

Calaveras Local Agency Formation Commission

Regular Meeting Minutes – Monday, March 18, 2019

1. **Call to Order/Pledge of Allegiance/Roll Call** – Order was called by Chair Paque at 6:01 p.m., on Monday, March 18, 2019, in the Calaveras County Board of Supervisors Chambers, County Administrative Center, San Andreas, California.

Commissioners Present

Anita Paque, Chair, Public Member
Tony Tyrrell, Vice Chair, Spec. Dist. Mem.
Alvin Broglio, City Member
John Lavaroni, Special Dist. Member
Merita Callaway, County Member
Joseph Oliveira, City Member
Dennis Mills, County Member Alt.
Jon Dashner, Special Dist. Mem. Alt.
Roark Weber, Public Member Alt.

Commissioners Absent

Gary Tofanelli, County Member.
Amanda Folendorf, City Member Alt.

Staff Present

John Benoit, Executive Officer
Nancy Mees, LAFCO Clerk

Others Present

2. **Approval of Agenda:**

MOTION by Commissioner Oliveira to approve the Agenda, second by Commissioner Tyrrell. Motion passed 7 yes, 0 no, 0 abstention, 0 absent.

3. **Consider Minutes from the January 28, 2019, LAFCo meeting:**

Cindy Secada, General Manager of Murphy’s Sanitary District, stated from the audience that she did not believe the January minutes accurately reflected what she had intended to say at the previous meeting, and she therefore wished to clarify what she had meant: (1) Her response to Commissioner Calloway’s question regarding extension of service was intended to say that, due to the location of existing main sewer lines and the distance of potential new construction from them, it might discourage more connections. (2) She also wished to clarify that, although they have had brief discussions with CCWD on the possibility of working together, they are not actually working together for finding ways to help with processing effluent. (3) Lastly, Murphy’s Sanitary District has also not had any formal conversations with UPUD regarding any project for providing ag water, although it is something that could be discussed between the two agencies for assisting in future growth for the community.

By consensus, the Commission determined that it would be appropriate to included these clarifications as part of the minutes of this meeting rather than amending the minutes from the January meeting.

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

4. Consent Agenda:

a. Review and Authorize Claims for January and February 2019.

MOTION by Commissioner Oliveira to approve the Consent Agenda and Claims for January and February 2019 as presented, second by Commissioner Mills. Motion passed 7 yes, 0 no, 0 abstention, 0 absent.

5. Correspondence:

Letter from Special Districts Risk Management Authority (SDRMA).

Executive Officer Benoit reported that the letter from SDRMA informed Calaveras LAFCo that its liability insurance would be increasing five percent this year.

Letter from the California Special Districts Association re Leadership Training.

Mr. Benoit reviewed the letter regarding a leadership training summit that was coming up and reported that scholarships are available, although he will not be attending. Chair Paque pointed out that the letter specified which counties are eligible for the scholarship, and Calaveras is not one of the ones listed.

PUBLIC HEARING

6. Public hearing regarding the Service Review and Sphere of Influence Update for the Murphy's Sanitary District.

Review Service Review and Sphere Update report, conduct Public Hearing, discuss and consider the following:

a. LAFCo Resolution 2019-0001 adopting a Service Review for the Murphy's Sanitary District

Chair Paque reminded everyone that there had been a workshop on this MSR and SOI at the January meeting. She then opened the public hearing.

Commissioner Callaway asked whether Murphy's Sanitary District had also received a letter from SDRMA stating that their liability insurance would be increasing Ms. Secada responded that they had, and that it was increasing. Commissioner Oliveira asked if LAFCo shopped around for insurance. Executive Officer Benoit replied that he had in the past, but that since Calaveras LAFCo is a member of CSDA, their insurance is the best price.

Commissioner Oliveira commented that Murphy's Sanitary District appears to be more financially stable now, and their capital improvement plan shows that the district and its board are looking forward in their planning. He congratulated them on all that they are now doing.

MOTION by Commissioner Callaway to approve resolution 2019-0001 adopting the Service Review for the Murphy's Sanitary District as presented, second by Commissioner Tyrrell. Motion passed 7 yes, 0 no, 0 abstention, 0 absent.

b. *.LAFCo Resolution 2019-0002 adopting a Sphere of Influence Update for the Murphy's Sanitary District*

Commissioner Lavaroni asked, since he was not at the January meeting, how much larger the sphere would be. Executive Officer Benoit replied that the size and boundaries of the sphere were not being changed in this update.

MOTION by Commissioner Lavaroni to adopt resolution 2019-0002 updating the Sphere of Influence for the Murphy's Sanitary District as presented, second by Commissioner Broglio. Motion passed 7 yes, 0 no, 0 abstention, 0 absent.

7. Public hearing regarding the initiation of dissolution of County Service Areas #5, #7, #10 and #11 as required by Gov. Code Section 56879(b). The Commission intends to adopt a Resolution initiating the process of dissolution of the CSAs as required after having received notice from the State Controller's Office.

Consider resolution 2019-0003 initiating the dissolution of County Service Areas #5, #7, #10 and #11 as required by Gov. Code Section 56879(b) and make a finding that CSA #6 (La Contenta) has already been dissolved.

Chair Paque noted that we had received notice from the State Controller's Office requiring these dissolutions.

Executive Officer Benoit explained that this new procedure is the result of the Little Hoover Commission's effort to eliminate districts that are inactive. He reported that the Controller's Office has been communicating with the counties to determine what districts are inactive. Although their letter directs Calaveras LAFCo to dissolve CSA #6, that CSA has already been dissolved. The other CSAs that are still in existence were created as part of tentative subdivisions for the purpose of developing roads and maintaining them. Some of these intended CSAs became Homeowner Associations or other entities instead. The County Auditor has verified that none of these CSAs has had any financial transactions.

Mr. Benoit doesn't believe any easement issues are involved in dissolving these districts, but that would be determined as part of the dissolution process. He would also check with Public Works to see if they know of any easements.

Chair Paque commented that the process would also bring out whether there was anyone that wants any of these districts to continue to exist. If that is the case, then that district would have to do what is necessary to once again become a “legally” operating district.

MOTION by Commissioner Callaway to adopt resolution 2019-0003 initiating the dissolution of CSAs #6, #7, #10 and #11, second by Commissioner Tyrrell. Motion passed 7 yes, 0 no, 0 abstention, 0 absent.

8. Public hearing – Proposed Fiscal Year 2019-2020 LAFCo Budget.

Receive Executive Officer’s report and open public hearing regarding the proposed 2019-2020 fiscal year budget and consider resolution 2019-0004 adopting a proposed budget for 2019-2020.

Executive Officer Benoit reported that since 2001, LAFCO costs have been split one-third to the City, one-third to the Special Districts, and one-third to the County, and that those costs haven’t changed much in the past 15 years. This next year, however, the amount will have to increase due to increasing state mandates and actions of the Legislature.

The General Reserve will be about \$100,000. As already mentioned, liability insurance will be increasing, and CALAFCO dues will be going up by 16.25%. Total executive officer expenses have been raised by \$2,500, again because of increasing state mandates, and also since that amount has not changed since 2005. This line item also includes clerk time. Mr. Benoit pointed out that some of his time is paid through fee-supported projects.

Executive Office Benoit added that he had done a survey of the salaries of other EOs across the state and found the average to be about \$100/hour. He noted that MSR consultants’ charges are even higher. As Mr. Benoit’s salary has remained at \$75/hour for the past 14 years, he is requesting an increase and has worked that into the budget.

Mr. Benoit stated that he has budgeted for three Commissioners to go to the annual CALAFCO conference in Sacramento this year. The rest of the budget is basically the same as this past year’s.

Executive Officer Benoit answered several Commissioner questions regarding various details of the budget, including explaining that the one-third share paid by the Special Districts is split according to their revenues for the previous year, and that the County Auditor determines those amounts and also collects them. Since MSRs and SOIs are not billable to anyone, the work on them is paid out of the contributions from the City, County and Special Districts.

Chair Paque stated that, after no raise in 14 years, Mr. Benoit deserved an increase. Commissioner Lavaroni said he felt the Commission should go with the \$100/hour average.

MOTION by Commissioner Tyrrell to approve resolution 2019-0004 adopting the proposed 2019-2020 fiscal year budget as presented, and to increase Executive Officer Benoit's hourly rate to \$100, second by Commissioner Lavaroni. Motion passed 7 yes, 0 no, 0 abstention, 0 absent.

Chair Paque closed the public hearing.

WORKSHOP

9. Review Service Review requirements and conduct a goal setting workshop for Calaveras LAFCo with regard to Calaveras LAFCo's role in orderly growth in Calaveras County and discuss the need and methods of achieving reorganization of various services.

Executive Officer Benoit commented that there has been a lot of discussion recently about consolidations, and that sometimes consolidation can be good, but sometimes they are not. He wishes to know what the Commission would like to include in MSR's with respect to influencing orderly growth. Mr. Benoit stated that, due to Prop 18, CSDs are having a harder time getting board members and following all the many legal requirements now imposed on them. The county therefore has a lot of CSDs and CSAs that were set up years ago when there were fewer requirements on them, but that are now struggling to maintain themselves. What should LAFCo do? The county doesn't want them, and the people like maintaining their autonomy.

Mr. Benoit reported that the county EIR will be coming out soon, and that LAFCo should look at it and comment on its growth policies. Commissioner Oliveira commented that the state and DWR are requiring counties to show build-out plans in their General Plans. Mr. Benoit added that they are also requiring plans regarding fire suppression. Commissioner Oliveira commented that sometimes JPAs can be a step that works without having to consolidate.

Executive Officer Benoit stated that possibly a portion of LAFCo's policies could discuss how LAFCo will help deal with these issues. Commissioner Callaway commented that, since the city and county General Plans deal with growth, why does LAFCo need to get involved. Chair Paque replied that a lot of what is in those General Plans comes from LAFCo's MSR's. Mr. Benoit added that LAFCo can also regulate timing of growth issues through the MSR's. Chair Paque suggested looking at our policies to see if what they say needs to be updated to address what the county currently needs.

Commissioner Callaway further commented that she hasn't seen LAFCo comment on ag land usage. Mr. Benoit responded that he hasn't seen a developer plan in years, but that the county knows to contact LAFCo when it is an affected agency in any proposed plan, but that LAFCo is not affected in every proposed plan. Chair Paque added that when development is in an area that already has services and is not expanding boundaries, LAFCo has already

examined any ag land use issues at a prior time. She then suggested sending our policies out to the Special Districts to review and provide input.

Audience member Joe Fontana from Murphy's Sanitary District asked whether LAFCo had any input on the placement of light industry next to a subdivision or issues of that sort. Chair Paque responded that LAFCo does not control zoning. Districts, not developers, come to LAFCo regarding expansion of district boundaries. LAFCo can set requirements regarding services with respect to a development that would extend boundaries, but it cannot address zoning issues. Executive Officer Benoit added that LAFCo can indirectly affect land use through density requirements, requiring new EIRs, etc.

10. Consider authorizing the Chair to sign letters of support for AB 213 (Reyes), VLF revenue backfill for inhabited annexations, and AB 1253 (Rivas) regarding Grants for LAFCOs with Disadvantaged or Severely Disadvantaged Communities.

Executive Officer Benoit explained that AB 213 came about as the result of SB 89 passed in 2011 that had caused a loss of VLF revenue to cities. AB 213's goal is to reinstate that funding. The purpose of AB 1253 is to provide the grant funding that had been removed from some legislation last year, thus causing the Governor to veto that bill as it had no appropriations. This bill provides grants for studying services to disadvantaged communities.

Commissioner Oliveira asked if AB 213 would affect our city, and Mr. Benoit replied that it had not so far. Commissioner Oliveira then asked if there were any restrictions on the grants in AB 1253. Chair Paque responded that any study must be specific to water service in locations where there is poor service, and the grants are specific to LAFCo.

Ms. Secada asked what study LAFCo might do and where the money from these studies was coming from. Chair Paque said the money would come from the General Fund, and that the study could look at such things as who could take over a district that was providing inadequate services, whether a consolidation would work, etc. The study would be dependent on the particular area at which LAFCo was looking.

MOTION by Commissioner Tyrrell to approve the signing of the two proposed letters regarding AB 213 and AB 1253, second by Commissioner Oliveira. Motion passed 7 yes, 0 no, 0 abstention, 0 absent.

11. Executive Officer's Report

a. 700 Forms due to LAFCo – April 1, 2019

Executive Officer Benoit stated that the forms should be filed with him.

b. LAFCo 101 – May 2019 LAFCo meeting.

Mr. Benoit explained that he is having the workshop so that the board is informed about what exactly LAFCo is and what it does.

c. *Outreach to the public and agencies regarding LAFCo*

Executive Officer Benoit stated that a brochure giving a brief explanation of LAFCo is in this month's packet.

d. *Valley Springs Public Utility District MSR and SOI*

Mr. Benoit reported that he is currently working on draft MSRs for this and the following three districts. He will meet with each district to go over the draft and discuss whether they are intending to expand their SOIs.

Commissioner Oliveira asked if they would be done in sequence. Mr. Benoit replied that he sends the requests for information out to all of them at the same time, but will complete and present the MSRs and SOIs in a sequence. The last time around all the MSRs were completed and presented as a group, and that was too daunting.

e. *Calaveras Public Utility District MSR and SOI*

f. *San Andreas Sanitary District MSR and SOI*

g. *Union Public Utility District MSR and SOI*

12. Commissioners Reports

Chair Paque reported that she will again be the Conference Chair for the CALAFCO State Conference in October. She told the Commissioners to let her know if there was a topic about which they would like to hear at the conference. Commissioner Callaway suggested a session on how LAFCo relates to city and county EIRs. Where do they come together, where do they conflict?

13. Public Comment:

There was no public comment.

14. Adjournment:

Meeting was adjourned at 7:37 p.m. The next regular meeting will be Monday, May 20, 2019, at 6:00 p.m., in San Andreas.

Minutes submitted by Nancy Mees.

DATED: _____

APPROVED: _____

Anita Paque, Chair, or Tony Tyrrell, Vice
Chair, Calaveras Local Agency Formation