



VENTURA LOCAL AGENCY FORMATION COMMISSION

MEETING AGENDA

Wednesday March 21, 2012

9:00 A.M.

Hall of Administration, Board of Supervisors Hearing Room
800 S. Victoria Avenue, Ventura CA

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Commission Presentations and Announcements
5. Election of Officers for 2012
 - a. Chair
 - b. Vice Chair

PUBLIC COMMENTS

6. This is an opportunity for members of the public to speak on items not on the agenda.

(The Ventura Local Agency Formation Commission encourages all interested parties to speak on any issue on this agenda in which they have an interest; or on any matter subject to LAFCo jurisdiction. It is the desire of LAFCo that its business be conducted in an orderly and efficient manner. All speakers are requested to fill out a Speakers Card and submit it to the Clerk before the item is taken up for consideration. All speakers are requested to present their information to LAFCo as succinctly as possible. Members of the public making presentations, including oral and visual presentations, may not exceed five minutes unless otherwise increased or decreased by the Chair, with the concurrence of the Commission, based on the complexity of the item and/or the number of persons wishing to speak. Speakers are encouraged to refrain from restating previous testimony.)

COMMISSIONERS AND STAFF

COUNTY: Kathy Long Linda Parks <i>Alternate:</i> Steve Bennett	CITY: Carl Morehouse Janice Parvin, Vice Chair <i>Alternate:</i> Carol Smith	DISTRICT: Elaine Freeman Gail Pringle <i>Alternate:</i> Bruce Dandy	PUBLIC: Lou Cunningham, Chair <i>Alternate:</i> Linda Ford-McCaffrey	
Executive Officer: Kim Uhlich	Dep. Exec. Officer Kai Luoma, AICP	Office Mgr/Clerk Debbie Schubert	Office Assistant Martha Escandon	Legal Counsel Michael Walker

CONSENT ITEMS

- 7. Minutes of the Ventura LAFCo January 18, 2012 Regular Meeting
- 8. LAFCo 12-01 Calleguas Municipal Water District Annexation – Paseo Nuevo
- 9. Budget to Actual Reports: December 2011 and January 2012

RECOMMENDED ACTION: Approval Items 7 and 8
Receive and File Item 9

ACTION ITEMS

- 10. LAFCo FY 2010-11 Audit Report
A presentation by Vavrinek, Trine, Day & Co., LLP regarding their audit of the FY 2010-11 LAFCo financial statements.

RECOMMENDED ACTION: Receive and File

- 11. Amendments to the Ventura LAFCo Commissioner’s Handbook

RECOMMENDED ACTION: Approval

- 12. Presentation by Legal Counsel on Commissioners' Independent Judgment (Materials to be Provided at Meeting)

RECOMMENDED ACTION: Receive and File

INFORMATIONAL ITEMS

Proposals Received:

LAFCo 12-02 Camarillo Sanitary District Annexation – Mass Annexation
LAFCo 12-03 Ojai Valley Sanitary District Annexation – 905 Mesa Drive

EXECUTIVE OFFICER’S REPORT

COMMISSIONER COMMENTS

ADJOURNMENT

WEB ACCESS:

**LAFCo Agendas, Staff Reports
and Adopted Minutes can be found at:
www.ventura.lafco.ca.gov**

Written Materials - Written materials relating to items on this Agenda that are distributed to the Ventura Local Agency Formation Commission within 72 hours before they are scheduled to be considered will be made available for public inspection at the LAFCo office, 800 S. Victoria Avenue, Administration Building, 4th Floor, Ventura, CA 93009-1850, during normal business hours. Such written materials will also be made available on the Ventura LAFCo website at www.ventura.lafco.ca.gov, subject to staff's ability to post the documents before the meeting.

Public Presentations - Except for applicants, public presentations may not exceed five (5) minutes unless otherwise increased or decreased by the Chair, with the concurrence of the Commission. Any comments in excess of this limit should be submitted in writing at least ten days in advance of the meeting date to allow for distribution to, and full consideration by, the Commission. Members of the public who wish to make audio-visual presentations must provide and set up their own hardware and software. Set up of equipment must be complete before the meeting is called to order. All audio-visual presentations must comply with the applicable time limit for oral presentations and thus should be planned with flexibility to adjust to any changes to the time limit established by the Chair. For more information about these policies, please contact the LAFCo office.

Quorum and Voting – The bylaws for the Ventura LAFCo Commissioner's Handbook provide as follows:

1.1.6.1 Quorum: Four (4) members shall constitute a quorum for the transaction of business, but a lesser number may adjourn from time to time.

1.1.6.2 Voting: Unless otherwise provided by law or these By-Laws, four affirmative votes are required to approve any proposal or other action. A tie vote, or any failure to act by at least four affirmative votes, shall constitute a denial.

Americans with Disabilities Act - In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the LAFCo office (805) 654-2576. Notification 48 hours prior to the meeting will enable LAFCo to make reasonable arrangements to ensure accessibility to this meeting.

Disclosure of Campaign Contributions - LAFCo Commissioners are disqualified and are not able to participate in any proceeding involving an "entitlement for use" if, within the 12 months preceding the LAFCo decision, the Commissioner received more than \$250 in campaign contributions from the applicant, an agent of the applicant, or any financially interested person who actively supports or opposes the LAFCo decision on the matter. Applicants or agents of applicants who have made campaign contributions totaling more than \$250 to any LAFCo Commissioner in the past 12 months are required to disclose that fact for the official record of the proceeding.

Disclosures must include the amount of the contribution and the recipient Commissioner and may be made either in writing to the Clerk of the Commission prior to the hearing or by an oral declaration at the time of the hearing.

The foregoing requirements are set forth in the Political Reform Act of 1974, specifically Government Code, section 84308.



VENTURA LOCAL AGENCY FORMATION COMMISSION

STAFF REPORT

Meeting Date: March 21, 2012

Agenda Item 5

TO: LAFCo Commissioners
FROM: Kim Uhlich, Executive Officer
SUBJECT: Election of Officers for 2012

RECOMMENDATION:

- A. Elect a Chair
- B. Elect a Vice Chair

DISCUSSION:

Section 1.1.4 of the Commission’s Handbook (attached) provides for both the Chair and Vice Chair to serve one-year terms of office commencing on the third Wednesday of January. The bylaws further provide for the officers to be rotated, “so that a member of each of the four represented groups of LAFCo serves one full year in every four-year period.” For 2012 a City Member should serve as Chair and a Special District Member should serve as Vice Chair.

Given that one of the LAFCo city member terms had expired as of the January 2012 LAFCo meeting and was not scheduled to be filled until after that meeting, staff postponed scheduling the Chair/Vice Chair election to the subsequent (March) meeting. As this is not the first instance in which at least one of the terms of the members eligible to be elected as Chair or Vice Chair was expired at the time of the January meeting, staff is recommending as part of a separate agenda item (item # 11) that Section 1.1.4 of the Handbook be amended to allow flexibility in scheduling the election of officers as circumstances require.

Attachment: Commissioner’s Handbook, Chapter 1, Section 1.1.4

COMMISSIONERS AND STAFF

COUNTY: Kathy Long Linda Parks <i>Alternate:</i> Steve Bennett	CITY: Carl Morehouse Janice Parvin, Vice Chair <i>Alternate:</i> Carol Smith	DISTRICT: Elaine Freeman Gail Pringle <i>Alternate:</i> Bruce Dandy	PUBLIC: Lou Cunningham, Chair <i>Alternate:</i> Linda Ford-McCaffrey	
Executive Officer: Kim Uhlich	Dep. Exec. Officer Kai Luoma, AICP	Office Mgr/Clerk Debbie Schubert	Office Assistant Martha Escandon	Legal Counsel Michael Walker



VENTURA LOCAL AGENCY FORMATION COMMISSION

(A portion of the Ventura LAFCo By-laws relating to Officers of the Commission)

SECTION 1.1.4 OFFICERS

1.1.4.1 Chair: The Chair shall be selected by the members. The Chair shall serve as Chair for one year or until his/her successor is selected. The Chair's term of office shall begin the third Wednesday in January.

The office of Chair shall be rotated so that a member of each of the four represented groups of LAFCo serves one full year in every four-year period. Commencing January of 2002, the rotation of the chair shall be in the following sequence: County, Public, City, and Special District member.

1.1.4.2 Vice-Chair: The Vice-Chair shall be selected by the members. The Vice Chair shall serve as Vice-Chair for one year or until his/her successor is selected. The Vice-Chair's term of office shall begin the third Wednesday in January. In the absence of the Chair, the Vice-Chair shall serve in place of the Chair.

The office of Vice-Chair shall be rotated so that a member of each of the four represented groups of LAFCo serves one full year in every four-year period. In January 2002, the rotation of the vice-chair shall be in the following sequence: Public, City, Special District, and County member.



VENTURA LOCAL AGENCY FORMATION COMMISSION

MEETING MINUTES

Wednesday January 18, 2012

Agenda Item 7

Hall of Administration, Board of Supervisors Hearing Room
800 S. Victoria Avenue, Ventura

1. Call to Order
Chair Cunningham called the meeting to order at 9:00 AM
2. Pledge of Allegiance
Chair Cunningham led the pledge of allegiance.
3. Roll Call
The clerk called the roll. The following Commissioners were present:

Commissioner Cunningham	Commissioner Parks
Commissioner Freeman	Commissioner Parvin
Commissioner Long	Commissioner Pringle
Commissioner Morehouse	Alternate Commissioner Dandy
4. Commission Presentations and Announcements
Commissioner Freeman announced that Bill Chiat, Executive Director for CALAFCO, was scheduled to speak at the Ventura County Special Districts Association meeting on February 7 and welcomed others to attend.

PUBLIC COMMENTS

5. This is an opportunity for members of the public to speak on items not on the agenda.
There were no public comments

CONSENT ITEMS

6. Minutes of the Ventura LAFCo November 16, 2011 Regular Meeting
7. Fiscal Year 2011-12 Budget to Actual Reports: October and November 2011
MOTION: Approval as Recommended: Morehouse
SECOND: Pringle
AYES: Commissioners Cunningham, Freeman, Long, Morehouse, Parks, Parvin, Pringle
NOES: None
ABSTAINED: None
MOTION PASSES 7/0/0

COMMISSIONERS AND STAFF

<u>COUNTY</u>	<u>CITY</u>	<u>DISTRICT</u>	<u>PUBLIC</u>
Kathy Long	Carl Morehouse	Elaine Freeman	Lou Cunningham, Chair
Linda Parks	Janice Parvin, Vice Chair	Gail Pringle	
<i>Alternate:</i>	<i>Alternate:</i>	<i>Alternate:</i>	<i>Alternate:</i>
Steve Bennett	Carol Smith	Bruce Dandy	Linda Ford-McCaffrey
Executive Officer:	Dep. Exec. Officer	Office Mgr/Clerk	Office Assistant
Kim Uhlich	Kai Luoma, AICP	Debbie Schubert	Martha Escandon
			Legal Counsel
			Michael Walker

ACTION ITEMS

8. Appointment of Alternate Public Member

Kim Uhlich presented the staff report noting that ad hoc committee members Commissioners Long, Morehouse and Alternate Commissioner Dandy recommended that the Commission appoint Linda Ford-McCaffrey to fill the Alternate Public Member seat vacated by Ken Hess. The Alternate Public Member term expires January 1, 2013.

MOTION: Appoint Linda Ford-McCaffrey as recommended: Parks

SECOND: Parvin

AYES: Commissioners Cunningham, Freeman, Long, Morehouse, Parks, Parvin, Pringle

NOES: None

ABSTAINED:None

MOTION PASSES 7/0/0

The Commission took a five minute recess while Linda Ford-McCaffrey took an oath of office. She was then seated as the Alternate Public Member.

9. Proposed Changes to Government Code 56133

Kim Uhlich presented the staff report. The following person spoke opposing CALAFCO's recommended changes: Russ Baggerly

MOTION: Direct staff to draft and send a letter to CALAFCO indicating that they do not support the proposed changes to Government Code 56133: Morehouse

SECOND: Parvin

AYES: Commissioners Cunningham, Freeman, Long, Morehouse, Parks, Parvin, Pringle

NOS: None

ABSTAINED:None

MOTION PASSES 7/0/0

10. Cancel the February 15, 2012 LAFCo Regular Meeting

Kim Uhlich presented the staff report.

MOTION: Approval as recommended: Parks

SECOND: Long

AYES: Commissioners Cunningham, Freeman, Long, Morehouse, Parks, Parvin, Pringle

NOS: None

ABSTAINED:None

MOTION PASSES 7/0/0

PUBLIC HEARING ITEMS

11. Bardsdale Cemetery District Sphere of Influence Review/Update
Chair Cunningham opened the public hearing. Kim Uhlich presented the staff report recommending that the Commission determine that no update or municipal service review was necessary. With no one wishing to speak on the item, Chair Cunningham closed the public hearing.

MOTION: Approval as recommended: Morehouse
SECOND: Long
AYES: Commissioners Cunningham, Freeman, Long, Morehouse, Parks, Parvin, Pringle
NOS: None
ABSTAINED: None
MOTION PASSED 7/0/0

EXECUTIVE OFFICER’S REPORT

Kim Uhlich reminded the Commission that the City Selection Committee was scheduled to meet on January 20 to select a LAFCo City member and a LAFCo Alternate City member as the terms for Commissioner Parvin and Alternate Commissioner Smith expired January 1, 2012. She mentioned that she planned to attend. She also encouraged everyone to visit the new Ventura LAFCo website that was launched earlier in the week.

COMMISSIONER COMMENTS

Chair Cunningham welcomed Linda Ford-McCaffrey and announced that the CALAFCO Executive Board was scheduled to meet February 10 in Irvine. He indicated that he plans to attend and offered to forward any comments that others may have. The Commission encouraged Kim Uhlich to attend the CALAFCO legislative committee meeting in Sacramento.

ADJOURNMENT

Chair Cunningham adjourned the meeting at 10:14 a.m.

These Minutes were approved on March 21, 2012	
Motion:	Second:
Ayes:	
Nos:	
Abstains:	

Date	Chair, Ventura Local Agency Formation Commission



VENTURA LOCAL AGENCY FORMATION COMMISSION

STAFF REPORT

Meeting Date: March 21, 2012

Agenda Item 8

LAFCo CASE NAME & NO: LAFCo 12-01 Calleguas Municipal Water District Annexation – Paseo Nuevo

PROPOSAL: To annex three Assessor parcels, totaling approximately 4.9 acres, to the District in order to provide potable water service to a 72-unit multi-family development approved by the City of Oxnard.

SIZE: Approximately 4.9 acres

LOCATION: 5655 and 5667 Cypress Road within the City of Oxnard. The site is also within the District sphere of influence.

PROPONENTS: Calleguas Municipal Water District by resolution.

NOTICE: This matter has been noticed as prescribed by law.

PARCEL INFORMATION:

Assessor's Parcel Numbers	Owner/Assessee
222-0-070-110	Paseo Nuevo Partners LLC (as of September 15, 2011)
222-0-070-185	
222-0-070-190	

RECOMMENDATION:

Adopt the attached resolution LAFCo 12-01 making determinations and approving the Calleguas Municipal Water District Annexation – Paseo Nuevo

COMMISSIONERS AND STAFF

COUNTY:
Kathy Long
Linda Parks
Alternate:
Steve Bennett

CITY:
Carl Morehouse
Janice Parvin, Vice Chair
Alternate:
Carol Smith

DISTRICT:
Elaine Freeman
Gail Pringle
Alternate:
Bruce Dandy

PUBLIC:
Lou Cunningham, Chair
Alternate:
Linda Ford-McCaffrey

Executive Officer:
Kim Uhlich

Dep. Exec. Officer
Kai Luoma, AICP

Office Mgr/Clerk
Debbie Schubert

Office Assistant
Martha Escandon

Legal Counsel
Michael Walker

GENERAL ANALYSIS

1. Land Use

Site Information

The proposal area is within the City of Oxnard. The City's General Plan designates the site as Low-Medium Density Residential and is zoned Multi-Family Residential Planned Development (R-2-PD). The site is currently vacant, however in June 2011 the City approved entitlements for the construction of 72 multi-family residential units, all of which are to be made affordable to low income households.

Conformity with Plans

The approved multi-family development is consistent with the City's General Plan and zoning designations.

Surrounding Land Uses, Zoning, and General Plan Designations

The proposal area abuts multi-family residential development to the south, single family residential development to the west, a mobile home park to the north, and a commercial greenhouse operation to the east. The proposal will not affect adjacent uses or zoning.

Topography, Natural Features and Drainage

The site is generally flat and drains east to the adjacent street. There are no natural features.

2. Impact on Prime Agricultural Land, Agriculture, and Open Space

Prior to approval of entitlements for the multi-family project, the site contained approximately 20 single family residences, which have since been razed. The site has been developed with urban uses for some time and is not considered to be agricultural land or open space.

3. Population

According to the County of Ventura Registrar of Voters, there are fewer than 12 registered voters in the proposal area. As such, the proposal area is considered to be uninhabited under the provisions of LAFCo law relating to protest proceedings.

4. Services and Controls – Need, Cost, Adequacy and Availability

The proposal area is located within the service area of the Cypress Mutual Water Company. Staff understands that the water company was providing water to the residences which previously occupied the site. The City of Oxnard will provide potable water service to the approved multi-family development. As such, the proposal area must be brought within Calleguas boundaries, as Calleguas is a wholesale water provider for the City. Calleguas has indicated that it has adequate

water supply to serve the approved development. City water mains are located less than 100 feet from the proposal area.

5. Boundaries and Lines of Assessment

The boundaries are definite and certain. The maps and legal descriptions for this proposal have been forwarded to the County Surveyor but have not yet been certified as being accurate and sufficient for the preparation of a Certificate of Completion pursuant to Government Code Section 57201 and for filing with the State Board of Equalization. As such, the attached Resolution includes a condition that predicates recordation of a Certificate of Completion (completion of annexation proceedings) upon the approval of a map and legal description by the County Surveyor.

6. Assessed Value, Tax Rates and Indebtedness

The assessed land value of each parcel per the 2011 - 2012 tax roll is:

Assessor's Parcel No.	Assessed Value	Tax Rate Area	Tax rate per \$100 of value
222-0-070-110	\$ 100,000	03161	1.150337
222-0-070-185	\$ 815,000	03127	1.150337
222-0-070-190	\$ 900,000	03161	1.150337

According to the County Assessor's Office, upon annexation the proposal area will be assigned to tax rate area 03075, which has a tax rate of 1.154037 per \$100 of value.

7. Environmental Impact of the Proposal

Staff has determined that the proposal is categorically exempt from CEQA pursuant to Sections 15192 and 15194 of the CEQA Guidelines. These sections exempt housing projects which, in part, are less than 5 acres in size, within an urbanized area, adjacent to urban uses, have fewer than 100 units that are to be made affordable to low-income households for a period of at least 30 years, are consistent with the General Plan and zoning, and will not impact any natural resources or cause exposure to health and safety risks. The City of Oxnard has represented in its resolutions approving the multi-family development that the project meets all of the criteria outlined in Sections 15192 and 15194.

8. Regional Housing Needs

The proposal area is identified as a site for low-income affordable housing in the City's Draft Housing Element. Though the City's Draft Housing Element has not been certified by the Department of Housing and Urban Development and is out of compliance with state law, the proposal will allow for the development of 72 units of

low-income affordable housing. However, regardless of whether the Housing Element is certified, the proposal will help the City to achieve its regional housing needs allocation for low income units.

9. Environmental Justice

There are no communities adjacent to the proposal area that do not already receive a full range of urban services. Staff has determined that approval of the proposal would not result in the unfair treatment of any person based on race, culture or income with respect to the provision of municipal services to the proposal area.

COMMISSION PROCEEDINGS – PROCESS CONSIDERATIONS

In the case of uninhabited territory, the Commission may consider a proposal without notice or hearing if all landowners within the affected territory have provided written consent to the change of organization. In addition, the Commission may waive protest proceedings entirely if both of the following apply:

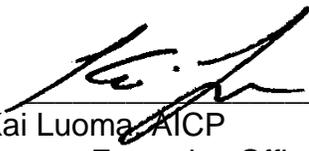
- All landowners within the affected territory have given written consent to the change of organization, and
- No subject agency has submitted written opposition to a waiver of protest proceedings.

Written consent to the proposal from the property owners has been provided. In addition, no written opposition to a waiver of protest proceedings from a subject agency has been submitted to date. In consideration of these facts, the Commission's consideration of the proposal is not subject to a public hearing and, should the Commission approve the proposal, it is recommended that the Commission waive protest proceedings.

ALTERNATIVE ACTIONS AVAILABLE:

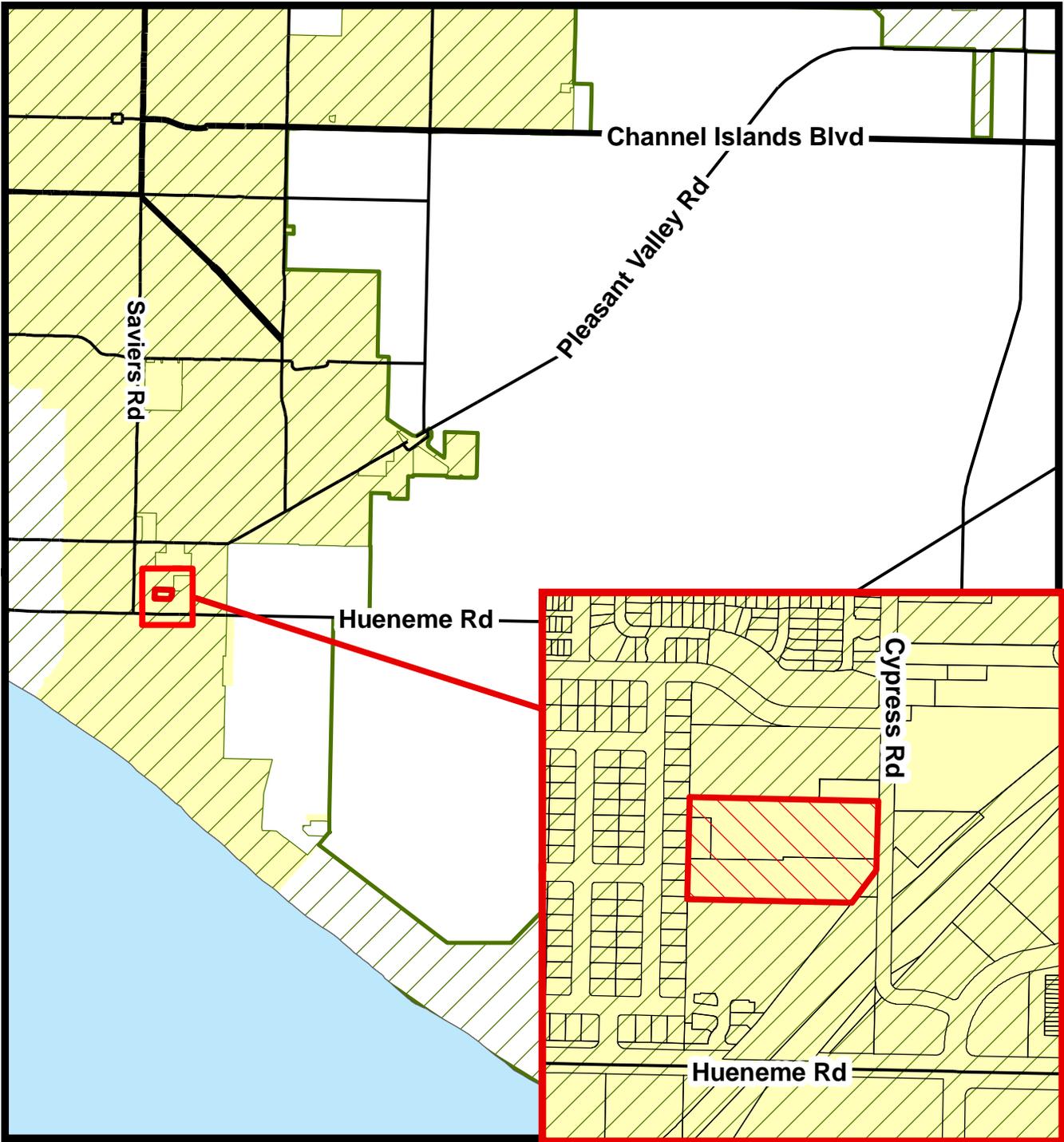
- A. If the Commission, following public testimony and review of the materials submitted, determines that further information is necessary, a motion to continue the annexation proposal should state specifically the type of information desired and specify a date certain for further consideration.
- B. If the Commission, following public testimony and review of the materials submitted, determines that the boundaries of the annexation proposal should be modified, or that the proposal should be approved subject to any changes or additions to the terms and conditions recommended, a motion to approve should clearly specify any boundary changes and/or any changes or additions to the terms and conditions of approval.
- C. If the Commission, following public testimony and review of the materials submitted, wishes to deny or modify the annexation proposal, a motion to deny or

modify should include direction that the matter be continued to the next meeting and that staff prepare a new report consistent with the evidence submitted and the anticipated decision.

BY: 
Kai Luoma, AICP
Deputy Executive Officer

Attachments: (1) Vicinity Map *
(2) LAFCo 12-01 Resolution

* LAFCo makes every effort to offer legible map files with the online and printed versions of our reports, however sometimes the need to reduce oversize original maps and/or other technological/software factors can compromise readability. Original maps are available for viewing at the LAFCo office by request.



LAFCo 12-01
 Calleguas Municipal Water District Annexation -
 Paseo Nuevo



Legend

-  LAFCo 12-01 Proposal Area
-  Calleguas Municipal Water District
-  Calleguas MWD Sphere of Influence
-  City of Oxnard



VENTURA LOCAL AGENCY
 FORMATION COMMISSION

LAFCO 12-01

**RESOLUTION OF THE VENTURA LOCAL AGENCY
FORMATION COMMISSION MAKING DETERMINATIONS
AND APPROVING THE CALLEGUAS MUNICIPAL WATER
DISTRICT ANNEXATION – PASEO NUEVO**

WHEREAS, the above-referenced proposal has been filed with the Executive Officer of the Ventura Local Agency Formation Commission (LAFCo or Commission) pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Section 56000 et seq. of the California Government Code); and

WHEREAS, at the times and in the manner required by law, the Executive Officer gave notice of the proposal; and

WHEREAS, the proposal was duly considered on March 21, 2012; and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony for and against the proposal including, but not limited to, the LAFCo Staff Report and recommendation, the environmental determination, spheres of influence and applicable local plans and policies; and

WHEREAS, all landowners within the affected territory have consented to the proposal; and

WHEREAS, proof has been given to the Commission that the affected territory has fewer than 12 registered voters and is considered uninhabited; and

WHEREAS, information satisfactory to the Commission has been presented that no subject agency has submitted written opposition to the proposal; and

WHEREAS, the Commission finds the proposal to be in the best interest of the landowners and present and future inhabitants within the Calleguas Municipal Water District, and within the affected territory, and the organization of local governmental agencies within Ventura County;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Ventura Local Agency Formation Commission as follows:

- (1) The LAFCo Staff Report and recommendation for approval dated March 21, 2012 are adopted.
- (2) The Commission finds that the proposal will lead to planned, orderly, and efficient development.
- (3) The change of organization is hereby approved, and the boundaries are established as generally set forth in the attached Exhibit A.

- (4) The affected territory is uninhabited as defined by Government Code §56046.
- (5) The subject proposal is assigned the following distinctive short form designation: **LAFCO 12-01 CALLEGUAS MUNICIPAL WATER DISTRICT ANNEXATION – PASEO NUEVO.**
- (6) In accordance with staff's determination that the subject proposal is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15192 and 15194 of the CEQA Guidelines, the Commission hereby finds the change of organization to be categorically exempt.
- (7) The Commission directs staff to file a Notice of Exemption under Section 15062 of the CEQA Guidelines.
- (8) The Commission waives conducting authority proceedings pursuant to Government Code § 56663.
- (9) **This change of organization shall not be recorded until all LAFCo fees have been paid and until fees necessary for filing with the State Board of Equalization have been submitted to the Executive Officer.**
- (10) **This annexation shall not be recorded until maps and legal descriptions consistent with this approval have been approved by the Ventura County Surveyor.**

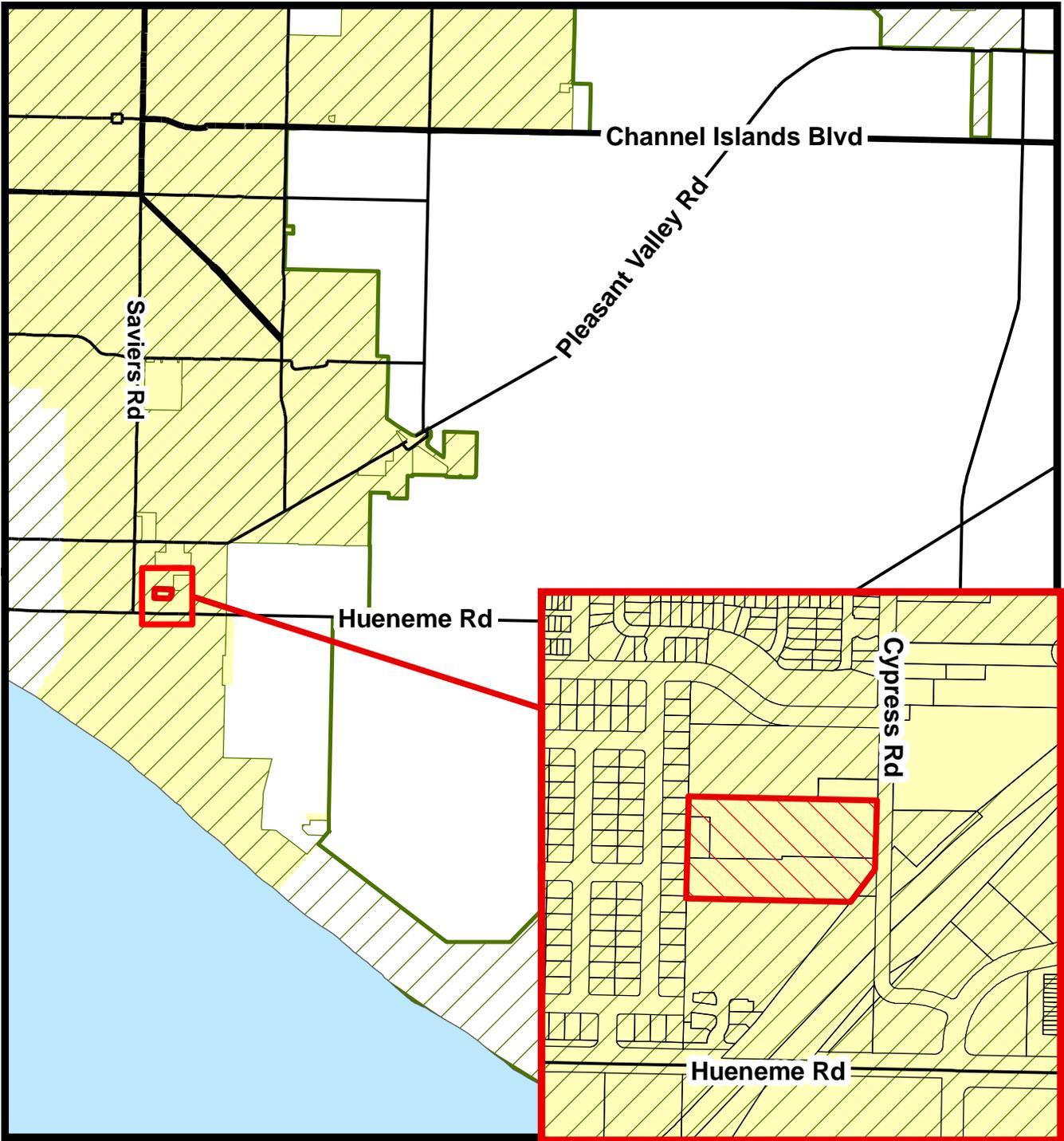
This resolution was adopted on March 21, 2012.

	AYE	NO	ABSTAIN	ABSENT
Commissioner Cunningham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Long	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Freeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Morehouse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parvin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Pringle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Bennett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Dandy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Ford-McCaffrey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated: _____
Chair, Ventura Local Agency Formation Commission

Attachments: Exhibit A

Copies: Calleguas Municipal Water District
City of Oxnard
Ventura County Assessor
Ventura County Auditor
Ventura County Surveyor
Ventura County Planning
Ventura County Elections-Registrar of Voters



LAFCo 12-01
 Calleguas Municipal Water District Annexation -
 Paseo Nuevo



Legend

-  LAFCo 12-01 Proposal Area
-  Calleguas Municipal Water District
-  Calleguas MWD Sphere of Influence
-  City of Oxnard



VENTURA LOCAL AGENCY
 FORMATION COMMISSION



STAFF REPORT

Ventura Local Agency Formation Commission

Meeting Date: March 21, 2012

(Consent)

Agenda Item 9

TO: LAFCo Commissioners

FROM: Kim Uhlich, Executive Officer 

SUBJECT: FY 2011-12 Budget to Actual Reports – December 2011 and January 2012

RECOMMENDATION:

Receive and file the Budget to Actual reports for December 2011 and January 2012.

DISCUSSION:

Pursuant to the Commissioner's Handbook policies, the Executive Officer is to provide monthly budget reports to the Commission as soon as they are available. The attached reports, which have been prepared with the assistance of the County Auditor-Controller staff, reflect revenue and expenditures for December and January of the 2011-2012 Fiscal Year.

The December Budget to Actual report (Attachment 1) reflects a transfer of \$1,000 from Transportation Charges ISF (account code 2521) to Motorpool ISF (account code 2528). This was necessary to accommodate a change in invoicing practices by the County GSA Transportation Division associated with charges for the use of non-assigned County vehicles.

As reflected in Attachments 1 and 2 and as noted in previous reports, actual Other Revenue-Miscellaneous (account code 9772) continues to be well below budget projections. As of the end of January, the amount of actual miscellaneous revenue received is \$20,653.46, which represents approximately 32% of the budgeted amount. Although actual total revenue received in FY 2010-11 significantly exceeded budget projections, staff does not anticipate such a positive outcome for FY 2011-12.

COMMISSIONERS AND STAFF

COUNTY:
Kathy Long
Linda Parks
Alternate:
Steve Bennett

CITY:
Carl Morehouse
Janice Parvin, Vice Chair
Alternate:
Carol Smith

DISTRICT:
Elaine Freeman
Gail Pringle
Alternate:
Bruce Dandy

PUBLIC:
Lou Cunningham, Chair
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Executive Officer:
Kim Uhlich

Dep. Exec. Officer
Kai Luoma, AICP

Office Mgr/Clerk
Debbie Schubert

Office Assistant
Martha Escandon

Legal Counsel
Michael Walker

As long as the recovery of the overall economy continues to lag and the LAFCo funding agencies continue to face ongoing revenue shortfalls, financing the operation of LAFCo will become more challenging. In an effort to reduce operating costs, the FY 2012-13 recommended Proposed Budget, which will be presented to the Commission at the April 18 LAFCo meeting, will reflect a reduction in current staffing levels.

Attachments: (1) Budget to Actual Report December 2011
(2) Budget to Actual Report January 2012

BUDGET TO ACTUAL FY 2011-12
YEAR TO DATE ENDING DECEMBER 31, 2011 (50.00% of year)
Fund 7920, Organization 8950

Summary	Budget	Adj. Budget	To Date
Estimated Sources	766,598	766,598	714,560
Appropriations	766,598	766,598	302,791

Account Number	Title	BUDGET			ACTUAL YTD			Variance Favorable (Unfavorable)	
		Budget	Proposed Adjustments	Adjusted Budget	Actual	Encumbered	Total Revenue/Obligation		
FUND BALANCE									
	Beginning Balance	377,796		377,796	377,796.00		377,796.00	0.00	
5331	Committed	100,000		100,000	100,000.00		100,000.00	0.00	
5395	Unassigned	154,983		154,983	154,983.00		154,983.00	0.00	
5395	Unassigned - Appropriated	122,813		122,813	122,813.00		122,813.00	0.00	
REVENUE									
8911	Interest Earnings	8,000		8,000	1,258.06		1,258.06	(6,741.94)	16%
9372	Other Governmental Agencies	570,285		570,285	570,285.00		570,285.00	0.00	100%
9772	Other Revenue - Miscellaneous	65,500		65,500	20,203.46		20,203.46	(45,296.54)	31%
	Total Revenue	643,785	0	643,785	591,746.52		591,746.52	(52,038.48)	92%
	TOTAL SOURCES	766,598	0	766,598	714,559.52	0.00	714,559.52	(52,038.48)	93%
EXPENDITURES									
1101	Regular Salaries	337,000		337,000	159,366.68		159,366.68	177,633.32	47%
1106	Supplemental Payments	13,000		13,000	5,808.88		5,808.88	7,191.12	45%
1107	Term/Buydown	17,000		17,000	4,869.26		4,869.26	12,130.74	29%
1121	Retirement Contribution	66,000		66,000	29,283.40		29,283.40	36,716.60	44%
1122	OASDI Contribution	20,000		20,000	7,645.09		7,645.09	12,354.91	38%
1123	FICA - Medicare	5,200		5,200	2,479.67		2,479.67	2,720.33	48%
1124	Safe Harbor	1,750		1,750	802.12		802.12	947.88	46%
1141	Group Insurance	27,100		27,100	12,677.92		12,677.92	14,422.08	47%
1142	Life Ins/Dept. Heads & Mgmt.	400		400	85.00		85.00	315.00	21%
1143	State Unempl	700		700	322.71		322.71	377.29	46%
1144	Management Disability Ins.	2,400		2,400	369.15		369.15	2,030.85	15%
1165	Worker Compensation Ins	2,600		2,600	1,205.62		1,205.62	1,394.38	46%
1171	401K Plan	13,000		13,000	4,902.40		4,902.40	8,097.60	38%
	Salaries and Benefits	506,150	0	506,150	229,817.90	0.00	229,817.90	276,332.10	45%
2033	Voice/Data ISF	5,000		5,000	1,379.71		1,379.71	3,620.29	28%
2071	General Insurance Alloca - ISF	2,500		2,500	1,093.00		1,093.00	1,407.00	44%
2125	Facil/Matls Sq. Ft. Alloc. - ISF	17,000		17,000	7,209.00		7,209.00	9,791.00	42%
2128	Other Maint	500		500	0.00		0.00	500.00	0%
2141	Memberships & Dues	6,300		6,300	6,271.00		6,271.00	29.00	100%
2154	Education Allowance	2,000		2,000	2,000.00		2,000.00	0.00	100%
2158	Indirect Cost Recovery	20,107		20,107	10,054.00		10,054.00	10,053.00	50%
2172	Books & Publications	700		700	439.53		439.53	260.47	63%
2174	Mail Center - ISF	3,000		3,000	1,507.55		1,507.55	1,492.45	50%
2176	Purchasing Charges - ISF	500		500	44.38		44.38	455.62	9%
2177	Graphics Charges - ISF	5,500		5,500	188.99		188.99	5,311.01	3%
2178	Copy Machine Charges - ISF	400		400	154.77		154.77	245.23	39%
2179	Miscellaneous Office Expense	7,000		7,000	1,049.66		1,049.66	5,950.34	15%
2181	Stores ISF	50		50	7.00		7.00	43.00	14%
2191	Board Members Fees	5,000		5,000	1,100.00		1,100.00	3,900.00	22%
2192	Information Technology - ISF	13,500		13,500	1,057.50		1,057.50	12,442.50	8%
2195	Specialized Services/Software	1,850		1,850	0.00		0.00	1,850.00	0%
2197	Public Works - Charges	6,000		6,000	1,123.97		1,123.97	4,876.03	19%
2199	Other Prof & Spec Service	9,000		9,000	1,329.50	11,114.50	12,444.00	(3,444.00)	138%
2203	Accounting and Auditing Services	5,000		5,000	0.00		0.00	5,000.00	0%
2205	GSA Special Services ISF	100		100	0.00		0.00	100.00	0%
2214	County GIS Expenses	25,000		25,000	5,689.38		5,689.38	19,310.62	23%
2261	Public & Legal Notices	5,000		5,000	1,904.16		1,904.16	3,095.84	38%
2283	Records Storage Charges	250		250	137.50		137.50	112.50	55%
2293	Computer Equipment <5000	3,500		3,500	364.80		364.80	3,135.20	10%
2304	County Legal Counsel	25,000		25,000	6,706.25		6,706.25	18,293.75	27%
2521	Transportation Charges ISF	1,000	(1,000)	0	0.00		0.00	0.00	0%
2522	Private Vehicle Mileage	6,500		6,500	2,661.59		2,661.59	3,838.41	41%
2523	Conf. & Seminars Expense	13,000		13,000	8,299.41		8,299.41	4,700.59	64%
2526	Conf. & Seminars Expense ISF	500		500	0.00		0.00	500.00	0%
2528	Motorpool ISF	0	1,000	1,000	86.19		86.19	913.81	9%
	Services and Supplies	190,757	0	190,757	61,858.84	11,114.50	72,973.34	117,783.66	38%
6101	Contingency	69,691		69,691	0.00		0.00	69,691.00	0%
	TOTAL EXPENDITURES	766,598	0	766,598	291,676.74	11,114.50	302,791.24	463,806.76	39%

0.00

Note: Revenue amounts with "()" in the ACTUAL column reflect FY12 accruals less than budgeted revenue to date.
Expenditure amounts with "()" in the ACTUAL column reflect FY12 accruals in excess of budget expenditures to date.



VENTURA LOCAL AGENCY FORMATION COMMISSION

BUDGET TO ACTUAL FY 2011-12
YEAR TO DATE ENDING JANUARY 31, 2012 (58.33% of year)
Fund 7920, Organization 8950

Summary	Budget	Adj. Budget	To Date
Estimated Source:	766,598	766,598	715,010
Appropriations	766,598	766,598	346,918

Account Number	Title	BUDGET			ACTUAL YTD			Variance Favorable (Unfavorable)	
		Budget	Proposed Adjustments	Adjusted Budget	Actual	Encumbered	Total Revenue/Obligation		
FUND BALANCE									
	Beginning Balance	377,796		377,796	377,796.00		377,796.00	0.00	
5331	Committed	100,000		100,000	100,000.00		100,000.00	0.00	
5395	Unassigned	154,983		154,983	154,983.00		154,983.00	0.00	
5395	Unassigned - Appropriated	122,813		122,813	122,813.00		122,813.00	0.00	
REVENUE									
8911	Interest Earnings	8,000		8,000	1,258.06		1,258.06	(6,741.94)	16%
9372	Other Governmental Agencies	570,285		570,285	570,285.00		570,285.00	0.00	100%
9772	Other Revenue - Miscellaneous	65,500		65,500	20,653.46		20,653.46	(44,846.54)	32%
	Total Revenue	643,785	0	643,785	592,196.52		592,196.52	(51,588.48)	92%
	TOTAL SOURCES	766,598	0	766,598	715,009.52	0.00	715,009.52	(51,588.48)	93%
EXPENDITURES									
1101	Regular Salaries	337,000		337,000	184,873.02		184,873.02	152,126.98	55%
1106	Supplemental Payments	13,000		13,000	6,772.08		6,772.08	6,227.92	52%
1107	Term/Buydown	17,000		17,000	4,869.26		4,869.26	12,130.74	29%
1121	Retirement Contribution	66,000		66,000	34,107.15		34,107.15	31,892.85	52%
1122	OASDI Contribution	20,000		20,000	9,191.54		9,191.54	10,808.46	46%
1123	FICA - Medicare	5,200		5,200	2,861.18		2,861.18	2,338.82	55%
1124	Safe Harbor	1,750		1,750	928.16		928.16	821.84	53%
1141	Group Insurance	27,100		27,100	14,683.92		14,683.92	12,416.08	54%
1142	Life Ins/Dept. Heads & Mgmt.	400		400	98.84		98.84	301.16	25%
1143	State Unempl	700		700	374.59		374.59	325.41	54%
1144	Management Disability Ins.	2,400		2,400	431.63		431.63	1,968.37	18%
1165	Worker Compensation Ins	2,600		2,600	1,395.11		1,395.11	1,204.89	54%
1171	401K Plan	13,000		13,000	5,687.43		5,687.43	7,312.57	44%
	Salaries and Benefits	506,150	0	506,150	266,273.91	0.00	266,273.91	239,876.09	53%
2033	Voice/Data ISF	5,000		5,000	1,631.66		1,631.66	3,368.34	33%
2071	General Insurance Alloca - ISF	2,500		2,500	1,093.00		1,093.00	1,407.00	44%
2125	Facil/Matts Sq. Ft. Alloc. - ISF	17,000		17,000	8,441.00		8,441.00	8,559.00	50%
2128	Other Maint	500		500	0.00		0.00	500.00	0%
2141	Memberships & Dues	6,300		6,300	6,271.00		6,271.00	29.00	100%
2154	Education Allowance	2,000		2,000	2,000.00		2,000.00	0.00	100%
2158	Indirect Cost Recovery	20,107		20,107	10,054.00		10,054.00	10,053.00	50%
2172	Books & Publications	700		700	439.53		439.53	260.47	63%
2174	Mail Center - ISF	3,000		3,000	1,509.38		1,509.38	1,490.62	50%
2176	Purchasing Charges - ISF	500		500	78.20		78.20	421.80	16%
2177	Graphics Charges - ISF	5,500		5,500	188.99		188.99	5,311.01	3%
2178	Copy Machine Charges - ISF	400		400	154.77		154.77	245.23	39%
2179	Miscellaneous Office Expense	7,000		7,000	1,705.04		1,705.04	5,294.96	24%
2181	Stores ISF	50		50	7.00		7.00	43.00	14%
2191	Board Members Fees	5,000		5,000	1,450.00		1,450.00	3,550.00	29%
2192	Information Technology - ISF	13,500		13,500	1,239.60		1,239.60	12,260.40	9%
2195	Specialized Services/Software	1,850		1,850	736.25		736.25	1,113.75	40%
2197	Public Works - Charges	6,000		6,000	1,123.97		1,123.97	4,876.03	19%
2199	Other Prof & Spec Service	9,000		9,000	1,329.50	11,114.50	12,444.00	(3,444.00)	138%
2203	Accounting and Auditing Services	5,000		5,000	0.00		0.00	5,000.00	0%
2205	GSA Special Services ISF	100		100	0.00		0.00	100.00	0%
2214	County GIS Expenses	25,000		25,000	6,937.91		6,937.91	18,062.09	28%
2261	Public & Legal Notices	5,000		5,000	1,904.16		1,904.16	3,095.84	38%
2283	Records Storage Charges	250		250	163.95		163.95	86.05	66%
2293	Computer Equipment <5000	3,500		3,500	364.80		364.80	3,135.20	10%
2304	County Legal Counsel	25,000		25,000	9,065.00		9,065.00	15,935.00	36%
2521	Transportation Charges ISF	1,000	(1,000)	0	0.00		0.00	0.00	0%
2522	Private Vehicle Mileage	6,500		6,500	3,145.08		3,145.08	3,354.92	48%
2523	Conf. & Seminars Expense	13,000		13,000	8,409.41		8,409.41	4,590.59	65%
2526	Conf. & Seminars Expense ISF	500		500	0.00		0.00	500.00	0%
2528	Motorpool ISF	0	1,000	1,000	86.19		86.19	913.81	9%
	Services and Supplies	190,757	0	190,757	69,529.39	11,114.50	80,643.89	110,113.11	42%
6101	Contingency	69,691		69,691	0.00		0.00	69,691.00	0%
	TOTAL EXPENDITURES	766,598	0	766,598	335,803.30	11,114.50	346,917.80	419,680.20	45%

Note: Revenue amounts with "()" in the ACTUAL column reflect FY12 accruals less than budgeted revenue to date.
 Expenditure amounts with "()" in the ACTUAL column reflect FY12 accruals in excess of budget expenditures to date.



VENTURA LOCAL AGENCY FORMATION COMMISSION
STAFF REPORT

Meeting Date: March 21, 2012

Agenda Item 10

TO: LAFCo Commissioners
FROM: Kim Uhlich, Executive Officer
SUBJECT: Audited Financial Statements for Fiscal Year Ended June 30, 2011

RECOMMENDATION:

1. Receive and file the attached audited Annual Financial Report for the year ended June 30, 2011.
2. Receive and file the attached Auditor's Communication with Those Charged with Governance.

DISCUSSION:

The Commissioner's Handbook policies provide for annual independent audits of the LAFCo financial statements (Attachment 1). On September 15, 2010 the Commission directed the Chair to approve a three-year contract with Vavrinek, Trine, Day & Company, LLP and the audit of the FY 2010-11 LAFCo financial statements was completed earlier this month.

A representative from Vavrinek, Trine, Day & Company will attend the meeting to present an overview of the audit process and to answer questions.

- Attachments: (1) Commissioner's Handbook Section 2.3.6.1 providing for regular independent audits of the LAFCo financial statements
- (2) LAFCo audited Annual Financial Report for the year ended June 30, 2011
 - (3) February 29, 2012 Letter from Vavrinek, Trine, Day & Company, LLP to the Commissioners

COMMISSIONERS AND STAFF

COUNTY: Kathy Long Linda Parks <i>Alternate:</i> Steve Bennett	CITY: Carl Morehouse Janice Parvin, Vice Chair <i>Alternate:</i> Carol Smith	DISTRICT: Elaine Freeman Gail Pringle <i>Alternate:</i> Bruce Dandy	PUBLIC: Lou Cunningham, Chair <i>Alternate:</i> Linda Ford-McCaffrey	
Executive Officer: Kim Uhlich	Dep. Exec. Officer Kai Luoma, AICP	Office Mgr/Clerk Debbie Schubert	Office Assistant Martha Escandon	Legal Counsel Michael Walker



VENTURA LOCAL AGENCY FORMATION COMMISSION

ATTACHMENT 1

(A portion of the Ventura LAFCo Commissioner' s Handbook relating to Audits)

SECTION 2.3.6 AUDITS

2.3.6.1 Independent Auditor Role: For the two-year period between July 1, 2007 and June 30, 2009, LAFCo shall arrange for a single audit of its financial statements to be conducted by an independent accounting firm. All subsequent year financial statements shall be audited annually thereafter. LAFCo staff, the Commission, and any Commission committee appointed for the purpose of audit oversight are authorized to communicate directly with the independent accounting firm.

**LOCAL AGENCY FORMATION COMMISSION
FOR VENTURA COUNTY**

Annual Financial Report

June 30, 2011

INTRODUCTORY SECTION

**LOCAL AGENCY FORMATION COMMISSION
FOR VENTURA COUNTY
ANNUAL FINANCIAL REPORT
JUNE 30, 2011**

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

The Commissioners of the Local Agency
Formation Commission for Ventura County

We have audited the accompanying financial statements of the governmental activities and the general fund of the Local Agency Formation Commission for Ventura County (Commission), California, as of and for the year ended June 30, 2011, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Local Agency Formation Commission for Ventura County, as of June 30, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 of the financial statements, the Commission has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* as of July 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 29, 2012, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 5 through 9 and pages 23 through 25, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Vannich, Train, Dyer & Co, LLP

Rancho Cucamonga, California
February 29, 2012

**MANAGEMENT'S
DISCUSSION
AND ANALYSIS
(UNAUDITED)**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the financial performance of the Local Agency Formation Commission for Ventura County (Commission) provides an overview of the Commission's financial activities for the fiscal year ended June 30, 2011. Please read it in conjunction with the basic financial statements and the notes to those financial statements identified in the accompanying table of contents.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the Commission's basic financial statements. The Commission's basic financial statements include three components: the governmental fund financial statements, the government-wide financial statements, and the notes to the basic financial statements. The basic financial statements consolidate the two kinds of statements that present different views of the Commission. The statements and notes are followed by a section of required supplementary information that provide additional financial and budgetary information.

The two statements presented are the Governmental Fund Balance Sheet/Statement of Net Assets, and the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities. The General Fund columns reflect the governmental fund financial statements that focus on the short-term. The Statement of Net Assets and the Statement of Activities columns reflect the government-wide financial statements that provide both long-term and short-term information about the Commission's overall financial status. These statements can be found on pages 11 - 12.

Government-wide Financial Statements

The financial statements created by Governmental Accounting Standards Board Statement No. 34 (GASB 34) and its related Statements, GASB 37 and 38, and Interpretation No. 6, are designed to provide readers with a broad overview of the Commission's finances in a manner similar to a private-sector business. The *statement of net assets* and *statement of activities* use the flow of economic resources measurement focus and accrual basis of accounting. The focus and basis emphasize the *long-term* view of the Commission's finances.

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

The *statement of activities* presents information showing how net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Fund Financial Statements

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the Commission rather than the Commission as a whole. They are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Commission is a single purpose, single fund entity and utilizes a governmental fund to account for its activities.

The fund financial statements consist of the balance sheet and statement of revenues, expenditures, and changes in fund balance. These are prepared on the modified-accrual basis of accounting. The government-wide statements are prepared on the full-accrual basis.

In general, these financial statements under the modified-accrual basis have a short-term emphasis and for the most part, measure and account for assets that are current financial resources, and liabilities that are expected to be liquidated with current financial resources. Specifically, cash and receivables collectible within a very short period of time are reported on the balance sheet.

Fund liabilities include amounts that are to be paid within a very short time after the end of the fiscal year. The long-term liabilities are not included. The difference between a fund's total assets and total liabilities represents the fund balance. The assigned and unassigned portions of the fund balance represents the amount available to finance future activities.

The operating statement for the governmental fund reports only those revenues and expenditures that were collected in cash or paid with cash during the current period or very shortly after the end of the year.

The focus of the fund financial statements is narrower than that of the government-wide financial statements. Since the different accounting basis is used to prepare the above statements, reconciliation is required to facilitate the comparison between the fund statements and the government-wide statements. The reconciliation between the total fund balances and net assets of governmental activities can be found on page 11.

The reconciliation of the total change in the fund balance for the governmental fund to the change in net assets of governmental activities can be found on page 12.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 13 - 22 of this report.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A summary of the government-wide statement of net assets follows:

Table 1
Net Assets - Governmental Activities

	2011	2010
Assets:		
Current and other assets	\$ 400,969	\$ 325,040
Total assets	\$ 400,969	\$ 325,040
Liabilities:		
Current and other liabilities	\$ 56,872	\$ 39,590
Long-term liabilities	5,574	8,650
Total liabilities	62,446	48,240
Net assets:		
Unrestricted	338,523	276,800
Total net assets	338,523	276,800
Total liabilities and net assets	\$ 400,969	\$ 325,040

As shown in Table 1, the Commission's total assets in the fiscal year ended June 30, 2011, increased \$75,929 or 23.4 percent from 2010. This was primarily due to an increase in the amount of revenue received from charges for the Commission's services (application fees). As shown in Table 2, the amount of revenue from the Commission's application fees in the fiscal year ended June 30, 2011, was significantly higher than the prior five years. This is reflective of a significant increase in the number of applications received, which appears to be correlated to overall trends in the United States economy. Net assets as of June 30, 2011, increased \$61,723, indicating a 22.3 percent improvement in the Commission's overall financial condition, primarily attributed to a significant increase in the number of applications received.

Table 2
Revenue from Filing Fees, FY 2006-11

Fiscal Year	Amount of Revenue from Filing Fees
2005-06	\$89,984
2006-07	\$71,250
2007-08	\$68,755
2008-09	\$61,471
2009-10	\$44,302
2010-11	\$110,941

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

A summary of the government-wide statement of activities follows:

Table 3
Changes in Net Assets - Governmental Activities

	2011	2010
Revenues:		
Program revenues:		
Charges for services:		
Apportionments from other governmental units	\$ 590,055	\$ 587,084
Filing fees	110,941	44,302
General revenues:		
Interest	6,284	12,294
Total revenues	707,280	643,680
Expenses:		
General government	645,557	649,302
Total expenses	645,557	649,302
Change in net assets	61,723	(5,622)
Net assets - beginning of year, as restated	276,800	282,422
Net assets - end of year	\$ 338,523	\$ 276,800

As in all other years, the Commission's major source of revenue in fiscal year ended June 30, 2011, was apportionments from other governmental agencies. Since apportionments comprise a significant proportion of the Commission's total revenue and since the annual apportionment amount is based directly on the Commission's projected operating expenditures, total revenue generally varies from any given year for the same reasons as do total expenditures.

As shown in Table 3, total expenses in fiscal year ended June 30, 2011, decreased by \$3,745 or 0.6 percent. This was comprised of a decrease of \$22,433 for contract services (salaries and benefits) and an increase of \$18,480 for services and supplies. The decrease in contract services was primarily due to an unanticipated salary and benefit expenditure in the first quarter of 2010 for retroactive salary and employee benefits to compensate the current and former Executive Officer, Deputy Executive Officer and Office Manager/Clerk for a general salary increase granted to County management employees in 2006 by the Board of Supervisors but erroneously withheld from LAFCo staff by the County. Excluding the retroactive expenditure, the expenditure for contract services in fiscal year ended June 30, 2011, was virtually unchanged from fiscal year ended June 30, 2010.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

GOVERNMENTAL FUND FINANCIAL ANALYSIS

As noted earlier, the Commission uses fund accounting to provide proper financial management of the Commission's resources and to demonstrate compliance with finance-related legal requirements.

Major Governmental Fund. The General Fund is the chief operating fund of the Commission. At the end of the fiscal year ended June 30, 2011, total fund balance of the General Fund was \$381,235, compared to \$316,155 for fiscal year ended June 30, 2010.

GENERAL FUND BUDGET

There were no significant General Fund budget adjustments for the year. Major deviations between the budget of the General Fund and its actual operating results were as follows:

- *Interest revenue* was less than budgeted due to lower than anticipated interest rates.
- *Filing fees revenue* (Miscellaneous Revenue) was close to double the amount budgeted. Filing fee revenue is directly related to the number and complexity of applications filed by other local government agencies. Budgetary estimates of this revenue source are based primarily on the number of applications received in the previous year but major deviations that cannot be predicted occasionally occur. For example, applications for 8 major proposals were filed in fiscal year 2009-10 whereas 12 applications for major proposals in fiscal year 2010-11. Of those 12, several were significantly more complex and, thus, higher fees billed to the applicant than those processed in fiscal year 2009-10.
- *Contract services (salaries and benefits):*
 - Term/Buydown expenditures were less than budgeted due to fewer than anticipated expenditures for "buy-downs" of accrued annual leave by LAFCo staff members.
 - 401k Plan expenditures were less than anticipated.
- *Services and supplies:*
 - Public works expenditures were less than budgeted due to a decreased need for mapping-related services.
 - County Counsel expenditures were more than budgeted primarily due to the filing of a greater than anticipated number of applications for large, complex proposals.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Executive Officer at the Ventura County Government Center, Hall of Administration, 800 S. Victoria Avenue, Ventura, California 93009-1850.

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BASIC FINANCIAL STATEMENTS

LOCAL AGENCY FORMATION COMMISSION
FOR VENTURA COUNTY
GOVERNMENTAL FUND BALANCE SHEET/STATEMENT OF NET ASSETS
JUNE 30, 2011

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
<u>ASSETS</u>			
Cash and cash equivalents (Note 2)	\$ 397,808	\$ -	\$ 397,808
Accounts receivable	2,250	-	2,250
Interest receivable	911	-	911
Total assets	<u>400,969</u>	<u>-</u>	<u>400,969</u>
 <u>LIABILITIES</u>			
Accounts payable	\$ 1,401	\$ -	\$ 1,401
Accrued payroll liabilities	6,297	-	6,297
Due to County of Ventura	3,586	-	3,586
Unearned revenue	8,450	-	8,450
Long-term liabilities (Note 5):			
Due within one year	-	37,138	37,138
Due after one year	-	5,574	5,574
Total liabilities	<u>19,734</u>	<u>42,712</u>	<u>62,446</u>
 <u>FUND BALANCE/NET ASSETS</u>			
Fund balances:			
Committed	100,000	(100,000)	-
Assigned	122,813	(122,813)	-
Unassigned	158,422	(158,422)	-
Total fund balance	<u>381,235</u>	<u>(381,235)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 400,969</u>		
Net assets:			
Unrestricted		<u>338,523</u>	<u>338,523</u>
Total net assets		<u>\$ 338,523</u>	<u>\$ 338,523</u>

Fund balances - total governmental fund \$ 381,235

Amounts reported for governmental activities in the statement of net assets are different because:

Long-term liabilities used in governmental activities are not due and payable in the current period and, therefore, are not reported in the governmental fund

(42,712)

Net assets of governmental activities \$ 338,523

See the accompanying notes to the basic financial statements

LOCAL AGENCY FORMATION COMMISSION
FOR VENTURA COUNTY
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General Fund	Adjustments	Statement of Activities
Expenditures/expenses:			
General government	\$ 642,200	\$ 3,357	\$ 645,557
Total expenditures/expense	642,200	3,357	645,557
Program revenues:			
Charges for services:			
Apportionments	590,055	-	590,055
Filing fees	110,941	-	110,941
Total charges for services	700,996	-	700,996
Net program revenue/(expense)		-	55,439
General revenues:			
Interest	6,284	-	6,284
Total general revenues	6,284	-	6,284
Excess of revenues over expenditures	65,080	(65,080)	-
Change in net assets		61,723	61,723
Fund balance/net assets:			
Beginning of the year	316,155	-	276,800
End of the year	381,235	-	338,523

Net change in fund balances - total governmental fund \$ 65,080

Amounts reported for governmental activities in
the statement of activities are different because:

Some expenses reported in the statement of activities
do not require the use of current financial resources and, therefore,
are not reported as expenditures in the governmental fund
Change in compensated absences

(3,357)

Change in net assets of governmental activities

\$ 61,723

See the accompanying notes to the basic financial statements

LOCAL AGENCY FORMATION COMMISSION
FOR VENTURA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Local Agency Formation Commission for Ventura County (Commission) conform to generally accepted accounting principles (GAAP) as applicable to governments. The following is a summary of the significant policies.

A. Description of the Reporting Entity

Following the end of World War II, California entered a new era of demographic growth and diversity and economic development. With this growth came the need for housing, jobs, and public services. To provide for these services, California experienced a wave of newly formed cities and special districts, but with little forethought as to how the new agencies should plan for services. The lack of coordination and adequate planning for future governance led to a multitude of overlapping, inefficient jurisdictional and service boundaries.

In 1963, the State Legislature created Local Agency Formation Commissions to help direct and coordinate California's growth in a logical, efficient, and orderly manner. Each county within California is required to have a Commission. The Commissions are charged with the responsibility of making difficult decisions on proposals for new cities and special districts, spheres of influence, consolidations, and annexations.

The Commission's governing board consists of eleven appointed Commissioners: seven voting members with four alternate members, who vote only in the absence of a voting member. Two members and one alternate member are selected by the Board of Supervisors of the County of Ventura (County) from their own membership; two members and one alternate member are selected by the cities in the County; two members and one alternate member are selected from special districts by the independent special district selection committee; and one member and one alternate member are selected to represent the general public, who are appointed by the other Commissioners.

B. New Accounting Pronouncements

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, effective for periods beginning after June 15, 2010, enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The Commission implemented the new requirements for the fiscal year 2010-11 financial statements.

GASB Statement No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, effective immediately for the provisions related to the use and reporting of the alternative measurement method, and effective for periods beginning after June 15, 2011, for the provisions related to the frequency and timing of measurements for actuarial valuations first used to report funded status information in OPEB plan financial statements. This statement addresses issues related to the use of the alternative measurement method and the frequency and timing of the measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans. The new requirements are not applicable to the Commission.

LOCAL AGENCY FORMATION COMMISSION
FOR VENTURA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

GASB Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements, effective for periods beginning after December 15, 2011, improves financial reporting by addressing issues related to service concession arrangements (SCA's), which are a type of public-private or public-public partnership. The new requirements are not applicable to the Commission.

GASB Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34, effective for periods beginning after June 15, 2012, improves financial reporting by enhancing guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. The Commission intends to implement the new requirements for the fiscal year 2012-13 financial statements.

GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA pronouncements, effective for periods beginning after December 15, 2011, incorporates into GASB's authoritative literature certain accounting and financial reporting guidance included in Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants (AICPA) Committee on Accounting Procedure, which do not conflict with or contradict GASB pronouncements. The Commission intends to implement the new requirements for the fiscal year 2012-13 financial statements.

GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position, effective for periods beginning after December 15, 2011, provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The Commission intends to implement the new requirements for the fiscal year 2012-13 financial statements.

GASB Statement No. 64, Derivative instruments: Application of Hedge Accounting Termination Provisions - an amendment of GASB Statement No. 53, effective for periods beginning after June 15, 2011, clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. The new requirements are not applicable to the Commission.

C. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the Commission.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges for services that are restricted to meeting the operational or capital requirements of a particular function or segment. Interest and other items not properly included among program revenues are reported instead as general revenues.

Because the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, a reconciliation is presented which explains the adjustments necessary to reconcile fund financial statements to the government-wide financial statements.

LOCAL AGENCY FORMATION COMMISSION
FOR VENTURA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

D. Net Assets/Fund Balances

The government-wide financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets, net of related debt, restricted, and unrestricted.

Invested In Capital Assets, Net of Related Debt – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

Restricted Net Assets (RNA) – This category reflects net assets that are subject to constraints either by creditors (such as debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets – This category represents net assets of the Commission not restricted for any project or other purpose. Outstanding liabilities attributable to these assets reduce the balance of this category.

Fund Statement - Fund Balances

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the Commission is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

Nonspendable fund balance - includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories or prepaid amounts and may also include the long-term receivables.

Restricted fund balance - includes amounts with constraints on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – includes amounts that can only be used for the specific purposes determined by formal action of the highest level of decision-making authority, the Commission. Commitments may be changed only by the Commission taking the same formal action that originally imposed the constraint. The Commission has committed \$100,000, for a Litigation Account with the intent of limiting the use of the Litigation Account funds for unanticipated expenditures resulting from litigation against the Commission that does not occur routinely and would not be reimbursed by another party.

Assigned fund balance – includes amounts that are constrained by the Commission’s intent to be used for specific purposes. The intent is expressed by the highest level of decision-making, the Commission. Assigned fund balance does not require the same formal action required for committed fund balance. Fund balance of \$122,813 is assigned for the subsequent year's budget.

Unassigned fund balance – is the residual classification for the General Fund and includes all amounts not contained in the other classifications.

LOCAL AGENCY FORMATION COMMISSION
FOR VENTURA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

It is the Commission's policy when restricted and unrestricted (committed, assigned, or unassigned) resources are available, restricted resources are generally considered to be used first, followed by committed, assigned, and unassigned resources as they are needed.

E. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and, expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

Charges for services and interest associated with the current fiscal periods are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal periods. All other revenue items are considered to be measurable and available only when cash is received by the government.

Amounts reported as program revenues include apportionments and filing fees. Internally dedicated resources are reported as general revenues rather than as program revenues.

F. Cash and Cash Equivalents

The Commission considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

The Commission's cash from operations is deposited in the County of Ventura Treasury. The County pools its funds with other government agencies in the County and invests them as prescribed by the California Government Code. The only authorized investment for the Commission is the County of Ventura Investment Pool. The Commission's deposits in the County pool may be accessed any time. The Commission is allocated interest income on monies deposited with the County based on its proportional share of the total pool. All pooled investments are carried at fair value. The fair value of a participant's position in the pool is not the same as the value of the pooled shares. The County of Ventura investment policy and related disclosures may be found in the notes to the County's basic financial statements.

LOCAL AGENCY FORMATION COMMISSION
FOR VENTURA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

G. Due to County of Ventura

Due to County of Ventura is the payment due to the County for services and support provided by the County to the Commission.

H. Compensated Absences (Accrued Vacation, Sick Leave, and Compensatory Time)

Commission policy permits employees to accumulate earned but unused vacation, sick pay, and compensatory time. A liability for all vacation pay and compensated absences and 25 percent of unused accumulated sick leave for those employees with at least ten years of service is accrued when earned in the government-wide financial statements. In accordance with GASB Interpretation No. 6, a liability for these amounts is reported in the governmental fund financial statements only if they have matured as a result of employee resignations and retirements prior to year-end and are paid by the Commission from current available resources.

I. Fund Balance Policy

The Commission has adopted a policy to achieve a minimum level of unassigned fund balance in the General Fund of approximately 60 days of working capital. Excess fund balance remaining over and above the committed and assigned fund balances should be classified as "unassigned" in the General Fund. Should Unassigned Fund Balance fall below 45 days working capital it should be addressed in the next fiscal year budget.

J. Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS

At June 30, 2011, the Commission's total cash and cash equivalents was \$397,808; the change in fair value from carrying value amounted to an increase of \$1,397.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of the fair value to changes in market interest rates.

At June 30, 2011, the weighted average maturity of the County of Ventura Investment Pool was 353 days.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of

LOCAL AGENCY FORMATION COMMISSION
FOR VENTURA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County of Ventura Investment Pool has received ratings of AA Af and S1+ by Standard and Poor's Ratings Services, the highest possible ratings given by the agency.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Commission's investment policy do not contain legal or policy requirements, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2011, the Commission had all of its cash pooled with the County of Ventura Treasury. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as the money invested by the Commission in the County of Ventura Investment Pool).

LOCAL AGENCY FORMATION COMMISSION
FOR VENTURA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

3. INSURANCE

The Commission is a member of the County of Ventura's Risk Management affiliated agencies. The schedule of insurance coverage is as follows:

<u>Coverage</u>	<u>Limit of Insurance</u>	
Public Employees Blank Bond Fraudulent Mortgage Rider Funds Transfer Fraud	\$ 10,000,000	Per occurrence/aggregate where applicable. \$25,000 deductible per occurrence.
Public Entity Liability	\$ 31,500,000	In aggregate. \$500,000 self insured retention per occurrence plus \$500,000 net loss corridor retention in excess of \$500,000.
Business Travel Accident	\$ 5,700,000	Aggregate, no deductible.
Risk Property, Boiler & Machinery, Heavy Equipment, DIC, Library Book Floater	\$ 610,000,000	Varies.

4. RELATED PARTY TRANSACTIONS

The Commission and the County entered into a Memorandum of Agreement to provide office space, contract employees, accounting, information technology support, legal service, workers' compensation and liability insurance, administrative support, and maintenance support. Benefits provided to the contract employees including compensated absences, health and pension benefits are charged to the Commission on a pay-as-you-go basis. The total expense incurred by the Commission to the County for the year ended June 30, 2011, was \$596,866. The total due to the County as of June 30, 2011, was \$3,586.

LOCAL AGENCY FORMATION COMMISSION
 FOR VENTURA COUNTY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (Continued)

5. LONG-TERM LIABILITIES

Long-term obligations of the Commission consist of compensated absences. Compensated absences are liabilities for vacation, vested sick leave benefits, and compensatory time reported as required by GASB Statement Nos. 16 and 34 in the governmental activities of the government-wide financial statements.

A summary of long-term liabilities incurred, outstanding as of June 30, 2011, is as follows:

<u>Type of Liability</u>	<u>Outstanding July 1, 2010</u>	<u>Additions and Transfers</u>	<u>Maturities and Transfers</u>	<u>Outstanding June 30, 2011</u>	<u>Amount Due Within One Year</u>
Compensated Absences	\$ <u>39,355</u>	\$ <u>34,062</u>	\$ <u>30,705</u>	\$ <u>42,712</u>	\$ <u>37,138</u>

A liability for compensated absences is reported in the governmental fund financial statements only if they have matured due to employee resignations and retirements.

6. PENSION PLANS

VCERA Plan

A. Plan Description

The Commission participates in a contributory defined benefit plan (Plan) which is administered by the Ventura County Employees' Retirement Association (VCERA). The plan was established pursuant to Government Code Sections 31450 through 31899 and administered by the VCERA. VCERA operates a cost-sharing, multiple-employer system with substantially all member employers included in the County's primary government reporting entity. Covered employees include those from the County, Courts, Air Pollution Control District, the Commission, and other smaller special districts. Due to the relative insignificance of the non-County employers participating in the plan, the County has elected to include financial statement disclosures required for a single-employer plan. Membership in the VCERA is mandatory for substantially all employees.

VCERA is governed by the Board of Retirement. The Plan's benefit provisions and contribution requirements are established and may be amended by state law and resolutions and ordinances adopted by the Board of Retirement and Board of Supervisors. VCERA issues an independently audited Comprehensive Annual Financial Report. A copy of this report can be obtained by contacting the Retirement Association at 1190 South Victoria Avenue, Suite 200, Ventura, California 93003.

Plan members are classified as either General or Safety. General members employed prior to or on June 29, 1979, and certain other employees before June 30, 2002, are designated as Tier I members. General members employed after June 29, 1979, are designated as Tier II members. All Safety members are classified as Tier I regardless of date of hire. The Commission does not have any Safety or Tier I members.

LOCAL AGENCY FORMATION COMMISSION
FOR VENTURA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

B. Retirement Benefits

A General or Safety member with 10 or more years of County service is entitled to an annual retirement allowance beginning at age 50. General members with 30 or more years of service and Safety members with 20 or more years of service may begin receiving a retirement allowance regardless of age. The basic retirement allowance is based upon the member's age, years of retirement service credit, and final average compensation.

Employees terminating before accruing 5 years of retirement service credit (5-year vesting) forfeit the right to receive retirement benefits unless they establish reciprocity with another public agency within the prescribed time period. Non-vested employees who terminate service are entitled to withdraw their accumulated contributions plus accrued interest. Employees who terminate service after earning 5 years of retirement service credit may leave their contributions on deposit and elect to take a deferred retirement.

C. Actuarially Determined Contribution Requirements

The funding policy provides for periodic employer and employee contributions at actuarially determined rates, expressed as level percentages of annual covered payroll, that are sufficient to accumulate the required assets to pay benefits when due. The smoothing of market value method is used to determine the actuarial value of assets. In accordance with various employee collective bargaining agreements, the Commission subsidizes the employees' regular contributions in various amounts, depending on the classification of the employee. Contribution rates for employees range from 5.57 percent to 12.10 percent of covered payroll. Contribution rates are determined using the "entry age normal cost" method. Under this method, normal cost is the level amount that would fund the projected benefit if it was paid annually from the date of employment until retirement.

Employer and employee contribution rates in effect during fiscal year 2010-11 were based on the actuarial valuation performed as of June 30, 2009. The significant actuarial assumptions in the June 30, 2009, actuarial valuation are summarized as follows:

	Assumptions
• Rate of return on investment	8.00%
• Projected salary increases	5.00% - 13.25%
Amount attributable to inflation	3.50%
Amount attributable to seniority and merit	0.75% - 9.00%
Amount attributable to real "across the board"	0.75%
• Annual cost of living increases after retirement (Tier 1 and Safety members - contingent upon CPI increases, 3% maximum. Tier 2 SEIU members - fixed 2% not subject to CPI increases, for service after March 2003.)	0.00% - 3.00%

The unfunded actuarial accrued liability (UAAL) is being amortized as a level percentage of payroll on a closed basis.

LOCAL AGENCY FORMATION COMMISSION
FOR VENTURA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

D. Contributions and Transfers Made

The Commission's actuarially determined employer contributions of \$49,175 were made in 2008-09, \$54,342 in 2009-10, and \$50,583 in 2010-11. These contributions represent 100 percent of the annual pension cost required for fiscal years 2009, 2010, and 2011.

Management Retiree Health Benefits Program

A. Plan Description

The Commission participates in the Management Retiree Health Benefits Program (MRHBP), a cost-sharing, multiple-employer defined benefit plan administered by the County. The MRHBP was established by the County Board of Supervisors on June 8, 1999. On June 21, 2005, the Board of Supervisors approved the elimination of this benefit for employees covered after July 2, 2005.

Employees who retired after July 1, 1999, became eligible to receive one year of payments for five years of service, up to a maximum of five years of coverage. Payments of approximately \$605 per month were equivalent to premiums for the Ventura County Health Care Plan. Total payments in fiscal year 2010-11 were \$-0-. The payments do not constitute any guarantee of medical care benefits.

Additional details, actuarial assumptions, funded status, and required supplementary information for the MRHBP is included in the Comprehensive Annual Financial Report (CAFR) of the County for the fiscal year ended June 30, 2011. The report is available from the County of Ventura's web page, <http://portal.countyofventura.org/portal/page/portal/auditor/Financial%20%20Budget%20Reports>.

B. Funding Policy

The MRHBP is currently funded on a pay-as-you-go basis. Annual required contributions are determined by the County.

C. Contributions and Transfers Made

The Commission's required contributions, as determined by the County, were \$2,616 in 2008-09, \$-0- in 2009-10, and \$-0- in 2010-11. These contributions represent 100 percent of the annual non-pension cost required for fiscal years 2009, 2010, and 2011.

**REQUIRED
SUPPLEMENTARY
INFORMATION
(OTHER THAN MD & A)
(UNAUDITED)**

LOCAL AGENCY FORMATION COMMISSION
FOR VENTURA COUNTY
BUDGETARY COMPARISON SCHEDULE - ON BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
Resources (inflows):				
Apportionments	\$ 590,055	\$ 590,055	\$ 590,055	\$ -
Filing fees	60,000	60,000	110,941	50,941
Interest	<u>16,000</u>	<u>16,000</u>	<u>6,150</u>	<u>(9,850)</u>
Amount available for appropriation	<u>666,055</u>	<u>666,055</u>	<u>707,146</u>	<u>41,091</u>
Charges to appropriations (outflows):				
General government:				
Contract services (salaries and benefits)	519,400	519,400	462,002	57,398
Services and supplies	196,400	196,400	180,198	16,202
Contingencies	<u>57,092</u>	<u>57,092</u>	<u>-</u>	<u>57,092</u>
Total charges to appropriation	<u>772,892</u>	<u>772,892</u>	<u>642,200</u>	<u>130,692</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(106,837)</u>	<u>(106,837)</u>	<u>64,946</u>	<u>171,783</u>
Fund balance - beginning	<u>316,155</u>	<u>316,155</u>	<u>316,155</u>	<u>-</u>
Fund balance - ending	<u>\$ 209,318</u>	<u>\$ 209,318</u>	<u>\$ 381,101</u>	<u>\$ 171,783</u>

LOCAL AGENCY FORMATION COMMISSION
FOR VENTURA COUNTY
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

1. BUDGET AND BUDGETARY ACCOUNTING

As set forth in California Government Code Section 56381 of the Cortese-Knox-Hertzberg (CKH) Local Government Reorganization Act of 2000, the Commission is legally required to adopt a proposed annual budget for the General Fund by May 1, and a final annual budget by June 15. The Commission adheres to the provisions of California Government Code Sections 29000 through 29144 concerning budgetary matters, commonly known as The County Budget Act.

The adopted budget can be amended by the Commission to change both appropriations and estimated revenues as unforeseen circumstances come to management's attention. Increases and decreases in revenue and appropriations require approval by the Commissioners. Expenditures may not exceed total appropriations at the individual object level. Any transfer of appropriations between object levels is delegated by the Commission to the Executive Officer. It is the practice of the Commission's management to review the budget quarterly and, if necessary, recommend changes to the Commissioners.

The Budgetary Comparison Schedule for the General Fund, as required by GASB 34, presents the original budget, final budget and actual amount. The "original budget" includes the adopted budget plus appropriations for prior year approved rollover encumbrances. The "final budget" is the budget as Board approved at the end of the fiscal year. The "actual amount" includes the actual revenues and expenditures incurred on a budgetary basis and as adjusted for the basic financial statements. Variances are provided between the Final Budget Amounts and the Actual Amounts on a budgetary basis.

This information is presented as Required Supplementary Information. Analysis of the final budget to actual variances is discussed in the Management's Discussion and Analysis.

The budget is adopted on a basis of accounting which is different from GAAP. The primary difference is:

- For budgetary purposes, changes in the fair value of investments are not recognized as increases or decreases to revenue. Under GAAP, such changes are recognized as increases or decreases to revenue.

The following schedule is a reconciliation of the difference between the fund balances on the actual on a budgetary basis and the GAAP basis on the fund financial statements at June 30, 2011:

	FY 2010-11
	General
Fund balance - Actual on budgetary basis	\$ 381,101
Adjustment:	
Change in fair value of investments	134
Fund balance - GAAP basis	\$ 381,235

LOCAL AGENCY FORMATION COMMISSION
FOR VENTURA COUNTY
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

Level of Budgetary Control

The legal level for budgetary control (the level at which expenditures may not legally exceed appropriations) is at the object level: contract services (salaries and benefits) and services and supplies. Expenditures are classified as general government. Any transfer of appropriations between object levels within the same budget unit is delegated by the Commission to the LAFCo Executive Officer.

Encumbrances

The Commission utilizes an encumbrance system as an extension of normal budgetary accounting to assist in controlling expenditures. Under this system, purchase orders, contracts, and other commitments for expenditures are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as assignment or commitment of fund balance in the governmental fund. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward in the ensuing year's budget.

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COMPLIANCE SECTION



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

The Commissioners of the Local Agency
Formation Commission for Ventura County

We have audited the financial statements of the of the governmental activities and the general fund of the Local Agency Formation Commission for Ventura County (Commission), California, as of and for the year ended June 30, 2011, and have issued our report thereon dated February 29, 2012. Our report included a reference to the Commission's adoption of the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of July 1, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Commission is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of management and the Commissioners of the Commission, and is not intended to be and should not be used by anyone other than these specified parties.

Vavrinch, Train, Day & Co., LLP

Rancho Cucamonga, California
February 29, 2012

**LOCAL AGENCY FORMATION COMMISSION FOR VENTURA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR YEAR ENDING JUNE 30, 2011**

None reported.

**LOCAL AGENCY FORMATION COMMISSION FOR VENTURA COUNTY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
FOR YEAR ENDING JUNE 30, 2011**

Prior Year Finding

Status

2010-01 Compensated Absences

Implemented



The Commissioners of the Local Agency
Formation Commission for Ventura County

We have audited the financial statements of the governmental activities and the general fund of the Local Agency Formation Commission for Ventura County (Commission) for the year ended June 30, 2011. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit. We have communicated such information to you.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Commission are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the Commission adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of July 1, 2010. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Commission’s financial statements was:

Management’s estimates pertaining to the contributions to its pension and retiree health benefits program. We evaluated the key factors and assumptions used to develop this estimate in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 29, 2012.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the governmental unit’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Commissioners and management of Local Agency Formation Commission for Ventura County and is not intended to be and should not be used by anyone other than these specified parties.



Rancho Cucamonga, California
February 29, 2012



VENTURA LOCAL AGENCY FORMATION COMMISSION

STAFF REPORT

Meeting Date: March 21, 2012

Agenda Item 11

TO: LAFCo Commissioners

FROM: Kai Luoma, AICP
Deputy Executive Officer

SUBJECT: Amendments to Commissioner’s Handbook – Division 1, Chapters 1 and 4; Division 2, Chapter 4; Division 3, Chapters 1 and 2; Division 4, Chapter 1; Division 5, Chapter 1

RECOMMENDATION:

1. Adopt the attached resolution making various amendments to Division 1, Chapter 1 of the Commissioner’s Handbook.
2. Adopt the attached resolution making various amendments to Division 1, Chapter 4; Division 2, Chapter 4; Division 3, Chapters 1 and 2; Division 4, Chapter 1; and Division 5, Chapter 1 of the Commissioner’s Handbook.

BACKGROUND:

The Commissioner’s Handbook is a compilation of the Commission’s Bylaws and operational policies. The Handbook is designed to be reviewed and updated periodically as the Commission may want to add or alter policies to deal with new or changed circumstances. The recommended revisions herein have been prompted by changes in law or by a need to improve or clarify existing administrative practices.

DISCUSSION:

Each of the recommended policy amendments in the following report is identified and accompanied by a brief discussion. All language that is recommended to be added is indicated in red underline and language recommended to be deleted is indicated with ~~strikethrough~~.

COMMISSIONERS AND STAFF

COUNTY: Kathy Long Linda Parks <i>Alternate:</i> Steve Bennett	CITY: Carl Morehouse Janice Parvin, Vice Chair <i>Alternate:</i> Carol Smith	DISTRICT: Elaine Freeman Gail Pringle <i>Alternate:</i> Bruce Dandy	PUBLIC: Lou Cunningham, Chair <i>Alternate:</i> Linda Ford-McCaffrey	
Executive Officer: Kim Uhlich	Dep. Exec. Officer Kai Luoma, AICP	Office Mgr/Clerk Debbie Schubert	Office Assistant Martha Escandon	Legal Counsel Michael Walker

Division 1, Chapter 1 – BYLAWS, SECTION 1.1.4 OFFICERS

Pursuant to Handbook Section 1.1.4, the Commission is to select the Chair and Vice-Chair at the first meeting of each calendar year, which is normally scheduled in January. The Chair and Vice-Chair serve for one year or until his/her successor is selected. In addition, the office of Chair and Vice Chair shall be rotated so that a member of each of the four LAFCo membership categories serves one full year in every four year period.

Restricting the Chair and Vice Chair selection process to the first meeting of the year has been problematic on those occasions when certain expired terms or vacancies have yet to be filled. This is particularly true when: 1) an expired and/or vacant seat exists within the membership category eligible to serve as Chair or Vice Chair for the coming year; and 2) the seat is not scheduled to be filled before the January LAFCo meeting occurs. To provide greater flexibility in scheduling the process to select a Chair and Vice Chair, staff recommends that the bylaws pertaining to the selection of officers be revised as follows:

1.1.4.1 Chair: The Chair shall be selected by the members. The Chair shall serve for one year or until his/her successor is selected at the first meeting of each calendar year or at the next regular meeting following the appointment and qualification of the requisite members to fill any expired and/or vacant terms.

The office of Chair shall be rotated so that a member of each of the four represented groups of LAFCo serves one full year in every four-year period. Commencing January of 2002, the rotation of the chair shall be in the following sequence: County, Public, City, and Special District member.

1.1.4.2 Vice-Chair: The Vice-Chair shall be selected by the members. The Vice Chair shall serve for one year or until his/her successor is selected at the first meeting of each calendar year or at the next regular meeting following the appointment and qualification of the requisite members to fill any expired and/or vacant terms. In the absence of the Chair, the Vice-Chair shall serve in place of the Chair.

The office of Vice-Chair shall be rotated so that a member of each of the four represented groups of LAFCo serves one full year in every four-year period. In January 2002, the rotation of the vice-chair shall be in the following sequence: Public, City, Special District, and County member.

Pursuant to Handbook Section 1.1.8.2, amendments to the bylaws require the affirmative vote of six members of the Commission. Amendments to all other sections of the Handbook require support from a majority of the Commission. For this reason, a separate resolution (Attachment 1) has been prepared for the Commission's consideration of the aforementioned recommended amendments to the bylaws.

Staff Report

Amendments to the Commissioner's Handbook - Divisions 1-5

March 21, 2012

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Division 1, Chapter 4 – ADMINISTRATIVE SUPPLEMENT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) GUIDELINES, SECTION 1.4.3 LAFCo AS A RESPONSIBLE AGENCY

During the CEQA review process for a project that includes a LAFCo action, such as a change of organization, LAFCo will typically serve as a responsible agency. When the lead agency determines that an EIR must be prepared for such a project, the CEQA Guidelines require that LAFCo, as a responsible agency, provide a written reply to the Notice of Preparation (NOP) of the EIR (CEQA Guidelines § 15096(b)(2)). The reply is to specify the scope and content of the environmental information which would be germane to LAFCo's statutory responsibilities in connection with the proposed project. This same CEQA section provides that the written comments are to be sent by "certified mail or any other method which provides the agency with a record showing that the notice was received."

Handbook Section 1.4.3.1, which generally reflects the CEQA Guidelines regarding responses to NOPs, currently provides that NOP comments shall be sent via certified mail. In order to avoid the expense, inconvenience, and time necessary to send a written reply by certified mail, staff's practice has been to send the comments by e-mail with a request that the recipient provide a response to confirm receipt. Although staff's practice is consistent with the CEQA Guidelines, it does not fully comport with Section 1.4.3.1. Staff further recommends that the last paragraph of Section 1.4.3.1 be amended to remove extraneous language.

Handbook Section 1.4.3.3 identifies Commission policies regarding the use of lead agency environmental documents. Among these policies is a provision that LAFCo can require an applicant to prepare a subsequent environmental document, including an EIR, or an addendum to an EIR, pursuant to the CEQA Guidelines Section 15162. However, CEQA Guidelines Section 15162(c) provides that once a project has been approved, the lead agency's role in project approval is completed, unless further discretionary approval of the project is required by that agency. If after the project is approved a subsequent environmental document is warranted, the subsequent document shall be prepared by the public agency which grants the next discretionary approval for the project. Thus, if LAFCo is considering a change of organization for which a city or district prepared the environmental document and the criteria necessary for preparation of a subsequent environmental document are met, LAFCo would be required to assume the role as lead agency and prepare the subsequent document. Therefore, this part of Handbook Section 1.4.3.3 appears inconsistent with the CEQA Guidelines and staff recommends that the language be removed.

To enhance consistency between the provisions of the CEQA Guidelines and the Handbook and to remove extraneous language, staff recommends that Handbook Sections 1.4.3.1 and 1.4.3.3 be revised, as follows:

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Amendments to Commissioner's Handbook-Divisions 1-5
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1.4.3.1 Comment Period for Lead Agency Environmental Documents: Pursuant to CEQA Guidelines Section 15096, the Executive Officer or designee shall respond in writing to any request for (scoping) consultation received from a lead agency.

Within 30 days of receiving a Notice of Preparation from a lead agency, the Executive Officer or designee shall transmit written comments to the lead agency. Comments shall be sent to the lead agency by certified mail or any other method which provides LAFCo with written confirmation that the comments have been received. ~~via certified mail to the lead agency in accordance with LAFCo's scope of statutory responsibility.~~

For any draft document pertaining to a project that LAFCo will later be asked to approve, the Executive Officer or designee shall respond in writing as to the adequacy of the proposed environmental document, including any specific areas of concern or disagreement, within the time specified in the lead agency's notice. LAFCo may also comment on the appropriateness of using a negative declaration and may recommend additional alternatives or mitigation measures to the lead agency. Comments should be limited to those issues related to LAFCo's area of authority and/or that are required to be approved by LAFCo. Whenever possible, such comments should be supported by specific documentation.

~~Issues that are particularly important for an~~ An environmental document that is being prepared for a subsequent LAFCo action should include the following:

- (a) Cumulative and Regional Impacts.
- (b) Growth – inducing impacts.
- (c) Impacts to public services, including but not limited to, water supply and distribution systems; wastewater treatment and sewer collection systems; solid waste disposal capacity and collection; public school districts, fire and police protection; and public facilities, including discussion on the ability of the receiving entities (i.e. water district, sewer district, school district) to provide the services to the proposed boundary change area.
- (d) Conversion of prime agricultural lands to urban uses and protection/preservation of prime agricultural lands and resources.
- (e) Consistency with General and Specific Plans.
- (f) Affordable Housing.

1.4.3.3 LAFCo Use of Lead Agency Environmental Documents: LAFCo shall, in making determinations on boundary change proposals, utilize the environmental document prepared by the lead agency in accordance with these procedures and the State CEQA Guidelines (Section 15096). The Commission shall certify that it has reviewed and considered the information contained in the environmental

document prior to approval of a proposal. LAFCo shall, when utilizing a lead agency's environmental document for a project where significant effects are identified, make findings required by CEQA Guidelines Sections 15074, 15091, 15096 and 15097.

Whenever a final EIR identifies significant effects that cannot be avoided or substantially lessened, LAFCo shall not approve the proposal unless specific overriding economic, legal, social, technological, or other benefits of the proposal outweigh the significant environmental effects, and a Statement of Overriding Considerations is adopted pursuant to CEQA Guidelines Section 15093.

When an EIR has been prepared, LAFCo shall not approve the project as proposed if it finds feasible alternatives or feasible mitigation measures within its powers that would substantially lessen any significant effect the project would have on the environment.

~~LAFCo can also require an applicant to prepare a subsequent environmental document, including a supplemental environmental impact report or an addendum to an environmental impact report pursuant to CEQA Guidelines Section 15162. Additionally, in [ln](#) some instances LAFCo may assume the role of lead agency, pursuant to CEQA Guidelines 15052.~~

The Executive Officer will deem an application incomplete, for processing purposes, until the required environmental documentation has been received.

Division 2, Chapter 4 – PUBLIC INFORMATION AND RECORDS RETENTION, SECTION 2.4.6 RECORDS RETENTION

On March 17, 2010, the Commission adopted Section 2.4.6 of the Commissioner's Handbook concerning records retention. At that time, staff was approximately mid-way through a multi-year effort to create electronic copies of various administrative files dating back to 1963. These documents are now stored on a computer network drive maintained by the County of Ventura and accessible to LAFCo staff.

The process to digitize the administrative files is now virtually complete and additional actions to enhance the security of the LAFCo records have been taken. For example, all of the paper and microfiche records have been converted to an electronic format and are being stored on multiple formats: the County network drive and compact disc. Creating multiple copies of records on various formats not only provides flexibility with respect to accessibility, it also allows for the storage of records in multiple physical locations. Should the records at any one of the storage locations ever be lost or damaged, replacement copies will likely be available from other storage locations.

Handbook Section 2.4.6 currently indicates that a set of the microfiche records and the original case file records more than three years old are being stored in a facility “operated” by the County of Ventura. Staff has recently learned that the County General Services Agency intends to outsource its offsite storage services to a private vendor in the next fiscal year. To address the various changes and security enhancements discussed above, as well as to correct a few instances of unclear or inconsistent language, staff recommends that Handbook Section 2.4.6 be revised as follows:

SECTION 2.4.6 RECORDS RETENTION OF RECORDS

Retention of records shall occur in following manner:

~~(a) — Storage of Case files: It is LAFCo’s intent to retain an original hard copy of all case file records indefinitely, as follows:~~

(a) Case Files (Change of Organization and Reorganization Proposals)

i. ~~The original full record for each paper case files from the previous three years will be retained in the LAFCo office.~~

ii. ~~The original full record for paper case files older than three years, including the case files dating from 1963 to 1986 which exist in microfiche form only, will be stored in a secured record storage facility operated by the County of Ventura secure off-site facility suitable for long term records storage. A duplicate set of microfiche case file records will be stored in the LAFCo office.~~

iii. ~~Case file records prior to 1987 have been placed on microfiche and the original records destroyed. A microfiche copy of each of these records will be retained in the LAFCo office. A second microfiche copy of each record will be stored in a secured record storage facility operated by the County of Ventura.~~

~~(b) — Electronic storage of case files: It is LAFCo’s intent to copy and retain selected documents from each case file in an electronic format, including, but not limited to, the Certificate of Completion, resolution, map, legal description and staff report. Electronic files will be stored on a computer network drive maintained by the County of Ventura and accessible to LAFCo staff.~~

~~(c) — City/District Files: The original full record for each city and district file shall be retained in the LAFCo office. One complete electronic copy of the full record shall be stored on a computer network drive maintained by the County of Ventura and accessible to LAFCo staff.~~

iii. All microfiche records and selected documents from each case file (including but not limited to certificates of completion, resolutions, maps, legal descriptions and staff reports) will be copied and saved to the following: 1) a network drive maintained by the County of Ventura, which is readily available to LAFCo staff; and 2) two sets of portable media (CD, DVD, etc.). One set of portable media will be retained in a secure off-site facility suitable for long term records storage and one set will be stored in the LAFCo office.

(b) Other Administrative Records

i. All original paper-based administrative records will be retained in the LAFCo office.

ii. All administrative records will be copied and saved to a network drive maintained by the County of Ventura, which is readily available to LAFCo staff.

Division 3, Chapter 1 – GENERAL POLICIES, SECTION 3.1.6 SCHOOL CAPACITY

Handbook Section 3.1.6 provides, in short, that LAFCo will not support a change of organization for a new development where the local school district has certified that there is, or will be, insufficient school capacity to accommodate the development. It recently came to staff's attention that this policy appears to conflict with sections of the Government Code which provide that if school impact mitigation fees are paid by a developer, the payment of these fees is deemed sufficient to mitigate all impacts to school facilities. Developers are typically required to pay school impact fees as part of the approval of their development. Pursuant to § 65996(b), if these fees are paid, "[N]otwithstanding . . . any other provision of state or local law, a state or local agency may not deny or refuse to approve a legislative . . . act . . . involving . . . any change in governmental organization or reorganization, as defined in [LAFCo law], on the basis that school facilities are inadequate."

It is the opinion of LAFCo Counsel that, if all school impact mitigation fees are paid, LAFCo cannot deny a proposal based on a lack of school capacity, regardless of whether the mitigation fee is or is not adequate to address the school capacity issue. In the unlikely situation that a developer is not required to pay the school impact mitigation fees for a development project that will adversely impact school capacity, LAFCo has the discretion to include such an impact among the factors that it must consider in making a determination, pursuant to Govt. Code § 56668(b). Given that Handbook Section 3.1.6 provides for the Commission to disfavor proposals involving territory in which school capacity is insufficient, and given that state law expressly limits LAFCo from denying a proposal on the basis that school facilities are inadequate, staff recommends that this language be removed from the Handbook as follows:

SECTION 3.1.6 SCHOOL CAPACITY

~~In addition to the factors and determinations required by state law, LAFCo will consider whether or not the territory involved in a proposal for a change of organization or reorganization can be served by affected school districts. LAFCo will not favor any change of organization or reorganization proposal where any affected school district certifies that there is not sufficient existing school capacity, or will not be sufficient school capacity at the time of development, to serve the territory involved.~~

Discretionary Approvals Required

Section 56375(a)(7) of the Government Code provides:

The decision of the commission with regard to a proposal to annex territory to a city shall be based upon the general plan and rezoning of the city. When the development purposes are not made known to the annexing city, the annexation shall be reviewed on the basis of the adopted plans and policies of the annexing city or county. A commission shall require, as a condition to annexation, that a city rezone the territory to be annexed or present evidence satisfactory to the commission that the existing development entitlements on the territory are vested or are already at build-out, and are consistent with the city's general plan. However, the commission shall not specify how, or in what manner, the territory shall be rezoned.

Although the law prevents annexation of territory to a city unless the subject city either rezones the territory or demonstrates that existing development entitlements are vested (or already at build-out) and consistent with the city's general plan, all of the city annexation proposals received by the Ventura LAFCo over the last ten years have met both of these criteria prior to submittal. Although this was largely due to the requirements or preferences of the subject city, it also served a LAFCo objective. Initiating annexation of only that territory for which rezoning and development entitlements were approved demonstrated that the need for urban services was imminent and thus served to ensure that the annexations were timely for LAFCo's purposes. If, on the other hand, LAFCo were to receive a proposal to annex vacant territory for which the city had approved a rezoning designation but no development entitlements, it would be difficult to predict when development might occur and thus no way to determine when urban services would actually be *needed*.

Occasionally, staff receives requests for comments on draft proposals to annex vacant land on which the proponent wishes to seek a city rezoning designation despite having no foreseeable development plans. In this circumstance, the proponent's reason for seeking annexation is usually to increase the market value of his/her land. Although the law allows LAFCo to approve such proposals, staff believes that the LAFCo mission to coordinate timely changes to governmental boundaries would be better served by discouraging annexations of vacant territory on which no corresponding development entitlements have been approved.

It should also be noted that Section 56375(a)(7) of the Government Code applies only to city annexations. There are no similar requirements for proposals to annex vacant unincorporated territory to a special district. Although rezoning is not necessary in such instances because the land use jurisdiction remains unchanged, the importance of timing annexation with development and the corresponding need for urban services would be no different from city annexations. For example, last year a land owner in Piru submitted an application to annex property to Waterworks District No. 16 to allow

Staff Report

Amendments to the Commissioner's Handbook - Divisions 1-5

March 21, 2012

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development of a small four lot single-family residential subdivision approved by the County. While LAFCo staff was processing the application, the land owner opted to abandon that plan in favor of pursuing entitlements for a larger multi-family residential development. Because the entitlements for the larger development had not been approved (and CEQA review not completed), LAFCo staff determined that insufficient information was available to review the expanded service requirements. The owner thus agreed to withdraw the annexation application and reapply after entitlements for the multi-family development are granted.

As a means to discourage premature annexation proposals from either cities or districts, it is recommended that the following policy be adopted:

SECTION 3.1.6 DISCRETIONARY APPROVALS REQUIRED

Unless exceptional circumstances exist, no application for a change of organization or reorganization will be accepted until all discretionary approvals for any pending application for land use entitlements, including land divisions, pertaining to the subject territory are granted.

Annexation of Disadvantaged Unincorporated Communities

Recent revisions to LAFCo law which became effective January 1, 2012, prohibit LAFCo from approving an annexation to a city of any territory greater than 10 acres where there exists a disadvantaged unincorporated community (DUC) that is contiguous to the proposed annexation area, unless the city has filed an application to annex the DUC. However, an application to annex the DUC is not required if, 1) a prior application to annex the DUC has been made in the preceding five years, or 2) LAFCo finds, based on written evidence, that a majority of residents within the affected DUC are opposed to annexation (Govt. Code § 56375(a)(8)). The new requirements regarding DUCs do not apply to proposals initiated under the provisions of LAFCo law allowing for the expedited annexation of unincorporated islands.

The new law defines a DUC as “inhabited territory, as defined by Section 56046, or as determined by commission policy, that constitutes all or a portion of a ‘disadvantaged community’ as defined by Section 79505.5 of the Water Code.” (Govt. Code § 56033.5.) The Water Code defines a “disadvantaged community” as “a community with an annual median household income that is less than 80 percent of the statewide annual median household income.” LAFCo staff has interpreted this amount to be \$46,166, which represents eighty percent of the US Census Bureau estimate of the statewide annual median income in 2010 (\$57,708).

Applying staff’s assumption to the statutory definition, a DUC, at a minimum, must be an inhabited community with a median household income below \$46,166. The definition is further complicated by the fact that neither the new LAFCo legislation nor the Water

Code defines “community”. To resolve this issue, staff looked to the County General Plan and Area Plans to identify defined communities adjacent to a city. The following communities were identified:

Meiners Oaks	Mira Monte	North Ventura Ave	Saticoy
Strickland Acres	El Rio	Nyeland Acres	Hollywood Beach
Silver Strand	North Camarillo	Home Acres	Oak Park
Ventu Park	Santa Susana Knolls		

Staff then researched income data for these communities using the most recent US Census Bureau data (American Community Survey). However, the Survey does not provide reliable income information for areas smaller than a census tract. Thus, census tracts were used to approximate median household income for these communities.

For the communities of Meiners Oaks, Mira Monte, North Ventura Avenue, Strickland Acres, neighborhoods north of Camarillo, Moorpark Home Acres, Santa Susana Knolls, and Ventu Park, the corresponding census tract includes area outside of the community which may not share similar income profiles. Thus, the census tract income data should be considered a general approximation only. Nevertheless, based on the data reviewed, staff is reasonably confident that it is unlikely that any of these communities would meet the definition of a DUC. However, should the Commission want more definitive income information for these communities, it would be necessary to retain the services of a consultant who specializes in demographic research and analysis.

The census tracts containing the communities of Saticoy, El Rio, Nyeland Acres, Hollywood Beach/Silver Strand, and Oak Park contain no other residential community or portion of the adjacent city. As a result, the census tract level data can be considered reasonably accurate when applied to the community. Of these communities for which reliable data exists, Saticoy and Nyeland Acres, with estimated 2010 median household incomes of \$34,145 and \$42,043, respectively, meet the definition of a DUC.

As a means to implement the recent changes to LAFCo law regarding DUCs and to identify the communities of Saticoy and Nyeland Acres as DUCs, staff recommends that the Commission consider the adoption of the following language:

SECTION 3.2.5 ANNEXATION OF DISADVANTAGED UNINCORPORATED COMMUNITIES

Pursuant to Government Code Section 56033.5 and Water Code Section 79505.5, a “Disadvantaged Unincorporated Community” shall be defined as a community with an annual median household income that is less than 80 percent of the statewide annual median household income. The following unincorporated communities are located adjacent to a city and have an annual median

household income that is less than 80 percent of the statewide annual median household income based on 2010 Census data:

- Nyeland Acres: the developed territory located north of the City of Oxnard and generally bounded by Santa Clara Avenue, Friedrich Road, Almond Drive and State Route 101
- Saticoy: the area east of the City of San Buenaventura generally described as being within the boundaries of the County of Ventura's Saticoy Area Plan.

Except for proposals authorized pursuant to Government Code Section 56375.3, LAFCo will not approve a proposal for an annexation from a city involving territory greater than 10 acres if that territory is contiguous to either the Nyeland Acres or Saticoy community unless an application to annex the community to the city has been filed with the Executive Officer, or unless either of the following apply:

- (a) A prior application to annex the contiguous disadvantaged community was filed with the Executive Officer within the preceding five years; or
- (b) The Commission finds, based on written evidence, that a majority of the residents within the community are opposed to the annexation.

It should be noted that on February 24, 2012 Senate Bill 1498 (Emmerson) was introduced. This bill, which is sponsored by the League of California Cities, proposes two primary changes to LAFCo law:

1. It would repeal the aforementioned provisions regarding DUCs; and
2. It would add new language to Govt. Code Section 56133 to provide LAFCOs with expanded authority to approve extensions of service outside of an agency's sphere of influence. This is the same language which CALAFCO proposed previously and against which your Commission took a position at the January 18, 2012 LAFCo meeting.

Though any repeal of the DUC provisions would render the recommended policy moot, staff recommends that the Commission consider adoption of the policy as a means to implement the law currently in effect. Should the DUC provisions be repealed at any point in the future, staff will bring the matter back to the Commission for reconsideration at that time.

Division 4, Chapter 1 – GENERAL POLICIES, SECTION 4.1.3 GENERAL SPHERE OF INFLUENCE POLICIES

As the Commission is aware, a change of organization must be consistent with the sphere of influence for the subject agency. As a result, any proposed change of organization involving territory that is outside the sphere of influence of the subject agency must be accompanied by a concurrent request to amend the sphere of

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Amendments to Commissioner's Handbook-Divisions 1-5
March 21, 2012
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influence. However, unlike a change of organization, which does not become effective until a Certificate of Completion is recorded, a sphere of influence amendment generally becomes effective upon approval of the Commission. Thus, if a change of organization and concurrent sphere amendment are approved and, for whatever reason, the change of organization is never completed, the sphere of influence will nevertheless become effective. To avoid this situation, it has been staff's practice to recommend that the sphere amendment approval be conditioned on the completion of the change of organization.

To reflect current practice, staff recommends that the Commission consider adoption of the following language:

4.1.3.3 Concurrent Sphere of Influence Amendments Effective Upon Execution of Certificate of Completion: The Commission's approval of any concurrent sphere of influence amendment and change of organization proposal will become effective at the time the Certificate of Completion for the change of organization is recorded. If no Certificate of Completion for the change of organization is recorded, the sphere of influence amendment shall not become effective.

**Division 5, Chapter 1 – GENERAL POLICIES, SECTION 5.1.3 APPLICATIONS;
SECTION 5.1.6 DETERMINATION OF NO OTHER SERVICE PROVIDER; SECTION
5.1.9 TIME LIMIT ON SERVICE INITIATION**

Government Code Section 56133 contains provisions under which LAFCo may approve the extension of services outside of an agency's boundaries. Division 5 of the Handbook contains the Commission's policies regarding these service extensions, known as out of agency service agreements (OASAs). Among these policies are Sections 5.1.3.1 and 5.1.6, both of which provide that only the agency that is to provide the service may apply to LAFCo for approval of an OASA. Similarly, Section 5.1.9.3 provides that only the agency that is to provide the service may request an extension of time for an approved OASA.

In a recent appellate court opinion it was determined that Government Code Section 56133 was not intended to limit who may submit an application to LAFCo for approval of an OASA. In the court's opinion, Section 56133 provides that any party, such as a property owner, may apply to LAFCo. As currently written, the aforementioned Handbook Sections appear to conflict with the court's opinion. Therefore, staff recommends that the Commission consider the following amendments to remove the requirement that the agency that is to provide service must be the applicant to LAFCo.

SECTION 5.1.3 APPLICATIONS

5.1.3.1 ~~Eligibility and Requirement For Copy of Agreement~~: Applications to LAFCo for consideration of out of agency service agreements shall ~~be filed by the agency that is seeking approval to provide the service outside its boundaries and shall~~ include a service agreement signed by all parties.

SECTION 5.1.6 DETERMINATION OF NO OTHER SERVICE PROVIDER

In order to approve an out of agency service agreement LAFCo shall determine that no other public agency can provide the same service at the same level of service. If the territory involved is within the sphere of influence of two or more public agencies that can provide the same service, all other such public agencies must first agree in writing to the out of agency service being requested or LAFCo must have first recognized the boundaries of a formal agreement between public agencies that defines their service areas. ~~Only the City or District that is intending to provide or receive service may request approval of an out of agency service agreement.~~

SECTION 5.1.9 TIME LIMIT ON SERVICE INITIATION

5.1.9.3 Request For Time Extension:

(a) ~~The agency intending to provide the service may request~~ One twelve (12) month extension of the one-year deadline set forth in Section 5.1.9.2 may be requested either as part of the initial LAFCo application or within one (1) year of the date of recordation of the approved service agreement provided that all of the following can be demonstrated:

- i. The service provider has amended the service contract accordingly.
- ii. The proponents of the project that is to receive the service have diligently pursued all necessary permits to begin construction of the project, but due to factors beyond their control, permits have not yet been obtained.
- iii. There is a reasonable expectation that the permits necessary to commence construction can be obtained within a reasonable timeframe, as determined by the Executive Officer.

(b) Requests for time extensions will be considered by the authority that approved the original out of agency service agreement.

ENVIRONMENTAL IMPACT OF THE PROPOSAL

The recommended policy amendments are limited to those which would affect the internal administration and governance of LAFCo and would therefore not result in any direct or indirect effects on the physical environment. Staff has determined that it can be seen with certainty that there is no possibility that the recommended revisions to the Commissioner's Handbook may have a significant impact on the environment.

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Therefore, the revisions are not subject to CEQA under the general rule exemption contained in CEQA Guidelines Section 15061(b)(3).

- Attachments:
- (1) Resolution making various amendments to Division 1, Chapter 1 of the Commissioner's Handbook.
 - (2) Resolution making various amendments to Division 1, Chapter 4; Division 2, Chapter 4; Division 3, Chapters 1 and 2; Division 4, Chapter 1; and Division 5, Chapter 1 of the Commissioner's Handbook.

**RESOLUTION OF THE VENTURA LOCAL AGENCY
FORMATION COMMISSION MAKING VARIOUS
AMENDMENTS TO DIVISION 1, CHAPTER 1 – BYLAWS
OF THE COMMISSIONER’S HANDBOOK**

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.) requires each Local Agency Formation Commission to adopt written policies and procedures; and

WHEREAS, the Ventura Local Agency Formation Commission (LAFCo or Commission) first adopted bylaws in 1963 to assist its operation; and

WHEREAS, the Commission periodically adopts revisions to the Commissioner’s Handbook containing its written policies, procedures, and bylaws as necessary; and

WHEREAS, the Commission desires to make various amendments to its bylaws relating to the selection of the Commission officers as set forth in the Staff Report; and

WHEREAS, on March 21, 2012, the Commission heard and considered the Staff Report and the public had an opportunity to comment about the recommended amendments to the Commission’s bylaws;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED that the Ventura Local Agency Formation Commission hereby:

- (1) Amends Division 1 – Operational Rules and Regulations, Chapter 1 – Bylaws by amending:
 - (a) Section 1.1.4.1 of the Commissioner’s Handbook regarding selection of the Chair as shown on Exhibit A;
 - (b) Section 1.1.4.2 of the Commissioner’s Handbook regarding selection of the Vice-Chair as shown on Exhibit A
- (2) Directs the Executive Officer to compile the amendments to the Commissioner’s Handbook in the form of replacement pages and distribute them to interested parties.
- (3) Establishes the effective date of this resolution as March 21, 2012

This resolution was adopted on March 21, 2012.

	AYE	NO	ABSTAIN	ABSENT
Commissioner Cunningham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Long	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Freeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Morehouse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parvin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Pringle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Bennett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Dandy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Ford-McCaffrey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated: _____
Chair, Ventura Local Agency Formation Commission

Attachments: Exhibit A

c: Ventura County Cities
Ventura County Special Districts

EXHIBIT A

1.1.4.1 Chair: The Chair shall be selected by the members. The Chair shall serve for one year or until his/her successor is selected at the first meeting of each calendar year or at the next regular meeting following the appointment and qualification of the requisite members to fill any expired and/or vacant terms.

The office of Chair shall be rotated so that a member of each of the four represented groups of LAFCo serves one full year in every four-year period. Commencing January of 2002, the rotation of the chair shall be in the following sequence: County, Public, City, and Special District member.

1.1.4.2 Vice-Chair: The Vice-Chair shall be selected by the members. The Vice Chair shall serve for one year or until his/her successor is selected at the first meeting of each calendar year or at the next regular meeting following the appointment and qualification of the requisite members to fill any expired and/or vacant terms. In the absence of the Chair, the Vice-Chair shall serve in place of the Chair.

The office of Vice-Chair shall be rotated so that a member of each of the four represented groups of LAFCo serves one full year in every four-year period. In January 2002, the rotation of the vice-chair shall be in the following sequence: Public, City, Special District, and County member.

**RESOLUTION OF THE VENTURA LOCAL AGENCY
FORMATION COMMISSION MAKING VARIOUS
AMENDMENTS TO DIVISION 1, CHAPTER 4; DIVISION 2,
CHAPTER 4; DIVISION 3, CHAPTERS 1 AND 2; DIVISION
4, CHAPTER 1; AND DIVISION 5, CHAPTER 1 OF THE
COMMISSIONER'S HANDBOOK**

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.) requires each Local Agency Formation Commission to adopt written policies and procedures; and

WHEREAS, the Ventura Local Agency Formation Commission (LAFCo or Commission) adopted a new and revised Commissioner's Handbook containing its written policies and procedures on January 1, 2002; and

WHEREAS, the Commission periodically adopts revisions to the Commissioner's Handbook as necessary; and

WHEREAS, the Commission desires to make various amendments to its policies relating to the California Environmental Quality Act, records retention, school capacity, discretionary approvals, disadvantaged unincorporated communities, spheres of influence, and out of agency services agreements; and

WHEREAS, on March 21, 2012, the Commission heard and considered the Staff Report and the public had an opportunity to comment about the recommended amendments to the Commission's operational policies;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED that the Ventura Local Agency Formation Commission hereby amend the Commissioner's Handbook as follows :

- (1) Amends Division 1 – Operational Rules and Regulations, Chapter 4 – Administrative Supplement to the California Environmental Quality Act (CEQA) Guidelines by amending:
 - (a) Section 1.4.3.1 relating to the transmittal of comments in response to notices of preparation as shown on Exhibit A;
 - (b) Section 1.4.3.3 relating to the preparation of subsequent environmental documents as shown on Exhibit A.
- (2) Amends Division 2 – Operational Policies, Chapter 4 – Public Information and Records Retention, by amending Section 2.4.6 relating to records retention as shown in Exhibit B.
- (3) Amends Division 3 – Changes of Organization and Reorganization, Chapter 1 – General Policies, by:

- (a) Removing Section 3.1.6 regarding school capacity as shown on Exhibit C;
 - (b) Adding Section 3.1.6 regarding a requirement that discretionary approvals for new development be granted prior to acceptance of an application as shown on Exhibit C;
 - (c) Adding Section 3.2.5 regarding disadvantaged unincorporated communities as shown on Exhibit C
- (4) Amends Division 4 – Spheres of Influence, Chapter 1 – General Policies, by adding Section 4.1.3.3 relating to the effectuation of concurrent sphere of influence amendments as shown in Exhibit D
- (5) Amends Division 5 – Out of Agency Service Agreements, Chapter 1 – General Policies by amending:
- (a) Section 5.1.3.1 relating to limitations on application submittal requirements as shown on Exhibit E;
 - (b) Section 5.1.6 relating to limitations on application submittal requirements as shown on Exhibit E;
 - (c) Section 5.1.9.3 relating to limitations on application submittal requirements as shown on Exhibit E
- (6) Directs the Executive Officer to compile the amendments to the Commissioner’s Handbook in the form of replacement pages and distribute them to interested parties.
- (7) Establishes the effective date of this resolution as March 21, 2012

This resolution was adopted on March 21, 2012.

	AYE	NO	ABSTAIN	ABSENT
Commissioner Cunningham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Long	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Freeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Morehouse	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parvin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Pringle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Alt. Commissioner Dandy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Ford-McCaffrey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated: _____
Chair, Ventura Local Agency Formation Commission

Attachments: Exhibit A
Exhibit B
Exhibit C
Exhibit D
Exhibit E

c: Ventura County Cities
Ventura County Special Districts

EXHIBIT A

SECTION 1.4.3 LAFCO AS A RESPONSIBLE AGENCY

1.4.3.1 Comment Period for Lead Agency Environmental Documents: Pursuant to CEQA Guidelines Section 15096, the Executive Officer or designee shall respond in writing to any request for (scoping) consultation received from a lead agency.

Within 30 days of receiving a Notice of Preparation from a lead agency, the Executive Officer or designee shall transmit written comments to the lead agency. Comments shall be sent to the lead agency by certified mail or any other method which provides LAFCo with written confirmation that the comments have been received.

For any draft document pertaining to a project that LAFCo will later be asked to approve, the Executive Officer or designee shall respond in writing as to the adequacy of the proposed environmental document, including any specific areas of concern or disagreement, within the time specified in the lead agency's notice. LAFCo may also comment on the appropriateness of using a negative declaration and may recommend additional alternatives or mitigation measures to the lead agency. Comments should be limited to those issues related to LAFCo's area of authority and/or that are required to be approved by LAFCo. Whenever possible, such comments should be supported by specific documentation.

An environmental document that is being prepared for a subsequent LAFCo action should include the following:

- (a) Cumulative and Regional Impacts.
- (b) Growth – inducing impacts.
- (c) Impacts to public services, including but not limited to, water supply and distribution systems; wastewater treatment and sewer collection systems; solid waste disposal capacity and collection; public school districts, fire and police protection; and public facilities, including discussion on the ability of the receiving entities (i.e. water district, sewer district, school district) to provide the services to the proposed boundary change area.
- (d) Conversion of prime agricultural lands to urban uses and protection/preservation of prime agricultural lands and resources.
- (e) Consistency with General and Specific Plans.
- (f) Affordable Housing.

1.4.3.3 LAFCo Use of Lead Agency Environmental Documents: LAFCo shall, in making determinations on boundary change proposals, utilize the environmental document prepared by the lead agency in accordance with these procedures and the State CEQA Guidelines (Section 15096). The Commission shall certify that it has reviewed and considered the information contained in the environmental document prior to approval of a proposal. LAFCo shall, when utilizing a lead agency's environmental document for a

project where significant effects are identified, make findings required by CEQA Guidelines Sections 15074, 15091, 15096 and 15097.

Whenever a final EIR identifies significant effects that cannot be avoided or substantially lessened, LAFCo shall not approve the proposal unless specific overriding economic, legal, social, technological, or other benefits of the proposal outweigh the significant environmental effects, and a Statement of Overriding Considerations is adopted pursuant to CEQA Guidelines Section 15093.

When an EIR has been prepared, LAFCo shall not approve the project as proposed if it finds feasible alternatives or feasible mitigation measures within its powers that would substantially lessen any significant effect the project would have on the environment.

In some instances LAFCo may assume the role of lead agency pursuant to CEQA Guidelines 15052.

The Executive Officer will deem an application incomplete, for processing purposes, until the required environmental documentation has been received.

EXHIBIT B

SECTION 2.4.6 RETENTION OF RECORDS

Retention of records shall occur in following manner:

(a) Case Files (Change of Organization and Reorganization Proposals)

i. The original paper case files from the previous three years will be retained in the LAFCo office.

ii. The original paper case files older than three years, including the case files dating from 1963 to 1986 which exist in microfiche form only, will be stored in a secure off-site facility suitable for long term records storage. A duplicate set of microfiche case file records will be stored in the LAFCo office.

iii. All microfiche records and selected documents from each case file (including but not limited to certificates of completion, resolutions, maps, legal descriptions and staff reports) will be copied and saved to the following: 1) a network drive maintained by the County of Ventura, which is readily available to LAFCo staff; and 2) two sets of portable media (CD, DVD, etc.). One set of portable media will be retained in a secure off-site facility suitable for long term records storage and one set will be stored in the LAFCo office.

(b) Other Administrative Records

i. All original paper-based administrative records will be retained in the LAFCo office.

ii. All administrative records will be copied and saved to a network drive maintained by the County of Ventura, which is readily available to LAFCo staff.

EXHIBIT C

SECTION 3.1.6 SCHOOL CAPACITY

~~In addition to the factors and determinations required by state law, LAFCo will consider whether or not the territory involved in a proposal for a change of organization or reorganization can be served by affected school districts. LAFCo will not favor any change of organization or reorganization proposal where any affected school district certifies that there is not sufficient existing school capacity, or will not be sufficient school capacity at the time of development, to serve the territory involved.~~

SECTION 3.1.6 DISCRETIONARY APPROVALS REQUIRED

Unless exceptional circumstances exist, no application for a change of organization or reorganization will be accepted until all discretionary approvals for any pending application for land use entitlements, including land divisions, pertaining to the subject territory are granted.

SECTION 3.2.5 ANNEXATION OF DISADVANTAGED UNINCORPORATED COMMUNITIES

Pursuant to Government Code Section 56033.5 and Water Code Section 79505.5, a "Disadvantaged Unincorporated Community" shall be defined as a community with an annual median household income that is less than 80 percent of the statewide annual median household income. The following unincorporated communities are located adjacent to a city and have an annual median household income that is less than 80 percent of the statewide annual median household income based on 2010 Census data:

- Nyeland Acres: the developed territory located north of the City of Oxnard and generally bounded by Santa Clara Avenue, Friedrich Road, Almond Drive and State Route 101
- Saticoy: the area east of the City of San Buenaventura generally described as being within the boundaries of the County of Ventura's Saticoy Area Plan.

Except for proposals authorized pursuant to Government Code Section 56375.3, LAFCo will not approve a proposal for an annexation from a city involving territory greater than 10 acres if that territory is contiguous to either the Nyeland Acres or Saticoy community unless an application to annex the community to the city has been filed with the Executive Officer, or unless either of the following apply:

- (a) A prior application to annex the contiguous disadvantaged community was filed with the Executive Officer within the preceding five years; or
- (b) The Commission finds, based on written evidence, that a majority of the residents within the community are opposed to the annexation.

EXHIBIT D

SECTION 4.1.3 GENERAL SPHERE OF INFLUENCE POLICIES

4.1.3.3 Concurrent Sphere of Influence Amendments Effective Upon Execution of Certificate of Completion: The Commission's approval of any concurrent sphere of influence amendment and change of organization proposal will become effective at the time the Certificate of Completion for the change of organization is recorded. If no Certificate of Completion for the change of organization is recorded, the sphere of influence amendment shall not become effective.

EXHIBIT E

SECTION 5.1.3 APPLICATIONS

5.1.3.1 Requirement For Copy of Agreement: Applications to LAFCo for consideration of out of agency service agreements shall include a service agreement signed by all parties.

SECTION 5.1.6 DETERMINATION OF NO OTHER SERVICE PROVIDER

In order to approve an out of agency service agreement LAFCo shall determine that no other public agency can provide the same service at the same level of service. If the territory involved is within the sphere of influence of two or more public agencies that can provide the same service, all other such public agencies must first agree in writing to the out of agency service being requested or LAFCo must have first recognized the boundaries of a formal agreement between public agencies that defines their service areas.

SECTION 5.1.9 TIME LIMIT ON SERVICE INITIATION

5.1.9.3 Request For Time Extension:

(a) One twelve (12) month extension of the one-year deadline set forth in Section 5.1.9.2 may be requested either as part of the initial LAFCo application or within one (1) year of the date of recordation of the approved service agreement provided that all of the following can be demonstrated:

- i. The service provider has amended the service contract accordingly.
- ii. The proponents of the project that is to receive the service have diligently pursued all necessary permits to begin construction of the project, but due to factors beyond their control, permits have not yet been obtained.
- iii. There is a reasonable expectation that the permits necessary to commence construction can be obtained within a reasonable timeframe, as determined by the Executive Officer.

(b) Requests for time extensions will be considered by the authority that approved the original out of agency service agreement.