

Lake Local Agency Formation Commission

Regular Meeting Agenda

March 20th , 2013 -- 9:30 am

City of Lakeport – City Council Chambers

225 Park Street Lakeport, California

Commissioners

Ed. Robey, Chair (Public Member)
Frank Gillespie (Special District Member)
Jeri Spittler, (City Member)
Stacy Mattina (City Member)
Gerry Mills, (Special Dist. Member)

Denise Rushing, (Vice Chair, County Member)
Jim Comstock (County Member)

Alternates

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

Staff

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

1. Call to Order – Roll Call

2. Closed Session

Subject: Performance Evaluation March 2012 - February 2013
Title: LAFCO Executive Officer

3. Approval of Minutes – January 16, 2013

4. 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.

5. Consent Agenda

Action: Review and authorize payment of expenses for January and February 2013

9:30 AM – PUBLIC HEARINGS:

6. LACOSAN Sphere of Influence Update

- a. *Review January 16, 2013 report and Executive Officer's Report, Conduct Public Hearing and Consider Resolution 2013-0001*

7. Public Hearing regarding the 2013-2014 Lake LAFCo Proposed Budget.

- a. *Review Executive Officer's Report, Conduct Budget Hearing on the Proposed 2013-2014 Lake LAFCo Budget and Consider Resolution 2013-0002*

ACTION ITEMS:

8. Review and discuss response letter received from Lake County regarding the Lakeport Sphere of Influence

- a. *Review response letter and provide direction to staff regarding possible action.*

9. Review and Discuss Draft Proposed language to Government Code 56133 (Out of Area Service Agreements)

10. Review Tag Line Suggestions, Discuss and Consider a Tag Line for Lake LAFCo.

11. MSR Committee for the Watershed Protection MSR

- a. *Appoint MSR Committee for the Watershed Protection (Resources) MSR*

10:30 AM Item:

12. "All About LAFCo" Presentation John Benoit and Scott Browne and Commissioners

13. Authorize Staff to attend Calafco Staff Workshop in Davis April 10-12.

14. Executive Officer's report

- a. *MSR status: Clearlake Oaks and Callayomi Water Districts and City of Clearlake MSRs*
b. *Fire Chiefs meeting in Lakeport attended by staff*

15. 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.

16. Correspondence

17. Adjourn to LAFCO's next regular meeting: May 15, 2013 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 or by fax at (916) 797-7631. Agenda items are located on the Lake County Webpage at <http://www.lakelafco.org>

LAKE LAFCO
REPORT OF PERFORMANCE EVALUATION

Date: March 20,2013

Position: LAFCO Executive Officer

Name : John Benoit

Rating Period: April 2012 through March 2013

A= Superior B = Very Good C = Satisfactory D = Needs Improvement F = Unacceptable

Item	Rating	Comments
Accuracy of Work	_____	_____
Knowledge of LAFCO	_____	_____
Adaptability	_____	_____
Resourcefulness	_____	_____
Organization of Work	_____	_____
Leadership	_____	_____
Professional Interest	_____	_____
Knowledge of County	_____	_____
Other	_____	_____

In light of fiscal constraints, what would the Commission desire staff to do during the upcoming year?

1. _____
2. _____
3. _____

Signature (Chairperson) _____

Signature of person being evaluated _____

LOCAL AGENCY FORMATION COMMISSION OF LAKE COUNTY
MINUTES OF MEETING
January 16, 2013

PRESENT:

Ed Robey, Chair, Public Member
Frank Gillespie, Special Districts Member
Stacey Mattina, City Member
Denise Rushing, County Member
Gerry Mills, Special District Member
Jeff Smith, County Alternate

ALSO PRESENT:

John Benoit, Executive Officer
Scott Browne, Legal Counsel
Lora Ceccon, Clerk

1. Call to Order/Roll Call

The meeting was called to order at 9:35 a.m. There was a quorum present.

2. Approval of Minutes

Commissioner J. Smith moved to approve the November 14, 2012 minutes, second by Commissioner F. Gillespie; motion carried with Commissioner S. Mattina abstaining.

3. Public Comment – None**4. Consent Agenda**

Mr. Mike Dunlap asked that approval of expenses be removed from the consent agenda. J. Benoit explained that it has always been under consent agenda, but could probably just be added to the agenda. Mr. Dunlap explained that he is new to this, but the expenses seem high. J. Benoit explained his role as Executive Officer and Commissioner D. Rushing explained the need to have an attorney present.

Commissioner D. Rushing moved to authorize payment of the November and December 2012 expenses, second by Commissioner J. Smith; motion carried.

5. Election of Vice-Chair for the remainder of Fiscal Year 2012-2013

J. Benoit explained that Suzanne Lyons was the Vice Chair and is no longer a member of the Commission.

Commissioner J. Smith nominated Commissioner D. Rushing for position of Vice Chair, second by Commissioner S. Mattina, motion carried.

6. Selection of Public Member Alternate

- a. *Review applications for Public Member Alternate and consider appointment of a Public Member Alternate to serve the remainder of a four-year term ending May 2015.*

J. Benoit stated that the vacancy was noticed in the paper for 21 days and that the cities, county and special districts were notified. John received one application from Suzanne Lyons. He advised Ms. Lyons that she did not have to attend today's meeting. A short discussion followed.

Commissioner S. Mattina moved to nominate Suzanne Lyons as the Public Member Alternate, seconded by Commissioner D. Rushing, motion carried, with Commissioner E. Robey abstaining.

7. Discussion and workshop regarding the Sphere of Influence for the Lake County Sanitation District.

John reviewed the eleven page draft SOI for Lake County Sanitation District, included in today's packet. A public hearing will be set at a later date. Hidden Valley Lake CSD has been removed because they have their own sewer system. Kelseyville is not included in this sphere. A lengthy discussion followed. Commissioner J. Smith suggested using color on the maps to make it easier to determine what is covered and how they connect. More information will be gathered on areas served and septic systems.

8. Consider regular meeting schedule for 2013

The 2013 regular meeting schedule was included in today's packet.

Commissioner D. Rushing moved to accept the proposed meeting schedule, seconded by Commissioner F. Gillespie, motion carried.

9. Executive Officer's Report

- a. *Legislative Report – SB 1241 – wildfire issue –sets forth a mandate that land divisions need to be in a fire protection district.*
- b. *Clearlake Oaks MSR – John will attend a board meeting to review the MSR*

Clearlake MSR – John will plan to attend a Clearlake City Council meeting in the near future to gather input.

“Tag Line” – John asked Commissioners to think about a tag line. He suggested keeping it to a few words.

John advised the Commission that a letter will be going out to the City of Lakeport and the County of Lake. Lafco should pay the cost of a facilitator or it won't happen. Lafco should attend the session.

A short discussion was held regarding the Water Resources MSR.

10. Commissioner Reports

Commissioner E. Robey suggested that a Lafco 101 be scheduled for the new members. Commissioner D. Rushing suggested that a press release go out so that others know a Lafco 101 is being scheduled.

11. Correspondence

a. Letter received from the County Community Development Department regarding General land Conformity and Initial study for improvements between SR 175 and the Lakeport City limits.

John stated that job flyers are out for Fresno and Orange Lafco's.

12. Adjourn to Lafco's next regular meeting: March 20, 2013 in Lakeport

The meeting was adjourned at 10:45 a.m.

Lake Local Agency Formation Commission

ITEM 5

CLAIMS

Jan 2013 through Feb 2013
FY 2012-2013

1. Authorize payment of the following claims:

<u>Date of Claim</u>	<u>Description</u>	<u>Amount</u>
Feb 1, 2013	Staff Services Feb 2013	\$ 4,799.00
Feb, 1, 2013	Special Projects -Feb 2013	
	CLO,CCWD, LacosanMSR/SOI	\$ 2,639.05
12.16-12 to 1.15.2013	Browne- Legal	\$ 500.00
Mar 1, 2013	Staff Svcs Feb 1-28, 2013	\$ 4,590.67
Mar 1, 2013	Spec. Proj clo,wpd,lacosan	\$ 3,397.75
1.16-13 to 2.15-13	Browne Legal	\$ 1,750.00
Jan 1, 2013	RB and CLO Laco/Budget Notice	\$ 87.50
Feb 21, 2013	Lk Co. Auditor Financial Svcs12/13	\$ 2,500.00
Jan 16, 2013	Comm Stipend Lake LAFCo Mtg.	\$ 420.00
TOTAL:		\$ 20,683.97

DATED: Mar 20, 2013

APPROVED: Mar 20, 2013

Ed Robey, Chair or Denise Rushing Vice-Chair
Lake Local Agency Formation Commission

Attest:

John Benoit
Executive Officer

Amount Budgeted	Comm Stipend Supplies	Memberships	Books & Periodic	Attorney Service	LAFCO Clerk	Office Stipenc	Staff Svcs	Legal Notices	Trans Travel	Cont Regis	SOI Water	Gen Reserve
2012-2013 Adopted Budget	\$ 896,031.72	\$ 890,227.76	\$ 890,227.76	\$ 890,227.76	\$ 890,227.76	\$ 890,227.76	\$ 890,227.76	\$ 1,000.00	\$ 2,400.00	\$ 1,500.00	\$ 6,000.00	\$ 10,000.00
Accrued exp in 2012-2014 and exp. Brought forward to FY 2013-2014	\$ 5,260.00	\$ 250.00	\$ 741.00	\$ 16,000.00	\$ 2,000.00	\$ 7,000.00	\$ 48,488.00	\$ 1,000.00	\$ 2,400.00	\$ 1,500.00	\$ 6,000.00	\$ 10,000.00
Calafco Dues FY 2012-2013	\$ (741.00)											
Calafco Cont Hotel costs Splitler												
Comm Stipend 7-18-12 meeting	\$ (660.00)											
Cont registration-Calafco												
Lodging for Gerry Mills												
Lodging Calafco Jim Abel												
Staff Svcs July 2012												
Browne 6-16-12-7-15-12												
Staff Svcs August 2012												
Browne 7-17-12-8-15-12												
Browne 8-17-12-9-15-12												
Staff Svcs Sept. 2012												
Staff Svcs Oct 2012												
Browne 9-16-12-10-15-12												
Cont Reimbursement J. Abel												
Cont Reimbursement G Mills												
Cont: Reimbursement J Splitler												
Nov 14, 2012 Comm Mtg. Stipend	\$ (540.00)											
Browne 10-16-12-11-15-12												
ib staff Svcs Nov 2012												
TRANSF to travel Budget												
Staff Svcs Dec 2012												
RB and CLO re: Pub Mem Alt												
Browne 11-16-12-12-15-12												
Browne 12-16-12-1-15-13												
Staff Svcs January 2013												
Comm Stipend 1-16-13	\$ (420.00)											
Staff Svcs Feb 2013												
Auditor Svcs FY 12-13												
RB CLO Lacosan SOI and 13-14 Budget												
Browne Lgl 1-16-13-2-15-13												
FY 2012-2013 Liability Insurance												
Expenditures to date	\$ (1,620.00)	\$ -	\$ (741.00)	\$ (9,000.00)	\$ (833.32)	\$ (4,400.00)	\$ (32,325.06)	\$ (199.02)	\$ (4,541.13)	\$ -	\$ -	\$ -
Remaining unexpended	\$ 866,000.00	\$ 260,000.00	\$ -	\$ 7,000.00	\$ 1,166.68	\$ 2,600.00	\$ 16,162.64	\$ 800.98	\$ 1,141.13	\$ 500.00	\$ 6,000.00	\$ 10,000.00


March 20, 2013

ITEM 6

Lake LAFCO

MEMORANDUM

March 20, 2013

TO: LAFCo Commissioners
FROM: John Benoit, Executive Officer 
RE: Lake County Sanitation District Sphere of Influence

Attachments: Draft Resolution 2013-0001 SOI for LACOSAN
Notice of Exemption for SOI for LACOSAN

PLEASE BRING YOUR HARD COPY of the Draft LACOSAN SOI mailed to you for the January 16, 2013 LAFCo meeting.

Staff has researched parcels and has received excel spreadsheet files identifying the hundreds (thousands) of parcels not within the district. LAFCo does not have the mapping capability to produce a map showing the precise location of these parcels. Should the Commission desire to include these parcels in the Sphere of Influence you may wish to include the entire county within the LACOSAN Sphere of Influence with the following exceptions: territory within the City of Lakeport Municipal Sewer District, the Big Valley Agricultural Detachment Area, the Clearlake Oaks County Water District, the Kelseyville County Waterworks District and the territory within the Hidden Valley Lakes Community Services District.

Attached is a Resolution adopting a adopting a Sphere of Influence Update for the Lake County Sanitation District.

Recommendation:

- a. Conduct Public Hearing, Receive Executive Officer's Report
- b. Consider Resolution 2013-0001 approving and adopting a Sphere of Influence Update the Lake County Sanitation District.

Resolution No. 2013-0001

LAKE LOCAL AGENCY FORMATION COMMISSION

A Resolution Making Determinations and Approving A Sphere of Influence Update for the Lake County Sanitation District (LACOSAN)

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

WHEREAS, the Lake Local Agency Formation Commission, in compliance with the aforementioned requirement, is providing a “plan for the probable physical boundaries and service area” for LACOSAN; and

WHEREAS, the Commission has set the initial hearing date of March 20, 2013 for the update of the sphere of influence for LACOSAN and has noticed this hearing at the times and as otherwise prescribed by Government Code Section 56150, *et seq.*; and

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

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

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

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

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

1. That the proposed sphere of influence update with respect to LACOSAN complies with the provisions of Government Code Section 56000, *et seq.*
2. That no significant protests have been received regarding the establishment of this Sphere of Influence update.
3. That, pursuant to Government Code Section 56425, the Commission makes and adopts those determinations set forth in the Sphere of Influence Study are attached hereto as Exhibit “A” and incorporated herein.
4. The Commission has reviewed and adopts a Notice of Exemption prepared for this Sphere of Influence update and makes a specific finding that there is no substantial evidence in light of the whole record before Lake Local Agency Formation Commission that this Sphere Update for the LACOSAN may have a significant adverse effect on the environment.
5. Pursuant to Government Code Section 56425 (i) the LACOSAN is authorized to provide

wastewater treatment and collection services within the territory set forth in Exhibit "A". Other services this District may provide as stated in its enabling legislation shall require LAFCO approval prior to the service being provided.

6. That the Sphere of Influence Update Report, Executive Officer's Report, and Map for the LACOSAN updated Sphere are hereby adopted and approved as set forth in Exhibit "A".

The foregoing resolution was duly passed by the Lake Local Agency Formation Commission at a regular meeting held on March 20, 2013, by the following roll call vote:

Ayes:

Noes:

Absentions:

Absent:

Signed and approved by me after its passage this 20th day of March, 2013.

Ed Robey, Chair or Denise Rushing,
Vice Chair: Lake LAFCO

Attest:

John Benoit, Executive Officer
LAKE LOCAL AGENCY FORMATION COMMISSION,

NOTICE OF EXEMPTION

TO: County Clerk
County of Lake
Lakeport, CA

FROM: LAFCO of Lake County
P.O. Box 2694
Granite Bay, CA 95746

PROJECT TITLE: Sphere of Influence Update: *Lake County Sanitation District*

PROJECT LOCATION: Throughout Lake County

DESCRIPTION OF PROJECT:

The proposed project involves the determination of a Sphere of Influence Update for the Lake County Sanitation District with a Sphere of Influence reflecting areas served and planned in the Lake County General Plan.

NAME OF PUBLIC AGENCY APPROVING PROJECT:

Lake Local Agency Formation Commission

NAME OF PERSON OR AGENCY CARRYING OUT THE PROJECT:

Lake Local Agency Formation Commission

EXEMPT STATUS:

Class 20 Categorical Exemption, "Changes in Organization of Local Agencies," CEQA Guidelines Section 15320, Changes in Organization of Local Agencies and 15061b (3) General Rule Exemption.

REASONS WHY THIS PROJECT IS EXEMPT:

This action is Exempt from the California Environmental Quality Act pursuant to Section 15320 of the CEQA Guidelines (Class 20) as the Sphere of Influence Update would not result in any change in services since this district already serves in its Sphere of Influence territory and 15061 b(3) whereby this activity is covered by the general rule that CEQA applies only to project which have the potential for causing a significant effect on the environment. Since this Sphere of Influence Update is only affirming an existing function (wastewater) into an existing district, there is no possibility that this activity may have a significant effect on the environment since the services are already provided and no conditions have changed nor could be changed as a result of affirming the existing Sphere of Influence.

CONTACT PERSON:
John Benoit
LAFCO Executive Officer

TELEPHONE NUMBER:
(707) 592-7528

By: _____

Date: March 20, 2013

Lake LOCAL AGENCY FORMATION COMMISSION

MEMORANDUM

March 20, 2013

TO: Local Agency Formation Commission

FROM: John Benoit, Executive Officer

RE: Proposed Budget for FY 2013-2014

Work Program for 2013-2014**Direct Projects – Projected**

1. Small and medium reorganizations - For the 2013-2014 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 2013-2014. The City of Lakeport may make 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 does not anticipate the dissolution districts 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 or a Fire Protection District annexation. 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 this past year and has complied with several information requests as well as numerous conversations with its members. This activity is anticipated to occur in the next fiscal year.

Calafco Dues. The Calafco Executive Board voted for a 2.3% rate increase this year for members. Calafco dues will be increased this year from \$741.00 to \$758.00.

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 inquires come from citizens needing one service or another. These activities promote better customer service for all agencies by informing the public about what is going on with regards to LAFCO.

Resource Development

Monitor new and proposed relevant legislation. Although LAFCO relies on CALAFCO for this activity, it is important that new legislation reflects our needs. This activity involves communication, staff time, and legal time. Legislation of importance to Lake LAFCO impacts budget process and permit processes. This past year a bill passed which has an impact upon LAFCO, the County and the two cities. SB 244 passed requiring an analysis of Disadvantaged Unincorporated Communities and additional mandatory content in LAFCO's MSR's and SOI's. Staff is currently participating in a Gov. Code 56133 (out of area service agreements) working group with other Executive Officers, which may lead to legislation this year.

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 2013-2014 draft budget includes funding two (possibly three) attendees at the Annual CALAFCO Conference in Squaw Valley. This year the conference is in Monterey. 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.

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 Redbud Healthcare 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 Clearlake Oaks County Water District and Callayomi County Water District Boards of Directors and the City Council for the City of Clearlake 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:

- 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 2013-2014 budget year, I suggest the following work schedule to initiate the following:

1. **Complete Sphere Updates for Water and Wastewater services including the Callayomi Co. Water District and the the Clearlake Oaks CWD.**
2. **Initiate the Municipal Service Review and Sphere of Influence for the Fire Districts.**
3. **Complete the Municipal Service Review for the Watershed Protection District (include the RCD's and the Reclamation Districts)**
4. **Complete the Municipal Service Review and initiate the Sphere of Influence and for the City of Clearlake.**

The total cost of many of the above projects and activities may exceed the actual budget amount to be requested. With the continuing recession it is unlikely the above activities will be funded by private parties at this time. However, given growth is slow, this is the optimum time to analyzes these services and provide some suggestions for needed future improvements.

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 21st 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 by 21% from three years ago. 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 memo.

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.

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 2013-2014 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 (2013-2014) will be \$758.00, a 2.3% 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 SOL'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 three years ago. 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 28-30th at Squaw Valley 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 using budget carryover funds to cover the costs of the Municipal Service Reviews for the upcoming fiscal year.

Sphere of Influence Updates: Sphere of Influence Updates include completing the Spheres of Influence for the City of Lakeport, the Clearlake Oaks CWD, the Callayomi County Water District, Fire Agencies and Watershed Protection District.

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. \$1,658.00 is in the budget for this purpose although the insurance was lowered to \$1,322.00 this year.

Mapping: I am recommending \$7,500 for this activity, the same as this 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 as the costs have been reduced to \$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 \$50,000, which includes dollars for items

initiated but not yet completed. 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 approximately no revenue was realized.

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 \$87,784.00, which is about a 21% reduction since the beginning of the recession (from \$111,381.00 allocated in FY 2009-2010). In 2013-2014 this amount is to remain more or less the same. Based on that amount the Independent Special Districts, the Cities and the County would pay approximately \$30,000 in each category.

RECOMMENDATION

1. Consider the above budget justification report, discuss and amend report and (or) the proposed budget as necessary.
2. Adopt LAFCO Resolution 2012-0002 approving a proposed budget for fiscal year 2013-2014.

Resolution 2013-0002

of the

Lake Local Agency Formation Commission

Resolution of Lake Local Agency Formation Commission Adopting

a Proposed Budget for 2013-2014

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

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

WHEREAS, the 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 2013-2014 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 2013-2014 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 20, 2013 by the following roll call vote:

AYES: -

NOES: -

ABSTAINS: -

ABSENT: -

Signed and approved by me after its passage this 20th day of March, 2013.

Edward Robey, Chair or Denise Rushing, Vice-Chair
Lake LAFCO

Attest:

John Benoit, Executive Officer
Lake LAFCO

Exhibit A
F.Y. 2013-2014
Proposed Budget
Lake Local Agency Formation Commission

BUDGET: 419-8803

A	B	C	D	E	F	G	H	I
		2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	Amount Expended as of 3.1.13 FY 2012-2013	2013-2014 Proposed Budget
		Final Budget	Final Budget	Final Budget	Final Budget	Adopted Final Budget		
7	Expenditure Classification							
8								
9								
10	8803-880.01-12 COMMISSIONERS STIPEND	\$ 7,260.00	\$ 7,260.00	\$ 5,280.00	\$ 5,280.00	\$ 5,280.00	\$ 1,620.00	\$ 5,280.00
11	8803-840.22-70 SUPPLIES	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ -	\$ 250.00
12	8803-840.20-00 MEMBERSHIPS	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 725.00	\$ 741.00	\$ 758.00
13	8803-840.22-72 BOOKS AND PERIODICALS	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ -	\$ 200.00
14	8803-840.23-98 ATTORNEY CONTRACTS	\$ 19,800.00	\$ 19,800.00	\$ 16,000.00	\$ 16,000.00	\$ 16,000.00	\$ 9,000.00	\$ 16,000.00
15	8803-840.23-79 Latco Clerk Svcs.	\$ 2,500.00	\$ 2,500.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 933.32	\$ 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	8803-840.23-79 Staff Off. Svcs	\$ 48,488.00	\$ 48,488.00	\$ 48,488.00	\$ 48,488.00	\$ 48,488.00	\$ 32,325.06	\$ 48,488.00
18	8803-880.24-00 LEGAL NOTICES/PUBLICATIONS	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 199.02	\$ 1,000.00
19	8803-840.29-50 TRANS AND TRAVEL (CALAFCO)	\$ 5,000.00	\$ 5,000.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 4,541.13	\$ 2,400.00
20	8803-880.29-50 CONF REGISTRATION	\$ 3,500.00	\$ 3,500.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ -	\$ 1,500.00
21	8803-840.23-79MSR and SOI	\$ 9,000.00	\$ 9,000.00	\$ 8,500.00	\$ 8,500.00	\$ 8,500.00	\$ 6,000.00	\$ 6,000.00
22	8803-880.23-78 - INSURANCE	\$ 2,500.00	\$ 1,658.00	\$ 1,658.00	\$ 1,658.00	\$ 1,658.00	\$ 1,322.00	\$ 1,658.00
23	8803-840.23-80 Geographic Info Data Mapping	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 250.00	\$ 7,500.00
24	8803-880.23-78 Web Page	\$ 1,000.00	\$ 1,000.00	\$ 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	\$ 3,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
27	8803-840.23-79 City SOI	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00	\$ (3,324.12)	\$ -
28	8803-840.23-79 MSR Completion	\$ 5,000.00	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
29	8803-840.23-79 Spheres of Influence	\$ 20,000.00	\$ 20,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 3,397.75	\$ 12,000.00
30	8803-840.23-79 Municipal Service Reviews	\$ 20,000.00	\$ 26,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 9,139.05	\$ 13,000.00
31	Special District Training	\$ 5,000.00	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
32	8803-880.23-80 Audit Encumbrance	\$ 3,000.00	\$ 3,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
33	Total General Services and Supplies	\$ 189,223.00	\$ 189,381.00	\$ 149,751.00	\$ 149,751.00	\$ 135,767.00	\$ 66,694.21	\$ 127,784.00
34	8803-880.90-91 Contingency	\$ 13,000.00	\$ 13,000.00	\$ 12,400.00	\$ 12,400.00	\$ 10,000.00	\$ 1,000.00	\$ 10,000.00
35	0000 General Reserve	\$ -	\$ 7,000.00	\$ 20,000.00	\$ 20,000.00	\$ 10,000.00	\$ -	\$ 10,000.00
36								
37								
38	TOTAL Expenditure Budget	\$ 202,223.00	\$ 209,381.00	\$ 182,151.00	\$ 182,151.00	\$ 155,767.00	\$ 67,694.21	\$ 147,784.00
39								
40	Est Carryover Balance July 1, 2012	\$ (80,000.00)	\$ (80,000.00)	\$ (84,000.00)	\$ (84,000.00)	\$ (68,000.00)	\$ -	\$ (50,000.00)
41	8803-461.66-10 Est. OTHER REVENUE	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ -	\$ (10,000.00)
42								
43	Total Expenditures less anticipated carryover and revenues	\$ 112,223.00	\$ 111,381.00	\$ 88,151.00	\$ 88,151.00	\$ 87,767.00	\$ -	\$ 87,784.00
44								
45								
46	456-56-30 City/County and Ind. Special District Contrib	\$ 112,223.00	\$ 111,381.00	\$ 88,151.00	\$ 88,151.00	\$ 87,767.00	\$ -	\$ 87,784.00

Lake Local Agency Formation Commission

January 16, 2013

The Honorable Members of the Board of Supervisors
255 North Forbes Street
Lakeport, CA 95453

The Honorable Members of the Lakeport City Council
255 Park Street
Lakeport, CA 95453

RE: City of Lakeport Sphere of Influence Update and Lakeport proposed annexation

Dear Members of the Lakeport City Council and Board of Supervisors:

The Lake Local Agency Formation Commission has directed me to write to you in an effort to assist in the resolution of the differences between your agencies that are impeding the adoption of the Lakeport Sphere of Influence Update, and a city proposed annexation.

As you are aware, the County has expressed concerns regarding the City's annexation "proposal" to annex territory in South Lakeport. The County has also commented on LAFCo's proposed sphere update for the City, which they view as intertwined with the annexation proposal. The root of the county's concerns appears to be loss of tax revenue that might occur upon annexation.

LAFCo requirements include a Municipal Services Review, which was adopted on July 18, 2012 and an update to the City's Sphere of Influence, which has not been done for several years albeit required. Prior to considering an annexation LAFCo must adopt a Sphere of Influence for each City or District within its jurisdiction. During the City's General Plan process, LAFCo submitted comments to the City expressly requesting language be included in the City's EIR for LAFCo to rely upon the City's EIR for the City's Sphere of Influence Update. In the absence of a City requested Sphere of Influence update LAFCo is the lead agency.

LAFCo prepared a proposed a Sphere of Influence in October 2011 and held public hearings in October 2011, November 2011 and January 2012. The City of Lakeport submitted a letter on January 18, 2012 requesting the Sphere be considered upon a formal request initiated by the Lakeport Council (after the City concludes its property and sales tax negotiations with the County). Meanwhile, LAFCo continues to remain mandated to prepare a Sphere of Influence Update.

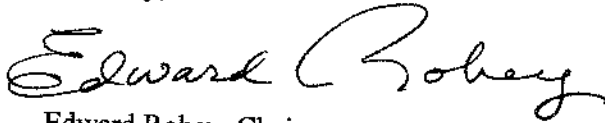
Lake Local Agency Formation Commission

Lake LAFCo works best when it is able to collaboratively interact with affected agencies in finding mutually agreeable reorganization solutions. We would therefore like to make a proposal to promote resolution of the disagreement and facilitate a cooperative approach to completion of the update of the City sphere and annexation proposal.

The Commission urges you to conduct a joint City Council and Board of Supervisors meeting regarding the "proposed" Lakeport Annexation and Sphere of Influence. That way the decisionmakers can have clear and direct communications regarding their concerns including the financial implications to both the City and County and together hopefully develop consensus regarding these issues. Such a meeting would be most productive if guided by a neutral facilitator with knowledge in local government finance and the LAFCo law. If the parties are agreeable, LAFCo would engage such a facilitator and pay for the cost of his or her time at the meeting.

We request you place this request on a regular agenda within the next 30 days to agree to meet with each other in a public and facilitated setting and to permit LAFCo to coordinate such a meeting with the City Clerk and Clerk to the Board of Supervisors, as applicable. Please do not hesitate to call me at (707) 994-8304 or John Benoit our Executive Officer at (707) 592-7528.

Sincerely,



Edward Robey, Chair
Lake LAFCo



COUNTY OF LAKE
BOARD OF SUPERVISORS
Courthouse - 255 North Forbes Street
Lakeport, California 95453
TELEPHONE (707) 263-2368
FAX (707) 263-2207

Jim Comstock – District 1

Jeff Smith – District 2

Denise Rushing – District 3

Anthony W. Farrington – District 4

Rob Brown – District 5

March 5, 2013

Lake Local Agency Formation Commission
c/o John Benoit, Executive Officer
P.O. Box 2694
Granite Bay, CA 95746

Dear Chairman Robey and Members of the Commission:

We are writing in response to the Commission's letter dated January 16, 2013 and to express our concerns regarding the proposal. The Board also presents a combination of the policy alternatives presented to your Commission on November 14, 2013 by the Executive Officer, as a set of simple, common sense solutions to the sphere of influence update requirements.

The Board has a number of concerns with the proposed approach, with the first being financial. The annexation is a proposal by the City of Lakeport, but LAFCo is proposing that a mediator be hired and funded from LAFCo's budget. According to LAFCo's funding structure this will require the County to pay for 33% of the said costs. In addition, 33% of the costs would be paid by a combination of the special districts in the County, and 16.5% to be paid by the City of Clearlake. This does not appear to be equitable for a proposal from one specific City. We do not feel it is appropriate for the County to pay 33% of the costs for a proposal by the City, in particular one which will lead to the eventual loss of hundreds of thousands of dollars of tax revenue.

The proposed process is an additional area of concern. LAFCo law outlines and mandates an existing process for approval of spheres of influence and annexation proposals. It is unclear why this particular situation requires a new process, especially one that requires uninvolved parties to assist in funding it. While the County sees a benefit in a joint meeting with the Lakeport City Council to discuss a range of issues, and in fact requested such a meeting in September 2012, the previous City Council responded that they are not interested in a discussion in this type of forum. In the event the new Council desires a joint meeting, and one is scheduled, we do not anticipate the need for a neutral mediator.

The Board is also concerned with the approach taken by LAFCo regarding this issue. We understand the sensitivity around this topic, but the role of LAFCo is to analyze

and make a determination on these types of issues. Further, letter from the Commission outlines the intention to, "*facilitate a cooperative approach to completion of the update of the City sphere and annexation project.*" However the Board has previously indicated they do not see a need for the annexation, and are concerned about the proposal's impact on providing services to Lake County residents. The Commission is not intended to be a lobbyist for completion of projects, but to simply analyze and approve projects on their merits. It appears the process LAFCo is suggesting would shift responsibility away from the Commission by creating a unique process in deference to a sensitive issue. The Board feels that the responsibility to present a comprehensive, complete, and adequate application for a Sphere of Influence (SOI) update or amendment should lay with the agency behind the proposal, in particular when the law already outlines a required process for doing so.

The Board would like to present a simple, common sense solution to LAFCo as an equitable resolution to the required sphere of influence update. It is important to note that these policies have been constructed by combining a number of the proposed policies that were presented to the Commission by the Executive Officer at a meeting on November 14, 2012. An outline of the proposal is below, and the proposed policies are attached.

Proposal

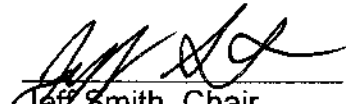
- A policy by the LAFCo to adopt a coterminous SOI for all SOI's which are outdated, relieves LAFCo from the burden of completing an update.
- This policy would necessitate that any desired updates, amendments, or changes to a SOI must be initiated and funded by the responsible entity, whether it is a City or a special district.
- Responsibility and costs for the application and resulting environmental review will be borne solely by the proposing entity and not by LAFCo.
- County staff have created draft policies which could be utilized by LAFCo and would appear not only to resolve the County's concerns regarding this process and approach, but provide an equitable and common sense solution for all parties involved in the LAFCo process (See attached).

As previously mentioned, and as outlined in the Board's letter to the City in September of 2012, the County would still be open to a joint meeting with the City regarding the proposed annexation and the surrounding issues. City representatives have mentioned that the City has no immediate plans to pursue annexation, and if that is true, the County would like to reaffirm our previous request to see some action to demonstrate that intent. We recognize that permanently taking annexation "off the table" may not be possible as it would commit future City Councils. However, if the City does not intend to pursue annexation in the near future, we would further encourage the adoption of an amended sphere of influence co-terminus with the existing City limits and either not extend the water line into the unincorporated area or alternatively negotiate with the County for an out-of-area service agreement for the constituents that are adjacent to the water line with the County's participation in the project.

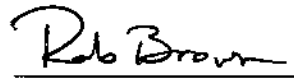
We hope your Commission will consider our concerns and positions on these matters. Further, the Board will direct staff from the Administrative Office to be present at any future LAFCo meeting to discuss these concerns and proposals, as required.

Sincerely,


Lake County Board of Supervisors



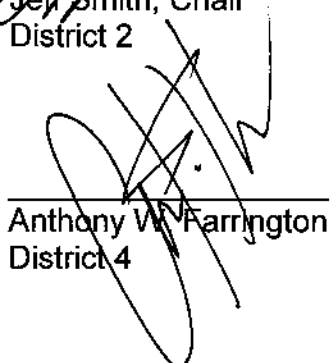
Jeff Smith, Chair
District 2



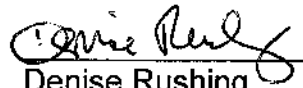
Rob Brown
District 5



Jim Comstock
District 1



Anthony W. Farrington
District 4



Denise Rushing
District 3

Enclosure

Lake LAFCo Sphere of Influence Policy Alternative

It is the policy of Lake LAFCo that for any city or special district the commission shall either adopt a coterminous Sphere of Influence (SOI), or recognize a SOI that has been updated pursuant to 56425 (g). Lake LAFCo shall review and update each SOI that is not coterminous, every five years pursuant to GC Section 56425 (g). Applications for SOI amendments may be received from an agency or jurisdiction, provided an adopted or certified environmental document that has analyzed the proposal, is included with the application.

Lake LAFCo CEQA Policy Alternative

It is the policy of Lake LAFCo that proposals for SOI updates or amendments, annexations, or other proposals which are determined to qualify as a 'project' as defined by the California Environmental Quality Act (CEQA) are subject to the following:

- To the extent feasible, an agency or jurisdiction shall utilize previously adopted or certified environmental documents which previously analyzed an action to be considered by Lake LAFCo, to allow 'tiering' or addendums pursuant to CEQA Guidelines.
- A city or district that requests additional territory within its SOI or jurisdictional boundary shall be responsible for any costs for preparing the applicable environmental documents, regarding the proposed action, to comply with CEQA.
- An agency or jurisdiction may request in writing, and the commission may agree by majority vote, that Lake LAFCo act as the lead agency for a SOI amendment provided that the agency agrees to pay a fee to cover the commission's cost in doing so, pursuant to GC Section 56388 et sec. Where the commission acts as the lead agency, Lake LAFCo shall not place a SOI update or amendment, or change to a jurisdictional boundary on the commission agenda prior to payment of said costs.

**Proposed Amendments to G.C. Section 56133
(Approved by the CALAFCO Board on April 29, 2011)**

(a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundaries-boundary only if it first requests and receives written approval from the commission in the affected county. The commission may delegate approval of requests made pursuant to subdivisions (b) and (c)(1) below to the Executive Officer.

(b) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries-boundary but within its sphere of influence in anticipation of a later change of organization.

(c) If consistent with adopted policy, the commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries-boundary and outside its sphere of influence under any of the following circumstances:

(1) To respond to an existing or impending threat to the public health or safety of the residents of the affected territory if both of the following requirements are met:

(1A) The entity applying for the contract-approval has provided the commission with documentation of a threat to the health and safety of the public or the affected residents.

(2B) The commission has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, or sewer system corporation as defined in Section 230.6 of the Public Utilities Code, that has filed a map and a statement of its service capabilities with the commission.

(2) To support existing or planned uses involving public or private properties subject to approval at a noticed public hearing that includes all of the following determinations:

(A) The extension of service or service deficiency was identified and evaluated in a municipal service review prepared by the commission pursuant to section 56430.

(B) The effect of the extension of service would not result in adverse impacts on open space or agricultural lands or result in adverse growth inducing impacts.

(C) A later change of organization involving the subject property and the affected agency is not feasible or desirable based on the adopted policies of the commission.

(d) The executive officer, within 30 days of receipt of a request for approval by a city or district of a contract-to extend services outside its jurisdictional boundary, shall determine whether the request is complete and acceptable for filing or whether the request is incomplete. If a request is determined not to be complete, the executive officer shall immediately transmit that determination to the requester, specifying those parts of the request that are incomplete and the manner in which they can be made complete. When the request is deemed complete, the executive officer shall place the request on the agenda of the next commission meeting for which adequate notice can be given but not more than 90 days from the date that the request is deemed complete, unless the commission has delegated approval of these requests made under this section to the executive officer. The commission or executive officer shall approve, disapprove, or approve with conditions the contract for extended services. If the extended services are contract is disapproved or approved with conditions, the applicant may request reconsideration, citing the reasons for reconsideration.

(e) This section does not apply to contracts or agreements solely involving two or more public agencies where the commission determines the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.

(f) This section does not apply to contracts for the transfer of nonpotable or nontreated water.

(g) This section does not apply to contracts or agreements solely involving the provision of surplus water to agricultural lands and facilities, including, but not limited to, incidental residential structures, for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county.

(h) This section does not apply to an extended service that a city or district was providing on or before January 1, 2001.

(i) This section does not apply to a local publicly owned electric utility, as defined by Section 9604 of the Public Utilities Code, providing electric services that do not involve the acquisition, construction, or installation of electric distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundaries.

(j) The application of this section rests solely within the jurisdiction of the commission in the county in which the extension of service is proposed.

10 TAG line ideas for Lake LAFCo

1. "Lake LAFCo promotes orderly development and protects open space and agricultural lands"
2. "Lake LAFCo oversees the efficient extension of public services while protecting natural resources"
3. "Lake LAFCo balances growth and natural resources"
4. "Lake LAFCo promotes orderly development and agriculture"
5. "Lake LAFCo balances Urban Growth, Open Space and Agriculture"
6. "Lake LAFCo promotes orderly development through the efficient extension of governmental services"
7. "Lake LAFCo balances the social, physical and economic well-being by promoting orderly service boundaries"
8. "Lake LAFCo balances competing development and natural resource interests throughout Lake County"
9. "Lake LAFCo weighs the need and timing for services with the need to protect agricultural and other resource lands"
10. "Lake LAFCo oversees the premature conversion of agricultural lands with the need to provide extended services"

LAKE LAFCO**MEMORANDUM**

March 20, 2013

TO: LAFCO Commissioners

FROM: John Benoit, Executive Officer

RE: MSR Committee for the Watershed Protection MSR

Staff has met with Scott De Leon of the Lake County Watershed Protection District who will be providing information back to LAFCo within the month so a MSR can be prepared for services provided by the District and potentially other resources related service providers such as the RCDs.

In 2009 the Commission voted to form a MSR Committee for MSR's in general. I have had a request to re-activate the committee for this MSR due the complexity of the issues involved. It is important the committee consist of a small number of people (i.e. five) and have representation from all areas of the county. The MSR Committee will review information provided to LAFCo and issues leading to a better water and resources services delivery system and focus upon LAFCo's required determinations including Growth and Population Projections, Infrastructure Needs and (or deficiencies) and Service Adequacy, Financial Ability, the potential for Shared Facilities or Resources, and Local Accountability and Governance.

Betsy Cawn was on the 2009 committee and has requested to participate in this committee and is from the Upper Lake area. A specific request is to have someone from the Clearlake area participate in this effort as well as other parts of the County to maintain balance. Commissioners might wish to participate while allowing room for public participation.

Recommendation:

- a. Appoint Commissioners and members of the Public to the Resources MSR committee to assist in the preparation of the Resources MSR.