

Modoc Local Agency Formation Commission

REGULAR MEETING AGENDA

Website: www.modoclafco.org

TUESDAY

April 12, 2022

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

4: 00 PM

This will be a Physical Meeting
at the City Council Chambers in Alturas
(A Zoom option is available for the public)

(All meeting materials are available on LAFCo's Website: www.modoclafco.org)

In person meeting: Required for all Commissioners. The Modoc LAFCO meeting will be open to in-person attendance. To remain in compliance with the state's public health guidance and CalOSHA COVID-19 Emergency Temporary Regulations [8 CCR §3205], masks will be encouraged to be worn by individuals who are not fully vaccinated while inside City Hall and while in the City Council Chambers.

Zoom meeting: The Commission proceedings are available via Zoom and you may participate in Public Comment by using the "raise hand" function. Pursuant to Government Code section 54953, local legislative bodies may hold public meetings via teleconference. Additionally, even when members of the local legislative body are attending meeting in person the local legislative body may make public meetings accessible telephonically or otherwise electronically to all members of the public. Members of the public are encouraged to observe and participate in the teleconference.

Public comment will also be accepted by email at j.benoit4@icloud.com Please list the item number you wish to comment on and submit your written comments 24 hours prior to the start of the meeting. Written comments will be distributed to the Commission prior to the meeting but not read at the meeting and are limited to 500 words

Oral public comments will be subject to a three-minute time limitation indicated below.

The complete agenda, including backup materials and materials related to items on this Agenda submitted to the Commission after distribution of the Agenda Packet, is available for public inspection on the Modoc LAFCo website. Agenda materials are also available on the Modoc LAFCO website at www.modoclafco.org

Topic: Modoc LAFCo

Time: Apr 12, 2022 04:00 PM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/83866652555?pwd=NjQwOVQ5T1cwU0o4TVFyN3dUdm1ndz09>

Meeting ID: 838 6665 2555

Passcode: 164377

One tap mobile

+16699006833,,83866652555#,,,,*164377# US (San Jose)

Meeting ID: 838 6665 2555

Passcode: 164377

Find your local number: <https://us02web.zoom.us/u/kUA6ZQZ98>

1. Call to order / Pledge of Allegiance

Commissioners

Alternate Members

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

_____, Public Member Alt.
Geri Byrne, County Member Alt.
Yolanda Lewis, City Member Alt

LAFCo Staff

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

2. Approval of the Agenda (Additions and Deletions)

3. Correspondence:

4. Consider Minutes for the February 8, 2022 LAFCo meeting

a. *Approve LAFCo minutes for the February 8, 2022 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 2022 and March 2022*
- b. *Consider LAFCo Resolution 2022-0006 authorizing a remote teleconferencing meeting.*

7. Public Hearing regarding the proposed 2022-2023 LAFCo Budget

- a) *Review budget justification report, conduct Public Hearing and consider LAFCo Resolution 2022-0005 adopting a Proposed Budget for Fiscal Year 2022-2023.*

8. Executive Officer's Report

- a) *Final Budget June 14, 2022*

9. 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.

10. Adjourn to the next regular meeting on June 14th, 2022

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) 619.5128 or by email at j.benoit4@icloud.com Copies of reports to the extent feasible are located on the LAFCO webpage at: www.modoclafco.org

Local Agency Formation Commission of Modoc County
Meeting Minutes
February 8, 2022

1. Call to order / Pledge of Allegiance

Chair Mark Steffek called the meeting to order at 4:00 p.m. in City Council Chambers at 200 W. North Street in Alturas, CA. Commissioner Rhoads, Commissioner Nelson, Commissioner Coe and Chair Steffek were present. Commissioner Neer, Commissioner Lewis, and Commissioner Byrne were absent. Public attending 2.

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

2. Approval of the Agenda (Additions and Deletions)

Commissioner Rhoads made the motion to approve the agenda as presented; seconded by Commissioner Nelson. In favor were Commissioners Rhoads, Nelson, Coe and Chair Steffek. Motion passed unanimous.

3. Correspondence

Executive Officer Benoit received a correspondence from Rural County Representatives of California (RCRC). If a Joint Power Agreement (JPA) is created LAFCo must be notified. This correspondence notified Modoc County LAFCo that the Board of Directors of Rural County Representatives of California (RCRC) voted unanimously to approve the formation of Golden State Connect Authority JPA on August 18, 2021, for the purpose of expanding broadband access and quality in rural areas.

4. Consider Minutes for the December 14, 2021 LAFCO meeting

Chair Steffek would like for the minutes to be amended on item number 8 to reflect Roger's full name. Which is Roger Farschon.

Commissioner Coe made the motion to approve the December 14, 2021, LAFCo meeting minutes with the amendment to reflect Roger Farschon instead of Roger; seconded by Commissioner Rhoads. In favor were Commissioners Rhoads, Nelson, Coe, and Chair Steffek. Motion passed.

5. Public Comment – None

6. Authorize payment of Claims

Executive Officer Benoit explained to the Commissioners he will continue to add a Resolution on the consent agenda to authorize LAFCo to meet through teleconference per Government Section Code 54953(e).

The Commissioners ask Executive Officer Benoit to restructure future agendas, so it clearly states consent agenda. This will allow them to act simultaneously on the consent agenda items.

Commissioner Coe made the motion to authorize the payment of claims for December, 2021 and January, 2022; seconded by Commissioner Nelson. In favor were Commissioners Rhoads, Nelson, Coe and Chair Steffek. Motion passed unanimous.

Commissioner Rhoads made the motion to adopt **Resolution #2022-1** authorizing a remote teleconference meeting; seconded by Commissioner Coe. In favor were Commissioners Rhoads, Nelson, Coe and Chair Steffek.

Motion passed unanimous.

7. **Policies, Standards and Procedures Amendment regarding a Service Review follow-up policy regarding MSR follow-up**

After the December 14, 2021, LAFCo meeting there was discussion on updating the Municipal Service Review (MSR) Follow-up Policy. Mr. Benoit has made the suggested correction and is now presenting the draft to the Commissioners.

Commissioner Coe made a motion to adopt Resolution #2022-0002 to amend the Policies, Standards and Procedures to include a policy regarding Municipal Service Review follow-up; seconded by Commissioner Rhoads. In favor were Commissioners Rhoads, Nelson, Coe and Chair Steffek.

Motion passed unanimous.

8. **Public Hearing regarding the Cedarville County Water District Service Review and Sphere of Influence**

Executive Officer Benoit informed the Commissioners he spoke to Roger Farschon who represents the Cedarville County Water District. They noticed they needed to include 14 acres into the new Sphere of Influence that wasn't included in the previous Sphere of Influence boundaries. This is to allow for future actions to be taken.

Commissioner Rhoads made a motion to open the public hearing at 4:18 p.m.; seconded by Commissioner Coe. In favor were Commissioners Rhoads, Nelson, Coe and Chair Steffek.

Motion passed unanimous.

No public comments were presented to the Commissioners.

Commissioner Coe made a motion to close the public hearing at 4:19 p.m.; seconded by Commissioner Rhoads. In favor were Commissioners Rhoads, Nelson, Coe and Chair Steffek.

Motion passed unanimous.

Commissioner Coe made a motion to adopt **Resolution #2022-0004** adopting the Sphere of Influence for the Cedarville County Water District; seconded by Commissioner Rhoads. In favor were Commissioners Rhoads, Nelson, Coe and Chair Steffek.

Motion passed unanimous.

9. **Executive Officer's Report**

Executive Officer Benoit reminds the Commissioners their 700 Forms are due by April 1, 2022, and they must submit their 700 Forms to the County Clerk. Mr. Benoit informs the Commissioners he plans during the April 12, 2022 LAFCo meeting to review the proposed 2022-2023 LAFCo budget. He knows the CALAFCo dues have increased.

Clerk Binning notifies the Commissioners that she does not reflect an action being taken for Resolution #2022-0003. She asks if they would like to revisit this item.

Commissioner Coe made a motion to adopt **Resolution #2022-0003** adopting the Municipal Service Review for the services provided by the Cedarville County Water District; seconded by Commissioner Rhoads. In favor were Commissioners Rhoads, Nelson, Coe and Chair Steffek.

Motion passed unanimous.

10. Commissioner Reports

City of Alturas Director of Public Works reports the Alturas Municipal Sewer District is moving forward. During the February 15, 2022 City Council meeting a sewer rate study will be presented. Mr. Picotte is moving forward with the proposed site for new Wastewater Treatment ponds. The City just installed monitoring wells to determine if the site will meet standards.

11. Adjourn to the next regular meeting on April 12, 2022.

There being no further business to come before the Commission. Motion made by Commissioner Rhoads to adjourn at 4:35 p.m.; seconded by Commissioner Nelson. In favor were Commissioners Rhoads, Nelson, Coe and Chair Steffek.

Motion passed unanimous.

Modoc Local Agency Formation Commission

6a

CLAIMS

for

February 2022 – March 2022

Authorize Claims for FY 2021-2022

Mar 1, 2022	Staff Svcs and Expenses Feb 2022	\$ 3,136.01
Feb 8, 20212	Meeting stipend Feb 8, 2022	\$ 400.00
Apr 1, 2022	Staff Svcs and Expenses March 2022	\$ 2,056.69
	TOTAL:	\$ 5,592.70

DATED: April 12, 2022

APPROVED: April 12, 2022

Mark Steffek, Chair or Cheryl Nelson, Vice-Chair Modoc Local Agency Formation Commission

Attest:

John Benoit
Executive Officer

Medoc LAFCo
Expenditures and Revenue
FY 2021-2022

Item	138.81 Pkg Scanning 4228	138.81 Postage 4216	138.81 Communications 4216	138.81 Office Exp 4216	138.81 Contract 4216	138.81 Staff Svcs 4216	138.81 Clerk Svcs 4216	138.81 Medical Svcs 4216	138.81 Travel 4216	138.81 Miscellaneous 4216	138.81 Commissions 4216	TOTAL
Total Budgeted 2021-2022	\$ 3,000.00	\$ 1,131.00	\$ 800.00	\$ 300.00	\$ 1,000.00	\$ 600.00	\$ 2,000.00	\$ 35,000.00	\$ 720.00	\$ 600.00	\$ 2,200.00	\$ 4,800.00
Callaco Dues 21-22	\$ (510.00)	\$ (1,131.00)	\$ (15.00)	\$ (133.16)	\$ (24.98)	\$ (1,955.00)	\$ (467.50)	\$ (3,105.64)	\$ (500.00)	\$ (500.00)	\$ (1,131.00)	\$ (5,451.00)
Payroll July 2021												
Payroll Aug 10, 2021			\$ (2.40)	\$ (141.26)		\$ (4,132.50)	\$ (120.00)	\$ (4,397.36)		\$ (500.00)		\$ (500.00)
Staff Svcs August 2021				\$ (59.89)		\$ (2,635.00)		\$ (2,694.89)				\$ (2,694.89)
Staff Svcs September 2021			\$ (15.00)	\$ (1.96)	\$ (60.06)	\$ (3,410.00)	\$ (120.00)	\$ (3,607.02)				\$ (3,607.02)
Payroll Oct 19, 2021												\$ (500.00)
Modoc Rec Protest City Subsidiary Distr.						\$ (135.00)	\$ (1,870.00)	\$ (4,393.28)				\$ (4,393.28)
Staff Svcs November 2021				\$ (60.79)		\$ (2,422.50)		\$ (2,916.33)				\$ (2,916.33)
Payroll Dec 14, 2021			\$ (10.00)		\$ (66.33)	\$ (2,720.00)	\$ (120.00)	\$ (3,156.64)				\$ (3,156.64)
Staff Svcs December 2021				\$ (103.00)	\$ (33.14)	\$ (3,017.50)		\$ (3,153.64)				\$ (3,153.64)
Staff Svcs January 2022 # 22-08			\$ (6.50)		\$ (67.01)	\$ (2,000.00)	\$ (120.00)	\$ (2,056.69)	\$ (942.50)			\$ (2,056.69)
Staff SVCS February 2022 #22-19						\$ (1,912.50)		\$ (400.00)				\$ (400.00)
Staff Svcs March 2022 #2022-26					\$ (60.86)	\$ (83.33)						
Payroll Feb 8, 2022												
Total Expenditures to Date	\$ (650.96)	\$ (1,131.00)	\$ (43.40)	\$ (733.65)	\$ (111.45)	\$ (24,289.98)	\$ (489.00)	\$ (32,353.64)	\$ (1,320.00)	\$ (465.00)	\$ (2,200.00)	\$ (32,353.64)
Total Budget Remaining	\$ 2,349.04	\$ 0.00	\$ 756.60	\$ 266.64	\$ 247.54	\$ 11,795.00	\$ 240.00	\$ 11,795.00	\$ 465.00	\$ 2,900.00	\$ 9,220.00	\$ 2,900.00

Actual	July 1, 2021 City Fund Carryover
21-22 Actual City/Co Contributions	\$ 27,253.12
FY 2021-22 City Anticipated Funds Transf	\$ 25,998.05
2021-22 County Funds Anticipated	\$ 25,998.05
Funds received	
REVENUE FOR PROJECTS	
Interest	
Anticipated Funds received	\$ (32,566.97)
Less Expenditures	\$ 20,864.20
Actual Cash Balance	\$ 25,998.05

INVOICE - LAFCO March 2022

John Benoit

Invoice number: 2022-0026

Invoice date: 1-Apr-22

P.O. Box 2694
 Granite Bay, CA 95746
 Tel: (530) 257-0720
 Fax (530) 797-7631

Vender ID #

4545

Client name: Modoc LAFCO c/o City of Alturas
 Address: 200 W. North Street
 City, state, postal code: Alturas, CA 96101

Telephone: 530-233-6024
 Fax:
 PO number:

Lafoo Staff	Hours	Start / End Date	Amount
John Benoit	22.50	March 1-31, 2022	\$1,912.50
Dennis Miller			0.00
Christy Leighton			0.00
Jennifer Stephenson			0.00
	22.50		

Total activity cost: \$1,912.50

Materials / Other Expenses	Reason / Vendor	Amount
Reproduction Costs	Misc copies	
Postage		
Phone & Communications	General Comm per contract	\$ 60.86
Office Supplies	misc supplies	\$83.33
Mileage within County		
Website URL renewal		
Clerk		

Total materials cost: \$144.19

Total billing: \$ 2,056.69

RESOLUTION NO. 2022-0006

A RESOLUTION OF MODOC LAFCO AUTHORIZING A REMOTE TELECONFERENCE MEETING OF THE COMMISSION PURSUANT TO GOVERNMENT CODE SECTION 54953(e)

WHEREAS, Government Code section 54953(e), as amended by Assembly Bill No. 361, allows legislative bodies to hold open meetings by teleconference without reference to otherwise applicable requirements in Government Code section 54953(b)(3), so long as the legislative body complies with certain requirements, there exists a declared state of emergency, and one of the following circumstances is met:

1. State or local officials have imposed or recommended measures to promote social distancing.
2. The legislative body is holding the meeting for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.
3. The legislative body has determined, by majority vote, pursuant to reason two below, that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

WHEREAS, the Governor of California proclaimed a state of emergency pursuant to Government Code section 8625 on March 4, 2020; and

WHEREAS, the MODOC LAFCO desires to hold its public meetings by teleconference consistent with Government Code section 54953(e).

NOW, THEREFORE, MODOC LAFCO DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Conditions are Met. The MODOC LAFCO hereby finds and declares the following, as required by Government Code section 54953(e)(3):

1. The Governor of California proclaimed a state of emergency on March 4, 2020, pursuant to Government Code section 8625, which remains in effect.
2. The reasons for adopting this resolution are one or more of the following:
 - a. State or local officials have imposed or recommended measures to promote social distancing.

- b. The legislative body is holding the meeting for the purpose of determining whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.
- c. The legislative body has determined that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

PASSED AND ADOPTED by the Modoc LAFCo, this 12th day of April 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Mark Steffek, Chair

Modoc Local Agency Formation Commission

ATTEST:

John Benoit, Executive Officer

MODOC LOCAL AGENCY FORMATION COMMISSION,

Modoc Local Agency Formation Commission

Item 7

DATE: April 12, 2022
TO: Local Agency Formation Commission
FROM: John Benoit, Executive Officer
RE: Proposed Budget for FY 2022-2023
Attachment: A. Proposed Budget Resolution #2021-0005

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 2022-2023 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 7.9% and increasing daily. Over the past 18 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 \$105 an hour and that was five years ago. A monthly stipend of \$4,100 per month is common plus the cost of projects. A consulting planner upwards of \$130.00+ per hour and recent LAFCo EO recruitments are up to over \$160,000 per year.

I have not requested an increase for 17 years. 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.

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 2022-2023 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. Four years ago there was a consolidation of two RCD's and last year we saw the services provided by Daphnedale combined with the City of Alturas. 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.
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 19-21, 2022) in Newport Beach is approximately \$2,200 per person including transportation, lodging for and conference registration and mileage from Alturas to the Reno Airport and Flight to Newport Beach. 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 2022-2023 Fiscal Year initiation are as follows:

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

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 \$1,131 to \$1,186 next year (a \$55.00 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.