

The Sphere

October 2017



Fondly remembering one of LAFCos Founding Fathers and a dear friend – John T. Knox

Written by: Lou Ann Texeira, Executive Officer, Contra Costa LAFCo

The vision and ability to see well into the future by a man born in Nevada and raised in California is what created Local Agency Formation Commissions (LAFCos) 54 years ago. That man was former State Assembly Member **John “Jack” T. Knox**. With great sadness we said goodbye to our dear friend on April 13, 2017.

Knox was a liberal democrat, who represented western Contra Costa County in the State Assembly from 1960 to 1980 and served as Assembly speaker pro tem for four years. He worked tirelessly for 20 years on monumental and historic legislation, including the landmark *California Environmental Quality Act (CEQA)*, the *San Francisco Bay Conservation and Development Commission*, the *Knox-Keen Health Care Service Plan*, the *District Reorganization Act of 1965*, and, of course, the *Knox-Nisbet Act of 1963*, which established Local Agency Formation Commissions.

Knox was born in Reno and moved to California at age 5. He earned a Bachelor of Arts degree from Occidental College in Los Angeles in 1949 and a law degree from Hastings College of Law in San Francisco in 1952. He then set up a private law practice in Richmond.

He joined the State Assembly in 1960 after a special election to replace Masterson, who had resigned. “*He was very proud of being a politician, and that wasn’t a dirty word to him,*” says son John H. Knox. “*He was a master negotiator; he got Governor Ronald Reagan to sign the CEQA, if that tells you something.*”

ANNUAL CONFERENCE EDITION

Remembering Our Friend and
Founding Father John T. Knox

2017 Report to the Membership

Message from the Chair

LAFCo Tracks From
Around the State

The Legal Corner

Associate Members’ Corner

Special Remembrance of June Savala



Continued on Page 5

The Sphere

CALAFCO Journal

October 2017

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

BOARD OF DIRECTORS

James Curatalo, Chair
Gay Jones, Vice Chair
Josh Susman, Secretary
Michael McGill, Treasurer
Cheryl Brothers
Bill Connelly
Shiva Frentzen
Michael Kelley
Dr. William Kirby
John Leopold
Gerard McCallum
John Marchand
Anita Paque
Ricky Samayoa
Sblend Sblendorio

CALAFCO Staff

Pamela Miller, Executive Director
Stephen Lucas, Executive Officer
David Church, Deputy Exec. Officer
Kris Berry, Deputy Exec. Officer
Carolyn Emery, Deputy Exec. Officer
Clark Alsop, Legal Counsel
Jeni Tickler, Executive Assistant

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

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

1215 K Street, Suite 1650
Sacramento, CA 95814
916-442-6536

www.calafco.org

A MESSAGE FROM THE CHAIR OF CALAFCO



Jim Curatalo
Chair of the Board
CALAFCO

The past year has been very busy and exciting for CALAFCO and it has been my honor to serve as your Chairman during this time. Working with our Executive Director Pamela Miller and my fellow Board Members has been a very positive and rewarding experience. In every important decision we have sought out and utilized valuable input from our Northern, Southern, Coastal, and Central regions. We have maintained regional representation in all committees and working groups and given every perspective and concern the utmost consideration. As a result, we have continued to improve the services we provide to our members and strengthen the overall effectiveness of our organization.

One of the highlights this year has been CALAFCO's involvement in the Little Hoover Commission's study on special districts. CALAFCO was invited to testify before the Little Hoover Commission (LHC) during the August 25, 2016 public hearing on special districts in California as a follow up to the Commission's May 2000 report, *Special Districts, Relics of the Past or Resources for the Future?* Pamela Miller, our Executive Director, did a fantastic job sharing our viewpoint on the unique relationship between local agency formation commissions (LAFCos) and special districts.

Pamela shared how much progress has been made in the past sixteen years in the evolution of LAFCos and their respective relationships with special districts. LAFCos have worked diligently to keep pace with the changing California landscape and there are many success stories to tell. Like other local government agencies throughout the state including special districts, LAFCos also face a number of challenges. Her testimony highlighted the progress, challenges and opportunities for the future for LAFCos and their relations with special districts. In addition, her testimony resulted in a number of recommendations being placed in the LHC final report on special districts aiming to improve the effectiveness of LAFCo's.

I am looking forward to the Annual Conference and appreciate all the hard work that staff puts into making it a great event. I would also like to thank Carolyn Emery, Executive Officer, of Orange LAFCo for all her work as the Conference Program Committee Chair and Dr. William Kirby for his work as the Conference Committee Chair along with the committee of hard working and talented people they led.

On the legislative front I am hard pressed to remember a more active year. Our role as an educational organization has served us well as we have been at the table with the Governor's staff, key state agencies and with legislative leaders to provide input on critical pieces of legislation about water, provision of services and key processes such as special district representation on LAFCo's throughout the state. I suspect that the coming year will also be active and our organization is well positioned to represent our member LAFCos.

Two bills in particular that CALAFCO encouraged the Governor to sign are Senate Bill 448 by Senator Wieckowski which simplifies LAFCo's legal dissolution process for inactive districts and Assembly Bill 979 by Assemblyman Lackey which strengthens LAFCos by easing the process to add special district representatives to the 28 LAFCos where districts have no voice. Both of these bills were signed by the Governor.

These accomplishments have been great and have certainly helped in the service of our members; however, as we move forward into 2018, we will continue to face challenges. While we are presently in good financial condition and excellent stewardship of our financial resources

continues to be a hallmark of CALAFCO, we must recognize that a more secure and permanent source of revenue, one which allows us to meet our fixed costs, would provide more stability for CALAFCO.

"In every important decision we have sought out and utilized valuable input from our Northern, Southern, Coastal, and Central regions."

It has truly been an honor to serve as the CALAFCO Chair and it has been my pleasure serving alongside all of the dedicated individuals that serve on the CALAFCO Board and with our Executive Director Pamela Miller. I wish everybody a great experience at the Conference and for a great year to come.

Thank you,

Jim Curatalo

A Message from the CALAFCO Executive Director



Pamela Miller
Executive Director

The Power of Perception

The power of perception should not be underestimated, especially when it comes to reputation. The truth about an agency or service can matter little if the perception of the agency or service is bad or negative. This is how a bias is created and can result in a trust deficit that takes years to undo.

The notion of becoming conscious of our own perceptions – our bias if you will - is abstract for some, I'll admit. In order to understand them, we must consider the highly subjective nature of our perceptions and how they are formed and informed in the first place. The exploration of perceptions involves a bit of science mixed with some psychology and sociology (social context).

Over the past two years (this past one in particular), I found myself deeply involved in conversations with many people about their perceptions of local government agencies and in particular, LAFCos. Some perceptions were very positive while others were great cause for concern. The reality is there are a wide range of perceptions throughout the state about LAFCos, and what I've come to believe (based on my own perceptions) is those perceptions are now our reality, whether we like it or not. The question for us is, how do we choose to respond?

Are perceptions fact or fiction?

Perceptions begin when the human brain receives data from the body's five senses. The mind then processes and applies meaning to the sensory information. As humans, we then apply our worldviews to these sensory inputs yielding our interoperations and perceptions. When it comes to perception and the senses such as sight, touch, or sound, there is no such thing as objectivity. The immediate application is made from our past experiences and what we know from those – not necessarily from the data at hand.

According to Neuroscientist Beau Lotto, "*We can't help but to see things according to history – our own history and that of our ancestors because we are defined by ecology. Not our biology, not by our DNA, but by our history of interactions.*"

So people form perceptions of local government agencies based on their own personal experiences with them, what they hear in the news, what they hear from others, what they read, what they observe, and what they feel based on any one (or a combination) of those things.

The power to choose a response

Fortunately, we as the local government agency, have the power to choose how we respond to any given perception about us. The fact is that there is a space – a brief moment – between the stimulus and the response – and it is in that space that we have the power to choose our response.

Viktor Frankl was a Jewish psychiatrist who spent three years in a Nazi concentration camp during World War II. He wrote about his experiences in his 1959 book, “Man’s Search for Meaning”. In finding a way to deal with the unspeakable horror he experienced during his captivity, he realized he had but one freedom left: his power to choose – his power to determine his response to the unimaginable circumstances and conditions in which he lived.

He wrote, “*Every day, every hour, offered the opportunity to make a decision, a decision which determined whether you would or would not submit to those powers which threatened to rob you of your very self, your inner freedom; which determined whether or not you would become the plaything of circumstance...*”

Determining whether or not you would become the plaything of circumstance...that is a very powerful thought. The high level of awareness developed by Dr. Frankl served him well. And, I believe, through it, he offers a powerful lesson for us.

As I reflect on my own efforts this past year to change perceptions of LAFCo by changing the conversation, I found there were several things I needed to do. I offer them for consideration as strategies for all of us to think about as we work to create the kind of perception of LAFCo we want; as we work to reframe the conversations that are occurring across the state about LAFCos; and as we work to better tell out stories – both individually and collectively.

Steps to change the conversation and the perception

✓ **Become aware of the perceptions and the conversations**

We must first become aware of and acknowledge that which we want to change, regardless of whether we agree with it or not. This includes checking our own assumptions about the conversation and perceptions. Sometimes we must concede a point temporarily in order to show our commitment to an improved outcome.

✓ **Take ownership**

If we truly want to change the conversation and perception, it will first require a change in our own behavior. That cannot be done unless we take ownership of the perceptions others have about us. As we often heard as kids, it doesn’t matter who is right or wrong, just that the matter be settled and mitigated.

✓ **Determine what we want to be known for**

Some would call this a branding statement, purpose statement or mission statement. The bottom line is you must decide what you want your LAFCo to be known

for – and we must determine collectively what we want LAFCo to be known for. And, we must be willing to check in on ourselves and ascertain whether or not we are demonstrating the behaviors aligned with the desired reputation. We must accept that our actions have implications that alter others perceptions.

✓ **Reframe the discussion**

Just as Dr. Frankl was able to reframe his perspective once he became aware of his ability to do so through the power of choice, so too can we make the same choice once we have an awareness into the discussion. We can ask ourselves, “What do we want the conversation to be?” “What do we need to do in order to move the conversation from here to there?” “How do we tell our story in a way that will resonate with others and change the perception?” Like a river, discussions often follow the easiest route until we create a ripple of new conversation.

✓ **Deliver, deliver, deliver**

Once we’ve determined what we need to do in order to shift the conversation, we need to be deliberate and diligent in making that happen. Once we set objectives and make commitments, delivering on them is critical to maintaining integrity and changing perceptions. Remember that changing people’s minds is difficult. We must be consistent and relentless in walking our talk.

✓ **Learn to tell your story**

We must learn to be good storytellers. Each of us owns the responsibility of telling our story. Who is better at telling our story than us? Yet most of us are allowing others to tell the LAFCo stories – and most are not the kind of stories that support what we believe we want to be known for. Nor do they represent the positive things that are occurring in each LAFCo or for us collectively throughout the state.

✓ **Take charge**

Do not allow others to define who we are and determine our possibilities. Don’t punt when the conversation or action is difficult, be the leader who acts, not the agency that punts.

✓ **Practice patience with diligence**

The perceptions we are dealing with today were not created overnight and so they will not change overnight. Rebranding strategies take time, intention, commitment, perseverance and patience.

Now is the time for all of us to become master storytellers and be the force behind the power of perception.

John T. Knox

Continued from cover

Knox's long-time committee consultant – Tom Willoughby - tells us that “*Knox quickly got hooked on local government issues.*” Knox wasn't interested in small issues or small ideas – he wanted to rewrite how local government works and save the San Francisco Bay.

In Willoughby's 1979 speech to CALAFCO, he detailed the creation of LAFCo, with all its twists and turns. Willoughby explained the evolution of the *Knox-Nisbet Act of 1963*, beginning with the 20-member Blue Ribbon Commission which focused on urban problems, and specifically the fact that “*metropolitan areas in California were developing in a leap frog, unplanned, haphazard fashion.*” Governor Pat Brown instructed the Blue Ribbon Commission to “*take a new and fresh look at the structure of local government in metropolitan areas... and to abandon inflexible ideas and start thinking in terms of meeting the needs of our communities... we must focus on the welfare and happiness of the man in the middle of the metropolis.*”

The Blue Ribbon Commission report was issued in December 1960. In those days, the legislature met every other year in general session and for only six months (January to June). In the even numbered years, the legislature met briefly only to pass the budget.

During the 1961 legislative session, very little happened with Commission's report. Willoughby notes that “*in those days, metro government was met with resistance.*” The Commission's report circulated for 18 about months. The first real opportunity to implement the report recommendations occurred in the new general session in 1963. A package of four bills was introduced, known as the “Governor's metropolitan area program.” Knox's bill would create a LAFCo, a state level agency to approve or disapprove the formation of new cities and districts. A companion bill was introduced by Senator Nisbet (San Bernardino County) to create a LAFCo in each county of the State to approve or disapprove annexations to cities and districts. Both bills were met with resistance from the County Supervisors Association and the League of Cities. Finally, after a vigorous fight on the Assembly floor and in the Senate, both in committee and on the floor, both bills passed. Willoughby attributes much of the success of the passage of these bills to the County

Supervisors Association and League of Cities lobbying staff.

Between the 1963 and 1965 sessions, decisions were made to rewrite both the formation and annexation procedures into one, which we have today. Subsequently, Knox also authored the District Reorganization Act.

After leaving the State Assembly, Knox joined the San Francisco office of the Los Angeles based firm Nossaman, Krueger & Marsh (later became Nossaman, Gunther, Knox & Elliott) as an attorney and lobbyist, where he worked until his retirement in 2008. Knox continued to work as a local statesman and helped secure funding for regional parkland preservation and highway improvements.

In 2007, Knox was awarded the first-ever CALAFCO Lifetime Achievement Award for his significant contributions to LAFCos. Following Knox's death earlier this year, Contra Costa LAFCo presented a resolution to son John H. Knox and grandson Alex Knox, extending heartfelt condolences and recognizing and honoring the life and legacy of John T. Knox.

In honor of the 50th anniversary of the creation of LAFCos, John personally wrote an article for *The Sphere*. About LAFCos he said:

“The new agency was my “baby,” and I wanted it to succeed. I met with LAFCo representatives to draft follow-up legislation that fine-tuned the original bills. These began with a bill that replaced the awkward two statutes to a single statute – and followed on in 1965 with the District Reorganization Act.

With this overall result, I discovered the often overlooked legislative area of local government legislation was indeed interesting – and I enjoyed it more with each passing year.

Largely through the hard work of members and staff, LAFCos became accepted and respected local institutions. It has been my privilege to work with those individuals.

As for the next fifty years – Godspeed!!”

Continued on the next page

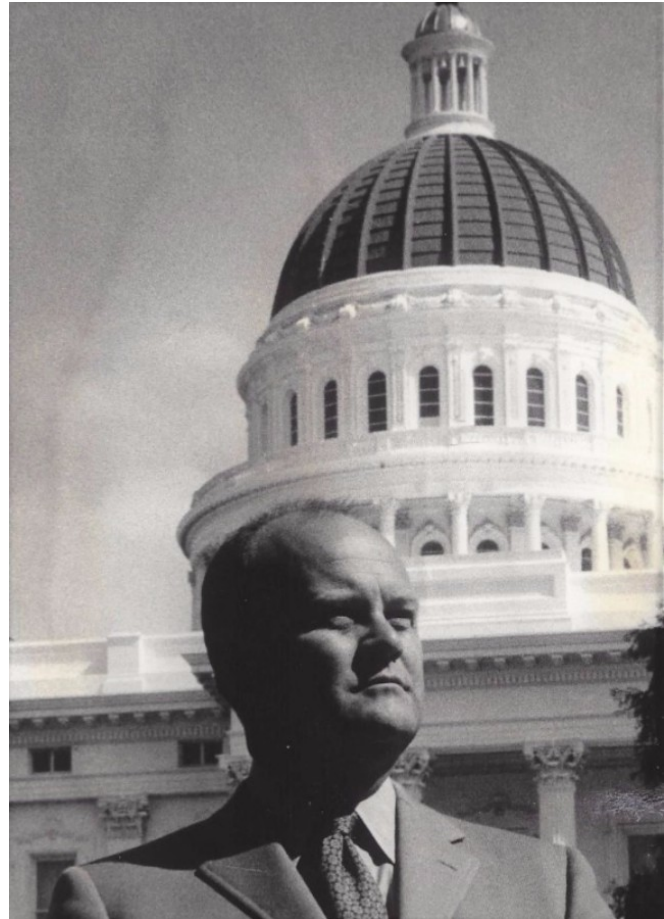
On April 3, 2017, our friend passed away at Kaiser Permanente Hospital in Richmond, California after a long illness. He will be missed by all of us, and his legacy continues to live on through the actions LAFCo take daily.

Wisdom from Jack:

- “Never go out on a limb unless you take a lot of nice folks with you.”
- “Always remember to include two percent for double-cross.”
- “Be good, but if you can’t be good, be careful.”

Special Acknowledgements: We sincerely thank Tom Willoughby for his contributions to this article. Tom was the chief consultant to the Assembly Local Government Committee when Assembly Member Knox was chairman. Tom had a hand in every piece of LAFCo legislation that Knox authored. Their professional collaboration created the statutes we use every day. Tom’s 1979 speech to CALAFCO is available on the CALAFCO website.

We also thank Peter Detwiler who put us back in touch with Tom Willoughby. Peter served an informal internship with Tom in 1971 when he was a senior at Saint Mary’s College. Peter says what he learned in those few months from Tom launched his professional career. Most of us know Peter in his service as the long-time chief consultant to the Senate Governance & Finance Committee, where he had a significant impact on state legislation. Committee consultants are fundamental to the legislative process and Peter was one of the best! Thank you, Peter!



John T. Knox
September 30, 1914 – April 3, 2017

Alameda LAFCo Completes Special Study of a Local Healthcare District

By: Mona Palacios, Executive Officer, Alameda LAFCo

The Eden Township Healthcare District (ETHD), also known as the Eden Health District, was established in 1948 by a vote of the residents of the Eden Township in Alameda County to build a community hospital. It was organized pursuant to Local Health Care District Law. The ETHD boundary encompasses 130.6 square miles and includes the unincorporated communities of Castro Valley, Ashland, Cherryland, Fairview, and San

Lorenzo, as well as the cities of San Leandro and most of Hayward.

In 1954, the Eden Hospital opened and was operated by the ETHD until 1998 when the District’s voters approved the sale of the hospital to Sutter Health, a California nonprofit corporation. In 2004, ETHD purchased the San Leandro Hospital and leased it to Sutter Health. After a protracted law suit over provisions contained in the lease agreement, ownership of the San Leandro Hospital transferred to Sutter Health which then transferred ownership of the facility to the Alameda Health System, a public authority that operates Alameda County’s public hospital system under an independent Board of Trustees.

The Association of California Healthcare Districts (ACHD) notes there are 79 healthcare districts in California of which 38 districts operate a hospital, five own but do not operate their hospital, and 41 do not own or operate a hospital but rather provide other types of services including direct health care services and community grant-making. ETHD no longer owns or operates a hospital, but owns and operates medical office buildings. The District also provides grant funding and sponsorships to community organizations within the ETHD boundary using net revenue from the leasing of its medical office buildings and other investments. The District collects no property tax or assessments.

In addition to ETHD, Alameda County has two other healthcare districts: the City of Alameda Healthcare District, formed in 2002, which owns, but no longer operates its hospital facility; and the Washington Township Healthcare District which continues to own and operate its hospital.

Alameda LAFCo has reviewed and updated ETHD's sphere of influence (SOI) numerous times, including a municipal services review in 2012 with subsequent SOI updates in 2013 and 2014. In 2016, ETHD was the subject of legislation intended to force dissolution of the district (AB 2471, Quirk) and a Grand Jury report was highly critical of the District. At the request of the City of Hayward, Alameda LAFCo initiated a special study of the District in 2016. At no time was an application to dissolve the District submitted to LAFCo. Recently, the Little Hoover Commission (LHC) issued a report on special districts and LAFCos in which it highlighted ETHD as "the poster child for controversy."

Alameda LAFCo's special study focused on ETHD's governance structure and boundary, financial viability, and level and adequacy of services. The study offered conclusions and findings, and evaluated various governance options. The study did not evaluate the financial viability of hospitals in Alameda County nor did it rate the value of hospital-based services compared to non-hospital based health services.

LAFCo's special study of ETHD was completed by Berkson Associates through an inclusive public process. The Commission solicited community input by holding numerous public meetings in locations throughout the district. The Commission heard from ETHD Board members and staff, affected agency elected officials and staff, state

legislators, community members, grantees, hospital representatives, and other interested individuals during the course of the study.

In summary, the special study concluded that:

- Dissolution of the district without continuing its services was not warranted.
- The District could improve the efficiency and effectiveness of its operations.
- Dissolution and naming a successor agency to continue services could reduce certain costs and improve decision-making.

Questions that LAFCo labored over included:

- ✓ Does the District provide a community service that meets the needs of District residents and property owners?
- ✓ Is the District's boundary logical?
- ✓ Are the services provided adequate and within the District's mission, as well as the California Health and Safety Code under which it is organized?
- ✓ Does the District have the financial ability to provide services, including any future obligations?
- ✓ Are services provided in an efficient, accountable, and transparent manner?
- ✓ What are the benefits and costs of the District's services being provided by another entity?
- ✓ If the District's services should be provided by another entity, should that entity be another public agency, a private not-for-profit, a joint powers authority, or some other type of organization?
- ✓ If the District's services should not be continued, who should be the successor agency to wind up the District's affairs?

On a split vote (three ayes, two noes, two absent), the Commission voted not to initiate dissolution of the District. Subsequently, the Commission unanimously adopted a sphere of influence amendment for the District that imposes several conditions identified in the special study including, but not limited to, requirements to collaborate with Alameda County on the provision of grant services, participate in county-wide health needs assessment efforts, and complete a risk analysis of investment options. LAFCo employed its conditioning authority to strengthen the District's transparency, responsiveness to community needs, and efficient provision of services.

Local Cannabis Policies and LAFCo- New Boundary and Agricultural Preservation Implications

Written by: Humboldt LAFCo



Virtually everyone will be affected by legalized recreational marijuana in California in 2018. New cannabis policy means new policy questions to consider for Humboldt LAFCo.

In Humboldt County – arguably ground zero of the cannabis industry – the Board of Supervisors continues to refine where a host of cannabis-related activities will be allowed, from cultivation, processing and manufacturing, to distribution and sales. New policies also aim to set up a permitting structure, providing oversight of these commercial activities.

Conversely, some cities within the County have placed tighter restrictions – and in many cases an outright ban – on cultivation, sales, and dispensing of cannabis within city limits. Within the urban-agricultural interface, especially in unincorporated areas near city neighborhoods, residents have raised concerns about proposed cannabis farms and processing centers, prompting some cities to take a closer look at future annexation areas.

The County is currently considering regulation changes to address potential conflicts with cities that prohibit cannabis businesses, including requiring a public hearing and a special permit before allowing cannabis businesses within 1,000 feet of any city limits or within a city’s sphere of influence as defined by LAFCo. This suggested policy has created new interest in spheres, with local citizens and municipalities alike.

For Humboldt LAFCo, both current and proposed cannabis regulations pose potential new boundary and agricultural/open space preservation policy considerations. The California Department of Food and Agriculture has classified cannabis as an agricultural product. As such, its cultivation is appropriate on Agriculture (AG) zoned land. So, such questions come to mind as, “What are the preservation implications of annexation of territory used for cannabis agriculture into a governing body who has disallowed cannabis cultivation?”, and “Will annexation obstruct the agricultural uses of the property?” Layers of oversight, future use and

jurisdiction further muddy the waters of “legal non-conforming” and add an element of uncertainty.

Cannabis regulation adds a new layer to boundary considerations in Humboldt County. As the State, County, Cities and local communities continue to refine policies on commercial cannabis activities, Humboldt LAFCo will need to do the same. In these challenging times there is an opportunity here for all local jurisdictions to work together so that orderly development can proceed in the most beneficial way for all interests.

The Biggest Island in Santa Rosa is Annexed!

Written by: Mark Bramfitt and Carole Cooper

The elimination of islands has been on the state’s and LAFCos’ “radar” for many years for a variety of reasons but especially because their existence limits the efficient and effective provision of services to residents and causes confusion not only for the public but also for public service workers, whether they are responding to emergencies or repairing pipes in a roadway. The casual observer may think that getting rid of islands is simple – after all, they may assert, a specific section of the Cortese-Knox-Hertzberg Act provides streamlining opportunities. Unfortunately, that ideal does not always match the on-the-ground reality.

Until the Sonoma Local Agency Formation Commission (LAFCo) acted in August 2017 to approve annexation to the City of Santa Rosa of five islands within the City’s southwestern quadrant, there were 51 islands of unincorporated territory within the City. This situation evolved over many years in the past, as opportunities for development of Sonoma County’s largest city were presented. Further, health and safety issues prompted City and County cooperation to extend municipal sewer and water services to certain unincorporated areas but without annexation, while the City grew around them, and the Commissions in various decisions at different times did not object. The islands vary in size from a two-parcel island of two-thirds of an acre to what is referred to as “Roseland,” an island of 620 acres.

Continued on Page 17



CALAFCO 2017 Annual Report to the Membership

Dear CALAFCO Members:

The CALAFCO Board of Directors is proud to report the progress of our Association during the past year, which was another very full year. CALAFCO continues as a strong, vibrant educational resource to our members and as an advocate for LAFCo and LAFCo principles to statewide decision makers. This past year was marked with a successful Annual Conference in Santa Barbara, Staff Workshop in Fresno, an ever-increasing presence across the state as an advocate for LAFCo and LAFCo principles to statewide decision makers, and a mixed-bag of legislative efforts that included sponsoring two legislative bills (both signed into law), co-sponsoring one bill with the CA Special Districts Association (CSDA) (also signed into law), responding to a host of LAFCo-related bills, and testifying at hearings and meetings of the Little Hoover Commission (LHC).

The Association continues to be on sound financial ground. We are pleased to report that all 58 member LAFCos have renewed their membership for the 2017-18 fiscal year, and today we have six (6) Gold Associate members and twenty-four (24) Silver Associate members. The FY 2017-18 adopted budget increases member service levels and maintains a healthy reserve.

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

Board of Directors set two-year Strategic Plan

Early in 2017 your Board of Directors conducted a day-long strategic planning workshop. During the workshop we conducted a full review of the

Association's performance in meeting the 2016 objectives as outlined in the organization's 2015-2016 Strategic Plan. We reported our "dashboard report card" to you, the membership, shortly thereafter.

We also had a lengthy discussion about how we conduct our legislative affairs and considered whether or not to change our 501(c)3 status to allow for more extensive lobbying. In the end, we unanimously decided to support our current mission as an educational organization.

With that in mind, we carefully considered roles and responsibilities of the Board, staff and committees, the long-term financial sustainability of the organization, empowering and educating our members, and looking at what is putting our member LAFCos and the Association at risk. These issues became the benchmark of the three areas of the Strategic Plan.

Once adopted in May, it was shared with you, our members, and can be found on the CALAFCO website. This document serves as the blueprint for the work being done this year.

EDUCATIONAL SERVICES AND COMMUNICATION

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

2017 Staff Workshop

We continued the tradition of quality education programming with the Staff Workshop held in Fresno in April and the Annual Conference in San Diego in October. The Workshop, hosted by *Fresno* LAFCo, brought together 92 LAFCo staff and guests from around the state and seven Associate members.

This was the first Staff Workshop conducted in the new model of no theme. The program once again included a solid mix of technical and skill-building sessions. We began with a Mobile Workshop that



visited the famous Forestiere Underground Gardens, followed by a trip to Fresno State's Winery and a presentation of its world renowned Department of Viticulture and Enology.

Workshop sessions included general sessions on ethics and integrity, SGMA and our infamous legislative update. This year's program had a wide range of breakout session offerings including topics on disadvantaged unincorporated communities (DUCs), CEQA, MSRs, water system consolidations, cannabis, out of area service agreements, avoiding lawsuits, healthcare districts, BOE mapping and LAFCo 101.

We would like to thank the Program Planning Committee members and Chair **Kris Berry** (Placer LAFCo), our host, **Fresno LAFCo**, led by **David Fey** and his entire team and all who worked to make this an outstanding Staff Workshop. We also acknowledge and thank the sponsors of this year's Staff Workshop: **Best Best & Krieger, Baker Manock & Jensen, Granville Homes, HdL Coren & Cone**, and in-kind sponsor **Enzo Olive Oil**.

The 2018 Staff Workshop is set for April 11-13, 2018 at the Four Points Sheraton in San Rafael. Our host for this workshop will be **Marin LAFCo**.

2017 Annual Conference

Approximately 250 LAFCo commissioners, staff and guests are expected at the 2017 Annual Conference in San Diego.



This year marks the first year of the new Conference model for which a local

LAFCo no longer acts as host. CALAFCO has assumed the role and responsibilities of host for the Conference.

Nestled in the beauty of Mission Bay, the Bahia hotel offers the perfect location for us to convene this year's Conference to learn with and from one another.

The program is rich in content with general and breakout sessions focusing on how LAFCos can increase their effectiveness.

The Mobile Workshop will be an exciting adventure. We will visit the Carlsbad Desalination Plant, the largest and most technologically advanced desal plant in the nation. Also on tap is a tour of the adjacent Encina Power Station, a major supplier of electricity for the region. We will also learn about the new power plant project underway. The Mobile Workshop will end with lunch at the beautiful Marina Village.

This year's Conference has a wide variety of topics and a fabulous lineup of speakers. General session topics include the presentation of a public poll on the perceptions of LAFCo followed by a presentation from marketing experts on helping us better tell our LAFCo stories. We will also hear how to avoid an ethical crisis (this is not your typical ethics session) and get a full legislative update. Breakout session topics include LAFCo funding, healthcare districts and LAFCos, Commission decision making (and how some make those really hard decisions), how LAFCos are dealing with local agencies' fiscal health (and the impacts of that to LAFCos), understanding expectations of Commissioners and Executive Officers, and unincorporated island programs.

The LAFCo 101 session is once again open for attendance to those who are not attending the full conference at a deeply discounted rate. This allows agencies to send staff and elected officials to this very special 2-hour session on understanding and applying the basics of LAFCo.

This year our luncheon keynote speaker is **John Simpson**, General Manager, Water Resources Division at Marine Corps Installations West/ Marine Corps Base Camp Pendleton. We will learn about the unique Santa Margarita River Conjunctive Use Project, which partners the Federal Government (Camp Pendleton) and local water agencies.

We acknowledge and thank the Conference Committee Chair **Bill Kirby** (Placer LAFCo), the Program Committee Chair **Carolyn Emery** (Orange LAFCo), and all who are working on the Program Committee to make this an outstanding Conference.



We wish to also thank all of our sponsors for this year's Annual Conference, without whom this special event would not be possible: *Best Best & Krieger, Cucamonga Valley Water District, CV Strategies, Lewis Group of Companies, HdL Coren & Cone, Project Resource Specialists, Imperial LAFCo, Colantuono Highsmith & Whatley, Inland Empire Utilities Agency, Mesa Water District, RSG, and Los Angeles LAFCo.*

Next year's Conference will be hosted by CALAFCO and held at Tenaya Lodge in Yosemite, October 3 – 5.

CALAFCO University

The first CALAFCO U session of the year was held in Sacramento on June 26. The topic was *When Opinions Collide – Exploring the unique perspectives of LAFCo Commissioners, Legal Counsel and Staff.* The session explored the legal aspects of Commission decisions and looked at several LAFCo case studies when staffs' opinions and recommendations were different than that of the final Commission decision. In total, 28 LAFCo staff and Commissioners attended, giving the session very high ratings.

The final session for 2017 is set for **December 4** in Orange County. The topic, which will also be repeated in Sacramento on **January 22**, is *LAFCo's Evolving Mission: New Laws, Requirements and Transparency.* The session will focus on several important topics including recent legislation passed that LAFCos must now implement, informing LAFCos on all website transparency requirements, and an in-depth discussion regarding the Little Hoover Report, which will be presented by the Chair of the Little Hoover Commission, *Pedro Nava.*

Accreditations

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

Web Site

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

The new website was launched at the end of 2016 and is more robust and user-friendly. The library has been expanded and we continue to add new content based on your feedback.

List-Serves

The list-serves maintained by the Association continue to be an important communication and information sharing tool among LAFCo staff. In total, we maintain eight list serves to help members share information, materials, and expertise. The List-Serves for executive officers, analysts, clerks and counsel discussions remain the most popular and serve to foster the sharing of information and resources. It is important for you to advise CALAFCO when your staff changes so the list serves can be kept up to date.

Quarterly Updates

After each Board meeting, the Association's Executive Director creates and distributes through the list serves a Quarterly Report on the activities of the Board and Association. As *The Sphere* is an annual newsletter, these Quarterly Reports contain more information, a special feature highlighting Associate Members and local LAFCo updates. These bulletins provide informational updates in a timelier manner and at less cost to the Association.

White Papers

On December 31, 2016, CALAFCO published a White Paper titled *Sustainable Groundwater Management Act and LAFCos.* CALAFCO wishes to thank *David Church* (SLO LAFCo), *John Marchand* and *Mona Palacios* (Alameda LAFCo) and *Best Best and Krieger* for their work on this White Paper.

Additionally, CALAFCO partnered with the *American Farmland Trust* (AFT) on a joint collaboration White Paper on Agricultural Land Preservation. We want to acknowledge the volunteers working this paper: *Christine Crawford*



(Yolo LAFCo), *David Fey* (Fresno LAFCo), *Elliot Mulberg* (Associate Member), *Neelima Palacherla* (Santa Clara LAFCo), *Serena Unger* of the AFT, and the team at *Best Best and Krieger*. The final draft is still under consideration and the paper is expected to be published before the end of November.

Finally, CALAFCO has moved forward with beginning the project of mapping all of the disadvantaged unincorporated communities (DUCs) throughout the state at the census block group level. This mapping will be incorporated in a White Paper on the same topic (DUCs), which will be worked on in 2018.

LEGISLATIVE PROGRAM

The Board began this legislative year with the intention of keeping a light legislative platform because we wanted to ensure the Association was focusing on risk factors and to keep room for responding to the unexpected pieces of legislation we knew would come our way which would require our involvement. Further, the Little Hoover Commission report was still outstanding and we anticipated resources would be needed there as well. These turned out to be an insightful decisions, and in the end, CALAFCO had a very successful legislative year.

The CALAFCO Legislative Committee (Committee) began work in November 2016 and met regularly through June 2017. Based on a very narrow scope of legislative priorities set by the Board, the focus this year was on a limited Omnibus bill and sponsoring legislation that fixed limitations to annexing territory already receiving services (§56653). CALAFCO was approached by CSDA to co-sponsor a bill that would streamline the seating of special districts on LAFCo, which we agreed to do with the provision that CSDA take the lead on getting the bill passed.

CALAFCO ended the year tracking a total of twenty-two (22) bills, sponsoring three (3) bills and taking formal positions on eleven (11) bills.

Thorough legislative updates are provided in each Quarterly Report. In this Annual Report we will report on the top six bills of the year. For a complete list of CALAFCO bills, please visit the CALAFCO website Legislation section. Information is updated daily.

The reduced legislative focus included sponsoring a very small Omnibus bill. What began as one-item Omnibus bill, *AB 1725* evolved into a five-item bill. With twelve proposals submitted by LAFCo staff, a large number of items had to be left off the bill this year. Two were removed from the list as either too controversial for an Omnibus bill or not appropriate for CALAFCO to take the lead. The remaining items will be considered for next year's Omnibus bill. We are grateful for the efforts of Committee member *Paul Novak* (LA LAFCo) and Assembly Local Government Committee (ALGC) consultant *Misa Lennox* for their efforts on shepherding this bill, and to all of you who did the work of submitting proposals for insertion into the Omnibus. *AB 1725* was signed by the Governor on September 28 and takes effect January 1, 2018.

The other CALAFCO sponsored bill this year was *AB 464* (Gallagher). Signed by the Governor on July 10, 2017, this bill makes a fix to §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. CALAFCO attempted to get this fix last year in another bill but ultimately we were unsuccessful. We wish to thank Board member *Bill Connelly*, *Scott Browne* and *Steve Lucas*, (all of Butte LAFCo), for all of their work on this piece of legislation.

AB 979 (Lackey) is the bill co-sponsored with CSDA. Signed by the Governor on September 1, 2017, the bill amends §56332.5 to streamline the process for 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). We wish to thank our partner, *CSDA*, for all of their working in securing an author and shepherding this bill through the legislative process.

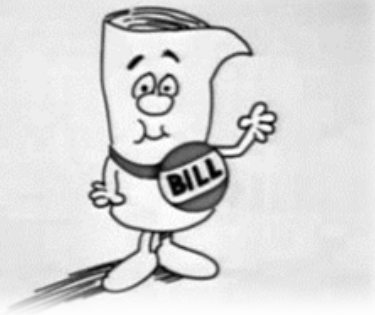
CALAFCO was also actively involved in *SB 448* (Wieckowski), which was ultimately signed by the Governor on September 27, 2017, after six (6) different sets of amendments. CALAFCO began with a position of *Oppose*, which later was changed to *Support*. We spent many hours in discussions with the author's office and stakeholders on the amendments. The bill as signed does several things. First, it requires the State Controller (SCO) to post and update annually a list of special districts on their website, specifically identifying independent special districts. Certain districts (as defined in §56036), are required to file their audits with their local LAFCo at the same time they file with the SCO. The bill adds §56042 and creates the category of inactive district (and clearly defines this new term therein). Further, it requires the SCO to identify all inactive districts and notify the district and the LAFCo of the inactive status. The LAFCo is then required to dissolve the inactive district (providing it meets the defined criteria) through a streamlined process (one noticed public hearing and no protest process). We wish to thank those who were part of the subcommittee on this bill with *Pamela Miller* including Board member *Anita Paque* (Calaveras), *Mona Palacios* (Alameda) and *George Spiliotis* (Riverside).

AB 1728 is a bill authored by the ALGC and was created in response to the ongoing focus on healthcare districts (HCDs). The bill was introduced after the Committee's March 8, 2017 hearing on the same. CALAFCO took a position of *Support* on the bill which was signed by the

Governor on September 23, 2017. The bill requires all HCDs 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; to establish and maintain a website that lists contact information for the district; and adopt annual policies for providing assistance or grant funding, if the district provides assistance or grants.

Gut and amended late in the year, *AB 1361* (E. Garcia) sought to completely bypass LAFCo and allow Indian Tribes to contract with water agencies to provide water services to tribal owned land without annexation or a LAFCo approved out of area service agreement. CALAFCO immediately took an *Oppose* position and began to work with the author's office and sponsor. After several discussions, some of CALAFCO's recommended amendments were accepted, but most of our concerns remained unaddressed. In the end, the bill signed by the Governor on October 3, 2017, still allows for these agreements and does involve LAFCo, although minimally. While the district needs to file an application with LAFCo to extend the service, the LAFCo is required to approve the application; and while LAFCo may impose terms and conditions, they may not impair the provision of service. There is a sunset date of January 1, 2023 on this new section and the allowance applies only to Tribal lands in trust as of January 1, 2017. CALAFCO may be approaching the author's office requesting clean-up legislation for 2018. We want to thank *Harry Ehrlich* (San Diego), *George Spiliotis* (Riverside), *Steve Lucas* (Butte), *José Henriquez* (El Dorado) and *Kathy Rollings McDonald* (San Bernardino) for their work with *Pamela Miller* on this bill.

The CALAFCO Board also wishes to thank all of the people who volunteer to be a part of the Legislative Committee and to all of the LAFCos who respond to our call for legislative action by writing letters to Sacramento. Your response, both directly to Sacramento and with your respective State Legislators, really does make a difference.



CALAFCO AS A RESOURCE

The Little Hoover Commission



As reported last year, the Little Hoover Commission (LHC) contacted CALAFCO in the summer of 2016 as it planned to hold an informational hearing on special districts. This hearing was a follow-up to the Commission's 2000 report on the effectiveness of special districts. Following the August hearing at which CALAFCO testified, the LHC held a second hearing in October 2016 on the issue of climate change. This hearing focused on how special districts are changing the way they deliver services as a result of adaptation to climate change.

The Commission then held a roundtable discussion in November 2016 on healthcare districts. In attendance representing CALAFCO were Executive Director **Pamela Miller** and Executive Officers **Lou Ann Texeira** (Contra Costa) and **Mona Palacios** (Alameda). Many healthcare districts present shared the challenges they face in delivering services, and the LHC questioned district transparency, collaborative data and best practices sharing, and the ability for LAFCo to effectively oversee these districts. In particular and related to LAFCo, several Commissioners questioned whether or not LAFCos were up to the task of properly overseeing these districts, and CALAFCO assured the Commission they were. This assurance was echoed by many districts in the room, along with representatives from the Special Districts Association (CSDA) and the Association of CA Healthcare Districts (ACHD).

The Commission was scheduled to adopt a draft report at their February 2017 meeting. Having seen the draft staff recommendations, CALAFCO supported the draft. However, during their meeting, several Commissioners decided the recommendations were "too status quo" and felt the recommendations did not go far enough to incite change. Their discussion turned into something of a brainstorming session with additional ideas for study being generated. As a result, the Commission did not adopt the report and recommendations, and instead embarked on another six months of study.

Shortly thereafter, CALAFCO and CSDA met with the Chair, Vice Chair and Executive Director of the LHC to discuss our concerns and provide further education on LAFCo. The LHC discussed the matter again at their April meeting. During this meeting, Assemblymember Chad Mayes (also a LHC Commissioner) who was in attendance, advocated for LAFCo by suggesting that perhaps additional funding is needed for them to be more effective in fulfilling their legislatively prescribed role. In early summer, CALAFCO Executive Director **Pamela Miller** met personally with several LHC Commissioners in an attempt to educate and inform them on LAFCos, to answer questions they had and to address their concerns.

It became clear in early March that CALAFCO needed to put together a working group to assist in dealing with the concerns raised by the LHC, to develop strategies for response, to generate additional recommendations for the Commission's consideration, and to help with the creation of a piece of collateral material to better assist CALAFCO in telling the LAFCo story. A call for volunteers netted an all-star working group consisting of Board members **Gay Jones** (Sacramento) and **Bill Connelly** (Butte), Commissioner **Michael Powell** (El Dorado), and Executive Officers **Steve Lucas** (Butte), **Kris Berry** (Placer), **Carolyn Emery** (Orange), **Keene Simonds** (then of Marin) and **José Henriquez** (El Dorado). This group worked for several months crafting additional recommendations and an educational and informative piece of collateral material for the LHC. CALAFCO wishes to thank this group for their great work and **CV Strategies** for creating very professional material for our use.

In June the LHC held yet another roundtable discussion on special districts and LAFCos. In attendance representing CALAFCO were



Executive Director **Pamela Miller**, Board member **Gay Jones** (Sacramento) and Executive Officers **Steve Lucas** (Butte) and **José Henriquez** (El Dorado).

During this meeting attendees had a chance to address what was intended to be the Commission's final set of draft recommendations. CALAFCO supported the majority of the recommendations (although at least one of our additional recommendations did not make it into the report),



and expressed concern over several of the recommendations. We followed up this meeting with a final letter to the LHC, documenting our thoughts and opinions on the draft report.

During their August meeting, literally one year after the first hearing, the Commission adopted their final report and recommendations. Of the twenty (20) recommendations, eight (8) directly relate to LAFCo. The LAFCo-related recommendations address funding, authority and process. Several of the recommendations are either in process or have been completed. Others will require legislative action which needs to be initiated by CALAFCO, and still others require action on the part of individual LAFCos.

While it's debatable which are the most critical of recommendations, perhaps the two biggest are a call for a one-time funding infusion for LAFCos to conduct more in-depth studies of districts and for the Legislature to keep LAFCo decisions local and stop bypassing LAFCo process.

For CALAFCO, one thing became very clear as a result of this year-long process, and that is both CALAFCO and our member LAFCos do not tell our story well enough. Buried deep beneath perceptions are the stories of the good work this Association and our member LAFCos are doing. This is certainly an area of focus for CALAFCO in the coming year.

Shortly after the LHC adopted the report, CALAFCO updated the membership with the final report and conducted a briefing conference call for all of our members.

All of the documents relating to the Little Hoover Commission study and CALAFCO's documents are posted on the CALAFCO website.

The Assembly Local Government Committee's Oversight Hearing on Healthcare Districts

On March 8, 2017, The Assembly Local Government Committee (ALGC) held an oversight hearing on healthcare districts (HCDs). In addition to the three HCDs that testified, several LAFCos were also present. Telling their HCD stories were Commission **Don Tatzin** (Contra Costa) and Executive Officer **Mark Bramfitt** (Sonoma). Attorney **Michael Colantuono** also testified,

providing a legal overview of the relationship between LAFCos and HCDs.

Subsequent to the hearing CALAFCO formed a working group to address issues between LAFCos and HCDs. The group, which is still doing work, includes Board members **Bill Kirby** (Placer) and **Anita Paque** (Calaveras), Executive Officers **Mark Bramfitt** (Sonoma), **Martha Poyatos** (San Mateo), **Kathy Rollings McDonald** (San Bernardino), **Mona Palacios** (Alameda), and **Keene Simonds** (San Diego) and Analyst **Robert Barry** (San Diego). The working group met via conference call several times this year and generated a number of recommendations for the ALGC staff to consider. They also suggested two legislative changes for the CALAFCO Legislative Committee (Committee) to consider. After lengthy discussion, the Committee provided feedback to the working group on their proposed changes, which will now be given further consideration by the working group. All of the suggestions were offered to the ALGC staff, CSDA and ACHD.

FINANCIAL POLICIES AND REPORTING

The Association continues to stand on a strong financial base. The Board maintains policies and current filings which are in compliance with all federal and state requirements for 501(c)(3) organizations. The CALAFCO Policy Manual, IRS Form 990 and other key Association documents are available on the CALAFCO web site. The Association also maintains its records with the national non-profit reporting organization, GuideStar (www.guidestar.com). In 2017 CALAFCO once again earned the *GuideStar Exchange Gold Seal* in recognition of its transparency and completeness in documentation.

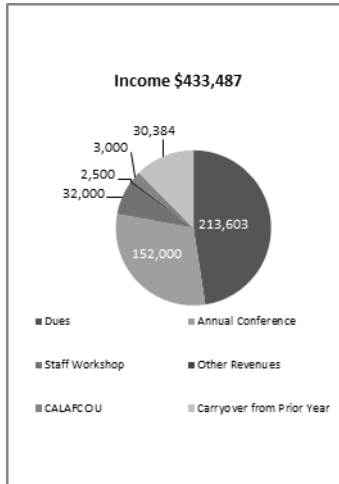
All financial records are reviewed quarterly by an outside CPA with reports to the Treasurer and the Board. The Board also reviews the annual IRS Form 990 tax filing prepared by the CPA and staff.

2017-18 Budget

The Board continues to manage the financial resources of the Association closely. This year marked the second and final year of a planned two-year increase in member LAFCo dues. The adopted budget for fiscal year (FY) 2017-18 provides for minor changes from the 2016-17 budget. The close

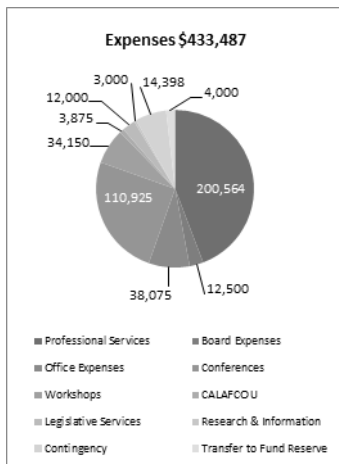


of the fiscal year showed a slightly greater year-end balance than anticipated in the adopted budget, allowing the Association to once again avoid the use of reserves. The budget adopted in May 2017 was revised and adopted as such in August by the Board. The adopted FY 2017-18 budget is \$433,487, which includes a carry-over net balance of \$30,384, contingency fund of \$14,398, and a \$4,000 transfer to Fund Reserve.



Restricted Fund Reserve

Since 2005 an important goal established by the Board has been to grow and maintain a Fund Reserve to support member services in uncertain economic times and to avoid the need to tap members for additional funds, as had been done in the past. The reserve balance at the close of the 2016-17 fiscal year was \$158,754, about 63% of the annual operations budget outside of the Conference, Workshop and CALAFCO U. The reserve is not part of the annual budget and requires a vote of the Board to use its funds. The



Association has not used the fund reserve since the early 2000s.

CALAFCO maintains its funds with the Local Agency Investment Fund (LAIF). While the interest rate has remained low again this year, we have not lost any of the principal in our savings or investments. The current Policy calls for having a minimum of 25% held in reserves. At the beginning of the current fiscal year, the Board approved the transfer of \$4,000 to Fund Reserves, making the current total held \$162,754.

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

ASSOCIATION MANAGEMENT

Board Member Activity

Earlier in the year the Board received the resignation of Board member Larry Duncan (Butte), representing the northern regional special district seat. Director Duncan lost his local seat as a result of a recall in his district. His vacancy will be filled at this year's caucus.

New Associate Members



We are have welcomed several new Associate members to the Association this past year. Joining CALAFCO as Silver members were *Santa Ynez Community Services District* and *Peckham & McKenney, Inc.* Both of these new members were featured in one of our Quarterly Reports to the membership. We are proud to feature our Associate Members in these reports and look forward to continuing that practice in the future.

A Final Thank You

We wish to thank *Kris Berry* (Placer) who served the past two years as Deputy Executive Officer (DEO) representing the Central region. We welcome *Christine Crawford* (Yolo) who will step in as the Central region's DEO effective October 27, 2017.

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

The CALAFCO Board of Directors

The Biggest Island in Santa Rosa is Annexed!

Continued from Page 8

The City has supported annexation of islands if residents initiated these efforts and demonstrated that they had at least majority consent. Thus, if applications came to Sonoma LAFCo, they were by petition, after the City acted to pre-zone the territory and make an environmental determination, but very rarely by resolution of the City Council. The City's position was – and continues to be – that it did not/does not want to force people to annex their properties. Additionally, City funding to manage such efforts without direct commitment from owners of territory proposed to be annexed has generally been very limited.

In 2005, faced with a proposal submitted by petition that would have created both an illogical boundary and a small island – an annexation boundary created by the City in an attempt to support successful completion – to include those who wanted to be within the City but not those who didn't, Sonoma LAFCo said, "No" for the first time. The Commission declared that it would no longer accept applications for annexation in the southwest quadrant of the City unless the City proposed a plan for overall annexation of the islands in that area.

In 2013, after no applications for annexations in southwest Santa Rosa and after years of discussion involving elected officials and highest-level staff from both jurisdictions who focused on issues associated with Roseland, but did not get anywhere primarily due to cost issues, the City Council and County Board of Supervisors independently identified the annexation of the Roseland area on their "priority for action" lists. Many had seen the Roseland area as the "orphan child" – not "in" the City but still part of the larger community. Although not meeting the requirements of state law as a disadvantaged unincorporated community, Roseland's average annual income is generally less than that in many areas within the City. As was noted later, "This was a bill that was owed and past due."

The officials formed the Joint City/County Roseland Annexation Committee to discuss issues and, more specifically, to negotiate a pre-annexation financial agreement that would allow the City to potentially serve the area at the same

level as it serves territory within the City boundary *and* without reducing those service levels. Later in that year, an unfortunate incident in which a Sheriff's Deputy fatally shot a teen-aged boy gesturing toward him with what appeared to be an AK-47 provided additional incentive for action, even though the incident occurred farther away, outside the islands considered for annexation.

In 2014, the Sonoma County Transportation Authority granted the City \$647,000 to develop a specific plan in the area, as part of the State's Sustainable Communities Strategy, to reduce greenhouse gas emissions through compact transit-oriented development; annexation was identified as a component. LAFCo staff, involved from the outset, convinced both the City and County that an annexation area must include not only Roseland but also the four other islands in the City's southwest quadrant.

After the annexation area was determined, extensive community outreach ensued over the course of a year, with community workshops held, a steering committee of residents and stakeholders launched, and a technical advisory committee established. Continually updated information was provided on the City's website and at whatever type of meeting or gathering that City staff and consultants could attend. Elected officials as well as City, County, and LAFCo staff attended meetings with residents of Roseland and the four smaller islands, where some residents did not support annexation, in an effort to consider the neighborhoods' needs, explain the annexation process, and outline the implications for annexation. As a result of these discussions, residents of one island negotiated both a reduction in proposed zoning density and establishment of a "heritage" district for their area.

Subsequently and more specifically,

- The City and County negotiated a "side" agreement to the Master City-County Property Tax Exchange Agreement (in place since 1989), to help offset the financial obligations associated with annexation. The County agreed to provide both one-time and annual payments to the City to support provision of services; the final agreement was based on a model proposed by LAFCo staff.
- The City approved a Specific Plan for the area, adopted land-use amendments, pre-zoned all the parcels consistent with its

General Plan and certified an Environmental Impact Report, including adoption of a Statement of Overriding Considerations.

- The County committed to continue to invest in health and human services, economic development, homeless services, and park development for the foreseeable future.
- LAFCo approved a resolution incorporating staff-recommended conditions to resolve issues associated with potential detachment of territory from a fire protection district and a sanitation district, transfer of easements and rights-of-way, and adjustments to Regional Housing Needs Assessment allocations.

The Commission's approval of this reorganization culminated a four-year concerted effort and hundreds of hours of discussions and negotiations involving elected officials and staff from many agencies. The endeavor included extensive outreach, widespread participation by and education of members of the communities involved, ongoing cooperation among the City, the County, and LAFCo, and, it should be noted, the willingness of the Commission to persevere in its determination to include, in an annexation boundary, all the unincorporated islands in the City's southwest quadrant.

After a protest hearing conducted at its meeting of October 4, 2017, the Commission determined that there was insufficient protest to preclude the reorganization from moving forward. As a result, as of November 1, the City of Santa Rosa will welcome an estimated 7,400 new residents.

District What? (or "Regeneration, Government Style")

Written By: José Henríquez, Executive Officer, El Dorado LAFCo

Fans of the British TV series *Doctor Who* know that the time travelling aliens known as Time Lords can "regenerate" into a new body when critically injured, and in doing so gain a new physical appearance and personality. From a practical, real-world perspective, this is a useful device for introducing a new actor for the lead role of its main

character, the Doctor. A flash of special effects and a new actor replaces the previous one. That is one way to continue making a nearly 55-year old show.

While the reader may say, "That's nice for television," it can also happen in real life – at least in government. Unincorporated communities can become cities. When two or more special districts join forces politically and structurally, they become a new district. A different and very unique type of regeneration is about to occur in El Dorado County.

Located in the southern Tahoe Basin and encompassing most of the village of Meyers, the Tahoe Paradise Resort Improvement District (TPRID) was formed in 1965 to take over the maintenance of a park and the surrounding open space area for the benefit of the community. It is an independent special district governed by California Public Resources Code §13000, et seq. This section of California Law is a legal



dead end. The code has not been updated since the Legislature barred the creation of new resort improvement districts in 1965. As a result, the statute is frozen in time, lacking clear links to subsequent statutes affecting local governments in the State, such as the Brown Act, Public Records Act, the Planning and Zoning Law, and Propositions 13, 62, and 218. For example, resort improvement district (RID law) still states that its Board of Directors can set the District's property tax rate. The outdated law becomes an injury that grows critically worse with each passing year, making it harder to deliver public services because of the lack of modern legal procedures.

Despite the limitation of operating under an extinct form of government, TPRID's management structure has gamely carried on for decades, albeit in a legal ad hoc manner. Tahoe Paradise Resort Improvement District is managed by a five-member board of elected directors; one of which is a member of the County Board of Supervisors, an anachronistic feature of RID law. TPRID is mostly funded by a government pass-through scheduled to expire in 2030. This legal deadline is critical, because for Tahoe Paradise it means searching for a new source of revenue to continue funding its park operations, a task that becomes much more

daunting when there is no legal tie to Proposition 218.

While Cortese-Knox-Hertzberg allows for converting districts from one type or another, the regular process is considered to be too complicated and time consuming for many districts. This may be a primary reason as to why so many RIDs (and municipal improvement districts – MIDs – another type of outdated district) are still in existence. To switch from one principal act to another requires an applicant to formally apply to LAFCo for a reorganization that proposes the dissolution of the existing RID and the formation of a new district. The five-step LAFCo procedures take about a year to complete. Because these reorganizations propose forming new special districts, they need majority-voter approval [Government Code §57077(b)(I)]. The latter in particular adds a level of uncertainty since voters could override the conversion effort by disapproving the formation of the new district.

Local officials wanted the Legislature to create a simpler way to convert RIDs. In 2010, Senate Bill 1023 (Wiggins) was signed into law. It encourages RIDs and MIDs to convert to a more modern style of public agency with an updated principal act by turning them into community services districts (CSDs). If a LAFCo approves or conditionally approves the process within SB 1023, there is no protest hearing and no election, cutting down the process time – and uncertainty – significantly.

SB 1023 specifically states that all rights, responsibilities, powers, revenues and obligations transfer in the conversion. It allows for the new entity to take ownership and possession of the converting district's personal and real property. Any invested district funds are transferred to the new district. The new district will continue to operate as an independent special district with locally elected representatives to serve on its board. With all of these advantages, it seemed as if undergoing the conversion would be an easy call.

However, converting TPRID to a CSD would force the District to operate under CSD rules that are too cumbersome for TPRID's operations and funding. This is when the El Dorado LAFCo's Commission

and staff lobbied successfully to Senator Wiggins to allow for another option that would accommodate local circumstances. For just the Tahoe Paradise RID, SB 1023 allows El Dorado LAFCo to convert the Tahoe Paradise RID into a recreation and park district.

Conversion was not assured. With so many unique circumstances, and many years of internal struggle, conversion was one of many challenges that came before the TPRID Board, and was probably the lowest priority. Issues included management and director turnover, delayed repairs, uncertain revenues, the closure of a couple amenities and contentious monthly meetings as rumor spread that the County of El Dorado was looking to “take over” the Tahoe Paradise Park. As it tackled so many difficult issues, it seemed like the Tahoe Paradise's attitude on conversion was “I don't want to go,” echoing the Tenth Doctor's last words before he regenerated.

So, the first question – the oldest question in government, hidden in plain sight – then became



how to motivate someone or something beyond its initial disinclination to

take action. El Dorado LAFCo staff's solution was to remain engaged with the District, its volunteers, its Board and other influential regional stakeholders. Staff made several presentations and attended several Board meetings, heard concerns and answered questions from the public. Staff also met with TPRID's newly elected or appointed Board members and County Supervisors to brief them on the benefits of conversion. Lastly, as an added enticement to undergo conversion, El Dorado LAFCo agreed to waive its own processing fees.

The efforts paid off. With little fanfare, the TPRID Board applied to LAFCo this past June and LAFCo staff processed the petition in record time (without the use of a TARDIS, even). Conversion was approved at LAFCo's September meeting for the petition to be complete before the January 1, 2018 sunset date. At that point, Tahoe Paradise Recreation and Park District will be only the second out of twelve eligible districts in the State to have regenerated into a new form.



Upland Marijuana Tax Decision Causes Furor

Written by: Michael G. Colantuono, President, Colantuono, Highsmith Whatley, PC

On August 28, 2017, the California Supreme Court decided *California Cannabis Coalition v. City of Upland*, a case involving an initiative to legalize medical marijuana dispensaries and to impose a \$75,000 per year “annual Licensing and Inspection fee,” which the City of Upland concluded was a general tax. Although a careful reading reveals the decision to be narrow, some of its language led early commenters to predict that local special taxes might be allowed on a simple majority vote, rather than the two-thirds voter approval required by 1986’s Proposition 62 (applicable to counties and general law cities) and 1978’s Proposition 13 and 1996’s Proposition 218 (both applicable to charter cities, too.)

We conclude the case leaves the two-thirds-voter-approval requirement for local taxes in place and makes only a very modest change to earlier understandings of Proposition 218 and the law of initiatives.

The details: Upland, like many cities, prohibits medical marijuana dispensaries. The California Cannabis Coalition circulated an initiative proposal to allow three dispensaries in the City. It collected signatures of more than 15% of City voters on a petition calling for a special election. As the Elections Code allows, the City Council deferred action on the initiative pending a City staff report on its effects.

The report concluded the City’s cost to license and inspect a dispensary would be only \$15,000 per year and that the \$75,000 fee therefore included a \$60,000 general tax — i.e., a tax to fund any lawful purpose of the City. Under a provision of Proposition 218 (article XIII C, § 2(b)), general taxes may only appear on general election ballots when city council seats are contested. The City Council therefore set the measure for the 2016 general election — two years later. The Coalition

sued to compel an earlier, special election. The trial court agreed with the City that the measure imposed a general tax and could not be set for a special election.

The Court of Appeal reversed and — without deciding whether the measure imposed a tax — concluded Proposition 218’s general-election rule for general taxes does not apply to initiatives. With pro bono representation by the Howard Jarvis Taxpayers Association, the City obtained Supreme Court review. While the case was pending in the Supreme Court, Upland voters defeated the Measure 64% to 26%.

The Supreme Court affirmed the Court of Appeal. It also did not decide whether the measure imposed a tax, but concludes it was not subject to the general-election rule even if it is a tax, because that rule applies only to taxes proposed by the City Council, not by initiative: “we conclude that the requirement in article XIII C, section 2, subdivision (b) — mandating that general taxes be submitted to the voters at a regularly scheduled general election — applies only to local governments and not to the electorate’s initiative power” The Court’s essential rationale is that limits on the initiative power are disfavored and must be plainly stated and the general-election rule is a procedural requirement that applies when a government agency legislates, but not when voters act by initiative.

The Court goes on, however, to make clear the two-thirds-voter-approval requirement for special taxes — taxes which may be spent only for a stated purpose — **does** apply to initiatives: “In article XIII C, section 2, subdivision (d), for example, the enactors adopted a requirement providing that, before a local government can impose, extend, or increase any special tax, voters must approve the tax by a two-thirds vote. That constitutes a higher vote requirement than would otherwise apply. ... That the voters explicitly imposed a procedural two-thirds vote requirement on themselves in article XIII C, section 2, subdivision (d) is evidence that they did not implicitly impose a procedural timing requirement in subdivision (b).”

However, language in the opinion leads some to argue the decision imperils the two-thirds rule for special taxes. First, two Justices who disagreed with the majority’s reasoning characterize the language just quoted as less than definitive: “the majority opinion contains language that could be read to

suggest that article XIII C, section 2(d) [the two-thirds rule] should be interpreted differently from section 2(b) [the general election rule].” However, this was a rebuttal to the majority, not a holding that could undermine its conclusion.

Other parts of the opinion refer to the general-election rule by citing the entire section of which it is a part — article XIII C, section 2. That is unhelpfully ambiguous, as section 2 includes both the general election rule (2(b)) and the two-thirds vote requirement (2(d)). Moreover, the Court expressly leaves open the impact of its conclusion (that Proposition 218’s procedural rules generally do not apply to voters acting by initiative) on the measure’s article XIII D — governing assessments on property and property related fees, including many retail water, sewer and trash fees. As Propositions 13 and 62 use language very similar to that of Proposition 218, these questions arise under all three measures.

Still more alarming for Proposition 218’s advocates is the Court’s expressly refraining from deciding whether a city council or board of supervisors could adopt an initiative tax proposal without submitting it to voters at all — as is now common in land use disputes.

We expect courts to conclude that a City Council cannot adopt an initiative tax without voter approval because the Court’s language preserving the two-thirds rule describes it as a procedural restriction voters imposed on themselves. If voters cannot tax themselves without two-thirds voter approval it seems governments cannot either. Further litigation may be needed to resolve the question.

The parties may seek rehearing to clarify some of the decision’s ambiguities, but the central holding is clear — initiative petitions can force a special election on a general tax if they bear the signatures of 15% of voters of a jurisdiction. Also clear, in our judgment, is the Court’s conclusion the two-thirds-voter-approval requirement for local special taxes remains in force.

A few observations: First, the initiative power holds a special place in California’s democracy and courts are reluctant to limit it: “we presume such limitations do not apply to the initiative power absent evidence that such was the restrictions’

intended purpose.” The concurring Justices aptly name this a “clear statement” rule — unless a restriction on initiatives is clearly stated, courts will not enforce it.

Second, while it is often sensible for a local government to refuse to proceed with a plainly unlawful initiative, courts would prefer they did not. Courts would rather local governments incur the legal fees necessary to let judges — not elected legislators — decide which initiatives are lawful. Judges view it as their duty to protect initiatives from hostile legislators.

Third, the decision reinforces a distinction between procedural rules for city councils and boards of supervisors and substantive rules intended to limit local government authority generally. The former will not apply to initiatives, the latter commonly will. The hard part, of course, is sorting out dispensable process from mandatory substance.

And, the opinion treats the two-thirds rule as procedural, but nevertheless binding on voters acting by initiative given the apparent intent of Proposition 218 to impose the rule on voters.

Finally, the decision and the furor it provoked in the “Twitterverse” and elsewhere demonstrate how passionately Californians care about the initiative power, the power to tax, and who has the ultimate say as among voters, legislators and courts.

What next? Rehearing is possible and a petition is due by September 12th. There is also discussion of a constitutional amendment to reinforce the two-thirds rule. 2018 brings a hotly contested election to maintain (without the high voter turnout of Presidential elections) Democrats’ legislative supermajorities and a contest for the House of Representatives fought in 7 Republican and 4 Democratic California seats. Such a ballot measure might be a useful tool to frame that larger contest.

We conclude that *Upland* is less than might appear on initial reading. Few taxes are proposed by initiative and fewer still get signatures of 15% of all votes to trigger a special election. Under Proposition 218, a tax measure qualifies for a general election if signed by about 2% of voters — a tiny number in most places.

“VOTERS EXPLICITLY IMPOSED A PROCEDURAL TWO-THIRDS VOTE REQUIREMENT ON THEMSELVES IN ARTICLE XIII C, SECTION 2, SUBDIVISION (D).”



TRACKS Around the State

A Year of Change at Riverside LAFCo

For an agency that had not seen any staff changes in ten years and whose least tenured employees had been here for 15 years, any change is a big deal. Change can also be exciting. If that's the case, then we must be really excited because numerous personnel changes have occurred over the past several months.



The last day of 2016 was the last day at Riverside LAFCo for *Elena Medina*, our Commission Clerk/Executive Assistant. Elena's retirement capped a 32 year career in public service. In addition to her 20 years at LAFCo, Elena worked for Riverside County for 12 years in various assignments, including Executive Secretary to Supervisor Norton Younglove. Elena is now free to spend more time with her husband, children and grandchildren.

Our Secretary, *Elizabeth Valdez* was promoted to Commission Clerk and was pulling double-duty for several months. In late September, we welcomed aboard our new Secretary, *Rebecca Holtzclaw*. Rebecca previously worked at the Registrar of Voters and at Western Municipal Water District. While at the District, one of her tasks was to assist in planning and staffing of the Special District Selection Committee dinner meetings.

In July, we bid farewell to long-time analyst *Adriana Romo*. After 15 years at Riverside LAFCo performing a variety of analytical and administrative duties, Adriana accepted the position of Deputy Executive Officer at Los Angeles LAFCo. Recruitment for this vacant Analyst position will start in October.

In other news, Riverside LAFCo will be issuing an RFP for a County-wide Water and Wastewater MSR sometime in October. The MSR will include reviews of 11 cities and 32 special district providing

water and/or wastewater services in three sub-regions of the County.

Alameda LAFCo Update



Alameda LAFCo
Local Agency Formation Commission

On September 22, 2017, Alameda LAFCo held a full day strategic planning retreat to review and update its current strategic plan. Facilitated by Pamela Miller of Miller Management & Consulting Group (also CALAFCO's Executive Director), the Commission spent the day in frank conversation about accomplishments, challenges, formal and informal authority, and the future direction of Alameda LAFCo. The process enabled the Commission to acknowledge strides it has made to improve transparency and responsiveness of local government, engage the public, and educate local legislators. With the wide range of issues identified and areas in which Commissioners expressed a desire take action, Alameda LAFCo will be working in the coming months to complete the review and update of its mission statement, and adopt a new three-year strategic plan.

Commissioners: In May 2017, Commissioner *Ayn Wieskamp* was elected as Alameda LAFCo Chair and Commissioner *Scott Haggerty* was elected Vice Chair. Commissioners *Jerry Thorne* and *Georgan Vonheeder-Leopold* were each reappointed for another four year term. Commissioners *John Marchand* and *Sblend Sblendorio* continue to serve on the CALAFCO Board of Directors representing the Coastal Region as the city and public members, respectively. Commissioner *Sblendorio* serves on the CALAFCO Legislative Committee and the Conference Committee. He was Chair of the 2016 Annual Conference in Santa Barbara. Commissioner *Marchand* serves on the CALAFCO Achievement Awards Committee.

Projects and other activities: Alameda LAFCo has been busy over the past year with a variety of projects. Highlights include conducting a special study of a healthcare district, processing sphere of influence amendments to address governance and transparency issues for the healthcare district and a fire protection district, addressing a city's unapproved extensions of water and sewer services outside city boundaries, and educating local legislators about LAFCo's role and responsibilities.



Bay Area LAFCo Clerks Gather

Written by: Bay Area Clerks

The Bay Area LAFCo Clerks (BALC) met for the first time in almost a year for a breakfast meeting at Ruby's Can't Fail Cafe in Emeryville on August 23. Alameda, Contra Costa, Napa, San Mateo, Santa Clara, and Solano Counties were represented.

Sandy Hou reported Alameda LAFCo completed a special study of one of their health care districts, resulting in an amendment of its sphere of influence with conditions. She also noted that they finally got started using the county's FileNet program for electronic document management with the assistance of a youth intern for scanning and indexing.

Kate Sibley noted Contra Costa LAFCo is in the process of preparing a municipal service review on health care districts and that a decision is pending whether to dissolve one of the districts due to a bankruptcy.

Kathy Mabry reported Napa LAFCo is making progress towards annexing the 18 unincorporated islands within the City of Napa. She also shared that they have completed scanning of all their files using Laserfiche document imaging and that the Commission agreed to retain paper copies only for resolutions and a few other types of documents.

Jean Brook shared San Mateo LAFCo just adopted a resolution on a municipal service review of their health care districts, and noted that one of them is applying to extend services for a new assisted living and memory care facility opening in 2018.

Emmanuel Abello shared Santa Clara LAFCo was included in the recent Civil Grand Jury report, which the Commission felt had many inaccuracies and showed a lack of understanding of the role of LAFCos. He also shared that they are currently recruiting for an assistant analyst.

Michelle McIntyre from Solano LAFCo discussed the Bay Area Greenprint mapping tool and encouraged the group to visit www.bayareagreenprint.org to identify tools on the website that could be improved or are currently missing. The group plans to reconvene in the East Bay in February 2018.



CALAFCO Associate Member Corner

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

We are proud to welcome two new Associate members to the Association this past year. Joining CALAFCO as Silver members are **Santa Ynez Community Services District** and **Peckham & McKenney, Inc.**

Santa Ynez Community Services District



SANTA YNEZ
COMMUNITY SERVICES DISTRICT

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

Peckham & McKenney, Inc.



Peckham & McKenney, Inc. provides executive search services to local government agencies throughout the Western United States and is headquartered in Roseville, California. The firm was established as a partnership in 2004 by Bobbi Peckham and Phil McKenney, who serve as the firm's Recruiters and bring over 50 years' combined experience in local government and executive search. To learn more about them, visit them at www.peckhamandmckenney.com, or call them at 866-912-1919.

A Special Memoriam – June Savala (1957-2017)

Written by: The staff of LA LAFCO

The LAFCo community mourns the loss of a great colleague and friend, **June Denise Savala**. June passed away the morning of September 6, 2017, surrounded by her mother, daughters and sister, from complications associated with pancreatic cancer. Although her life was shortened, June lived a wonderful life. She cherished every day with her grace and warm smile.

June was born on February 20, 1957. A graduate of Lennox High School in Los Angeles, she went on to serve in the United States Navy from 1975 to 1980. The Navy awarded June an Honorable Discharge upon her retirement.

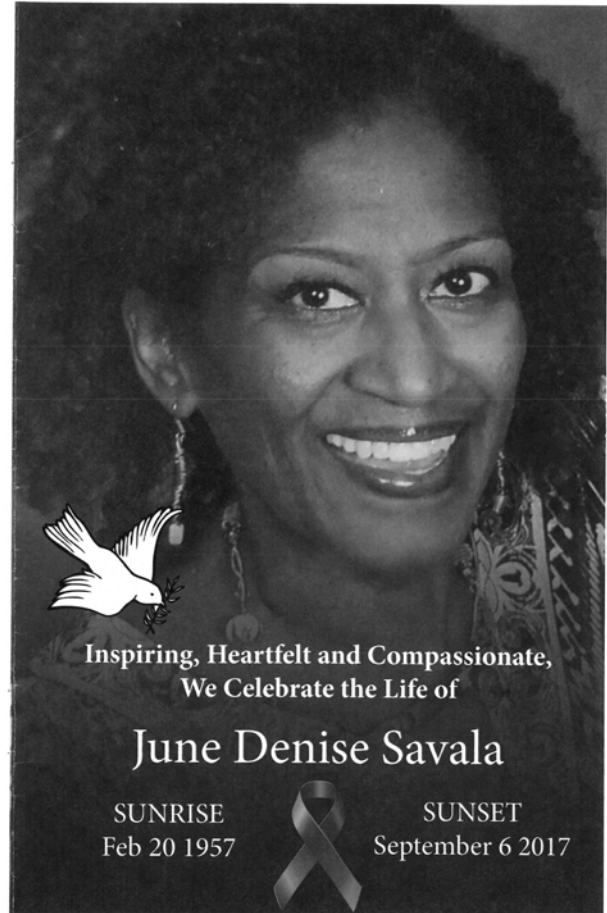
June commenced her career in Los Angeles County in 1980. She worked for the Board of Supervisors Executive Office for 14 years. In 1994, she was hired by Los Angeles LAFCo, where she worked for 22 years. She retired from LAFCo in late 2016. LAFCo employees Amber de la Torre, Doug Dorado, and Alisha O'Brien had the privilege of working with June for over fifteen years.

At LAFCo, June worked hard and well. She began as an Executive Assistant, was promoted to Assistant Executive Officer, and was later promoted to Deputy Executive Officer. During her time at LA LAFCo she worked with five different Executive Officers. She also served as Interim Executive Officer on two occasions, in 1995 and in 2010. June served as the CALAFCO Deputy Executive Officer from 2010 to 2012, on the Host Committees for the 2008 Annual Conference and the 2016 Staff Workshop, and organized several CALAFCO U seminars. Her extraordinary service earned her CALAFCO's "Outstanding LAFCo Professional" Award in 2011.

June was a consummate professional who enthusiastically and willingly supported colleagues at LA LAFCo, at other LAFCos, and the CALAFCO Board and staff. She consistently demonstrated a wealth of wisdom, judgment, and deliberation. June's humility, graciousness, kindness, and warmth endeared her to all of us as a trusted advisor and friend. Upon learning of June's passing, José Henríquez, Executive Officer of El Dorado LAFCo, said that he is "deeply saddened," and that "surely the LAFCo family is diminished

with her passing." For LA LAFCo staff, June will not be forgotten, as her legacy lives on within us.

June is survived by her mother, Gloria Savala; her daughters LeiLani Cofield and Junique Culpepper; son-in-law Duane Cofield; sister Sherri Collins; brother Bernard Savala; sister Nelda Thomas; grandson Kingston Cofield; and great niece Tamoia Donlow.





CALAFCO on the Road Again...

Written by: Pamela Miller,
CALAFCO Executive Director

This past year I did not get out and see as many of you as I would have liked. The Little Hoover Commission and State Legislature kept me tied to Sacramento and very busy! The good news is that I did get out on the road and visit with at least a few of you.

In keeping with a practice I began last year of writing about those travels, here are a few notes about my visits with our member LAFCo's over the past year.

At the end of January I made my annual pilgrimage to visit the *Southern region* and attend that region's annual meeting. With all six LAFCo's in that region present, it was a good way for me to visit with each of them, learn about what they are working on and share CALAFCO updates.

The following day I joined Executive Officers *Kathy Rollings McDonald* (San Bernardino), *George Spiliotis* (Riverside), *Paul Novak* (Los Angeles) and Legal Counsel *Clark Alsop* to present a LAFCo 101 to city, county and special district staff and elected officials from Riverside and San Bernardino counties. In all, 61 people were in attendance.

Early February found me at *Sacramento LAFCo* honoring retiring Executive Officer *Peter Brundage*.

At the end of May, CALAFCO Executive Officer *Steve Lucas* and I travelled to *Tehama LAFCo* to visit with the new Executive Officer *Kristen Maze*.

In early August, *Steve Lucas* and CALAFCO Board Chair *James Curatalo* attended the *San Diego LAFCo*. This was the last LAFCo meeting for retiring Executive Officer *Michael Ott* as well as several other San Diego LAFCo staff. In my absence (I was enjoying the beauty of Tahiti) they presented certificates of appreciation on behalf of CALAFCO to *Mike Ott*, *Harry Ehrlich* and *Ingrid Hansen*.

I'm looking forward to visiting *San Francisco LAFCo* with CALAFCO Deputy Executive Officer *David Church* on November 9.

As part of the Association's Strategic Plan, my goal is to visit with at least four LAFCo's per year. I'm hoping this coming year provides a bit more flexibility and opportunity for me to get out and visit you in your neighborhood. Please don't wait for me to ask if I can come visit – I will happily accept any invitation that is extended.

I look forward to packing up, hitting the road, and visiting more of you very soon!



Thank You to All of Our Associate Members

CALAFCO GOLD ASSOCIATE MEMBERS



CALAFCO SILVER ASSOCIATE MEMBERS

- Berkson Associates*
- City of Fontana*
- City of Rancho Mirage*
- County Sanitation Districts of L. A. County*
- Cucamonga Valley Water District*
- Dudek*
- E. Mulberg & Associates*
- Fresno County Fire Protection District*
- Goleta West Sanitary District*
- Griffith & Matsuda, a Professional Law Corp.*
- HdL Coren & Cone*
- LACO Associates*
- Lamphier-Gregory*
- Marjorie Olsson Blom Consulting*
- Meijun, LLC*
- P. Scott Browne*
- Peckham & McKenney, Inc.*
- Planwest Partners, Inc.*
- Policy Consulting Associates*
- QK*
- Rancho Mission Viejo*
- Rosenow Spevacek Group (RSG)*
- Santa Ynez Community Services District*
- Ukiah Valley Sanitation District*

LOOKING AHEAD....



CALAFCO University

December 4, 2017
Orange County
and
January 22, 2018
Sacramento

***LAFCo's Evolving Mission: New Laws,
Requirements and Transparency***

CALAFCO 2018 Staff Workshop

April 11 – 13
Four Points by Sheraton
Hosted by Marin LAFCo

CALAFCO 2018 Annual Conference

October 3 – 5
Tenaya Lodge
Yosemite, CA

CALAFCO 2019 Annual Conference

October 30 – November 1, 2019
Hyatt Regency
Sacramento, CA

CALAFCO 2020 Annual Conference

October 21 – October 23, 2020
Hyatt Regency
Monterey, CA

The Sphere

CALAFCO Journal

CALIFORNIA ASSOCIATION OF LOCAL AGENCY
FORMATION COMMISSIONS

1215 K Street, Suite 1650
Sacramento, CA 95814

www.calafco.org



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

Sharing Information and Resources

The Year In Pictures - Scenes from CALAFCO Activities

CALAFCO Annual Conference 2016

Santa Barbara, CA



CALAFCO Annual Staff Workshop 2017

Fresno, CA

