

LOCAL AGENCY FORMATION COMMISSION  
P.O. Box 1369 132 W. Gabilan Street, Suite 102  
Salinas, CA 93902 Salinas, CA 93901  
Telephone (831) 754-5838 Fax (831) 754-5831  
www.monterey.lafco.ca.gov

**KATE McKENNA, AICP**  
**Executive Officer**

Vacant ( <i>Chair</i> )	<i>Public Member</i>	Dennis Donohue	<i>City Member</i>
Bruce Delgado ( <i>Vice Chair</i> )	<i>City Member</i>	Maria Orozco	<i>City Member, Alternate</i>
Fernando Armenta	<i>County Member, Alternate</i>	Simón Salinas	<i>County Member</i>
Louis R. Calcagno	<i>County Member</i>	Steve Snodgrass	<i>Special District Member, Alternate</i>
Don Champion, Ph.D.	<i>Special District Member</i>	Graig R. Stephens	<i>Special District Member</i>
Sherwood Darington	<i>Public Member, Alternate</i>		

**AGENDA**  
**LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY**

**Monday, August 22, 2011**  
**4:00 p.m.**

**Board of Supervisors Chambers**  
**Monterey County Government Center**  
**168 West Alisal Street, First Floor**  
**Salinas, California**

The Local Agency Formation Commission welcomes you to its meetings. If you want to submit documents at this meeting, please bring 15 copies for distribution. The meeting will be broadcast live on Comcast Cable TV Channel 28 and webcast live at [www.monterey.lafco.ca.gov](http://www.monterey.lafco.ca.gov). TV rebroadcasts are shown every Monday at 4:00 p.m. Agendas and reports are available on our website at least 72 hours before each meeting.

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL** **ACTION**
- 4. SPECIAL BUSINESS** **ACTION**
  - a. Consider a Resolution in Appreciation of Public Member Commissioner Vince DiMaggio for Dedicated and Outstanding Service to the Local Agency Formation Commission of Monterey County. (Presentation by Commissioner Calcagno).

**5. MINUTES** **ACTION**

- a. Adopt Draft Minutes of June 27, 2011 Regular LAFCO Meeting.

**6. PUBLIC COMMENTS**

Anyone may address the Commission briefly concerning items not already on the agenda. Please fill out a Speaker Request Form available on the rostrum.

**7. COMMISSIONER ANNOUNCEMENTS** **INFORMATION**

Commissioners may ask a question for clarification, make a brief announcement or report on their activities.

**8. CONSENT ITEMS** **ACTION**

- a. Approve the Registers of Checks Paid in June and July 2011.
- b. Accept List of Anticipated Future Agenda Items.
- c. Receive Report on Activities of the California Association of Local Agency Formation Commissions.
- d. Receive Status Report on the LAFCO Municipal Service Review and Sphere of Influence Update Program.
- e. Accept Report on Proposed Revisions to the Enabling Act for the Pajaro Valley Water Management Agency and Authorize the Executive Officer to Work Cooperatively to Ensure that LAFCO of Monterey County is Consulted on Any Proposed Pajaro Valley Water Management Agency Boundary Changes In Monterey County.

**9. NEW BUSINESS**

- a. Consider Process for Appointment of Public Member to Commission. **ACTION**
- b. Consider a Report on the Organization and Operation of the Association of Monterey Bay Area Governments (AMBAG). **INFORMATION/  
ACTION**
- c. Consider Clarification of a Policy Regarding Requests to Provide Services Outside of a Local Agency's Geographic Boundaries. **ACTION**

**10. EXECUTIVE OFFICER ANNOUNCEMENTS**

**INFORMATION**

The Executive Officer will provide an oral report on activities of the Commission and Staff, including:

- a. Selection of LAFCO Chair

**11. ADJOURNMENT TO THE NEXT MEETING**

Regular LAFCO Meeting – Monday, September 26, 2011 at 4:00 p.m.

Alternative Formats: If requested, the agenda will be made available in alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 USC 12132) and the federal rules and regulations adopted in implementation thereof.

**AGENDA  
ITEM  
NO. 4.a**

**LAFCO** of Monterey County

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**KATE MCKENNA, AICP**  
Executive Officer

**DATE:** August 22, 2011  
**TO:** Chair and Members of the Formation Commission  
**FROM:** Kate McKenna, AICP, Executive Officer  
**SUBJECT:** **RESOLUTION IN APPRECIATION OF COMMISSIONER VINCE DIMAGGIO**

**SUMMARY OF RECOMMENDATIONS:**

It is recommended that the Commission:

1. Approve a Resolution in appreciation of Public Member Commissioner Vince DiMaggio's years of distinguished service with the Local Agency Formation Commission of Monterey County, and
2. Authorize Commissioner Calcagno to present the Resolution on behalf of the Commission.

**EXECUTIVE OFFICER'S REPORT:**

Commissioner DiMaggio resigned from membership on the Commission effective July 8, in order to accept a public service career opportunity outside of California. At this time, the Commission wishes to express its appreciation for his nine years of distinguished service.

Respectfully Submitted,



Kate McKenna, AICP  
Executive Officer

# LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

## RESOLUTION No. 11-13

### RESOLUTION IN APPRECIATION OF COMMISSIONER VINCE DIMAGGIO FOR DEDICATED AND OUTSTANDING SERVICE

**WHEREAS**, Commissioner Vince DiMaggio served with distinction on the Local Agency Formation Commission of Monterey County as the Regular Public Member from October 2002 to July 2011 and has provided a leadership role on the Commission; and

**WHEREAS**, Commissioner DiMaggio served as Chair of the Local Agency Formation Commission in 2007-08 and again in 2011; and

**WHEREAS**, Commissioner DiMaggio served as a Charter Member of the Local Agency Formation Commission Sphere of Influence and Annexation Policy Committee since 2004, and as Committee Chair from 2009 to 2011; and during his tenure was instrumental in promoting the long term preservation of agricultural lands and the prevention of urban sprawl, including the adoption of innovative policies relating to agriculture and open space, compact urban growth patterns, the mitigation of regional traffic impacts, the connections between housing and jobs at local and regional levels, a reduction in greenhouse gases, and a process for the early review of major Sphere of Influence proposals; and

**WHEREAS**, Commissioner DiMaggio also endeavored to secure easements and buffers to ensure the preservation of prime agricultural lands in the Salinas Valley for future generations; and

**WHEREAS**, Commissioner DiMaggio provided valuable service through his participation in ad hoc LAFCO committees working, for instance, to resolve differences with the proponents of Carmel Valley incorporation and to secure contractual legal services for the Commission; and

**WHEREAS**, as an articulate representative of the citizens of Monterey County, Commissioner DiMaggio has made significant contributions to ensure the voices of the public are heard and that the special qualities of this County are considered in LAFCO deliberations, and

**WHEREAS**, Commissioner DiMaggio is now continuing his career in public service as the City Manager of the City of Teague, Texas.

**NOW, THEREFORE, BE IT RESOLVED**, the Local Agency Formation Commission of Monterey County does hereby express its gratitude and appreciation to Vince DiMaggio for his exemplary and generous service to the Commission, local government agencies, and the citizens of Monterey County, and extends its best wishes for his happiness and success in the future.

**PASSED AND ADOPTED** by the Local Agency Formation Commission of Monterey County this 22nd day of August, 2011.

\_\_\_\_\_  
Vice Chair Bruce Delgado

\_\_\_\_\_  
Commissioner Fernando Armenta

\_\_\_\_\_  
Commissioner Louis R. Calcagno

\_\_\_\_\_  
Commissioner Don Champion, Ph.D.

\_\_\_\_\_  
Commissioner Sherwood Darington

\_\_\_\_\_  
Commissioner Dennis Donohue

\_\_\_\_\_  
Commissioner Maria Orozco

\_\_\_\_\_  
Commissioner Simón Salinas

\_\_\_\_\_  
Commissioner Steve Snodgrass

\_\_\_\_\_  
Commissioner Graig R. Stephens

**KATE McKENNA, AICP  
Executive Officer**

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**MINUTES  
LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY**

*Adopted on \_\_\_\_\_*

**Regular Meeting  
Monday, June 27, 2011  
4:00 p.m.**

**Board of Supervisors Chambers  
Monterey County Government Center  
168 West Alisal Street, First Floor  
Salinas, California**

The Local Agency Formation Commission was called to order by Chair DiMaggio at 4:02 p.m. in the Monterey County Board of Supervisors Chambers.

**Members Present**

Commissioner Calcagno, (County Member)  
Commissioner Champion, (Special District Member)  
Commissioner DiMaggio, Chair (Public Member)  
Commissioner Orozco, Alternate (City Member; seated after receiving Oath of Office)  
Commissioner Salinas, (County Member)  
Commissioner Snodgrass, Alternate (Special District Member)  
Commissioner Stephens, (Special District Member)

**Members Not Present**

Commissioner Armenta (Presence Not Required)  
Commissioner Darington (Presence Not Required)  
Commissioner Delgado  
Commissioner Donohue

**Staff Present**

Kate McKenna, AICP, Executive Officer  
Leslie J. Girard, LAFCO General Counsel  
Donna A. Christoffersen, Interim LAFCO Clerk

**2. PLEDGE OF ALLEGIANCE**

Chair DiMaggio led the Pledge of Allegiance.

**4. SPECIAL BUSINESS**

- a. Administer Oath of Office for City Member (Alternate) Commissioner Maria Orozco for the Remainder of a Term Ending May 2012. (Administered by Chair).

Chair DiMaggio administered the Oath of Office to Commissioner Maria Orozco for a term ending May 2012, and she took her place on the dais.

**5. CLOSED SESSION**

- a. Pursuant to Government Code Section 54956.9 (a), the Commission will meet in closed session to discuss with its general counsel one matter of significant exposure to litigation.

Chair DiMaggio reconvened the meeting from closed session and stated that no reportable action was taken.

**6. MINUTES**

- a. Adopt Draft Minutes of May 23, 2011 Regular LAFCO Meeting.
- b. Accept Draft Notes from Budget and Finance Committee Meeting of June 20, 2011.

There were no public comments for these items.

Commission Action

Upon motion by Commissioner Stephens, seconded by Commissioner Salinas, the minutes and notes were unanimously adopted and accepted.

**7. PUBLIC COMMENTS**

Mr. Bill Carrothers addressed the real estate and job markets for Monterey County.

**8. CONSENT ITEMS**

- a. Approve the Register of Checks Paid in May 2011.
- b. Accept List of Anticipated Future Agenda Items.

- c. Receive Report on Activities of the California Association of Local Agency Formation Commissions.
- d. Approve One-Year Extension to Executive Officer's Employment Agreement.
- e. Consider Draft Financial Statements for Period Ending April 30, 2011.
- f. Consider Resolution for Tax Deferred Reporting of CalPERS Member Contributions, Pursuant to Federal Tax Reporting Requirements.
- g. Consider Amendment No. 2 to Fiscal Year 2010-2011 Budget, to Transfer Funds from Line Item 6100 (Employee Benefits) to Line Item 7242 (Outside Professional Services – Accounting and Financial Services), with no Net Change to Overall Budget.

There were no public comments for the consent items.

#### Commission Action

Upon motion by Commissioner Calcagno, seconded by Commissioner Salinas, the consent items were unanimously approved.

### **9. NEW BUSINESS**

- a. Consider Changes to the Litigation Reserve Policy, and Authorize Year-End Journal Entry Transfers from Account No. 3850 (Unreserved Fund Balance) to Account No. 7290 (Litigation Reserve) and Account No. 7295 (Contingency Reserve).

Executive Officer McKenna provided a report.

There were no public comments for this item.

#### Commissioner Comment

Commissioner Salinas reported this item was discussed in depth at the Budget and Finance Committee Meeting of June 20, and the recommended action will build funds in the two reserve accounts.

#### Commissioner Action

Upon motion by Commissioner Salinas, seconded by Commissioner Stephens, the proposed change to the Litigation Reserve Policy, and the proposed transfers from the Unreserved Fund to the Litigation Reserve and the Contingency Reserve, were unanimously accepted.

b. Discuss Options for Distribution of LAFCO Meeting Materials to Commission.

Executive Officer McKenna provided a report and demonstration of electronic delivery alternatives.

Individual Commissioners expressed comments and preferences, with no official action necessary.

**10. EXECUTIVE OFFICER ANNOUNCEMENTS**

The Executive Officer reported on activities of the Commission and Staff, including a planned report on August 22 regarding the Association of Monterey Bay Area Governments. Commissioner Salinas recommended contacting other entities for coordinating purposes.

**11. COMMISSIONER ANNOUNCEMENTS**

Commissioner Champion read a statement about the planned development of land at the former Fort Ord.

Chair DiMaggio announced he has been offered and has accepted a position as a city manager, and will formally submit a letter of resignation to Executive Officer McKenna. Chair DiMaggio thanked various individuals for the advice, mentoring and friendship provided to him, and thanked the Commission for the honor of serving on LAFCO.

**12. ADJOURNMENT TO THE NEXT MEETING**

Chair DiMaggio adjourned the meeting at 4:50 p.m. to the next Regular LAFCO Meeting – Monday, August 22, 2011 at 4:00 p.m.

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**KATE McKENNA, AICP**  
Executive Officer

**DATE:**            August 22, 2011

**TO:**              Chair and Members of the Formation Commission

**FROM:**          Kate McKenna, AICP, Executive Officer

**SUBJECT:**      **LAFCO CHECK REGISTERS – JUNE AND JULY 2011**

**SUMMARY OF RECOMMENDATION:**

It is recommended that the Commission approve these check registers.

**EXECUTIVE OFFICER'S REPORT:**

Attached are lists of LAFCO checks written in June and July 2011.

Respectfully Submitted,



Kate McKenna, AICP  
Executive Officer

Attachment

LAFCO  
LOCAL AGENCY FORMATION COMMISSION  
WARRANT REGISTER  
FOR JUNE 2011

DATE	CK#	NAME	DESCRIPTION	CHECK AMOUNT	DEPOSIT AMOUNT	ACCOUNT BALANCE
<b>Beginning Balance 6/1/2011</b>						<b>\$ 217,562.66</b>
06/07/2011	DEP		CalPers 457 Loan Repayment		50.19	217,612.85
06/08/2011	3735	1-800-CONFERENCE	Acct # 02200001808104 Toll Free Passcode	126.18		217,486.67
06/08/2011	3736	Alhambra	Water Dispenser Rental	23.97		217,462.70
06/08/2011	3737	APEX	Commissioner Engraved Signs	61.99		217,400.71
06/08/2011	3738	AT&T Mobility	Telephone Expense 4/22/11-5/21/11	179.71		217,221.00
06/08/2011	3739	Rabobank Visa Card	Calafco Conference Hotel; Ipad	2,046.78		215,174.22
06/08/2011	3740	SDRMA	2011-2012 Property/Liability Insurance	4,783.22		210,391.00
06/08/2011	3741	Spherion	Temp Help:Christoffersen, Donna 5/16/11-5/29/11	2,400.00		207,991.00
06/08/2011	3742	The Monterey County Herald	Legal Notices 5/1/11-5/31/11	218.50		207,772.50
06/08/2011	3743	Tri-County Business Systems	Copy Machine Usage 4/11/11-5/10/11	39.11		207,733.39
06/08/2011	3744	CALAFCO	2011 Conference Registration 8/11/11-9/2/11	2,566.00		205,167.39
06/09/2011		QuickBooks Payroll Service	For Payroll Period ending 6/3/11 paid 6/10/11	6,480.23		198,687.16
06/10/2011	3733	Kathryn M. McKenna	For Payroll Period ending 6/3/11 paid 6/10/11	0.00		198,687.16
06/10/2011	3734	Thomas A. McCue	For Payroll Period ending 6/3/11 paid 6/10/11	0.00		198,687.16
06/10/2011	EFT	CalPERS 457 Program	457 Deferred Compensation Contribution	1,574.98		197,112.18
06/10/2011	EFT	Ing-CalPers 457 Deferred Comp Program	CalPers 457 Loan Repayment	50.19		197,061.99
06/10/2011	EFT	CalPERS Retirement	CalPers Retirement Contribution	1,631.05		195,430.94
06/10/2011	EFT	EDD	State Payroll Tax Deposit	826.23		194,604.71
06/10/2011	EFT	EFTPS	Federal Payroll Tax Deposit	2,086.90		192,517.81
06/17/2011	3747	Bruce Lindsey	July Monthly Rent	2,027.66		190,490.15
06/17/2011	3748	AT&T	Telephone Service from 5/12/11-6/11/11	145.86		190,344.29
06/17/2011	3749	Hayashi & Wayland, LLP	Accounting Services Client#72520	3,000.00		187,344.29
06/17/2011	3750	Magellan Behavioral Health	EAP Insurance 7/2011-9/2011	80.40		187,263.89
06/17/2011	3751	Pitney Bowes	Equipment Rental from 3/30/11-6/30/11	140.58		187,123.31
06/17/2011	3752	SDRMA	W/C Premium July 2011-Sept 2011	571.00		186,552.31
06/17/2011	3753	Spherion	Temp Help:Christoffersen, Donna 5/30/11-6/5/11	1,200.00		185,352.31
06/17/2011	3754	Tri-County Business Systems	Copy Machine Rental	287.80		185,064.51
06/17/2011	3755	United Group Insurance Trust	July 2011 Dental \$408.55;Vision\$53.54	462.09		184,602.42
06/21/2011	DEP		Pebble Beach Community Svc Fees; Loan Repayment		1,099.29	185,701.71
06/23/2011		QuickBooks Payroll Service	For Payroll Period ending 6/17/11 paid 6/24/11	6,022.64		179,679.07
06/24/2011	3745	Kathryn M. McKenna	For Payroll Period ending 6/17/11 paid 6/24/11	0.00		179,679.07
06/24/2011	3746	Thomas A. McCue	For Payroll Period ending 6/17/11 paid 6/24/11	0.00		179,679.07
06/24/2011	EFT	CalPERS 457 Program	457 Deferred Compensation Contribution	1,574.98		178,104.09
06/24/2011	EFT	Ing-CalPers 457 Deferred Comp Program	CalPers 457 Loan Repayment	50.19		178,053.90
06/24/2011	EFT	CalPERS Retirement	CalPers Retirement Contribution	1,631.05		176,422.85
06/24/2011	EFT	EDD	State Payroll Tax Deposit	724.50		175,698.35
06/24/2011	EFT	EFTPS	Federal Payroll Tax Deposit	1,850.12		173,848.23
06/29/2011	DEP		Calafco Stipend		2,000.00	175,848.23
				44,863.91	3,149.48	

LAFCO  
LOCAL AGENCY FORMATION COMMISSION  
WARRANT REGISTER  
FOR JUNE 2011

<u>DATE</u>	<u>CK#</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>CHECK AMOUNT</u>	<u>DEPOSIT AMOUNT</u>	<u>ACCOUNT BALANCE</u>
Ending Balance 6/30/2011						<u>\$ 175,848.23</u>

**LAFCO  
LOCAL AGENCY FORMATION COMMISSION  
WARRANT REGISTER  
FOR JULY 2011**

DATE	CK#	NAME	DESCRIPTION	CHECK AMOUNT	DEPOSIT AMOUNT	ACCOUNT BALANCE
<b>Beginning Balance 7/1/2011</b>						<b>\$ 175,848.23</b>
07/05/2011	DEP		CalPers Loan Repayment		50.19	175,898.42
07/05/2011	DEP		Project Application Fees		1,900.00	177,798.42
07/06/2011	EFT	CalPERS Health	July 2011 Health Insurance	2,203.24		175,595.18
07/06/2011	3758	APA	Membership Fees K. McKenna 7/1/11-6/30/12	638.00		174,957.18
07/06/2011	3759	AT&T Mobility	Telephone Expense 5/22/11-6/21/11	194.49		174,762.69
07/06/2011	3760	CALAFCO	Calafco Member Dues 2011-2012	2,976.00		171,786.69
07/06/2011	3761	Office of County Counsel - Co of Monterey	Legal Services through May 2011	999.38		170,787.31
07/06/2011	3762	Principal Life	July 2011 Benefits:LTD,ADD,STD,Life	299.02		170,488.29
07/06/2011	3763	Spherion	Temp Help:Christoffersen, Donna 6/6/11-6/19/11	2,400.00		168,088.29
07/06/2011	3764	Staples Advantage	Office Supplies	760.06		167,328.23
07/06/2011	3765	Thom McCue	Travel January-June 2011 (77miles * \$0.51)	39.27		167,288.96
07/06/2011	3766	Tri-County Business Systems	Copy Machine Usage 5/11/11-6/10/11	21.70		167,267.26
07/07/2011		QuickBooks Payroll Service	For Payroll Period Ending 6/18/11-7/1/11 Paid 7/8/11	6,561.55		160,705.71
07/08/2011	3756	Kathryn M. McKenna	For Payroll Period Ending 6/18/11-7/1/11 Paid 7/8/11		0.00	160,705.71
07/08/2011	3757	Thomas A. McCue	For Payroll Period Ending 6/18/11-7/1/11 Paid 7/8/11		0.00	160,705.71
07/08/2011	EFT	CalPERS 457 Program	CalPers 457 Deferred Compensation Contribution	1,574.98		159,130.73
07/08/2011	EFT	Ing-CalPers 457 Deferred Comp Program	CalPers 457 Loan Repayment	50.19		159,080.54
07/08/2011	EFT	CalPERS Retirement	Calpers Retirement Contribution	1,733.27		157,347.27
07/08/2011	EFT	EDD	State Payroll Tax Deposit	745.79		156,601.48
07/08/2011	EFT	EFTPS	Federal Payroll Tax Deposit	2,087.86		154,513.62
07/20/2011	3769	Bruce Lindsey	Monthly Rent	2,027.66		152,485.96
07/20/2011	3770	Alhambra	Water Dispenser Rental	31.32		152,454.64
07/20/2011	3771	Cash	Replenish Petty Cash	98.72		152,355.92
07/20/2011	3772	County of Monterey, Resource Mgmt	Express Mail Charges March-May 2011	120.59		152,235.33
07/20/2011	3773	CP&DR	1 Year Subscription	238.00		151,997.33
07/20/2011	3774	Hayashi & Wayland, LLP	Accounting Services	3,000.00		148,997.33
07/20/2011	3775	Office of County Counsel - Co of Monterey	Legal Services through June 2011	564.69		148,432.64
07/20/2011	3776	Spherion	Temp Help:Christoffersen, Donna 6/20/11-7/10/11	3,600.00		144,832.64
07/20/2011	3777	Staples Advantage	Office Supplies: Printer Cartridges, Folders, Pens, Etc.	1,164.59		143,668.05
07/20/2011	3780	United Group Insurance Trust	August 2011 Dental Insurance \$408.55;Vision\$53.54	462.09		143,205.96
07/20/2011	3781	Tri-County Business Systems	Copy Machine Rental 8/11/11-9/10/11	285.15		142,920.81
07/20/2011	3779	Staples Advantage	VOID:Printer Error		0.00	142,920.81
07/20/2011	3778	United Group Insurance Trust	VOID: Printer Error		0.00	142,920.81
07/21/2011		QuickBooks Payroll Service	For Payroll Period Ending 7/15/11 Paid 7/22/11	6,081.92		136,838.89
07/21/2011	DEP		CalPers Loan Repayment		50.19	136,889.08
07/22/2011	3767	Kathryn M. McKenna	For Payroll Period Ending 7/15/11 Paid 7/22/11		0.00	136,889.08
07/22/2011	3768	Thomas A. McCue	For Payroll Period Ending 7/15/11 Paid 7/22/11		0.00	136,889.08
07/22/2011	EFT	CalPERS 457 Program	CalPers 457 Deferred Compensation Contribution	1,574.98		135,314.10
07/22/2011	EFT	CalPERS Retirement	CalPers Retirement Contribution	1,733.27		133,580.83
07/22/2011	EFT	EDD	State Payroll Tax Deposit	664.36		132,916.47
07/22/2011	EFT	EFTPS	Federal Payroll Tax Deposit	1,849.12		131,067.35
07/22/2011	EFT	CalPERS Health	August 2011 Health Insurance	2,203.24		128,864.11
07/26/2011	EFT	Ing-CalPers 457 Deferred Comp Program	CalPers 457 Loan Repayment	50.19		128,813.92
				<u>\$49,034.69</u>	<u>\$ 2,000.38</u>	
<b>Ending Balance 7/31/2011</b>						<b><u>\$ 128,813.92</u></b>



5. Aromas Water District – Sphere of Influence Amendment and Annexation of Oak Ridge / Via del Sol Area.
6. Carmel Area Wastewater District –Sphere of Influence Amendment and Annexation for the Cappel property within the Carmel Highlands.
7. Carmel Highlands Fire Protection District – Sphere of Influence Amendment and Annexation of Area Parcels.
8. Cypress Fire Protection District – Sphere of Influence Amendment and Annexation of Area Parcels.
9. Marina Coast Water District – Sphere of Influence Amendment and Annexation of Ord Community.
10. Pajaro / Sunny Mesa Community Services District – Out-of-Area Service Agreements for the former ALCO Water Systems.
11. South Monterey County Fire Protection District – Sphere of Influence Amendment and Annexation.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Kate McKenna". The signature is written in a cursive, flowing style.

Kate McKenna, AICP  
Executive Officer

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**KATE MCKENNA, AICP**  
Executive Officer

DATE: August 22, 2011  
TO: Chair and Members of the Formation Commission  
FROM: Kate McKenna, AICP, Executive Officer  
SUBJECT: **ACTIVITIES OF THE CALIFORNIA ASSOCIATION OF LOCAL AGENCY FORMATION COMMISSIONS (CALAFCO)**

**SUMMARY OF RECOMMENDATION:**

This report is for information only; no action is required at this time.

**EXECUTIVE OFFICER'S REPORT:**

**Legislative Update**

The Legislature returned to work on August 15 to complete its work on legislation for this cycle. Attachment 1 is a summary update prepared by CALAFCO. To date, a number of bills of interest to LAFCO have been signed into law. These include:

- AB 1265 (Nielsen): Provides an interim solution to Williamson Act funding. (*CALAFCO Supported*)
- AB 912 (Gordon): Allows LAFCO the authority to dissolve a special district without an election if the need for dissolution has previously been identified by LAFCO, the action has been initiated by the District Board of Directors, there is a public hearing, and there is no majority protest. (*CALAFCO Supported*)
- SB 89 (Committee on Budget and Fiscal Review): Redirects Vehicle License Fee revenues from cities to statewide public safety programs. (*CALAFCO Opposed*)

## **2011 CALAFCO Annual Conference**

The 2011 CALAFCO Conference, "*Exploring New Boundaries*," will be held in Napa from August 31 to September 2. The Commission will be represented by Vice Chair Delgado and Commissioners Salinas and Snodgrass. Senior Analyst McCue, General Counsel Girard and I will also attend. The Conference's Preliminary Program is Attachment 2.

The next annual CALAFCO Conference will be hosted by Monterey LAFCO at the Hyatt Regency Monterey Resort in October 2012.

## **California Forward Proposals**

In May, I reported on several proposals of the nonpartisan, nonprofit "California Forward" organization that are of concern to CALAFCO. The concerns relate to proposals for regional collaboration and agency consolidation, and a proposed expansion of the role of Councils of Governments to address matters that are currently within the statutory charge of LAFCOs. I was among the LAFCO Executive Officers who testified at regional California Forward roundtables on these issues.

In July, California Forward presented a modified set of proposals that address some but not all of the identified concerns. A California Forward representative will attend the Napa conference. CALAFCO, LAFCO of Monterey County and other concerned LAFCOs will continue to monitor and participate in the work of this group.

The current text of the proposals is available on the California Forward website at: <http://www.cafwd.org/ideas/entry/framework-home>.

## **Proposed Revisions to Government Code Section 56133 (Extension of Local Agency Services Outside of Jurisdictional Boundaries)**

The CALAFCO Board is circulating for review and comment an informal proposal to amend Government Code section 56133. After consulting with General Counsel Girard, I am recommending no comments at this time.

Section 56133 governs the LAFCO approval process for cities and districts to provide new and extended services outside of jurisdictional boundaries. The amendment would give LAFCOs more flexibility to approve new and extended services beyond a local agency's Sphere of Influence, without the current requirement that there be a public health and safety threat. Extended services could be approved provided that LAFCO makes three findings at a noticed public hearing: (1) the extension was contemplated in a municipal service review; (2) the extension will not result in adverse impacts on open-space and agricultural lands or growth, and (3) a later change of organization involving the property and local agency is not feasible or desirable based on the adopted policies of the Commission.

The CALAFCO Board of Directors and its Legislative Committee believe the proposed changes will strengthen a LAFCO's ability to effectively regulate outside service extensions in concert with LAFCO's evolving role in regional growth management. Specifically, if passed into law, the changes would provide LAFCO more flexibility in accommodating service extensions lying beyond Spheres of Influence if the appropriate determinations can be made.

If the changes are supported by member LAFCOs, CALAFCO will seek a sponsor for the bill in 2012. General Counsel Girard and I have reviewed the proposed revisions. Our conclusion is that the changes will not impact the Commission's ability to approve or deny requests for the extension of services outside a local agency's boundary. Our recommended position is neutral and no comments to CALAFCO are necessary.

Respectfully Submitted,

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

Kate McKenna, AICP  
Executive Officer

Attachments:

1. CALAFCO Legislative Tracking Summary, July 18, 2011.
2. 2011 Annual CALAFCO Conference - Preliminary Program.

## CALAFCO Legislative Tracking Summary

UPDATED 18 July 2011

### PRIORITY LEGISLATION

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**AB 54 (Solorio D) Drinking water.**

**Current Text:** Amended: 7/11/2011

**Calendar:** 8/15/2011 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, KEHOE, Chair

**Summary:** Would specify that any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for irrigation purposes, and any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for domestic use shall be known as a mutual water company. This bill contains other related provisions and other existing laws.

**Position**

SUPPORT

**CALAFCO Comments:** Requires mutual water companies to respond to LAFCo requests for information, requires Mutuals to provide a map of boundaries to LAFCo, adds authority for LAFCo to request MSR data from mutuals and include compliance with safe drinking water standards in MSRs. The bill was most recently amended to make the LAFCo language consistent with the revised definitions in AB 1430.

**AB 912 (Gordon D) Local government: organization.**

**Current Text:** Enrollment: 7/11/2011

**Status:** 7/11/2011-Enrolled and presented to the Governor at 12:45 p.m.

**Summary:** Would authorize the commission, where the commission is considering a change of organization that consists of the dissolution of a district recommended for dissolution by a prior action of the commission, to immediately order the dissolution if the dissolution was initiated by the district board, or to, within 60 days following the application being deemed complete by the commission, hold at least one noticed public hearing on the proposal, and order the dissolution without an election, unless a majority protest exists, as specified.

**Position**

SUPPORT

**CALAFCO Comments:** Provides an expedited process for a commission to dissolve certain special districts if identified for dissolution in an MSR or SOI update, or by resolution of the district board, after a public hearing and the lack of a majority protest.

**AB 1430 (Committee on Local Government) The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 Omnibus bill.**

**Current Text:** Amended: 6/22/2011

**Status:** 7/1/2011-From consent calendar. Ordered to third reading. Ordered to inactive file at the request of Senator Simitian.

**Summary:** Existing law defines various terms for purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. This bill would revise various definitions within that act, and would make other conforming and technical changes.

**Position**

SPONSOR

**CALAFCO Comments:** CALAFCO Sponsored bill. Makes technical, non-substantive changes to Cortese-Knox-Hertzberg. Includes major definitions update. The bill is currently in the inactive file pending action on AB 54 and SB 244 which both affect the same sections of the Government Code.

**ABX1 36 (Solorio D) Vehicle license fees.**

**Current Text:** Introduced: 7/1/2011

**Status:** 7/5/2011-From printer.

**Summary:** Current law, as proposed to be amended by SB 89 of the 2011-12 Regular Session, would require that a specified amount of motor vehicle license fees deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund be allocated by the Controller, as specified, according to a specified order, with moneys allocated on or after July 1, 2004, but before July 1, 2011, first to the County of Orange, next to each city and county meeting specified criteria, and on or after July 1, 2011, to the Local Law Enforcement Services Account in the Local Revenue Fund 2011, for allocation to cities, counties, and cities and counties. This bill would instead require for all of those times that a specified

portion of those revenues be distributed first to the County of Orange. By authorizing within the Motor Vehicle License Fee Account in the Transportation Tax Fund, a continuously appropriated fund, to be used for a new purpose, the bill would make an appropriation. This bill would become operative only if SB 89 is chaptered, as provided.

**Position**

Watch

**CALAFCO Comments:** This bill is under consideration as a fix to the SB 89 shift of VLF from cities to law enforcement programs. It would unwind the SB 89 transfer of VLF funds that dramatically affect incorporations and inhabited annexations. Currently only affects Orange county.

**SB 89 (Committee on Budget and Fiscal Review) Vehicles: vehicle license fee and registration fee.**

**Current Text:** Chaptered: 7/1/2011

**Status:** 6/30/2011- **Chaptered by Secretary of State - Chapter 35, Statutes of 2011.**

**Summary:** Would require the Legislature to determine and appropriate annually an amount for the use of the DMV and the FTB for the enforcement of the Vehicle License Fee Law. The bill would deem, for the 2011-12 fiscal year, \$25,000,000 as the cost to the DMV for the collection of the motor vehicle license fee. This bill contains other related provisions and other current laws.

**Position**

OPPOSE

**CALAFCO Comments:** This budget-related bill redirects VLF from cities to statewide public safety programs. Most impacted are cities formed after 2006 and inhabited annexations after 2006. Will likely result in disincorporations. Significantly this will also make most all future incorporations and inhabited annexations financially impossible. This language was added at the last minutes and voted on by the Members with little knowledge of the content of the bill. No one outside of the Capital was aware of the language until after the bill passed.

**SB 244 (Wolk D) Land use: general plan: disadvantaged unincorporated communities.**

**Current Text:** Amended: 7/1/2011

**Calendar:** 8/17/2011 9 a.m. - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS, FUENTES, Chair

**Summary:** Would require the city or county planning agency, after the initial revision and update of the general plan, to review, and if necessary amend, the general plan to update the information, goals, and program of action relating to these communities therein. By adding to the duties of city and county officials, this bill would impose a state-mandated local program. This bill contains other related provisions and other current laws.

**Position**

Opposition removed

**CALAFCO Comments:** Amended to require LAFCo review of disadvantaged unincorporated communities. It adds a definition for disadvantaged unincorporated communities, requires LAFCo to review water, sewer and fore services to the communities in the next SOI update, places more emphasis on LAFCo recommendations on reorganizations for efficient and effective services, requires LAFCo to identify service deficiencies to these communities in MSR, and specifically requires LAFCo to assess alternatives for efficient and affordable infrastructure and services, including consolidations, in MSR. Bill requires LAFCo to look at communities "in or contiguous to a sphere of influence." The bill restricts a city's ability to annex undeveloped territory unless it files a separate application to annex a contiguous disadvantaged unincorporated community.

## WILLIAMSON ACT LEGISLATION

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**AB 1265 (Nielsen R) Local government: Williamson Act.**

**Current Text:** Chaptered: 7/15/2011

**Status:** 7/15/2011-**Chaptered by the Secretary of State, Chapter Number 90, Statutes of 2011**

**Summary:** Would beginning January 1, 2012, and until January 1, 2015, authorize a county, in any fiscal year in which payments authorized for reimbursement to a county for lost revenue are less than ½ of the participating county's actual foregone general fund property tax revenue, to revise the term for newly renewed and new contracts and require the assessor to value the property, as specified, based on the revised contract term. The bill would provide that a landowner may choose to nonrenew and begin the cancellation process. The bill would also provide that any increased revenues generated by properties under a new contract shall be paid to the county.

**Position**

SUPPORT

**CALAFCO Comments:** This bill reinstates the collaboratively-reached interim solution to preserve the Williamson Act that was in an earlier budget trailer bill, but was struck. It has no cost to the state.

**AB 1266 (Nielsen R) Local government: Williamson Act: agricultural preserves: advisory board.**

**Current Text:** Introduced: 7/6/2011

**Status:** 7/14/2011-From consent calendar. Ordered to third reading. Ordered to inactive file at the request of Senator La Malfa.

**Summary:** Would specify matters on which the advisory board may advise the legislative body of a county or city. This bill would also state that the advisory board is not the exclusive mechanism through which the legislative body can receive advice on or address matters regarding agricultural preserves.

**Position**

None at this time

**CALAFCO Comments:** Specifies additional responsibilities for the county or city Williamson Act advisory board. May also be a placeholder for more significant modifications to the Williamson Act.

**SB 436 (Kehoe D) Land use: mitigation lands: nonprofit organizations.**

**Current Text:** Amended: 7/13/2011

**Calendar:** 8/17/2011 9 a.m. - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS, FUENTES, Chair

**Summary:** Would authorize a state or local public agency to provide funds to a nonprofit organization to acquire land or easements that satisfy the agency's mitigation obligations, including funds that have been set aside for the long-term management of any lands or easements conveyed to a nonprofit organization if the nonprofit organization meets certain requirements. The bill would also state the findings and declarations of the Legislature with respect to the preservation of natural resources through such mitigation, and would state that it is in the best interest of the public to allow state and local public agencies and nonprofit organizations to utilize the tools and strategies they need for improving the effectiveness, cost efficiency, and durability of mitigation for California's natural resources.

**Position**

SUPPORT

**CALAFCO Comments:** Would allow a local agency to provide funds to a non profit to acquire land or easements to satisfy an agency's mitigation requirements. May be an important tool for LAFCo in agricultural and open space preservation.

**SB 618 (Wolk D) Local government: Williamson Act: compatible uses.**

**Current Text:** Amended: 5/11/2011

**Calendar:** 8/17/2011 9 a.m. - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS, FUENTES, Chair

**Summary:** Would authorize the parties to a Williamson Act contract to mutually agree to rescind the contract in order to simultaneously enter into a solar-use easement that would require that the land be used for solar photovoltaic facilities for a term no less than 10 years. This bill would require a county or city to include certain, and authorizes a county or city to include other, restrictions, conditions, or covenants in the deed or instrument granting a solar-use easement. This bill would provide that a solar-use easement would be automatically renewed annually, unless either party filed a notice of nonrenewal. This bill would provide that a solar-use easement may only be extinguished on all or a portion of the parcel by nonrenewal, termination, or by returning the land to its previous contract under the Williamson Act. This bill would require that if the landowner extinguishes the contract either by filing a notice of nonrenewal or by terminating the solar-use easement, the landowner shall restore the property to the conditions that existed before the easement by the time the easement terminates. This bill would authorize a landowner to terminate a solar-use easement by complying with certain procedures, and paying a termination fee based upon the termination value of the property, as determined by the county assessor. This bill would provide that specified parties may bring an action to enforce the easement if it is violated.

**Position**

None at this time

**CALAFCO Comments:** Allows renewable energy generation (solar farms) as an acceptable use for Williamson Act lands.

**SB 668 (Evans D) Local government: Williamson Act.**

**Current Text:** Amended: 6/22/2011

**Calendar:** 7/7/2011-In Senate. Concurrence in Assembly amendments pending.

**Summary:** Would, until January 1, 2016, authorize a nonprofit land-trust organization, a nonprofit entity, or a public agency to enter into a contract with a landowner who has also entered into a Williamson Act contract, upon approval of the city or county that holds the Williamson Act contract, to keep that landowner's land in contract under the Williamson Act, for a period of up to 10 years in exchange for the open-space district's, land-trust organization's, or nonprofit entity's payment of all or a portion of the foregone property tax revenue to the county, where the state has failed to reimburse, or reduced the subvention to, the city or county for property tax revenues not received as a result of Williamson Act contracts.

**Position**

None at this time

**CALAFCO Comments:** Would allow an open space district, land trust or non profit to contract with a Williamson Act landowner to keep land in Williamson Act in exchange for paying all or a portion of the

foregone property tax to the county if the state has failed to provide subventions.

## AUDIT LEGISLATION

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### **AB 187 (Lara D) State Auditor: audits: high-risk local government agency audit program.**

**Current Text:** Amended: 6/22/2011

**Status:** 7/11/2011-In committee: Placed on APPR. suspense file.

**Summary:** Would authorize the State Auditor to establish a high-risk local government agency audit program to identify, audit, and issue reports on any local government agency, including any city, county, or special district, or any publicly created entity that the State Auditor identifies as being at high risk for the potential of waste, fraud, abuse, or mismanagement or that has major challenges associated with its economy, efficiency, or effectiveness. The bill would also authorize the State Auditor to consult with the State Controller, Attorney General, and other state agencies in identifying local government agencies that are at high risk.

**Position**

None at this time

**CALAFCO Comments:** Would allow the State Auditor to audit and issue reports on any local agency it identifies as being at high risk for waste, fraud, abuse or mismanagement.

## COMPENSATION LEGISLATION

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### **SB 46 (Correa D) Local government: compensation disclosure.**

**Current Text:** Amended: 6/2/2011

**Calendar:** 6/6/2011-S. THIRD READING

**Summary:** Would, commencing on January 1, 2013, and continuing until January 1, 2019, require every designated employee and other person, except a candidate for public office, who is required to file a statement of economic interests to include, as a part of that filing, a compensation disclosure form that provides compensation information for the preceding calendar year, as specified. This bill contains other related provisions and other current laws.

**Position**

Oppose

**CALAFCO Comments:** Similar to a 2010 bill, this would require all those who file a Form 700 to also file a compensation disclosure report. Those forms would be required to be posted on a LAFCo website. Filing includes all compensation, including reimbursements.

### **SB 27 (Simitian D) Public retirement: final compensation: computation: retirees.**

**Current Text:** Amended: 7/7/2011

**Location:** 8/17/2011 9 a.m. - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS, FUENTES, Chair

**Summary:** This bill would revise the definition of creditable compensation for these purposes and would identify certain payments, reimbursements, and compensation that are creditable compensation to be applied to the Defined Benefit Supplement Program. The bill would prohibit one employee from being considered a class. The bill would revise the definition of compensation with respect to the Defined Benefit Supplemental Program to include remuneration earnable within a 5-year period, which includes the last year in which the member's final compensation is determined, when it is in excess of 125% of that member's compensation earnable in the year prior to that 5-year period, as specified. The bill would prohibit a member who retires on or after January 1, 2013, who elects to receive his or her retirement benefit under the Defined Benefit Supplemental Program as a lump-sum payment from receiving that sum until 180 days have elapsed following the effective date of the member's retirement. This bill contains other related provisions and other current laws.

**Position**

None at this time

## OTHER LEGISLATION OF INTEREST

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### **AB 46 (John A. Pérez D) Local government: cities.**

**Current Text:** Amended: 6/28/2011

**Status:** 6/28/2011-Read second time and amended. Ordered to third reading.

**Summary:** Would provide that every city with a population of less than 150 people as of January 1, 2010, would be disincorporated into those cities' respective counties as of 90 days after the effective date of the

bill, unless a county board of supervisors determines, by majority vote within that 90-day period, that continuing such a city within that county's boundaries would serve a public purpose because the location of the city, in a rural or isolated location, makes it impractical for the residents of the community to organize in another forum of local governance.

**Position**

None at this time

**CALAFCO Comments:** As written applies only to Vernon. It bypasses much of the C-K-H disincorporation process, leaving LAFCo only the responsibility of assigning assets and liabilities following disincorporation. This bill is double-joined to AB 781.

**AB 781 (John A. Pérez D) Local government: counties: unincorporated areas.**

**Current Text:** Amended: 7/12/2011

**Calendar:** 8/15/2011 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, KEHOE, Chair

**Summary:** Would create a community services district in the unincorporated area of a county if that unincorporated area of the county was previously a city that was disincorporated by statute and had, immediately prior to disincorporation, provided fire protection, water, telecommunications, gas, or electric utility services, or maintained streets or roads. The district would continue to provide those services within the territory in which the disincorporated city provided those services, and would be a successor in interest as to any contract entered into by the disincorporated city with respect to the provision of those services. The bill would, for a one-year period, limit the authority of the community services district to increase gas or electric utility rates within that territory. This bill contains other related provisions and other current laws.

**Position**

Watch

**CALAFCO Comments:** This bill was gutted and amended on 20 June to create a CSD in any unincorporated area that was previously a city and was disincorporated by the legislature. It is specifically targeted at Vernon. It also contains language directing LAFCo on the terms and conditions of the disincorporation. This bill is double-joined to AB 46.

**AB 119 (Committee on Budget) State government.**

**Current Text:** Chaptered: 6/29/2011

**Status:** 6/29/2011-Chaptered by the Secretary of State, Chapter Number 31, Statutes of 2011

**Summary:** Makes various statutory changes to various general government and state administration-related programs that are necessary to implement provisions of the revised FY 2011-12 budget. Includes provisions that remove the requirement for a special district to file written statements regarding functions and services with a LAFCo whenever the commission adopts, amends or updates a sphere of influence. Instead allows the LAFCo to require such written statements. This removes a state mandate.

**Position Subject:**

Watch

**CALAFCO Comments:** Language has been added to this budget bill which changes the requirement for special districts to respond to SOI requests for information from a state mandate to a local requirement. This change would eliminate the state requirement to reimburse special districts for the costs of responding to a LAFCo request. It is not anticipated to have any actual change in process.

**AB 307 (Nestande R) Joint powers agreements: public agency: federally recognized Indian tribe.**

**Current Text:** Amended: 6/22/2011

**Status:** 7/14/2011-In Assembly. Concurrence in Senate amendments pending. May be considered on or after August 12 pursuant to Assembly Rule 77.

**Summary:** Current law authorizes 2 or more public agencies, as defined, to enter into an agreement to exercise common powers. Current law also permits certain federally recognized Indian tribes to enter into joint powers agreements with particular parties and for limited purposes. This bill would include a federally recognized Indian tribe as a public agency that may enter into a joint powers agreement. This bill would also make conforming changes by conforming related code sections. This bill contains other related provisions.

**Position**

Watch

**CALAFCO Comments:** Would allow any federally recognized Indian tribe to act as a public agency to participate in any Joint Powers Authority. Significantly expands current law on Indian tribe participation.  
**NOTE:** CALAFCO Counsel believes this would allow a tribe to enter into a JPA with a city and district and circumvent the LAFCo process for delivery of municipal services outside the boundaries of a local agency.

**AB 506 (Wieckowski D) Local government: bankruptcy: neutral evaluation.**

**Current Text:** Amended: 7/12/2011

**Status:** 7/12/2011-Read second time and amended. Re-referred to Com. on RLS.

**Summary:** Under current law, any taxing agency or instrumentality of the state may file a petition and prosecute to completion bankruptcy proceedings permitted under the laws of the United States. This bill would express the intent of the Legislature to enact legislation that would provide an alternative dispute resolution procedures that cities, counties, and special districts may use before they seek financial relief through the provisions of Chapter 9 of the federal Bankruptcy Code.

**Position**

Watch

**CALAFCO Comments:** This bill was significantly amended on 12 July to turn it into an "intent" bill rather than any specific action. It therefore is a study bill and may or may not ultimately result in any action. Prior to this major amendment it was opposed by most local agency associations and many local agencies.

**ACA 17 (Logue R) State-mandated local programs.**

**Current Text:** Introduced: 2/15/2011

**Status:** 4/14/2011- Referred to Com. on L. GOV.

**Summary:** Under the California Constitution, whenever the Legislature or a state agency mandates a new program or higher level of service on any local government, the state is required to provide a subvention of funds to reimburse the local government. With regard to certain mandates imposed on a city, county, city and county, or special district that have been determine to be payable, the Legislature is required either to appropriate, in the annual Budget Act, the full payable amount of the mandate, determined as specified, or to suspend the operation of the mandate for the fiscal year. The California Constitution provides that the Legislature is not required to appropriate funds for specified mandates.

**Position**

None at this time

**CALAFCO Comments:** Changes state mandate law in a proposed constitutional amendment. Included is specific language that releases mandate responsibility if the local agency can change an individual or applicant for the cost of providing the mandated service. Would likely exempt some mandates to LAFCo from state mandate funding.

**SB 191 (Committee on Governance and Finance) Validations.**

**Status:** 6/6/2011-Ordered to Senate inactive file on request of Senator Wolk.

**SB 192 (Committee on Governance and Finance) Validations.**

**SB 193 (Committee on Governance and Finance) Validations.**

**Status:** 5/19/2011-Ordered to Assembly inactive file on request of Assembly Member Charles Calderon.

**Current Text:** Amended: 5/16/2011

**Location:** 6/6/2011. INACTIVE FILE

**Summary:** These three bills would enact the First, Second and Third Validating Acts of 2011, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill contains other related provisions.

**Position**

SUPPORT

**CALAFCO Comments:** These three annual acts validate the boundaries of all local agencies. They have been placed in the inactive file because they removed language related to redevelopment agencies.

**SB 235 (Negrete McLeod D) Water conservation districts: reduction in number of directors.**

**Current Text:** Amended: 7/11/2011

**Status:** 7/11/2011-Enrolled and presented to the Governor at 3:30 p.m.

**Summary:** The Water Conservation District Law of 1931 generally governs the formation of water conservation districts and specifies the powers and purposes of those districts. This bill would authorize a water conservation district with a board of directors consisting of 7 directors, to reduce the number of directors to 5, consistent with specified requirements. The bill would not apply to districts within the County of Ventura.

**Position**

None at this time

**CALAFCO Comments:** Allows specified water districts to reorganize their board of directors to reduce the number of directors, by action of the Board.

**SB 288 (Negrete McLeod D) Local government: independent special districts.**

**Current Text:** Chaptered: 7/8/2011

**Status:** 7/8/2011-Chaptered by Secretary of State - Chapter 66, Statutes of 2011.

**Summary:** Would additionally authorize the governing board of an independent special district, as defined, to provide, by resolution, for the establishment of a revolving fund in an amount not to exceed 110% of 1/12 of the independent special district's adopted budget for that fiscal year, and would require the resolution establishing the fund to make specified designations relating to the purposes for which the fund may be

expended, the district officer with authority and responsibility over the fund, the necessity for the fund, and the maximum amount of the fund. This bill contains other related provisions and other existing laws.

**Position**

None at this time

**CALAFCO Comments:** Allows special districts as defined by C-K-H to set up special revolving funds.

**SB 878 (DeSaulnier D) Regional planning: Bay Area.**

**Current Text:** Amended: 6/9/2011

**Status:** 6/9/2011-From committee with author's amendments. Read second time and amended. Rereferred to Com. on T. & H.

**Location:** 6/9/2011-S. T. & H.

**Summary:** Would require the joint policy committee to submit a report to the Legislature by January 31, 2013, on, among other things, methods and strategies for developing and implementing a multiagency set of policies and guidelines relative to the Bay Area region's sustainable communities strategy, including recommendations on organizational reforms for the regional agencies. The bill would require preparation of a work plan for a regional economic development strategy to be submitted to the Legislature on that date. The bill would also require the member agencies to report on public outreach efforts that they individually or jointly perform. The bill would require public meetings in each of the region's 9 counties and creation of advisory committees, as specified. By imposing new duties on local agencies, the bill would impose a state-mandated local program. This bill contains other related provisions and other current laws.

**Position**

None at this time

**CALAFCO Comments:** Provides legislative direction to the Bay Area counties on development of their sustainable communities strategy and requires the "joint committee" to report back to the Legislature by 1 January 2013.

## DEAD BILLS

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**AB 83 (Jeffries R) Environment: CEQA exemption: recycled water pipeline.**

**Summary:** Would exempt a project for the installation of a new pipeline, not exceeding a specified length, for the distribution of recycled water within an improved public street, highway, or right-of-way. Because a lead agency, which may include a local agency, is required to determine whether a project qualifies for those exemptions, this bill would impose a state-mandated local program. This bill contains other related provisions and other current laws.

**CALAFCO Comments:** Exempts recycled water pipelines from CEQA in certain circumstances.

**AB 148 (Smyth R) Local government: ethics training: disclosure.**

**Summary:** Would additionally define the term ethics laws to include compensation setting guidelines as established by specified organizations or the local agency. This bill contains other related provisions.

**CALAFCO Comments:** Would add compensation setting guidelines to the ethics training requirements.

**AB 162 (Smyth R) Local government: financial reports.**

**Summary:** Would require that, if an audit of a local agency reveals certain financial irregularities, the findings be sent separately to the Controller immediately after the audit has been concluded. By increasing the duties of local officials, this bill would impose a state-mandated local program. This bill contains other related provisions and other current laws.

**CALAFCO Comments:** Requires disclosure to the State Controller of a variety of irregularities discovered in a local agency annual audit. May have some application for MSR updates.

**AB 253 (Smyth R) Local agencies: accounting.**

**Summary:** Would instead require the Controller to prescribe uniform accounting procedures that are applicable only to specified types of special districts, subject to these provisions. The bill would require the Controller to prescribe uniform accounting procedures for cities, subject to specified criteria, in collaboration with the Committee on City Accounting Procedures, which would be created by the bill.

**CALAFCO Comments:** Establishes uniform accounting practices for special districts and cities.

**AB 392 (Alejo D) Ralph M. Brown Act: posting agendas.**

**Summary:** Would require the legislative body of a local agency to post the agenda and specified staff generated reports that relate to items on the agenda on its Internet Web site, if any, as specified. The bill would require the legislative body of the local agency, if it does not have an Internet Web site, to disclose on the posted agenda a public location where the agency would make an applicable staff generated report available for copying and inspection by a member of the public for at least 72 hours prior to the meeting. The bill would prohibit the legislative body from acting on or discussing an item on the agenda for which a

related staff generated report was not properly disclosed at least 72 hours prior to the meeting, except as provided. By expanding the duties of local agencies, this bill would impose a state-mandated local program.  
**CALAFCO Comments:** Adds additional posting requirements to Brown Act.

**AB 555 (Norby R) Local agency formation.**

**Summary:** The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 governs the procedures for the formation, change of organization, and reorganization of cities and special districts. This bill would make technical, nonsubstantive changes to the act.

**CALAFCO Comments:** Placeholder bill, currently targeted to C-K-H.

**AB 582 (Pan D) Open meetings: local agencies.**

**Summary:** Would require that proposed compensation increases of more than 5% for specified employees be publicly noticed, as prescribed. By adding to the duties of local officials, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

**CALAFCO Comments:** Requires public disclosure of compensation increases for unrepresented employees.

**AB 779 (Fletcher R) Municipal water districts: oversight.**

**Summary:** Would authorize a municipal water district to establish an independent oversight committee to assist in tracking and reviewing revenues of the district to advance capital improvements, operations and maintenance of district facilities, and allocation methodologies. The bill would authorize an independent oversight committee to perform specified functions for those purposes.

**CALAFCO Comments:** Allows a municipal water districts to establish an oversight committee on the financial operations of the district.

**AB 785 (Mendoza D) Political Reform Act of 1974: public officers: financial interest.**

**Summary:** Would provide, for purposes of this prohibition, that a public official who is an elected or appointed member of a state or local government agency has a financial interest in a decision of that agency if an immediate family member of the public official has a financial interest in the decision . In addition, this bill would ascribe a financial interest to an immediate family member (a) who is acting as an agent for, or otherwise representing, any other person by making a formal or informal appearance before, or by making an oral or written communication to, the state or local government agency, or an officer or employee thereof, for the purpose of influencing the decision or (b) who is a director, officer, or partner of a business entity on which it is reasonably foreseeable that the decision will have a material financial effect. This bill would define "immediate family member" to mean a public official's spouse or domestic partner, child, parent, sibling, or the spouse or domestic partner of a child, parent, or sibling. This bill would impose a state-mandated local program by exposing these public officials to potential criminal penalties for failing to recuse themselves from participation where required by this bill.

**CALAFCO Comments:** Adds additional restrictions on participating in decisions when one's family members as defined have a financial interest or are lobbying on behalf of an interested party.

**AB 1198 (Norby R) Land use: housing element: regional housing need assessment.**

**Summary:** Would repeal the requirement that the department determine the current and projected need for housing for each region, as specified, and other specified provisions relating to the assessment or allocation of regional housing need.

**CALAFCO Comments:** Would repeal the entire RHNA process and Housing and Community Development authority over housing.

**AB 1287 (Buchanan D) Local government: audits.**

**Summary:** Would require local agencies, defined to include cities, counties, a city and county, special districts, authorities, or public agencies, to comply with General Accounting Office standards for financial and compliance audits and would prohibit an independent auditor from engaging in financial compliance audits unless, within 3 years of commencing the first of the audits, and every 3 years thereafter, the auditor completes a quality control review in accordance with General Accounting Office standards.

**CALAFCO Comments:** Would require regular audits of all local agencies.

**SB 31 (Correa D) Local government: lobbyist registration.**

**Summary:** Would enact a comprehensive scheme to regulate lobbying entities, as defined, that lobby local government agencies, including requirements to register and make periodic reports regarding certain lobbying activities. The bill would require each local government agency to create a commission to implement and enforce the provisions of the bill. By requiring local government agencies to implement a new program, the bill would impose a state-mandated local program.

**CALAFCO Comments:** Would require any "local government agency" to establish a commission to regulate lobbyists and lobbying activities of that agency and prepare periodic reports. Would appear to include

LAFCo, although "local government agency" is not defined. In some ways similar to the recent laws requiring disclosure to LAFCo of financial contributions regarding a LAFCo decision.

**SB 160 (Huff R) Local government: reorganization.**

**Summary:** The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts, except as specified. This bill would make a technical, nonsubstantive change to that act.

**CALAFCO Comments:** Appears to be a placeholder bill. Typically the senior republican on the Senate Finance & Committee introduces this bill as a placeholder. Usually used for some other purpose than LAFCo.

**SB 186 (Kehoe D) The Controller.**

**Summary:** Would expand the above provisions to also include a special district, joint powers authority, or redevelopment agency. This bill would also, until January 1, 2017, authorize the Controller to exercise discretionary authority to perform an audit or investigation of any county, city, special district, joint powers authority, or redevelopment agency, if the Controller has reason to believe, supported by documentation, that the local agency is not complying with the financial requirements in state law, grant agreements, local charters, or local ordinances. This bill would require, until January 1, 2017, the Controller to prepare a report of the results of the audit or investigation and to file a copy with the local legislative body.

**CALAFCO Comments:** Allows Controller to audit local agencies and determine fiscal viability.

**SB 449 (Pavley D) Controller: local agency financial review.**

**Summary:** Would authorize the Controller, if the Controller determines that sufficient funds are made available, to conduct a preliminary review to determine the existence of a local agency financial problem, and perform an audit upon completion of that review, subject to specified criteria.

**CALAFCO Comments:** Allows state controller to audit local agencies.

**SB 648 (Berryhill R) Local government: Williamson Act.**

**Summary:** Would provide an alternative method of cancellation of a contract by a landowner for contracts that are 10 or more years old, and where the landowner has not received a lowered assessment value on the land during the previous 10 consecutive years based on the existence of a residence, including agricultural laborer housing, on the land being valued. The bill would require the board or council, upon petition by the landowner and a showing that these conditions exist, and would prohibit the board or council from charging a cancellation fee.

**CALAFCO Comments:** Provides an alternative method for immediate cancellation of a Williamson Act contract under certain circumstances.



## TUESDAY, AUGUST 30, 2011

12:00 p.m.

### CALAFCO 2011 OPEN – GOLF TOURNAMENT

Enjoy a day of golfing on one of two 18-hole PGA championship golf courses. Registration begins at 12:00 p.m. with tee-off at 1:00 p.m.

## WEDNESDAY, AUGUST 31, 2011

7:30 a.m.

### CONFERENCE REGISTRATION (ALL DAY)

7:45 a.m. – 1:15 p.m.

### MOBILE WORKSHOP: SUSTAINING AGRICULTURE IN THE NAPA VALLEY

- Far Niente Winery, Oakville
- Frog's Leap Winery, Rutherford
- River Ranch Public Farmworker Housing Center, St. Helena
- Beringer Vineyards, St. Helena

10:30 a.m. – 12:00 p.m.

### PRE-CONFERENCE SESSION: LAFCo 101

This informative session covers LAFCo basics and is ideal for new commissioners and staff as well as return attendees seeking a refresher.

**Presenter:** David Church, Executive Officer  
San Luis Obispo LAFCo

1:30 p.m.

### CONFERENCE OPENING

Welcoming Remarks

- Bill Chiat, CALAFCO Executive Director
- Bill Dodd, Napa LAFCo Chair
- Juliana Inman, Napa LAFCo/CALAFCO Board

## WEDNESDAY, AUGUST 31, 2011

1:45 – 3:15 p.m. **GENERAL SESSION:**

### The Big Picture: Exploring California's Growth Trends

*A narrative discussion on California's recent, current, and anticipated growth trends. The discussion will include assessing the demographic changes in the state and its affect on municipal land use planning*

**Keynote Speaker:** Bill Fulton, President  
Solimar Research Group

3:15 – 3:30 p.m. **BREAK**

3:30 – 5:00 p.m. **ROUNDTABLE BREAKOUT SESSIONS**

#### Commissioners by Region

**Central Moderator:** Steven Souza, Yolo

**Coastal Moderator:** Cathy Schlottmann, Santa Barbara

**Northern Moderator:** Mary Jane Griego, Yuba

**Southern Moderator:** Andy Vanderlaan, San Diego

**Staff Moderator:** Jose Henríquez, El Dorado

**Counsel Moderator:** Clark Alsop, CALAFCO

**Associates Moderator:** Bruce Baracco/Gary Thompson

5:30 – 7:00 p.m.

### CALAFCO 5<sup>TH</sup> ANNUAL WINE & BEER RECEPTION AND COMPETITION

Enjoy wines and beers from across the state with hors d'oeuvres at Silverado's Redwood Grove.

7:00 p.m.

### *DINNER ON YOUR OWN*

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## THURSDAY, SEPTEMBER 1, 2011

### 7:30 – 8:45 a.m. REGIONAL BREAKFAST AND BOARD ELECTIONS

**Central Moderator:** Kate McKenna, Monterey  
**Coastal Moderator:** Lou Ann Teixeira, Contra Costa  
**Northern Moderator:** SR Jones, Nevada  
**Southern Moderators:** Kathy Rollings-McDonald, San Bernardino; and Carolyn Emery, Orange

### 8:45 – 10:15 a.m. CALAFCO ANNUAL BUSINESS MEETING/ INSTANT POLLING

### 10:15 – 10:30 a.m. BREAK

### 10:30 a.m. – 12:00 p.m. BREAKOUT SESSIONS

- **Managing the Agricultural/Urban Interface**  
*Examine the dynamics facing LAFCos in facilitating orderly urban growth while protecting agricultural and open space resources. Session will include case studies on how different communities are establishing and managing the agricultural/urban interface.*
- **The Stanislaus Experience: Three Fire Agencies' Regional Approach to Cooperative Solutions in Challenging Times**  
*This session will discuss the successful collaboration of three levels of government agencies, District, City and County, as one solution to financing municipal services.*
- **The Next Generation of MSRs: Improving Value by Increasing Collaboration**  
*Are your MSRs gathering dust? Were they time consuming? Have the cities and special districts in your County stopped returning your calls? Is your LAFCO relevant? Want to make things easier? Want to do something about it? Well, we have two new innovative programs that will you step up your game. The Financial Early Warning System and the Shared Services Programs will demonstrate how you can do more with less and create living programs that will do your work for you.*

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## THURSDAY, SEPTEMBER 1, 2011

- **LAFCo 201: Ethics and LAFCo**  
*The decisions we make as Commissioners and professionals sometimes involve ethical and moral codes of conduct. In this session, we will look at the history of ethics, review the results of the instant polling ethics questions, review codes of ethics and what they mean, and explore ethical dilemmas we may face. Can an emphasis on ethics in the public sector in the post-Bell era play an important role in gaining back some of the credibility local government agencies have lost? What are our own ethical tendencies or points of view?*

Noon

### LUNCHEON AND KEYNOTE SPEAKER

**Speaker: Andy Beckstoffer, Beckstoffer Vineyards**  
*Andy will draw on his experiences as one of the prominent grape growers in California and discuss managing the relationship between agricultural commerce/preservation and urban growth*

1:30 – 3:00 p.m.

### GENERAL SESSION:

**Disincorporation/Consolidation of Cities (Exit Strategies)**  
*The economic downturn and decline in the housing market has challenged the solvency of local agencies in California. John Knox represented the City of Vallejo in its Chapter 9 bankruptcy filing in 2008. Mr. Knox explores the history of disincorporation in California; options for financially "strapped" cities; and LAFCo's role in processing disincorporation, consolidations, and winding down the affairs of an insolvent city.*

**Speaker:** John Knox, Esq  
Orrick, Herrington, & Sutcliff, LLP

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## THURSDAY, SEPTEMBER 1, 2011

3:15 – 4:45 p.m.

### BREAKOUT SESSIONS:

- **Dissolution/Consolidation/Insolvency Issues and Trends with Special Districts.**  
*“When Special Districts Fail” - This session is a focused discussion from the “pros” and their experience with recent case studies, and utilizing service reviews as a valuable tool.*
- **Recycled Water: Growth Management Challenges and Opportunities.**  
*Discuss practices and trends involving recycled water. Session will include both statewide and agency-specific perspectives on the use of recycled water as well as its relationship to LAFCo’s task in overseeing municipal growth and development in California.*
- **Making California Work Again: Restructuring State-Local Relationships.**  
*Join California Forward, a statewide non-partisan non-profit organization, in an in depth discussion of California Forward’s proposals to improve the way state and local governments work together.*
- **Social Justice Issues and Case Studies**  
*Only in recent years has LAFCo been required to consider “environmental justice,” in their decisions. In a few cases this criterion has, or is expected to be, a major determinant in LAFCo decisions. This session will review how Tulare and Sonoma LAFCos are dealing with social equity issues in conjunction with changes to city boundaries.*

6:30 p.m.

### CALAFCO RECEPTION

7:00 p.m.

### DINNER AND AWARDS CEREMONY

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## FRIDAY, SEPTEMBER 2, 2011

7:30 – 9:00 a.m.

### CALAFCO BOARD OF DIRECTORS MEETING & BREAKFAST

7:30 – 9:00 a.m.

### NETWORKING BREAKFAST

Covered Patio

9:00 – 10:30 a.m.

### GENERAL SESSION:

**Terms and Conditions: How Far Can/Should We Go?**  
*Cortese-Knox-Hertzberg Act gives LAFCo broad authority regarding the terms and conditions placed on a proposal. This interactive session explores the legal and policy boundaries regarding the extent of LAFCo’s authority and enforceability. Each LAFCo uses its conditioning authority based on its own discretion and policies. Conditions can be used creatively to solve a particular problem or mitigate a potential impact. As long as LAFCo does not stray too far into the land use authority of a jurisdiction, we generally have the authority to place a variety of conditions on proposals.*

**Speaker:** Michael Colantuono, Partner  
Colantuono and Levin

10:30 – 10:45 a.m.

### Break

10:45 a.m. – Noon

### GENERAL SESSION

#### Legislative Update

**Presenter:** Bill Chiat, CALAFCO Executive Director  
Legislative Committee Chair

12:00 p.m.

### CONFERENCE ADJOURNS

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the Commission for consideration by December 2011. The review will include information about industry performance measures.

Early in 2012, staff will begin reviews of water, wastewater and solid waste agencies, followed by reviews of dependent county service areas that provide street, highway, drainage and landscaping services. Reviews for other services will follow in 2013.

Respectfully Submitted,

A handwritten signature in black ink that reads "Kate McKenna". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Kate McKenna, AICP  
Executive Officer



The PVWMA boundaries include portions of Monterey, San Benito, and Santa Cruz Counties. When there is more than one county involved, the Cortese-Knox-Hertzberg Act states that the principal LAFCO is determined by assessed valuations. In this instance, the Santa Cruz LAFCO is the principal LAFCO with exclusive jurisdiction to review and approve boundary change proposals.

### **Proposed Changes to the Enabling Act**

The Pajaro Valley Water Management Agency has begun a public process to consider possible amendments to its enabling act. A summary of the proposed changes from the PVWMA website is attached to this report for your information (Attachment 1). While most provisions being discussed are not relevant to LAFCO, two sections are of particular interest. Section 201 specifies the agency's boundaries. These boundaries have not changed since the Act was adopted in 1984 and are not proposed to change in the existing draft amendments. The proposed language for Section 413, referencing LAFCO as the agency responsible for changes in the Agency's boundaries, is proposed to be updated to reference the applicability of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Additional information on the proposed changes can be found under "PVWMA Agency Act" on the PVWMA website: <http://www.pvwma.dst.ca.us>.

### **Possible Boundary Changes**

While LAFCO of Monterey County will monitor potential PVWMA changes, LAFCO of Santa Cruz County is the "principal," or "lead," LAFCO for the review of Sphere of Influence and boundary changes. PVWMA General Manager Mary Bannister met with LAFCO of Santa Cruz County on August 3. In her presentation Ms. Bannister stated that while the Agency-sponsored legislative changes do not currently include boundary changes, the PVWMA subcommittee considering Agency Act amendments may still propose boundary changes. These changes may be proposed within the proposed State legislation or as part of a later LAFCO proposal. Santa Cruz LAFCO is requesting that PVWMA consult with that LAFCO prior to proposing any boundary changes. Likewise, LAFCO of Monterey County should be consulted if any boundary changes are proposed within this County.

Respectfully Submitted,



Kate McKenna, AICP  
Executive Officer

Attachment: Summary of Proposed Agency Act Changes from the PVWMA Web Site

cc: Mary Bannister, General Manager, Pajaro Valley Water Management Agency  
Patrick McCormick, Executive Officer, LAFCO of Santa Cruz County



## **SUMMARY OF PROPOSED AGENCY ACT CHANGES**

### Article 1. Legislative Findings.

#### *Section 102. Water resource management activity objectives.*

Amend to delete restriction on use of property taxes for payment of costs of developing and delivering water.

### Article 3. Definitions:

#### *Section 316: "Supplemental Water" defined.*

Amend definition of "supplemental water" at Section 316 to include increases in available water supply through desalination.

### Article 4. General Provisions:

#### Section 404 . Term of office; Vacancies; Election Procedure

Amend to clarify process for filling vacancies on the Board and to conform to existing law.

#### Section 411. Compensation; Expenses.

Amend to increase from two to six the number of meetings per month for which directors can be compensated, add procedure for increasing director compensation in accordance with the requirements of state law applicable to public agencies generally, and for consistency with state law concerning the rules for expense reimbursement.

#### Section 413. Status of agency as "district" for annexing or detaching territory.

Amend for consistency with state law changes since enactment of the PVWMA Act.

#### Section 415. County counsels' analysis of pertinent ballot measures.

Amend section to clarify that county counsels' analysis is only required on measures appearing on a regular election ballot, as defined by the California Elections Code.

### Article 7. Groundwater Management.

#### Section 710. Purchase and importation of water; Limitations

Amend to delete limitation on use of imported water exclusively for agricultural purposes.

### Article 8: Bonds and Zones of Benefit.

Amend Article 8 pertaining to assessments to conform to the requirements of California Constitution Article XIID, Section 4 (Proposition 218).

### Article 9: Financial Provisions.

#### Section 901. Impact Fees; Determination of amount; Collection; Use

Amend provision authorizing imposition of impact fees to conform to the requirements of the Mitigation Fee Act (Government Code Section 66000, et seq.).

#### Section 903. Management Fee.

Amend to eliminate the existing \$500,000 cap on the amount of the management fee.

Section 904. Management Fee; Schedule of charges; Amendment.

Amend to specify that any future increase in the amount of the management fee is subject to the notice, protest hearing and election procedures of Proposition 218.

Article 10: Augmentation Charges.

Section 1001. Authority to Levy Charges.

Amend to expand the permissible use of augmentation charges.

Section 1002. Required findings and determination prior to levy of charges.

Amend to more closely mirror the requirements of Proposition 218, and to delete current references to the findings required by Section 75574 of the Water Code.

Section 1003. Maximum charge.

Repeal existing limit on the amount of the augmentation charge to 15% of the highest charge for water imposed by the City of Watsonville.

Article 11: Alternative Revenues (NEW)

Authorizes agency to raise additional revenue through special taxes, special benefit assessments or services fees adopted in accordance with all applicable requirements of state law, including Propositions 62, 218 and 26.

Article 12. General Obligation Bonds (NEW)

Authorizes agency to incur bonded indebtedness and issue tax exempt bonds secured by ad valorem property taxes, by following existing state law requirements, including securing a 2/3 majority vote in favor of such bond measure.

Article 13. Zones (NEW)

Authorizes agency to establish zones to provide different services, different levels of service or raise additional revenue within specific areas of the agency.

LOCAL AGENCY FORMATION COMMISSION  
P.O. Box 1369 132 W. Gabilan Street, Suite 102  
Salinas, CA 93902 Salinas, CA 93901  
Telephone (831) 754-5838 Fax (831) 754-5831  
www.monterey.lafco.ca.gov

**KATE McKENNA, AICP**  
**Executive Officer**

**DATE:** August 22, 2011  
**TO:** Chair and Members of the Formation Commission  
**FROM:** Kate McKenna, AICP, Executive Officer  
**SUBJECT:** PUBLIC MEMBER APPOINTMENT PROCESS

**SUMMARY OF RECOMMENDATION:**

It is recommended that the Commission provide direction on the process for selecting a candidate to fill the remainder of the term of the Public Member position on LAFCO.

**EXECUTIVE OFFICER'S REPORT:**

**Overview**

The Public Member seat on LAFCO was vacated by Commissioner Vince DiMaggio effective July 8. The term of this seat expires in May 2014. Notice of the vacancy and a request for letters of interest to fill the seat for the rest of the term were widely distributed in accordance with State law and Commission policies (Attachment 1). The closing date for letters of interest is August 31. The Commission has discretion in establishing the selection process, and is requested to provide direction to the Executive Officer.

**Selection Requirements**

The "Rules and Regulations for the Orderly and Fair Conduct of Hearings for the Local Agency Formation Commission of Monterey County" outline a selection process that is similar to requirements outlined in Government Code section 56325(d)." These local rules state that "the Commission shall review the qualifications of all interested persons by reviewing the submitted letters of interest and resumes and may determine to hold interview sessions with the most qualified applicants. Selection of the Public Member and Alternate Public Member shall be

subject to the affirmative vote of at least one of the Members selected by each of the appointing authorities of the cities, the districts and the County. The Commission shall make such appointments by the confirmation of at least four votes of those Commissioners qualified to vote on the matter.”

### **Alternatives and Schedule**

Within the bounds of these requirements, the Commission has historically exercised its discretion in establishing a selection process. There is no standard practice.

The Commission may establish a process to select a Regular Public Member with or without the assistance of an ad hoc committee, and with or without interview sessions.

Regardless of the process, it is recommended that the selection be made at the LAFCO meeting on September 26, followed by an oath taking and seating on October 24.

Respectfully Submitted,

A handwritten signature in black ink that reads "Kate McKenna". The signature is written in a cursive style with a large, stylized initial "K".

Kate McKenna, AICP  
Executive Officer

Attachment:

- Notice of Vacancy and Request for Letters of Interest

# LAFCO *of Monterey County*

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LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

## NOTICE OF VACANCY PUBLIC MEMBER OF THE LOCAL AGENCY FORMATION COMMISSION OF MONTEREY

A vacancy exists for the Public Member seat of the Local Agency Formation Commission of Monterey County (LAFCO). This is a voting position on LAFCO. The person selected will fill the remainder of a four-year term that expires in May 2014. Applications to represent the general public on LAFCO are invited, and must be received by **August 31, 2011**. The Public Member will be appointed by County, City and Special District representatives on LAFCO.

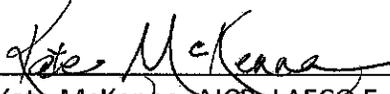
**Eligibility:** The LAFCO Public Member cannot be an officer or employee of the County of Monterey, or of any city or special district within this County. Other requirements are residency within Monterey County, and an interest in the operation and organization of local governments. Desirable qualifications include knowledge about LAFCO's role in working with cities, districts and the County; the regulatory and planning responsibilities of LAFCO; and the development, resource conservation and service delivery issues that are pertinent to LAFCO.

**Process and Deadline:** If you are interested in being considered for the position of Public Member, please submit a letter of application stating the reasons for your interest in serving, along with a brief resume of qualifications, to: LAFCO of Monterey County, c/o Kate McKenna, Executive Officer, P.O. Box 1369, Salinas, CA 93902. Our physical address is 132 W. Gabilan Street, Suite 102, Salinas, 93901. Our fax number is (831)754-5831. **All applications must be received in the LAFCO office by 5:00 p.m. on August 31, 2011.** Applicants will be notified of the screening and selection process and schedule.

**About LAFCO:** LAFCO of Monterey County is an independent countywide body created by the State Legislature. The Commission makes decisions about the boundaries and services of cities and special districts. Goals are to encourage the orderly formation and development of local governments; preserve agricultural and open space lands; discourage urban sprawl, and ensure the efficient delivery of government services. LAFCO implements the Cortese-Knox-Hertzberg Local Government Reorganization Act, the California Environmental Quality Act, and local policies and procedures.

The Commission is composed of two Members of the County Board of Supervisors, two City Council Members, two Independent Special District Members, and one voting Public Member. Alternate members are also selected for each membership category. Established in 1963, the Commission is served by an Executive Officer and staff, and is funded by local agencies. Please visit [www.monterey.lafco.ca.gov](http://www.monterey.lafco.ca.gov) or call (831)754-5838 for more information.

Posting Date: July 15, 2011

  
\_\_\_\_\_  
Kate McKenna, AICP, LAFCO Executive Officer



financial matters. In particular, the Agreement provides that AMBAG may be dissolved at any time upon a 2/3 vote of the Board and ratification by a 2/3 vote of the member agencies.

AMBAG has adopted a set of by-laws, a copy of which is enclosed as Attachment 2. The by-laws provide for, amongst other things, weighted voting, the selection, duties, and terms of office of various officers, meetings, and other financial matters.

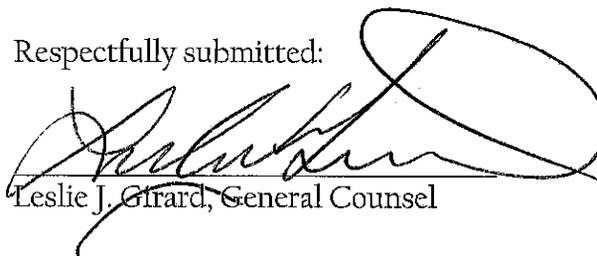
In addition to its authority under the Agreement, AMBAG has been designated as the metropolitan planning organization ("MPO") for the tri-county area pursuant to the Code of Federal Regulations, Title 23, Part 450. The MPO designation is made by the Governor in consultation with affected public entities, and remains in effect until a redesignation is made in essentially the same manner. Significantly, any redesignation requires the concurrence of the largest city in the affected area, in this case the City of Salinas. Also the Agreement allows AMBAG to act as a Council of Governments pursuant to Government Code Section 65580 et. seq. for the purpose of assessing regional housing needs.

Reports have been produced from time to time by other agencies that describe the functions and roles of AMBAG. In 2005, the County of Santa Cruz produced a report analyzing that county's options concerning withdrawal from AMBAG. The report, a copy of which is enclosed as Attachment 3 (without its voluminous attachments) provides a good summary. More recently, a number of other regional entities have been looking at the functions of AMBAG and assessing its future, both as the regional planning agency and the MPO. Enclosed for your review as Attachments 4, 5, 6, 7 and 8, respectively, are reports from the County of Santa Cruz Regional Transportation Commission, the Transportation Agency for Monterey County ("TAMC") (2 reports), the County of San Benito, and AMBAG itself. These reports discuss various options for the carrying out of certain functions should they be removed from AMBAG, or should the structure of AMBAG be modified.<sup>1</sup>

#### CONCLUSION

AMBAG, as a JPA, is not subject to the jurisdiction of LAFCO. The future of AMBAG is a topic of current debate amongst a number of regional entities in the tri-county area, and the functions and structure of AMBAG may change in the future. We will keep the Commission apprised of further developments in this area.

Respectfully submitted:



Leslie J. Girard, General Counsel

LJG:ljs:so

Enclosures (8)

cc: Executive Officer Kate McKenna  
Senior Analyst Thom McCue

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<sup>1</sup> AMBAG also maintains a 501 (c) (3) non-profit entity, Regional Analysis and Planning Services, Inc. ("RAPS, Inc."). According to the AMBAG website, RAPS, Inc. annually holds a regional economic forum and a Community Planning Forum.

Attachment I

JOINT POWERS AGREEMENT  
of the  
ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS

THIS AGREEMENT, pursuant to Government Code Sections 6500, et seq., made and entered into by and between the signators hereto, all of whom understand and agree, as follows:

ARTICLE I  
PURPOSE AND POWERS

Section 1.     PURPOSE

The Association of Monterey Bay Area Governments is created as a voluntary agency established by agreement among its members pursuant to this Joint Powers Agreement. The Association is organized for the permanent establishment of a forum for planning, discussion and study of regional problems of mutual interest and concern to the counties and cities in Monterey, San Benito, and Santa Cruz Counties, and for the development of studies, plans, policy and action recommendations.

Section 2.     POWERS

The Association, acting by and through its Board of Directors shall have such powers as are necessary to carry out the purpose hereinabove stated, including, but not limited to the power to contract for goods and services; to employ necessary personnel, experts and consultants; to contract for special reports, surveys and studies; and to accept gifts, loans and grants.

The Association and its Board of Directors have no power or authority to adopt or enforce any police power regulation or to levy any tax.

ARTICLE II  
ORGANIZATION

Section 1. MEMBERSHIP

Membership in the Association shall be voluntary, but only the following governmental agencies shall be eligible for membership:

- a. The Counties of Monterey, San Benito and Santa Cruz.
- b. Any incorporated city within the above counties.

Section 2. BOARD OF DIRECTORS

The Association shall be governed by a Board of Directors which shall consist of two (2) representatives from each county, and one (1) representative from each incorporated city within the above-named counties which has become a signator to this agreement.

Section 3. VOTING

Voting on matters before the Board of Directors shall be conducted in the following manner:

a. A majority of the members of the Board of Directors present at a regular or special meeting, representing at least fifty (50%) percent of the member agencies, shall constitute a quorum for the transaction of business, provided, however, that representatives present and voting shall represent member agencies from at least two counties.

b. Voting shall be conducted by either voice or roll call vote. A roll call vote shall be conducted upon request of any official representative present or at the discretion of the presiding officer.

c. A population weighted vote, as set forth in the By-Laws, shall be conducted upon request of any official representative present, or at the discretion of the presiding officer.

#### Section 4. ASSOCIATE MEMBERS

Subject to approval of the Board of Directors any governmental entity which is not eligible for membership under Article II, Section 1 may elect to join the Association as an Associate Member. Associate Members shall not be entitled to vote or to hold any office.

#### Section 5. OFFICERS - ELECTION

The officers of the Board of Directors shall consist of a President and Vice-President chosen by the Board of Directors for one (1) year terms, as defined in the Association By-Laws.

#### Section 6. APPOINTMENT OF REPRESENTATIVES

The governing body of each member agency shall appoint its representatives and shall notify the Board of Directors of its appointments. A governing body may appoint alternates if it so desires, giving notice thereof to the Board. Representatives and alternates must be elected officials.

#### Section 7. MEETINGS - CONDUCT

There shall be at least one monthly meeting of the Board of Directors. Special meetings may be called by the President or upon the written request of at least five (5) members of the Board of Directors.

The Board of Directors may adopt rules and By-Laws regulating the conduct of meetings and the business of the Association. All meetings shall be open to the public, as required by State law and no action shall be taken except at a public meeting.

ARTICLE III  
FINANCIAL PROVISIONS

Section 1. MEMBER CONTRIBUTIONS

The Board of Directors shall from time to time determine an equitable method of distributing the costs of the Association among the members. The costs shall be distributed as nearly as possible on the basis of benefit to the members. The Board of Directors may determine that the costs of certain projects are of greater or lesser benefit to certain members and distribute these costs accordingly.

Section 2. BUDGETS

The Board of Directors shall adopt an annual budget to include operating and other costs of the Association. It may also from time to time adopt special budgets for studies or other special projects. The Board shall at the time of the adoption of any budget determine the distribution of costs and the time for payment of member contributions.

Section 3. LIMITATION OF POWERS

The Board of Directors shall have no power to expend funds on any project for which funds have not been budgeted, nor on any item in excess of the budgeted amount.

Section 4. FISCAL ACCOUNTABILITY

The Board of Directors shall designate the Treasurer and the Auditor/ Controller of a member agency to provide fiscal accountability and to perform the fiscal responsibilities for the Association in accordance with Government Code provisions.

ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 1. AMENDMENTS

The Agreement may be amended at any time by vote of a majority of the Board of Directors, and ratified by a two-thirds (2/3) majority of the member agencies.

Section 2. VOLUNTARY MEMBERSHIP

Membership in the Association shall be voluntary. Any member agency may withdraw its membership on giving of written notice to the Board of Directors. A member withdrawing shall not be liable to the payment of further contributions and shall have no right to reimbursement of any moneys previously paid to the Association, provided, however, that the Board of Directors may authorize reimbursement, if, in its judgment such reimbursement is fair and equitable and can be made without jeopardy to the operation of the Association. If any member fails to pay its contribution, as determined by the Board of Directors, said agency shall be deemed to have voluntarily withdrawn from the Association.

Section 3. DISSOLUTION

The Association may be dissolved at any time by a two-thirds (2/3) vote of the Board of Directors, and ratified by two-thirds of the member agencies. The

Board of Directors, prior to dissolution, shall provide for the orderly payment of all outstanding debts and obligations and for the return of any surplus funds.

Section 4. EFFECTIVE DATE - TERM OF AGREEMENT

The Agreement shall become effective when entered into by any ten agencies eligible for membership, and shall continue in full force and effect until dissolved pursuant to the provisions herein.

We hereby enter into the JOINT POWERS AGREEMENT for formation of the ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS, as revised and approved this \_\_\_\_\_ day of \_\_\_\_\_, 1971.

By: Gerrald Fry  
Title: MAYOR

Agency: City of Monterey

Attested by: Beth C. Lyons  
Title: City Clerk

Agency: City of Monterey

JOINT POWERS AGREEMENT  
OF THE  
ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS

FIRST AMENDMENT

I

THIS AMENDMENT, to that certain JOINT POWERS AGREEMENT which created the ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS is hereby made upon the majority vote of the Board of Directors of the ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS at its regular meeting of April 11, 1979 and the ratification of a two-thirds (2/3) majority of the member agencies in accordance with the JOINT POWERS AGREEMENT, ARTICLE IV, SECTION 1.

II

Section 2 OF ARTICLE I OF THE JOINT POWERS AGREEMENT of the ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS is hereby amended in its entirety to be and read as follows:

Section 2. POWERS

The Association, acting by and through its Board of Directors shall have such powers as are necessary to carry out the purpose hereinabove stated, including but not limited to the power to contract for goods and services; to employ necessary personnel, experts and consultants; to contract for special reports, surveys and studies; to accept gifts, loans and grants; and to incur such debts, liabilities and obligations in such manner and amount as may be from time to time approved by the Board of Directors.

The Association and its Board of Directors have no power or authority to adopt or enforce any police power regulation or to levy any tax.

By: Garrett J. Zy

Title: Mayor

Agency: City of Monterey

Attested by: Deborah C. Lyons

Title: City Clerk

Agency: City of Monterey

Attachment 2

**BY-LAWS  
of the  
ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS  
(AMBAG)**

**Section 1. PURPOSE**

The purpose of the Association of Monterey Bay Area Governments is to:

- A. Exercise the authority delegated to it under federal and state laws as the Metropolitan Planning Organization (MPO) for the AMBAG region encompassing Monterey, San Benito and Santa Cruz Counties;
- B. Qualify eligible agencies for programming of federal, state and local transportation projects contained in the Transportation Improvement Program;
- C. Provide technical assistance to Member Agencies;
- D. Serve as the regional clearinghouse for local project applications, environmental documents and census data; and
- E. Engage in regional cooperative comprehensive planning, programming, education and, where authorized, implementation.

**Section 2. VOTING**

Voting on matters before the Board of Directors is established by the Joint Powers Agreement (Section 3), except as follows:

- A. The Joint Powers Agreement (Section 3e) requires that a population weighted vote procedure be set forth in the By-Laws. Pursuant to this requirement, the following population weighted vote shall be conducted upon request of any one official representative present or at the discretion of the presiding officer. When used, this weighted vote shall take precedence over a vote or votes taken in any other manner on the question.
- B. The population used for each agency in determining the population vote weight shall be that population certified by the State Department of Finance or the U.S. Census Bureau, whichever is more recent, effective the first day of April immediately preceding.

1) Cities

<u>Population</u>	<u>Weighted Vote</u>
0 - 9,999	1
10,000 - 24,999	2
25,000 - 44,999	3
45,000 - 79,999	4

80,000 – 109,999	5
110,000 – 149,000	6
Over 150,000	7

2) Counties (1)

<u>Population</u>	<u>Weighted Vote</u>
25,000 – 44,999	3
45,000 - 79,999	4
80,000 – 109,999	5
110,000 – 149,000	6
Over 150,000	7

(1) Where two members of the Board of Directors representing a County are present, each shall be entitled to one-half of the votes allotted to that County.

C. The President of the Association shall have the right to vote on all matters before the Board of Directors, whether the vote is by ballot or by voice.

**Section 3. OFFICE**

The office of the Association shall be located within one of the three counties (Monterey, San Benito and Santa Cruz) constituting the AMBAG region.

**Section 4. OFFICERS AND TERMS**

- A. The officers of the Association shall be the President, Vice President, Second Vice President, and Secretary.
- B. The President, Vice President, and Second Vice President shall be elected for one (1) year terms no later than the January meeting of the Board. The Executive Director of the Association shall serve as Secretary to the Board and each standing committee.
- C. At least 45-days in advance of the January meeting, the President shall appoint a nominating committee consisting of at least three Board Members. The Committee shall include a representative from within each of the three counties of the AMBAG region. The committee shall nominate candidates for the positions of President, Vice President and Second Vice President no later than the January meeting of the Board. Additional candidates may be nominated at the same meeting by any Member provided the nomination is seconded.

**Section 5. DUTIES OF OFFICERS**

- A. The President shall preside over Board meetings and the Executive, Finance and Personnel Committee meetings and have general supervision of Board and committee

affairs. The President shall sign official documents when directed to do so by the Board.

- B. The Vice President shall perform the duties of the President in his or her absence.
- C. The Second Vice President shall perform the duties of the President in the absence of the President and Vice President.
- D. In the event of absence of the three officers of the Board, the immediate past President may preside or in the alternative, a quorum of the members present may select a President Pro Tempore to preside over that meeting.
- E. The Secretary to the Board shall be responsible for all mandated functions necessary to conduct public business of the Board of Directors. The Secretary shall be the Executive Director. The Secretary to the Board is not a member of the Board.

#### **Section 6. EXECUTIVE DIRECTOR AND STAFF**

- A. The Executive Director, who is the Association's Chief Administrative Officer, shall be appointed by and serve at the pleasure of the Board of Directors.
- B. Other employees of the Association shall be appointed by and serve at the pleasure of the Executive Director subject to the AMBAG Personnel Rules.

#### **Section 7. COMPENSATION OF THE BOARD OF DIRECTORS**

Except as otherwise provided, each member of the Board of Directors shall be compensated fifty dollars (\$50.00) for each monthly meeting of the Association attended. In addition, any member of the Board of Directors may be reimbursed for necessary expenses connected with activities of the Association, as determined and approved by the Board of Directors.

#### **Section 8. MEETINGS**

##### **A. Regular Meetings:**

The Board of Directors shall meet regularly each month with the exception of July and December at a date, time and place to be determined by the Executive Director. Meetings are generally conducted on the second Wednesday of each month and shall be held within one of the three counties constituting the AMBAG region.

##### **B. Special Meetings:**

A Special Meeting may be called by the President, or by request in writing of any five (5) members of the Board of Directors (Section 7 of Joint Powers Agreement). Only those items set forth in the Notice of the Meeting may be acted upon at a Special Meeting.

##### **C. General Assembly:**

On special occasions, a general assembly meeting may be arranged by the President to invite all elected officials and key staff of the member agencies as well as

representatives from other public agencies to discuss items of major concern to the region.

**D. Notice of Regular Meetings:**

Notice of the date, time and place of all Regular Meetings shall be given by the Executive Director. The agenda for a regular meeting shall be posted at the AMBAG office and on the AMBAG website no less than five (5) days before the meeting date.

**E. Notice of Special Meetings:**

Notice of date, time and place of a special meeting shall be provided via regular mail, e-mail, facsimile or hand delivery to each Board member no less than 72-hours prior to the meeting. The agenda shall be posted at the AMBAG office and on the AMBAG website no less than 72-hours before the meeting.

**F. Rules of Order:**

Except as otherwise provided herein or at the discretion of the presiding officer, with approval of the Board of Directors all proceedings of the Association shall be governed by the current edition of Robert's Rules of Order Newly Revised.

## **Section 9. FINANCING**

**A. Fiscal Year:**

The fiscal year of the Association shall commence on July 1<sup>st</sup>.

**B. Budget:**

A draft budget of the Association shall be submitted by the Executive Director to the Executive, Finance and Personnel Committee on or before the regular April Committee meeting. The Executive, Finance and Personnel Committee shall forward a final draft budget to the full Board by the regular June meeting.

The Board of Directors shall review the final draft budget and no later than its regular meeting in June of each year and shall approve a final fiscal year budget no later than June 30<sup>th</sup>. As part of the budget, the Board of Directors shall also determine the dues and assessments for each Member. Dues and assessments may be established annually to support the Association's operations. Such dues shall be apportioned as follows:

- 1) One-half of the dues shall be apportioned according to the population of each member agency; and
- 2) One-half of the dues shall be apportioned according to the assessed valuation of each member agency based upon the current available tax role of the Assessor of the County in which the jurisdiction is located.

All dues and assessments shall be payable no later than August 31<sup>st</sup> each fiscal year. Any member agency whose current and payable dues and assessments have not been paid shall not be entitled to vote.

**C. Gifts, Contributions and Grants:**

The Association shall have, as a Joint Powers Authority, the power to accept gifts, contributions, grants and other payments, whether in the form of money, services, real or personal property, or any other form.

**Section 10. ACCOUNTING OF FUNDS**

- A. The Executive Director shall cause a record of all financial transactions of the Association to be made and shall prepare such reports as the Board of Directors may require.
- B. All contracts or other legal documents authorized by the Board of Directors committing the Association to expenditure of funds shall be signed by the Executive Director and by the President, or by the Vice President in the absence of the President.
- C. The Association's Finance Officer shall be designated as Association Treasurer (The President of the Board, Executive Director and Finance Officer shall be authorized to sign two-party disbursement checks). The Board of Directors shall annually adopt a resolution designating additional Board and staff members who are also authorized to sign two-party disbursement checks.

**Section 11. LIABILITY INSURANCE**

The Executive Director shall ensure that the Association has and maintains adequate liability insurance including appropriate errors and omissions coverage.

**Section 12. ANNUAL AUDIT**

The Board of Directors shall cause an annual audit of financial affairs of the Association to be made at the end of each fiscal year, in accordance with Section 6505, Government Code. The Audit report shall be made public and available to all Association members within one hundred eighty (180) days after the close of each fiscal year.

**Section 13. ADVISORY COMMITTEE STRUCTURE**

The following committees are hereby established, with duties and membership as stated:

**A. Executive Committee**

- 1) The Executive Committee of the Board of Directors shall be composed of the President, Vice President, and Second Vice President, the most recent Past President still serving on the Board of Directors and such other members as may be appointed by the President with the consent of the Board of Directors.

- 2) The Executive Committee shall transact routine business between meetings of the Board of Directors to expedite administration of established policies and programs, make recommendations to the Board on Association policies, and act on such other matters as may be delegated to it by the Board.
- 3) The President and Vice President of the Association shall be Chairperson and Vice-Chairperson, respectively, of the Executive Committee.

#### B. Finance Committee

- 1) The Executive Committee shall also serve as the Finance Committee.
- 2) The Finance Committee shall:
  - a. Assist and advise the Executive Director in developing an annual budget for review and approval by the Board.
  - b. Review and evaluate on a continuing basis the financial management practices of the Association.
  - c. Evaluate potential financial problems and recommend alternatives for responding to these problems.
  - d. Submit periodic reports as appropriate to the Board on the Association's financial affairs and management system.

#### C. Personnel Committee

- 1) The Executive Committee shall also serve as the Personnel Committee.
- 2) The Personnel Committee shall:
  - a. Assist and advise the Executive Director in developing and revising Personnel Rules and employee salaries and benefits.
  - b. Serve as appeal board for grievances and other actions as specified in the AMBAG Personnel Rules.
  - c. Assist the Board in the annual review of the Executive Director.

### **Section 14. OTHER COMMITTEES**

- A. The President may, from time to time, appoint an ad hoc subcommittee to advise or assist the Board of Directors in its function. Members shall be appointed by the President with the consent of the Board of Directors.
- B. Each Committee shall, at its first meeting, choose a Presiding Officer and such other Officers as it deems necessary, except as otherwise provided in Section 13, above.
- C. The Executive Director shall be ex-officio, a member of all Committees, both standing and special, but shall have no vote.

## **Section 15. PROCEDURES AND APPOINTMENTS**

As provided elsewhere in these By-Laws, the President is authorized to make appointments to all committees and to external boards and commissions to which AMBAC is entitled representation. Such appointments shall be effective upon the formal motion by the President, subject to the consent of a majority of the Board of Directors. Appointments are to be made annually no later than the regular meeting in February and at such other times as may be required. Unless otherwise stipulated or agreed to, any resignation of a Board Member from any appointment, either internal or external, shall be effective as of the date of the resignation and the office or appointment shall be vacant.

## **Section 16. AMENDMENTS**

These By-Laws may be amended at any regular or special meeting of the Board of Directors by a 2/3 majority of the Board of Directors present and voting, provided; however, that a copy of the proposed amendment has been mailed to each Member Agency at least fifteen (15) days prior to the meeting which the vote to amend is taken.

The By-Laws and any subsequent amendments shall be adopted by resolution of the Board of Directors.





# County of Santa Cruz

## COUNTY ADMINISTRATIVE OFFICE

701 OCEAN STREET, SUITE 520, SANTA CRUZ, CA 95060-4073

(831) 454-2100 FAX: (831) 454-3420 TDD: (831) 454-2123

SUSAN MAURIELLO, J.D., COUNTY ADMINISTRATIVE OFFICER

September 26, 2005

AGENDA: October 4, 2005

Board of Supervisors  
County of Santa Cruz  
701 Ocean Street  
Santa Cruz, California 95060

### County Membership in AMBAG

Dear Members of the Board:

On June 16, 2005, your Board directed this office to prepare a report regarding the ramifications of the County withdrawing its membership with the Association of Bay Area Governments (AMBAG). Representatives from the Planning Department, County Counsel, the Transportation Commission and this office have worked together to prepare information for your Board's consideration.

AMBAG is a council of governments, which are multi-purpose policy organizations established to enable local governments to prepare regional plans, deal with regional issues, set regional policy, strengthen the effectiveness of local government, and develop and maintain regional databases. Councils of government (COGs) have various state and federal statutory responsibilities. The two most prevalent responsibilities are serving as the regional transportation planning agency under state law and as the federal metropolitan planning organization (MPO) for transportation. In addition, state law provides that where there are councils of government, the councils provide the allocations of regional housing needs to all cities and counties within its boundaries. Councils of government can be single-county or multi-county organizations. The roles of each COG vary, based on the local needs of the region. Attachment A, a chart provided by the California Council of Governments (CALCOG), demonstrates the varied responsibilities of its member COGs.

AMBAG was organized to establish a forum for planning, discussion, and study of regional problems of mutual interest and concern to the counties and cities in Monterey, San Benito, and Santa Cruz Counties, and for the development of studies, plans, policy, and action recommendations. The Board of Directors is composed of two representatives from each county and one representative from each city. The San Benito Board of Supervisors recently voted (September 13, 2005) to join AMBAG. Prior to that, the cities of Hollister and San Juan Bautista were members of AMBAG, and the Council of San Benito County Governments, which included the two cities and the county, was an Associate Member of AMBAG. The decision to join AMBAG will give San Benito County two votes on the AMBAG Board.

The majority of AMBAG's \$1.5 million annual budget comes from state and federal funding sources, with about \$151,000 per year coming from membership dues. Membership dues are allocated one-half by population ratio and one-half by assessed valuation ratio. The County's dues for 2005-06 are \$28,247. AMBAG employs a staff of nine. Attachment B identifies the activities included in AMBAG's 2005/06 Monterey Bay Region Overall Work Program. Transportation, Water, and Housing are areas of importance in the County's relationship to AMBAG. Each of these is discussed in greater detail below and in attachments.

### **Water Resources**

AMBAG has played various roles over the years in water quality protection and water resources planning for the Monterey Bay Region, including:

- Lead agency for development and implementation of the Monterey Bay Regional Nonpoint Pollution Control Plan pursuant to Section 208 of the federal Clean Water Act in the late 1970's and early 1980's.
- Only local government signatory to the Memorandum of Understanding for water quality protection for the Monterey Bay National Marine Sanctuary. (Other local agencies have informal, but active and effective participation, as presently encouraged by Sanctuary staff)
- Grant recipient and lead agency for various water quality grants for stormwater management, Watsonville Sloughs Management, and Pajaro River Watershed protection.
- Coordinator for Pajaro River Watershed Council
- Coordinator for Monterey Bay area Stormwater Task Force
- Cosponsor of annual Monterey Bay Area Sanctuary Currents educational conference
- Organizer of Monterey Bay Area Regional Water Forum (2005)

In recent years, the level of effort and AMBAG staff devoted to water issues has declined. However, AMBAG is currently promoting the concept of developing a Monterey Bay Region Integrated Regional Water Management Plan, which would serve as an umbrella for the four other regional plans that have been developed for geographic subareas of the Monterey Bay region. At this time, Santa Cruz County staff and most water agencies within the County, have not determined whether devoting local resources to such an umbrella regional plan is justified, given other local priorities.

In conclusion, AMBAG continues to play a useful role in coordinating information sharing regarding water resources among the various local, state, and federal agencies of the Monterey Bay region. AMBAG also has a formal role in representing local agencies as the only local agency signatory to the Sanctuary's Water Quality Protection Program.

### **Transportation**

AMBAG is the federally-designated Metropolitan Planning Organization (MPO) for the urbanized counties of Monterey and Santa Cruz. The boundary of the MPO also includes the county of San Benito. AMBAG works in partnership with three state-designated Regional Transportation Planning Agencies (the Santa Cruz County Regional Transportation Commission (SCCRTC), the Transportation Agency for Monterey County (TAMC) and the San Benito Council of Governments (SBCOG)) to fulfill its responsibilities.

AMBAG, the SCCRTC and TAMC have a Memorandum of Understanding (MOU) that addresses the sharing of transportation planning responsibilities for these Santa Cruz and Monterey Counties. The transit agencies for Santa Cruz and Monterey Counties are also signatories for this MOU. Additional information on the role of AMBAG in local transportation planning is provided in Attachment D, which was prepared by staff of the Transportation Commission.

### **Housing**

County Counsel has prepared the following information on the role played by AMBAG in the development of the County's housing element. A summary of the information is provided in the body of this report, and more detailed information is provided as Attachment C.

State Law requires cities and counties to prepare and adopt a general plan to guide the future growth of a community. Every general plan must contain seven elements including a housing element that analyzes existing and projected housing needs, identifies adequate sites with appropriate zoning to meet the housing needs of all income segments of the community, and ensures that regulatory systems provide opportunities for, and do not unduly constrain, housing development.

As stated above, state law provides that where there is a council of government (COG), the COG provides the allocations of regional housing needs to all cities and counties within its boundaries. Once the COG receives the housing needs determination from California Department of Housing and Community Development (HCD), it prepares and adopts a final regional housing need plan that allocates a share of the regional housing need to each member city and county. Significantly, if a city or county does not belong to a COG both the housing needs determination and the jurisdiction's share of the regional housing needs are prepared and adopted by the HCD. Additional information is provided in Attachment C.

If the County were to end membership in AMBAG, there are two primary ways in which the County might organize and still be in compliance with the Government Code regarding the housing element.

a) Withdraw from and join another existing COG

It is possible that the County could withdraw from membership in AMBAG and join another COG such as the Association of Bay Area Governments (ABAG). ABAG members include the cities and counties of the San Francisco Bay Area, including the Counties of Alameda, Contra Costa, San Mateo, Santa Clara, Marin, Napa, San Francisco, Solano, and Sonoma and the cities within these counties.

b) Withdraw from AMBAG and form a new Council of Government (COG) including the cities within Santa Cruz County

In order to establish a new COG, the County would need to create a new governing entity by entering into a new Joint Powers Agreement, and hire or assign staff to carry out its responsibilities. The Joint Powers Agreement would define a decision-making process and would determine how the voting rights of the participating entities would be allocated. This new City/County COG would take the place of AMBAG in determining the allocation of regional housing need. It is unknown at this time whether the cities of Capitola, Scotts Valley, and Watsonville would leave AMBAG and join the new COG.

### Discussion

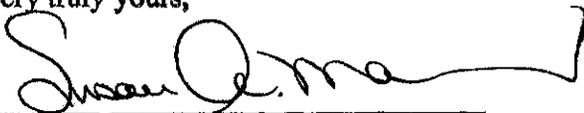
This County's relationship with AMBAG has been difficult recently, primarily over matters related to the regional housing needs allocations. Because of the way AMBAG votes are structured, it was and continues to be possible for the jurisdictions in Monterey County to vote as a bloc against the interests of Santa Cruz County. In the most recent round of housing allocation actions, bloc voting resulted in AMBAG approving a housing allocation that was unacceptable to Santa Cruz County. AMBAG's action in this instance clearly favored Monterey County over Santa Cruz County, in direct contradiction to the recommendations of AMBAG technical advisory staff. The County clearly has grounds for leaving AMBAG due to this decision. However, it remains unclear as to whether the County would be in a more advantageous position if it left AMBAG and began interacting directly with HCD.

The County's experience with AMBAG related to water resources has been generally positive, and there are no compelling reasons to consider withdrawing from AMBAG based on its role in water resources. It would be possible for the Santa Cruz County Regional Transportation Commission to assume many if not all of the responsibilities currently carried out by AMBAG, which could increase the amount of program funding which could be expended within the County to meet transportation needs. However, the decision to shift transportation responsibilities from AMBAG to the Transportation Commission would be under the jurisdiction of the Commission itself rather than the County.

After evaluating the options available to the Board, it is the recommendation of this office that the County's best option is to remain in AMBAG. The Planning Director concurs with this recommendation as it pertains to the housing element, and the Director of Environmental Health concurs in terms of water resource management. This office believes that it is in the County's best interest to continue working with AMBAG staff and representatives to improve the internal process of the agency so as to avoid future actions that disadvantage Santa Cruz County.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD accept and file this report on the County's membership in AMBAG.

Very truly yours,



Susan Mauriello  
County Administrative Officer

Attachments:

- A: California Association of Councils of Government Functional Responsibilities Chart
- B: AMBAG's 2005/06 Monterey Bay Region Overall Work Program
- C: County Counsel report on Statutory Requirements for the Allocation of Regional Housing Need
- D: Transportation Commission report on the role of AMBAG in Local Transportation Planning

cc: Nicolas Papadakis, Executive Director, AMBAG  
Tom Burns, Planning Director  
Pat Dellin, Executive Director, Santa Cruz County Regional Transportation Commission  
City Selection Committee

Attachment 4

**AGENDA:** June 16, 2011

**TO:** Regional Transportation Commission Transportation Policy Workshop  
**FROM:** George Dondero, Executive Director  
**RE:** Metropolitan Planning Organization (MPO) Responsibilities

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## **RECOMMENDATIONS**

Staff recommends that the Regional Transportation Commission (RTC):

1. Receive this report on meeting the responsibilities of a Metropolitan Planning Organization (MPO) which are now fulfilled by the Association of Monterey Bay Area Governments (AMBAG) and discuss potential options for the RTC.
  2. Give staff further direction on how the RTC wishes to proceed.
- 

## **BACKGROUND**

The Association of Monterey Bay Area Governments (AMBAG) was created in 1968 and in 1975, it was designated as the Metropolitan Planning Organization (MPO) for the three county region of San Benito, Santa Cruz and Monterey to meet certain transportation planning requirements as defined under federal law. In California, MPOs vary in size of jurisdiction, with several serving single counties such as in Santa Barbara, San Luis Obispo and Shasta counties. Others serve larger urbanized areas, such as the Metropolitan Transportation Commission serving the nine-county San Francisco Bay area. AMBAG is the smallest multi-county MPO (by population) in the state. The depressed economy since 2008 coupled with some challenging ongoing issues between AMBAG and the member agencies have stimulated discussion around how the members can best meet the challenges ahead. The RTC chair has requested staff to provide information regarding available options to fulfill the functions currently performed by AMBAG. This report will explain the mandated duties of an MPO, staffing and financial requirements to meet those duties, and the revenues available to fulfill them. The implications of creating single-county MPOs will then be analyzed.

## **DISCUSSION**

AMBAG'S current menu of services can be divided into two groups – those that are mandated, and those acquired over time to meet various other regional interests and needs. This report will primarily focus on the mandated services. These include:

- **Serve as a clearing house** for information, including environmental reviews and census data; this function is primarily clerical in nature.

- Implement the state **Regional Housing needs Assessment**, in its role as the Council of Governments; this function is historically contentious in nature. The state recently changed the frequency of making the assessment from once every four years to once every eight years. AMBAG provides this service to Monterey and Santa Cruz counties; San Benito County COG performs their own assessment.
- **Conduct forecasts** of regional growth in population, housing and jobs
- Develop and maintain the **Regional Travel Demand Model**. The model provides critical data for making informed decisions about prioritizing transportation projects for funding and construction. It is a foundation for many of the planning and funding decisions that come before the RTC. Modeling is being pushed to become more sophisticated and sensitive to reflect multiple mode choices, changes in land use and application of multiple strategies to reduce greenhouse gas emissions.
- Ensure that transportation projects with federal funding are properly programmed in the **Federal Transportation Improvement Program (FTIP)**, primarily a clerical function typically performed by a transportation planner. The FTIP is similar in nature to the RTC's Regional Transportation Improvement Program (RTIP). Currently, RTC staff programs State Transportation Improvement Program (STIP) funded projects within the county by working with the California Transportation Commission.
- **Preparing federal and state required planning documents**, including: Metropolitan Transportation Plan (MTP), the Sustainable Communities Strategy (SCS), a Public Participation Plan, and the Overall Work Program (OWP). RTC staff provides a good deal of effort in developing and maintaining all of these documents. The MTP consists essentially of a fusing of the regional transportation plans of the three counties into one document, and similarly the OWP does the same for the three individual work programs. The Public Participation Plan is updated every few years. The SCS is a recent addition to the MTP, as required under SB375.
- For many years, AMBAG also ensured that the region's Metropolitan Transportation Plan could meet federal air quality conformity standards. Since 2004 the region's air quality has been deemed by the US Environmental Protection Agency to meet federal standards, and thus the conformity analysis is no longer required. However, conformity may become an issue if the EPA adopts more stringent ozone standards.

### **Other Roles**

AMBAG also manages an Energy Watch program, to provide energy saving assistance to governments, non-profits and the hospitality industry. AMBAG staff works on contract for the Pajaro River Watershed Flood Prevention Authority, and

provides some coordination for Rideshare Week. Recently an AMBAG representative has been attending meetings of the Monterey Bay Sanctuary.

### **Other Structures**

There has been some discussion among member agencies about the feasibility of merging with AMBAG to form one entity. After some research and discussion with Caltrans staff, it appears that the restructuring process most applicable in the Monterey Bay region would evolve as follows.

First, the member agencies would each vote at their respective city council or board of supervisors whether to retain membership in AMBAG or to withdraw. If 75% of the region (by population) including the largest city (Salinas) were to vote to withdraw from AMBAG, then a restructuring could occur. The change would need agreement from the Governor, most likely through the Caltrans Director.

The RTC and the Transportation Agency for Monterey County (TAMC) would each become an MPO and each would take on the mandated functions which AMBAG currently provides. These would require some additional staffing, probably one full time planner position at each agency to cover most of the duties, with the exception of the Regional Travel Demand Model.

San Benito County would no longer be a member of an MPO. Similar to 26 other rural counties in the state, San Benito would not need to meet the MPO requirements for planning. The key function that would concern San Benito would be replacing or retaining the Regional Travel Demand Model.

### **Managing the Regional Travel Demand Model**

In past years the credibility of the model has varied over time. As the one element of MPO duties requiring the greatest resources to manage and maintain, it is critical to approach this thoughtfully. Without AMBAG, this function could be provided in one of three ways:

1. Each county could run their own one-county model in house, hiring staff to do so.
2. The three counties could hire a consultant to run and manage the three-county model.
3. The three counties could jointly manage the three-county model, through an MOU or Joint Powers Agreement. Qualified staff would be hired to perform the work.

Of the three approaches, the last provides the best possibility for minimizing cost while supporting a high quality of work that will engender confidence among all users. It would also provide a workable platform to develop the model further to incorporate currently evolving practices sensitive to land use changes, multi-modal options and other improvements in transportation, as desired. This approach would minimize any duplication of effort to near zero, and give the partner agencies opportunity to manage the program for improved quality performance.

Travel demand modeling is a specialized skill set. Building a new program from the ground up will require some consultant assistance to ensure a well defined scope of duties is developed, appropriate software and hardware are selected, and other details are met accordingly. Coincidentally, a formal peer review of the AMBAG model was recently conducted. The technical report is in draft, and could provide useful recommendations to help improve the utility and reliability of the model. At this date it is not clear if the partnership would build a new model or try to work with the existing AMBAG model. In either case, startup costs would be involved to make the transition.

**Fiscal Impacts**

In considering any restructuring of MPO duties, a major concern is the potential impact to budgets. Staff has done some research on this issue, and the RTC would receive approximately \$293,000 more under a post-AMBAG scenario. The following data has been provided by Caltrans Planning Division staff, and represents estimates for the current fiscal year.

<b>Current FY 10-11 Planning Funds Distribution with AMBAG</b>					
	AMBAG	SCCRTC	TAMC	ABtCOG	Total
PL*	\$ 600,504	\$ 257,600	\$ 300,523		\$ 1,158,627
FTA 5303	\$ 272,666				\$ 272,666
RPA		\$ 315,000	\$ 395,000	\$ 275,000	\$ 985,000
<b>Total</b>	<b>\$ 873,170</b>	<b>\$ 572,600</b>	<b>\$ 695,523</b>	<b>\$ 275,000</b>	<b>\$ 2,416,293</b>
<b>FY 10-11 Planning Funds Distribution without AMBAG</b>					
	AMBAG	SCCRTC	TAMC	ABtCOG	Total
PL*		\$ 741,318	\$ 786,018		\$ 1,527,336
FTA 5303		\$ 124,017	\$ 163,381		\$ 287,398
RPA				\$ 304,000	\$ 304,000
<b>Total</b>	<b>\$ -</b>	<b>\$ 865,335</b>	<b>\$ 949,399</b>	<b>\$ 304,000</b>	<b>\$ 2,118,734</b>
AMBAG budgets ~\$42,381 of PL to SBtCOG services					
PL - Federal Planning funds					
FTA 5303 - Federal Transit Planning funds					
RPA - State Rural Planning Assistance funds					

Note that as MPOs, both the RTC and TAMC would lose their current allotment of RPA funds. The PL allotment to the two agencies increases however, due to the federal formula which provides a base allotment to each MPO, plus an additional amount based upon population. The same is true for the FTA 5303 funds, to a lesser extent.

*"[Click here and insert the subject of your report]"*

*Page 5*

Staff is developing a work program and budget for the projected expenses of assuming MPO duties including the travel demand model. This information will be made available as soon as feasible, possibly at the June 16 meeting.

## **SUMMARY**

The RTC is examining options to provide the services required of a Metropolitan Planning Organization (MPO). These services include several functions that could probably be provided by a full time planner. The Regional Travel Demand Model could be maintained by one modeler through a cooperative arrangement between the three transportation agencies. If the RTC and TAMC were to become MPOs the annual planning revenues would increase over the current allocations. Staff is working on details of a draft budget to include all of these services, and will present that information to the RTC at the June 16 meeting. Staff requests further direction after discussion of the issue on June 16<sup>th</sup>.





TRANSPORTATION AGENCY FOR MONTEREY COUNTY

## Memorandum

**To:** Board of Directors  
**From:** Debra L. Hale, Executive Director  
**Date:** June 22, 2011  
**Subject:** Follow Up to Strategic Planning Session: Institutional Roles

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### RECOMMENDATION

**RECEIVE** report on the potential for realigning the activities of the Transportation Agency, the Association of Monterey Bay Area Governments and Monterey Salinas Transit; and **PROVIDE** direction to staff on next steps.

### SUMMARY

Given the current funding environment, it is increasingly critical that agencies maximize performance and minimize expenditures. For this reason, the Transportation Agency Board of Directors at its May, 2011 strategic planning session asked staff to evaluate the potential for reducing time and resources utilized by three agencies that oversee transportation planning and implementation in Monterey County. This report presents initial information on the potential for the more effective conduct of transportation planning, modeling and project delivery in the region.

### FINANCIAL IMPACTS

The primary result of a realignment of transportation responsibilities would be improved coordination of activities that would likely save staff time and administrative costs and result in improved work products. Approximately \$681,000 in state rural planning funds would likely be lost to the region, but this loss would be offset by a gain of approximately \$383,000 in federal planning funds and a significant reduction in administrative costs. In addition, unless other non-transportation related activities continued at the organization, \$173,699 paid annually in dues to Association of Monterey Bay Area Governments (AMBAG) by member agencies would no longer be collected, representing a portion of the savings in administrative costs. The result would be improved coordination and probably a cost neutral budget for TAMC. It is important to note that MST could gain transit planning funds from AMBAG under the proposed realignment. **Attachment 1** provides the details of such a funding shift. **Attachment 2** shows the current AMBAG dues structure.

## DISCUSSION

Transportation Agency staff has prepared this technical analysis of a scenario for realigning transportation planning activities across AMBAG, TAMC and Monterey-Salinas Transit. In order to proceed further with this scenario, additional financial and legal analyses are required. In addition, confirmation of the willingness of involved elected officials to eventually approve realignment is critical. Staff is seeking direction from the Board of Directors on whether to proceed with its analysis of this scenario and assistance in confirming the political support for such realignment.

### Association of Monterey Bay Area Governments

The Association of Monterey Bay Area Governments (AMBAG) was created in 1968 and in 1975 it was designated as the Metropolitan Planning Organization (MPO) for the three county Monterey Bay region. This designation requires the Association to conduct certain transportation planning activities and in turn it receives certain federal planning funds. The Transportation Agency for Monterey County, the Santa Cruz County Regional Transportation Commission (SCCRTC) and the San Benito Council of Governments (San Benito COG) are the state-designated Regional Transportation Planning Agencies that receive state rural planning assistance funds and prepare state short and long-range planning documents, as well as allocate funds to projects. In many small/medium-sized regions, such as San Luis Obispo, Shasta or San Joaquin Counties, the state and federal planning functions are combined within a single county transportation planning agency. In fact, AMBAG is the smallest multi-county MPO by population in the state.

Given financial constraints across government, the Transportation Agency Board of Directors asked its staff to evaluate the opportunity for streamlining activities across AMBAG and TAMC. The Santa Cruz County RTC and the San Benito COG are also actively researching this proposal. There have been initial discussions among the three agency directors, and with federal and state representatives.

*Activities Involved:* AMBAG currently conducts activities that can be grouped into roughly three categories: transportation planning, travel forecast modeling and related data gathering, and other non-transportation activities. It is the first two categories of activities that could be consolidated into the single county transportation planning agencies, resulting in important cost savings. **Attachment 3** details the programs within these categories as well as the benefits of a realignment of assignments. Overall, a better coordination of transportation planning with reduced overhead costs and an improved regional travel forecast model is the expected result.

*Proposed Action: Two Single-County MPOs:* The proposed action would be to designate the Santa Cruz County Regional Transportation Commission and the Transportation Agency for Monterey County as single-county Metropolitan Transportation Organizations. Due to its size, the San Benito COG would become one of 26 other counties that rely on the state to meet these federal requirements.

The most cost-effective structure would have the single-county transportation agencies taking on the all the transportation, travel forecast model and data gathering functions. AMBAG or another agency(ies) could take on the non-transportation-related activities and serve as a forum for regional collaboration. Administration and update of the regional travel forecast model would preferably take place through a joint powers

agreement among the single-county agencies or with the assistance of another related regional agency. The Sustainable Communities Strategy could be managed and prepared either by the single-county agencies in collaboration with one another, by AMBAG during a transition period, or by a consultant.

*Seventy-Five Percent of Cities/County Must Support:* Moving to two single-county MPOs would require a vote of the various city councils and county boards of supervisors of 75% of the region by population, including the largest city (Salinas) to withdraw from AMBAG as the federally-designated MPO. The designation of the single county MPOs would then require agreement of the Governor, most likely through the Caltrans Director. The Santa Cruz County RTC and TAMC would then become the MPOs and would take on the mandated transportation functions. While approval by the AMBAG board of directors does not appear to be required, concurrence from the AMBAG board would make the realignment easier to implement.

*Costs and Revenues:* The shift in responsibilities would likely require the Transportation Agency to add two to three additional staff persons, two for the transportation planning/data gathering responsibilities and one for ridesharing. Additional temporary staff would likely be needed if administration of the Sustainable Communities Strategy were also delegated (presumably paid for out of that grant). There would also be one time travel forecast model upgrade costs that could potentially come from existing or future grants and ongoing travel forecast modeling consultant or staff costs. All of the ongoing planning costs could likely be covered by the reallocation of federal planning with potentially some money left over for transit planning. If transferrable, CMAQ funds could fund the rideshare staff position. Staffs at both the Santa Cruz and Monterey agencies are continuing to develop estimates for the costs of such a structure.

### Monterey-Salinas Transit

MST oversees bus transit services and planning for the Monterey County region. Because AMBAG utilizes all the federal formula funds for transit planning, their planning activities (for new routes and realignments) must be funded by separate, one-time grants. Last year, state legislation designated MST as a countywide transit district, with a statutorily-defined Board of Directors composed of one representative from each city and the County.

*Transit-Related Activities:* The overlap between MST and TAMC responsibilities is small. TAMC conducts regional planning activities for all modes, is the project manager for the Commuter Rail to Salinas and Monterey Branch Line Light Rail projects, and oversees certain transit funds through its state designation in 1972 as the Local Transportation Authority. MST does some short-range transit planning, oversees the administration of federal transit funds, conducts route planning and area studies to improve bus service, and has some bus capital projects (i.e. the rapid bus corridors in Seaside and Marina). Both agencies have multiple projects underway and so the ability to reduce staff would be small, but the ability to increase productivity and coordination could be high.

*Areas for Streamlining:* The Transportation Agency Executive Director and the MST General Manager met and discussed how these two agencies could better coordinate and streamline activities. In order to avoid weakening the strengths of each agency, they envisioned a scenario in which both entities could remain with separate operations, with a combined Board of Directors, more integrated administration and better-coordinated transit planning where appropriate. Some of this realignment would involve MST taking on

activities that are currently performed by AMBAG. **Attachment 4** outlines TAMC's transit-related roles and greater details on the potential for realigning activities across the agencies.

Conclusion

Staff concludes that there is potential for streamlining activities across all three agencies. The prerequisite for progress is to assure that these changes are financially feasible (as they appear to be at first analysis), and that they are supported politically. These types of changes have been discussed in some form or another the past; in order to make progress this time, it is critical to reach agreement among the boardmembers and elected officials to move forward. Since personnel are involved, it is also important to proceed carefully and sensitively. Staff seeks direction from the TAMC Board on how to proceed with these scenarios.

\_\_\_\_\_  
Debra L. Hale, Executive Director

\_\_\_\_\_  
Date

Regular Agenda

Counsel Review: N/A

Attachments:

1. Federal Funding Scenario
2. AMBAG Dues Structure
3. AMBAG Role and Opportunities for Realignment
4. MST – TAMC Roles and Opportunities for Realignment

**Metropolitan Planning Organization (MPO)**  
Federal and State Planning Funds

FY 10-11 Funding With AMBAG as MPO					
	AMBAG	SCCRTC	TAMC	SBtCOG	Total
PL*	\$ 600,504	\$ 257,600	\$ 300,523	\$ -	\$ 1,158,627
FTA 5303	\$ 272,666	\$ -	\$ -	\$ -	\$ 272,666
RPA	\$ -	\$ 315,000	\$ 395,000	\$ 275,000	\$ 985,000
<b>Total</b>	<b>\$ 873,170</b>	<b>\$ 572,600</b>	<b>\$ 695,523</b>	<b>\$ 275,000</b>	<b>\$ 2,416,293</b>
* AMBAG budgets ~\$42,381 of PL to SBtCOG services					
FY 10- 11 Funding with SCCRTC, TAMC as MPOs					
	AMBAG	SCCRTC	TAMC	SBtCOG	Total
PL	\$ -	\$ 741,318	\$ 786,018	\$ -	\$ 1,527,336
FTA 5303	\$ -	\$ 124,017	\$ 163,381	\$ -	\$ 287,398
RPA	\$ -	\$ -	\$ -	\$ 304,000	\$ 304,000
<b>Total</b>	<b>\$ -</b>	<b>\$ 865,335</b>	<b>\$ 949,399</b>	<b>\$ 304,000</b>	<b>\$ 2,118,734</b>

PL = Federal Highway Administration planning funds

FTA 5303 = Federal Transit Administration planning funds

### AMBAG Dues Structure

	Population	Dues per Population	Fall Assessed Valuation in Thousands	Dues per Assessed Valuation	Total Dues	Board Mtg Allowance	Total Assessed Dues/ Mtg Allowance
Capitola	10,015	\$ 1,082	\$ 1,895,281	\$ 1,520	\$ 2,611	\$ 500	\$ 3,111
<b>Carmel</b>	<b>4,049</b>	<b>\$ 438</b>	<b>\$ 2,698,334</b>	<b>\$ 2,434</b>	<b>\$ 2,872</b>	<b>\$ 500</b>	<b>\$ 3,372</b>
Del Rey Oaks	627	\$ 176	\$ 254,324	\$ 229	\$ 405	\$ 500	\$ 905
<b>Gonzales</b>	<b>8,903</b>	<b>\$ 951</b>	<b>\$ 462,524</b>	<b>\$ 417</b>	<b>\$ 1,368</b>	<b>\$ 500</b>	<b>\$ 1,868</b>
Greenfield	17,316	\$ 1,871	\$ 763,190	\$ 688	\$ 2,558	\$ 500	\$ 3,058
<b>Hollister</b>	<b>37,051</b>	<b>\$ 4,004</b>	<b>\$ 3,073,714</b>	<b>\$ 2,773</b>	<b>\$ 6,777</b>	<b>\$ 500</b>	<b>\$ 7,277</b>
King City	11,352	\$ 1,261	\$ 761,538	\$ 687	\$ 1,968	\$ -	\$ 1,968
<b>Marina</b>	<b>10,071</b>	<b>\$ 2,072</b>	<b>\$ 1,447,351</b>	<b>\$ 1,306</b>	<b>\$ 3,378</b>	<b>\$ 500</b>	<b>\$ 3,878</b>
Monterey	29,322	\$ 3,168	\$ 4,305,915	\$ 3,685	\$ 7,053	\$ 500	\$ 7,553
<b>Pacific Grove</b>	<b>15,472</b>	<b>\$ 1,472</b>	<b>\$ 2,380,024</b>	<b>\$ 2,147</b>	<b>\$ 3,899</b>	<b>\$ -</b>	<b>\$ 3,899</b>
Salinas	150,898	\$ 14,305	\$ 10,642,582	\$ 9,600	\$ 25,905	\$ 500	\$ 26,405
<b>San Juan Bautista</b>	<b>1,074</b>	<b>\$ 202</b>	<b>\$ 149,743</b>	<b>\$ 135</b>	<b>\$ 337</b>	<b>\$ 500</b>	<b>\$ 837</b>
Sand City	298	\$ 32	\$ 217,901	\$ 197	\$ 229	\$ 500	\$ 729
<b>Santa Cruz</b>	<b>38,125</b>	<b>\$ 4,281</b>	<b>\$ 6,627,122</b>	<b>\$ 5978</b>	<b>\$ 12,259</b>	<b>\$ 500</b>	<b>\$ 12,759</b>
Scotts Valley	1,697	\$ 1,264	\$ 2,138,743	\$ 1,929	\$ 3,193	\$ 500	\$ 3,693
<b>Seaside</b>	<b>34,194</b>	<b>\$ 3,693</b>	<b>\$ 2,083,033</b>	<b>\$ 1,061</b>	<b>\$ 3,754</b>	<b>\$ 500</b>	<b>\$ 4,254</b>
Soledad	27,905	\$ 3,015	\$ 792,452	\$ 715	\$ 1,730	\$ 500	\$ 2,230
<b>Watsonville</b>	<b>5,703</b>	<b>\$ 5,287</b>	<b>\$ 1,691,120</b>	<b>\$ 3,330</b>	<b>\$ 8,917</b>	<b>\$ 500</b>	<b>\$ 9,417</b>
County of Monterey	107,642	\$ 11,831	\$ 33,779,617	\$ 31,451	\$ 33,082	\$ 1,000	\$ 34,082
<b>County of San Benito</b>	<b>18,839</b>	<b>\$ 2,038</b>	<b>\$ 3,024,214</b>	<b>\$ 2,728</b>	<b>\$ 4,766</b>	<b>\$ 1,000</b>	<b>\$ 5,766</b>
County of Santa Cruz	114,979	\$ 14,585	\$ 19,188,898	\$ 17,310	\$ 31,895	\$ 1,000	\$ 32,895
<b>Total</b>	<b>753,052</b>	<b>\$ 8,130</b>	<b>\$ 60,079,932</b>	<b>\$ 6,148</b>	<b>\$ 163,600</b>	<b>\$ 11,000</b>	<b>\$ 174,600</b>

**Note:** As prescribed by Section 88 of the AMBAG By-Laws, dues are allocated one half by population in the, and one half by assessed valuation rate. Population figures are those published by the California State Department of Finance for January 2000. Assessed valuations are those reported by County Assessors and Auditor-Controller for FY 2006/2007. There are ten regular meetings scheduled for FY 2008/2009.

### AMBAG Dues Structure

	Population	Dues per Population	Full Assessed Valuation in Thousands	Dues per Assessed Valuation	Total Dues	Board Mtg Allowance	Total Assessed Dues/ Mtg Allowance
Capitola	10,015	\$ 1,002	\$ 1,895,751	\$ 1,529	\$ 2,811	\$ 500	\$ 3,311
<b>Carmel</b>	<b>4,049</b>	<b>\$ 438</b>	<b>\$ 2,498,334</b>	<b>\$ 2,434</b>	<b>\$ 2,872</b>	<b>\$ 500</b>	<b>\$ 3,372</b>
Del Rey Oaks	3,627	\$ 176	\$ 2,543,394	\$ 229	\$ 405	\$ 500	\$ 905
<b>Gonzales</b>	<b>6,903</b>	<b>\$ 951</b>	<b>\$ 452,524</b>	<b>\$ 417</b>	<b>\$ 1,368</b>	<b>\$ 500</b>	<b>\$ 1,868</b>
Greenfield	11,318	\$ 1,871	\$ 762,183	\$ 858	\$ 2,599	\$ 500	\$ 3,099
<b>Hollister</b>	<b>37,051</b>	<b>\$ 4,004</b>	<b>\$ 2,073,754</b>	<b>\$ 2,773</b>	<b>\$ 6,777</b>	<b>\$ 500</b>	<b>\$ 7,277</b>
King City	11,852	\$ 1,291	\$ 761,538	\$ 687	\$ 1,968	\$ -	\$ 1,968
<b>Marina</b>	<b>9,671</b>	<b>\$ 2,072</b>	<b>\$ 1,447,351</b>	<b>\$ 1,306</b>	<b>\$ 1,378</b>	<b>\$ 500</b>	<b>\$ 1,878</b>
Monterey	28,322	\$ 3,668	\$ 4,308,925	\$ 3,885	\$ 7,053	\$ 500	\$ 7,553
<b>Pacific Grove</b>	<b>15,472</b>	<b>\$ 1,672</b>	<b>\$ 2,380,874</b>	<b>\$ 2,147</b>	<b>\$ 3,819</b>	<b>\$ -</b>	<b>\$ 3,819</b>
Salinas	150,898	\$ 16,405	\$ 10,642,582	\$ 2,600	\$ 25,905	\$ 500	\$ 26,405
<b>San Juan Bautista</b>	<b>1,874</b>	<b>\$ 202</b>	<b>\$ 149,743</b>	<b>\$ 135</b>	<b>\$ 337</b>	<b>\$ 500</b>	<b>\$ 837</b>
Seaside City	298	\$ 37	\$ 217,901	\$ 197	\$ 239	\$ 500	\$ 739
<b>Santa Cruz</b>	<b>58,125</b>	<b>\$ 6,281</b>	<b>\$ 6,627,122</b>	<b>\$ 5978</b>	<b>\$ 12,259</b>	<b>\$ 500</b>	<b>\$ 12,759</b>
Scotts Valley	1,897	\$ 1,264	\$ 2,138,743	\$ 1,929	\$ 3,193	\$ 500	\$ 3,693
<b>Seaside</b>	<b>34,294</b>	<b>\$ 3,693</b>	<b>\$ 2,003,033</b>	<b>\$ 1,881</b>	<b>\$ 2,378</b>	<b>\$ 500</b>	<b>\$ 2,878</b>
Soledad	27,905	\$ 3,015	\$ 792,453	\$ 715	\$ 3,730	\$ 500	\$ 4,230
<b>Watsonville</b>	<b>5,703</b>	<b>\$ 5,387</b>	<b>\$ 3,091,120</b>	<b>\$ 3,330</b>	<b>\$ 8,917</b>	<b>\$ 500</b>	<b>\$ 9,417</b>
County of Monterey	107,642	\$ 11,651	\$ 23,779,617	\$ 21,451	\$ 33,082	\$ 1,000	\$ 34,082
<b>County of San Benito</b>	<b>6,859</b>	<b>\$ 2,938</b>	<b>\$ 1,024,214</b>	<b>\$ 2,728</b>	<b>\$ 4,766</b>	<b>\$ 1,000</b>	<b>\$ 5,766</b>
County of Santa Cruz	134,979	\$ 14,385	\$ 12,188,898	\$ 17,310	\$ 31,895	\$ 1,000	\$ 32,895
<b>Total</b>	<b>753,853</b>	<b>\$ 8,150</b>	<b>\$ 60,670,932</b>	<b>\$ 8,149</b>	<b>\$ 163,400</b>	<b>\$ 11,000</b>	<b>\$ 174,400</b>

**Note:** As prescribed by Section 88 of the AMBAG By-Laws, dues are allocated one half by population in the, and one half by assessed valuation ratio. Population figures are those published by the California State Department of Finance for January 2000. Assessed valuations are those reported by County Assessors and Auditor-Controllers for FY 2006/2007. These are the regular meeting scheduled for FY 2008/2009.

## AMBAG Role and Opportunities for Realignment

### AMBAG Tasks

#### *Transportation Planning Activities*

AMBAG largely compiles and consolidates the information prepared by the countywide transportation planning agencies (TAMC/SCCRTC/San Benito COG) into three-county documents:

- **Metropolitan Transportation Plan:** AMBAG prepares this 25-year long-range planning document which is largely based on the three county Regional Transportation Plans. The Sustainable Communities Strategy is a newly-required part of these plans, for which AMBAG is leading the outreach and development, with significant involvement of the other transportation agencies.
- **Metropolitan Transportation Improvement Program:** AMBAG prepares this three county document largely based on each county's Regional Transportation Improvement Plan, to assure that projects qualify for federal funds.
- **Public Participation Plan:** AMBAG prepares this document which compiles the activities that each of the agencies engage in to provide information and gather input from the public.
- **Overall Work Program:** AMBAG compiles the information which is prepared by each of the three planning agencies, plus its own information, into a three-county document that is the basis for approval of federal funding.
- **Regional Vanpool Authority:** AMBAG recently obtained a Monterey Bay Air Pollution Control District grant for the regional vanpool authority and just joined that authority.
- **Monterey County Transportation Activities:** AMBAG has taken on several transportation activities that are single-county, within Monterey County. These include the ridesharing program and the intermodal transportation facility study.

#### *Travel Forecast Model and Related Data Gathering*

- **Travel Forecast Model Administration and Updates:** AMBAG administers the regional travel forecast model, which is a critical tool for environmental review of major roadway and rail projects, air quality forecasting, greenhouse gas emissions estimating and local land use plans. The model is also an important part of the Sustainable Communities Strategy project.
- **Information Gathering and Distribution:** AMBAG serves as a clearinghouse for information, including environmental reviews, population/housing/employment forecasts and census data, much of which is important information for the regional travel model. AMBAG also implements the Regional Housing Needs Assessment, an unfunded state mandate required for the development of countywide housing elements. The state recently changed the frequency of making the assessment from once every four years to once every eight years. AMBAG provides this service to Monterey and Santa Cruz counties; San Benito County COG performs its own assessment.
- **Air Quality Planning and Modeling:** When the region did not meet federal air quality standards, AMBAG was responsible for preparing a *State Implementation Plan* for meeting air quality improvements, and certifying a list of transportation control measures

to reach the standards, AMBAG also had to conduct an air quality “conformity” analysis on its planning documents to assure that the proposed projects resulted in meeting the standards in the future. The way of measuring federal air quality changed and the region went into “attainment” status (it now meets or attains federal standards) so these activities are not required. Should the air quality standards change again, these requirements would likely be reactivated for the region and generate an important amount of work.

### *Non-Transportation Activities*

- **Energy Watch:** AMBAG has received a PG&E grant to administer an energy savings assistance program to governments, non-profits and business.
- **Pajaro River Watershed Flood Prevention Authority:** AMBAG provides contract work for the Pajaro River Watershed Flood Prevention Authority.
- **Monterey Bay Sanctuary:** AMBAG has been involved in Monterey Bay Sanctuary Activities, on an unreimbursed basis.

### **AMBAG – TAMC: Opportunities for Realignment of Responsibilities**

The opportunities for shifting responsibilities for the transportation planning and modeling related activities to the single-county agencies are many.

**Reduce the Number of Transportation Plans:** In the Monterey Bay region, short-range and long-range transportation plans are prepared on both a single-county and multi-county basis. Delegating the transportation planning responsibilities to each countywide agency would eliminate the second set of multi-county plans. There are a few options for handling the new Sustainable Communities Strategy plan: AMBAG could complete the plan; each countywide agency could prepare its own plan; or, the countywide transportation agencies could collaborate in the creation of the SCS plan.

**Improve the Accuracy of the Regional Travel Forecast Model:** This model is currently in dire need of updating and improvement, for instance, to reflect current census data. Prior traffic forecasts are also not consistent with current forecasts. The state of the travel forecast model jeopardizes all planning activities and delays transportation projects that rely on it; a federal peer review study that is soon to be released will confirm the extent of the major revisions that are needed. AMBAG has several grants that are designed to pay for adding new features to the model, but these improvements are not appropriate until the base model is updated. Due to its cash flow difficulties and its need to pay high overhead costs, AMBAG does not have adequate resources and staffing to upgrade the base model to the level that is needed.

While some initial investment of outside funds may be needed, a realignment of transportation planning responsibilities as proposed here would free up funding to improve the ongoing operations of this critical transportation, land use and air quality tool. It is possible that existing modeling grants could be repurposed to make both the base model and enhancements (land use, bicycling) to the model, but that would be a decision by the state and regional grantees. The Santa Cruz County Regional Transportation Commission is willing to take a lead role in the upgrade and ongoing maintenance of the regional travel forecast model in concert with TAMC and San Benito COG. The Monterey Bay Regional Air Pollution Control District has historically invested funding in the regional model over the years and may also be willing to assist in an upgrade and administration of the regional model.

**Increase Transit Planning Resources for the Transit Agencies:** AMBAG receives all the federal transit planning funds in the region. In previous years, the agency granted some funds to the transit operators for route and area studies aimed at reducing costs and bringing on new services, but due to ongoing administrative cash flow needs no grants have been made in several years. The transit agencies now must perform these studies with their own funding. AMBAG performs minimal transit planning activities that could be easily absorbed into either the MST or TAMC functions (and their Santa Cruz and San Benito County equivalents). This integration of transit planning activities would increase resources for the transit agencies and improve the speed with which the transit agencies receive federal operating funds.

**Redirect Single-County Activities to the Single-County Agencies:** AMBAG has taken on several transportation activities that are single-county, within Monterey County. These include the ridesharing program and the intermodal transportation facility study. The separation of the rideshare and vanpool programs out of TAMC and MST has weakened these program and diverts AMBAG from its multi-county activities. Location of these activities within TAMC or MST would improve coordination with employers and existing transit service. AMBAG also took on the intermodal facility study, focused on freight rail transportation in Monterey County. The studies identify projects that the Transportation Agency will need to develop and fund. AMBAG conducted the South County Transit Services study, rather than allocate funds for MST to conduct the study of how to best integrate these cities into its existing services. It would be more productive and less costly for these and other single-county activities to be conducted by the single county agencies, rather than have other counties vote on how to conduct these activities in Monterey County.

## MST – TAMC Roles and Opportunities for Realignment

The Transportation Agency for Monterey County is required to conduct regional transportation planning addressing transit needs and funding, to administer the county's local fund sources for transit on an ongoing basis and also to play an oversight role with respect to federal funding programs. The details of TAMC's current responsibilities are listed below, as well as opportunities for realigning responsibilities between TAMC and MST.

### Transit Planning and Funding Responsibilities

#### *Regional Transportation Planning*

- **Regional Transportation Plan:** Identify transit needs and funding in the Regional Transportation Plan for Monterey County and ensure transit projects are consistent with the regional plan.

#### *Transportation Development Act (Local transit funding)*

- **Fund Administration:** Annually estimate and apportion Local Transportation Funds for MST services, approve fund allocations and process MST fund claims.
- **Unmet Transit Needs Finding:** Consult with a Social Services Transportation Advisory Council to identify and adopt a finding on "unmet transit needs" that are reasonable to meet and report findings to the state.
- **Financial Audits & Oversight:** Ensure that financial audits and reporting are submitted to the State Controller within statutory deadlines.
- **Triennial Transit Performance Audits:** Conduct Transit Performance Audits every three years to determine compliance with Transportation Development Act requirements and make recommendations for improving the efficiency and cost-effectiveness of transit services in Monterey County.

#### *Federal Transit Administration Grant Programs*

- **Section 5310 (Elderly and Individuals with Disabilities) Program:** Administer Caltrans Call for Projects, determine eligibility, receive and score grant applications according to program requirements and submit scored applications to Caltrans for review and funding.
- **Section 5311 (rural public transit and intercity transit funding programs):** Annually adopt a program of projects for the Section 5311 program and submit program to the state for funding allocations, adopt required federal funding certifications for Monterey County operators and authorize federal funding of MST grant applications.

#### *Transit Project Management*

- **Monterey Branch Line:** The Transportation Agency is the lead agency for the development of light rail service along the Monterey Branch Line. The Agency owns the line and is responsible for obtaining funding for the proposed light rail project, but anticipates that Monterey-Salinas Transit would run the service as part of its regional transit network.
- **Multimodal Corridor in Former Fort Ord:** TAMC has teamed with a number of agencies, including MST, to apply for state funding to initiate a feasibility study for a multimodal (autos, buses, bikes and pedestrians) between the Marina light rail station on 8<sup>th</sup> street to the commuter rail station in Marina.

## **MST – TAMC: Opportunities for Realignment of Responsibilities**

It is anticipated that any realignment would take place gradually over time, likely at the Board level first, then at the administrative and later at the subject matter area. Any proposed realignment would need review by both agencies' legal counsel. Given the revenues losses that have been experienced MST, it would be important to assure that the TAMC non-transit functions were not jeopardized by a realignment of the agencies.

### ***Board of Directors***

Now that MST is countywide and TAMC is countywide, the question arises as to whether they can share a board of directors. A consolidated board of directors would save time for overlapping boardmembers and could save time in the preparation of dual agenda packets. Funding for bus transit projects could be on a more equal footing with highway and rail projects, since one board would be making the funding decisions. The board make up and voting structure would have to be determined (would it mirror that of TAMC, MST or something else), and would require state legislation. The issue of how to consolidate committee structures would also have to be addressed. Because legislation would be required, support from both existing boards of directors and member agencies would be critical.

### ***Administration/Personnel/Finance***

Under a consolidated agency board of directors, some administration, personnel and finance activities could be combined. Due to a small amount of overlap between the agency grant programs overseen, and the small amount of personnel activities conducted by TAMC, it is not anticipated that this would result in a large cost or staff savings, but better coordination could provide additional staff time for MST-related activities due to its recent administrative staff cuts. An attempt to fully integrate agency policies (i.e. human resources and administrative policies) may result in substantially more work rather than cost savings.

### ***Transit Planning and Funding Responsibilities***

Integration of the longer-range transit planning across the two agencies would likely result in benefits to MST and transit services in the region, and better coordination of the implementation of capital projects such as the planned rail services and multimodal corridor. Oversight responsibilities related to funding activities would continue, but due to the allocation of all Local Transportation Funds to transit, the actions are more ministerial than in the past.

Attachment 6



TRANSPORTATION AGENCY FOR MONTEREY COUNTY

## Memorandum

**To:** Executive Committee  
**From:** Debra L. Hale, Executive Director  
**Date:** August 3, 2011  
**Subject:** Single-County Metropolitan Planning Organization Scenario

### RECOMMENDATION

**RECEIVE** staff report on budgetary impacts of a proposed shift to a single county metropolitan planning organization and presentation from Andrew Chesley, Executive Director of the San Joaquin Council of Governments on single-county metropolitan planning organization operations and regional collaboration efforts in the San Joaquin Valley.

### SUMMARY

At its strategic planning session and subsequent follow up at its June, 2011 meeting, the Transportation Agency Board of Directors directed staff to research the notion of taking on the federal metropolitan transportation organization (MPO) responsibilities that are currently handled by the multi-county Association of Monterey Bay Area Governments. The purpose of such a shift to a "single-county MPO" would be to improve cost effectiveness by removing duplication of efforts across the agencies and increasing investment in the regional transportation model. This report summarizes staff analysis of the budgetary impacts of such a change, the options for continuing regional transportation discussions, and the timing of any possible change.

### FINANCIAL IMPACTS

Under a single county metropolitan planning organization designation, the Transportation Agency is estimated to receive an additional \$648,500 in federal highway and transit planning funds, offset by a loss of \$395,000 in more flexible state planning funds. The result would be a net estimated annual amount available to cover increased responsibilities and to increase investment in the travel forecast model of just under \$250,000, but less flexibility in how to use these funds. The net estimated increase to the Santa Cruz County Regional Transportation Commission to cover these costs would be \$292,700, and the net increase in state funding for the San Benito COG is estimated at \$29,000. These amounts are subject to change depending on state and federal allocations.

If the current organizational structure is maintained, there is a possibility that AMBAG will seek to reduce the amount of federal planning funds that are allocated to the Transportation Agency and the Santa Cruz County Regional Transportation Commission to help meet its financial obligations.

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## **DISCUSSION**

The Transportation Agency Board of Directors has asked staff to evaluate the potential for designating our agency as the federal metropolitan planning organization (MPO) effectively to handle all the transportation planning activities in the county. The Santa Cruz County and San Benito County transportation planning agencies are also performing such a review.

### **Budgetary Issues**

Given the financial issues that have been experienced recently at AMBAG, it is likely that the current relationship between the four agencies (AMBAG, TAMC, Santa Cruz County RTC and San Benito COG) will change even if all organizations continue to retain transportation planning responsibilities. Last year, AMBAG staff sent a letter indicating that it would like to reevaluate the memorandum of understanding that sets the distribution of federal planning funds among the four agencies, but the Board deferred action on this until next fiscal year.

The Santa Cruz County and Monterey County transportation agencies have also in the past helped AMBAG utilize its federal planning funds by agreeing to match "in kind" activities funded with non-federal monies. Both agencies have indicated that they would like to revisit this policy to assure that they have enough non-federal match for their own federal grants. In addition, the City Managers have indicated that they feel it is an appropriate time to reevaluate the sharing of responsibilities across transportation agencies, given the shortage of local funding (see letter, **Attachment 1**). For these reasons, now is an appropriate time to review all options for restructuring and improving cost effectiveness.

Below is a list of the transportation and related responsibilities that are currently performed by the Association of Monterey Bay Area Governments that are typically performed by other single-county metropolitan planning organizations in San Luis Obispo County, Santa Barbara County and throughout the San Joaquin Valley.

- Overall Work Program (summary of agency activities for federal funding partners)
- Metropolitan Transportation Plan (25 year planning document)
- Metropolitan Transportation Improvement Plan (5 year programming document)
- Multi-County Travel Forecast Model  
(utilized for general plans, transportation projects, capital improvement plans)
- Regional Environmental Document Clearinghouse
- Regional Housing Needs Assessment (occurs every 8 years)
- Census Data Center (disseminates population information)
- Monterey County Ridesharing Activities
- Sustainable Communities Strategy (part of the Regional Transportation Plan)

Under the proposed scenario, the first three roles would be absorbed into existing Transportation Agency activities with a small amount of additional staff time, primarily relating to the auditing functions for the work program. The latter roles would represent additional work effort by the agency. Staff recommends that under such a scenario the Sustainable Communities Strategy be completed by AMBAG since grants are already allocated and the work is well underway. After its adoption, updates could be handled on a single county basis by the Transportation Agency in coordination with its partners in the neighboring counties.

Staff is in the process of developing a budget for taking on this additional workload. Initial estimates are that it would take 1.0 full-time equivalent (FTE) staff persons to take on the above activities (not including ridesharing), and the level of effort would vary depending on what activities are due to take place. This need could be filled with one additional staff person, some contracted out activities, and a reshuffling of current agency assignments. It is anticipated that the travel forecast model would remain a regional effort towards which the Transportation Agency would make an annual contribution to a coordinating agency. At present, AMBAG's budget includes in federal planning funds \$292,000 for modeling activities, not including the upgrades for land use and bicycle modeling. Monterey County ridesharing activities would take an additional 0.5 to 1.0 FTE of staff time and would likely need to be funded out of new monies; however, the current rideshare grant expires in April 2012 and would require a new funding source regardless of which agency performs the activities.

Another option would be for the three countywide transportation agencies to merge with AMBAG and the single agency would handle all the transportation planning activities and allocation of transportation funding for the region. Staff has not been directed to evaluate this option, although it is likely to be reviewed by others. It is worth noting that while this structure does exist elsewhere in the state (most notably in the 9-county San Francisco Bay Area), there are still single-county agencies that provide input to the multi-county Metropolitan Transportation Commission.

### **Opportunities for Regional Interactions**

Some individuals have expressed a concern that by taking the transportation responsibilities away from AMBAG that there will no longer be an opportunity for regional interactions regarding transportation or other matters. In fact, Santa Cruz and Monterey County agencies are already collaborating on the 511 traveler information system program and are collaborating as part of the Monterey Bay Electric Vehicle Alliance.

Another way to collaborate is through a multi-county regional forum. Staff has invited the Executive Director of the San Joaquin Council of Governments, Andrew Chesley, to come to the Executive Committee to talk about how his agency handles the metropolitan planning organization responsibilities as a single-county agency, as well as discuss the San Joaquin Valley Regional Transportation Planning Agencies. They are an association of the eight MPOs in the San Joaquin Valley. They have a policy forum which represents elected officials from each county. Among other collaborations, they have worked together to secure transportation funding along the Highway 99 corridor in recent state bond measures and also developed a regional plan setting freight project priorities. **Attachment 2** is a copy of their memorandum of understanding. The group meets periodically throughout the year, but is staffed by existing agencies.

This type of a regional forum could be created among the three Monterey Bay Area counties with minimal additional cost. Follow up activities would be conducted by existing agencies. One idea would be for each of the three counties to host a meeting annually, for a total of three meetings a year. Another idea would be to expand to include the Central Coast Coalition region (adding in Santa Barbara and San Luis Obispo counties) and create a policy forum for the five counties that corresponds to the Caltrans District 5 region.

**Attachment 3** is a June 22, 2011 letter signed by three county presidents of the League of Women Voters in the region in support of AMBAG and "regional planning". Staff has not been contacted by any of these presidents nor is aware of any research conducted by these entities regarding this issue.

### Timing and Coordination Issues

To learn more about all the activities that would need to be conducted as a single-county metropolitan planning organization, staff from all four agencies are meeting with Caltrans Planning, Programming and Audits departments, as well as the Federal Highway and Transit Administrations, the State Housing and Community Development Department, the California Air Resources Board. Any new information from these meeting will be provided at the Executive Committee meeting. The Federal Highway Administration indicated that it would be checking with its legal counsel regarding the precise procedure for withdrawing from an existing MPO and forming a new organization. According to the regulations, local governing boards representing 75% of the population within the three-county region (cities and counties), including the largest city (Salinas) and the Governor or his designee must approve withdrawal from the existing MPO and redesignation of the new MPO. **Attachment 4** is an excerpt of the regulations on this process.

One of the issues that arose at our last meeting with Caltrans and Federal Highways planning staff was the timing of any transition to a new federal metropolitan planning organization (MPO). They wanted to make sure that the adoption of the Sustainable Communities Strategy was not affected by a transition; the Strategy is slated for adoption no later than 2013. The federal agencies also noted that they hoped that the federal transportation programming document would not need to be re-adopted before its December 2012 expiration due to any redesignation of MPO status. All projects that receive federal funding must be included in this document. Typically it is amended after adoption of the State Transportation Improvement Program, which will occur in Spring 2012. Based on this information, staff's conclusion is that a formal transition of MPO responsibilities should take place no sooner than the start of the state or federal 2012/13 fiscal year; however, steps toward such a transition, particularly voting by the local governing boards, would need to proceed well before that July/October 2012 date.

### Next Steps

Staff plans to present a more detailed analysis at the August 24, 2011 Transportation Agency Board of Directors meeting, and will continue to attend meetings of other regional agencies on this issue. Staff seeks direction on further information to gather and present at the August Board meeting.

\_\_\_\_\_  
Debra L. Hale, Executive Director

\_\_\_\_\_  
Date

Regular Agenda

Counsel Review: N/A

### Attachments:

1. Letter from Monterey Bay Managers Association
2. San Joaquin Valley Regional Transportation Planning Agencies MOU
3. Letter from League of Women Voters
4. MPO designation and redesignation regulations





Agenda Item: \_\_\_\_\_

## Staff Report

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To: Council of Governments  
From: Mary Gilbert, Transportation Planning Manager Telephone: (831) 637-7665  
Date: June 16, 2011  
Subject: Possible Separation from the Association of Monterey Bay Area Governments

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### Recommendation:

**DISCUSS** and **PROVIDE DIRECTION** on Possible Separation from the Association of Monterey Bay Area Governments.

### Summary:

The Association of Monterey Bay Area Governments (AMBAG) is the federally designated Metropolitan Planning Organization which provides Metropolitan Planning services to San Benito, Monterey, and Santa Cruz counties. Staff has completed preliminary research on the feasibility of separating from AMBAG and conducting these activities in-house and/or via Memorandum of Understanding with other agencies.

### Financial Impact:

Currently, AMBAG performs work on behalf of COG using Metropolitan Planning Funds distributed by the Federal Highway Administration. In fiscal year 2011/2012, these funds total \$38,365. The funds for this fiscal year are matched with \$4,971 in toll credits; in previous years, COG provided the local match.

If COG separated from AMBAG, it would not be eligible to receive the Metropolitan Planning Funds; however, the direct allocation of Rural Planning Assistance funds from Caltrans to COG would increase by \$29,000.

### Discussion:

AMBAG uses Metropolitan Planning Funds to conduct the following activities on behalf of COG and its member agencies:

- Prepare and adopt the federally mandated regional Public Participation Plan
- Prepare and adopt the Metropolitan Transportation Plan
- Develop the Coordinated Public Transit- Human Services Transportation Plan
- Serve as the region's designated clearinghouse for information including environmental reviews and Census Data

Council of San Benito County Government ■ Measure A Authority  
Airport Land Use Commission ■ Service Authority for Freeways and Expressways

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330 Tres Pinos Road, Suite C7 ■ Hollister, CA 95023 ■ Phone: 831-637-7665 ■ Fax: 831-636-4160

[www.SanBenitoCOG.org](http://www.SanBenitoCOG.org)

- Develop the State-mandated Sustainable Communities Strategy
- Provide programming of federal funds into the Metropolitan Transportation Improvement Program
- Prepare and adopt population, employment, and housing forecasts that are used in part to develop and update the Regional Travel Demand Model
- Maintain the Regional Travel Demand Model

Staff has researched the implications for COG should it consider separating from the Association of Monterey Bay Area Governments. If the separation occurred, COG would not become a Metropolitan Planning Organization because San Benito County's size does not warrant that designation under federal law. Instead, San Benito would be considered a non-MPO Rural Regional Transportation Planning Agency (RTPA) in California. There are currently 22 rural RTPAs in California.

As a rural RTPA, COG would be responsible for several of the activities that are currently conducted by AMBAG; however, COG staff has generally worked closely with AMBAG to complete planning and programming activities and the additional effort could likely be absorbed into COG's work program using the additional Rural Planning Assistance funds.

As a rural RTPA, COG would not be responsible for completing a Sustainable Communities Strategy as mandated by Senate Bill 375. Senate Bill 375 only required that designated MPOs complete a Sustainable Communities Strategy. COG would also work directly with Caltrans to program federal funds through the Federal Transportation Improvement Program in lieu of working with AMBAG and programming funding through the Metropolitan Transportation Improvement Program.

The Transportation Agency for Monterey County (TAMC) and Santa Cruz County Regional Transportation Commission (RTC) may also consider separation from AMBAG and would seek MPO status due to their population size. COG, TAMC, and RTC could consider establishing a memorandum of understanding to coordinate the development of population, employment, and housing forecasts and development and maintenance of the Regional Travel Demand Model.

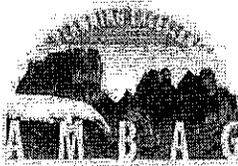
#### **Recommendation:**

Staff recommends that the Board **CONSIDER** and **PROVIDE DIRECTION** on possible separation from the Association of Monterey Bay Area Governments.

Executive Director Review: \_\_\_\_\_

Counsel Review: N/A

Attachment 8



**MEMORANDUM**

**TO:** AMBAG Board of Directors

**FROM:** Les White, Interim Executive Director

**SUBJECT:** Overview of AMBAG Programs and Response to Agencies  
Direction to Dissolve or Substantially Reduce AMBAG  
Functions

**MEETING DATE:** July 13, 2011

**RECOMMENDATION:**

It is recommended that the AMBAG Board of Directors direct AMBAG staff to prepare a report for the August or September 2011 Board meeting responding to various reports regarding the future of AMBAG.

**BACKGROUND/DISCUSSION:**

Over the course of the first couple of weeks it has come to the attention of the Interim Executive Director that the following issues may need to be addressed; (1) identify and review all our work projects and assignments (and work priorities), (2) continue to evaluate fiscal condition of the agency, and (3) address the various concerns that are being raised by agencies and individuals calling for either dissolution of AMBAG or a significant downsizing of this regional entity. We also need to hear from the AMBAG Board regarding issues you individually have heard or have heard from others and address those.

I have had a preliminary discussion with staff and divided them up into teams and asked them to develop background information and fact-sheets about programs and projects that will incorporate descriptions, benefits and costs, alternative organizational structures, whether or not specific program areas are mandatory regional programs or discretionary and whether there are programs we don't need to perform. During the course of this review the Interim Executive Director may also hear about agency coordination and performance issues that would need to be addressed.

We need confirmation from the Board that this is the direction with which you want to proceed. I would recommend that we do proceed with such an analysis in view of the reports being given to various agency Boards and the need to bring to the AMBAG Board the perspective of AMBAG staff so they can consider all points of view in reaching any conclusions about this organization.

We would anticipate taking a preliminary report to the Board in August or possible September. In view of the timing of any filling of the Executive Director position—usually a six month window—this analysis can be done before the position is filled with a permanent Executive Director, if in fact, it is filled.

**FINANCIAL IMPACT:**

The time and analytical work would be absorbed within existing overhead allocations for various grants. This type of evaluative work will help to develop better descriptions of programs and projects for Board members and involved agencies as well as respond to performance and structural concerns from some of those agencies.

**COORDINATION:**

This report has been coordinated with the Chair of the Board and AMBAG staff.

**APPROVED BY:**



Les White, Interim Executive Director





## Memorandum

**To:** Board of Directors  
**From:** Debra L. Hale, Executive Director  
**Date:** August 24, 2011  
**Subject:** **Evaluation of Costs and Benefits of Transportation Agency Assumption of Federal Transportation Responsibilities**

### RECOMMENDATION

1. **RECEIVE** information from staff regarding the issues and implications of the single-county state/federal transportation planning scenario and hear from Ron DeCarli, Executive Director of the San Luis Obispo Council of Governments on how their agency handles state and federal transportation planning requirements on a single-county basis;
2. **DIRECT** staff to delay approval of any future "in kind" match for ongoing federal planning activities at AMBAG until Board action is taken on a policy agreement with the involved agencies; and,
3. **PROVIDE** direction on whether to continue to pursue information gathering and implementation of this scenario.

### SUMMARY

The Transportation Agency Board of Directors has directed staff to research the notion of taking on the federal metropolitan transportation organization (MPO) responsibilities that are currently handled by the multi-county Association of Monterey Bay Area Governments. The purpose of such a shift to a "single-county MPO" would be to improve cost effectiveness and increase operational efficiencies by removing duplication of efforts across the agencies. Another goal is to increase ongoing investment in the regional transportation model. This report summarizes staff research and analysis of several issues related to such a scenario.

### FINANCIAL IMPACTS

The net tri-county savings in usage of taxpayer funds under this single-counties scenario would be approx.. \$297,500 in state funds, plus approximately \$173,700 in dues collected from member cities and counties, for a total savings of approximately \$471,200 per year.

Under the proposed single-county scenario, estimates are that the Transportation Agency would receive a net annual increase of \$250,000 in federal funds. This net considers the fact that there would be a loss of \$395,000 in more flexible state rural planning funds. According to the budget

developed by Transportation Agency staff (**Attachment 1**) the \$250,000 amount would be sufficient to cover increased staffing needs and allow a contribution towards the maintenance of the regional travel model. The net estimated annual increase to the Santa Cruz County Regional Transportation Commission would be \$292,700, and the net increase in state funding for the San Benito COG is estimated at \$29,000. These amounts could change depending on state and federal allocations.

If the single-county MPO scenario is not adopted and the current organizational structure is maintained, it is important to note that AMBAG is discussing reducing the amount of federal planning funds that are currently allocated to the Transportation Agency and the Santa Cruz County Regional Transportation Commission to help meet its ongoing financial challenges.

On another financial issue, the Santa Cruz County and Monterey County transportation agencies have in the past helped AMBAG utilize its federal planning funds by agreeing to match "in kind" activities funded with non-federal monies. Initially, this was occurring without the knowledge of the single county agencies and the request for approval was for retroactive years in response to an audit of AMBAG, so the agencies agreed to sign the required paperwork. Staff recently received another request from AMBAG to guarantee this "in kind" match for the 2010/11 fiscal year. In the interest of keeping AMBAG from encountering further audit issues, the transportation planning agencies have signed the latest in-kind match request. However, moving forward, both agencies have indicated that they would like to revisit this policy to assure that they have enough non-federal match for their own federal grants.

## **DISCUSSION**

The Transportation Agency Board of Directors has asked staff to evaluate the potential for designating our agency as the federal metropolitan planning organization (MPO) effectively to handle all the transportation planning activities in the county. The Santa Cruz County and San Benito County transportation planning agencies are also performing such a review and AMBAG is also expected to issue a report in September, 2011. **Attachment 2** is a copy of the Santa Cruz Regional Transportation Commission's August report to its Board of Directors. Staff of all three agencies met with Caltrans Audits, Planning and Programming, Federal Highway Administration, Air Resources Board, and Housing and Community Development staff to learn more about the issues related to such a conversion. **Attachment 3** is a summary of existing planning requirements and those that would be added under a single-county scenario. **Attachment 4** summarizes what staff has learned at these meetings in several different issue areas.

## **Next Steps**

Staff seeks direction from the Board of Directors on whether or not they are interested in having the Agency continue to pursue research and activities related the single-county administration of federal and state transportation planning activities. Staff also recommends that the Board delay approval of any future "in kind" match for ongoing federal planning activities at AMBAG until Board action is taken on a policy agreement with the involved agencies.

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Debra L. Hale, Executive Director

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Date

Regular Agenda

Counsel Review: N/A

## Attachments:

1. Single-County Scenario Budget
2. Report to the Santa Cruz County Regional Transportation Commission, August, 2011
3. Transportation Planning and Related Responsibilities: Current and Proposed

4. Analysis of Issues

**TAMC SINGLE COUNTY MPO BUDGET  
INCREMENTAL ADDITIONS**

	Year 1	Year 2	Year 3
	Jul-12 Jun-13	Jul-13 Jun-14	Jul-14 Jun-15
<b>MPO Functions</b>			
1.0 FTE Staff	\$82,600	\$86,730	\$91,067
Office support (supplies, legal, etc.)	\$4,000	\$4,000	\$4,000
One Time Costs	\$4,000		
Regional Model Share	\$100,000	\$105,000	\$110,250
RHNA consulting support	\$0	\$0	\$30,000
GIS consulting services	\$20,000	\$20,000	\$20,000
RTP Consulting costs	\$20,000		
<b>Total additional cost</b>	<b>\$230,600</b>	<b>\$215,730</b>	<b>\$255,317</b>
<b>Additional Planning Funds Available</b>	<b>\$253,896</b>	<b>\$253,896</b>	<b>\$253,896</b>
<b>Carry Over Savings (Usage)</b>	<b>\$23,296</b>	<b>\$38,166</b>	<b>-\$1,421</b>

**Additional Services as MPO**

OWP: Engage FHWA and Caltrans directly (annual)

Regional Model: Contribute funding to 3-county model effort (ongoing)

MTIP: Maintain Transportation Improvement Program and amendments with FHWA (ongoing)

RHNA: Conduct Regional Housing Needs Analysis (periodic)

RTP: Prepare stand-alone regional plan (periodic)

Clearinghouse: Collect and provide notice on data on regionally significant projects (ongoing)

GIS: Secure contracted Geographical Information System mapping as needed (ongoing)

**Assumptions:**

Rideshare services budgeted separately

Sustainable Community Strategies completed by AMBAG

Regional Model current update completed by AMBAG

# Draft Budget - SCCRTC as Single County MPO

## REVENUES - Using current FY 2011-12 funding formulas

865,335	Revenues, without AMBAG
<u>572,000</u>	Revenues, under AMBAG
293,335	Net increase to RTC

## COSTS - to RTC

125,000	1 ft Sr. Planner w/benefits (FTIP, RHNA, Census, Clearinghouse)
80,541	Model, annual cost
<u>87,794</u>	Transit planning
293,335	

## Travel Demand Model Estimated Budget

120,000	Modeler, salary
42,200	Modeler, benefits
25,000	Support staff, 1/4 time mid level planner w/benefits
15,000	Software & licenses
5,000	Hardware, backup
5,000	Overhead
<u>5,000</u>	Contingencies
<b>217,200</b>	<b>total</b>

Cost/year/partner agency	share
28,295 San Benito COG	13.0%
<b>80,541</b> RTC	37.1%
88,365 TAMC	40.7%
<u>20,000</u> Air District	9.2%
217,200 Total	100.0%

### Assumptions -

1. The Regional Travel Demand Model would be funded and managed by the three counties and the Air District through a Memorandum of Understanding.
2. Regional projections for population, employment and housing would also be created under this MOU.
3. Proposed shares are based upon county population share of the region minus a fixed contribution from the Air District, which has not approved this draft budget.
4. This draft budget has not been approved by the partner agencies.
5. Modeler's office to be located in the RTC Watsonville satellite office.

**AGENDA:** August 18, 2011

**TO:** Regional Transportation Commission Transportation Policy Workshop  
**FROM:** George Dondero, Executive Director  
**RE:** Single County Metropolitan Planning Organization (MPO) Scenario

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**RECOMMENDATIONS**

Staff recommends that the Regional Transportation Commission (RTC):

1. Accept this report on a possible single-county MPO scenario and a presentation from Andrew Chesley, Executive Director of the San Joaquin Council of Governments on single-county MPO operations and regional collaboration efforts in the San Joaquin Valley.
  2. Determine whether the RTC would accept the responsibilities of becoming a single county MPO for Santa Cruz County, should that be the desire of the region's cities and counties; and
  3. Provide any further direction to staff, as appropriate.
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**BACKGROUND**

At the June 16 Transportation Policy Workshop (TPW), the RTC received a report on the possible re-designation of MPO responsibilities from the Association of Monterey Bay Area Governments (AMBAG) to two single-county MPO agencies. RTC Commissioners directed staff to do more research on the issue, and return for further discussion and consideration. The Transportation Agency of Monterey County (TAMC) has been engaged in parallel discussions over the same time period. Attachment 1 is a staff report on this issue to TAMC's Executive Committee.

The executive directors of TAMC and the RTC met on June 24 with staff from Caltrans, Federal Highway Administration and the Federal Transit Administration to collect information regarding legal and administrative requirements associated with restructuring an MPO. The executive directors will attend a similar series of meetings on August 12 in Sacramento with representatives from Caltrans, the state Department of Housing and Community Development and the Air Resources Board. For a restructuring to occur, the member agencies of the MPO would each vote at their respective city council or board of supervisors whether to retain membership in AMBAG or to withdraw. If 75% of the region (by population) including the largest city (Salinas) were to vote to withdraw from AMBAG, then a restructuring could occur (see Attachment 2). The change would also need agreement from the Governor, most likely delegated through the Caltrans Director.

The RTC and the Transportation Agency for Monterey County (TAMC) would each become an MPO and each would take on the mandated functions which AMBAG currently provides. San Benito County would no longer be a member of an MPO.

## **DISCUSSION**

### **Experience in Other Regions**

In order to provide some perspective from outside our own region, staff invited Andrew Chesley from the San Joaquin Council of Governments to present his perspective as Executive Director of a single-county MPO. Mr. Chesley will describe how his agency fulfills the role of MPO as well as accomplishing many regional collaborative efforts among eight counties in the San Joaquin Valley. He will discuss the trade-offs between the single-county versus a "one big MPO" model, and how his region evolved to the current structure.

### **Regional Housing Needs Assessment**

One of the MPO responsibilities that generates concern among some RTC members is the Regional Housing Needs Assessment (RHNA) through which there is a geographic allocation of projected low-income housing units to be constructed within the region. The process is mandated by the state Department of Housing and Community Development (HCD), and HCD determines the number of housing units by MPO region based on a formula. The RHNA process was traditionally accomplished once every four years, and was recently changed to once every eight years. The next allocation of low-income housing units will occur in 2013.

The RHNA process is known to be contentious and challenging because larger or more politically dominant jurisdictions within a region sometimes work to allocate more low-income housing units to other jurisdictions. Under a single county MPO scenario, the Santa Cruz County region would not need to be concerned with the possibility that other jurisdictions would make it bear a disproportionate burden of the housing allocations. The RTC would administer the allocation process for Santa Cruz County and as suggested at the June RTC meeting, some kind of rules and process could be designed to protect the smaller jurisdictions from being dominated during the process. Staff is investigating how the process is handled in other jurisdictions, and will meet with an HCD representative on August 12 to learn more about the legal and administrative requirements of the process. Staff will report any new information at the August 18 meeting.

### **Managing the Regional Travel Demand Model**

In the June meeting, staff proposed that the most effective way to manage the regional model would be through a Memorandum of Understanding (MOU) or a Joint Powers Agreement (JPA). This joint effort could also be used to address other regional concerns or shared issues. This is the "big ticket" item under the list of MPO duties which needs to be planned and funded adequately in order to serve the

region successfully. It will be important for the partners in the MOU to provide attentive coordinated management for this to happen.

Staff has been researching what is needed to have an effective regional model and proposes that a full time modeler be hired, and that a ¼ time planner be dedicated to support modeling efforts for duties such as gathering land use and transportation data, setting up meetings, and responding to information requests from the public and other agencies. The planner could come from existing staff of the RTC or TAMC, and the source agency would be compensated through the MOU as part of the modeling effort. This would enable the modeler to devote most of his/her effort to developing and improving the model, which is not the case under current AMBAG staffing and organization. One of the concerns raised during a peer review of AMBAG's model is the need for adequate staffing and effort to maintain and improve the model.

Staff believes this approach would minimize any duplication of effort and give the partner agencies opportunity to manage the program for improved quality performance. One new development is the interest of the Monterey Bay Unified Air Pollution Control District (Air District) in participating in model development and quality control. Informal discussions with Air district staff indicate that a financial contribution by the Air District toward the model would be justified, and this is proposed in the draft budget (Attachment 3). The Air District has also offered the possibility of housing the model and corresponding staff at the Air District offices, if they cannot be accommodated within RTC or TAMC facilities.

### **Fiscal Impacts**

In Attachment 3 a draft budget is provided, showing how MPO duties would be funded should the RTC become an MPO. For the non-modeling duties, it is estimated that one full time planner will be needed. In addition, one quarter of an existing planner's time would be provided to support the work of the modeler. Transit planning would be funded with federal funds provided for that purpose, either by existing staff or use of consultants as appropriate.

It is important to remember that AMBAG has suffered cash flow challenges repeatedly. In January 2011 the former Executive Director proposed that the distribution of federal planning dollars should change, and that AMBAG would need a larger portion of those funds than is currently the case. The RTC and TAMC both sent letters of protest to this proposal. However, if AMBAG is to continue as an MPO, it is very likely this issue will be revisited, and AMBAG would attempt to take at least some portion of the federal funds now passed through to the RTC and TAMC. Another option to increase revenues would be for AMBAG to raise the dues paid by each member agency, although this concept has not been well received when brought to the board in the recent past.

## Potential Future Actions

As stated at the June TPW meeting, it is not for the RTC to decide whether AMBAG continues as the region's MPO or whether new single-county MPOs are established. This will be done by the region's cities and counties. As expressed in the staff report to TAMC's Executive Committee ([Attachment 1](#)), the Monterey Bay Area Managers Group is also interested in reevaluating the sharing of responsibilities across transportation agencies ([see Attachment 4](#)). As the region's cities and counties consider these questions, it may be useful for them to know whether the RTC is willing to serve as a single-county MPO for Santa Cruz County. Therefore, **staff recommends that the RTC determine whether it would accept the responsibilities of becoming a single-county MPO for Santa Cruz County should that be the desire of the region's cities and counties.**

A potential change in funding for MPOs could occur when a new transportation act is passed in Congress. Staff is told that this is now being discussed in Washington and a bill could be introduced as soon as September. Also being discussed is a proposal to raise the population threshold to qualify as an MPO. Depending on the proposal passed into law, it could create thresholds under which Santa Cruz County would not qualify as an MPO.

Acting AMBAG Executive Director Les White has been gathering information and analyzing AMBAG's position. Mr. White is expected to present a report to AMBAG's board in September, making recommendations regarding the future of the agency. Potential recommendations could include disbanding AMBAG and establishing new MPOs; merging AMBAG with another agency, merging other agencies with AMBAG or significantly restructuring AMBAG and keeping funds currently distributed to RTC and TAMC.

## SUMMARY

The RTC is considering the potential impacts if it were to become a single county MPO. A budget is presented showing how the various responsibilities would be funded with the estimated revenues that would become available. A presentation on how the San Joaquin Council of Governments manages its responsibilities as a single county MPO and addresses regional issues will be provided. The interim Executive Director at AMBAG will present recommendations about the future of the agency at the September 14 AMBAG meeting.

### Attachments:

1. August 3, 2011 staff report to TAMC's Executive Committee
2. Federal regulations for MPO designation and redesignation
3. Draft Budget – SCCRTC as Single County MPO
4. Letter from the Monterey Bay Area Managers Group to AMBAG

## **Transportation Planning and Related Responsibilities: Current and Proposed**

### Transportation Planning Responsibilities Currently Performed by TAMC

1. Work Program (summary of agency activities for federal funding partners)
2. Regional Transportation Plan (25 year planning document)
3. Regional Transportation Improvement Plan (5 year programming document)
4. Travel Forecast Model Committee
5. Environmental Document Review and Comment
6. Sustainable Communities Strategy – Complete Streets proposal

### Proposed Transportation Planning Responsibilities to Shift to TAMC over time

Below is a list of the transportation and related responsibilities that are currently performed by the Association of Monterey Bay Area Governments that are typically performed by other single-county metropolitan planning organizations in San Luis Obispo County, Santa Barbara County and throughout the San Joaquin Valley.

1. Overall Work Program
2. Metropolitan Transportation Plan
3. Metropolitan Transportation Improvement Plan
4. Regional Environmental Document Clearinghouse
5. Multi-County Travel Forecast Model  
(utilized for general plans, transportation projects, capital improvement plans)
6. Regional Housing Needs Assessment (occurs every 8 years)
7. Census Data Center (disseminates population information)
8. Monterey County Ridesharing Activities
9. Sustainable Communities Strategy (part of the Regional Transportation Plan)

Under the proposed scenario, due to their similarity to existing activities, the first four roles would be absorbed into existing Transportation Agency workload with a small amount of additional staff time, primarily relating to the auditing functions for the work program. The latter roles would represent additional work effort by the agency.

## **Analysis of Issues Related to Formation of three Single-County Transportation Planning Agencies in the Monterey Bay Area**

This attachment evaluates various issues related to the scenario in which the Transportation Agency for Monterey County and the Santa Cruz County Regional Transportation Commission took on as single-county agencies the federal transportation planning responsibilities currently performed by AMBAG.

### **Transit District and Highway Fund Benefits**

Transportation Agency staff has met with the General Manager/CEO of Monterey-Salinas Transit (MST) and made a presentation to the district's Board of Directors. The General Manager has indicated that it would find value in being designated the recipient of all Federal Transit Administration (FTA) funds, and currently has the necessary approvals to serve in this role. Currently AMBAG holds this designation for some FTA funds, which creates an additional layer of approval for receipt of these grants. In addition, AMBAG's designation is currently under suspension due to failure to comply with certain regulations. The issue of having two organizations instead of one required to approve federal funding is similar to that for highway funding and the TAMC-AMBAG relationship. TAMC staff agrees that it would be more efficient for a single agency to be designated the Federal Transit fund recipient (MST) and one agency designated the Federal Highway Administration fund recipient (TAMC) for our county. Similar benefits would accrue in Santa Cruz County. **Evaluation: cost savings and efficiencies.**

### **Opportunities for Regional Coordination**

Some individuals have expressed a concern that by taking the transportation responsibilities away from AMBAG that there will no longer be an opportunity for regional interactions regarding transportation or other matters. In fact, Santa Cruz and Monterey County agencies are already collaborating on the 511 traveler information system program and are collaborating in support of the Monterey Bay Electric Vehicle Alliance.

Another way to collaborate is through a multi-county regional forum. The Executive Director of the San Joaquin Council of Governments, Andrew Chesley, discussed at the TAMC Executive Committee how the eight San Joaquin Valley Regional Transportation Planning Agencies work together on issues of regional importance. They have a policy forum which represents elected officials from each county and an Executive Director's forum. Although their area has discussed the formation of a multi-county MPO (similar to AMBAG) to address regional issues, they have retained the independent agencies with this lower-cost policy forum despite shared air quality issues.

This type of a regional forum could be created among the three Monterey Bay Area counties with minimal additional cost. Follow up activities would be conducted by existing agencies. One idea would be for each of the three counties to host a meeting annually, for a total of three meetings a year. Another idea would be to expand to include the Central Coast Coalition region (adding in Santa Barbara and San Luis Obispo counties) and create a policy forum for the five counties that corresponds to the Caltrans District 5 region. **Evaluation: lower cost regional coordination; same individuals involved.**

### **Sustainable Communities Strategy Development**

Under a single-county MPO model, the single county agencies would be responsible for preparing and updating the Sustainable Communities Strategies, unless other arrangements were made. Since AMBAG is well underway in the development of a three-county sustainable communities strategy and has

substantial grants in place to do so, the single-counties are contemplating a scenario in which this document would be finalized by AMBAG and be adopted by the single county agencies as a shared strategy for the region. According to the Air Resources Board, which is overseeing the development of these plans, there are other regions in the state who are preparing multi-county documents to satisfy the requirements of SB 375. In future single-county updates, one option is to have a shared air quality emissions target for the three-county air basin and the agencies must coordinate their updated strategy in order to reach the target on a multi-county basis. **Evaluation: allows AMBAG to more easily transition; requires future multi-county coordination on updates.**

### **Multi-County Travel Forecast Model**

A budget has been developed by the Santa Cruz County Regional Transportation Commission for the shared administration of the regional travel forecast model among the Santa Cruz, Monterey, and San Benito regional transportation planning agencies and the Monterey Bay Unified Air Pollution Control District. This budget involves contributions by each agency and would raise the level of staffing devoted to this document above current levels to allow for improved ongoing maintenance of the model. The assumption is that prior to transition of the model to the joint administration that AMBAG would complete its model upgrades that are already funded and underway. Otherwise, the agencies would be required to make additional contributions to make the improvements recommended by the Federal Highway Administration's peer review panel. Caltrans Audits indicated that a clear agreement outlining cost contributions and responsibilities would be required. The Federal Highway Administration raised questions as to whether the multi-county travel forecast model could be funded out of federal monies given to single counties, but both TAMC and Santa Cruz RTC staff felt that other areas had multi-county models and that our current multi-county model best reflects travel patterns (and in fact includes Santa Clara County, which is outside the Monterey Bay –AMBAG region). **Evaluation: will result in better travel forecast model; requires ongoing interagency-coordination; requires upfront staff time to prepare the multi-agency agreement and work with the Federal Highway Administration to address the multi-county model issues.**

### **Air Quality Regulations**

The California Air Resources Board has indicated that if the United States Environmental Protection Agency changes its air quality status for ozone emissions back to the prior one-hour rule that the Monterey Bay Air Basin would fall out of conformity with federal standards due to emissions measured at the Pinnacles air station and possibly in Hollister. This change would place the region back into "non-conformity" status and require a certain amount of extra work that none of the four transportation planning agencies are currently conducting. This extra work would primarily be: 1) evaluation of the combined three-county Metropolitan Transportation Plan to determine if the projects in that plan will allow the region to meet the standards (required); and, 2) require adoption of a so-called State Implementation Plan for meeting those standards and adopting transportation control measures to further improve air quality. The analysis would need to be done on the entire air basin and therefore the three-county region. As is done in the San Joaquin Valley, if the agencies became single-county MPOs, they would need to coordinate air quality modeling throughout the air basin. This calculation would be facilitated by retaining the three-county travel forecast model. **Evaluation: falling back into "nonconformity" with federal standards will be an additional cost under a multi-county or single-county scenario without additional revenues; single-county operations will require greater coordination to meet requirements.**

## **Legal Issues and Federal Highway Administration**

The Federal Highway Administration (FHWA) is having their legal staff confirm the methodology for withdrawing from an existing MPO and forming a new single-county federally-designated agency. They may require, for instance, that the Governor (rather than Caltrans) make the determination. These are issues that need to be resolved by FHWA before a final course of action is decided. In addition, FHWA has indicated prior to updating the single-county Regional Transportation Plan, the agency would need to update its federal Public Participation Plan. This plan was recently adopted by AMBAG with significant involvement of all three transportation agencies. While preparation of a single county plan would be relatively straight-forward, there is an involved consultation and public outreach/review process that would make the adoption of such a plan somewhat time-consuming. It is important to synchronize the development of this public participation plan with the timely adoption of the Regional Transportation Plan and the federal transportation programming document by the end of 2013. **Evaluation: all agencies will need to work closely with the Federal Highway Administration to assure that their requirements are met and that logistically they can be met according to required timelines.**

## **Regional Housing Needs Assessment and Housing, Population, Employment Forecasts**

Staff received a briefing from Housing and Community Development staff on the Regional Housing Needs Assessment process. This process involves state calculation of the housing needs by region that are to be included in the individual city and county housing elements. At present, AMBAG divides up the forecast for the Monterey and Santa Cruz County regions into city and county housing targets. Under a single-county scenario, each of the regional transportation agencies would calculate the housing targets and would negotiate with the State Housing and Community Development department on its countywide numbers based on a number of demographic characteristics. These RHNA calculations fit into the development of the housing and employment forecasts that are developed every four years, as well as the Regional Transportation Plan, which the single-county transportation agencies already prepare for state purposes. There are two implications for this shift under a single-county system. First, there would be greater control at a county by county level over the projections and outreach would be to all TAMC member agencies. Second, there would be a significant need for resources every 8 years, when these RHNA calculations are required. The draft scenario budget presumes that \$30,000 in additional consultant resources would be spent on this periodic process, in addition to agency staff time. It is worth noting that this exercise is required, but does not come with additional funding. Normally, agencies fund this housing allocation process with federal transportation funds, given the link to the regional plan. **Evaluation: increased local control over housing allocations with an additional cost every four years.**

## **Audit Compliance**

Staff met with the Caltrans audit staff to assure that we understood the new requirements for auditing in a change of relationship. Other federally-funded agencies, including but not limited to AMBAG, have had difficulties in complying with the very rigorous Caltrans audit requests. We learned that auditing requirements are the same as we currently have, but they would apply to a larger set of activities under a single-county MPO arrangement, given the larger amount of federal funds. As a result, we have included in the single-county budget additional financial staff time and resources for audit compliance. The discussion reinforced our understanding of the complexities of receiving federal funds, but also provided clear direction on how to best comply with those requirements and coordinate with Caltrans. It was clarified that existing AMBAG audit issues would remain with that agency and not be transferred to the single-county agencies. **Evaluation: additional audit compliance activities will require increased education and time/cost for the single-county agencies, but realistically it will be a transfer of efforts from AMBAG to the single-county agencies.**

## **Transition Timing**

According to the regulations, local governing boards representing 75% of the population within the three-county region (cities and counties), including the largest city (Salinas) and the Governor or his designee must approve withdrawal from the existing MPO and redesignation of the new MPO.

Based on our discussions with Caltrans and the Federal Highway Administration, it would seem to make sense to transition to a single-county MPO status at the start of the next federal fiscal year, which is October 1, 2012. There would be many activities taking place leading up to such a transition, including voting by local governing boards and potentially the update of a public participation plan related to adoption of the Federal Transportation Improvement Program. It would appear that this timing would coordinate also with the planned adoption of Regional Transportation Plans in 2014 and the corresponding requirement for adoption of regional housing needs assessments prior to this adoption. Staff research on these timing issues is continuing. **Evaluation: coordination of timing of any transition will be important; a transition will take place over time rather than all at once.**

**KATE McKENNA, AICP**  
**Executive Officer**

**DATE:** August 22, 2011  
**TO:** Chair and Members of the Formation Commission  
**FROM:** Kate McKenna, AICP, Executive Officer  
**SUBJECT: MINOR AMENDMENT TO CLARIFY THE COMMISSION POLICY REGARDING  
REQUESTS TO PROVIDE SERVICES OUTSIDE OF A LOCAL AGENCY'S GEOGRAPHIC  
BOUNDARIES**

**SUMMARY OF RECOMMENDATIONS:**

It is recommended that the Commission:

1. Receive this report from the Executive Officer;
2. Open and close a period for public comments;
3. Discuss the recommended policy clarification (Exhibit A of Attachment 1), and
4. Adopt the recommended resolution (Attachment 1) finding that the proposed revision is not a "project" for purposes of the California Environmental Quality Act (CEQA), and adopting the recommended clarification to policies and procedures.

**EXECUTIVE OFFICER'S REPORT:**

**Background**

The Cortese-Knox-Hertzberg Local Government Reorganization Act grants LAFCO the authority to review and approve requests for a city or special district to provide services outside of its geographic boundaries. The sharing of services between local agencies is exempt from this regulation, if their enabling legislation grants them the powers to provide those services.

LAFCO of Monterey County has not in memory been requested to approve a service extension outside of a local agency's boundaries. However, we anticipate that a few such requests will be received in the near future.

### **Discussion**

In anticipation of receiving out-of-area service requests, the Executive Officer has consulted with General Counsel Leslie Girard on the definition of "services." Counsel Girard has opined that the definition of "services" **excludes** the management and administrative services provided by a local agency, where the local agency does not directly or indirectly own the facilities by or through which utilities or services are provided. In other words, if the local agency does not own the facilities, but merely operates them under contract for some other entity (such as a mutual water company), the action would not be regulated by LAFCO. If the local agency owns and operates the facilities, the action would be regulated by LAFCO.

If approved by the Commission, Attachment 1 will add this clarification to local policies for the review of out-of-area service requests. The clarification does not alter LAFCO's responsibility, or ability, to review and approve, or not approve, the provision of "public services" outside of the boundaries of a city or special district. The clarification is minor, has no negative implications, and is not subject to analysis under the California Environmental Quality Act.

### **ALTERNATIVE ACTIONS:**

In lieu of the recommended action, the Commission may consider these or other alternatives:

1. Modify the recommended amendment (Exhibit A of Attachment 1);
2. Take no action, or
3. Continue the meeting and provide other direction.

Respectfully Submitted,



Kate McKenna, AICP  
Executive Officer

### **Attachment:**

- Draft Resolution, and Exhibit A: Policies and Procedures Section D.XIV: Contract / Agreement Service Extension, with proposed tracked changes.

**ATTACHMENT 1**

**THE LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY**

**RESOLUTION NO. 11-xx**

**ADOPTING A CLARIFICATION OF POLICIES AND PROCEDURES REGARDING THE DEFINITION OF THE TERM "SERVICE" AS IT APPLIES TO REQUESTS FOR SERVICE EXTENSION**

WHEREAS, the State Legislature, through the Cortese – Knox – Hertzberg Local Government Reorganization Act, California Government Code section 56000 et seq., has declared that it is the policy of the State to "encourage orderly growth and development which are essential to the social, fiscal and economic well-being of the State;" and

WHEREAS, section 56300 of the Government Code requires that LAFCO establish written policies and procedures and exercise its powers consistent with these policies and procedures; and

WHEREAS, there is a need for clarification of the Policies and Procedures regarding the definition of the term "Service" as it applies to requests for service extension, and

WHEREAS, the Local Agency Formation Commission has considered the proposed clarification at a public meeting on August 22, 2011.

NOW, THEREFORE, BE IT RESOLVED that the Local Agency Formation Commission of Monterey County finds that the proposed revision (Exhibit A) is not subject to environmental analysis because it only lays out general considerations for a Commission decision and is therefore not a "project" for the purposes of the California Environmental Quality Act (CEQA).

BE IT FURTHER RESOLVED that the Local Agency Formation Commission of Monterey County adopts the attached revision to the Policies and Procedures Relating to Spheres of Influence and Changes of Organization and Reorganization (Exhibit A).

UPON MOTION of Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, the foregoing resolution is adopted this 22nd day of August 2011 by the following vote:

AYES:                   Commissioners:  
NOES:                   Commissioners:  
ABSENT:               Commissioners:  
ABSTAIN:             Commissioners:

\_\_\_\_\_, Chair  
Local Agency Formation Commission of Monterey County

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

Witness my hand this \_\_\_ day of August, 2011

By: \_\_\_\_\_  
Kate McKenna, AICP, Executive Officer

## Exhibit A

### POLICIES AND PROCEDURES RELATING TO SPHERES OF INFLUENCE AND CHANGES OF ORGANIZATION AND REORGANIZATION

#### PART D. STANDARDS FOR THE EVALUATION OF PROPOSALS FOR A CHANGE OF ORGANIZATION OR REORGANIZATION

[The recommended addition to this policy section is in bold and underlined.]

#### XIV. CONTRACT / AGREEMENT SERVICE EXTENSION<sup>1</sup>

1. Requests for Service Extension:
  - a. In evaluating requests for service extensions outside an agency's jurisdictional boundary, LAFCO shall consider the Sphere of Influence of the affected agency.
  - b. Applicants shall submit an application to LAFCO prior to consideration of the proposal. Within 30 days the Executive Officer shall determine if the application is complete, and transmit the need for additional information immediately. Within 90 days after the application is deemed complete, the request shall be placed before LAFCO for a determination.
  - c. LAFCO may authorize a city or district to provide new or extended service outside its jurisdictional boundaries but within its Sphere of Influence in anticipation of a later change of organization. In this instance, LAFCO will consider the factors enumerated in Section 56668 in reviewing the request.
  - d. LAFCO may authorize a city or district to provide new or extended services outside its jurisdictional boundaries and Sphere of Influence to respond to a documented existing or impending threat to the public health or safety of the residents of the affected territory if the LAFCO has notified any alternative service provider as outlined in Section 56133.
  - e. The Executive Officer may administratively approve requests for service extension outside an agency's jurisdictional boundary if the applicant has satisfactorily demonstrated the existence of a public health or safety issue exists as identified in writing from the local public health officer. The Executive Officer is required to inform LAFCO at the next available meeting of any administratively approved service agreements.
  - f. **For purposes of this section, the term "service," or "services," does not include management and administrative services provided by a local agency where the local agency does not directly or indirectly own the facilities by or through which**

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<sup>1</sup> Subsection XIV was added through Resolution 94-5, February 25, 1994.

**utilities or services are provided. LAFCO's authority over service extensions does not apply to the provision of these management and administrative services.**

2. LAFCO authority over contract/agreement service extension does not apply to: (1) contracts or agreements solely involving two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider; (2) contracts for the transfer of non-potable or non-treated water, and (3) contracts or agreements solely involving the provision of surplus water to agricultural lands and facilities, including, but not limited to, incidental residential structures, for projects that serve conservation purposes or directly support agricultural industries. However, prior to extending surplus water that will support or induce development, the agency must receive written approval from LAFCO. (Section 56133.)