

Lake Local Agency Formation Commission

Regular Meeting Agenda

September 19, 2018 -- 9:30 am

**City of Clearlake – City Council Chambers
14050 Olympic Dr. Clearlake, California**

Website: www.lakelafco.org

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

Commissioners

Commission Alternate Members

Bruno Sabatier, Chair (City)
Stan Archacki, (Special Dist.)
Jim Scholz (Special District)
Ed Robey, (Public Member)
Moke Simon, Vice Chair (County)
Tina Scott (County Member)
Stacey Mattina (City)

Victoria Brandon (Spec. District Alternate)
Suzanne Lyons (Public Alternate)
Jeff Smith (County Alternate)
Kenneth Parlet (City Alternate)

Staff

John Benoit, Executive Officer
P. Scott Browne, Legal Counsel
Kathleen Moran, Clerk-Analyst

1. **Call to Order – Roll Call**
2. **Welcome new Special District Members Stanley Archacki from the Clearlake Oaks County Water District and Jim Scholz from the Redbud Healthcare District.**
3. **Approval of Minutes – July 18, 2018**

Action: Approve July 18, 2018 minutes

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

- a. *Review and authorize payment of expenses for July and August 2018*
- b. *Authorization for staff to work on complex or special projects per agreement with Executive Officer dated January 13, 2003 as amended.*

ACTION ITEMS:

6. LAFCo Financial Policies Update 2018

- a. *Review and discuss proposed updated Finance Policies for LAFCo.*
- b. *Consider Resolution 2018-0008 adopting updated finance, revenue and travel policies for Lake LAFCo*

7. Agreement between the City of Clearlake and LAFCo and release of LAFCo Funds from the County Treasury.

- a. *Consider Agreement between the City of Clearlake and LAFCo for the City to Handle LAFCo's finances subject to Clearlake City approval.*
- b. *Consider Resolution 2018-0009 authorizing the release of LAFCo funds held by the County of Lake Treasury to the City of Clearlake for deposit into LAFCo's account subject to the Clearlake City approval of the agreement between the City of Clearlake and LAFCo.*
- c. *Consider Resolution 2018-0010 requesting the City of Clearlake to establish a LAFCo Fund including revenue and expenditure accounts subject to the Clearlake City approval of the agreement between the City of Clearlake and LAFCo.*
- d. *Authorize Chair to Sign a letter requesting the County Treasurer to release funds to the City of Clearlake's LAFCo account subject to the Clearlake City approval of the agreement between the City of Clearlake and LAFCo.*

8. 2018 Biennial Review of LAFCo's Conflict of Interest Code

- a. *Authorize Chair to sign Biennial Review form and send to Code reviewing body.*

9. Discussion regarding LAFCo's Legislative Intent

- a) **Review and Discuss the Legislative Intent of LAFCo**

10. Executive Officer' s report.

- a. *Kelseyville CWD MSR and SOI*
- b. *Lake County Lighting Districts MSR and SOI*
- c. *Cobb Reorganization*
- d. *CALAFCo Conference*

11. **LAFCo Counsel's report**

12. **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.

13. **Correspondence:**

14. **Adjourn to LAFCO's next regular meeting: Wednesday November 21, 2018 in Lakeport (Consider alternative meeting day since this is the day prior to the Thanksgiving holiday)**

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 or by fax at (916) 797-7631. Agenda items are located on the Lake LAFCO Webpage at www.lakelafco.org

LAKE LOCAL FORMATION COMMISSION
MINUTES
July 18, 2018 Regular Meeting

#3

Members Present

Gerry Mills, Chair, Special Districts
Moke Simon, County Member
Bruno Sabatier, City Member
Ed Robey, Public Member
Tina Scott, County Member
Stacy Mattina, City Member
Kenneth Parlet, City Alternate
Victoria Brandon, Special District Alternate
Suzanne Lyons, Public Member Alternate

Staff Present

P. Scott Browne, Legal Counsel
John Benoit, Executive Officer
Kathleen Moran, Clerk-Analyst

Absent: Jeff Smith, County Alternate.

Present: Jan Coppinger, Lake County Special Districts.

1. Call to Order

Chairman Mills called meeting to order at 9:30 a.m. at the Lakeport City Chambers.

2. Election of Chair and Vice-Chair for FY 2018-2019

Motion by Commissioner Scott, seconded by Commissioner Mattina to nominate Commissioner Sabatier as Chair of Lake County LAFCo for FY 2018-2019. Motion carried.

Motion by Commissioner Robey, seconded by Commissioner Brandon to nominate Commissioner Simon as Vice-Chair of Lake County LAFCo for FY 2018-2019. Motion carried.

3. Approval of Minutes - Motion by Commissioner Brandon, seconded by Commissioner Sabatier to approve the Minutes of the May 16, 2018 Regular Meeting. Motion carried.

4. Public Comment - Chair called for a period of public comment. None were heard.

Executive Officer (EO) reviewed Addendum Agenda which was necessitated by the need to meet the County Auditor's process to pay expenses budgeted this year out of the 2017-2018 approved budget.

5. Consent Agenda A -1 Item #5 Addendum

Motion by Commissioner Robey, seconded by Commissioner Mattina to approve Consent Agenda (Addendum Item #5) A-1 a. and A-1 b. as follows:

A-1 a.) Authorize payment of expenses for May and June 2018.

A-1 b) Authorize staff to work on complex or special projects per agreement with Executive Officer dated January 13, 2003 as amended. Motion carried.

6. Action Items

Ms. Coppinger updated the Commission on the status of the Consolidation between Paradise Valley CSA #16 and the Clearlake Oaks County Water District (LAFCo file 2015-0005) as requested by the Commission at the January 17, 2018 meeting. She reported that the project is entering the final

stages toward completion and listed specific items and tasks both in process and scheduled. Meters have been ordered, and PGE is very close to providing a design and the deposit amount. She stated that the estimate is \$65,000 but she is waiting for the final number and is in communication with PG & E on a near weekly basis. EO reminded Commissioners that they approved an extension for the project to January 2019. Ms. Coppinger will continue to provide project updates.

7. Review Proposed Letters of Support for SB 929 and AB 2238

SB 929 (McGuire) Special District's websites. If enacted would require every independent special district to maintain an Internet Web site that clearly lists contact information for the special district, except as provided. beginning on January 1, 2020.

AB 2238 (Aguilar-Curry) LAFCo's and Hazard Mitigation Plan. Local agency formation: regional housing need allocation: fire hazards: local health emergencies: hazardous and medical waste – General Plan Safety Element.

If enacted, among other things, would require LAFCOs, to add to the list of factors they must consider when reviewing a proposal, to additionally consider the following, if it is determined that such information is relevant to the area that is the subject of the proposal: a) Information contained in a local hazard mitigation plan; b) Information contained in a safety element of a general plan; and c) Any maps that identify land as a very high fire hazard severity zone, pursuant to existing law, or maps that identify land determined to be in State Responsibility Area, pursuant to existing law.

Discussion was held. Commissioner Brandon noted that representatives of Lake County's Districts are sponsors for both bills.

Motion by Commissioner Scott, seconded by Commissioner Simon to authorize Lake LAFCo support letter for SB 929 and authorize the Chairman to sign. Motion carried.

Motion by Commissioner Brandon, seconded by Commissioner Mattina to authorize Lake LAFCo support letter for AB 2238 and authorize the Chairman to sign. Motion carried.

Mr. Browne reported on AB 2258 and there was a brief discussion. Bill Summary: AB 2258 would require the Strategic Growth Council (SGC) to establish and administer a local agency formation commission (LAFCO) grant program to pay for costs associated with dissolving inactive special districts, as well as service studies and other actions by public agencies in disadvantaged communities, as specified. The bill would make a \$1.5 million General Fund appropriation for these purposes. Fiscal Impact: One-time General Fund appropriation of \$1.5 million to the SGC in 2018-19 for grant. Counsel will continue to follow and report on the bill.

8. Request by LAFCo Counsel for amendment of his Legal Agreement to include costs and expenses for participation in Calafco Activities

Mr. Browne stated that this amendment clarifies reimbursement for his work with Calafco on behalf of Lake County LAFCo, on a pro-rated basis, shared with seven other LAFCo's, and authorizes compensation for his work on special projects for Lake County LAFCo.

Motion by Commissioner Robey, seconded by Commissioner Simon to approve the Fourth Amendment to Agreement for Legal Services between the Lake Local Agency Formation Commission

July 18, 2018

and P. Scott Browne, dated July 21, 2004, amended on July 18, 2007, May 20, 2015 and July 19, 2017 and authorize the Chairman to sign. Motion carried by the following vote:

AYES: Commissioners Simon, Mattina, Sabatier, Brandon, Mills, Robey and Scott.

NOES: None.

ABSENT: None.

9. Authorize Staff and Commissioners to attend the Calafco Annual Conference at Tenaya Lodge near Yosemite October 3-5, 2018

Motion by Commissioner Sabatier, seconded by Commissioner Scott to authorize Commissioners Sabatier and Robey and staff to attend the Calafco Annual Conference October 3-5. Motion carried.

EO noted that Ms. Coppinger will also attend and participate on a panel discussion.

10. Calafco Achievement Awards

Commissioner Sabatier stated that he has reviewed the award categories and feels that the Cobb Project should be nominated for Project of the Year. Commission discussed the cooperative efforts of the several agencies in facilitating the Cobb Area Reorganization Project and agreed it should receive a nomination for Project of the Year. Chairman Mills stated that he would like to see Executive Officer John Benoit receive a nomination for Outstanding LAFCo Professional of the Year for his efforts on the Cobb Project. EO thanks the Commission, but declines. Chairman Mills, the Commissioners and Ms. Coppinger all express support for John's nomination and urge him to allow the nomination. After discussion, he agreed. Mr. Browne will write up the information for the nomination which is due by August 1 to Calafco.

Motion by Commissioner Robey, seconded by Commissioner Scott to nominate the Cobb Area Reorganization Project for Project of the Year and nominate Executive Officer John Benoit as Outstanding LAFCo Professional of the Year. Motion carried.

11. Consider nomination for the Calafco Board of Directors – City Member or Public Member

Commissioner Robey stated he is not available. Commissioner Mattina stated that she is not able this year, but perhaps in the future.

12. Designate LAFCo member or staff to vote on behalf of Lake LAFCo at the Calafco Annual Conference

Motion by Commissioner Sabatier, seconded by Commissioner Simon to nominate Commissioner Robey as designated voting member to represent Lake LAFCo at the Calafco Annual Conference, Commissioner Sabatier to serve as alternate. Motion carried.

Addendum Item B. Action Item A-2 – Request by Executive Officer amending Contract dated January 13, 2003 amendment regarding changes and updates to contract language regarding special and complex projects and use of subconsultants

A-2 Motion by Commissioner Brandon, seconded by Commissioner Mattina to Approve Fifth Amendment to the Agreement for the Provision of LAFCo Staff Services between the Lake Local Agency Formation Commission and John Benoit, Contractor, dated January 13, 2003, first amended on July 20, 2005, second amended on July 1, 2007, third amended on May 20, 2015, and fourth

July 18, 2018

amended on July 1, 2017, re: authorize EO to undertake or manage special or complex projects and receive reimbursement for same, and authorize the Chairman to sign. Motion carried by the following vote:

AYES: Commissioners Simon, Mattina, Sabatier, Brandon, Mills,
Robey and Scott.
NOES: None.
ABSENT: None.

Commissioners requested an updated contract. EO stated that due to the number of amendments to his contract, he will prepare a comprehensive version for review and consideration incorporating all changes.

Addendum Item B. Action Item – Begin Review of LAFCo’s Travel, Budget and Expenditure Policies

A-3 EO distributed copies of the existing Expenditure and Travel Policies and the Budgeting Policy and asked the Commissioners to review. He stated that the current policies need to be brought up to current standards. EO to draft updates and will schedule a workshop.

EO expressed concern that it may be better for Lake LAFCo to look elsewhere for a fiscal agent due to the complexities of the County providing those services.

Addendum Item B. Action Item – 2018-2019 Budget Amendment to add expenditure appropriation and account to pay State Board of Equalization Fees for the Cobb Area Reorganization

A-4 Motion by Commissioner Brandon, seconded by Commissioner Mattina to adopt Resolution 2018-0007 A Resolution of the Lake Local Agency Formation Commission Adopting Amendment to the 2018-2019 Budget to increase revenue appropriations and expenditures in the amount of \$6,400.00 to pay State Board of Equalization fees for the Cobb Area Reorganization Project, LAFCo file 2017-0001. Resolution passed and adopted by the following vote:

AYES: Commissioners Simon, Mattina, Sabatier, Brandon, Mills, Robey and Scott.
NOES: None.
ABSENT: None.

13. Executive Officer’s Report

- a. Status of Special District Elections. EO stated there are now two Special District seats open due to resignations of Alan Gott and Gerry Mills. Commissioner Brandon has chosen to remain the alternate. In the meantime, EO, has received two nominations, Stanley Archacki from the Clearlake Oaks County Water District, and Jim Schols from the Redbud Healthcare District. He asked if the Commission would rather revisit sending notices and possibly having an election or appoint the two applicants. The consensus is to appoint Messrs. Archacki and Schols. EO will invite the two new members to the next meeting.
- b. Status of Appointment of Special District Redevelopment Agency Oversight Committee. EO reported now have a representative on the Committee from Lakeport Fire District.

- c. Kelseyville County Waterworks District Municipal Service Review and Sphere of Influence are in process.
- d. Cobb Reorganization - almost completed – now must file the Certificate of Completion.
- e. Report on CALAFCo Conference panel on LAFCo and Natural Disasters. EO has organized the panel for this General Session as the Cobb Area Reorganization is one of the topics of discussion. There are several participants from Lake County.

14. LAFCo Counsel’s Report.

Mr. Browne will also be a presenter at the Calafco Conference Agenda with a session called “LAFCo in a Perfect World” which will be an audience participation session.

Mr. Browne also plans to present a session on CEQA and CEQA Exemptions at the next Lake LAFCo meeting.

15. Commissioner Reports

Chairman Mills stated that this is his last LAFCo meeting as a Commissioner, as he has resigned from the Fire District. He complimented the Commissioners and staff and thanked them for their support. All Commissioners and staff expressed their appreciation for Commissioner Gerry Mills and his exceptional service to the community and to LAFCo.

Chairman Mills passed the gavel to Commissioner Sabatier.

Commissioner Sabatier asked if there was anything that Lake LAFCo can do to proactively provide support to the fire situations. Commissioners discussed the possibility of adding a designated Fire Protection District seat to the Commission. Mr. Browne responded that since there is no Special District Selection Committee, which would enable that option, he suggested the Commissioners encourage fire districts to strive to maintain representation on the Commission. EO stated that he could ask the California Special Districts Association to speak to the special districts about the benefits of having a Special District Selection Committee. Commissioner Mills stated he could contact the Fire Chiefs Association to ask for their input.

16. Correspondence. None.

10:55 a.m. Meeting adjourned. Next regular meeting Wednesday September 19, 2018 in Clearlake.

By: _____
Kathleen Moran, Clerk

Lake Local Agency Formation Commission

Item 5

CLAIMS July and August 2018

2017-2018 Expenses

<u>Date of Claim</u>	<u>Description</u>	<u>Amount</u>
6.16.18-7.15.18	Browne Legal	\$ 525.00
July 1, 2018	Staff Services July 2018	\$ 5,697.67
7.16. 2018- 8.15.18	Browne Legal	\$ 1,837.00
July 18, 2018	Meeting Stipend	\$ 540.00
Sept 1, 2018	Staff Svcs Aug 2018	\$ 7,086.62
Sept 1, 2018	CACWD BOE Fees	\$ 6,400.00
TOTAL:		\$ 22,086.29

DATED: September 19, 2018

APPROVED: September 19, 2018

Bruno Sabatier, Chair
Lake Local Agency Formation Commission

Attest:

John Benoit
Executive Officer

LAKE LOCAL AGENCY FORMATION COMMISSION

September 19, 2018

ADDENDUM ITEM A-1(b)

The Executive Officer is hereby authorized to initiate and process the following Special and (or) Complex projects effective beginning 7.1.2017)

Service Review and Sphere (MSR and SOI) for the Kelseyville Co. Water District
– Not to exceed \$10,000

Cobb Area Service Review and Reorganization Project – Not to exceed \$23,000

Street Lighting Districts in Lake County – Not to exceed \$10,000.

Konocti County Water District MSR and SOI (not to exceed \$12,000)

GIS mapping for all districts in Lake County and for all authorized projects (not to exceed \$3,000).

Records retention (not to exceed \$3,000)

City of Lakeport Reorganization designation as a complex project. Costs to be determined during the annexation processing.

Note: Funds have been appropriated in the FY 2017–2018 and FY 2018-2019 LAFCo budgets and are authorized in accordance with Section 2.1.2 of the Contract for the Provision of LAFCo Staff Services dated January 13, 2003, as amended.

DATED: September 19, 2018

APPROVED: September 19, 2018

Bruno Sabatier, Chair or Moke Simon, Vice-Chair
Lake Local Agency Formation Commission

Attest:

John Benoit
Executive Officer

RESOLUTION NO. 2018-0008
of the

Item # 6

LAKE LOCAL AGENCY FORMATION COMMISSION

*A Resolution of the Lake Local Agency Formation Commission Amending its Bylaws
thereby adopting an updated Finance, Revenue and Travel Policy*

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 and Resolution 2016-0009 establishing a legislative participation process on July 20, 2016.

WHEREAS, the Lake Local Agency Formation Commission believes it is important to update and maintain its Financial Policies including Budgeting, Business and Travel, Expenditure, General Finance and Fixed Assets Policies.

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 revised section 3.2 "Budgeting Policies" with new "Finance Policies"
2. Revised Section 3.2, in LAFCo's Bylaws is hereby added to include a comprehensive finance policy, as attached as Exhibit A.
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 and all previously adopted conflicting Bylaws or previously adopted finance policies 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 September 19, 2018 by the following vote:

AYES:
NOES:

ABSENT:
ABSTAIN:

Bruno Sabatier, CHAIR
LAKE LOCAL AGENCY FORMATION
COMMISSION

ATTEST:

John Benoit
LAFCO Executive Officer

Exhibit "A"

Lake LAFCO Finance and Expenditure Policies

A Bylaw Amendment replacing Section 3.2 "Budgeting Policies" with new Section 3.2 "LAFCo Finance Policies".

3.2. Finance Policies

General

Unless otherwise determined by the Commission, the Commission as a whole shall serve as the LAFCO Budget Committee. The Executive Officer shall prepare and submit to the Commission a draft budget for review not later than the March meeting of the Commission. As required under Section 56381, the Commission shall then hold a noticed public hearing on the budget at the March Meeting and adopt a preliminary budget at that meeting. The Commission shall adopt its final budget after noticed public hearing at the May meeting. When the Commission has finalized the budget, the Executive Officer shall promptly send it to the County, the independent special districts and the Cities of Clearlake and Lakeport as provided by the LAFCO Act, Section 56381.

The Commission may at any time and at its own discretion modify its approved budget.

3.2.1. Budgeting Policies

- a. LAFCO shall adopt a work program for the next fiscal year prior to its adoption of the proposed budget. The work program shall set forth the proposed actions, studies, reports and administrative objectives for the coming year. The work program shall be developed considering the following factors:
 - i. Statutory requirements for preparation of Municipal Service Reviews and Updates to Sphere Plans.
 - ii. Anticipated Projects.
 - iii. Efficient delivery of LAFCO services to the community.
- b. LAFCO's budget for the next fiscal year shall normally be set at a level that allows the agency to complete the essential tasks of the approved work program. If the Commission determines that it cannot reasonably require funding at the level necessary to fund the work program, the Commission shall eliminate or modify items in the work program to reflect the reductions in funding prior to approval of the reduced budget. The proposed and final budget shall be equal to the budget adopted for the previous fiscal year unless the Commission finds that reduced staffing or

program costs will nevertheless allow the Commission to fulfill its purposes and programs as required by the LAFCO Act. (§56381)

- c. Where feasible, LAFCO shall re-budget carryover from the prior fiscal year or a portion of its carryover funds to reduce costs to the funding agencies. The Commission shall establish a reserve account and direct the Executive Officer to deposit 20% of any unallocated rollover into said reserve account up to \$75,000 once the final rollover (carryover from previous budgets) is determined. Alternatively, LAFCO may wish to use carryover monies to fund a General Reserve Fund. Appropriations and expenditures from the General Reserve Fund shall require Commission approval.

3. Contingency Reserve

The annual budget shall include a contingency reserve (i.e., 10% of budget) as determined by the Commission during the budget process. Funds budgeted in the contingency reserve may be used or transferred to any other expense account as authorized in the monthly commission warrant or claims form and approved by the Chair or Vice-Chair for the months the Commission does not meet otherwise by the full Commission.

4. Budget Adjustments

The Executive Officer may make adjustments to its budget at any time during the fiscal year, as he or she deems appropriate.

3.2.2. **Business & Travel Expenses Policy**

LAFCO will reimburse reasonable business travel expenses incurred by its officers and employees while on assignments away from the normal work location. The Executive Officer is hereby delegated the authority to authorize business travel for other LAFCO officers and employees, provided funds are allocated for such purpose in a budget approved or otherwise authorized by the Commission. All staff business travel must be approved in advance by the Executive Officer.

When approved, the costs of travel, meals, lodging, and other expenses directly related to accomplishing business travel objectives will be reimbursed by LAFCO. Expenses are expected to be reasonable amounts and must comply with Government Code §53232.2.

Expenses that generally will be reimbursed include the following:

- a. Airfare or train fare for travel in coach or economy class or the lowest available fare. Mileage expenses shall not exceed the reasonable costs of air or train fare, as applicable.
- b. Car rental fees, only for compact or mid-sized cars.
- c. Fares for shuttle or airport bus service, where available; costs of public transportation for other ground travel.
- d. Taxi fares, Uber, Lyft or other service, only when there is no other less expensive alternative.
- e. Cost of standard accommodations in hotels, motels, or similar lodgings using the government or conference rate when available.
- f. Meal allowances include the per diem amount as provided for in IRS guidelines as referenced in GC 53232.2 (c). A higher amount may be reimbursed as long as an itemized receipt is provided.
- g. No alcoholic beverages will be reimbursed anytime including with the cost of meals.
- h. Charges for telephone calls, internet, fax, and similar services shall be allowed during travel provided these charges are required for business purposes.
- i. Additional expenses arising from such non-business travel are not LAFCO's expenses.
- j. Mileage reimbursement shall be at the current rate established by the Internal Revenue Service at the time the mileage expense is incurred.
- k. A LAFCO officer or employee involved in an accident while traveling on business must promptly report the incident to the Executive Officer.
- l. When travel is completed, claims shall be submitted for reimbursement within 60 days or prior to the conclusion of the Fiscal Year in which the expenses were incurred. Claims must be accompanied by receipts for all expenses, with the exception of per diem amounts for meals under paragraph f above.

3.2.3. Expenditure Policy

- a. All documents relating to reimbursements of expenditures shall be available for review at the LAFCO office. All back-up billing information in the possession of the Commission shall be available.
- b. The LAFCO Executive Officer is responsible for managing the day-to-day business of the Commission and for making or authorizing expenditures for that purpose within the authority conferred by the adopted budget. This responsibility shall also include the power to approve contracts of up to \$5,000.00 on behalf of the Commission. The Executive Officer shall obtain the concurrence of the Chair and consult with LAFCO Counsel prior to entering into any contract outside the usual course of Commission business, including contracts for legal, consulting, or other professional services. Staff shall promptly notify the members of the Commission regarding contracts made on the Commission's behalf.
- c. Expenses, Travel and (or) contract payments to the Executive Officer shall be approved by the LAFCO Chair or Vice-Chair.
- d. Members and Alternate Members may be reimbursed, consistent with an amount as determined from time to time by the Commission, for reasonable and necessary expenses incurred for meeting attendance. Each member and alternate member in attendance at any Commission meeting may also receive a per-meeting stipend as established by the Commission. LAFCO shall inform the applicable County/City Finance Office of changes to meeting stipend rates for proper pay out.

3.2.4. General Finance Policy

- a. These expenditure and travel policies are not intended to conflict with or modify LAFCO's duties and obligations under the LAFCO Act or with Government Code §53232 et seq.
- b. So long as another agency such as the County is handling LAFCO financial transactions, amendments to bylaws, Fee Resolutions, Policies, Standards and Procedures or any other adopted finance related LAFCO policy pertaining to finances shall be transmitted to the appropriate financial office upon adoption. Any dispute or disagreement between a LAFCO officer or employee and the City or County Finance agency regarding reimbursement or payment of any claim shall be referred to the Commission for final determination. A minute order reporting the Commission's action shall be transmitted to the applicable finance office. The LAFCo Commission Claim form as approved by the Commission or signed by the LAFCo Chair for months when the Commission does not meet or lacks a quorum shall constitute the Commission's final determination for any expenditures and payment of the amount of the claims shall be deemed ordered.
- c. The Executive Officer or Clerk to the Commission if present at a LAFCo meeting is authorized to sign and submit the Commission payroll to city or county finance upon conclusion of that meeting.
- e. LAFCO shall follow the budget process contained in the LAFCO Act and these adopted Finance Policies.

- f. The Commission hereby authorizes the LAFCO Executive Officer or their designee to sign any and all financial claims for the LAFCO account submitted to the City or County serving as LAFCo's banker in accordance with the above policies. The Commission further authorizes the Executive Officer and Clerk to the Commission to sign any signature authorization forms required by the City or County Administration Departments, as may be the case, to implement the authority granted by this policy.

- g. Commission Travel
 - i. All conference travel shall be as established in the annual LAFCO budget as appropriate for LAFCO, unless otherwise amended.

 - ii. Members and alternate members will be reimbursed for reasonable meal and travel expenses as stated above in compliance with the most recent IRS guidelines.

 - iii. On occasions when a Commission meeting must be recessed for a meal break or when a meal is served at a meeting, members and alternate members shall be reimbursed for reasonable meal expenses.

- h. Recognition by the Commission - Nominal amounts may be expended for the purchase of plaques or certificates of appreciation for those to whom such expressions are deemed to be appropriate by the Commission.

3.2.5. Fixed Assets Policy

1. LAFCO adopts a fixed assets capitalization policy with a useful life of 5 years or more and a value at purchase of \$5,000, or greater, per item.

2. It is LAFCO's policy to capitalize fixed assets. LAFCO will maintain an inventory of fixed assets, including equipment and furniture. The inventory will be maintained by staff and will be updated annually at the close of the fiscal year. Fixed assets are depreciated using the straight-line method over the estimated useful life of each asset.

3. An asset become obsolete when it is no longer operable, has been replaced, or is no longer available for use. A list of obsolete assets is provided to the Commission annually in conjunction with the audit and obsolete assets are removed from the capital assets list thereafter.

4. The Commission shall review and approve a list of any fixed assets to be declared surplus property. The Commission may dispose of surplus property by making the property available for donation to any non-profit or other agency listed or authorized by either the State of California or Lake County or its districts or cities to receive surplus property donations. The Commission may dispose of surplus property through a negotiated contract with an auction company or in any other manner that the Commission or Executive Officer determines to be reasonable. Costs of assets sold or retired (and related amounts of accumulated depreciation) are eliminated from the accounts in the year of sale or retirement.

#7a

**AGREEMENT BETWEEN THE CITY OF CLEARLAKE AND
THE LAKE LOCAL AGENCY FORMATION COMMISSION FOR CITY
FINANCE SERVICES**

This agreement is made and entered into this 19th day of September 2018, by and between the City of Clearlake, hereinafter referred to as CITY, and the Lake Local Agency Formation Commission (LAFCO), hereinafter referred to as LAFCO.

WITNESSETH

WHEREAS, Local Agency Formation Commissions have been created under the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Sections 56000 et. seq. of the Government Code, as independent agencies, with the power to adopt expenditure and travel policies, as necessary, to carry out their functions; and

WHEREAS, the conduct of the LAKE Local Agency Formation Commission is governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, sections 56000 et. seq.; and

WHEREAS, the Commission adopts and manages an annual budget including revenues and expenditures; and

WHEREAS, the LAFCO Executive Officer is responsible for managing the day-to-day business of the Commission and for directing expenditures for that purpose within the guidelines established by the adopted budget; and

WHEREAS, the Commission has adopted written expenditure and travel policies distinct from those of the County and City of Clearlake; and

WHEREAS, LAFCO is in need of accounting, financial review and general financial services; and

WHEREAS, LAFCO has determined it is in its best interest to contract with the City of Clearlake for said services; and

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

SECTION 1
LAFCO's RESPONSIBILITIES:

- 1.1 The City has agreed to charge LAFCo \$2,500.00 per year for banking, financial and accounting services performed by the City.
- 1.2 LAFCO will provide warrant processing information as required as part of the City's normal operating procedures, except to the extent modified by LAFCO's own policies.

SECTION 2
CITY'S RESPONSIBILITIES

City shall provide the following:

2.1 City Finance Department

- (a) Assist the Executive Officer in managing LAFCO's day to day accounting and financial functions.
- (b) Process expenditure and travel expense requests in accordance with LAFCO's adopted finance and expenditure and budget policies. The LAFCo Commission, or the LAFCO Executive Officer or his designee will approve all invoices to be paid by the City of Clearlake in advance of their processing.
- (c) Maintain all LAFCO funds in separate fund accounts and invest them in the Local Agency Investment Fund (LAIF) on behalf of LAFCO.
- (d) Timely process all warrant requests within eight business days of submittal and provide LAFCO with a monthly financial statement detailing all expenditures and income and fund balances not later than 15 days after the end of each month. Copies of the financial statements submitted to the Executive Officer shall also be sent direct to the Commission Chair. City shall make sure that the Chair is receiving the statements.
- (e) City shall hold funds for LAFCO under this agreement as a fiduciary and title to those funds shall not shift to the City while they are held for LAFCO and City shall release all LAFCO funds upon request, without right of set-off.
- (f) City understands that LAFCO has it 's own financial, expense reimbursement and purchasing policies and agrees to apply those policies to LAFCO expenditures.

SECTION 3
TERM

This Agreement shall commence September 19, 2018 and continue until terminated upon sixty (60) days written notice by either party. It is agreed that an annual review and adjustment of the fees for the services provided for in this agreement will be conducted prior to budget adoption each fiscal year.

SECTION 4
STANDARD OF SERVICES

City represents that it is specially trained, licensed, experienced and competent to perform all the services, responsibilities and duties specified herein and that such services, responsibilities and duties shall be performed in a manner according to generally accepted practices.

SECTION 5
INDEMNIFICATION

Each party shall be responsible for its own acts and omissions and any and all claims, liabilities, injuries, suits and demands and expenses of all kinds that may arise out of any alleged negligence and/or intentional acts caused or alleged to have been caused by said party, its employees, commissioners, agents or subcontractors, in the performance or omission of any act or responsibility of said party under this agreement. The City will be liable only for acts of gross negligence, breach of contract, willful misconduct or criminal activity on the part of the City's employees engaged in fulfilling the terms of this Agreement.

SECTION 6
EMPLOYEES OF THE CITY

- (a) It is specifically understood and agreed that in the performance of this Agreement, City's employees providing services herein are and shall remain employees of the City, and shall not be deemed to be an employee, agent, or servant of LAFCO or the County of Lake. City shall continue to provide workers compensation coverage for the City employees providing services herein.
- (b) City is, and shall at all times remain as to LAFCO, a wholly independent contractor. Neither LAFCO nor any of its agents shall have control over the conduct of City or any of City's employees, except as set forth in this Agreement. City shall not represent that it is, or that any of its agents or employees are, in any manner employees of LAFCO. However, the City will be acting as a limited agent on behalf of LAFCO to perform this Agreement.

SECTION 7
MODIFICATION

This Agreement may only be modified by a written amendment hereto, executed by all parties.

SECTION 8
NON-DISCRIMINATION IN EMPLOYMENT

In the performance of the work authorized under this Agreement, City shall not unlawfully discriminate against any qualified worker because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40) or any other unlawful basis.

SECTION 9
ATTORNEY'S FEES AND COSTS

If any action at law or inequity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable and actual attorney's fees, costs in addition to any other relief to which such party may be entitled.

SECTION 10
SEVERABILITY

If any provision of this Agreement is held to be unenforceable, the remainder of this Agreement shall be severable and not affected thereby.

SECTION 11
NOTICES

All notices that are required to be given by one party to the other under this Agreement shall be in writing and shall be deemed to have been given if delivered personally or enclosed in a properly addressed envelope and deposited with a United States Post Office for delivery by registered or certified mail addressed to the parties at the following addresses, unless such addresses are changed by notice, in writing, to the other party:

LAFCO:

Executive Officer
Lake LAFCO
P.O. Box 2694
Granite Bay, CA. 95746

City: City Manager
City of Clearlake
14050 Olympic Dr
Clearlake, CA 95422

SECTION 12
ADDITIONAL PROVISIONS

(a) Governing Law; Integration. This Agreement shall be governed by the laws of the State of California. It constitutes the entire agreement between the parties regarding its subject matter. This Agreement supersedes all proposals, oral and written and all negotiations, conversations or discussions heretofore and between the parties related to the subject matter of this Agreement.

(b) Records and Inspections. City shall maintain full and accurate records with respect to all matters covered under this Agreement in the same manner and for the same duration as it maintains records of its own financial activities. LAFCO shall have the right to access and examine such records, without charge, during normal business hours. LAFCO shall further have the right to audit such records, to make transcripts therefrom and to inspect all program data, documents, proceedings, and activities.

Executed at Clearlake, County of LAKE California, on the day and year first written above.

Lake LAFCO

City of Clearlake

Bruno Sabatier, LAFCO Chair

Bruno Sabatier, Mayor

ATTEST:

ATTEST:

John Benoit, Executive Officer

Greg Folsom, City Manager

APPROVED AS TO FORM:

Ryan R. Jones, City Attorney

P. Scott Browne, LAFCo Counsel

Lake Local Agency Formation Commission

Resolution 2018-0009
of the

Lake Local Agency Formation Commission

Lake County, California

*Resolution of the Lake Local Agency Formation Commission
Authorizing the release of LAFCO funds held by the County of Lake Treasury to the City
of Clearlake for deposit into the City's LAFCO Account*

WHEREAS, Local Agency Formation Commissions have been created under the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Sections 56000 et. seq. of the Government Code, as independent agencies, with the power to adopt expenditure and travel policies, as necessary, to carry out their functions, (§56334); and

WHEREAS, the conduct of the Lake Local Agency Formation Commission is governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, sections 56000 et. seq.; and

WHEREAS, the LAFCO Executive Officer is responsible for managing the day-to-day business of the Commission and for directing expenditures for that purpose within the guidelines established by LAFCO policy; and

WHEREAS, the Commission has adopted written finance, expenditure and travel policies distinct from those of the County of Lake and all other agencies within Lake County; and

WHEREAS, the Commission has determined that it would be in the best interest of LAFCO to transfer financial and bill paying responsibilities from the County Auditor to the Treasurer of the City of Clearlake; and

WHEREAS, on September 19, 2018, Lake LAFCO passed Resolution 2018-0008 requesting the City of Clearlake to establish a LAFCO revenue and expenditure fund.

WHEREAS, this Resolution shall become effective on July 1, 2017.

NOW, THEREFORE, the Lake Local Agency Formation Commission DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

1. Lake LAFCO hereby requests the release of all LAFCO funds from the County of Lake Treasury effective October 1, 2018 or after processing of LAFCO's September 2018 claims, whichever is later and a check or wire of all remaining LAFCO funds currently on deposit with Lake County to be released to the City of Clearlake for deposit into the City's LAFCO Account.

Lake Local Agency Formation Commission

2. The transfer of funds shall not change the County Auditor's statutory mandatory duty to follow and implement the provisions of the Cortese-Knox Local Government Reorganization Act of 2000, as amended; in particular, Section 56381 with respect to collecting LAFCO funds from agencies tax revenue as well as any other provision relating to actions before LAFCO shall not be affected by this resolution.
3. The City of Clearlake shall transfer its share of the costs of LAFCO into the City's LAFCO account on an annual basis and shall promptly notify the Lake County Auditor-Controller of this action.
4. Lake County shall not retain any LAFCO funds or portion of LAFCO funds without specific permission from the Local Agency Formation Commission.
5. Lake County shall apportion interest received on LAFCO funds from the County Treasury to the date of the transfer of funds to the City and release any interest payments to the City of Clearlake for deposit into the City's LAFCO Account.

The foregoing resolution was offered at a Regular Meeting of the LAKE LOCAL AGENCY FORMATION COMMISSION on the 19th of September 2018, and adopted by the following vote of the Commission:

AYES:

NOES:

ABSTAIN:

ABSENT:

Bruno Sabatier, Chair or Moke Simon, Vice-Chair
Lake Local Agency Formation Commission

ATTEST:

John Benoit, LAFCO Executive
LAKE LOCAL AGENCY FORMATION COMMISSION

Item 7c

Lake Local Agency Formation Commission

**Resolution 2018-0010
of the
Local Agency Formation Commission
Of
Lake County, California**

*Resolution of Lake Local Agency Formation Commission
Requesting the City of Clearlake to establish LAFCO fund including revenue and
expenditure accounts*

WHEREAS, Local Agency Formation Commissions have been created under the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Sections 56000 et. seq. of the Government Code, as independent agencies, with the power to adopt expenditure and travel policies, as necessary, to carry out their functions, (§56334); and

WHEREAS, the conduct of the Local Agency Formation Commission of Lake County is governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, sections 56000 et. seq.; and

WHEREAS, The Commission desires the LAFCO funds be maintained with the City; and

WHEREAS, the LAFCO Executive Officer is responsible for managing the day-to-day business of the Commission and for directing expenditures for that purpose within the guidelines established by LAFCO policy; and

WHEREAS, the Commission has adopted written finance, expenditure and travel policies distinct from those of the County of Lake and the City of Clearlake as well as all other agencies within Lake County; and

WHEREAS, this Resolution shall become effective upon the City establishing a LAFCO fund and expenditure and revenue accounts for LAFCO.

NOW, THEREFORE, the Local Agency Formation Commission of Lake County DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

1. LAFCO requests the City's share of the operating costs of LAFCO shall be deposited into a restricted account held by the City of Clearlake on behalf of LAFCO in which the LAFCO shall receive interest.
2. Lake LAFCO hereby requests the City establish a LAFCO Restricted Fund with expenditure and revenue accounts. Expenditures shall comply with LAFCO's adopted travel and expenditure policies.
3. LAFCO will request release all LAFCO funds held on behalf of LAFCO in the County of Lake's treasury at this time.

Lake Local Agency Formation Commission

4. LAFCO shall consider the deposit or transfer of City funds into the City LAFCO restricted fund as the City having complied with the required apportionment in Gov. Code Section 56381.

The foregoing resolution was offered at a Regular Meeting of the Lake LOCAL AGENCY FORMATION COMMISSION on the 19th day of September 2018 and adopted by the following vote of the Commission:

AYES:

NOES:

ABSTAIN:

ABSENT:

Bruno Sabatier, Chair or Moke Simon, Vice Chair
Lake Local Agency Formation Commission

ATTEST:

John Benoit, LAFCO Executive Officer
Lake LOCAL AGENCY FORMATION COMMISSION

Lake Local Agency Formation Commission

Item 7 d

September 19, 2018

Barbara C. Ringen
Treasurer-Tax Collector
255 North Forbes Street, Rm 215
Lakeport, CA 95453

Attn: Barbara C Ringen, Treasurer-Tax Collector

RE: Release of LAFCO funds from the County

Dear Ms Ringen,

Attached is a fully executed agreement between LAFCO and the City of Clearlake regarding banking and financial services and LAFCO resolution 2018-0009 authorizing the release of LAFCO funds from the County Treasury. As authorized by the Commission, the Commission is requesting release of all LAFCO funds from County Treasury (fund 419) after your processing of the LAFCO claims for October 2018. We assume interest received on LAFCO funds will be apportioned at a later date. Please release all remaining LAFCO funds to the City of Clearlake, 14050 Olympic Drive. Clearlake, CA 95422 attn: Alan Flora, Finance Director and provide a closing balance sheet to our Executive Officer at Lake LAFCO, P.O. Box 2694 Granite Bay, CA 95746.

Sincerely,

Bruno Sabatier
Chair, Lake Local Agency Formation Commission.

Enclosures:

Lake Local Agency Formation Commission

Memorandum
September 19, 2018

TO: LAFCo Commissioners

FROM: John Benoit, Executive Officer

SUBJECT: Conflict of Interest Code Review.

Attachments: Lake LAFCO's Conflict of Interest Code
2018 Local Agency Biennial Notice

Government code section 87300 et. seq. (the Political Reform Act) requires each local government agency to maintain a conflict of interest code and update it to reflect changes that occur in the organization of an entity. The Local Agency Formation Commission (as well as other local agencies) is required to review and possibly amend its Conflict of Interest code on even-numbered years. A biennial notice is normally sent out by the County Clerk or other official designated by the Board of Supervisors during the summer of even numbered years to each agency required to review its Conflict of Interest Code. After review or approval of the Conflict of Interest Code, LAFCO is required to submit any proposed changes to the Board of Supervisors acting as the code reviewing body.

Government code section 87311 requires review of a conflict of interest code to be carried out under procedures which guarantee to officers, employees, members and consultants of the agency and to residents of the County adequate notice and a fair opportunity to present their views. A conflict of interest code was adopted on March 20, 2002. To engage the public, a notice of Public Hearing was published prior to LAFCO adopting amending its conflict of interest code (which was included in LAFCo's Bylaws). Since that time LAFCO has found no amendments to that code necessary.

Recommendation:

Direct the Executive Officer to sign and transmit the 2018 Local Agency Biennial Notice to the County Clerk (or person designated by the Board of Supervisors) declaring LAFCO has reviewed its Conflict of Interest code and no amendment is required at this time.

John Benoit, Executive Officer johnbenoit@surewest.net
P.O. Box 2694 Granite Bay, CA 95746
(707) 592-7528 ph. (916) 797-7631 fax.

Lake County
Local Agency Formation Commission
Conflict of Interest Code

The Political Reform Act, Government Code Section 81000, et seq., requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted Title 2, California Code of Regulations, Section 18730, which contains the terms of a standard model Conflict of Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings conducted by the Fair Political Practices Commission. Therefore, the terms of Title 2 California Administrative Code Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and, along with the following list of designated and disclosure requirements constitute the Conflict of Interest Code of the Local Agency Formation Commission of Lake County.

Designated officers and employees shall file Statements of Economic Interest (Form 730) with LAFCO, who will retain copies, and forward the original Statements for all Commissioners and the Executive Officer to the Lake County Clerk. The original statements for all other designated employees will be retained by LAFCO.

Designated Employees and Disclosure Requirements

Designated officers and employees include the following:

- A) All members and alternate members of this Commission
- B) The Executive Officer
- C) Legal Counsel to the Commission
- D) Consultants employed by the Commission. The Chair of the Commission may determine in writing that a particular consultant, although a "designated employee," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this Code. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. Such determination shall be a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

Designated employees and officers shall disclose the following: All investments, sources of income or interests in real property within the Lake Local Agency Formation Commission jurisdiction and business positions in which the designated employee or officer is a director, officer, partner, trustee, employee or holds any position of management, and which business does any contracting with the Local Agency Formation Commission, or which is located within the Local Agency Formation Commission jurisdiction.

2018 Local Agency Biennial Notice

Name of Agency: Lake LAFCo
Mailing Address: P.O. Box 2694 Granite Bay, CA 96746
Contact Person: John Benoit Phone No. 707.592.7528
Email: johnbenoit@surewest.net Alternate Email: _____

Accurate disclosure is essential to monitor whether officials have conflicts of interest and to help ensure public trust in government. The biennial review examines current programs to ensure that the agency's code includes disclosure by those agency officials who make or participate in making governmental decisions.

This agency has reviewed its conflict of interest code and has determined that (*check one BOX*):

An amendment is required. The following amendments are necessary:

(*Check all that apply.*)

- Include new positions
- Revise disclosure categories
- Revise the titles of existing positions
- Delete titles of positions that have been abolished and/or positions that no longer make or participate in making governmental decisions
- Other (*describe*) _____

The code is currently under review by the code reviewing body.

No amendment is required. (If your code is over five years old, amendments may be necessary.)

Verification (to be completed if no amendment is required)

This agency's code accurately designates all positions that make or participate in the making of governmental decisions. The disclosure assigned to those positions accurately requires that all investments, business positions, interests in real property, and sources of income that may foreseeably be affected materially by the decisions made by those holding designated positions are reported. The code includes all other provisions required by Government Code Section 87302.

September 19, 2018

Signature of Chief Executive Officer

Date

All agencies must complete and return this notice regardless of how recently your code was approved or amended. Please return this notice no later than **October 1, 2018**, or by the date specified by your agency, if earlier, to:

(PLACE RETURN ADDRESS OF CODE REVIEWING BODY HERE)

PLEASE DO NOT RETURN THIS FORM TO THE FPPC.

PART 1. GENERAL

CHAPTER 1. LEGISLATIVE FINDINGS AND DECLARATIONS

Title 56000. This division shall be known and may be cited as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

LEGISLATIVE FINDINGS AND DECLARATIONS; STATE INTERESTS:

56001. The Legislature finds and declares that it is the policy of the state to encourage orderly growth and development which are essential to the social, fiscal, and economic well-being of the state. The Legislature recognizes that the logical formation and determination of local agency boundaries is an important factor in promoting orderly development and in balancing that development with sometimes competing state interests of discouraging urban sprawl, preserving open-space and prime agricultural lands, and efficiently extending government services. The Legislature also recognizes that providing housing for persons and families of all incomes is an important factor in promoting orderly development. Therefore, the Legislature further finds and declares that this policy should be effected by the logical formation and modification of the boundaries of local agencies, with a preference granted to accommodating additional growth within, or through the expansion of, the boundaries of those local agencies which can best accommodate and provide necessary governmental services and housing for persons and families of all incomes in the most efficient manner feasible.

The Legislature recognizes that urban population densities and intensive residential, commercial, and industrial development necessitate a broad spectrum and high level of community services and controls. The Legislature also recognizes that when areas become urbanized to the extent that they need the full range of community services, priorities are required to be established regarding the type

and levels of services that the residents of an urban community need and desire; that community service priorities be established by weighing the total community service needs against the total financial resources available for securing community services; and that those community service priorities are required to reflect local circumstances, conditions and limited financial resources. The Legislature finds and declares that a single multipurpose governmental agency is accountable for community service needs and financial resources and, therefore, may be the best mechanism for establishing community service priorities especially in urban areas. Nonetheless, the Legislature recognizes the critical role of many limited purpose agencies, especially in rural communities. The Legislature also finds that, whether governmental services are proposed to be provided by a single-purpose agency, several agencies, or a multipurpose agency, responsibility should be given to the agency or agencies that can best provide government services.