
Alameda Local Agency Formation Commission

NOTICE OF REGULAR MEETING AND AGENDA

ALAMEDA LOCAL AGENCY FORMATION COMMISSION

THURSDAY, JULY 18, 2019

2:00 P.M.

CITY OF DUBLIN COUNCIL CHAMBERS
100 CIVIC PLAZA, DUBLIN, CALIFORNIA

Scott Haggerty, Chair – Sblend Sblendorio, Vice Chair – John Marchand – Jerry Thorne – Nate Miley – Ralph Johnson – Ayn Wieskamp,
David Haubert, Alternate – Richard Valle, Alternate – Georgean Vonheeder-Leopold, Alternate – Tom Pico, Alternate

On behalf of the Chair, the Commission welcomes you to its meetings and your interest is appreciated. **If you wish to speak to a matter on the agenda, please complete a Speakers Card and submit it to staff.** When your name is announced, please come forward and give your name and address, and state your comments or questions. If you wish to speak on a matter not on the agenda, please wait until the Chair calls for Public Comment. Speakers may have a time limitation imposed at the discretion of the Chair. Alameda LAFCO meetings are wheelchair accessible. Call (510) 208-4949 (voice) or (510) 834-6754 (TDD) to request a sign-language interpreter. Five working days' notice is required.

Only those issues which are brought up at the public hearing described in this notice, or in written correspondence delivered to the LAFCO Commissioners at or prior to the hearing, may be raised in any legal challenge to the actions taken by the Commission.

1. **2:00 P.M. – Call to Order and Pledge of Allegiance**
2. **Roll Call**
3. **Public Comment:** Anyone from the audience may address the Commission on any matter not listed on the agenda and within the jurisdiction of the Alameda LAFCO. The Commission cannot act upon matters not appearing on the agenda. *Speakers are limited to three (3) minutes.*
4. **Approval of Meeting Minutes: May 9, 2019 Regular Meeting** (Consent)
5. **Contract for Planning Services with Lamphier-Gregory** (Consent) – The Alameda Local Agency Formation Commission (LAFCO) will consider entering into a new contract for planning services with planning consultant, Lamphier-Gregory, at a not-to-exceed amount of \$25,000 over a five-year period. Alameda LAFCO obtains planning services on an as-needed basis to provide the maximum amount of flexibility to conduct its day-to-day operations.

LAFCO Staff Recommendation: Approve a contract with Lamphier-Gregory for a-needed planning services and authorize the Executive Officer to negotiate additional terms and conditions as needed.

6. **Financial Audit Report for Fiscal Year Ending June 30, 2018** (Regular) – The Alameda Local Agency Formation Commission (LAFCO) will receive a report from an outside consultant auditing Alameda LAFCO’s financial statements for 2017-2018. The report concludes the tested statements show no material weaknesses or omissions and accurately reflects the Commission’s financial standing with an adjusted unrestricted fund balance of \$594,309.

LAFCO Staff Recommendation: Receive and file the audit report for 2017-2018.

7. **City of Alameda Healthcare District | Update** (Regular) – The Commission will receive an update on the City of Alameda Healthcare District (HCD) and its service area. The report is being presented for information along with any Commission feedback.

LAFCO Staff Recommendation: Accept and file the report.

8. **Legislative Report** (Regular) – The Commission will receive an update from the Legislative Committee as it relates to proposals impacting Local Agency Formation Commissions (LAFCOs).

LAFCO Staff Recommendation: The report is being presented to the Commission for information with the opportunity to provide feedback on related items for possible action at future meetings.

9. **Nominations for CALAFCO Board of Directors and Designation of Voting Delegates** (Business) – The Alameda Local Agency Formation Commission (LAFCO) will consider action items relating to the California Association of Local Agency Formation Commissions (CALAFCO) Annual Conference scheduled for October 30th to November 1st in Sacramento. Requested actions include the appointments of voting delegates and nominations for the CALAFCO Board of Directors. The election will be conducted during Regional Caucuses at the CALAFCO Annual Conference prior to the Annual Membership Meeting on Thursday, October 31st.

LAFCO Staff Recommendation: Advise staff or the Chair on any Board nominations and voting delegate designee(s).

10. **Matters Initiated by Members of the Commission**

11. **Informational Items**

- a. Current and Pending Proposals
- b. Progress Report on Work Plan
- c. CALAFCO 2019 Annual Conference October 30 – November 1, 2019 in Sacramento

12. **Adjournment of Regular Meeting**

13. **Next Meetings of the Commission**

Policy and Budget Committee Meeting

Thursday, August 1, 2019 at 2:00 pm at City of Dublin, 100 Civic Plaza, Dublin, CA

Regular Meeting

Thursday, September 12, 2019 at 2:00 p.m. at City of Dublin, 100 Civic Plaza, Dublin, CA

DISCLOSURE OF BUSINESS OR CAMPAIGN CONTRIBUTIONS TO COMMISSIONERS

Government Code Section 84308 requires that a Commissioner (regular or alternate) disqualify herself or himself and not participate in a proceeding involving an "entitlement for use" application if, within the last twelve months, the Commissioner has received **\$250 or more in business or campaign contributions from an applicant, an agent of an applicant, or any financially interested person who actively supports or opposes a decision on the matter.** A LAFCo decision approving a proposal (e.g., for an annexation) will often be an "entitlement for use" within the meaning of Section 84308. Sphere of Influence determinations are exempt under Government Code Section 84308.

If you are an applicant or an agent of an applicant on such a matter to be heard by the Commission and if you have made business or campaign contributions totaling \$250 or more to any Commissioner in the past twelve months, Section 84308(d) requires that you disclose that fact for the official record of the proceeding. The disclosure of any such contribution (including the amount of the contribution and the name of the recipient Commissioner) must be made either: 1) In writing and delivered to the Secretary of the Commission prior to the hearing on the matter, or 2) By oral declaration made at the time the hearing on the matter is opened. Contribution disclosure forms are available at the meeting for anyone who prefers to disclose contributions in writing.

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

Alameda LAFCO
Administrative Office
1221 Oak Street,
Suite 555 Oakland,
California 94612
T: 510.272.3784
W: acgov.org/lafco

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SUMMARY ACTION MINUTES
ALAMEDA LOCAL AGENCY FORMATION COMMISSION
REGULAR MEETING

City of Dublin Council Chambers, 100 Civic Drive, Dublin, CA

May 9, 2019

1. Call to Order and Pledge of Allegiance

Chair Wieskamp called the meeting to order at 2:02 p.m. The Pledge of Allegiance was recited.

2. Roll Call.

Roll was called. A quorum was present of the following commissioners:

County Members: Scott Haggerty

City Members: John Marchand, Jerry Thorne, and alternate David Haubert (arrived 2:06, item 6)

Special District Members: Ayn Wieskamp, Ralph Johnson, and alternate Georgean Vonheeder-Leopold

Public Members: Alternate Tom Pico

Not Present: County Member Nate Miley, alternate County Member Richard Valle, and Public Member Sblend Sblendorio

Staff present: Rachel Jones, Executive Officer; Theresa Rude, Analyst; Audrey Beaman, Legal Counsel; and Sandy Hou, Clerk

3. Welcome Returning/New Commissioners

Executive Officer acknowledged that Commissioner Haggerty, Commissioner Wieskamp, and alternate Commissioner Haubert had been reappointed to new four-year terms by their respective appointing authorities.

4. Public Comment

Chair Wieskamp invited members in the audience to address the Commission on any matter not listed on the agenda and within the jurisdiction of the Commission. There were no comments.

5. Approval of Meeting Minutes: March 14, 2019 Regular Meeting (Consent Item)

Upon motion by Commissioner Johnson, second by Commissioner Marchand, the minutes of March 14, 2019 were approved.

AYES: 6 (Haggerty, Johnson, Marchand, Pico, Thorne, Wieskamp)

NOES: 0

ABSENT: 2 (Miley, Sblendorio)

ABSTAIN: 0

6. Budget Update for 2018-2019 and Year End Projections (Consent Item)

Executive Officer provided a summary of the written report, comparing budgeted and actual transactions for 2018-2019 through April 30, 2019, projecting that Alameda LAFCO is on pace to finish the fiscal year with an operating surplus of \$157,951 including a \$176,000 fund balance applied to offset agency apportionments.

Upon motion by Commissioner Johnson, second by Commissioner Marchand, the Commission approved accepting and filing the report.

AYES: 6 (Haggerty, Johnson, Marchand, Pico, Thorne, Wieskamp)

NOES: 0

ABSENT: 2 (Miley, Sblendorio)

ABSTAIN: 0

7. **Proposed Out of Area Service Agreement | 27440 and 27489 Fairview Avenue to the City of Hayward** (Regular) – Proposal from the City of Hayward requesting approval to extend public wastewater services outside of its jurisdictional boundary to two affected lots located at 27440 and 27489 Fairview Avenue in the Castle Homes area of the unincorporated community of Fairview due to a failing septic system and potential health and safety hazards.

Executive Officer provided summary of written report. In response to Commissioner Wieskamp’s inquiry, she noted that the Oro Loma Sanitary District had been informed of the proposal and explained that the City of Hayward was the closest provider. Commissioner Johnson commented it would be helpful to see a map showing the locations of properties in that unincorporated area that have been hooked up to Hayward’s water service.

Upon motion by Commissioner Haggerty, second by Commissioner Johnson, the Commission adopted a resolution approving the proposal as recommended by staff.

AYES: 6 (Haggerty, Johnson, Marchand, Pico, Thorne, Wieskamp)
NOES: 0
ABSENT: 2 (Miley, Sblendorio)
ABSTAIN: 0

8. **Proposed Annexation of the “Bayside Newark Project” to the Union Sanitary District** (Public Hearing) – A proposal filed by Lennar Homes of California and the FMC Corporation on behalf of two landowners to annex approximately 57.5 acres of territory located within the City of Newark to the Union Sanitary District (USD). The affected territory is within USD’s sphere of influence and includes 297 parcels. The purpose of the proposal is to facilitate the planned development of 768 single-and multi-family residential units through public wastewater services.

Following summary remarks by Executive Officer, Chair Wieskamp opened the public hearing. There were no comments from the public.

The proposal applicant, Don Barnett of Lennar Homes, responded to questions from Commissioner Pico concerning how climate change/sea level rise was taken into account in this project by noting that the development would exceed current FEMA guidelines. A representative from Integral Communities assured Commissioner Pico that the planned development area is not Bay infill.

Commissioner Haggerty motioned to close the public hearing and to adopt the resolution approving the annexation with standard terms as recommended by staff. Commissioner Thorne seconded and motion was approved.

AYES: 6 (Haggerty, Johnson, Marchand, Pico, Thorne, Wieskamp)
NOES: 0
ABSENT: 2 (Miley, Sblendorio)
ABSTAIN: 0

9. **Adoption of Final Workplan and Budget for FY 2019-2020** (Public Hearing) – Intact from the approved initial draft. The final budget expenses total \$793,880, a decrease of \$2,964 or 0.4% from the current fiscal year with adjustments tied in services and supplies and resources drawn to accomplish items in the final work plan. Revenues matched to expenses with a slight decrease in agency contributions by \$14,464 or 2.4% in conjunction with an increase in the use of reserves by \$4,000.

Following her summary of the written report, the Executive Officer, in response to Commissioner Haggerty’s inquiry, concurred that the current two part time LAFCO staff (Analyst & Clerk) would be succeeded at the end of the year by one new employee (an Analyst/Clerk), whose hiring would be approved by the Commission.

Chair Wieskamp opened and closed the public hearing with no comments being offered.

Upon motion by Commissioner Pico, second by Commissioner Haggerty, the Commission approved the final budget and work plan for FY 2019-2020 as presented by staff.

AYES: 6 (Haggerty, Johnson, Marchand, Pico, Thorne, Wieskamp)
NOES: 0
ABSENT: 2 (Miley, Sblendorio)
ABSTAIN: 0

10. Legislative Report (Business)

Executive Officer summarized the written report, providing an update from the CALAFCO Legislative Committee regarding proposals impacting LAFCOs and recommended the Commission approve a support position for CALAFCO sponsored bill, Assembly Bill 1822 (Omnibus) and authorize the Executive Officer to issue a letter of support to the authors.

Upon motion by Commissioner Haggerty, second by Commissioner Johnson, the Commission approved staff's recommendation and authorized her to send a letter of support.

AYES: 6 (Haggerty, Johnson, Marchand, Pico, Thorne, Wieskamp)
NOES: 0
ABSENT: 2 (Miley, Sblendorio)
ABSTAIN: 0

11. Update | Memorandum of Understanding with County of Alameda (Business)

Executive Officer provided an update on progress to date between Alameda LAFCO and the County of Alameda regarding its Memorandum of Understanding (MOU) for administrative and support services set to expire on June 30, 2019. She noted that the existing MOU is still under negotiation, but that with both parties in agreement to the overall terms outlined, it is expected an MOU agreement to be ready for Commission approval at Alameda LAFCO's special meeting scheduled for May 29, 2019. She also pointed out some notable changes to the existing MOU contract.

Following staff's remarks, Joni Patillo, representing the County as a member of the new MOU ad hoc committee, addressed the Commission. She wished to clarify that the recommendation to seek office space outside the present location in the County Administrator's office came from LAFCO, not the County. Regarding the change in the MOU requiring that staff not be removed, replaced or changed without communication with the Commission, she said that a situation might arise, probably rarely, that would not allow prior communication.

There was brief discussion concerning the date/time of the Special Meeting posing a possible conflict for Commissioner Haggerty. Chair Wieskamp requested staff to look into the need for possibly changing the date/time of the May 29th meeting.

12. Nomination and Election of Chair and Vice Chair (Business)

Upon motion by Commissioner Pico, second by Commissioner Johnson, the Commission elected Commissioner Haggerty to serve as Chair and Commissioner Sblendorio to serve as Vice Chair for two years, until May 2021.

AYES: 6 (Haggerty, Johnson, Marchand, Pico, Thorne, Wieskamp)
NOES: 0
ABSENT: 2 (Miley, Sblendorio)
ABSTAIN: 0

13. Matters Initiated by Members of the Commission

Commissioner Pico commended Commissioner Wieskamp for her “splendid” work as chair over the past two years. Commissioner Wieskamp responded that serving on LAFCO has been one of the most “interesting” jobs she has had.

Commissioner Vonheeder-Leopold inquired about the City of Alameda Healthcare District, whether or not they are still a special district or if they have been dissolved – merged into the County, which, if true, means they bypassed the LAFCO process. Commissioner Haggerty indicated a County connection. Executive Officer Jones was requested to look into the matter.

Commissioner Vonheeder-Leopold, at the request of Commissioner Wieskamp, informed the Commission that the Dublin San Ramon Services District’s rebuilding/remodeling was not expected to be complete before January 2020.

14. Informational Items – Staff comments as noted.

- a. Current and Pending Proposals
- b. Strategic Plan Update
- c. Report on 2019 CALAFCO Staff Workshop
- d. 2019 Annual Conference October 30, - November 1, 2019 in Sacramento

15. Adjournment of Regular Meeting

Chair Wieskamp adjourned the meeting at 2:41 p.m.

16. Next Meetings

Special Meeting

Wednesday, May 29, 2019 @ 2:00 p.m. at City of Dublin, 100 Civic Plaza, Dublin, CA

Policy & Budget Committee

Thursday, June 7, 2019 @ 2:00 p.m. at City of Dublin, 100 Civic Plaza, Dublin, CA

Regular Meeting

Thursday, July 18, 2019 @ 2:00 p.m. at City of Dublin, 100 Civic Plaza, Dublin, CA

Respectfully submitted,

Sandy Hou, Commission Clerk

TO: Alameda Commissioners
FROM: Rachel Jones, Executive Officer
SUBJECT: **Contract for Planning Services with Lamphier-Gregory**

The Alameda Local Agency Formation Commission (LAFCO) will consider entering into a new contract for planning services with planning consultant, Lamphier-Gregory, at a not-to-exceed amount of \$25,000 over a five-year period. Alameda LAFCO obtains planning services on an as-needed basis to provide the maximum amount of flexibility to conduct its day-to-day operations. Staff recommends approval.

Background

Alameda LAFCO has contracted planning services with Lamphier-Gregory since July 1, 2014. The Commission approved a 24-month contract with three additional one-year period extensions with the firm to provide professional planning services. Lamphier-Gregory has performed complex and specialized planning work in conjunction with a range of projects and programs, including but not limited to reviewing applications, proposals and various environmental reports; assisting with updates to spheres of influence and conducting corresponding municipal service reviews as needed; attending LAFCO meetings and various meetings with applicants; and providing professional planning support as needed.

Discussion

As of June 30, 2019, Alameda LAFCO's contract with Lamphier-Gregory has expired. Staff recommends entering into a new contract agreement with Lamphier-Gregory from the period of July 19, 2019 to June 30, 2021 with an option for three one-year extensions at a not-to-exceed amount of \$25,000. The cost of service reflects the Commission's approved budget and work plan for fiscal year 2019-2020. The description of service and rates are listed in Exhibit A and B of Attachment 1.

Staff would like to continue its relationship with Lamphier-Gregory through this contract because of the firm's general approach and experience doing LAFCO work, its extensive familiarity with Alameda County, and its experience with the California Environmental Quality Act (CEQA). A draft contract agreement is attached (Attachment 1).

Alternatives for Action

The following alternatives are available to the Commission:

Alternative One (Recommended):

Approve a contract with Lamphier-Gregory for as-needed planning services and authorize the Executive Officer to negotiate additional terms and conditions as needed.

Alternative Two:

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

Recommendation

It is recommended the Commission proceed with Alternative Action One.

Respectfully,



Rachel Jones
Executive Officer

Attachments:

- 1) Contract with Lamphier-Gregory

P.O./Contract # _____

**ALAMEDA LAFCO, ALAMEDA COUNTY, STATE OF CALIFORNIA
STANDARD AGREEMENT**

THIS AGREEMENT, made and entered into this XX day of XX 2019, by and between the ALAMEDA LOCAL AGENCY FORMATION COMMISSION, a public agency of the State of California, hereafter called the "Alameda LAFCo", and Lamphier Gregory, a business duly qualified in the State of California, whose principal place of business is 1944 Embarcadero, Oakland, CA 94606, hereafter called the "Contractor."

WITNESSETH

WHEREAS, the Alameda LAFCo desires to obtain Professional Planning Services on an as-needed basis as described in Exhibit A hereto ("Services"); and

WHEREAS, Contractor is professionally qualified to provide such services and is willing to provide same to Alameda LAFCo; and

NOW, THEREFORE, it is agreed that Alameda LAFCo does hereby retain Contractor to provide As-Needed Professional Planning Services, and Contractor accepts such engagement, on the terms and conditions hereinafter specified in this Agreement, the Additional provisions attached hereto, and the following described exhibits, all of which are incorporated into this Agreement by this reference:

Exhibit A	Definition of Services
Exhibit B	Payment Terms
Exhibit C	Insurance Requirements

CONTRACT PERIOD will be from July 1, 2019 through June 30, 2021. This Agreement may be extended for three additional one-year periods, if mutually agreed by both parties hereto, in writing not less than thirty (30) days prior to the expiration of this Agreement.

COMPENSATION: the Alameda LAFCo agrees to pay Contractor, pursuant to the terms set forth in Exhibit B, for services performed hereunder in a total amount not to exceed \$25,000 for the term of the current agreement, including all expenses and contingencies.

General Terms and Conditions, pages 3 through 11, attached hereto constitute a part of this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

ALAMEDA LAFCO

CONTRACTOR

By: _____
LAFCO EXECUTIVE OFFICER

Lamphier Gregory

By: _____

Title

Address

Tax Payer I.D. # _____

APPROVED AS TO FORM:

LAFCo LEGAL COUNSEL

I hereby certify under penalty of perjury that the Executive Officer of the Alameda LAFCo was duly authorized to execute this document on behalf of the Alameda LAFCo by a majority vote of the Commission on July 18, 2019; and that a copy has been delivered to the Chair as provided by Government Code Section 25103.

Date: _____

ATTEST:

LAFCo Clerk
Alameda LAFCo
County of Alameda
State of California

By: _____

General Terms and Conditions

1. **EMPLOYER/EMPLOYEE RELATIONSHIP:** No relationship of employer and employee is created by this Agreement, it being understood that Contractor shall act hereunder as an independent Contractor; that Contractor shall not have any claim under this Agreement or otherwise against the Alameda LAFCo for seniority, vacation time, vacation pay, sick leave, personal time off, overtime, health insurance, medical care, hospital care, retirement benefits, Social Security, disability, Workers' Compensation, or unemployment insurance benefits, civil service protection, or employee benefits of any kind; that Contractor shall be solely liable for and obligated to pay directly all applicable taxes, including, but not limited to, Federal and State income taxes, and in connection therewith Contractor shall indemnify and hold the Alameda LAFCo harmless from any and all liability which the Alameda LAFCo may incur because of Contractor's failure to pay such taxes; that Contractor does, by this Agreement, agree to perform his/her said work and functions at all times in strict accordance with currently approved methods and practices in his/her field and that the sole interest of the Alameda LAFCo is to ensure that said service shall be performed and rendered in a competent, efficient, timely and satisfactory manner and in accordance with the standards required by the agency concerned. Notwithstanding the foregoing, if the Alameda LAFCo determines that pursuant to state and federal law Contractor is an employee for purposes of income tax withholding, the Alameda LAFCo shall, upon two weeks notice to Contractor withhold from the payments to Contractor hereunder federal and state income taxes and pay said sums over to the Federal and State governments.
2. **HOLD/HARMLESS/INDEMNIFICATION:** To the fullest extent permitted by law, Contractor shall hold harmless, defend and indemnify Alameda LAFCo, its Commissioners, employees and agents from and against any and all claims, losses, damages, liabilities and expenses, including but not limited to attorneys' fees, arising out of or resulting from the performance of services under this Agreement, provided that any such claim, loss, damage, liability or expense is attributable to bodily injury, sickness, disease, death or to injury to or destruction of property, including the loss therefrom, or to any violation of federal, state or municipal law or regulation, which arises out of or is any way connected with the performance of this agreement (collectively "Liabilities") except where such Liabilities are caused solely by the negligence or willful misconduct of any indemnitee. Alameda LAFCo may participate in the defense of any such claim without relieving Contractor of any obligation hereunder. The obligations of this indemnity shall be for the full amount of all damage to Alameda LAFCo, including defense costs, and shall not be limited by any insurance limits.
3. **INSURANCE AND BOND:** Contractor shall at all times during the term of the Agreement with the Alameda LAFCo maintain in force those insurance policies as designated in the attached Exhibit C, "Certificate of Insurance, Service Contracts," and will comply with all those requirements as stated herein.
4. **WORKERS' COMPENSATION:** Contractor shall provide Workers' Compensation insurance at Contractor's own cost and expense and further, neither the Contractor nor its carrier shall be entitled to recover from the Alameda LAFCo any costs, settlements, or expenses of Workers' Compensation claims arising out of this agreement.
5. **CONFORMITY WITH LAW AND SAFETY:**
 - A. Contractor shall observe and comply with all applicable laws, ordinances, codes and regulations of governmental agencies, including federal, state, municipal, and local governing bodies, having jurisdiction over the scope of services or any part hereof, including all provisions of the

Occupational Safety and Health Act of 1979 and all amendments thereto, and all applicable federal, state, municipal, and local safety regulations. All services performed by Contractor must be in accordance with these laws, ordinances, codes and regulations. Contractor shall indemnify and hold the Alameda LAFCo harmless from any and all liability, fines, penalties and consequences from any noncompliance or violations of such laws, ordinances, codes and regulations. If a provision of this Agreement is found to be invalid, the parties legally, commercially, and practicably can continue this Agreement without that provision, and the remainder of this Agreement shall continue in force and effect unless an essential purpose of this Agreement would be defeated by the loss of such provision. In the event any of the terms, conditions, or provisions of this Agreement are held to be illegal or otherwise unenforceable, such term, condition or provision shall be deemed severable from the remainder of this Agreement and shall not cause any other part or provision of this Agreement to be illegal or unenforceable.

- B. Accidents: If death, serious personal injury or substantial property damage occurs in connection with the performance of this agreement, Contractor shall immediately notify the Alameda LAFCo by telephone. Contractor shall promptly submit to the Alameda LAFCo a written report, in such form as may be required by County of all accidents which occur in connection with this Agreement. This report must include the following information: (1) name and address of the injured or deceased person(s); (2) name and address of Contractor's subcontractor, if any; (3) name and address of Contractor's liability insurance carrier; and (4) a detailed description of accident and whether any of LAFCo's equipment, tools, material, or staff were involved. Contractor further agrees that it shall take all reasonable steps to preserve all physical evidence and information which may be relevant to accidents or circumstances surrounding a potential claim, while maintaining public safety. Contractor shall provide the Alameda LAFCo the opportunity to review and inspect such evidence, including the scene of the accident.
6. PAYMENT: Payment to Contractor will be made only upon presentation of proper invoice by Contractor subject to the approval of the Alameda LAFCo, and in accordance with this Agreement, Exhibit B.
7. TRAVEL EXPENSES: Payment to Contractor for travel expenses will be made only upon the prior approval of the Alameda LAFCo and presentation of a proper invoice by Contractor in accordance with this Agreement.
8. ROYALTIES AND INVENTIONS: The Alameda LAFCo shall have a royalty-free, exclusive and irrevocable license to reproduce, publish and use the results produced in the course of or under this Agreement; and Contractor shall not publish any such material relating to the Alameda LAFCo without prior consent of the Alameda LAFCo.
9. CONFIDENTIALITY OF INFORMATION: Confidential information is defined as all information disclosed to Contractor which relates to the Alameda LAFCo's past, present, and future activities, as well as activities under this Agreement. Contractor will hold all such information with the same degree of care which Contractor utilizes to protect its own data of a similar nature. Upon cancellation or expiration of this Agreement, Contractor will return to the Alameda LAFCo all written or descriptive matter which contain any such confidential information.

10. **CONFLICT OF INTEREST:** No officer, member, or employee of the Alameda LAFCo and no member of their governing bodies shall have any pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof. No Contractor, nor any member of Contractor's family shall serve on the Alameda LAFCo, or hold any such position which either by rule, practice or action nominates, recommends, supervises Contractor's operations, or authorizes funding to Contractor. Contractor shall immediately bring to Alameda LAFCo's attention any situation in which its client has, or is reasonably likely to have an application or other matter pending before Alameda LAFCo. The provisions of this Agreement are not exclusive, and thus Alameda LAFCo may at its discretion appoint a different firm to serve as its planner in the event of a conflict. Contractor agrees not to assign any of the key personnel identified in Exhibit A to any matter that is, or is likely to be pending before Alameda LAFCo regardless of whether Alameda LAFCo in its discretion decides to hire another firm to avoid a conflict.

11. **USE OF ALAMEDA LAFCO PROPERTY:** Contractor shall not use Alameda LAFCo premises or property (including equipment, instruments and supplies) or personnel for any purpose other than in the performance of his/her obligations under this Agreement.

12. **EQUAL EMPLOYMENT OPPORTUNITY PRACTICES PROVISIONS:** Contractor assures that he/she/it will comply with Title VII of the Civil Rights Act of 1964 and that no person shall, on the grounds of race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement.
 - A. Contractor shall, in all solicitations or advertisements for applicants for employment placed as a result of this Agreement, state that it is an "Equal Opportunity Employer" or that all qualified applicants will receive consideration for employment without regard to their race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor.
 - B. Contractor shall, if requested to so do by the Alameda LAFCo, certify that it has not, in the performance of this Agreement, discriminated against applicants or employees because of their race, creed, color, disability, sex, sexual orientation, national origin, age, religion, Vietnam era Veteran's status, political affiliation, or any other non-merit factor.
 - C. If requested to do so by the Alameda LAFCo, Contractor shall provide the Alameda LAFCo with access to copies of all of its records pertaining or relating to its employment practices, except to the extent such records or portions of such records are confidential or privileged under State or Federal law.
 - D. Contractor shall recruit vigorously and encourage minority- and women-owned businesses to bid its subcontracts.
 - E. Nothing contained in this contract shall be construed in any manner so as to require or permit any act which is prohibited by law.
 - F. The Contractor shall include the provisions set forth in paragraphs A through E (above) in each of its subcontracts.

13. **ASSIGNMENT OF CONTRACT:** Nothing contained in this Agreement shall be construed to permit assignment or transfer by Contractor of any rights under this Agreement and such assignment or transfer is expressly prohibited and void unless otherwise approved in writing by the Alameda LAFCo.
14. **DRUG-FREE WORKPLACE:** Contractor and Contractor's employees shall comply with LAFCo's policy of maintaining a drug-free workplace. Neither Contractor nor Contractor's employees shall unlawfully manufacture, distribute, dispense, possess or use controlled substances, as defined in 21 U.S. Code section 812, including marijuana, heroin, cocaine, and amphetamines, at any LAFCo facility or work site. If Contractor or any employee of Contractor is convicted or pleads nolo contendere to a criminal drug statute violation occurring at a LAFCo facility or work site, the Contractor within five days thereafter shall notify the head of the LAFCo department/agency for which the contract services are performed. Violation of this provision shall constitute a material breach of this Agreement.
15. **FEDERAL AND STATE AUDITS:** Until the expiration of five (5) years after the furnishing of any services pursuant to this Agreement, Contractor shall make available, upon written request, to the Federal/State government or any of their duly authorized representatives, this Agreement, and such books, documents, and records of Contractor that are necessary to certify the nature and extent of the reasonable cost of services to LAFCo. If Contractor enters into any Agreement with any related organization to provide services pursuant to this Agreement with value or cost of \$10,000 or more over a twelve-month period, such Agreement shall contain a clause to the effect that until the expiration of five years after the furnishing of services pursuant to such subcontract, the related organization shall make available, upon written request, to the Federal/State government or any of their duly authorized representatives, the subcontract, and books, documents and records of such organization that are necessary to verify the nature and extent of such costs. This paragraph shall be of no force and effect when and if it is not required by law. LAFCo shall have access to Contractor's financial records for purposes of auditing payments made to Contractor hereunder. Such records shall be complete and available for audit ninety (90) days after final payment hereunder is made to Contractor hereunder and shall be retained and available for audit purposes for five (5) years after said final payment hereunder.
16. **TIME IS OF THE ESSENCE** in each and all the provisions of this agreement.
17. **AMENDMENT:** No change, alteration, variation, modification of the terms, termination or discharge of this Agreement shall be valid unless made in writing and signed by the parties hereto.
18. **ASSURANCE OF PERFORMANCE:** If at any time the Alameda LAFCo believes Contractor may not be adequately performing its obligations under this Agreement, that Contractor may fail to complete the Services as required by this Agreement, or has provided written notice of observed deficiencies in Contractor's performance, the Alameda LAFCo may request from Contractor prompt written assurances of performance and a written plan to correct the observed deficiencies in Contractor's performance. Contractor shall provide such written assurances and written plan within ten (10) calendar days of receipt of the Alameda LAFCo's written request and shall thereafter diligently commence and fully perform such written plan. Contractor acknowledges and agrees that any failure to provide written assurances and a written plan to correct observed deficiencies, in the required time, to diligently commence and fully perform such written plan, is a material breach under this Agreement.

19. **KEY PERSONNEL:** Contractor shall identify key personnel assigned to perform services in Exhibit A and obtain LAFCo approval of any substitution of the contractor. If the contractor has subcontractors, this requirement extends to the subcontractors as well.
20. **SUBCONTRACTORS:** Contractor shall identify and obtain LAFCo approval of all subcontractors. Nothing provided herein shall create any obligation on the part of the Alameda LAFCo to pay or to see to the payment by Contractor of any monies to any subcontractor, supplier or vendor, nor create any relationship in contract or otherwise, express or implied between any such subcontractor, supplier or vendor and the Alameda LAFCo. Approval by the Alameda LAFCo of any subcontractor shall not constitute a waiver of any right of the Alameda LAFCo to reject defective work, material or equipment, not in compliance with the requirements of this Agreement.
21. **CHOICE OF LAW:** This Agreement, and any dispute arising from the relationship between the parties to this Agreement, shall be governed by the laws of the State of California, excluding any laws that direct the application of another jurisdiction's laws, and its courts shall have jurisdiction (but not exclusive jurisdiction) to hear and determine all questions relating to this Agreement.
22. **WAIVER:** Any failure of a party to assert any right under this Agreement shall not constitute a waiver or a termination of that right, under this Agreement or any provisions of this Agreement.
23. **ENTIRE AGREEMENT:** This Agreement, including all attachments, exhibits, and any other documents specifically incorporated into this Agreement, shall constitute the entire Agreement between the Alameda LAFCo and Contractor relating to the subject matter of this Agreement. As used herein, Agreement refers to any documents incorporated herein by reference and any exhibits or attachments. This Agreement supersedes and merges all previous understandings, and all other agreements, written or oral, between the parties and sets forth the entire understanding of the parties regarding the subject matter thereof. The Agreement may not be modified except by a written document signed by both parties.
24. **TERMINATION:** LAFCo may terminate this Agreement with or without cause by providing thirty (30) days notice, in writing, to the Contractor. Upon the expiration of said notice, this Agreement shall become of no further force or effect whatsoever and each of the parties hereto shall be relieved and discharged here from. The Alameda LAFCo may terminate at any time without notice upon material breach of the terms of this Agreement and/or in the event that the Alameda LAFCo determines that the Contractor's performance is substandard or unsatisfactory.
25. **SURVIVAL:** The obligations of this Agreement, which by their nature would continue beyond the termination or expiration of the Agreement, including without limitation, the obligations regarding Hold Harmless/Indemnification (paragraph 2), Confidentiality of Information (paragraph 9), and Conflict of Interest (paragraph 10), shall survive termination or expiration.
26. **NOTICES:** All notices, requests, demands, or other communications under this Agreement shall be in writing. Notices shall be given for all purposes as follows:
 - **Personal delivery:** When personally delivered to the recipient, notices are effective on delivery.
 - **First Class Mail:** When mailed first class to the last address of the recipient known to the party giving notice, notice is effective three mail delivery days after deposit in a United States Postal Service office or mailbox.

- Certified Mail: When mailed certified mail, return receipt requested, notice is effective on receipt, if delivery is confirmed by a return receipt.
- Overnight Delivery: When delivered by overnight delivery (Federal Express/Airborne/ United Parcel Service/DHL WorldWide Express) with charges prepaid or charged to the sender's account, notice is effective on delivery, if delivery is confirmed by the delivery service.
- Telex or facsimile transmission: When sent by telex or fax to the last telex or fax number of the recipient known to the party giving notice, notice is effective on receipt, provided that (a) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery, or (b) the receiving party delivers a written confirmation of receipt. Any notice given by telex or fax shall be deemed received on the next business day if is received after 5:00 p.m. (recipients time) or on a non-business day.

Addresses for purpose of giving notice are as follows:

To LAFCo: Alameda LAFCo
1221 Oak Street, Room 555
Oakland, CA 94612

To Contractor: Lamphier Gregory
1944 Embarcadero
Oakland, CA 94606

Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger, or overnight delivery service.

Any party may change its address or telex or facsimile number by giving the other party notice of the change in any manner permitted by this Agreement.

[END OF GENERAL TERMS AND CONDITIONS]

EXHIBIT A

EXHIBIT A – DEFINITION OF SERVICE

The scope of services for this agreement includes providing a range of *planning support services* in a timely manner to the Alameda Local Agency Formation Commission (LAFCo).

The Contractor will provide, as-needed the following services:

- Reviewing and assisting with the processing of LAFCo applications (e.g., changes of organization, reorganizations, consolidations, dissolutions, formations, incorporations, etc.), including reviewing, providing comments and recommendations, and assisting with preparation of staff reports.
- Coordinating with applicants, affected agencies, affected LAFCOs, and the public.
- Policy and procedures development and update, as needed.
- Review and analysis of housing, fiscal, infrastructure, water availability, and open space/agricultural land preservation and conservation issues.
- California Environmental Quality Act (CEQA):
 - Reviewing and providing comment on various environmental documents received by LAFCO (e.g., Notices of Preparation, Negative Declarations, and Environmental Impact Reports).
 - Preparing CEQA documents, including exemptions, initial studies, negative declarations, notices of preparation and completion, environmental impact reports, findings of fact and statements of overriding considerations, and National Environmental Policy Act (NEPA) reviews, as needed.
- Providing planning support and technical assistance with municipal service reviews and sphere of influence updates, as needed.
- Implementation of all aspects of LAFCo’s policies and procedures working in cooperation with staff and Commissioners.
- Providing training, facilitation, public information workshops, negotiations, and conflict resolution, as needed.
- Presentations or staffing at public hearings, workshops and other public meetings.
- Attending LAFCo and other meetings, as needed.
- Providing related duties as determined by LAFCo.

Assigned Key Personnel: Nathaniel Taylor, Senior Planner

EXHIBIT B

EXHIBIT B – CONTRACT PAYMENT TERMS

Contracted Service:

1. The Alameda LAFCo will pay Contractor for services provided herein, upon submittal of an invoice and summary report of services performed pursuant to this agreement. All services will be performed at the direction of, and with the prior authorization of, the LAFCo Executive Officer. Invoices will be approved by the Alameda LAFCo Executive Officer.
2. LAFCo will reimburse Contractor for miscellaneous contract-related expenses including telephone, supplies, postage, printing, reproduction, travel, meeting and meals. In accordance with paragraph 7 of the General Terms and Conditions, travel costs must be pre-approved to receive reimbursement. Payments under the terms of this Agreement shall not exceed \$25,000. This amount includes all travel expenses and contingencies.
 - a. For the purposes hereof, the billing rates are as listed in the firm's proposal and shown below:
 - Scott Gregory, President: \$225/hour
 - Nathaniel Taylor, Senior Planner: \$180/hour
 - Associate Planner: \$160/hour
 - Planner: \$140/hour
 - Administrative Support Staff: \$85/hour
3. Alameda LAFCo expects Contractor to cover all costs of professional development activities, training, and/or continuing education unless Alameda LAFCo requires such professional development activities, training and/or continuing education of Contractor or Contractor obtains prior written approval from LAFCo to incur the cost of such professional development activities, training and/or continuing education.
4. The term of this Agreement is July 1, 2019 through June 30, 2021.

EXHIBIT C INSURANCE REQUIREMENTS

The Contractor shall be required to maintain at all times during the performance of the Agreement the following insurance coverage:

A. Commercial General Liability Insurance with a limit of not less than \$1,000,000 per occurrence combined single limit for bodily injury and property damage, including contractual liability, personal injury, products and completed operations.

B. Personal Automobile Liability Insurance for owned, non-owned or hired automobiles with a combined single limit of not less than \$500,000 per occurrence.

C. Workers' Compensation & Employers Liability Insurance

If Contractor does not have any employees, the requirements for evidence of workers' compensation insurance is not necessary. Otherwise:

1. Workers' Compensation - Statutory Limits
2. Employers Liability Insurance - with a limit of not less than \$100,000 per employee.

D. Professional Liability with a limit of \$1,000,000 million per claim, and \$1,000,000 million aggregate.

E. Additional Insured Endorsement - The policy or policies providing insurance as required above, with the exception of personal automobile liability, professional liability, workers' compensation and employer's liability, shall be endorsed to include the Alameda LAFCo, Alameda County, their directors, officers and employees as Additional Insured's as respects work performed pursuant to or incidental to the Agreement.

F. Evidence of Insurance - Before commencing any operations under the Agreement, the Contractor shall furnish the Alameda LAFCo with a Certificate of Insurance and copies of all applicable endorsements evidencing compliance with the above insurance requirements and that such insurance will not be canceled without thirty (30) days advance written notice.

G. Duration of Insurance Coverage - All required insurance coverages shall be maintained during the entire term of the Agreement. Insurance coverage written on a claims-made basis shall be maintained during the entire term of the Agreement and further until at least 6 month(s) following termination and acceptance of all work under the Agreement, with the retroactive date of said insurance concurrent with the commencement of activities pursuant to this Agreement.

All required insurance shall be placed with insurers with a current A.M. Best's rating of no less than A: VII or equivalent, and with deductible amounts acceptable to the Alameda LAFCo.

EXHIBIT C
INSURANCE REQUIREMENTS

The Contractor shall be required to maintain at all times during the performance of the Agreement the following insurance coverage:

A. Commercial General Liability Insurance with a limit of not less than \$1,000,000 per occurrence combined single limit for bodily injury and property damage, including contractual liability, personal injury, products and completed operations.

B. Personal Automobile Liability Insurance for owned, non-owned or hired automobiles with a combined single limit of not less than \$500,000 per occurrence.

C. Workers' Compensation & Employers Liability Insurance

If Contractor does not have any employees, the requirements for evidence of workers' compensation insurance is not necessary. Otherwise:

1. Workers' Compensation - Statutory Limits
2. Employers Liability Insurance - with a limit of not less than \$100,000 per employee.

D. Professional Liability with a limit of \$1,000,000 million per claim, and \$1,000,000 million aggregate.

E. Additional Insured Endorsement - The policy or policies providing insurance as required above, with the exception of personal automobile liability, professional liability, workers' compensation and employer's liability, shall be endorsed to include the Alameda LAFCo, Alameda County, their directors, officers and employees as Additional Insured's as respects work performed pursuant to or incidental to the Agreement.

F. Evidence of Insurance - Before commencing any operations under the Agreement, the Contractor shall furnish the Alameda LAFCo with a Certificate of Insurance and copies of all applicable endorsements evidencing compliance with the above insurance requirements and that such insurance will not be canceled without thirty (30) days advance written notice.

G. Duration of Insurance Coverage - All required insurance coverages shall be maintained during the entire term of the Agreement. Insurance coverage written on a claims-made basis shall be maintained during the entire term of the Agreement and further until at least 6 month(s) following termination and acceptance of all work under the Agreement, with the retroactive date of said insurance concurrent with the commencement of activities pursuant to this Agreement.

All required insurance shall be placed with insurers with a current A.M. Best's rating of no less than A: VII or equivalent, and with deductible amounts acceptable to the Alameda LAFCo.

**EXHIBIT C
INSURANCE REQUIREMENTS**

The Contractor shall be required to maintain at all times during the performance of the Agreement the following insurance coverage:

A. Commercial General Liability Insurance with a limit of not less than \$1,000,000 per occurrence combined single limit for bodily injury and property damage, including contractual liability, personal injury, products and completed operations.

B. Personal Automobile Liability Insurance for owned, non-owned or hired automobiles with a combined single limit of not less than \$500,000 per occurrence.

C. Workers' Compensation & Employers Liability Insurance

If Contractor does not have any employees, the requirements for evidence of workers' compensation insurance is not necessary. Otherwise:

1. Workers' Compensation - Statutory Limits
2. Employers Liability Insurance - with a limit of not less than \$100,000 per employee.

D. Professional Liability with a limit of \$1,000,000 million per claim, and \$1,000,000 million aggregate.

E. Additional Insured Endorsement - The policy or policies providing insurance as required above, with the exception of personal automobile liability, professional liability, workers' compensation and employer's liability, shall be endorsed to include the Alameda LAFCo, Alameda County, their directors, officers and employees as Additional Insured's as respects work performed pursuant to or incidental to the Agreement.

F. Evidence of Insurance - Before commencing any operations under the Agreement, the Contractor shall furnish the Alameda LAFCo with a Certificate of Insurance and copies of all applicable endorsements evidencing compliance with the above insurance requirements and that such insurance will not be canceled without thirty (30) days advance written notice.

G. Duration of Insurance Coverage - All required insurance coverages shall be maintained during the entire term of the Agreement. Insurance coverage written on a claims-made basis shall be maintained during the entire term of the Agreement and further until at least 6 month(s) following termination and acceptance of all work under the Agreement, with the retroactive date of said insurance concurrent with the commencement of activities pursuant to this Agreement.

All required insurance shall be placed with insurers with a current A.M. Best's rating of no less than A: VII or equivalent, and with deductible amounts acceptable to the Alameda LAFCo.

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AGENDA REPORT

July 18, 2019

Item No. 6

TO: Alameda Commissioners

FROM: Rachel Jones, Executive Officer

SUBJECT: Financial Audit for Fiscal Year Ending June 30, 2018

The Alameda Local Agency Formation Commission (LAFCO) will receive a report from an outside consultant auditing Alameda LAFCO's financial statements for 2017-2018. The report concludes the tested statements show no material weaknesses or omissions and accurately reflects the Commission's financial standing with an adjusted unrestricted fund balance of \$594,309. The report is being presented to receive and file.

Background

Alameda LAFCO's financial records are managed by the County of Auditor-Controller's Office. These support services are formally provided through a Memorandum of Understanding and highlighted by staff accessing and utilizing the County's ALCOLINK software system in executing payroll, budgeting, and accounts receivable/payable transactions. The Commission's financial records, however, are separate and excluded from the County's external auditing process that is published as a comprehensive annual financial report.

At its September 20, 2018 regular meeting, the Commission entered into an agreement with Harshwal and Company to prepare an independent audit for the fiscal year 2017-2018. Harshwal and Company was the firm selected by staff from a total of six accounting firms based on its responsiveness, cost, and familiarity with Alameda LAFCO. The firm conducted the Commission's last audit in 2006 and the cost for the 2017-2018 audit report totaled \$6,000.

Discussion

This item is for the Commission to review the completed audit report for the 2017-2018 fiscal year prepared by Harshwal and Company. The report found no material misstatements or weakness in the financial statements tested by the consultants and noted the Commission's unrestricted fund balance \$592,309. A copy of the report may be found in Attachment 1.

Alternatives for Action

The following alternatives are available to the Commission:

Alternative One (Recommended):

Receive and file the audit report for 2017-2018.

Alternative Two:

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

Recommendation

It is recommended the Commission proceed with Alternative Action One.

Respectfully,



Rachel Jones
Executive Officer

Attachments:

- 1) Alameda LAFCO Audit Report for 2017-2018

ALAMEDA LOCAL AGENCY FORMATION COMMISSION
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2018

HARSHWAL & COMPANY LLP
Certified Public Accountants
7677 Oakport Street, Suite 460
Oakland, CA 94621
(510) 452-5051

ALAMEDA LOCAL AGENCY FORMATION COMMISSION
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INDEPENDENT AUDITOR'S REPORT

To the Commissioners
Alameda Local Agency Formation Commission
Oakland, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, major fund information of Alameda Local Agency Formation Commission, as of and for the year ended June 30, 2018, and the related notes to the financial statements which collectively comprise the Alameda Local Agency Formation Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State Controller's *Minimum Audit Requirements for California Special Districts*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Alameda Local Agency Formation Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Alameda Local Agency Formation Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of Alameda Local Agency Formation Commission as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis on pages 4 - 7 and Budgetary Comparison Information on page 18 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2019, on our consideration of Alameda Local Agency Formation Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Alameda Local Agency Formation Commission's internal control over financial reporting and compliance.

**Harshwal & Company LLP
Certified Public Accountants**

Harshwal & Company LLP

**Oakland, California
April 29, 2019**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(REQUIRED SUPPLEMENTARY INFORMATION)**

**ALAMEDA LOCAL AGENCY FORMATION COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

This section of the Alameda Local Agency Formation Commission's (Alameda LAFCO) annual financial report presents management's narrative overview and analysis of the financial activities of Alameda LAFCO for the fiscal year (FY) ended June 30, 2018. This is the first audit completed for Alameda LAFCO since 2006. While the prior audit financial statements were presented in accordance with the Governmental Accounting Standards Board (GASB) No. 34, due to the gap in time, certain comparative data are not available for earlier years. Comparative analysis will be presented in future years

FINANCIAL HIGHLIGHTS

- During the year ended June 30, 2018, Alameda LAFCO received revenues of \$1,103,990. Of this amount, \$1,082,441 came from member agencies, and \$21,549 came from other sources such as application fees, and interest earned from the County Treasurer's Pooled investment. Alameda LAFCO determines its operating budget annually and, as required by Government Code §56381(b)(1)(A), the County Auditor apportions Alameda LAFCO's net operating expenses in one-third shares among Alameda LAFCO's member agency classifications which consist of Alameda County, the cities, and the independent special districts in the County.
- As per Government Code §56381(c), if, at the end of the fiscal year, the Commission has funds in excess of what it needs, the Commission may retain those funds and calculate them into the following fiscal year's budget. Any excess funds are divided between reduced contributions and reserves.
- Alameda LAFCO has no long-term debt nor any capital asset.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the basic financial statements. Alameda LAFCO's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements are designed to provide readers with a broad overview of Alameda LAFCO's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of Alameda LAFCO's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Alameda LAFCO is improving or deteriorating.

The statement of activities presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*.

Fund Financial Statements A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Alameda LAFCO, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Alameda LAFCO has only one governmental fund.

**ALAMEDA LOCAL AGENCY FORMATION COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is needful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental funds balance sheet and statement of revenues, expenditures and changes in fund balances do not differ from government activities in the statement of net assets and statement of activities.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14 through 16 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the Alameda LAFCO's Statement of Net Position by category as of June 30, 2018.

STATEMENTS OF NET POSITION

	2018
ASSETS	
Cash in county treasury	\$ 592,594
Interest receivables	2,615
Total assets	595,209
LIABILITIES	
Accounts payable	900
Total liabilities	900
NET POSITION	
Unrestricted	594,309
Total net position	\$ 594,309

**ALAMEDA LOCAL AGENCY FORMATION COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

A summary of total Alameda LAFCO Revenues, Expenses, and Changes in Net Position is presented in the tables below.

CHANGES IN NET POSITION

	2018
<i>REVENUES</i>	
Program revenues:	
Agency apportionments	\$ 1,082,441
Application fees	13,850
General revenues:	
Interest earnings	7,699
Total revenues	1,103,990
<i>EXPENSES</i>	
Program expenses	509,220
General administration	461
Total expenses	509,681
Change in net position	594,309
Net position – beginning	-
Net position –ending	\$ 594,309

The main source of revenue for the program comes from charges to the member agencies. The cost sharing is based on the Cortese-Knox- Hertzberg Local Government Reorganization Act of 2000 (CA Gov. Code section 56000 et. seq.), which provides that the County, cities and independent special districts share jointly and equally in the net operating expenses of Alameda LAFCO

Based on the cash balance remaining at the end of each quarter in fund number 83419, the program received a proportionate share of interest income calculated by the Controller's office quarterly based on the countywide pool of trust funds balances for the audited period.

Fiscal Year 2018 Accomplishments

Major activities and accomplishments during FY 2018 include:

- Conducted a facilitated Strategic Planning Retreat with Commissioners and staff resulting in the adoption of an update mission statement and strategic plan which include seven priority areas.
- Completed a Municipal Service Review of all 14 cities within Alameda County.
- Completed a special study and sphere of influence update for the Eden Township Health Care District Alameda LAFCO reviewed varying operational alternatives for the agency with the aim to improve both its efficiency and its effectiveness within the County.

**ALAMEDA LOCAL AGENCY FORMATION COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

- Approved five change of organizations, including four annexations, two sphere amendments, and one out of area service agreement.
- Completed its website update for better accessibility and transparency throughout the County.
- Attended the CALAFCO 2018 Annual Conference at Tenaya Lodge in Yosemite.

Contacting the Alameda LAFCO Financial Management

This financial report is designed to provide LAFCO Commission, management, member agencies, awarding agencies, and pass through entities, with a general overview of the Alameda LAFCO's finances and to show the Alameda LAFCO's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, contact Rachel Jones, LAFCO Executive Officer at (510) 272 3894 or Theresa Rude, LAFCO Staff Analyst at (510) 272 3879.

GOVERNMENT - WIDE FINANCIAL STATEMENTS

ALAMEDA LOCAL AGENCY FORMATION COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash in county treasury	\$ 592,594
Interest receivable	<u>2,615</u>
Total assets	<u>595,209</u>
LIABILITIES	
Accounts payable	<u>900</u>
Total liabilities	<u>900</u>
NET POSITION	
Unrestricted	<u>594,309</u>
Total net position	<u><u>\$ 594,309</u></u>

The accompanying notes are an integral part of these financial statements

ALAMEDA LOCAL AGENCY FORMATION COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Expenses</u>	<u>Program Revenues</u> <u>Charges for Services</u>	<u>Net (Expense) Revenue and Changes in Net Position</u> <u>Governmental Activities</u>
Governmental activities:			
Apportionment revenues	\$ 509,220	\$ 1,082,441	\$ 573,221
General administration	<u>461</u>	<u>13,850</u>	<u>13,389</u>
Total governmental activities	<u>\$ 509,681</u>	<u>\$ 1,096,291</u>	<u>586,610</u>
		General revenues:	
		Interest earnings	<u>7,699</u>
		Total general revenues	<u>7,699</u>
		Change in net position	594,309
		Net assets - beginning	<u>-</u>
		Net assets - ending	<u>\$ 594,309</u>

The accompanying notes are an integral part of these financial statements

GOVERNMENTAL FUND FINANCIAL STATEMENTS

**ALAMEDA LOCAL AGENCY FORMATION COMMISSION
BALANCE SHEET - GOVERNMENTAL FUND
JUNE 30, 2018**

	<u>General Fund</u>
ASSETS	
Cash in county treasury	\$ 592,594
Interest receivable	<u>2,615</u>
Total assets	<u>595,209</u>
LIABILITIES	
Accounts payable	<u>900</u>
Total liabilities	<u>900</u>
FUND BALANCE	
Unassigned	<u>594,309</u>
Total Fund Balance	<u>594,309</u>
Total liabilities and fund balance	<u><u>\$ 595,209</u></u>

The accompanying notes are an integral part of these financial statements

ALAMEDA LOCAL AGENCY FORMATION COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	<u>General Fund</u>
<i>REVENUES</i>	
Agency apportionments	\$ 1,082,441
Application fee	13,850
Interest	<u>7,699</u>
Total revenues	<u>1,103,990</u>
<i>EXPENDITURES</i>	
Salaries and benefits	337,415
Postage rent & lease expense	341
Copier repair & maintenance	1,251
Commissioner stipends	6,510
Mileage expense	780
Travel expense	11
Training expense	5,550
Record retention service	334
Professional service	50,421
Legal service	34,670
Admin & financial services	11,000
Membership expense	8,774
Govt fee expense	100
Public notice expense	3,857
Special department expense	4,646
Office expense	461
Communication expense	3,651
Office rental expense	3,799
IT service	33,264
Risk insurance services	<u>2,846</u>
Total expenditures	<u>509,681</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	594,309
Fund balance - beginning of year	<u>-</u>
Fund balance - end of year	<u><u>\$ 594,309</u></u>

The accompanying notes are an integral part of these financial statements

ALAMEDA LOCAL AGENCY FORMATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - GENERAL INFORMATION

Background and Organization of Alameda LAFCO

Alameda Local Agency Formation Commissions (LAFCO) mission is to provide oversight over local governments to make Alameda County a great place to live and work by balancing the preservation of agricultural and open space with the provision of sustainable municipal services.

LAFCO was formed in 1963 and became an independent state entity in 2000 with the passage of the Cortese-Knox-Hertzberg Local Government Act of 2000 (CA Gov. Code § 56000 et. seq.). LAFCO is responsible for coordinating logical and timely changes in local government boundaries, conducting special studies that review ways to reorganize, simplify, and streamline governmental structure, and preparing a sphere of influence for each city and special district within its county. LAFCO's efforts are directed toward seeing that services are provided efficiently and economically while agricultural and open-space lands are protected. LAFCO also conducts service reviews to evaluate the provision of municipal services within its county.

The Alameda LAFCO Commission consists of seven voting members and four alternates. Commissioners are appointed as follows: two and one alternate appointed by and from the County Board of Supervisors; two and one alternate appointed by and from the County's Mayor Conference; two and one alternate appointed by and from the Alameda County Special District Selection Committee; and one public member and an alternate appointed by the LAFCO Commission. All are appointed to staggered four year terms.

Alameda LAFCO is not part of the County structure, but is an independent, quasi-legislative agency that serves as a direct agent of the State. Each Commissioner is required to represent the public as a whole when considering or rendering decisions. However, they bring the views, perspectives and experience of various local agencies and the public into the decision making process. Most Alameda LAFCO expenses are funded by equal contributions from Alameda County, its cities and its special districts. However, a portion of actual proposal processing costs are recovered by charging fees for certain services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Alameda LAFCO is a legally separate agency of the State of California. The commission is made up of two county members, two city members, two special district members and one public member and one alternative member in each of these categories.

Under previous law, Alameda County provided and funded all services and supplies, including personnel and legal counsel; and designated the County Administrator as the Executive Officer of Alameda LAFCO. However, section 56380 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (ACT) requires Alameda LAFCO to “make its own provision for necessary quarters, equipment and supplies, as well as personnel” and that Alameda LAFCO “may choose to contract with any public agency or private party for personnel and facilities”. Also, Section 56384 provides that Alameda LAFCO shall appoint an executive officer and a legal counsel. Alameda LAFCO has chosen to continue to use the staff, equipment, and facilities of the County by way of a Memorandum of Understanding (MOU).

ALAMEDA LOCAL AGENCY FORMATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

A. Reporting Entity - Cont'd

The County provides these services as an independent contractor. The County bills the Alameda LAFCO for these services based upon the MOU. Alameda LAFCO is not a component unit of the County.

The basic financial statements of LAFCO consist only of the funds of Alameda LAFCO. LAFCO has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by, or dependent on, Alameda LAFCO

B. Basis of Presentation

Government-wide Financial Statements:

The government-wide financial statements (i.e. statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of Alameda LAFCO. The government-wide statements are prepared using the economic resources measurement focus.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of Alameda LAFCO's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Alameda LAFCO does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of Alameda LAFCO, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of Alameda LAFCO.

Fund Financial Statements:

Fund financial statements report detailed information about Alameda LAFCO. The focus of governmental fund financial statements is on major funds rather than reporting funds by type.

Alameda LAFCO has only one fund, general fund, which is a major fund. The general fund is accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental fund-wide financial statements use the modified accrual basis of accounting. Under accrual basis, revenues are recorded when earned and expenses are recorded when a liability is incurred.

ALAMEDA LOCAL AGENCY FORMATION COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

C. Basis of Accounting - Cont'd

Under modified accrual basis, revenue is recognized in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

For Alameda LAFCO, "available" means collectible within the current period or within 90 days after year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

D. Budgets and Budgetary Accounting

Alameda LAFCO prepares its budget on a basis of accounting that differs from generally accepted accounting principles (GAAP). The actual results of operations are presented in the Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual on the budgetary basis to provide a meaningful comparison of actual results with the budget. Budgeted amounts represent the original budget modified by adjustments authorized during the year. The difference between the budgetary basis of accounting and GAAP is that encumbrances are recorded as expenditures under the budgetary basis.

NOTE 3 - CASH IN COUNTY TREASURY

Alameda LAFCO deposits all cash in the Alameda County Treasurer's pooled cash and investments. The cash balance at June 30, 2018 was \$592,594.

Interest earned on pooled cash and investments is allocated to the Agency at the end of each quarter based upon the average daily cash balance during the quarter in relation to the average daily balance of total pooled cash. Funds with the County Treasurer are invested pursuant to investment policy guidelines approved by the County Board of Supervisors. The types of investment instruments and the percentage of the portfolio which may be invested in certain instruments are governed by Section 53600 et seq. of the Government Code of the State of California. Authorized instruments in which the Treasurer can invest include debt issued by the County, US Treasury securities, bankers acceptances, federal, state and local government securities, commercial paper, medium-term notes, negotiable certificates of deposit, shares of beneficial interest and mortgage-backed securities. Credit risk information regarding the cash and investments held by the Treasurer is included in the Comprehensive Annual Financial Report of Alameda County.

NOTE 4 - PAYABLE TO PARTICIPANTS

As per Government Code §56381(c), if, at the end of the fiscal year, the Commission has funds in excess of what it needs, the Commission may retain those funds and calculate them into the following fiscal year's budget. Any excess funds are divided between reduced contributions and reserves.

REQUIRED SUPPLEMENTARY INFORMATION

ALAMEDA LOCAL AGENCY FORMATION COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Agency apportionments	\$ 588,345	\$ 1,082,441	\$ 494,096
Application fee	30,000	13,850	(16,150)
Interest income	<u>-</u>	<u>7,699</u>	<u>7,699</u>
Total revenues	<u>618,345</u>	<u>1,103,990</u>	<u>485,645</u>
EXPENDITURES			
Salaries and benefits	472,385	337,415	134,970
Postage rent & lease expense	1,000	341	659
Copier repair & maintenance	2,000	1,251	749
Commissioner stipends	7,500	6,510	990
Mileage expense	-	780	(780)
Travel expense	-	11	(11)
Training expense	20,000	5,550	14,450
Record retention service	2,600	334	2,266
Professional service	112,500	50,421	62,079
Legal service	40,000	34,670	5,330
Admin & financial services	16,000	11,000	5,000
Membership expense	8,675	8,774	(99)
Govt fee expense	-	100	(100)
Public notice expense	5,000	3,857	1,143
Special department expense	500	4,646	(4,146)
Office expense	3,000	461	2,539
Communication expense	3,219	3,651	(432)
Office rental expense	3,200	3,799	(599)
IT service	18,080	33,264	(15,184)
Contingency	50,000	-	50,000
Risk insurance services	<u>2,686</u>	<u>2,846</u>	<u>(160)</u>
Total expenditures	<u>768,345</u>	<u>509,681</u>	<u>258,664</u>
Estimated fund balance offset	<u>150,000</u>	<u>-</u>	<u>(150,000)</u>
<i>Excess of revenue over expenditures</i>	<u>\$ -</u>	<u>\$ 594,309</u>	<u>\$ 594,309</u>

The accompanying notes are an integral part of these financial statements

COMPLIANCE SECTION

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Commissioners
Alameda Local Agency Formation Commission
Oakland, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Alameda Local Agency Formation Commission as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Alameda Local Agency Formation Commission's basic financial statements, and have issued our report thereon dated April 29, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Alameda Local Agency Formation Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Alameda Local Agency Formation Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Alameda Local Agency Formation Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Alameda Local Agency Formation Commission's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Alameda Local Agency Formation Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Alameda Local Agency Formation Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Alameda Local Agency Formation Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**Harshwal & Company LLP
Certified Public Accountants**

Harshwal & Company LLP

**Oakland, California
April 29, 2019**

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TO: Alameda Commissioners
FROM: Rachel Jones, Executive Officer
SUBJECT: **City of Alameda Healthcare District | Update**

The Commission will receive an update on the City of Alameda Healthcare District (HCD) and its service area. The report is being presented for information along with any Commission feedback.

Background

Formation

On July 1, 2002, voters approved the formation of the City of Alameda HCD. The District was established to own and operate Alameda Hospital located within the city of Alameda. The District was formed as an independent special district under the Health and Safety Code Act Government Code 32000-32490.9. The District's jurisdictional boundary and sphere of influence is coterminous with the city of Alameda's jurisdictional boundary. No annexations or detachments have occurred since its formation.

Before District formation, Alameda Hospital had experienced ongoing operating losses. Upon the formation of the District, the hospital's debt was transferred to the City of Alameda HCD and voters approved a \$298 parcel tax to supplement the debt and defray its operating losses. Alameda Hospital provides general hospital and acute care, emergency room, surgery, physical therapy, and long-term care services. Alameda Hospital's community activities include health screening, CPR risk assessment, community health fairs, wellness and education programs, blood drives, outreach programs and charity care.

Operations

On November 26, 2013, the City of Alameda HCD entered into a Joint Powers Agreement (JPA) with the Alameda Health System (AHS). On May 1, 2014, AHS assumed operational control under the JPA. The City of Alameda HCD supports the ongoing operation and capital needs of Alameda Hospital through the annual assessment and collection of its authorized parcel tax. The revenues received by the District are then paid to AHS for repayments of amounts outstanding under a line of credit agreement of \$1.5 million, and the operating capital support of Alameda Hospital. The District is permitted to withhold and retain from its parcel tax revenue any out-of-pocket costs and expenses incurred by the

District for its statutorily required operations (i.e., elections, meetings, legal, insurance, administrative expenses).

Local Accountability and Governance

The City of Alameda HCD is governed by a five-member Board of Directors with publicly held elections. One District Board member also sits on the AHS Board of Directors. The District's most recent audit was conducted for the fiscal year ending on June 30, 2017 and its operating budget was last approved for fiscal year 2017-2018. City of Alameda HCD's bylaws were approved on January 18, 2016 and its financial transactions report may be found at the State Controller's Office. Alameda LAFCO conducted its most recent municipal service review (MSR) on the District in 2013.

The City of Alameda HCD is currently working on an independent website and its Board meets bi-monthly on either the third or second Monday of the month. The District's last meeting was held on June 17, 2019. Constituents are updated on District issues through an annual community report.

At its March 14, 2019 meeting, the Commission approved a five-year study schedule that includes a Healthcare Services Study to be completed in 2024. The study will examine the provision of health-related services in the County. The report will review the supply, demand, and capacity as well as relationships among the affected agencies that provide such services. The City of Alameda HCD will be one of the agencies included in the study and a much more thorough analysis of the District's activities and service provisions will be provided.

Attachments: none

TO: Alameda Commissioners
FROM: Rachel Jones, Executive Officer
SUBJECT: **Legislative Report**

The Commission will receive an update from the Legislative Committee as it relates to proposals impacting Local Agency Formation Commissions (LAFCOs). The report is being presented to the Commission for information with the opportunity to provide feedback on related items for possible action at future meetings.

Information

This item is for Alameda LAFCO to consider bill proposals as part of the first year of the State Legislature's 2019-2020 session that directly or indirectly impact LAFCO's duties and or interests as identified by CALAFCO. This includes considering CALAFCO's recommendations. The Commission is also invited to provide related direction on other legislative matters.

The following are the status on bills that may be of interest to the Commission and other bills affecting local public agencies. All bill proposals must pass out of either the Assembly or Senate no later than May 31st with amendments thereafter through September 6th. All bills must subsequently pass through both houses by September 13th with a 30-day window for the Governor to sign or veto.

AB 1822 (Assembly Local Government Committee) | Omnibus

This is an annual omnibus bill sponsored by CALAFCO that makes technical edits to LAFCO law highlighted by a standard definition of a "municipal service review" and the further improvement of streamlining existing out of area service agreement statutes. The Commission approved a support position and authorized the Executive Officer to submit a letter to the author. The bill passed out of the State Legislature on June 18th and was signed by the Governor on June 26th.

Position: Support; *Status:* Signed

AB 1253 (Rivas) | LAFCO Funding

This bill seeks one-time grant funding for LAFCOs as a follow up to the Little Hoover Commission report in 2017. It also calls for the reimbursement for the mandatory dissolution of inactive districts pursuant to AB 448 (Wieckowski). Alameda LAFCO has submitted a letter of support on behalf of

CALAFCO's call for legislative action. The request for \$1.5 million in grant funding did not make it into the budget and CALAFCO will need to request an appropriation from the general fund. The bill is now parked in the Senate Governance & Finance Committee where it will stay until next year.

Position: Support; *Status:* Referred to Committee

AB 600 (Chu) | Disadvantaged Unincorporated Communities

This bill would allow for the extension of service to disadvantaged unincorporated communities in lieu of annexation, which is contrary to LAFCO's statutory purpose to ensure orderly growth and development. The bill does not ensure the provision of adequate, safe drinking water and does not address any engineering or financial issues associated with the provision of water while creating confusion and contradictions in LAFCO law.

Position: Oppose; *Status:* Senate Floor – Third Reading

Other Related Items

CALAFCO, in conjunction with tracking and sponsoring bills, has formed an ad hoc committee to develop recommendations on a comprehensive rewrite of protest proceedings for a potential bill proposal by 2020. This proposal would simplify the navigation of statutes along with establishing a standard threshold of landowner and registered voter consent on proposals.

Staff is also represented on the CALAFCO Legislative Committee as an alternate member for the coastal region and will continue to monitor and track legislation that impact LAFCOs or other related government agencies in coordination with CALAFCO.

Attachments:

1. CALAFCO Tracking Report

CALAFCO Daily Legislative Report as of Wednesday, July 03, 2019

1

[AB 508](#) (Chu D) Drinking water: consolidation and extension of service: domestic wells.
Current Text: Amended: 6/6/2019 [html](#) [pdf](#)
Introduced: 2/13/2019

Last Amended: 6/6/2019

Status: 6/12/2019-In committee: Hearing postponed by committee.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar:

7/3/2019 8:30 a.m. - Room 3191 SENATE ENVIRONMENTAL QUALITY, ALLEN, Chair

7/10/2019 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, MCGUIRE, Chair

Summary:

The California Safe Drinking Water Act requires the State Water Resources Control Board, before ordering consolidation or extension of service, to, among other things, make a finding that consolidation of the receiving water system and subsumed water system or extension of service to the subsumed water system is appropriate and technically and economically feasible. This bill would modify the provision that authorizes consolidation or extension of service if a disadvantaged community is reliant on a domestic well described above to instead authorize consolidation or extension of service if a disadvantaged community, in whole or in part, is reliant on domestic wells that consistently fail to provide an adequate supply of safe drinking water.

Position: Watch

Subject: Disadvantaged Communities, Water

CALAFCO Comments: This bill allows the SWRCB to order an extension of service in the case a disadvantaged community has at least one residence that are reliant on a domestic well that fails to provide safe drinking water. It allows members of the disadvantaged community to petition the SWRCB to initiate the process. It allows the owner of the property to opt out of the extension. The bill also places limitations on fees, charges and terms and conditions imposed as a result of the extension of service. Finally, the extension of service does not require annexation in the cases where that would be appropriate.

[AB 600](#) (Chu D) Local government: organization: disadvantaged unincorporated communities.
Current Text: Amended: 4/29/2019 [html](#) [pdf](#)
Introduced: 2/14/2019

Last Amended: 4/29/2019

Status: 6/24/2019-Read second time. Ordered to third reading.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar:

7/5/2019 #54 SENATE ASSEMBLY BILLS - THIRD READING FILE

Summary:

Under current law, an application to annex a contiguous disadvantaged community is not required if, among other things, a local agency formation commission finds that a majority of the registered voters within the disadvantaged unincorporated community are opposed to the annexation, as specified. This bill would additionally provide that an application to annex a contiguous disadvantaged community is not required if the commission finds that a majority of the registered voters within the affected disadvantaged unincorporated community would prefer to address the service deficiencies through an extraterritorial service extension.

Attachments:
[CALAFCO Oppose letter 05 07 19](#)
[LAFCo Oppose letter template 05 07 19](#)
[CALAFCO Oppose Letter REV April 19, 2019](#)
[LAFCo Oppose letter template REVISED](#)
[CALAFCO Oppose Letter April 16, 2019](#)

[LAFCo Oppose letter template](#)

Position: Oppose

Subject: Disadvantaged Communities, Water

CALAFCO Comments: As amended on April 29, the bill still has a number of issues. The bill still allows for an extension of service in lieu of annexation.

The bill adds (8)(C) to Government Code Section 56375. As written, this section creates confusion and contradicts §56375(8)(A). It appears the intention is to prohibit LAFCo from approving the annexation of two or more contiguous disadvantaged communities within five years that are individually less than ten acres but cumulatively more than ten acres. If so, then this language conflicts with §56375(8)(A), which allows for commission policies to guide the commission in determining the size of the area to be annexed. Further, the term “paragraph” as used in this section creates uncertainty as to what section or subsection is actually being addressed.

The bill does nothing to address the engineering and financial issues that must be solved in order to ensure sustainable service. Further it does not allow for local circumstances and conditions to be considered by offering a “one size fits all” approach.

[AB 1253](#) ([Rivas, Robert D](#)) **Local agency formation commissions: grant program.**

Current Text: Introduced: 2/21/2019 [html](#) [pdf](#)

Introduced: 2/21/2019

Status: 6/18/2019-In committee: Set, first hearing. Hearing canceled at the request of author.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

This bill would require the Strategic Growth Council, until July 31, 2025, to establish and administer a local agency formation commissions grant program for the payment of costs associated with initiating and completing the dissolution of districts listed as inactive, the payment of costs associated with a study of the services provided within a county by a public agency to a disadvantaged community, as defined, and for other specified purposes, including the initiation of an action, as defined, that is limited to service providers serving a disadvantaged community and is based on determinations found in the study, as approved by the commission. The bill would specify application submission, reimbursement, and reporting requirements for a local agency formation commission to receive grants pursuant to the bill. The bill would require the council, after consulting with the California Association of Local Agency Formation Commissions, to develop and adopt guidelines, timelines, and application and reporting criteria for development and implementation of the program, as specified, and would exempt these guidelines, timelines, and criteria from the rulemaking provisions of the Administrative Procedure Act. The bill would make the grant program subject to an appropriation for the program in the annual Budget Act, and would repeal these provisions on January 1, 2026. This bill contains other existing laws.

Attachments:

[LAFCo Support Letter Template](#)

[CALAFCO Support letter Feb 2016](#)

Position: Sponsor

Subject: Disadvantaged Communities, LAFCo Administration, Municipal Services, Special District Consolidations

CALAFCO Comments: This is a CALAFCO sponsored bill following up on the recommendation of the Little Hoover Commission report of 2017 for the Legislature to provide LAFCos one-time grant funding for in-depth studies of potential reorganization of local service providers. Last year, the Governor vetoed AB 2258 - this is the same bill. The Strategic Growth Council (SGC) will administer the grant program. Grant funds will be used specifically for conducting special studies to identify and support opportunities to create greater efficiencies in the provision of municipal services; to potentially initiate actions based on those studies that remove or reduce local costs thus incentivizing local agencies to work with the LAFCo in developing and implementing reorganization plans; and the dissolution of inactive districts (pursuant to SB 448, Wieckowski, 2017). The grant program would sunset on July 31, 2024.

The bill also changes the protest threshold for LAFCo initiated actions, solely for the purposes of actions funded pursuant to this new section. It allows LAFCo to order the dissolution of a district (outside of the ones identified by the SCO) pursuant to Section 11221 of the Elections code, which is a tiered approach based on registered voters in the affected territory (from 30% down to 10% depending).

The focus is on service providers serving disadvantaged communities. The bill also requires LAFCo pay back grant funds in their entirety if the study is not completed within two years and requires the SGC to give preference to LAFCOs whose decisions have been aligned with the goals of sustainable communities strategies.

We were unsuccessful in getting the \$1.5 M into the budget so the request will be an appropriation from the General Fund.

AB 1389 (Eggman D) Special districts: change of organization: mitigation of revenue loss.

Current Text: Introduced: 2/22/2019 [html](#) [pdf](#)

Introduced: 2/22/2019

Status: 5/3/2019-Failed Deadline pursuant to Rule 61(a)(3). (Last location was L. GOV. on 3/14/2019)(May be acted upon Jan 2020)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Would authorize the commission to propose, as part of the review and approval of a proposal for the establishment of new or different functions or class of services, or the divestiture of the power to provide particular functions or class of services, within all or part of the jurisdictional boundaries of a special district, that the special district, to mitigate any loss of property taxes, franchise fees, and other revenues to any other affected local agency, provide payments to the affected local agency from the revenue derived from the proposed exercise of new or different functions or classes of service.

Position: Watch

Subject: CKH General Procedures

CALAFCO Comments: This bill allows LAFCo, when approving a proposal for new or different functions or class of service for a special district, to propose the district provide payments to any affected local agency for taxes, fees or any other revenue that may have been lost as a result of the new service being provided.

AB 1628 (Rivas, Robert D) Environmental justice.

Current Text: Amended: 6/14/2019 [html](#) [pdf](#)

Introduced: 2/22/2019

Last Amended: 6/14/2019

Status: 6/26/2019-From committee: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 1.) (June 25). Re-referred to Com. on APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar:

7/8/2019 10 a.m. - John L. Burton Hearing Room (4203)

SENATE APPROPRIATIONS, PORTANTINO, Chair

Summary:

Current law requires the Secretary for Environmental Protection, on or before January 1, 2002, to convene a Working Group on Environmental Justice composed of various representatives, as specified, to assist the California Environmental Protection Agency in developing by July 1, 2002, an agencywide environmental justice strategy. Current law requires the Office of Planning and Research to be the coordinating agency in state government for environmental justice programs. Current law requires the Director of State Planning and Research to consult with specified entities, including the Secretary for Environmental Protection. Current law defines "environmental justice" for these purposes. This bill would require the director to additionally consult with the Attorney General and the Bureau of Environmental Justice in the Environment Section of the Department of Justice.

Position: Watch With Concerns

Subject: Environmental Justice

CALAFCO Comments: Recently amended, this bill changes one of the factors considered by LAFCo in the review of an application pertaining to environmental justice. Specifically it changes the definition of "environmental justice" to: "(A) The availability of a healthy environment for all people.(B) The prevention, reduction, and elimination of pollution burdens for populations and communities experiencing the adverse effects of that pollution, so that the effects of the pollution are not disproportionately borne by those populations and communities. (C) Government entities conducting direct outreach and providing capacity-building assistance and technical assistance to populations and communities most impacted by pollution. (D) Including populations and communities most impacted by pollution as active partners in the decisions or activities that affect their environment or health, and incorporating recommendations from those populations and communities into environmental and land use decisions."

It is unclear how LAFCo is to actually consider several of these definition factors.

AB 1751 (Chiu D) Water and sewer system corporations: consolidation of service.

Current Text: Amended: 6/26/2019 [html](#) [pdf](#)

Introduced: 2/22/2019

Last Amended: 6/26/2019

Status: 6/26/2019-Read second time and amended. Re-referred to Com. on EQ.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar:

7/3/2019 8:30 a.m. - Room 3191 SENATE ENVIRONMENTAL QUALITY, ALLEN, Chair

Summary:

Current law authorizes the State Water Resources Control Board to order consolidation of public water systems where a public water system or state small water system serving a disadvantaged community consistently fails to provide an adequate supply of safe drinking water, as provided. This bill, the Consolidation for Safe Drinking Water Act of 2019, would authorize a water or sewer system corporation to file an application and obtain approval from the commission through an order authorizing the water or sewer system corporation to consolidate with a public water system or state small water system that has fewer than 3,300 service connections and serves a disadvantaged community, or to implement rates for the subsumed water system.

Position: Watch

Subject: Water

CALAFCO Comments: This bill allows for water (public or state small) or sewer systems corps to file an application for consolidation with the SWRCB.

AB 1822 (Committee on Local Government) Local Government: omnibus.

Current Text: Chaptered: 6/26/2019 [html](#) [pdf](#)

Introduced: 3/11/2019

Last Amended: 4/8/2019

Status: 6/26/2019-Approved by the Governor. Chaptered by Secretary of State - Chapter 20, Statutes of 2019.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Current law requires a commission to develop and determine the sphere of influence of each city and each special district within the county and enact policies designed to promote the logical and orderly development of areas within each sphere. Current law requires the commission, in order to prepare and update spheres of influence in accordance with this requirement, to conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission, as specified. Current law defines "sphere of influence" to mean a plan for the probable physical boundaries and service area of a local agency. Current law defines the term "service" for purposes of the act to mean a specific governmental activity established within, and as a part of, a general function of the special district, as specified. This bill would revise the definition of the term "service" for these purposes to mean a specific governmental activity established within, and as a part of, a function of the local agency.

Attachments:

[CALAFCO Support letter April 16, 2019](#)
[LAFCo Support letter template](#)

Position: Sponsor
Subject: LAFCo Administration
CALAFCO Comments: This is the annual Omnibus bill.

SB 272 (Morrell R) Fire Protection District Law of 1987.

Current Text: Amended: 4/4/2019 [html](#) [pdf](#)

Introduced: 2/13/2019

Last Amended: 4/4/2019

Status: 5/3/2019-Failed Deadline pursuant to Rule 61(a)(3). (Last location was GOV. & F. on 2/21/2019)(May be acted upon Jan 2020)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

The Fire Protection District Law of 1987 provides that whenever a district board determines that it is in the public interest to provide different services, to provide different levels of service, or to raise additional revenues within specific areas of the district, it may form one or more service zones by adopting a resolution that includes specified information, fixing the date, time, and place for public hearing on the formation of the zone, publishing notice, as specified, hearing and considering any protests to the formation of the zone at the hearing, and, at the conclusion of the hearing, adopting a resolution ordering the formation of the zone. If a resolution adopted after the public hearing would substantially expand the provision of services outside of an existing service zone and the extension of service would result in those persons in the expanded area paying charges for the expansion of services, this bill would provide that the resolution does not become effective unless approved by a majority of the voters within the expanded service area.

Position: Watch

CALAFCO Comments: As amended, the bill amends the Health & Safety code regarding the formation of zones within a fire protection district by requiring the district hold an election, regardless of the protest level, if the district wants to substantially expand (as defined in the bill) services outside the zone. This is unrelated to 56133. CALAFCO will retain a Watch position.

SB 414 (Caballero D) Small System Water Authority Act of 2019.

Current Text: Amended: 6/25/2019 [html](#) [pdf](#)

Introduced: 2/20/2019

Last Amended: 6/25/2019

Status: 7/2/2019-VOTE: Do pass and be re-referred to the Committee on [Local Government] (PASS)

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar:

7/10/2019 1:30 p.m. - State Capitol, Room 444 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

Summary:

Would create the Small System Water Authority Act of 2019 and state legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliant public water systems. The bill, no later than March 1, 2020, would require the state board to provide written notice to cure to all public agencies, private water companies, or mutual water companies that operate a public water system that has either less than 3,000 service connections or that serves less than 10,000 people, and are not in compliance, for the period from July 1, 2018, through December 31, 2019, with one or more state or federal primary drinking water standard maximum contaminant levels, as specified.

Position: Support

Subject: Water

CALAFCO Comments: This bill is very similar to AB 2050 (Caballero) from 2018. Several changes have been made. This bill is sponsored by Eastern Municipal Water District and the CA

Municipal Utilities Assoc. The intent is to give the State Water Resources Control Board (SWRCB) authority to mandate the dissolution of existing drinking water systems (public, mutual and private) and authorize the formation of a new public water authority. The focus is on non contiguous systems. The SWRCB already has the authority to mandate consolidation of these systems, this will add the authority to mandate dissolution and formation of a new public agency.

LAFCo will be responsible for dissolving any state mandated public agency dissolution, and the formation of the new water authority. The SWRCB's appointed Administrator will act as the applicant on behalf of the state. LAFCo will have ability to approve with modifications the application, and the new agency will have to report to the LAFCo annually for the first 3 years.

SB 646 (Morrell R) Local agency utility services: extension of utility services.

Current Text: Enrolled: 7/1/2019 [html](#) [pdf](#)

Introduced: 2/22/2019

Last Amended: 5/7/2019

Status: 6/27/2019-Read third time. Passed. Ordered to the Senate. In Senate. Ordered to engrossing and enrolling.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

The Mitigation Fee Act, among other things, requires fees for water or sewer connections, or capacity charges imposed by a local agency to not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed, unless a question regarding the amount of the fee or charge imposed in excess of the reasonable cost of providing the service or materials is submitted to and approved by 2/3 of the electors voting on the issue. The Mitigation Fee Act defines the term "fee" for these purposes. This bill would revise the definition of "fee" to mean a fee for the physical facilities necessary to make a water connection or sewer connection, and that the estimated reasonable cost of labor and materials for installation of those facilities bears a fair or reasonable relationship to the payor's burdens on, or benefits received from, the water connection or sewer connection.

Position: Neutral

Subject: CKH General Procedures

CALAFCO Comments: UPDATE AS OF THE 4/11/19 AMENDMENTS: These amendments address all of our concerns and the bill now only addresses fees.

This bill does 3 things. (1) Seeks to add a provision to 56133 that requires LAFCo to approve an extension of service regardless of whether a future annexation is anticipated or not. It further requires the service provider to extend the provision of service to a property owner regardless of a whether there is a pending annexation or pre-annexation agreement. The newly proposed subsection directly contradicts subsection (b). (2) Changes the definition of "fee" by requiring the new few "is of proportional benefit to the person or property being charged." There is no reasonable definition or application of "proportional benefit". (3) Narrows the scope of application of Section 56133 to water or sewer service; and prohibits the service provider to charge higher fees and charges to those outside the jurisdictional boundaries.

AB 213 (Reyes D) Local government finance: property tax revenue allocations: vehicle license fee adjustments.

Current Text: Introduced: 1/15/2019 [html](#) [pdf](#)

Introduced: 1/15/2019

Status: 6/26/2019-From committee: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 0.) (June 26). Re-referred to Com. on APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar:

7/8/2019 10 a.m. - John L. Burton Hearing Room (4203)
SENATE APPROPRIATIONS, PORTANTINO, Chair

Summary:

Would, for the 2019–20 fiscal year, require the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount in the 2018–19 fiscal year, the product of that sum and the percentage change in gross taxable assessed valuation within the jurisdiction of that entity between the 2018–19 fiscal year to the 2018–19 fiscal year, and the product of the amount of specified motor vehicle license fee revenues that the Controller allocated to the applicable city in July 2010 and 1.17.

Attachments:

[CALAFCO Support Letter](#)

Position: Support

Subject: Tax Allocation

CALAFCO Comments: Sponsored by the League, this bill will reinstate ERAF funding for inhabited annexations. This bill is the same as AB 2268 (Reyes) from last year.

[AB 818](#) (Cooley D) Local government finance: vehicle license fee adjustment amounts.

Current Text: Introduced: 2/20/2019 [html](#) [pdf](#)

Introduced: 2/20/2019

Status: 5/17/2019-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 4/3/2019)(May be acted upon Jan 2020)

Desk	Policy	2 year	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Current property tax law, for the 2006–07 fiscal year, and for each fiscal year thereafter, requires the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount for the prior fiscal year, if specified provisions did not apply, and the product of the amount as so described and the percentage change from the prior fiscal year in the gross taxable valuation within the jurisdiction of the entity. Current law establishes a separate vehicle license fee adjustment amount for a city that was incorporated after January 1, 2004, and on or before January 1, 2012. This bill would establish a separate vehicle license fee adjustment amount for a city incorporating after January 1, 2012, including an additional separate vehicle license fee adjustment amount for the first fiscal year of incorporation and for the next 4 fiscal years thereafter.

Attachments:

[LAFCo Support letter template](#)

[CALAFCO Support March 2019](#)

Position: Support

Subject: Financial Viability of Agencies

CALAFCO Comments: Sponsored by the League, this bill will reinstate ERAF funding for cities incorporating after 2018. This is the same bill as AB 2491 from 2018.

[AB 1304](#) (Waldron R) Water supply contract: Native American tribes.

Current Text: Amended: 5/6/2019 [html](#) [pdf](#)

Introduced: 2/22/2019

Last Amended: 5/6/2019

Status: 6/13/2019-In committee: Set, first hearing. Hearing canceled at the request of author.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Current law provides for the establishment and operations of various water districts. This bill would specifically authorize a water district, as defined, to enter into a contract with a Native American tribe to receive water deliveries from an infrastructure project on tribal lands. The bill would repeal its provisions on January 1, 2025.

Position: Watch

Subject: Municipal Services, Water

CALAFCO Comments: This bill amends the water code to allow a Native American tribe to sell/deliver water to a water district (as defined in the water code section 20200). The bill sunsets on January 1, 2025.

SB 379 (Committee on Governance and Finance) Validations.

Current Text: Enrolled: 7/1/2019 [html](#) [pdf](#)

Introduced: 2/20/2019

Status: 6/27/2019-Read third time. Urgency clause adopted. Passed. Ordered to the Senate. In Senate. Ordered to engrossing and enrolling.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

This bill would enact the First Validating Act of 2019, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

Attachments:

[CALAFCO Support March 2019](#)

Position: Support

Subject: LAFCo Administration

CALAFCO Comments: This is one of three annual validating acts.

SB 380 (Committee on Governance and Finance) Validations.

Current Text: Enrolled: 7/1/2019 [html](#) [pdf](#)

Introduced: 2/20/2019

Status: 6/27/2019-Read third time. Urgency clause adopted. Passed. Ordered to the Senate. In Senate. Ordered to engrossing and enrolling.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

This bill would enact the Second Validating Act of 2019, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

Attachments:

[CALAFCO Support March 2019](#)

Position: Support

Subject: LAFCo Administration

CALAFCO Comments: This is one of three annual validating acts.

SB 381 (Committee on Governance and Finance) Validations.

Current Text: Enrolled: 7/1/2019 [html](#) [pdf](#)

Introduced: 2/20/2019

Status: 6/27/2019-Read third time. Passed. Ordered to the Senate. In Senate. Ordered to engrossing and enrolling.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

This bill would enact the Third Validating Act of 2019, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

Attachments:

[CALAFCO Support March 2019](#)

Position: Support

Subject: LAFCo Administration

CALAFCO Comments: This is one of three annual validating acts.

AB 134 (Bloom D) Safe Drinking Water Restoration.

Current Text: Amended: 5/20/2019 [html](#) [pdf](#)

Introduced: 12/5/2018

Last Amended: 5/20/2019

Status: 6/25/2019-In committee: Set, first hearing. Hearing canceled at the request of author.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Would require the State Water Resources Control Board to report to the Legislature by July 1, 2025, on its progress in restoring safe drinking water to all California communities and to create an internet website that provides data transparency for all of the board’s activities described in this measure. The bill would require the board to develop metrics to measure the efficacy of the fund in ensuring safe and affordable drinking water for all Californians.

Position: Watch

Subject: Water

AB 530 (Aguiar-Curry D) The Fairfield-Suisun Sewer District.

Current Text: Enrolled: 7/2/2019 [html](#) [pdf](#)

Introduced: 2/13/2019

Last Amended: 4/22/2019

Status: 7/1/2019-Bill in its final form passes. NULL Ordered to Engrossing and Enrolling.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

The Fairfield-Suisun Sewer District Act creates the Fairfield-Suisun Sewer District and grants to the district various powers relating to the treatment and disposal of sewage. The current act provides for the election of a board of directors for the district and administrative procedures for the operation of the district. Violation of regulations adopted by the board is a misdemeanor. This bill would make various administrative changes to the act, including removing the requirement that the district appoint a clerk and changing the posting requirements for regulations.

Position: Watch

Subject: Special District Powers, Special Districts Governance

CALAFCO Comments: This bill makes administrative changes to this special act district. It also allows for an extension of service pursuant to 56133 (keeping that LAFCo process intact).

AB 948 (Kalra D) Coyote Valley Conservation Program.

Current Text: Amended: 6/18/2019 [html](#) [pdf](#)

Introduced: 2/20/2019

Last Amended: 6/18/2019

Status: 6/26/2019-From committee: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 0.) (June 26). Re-referred to Com. on APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar:

7/8/2019 10 a.m. - John L. Burton Hearing Room (4203)
SENATE APPROPRIATIONS, PORTANTINO, Chair

Summary:

Would authorize the Santa Clara Valley Open-Space Authority to establish and administer the Coyote Valley Conservation Program to address resource and recreational goals of the Coyote Valley, as defined. The bill would authorize the authority to collaborate with state, regional, and local partners to help achieve specified goals of the program. The bill would authorize the authority to, among other things, acquire and dispose of interests and options in real property.

Attachments:

[CALAFCO Support Letter 06 27 19](#)

Position: Support

AB 1053 (Dahle R) Fallen Leaf Lake Community Service District.

Current Text: Amended: 3/25/2019 [html](#) [pdf](#)

Introduced: 2/21/2019

Last Amended: 3/25/2019

Status: 5/22/2019-Referred to Com. on GOV. & F.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Would prohibit, on and after January 1, 2020, the Fallen Leaf Lake Community Services District from providing any services or facilities except fire protection, including medical response and emergency services, and parks and recreation services or facilities.

Position: Watch

CALAFCO Comments: CALAFCO will watch this bill to determine if the outcome of the State Audit on this district will have an impact on all CSDs.

AB 1457 (Reyes D) Omnitrans Transit District.

Current Text: Amended: 5/24/2019 [html](#) [pdf](#)

Introduced: 2/22/2019

Last Amended: 5/24/2019

Status: 6/25/2019-From committee: Do pass and re-refer to Com. on GOV. & F. (Ayes 11. Noes 0.) (June 25). Re-referred to Com. on GOV. & F.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Would create the Omnitrans Transit District in the County of San Bernardino. The bill would provide that the jurisdiction of the district would initially include the Cities of Chino, Chino Hills, Colton, Fontana, Grand Terrace, Highland, Loma Linda, Montclair, Ontario, Rancho Cucamonga, Redlands, Rialto, San Bernardino, Upland, and Yucaipa, and specified portions of the unincorporated areas of the County of San Bernardino. The bill would authorize other cities in the County of San Bernardino to subsequently join the district.

Attachments:

[CALAFCO Oppose unless amended letter April 2019](#)

Position: Neutral

CALAFCO Comments: This is a special act district formation. The bill takes what is currently a JPA and transforms it into a special district. CALAFCO has been working with the author and sponsor on amendments and the May 24 version addresses the vast majority of concerns. CALAFCO continues to work with the author and sponsor on minor technical amendments which are supposed to be taken in the Senate Governance & Finance Committee.

SB 654 (Moorlach R) Local government: planning.

Current Text: Introduced: 2/22/2019 [html](#) [pdf](#)

Introduced: 2/22/2019

Status: 3/14/2019-Referred to Com. on RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Current law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, makes certain findings and declarations relating to local government organizations, including, among other things, the encouragement of orderly growth and development, and the logical formation and modification of the boundaries of local agencies, as specified. This bill would make nonsubstantive changes to these findings and declarations.

Position: Watch

CALAFCO Comments: This is a spot bill. The author indicates he has no plans to use this for LAFCo law.

SB 780 (Committee on Governance and Finance) Local Government Omnibus Act of 2019.

Current Text: Amended: 7/1/2019 [html](#) [pdf](#)

Introduced: 2/28/2019

Last Amended: 7/1/2019

Status: 7/1/2019-From committee with author's amendments. Read second time and amended. Re-referred to Com. on L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered

1st House	2nd House	Conc.
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Calendar:

7/10/2019 1:30 p.m. - State Capitol, Room 444 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

Summary:

Current law requires the governing body of a public agency, within 70 days after the commencement of the agency's legal existence, to file with the Secretary of State, on a form prescribed by the secretary, and also with the county clerk of each county in which the public agency maintains an office, a specified statement of facts about the agency. Current law requires this information to be updated within 10 days of a change in it. Current law requires the Secretary of State and each county clerk to establish and maintain an indexed Roster of Public Agencies that contains this information. This bill would instead require the Secretary of State and each county clerk to establish and maintain an indexed Registry of Public Agencies containing the above-described information.

Position: Watch

CALAFCO Comments: This is the Senate Governance & Finance Committee's annual Omnibus bill.

Total Measures: 23

Total Tracking Forms: 23

7/3/2019 9:04:47 AM

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AGENDA REPORT

July 18, 2019

Item No. 9

TO: Alameda Commissioners

FROM: Rachel Jones, Executive Officer

SUBJECT: Nominations for CALAFCO Board of Directors and Designation of Voting Delegates

The Alameda Local Agency Formation Commission (LAFCO) will consider action items relating to the California Association of Local Agency Formation Commissions (CALAFCO) Annual Conference scheduled for October 30th to November 1st in Sacramento. Requested actions include the appointments of voting delegates and nominations for the CALAFCO Board of Directors. The election will be conducted during Regional Caucuses at the CALAFCO Annual Conference prior to the Annual Membership Meeting on Thursday, October 31st.

Information

CALAFCO is now accepting nominations for the fall elections of the CALAFCO Board of Directors. The Board meets four to five times each year at alternate sites around the state. Any LAFCO commissioner or alternate commissioner is eligible to run for a Board seat.

There are eight seats up for election this fall, two from each of the four regions. The Coastal Region seats include a City Member and Public Member seat. Alameda LAFCO is a member of the Coastal Region. See the nomination packet for details in Attachment 1.

The following seats on the CALAFCO Board of Directors are accepting nominations:

Northern Region	Central Region	Coastal Region	Southern Region
County Member	City Member	City Member	County Member
District Member	Public Member	Public Member	District Member

Nominations received by September 30th will be included in the Election Committee's Report and will be on the ballot. The report will be distributed to LAFCO members no later than October 16th and ballots will be made available to voting delegates at the Annual Conference.

CALAFCO requires each member LAFCO to designate a voting delegate to vote on behalf of their Commission. LAFCOs may also designate an alternate voting delegate. Voting delegates may be a commissioner, alternate commissioner, or executive officer. Voting delegate names must be submitted to CALAFCO by September 30th.

Alternatives for Action

The following alternatives are available to the Commission:

Alternative One (Recommended):

Advise staff or the Chair on any Board nominations and voting delegate designee(s).

Alternative Two:

Continue consideration of the report to a future meeting and provide direction to staff for additional information as needed ahead of the September 30th deadline.

Recommendation

It is recommended the Commission proceed with Alternative Action One.

Respectfully,



Rachel Jones
Executive Officer

Attachments:

- 1) Nomination Packet for 2019-2020 CALAFCO Board of Directors

June 25, 2019

To: Local Agency Formation Commission
Members and Alternate Members

From: Shiva Frentzen, Committee Chair
CALAFCO Board Election Committee
CALAFCO Board of Directors



RE: Nominations for 2019/2020 CALAFCO Board of Directors

Nominations are now open for the fall elections of the CALAFCO Board of Directors. Serving on the CALAFCO Board is a unique opportunity to work with other commissioners throughout the state on legislative, fiscal and operational issues that affect us all. The Board meets four to five times each year at alternate sites around the state. Any LAFCo commissioner or alternate commissioner is eligible to run for a Board seat.

CALAFCO's Election Committee is accepting nominations for the following seats on the CALAFCO Board of Directors:

<u>Northern Region</u>	<u>Central Region</u>	<u>Coastal Region</u>	<u>Southern Region</u>
County Member	City Member	City Member	County Member
District Member	Public Member	Public Member	District Member

The election will be conducted during Regional Caucuses at the CALAFCO Annual Conference prior to the Annual Membership Meeting on Thursday, October 31, 2019 at the Hyatt Regency in Sacramento, CA.

Please inform your Commission that the CALAFCO Election Committee is accepting nominations for the above-cited seats until *Monday, September 30, 2019*.

Incumbents are eligible to run for another term. Nominations received by September 30 will be included in the Election Committee's Report and will be on the ballot. The Report will be distributed to LAFCo members no later than October 16, 2019 and ballots made available to Voting Delegates at the Annual Conference. Nominations received after this date will be returned; however, nominations will be permitted from the floor during the Regional Caucuses or during at-large elections, if required, at the Annual Membership Meeting.

For those member LAFCos who cannot send a representative to the Annual Meeting an electronic ballot will be made available if requested in advance. **The ballot request must be made no later than Monday, September 30, 2019. Completed absentee ballots must be returned by 8:00 a.m., Monday, October 28, 2019.**

Should your Commission nominate a candidate, the Chair of your Commission must complete the attached Nomination Form and the Candidate's Resume Form, or provide the specified information in another format other than a resume. Commissions may also include a letter of recommendation or resolution in support of their nominee.

The nomination forms and materials must be received by the CALAFCO Executive Director no later than Monday, September 30, 2019 at 5:00 p.m. Here is a summary of the deadlines for this year's nomination process:

- **June 26** – Nomination Announcement and packet sent to LAFCo membership and posted on the CALAFCO website.
- **September 30** – Completed Nomination packet due
- **September 30** – Request for an absentee/electronic ballot due
- **September 30** – Voting delegate name due to CALAFCO
- **October 16** – Distribution of the Election Committee Report (includes all completed/submitted nomination papers)
- **October 16** – Distribution of requested absentee/electronic ballots.
- **October 28** – Absentee ballots due to CALAFCO
- **October 31** - Elections

Returning the nomination form prior to the deadline ensures your nominee is placed on the ballot. Names will be listed in the order nominations were received should there be multiple candidates. Electronic filing of nomination forms and materials is encouraged to facilitate the recruitment process. Please send e-mails with forms and materials to info@calafco.org. Alternatively, nomination forms and materials can be mailed or faxed to the address or fax number below. Please forward nominations to:

CALAFCO Election Committee c/o Executive Director
California Association of Local Agency Formation Commissions
1020 12th Street, Suite 222
Sacramento, California 95814
FAX: 916-442-6535
EMAIL: info@calafco.org

Questions about the election process can be sent to the Chair of the Committee, Shiva Frentzen, at sfrentzen@calafco.org or by calling her at 530-621-5390. You may also contact CALAFCO Executive Director Pamela Miller at pmiller@calafco.org or by calling 916-442-6536.

Members of the 2019/2020 CALAFCO Election Committee are:

Shiva Frentzen, Chair sfrentzen@calafco.org	El Dorado LAFCo (Central Region) 530-621-5390
Josh Susman jsusman@calafco.org	Nevada LAFCo (Northern Region) 530-265-7180
Cheryl Brothers cbrothers@calafco.org	Orange LAFCo (Southern Region) 714-640-5100
Jane Parker jparker@calafco.org	Monterey LAFCo (Coastal Region) 831-883-7570

Attached please find a copy of the CALAFCO Board of Directors Nomination and Election Procedures as well as the current listing of Board Members and corresponding terms of office.

Please consider joining us!

Enclosures

Board of Directors Nomination and Election Procedures and Forms

The procedures for nominations and election of the CALAFCO Board of Directors [Board] are designed to assure full, fair and open consideration of all candidates, provide confidential balloting for contested positions and avoid excessive demands on the time of those participating in the CALAFCO Annual Conference.

The Board nomination and election procedures shall be:

1. APPOINTMENT OF AN ELECTION COMMITTEE:

- a. Following the Annual Membership Meeting the Board shall appoint an Election Committee of four members of the Board. The Election Committee shall consist of one member from each region whose term is not ending.⁸
- b. The Board shall appoint one of the members of the Election Committee to serve as Chairman. The CALAFCO Executive Officer shall appoint a CALAFCO staff member to serve as staff for the Election Committee in cooperation with the CALAFCO Executive Director.⁸
- c. Each region shall designate a regional representative to serve as staff liaison to the Election Committee.⁸
- d. Goals of the Committee are to provide oversight of the elections process and to encourage and solicit candidates by region who represent member LAFCoS across the spectrum of geography, size, and urban suburban and rural population if there is an open seat for which no nominations papers have been received close to the deadline.⁸

2. ANNOUNCEMENT TO ALL MEMBER LAFCoS:

- a. No later than three months prior to the Annual Membership Meeting, the Election Committee Chair shall send an announcement to each LAFCo for distribution to each commissioner and alternate. The announcement shall include the following:⁸
 - i. A statement clearly indicating which offices are subject to the election.
 - ii. A regional map including LAFCoS listed by region.
 - iii. The dates by which all nominations must be received by the Election Committee. The deadline shall be no later than 30 days prior to the opening of the Annual Conference. Nominations received after the closing date shall be returned to the proposing LAFCo marked "Received too late for Elections Committee action."⁸
 - iv. The names of the Election Committee members with the Committee Chairman's LAFCo address and phone number, and the names and contact information for each of the regional representatives.⁸
 - v. The address to send the nominations forms.
 - vi. A form for a Commission to use to nominate a candidate and a candidate resume form of no more than one page each to be completed for each nominee.
- b. No later than four months before the annual membership meeting, the Election Committee Chairman shall send an announcement to the Executive Director for distribution to each member LAFCo and for publication in the newsletter and on the web site. The announcement shall include the following:⁸

Key Timeframes for Nominations Process	
<u>Days*</u>	
90	Nomination announcement
30	Nomination deadline
14	Committee report released
<small>*Days prior to annual membership meeting</small>	

- i. A statement clearly indicating which offices are subject to the election.
 - ii. The specific date by which all nominations must be received by the Election Committee. Nominations received after the closing dates shall be returned to the proposing LAFCo marked “Received too late for Election Committee action.”⁸
 - iii. The names of the Election Committee members with the Committee Chair’s LAFCo address and phone number, and the names and contact information for each of the regional representatives.⁸
 - iv. Requirement that nominated individual must be a commissioner or alternate commissioner from a member in good standing within the region.
- c. A copy of these procedures shall be posted on the web site.

3. THE ELECTION COMMITTEE:

- a. The Election Committee and the regional representatives have the responsibility to monitor nominations and help assure that there are adequate nominations from each region for each seat up for election. No later than two weeks prior to the Annual Conference, the Election Committee Chair shall distribute to the members the Committee Report organized by regions, including copies of all nominations and resumes, which are received prior to the end of the nomination period.⁸
- b. At the close of the nominations the Election Committee shall prepare regional ballots. Each region will receive a ballot specific to that region. Each region shall conduct a caucus at the Annual Conference for the purpose of electing their designated seats. Caucus elections must be held prior to the annual membership meeting at the conference. The Executive Director or assigned staff along with a member of the Election Committee shall tally ballots at each caucus and provide the Election Committee the names of the elected Board members and any open seats. In the event of a tie, the staff and Election Committee member shall immediately conduct a run-off ballot of the tied candidates.⁸
- c. Make available sufficient copies of the Committee Report for each Voting Delegate by the beginning of the Annual Conference.
- d. Make available blank copies of the nomination forms and resume forms to accommodate nominations from the floor at either the caucuses or the annual meeting (if an at-large election is required).
- e. Advise the Executive Director to provide “CANDIDATE” ribbons to all candidates attending the Annual Conference.⁸
- f. Post the candidate statements/resumes organized by region on a bulletin board near the registration desk.
- g. Regional elections shall be conducted as described in Section 4 below. The representative from the Election Committee shall serve as the Presiding Officer for the purpose of the caucus election.⁸
- h. Following the regional elections, in the event that there are open seats for any offices subject to the election, the Election Committee Chair shall notify the Chair of the Board of Directors that an at-large election will be required at the annual membership meeting and to provide a list of the number and category of seats requiring an at-large election.⁸

4. ELECTRONIC BALLOT FOR LAFCO IN GOOD STANDING NOT ATTENDING ANNUAL MEETING⁶

Limited to the elections of the Board of Directors

- a. Any LAFCo in good standing shall have the option to request an electronic ballot if there will be no representative attending the annual meeting.
- b. LAFCos requesting an electronic ballot shall do so in writing no later than 30 days prior to the annual meeting.
- c. The Executive Director shall distribute the electronic ballot no later than two weeks prior to the annual meeting.
- d. LAFCo must return the ballot electronically to the executive director no later than three days prior to the annual meeting.
- e. LAFCos voting under this provision may discard their electronic ballot if a representative is able to attend the annual meeting.
- f. LAFCos voting under this provision may only vote for the candidates nominated by the Election Committee and may not vote in any run-off elections.⁸

5. AT THE TIME FOR ELECTIONS DURING THE REGIONAL CAUCUSES OR ANNUAL MEMBERSHIP MEETING:

- a. The Election Committee Chairman, another member of the Election Committee or the Chair's designee (hereafter called the Presiding Officer) shall:⁸
 - i. Review the election procedure with the membership.
 - ii. Present the Election Committee Report (previously distributed).
 - iii. Call for nominations from the floor by category for those seats subject to this election:
 1. For city member.
 2. For county member.
 3. For public member.
 4. For special district member.
- b. To make a nomination from the floor, a LAFCo, which is in good standing, shall identify itself and then name the category of vacancy and individual being nominated. The nominator may make a presentation not to exceed two minutes in support of the nomination.
- c. When there are no further nominations for a category, the Presiding Officer shall close the nominations for that category.
- d. The Presiding Officer shall conduct a "Candidates Forum". Each candidate shall be given time to make a brief statement for their candidacy.
- e. The Presiding Officer shall then conduct the election:
 - i. For categories where there are the same number of candidates as vacancies, the Presiding Officer shall:
 1. Name the nominees and offices for which they are nominated.
 2. Call for a voice vote on all nominees and thereafter declare those unopposed candidates duly elected.

- ii. For categories where there are more candidates than vacancies, the Presiding Officer shall:
 - 1. Poll the LAFCoS in good standing by written ballot.
 - 2. Each LAFCo in good standing may cast its vote for as many nominees as there are vacancies to be filled. The vote shall be recorded on a tally sheet.
 - 3. Any ballots submitted electronically for candidates included in the Election Committee Report shall be added to the tally.⁸
 - 4. With assistance from CALAFCO staff, tally the votes cast and announce the results.
- iii. Election to the Board shall occur as follows:
 - 1. The nominee receiving the majority⁶ of votes cast is elected.
 - 2. In the case of no majority, the two nominees receiving the two highest number of votes cast shall face each other in a run-off election. Electronic ballots are not included in the tally for any run-off election(s).⁶
 - 3. In case of tie votes⁶:
 - a. A second run-off election shall be held with the same two nominees.
 - b. If there remains a tie after the second run-off, the winner shall be determined by a draw of lots.
 - 4. In the case of two vacancies, any candidate receiving a majority of votes cast is elected.⁶
 - a. In the case of no majority for either vacancy, the three nominees receiving the three highest number of votes cast shall face each other in a run-off election.
 - b. In the case of no majority for one vacancy, the two nominees receiving the second and third highest number of votes cast shall face each other in a run-off election.
 - c. In the event of a tie, a second run-off election shall be held with the tied nominees. If there remains a tie after the second run-off election the winner shall be determined by a draw of lots.

6. ADDITIONAL PROCEDURES

- a. For categories where there are more candidates than vacancies, names will be listed in the order nominated.
- b. The Election Committee Chair shall announce and introduce all Board Members elected at the Regional Caucuses at the annual business meeting.⁸
- c. In the event that Board seats remain unfilled after a Regional Caucus, an election will be held immediately at the annual business meeting to fill the position at-large. Nominations will be taken from the floor and the election process will follow the procedures described in Section 4 above. Any commissioner or alternate from a member LAFCo may be nominated for at-large seats.
- d. Seats elected at-large become subject to regional election at the expiration of the term. Only representatives from the region may be nominated for the seat.
- e. As required by the Bylaws, the members of the Board shall meet as soon as possible after

election of new board members for the purpose of electing officers, determining meeting places and times for the coming year, and conducting any other necessary business.

7. LOSS OF ELECTION IN HOME LAFCO

Board Members and candidates who lose elections in their home office shall notify the Executive Director within 15 days of the certification of the election.

8. FILLING BOARD VACANCIES

Vacancies on the Board of Directors may be filled by appointment by the Board for the balance of the unexpired term. Appointees must be from the same category as the vacancy, and should be from the same region.

These policies and procedures were adopted by the CALAFCO Board of Directors on 12 January 2007 and amended on 9 November 2007¹, 8 February 2008², 13 February 2009³, 12 February 2010⁴, 18 February 2011⁵, 29 April 2011⁶, 11 July 2014⁷ and 27 October 2017⁸. They supersede all previous versions of the policies.

CALAFCO Regions

FOUR REGIONS



The counties in each of the four regions consist of the following:

Northern Region

Butte
Colusa
Del Norte
Glenn
Humboldt
Lake
Lassen
Mendocino
Modoc
Nevada
Plumas
Shasta
Sierra
Siskiyou
Sutter
Tehama
Trinity
Yuba

CONTACT: Steve Lucas
Butte LAFCo
slucas@buttecounty.net

Southern Region

Orange
Los Angeles
Imperial
Riverside
San Bernardino
San Diego

CONTACT: Keene Simonds
San Diego LAFCo
keene.simonds@sdcounty.ca.gov

Coastal Region

Alameda
Contra Costa
Marin
Monterey
Napa
San Benito
San Francisco
San Luis Obispo
San Mateo
Santa Barbara
Santa Clara
Santa Cruz
Solano
Sonoma
Ventura

CONTACT: Martha Poyatos
San Mateo LAFCo
mpoyatos@smcgov.org

Central Region

Alpine
Amador
Calaveras
El Dorado
Fresno
Inyo
Kern
Kings
Madera
Mariposa
Merced
Mono
Placer
Sacramento
San Joaquin
Stanislaus
Tulare
Tuolumne
Yolo

CONTACT: Christine Crawford, Yolo LAFCo
christine.crawford@yolocounty.org

Board of Directors 2019/2020 Nominations Form

Nomination to the CALAFCO Board of Directors

In accordance with the Nominations and Election Procedures of CALAFCO,

_____ LAFCo of the _____ Region

Nominates _____

for the (check one) City County Special District Public

Position on the CALAFCO Board of Directors to be filled by election at the next Annual Membership Meeting of the Association.

LAFCo Chair

Date

NOTICE OF DEADLINE

Nominations must be received by **September 30, 2019** at 5:00 p.m. to be considered by the Election Committee. Send completed nominations to:
CALAFCO Election Committee
CALAFCO
1020 12th Street, Suite 222
Sacramento, CA 95814

Board of Directors 2019/2020 Candidate Resume Form

Nominated By: _____ LAFCo Date: _____

Region (please check one): Northern Coastal Central Southern

Category (please check one): City County Special District Public

Candidate Name _____

Address _____

Phone Office _____ Mobile _____

e-mail _____

Personal and Professional Background:

LAFCo Experience:

CALAFCO or State-level Experience:

Availability:

Other Related Activities and Comments:

NOTICE OF DEADLINE

Nominations must be received by **September 30, 2019** at 5:00 p.m. to be considered by the Election Committee. Send completed nominations to:
CALAFCO Election Committee
CALAFCO
1020 12th Street, Suite 222
Sacramento, CA 95814

Blank for Photocopying

TO: Alameda Commissioners
FROM: Rachel Jones, Executive Officer
SUBJECT: **Current and Pending Proposals**

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

Information / Discussion

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

Current Proposals | Approved and Awaiting Term Completions

The following proposals were previously approved by Alameda LAFCO, but remain active given that not all approval terms established by the membership have been met. CKH provides applicants one calendar year to complete approval terms or receive extension approvals before the proposals are automatically terminated.

- **Reorganization of East Bay Municipal Utility District and City of Hayward**

The Commission has approved a proposal filed by the East Bay Municipal Utility District (EBMUD) involving 273 parcels within the City of Hayward and the unincorporated communities of San Lorenzo and Fairview totaling 269.8 acres. The purpose of the proposal is to align EBMUD’s existing service area with its jurisdictional boundary and formalize public water services provided within the affected territory to the correct service provider. The Commission approved the proposal without amendments on November 11, 2018. Terms remain outstanding as to date and therefore remains active.

▪ **Annexation of 4592 Tesla Road et al to the City of Livermore**

The Commission has approved a proposal filed by the City of Livermore involving three unincorporated parcels totaling 79.4 acres. The purpose of the proposal is to stop the discharge of industrial and domestic waste due to a failing septic system and to alleviate budding environmental health concerns. The Commission approved the proposal with amendments on September 20, 2018. Terms remain outstanding as to date and therefore remains active.

▪ **Annexation of Bayside Newark | Union Sanitary District**

The Commission has received a proposal by developer (Lennar Homes) on behalf of the affected landowners requesting annexation approval of 297 parcels located within the city of Newark to the Union Sanitary District. The affected territory is approximately 57.5 acres in size and is currently in the development of 2,500 mixed-use housing units. The purpose of the annexation is to provide wastewater services to a planned residential area. The Commission approved the proposal without amendments on May 9, 2019. Terms remain outstanding as to date and therefore remains active.

Current Proposals | Under Review and Awaiting Hearing

There is currently one active proposal on file with the Commission that remains under administrative review and awaits a hearing as of date of this report.

▪ **Annexation of Dumbarton Quarry Regional Park| Union Sanitary District**

The Commission has received a proposal from Pacific States Environmental Contractors on behalf of the East Bay Regional Park District (EBRPD) requesting annexation approval of 9600 Quarry Road (537-0851-002-02) located in the City of Fremont to Union Sanitary District. The affected territory totals 91.0 acres and is currently under development for a public park and camp site. The stated purpose of the proposal is to provide public wastewater service in support of the park. The application is currently under administrative review and is deemed incomplete at this time.

Pending Proposals

There are no potential new proposals at the moment that staff believes may be submitted to the Commission from local agencies based on ongoing discussions with proponents within the last two years.

The Commission is invited to discuss the item and provide direction to staff on any related matter as needed for future discussion and or action.

Attachments: none

TO: Alameda Commissioners
FROM: Rachel Jones, Executive Officer
SUBJECT: **Progress Report on 2019-2020 Work Plan**

The Alameda Local Agency Formation Commission (LAFCO) will receive a progress report on accomplishing specific projects as part of its adopted work plan for 2019-2020. The report is being presented to the Commission to formally receive and file as well as provide direction to staff as needed.

Background

Alameda LAFCO's current strategic plan was adopted following a planning session on September 22, 2017. The strategic plan is anchored by seven key priorities that collectively orient the Commission to proactively fulfill its duties and responsibilities under the Cortese-Knox-Hertzberg Act of 2000 in a manner responsive to local conditions and needs. These goals and their attendant objectives, which premise individual implementation strategies, are summarized below.

1. Island Annexations
2. Water Supply, Availability and Alternative Options
3. Accommodate Population Growth while Maintaining Quality of Life
4. Agriculture and Open Space Preservation and Urban Growth Boundaries
5. Climate Change Adaptation
6. LAFCO Independence and Other Operational Improvements
7. Comprehensive Study of Unincorporated Areas Focusing on Disadvantaged Unincorporated Communities (DUCs)

On May 9, 2019, Alameda LAFCO adopted the current fiscal year work plan at a noticed public hearing. The work plan is divided into two distinct categories – statutory and administrative – with one of three priority rankings: high; moderate; or low. The underlying intent of the work plan is to serve as a management tool to allocate Commission resources in an accountable and transparent manner over the corresponding 12-month period that pulls from the seven key priorities in the Commission's 2018-2020 Strategic Plan. Further, while it is a standalone document, the work plan should be reviewed in relationship to the adopted operating budget given the planned goals and activities are facilitated and or limited accordingly.

The item provides the Commission with a status update on two-dozen plus targeted projects established for the fiscal year with a specific emphasis on the “top ten” projects that represent the highest priority to complete during the fiscal year as determined by the membership. This includes identifying the projects already completed, underway, or pending in the accompanying attachment. The report and referenced attachment are being presented for the Commission to formally receive and file while also providing additional direction to staff as appropriate.

Discussion

The Commission has initiated work on eleven of the two-dozen plus projects and has completed five projects included in the adopted work plan. This includes the completion of high priority projects and highlighted by conducting the 2017-2018 audit, the dissolution of inactive special districts, and adopting a study schedule. Other notable items underway include the general municipal service review on water, wastewater, and stormwater services, GIS mapping project, participation on the CALAFCO Legislative Committee, and the digitizing of LAFCO files.

Alternatives for Action

The following alternatives are available to the Commission:

Alternative One (Recommended):

Accept and file the report as presented.

Alternative Two:

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

Recommendation

It is recommended the Commission proceed with Alternative Action One.

Respectfully,



Rachel Jones
Executive Officer

Attachments:

- 1) 2019-2020 Work Plan

Priority	Urgency	Type	Status	Project	Key Issues	Status
1	High	Administrative	Rollover	MOU Update with County of Alameda	Update existing MOU with the County of Alameda to reflect current agency relationships/needs	C
2	High	Statutory	Rollover	General MSR on Water, Wastewater, and Stormwater Services	First Service Specific MSR since 2006 Address Infrastructure Needs and Efficiencies and Sustainability	U
3	High	Administrative	New	Staff Recruitment, Placement and Training	Recruitment and Training of LAFCO Commission Clerk and Analyst	P
4	Moderate	Administrative	New	2017-2018 Audit	Verify Fund Balance; First Audit in Ten Years	C
5	Moderate	Statutory	New	Dissolutions of Inactive Special Districts	Implement Regulatory Functions; SB 448	C
6	Moderate	Statutory	New	Special District Member Elections	Conduct Special District Member Elections to Ensure LAFCO Representation	C
7	Moderate	Statutory	New	Study Schedule Update	Improve Efficiency and Effectiveness of Commission Operations and Transparency	C
8	Moderate	Statutory	New	General MSR on Fire Protection and Emergency Services	Second MSR on Fire and Emergency Services since 2006 Address Shared Opportunities	P
9	Moderate	Statutory	Rollover	Sphere Update for City of Pleasanton	Implement Planning Functions; Update SOIs of Local Government Agencies; Cities MSR	P
10	Moderate	Statutory	Rollover	Informational Report on Disadvantaged Unincorporated Communities	Develop and Implement Special Study of Unincorporated Areas focusing on DUCs; Consider Policies	P
11	Moderate	Administrative	New	Prepare Informational Report on JPAs	Post Enactment of SB 1266; Enhance Repository on Local Government Services	P
12	Moderate	Administrative	New	LAFCO Presentations	Introductory Overview of LAFCO's Duties and Responsibilities to Boards, Councils, Community Groups	U
13	Moderate	Administrative	New	Update Application Packet	Current Application Dated; Make User Friendly	P
14	Moderate	Administrative	Rollover	Prepare Informational Report on Unincorporated Islands	Map all Unincorporated Islands and Examine Island Annexation Implementation Issues in Alameda County	P
15	Moderate	Statutory	New	Alameda County Resource Conservation MSR	Last MSR conducted in 2013; Open space land preservation	P
16	Moderate	Administrative	Rollover	Informational Report on Fairview Fire Protection District	Status Report on District Activities	U
17	Low	Administrative	New	Policy Review on Agricultural Protection and Out of Area Service Agreements	Periodical review of existing policies relative to practices and trends, and determine whether changes are appropriate to better reflect current preferences	P
18	Low	Statutory	New	Master Property Tax Exchange Agreement	Improve Efficiency and Effectiveness of Application Process	P
19	Low	Administrative	Rollover	Informational Report on Remen Tract	Special Report on Service Delivery Feasibility	P
20	Low	Administrative	Rollover	Digital Archiving	Continue Project to Digitize LAFCO Records	U
21	Low	Administrative	Rollover	CALAFCO Legislative Committee	Enhance and Clarify LAFCO Authority and Powers to Perform its State-Mandated Responsibilities	U
22	Low	Administrative	New	Host Alameda County Special District Association Meeting	Communicate LAFCO's Mission and Goals to the Community	P
23	Low	Administrative	New	LAFCO Annual Report on Status of County	Evaluate LAFCO's Mission and Goals Relative to Local Conditions; Identify Strategies to Achieve Shared Objectives	P
24	Low	Administrative	New	GIS Mapping Project	CDA to Create a LAFCO GIS Layer for All Local Agencies under LAFCO Purview	U
25	Low	Administrative	New	LAFCO Agency Logo	Establish New Agency Logo for Branding (Website, Publications, etc.)	P
26	Low	Administrative	New	Local Agency Directory	User Friendly Publication Identifying and Summarizing Local Government Agencies and Services in Alameda County	P

Status Notations: C: Completed U: Underway P: Pending