

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF DECEMBER 2, 2015

REGULAR MEETING

TO: Ken Humphreys, Chair, and
Members of the El Dorado County Local Agency Formation
Commission

FROM: José C. Henríquez, Executive Officer

AGENDA ITEM #8D: OTHER BUSINESS - EXECUTIVE OFFICER REPORT

RECOMMENDATION

None. This is informational to the Commissioners.

BACKGROUND

The following is a summary of the events at the LAFCO office

FY2014-15 Audit Has Started

Richardson & Company is the audit firm contracted by LAFCO to perform the annual audits for at least the next three years, beginning with Fiscal Year 2014-15. For the past several months, they have requested various financial information and data from LAFCO as they prepare to ramp up and conduct the audit for last fiscal year. They conducted the on-site visit on November 10. They hope to finish the audit by the January meeting.

LAFCO Reserve Fully Funded

Less than two years ago, the Commission adopted Policies and Guidelines Section 2.10, "Fund Balances," which builds an Emergency Expense fund to be used in the event of catastrophic expenses or an unexpected drop in revenues. Set at 5% of the budget by policy, the fund is now fully funded thanks to higher than expected carryover revenues from FYs 2013-14 and 2014-15. The deposit to CalTRUST was made on October 20, 2015. The funds were deposited as follows: \$10,000 was deposited into the CalTRUST Short-Term Fund and \$13,711 are deposited into the CalTRUST Medium-Term Fund. The strategy is to have funds that can be accessed quickly (Short-Term Fund) and have funds that can garner higher interest (Medium-Term Fund). Written confirmation was received on October 29 that the funds were allocated accordingly.

LAFCO Unfunded Liability Paid Off

Earlier this year the Commission approved Policies & Guidelines Section 2.7.5, which authorizes the payment of any CalPERS unfunded pension liability should carryover revenues exceed budget projections and should the LAFCO reserve be fully funded. Because the carryover funds from FY2014-15 were large enough to finish funding the LAFCO reserve, payment of the unfunded liability was possible. On October 8, 2015, a wire transfer was made to CalPERS in the amount of \$36,536, which was the size of the pension liability as CalPERS calculated it on October 7. I received an email confirmation that the funds were credited to LAFCO's account on October 29 and written confirmation via letter on November 4.

Grassy Run CSD Dissolution Reimbursement Received

On October 14, 2015, LAFCO received the reimbursement for the underbilling of the Grassy Run CSD dissolution. If the Commission recalls, LAFCO staff made a clerical error when we billed Grassy Run CSD for their petition to dissolve. The final bill counted the initial deposit twice, resulting in the final bill being \$5,000 less than the actual costs. The error was not caught until after the dissolution proceedings were complete. In 2012, I submitted a request to the County of El Dorado, as the successor agency, to reimburse LAFCO for this underbilling out of GRCS's remaining assets. Despite having the support of the supervisors and the CAO at the time, the reimbursement was held for no discernible legal reasons. Thanks to the current Board of Supervisors and the CAO, the reimbursement was approved in October and a check sent. The Grassy Run CSD Dissolution is now officially closed and removed from the project log which is included in this packet.

FY2015-16 MSR Project Plan Update

As noted in the Consent Calendar and the project log, staff continues to work on the MSRs for the current fiscal year. Your Policy Analyst will begin her second MSR as Connie Lane CSD winds down. At the request of Golden West CSD, I have taken the MSR as far as I can take it for the moment and have started work on Cosumnes River CSD, with the intention of working on Tahoe Paradise RID's shortly thereafter.

Cities MSR

Jerome Keene, project manager for Quad Knopf, prepared the attached status report on the Cities MSR.

Meetings

A meeting that did not make it on the last EO Report was my meeting with Ed White, general manager for Golden West CSD to discuss his district's MSR. Since the last Commission meeting, I participated in a public workshop on the Rescue FPD-El Dorado Hills CWD merger, along with Commissioners Humphreys and Veerkamp. I also met with:

- County CAO Larry Combs to discuss the property tax exchange that was done for the Latrobe FPD-El Dorado Hills CWD Reorganization;
- Ken Payne, interim general manager to discuss better coordination between the El Dorado County Water Agency and LAFCO;

- Wendell Wall, general manager for Georgetown Divide Public Utility District, to discuss the impacts of SB88 and a potential forced consolation between GDPUD and the Quintette Mutual Water Agency.

A Call to Participate in the CALAFCO Conference Planning Committee

CALAFCO has put in a call to help with the program planning of the 2016 CALAFCO Conference, specifically the call is for commissioners. They have found that Commissioners often have great ideas for sessions. From past experience, the workload calls for an average of one call per month, each lasting about one hour (or less as the date draws near). I am already on the committee, and will propose a session based on an idea from Commissioner Veerkamp last year about revisiting the AB-8 formula. Please let me know if any Commissioner is interested in participating or have other session ideas.

Attachment A: Quad Knopf Cities MSR Status Report