

2023

Commissioners

Chair

Matt Gourley
Public Member

Vice Chair

Kimbley Craig
City Member

Mary Adams
County Member, Alternate

Wendy Root Askew
County Member

Glenn Church
County Member

David Kong
Special District Member, Alternate

Mary Ann Leffel
Special District Member

Ian Oglesby
City Member

Warren Poitras
Special District Member

Steve Snodgrass
Public Member, Alternate

Anna Velazquez
City Member, Alternate

Counsel

Reed Gallogly
General Counsel

Executive Officer

Kate McKenna, AICP

**132 W. Gabilan Street, #102
Salinas, CA 93901**

*P. O. Box 1369
Salinas, CA 93902*

Voice: 831-754-5838

www.monterey.lafco.ca.gov

AGENDA LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

Regular LAFCO Meeting
Monday, June 26, 2023
3:00 P.M.

Monterey Room – Second Floor
Monterey County Government Center
168 West Alisal Street,
Salinas, California

This meeting will be conducted in person at the Monterey County Government Center, Salinas. The Public may attend the meeting, participate by Zoom app, or view the meeting on LAFCO's YouTube channel.

Instructions for Remote Public Participation

1. **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/94831898740>

The meeting ID is: [948 3189 8740](https://montereycty.zoom.us/j/94831898740). There is no password. To make a public comment, please “Raise your Hand.”
2. **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.
3. **To Participate by Phone:** Please call: +1 669 900 6833
Enter the meeting ID: [948 3189 8740](https://montereycty.zoom.us/j/94831898740) when prompted. There is no participant code – just enter the meeting id 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 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 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.

PLEASE NOTE: If all Committee Members are present in person, public participation by Zoom is for convenience only and is not required by law. If the Zoom feed is lost for any reason, the meeting may be paused while a fix is attempted but the meeting may continue at the discretion of the Chairperson.

AGENDA
REGULAR COMMISSION MEETING
Monday, June 26, 2023

Call to Order

Roll Call

Pledge of Allegiance

General Public Comments

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

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 Draft Minutes from the May 22, 2023 Regular LAFCO Commission Meeting.](#)
Recommended Action: Approve minutes.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378)
2. [Accept the May 31, 2023 Draft Balance Sheet and Income Statement.](#)
Recommended Action: Accept statements for information only.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
3. [Authorize the Executive Officer to execute Amendment #2 to the Best Best & Krieger LLP Agreement for Specialized Attorney Services.](#)
Recommended Action: Authorize Agreement Amendment #2 with Best Best & Krieger LLP to provide funding for continued legal representation of LAFCO in litigation with the Monterey Peninsula Water Management District (MPWMD) (Case No. 22CV000925).
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
4. [Accept Report on Anticipated Agenda Items and Progress Report on LAFCO Special Studies.](#)
Recommended Action: Accept report for information only.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
5. [Accept Report on Activities of the California Association of Local Agency Formation Commissions.](#)
Recommended Action: Accept report for information only.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

New Business

6. [Agricultural Preservation and Mitigation – Review of LAFCO’s Policies and Practices.](#)
Recommended Action: Receive and discuss a presentation on LAFCO’s policies and practices.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

Executive Officer's Communications

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

7. Communications

a. Correspondence to the City of Salinas.

b. Presentation to the Soledad City Council.

(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

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, August 28, 2023 at 3:00 p.m. in the **Monterey Room at the Monterey County Government Center (Second Floor, 168 W. Alisal Street)**.

The Political Reform Act requires that a participant in a LAFCO of Monterey County proceeding who has a financial interest in a change of organization or reorganization proposal and who has made a campaign contribution of more than \$250 to any commissioner in the past year must disclose the contribution. If you are affected, please notify the Commission's staff before the meeting.

Pursuant to Government Code Section 54957.5, public records that relate to open session agenda items that are distributed to a majority of the Commission less than seventy-two (72) hours prior to the meeting will be made available to the public on the LAFCO of Monterey County website at www.monterey.lafco.ca.gov.

AMERICANS WITH DISABILITIES ACT (ADA): All regular and special meeting agendas and associated reports are available at www.monterey.lafco.ca.gov. Any person with a disability under the ADA may receive a copy of the agenda or associated reports 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, to participate in a public meeting. Requests for copies of meeting documents and accommodations must be made with LAFCO of Monterey County staff at (831) 754-5838 at least three business days prior to the respective meeting.

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

2023

Commissioners

Chair

Mary Ann Leffel
Special District Member

Vice Chair

Matt Gourley
Public Member

Mary Adams

County Member, Alternate

Wendy Root Askew
County Member

Glenn Church
County Member

Kimbley Craig
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David Kong
Special District Member, Alternate

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Counsel

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Regular Meeting DRAFT MINUTES
**LOCAL AGENCY FORMATION COMMISSION
OF MONTEREY COUNTY**
Scheduled for Adoption June 26, 2023

Monday, May 22, 2023

All Commissioners and public participated in the meeting on Monday, May 22, 2023 in person or by Zoom video conference.

Call to Order

The Local Agency Formation Commission was called to order by Vice Chair Gourley at 3:00 p.m.

Roll Call

Commissioner Adams
Commissioner Church
Commissioner Craig
Commissioner Kong
Commissioner Oglesby
Commissioner Velazquez
Vice Chair Gourley

Voting in place of Root Askew (County)
Arrived at 3:07 p.m.

Voting in place of Leffel (Special Districts)

Members Absent (Excused Absence)

Commissioner Root Askew
Chair Leffel
Commissioner Poitras
Commissioner Snodgrass

Staff Present

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

Also Present

Kelly L. Donlon, General Counsel
Reed Gallogly, Deputy Counsel

Pledge of Allegiance

All Commissioners participated in the Pledge of Allegiance.

General Public Comments

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

There were no public comments.

Public Comments on Closed Session Items

There were no comments from members of the public.

- ◆Commissioner Oglesby recused himself from the Closed Session item for this meeting and all future meetings as a member of the Monterey Peninsula Water Management District Board of Directors.
- ◆Commissioner Adams recused herself from the Closed Session item for this meeting and all future meetings as Chair of the Monterey Peninsula Water Management District Board of Directors.

With no Closed Session quorum, Vice Chair Gourley exercised discretion to move to agenda item #2.

Special Business

2. Select the LAFCO Chair and Chair Pro Tempore for a Period Ending in May 2024.
Recommended Action: Conduct the Selection Process and select the Chair and Chair Pro Tempore for a one-year period ending on May 6, 2024.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

Executive Officer McKenna presented the report, and thanked outgoing Chair Leffel for her service, as Chair.

There were no comments from the public.

Commission Action: Chair

Upon motion by Commissioner Craig, with a second from Commissioner Adams, the Commission unanimously selected Commissioner Gourley as Chair for a one-year period ending on Monday, May 6, 2024.

Commissioner Action: Pro Tempore

Upon motion from Commissioner Oglesby, seconded by Commissioner Adams, the Commission unanimously selected Commissioner Craig as Vice Chair.

With the arrival of Commissioner Church, a quorum for Closed Session was confirmed.

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.

The Commission ADJOURNED to Closed Session at 3:09 p.m.

Closed Session

1. 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). (CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

Reconvene on Public Agenda Items

The Commission RECONVENED to Open Session at 3:24 p.m.

Roll Call

Commissioner Adams	Voting in place of Root Askew (County)
Commissioner Church	
Commissioner Kong	Voting in place of Leffel (Special Districts)
Commissioner Oglesby	
Commissioner Velazquez	
Vice Chair Craig	
Chair Gourley	

Read Out from Closed Session by LAFCO General Counsel

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

General Counsel Kelly Donlon advised that there were no reportable items.

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.

3. Approve Draft Minutes from the April 24, 2023 Regular LAFCO Commission Meeting.
Recommended Action: Approve minutes.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378)
4. Approve Draft Notes from the May 8, 2023 LAFCO Budget & Finance Committee Meeting.
Recommended Action: Approve notes.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378)
5. Approve Draft Financial Statements for Period Ending March 31, 2023.
Recommended Action (By Budget & Finance Committee): Approve the financial statements.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378)
6. Accept the April 30, 2023 Draft Balance Sheet and Income Statement.
Recommended Action: Accept statements for information only.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

7. Authorize the Executive Officer to Execute Professional Services Agreement with CliftonLarsonAllen, LLP for Accounting and Related Services.
Recommended Action (By Budget & Finance Committee): Authorize agreement with CliftonLarsonAllen, LLP for Accounting and Related Services for the fiscal years ending June 30, 2024, 2025 and 2026.
 (CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

8. Authorize the Executive Officer to execute Professional Services Agreement with Bianchi, Kasavan and Pope, LLP for Audit Services.
Recommended Action (By Budget & Finance Committee): Authorize agreement with Bianchi, Kasavan & Pope, LLP for Audit Services for the fiscal years ending June 30, 2024, 2025 and 2026.
 (CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

9. Accept Report on Anticipated Agenda Items and Progress Report on LAFCO Special Studies.
Recommended Action: Accept report for information only.
 (CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

Commissioner Adams pulled item # 3 and requested that the Commissioners listed on the minutes for April 24 Commission meeting be updated to reflect the current LAFCO Commission.

Commissioner Action:

Upon motion by Commissioner Adams, seconded by Commissioner Church, Consent Agenda Items #4 – #8 were unanimously approved by those present.

Motion Carried.

Commissioner Action:

Upon motion by Commissioner Craig, seconded by Commissioner Oglesby, Consent Agenda Item #3 was unanimously approved with corrections by those present. Chair Gourley abstained from voting on Consent Agenda item #3 as he was not present at the April 24, 2023 Commission meeting.

Motion Carried

AYES:	Commissioners: Adams, Church, Craig, Kong and Oglesby
NOES:	Commissioners: None
ALTERNATES:	Commissioners: Velazquez (Non-Voting)
ABSENT:	Commissioners: Leffel, Poitras, Root Askew, Snodgrass
ABSTAIN:	Commissioners: Chair Gourley

Commissioner Velazquez pulled item #9 for comments.

Commissioner Action:

Upon motion by Commissioner Craig, seconded by Commissioner Adams, Consent Agenda Item #9 was unanimously approved by those present.

Motion Carried.

AYES: Commissioners: Adams, Church, Craig, Kong, Oglesby, Chair Gourley
NOES: Commissioners: None
ALTERNATES: Commissioners: Velazquez (Non-Voting)
ABSENT: Commissioners: Leffel, Poitras, Root Askew, Snodgrass
ABSTAIN: Commissioners: None

New Business

10. Consider Business Items for the 2023 Annual Conference of the California Association of Local Agency Formation Commissions (CALAFCO).

Recommended Actions:

- 1.) Receive the Executive Officer's Report;
- 2.) Authorize attendance by four staff, one general counsel, and all Commissioners who express interest in attending the Annual CALAFCO Conference in Monterey on October 18-20;
- 3.) Designate Regular and Alternate Delegates to represent LAFCO of Monterey County at the Conference;
- 4.) Receive and take no action on election nomination information for City and Public Member Seats on the CALAFCO Board of Directors; and
- 5.) Receive and take no action on nomination information for the 2023 CALAFCO Achievement Awards.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

Executive Officer McKenna and Senior Analyst Brinkmann presented the report.

There were questions from Commissioners Craig and Adams.

There were no comments from the public.

Commissioner Actions:

1. The Commission received the Executive Officer's Report;
2. Upon motion from Chair Gourley and seconded by Commissioner Adams, the Commission unanimously authorized and approved the attendance of LAFCO staff, general counsel and all Commissioners who are interested in attending the Annual CALAFCO Conference;
3. Upon motion from Commissioner Adams and seconded by Chair Gourley, the Commission unanimously approved and designated Chair Gourley as the Regular Delegate and Commissioner Craig as the Alternate Delegate to represent LAFCO of Monterey County at the 2023 Annual Conference, with Executive Officer McKenna as a back-up to the Alternate Delegate.
4. The Commission received the election nomination information for City and Public Member Seats on the CALAFCO Board of Directors for information only, and;
5. The Commission received the nomination information for the 2023 CALAFCO Achievement Awards, for information only.

Motions Carried:

AYES: Commissioners: Adams, Church, Craig, Kong, Oglesby, Chair Gourley
NOES: Commissioners: None
ALTERNATES: Commissioners: Velazquez (Non-Voting)
ABSENT: Commissioners: Leffel, Poitras, Root Askew, Snodgrass
ABSTAIN: Commissioners: None

Executive Officer's Communications

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

II. Communications

- a. County of Monterey – Draft Farmland Mitigation Ordinance.
- b. Work Program Update – (Existing) Greenfield-Area Municipal Service Review and (New) Soledad-Area Municipal Service Review.
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

Executive Officer McKenna provided the report and updates.

Executive Officer McKenna announced the departure of General Counsel Donlon as Counsel to LAFCO of Monterey County. General Counsel Donlon introduced her replacement, Reed W. Gallogly to the Commission.

There were comments from Commissioner Craig regarding the draft Farmland Mitigation Ordinance. There were comments and questions from Chair Gourley, Commissioners Velazquez, Oglesby and Church.

Commissioner Craig made a motion that LAFCO Staff table discussions with Monterey County until the item has been agendized, seconded by Commissioner Oglesby. Motion failed.

There was further Commission discussion. Commissioner Oglesby withdrew his second, asked that Commissioner Craig's comments be noted for the record and the Commission move towards a workshop. With that assurance, Commissioner Craig withdrew the motion.

Executive Officer McKenna confirmed that Staff would bring the item back for discussion at the June Regular Meeting.

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 Oglesby expressed his thanks and appreciation to outgoing Chair/Commissioner Leffel for her time as Vice Chair and Chair; welcomed Chair Gourley and Vice Chair Craig, and expressed thanks and appreciation to outgoing General Counsel Donlon.

Commissioner Velazquez expressed her thanks and appreciation to General Counsel Donlon.

Adjournment to the Next Meeting

A motion to adjourn was made by Chair Gourley and seconded by Commissioner Craig and unanimously approved by the Commission.

Chair Gourley adjourned the meeting at 4:15 p.m.

The next Regular LAFCO Meeting is scheduled for Monday, June 26, 2023 at 3:00 p.m. in the **Monterey Room at the Monterey County Government Center (Second Floor, 168 W. Alisal Street)**.

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LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

LOCAL AGENCY FORMATION COMMISSION
P.O. Box 1369
Salinas, CA 93902
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KATE McKENNA, AICP
Executive Officer

DATE: June 26, 2023
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: **May 31, 2023 Draft Balance Sheet and Income Statement**
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378.

SUMMARY OF RECOMMENDATION:

Accept statements for information only.

EXECUTIVE OFFICER'S REPORT:

Attached are the May 2023 draft balance sheet and income statement. These statements are prepared monthly for the Commission's information by CliftonLarsonAllen, LLP.

Overall fourth quarter revenue and expenses are on target for the period.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

Attachments:

1. Draft Balance Sheet as of May 31, 2023, prepared by CliftonLarsonAllen, LLP.
2. Draft Income Statement through May 31, 2023, prepared by CliftonLarsonAllen, LLP.

LAFCO of Monterey County

Balance Sheet

As of May 31, 2023

06/08/23
Accrual Basis

	May 31, 23
ASSETS	
Current Assets	
Checking/Savings	
1100 · Petty Cash	300.00
1007 · Wells Fargo Checking	240,034.38
1010 · Cash Co. Treasury	
1012 · Designated Cash Litigation Resv	174,234.74
1013 · Designated Cash - Accrued Leave	84,107.72
1014 · Designated Cash-Post Retirement	85,475.00
1015 · Designated Cash-Contingency	269,914.00
1020 · Resticted Cash-FORA Litigation	346,664.06
1010 · Cash Co. Treasury - Other	431,538.27
Total 1010 · Cash Co. Treasury	1,391,933.79
Total Checking/Savings	1,632,268.17
Other Current Assets	
1400 · Prepaid Insurance	4,673.52
1405 · Prepaid Expenses	4,388.69
Total Other Current Assets	9,062.21
Total Current Assets	1,641,330.38
Fixed Assets	
1500 · Equipment	2,185.00
1525 · Computer Equipment	15,099.37
1530 · Office Furniture	40,517.62
1550 · Accumulated Depreciation	-53,018.69
Total Fixed Assets	4,783.30
Other Assets	
1800 · Deferred Outflows-PERS Contrib.	46,559.54
1805 · Deferred Outflows-Actuarial	262,201.83
1810 · Deferred Outflows-OPEB Contrib	1,752.00
1815 · Deferred Outflow-OPEB Actuarial	7,238.00
Total Other Assets	317,751.37
TOTAL ASSETS	1,963,865.05
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	7,525.88
Total Accounts Payable	7,525.88
Other Current Liabilities	
2220 · Accrued Leave	84,107.72
2410 · Post Retirement (GASB 75)	85,475.00
2200 · Payroll Liabilities	168.00
2380 · Dissolution of FORA Legal Liab.	346,664.06
2381 · Dissolution of FORA Admin Liab.	54,434.00
Total Other Current Liabilities	570,848.78
Total Current Liabilities	578,374.66
Long Term Liabilities	
2400 · Net Pension Liability/(Asset)	-262,199.19
2500 · Deferred Inflow-GAB68 Actuarial	9,278.43
2505 · Deferred Inflows-OPEB Actuarial	52,790.00
Total Long Term Liabilities	-200,130.76
Total Liabilities	378,243.90

LAFCO of Monterey County

Balance Sheet

As of May 31, 2023

06/08/23

Accrual Basis

	<u>May 31, 23</u>
Equity	
3700 · Invested in Capital Assets	4,783.30
3710 · Encumbered Funds	70,749.02
3800 · Reserve for Litigation	174,234.74
3810 · Reserve for Contingency	269,914.00
3825 · Restricted for Pension	262,199.19
3850 · Unreserved Fund	742,479.11
Net Income	61,261.79
	<hr/>
Total Equity	1,585,621.15
	<hr/>
TOTAL LIABILITIES & EQUITY	1,963,865.05
	<hr/> <hr/>

Draft

06/08/23
 Accrual Basis

LAFCO of Monterey County
Profit & Loss
 July 2022 through May 2023

	Jul '22 - May 23
Ordinary Income/Expense	
Income	
4000 · Fees	
4005 · Project	29,930.00
Total 4000 · Fees	29,930.00
4205 · County Contributions	354,931.00
4210 · City Contributions	354,930.99
4220 · District Contributions	354,928.00
4249 · FORA Admin Revenue	1,588.50
4300 · Interest	19,075.53
Total Income	1,115,384.02
Expense	
7300 · Depreciation	3,684.95
6000 · Employee Salaries	
6002 · Regular Earnings	504,111.00
6004 · FORA Admin Earnings	595.69
Total 6000 · Employee Salaries	504,706.69
6100 · Employee Benefits	
6013 · Post Retirement Healthcare	1,649.00
6010 · Accrued Leave	16,003.59
6007 · Management Expense Allowance	
6011 · Management Car Allowance	4,400.00
6007 · Management Expense Allowance - Other	550.00
Total 6007 · Management Expense Allowance	4,950.00
6102 · Worker's Compensation Insurance	1,529.13
6101 · Payroll Expenses	8,625.02
6103 · Employee Memberships	96.75
6104 · Deferred Comp Plan Contribution	31,291.70
6105 · PERS Retirement	54,770.71
6110 · PERS Health	
6111 · Med ER Non-Ele	6,596.00
6112 · Med ER Pre Tax	78,868.13
6110 · PERS Health - Other	333.38
Total 6110 · PERS Health	85,797.51
6130 · Insurance	
6139 · STD	1,012.66
6131 · LIFE	1,377.20
6132 · ADD	90.31
6133 · Dental	8,446.90
6134 · Vision	1,194.60
6135 · LTD	3,656.40
Total 6130 · Insurance	15,778.07
7294 · Accrued Leave Reserve	19,983.20
6100 · Employee Benefits - Other	700.00
Total 6100 · Employee Benefits	241,174.68

LAFCO of Monterey County

Profit & Loss

July 2022 through May 2023

06/08/23

Accrual Basis

	Jul '22 - May 23
7000 · Postage and Shipping	3,915.76
7010 · Books and Periodical	1,151.40
7030 · Copy Machine	5,194.00
7060 · Office Supplies	3,653.14
7080 · Computer Hardware/Peripherals	1,600.56
7085 · Computer Support Svc Fixed Cost	13,613.40
7090 · Computer Support Svc Variable	1,565.00
7100 · Computer Software	644.84
7105 · Meeting Broadcast Services	3,098.75
7110 · Property and Gen Liability Ins	7,045.94
7120 · Office Maintenance Services	168.00
7140 · Travel	13,400.36
7150 · Training, Conferences & Wrkshps	8,563.79
7160 · Vehicle Mileage	190.94
7170 · Rental of Buildings	26,374.59
7200 · Telephone Communications	4,096.81
7240 · Outside Prof. Services	8,825.00
7242 · Outside Prof Svc-Accounting	54,800.00
7242 A · Gen Admin Svcs & HR Assistance	4,400.00
7248 · Outside Prof Svc-Annual Audit	20,000.00
7245 · General Legal Services	17,786.00
7250 · Miscellaneous Office Expense	616.36
7260 · Legal Notices	1,663.50
7280 · LAFCO Memberships	9,137.00
7290 · Litigation Reserve	90,353.27
Total Expense	1,051,424.73
Net Ordinary Income	63,959.29
Other Income/Expense	
Other Expense	
8106 · Prior Yr Project Fees Returned	2,697.50
Total Other Expense	2,697.50
Net Other Income	-2,697.50
Net Income	61,261.79

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

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P.O. Box 1369 132 W. Gabilan Street, Suite 102
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Telephone (831) 754-5838 Fax (831) 754-5831
www.monterey.lafco.ca.gov

KATE McKENNA, AICP
Executive Officer

DATE: June 26, 2023
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
PREPARED BY: Jonathan Brinkmann, Senior Analyst
SUBJECT: Amendment #2 to the Best Best & Krieger LLP Agreement for Specialized Attorney Services
CEQA: Not a project under California Environmental Quality Act Guidelines Section 15378.

SUMMARY OF RECOMMENDATION:

It is recommended that the Commission authorize the Executive Officer to execute Amendment #2 (Attachment 1) to the LAFCO-Best Best & Krieger LLP (BBK) Specialized Attorney Services Agreement to fund LAFCO's continued legal representation in litigation with the Monterey Peninsula Water Management District (MPWMD) (Case No. 22CV000925).

EXECUTIVE OFFICER'S REPORT:

Discussion

As directed by the Commission, staff has prepared Amendment #2 to the LAFCO-BBK Specialized Attorney Services Agreement. The proposed amendment will supplement funding available for BBK to represent LAFCO in current litigation. The increase will cover BBK's costs in defending LAFCO at the scheduled August 7, 2023 substantive writ hearing (trial) and estimated costs through September 2023.

The initial agreement budget was \$75,000. In 2022, the Commission authorized an amendment to increase the budget by \$75,000. The proposed amendment will add another \$75,000 to BBK's contract, for a total not to exceed budget of \$225,000.

Fiscal Impact

Funds for this purpose are available in Account 3800 (Reserve for Litigation).

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

Attachment: Draft Amendment #2 to the LAFCO-BBK Specialized Attorney Services Agreement

AMENDMENT NO. 2 TO LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY
AGREEMENT FOR SPECIALIZED ATTORNEY SERVICES

This Amendment No. 2 to Specialized Attorney Services Agreement is made and entered into this ___ day of June, 2023 between the Local Formation Commission of Monterey County (“LAFCO”) and Best Best & Krieger LLP, A Limited Liability Partnership (“ATTORNEYS”).

Whereas, LAFCO and ATTORNEYS have heretofore entered into a Specialized Attorney Services Agreement (“Agreement”) executed April 26, 2022 to provide services for a term ending upon final disposition of the 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.)

Whereas, LAFCO and ATTORNEYS have heretofore entered into amendment #1 in October 2022 to revise the budget for services pursuant to this agreement.

Whereas, LAFCO desires to amend the provisions of the Agreement to revise the budget for services pursuant to this Agreement.

Whereas, ATTORNEYS are desirous of these changes as well.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein and in the Agreement, LAFCO and ATTORNEYS agree as follows:

Section 3 of the Agreement is hereby amended to read:

- 3.02. Budget. ATTORNEYS and LAFCO agree that the budget for services pursuant to this Agreement shall be revised and shall not exceed the sum of \$225,000. ATTORNEYS and LAFCO shall revise the budget as necessary to reflect additional fees and expenses required for services, and this Agreement shall be amended accordingly to provide such budget increases. Proposed budget increases must be approved by LAFCO before increased charges or expenditures are accrued. ATTORNEYS shall notify LAFCO General Counsel in writing when 50% and 75% of the Budget has been spent. If LAFCO does not approve additional fees and expenses required by the project beyond the initial and revised budget, LAFCO hereby consents to ATTORNEYS’ withdrawal as counsel in the matter.

Except as herein stated, all other terms, provisions, and exhibits in the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, LAFCO and ATTORNEYS have executed this Amendment No. 2 to the Agreement as of the day and year first written above.

LAFCO OF MONTEREY

BEST BEST & KRIEGER LLP

By _____

By _____

Kate McKenna, AICP
LAFCO Executive Officer

Paula C. P. de Sousa
Partner

DATED: _____

DATED: _____

APPROVED AS TO FORM

REED W. GALLOGLY, LAFCO General Counsel

By _____

Reed W. Gallogly
LAFCO General Counsel

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: June 26, 2023
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
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378.

SUMMARY OF RECOMMENDATION:

Accept report 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

- 1. City of Gonzales:** Approximately 49-acre Gloria Road Agricultural Cooler Annexation.
The City of Gonzales submitted a LAFCO application in May 2023 that proposes annexation of 49 acres located north of Gloria Road within the City’s designated sphere of influence. The purpose of the City’s annexation application is to facilitate development of a new 300,000-square-foot agricultural cooler facility. The application is currently under review.
- 2. City of Soledad:** Approximately 647-acre Miramonte (formerly Miravale III) sphere of influence (SOI) amendment and annexation. Application status is approved. However, the City and its developer have not yet met LAFCO’s approval resolution’s term and condition for agricultural mitigation. The City must satisfy this term and condition in order for LAFCO to file a Certificate of Completion finalizing the annexation. City representatives met with staff in May 2023. The City of Soledad needs additional time, beyond the one-year granted by the Commission’s approval, to satisfy this term and condition. Therefore, the City intends to request a time extension in the next few months from the Commission.
- 3. Fort Ord Reuse Authority Dissolution:** The Fort Ord Reuse Authority (FORA) ceased operations after June 2020. LAFCO’s statutory FORA dissolution oversight authority expired after December 2020 with the repeal of the FORA Act. FORA-related litigation matters have been settled as of June 2023. Monitoring of final administrative tasks will continue through 2023. Staff will prepare a final resolution for Commission adoption after administrative tasks are done.

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

The County approved the Paraiso Springs project in November 2019, and a portion of the site needs to be annexed to the local fire district pursuant to a County condition of approval. LAFCO received the District's application in 2022 and determined that the application is incomplete. Since that time, the District and developer have signed an agreement to financially mitigate the project's impacts on fire and emergency medical services. Staff continues to coordinate with the District to resolve other items in the completeness letter. The project appears to be inactive at this time.

Part 2: Potential Agenda Items under Discussion

1. **City of Gonzales (pre-application):** Vista Lucia and Puente del Monte projects: 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 (Fanoie-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 becomes available, probably in 2023. The City anticipates submitting a LAFCO annexation application for the Vista Lucia project in 2023. Later in 2023, we anticipate commenting on a draft environmental impact report for the Puente del Monte project, and receiving an annexation application for the project.

LAFCO staff provided a comment letter to the City of Gonzales prior to the City Council's consideration of a proposed Agricultural Resource Mitigation Ordinance on April 3, 2023. The City of Gonzales adopted the ordinance without changes requested in the LAFCO letter. This action will affect future discussions about annexation projects. Staff continues to coordinate with Gonzales staff, and with the County, as the City refines and develops these future expansion proposals. Most recently, City and LAFCO staff have scheduled a meeting to discuss the Vista Lucia project in July 2023.

2. **City of Soledad:** Hacienda Apartments farmworker housing: Out-of-agency service extension to provide City wastewater services to an existing apartment complex. Status is pre-application.

The City of Soledad is working with the property owners, County of Monterey, Central Coast Water Board, and Rural Community Assistance Corporation (RCAC) to extend City wastewater services to the existing 24-unit farmworker housing apartment complex known as Hacienda Apartments, located approximately three miles northwest of Soledad. The apartment complex is currently served by a failing septic system. The preferred solution is to connect Hacienda Apartments to the existing City wastewater collection system used by the adjacent Camphora Apartments. In 2012, LAFCO approved the City of Soledad's out-of-agency service extension application to provide wastewater collection and treatment services to Camphora Apartments due to a public health and safety issue. The City plans to submit a similar out-of-agency service extension application to LAFCO for Hacienda Apartments once the necessary documents are prepared. LAFCO staff participated in a coordination meeting with the City and other agencies in May 2023.

3. **Castroville Community Services District:** Potential sphere of influence amendment/out-of-agency service extension and annexation of two separate Moss Landing-area sites seeking to connect to the District’s wastewater collection system. Both sites are adjacent to the District’s existing boundaries. Current status is pre-application. Preliminary coordination among the CSD, the County, and property owner representatives is underway.
 - a. 174 Struve Rd., west of Hwy 1 (existing development, Ortega Berry Farms): The District intends to request a LAFCO sphere of influence amendment and out-of-agency service extension of an area adjacent to existing District Boundaries along Struve Road to provide wastewater collection services to an existing building, replacing an existing septic system. The District would include this site in a future LAFCO annexation application.
 - b. 516 Dolan Rd., east of Hwy 1 (McCombs parcel, adjacent to Pick-n-Pull auto dismantlers): The property owners are seeking County permits for a fish-farming operation. Castroville CSD is the potential wastewater collection service provider. Potable water would need to be supplied by a private well, Pajaro-Sunny Mesa CSD, or another source not yet determined.

4. **City of Salinas:** Target Area “K” (proposed Ferrasci Business Center project) sphere amendment and annexation of approximately 140 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 business park, retail, and mixed-use (commercial and residential) 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 May 2023. On May 10, 2023, LAFCO received a Notice of Preparation of a Draft EIR for the proposed Ferrasci Business Center Specific Plan from the City of Salinas. On June 6, 2023, LAFCO staff provided comments on the City’s Notice of Preparation of a Draft Environmental Impact Report as a CEQA Responsible Agency.

5. **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 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.

6. **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. The City is now pursuing development of a community center – rather than housing – on the Thorp parcel. Staff met with the City in 2023 to discuss annexation of the proposed community center parcel and existing school parcel.

7. **Technical Assistance to Local Agencies:** LAFCO serves as an informal facilitator and information clearinghouse for small cities and special districts challenged by financial, governance and service delivery issues. Past staff efforts have focused on special districts in Greenfield, Spreckels, Soledad and North Monterey County. In 2019, LAFCO staff prepared a discussion paper focused on Greenfield special districts. We met in 2022 with the Greenfield Memorial District to provide Board training in roles and responsibilities. We met in March 2023 with the Soledad Cemetery District to provide Board training in roles and responsibilities. We are now following up our informal assistance with formal LAFCO studies focused on Greenfield-area and Soledad-area local agencies that are experiencing financial management and other accountability, transparency and/or governance challenges (see below).
8. **Salinas Valley Health** – Potential annexation in North Monterey County to align with boundaries of the newly formed Pajaro Valley Health Care District.

Part 3: Other LAFCO-Initiated Studies

In 2022, LAFCO completed a Municipal Service Review/Sphere of Influence study for the City of Soledad.

Currently, staff is preparing a Municipal Service Review/Sphere of Influence study for five Greenfield-area agencies, with a focus on the Greenfield Memorial District, Greenfield Cemetery District, and Greenfield Public Recreation District. These three districts are experiencing financial management and other compliance challenges with accountability and transparency requirements. The study will be completed this summer.

Later this year staff will begin a Municipal Service Review/Sphere of Influence study for the City of Gonzales to coincide with that City's anticipated Vista Lucia annexation application (see page 2 of this report).

Due to a variety of emerging concerns, staff also intends to begin a Municipal Service Review/Sphere of Influence study for Soledad-area public agencies this fall. The study will focus on the Soledad Cemetery District, Soledad-Mission Recreation District, and Soledad Community Health Care District. This task is not in the adopted work program. It will postpone a task that is in the work program – a routine study of the services and boundaries of seven Monterey Peninsula cities – to 2024.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

KATE McKENNA, AICP
Executive Officer

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DATE: June 26, 2023
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
PREPARED BY: Jonathan Brinkmann, Senior Analyst
SUBJECT: Report on Activities of the California Association of Local Agency Formation Commissions (CALAFCO)
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378.

SUMMARY OF RECOMMENDATION:

Accept report for information only.

EXECUTIVE OFFICER'S REPORT:

Conference Host Planning Group

LAFCO of Monterey County is a member of the California Association of Local Agency Formation Commissions (CALAFCO). The 2023 CALAFCO Annual Conference and Business Meeting will be held on October 18-20 in Monterey. Commissioner Leffel, Commissioner/CALAFCO Board Member Root Askew and staff have discussed host responsibilities. A mobile workshop is planned to highlight programs and partnerships of the Monterey Peninsula Airport District, including the airport's expansion and cooperative service contracts. The group is also identifying a keynote speaker and providing other conference support. Registration materials will be available soon and LAFCO staff will follow up to register interested Commissioners in July.

Legislative Committee

The CALAFCO Legislative Committee met on June 16 to discuss several topics, including an Omnibus Bill that is now awaiting the Governor's signature. The Committee is tracking bills focused on amending the Brown Act to permit more options to hold virtual/teleconference public meetings. AB 557 (Hart), SB 411 (Portantino), and SB 537 (Becker) passed from each respective house and were referred to new committees. A fourth Brown Act bill, AB 817 (Pacheco), will not continue in the legislative process this year.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

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KATE MCKENNA, AICP
Executive Officer

DATE: June 26, 2023
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
PREPARED BY: Darren McBain, Principal Analyst
SUBJECT: **Agricultural Preservation and Mitigation – Review of LAFCO’s Policies and Practices**
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378

SUMMARY OF RECOMMENDATION:

Receive and discuss a presentation on LAFCO’s policies and practices regarding agricultural preservation and mitigation.

EXECUTIVE OFFICER’S REPORT:

One of LAFCO’s fundamental legislative purposes is to balance preservation of agricultural lands with promoting the orderly development of communities. Particularly in Monterey County, a robust agricultural economy is a matter not only of regional economic strength but of food security and vital national interests. Along with innovation, soils, climate, and infrastructure, the continued availability of land to farm is essential to agriculture’s long-term viability. LAFCO has a State-mandated role in maintaining that viability.

At the May 22, 2023 meeting, agenda item 11 (Executive Officer Communications) included a brief information item regarding the County of Monterey’s current draft farmland mitigation ordinance. As promised at the May meeting, staff is now bringing the overall agricultural mitigation discussion back to the Commission with a focus on a review of LAFCO’s policies and practices.

The attached presentation for June 26 broadly outlines the State mandates, local policies and practices, and key considerations for agricultural preservation and mitigation. The presentation is intended as an initial framework for further discussions of LAFCO’s policies and practices.

Attachment 2 to this report transmits a copy of LAFCO’s current Preservation of Open-Space and Agricultural Lands policy, as adopted by the Commission in 2010. For additional context, Attachment 3 is a summary of the Commission’s full set of policies related to City expansions.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

Attachments:

1. Presentation for June 26, 2023
2. LAFCO's adopted Preservation of Open-Space and Agricultural Lands policy, as adopted in 2010
3. Policies Related to City Sphere of Influence Amendments and Annexation Proposals (selected and excerpted from the full text)

Note:

The full set of LAFCO's adopted policies and procedures is available online at <https://www.co.monterey.ca.us/government/government-links/lafco/policies-procedures>

Adopted City-County Memorandums of Agreement are available online at <https://www.co.monterey.ca.us/government/government-links/lafco/studies-maps> ("City" tab)

LAFCO of Monterey County

LOCAL AGENCY FORMATION COMMISSION

Farmland Preservation and Mitigation: LAFCO's Policies and Practices

June 26, 2023

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LAFCO's Legislative Purposes

- ❖ LAFCOs created in 1963 to fulfill state policy goals/interests
- ❖ Legislative Purposes (Section 56000, *et seq.*)
 - Encourage orderly formation, growth & development of local government agencies
 - Preserve open space and prime agricultural lands
 - Discourage urban sprawl
 - Efficiently provide local government services

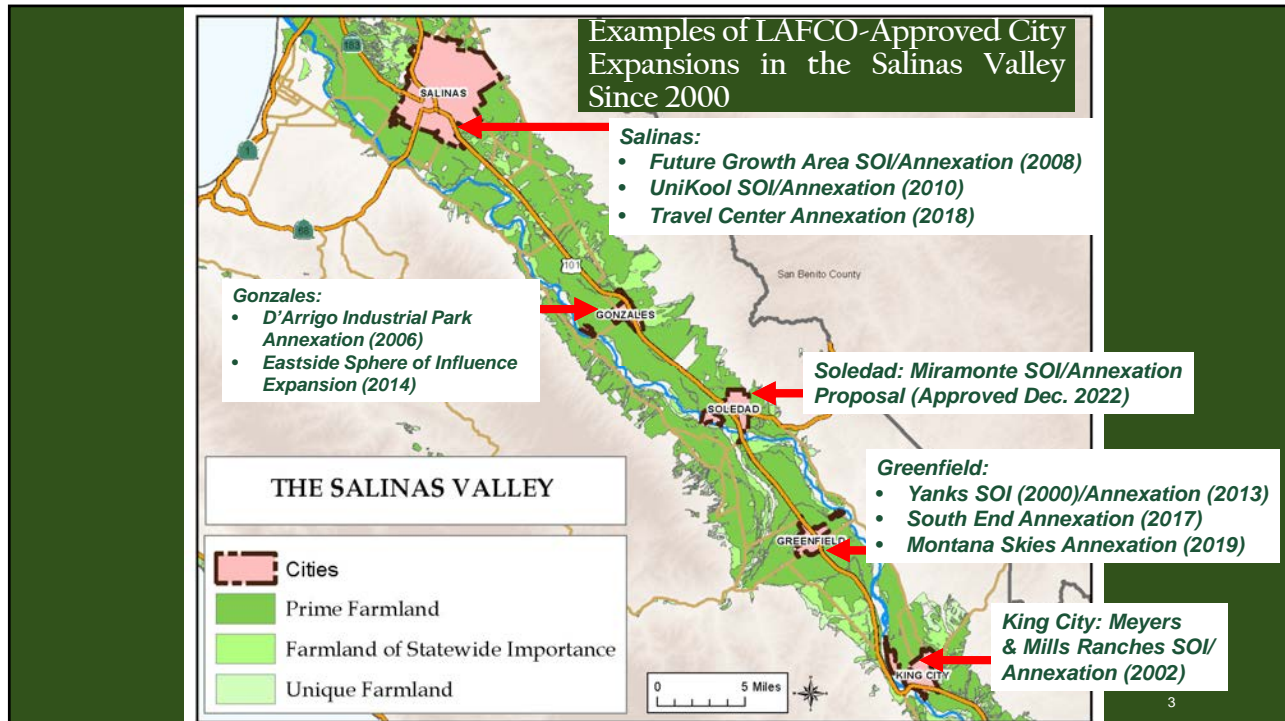
Guide to the
CORTESE–KNOX–HERTZBERG
LOCAL GOVERNMENT
REORGANIZATION ACT OF 2000



Prepared by
Assembly Committee on Local Government
Honorable Cecilia M. Aguiar-Curry, Chair
December 2021

2

2



3

CKH Act Mandates Regarding Farmlands

- ❖ Discourage urban sprawl, and preserve open space and prime agricultural lands (Section 56301)
- ❖ Balance the preservation of open space and agricultural lands, which is a state interest, with the promotion of orderly development (Section 56001)
- ❖ Adopt **local policies** that encourage and provide planned, well-ordered, efficient urban development patterns *with appropriate consideration of preserving open space and agricultural lands* within those patterns (Section 56300 (a))
 - ❖ 1979: Monterey LAFCO adopts an Agricultural Lands Preservation Policy
 - ❖ 2010: Current version adopted



Local Agency Formation Commission of Monterey County

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Monterey LAFCO's Policy Approach

Policy approach: Require proposals to discuss/explain how they meet LAFCO policy objectives and CKH Act mandates for balancing agricultural preservation and orderly development.

- ❖ Monterey LAFCO's adopted policies establish broad objectives, rather than prescribe specific actions or performance standards to meet (such as specific mitigation acreage ratios);
- ❖ Applying conservation easements and buffers to a specific proposal is left to the discretion of the proposer.
- ❖ The burden is on the applicant to show/explain satisfactory compliance.
- ❖ Overall goal: provide flexibility on how a proposal can meet LAFCO's policy objectives
- ❖ Proposals are deemed incomplete if the executive officer determines they do not address LAFCO's policy objectives.
- ❖ The commission may deny, modify, or add terms and conditions to a proposal if the proposal does not satisfy the ag preservation policies to the commission's satisfaction.

Local Agency Formation Commission of Monterey County



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LAFCO's Practices Regarding Ag Mitigation

"Practices": Actions taken by LAFCO in implementing the CKH Act's mandates and Monterey LAFCO's local policies

Key Elements of LAFCO's Practices:

- ❖ Ag mitigation carried out at the time of annexation (LAFCO condition of approval, prior to final recordation of the annexation)
 - ❖ Ag mitigation tied to annexations since the 1990s
- ❖ Direct placement of conservation easements on specific sites: more typical than paying an in-lieu fee to fund acquisition of future easements
- ❖ Flexibility on mitigation acreage ratios, to account for differences in potential easement receiver sites (location/"strategic value," soil quality, level of being subject to likely development pressure, etc.) and to potentially incentivize placing easements on high-value sites
 - ❖ Mitigation generally in a range from 1:1 to 2:1, depending on the circumstances (locations of easement receiver sites, etc.)
 - ❖ 2:1 mitigation as a goal, to enhance the amount of permanently protected farmland

Local Agency Formation Commission of Monterey County



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LAFCO's Practices Regarding Ag Mitigation (cont'd)

Most recent LAFCO approval implementing these practices:

Dec. 2022 Miramonte sphere amendment and annexation to City of Soledad (654 acres)

Condition of approval regarding ag mitigation (applies only to the annexation):

- ❖ "In consultation with, and to the satisfaction of the LAFCO Executive Officer, the applicant and property owner shall identify and propose agricultural conservation easements in the vicinity of the 2016 City-County Memorandum of Agreement's designated Permanent Agricultural Edge or Urban Growth Boundary to the east, south, or west of city limits if suitable easement receiver sites are available, and/or pay in-lieu fees to a qualified land conservation entity to fund future acquisition of conservation easements. The required conservation easements and/or in-lieu fee payment amounts shall apply to lands within the affected territory that are designated as Prime Farmland or Farmland of Statewide Significance on the State of California Department of Conservation's 2018 important farmlands map. The proposed conservation easements and/or in-lieu fee payments, as well as the proposal's related western agricultural buffer easement, shall be executed to the satisfaction of the Executive Officer prior to recordation of the Certificate of Completion."
- ❖ Current status: Approved by LAFCO; annexation component is in condition-compliance phase

Local Agency Formation Commission of Monterey County



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City-County MOAs: A Factor in Implementing Ag Mitigation

Memorandums of Agreement (MOAs) between cities and the County are encouraged as part of determining a city's Sphere of Influence.

Current City-County MOAs:

- ❖ Soledad (2016)
 - ❖ Gonzales (2014)
 - ❖ Greenfield (2013)
- Regarding agricultural mitigation, these MOAs:
1. Anticipated that the City would participate in developing a unified countywide ag mitigation program, or a comprehensive city-specific program, and
 2. Until such time, provided for the City to carry out ag mitigation at a 1:1 ratio.
- ❖ Salinas (2006) – City and County agree to the creation and implementation of agricultural conservation easements (wording is much less specific than the later MOAs)

Local Agency Formation Commission of Monterey County



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Recent County- and City-Led Efforts

County of Monterey Draft Farmland Mitigation Ordinance (2023)

- ❖ Currently in preliminary draft form; County staff is developing the ordinance in meetings with a subcommittee of the County's Agricultural Advisory Committee (AAC).
- ❖ County staff anticipates taking a draft ordinance forward to the full AAC, Planning Commission, and Board of Supervisors later this year.

City of Gonzales - Agricultural Resource Mitigation Ordinance

- ❖ Citywide ordinance, adopted in April 2023

City of Soledad - Miramonte Agricultural Mitigation Plan

- ❖ Miramonte site-specific plan, approved by City Council in May 2022

Local Agency Formation Commission of Monterey County

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Key Policy/Practice Considerations

- ❖ **Timing** of carrying out agricultural mitigation
- ❖ Potential **exemptions** from mitigation requirements
- ❖ Mitigation **ratios**

Local Agency Formation Commission of Monterey County

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Current and Future LAFCO Applications Involving Ag Mitigation

In LAFCO's "condition-of-approval compliance" phase

- ❖ **City of Soledad:** Miramonte 654-acre annexation
*LAFCO approved the proposal in Dec. 2022. Sphere amendment is in effect.
For the annexation, ag mitigation remains under discussion and incomplete.*

Recently filed – May 2023

- ❖ **City of Gonzales:** Gloria Rd Agricultural Cooler 45-acre annexation
Agricultural mitigation is being voluntarily proposed, consistent with LAFCO practices - but not a requirement of the City's own processes.

Anticipated in 2024

- ❖ **City of Salinas:** "Target Area K"/Ferrasci Ranch 140-acre sphere of influence amendment and annexation (*Draft EIR preparation is underway*); Also, potentially other sites identified in the City's 2018 Economic Development General Plan Element
- ❖ **City of Gonzales:** Vista Lucia annexation contemplating approximately 3,500 residential units on 768 acres (*Draft EIR not yet circulated*)



Questions / Discussion



PART E. PRESERVATION OF OPEN-SPACE AND AGRICULTURAL LANDS¹⁹

I. INTRODUCTION

Significant debate exists concerning the authority of a local agency formation commission to adopt policies, rules, regulations, guidelines, or conditions regarding the establishment of “agricultural buffers” or other methods to address the preservation of open space and agricultural lands. The Cortese – Knox – Hertzberg Local Government Reorganization Act (the “Act”), California Government Code section 56000, et seq., is replete with provisions that grant to a local agency formation commission the authority to consider and provide for the preservation of open space and agricultural lands. “Among the purposes of a [local agency formation commission] are discouraging urban sprawl [and] preserving open-space and prime agricultural lands,” Section 56301. Furthermore, “[i]t is the intent of the Legislature that each commission, . . . , shall establish written policies and procedures and exercise its powers pursuant to this part in a manner . . . that encourages and provides planned, well-ordered, efficient urban development patterns *with appropriate consideration of preserving open-space and agricultural lands* within those patterns.” Section 56300 (a) (emphasis added). The Legislature has also declared that the preservation of open-space and prime agricultural lands is a “state interest” to be balanced against the promotion of orderly development. Section 56001.

A local agency formation commission is specifically charged in some instances with protecting open space and agricultural land. For example, an island annexation may not be approved if the island consists of prime agricultural land. Section 56375.3 (b)(5). A local agency formation commission may not approve a change to a Sphere of Influence where the affected territory is subject to a farmland security zone or Williamson Act contract, unless certain conditions exist. Sections 56426 and 56426.5.

In other situations, a local agency formation commission is charged with considering specific circumstances affecting open space or agricultural land when making a decision. For example, when considering a proposal that could reasonably be expected to lead to the conversion of open space lands to non-open space uses, a local agency formation commission must consider guiding such conversion away from prime agricultural land towards non-prime lands. Section 56377s (a) and 56668 (d). In addition, a local agency formation commission should encourage the conversion of open space lands within the jurisdiction or Sphere of Influence of a local agency before approving any proposal that would lead to such conversion outside the jurisdiction or Sphere of Influence of that agency. Sections 56377 (b) and 56668 (d). Finally, a

¹⁹ Part E of the Policies and Procedures was first adopted on January 25, 2010. This Part replaces the “Agricultural Lands Preservation Policy” adopted on November 27, 1979 (Resolution 79-30).

local agency formation commission must consider the “effect of [a] proposal on maintaining the physical and economic integrity of agricultural lands, . . .” Section 56668 (e).

While a local agency formation commission has considerable authority to provide for the preservation of open space and agricultural land, it may not directly regulate land use: “A commission shall not impose any conditions that would directly regulate land use density or intensity, property development, or subdivision requirements.” Section 56375. A local agency formation commission may, however, require that property sought to be annexed be prezoned, although it may not specify how it shall be prezoned. *Id.*

In order to implement the intent and purposes of the Act with respect to the preservation of open-space and agricultural lands, the Local Agency Formation Commission of Monterey County (“LAFCO”) adopts the following policy.

II. POLICY

It is the policy of LAFCO that, consistent with section 56300 (a) of the Act, applications or proposals for a change in organization or reorganization, or for the establishment or any change to a Sphere of Influence or urban service area (hereinafter, “Proposal” or “Proposals”), shall provide for planned, well-ordered, efficient urban development patterns with appropriate consideration of preserving open-space and agricultural lands within those patterns. To implement this policy, it is the further policy of LAFCO that:

1. A Proposal must discuss how it balances the state interest in the preservation of open space and prime agricultural lands against the need for orderly development. (Government Code section 56001.) Proposals that fail to discuss this balance, in the opinion of the executive officer, will be deemed incomplete. Proposals may be denied if they fail to demonstrate to the satisfaction of LAFCO that the need for orderly development is balanced against the preservation of open space and prime agricultural lands.
2. A Proposal must discuss its effect on maintaining the physical and economic integrity of agricultural lands. (Government Code section 56668 (a).) Proposals that fail to discuss their effect, in the opinion of the executive officer, will be deemed incomplete. Proposals may be denied if they fail to demonstrate to the satisfaction of LAFCO that the physical and economic integrity of agricultural lands is maintained.
3. A Proposal must discuss whether it could reasonably be expected to induce, facilitate, or lead to the conversion of existing open-space land to uses other than open-space uses. (Government Code section 56377.) Proposals that fail to discuss potential conversion, in the opinion of the executive officer, will be deemed incomplete. Proposals may be denied if they fail to demonstrate to the satisfaction of LAFCO that: a)

they guide development or use of land for other than open-space uses away from existing prime agricultural lands in open-space use and toward areas containing nonprime agricultural lands (Government Code section 56377 (a)); and b) development of existing vacant or nonprime agricultural lands for urban uses within the existing jurisdiction of a local agency or within the Sphere of Influence of a local agency will occur prior to the development of existing open-space lands for non-open-space uses which are outside of the existing jurisdiction of the local agency or outside of the existing Sphere of Influence of the local agency (Government Code section 56377 (b)).

4. A Proposal must, if applicable, provide for pre-zoning (Government Code section 56375 (a)), and must demonstrate that it is consistent with the General Plans and Specific Plans of the existing local agency and any immediately adjacent local agency (Government Code sections 56375 (a) and 56668 (g)). Proposals may be denied if they are not consistent with such plans, or, if not pre-zoned, if the Proposal does not demonstrate to the satisfaction of LAFCO that the existing development entitlements are consistent with the local agency's plans.

To further these policies, it is the position of LAFCO that agricultural buffers provide an important means to preserve open-space and agricultural lands and preserve the integrity of planned, well-ordered, efficient urban development patterns. Such buffers may be permanent, temporary, or rolling, and may take many forms; easements, dedications, appropriate zoning, streets, or parks, for example. How agricultural buffers are used to further the state policy of preserving open-space and agricultural lands within patterns of planned, well-ordered, efficient urban development is left to the discretion of each local agency; however, Proposals will be judged on how state-wide policies under the Act, and LAFCO adopted policies, with respect to the preservation of open-space and agricultural lands are furthered. Agreements between neighboring local agencies with regard to the preservation of open-space and agricultural lands are encouraged, and such agreements may be incorporated by LAFCO into a Proposal as a condition of approval, or may be required as a condition precedent to approval.

LAFCO of Monterey County – Policies Related to City Sphere of Influence Amendments and Annexation Proposals *(selected and excerpted from the full text)*

Economics, Service Delivery and Development Patterns

- LAFCO shall discourage proposals that would have adverse financial impacts on the provision of governmental services or would create a relatively low revenue base in relationship to the cost of affected services.
- Applications must indicate that the affected agencies have the capability to provide service. Territory shall be annexed to a city or special district only if such agency has or soon will have the capability to provide service.
- LAFCO discourages proposals which will facilitate development that is not in the public interest due to topography, isolation from existing developments, premature intrusion of urban-type developments into a predominantly agricultural area, or other pertinent economic or social reason.

Phasing [of Annexations]

- LAFCO, in furtherance of its objectives of preserving prime agricultural land, containing urban sprawl, and in providing a reasonable assurance of a city/district's ability to provide services shall consider the appropriateness of phasing annexation proposals which include territory that[...] has an expected build-out over a period longer than five to seven years.

Groundwater Standards

- LAFCO will encourage those proposals which comply with adopted water allocation plans as established by applicable cities or water management agencies.
- LAFCO will discourage those boundary change proposals which, when considered individually and after taking into account all mitigation measures to be implemented with the project, still cause a significant adverse impact on the groundwater basin.

Regional Traffic Impacts

- LAFCO shall consider whether the proposal mitigates its regional traffic impacts by, for example, monetary contribution to a regional transportation improvement fund as established by the Transportation Agency of Monterey County or otherwise.

Efficient Urban Development Patterns

- LAFCO shall consider whether the city has included certain goals, policies, and objectives into its General Plan that encourage mixed uses, mixed densities, and development patterns that will result in increased efficiency of land use, and that encourages and provides planned, well-ordered, efficient urban development patterns.

Preservation Of Open-Space and Agricultural Lands

- A Proposal must discuss how it balances the state interest in the preservation of open space and prime agricultural lands against the need for orderly development.
- A Proposal must discuss its effect on maintaining the physical and economic integrity of agricultural lands.
- A Proposal must discuss whether it could reasonably be expected to induce, facilitate, or lead to the conversion of existing open-space land to uses other than open-space uses.
- Agricultural buffers provide an important means to preserve open-space and agricultural lands and preserve the integrity of planned, well-ordered, efficient urban development patterns.

Housing and Jobs

- Proposals must demonstrate through both quantitative and qualitative methods the relationship between the Proposal and the surplus or deficiency of local and county-wide housing supply and demand, and employment availability and creation.
- Additionally, the Proposal must demonstrate how its pattern of land use and transportation complements local and regional objectives and goals for the improvement of air quality and reduction of greenhouse gas (GHG) emissions and local vehicle miles traveled (VMT).

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

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

KATE McKENNA, AICP
Executive Officer

DATE: June 26, 2023
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: **Executive Officer Communications**
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378.

SUMMARY OF RECOMMENDATION:

Receive report for information only.

EXECUTIVE OFFICER'S REPORT:

For the Commission's information, we are reporting on two items.

Correspondence to the City of Salinas

Enclosed is recent correspondence to the City of Salinas regarding a Notice of Preparation of a Draft Environmental Impact Report for the proposed Ferrasci Business Center Specific Plan. The project area is approximately 140 acres north of Salinas, in the vicinity of Harrison Road and Russell Road.

As is staff's practice, we are providing this letter to keep you informed about an important proposal that will likely come before the Commission in 2024.

Presentation to the Soledad City Council

On June 7, Senior Analyst Jonathan Brinkmann provided a presentation to the Soledad City Council pertaining to the Soledad Cemetery District Board policies, protocols and oversight. He responded to questions from the City Council and the public. As communicated to the LAFCO Commission last month, we will perform a study of Soledad-area special districts this year.

Respectfully Submitted,



Kate McKenna, AICP
Executive Officer

Attachment: Correspondence to City of Salinas, 6.6.23.

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

June 6, 2023, via email

Jill Miller, Senior Planner
City of Salinas
65 West Alisal Street, Second Floor
Salinas, CA 93901

Subject: Notice of Preparation of a Draft Program Environmental Impact Report (EIR) for the proposed Ferrasci Business Center Specific Plan

Dear Ms. Miller,

Thank you for this opportunity to comment on the Notice of Preparation of a draft EIR for the planned Ferrasci Business Center Specific Plan. LAFCO appreciates the City's early outreach and consultation with us on this project during our meeting in early May. As additional background, LAFCO previously reviewed and commented on the City's Economic Development Element (EDE) Draft Program EIR in October 2017, which included Target Area K. The planned Ferrasci Business Center Specific Plan Area would comprise approximately 140 acres, 22 acres less than Target Area K evaluated in the EDE Draft Program EIR and in largely the same location. LAFCO, as California Environmental Quality Act (CEQA) responsible agency for this proposal, will have regulatory authority for future boundary changes related to this project. It is in this role that LAFCO will be commenting on the projects' draft EIR, when available.

Potential impacts to agricultural resources

Development of the project would include conversion of approximately one hundred acres of designated Prime Farmland to urban uses. The City's NOP states that the EIR will evaluate potential environmental effects on agricultural resources based on updated information since the EDE EIR, including changes in location and acreage of impacted farmland as well as locations of planned future agricultural buffers. The City's EDE EIR previously evaluated impacts to ag resources, including loss of Prime Farmland resulting from future development within Target Area K and other future development areas. In its EDE EIR, the City identified a mitigation measure, AG-1., requiring payment of an ag land conservation in-lieu fee or dedication of a permanent conservation easement at a ratio of 1:1, to partially mitigate the significant impact to ag resources, and adopted a statement of overriding consideration for these impacts. We encourage the City to develop a project-specific ag preservation/mitigation strategy as part of the project to be evaluated in the draft EIR.

State LAFCO law provides that "Among the purposes of a [LAFCO] are discouraging urban sprawl [and] preserving open-space and prime agricultural lands." Accordingly, LAFCO of Monterey County has adopted local policies that address impacts to, and preservation of, agricultural lands. LAFCO's consistent practice, in accordance with the adopted policies, has been to require that a city annexation application include a specific agricultural mitigation proposal, at the time of submitting the annexation application to LAFCO, to offset the project's impacts to agricultural lands. Such a proposal would most commonly consist of working with a land trust and the County of Monterey to place permanent conservation easements on other agricultural lands in the vicinity.

In summary, in order to comply with LAFCO's adopted policies, the project evaluated in the draft EIR should include a specific preservation/mitigation proposal, whether or not the agricultural mitigation is also required as a CEQA matter. We strongly encourage the City to consult with the County, as the other party to the Greater Salinas Area Memorandum of Understanding, to develop a project-specific ag

mitigation strategy, as well as a plan for addressing the projects' needs for ag buffers, prior to completing the draft EIR.

Other matters relevant to LAFCO's statutory mandates and policy conformance

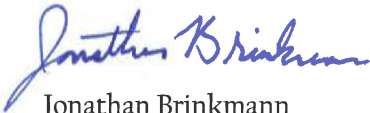
Public services: LAFCO has a statutory role in serving to ensure that new development can feasibly provide the necessary public services.¹ Major investments in infrastructure improvements and expansions will likely be necessary to implement the proposed project to be evaluated in the draft EIR. We suggest that the City include a robust discussion of anticipated facility impacts and needs in the draft EIR Public Services sections, accompanied by supporting financial analysis in the annexation application, to provide support for LAFCO staff's evaluation of the proposal and recommendations to our Commission.

Water demand: LAFCO has a statutory and policy interest in minimizing overdraft in the Salinas Valley groundwater basin. This proposal's compatibility with the plans prepared by the Salinas Valley Basin Groundwater Sustainability Agency pursuant to the Sustainable Groundwater Management Act will be an important consideration for future discussions prior to the Commission's consideration of this proposal.

LAFCO locally adopted policy conformance: We request that the draft EIR include an analysis of the proposal's conformance to the full set of LAFCO's adopted policies, to the extent such analysis is possible with the information currently available about anticipated future development of the specific plan area. LAFCO's adopted policies and procedures are available on LAFCO's website: <https://www.co.monterey.ca.us/home/showpublisheddocument/118535/638083554390330000>

Thank you for your attention to the matters identified in this letter. Please continue to keep us informed throughout your process. We look forward to continuing to work with the City on this future sphere of influence and annexation proposal. As always, please feel free to contact me at brinkmannj@monterey.lafco.ca.gov or 755-5121 if you have any questions, or for further discussions.

Sincerely,



Jonathan Brinkmann
Senior Analyst

¹ Among other considerations, State Law specifies that LAFCO must consider “the ability of the newly formed or receiving entity to provide the services that are the subject of the application to the area, *including the sufficiency of revenues for those services following the proposed boundary change.*” (Government Code section 56668, emphasis added).