

**Lake Local Agency Formation Commission**

**Regular Meeting Agenda**

**March 19, 2014 -- 9:30 am**

**City of LAKEPORT** – City Council Chambers

225 Park Street, Lakeport , California

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

Commissioners

Ed. Robey, Chair (Public Member)  
Frank Gillespie (Special District Member)  
Denise Loustalot , (City Member)  
Stacy Mattina, Vice Chair (City Member)  
Gerry Mills, (Special Dist. Member)

Alternates

Jeff Smith (County Alternate)  
Martin Scheel (City Alternate)  
Jim Abell, (Spec. District Alternate)  
Suzanne Lyons (Public Alternate)

Staff

Denise Rushing (County Member)  
Jim Comstock (County Member)

John Benoit, Executive Officer  
P. Scott Browne, Legal Counsel  
Lora Ceccon, Clerk to the Commission

**1. Call to Order – Roll Call**

**2. Approval of Minutes – January 15, 2014 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. Consent Agenda**

*Action: Review and authorize payment of expenses for January and February 2014*

**Public Hearing:**

**5. Public Hearing regarding the 2014-2015 Lake LAFCo Proposed Budget.**

- a. *Review Executive Officer’s Report, Conduct Budget Hearing on the Proposed 2014-2015 Lake LAFCo Budget and Consider Resolution 2014-0001*

**Action Items:**

6. **Review and Discuss CEQA alternatives when LAFCo acts as a CEQA lead agency and discussion of direction on how the Commission wishes to proceed.**

a. *Provide direction to staff.*

7. **Authorize Staff to attend the Calafco Annual Confernce in Berkeley on April 23-25, 2014**

a. *Authorize Staff to attend the Calafco Annual Staff Workshop.*

8. **Executive Officer' s report**

a. *Minnie Cannon Annex to the Callayomi Co. Water District*

b. *700 Forms due April 1<sup>st</sup> 2014*

c. *City of Clearlake Service Review*

d. *Fire Service Reviews*

e. *Watershed Protection District Service Review*

f. *RCD's Service Review*

9. **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.

10. **Correspondence**

a. *City of Clearlake General Plan Notice of Preparation response*

b. *City of Clearlake – Draft Housing Element Update*

11. **Closed Session**

*Subject: Performance Evaluation May 2013 – March 2014*

*Title: LAFCO Executive Officer*

12. **Adjourn to LAFCO's next regular meeting: Wednesday May 21, 2014 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:

- 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).
- 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 [johnbenoit@surewest.net](mailto:johnbenoit@surewest.net) or by fax at (916) 797-7631. Agenda items are located on the Lake LAFCO Webpage at [www.lakelafco.org](http://www.lakelafco.org)

LOCAL AGENCY FORMATION COMMISSION OF LAKE COUNTY  
MINUTES OF MEETING  
January 15, 2014

PRESENT:

Ed Robey, Chair, Public Member  
Frank Gillespie, Special Districts Member  
Denise Loustalot, City Member  
Stacy Mattina, City Member  
Gerry Mills, Special District Member  
Jeff Smith, County Member, Alternate  
Jim Comstock, County Member

ALSO PRESENT:

Joey Luiz, City Alternate  
Suzanne Lyons, Public Alt.  
Jim Abell, Spec. Dist., Alt.  
  
John Benoit, Executive Officer  
P. Scott Browne, Legal Counsel  
Lora Ceccon, Clerk

**1. Call to Order/Roll Call**

The meeting was called to order at 9:33 a.m. There was a quorum present.

**2. Approval of Minutes – November 20, 2013**

**Commissioner F. Gillespie moved to approve the November 20, 2013 minutes, second by Commissioner J. Smith; motion carried.**

**3. Public Comment – J. Spittler thanked the Commission and stated that she had learned a lot while participating.**

**4. Consent Agenda**

**Commissioner F. Gillespie moved to authorize payment of the November and December 2013 expenses, second by Commissioner J. Abell; motion carried.**

**5. Continued from November 20, 2013 – Review and amend as determined by the Commission, LAFCo's adopted Local Procedural Guidelines for Municipal Service Reviews (adopted on August 20, 2003); and LAFCo's action on April 15, 2009 regarding establishment of Municipal Service Review Advisory Committees (adopted on April 15, 2009); LAFCo's adopted Policies and Procedures for Municipal Service Reviews (Adopted on May 20, 2009)**

Commissioner E. Robey took a moment to introduce the new member to the Commission; Denise Loustalot. She is the current Mayor for the City of Clearlake.

J. Benoit provided a recap of this item for the Commission. The purpose of the MSR is to support the SOI. Lafco does not have the budget or need to write a book on each bullet point. The point is to help the districts to provide services.

John is looking for direction from the Commission. Commissioner Comstock does not feel that the budget should be increased. Do what is essential and no more. Commissioner Robey agrees.

John stated that there will be times when it will be beneficial to bring in an expert. Commissioner Smith agrees that bringing in experts from time to time is the most efficient way to complete MSR's especially if John is meeting with councils, etc. It is working well the way it is now; why do more than necessary?

Betsy Cawn assured the Commission that she has no desire to cost Lafco any extra money. She is a volunteer. She explained that members of the MSR Advisory Committee are not overspending or sabotaging. They are not adversaries, they are supporters. She distributed information she prepared regarding the Watershed Protection District MSR.

J. Benoit explained the history of MSR's for those present. He has always worked to keep the cost of the MSR within the budget. Direction has always been to send the district/agency the draft first. They review it and come back with any concerns. MSR's are not "gotcha documents". Discussion continued regarding distribution of draft copies, cost, and committees.

John acknowledged the importance of public input and explained the process for notification. He stated that the bottom line is what are you willing to pay for?

Mike Dunlap, public member and volunteer, spoke on Lafco's responsibility and getting information to the public.

Alan Flora, with the County Administrative Office, stated that they share some of the same concerns as Lafco when it comes to the budget. He is asking the Commission to consider adopting coterminous SOI's for any entity that has not updated their sphere. He referred to a March 2013 letter from the Board of Supervisors and distributed copies of same. The issue is why should the county subsidize the city's sphere? More discussion followed regarding the cost of MSR's/SOI updates and what entity should pay.

S. Browne explained the law: Lafco will prepare MSR's and updates every five years. Then, if necessary, make any changes. Lafco tries to piggyback on General Plan updates; this is the most efficient way to do it. Lafco is the final decision maker as to spheres.

Some discussion was held regarding the Clearlake SOI. An MSR needs to be done even if it is coterminous with the city boundary. John will meet with Alan Flora after today's meeting to clarify concerns.

Commissioner Smith stated that we have discussed this issue for years. If it is over and above what the typical MSR is, then the district/agency pays. Lafco

pays if it is a typical MSR.

Commissioner Mattina asked, if we don't have a committee, can we still get the information and have public input? John responded, yes. Commissioner Lyons spoke on the benefit of having a committee.

More discussion followed regarding committees and public notices. The issue of where the draft should be sent first was raised again and discussion followed.

J. Benoit summarized the discussion stating that Lafco will keep the committee in place, a draft will be sent to the district and the committee. John will meet with the committee in about a month and will receive comments from the district. A presentation will be made to the Commission, and if there are issues, the Commission will decide.

**Commissioner J. Comstock moved to approve the summary as provided above, second by S. Mattina, motion carried. (7-0)**

11:15 – Commissioner J. Comstock left the meeting.

John clarified that action taken today is specifically regarding the WPD project.

**6. California Within Limits – “Establishing Boundaries, Shaping the Future” presented by Peter Detwiler at the LAFCo Symposium on December 9, 2013.**

J. Benoit provided copies of California Within Limits – “Establishing Boundaries, Shaping the Future”, stating that the whitepaper provides a history of Lafco, and is an easy to read, in-depth look at boundary history.

**7. Establish regular and alternate meeting schedule for 2014.**

A copy of the 2014 schedule was included in today's packet.

**Commissioner G. Mills moved to approve the 2014 meeting schedule, second by Commissioner F. Gillespie, motion carried.**

**8. Executive Officer's report**

- a. Out of Area Services - J. Benoit reminded Commissioners of the requirement that agencies come to Lafco when proposing to provide services outside their district.
- b. City of Clearlake and Fire Services Review – John is working with the Clearlake City Manager, and continuing work on the fire review.
- c. Watershed Protection District Service Review – previously discussed
- d. RCD's Service Review – getting started as a separate review

**9. Commissioner Reports - None**

**10. Correspondence**

John has received a copy of a notice of intention to dissolve reclamation district 2070. The county (WPD) will initiate and place on their agenda for January 28<sup>th</sup> at 9:15 a.m. He also received notice of preparation of the EIR for the Clearlake General Plan.

**11. Adjourn to Lafco's next regular meeting: Wednesday, March 19, 2014 in Lakeport**

The meeting was adjourned at 11:30 a.m.

# Lake Local Agency Formation Commission

## CLAIMS

January 2014 and February 2014

### FY 2013-2014 Expenses

| <u>Date of Claim</u>  | <u>Description</u>          | <u>Amount</u> |
|-----------------------|-----------------------------|---------------|
| Feb 1, 2014           | Staff Services Jan 2014     | \$ 4,799.00   |
| Feb 1, 2014           | Special Projects – Jan 2014 |               |
|                       | WPD MSR/SOI                 | \$ 6,331.88   |
| 12.16-13 to 1.15.2014 | Browne- Legal               | \$ 1,750.00   |
| Mar 1, 2014           | Staff Svcs Feb 2014         | \$ 4,590.67   |
| Mar 1, 2014           | Special Projects Fire MSR   | \$ 4,723.79   |
| Jan 15, 2014          | Commission Mtg. Stipend     | \$ 600.00     |
| 1.16-14 to 2.15-14    | Browne Legal                | \$ 1,750.00   |
|                       | TOTAL:                      | \$ 24,545.34  |

DATED: March 19, 2014

APPROVED: March 19, 2014

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Ed Robey, Chair or Stacey Mattina Vice-Chair  
Lake Local Agency Formation Commission

Attest:

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John Benoit  
Executive Officer



| Amount Budgeted  | Comm Stipend Supplies | Memberships | Books & Periodic | Attorney Services | LAFco Clerk | Office Stipend | Staff Svcs   | Legal Notices | Trans Travel | Conf Regis  | SOI Water    | Gen Reserve  |
|--|-----------------------|-------------|------------------|-------------------|-------------|----------------|--------------|---------------|--------------|-------------|--------------|--------------|
| 2012-2013 Adopted Budget   | \$ 5,280.00           | \$ 250.00   | \$ 758.00        | \$ 16,000.00      | \$ 2,000.00 | \$ 7,000.00    | \$ 48,488.00 | \$ 1,000.00   | \$ 2,400.00  | \$ 1,500.00 | \$ 12,000.00 | \$ 10,000.00 |
| Accrued exp in 2012-2013 and exp. Brought forward o FY 2013-2014 | \$ 380.00             | \$ 380.00   | \$ 380.00        | \$ 380.00         | \$ 380.00   | \$ 380.00      | \$ 380.00    | \$ 380.00     | \$ 380.00    | \$ 380.00   | \$ 380.00    | \$ 380.00    |
| Calafco Hotel deposit Gillespie                                  |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Calafco Hotel deposit Lyons                                      |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Calafco Hotel Deposit Jb for Spittler                            |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Carco Hotel Deposit Matlina                                      |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Calafco Registration -5  |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Calafco Reg. Robey Awards  |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Calafco Dues FY 13-14  |                       |             | \$ (758.00)      |                   |             |                |              |               |              |             |              |              |
| Emerg Req Mobile Wkshp Spittler                                  |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Browne Ending 7.15.13  |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Jb July 13 staff svcs  |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| July 17, 13 Mtg Stipends   |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Browne Ending 8.15.13  |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Jb Aug 13 Staff Svcs   |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Jb 1/6 share Calafco Conf 8.27.13                                |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Jb Sept 13 Staff Svcs  |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Browne Ending 9.15.13  |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Sept 25, 2013 Mtg Stipend  |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Jb Oct Staff Svcs  |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Browne Ending 10.15.13   |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Spittler Hotel expenses Pd by Benoit                             |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Gillespie Conf Reimbursement                                     |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Matlina Conf Reimb   |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Lyons Conf. Reimb  |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Robey Conf. Reimb  |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Spittler Conf. Reimb   |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Meeting stipend Nov 20, 2013                                     |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Jb Nov 13 Staff Services   |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Browne Ending 11.15.13   |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| BUDGET TRANSFER  |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Insurance 1/2 year taken by Auditor's office                     |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Browne Ending 12.15.13   |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Jb Dec 13 Staff Svcs   |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| County/Acting Services JE  |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Commission Stipend 1.15.14                                       |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Browne Ending 1.15.14  |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Jb Jan 14 and MSR Dec and Jan 14                                 |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| DEPOSIT 2014-001 MSUD  |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Jb Feb 14 and MSR  |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| Browne Ending 2.15.2014  |                       |             |                  |                   |             |                |              |               |              |             |              |              |
| RB CLO notice CCWD and CLOUD 6.19.13                             |                       |             |                  |                   |             |                |              |               |              |             |              |              |

|                      |               |           |             |           |                |             |               |                |            |               |               |              |
|----------------------|---------------|-----------|-------------|-----------|----------------|-------------|---------------|----------------|------------|---------------|---------------|--------------|
| Expenditures to date | \$ (2,340.00) | \$ -      | \$ (758.00) | \$ 0      | \$ (11,500.00) | \$ (833.32) | \$ (4,400.00) | \$ (32,325.36) | \$ (85.78) | \$ (1,071.32) | \$ (2,073.00) | \$ -         |
| Remaining in Account | \$ 2,940.00   | \$ 250.00 | \$ -        | \$ 200.00 | \$ 4,500.00    | \$ 1,666.68 | \$ 2,600.00   | \$ 16,162.64   | \$ 914.22  | \$ 1,328.68   | \$ (573.00)   | \$ 10,000.00 |



# LAKE LOCAL AGENCY FORMATION COMMISSION

## MEMORANDUM

March 19, 2014

**TO:** Local Agency Formation Commission  
**FROM:** John Benoit, Executive Officer  
**RE:** Proposed Budget for FY 2014-2015

### Work Program for 2014-2015

#### **Direct Projects – Projected**

1. Small and medium reorganizations - For the 2014-2015 fiscal year staff anticipates two or three small and medium reorganizations (i.e., annexations and detachments involving districts). For example fire protection district proposals. Annexations are either contemplated or are in the LAFCO process such as annexations to service districts, for example. Costs include legal counsel, staff time, public inquiries, public hearing requirements including noticing (300 ft from site –voters and landowners), preparation of notices, staff reports and resolutions, LAFCO protest requirements (public noticing), incidental travel, office supplies (copying), webpage posting, seeking comment from county departments (assessor, clerk and auditor), and general accounting.

Significant Municipal Annexations - Activity is not anticipated for significant city proposals for 2014-2015. However, the City of Lakeport will likely file an application to LAFCO for a Sphere amendment during the upcoming year. Additionally, LAFCO may be participating in the environmental review for various proposals with both Cities and County as a responsible agency.

Costs include legal counsel, staff time, public inquiries, public hearing requirements including noticing (300 ft from site –voters and landowners), preparation of notices, staff reports and resolutions, LAFCO protest requirements (public noticing), incidental travel, office supplies (copying), webpage posting, seeking comment from county departments (assessor, clerk and auditor), and general accounting).

2. District Consolidations – Staff has heard of no district consolidations at this time.
3. Dissolution of Districts –LAFCO anticipates the dissolution of Reclamation District 2070 in the upcoming fiscal year.

#### **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. Work 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 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. Insurance is estimated to be about the same next year since LAFCO has had no claims.

### **Communication**

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 for the Community of Lakeport where a major projects may be occurring. Other workshops regarding the role of LAFCO may be required.

Work with potential applicants seeking reorganization. This activity requires research and meeting with project proponents to determine approaches to solving service issues. This activity is time consuming. 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 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 state laws and must be followed. If not substantial costs could occur.

Grand Jury. LAFCo staff has met with the Grand Jury two years ago which involved several information requests, numerous conversations with members and responses to reports This activity is anticipated to continuously occur.

Calafco Dues. The Calafco Executive Board voted for a 1.5% rate increase this year for members. Calafco dues will be increased this year from \$758.00 to \$769.00.

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 Game. 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.

### **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 Commission's budget in 2013-2014 budget included funding two (possibly three) attendees at the Annual CALAFCO Conference in Squaw Valley, 5 Commissioners attended and the cost exceeded the amount budgeted. This year the conference is in Ontario, California. Costs for Commissioners to attend will be about \$1,200 each. Since the passage of AB 2838, the Commission and our bylaws have held that the education afforded by the Conferences is necessary to assure Commissioners have the tools needed to carry out their responsibilities. Funds in the amount of \$3,900 have been set aside for staff and commissioner training. If the Commission does not understand the CKH act or does not have experiences related by other LAFCO's, decisions made will be merely staff recommendations without an understanding of why these decisions are being made in a particular manner. The public is better served by informed decision makers. Should the Commission desire to send more than three of its members to the annual conference additional funds will need to be budgeted, as they were this fiscal year.

Special District Training: It is important Special Districts remain informed in subjects such as finances and governance. Managing costs for a project and managing capital improvement programs to ensure infrastructure is sufficient and continuously funded.

## **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. The public remains disengaged and many times, district Boards of Directors never see the MSR prepared by LAFCO. 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. Last year, the latter was done in the case of the Callayomi and Clearlake Oaks County Water Districts district and it is well worth the time and effort not to mention the opportunity to explain LAFCO's role to various agencies. This year staff will meet with the Fire Districts as drafts of these MSR's and SOI's are nearing completion

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:

Budget Justification Report  
Lake LAFCO  
March 19, 2014

- 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."

The Cost figures assumed performing these studies under the direction of the Executive Officer. These costs include legal costs, copying, mileage and incidental costs related to the project.

For the 2014-2015 budget year, I suggest the following work schedule to either complete or initiate the following:

1. **Complete the Service Review for the City of Clearlake and Sphere Updates for the City of Clearlake and Lakeport.**
2. **Complete the Service Review and Spheres of Influence for the Fire Districts.**
3. **Complete the Service Review and SOI for the Watershed Protection District**
4. **Complete the Service Review and SOI for the Resource Conservation Districts.**
5. **As time and budget afford, initiate the Service Review for the Hidden Valley Lake CSD, the Adams Springs Water District and Villa Blue Estates Water District.**

The total cost of many of the above projects and activities may exceed the actual budget amount to be requested. It is unlikely the above activities will be funded by private parties at this time.

### **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 budget reflects the presence of Special District Representatives. The total number of total commissioners is eleven. Special Districts contribute 33% of LAFCO's operational costs in this budget as do the Cities, and the County. Given the recession, the overall contribution was

reduced. This year's budget is proposed to remain essentially the same as the last two years with few minor changes.

**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.**

The Commission may wish to utilize consultants to handle more controversial Municipal Service Reviews as the need arises. This will take a substantially higher budget than is requested in this budget.

The 2006 Grand Jury report 2006 recognizes LAFCO as an independent mandated agency with distinct functions from other agencies within Lake County and both LAFCO and The County should work for a better Lake County. The 2013 Grand Jury Report would like LAFCo to review the consolidation of numerous agencies. The cost estimate to perform that task would be several hundred thousand dollars. This is not proposed in the budget due to cost. Should the Commission wish to pursue a consolidation of several water districts I would suggest an independent consultant be retained and a scoping process be initiated.

#### **SUMMARY OF PROPOSED EXPENSES:**

**Commissioner Stipends** A Commissioner Stipend includes time for the meeting and mileage and related expenses. The monthly stipend is \$60.00 per Commissioner and Alternate in attendance. Staff estimates there will be 8 meetings in 2014-2015 and a budget is needed for 11 commissioners at \$60.00 each per meeting. Assuming the Commission will have 8 meetings this upcoming year, this budget is recommended to be \$5,280.00. 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 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 (2014-2015) will be \$769.00, a 1.5% increase.

**Books and Periodicals** I am recommending \$200 for this budget.

**Legal Services** I am recommending this budget the same as last year at \$16,000 for this item, which assumes LAFCO will meet 8 times during the next fiscal year. Since LAFCO has become independent, separate LAFCO Counsel is necessary to represent LAFCO's interest as a neutral party. This cost is fixed rate for normal legal services. This cost is based on an average rate of \$1,750.00 per month for the months LAFCO meet and \$500 for the months LAFCO does not. LAFCO Counsel is needed to provide legal direction at meetings of the Commission and to protect LAFCO's interests where required. Project related legal costs would 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 \$2,000 for clerk services assuming up to 8 meetings will occur in the next fiscal year. 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 meetings, additional cost would be attributed directly to a specific project.

**Office Expenses:** This category includes ongoing communication, Internet, copies and reproductions, computers, software and maintenance of equipment, mileage for LAFCO related business, phone and fax, postage, paper and misc. office supplies and insurance costs. The amount is proposed to remain the same at \$7,000. Copy and postage costs continue to rise.

**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 for an independent LAFCO in Lake County. It is anticipated that if additional appropriation were required in this category, it would be funded through an application or funded through a special project if revenue estimates are exceeded.

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 \$1,000.00 for this item, a \$1,000.00 reduction from this year due to the recession. Legal notices are required by state law and must be prepared for Municipal Service Reviews and Sphere of Influence Updates, all public hearings before the Commission and protest hearings. Public hearing notices are required for most 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 \$3,900 for these two items, a substantial reduction from years past. This represents funding for up to 3 commissioners to attend the annual conference. Estimated costs for each Commissioner to attend the Calafco Annual Conference August 28-30<sup>th</sup> in Ontario is approximately \$1,200.00 each including a transportation, lodging, and conference registration. The justification for this expense is that LAFCO Commissioners need to be informed decision makers. Commissioners need the tools to carry out their statutory responsibilities in a responsible manner. Training and interaction with Commissioners from other LAFCO's will assist those Commissioners in attendance to bring back ideas to be shared with the remainder of the Commission. Training is necessary to

remain informed of changes in LAFCO law and procedures. This item also includes funds for a portion of Staff's expense to represent 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 up to three 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 only \$8,000 for the costs to prepare Municipal Service Reviews for the upcoming fiscal year. This amount may be less should revenues be less than anticipated.

**Sphere of Influence Updates:** Sphere of Influence Updates include completing the Spheres of Influence for the City of Lakeport and the City of Clearlake, The RCD's, the Fire Districts and the Watershed Protection District, which I am hoping will be during this fiscal year. The amount budgeted for next fiscal year will be \$8,000.00 and \$3,500 for mapping. This amount may be less should revenues be less than anticipated.

**Contingency** If LAFCO has a cost overrun or unanticipated expense during the fiscal year. I am recommending a contingency fund of \$10,000 this year.

**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 although the insurance was lowered to \$1,106.00 this year.

**Mapping:** I am recommending \$3,500 for this activity, a reduction from last year, to continue mapping of district boundaries and spheres of influence updates. Most existing maps are unreadable and therefore not reliable. Errors in map interpretation are common since there are no clear district or sphere boundaries. New and updated maps will also be needed for the Sphere Updates. Several scenarios may be required for Sphere of Influence updates. All maps will be in GIS format compatible with the Cities and the County. Photo overlay maps are being prepared, which are helpful in locating parcels of land with respect to district and Sphere boundaries. Mapping costs has been included in Municipal Service Review and Sphere categories and should be attributed to this account.

**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 budget will remain at \$250.

**Auditor:** The Auditor's office charges LAFCO \$2,500 for this service.

**Special District Training:** Use of the Special District's Institute training would be helpful to special district with such subject content (to be determined based on need), for example: Financial Cost Control, Human Resources, Proposition 218, building Better Board/Manager Relations, financial management, rate setting, financing capital improvements, meeting management, to mention a few. However, LAFCO has no funds budgeted for this purpose. LAFCO staff could work with County Counsel's office regarding AB-1234 training.

**Carryover:** It is unknown exactly how much carryover will occur in this year's budget at this time. Staff estimates a carryover of approximately \$25,000, which includes dollars for items initiated but not yet completed. This amount is lower since the WPD and RCD Service Reviews were not specifically budgeted. These items have been rebudgeted. However, to balance the budget the reserve has been reduced to \$10,000.

**Anticipated Revenue** I am recommending anticipated revenue of \$10,000. LAFCO may increase its appropriations in various budgets if unanticipated revenue is realized. This year so far \$3,500 in revenue was 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 \$93,537.00, which is about the same amount as last year after the commission increased the Sphere of Influence Budget by \$6,000 from the previous year's budget.

**RECOMMENDATION**

1. Consider the above budget justification report, discuss and amend report and (or) the proposed budget as necessary.
2. Adopt LAFCO Resolution 2014-0001 approving a proposed budget for fiscal year 2014-2015.

LAKE LAFCO MSR and SOI UPDATE STATUS

| DISTRICT (CITY)                             | MSR                                | SOI                          | NOTES                               |
|---|------------------------------------|------------------------------|-------------------------------------|
| City of Clearlake                           | Complete 8/17/2005                 |                              | At City - awaiting comments         |
| City of Lakeport                            | Complete July 2004 & July 18, 2012 |                              | awaiting city information           |
| Hidden Valley Lake CSD                      | Complete April 27, 2005            | Complete Jan 19, 2005        | Should initiate Update in FY 14-15  |
| Anderson Springs CSD                        | complete February 17, 2010         | complete Feb 17, 2010        |                                     |
| Adams Springs Water District                |                                    |                              | Should initiate Update in 14-15     |
| Buckingham Park County Water                | Completed 9.15.2010                | Completed 9.15.2010          |                                     |
| Butler-keys CSD                             | Completed February 17, 2010        | Completed February 17, 2010  |                                     |
| Callayomi Co. Water District                | Completed Dec 18, 2002             | Completed Dec 18, 2002       |                                     |
| Clearlake Oaks County Water District        | Completed Nov 28, 2007             | Completed Nov 28, 2007       |                                     |
| West Lake RCD                               |                                    |                              | Draft Completed - awaiting comments |
| Glenbrook Cemetery District                 | Completed September 16, 2009       | Completed September 16, 2009 |                                     |
| Hartley Cemetery district                   | Completed September 16, 2009       | Completed September 16, 2009 |                                     |
| Kelseyville Cemetery District               | Completed September 16, 2009       | Completed September 16, 2009 |                                     |
| Kelseyville Fire Protection District        | Completed 10/19/2007               | Completed 10/19/2007         | Revision Draft Completed            |
| Kelseyville County Water District           | Completed Dec 20, 2006             | completed December 20, 2006  |                                     |
| Konocti County Water District               | Completed Nov 28, 2007             | Completed Nov 28, 2007       |                                     |
| Lake County Vector Control                  |                                    |                              |                                     |
| Lake Pillsbury FPD                          | Completed 10/19/2007               | Completed 10/19/2007         | Revision Draft Completed            |
| East Lake RCD                               |                                    |                              | Draft Completed                     |
| Lakeport Fire Protection District           | Completed 10/19/2007               | Completed 10/19/2007         | Revision Draft Completed            |
| Lake County Fire Protection District        | Completed 10/19/2007               | Completed 10/19/2007         | Revision Draft Completed            |
| Lower Lake Cemetery District                | Completed September 16, 2009       | Completed September 16, 2009 |                                     |
| Lower Lake County Waterworks District No. 1 | Completed May 18, 2011             | Completed May 18, 2011       |                                     |
| Cobb Area County Water District             | Completed September 16, 2009       | Completed September 16, 2009 |                                     |
| Middletown Cemetery District                | Completed September 16, 2009       | Completed September 16, 2009 |                                     |
| Northshore Fire Protection District         | Completed 10/19/2007               | Completed 10/19/2007         | Revision Draft Completed            |
| Reclamation District # 2070                 |                                    |                              | Dissolution Request?                |
| Reclamation District # 695                  |                                    |                              |                                     |
| Redbud Healthcare                           | Completed March 21, 2012           | Completed March 21, 2012     |                                     |
| South Lake County Fire Protection District  | Completed 10/19/2007               | Completed 10/19/2007         | Revision Draft Completed            |
| Upper Lake Cemetery District                | Completed September 16, 2009       | Completed September 16, 2009 |                                     |
| Upper Lake County Water District            | Completed Nov 28, 2007             | Completed Nov 28, 2007       |                                     |
| Villa Blue Estates Water District           |                                    |                              | Should initiate Update in 14-15     |
| Lake County Water Protection District       |                                    |                              | Draft Completed                     |
| Lake Co. Sanitation District                | Completed November 17, 2010        | Completed March 20, 2013     |                                     |
| CSA #2 Spring Valley                        | Completed 12/17/2008               | Completed Dec 17, 2009       |                                     |
| CSA #6 Finley                               | Completed 12/17/2008               | Completed Dec 17, 2009       |                                     |
| CSA #7 Bonanza Springs                      | Completed 12/17/2008               | Completed Dec 17, 2009       |                                     |
| CSA #13 Kono Tayee                          | Completed 12/17/2008               | Completed Dec 17, 2009       |                                     |
| CSA # 16 Paradise Valley                    | Completed 12/17/2008               | Completed Dec 17, 2009       |                                     |
| CSA #18 Soda Bay                            | Completed 12/17/2008               | Completed Dec 17, 2009       |                                     |
| CSA #20 Soda Bay                            | Completed 12/17/2008               | Completed Dec 17, 2009       |                                     |
| CSA #22 Mt. Hannah                          | Completed 12/17/2008               | Completed Dec 17, 2009       |                                     |
| CSA #23 Konocti Bay                         | Completed 12/17/2008               | Completed Dec 17, 2009       |                                     |
| CSA 21 North Lakeport                       | Completed February 18, 2009        | Completed February 18, 2009  |                                     |

**Resolution 2014-0001**

**of the**

**Lake Local Agency Formation Commission**

*Resolution of Lake Local Agency Formation Commission Adopting*

*a Proposed Budget for 2014-2015*

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 2014-2015 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 2014-2015 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 19, 2014 by the following roll call vote:

AYES: -

NOES: -

ABSTAINS: -

ABSENT: -

Signed and approved by me after its passage this 19<sup>th</sup> day of March, 2014.

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Edward Robey, Chair or Stacy Mattina, Vice-Chair  
Lake LAFCO

Attest:

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John Benoit, Executive Officer  
Lake LAFCO

Exhibit A  
F.Y. 2014-2015  
Proposed Budget  
Lake Local Agency Formation Commission

BUDGET: 419-8803

| A  | B  | C                         | D                         | E                         | F                         | G                         | H   | I                            |
|----|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---|------------------------------|
|    |  | 2009-2010<br>Final Budget | 2010-2011<br>Final Budget | 2011-2012<br>Final Budget | 2012-2013<br>Final Budget | 2013-2014<br>Final Budget | 2013-2014<br>Expenditures through<br>Feb-14 | 2014-2015<br>Proposed Budget |
| 4  |  |                           |                           |                           |                           |                           |   |                              |
| 5  |  |                           |                           |                           |                           |                           |   |                              |
| 6  |  |                           |                           |                           |                           |                           |   |                              |
| 7  |  |                           |                           |                           |                           |                           |   |                              |
| 8  | Expenditure Classification                                 |                           |                           |                           |                           |                           |   |                              |
| 9  |  |                           |                           |                           |                           |                           |   |                              |
| 10 | 8803-880.01-12 COMMISSIONERS STIPEND                       | \$ 7,280.00               | \$ 5,280.00               | \$ 5,280.00               | \$ 5,280.00               | \$ 5,280.00               | \$ 2,340.00                                 | \$ 5,280.00                  |
| 11 | 8803-840.22-70 SUPPLIES                                    | \$ 250.00                 | \$ 250.00                 | \$ 250.00                 | \$ 250.00                 | \$ 250.00                 | \$ 250.00                                   | \$ 250.00                    |
| 12 | 8803-840.20-00 MEMBERSHIPS                                 | \$ 725.00                 | \$ 725.00                 | \$ 725.00                 | \$ 741.00                 | \$ 758.00                 | \$ 758.00                                   | \$ 769.00                    |
| 13 | 8803-840.22-72 BOOKS AND PERIODICALS                       | \$ 200.00                 | \$ 200.00                 | \$ 200.00                 | \$ 200.00                 | \$ 200.00                 | \$ 200.00                                   | \$ 200.00                    |
| 14 | 8803-840.23-98 ATTORNEY CONTRACTS                          | \$ 19,800.00              | \$ 16,000.00              | \$ 16,000.00              | \$ 16,000.00              | \$ 16,000.00              | \$ 11,500.00                                | \$ 16,000.00                 |
| 15 | 8803-840.23-79 Laico Clerk Svcs.                           | \$ 2,500.00               | \$ 2,000.00               | \$ 2,000.00               | \$ 2,000.00               | \$ 2,000.00               | \$ 833.32                                   | \$ 2,000.00                  |
| 16 | 8803-840.23-79 Office Expenses                             | \$ 7,000.00               | \$ 7,000.00               | \$ 7,000.00               | \$ 7,000.00               | \$ 7,000.00               | \$ 4,400.00                                 | \$ 7,000.00                  |
| 17 | 8803-880.23-79 Staff Off. Svcs                             | \$ 48,488.00              | \$ 48,488.00              | \$ 48,488.00              | \$ 48,488.00              | \$ 48,488.00              | \$ 32,325.36                                | \$ 48,488.00                 |
| 18 | 8803-880.24-00 LEGAL NOTICES/PUBLICATIONS                  | \$ 2,000.00               | \$ 2,000.00               | \$ 2,000.00               | \$ 1,000.00               | \$ 1,000.00               | \$ 65.78                                    | \$ 1,000.00                  |
| 19 | 8803-840.29-50 TRANS AND TRAVEL (CALAFCO)                  | \$ 5,000.00               | \$ 2,400.00               | \$ 2,400.00               | \$ 2,400.00               | \$ 2,400.00               | \$ 3,071.32                                 | \$ 2,400.00                  |
| 20 | 8803-880.29-50 CONF REGISTRATION                           | \$ 3,500.00               | \$ 1,000.00               | \$ 1,000.00               | \$ 1,500.00               | \$ 1,500.00               | \$ 2,073.00                                 | \$ 1,500.00                  |
| 21 | 8803-840.23-79MSR and SOI                                  | \$ 9,000.00               | \$ 8,500.00               | \$ 8,500.00               | \$ 6,000.00               | \$ 12,000.00              | \$ 595.35                                   | \$ 1,500.00                  |
| 22 | 8803-880.23-78 -INSURANCE                                  | \$ 1,658.00               | \$ 1,658.00               | \$ 1,658.00               | \$ 1,658.00               | \$ 1,658.00               | \$ 1,106.00                                 | \$ 1,400.00                  |
| 23 | 8803-840.23-80 Geographic Info Data Mapping                | \$ 7,500.00               | \$ 7,500.00               | \$ 7,500.00               | \$ 7,500.00               | \$ 7,500.00               | \$ -  | \$ 3,500.00                  |
| 24 | 8803-880.23-18 Web Page                                    | \$ 1,000.00               | \$ 250.00                 | \$ 250.00                 | \$ 250.00                 | \$ 250.00                 | \$ 250.00                                   | \$ 250.00                    |
| 25 | 8803-880.23-80 AUDITOR-Agreement                           | \$ 2,500.00               | \$ 2,500.00               | \$ 2,500.00               | \$ 2,500.00               | \$ 2,500.00               | \$ 2,500.00                                 | \$ 2,500.00                  |
| 26 | 8803-880.23-80 Finance Review                              | \$ 3,000.00               | \$ -                      | \$ -                      | \$ -                      | \$ -                      | \$ -  | \$ -                         |
| 27 | 8803-840.23-79 City SOI                                    | \$ 14,000.00              | \$ 14,000.00              | \$ 14,000.00              | \$ 6,000.00               | \$ -                      | \$ -  | \$ 4,000.00                  |
| 28 | 8803-840.23-79 MSR Completion                              | \$ -                      | \$ -                      | \$ -                      | \$ -                      | \$ -                      | \$ -  | \$ -                         |
| 29 | 8803-840.23-79 Spheres of Influence                        | \$ 20,000.00              | \$ 15,000.00              | \$ 15,000.00              | \$ 12,000.00              | \$ 12,000.00              | \$ 71,055.67                                | \$ 4,000.00                  |
| 30 | 8803-840.23-79 Municipal Service Reviews                   | \$ 26,000.00              | \$ 15,000.00              | \$ 15,000.00              | \$ 15,000.00              | \$ 13,000.00              | \$ 13,000.00                                | \$ 8,000.00                  |
| 31 | Special District Training                                  | \$ 5,000.00               | \$ -                      | \$ -                      | \$ -                      | \$ -                      | \$ -  | \$ -                         |
| 32 | 8803-880.23-80 Audit Encumbrance                           | \$ 3,000.00               | \$ -                      | \$ -                      | \$ -                      | \$ -                      | \$ -  | \$ -                         |
| 33 | Total General Services and Supplies                        | \$ 189,381.00             | \$ 149,751.00             | \$ 149,751.00             | \$ 135,767.00             | \$ 133,784.00             | \$ 86,093.80                                | \$ 108,537.00                |
| 34 |  |                           |                           |                           |                           |                           |   |                              |
| 35 | 8803-880.90-91 Contingency                                 | \$ 13,000.00              | \$ 12,400.00              | \$ 12,400.00              | \$ 10,000.00              | \$ 10,000.00              | \$ 2,000.00                                 | \$ 10,000.00                 |
| 36 | 0000 General Reserve                                       | \$ 7,000.00               | \$ 20,000.00              | \$ 20,000.00              | \$ 10,000.00              | \$ 10,000.00              | \$ -  | \$ 10,000.00                 |
| 37 |  |                           |                           |                           |                           |                           |   |                              |
| 38 | TOTAL Expenditure Budget                                   | \$ 209,381.00             | \$ 182,151.00             | \$ 182,151.00             | \$ 155,767.00             | \$ 153,784.00             | \$ 88,093.80                                | \$ 128,537.00                |
| 39 |  |                           |                           |                           |                           |                           |   |                              |
| 40 | Est Carryover Balance July 1, 2014                         | \$ -                      | \$ -                      | \$ -                      | \$ -                      | \$ -                      | \$ -  | \$ -                         |
| 41 | 8803-481.68-10 Est. OTHER REVENUE                          | \$ (88,000.00)            | \$ (84,000.00)            | \$ (84,000.00)            | \$ (58,000.00)            | \$ (50,000.00)            | \$ (49,930.00)                              | \$ (25,000.00)               |
| 42 |  | \$ (10,000.00)            | \$ (10,000.00)            | \$ (10,000.00)            | \$ (10,000.00)            | \$ (10,000.00)            | \$ (3,500.00)                               | \$ (10,000.00)               |
| 43 | Total Expenditures less anticipated carryover and revenues | \$ 111,381.00             | \$ 88,151.00              | \$ 88,151.00              | \$ 87,767.00              | \$ 93,784.00              | \$ -  | \$ 93,537.00                 |
| 44 |  |                           |                           |                           |                           |                           |   |                              |
| 45 |  |                           |                           |                           |                           |                           |   |                              |
| 46 | 456-56-30 City/County and Ind. Special District Contrib    | \$ 111,381.00             | \$ 88,151.00              | \$ 88,151.00              | \$ 87,767.00              | \$ 93,784.00              | \$ -  | \$ 93,537.00                 |



**MEMORANDUM**  
**March 15, 2014**

**TO:** LAFCO COMMISSIONERS

**FROM:** JOHN BENOIT, EXECUTIVE OFFICER

**RE:** POLICY ALTERNATIVES RELATED TO THE PREPARATION OF ENVIRONMENTAL DOCUMENTS (CEQA COMPLIANCE) WHEN LAFCO IS A LEAD AGENCY

In 2012 Commission considered policy alternatives related to the costs of preparing CEQA documents when LAFCo is the lead agency. The discussion focused on Lakeport and a decision was deferred until the City of Lakeport and the County conduct a facilitated meeting. This meeting never happened.

LAFCo should again review the policy alternatives and make a determination regarding the most suitable alternative as to how LAFCo will handle and who will pay for CEQA reviews when an agency is requesting a larger Sphere of Influence. In adopting a Sphere of Influence Update, LAFCo is the lead agency. A Sphere of Influence update is a LAFCo requirement under the Cortese-Knox-Hertzberg Act.

Fortunately, the County of Lake and the City of Lakeport have completed their General Plans and have prepared and certified environmental documents within the past few years. The City of Clearlake is currently working on a General Plan and will eventually certify an EIR. In certain cases LAFCo may rely upon a CEQA document adopted by the City or County for a Sphere of Influence update.

While the problem may or not be immediate, LAFCo is required to periodically update Spheres of Influence every five years or as necessary and prepare environmental documents. When an Agency's General Plan EIR is new, compliance with CEQA is normally not problematic. However, as an EIR ages or circumstances change, LAFCo may be required to update environmental documentation or prepare a new EIR depending upon changes. The County and cities do not normally update their respective General Plans every five years. Therefore, LAFCo may need to prepare and adopt a new CEQA document during a subsequent round of Sphere Updates.

I have developed and attached CEQA cost policy alternatives for discussion and direction. Please review and discuss these alternatives and provide direction to staff.

## LAKE LAFCo CEQA Policy Alternatives – Discussion

1. Do not have a specific policy and take the position it is LAFCo’s obligation to pay all CEQA costs associated with actions initiated by or required of LAFCo. A budget appropriation may be necessary to cover the CEQA costs.

2. Develop a policy whereby CEQA costs will be paid entirely by the agency for Sphere of Influence Updates. A policy might read as follows:

*“For the purposes of CEQA compliance, prior to adoption of a Sphere of Influence Update, the agency for which a Sphere of Influence update is being undertaken shall agree to pay all associated costs, as necessary”*

3. Develop a policy whereby LAFCo will adopt a coterminous Sphere of Influence unless CEQA costs are paid by an agency.

*“It is the policy of the Lake Local Agency Formation Commission to adopt Spheres of Influence, which are coterminous with existing district (city) boundaries unless CEQA costs are paid by the subject agency,”*

4. Develop a policy whereby LAFCo will use previously certified Environmental Documents, if usable and available and the agency who prepared the environmental document will be encouraged to act as the lead agency with respect to the Sphere of Influence through an application process. A policy might read as follows:

*“It is the policy of Lake LAFCo to use previously certified Environmental Documents to satisfy CEQA requirements for Sphere of Influence Updates. In the case of cities where an EIR has previously been prepared, encourage an application be submitted to LAFCo by the City for the Sphere of Influence Update.”*

5. Develop a policy whereby LAFCo proposes a Sphere of Influence update. When an agency requests additional territory within its Sphere of Influence, then the CEQA costs of adding the additional territory shall be paid by the agency.

*“LAFCo shall consider a Sphere of Influence Update recommendation by the Executive Officer. Should an agency desire to include more territory within its Sphere of Influence all additional CEQA costs must be paid by that agency prior to the Commission approving the Sphere of Influence Update.”*

6. Do nothing at this time

## **Lake Local Agency Formation Commission**

**John Benoit, Executive Officer**  
**P.O Box 2694 Granite Bay, Caliph 95746**

**VIA EMAIL ONLY**

February 10, 2014

City of Clearlake  
14050 Olympic Drive  
Clearlake, CA 96422

Attn: Joan Phillipe, City Manager

**SUBJECT: NOP Response for the City of Clearlake General Plan EIR**

Dear Joan,

Thank you for sending LAFCO a copy of the Notice of Preparation for the EIR the City is undertaking. It is the policy of Lake LAFCO to actively participate in the development of Environmental Documents where LAFCO is a Responsible Agency as required in Section 15096 of the CEQA guidelines or in this case, when the City is preparing a General Plan. LAFCO is concerned with the orderly provision of urban services in the City and surrounding area and that the services required for any subsequent development be provided by an established service provider where feasible and that the service provider has and maintains adequate funding for the services provided.

As you are aware, LAFCO is in the process of preparing a Municipal Service Review (MSR) for services in the City of Clearlake Area and ultimately, a Sphere of Influence for the City. Prior to finalization of our MSR, LAFCO may need to include new available information contained in the Final Environmental Impact Report. If feasible, LAFCO intends to use this EIR, once certified for its environmental document for the City's upcoming Sphere of Influence rather than preparing a second environmental document for this purpose. Please provide language in the "Purposes and Intent" section of the EIR that LAFCO will be using this EIR for the upcoming City of Clearlake Sphere of Influence update.

Depending upon the ability of the City to provide services (as well as other factors) a Sphere of Influence update to include the territory in the map attached to the NOP may not be feasible in the near term. The environmental documentation needs to disclose any potential environmental impacts associated with a larger or updated Sphere of Influence. Normally, of particular importance to LAFCO would be the City's ability to provide water and wastewater services within its Sphere of Influence. As Clearlake does not provide water and wastewater services, LAFCO is concerned about the overall capacity of the current water and wastewater service provider. These areas should be thoroughly discussed to the extent feasible in the EIR.

Comments on this NOP do not include any specific comments relating to policies the City may adopt. We believe the environmental impact of proposed policies needs to be evaluated in the environmental document to the extent feasible.

Please be aware LAFCo's definition of a Sphere of Influence has changed and the citation from OPR in 2003 under the Sphere of Influence section of the NOP is incorrect. The new definition is in Gov. Code 56076, as follows: ""Sphere of Influence" means a plan for the **probable** physical boundaries and service area of a local agency as determined by the Commission" To support an update of the Sphere of Influence as shown in Figure 2 of the NOP, a thorough analysis of the SOI area must be included in the DEIR.

Please be aware LAFCo has a unique definition of Prime Agricultural Lands. Please refer to Government Code 56064 for that definition. LAFCo is especially concerned about mitigation for agricultural land conversion. We would like to see mitigation addressed in the DEIR.

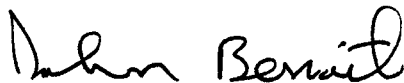
A thorough analysis of the impacts upon agricultural lands needs to be placed in the EIR as well as acceptable mitigation for the loss and conversion of agricultural lands.

LAFCO's Policies and Procedures with respect to the contents of a Sphere of Influence and Municipal Service Reviews are available at [www.lakelafco.org](http://www.lakelafco.org) Please refer to Lake LAFCo's adopted Policies, Standards and Procedures.

LAFCO becomes concerned about the cumulative service impacts subsequent development may have on various local service providers including the City, the County, LACOSAN, the Lake County Watershed Protection District, and the Lake County Fire Protection District. I assume subsequent development will undergo additional environmental review on a project-by-project basis, which also may later be used by LAFCO in considering individual future annexations.

Thank you for providing LAFCO with the opportunity to comment on the NOP for the City's General Plan. LAFCO would requests a hard copy of the DEIR when released as well as the City's General Plan Policy Document as soon as these documents are available.

Sincerely,

A handwritten signature in black ink that reads "John Benoit". The signature is written in a cursive, flowing style.

John Benoit  
Executive Officer, Local Agency Formation Commission

**City of Clearlake**  
**14050 Olympic Drive, Clearlake, California 95422**  
**(707) 994-8201   ■   FAX (707) 995-2653**

March 3, 2014

John Benoit  
Executive Director  
Lake County Local Agency Formation Commission  
P.O. Box 2694  
Granite Bay, CA 95746

***Re:   Draft Housing Element Update 20014-19 for the City of Clearlake***

The City of Clearlake is preparing an update to the City's Housing Element and is seeking your comments on housing issues for the City. The current document can be reviewed at

<http://www.clearlake.ca.us>

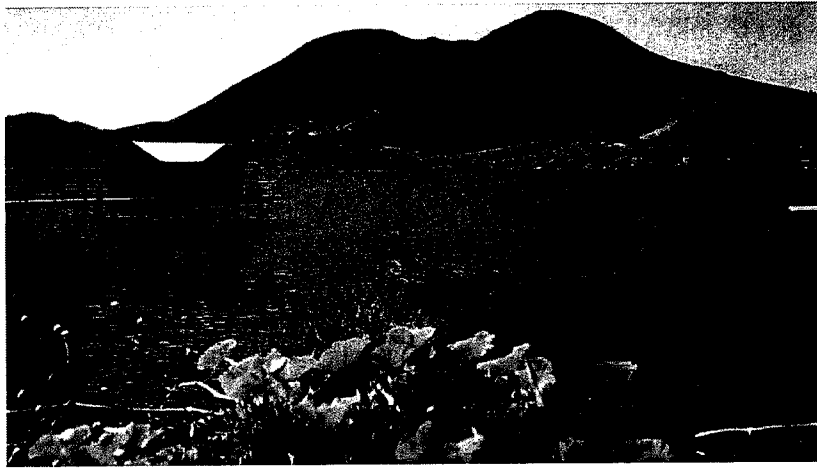
Upon request, the City would be happy to supply you with a hard copy of the document. Once the City has developed a draft of the update the City will post it on the City's Website and notify you of its availability for review and comment on (later on this year). The City will also be notifying you of future meetings on the Housing Element Update process, which is anticipated to include public hearings with the Planning Commission and City Council.

We would like any comments from you as to suggestions for updating the document by March 14, 2014. Please submit your comments in writing to

City Manager  
14050 Olympic Drive  
Clearlake CA 95422

Or by e-mail at: [city.administrator@clearlake.ca.us](mailto:city.administrator@clearlake.ca.us)

If you have any questions Please contact Julie Burrow at 707-994-8201 ext:100



The City of Clearlake is conducting an update to the 2009-14 Housing Element. The Housing Element, part of the City's General Plan, is a policy document that addresses existing and future housing needs for all Clearlake residents and economic groups. The State of California requires by law that the Housing Element be updated periodically, generally every four to five years. For this program, the City is updating the document for the 2014-2019 period.

The City conducted a public workshop with the City Council and Planning Commission on February 18, 2014 on the Housing Element Update. City staff, in concert with Price Consulting Services, is now in the process of updating the document. We are requesting any comments that you have on the existing plan and soliciting additional comments that can help improve housing conditions in the City for the future. Comments should be received by the City by March 14, 2014.

Please feel welcome to review the current Housing Element Document at the following link:

[www.clearlake.ca.us](http://www.clearlake.ca.us)

Please submit any comments you have on the current Housing Element document to the City Manager at [city.administrator@clearlake.ca.us](mailto:city.administrator@clearlake.ca.us) or by mail to City of Clearlake, 14050 Olympic Drive, Clearlake, CA 95422. You may also contact the City Manager, Joan Phillippe at the same e-mail or by phone at (707) 994-8201, if you have any questions.

