

**Lake Local Agency Formation Commission**

**Regular Meeting Agenda**

**May 18, 2016 -- 9:30 am**

**City of Clearlake – City Council Chambers**

14050 Olympic Dr. Clearlake, California

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

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

**Commissioners**

Ed. Robey, (Public Member)  
Frank Gillespie (Special District Member)  
Joyce Overton (City Member)  
Stacey Mattina, Chair (City Member)  
Gerry Mills, (Special Dist. Member)  
Anthony Farrington (County Member)  
Jim Comstock , Vice Chair (County Member)

**Commission Alternate Members**

Jeff Smith (County Alternate)  
Bruno Sabatier (City Alternate)  
Vacant (Spec. District Alternate)  
Suzanne Lyons (Public Alternate)

**Staff**

John Benoit, Executive Officer  
P. Scott Browne, Legal Counsel  
Kathleen Moran, Clerk to the Commission

- 1. Call to Order – Roll Call**
- 2. Approval of Minutes – March 16, 2016 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 March and April 2016*

**PUBLIC HEARINGS**

**5. Public hearing regarding a Sphere of Influence update for the Lake County Watershed Protection District.**

a. *Receive Executive Officer's report, conduct public hearing and consider Resolution 2016-0007 updating the Sphere of Influence for the Lake County Watershed Protection District.*

**6. Public hearing regarding the 2016-2017 LAFCo Final Budget.**

a) *Receive Executive Officer's report, conduct public hearing and consider LAFCo Resolution 2016-0008 adopting the Final LAFCo Budget for FY 2016-2017*

**OTHER BUSINESS**

**7. Review Lake LAFCo's records retention policy adopted on November 20, 2013.**

a. *Review Lake LAFCo's records retention policy as adopted on November 20, 2013, provide direction to staff as needed regarding implementation.*

**8. Report regarding the Calafco Annual Staff Workshop from March 30 to April 1<sup>st</sup>, 2015 in Los Angeles.**

a. *Report regarding the staff workshop*

**9. Introduction of LAFCo Bylaw amendment thereby adding Section 5.11- Legislative Process Participation to the Lake LAFCo Bylaws.**

a) *Introduction of Resolution 2016-0009 amending LAFCo's Bylaws to include a Legislative Process Participation policy.*

**10. Executive Officer's report**

*Special District members recruitment*

**11. Commissioner Reports**

This item is placed on the agenda for Commissioners to discuss items and issues of concern to their constituency, LAFCO, and legislative matters.

12. Correspondence

13. Adjourn to LAFCO's next regular meeting: Wednesday July 20<sup>th</sup> , 2016 in  
Lakeport

*The Commission may take action upon any item listed on the agenda. Unless otherwise noted, items may be taken up at any time during the meeting.*



**Any member appointed on behalf of local government shall represent the interests of the public as a whole and not solely the interest of the appointing authority Government Code Section 56325.1**

Public Comment

Members of the public may address the Commission on items not appearing on the agenda, as well as any item that does appear on the agenda, subject to the following restrictions:

matter jurisdiction.

- No action shall be taken on items not appearing on the agenda unless otherwise authorized by Government Code Section 54954.2 (known as the Brown Act, or California Open Meeting Law).
- The total amount of time allotted for receiving public comment may be limited to 15 minutes.
- Any individual's testimony may be limited to 5 minutes. Time to address the Commission will be allocated on the basis of the number of requests received.

Public Hearings

Members of the public may address the Commission on any item appearing on the agenda as a Public Hearing. The Commission may limit any person's input to 5 minutes. Written statements may be submitted in lieu of or to supplement oral statements made during a public hearing.

Agenda Materials

Materials related to an item on this agenda submitted to the Commission after distribution of the agenda are 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)

LAKE LOCAL FORMATION COMMISSION

#2

MINUTES

MARCH 16, 2016

REGULAR MEETING

Present:

Stacey Mattina, Chair  
Jim Comstock, Vice-Chair  
Ed Robey, Public Member  
Frank Gillespie, Special District Member  
Gerry Mills, Special District Member  
Suzanne Lyons, Public Alternate  
Joyce Overton, City Member  
Bruno Sabatier, City Alternate

Staff Present:

John Benoit, Executive Officer  
P. Scott Browne, Legal Counsel  
Kathleen Moran, Clerk to the Commission

Absent: Anthony Farrington, County Member, Jeff Smith, County Alternate

**1. Call to Order – Roll Call**

Chair Mattina called the meeting to order at 9:30 a.m. in the City of Lakeport Council Chambers.

**2. Approval of Minutes**

Motion by Commissioner Robey, seconded by Commissioner Overton to approve the Minutes of the January 20, 2016 Regular Meeting. Motion carried.

**3. Public Comment**

The Clerk announced that as of this meeting she has been with Lake County LAFCo for one year.

**4. Consent Agenda**

Motion by Commissioner Robey, seconded by Commissioner Gillespie to authorize payment of expenses for January and February 2016. Motion carried.

**5. Public Hearings**

**a) Receive Executive Officer's Report, conduct Public Hearing and consider Resolution 2016-0005 adopting the LAFCo proposed budget for Fiscal Year 2016-2017**

EO reviewed proposed budget for FY 2016-17. Discussion was held on scheduled trainings, conferences and meetings for the upcoming year and budget allocations for same, with particular discussion regarding member attendance. CAL LAFCo Conference will be held in Santa Barbara October 26-28. Discussion was held on number of Commissioners to attend. Newly appointed Commissioner Bruno Sabatier will attend.

Ms. Cawn noted another new member appointment is coming up and the Commission may wish to budget for more than one attendee.

EO continued review. Budgeted projects include completion of a map book this year, and EO's request to use carryover to clean up, organize and scan files. Lake LAFCo's document files are now stored at Clearlake City Hall. He stated that the Clerk could assist in this project. Ms. Cawn volunteered to assist with the records inventory and related work.

Commissioner Lyons asked for clarification on the amount budgeted for SOI's. EO confirmed the allocation is for several projects.

Ms. Cawn spoke to the budget allocation “Special District MSR’s” and the impact of the fire on services and revenues. She stated that those impacts need to be calculated and considered, and reminded the Commission that LAFCo is impacted directly as well. She stated that there is a chart showing all the County’s Special Districts and the schedule for MSR’s, and this is a good time to update the chart to give everyone a sense of where we are at in completing the MSR’s.

Ms. Cawn asked for clarification on the SOI Report being 90% complete and most of the mapping as well. EO confirmed that they were nearly complete in draft form. Ms. Cawn stated that at a recent Resource Management Committee meeting conducted by Mr. Steele, a person she thought was from the Department of Water Resources, announced that they had submitted a map of *Municipal* Small Separate Sewer System to the Central Valley Water Quality Control Board. She spoke to the importance of this map in understanding the districts surface areas as it defines developed drainage directly impacting the lake. She stated that the information is key in the development of a service area that can develop rates necessary to maintain the conveyance system through Public Works Services. She expressed concern that the map was submitted to the state without input or review from local agencies or interests.

Lastly, Ms. Cawn also asked that the budget Include in work plan a plan for the development of the new Resource Conservation District MSR and SOI. EO the new district is going to have to provide a strategic plan and work program and the public and district board is going to have to work on those items. Ms. Cawn stated that it isn’t in the conditions of approval of the consolidation. EO responded it could be included and the Public Hearing for the consolidation is the next agenda item. After discussion EO stated the funding provisions for a Work Plan for the newly consolidated district will be included in the budget.

Chair closed Public Hearing.

Commissioner Comstock stated that Ms. Cawn is correct re: financial impact from fire, however, the state of California has committed a one year backfill for the loss. Commissioner Overton that would give us time to determine the actual losses. Commissioner Robey noted it will take at least a year to determine the impacts on revenue and not everyone who lost property will rebuild.

Discussion is held on conference costs per attendee. Chair Mattina recommended budgeting for two slots to allow for new member attendance. All Commissioners concur and direct EO to increase Transportation and Travel (CALAFCo) to \$3,500.

Motion by Commissioner Robey, seconded by Commissioner Robey to adopt Resolution 2016-0005, a Resolution of Lake Local Agency Formation Commission Adopting a Proposed Budget for 2016-2017, as amended. Resolution passed and adopted by the following vote:

AYES: Commissioners Overton, Mills, Gillespie, Comstock, Mattina, and Robey,

NOES: None.

ABSENT: Commissioner Farrington.

**6. Public Hearing regarding the dissolution of the East Lake and West Lake Resource Conservation Districts and concurrent formation of the Lake County Resource Conservation District**

EO referred to the Staff Report. The East Lake and West Lake districts submitted a joint application to dissolve the existing districts and form the Lake County Resource Conservation District which would be coterminous with county boundaries. Both district boards agree the consolidation would increase efficiency, and improve services. The Districts approved a concurrent resolution requesting LAFCo to initiate the proceedings. As outlined in the report the new district is comprised of two benefit zones, the East Lake zone and the West Lake zone. The report details logistics of the consolidation such as, board representation, and existing assets.

Commissioner Robey asked, for the record, will there be any economic impact on property owner tax rates? EO confirmed that existing rates will be unaffected by the consolidation.

Commissioner Lyons asked for clarification on funding, revenues, fixed asset distribution, etc.

Chair Mattina opens public hearing.

Victoria Brandon, Vice-Chair of the East Lake Conservation District responded to Commissioner Lyons, explaining that depending upon how they were set up in first place some RCD's have tax revenue and some do not. In this case East Lake does and West Lake does not and the tax base that we do have is based entirely on undeveloped land. Ms. Brandon spoke to the benefits of the new district including cost savings and increased efficiency on a countywide basis, and recommended approval.

Commissioner Comstock noted that with the consolidation Putah Creek Watershed will be represented as well.

Ms. Cawn stated she is looking forward to having an active Resource Conservation District and is in favor of the plan, and that her questions on the new district are the same for the Watershed Protection District, i.e., what are the actual direct service priorities and how we use the boundary of the SOI verses the MSR to identify costs for projects and programs.

Chair Mattina closed Public Hearing.

Commissioner Lyons asked for clarification on public input re: development of the work plan. EO responded that the public, agencies and partners will be solicited for input on the work plan and the strategic plan.

Motion by Commissioner Robey, seconded by Commissioner Comstock to adopt Resolution 2016- 0006 approving the dissolution of the East Lake and West Lake Resource Conservation Districts and concurrent formation of the Lake County Resource Conservation District to be coterminous with the Boundaries of Lake County. Motion carried by the following vote:

AYES: Commissioner Overton, Mills, Gillespie, Comstock, Mattina, and Robey.

NOES: None.

ABSENT: Commissioner Farrington.

EO stated that he will schedule a Protest Hearing within the next thirty-five days as required by LAFCo law, and will advise the Commission as to time and place.

**7. Letter to the Calafco Board of Directors regarding City of Patterson v. Turlock Irrigation District (2014) 227 Cal.App.4th 484.**

Mr. Browne requested Lake LAFCo's support in pursuing legislation to amend CA Government Code §56653 to overcome the ruling in the above stated court case. Mr. Browne stated he is making the same request of all the LAFCo's he works with. He explained that §5663 only permits applications for annexation or reorganization which include a *plan to extend services* to the area to be annexed. As the law currently stands there is no authority to annex an area that is already receiving services. Based on this, the Court invalidated the City of Patterson's request for annexation to the Turlock Irrigation District because the area was already being served under contract by TID and no new extension of services was being proposed. The Court noted that the language could have easily been modified to allow extensions for areas already being served, but as written, the plain meaning of the existing language forced invalidation of the annexation application. In addition, the language in its current form has implications for LAFCo approval of out of agency contracts and precludes later annexations as well.

Limited resources mean Calafco is only able to pursue a small number of legislative proposals, and chose not to pursue this amendment. Mr. Browne is seeking reconsideration and has asked for the Commission's support by letter to Calafco, noting the issue effects every LAFCo's statewide.

Discussion was held on the implications for Lake County actions. Ms. Cawn pointed out there are two agencies currently engaged in the annexation process, i.e. Middletown Rancheria annexation to the Callayomi Water District and are currently receiving service. They applied for annexation, the process was dropped, but they will be coming back to revisit the process. Commissioners commented that the real life example clearly depicts the need for change, and should be included in the letter.

Motion by Commissioner Comstock, seconded by Commissioner Robey to approve letter to Calafco Board of Directors requesting reconsideration regarding their decision to not pursue legislation amending Government Code §5663. Further, to include reference to the Lake County example, and authorize the Chair or Executive Officer to sign on behalf of the Commission. Motion carried: All yes.

**8. Executive Officer's Report.**

Letter of resignation from Jim Abell

Special District Member recruitment: Nominations Due April 1, 2016

700 forms are due to the County Clerk by April 1<sup>st</sup>, 2016

Calafco Conference March 30-April 1 in Los Angeles

EO reviewed the steps involved in holding a Protest Hearing (re: agenda item 6 a).

Mr. Browne reported on the recent Calafco Legislative Committee meeting with representatives of the State Water Resources Control Board and Governor's Office of Planning and Research in attendance to discuss the Sustainable Groundwater Management Act, Lafco's role in helping to form Sustainable Groundwater Management Agencies and also deal with SB 239.

**9. Commissioner Reports**

Commissioner Comstock reported on Federal Water Regulations impacting the Hidden Valley Lake Community Service District.

Commissioner Comstock reported on the status of the Starview Water System, they are scheduled to receive a FEMA grant to rebuild the system, thanks to Jan Carpenter.

Commissioner Comstock also reported that Anderson Springs will require a sewer system for rebuilds. They are set to receive a 2 million grant from USDA, Senator Mike McGuire has been working diligently on the issue meeting with various agencies. He also reported on the efforts to consolidate several small water districts on Cobb, which has been pushed to the forefront in the wake of the fire.

**10. Correspondence**

Chair Mattina directed a letter of appreciation be sent to former Commissioner Abell thanking him for his service. Commissioners concur.

**11. Closed Session re: Performance Evaluation for EO**

11:48 am. Chair Mattina adjourned the meeting to convene in Closed Session to complete a performance evaluation for the Executive Officer.

11:02 am. Commission reconvened in open session and the Chair reported the Commission completed an evaluation of the EO. The Chair complimented EO on his work for the commission.

**12. Meeting adjourned at 11:10 a.m.**

Next regular meeting: Wednesday May 18, 2016 in Clearlake.

By: \_\_\_\_\_  
Kathleen Moran, Clerk



# Lake Local Agency Formation Commission

# 4

## CLAIMS

January 2016 and February 2016

<u>Date of Claim</u>	<u>Description</u>	<u>Amount</u>
April 1, 2016	Staff Services March 2016	\$ 4,978.57
April 1, 2016	Special Projects –March 2016 Misc /WPD SOI	\$ 2,763.75
March 16, 2016	Commission Mtg. Stipend	\$ 480.00
2.16-15 to 3.15.2016	Browne- Legal	\$ 525.00
May 1, 2016	Staff Svcs April 2016	\$ 4,590.67
May 1, 2016	Special Projects WPD SOI	\$ 1,608.75
4.16-16 to 5.15-16	Browne Legal	\$ 1,837.00
Feb 2, 2016	Browne share Calafco Wkshp Costs	\$ 142.94
March 30, 2016	Public Notice RCD Protest Hearing	\$ 188.92
April 20, 2016	Public Notice LCWPD and 16-17 Fin. Budget	\$ 98.50
TOTAL:		\$ 17,214.10

DATED: May 18, 2016

APPROVED: May 18, 2016

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Stacey Mattina, Chair or Jim Comstock Vice-Chair  
Lake Local Agency Formation Commission

Attest:

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John Benoit  
Executive Officer

Account Budgeted	Comm. Stipend	Supplies	Memberships	Books & Periodic	Attorney Service	LAFCO Clerk	Office Stipend	Staff Svcs	Legal Notices	Trans Travel	Cont Regis	Gen Reserve	Contingency	Insurance	GIS Mapping	Webpage
2015-2016 Adopted Budget	880,017	880,227	880,227	880,227	880,237	880,237	880,237	880,237	880,240	880,240	880,240	880,240	880,240	880,240	880,240	880,240
Rancheria Annx 2015-0001	\$ 5,280.00	\$ 250.00	\$ 785.00	\$ 785.00	\$ 16,000.00	\$ 3,000.00	\$ 7,000.00	\$ 48,488.00	\$ 1,000.00	\$ 2,000.00	\$ 1,000.00	\$ 20,000.00	\$ 10,000.00	\$ 1,400.00	\$ 7,500.00	\$ 150.00
Staff SVCS for June 2015						\$ (208.33)	\$ (550.00)	\$ (4,047.67)								
RB CLO Lkpt - fire																
Browne Ending 6.15.15			\$ (785.00)		\$ (1,750.00)				\$ (138.97)							
Calafco Dues 2015-2016																
Calafco Registration/OvRo and Mills																
Browne Ending 7.15.15																
RB CLO Re-notice Lakeport SOI-RCD																
jb Staff Svcs July 2015																
Comm Meeting stipend 7.15.15	\$ (540.00)															
RB-CLO Inv#16503.7.29.15 Lkpt SOI																
jb Staff Svcs August 2015																
Browne Ending 8.15.15																
Contr reimbursement -Robey																
Contr reimbursement -Overton																
Conf. Reimbursement - Mills																
Staff Expenses September 2015																
Browne ending 9.15.15																
Browne Ending 10.15.15																
Comm Stipend 10.14.15	\$ (540.00)															
Staff Exp October 2015																
Comm Stipend 10.14.15																
Browne Ending 11.15.15																
jb Staff Svcs November 2015																
Comm Stipend Nov 18, 2015	\$ (540.00)															
Browne Ending 12.15.15																
Staff Svcs December 2015																
CLO CSA 16 reorg Record Bee																
Accounting Svcs FY 15-16																
jb Staff Svcs January 2016																
Comm Stipend Jan 20, 2016	\$ (420.00)															
Browne ending 1.15.16																
Calafco Staff Wkshp Regis																
Browne Ending 2.15.16																
jb Staff Svcs Feb 2016																
DPW invoice, Hoopa Ran. 15-04																
Inv #88-CLO Proj#budget and RCD																
Comm Stipend 3.16.16	\$ (480.00)															
Staff Svcs March 2016																
Browne ending 3.15.16																
Staff Svcs April 2016																
Browne Ending 4.15.16																
RB-CLO 4.20.16 #5710619																
RB-CLO 3.30.16 #5698651																
Deposit 2016-0001 Spring Valley																
Remaining in Account	\$ 2,780.00	\$ 250.00	\$ -	\$ -	\$ 2,527.00	\$ 716.67	\$ 950.00	\$ 4,033.63	\$ 227.05	\$ 2,000.00	\$ (2,041.46)	\$ 10,000.00	\$ 0.00	\$ 1,400.00	\$ 7,216.08	\$ 62.10
Expended	\$ (2,520.00)	\$ -	\$ (785.00)	\$ -	\$ (13,473.00)	\$ (2,283.33)	\$ (6,050.00)	\$ (44,464.37)	\$ (772.95)	\$ -	\$ (3,041.46)	\$ -	\$ -	\$ 0.00	\$ (283.92)	\$ (87.90)



**LAKE LOCAL AGENCY FORMATION COMMISSION**

*A Resolution Making Determinations and Approving A Sphere of Influence Update for the Lake County Watershed Protection District*

**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 the Lake County Watershed Protection District; and

**WHEREAS**, the Commission has set the initial hearing date of May 18, 2016 for the update of the Sphere of Influence for the Lake County Watershed Protection District and has noticed this hearing at the times and as otherwise prescribed by Government Code Section 56427, *et seq.*; and

**WHEREAS**, the Commission has heard and adopted a Municipal Services Review of services provided by the Lake County Watershed Protection District 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 the Lake County Watershed Protection District complies with the provisions of Government Code Section 56000, *et seq.*
2. The Commission hereby adopts a Sphere of Influence for the Lake County Watershed Protection District. This sphere is to be countywide.
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 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 Lake County Watershed Protection District may have a significant adverse effect on the environment.
5. Pursuant to Government Code Section 56425 (i) the Lake County Watershed Protection District is authorized to provide services within the territory set forth in Attachment “A” (countywide).

6. That the Sphere of Influence Update Report, Executive Officer's Report, and Map for the Lake County Watershed Protection District and updated Sphere is hereby adopted and approved as set forth in Attachment "A".

The foregoing resolution was duly passed by the Lake Local Agency Formation Commission at a regular meeting held on May 18, 2016, by the following roll call vote:

Ayes:

Noes:

Absentions:

Absent:

Signed and approved by me after its passage this 18th day of May 2016.

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Stacey Mattina, Chair or Jim Comstock, Vice-Chair, Lake LAFCO

Attest:

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John Benoit, Executive Officer  
LAKE LOCAL AGENCY FORMATION COMMISSION

**NOTICE OF EXEMPTION**

**TO:** County Clerk  
County of Lake  
Lakeport, CA

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

**PROJECT TITLE:** Sphere of Influence Update: *Lake County Watershed Protection District*

**PROJECT LOCATION:** Entire Lake County

**DESCRIPTION OF PROJECT:**

The proposed project involves the determination of a Sphere of Influence Update for the Lake County Watershed Protection district with the same boundary as currently exists.

**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 the district already serves its respective 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 existing functions, 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:** May 18, 2016

# 6

LAKE LAFCO

EXECUTIVE OFFICER'S REPORT

May 18, 2016

TO: Local Agency Formation Commission  
FROM: John Benoit, Executive Officer  
RE: Final Budget for FY 2016-2017

A proposed budget and Budget Justification Report were submitted for consideration at the March 16, 2016 budget hearing. The proposed budget was adopted and there have been no events requiring changes during that time.

Please refer to the aforementioned Budget Justification Report for detailed information on each of the items below.

SUMMARY OF EXPENSES:

Commission Stipend Commission allocated \$5,280 for this item. This is adequate to cover Commissioner stipends at \$60.00 per member, per attended meeting for 8 regularly scheduled meetings during Fiscal Year 2016-2017. No change from prior year.

Insurance \$1,400 allocated. No change from prior year.

Communications Communications expenditures are combined in various other categories. See Office Expense category below.

Supplies \$250 allocated. No change from prior year.

Memberships The Commission recommended in its proposed budget \$840.00 for Calafco dues, a slight increase over this year.

Books and Periodicals \$200.00 allocation to cover the cost of new Cortese-Knox-Hertzberg books and binders. No change from prior year.

Attorney Contracts The Commission recommended in its proposed budget \$18,633.00 for this item. This figure assumes LAFCO Counsel can attend up to 8 LAFCO meetings.

Clerk Support The Commission recommended in its proposed budget \$4,000.00 for this item. This is assuming the Commission meets up to 8 times next fiscal year.

Staff Office Services [Executive Officer Services] The Commission recommended in its proposed budget \$48,488.00 for this item. Notwithstanding a very complex reorganization or incorporation project for Lake LAFCO, this amount should cover

LAFCO administration. Complex projects would be fee supported thereby increasing revenue to LAFCO to offset an increase in this expenditure. No change from last year.

Office Expenses \$7,000 allocation, same as prior year. Amount based on \$550 per month. Includes communications, computer, phones, most copy and postage costs (notwithstanding changes of organization requiring multiple public notices, mileage and misc. office expenses.) No change from last year.

Legal Notices/Publications Commission recommended \$1,000 based on number of anticipated projects and related publication costs. No change from last year.

Transportation/travel \$3,500 This includes miscellaneous mileage and travel, lodging for the Calafco Annual Conference in Santa Barbara on October 26-28, 2016, and is based on attendance by two Lake LAFCo representatives as discussed at the March 16<sup>th</sup> meeting.

Conference Registration \$1,000 Registration for two attendees for Calafco conference in Santa Barbara, CA.

Sphere of Influence Updates Commission allocated \$10,000 for Sphere of Influence updates as required by the LAFCO Act. No change from prior year.

Municipal Service Reviews Commission allocated \$21,000 to initiate and continue Service Reviews for the fire districts, vector control district, Adams Springs Water District, Hidden Valley Lake CSD, Villa Blue Estates Water District and MSR update for the Kelseyville County Waterworks District.

Contingency Fund \$10,000.00

Records Retention and Mapping As discussed at the March 16, 2016 meeting \$7,500 was allocated for mapping and for processing and scanning Lake County's LAFCo files, to be conducted in accordance with LAFCo's adopted Records Retention Policy. No change from prior year, carry over funds to be used if scanning project exceeds amount budgeted or required for mapping, upon Commission approval.

Web Site Maintenance Commission recommended \$150 for site maintenance, updates, and changes. No change from prior year.

Auditor Agreement Commission recommended \$2,500 for this item per agreement with the County Auditor. No change from prior year.

General Reserve \$30,000 allocated to General Fund Reserves. An increase of \$10,000 from prior year.



## SUMMARY OF ANTICIPATED REVENUE

The Commission recommended in its proposed budget anticipated revenue of \$10,000. To help reduce general fund contributions by the Cities, Districts and the County unanticipated revenues have been placed into expenditures for municipal service reviews and sphere updates.

The Final Expenditure Budget will be \$172,741.00, the amount to be requested from the Cities, the County and the Independent Special Districts will be 132,741.00. The apportionment will be: Cities – 33%, County - 33%, and Independent Special Districts – 33%.

### **Recommendation:**

- a. Review, discuss, amend, and consider the 2016-2017 Final Budget. A budget justification report for FY 2016-2017 including a Service Review and Sphere of Influence work plan was prepared by staff for the adopted proposed budget at the March 2016 meeting.
- b. Adopt LAFCO Resolution 2016-08 approving a final budget for Fiscal Year 2016-2017.

**Resolution 2016-0008**

**of the**

**Lake Local Agency Formation Commission**

*Resolution of the Lake Local Agency Formation Commission of Adopting*

*its Final Budget for 2016-2017*

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 which was adopted on March 16, 2016; and,

WHEREAS, the Executive Officer has prepared a final budget including a budgeted carryover, and contingency; and

WHEREAS, the Executive Officer has given notice of hearing in the form and manner specified by law for adoption of the final budget and upon the date, time and place specified in said notice of hearing, the Commission heard, discussed and considered all oral and written testimony submitted including, but not limited to, the approved budget priorities for Fiscal Year 2016-2017 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, Lake Local Agency Formation Commission does hereby determine, resolve, and order the following:

1. That Lake LAFCO hereby adopts the attached final 2016-2017 budget totaling \$172,741.00 in which \$132,741.00 are operational expenditures for LAFCO and \$30,000.00 to consist of carryovers and encumbrances from the FY 2014-2015 budget as shown in Exhibit A.
2. Directs the Executive Officer to transmit the final budget to the Auditor and all parties specified in Government Code Section 56381 (a) as promptly as possible.
3. To implement a Commission directive, establish a reserve account and direct the Executive Officer to deposit 20% of any unallocated rollover into said reserve account up to \$50,000 once the final rollover (carryover from previous budgets) once the audited carryover balance is determined.
4. Request the Lake County Auditor collect the funds as required in Section 56381 of the

government code in the amount of \$132,741.00 to be apportioned as per Government Code 56381. In the event of non-payment of LAFCO funds by any entity subject to the LAFCO's apportionment, the Commission hereby requests and authorizes the Auditor to collect the funds from property tax revenues or any other revenue source and deposit the funds into the LAFCO account.

PASSED AND ADOPTED by the Lake Local Agency Formation Commission at a regular meeting of said Commission held on May 18, 2016 by the following roll call vote:

AYES: -

NOES: -

ABSTAINS: -

ABSENT: -

Signed and approved by me after its passage this 18th day of May 2016.

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Stacey Mattina, Chair  
Lake LAFCO

Attest:

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John Benoit, Executive Officer  
Lake LAFCO

**Exhibit A**  
**F.Y. 2016-2017**  
**FINAL Budget**  
**Lake Local Agency Formation Commission**

**BUDGET: 419-8803**

A	B	C	D	E	F	G
		2013-2014	2014-2015	2015-2016	2016-2017	2016-2017
		Final Budget	Final Budget	Final Budget	Proposed Budget	Final Budget
	<b>Expenditure Classification</b>					
	8803-880.01-12 COMMISSIONERS STIPEND	\$ 5,280.00	\$ 5,280.00	\$ 5,280.00	\$ 5,280.00	\$ 5,280.00
	8803-840 22-70 SUPPLIES	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00
	8803-840 20-00 MEMBERSHIPS	\$ 758.00	\$ 769.00	\$ 785.00	\$ 840.00	\$ 840.00
	8803-840 22-72 BOOKS AND PERIODICALS	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00
	8803-840 23-98 ATTORNEY CONTRACTS	\$ 16,000.00	\$ 16,000.00	\$ 16,000.00	\$ 18,633.00	\$ 18,633.00
	8803-840 23-79 Laico Clerk Svcs.	\$ 2,000.00	\$ 2,000.00	\$ 3,000.00	\$ 4,000.00	\$ 4,000.00
	8803-840 23-79 Office Expenses	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00
	8803-840 23-79 Staff Off. Svcs	\$ 48,488.00	\$ 48,488.00	\$ 48,488.00	\$ 48,488.00	\$ 48,488.00
	8803-880 24-00 LEGAL NOTICES/PUBLICATIONS	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
	8803-840 29-50 TRANS AND TRAVEL (CALAFCO)	\$ 2,400.00	\$ 2,400.00	\$ 2,000.00	\$ 3,500.00	\$ 3,500.00
	8803-880 29-50 CONF REGISTRATION	\$ 1,500.00	\$ 1,500.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
	8803-840 23-79 MSR and SOI	\$ 12,000.00	\$ -	\$ -	\$ -	\$ -
	8803-880 23-78 - INSURANCE	\$ 1,658.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00
	8803-840 23-80 Records Retention and Mapping.	\$ 7,500.00	\$ 3,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00
	8803-880 23-18 Web Page	\$ 250.00	\$ 250.00	\$ 150.00	\$ 150.00	\$ 150.00
	8803-880 23-80 AUDITOR-Agreement	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
	8803-840 23-79 City SOI	\$ 4,000.00	\$ 4,000.00	\$ -	\$ -	\$ -
	8803-840 23-79 Spheres of Influence	\$ 12,000.00	\$ 4,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
	8803-840 23-79 Municipal Service Reviews	\$ 13,000.00	\$ 8,000.00	\$ 25,000.00	\$ 21,000.00	\$ 21,000.00
	<b>Total General Services and Supplies</b>	\$ 133,784.00	\$ 108,537.00	\$ 131,553.00	\$ 132,741.00	\$ 132,741.00
	8803-880 90-91 Contingency	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
	0000 General Reserve	\$ 10,000.00	\$ 15,000.00	\$ 20,000.00	\$ 30,000.00	\$ 30,000.00
	<b>TOTAL Expenditure Budget</b>	\$ 153,784.00	\$ 133,537.00	\$ 161,553.00	\$ 172,741.00	\$ 172,741.00
	Est Carryover Balance July 1, 2016	\$ (50,000.00)	\$ (25,000.00)	\$ (20,000.00)	\$ (30,000.00)	\$ (30,000.00)
	8803-461 66-10 Est. OTHER REVENUE	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)
	<b>Total exp less anticipated carryover and revenues</b>	\$ 93,784.00	\$ 98,537.00	\$ 131,553.00	\$ 132,741.00	\$ 132,741.00
	<b>456.56-30 City/County and Ind. Special District Contrib</b>	\$ 93,784.00	\$ 98,537.00	\$ 131,553.00	\$ 132,741.00	\$ 132,741.00

**Appendix 5**  
**LAKE LAFCO RECORDS RETENTION POLICY**

**Section 5.10 (c) Amended Records Retention Policy:**

Records must be kept indefinitely in original, photographic, or electronic form pursuant to Government Code section 56382.

The Commission authorizes the destruction of original records more than two years old, if a photographic or electronic copy of the original record is made and preserved in compliance with Government Code section 56382, which shall be considered permanently retained pursuant to the Records Retention Schedule. Documents that are not herein defined as “records” are not “records” pursuant to Government Code section 56382 and will be retained and disposed of according to the Records Retention Schedule in Exhibit A.

For purposes of compliance with Government Code §56382 and implementation of the Commission’s Records Retention Schedule as set forth in pages 2-5 of this Exhibit A, “records” include the following:

- LAFCO Meeting Minutes
- LAFCO Resolutions
- Documents related to LAFCO proposals such as the:
  - Application, petition or other initiating documents
  - Assessor’s Statement of Property Valuation
  - Agreement to Pay / Indemnification
  - Certificate of Completion
  - Certificate of Filing
  - Environmental Review/CEQA documents such as Initial Study, Exemptions, Notices of Completion and Determination, Comments and Response to Comments, Negative Declaration, mitigation monitoring, Statements of Overriding Consideration
  - Map and Legal Description
  - Notices
  - Order for Change of Organization
  - Staff Reports
  - Statement of Boundary Change
  - Statement of Tax Rate Area

**\* After 2 years, records may be imaged for permanent preservation and original destroyed.**

CCP Code of Civil Procedure (CA)  
 GC Government Code (CA)  
 CFR Code of Federal Regulations

## RECORDS RETENTION SCHEDULE

Type of Record/ Document	Description or Example of Record/Document	Legal Authority	Minimum Legal Retention Period
<b>Administrative Documents</b>			
Accounts Payable	Invoices and back-up documents, purchase orders, travel expense reimbursements, petty cash, postage, check requests, receipt books, etc.	CCP 337 26 CFR 31.6001-1(e)(2); Sec. of State Guidelines recommendation	Until audited + 4 years
Accounts Receivable	Invoices, checks, reports, investments, receipt books	26 CFR 31.6001-1(e)(2)	4 years
Agreements/ Contract	Original contracts and agreements and back-up materials, including leases, rentals and any amendments	CCP 337 CCP 337.2	4 years after termination/ completion
Annual Reports			2 years
Audit Reports	Financial services; internal and/or external reports; independent auditor analyses		2 years
Brochures/ Publications			2 years or longer for historical value
Budget, Annual	Adjustments, journal entries, account transfers, budget preparation documents including adopted budgets.		Until audited + 2 years
Claims Against the Commission	Paid/denied		Until settled + 2 years
Correspondence (General)	General correspondence, including letters, and; various files not otherwise specifically covered by the retention schedule; compliments, complaints and inquiries; transmittal letters; requests for comments and responses		90 days, recommended longer if useful. (complaints and inquiries should be kept until matter resolves)
Economic Interest Statements - Form 700 (copies)	Copies of statements forwarded to Fair Political Practices Commission	GC 81009(f), (g)	4 years (can image after 2 years)

**\* After 2 years, records may be imaged for permanent preservation and original destroyed.**

CCP Code of Civil Procedure (CA)  
GC Government Code (CA)  
CFR Code of Federal Regulations

Type of Record/ Document	Description or Example of Record/Document	Legal Authority	Minimum Legal Retention Period
Economic Interest Statements - Form 700 (originals)	Originals of statements of designated employees	GC 81009(c), (g)	7 years (can image after 2 years)
Email	General correspondence		90 days, recommended longer if useful. (complaints and inquiries should be kept until matter resolves)
Ethics Training Compliance	Note: records should contain date of training and name of training provider	GC 53235.2	5 years after receipt of training
Forms	Administrative - blank		Until superseded
General Ledgers	All annual financial summaries	CCP 337 Sec. of State Local Gov't. Records Retention Guidelines	Permanent
Gifts/Bequests	Receipts or other documentation		Until completed + 2 years
Grants Federal, State, or other grants	Grants documents and all supporting documents: applications, reports, contracts, project files, proposals, statements, sub-recipient dockets, environmental review, grant documents, inventory, consolidated plan, etc.	24 CFR 570.502 24 CFR 85.42	Until completed + 4 years
Grants – Unsuccessful	Applications not entitled		2 years
Newsletters	May wish to retain permanently for historic reference		2 years
Political Support or Opposition	Related to legislation		2 years
Press Releases	Related to Commission actions/activities		2 years
Procedure Manuals	Administrative		Current + 2 years
Public Records Request	Requests from the public to inspect or copy public documents		2 years

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CCP Code of Civil Procedure (CA)  
GC Government Code (CA)  
CFR Code of Federal Regulations

Type of Record/ Document	Description or Example of Record/Document	Legal Authority	Minimum Legal Retention Period
Purchasing, Requisitions, Purchase Orders	Original documents	CCP 337	Until audited + 4 years
Recruitments and Selection	Records relating to hiring, promotion, selection for training	29 CFR 1627.3	3 years
Requests for Qualifications (RFQs) and Requests for Proposals (RFPs)	Requests for Qualifications, Requests for Proposals, and related responses		Current + 2 years
<b>Records relating to LAFCO Meetings or Applications</b>			
Affidavits of Publication/Post ing	Proof of publication of legal notices for public hearings		2 years
Agenda / Agenda Packets	Agendas, agenda packets, staff reports and related attachments, supplemental items and documentation submitted by staff/public in relation to agenda items.		2 years
Audio Recording of LAFCO Meetings			30 days after the LAFCO meeting minutes are approved
Elections	Impartial analysis		2 years
Environmental Review (for projects without a LAFCO application)	Correspondence, consultants, issues, comments and responses.		Completion + 2 years
Mailing Lists for Public Hearing Notices	Owners/voter		1 year after filing Notice of Completion or Commission action, whichever is later
Minutes	Meeting minutes		*Permanent
Notices /Agenda	Regular and Special meetings		2 years
Policies & Procedures	All policies and procedures adopted by the Commission		Current + 2 years

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CCP Code of Civil Procedure (CA)  
GC Government Code (CA)  
CFR Code of Federal Regulations



Type of Record/ Document	Description or Example of Record/Document	Legal Authority	Minimum Legal Retention Period
LAFCO Proposals- Annexations, Reorganizations, or other proposals	Application, petition or other initiating documents, Assessor's Statement of Property Valuation, Agreement to Pay / indemnification, Certificate of Completion, Environmental Review / CEQA documents (such as Initial Study, Exemptions, Notices of Completion and Determination, Comments and Response to Comments, Negative Declaration, mitigation monitoring, Statements of Overriding Consideration), Map and Legal Description, Notices, Order for Change of Organization, Staff Reports, Statement of Boundary Change, Statement of Tax Rate Area		*Permanent
Resolutions			*Permanent
<b>Other Misc. Records / Documents</b>			
Demographic/ Statistical Data			Current + 2 years
Legal Opinions	Confidential - not for public disclosure (attorney-client privilege)		Until superseded + 2 years
Litigation	Case files, including matters in mediation and/or arbitration		Until settled or adjudicated + 2 years and the time for appeal has expired
Reference Files	reports, procedures, research, pre-application research and correspondence		2 years minimum, recommended longer if useful
<b>Exempt Records: Documents and writings that are not public records because they are exempt from disclosure under the Public Records Act shall be subject to special Retention rules as follows.</b>			
Deliberative Process Documents	GC 6254(a)	Documents, including documents solely in electronic format such as emails which come within the scope of G.C. 6254(a) "Preliminary drafts, notes, or interagency or intra agency memoranda" shall be deleted or destroyed as soon as they are no longer needed in the deliberative process.	

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- CCP Code of Civil Procedure (CA)
- GC Government Code (CA)
- CFR Code of Federal Regulations

Attorney Client Privileged Communication. Documents		Includes documents solely in electronic format such as emails from or to LAFCo counsel shall be retained or destroyed as determined by the Executive Officer in consultation with LAFCo legal counsel.
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- CCP Code of Civil Procedure (CA)
- GC Government Code (CA)
- CFR Code of Federal Regulations

**BEFORE THE LAKE LOCAL AGENCY FORMATION COMMISSION  
COUNTY OF LAKE, STATE OF CALIFORNIA**

**Item # 9**

**IN RE:**

**RESOLUTION AMENDING BYLAWS )  
TO ADOPT A POLICY FOR )  
LEGISLATIVE PROCESS )  
PARTICIPATION )**

**RESOLUTION NO. 2016-0009**

**WHEREAS**, the Lake Local Agency Formation Commission has determined that it is in the best interest of the public for the Commission to operate in accordance with approved Bylaws and therefore has adopted Bylaws on March 20, 2002 by adopting Resolution 2002-0002 and has subsequently amended its Bylaws on July 16, 2003 by Resolution #2003-04; on March 17, 2004 by Resolution #2004-0001; on July 20, 2005 by Resolution #2005-06 on July 21, 2010 by Resolution 2010-0009 and on November 20, 2013 by Resolutions 2013-0010 and 2013-0011.

**WHEREAS**, the Lake Local Agency Formation Commission believes it is important to develop and implement a policy for participating in the legislative process.

**NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED AND ORDERED** by the Lake Local Agency Formation Commission as follows:

1. The Lake Local Agency Formation Commission hereby amends its Bylaws to adopt a new policy on Legislative Policy Participation
2. Section 5.11, in LAFCo's Bylaws is hereby added to include to include a policy to participate in the legislative Process to read as follows:

*Section 5.11 Legislative Process Participation*

- a. In situations when a legislative bill affecting LAFCO cannot be considered by the full Commission due to timing, the Executive Officer, in consultation with the Chair and Legal Counsel, is authorized to provide written or email comments communicating the Commission's position.*
- b. The Chair and Legal Counsel would review the letter or email prior to it being submitted for consideration.*
- c. The Executive Officer will forward the email or letter to the Commissioners as soon as possible.*

d. *The item will be discussed at the Commission's next regular meeting.*

3. The Lake Local Agency Formation Commission finds this action exempt based on the General Rule exemption 15061 (b) 3 and 15308 activities for the protection of the environment since these bylaws are for internal management purposes only so LAFCo may carry out its functions.
4. Any previously adopted conflicting Bylaws are hereby repealed in favor of this amendment.
5. This bylaw amendment is hereby adopted.

PASSED AND ADOPTED at a regular meeting of the Lake Local Agency Formation Commission in the County of Lake, State of California, on \_\_\_\_\_ by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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Stacey Mattina, CHAIR  
LAKE LOCAL AGENCY FORMATION  
COMMISSION

ATTEST:

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John Benoit  
LAFCO Executive Officer