

**Calaveras Local Agency Formation Commission**

**Regular Meeting Agenda**

**Monday – March 18, 2019 – 6:00 p.m.**

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

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**6:00 PM Regular LAFCo Meeting Items:**

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

**Commissioners**

Anita Paque, Chair, Public Member

Alvin Broglio, City Member

Joseph Oliveira, City Member Alt.

Gary Tofanelli, County Member

Merita Callaway, County Member

Tony Tyrrell, Vice-Chair Special District Member

John Lavaroni, Special District Member

Roark Weber, Public Member Alt.

Dennis Mills, County Member Alt.

Jon Dashner, Special Dist. Member Alt.

Amanda Folendorf, City 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 Jan 28, 2019***

*a. Approve January 28, 2018 LAFCo Minutes*

**4. Consent Agenda:**

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

**5. Correspondence:**

**PUBLIC HEARINGS:**

- 6. Public Hearing regarding the the Service Review and Sphere of Influence Update for the Murphy's Sanitary District**
  - a. Review Service Review and Sphere Update report, conduct Public Hearing, discuss and consider the following:*
    1. *LAFCo Resolution 2019-0001 adopting a Service Review for the Murphy's Sanitary District*
    2. *LAFCo Resolution 2019-0002 adopting a Sphere of Influence Update for the Murphy's Sanitary District*
- 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 CSA's as required after having received notice from the State Controller's Office.**
  - a. 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 makes a finding that CSA #6 (La Contenta) has already been dissolved.*
- 8. Public Hearing - Proposed Fiscal Year 2019- 2020 LAFCo Budget**
  - a. 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*

**WORKSHOP:**

- 9. Review Service Review requirements and conduct a goal setting workshop for Calaveras LAFCo with regards to Calaveras LAFCo's role in orderly growth in Calaveras County and discuss the need and methods of achieving reorganization of various services.**
- 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 LAFCo's with Disadvantaged or Severely Disadvantaged Communities.**
  - a) Authorize Chair to sign letters of Support*
- 11. Executive Officer' s report**
  - a. 700 Forms due to LAFCo - April 1, 2019*
  - b. LAFCo 101 - May 2019 LAFCo meeting*
  - c. Outreach to the public and agencies regarding LAFCo*

- c. Valley Springs Public Utility District MSR and SOI
- d. Calaveras Public Utility District MSR and SOI
- e. San Andreas Sanitary District MSR and SOI
- f. Union Public Utility District MSR and SOI

## 12. 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

## 13. 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.

## 14. NEXT LAFCO MEETING IS: May 20, 2019 - 6:00 PM 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

Calaveras LAFCO

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](http://www.calaveraslafco.org)

Email LAFCO at: [j.benoit4@icloud.com](mailto:j.benoit4@icloud.com)



## Calaveras Local Agency Formation Commission

### Regular Meeting Minutes – Monday, January 28, 2019

1. **Call to Order/Pledge of Allegiance/Roll Call** – Order was called by Chair Paque at 6:04 p.m., on Monday, January 28, 2019, in the Calaveras County Board of Supervisors Chambers, County Administrative Center, San Andreas, California.

#### Commissioners Present

Anita Paque, Chair, Public Member  
 Merita Callaway, County Member  
 Joseph Oliveira, City Member  
 Gary Tofanelli, County Member.  
 Jon Dashner, Special Dist. Mem. Alt.  
 Roark Weber, Public Member Alt.

#### Commissioners Absent

John Lavaroni, Special Dist. Member  
 Dennis Mills, County Member Alt.  
 Alvin Broglio, City Member  
 Amanda Folendorf, City Member Alt.  
 Tony Tyrrell, Vice Chair, Special Dist.  
 Member

#### Staff Present

John Benoit, Executive Officer  
 Nancy Mees, LAFCO Clerk

#### Others Present

2. **Approval of Agenda:**

**MOTION** by Commissioner Tofanelli to approve the Agenda, second by Commissioner Dashner. Motion passed 5 yes, 0 no, 0 abstention, 2 absent.

3. **Consider Minutes from the November 19, 2018, LAFCo meeting:**

**MOTION** by Commissioner Dashner to approve the Minutes as presented, second by Commissioner Tofanelli. Motion passed 3 yes, 0 no, 2 abstention, 2 absent.

4. **Consent Agenda:**

*a. Review and Authorize Claims for November and December 2018.*

**MOTION** by Commissioner Callaway to approve the Consent Agenda and Claims for November and December 2018 as presented, second by Commissioner Dashner. Motion passed 5 yes, 0 no, 0 abstention, 2 absent.

## WORKSHOPS

5. **Workshop and Introduction of the Service Review and Sphere of Influence Update for the Murphy's Sanitary District**

*Review Service Review and Sphere Update report, discuss and provide comments to staff and set public hearing for March 18, 2019.*

Executive Officer Benoit commented that eight or nine years ago, when the last MSR was done, it was one very large Service Review that included all the districts. To make the Reviews more manageable, he is now doing individual districts in categories, and is currently working on the water and wastewater districts. Murphy's Sanitary District (MSD) is the first one ready for review because it was the first district to reply with his request for information, for which Mr. Benoit thanked the District.

The individual District MSRs are still 50-60 pages long, however, so Mr. Benoit felt it would be better to first have a workshop to briefly explain to the Commission what is in the MSR. He then reviewed the table of contents for the MSD MSR, making comments. The Introduction contains the boilerplate material explaining what LAFCo does and the statutory requirements regarding performing MSRs. Mr. Benoit asks each District to update the prior MSR, and this information is in the section on the current status of the District and its services. He commented that MSD has made a large improvement in its operations since the last review.

The next section is the actual Review itself. Executive Officer Benoit uses the new information provided, plus his own research, to make the Review and then the Sphere of Influence Review, which is the following section. Mr. Benoit commented that in the past the MSR and SOI were often done at totally different times, but that he believes it is better to do them concurrently. He added that he uses the 2010 Census information when making his determinations on population density, expected growth, and determining whether a District is a Disadvantaged Unincorporated Community (DUC). He determined that MSD is a DUC.

Executive Officer Benoit also stated that it is very important for a District to have a capital improvement plan in place, and that MSD does have one. He also looks at a District's financial ability to provide the services it is required to provide. Another item he is required to look at is whether there is an opportunity for a District to share facilities, and Mr. Benoit reported that MSD does communicate with other districts and organizations throughout the state. He said that MSD has a two-part governmental structure, one administrative and one operational.

With respect to the SOI, Executive Officer Benoit commented that the old MSRs just used maps showing the SOI without having a lot of data to back them up. The current MSR provides all the data that backs up his recommendation for the current sphere. MSD provides both residential and commercial wastewater services, and they are currently at 80% capacity, but the District does have improvement plans.

Mr. Benoit concluded by asking the Commissioners to let him know if they find any errors in the background information.

Commissioner Callaway congratulated MSD for obtaining a grant for their wastewater treatment plant upgrade, and asked whether they would be expanding their service after that upgrade. Cindy Secada, general manager of the District, responded from the audience that it will increase capacity somewhat, but that since the system is gravity-fed, there are limitations on adding new lines. She added that what the upgrade will do is allow the water to be treated more quickly, so the issue is not really one of more capacity, but of being able to treat the water more quickly and therefore move it out more quickly. Ms. Callaway then asked if the District was planning any extensions of service. Ms. Secada responded that the District could, but as treatment costs will go up, that might discourage more extensions. She added that the District is working with CCWD on finding ways they can help with processing effluent. They might also possibly work on a project with UPUD to provide them with water that could be used agriculturally.

Chair Paque asked if there was any public comment. Ms. Secada commented that she thought the boilerplate language at the beginning of each MSR could be done once at the front of all the MSRS when compiled. She also thought that commenting on whether a District was working with other districts and organizations, besides providing knowledge of what organizations are available to Districts, would also show how well a District is currently working. Ms. Paque responded that the Legislature often looks at MSRs from various counties when working on legislation to see how well the districts are working and what they are missing.

Commissioner Oliveira asked Ms. Secada if CALPERS catchup was what the District's unfunded liability consisted of, Ms. Secada replied that it was.

Executive Officer Benoit said the Public Hearing on the MSD MSR would be set for the next regular meeting.

**6. 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 stated that is difficult for LAFCOs to outright mandate district consolidations and dissolutions, but that many districts are no longer viable and should be combined, so LAFCo needs to consider that possibility when conducting MSRs and SOIs. He added that in many counties there are many boards managing different things in the same areas, and the question is whether LAFCo should be helping those districts realize they should combine or dissolve.

Chair Paque commented that the CALAFCO Legislative Committee is looking for a legislator to introduce a two-year bill that would look at the protest provisions in the various LAFCo processes in an effort to put them all into one streamlined provision for the protest

process with the threshold number of protests being higher so that it would be uniform for all proceedings, thus making them easier. But looking at consolidations and dissolutions as part of the MSR process would also be a helpful and less costly way of encouraging better management in the districts.

Commissioner Oliveira asked if LAFCo has been more forceful in telling a district what it should do. Executive Officer Benoit responded that in the past it has with respect to requiring a dissolution, but that it is harder to require a consolidation, although it has been done. What LAFCo can do is plant seeds with the districts with respect to the idea of consolidation, and the MSRs are one way to do so. Ms. Paque added that across the state the number of districts has not changed much, but agreed that MSRs are a way to encourage districts to work together. But at the same time that the state is trying to decrease the number of local districts, it is passing legislation creating more agencies.

Commissioner Dashner commented that, although people want to maintain local ownership, when they join together, it gives them a larger say at the state level. Barriers need to be broken down between districts so they will be more willing to join together, and he feels that is now happening a little more often. Commissioner Tofanelli added that a good time for considering consolidation is when one manager or fire chief is retiring as there is less likelihood of someone feeling they are losing control or being pushed out. For the same reason, another method that has helped get around this problem is having the new consolidated board consist of all the members of the previous separate boards. He also thinks increasing state standards will cause more consolidations due to increasing costs in meeting the standards or decreasing service due to inability to meet those standards.

Chair Paque asked for any public comment. Ms. Secada agreed that people want to keep local control, and therefore, if consolidations were going to be required, would there be any benchmarks that would have to be reached, i.e., what would be the requirements for consolidation? Ms. Paque responded that some benchmarks might be whether a district's infrastructure was antiquated and there was no financial ability to replace it, whether a district was not meeting state quality standards, and whether a district could remain financially viable going into the future. So there is a lot that goes into deciding whether a consolidation is necessary, but it is LAFCo's duty to ensure that everyone in the county is obtaining necessary services. With water in particular, the state is now determining that if things are too bad, the state will mandate consolidation. The state is also now requiring that DUCs be annexed into a district as part of a nearby annexation that is occurring.

Chair Paque commented that sharing resources or projects between districts is another good way of eventually convincing districts that it would be better to consolidate. It's also easier for larger regional districts to obtain grant money than it is for smaller individual districts.

**7. Hold Discussion regarding the State Controller's Notification of Inactive CSAs in Calaveras County.**

Executive Officer Benoit explained that SB448 requires dissolution of inactive districts, and Calaveras LAFCO has received a list of districts considered inactive by the state. They are all CSAs, and a hearing needs to be scheduled to start the process of dissolving them. LAFCo will have to pay for them since they are not district initiated. Chair Paque says CALAFCO is trying to get funding for mandated dissolutions into the state budget this year as funding failed last year.

A member of VSPUD in the audience stated they had been told they were on this list. Mr. Benoit told her VSPUD was not on the list.

Commissioner Callaway stated she would like to know where each district is located, and that the Supervisors for those districts should be notified since they might have information with respect to whether the district is truly inactive. She also wanted to know any downside to these dissolutions. Executive Officer Benoit responded that he knows these districts do not currently exist other than on paper, so there is no downside to dissolving them. But he will verify that none of the districts has any funds still on their books as part of the dissolution process.

Commissioner Weber discussed the dissolution of a district in Amador County where it was discovered there were easements that were recorded.

**MOTION** by Commissioner Tofanelli to direct staff to initiate the process of dissolving the districts set forth in the State Controller's letter, second by Commissioner Dashner. Motion passed 5 yes, 0 no, 0 abstention, 2 absent.

**8. Authorize staff to attend the CALAFCO Annual Staff Workshop April 10-13, 2019, in San Jose, CA.**

Chair Paque commented that Executive Officer Benoit splits his costs among all the counties for which he is Executive Officer, so the cost to Calaveras County is fairly minimal.

**MOTION** by Commissioner Callaway to authorize Executive Officer Benoit to attend the CALAFCO Annual Staff Workshop April 10-13, second by Commissioner Dashner. Motion passed 5 yes, 0 no, 0 abstention, 2 absent.

**9. Executive Officer's report:**

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

Executive Officer Benoit reported that the forms must be filed with him now, not the county. The Commissioners can either email them to him or bring them to the next meeting. The forms can be obtained online, and they must have an original signature.

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

Mr. Benoit explained that many agencies and boards do not know what LAFCo is. He has a brochure that tells about LAFCo that he could give to new boards and new board members.

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

Executive Officer Benoit reported that he has received information for this district and the following two districts and is working on their MSRs. They will be coming to the Commission eventually.

*d. Calaveras Public Utility District MSR and SOI*

*e. San Andreas Sanitary District MSR and SOI*

*f. Union Public Utility District MSR and SOI*

Executive Officer Benoit will be meeting with them soon. In addition, he needs to contact Mokelumne Hill. After the water and wastewater district MSRs are done, LAFCo should probably look at Angels Camp because a lot has changed since their last MSR.

*g. 2019-2020 LAFCo Budget process*

Executive Officer Benoit stated that the budget this year will be pretty much the same as last year's. He added that the budget has not really increased much in all the time he has been with Calaveras LAFCo. The only items that generally increase are CALAFCO dues and liability insurance. Mr. Benoit will need the budget hearing at the March meeting. He will also determine his scheduling of MSR work over the next budget year; costs of doing the MSRs increases when districts are uncooperative in supplying information.

Commissioner Callaway asked what would happen if something expensive suddenly came up since the budget is never increased, e.g., Mr. Benoit retiring and a replacement having to be found. Should the budget therefore be increased a little each year? Mr. Benoit responded that he always tries to keep costs down. Commissioner Oliveira asked if there is a reserve, and Mr. Benoit replied that there is currently a reserve of about \$100,000.

Commissioner Weber commented from the audience that the CSAs recommended for dissolution were ones formed by the Board of Supervisors in conjunction with developments that were being built, and therefore would it be possible for the Board of Supervisors to abandon them? Executive Officer Benoit responded that that is no longer an available option. Due to changes in the law, it is now required that LAFCO dissolves districts. Mr. Weber also reminded the Commission to check for heirs to any easements that might have been created when the CSAs were formed.

## **10. Commissioners Reports**

There were no Commissioner reports.

## **11. Public Comment:**

*Calaveras LAFCO*

*January 28, 2019*



There was no public comment.

**12. Adjournment:**

Meeting was adjourned at 7:39 p.m. The next regular meeting will be Monday, March 18, 2019, at 6:00 p.m., in San Andreas.

Minutes submitted by Nancy Mees.

**DATED:**

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**APPROVED:**

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

**CALAVERAS LAFCO**  
**LAFCO CLAIM AUTHORIZATION FORM**

for

January and February 2019

Authorize payment of the following claims:

<u>Date of Claim</u>	<u>Description</u>	<u>Amount</u>
<b>FY 2018-2019 Expenses:</b>		
Jan 28, 2019	Commission meeting stipends	\$ 300.00
Feb 1, 2019	Staff Svcs and Expenses Jan 19	\$ 3,248.16
Mar 1, 2019	Staff Svcs and Expenses Feb 19	\$ 4,687.51
Mar 1, 2019	Valley Spgs News 19-20 Bud and Dissolv	\$ 17.96
TOTAL:		\$ 8,253.63

DATED: March 18, 2019

APPROVED: March 18, 2019

\_\_\_\_\_  
Anita Paque, Chair or Tony Tyrrell, Vice-Chair  
Calaveras Local Agency Formation Commission

Attest:

\_\_\_\_\_  
John Benoit  
Executive Officer



Item	Account Number	Comm Stipends 62001	Insurance 62050	Communications 62051	Memberships 62052	GenOfficeExp 62053	Postage 62054	copies 62055	MSR 62057	SOI 62058	Ex. OFF. Svcs 62059	City Fin Charg 62060
<b>Total Budgeted</b>		\$ 3,300.00	\$ 1,721.00	\$ 800.00	\$ 925.00	\$ 350.00	\$ 500.00	\$ 1,500.00	\$ 25,000.00	\$ 20,000.00	\$ 42,500.00	\$ 3,600.00
Calafco dues 18-19			\$ (1,198.00)		\$ (925.00)							
SDRMA Insurance 18-19												
reimb JD one night conf. lodging												
Clafco Conf. reg TT, JD and AP												
Commission Stipends 7.16.18		(400.00)										
JB claim staff Svcs July 18 2018-0068				(44.36)				(20.60)	(1,050.00)		(3,956.25)	
Revenue for Metzger and Padou												
JB claim MSR and Svcs Aug 2018				(43.27)				(10.00)	(1,650.00)		(2,062.50)	
Sept 17, 2018 Payroll		(400.00)										
JB Claim MSR and Services Sept 2018				(43.80)				(50.50)	(3,000.00)		(3,225.00)	
JB Claim MSR and SOI Svcs Oct 2018				(64.96)				(11.00)	(3,000.00)		(3,000.00)	
Pioneer Review Padou Metzger SOI												
Conf ReimbAnita Paque												
Conf Reimb - Jon Dashner												
Conf Reimb - TonyTyrrell												
CSDA 2019 Memb renewal					\$ (500.00)							
Payroll November 19, 2018 Calav Mtg		(400.00)										
REIMBURSEMENT Paque Conf regis 2018												
JB claim MSR and staff Svcs Nov 2018				(39.38)				(84.40)	(1,075.00)		(3,500.00)	
JB Claim MSR and Services Dec 2018				(39.38)				(15.00)	(1,000.00)		(1,962.50)	
JB Claim MSR and SVCS Jan 2019				(39.36)				(15.10)	(1,000.00)		(2,112.50)	
Payroll Jan 28, 2019		(300.00)										
Staff Svcs Feb 2019												
Valley Springs News 19-20 Bud.Dissol				(39.28)				(126.70)	(2,000.00)		(2,462.50)	
<b>TOTAL EXPENDED</b>		\$ (1,500.00)	\$ (1,198.00)	\$ (353.79)	\$ (1,425.00)	\$ -	\$ (46.09)	\$ (333.30)	\$ (13,775.00)	\$ -	\$ (22,281.25)	\$ -
<b>TOTAL REMAINING</b>		\$ 1,800.00	\$ 523.00	\$ 446.21	\$ (500.00)	\$ 350.00	\$ 453.91	\$ 1,166.70	\$ 11,225.00	\$ 20,000.00	\$ 20,218.75	\$ 3,600.00

3/10/19

February 22, 2019

Mr. John Benoit  
Executive Director  
Local Agency Formation Commission of Calaveras County  
Post Office Box 2694  
Granite Bay, California 95746

RE: 2019-20 Property/Liability Program Rate Information

Dear Mr. Benoit,

On behalf of the Special District Risk Management Authority (SDRMA) Board of Directors, we sincerely appreciate your safety/loss prevention efforts and continued support of SDRMA.

SDRMA continues to make every effort to reduce operating costs and minimize rate increases while ensuring the financial integrity of the Property/Liability Program. Unfortunately, due to catastrophic fires within California and increasing liability court judgements, our excess carriers are imposing a rate increase on all their clients, including SDRMA. Based on those factors and overall pool claims costs over the past several years, after considerable review and discussion on February 6, 2019, the Board approved a 5% increase for the liability rates and a 11% increase for property rates for 2019-20. This increase will still leave a revenue shortfall that will require the use of reserves and investment income to fully fund the program.

Also, after intensive pricing review, the Board approved a change to the calculation of the Volume Discount that is applied to Property, Mobile Equipment and Auto Liability. SDRMA will no longer use a member's general liability contribution as a factor in determining the percentage of Volume Discount given.

New for 2019-20, as communicated in the Renewal Questionnaire packet, effective July 1, 2019, scheduled property values (building and contents) were automatically "trended" based on specific inflationary factors provided by Marshall & Swift. Properties added during the current policy or appraised within the last year were exempt from this process.

In addition, your agency's actual contribution amount for 2019-20 may vary compared to 2018-19 due to the rate increases, any coverage limit changes, outside policy pricing, scheduled item additions/deletions, risk factor adjustments and Credit Incentive Program (CIP) points earned.

*Other Important Items to Note:*

- No Longevity Distribution is declared for the Property/Liability Program this year.
- Our Multi-Program Discount provides members a great opportunity to save money. Members receive an automatic multi-program discount of 5% per program (Property/Liability and Workers' Compensation) while they belong to both programs.
- SDRMA's Spring Education Day/Annual Membership Meeting is Tuesday, March 26 at the Hilton Sacramento Arden West Hotel and is FREE to SDRMA members including meals. For more information, please visit our website at [www.sdrma.org](http://www.sdrma.org) and click on "Register for a Training Workshop" on the right side of the page.
- Your annual contribution provides your agency with access to safety and loss prevention services, resources, and trainings that are provided at no additional cost, including Target Solutions, AB 1825/AB 1234 training, ergonomic assessments, and safety DVDs.
- Members considering withdrawal from coverage with SDRMA for the 2019-20 program year are required to submit a "Notice of Intent to Withdraw" by April 1 in accordance with SDRMA Bylaws.

On behalf of the Board of Directors and our entire risk management team, we thank you for your continued participation in our programs! If you have any questions, please contact Heather Thomson, Chief Financial Officer at [hthomson@sdrma.org](mailto:hthomson@sdrma.org) or 800.537.7790.

Sincerely,  
Special District Risk Management Authority



Mike Scheafer, President  
Board of Directors

Date: February 28, 2019  
To: Special District General Managers  
From: Neil McCormick, Chief Executive Officer  
Subject: Emerging Leaders Scholarships Available:  
Attend CSDA's General Manager Leadership Summit at No Cost

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Do you have an emerging leader in your district?  
Someone you could see potentially running a special district in the future?

The Special District Leadership Foundation (SDLF) was recently awarded a grant from Five Star Bank that focuses on providing new opportunities for emerging leaders in special districts. One of SDLF's goals is to provide the resources and tools for the next generation of leaders in special districts. This scholarship provides a great opportunity for individuals to get some focus professional development in the area of management and leadership.

The scholarship allows for 16 attendees to attend CSDA's General Manager Leadership Summit - June 23 - 25, 2019 at the Hyatt Newport Beach and covers the full registration fees for the event (value=\$600+). Travel costs are the responsibility of the individual and/or district.

The Five Star Bank Special District Emerging Leaders Scholarship details include:

- Must be a special district staff member in a management or supervisor position - not yet a GM
- No district budget limitations - any district can apply
- 13 scholarships remain available (as of 2-27-19)
- District must be located in Sacramento, Placer, El Dorado, Yolo, Sutter, Butte, or Shasta Counties
- Next scholarship deadline - March 15, 2019

I've enclosed a scholarship application. Please consider encouraging an emerging leader on your staff to apply. You can fax the completed application to the number below or email [amberp@sdlf.org](mailto:amberp@sdlf.org).







**SPECIAL DISTRICT  
LEADERSHIP FOUNDATION**

*Special District Leadership Foundation*  
**Five Star Bank**  
**2019 Special District Emerging Leaders  
Scholarship Application**

*Submission Deadline: December 15, January 15, February 15, March 15, and April 15, 2019 -  
or until all funds are awarded – whichever comes first.*

*This scholarship covers the registration fees (\$625) to CSDA's 2019 General Manager Leadership Summit for 16 special district staff - in a supervisor position or higher – but not yet a general manager. Districts must be located in Sacramento, Placer, El Dorado, Yolo, Yuba, Sutter, Butte, or Shasta Counties. The 2019 General Manager Leadership Summit will be held June 23 – 25, 2019 in Newport Beach, CA.*

A GENEROUS GRANT FROM FIVE STAR BANK  
MAKES THIS PROGRAM POSSIBLE.



**DISTRICTS MAY RECEIVE NO MORE THAN \$1,500 IN SDLF SCHOLARSHIP FUNDS PER CALENDAR YEAR.**

*Travel, meals (outside the conference program), and lodging are not included in scholarship funds.*

Name:		Title:	
District:			
Address:			
City:	County:	State:	Zip:
Email (please print clearly):			
<b>Important Information</b>			
<p>2019 SPECIAL DISTRICT EMERGING LEADERS SCHOLARSHIP GOAL Hundreds of special district general managers will be retiring in the next five years. In an effort to better prepare the future leaders of California special districts and address the pending public sector retirement issue – this fund was created to expand professional development opportunities for emerging special district leaders.</p> <p><b>DETAILS/QUALIFICATIONS:</b></p> <ol style="list-style-type: none"><li>1. Qualifying individuals: Special District staff in a supervisor position or higher – who are not yet General Managers.</li><li>2. Special Districts must be located in Sacramento, Placer, El Dorado, Yolo, Yuba, Sutter, Butte, or Shasta Counties.</li><li>3. Scholarship awards cover fees to attend CSDA's 2019 General Manager Leadership Summit (does not include travel, meal or lodging expenses) and is limited to 16 individuals.</li></ol> <p><b>APPLICATION:</b></p> <ol style="list-style-type: none"><li>1. Applicants must meet the qualification criteria listed above to be considered.</li><li>2. Complete the contact portion of this application.</li><li>3. Provide a brief (one - page) biography/resume.</li><li>4. Submit this application and related materials to SDLF. Contact information below.</li></ol> <p>Applications will be reviewed by a three - member selection committee of the SDLF Board of Directors and awarded on a case-by-case basis as funds are available.</p>			

Please complete the above and return this application, along with your brief statement to:  
SDLF, 1112 I Street, Suite 200, Sacramento, CA 95814, fax: 916.442.7889, or email: [info@sdlf.org](mailto:info@sdlf.org).  
If you have any questions, please contact SDLF at (916) 231-2909 or [info@sdlf.org](mailto:info@sdlf.org).

**MEMORANDUM**  
**March 18, 2019**

Item # 6

**TO:** Calaveras LAFCo Commissioners

**FROM:** John Benoit, Executive Officer

**RE:** **Service Review for Services provided by the Murphy's Sanitary District and a Sphere of Influence update for the Murphy's Sanitary District.**

**ATTACHMENTS:**

1. Resolution 2019-0001 - Service Review
2. Resolution 2019-0002 – Sphere of Influence

LAFCo Staff conducted a presentation regarding the Murphy's Sanitary District Service Review and Sphere of Influence on January 28, 2019.

Staff received some comments regarding general editing (grammatical) comments.

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

The recommendation is to leave the Sphere as it exists today.

**NOTE: Please Bring the copy of the Draft MSR and SOI for the Murphy's Sanitary District distributed for the January 28<sup>th</sup>, 2019 LAFCo meeting with you to the March 18, 2019 meeting.**

**Recommendation:**

Staff recommends the following:

1. *LAFCo Resolution 2019-0001 adopting a Service Review for the Murphy's Sanitary District*
2. *LAFCo Resolution 2019-0002 adopting a Sphere of Influence Update for the Murphy's Sanitary District*

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## **Resolution 2019-0001**

**of the**

### **Calaveras Local Agency Formation Commission**

*Approving a Service Review of Wastewater Services Provided by the Murphy's Sanitary District and Adopting Written Determinations Thereon*

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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 wastewater services provided by the Murphys Sanitary 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 wastewater services provided by the Murphy's Sanitary District and written determinations contained therein will provide information for updating the Sphere of Influence for the Murphy's Sanitary 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 Murphy's Sanitary 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 Murphy's Sanitary District.

The foregoing resolution was duly passed by the Calaveras Local Agency Formation Commission at a regular meeting held on March 18, 2019 by the following roll call vote:

Ayes:

Noes:

Abstain:

Absent:

Signed and approved by me after its passage this 18<sup>th</sup> day of March 2019.

---

Anita Paque, Chair  
Calaveras LAFCO

Attest:

---

John Benoit, Executive Officer  
CALAVERAS LOCAL AGENCY FORMATION COMMISSION

**Resolution No. 2019-0002**

**CALAVERAS LOCAL AGENCY FORMATION COMMISSION**

*A Resolution Making Determinations and Approving A Sphere of Influence Update for the  
Murphy's Sanitary 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 Murphy's Sanitary District; and

**WHEREAS**, the Commission has set the hearing date of March 18, 2019 for the update of the sphere of influence for the Murphy's Sanitary 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 Murphy's Sanitary 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 Murphy's Sanitary 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 Murphy's Sanitary District is authorized to provide wastewater treatment and collection services.
4. 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*.

5. 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 Murphy's Sanitary District will not change as a result of this update.
6. That the Sphere of Influence Update Report, Executive Officer's Report, and Map for the Murphy's Sanitary 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 18th day of March 2019, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

---

Anita Paque, Chair Calaveras Local Agency  
Formation Commission

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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: *Murphy's Sanitary District*

**PROJECT LOCATION:** Calaveras County

### DESCRIPTION OF PROJECT:

The proposed project involves the determination of a Sphere of Influence Update for the Murphy's Sanitary 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 15061 b (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 and 15061 b (3) whereby this activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Since this Sphere of Influence Update is only affirming an existing function into an existing Sphere of Influence, there is no possibility that this action may have a significant effect on the environment since the services are already provided and no conditions have changed nor could be changed as a result of affirming the existing Sphere of Influence. There are no unusual circumstances regarding affirming the existing Sphere of Influence for the Murphy's Sanitary District

**CONTACT PERSON:**  
John Benoit  
LAFCO Executive Officer

**TELEPHONE NUMBER:**  
(707) 592-7528

**By:** \_\_\_\_\_

**Date:** March 18, 2019

**RESOLUTION NO. 2019-0003****A RESOLUTION OF THE CALAVERAS LOCAL AGENCY FORMATION  
COMMISSION INITIATING PROCEEDINGS FOR THE DISSOLUTION OF THE  
COUNTY SERVICE AREAS 5, 7, 10 AND 11 IN CALAVERAS COUNTY,  
CALIFORNIA**

**WHEREAS**, On November 6, 2018 the State Controller provided Calaveras LAFCo with notification that CSAs 5, 6, 7, 10, and 11 as shown in Exhibit A should be dissolved since these districts are inactive; and

**WHEREAS**, After research it was determined that County Service Area #6 (La Contenta) was dissolved by Calaveras LAFCo on March 26, 1993 and LAFCo adopted Resolution 93-78 on that date. The dissolution was subsequently filed with the State Board of Equalization; and

**WHEREAS**, The remaining County Service Areas #5, #7, #10 and #11 are districts existing and operating pursuant to County Service Area Law (California Government Code section 25210.1 *et seq.*) and Section 30000 *et seq.* of the Water Code; and

**WHEREAS**, the Calaveras Local Agency Formation Commission prepared and adopted a Municipal Service Review and Sphere of Influence for County Service Areas in Calaveras County and has made a determination that CSA #5 (Campo Seco Estates), CSA #7 (Forest Meadows) and CSA #10 should be dissolved; and

**WHEREAS**, County Service Area #11 (Knob Hill Estates) was established on June 6, 1983 by Board of Supervisor's Resolution 83-246. Based on the LAFCo files, it is unclear as to whether or not completion of LAFCo proceedings occurred.

**WHEREAS**, Chapter 334, Statutes of 2017 (Senate Bill 448) added provisions to the LAFCo Act requiring the State Controller's Office (SCO) to create a list of inactive special districts based on information in the district's Financial Transactions Reports and to annually publish a list of inactive districts; and

**WHEREAS**, Pursuant to Government Code Section 56042 an inactive district must meet all of the following criteria to be considered inactive:

- “(a) The special district is as defined in 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”.

**WHEREAS**, on February 20, 2019, a notice of intent was published to adopt this resolution at the March 18, 2019 LAFCo meeting; and

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

The Calaveras Local Agency Formation Commission hereby initiates the dissolution of County Service Areas #5, #7, #10 and #11 as required in Chapter 334, Statutes of 2017 (Senate Bill 448) and directs the Executive Officer to set a hearing before LAFCo to formally dissolve these districts; and

The Calaveras Local Agency Formation Commission makes a specific finding the dissolution of CSA #6 (La Contenta) is not needed since this CSA was previously dissolved.

**PASSED AND ADOPTED**, by Calaveras LAFCo on this 18th day of March 2019

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

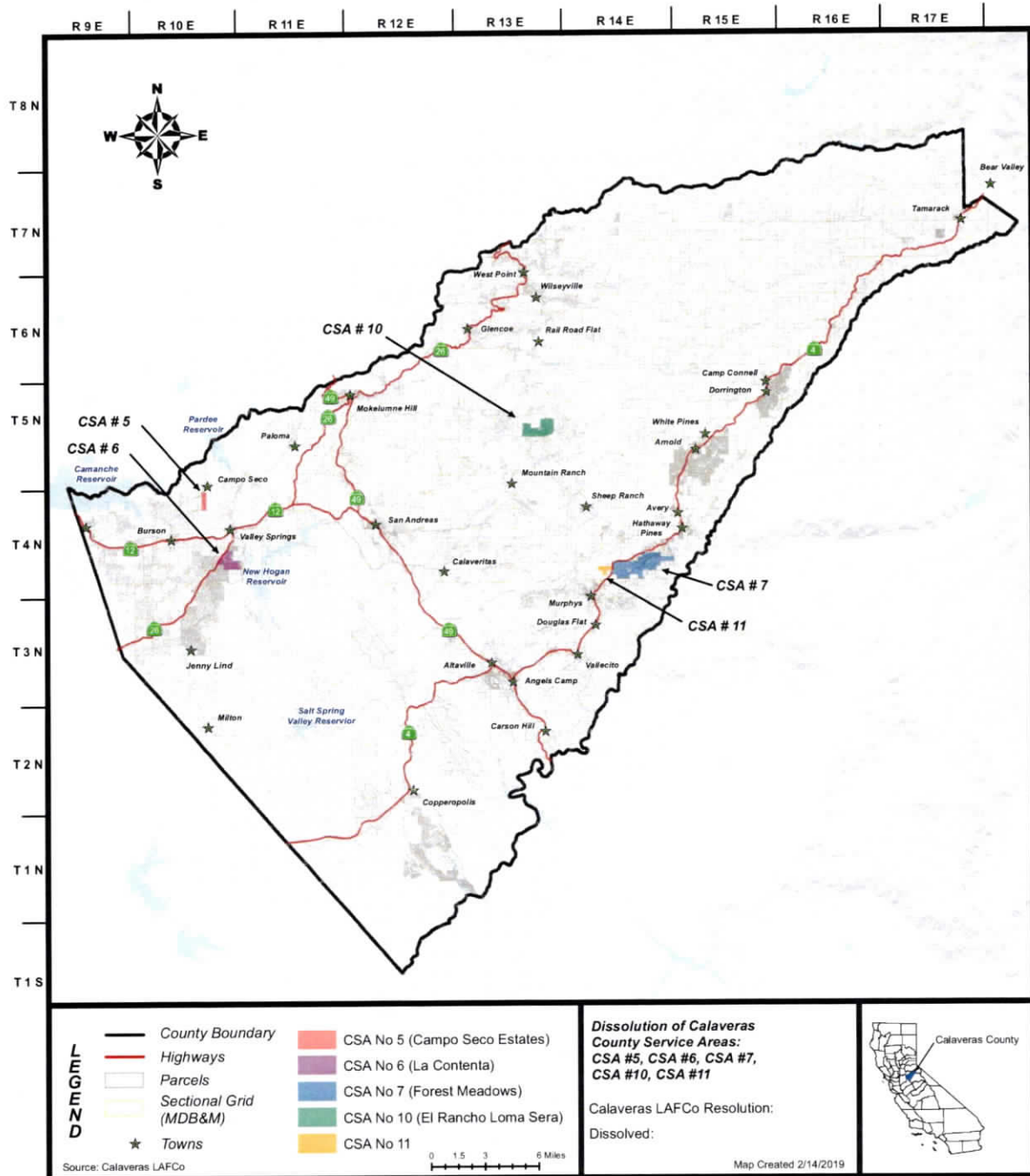
\_\_\_\_\_  
Anita Paque, Chair  
Calaveras Local Agency Formation  
Commission

Attest:

\_\_\_\_\_  
John Benoit  
Calaveras LAFCo Executive Officer

# Exhibit A

## Calaveras Local Agency Formation Commission Calaveras County Service Areas (Dissolution)



**CALAVERAS  
Local Agency Formation Commission**

**DATE:** March 18, 2019  
**TO:** Local Agency Formation Commission  
**FROM:** John Benoit, Executive Officer  
**RE:** Proposed Budget for FY 2019-2020

**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 \$127,000 of which \$100,000.00 is designated in the LAFCO General Reserve fund and \$11,943.51 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. Update Policies and Procedures and Finance Policies

**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 for Professional Services are proposed to be increase in the upcoming budget due to cumulatively increasing mandates and basic costs.

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

***The overall goal of this budget is to conduct LAFCO business in a proactive manner involving the Community and to meet the overall requirements of the Cortese-Knox-Hertzberg Act at a reasonable cost.***

#### **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.

**Insurance** The estimated cost for LAFCO insurance through the Special Districts Risk Management Authority (SDRMA) is estimated to increase 5 percent to be \$1,807.05 since SDRMA has indicated its rates will increase this upcoming year.

**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** Dues for CALAFCo for rural LAFCO's were \$899.00 for FY 2017-2018 Dues for CALAFCo have been increased to \$927.00 this year. The CALAFCo Board of Directors based on input from LAFCo's in attendance at the CALAFCo annual conference has voted to increase the dues 16.25%, that means a rural LAFCo will be pay \$1078. in dues annually. 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.

**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. This item has not been changed from \$42,500 since 2005 (14 years ago). 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.

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.

As discussed at the last meeting staff has provided some research to determine the hourly rate other Executive Officers are paid for LAFCo services in rural counties. Staff did some research on the contract costs for LAFCo staff in rural areas of California who do not have employees performing Executive Officer duties. Results are as follows in hourly rates paid in other rural areas.

Merced	\$110	
Humboldt	\$108	
Del Norte	\$108	
Shasta	\$108	
Lake	\$100	
Sutter	\$ 85	
Modoc	\$ 85	
Lassen	\$ 85	
Plumas	\$100	
Colusa	\$110	
San Benito	\$147	
Glenn	\$ 75	
Mendocino	\$ 90	
Amador	\$ 90	
<b>AVERAGE:</b>	<b>\$100.07</b>	<b>Calaveras \$75.00</b>

MSR Consultant rates range from \$110 to \$250.00 per hour. \$110 is the more realistic figure since the \$250 figure is for those with special expertise.

The \$75.00 hourly rate for LAFCo Executive Officer services has not been changed since 2004 largely due to a recession, which ended years ago. This change will have a minor impact upon LAFCo contributions from the City, County and Special Districts.

Does the Commission wish to increase the hourly rate to reflect the average market rate for these services?

If there is a change to this category a contract amendment will be needed after the approval of the 2019-2020 LAFCo Budget reflecting the direction of the Commission.

**File Scanning and Retention** 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 expense is estimated to be \$6,000. 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.

**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 Pioneer Review. 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/Travel/Conf. Registration** I am recommending \$4,000.00 for training, \$2,000.00 for travel expense and \$1,500.00 for personal mileage. This amount will provide for a portion of the Executive Officer's attendance at CALAFCo activities to represent Calaveras LAFCO, providing funding for participation on the CALAFCo Executive Board, as well as for Commissioners to attend the CALAFCo conference in Sacramento, California – October 30 - November 1, 2019.

Estimated costs for each Commissioner to attend the CALAFCo Annual Conference in Sacramento is approximately \$1,200 per person including transportation, lodging for three nights and conference registration (\$525 each). This budget may accommodate attendance by up to 3 Calaveras LAFCo Commissioners.

**Service Reviews and Sphere of Influence Updates:** I am recommending \$25,000 to prepare Service Review \$20,000 for Spheres of Influence updates for the Community Services Districts and for Water and Wastewater Services. The Commission might wish to prepare a Fire and EMS Service Review and Sphere Update since it has been 5 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. Five 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 eight 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 \$12,049.50 for this year.

**General Reserve** For FY 2018-2019 the General Reserve is estimated to return to \$100,000. The Commission's goal has been to have a \$100,000.00 general reserve. Over the past 4 or 5 years this had been reduced to \$70,000.00 out of necessity and now the anticipated reserve has been built up again to \$100,000.00. 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 more 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 2018-2019 fiscal year into the 2019-2020 fiscal year including the \$111,943.51 for the General Reserve and the contingency and funding for the Water and Wastewater service providers and CSD Spheres of Influence.

**Costs to City, the Independent Special Districts and County** - Since 2001, LAFCO costs to the City, Independent Special Districts and the County have been \$78,640.00. For the past 15 years, the amount has been slightly lower (\$77,844.96) than the \$82,000 budgeted prior to 2004. Next year, the amount proposed is proposed to be \$91,778.56.

With increasing state mandates and actions of the Legislature, it is inevitable LAFCo will need raise its budget since it hasn't for the past 15 years.

**Recommendation:**

Adopt Resolution 2019-0004 approving a proposed budget for FY 2019-2020.

**Resolution 2019-0004**

**Calaveras Local Agency Formation Commission**  
*Resolution of the Calaveras Local Agency Formation Commission*  
*Adopting a Proposed Budget for 2019-2020*

WHEREAS, Calaveras LAFCO is required by Government Code Section 56381(a) to adopt annually, following a noticed public hearing, a proposed budget by May 1<sup>st</sup> and a final budget by June 15<sup>th</sup>; 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 2019-2020 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 2019-2020 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 18, 2019 by the following roll call vote:

AYES: -

NOES: -

ABSTAINS: -

ABSENT: -

Signed and approved by me after its passage this 18th day of March 2019.

---

Anita Paque, Chair, Calaveras LAFCO

Attest:

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John Benoit, Executive Officer  
Calaveras LAFCO

Calaveras LAFCo  
Proposed Budget 2018-2019

EXHIBIT "A"

**EXPENDITURES****SERVICES AND SUPPLIES**

	2015-2016 Final Budget	2016-2017 FINAL Budget	2017-2018 FINAL Budget	2018-2019 FINAL Budget	2019-2020 Proposed Budget
62001 Extra Hire - Commissioners Stipend	\$6,600.00	\$6,600.00	\$6,600.00	\$3,300.00	\$3,300.00
62050 Insurance	\$1,662.60	\$1,623.60	\$1,623.60	\$1,721.00	\$1,807.05
62051 Communications	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00
62052 Memberships - Calafco	\$785.00	\$840.00	\$899.00	\$925.00	\$1,078.00
62053 Office Expense - General	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00
62054 Office Expense - Postage	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00
62055 Office Expense - Copies	\$2,000.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00
62056 Water-Wastewater MSR-SOI	\$25,000.00	\$20,000.00	\$25,000.00	\$25,000.00	\$25,000.00
62057 Prof Services (CSD-water-wastewater SOI)	\$20,000.00	\$19,000.00	\$20,000.00	\$20,000.00	\$20,000.00
62058 File Scanning and Retention	\$0.00	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00
62059 Professional Services-Exec. Officer/Clerk	\$42,500.00	\$42,500.00	\$42,500.00	\$42,500.00	\$45,000.00
62060 City Finance Charges (formerly A-87)	\$3,600.00	\$3,600.00	\$3,600.00	\$3,600.00	\$3,600.00
62061 Legal Notices	\$500.00	\$1,000.00	\$1,000.00	\$1,000.00	\$500.00
62062 Training	\$4,000.00	\$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	\$1,500.00
62064 Travel Expense	\$2,000.00	\$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	\$2,500.00
62067 Special Dist. Training	\$5,000.00	\$5,000.00	\$0.00	\$0.00	\$0.00
<b>TOTAL SERVICES AND SUPPLIES</b>	<b>\$119,297.60</b>	<b>\$119,313.60</b>	<b>\$120,372.60</b>	<b>\$117,196.00</b>	<b>\$119,435.05</b>
62066 Contingency Fund	\$11,929.76	\$11,931.36	\$12,037.26	\$11,719.60	\$11,943.51
General Reserve Fund	\$70,000.00	\$70,000.00	\$75,000.00	\$75,000.00	\$100,000.00
<b>Services, Contingency and Reserve Total</b>	<b>\$201,227.36</b>	<b>\$201,244.96</b>	<b>\$207,409.86</b>	<b>\$203,915.60</b>	<b>\$231,378.56</b>
Carryover from prior year	\$120,909.00	\$121,000.00	\$127,000.00	\$127,000.00	\$142,000.00
Anticipated Project Revenue	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00
Anticipated Interest	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00
Contributions from Governments	\$77,918.36	\$77,844.96	\$78,009.86	\$74,515.60	\$91,778.56
<b>AMOUNT TO BE APPORTIONED</b>	<b>\$77,918.36</b>	<b>\$77,844.96</b>	<b>\$78,009.86</b>	<b>\$74,515.60</b>	<b>\$91,778.56</b>



## AUTHORITY

(Continued)

### Service Reviews

Municipal Service Reviews (MSR) were added to LAFCo's mandate with the passage of the CKH Act in 2000. A service review is a comprehensive study designed to better inform LAFCo, local agencies, and the community about the provision of municipal services. Service reviews attempt to capture and analyze information about the governance structures and efficiencies of service providers, and to identify opportunities for greater coordination and cooperation between providers. The service review may be a prerequisite to a sphere of influence determination and may also lead a LAFCo to take other actions under its authority.

### Out of Agency Service Agreements

Cities and special districts are required to obtain LAFCo's approval prior to entering into contracts with private individuals or organizations to provide services outside of the agency's boundaries.

### Adoption of Local Policies

Each LAFCo may adopt local policies to appropriately administer the CKH Act in its county.

## PUBLIC INVOLVEMENT

Citizens are welcome and encouraged to attend regular LAFCo meetings and state their views during public hearings on proposals before the Commission. In addition, the meetings provide an excellent opportunity for citizens to familiarize themselves with the growth, development, and interjurisdictional issues facing their county. Copies of the minutes, meeting agenda, and staff reports are available on LAFCo websites or by contacting the county's LAFCo office.

## CALAFCO

The **California Association of LAFCos**, or **CALAFCO**, was founded in 1971. CALAFCO serves as an organization dedicated to assisting member LAFCos with educational and technical resources that otherwise would not be available. The Association provides statewide coordination of LAFCo activities, serves as a resource to the Legislature and other bodies, and offers a structure for sharing information among the various LAFCos and other governmental agencies.

The Association is governed by a Board of Directors composed of sixteen (16) LAFCo Commissioners: four city members, four county members, four special district members, and four public members. For the purposes of electing Board Members, the State is divided into four (4) regions as follows: Northern, Central, Coastal and Southern. Each region elects four (4) Directors comprised of one city member, one county member, one public member, and one special district member. CALAFCO staff consists of a part-time Executive Director and part-time Administrator, Legal Counsel, CPA, and a volunteer Executive Officer and three (3) volunteer Deputy Executive Officers, each representing one of the four (4) regions. The membership of CALAFCO consists of all 58 LAFCos, as well as Associate Members from firms, agencies and organizations throughout California.



**California Association of  
Local Agency Formation Commissions**  
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Sacramento, CA 95814  
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# What is LAFCo?

An Introduction to  
Local Agency Formation Commissions





## HISTORY

After World War II, California experienced dramatic growth in population and economic development. With this boom came a demand for housing, jobs, and public services. To accommodate this demand, the state approved the formation of many new cities and special districts, often with little forethought as to the ultimate governance structures in a given region. The lack of coordination and adequate planning led to a multitude of overlapping, inefficient jurisdictional and service boundaries, and the premature conversion of California's agricultural and open-space lands.

Recognizing this problem, in 1959, Governor Edmund G. Brown, Sr. appointed the Commission on Metropolitan Area Problems. This Commission's charge was to study and make recommendations on the "misuse of land resources" and the growing complexity of local governmental jurisdictions. This Commission's recommendations on local governmental reorganization were introduced in the Legislature in 1963, resulting in the creation of **Local Agency Formation Commissions**, or "LAFCos," operating in each county except San Francisco.

From 1963-1985, LAFCos administered a complicated series of statutory laws and three "statutory schemes: the Knox-Nisbet Act, the Municipal Organization Act (MORGA), and the District Reorganization Act. Confusion over the application of these laws led to a reform movement that produced the first consolidated LAFCo Act, the Cortese-Knox Local Government Reorganization Act of 1985. In 1997, a new call for reform in local government resulted in the formation, by the Legislature, of this Commission on Local Governance in the 21st Century. After many months canvassing the state, this Commission recommended changes to the laws governing LAFCos in its comprehensive report "Growth Within Bounds." These recommendations became the foundation for the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act), an act that mandates greater independence for LAFCos and further clarifies their purpose and mission. Today, there is a LAFCo in each of California's 58 counties.

## OBJECTIVES

### To Encourage the Orderly Formation of cities and special districts

LAFCos review proposals for the formation of new Cities and Special Districts and for changes in the boundaries of existing Cities and Special Districts. There are 58 LAFCos working with nearly 3,500 governmental agencies (400+ Cities, and 3,000+ Special Districts). Agency boundaries are often unrelated to one another and sometimes overlap in a seemingly random manner, often leading to higher service costs to the taxpayer and general confusion regarding service area boundaries. LAFCo decisions strive to balance the competing needs in California for efficient services, affordable housing, economic opportunity, and conservation of natural resources.

### To Preserve Agricultural Land Resources

LAFCo must consider the effect that any proposal will produce on existing agricultural lands. By guiding development toward urban land and away from agricultural preserves, LAFCo assists with the preservation of our valuable agricultural resources.

### To Discourage Urban Sprawl

Urban sprawl can best be described as irregular and disorganized growth occurring without apparent design or plan. This pattern of development is characterized by the inefficient delivery of urban services (police, fire, water, and sanitation) and the unnecessary loss of agricultural resources and open space lands. By discouraging sprawl, LAFCo limits the misuse of land resources and promotes a more efficient system of cities and special districts.

## COMPOSITION

The composition of a LAFCo varies from county to county. Nearly all LAFCos are composed of two members from the Board of Supervisors and two members from the city councils in that county. Many commissions also have two members from the independent special districts in that county. In turn, these members select a representative of the general public—an individual who is not seated on any elected body. For each category represented on LAFCo, there is an alternate member.

Alternate members may attend LAFCo meetings and participate in the discussion of items, but they only vote on items when a regular member from their category is absent. Some LAFCos, including Los Angeles, Sacramento, Santa Clara, Kern, and San Diego, through special legislation, have an additional seat on the Commission for a representative from the County's major city.

Each agency that is eligible to have one of its officials seated on the Commission must contribute to the LAFCo budget. The amount of this contribution is determined by statute, and varies in each county.

## RESPONSIBILITIES

LAFCos are responsible for coordinating logical and timely changes in local governmental boundaries; conducting special studies that review ways to reorganize, simplify, and streamline governmental structure; and preparing a sphere of influence for each city and special district within each county. (see Sphere of Influence Studies section)

The Commission's efforts are directed toward seeing that services are provided efficiently and economically while agricultural and open-space lands are protected. To better inform itself and the community as it seeks to exercise its charge, each LAFCo must conduct service reviews to evaluate the provision of municipal services within each county.

## AUTHORITY

### Boundary Changes

LAFCos regulate, through approval or denial, the boundary changes proposed by other public agencies or individuals. LAFCos do not have the power to initiate boundary changes on their own, except for proposals involving the dissolution or consolidation of special districts and the merging of subsidiary districts. Typical applicants might include:

- Individual home owners requesting annexation to a sewer district due to a failing septic system.
- Developers seeking annexation to cities in order to obtain urban services for new housing.
- Cities wishing to annex pockets or "islands" of unincorporated land located within their borders in order to avoid duplication of services with the county.
- Annexation initiated by a special district.

### Sphere of Influence Studies

In 1972, LAFCos were given the power to determine spheres of influence for all cities and special districts. A sphere of influence is a plan for the probable physical boundaries and service area of a local agency. Factors considered in a sphere of influence review focus on the current and future land use, the current and future need and capacity for service, and any relevant communities of interest. With the passage of the CKH Act, spheres for all cities and special districts are reviewed every five years as necessary.

The purpose of the sphere of influence is to ensure the provision of efficient services while discouraging urban sprawl and the premature conversion of agricultural and open space lands by preventing overlapping jurisdictions and duplication of services. Commissions cannot tell agencies what their planning goals should be. Rather, on a regional level, LAFCos coordinate the orderly development of a community through reconciling differences between agency plans so that the most efficient urban service arrangements are created for the benefit of area residents and property owners.



# CALAVERAS LOCAL AGENCY FORMATION COMMISSION

March 18, 2019

The Honorable Robert Rivas  
California State Assembly  
State Capital Room 5158  
Sacramento, CA 95814

Subject: Support of AB 1253

Dear Assembly Member Rivas:

The Calaveras Local Agency Formation Commission (LAFCo) is pleased to join the California Association of Local Agency Formation Commissions (CALAFCO) in support for Assembly Bill 1253. Sponsored by CALAFCO, the bill establishes a five-year pilot grant program to provide grants to LAFCos to address known service and governance concerns in disadvantaged communities. This program provides grants to LAFCos for conducting special in-depth studies and analyses of local government agencies and services for the purposes of creating improved efficiencies in the delivery of local government services and completing the dissolution of inactive special districts. The grant program would be administered by the Strategic Growth Council and sunset on December 31, 2025.

The Legislature established LAFCos in 1963 to encourage the orderly formation of local government agencies. Since that time, the regulatory role and responsibilities of LAFCos has substantially increased without additional funding. Operating in all 58 California counties, LAFCos are responsible for meeting important statutory directives to maintain orderly boundaries and seek greater efficiencies in delivering local services, and yet these directives often times cannot be met under current funding mechanisms. As a result, much needed LAFCo activities are sometimes delayed or rejected.

In August 2017, the Little Hoover Commission published a report on special districts and their oversight by LAFCos, which contained several recommendations directly related to LAFCo. One recommendation was for the Legislature to provide one-time grant funding to pay for specified LAFCo activities, particularly to incentivize LAFCos or smaller special districts to develop and implement dissolution or consolidation plans with timelines for expected outcomes.

According to census data, approximately one-half of the Communities in Calaveras County are Disadvantaged or Severely Disadvantaged having Median Household Incomes (MHI) of less than 80% or 60% of the MHI of the state.

By establishing this one-time grant funding, AB 1253 provides an additional tool for LAFCos to address known service and governance concerns in disadvantaged communities by conducting detailed studies and potentially implementing greater efficiencies in delivering local services based on local circumstances and conditions. For these reasons, Calaveras LAFCo is pleased to support AB 1253.

C/O John Benoit, Executive Officer P.O.Box 2694 Granite Bay, California 95746 - ph. (707)  
592-7528 email: [j.benoit4@icloud.com](mailto:j.benoit4@icloud.com)

## CALAVERAS LOCAL AGENCY FORMATION COMMISSION

Thank you for authoring this important piece of legislation. Please feel free to contact me should you have any questions about Calaveras LAFCo's position.

Sincerely yours,

Anita Paque  
Calaveras LAFCo Chair

Cc: Senator Robert Hertzberg, co-author  
Senator Anna Caballero, co-author  
Pamela Miller, Executive Director, CALAFCO

## CALAVERAS LOCAL AGENCY FORMATION COMMISSION

March 18, 2019

The Honorable Eloise Gómez Reyes  
California State Assembly  
State Capital Room 2175  
Sacramento, CA 95814

Subject: Support for AB 213

Dear Assembly Member Reyes:

The Calaveras Local Agency Formation Commission (LAFCo) is pleased to support **Assembly Bill 213**. This bill would restore funding to approximately 140 cities that had annexed inhabited territory in reliance on previous financial incentives, then suffered significant fiscal harm when those funds were swept away due to the passage SB 89 (2011). The bill also offers similar incentives to support future annexations of inhabited territory to improve services to affected residents consistent with state LAFCo policies.

The VLF gap created by SB 89, one of the 2011 budget bills, created a financial disincentive for future city incorporations and annexations of inhabited territory. Further, it created severe fiscal penalties for those communities which chose to annex inhabited territories, particularly unincorporated islands. In several previous legislative acts the Legislature had directed LAFCos to work with cities to annex unincorporated inhabited islands. The loss of financial incentive for these inhabited annexations has made it difficult for LAFCos to follow this legislative directive.

Reinstating revenues for annexations is consistent with statewide LAFCo legislative policies of providing communities with local governance and efficient service delivery options, including the ability to annex. The inability to do so creates a tremendous detriment to the creation of logical development boundaries and to the prevention of urban sprawl. Because **AB 213** reinstates a critical funding component to cities who previously annexed inhabited territory and did so relying on this financing, and to those cities who annex inhabited territory in the future, Calaveras LAFCo supports this bill.

Thank you for carrying this important legislation. Please do not hesitate to contact me with any questions you may have on our position.

Sincerely,

Anita Paque  
Calaveras LAFCo Chair

Cc: Pamela Miller, Executive Director, CALAFCO  
Dan Carrigg, Deputy Executive Director and Legislative Director, League of CA Cities

C/O John Benoit, Executive Officer P.O.Box 2694 Granite Bay, California 95746 - ph. (707)  
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