



VENTURA LOCAL AGENCY FORMATION COMMISSION

MEETING AGENDA

Wednesday September 19, 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

PUBLIC COMMENTS

5. 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.)

CONSENT ITEMS

6. Minutes of the Ventura LAFCo July 18, 2012 Regular Meeting
7. 2013 Meeting Calendar
Adopt a meeting calendar for 2013

RECOMMENDED ACTION: Approval

COMMISSIONERS AND STAFF

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

ACTION ITEM

8. Cancel the October 17 and November 21, 2012 Meetings and Schedule a Special Meeting for November 14, 2012

RECOMMENDED ACTION: Approval

PUBLIC HEARING ITEMS

9. Lake Sherwood Community Services District Sphere of Influence Amendment and Annexation

- A. Adopt resolution LAFCo 12-09S making determinations and approving the Lake Sherwood Community Services District Sphere of Influence Amendment – Annexation No. 2.
- B. Adopt resolution LAFCo 12-09 making determinations and approving the Lake Sherwood Community Services District Annexation – Annexation No. 2 (Parcels A - G).

RECOMMENDED ACTION: Continue to a date certain subject to the Commission action on Agenda Item 8

ACTION ITEMS CONTINUED

10. A Request by the City of San Buenaventura to Amend LAFCo Handbook Policy 3.2.5

Determine whether to approve or disapprove a request from the City of Ventura (City) and Northbank Venture, LLC (Northbank) to amend Commissioner’s Handbook Section 3.2.5 to increase the acreage threshold from 10 acres to either 28 or 40 acres, thereby excluding city annexation proposals of less than 28 or 40 acres from the requirement that contiguous disadvantaged unincorporated communities also be proposed for annexation.

RECOMMENDED ACTION: Direct Staff as Appropriate

11. Proposed Memorandum of Agreement with Los Angeles LAFCo to Transfer Principal County Status for Sphere of Influence Changes for Multicounty Special Districts

Determine whether to approve in concept a memorandum of agreement with the Los Angeles LAFCo to transfer to the Ventura LAFCo exclusive jurisdiction over proposals to amend the spheres of influence of multicounty special districts where the proposal area is located entirely within Ventura County and, if approved, delegate authority to the Ventura LAFCo Executive Officer, in consultation with legal counsel, to finalize and sign a memorandum of agreement consistent with such approval.

RECOMMENDED ACTION: Direct Staff as Appropriate

12. Expiration of Term of Office for Public Member and Alternate Public Member
A. Determine if the Commission wishes to appoint the current alternate public member as the new public member and/or appoint the current public member as the new alternate public member, effective January 1, 2013 [affirmative vote of at least one of the Commissioners selected by each of the other appointing authorities (i.e. the County, the cities and the independent special districts) required pursuant to Govt. Code Sec. 56325(d)].
B. If the Commission does not wish to make either one or both appointments, establish a process for the recruitment and selection of a new public member and/or alternate public member.

RECOMMENDED ACTION: Direct staff as appropriate

13. Professional Services Agreement for Audit Services – Vavrinek, Trine, Day & Co., LLP
Adopt a resolution approving a professional services agreement for audit services with Vavrinek, Trine, Day & Co., LLP for an amount not to exceed \$7,957 and authorizing the Chair to execute the agreement.

RECOMMENDED ACTION: Approval

14. CALAFCO Board of Directors Election – Voting Delegates
Designate a voting delegate and an alternate voting delegate for the 2012 CALAFCO Board of Directors election.

RECOMMENDED ACTION: Select a voting delegate and an alternate voting delegate

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

MEETING MINUTES

Wednesday July 18, 2012

Agenda Item 6

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

1. Call to Order
Chair Parvin called the meeting to order at 9:04 AM
2. Pledge of Allegiance
Chair Parvin led the pledge of allegiance.
3. Roll Call
The clerk called the roll. The following Commissioners were present:

Commissioner Cunningham	Commissioner Pringle
Commissioner Freeman	Alternate Commissioner Dandy
Commissioner Morehouse	Alternate Commissioner Ford-McCaffrey
Commissioner Parks	
Commissioner Parvin	
4. Commission Presentations and Announcements
There were no presentations or announcements.

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 May 16, 2012 Regular Meeting
7. Budget to Actual Report: April and May 2012
MOTION: Approval of Item 6 and Receive and File Item 7 as Recommended: Morehouse
SECOND: Cunningham
AYES: Cunningham, Freeman, Morehouse, Parks, Parvin, Pringle
NOES: None
ABSTAINED: None
MOTION PASSES 6/0/0

COMMISSIONERS AND STAFF

<u>COUNTY</u>	<u>CITY</u>	<u>DISTRICT</u>	<u>PUBLIC</u>
Kathy Long	Carl Morehouse	Elaine Freeman	Lou Cunningham
Linda Parks	Janice Parvin, Chair	Gail Pringle, Vice Chair	
<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	Legal Counsel
Kim Uhlich	Kai Luoma, AICP	Debbie Schubert	Michael Walker

PUBLIC HEARING ITEMS

- 9. LAFCo 12-06 City of San Buenaventura Reorganization – Montalvo Islands (Parcels A-I)
 Chair Parvin opened the public hearing. Kai Luoma presented the staff report. Jeff Lambert, Community Development Director with the City of Ventura, gave a presentation. With no one wishing to give public comment, Chair Parvin closed the public hearing.
 MOTION: Approval recommended: Parks
 SECOND: Freeman
 AYES: Cunningham, Freeman, Morehouse, Parks, Parvin, Pringle
 NOES: None
 ABSTAINED:None
 MOTION PASSES 6/0/0

ACTION ITEMS

- 10. LAFCo 12-08 Ventura County Waterworks District No. 1 Annexation – Moorpark West Studios
 Chair Parvin opened the public hearing. Kai Luoma presented the staff report. Dennis Daniel, representing the developer, answered questions posed by Commissioner Pringle. There were no public speakers.
 MOTION: Approval as recommended: Freeman
 SECOND: Morehouse
 AYES: Cunningham, Freeman, Morehouse, Parks, Parvin, Pringle
 NOS: None
 ABSTAINED:None
 MOTION PASSES 6/0/0

TIME CERTAIN ITEMS

9:30 AM - CLOSED SESSION

- 8. Pursuant to Government Code Section 54957, the Commission adjourned to a closed session to consider a performance evaluation for the LAFCo Executive Officer. The Commission reconvened the meeting with no announcement.
- 11. Extension of Time to Complete Reorganization Proceedings for LAFCo 11-04 City of Oxnard Reorganization/Calleguas Municipal Water District Annexation – Crossroads (Parcels A & B)
 Kim Uhlich presented the staff report. There were no public speakers.
 MOTION: Approval as recommended: Pringle
 SECOND: Freeman
 AYES: Cunningham, Freeman, Morehouse, Parks, Parvin, Pringle
 NOS: None
 ABSTAINED:None
 MOTION PASSES 6/0/0

12. Proposed High School Adjacent to the Camarillo Library on Las Posas Road – Status Update
 Kim Uhlich presented a report. During the Commission discussion, it was requested that staff provide a similar, updated timeline when the proposal is considered by the Commission. The Commission took no action.
13. Review of LAFCo Conflict of Interest Code
 Kim Uhlich presented the staff report.
 MOTION: Approval as recommended: Freeman
 SECOND: Morehouse
 AYES: Cunningham, Freeman, Morehouse, Parks, Parvin, Pringle
 NOS: None
 ABSTAINED: None
 MOTION PASSES 6/0/0
14. CALAFCO Board of Directors Nominations
 Kim Uhlich presented the staff report. There were no nominations.
15. CALAFCO Achievement Award Nominations
 Kim Uhlich presented the staff report.
 MOTION: Nominate the Montalvo Islands Reorganization Proposal for Project of the Year: Morehouse
 SECOND: Parvin
 AYES: Cunningham, Freeman, Morehouse, Parks, Parvin, Pringle
 NOS: None
 ABSTAINED: None
 MOTION PASSES 6/0/0
- MOTION: Nominate Lou Cunningham for Outstanding CALAFCO Member:
 Parvin
 SECOND: Parks
 AYES: Cunningham, Freeman, Morehouse, Parks, Parvin, Pringle
 NOS: None
 ABSTAINED: None
 MOTION PASSES 6/0/0
- MOTION: Nominate Kai Luoma for Outstanding LAFCo Professional:
 Cunningham
 SECOND: Freeman
 AYES: Cunningham, Freeman, Morehouse, Parks, Parvin, Pringle
 NOS: None
 ABSTAINED: None
 MOTION PASSES 6/0/0

16. Compensation of Executive Officer

MOTION: Grant a merit increase of 3% effective July 8, 2012: Parks
SECOND: Freeman
AYES: Cunningham, Freeman, Morehouse, Parks, Parvin, Pringle
NOS: None
ABSTAINED: None
MOTION PASSES 6/0/0

EXECUTIVE OFFICER'S REPORT

Kim Uhlich reported that the CALAFCO Omnibus bill SB 1498 (Emmerson) was signed by the Governor. She also reminded the Commission to let staff know as soon as possible if they would like to attend the CALAFCO Annual Conference, and that their next meeting was scheduled for September 19.

COMMISSIONER COMMENTS

Commissioner Cunningham announced that at their July 13 meeting, the Board of Directors appointed Pamela Miller as the new Executive Director of CALAFCO. Mr. Cunningham added that Ms. Miller was a good fit for the organization and well qualified. As a co-chair of the Conference committee, Mr. Cunningham also encouraged everyone to attend the Conference in Monterey noting that the conference program was shaping up to be outstanding.

Alternate Commissioner Ford-McCaffrey gave a report on the CALAFCO University course she attended in June on municipal consolidations and disincorporations. The course included a discussion of the effects of bankruptcies, mergers and disincorporations on cities, as well as other issues these reorganizations create including duplicative staff positions, choosing a successor agency and gaps and conflicts in the Government Code.

ADJOURNMENT

Chair Parvin adjourned the meeting at 11:09 a.m.

These Minutes were approved on September 19, 2012.

Motion:

Second:

Ayes:

Nos:

Abstains:

Date: _____ **Chair, Ventura Local Agency Formation Commission**



VENTURA LOCAL AGENCY FORMATION COMMISSION

STAFF REPORT

Meeting Date: September 19, 2012

(Consent)

Agenda Item 7

TO: LAFCo Commissioners

FROM: Kim Uhlich, Executive Officer *KU*

SUBJECT: Meeting Calendar for 2013

RECOMMENDATION:

Approve the 2013 calendar for meetings of the Ventura LAFCo.

DISCUSSION:

Attached is a recommended meeting calendar for Ventura LAFCo for 2013. Adoption is recommended for scheduling and public information purposes. The calendar is consistent with the Commission's by-laws, including scheduling regular meetings on the third Wednesday of the month except for June when the meeting is scheduled for the second Wednesday to accommodate adoption of the budget before June 15 pursuant to Government Code Section 56381(a). The Commission's by-laws also state that there are no regular meetings scheduled for August and December.

No action canceling any meeting or setting any special meetings is proposed at this time. Special meetings can be called and scheduled meetings can be canceled pursuant to the provisions of the Government Code. If approved, this 2013 meeting calendar will be posted on the Ventura LAFCo website and otherwise made publicly available.

COMMISSIONERS AND STAFF

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



VENTURA LOCAL AGENCY FORMATION COMMISSION

2013 LAFCo Meeting Calendar

January						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

February						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

March						
S	M	T	W	T	F	S
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3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

April						
S	M	T	W	T	F	S
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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

May						
S	M	T	W	T	F	S
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

June						
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						1
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9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

July						
S	M	T	W	T	F	S
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7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

August						
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11	12	13	14	DARK	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

September						
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22	23	24	25	26	27	28
29	30					

October						
S	M	T	W	T	F	S
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6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

November						
S	M	T	W	T	F	S
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10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

December						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	DARK	DARK	DARK	20	21
22	23	24	25	26	27	28
29	30	31				



VENTURA LOCAL AGENCY FORMATION COMMISSION

STAFF REPORT

Meeting Date: September 19, 2012

Agenda Item 8

TO: LAFCo Commissioners

FROM: Kim Uhlich, Executive Officer *KU*

SUBJECT: Cancel the October 17 and November 21, 2012 Regularly Scheduled Meetings and Schedule a Special Meeting for November 14, 2012

RECOMMENDATION:

Cancel the LAFCo meetings scheduled for October 17, 2012 and November 21, 2012, schedule a special meeting for November 14, 2012 and direct staff to provide the appropriate notices to the County, all cities, independent special districts and other interested parties as required by law.

DISCUSSION:

Due to the fact that there are no pending applications for Commission action as of the date this report was prepared, staff is recommending that the Commission cancel the October meeting. The next scheduled meeting would occur on November 21, 2012, which is the day before Thanksgiving. As such, staff conducted a poll to determine the availability of Commissioners on November 21 and other dates in November. Based on the responses received, November 14 is the best date with regard to Commissioner availability (of the regular members, all but Commissioner Morehouse can attend on the 14th).

COMMISSIONERS AND STAFF

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Executive Officer: Kim Uhlich	Dep. Exec. Officer Kai Luoma, AICP	Office Mgr/Clerk Debbie Schubert	Legal Counsel Michael Walker



VENTURA LOCAL AGENCY FORMATION COMMISSION

STAFF REPORT

Meeting Date: September 19, 2012

Agenda Item 9

TO: LAFCo Commissioners

FROM: Kim Uhlich, Executive Officer *KU*

SUBJECT: Lake Sherwood Community Services District Sphere of Influence Amendment and Annexation

RECOMMENDATION:

Continue to date certain subject to Commission action on agenda item number 8.

DISCUSSION:

Subsequent to scheduling the subject matter for the September 19 LAFCo meeting, staff received notification from Supervisor Parks' staff that they received a request from the Lake Sherwood Community Association to postpone consideration of the annexation proposal until they are provided with written assurances from the Ventura County Water and Sanitation Department that such annexation will not make them liable for additional fees to support the Lake Sherwood Community Services District beyond their current monthly water charges.

As required by law, a notice for the public hearing for the Lake Sherwood Community Services District Sphere of Influence Amendment and Annexation for September 19 was published over twenty one days in advance. Thus, this matter must be on the September 19 agenda and formal action to continue the hearings is necessary. It is recommended that the matter be continued to the November meeting date determined by the Commission in conjunction with its action on agenda item number 8 on the September 19, 2012 meeting agenda.

COMMISSIONERS AND STAFF

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VENTURA LOCAL AGENCY FORMATION COMMISSION

STAFF REPORT

Meeting Date: September 19, 2012

Agenda Item 10

TO: LAFCo Commissioners

FROM: Kim Uhlich, Executive Officer

SUBJECT: Request to Amend Commissioner’s Handbook Section 3.2.5

RECOMMENDATION:

Determine whether to approve or disapprove a request from the City of Ventura (City) and Northbank Venture, LLC (Northbank) to amend Commissioner’s Handbook Section 3.2.5 to increase the acreage threshold from 10 acres to either 28 or 40 acres, thereby excluding city annexation proposals of less than 28 or 40 acres from the requirement that contiguous disadvantaged unincorporated communities also be proposed for annexation.

1. If the Commission decides to approve the request:
 - a) The Commission should state the specific reasons for approval;
 - b) The Commission should direct staff to prepare a resolution of approval; and
 - c) The Commission should direct the chair to sign the resolution of approval.

2. If the Commission decides to disapprove the request:
 - a) The Commission should state the specific reasons for disapproval.

BACKGROUND:

Effective January 1, 2012, Section 56375(a)(8) of the Government Code (Section 56375(a)(8)) provides as follows:

(8) (A) Except for those changes of organization or reorganization authorized under Section 56375.3, and except as provided by subparagraph (B), a commission shall not approve an annexation to a city of any territory greater than 10 acres, or as determined by commission policy, where there exists a disadvantaged unincorporated community that is contiguous to the area of proposed annexation, unless an application to annex the disadvantaged unincorporated

COMMISSIONERS AND STAFF

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

community to the subject city has been filed with the executive officer.

(B) An application to annex a contiguous disadvantaged community shall not be required if either of the following apply:

(i) A prior application for annexation of the same disadvantaged community has been made in the preceding five years.

(ii) The commission finds, based upon written evidence, that a majority of the residents within the affected territory are opposed to annexation.

In response to Section 56375(a)(8), on March 21, 2012, the Commission approved the addition of Section 3.2.5, Annexation of Disadvantaged Unincorporated Communities, to the Commissioner's Handbook (Section 3.2.5). Section 3.2.5 provides as follows:

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.

As generally provided in Section 56375(a)(8)(A), annexations contiguous to a disadvantaged unincorporated community (DUC) which involve territory greater than ten acres, *or as determined by commission policy*, may only be approved if an application to annex the DUC to the subject city has been filed with LAFCo as long as either of the

Request to Amend Commissioner's Handbook Section 3.2.5

City of Ventura/Northbank Venture, LLC

September 19, 2012

Page 2 of 6

two criteria for exemption do not apply. To date, there has been no discussion or action taken by the Ventura LAFCo to determine an alternative acreage amount in lieu of the specified ten acre threshold. In a letter to LAFCo Executive Officer Kim Uhlich from City of Ventura Community Development Director Jeffrey Lambert dated August 27, 2012, the City and Northbank, an owner of land adjacent to the Saticoy community, are requesting that the Commission consider the adoption of a policy to increase the acreage threshold from 10 acres to at least 28 acres and preferably 40 acres (Attachment 1).

The Saticoy Community is located entirely within the sphere of influence for the City (Attachment 2). Except for two unincorporated parcels owned by Northbank, the City boundary abuts Saticoy to the north and west. Outside of the City sphere to the east is agricultural land comprising the westernmost extent of the Ventura-Santa Paula Greenbelt. The area to the south is within the Santa Clara River floodway. The two parcels owned by Northbank total approximately 24 acres. In accordance with the above cited provisions of state law and Section 3.2.5 of the Commissioner's Handbook, any request for LAFCo approval of an annexation proposal involving both Northbank parcels could not be approved unless the City were to also file an application requesting approval to annex the Saticoy community or unless the Commission finds, based on written evidence, that a majority of the residents within the Saticoy community are opposed to the annexation (the other exemption criterion, a prior application for annexation of the same community within the preceding five years, is inapplicable).

DISCUSSION:

Basis for Request

Similar to Commissioner's Handbook Section 3.2.3, which generally provides that the completion of any city change of organization or reorganization totaling 40 acres or more will be conditioned on the filing of a proposal initiating annexation of any unincorporated island areas, many cities view Section 56375(a)(8) as a disincentive to initiating proposals for annexations which they otherwise would likely support -- annexation of territory contiguous to DUCs in the latter case and annexation of any territory 40 acres or greater in size in the former case. And indeed, although this matter has not been formally considered by the Ventura City Council, City staff has indicated that the Council would not likely support any proposal which could force annexation of the Saticoy community at this point in time. For this reason, Northbank is pursuing this policy matter with the Commission in conjunction with City staff as a means to move forward with Northbank's plan to request entitlements for a multifamily residential development project described in the City's letter of request.

Legal Considerations

As discussed above, Section 56375(a)(8)(A) provides that a LAFCo "shall not approve an annexation to a city of any territory greater than 10 acres, or as determined by commission policy," where there exists a DUC, as specified in the section, unless an application to annex that DUC has been filed. According to LAFCo legal counsel, there

is a legal issue as to whether the language “or as determined by commission policy” empowers a commission to raise the acreage limit above 10 acres. If so, the 10-acre figure in Section 56375(a)(8)(A) merely serves as a default threshold where a commission has not taken action to set a different threshold; from this perspective, the commission in each county decides whether, and to what extent, DUCs must be part of a proposal to annex contiguous territory. Based on a review of the legislative history of Senate Bill No. 244, of which Section 56375(a)(8)(A) was a part, Ventura LAFCo legal counsel believes the better legal argument is that the 10-acre threshold in Section 56375(a)(8)(A) is a cap on a commission’s power to establish an acreage threshold. In his opinion, to interpret it otherwise is to largely turn Senate Bill No. 244 into advisory legislation and thereby undermine the intent of the Legislature, in enacting Senate Bill No. 244, “to encourage investment in these communities and address the complex legal, financial, and political barriers that contribute to regional inequity and infrastructure deficits within disadvantaged unincorporated communities.” However, LAFCo legal counsel points out that the legislative history shows that the 10-acre threshold and the language “or as determined by commission policy” were added late in the life of Senate Bill No. 244, making it plausible that the purpose of the language was to give each commission the power to address local concerns, which itself would be consistent with the overall purpose of LAFCo’s enabling legislation, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. Moreover, if the Legislature had intended the 10-acre figure to be a cap on a commission’s power, it would have been easy enough to say so (e.g., “or such lesser number of acres as determined by commission policy”). When legislation is reasonably susceptible to more than one interpretation, as here, it is the Commission that, in the first instance, must decide which interpretation should be adopted.

Revision of the 10-Acre Threshold - Local Implications

As shown on the attached map (Attachment 2), the parcels owned by Northbank and proposed for development comprise the only land within the existing City sphere that is contiguous to the Saticoy community. Coupled with that fact that the only other contiguous land is either within the Santa Clara River or within the Ventura-Santa Paula Greenbelt it is unlikely, at least in the foreseeable future, that LAFCo will receive any other annexation proposal which could trigger a requirement to file a request to annex the Saticoy community to the City pursuant to Section 56375(a)(8). Therefore, should the Commission take action to support the subject request, it would essentially eliminate the existing policy incentive encouraging the annexation of the Saticoy community to the City sooner than the City might otherwise prefer (unless LAFCo finds, based on written evidence, that a majority of the residents within the Saticoy community are opposed to the annexation).

The effect of increasing the Section 56375(a)(8) threshold from 10 acres to 28 or 40 acres on the Nyeland Acres community and the City of Oxnard is difficult to estimate but probably not significant. Currently, all parcels within the City of Oxnard sphere that are contiguous to the Nyeland Acres community are less than 1.6 acres in size and all are developed (Attachment 3). As such, any proposal to which Section 56375(a)(8) might

apply would have to involve more than one parcel. Generally speaking, annexation proposals involving developed land typically do not include more than one or two lots. Therefore, it is unlikely that any future City of Oxnard annexation proposals to annex territory within the existing City sphere and contiguous to Nyeland Acres would involve even 10 acres, let alone 28 or 40 acres.

Degree of 'Disadvantage' & Would Annexation Guarantee Additional Service-Related Investment by the City?

The City's letter of request asserts that the Saticoy community "does not fall into the category of a 'colonia' nor suffer the corresponding disadvantaged conditions described in SB 244 Section 1", and "...Saticoy does not lack the basic infrastructure of streets, storm drainage, clean drinking water, or sewer service." LAFCo staff generally agrees with this conclusion. However, to some extent, a disparity in water service availability currently exists in Saticoy. The City is currently the exclusive provider of domestic water service. Any land owner within the Saticoy community who requests a new water service connection is subject to City Ordinance No. 22.110.055. The ordinance limits water service to single family dwelling units or second dwelling units built or to be built on a lot of record in existence on the date an application for water service is filed with the City, provided that the uses can be supplied without extending the City's water distribution mains. The basic thrust of the City's policy is to discourage extending new or expanded water service outside City limits. As such, owners of land either currently used for commercial or industrial uses, or intended for such uses, are essentially restricted from developing their properties to the same extent that would be allowed on a comparably sized and zoned lot within the City.

Based on the limitations on new or expanded water service from the City to the Saticoy community, it is the opinion of LAFCo staff that annexing the Saticoy community would resolve the current disparity in water service availability. However, it is also important to note that annexation should not be considered a panacea as it does not *require* a city to take any action such as making physical or economic investments intended to benefit the subject territory. Other than water service availability, any other disparities with respect to urban service provision or economic/social advantages which may currently exist between residents and/or land owners in Saticoy and the City would probably not be improved solely as a result of annexation. This is likely to be particularly true if the City is forced to annex before it has the financial means to make a firm commitment to undertaking the necessary studies and investing in the necessary improvements.

In closing, staff wishes to note that, if the 10-acre threshold in Section 56375(a)(8) is interpreted as a default figure and not a cap, the subject request is a policy matter for the Commission to determine. Essentially, the Commission is being asked to weigh one relatively arbitrary standard against another. Beyond the legal opinion discussed above, it would not be appropriate for staff to offer an opinion on the merits of substituting the proposed threshold for that currently codified in state law.

BY: 
Kim Uhlich
Executive Officer

- Attachments:
- (1) Letter to LAFCo Executive Officer Kim Uhlich from City of Ventura Community Development Director Jeffrey Lambert dated August 27, 2012
 - (2) Map of Saticoy Community and Vicinity
 - (3) Map of the Nyeland Acres Community and Vicinity

August 27, 2012



Ms. Kim Uhlich
Executive Officer
Ventura Local Agency Formation Commission
800 S. Victoria Avenue
Ventura, CA 93009-1850

Subject: SB 244 Mandate Affecting Annexation Application for Properties Located Contiguous to Disadvantage Unincorporated Communities

Dear Kim:

This is to request for consideration of the Ventura Local Agency Formation Commission (LAFCO) policy amendment regarding the above-mentioned subject.

LAFCO POLICY AMENDMENT PROPONENTS

- City of Ventura
- Northbank Ventura, LLC (Property Owner of Assessor Parcel Nos. 128-0-060-125 & 128-0-060-145)

POLICY AMENDMENT REQUEST

SB 244 mandates that LAFCos "not approve an annexation to a city of any territory greater than 10 acres, or as determined by commission policy, where there exists a disadvantaged unincorporated community that is contiguous to the area of proposed annexation, unless an application to annex the disadvantaged unincorporated community to the subject city has been filed with the executive officer."

In consideration of the above, the City of Ventura and Northbank Venture, LLC respectfully request that Ventura LAFCO approve and adopt a policy which would define at least 28 acres as the minimum parcel size related to the SB 244 annexation application mandate (and preferable 40 acres, the current minimum parcel size triggering the mandatory annexation of non-adjacent unincorporated island areas located within a city), and correspondingly modify Section 3.2.5 of the Ventura LAFCO *Commissioner's Handbook* to reflect the policy amendment.

BACKGROUND

On October 7, 2011, Governor Brown signed SB 244, enacting certain changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 regarding annexation. SB 244 requires LAFCO to "not approve an annexation to a city of any

territory greater than 10 acres, or as determined by commission policy, where there exists a disadvantaged unincorporated community that is contiguous to the area of proposed annexation, unless an application to annex the disadvantaged unincorporated community to the subject city has been filed with the executive officer." SB 244 grants local LAFCO the legal authority to adopt a policy modifying the "land area trigger" from 10 acres to a more applicable size for that LAFCO's county of jurisdiction.

Although SB 244 does not require a LAFCO to approve the annexation of the disadvantaged unincorporated community as a condition for approval of the contiguous annexation, it will force LAFCO to link the two decisions. This additional annexation application requirement will, in some cases (including the specific Ventura County case related to this Policy Amendment Request), discourage annexation applications, in direct opposition to established long term City and County planning policies and annexation goals. Additionally, SB 244 would add to the costs of annexation, represents an unfunded mandate from state government that presents a real planning and fiscal challenge for LAFCO and cities in the coming years. It also places additional financial burdens on new development during the nascent recovery of the housing sector.

DISCUSSION

The intent of SB 244 is to encourage investment in significantly disadvantaged unincorporated communities which often lack basic infrastructure and public services, by mandating cities and LAFCO to include these communities in land use planning and capital improvement upgrade activities. This intent is clearly stated in *Section 1* of the statute as follows:

SECTION 1.

(a) The Legislature finds and declares all of the following:

- (1) Hundreds of disadvantaged unincorporated communities commonly referred to as "colonias", exist in California. There are more than 200 of these communities in the San Joaquin Valley alone. Many of these communities are geographically isolated islands, surrounded by the city limits of large and medium-sized cities.*
- (2) Conditions within these disadvantaged unincorporated communities evidence a distinct lack of public and private investment that threatens the health and safety of the residents of these communities and fosters economic, social, and educational inequality. Many of these communities lack basic infrastructure, including, but not limited to, streets, sidewalks, storm drainage, clean drinking water, and adequate sewer service.*

(3) The Clean Water State Revolving Fund, the Safe Drinking Water State Revolving Fund, and the Community Development Block Grant are robust and continuous sources of funding for drinking water, wastewater, and other basic infrastructure.

(b) It is the intent of the Legislature to encourage investment in these communities and address the complex legal, financial, and political barriers that contribute to regional inequity and infrastructure deficits within disadvantaged unincorporated communities.

Despite these specific concerns stated in *Section 1*, SB 244 broadly defines “disadvantaged unincorporated community” as any area with 12 or more registered voters, or as determined by commission policy, where the median household income is less than 80% of the statewide annual median. Using this income-based definition, Ventura LAFCO staff has identified only two (2) disadvantaged unincorporated communities (in all of Ventura County) which are adjacent to a city. These communities are as follows:

- Nyland 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 mostly developed territory east of the City of Ventura generally described as being within the boundaries of the County of Ventura’s Saticoy Area Plan

Based upon recent discussions between City of Oxnard and City of Ventura Planning officials, it has been confirmed that the City of Oxnard has no plans for future development or expansion, which would involve the annexation of any parcel in excess of 10 acres contiguous to the Nyland Acres community. Therefore, at a practical level, Oxnard is unaffected by the SB 244 annexation application mandate. This leaves the City of Ventura as the only potentially affected City, and the unincorporated Saticoy community as the only potentially affected disadvantaged unincorporated community in Ventura County.

Unincorporated Saticoy Community

While the unincorporated Saticoy community may technically meet the SB 244 definition of a disadvantaged unincorporated community (based solely on income statistics), it clearly does not fall into the category of a “colonia” nor suffer the corresponding disadvantaged conditions described in SB 244 *Section 1*. In fact, persons familiar with the legislative history of SB 244 confirm that it was primarily adopted to address dire conditions in a large number of truly disadvantaged communities located far from Ventura County. In stark contrast to the primary targets of this legislation, Saticoy

cannot be considered a “geographically isolated island surrounded by the city limits of (a) large (or) medium size city”. Additionally, there is no “distinct lack of public and private investment that threatens the health and safety of the residents of these communities and fosters economic, social, and educational inequality”. Most importantly, Saticoy does not lack the basic infrastructure of streets, storm drainage, clean drinking water, or sewer service.

The unincorporated Saticoy community has been neither isolated nor ignored, by either the County or City planning and infrastructure assessment efforts. On the contrary, long term planning and community improvement endeavors for the Saticoy community have been ongoing at both the County and City level since the 1960s.

The first land use plan for the Saticoy area was adopted by the County in 1967. At that time, the *Saticoy Community Study and Improvement Plan* established a land use plan for the original town site area of Saticoy. The plan was subsequently revised and updated in 1980 to expand the *Industrial* and *Urban* land use designations (to stimulate economic development activity) by including vacant land to the south, consistent with the County of Ventura General Plan Land Use Element.

In 1983, the County initiated a comprehensive update of the *Saticoy Community Plan* in response to a request to develop vacant industrial lands in the southeast area of the community. Then, in late 1983, CALTRANS announced its intention to widen and re-align Highway 118 through Saticoy. As a result, completion of the *Saticoy Community Plan* update was postponed until CALTRANS selected the new highway alignment route. However, in order to guide land use decisions until the updated *Saticoy Community Plan* was completed, an Interim Plan was adopted in 1985.

The *Saticoy Community Plan* update effort was resumed in the fall of 1988, and the County and City prepared a background report jointly. That report, together with several alternative land use and circulation plans, was presented at two public meetings in November and December 1988. Following those meetings, an EIR was prepared, and approved by the County Environmental Report Review Committee in August 1989. After public hearings before the County Planning Commission, the Board of Supervisors adopted the *Saticoy Area Plan* in April 1990, with subsequent amendments approved through May 2004. The current version of the *Saticoy Area Plan* thoroughly addresses the importance of the unincorporated Saticoy community, and in very practical terms, its future development and annexation potential, in part as follows:

The Saticoy Community has a unique character and development pattern that exists in no other part of the Ventura City Area of Interest (Planning Area). The community lies in the Santa Clara River Valley and has views of the Santa Clara River and South Mountain (see Figure 1). Significant amounts of agricultural land just east, north and southwest of the community create a semi-rural atmosphere.

Industrial, residential, commercial, and vacant/agricultural lands constitute the majority of land use in the area.

Almost all of the study area is within the City of Ventura's Sphere of Influence as approved by LAFCO. A sphere is defined as "...a plan for the probable, ultimate boundaries and service area of a local agency." It is therefore planned that ultimately the City boundaries will encompass the Saticoy area.

The entire area, other than a two-acre parcel lying west of Wells Road, is unincorporated territory. The Guidelines for Orderly Development are policies adopted by the Board of Supervisors, all city councils and LAFCO, which state that urban development should be located within cities whenever and wherever practical. Through the Sphere of Influence and the Guidelines for Orderly Development, annexation of the Saticoy area to the City of Ventura is perceived as an ultimate objective for providing municipal services and land use controls for the area.

Various factors, however, make annexations, especially of the residential community, unlikely in the near future. Annexation procedures are set forth in State law and require public hearing at both the LAFCO and the City Council stage. In addition, the consent of property owners or registered voters is required for annexation to occur.

The traditional motivations for property owners to seek annexation to cities have been the need to obtain various public services, usually utility services such as sewer and/or water connections, or to obtain a permit in order to develop property. In Saticoy, the majority of properties adjacent to the City are already developed and are receiving water and sewer service. Much of the area in need of service, if it is to develop, is not contiguous to the City boundary and therefore may not be readily annexable at this time.

If development of certain properties in the Saticoy area is to occur in a timely fashion, it may be necessary for such development to proceed under the County's jurisdiction. The Plan foresees this eventuality and proposes a program whereby property owners would, as a condition of development, agree to be annexed to the City at such time as contiguity is established and the City pursues annexation.

Even today, the County of Ventura continues to invest time and resources towards the long term improvement of the Saticoy community, and is currently working to update its vision for the future of Old Town Saticoy over the next 10-20 years. With a grant from the Southern California Association of Governments (SCAG), the County has recently retained a team of consultants to study the existing community characteristics and dynamics, and subsequently identify ways to: improve the community; identify preferred

existing and future uses; expand potential for job opportunities for Saticoy residents; and expand residential and commercial development options.

As part of this current effort to formulate ideas and visions for the future of Saticoy, an initial public workshop was held on August 1, 2012, at the Saticoy Community Center, to present preliminary information on the opportunities and challenges in Saticoy and to hear initial related public comments. In follow up, on August 23, 2012, a second public workshop was held, including a presentation summarizing the community input received, describing the resulting initial design concepts, and soliciting additional public comment based upon the new information provided.

The City of Ventura has also been proactively involved in the long term planning processes and goals for the Saticoy community, and has included the undeveloped land areas of the unincorporated Saticoy community in its *Wells and Saticoy Communities Capital Improvement Deficiency Study* prepared in 1990, and updated in 1998. The City continues to meet its obligations under State and LAFCO direction to regarding the completion of service reviews for the unincorporated Saticoy community.

The City of Ventura has also included the unincorporated Saticoy community in its Planning Area, and via its *2005 General Plan* has assigned site specific land use designations for the Saticoy community, including *Industry, Commerce, Neighborhood* (i.e. residential), and *Parks & Open Space*.

Northbank Development Site

While the City is not yet prepared to take on the annexation of the entire Saticoy community as a whole, as it is not in a position to take over the full responsibility (from the County) for providing the appropriate level of services, it is highly interested in the annexation and development of the 24.7 acre Northbank Development Site (Assessor Parcel Nos. 128-0-060-125 & 128-0-060-145), located at the easterly terminus of Northbank Drive, contiguous to the unincorporated Saticoy community.

Correspondingly, the property owner, Northbank Venture, LLC, wishes to submit development entitlement applications for a new high quality multi-family apartment community, consistent with the property's assigned zoning designation of *T4.10 - Urban General Zone* in the City's recently approved *Saticoy & Wells Community Plan* (WSCP). The City has also identified the need for additional Public Park and open space areas in this neighborhood, up to 7 acres of which would be provided in conjunction with the proposed apartment development for the general social benefit of the local neighborhood and the surrounding community.

Current and anticipated economic, social, and demographic conditions strongly support the need for the type of high quality multi-family apartments being proposed for the Northbank Development Site. Home ownership rates have fallen dramatically, while

demand for rental housing is expected to grow, due to economic and demographic trends.

Guidelines for Orderly Development

Both at the countywide and local level, the County of Ventura, and the various cities within the county, have long maintained a consistent policy that urban development should be located within incorporated cities whenever and wherever practical. As the culmination of a comprehensive effort to improve the clarity of relationships between local agencies with respect to urban development projects, the *Guidelines for Orderly Development* ("*Guidelines*") were adopted by the Board of Supervisors, all City councils within Ventura County, and Ventura LAFCO in 1996. They refine the prior guidelines originally adopted in 1969, and maintain the consistent policy regarding the location of urban development.

The *Guidelines for Orderly Development* are a unique effort to encourage urban development to occur within Cities; enhance the regional responsibility of County government, and facilitate the orderly planning and development of Ventura County by:

- Allowing for urbanization in a manner that will accommodate the development goals of the individual communities while conserving the resources of Ventura County
- Promoting efficient and effective delivery of community services for existing and future residents

The *Guidelines for Orderly Development* also specify that within defined Spheres of Influence (which are created by LAFCO, as required by State law, to identify the probable boundaries of cities and special districts), the following policies apply:

- Applicants for land use permits or entitlements for urban uses shall be encouraged to apply to the City to achieve their development goals and discouraged from applying to the County.
- The City is primarily responsible for local land use planning and for providing municipal services.
- Prior to being developed for urban purposes or to receiving municipal services, land should be annexed to the City.
- Annexation to the City is preferable to the formation of new or expansion of existing County service areas.

SUMMARY OF ISSUES AND RATIONALE FOR THE LAFCO POLICY AMENDMENT

Throughout Ventura County, the only city that will potentially be impacted by the above-described SB 244 annexation application mandate is the City of Ventura, due to its adjacency to the unincorporated Saticoy community and the location of contiguous annexable development land in excess of 10 acres in size.

While the unincorporated Saticoy community may meet SB 244's narrow income-based definition of a disadvantaged unincorporated community, it in no way does suffer from the highly disadvantaged physical conditions and infrastructure deficiencies that SB 244 describes, and is intended to help correct. On the contrary, both the County of Ventura and the City of Ventura have spent decades working towards understanding, and planning for, the long-term viability and improvement of both new and existing development in the unincorporated Saticoy community.

The SB 244 annexation application mandate is not functionally applicable to the unincorporated Saticoy community, and in fact could act as an obstruction to long term County and City goals of development, improvement, and annexation for that community, particularly if it obstructs the City's practical ability to annex the 24.7 acre Northbank development site located east of the city limits and contiguous to the unincorporated Saticoy community.

We are not suggesting that Ventura LAFCO disregard the directives or intent of SB 244, nor contesting SB 244's income-based definition of disadvantaged unincorporated community. We do believe, however, that it is reasonable (and in the long run more efficient, productive, and effective) to avoid the costly, time-consuming, and possibly prohibitive (from the City's standpoint) effort of the SB 244 annexation application mandate, which works in direct opposition to the County and City achieving the practical goals laid out in the *Guidelines for Orderly Development* and the *Saticoy Community Plan*.

SB 244 allows a local LAFCO to set its own policy regarding the minimum parcel size that would trigger the SB 244 annexation application mandate. Since the adoption of SB 244, LAFCOs throughout the state have reviewed and analyzed the disadvantaged unincorporated community annexation application mandate, and the local applicability of its statutory 10-acre trigger. Below is a typical recommendation from Sonoma LAFCO staff (included in a 4/4/2012 staff report to the Sonoma LAFCO):

Staff believes the Commission has significant authority. The Commission can increase or decrease the 10-acre threshold in state law that triggers the annexation of a contiguous disadvantaged unincorporated community.

There are also significant economic impacts at stake, including the potential for local job creation in conjunction with the development and construction of the multi-family

apartment community proposed for the Northbank Development Site. Despite the continuing recession-based sluggishness of the "For Sale" housing market, the multi-family apartment market is on the upswing, and apartment developments are able to secure needed financing because they are viewed as the most economically viable sector of real estate development. The ultimate approval of the proposed Northbank multi-family project will translate into much needed jobs, both during and after completion of construction.

Therefore, in consideration of the above, the City of Ventura and Northbank Venture, LLC respectfully request that Ventura LAFCO approve and adopt a policy which would define at least 28 acres as the minimum parcel size related to the SB 244 annexation application mandate (and preferable 40 acres, the current minimum parcel triggering the mandatory annexation of non-adjacent unincorporated island areas located within a City), and correspondingly modify Section 3.2.5 of the Ventura LAFCO *Commissioner's Handbook* to reflect said policy amendment. Adoption of said policy would clearly be within LAFCO's scope of discretion, as provided in SB 244 *Section 4.(a)(8)(A)*, and would serve to encourage future annexation of the unincorporated Saticoy Community in as timely fashion as is reasonably practical, consistent with the long standing planning policies and goals of both the County of Ventura and the City of Ventura.

Adoption of the requested policy amendment now will certainly not preclude the annexation of the unincorporated Saticoy community into the City at a future date when the City is able to effectively provide services to the entire community. On the contrary, it will contribute to the long term viability of annexation by providing a near term opportunity for annexation of the adjacent North Bank Development site, and the extension of services into the newly annexed area (and therefore adjacent to the unincorporated Saticoy community), in full consistency with the policies and guidelines of the Saticoy Community Plan and the Guidelines for Orderly Development.

Without Ventura LAFCO policy change, SB 244 will impose a significant obstacle to site annexation, in direct opposition to long standing goals and policies of the City and County, and with no practical benefit to the County, City, or the existing Saticoy community.

CLOSING COMMENTS RE: CITY OF VENTURA - HOUSING ELEMENT CYCLE NO. 5 (2014-2021)

SB 244 also amended state law regarding the Land Use Element update as part of the upcoming Housing Element Cycle whereby local jurisdictions with adjacent disadvantage unincorporated communities will be required to prepare a feasibility study as if the disadvantage unincorporated community were to be annexed as part of the Housing Element local adoption and State HCD certification. For Ventura County, the only two cities impacted by this feasibility study requirement are Oxnard (for the

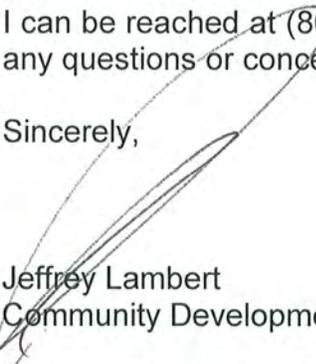
Ms. Kim Uhlich
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adjacent unincorporated Nyland Acres community) and Ventura (for the adjacent unincorporated Saticoy community).

Based upon City staff's review of the state law provision, it appears the reason for the study is to inform and foster public discourse, since it requires only a study, and a possible policy update in the City's Land Use Element, but not annexation filing or processing. City staff will be working later this fall, and into 2013, to prepare the required feasibility analysis which will be part of the public hearing process of the Housing Element by summer 2013. Therefore, even if the above requested policy amendment (to establish an annexation application mandate trigger greater than 10 acres) is adopted, the City will remain committed to studying annexation feasibility, in alignment with the City's current General Plan direction and policies contained in the *Saticoy & Wells Community Plan*.

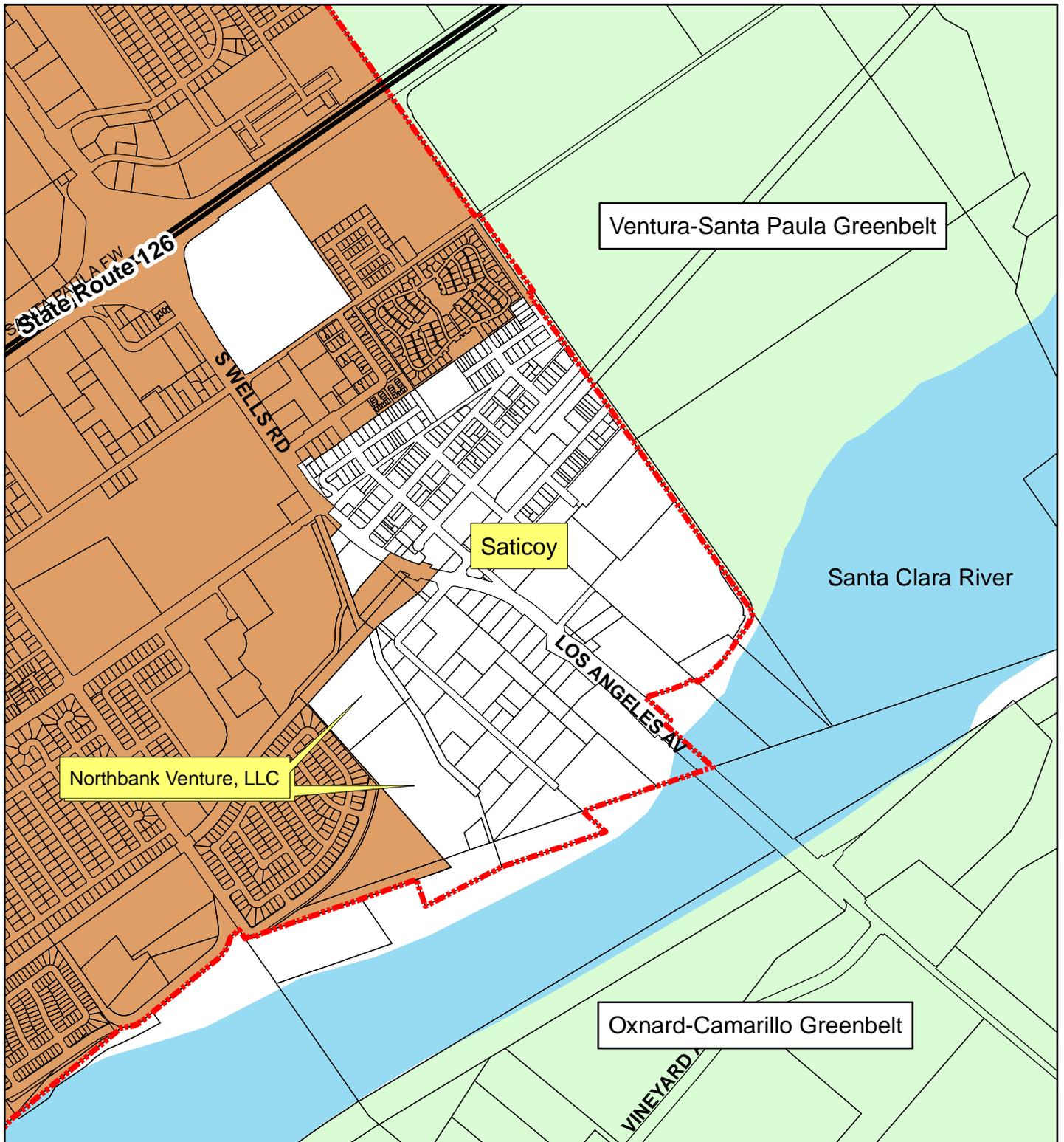
I can be reached at (805) 658-4723 or via email: jlambert@cityofventura.net if you have any questions or concerns about the above subject.

Sincerely,



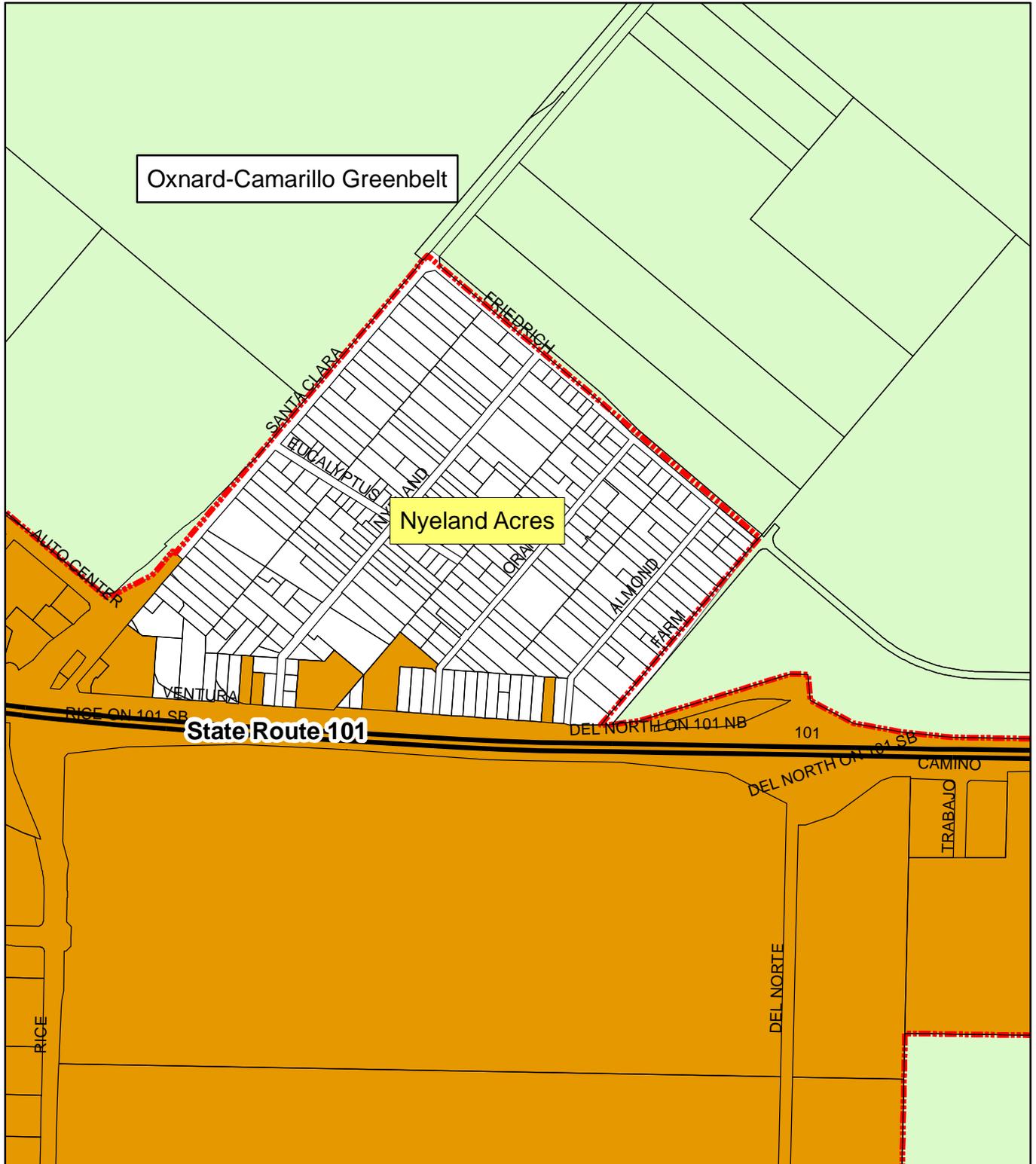
Jeffrey Lambert
Community Development Director

C: Dave Ward, Planning Manager



Legend

-  City of Ventura Sphere of Influence
-  City of Ventura



Legend

-  City of Oxnard Sphere of Influence
-  City of Oxnard



VENTURA LOCAL AGENCY
FORMATION COMMISSION



VENTURA LOCAL AGENCY FORMATION COMMISSION

STAFF REPORT

Meeting Date: September 19, 2012

Agenda Item 11

TO: LAFCo Commissioners

FROM: Kim Uhlich, Executive Officer *KU*

SUBJECT: Proposed Memorandum of Agreement with Los Angeles LAFCo to Transfer Principal County Status for Sphere of Influence Changes for Multicounty Special Districts

RECOMMENDATION:

Determine whether to approve in concept a memorandum of agreement with the Los Angeles LAFCo to transfer to the Ventura LAFCo exclusive jurisdiction over proposals to amend the spheres of influence of multicounty special districts where the proposal area is located entirely within Ventura County and, if approved, delegate authority to the Ventura LAFCo Executive Officer, in consultation with legal counsel, to finalize and sign a memorandum of agreement consistent with such approval.

BACKGROUND:

Multicounty special districts are those districts which provide services in more than one county. For proposed changes of organization or reorganization, determination of spheres of influence and preparation of service reviews affecting multicounty districts, state law vests exclusive authority with the commission of the "principal county," which is defined as the county having the greater portion of the entire assessed value, as shown on the last equalized assessment roll of the county or counties, of the taxable property within a district or districts for which a change of organization or reorganization is proposed. There is no requirement for principal county LAFCos to notify or otherwise consult with the LAFCo(s) in the other county(ies) in which the subject district provides services, even if the proposed boundary or sphere change is located entirely within the other county(ies).

Currently, there are four special districts that provide services in both Ventura County and Los Angeles County: The Antelope Valley East Kern Water Agency, which also provides services to portions of Kern and San Bernardino Counties, the Castaic Lake Water Agency, the Santa Monica Mountains Resource Conservation District and the Antelope Valley Resource Conservation District. In addition the Las Virgenes Municipal

COMMISSIONERS AND STAFF

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

Water District, which is located entirely within Los Angeles County, abuts the Ventura County boundary and therefore has the potential to become a multicounty district in the future (Attachment 1).

As the majority of the assessed land value (all of the assessed land value for the Las Virgenes Municipal Water District) is located in Los Angeles County for each of the districts referred to above, the Los Angeles LAFCo has exclusive jurisdiction to act on any proposed changes of organization or reorganization, determination of spheres of influence and preparation of service reviews affecting these districts. However, the law further provides for jurisdiction for proposed changes of organization or reorganization, determination of spheres of influence and preparation of service reviews to be vested in the commission of a county other than the principal county if the principal LAFCo agrees to it, the principal LAFCo designates another LAFCo to assume exclusive jurisdiction and the designated LAFCo agrees to assume exclusive jurisdiction.

In an e-mail to the Ventura LAFCo Executive Officer written on behalf of the Los Angeles LAFCo (LA LAFCo), the LA LAFCo Executive Officer requests that the Commission consider entering into a proposed memorandum of understanding (MOU) to exchange principal county status for sphere of influence changes for multicounty special districts. The proposed MOU is in the form of a template which was prepared by legal counsel for the San Bernardino LAFCo and previously executed by the LA and San Bernardino LAFCos (Attachment 2). Except for the references to the San Bernardino LAFCo, it is the intention of the LA LAFCo that the MOU with the Ventura LAFCo be identical or substantively similar to Attachment 2.

DISCUSSION:

In general, the proposed MOU provides that the LA LAFCo will transfer exclusive jurisdiction to the Ventura LAFCo to act on any changes to a special district sphere of influence which are proposed to be located entirely within Ventura County and that the application requirements, fees and processing costs of the Ventura LAFCo would apply in such cases. As currently worded, it would apply to all special districts with boundaries currently located within both Los Angeles County and Ventura County, all special districts with boundaries currently located within Los Angeles County which also abut Ventura County and all such special districts which may be formed in the future. However, decisions concerning any concurrent or subsequent proposals for changes of organization or reorganization affecting the same territory would remain within the exclusive jurisdiction of the LA LAFCo.

As stated above, the direct effect of the proposed MOU would be to expand the authority of the Ventura LAFCo only with regard to requests for changes to spheres of influence located within the Ventura County portion of a multicounty district. However, it would also give the Ventura LAFCo indirect influence over decisions made by the LA LAFCo on proposals to annex territory within the Ventura County portions of multicounty districts because determinations regarding annexations must be consistent with the sphere for the subject agency. In this way, execution of the proposed MOU or a

substantially similar agreement would provide an additional means by which the Ventura LAFCo could affect decisions concerning orderly growth in Ventura County.

The proposed MOU is not intended to shift the authority to conduct sphere of influence reviews at least every five years as provided by Section 56430 of the Government Code. This responsibility will continue to rest with the LA LAFCo for all districts for which it is the principal county under law. However, it would not preclude the Ventura LAFCo from determining that a municipal service review (MSR) is necessary prior to taking action on a sphere of influence amendment request and requiring the proponent to pay for the preparation of the MSR.

The language in the proposed MOU does not address which LAFCo would be vested with jurisdiction for requests which involve sphere changes in more than one county. Should the Commission determine that it wishes to approve a memorandum of agreement in concept, staff will continue to work with LA LAFCo staff to clarify this point. In addition, staff is working with LA LAFCo staff to resolve language inconsistencies to ensure that it clearly applies to all sphere of influence determinations (including both sphere extensions and reductions). Staff has also discussed the need to add language providing that applicants would be subject to the locally adopted policies of the Ventura LAFCo and that the preparation of a service review may be required.

Should the Commission consider approval of a memorandum of agreement in concept, it should be noted that any applicant wishing to request a concurrent sphere of influence amendment and change of organization or reorganization to which the memorandum of agreement applied would be required to seek and receive approval from both LAFCOs – a sphere amendment decision from the Ventura LAFCo and a change of organization decision from the LA LAFCo. Although it is obviously not an ideal process from a cost and efficiency perspective, staff from both LAFCOs would be willing to coordinate efforts to streamline the respective processes to the fullest extent possible. The LA LAFCo has also executed a similar MOU with the Orange County LAFCo and all parties have made similar commitments.

If the Commission approves in concept a memorandum of agreement with the Los Angeles LAFCo to transfer exclusive jurisdiction over proposals to amend the spheres of influence of multicounty special districts where the proposal area is located entirely within Ventura County, then staff recommends that the Commission delegate authority to the Executive Officer, in consultation with legal counsel, to finalize and sign a memorandum of agreement consistent with the Commission's approval. In the absence of such delegation, staff will return to the Commission for approval of a final agreement.

- Attachments: (1) Map of the special districts which currently include territory within both Los Angeles and Ventura Counties or that are entirely within Los Angeles County and abut Ventura County
(2) Draft MOU Template



Antelope Valley
Resource Conservation
District

Antelope Valley
East Kern
Water Agency

Castaic Lake Water Agency

Ventura County

Santa Monica Mountains
Resource Conservation District

Las Virgenes
Municipal Water District

Los Angeles County



**MEMORANDUM OF UNDERSTANDING
FOR EXCHANGE OF PRINCIPAL COUNTY
STATUS FOR SPHERE OF INFLUENCE CHANGES
LOCAL AGENCY FORMATION COMMISSION FOR SAN
BERNARDINO COUNTY
AND
_____ LOCAL AGENCY FORMATION COMMISSION**

THIS **MEMORANDUM OF UNDERSTANDING** (MOU) IS MADE THIS ____ DAY OF _____, 20__ BY AND BETWEEN THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY (hereinafter **SBLAFCO**) and _____ LOCAL AGENCY FORMATION COMMISSION (hereinafter **LAFCO**).

RECITALS

The following recitals are a substantive part of this MOU:

1. In January 2006 in the Third Appellate District of the Court of Appeal for the State of California a decision was rendered, identified commonly as the "Truckee Decision", which applied the California Government Code Section 56066 definition of "principal county" to determinations for spheres of influence under the provision of Government Code Section 56425 et seq.

2. Principal County is defined in the California Government Code at Section 56066 which reads as follows: "Principal County" means the county having all or the greater portion of the entire assessed value, as shown on the last equalized assessment roll of the county or counties, of all taxable property within a district or districts for which a change of organization or reorganization is proposed".

3. Government Code Section 56123 and 56124 allow for the transfer of exclusive jurisdiction from the principal county to the affected county LAFCO if all of the following determinations are made:

- a. The Commission of the principal county approves of having exclusive jurisdiction vested in another affected county;
- b. The commission of the principal county designates the affected county to assume exclusive jurisdiction; and,
- c. The commission of the affected county so designated agrees to assume exclusive jurisdiction.

4. The SBLAFCO and __LAFCO have numerous entities which abut, and in several instances cross over county boundary lines. It has been the practice of SBLAFCO and __LAFCO that the county within which the territory is situated would be the county determining the sphere of influence, having the knowledge of underlying service providers, affected agencies within and surrounding the entity within the affected county, and understanding the development standards and vision within the affected county. This memorandum of understanding is intended to set forth these prior understandings in a formal manner and to identify that as allowed by Government Code Section 56375(q) the LAFCOs have agreed to transfer authority for processing of sphere of influence applications.

5. This MOU between SBLAFCO and __LAFCO is to establish the terms and conditions for the vesting of exclusive jurisdiction in the matters of sphere of influence determinations to the Commission of the affected county from the Commission of the principal county.

NOW, THEREFORE, IN CONSIDERATION OF THE COVENANTS, CONDITIONS AND PROMISES CONTAINED HEREIN, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. Sphere of influence Transfer Determinations:
 - a. When a proposal is contemplated to extend a special district's sphere of influence into the adjacent county, the SBLAFCO or __LAFCO acting as principal County does hereby approve the transfer of exclusive jurisdiction for those determinations to the affected county;
 - b. This MOU identifies that the transfers shall be to the affected county within which the territory considered for sphere of influence expansion or reduction lies; and,
 - c. Acting as the affected County, the SBLAFCO or __LAFCO agree to assume the exclusive jurisdiction for sphere of influence determinations within their respective county territory.

2. Term of MOU

The term of this MOU shall commence upon execution of this agreement by both LAFCOs and shall remain in effect until specific action is taken to rescind it in its entirety or to modify the MOU. This MOU constitutes the entire agreement and understanding between the Parties with respect to the subject matter hereof and is executed without reliance upon any representations or promises not contained herein.

3. Responsibilities for complying with transfer of exclusive jurisdiction:

Each LAFCO shall advise applicant(s) seeking the expansion of a sphere of influence in the adjacent county of a special district for which they are designated "principal county" that the applicant(s) shall submit said request to the affected county LAFCO. The application requirements, including fees and processing costs, of the LAFCO vested with exclusive jurisdiction shall apply. The LAFCO with exclusive jurisdiction shall include the principal county LAFCO in all notices, provision of staff reports and resolutions related to the sphere of influence consideration process. Nothing in this MOU shall be construed to limit in any way the provision of State Law governing the consideration process for a sphere of influence change.

4. Compliance with Government Code Section 56430

The policies and procedures of the LAFCO vested with exclusive jurisdiction for by this MOU shall apply to the processing of any sphere of influence change with regard to Government Code Section 56430. Nothing in this section would preclude the LAFCO vested with jurisdiction from using the service review data and/or determinations prepared by the principal LAFCO for the affected agency.

5. Modification

This MOU constitutes the entire agreement between the parties and supersedes any previous agreements, oral or written. This MOU may be modified only by subsequent mutual written agreement executed by SBLAFCO and __LAFCO and will not be effective until signed by all parties.

6. Termination

This MOU may be terminated by either party by giving a 60-day notice in writing following action of the requesting Commission.

7. California Law

This MOU shall be construed in accordance with the laws of the State of California. Any action commenced about this Agreement shall be filed in the Superior Court of the affected County. The MOU shall be construed as though jointly drafted by the Parties with the assistance of independent legal counsel.

8. Indemnification

SBLAFCO or __LAFCO each agree to indemnify, defend at their own expense, including attorneys fees, and hold each other harmless from and against all claims, costs, penalties, causes of action, demands, losses and liability of any nature, whatsoever, including but not limited to liability for bodily injury, sickness, disease or death, property damage (including loss of use) or violation of law, caused by or arising out of or related to any negligent act or willful misconduct of that party, its officers or employees or any other agent acting pursuant to its control and performing under this agreement.

9. Notices

All notices shall be personally delivered or mailed, via first-class mail to the below listed addresses:

(a) Local Agency Formation Commission for San Bernardino
County
215 North D Street, Suite 204
San Bernardino, CA 92415-0490
Attn: Executive Officer
Kathleen Rollings-McDonald

(b) _____ Local Agency Formation Commission

9. Preservation of Agreement

Should a provision of this MOU be found invalid or unenforceable, the decision shall effect only the provision interpreted, and all remaining provisions shall remain enforceable.

IN WITNESS WHEREOF, these parties have executed this Agreement on the day and year shown above.

APPROVED AS TO FORM:

LOCAL AGENCY FORMATION COMMISSION
FOR SAN BERNARDINO COUNTY:

General Counsel
Local Agency Formation
Commission For San Bernardino
County

By: _____
BRAD MITZELFELT
CHAIRMAN

APPROVED AS TO FORM:

LOCAL AGENCY FORMATION
COMMISSION:

Legal Counsel,
_____ Local Agency
Formation Commission

By: _____
CHAIRMAN

DRAFT



VENTURA LOCAL AGENCY FORMATION COMMISSION

STAFF REPORT

Meeting Date: September 19, 2012

Agenda Item 12

TO: LAFCo Commissioners

FROM: Kim Uhlich, Executive Officer *KU*

SUBJECT: Expiration of Public Member and Alternate Public Member Terms

RECOMMENDATION:

1. Determine if the Commission wishes to appoint the current alternate public member as the new public member and/or appoint the current public member as the new alternate public member, effective January 1, 2013 [affirmative vote of at least one of the Commissioners selected by each of the other appointing authorities (i.e. the County, the cities and the independent special districts) required pursuant to Govt. Code Sec. 56325(d)].
2. If the Commission does not wish to make either one or both appointments, establish a process for the recruitment and selection of a new public member and/or alternate public member.

DISCUSSION:

The term of office for Commissioner Cunningham as the public member and for Alternate Commissioner Ford-McCaffrey as alternate public member both expire as of January 1, 2013. Commissioner Cunningham is completing his third term and Alternate Commissioner Ford-McCaffrey is completing the first year of her first term on LAFCo. Public member terms are four years in length. Mr. Cunningham served as a public member from 2000 to 2004, an alternate public member from 2005 to 2008 and began his current term as public member in 2009. In January 2012 Ms. Ford-McCaffrey began serving an unexpired alternate public member term that began in 2009.

Pursuant to Government Code sections 56325(d) and 56331 the other six voting members of the Commission select the public member and alternate public member. Selection of the public member and alternate public member is subject to the affirmative vote of at least one of the Commissioners selected by each of the other appointing authorities (i.e. the County, the cities and the independent special districts).

COMMISSIONERS AND STAFF

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

The Commission's By-laws provide as follows:

"The public member and alternate public member shall not hold two consecutive terms as the public member or the alternate public member. The intent is to rotate the public membership of the Ventura LAFCo on a reasonable basis to broadly allow qualified members of the community to serve." (Commissioner's Handbook section 1.1.3.3; page 1)

It is recommended that the Commission initiate action to appoint a new public member and a new alternate public member prior to the expiration of the current public members' terms of office. There are at least two options the Commission can consider:

1. The Commission could vote to appoint Ms. Ford-McCaffrey to a new four-year term as the new public member and/or Mr. Cunningham to a new four-year term as the alternate public member effective January 1, 2013. If both were so appointed, there would be no need for any further action. If, however, either Ms. Ford-McCaffrey or Mr. Cunningham is not appointed, it is recommended that the Commission direct staff to issue a press release and publish a newspaper display ad seeking candidates for the associated seat. Whomever is not appointed could apply as a part of this process.
2. The Commission can choose to direct staff to issue a press release and publish a newspaper display ad seeking candidates for both a new public member and alternate public member seats. Ms. Ford-McCaffrey and Mr. Cunningham could apply as a part of this process.

For any recruitment process there should at least be a press release and a newspaper display ad, plus a posting on the Ventura LAFCo web site. It is recommended that there be at least a 30-day filing period for anyone interested. Prior recruitment processes for these positions have asked that interested candidates submit a letter of interest and a resume.

As a part of any recruitment process it is also recommended that the Commission appoint a three member selection committee, consisting of one County, one city and one independent special district Commissioner. This Committee would be responsible for reviewing the letters of interest and resumes received after the close of the filing period, conducting interviews and making a recommendation to the Commission. However, when the selection process occurs and how it may be conducted are policy items for the Commission to determine.



VENTURA LOCAL AGENCY FORMATION COMMISSION

STAFF REPORT

Meeting Date: September 19, 2012

Agenda Item 13

TO: LAFCo Commissioners

FROM: Kim Uhlich, Executive Officer *KU*

SUBJECT: Professional Services Agreement for Audit Services – Vavrinek, Trine, Day & Co., LLP

RECOMMENDATION:

Adopt the attached resolution approving a professional services agreement for audit services with Vavrinek, Trine, Day & Co., LLP for an amount not to exceed \$7,957 and authorizing the Chair to execute the agreement.

BACKGROUND:

Beginning with the fiscal year ended June 30, 2010, Commissioner’s Handbook Policy Section 2.3.6.1 (Attachment 1) provides for annual audits of the LAFCo financial statements by an independent accounting firm. In July 2010, staff issued a request for proposals for an outside audit of the LAFCo financial statements for the fiscal year ended June 30, 2010 with an option for extension for the fiscal years ending June 30, 2011 and June 30, 2012. After reviewing all eligible proposals, staff selected Vavrinek, Trine, Day & Co., LLP (VTD) which subsequently completed an audit of the 2009-10 LAFCo financial statements in May 2011 and the 2010-11 financial statements in February 2012.

In an engagement letter (Agreement) dated August 21, 2012 VTD proposes to audit the LAFCo 2011-12 financial statements at a cost not to exceed \$7,957 (Exhibit A of Attachment 2). Work is scheduled to begin in December and final reports would be issued in March 2013. Commissioner’s Handbook Section 2.5.4 provides that any contract or agreement greater than \$5,000 shall be presented to the Commission for approval and execution (Attachment 3).

DISCUSSION:

In accordance with the Handbook policies and based on VTD’s satisfactory performance with regard to the audit of the LAFCo financial statements for 2009-10 and

COMMISSIONERS AND STAFF

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

2010-11, staff is recommending that the Commission adopt the attached resolution (Attachment 2) authorizing the Agreement. The cost is consistent with that quoted in VTD's initial proposal and commensurate with that of recently completed LAFCo audits.

The Agreement has been reviewed by the Ventura County Auditor-Controller's staff, which has agreed to prepare the LAFCo financial statements, and by LAFCo legal counsel.

- Attachments: (1) Commissioner's Handbook Section 2.3.6.1 – Independent Auditor Role
(2) Resolution to authorize and execute a Professional Services Agreement with Vavrinek, Trine, Day & Co.
(3) Commissioner's Handbook Section 2.5.4 – Contract Approval and Execution

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.

**RESOLUTION OF THE VENTURA LOCAL AGENCY
FORMATION COMMISSION TO AUTHORIZE AND
EXECUTE A PROFESSIONAL SERVICES AGREEMENT
FOR AUDIT SERVICES WITH VAVRINEK, TRINE, DAY &
CO., LLP**

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

WHEREAS, the policies of the Ventura Local Agency Formation Commission provide for independent audits of its annual financial statements; and

WHEREAS, the policies of the Ventura Local Agency Formation Commission provide that any contract or agreement authorizing expenditures greater than \$5,000 shall be presented to the Commission for approval and execution; and

WHEREAS, an engagement letter containing the terms of a professional services agreement to audit the LAFCo financial statements for fiscal year ended June 30, 2012 between Vavrinek, Trine, Day & Co., LLP and the Ventura Local Agency Formation Commission dated August 21, 2012 was duly considered on September 19, 2012;

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

- (1) The engagement letter containing the terms of a professional services agreement for audit services between Vavrinek, Trine, Day & Co., LLP and the Ventura Local Agency Formation Commission (“Agreement”) dated August 21, 2012 as set forth in the attached Exhibit A is approved.
- (2) The Chair is directed to execute the Agreement.

This resolution was adopted on September 19, 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



August 21, 2012

Ventura Local Agency Formation Commission
800 S. Victoria Avenue
Ventura, CA 93009-1850

We are pleased to confirm our understanding of the services we are to provide Ventura Local Agency Formation Commission (LAFCo) for the fiscal year ended June 30, 2012. We will audit the financial statements of the governmental activities, and the general fund, which collectively comprise the basic financial statements of LAFCo as of and for the fiscal year ended June 30, 2012. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement LAFCo's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to LAFCo's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) General Fund Budgetary Comparison Schedules

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information, if applicable, when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of LAFCo and other procedures we consider necessary to enable us to express such opinions. If our opinions on the financial statements are other than unqualified (unmodified), we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance will include a statement that the report is intended solely for the information and use of management, the body or individuals charged with governance, others within the entity, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties. If during our audit we become aware that LAFCo is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions. If nonaudit services are provided, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities and general fund of the LAFCo and the respective changes in financial position and cash flows, where applicable, in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for ensuring that management is reliable and financial information is reliable and properly recorded. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites to consider the consistency of other information in the electronic site with the original document.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors or any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of LAFCo's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to LAFCo; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Vavrinek, Trine, Day & Co., LLP (VTD) and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of VTD personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by an oversight agency. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately December 2012 and to issue our reports no later than March 2013. Roger Alfaro, CPA, is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$7,957. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 45 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2011 peer review accompanies this letter.

Vavrinek, Trine, Day & Co., LLP has owners that are not licensed as certified public accountants as permitted under Section 5079 of the California Business and Professions Code. It is not anticipated that any of the non-licensure owners will be performed audit services for the LAFCo.

Ventura Local Agency Formation Commission
2012 Engagement Letter
August 21, 2012
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We appreciate the opportunity to be of service to LAFCo and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,


Roger Alfaro
of Vavriněk, Trine, Day & Co., LLP

RA:gbd

120310-R

RESPONSE:

This letter correctly sets forth the understanding of the Ventura Local Agency Formation Commission.

By: _____

Title: _____

Date: _____

YANARI WATSON MCGAUGHEY P.C.

DALE M. YANARI (1947-2004) ♦ RANDY S. WATSON ♦ G. LANCE MCGAUGHEY
FINANCIAL CONSULTANTS/CERTIFIED PUBLIC ACCOUNTANTS

System Review Report

May 25, 2012

To the Partners of
Vavrinek, Trine, Day & Co., LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Vavrinek, Trine, Day & Co., LLP (the firm) applicable to non-SEC issuers in effect for the year ended December 31, 2011. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Vavrinek, Trine, Day & Co., LLP applicable to non-SEC issuers in effect for the year ended December 31, 2011, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Vavrinek, Trine, Day & Co., LLP has received a peer review rating of *pass*.

Yanari Watson McGaughey P.C.

Yanari Watson McGaughey P.C.

SECTION 2.5.4 CONTRACT APPROVAL AND EXECUTION

LAFCo hereby delegates to the Executive Officer or designee the authority to approve and execute contracts and agreements for \$5,000.00 or less, provided sufficient funds are contained in the appropriate line item of the LAFCo budget. In order to expedite work, the Executive Officer is authorized to make minor modifications as may be necessary and to approve increases in contracts in an amount not to exceed \$500, provided sufficient funds are contained in the appropriate line item of the LAFCo budget. Any contract or agreement greater than \$5,000.00, any amendment to a contract or agreement which would cause the total amount of the contract or agreement to exceed \$5,500.00, or any contract or agreement for any amount where there are not sufficient funds contained in the appropriate line item of the LAFCo budget, shall be presented to the Commission for approval and execution.



VENTURA LOCAL AGENCY FORMATION COMMISSION

STAFF REPORT

Meeting Date: September 19, 2012

Agenda Item 14

TO: LAFCo Commissioners

FROM: Kim Uhlich, Executive Officer 

SUBJECT: CALAFCO Board of Directors Election – Voting Delegates

RECOMMENDATION:

Designate a voting delegate and an alternate voting delegate for the 2012 CALAFCO Board of Directors election.

DISCUSSION:

Each year at the annual CALAFCO Conference a business meeting is held that includes elections for the CALAFCO Board of Directors. Each member LAFCo is eligible to vote through a pre-designated voting delegate. In addition, an alternate voting delegate is selected in the event that the voting delegate becomes unavailable. Typically the Commission Chair serves as the voting delegate and the Vice Chair as the alternate voting delegate. As neither the Chair nor the Vice Chair is able to attend the Conference this year, it is recommended that the Commission select a voting delegate and an alternate voting delegate from among those who are planning to attend: Commissioners Cunningham and Long and Alternate Commissioners Dandy and Ford-McCaffrey.

COMMISSIONERS AND STAFF

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