

OUR COUNTY'S FUTURE



RESPONSES



AUG 31 2011

LOCAL AGENCY FORMATION COMMISSION
575 ADMINISTRATION DRIVE, ROOM 104A, SANTA ROSA, CA 95403
(707) 565-2577 FAX (707) 565-3778
www.sonoma-county.org/lafco

Approved: _____

[Signature]
Superior Court Judge

Date: _____

9/7/11

FILED

SEP - 7 2011

SUPERIOR COURT OF CALIFORNIA
COUNTY OF SONOMA
[Signature]
DEPUTY CLERK

August 3, 2011

The Honorable Gary Nadler, Presiding Judge
Superior Court for the County of Sonoma
600 Administration Drive
Santa Rosa, CA 95403

RE: Sonoma Local Agency Formation Commission's Response to the 2010-2011
Grand Jury Final Report: "Who Determines Our County's Future" and "What We
Don't Know Could Hurt Us."

Dear Judge Nadler:

The Sonoma Local Agency Formation Commission (LAFCO) thanks you for the hard work and effort that went into the 2010-2011 Grand Jury Reports. We appreciate the opportunity to respond to recommendations contained in the above referenced reports. LAFCO's responses are attached.

Please feel welcome to contact our Executive Officer, Richard Bottarini, at (707)565-2577, should you have any questions.

Best regards,

[Signature]
Jean Kapolchok
Chair

Attachments

C: Chris Christensen, Foreperson 2010-2011 Sonoma County Civil Grand Jury



Response to Grand Jury Form

Report Title: Who Determines Our County's Future?

Report Date: June 30, 2011

Response by: Jean Kapolchok

**Title: Chairperson, Sonoma Local Agency
Formation Commission**

FINDINGS

I (we) agree with the Findings numbered: 1, 2, 3, and 4

I (we) disagree wholly or partially with findings numbered: 5

RECOMMENDATIONS

- Recommendations numbered na have been implemented.
- Recommendations numbered 1, 2, and 3 have not yet been implemented, but will be implemented in the future.
- Recommendations numbered na require further analysis.
- Recommendation numbered 4 will not be implemented because it is not warranted or is not reasonable.

Date: August 3, 2011

Signed: _____

A handwritten signature in black ink, appearing to read "Jean Kapolchok", is written over a horizontal line.

Title: Chair, Sonoma Local Agency Formation Commission

Number of pages attached: 6



Findings

We partially disagree with finding number five. Although the Grand Jury correctly noted that the Commission seeks to cover a broad spectrum of political interests, the statement as to the representation by special districts of a small portion of the county does not accurately reflect the diversity of the entire commission.

Commissioners and Alternate Commissioners include representatives from the County Board of Supervisors, City Councils, Special District Boards of Directors and private citizens.

The Commissioners from the Board of Supervisors represent districts including the west county, the south county, the coast and the northern regions of the County. The members representing the cities are council members in the cities of Petaluma, Rohnert Park and Cotati. The Special District members are from the Sonoma Valley and the Cloverdale area. Finally, the public members are from Santa Rosa and the unincorporated west county.

The current special district members, elected by boards of directors of special districts, are from fire and water districts. These two classifications of districts make up 26 of the 46, or 57%, of all independent special districts.

When viewed as a whole, the Commission is generally balanced both geographically and politically.



Recommendations and Responses

Recommendation 1: *The Grand Jury recommends that LAFCO initiate the necessary MSR update to reflect changes brought about by the economic downturn and its effects on public agency budgets.*

Response: A Municipal Service Review (MSR) is conducted when a substantial change in an agency's sphere of influence is contemplated. "Sphere of influence" is defined in state law as "a plan for the probable physical boundaries and service area of a local agency, as determined by the commission." State law directs LAFCOs as follows: "On or before January 1, 2008, and every five years thereafter, the commission shall, as necessary, review and update each sphere of influence." If no change to an agency's sphere of influence is proposed, unless other factors or circumstances are present to cause the Commission to order completion of a MSR, the Commission has determined that further review by LAFCO is not necessary and is unlikely to be undertaken. Typically, the Commission would confirm an agency's sphere of influence, as is, after a noticed public hearing.

In October 2008, the Commission approved a schedule for conducting Municipal Service Reviews for local agencies for the following five-year period. Included were reviews for cities and special districts. The Commission directed staff to limit reviews for cities to those for which spheres of influence do not align with a city's voter-approved Urban Growth Boundary and/or its "urban service area" boundary as designated in the Sonoma County General Plan or those which might be considering changes to their spheres; in addition the Commission directed staff to conduct MSRs for those districts that provide municipal services.

Although Sonoma LAFCO's actions comply with the state law, the Grand Jury correctly points out that Municipal Service Reviews have a limited life. Reliance on outdated service reviews can provide inaccurate analyses. However, the Commission cautions that current economic conditions may or may not reflect a long-term trend, and analysis needs to take a long-term perspective.

The Commission has developed the following policy and schedule for completing Municipal Service Reviews:

Policy

In updating spheres of influence, the Commission's general policies are as follows:

- 1. The Commission will review all spheres of influences every five years for each governmental agency providing municipal services. Municipal services include cities and jurisdictions providing police, fire protection, waste disposal, or water services.*



2. *Sphere of influence changes initiated by any agency providing a municipal service shall require either an updated or new service review.*

3. *Spheres of Influence of districts not providing municipal services including, but not limited to, ambulance, recreation, hospital, resource conservation, cemetery, and pest control shall updated as necessary.*

This policy does not preclude the Commission undertaking special studies or service reviews when requested by an agency or initiated by the Commission.

To implement the policy, the Commission has adopted the sphere of influence update time schedule as follows:

SPECIAL DISTRICT AND CITIES	SERVICES PROVIDED	DATE OF LATEST UPDATE	NEXT SCHEDULED UPDATE	NOTES
Fire Protection Districts	Fire Protection	2006	2012-13	Preliminary review
Cazadero Community Services District	Fire Protection, Lighting and Recreation	2006	2014	
Occidental Community Services District	Fire Protection, Lighting and Recreation	2006	2014	
Water and Sanitation Districts	Water and Sanitation	2006	2012-13	
Cloverdale	Municipal	2007	2011-12	In progress
Cotati	Municipal	2007	2013	After General Plan is updated
Healdsburg	Municipal	2007	2012	Subject to confirmation
Petaluma	Municipal	2011	2016	
Rohnert Park	Municipal	2007	2012	Subject to confirmation
Santa Rosa	Municipal	2008	2012	In progress
Sebastopol	Municipal	2007	2012	Subject to confirmation



SPECIAL DISTRICT AND CITIES	SERVICES PROVIDED	DATE OF LATEST UPDATE	NEXT SCHEDULED UPDATE	NOTES
Sonoma	Municipal	2007	2012	Subject to confirmation
Windsor	Municipal	2007	2012	Subject to confirmation

Recommendation 2: *The Grand Jury recommends LAFCO update and keep its website current on all issues, which should include additional information about what it does and how it functions.*

Response: Although Sonoma LAFCO’s current website complies with the requirements of state law, the Commission agrees with the Grand Jury’s recommendation. Prior to the Grand Jury review and report, LAFCO staff had developed a new website design that is more current, informative, and user friendly. The Commission authorized funds in its Fiscal Year 2011-12 budget to implement the website update, and staff has begun working with the website group of Sonoma County Information Systems Department (ISD) on the project. Staff anticipates the new website will be completed and uploaded by fall of 2011. Subsequently, LAFCO staff will work with Sonoma County ISD to maintain the Commission’s website.

Recommendation 3: *LAFCO’s policies on such things as property tax revenue loss and fire district mergers should be clearly spelled out so that all parties to the LAFCO action(s) will be well-informed and can see they are being treated equally. We recommend LAFCO policies be written and made readily accessible on the website.*

Response: The Commission and its Policy Committee have been working diligently on policy review and development for the past several years. A goal of the Commission is to memorialize Commission practices into written policies. As the Commission approves additional policies, they will be included on the Commission’s updated website. Although the Commission does not have specific written policy regarding property tax revenue loss or district consolidations, these issues will be addressed in future policy development.

In its report, the Grand Jury stated: “In our review, we became aware of a recent project that had come before the commission involving an annexation request from the City of Rohnert Park, referred to as the “Southeast Specific Plan...The Grand Jury elected to look at the role LAFCo played in the negotiations between the City of Rohnert Park (“City”) and Rancho Adobe Fire Protection District (“RAFPD”) regarding tax allocations.” The Grand Jury report also indicated that it found “no evidence that LAFCO had previously considered, or taken a position on, consolidation of fire service agencies or the transfer of primary fire protection responsibility as part of its review of an annexation proposal.”



The issue of the impacts of the detachment of territory from fire protection districts as the result of an annexation to a city has been a concern of the Commission for many years. The impetus for LAFCO's involvement in the discussions between the City and RAFFPD came from several sources: the Commission's previous direction to staff to engage agencies in a discussion of the fiscal impacts of annexations on fire districts; the RAFFPD's formal request for a public hearing to discuss the fiscal impacts of proposed and future annexations on the District; and a review by LAFCO staff of a Draft Environmental Impact Report (DEIR) prepared for the Rohnert Park Northeast Specific Plan. The DEIR raised concerns as to the City's ability to provide adequate public safety personnel to serve the proposed annexation area.

At its December 2006 meeting, the Commission considered a proposal to annex the "University District" area to the City of Rohnert Park. At that time, the RAFFPD Fire Chief and a board member addressed the Commission regarding fiscal impacts on the District of detachment of this territory. The Commission, upon written request from the District, continued its consideration of the project to allow the District to appeal to the Sonoma County Board of Supervisors to act on the District's behalf in negotiations with the City. Ultimately, the Board chose to abide by the existing master property tax exchange agreement and not open discussions with the City.

At its August 2, 2009, meeting, after review and consideration of another proposed annexation to the City of Rohnert Park, the Commission Chair acknowledged the December 2006 discussion and directed staff, on behalf of the Commission, to review and analyze the financial impacts of annexations on various fire districts. The Commission further directed staff to actively engage the districts in discussions as to possible measures to mitigate these impacts in the future.

In the case of the Southeast Specific Plan annexation, Commission staff strongly encouraged the City and the District to come to a mutually agreeable solution prior to the Commission's consideration of the project. The City and District *did* reach agreement prior to the Commission's first hearing on the project. The Commission believes that this agreement can be viewed as a starting point for further review and analysis of the impact of city annexations on various affected agencies. This is particularly true in light of current conditions as cities are reviewing options to reduce costs and streamline the provision of services. One option considered by cities is the contracting out of public safety to the County or to an independent special district serving the areas surrounding a city.

Regarding fire district consolidations, the 2004 LAFCO Municipal Service Review of Fire Services described "on the ground" realities for districts and cities that provide fire services. Sharing of facilities, personnel, and training opportunities was encouraged, and "next steps" regarding furtherance of such initiatives were outlined. At that time, the County was initiating a study of County Service Area No. 40 (Fire Services) ("CSA No. 40") and its associated volunteer fire companies. The County wanted to take the lead in developing a plan for the future of fire protection in the County. Unfortunately,



subsequent to completion of the CSA No. 40 fire study in 2010, no further efforts have been pursued.

LAFCO staff have been involved in discussions with a number of agencies looking to become more efficient and cost-effective in providing fire services. In 2009, LAFCO staff participated in discussions among the Bodega Bay Fire Protection District, the Monte Rio Fire Protection District, and Russian River Fire Protection District regarding consolidation of these districts. The districts chose not to initiate consolidation proceedings at that time. Subsequently, staff have actively supported the Joint Powers Agreements between the City of Sonoma and Valley of the Moon Fire Department, operating as the Valley of the Moon Fire and Rescue Authority; the Monte Rio Fire Protection District and the Russian River Fire Protection District; and the Rincon Valley Fire Protection District and the Windsor Fire Protection District, soon to be operating as the Central Fire Authority of Sonoma County. Any consolidations would need the cooperation of the service delivery parties, and the Commission sees the joint powers agreements as a logical first step.

At the Commission's direction, LAFCO staff continue to act as a resource for agencies seeking options to meet the economic realities of providing service and are currently in discussions with several agencies considering consolidation; additional discussions are likely to take place in the near future.

Recommendation 4: *In the future, LAFCO should appoint special district members that represent larger and more diverse areas of the county.*

Response: LAFCO does not appoint special district members to the Commission. At the expiration of a four-year term of office or when a vacancy exists, special district representatives are elected by the 46 independent special districts in the County that fall under LAFCO's jurisdiction, as allowed by state law. To ensure wider representation on the Commission, two classes of representation have been established: Class I (23 districts) includes fire protection districts, community services districts, and life support districts, and Class II (23 districts) includes all other districts (water, public utility, recreation and park, resource conservation, cemetery, mosquito and vector control, health care). Although all districts vote on each special district representative to the Commission, a person nominated for and/or elected to a Class I or Class II seat must be a member of a board of directors of a district in that category.

When a special district seat becomes available, LAFCO provides information to districts about the Commission, the duties of members, and state law governing LAFCO actions; district boards are encouraged to submit nominations. Commissioners and staff are available to respond to inquiries and provide additional information, if asked. However, neither Commissioners nor staff controls who submits nomination papers or who is elected. The decision is solely the responsibility of the special district boards of directors. The districts elect the most appropriately qualified members.



Response to Grand Jury Form

Report Title: What We Don't Know Could Hurt Us

Report Date: June 30, 2011

Response by: Jean Kapolchok

Title: Chairperson, Sonoma Local Agency Formation Commission

FINDINGS

I (we) agree with the Findings numbered: 1, 2, 3, and 4

I (we) disagree wholly or partially with findings numbered: None

(Attach a statement specifying any portion of the findings that are disputed; including an explanation of the reasons therefore.)

RECOMMENDATIONS

- Recommendation numbered 1 has been implemented.
- Recommendations numbered 2, 3 and 4 have not yet been implemented, but will be implemented in the future.
- Recommendations numbered na require further analysis.
- Recommendation numbered na will not be implemented because they are not warranted or are not reasonable.

Date: August 3, 2011

Signed:

A handwritten signature in cursive script that reads "Jean Kapolchok".

Title:

Chair Sonoma Local Agency Formation Commission

Number of pages attached: 2



Findings

The Sonoma LAFCO has no disagreement with the findings of the Civil Grand Jury.

Recommendations - Responses

Recommendation 1: *Every governmental unit - county, city, school board or special district - should encourage employees and citizens alike to report suspected waste, fraud or abuse issues to a central county reporting location. This local whistleblower hotline should be administered by the Civil Grand Jury or the Auditor-Controller's office to provide anonymity and assurance that investigations will be thorough and impartial for any government entity in Sonoma County. Why would the Grand Jury want the County of Sonoma to provide this service and include cities and other government entities? We suggest this for the greater good of the citizens!*

Response

The Civil Grand Jury found that Sonoma County offices follow state law by posting the State Attorney General's hotline number on employee bulletin boards. The LAFCO office is located in a County building, and its employees are subject to the rules and regulations of the County; therefore, the Commission complies with the law.

We agree with the Civil Grand Jury recommendation. Sonoma LAFCO will participate in a program established by the County of Sonoma or the Sonoma Civil Grand Jury. No action is necessary at this time.

Recommendation 2: *When a Sonoma County central whistleblower program and administrator is established, every governmental unit should provide clear, easily accessible information about the program and 24- hour hotline on their websites, in their employee training and as a notice on employee bulletin boards.*

Response: We agree with the Civil Grand Jury recommendation. Sonoma LAFCO will participate in a program established by the County of Sonoma or the Sonoma Civil Grand Jury. No action is necessary at this time.

Recommendation 3: *The county budget for 2011/2012 and forward, include the cost of a commercial whistleblower hotline service (est. less than \$15,000/ yr), either as part of the operating budget of the Civil Grand Jury or the office of the Auditor / Controller.*

Response: Sonoma LAFCO does not have jurisdiction over the implementation of the recommendation. Sonoma LAFCO will participate in a program established by the County of Sonoma or the Sonoma Civil Grand Jury. No action is necessary at this time.

Recommendation 4: *The designated office for Sonoma County should provide an annual report to the public on the whistleblower program including such information as the total number of whistleblower complaints received, the number of complaints that were formally investigated, and the dollar value (if applicable) that was recovered.*



Response: Sonoma LAFCO does not have jurisdiction over the implementation of the recommendation. Sonoma LAFCO will participate in a program established by the County of Sonoma or the Sonoma Civil Grand Jury. No action is necessary at this time.