

RESPONSE TO GRAND JURY REPORT FORM

Report Title: **FORMING AND REFORMING A COMMUNITY**

Report Date: **May 1, 2013**

Response by: **Bruce Baracco** Title: **Executive Officer**

FINDINGS

- I (we) agree with the findings numbered: F5 F6
- I (we) disagree wholly or partially with the findings numbered: F1 F2 F3 F4
[Attach a statement specifying any portions of the findings that are disputed; include an explanation of the reasons therefor.]

RECOMMENDATIONS

- Recommendations numbered have been implemented.
[Attach a summary describing the implemented actions.]
- Recommendations numbered R1 R4 have not yet been implemented, but will be implemented in the future.
[Attach a timeframe for the implementation.]
- Recommendations numbered R2 R3 require further analysis.
[Attach an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.]
- Recommendations numbered will not be implemented because they are not warranted or are not reasonable.
[Attach an explanation.]

Date: July 2, 2013 Signed: Bruce G. Baracco

Number of pages attached 4

RESPONSE TO GRAND JURY REPORT FORM

Response Introduction

The Mendocino Local Agency Formation Commission (LAFCo) has five primary missions:

- 1) Planning for the present and future needs of the community;
- 2) Overseeing the logical formation and development of cities and special districts;
- 3) Coordinating the efficient and rational expansion of municipal services;
- 4) Preserving agricultural and open space resources; and
- 5) Discouraging urban sprawl.

The Commission consists of seven regular members and four alternate members. Two regular members and one alternate member are members of the Mendocino County Board of Supervisors appointed by the Board of Supervisors. Two regular members and one alternate member are City Council Members appointed by the City Selection Committee consisting of the Mayors from the four cities. Two regular members and one alternate member are Special District Board Members appointed by the Special District Selection Committee consisting of Presidents or Chairpersons from the 51 Independent Special Districts in the County. The Public Member and the Public Alternate Member are appointed by the two regular County members, the two regular City Members, and the two Regular Special District Members. Commissioners serve without pay and are reimbursed for out-of-county travel, lodging, meals, and registration fees.

LAFCo operates under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 *et seq.* and 57000 *et seq.*). Under Government Code Section 56425(g), LAFCo is required to review and update each City and Special District Sphere of Influence (SOI) every five years, as necessary. Under Government Code Section 56430, in order to prepare and to update SOIs, the Commission is required to conduct Municipal Service Reviews (MSRs) for all appropriate areas designated by the Commission. The following written determinations are required for each MSR:

- 1) Growth and population projections for the affected area;
- 2) Location and characteristics of any disadvantaged unincorporated communities (DUCs);
- 3) Present and planned capacity of public facilities and adequacy of public services (including DUCs within or contiguous to the SOI);
- 4) Financial ability of agencies to provide services;
- 5) Status and opportunity for shared facilities; and
- 6) Accountability for community service needs, including governance options and operational efficiencies.

RESPONSE TO GRAND JURY REPORT FORM

Responses to Findings

F1. The Mendocino County LAFCo has not met the requirements of the Cortese-Knox-Hertsberg Act of 2000.

Response: Partially Disagree.

Mendocino LAFCo has met the requirements of the C-K-H Act, except for the required review and update of SOIs for all cities and special districts in the County as required by Government Code Section 56425(g). A majority of MSRs (as a prerequisite to the SOI Updates) have also not been prepared. To date, MSRs have been prepared for two of the four cities, and 14 of the 51 Independent Special Districts. The Commission has adopted a completion schedule to complete the MSR program by June 30, 2014. The Commission will then undertake the review and updating of SOIs during the 2014-15 Fiscal Year.

F2. The new contract with Baracco Associates as EO of Mendocino County LAFCo has focused the LAFCo board on meeting their responsibilities.

Response: Partially Disagree.

The contract with Baracco and Associates reflects the Commission's renewed commitment to fulfill its statutory responsibilities, but is not the cause of that commitment. The Commission's renewed commitment includes an adopted work plan and schedule for completion of the SOIs and MSRs, enhanced outreach to cities and districts, the setting of priorities, developing Commission cohesion, undertaking Commission training, and consideration of the Commission's policies and procedures.

F3. The significant areas of concern for LAFCo to address are the problems of water and sewer service in the valley.

Response: Partially Disagree.

Water and sewer service problems in the Ukiah Valley are just one area of concern to which LAFCo needs to direct its attention. The viability of service providers, whether it be water, sewer, fire protection, or cemetery services is an important consideration for LAFCo. Through the MSR completion program, efforts are being made to identify governance and service-related issues that affect all cities and special districts.

RESPONSE TO GRAND JURY REPORT FORM

F4. There is a proliferation of Special Districts in the Coastal and Valley areas of Mendocino County.

Response: Disagree.

All of the Special Districts within Mendocino County are long-standing, and were established to provide a necessary service to a particular geographic area. While it is true that there are a number of water and wastewater service providers in close proximity to each other within the Ukiah Valley area, those service providers have been in existence for a number of years. The most recent service provider is Redwood Valley County Water District which was established in 1964.

In the Coastal Area, service providers are located in proximity to population centers, although many are small single-purpose districts that provide water or wastewater or fire protection. Most of these districts are isolated from each other owing to the linear nature of development along the Coast. A majority of the Special Districts along the Coast were established in the 1980's, with Elk Community Services District (Fire Protection) the newest district, established in 1990.

F5. LAFCo is making significant improvements in establishing a schedule and goal for developing MSR's for all local agencies under its purview by the end of calendar year 2014.

Response: Agree.

With the clarification that the MSR program is scheduled to be complete by the end of the 2013-14 Fiscal Year (June 30, 2014).

F6. There is a need for more proactive outreach and coordination with the local agencies by LAFCo.

Response: Agree.

Outreach and coordination is being accomplished through the MSR program, as well as through renewed contact with the cities and districts.

Responses to Recommendations

R1. That LAFCo continue toward its goal and schedule of completing all required MSR's by the end of 2014, and pursue the development of all related SOI's. (F1-F2, F5)

Response: Recommendation is being implemented.

With the clarification that the MSR program is scheduled to be complete by the end of the 2013-14 Fiscal Year (June 30, 2014); and that the SOI Update program will be undertaken in the 2014-15 Fiscal Year.

RESPONSE TO GRAND JURY REPORT FORM

R2. That LAFCo be more proactive in identifying interagency problems and assisting agencies in conflict resolution. (F3-F4, F6)

Response: Requires further analysis.

The MSR process allows for more understanding of issues that exist between agencies. The MSRs also allow comparisons between agencies that provide like services. However, the C-K-H Act does not explicitly provide for LAFCo to act as a conflict resolution agency. Where opportunities arise, LAFCo can help facilitate solutions to interagency problems.

R3. That LAFCo provide the leadership to facilitate the consolidation of some of the resources and services of the valley and coastal areas in order to reduce ratepayer costs and improve the level of service. (F1-F4, F6)

Response: Requires further analysis.

Effective consolidations between agencies are directly tied to the commitment of those agencies to do so. In such an instance, LAFCo can assist with analysis that would be needed to determine whether or not consolidation would actually improve the level of service. Consideration would need to be given to the potential for operational efficiencies including reduced personnel and fringe benefit costs, the ability of the consolidated agency to increase its 'purchasing power' at lower rates, and a capital improvement program to improve system infrastructure. Reduced ratepayer costs may result from improved efficiency, but is not the explicit purpose of LAFCo.

R4. That LAFCo become visible and involved with all related agencies by conducting special work sessions dealing with specific concerns of those agencies. (F1-F6)

Response: Recommendation is being implemented.

LAFCo is in the process of developing a 'Local Agency Directory' of the cities and all special districts which will be available on the LAFCo website. The Commission has also budgeted for two special workshops in Fiscal Year 2013-14, one on the Coast and one Inland. LAFCo continues to be more involved with local agencies through the MSR program.

* * * *