

AGENDA
LOCAL AGENCY FORMATION COMMISSION
OF MONTEREY COUNTY

REGULAR COMMISSION MEETING
Monday, April 25, 2022

4:00 p.m.

The Commission will hold this meeting virtually only, without a physical location for public participation. The meeting is accessible by phone or video conference and livestreaming, in order to avoid public gatherings and until further notice.

Public Participation Instructions

1. **To View this Meeting:** Please click on the following link to the LAFCO of Monterey County YouTube site: <https://www.youtube.com/channel/UCIF6pPx2hn3Ek94Wg0UI7QA>

Then click on the Live Stream of the scheduled meeting.

2. **To Participate in the Meeting:** Use the Zoom app on your smart phone, laptop, tablet or desktop and click on this link: <https://montereycty.zoom.us/j/98948092806>

The meeting ID is: [989 4809 2806](#). There is no password. To make a public comment, please “Raise your Hand.”

3. **To Participate by Phone:** Please call: +1 669 900 6833
Enter the meeting ID: [989 4809 2806](#) when prompted. There is no participant code – just enter the and the pound sign # after the recording prompts you. To make a public comment by phone, please push *9 on your phone keypad.
4. **To Make Remote Public Comments Via Email:** Written comments can be emailed to the Clerk to the Commission at: malukis@monterey.lafco.ca.gov. Please include the following Subject Line: “Public Comment – Agenda Item #__”. Written comments must be received by noon on the day of the meeting. All submitted comments will be provided to the Commission for consideration, compiled as part of the record, and may be read into the record.

Call to Order

Roll Call

Pledge of Allegiance

General Public Comments

Anyone may address the Commission briefly about items not already on the Agenda.

Special Business

1. [Administer the Oath of Office for Regular Public Member Commissioner Matt Gourley and Alternate Public Member Commissioner Steve Snodgrass for Terms Ending on the First Monday in May 2026.](#)
Recommended Action: LAFCO Chair Lopez will administer the Oath of Office.
2. [Consider a Resolution Declaring the 2022 Selection Results of the Independent Special District Selection Committee for a LAFCO Regular Member Representative.](#)
Recommended Action: Adopt a Resolution Declaring the Results of a Process to Select a Regular Special District Member Representative on LAFCO.
3. [Administer the Oath of Office for Regular Special District Member Commissioner Mary Ann Leffel for a Term Ending on the First Monday in May 2026.](#)
Recommended Action: LAFCO Chair Lopez will administer the Oath of Office.

Consent Agenda

All items on the Consent Agenda will be approved in one motion and there will be no discussion on individual items, unless a Commissioner or member of the public requests a specific item to be pulled from the Consent Agenda for separate discussion.

4. [Approve finding, pursuant to AB 361 and in order for the Commission to continue to meet remotely, that the COVID-19 pandemic state of emergency declared by Governor Newsom is still in effect; that the Commission has reconsidered the circumstances of the state of emergency; and that the Monterey County Health Officer continues to recommend social distancing measures for meetings of legislative bodies.](#)
Recommended Action: Pursuant to AB 361 and in order for the Commission to continue to meet remotely, the Commission finds: that the COVID-19 pandemic state of emergency declared by Governor Newsom is still in effect; that the Commission has reconsidered the circumstances of the state of emergency; and that the Monterey County Health Officer continues to recommend social distancing measures for meetings of legislative bodies of local agencies.
5. [Approve Draft Minutes from the March 28, 2022 LAFCO Regular Meeting.](#)
Recommended Action: Approve minutes.
6. [Approve Bank Warrant Register for March 2022.](#)
Recommended Action: Approve warrant register.
7. [Accept Report on Anticipated Agenda Items and Progress Report on LAFCO Special Studies.](#)
Recommended Action: Accept report.

Public Hearing

8. [Conduct a Public Hearing to Consider the Draft Final Annual Budget for Fiscal Year 2022 – 2023 \(Second Hearing\).](#)

Recommended Actions:

- (1) Receive a report from the Executive Officer;
- (2) Open the second public hearing and receive any public comments;
- (3) Provide for questions or follow-up discussion by the Commission;
- (4) Close the second public hearing;
- (5) Discuss and adopt a Resolution (attached) to Adopt the Final Budget for Fiscal Year 2022 – 2023, and
- (6) Direct the Executive Officer to transmit the Adopted Final Budget to the County, Cities and Independent Special Districts for apportionment of the net operating expenses pursuant to the requirements of Government Code Section 56381 (b)(1).

Executive Officer’s Communications

The Executive Officer may make brief announcements about LAFCO activities, for information only.

9. [Executive Officer’s Communications](#)
 - (a) Pajaro Valley Health Care District

Closed Session

10. (a) The Commission will conduct a review of the Public Employee Annual Performance Appraisal Program in closed session, pursuant to Code Section 54957.
Position: LAFCO Executive Officer
- (b) Pursuant to Government Code Section 54956.9(d)(1), the Commission will confer with legal counsel regarding existing litigation: Monterey Peninsula Water Management District v. Local Agency Formation Commission of Monterey County; Commissioners of the Local Agency Formation Commission of Monterey County; and DOES 1 through 20, (Monterey County Superior Court Case No. 22CV000925).

The Commission Recesses for Closed Session Agenda Items

Closed Session may be held at the conclusion of the Commission’s Regular Agenda, or at any other time during the course of the meeting, before or after the scheduled time, announced by the Chairperson of the Commission. The public may comment on Closed Session items prior to the Board’s recess to Closed Session.

Public Comments on Closed Session Items

Reconvene on Public Agenda Items

Roll Call

Read Out from Closed Session by LAFCO General Counsel

Read out by General Counsel will only occur if there is reportable action (s).

Commissioner Comments

Individual Commissioners may comment briefly on matters within the jurisdiction of LAFCO. No discussion or action is appropriate, other than referral to staff or setting a matter as a future agenda item.

Adjournment to the Next Meeting

The next Regular LAFCO Meeting is scheduled for Monday, May 23, 2022 at 4:00 pm.

Alternative Formats and Facility Accommodations: If requested, the agenda packet will be made available in alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 USC 12132) and the federal rules and regulations adopted in implementation thereof. Also, if requested, facility or other accommodations will be made for persons with disabilities. Please contact (831) 754-5838 for assistance.

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

Kate McKenna, AICP
Executive Officer

LOCAL AGENCY FORMATION COMMISSION
P.O. Box 1369 132 W. Gabilan Street, Suite 102
Salinas, CA 93902 Salinas, CA 93901
Telephone (831) 754-5838 www.monterey.lafco.ca.gov

DATE: April 25, 2022
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: Oath of Office – Public Member Commissioners

SUMMARY OF RECOMMENDATION:

It is recommended that Chair Lopez administer the Oath of Office to Commissioners Gourley and Snodgrass.

EXECUTIVE OFFICER'S REPORT:

On March 28, 2022, the Commission considered six Public Member candidates in accordance with State law and local procedures. Matt Gourley was re-appointed to serve as the Regular Public Member Commissioner. Steve Snodgrass was re-appointed to serve as the Alternate Public Member Commissioner. Both appointments are for four-year terms ending on the first Monday in May 2026.

Article 20, Section 3 of the California Constitution and Government Code Section 1360 requires the taking of an oath upon entering office or being re-appointed to office.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

Oath of Office

Commissioner Matt Gourley

Do you, Matt Gourley, solemnly swear that you will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that you will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that you take this obligation freely, without any mental reservation or purpose of evasion; and that you will well and faithfully discharge the duties upon which you are about to enter?

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

Oath of Office

Commissioner Steve Snodgrass

Do you, Steve Snodgrass, solemnly swear that you will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that you will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that you take this obligation freely, without any mental reservation or purpose of evasion; and that you will well and faithfully discharge the duties upon which you are about to enter?

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Kate McKenna, AICP
Executive Officer

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DATE: April 25, 2022
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: Resolution Declaring the 2022 Selection Results of the Independent Special District Selection Committee – Regular Special District Member

SUMMARY OF RECOMMENDATION:

It is recommended that the Commission adopt a Resolution (Attachment 1) declaring the 2022 results of a process by the Independent Special District Selection Committee to select a Regular Member Representative on LAFCO.

EXECUTIVE OFFICER'S REPORT:

Attached is a Resolution declaring the results of an Independent Special District Selection Committee election that ended on April 1, 2022. Mary Ann Leffel, Board Member of the Monterey Regional Airport District, was re-elected to a Regular Special District Member Commissioner position on LAFCO. The term of this seat is four years and will expire in May 2026.

A second election is underway to fill the Alternate Special District Member seat. Mail-in ballots are due by May 13. Those results will be reported at a subsequent LAFCO meeting.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

Attachment: Draft Resolution

cc: Warren E. Poitras, Vice President, Independent Special District Association of Mo. County
Rick Verbanec, Secretary/Treasurer, Independent Special District Association of Mo. County

THE LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

RESOLUTION NO. 22-xx

INDEPENDENT SPECIAL DISTRICT SELECTION COMMITTEE –
LAFCO REGULAR MEMBER SELECTION RESULTS
FOR A TERM ENDING ON THE FIRST MONDAY IN MAY 2026

WHEREAS, an election for one Regular Special District Member Commissioner to serve a four-year term of office on the Commission was called as required by law, and the election was completed on April 1, 2022; and

WHEREAS, the Executive Officer provided a report to the Commission on the results of that election; and

WHEREAS, it is now necessary and appropriate for the Commission to declare the results of the election, and for that re-elected Member to take an oath of office and be seated with the Commission.

NOW THEREFORE, BE IT RESOLVED, by the Local Agency Formation Commission of Monterey County, that the report of the Executive Officer regarding the results from the election for a Regular Special District Member Commissioner to serve on the Commission is hereby accepted.

BE IT FURTHER RESOLVED, that the results of the election are hereby declared as follows:

- Mary Ann Leffel (Monterey Regional Airport District) 12 votes;
- David Kong (Greenfield Public Recreation District and Greenfield Cemetery District) 8 votes;
- Gail Morton (Marina Coast Water District) 7 votes;

BE IT FURTHER RESOLVED, that Mary Ann Leffel is hereby declared to be re-elected to a position of Regular Special District Member Commissioner pursuant to the above declared election results.

UPON MOTION OF Commissioner _____, seconded by Commissioner _____, the foregoing resolution is adopted this 25th day of April 2022 by the following vote:

AYES: Commissioner:
NOES: Commissioner:
ALTERNATES: (Non-Voting)
ABSENT: Commissioner:
ABSTAIN: Commissioner:

By: _____
Christopher Lopez, Chair
Local Agency Formation Commission of Monterey County

ATTEST: I certify that the within instrument is a true and complete copy of the original resolution of said Commission on file within this office.

Witness my hand this 25th day of April 2022.

By: _____
Kate McKenna, AICP, Executive Officer

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

Kate McKenna, AICP
Executive Officer

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DATE: April 25, 2022
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: Oath of Office – Independent Special District (Regular) Member Commissioner

SUMMARY OF RECOMMENDATION:

It is recommended that Chair Lopez administer the Oath of Office to Commissioner Mary Ann Leffel.

EXECUTIVE OFFICER'S REPORT:

On April 1, 2022, the Independent Special District Selection Committee selected Commissioner Leffel to serve as a Regular Special District representative for a second four-year term ending in May 2026. A Resolution certifying the election results is provided as Agenda Item No. 2.

Article 20, Section 3 of the California Constitution and Government Code Section 1360 requires the taking of an oath upon entering office or being re-appointed to office.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

Oath of Office

Commissioner Mary Ann Leffel

Do you, Mary Ann Leffel, solemnly swear that you will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that you will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that you take this obligation freely, without any mental reservation or purpose of evasion; and that you will well and faithfully discharge the duties upon which you are about to enter?

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KATE McKENNA, AICP
Executive Officer

DATE: April 25, 2022

TO: Chair and Members of the Formation Commission

FROM: Kate McKenna, AICP, Executive Officer

BY: Kelly Donlon, General Counsel

SUBJECT: Approve finding, pursuant to AB 361 and in order for the Commission to continue to meet remotely, that the COVID-19 pandemic state of emergency declared by Governor Newsom is still in effect; that the Commission has reconsidered the circumstances of the state of emergency; and that the Monterey County Health Officer continues to recommend social distancing measures for meetings of legislative bodies.

SUMMARY OF RECOMMENDATION:

Pursuant to AB 361 and in order for the Commission to continue to meet remotely, the Commission finds: that the COVID-19 pandemic state of emergency declared by Governor Newsom is still in effect; that the Commission has reconsidered the circumstances of the state of emergency; and that the Monterey County Health Officer continues to recommend social distancing measures for meetings of legislative bodies of local agencies.

EXECUTIVE OFFICER'S REPORT:

On September 16, 2021, Governor Newsom signed AB 361. This legislation amends the Brown Act to allow meeting bodies subject to the Brown Act to meet via teleconference during a proclaimed state of emergency in accordance with teleconference procedures established by AB 361 rather than under the Brown Act's more narrow standard rules for participation in a meeting by teleconference. AB 361 provides that if a state or local health official recommends social distancing, a "legislative body" – which is defined to include the Commission – may meet remote remotely after September 30, 2021, provided that within 30 days of the first meeting after September 30, and every 30 days thereafter, the legislative body finds 1) the Governor's proclaimed state of emergency is still in effect; 2) the legislative body has reconsidered the circumstances of the state of emergency, and 3) the Monterey County Health Officer continues to recommend social distancing measures for meetings of legislative bodies and/or the state of emergency continues to directly impact the ability of the members to meet safely in person.

The Monterey County Health Officer has recommended and continues to recommend social distancing measures for meetings of legislative bodies, so the Commission was able to meet remotely under AB 361

from October 2021 through April 2022.

The Commission must make the findings at least every 30 days in order to keep meeting remotely. If the Commission makes the findings on April 25, the Commission may continue to meet remotely for the next thirty days, including the next LAFCO meeting on May 23. If the Commission declines to make the findings on April 25, the May 23 meeting would be held under the standard Brown Act requirements. Under those requirements, the meeting must be held in a physical location accessible to the public, and if any Commissioner were to want to participate by teleconference, that teleconference location would need to be identified on the agenda, be accessible and open to the public in a manner that enables the public to participate from that location, and the agenda would need to be posted at that location.

LAFCO Counsel Kelly Donlon was consulted in the preparation of this report.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Kate McKenna". The signature is written in a cursive style with a large initial "K" and "M".

Kate McKenna, AICP
Executive Officer

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

2022

Commissioners

Chair

Christopher Lopez
County Member

Vice Chair

Mary Ann Leffel
Special District Member

Luis Alejo

County Member

Wendy Root Askew

County Member, Alternate

Kimbley Craig

City Member

Matt Gourley

Public Member

Ian Oglesby

City Member

Warren Poitras

Special District Member

Steve Snodgrass

Public Member, Alternate

Graig R. Stephens

Special District Member, Alternate

Anna Velazquez

City Member, Alternate

Counsel

Kelly L. Donlon

General Counsel

Executive Officer

Kate McKenna, AICP

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DRAFT MINUTES

LOCAL AGENCY FORMATION COMMISSION
OF MONTEREY COUNTY

Scheduled for Adoption April 25, 2022

Monday, March 28, 2022

All Commissioners and public participated in the meeting on Monday, March 28, 2022 by Zoom video conference or telephone, in order to avoid public gatherings and until further notice.

Call to Order

The Local Agency Formation Commission was called to order by Chair Lopez at 4:00 p.m.

Roll Call

Commissioner Alejo
Commissioner Root Askew
Commissioner Craig
Commissioner Gourley
Commissioner Oglesby
Commissioner Poitras
Commissioner Snodgrass
Commissioner Stephens
Commissioner Velazquez
Vice Chair Leffel
Chair Lopez

Members Absent (Excused Absence)

None

Staff Present

Kate McKenna, Executive Officer
Jonathan Brinkmann, Senior Analyst
Safarina Maluki, Clerk to the Commission/Office Administrator

Also Present

Kelly L. Donlon, General Counsel

Pledge of Allegiance

Commissioner Leffel led the Pledge of Allegiance.

General Public Comments

Anyone may address the Commission briefly about items not already on the Agenda.

There were public comments from Paul Rodriguez and Michael Bloom.

Consent Agenda

All items on the Consent Agenda will be approved in one motion and there will be no discussion on individual items, unless a Commissioner or member of the public requests a specific item to be pulled from the Consent Agenda for separate discussion.

1. Approve finding, pursuant to AB 361 and in order for the Commission to continue to meet remotely, that the COVID-19 pandemic state of emergency declared by Governor Newsom is still in effect; that the Commission has reconsidered the circumstances of the state of emergency; and that the Monterey County Health Officer continues to recommend social distancing measures for meetings of legislative bodies.

Recommended Action: Approve finding.

2. Approve Draft Minutes from the February 28, 2022 LAFCO Regular Meeting.

Recommended Action: Approve Minutes.

3. Approve Bank Warrant Register for February 2022.

Recommended Action: Approve Bank Warrant Register.

4. Accept Report on Anticipated Agenda Items and Progress Report on LAFCO Special Studies.

Recommended Action: Accept Report

Commissioner Action:

Upon motion by Commissioner Craig, seconded by Commissioner Gourley, Consent Items #1 -#4 were approved by a Roll Call Vote.

Motion Carried (Roll Call Vote)

AYES: Commissioner Alejo, Craig, Gourley, Oglesby, Poitras, Leffel and Lopez

NOES: None

ABSENT: None

ALTERNATES: Commissioners Root Askew, Snodgrass, Stephens, Velazquez (non-voting)

ABSTAIN: None

New Business

5. Consider Public Member Appointments to LAFCO.

Recommended Actions:

- (1) Receive the Executive Officer's report;
- (2) Invite public Member Candidates to make introductory statements;
- (3) Invite public comments, and
- (4) Consider and appoint one Public Member Commissioner and one Alternate Public Member Commissioner to represent the general public on LAFCO for four-year terms expiring in May 2026, or continue consideration of appointments to the next regular LAFCO meeting on April 25, 2022.

Executive Officer, Kate McKenna gave a report.

Public Member candidates Matt Gourley, John T. Heyl, Gary D. Hoffmann, Jerrold A. Malkin, Ronald J. Roland and Steve Snodgrass made statements.

There was public comment from Melodie Chrislock.

There were questions and comments from Commissioners Craig, Velasquez, Lopez, Oglesby, Root Askew and Leffel.

Commission Action:

Upon motion from Commissioner Lopez, seconded by Commissioner Poitras, Matt Gourley was nominated and re-appointed Public Member Commissioner for a four-year term expiring in May 2026.

Motion Carried. (Roll Call Vote):

AYES: Commissioner Alejo, Craig, Poitras, Leffel and Lopez

NOES: Oglesby

ABSENT: None

ALTERNATES: Commissioners Root Askew Snodgrass, Stephens, Velazquez (non-voting)

ABSTAIN: Commissioner Gourley

Commission Action:

Upon motion from Commissioner Craig, seconded by Commissioner Leffel, Steve Snodgrass was nominated and re-appointed Alternate Public Member Commissioner for a four-year term expiring in May 2026.

Motion Carried. (Roll Call Vote):

AYES: Commissioner Alejo, Craig, Oglesby, Poitras, Leffel and Lopez

NOES: None

ABSENT: None

ALTERNATES: Commissioners Root Askew, Snodgrass, Stephens, Velazquez (non-voting)

ABSTAIN: Commissioner Gourley

Public Hearings

6. Conduct a Public Hearing to Consider the Draft Annual Work Program for Fiscal Year 2022-2023:

Recommended Actions (by Budget and Finance Committee):

- (1) Receive a report from the Executive Officer;
- (2) Open the public hearing and receive any public comments;
- (3) Provide for questions or follow-up discussion by the Commission;
- (4) Close the public hearing; and
- (5) Discuss a motion to adopt a Resolution approving the Draft Annual Work Program for Fiscal Year 2022-2023;

Senior Analyst, Jonathan Brinkmann presented the report.

There were no comments from members of the public.

There were comments from Commissioner Leffel.

Commission Action:

Upon motion by Commissioner Leffel, seconded by Commissioner Oglesby, the Commission adopted the Resolution approving the Draft Annual Work Program for Fiscal Year 2022 – 2023.

Motion Carried. (Roll Call Vote):

AYES: Commissioners Alejo, Craig, Gourley, Oglesby, Poitras, Leffel and Lopez

NOES: None

ABSENT: None

ALTERNATES: Commissioners Root Askew, Snodgrass, Stephens, Velazquez (non-voting)

ABSTAIN: None

7. Conduct a Public Hearing to Consider a Proposed Annual Budget for Fiscal Year 2022 – 2023 (First Hearing).

Recommended Actions (by Budget and Finance Committee):

- (1) Receive a report from the Executive Officer;
- (2) Open the first public hearing and receive any public comments;
- (3) Provide for questions or follow-up discussion by the Commission;
- (4) Close the public hearing, and;
- (5) Discuss and adopt a motion to adopt a Proposed Budget for Fiscal Year 2022 – 2023.
- (6) Direct the Executive Officer to distribute the Adopted Proposed Budget to the County, Cities and Independent Special Districts for review and comments, and
- (7) Direct the Executive Officer to schedule a second Public Hearing on April 25, 2022, to consider adoption of a Final Budget for Fiscal Year 2022-2023.

Executive Officer, Kate McKenna gave a report.

There were no comments from members of the public.

There were comments from Commissioners Velazquez, Leffel and Oglesby.

Commission Action:

Upon motion by Commissioner Alejo, seconded by Commissioner Leffel, the Commission:

(1) Adopted the Proposed Budget for Fiscal Year 2022 – 2023;

(2) Directed the Executive Officer to distribute the Adopted Proposed Budget to the County, Cities and Independent Special Districts for review and comments, and

(3) Directed the Executive Officer to schedule a second Public Hearing on April 25, 2022 to consider the adoption of a Final Budget for Fiscal Year of 2022-2023.

Motion Carried. (Roll Call Vote):

AYES: Commissioners Alejo, Craig, Gourley, Oglesby, Poitras, Leffel and Lopez

NOES: None

ABSENT: None

ALTERNATES: Commissioners Root Askew, Snodgrass, Stephens, Velazquez (non-voting)

ABSTAIN: None

Executive Officer's Communications

The Executive Officer may make brief announcements about LAFCO activities, for information only.

8. Communications

- a) Personnel Announcement – Safarina Maluki appointed Clerk to the Commission/Office Administrator.
- b) Support of Legislation.
 - (1) Monterey LAFCO support letter for SB 938.
 - (2) Monterey LAFCO support letter for SB 2957.

Executive Officer, Kate McKenna provided reports for information only.

Commissioner Comments

Individual Commissioners may comment briefly on matters within the jurisdiction of LAFCO. No discussion or action is appropriate, other than referral to staff or setting a matter as a future agenda item.

Commissioner Snodgrass expressed his thanks to the Commission for his re-appointment as the Alternate Public Member representative.

Commissioner Gourley thanked the Commission for his re-appointment as the Public Member representative.

Adjournment to the Next Meeting

The meeting was adjourned at 5:10 p.m. The next Regular LAFCO Meeting is scheduled for Monday, April 25, 2022 at 4:00 p.m.

Alternative Formats and Facility Accommodations: If requested, the agenda packet will be made available in alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 USC 12132) and the federal rules and regulations adopted in implementation thereof. Also, if requested, facility or other accommodations will be made for persons with disabilities. Please contact (831) 754-5838 for assistance.

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KATE McKENNA, AICP
Executive Officer

DATE: April 25, 2022

TO: Chair and Members of the Formation Commission

FROM: Kate McKenna, AICP, Executive Officer

PREPARED BY: Safarina Maluki, Clerk to the Commission/Office Administrator

SUBJECT: LAFCO Bank Warrant Register – March 2022

SUMMARY OF RECOMMENDATION:

It is recommended that the Commission approve the warrant register.

EXECUTIVE OFFICER'S REPORT:

Attached is the bank warrant register for March 2022 with a list of LAFCO checks issued by Hayashi & Wayland. Expenses and deposits are typical for the third quarter of this fiscal year. Legal services related to processing the Monterey Peninsula Water Management project through March 2022 are reimbursable expenses.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

Attachment: Bank Warrant Register for March 2022, Hayashi & Wayland Accounting & Consulting, LLP.

LAFCO
 LOCAL AGENCY FORMATION COMMISSION
 OF MONTEREY COUNTY
 WELLS FARGO BANK WARRANT REGISTER
 MARCH 2022

Attachment 6.1

DATE	CK#	NAME	DESCRIPTION	CHECK AMOUNT	DEPOSIT AMOUNT	ACCOUNT BALANCE
Beginning Balance 3/1/2022						\$ 219,842.94
03/03/2022	EFT	QuickBooks Payroll Service	For Payroll Period Ending 2/25/22 Paid 3/4/22	13,233.67		206,609.27
03/04/2022	EFT	CalPERS Health	March 2022 Health Insurance	6,720.76		199,888.51
03/04/2022	7272	Jonathan Brinkmann	For Payroll Period Ending 2/25/22 Paid 3/4/22	-		199,888.51
03/04/2022	7273	Kathryn M. McKenna	For Payroll Period Ending 2/25/22 Paid 3/4/22	-		199,888.51
03/04/2022	7274	Darren J McBain	For Payroll Period Ending 2/25/22 Paid 3/4/22	-		199,888.51
03/04/2022	7275	Jonathan Brinkmann	Accrued Leave Payout- 80 Hours	-		199,888.51
03/04/2022	EFT	CalPERS Retirement	CalPers Retirement Contribution	2,853.74		197,034.77
03/04/2022	EFT	CalPERS 457 Program	CalPers 457 Deferred Compensation Contribution	2,422.79		194,611.98
03/04/2022	EFT	EDD	State Payroll Tax Deposit	1,381.88		193,230.10
03/04/2022	EFT	EFTPS	Federal Payroll Tax Deposit	2,737.64		190,492.46
03/04/2022	7276	County of Monterey, Information Technolog	Computer Support Services Nov 2021-Jan 2022	2,964.72		187,527.74
03/04/2022	7277	Pitney Bowes Global Financial Svcs LLC	Postage Machine Rental 3/30/22-6/29/22	238.86		187,288.88
03/04/2022	7278	Principal Life	March 2022 Insurance: LTD, ADD, STD, Life	403.76		186,885.12
03/04/2022	7279	Sunrise Express	Board Packet Deliveries	393.35		186,491.77
03/04/2022	7280	Universal Staffing Inc	Temporary Clerical Services	3,927.00		182,564.77
03/04/2022	7281	Office of County Counsel - Co of Monterey	General Legal Services for January 2022	1,033.20		181,531.57
03/04/2022	7282	Office of County Counsel - Co of Monterey	LAFCO-FORA Dissolution Legal Services for Jan. 2022	147.60		181,383.97
03/04/2022	7283	Office of County Counsel - Co of Monterey	LAFCO-MPWMD, Latent Power Legal Services for Jan. 2022	2,140.20		179,243.77
03/07/2022	TFR	County of Monterey	Funds Transfer-Drawdown Request #17		147.60	179,391.37
03/09/2022	EFT	Wells Fargo Visa Credit Card	Staples Advantage-Office Supplies \$228.08; Norton Software \$84.99; US Postal Service-Certified Mail \$42.00	355.07		179,036.30
03/11/2022	EFT	AT&T	Telephone Services 2/18/22-3/17/22	204.69		178,831.61
03/17/2022	EFT	Comcast	Telephone Services from 2/27/22-3/26/22	123.75		169,570.72
03/17/2022	EFT	QuickBooks Payroll Service	For Payroll Period Ending 3/11/22 Paid 3/18/22	9,137.14		169,694.47
03/18/2022	7284	Darren J McBain	For Payroll Period Ending 3/11/22 Paid 3/18/22	-		169,570.72
03/18/2022	7285	Jonathan Brinkmann	For Payroll Period Ending 3/11/22 Paid 3/18/22	-		169,570.72
03/18/2022	7286	Kathryn M. McKenna	For Payroll Period Ending 3/11/22 Paid 3/18/22	-		169,570.72
03/18/2022	EFT	CalPERS Retirement	CalPers Retirement Contribution	2,493.33		167,077.39
03/18/2022	EFT	CalPERS 457 Program	CalPers 457 Deferred Compensation Contribution	2,172.85		164,904.54
03/18/2022	EFT	EDD	State Payroll Tax Deposit	868.27		164,036.27
03/18/2022	EFT	EFTPS	Federal Payroll Tax Deposit	1,846.94		162,189.33
03/18/2022	7287	Best Best & Krieger	Legal Services relating to MPWMD from 12/1/21-2/28/22	11,865.00		150,324.33
03/18/2022	7288	IBM Corporation	Leased Computers for Lafco Staff 3/1/22-3/31/22	43.69		150,280.64
03/18/2022	7289	Monterey County Weekly Classifieds	Public Hearing Notice	236.25		150,044.39
03/18/2022	7290	Universal Staffing Inc	Temporary Clerical Services	4,194.75		145,849.64
03/18/2022	7291	Hayashi Wayland	Accounting Services	5,200.00		140,649.64
03/25/2022	EFT	Wolfpack Insurance Services, Inc.	April 2022 Insurance: Dental and Vision	785.40		139,864.24
03/30/2022	TFR	County of Monterey	Funds Transfer-Drawdown Request #18		258.30	140,122.54
03/31/2022	EFT	QuickBooks Payroll Service	For Payroll Period Ending 3/25/22 Paid 4/1/22	10,656.32		129,466.22
03/31/2022	INT	Wells Fargo Bank	Interest		1.52	129,467.74
				<u>90,782.62</u>	<u>407.42</u>	
Ending Balance 3/31/2022						<u>\$ 129,467.74</u>

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

KATE McKENNA, AICP
Executive Officer

LOCAL AGENCY FORMATION COMMISSION
P.O. Box 1369
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DATE: April 25, 2022
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
PREPARED BY: Jonathan Brinkmann, Senior Analyst
SUBJECT: Anticipated Future Agenda Items and Progress Report on Special Studies

SUMMARY OF RECOMMENDATION:

This report is for information only.

EXECUTIVE OFFICER’S REPORT:

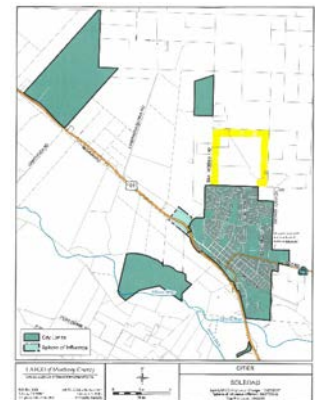
Following are current work priorities and a partial list of items that the Commission may consider in coming months or years. It is organized by applications on file, potential applications under discussion, and LAFCO-initiated studies.

Part I: Items Currently on File and In Progress, but Not Set for Hearing

- I. **City of Soledad:** Approximately 647-acre Miramonte (formerly Miravale III) sphere of influence (SOI) amendment and annexation. Application status is incomplete.

The City of Soledad submitted a LAFCO application in March 2020 that proposes an approximately 40% expansion to Soledad’s existing 1,525 acres of developed area (excluding non-contiguous areas such as the wastewater treatment plant). LAFCO’s March 2020 completeness letter listed items needed before the application can be deemed complete. On June 28, 2021, the Commission held a study session to receive information on the status of Soledad’s proposed SOI/annexation.

In July 2021, LAFCO received a revised application from the City of Soledad. Staff met with City staff and land-owner representatives in August to discuss application completeness items. Some of these items include a City-County property tax transfer agreement, an agricultural mitigation and buffering plan, and a detailed plan for services. LAFCO issued a second incompleteness letter on September 1. Coordination discussions are ongoing. The City is making progress in addressing remaining completeness items and intends to provide a third updated application submittal to LAFCO in 2022.



2. **Fort Ord Reuse Authority Dissolution:** Per State law, the Fort Ord Reuse Authority (FORA) ceased operations after June 30, 2020. LAFCO's statutory FORA dissolution oversight authority expired after December 31, 2020 with the repeal of the FORA Act, but litigation and monitoring of final administrative tasks continue. Final action on the LAFCO dissolution process is on hold until those items are resolved. LAFCO staff received a copy of FORA's final-year audit on January 11, 2022 and is coordinating with the County on this and other final administrative tasks. A litigation settlement conference is set for summer 2022.

3. **Mission Soledad Rural Fire Protection District:** Sphere amendment and annexation of Paraiso Springs Resort (portion). Application status is incomplete.

The County approved this substantial development project in November 2019. The project proponents are now moving forward with development of the site. The previously/historically developed portion of the resort is already within the fire district. Pursuant to conditions of approval in the County's development permitting, the developer is required to work with the fire district to annex the remainder of the new development site. LAFCO staff has been monitoring and engaged with this project since 2013. LAFCO received the District's application on January 6, 2022 and, on February 4, LAFCO issued a completeness review letter listing items needed before the application can be deemed complete. To date, the District and developer have not agreed to mitigations for fire service impacts.

Part 2: Potential Agenda Items under Discussion

1. **City of Gonzales:** Annexation of some or all of an approximately 1,350-acre area placed in the City's sphere in 2014, plus potentially an adjacent 50-acre parcel. Status is pre-application.

The City of Gonzales is currently completing an administrative draft Specific Plan and EIR for the Vista Lucia project (Fanoe-owned lands of approximately 770 acres). The City similarly is working on a specific plan and an EIR for the Puente del Monte project (Jackson and Rianda-owned lands comprising approximately 547 acres). In total, the two projects together would represent a large expansion of the City, approximately doubling the existing City size. The scope of such an expansion raises issues relevant to LAFCO's review. On June 28, 2021, the Commission held a study session to receive information on the status of the City's proposed annexations.

The City issued a Notice of Preparation for the Vista Lucia project in September 2021, and LAFCO staff provided a comment letter in October 2021. LAFCO will comment on the project's draft environmental impact report when it is available in 2022. The City anticipates submitting a LAFCO annexation application for the Vista Lucia project this year. Also this year, we anticipate commenting on a draft environmental impact report for the Puente del Monte project, and receiving an application for annexation of that project in 2023. Staff continues to coordinate with Gonzales staff, and with the County, as the City refines and develops these future expansion proposals.

In March 2022, City staff discussed other potential proposals with LAFCO staff. Still in concept status, those proposals may be further refined in coming months or years.

2. **Marina Coast Water District:**

a. **U.C. MBEST Center** – sphere of influence amendment and annexation of an approximately 75-acre portion of the site, located in the City of Marina. Status is pre-application. In June 2020, the City of Marina approved a master plan for future development of the site. LAFCO staff also held an initial meeting with MCWD and UC representatives in June 2020.

- b. **Campus Town Project and Medical Officers Barracks site** – sphere of influence amendment and annexation of Seaside’s Campus Town Project, an approximately 122-acre large infill project near the freeway interchange at Lightfighter Drive and Highway One, and Seaside’s Medical Barracks site, an approximately 5-acre site in the City of Seaside for future reuse as housing. Status is pre-application. The Campus Town Project’s development plans include: up to 1,485 housing units; 250 hotel rooms; 75 youth hostel beds; 150,000 square feet of retail, dining, and entertainment uses; 50,000 square feet of office and light industrial uses; and 12 acres of parks and open space. LAFCO staff met with City of Seaside and Marina Coast Water District representatives in July 2021 and in December 2021. The Marina Coast Water District will be the agency that initiates the application to LAFCO, with support from the City of Seaside. The City’s certified EIR for the Campus Town Project was challenged in appellate court as of August 2021, and the parties are waiting for confirmation that this matter is resolved. In April 2022, LAFCO staff coordinated with MCWD staff about other items on our application checklist, including the need for a property tax transfer agreement with the County. We anticipate that the MCWD application will be submitted to LAFCO this year.
3. **City of Monterey:** Detachment from the City of parcels owned by the Monterey Peninsula Airport District. Status is pre-application.
- Most Airport District-owned parcels are in the unincorporated County. Several outlying parcels along Highway 68 are in the City of Monterey. The District has expressed interest in detaching these parcels from the City to eliminate this split in underlying city-county jurisdictions as the airport develops new facilities according to its master plan. LAFCO staff met with Airport, City, and County representatives in March 2020. However, in September 2020, the City and the Airport entered into a legal dispute regarding potential future roadway access. Coordination will continue when the parties are ready to move forward.
4. **Technical Assistance to Local Agencies in Greenfield, Soledad, Spreckels and North County Areas:** LAFCO serves as an informal facilitator and information clearinghouse for small cities and special districts challenged by financial, governance and service delivery issues.
- Recent staff efforts have focused on special districts in Greenfield, Spreckels, Soledad and North Monterey County. For example, we are meeting on April 26 with the Greenfield Memorial District Board of Directors to provide an educational presentation about Board roles, responsibilities and available resources.
5. **Monterey County Mosquito Abatement District:** Potential annexation of areas in south Monterey County. Status is pre-application. The District’s sphere was expanded in 2016 to cover the entire county. Initial discussions are in progress.
6. **County Service Area (CSA) 25 – Quail Lodge Golf and Country Club:** Potential expansion of the CSA’s boundaries. Status is pre-application.
- This CSA was formed in 1963 to provide street and sidewalk, storm drain, and road shoulder maintenance for the Valley Greens subdivision and golf course. The area consists of a golf course, 165 single-family residential lots, and 21 condominium lots, serving about 400 people. Services are provided by the County Public Works Department. Several CSA residents contacted the County and LAFCO to potentially add several adjacent parcels to the CSA. LAFCO staff participated in a CSA advisory committee meeting in April 2021 to provide an overview of the annexation process. LAFCO and County met in August 2021 to coordinate on the project.

In addition, our staff met with the County and Carmel Area Wastewater District in March 2022 to discuss and coordinate sewer and road improvements in this area.

7. **Pájaro County Sanitation District (PCSD) (for wastewater collection) and/or Pájaro-Sunny Mesa Community Services District (for domestic water) for the “Parks Legacy” Project.** Status is pre-application.

This project, at the Pájaro Valley Golf Club on Salinas Road in Las Lomas, involves creation of an approximately 107-unit modular home community, a campground and recreational vehicle (RV) park, and complete refurbishment of the golf course. Initial discussions among County staff, developer representatives, and the service districts occurred in early 2020. The project will require a new environmental impact report and Coastal Commission approval.

Separately, the County is also considering annexing several nearby properties to PCSD as one coordinated effort. The County is also exploring transferring the entire PCSD system to Cal-Am.

8. **City of Salinas: Target Area “K” (Ferrasci Ranch) sphere amendment and annexation of approximately 100 acres at the northeast corner of Harrison Road and Russell Road.** Status is pre-application.

The site, just north of Salinas and designated as Target Area K in the City’s recently approved Economic Development General Plan Element, is planned for industrial and commercial development. In 2019, the County and City approved a site-specific amendment of the Greater Salinas Area Memorandum of Understanding to facilitate the City’s annexation and development of this site. Informal pre-application discussions have been underway with County staff, City staff and property owners since January 2020, most recently in February 2022.

9. **City of Marina:**

- a. **Former Fort Ord Landfill and Landfill Border Parcels** – Annexation of an approximately 341-acre former Army landfill and landfill border parcels area (south of Imjin Parkway, north of Intergarrison Road, east of 8th Street, and west of Abrams Drive), and detachment of this area from Monterey County Regional Fire District. Current status is pre-application. In November 2020, Monterey County and City of Marina entered into an agreement to convey its landfill border parcels (approximately 177 acres) to the City of Marina and designate the City of Marina as recipient of the former landfill parcels (approximately 164 acres) from the U.S. Army. The City of Marina and County of Monterey also agreed to seek prompt annexation of these properties to the City of Marina. The area is currently uninhabited and includes a five-acre commercial area known as the Ord Market. The area is within the City of Marina’s existing sphere of influence.
- b. **East Campus Housing Areas** – Annexation of California State University Monterey Bay (CSUMB) East Campus housing areas (Schoonover and Frederick Park neighborhoods between Reservation Road and Imjin Road), and detachment of this area from Monterey County Regional Fire District. Current status is pre-application. Both housing areas are in Marina’s sphere of influence and have a combined population of about 3,000.

Among other considerations, LAFCO’s review will include each proposal’s potential effect on fire and emergency medical service delivery models and related revenues to the affected agencies. Initial discussions with the parties occurred in 2019. There is currently no specific schedule for the City to submit an application or applications.

10. **City of Monterey** – Sphere amendment and annexation of a six-acre site in the former Fort Ord area. Status is pre-application.

The site is adjacent to the Monterey-Del Rey Oaks boundary. Del Rey Oaks has transferred ownership of this parcel to Monterey. Monterey city staff and LAFCO staff began annexation discussions in 2017.

11. **City of Greenfield** – Annexation proposal with two separately owned parcels (vacant Thorp parcel and an existing elementary school site) on Apple Avenue west of the existing city limits. The original application is incomplete, and a revised project is in pre-application status.

In 2017, the City submitted an annexation application for a proposed residential project on the Thorp parcel, but that application remains incomplete. Now the City is pursuing development of a community center – rather than housing – on the Thorp parcel. Staff met with the City in March 2022 to discuss annexation of the proposed community center parcel and existing school parcel.

12. **Rancho Los Robles residential subdivision (Las Lomas unincorporated community)**

The County approved this 34-acre project in 2009. In late 2017, the California Coastal Commission granted final approval for a revised version of the project, now reduced to 54 residential units. The LAFCO project status is pre-application. In November 2021, a State appeals court overturned the Coastal Commission’s approval of this development. The developer has not yet decided whether it will petition for a re-hearing of the case or if it will petition for the case to be heard by the State Supreme Court. If the project eventually moves forward, consultation will be needed to determine any necessary LAFCO approvals. The Coastal Commission’s 2017 approval was conditioned upon dedication of approximately 20 acres of the site to a public agency for recreation and open space uses. Potential receiving agencies may include Pajaro-Sunny Mesa Community Services District (PSMCSD) or a County Service Area, and LAFCO may have a role in implementing the action.

13. **Drinking Water Project North of Moss Landing**

LAFCO staff met with representatives from the Community Water Center (CWC), a non-profit for community-driven water solutions, in August 2021. Due to water quality issues in the unincorporated County area north of Moss Landing, the CWC prepared a report to identify potential solutions to provide safe potable water to approximately 90 households in this area. CWC is working with PSMCSD, the closest public water provider in the area. LAFCO staff provided relevant information to CWC representatives regarding potential LAFCO actions that could facilitate the extension of PSMCSD’s potable water services to this area. Current status is pre-application.

14. **Castroville Community Services District (CSD) – Potential sphere amendment and annexation of the Moss Landing Commercial Park**

This commercial and industrial site, designated as a future study area for the Castroville CSD in 2014, has ongoing problems with its septic system and will eventually need to connect to the Monterey One Water regional wastewater treatment plant by annexing to the CSD (a Monterey One Water member agency). Preliminary coordination with the CSD, the County, and property owner representatives is underway. LAFCO staff participated in a County development review meeting in October 2021. Current status is pre-application.

15. **Salinas Valley Healthcare System (SVMHS) – Potential annexation in North Monterey County to align with boundaries of the newly formed Pajaro Valley Health Care District.**

Part 3: LAFCO-Initiated Studies

In 2021, LAFCO completed Municipal Service Reviews and Sphere of Influence (MSR/SOI) studies for Carmel Area Wastewater District and Monterey Peninsula Water Management District.

In 2022, staff is preparing an MSR/SOI study for the City of Soledad to coincide with consideration of an SOI amendment/annexation application (see page 1 of this report) anticipated this year.

Also this year, staff will begin MSR/SOI studies for the City of Gonzales to coincide with that City's anticipated annexation application (see page 2 of this report), and for the City of Marina to focus on issues such as future growth and provision of services.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Kate McKenna". The signature is written in a cursive style with a large initial "K" and "M".

Kate McKenna, AICP
Executive Officer

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

KATE McKENNA, AICP
Executive Officer

LOCAL AGENCY FORMATION COMMISSION
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Telephone (831) 754-5838

132 W. Gabilan Street, Suite 102
Salinas, CA 93901
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DATE: April 25, 2022

TO: Chair and Members of the Formation Commission

FROM: Kate McKenna, AICP, Executive Officer

SUBJECT: Draft Final Annual Budget for FY 2022-2023 (Second Hearing)

SUMMARY OF RECOMMENDATIONS:

It is recommended that the Commission take the following actions:

1. Receive a report from the Executive Officer;
2. Open the second public hearing and receive any public comments;
3. Provide for questions or follow-up discussion by the Commission;
4. Close the second public hearing;
5. Discuss and adopt a Resolution (attached) to adopt the Final Budget for Fiscal Year 2022-2023, and
6. Direct the Executive Officer to transmit the Adopted Final Budget to the County, Cities and Independent Special Districts for apportionment of the net operating expenses pursuant to the requirement of Government Code Section 56381 (b)(1).

EXECUTIVE OFFICER'S REPORT:

This is the second of two public hearings for the annual budget for Fiscal Year 2022-2023. The proposed budget was reviewed and recommended for approval by the Budget and Finance Committee on February 18. The full Commission held an initial budget hearing on March 28, directed that the budget be sent to local agencies for review and comment, and set April 25 to consider adoption of the final budget.

The proposed budget will accomplish the annual work program adopted on March 28. Recommended total expenditures for the coming year (\$1,079,655) are a four percent increase as compared to the current year budget (\$1,033,426). Primary funding is from the County of Monterey, cities and independent special districts, with minor revenue from project fees and interest.

No comments have been received as of the date of writing this report.

Alternative Action

The Commission may change the proposed budget or provide other direction.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Kate McKenna". The signature is written in a cursive style with a large initial "K" and "M".

Kate McKenna, AICP
Executive Officer

Attachment: Draft Final Annual Budget, FY 2022-2023 (Second Hearing)

THE LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

RESOLUTION NO. 22-xx

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
ADOPTING THE FINAL FISCAL YEAR 2022-2023 BUDGET

WHEREAS, these proceedings are taken in conformance with the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, commencing with Section 56000 of the Government Code; and

WHEREAS, the Budget and Finance Committee of the Local Agency Formation Commission of Monterey County considered a proposed budget and work program on February 28, 2022, and made its recommendations to the full Commission; and

WHEREAS, the Local Agency Formation Commission of Monterey County considered these recommendations, conducted an initial public hearing, adopted a final work program, and adopted a proposed budget on March 28, 2022; and

WHEREAS, the adopted proposed budget was distributed to the Board of Supervisors, to each city and to each independent special district for review and comment through the close of a second hearing on April 25, 2022; and

WHEREAS, both hearings were duly noticed in accordance with the requirements of Cortese-Knox-Hertzberg Act of 2000;

NOW, THEREFORE, the Local Agency Formation Commission of Monterey County does HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

- a. That the Commission adopts a final budget for Fiscal Year 2022-2023 (Exhibit 1); and
- b. That the Executive Officer shall transmit the adopted final budget to the Board of Supervisors, to each city, and to each independent special district, and
- c. That the Executive Officer shall transmit the adopted final budget to the Auditor-Controller for apportionment of the net operating expenses pursuant to the requirements of Government Code Section 56381(b)(1).

UPON MOTION OF Commissioner _____, seconded by Commissioner _____, the foregoing resolution is adopted this 25th day of April 2022 by the following vote:

AYES: Commissioners:
NOES: Commissioners:
ALTERNATES: Commissioners:
ABSENT: Commissioners:
ABSTAIN: Commissioners:
*(Alternates voting in place of absent voting members)

Christopher Lopez, Chair

Local Agency Formation Commission of Monterey County

ATTEST: I certify that this resolution is a true and complete record of said Commission's actions.

Witness my hand this 25th day April, 2022.

By: _____
Kate McKenna, AICP, Executive Officer

Local Agency Formation Commission of Monterey County Adopted Budget for Fiscal Year 2022-2023 Second Hearing - 4.25.2022			
	Adopted Budget FY 2021-22	Proposed Budget for FY 2022-23	Change (%)
REVENUE			
4000 - Project Fees - <i>See Note 1</i>	\$ 10,000	\$ 10,000	0%
4001 - Pass-through Fees	\$ -	\$ -	
4205 - County Contribution	\$ 298,814	\$ 354,931	19%
4210 - City Contributions	\$ 298,814	\$ 354,931	19%
4220 - Independent Special District Contributions	\$ 298,814	\$ 354,931	19%
4249 - Fort Ord Reuse Authority (FORA)- <i>See Note 3</i>	\$ -	\$ -	0%
3850 - Unreserved Fund Balance Supplement (as needed) - <i>See Note 2</i>	\$ 122,353	\$ -	-100%
4300 - Interest	\$ 4,631	\$ 4,862	5%
TOTAL REVENUES	\$ 1,033,426	\$ 1,079,655	4%
EXPENDITURES			
6000 - Employee Salaries	\$ 541,761	\$ 554,169	2%
6100 - Employee Benefits	\$ 222,866	\$ 236,928	6%
Total Salaries & Benefits	\$ 764,627	\$ 791,097	3%
7000 - Postage and Shipping	\$ 3,308	\$ 3,804	15%
7010 - Books and Periodicals	\$ 1,544	\$ 1,621	5%
7030 - Copy Machine Charges	\$ 11,025	\$ 11,576	5%
7040 - Outside Printers	\$ 6,300	\$ 6,300	0%
7060 - Office Supplies	\$ 6,615	\$ 6,946	5%
7070 - Office Equipment and Furnishings	\$ 6,615	\$ 6,946	5%
7080 - Computer/Hardware/Peripherals	\$ 5,513	\$ 5,789	5%
7085 - Computer Support Services (Fixed Costs)	\$ 11,576	\$ 12,155	5%
7090 - Computer Support Services (Variable Costs)	\$ 18,522	\$ 19,448	5%
7100 - Computer Software	\$ 1,158	\$ 1,216	5%
7105 - Meeting Broadcast Services	\$ 4,631	\$ 4,863	5%
7110 - Property and General Liability Insurance	\$ 12,882	\$ 8,700	-32%
7120 - Office Maintenance Services	\$ 441	\$ 463	5%
7140 - Travel	\$ 4,450	\$ 4,450	0%
7150 - Training, Conferences and Workshops	\$ 5,238	\$ 5,238	0%
7160 - Vehicle Mileage	\$ 1,575	\$ 1,575	0%
7170 - Rental of Buildings	\$ 28,772	\$ 28,772	0%
7200 - Telephone Communications	\$ 7,718	\$ 8,104	5%
7230 - Temporary Help Services (Clerical)	\$ -	\$ -	
7240 - Outside Professional Services	\$ 114,882	\$ 134,271	17%
Total for Line Items 7240-7249			
7240 - Outside Professional Services	\$ -	\$ 25,000	100%
7242 - Accounting and Financial Services	\$ 69,600	\$ 60,000	-14%
7242A - General Admin Services and HR Assistance	\$ 16,800	\$ 14,800	-12%
7245 - General Counsel and Special Counsel	\$ 8,269	\$ 8,682	5%
7247 - Human Resources-Other	\$ 5,513	\$ 5,789	5%
7248 - Annual Audit	\$ 14,700	\$ 20,000	36%
7249 - Temporary Professional Services-FORA Admin- <i>See Note 3</i>	\$ -	\$ -	0%
7250 - Miscellaneous Office Expenses	\$ 1,103	\$ 1,158	5%
7260 - Legal Notices	\$ 4,631	\$ 4,863	5%
7270 - Recruitment Expenses	\$ 1,000	\$ 1,000	0%
7280 - LAFCO Memberships	\$ 9,300	\$ 9,300	0%
7290 - Litigation Reserve	\$ -	\$ -	
7285 - Records Storage and Security	\$ -	\$ -	
7295 - Contingency Reserve	\$ -	\$ -	
Sub-total Services & Supplies	\$ 268,799	\$ 288,558	7%
TOTAL EXPENDITURES	\$ 1,033,426	\$ 1,079,655	4%

Please See Attachment 1 for Description of Budget Line Items.

Note 1: Commission policy is to show anticipated project fees as revenue in the year in which the fees are collected.

Note 2: Per adopted local LAFCO policy, the proposed revenue for FY 2022-2023 is projected to be fully funded by the Cities, Districts, and County. Fees have been frozen for 2 years even though costs have been rising. In FY 2020-2021, LAFCO reduced its fees by 10% to recognize the economic impacts of the virus on local governments. It continued to freeze fees at the reduced rate in 2021-2022. In order to get back to LAFCO's adopted policy, funds in the Unreserved Fund Balance will not be considered when balancing the 2022-2023 budget. The Unreserved Fund Balance is in healthy condition (\$1,043,300 as of June 30, 2021).

Note 3: These FORA income and expense items were for temporary professional assistance to perform FORA-related administrative tasks on an as-needed basis after FORA ceased operations on June 30, 2020.

Lafo is budgeting zero activity for FORA related items in 2022-2023.

DESCRIPTION OF FY 2022-2023 BUDGET LINE ITEMS

SALARIES & BENEFITS

Page 1 of 3

6000 EMPLOYEE SALARIES

This line item supports all work program activities of the Commission by 4 FTE positions. The part-time administrative position will remain vacant in 2022-2023. Lafco has budgeted the Clerk to the Commission Salary at Step 4 in order to fill the position with a more experienced individual. Assume merit and COLA increases in 2022-2023 as salaries have been frozen for the last 2 years due to the effects of the Covid-19 pandemic on our cities, districts and county. Includes overtime allowances for non-exempt employees (per law).

6100 EMPLOYEE BENEFITS

This line item assumes no new benefits and no benefit changes for 4 full time employees, and no change in benefit reductions that are already in place. Assumes minor increase in some benefit costs. Employee pays 100% of the employee share of retirement plan contributions. LAFCO is responsible for 100% of the employer share of retirement plan contributions as well as the employer's share of payroll taxes.

SERVICES & SUPPLIES

7000 Postage and Shipping

Includes postage for general correspondence and agenda packet delivery, express mail, courier service and certified mail. Also includes LAFCO election mailings to independent special districts, and distribution of budget and studies. Includes lease for mailing machine.

7010 Books & Periodicals

Includes newspaper subscriptions, publications and codes on LAFCO law, CEQA, employment law and other publications necessary to keep current on laws and trends.

7030 Copy Machine Charges

Includes copier machine leases, copies and maintenance. Assumes in-house production of studies for LAFCO's Municipal Service Reviews/Sphere of Influence studies, for cost and quality control purposes. Includes support of activities associated with pre-application and application processing functions. Includes production of resource maps, district election mailing materials, educational outreach materials, and other work program needs.

7040 Outside Printers

Includes copying of Commission/Committee agenda packets, some large volume publications, maps and other occasional needs. For 2022-2023, assume no increase in costs as Lafco continues to move toward electronic packets.

7060 Office Supplies

Includes annual consumable goods for office operations and work production.

7070 Office Equipment & Furnishings

Includes office furniture replacement, small tables and other miscellaneous items.

7080 Computer Hardware and Peripherals

Includes annual lease of work station computers and occasional purchase of laptops, audiovisual equipment and accessories. 5% increase estimated for increased costs for tech support from Monterey County as well as potential increase in annual leases.

7085 Computer Support Services (Fixed Costs)

Under contract with the County of Monterey or other vendor, this line item provides device support (e.g. computers and network printers). Services also include website housing, email, internet and network access, and high volume cloud storage. County IT is the primary vendor and fixes costs based on unit counts. Occasional device support service by other vendors is not fixed.

7090 Computer Support Services (Variable Costs)

Under contract with the County of Monterey, this line item provides micro systems (software) support, mapping and GIS support for LAFCO data layers that are stored in the County's centralized GIS system. Includes mapping/data analysis for LAFCO's busy Municipal Service Review/Sphere of Influence Update program. Includes County support for LAFCO website maintenance. Proposed budget reflects increases in data/mapping needs and increases in County rates. Charges are variable.

7100 Computer Software

Includes software updates and licenses to extend the security, compatibility and functions of computers.

7105 Meeting Broadcast Services	This account funds the live cable TV coverage of LAFCO meetings, and weekly TV re-broadcasts, under contract with the County of Monterey and its vendors. Costs are variable depending on number and length of meetings. Increase anticipates rise in rates for meeting broadcasts.
7110 Property and General Liability Insurance	Property and Errors & Omissions Insurance is obtained by contract with the Special Districts Risk Management Authority. Premiums reflect discounts for no claim history. Cost is fixed annually. The 2022-2023 budget reflects the current year gross package cost plus a 10% increase due to anticipated rising insurance costs. (\$7,909 plus a 10% increase of \$791)
7120 Office Maintenance Services	Includes general office cleaning, including blinds, cabinets and underneath furniture. (Basic janitorial service to empty trash and sweep floors is included in office lease.)
7140 Travel	Provides partial funding for employee, counsel and Commissioner travel for annual CALAFCO conference (October 2022), annual CALAFCO staff workshop (April 2023), and training classes. Includes some transportation, hotel and meal costs. For 2022-2023, the budget is staying the same as prior year as it has not been determined if conferences will be in person or virtual.
7150 Training, Conferences and Workshops	Provides partial funding for employee, counsel and Commissioner registrations at annual CALAFCO conference (October 2022), annual staff workshop (April 2023), and classes. For 2022-2023, the budget is staying the same as prior year as it has not been determined if conferences will be in person or virtual.
7160 Vehicle Mileage	Reimbursement for use of personal vehicles, at the government rate. For 2022-2023, the budget will remain the same as the prior year.
7170 Rental of Building	Includes minor increase in office rent, and includes utilities. The monthly building rent for 2022-2023 is set at \$2,397.69.
7200 Telephone Communications	Includes telephone, cell and fax charges, office wi-fi for laptop/visitor use, and system maintenance and repairs.
7230 Temporary Help Services (Clerical)	Not funded. All clerical work is generally done by in-house staff.
7240 Outside Professional Services	This line item includes: 7240: Outside Professional Services. Variable rate services on an as needed basis from Berkson and Associates who specializes in fiscal, financial and economic review. This line item may also include other minor contracts for professional services. 7242: Accounting and Financial Services. Reflects a proposed fixed rate contract with Hayashi Wayland for payroll, accounting, financial reporting services, GASB 68 Compliance and assistance to auditor (The agreed monthly fee is \$5,400. Of this amount, \$400/month is allocated to Account 7242A for Human Resource Assistance). The services that Hayashi Wayland provide enable the Clerk to focus more on her official role as Clerk to the Commission. 7242A: General Admin Services and HR Assistance. This line item includes a \$400/month retainer for human resource services provided by Hayashi Wayland (\$4,800/annually). In addition to Human Resources, the 2022-2023 budget includes \$10,000 for special projects that may arise during the fiscal year. The services that Hayashi Wayland provide enable the Clerk to focus more on her official role as Clerk to the Commission. 7245: General Counsel and Special Legal Counsel Services (Not Litigation). General Counsel costs are variable, with an annual cap of \$15,000 (per contract with County Counsel's Office). This line item fund is also intended for variable Special Legal Counsel costs, depending on need (per contract with Michael Colantuono). 7247: Human Resources Services-Other. Variable rate services from Liebert Cassidy Whitmore or other firm, on an as needed basis. 7248: Annual Audit. Fixed rate contract with Bianchi, Kasavan & Pope.

	7249: Temporary Professional Services-FORA Admin. This expense is for as-needed consulting services to mitigate the impact of post-FORA administrative tasks. LAFCO was placed in charge of dissolving FORA in June 2020, and Lafco's post-dissolution responsibilities may continue for several years. Lafco received \$100,000 in July 2020 from FORA to cover these costs. Since most of LAFCO's administrative tasks most likely occurred in the first year after FORA's dissolution, we are budgeting zero for this account in FY 2022-2023.
7250	Miscellaneous Office Expenses
	Minor expenses for office operations, Commission meetings and recording fees for LAFCO-initiated activities.
7260	Legal Notices
	Expenses for actions requiring public notices, such as annexations, Sphere of Influence updates, municipal service reviews and budgets. Some of these costs are reimbursable.
7270	Recruitment Expenses
	To fill any vacant position.
7280	LAFCO Memberships
	This line item includes the CALAFCO Membership, California Special Districts Association and Prime Membership. The CALAFCO membership provides access to legislative and educational activities. CSDA membership is required in order to get the Special District Authority's Workers Compensation Insurance and Property & Liability Insurance (Acct.# 7110). The Prime membership is used when ordering supplies. The cost savings is significant compared to buying from stores such as Office Max/Office Depot and Staples.
7290	Litigation Reserve
	Per Commission policy, the target funding for the litigation defense reserve is \$300,000. This target would be sufficient for one-year's estimated expenses. The balance sheet reserve is currently funded to target level for FY 2021-2022. LAFCO is indemnified in current litigation (PSMCSO) and will be indemnified for potential FORA-related litigation. Accordingly, no fund supplement is proposed for FY 2022-2023.
7285	Records Management
	Not funded for outside help. Records management is by in-house clerical staff.
7295	Contingency Reserve
	Per Commission policy, the target funding for the general contingency reserve is 25 percent of the annual budget. This balance sheet reserve is currently funded at \$258,357, which is about 100% of the target level for FY 2021-2022. No fund supplement is proposed for FY 2022-2023.

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

KATE McKENNA, AICP
Executive Officer

LOCAL AGENCY FORMATION COMMISSION
P.O. Box 1369
Salinas, CA 93902
Telephone (831) 754-5838

132 W. Gabilan Street, Suite 102
Salinas, CA 93901
www.monterey.lafco.ca.gov

DATE: April 25, 2022
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: Executive Officer Communication – Formation of Pajaro Valley Health Care District

SUMMARY OF RECOMMENDATION:

This report is for information only.

EXECUTIVE OFFICER’S REPORT:

This report provides an update on the status of a new health care district. Extending across Santa Cruz and Monterey County lines, the Pajaro Valley Health Care District was created as an urgency measure when Governor Newsom signed Senate Bill 418 (Laird) into law on February 4. It was not created under the more studious process of the Cortese-Knox-Hertzberg Act, but the district will be regulated by Santa Cruz LAFCO from now on.

New District’s Initial Appointed Five-Member Board

In March, the Santa Cruz County Board of Supervisors appointed the initial Board of Directors of this new agency. As requested by Monterey LAFCO, one of the five appointees is a Monterey County resident. Information about the Monterey County representative, Mr. Marcus Pimental, and other appointees is provided in the attached staff report to the Santa Cruz County Board of Supervisors.

SB 969 (Laird) – Follow-up Legislation to SB 418

In order to provide more oversight of the District in its’ early years, a follow-up bill has been introduced to ensure: (1) preparation of a Municipal Service Review in three years; (2) annual reports from the District to Santa Cruz LAFCO for the initial years, and 3) a mandatory sphere of influence by Santa Cruz LAFCO within one year. The Senate Governance and Finance Committee passed this legislation on March 31. A support letter for this bill from the Pajaro Valley Healthcare District Project is attached for information.

Monterey LAFCO staff will continue to monitor implementation of the new District to address governance, boundary and financial sustainability issues of importance to Monterey County stakeholders.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

Attachments:

1. Santa Cruz County Board of Supervisors report, March 22, 2022
2. Letter of support from Pajaro Valley Healthcare District Project, March 22, 2022

Attachment 9.1



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Greg Caput, Fourth District Supervisor, Zach Friend, Second District Supervisor

(831) 454-2200

Subject: Appointments to the Pajaro Valley Health Care District Board of Directors

Meeting Date: March 22, 2022

Recommended Action(s):

- 1) Accept recommendations of nominations to the Pajaro Valley Health Care District Board of Directors; and
- 2) Appoint said nominations to the Pajaro Valley Health Care District Board of Directors.

Executive Summary

On February 4, 2022, Governor Newsom signed Senate Bill (SB) 418 creating the Pajaro Valley Health Care District (PVHCD). The creation of the PVHCD, and the County's commitment in funding and administrative support, are essential investments in health equity, access, and the stability of the regional health network. Under the California Health and Safety Code, the Board of Supervisors is charged with appointing the initial Board of Directors of this new agency. On February 15, 2022, the Board of Supervisors approved the screening and selection process report for the PVHCD Board of Directors.

The selection committee, comprised of Supervisors Greg Caput and Zach Friend, County Administrative Officer Carlos Palacios, Health Services Agency Director Mónica Morales, and Salud Para La Gente Executive Director Dori Rose Inda, reviewed all applications and are submitting recommendations to appoint five initial members to the PVHCD Board of Directors representing a qualified and diverse cross-section of our community. The five initial members are proposed to be: John Friel, Katherine (Katie) Gabriel-Cox, Jasmine Nájera, Jose Anthony (Tony) Nuñez and Marcus Pimental.

Background

Under SB 418, the PVHCD will govern activities associated with the delivery of medical care in the Pajaro Valley, including the potential acquisition and oversight of the Watsonville Community Hospital. The five positions are voluntary and while the initial terms will be by appointment, subsequent terms will be subject to district-based public elections. Applicants were required to permanently reside within the boundaries of the Health Care District, be a registered voter in Monterey or Santa Cruz Counties, and be able to complete applicable statements of economic interest filings.

In establishing the selection process, the Board spoke to the need of having a

governing body that was reflective of the diverse needs of the health district and exhibited a diverse set of expertise and experience that would ensure the transition to this new regional model would be successful. The County worked with community-based partners to outreach to prospective candidates and used social and traditional media to cast a wide net for applicants. The application period was open from February 16 to March 4, and 27 applications were received with 26 determined to be eligible based on information provided.

Analysis

The selection committee reviewed all applications, determined eligibility given District requirements, and how applicants individually and collectively addressed the expertise and experience criteria set forth by the Board.

Here are very brief backgrounds on the recommended candidates:

John Friel: Over 50 years of experience in healthcare as a provider and executive including previously as CEO of Watsonville Community Hospital and as CEO of multiple major California health care districts until retiring in 2021. John is an Aptos resident.

Katherine (Katie) Gabriel-Cox: Physician, Board certified OB/GYN currently with Salud Para La Gente and previously with the Palo Alto Medical Foundation, Sutter, and Kaiser Permanente and served internationally with the nationalized universal health system in New Zealand. Katie is an Aptos resident.

Jasmine Nájera: Licensed Clinical Social Worker who has worked with Pajaro Valley Prevention and Student Assistance and in multiple behavioral health capacities with the Santa Cruz County Health Services Agency. Jasmine is a Watsonville resident.

Jose A. (Tony) Nuñez: Regional Journalist, Managing Editor of the Pajaronian and Press-Banner newspapers and lifelong Watsonville resident and Watsonville High School Graduate with significant area ties and relationships to reflect community voices and experiences. Tony is a Watsonville resident.

Marcus Pimental: Extensive fiscal and health care experience including serving as Assistant Health Services Agency Director in Santa Cruz County, a board member of Salud Para La Gente and as Budget Manager and Finance Director for Santa Cruz County and the City of Watsonville. Marcus is a resident of Monterey County.

Combined, the five recommended nominees possess the experience, skill sets, and geographical and cultural diversity identified as critical by the BOS to support the formation and operations of the Pajaro Valley Health Care District and the objective to acquire and operate Watsonville Community Hospital as a premier, equitable and stable health provider in our community.

Financial Impact

There is no financial impact associated with this item.

Strategic Plan Element(s)

- 1.A. Comprehensive Health and Safety: Health Equity
- 1.B. Comprehensive Health and Safety: Community Support

Submitted by:

Greg Caput, Fourth District Supervisor, Zach Friend, Second District Supervisor

Pajaro Valley Healthcare District Project

A not-for-profit entity formed through the collaboration of the County of Santa Cruz, the City of Watsonville,
the Community Trust of the Pajaro Valley and Salud Para La Gente for the acquisition of Watsonville Community Hospital

March 22, 2022

The Honorable Anna Caballero, Chair
Senate Governance and Finance Committee
1021 O Street, Suite 7620
Sacramento, California 95814

Re: **SB 969 (Laird): Pajaro Valley Healthcare District**
As amended 3/02/22 – SUPPORT
Awaiting hearing – Senate Governance and Finance Committee

Dear Senator Caballero:

On behalf of the Board of Directors of the Pajaro Valley Healthcare District Project (PVHDP), I write to respectfully request your support for Senate Bill 969, Senator Laird's measure to provide additional oversight of the Pajaro Valley Healthcare District in its initial years post-formation. This measure is presented as a follow-up to Senator Laird's SB 418, which authorized the formation of the Pajaro Valley Healthcare District in Santa Cruz and Monterey Counties.

As you know, SB 418 established the Pajaro Valley Healthcare District for the purpose of taking ownership of the Watsonville Community Hospital, which remains in Chapter 11 bankruptcy proceedings. Governor Newsom signed SB 418 into law on February 2, 2022 and the Santa Cruz County Board of Supervisors will soon take action to appoint the district's initial board of directors.

In order to address the imminent closure of the Watsonville Community Hospital and comply with the deadlines of the Chapter 11 federal bankruptcy proceedings, the Pajaro Valley Healthcare District was formed on an urgency basis and necessarily bypassed what could have been a lengthy local district formation process. As a result, SB 969 includes statutory direction to the Santa Cruz County Local Agency Formation Commission (LAFCO) to provide additional reporting and oversight to the District during the initial years of its existence.

Specifically, SB 969 requires that the Santa Cruz County LAFCO develop and determine a sphere of influence for the District within one year of district formation and conduct a municipal service review regarding healthcare service provision within the district's boundaries by December 31, 2025. Additionally, the Pajaro Valley Healthcare District must report annually to the Santa Cruz County LAFCO regarding health care service provision by December 31, 2023 and December 31, 2024.

These additional requirements will serve to provide appropriate LAFCO oversight of administration of the new district during its formative years to help facilitate an orderly transition of health services in the region in a transparent manner. SB 969 represents our commitment to meaningful community engagement despite the extraordinary circumstances of the district's formation.

If you have any questions about our position, please do not hesitate to reach out.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mimi', with a stylized, cursive script.

Mimi Hall, Chair
Pajaro Valley Healthcare District Board of Directors

cc: Members and Consultants, Senate Governance and Finance Committee
The Honorable John Laird, California State Senate
The Honorable Anna Caballero, California State Senate
The Honorable Robert Rivas, California State Assembly
The Honorable Mark Stone, California State Assembly

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

CLOSED SESSION

1. a) The Commission will conduct a review of the Public Employee Annual Performance Appraisal Program in closed session, pursuant to Code Section 54957.
Position: LAFCO Executive Officer.

- b) Pursuant to Government Code Section 54956.9(d)(1), the Commission will confer with legal counsel regarding existing litigation: *Monterey Peninsula Water Management District v. Local Agency Formation Commission of Monterey County; Commissioners of the Local Agency Formation Commission of Monterey County; and DOES 1 through 20, (Monterey County Superior Court Case No. 22CV000925).*