

APPROVED

Action Minutes

San Mateo Local Agency Formation Commission

July 18, 2012

In the Board of Supervisors' Chambers, Hall of Justice and Records, Redwood City, California, Chair Craig called the regular July 18, 2012 meeting of the Local Agency Formation Commission to order at 2:30 p.m.

Members Present: Commissioners Iris Gallagher, Don Horsley, Naomi Patridge, Sepi Richardson, Joe Sheridan (Alternate District Member), Adrienne Tissier, and Chair Linda Craig

Members Absent: Commissioner David Altscher

Staff Present: Martha Poyatos, Executive Officer
Rebecca Archer, Deputy County Counsel
Brenda Bennett, Executive Secretary

Chair Craig acknowledged Alternate City Member Rich Garbarino and Alternate Public Member Jayne Herman present in the audience.

CONSENT AGENDA

- a. Approval of Action Minutes: May 16, 2012
- b. LAFCo File Number 12-04 -- Proposed Water Extension by City of Redwood City to 930 Far Creek Way, Unincorporated Redwood City pursuant to Government Code Section 56133
- c. LAFCo File Number 12-05 -- Proposed Annexation of 5 Carmel Way to the West Bay Sanitary District and Subsequent Annexation to the On-site Wastewater Disposal Zone (0.183 Acre)

Commission Action: M/S Richardson/Horsley to approve the consent calendar.

Motion carried 7-0.

PUBLIC COMMENT

There was none.

CONTINUED MATTERS**Consideration of Municipal Service Review and Sphere of Influence Update for the San Mateo County Mosquito & Vector Control District**

Executive Officer Poyatos reported on the continued hearing of the Municipal Service Review and Sphere of Influence for the San Mateo County Mosquito and Vector Control District (SMCMVCD). She stated that the record of the proceedings included the April 18 circulation draft municipal service review, a complete SMCMVCD agenda packet, the June 12 Municipal Service Review and Sphere of Influence Review with comments, the July 11 Addendum Report responding to comments, and correspondence received since July 11 (distributed to the Commissioners at the dais and available to the public on the table in the rear of the meeting room). She noted the most recent correspondence included a letter from the Town of Atherton stating their opposition to the sphere recommendation and requesting continuance citing a lack of time to review and comment. She said the July 18 memo lists correspondence from Ms. Cassman representing the District, letters from San Bruno and San Mateo opposing the sphere recommendation, and letters from several individuals including Trustees of the District opposing the sphere recommendation. She said the SMCMVCD Board of Trustees had adopted a resolution opposing the sphere amendment, the City of South San Francisco had written a letter indicating no position, and the City of San Carlos had written in support of the staff recommendation. Ms. Poyatos said that written statements of SMCMVCD individual trustee qualifications had also been presented to the Commission.

Ms. Poyatos stated that while the service review and sphere update were taken out of order in the cycle of service reviews in response to concerns about the alleged embezzlement and while the service review examines improved budgeting and internal control practices, LAFCo's role under the Cortese-Knox Hertzberg Act (CKH) is to examine the overlapping boundaries of agencies that can provide the same service. Ms. Poyatos said that in particular the recommendation addresses stated policies favoring multi-purpose government over single purpose government, elimination of overlapping service responsibilities and assignment of service to the agency that can best provide the service. She said since the 2003 sphere amendment of status quo when the District expanded its boundaries, mosquito and vector control programs are well established with a countywide funding stream. She said the recommended sphere designation of dissolution and transfer of service responsibility to the County would provide for continuation of current mosquito and vector control programs and be conditioned upon mosquito and vector control revenue streams being segregated in special funds for this purpose and result in service provision under a different governing body.

Ms. Poyatos addressed concerns raised by the SMCMVCD's legal counsel regarding the ability of LAFCo to designate a successor to continue service of a dissolved district, correct provisions of Revenue and Tax Code, application of Proposition 218 to continuing taxes of a dissolved district, and a mechanism to enforce post-dissolution segregation of revenues restricted for mosquito and vector control.

Regarding a successor agency, Ms. Poyatos stated that there are two types of dissolutions. She said Ms. Cassman's assertion that there is no authority for dissolution where a successor agency is designated to continue the services of the dissolved district, suggests that all cases of dissolution of a district result in termination of the service provided by that district. She said that assertion conflicts with Section 56886, which authorizes LAFCo to designate a successor to continue the service of a dissolved district. She said Section 58886 (M) authorizes LAFCo to designate a successor for continuation of service and Section 56886 [R] provides for the continuation or provision of any service provided at that time, or previously authorized to be provided by an official act of the local agency. She said there is also language in 57450 that states that the general provisions of this chapter shall not be construed as limiting in any manner the authority of the commission to impose one or more of the terms and conditions set forth in Section 56886. She said staff continues to recommend that the Commission has the authority to designate a successor to continue the service of a dissolved district and to continue to be recipient of the revenues of the dissolved district for that purpose, including property tax, special tax and benefit assessment.

Ms. Poyatos said in regard to property tax that Ms. Cassman cites a section of Revenue and Tax Code pertaining to the transfer of service responsibility to cities but the correct section of Revenue and Tax that applies to a proposal affecting a district is Revenue and Tax Code Section 99(b)(5). She said if LAFCo received an application for dissolution, before LAFCo could certify the application as complete, the Board of Supervisors would have to adopt a resolution of property tax exchange to transfer funds for the purpose of mosquito and vector control in a special fund that would be segregated for that purpose. Ms. Poyatos noted that the County of San Mateo has many "special funds" that are segregated for a specific purpose. She said that under Section 56886 (t), (u) and (v) the Commission has authority to set a condition prior to recordation of a certificate of completion for a dissolution that the County of San Mateo, by ordinance or resolution, establish a special fund for the sole purpose of mosquito and vector control.

In response to a question from Commissioner Tissier, Ms. Poyatos stated that while an application could be submitted by the District, a city, a special district, the County or voters or landowners, the most logical applicant would be the County because the application requires a plan for service and the County would be carrying out that plan.

Ms. Poyatos said regarding the application of Proposition 218 to the continuation of taxes following reorganization that Ms. Cassman's letter states the Attorney General opinion on that applies only to annexation. Ms. Poyatos said that the opinion cited was replete with reference to application of Proposition 218 and while the opinion was pertaining to an annexation application, it is not limited to annexation and other LAFCos have relied on this opinion. She noted also that the broader definition of change of organization does include dissolution.

Ms. Poyatos said related to a mechanism for segregation of revenues that a property tax

resolution must be complete before LAFCo can certify application and LAFCo conditions must be met before recordation and that might include establishment of a special fund for the purpose of segregating property tax, special tax, assessments and fees.

Ms. Poyatos said the Municipal Service Review and sphere determinations were supported by the record and consistent with provisions of the CHK Act that favor multi-purpose service delivery over single purpose, elimination of overlapping service delivery and assigning service to the agency that can best provide the service and demonstrate a rational connection with the purposes of the Act. She said Exhibit B, the municipal service review determinations, also address management efficiencies and financial practices that are pertinent to the District whether the sphere is amended or not.

Chair Craig reopened the public hearing that was continued from the LAFCo meeting of May 16, 2012.

Public Comment

Mr. Samuel Lerner stated that he is the president of the SMCMVCD Board of Trustees. He summarized the District's planned program of protecting residents from vector borne diseases and stated that a single purpose special district is best suited to respond to public health threats. He quoted from the Environmental Health Director's letter that the Department does not support dissolution of SMCMVCD. He said there is no rationale to disrupt the organization and that the future public health of the residents and sound judgment all dictate a continued status quo for the District.

Dr. Peter Hughes said he is the Director of Internal Audit, County of Orange and reports to the Orange County Board of Supervisors but that he is not here in that official capacity. He said he was contacted by the District as a fraud investigator to evaluate newly implemented controls at the District in response to fraud by individuals that had worked at the district. He said he accepted the request with the condition that he could conduct an independent investigation. He said the District has addressed control deficiencies identified in a comprehensive and thorough way and he suggested other ways to enhance controls, which the District had embraced. He said the District has identified problems and remedied them.

Chair Craig stated that the Commission had received information from Dr. Hughes in the packet.

In response to a question from Commissioner Horsley regarding credit cards, Dr. Hughes stated that his understanding was the District has reevaluated issuance of cards to make sure it is not prolific, and limited only to directors. He stated they are also establishing thresholds as to what a bank would honor.

Commissioner Tissier asked what reasonable assurances had been put in place going forward and what kind of independent audits would be appropriate.

Dr. Hughes recommended external auditors do regular continuous audits on a monthly basis of key accounts and transactions. He stated that the operations lend themselves to a monthly audit. He stated the Board would receive reports on compliance with controls.

Responding to a question from Commissioner Richardson related to organizational culture, Dr. Hughes said he was impressed with the staff and manager's sense of responsibility. He said that typically overseers when an organization suffers from acts such as fraud are relieved of their duties because the organization has not resurrected itself. He said in this case the District's recovery has been extraordinary.

Mr. Rick Wykoff, a Foster City trustee on the District's Board, stated that the study was fair and objective but he found no substantial downside to the district sphere remaining status quo and that the report did not support the staff recommendation. He said there was no compelling reason to change the sphere from status quo.

Chair Craig noted that the Commission had received resumes of the District's Trustees.

In response to questions from Commissioner Horsley, Trustee Wykoff stated that he is on the finance committee.

Mr. Ken Bayless, General Manager from the Greater Los Angeles Vector Control District and President of the State Mosquito and Vector Control Association, said his Board authorized him to come to address the Commission. He said his Board has representatives from 34 cities and the County and he has an intimate knowledge of how the state's largest mosquito board works. He said it is as effective as any city council or board because it does not have competing interests. He said LAFCo staff's recommendations are ill informed.

Mr. Robert Gay, General Manager of the SMCMVCD, said the District provides comprehensive and valuable services to the community and that its sole purpose is mosquito and vector control. He emphasized the danger of West Nile Virus (WNV) and noted that the District has reported a positive case of WNV in the Town of Woodside. He said the district was the victim of fraud and they were systematically improving their operations. He said they continue on solid financial footing and have been able to recover from this crime. He said they will provide an annual report and audits to the cities, LAFCo, and the Board of Supervisors. He said it is important to know that his Board asked the County to conduct an extensive investigation into his actions and inactions with the fraud. He said he had no knowledge of the crime and that when it was discovered he engaged in an aggressive forensic audit with the Sheriff's and District Attorney's investigation. He said his Board and the County evaluated his role carefully, and his Board determined that he should undergo a Performance Improvement Plan to improve his financial oversight and supervision of financial personnel. He said that all recommendations

had been implemented and he was working hard to meet every requirement and request of the Board. He said the District is a single focus agency that provides specialized public health service.

Commissioner Horsley said that the report cites General Fund expenditures grew by 33% and revenues grew by 1% and asked if this was a long or short term problem.

Mr. Gay said the District had to budget over \$200,000 the past year for the forensic audit but would not impact the budget this year.

Commissioner Horsley asked if the District's human resources and hiring practices had been addressed. Mr. Gay said the District now conducts complete background checks including drug testing for those who drive vehicles and credit checks on all financial staff. Commissioner Horsley asked about credit cards and review of those billings. Mr. Gay said the District has five credit cards and those are for the Directors and Assistant General Manager. He said four people at the District review the expenditures as well as the full Board of Trustees.

Commissioner Richardson asked Mr. Gay about his supervisory responsibilities and typical work day. Mr. Gay said he works closely with the finance director and oversees directors and activities including new internal controls, financial documents and invoices, and conducts management meetings with three directors to review activities in each department. He said his duties and daily activities all changed with the fraud. In response to a question from Commissioner Richardson regarding why the District created an assistant general manager position rather than purchasing clerk, Mr. Gay said it was common around the state to have an operations manager reclassified to an assistant general manager to provide backup for the general manager.

In response to a question from Commissioner Tissier, Mr. Gay stated that an outside auditor will review the internal control manual. He said the District has a new budget format which evolved from working with LAFCo on other budget formats. He said the budget is reviewed by the finance committee and then full board. He noted that all expenditures are reviewed by the full board. Mr. Gay added that purchases are always generated by a request and the District has a new work order and purchase order program.

Mr. Robert Riechel, San Bruno Trustee, said he was speaking as an individual. He said the City of San Bruno sent a letter to support the District. He said he has been a trustee for the District for eight years. He said prior to San Bruno annexing to the District in 2003 that the County had the responsibility for mosquito control, but it did not happen. He said if the District was dissolved that the excellent service residents now receive would go away as this service at the County level would become a low priority. He urged the Commission to continue the District's status quo Sphere of Influence.

Ms. Tina Sebay, District Vector Ecologist, said despite the unfortunate fraud that District field

staff receives praise for maintaining a high level of service delivery. She said the District was not encumbered with bureaucracy that hinders response times and efficiency. She said if the district is dissolved that the service level will be compromised. She asked the Commission to consider her perspective that public health needs will best be served by maintaining the District as an independent agency.

Mr. Dennis Preger, Burlingame resident and former member of the SMCMVCD Board of Trustees, said a consultant had recommended an ongoing audit of the District. He said when he was on the Board that for 13 of the 15 years he served he had been on the Finance Committee and that had been the Committee's job. He said that the District's Board of 21 individuals are asked to make financial decisions but are not given financial information. He suggested that the General Manager and current Finance Committee be asked to resign.

Mr. Leonard Woren, El Granada, said he supported staff's recommendation. He said he supported the 2000 Little Hoover Commission recommendation that found single-purpose districts to be bad forms of government. He said if the functions were transferred to the County the staff would also transfer. He said it was a governance issue.

Mr. Rich Landi, Palomar Park, said he did not support staff's recommendation, and requested the Commission continue the status quo sphere of influence for the District.

Chair Craig closed the public hearing at 3:53 p.m.

Chair Craig noted that staff is recommending Attachment "B" for Municipal Service Review determinations and Attachment "C" for the sphere of influence determination.

Executive Officer Poyatos said she had an additional determination, Item 5.d, for Attachment "B." She said many of the recommendations for the Municipal Service Review could be made related to the operations of the District regardless of the status of the Sphere of Influence. She said the additional determination was: It is recommended that trustees affirmatively communicate to their appointing bodies the fiscal status and operations of the District on a regular basis.

Commissioner Tissier acknowledged staff's thorough work but does not agree with dissolution as the District's operations are considered by the community and Health Department to be done well. She said she is concerned about their fiscal processes and would like to see ongoing monthly audits if the sphere of influence is maintained. She said she was not in favor of the structure of the board as it exists today. She said that would have to be changed by statute. She noted that we should find out if the cities represented are satisfied with the structure of the District Board. She said that she would not be in favor of district dissolution unless the District failed to report out on its fiscal health and accountability or did not maintain checks and balances. She said at this time she is in favor of maintaining the District's existing sphere of influence but requiring regular fiscal report from the District.

Commissioner Richardson said she disagreed with the creation of a new manager position at the District and suggested they needed a good purchasing technician to review purchase orders and work order contracts. She said the District should be on probation and the Commission should continue the service review for another four to six months. She said the culture at the District needed to change. She said she was conflicted between recommending dissolution and putting the District on probation.

Commissioner Horsley said there were governance issues at the District specifically with their human resources processes and procedures. He suggested the District consider contracting with a city or the County for human resources functions. He said the District's financial transactions should be more transparent to the public, and suggested credit cards should be replaced with vendor agreements. He asked if LAFCo could condition a requirement that the District contract with another agency for human resources needs and accounting.

Ms. Poyatos stated that Counsel and she were conferring about that question. She said the Municipal Service Review determinations allow the Commission to make recommendations but Counsel was not finding that the Commission had the ability to condition a Sphere of Influence determination to include all the actions with which the District would need to comply.

Commissioner Horsley said the Commission could recommend actions and then have the District report back in six months to a year.

Executive Officer Poyatos said she would defer to the Commission as to the time frame but would not recommend as soon as four months. She said they could add language for regular reporting from the District to the Commission.

Following further discussion and after conferring with Counsel, Ms. Poyatos said that there were two actions by the Commission. She said the first is the Municipal Service Review determinations which are either affirmative statements about the District's strengths or recommendations about weaknesses that could be improved. She said the Commission might vote to adopt Sphere of Influence determinations as recommended or to reaffirm the sphere. For the latter, staff would need to amend those determinations to allow for reaffirmation of the Sphere of Influence. She asked for clarity as to whether the Commission wanted to strengthen the Municipal Service Review and add some recommended requests on reporting and monitoring regarding progress the Commission would like to see and continue the Sphere of Influence determination or if the Commission wanted to amend determinations that would support and act on the Sphere of Influence review now.

Commissioner Tissier said the Commission might make additional recommendations to include and continue the review for six to eight months to determine whether the Sphere of Influence should be kept status quo or dissolved.

Commissioner Richardson said that the Commission should conduct an audit of the District's operations.

Commissioner Gallagher said the Commission has considered this item since March. She said in March the Commission made a number of recommendations to the District, and the District's response was considered by the Commission in May. She said that the District has done everything the Commission has asked them to do and she did not support the Executive Officer's recommendation for dissolution. She said she would like to conclude the item at this meeting.

Commissioner Patridge said her concern was for the health and safety of the residents and the County's budget challenges. She said regarding governance, that a 21 person board could work with the General Manager providing them the information they and the committees need. She said she was inclined to keep the status quo but agreed that the organizational culture had to change.

Commissioner Sheridan said he agreed with Commissioner Gallagher. He said he attended the District's July 11 meeting which was run well with 15 members present. He said it was important that the trustees are accountable to the appointing bodies and I like the idea that the trustees report regularly to their councils and the county. He said before the Commission changed the Sphere of Influence that there should be an analysis of the cost of the County providing those services. He said the Sphere should remain status quo. He said the District has already implemented changes recommended by the Commission.

Commissioner Richardson said she was very concerned if the organizational culture did not change and there was not an operations audit of the District.

Chair Craig said there was agreement that the District does an excellent job at mosquito and vector control in San Mateo County and has sufficient funding to implement programs. She said she tended to favor the Municipal Service Review determinations and the recommendation to transfer service to the County and all of the funding. She said the point of transferring this to County is that the operations would continue with the funding the district already has. She said she was concerned with the obsolete governing structure of the District Board that had been created in 1915 before many cities had incorporated. She said it was unclear whether the Board or General Manager made the decisions. She said she believed in the council manager form of government where the board makes policy and the manager implements that policy. She said that she did not have the same confidence in District management as others. She said it took the District two years to determine that an employee's legal services were being paid for by credit card and even after outside auditors had raised red flags. She said in other organizations with a loss of \$650,000 plus reconstruction costs, general management would no longer be there. She said that her conclusion is that the District's functions could be continued in an excellent manner as it is right now with associated funding

under the governance of the County. She said she was inclined to support the Municipal Service Review with the additional reporting requested and oppose a status quo Sphere of Influence.

Ms. Poyatos suggested a general determination under accountability. She said from the first District Board meeting she attended that the Board has been very receptive about best practices in fiscal accountability for elected officials. She said the new Finance Director has completely raised the bar on the types of reports the District receives. She said from attending city finance directors meetings that there are benefits in encouraging the District to become part of this community of local government in terms of what are best practices in accounting. She said they could include a determination that would encourage the district to participate in finance director meetings and report back to the Commission similar to what they do for their appointing bodies. She said however under the areas of determination that getting too specific about the operations of district is going beyond what the Municipal Service Review is intended to do.

Commissioner Tissier said there were three things she had noted she would like to see. She said recommendation 8 referred to a new internal control manual be prepared by a firm that specializes in that work. She said she would like to see this happen. She would like to have the independent and continuous audit as well as the monthly information of compliance with controls and records forwarded to cities and county. She said if those things could be added then she would be willing to go with status quo for the Sphere of Influence noting that District management and board members were present and had heard the Commission's concerns. She moved to keep the status quo Sphere of Influence and support the Municipal Service Review determinations.

Chair Craig asked if there needed to be separate actions on the Municipal Service Review and the Sphere of Influence.

Executive Officer Poyatos said if it was acceptable to the Commission through the meeting minutes to add a determination as outlined by Commissioner Tissier which would add a "d" and "e" to the Municipal Service Review determinations under 5. She said for the Sphere of Influence determinations that if the Commission was going to vote to reaffirm the Sphere of Influence as status quo then she had suggested language for Attachment "C" under the last sentence to add: "Nonetheless, at this time the Board of Trustees' response to the alleged embezzlement, the Municipal Service Review, and the Sphere of Influence has heightened their sense of fiscal stewardship and responsibility to the appointing bodies and the taxpayers." She said she thought that would support reaffirming the Sphere of Influence.

Commission Action: M/S Tissier/Richardson to accept the report on the Municipal Service Review and the determinations as amended.

Motion carried 7-0.

Chair Craig confirmed that this action included the report back from the District to the Commission.

Commission Action: M/S Gallagher/Sheridan to reaffirm the status quo for the Sphere of Influence including the additional language suggested by the Executive Officer.

Motion carried 6-1 with Commissioner Craig dissenting.

NEW MATTERS

LAFCo File No. 12-03--Proposed Annexation of Carey, Callan, Bishop et al. (Assessor Parcel Numbers 006-188-030, 006-341-010, -020, -030, -050, -060, -070, 006-343-020, -030, -040, -060, -110, -120, -130, -140, 170, 180, 190, 006-345-090, 100, 120, 130), on Annie and Edgeworth to the City of Daly City and Detachment from Broadmoor Police Protection District, Colma Fire Protection District and Colma Highway Lighting District (4.9 acres)

Executive Officer Poyatos said that this application was submitted by landowner petition and included 17 of 38 total landowners and is a “non-100 consent” annexation. She said in response to a petition circulated by the Broadmoor Police Protection District opposing annexation to the City of Daly City that includes the signatures of some landowners who originally signed the annexation position, the primary applicants have since requested that LAFCo amend the boundaries of the reorganization to exclude properties listed on the petition opposing reorganization to allow those property owners to apply for annexation at some time in the future at their expense. She said there were seven parcels requested for annexation. She said the proposed reduced annexation boundaries allows for implementation of the Sullivan Corridor Specific Plan, eliminates a non-contiguous strip of County maintained street and does not create any new islands, but reduces the size of the unincorporated island. She explained the authority to allow for waiver from the prohibition of an annexation creating an island. She said she recommended that the Commission approve the modified reorganization of seven parcels, and make the finding that waiver of prohibition of the creation of an island was appropriate as it allowed areas in need of City services if it is to be developed to develop and allows areas not ready for annexation to remain unincorporated. She said also the Commission had received the Sullivan Corridor Specific Plan Initial Study and Negative Declaration and as Responsible Agency the Commission should make a finding that they have considered the environmental document in review of the reorganization proposal.

Commissioner Sheridan asked how the petitioners were notified of the change to the recommendation. Executive Officer Poyatos said the addendum was mailed. Commissioner Sheridan asked if the applicant had ever contacted the County to develop.

Executive Officer Poyatos said the applicants, based on the Broadmoor opposition petition, reduced the scope of their project to remove those opposed to annexation. She said LAFCo is expressly prohibited from setting conditions affecting land use and one of LAFCo’s main

purposes is to encourage annexation of areas in city spheres of influence. She said the applicant could speak to how the project complies with the Sullivan Corridor Specific Plan.

Commissioner Tissier said the applicant was trying to compromise and create a win-win so that those who wanted to be in Daly City could be. She said the two districts were keeping more of their tax base.

Public Comment:

Mr. Terry Sedik, Cornerstone Consulting, said he and his partners were representing the petitioners for annexation. He said with the opposition they did not want to force anyone so those who supported annexation were included and those opposed or neutral were not included.

Mr. Rich Landi, Palomar Park, said he did not support annexation as that would create another island. He said the County should give variances and not disrupt the operations of special districts. He said otherwise there would be piecemeal annexations. He said the County already has to travel to Broadmoor and Colma area.

Chair Craig closed the public hearing.

Ms. Poyatos said she would like to suggest the addition of the waiver of the prohibition of annexation creating an island to the recommendation of approval.

Commissioner Gallagher asked if the developer has a specific plan for the area and if high density would impact property owners in the Broadmoor Village. Mr. Sedik said that the zoning was for single-family residences and property owner's intention was to subdivide for single-family residences.

Commission Action: M/S Richardson/Tissier to certify the Commission has reviewed and considered the Sullivan Corridor Specific Plan Initial Study and Negative Declaration, prepared by the City of Daly City as lead agency and approve LAFCo File No. 12-03-Proposed Annexation of Carey, Callan, Bishop et al. amended to include Assess Parcel Numbers 006-188-030, 006-341-010, -020, -030, -070, 006-343-110 and 120 on Annie and roadway fronting parcels to the City of Daly City and detachment from Broadmoor Police Protection District, Colma Fire Protection District, and Colma Highway Lighting District, and waiving per 56375(M) the prohibition of an annexation creating an island.

Motion carried 6-1 with Commissioner Sheridan opposed.

California Association of LAFCos (CALAFCo)

- a . Annual Conference: Wednesday, October 3 to Friday, October 5, 2012, Hyatt Regency, Monterey, California

Executive Officer Poyatos said the budget would allow four Commissioners to attend.

- b . Call for Nominations for CALAFCo Board of Directors

There were none.

- c . Designation of Voting Delegate at Annual Conference Business Meeting

The consensus was to continue the designation of the Chair or Vice Chair as the voting delegate and if neither can attend the most tenured Commissioner attending, and to direct the Executive Officer to convey that designation in writing to CALAFCo.

Legislative Report

Chair Craig said the committee would make a report at the next meeting.

Commissioner/Staff Reports

None.

Adjournment

The meeting adjourned at 5:15 p.m.