

Modoc Local Agency Formation Commission

REGULAR MEETING AGENDA

Website: www.modoclafco.org

Tuesday April 12, 2016 – 4:00 PM

**City Council Chambers
Alturas City Hall
200 North Street, Alturas, CA 96101**

1. Call to order / Pledge of Allegiance

Commissioners

David Allan, County, Vice-Chair, Member
Jim Irvin, City Member,
T.J. Jerry Shea, Public Member
John Dederick, City Member
Kathie Rhoads, County Member, Chair

LAFCO Staff

John Benoit, Executive Officer
Scott Browne, LAFCO Counsel
Kim Hunter, Clerk

Alternate Members

Clinton Davis, Public Member Alt.

Geri Byrne, County Member Alt.
Cheryl Nelson, City Member Alt.

2. Approval of Agenda (Additions and Deletions)

3. Approval of the Minutes: December 15th, 2015 and February 9, 2016

4. Correspondence:

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. Ratify Claims for February 2016 and Authorize Payment of Claims for March 2016

a. *Approve payment of expenses for February 2016 and March 2016.*

7. Public Hearing regarding the proposed Modoc LAFCo 2016-2017 annual budget.

a. *Discuss and conduct public hearing on regarding the proposed 2016-2017 fiscal year annual budget.*

b. *Consider Resolution 2016-0001 making determinations regarding the proposed FY 2016-2017 proposed LAFCo Budget*

8. Discussion and Report regarding the Calafco Annual Staff Workshop in Los Angeles.

a. *Discussion regarding the Calafco Annual Staff Workshop*

9. Executive Officer's Monthly Report

- a. *Newell Water District*
- b. *Annexation to the HSVWD*
- c. *Lighting District*
- d. *SGMA – Big Valley*
- e. *Flood Control – Alturas Area*
- f. *Big Valley Ambulance*

10. 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.

11. *Adjourn to next meeting: June 14, 2016*

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 area available for review for public inspection in the Modoc County Planning Department office located at on 203 W. 4th Street, Alturas CA. [such documents are also available on the Modoc LAFCO website (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) 233-9625 or by email at lafco@modoc.lafco.ca.gov Copies of reports to the extent feasible are located on the LAFCO webpage at: www.modoclafco.org

Local Agency Formation Commission of Modoc County

Special Meeting

Minutes of December 15, 2015

1. Call to Order/Pledge of Allegiance:

Chair Rhoads called the meeting to order at 4:00 p.m., in the City Council Chambers, Alturas City Hall. Commissioners Dederick, Rhoads & Shea were present. Public Member Alternate Clinton Davis was also present.

Staff Present: John Benoit, Executive Officer

Pledge of Allegiance

2. Approval of Agenda

Commissioner Shea made the motion to approve the agenda as submitted and seconded by Commissioner Dederick. In favor: Dederick, Rhoads and Shea.

3. Approval of Minutes

Commissioner Shea noted that a minor wording change was needed on page 2. Commissioner Shea made the motion to approve the minutes for the October 6, 2015 LAFCo meeting with correction to item #3 to include the June 9, 2015 minutes as being approved. In favor: Dederick, Rhoads and Shea.

4. Correspondence

Executive Officer Benoit indicated he received a letter from Kan We Help regarding the Lassen Modoc Flood Control and Water Conservation District. No other correspondence was received.

5. Public Comment

No public comment.

6. Ratify Claims for October 2015 and Authorize Payment of Claims for November 2015

a. Approve payment of expenses for October 2015 and November 2015.

Commissioner Shea made the motion to approve payment of expenses for October 2015 and November 2015 in the amount of \$6,986.80; seconded by Commissioner Dederick. In favor: Dederick, Shea and Rhoads.

7. Service Review and Sphere of Influence Update for the Newell County Water District

Executive Officer Benoit noted that a Service Review and Sphere of Influence Update were in progress for the Newell County Water District. At issue is the district is not communicating with LAFCo. Without responding to the request for information from LAFCo staff, LAFCo is unable to prepare a complete Service Review and stated the findings in the MSR and SOI would reflect the non-cooperation of the District. Commissioner Rhoads asked if the district was told that they would receive an incomplete MSR and SOI? Executive Officer Benoit responded not yet. Executive Officer Benoit stated he would continue to work with the District to obtain the necessary information.

8. Southern Cascades CSD Formation

Executive Officer Benoit provided an update for the Southern Cascades CSD Formation that Lassen LAFCo approved a resolution and the formation at its December 14, 2015 LAFCo meeting. Commissioner Davis spoke about the overall purpose of the new district is to provide Advanced Life Support (ALS). Commissioner Dederick asked for clarification of how the ALS was going to be provided. Commissioner Davis responded the goal is to provide full time on call ALS support 24-7. Commissioner Davis spoke of the some of the challenges to provide ALS. An election will be required. Commission expressed a concern that a revenue budget was not included in the report and if he were in the area he would like to see the revenue budget.

9. Set Regular Meeting Schedule for calendar year 2016

Executive Officer Benoit presented the regular meeting schedule for calendar year 2016. The regular meeting schedule was approved upon motion of Shea and seconded by Dederick. In favor: Dederick, Shea and Rhoads.

10. Discussion regarding the State Sustainable Groundwater Management Act (SGMA)

Executive Officer Benoit gave a power point presentation explaining the purpose, timelines and options for Counties and Water District's have in implementing the SGMA. It was stated that Lassen County staff was questioning the logic used by the California Department of Water Resources in making a determination of Big Valley being a medium priority water basin. Executive Officer Benoit stated that the Lassen and Modoc Counties are still looking for a meeting date for a joint meeting to discuss a Groundwater Sustainability Area in Big Valley. Commission Rhoads will ask the Clerk to the Board to place LAFCo on the list to receive minutes of the Modoc County Water Committee. Executive Officer Benoit said he would post the power point presentation on the Modoc LAFCo webpage.

11. Executive Officer's Monthly Report

*Work on the lighting District MSR in the near future
Continue Working on the Newell MSR - SOI*

12. Commissioner Reports – Discussion

No Commissioner reports or discussion.

13. Adjourn to next regular meeting – February 9, 2016

There being no further business to come before this Commission Commissioner Shea moved and seconded by Commissioner Dederick to adjourn to February 9, 2016. In favor: Dederick, Shea and Rhoads.

With no further business the meeting adjourned at 4:46 p.m.

Local Agency Formation Commission of Modoc County

Minutes of February 9, 2016

1. Call to Order/Pledge of Allegiance:

Commissioner Shea called the meeting to order at 4:00 p.m., in the City Council Chambers, Alturas City Hall. Commissioners Dederick, Irvin, Shea were present. Public Member Alternate Clinton Davis was also present. Chair Rhoads and Commissioner Allan arrived at 4:15 at the beginning of Item #8.

Staff Present: John Benoit, Executive Officer; Kim Hunter, Clerk

Pledge of Allegiance

2. Approval of Agenda

Commissioner Dederick made the motion to approve the agenda as submitted; seconded by Commissioner Irvin. In favor: Dederick, Irvin, Shea.

3. Approval of Minutes: December 15, 2015

Commissioner Dederick made a motion to approve the meeting minutes from the December 15, 2015 meeting; seconded by Commissioner Shea. In favor: Dederick and Shea. Abstain: Irvin.

4. Correspondence

No correspondence.

5. Public Comment

No public comment.

6. Ratify Claims for December 2015 and Authorize Payment of Claims for January 2016

a. Approve payment of expenses for December 2015 and January 2016.

Commissioner Irvin made the motion to approve payment of expenses for December 2015 and January 2016; seconded by Commissioner Dederick. In favor: Dederick, Irvin, and Shea.

7. Authorize Chair to sign letter regarding the Service Review and Sphere of Influence Update for the Newell County Water District

a. Authorize Chair to sign letter to be sent to the Newell County Water District.

Executive Officer Benoit reported that there had been some difficulty getting in contact with the Board of Directors or staff of the Newell County Water District regarding the Service Review and Sphere of Influence Update. A standard questionnaire was sent to the District and presented to the Board. However, no response has been received. There have been recent changes with the Board and the letter would explain what LAFCo is about so that there is better understanding of the process. Once the letter is mailed, staff will follow up with the Board.

Commissioner Irvin made the motion to approve that the Chair sign a letter the Newell County Water District; seconded by Commissioner Dederick. In favor: Dederick, Irvin and Shea.

Note: Chair Kathie Rhoads and Commissioner David Allan arrived at 4:15

8. Work Program for FY 2016-2017 – Develop and Discuss

Executive Officer Benoit reviewed potential Service Reviews and Sphere of Influence Updates. In the past letters with the Service Review would be sent to each of the districts requesting updated information. The district will then note any changes and return the Service Review to John so it can be updated. There's now a required finding for Disadvantaged Communities that needs to be added. This is a very cost effective way to get the smaller districts updated. It's been difficult to find out who manages the lighting districts, which need Service Reviews written, but they won't be difficult.

Another Service Review and Sphere of Influence Update that is probably needed is the Surprise Valley Healthcare District. There many issues within that District that Executive Officer has heard of that would warrant an update.

Commissioner Dederick asked about creating a Pit River Levee Flood Maintenance/Management District or Flood Control District. Executive Officer Benoit noted that there are many options available to do this. A district of this nature would be comprised of both City and County appointees. This concept was further discussed, as there has been a struggle by the County to keep up on levee maintenance for the North Fork of the Pit River, which flows through Alturas. It was decided that Chester Robertson, Modoc County CAO and Joe Picotte, City of Alturas Public Works Director, would be approached regarding the formation of a district.

Commissioner Shea pointed out there is a Likely County Water District listed in the records. He asked about that District. Executive Officer Benoit explained that this, and a number of other districts, are defunct and proceeding should probably begin for dissolution. This would be something to add to the work program.

9. Authorize staff to attend the Calafco Annual Staff Workshop in Los Angeles

- a. *Authorize staff to attend the Calafco Annual Staff Workshop in Los Angeles.*

Commissioner Shea made the motion to authorize Executive Officer Benoit to attend the Calafco Annual Staff Workshop in Los Angeles; seconded by Commissioner Dederick. In favor: Allan, Dederick, Irvin, Rhoads and Shea.

10. Executive Officer's Monthly Report

- a. *700 forms are due April 1st* - Reminder to Commissioners to turn forms in to the County Clerk. However, City appointees should submit to the City Clerk.
- b. *Annexation to the HSVWD* – Executive Officer Benoit reported that the Hot Springs Valley Water District's Board of Directors had voted to move forward with the application for a district boundary annexation.

It was also noted that the Southern Cascade Ambulance District proponents were trying to secure a May 5, 2016 vote for approval of the proposed district ambulance district in Big Valley.

There will be a joint Modoc and Lassen Board of Supervisors meeting in Adin on February 23, 2015 to between Lassen to discuss the formation of a Groundwater Sustainability Agency (GSA) for the Big Valley Groundwater Basin. Executive Officer Benoit explained the limited options available that could be designated as the GSA and discussed the general direction that the State is going about implementing the Sustainable Groundwater Management Act.

11. Commissioner Reports – Discussion

No Commissioner reports or discussion.

12. Adjourn to next regular meeting – April 12, 2016

It was noted that the next regular meeting would be April 12th not March 12th as shown on the Agenda. There being no further business to come before this Commission; Commissioner Dederick made the motion to adjourn the meeting; seconded by Commissioner Irvin. In favor: Allan, Dederick, Irvin, Rhoads, and Shea.

With no further business the meeting adjourned at 4:39 p.m.

#4

Modoc Local Agency Formation Commission

CLAIMS

for

February 2016 and March 2016

Authorize the following Claims for FY 2015-2016

Mar 1, 2016	Staff Services Feb 2016	\$ 2,810.15
Apr 1, 2016	Staff Svcs Mar 2016	\$ 3,428.41
Feb 9, 2016	Commission Stipend 2.9.16	\$ 600.00
March 24, 2016	Feather Pub 16-17 Prop Budg.	\$ 45.00

TOTAL: \$ 6,883.59

DATED: April 12, 2016

APPROVED: April 12, 2016

**Kathie Rhoads, Chair or David Allan, Vice-Chair
Modoc Local Agency Formation Commission**

Attest:

John Benoit
Executive Officer

Modoc Local Agency Formation Commission

DATE: April 12, 2016
TO: Local Agency Formation Commission
FROM: John Benoit, Executive Officer
RE: Proposed Budget for FY 2016-2017

Attachment:
A. Proposed Budget Resolution #2016-0001

Activities

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 for FY 2016-2017 in all budget categories. Funding for the MSR’s and SOI’s will continue through LAFCO’s prior year’s carryover. The apportionment to the City and the County is proposed to remain approximately the same as this year. The contribution amount has generally been reduced in the past 5 years with incremental reductions.

Since the passage of AB-2838, based on the recommendations of the Commission for Local Governance for the 21st 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 2016-2017 fiscal year, based on recent inquiries, LAFCO does not anticipate a small or medium reorganizations at present with the exception of a possible Watermaster district in Big Valley or a Water District to manage groundwater in the Tule Lake and Big Valley areas. As growth occurs in Modoc County the number of projects will increase from years past.

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. This year there was a consolidation of two RCD's. The Commission may see activity in this category as we progress through the Municipal Service Reviews and Sphere of Influence Updates.
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.

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 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, City Council and 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 The Commission’s budget includes funding for representatives from Modoc LAFCO to attend the Annual CALAFCO Conference. Education afforded by the Conference is necessary to assure Commissioners have the tools needed to carry out their responsibilities.

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 2016-2017 Fiscal Year initiation are as follows:

1. Lighting Districts
2. Pest Abatement Districts
3. Newell Water District - Ongoing
4. Flood Control Districts and issues

5. Dissolution of inactive districts

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 from \$785 to \$840 this year. 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 \$1,000.00 Postage at \$500.00, Communications at \$1,000.00 and General Office Expenses at \$400.00. These costs reflect the need for daily operations and copying and mailing MSR's and SOI's during next fiscal year.

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 \$900.00 for taking minutes at meetings. This budget was formerly the "Special Studies" Budget, which is no longer being used.

Legal Services I am proposing a budget of \$3,200.00, 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.

Training/Mileage and Travel

Estimated costs for a Commissioner to attend the Calafco Annual Conference October 28th-30th in Santa Barbara is approximately \$1,700.00 per person including transportation, meals and lodging, and conference registration. This item also includes funding for LAFCO-related miscellaneous training and mileage reimbursements. This budget includes enough to send one Commissioner to the Conference and to pay for a portion of Staff's expenses. A further budget increase will be needed to send additional Commissioners.

Sphere of Influence Updates and Municipal Service Reviews: This budget includes funding for all contracted services for SOI's and MSR's and related copying and office expenses. These costs are to be paid from the General Reserve, which is \$16,500.00. It is anticipated Executive Officer's services may be used for this purpose also.

Rollover, Contingency, and Reserve Funds:

This year LAFCO will not expend its entire budget. A rollover of approximately \$36,000 is anticipated at this time. 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. A final figure regarding the reserve 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.

CITY/COUNTY SHARE Last year the City/County share was lowered. The amount to be apportioned is recommended to remain slightly less again this upcoming year.

Action Required

- a. *Review and consider adoption of the proposed 2016-2017 LAFCO budget approving LAFCO Resolution # 2015-0003 shown as Attachment # A.*

Resolution 2016-0001

Attachment A

of the

Modoc Local Agency Formation Commission

Resolution of Modoc Local Agency Formation Commission Adopting a

Proposed Budget for 2016-2017

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

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

WHEREAS, the Commission has considered a work program for Fiscal Year 2016-2017 at its February 9th, 2016 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 2016-2017 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 2016-2017 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 12th day of April 2016 by the following roll call vote:

AYES: -

NOES: -

ABSTAINS: -

ABSENT: -

Signed and approved by me after its passage this 12th day of April, 2016.

Kathie Rhoads, Chair, Modoc LAFCO

Attest:

John Benoit, Executive Officer
Modoc LAFCO

OBJECT LEVEL/ ACCOUNT	FY 2010-2011		FY 2011-2012		FY 2012-2013		FY 2013-2014		FY 2014-2015		FY 2015-2016		FY 2016-2017	
	Final BUDGET	BUDGET	Expenses as of 2.29.2016	PROPOSED BUDGET										
EXPENDITURES														
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	\$ 4,800.00	\$ 2,100.00	\$ 4,800.00	
Liability Insurance	\$ 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	\$ 1,000.00	\$ -	\$ -	
Memberships	\$ 725.00	\$ 725.00	\$ 741.00	\$ 758.00	\$ 741.00	\$ 758.00	\$ 741.00	\$ 758.00	\$ 741.00	\$ 758.00	\$ 741.00	\$ 785.00	\$ 840.00	
Office Expense - Printing	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 226.69	\$ 500.00	
POSTAGE	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 70.65	\$ 500.00	
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	\$ 1,000.00	\$ 519.23	\$ 1,000.00	
OFFICE EXPENSES	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 397.75	\$ 400.00	
Professional Svcs. - Legal Counsel	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ -	\$ 3,200.00	
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	\$ 36,000.00	\$ 18,968.75	\$ 36,000.00	
Professional Svcs. - Clerk Costs	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 240.00	\$ 900.00	
Publications/Legal Notices	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 169.50	\$ 600.00	
Special Departmental Expense														
Transportation & Travel	\$ 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	\$ 2,000.00	\$ 1,226.73	\$ 2,000.00	
MSR/SOI UPDATES	\$ 23,000.00	\$ 23,000.00	\$ 21,500.00	\$ 21,500.00	\$ 21,500.00	\$ 21,500.00	\$ 21,500.00	\$ 21,500.00	\$ 21,500.00	\$ 21,500.00	\$ 16,500.00	\$ 3,525.00	\$ 16,500.00	
Total Services & Supplies	\$ 75,725.00	\$ 75,725.00	\$ 74,241.00	\$ 74,158.00	\$ 74,241.00	\$ 74,158.00	\$ 74,169.00	\$ 74,169.00	\$ 74,169.00	\$ 74,169.00	\$ 68,685.00	\$ 28,229.30	\$ 69,740.00	
CONTINGENCY	\$ 7,572.50	\$ 7,572.50	\$ 7,424.10	\$ 7,415.80	\$ 7,424.10	\$ 7,415.80	\$ 7,416.90	\$ 7,416.90	\$ 7,416.90	\$ 7,416.90	\$ 6,868.50	\$ -	\$ 6,974.00	
TOTAL LAFCO BUDGET	\$ 83,297.50	\$ 83,297.50	\$ 81,665.10	\$ 81,573.80	\$ 81,665.10	\$ 81,573.80	\$ 81,585.90	\$ 81,585.90	\$ 81,585.90	\$ 81,585.90	\$ 75,553.50	\$ 28,229.30	\$ 76,714.00	
REVENUES														
CARRYOVER	\$ 42,000.00	\$ 42,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 34,000.00	\$ 32,227.53	\$ 36,000.00	
Application Fees														
City Share - LAFCO Cost	\$ 20,648.75	\$ 20,648.75	\$ 20,832.55	\$ 20,786.90	\$ 20,832.55	\$ 20,786.90	\$ 20,792.95	\$ 20,792.95	\$ 20,792.95	\$ 20,792.95	\$ 20,776.75	\$ 20,776.75	\$ 20,357.00	
County Share - LAFCO Cost	\$ 20,648.75	\$ 20,648.75	\$ 20,832.55	\$ 20,786.90	\$ 20,832.55	\$ 20,786.90	\$ 20,792.95	\$ 20,792.95	\$ 20,792.95	\$ 20,792.95	\$ 20,776.75	\$ 20,776.75	\$ 20,357.00	
Total Due from Other Gov'ts.														
TOTAL REVENUES	\$ 83,297.50	\$ 83,297.50	\$ 81,665.10	\$ 81,573.80	\$ 81,665.10	\$ 81,573.80	\$ 81,585.90	\$ 81,585.90	\$ 81,585.90	\$ 81,585.90	\$ 75,553.50	\$ 32,227.53	\$ 76,714.00	