

**Lake Local Agency Formation Commission**

**Regular Meeting Agenda**

**Wednesday March 15, 2023 -- 9:30 am**

**City of Lakeport** – City Council Chambers

225 Park Street Lakeport, California

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

***“Lake LAFCo oversees orderly development and protects natural resources and agricultural lands”***

***Zoom meeting for public:*** LAFCo has decided to make public meetings accessible telephonically or otherwise electronically to all members of the public. Members of the public are encouraged to observe and participate in the teleconference.

*The complete agenda, including backup materials and materials related to items on this Agenda submitted to the Commission after distribution of the Agenda Packet, is available for public inspection on the Lake LAFCo website. Agenda materials are also available on the Lake LAFCO website at [www.lakelafco.org](http://www.lakelafco.org)*

**Topic: Lake LAFCo Meeting**

**Time: Mar 15, 2023 09:30 AM Pacific Time (US and Canada)**

**Join Zoom Meeting**

**<https://us02web.zoom.us/j/81581388110?pwd=OUlkRFFGaGx0dHM0czdtTStJSk1HUT09>**

**Meeting ID: 815 8138 8110**

**Passcode: 091088**

**One tap mobile**

**+16694449171,,81581388110#,,,,\*091088# US**

**+16699006833,,81581388110#,,,,\*091088# US (San Jose)**

**+1 669 444 9171 US**

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**Find your local number: <https://us02web.zoom.us/j/kecfSZSJEG>**

***“Lake LAFCo oversees orderly development and protects natural resources and agricultural lands”***

**Commissioners**

**Commission Alternate Members**

Dirk Slooten, (City)

Vacant (Spec. District Alternate)

Stan Archacki, (Special Dist.)

Suzanne Lyons (Public Alternate)

Jim Scholz (Special District)

Vacant (County Alternate)

Ed Robey, (Public Member)

Russ Perdock (City Alternate)

Moke Simon, (County)

Bruno Sabatier Chair (County)

Stacey Mattina Vice Chair (City)

**Staff**

John Benoit, Executive Officer

P. Scott Browne, Legal Counsel

Kathleen Moran, Clerk-Analyst

**1. Call to Order – Roll Call**

**2. Approval of Minutes – January 18, 2023 minutes**

*a. Approve January 18, 2023 minutes*

**3. Public Comment.**

*This is the time for the public to address the Commission on any matter not on the agenda. Testimony related to an item on the agenda should be presented at the time that item is considered.*

**4. Introduction Mireya Turner, Lake County Planning Director**

**5. Consent Agenda**

*a. Review and authorize payment of expenses for January and February 2023.*

**Public Hearing:**

**6. Fiscal Year 2023-2024 Lake LAFCo Proposed Budget**

- a. *Conduct public hearing and consider LAFCo Resolution 2023-0001 adopting a proposed budget for FY 2023-2024*

**OTHER ITEMS:**

**7. Workshop Lower Lake County Waterworks District #1 MSR and SOI**

- a) *Introduction, review and discuss the Lower Lake County Waterworks District #1 MSR and SOI and set a hearing date of May 17, 2023 in Clearlake*

**8. Discussion regarding LAFCO's role on Williamson Act Lands**

- a) *Hold discussion*

**9. Executive Officer's report.**

- a. *Upper Lake area MTBE (Methyl tert-butyl ether) Drinking Water Contamination – ongoing. In work plan for winter and spring 2023*  
b. *700 Forms due April 1st*  
c. *LAFCo Projects – Middletown Rancheria, Brambles Development (HVLCSO) and Dorn Annex to CSA 20*  
d. *Special District Alternate*

**10. LAFCo Counsel's report**

**11. Commissioner Reports**

*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 LAFCO's next regular meeting: Wednesday May 17, 2023 - 9:30 AM in Clearlake**

*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.*



**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**

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:  
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).
- The total amount of time allotted for receiving public comment may be limited to 15 minutes.
- Any individual's testimony may be limited to 5 minutes. Time to address the Commission will be allocated on the basis of the number of requests received.

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 5 minutes. Written statements may be submitted in lieu of or to supplement oral statements made during a public hearing.

Agenda Materials

Materials related to an item on this agenda submitted to the Commission after distribution of the agenda area available for review for public inspection at the City of Lakeport and City of Clearlake Community Development Departments office located at City Hall in Lakeport and Clearlake [such documents are also available on the Lake LAFCO website as noted below 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 Lake 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 (707) 592-7528 or by mail at Lake LAFCO c/o John Benoit, Executive Officer P.O. Box 2694, Granite Bay, CA 95746 or by email at [j.benoit4@icloud.com](mailto:j.benoit4@icloud.com). Agenda packets are located on the Lake LAFCO Webpage at [www.lakelafco.org](http://www.lakelafco.org)

LAKE LOCAL AGENCY FORMATION COMMISSION  
Minutes  
January 18, 2023

**Members Participating**

Bruno Sabatier, Chair, County Member  
Stacey Mattina, Vice-Chair, City Member  
Moke Simon, County Member  
Stan Archacki, Special Districts  
Ed Robey, Public Member  
Dirk Slooten, City Member  
Jim Scholz, Special Districts

**Staff Participating**

John Benoit, Executive Officer  
\*P. Scott Browne, Legal Counsel  
Kathleen Moran, Clerk, via Zoom

Absent: Suzanne Lyons, Public Alternate, Kenny Parlett, City Alternate.

1. Chair called meeting to order at 9:30 a.m. in the City Council Chambers, City of Clearlake. This meeting was conducted in person with teleconference and Zoom options available.

**2. Approval of Minutes**

Motion by Commissioner Mattina seconded by Commissioner Robey to approve the Minutes of the September 21st and November 16, 2022 Regular Meetings. Motion carried. All yes.

3. **Public Comment** Chair opened period of Public Comment. None were heard.

**4. Consent Agenda**

Motion by Commissioner Robey, seconded by Commissioner Slooten to approve The Consent Agenda item as follows:

- a. Authorize payment of expenses for November and December 2022.

Motion carried: All in favor.

**5. Notice of Termination for the City of Lakeport South Lakeport Annexation File #2019-0006**

Motion by Commissioner Slooten, seconded by Commissioner Scholz to adopt Resolution No 2023-0001, A Resolution Terminating the LAFCo Proceedings for the City of Lakeport South Lakeport Annexation to the City of Lakeport (LAFCo Application No. 2019-0006 as amended, to reflect adoption date of January 18, 2023 (not January 12, 2023). Resolution passed and adopted by the following vote:

AYES: Commissioners Slooten, Archacki, Scholz, Robey, Simon, Mattina, and Sabatier.

NOES: None.

ABSENT: None.

**6. Discussion regarding AB 2449 Remote LAFCo meetings and Commissioner attendance.**

Mr. Benoit asked that this item be continued for the presence of Mr. Browne was en route.

\* 9:45 a.m. Mr. Browne is present.

**7. Workshop re: Agricultural Lands and LAFCo's role**

Mr. Benoit reviewed the information in his memo to the Commission dated January 18, 2023 on Consideration of Agricultural Conversion Impacts which outlines the Lake LAFCo policy as well as provisions of the California Government Code with regard to future projects. Extensive discussion was held on specific examples and actions within the cities and county and LAFCo's interactions, mission and purpose as it pertains to those agencies.

**8. Continued item #6 AB 2249** - Mr. Browne reviewed his memo to the Commission outlining the new Brown Act requirements for teleconference meetings effective January 1, 2023.

10:28 a.m. Chair calls a recess. Meeting resumes at 10:43 a.m.

**9. Workshop regarding 2023/24 Work Program**

Mr. Benoit stated that this item has been placed on the Agenda in anticipation of the consideration of the FY 2023-24 budget session which is scheduled for the next regular meeting. He reviewed the listing of Lake LAFCo MSR and Sphere adoption dates and which districts will need to be updated. Chairman Sabatier recommended updates on all Fire Districts. Commissioners concur that these districts should be made a priority. Discussion was also held on emergency and ambulance services and the potential for LAFCo support.

**10. Completion of Protest Proceedings: Legislation or Policy Amendment**

A discussion followed regarding the need for legislation or a policy amendment to define exactly when the Completion of Protest Proceedings concurs. No action was taken.

**11. Executive Officer's Report**

- a. Upper Lake area MTBE (Methyl tera-butyl ether) Drinking Water Contamination-meet with District Manager ti begin MSR-SOI.
- b. Lower Lake CWD MSR and Sphere – Since the Konocti County Water District designated a Sphere area north of Cache Creek the territory in the Lower Lake Sphere of Influence needs to be consistent by withdrawing this area from the Lower Lake Sphere of Influence.

- c. Meet with Lakeport City Manager (this meeting has been postponed to March 2023)
- d. Meet with Grand Jury. (staff met with a subcommittee of the Grand Jury)
- e. LAFCo Projects - Middletown Rancheria, Brambles and Dorn Annexation Projects
- f. 700 Forms due April 1, 2023 - file with County or electronically

**12. LAFCo Counsel's Report** Counsel discussed proposed legislation regarding granting LAFCo's the same indemnification provisions as other public agencies.

**13. Commissioner Reports** – Chair Sabatier expressed a desire to have a discussion regarding the Williamson Act at the next regular meeting

**14. Correspondence**

Calafco White Paper Planning for a Stable and Predictable Future. This paper addresses GC 56133 and LAFCo making the determination not a special district or a city.

**15.** Meeting adjourned at 11:15 am

Next Meeting: Wednesday, March 15, 2023 at 9:30 a.m. in Lakeport.

By: Kathleen Moran, Clerk

# Lake Local Agency Formation Commission

## CLAIMS

January and February 2023

### Expenses for FY 2022-2023:

<u>Date of Claim</u>	<u>Description</u>	<u>Amount</u>
12.16.22 - 1.15.23	Browne Legal	\$ 1,954.57
Jan 18, 2023	Meeting Stipend	\$ 700.00
Feb 1, 2023	Staff Svcs Jan 2023	\$ 7,245.02
1.16.2023 - 12.15.23	Browne Legal	\$ 1,954.57
Mar 1, 2023	Staff Svcs Feb 2023	\$ 6,133.67
	TOTAL:	\$ 15,407.43

DATED: March 15, 2023

APPROVED: March 15, 2023

\_\_\_\_\_  
Bruno Sabatier, Chair or Stacey Mattina Vice-Chair  
Lake Local Agency Formation Commission

Attest:

\_\_\_\_\_  
John Benoit  
Executive Officer



LAKE LOCAL AGENCY FORMATION COMMISSION

ITEM 6

MEMORANDUM

March 15, 2023

**TO:** Local Agency Formation Commission  
**FROM:** John Benoit, Executive Officer  
**RE:** Proposed Budget for FY 2023-2024

**Attachment:** LAFCo resolution adopting a proposed 2023-2024 Budget

**Work Program for 2023-2024**

**Direct Projects – Projected**

1. Small and medium reorganizations - For the 2023-2024 fiscal year staff anticipates two or three small and medium reorganizations (i.e., annexations and detachments involving districts). For example changes to the boundaries of the Konocti Co. W.D, Upper Lake Co W.D. and the Callayomi Co. Water District. Costs include working with agencies and (or) individuals prior to application submittal, 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 departments (assessor, clerk and auditor), and general accounting.

Significant Municipal Annexations – None are expected at this time in 2023-2024

2. District Consolidations – Staff has heard of no district consolidations at this time although with the passage of additional requirements stated in SB 244 and other legislation consolidations may occur.
3. Dissolution of Districts – At this time, LAFCo has had no further inquiries about the dissolution of Special Districts with the exception of changes necessitated by SB - 244.

**Administrative Projects and Operational Provisions**

Ongoing administrative activities include:

**Budget Development and Control**

Budget development and control is currently handled by the Executive Officer. During the year, day-to-day administrative tasks (e.g., invoicing, and bill paying) are provided by the Executive Officer. LAFCo works with City and County offices on these issues.

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 office is included

Budget Justification Report

Lake LAFCO

March 15, 2023

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 such as coordinating agreements i.e. agreements for the provision of insurance or responding to a Commission directive or minute order and Proposal Requests. Insurance is estimated to be about the same next year since LAFCO has had no claims.

### **Communications**

This budget includes conducting annual organizational LAFCO workshops. This should occur at a separate meeting with the Commission and staff and should be part of the Commissions annual work program.

LAFCO needs to continue communication efforts with the County, Cities and Districts. The budget includes a session with these entities as well as an appearance various meetings. One of the legislative intents of LAFCO is to serve as neutral party or "legislature's watchdog" with regards to organizational issues. The budget for these activities includes preparation and meeting with staff and boards and incidental office supplies, legal advice, travel and communication.

Conduct project-oriented workshops, as appropriate. This activity may occur this year 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. Costs include legal, staff time, incidental travel, office supplies and communication resources. An example is to discuss LAFCO with the grand jury to assist them in their role and taking correct action.

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 ongoing 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 and unbiased 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 an ever increasing amount of state laws and must be followed.

**Grand Jury**. LAFCo staff has met with the Grand Jury, which involved information requests and conversations with members. This activity is anticipated to continuously occur.

**Calafco Dues.** The Calafco Executive Membership voted for a rate increase this year for members. Calafco dues will be decreased from \$1,982.00 to \$2,145.90 an increase of \$163.90 or 8.27 percent

**Environmental Reviews:** CEQA is required for all LAFCO discretionary projects. Applicants pay direct project costs; Spheres of Influence are LAFCO's responsibility. LAFCO will be a lead agency in this respect. LAFCO is also required and should want to comment on Environmental Reviews from various agencies. These costs include legal, communication, advertising, staff time. It is estimated the cost of this activity will be significant including required fees to pay Fish and Wildlife. 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. LAFCo Staff has commented on several CEQA reviews this year.

### **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 inquiries 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 our needs. This activity involves communication, staff time, and legal time. Legislation of importance to Lake LAFCO impacts budget process and permit processes.

### **Special Reports and Projects for the Commission**

The CKH act and the Commission's bylaws allow 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 cities 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 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

Budget Justification Report

Lake LAFCO

March 15, 2023

of the Commission. Training is necessary to remain informed of changes in LAFCO law and procedures.

### **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 a sphere of influence update.

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.

Reviews are largely based on information provided to LAFCO by the districts and (or) city or county. A new procedure to be used is for staff to meet twice with district Board of Directors during the data discovery phase and to review a draft prior to the MSR going to the LAFCO Commission.

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:

- a. "The present and planned land uses in the area.
- b. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence (for fire, domestic water and wastewater districts).
- c. The present and probable need for public facilities and services in the area.
- d. The present capacity of public facilities and adequacy of public services, which the agency provides or is, authorized to provide.
- e. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency."

In the past the cost figures assumed performing these studies were prepared by the Executive Officer. The Executive Officer oversees the process. This component costs include legal costs, copying, mileage, postage, meetings and incidental administrative costs related to a project.

Municipal Service Review and Sphere of Influence and adoption dates are below:

## LAKE LAFCO MSR AND SPHERE ADOPTION DATES

SPECIAL DISTRICT - CITY	MSR Completed	SOI Completed
City of Clearlake	May 20, 2015	May 20, 2015
City of Lakeport	July 18, 2012	Oct 14 2015
Glenbrook Cemetery District	Sept 15 2021	Sept 15,2021
Hartley Cemetery District	Sept 15 2021	Sept 15, 2021
Kelseyville Cemetery District	Sept 15 2021	Sept 15,2021
Lower Lake Cemetery District	Sept 15 2021	Sept 15, 2021
Middletown Cemetery District	Sept 15 2021	Sept 15 2021
Upper Lake Cemetery District	Sept 15 2021	Sept 15 2021
CSA #2 Spring Valley Lakes	Dec 17 2008	Dec 17 2009
CSA #6 Finley	Dec 17 2008	Dec 17 2009
CSA #7 Bonanza Springs	Dissolved	Dissolved
CSA #13 Kono Tayee	Dec 17 2008	Dec 17 2009
CSA #16 Paradise Valley	Dec 17 2008	Dec 17 2009
CSA # 18 Starview Cobb	Dissolved	Dissolved
CSA #20 Soda Bay	Dec 17 2008	Dec 17 2009
CSA #22 Mt. Hannah	Dissolved	Dissolved
CSA #23 Konocti Bay	Dec 17 2008	Dec 17 2009
CSA #21 North Lakeport	Feb 18 2009	Feb 18 2009
Lighting Districts	Nov 20, 2019	Nov 20, 2019
Hidden Valley Lake CSD	Sept 20, 2017	Sept 17, 2017
Anderson Springs CSD	Feb 17, 2010	Feb 17, 2010
Butler-Keys CSD	Feb 17 2010	Feb 17 2010
Kelseyville Fire Protection District	July 15, 2015	July 15, 2015
Lake Pillsbury Fire Protection District	July 15, 2015	July 15, 2015
Lakeport Fire Protection District	July 15, 2015	July 15, 2015
Lake County Fire Protection District	July 15, 2015	July 15, 2015
Northshore Fire Protection District	July 15, 2015	July 15, 2015
South Lake County Fire Protection District	July 15, 2015	July 15, 2015
Redbud Healthcare District	Mar 21 2012	Mar 21 2012
Scotts Valley Water Conservation District Lake County Resource	July 16, 2014	July 16, 2014

Conservation District Lake County Sanitation District	Nov 17 2010	Nov 17 2010
Lake County Vector Control District	Sept 9, 2016 Dissolved	Sept 9, 2016 Dissolved
Reclamation District #2070		
Adams Springs Water District	Dissolved	Dissolved
Buckingham Park County Water	Sept 15 2010	Sept 15 2010
Callayomi Co. Water District	July 17, 2013	July 17, 2013
Clearlake Oaks County Water District	July 17, 2013	July 17, 2013
Kelseyville County Waterworks District #3	March 20 2019	March 20, 2019
Konociti County Water District	Nov 17, 2021	Nov 17, 2021
Lower Lake County Waterworks District No 1	PENDING	PENDING
Cobb Area County Water District	March 21, 2018	March 21, 2018
Upper Lake County Water District	UPDATING	UPDATING
Villa Blue Estates Water District		
Lake County Watershed Protection District	Dec 18 2014	May 18 2016

For the 2023-2024 budget year, I suggest the following work schedule to either complete or initiate the following:

1. **Continue with the Service Review and SOI update for the Upper Lake County Water District and Fire Protection and EMS agencies**
2. **Process Applications and special projects.**

The total cost of many of the above projects and activities may exceed the actual budget amount to be requested especially in light of increasing expectations regarding MSR Content. It is unlikely the above activities will be funded by private parties. The Commission may wish to circulate Requests for Proposals for various service reviews and Sphere of Influence updates, for example, the Upper Lake Water District. Most likely, the cost would increase significantly. The costs of a MSR are directly related to the content expectations of the Commission. Not all of the recommendations will be completed during the upcoming fiscal year given the budget allocated.

## Budget Justification Report

Since the passage of AB-2838 in 2000, LAFCO has become independent from the County. Operational costs of LAFCO were entirely paid by the County including staff time, legal services, miscellaneous office expenses, and insurance. The Legislature took the recommendation of the Commission on Local Governance for the 21<sup>st</sup> century and concluded that LAFCO costs were to be paid by both the City and County and LAFCO's were to become independent. Many costs are more apparent since LAFCO's costs are separated from a larger agency.

**The overall goal of this budget is to conduct LAFCO business publicly in a proactive independent manner involving the Community to meet the overall requirements of the Cortese-Knox-Hertzberg Act given the financial resources LAFCo has.**

### SUMMARY OF PROPOSED EXPENSES:

**Commissioner Stipends** A Commissioner Stipend includes time for the meeting and mileage and related expenses. The monthly stipend is \$100.00 per Commissioner and Alternate in attendance. Staff estimates there will be 6 meetings in 2023-2024 and a budget is needed for 11 commissioners at \$100.00 each per meeting. Assuming the Commission will have 6 meetings this upcoming year, this budget is recommended to be \$6,600. In the event project activity requires additional meetings, any additional cost can be attributed directly to a specific project.

**Office Supplies** This category includes supplies needed by commissioners and the LAFCO Clerk for meetings. Most of these supplies are included in the Office Stipend for staff. This item is for the LAFCo Clerk to have adequate supplies for her duties. This budget remains the same as last year at \$250.00.

**Memberships** It is important LAFCO remain in its statewide professional organization as does the County and the Cities and participate in LAFCO issues of common concern for the benefit of Lake LAFCO and its agencies. Dues for CALAFCO for rural LAFCO's this year (2023-2024) will \$2,145, a 8.27% increase.

**Books and Periodicals** I am recommending \$200 for this budget. This budget is in place in the event the Commission would be required to purchase LAFCo Law books or any other periodical necessary for LAFCo's operation.

**Legal Services** I am recommending this budget be changed from \$23,454.82 to \$24,580.65 (a .4.8% increase in the Employment Cost Index - Dec 2022 – Dec 2023) for this item. This represents a flat rate retainer for Counsel from \$1,954.56 to \$2,048.38 per month. Since LAFCO has become independent, separate LAFCO Counsel is necessary to represent LAFCO's interest as a neutral party. I rely on Counsel during months we don't have meetings as much as for months we do. LAFCO Counsel is needed to provide legal direction at meetings of the Commission and to protect LAFCO's interests when required. Project related legal costs are to be billed to the project proponent through LAFCO's fee structure. Other LAFCO's have Counsel in attendance at their meetings. Based on my experience with the exception of workshops, it is important to have Counsel attend LAFCO meetings. I recommend this continue to be the practice in Lake LAFCO. In the event of Litigation, additional appropriations will become necessary.

**Clerk Services** I am recommending \$4,256.00 to \$4,460.29 for clerk services assuming up to 8 meetings will occur in the next fiscal year. This is a 4.8% increase due to increase in the Employment Cost Index. A LAFCO Clerk is necessary to record meetings to produce an accurate record and provide other miscellaneous duties. In the event project activity requires additional work, additional cost would be attributed directly to a specific project.

**Office Expenses:** This category includes ongoing communication, Internet, copies and reproductions, computers, software, toner, and maintenance of equipment, mileage for LAFCO related business, phone and fax, postage, paper and misc. office supplies and insurance costs. An additional Supplies budget is in place for miscellaneous supplies needed by the Clerk. The amount is proposed to remain the same at \$7,200.00 which is \$600.00 per month. This amount changed last year.

**Executive Officer - Staff Services** This item funds ongoing LAFCO general administrative, pre-project planning with districts/cities/county, Brown and Public Record's Act compliance, CKH Act compliance and updates, public outreach, responding to Grand Jury complaints and inquiries, letters from the public, and inquires from the county/cities/special districts/state, working on the MSR's and SOI's and financial and accounting duties, as required, commenting on land use plans and specific projects and processing LAFCO applications and inquiries and representing Lake LAFCO at CALAFCO events. This would provide a continuing maintenance of effort and presence of LAFCO in Lake County. The budget for this category is recommended to be \$54,067.61 per month from \$51,591.23 per month or \$4,505.63 per month. This represents a 4.8% increase in the Employment Cost Index. It is anticipated additional appropriations will be funded through additional fee costs as approved by the Commission in November 2022 as based on the Employment Cost Index. Use of the CPI may not be a valid basis for personal costs increases.

A job description was requested in previous years. The following represents the tasks performed by the Executive Officer:

- Administrative duties; including development, oversight, and review of an annual work plan; assignment of work activities, projects and programs; monitoring work flow and the day to day business of the Commission; personnel management, including oversight of consultants; preparation and management of contracts, subject to the review of the Commission.
- Scheduling and preparing for regular and special meetings of the Commission, including preparation and timely transmittal of the meeting agenda and related reports and recommendations, and presentation of the reports at the meetings.
- Update Policies and Procedures, Spheres of Influence, MSR's, office files, etc.
- Processes applications for city and district formation, annexation, reorganization, consolidation, detachments, and extension of services by contract.
- Prepares notices, filings, agreements, and reports consistent with the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.
- Preparing special reports and studies to the Commission as mandated by statute, such as municipal services reviews and spheres of influence.



- Preparation of the LAFCO budget, including preparation and implementation of the budget, forecasting revenue and expenses, and identifying and recommending alternatives for implementation of the budget subject to the review of the Commission, as well as scheduling and noticing all budget hearings and communication. Administration of the adopted LAFCO budget by maintaining budget controls, records, files, and making timely payments of claims and deposits of revenues.
- Planning, assigning, and coordinating the work of support staff.
- Outreach and Liaison Duties: includes representing the Commission before public and private policy making agencies and community groups, coordinating the LAFCO processes with discretionary actions of other agencies. Facilitates workshops and attends meetings as directed by the Commission to understand community concerns so LAFCO policies, municipal service reviews, and spheres of influence reflect the needs and desires of the community.
- Prepare necessary California Environmental Quality Act (CEQA) documents (Notices of Exemption, Initial Studies, Negative Declarations, and Mitigation Monitoring Plans) for those actions in which Lake LAFCO is the lead agency. Reviews and prepares comments on CEQA documents prepared by other agencies which affect the responsibilities of the Commission.
- Monitoring new and proposed State and local legislation that pertains to LAFCO, and preparing reports to the Commission that includes a recommendation of support or opposition to proposed legislation. Actively participates in related organizations, such as the California Association of LAFCO's and professional associations.
- Coordinating with LAFCO Counsel on legal issues and other matters that may require an oral or written interpretation or opinion from legal counsel.
- At the direction of the Commission, representing LAFCO before other local governmental agencies, at community meetings, at Calafco, and at other public forums.

**Legal Notices/Publications** I am recommending \$1,400.00 for this item due to rising costs. Notices are required by state law for most projects 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 all LAFCO actions including MSR's and SOI's. Cost overruns in this category will be fee supported through a budget augmentation.

**Transportation/Travel & Training** I am recommending \$ 5,500.00 for training and \$2,500.00 for travel expense. This amount will provide for a portion of the Executive Officer's attendance at Calafco activities to represent Lake LAFCO as well as for three Commissioners to attend the CALAFCo conference in Monterey, California on October 18 – 20<sup>th</sup> . If the Commission wishes to send more than 5 Commissioners to the CALAFCo conference, this amount would need to be increased since Calafco is raising its registration fee to \$610.00 per attendee.

Estimated costs for each Commissioner to attend the Calafco Annual Conference (October 6-8, 2021) in Santa Anna is approximately \$1,850 per person including transportation, lodging for 3 nights (\$800 + taxes and fees and conference registration (\$610) and mileage from Lakeport to Monterey and back (500 miles RT \$327.50) plus misc. costs \$100.00. This budget may

accommodate attendance by up to 3 LAFCo Commissioners and provide a portion for Staff's attendance. If the Commission desires to send additional Commissioners, an augmentation to this budget will be required.

This item also includes funds for a portion of Staff's expense to represent Lake LAFCO at CALAFCO Activities.

Note: A decision as to the actual number of Commissioners anticipating attendance at the conference is needed before the final budget is approved. This budget includes enough funds for five Commissioners and a portion of Staff costs to attend the Annual Conference. This budget includes a portion of staff costs for attendance at the annual staff workshop and provide monies for incidental mileage expenses related to LAFCO operations.

**Municipal Service Reviews** I am recommending \$21,000 for the costs to continue preparation of Municipal Service Reviews for the upcoming fiscal year.

**Sphere of Influence Updates:** Sphere of Influence Updates include the Spheres of Influence for MSR's and SOI's in the amount of \$20,000.

**Contingency and Reserve** If LAFCO has a cost overrun or unanticipated expense during the fiscal year. I am recommending a contingency fund of \$10,000 this year, the same as last year. Likewise, per Commission directive, the general reserve will brought up to \$90,000 per commission directive.

**Insurance:** LAFCO is required to have insurance as an independent agency. The CSAC EIA has indicated the Board of Supervisors must approve LAFCO being covered under CSAC's program. The Lake Board of Supervisors has an agreement that LAFCO could be covered under the County's insurance program. \$1,400.00 is in the budget for this purpose.

**Records Retention and Mapping:** I am recommending \$6,000 for this activity, for both mapping of district boundaries and for MSR's and sphere of influence updates. Several scenarios could be required for Sphere of Influence updates. Development of an electronic map book for all agencies is also necessary. All maps will be in GIS format compatible with the Cities and the County. This category also includes continuing with creating electronic LAFCo records and misc. clerk services.

**Webpage Maintenance:** AB 2838 requires LAFCOs to have a webpage. We no longer have a webpage maintained by County staff. LAFCo staff has taken a more pro-active role in the website and the amount to be budgeted should be \$150.00 to cover service costs.

**City Finance:** The Agreement between the City and LAFCO is \$2,500 for this service.

**Carryover:** The carryover is expected to be \$100,000.00 this year, which includes the contingency fund of \$10,000 and \$80,000 for the reserve fund. The last three years, the Commission expressed a desire to increase the reserve fund to \$100,000.00 and did so by adding \$10,000.00 each year.

**Anticipated Revenue** I am recommending anticipated miscellaneous revenue of \$10,000. LAFCO may increase its appropriations in various budgets if unanticipated revenue is realized. Should there be less than \$10,000 in revenue, other categories will need to be reduced to make up for the shortfall.

**Amount to be apportioned per government Code Section 56381:**

The amount to be apportioned between the Cities, the Districts and the County is proposed to be \$149,504.45, which is slightly more than this year, which was, \$134,984.05.

**RECOMMENDATION**

1. Conduct Public Hearing.
2. Consider the above budget justification report, discuss and amend report and (or) the proposed budget as necessary.
3. Adopt LAFCo Resolution 2023-0002 approving a proposed budget for fiscal year 2023-2024.

**Resolution 2023-0002**

**of the**

**Lake Local Agency Formation Commission**

*Resolution of Lake Local Agency Formation Commission Adopting*

*a Proposed Budget for 2023-2024*

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

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

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

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

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

1. That Lake LAFCO hereby adopts the attached proposed 2023-2024 proposed budget (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 Lake Local Agency Formation Commission at a regular meeting of said Commission held on March 15, 2023 by the following roll call vote:

AYES: -

NOES: -

ABSTENTIONS: -

ABSENT: -

Signed and approved by me after its passage this 15th day of March, 2023.

\_\_\_\_\_  
Bruno Sabatier, Chair or Stacey Mattina, Vice-Chair  
Lake LAFCO

Attest:

\_\_\_\_\_  
John Benoit, Executive Officer  
Lake LAFCO

Exhibit A - Proposed Budget  
 F.Y. 2023-2024  
 Lake LAFCO  
 March 15, 2023

BUDGET: 419

LAFCo Resolution 2023 - 0002

A	B		C		D	E	
	2021-2022	2022-2023	2022-2023	2023-2024		expenses as of	2023-2024
	FINAL BUDGET	Final BUDGET	Final BUDGET	Final BUDGET	\$44,958.00	PROP. BUDGET	
7	<b>Expenditure Classification</b>						
8							
9	500.01 COMMISSIONERS STIPEND	\$5,280.00	\$6,600.00	\$6,600.00	\$2,600.00		\$6,600.00
10	600.35 SUPPLIES	\$250.00	\$250.00	\$250.00	-		\$250.00
11	700.51 MEMBERSHIPS	\$1,889.00	\$1,982.00	\$1,982.00	-\$1,982.00		\$2,145.90
12	700.50 BOOKS AND PERIODICALS	\$200.00	\$200.00	\$200.00	\$200.00		\$200.00
13	750.64 ATTORNEY CONTRACTS	\$22,044.00	\$23,454.82	\$23,454.82	\$13,681.99		\$24,580.65
14	750.60 Lafco Clerk Svcs.	\$4,000.00	\$4,256.00	\$4,256.00	\$1,058.60		\$4,460.29
15	750.60 Office Expenses	\$7,000.00	\$7,200.00	\$7,200.00	\$4,200.00		\$7,200.00
16	750.60 Staff Off. Svcs	\$48,488.00	\$51,591.23	\$51,591.23	\$30,094.00		\$54,067.61
17	600.36 LEGAL NOTICES/PUBLICATIONS	\$1,400.00	\$1,400.00	\$1,400.00	\$139.00		\$1,400.00
18	700.53 TRANS AND TRAVEL (CALAFCO)	\$5,500.00	\$5,500.00	\$5,500.00	-\$360.97		\$5,500.00
19	700.53 CONF REGISTRATION	\$2,500.00	\$2,500.00	\$2,500.00	-\$1,250.00		\$3,050.00
20	960.95... INSURANCE	\$1,400.00	\$1,400.00	\$1,400.00			\$1,400.00
21	750.60 Records Retention and Mapping	\$6,000.00	\$6,000.00	\$6,000.00			\$6,000.00
22	750.60 Web Page	\$150.00	\$150.00	\$150.00			\$150.00
23	750.60 AUDITOR/CITY-Agreement	\$2,500.00	\$2,500.00	\$2,500.00			\$2,500.00
24	750.60 Spheres of Influence	\$20,000.00	\$20,000.00	\$20,000.00	\$984.30		\$20,000.00
25	750.60 Municipal Service Reviews	\$21,000.00	\$21,000.00	\$21,000.00	\$5,469.76		\$21,000.00
26	750-60 Special and Complex projects Upper Lake MTBE	\$15,000.00	\$24,500.00	\$24,500.00			
27	<b>Total General Services and Supplies Expenditures</b>	\$164,601.00	\$180,484.05	\$180,484.05	\$54,834.08		\$160,504.45
28							
29	999.99 Contingency	\$10,000.00	\$10,000.00	\$10,000.00			\$10,000.00
30	405.92 General Reserve	\$70,000.00	\$80,000.00	\$80,000.00			\$90,000.00
31							
32	<b>TOTAL Expenditure Budget &amp; contingency &amp; reserve</b>	\$244,601.00	\$270,484.05	\$270,484.05			\$260,504.45
33							
34	Est Carryover Balance July 1, 2022		-\$100,000.00	-\$101,000.00			-\$101,000.00
35	404.30 Est. OTHER REVENUE		-\$10,000.00	-\$10,000.00			-\$10,000.00
36	Special Project Revenue - Upper Lake MTBE		-\$24,500.00	-\$24,500.00			
37							
38	<b>Total exp less anticipated carryover and revenues</b>	-\$110,000.00	\$134,984.05	\$134,984.05			\$149,504.45
39							
40							
41	<b>404.30 City/County and Ind. Spec District Contrib.</b>	\$134,601.00	\$134,984.05	\$134,984.05			\$149,504.45
42							
43							
44							
45	0000 General Reserve	\$70,000.00	\$80,000.00	\$80,000.00			\$90,000.00

**Lake LAFCo  
March 15, 2023**

**TO:** Commissioners

**FROM:** John Benoit, Executive Officer

**RE:** Williamson Act lands, Annexations and Spheres of Influence

Staff was asked to address Williamson Act Lands at the January 2023 LAFCo meeting. The following is a clarification of the LAFCO law regarding Spheres of Influence and annexations of Williamson Act lands. All references below are from the Government Code.

In summary, Section 56426 essentially prohibits any Farmland Security Zone (FSZ) lands from being in the Sphere of Influence of a local government agency (i.e. a city). Therefore FSZ's may normally not be annexed. The Farmland Security Zone is also known as the Super Williamson Act and involves a 20-year contract.

**56426.** The commission shall not approve or conditionally approve a change to the sphere of influence of a local government agency of territory that is subject to a farmland security zone contract pursuant to Article 7 (commencing with Section 51296) of Chapter 7 of Part 1 of Division 1, if that local government agency provides or would provide facilities or services related to sewers, nonagricultural water, or streets and roads to the territory, unless these facilities or services benefit land uses that are allowed under the contract and the landowner consents to the change to the sphere of influence.

**56426.6.** (a) The commission shall not approve a change to the sphere of influence of a local government agency of territory that is subject to a contract entered into pursuant to the California Land Conservation Act of 1965 (Chapter 7 (commencing with Section 51200) of Part 1 of Division 1) if that local government agency provides, or would provide, facilities or services related to sewers, nonagricultural water, or streets and roads to the territory, unless these facilities or services benefit land uses that are allowed under the contract and the landowner consents to the change to the sphere of influence.

(b)(1) Notwithstanding subdivision (a), the commission may nevertheless approve a change for that territory if it finds either of the following:

(A) That the change would facilitate planned, orderly, and efficient patterns of land use or provision of services, and the public interest in the change substantially outweighs the public interest in the current continuation of the contract beyond its current expiration date.

(B) That the change is not likely to adversely affect the continuation of the contract beyond its current expiration date.

(2) In making a determination pursuant to this subdivision, the commission shall consider all of the following:

(A) The policies and implementation measures adopted by the city or county that would administer the contract both before and after any ultimate annexation, relative to the continuation of agriculture or other uses allowable under the contract.

(B) The infrastructure plans of the annexing agency. (C) Other factors that the commission deems relevant. (c) This section shall not apply to any of the following:

(1) Territory that is subject to a contract for which a notice of nonrenewal has been served pursuant to Section 51245

(2) Territory that is subject to a contract for which a tentative cancellation has been approved pursuant to Section 51282.

(3) Territory for which the governing body of the county or city administering the contract has given its written approval to the change and the landowner consents to the change.

**56856.5.** (a) The commission shall not approve or conditionally approve a change of organization or reorganization that would result in the annexation to a city or special district of territory that is subject to a contract entered into pursuant to the California Land Conservation Act of 1965 (Chapter 7 (commencing with Section

51200) of Part 1 of Division 1), other than a contract entered into pursuant to Article 7 (commencing with Section 51296) of Chapter 7 of Part 1 of Division 1, if that city or special district provides or would provide facilities or services related to sewers, nonagricultural water, or streets and roads to the territory, unless these facilities or services benefit land uses that are allowed under the contract.



In Conclusion Williamson Act lands under non-renewal status may be annexed or within the Sphere of Influence of a City. However, the city must agree that no services will actually be provided for any land uses or activities not allowed under the remaining life of the existing contract. Of course, this might not be the case if the City originally protested the Williamson Act Contract, which is not likely, but should be researched or if the contract is outright cancelled.

Alternatively, essentially Williamson Act lands may be annexed (or within the Sphere of Influence ) provided the City adopts policies and feasible implementation measures and LAFCO adopts certain findings after consideration of certain factors listed above.