

Calaveras Local Agency Formation Commission

Special Meeting Agenda

Wednesday – January 10, 2018 – 6:00 p.m.

**Calaveras County Board of Supervisors Chambers
County Administrative Center
San Andreas**

6:00 PM Regular LAFCo Meeting Items:

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

Commissioners

Anita Paque, Vice Chair, Public Member

Linda Hermann, City Member

Amanda Folendorf, City Member

Gary Tofanelli, County Member

Michael Oliveira, Chair, County Member

Tony Tyrrell, Special District Member

John Lavaroni, Special District Member

Roark Weber, Public Member Alt.

Dennis Mills, County Member Alt.

Joseph Oliveira, City Member Alt.

Jon Dashner, Special Dist. Member Alt.

Staff:

John Benoit, Executive Officer

Nancy Mees, LAFCO Clerk

Michael Colantuono, LAFCO Counsel

2. Approval of Agenda (Deletions/Additions)

3. *Consider minutes of November 20, 2017*

a. Approve November 2017 LAFCo Minutes

4. Consent Agenda:

a. Review and Authorize Claims for November and December 2017

5. **Public Hearing - Saddle Creek CSD Service Review (MSR) and Sphere of Influence (SOI)**
 - a. *Receive Executive Officer's report and open public hearing regarding the Saddle Creek CSD Service Review and Sphere of Influence (The Draft Report and resolutions are posted on the LAFCo website: www.calaveraslafco.org.)*
 - b. *Close public hearing and consider resolution 2008-0001 adopting a MSR for services provided by the Saddle Creek CSD and consider resolution 2008-0002 adopting a SOI for the Saddle Creek CSD.*

OTHER ITEMS:

6. **Consider LAFCo regular meeting schedule for calendar year 2018**
 - a) *Approve Calendar Year 2018 schedule of regular meetings for Calaveras LAFCo.*
7. **Authorize staff to attend the Calafco Annual Staff Workshop April 10-13, 2018 in Marin County**
 - a) *Authorize staff to attend Calafco Annual Staff Workshop.*
8. **Review of SB 448 (district dissolutions) and its impact upon Calaveras LAFCo**
 - a) *Receive and Discuss Staff Memo on SB 448*
9. **Executive Officer' s report**

Current and Anticipated Projects
700 form due April 1st
10. **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

11. 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.

12. Adjourn to Regular meeting of March 19, 2018 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: johnbenoit@surewest.net

**Calaveras Local Agency Formation Commission
Regular Meeting Minutes – Monday, November 20, 2017**

1. **Call to Order/Pledge of Allegiance/Roll Call** – Order was called by Chair M. Oliveira at 6:02 p.m., on Monday, November 20, 2017, in the Calaveras County Board of Supervisors Chambers, County Administrative Center, San Andreas, California.

Commissioners Present

Michael Oliveira, Chair, County Member
Anita Paque, Vice Chair, Public Member
Amanda Folendorf, City Member
Gary Tofanelli, County Member
Linda Hermann, City Member
Tony Tyrrell, Special Dist. Member
John Lavaroni, Special Dist. Member
John Dashner, Special Dist. Mem. Alt.

Commissioners Absent

Joseph Oliveira, City Member Alt.
Dennis Mills, County Member Alt.
Roark Weber, Public Member Alt.

Staff Present

John Benoit, Executive Officer
Nancy Mees, LAFCO Clerk

Others Present

2. **Approval of Agenda:**

Agenda accepted without motion.

3. **Consider Minutes from the September 20, 2017, LAFCo meeting:**

MOTION by Commissioner Tyrrell to approve the Minutes as presented, second by Commissioner Tofanelli. Motion passed 7 yes, 0 no, 0 absent, 0 abstention.

4. **Consent Agenda:**

Executive Officer Benoit stated that he had two items to add to the Consent Agenda. The first item was approval of the expenses of those Commissioners who went to the state CALAFCO conference in October. Mr. Benoit added that, although he had not yet received all the itemized statements from the Commissioners, he wanted to be able to pay them once received and without having to wait until the January meeting for approval. There was some discussion as to whether the Board could approve those payments ahead of knowing the exact amount. Mr. Benoit stated that payment itself had already been approved at the last meeting, and that he would report the exact amounts paid at the January meeting. All agreed that it would therefore be acceptable to approve payment now.

The second item Executive Officer Benoit wished to add to the Consent Agenda was payment of the bill submitted to CALAFCO for Commissioner Folendorf's translator at the state conference. Mr. Benoit explained that CALAFCO paid the whole bill last year, but this

year was requesting a contribution from Calaveras LAFCO toward the bill (total bill is \$2240). He added that he knew CALAFCO has a tight budget, and since the translator was necessary due to one of our Commissioners, it was only fair that Calaveras should cover the cost. There was some discussion of ways to provide for a translator and/or the costs of one at next year's conference.

MOTION by Commissioner Tofanelli to approve the Consent Agenda with the addition of those two items and to approve the Claims for September and October 2017 as presented, second by Commissioner Paque. Motion passed 7 yes, 0 no, 0 absent, 0 abstention.

MOTION by Commissioner Tofanelli to approve payment of Commissioner expenses for the CALAFCO conference, second by Commissioner Lavaroni. Motion passed 7 yes, 0 no, 0 absent, 0 abstention.

MOTION by Commissioner Tyrrell to approve payment of the full translator expenses of \$2240, second by Commissioner Lavaroni. Motion passed 7 yes, 0 no, 0 absent, 0 abstention.

5. Workshop – Saddle Creek CSD Service Review and Sphere of Influence:

- a. *Review workshop draft and provide comments from Commissioners and the Public. (The Workshop Draft Report is posted on the LAFCo website: www.calaveraslafco.org.)*

Executive Officer Benoit stated that this is not a controversial district. Saddle Creek CSD provides road maintenance, storm drain, street lighting, landscaping, wildlife and wetland preservation, security gate operations, and mosquito abatement services. The last service review was done in 2006. Mr. Benoit reported that Saddle Creek CSD is well run and no issues have been found.

He then reviewed the projected growth of the CSD, and added that a new special tax had been implemented to fund the CSD's services. The CSD is well managed, and is in a five-year improvement program to address the condition and maintenance of its roads. It is also working on putting in drought resistant landscaping where possible, again using funds from the special tax. The district now has a long-term capital improvement and financial planning process in place, something most districts do not have.

Executive Officer Benoit recommended that Saddle Creek CSD retain its existing Sphere of Influence and that it continue to be coterminous with its boundaries.

- b. *Set hearing on the Service Review and Sphere of Influence at the January 15, 2018, meeting.*

Executive Officer Benoit stated that he would prepare a public notice of the hearing on the Saddle Creek CSD Service Review and Sphere of Influence at the January meeting. The date of that meeting would have to be changed, but that would be discussed in the next agenda item.

6. Consider Bylaw amendment thereby amending Section 5.1 of Calaveras LAFCo's Bylaws – Regular Meetings of the Commission.

- a. Receive Executive Officer's Report and consider Resolution 2017-0006 thereby amending Section 5.1 of LAFCo's Bylaws – Regular Meetings to go to an every other month regular meeting schedule.*

Executive Officer Benoit stated the regular meeting months would be July, September, November, January, March and May, still on the third Monday. Commissioner Oliveira asked how claim authorizations would be handled in non-meeting months. Mr. Benoit replied that the chair could sign payment authorizations in those months.

Mr. Benoit then stated that he would add wording to the Bylaw amendment to state that alternate meeting dates would be in the other six months.

Executive Officer Benoit commented that, since January 15 is a holiday, a different date for the January meeting would have to be chosen. After some discussion of calendars, the Board determined that Wednesday, January 10, would work for everyone.

MOTION by Commissioner Tofanelli to approve Resolution 2017-0006 amending Section 5.1 of LAFCo's Bylaws – Regular Meetings with the addition regarding alternate meeting months, second by Commissioner Folendorf. Motion passed 7 yes, 0 no, 0 absent, 0 abstention.

7. CALAFCO Annual Conference Review.

Executive Officer Benoit reported that this year's CALAFCO conference had been a good one with respect to content. He then pointed out some specific topics detailed in his Annual Conference Summary, included in the meeting packet, adding that all the workshops are available on the CALAFCO website. In implementing SB 448, Mr. Benoit stated he would appreciate some policy guidelines from CALAFCO about dissolving districts. Commissioner Paque replied that this may be addressed at the CALAFCO Staff Workshop or CALAFCO University.

Commissioner Tofanelli discussed the workshop on LAFCO branding, and agreed the public needs to be more aware of what LAFCO does. There was also some discussion among the Commissioners regarding the issue of funding both LAFCOs and Special Districts, especially in light of growing PERS costs and in dealing with local disaster issues. The latter item is something that should be considered when doing service reviews.

Executive Officer Benoit stated that Calaveras LAFCo does a good job of saving money, and added that many LAFCO budgets have remained flat. He believes some of the best ways to conserve funds are to reduce bureaucracy and pay attention to financials.

Commissioner Tofanelli congratulated Commissioner Paque on being elected to the CALAFCO Board as a rural representative. Commissioner Paque then reported that the

issue of getting municipal water to Disadvantaged Unincorporated Communities has been taken over by Hertzberg. Also, there is talk of putting together a group that will rewrite the codes regarding Health Care Districts. Executive Officer Benoit commented that it would be helpful if they would make those codes congruent with the Cortese-Knox Act.

Executive Officer Benoit then mentioned that it was through the efforts of CALAFCO that AB 1361 was narrowed to cover only *municipal* water districts in its final version.

8. Executive Officer's Report.

Executive Officer Benoit reported that, with respect to anticipated projects, there is a possible annexation of a small property in Murphys. Also, CSA1 may possibly be converted to a CSD.

9. Commissioners' Reports.

Commissioner Folendorf invited everyone to the Angels Camp Christmas party on Saturday. She also reported that the city is in the process of looking for a new City Administrator.

Commissioner Oliveira mentioned that White Pines will be having their Christmas party on Friday.

10. Public Comment.

There was no public comment.

11. Adjournment.

MOTION by Commissioner Tofanelli to adjourn the meeting, second by Commissioner Paque. Motion passed 7 yes, 0 no, 0 absent, 0 abstention.

Meeting was adjourned at 6:59 p.m. The next regular meeting will be Wednesday, January 10, 2018, at 6:00 p.m., in San Andreas.

Minutes submitted by Nancy Mees.

DATED:

APPROVED:

Michael Oliveira, Chair, or Anita Paque, Vice
Chair, Calaveras Local Agency Formation

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CALAVERAS LAFCO
LAFCO CLAIM AUTHORIZATION FORM

for

November and December 2017

Authorize payment of the following claims:

<u>Date of Claim</u>	<u>Description</u>	<u>Amount</u>
FY 2017-2018 Expenses:		
Dec 1, 2017	Staff SVCS for November 2017	\$ 3,330.17
Nov 20, 2017	Comm Payroll Nov 20, 2017	\$ 400.00
Jan 1, 2018	Staff Svcs December 2017	\$ 3,203.63
Nov 20, 2017	Calafco Reimb. For DCS Inv. For Calafco Conf.	\$ 2,240.00
Nov 20, 2017	Reimbursement Calafco Conf. Tyrrell	\$ 470.00
Dec 11, 2017	Valley Springs News – Saddle ck MSR & SOI	\$ 15.96
TOTAL Nov. and Dec. 2017		\$ 8,389.76

DATED: January 10, 2018

APPROVED: January 10, 2018

Michael Oliveira, Chair or Anita Paque, Vice-Chair
Calaveras Local Agency Formation Commission

Attest:

John Benoit
Executive Officer

2017-2018 Expenditures

Calaveras LAFCO

City Fund 405 Dept 9001

Item	Account Number	Comm Stipends	Insurance	Communications	Memberships	GenOfficeExp	Postage	copies	Fire&EMSSOI	W & WWSOI	Ex. OFF. Svcs	City Fin Chrg
		62001	62050	62051	62052	62053	62054	62055	62057	62058	62059	62060
Total Budgeted		\$ 6,600.00	\$ 1,623.60	\$ 800.00	\$ 899.00	\$ 350.00	\$ 500.00	\$ 1,500.00	\$ 25,000.00	\$ 20,000.00	\$ 42,500.00	\$ 3,600.00
Calafco dues 17-18												
SDRMA Insurance 17-18		\$ (400.00)	\$ (1,713.00)									
Comm Payroll 7.17.2017												
Clafco Conf. registrations												
Staff SVCS July 2017												
Staff SVCS August 2017												
Staff Svcs Sept. 2017												
Staff Svcs Oct 2017												
Comm Stipend Sept 14, 2017		\$ (350.00)										
Reimb fm CALAFCo for Tyrrell Conf												
Comm Stipend for November 20th, 17		\$ 400.00										
Staff Svcs November 2017												
Calafco Reimb DCS Inv 2017-Con108												
Staff Svcs December 2017												
Valley Springs News -SCCSD Legal												

TOTAL EXPENDED	\$ (350.00)	\$ (1,713.00)	\$ (270.46)	\$ (899.00)	\$ (43.35)	\$ (35.77)	\$ (299.30)	\$ -	\$ (10,900.00)	\$ (12,875.00)	\$ -	\$ -
TOTAL REMAINING	\$ 6,250.00	\$ (89.40)	\$ 529.54	\$ -	\$ 306.65	\$ 464.23	\$ 1,201.70	\$ 25,000.00	\$ 9,100.00	\$ 29,625.00	\$ 3,600.00	\$ -

[illegible]

MEMORANDUM
January 10, 2018

Item # 5

TO: Calaveras LAFCo Commissioners

FROM: John Benoit, Executive Officer

RE: **Service Review (MSR) for Services provided by the Saddle Creek Community Services District and Sphere of Influence (SOI)**

ATTACHMENTS:

1. Resolution 2018-0001 - Service Review
2. Resolution 2018-0002 – Sphere of Influence

LAFCo Staff conducted a presentation regarding the Saddle Creek MSR and SOI

Staff received a comment from the General Manager from the Saddle Creek CSD who complimented the draft report.

As required by the Gov. Code for Sphere Updates and Service Reviews notice was published in the Valley Springs News and mailed to the district.

The recommendation is the Sphere is to be conterminous with the District Boundary

Recommendation:

Staff recommends the following:

- a. Consider Resolution 2018-0001 adopting a Service Review for Services provided by the Saddle Creek Community Services District.
- b. Consider Resolution 2018-0002 adopting a Sphere of Influence update for the Saddle Creek Community Services District.

Resolution 2018-0001

of the

Calaveras Local Agency Formation Commission

Approving a Service Review of Services Provided by the Saddle Creek Community Services District and Adopting Written Determinations Thereon

WHEREAS, California Government Code Section 56425 requires that the Local Agency Formation Commission ("LAFCO") adopt and periodically review Sphere of Influence Plans for all agencies in its jurisdiction; and,

WHEREAS, California Government Code Section 56430 requires that LAFCO conduct a review of the municipal services provided by and within an agency prior to updating or adopting its Sphere of Influence Plan; and,

WHEREAS, the Sphere of Influence Plan is the primary planning tool for LAFCO and defines the probable physical boundaries and service area of a local agency as determined by LAFCO; and,

WHEREAS, the Commission adopted guidelines for conducting Municipal Service Reviews (MSRs) included in its Policies, Standards and Procedures adopted on August 17, 2009, which applies to this MSR for services provided by the Saddle Creek Community Services District; and,

WHEREAS, at the time and in the manner provided by law, the Executive Officer gave notice of the date, time, and place of a public hearing by the Commission for the MSR, including approval of the report and adoption of the written determinations contained therein; and,

WHEREAS, the Commission hereby determines that the Service Review for services provided by the Saddle Creek Community Services District and written determinations contained therein will provide information for updating the Spheres of Influence for the Saddle Creek Community Services District, and is otherwise consistent with the purposes and responsibility of the Commission for planning the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities; and,

WHEREAS, the Commission has heard all interested parties desiring to be heard and has considered the report by the Executive Officer and all other relevant evidence and information presented at said hearing;

NOW, THEREFORE, the Calaveras Local Agency Formation Commission hereby resolves, orders and determines the following:

- 1) The Municipal Service Review for Services provided by the Saddle Creek Community Services District, attached hereto as Exhibit A, is approved and the

written determinations presented in the Municipal Service Review report are hereby adopted.

- 2) LAFCO staff is further ordered to forward copies of this resolution containing the adopted Municipal Service Review to the Saddle Creek Community Services District.

The foregoing resolution was duly passed by the Calaveras Local Agency Formation Commission at a regular meeting held on January 10, 2018 by the following roll call vote:

Ayes:

Noes:

Abstain:

Absent:

Signed and approved by me after its passage this 10th day of January 2018.

Michael Oliveira, Chair
Calaveras LAFCO

Attest:

John Benoit, Executive Officer
CALAVERAS LOCAL AGENCY FORMATION COMMISSION

Resolution No. 2018-0002

CALAVERAS LOCAL AGENCY FORMATION COMMISSION

*A Resolution Making Determinations and Approving A Sphere of Influence Update for the
Saddle Creek Community Services District*

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

WHEREAS, the Calaveras Local Agency Formation Commission, in compliance with the aforementioned requirement, is providing a “plan for the probable physical boundaries and service area” for the Saddle Creek Community Services District; and

WHEREAS, the Commission has set the hearing date of January 10, 2018 for the update of the sphere of influence for the Saddle Creek Community Services District and has noticed this hearing at the times and as otherwise prescribed by Government Code Section 56150, *et seq.*; and

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

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

WHEREAS, Calaveras LAFCO prepared a notice of exemption for such action since the sphere of influence reflects no change in the territory currently being served by the district; and

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

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

1. That the proposed sphere of influence update with respect to the Saddle Creek Community Services District complies with the provisions of Government Code Section 56000, *et seq.*
2. That no significant protests have been received regarding the establishment of this Sphere of Influence update.
3. The Saddle Creek Community Services District is authorized to perform road maintenance, storm drain maintenance, street lighting, landscaping of public areas, weed control and trail/fire break maintenance, mosquito abatement, and access gate control services.
3. That, pursuant to Government Code Section 56425, the Commission makes and adopts those determinations set forth in the Sphere of Influence Study are attached hereto and incorporated herein as set forth in *Attachment A*.

4. That pursuant to the California Environmental Quality Act, the Commission adopts a Notice of Exemption (*Attachment B*) under Class 20 since the proposed project involves a sphere of influence update where the Sphere of Influence of the Saddle Creek Community Services District will not change as a result of this update.
5. That the Sphere of Influence Update Report, Executive Officer's Report, and Map for the Saddle Creek Community Services District are hereby adopted and approved as set forth in *Exhibit "A"*.

PASSED AND ADOPTED at a regular meeting of the Calaveras Local Agency Formation Commission, State of California, on the 10th day of January 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Michael Oliveira, Chair Calaveras Local Agency
Formation Commission

Attest:

John Benoit, Executive Officer, Calaveras LAFCO

NOTICE OF EXEMPTION

TO: County Clerk
County of Calaveras
San Andreas, CA

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

PROJECT TITLE: Sphere of Influence Update: *Saddle Creek CSD SOI*

PROJECT LOCATION: Calaveras County

DESCRIPTION OF PROJECT:

The proposed project involves the determination of a Sphere of Influence Update for the Saddle Creek Community Services District with the same boundary as currently exists.

NAME OF PUBLIC AGENCY APPROVING PROJECT:

Calaveras Local Agency Formation Commission

NAME OF PERSON OR AGENCY CARRYING OUT THE PROJECT:

Calaveras Local Agency Formation Commission

EXEMPT STATUS:

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

REASONS WHY THIS PROJECT IS EXEMPT:

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

CONTACT PERSON:
John Benoit
LAFCO Executive Officer

TELEPHONE NUMBER:
(707) 592-7528

By: _____

Date: January 10, 2018

CALAVERAS LAFCO**2018 Commission Regular Meeting Schedule****6:00 p.m.**

**Board of Supervisors Chambers, Government Center
891 Mountain Ranch Road
San Andreas, California**

January 10th

*(note: Wednesday: January 10th
will be a special meeting)*

July 16th**March 19th****September 17th****May 21st****November 19th**

Unless otherwise provided by resolution of the Commission, regular meetings of the Commission are scheduled for the **third Monday** of every other month at 6:00 p.m. in the Board of Supervisors' Chambers, 891 Mountain Ranch Road, Government Center, San Andreas, California. ***Regular meetings are scheduled during the months of January, March, May, July, September, and November. Alternate meeting months in which a LAFCo meeting may be scheduled are: February, April, June, August, October, and December.*** In the event of a scheduled holiday, the regular meeting shall be held at the same place upon the first succeeding Monday which is not a holiday, commencing at the same hour, in which event all hearings, applications, petitions and other matters before the Commission are continued to the same hour of the next succeeding day which is not a holiday. 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 Ralph M. Brown Act, Government Code Section 54954 et seq. and applicable provisions of the LAFCo Act.

MEMORANDUM

January 10, 2018

TO: LAFCo Commissioners

FROM: John Benoit, Executive Officer

RE: SB 448 "Inactive" Special Districts

SB-448 has recently been approved and will take effect on January 1, 2018. This bill contains requirements for the State Controller's Office (SCO) the County Auditor and LAFCo's and adds new requirements for LAFCo's. A brief summary of LAFCo's new requirements is as follows:

Special Districts are now required to file their annual audits with the Local Agency Formation Commission in addition to the SCO and the County Auditor (Annual audits are required to be filed within 12 months of the end of the previous fiscal year in most cases).

The legislation requires the SCO to compile a comprehensive list of special districts by July 1, 2019 and a list of special districts that are considered "inactive" by November 1, 2018.

The SCO will notify LAFCo of any district that they consider "inactive" and require LAFCo to initiate proceedings for the dissolution of any special district that is an "inactive" district and LAFCo is to dissolve the district.

The **definition** of an "inactive" district is added as GOV Code 56042:

- (a) The special district is as defined in Gov Code Section 56036.
- (b) The special district has had no financial transactions in the previous fiscal year.
- (c) The special district has no assets and liabilities.
- (d) The special district has no outstanding debts, judgments, litigation, contracts, liens, or claims.

The basic process is as follows:

LAFCo dissolution of an "inactive" district, meeting the requirements as defined, is required if the SCO notifies LAFCo. LAFCo has 90 days to initiate proceedings to dissolve an "inactive" district and another 90 days after a public hearing to dissolve the "inactive" district.

If a district does not meet the criteria to be considered "inactive", LAFCo shall notify the SCO's office.

If a district meets the requirements to be considered "inactive", LAFCo's noticing requirements apply but LAFCo's protest proceedings do not.

If a district subject to LAFCo fails to send a copy of its most recent audit to the SCO, then the SCO will notify LAFCo. Not all districts considered "inactive" by the SCO are "inactive" as defined above.

Conclusions:

Districts will have to file Audits with LAFCo as well as the County Auditor and SCO (In previous years Mutual Water Companies and JPA's have been required to send maps and agreements respectively to LAFCo, of which LAFCo has received no maps from Mutual water companies and no JPA agreements.

Most district's the SCO believes are "inactive" (because a district has failed to send their audit) are **NOT** "inactive" in LAFCo's definition (GC Section 56036) and the only action LAFCo can be is to notify the SCO of its determination that the district is indeed active.

Many independent districts are not subject to LAFCo's jurisdiction. While a district is defined in Gov Code Sections 56036, what about Gov Code Section 56036.5 and 56036.6 the defines other district, some of which may or may not be subject to LAFCo's jurisdiction.

LAFCo and Special Districts should be on the alert for any changes regarding the definition of "inactive" in future legislative years.