

CALAVERAS LAFCO

Calaveras Local Agency Formation Commission

Agenda

NOTE THIS MEETING WILL A PHYSICAL MEETING

AT

**THE CALAVERAS COUNTY BOARD OF SUPERVISOR'S ROOM
891 MOUNTAIN RANCH ROAD
SAN ANDREAS, CA**

Regular Meeting Agenda

Monday – MARCH 21, 2022 – 6:00 p.m.

In person meeting: Required for all Commissioners. The Calaveras LAFCO meeting will be open to in-person attendance. To remain in compliance with the state's public health guidance and CalOSHA COVID-19 Emergency Temporary Regulations [8 CCR §3205], masks will be encouraged to be worn by individuals who are not fully vaccinated while inside the Government Center and while in the Board Chambers.

Zoom meeting: The Commission proceedings are available via Zoom and you may participate in Public Comment by using the "raise hand" function. Pursuant to Government Code section 54953, local legislative bodies may hold public meetings via teleconference. Additionally, even when members of the local legislative body are attending meeting in person the local legislative body may make public meetings accessible telephonically or otherwise electronically to all members of the public. Members of the public are encouraged to observe and participate in the teleconference.

Public comment will also be accepted by email to j.benoit4@icloud.com . Please list the item number you wish to comment on and submit your written comments 24 hours prior to the start of the meeting. Written comments will be distributed to the Commission prior to the meeting but not read at the meeting and are limited to 500 words

Oral public comments will be subject to a three-minute time limitation indicated below.

The complete agenda, including backup materials and materials related to items on this Agenda submitted to the Commission after distribution of the Agenda Packet, is available for public inspection on the Calaveras LAFCo website. Agenda materials are also available on the Calaveras LAFCO website at www.calaveraslafco.org

If you wish to participate via Zoom you may do so.

Topic: Calaveras LAFCo

Time: Mar 21, 2022 06:00 PM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/88229987502?pwd=d2FQbTZHdIJXcWFsa1ltakJtMlVydz09>

Meeting ID: 882 2998 7502

Passcode: 347734

One tap mobile

+16699006833,,88229987502#,,,,*347734# US (San Jose)

Dial by your location

+1 669 900 6833 US (San Jose)

Meeting ID: 882 2998 7502

Passcode: 347734

(All meeting materials are available on LAFCo's Website: www.calaveraslafco.org)

6:00 PM Regular LAFCo Meeting Items:

1. Call to Order/Pledge of Allegiance/Roll Call

Commissioners

Alternate Commissioners

Kirk Smith, Special District Member
Isabel Moncada, City Member
Jennifer Herndon, City Member
Gary Tofanelli, County Member
Merita Callaway, County Member, Chair
Tony Tyrrell, Special District Member
Anita Paque, Vice-Chair Public Member

Ralph Copeland, Public Member Alt.
Alvin Broglio, City Member Alt.
Travis Owens, Special Dist. Member Alt.
Amanda Folendorf, County Member Alt

Staff:

John Benoit, Executive Officer
Nancy Mees, LAFCO Clerk
Michael Colantuono, LAFCO Counsel

2. Public Comment

This is the time set aside for citizens to address the Commission on any item of interest to the public that is within the subject matter jurisdiction of the Commission. For items that were on the agenda, public comment was heard when the item is discussed. If your comments concern an item that is noted as a public hearing, please address the Commission after the public

hearing is opened for public testimony. The Chair reserves the right to limit each speaker to three (3) minutes. Please understand that by law, the Commission cannot make decisions on matters not on the agenda.

3. Consider minutes of January 24, 2022

a. *Approve January 24, 2022 LAFCo Minutes*

4. Consent Agenda:

- a. Review and Authorize Claims for January and February 2022
- b. Resolution 2022-0002 authorizing teleconference for the February 21, 2022 meeting.

5. Correspondence:

Workshop:

6. Workshop regarding Road Community Services Districts in Calaveras County – Review and Discuss and set date for a Public Hearing on regarding Municipal Service Reviews for Community Services Districts on May 16, 2022.

- a. *Conduct Workshop*
- b. *Set hearing date for May 16, 2022*

7. Policies, Standards and Procedures Amendment regarding Municipal Service Review follow-up

- a) *Receive Executive Officer's Report*
- b) *Consider Resolution 2022-0002 regarding a Municipal Service Review follow up policy for Calaveras LAFCo*

8. Authorize chair to sign letter of support for SB 938 regarding protest proceedings: procedural consolidations

- a) *Review and sent letter of support for SB 938 to Senator Robert Hertzberg*

Public Hearing 2022-2023 Proposed LAFCo Budget

9. Conduct Public Hearing regarding the proposed 2022-2023 LAFCo Budget

a) Consider Resolution 2022-0003 adopting a proposed 2022-2023 LAFCo Budget

10. Executive Officer's report

a) 700 Forms due April 1, 2022

11. Commissioners 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. NEXT LAFCO MEETING will be: May 16, 2022 - 6:00 PM in San Andreas

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

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

Public Comment

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

- Items not appearing on the agenda must be of interest to the public and within the Commission's subject matter jurisdiction.
- No action shall be taken on items not appearing on the agenda unless otherwise authorized by Government Code Section 54954.2 (known as the Brown Act, or California Open Meeting Law).

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 a specified time. 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 will be available on the Calaveras LAFCO website as noted below to the extent practicable and subject to staff's ability to post the documents prior to the meeting.

Accessibility

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 Calaveras 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 at (209) 754-6511

LAFCO Webpage: www.calaveraslafco.org

Email LAFCO at: j.benoit4@icloud.com

Calaveras Local Agency Formation Commission

Meeting Minutes – Monday, January 24, 2022

1. **Call to Order/Roll Call** – Order was called by Chair Callaway at 6:00 p.m. on Monday, January 24, 2022.

Commissioners Present

Merita Callaway, County Member, Chair
 Gary Tofanelli, County Member
 Jennifer Herndon, City Member
 Isabel Moncada, City Member
 Kirk Smith, Special Dist. Member
 Anita Paque, Public Member, Vice-Chair
 Tony Tyrrell, Special Dist. Member
 Travis Owens, Special Dist. Mem. Alt.

Commissioners Absent

Roark Weber, Public Member Alt.
 Amanda Folendorf, County Member Alt.
 Alvin Broglio, City Member Alt.

Staff Present

John Benoit, Executive Officer
 Nancy Mees, LAFCO Clerk

Others Present

Dane Wadle, CSDA
 Ken Banger, Middle River CSD

2. **Public Comment:**

Mr. Wadle reported that CSDA has been working with CALAFCO on proposed changes that would improve the protest process in special district dissolutions. The two groups have come to an agreement on the wording of the proposed changes, and CALAFCO will be sponsoring legislation to put those changes into law.

3. **Selection of a Public Member and Public Member Alternate for a term ending in May 2026:**

Chair Callaway stated that there were two applicants, and that Ralph Copeland had expressed his interest in being the Alternate Public Member. Executive Officer Benoit explained that, for an applicant to be elected, it required at least one affirmative vote from a County Commissioner, one from a City Commissioner, and one from a Special District Commissioner, and a total of four affirmative votes.

MOTION by Commissioner Smith to appoint Anita Paque as the Public Member and Ralph Copeland as the Public Member Alternate, second by Commissioner Moncada. Motion

passed by roll call vote of 6 yes, 0 no, 0 absent. (Law does not allow Public Member to vote.)

4. Consider Minutes of November 15, 2021, LAFCo meeting:

MOTION by Commissioner Smith to approve the minutes of the November 15, 2021, LAFCo meeting as presented, second by Commissioner Herndon. Motion passed 5 yes, 0 no, 0 absent, 2 abstain.

5. Consent Agenda:

- a. *Review and authorize claims for November and December 2021*
- b. *Resolution 2022-0001 authorizing teleconference for the January 24, 2022, meeting*

MOTION by Commissioner Smith to approve the Consent Agenda and Claims for November and December 2021 as presented, and Resolution 2022-0001 authorizing teleconference for the January 24, 2022, meeting, second by Commissioner Tofanelli. Motion passed 7 yes, 0 no, 0 absent.

6. Correspondence:

Executive Officer Benoit reported that RCRC has entered into a JPA for broadband telecommunications.

Mr. Benoit also commented that CSDA has come out with a board member's handbook that, even though written for special district board members, was similar enough to LAFCo commission member duties that it could be helpful to the Commissioners, and therefore he will post it on the Calaveras LAFCo website. Mr. Benoit added that he has not seen a handbook specifically for LAFCo commissioners. Commissioner Paque stated that she could bring that up at her next CALAFCO board meeting.

Finally, Mr. Benoit reported that the Commission's insurance through SDRMA will be going up approximately \$7-800 this coming year.

Workshop:

7. Workshop Regarding Road Community Services Districts in Calaveras County – Review and Discuss and Set Date for a Public Hearing Regarding Municipal Services Reviews for Community Services Districts on March 21, 2022:

Executive Officer Benoit reported that he has been in touch with the districts and some of them have reviewed the proposed MSR. He commented that these districts were all formed in the 1960s, 70s 80s and 90s, and since that time there have been many new laws enacted that special districts must follow. In fact, the entire CSD law has since been rewritten. Under the current laws, many of these districts would never have been formed, and a number of them are currently out of compliance. The proposed MSR documents these

problems and makes recommendations on how the districts could come into compliance. This MSR will serve as the basis for the SOI, which will come later.

Chair Callaway commented that one of the ways in which many of the districts are out of compliance is that they do not have the required website, and asked whether it might help them if the county were to set up a central website for them. She also suggested that the County Auditor could hold a workshop for the districts regarding financial requirements. Mr. Wadle added that CSDA could also help in a workshop if one were held, and that many rural counties are having similar issues with their small CSDs.

Commissioner Tofanelli commented that the only district in his Supervisorial District, Wallace CSD, is well run and he has met with them and felt they would attend a workshop. However, many of the districts only have one person who might attend. He felt that a big issue with which districts need help is in learning how they can collect district fees, as well as how to enforce payment when fees are not being paid. Consequently, he thought it might be better to go to each district separately or meet with them in smaller groups.

Chair Callaway stated that Commissioner Herndon had suggested that maybe there should be one workshop in each of the Supervisorial Districts. Commissioner Paque added that perhaps there should be two separate workshops in different parts of District 2 because it so large. She suggested reaching out to the districts to see if there is any interest in workshops.

Commissioner Smith said he thought the districts need to be categorized as somewhat functional or as dysfunctional, and that some districts do not even desire to be functional. Commissioner Paque commented that perhaps some districts should be consolidated since it is LAFCo's function to ensure that services are efficiently provided. Commissioner Smith responded that Calaveras County is too small to have the financial resources to fix all the districts' problems, and in addition, does not have the authority to force a particular solution on a district. Therefore, even though they might be better off as a CSA, LAFCo cannot force them to become one, but only suggest it and tell them they should dissolve if they choose not to. Chair Callaway added that if many of these districts were converted to CSAs, it would be too much additional work for County Public Works to take on.

Commissioner Tofanelli reported that at the last Board of Supervisors meeting they had voted to have a study session on CSDs in March or April, and perhaps LAFCo should postpone the decision on workshops and adopting the MSR until after the study session. Commissioner Paque agreed and suggested that Executive Officer Benoit have a workshop at the next LAFCo meeting on what LAFCo's options are with respect to helping the CSDs. Mr. Benoit stated that he would try to attend the study session. Chair Callaway suggested that perhaps Mr. Benoit should be part of the study session program, and that the date and time of the study session should be provided to all the Commissioners so they can attend. She also asked Mr. Wadle if he could attend, and he replied that he could.

Chair Callaway concluded by stating that at the March meeting Mr. Benoit should discuss what authority LAFCo has with respect to CSDs and what that means financially and practically. She also moved the public hearing on the MSR to the May meeting.

8. Policies, Standards and Procedures Amendment Regarding Municipal Services

Review Follow-up:

Executive Officer Benoit explained that he had added a proposed policy of following up on MSRs to the LAFCo Policies. Approximately six months after an MSR is approved, LAFCo will follow up with the agency to see how they are progressing on the MSR recommendations. He said that this would keep LAFCo in communication with the agencies and allow the agencies to become more familiar with LAFCo. Commissioner Herndon commented that this sounded similar to what the Grand Jury does, and Mr. Benoit replied that it is except that, unlike a Grand Jury, LAFCo cannot mandate agencies to do anything, but can only make recommendations. Mr. Benoit stated that he will put this new policy change on the next agenda as a resolution of approval.

9. Executive Officer's Report:

a. Union Public Utility District MSR and SOI

Executive Officer Benoit reported that this MSR will be the next one up for adoption, but he is not sure when.

b. Executive Officer Benoit stated that 700 forms are due on April 1, and that even if a Commissioner filed with another agency, a form still must be filed with LAFCo. They can file a copy, but it must have an original signature. For LAFCo purposes, jurisdiction is county wide. Forms are available on FPPC's website and should be given to Mr. Benoit when completed.

c. The proposed budget will be on the March agenda. Although it will be higher than the previous year's budget due to CALAFCO dues and insurance costs increasing, the overall budget won't be significantly higher.

10. Commissioner Reports:

Commissioner Paque reported that CALAFCO dues will be going up 4.9%, which means an additional \$55 for Calaveras. She also stated that CALAFCO will have an author for the proposed revisions to the protest process in special district dissolutions, and that at the next CALAFCO legislation committee meeting she will bring up the issue of LAFCo's lack of authority in solving the problems of small districts.

Commissioner Smith reported that the Fire Chiefs Association is working on a sales tax measure for fire protection. Commissioner Tofanelli added that since the proposal is not from the county, only 51% support is needed.

11. Adjournment

Meeting was adjourned at 7:20 p.m. The next regular meeting will be Monday, March 21, 2022, at 6:00 p.m. in San Andreas.

Minutes submitted by Nancy Mees.

DATED:

APPROVED:

Merita Callaway, Chair,
Calaveras Local Agency Formation

CALAVERAS LAFCO

LAFCO CLAIM AUTHORIZATION FORM

for

January and February 2022

Authorize payment of the following claims:

<u>Date of Claim</u>	<u>Description</u>	<u>Amount</u>
FY 2021-2022 Expenses:		
January 24, 2022	Commission meeting stipends	\$ 450.00
Feb 1, 2022	Staff Svcs and Expenses Jan 2022	\$ 6,388.68
Mar 1, 2022	Staff Svcs and Exp Feb 2022	\$ 3,436.50
Feb 27, 2022	Valley Springs News – 22-23 Prop Budg	\$ 19.50
	TOTAL:	\$ 10,294.68

DATED: March 21, 2022

APPROVED: March 21, 2022

Merita Callaway, Chair
Calaveras Local Agency Formation Commission

Attest:

John Benoit
Executive Officer

Account Number	Item	Comm Stipends	Insurance	Communication	Memberships	SenOfficeExp	Postage	copies	MSR	SOI	Ex. OFF. Svcs	City Fin Charge	Lgl Notices	Training
		62001	62050	62051	62052	62053	62054	62055	62057	62058	62059	62060	62061	62062
Total Budgeted		\$ 3,300.00	\$ 2,500.00	\$ 800.00	\$ 2,117.00	\$ 350.00	\$ 500.00	\$ 1,500.00	\$ 25,000.00	\$ 20,000.00	\$ 45,000.00	\$ 3,600.00	\$ 900.00	\$ 4,000.00
Calafco dues 21-22					\$ (1,617.00)									
SDRMA Insurance 21-22			\$ (2,325.00)											
Staff Svcs July 2021				\$ (54.76)		\$ (36.88)	\$ (13.70)	\$ (67.60)	\$ (1,200.00)		\$ (3,250.00)			\$ (1,560.00)
Conf Registrations smith, paque and tyrrell														
July 19, 2021 Comm stipend		\$ (400.00)												
Staff Svcs August 2021				\$ (86.69)				\$ (5.00)	\$ (1,000.00)		\$ (3,000.00)			
Sept 20, 2021 Comm Stipend		\$ (250.00)												
Staff SVCS September 2021				\$ (59.99)		\$ (10.00)	\$ (3.16)	\$ (114.98)	\$ (2,450.00)		\$ (2,000.00)			
Staff SVCS October 2021				\$ (60.06)					\$ (2,600.00)		\$ (2,000.00)			
CSDA Dues for 2022				\$ (250.00)		\$ (500.00)								
Nov 15, 2021 Payroll				\$ (61.12)			\$ (3.16)	\$ (82.30)	\$ (2,450.00)		\$ (4,595.00)		\$ (36.00)	
Staff Svcs Nov 2021														
Valley Springs News				\$ (66.33)					\$ (3,050.00)		\$ (1,550.00)			
Staff Svcs Dec 2021														
Payroll Jan 24, 2022				\$ (450.00)										
Jan 2022 Staff Svcs 2022-11				\$ (103.00)		\$ (32.14)	\$ (1.56)	\$ (26.50)	\$ (3,100.00)		\$ (3,000.00)			
Feb 2022 Staff Svcs 22-22				\$ (67.01)			\$ (1.76)		\$ (1,500.00)		\$ (1,750.00)		\$ (19.50)	
Valley Springs News Prop Budget														
TOTAL EXPENDED		\$ 1,950.00	\$ 175.00	\$ 241.04	\$ -	\$ 270.98	\$ 476.66	\$ 1,203.62	\$ 7,650.00	\$ 20,000.00	\$ 23,855.00	\$ 3,600.00	\$ 444.50	\$ 2,440.00
TOTAL REMAINING		\$ 1,350.00	\$ 1,325.00	\$ 558.96	\$ (2,117.00)	\$ (79.02)	\$ (23.34)	\$ (296.38)	\$ (17,350.00)	\$ -	\$ (232.45.00)	\$ -	\$ (55.50)	\$ (1,560.00)

RESOLUTION NO. 2022-0002

A RESOLUTION OF THE CALAVERAS LAFCO OF THE AUTHORIZING A REMOTE TELECONFERENCE MEETING OF THE COMMISSION PURSUANT TO GOVERNMENT CODE SECTION 54953(e)

WHEREAS, Government Code section 54953(e), as amended by Assembly Bill No. 361, allows legislative bodies to hold open meetings by teleconference without reference to otherwise applicable requirements in Government Code section 54953(b)(3), so long as the legislative body complies with certain requirements, there exists a declared state of emergency, and one of the following circumstances is met:

1. State or local officials have imposed or recommended measures to promote social distancing.
2. The legislative body is holding the meeting for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.
3. The legislative body has determined, by majority vote, pursuant to option 2, that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

WHEREAS, the Governor of California proclaimed a state of emergency pursuant to Government Code section 8625 on March 4, 2020; and

WHEREAS, the CALAVERAS LAFCO desires to hold its public meetings by teleconference consistent with Government Code section 54953(e).

NOW, THEREFORE, THE CALAVERAS LAFCO DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Conditions are met. The CALAVERAS LAFCO hereby finds and declares the following, as required by Government Code section 54953(e)(3):

1. The Governor of California proclaimed a state of emergency on March 4, 2020, pursuant to Government Code section 8625, which remains in effect.
2. The reasons for adopting this resolution are one or more of the following:
 - a. State or local officials have imposed or recommended measures to promote social distancing.
 - b. The legislative body is holding the meeting for the purpose of determining whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

- c. The legislative body has determined that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

PASSED AND ADOPTED by the Calaveras LAFCo, this 21st day of February 2022 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Merita Callaway, Chair

Calaveras Local Agency Formation Commission

ATTEST:

John Benoit, Executive Officer

CALAVERAS LOCAL AGENCY FORMATION COMMISSION,

**Resolution 2022-0004
of the
Calaveras Local Agency Formation Commission**

*A Resolution of the Calaveras Local Agency Formation Commission
Amending its Policies, Standards and Procedures to include a policy regarding Municipal
Service Review Follow up*

RESOLVED, the Calaveras Local Agency Formation Commission in the County of Calaveras, State of California, that

WHEREAS, policies, standards and procedures are necessary to guide the Calaveras Local Agency Formation Commission in making determinations on future projects; and

WHEREAS, the Commission has reviewed, revised and updated the policies, standards and procedures adopted by LAFCO on July 20, 2020; and

WHEREAS, On January 24, 2022, the Commission conducted a workshop regarding the proposed Policies, Standards and Procedures amendments to include a policy regarding *Municipal Service Review Follow up*; and

WHEREAS, this Commission called for and held a meeting on this Policies, Standards and Procedures amendment on March 21, 2022 and at the meeting, this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this amendment and the report of the Executive Officer.

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

1. The attached updated Policies, Standards and Procedures Amendment shall guide the Commission in compliance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, as amended.
2. Adding new policy Section 3.3e regarding follow up of Municipal Service Reviews is hereby added to Calaveras LAFCo's Policies, Standards and Procedures as shown in Exhibit A.
3. Any conflicting LAFCO Policies, Standards and Procedures previously approved by the Commission are hereby repealed in favor of this amendment.

Calaveras Local Agency Formation Commission
Policies, Standards and Procedures Amendment (Municipal Service Review Follow up)
Resolution 2022-0003
March 21, 2022

The foregoing resolution was offered at a Regular Meeting of the CALAVERAS LOCAL AGENCY FORMATION COMMISSION on the 21st day of March 2022, and adopted by the following vote of the Commission:

AYES:

NOES:

ABSTAIN:

ABSENT:

Merita Callaway, Chair
Calaveras Local Agency Formation Commission

ATTEST:

John Benoit, Executive Officer
CALAVERAS LOCAL AGENCY FORMATION COMMISSION,

Exhibit A

Policy Amendment Language:

Add new policy section as follows:

3.3 (e) Service Review (MSR) Follow up

Upon adoption of a Municipal Service Review (MSR), LAFCo staff shall initiate a follow-up regarding the adopted MSR determinations with the agency (ies) responsible for providing the service (s). The purpose of this procedure is to assist the district in providing improved service to its customers. The service provider will be asked to attend a LAFCo meeting within approximately one year to inform the Commission how it is addressing the determinations made by LAFCo during the time since the MSR was adopted. At that time the Commission may make further findings regarding the service (s) provided.

Calaveras Local Agency Formation Commission
P.O.Box 2694
Granite Bay, CA 96746

March 21, 2022

Honorable Robert Hertzberg
California State Senate
1021 O Street, Room 8610
Sacramento, CA 95814

RE: **SUPPORT of SB 938: The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000: protest proceedings: procedural consolidation.**

Dear Senator Hertzberg:

The Calaveras Local Agency Formation Commission (LAFCo) is pleased to join the California Association of Local Agency Formation Commissions (CALAFCO) in support of your bill, SB 938, which makes changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (The Act). SB 938 represents a collaborative three-year effort led by CALAFCO to clean up, consolidate, and clarify existing statutory provisions associated with consolidations and dissolutions, as well as codify the conditions under which LAFCo may initiate dissolution of a district at the 25% protest threshold (the latter of which are proposed and pending amendments).

The statutes related to protest provisions and the disparate protest thresholds established for LAFCo-initiated actions (10%) and all other initiated actions (25%) make addressing necessary and appropriate special district consolidations and dissolutions considerably more difficult when initiated by a LAFCo. Further, they serve as a deterrent for LAFCo to initiate action, even if meaningful efficiencies in the provision of public services could be achieved or if a district is failing to meet its statutory requirements.

As introduced, the bill represents the redraft of existing protest statutes with some minor technical clarifications added. The pending proposed amendments from CALAFCO allow LAFCos to initiate dissolution of a district at the 25% protest threshold under specific circumstances. All of this work is in response to a recommendation made in the 2017 Little Hoover Commission report after a year-long study (*Special Districts: Improving Oversight and Transparency*) and the formation of a working group by CALAFCO of stakeholders in early 2019. The intent was to examine the protest process for consolidations and dissolutions of special districts, and after three years of work (delayed due to the pandemic), the working group came to consensus on the redraft of existing protest statutes (representative of SB 938 as introduced) and a new process that allows LAFCos to initiate dissolution of a district at the 25% protest threshold under specific circumstances (pending amendment into SB 938).

The overarching goal of these changes is to ensure that LAFCos have the tools we need to carry out our statutory obligations to ensure orderly and functioning local government services and to create greater consistency in the statute. The specific circumstances under which a dissolution may be initiated are more than reasonable and the subsequent process includes three noticed public hearings, a minimum 12-month remediation period, and a 60-day protest period, all of which are extremely practical. Additionally, the proposed process for LAFCo-initiated actions at the 25% protest threshold applies only to dissolutions, making the scope of use exceptionally narrow.

SB 938 makes much needed and long-awaited improvements to The Act through the restructure and clarification of existing protest provisions, and addition of a fair and appropriate process that offers LAFCOs additional tools necessary to effectively fulfill their statutory obligations.

We thank you for your authorship of this critical legislation and for continuing your long support of the work of LAFCOs. For all these reasons, we are pleased to support your bill SB 938.

Yours sincerely,

Merita Callaway
Chair, Calaveras LAFCo

cc: Members, Senate Governance and Finance Committee
Anton Favorini-Csorba, Consultant, Senate Governance and Finance Committee
Ryan Eisberg, Consultant, Senate Republican Caucus
Rene LaRoche, Executive Director, California Association of Local Agency Formation Commissions

**CALAVERAS
Local Agency Formation Commission**

Item # 9

DATE: March 21, 2022
TO: Local Agency Formation Commission
FROM: John Benoit, Executive Officer
RE: Proposed Budget for FY 2022-2023

Activities

While LAFCO is mindful of the budget constraints of the City and County the following proposed activity report reflects significant limitations in LAFCO funding for the upcoming fiscal year. The proposed budget carries over an estimated \$140,000 of which \$100,000.00 is designated in the LAFCO General Reserve fund and \$12,181.10 as the LAFCo Contingency Fund.

Since the passage of AB-2838, based on the recommendations of the Commission for Local Governance, LAFCO has become an independent agency. Many of the start-up activities have been completed while maintenance activities continue and the mandated Service Reviews and Sphere of Influence updates continuously need updating due to changes in the law and circumstances.

LAFCO contracts with the City of Angels Camp to provide financial services for \$3,600.00. Other services provided by Calaveras County are directly billed to LAFCO.

Work Program

1. Process Applications in a timely manner
2. Perform the day to day business of LAFCo
3. Be proactive in Legislative Matters and CALAFCo
4. Continue Work on CSD, Water and Wastewater Service reviews and Spheres of Influence.
5. Work with local agencies in matters of concern.
6. Prepare MSR and SOI for the City of Angels Camp

Budget Justification

Since the passage of AB-2838 in 2000, LAFCO has become independent from the County. Costs for the operation of LAFCO were entirely paid by the County including costs for staff time, legal services, miscellaneous office expenses, and insurance. Now the City, Special Districts and County pay LAFCO costs, each paying one-third. These costs have become apparent since LAFCO is independent and not part of a larger county, district or city department. LAFCO is required to pay for various costs as an independent agency. The fixed costs are insurance, financial functions, clerk costs, legal notices, compliance with the Government Code, public records act, political reform act and Brown Act Compliance.

The line items Calafco Dues and Liability Insurance are proposed to be increased in the upcoming budget due to inflation which will have a substantial impact on future year's budgets. Inflation for last calendar year was 6.4% and current Year over Year is now 7.9% and increasing daily. Over the past 15 years the LAFCo Budget has been rather consistent but going into the future unless inflation is addressed substantial increases in the LAFCo budget will occur in future years.

In the attached sheet, I have provided a "Proposed" budget based on the costs to provide LAFCO.

Summary of the Proposed Budget:

Commissioner Stipend For the past several years LAFCo has budgeted \$6,600 for stipends for Commissioners. Since LAFCo has reduced the number of meetings from 12 to 6, there continues to be a reduction of \$3,300 for stipends. A key question is Commissioners have been \$50.00 monthly, does the commission wish to increase the stipend by 6.4% to \$53.20?

Insurance The estimated cost for LAFCO insurance through the Special Districts Risk Management Authority (SDRMA) is estimated to increase \$3,144.00 since the entire insurance pool is being impacted by the reinsurer rate increases. In addition, there are different variables per each member such as; increased exposure from changes to the policy through out the current program year and submitted renewal questionnaire, loss ratio, and if an agency is a minimum contribution member. Reinsurers across the State are raising rates, which results in a rate increase to the SDRMA Property/Liability Program membership. Specifically, for the 2022-23 renewal the reinsurer minimum premium amounts are increasing way above what the SDRMA minimum premium has been in the past. Therefore, SDRMA is forced to raise program minimum premium to members that fall within that category. If they do not raise the rates, they would not be able to maintain the financial stability of the program. SDRMA understands this increase can be devastating to some of its members and LAFCO's that may be impacted by this increase.

Communications LAFCO incurs communications costs (costs for phone and internet). In the past, these costs have been tracked and about \$100.00 per month appeared appropriate. However, LAFCo was spending less so the budget was reduced in recent years and will remain at \$800.00 this year

Memberships The CALAFCo Dues structure has changed as voted and approved by a vast majority of CALAFCo membership at the 2019 annual conference. The Calafco Board of Directors approved revised dues rates for FY 2022-2023. For Calaveras LAFCo the Calafco dues for FY 2022-2023 will be \$1,697, an increase of \$79.00. Calafco understands the inflation rate was 6.4% when approving its dues increase but decided to increase its dues by a 4.9%.

It is important LAFCO remain in its statewide professional organization and participate in LAFCO issues of common concern and legislation for the benefit of Calaveras LAFCO and agencies subject to its jurisdiction. Being a member of CALAFCo has become more important than ever to have a voice in proposed legislation of concern to Angels Camp, Independent Districts and Calaveras County.

In addition, the \$500.00 CSDA membership LAFCo pays will remain the same next year. The total for memberships budget therefore is \$2,197.00.

Office Expense This covers copy costs, postage, and publications, which have been reduced in previous years. These expenses are split into 3 budget categories as follows: General Office Expenses at \$350.00, Copies at \$1,500.00, and Postage at \$500.00.

Executive Officer Services I am recommending \$45,000 for this item the same as last year. This budget continues to pay the Clerk and Executive Officer from one budget category. Notwithstanding a very complex reorganization (application), controversial service review or sphere of influence or CEQA review for Calaveras LAFCo, this amount should also cover LAFCo administration and clerking costs.

This is another category vulnerable to the effects of inflation. If inflation continues, this category will need to be raised in future years.

Note: some project related cost overruns relating to an application would normally be fee supported if an augmentation were needed in this category. A project proponent will pay all project related costs including legal costs. The LAFCo fee schedule includes direct cost recovery only

File Scanning and Retention and Mapping Calaveras LAFCo has generated several files over the years. Calaveras LAFCo adopted a File Retention Policy on November 18, 2013. To implement the policy, the files need to be scanned and placed into electronic format, as are files in most county and city departments. This re-budgeted expense is estimated to be \$6,000 for about ½ the LAFCo files. In addition, the files will be able to be accessed to the public via LAFCo's webpage. The immediate tasks are to review and dispose of files consistent with LAFCo's adopted Records Retention Policy and to scan and index these files for accessibility to agencies, the public and LAFCo staff. Once the files are scanned, these files will then be made more accessible. It will be later determined if LAFCo will need to prepare a Microsoft Access database. This item is carried over from the current fiscal year. This item also includes mapping required by project activity.

Legal Notices/Publications I am recommending \$500.00 for this item since legal costs have been reduced significantly since LAFCo has been advertising in the Valley Springs news. Legal notices are required by state law and must be prepared for Municipal Service Reviews and Sphere of Influence Updates, all public hearings before the commission and protest hearings, and notices of commissioner openings. Public hearing notices are required for many LAFCO actions.

Transportation/Training I am recommending \$ 4,000.00 for training and \$2,000.00 for travel expense. This amount will provide for a portion of the Executive Officer's attendance at CALAFCo activities to represent Calaveras LAFCO as well as for three Commissioners to attend the CALAFCo conference in Santa Ana (Newport Beach), California on October 19th to the 21st, 2022. If the Commission wishes to send more than 3 Commissioners to the CALAFCo conference, this amount would need to be increased. This year CALAFCo conferences were cancelled.

Estimated costs for each Commissioner to attend the CALAFCo Annual Conference (October 6-8, 2021) in Newport Beach is approximately \$1,700 per person including transportation (this cost has been significantly increasing in recent weeks), lodging for 3 nights (\$600 + taxes and fees and conference registration -\$520) and mileage from San Andreas to Newport Beach (846 miles RT \$474.00) plus misc. costs \$100.00. This budget may accommodate attendance by up to 3 LAFCo Commissioners and provide a portion for Staff's attendance. If the Commission desires to send additional Commissioners, an augmentation to this budget will be required.

Service Reviews and Sphere of Influence Updates: I am recommending \$25,000 to prepare Service Review \$20,000 for Spheres of Influence updates to continue with Community Services Districts and Water and Wastewater Services and the City of Angels Camp. The Commission might wish to consider initiating a Fire and EMS Service Review and Sphere Update since it has been 7 years since this review has been completed.

LAFCo Counsel The Commission has appointed a LAFCo Counsel. LAFCo has had no threats of Litigation at this time. However, with controversial projects, legal advice will become necessary and the \$2,500 budgeted will be the minimal amount LAFCo should budget the use reserve and (or) contingency funds could be necessary. Six years ago, for example, LAFCo spent \$2,993.66 in this category regarding fire services.

A-87 / City Finance Costs The County's cost plan is no longer applicable to LAFCo. As with LAFCo's A-87 charge of \$16,575 ten years ago. LAFCo currently contracts with the City of Angels Camp for \$3,600 per year for financial services.

Special District Training This item is not funded for this year since we had a Special District training in 2016.

Contingency LAFCo has established a contingency fund equaling approximately 10% more or less of its general operational budget, which is proposed to be \$12,189.10 for this year.

General Reserve The General Reserve will remain at \$100,000.00 The Commission's goal has been to have a \$100,000.00 general reserve. The purpose of the reserve is to use the funds to comply with state law i.e. preparing LAFCo required MSR's and SOI updates and to provide for a reserve if unanticipated costs arise such as litigation without requiring additional funds from the City, Districts and the County.

Anticipated re-budgeting of funds - Notwithstanding unexpected expenses for the remainder of this fiscal year; at current expenditure rates the Commission will be able to re-budget approximately \$142,000.00 from the 2021-2022 fiscal year into the 2022-2023 fiscal year budget including \$112,189.10 for the General Reserve and the contingency. Funding for a portion LAFCo operations including Service Reviews and Spheres of Influence is included.

Costs to City, the Independent Special Districts and County - Last year, the amount was \$90,883.70 and next fiscal year the amount will be \$89,680.10 – a very small decrease.

Recommendation:

Adopt Resolution 2022-0003 approving a proposed budget for FY 2022-2023.

Resolution 2022-0003

Calaveras Local Agency Formation Commission
Resolution of the Calaveras Local Agency Formation Commission
Adopting a Proposed Budget for 2022-2023

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

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

WHEREAS, the Executive Officer has given notice of hearing in the form and manner specified by law for adoption of the proposed budget and upon the date, time and place specified in said notice of hearing, the Commission heard, discussed and considered all oral and written testimony submitted including, but not limited to, the approved budget priorities for Fiscal Year 2022-2023 and the Executive Officer's report and recommendations; and

WHEREAS, the Commission has considered the attached Budget in light of the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and the Commission's adopted work program;

NOW THEREFORE, the Calaveras Local Agency Formation Commission does hereby determine, resolve, and order the following:

1. That Calaveras LAFCO hereby adopts the attached proposed 2022-2023 budget attached as Exhibit "A".
2. Directs the Executive Officer to transmit the proposed budget to the Auditor and all parties specified in Government Code Section 56381 (a) as promptly as possible.

PASSED AND ADOPTED by the Calaveras Local Agency Formation Commission at a regular meeting of said Commission held on March 21, 2022 by the following roll call vote:

AYES: -

NOES: -

ABSTAINS: -

ABSENT: -

Signed and approved by me after its passage this 21st day of March 2022.

Merita Callaway, Chair Calaveras LAFCO

Attest:

John Benoit, Executive Officer
Calaveras LAFCO

	2019-2020 FINAL Budget	2020-2021 Final Budget	2021-2022 FINAL Budget	2022-2023 Proposed Budget
EXPENDITURES				
SERVICES AND SUPPLIES				
62001 Extra Hire - Commissioners Stipend	\$3,300.00	\$3,300.00	\$3,300.00	\$3,300.00
62050 Insurance	\$1,807.05	\$3,000.00	\$2,500.00	\$3,144.00
62051 Communications	\$800.00	\$800.00	\$800.00	\$800.00
62052 Memberships - Calafco CSDA	\$1,078.00	\$2,120.00	\$2,117.00	\$2,197.00
62053 Office Expense - General	\$350.00	\$350.00	\$350.00	\$350.00
62054 Office Expense - Postage	\$500.00	\$500.00	\$500.00	\$500.00
62055 Office Expense - Copies	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00
62056 Service Reviews	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00
62057 Spheres of Influence	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00
62058 File Scanning and Retention and Mapping	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00
62059 Professional Services-Exec. Officer/Clerk	\$45,000.00	\$45,000.00	\$45,000.00	\$45,000.00
62060 City Finance Charges (formerly A-87)	\$3,600.00	\$3,600.00	\$3,600.00	\$3,600.00
62061 Legal Notices	\$500.00	\$500.00	\$500.00	\$500.00
62062 Training	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00
489.6 Personal Mileage Reimb	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00
62064 Travel Expense	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00
62065 Legal Counsel Services and misc Legal Expenses	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00
62067 Special Dist. Training	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL SERVICES AND SUPPLIES	\$119,435.05	\$121,670.00	\$121,167.00	\$121,891.00
62066 Contingency Fund	\$11,943.51	\$12,167.00	\$12,116.70	\$12,189.10
General Reserve Fund	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00
Services, Contingency and Reserve Total	\$231,378.56	\$233,837.00	\$233,283.70	\$234,080.10
REVENUE AND CARRYOVERS				
Est. Carryover from prior year	\$137,199.68	\$140,000.00	\$140,000.00	\$142,000.00
Anticipated Project Revenue	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00
Anticipated Interest	\$400.00	\$400.00	\$400.00	\$400.00
TOTAL Revenue and Carryover	\$91,778.88	\$91,437.00	\$90,883.70	\$89,680.10
Difference between Total Rev and carryover and budget				
Contributions from Governments				
TOTAL REVENUES AND CARRYOVERS	\$91,778.88	\$91,437.00	\$90,883.70	\$89,680.10
AMOUNT TO BE APPORTIONED				
City of Angels Camp				
County of Calaveras				
Independent Spec. Districts				