

Modoc Local Agency Formation Commission

Special MEETING AGENDA

Website: www.modoclafco.org

TUESDAY April 14, 2020 – 4:00 PM

Welcome to the MODOC LAFCo special meeting. This special meeting has the same agenda as, and supersedes, the regular meeting previously scheduled for the same time and date. The meeting is noticed as a special meeting to allow Commissioners and the public to participate in the meeting via teleconference or other electronic means. **A roll call vote is required for all items on the agenda.**

This meeting will be via Teleconference (conference call) only due to the COVID-19 virus. Many items will be continued until the June 9th 2020 regular meeting. Normally the meeting will be at the City Council Chambers, 200 North Street, Alturas, California, a physical location will not occur for this meeting per the Governor's Executive Order.

You may use your phone for this conference call and no computer is required. There will be no video.

The DIAL IN NUMBER is (978) 990-5000 and the ACCESS CODE is 658749# at 4:00 PM

If you have any problems dialing in call LAFCo at (530) 233-9625

Items may be considered at any time during the meeting. All items are listed in accordance with the Ralph M. Brown Act. Members of the public are encouraged to participate in this teleconference meeting either by email prior to the meeting at j.benoit4@icloud.com or by phone by dialing the number and access code above. You may listen to the meeting by dialing the teleconference number.

This meeting is being agendized to allow staff and the public to participate via teleconference, pursuant to the Governor's Executive Orders N-25-20 & N-29-20 and dated March 12, 2020 & March 17, 2020. These Executive Orders authorizes local legislative bodies to hold a public meeting via teleconference or other electronic means and to make public meetings accessible to telephonically to all members of the public and staff in effort to observe Social Distancing Recommendations in effect for the entire country.

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

1. Call to order / Pledge of Allegiance

Commissioners

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

LAFCO Staff

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

Alternate Members

Marie Neer, Public Member Alt.
Geri Byrne, County Member Alt.
Vacant, City Member Alt

2. Approval of the Agenda (Additions and Deletions)

3. Correspondence:

4. Consider Minutes for the February 11, 2020 LAFCo meeting

- a. *Approve minutes from the February 11, 2020 LAFCo 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. Authorize payment of claims

- a. *Authorize payment of claims for February 2019 and March 2020*

7. PUBLIC HEARING: 2020-2021 LAFCo Budget

- a. *Consider report of the Executive Officer and conduct Public Hearing*
- b. *Consider Resolution 2020-0001 adopting a proposed budget for 2020-2021*

8. Pest Abatement Districts MSR and SOI (Lookout and Stronghold)

(please have your copies of the Pest Abatement Districts MSR and SOI available)

- a. *Receive Executive Officer's Report and Conduct Public Hearing*
- b. *Consider Resolution 2020-0002 adopting a Service Review for the Lookout and Stronghold Pest Abatement Districts.*
- c. *Consider Resolution 2020-0003 adopting a Sphere of Influence for the Lookout and Stronghold Pest Abatement Districts.*

9. PUBLIC HEARING: Policy, Standards and Procedures Update

- a) *Continue Public Hearing until 4:00 PM June 9, 2020*

10. Executive Officer's Report:

- a) *Calafco Staff Workshop - Cancelled*
- b) *700 forms now due June 1st*

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 9, 2020

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 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 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 11, 2020

1. Call to order / Pledge of Allegiance

Chair Read called the meeting to order at 4:00 p.m. in City Council Chambers at 200 W. North Street in Alturas, CA. Commissioner Coe, Commissioner Rhoads, Commissioner Steffek, and Commissioner Irvin were present. Commissioner Nelson, Commissioner Byrne, and Commissioner Neer were absent. Public attending 1.

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

Pledge of Allegiance.

2. Approval of the Agenda (Additions and Deletions)

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

3. Correspondence

Executive Officer Benoit received an email memo from the Administrator for Surprise Valley Health Care District Don Brandon updating on their current status. Mr. Benoit requests to discuss this item under agenda item #7 Update and Discussion with the District Manager regarding the Surprise Valley Hospital District.

4. Consider Minutes from the December 10, 2019 LAFCo meeting

Motion made by Commissioner Rhoads to approve the December 10, 2019 minutes; seconded by Commissioner Irvin. In favor were Commissioners Coe, Rhoads, Irvin, Steffek and Read.
Motion passed unanimous

5. Public Comment – None

6. Authorize payment of Claims for December 2019 and January 2020

Executive Officer Benoit informs the Commissioners that in their packet the claims for December 2019 and January 2020 there is an error. Item number 3 should read December 10, 2019 meeting stipend for Commissioner Steffek for \$400.00. However, the total of \$6,728.46 is correct.

Commissioner Rhoads made the motion to authorize payment of claims for December 2019 and January 2020 with the amendment to reflect item number 3 as December 10, 2019 meeting stipend for Commissioner Steffek for \$400.00; seconded by Commissioner Steffek. In favor were Commissioners Coe, Rhoads, Irvin, Steffek and Read.

Motion passed unanimous

7. Update and Discussion with the District Manager regarding the Surprise Valley Hospital District

Executive Officer Benoit received an email memo from the Administrator for Surprise Valley Health Care District Don Brandon. Mr. Brandon updated LAFCo on their progress for legal,

operations and financials. For the legal update Mr. Brandon provided that the SVHCD has finalized settlement agreement with Cadira Holdings (Lab billing company) on 12/31/2019; also, that they are near finalization of the Sphar loan agreement; and they expect to provide financial projections this month to legal counsel for presentation to chapter 9 court. For the operations update they have been working through re-organization of management structure and are "gaining ground" on operational deficiencies related to State and Federal inspections. Mr. Brandon expects to provide adequate financial information to the accounting firm this month that will be performing the audit(s).

Executive Officer Benoit would like to continue to be active and prepare their service review.

8. Discussion regarding non-contiguous city annexations of land used for municipal purposes – the LAFCo process

Executive Officer Benoit was contacted by Public Works Director Jason Diven, the City of Alturas is currently interested in purchasing property that will be non-contiguous for a new land disposal waste water facility. Mr. Benoit believes this is a beneficial plan. Mr. Benoit advises Mr. Diven on the process and what to expect. The City of Alturas can do a non-contiguous annexation up to 300 acres. The LAFCo process involves obtaining a geographic description and map from a licensed surveyor, file an application with LAFCo, completing a property tax sharing agreement with Modoc County, Board of Equalization fee of \$3,500.00, and a LAFCo fee around \$2,500.00. Mr. Benoit also advises Mr. Diven to contact adjacent neighbors.

Mr. Diven is waiting to see if the property passes environmental review, archeology review, and CEQA before proceeding to purchase property.

Mr. Benoit informs Mr. Diven that the City would need to pre-zone and will be the lead agency through the CEQA process. The City will also need to amend their general plan. Once those items are completed then the City would proceed with the LAFCo process. LAFCo will need to be involved in the CEQA process from start to finish. Mr. Benoit recommends that he and the consultant work closely together through this process and will need a notice of preparation and notice of completion.

9. Pest Abatement Districts MSR and SOI (Lookout and Stronghold)

Executive Officer Benoit provided the Commissioners with the draft of the Municipal Service Review (MSR) and Sphere of Influence (SOI) for the Pest Abatement Districts Lookout and Stronghold. Mr. Benoit reviewed key points and explained the next step to the process. At the April LAFCo meeting a public hearing will be held and possibly approve the Municipal Service Review (MSR) and Sphere of Influence (SOI) for the Pest Abatement Districts Lookout and Stronghold.

10. WORKSHOP: Policies, Standards, and Procedures Update

Executive Officer Benoit continued discussing the changes on the recently modified LAFCo Policies, Standards and Procedures from Section 2.14 to the end of the document. The last update on the LAFCo Policies, Standards and Procedures was in 2009. The next LAFCo meeting they will hold a public hearing and possibly approve the updated LAFCo Policies, Standards and Procedures.

11. Authorize Staff to attend the Calafco Annual Staff Workshop on March 24-27 in Orange County

Commissioner Coe inquires if this workshop has been budgeted or if it was separate than the traveling fund. Currently the traveling fund appears to be over the budget.

Executive Officer Benoit will prepare a budget amendment.

Motion made by Commissioner Coe to authorize staff to attend the Calafco Annual Staff Workshop March 24th – March 27th in Orange County; seconded by Commissioner Steffek. In favor were Commissioners Coe, Rhoads, Irvin, Steffek and Read.

Motion passed unanimous

12. Executive Officer's Report

Executive Officer Benoit informs the Commissioners that the annual 700 form needs to be completed before April 1, 2020 and filed with Stephanie Wellemeyer at the Modoc County Clerk and Auditor's Office.

Executive Officer Benoit would also like to update the LAFCo application form and add if a new district is being formed that the agency forming the district will inform residents within the proposed district boundaries and surrounding the boundaries.

13. Commissioner Reports

Commissioner Irvin expresses his concern regarding repealing Resolution 2018-0001 at the December LAFCo meeting for Daphnedale CSD. He felt like last meeting progress was being made. However, since the last meeting communication has not been made. Mr. Irvin would like to see progress being tracked from LAFCo, so Daphnedale doesn't proceed to fall behind.

Commissioner Rhoads asked if keeping the resolution on the agenda helped keep track of progress.

Commissioner Irvin believed it did, but since this is Commissioner Irvin's last LAFCo meeting he wanted to express his concern so they can continue to monitor the progress. Mr. Irvin would also like to thank everyone for the opportunity to serve on the LAFCo Board.

There being no further business to come before the Commission. Motion made by Commissioner Coe to adjourn at 5:22 p.m.; seconded by Commissioner Rhoads. In favor were Commissioners Coe, Rhoads, Irvin, Steffek and Read.

Motion passed unanimous

#6

Modoc Local Agency Formation Commission

CLAIMS

for

February 2020 - March 2020

Authorize the following Claims for FY 2019-2020

March 1, 2020	Staff Svcs February 2020	\$ 3,581.60
April 1, 2020	Staff Svcs March 2020	\$ 1,992.65
Feb 11, 2020	Meeting stipend 2.11.20	\$ 500.00
March 11 ,2020	Modoc Record PropBud,policies and pest	\$ 69.00
	TOTAL:	\$ 6,143.25

DATED: April 14, 2020

APPROVED: April 14, 2020

**Richard Read, Chair Modoc Local Agency
Formation Commission**

Attest:

**John Benoit
Executive Officer**

Modoc LAFCo
Expenditures and Revenue
FY 2019-2020

Item	Account Number	File Scanning 4210	Memberships 4470	copies 4210	postage 4211	Commissions 4221	Office Exp 4310	Counsel 4008	staff Svcs 4104	Client Costs 4005
Total Budgeted 2019-2020		\$ 3,000.00	\$ 1,077.00	\$ 1,200.00	\$ 300.00	\$ 1,000.00	\$ 10.00	\$ 2,000.00	\$ 36,000.00	\$ 720.00
Calafco Dues 19-20			\$ (1,075.00)							
Staff Svcs July 2019										
Payroll Aug 27, 2019										
Conf Registration M. Steffek										
Staff Svcs August 2019										
Staff Svcs September 2019										
Modoc Record LFHCD MSR and SOI										
PAYROLL Oct 22, 2019										
Staff SVCS October 2019										
Mark Steffek Calafco Conf. Reimb 2019										
Staff Svcs November 2019										
Payroll December 10, 2019										
Staff Svcs December 2019										
Staff Svcs January 2020										
Alluras Council Chambers Facility Usage										
Payroll Feb 11, 2020										
Staff Svcs Feb 2020										
Staff Svcs March 2020										
Modoc Record Prop Bud. Policies and Pest abate										

Staff Svcs July 2019										
Staff Svcs August 2019										
Staff Svcs September 2019										
Staff Svcs October 2019										
Staff Svcs November 2019										
Staff Svcs December 2019										
Staff Svcs January 2020										
Staff Svcs February 2020										
Staff Svcs March 2020										
Modoc Record Prop Bud. Policies and Pest abate										
Total Expenditures to date		\$ (1,075.00)	\$ (85.00)	\$ (62.01)	\$ (728.97)	\$ (100.00)	\$ (100.00)	\$ (23,045.00)	\$ (460.00)	\$ 240.00
Total Budget Remaining		\$ 2.00	\$ 1,115.00	\$ 247.99	\$ 273.03	\$ 2,000.00	\$ 2,000.00	\$ 12,935.00	\$ 720.00	\$ 460.00

July 1, 2019 City Fund Carryover	\$ 21,378.94
19-20 Actual City/Co Contributions	\$ 46,866.70
FY 2019-2020 City Anticipated Funds Transf	\$ 23,433.35
2019-2020 County-City Funds anticipated	\$ 23,433.35
Funds received	\$ 34,022.03
REVENUE FOR PROJECTS	\$ 34,223.61
Interest	\$
Anticipated Funds received	\$
Less Expenditures	\$
Actual Cash Balance	\$ 34,223.61

Modoc Local Agency Formation Commission

Item 7

DATE: April 14, 2020
TO: Local Agency Formation Commission
FROM: John Benoit, Executive Officer
RE: Proposed Budget for FY 2020-2021
Attachment: A. Proposed Budget Resolution #2020-0001

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 2020-2021 in all budget categories. Funding for the MSR's and SOL's will continue through LAFCO's prior year's carryover.

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 2020-2021 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. Two years ago 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 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.

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, 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 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 2020-2021 Fiscal Year initiation are as follows:

1. Healthcare Districts MSR and SOI
2. Review and adopt revised Policies, Standards and Procedures.

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 \$1,077 to \$1,130 next year (a \$47.00 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. This item also includes the funding to update LAFCo's Bylaws and the Policies.

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 \$2,200 for this activity this year. 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 21-23, 2020) in Monterey is approximately \$1,900 per person including transportation, lodging for 3 nights (\$600 + taxes and fees) and conference registration (\$520) and mileage from Alturas to Monterey (914 miles) RT \$525.00 plus misc. costs \$100.00. 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 1/7 of staff to attend the Calafco workshop in Orange County 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. These costs are to be paid from the General Reserve, which is \$10,500.00. 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 \$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 \$6,345.00. 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, which does not exist for Modoc LAFCo.

CITY/COUNTY SHARE For fiscal year 2020-2021 City/County share is proposed to be \$24,897.50 each.

Action Required

- a. *Review and consider adoption of the proposed 2020-2021 LAFCO budget approving LAFCO Resolution # 2020-0001 shown as Attachment # A.*

**Resolution 2020-0001
of the**

Modoc Local Agency Formation Commission

Resolution of Modoc Local Agency Formation Commission Adopting a

Proposed Budget for 2020-2021

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 2020-2021 at its April 14, 2020 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 2020-2021 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 2020-2021 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 14th day of April 2020 by the following roll call vote:

AYES: -

NOES: -

ABSTAINS: -

ABSENT: -

Signed and approved by me after its passage this 14th day of April, 2020.

Dick Read, Chair, Modoc LAFCO

Attest:

John Benoit, Executive Officer
Modoc LAFCO

OBJECT LEVEL/
ACCOUNT

FY 2014-2015 FY 2015-2016 FY 2016-2017 FY 2017-2018 FY 2018-2019 FY 2019-2020 FY 2020-2021

FINAL FINAL FINAL FINAL FINAL FINAL PROPOSED

BUDGET BUDGET BUDGET BUDGET BUDGET BUDGET BUDGET

EXPENDITURES	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021
	Final	FINAL	FINAL	FINAL	FINAL	FINAL	PROPOSED
	BUDGET						
4003 Commissioner Stipends	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00
4420 Memberships	\$ 769.00	\$ 785.00	\$ 840.00	\$ 899.00	\$ 926.00	\$ 1,077.00	\$ 1,130.00
4210 Office Expense - Printing	\$ 1,500.00	\$ 1,000.00	\$ 1,000.00	\$ 800.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00
4211 POSTAGE	\$ 500.00	\$ 500.00	\$ 500.00	\$ 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
OFFICE EXPENSES	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ -	\$ -	\$ -
4008 Professional Svcs. - Legal Counsel	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 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
4006 Professional Svcs. - Clerk Costs	\$ 900.00	\$ 900.00	\$ 900.00	\$ 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
4225 Special Departmental Expense -File Scanning & Management			\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
4430 Transportation & Travel	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 2,200.00
4454 MSR/SOI UPDATES	\$ 21,500.00	\$ 16,500.00	\$ 15,500.00	\$ 10,500.00	\$ 10,500.00	\$ 10,500.00	\$ 10,500.00
Total Services & Supplies	\$ 73,169.00	\$ 67,685.00	\$ 69,740.00	\$ 61,519.00	\$ 61,546.00	\$ 61,697.00	\$ 63,450.00
4922 CONTINGENCY	\$ 7,316.90	\$ 6,768.50	\$ 6,974.00	\$ 6,151.90	\$ 6,154.60	\$ 6,169.70	\$ 6,345.00
TOTAL LAFCO BUDGET	\$ 80,485.90	\$ 74,453.50	\$ 76,714.00	\$ 67,670.90	\$ 67,700.60	\$ 67,866.70	\$ 69,795.00
REVENUES							
CARRYOVER	\$ 40,000.00	\$ 34,000.00	\$ 36,000.00	\$ 25,000.00	\$ 23,000.00	\$ 21,000.00	\$ 20,000.00
Application Fees							
3060 City Share - LAFCO Cost	\$ 20,242.95	\$ 20,226.75	\$ 20,357.00	\$ 21,335.45	\$ 22,350.30	\$ 23,433.35	\$ 24,897.50
3060 County Share - LAFCO Cost	\$ 20,242.95	\$ 20,226.75	\$ 20,357.00	\$ 21,335.45	\$ 22,350.30	\$ 23,433.35	\$ 24,897.50
Total Due from Other Gov'ts.							
TOTAL REVENUES	\$ 80,485.90	\$ 74,453.50	\$ 76,714.00	\$ 67,670.90	\$ 67,700.60	\$ 67,866.70	\$ 69,795.00
GENERAL RESERVE							

Resolution 2020-0002 of the
Modoc Local Agency Formation Commission
In
Modoc County, California

Approving a Municipal Service Review of Services Provided by the Lookout and Stronghold pest abatement districts in Modoc County and Adopting Written Determinations Thereon

WHEREAS, California Government Code Section 56425 requires that a Local Agency Formation Commission ("LAFCO") adopt and periodically review Sphere of Influence Plans for all agencies in its jurisdiction; and,

WHEREAS, California Government Code Section 56430 requires that a LAFCO conduct a review of the municipal services provided by and within an agency prior to updating and adopting its Sphere of Influence Plan; and,

WHEREAS, the Sphere of Influence Plan is the primary planning tool for LAFCO and defines the probable physical boundaries and service area of a local agency as determined by LAFCO; and,

WHEREAS, on October 23, 2007, the Commission adopted its Policies, Standards and Procedures including policies related to Municipal Service Reviews (MSRs) and Spheres of Influence and updated these policies on April 14, 2009; and

WHEREAS, at the time and in the manner provided by law, the Executive Officer gave notice of the date, time, and place of a public hearing by the Commission for services provided in the Lookout and Stronghold pest abatement districts service area, including approval of the report and adoption of the written determinations contained therein; and,

WHEREAS, the Commission hereby determines that the hearing draft of the Municipal Service Review for services provided by and within the Lookout and Stronghold pest abatement districts and written determinations contained therein will provide information for updating the Sphere of Influence of the Lookout and Stronghold pest abatement districts, and is otherwise consistent with the purposes and responsibility of the Commission for planning the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities; and,

WHEREAS, in making this determination, the Commission has considered the documentation on file in this matter; and,

WHEREAS, the Commission has heard all interested parties desiring to be heard and has considered the proposal and report by the Executive Officer and all other relevant evidence and information presented at said hearing;

NOW, THEREFORE, the Modoc Local Agency Formation Commission hereby resolves, orders and determines the following:

- 1) The Municipal Service Review of services provided in the Lookout and Stronghold pest abatement districts, attached hereto as Exhibits A and B, are approved and the written determinations presented in the Municipal Service Review report are hereby adopted.
- 2) The Lookout and Stronghold pest abatement districts currently provide pest abatement services as authorized in the Health and Safety Code. All other services authorized in the Health and Safety Code shall not be allowed until the District seeks permission from LAFCO to perform said service.

- 3) LAFCO staff is further ordered to proceed as appropriate with update to the Sphere of Influence Plans for the Lookout and Stronghold pest abatement districts.
- 4) LAFCO staff is further ordered to forward copies of this resolution containing the adopted Municipal Service Review to the Lookout and Stronghold pest abatement districts.

The foregoing resolution was duly passed by the Modoc Local Agency Formation Commission at a special meeting held on April 14, 2020, by the following roll call vote:

Ayes:

Noes:

Absentions:

Absent:

Signed and approved by me after its passage this 14th day of April 2020

Richard Read, Chair
Modoc Local Agency Formation Commission

Attest:

John Benoit, Executive Officer
Modoc Local Agency Formation Commission

Resolution No. 2020-0003

MODOC LOCAL AGENCY FORMATION COMMISSION

*A Resolution Making Determinations and Approving a Sphere of Influence Update for the
Lookout and Stronghold Pest Abatement Districts*

WHEREAS, Government Code Section 56425 requires each Local Agency Formation Commission to adopt and periodically review and update a sphere of influence for each local governmental agency within its jurisdiction; and

WHEREAS, the Modoc Local Agency Formation Commission, in compliance with the aforementioned requirement, is providing a "plan for the probable physical boundaries and service area" for the Lookout and Stronghold Pest Abatement Districts; and

WHEREAS, the Commission has set the hearing date of April 14, 2020 for the update of the sphere of influence for the Lookout and Stronghold Pest Abatement Districts and has noticed this hearing at the times and as otherwise prescribed by Government Code Section 56427; and

WHEREAS, the Commission has heard and adopted a Municipal Services Review of services provided by the Lookout and Stronghold Pest Abatement Districts in accordance with Gov. Code section 56430; and

WHEREAS, the Commission has reviewed and considered the proposed Sphere of Influence update report and the proposed Sphere of Influence Update Maps which are attached hereto and incorporated herein; and

WHEREAS, Modoc LAFCO prepared and a notice of exemption for such action; and

WHEREAS, the Commission has considered those factors determined by it to be relevant to the proposed sphere of influence update, including, but not limited to, those factors specified in Government Code Section 56425, et seq., and has heard from interested parties and considered requests for amendment and/or revision of the proposed updated sphere boundary, if any;

NOW, THEREFORE, BE IT RESOLVED that the Modoc Local Agency Formation Commission does hereby find and determine as follows:

1. That the proposed sphere of influence update with respect to the Lookout and Stronghold Pest Abatement Districts complies with the provisions of Government Code Section 56000, et seq.
2. That no significant protests have been received regarding the establishment of this Sphere of Influence update.
3. That, pursuant to Government Code Section 56425, the Commission makes and adopts those determinations set forth in the Sphere of Influence Study are attached hereto as Exhibits "A" and "B" and incorporated herein.

4. The Commission has reviewed and adopts a Notice of Exemption prepared for this Sphere of Influence update and makes a specific finding that there is no substantial evidence in light of the whole record before Modoc Local Agency Formation Commission that this Sphere Update for the Lookout and Stronghold Pest Abatement Districts may have a significant adverse effect on the environment.

5. Pursuant to Government Code Section 56425 (i) the Lookout and Stronghold Pest Abatement Districts are authorized to provide pest abatement services within the territory set forth in Exhibits "A" and "B". Other services this Districts may provide as stated in its enabling legislation shall require LAFCO approval prior to the service being provided.

6. That the Sphere of Influence Update Reports, Executive Officer's Report, and Map for the Lookout and Stronghold Pest Abatement Districts updated Sphere are hereby adopted and approved as set forth in Exhibits "A" and "B".

The foregoing resolution was duly passed by the Modoc Local Agency Formation Commission at a regular meeting held on April 14, 2020, by the following roll call vote:

Ayes:
Noes:
Abstain:
Absent:

Signed and approved by me after its passage this 14th day of April 2020.

Richard Read, Chair: Modoc LAFCO

Attest:

John Benoit, Executive Officer
MODOC LOCAL AGENCY FORMATION COMMISSION,

Exhibit A

**LOCAL AGENCY FORMATION COMMISSION
 LOOKOUT PEST ABATEMENT DISTRICT
 SPHERE OF INFLUENCE**

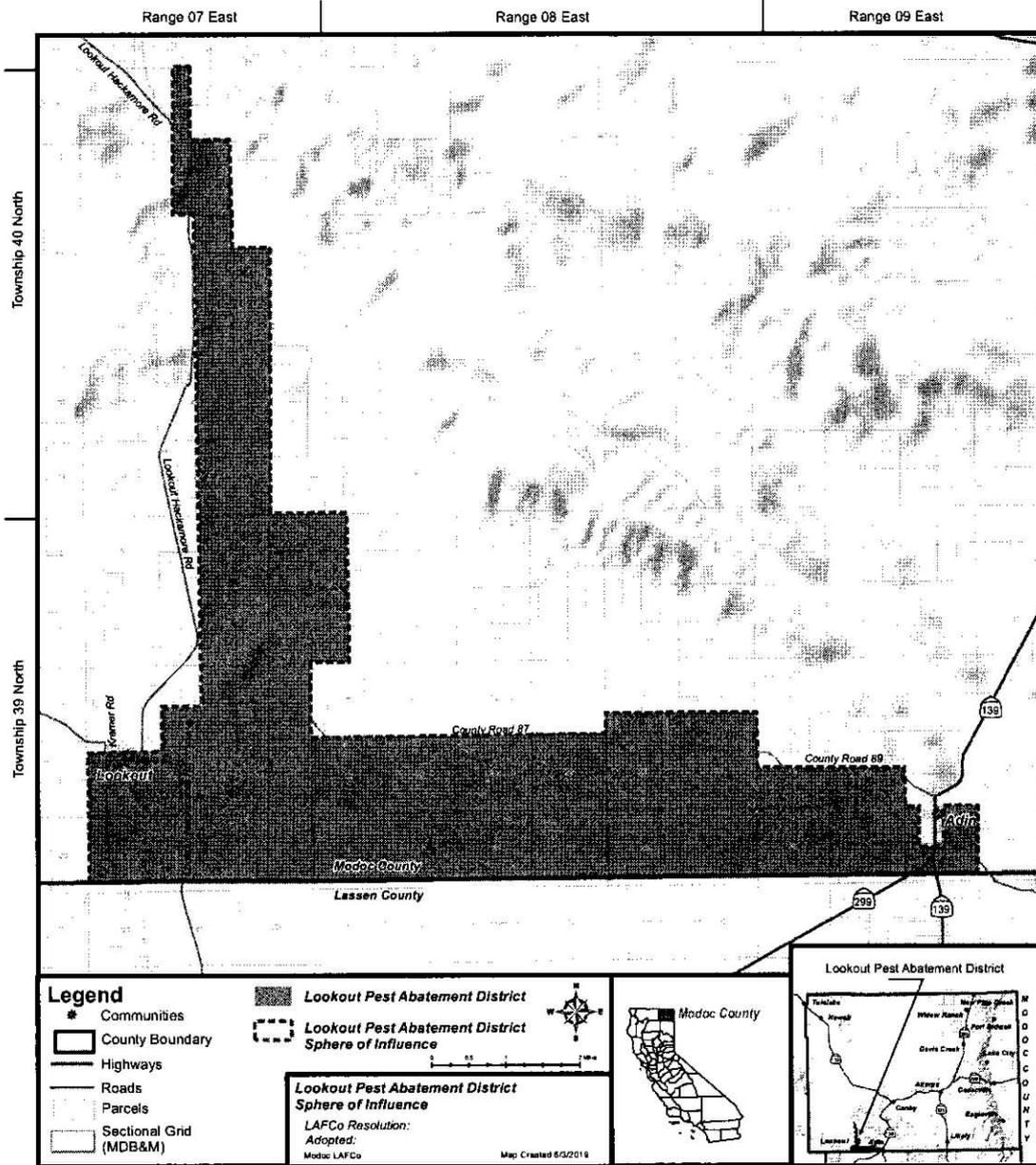
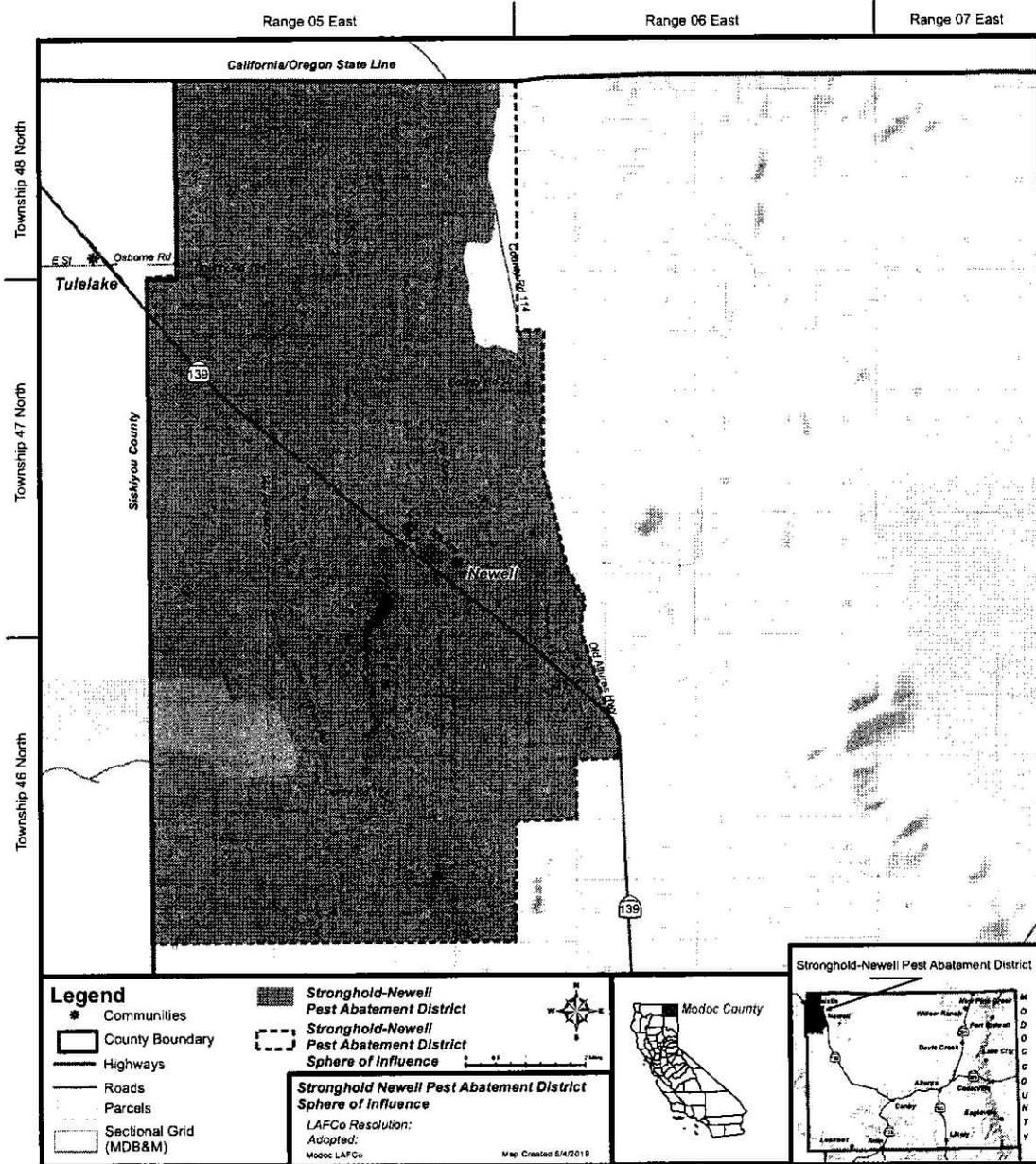


Exhibit B

**LOCAL AGENCY FORMATION COMMISSION
 STRONGHOLD-NEWELL PEST ABATEMENT DISTRICT
 SPHERE OF INFLUENCE**

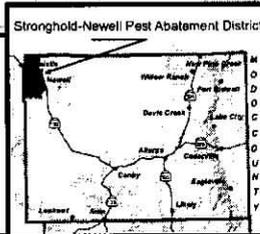


Legend

- ★ Communities
- County Boundary
- Highways
- Roads
- ▭ Parcels
- ▭ Sectional Grid (MDB&M)

- ▨ Stronghold-Newell Pest Abatement District
- ▨ Stronghold-Newell Pest Abatement District Sphere of Influence

Stronghold Newell Pest Abatement District Sphere of Influence
 LAFCo Resolution:
 Adopted:
 Modoc LAFCo



NOTICE OF EXEMPTION

TO: County Clerk
County of Modoc
Alturas, CA

FROM: Modoc LAFCO
P.O. Box 2694
Granite Bay, CA 95746

PROJECT TITLE: Lookout and Stronghold Pest District – Sphere of Influence Update

PROJECT LOCATION: Pit River, Big Valley and Tule Lake Areas of Modoc County

DESCRIPTION OF PROJECT:

The proposed project would involve the update of Spheres of Influence. Said Spheres of Influence are coterminous with the existing district boundaries

NAME OF PUBLIC AGENCY APPROVING PROJECT:

Modoc Local Agency Formation Commission

NAME OF PERSON OR AGENCY CARRYING OUT THE PROJECT:

Modoc Local Agency Formation Commission

EXEMPT STATUS:

Class 20 Categorical Exemption, "Changes in Organization of Local Agencies," CEQA Guidelines Section 15320.

REASONS WHY PROJECT IS EXEMPT:

The proposed project involves an update of a Sphere of Influence for the Lookout and Stronghold Pest Abatement Districts. CEQA Guidelines Section 15320 consists of changes in the organization or reorganization of local governmental agencies where the changes do not change the geographical area in which previously existing powers are exercised. There is no change to the Sphere boundary. The Commission also finds there is no evidence in the record that an unusual circumstance exists with respect to this Sphere of Influence Update.

CONTACT PERSON:

John Benoit
LAFCO Executive Officer

TELEPHONE NUMBER:

(530) 233-9625

By: _____

Date: April 14, 2020