

Modoc Local Agency Formation Commission

REGULAR MEETING AGENDA

Website: www.modoclafco.org

Tuesday June 12, 2018 – 4:00 PM

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

1. Call to order / Pledge of Allegiance

Commissioners

Alternate Members

Geri Byrne, County Member
Jim Irvin, City Member, Vice Chair
T.J. Jerry Shea, Public Member
John Dederick, City Member
Kathie Rhoads, County Member, Chair

Richard Read, Public Member Alt.
David Allan, County Member Alt.
Cheryl Nelson, City Member Alt.

LAFCO Staff

John Benoit, Executive Officer
Scott Browne, LAFCO Counsel
Jackie Froeming, Clerk

2. Approval of the Agenda (Additions and Deletions)

3. Correspondence

4. Consider Minutes for April 10, 2018

a. *Approve minutes from the April 10th 2018 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 for April 2018 and May 2018

a. *Authorize payment of claims for April 2018 and May 2018.*

PUBLIC HEARING

7. Public Hearing regarding the Final Modoc LAFCo 2018-2019 LAFCo Budget

- a. *Review Executive Officer's Report Open Public Hearing and consider LAFCo Resolution 2018-0003 adopting a LAFCo Final for FY 2018-2019*

Other Business:

8. Status of the Daphnedale CSD reorganization.

- a. *Review and Discuss Daphnedale CSD reorganization.*

9. Discussion and update regarding the Surprise Valley Health Care District

- a. *This is discussion item only and no LAFCo action is being considered*

10. Review Proposed Letters of Support for SB-929, AB 2238 and AB 2268 considering support for the following bills:

- a. *SB-929 (McGuire) Special District's websites*
- b. *AB 2238 (Aguilar-Curry) LAFCo's and Hazard Mitigation Plan – General Plan Safety Elements*
- c. *AB-2268 (Reyes) restoration of funding for inhabited annexations*

11. Authorize Staff and Commissioners to attend the Calafco annual conference at the Tenaya Lodge near Yosemite October 3-5, 2018.

- a. *Authorize staff and commissioners to attend the Calafco Annual Conference October 3-5, 2018.*

12. Calafco Achievement Awards 2018 (due August 1, 2018)

- a. *Consider a nomination for a Calafco achievement award*

13. Consider nomination for the Calafco Board of Directors (due Sept 4, 2018): City Member or Public Member

- a. *Consider a nomination of a City Member or a Public Member to the Calafco Board of Directors*

14. Executive Officer's Report:

- a. *Lassen Modoc Flood Control and Water Conservation District – MSR SOI*
- b. *Review of CALAFCo Staff Workshop in Marin County*

15. 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.

16. Adjourn to the next regular meeting 4:00 PM on August 14, 2018

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 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
Meeting Minutes
April 10, 2018**

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. Commissioner Rhoads, Commissioner Byrnes, Commissioner Dederick, Commissioner Irvin, Commissioner Shea, and Public Alternate Member Richard Read were present.

Staff members present were Jennifer Stephenson, Assistant Executive Officer (AEO), and Jackie Froeming, Clerk

Pledge of Allegiance

2. Approval of Agenda (Additions and Deletions)

Commissioner Dederick made the motion to approve the agenda; seconded by Commissioner Irvin. In favor, were Rhoads, Byrne Irvin, Dederick, and Shea.
Motion passed Unanimous.

3. Correspondence

AEO Jennifer Stephenson reported on the correspondences received which were calls for legislative action by CALAFCO to support the following bills AB 3254(annual omnibus bill), AB2258 (grant funding for LAFCO's), AB2600 (adds option of resolution application for Regional Park and Open Space Districts), and AB 2491 (seeks to reinstate VLF funding for further City Incorporations).

4. Consider Minutes for February 27, 2018

Commissioner Byrne made the motion to approve the minutes as presented; seconded by Commissioner Dederick. In favor, were Rhoads, Byrne, Dederick, Irvin, and Shea.
Motion Passed Unanimous.

5. Public Comment - None

6. Authorize Payment of Claims for February 2018 and March 2018

Commissioner Shea made the motion to approve authorization of the claims; seconded by Commissioner Irvin. In favor, were Rhoads, Byrne, Dederick, Irvin, and Shea.
Motion Passed Unanimous.

7. Initiation of LAFCo Proceedings for a Sphere of Influence Amendment, Formation of a Successor Agency and Dissolution of the Daphendale CSD.

A public hearing was conducted and closed on February 27, 2018 for an initiation to begin Dissolution of the Daphndale CSD. The City, District, and County were unable to meet but Joe Picotte had a phone conversation with Jesse Blair.

Jesse Blair reported that he had been able to contact and talk with several people. He reported that he had found three (3) people willing to work and be appointed to the Board which includes himself, Steve Riley, and Joann White.

Commissioner Dederick reported on the current debt of this district is \$30,000.00 and it will be increasing \$2,000.00 per month.

Commissioner Byrne asked how many people are required for a quorum. The response was three (3) are required to establish a quorum.

Commissioner Dederick asked that if Daphndale became a CSA would Proposition 218 process be required. It was reported that yes this would be a requirement.

Chester Robertson reported he has talked with people within the area letting them know that the district was looking for board members but so far nobody has taken out paperwork. Chester reported he had met with Joe Picotte at the City. He also reported that since the district does not have any Board of Directors the election window has already passed for an assessment. The County would have to move forward with a Prop 218 under a fee structure which how the County would proceed to address the current debt and loan. Once the existing loan has been paid off that would free up some capacity but would not resolve the long-term issues based on the numbers the district has coming in especially with the rising costs. The financial statements have not been produced and an audit would need to be done and a 448 process would need to be completed.

Commissioner Dederick would like this process to continue and recommends moving forward with this process and adopt the resolution. He feels this may result in reactions from homeowners which could result in more owners wanting to become involved with the special district. The dissolution can take at least six (6) months which would give the district time to come up with a plan and get the district active.

Chester Robertson reported both the County and City are willing to assist the CSD with the Prop 218 letter process.

Motion made by Commissioner Dederick to adopt Resolution 2018-0001 initiating an amendment to the Sphere of Influence, the formation of a successor agency and begin the dissolution of Daphndale CSD; seconded by Commissioner Irvin. In favor were Irvin, Dederick, and Shea. Opposed were Commissioners Byrne and Rhoads.

Motion passed (3-2) to adopt Resolution 2018-001.

8. Public Hearing regarding the Proposed LAFCo 2018-2019 Budget.

Public Hearing was opened at 4:20PM and closed at 4:23PM.

AEO Stephenson gave a background on the budget saying it has remained the same except Calafco dues have increased and the overall budget has gone down over the last two (2) years.

Commissioner Dederick asked why the Modoc LAFCo has never had any special districts involved with the Commission.

AEO Stephenson reported that only about half of special districts are seated on the LAFCo Commission. They would have to vote to join the commission by a majority vote of all area special districts. If they became involved they would be required to pay 1/3 of the bill based on annual operation cost so the support of special districts has not been garnered.

Commissioner Dederick made the motion to adopt Resolution 2018-0002 to approve the LAFCo Proposed Budget for 2018 – 2019; seconded by Commissioner Shea. In favor, were Rhoads, Byrne, Irvin, Dederick, and Shea.
Motion passed Unanimous.

9. Discussion and update regarding Surprise Valley Health Care District

AEO Stephenson reported that there has been no communication or applications from the district to date and until an application of dissolution is received this is not an issue before LAFCo.

Commissioner Dederick was asked to by community members to raise the question that if the SVHCD debt will roll-over to the property owners?

AEO Stephenson felt this was a legal question as to who would be responsible for the current debt liability.

Sandy Stevenson stated that it was reported in the Modoc Record about two (2) weeks that the current debt liability would be around \$11,000.00 per district property owner. She discussed that recently the hospital took on an additional 4 million dollar debt with the Caldera Loan. She has asked at public meetings if they have intent to change the use of the hospital and if the hospital district intends to sell, and when will the application for change be submitted the LAFCo Commission. So far no one has been able to answer that question and there has been no initiative taken.

Shanda Pedotti reported she works at Surprise Valley Hospital and nobody has taken initiative to dissolve the district because they have been told it is better to wait since they are still in the midst of bankruptcy and should finalize this before moving forward with the dissolution. She reported that the debt they are borrowing is 2.5 million which is being borrowed per a Debtor in

Possession (DIP) financing which is the purchase price of the hospital. Once the motion passes then they will begin the moving forward with the dissolution.

The question was posed if the successor entity would have to make the application with LAFCo to take over the special district. AEO Stephenson explained there are three (3) ways to begin initiation of the dissolution which include initiation by the district, 10% petition by the landowners within the district, or by LAFCo. The application for dissolution does not come from the successor agency.

10. Legislative Support Letters: Authorize the Chair to sign letters of support.

Motion by Commissioner Dederick; and seconded by Commissioner Irvin to authorize Chair to sign letters of support for Calafco's Omnibus Bill (AB 3254) minor changes to definitions and AB 2258 legislation seeking grant funding for LAFCo's. In favor, were Rhoads, Byrne, Irvin, Dederick, and Shea.

Motion passed Unanimous.

11. Executive Officer's Report

AEO Jennifer Stephenson reported that the Service Review and S.O.I. for the Lassen Modoc County Flood Control and Water Conservation District would be presented at the next meeting. She also reported that the 700 Forms were due to the County Clerk's Auditor Office April 2, 2018.

12. Commissioner Reports - None

13. Adjourn to the next regular meeting on June 12, 2018

There being no further business to come before this Commission; Commissioner Dederick made the motion to adjourn the meeting; seconded by Commissioner Shea. All present were in favor. The Meeting was adjourned at 4:32 PM.

Modoc Local Agency Formation Commission

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CLAIMS

for

April 2018 and May 2018

Ratify and Authorize the following Claims

April 1, 2018	Staff Services April 2018	\$ 4,474.52
April 11, 2018	Commission Stipend April 11, 2018	\$ 600.00
April 16, 2018	LAFCo Counsel	\$ 42.50
June 1, 2018	Staff Services May 2018	\$ 2,726.33
	TOTAL:	\$ 7,843.25

DATED: June 12, 2018

APPROVED: June 12, 2018

Kathie Rhoads, Chair or Jim Irvin, Vice-Chair
Modoc Local Agency Formation Commission

Attest:

John Benoit
Executive Officer

Modoc LAFCo
Expenditures and Revenue
FY 2017-2018

Item	Account Number	File Scanning 4210	Memberships 4220	copies 4210	postage 4211	Communications 4221	Office Exp. 4210	Counsel 4008	staff Svcs 4004	Clerk Costs 4006	Notices and Public 4380
Total Budgeted 2017-2018		\$ 3,000.00	\$ 899.00	\$ 800.00	\$ 300.00	\$ 1,000.00	\$ 400.00	\$ 2,000.00	\$ 36,000.00	\$ 720.00	\$ 600.00
Calafco Dues 2017-2018		\$	\$(899.00)	\$	\$	\$	\$(43.35)	\$	\$(1,000.00)	\$	\$
Staff Svcs July 2016		\$	\$	\$(95.86)	\$	\$(69.53)	\$	\$	\$	\$	\$
Comm Stipend Aug 9, 2017 meeting		\$	\$	\$	\$(27.72)	\$(90.22)	\$	\$	\$(1,000.00)	\$(120.00)	\$
Staff Svcs August 2017		\$	\$	\$(12.00)	\$	\$(52.26)	\$	\$	\$(1,000.00)	\$	\$
Staff Svcs September 2017		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Modoc Record Lgl notice Fire SOI #55135		\$	\$	\$(24.00)	\$(7.00)	\$(119.61)	\$	\$(2,000.00)	\$(1,500.00)	\$(120.00)	\$(75.00)
Staff Svcs October 2017		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Browne ending 10.15.17 Legal Costs		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Comm Stipend for Oct 10, 2017 Meeting		\$	\$	\$	\$	\$	\$(20.00)	\$	\$	\$	\$
Staff Svcs November 2017		\$	\$	\$	\$	\$(69.71)	\$	\$	\$(1,190.00)	\$	\$
Comm Stipend for Dec 11, 2017 meeting		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Staff Svcs December 2017		\$	\$	\$(17.60)	\$(5.60)	\$(70.83)	\$	\$	\$(2,500.00)	\$(120.00)	\$
Staff Svcs January 2018		\$	\$	\$	\$(0.49)	\$(71.39)	\$	\$	\$(1,870.00)	\$	\$
Modoc Record Legal Daphnedale Dissol		\$	\$	\$	\$(16.14)	\$(73.47)	\$	\$	\$(4,260.00)	\$(120.00)	\$(79.50)
Staff Svcs February 2018		\$	\$	\$(37.20)	\$	\$	\$	\$	\$	\$	\$
Comm Stipend 2.26.18		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Council Chamber use 15/16-16/17-17/18		\$	\$	\$	\$	\$(78.54)	\$(450.00)	\$	\$	\$	\$
Staff Svcs March 2018		\$	\$	\$(7.70)	\$	\$	\$	\$	\$(3,017.50)	\$	\$
Modoc Record Legal Proposed Budget		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Staff Svcs April 2018		\$	\$	\$(7.50)	\$(5.00)	\$(83.52)	\$	\$(42.50)	\$(4,175.00)	\$(120.00)	\$(48.00)
legal Counsel Admin		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Comm Meeting Stipend 4.11.18		\$	\$	\$(8.00)	\$	\$(83.23)	\$	\$	\$(2,635.00)	\$	\$
Staff SVCS May 2018		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

Total Expenditures to date	\$	\$(899.00)	\$	\$(309.86)	\$(61.99)	\$(862.31)	\$(513.35)	\$(2,042.50)	\$(24,447.50)	\$(600.00)	\$(202.50)
Total Budget Remaining	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

audited	July 1, 2017 City Fund Carryover	\$	23,229.89
	17-18 Actual City/Co-Contributions	\$	
	FY 2017-2018 City Anticipated FundsTransf	\$	21,335.45
	2017-2018 County-City Funds anticipated	\$	21,335.45
	Funds received	\$	
	REVENUE FOR PROJECTS	\$	
	Interest	\$	
	Anticipated Funds received	\$	
	Less Expenditures	\$	
	Actual Cash Balance	\$	25,971.00

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MODOC LAFCO

EXECUTIVE OFFICER'S REPORT

June 12, 2018

TO: Local Agency Formation Commission
FROM: John Benoit, Executive Officer
RE: Final Budget for FY 2018-2019

I provided a "recommended" budget at the April 10, 2018 meeting, which was adopted. A Budget Justification Report was prepared for that Budget Hearing. Please refer the Budget Justification Report for information on each of the items below.

CARRY OVER FROM FY 2017-2018:

Carryover is proposed to be \$ 23,000.

CITY AND COUNTY COST SHARE:

The City and County Cost share is proposed to be \$22,350.30, which is slightly higher than last year.

SUMMARY OF EXPENSES:

Commissioner Stipends The Commission has budgeted \$4,800 for Commissioner and Alternate stipends. This includes six meeting per year. According to Resolution 2009-0005, stipends will be paid for each Commissioner and Alternate who attends LAFCO meetings.

Liability Insurance There is nothing in the Budget since the County does not charge LAFCo for this item.

Memberships The Commission recommended in its proposed budget \$926.00 for CALAFCo dues. This category has gone up per the vote of the membership.

Communications This is proposed to be \$1,000.00 for general communications for phone, internet and fax.

Office Expenses/Printing: The Commission recommended in its proposed budget \$1,200.00 Depending upon LAFCO activity this could be augmented by an increased appropriation from unanticipated revenue.

Postage This is proposed to be \$300.00 for public notices and mailings, the same as this year.

Legal Services The Commission recommended in its proposed budget \$2,000.00 for this item. LAFCO Counsel attends LAFCO meetings as requested by the Commission. It is anticipated if budget augmentations are needed in this category, additional appropriation would come from unanticipated revenue.

Staff Services: Executive Officer and Clerk: The Commission recommended in its proposed budget \$36,000 for these items. This translates into \$3,000.00 per month for LAFCO administration/clerk services. Notwithstanding a very complex reorganization or incorporation project for Modoc LAFCO, this amount should cover LAFCO administration. Complex projects should be fee supported thereby increasing revenue to LAFCO. It is anticipated if budget augmentations are needed in this category, additional appropriation would come from unanticipated revenue.

Legal Notices/Publications The Commission recommended in its proposed budget \$600.00 for legal notices. Given the cost of legal advertising and the projected workload this amount remains reasonable.

Special Dept. Expense – File Scanning and Management The proposed budget contained \$3,000 for the effort of scanning LAFCo files for public access and reduction of storage need.

Transportation/Mileage/Training/Conferences The Commission sent no one to the Calafco Annual Conference this year. Staff is normally sent to the Staff Workshop and Annual Conference. This budget does not provide enough funding for one attendee to the Calafco annual conference at the Tenaya Lodge near Yosemite this year on October 3-5th. More funds will be needed to send one attendee to the Calafco Annual Conference. This budget includes \$500.00 to pay a portion of staff to attend the Calafco Annual Conference and the Staff workshop in the Spring of 2019.

Municipal Service Reviews/Sphere of Influence Updates The Commission recommended in its proposed budget \$10,500.00 for this effort, which would cover additional costs of preparing Reviews/Sphere Updates as required by the LAFCO Act. This amount is not be adequate to prepare all the reviews. Funds may be augmented from the Executive Officer Services category for this item, depending upon the workload. A portion of the Sphere of Influence updates is mapping. As expected, MSR's and SOL's updates are required as determined necessary.

Recommendation:

- a. Review, discuss, amend, and consider the 2018-2019 Final Budget. A budget justification report for FY 2018-2019 was prepared by staff for the adopted proposed budget in April 2018.
- b. Adopt LAFCO Resolution 2018-0003 adopting a Final Budget.

Resolution 2018-0003
of the
Modoc Local Agency Formation Commission
Modoc County, California

Resolution of the Modoc Local Agency Formation Commission
Adopting a Final Budget for 2018-2019

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 final budget for public review; and,

WHEREAS, the Executive Officer has given notice of hearing in the form and manner specified by law for adoption of both the proposed and final 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 2018-2019 and the Executive Officer's report and recommendations; and

WHEREAS, the Commission has considered the attached Final 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 final 2018-2019 budget (Attachment A).
2. Directs the Executive Officer to transmit the final budget to the Modoc County Auditor (Auditor) and all parties specified in Government Code Section 56381 (a) as promptly as possible.
3. The Commission hereby requests the Auditor to collect the funds in accordance with Government Code Section 56381 (c). In the event of non-payment of LAFCO funds by any entity subject to the LAFCO's apportionment, the Commission hereby requests and authorizes the Auditor to collect the funds from property tax revenues or any other revenue source and deposit the funds into the LAFCO account.
4. The Commission desires to use carryover funds remaining from the 2017-2018 budget to establish a contingency fund and to prepare Municipal Service Reviews and Sphere of Influence updates in the amounts specified on the attached 2018-2019 final budget.

PASSED AND ADOPTED by the Modoc Local Agency Formation Commission at a regular meeting of said Commission held on June 12th, 2018 by the following roll call vote:

AYES: -

NOES: -

ABSTAINS: -

ABSENT: -

Signed and approved by me after its passage this 12th day of June, 2018

Kathie Rhoads
Chair, Modoc LAFCO

Attest:

John Benoit, Executive Officer
Modoc LAFCO

OBJECT LEVEL/ ACCOUNT	FY 2013-2014 Final BUDGET	FY 2014-2015 Final BUDGET	FY 2015-2016 Final BUDGET	FY 2016-2017 Final BUDGET	FY 2017-2018 Final BUDGET	FY 2018-2019 PROPOSED BUDGET	FY 2018-2019 FINAL BUDGET
EXPENDITURES							
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	\$ 758.00	\$ 769.00	\$ 785.00	\$ 840.00	\$ 899.00	\$ 926.00	\$ 926.00
4210 Office Expense - Printing	\$ 1,500.00	\$ 1,500.00	\$ 1,000.00	\$ 1,000.00	\$ 800.00	\$ 1,200.00	\$ 1,200.00
4211 POSTAGE	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 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	\$ 400.00	\$ -	\$ -
4008 Professional Svcs. - Legal Counsel	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 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	\$ 900.00	\$ 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							
4430 Transportation & Travel	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 500.00	\$ 500.00	\$ 500.00
4454 MSR/SOI UPDATES	\$ 21,500.00	\$ 21,500.00	\$ 16,500.00	\$ 15,500.00	\$ 10,500.00	\$ 10,500.00	\$ 10,500.00
Total Services & Supplies	\$ 73,158.00	\$ 73,169.00	\$ 67,685.00	\$ 69,740.00	\$ 61,519.00	\$ 61,546.00	\$ 61,546.00
4922 CONTINGENCY	\$ 7,315.80	\$ 7,316.90	\$ 6,768.50	\$ 6,974.00	\$ 6,151.90	\$ 6,154.60	\$ 6,154.60
TOTAL LAFCO BUDGET	\$ 80,473.80	\$ 80,485.90	\$ 74,453.50	\$ 76,714.00	\$ 67,670.90	\$ 67,700.60	\$ 67,700.60
REVENUES							
CARRYOVER	\$ 40,000.00	\$ 40,000.00	\$ 34,000.00	\$ 36,000.00	\$ 25,000.00	\$ 23,000.00	\$ 23,000.00
Application Fees							
3060 City Share - LAFCO Cost	\$ 20,236.90	\$ 20,242.95	\$ 20,226.75	\$ 20,357.00	\$ 21,335.45	\$ 22,350.30	\$ 22,350.30
3060 County Share - LAFCO Cost	\$ 20,236.90	\$ 20,242.95	\$ 20,226.75	\$ 20,357.00	\$ 21,335.45	\$ 22,350.30	\$ 22,350.30
Total Due from Other Gov'ts.							
TOTAL REVENUES	\$ 80,473.80	\$ 80,485.90	\$ 74,453.50	\$ 76,714.00	\$ 67,670.90	\$ 67,700.60	\$ 67,700.60

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MODOC
LOCAL AGENCY FORMATION COMMISSION

June 12, 2018

Senator Mike McGuire
California State Senate
State Capital Room 5061
Sacramento, CA 95814

Subject: **Support of SB 929 as amended March 6, 2018**

Dear Assembly Senator McGuire:

The Modoc Local Agency Formation Commission (LAFCo) is pleased to join the California Association of Local Agency Formation Commissions (CALAFCO) in support of **Senate Bill 929**, which would require all independent special districts have a website by January 1, 2020, thereby increasing transparency.

LAFCos work very closely with special districts in their role of overseeing the provision of municipal services. For the approximately 50 percent of the independent special districts that have websites today, communication and transparency with the local LAFCo is far more seamless than with the other half that do not have a website. In those instances, the LAFCo is left to creative resourcefulness to gain access to critical contact and agency information, often times requiring the LAFCo to expend a great deal of effort and resources. This information is especially critical for LAFCo when fulfilling their statutory obligations related to conducting Municipal Service Reviews on these districts.

Further, providing information in an easy, accessible and transparent way to all members of the public – especially those being served by the district – is simply good governance.

For these reasons Modoc LAFCo supports **SB 929**.

Please do not hesitate to contact me with any questions you may have on our position.

Sincerely,

Kathie Rhoads
LAFCo Chair

Cc: Chair and Members, Assembly Local Government Committee
Jimmy MacDonald, Consultant, Assembly Local Government Committee
William Weber, Consultant, Assembly Republican Caucus
Pamela Miller, Executive Director, CALAFCO
Dillon Gibbons, CA Special Districts Association

MODOC
LOCAL AGENCY FORMATION COMMISSION

June 12, 2018

Assembly Member Cecilia Aguiar-Curry
California State Assembly
State Capital Room 5144
Sacramento, CA 95814

Subject: **Support of AB 2238 as amended April 3, 2018**

Dear Assembly Member Aguiar-Curry:

The Modoc Local Agency Formation Commission (LAFCo) is pleased to join the California Association of Local Agency Formation Commissions (CALAFCO) in support **Assembly Bill AB 2238 as amended April 3, 2018**. Specifically of interest to LAFCos is the provision requiring the commission to consider information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone or land determined to be in a state responsibility area if it is determined that such information is relevant to the area that is the subject of the proposal.

When reviewing proposals for changes of organization or reorganizations, it's important for LAFCos to consider whether or not the proposal is consistent with a city or county general plan and other types of growth plans. Further, considering the impact of specific potential fire hazard threats is an important part of smart growth and development planning. As we collectively work to adapt and evolve the way we respond to the impacts of climate change, these kinds of considerations are important in balancing orderly growth and climate adaptation efforts.

Because **AB 2238** is aligned with CALAFCO's policy to use LAFCo resources to review growth plans to ensure reliable services, orderly growth and sustainable communities, Modoc LAFCo is pleased to support this bill.

Please do not hesitate to contact me with any questions you may have on our position.

Sincerely,

Kathie Rhoads
LAFCo Chair

Cc: Debbie Michel, Chief Consultant, Assembly Local Government Committee
Anton Favorini-Csorba, Consultant, Senate Governance & Finance Committee
Ryan Eisberg, Consultant, Senate Republican Caucus
Pamela Miller, Executive Director, CALAFCO

MODOC
LOCAL AGENCY FORMATION COMMISSION

June 12, 2018

Assembly Member Eloise Gómez Reyes
California State Assembly
State Capital Room 2175
Sacramento, CA 95814

Subject: **Support of AB 2268 as amended April 2, 2018**

Dear Assembly Member Reyes:

The Modoc Local Agency Formation Commission (LAFCo) is pleased to join the California Association of Local Agency Formation Commissions (CALAFCO) in support of **Assembly Bill AB 2268 as amended April 2, 2018**. This bill would restore funding to approximately 140 cities that had annexed inhabited territory in reliance on previous financial incentives, then suffered significant fiscal harm when those funds were swept away due to the passage SB 89 (2011). The bill also offers similar incentives to support future annexations of inhabited territory to improve services to affected residents consistent with state LAFCo policies.

The VLF gap created by SB 89, one of the 2011 budget bills, created a financial disincentive for future city incorporations and annexations of inhabited territory. Further, it created severe fiscal penalties for those communities which chose to annex inhabited territories, particularly unincorporated islands. In several previous legislative acts the Legislature had directed LAFCos to work with cities to annex unincorporated inhabited islands. The loss of financial incentive for these inhabited annexations has made it difficult for LAFCos to follow this legislative directive.

Reinstating revenues for annexations is consistent with statewide LAFCo legislative policies of providing communities with local governance and efficient service delivery options, including the ability to annex. The inability to do so creates a tremendous detriment to the creation of logical development boundaries and to the prevention of urban sprawl. Because **AB 2268** reinstates a critical funding component to cities who previously annexed inhabited territory and did so relying on this financing, and to those cities who annex inhabited territory in the future, Modoc LAFCo supports this bill.

Thank you for carrying this important legislation. Please do not hesitate to contact me with any questions you may have on our position.

Sincerely,

Kathie Rhoads
LAFCo Chair

Cc: Pamela Miller, Executive Director, CALAFCO
Dan Carrigg, Deputy Executive Director and Legislative Director, League of CA Cities

Date: 25 May, 2018
To: LAFCo Commissioners and Staff
CALAFCO Members
Other Interested Organizations
From: CALAFCO Achievement Awards Committee
Subject: **2018 CALAFCO Achievement Award Nominations**

**CALAFCO
2018
AWARDS**



Each year, CALAFCO recognizes outstanding achievements by dedicated and committed individuals and/or organizations from throughout the state at the Annual Conference Achievement Awards Ceremony.

Recognizing individual and organizational achievements is an important responsibility. It provides visible recognition and support to those who go above and beyond in their work to advance the principles and goals of the Cortese-Knox-Hertzberg Act. We invite you to use this opportunity to nominate the individuals and organizations you feel deserve this important recognition. ***Please carefully review the nomination instructions and note the form has changed with the addition of a new section.***

To make a nomination, please use the following procedure:

1. Nominations may be made by an individual, a LAFCo, a CALAFCO Associate Member, or any other organization. There is no limit to the number of nominations you can submit.
2. Please use a separate form (attached) for each nomination. Nominations must be submitted with a completed nomination form. The form is your opportunity to highlight the most important points of your nomination.
3. Nominations must be limited to no more than 1500 words or 3 pages in length maximum. You are encouraged to write them in a clear, concise and understandable manner. If the Awards Committee members require additional information, you will be contacted with that request. Any nomination received that exceeds this amount will be returned.
4. All supporting information (e.g. reports, news articles, etc.) must be submitted with the nomination. Limit supporting documentation to no more than 5 pages. If the Awards Committee members require additional information, you will be contacted with that request. Any nomination received that exceeds this amount will be returned.
5. All nomination materials must be submitted at one time and must be received by the deadline. Electronic submittals are encouraged.
6. Nominations and supporting materials **must** be received no later than 5:00 p.m., Friday, August 3, 2018. Send nominations via e-mail, or U.S. mail to:

Stephen Lucas, CALAFCO Executive Officer
c/o Butte LAFCo
1453 Downer Street, Suite C
Oroville, CA 95965
slucas@calafco.org

Members of the 2018 CALAFCO Board of Directors Awards Committee are:

Mike Kelley, Committee Chair (Imperial LAFCo, Southern Region)
Cheryl Brothers (Orange LAFCo, Southern Region)
Debra Lake (Humboldt LAFCo, Northern Region)
Margie Mohler (Napa LAFCo, Coastal Region)
Anita Paque (Calaveras LAFCo, Central Region)

mkelley@calafco.org
cbrothers@calafco.org
dlake@calafco.org
mmohler@calafco.org
apaque@calafco.org

Please contact Steve Lucas, CALAFCO Executive Officer, at slucas@calafco.org or (530) 538-7784 with any questions. A list of the previous Achievement Award recipients is attached to this announcement.



2018 Achievement Award Nominations

CALAFCO ACHIEVEMENT AWARD CATEGORIES

CALAFCO recognizes excellence within the LAFCo community and the full membership by presenting the *Achievement Awards* at the CALAFCO Annual Conference. Nominations are being accepted until *Friday, August 3, 2018* in the following categories:

Outstanding CALAFCO Member	Recognizes a CALAFCO Board Member or staff person who has provided exemplary service during the past year.
Distinguished Service Award	Given to a member of the LAFCo community to recognize long-term service by an individual.
Most Effective Commission	Presented to an individual Commission to recognize innovation, streamlining, and/or initiative in implementing LAFCo programs; may also be presented to multiple Commissions for joint efforts.
Outstanding Commissioner	Presented to an individual Commissioner for extraordinary service to his or her Commission.
Outstanding LAFCo Professional	Recognizes an Executive Officer, Staff Analyst, or Legal Counsel for exemplary service during the past year.
Outstanding LAFCo Clerk	Recognizes a LAFCo Clerk for exemplary service during the past year.
Outstanding CALAFCO Associate Member	Presented to an active CALAFCO Associate Member (person or agency) that has advanced or promoted the cause of LAFCos by consistently producing distinguished work that upholds the mission and goals of LAFCos, and has helped elevate the roles and mission of LAFCos through its work. Recipient consistently demonstrates a collaborative approach to LAFCo stakeholder engagement.
Project of the Year	Recognition for a project-specific program that involved complex staff analysis, community involvement, or an outstanding solution.
Government Leadership Award	Presented to a decision-making body at the city, county, special district, regional or state level which has furthered good government efforts in California.
Legislator of the Year	Presented to a member of the California State Senate or Assembly in recognition of leadership and valued contributions in support of LAFCo goals. Selected by CALAFCO Board.
Mike Gotch Courage and Innovation in Local Government Award	Presented to an individual who has taken extraordinary steps to improve and innovate local government. This award is named for Mike Gotch: former Assembly Member, LAFCo Executive Officer and CALAFCO Executive Director responsible for much of the foundations of LAFCo law and CALAFCO. He is remembered as a source of great inspiration for staff and legislators from throughout the state.
Lifetime Achievement Award	Recognizes any individual who has made extraordinary contributions to the LAFCo community in terms of longevity of service, exemplary advocacy of LAFCo-related legislation, proven leadership in approaching a particular issue or issues, and/or demonstrated support in innovative and creative ways of the goals of LAFCos throughout California. At a minimum, the individual should be involved in the LAFCo community for at least ten years.

May 25, 2018

To: Local Agency Formation Commission
Members and Alternate Members

From: Bill Kirby, Committee Chair
CALAFCO Board Election Committee
CALAFCO Board of Directors



RE: Nominations for 2018/2019 CALAFCO Board of Directors

Nominations are now open for the fall elections of the CALAFCO Board of Directors. Serving on the CALAFCO Board is a unique opportunity to work with other commissioners throughout the state on legislative, fiscal and operational issues that affect us all. The Board meets four to five times each year at alternate sites around the state. Any LAFCo commissioner or alternate commissioner is eligible to run for a Board seat.

CALAFCO's Election Committee is accepting nominations for the following seats on the CALAFCO Board of Directors:

Northern Region

City Member
Public Member

Central Region

County Member
District Member

Coastal Region

County Member
District Member

Southern Region

City Member
Public Member

The election will be conducted during Regional Caucuses at the CALAFCO Annual Conference prior to the Annual Membership Meeting on Thursday, October 4, 2018 at the Tenaya Lodge in Yosemite, CA.

Please inform your Commission that the CALAFCO Election Committee is accepting nominations for the above-cited seats until **Tuesday, September 4, 2018**.

Incumbents are eligible to run for another term. Nominations received by September 4 will be included in the Election Committee's Report and will be on the ballot. The Report will be distributed to LAFCo members no later than September 20 and ballots made available to Voting Delegates at the Annual Conference. Nominations received after this date will be returned; however, nominations will be permitted from the floor during the Regional Caucuses or during at-large elections, if required, at the Annual Membership Meeting.

For those member LAFCos who cannot send a representative to the Annual Meeting an electronic ballot will be made available if requested in advance. The ballot request must be made no later than Tuesday, September 4, 2018. Completed absentee ballots must be returned by September 28, 2018.

Should your Commission nominate a candidate, the Chair of your Commission must complete the attached Nomination Form and the Candidate's Resume Form, or provide the specified information in another format other than a resume. Commissions may also include a letter of recommendation or resolution in support of their nominee.

Board of Directors 2018/2019 Nominations Form

Nomination to the CALAFCO Board of Directors

In accordance with the Nominations and Election Procedures of CALAFCO,

_____ LAFCo of the _____ Region

Nominates _____

for the (check one) City County Special District Public

Position on the CALAFCO Board of Directors to be filled by election at the next Annual Membership Meeting of the Association.

_____ LAFCo Chair

_____ Date

NOTICE OF DEADLINE

Nominations must be received by **September 4, 2018** to be considered by the Election Committee. Send completed nominations to:
CALAFCO Election Committee
CALAFCO
1215 K Street, Suite 1650
Sacramento, CA 95814

Board of Directors 2018/2019 Candidate Resume Form

Nominated By: _____ LAFCo Date: _____

Region (please check one): Northern Coastal Central Southern

Category (please check one): City County Special District Public

Candidate Name _____

Address _____

Phone Office _____ Mobile _____

e-mail _____

Personal and Professional Background:

LAFCo Experience:

CALAFCO or State-level Experience:

Availability:

Other Related Activities and Comments:

NOTICE OF DEADLINE

Nominations must be received by **September 4, 2018** to be considered by the Election Committee. Send completed nominations to:

CALAFCO Election Committee

CALAFCO

1215 K Street, Suite 1650

Sacramento, CA 95814

CALAFCO STAFF WORKSHOP - April 2018

1. Unincorporated North Richmond Annexation: A Case Study on Intergovernmental Collaboration

Unincorporated North Richmond Background

Interest in Annexation

Fiscal Analysis & Service Plan Overview

Estimates the net fiscal impact on the City of Richmond

- Describes services to be provided by the City of Richmond to the annexed area
- Estimate costs associated with increased service demands
- Estimate revenues (utilizing different scenarios)
- Provides information and not a recommendation

Resident Impact and Input

Financial Impact to Residents, Businesses, Homeowners and Landlords:

City of Richmond	Contra Costa County
1. Property Tax Override Override – \$0	Property Tax \$140 per \$100,000 assessed valuation
Utility User Tax	Utility User Tax - \$0
<ul style="list-style-type: none"> • Telecommunications – 9.5% • Prepaid Wireless – 9.0% • Video (cable TV) – 5.0% • Electricity – 10% Gas – 10% 	
3. RSS (35 gallon can/3 months) • \$103.05	RSS (35 gallon can/3 months) \$94.68
Sales tax – 9.25%	Sales Tax – 8.25%
Business License \$234 (Base Fee) \$40.10 – 46.80 (Per Employee)	Business License \$100 (Base Fee) \$10 (Per Employee)

Rent Control and Just Cause

For Eviction Program - \$98/unit

Rent Control and Just Case for Eviction Program• N/A

7. Rental Inspection Program
Registration/Processing Fee - \$79

Rental Inspection Program
N/A

Initial Inspection Fee (per unit) \$157

Re-inspection Fee (per unit) - \$65

8. Impact, Development, Building and Traffic Fees – Vary Same

Note: All fee information is for FY 2017-18. Some fees increase annually

Community Engagement Campaign

- An engagement and education tool - not advocacy
- Development and disseminate of education materials
 - Information describing annexation and explaining the process
 - Answers to frequently asked questions
 - An outline of benefits and costs associated with the annexation
 - A description of the protest process
 - An explanation regarding how to stay involved in the process
- Multi-lingual meetings and materials
- Community meetings hosted in different locations (with food & childcare)
- Provide updates on the annexation process
- Request that LAFCO mail letters to inform residents of upcoming hearings in addition to placing an advertisement in the newspaper

2. BOARD OF EQUALIZATION UPDATE

The Property Tax unit was a part of the Board of Equalization (BOE) until 2017 and then transferred to the California Department of Tax and Fee Administration (CDFTA). In April 2018 the Property Tax Unit was transferred back to the BOE when realized the Property Tax unit was about Property Taxes only.

This presentation reviewed the interface between LAFCo and the BOE and the requirements. There is debate now regarding BOE mapping standards and those of LAFCo. It appears the BOE is backing off on various map and geographic description requirements. However, not until new rules are written.

After a change of organization BOE staff reviews, archives and processes submittals by LAFCo.

3. CEQA EXEMPTIONS

This session discussed the use and misuse of various CEQA exemptions and looked at a Case regarding "unusual circumstances" .

The Supreme Court held that:

- (1) For an CEQA exemption to not apply, either the project does not meet the exemption criteria or there are "unusual circumstances" related to the project that create an exception to the CEQA exemption. (2) The "Unusual Circumstances" exception is not satisfied by a mere reasonable possibility that an activity will have a significant effect on the environment, disapproving earlier cases to the contrary;
- (2) An agency's decision whether "unusual circumstances" exist is reviewed under the deferential "substantial evidence" standard;
- (3) If a determination is made that there are unusual circumstances, the "fair argument" standard applies to lead agency's determination of whether project may have significant effect on environment due to unusual circumstances;

Key is that exemption applies absent "unusual circumstances"

P3 Water Summit.

I attended the P3 Water Summit in April. P3 stands for Public-Private Partnerships. This Conference was focused upon providing new tools and ways to address water system challenges. Attendees included government and water system personnel, system managers and industrial leaders (both domestic and international). I was invited as a speaker to discuss LAFCo's and a large project in Lake County whereby 9 water systems are being combined into one.

A P3 brings capacity to accelerate project delivery, transfer operational and performance risk, bring innovation and manage costs, which seems to be a natural fit to address many of the challenges facing the water sector. P3's may be at the local to the international level. In the current regulatory and anti-tax environment partnerships (P3's) are becoming more attractive for funding water systems and improvements. The issue was brought to the forefront in Flint Mich. Many of the water issues facing water systems in California exist throughout the USA. Texas and Wisconsin, for example, have bad compliance records. P3's have different project delivery approaches, different models (mandatory consolidations vs. voluntary consolidations), varied financial strategies (private and public), project delivery approaches, governance (JPA's, private, districts), and risk allocations (i.e asking the private sector to take additional risk with the hope of a future return), for example. P3's are not only for water systems, but for desalinization (in San Diego County), Flood Control (in Holland) wastewater systems (The City and County of Honolulu partnered with Veolia North America).