

SAN BENITO LOCAL AGENCY FORMATION COMMISSION

REGULAR MEETING AGENDA

Wednesday, August 21, 2019

Board of Supervisors Chambers
481 Fourth Street, Hollister CA

3:00 P.M.

NOTE: NEW MEETING DAY AND TIME

1. Call to Order and Roll Call
2. Recitation of the Pledge of Allegiance
3. Approve Affidavit of Posting Agenda
4. Public Comment Period - This is an opportunity for members of the public to speak on items that are not on the agenda

CONSENT AGENDA

5. Approval of minutes: June 13, 2019

BUSINESS ITEMS – PUBLIC HEARING ITEM

6. LAFCO 530 – Eilert Annexation to the Aromas Water District: Involving the annexation of approximately 5.0 acres of property into the District to obtain municipal water due to diminished water quality and quantity from an on-site well. The property is located on the east side of Avenida Del Piero in the Rancho Larios Subdivision located on the south side of State Highway 156 (Assessor's Parcel Number 012-014-019). The annexation area is completely surrounded by the existing District territory. The actions requested are to determine the annexation is exempt from environmental review under sections 15303(d) and 15319 of the CEQA Guidelines, and to consider approval of the annexation.
7. LAFCO 531 – Meadow at Gardenia Lane Annexation to County Service Area (CSA) No. 24: Involving the annexation of approximately 7.6 acres with six residential lots into the County Service Area (CSA) #24. The County Service Area annexation is proposed to provide the following services: street lighting, street sweeping, street maintenance and drainage maintenance. The properties are located on both sides of Rosebud Place and Meadow Lane, on the north side of Santa Ana Road. The actions requested are to determine the annexation is exempt from environmental review under section 15303(d) of the CEQA Guidelines and to consider approval of the annexation.

BUSINESS ITEMS – NON-HEARING ITEMS

8. Continued discussion on Agricultural Preservation from the May 9 and June 13, 2019 Commission meeting with a focus on policies and programs adopted by other Local Agency Formation Commissions for the protection of agricultural resources and mitigation of impacts.
9. Notification from the California Association of Local Agency Formation Commissions (CALAFCO) concerning a proposed new dues structure for approval at the upcoming 2019 Annual Business meeting on October 31, 2019 in Sacramento.
10. Report from investigation into Budget Account No. 645.704 “Retirement–Medical Insurance” and history of payment from LAFCO and options for seeking County of San Benito payment as an alternative – Direction to investigate given at adoption of Final Budget for Fiscal Year 2019-20 on June 13, 2019.
11. Executive Officer update on legislation proposed or monitored by the California Association of Local Agency Formation Commissions (CALAFCO).

INFORMATIONAL

12. Commissioner Announcements and Requests for Future Agenda Items
13. Correspondence from the Tres Pinos Water District Director, Mike Sargeant, and request to make a brief presentation to the Commission regarding current District activities.
14. Correspondence from the California Association of Local Agency Formation Commissions (CALAFCO) concerning the nomination period for the 2019/2020 Board of Directors: vacancies are open for a City Member and a Public Member for the Coastal Region, which includes San Benito County.
15. Executive Officer oral status report on pending proposals
16. Adjourn to regular meeting at 3:00 PM on September 18, 2019, unless meeting is cancelled by Chair.

Disclosure of Campaign Contributions – LAFCO Commissioners are disqualified and are not able to participate in proceedings involving an “entitlement for use” if, within the 12 months preceding the LAFCO decision, the Commissioner received more than \$250 in campaign contributions from the applicant, an agent of the applicant or an financially interested person who actively supports or opposes the LAFCO decision on this matter.

Those who have made such contributions are required to disclose that fact for the official record of the proceedings. Disclosures must include the amount of the contribution and the recipient Commissioner and may be made either in writing to the Executive Officer of the Commission prior to the hearing or by an oral declaration at the time of the hearing. The foregoing requirements are set forth in the Political Reform Act of 1974, specifically in Government Code section 84308.

Disability Accommodations - Persons with a disability who require any disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the meeting are asked to contact the LAFCO office at least three (3) days prior to the meeting by telephone at 831/637-5313 or by email at jslibsager@cosb.us.

LOCAL AGENCY FORMATION COMMISSION
2301 Technology Parkway
Hollister, CA 95023



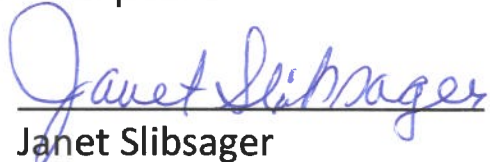
CERTIFICATE OF POSTING

Pursuant to Government Code § 59454.2(a) I, Janet Slibsager, Clerk of the Board of Supervisors, certify that the REGULAR MEETING AGENDA for the

SAN BENITO COUNTY LOCAL AGENCY FORMATION COMMISSION

Scheduled for August 21, 2019 was posted at the San Benito County Planning Department, 2301 Technology Parkway, Hollister, CA and at the San Benito County Administration Office, 481 Fourth Street, Hollister, CA on this 16th Day of August, 2019.

All locations freely accessible to the general public.



Janet Slibsager

Clerk of the Board of Supervisors

**SAN BENITO LOCAL AGENCY FORMATION
COMMISSION
MINUTES OF MEETING**

June 13, 2019

Board of Supervisors Chambers - Hollister, CA

CALL TO ORDER

1. Chair Cesar Flores called the meeting to order at 5:00 p.m. Those present were Executive Officer Bill Nicholson and Commissioners: Richard Bettencourt, Jim Gillio, and Ignacio Velazquez. Commissioner Mark Medina was absent. Also present were G. Michael Ziman, LAFCO Counsel, and Janet Slibsager, Recording Secretary.

2. Commissioner Flores led the Pledge of Allegiance.

3. **APPROVE AFFIDAVIT OF POSTING AGENDA**

Commissioner Gillio made a motion to accept the Affidavit of Posting, Commissioner Bettencourt seconded.

Ayes: Bettencourt, Gillio, Velazquez and Flores
Noes: None
Abstain: None
Absent: Medina

PUBLIC COMMENT

4. **Public Comment Period:** There was no one from the public who wished to speak.

CONSENT AGENDA

5. **Approval of minutes of the May 25 and May 9, 2019 meeting:**

Commissioner Flores had a correction to the May 9th meeting. Change minutes to read that he is a Vietnam Era Vet.

Commissioner Gillio made a motion to approve the minutes as corrected, Commissioner Velasquez seconded.

Ayes: Bettencourt, Gillio, Velazquez and Flores
Noes: None
Abstain: None
Absent: Medina

BUSINESS ITEMS – PUBLIC HEARING ITEM

6. Adoption of the Final Fiscal Year 2019-2020 LAFCO Budget.

Executive Officer Bill Nicholson provided information and a correction to the final budget which he mentioned in his staff report and handout as follows: There was a slight error in the proposed budget spreadsheet titled "Explanation of Accounts" which incorrectly identified the increase in budget appropriations to be \$299 higher (\$6,887 instead of the actual increase of \$6,588).

Commissioner Flores opened the public hearing.

There were no speakers.

Commissioner Flores closed the public hearing.

Commissioner Bettencourt spoke of the issue in regards to the insurance that is in the LAFCO Budget for a prior employee.

Executive Officer Bill Nicholson said that the former Executive Officer had been a County employee, name Judy Johnson. She had apparently left under bad circumstances and she retired, she worked as part time for the County and part time for LAFCO. So LAFCO is being charged for part of the insurance benefits which comes out to be about \$10,000 which she is entitled to through the County. He said that the issue he has is should this be billed to LAFCO, or not. He said if LAFCO does not feel it is right we probably need to pursue with the County Auditor as to why this was done.

Commissioner Bettencourt said that he feels it is unfair that LAFCO is being charged for this when she was a County employee.

Commissioner Flores asked was that part of the lawsuit with the County.

Mr. Nicholson said that there are no minutes from that meeting because it took place in closed session, but the understanding is that she resigned and retired from the County. The lawsuit she filed was for unemployment benefits and I don't know if she won or not.

Commissioner Velazquez said that we need to be careful on straying off on the lawsuit. He said that the point is does it seem fair for this agency to pick up the costs for a County employee. He said that I do recommend that we go back and try to figure this out. He said that the cities are paying for someone's benefits that didn't work for us at all. He said that it is an isolated incident but we need to try to clear it up and hopefully get it off our books.

Commissioner Flores asked if we could look into this before we adopt the budget.

Mr. Nicholson said that we need to go ahead and adopt the budget because it needs to be adopted by June 15th and then we could continue to pursue that issue.

Commissioner Gillio made a motion to adopt the budget as presented and direct LAFCO staff to work with County Counsel and bring back a recommendation resolving the retirement payments of Judy Johnson; Commissioner Bettencourt seconded.

Ayes: Bettencourt, Gillio, Velazquez and Flores
Noes: None
Abstain: None
Absent: Medina

BUSINESS ITEMS – NON-HEARING ITEMS

- 7. Continued discussion on Agricultural Preservation from the May 9, 2019 Commission meeting with a focus on sphere of influence boundaries and important farmland, agricultural mitigation programs, and other tools to protect farmland.**

Chairman Flores introduced the item.

Executive Officer Bill Nicholson provided information and a PowerPoint Presentation on the topic of Agricultural Preservation, which identified the General Plan and Sphere of Influence boundaries of the Cities and County urban planning areas on top of the State's soil quality map. He said that the purpose of the slides was to understand the quality of the agricultural soils that will be impacted from urban development as a consequence of the annexation process.

Mr. Nicholson went over the possible Commission Direction:

- Comment on pending City and County development proposals during CEQA process.
- Coordinate with the City of San Juan Bautista to initiate a SOI update based on their 2035 General Plan.

- Engage in the City of Hollister's pending General Plan Update process – focused on growth boundary and SOI update.
- Establish a LAFCO subcommittee to investigate agricultural preservation policies of other LAFCOs.

Commissioner Bettencourt said that he thinks that we should adjust growth through the general plans and that LAFCO should be a part of that process.

Commissioner Flores asked who determines the sphere of influence.

Mr. Nicholson replied that LAFCO does.

Discussion ensued by Board and staff.

Commissioners spoke about wanting more information about how other California counties balance growth with protection of farmland.

Mr. Nicholson said that he could look into that for a future meeting.

Public Comment:

Sara Steiner, representing the San Benito Agricultural Land Trust, said that their interest is to understand more about the process. She said that the maps are very helpful to show where we are headed. The Land Trust can provide any information as to what our role can be, how we operate and our interest in preserving agriculture and open space range lands in the county. We are available to answer questions and to be involved however you would want our participation and we are also here to learn.

Commissioner Velazquez said that he would like to know what Sonoma is doing, Ventura County and any other good examples that are out there.

Ms. Steiner said that they could work with Mr. Nicholson to put together what those mitigation policies are.

Karminder Brown contract consultant helping the Land Trust spoke about a state grant program that is available right now up to \$10,000 to focus on updating your general plan for the agriculture preservation part of it. She also spoke about mapping tools for cities and counties and other agencies.

BUSINESS ITEMS – HEARING ITEMS

8. **Consideration of changing Commission meeting day and time.
Discussion continued from the May 9, 2019 Commission meeting.**

Chairman Flores introduced the item and provided information from staff report for discussion.

Commissioner Gillio suggested leaving it as is.

Commissioner Velazquez said that he likes the idea of the Wednesday of the third week at 3:00 p.m. before the 6:00 p.m. Planning Commission meeting.

Commissioner Bettencourt asked if they could have the meetings in a location other than the Board Chambers, like San Juan or the Cities Chambers.

Commissioner Velazquez said that is a good point to possibly look in to if we feel the meeting would last more than two hours we could move in somewhere else. He said I don't remember a meeting lasting more than two hours. He said I suggest we try it and see how it works.

Discussion ended by the Commissioners.

Commissioner Velazquez made a motion to change the meetings to the third week on Wednesdays at 3:00 p.m.

Commissioner Bettencourt seconded the motion.

Ayes: Bettencourt, Gillio, Velazquez, and Flores
Noes: None
Abstain: None
Absent: Medina

INFORMATIONAL

9. **Commissioner Announcements and Requests for Future Agenda Items.**

There were none.

10. Executive Officer oral status report on pending proposals.

There were none.

ADJOURNMENT

11. Upon a motion by Commissioner Gillio, and seconded by Commissioner Bettencourt, adjourned meeting at 5:50 p.m.

Final Minutes Approved by the Commission
on _____

By: _____
Cesar E. Flores, Chairman

SAN BENITO LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

August 21, 2019 (Agenda)
(Agenda Item 6)

LAFCO No. 530: Eilert Annexation to Aromas Water District

PROPONENT: Board of Directors of the Aromas Water District, by resolution,
Property owner by petition

ACREAGE & LOCATION Approximately 5.0 acres (one parcel) located on the east side of Avenida Del Piero in the Rancho Larios Subdivision located on the south side of State Highway 156 at Rocks Road, San Juan Bautista area

PURPOSE: To make municipal water service available to the annexing parcel which relies on an on-site well that has experienced poor water quality and quantity.

PROJECT INFORMATION & DETERMINATIONS

1. Land Use, Planning and Zoning - Present and Future:

The five acre property contains a single family home, and small barn and outbuildings. Annexation will make community water service available to the parcel. The County General Plan designates the area as Residential Rural (RR), and the zoning has the corresponding designation of Rural Residential (RR), which matches the density of development in the Rancho Larios Subdivision, which surrounds the annexation parcel.

All surrounding land uses are also rural residential or open space preserved as part of the subdivision approval. The District notes the annexing parcel is within its Sphere of Influence and surrounding properties within the subdivision have previously been annexed into the District. This parcel was excluded from the subdivision and Aromas Water District as it was the original homesite for the surrounding range lands, and the previous owner did not want to participate in the subdivision.

2. Topography, Natural Features and Drainage Basins:

The site and surrounding areas are rolling coastal hills with oak trees.

3. Population:

There is only one home within the annexation area, and the annexation can be considered "uninhabited" under LAFCO's definition (less than 12 registered voters). Annexation is not expected to result in construction of any additional homes.

4. Governmental Services and Controls - Need, Cost, Adequacy and Availability:

The District's "Plan for Providing Services" is addressed in response to Question 14 on the "Proposal Justification Questionnaire for Annexation" as required by the Government Code (Attachment 2). Domestic water will be provided for the single family residence, with a connection provided within 20 days of the annexation. Improvements consist of a water line and meter.

The Aromas Water District is primarily located within the Pajaro Valley Groundwater Sub-basin, and the District must obtain approval from the Pajaro Valley Water Management Agency (PVWMA) in order to transport groundwater out of this Sub-basin into the Rancho Larios Subdivision in the San Juan Bautista area. The Aromas Water District installed a well identified as the "San Juan Road Well" and by agreement in 2003, was authorized to transport water out of the Pajaro Valley Groundwater Sub-basin. Based on the history of this agreement, and the fact that only one existing homesite with an existing failing well is being served through the Eilert Annexation, the PVWMA has entered into an agreement with the Aromas Water District for for this water connection that will be authorized through this annexation (see Attachment 4).

5. Impact on Prime Agricultural Land, Open Space and Agriculture:

The site is a 5.0 acre infill parcel that does not produce an agricultural crop and is not prime agricultural land. The property is not under a Williamson Act contract.

6. Assessed Value, Tax Rates and Indebtedness:

The Tax Rate Area for all parcels is 079-032. The 2018-2019 assessed value is \$698,767.

Improvements would be paid by the annexing property owner; ongoing maintenance would be paid by rates charged by the District similar to existing District customers.

7. Environmental Impact of the Proposal:

The Aromas Water District, as the "Lead Agency" under CEQA for this project, determined that the annexation qualified for a Categorical Exemption. Sections 15303(d) and 15319 were referenced in the Notice of Exemption filed by the District with the County Clerk: CEQA Guidelines sections 15303(d) entitled "New Construction or Conversion of Small Structures" including water and other similar utilities, and section 15319 entitled "Annexations of Existing Facilities and Lots for Exempt Facilities." Therefore, the Commission can rely on this determination for the annexation in its role as a "Responsible Agency" under CEQA for processing the annexation.

8. Boundaries, Lines of Assessment and Registered Voters:

The boundaries appear to be definite and certain and there do not appear to be conflicts with lines of assessment or ownership. The five-acre property is currently an island surrounded by the District, and the District boundary lines will essentially be erased in this location. Confirmation on the map and legal description requirements must still be provided by the County Surveyor prior to recording the annexation if it is approved.

9. Environmental Justice and Affordable Housing

The site is not adjacent to a disadvantaged unincorporated community as the adjacent land located in the County is a gated residential development. The annexation of an existing residential parcel will not involve any new affordable or market rate housing.

ALTERNATIVES FOR COMMISSION CONSIDERATION

After reviewing this report and any testimony or materials that are presented, the Commission can take one of the following actions:

OPTION 1 – APPROVE the proposal as submitted.

- A. Find the proposal qualifies for a Categorical Exemption in compliance with CEQA, as determined by the Aromas Water District, in conformance with sections 15303(d) and 15319.
- B. Adopt this report and related determinations and approve the proposal known as the Eilert Annexation to the Aromas Water District
- C. Direct the staff not to record the annexation until the map and legal description requirements are found by the County Surveyor to be acceptable.

OPTION 2 - Adopt this report and DENY this proposal.

OPTION 3 - CONTINUE this proposal to a future meeting for additional information.

RECOMMENDED ACTION:

Approve OPTION 1.



BILL NICHOLSON
Executive Officer

LOCAL AGENCY FORMATION COMMISSION

Attachments:

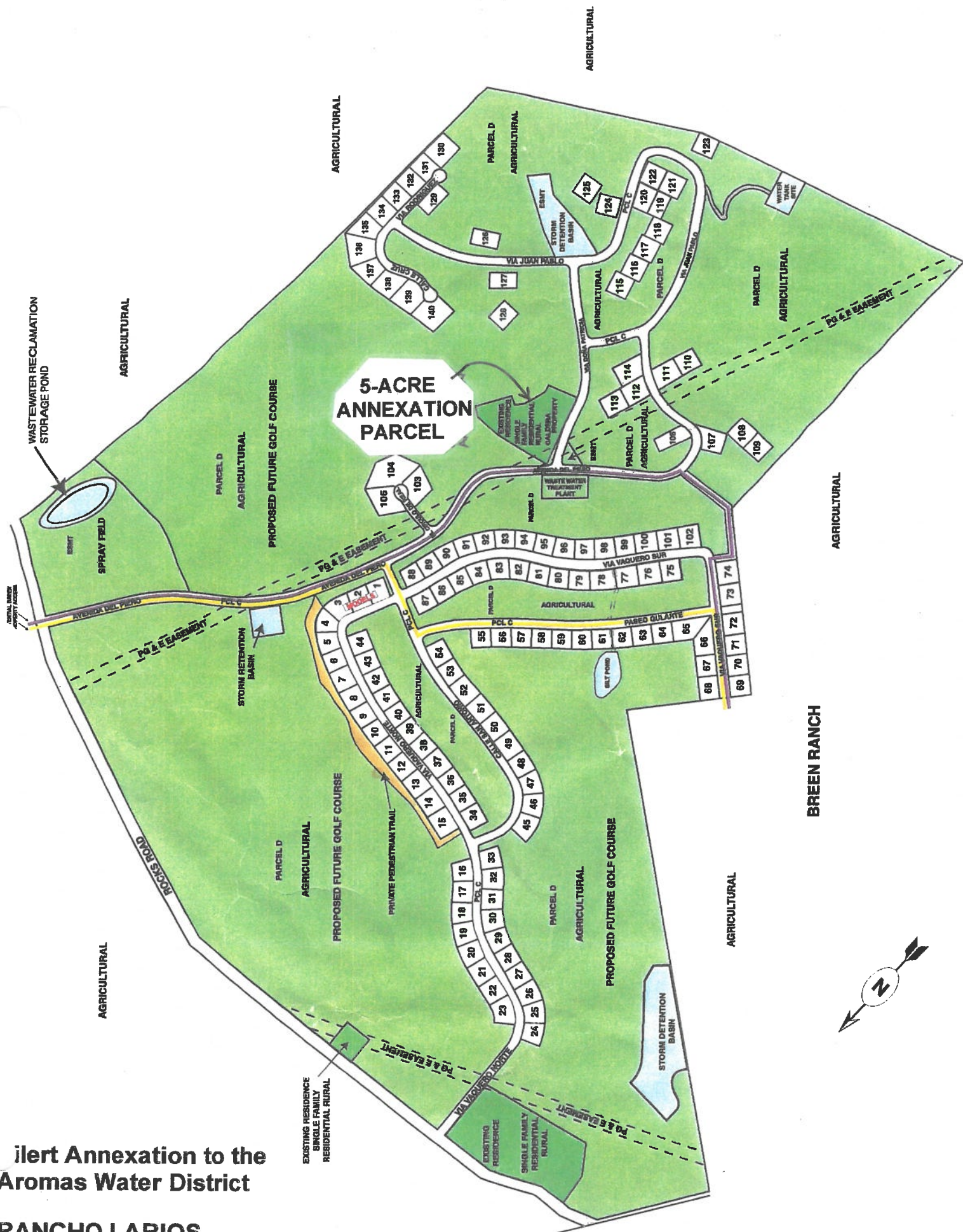
1. Area Map and Annexation Map
2. Proposal Justification Questionnaire - Annexation
3. Resolution No. 2018-06 by the Aromas Water District "Resolution of Application"
4. Agreement Authorizing Aromas Water District to Annex and Extend Service to APN 012-014-019 (Eilert Property) Within Rancho Larios Subdivision
5. Draft LAFCO Resolution No. 530 Approving the Eilert Annexation to the Aromas Water District

cc: Robert Johnson, General Manager, Aromas Water District
Patrick Eilert, Property Owner

Alert Annexation to the Aromas Water District

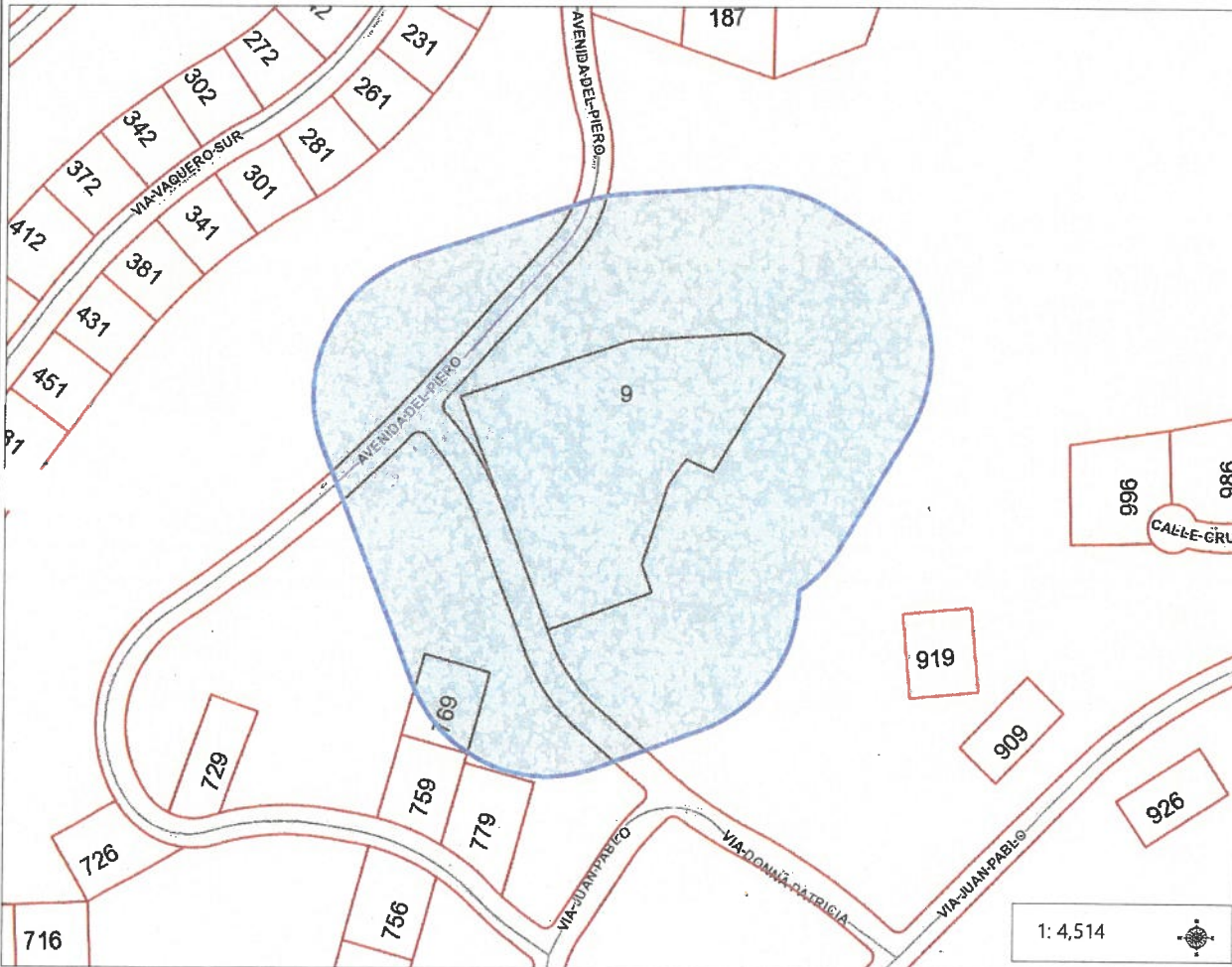
RANCHO LARIOS SUBDIVISION MAP

ATTACHMENT 1





Eilert Annexation to the Aromas Water District (LAFCO File 530) 300' Buffer of APN 012-140-019



Legend

- SBC Parcels
- California County Boundaries
- <all other values>
- San Benito
- City Limit
- Tentative Subdivision
- Hollister Airport Runways
- Tentative Streets
- Park
- World Street Map

1:4,514



Notes

752.3 0 376.17 752.3 Feet

WGS_1984_Web_Mercator_Auxiliary_Sphere
©County of San Benito, GIS Services

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

Proposal Justification Questionnaire for Annexation



1. Name of Application:
Eilert APN 012-014-019, Annexation to Aromas Water District (AWD)
2. Describe the acreage and general location:
Five acres located completely within and contiguous with the Rancho Larios Subdivision CSA-45, only access from Avenida Del Piero, San Juan Bautista. Physical address is 9 Rocks Road, (original address before subdivision formation)
3. Assessor Parcel Number:
012-014-019
4. Purpose of Proposal:
Single family residence on five-acre parcel requesting municipal water service from AWD due to diminished water quantity and poor water quality from single on site residential well. This island parcel was originally excluded from the Rancho Larios Annexation per the request of the property owner at that time.
5. Land Use and Zoning- Present and Future:
 - A. Existing Land Use: one single family residence and small barn outbuildings
 - B. Describe changes in land uses that would result from this annexation: There would be no changes from the current land use.
 - C. Existing zoning designations: property is zoned Rural Residential
 - D. Describe any proposed change in zoning: No zone change will be required; the current land use conforms with the current Rural Residential zoning.
6. Describe the area surrounding the proposed annexation:
All surrounding land is within the existing Rancho Larios Subdivision.
7. Conformity with Sphere of Influence:
The proposed parcel is within the existing AWD Sphere of Influence.
8. Conformity with County General Plans:
This parcel conforms with the County General Plan designation of the area.
9. Topography and Natural Features:
The proposed parcel's topography is low-lying undulating hills – there are NO significant natural features that may affect this proposal.
10. Impacts on Agriculture:
Responses for 10A through 10D are Not Applicable. This proposal has no impact on Agriculture.
11. Impact on Open Space:
This proposal has no effect on the surrounding area.

Proposal Justification Questionnaire for Annexation



12. Relationship to Regional Housing Goals and Policies (City annexations only):

Not Applicable to this proposal

13. Population:

- A. There is one existing dwelling unit on the property
- B. Possible new dwelling units = Zero

14. Government Services and Controls – Plan for Providing Services:

- A. Water service will be provided to the parcel in this proposal
- B. Domestic water service for a single-family residence
- C. Service can be provided within 20 days of application approval
- D. Improvements would include a water meter and service line
- E. Services will be financed by check
- F. No alternatives are necessary

15. Ability of the annexing agency to provide services:

The annexing entity, the Aromas Water District has the capacity to provide the services requested – see attached resolution

16. Dependability of Water Supply for Projected Needs:

An existing water main runs in front of the parcel, so the timely availability is recorded above in Answer 14C – 20 days

17. Bonded indebtedness and zones:

Responses for 17A through 17D are Not Applicable to this proposal. There is existing infrastructure that has been paid for.

18. Environmental Impact of the Proposal:

- A. Who is the “Lead agency” for this proposal? – The Aromas Water District
- B. Environmental Documentation prepared – Categorical Exemption
- C. An EIR was NOT prepared – Not Applicable

19. Boundaries:

- A. These boundaries were used because the parcel sits “within” an existing subdivision, though not included at inception. No other properties should have been included in this proposal.
- B. This question is Not Applicable

20. Final Comments:

- A. Conditions –
 - a. none to be added
- B. Comments/justifications regarding proposal –
 - a. Mr. Eilert’s well’s capacity has reduced significantly, thus making the provision of water a health and safety issue
- C. No additional reports besides the contents of the application packet

Proposal Justification Questionnaire for Annexation



21. Notices and Staff Reports:

List up to three persons to receive copies of a notice of hearing and staff report.

<u>Name and Agency</u>	<u>Address</u>	<u>Email address</u>
A. Robert Johnson, Aromas Water District /	PO Box 388, Aromas, CA 95004 /	robert@aromaswaterdistrict.org
B. Patrick Eilert, requestor /	16450 Monterey Road, Morgan Hill, CA 95037 /	patrick@eilertinsurance.com

Who should be contacted if there are questions about this application?

<u>Name</u>	<u>Address</u>	<u>Email address</u>	<u>Phone</u>
A. Robert Johnson /	PO Box 388, Aromas, CA /	robert@aromaswaterdistrict.org /	(831) 726.5071
B. Patrick Eilert /	16450 Monterey Road, Morgan Hill, CA 95037 /	patrick@eilertinsurance.com /	(408) 776-9090

Signature: _____

A handwritten signature in black ink, appearing to be "R. Johnson", written over a horizontal line.

Date: _____

4/30/19



RESOLUTION 2018-06

RESOLUTION OF APPLICATION OF THE AROMAS WATER DISTRICT INITIATING PROCEEDINGS FOR THE *EILERT* (APN: 012-014-019) ANNEXATION TO THE AROMAS WATER DISTRICT

WHEREAS, the Aromas Water District (DISTRICT) desires to initiate a proceeding for the adjustment of boundaries specified herein.

NOW, THEREFORE BE IT RESOLVED, the Aromas Water District Board of Directors hereby resolves and order as follows:

1. This proposal is made, and it is requested that proceedings be taken, pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000, commencing with section 56000 of the California Government Code.
2. This proposal is an annexation to the DISTRICT
3. A map of the affected territory is set forth in Exhibit A, attached hereto and by reference incorporated herein.
4. It is desired that the proposal be subject to the following terms and conditions: *DISTRICT water will be utilized for municipal uses only.*
5. The reasons for the proposal are to: *Health and Safety Issues related to the lack of available well water and the need to annex into the DISTRICT to receive DISTRICT water.*
6. The proposal is consistent with the Sphere of Influence of the DISTRICT.
7. Consent is hereby given to the waiver of conducting authority proceedings.

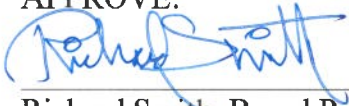
PASSED AND ADOPTED by the Board of Directors of the Aromas Water District, Aromas, Monterey and San Benito Counties, California, at a Regular meeting duly held on this 19th day of DECEMBER by the following vote:

AYES: DUTRA, HOLMAN, LEAP, NORTON, SMITH

NOES: NONE

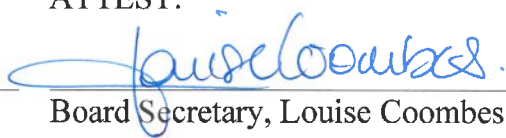
ABSENT: NONE

APPROVE:



Richard Smith, Board President

ATTEST:



Board Secretary, Louise Coombes

AGREEMENT AUTHORIZING AROMAS WATER DISTRICT
TO ANNEX AND EXTEND SERVICE TO APN 012-014-019 (EILERT PROPERTY)
WITHIN RANCHO LARIOS SUBDIVISION

This AGREEMENT AUTHORIZING AROMAS WATER DISTRICT TO ANNEX AND EXTEND SERVICE TO APN 012-014-019 (EILERT PROPERTY) WITHIN RANCHO LARIOS SUBDIVISION ("Agreement") is made and entered into on the date it has been executed by all parties hereto (the "Effective Date") by and between the AROMAS WATER DISTRICT ("Aromas"), a special district organized and existing under the County Water District Law (Water Code §30000, et seq.) and Pajaro Valley Water Management Agency ("PV Water"), a public agency organized and existing under the Pajaro Valley Water Management Agency Act (the "Act") (Water Code Appendix, Chapter 124), who agree as follows:

RECITALS

- A. PV Water was formed in 1984 by a special act of the California Legislature with the express purpose of and authority for management of the groundwater resources of the Pajaro Valley to reduce long-term overdraft and ultimately balance the groundwater basin.
- B. Pursuant to the Act, Section 516, PV Water has "prevailing authority over any special district within the boundaries of the agency which exercises any of the powers enumerated in" the Act.
- C. The Sustainable Groundwater Management Act ("SGMA") (Cal. Water Code § 10270, et seq.), enacted by the California Legislature in 2014, provides for sustainable management of groundwater basins, to enhance local management of groundwater, to establish minimum standards for sustainable groundwater management, and to provide local groundwater agencies with the authority and the technical and feasible assistance necessary to manage groundwater.
- D. Section 10723(c)(1)(L) establishes PV Water as the exclusive local agency within its statutory boundaries to comply with the requirements of SGMA.
- E. By Resolution No. 2015-25, adopted on August 19, 2015, PV Water elected to become a Groundwater Sustainability Agency under SGMA for that portion of the Pajaro Valley Groundwater Basin underlying its statutory boundaries.
- F. While Aromas is mostly within the jurisdictional boundaries of PV Water, a portion of its territory is located outside of PV Water boundaries and outside of the California Department of Water Resources definition of the Pajaro Valley Sub-basin 3-002.01.
- G. In 1998, the Board of Directors of PV Water adopted Ordinance 98-1, which prohibits water extracted or otherwise produced within the jurisdictional boundaries of PV Water from being exported, except for uses or contractual

commitments that pre-dated the ordinance. Under the terms of Ordinance 98-1, the export prohibition may be waived by the Board of Directors if the waiver is consistent with the PV Water's adopted Basin Management Plan

- H. Also, in 1998, Ordinance 98-2 was adopted by voter initiative, which mandates that PV Water prohibit all new exports of water outside the boundaries of PV Water.
- I. In 2003 the parties entered into the AGREEMENT FOR PERMITTING OF NEW WELL ("2003 Agreement"), pursuant to which PV Water authorized Aromas to construct a new well outside of but immediately adjacent to PV Water's boundary (the "San Juan Road Well") to alleviate a well capacity shortfall caused by the failure of an existing well operated by Aromas within PV Water's boundary. Under the 2003 Agreement the parties agreed that the San Juan Road Well would be "subject to the export prohibitions of Ordinance 98-1" for any new distribution of water outside PV Water's boundary and that the San Juan Road well would likewise be subject to any then-existing or future PV Water ordinances and resolutions as though the San Juan Road Well were located within the PV Water boundaries.
- J. In September, 2018, Aromas brought to PV Water's attention the circumstances confronted by the residents of the APN 012-014-019 a single residential Parcel developed with a single-family residential dwelling located at 9 Rocks Road, San Juan Bautista (the "Eilert Property"), that currently obtains water from an on-site well, and is currently neither located within the jurisdictional boundaries of Aromas, or within PV Water's jurisdictional boundaries or Pajaro Valley Sub-basin 3-002.01. The Rancho Larios Subdivision, by contrast, is located within and provided water service by Aromas. Owing to the poor quality and quantity of well production, the owners of the Eilert Property have sought to annex into and obtain water service from Aromas.
- K. The purpose of this Agreement is to permit an exception to the 2003 Agreement to enable Aromas to annex and provide water service to the Eilert Property under the terms and conditions set forth herein.

NOW, THEREFORE, the parties agree as follows:

1. PV Water authorizes Aromas to extend water service to the Eilert Property under the terms and conditions set forth below and such further conditions as may be agreed to between PV Water and Aromas to carry out the terms of this Agreement.
2. The authorization provided herein shall be deemed an emergency waiver to the export prohibitions of Ordinances 98-1 and 98-2. Except for the Eilert Property, Aromas will not establish new water service outside of PV Water's boundary without the prior express written consent of PV Water, which shall be in PV Water's sole discretion. This authority is limited to

existing parcels of record as of the date of this Agreement and shall not extend to any further divisions of existing parcels or new parcels created by any other means.

3. As between Aromas and PV Water, Aromas shall be solely responsible for obtaining any and all necessary permits or other regulatory approvals from any agency with jurisdiction over such matters in order to construct the necessary water service extension to the Eilert Property, and shall be deemed "Lead Agency" for purposes of complying with the California Environmental Quality Act. PV Water agrees to reasonably cooperate with Aromas in seeking any such regulatory approvals.

4. Aromas agrees to indemnify, defend and hold PV Water harmless, its officers, agents, employees and attorneys, against any and all claims, demands, losses, costs or liability of any kind which PV Water, its officers, employees, agents or attorneys may incur arising from or related to this Agreement, or any activities of Aromas pursuant thereto.

5. To the extent it is inconsistent therewith, the terms of this Agreement shall be deemed to have amended the 2003 Agreement. Except as so amended, the 2003 Agreement shall remain in full force and effect.

6. This Agreement shall be binding upon and inure to the benefit of the parties' respective successors in interest and assigns.

7. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument.

8. Notices under this Agreement shall be in writing and shall be delivered as follows:

If to PV Water:

General Manager
Pajaro Valley Water Management Agency
36 Brennan Street
Watsonville, CA 95076

If to Aromas:

District Manager
Aromas Water District
P.O. Box 388
Aromas, CA 95004

9. If any provision of this Agreement is determined to be invalid, illegal or unenforceable, such provision shall be deemed to be severed or deleted from this Agreement and the balance of this Agreement shall remain in full force and effect notwithstanding such invalidity, illegality or unenforceability.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below:

AROMAS WATER DISTRICT

Dated: April 23, 2019

By: Richard Smith
President, Board of Directors

Approved as to form:

Robert E. Bosso
Robert E. Bosso

PAJARO VALLEY WATER
MANAGEMENT AGENCY

Dated: March 7, 2019

By: Ang R. Newell
Chair, Board of Directors

Approved as to form:

General Counsel
General Counsel

LAFCO No. 530

RESOLUTION OF THE SAN BENITO LOCAL AGENCY FORMATION COMMISSION
MAKING DETERMINATIONS AND APPROVING THE EILERT
ANNEXATION TO THE AROMAS WATER DISTRICT

WHEREAS, the Eilert Annexation to the Aromas Water District (LAFCO File No. 530) has been filed with the Executive Officer of the San Benito Local Agency Formation Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Sections 56000 et seq. of the Government Code); and

WHEREAS, the proposal seeks Commission approval to annex a 5.0 acre parcel into the Aromas Water District ("District") identified by the San Benito County Assessor as APN Numbers 012-140-019; and

WHEREAS, the property is within the District's Sphere of Influence, and the District has requested the Commission approve the annexation in District Resolution No. 2018-06; and

WHEREAS, the Executive Officer has reviewed the proposal and prepared a report with recommendations; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a public hearing held on the proposal on August 21, 2019; and

WHEREAS, at the times and in the manner required by law the Executive Officer has given notice of the Commission's consideration of the proposal through publication in the Hollister Freelance Newspaper, and notice to neighboring landowners within 300 feet; and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony related to the proposal including, but not limited to, the Executive Officer's Report and recommendation, the determination of exemption from CEQA by the Aromas Water District, and consistency with the San Benito County General Plan; and

WHEREAS, in accordance with applicable provisions of the California Environmental Quality Act (hereinafter "CEQA"), the Commission serves as responsible agency for the annexation and has determined that the application is exempt from CEQA as the territory is already developed; and

WHEREAS, the Local Agency Formation Commission finds the applications to be in the best interests of the affected area and the organization of local governmental agencies within San Benito County.

NOW, THEREFORE, BE IT RESOLVED DETERMINED AND ORDERED by the Local Agency Formation Commission of San Benito County as follows:

(1) The Commission finds the annexation is exempt from environmental review in compliance with CEQA Guidelines sections 15303(d) and 15319

(2) The annexation proposal is assigned the distinctive short-form designation:
EILERT ANNEXATION TO THE AROMAS WATER DISTRICT

(4) Said territory is found to be uninhabited as there are less than 12 registered voters within the annexation area.

(5) The boundaries of the affected territory are found to be definite and certain as approved and set forth in the legal descriptions, with verification from the County Surveyor.

(6) All proceedings in connection with this proposal shall be conducted in compliance with the approved boundaries set forth in the attachments.

(7) The annexation boundary is consistent with the sphere of influence and is an island of territory surrounded by the Aromas Water District.

(8) The Commission has considered evidence in the record regarding the District's potable water capacity, and approval from the Pajaro Valley Water Management Agency for this water connection outside the Pajaro Groundwater Sub-basin.

(9) Since the subject territory is uninhabited, all affected landowners have given written consent to the annexation and the annexing agency has given written consent to the waiver of conducting authority proceedings, the conducting authority proceedings are waived and the staff is directed to complete the proceeding without further notice, hearing or election.

(10) The territory being annexed shall be liable for any existing or authorized taxes, charges, fees or assessments comparable to properties presently within the District.

(11) The proposal is APPROVED, and Staff is directed not to record the annexation until the following condition of approval has been satisfied:

(a) The map and legal description presented are found by the County Surveyor to be acceptable.

I, Cesar E. Flores, Chairman of the Local Agency Formation Commission of San Benito County, California, do hereby certify that the foregoing resolution was duly and regularly adopted by said Commission at a regular meeting thereof held upon the 21th day of August, 2019, by the following vote:

AYES:

NOES:

ABSTAINS:

Dated: _____
Cesar E. Flores, Chair
San Benito Local Agency Formation Commission

ATTEST

Bill Nicholson, Executive Officer
San Benito Local Agency Formation Commission

SAN BENITO LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

August 21, 2019 (Agenda)
(Agenda Item 7)

LAFCO No. 531: Meadow at Gardenia Lane Annexation to County Service Area No. 24

PROPONENT: San Benito County Board of Supervisors by resolution, landowners by petition

ACREAGE & LOCATION Approximately 7.6 acres located on both sides of Rosebud Place and Meadow Lane on the north side of Santa Ana Road; Hollister area

PURPOSE: Include this property within County Service Area (CSA) No. 24 to provide the following services: road maintenance, street sweeping, street lighting, and drainage maintenance through an assessment collected with the property tax bill

PROJECT EVALUATION

1. Land Use, Planning and Zoning - Present and Future:

This annexation area contains a recently developed six lot residential subdivision (TSM 16-95) with all homes constructed. As a condition of the tentative map, the County required that the property owners form a homeowners association to be responsible for street lighting, street sweeping, road maintenance, storm drainage, landscape maintenance and other services. As an alternative, the applicant could propose an alternative mechanism, which requires approval by the Board of Supervisors. The map was recorded but the homeowners approached the County to seek annexation into CSA No. 24, similar to the approval for the adjacent property, LAFCO File No. 529 (Nguyen). The Board of Supervisors adopted a resolution of application to LAFCO for this annexation on April 16, 2019.

The County General Plan designates the site as Residential Rural (RR), and the zoning is Rural Residential (RR). The lots meet the minimum size of one acre allowed under the Zoning Code to accommodate on-site septic systems. However, the property is within, and all lots are connected to the potable water supply from, the Sunnyslope County Water District. The property is not within the City of Hollister Sphere of Influence which only extends to Santa Ana Road at its closest point to this subdivision.

Surrounding land uses include developed rural residential housing on all sides, with a recently recorded subdivision to the north for which an annexation into CSA #24 has recently been approved (Nguyen).

2. Topography, Natural Features and Drainage Basins:

The annexation area and surrounding land is gently sloping to the west. There are no significant natural features that affect the development, and storm drainage has been connected to the existing system serving adjacent development.

3. Population:

There are six new homes within the annexation area, but no population data is available. However, all landowners have signed a petition in support of annexation into CSA No. 24 and as a landowner-voter entity, there is no involvement by registered voters.

4. Governmental Services and Controls - Need, Cost, Adequacy and Availability:

In the "Proposal Justification Questionnaire for Annexation" completed by the County, the following services are proposed to be provided through annexation into CSA No. 24: street maintenance, street sweeping, street light maintenance, and storm drainage system maintenance. The County also indicates that several other services currently authorized in this CSA will not be provided to this annexation and are not being currently provided within the CSA: garbage collection and extended police and fire services ("extended" means provided at a higher level than to other areas of the County not within the CSA).

The County is currently investigating all their County Service Areas and the services authorized and those provided, and will come back to LAFCO in the future with possible applications to dissolve or consolidate CSAs, or to add or remove the services provided in each CSA. LAFCO Staff has been participating in the review of consultant studies, including an early draft Municipal Service Review (MSR) update as the current MSR is from 2007 and is outdated.

The Meadow at Gardenia Lane Subdivision is a semi-rural development in the County, and it is already within and connected to the Sunnyslope County Water District's water supply. Wastewater is disposed of through on-site septic systems regulated by the County Environmental Health Division. There are no other LAFCO actions involving service to be provided to the new development beyond annexation into CSA No. 24.

5. Impact on Prime Agricultural Land, Open Space and Agriculture:

The site is a 7.6 acre infill parcel that does not produce an agricultural crop and is not prime agricultural land. The property is not under a Williamson Act contract.

6. Assessed Value, Tax Rates and Indebtedness:

The six parcels are currently within Tax Rate Area 67-016. The assessed value is \$5,500,900 although the Tax Rate Area will change following the annexation into the CSA. Annexation into the CSA will not change the property tax rate but in order to collect the property assessment, the property owners must hold and pass a Proposition 218 election. Lands within the current CSA No. 24 pay an assessment currently set at \$258 per house but it contains an inflator index which the Board of Supervisors can adjust annually. In order to ensure the revenue is in place to pay for the services provided in this CSA, a condition of approval is proposed that requires passage of a Proposition 218 election prior to recording the Certificate of Completion, which implements the annexation. LAFCo has one year to record the Certificate of Completion.

The current CSA generates approximately \$8,000 annually and was budgeted at \$6,525.97 in the current fiscal year. Expenses through May 1st have been \$1,477.03. The County also maintains a cash account for Contingencies for CSA No. 24 which has a current balance of \$65,135. This contingency reserve is maintained in case of emergency expenses such as repairing a storm drain pipe or minor road repairs. However, the current yearly rate per housing unit might be less than what would be required for long-term road maintenance costs such as repaving the road at some point in the future. This issue is currently being evaluated by the County on a CSA-wide basis.

7. Environmental Impact of the Proposal:

The County of San Benito, acting as lead agency for initial approval of the six-lot subdivision prepared an Initial Study to evaluate the project. As part of the project approval, the County adopted 4 mitigation measures to reduce impacts to a less than significant level in the areas of: (i) Air Quality: dust control during construction; (ii) Geology and Soils: involving soils report and geotechnical evaluation; (iii) Hydrology and Water Quality: involving compliance with SWPPP requirements and installation of drainage improvements for a 100 year storm event; and (iv) Utilities and Service Systems: design and construction of drainage facilities that prevent the spread of vector-borne diseases.

However, since the subdivision has been recorded and homes have been constructed on all six lots, LAFCO can determine the annexation into CSA #24 is exempt from environmental review in compliance with CEQA Guidelines sections 15319 "Annexations of Existing Facilities and Lots for Exempt Facilities" and 15303(d) "New Construction or Conversion of Small Structures" including streets and other similar utilities. Annexation of the 7.6 acre subdivision into CSA #24 doesn't result in any change to the environment, it is just creating a financial mechanism for maintenance of public facilities.

8. Landowner and Subject Agency Consent:

When there is unanimous written consent of all property owners within an area to be annexed the Commission can waive the protest proceedings should the annexation be approved. However, as noted in Item 6 above, the property owners will also have to approve an assessment for CSA fees through a Proposition 218 election in order for the assessment to be levied on their properties. For this application, all landowners have signed a petition in support of annexation into CSA No. 24

9. Boundaries, Lines of Assessment and Registered Voters:

The boundaries appear to be definite and certain and there are no conflicts with lines of assessment or ownership. The site is contiguous to the CSA No. 24 boundary to the north, but not to the west. CSA No. 24 was formed in 1987 to serve 27 lots along Kane Drive, the next street over to the west. When Rosebud Avenue was constructed along with the Gonzalez Subdivision, involving all lots along the west side of Rosebud Avenue, the County processed and LAFCO approved an annexation of the 14 lots (on 16 acres) into CSA No. 24. However, at the time in 2007, LAFCO staff did not record the annexation and therefore, it was never implemented and the County collects no assessments. The County Resource Management Agency will be working to resubmit this annexation application to LAFCO since there was a 12 month period for the annexation to be recorded, which has long expired.

The map and legal description for the 7.6 acre annexation are being reviewed by the County Surveyor for sufficiency in filing with the State Board of Equalization.

The territory is uninhabited; namely, there are fewer than 12 registered voters. The property owners have consented to the annexation and there is no need to hold a protest hearing. The CSA creates a new property assessment which is subject to a vote of property owners, not registered voters, through the Proposition 218 process conducted by the County.

10. Environmental Justice and Affordable Housing

The site is not adjacent to a disadvantaged unincorporated community as the adjacent land located in the County contains large one-acre residential lots. The subdivision does not involve any affordable housing, but helped the County meet its targets for "above moderate income" housing through the recent construction of six homes.

ALTERNATIVES FOR COMMISSION CONSIDERATION

Staff does not recommend any alternative boundary, as the adjacent land to the north was recently annexed into CSA No. 24 (Nguyen, and the County will have to work with owners of

the adjacent parcels on the west side of Rosebud Avenue (Gonzales Subdivision with 16 existing homes), to get an annexation application initiated. After reviewing this report and any testimony or materials that are presented, the Commission can take one of the following actions:

OPTION 1 – APPROVE the proposal as submitted based upon the following findings, determinations and orders:

- A. Find the proposal qualifies for a Categorical Exemption in compliance with CEQA Guidelines sections 15303(d) and 15319.
- B. Adopt this report and approve the proposal known as the "Meadow at Gardenia Lane Annexation to the County Service Area No. 24."
- C. Waive the conducting authority (protest) proceedings and direct the staff to complete the proceedings without further notice, hearing or election.
- D. Direct the staff not to record the annexation until the map and legal description are found by the County Surveyor to be acceptable.
- E. Direct the staff not to record the Certificate of Completion implementing the annexation until San Benito County has held a Proposition 218 election setting the assessment levels within the CSA, and the election is passed by the property owners.

OPTION 2 - Adopt this report and DENY this proposal.

OPTION 3 - CONTINUE this proposal to a future meeting for additional information.

RECOMMENDED ACTION:

Approve OPTION 1.

Respectfully submitted,



BILL NICHOLSON
Executive Officer
LAFCO of San Benito County

Attachments:

1. Area Map and Annexation Map
2. Proposal Justification Questionnaire - Annexation
3. Resolution No. 2019-39 of the San Benito County Board of Supervisors "Resolution of Application"
4. Draft LAFCO Resolution No. 531 Approving the Meadow at Gardenia Lane Annexation to County Service Area No. 24




cc: Harry Mavrogenes, Director San Benito County RMA
Lauren Hull, Management Analyst
Karson Klauer, Original Subdivider, Annexation Proponent

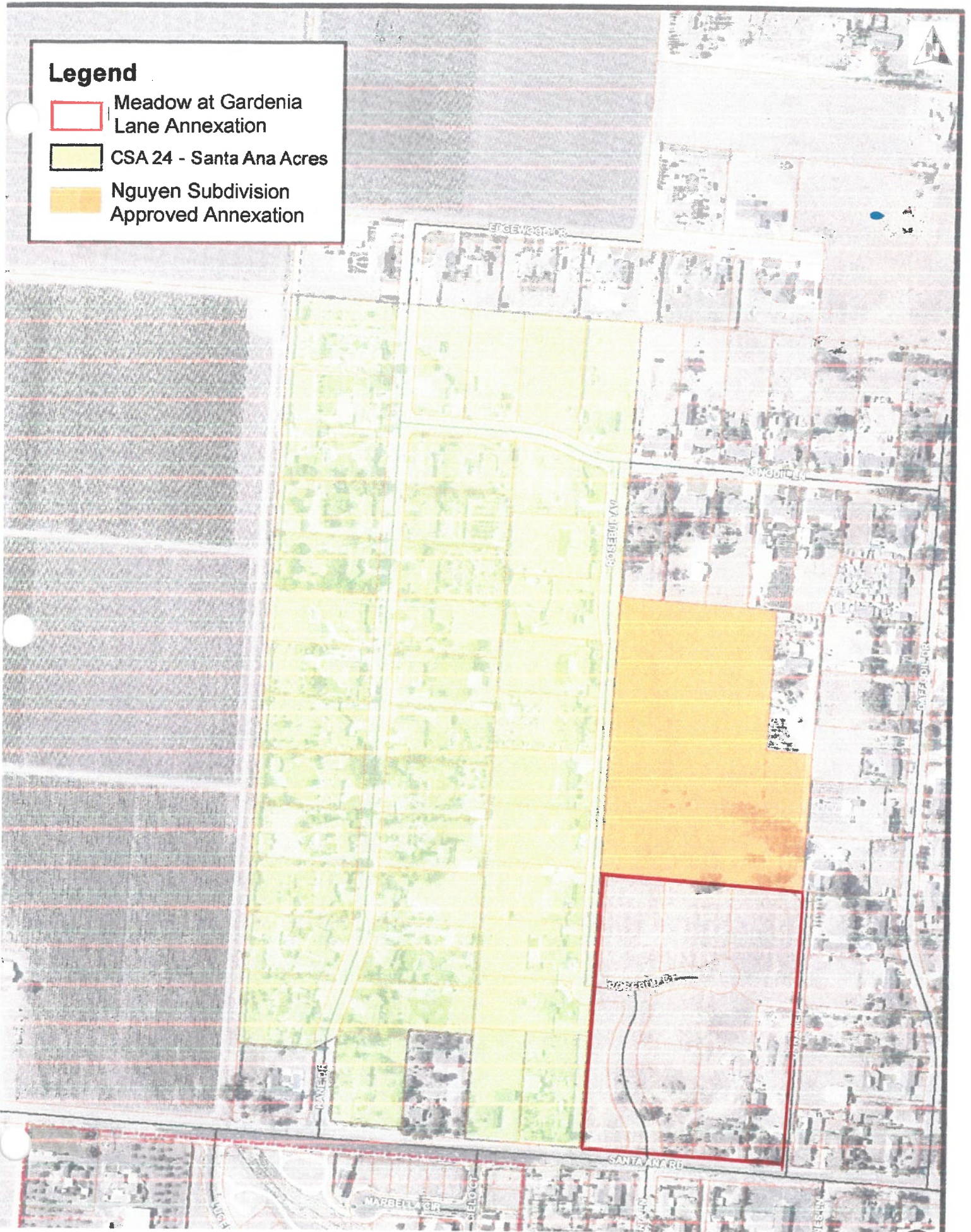
Meadow at Gardenia Lane Annexation



Figure 2. Site Plan
Tentative Subdivision Map 16-95
Klauer

Legend

-  Meadow at Gardenia Lane Annexation
-  CSA 24 - Santa Ana Acres
-  Nguyen Subdivision Approved Annexation



SAN BENITO LOCAL AGENCY FORMATION COMMISSION

Proposal Justification Questionnaire for Annexations,

Detachments and Reorganizations

(Attach additional sheets as necessary)

1. **Name of Application:** (The name should match the title on the map and legal description; list all boundary changes that are part of the application)
Klauer Subdivision
Annexation to CSA 24
2. **Describe the acreage and general location; include street addresses if known:**
7.61 acres
3. **List the Assessor's Parcels within the proposal area:** *019-410-001, 019-410-002, 019-410-003, 019-410-004, 019-410-005, 019-410-006*
4. **Purpose of proposal:** (List all actions for LAFCO approval. Identify other actions that are part of the overall project, i.e., a tract map, development permit, etc. Why is this proposal being filed?) *The County found that annexing into the existing CSA was a preferable option due to the fact that the development shares roads and resources.*
5. **Land Use and Zoning - Present and Future**
 - A. **Describe the existing land uses** within the proposal area. Be specific. *Developed subdivision with 6 developed lots.*
 - B. **Describe changes in land uses** that would result from or be facilitated by this proposed boundary change. *Existing development*
 - C. **Describe the existing zoning designations** within the proposal area. *Zoning is Rural Residential*
 - D. **Describe any proposed change in zoning** for the proposal area. Do the existing and proposed uses conform with this zoning? *Existing subdivision conforms to zone use and density.*
 - E. (For City Annexations) **Describe the rezoning** that will apply to the proposal area upon annexation. Do the proposed uses conform with this rezoning? *N/A*
 - F. **List all known entitlement applications** pending for the property (i.e., zone change, land division or other entitlements).

ATTACHMENT 2

6. **Describe the area surrounding the proposal** *Single Family Residential*
7. **Conformity with Spheres of influence**
 - A. Is the proposal area within the sphere of influence of the annexing agency?
N/A
 - B. If not, are you including a proposal to revise the sphere of influence?
N/A
8. **Conformity with County and City General Plans**
 - A. Describe the existing County General Plan designation for the proposal area.
Residential Rural (RR)
 - B. (For City Annexations) Describe the City general plan designation for the area.
N/A
 - C. Do the proposed uses conform with these plans? If not, please explain.
Yes
9. **Topography and Natural Features**
 - A. Describe the general topography of the proposal area and any significant natural features that may affect the proposal.
Single family residential subdivision
 - B. Describe the general topography of the area surrounding the proposal.
Topography of surrounding parcels: *single family residential*
10. **Impact on Agriculture**
 - A. Does the property currently produce a commercial agricultural commodity?
No
 - B. Is the property fallow land under a crop rotational program or is it enrolled in an agricultural subsidy or set-aside program? *No*
 - D. Is the property Prime Agricultural Land as defined in G.C. Section §56064? *No*
 - E. Is the proposal area within a Land Conservation (Williamson) Act contract? *No*
 - 1) If “yes,” provide the contract number and date contract was executed.
 - 2) If “yes”, has a notice of non-renewal be filed? If so, when?
 - 3) If this proposal is an annexation to a city, provide a copy of any protest filed by the annexing city against the contract when it was approved.
11. **Impact on Open Space**
Is the affected property Open Space land as defined in G.C. Section 65560? *No*
12. **Relationship to Regional Housing Goals and Policies (City annexations only)**
If this proposal will result in or facilitate an increase in the number of housing units, describe the extent to which the proposal will assist the annexing city in achieving its fair share of regional housing needs. N/A

13. **Population**

A. Describe the number and type of existing dwelling units within the proposal area.

6

B. How many new dwelling units could result from or be facilitated by the proposal?

Single-family 0 Multi-family

14. **Government Services and Controls – Plan for Providing Services (per §56653)**

A. Describe the services to be extended to the affected territory by this proposal.

CSA 24 currently includes street light maintenance, street maintenance, street sweeping, drainage maintenance, extended police and fire services, and garbage disposal services.

B. Describe the level and range of the proposed services.

This annexation adds Rosebud Court and Gardenia Lane to the CSA.

C. Indicate when the services can feasibly be provided to the proposal area.

Upon this approval. Infrastructure is already built.

D. Indicate any improvements or upgrading of structures, roads, sewers or water facilities or other conditions that will be required as a result of the proposal.

Infrastructure already built as a Condition of TSM 16-95

E. Identify how these services will be financed. Include both capital improvements and ongoing maintenance and operation.

Improvements were installed by developer owner, ongoing maintenance will be paid by current/future home owners under their CSA assessments.

F. Identify any alternatives for providing the services listed in Section (A) and how these alternatives would affect the cost and adequacy of services.

An HOA was formed however the homeowners would prefer to join the CSA since this development shares the same roads and resources. The subdivision was not offered annexation into the CSA when the final map was originally approved.

15. **Ability of the annexing agency to provide services**

Attach a statement from the annexing agency describing its ability to provide the services that are the subject of the application, including the sufficiency of revenues (per Gov't Code §56668j).

The County has hired a CSA Coordinator who works with the Auditor's Office to keep accounts in order, and coordinate with consultants and County Road Maintenance Staff to ensure services and maintenance are provided on a consistent level for all active CSAs. The County has also retained a consultant to study all CSAs with a look into methods to improve efficiency.

16. **Dependability of Water Supply for Projected Needs** (as per §56653)

If the proposal will result in or facilitate an increase in water usage, attach a statement from the retail water purveyor that describes the timely availability of water supplies that will be adequate for the projected needs. The existing subdivision water needs are already addressed.

17. **Bonded indebtedness and zones** – These questions pertain to long term debt that applies or will be applied to the affected property.

A. **Do agencies whose boundaries are being changed have existing bonded debt?**

☐ Yes ☒ No If yes, please describe

B. **Will the proposal area be liable for payment of its share of this existing debt?**

☐ Yes ☒ No If yes, how will this indebtedness be repaid (property taxes, assessments, water sales, etc.?) N / A

C. **Should the proposal area be included within any 'Division or Zone for debt repayment?** ☐ Yes ☒ No If yes, please describe.

D. (For detachments) Does the detaching agency propose that the subject territory continue to be liable for existing bonded debt? ☐ Yes ☒ No Please describe.

18. **Environmental Impact of the Proposal**

A. **Who is the "lead agency" for this proposal?**

San Benito County prepared the initial study – attached.

B. **What type of environmental document has been prepared?**

None, Categorically Exempt -- Class ____

EIR _____ Negative Declaration _____ Mitigated ND X

Subsequent Use of Previous EIR _____ Identify the prior report. _____

C. **If an EIR has been prepared, attach the lead agency's resolution listing significant impacts anticipated from the project, mitigation measures adopted to reduce or avoid significant impacts and, if adopted, a "Statement of Overriding Considerations."**

19. Boundaries

- A. **Why are these particular boundaries being used? Ideally, what other properties should be included in the proposal?** *The boundary is the limits of the subdivision*
- B. **If any landowners have included only part of the contiguous land under their ownership, explain why the additional property is not included.** *N/A*

20. Final Comments

- A. **Describe any conditions that should be included in LAFCO's approval.**
No conditions are needed, however the County is looking at all CSAs and will come back with proposals to remove some CSA services that are no longer being provided and add any new services that are being provided but are not listed.
- B. **Provide any other comments or justifications regarding the proposal.**
- C. **Enclose all pertinent staff reports and supporting documentation related to this proposal. Note any changes in the approved project that are not reflected in these materials.**

21. Notices and Staff Reports

List up to three persons to receive copies of a notice of hearing and staff report.

Name and agency

Address

Email address

A Karson Klauer karsonklauer@yahoo.com

B.

C.

Who should be contacted if there are questions about this application?

Name

Address

Email address

Phone

Megan Stevens	2301 Technology Pkwy. Hollister, CA 95023	mstevens@cosb.us	831-637-8430
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Signature _____

Date _____

TABLE A

Information regarding the areas surrounding the proposal area

	Existing Land Use	General Plan Designation	Zoning Designation
East	residential	Residential Rural	Rural Residential
West	residential	RR	RR
North	residential	RR	RR
South	residential	RR	RR

Other comments or notations:

RESOLUTION NO. 2019-39

**A RESOLUTION OF THE SAN BENITO COUNTY BOARD OF SUPERVISORS
INITIATING PROCEEDINGS FOR
THE ANNEXATION OF MEADOW AT GARDENIA LANE (KLAUER)
SUBDIVISION INTO EXISTING CSA NO. 24 ("SANTA ANA ACRES")**

WHEREAS, the Board of Supervisors of the County of San Benito desires to initiate a proceeding for the annexation of a subdivision into a County Service Area as specified herein;

NOW, THEREFORE, the Board of Supervisors of the County of San Benito does hereby resolve and order as follows:


1. This proposal is made, and it is requested that proceedings be taken, pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 commencing with §56000 of the California Government Code and the County Service Area Law commencing with §25210 of the California Government Code; and,
2. This proposal is for the annexation of a new subdivision into County Service Area No. 24 (Santa Ana Acres); and,
3. The area proposed to be annexed into County Service Area No. 24 is shown on the map attached as Exhibit A, and described in the legal description set forth in Exhibit B. Exhibits "A" and "B" are incorporated herein by this reference ("Annexation Area").
4. The existing services provided for CSA No. 24 shall be extended to the Annexation Area: a) Maintenance of street lights b) Street maintenance c) Street sweeping d) Drainage maintenance
5. Previously authorized services in CSA No. 24 that are no longer being provided through the CSA will not be provided to the Annexation Area, as follows:
 - a) Garbage disposal
 - b) Extended Police protection
 - c) Extended Fire protection
6. The assessment structure existing for CSA No. 24 for developed and undeveloped parcels shall otherwise be extended to the parcels in the Annexation Area.

7. Both the County and the current owners of the Annexation Area are in agreement that a County Service Area is an appropriate mechanism to provide services to future homeowners within the Annexation Area, and to comply with the County requirement that new developments provide a structure and funding mechanism for the provision of maintenance of street lights, street maintenance, drainage maintenance, and street sweeping.

8. The San Benito County Board of Supervisors is hereby initiating annexation of the 7.61 acre Annexation Area into the existing CSA No. 24 ("Santa Ana Acres"), for consideration by LAFCO.

PASSED and ADOPTED by the San Benito County Board of Supervisors on this 16th day of April, 2019, by the following vote:

AYES:	Supervisor(s)	Medina, Botelho, Gillio, Hernandez, De La Cruz
NOES:	Supervisor(s)	none
ABSENT:	Supervisor(s)	none
ABSTAIN:	Supervisor(s)	none

By: 
Mark Medina, Chair

ATTEST:

APPROVED AS TO LEGAL FORM

Janet Slibsager, Clerk of the Board

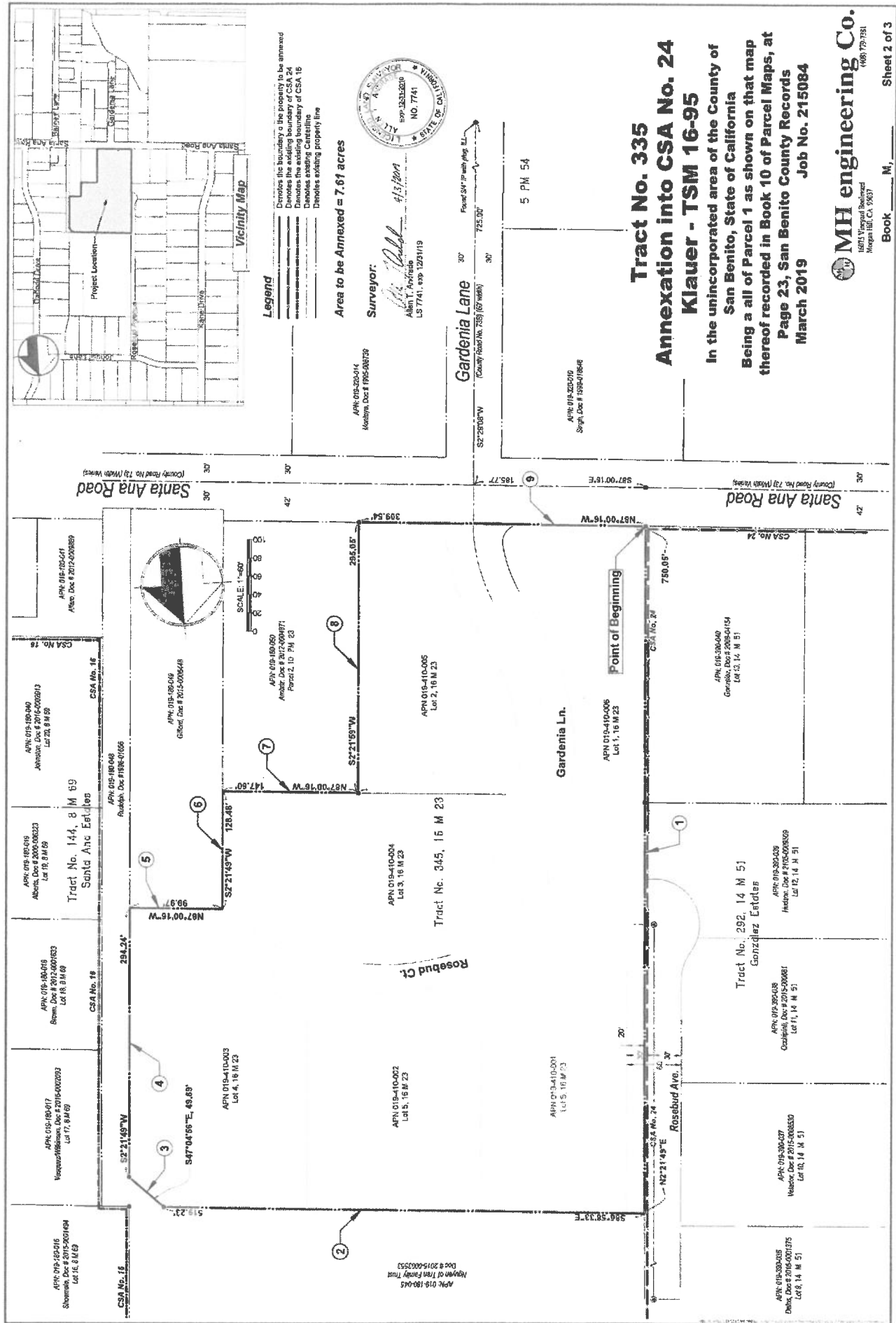
G. Michael Ziman, County Counsel

By: 

By: 

Date: 4/16/19

Date: Apr 1, 2019



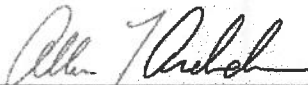
Tract No. 345 - Klauer TSM 16-95, Annexation into CSA No. 24

All that real property located in the State of California, County of San Benito being all of Tract No. 345 Klauer TSM 16-95 (Lots 1,2,3,4,5,&6, and Parcel A) as shown on that map thereof recorded May 18, 2017 in Book 16 of Maps at Page 23 San Benito County Records bound and more particularly described as follows:

Beginning at the southwest corner of Lot 1 of Tract No. 345 as shown on said map filed in Book 16 of Maps at Page 23, said corner also being in the northerly line of Santa Ana Road and the southeast corner of the existing County Service Area No. 24 (CSA 24); Thence from said point of beginning the following courses:

1. along the east line of said existing CSA 24, said line also being the west line of said Tract No. 345 North 2° 21' 49" East, 750.05 feet to the northwest corner of said Lot 6; thence,
2. leaving said east line of CSA 24 along the north line of said Tract No. 345, South 86° 58' 33" East, 519.23 feet; thence,
3. along the easterly line of said Tract No. 345, South 47° 04' 56" East, 49.89 feet; thence
4. South 2° 21' 49" West, 294.24 to the southeast corner of said Lot 4; thence
5. along the south line of said Lot 4, North 87° 00' 16" West, 99.97 feet to the northeast corner of said Lot 3; thence
6. along the east line of said Lot 3, South 2° 21' 49" West, 128.48 feet to the southeast corner of said Lot 3; thence
7. along the south line of said Lot 3, North 87° 00' 16" West, 147.60 feet to the northeast corner of said Lot 2; thence
8. along the east line of said Lot 2, South 2° 21' 59" West, 295.05 feet to the southeast corner of said Lot 2, said corner also being in the north line of Santa Ana Road; thence
9. along said north line of Santa Ana Road, North 87° 00' 16" West, 309.54 feet to the point of beginning.

Containing 7.61 acres.


Allen T. Andrade, LS 7741
Expires 12/31/2019

4/3/2019
Date



L:\Projects\2019\215084\Map\215084 CSA Map.dwg - 4/3/2019 2:39 PM - Plotted 4/3/2019 2:39 PM by Allen Andrade
Xrefs: 215084 LO existing, 215084 LO new, 215084 Point, 215084 Area, 215084 dgn



MH engineering Co.

18075 VINEYARD BOULEVARD MORGAN HILL, CA 95037

(408) 779-7381

SCALE: n/a

JOB #: 215084

SHEET

DRAWN BY: aa

DATE: 4/3/2019

1 of 1

LAFCO No. 531

RESOLUTION OF THE SAN BENITO LOCAL AGENCY FORMATION COMMISSION
MAKING DETERMINATIONS AND APPROVING THE MEADOW AT GARDENIA LANE
ANNEXATION TO COUNTY SERVICE AREA NO. 24

WHEREAS, the Meadow at Gardenia Lane Annexation to County Service Area No. 24 (LAFCO File No. 531) has been filed with the Executive Officer of the San Benito Local Agency Formation Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act and the County Service Area Law (Sections 56000 et seq. of the Government Code); and

WHEREAS, the proposal seeks Commission approval to annex 7.6 acres into County Service Area ("CSA") Number 24 and represents six parcels identified by the San Benito County Assessor as APN Numbers 019-410-001 through 006; and

WHEREAS, the Executive Officer has reviewed the proposal and prepared a report with recommendations; and

WHEREAS, the Commission heard and fully considered all the evidence presented at public hearings held on the proposal on August 21, 2019; and

WHEREAS, at the times and in the manner required by law the Executive Officer has given notice of the Commission's consideration of the proposal through publication in the Hollister Freelance Newspaper, and notice to neighboring landowners within 300 feet; and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony related to the proposal including, but not limited to, the Executive Officer's Report and recommendation, and applicable General Plan; and

WHEREAS, in accordance with applicable provisions of the California Environmental Quality Act (hereinafter "CEQA"), the Commission serves as responsible agency for the annexation and has determined that the application is exempt from CEQA as the territory is already developed; and

WHEREAS, the Local Agency Formation Commission finds the applications to be in the best interests of the affected area and the organization of local governmental agencies within San Benito County.

NOW, THEREFORE, BE IT RESOLVED DETERMINED AND ORDERED by the Local Agency Formation Commission of San Benito County as follows:

(1) The Commission finds the annexation is exempt from environmental review in compliance with CEQA Guidelines sections 15303(d) and 15319

(2) The annexation proposal is assigned the distinctive short-form designation:

MEADOW AT GARDENIA LANE ANNEXATION TO COUNTY SERVICE AREA NO. 24

(4) Said territory is found to be uninhabited as there are fewer than 12 registered voters within the annexation area.

(5) The boundaries of the affected territory are found to be definite and certain as approved and set forth in the legal descriptions, with verification from the County Surveyor.

(6) All proceedings in connection with this proposal shall be conducted in compliance with the approved boundaries set forth in the attachments.

(7) The Commission has considered evidence in the record regarding the County's administration of CSA No. 24.

(8) Since the subject territory is uninhabited, the landowners have given consent to the annexation and the annexing agency has given written consent to the waiver of conducting authority proceedings, the conducting authority proceedings are waived and the staff is directed to complete the proceeding.

(10) The territory being annexed shall be liable for any existing or authorized taxes, charges, fees or assessments comparable to properties presently within the District.

(11) The proposal is APPROVED, and Staff is directed not to record the annexation until the following condition of approval has been satisfied:

(a) The maps and legal descriptions presented as Exhibit A and B are found by the County Surveyor to be acceptable.

(b) Direct the staff not to record the Certificate of Completion implementing the annexation until San Benito County has held a Proposition 218 election setting the assessment levels within the CSA, and the election is passed by the property owners.

I, Cesar E. Flores, Chairman of the Local Agency Formation Commission of San Benito County, California, do hereby certify that the foregoing resolution was duly and regularly adopted by said Commission at a regular meeting thereof held upon the 21st day of August, 2019, by the following vote:

AYES:

NOES:

ABSTAINS:

Dated: _____

Cesar E. Flores, Chair
San Benito Local Agency Formation Commission

ATTEST

Bill Nicholson, Executive Officer
San Benito Local Agency Formation Commission

LOCAL AGENCY FORMATION COMMISSION

SAN BENITO COUNTY

2301 Technology Parkway

Hollister, CA 95023

Phone: (831) 637-5313 Fax: (805) 647-7647

DATE: August 21, 2019 (Agenda)

TO: Local Agency Formation Commission

FROM: Bill Nicholson, ^{BN} Executive Officer

RE: Continued Discussion on Agricultural Preservation from the May 9 and June 13, 2019 Commission Meetings - Focus on agricultural preservation policies and programs of other LAFCos for the protection of agricultural resources and mitigation of impacts (**Agenda Item 8**)

The Commission received a PowerPoint presentation from LAFCo staff and representatives of the San Benito Agricultural Land Trust (SBALT) at the May 9, 2019 Commission meeting. The presentation including a summary of the document entitled: "State of the Art on Agricultural Preservation" – a White Paper prepared jointly by the California Association of Local Agency Formation Commissions (CALAFCO) and the American Farmland Trust. Following a question and answer session, the Commission continued the discussion to the June 13th meeting where the Commission considered its role in agricultural preservation and the challenges in San Benito County. Members of SBALT also attended this session, and provided additional context for their activities.

It was recognized that the General Plans of the City of Hollister and San Juan Bautista, as well as the County all discourage conversions of productive farmland. However, all the Plans designate land for urban development that is currently in productive agricultural use. While there is no adopted policy requiring mitigation for the loss of this important resource, such as obtaining conservation easements or requiring a transfer of development rights, both the City of Hollister and San Benito County have identified agricultural mitigation as a requirement in the environmental review (CEQA) documents for recent development projects on productive land.

After receiving the presentation and holding a discussion, the Commission directed staff to look into the agricultural preservation policies of other similarly situated LAFCOs with areas of productive agricultural soils on the fringe of cities and urban growth areas. Staff focused on the LAFCo policies of Commissions located in the "Coastal Region" as defined by CALAFCO, which have large areas of agricultural resources adjacent to urbanizing areas. Refer to Attachment 1: "Summary of LAFCO Agricultural Protection Policies of Coastal Region LAFCOs" which contains a table identifying three general categories of policies adopted by nine LAFCOs within this region that also includes San Benito County. It also identifies whether the LAFCo has adopted a requirement for agricultural mitigation with specific local references as footnotes.

Commissioners: Cesar Flores, Chair ♦ Richard Bettencourt, Vice Chair ♦ Ignacio Velazquez ♦ Mark Medina ♦ Jim Gillio

Alternate Commissioners: Roberta Daniel ♦ Peter Hernandez ♦ Mary Vazquez-Edge **Executive Officer:** Bill Nicholson

Attachment 2 contains specific policies adopted by Ventura LAFCo under the heading: Item is a continued discussion and data gathering exercise, therefore, no action by the Commission is specifically identified. The prior action by the Commission was to request a review of agricultural preservation strategies by other LAFCos. Other possible actions were identified in the previous Executive Officer's Memo from the June 13th meeting which are repeated below:

The Commission may identify some future course of action based on the discussion, such as commenting on pending city and county development proposals regarding how agricultural impacts are evaluated during the environmental review (CEQA) process of individual projects and plans; coordinating with the City of San Juan Bautista to initiate a sphere of influence update for the recently updated General Plan; and engaging with the City of Hollister as they initiate the General Plan update effort over the coming year(s). Another option could involve establishment of a subcommittee on agricultural preservation consisting of two members of the Commission with the goal of preparing a set of draft agricultural preservation policies.

ATTACHMENTS

1. Summary of LAFCo Agricultural Protection Policies of Coastal Region LAFCos
2. Agricultural and Open Space Preservation Policies of Ventura LAFCo

ATTACHMENT 1

AGENDA ITEM No. 9

ATTACHMENT 1

AGENDA ITEM No. 13

ATTACHMENT 1

AGENDA ITEM No. 14

ATTACHMENT 1

ATTACHMENT 1

ATTACHMENT 1

ATTACHMENT 2

ATTACHMENT 2

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ATTACHMENT 5

ATTACHMENT 1**SUMMARY OF LAFCO AGRICULTURAL PROTECTION POLICIES OF COASTAL REGION LAFCOS:**

<u>LAFCO</u>	<u>Promote Infill</u>	<u>Avoid Prime Soils</u>	<u>Create Ag. Buffers</u>	<u>Require Easements</u>	<u>Ratio</u>
Contra Costa	X	X	X	No1	1:1
Marin	X	X	X	No2	
Monterey	X	X	X	No3	
Napa	X	X	X	No2	
San Luis Obispo	X	X	X	No4	
Santa Barbara	X	X	X	No5	
Santa Clara	X	X	X	Yes6	1:1
Sonoma	X	X	X	No2	
Ventura	X	X	X	No	

Footnotes:

1. Contra Costa LAFCO will consider feasible mitigation if avoidance is not possible. The applicant must follow adopted Guidelines, including the effectiveness of measures to mitigate for loss of agricultural land such as conservation easements or in-lieu fees at a 1:1 ratio.
2. The Counties of Marin, Napa and Sonoma all have active agricultural and open space trusts who work in concert with and independently of local governments to obtain conservation easements and manage open space lands. Mitigation is not required, but including agricultural lands within spheres of influence of cities and urban districts is avoided, and annexation is subject to a vote in Napa.
3. Monterey LAFCO encourages MOUs and MOAs between Cities and County which would contain ag. protection measures, including mitigation through conservation easements. In Greenfield MOU, the City agrees to consider a mitigation program if the County adopts one, along with four other Salinas Valley cities.
4. San Luis Obispo LAFCO requires an evaluation of measures to mitigate the loss of agricultural land and preserve adjoining lands, and the measures may include conservation easements and in-lieu fees.
5. Santa Barbara requires an evaluation of whether mitigation is necessary, but it is not automatically required.
6. Santa Clara has adopted a mandatory mitigation policy, but in practice they don't use it because they have determined cities where the policy could apply have ample land for urban development without annexing prime farmland, so annexations avoid prime farmland and some have been denied.

**CHAPTER 3 – STANDARDS FOR DETERMINING, UPDATING AND AMENDING SPHERE OF INFLUENCE BOUNDARIES****SECTION 4.3.1 GENERAL STANDARDS****4.3.1.1 LAFCo Favors Sphere of Influence Boundaries that:**

- a. Coincide with existing and planned service areas.
- b. Follow natural and man-made features, such as ridge lines, drainage areas, watercourses, and edges of right-of-way, provided they coincide with lines of assessment or ownership, or are described by metes and bounds legal descriptions which can be used easily for mapping boundaries.
- c. Include adjacent urbanized areas which are receiving or which may require urban services such as public water and/or sewer services.

4.3.1.2 LAFCo Discourages Sphere of Influence Boundaries that:

- a. Split neighborhoods or divide an existing identifiable community, commercial district, or other area having a social and economic identity.
- b. Create areas where it is difficult to provide services.
- c. Result in islands, peninsulas, flags, “cherry stems,” or other unusual physical shapes that could cause, or further, the distortion of boundaries.
- d. Would accommodate new development and include a tsunami inundation zone, wildfire hazard zone, FEMA designated floodway or floodplain, or other hazardous area designated by federal, state or local public agencies, unless the Commission determines that the hazard or hazards can be adequately mitigated.

SECTION 4.3.2 AGRICULTURAL AND OPEN SPACE PRESERVATION

4.3.2.1 Findings and Criteria for Prime Agricultural and Existing Open Space Land Conversion: LAFCo will approve sphere of influence amendments and updates which are likely to result in the conversion of prime agricultural or existing open space land use to other uses only if the Commission finds that the amendment or update will lead to planned, orderly, and efficient development. For the purposes of this policy, a sphere of influence amendment or update leads to planned, orderly, and efficient development only if all of the following criteria are met:

- a. The territory is likely to be developed within 5 years and has been designated for non-agricultural or open space use by applicable general and specific plans.
- b. Insufficient non-prime agricultural or vacant land exists within the sphere of influence of the agency that is planned and developable for the same general type of use.
- c. The proposal will have no significant adverse effects on the physical and economic integrity of other prime agricultural or existing open space lands.
- d. The territory is not within an area subject to a Greenbelt Agreement adopted by a city and the County of Ventura. If a City proposal involves territory within an adopted Greenbelt area, LAFCo will not approve the proposal unless all parties to the Greenbelt Agreement amend the Greenbelt Agreement to exclude the affected territory.
- e. The use or proposed use of the territory involved is consistent with local plan and policies.



4.3.2.2 Findings that Insufficient Non-prime Agricultural or Vacant Land Exists: The Commission will not make affirmative findings that insufficient non-prime agricultural or vacant land exists within the sphere of influence of the agency unless the applicable jurisdiction has prepared a detailed alternative site analysis which at a minimum includes:

- a. An evaluation of all vacant, non-prime agricultural lands within the sphere of influence and within the boundaries of the jurisdiction that could be developed for the same or similar uses.
- b. An evaluation of the re-use and redevelopment potential of developed areas within the sphere of influence and within the boundaries of the jurisdiction for the same or similar uses.
- c. Determinations as to why non-prime agricultural and vacant lands and potential re-use and redevelopment sites are unavailable or undesirable for the same or similar uses, and why conversion of prime agricultural or existing open space lands are necessary for the planned, orderly, and efficient development of the jurisdiction.

4.3.2.3 Impacts on Adjoining Prime Agricultural or Existing Open Space Lands: In making the determination whether conversion will adversely impact adjoining prime agricultural or existing open space lands, the Commission will consider the following factors:

- a. The prime agricultural and open space significance of the territory included in the sphere of influence amendment or update relative to other agricultural and existing open space lands in the region.
- b. The economic viability of the prime agricultural lands to be converted.
- c. The health and well-being of any urban residents adjacent to the prime agricultural lands to be converted.
- d. Whether public facilities related to the proposal would be sized or situated so as to facilitate the conversion of prime agricultural or existing open space land outside of the agency's proposed sphere of influence, or will be extended through prime agricultural or existing open space lands outside the agency's proposed sphere of influence.
- e. Whether natural or man-made barriers serve to buffer prime agricultural or existing open space lands outside of the agency's sphere of influence from the effects of the proposal.
- f. Applicable provisions of local general plans, applicable ordinances that require voter approval prior to the extension of urban services or changes to general plan designations, Greenbelt Agreements, applicable growth-management policies, and statutory provisions designed to protect agriculture or existing open space.
- g. Comments and recommendations by the Ventura County Agricultural Commissioner.

4.3.2.4 Territory Subject to a Land Conservation Act (Williamson Act) Contract: LAFCo will not approve the inclusion of territory subject to an active Land Conservation Act contract within the sphere of influence of a city or special district that provides or would provide facilities and/or services other than those that support the land uses that are allowed under the contract. For purposes of this section, an active Land Conservation Act contract includes a contract for which a notice of non-renewal has been filed.

AGENDA ITEM No. 9

CALIFORNIA ASSOCIATION OF
LOCAL AGENCY FORMATION COMMISSIONS



August 12, 2019

TO: Member LAFCos
SUBJECT: Proposed new dues structure for approval at 2019 Annual Business Meeting

Dear Member LAFCos:

The CALAFCO Board of Directors continues to develop services to meet the evolving needs of our members, yet we find ourselves continually challenged to meet those needs with limited resources.

At the CALAFCO Annual Meeting in Yosemite last fall, the Board explained that additional revenues must be raised to close the ongoing structural deficit, which the association has operated with since its inception. As many of you heard, CALAFCO has had an unhealthy reliance on Conference revenue to balance the budget which is not a sound fiscal practice. After receiving your feedback during the roundtable discussions at that Conference and after process of almost 18 months, the Board took a two-phase approach to addressing the ongoing structural deficit.

First, as a short-term strategy to address this structural deficit in FY 2019-20, the Board approved a one-time cost sharing option in which member LAFCo dues were increased by 16.25% and the Board used one-time Conference net profits to close the deficit (\$33,452 raised through the 16.25% increase and \$31,138 coming from Conference net profit). As we move into FY 2019-20, the adopted budget has a structural deficit of \$37,980.

The Board was also committed to a long-term strategy of revising the current dues structure into a more sustainable model. As a result, at their May 10, 2019 meeting, the Board considered several options for a new dues structure brought forward from the Finance Ad Hoc Committee. This Committee undertook a lengthy and detailed process, considering eleven (11) different options before deciding on the two brought to the Board.

After much discussion and careful consideration, the Board unanimously approved presenting the proposed new dues structure to you, the membership, for a vote at the October 31, 2019 Annual Business Meeting. A new dues structure requires the approval of the membership as it is a change in the Bylaws.

The structure is population based with a number of variables including an annual base rate, population threshold and a per capita rate. Population data will be updated annually.

The first step to changing the dues structure is for the membership to discuss it at the Annual Business Meeting and vote. Should the membership approve the new structure, the Board will adopt policies relating to the three variables. To help you better understand the process up to this point in time, a Q&A document has been created and included with this letter. It provides details and answers to the questions we know many of you have. Additionally we are including a matrix of what the new dues structure looks like for the first year of implementation (FY 2020-21) should the membership approve.

Also the Annual Business Meeting Agenda and meeting packet will contain a full staff report with details and the proposed changes to the Bylaws associated with the new dues structure. This will be published early August.

We understand raising dues at any time is a difficult proposition. Our work at CALAFCO strives to support the success and meet the needs of all member LAFCos, large and small. We are committed to continually enhancing the services of CALAFCO and fulfilling our mandate "to assist member LAFCos with educational and technical resources that otherwise would not be available." We hope you will agree when we discuss this at our Annual Business Meeting at this year's Conference.

We and the rest of the Board are available to answer any questions you may have. You are encouraged to seek out the feedback of your regional Board members.

On behalf of the CALAFCO Board of Directors,

A handwritten signature in black ink, appearing to read "Joshua J. Susman".

Josh Susman
Chair of the Board

A handwritten signature in black ink, appearing to read "Pamela Miller".

Pamela Miller
Executive Director

Cc: CALAFCO Board of Directors
enclosures

CALAFCO BULLETIN

Proposed LAFCo Membership New Dues Structure

To be presented to the Membership for consideration and vote at the
2019 Annual Business Meeting in Sacramento, California on

October 31, 2019

Questions & Answers



Question: *How did the Board come up with the proposed dues structure?*

Answer: The Board spent over a year deliberating the structural deficit and dues structure through their Finance Ad Hoc Committee. They considered feedback received from the membership at the 2018 Annual Conference from the regional roundtable discussions and the message to work towards a more sustainable dues structure model. The Board discussed at length options presented to them by the Ad Hoc Committee in February and May.

Question: *Why was this structure selected over other options considered?*

Answer: After extensive research and discussion by the Ad Hoc Committee, and after considering a variety of possible structures including those based on LAFCo budget, County category (urban-suburban-rural), flat rate increases and population, ultimately it was a population-based structure that was favored. The Ad Hoc Committee presented two options to the Board with this population-based structural model and the Board agreed the population-based structure created the fewest irregularities to resolve and created a more sustainable funding formula. Ultimately this structure was unanimously approved by the Board.

Question: *What are the variables in the formula?*

Answer: The formula includes: (1) A flat annual fee or base rate (each LAFCo will pay the same flat rate); (2) Population threshold number; and (3) A per capita rate.

Question: *How will these variables be determined each year as CALAFCO considers member LAFCo dues?*

Answer: Should the membership approve the new structure, the Board will create policies to support the new structure. These policies will include the consideration of each of these variables and possible future adjustments. These policies will include keeping the Board's discretion to increase the dues by the CPI annually.

Question: *Where will the population data come from?*

Answer: The population data will be updated annually as the Board considers the next fiscal year dues. The data source to be used for updates is the California Department of Finance population estimates.

Question: *Is CALAFCO still budgeting for a net profit for the Annual Conference and how does that impact the annual budget?*

Answer: Yes. The Board has given clear direction that each year the annual budget should have a 15% net profit built into the budget for the Annual Conference (pursuant to Board Policy 4.2). CALAFCO's current FY 2019-20 budget calls for a 15% (or \$20,817) net profit. This net profit is still used to help balance the budget. However, the goal is for CALAFCO to move away from the unhealthy and unsustainable reliance on any higher net profit assumptions to balance the budget and fill the structural deficit.

The Ad Hoc Committee and the Board discussed at length using sponsorships to boost revenue and the Board continues to feel this revenue is unreliable and unpredictable and therefore unrealistic to use as a reliable revenue source.

Question: *How were the proposed base rate, population threshold and per capita rate selected?*

Answer: First, the Board committed to using the FY 2018-19 dues as the baseline from which to work, which they did (the FY 2018-19 dues are lower than the FY 2019-20 dues). The Board anticipated the FY 2020-2021 operational costs to be close to \$300,000, which was the baseline budget number from which they worked. The Ad Hoc Finance Committee considered eleven (11) different options before deciding on the population-based model with the three variables. To narrow that further, after looking at several (three) options with different variable numbers, the Board selected the current formula (\$1,000 base rate, 700,000 population threshold, per capita rate of 0.013802199 and population estimates for 2020 given that is the year the new dues structure would take effect, should it be approved). While this and other formulas realized the \$300,000 anticipated operational budget, these particular variables created dues for each LAFCo that the Board felt were the most equitable at this time.

Question: *How is this structure different than the current structure?*

Answer: The straight 3-category model no longer effectively serves the Association's member LAFcos. County populations vary enough that 3 categories just did not accurately capture the broader population picture. With the proposed model, the gap in the amount paid between the more populated rural LAFcos and their suburban colleagues has been reduced, as has the gap between the higher populated suburban LAFcos and the urban LAFcos.

Question: *Are LAFcos in counties with a population over 700,000 exempt from any future increase based on population growth?*

Answer: The proposed changes call for the Board to set the population threshold annually. Should the membership approve this proposed structure, the Board will set policies around the variables of population threshold, base rate and per capita rate. This means that population threshold can change based on Board discretion.

Question: *What if our LAFco has a financial hardship? Is that still addressed in the Bylaws?*

Answer: Yes. The Board unanimously agreed to keep the provision of allowing any LAFco with a financial hardship to bring that to the Board for consideration. (Please refer to Bylaws Section 2.2.4).

Question: *What will the dues be for my LAFco if the membership approves this new structure?*

Answer: The spreadsheet accompanying this bulletin details what the first year will look like with this formula. As a starting point, the Bylaws will reflect the formula used to get at these rates and the rate chart itself. That detailed information will be contained in the meeting packet for the October 31, 2019 Annual Membership meeting.

Question: *When will the membership vote on this proposed structure?*

Answer: The proposed structure is being presented to member LAFcos for voting at the Annual Business meeting on October 31, 2019 during the Annual Conference in Sacramento. The Annual Business Meeting agenda and meeting packet will be distributed in early August, allowing approximately three months for discussion prior to the vote.

Question: *Can we vote by proxy or absentee ballot if we are not attending the Annual Business meeting?*

Answer: No, all member LAFcos must be present to vote at the Annual Business meeting pursuant to Bylaws Section 3.7. **For purposes of voting, each member LAFco must be in good standing – which means all dues are current and paid in full by September 30, 2019. Further, each member LAFco shall submit to CALAFco the name of their voting delegate by September 30, 2019.**

Question: *What happens if the membership does not approve the proposed new dues structure?*

Answer: The Association will continue to have a structural deficit and may need to rely on accessing Fund Reserves to balance the budget. Further, in order to have a balanced budget, without additional sustainable and reliable revenues, expenses will need to be reduced which will equate to a reduction in services offered.

Question: *Who can I talk to if I have questions?*

Answer: If you have questions you are encouraged to contact Pamela Miller, CALAFco's Executive Director at pmiller@calafco.org or 916-442-6536. You can also contact the CALAFco Board Chair Josh Susman at jsusman@calafco.org. You are highly encouraged to reach out to any of your regional Board members and/or your regional staff representatives. All of their names and contact information can be found on the CALAFco website at www.calafco.org.

CALAFCO
Proposed member LAFCo dues structure and dues beginning FY 2020-21

County	Population Estimate 2020	Population For Dues Calculation	Base Dues	Per Capita Dues	Base + Per Capita Dues	Total Per Capita Rate
ALAMEDA	1,703,660	700,000	1,000	9,662	10,662	0.0063
ALPINE	1,107	1,107	1,000	15	1,015	0.9171
AMADOR	37,560	37,560	1,000	518	1,518	0.0404
BUTTE	230,701	230,701	1,000	3,184	4,184	0.0181
CALAVERAS	44,953	44,953	1,000	620	1,620	0.0360
COLUSA	23,144	23,144	1,000	319	1,319	0.0570
CONTRA COSTA	1,178,639	700,000	1,000	9,662	10,662	0.0090
DEL NORTE	26,997	26,997	1,000	373	1,373	0.0508
ELDORADO	189,576	189,576	1,000	2,617	3,617	0.0191
FRESNO	1,033,095	700,000	1,000	9,662	10,662	0.0103
GLENN	29,691	29,691	1,000	410	1,410	0.0475
HUMBOLDT	137,711	137,711	1,000	1,901	2,901	0.0211
IMPERIAL	195,814	195,814	1,000	2,703	3,703	0.0189
INYO	18,724	18,724	1,000	258	1,258	0.0672
KERN	930,885	700,000	1,000	9,662	10,662	0.0115
KINGS	154,549	154,549	1,000	2,133	3,133	0.0203
LAKE	65,302	65,302	1,000	901	1,901	0.0291
LASSEN	30,626	30,626	1,000	423	1,423	0.0465
LOS ANGELES	10,435,036	700,000	1,000	9,662	10,662	0.0010
MADERA	162,990	162,990	1,000	2,250	3,250	0.0199
MARIN	265,152	265,152	1,000	3,660	4,660	0.0176
MARIPOSA	18,031	18,031	1,000	249	1,249	0.0693
MENDOCINO	90,175	90,175	1,000	1,245	2,245	0.0249
MERCED	286,746	286,746	1,000	3,958	4,958	0.0173
MODOC	9,422	9,422	1,000	130	1,130	0.1199
MONO	13,986	13,986	1,000	193	1,193	0.0853
MONTEREY	454,599	454,599	1,000	6,274	7,274	0.0160
NAPA	143,800	143,800	1,000	1,985	2,985	0.0208
NEVADA	99,548	99,548	1,000	1,374	2,374	0.0238
ORANGE	3,260,012	700,000	1,000	9,662	10,662	0.0033
PLACER	397,368	397,368	1,000	5,485	6,485	0.0163
PLUMAS	19,374	19,374	1,000	267	1,267	0.0654
RIVERSIDE	2,500,975	700,000	1,000	9,662	10,662	0.0043
SACRAMENTO	1,572,886	700,000	1,000	9,662	10,662	0.0068
SAN BENITO	60,067	60,067	1,000	829	1,829	0.0305
SAN BERNARDINO	2,230,602	700,000	1,000	9,662	10,662	0.0048
SAN DIEGO	3,398,672	700,000	1,000	9,662	10,662	0.0031
SAN FRANCISCO	905,637	700,000	1,000	9,662	10,662	0.0118
SAN JOAQUIN	782,662	700,000	1,000	9,662	10,662	0.0136
SAN LUIS OPISPO	284,126	284,126	1,000	3,922	4,922	0.0173
SAN MATEO	792,271	700,000	1,000	9,662	10,662	0.0135

CALAFCO
Proposed member LAFCo dues structure and dues beginning FY 2020-21

County	Population Estimate 2020	Population For Dues Calculation	Base Dues	Per Capita Dues	Base + Per Capita Dues	Total Per Capita Rate
SANTA BARBARA	460,444	460,444	1,000	6,355	7,355	0.0160
SANTA CLARA	2,011,436	700,000	1,000	9,662	10,662	0.0053
SANTA CRUZ	282,627	282,627	1,000	3,901	4,901	0.0173
SHASTA	180,198	180,198	1,000	2,487	3,487	0.0194
SIERRA	3,129	3,129	1,000	43	1,043	0.3334
SISKIYOU	44,186	44,186	1,000	610	1,610	0.0364
SOLANO	453,784	453,784	1,000	6,263	7,263	0.0160
SONOMA	515,486	515,486	1,000	7,115	8,115	0.0157
STANISLAUS	572,000	572,000	1,000	7,895	8,895	0.0156
SUTTER	101,418	101,418	1,000	1,400	2,400	0.0237
TEHAMA	65,119	65,119	1,000	899	1,899	0.0292
TRINITY	13,389	13,389	1,000	185	1,185	0.0885
TULARE	487,733	487,733	1,000	6,732	7,732	0.0159
TUOLUMNE	53,976	53,976	1,000	745	1,745	0.0323
VENTURA	869,486	700,000	1,000	9,662	10,662	0.0123
YOLO	229,023	229,023	1,000	3,161	4,161	0.0182
YUBA	79,087	79,087	1,000	1,092	2,092	0.0264

As proposed, the formula described below is used to create the proposed FY 2020-21 dues as noted above.

Notwithstanding the foregoing, Member LAFCO annual membership dues shall be levied based upon a formula that includes the following components:

1. Dues are population based. The fiscal year 2020-2021 dues uses a 0.013802199 per capita rate and 2020 population estimates based on data from the California Department of Finance.
2. A base charge as set by the Board of Directors, which shall be the same for each LAFCO. The base charge for fiscal year 2020-2021 is \$1,000 per LAFCO.
3. A population threshold as set by the Board of Directors.
4. Population estimates per County updated annually based on data provided by the California Department of Finance.
5. The per capita rate shall be set by the Board of Directors.
6. No LAFCO will pay less than its current dues based on the baseline dues of fiscal year 2018-2019.

LOCAL AGENCY FORMATION COMMISSION
SAN BENITO COUNTY

2301 Technology Parkway
Hollister, CA 95023
Phone: (831) 637-5313 Fax: (805) 647-7647

DATE: August 21, 2019 (Agenda)

TO: Local Agency Formation Commission

FROM: Bill Nicholson, ^{Bh}Executive Officer

RE: Report from Investigation into Budget Account 645.704 "Retirement-Medical Insurance" and history of payment from LAFCO and options for seeking County of San Benito payment as an alternative
(Agenda Item 10)

At both the proposed and final budget hearings for the 2019-20 Fiscal Year Budget adoption, the Commission inquired about the basis for the annual billing included in the Commission budget for Retirement-Medical Insurance payments for a former part-time Executive Officer who was also a County employee.

Based upon direction given by the Commission at the June 13, 2019, Final Budget hearing, the Executive Officer has been coordinating with County Counsel, County Administration and the County Auditor's staff to determine if LAFCO entered an original agreement with the County to pay these costs, or was it the result of common County practice to assign mandated Other Post Employment Benefits (OPEB) to the department or agency where the retiring employee last worked.

Unfortunately, with competing priorities and deadlines, a firm answer has not been obtained by the deadline to put this Agenda Packet together for mailing. However, County staff and the Executive Officer are optimistic we will be able to access the relevant records before the August 21st meeting so that the Commission can have a discussion about this issue during the meeting.

Action Requested

No action is identified at this time, but the Commission may be able to give direction to staff or to the appropriate County agency that is responsible for administering OPEB benefits.

LOCAL AGENCY FORMATION COMMISSION

SAN BENITO COUNTY

2301 Technology Parkway

Hollister, CA 95023

Phone: (831) 637-5313 Fax: (805) 647-7647

DATE: August 21, 2019 (Agenda)

TO: Local Agency Formation Commission

FROM: Bill Nicholson, Executive Officer

RE: Update on Legislation proposed or monitored by the California Association of Local Agency Formation Commissions (CALAFCO)
(Agenda Item 11)

Attached is a copy of the *CALAFCO Daily Legislative Report* dated August 14, 2019. This Report identifies the legislation sponsored or tracked by CALAFCO during the current legislative session. The CALAFCO Legislative Committee was successful in getting the annual Omnibus Bill (AB 1822) passed which contains clean-up language in the Government Code governing LAFCo activities. However, we were unsuccessful again in getting the \$1.5 million LAFCo grant funding bill passed (AB 1253), but it has been extended into a two year bill and efforts to get the funding included in the State Budget will be the focus in the next fiscal year.

Other primary activities of the Legislative Committee were to monitor and comment on legislation that would subvert local LAFCo responsibilities or would be contrary to the objectives of LAFCo and the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. Most of these bills have to do with extending water service to disadvantaged communities or consolidating poorly performing districts and private water systems with larger successful systems run by cities or special districts, usually without normal LAFCo processing.

CALAFCO continues to try and influence the language in these bills to include the local LAFCOs as part of the approval process for related annexation, consolidation or dissolution of districts. Most recently, SB 414 (Caballero) has been modified to remove LAFCo from having a role in consolidations among multiple water providers (public and private) with the establishment of water authorities run by a State Water Resources Control Board appointed Administrator. CALAFCO has moved from a support position to an "oppose unless amended" position as a result of this change, although negotiations are still underway. (Refer to SB 414 on the bottom of Page 5 in the attachment.)

Action Requested

Receive the update of legislation tracked by CALAFCO, discuss any legislation of interest and direct the Executive Officer to present any feedback to the Legislative Committee.

Enclosure: CALAFCO Daily Legislative Report, as of August 14, 2019

Commissioners: Cesar Flores, Chair ♦ Richard Bettencourt, Vice Chair ♦ Mark Medina ♦ Ignacio Velazquez ♦ Jim Gillio

Alternate Commissioners: Roberta Daniel ♦ Peter Hernandez ♦ Mary Vazquez-Edge **Executive Officer:** Bill Nicholson

CALAFCO Daily Legislative Report as of Wednesday, August 14, 2019

1

AB 315 (Garcia, Cristina D) Local government: lobbying associations: expenditure of public funds.

Current Text: Amended: 7/5/2019 [html](#) [pdf](#)

Introduced: 1/30/2019

Last Amended: 7/5/2019

Status: 7/12/2019-Failed Deadline pursuant to Rule 61(a)(11). (Last location was NAT. RES. on 7/5/2019)(May be acted upon Jan 2020)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Current law authorizes the legislative body of a local agency, defined as a county, city, or city and county, or a district, defined broadly to include other political subdivisions or public corporations in the state other than the state or a county, city and county, or city, to attend the Legislature and the Congress of the United States, and any committees thereof, and to present information regarding legislation that the legislative body or the district deems to be beneficial or detrimental to the local agency or the district. Current law also authorizes the legislative body of a local agency or a district to enter into an association for these purposes and specifies that the cost and expense incident to the legislative body's or district's membership in the association and the activities of the association are proper charges against the local agencies or districts comprising the association. This bill, with respect to moneys paid to or otherwise received by an association from a local agency or district member of the association, would prohibit an association of local agencies or districts from expending those moneys for any purpose other than the above-described activities and educational activities.

Position: Watch

CALAFCO Comments: As gut an amended, this bill appears to have significant impact to CALAFCO in the uses of member LAFCO and certain Associate Member dues being limited to only direct educational activities. CALAFCO will engage with stakeholders and the author's office as the bill moves forward in the next legislative year.

AB 508 (Chu D) Drinking water: consolidation and extension of service: domestic wells.

Current Text: Amended: 8/12/2019 [html](#) [pdf](#)

Introduced: 2/13/2019

Last Amended: 8/12/2019

Status: 8/12/2019-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar:

8/19/2019 10 a.m. - John L. Burton Hearing Room (4203)

SENATE APPROPRIATIONS, PORTANTINO, Chair

Summary:

The California Safe Drinking Water Act requires the state board, before ordering consolidation or extension of service, to, among other things, obtain written consent from any domestic well owner for consolidation or extension of service. The act makes any domestic well owner within the consolidation or extended service area that does not provide written consent ineligible, until consent is provided, for water-related grant funding, as specified. The act also requires the state board, before ordering consolidation or extension of service, to make a finding that consolidation of the receiving water system and subsumed water system or extension of service to the subsumed water system is appropriate and technically and economically feasible. The act defines "subsumed water system" for these purposes as the public water system, state small water system, or affected residences consolidated into or receiving service from the receiving water system. This bill would modify the provision that authorizes consolidation or extension of service if a disadvantaged community is reliant on a domestic well described above to instead authorize consolidation or extension of service if a disadvantaged community, in whole or in part, is substantially reliant on domestic wells that consistently fail to provide an adequate supply of safe drinking water.

Position: Watch

Subject: Disadvantaged Communities, Water

CALAFCO Comments: This bill allows the SWRCB to order an extension of service in the case a disadvantaged community has at least one residence that are reliant on a domestic well that fails to provide safe drinking water. It allows members of the disadvantaged community to petition the SWRCB to initiate the process. It allows the owner of the property to opt out of the extension. The bill also places limitations on fees, charges and terms and conditions imposed as a result of the extension of service. Finally, the extension of service does not require annexation in the cases where that would be appropriate.

AB 600 (Chu D) Local government: organization: disadvantaged unincorporated communities.

Current Text: Amended: 4/29/2019 [html](#) [pdf](#)

Introduced: 2/14/2019

Last Amended: 4/29/2019

Status: 6/24/2019-Read second time. Ordered to third reading.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar:

8/15/2019 #43 SENATE ASSEMBLY BILLS - THIRD READING FILE

Summary:

Under current law, an application to annex a contiguous disadvantaged community is not required if, among other things, a local agency formation commission finds that a majority of the registered voters within the disadvantaged unincorporated community are opposed to the annexation, as specified. This bill would additionally provide that an application to annex a contiguous disadvantaged community is not required if the commission finds that a majority of the registered voters within the affected disadvantaged unincorporated community would prefer to address the service deficiencies through an extraterritorial service extension.

Attachments:

[CALAFCO Oppose letter 05 07 19](#)

[LAFCo Oppose letter template 05 07 19](#)

[CALAFCO Oppose Letter REV April 19, 2019](#)

[LAFCo Oppose letter template REVISED](#)

[CALAFCO Oppose Letter April 16, 2019](#)

[LAFCo Oppose letter template](#)

Position: Oppose

Subject: Disadvantaged Communities, Water

CALAFCO Comments: As amended on April 29, the bill still has a number of issues. The bill still allows for an extension of service in lieu of annexation.

The bill adds (8)(C) to Government Code Section 56375. As written, this section creates confusion and contradicts §56375(8)(A). It appears the intention is to prohibit LAFCo from approving the annexation of two or more contiguous disadvantaged communities within five years that are individually less than ten acres but cumulatively more than ten acres. If so, then this language conflicts with §56375(8)(A), which allows for commission policies to guide the commission in determining the size of the area to be annexed. Further, the term "paragraph" as used in this section creates uncertainty as to what section or subsection is actually being addressed.

The bill does nothing to address the engineering and financial issues that must be solved in order to ensure sustainable service. Further it does not allow for local circumstances and conditions to be considered by offering a "one size fits all" approach.

AB 1253 (Rivas, Robert D) Local agency formation commissions: grant program.

Current Text: Introduced: 2/21/2019 [html](#) [pdf](#)

Introduced: 2/21/2019

Status: 7/10/2019-Failed Deadline pursuant to Rule 61(a)(10). (Last location was GOV. & F. on 6/6/2019)(May be acted upon Jan 2020)

Desk	Policy	Fiscal	Floor	Desk	2 year	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

This bill would require the Strategic Growth Council, until July 31, 2025, to establish and administer a local agency formation commissions grant program for the payment of costs associated with initiating and completing the dissolution of districts listed as inactive, the payment

of costs associated with a study of the services provided within a county by a public agency to a disadvantaged community, as defined, and for other specified purposes, including the initiation of an action, as defined, that is limited to service providers serving a disadvantaged community and is based on determinations found in the study, as approved by the commission. The bill would specify application submission, reimbursement, and reporting requirements for a local agency formation commission to receive grants pursuant to the bill. The bill would require the council, after consulting with the California Association of Local Agency Formation Commissions, to develop and adopt guidelines, timelines, and application and reporting criteria for development and implementation of the program, as specified, and would exempt these guidelines, timelines, and criteria from the rulemaking provisions of the Administrative Procedure Act. The bill would make the grant program subject to an appropriation for the program in the annual Budget Act, and would repeal these provisions on January 1, 2026. This bill contains other existing laws.

Attachments:

[LAFCo Support Letter Template](#)

[CALAFCO Support letter Feb 2016](#)

Position: Sponsor

Subject: Disadvantaged Communities, LAFCo Administration, Municipal Services, Special District Consolidations

CALAFCO Comments: This is a CALAFCO sponsored bill following up on the recommendation of the Little Hoover Commission report of 2017 for the Legislature to provide LAFCos one-time grant funding for in-depth studies of potential reorganization of local service providers. Last year, the Governor vetoed AB 2258 - this is the same bill. The Strategic Growth Council (SGC) will administer the grant program. Grant funds will be used specifically for conducting special studies to identify and support opportunities to create greater efficiencies in the provision of municipal services; to potentially initiate actions based on those studies that remove or reduce local costs thus incentivizing local agencies to work with the LAFCo in developing and implementing reorganization plans; and the dissolution of inactive districts (pursuant to SB 448, Wieckowski, 2017). The grant program would sunset on July 31, 2024.

The bill also changes the protest threshold for LAFCo initiated actions, solely for the purposes of actions funded pursuant to this new section. It allows LAFCo to order the dissolution of a district (outside of the ones identified by the SCO) pursuant to Section 11221 of the Elections code, which is a tiered approach based on registered voters in the affected territory (from 30% down to 10% depending).

The focus is on service providers serving disadvantaged communities. The bill also requires LAFCo pay back grant funds in their entirety if the study is not completed within two years and requires the SGC to give preference to LAFCos whose decisions have been aligned with the goals of sustainable communities strategies.

We were unsuccessful in getting the \$1.5 M into the budget so the author has decided to make this a 2-year bill and try again in the next budget. As this is a new Governor we are unsure about his willingness to make General Fund appropriations for items not in the budget.

[AB 1389](#) ([Eggman D](#)) Special districts: change of organization: mitigation of revenue loss.

Current Text: Introduced: 2/22/2019 [html](#) [pdf](#)

Introduced: 2/22/2019

Status: 5/3/2019-Failed Deadline pursuant to Rule 61(a)(3). (Last location was L. GOV. on 3/14/2019)(May be acted upon Jan 2020)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Would authorize the commission to propose, as part of the review and approval of a proposal for the establishment of new or different functions or class of services, or the divestiture of the power to provide particular functions or class of services, within all or part of the jurisdictional boundaries of a special district, that the special district, to mitigate any loss of property taxes, franchise fees, and other revenues to any other affected local agency, provide payments to the affected local agency from the revenue derived from the proposed exercise of new or different functions or classes of service.

Position: Watch

Subject: CKH General Procedures

Subject: Water**CALAFCO Comments:** This bill allows for water (public or state small) or sewer systems corps to file an application for consolidation with the SWRCB.**AB 1822 (Committee on Local Government) Local Government: omnibus.****Current Text:** Chaptered: 6/26/2019 [html](#) [pdf](#)**Introduced:** 3/11/2019**Last Amended:** 4/8/2019**Status:** 6/26/2019-Approved by the Governor. Chaptered by Secretary of State - Chapter 20, Statutes of 2019.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Current law requires a commission to develop and determine the sphere of influence of each city and each special district within the county and enact policies designed to promote the logical and orderly development of areas within each sphere. Current law requires the commission, in order to prepare and update spheres of influence in accordance with this requirement, to conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission, as specified. Current law defines "sphere of influence" to mean a plan for the probable physical boundaries and service area of a local agency. Current law defines the term "service" for purposes of the act to mean a specific governmental activity established within, and as a part of, a general function of the special district, as specified. This bill would revise the definition of the term "service" for these purposes to mean a specific governmental activity established within, and as a part of, a function of the local agency.

Attachments:[CALAFCO Support letter April 16, 2019](#)[LAFCo Support letter template](#)**Position:** Sponsor**Subject:** LAFCo Administration**CALAFCO Comments:** This is the annual Omnibus bill.**SB 272 (Morrell R) Fire Protection District Law of 1987.****Current Text:** Amended: 4/4/2019 [html](#) [pdf](#)**Introduced:** 2/13/2019**Last Amended:** 4/4/2019**Status:** 5/3/2019-Failed Deadline pursuant to Rule 61(a)(3). (Last location was GOV. & F. on 2/21/2019)(May be acted upon Jan 2020)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

The Fire Protection District Law of 1987 provides that whenever a district board determines that it is in the public interest to provide different services, to provide different levels of service, or to raise additional revenues within specific areas of the district, it may form one or more service zones by adopting a resolution that includes specified information, fixing the date, time, and place for public hearing on the formation of the zone, publishing notice, as specified, hearing and considering any protests to the formation of the zone at the hearing, and, at the conclusion of the hearing, adopting a resolution ordering the formation of the zone. If a resolution adopted after the public hearing would substantially expand the provision of services outside of an existing service zone and the extension of service would result in those persons in the expanded area paying charges for the expansion of services, this bill would provide that the resolution does not become effective unless approved by a majority of the voters within the expanded service area.

Position: Watch

CALAFCO Comments: As amended, the bill amends the Health & Safety code regarding the formation of zones within a fire protection district by requiring the district hold an election, regardless of the protest level, if the district wants to substantially expand (as defined in the bill) services outside the zone. This is unrelated to 56133. CALAFCO will retain a Watch position.

SB 414 (Caballero D) Small System Water Authority Act of 2019.**Current Text:** Amended: 6/25/2019 [html](#) [pdf](#)**Introduced:** 2/20/2019**Last Amended:** 6/25/2019

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar:

8/19/2019 10 a.m. - John L. Burton Hearing Room (4203)

SENATE APPROPRIATIONS, PORTANTINO, Chair

Summary:

Would, for the 2019–20 fiscal year, require the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount in the 2018–19 fiscal year, the product of that sum and the percentage change in gross taxable assessed valuation within the jurisdiction of that entity between the 2018–19 fiscal year to the 2018–19 fiscal year, and the product of the amount of specified motor vehicle license fee revenues that the Controller allocated to the applicable city in July 2010 and 1.17.

Attachments:[CALAFCO Support Letter](#)**Position:** Support**Subject:** Tax Allocation

CALAFCO Comments: Sponsored by the League, this bill will reinstate ERAF funding for inhabited annexations. This bill is the same as AB 2268 (Reyes) from last year.

AB 818 (Cooley D) Local government finance: vehicle license fee adjustment amounts.**Current Text:** Introduced: 2/20/2019 [html](#) [pdf](#)**Introduced:** 2/20/2019

Status: 5/17/2019-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 4/3/2019)(May be acted upon Jan 2020)

Desk	Policy	2 year	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Current property tax law, for the 2006–07 fiscal year, and for each fiscal year thereafter, requires the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount for the prior fiscal year, if specified provisions did not apply, and the product of the amount as so described and the percentage change from the prior fiscal year in the gross taxable valuation within the jurisdiction of the entity. Current law establishes a separate vehicle license fee adjustment amount for a city that was incorporated after January 1, 2004, and on or before January 1, 2012. This bill would establish a separate vehicle license fee adjustment amount for a city incorporating after January 1, 2012, including an additional separate vehicle license fee adjustment amount for the first fiscal year of incorporation and for the next 4 fiscal years thereafter.

Attachments:[LAFCo Support letter template](#)[CALAFCO Support March 2019](#)**Position:** Support**Subject:** Financial Viability of Agencies

CALAFCO Comments: Sponsored by the League, this bill will reinstate ERAF funding for cities incorporating after 2018. This is the same bill as AB 2491 from 2018.

AB 1304 (Waldron R) Water supply contract: Native American tribes.**Current Text:** Amended: 5/6/2019 [html](#) [pdf](#)**Introduced:** 2/22/2019**Last Amended:** 5/6/2019

Status: 7/12/2019-Failed Deadline pursuant to Rule 61(a)(11). (Last location was N.R. & W. on 5/29/2019)(May be acted upon Jan 2020)

Desk	Policy	Fiscal	Floor	Desk	2 year	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Current law provides for the establishment and operations of various water districts. This bill would specifically authorize a water district, as defined, to enter into a contract with a Native American tribe to receive water deliveries from an infrastructure project on tribal lands. The bill would repeal its provisions on January 1, 2025.

Position: Watch**Subject:** Municipal Services, Water

Introduced: 12/5/2018**Last Amended:** 5/20/2019**Status:** 7/10/2019-Failed Deadline pursuant to Rule 61(a)(10). (Last location was E.Q. on 6/12/2019)(May be acted upon Jan 2020)

Desk	Policy	Fiscal	Floor	Desk	2 year	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Would require the State Water Resources Control Board to report to the Legislature by July 1, 2025, on its progress in restoring safe drinking water to all California communities and to create an internet website that provides data transparency for all of the board's activities described in this measure. The bill would require the board to develop metrics to measure the efficacy of the fund in ensuring safe and affordable drinking water for all Californians.

Position: Watch**Subject:** Water**AB 530 (Aguiar-Curry D) The Fairfield-Suisun Sewer District.****Current Text:** Chaptered: 7/10/2019 [html](#) [pdf](#)**Introduced:** 2/13/2019**Last Amended:** 4/22/2019**Status:** 7/10/2019-Approved by the Governor. Chaptered by Secretary of State - Chapter 69, Statutes of 2019.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

The Fairfield-Suisun Sewer District Act creates the Fairfield-Suisun Sewer District and grants to the district various powers relating to the treatment and disposal of sewage. The current act provides for the election of a board of directors for the district and administrative procedures for the operation of the district. Violation of regulations adopted by the board is a misdemeanor. This bill would make various administrative changes to the act, including removing the requirement that the district appoint a clerk and changing the posting requirements for regulations.

Position: Watch**Subject:** Special District Powers, Special Districts Governance**CALAFCO Comments:** This bill makes administrative changes to this special act district. It also allows for an extension of service pursuant to 56133 (keeping that LAFCo process intact).**AB 948 (Kalra D) Coyote Valley Conservation Program.****Current Text:** Amended: 8/12/2019 [html](#) [pdf](#)**Introduced:** 2/20/2019**Last Amended:** 8/12/2019**Status:** 8/12/2019-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar:

8/19/2019 10 a.m. - John L. Burton Hearing Room (4203)
SENATE APPROPRIATIONS, PORTANTINO, Chair

Summary:

Would authorize the Santa Clara Valley Open-Space Authority to establish and administer the Coyote Valley Conservation Program to address resource and recreational goals of the Coyote Valley, as defined. The bill would authorize the authority to collaborate with state, regional, and local partners to help achieve specified goals of the program. The bill would authorize the authority to, among other things, acquire and dispose of interests and options in real property.

Attachments:[CALAFCO Support Letter 06 27 19](#)**Position:** Support**AB 1053 (Dahle R) Fallen Leaf Lake Community Service District.****Current Text:** Amended: 3/25/2019 [html](#) [pdf](#)**Introduced:** 2/21/2019**Last Amended:** 3/25/2019

Summary:

Current law requires the governing body of a public agency, within 70 days after the commencement of the agency's legal existence, to file with the Secretary of State, on a form prescribed by the secretary, and also with the county clerk of each county in which the public agency maintains an office, a specified statement of facts about the agency. Current law requires this information to be updated within 10 days of a change in it. Current law requires the Secretary of State and each county clerk to establish and maintain an indexed Roster of Public Agencies that contains this information. This bill would instead require the Secretary of State and each county clerk to establish and maintain an indexed Registry of Public Agencies containing the above-described information.

Position: Watch

CALAFCO Comments: This is the Senate Governance & Finance Committee's annual Omnibus bill.

Total Measures: 24

Total Tracking Forms: 24

8/14/2019 4:36:40 PM

AGENDA ITEM No. 13

Tres Pinos Water District
P.O. Box 1001
Tres Pinos, Ca. 95075

July 30, 2019

Greetings Bill,

Thank you for meeting with Jason and myself, it was very helpful, I appreciate your time. I would like to request a few minutes at the upcoming LAFCO meeting on August 21 to share what is going on in our district. Thank you.

Mike Sargeant
Director



June 25, 2019

To: Local Agency Formation Commission
Members and Alternate Members

From: Shiva Frentzen, Committee Chair
CALAFCO Board Election Committee
CALAFCO Board of Directors



RE: Nominations for 2019/2020 CALAFCO Board of Directors

Nominations are now open for the fall elections of the CALAFCO Board of Directors. Serving on the CALAFCO Board is a unique opportunity to work with other commissioners throughout the state on legislative, fiscal and operational issues that affect us all. The Board meets four to five times each year at alternate sites around the state. Any LAFCo commissioner or alternate commissioner is eligible to run for a Board seat.

CALAFCO's Election Committee is accepting nominations for the following seats on the CALAFCO Board of Directors:

Northern Region

County Member
District Member

Central Region

City Member
Public Member

Coastal Region

City Member
Public Member

Southern Region

County Member
District Member

The election will be conducted during Regional Caucuses at the CALAFCO Annual Conference prior to the Annual Membership Meeting on Thursday, October 31, 2019 at the Hyatt Regency in Sacramento, CA.

Please inform your Commission that the CALAFCO Election Committee is accepting nominations for the above-cited seats until Monday, September 30, 2019.

Incumbents are eligible to run for another term. Nominations received by September 30 will be included in the Election Committee's Report and will be on the ballot. The Report will be distributed to LAFCo members no later than October 16, 2019 and ballots made available to Voting Delegates at the Annual Conference. Nominations received after this date will be returned; however, nominations will be permitted from the floor during the Regional Caucuses or during at-large elections, if required, at the Annual Membership Meeting.

For those member LAFCOs who cannot send a representative to the Annual Meeting an electronic ballot will be made available if requested in advance. **The ballot request must be made no later than Monday, September 30, 2019. Completed absentee ballots must be returned by 8:00 a.m., Monday, October 28, 2019.**

Should your Commission nominate a candidate, the Chair of your Commission must complete the attached Nomination Form and the Candidate's Resume Form, or provide the specified information in another format other than a resume. Commissions may also include a letter of recommendation or resolution in support of their nominee.

The nomination forms and materials must be received by the CALAFCO Executive Director no later than Monday, September 30, 2019 at 5:00 p.m. Here is a summary of the deadlines for this year's nomination process:

- **June 26** – Nomination Announcement and packet sent to LAFCo membership and posted on the CALAFCO website.
- **September 30** – Completed Nomination packet due
- **September 30** – Request for an absentee/electronic ballot due
- **September 30** – Voting delegate name due to CALAFCO
- **October 16** – Distribution of the Election Committee Report (includes all completed/submitted nomination papers)
- **October 16** – Distribution of requested absentee/electronic ballots.
- **October 28** – Absentee ballots due to CALAFCO
- **October 31** - Elections

Returning the nomination form prior to the deadline ensures your nominee is placed on the ballot. Names will be listed in the order nominations were received should there be multiple candidates. Electronic filing of nomination forms and materials is encouraged to facilitate the recruitment process. Please send e-mails with forms and materials to info@calafco.org. Alternatively, nomination forms and materials can be mailed or faxed to the address or fax number below. Please forward nominations to:

CALAFCO Election Committee c/o Executive Director
California Association of Local Agency Formation Commissions
1020 12th Street, Suite 222
Sacramento, California 95814
FAX: 916-442-6535
EMAIL: info@calafco.org

Questions about the election process can be sent to the Chair of the Committee, Shiva Frentzen, at sfrentzen@calafco.org or by calling her at 530-621-5390. You may also contact CALAFCO Executive Director Pamela Miller at pmiller@calafco.org or by calling 916-442-6536.

Members of the 2019/2020 CALAFCO Election Committee are:

Shiva Frentzen, Chair sfrentzen@calafco.org	El Dorado LAFCo (Central Region) 530-621-5390
Josh Susman jsusman@calafco.org	Nevada LAFCo (Northern Region) 530-265-7180
Cheryl Brothers cbrothers@calafco.org	Orange LAFCo (Southern Region) 714-640-5100
Jane Parker jparker@calafco.org	Monterey LAFCo (Coastal Region) 831-883-7570

Attached please find a copy of the CALAFCO Board of Directors Nomination and Election Procedures as well as the current listing of Board Members and corresponding terms of office.

Please consider joining us!

Enclosures

CALAFCO Regions

FOUR REGIONS



Board of Directors 2019/2020 Nominations Form

Nomination to the CALAFCO Board of Directors

In accordance with the Nominations and Election Procedures of CALAFCO,

_____ LAFCo of the _____ Region

Nominates _____

for the (check one) ☐ City ☐ County ☐ Special District ☐ Public

Position on the CALAFCO Board of Directors to be filled by election at the next Annual
Membership Meeting of the Association.

LAFCo Chair

Date

NOTICE OF DEADLINE

Nominations must be received by **September 30, 2019**
at 5:00 p.m. to be considered by the Election Committee.
Send completed nominations to:
CALAFCO Election Committee
CALAFCO
1020 12th Street, Suite 222
Sacramento, CA 95814