56133 and that in order to implement AB 402, staff is recommending approval of the proposed policy, outlined in the staff report, to be included as Policy 3 in Chapter 2 of the Application Processing Section of the Policy and Procedure Manual.

Mr. Martinez states that staff is also proposing additional language and revisions to the Commission's current application and review procedures to specifically address Government Code Section 56133.5 as noted in the staff report. He states that staff recommends that the Commission adopt the proposed policy regarding service(s) outside an agency's boundary and sphere of influence pursuant to Government Code Section 56133.5 as well as proposed changes, corrections or revisions to the Commission's existing policies and procedures on Out of Agency Service Contracts as noted in the staff report.

Commissioner Bagley asks for clarification on the issue; Executive Officer Kathleen Rollings-McDonald states that this is an ongoing issue; when agencies condemn private water companies or electric utilities, the acquired systems often include areas that are not contiguous to the agencies' boundaries. That being the case, there was no means in Government Code Section 56133 to allow for that extension of service to vacant parcels. She states that AB 402 will allow agencies to provide service outside of their boundaries and sphere of influence under appropriate circumstances.

Commissioner Ramos moves approval of staff recommendation, second by Commissioner Lovingood. There being no opposition, the motion passes unanimously with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Lovingood, Ramos, Warren, Williams. Noes: None. Abstain: None. Absent: McCallon (Ms. Warren voting in his stead.)

INFORMATION ITEMS

(It is noted that Commissioner Lovingood leaves the dais at 10:34 a.m.)

ITEM 11. LEGISLATIVE UPDATE REPORT

Executive Office Kathleen Rollings-McDonald presents that Legislative Report, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here.

Ms. McDonald states that it is the busy season in Sacramento and that 1300 bills were introduced in the last week alone; attachment #1 to the staff report is the Daily Legislative Report which outlines the current status of all the bills considered to be of importance to LAFCOs though CALAFCO.

Ms. McDonald states that each cycle, CALAFCO undertakes an Omnibus Bill with the Assembly Local Government Committee to address non-substantive changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act and that this year the bill is proposing seven changes as noted in the staff report. Ms. McDonald reviews the changes and states that CALAFCO is sponsoring legislation related to placing a requirement upon Joint Powers Authorities or Agencies who are proposed to be formed to provide municipal services to forward a copy of their formation documents to each LAFCO in the county which they are proposed to serve. She states that many LAFCOs felt it was important to have this authority explicit in the statute rather rely upon the implicit authority.

Ms. McDonalds reviews the priority bills and states that for AB 2032, the CALAFCO Legislative Committee has nominated a subcommittee to work on the amendments proposed by the County Auditor's Association and Los Angeles and Riverside counties on the language adopted in AB 851 on disincorporations. She states that the bill as introduced was a spot bill, but the author's office and the lobbyist for the Association have been in contact with the Executive Director of CALAFCO, to outline the proposed changes and that based upon these substantive changes to be amended into the bill, Ms. McDonald has been appointed to that subcommittee. Ms. McDonald states that CALAFCO is opposed to the amendments.

Ms. McDonald states that AB 2471 proposes a new method to dissolve a Healthcare District which no longer operates a healthcare facility and which does not receive a property tax allocation.

Ms. McDonald states that SB 1318 requires that services be delivered to disadvantaged communities by linking an annexation and/or contract for service to that delivery. She reviews the concerns with the bill as outlined in the staff report and states that that this bill, like others such SB 244 and SB 88, while attempting to address very real service concerns, do not understand the unintended consequences of the proposed bills and that there is no funding included that will allow for the payment of the needed service extensions. She states that a subcommittee from the CALAFCO Legislative committee is working on addressing all aspects of this proposal and will be reporting at the next meeting; Staff will be presenting a formal position to the Commission at the April 20, 2016 hearing.

Ms. McDonald states that CALAFCO has prepared a draft letter stating opposition to SB1318 for the LAFCO's to use as a template to inform Senator Wolk of the primary concerns with the bill.

Commissioner Cox states that the Commission should send a letter of opposition regarding SB 1318.

Commissioner Cox moves approval of staff recommendation to include directing the Executive Officer to send a letter of opposition for SB 1318 on behalf of the Commission, second by Commissioner Bagley. There being no opposition, the motion passes unanimously with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Ramos, Warren, Williams. Noes: None. Abstain: None. Absent: Lovingood, McCallon (Ms. Warren voting in his stead.)

ITEM 12. EXECUTIVE OFFICER'S REPORT

Executive Officer Kathleen Rollings-McDonald presents the Executive Officer's oral report and states that due to confusion of the requirements with the nomination of Alternate Public Member, staff is recommending that the nomination period for the Alternate Public Member Nomination be extended for 30 days. She states that special district selection nominations are moving forward and that the ballots will be prepared and mailed once the nomination period closes. She also states that the City Selection Commission will meet in April to select the City delegate to the Commission.

Commissioner Ramos moves approval of staff recommendation to extend the nomination of the alternate public member, second by Commissioner Williams. There being no opposition, the motion passes unanimously with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Ramos, Warren, Williams. Noes: None. Abstain: None. Absent: Lovingood, McCallon (Ms. Warren voting in his stead.)

ITEM 13. COMMISSIONER COMMENTS

Commissioner Warren states that it is an honor to serve on the Commission. Commissioner Bagley states that he sends greetings to the Commission from former Commissioner Tony Sedano.

ITEM 14. COMMENTS FROM THE PUBLIC

There are none.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION THE HEARING IS ADJOURNED AT 10:58 A.M.

ATTEST:

REBECCA LOWERY
Clerk to the Commission

LOCAL AGENCY FORMATION COMMISSION

JAMES CURATALO, Chairman