

M E M O R A N D U M

TO: Local Agency Formation Commission

FROM: Stephen Lucas, Executive Officer

SUBJECT: **Agenda Item 6.1 - Executive Officer's Report**

DATE: October 28, 2015 for the meeting of November 5, 2015

ADMINISTRATION:

1. Attached for Commission review is the 2014/15 FY Year End Report (Attachment 1) and Sphere Trust Fund Report (Attachment 2)
2. The Commission's 10 year office lease at 1453 Downer Street will expire in April 2016. Staff is exploring various options for future office space with our current landlord as well as other sites. The Commission chair has been kept informed of the process to date. I expect to have a more formal discussion agendized in the coming months for Commission consideration and possible action.

PROJECT NOTES:

1. In a cooperative arrangement, Staff has begun the process of updating the City of Chico Municipal Services Review (MSR) and Sphere of Influence Plan. A Letter Agreement has been executed with the City that will allow the City to retain a LAFCO approved consultant to work with both LAFCO and City staff to prepare the necessary documents. All final recommendations and actions are to be determined by LAFCO staff/Commission with substantial City input. This process is expected to take approximately six months to complete.

CALAFCO:

1. The California Water Action Plan (WAP) lays out actions that the State is committed to taking over 5 years to move California onto a sustainable water management path. The WAP includes direction to the Governor's Office of Planning and Research (OPR) to develop recommendations to improve alignment of land use planning and decisions with water management. To this end, OPR is holding 7 regional workshops around the state to learn from local practitioners. OPR is particularly interested in understanding what would help local practitioners to achieve alignment that makes their local community more efficient and resilient. The workshops are invitation only and designed to be small in size to provide ample opportunity for discussion. OPR will develop recommendations based on these workshops and other discussions around the state and with state agencies. CALAFCO has been specifically requested to participate in each of these workshops and the implementation of preferred actions. The EO acting as CALAFCO EO will be attending the workshops in Eureka (10/28-10/30) and Williams in (TBD). All expenses for the EO's participation will be covered by CALAFCO.
2. The CALAFCO Board will meet Friday, November 13, 2015 in Sacramento. This is the first meeting of the new Board including Commissioners Duncan and Connelly.
3. The Executive Officer will be moderating the CALAFCO University Course - Implementing SB88 - Water District Consolidations: What Does It Mean for LAFCO? (Attachment 3) This will be an opportunity for LAFCo staff from around the state to hear from officials from the State Water Board and the Governors Officer of Planning and Research concerning LAFCo's role vis-à-vis the state in seeking consolidations of local water districts.

LEGISLATION:

SB239 (Hertzberg) - Extensions of Fire Services. SB239 was signed by Governor on October 10 and takes effect on January 1, 2016. The bill amends GC §56133 and adds GC §56134, requiring LAFCo to review/approve service extension contracts for fire protection services under certain conditions.

The LAFCo must review the agreement if it: (1) Transfers responsibility for providing services in more than 25 percent of the area within the jurisdictional boundaries of any public agency affected by the contract or agreement; or (2) Changes the employment status of more than 25 percent of the employees of any public agency affected by the contract or agreement. This also includes state agencies (which requires the approval of the Director of Finance).

Prior to submitting the application, the agency must take a series of actions that include either: (1) Having the unions of each affected agency approve the agreement, or (2) Holding a public hearing and notify all affected unions of the hearing. The application is further required to include a comprehensive fiscal analysis and other information (as outlined in 56134). The EO has 30 days after receipt of the application to deem its completeness, and 90 days for the commission to agendaize after deeming the application complete. Further, the bill identifies several determinations the commission must make in order to approve the application.

AB402 (Dodd) - The Governor signed AB402 October 2, 2015 and will take effect on January 1, 2016 and sunset on January 1, 2012. This bill ended up being a five-year pilot bill for Napa and San Bernardino LAFCos by adding Section 56133.5. This section authorizes the commission to approve new or extended services outside existing jurisdictional boundaries AND outside existing SOI's to support existing or planned uses involving public or private properties. The approval is subject to a public hearing and certain determinations need to be made by the commission. Currently, services can only be extended beyond SOI's to address a public health and safety concern. This is a bad precedent and was widely opposed by individual LAFCos and CALAFCO took a "No Position" position given the lack of consensus among member LAFCos.

GENERAL NOTES: Staff met with the Kimsheew Cemetery District in Magalia last week to discuss options for the district to expand territory and increase revenues. Most small cemetery districts are facing increasingly difficult times supporting their existing services as revenues are largely static while maintenance functions continue to cost more. Most of these districts survive on meager property tax increments that have gone down over the past decade. Expanding territory is not a viable solution in that the County has a policy of not negotiating property tax sharing agreements and parcel assessments are very difficult to gain voter support. The District Board was very appreciative to have LAFCO staff as guests at the meeting to explain the complexities of the district expansion and help brainstorm possible alternative solutions.

APPLICATION ACTIVITY See Attachment 4

- Attachments:
1. 2014/15 FY Year End Report
 2. Sphere Trust Fund Report
 3. CALAFCO University Course Flyer - Implementing SB88
 4. Application Activity Report

Exhibit 1 - FINANCIAL REPORT		2014/15				
		Adopted	Special Projects	Total	6/30/2015	%
Funding Sources:						
101001	Fund Balance	7,654.00	-	7,654.00	-	0%
4410101	Interest	5,000.00	-	5,000.00	4,246.27	85%
4410103	*Unrealized Gain/Loss	-	-	-	86.55	
4547970	County Funding	251,423.00	-	251,423.00	251,423.00	100%
4547971	Cities Funding	251,423.00	-	251,423.00	251,423.00	100%
4547972	Special Districts' Funding	55,872.00	-	55,872.00	55,866.00	100%
4617230	Filing Fees	35,000.00	-	35,000.00	99,903.48	285%
4712523	Miscellaneous - Revenue	-	-	-	19,692.39	
47112537	Miscellaneous - Refunds	-	-	-	1,165.77	
4711308	SOI Trust Fund Transfers	21,638.00	-	21,638.00	21,638.00	100%
4712531	Reimbursement of P/Y Expenditures	-	-	-	-	
Total Funding Sources		628,010.00	-	628,010.00	705,444.46	112.33%
Expenditures:						
511	Salaries & Wages	304,612.00	-	304,612.00	305,625.75	100%
515	Vacation, Sick Leave & Other	-	-	-	(1,398.28)	
518	Employee Benefits	138,411.00	-	138,411.00	140,190.30	101%
523	Communications	3,902.00	-	3,902.00	3,891.48	100%
526	Household Expense	750.00	-	750.00	188.27	25%
527	General Insurance	4,096.00	-	4,096.00	3,648.08	89%
528	Compensation Insurance	2,300.00	-	2,300.00	1,353.23	59%
533	Memberships	4,167.00	-	4,167.00	4,174.00	100%
535	Office Expense	6,313.00	-	6,313.00	9,865.01	156%
536	Professional & Specialized Services	63,507.00	-	63,507.00	51,416.75	81%
537	Publications & Legal Notices	1,900.00	-	1,900.00	2,182.86	115%
538	Rents & Leases - Buildings	24,122.00	-	24,122.00	23,244.60	96%
539	Rents & Leases - Equipment	300.00	-	300.00	300.00	100%
541	Special Departmental Expense	3,500.00	-	3,500.00	2,269.89	65%
542	Data Processing	6,680.00	-	6,680.00	5,010.00	75%
543	Transportation & Travel	19,750.00	-	19,750.00	16,689.15	85%
544	Utilities	3,700.00	-	3,700.00	3,765.41	102%
580	Appropriation for Contingencies	30,000.00	-	30,000.00	-	0%
101001	Appropriation for Reserve	10,000.00	-	10,000.00	-	0%
Total Expenditures		628,010.00	-	628,010.00	572,416.50	91.15%
* Unrealized gain/loss is based on cash @ years' end and is a requirement of audited financial statements. Figure is booked and reversed in new year.						

SPHERE OF INFLUENCE TRUST FUND 1011308							
YEAR	BEG BALANCE	DEPOSITS	INTEREST	TRANSFER IN	TRANSFER OUT	REFUNDS/CORRECTIONS	FUND BALANCE
1999/00	45,027.21	16,063.00	2,787.84	-	-	-	63,878.05
2000/01	63,878.05	9,199.50	3,982.46	-	-	-	77,060.01
2001/02	77,060.01	9,068.15	4,100.67	-	-	-	90,228.83
2002/03	90,228.83	14,995.55	4,247.92	-	-	-	109,472.30
2003/04	109,472.30	6,059.25	4,062.26	-	-	-	119,593.81
2004/05	119,593.81	34,524.15	4,260.00	-	(12,000.00)	(150.00)	146,227.96
2005/06	146,227.96	91,520.50	3,946.67	-	(74,000.00)	-	167,695.13
2006/07	167,695.13	151,104.25	8,559.35	-	(73,000.00)	-	254,358.73
2007/08	254,358.73	34,949.25	12,395.38	73,000.00	(68,029.00)	(25,200.00)	281,474.36
2008/09	281,474.36	7,334.00	12,698.86	-	-	-	301,507.22
2009/10	301,507.22	3,750.32	5,289.72	-	(80,493.51)	-	230,053.75
2010/11	230,053.75	7,205.00	4,918.67	-	(21,938.00)	-	220,239.42
2011/12	220,239.42	14,500.00	3,876.74	-	(15,273.00)	-	223,343.16
2012/13	223,343.16	650.00	2,401.42	-	-	-	226,394.58
2013/14	226,394.58	100.00	1,740.00	-	(20,500.00)	(100.00)	207,634.58
2014/15	207,634.58	38,776.00	2,335.78	-	(21,638.00)	(14,354.00)	212,754.36
*Beginning Balance	45,027.21						
Deposits (To Date)	439,798.92						
Interest (To Date)	81,603.74						
Expended (To Date)	(353,675.51)						
Fund Balance,	212,754.36						

*Prior to 2000, the SOI Fund was within the DDS, for which LAFCO had little control. \$45,000 was transferred when LAFCO left the DDS.

The California Association of Local Agency Formation Commissions is proud to present a popular topic and timely CALAFCO University Course ...



Implementing SB 88 – Water System Consolidations: What Does It Mean for LAFCo?

A PRACTICAL WORKSHOP for STAFF and COMMISSIONERS

Senate Bill 88, one of the 2015-16 budget trailer bills, authorizes the State Water Resources Control Board (SWRCB) to order consolidations of water systems that consistently fail to provide an adequate supply of drinking water in disadvantaged communities. It also allows for certain CEQA exemptions with respect to well permitting or changes in land use and would exempt from CEQA the adoption of the initial regulations by the state board.

So what does all of this mean for LAFCo? How will existing MSRs be used by the State as a resource? What if LAFCo is already involved and there is a pending action? What will the consulting process between LAFCo and the SWRCB look like? What happens after the consolidation is finally ordered? Who does what and who files what?

Join us for a discussion with the SWRCB, the Office of Research and Planning (OPR), and members of the Governor's staff to better understand how SB 88 will actually be implemented and how these changes may impact LAFCo. There will also be an opportunity to offer ideas on policy clean-up legislation.

Speaker Panel still being finalized, but confirmation has been received from SWRCB Staff (including legal counsel and finance) with invites to SWRCB members, OPR staff/legal counsel and members of the Governor's staff.

SESSION AGENDA AND SPEAKER CONFIRMATIONS COMING SOON

COURSE DETAILS

**MONDAY
November 9, 2015**

9:30 a.m. (check-in and registration)

10:00 am to 3:00 pm (session time, lunch provided)

CALAFCO CONFERENCE ROOM

1650 K Street, Suite 1650
Sacramento, CA 95814

Registration Fees

CALAFCO Members and Associate Members
\$75/person
\$60/person for three or more from the same LAFCO

Non-Members
\$125/person

Registration includes course materials and lunch.

Registration anticipated to include 5 AICP credits



DEADLINE TO REGISTER IS NOVEMBER 2.



REGISTRATION

Please send registration and check payable to "CALAFCO" to:

CALAFCO
1215 K Street, Suite 1650
Sacramento, CA 95814
916-442-6536

Or Register online at www.calafco.org

Curriculum Questions

Kris Berry, AICP, Executive Officer, Placer LAFCO and CALAFCO DEO
530-889-4014 or kberry@calafco.org

SPACE IS LIMITED TO THE FIRST 50 PEOPLE REGISTERED



Sharing Information & Resources
www.calafco.org

REGISTRATION FORM – SB 88 Workshop: Sacramento	FEES
LAFCO or Agency _____	CALAFCO Members
Address _____	_____ at \$75 \$_____
Phone () _____	_____ at \$60 \$_____
Attendees _____	Three or more from same agency registering together
<small>Please include e-mail</small> _____	Non-Members
_____	_____ at \$125 \$_____
_____	Total Enclosed \$ _____
<small>NOTICE: Seating is limited. Registrations are transferable but there are no refunds. Payment must accompany registration.</small>	

Attachment 4 - APPLICATION ACTIVITY								
<i>Project Status As of October 28, 2015</i>								
File	Applicant	Project Name	Date Application Received	Certificate of Filing	LAFCO Hearing Date	Certificate of Completion	SBE Submittal Date	Additional Comments
11-06	Butte County	CSA No. 114 - Expansion of Powers	02/02/11	N/A	pending	N/A	N/A	Incomplete - On Hold
11-22	Oroville	SOI Plan Update	06/21/12	N/A	11/06/14	N/A	N/A	Approved. Final being prepared
15-03	Butte County	CSA No 4 Expansion of Powers	10/06/14	10/13/14	03/05/15			Approved - Final being prepared
15-08	Biggs	MSR/SOI Plan Updates	01/29/15		pending			Processing
15-12	Buzztail CSD	Divestiture of Service	03/16/15	05/14/15	07/02/15	N/A	N/A	Completing MSR/SOI Update
15-17	Chico	Chapman Annexation No. 1	04/17/15	05/17/15	07/02/15			Processing- To be Recorded 7/2020
15-18	Chico	Mulberry Annexation No. 1	04/17/15	05/17/15	07/02/15			Processing- To be Recorded 7/2020
15-19	Chico	Ext. of Services - Non Compliant Parcels	05/12/15	N/A	09/09/15	N/A	N/A	Approved - Processing
15-20	Chico	West Sacramento Ave Annexation	06/10/15	06/23/15	09/09/15	10/15/15	10/21/15	Approved - Processing
15-21	Chico	Ext. of Services - 716 Oak Lawn Avenue	07/13/15	N/A	09/09/15	N/A	N/A	Approved
15-22	Chico	Ext. of Services - 2273 East 8th Street	06/25/15	N/A	09/09/15	N/A	N/A	Approved
16-01	Chico	Ext. of Services - 1437 Glenwood Ave	10/22/15	N/A	12/03/15	N/A	N/A	
SP-57	LAFCo	Gateway at Butte Creek						Consultation