

# Modoc Local Agency Formation Commission

## REGULAR MEETING AGENDA

Website: [www.modoclafco.org](http://www.modoclafco.org)

**TUESDAY  
APRIL 11, 2023**

City Council Chambers  
Alturas City Hall  
200 North Street, Alturas, CA 96101  
**4: 00 PM**

*(All meeting materials are available on LAFCo's Website: [www.modoclafco.org](http://www.modoclafco.org))*

**Topic: Modoc LAFCo**

**Time: Apr 11, 2023 04:00 PM Pacific Time (US and Canada)**

**Join Zoom Meeting**

**<https://us02web.zoom.us/j/86064005005?pwd=cWJoaTFTVGU0L3ZZNUdCTnFtZU8yUT09>**

**Meeting ID: 860 6400 5005**

**Passcode: 011047**

**One tap mobile**

**+16699006833,,86064005005#,,,,\*011047# US (San Jose)**

**+16694449171,,86064005005#,,,,\*011047# US**

### **1. Call to order / Pledge of Allegiance**

#### Commissioners

Cheryl Nelson, Vice-Chair, City Member  
Ned Coe, County Member  
Marie Neer, Vice Chair Public Member  
Paul Minchella, City Member  
Kathie Rhoads, Chair, County Member

#### LAFCO Staff

John Benoit, Executive Officer  
Scott Browne, LAFCO Counsel  
Macey Binning, Clerk

#### Alternate Members

\_\_\_\_\_, Public Member Alt.  
Shane Starr, County Member Alt.  
Kelly Crosby, City Member Alt

**2. Approval of the Agenda (Additions and Deletions)**

**3. Correspondence:**

**4. Consider Minutes for the February 14, 2023 LAFCo meeting**

- a. *Approve LAFCo minutes for the February 14, 2023 meeting*

**5. Public Comment**

This is the time set aside for citizens to address the Commission on any item of interest to the public that is within the subject matter jurisdiction of the Commission. For items that are on the agenda, public comment will be heard when the item is discussed. If your comments concern an item that is noted as a public hearing, please address the Commission after the public hearing is opened for public testimony. The Chair reserves the right to limit each speaker to three (3) minutes. Please understand that by law, the Commission cannot make decisions on matters not on the agenda.

**6. Consent Agenda**

- a. *Authorize payment of claims for February 2023 and March 2023*

**7. PUBLIC HEARING - LAFCo 2023-2024 Proposed Annual Budget**

- a. *Consider Resolution 2023-0001 adopting a proposed budget for fiscal year 2023-2024*

**8. Support for AB 1753 Calafco Omnibus Bill**

- a. *Authorize Chair to sign a letter of support for the Calafco Omnibus bill to the Assembly Local Government Committee Chair.*

**9. Upcoming projects:**

- a) *Canby CSD Engineering Report*
- b) *Canby CSD and Canby Fire Merger*
- c) *Countywide Pest Abatement District with benefit zones*
- d) *Alturas City MSR and SOI*

**10. Executive Officer's Report**

**11. Commissioner Reports - Discussion**

*This item is placed on the agenda for Commissioners to discuss items and issues of concern to their constituency, LAFCO, and legislative matters.*

**12. Adjourn to the next regular meeting on June 13, 2023**

*Any member appointed on behalf of local government shall represent the interests of the public as a whole and not solely the interest of the appointing authority  
Government Code Section 56325.1*

*The Commission may take action upon any item listed on the agenda. Unless otherwise noted, items may be taken up at any time during the meeting.*

Public Comment

Members of the public may address the Commission on items not appearing on the agenda, as well as any item that does appear on the agenda, subject to the following restrictions:

- Items not appearing on the agenda must be of interest to the public and within the Commission's subject matter jurisdiction.
- No action shall be taken on items not appearing on the agenda unless otherwise authorized by Government Code Section 54954.2 (known as the Brown Act, or California Open Meeting Law).

Public Hearings

Members of the public may address the Commission on any item appearing on the agenda as a Public Hearing. The Commission may limit any person's input to a specified time. Written statements may be submitted in lieu of or to supplement oral statements made during a public hearing.

Agenda Materials

*Materials related to an item on this agenda submitted to the Commission after distribution of the agenda are available for review for public inspection in the Modoc County Planning Department office located at 203 W. 4<sup>th</sup> Street, Alturas CA. [such documents are also available on the Modoc LAFCO website ([www.modoc.lafco.ca.gov](http://www.modoc.lafco.ca.gov)) to the extent practicable and subject to staff's ability to post the documents prior to the meeting]*

Accessibility

An interpreter for the hearing-impaired may be made available upon request to the Executive Officer 72 hours before a meeting.

The location of this meeting is wheelchair-accessible.

Disclosure & Disqualification Requirements

Any person or group of persons acting in concert who directly or indirectly contribute \$1,000 or more in support of or in opposition to a change of organization or reorganization that has been submitted to Modoc LAFCO must comply with the disclosure requirements of the Political Reform Act of 1974 applicable to local initiative measures to be submitted to the electorate. These requirements contain provisions for making disclosures of contributions and expenditures at specified intervals; they may be reviewed at Government Code §§56700.1 and 81000 *et seq.* Additional information about the requirements pertaining to local initiative measures to be presented to the electorate can be obtained by calling the Fair Political Practices Commission at (916) 322-5660. A LAFCO Commissioner must disqualify herself or himself from voting on an application involving an "entitlement for use" (such as an annexation or sphere amendment) if, within the last twelve months, the Commissioner has received \$250 or more in campaign contributions from the applicant, any financially interested person who actively supports or opposes the application, or an agency (such as an attorney, engineer, or planning consultant) representing the applicant or an interested party. The law (Government Code Section 84308) also requires any applicant or other participant in a LAFCO proceeding to disclose the contribution amount and name of the recipient Commissioner on the official record of the proceeding. Contact LAFCO Staff LAFCO staff may be contacted at (530) 619.5128 or by email at [j\\_benoit4@icloud.com](mailto:j_benoit4@icloud.com) Copies of reports to the extent feasible are located on the LAFCO webpage at: [www.modoclafco.org](http://www.modoclafco.org)



# California

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### SB-692 South Fork Irrigation District. (2023-2024)

SHARE THIS:



Date Published: 02/16/2023 09:00 PM

CALIFORNIA LEGISLATURE— 2023–2024 REGULAR SESSION

**SENATE BILL****NO. 692****Introduced by Senator Dahle****February 16, 2023**

An act to add Section 21100.8 to the Water Code, relating to irrigation districts.

### LEGISLATIVE COUNSEL'S DIGEST

SB 692, as introduced, Dahle. South Fork Irrigation District.

The Irrigation District Law provides for the formation of irrigation districts with prescribed powers. The district law generally requires a director on the board of an irrigation district to be a voter, landowner, and resident in the division of the district that the director represents.

This bill would authorize the board of directors of the South Fork Irrigation District to adopt a resolution that authorizes a person to be a director if the person is a landowner or a legal representative of a landowner within the division of the district, resides within the district or within 5 miles of any district boundary, and is a registered voter in California. The bill would authorize the registered voters in the district to request and require that a director of the district be a voter, landowner, and resident in the division of the district that the director represents, as prescribed.

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

**SECTION 1.** Section 21100.8 is added to the Water Code, to read:

**21100.8.** (a) This section only applies to the South Fork Irrigation District. For the purpose of this section, the

following terms have the following meanings:

(1) "Corporation" means any legal entity, public or private, properly organized under the laws of the state in which it was created, that is allowed to own real property in California.

(2) "District" means the South Fork Irrigation District.

(3) "Legal representative" means the person authorized to act for purposes of this section for or on behalf of a corporation, estate, or trust holding title to land within the district.

(4) "Residency area" means land within the district or land within five miles of any district boundary.

(b) Notwithstanding subdivision (a) of Section 21100, the board of directors of the district may adopt a resolution that authorizes a person to be a director if the person, at the time of the person's nomination or appointment and through the person's entire term, meets all of the following requirements:

(1) Is a registered voter in California.

(2) Resides within the residency area.

(3) Is an owner of real property within the division the person represents or the owner's legal representative.

(c) Notwithstanding the adoption of a resolution pursuant to subdivision (b), the registered voters in the district may request, in writing, that all of the directors who are appointed or elected subsequent to the receipt of the request be required to meet all of the requirements of Section 21100. The request shall be submitted to the board of directors.

(d) If the board of directors determines that at least 25 percent of the registered voters in the district have signed the request submitted pursuant to subdivision (c), all of the directors who are appointed or elected subsequent to the receipt of the request shall meet all of the requirements of Section 21100.

(e) Before a legal representative may declare the legal representative's candidacy or be appointed to serve as a director under this section, the person shall present to the district a copy of that person's authority that shall be kept and filed with the returns of the election or the certificate of appointment.

**Local Agency Formation Commission of Modoc County**  
**Meeting Minutes**  
**February 14, 2023**

**1. Call to order / Pledge of Allegiance**

Chair Kathie Rhoads called the meeting to order at 4:00 p.m. at the City Council Chambers located at 200 W. North Street in Alturas, CA and via Zoom. Commissioner Starr, Commissioner Neer, Commissioner Minchella, Commissioner Crosby, and Chair Rhoads were present. Commissioner Nelson arrived at 4:10 p.m. Commissioner Coe was absent. Public attending 0.

Staff Present: John Benoit, Executive Officer, Jennifer Stephenson, Deputy Executive Officer, and Macey Binning, Clerk.

**2. Approval of the Agenda (Additions and Deletions)**

Commissioner Minchella made the motion to approve the agenda as presented; seconded by Commissioner Starr. In favor were Commissioners Neer, Starr, Minchella, Crosby and Chair Rhoads.  
Motion passed unanimous.

**3. Correspondence – None**

**4. Consider Minutes for the December 13, 2022 LAFCO meeting**

Commissioner Crosby made the motion to approve the December 13, 2022 LAFCo minutes; seconded by Commissioner Neer. In favor were Commissioners Neer, Starr, Minchella, Crosby and Chair Rhoads.  
Motion passed unanimous.

**5. Public Comment – None**

**6. Consent Agenda**

Commissioner Crosby made the motion to adopt the consent agenda as follows: a.) Authorize payment of claims for December 2022 and January 2023; seconded by Commissioner Neer. In favor were Commissioners Neer, Starr, Minchella, Crosby and Chair Rhoads.  
Motion passed unanimous.

**7. Discussion regarding AB2449**

Executive Officer Benoit provided the Commissioners with information regarding Assembly Bill 2449. This Assembly Bill will affect teleconferencing procedures. The old provisions in the Brown Act can still be utilized, which can eliminate confusion. Mr. Benoit wanted to make Commissioners aware of some of the new requirements. If the Commissioners are participating remotely and the connection is lost, then the meeting cannot continue. Another requirement is you must have a quorum physically. The Commissioners may only participate twice a year remotely. Mr. Benoit warns the Commissioners participating remotely is coming to an end.

Deputy Executive Officer Jennifer Stephenson added that they now require full audio and visual if a Commissioner attended remotely. Once the Commissioner is approved

to attend remotely the remote Commissioner must announce if anyone is present in the room that is 18 years or older.

Commissioner Nelson arrived at 4:10 p.m. and replaced Commissioner Crosby.

**8. LAFCo's FY2023-2024 work plan**

Executive Officer Benoit recommends the FY2023-2024 work plan for Municipal Service Reviews and Sphere of Influence to consist of the City of Alturas, the Surprise Valley Health District, Cemetery Districts and Calpines Community Service District. Mr. Benoit urges the Commissioners if they know of any service districts that need to be reviewed to contact Mr. Benoit. Mr. Benoit plans on finalizing the FY2023-2024 work plan during the June 2023 LAFCo meeting.

Commissioner Minchella asks the status of the Likely Water District that was presented a few months ago. At this time the status is unknown and Chair Rhoads will inquire on the status.

**9. Upcoming projects:**

a. Canby CSD Engineering Report

Mr. Benoit reports a Request for Proposal (RFP) is being advertised to receive an engineering report to complete the Canby water system structure through the REAP Grant.

b. Canby CSD and Canby Fire Merger

Mr. Benoit reports he received a resolution requesting the district merge. However, Mr. Benoit needs to gather more information and direction on the structure of the merge before presenting to LAFCo.

c. Countywide Pest Abatement District with benefit zones

Mr. Benoit informs the Commissioners this will be a Countywide Service Area. Mr. Benoit has drafted the resolution and will submit to Modoc County Board of Supervisor for approval. This will initiate the Countywide Pest Abatement District.

d. Alturas City MSR and SOI

Mr. Benoit reports a Request for Proposal (RFP) will be advertised for a consultant to complete the City of Alturas Municipal Service Review and Sphere of Influence. Mr. Benoit will submit a Request for Proposal (RFP) to conduct this review.

**10. Executive Officer's Report**

Executive Officer Benoit encourages the Commissioners to complete their Form 700 Statement of Economic Interests before April 3, 2023. Mr. Benoit reports he is hosting a workshop at the annual CALAFCo staff workshop. This will be located in Murphys, California April 26-28<sup>th</sup>. Mr. Benoit informs the Commissioners at the next Modoc LAFCo meeting, April 11, 2023, they will have a public hearing regarding the proposed FY2023-2024 budget.

**11. Commissioners Reports – Discussion – None**

**12. Adjourn to the next regular meeting on April 11, 2023**

There being no further business to come before the Commission. Motion made by Commissioner Minchella to adjourn at 4:33 p.m.; seconded by Commissioner Nelson. In favor were Commissioners Neer, Starr, Minchella, Nelson and Chair Rhoads. Motion passed unanimous.

Respectfully,

Macey Binning  
LAFCO Clerk



# Modoc Local Agency Formation Commission

Item 6

## CLAIMS

for

February 2023 – March 2023

### Authorize Claims for FY 2022-2023

March 1, 2023	Staff Svcs and Expenses February 2023	\$ 2,238.30
Feb 14, 2023	Meeting stipend Feb 14, 2023	\$ 600.00
April 1, 2023	Staff Svcs and Expenses March 2023	\$ 3,005.79
March 29, 2023	Public notice for 2023-24 Proposed Budget	\$ 45.00
	<b>TOTAL:</b>	<b>\$ 5,889.89</b>

**DATED:** April 11, 2023

**APPROVED:** April 11, 2023

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**Kathie Rhoads Chair or Marie Neer, Vice-Chair  
Modoc Local Agency Formation Commission**

**Attest:**

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**John Benoit  
Executive Officer**

Modoc LAFCD  
 Expense  
 FY 2021-2022

Account Number	138.01 Exp. Budgeted 2021-2022	File Scanning 4228	Memberships 4229	Copies 4219	Postage 4217	Communications 4221	Offices Exp 4210	Counsel 4998	Staff Svcs 4996	Check Cash 4998	Modoc/Travel Public 039	Trans & Travel MSB/POF Updates 4430	Comminstror Steward 4003	TOTAL
Total Budgeted 2021-2022	\$ 3,000.00	\$ 1,186.00	\$ 600.00	\$ 600.00	\$ 300.00	\$ 1,000.00	\$ 600.00	\$ 2,000.00	\$ 38,000.00	\$ 720.00	\$ 600.00	\$ 4,200.00	\$ 12,500.00	\$ 67,506.00
Calefco Dues 22-23		\$ (1,186.00)												\$ (1,186.00)
Staff Svcs July 2022			\$ (10.00)			\$ (67.19)	\$ (33.50)		\$ (2,592.50)			\$ (565.00)		\$ (2,703.19)
Aug 9 2022 Calav Payroll			\$ (10.00)			\$ (80.64)	\$ (13.99)		\$ (3,750.00)	\$ (120.00)		\$ (600.00)		\$ (600.00)
Staff Svcs Aug 2022			\$ (15.00)			\$ (80.63)	\$ (80.63)		\$ (2,805.00)			\$ (250.00)		\$ (4,224.63)
Staff Svcs Septemer 2022						\$ (67.80)	\$ (45.84)		\$ (3,792.50)	\$ (120.00)		\$ (886.20)		\$ (2,800.63)
Staff Svcs Oct 2022						\$ (74.49)			\$ (2,550.00)			\$ (1,038.07)		\$ (4,722.34)
Paul Minchella Calefco Conf. Reimb							\$ (74.49)					\$ (2,624.49)		\$ (1,038.07)
Staff Svcs Nov 2022												\$ (500.00)		\$ (500.00)
Oct 11, 2022 Payroll												\$ (500.00)		\$ (500.00)
Dec 13, 2022 Payroll												\$ (150.00)		\$ (150.00)
City Hall Council Chambers Rent 2023 - 6 meetings						\$ (74.45)			\$ (2,422.50)			\$ (243.36)		\$ (2,740.31)
January 23 Staff Services			\$ (7.00)						\$ (4,345.00)	\$ (120.00)	\$ (74.49)	\$ (384.38)		\$ (4,930.87)
December 2022 Staff Services														\$ (600.00)
Feb 14, 2023 Comm Payroll														\$ (2,238.30)
February 23 staff Svcs			\$ (10.00)			\$ (68.30)			\$ (2,040.00)	\$ (120.00)		\$ (45.00)		\$ (45.00)
Modoc Record Notice Prop 23-24 Budget														\$ (3,005.88)
March 2023 Staff Svcs			\$ (5.00)			\$ (68.39)			\$ (2,932.50)					\$ (3,005.88)
Total Expenses to date	\$ 1,186.00	\$ 543.00	\$ 657.00	\$ 657.00	\$ 300.00	\$ 418.11	\$ 356.67	\$ 2,000.00	\$ 8,776.00	\$ 240.00	\$ 480.51	\$ 1,022.99	\$ 12,500.00	\$ 35,274.72
Total Budget Remaining	\$ 1,814.00	\$ 523.00	\$ 443.00	\$ 443.00	\$ 0.00	\$ 581.89	\$ 243.33	\$ 0.00	\$ 0.00	\$ 460.00	\$ 119.49	\$ 2,177.01	\$ 0.00	\$ 32,231.28

Account Number	138.01 Exp. Budgeted 2021-2022	File Scanning 4228	Memberships 4229	Copies 4219	Postage 4217	Communications 4221	Offices Exp 4210	Counsel 4998	Staff Svcs 4996	Check Cash 4998	Modoc/Travel Public 039	Trans & Travel MSB/POF Updates 4430	Comminstror Steward 4003	TOTAL
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**Modoc Local Agency Formation Commission**

**Item 7**

**DATE:** April 11, 2023  
**TO:** Local Agency Formation Commission  
**FROM:** John Benoit, Executive Officer  
**RE:** Proposed Budget for FY 2023-2024  
**Attachment:** A. Proposed Budget Resolution #2023-0001

LAFCO's detailed proposed activity report is described below. While LAFCO is mindful of the budget constraints of the City, and the County the following proposed activity report suggests maintaining the budget at the Previous Year's amount as much as possible for FY 2023-2024 in all budget categories. Funding for the MSR's and SOI's will continue through LAFCO's prior year's carryover.

Inflation for last calendar year was 6.4% and current year over year is now 8.27% and varies monthly. The Employment Cost Index has risen 4.8% between December 2021-December 2022. Over the past 16 years the LAFCo Budget has been rather consistent but going into the future unless inflation is addressed substantial increases in the LAFCo budget will need to occur in future years. For example, the going rate for a LAFCo Executive Officer is around \$125 an hour and that was five years ago. A monthly stipend of \$4,200-\$4,500 per month is common plus the cost of projects. A consulting planner upwards of \$140.00+ per hour and recent LAFCo EO recruitments are up to over \$160,000 per year.

I have not requested an increase for 16 years. I am not asking for a raise this year either. Although not an immediate need I plan to prepare an alternative staff analysis sometime during the next fiscal year so you can appreciate the grim realities of staffing a rural LAFCo. Since I will be retiring from Modoc LAFCo soon the Commission will need to rethink the funds allocated to staff services going into the future. LAFCo has been efficient in keeping costs to a minimum. However, at some point costs will increase. Some costs such as Memberships are already increasing which are beyond our control.

Since the passage of AB-2838, based on the recommendations of the Commission for Local Governance for the 21<sup>st</sup> Century, LAFCO has had to complete many of the activities, such as the mandated Revised Policies and Bylaws, establishment of a Website, Municipal Service Reviews and Sphere of Influence updates.

A level of service has been established for ongoing LAFCO activities through the budget, LAFCO has a unique role as a neutral agency among all agencies countywide. Funds for the provision of training for Commissioners on the requirements of AB-2838 and subsequent legislation is highly recommended.

**Direct Projects – Projected**

1. Small and medium reorganizations - For the 2023-2024 fiscal year, based on recent inquiries, LAFCO does not anticipate a small or medium reorganizations at present. However, the city and county are both updating portions of their general plans.

Cost include legal counsel, staff time, public inquiries, public hearing requirements including noticing (300 ft from site –voters and landowners), preparation of notices, staff reports and resolutions, LAFCO protest requirements (public noticing), incidental travel, office supplies (copying), webpage posting, seeking comment from county and city departments (assessor, clerk and auditor) and independent special districts, and general accounting.

2. District Consolidations – Staff has not heard of any district consolidations except Canby CSD and Canby Fire. The Commission may see activity in this category as we progress through the Municipal Service Reviews and Sphere of Influence Updates or by financial necessity of several districts such as the Lookout Pest Abatement District.
3. Collaborate with the City of Alturas and the County of Modoc on development reviews- ongoing

LAFCO is charged with reviewing environmental documents and preparing responses to both the City and the County who act as a lead agency for land use matters.

This activity includes providing comments. Meeting with the county, city, districts, and developers. Being involved in the development of the work including assisting the EIR preparer with technical data related to LAFCO's requirements, legal costs related to LAFCO's role in CEQA and assuring LAFCO's issues are addressed in the document. Commission review will be needed. If the Commission's issues are not fully addressed, the Commission will need to require a supplemental document. Recently LAFCo provided comments on the City's sewer plan EIR.

Environmental Reviews: CEQA is required for most LAFCO discretionary projects. Applicants pay direct project costs; Spheres of Influence are LAFCO's responsibility. LAFCO is also required and should want to comment on Environmental Reviews from various agencies. These activities include legal, communication, advertising, staff time. This item is necessary to promote better customer service and comply with the CEQA law and CKH act with regard to the role of a responsible agency. Development requiring reorganization will take much longer if LAFCO is not involved in this process as well as may cost project applicants significantly more amounts of money.

**Ongoing administrative activities include:**

**Budget Development and Control**

Budget development and control is currently handled by County Staff and the Executive Officer. During the year, day-to-day administrative tasks (e.g., invoicing, and bill paying) are provided. Coordination with City, District and County offices may be required with respect to these issues. As of July 1, 2011, the City of Alturas commenced banking functions for LAFCo.

Activities include preparation of the budget and budget justification documents and resolutions are included in these activities. Legal advice when needed is required regarding expenditure requests. The preparation of claim forms for both the Commission and the County Auditor's (City Treasurer's) office is included to ensure proper control. Public inquires regarding expenditures and expenditure priorities are handled by the Executive Officer. Incidental office supplies and communication

resources are needed to perform this function. Special administrative projects include responding to Commission directives or minute orders.

**Communication:** LAFCO needs to communicate with the Special Districts, the City Council and the Board of Supervisors. LAFCO should be involved in Special District, City and County activities when asked or as it relates to the MSR and SOI process.

Conduct project-oriented workshops, as appropriate. This activity may occur this year for various Communities within Modoc County where projects will be occurring. Other workshops regarding the role of LAFCO may be required.

Work with potential applicants seeking reorganization. This activity requires research and meeting with project proponents to determine approaches to solving service issues. This activity is time consuming. These costs include legal, staff time, incidental travel, office supplies and communication resources.

Responding to public inquires. Public inquires regarding service issues are common involving a member of the public who is in need of a service or has a question about a service. This activity includes legal, staff time and communication resources. The LAFCO webpage provides an outlet for LAFCO information. Responding to the public is necessary for informing individuals of LAFCO requirements to facilitate the process. There is no one else who will provide the public with correct information about LAFCO. This may cause substantial cost savings for the public by having correct information to make business decisions.

Brown Act, Public Records Act and Political Reform Act compliance. Staff and legal time is required to comply with these laws. Including noticing, Form 700's, public records disclosure, citizen's inquires, general compliance and written responses to records request. These are state laws and must be followed.

Clerk and Recorder fees. Since it costs money to record documents and file notices of determination. The budget includes these activities. These are required filings. Project applicants will pay these fees. However, for Sphere of Influence updates, LAFCO may be required to file.

**Public Education** Utilize media and speaking opportunities and submit articles about LAFCO to journals and newspapers this activity is fairly minimal. However, there is a cost of staff time and office supplies to perform this function. Submit press releases on substantive actions; encourage agencies to request regular LAFCO meeting agendas and update agencies on LAFCO Commission membership.

These activities are important to inform the public and agencies about LAFCO. Numerous inquires come from citizens needing one service or another. These activities promote better customer service for all agencies by informing the public about what is going on with regards to LAFCO.

**Resource Development** Monitor new and proposed relevant legislation. Although LAFCO relies on CALAFCO for this activity, it is important that new legislation reflects the needs of Modoc LAFCO including the Districts, County and City. This activity involves communication, staff time, and legal time. Legislation of importance to Modoc LAFCO impacts budget process and permit processes.

**Special Reports and Projects for the Commission** The CKH act allows the Commission to undertake special projects. Special projects may include being involved in a General Plan update, assisting in the development agriculture conservation policies, being involved in water planning throughout the County, serving as a neutral party with regards to service issues, assisting the public and agencies with LAFCO applications and processes, developing annexation strategies for the City or districts and (or) any other proactive activity of benefit to the citizens and agencies as deemed necessary by the Commission.

**Commissioner Development – CALAFCO Conference** I am recommending \$2,200 combined for these two items, a substantial reduction from years past. This represents funding for one commissioner to attend the annual conference in Newport Beach. Estimated costs for each Commissioner to attend the Calafco Annual Conference (October 18-20, 2023) in Monterey, CA is approximately \$2,000 per person including transportation, lodging for and conference registration and mileage from Alturas. The justification for this expense is LAFCO Commissioners need to be informed decision makers. Commissioners need the tools to carry out their statutory responsibilities in a responsible manner. Training and interaction with Commissioners from other LAFCO's will assist those Commissioners in attendance to bring back ideas to be shared with the remainder of the Commission. Training is necessary to remain informed of changes in LAFCO law and procedures. This item also includes funds for a portion of Staff's expense to represent Modoc LAFCO at CALAFCO Activities.

**Municipal Service Reviews and Sphere of Influence Updates Cortese-Knox-Hertzberg (§ 56430)** LAFCO must update all spheres of influence every 5 years, as necessary and must prepare a review of each municipal service before or in conjunction with sphere of influence updates.

The purpose of a MSR is to support preparation and update of Spheres of Influence, in accordance with the provisions of the Cortese-Knox-Hertzberg Act. The objective of a Municipal Service Review (MSR) is to develop recommendations that will promote more efficient and higher quality service patterns; identify areas for service improvement; and assess the adequacy of service provision as it relates to determination of appropriate sphere boundaries based on a specific growth period and a realistic growth rate adopted for that period.

For a MSR to be of value, the Commission needs to review services comprehensively, on a service-by-service basis within logical sub-regions, given consistent and specific target growth periods and a realistic estimate of growth adopted for that period. Some studies will review multiple services, if the Commission deems such grouping appropriate (For example, the wastewater MSR). When appropriate, the Commission will follow the methodology developed by the Governor's Office of Planning and Research as provided in the State's Service Review Guidelines.

Priorities for this fiscal year (MSR and SOI completion), which have been completed as follows:

Priorities for the 2023-2024 Fiscal Year initiation are as follows:

1. Surprise Valley Healthcare District ongoing
2. Cemetery District Consolidations
3. City of Alturas MSR and SOI (to be grant funded)

4. Canby CSD and FIRE Consolidation
5. California Pines CSD
6. Countywide CSA for Pest Abatement

A service review is required prior to preparing a Sphere of Influence Update. The Sphere of Influence is LAFCO's planning document for the ultimate service boundary for a service provider. Prior to adopting a Sphere of Influence Map and Sphere Policies, the Commission must make determinations based on supporting evidence with regard to the following:

- "The present and planned land uses in the area.
- Disadvantaged Unincorporated Communities
- The present and probable need for public facilities and services in the area.
- The present capacity of public facilities and adequacy of public services, which the agency provides or is, authorized to provide.
- The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency."

### **Budget Justification**

Since the passage of AB-2838 in 2000, LAFCO has been subject to many new requirements. Costs for the operation of LAFCO were entirely paid by the County including costs for staff time, legal services, miscellaneous office expenses, and insurance. Now the City and the County pay LAFCO costs. In the future, the legislature may require special districts to pay and participate.

In the attached budget worksheet, I have provided a "Proposed" budget based on the costs to provide LAFCO, expenses to date and anticipated expenses and carryover.

***The overall goal of this budget is to conduct LAFCO business in a proactive manner involving the Community and to meet the overall requirements of the Cortese-Knox-Hertzberg Act at a reasonable cost.***

The deadline for completion of Sphere of Influence Updates set fourth in the law was January 1, 2008. Modoc LAFCo has not completed MSR's on time for many reasons. LAFCO is using its carryover funds to pay for these activities without substantially increasing the costs of LAFCO to the City and the County.

#### **Summary of the Proposed Budget:**

**Commissioner Stipends** LAFCO Commissioners receive \$100.00 per meeting. A budget of \$4,800.00 assumes all commissioners will attend the 6 meetings per year.

**Liability Insurance** Since the County is covering LAFCO; a budget is no longer needed for this category.

**Memberships** Dues for Calafco for rural LAFCO's will be increased this year using the formula approved by the CALAFCo membership from \$1,186 to \$1,284 next year (a \$98.00 increase). It is important LAFCO remain in its statewide professional organization and participate in LAFCO issues of common concern for the benefit of Modoc LAFCO and its agencies.

**Office Expense** This covers copy costs, postage, communication and publications. This item is broken into 4 categories for accounting purposes. Printing at \$1,200.00 Postage at \$300.00, Communications at \$1,000.00 and General Office Expenses at \$0.00 These costs reflect the need for daily operations and copying and mailing MSR's and SOI's during next fiscal year. The Printing and General Office Expenses are combined with each other into at \$1,200.00.

**Executive Officer/Staff Services** This item includes professional services to perform various LAFCO duties, process applications, oversee the MSR and SOI update process, establish a LAFCO presence in Modoc County and perform duties in the scope of work for the Executive Officer and the CKH Act.

**Clerk Services** has been budgeted at \$720.00 for taking minutes at meetings. This figure assumes 6 meetings this year.

**Legal Services** I am proposing a budget of \$2,000.00, which will provide incidental legal services. In the event of anticipated litigation, this amount will have to be significantly increased. It is important LAFCo Counsel attend at least one meeting per year to advise the Commission on matters of concern.

**Legal Notices/Publications** Legal notices are required by state law and must be prepared for Municipal Service Reviews and Sphere of Influence Updates, all public hearings before the Commission and protest hearings. Public hearing notices are required for most LAFCO actions. \$600 is budgeted for this amount since MSR's and SOI's require public notices.

**Special Department Expense-File Scanning and Retention** Modoc LAFCo has generated several files over the years. Modoc LAFCo adopted a File Retention Policy on December 9, 2013. To implement the policy, the files need to be scanned and placed into electronic format, as are files in most county and city departments. An estimated expense is \$3,000. In addition, the files will be able to be accessed to the public via LAFCo's webpage. The immediate tasks are to review and dispose of files consistent with LAFCo's adopted Records Retention Policy and to scan and index these files for accessibility to agencies, the public and LAFCo staff. Once the files are scanned, these files will then be made more accessible. It will be later determined if LAFCo will need to prepare a Microsoft Access database for LAFCo. This is a re-budget from the previous fiscal year.

### **Training/Mileage and Travel**

I am recommending \$4,400 for this activity this year, a \$200 increase. This represents funding for 1 commissioner to attend the annual conference in Monterey. Estimated costs for each Commissioner to attend the Calafco Annual Conference (October 18-20, 2022) in Monterey is approximately \$2,000 per person including transportation, lodging for 3 nights (\$800 + taxes and fees) and conference registration (\$625) and mileage.



The justification for this expense is LAFCO Commissioners need to be informed decision makers. Commissioners need the tools to carry out their statutory responsibilities in a responsible manner. Training and interaction with Commissioners from other LAFCO's will assist those Commissioners in attendance to bring back ideas to be shared with the remainder of the Commission. Training is necessary to remain informed of changes in LAFCO law and procedures. This item also includes funds for a portion of Staff's expense to represent Modoc LAFCO at CALAFCO Activities. This also includes cost to cover 1/5 of staff to attend the Calafco workshop and bring back information.

**Sphere of Influence Updates and Municipal Service Reviews:** This budget includes funding for all SOI's and MSR's and related copying and office expenses. This amount is higher than last year since the list of MSR's is much larger than previous years.

**Rollover, Contingency, and Reserve Funds:**

This year LAFCO will not expend its entire budget. A rollover of approximately \$20,000 is anticipated at this time. The carryover budget has been decreasing over the past several years. A portion of these funds needs to be used to pay for the MSR's and SOI are currently contracted and to fund a contingency budget for LAFCO (approximately 10%) of the General Fund Budget at \$6,780.40. A final figure regarding the carryover amount will not be available until after the conclusion of this fiscal year. I highly recommend any excess funds be placed into a general reserve, which does not exist for Modoc LAFCo.

**CITY/COUNTY SHARE** For fiscal year 2023-2024 City/County share is proposed to be increased to \$27,292.20 from \$25,238.30 each which more or less reflects the additional \$12,000 in the MSR and SOI budget.

**Action Required**

- a. *Review and consider adoption of the proposed 2023-2024 LAFCO budget approving LAFCO Resolution # 2023-0001 shown as Attachment # A.*

**Resolution 2023-0001  
of the**

**Modoc Local Agency Formation Commission**

*Resolution of Modoc Local Agency Formation Commission Adopting a  
Proposed Budget for 2023-2024*

WHEREAS, Modoc LAFCO is required by Government Code Section 56381(a) to adopt annually, following a noticed public hearing, a proposed budget by May 1<sup>st</sup> and a final budget by June 15<sup>th</sup>; and,

WHEREAS, the Commission has prepared a proposed budget for public review; and,

WHEREAS, the Commission considered a work program for Fiscal Year 2023-2024 at its April 11, 2023 regular meeting along with the proposed budget; and

WHEREAS, the Executive Officer has given notice of hearing in the form and manner specified by law for adoption of the proposed budget and upon the date, time and place specified in said notice of hearing, the Commission heard, discussed and considered all oral and written testimony submitted including, but not limited to, the approved budget priorities for Fiscal Year 2023-2024 and the Executive Officer's report and recommendations; and

WHEREAS, the Commission has considered the attached Budget in light of the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000;

NOW THEREFORE, the Modoc Local Agency Formation Commission does hereby determine, resolve, and order the following:

1. That Modoc LAFCO hereby adopts the attached proposed 2023-2024 proposed budget shown in Exhibit A.
2. Directs the Executive Officer to transmit the proposed budget to the Auditor and all parties specified in Government Code Section 56381 (a) as promptly as possible.

PASSED AND ADOPTED by the Modoc Local Agency Formation Commission at a regular meeting of said Commission held on the 11th day of April 2023 by the following roll call vote:

AYES: -

NOES: -

ABSTAINS: -

ABSENT: -

Signed and approved by me after its passage this 11<sup>th</sup> day of April, 2023.

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Kathie Rhoads, Chair, Modoc LAFCO

Attest:

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John Benoit, Executive Officer  
Modoc LAFCO

**MODOC LAFCO**  
**April 11, 2023**  
**Resolution 2023- 0001**

**Exhibit A**

**2023-2024 MODOC LAFCO**  
**PROPOSED BUDGET**

OBJECT LEVEL/ ACCOUNT	FY 2019-2020		FY 2020-2021		FY 2021-2022		FY 2022-2023		FY 2022-2023	
	FINAL BUDGET		FINAL BUDGET		FINAL BUDGET		FINAL BUDGET		FINAL BUDGET	PROPOSED BUDGET
<b>EXPENDITURES</b>										
4003 Commissioner Stipends	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00
4420 Memberships	\$ 1,077.00	\$ 1,130.00	\$ 1,130.00	\$ 1,131.00	\$ 1,131.00	\$ 1,186.00	\$ 1,186.00	\$ 1,186.00	\$ 1,284.00	\$ 1,284.00
4210 Office Expense - Printing	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00
4211 POSTAGE	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00
4221 COMMUNICATIONS	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
OFFICE EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4008 Professional Svcs. - Legal Counsel	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
4004 Professional Svcs. - Executive Officer	\$ 36,000.00	\$ 36,000.00	\$ 36,000.00	\$ 36,000.00	\$ 36,000.00	\$ 36,000.00	\$ 36,000.00	\$ 36,000.00	\$ 36,000.00	\$ 36,000.00
4006 Professional Svcs. - Clerk Costs	\$ 720.00	\$ 720.00	\$ 720.00	\$ 720.00	\$ 720.00	\$ 720.00	\$ 720.00	\$ 720.00	\$ 720.00	\$ 720.00
4380 Publications/Legal Notices	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
4225 Special Departmental Expense -File Scanning Mapping & Management	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
4430 Transportation & Travel	\$ 500.00	\$ 2,200.00	\$ 2,200.00	\$ 2,200.00	\$ 2,200.00	\$ 4,400.00	\$ 4,400.00	\$ 4,400.00	\$ 4,400.00	\$ 4,400.00
4454 MSR/SOI UPDATES	\$ 10,500.00	\$ 10,500.00	\$ 10,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00
Total Services & Supplies	\$ 61,697.00	\$ 63,450.00	\$ 63,450.00	\$ 65,451.00	\$ 65,451.00	\$ 67,706.00	\$ 67,706.00	\$ 67,706.00	\$ 67,804.00	\$ 67,804.00
4922 CONTINGENCY	\$ 6,169.70	\$ 6,345.00	\$ 6,345.00	\$ 6,545.10	\$ 6,545.10	\$ 6,770.60	\$ 6,770.60	\$ 6,770.60	\$ 6,780.40	\$ 6,780.40
TOTAL LAFCO BUDGET	\$ 67,866.70	\$ 69,795.00	\$ 69,795.00	\$ 71,996.10	\$ 71,996.10	\$ 74,476.60	\$ 74,476.60	\$ 74,476.60	\$ 74,584.40	\$ 74,584.40

## MODOC LAFCO

April 11, 2023

Honorable Cecilia Aguiar-Curry, Chair  
Assembly Local Government Committee  
1021 O St.  
Ste. 6350  
Sacramento, CA 95814

**RE: SUPPORT of AB 1753, Local Government: Calafco Omnibus Bill**

Dear Chair Aguiar-Curry:

The Modoc Local Agency Formation Commission (LAFCo) is pleased to support the Assembly Local Government Committee Bill AB 1753, sponsored by the California Association of Local Agency Formation Commissions (CALAFCO), which makes technical, non-substantive changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the Act).

This annual bill includes technical changes to the Act which governs the work of LAFCos. These changes are necessary as Commissions implement the Act and small inconsistencies are found or clarifications are needed to make the law as unambiguous as possible. AB 1753 currently makes minor technical corrections to language used in the Act. Modoc LAFCo is grateful to your Committee, staff, and CALAFCO, all of whom worked diligently on this language to ensure there are no substantive changes while creating a significant increase in the clarity of the Act for all stakeholders

If passed, this bill will allow electronic transmittals of LAFCo resolutions (rather than only by mail) making determinations and add language consistent with 99(b) of the Revenue and Taxation Code regarding Certificates of Filing.

This legislation helps insure the Cortese-Knox-Hertzberg Act remains a vital and practical law that is consistently applied around the state. We appreciate your Committee's authorship and support of this bill, and your support of the mission of LAFCos.

Yours sincerely,

Kathie Rhoads  
Modoc LAFCo Chair

cc: Members, Assembly Local Government Committee  
Jimmy MacDonald, Consultant, Assembly Local Government Committee  
William Weber, Consultant, Assembly Republican Caucus  
René LaRoche, Executive Director, CALAFCO

Webpage: [www.Modoclafco.org](http://www.Modoclafco.org), email: [j.benoit4@icloud.com](mailto:j.benoit4@icloud.com), phone: 530.619,5128