

Lake Local Agency Formation Commission

Regular Meeting Agenda

November 21, 2018 -- 9:30 am

City of Lakeport – City Council Chambers

225 Park Street Lakeport, California

Website: www.lakelaftco.org

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

Commissioners

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)

Staff

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

Commission Alternate Members

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

- 1. Call to Order – Roll Call**
- 2. Approval of Minutes – Sept 19, 2018**

Action: Approve Sept 19, 2018 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**

- a. Review and authorize payment of expenses for September and October 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:

- 5. **Hold General Discussion regarding LAFCo's Jurisdiction and Districts subject to LAFCo's review - "definition of a district" and "change of organization"**
- 6. **Hold Discussion regarding the CALAFCo Annual Conference – Oct 2-5, 2018**
- 7. **2019 Regular Meeting Schedule for Lake LAFCo**
 - a. *Review and Discuss Regular Meeting Schedule for Lake LAFCo*
- 8. **Presentation Workshop regarding CEQA Exemptions – Scott Browne**
- 9. **Executive Officer's report.**
 - a. *Kelseyville CWD MSR and SOI*
 - b. *Lake County Lighting Districts MSR and SOI*
 - c. *Cobb reorganization completed*
 - d. *Policy Update*
 - e. *Upcoming LAFCo applications So. Lakeport, Middletown Rancheria,*
 - f. *AB 2258 (vetoed LAFCo Funding), AB 2019 (Healthcare Districts) & SB 929 (websites for Districts)*
 - g. *Letter to Legislators regarding the role and function of LAFCos*
 - h. *Status of transition of LAFCo finances from the County to the City of Clearlake*
- 10. **LAFCo Counsel's report**
- 11. **Commissioner Reports**

This item is placed on the agenda for Commissioners to discuss items and issues of concern to their constituency, LAFCO, and legislative matters.
- 12. **Correspondence:**
 - a. *State Controller's office letter re SB 244: possibly inactive CSA's 4,9,11,12 &19*
 - b. *Letter from Calafco re: Calafco Conference*
- 13. **Adjourn to LAFCO's next regular meeting: Wednesday January 16, 2019 in Clearlake.**

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



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

Public Comment

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

matter jurisdiction.

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

Public Hearings

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

Agenda Materials

Materials related to an item on this agenda submitted to the Commission after distribution of the agenda 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 j.benoit4@icloud.com. Agenda packets are located on the Lake LAFCO Webpage at www.lakelafco.org

2

LAKE LOCAL FORMATION COMMISSION
MINUTES
September 19, 2018 Regular Meeting

Members Present

Bruno Sabatier, Chair, City Member
Moke Simon, Vice-Chair, County Member
Stacy Mattina, City Member
Ed Robey, Public Member
Tina Scott, County Member
Stan Archacki, Special Districts
Kenneth Parlet, City Alternate
Victoria Brandon, Special District Alternate

Staff Present

P. Scott Browne, Legal Counsel
John Benoit, Executive Officer

Absent: Jeff Smith, County Alternate, Suzanne Lyons, Public Member Alternate,
Jim Scholz, Special Districts.

Present: Jan Coppinger, Lake County Special Districts.

1. Call to Order – Roll Call

Chairman Sabatier called meeting to order at 9:30 a.m. in the Council Chambers,
City of Clearlake.

- 2.** EO announced the new Special District representatives, Stanley Archacki, from the
Clearlake Oaks County Water District and Jim Scholz from the Redbud Healthcare
District. Commissioner Scholz was not in attendance.

- 3. Approval of Minutes** - Motion by Commissioner Mattina, seconded by
Commissioner Simon to approve the Minutes of the July 18, 2018 Regular Meeting.
Motion carried.

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

5. Consent Agenda

Motion by Commissioner Robey, seconded by Commissioner Brandon to approve
Consent Agenda Items as follows:

- 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.

Motion carried.

6. LAFCo Financial Policies Update 2018

Motion by Commissioner Simon, seconded by Commissioner Mattina to adopt
Resolution 2018-0008 Consider Resolution 2018-0008, A Resolution of the Lake
Local Agency Formation Commission Amending its Bylaws thereby adopting an
updated Finance, Revenue and Travel Policy. Resolution passed and adopted by
the following vote:

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

NOES: None.

ABSTAIN: None.

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

a. Motion by Commissioner Mattina, seconded by Commissioner Robey to approve Agreement between the City of Clearlake and Lake LAFCo for City Finance Services, subject to City approval, and authorize the Chairman to sign. Motion carried by the following vote:

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

NOES: None.

ABSTAIN: None.

b. Motion by Commissioner Mattina, seconded by Commissioner Robey to adopt Resolution No. 2018-0009 A 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, subject to approval of the agreement between the City of Clearlake and LAFCo. Resolution passed and adopted by the following vote:

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

NOES: None.

ABSTAIN: None.

c. Motion by Commissioner Simon, seconded by Commissioner Mattina to adopt Resolution No. 2018-0010 A Resolution of the Lake Local Agency Formation Commission Requesting the City of Clearlake to establish LAFCo fund including revenue and expenditure accounts, subject to the Clearlake City approval of the agreement between the City of Clearlake and LAFCo. Resolution passed and adopted by the following vote:

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

NOES: None.

ABSTAIN: None.

d. Motion by Commissioner Brandon, seconded by Simon to approve letter to Barbara C. Ringen, Lake County Treasurer-Tax Collector regarding request for release of LAFCo funds from the County, subject to the Clearlake City approval of the agreement between the City of Clearlake and LAFCo, and authorize the Chairman to sign. Motion carried.

8. 2018 Biennial Review – LAFCo’s Conflict of Interest Code

a. Motion by Commissioner Robey, seconded by Commissioner Simon to authorize the Chair to sign Lake LAFCo Biennial Review Form and submit to Code reviewing body, with no amendments. Motion carried: All yes.

9. Discussion regarding LAFCo’s Legislative Intent

EO stated that rather than presenting the LAFCo 101 information that he has previously used to educate new and existing Commissioners, this year he is going to breakdown the information on LAFCo laws into segments to be presented at each meeting to allow for a more comprehensive review and discussion. Today’s session focuses on LAFCo’s legislative intent. EO reviewed Chapter 1 of Title 56000 of the Cortese-Knox-Hertzberg Act, Legislative Findings and Declarations. He also spoke to the history of LAFCo, how and why it was formed, and provided some anecdotal Lake County examples.

10. Executive Officer’s report

- a. Kelseyville CWD - MSR and SOI: Should have MSR for Commission review at next meeting.
- b. Lake County Lighting Districts MSR and SOI – in process – Mark Dellinger will assist.
- c. Cobb Reorganization

EO updated Commission on the Cobb Reorganization. Commissioner Robey asked when the reorganization will be finished. Ms. Coppinger responded that the administrative reorganization is well in place and Cobb Area Water is now managing all the water systems that it took in. The State is working on funding for some of the system infrastructures that were in very bad shape. She noted that there is still much work to be done, but the consolidation process went smoothly and much faster than expected.

- Ms. Coppinger also reported on the status of the consolidation of Clearlake Oaks County Water District and CSA 16. She stated there are some issues that need to be resolved. The primary hold up is with PG & E, who are understandably behind due to the fires. Ms. Coppinger stated that she communicates with PG & E at least once a week for updates. Further, the consolidation will not take place until PG & E’s work is completed. She stated that she does not anticipate another extension and that the project should be completed by January 2019 as planned.

- EO reported that Hidden Valley Lakes Community Service District and Lake County have been asked to participate in the Civics Peak Water Project. EO will provide additional information at the next meeting.
- Long Term Water Conservation Legislation. SB 606 and SB 1668 were passed. EO expressed concerns at the legislation, noting many outstanding issues. David Cowan is the new Water Resources Manager for Lake County. EO to contact Mr. Cowan to invite him to address the Commission on these issues.
- EO asked chair to sign letter in support of AB 258. Mr. Browne stated that the Governor did not sign the bill because it was not put forward as an appropriation bill, making the support letter unnecessary.

d. CALAFCo Conference. EO did not have anything new to report.

11. LAFCo Counsel's Report

Mr. Browne will present a session on CEQA and CEQA Exemptions at the next meeting.

12. Commissioner Reports

Chairman Sabatier asked about the Golden State Water District, which the Commission had previously discussed. At the time, it was noted that some information was being gathered in the Oroville area relative to Golden State Water District and the Commission had agreed that the matter should be discussed at a future meeting. Chairman Sabatier asked if the Commission could do an MSR on the four Clearlake Water Districts to review the differences in cost. Mr. Browne stated that Golden State is a private company and LAFCo's direct jurisdiction is over the public agencies. However, he noted that does not prevent the Commission from conducting an MSR to assess the benefits of consolidation of public and private water service providers in the Clearlake area.

Mr. Browne stated that the cost of the Golden State Water District rate study in Oroville was about \$35,000. Ms. Coppinger stated that there has been some discussion-stage meetings currently being held regarding private and public water agencies consolidating. The discussions focus on private company efforts to take in or take over the public agency providers. Ms. Coppinger noted that Michelle Frederick (SWRCB) has also been in the discussion loop.

Mr. Browne asked that LAFCo be included on the notification list for future meetings. Ms. Coppinger stated that LAFCo would be notified.

Commissioner Simon asked Ms. Coppinger about the fourteen customers on Socrates Mine Road who rely on a small water system. Ms. Coppinger stated that those customers recently entered into an agreement for two years of service, so

they have two years to come up with a permanent water service solution. The fourteen customers are next to the Anderson Springs Water District and there is an opportunity for consolidation there.

13. Correspondence. None.

10:50 a.m. Meeting adjourned. Next regular meeting Wednesday November 21, 2018 in Lakeport at 9:30 a.m.

By: Kathleen Moran
Kathleen Moran, Clerk

Lake Local Agency Formation Commission

4

CLAIMS

September and October 2018

Item A-1 (a) 2018-2019 Expenses

<u>Date of Claim</u>	<u>Description</u>	<u>Amount</u>
8.16.18-9.15.18	Browne Legal	\$ 525.00
Oct 1, 2018	Staff Services July 2018	\$ 6,294.02
9.16. 2018- 10.15.18	Browne Legal	\$ 1,837.00
Sept 19, 2018	Meeting Stipend	\$ 480.00
Nov 1, 2018	Staff Svcs Aug 2018	\$ 5,172.67
Nov 5, 2018	Auditor's Svcs 7/1-12/31/18	\$ 1,250.00
Oct 5, 2018	Conf. Reimb Robey exp.	\$ 779.48
TOTAL:		\$ 16,338.17

DATED: November 21, 2018

APPROVED: November 21, 2018

Bruno Sabatier, Chair
Lake Local Agency Formation Commission

Attest:

John Benoit
Executive Officer

LAKE LOCAL AGENCY FORMATION COMMISSION

November 21, 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 proceedings

Valley Oaks designation as a complex project. Costs to be determined during the annexation proceedings

Middletown Rancheria as a complex project, Costs to be determined during the annexation proceedings.

Anderson Springs CSD annex and SOI amend to be designated as a complex project. Costs to be determined during the annexation proceedings.

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: November 21, 2018

APPROVED: November 21, 2018

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

Attest:

John Benoit
Executive Officer

[illegible]

terminated because of a majority written protest, rejection by voters in an election, or the expiration of time prior to completion of proceedings pursuant to Section 57001 or a court order.



"Change of organization"

56021. "Change of organization" means any of the following:

- (a) A city incorporation.
- (b) A district formation.
- (c) An annexation to a city.
- (d) An annexation to a district.
- (e) A detachment from a city.
- (f) A detachment from a district.
- (g) A disincorporation of a city.
- (h) A district dissolution.
- (i) A consolidation of cities.
- (j) A consolidation of special districts.
- (k) A merger of a city and a district.
- (l) Establishment of a subsidiary district.
- (m) The exercise of new or different functions or classes of services, or divestiture of the power to provide particular functions or classes of services, within all or part of the jurisdictional boundaries of a special district as provided in Article 1.5 (commencing with Section 56824.10) of Chapter 5 of Part 3 of this division).

"City"

56023. "City" means any incorporated chartered or general law city, including any city the name of which includes the word "town."

"City council"

56024. "City council" means the legislative body or governing board of a city.

"City officer"

56025. "City officer" means the mayor or a member of the city council.

"Clerk"

56026. "Clerk" means the clerk or secretary of a commission, county, city, or district, or the clerk or secretary of the legislative body of a county, city, or district. Where the office of county clerk is separate from the office of the clerk of the board of supervisors, "clerk" means the clerk of the board of supervisors. Where the office of county clerk is separate from the office of the registrar of voters, "clerk" means the registrar of voters with respect to all duties pertaining to the conduct of elections and the county clerk with respect to all other duties.

"Disincorporation"

56034. "Disincorporation" means the dissolution, extinguishment, or termination of the existence of a city and the cessation of its corporate powers, except for the purpose of winding up the affairs of the city.

"Dissolution"

56035. "Dissolution" means the disincorporation, extinguishment, or termination of the existence of a district and the cessation of all its corporate powers, except as the commission may otherwise provide pursuant to Section 56886 or for the purpose of winding up the affairs of the district.

"District" or "special district"

56036. (a) "District" or "special district" are synonymous and mean an agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries and in areas outside district boundaries when authorized by the commission pursuant to Section 56133.

(b) "District" or "special district" includes a county service area, but excludes all of the following:

- (1) The state.
- (2) A county.
- (3) A city.
- (4) A school district or a community college district.
- (5) An assessment district or special assessment district.
- (6) An improvement district.
- (7) A community facilities district formed pursuant to the Mello-Roos Community Facilities Act of 1982, (Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5).
- (8) A permanent road division formed pursuant to Article 3 (commencing with Section 1160) of Chapter 4 of Division 2 of the Streets and Highways Code.
- (9) An air pollution control district or an air quality maintenance district.
- (10) A zone of any special district.

**Change of organization;
principal act**

56036.5. (a) For the purposes of Chapter 1 (commencing with Section 57000) to Chapter 7 (commencing with Section 57176), inclusive, of Part 4 or Part 5 (commencing with Section 57300), for each of the following entities proceedings for a change of organization shall be conducted pursuant to the principal act authorizing the establishment of that district:

- (1) A unified or union high school library district.
- (2) A bridge and highway district.
- (3) A joint highway district.
- (4) A transit or rapid transit district.

- (5) A metropolitan water district.
- (6) A separation of grade district.
- (7) For other districts, where the principal act provides, the procedures in the principal act shall supersede the procedures set forth in this division.



Non-districts

56036.6. (a) For the purposes of Chapter 1 (commencing with Section 57000) to Chapter 7 (commencing with Section 57176), inclusive, of Part 4 or Part 5 (commencing with Section 57300), none of the following entities is a "district" or "special district" if the commission of the principal county determines, in accordance with Section 56127 and 56128, that the entity is not a "district" or "special district":

- (1) A flood control district.
 - (2) A flood control and floodwater conservation district.
 - (3) A flood control and water conservation district.
 - (4) A conservation district.
 - (5) A water conservation district.
 - (6) A water replenishment district.
 - (7) The Orange County Water District.
 - (8) A California water storage district.
 - (9) A water agency.
 - (10) A county water authority or a water authority.
- (b) If the commission determines that an entity described in this section is not a "district" or "special district," any proceedings pursuant to Part 4 (commencing with Section 57000) for a change of organization involving the entity shall be conducted pursuant to the principal act authorizing the establishment of that entity.

56037. [Repealed by Stats. 2011, Ch. 300]

"Divestiture of power"

56037.2. "Divestiture of power" means the termination of the power and authority to provide particular functions or classes of services within all or part of the jurisdictional boundaries of a special district.

"Elections official"

56037.5. "Elections official" shall have the same meaning as in Section 320 of the Elections Code.

"Executive officer"

56038. "Executive officer" means the person appointed by a commission pursuant to Section 56384.

"Feasible"

56038.5. "Feasible" means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, legal, social, and technological factors.

Lake LAFCO

2018 Regular Meeting Schedule

3rd Wednesday at 9:30 AM

Regular Meeting Dates:		<i>Alternative Meeting Dates (only as needed):</i>	
January 16	Clearlake	<i>February 20</i>	<i>Lakeport</i>
March 20	Lakeport	<i>April 17</i>	<i>Clearlake</i>
May 15	Clearlake	<i>June 19</i>	<i>Lakeport</i>
July 17	Lakeport	<i>August 21</i>	<i>Clearlake</i>
September 18	Clearlake	<i>October 16</i>	<i>Lakeport</i>
November 20	Lakeport	<i>December 18</i>	<i>Clearlake</i>

Regular meetings of the Commission are scheduled for the third Wednesday of every month at 9:30 a.m. in the Lakeport City Council Chambers, 225 Park St, Lakeport, California or the Clearlake City Council Chambers 14050 Olympic Dr. Clearlake, California. The specific location of each meeting shall be in accordance with the meeting schedule adopted at the January LAFCO meeting. Alternative meeting dates shall remain on the schedule and shall be considered regular meeting dates. For meetings in Lakeport, if the Lakeport Council Chambers are not available, the meeting will occur at the Lake County Board of Supervisor's Chambers, 255 N. Forbes St. Lakeport, CA. The Commission may, at its own discretion, meet at a different time or place from time to time, provided that public notice of such time and place is given in accordance with the Open Meeting Law, Government Code Section 54954 and applicable provisions of the LAFCO Act.

The Chair or Executive Officer may call a special meeting of the Commission. The Chair shall call a special meeting if requested by two or more Commissioners. Any special meetings of the Commission shall be called in the manner provided by Section 54956 of the Government Code. The order calling the special meeting shall specify the time and place of the meeting and the business to be conducted and no other business shall be conducted at that meeting. The special meeting may be called for any day prior to the date established for the next regular meeting of the Commission.

October 25, 2018

Lake LAFCo
P.O. Box 2694
Granite Bay, CA 95746

Dear Chair and Commission:

On behalf of the California Association of Local Agency Formation Commissions (CALAFCO), I would like to thank your commission for allowing some of your members and/or staff the opportunity to attend the CALAFCO 2018 Annual Conference in Yosemite.

We understand that prioritizing expenditures can be challenging. Ensuring you and your staff have access to ongoing professional development and specialized educational opportunities, allows all of you the opportunity to better serve your commission and fulfill the mission of LAFCo. The sharing of information and resources among the LAFCo commissioners and staff statewide serves to strengthen the LAFCo network and creates opportunities for rich and value-added learning that is applied within each LAFCo.

We wish to congratulate your commission on receiving the 2018 CALAFCO Project of the Year Award.

Thank you again for your participation in the CALAFCO 2018 Annual Conference, I hope you found it a valuable experience. We truly appreciate your membership and value your involvement in CALAFCO.

Yours sincerely,



Pamela Miller
Executive Director



BETTY T. YEE
California State Controller

November 6, 2018

John Benoit
Lake LAFCo
P.O. Box 2694
Granite Bay, CA, 95746

SUBJECT: Notification of Inactive Special Districts in County

Dear Mr. Benoit:

Chapter 334, Statutes of 2017, also known as Senate Bill (SB) 448, added various provisions to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 regarding special districts that are inactive. It requires the State Controller's Office (SCO) to create a list of inactive special districts based on information in the special district's Financial Transactions Report (FTR), to publish the list of inactive special districts on its website annually, and to notify the local agency formation commission in the county or counties in which the inactive special district is located.

Pursuant to Government Code (GC) section 56042, an "inactive special district" must:

- Meet the definition set forth in GC section 56036;
- Have no financial transactions in the previous fiscal year; and
- Have no assets, liabilities, outstanding debts, judgments, litigation, contracts, liens, or claims.

Pursuant to GC 56879, within 90 days of receiving this notice, the Commission is required to initiate dissolution of inactive special districts by resolution, unless the Commission determines that a district does not meet the criteria set forth in GC 56042. Additionally, the Commission is required to notify the SCO if it determines that district does not meet the dissolution criteria in GC 56042. Once the dissolution process is complete, please inform the SCO using the contact information on the next page.

The enclosure lists the special districts within your jurisdiction that are inactive, based on financial data in each special district's fiscal year 2016-17 FTR. The complete list of inactive California special districts may be found at:

https://www.sco.ca.gov/ard_local_rep_freq_requested.html.

Name
November 6, 2018
Page 2

If you have any questions or need to notify us of a special district's status, please contact Derek Miller by telephone at (916) 322-5579, or by email at dmiller@sco.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Phillip Pangilinan", written in a cursive style.

PHILLIP PANGILINAN
Manager
Local Government Reporting Section

Enclosure: 2016-17 County Inactive Districts List

State Controller's Office
2016-17 Inactive Districts for Lake County

County Name	District Name	District Type	Email Address	Street Address 1	Street Address 2	P.O. Box	City	Zip
Lake	County Service Area No. 4 (Lake)	Dependent		Auditor-Controller	255 N. Forbes Street		Lakeport	95453
Lake	County Service Area No. 9 (Lake)	Dependent		Auditor-Controller	255 N. Forbes Street		Lakeport	95453
Lake	County Service Area No. 11 (Lake)	Dependent		Auditor-Controller	255 N. Forbes Street		Lakeport	95453
Lake	County Service Area No. 12 (Lake)	Dependent		Auditor-Controller	255 N. Forbes Street		Lakeport	95453
Lake	County Service Area No. 19 (Lake)	Dependent		Auditor-Controller	255 N. Forbes Street		Lakeport	95453

Note: Email Address belongs to the Financial Transactions Report preparer; in some cases this may be an outside consultant.

Government Code (GC) 53895(a) provides a penalty for the districts who didn't submit their financial reports as follows:

(a) An officer of a local agency who fails or refuses to make and file his or her report within 20 days after receipt of a written notice of the failure from the Controller shall forfeit to the state:

(1) One thousand dollars (\$1,000), in the case of a local agency with total revenue, in the prior year, of less than one hundred thousand dollars (\$100,000), as reported in the Controller's annual financial reports.

(2) Two thousand five hundred dollars (\$2,500) in the case of a local agency with total revenue, in the prior year, of at least one hundred thousand dollars (\$100,000) but less than two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.

(3) Five thousand dollars (\$5,000) in the case of a local agency with total revenue, in the prior year, of at least two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.

(b) (1) Upon the request of the Controller, the Attorney General shall prosecute an action for the forfeiture in the name of the people of the State of California.

(2) Upon a satisfactory showing of good cause, the Controller may waive the penalties for late filing provided in this section.