



REGULAR MEETING AGENDA

Wednesday, March 15, 2017

Board of Supervisors Chamber
Humboldt County Courthouse, Eureka

1. CALL TO ORDER – 9:00 AM

2. FLAG SALUTE

3. ROLL CALL

4. PUBLIC APPEARANCES

Any member of the public may address the Commission concerning a non-agenda item during this time. However, the Commission cannot discuss or take action on a matter not listed on the agenda.

5. CONSENT CALENDAR

All consent items are considered routine and may be enacted by the Commission under one motion. With concurrence of the Chair, a Commissioner may request that an item be removed for discussion.

A) Approval of January 18, 2017 Regular Meeting Minutes

6. BUSINESS ITEMS

Business items are for review and possible action by the Commission.

A) 2017 Commission Work Plan

Americans with Disabilities Act: Humboldt LAFCo meetings are held in a wheelchair accessible facility. Individuals requiring special accommodations to participate in this meeting are requested to contact the LAFCo office at (707) 445-7508. Notification 48 hours prior to the meeting will enable the Commission to make reasonable arrangements to ensure accessibility to this meeting.

7. PUBLIC HEARING ITEMS

Any member of the public may address the Commission on scheduled public hearing items. The Chair may regulate the order of such presentations and reserves the right to limit the time allowed for each person to speak.

A) Proposed Fiscal Year 2017-18 Budget

8. INFORMATIONAL AND CONTINUING ITEMS

An applicant or member of the public may receive permission to provide comments on an item at the discretion of the Chair. General direction to staff for future action may be provided by Commissioners.

A) Initial Review of Proposed Reorganization of the Samoa Peninsula Fire Protection District to a Community Services District

B) Status of Current and Future Proposals

9. EXECUTIVE OFFICER'S REPORT

The Commission will receive a verbal report from the Executive Officer regarding current staff activities, communications, budget status, studies, legislation, and special projects.

A) Community Participation Fair

B) City Alternate Vacancy

10. WRITTEN CORRESPONDENCE

Correspondence received before 12:00 p.m. the Wednesday prior to the Commission meeting will be included on the agenda. Any supplemental writings or documents submitted to the Commission after the posting of the agenda will be available for public review at the LAFCo office, located at 1125 16th Street, Suite 202, Arcata. In addition, such writings or documents will be made available to the Commission and public for review at the meeting.

None

11. ADJOURNMENT

The next Humboldt LAFCo meeting will be held on May 17, 2017, at 9:00 a.m. in the Board of Supervisors Chamber, Humboldt County Courthouse, Eureka.



AGENDA ITEM 5A

JANUARY 18, 2017 REGULAR MEETING MINUTES

1. CALL TO ORDER

The meeting was called to order at 9:00 a.m. in the Board of Supervisors Chamber, Humboldt County Courthouse, Eureka, with Chair Fennell presiding.

2. FLAG SALUTE

3. ROLL CALL

Members Present:	Estelle Fennell, Debra Lake, Sue Long, Gordon Johnson, and Troy Nicolini
Members Absent:	Robert McPherson and Virginia Bass
Alternates Present:	Ryan Sundburg and Skip Jorgensen
Alternates Absent:	Frank Scolari and Mark Wheatley
Staff:	George Williamson, Executive Officer Colette Metz, Administrator Paul Brisso, Legal Counsel

4. PUBLIC APPEARANCES

None

5. CONSENT CALENDAR

A) Approval of September 21, 2016 Regular Meeting Minutes

B) Approval of Meeting Calendar for 2017

Motion Nicolini/Long to approve consent calendar. Motion passed by 6-0-1 (Sundburg) vote. Commissioner Sundberg abstained, noting that he was not present at the September 21, 2016 meeting, which the minutes documented.

6. BUSINESS ITEMS

A) Designation of Chair and Vice Chair for 2017

The LAFCo Commission appointed officers for the 2017 calendar year.

Motion Nicolini/Long to appoint Estelle Fennell as Chair of the Commission. Motion passed by 7-0-0 vote.

Motion Johnson/ Nicolini to appoint Robert McPherson as Vice-chair of the Commission. Motion passed by 7-0-0 vote.

B) Fiscal Year 2016-17 Mid-Year Budget Report and Amendment

Executive Officer Williamson summarized the staff report and noted that actual expenses associated with conference registration and travel expenses are more than budgeted for the year. Expenses primarily are attributed to the CALAFCO Conference, which Commissioners and staff attended. A budget amendment of \$3,260 was proposed which would be covered by the Commissions available fund balance.

Motion Nicolini/Johnson to adopt Resolution No. 17-01, approving a budget amendment for fiscal year 2016-17. Motion passed by roll call vote of 7-0-0.

C) Approval of Conducting Authority Proceedings for the Strongs Creek Valley Annexation to the City of Fortuna

Commissioner Long recused herself from the hearing due to a conflict of interest related to her employer owning property within the annexation area. Executive Officer Williamson summarized the staff report and reported that no protests were filed by the close of the October 24, 2016 protest hearing held in Fortuna.

Motion Johnson/Sundberg to adopt Resolution No. 17-02, ordering the Strongs Creek Valley Annexation to the City of Fortuna without election, subject to the satisfaction of the terms and conditions in Resolution No. 16-06, as adopted by the Commission on September 21, 2016. Motion passed by roll call vote of 6-0-0.

7. PUBLIC HEARING ITEMS

A) Eel River Valley-Lost Coast Regional Fire Services Municipal Service Review

Chair Fennell opened the public hearing. Administrator Metz summarized the staff report and discussed the document's focus on the out of district response services provided by each district to areas surrounding their district boundaries. Updated spheres of influence to match out-of-district response areas were recommended. Seeing no members of the public wishing to speak on the item, Chair Fennell opened up discussion to the Commission. The Commission asked questions regarding the status of Scotia CSD and the Scotia VFD. State highway responsibility and SRA fee-reduction were also discussed. Chair Fennell closed the public hearing.

Motion Nicolini/Johnson to adopt Resolution No. 17-03, approving the Eel River Valley/Lost Coast Regional Fire Services Municipal Service Review and updating the spheres of influence for each fire-related district studied in the MSR. Motion passed by roll call vote of 7-0-0.

B) North County Regional Fire Services Municipal Service Review

Chair Fennell opened the public hearing. Administrator Metz summarized the staff report and discussed the document's focus on the out of district response services and mutual aid agreements in the North County area, particularly those provided by County Service Area (CSA) #4 and Orick Community Services District (CSD). The noted exception in the area is the City of Trinidad, whose fire department does not generally respond to calls beyond their city boundary. Updated spheres of Influence were recommended for each organization. Seeing no members of the public wishing to speak on the item, Chair Fennell opened up discussion to the Commission. The Commission discussed call volumes for departments. Commissioner Lake noted that call volumes are increasing. She noted that historically, the County has averaged 3,000 to 4,000 calls. In 2016, the County had approximately 11,000 calls. The Commission also discussed the CAL FIRE Amador Agreement for CSA No. 4 and the important role that Westhaven VFD is providing to improve local response and reduce ISO rating within 5 road miles of the Westhaven Fire Station. Chair Fennell closed the public hearing.

Motion Long/Lake to adopt Resolution No. 17-04, approving the North County Regional Fire Protection Services Municipal Service Review and updating the spheres

of influence for each fire-related district studied in the MSR. Motion passed by roll call vote of 7-0-0.

8. INFORMATIONAL AND CONTINUING ITEMS

A) CALAFCO Conference Report Out

Administrator Metz summarized the staff report and noted that Commissioners have access to CALAFCO conference materials online, as outlined in the staff report. By order of the Chair, the Commission received and filed the report.

B) 2017 Commission Work Plan Strategy Session

A supplemental staff report was provided to Commissioners at the meeting, which included an additional Commissioner's response to the survey. Amended/additional text was highlighted in yellow. Administrator Metz introduced the staff report and discussed Commissioner responses to questions. The Commission discussed outreach opportunities, such as the "What is LAFCo" brochure, and possibly creating a LAFCo Facebook account. Commission policy updates were also discussed and direction was provided to staff to bring policy update recommendations to the Commission's May meeting.

C) Status of Current and Future Proposals

By order of the Chair, the Commission received and filed the report.

9. EXECUTIVE OFFICER'S REPORT

A) CALAFCO *The Sphere*, October 2016

B) CALAFCO *Quarterly*, December 2016

C) CALAFCO White Paper: *Sustainable Groundwater Management Act and LAFCOs*, December 2016

D) CALAFCO 2016 CKH Guide

Executive Officer Williamson reported on the above items.

10. WRITTEN CORRESPONDENCE

A) Correspondence from Ed Voice on December 12, 2016 regarding Response to Comments provided in the Southern Humboldt Community Park Final EIR

By order of the Chair, the Commission received and filed the report.

B) Conference thank you letter from CALAFCO

By order of the Chair, the Commission received and filed the report.

11. ADJOURNMENT

The meeting was adjourned at 10:32 a.m. Next regular meeting: March 15, 2017.



AGENDA ITEM 6A

MEETING: March 15, 2017
TO: Humboldt LAFCo Commissioners
FROM: Colette Metz, Administrator
SUBJECT: **2017 Commission Work Plan**

BACKGROUND

At the January 18th meeting, the Commission discussed activities and priorities for 2017. Staff used the feedback to develop work plan priority areas for further discussion.

DISCUSSION

Work Plan action items, content and/or work products are as follows:

Outreach and Education

- Provide information at outreach events (American Planning Association planner brownbag, League of Women Voters Community Participation Fair, etc.)
- Send a friendly letter to member agencies about LAFCo activities, meetings, and how to contact staff for more information.
- Continue to attend City Council/District Board meetings for MSR/SOI updates.
- Continue to participate in sustainable fire planning efforts as part of Measure Z.
- Continue to provide technical assistance and information to member agencies and the public on LAFCo process (annexation, formation, extension of services).
- Look into hosting a CSDA training or other special district educational opportunities.

Website

- Review format and solicit feedback on site layout and content.
- Update agency maps.

MSRs/SOI Updates

- Complete Regional Fire MSR/SOI updates.
- Continue City MSR/SOI updates.

Policy Updates

- Prepare Policies and Procedures for Boundary Change Proposals (may include policies related to agricultural and open space, disadvantaged unincorporated communities, unincorporated islands, adequate services, boundaries, roads, application requirements, LAFCo Initiated proposals, etc.)
- Revisit policies for Extension of Services by Contract (out of agency services).

RECOMMENDATION

Staff recommends the Commission review and provide feedback on the proposed 2017 Work Plan. As directed by the Commission at the January meeting, staff will provide policy update recommendations at the May meeting.



AGENDA ITEM 7A

MEETING: March 15, 2017
TO: Humboldt LAFCo Commissioners
FROM: George Williamson, Executive Officer
SUBJECT: **Proposed Fiscal Year 2017-18 Budget**
The Commission will consider approving a proposed Fiscal Year 2017-18 budget and authorizing circulation to local funding agencies for review in anticipation of final budget adoption at a public hearing prior to June 1.

BACKGROUND

Local Agency Formation Commissions (LAFCOs) are responsible under State law for annually adopting a proposed budget by May 1st and a final budget by June 15th. State law specifies the proposed and final budgets shall – at a minimum – be equal to the budget adopted for the previous fiscal year unless LAFCo finds the reduced costs will nevertheless allow the agency to fulfill its prescribed regulatory and planning duties.

DISCUSSION

LAFCo Funding Sources:

Humboldt LAFCo's annual operating expenses are principally funded through appropriations from the county, cities and independent special districts, in addition to application fees and interest earnings. Each fiscal year after the Commission adopts the final budget, the County Auditor apportions the net operating expenses in the following manner: the County pays 1/3 of the net operating costs; the cities, as a whole, pay 1/3 of the net operating costs; and the independent special districts, as a whole, pay 1/3 of the net operating costs. Statutory authority provides mechanisms for the County Auditor to collect the amounts apportioned.

Proposed Operating Expenses:

The proposed operating expenses reflect the anticipated staffing services for day-to-day operations and for conducting municipal service reviews and sphere of influence updates. The operating expenses are projected to stay the same apart from an increase in Account 2116 (Postage) in anticipation of conducting a special district mailed ballot election in spring 2018. Conference registration and travel expenses are being budgeted to allow up to four (4) Commissioners/staff to attend the 2017 CALAFCO Annual Conference in San Diego on October 25-27th.

Proposed Operating Revenues:

Last fiscal year the Commission approved an increase in operating expenses in recognition of the higher costs of providing LAFCo services in Humboldt County. This reflects efforts to expand the scope of regional municipal service reviews and working with agencies to identify shared trends relating to the adequacy, capacity, and cost of providing essential governmental services.

There has been a noticeable increase in inquiries about LAFCo processes, and requests for information from the public and member organizations. Where these inquiries and information requests appear to be in anticipation of an application, LAFCo staff tracks those costs separately as a pending application, and/or requests a pre-application agreement, for cost recovery.

LAFCo staff is also tracking a growing amount of state legislation that has a direct bearing on LAFCo activities, and a corresponding amount of CALAFCO activities relevant to the Commission's functions. While this results in more staff time, it has had a positive effect in that there is a better understanding of the commission functions and authority in the community, and with our member organizations.

Last year, the increased staffing costs were drawn from unexpended funds without increasing member contributions (intergovernmental revenue accounts: 671181 County; 671182 Special Districts; and 671183 Cities). The Commission's unrestricted/unexpended fund balance had grown, from \$0 to almost \$100,000 over the last 9 years, by consistently operating under budget. Staffing services cost increases over the prior three-five years had been minimal. Staff anticipates FY 2017-18 operating expenses to remain consistent with last year.

To reduce the use of reserves, staff is recommending an 8% increase in member contributions, from \$109,700 to \$118,500. This would be apportioned to the seven cities, 58 special districts, and the County by the County Auditor. By comparison, the member contributions have increased by less than 7% in the previous five years, from \$102,495 to \$109,700. The remaining expenses not covered by member contributions would be drawn from reserves (approximately \$10,460).

A. RECOMMENDATION

This item has been agendized for consideration as part of a noticed public hearing. The following procedures are recommended with respect to the Commission's consideration of this item:

- 1) Receive verbal report from staff;
- 2) Open the public hearing and invite testimony (mandatory); and
- 3) Discuss item and – if appropriate – close the hearing and consider action on recommendation:

"I move to: 1) adopt Resolution No. 17-05, approving the proposed budget for fiscal year 2017-18, as provided in Attachment A, and 2) direct the Executive Officer to distribute the proposed budget to cities, special districts and the County and schedule the final budget for a public hearing on May 17, 2017."

Attachments

Attachment A: Proposed FY 2017-18 Budget

Attachment B: Resolution No. 17-05

Humboldt LAFCo Operating Budget

ATTACHMENT A

Revenues:

		FY 2015-16		FY 2016-17		FY 2017-18
<u>Account</u>	<u>Title</u>	ADOPTED	YEAR END ACTUAL	AMENDED	8 MONTH ACTUAL	PROPOSED
Intergovernmental						
671181	Cities	36,567.00	36,567.01	36,567.00	36,567.00	39,500.00
671182	Special Districts	36,567.00	36,587.44	36,567.00	36,567.00	39,500.00
671183	County	36,566.00	35,684.00	36,566.00	36,566.00	39,500.00
Intergovernmental Total		\$ 109,700.00	\$ 108,838.45	\$ 109,700.00	\$ 109,700.00	\$ 118,500.00
Service Charges						
631100	Professional Services (Application Fees)	25,000.00	46,166.18	30,000.00	8,703.00	30,000.00
682238	Charges for Services	-	-	-	-	-
707010	Miscellaneous	-	-	-	-	-
Service Charges Total		\$ 25,000.00	\$ 46,166.18	\$ 30,000.00	\$ 8,703.00	\$ 30,000.00
Investments						
401000	Interest	600.00	759.76	600.00	522.94	600.00
Interest Total		\$ 600.00	\$ 759.76	\$ 600.00	\$ 522.94	\$ 600.00
Revenue Total		\$ 135,300.00	\$ 155,764.39	\$ 140,300.00	\$ 118,925.94	\$ 149,100.00

Expenses:

		FY 2015-16		FY 2016-17		FY 2017-18
<u>Account</u>	<u>Title</u>	ADOPTED	YEAR END ACTUAL	AMENDED	8 MONTH ACTUAL	PROPOSED
Staffing						
2255	Legal Fees	5,000.00	3,360.00	5,000.00	3,324.00	5,000.00
2118	Professional & Special Services (Task Order 1 - MSRs/SOLs)	32,000.00	32,727.00	49,000.00	40,121.00	49,000.00
2118	Professional & Special Services (Task Order 2 - Staffing)	55,000.00	54,185.00	55,000.00	37,398.00	55,000.00
2118	Professional & Special Services (App Review)	25,000.00	37,342.43	30,000.00	24,906.22	30,000.00
2323	Special Dept Expense	-	587.55	-	732.00	-
2325	Contract Services	-	100.00	-	-	-
Staffing Total		\$ 117,000.00	\$ 128,301.98	\$ 139,000.00	\$ 106,481.22	\$ 139,000.00
Services and Supplies						
2106	Communications	300.00	155.40	160.00	103.60	160.00
2107	Duplicating	300.00	187.86	300.00	193.42	300.00
2110	Insurance	2,200.00	-	2,000.00	1,917.90	2,000.00
2115	Memberships	3,600.00	3,537.00	3,800.00	3,779.00	3,800.00
2116	Postage	100.00	429.17	50.00	-	300.00
2117	Office Supplies	100.00	6.06	-	-	-
2119	Publications & Legal Notices	1,000.00	585.51	1,000.00	696.61	1,000.00
2121	Rents & Leases - Structures	5,400.00	5,400.00	5,400.00	3,600.00	5,400.00
2123	Special Departmental Expense (Honorariums)	500.00	660.00	600.00	300.00	600.00
2125	Transportation & Travel	400.00	523.01	600.00	379.08	600.00
2147	Media	400.00	148.26	400.00	171.20	400.00
2225	Transportation Out of County	3,000.00	1,602.96	6,000.00	5,526.01	4,000.00
2614	Staff Development & Training (Conference Registration)	1,000.00	1,295.52	3,200.00	2,890.00	2,000.00
Services and Supplies Total		\$ 18,300.00	\$ 14,530.75	\$ 23,510.00	\$ 19,556.82	\$ 20,560.00
Contingency/ Carryover						
2020	Contingency	-	-	-	-	-
Contingency Total		-	-	-	-	-
Expense Total		\$ 135,300.00	\$ 142,832.73	\$ 162,510.00	\$ 126,038.04	\$ 159,560.00

Operating Difference

(Negative Balance Indicates Use of Reserves)

\$ - \$ 12,931.66 \$ (22,210.00) \$ (7,112.10) \$ (10,460.00)

Unreserved/Unrestricted Fund Balance

	FY 2015-16	
Beginning	\$ 83,727.61	\$ 96,659.27
Ending	\$ 96,659.27	

Humboldt LAFCo Operating Budget - DESCRIPTION

Revenues:

<u>Account</u>	<u>Title</u>	<u>Description</u>
Intergovernmental		
671181	Cities	Contributes 1/3 of Commission's operating expenses
671182	Special Districts	Contributes 1/3 of Commission's operating expenses
671183	County	Contributes 1/3 of Commission's operating expenses
Service Charges		
631100	Professional Services	Application Deposits per Fee Schedule
682238	Charges for Services	Accrued at hourly staff rates (i.e., mapping service fees)
707010	Miscellaneous	Available for one-time (nothing above \$5,000)
Investments		
401000	Interest	Earnings on the fund balance invested by the County Treasurer

Expenses:

<u>Account</u>	<u>Title</u>	<u>Description</u>
Staffing		
2255	Legal Fees	Contract Legal Counsel staffing services related to attending LAFCo meetings and providing other legal services as needed
2118	Professional & Special Services (Task Order 1)	Contract Executive Officer and Administrator staffing services related to preparing sphere of influence updates and municipal service reviews
2118	Professional & Special Services (Task Order 2)	Contract Executive Officer and Administrator staffing services related to reviewing or preparing agendas, staff reports, policies and procedures, and other written correspondence; attending LAFCo meetings; conducting environmental review; and maintaining GIS mapping database for city and special district boundaries and SOLs
2118	Professional & Special Services (Application Review)	Contract Executive Officer and Administrator staffing services related to reviewing, noticing, preparing and presenting reports, including alternatives and recommendations to the Commission regarding annexations, district formations, out-of-agency service applications, detachments, consolidations or other changes of organization or reorganization
2325	Contract Services	For other potential contracts
Services and Supplies		
2106	Communications	Telephone
2147	Media	Website
2121	Rents & Leases - Structures	Office space
2117	Office Supplies	Office supplies
2107	Duplicating	Printing costs (primarily agenda packets and mailings)
2116	Postage	Stamps for mailings to member agencies and other correspondence
2119	Publications and Legal Notices	Includes costs associated with the legal noticing of LAFCo public hearings
2110	Insurance	SDRMA Liability Insurance
2115	Memberships	CALAFCO and CSDA memberships
2123	Special Departmental Expense	Honorarium reimbursement for Commissioner expenses incurred as a result of attending LAFCo meetings
2125	Transportation & Travel	Commissioner travel reimbursement to regular and special meetings
2225	Transportation Out of County	Conference travel, lodging, meals and related expenses
2614	Staff Development and Training	Conference registration costs associated with attendance of Commissioners/staff at CALAFCO-sponsored conferences and workshops
Contingency/ Carryover		
2020	Contingency	Appropriation for contingencies reduced to \$0 in past years

RESOLUTION NO. 17-05**ADOPTING A PROPOSED BUDGET
FOR FISCAL YEAR 2017-18**

WHEREAS, the Humboldt Local Agency Formation Commission ("Commission") is required by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to adopt a proposed budget for the next fiscal year no later than May 1; and

WHEREAS, the Executive Officer prepared a report concerning the proposed budget, including recommendations thereon; and

WHEREAS, the Executive Officer's report was presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at its public hearing on the proposed budget held on March 15, 2017; and

WHEREAS, the Commission determined the proposed budget projects the staffing and program costs of the agency as accurately and appropriately as is possible.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The proposed budget for fiscal year 2017-18 as outlined in Exhibit A is approved.
2. The overall operating costs provided in the proposed budget will allow the Commission to fulfill its regulatory and planning responsibilities as required under Government Code Section 56381(a).

PASSED AND ADOPTED at a meeting of the Humboldt Local Agency Formation Commission on the 15th day of March, 2017, by the following roll call vote:

AYES: Commissioners:
NOES: Commissioners:
ABSENT: Commissioners:
ABSTAIN: Commissioners:

Attest:

Virginia Bass, Chair
Humboldt LAFCo

George Williamson, Executive Officer
Humboldt LAFCo



AGENDA ITEM 8A

MEETING: March 15, 2017
TO: Humboldt LAFCo Commissioners
FROM: George Williamson, Executive Officer
SUBJECT: **Initial Review of Proposed Reorganization of the Samoa Peninsula Fire Protection District to a Community Services District**

The Commission will receive an overview of the proposal, submitted by resolution of application from the Samoa Peninsula Fire Protection District (SPFPD) for a reorganization consisting of SPFPD dissolution, and new community services district (CSD) formation. As proposed, reorganization would be for purposes of expanding municipal services on the Peninsula.

LAFCOs are responsible under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to regulate the formation and development of local governmental agencies and their municipal services. This includes approving or disapproving proposed changes of organization or reorganization consistent with adopted policies and procedures pursuant to California Government Code (G.C.) Section 56375. LAFCOs are authorized with broad discretion in amending and conditioning changes of organization as long as they do not directly regulate land use, property development, or subdivision requirements.

A. BACKGROUND

The Samoa Peninsula FPD currently provides fire protection services to the portion of the peninsula south of the Highway 255 Bridge, including the communities of Samoa, Fairhaven and Finntown. Reorganization of the FPD into a CSD would provide the necessary governance structure for the provision of expanded municipal services to the residents, businesses, industries, and recreational users on the Peninsula. The proposed Reorganization includes the following jurisdictional changes:

1. Dissolution of the Samoa Peninsula Fire District, organized under the Fire Protection District Law of 1987, California Health and Safety Code Section 13800 et seq.
2. Formation of a new community services district, organized under the Community Services District Law, California Government Code Section 61000 et seq.

The principle reasons for the proposed Reorganization are as follows:

- A single governing entity is required by Humboldt County and the Coastal Commission to oversee operation and maintenance, fiscal responsibility, and governance of community services to the Town of Samoa.

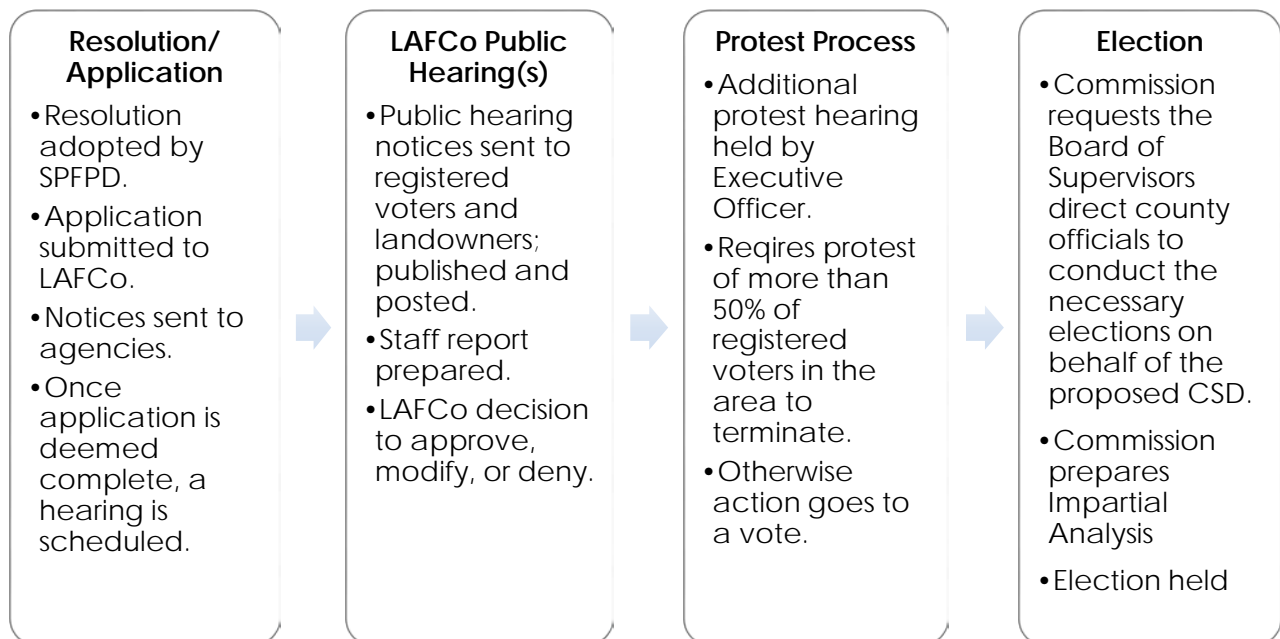
- The Samoa Pacific Group has explored several options including annexing into Manila Community Services District, forming a new community services district, and joining and reorganizing the current Samoa Peninsula Fire District.
- It has been determined that reorganizing the Samoa Peninsula Fire District is the best option for providing services to the Peninsula.

Community Services Districts (CSDs) are formed pursuant to the Community Services District Law (§61000 et seq. of the Government Code). The law authorizes CSDs to provide a broad array of local services. The actual services to be provided by a specific district are identified in the formation process. Thereafter, that district can provide additional types of services only by obtaining approval from LAFCo and the voters within the district. The proposed Peninsula CSD would provide the following services:

- Water Supply, Treatment, Storage, and Distribution (domestic and raw)
- Wastewater Collection, Treatment, and Disposal
- Fire Protection, rescue, and emergency response (including tsunami evacuation)
- Parks, Recreation, Trails, and Open Space
- Landscape Maintenance within Public Areas
- Streets, Street Maintenance and Street Lighting
- Storm Drainage

B. FORMATION PROCESS

The Community Services District Law (Government Code Section 61000 *et al*) is the Principal Act for forming and administering a Community Services District. If LAFCo approves the formation, the registered voters within the boundary would vote on whether to form the CSD. Formation steps are shown below:



Under the CKH Act, LAFCo has the discretion to approve (with or without conditions), modify, or deny the application for forming such a district. LAFCo may also adopt conditions of approval that would apply to the CSD.

ELECTION CALENDAR

Tentative Dates	Description
May 17 LAFCo Meeting Subject to commissioner availability	Public Hearing - Recommendation and Action *Approval triggers 30-day reconsideration period and conducting authority (protest) proceedings
June 16	Reconsideration Period Ends – if no request made, protest hearing is conducted with appropriate 21-day notice
July 10 in Samoa	Protest Hearing – conducted by Executive Officer
July 19 LAFCo Meeting	Confirm Protest Hearing results; Adopt resolution requesting Board of Supervisors call election
August 1 BOS Meeting	Election called – by Board of Supervisors
August 9	Last day for county elections official to publish Notice of Election
August 11	Official Filing Date for Ballot Measures and Board Candidate's Statement of Qualifications
November 7	Consolidated District Election

C. DISCUSSION

LAFCo staff has been coordinating with SPFPD to review a Draft Management Plan prepared by SHN Engineers & Geologists. This technical analysis provides a conceptual plan for governing the newly formed CSD, including recommended organizational structure, staffing levels, and operating budgets. Operating budgets prepared for the CSD consist of an initial "start-up" budget and five years of projected operating revenues and expenses. Based on the projected expenses, the Draft Management Plan explores various rate systems (benefit assessments and user fees) and presents a list of rate system recommendations. LAFCo staff anticipates the Draft Management Plan will be completed by the end of March and will be the basis for LAFCo consideration of the district formation proposal.

Draft Terms and Conditions are presented for early review by the Commission. The intent is to provide a clear framework for the fire district reorganization to a CSD, as well as provide clarity as to the condition of infrastructure and transfer of assets related to the Town of Samoa subdivision approval.

D. RECOMMENDATION

Staff recommends the Commission receive the staff report and provide questions and feedback as necessary.

Attachments

Attachment A: Boundary Figure

Attachment B: Draft Terms and Conditions



ATTACHMENT B

Draft Terms and Conditions – Formation of the Peninsula CSD

1. Name – The name of the district shall be the Peninsula Community Services District.
2. Boundaries – A map and boundary description of the Peninsula Community Services District are set forth in Exhibit A, attached to the Commission's Resolution making determinations and made a part thereof.
3. Sphere of Influence – A sphere of influence of the Peninsula Community Services District shall be coterminous with the District boundaries. Future amendments and/or updates of the sphere shall be conducted in accordance with Government Code Sections 56425 and 56430.
4. Successor
 - A. The Samoa Peninsula Fire Protection District shall be dissolved and all of its corporate powers shall cease.
 - B. Any employees of the Samoa Peninsula Fire Protection District will become employees of the Peninsula Community Services District.
 - C. The Peninsula Community Services District shall be the successor to the Samoa Peninsula Fire District for the purpose of succeeding to all of the rights, duties and obligation of the dissolved Samoa Peninsula Fire Protection District, with respect to enforcement, performance or payment of any outstanding bonds or other contracts, obligations, including the provisions of and other liabilities of the dissolved Samoa Peninsula Fire District.
 - D. The Samoa Peninsula Fire Protection District currently has contracts with the Board of Administration of the California Public Employees' Retirement System ("PERS"). The Peninsula Community Services District and PERS will develop a contract that shall be deemed a continuation of the Samoa Peninsula Fire Protection District's PERS contract pursuant to Government Code Section 20508. The Peninsula Community Services District's contract shall preserve the classic formula for continuing employee members of PERS. Accumulated contributions, assets and liability for service under the former districts' contracts are vested rights of continuing employee members of PERS, and shall be merged into the contract of the successor district upon reorganization pursuant to Government Code Section 20508.
 - E. All property, whether real or personal, including all monies (including cash on hand and monies due to uncollected) of the Samoa Peninsula Fire Protection District shall be transferred to and vested in Peninsula Community Services District, as outlined in Exhibit B.
 - F. Upon the effective date of the Reorganization, the Peninsula Community Services District shall be authorized and entitled to extend and/or continue to levy, impose,

or fix and collect any previously authorized charge, fee, assessment or tax approved, imposed and/or levied by Samoa Peninsula Fire Protection District, including but not limited any rates and charges for the provision of fire protection services.

G. The property tax allocation factor for the Samoa Peninsula Fire Protection District, for those properties within the District, shall be reallocated so that in future fiscal years these taxes shall be allocated to the Peninsula Community Services District.

5. Authorized Services – The Peninsula Community Services District shall be authorized the following functions and services as active powers, authorized to be provided within its boundaries, pursuant to Government Code Section 61600:

- A. Water Supply, Treatment, Storage, and Distribution (domestic and raw)
- B. Wastewater Collection, Treatment, and Disposal
- C. Fire Protection, rescue, and emergency response (including tsunami evacuation)
- D. Parks, Recreation, Trails, and Open Space
- E. Landscape Maintenance within Public Areas
- F. Streets, Street Maintenance and Street Lighting
- G. Storm Drainage

The District may in the future provide other types of services if authorized by the Community Services District Law, subject to compliance with the statutory procedures for authorizing additional services.

6. District Board of Directors

- A. Governing Board - The Peninsula Community Services District shall be governed by a board of directors composed of five (5) members elected at large for four-year terms by registered voters residing within the District.
- B. Election of Initial Governing Board - The Board of Directors of the Samoa Peninsula Fire Protection District shall serve as the initial Board of Directors of the successor agency, the Peninsula Community Services District.
- C. Staggered Terms of Office – For the initial Board of Directors, the terms of three (3) members shall be four years and the terms of two (2) members shall be two years.
- D. First Board of Directors Meeting – In addition to all other means authorized by law, the first meeting of the Board of Directors may be called by notice given in a lawful manner by any four members of the Board of Directors.

7. Benefit Assessments and User Fees – The formation of the Peninsula Community Services District shall be contingent upon a successful vote on the formation pursuant to Government Code Section 61014, and the District completing successful benefit assessments and user fees to fund the activities of the District. If the Proposition 218

proceedings are not successful, the Peninsula Community Services District shall be subject to dissolution.

8. Dedication of Asset Transfer – All assets and resources described in Exhibit C shall be offered with an irrevocable dedication by Samoa Pacific Group LLC to the Peninsula Community Services District, and the LAFCo Executive Officer, with legal counsel as warranted, shall verify prior to issuing a certificate of completion that a legal mechanism has been adequately established to ensure such transfer of assets and resources either at initiation of the community service district, or as particular infrastructure components are subsequently confirmed to be improved and acceptable for transfer to the Peninsula Community Services District.
9. Infrastructure Condition – Until such time as the CSD Board of Directors is seated, and thereafter if directed by said board, all infrastructure and facilities to be transferred to the Peninsula Community Services District shall be permitted and in compliance with state and federal requirements subject to confirmation by either the County of Humboldt or an engineer not affiliated with Samoa Pacific Group LLC, as applicable, to ensure that the condition of such infrastructure has been improved as outlined in a Detailed Engineering Analysis, and that said improvements and the condition of the infrastructure in general have been verified as conforming to applicable engineering standards. The Detailed Engineering Analysis shall describe the existing condition of facilities, projected demand on capacity, regulatory and design criteria under which improvements will be made (including ADA compliance), and costs of any recommended improvements. A Detailed Engineering Analysis shall be completed within one calendar year of the Certificate of Completion being recorded. LAFCo may extend this deadline upon request by the District.
10. Asset Transfer and Transition Agreement – Prior to the transfer of any dedicated assets, the Peninsula Community Services District and Samoa Pacific Group LLC shall set forth mutual agreements in writing for the orderly transition and conveyance of assets, including those obligations to accept and take ownership of those assets by the Peninsula Community Services District.
11. Monthly User Fees – The initial annual user fees for the Peninsula Community Services District, including any and all debt service, shall not exceed the small community affordability thresholds of 2.5% for water and 2.0% for wastewater (as a percentage of community median household income) as established by the EPA.
12. Creation of Zones – The board of directors of the Peninsula Community Services District may form one or more divisions or zones with varying levels of service and establish different levels of special taxation therein. The District may use divisional accounting to establish accurate divisional budgets and rates and charges based solely on the cost to provide services within the Town of Samoa and the rest of the peninsula, so rates in each service area will not be affected by the other.

13. Appropriations Limit – The Peninsula Community Services District shall set an appropriations limit (Gann limit) as soon as feasibly possible, as required by California Constitution Article XIII B, Section 4.

14. Single Ballot Question – The question of formation, dissolution of Samoa Peninsula FPD, and all terms and conditions shall be presented as one question on the ballot.

“Shall the order adopted on _____, 2017, by the Humboldt Local Agency Formation Commission ordering a reorganization affecting the Samoa Peninsula Fire Protection District and providing for the formation of a district in the territory described, known as the Peninsula Community Services District, be approved, subject to the terms and conditions specified in the order?”

15. Effective Date – The effective date of Peninsula Community Services District shall be determined by the certification of the election results by the Board of Supervisors and the filing of the certificate of completion by the LAFCo Executive Officer with the County Clerk-Recorder’s office. The certificate of completion must be filed within one calendar year from the date of approval unless a time extension is approved by the Commission.

16. Final Processing Costs – Any and all costs including mapping, engineering, planning, environmental review, fiscal analyses, LAFCo processing fees, election proceedings, recording fees, and any other required local, state, and LAFCo fees incurred to complete the formation of the Peninsula Community Services District, including State Board of Equalization filing fees, will be borne by the project proponents.



AGENDA ITEM 8B

MEETING: March 15, 2017
TO: Humboldt LAFCo Commissioners
FROM: Colette Metz, Administrator
SUBJECT: **Status of Current and Future Proposals**
The Commission will receive a report summarizing active on future proposals. This report is being presented for information only.

BACKGROUND

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 delegates Local Agency Formation Commissions (LAFCOs) with regulatory and planning duties to coordinate the logical formation and development of local governmental agencies. This includes approving or disapproving proposals for annexation, sphere of influence amendments, and outside agency service requests.

DISCUSSION

Following is a summary of active and future proposals.

Active Proposals

There are currently two (2) active applications on file with the Commission, as follows:

City of Fortuna Strongs Creek Annexation

A Certificate of Completion was recorded on February 7, 2017. Staff has submitted a boundary change filing with the State Board of Equalization.

Samoa Peninsula Fire District Reorganization to a CSD

See Agenda Item 8A.

Future Proposals

There are several potential new proposals to the Commission in the near future based on discussions with proponents. A summary of these anticipated proposals follows.

City of Arcata - 1705 Buttermilk Lane Annexation

Received city referral and provided comments on proposal to annex a single parcel due to failure of an existing septic system. The extension of services outside the city boundary would require the property be located in the city's urban services boundary for water and sewer services.

City of Arcata Creekside Homes Annexation

LAFCo staff attended the City's EIR scoping meeting on March 10, 2016, and provided comments as responsible agency. LAFCo staff also attended a meeting with the City and project representatives on May 4, 2016. The project proposes the annexation,

rezoning, and subdivision of parcel 505-161-011 located at 2000 Foster Avenue near the Foster Avenue and "Q" Street intersection.

Humboldt CSD Indianola Area Annexation

Humboldt CSD has informed LAFCo staff that they are proceeding with evaluating the annexation and provision of water services to the Indianola area.

Fires Services Coordination Efforts

A portion of Measure Z funds granted to the Humboldt County Fire Chiefs Association is focused on sustainable community fire protection to address the lack of complete community coverage and sustainable revenue. Thus far, efforts have been focused on determining the feasibility of district expansions in Petrolia, Garberville, Rio Dell (in collaboration with Scotia, Redcrest, and Shively), and in the "Mad River/Redwood Creek Study Area". Additionally, meetings have been held in the "Avenues Study Area" to address service needs and opportunities in coordination with local fire departments.

RECOMMENDATION

Staff recommends the Commission receive and file this report.