

SAN BENITO LOCAL AGENCY FORMATION COMMISSION

REGULAR MEETING AGENDA

Thursday, April 12, 2018

Board of Supervisors Chambers
481 Fourth Street, Hollister CA

3:00 P.M.

(NOTE: NEW STARTING TIME)

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

CONSENT AGENDA

4. Approval of Minutes from the February 8, 2018 Meeting

BUSINESS ITEMS – NON-HEARING ITEM

5. LAFCO 523 - City of Hollister Out of Agency Service extension (Perry): To provide a City water connection to one existing residence at 3510 San Juan Road located on the south side of San Juan Road, approximately one thousand feet east of Union Road in the Hollister area, and to make an environmental determination.
6. Update on Legislation proposed by or monitored by the California Association of Local Agency Formation Commissions (CALAFCO) and approval of Letters of Support for the following Bills: AB 2258 (Caballero) proposing one-time funding for local LAFCO studies on governmental efficiency; AB 3254 (Sponsored by the Assembly Local Government Committee) containing CALAFCO's annual Omnibus Government Code clean-up bill; and AB 2600 (Flora) regarding initiating formation of regional park and open space districts by Board of Supervisor or City Council resolution.

BUSINESS ITEMS –PUBLIC HEARING ITEM

7. Adoption of the Proposed Fiscal Year 2018-19 Budget

BOUNDARY CHANGE PROPOSALS

No Items

CLOSED SESSION-CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

8. Significant Exposure to litigation pursuant to Section 54956.9: Number of Cases: (1)
Closed session is authorized by Section 54956.9(d)(2), (e)(1).

INFORMATIONAL

9. Commissioner announcements and requests for future Agenda Items
10. Executive Officer oral status report on pending proposals
11. Adjourn to regular meeting at 3:00 PM on May 10, 2018 unless meeting time is changed based on Commission action or 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 bnicholson@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, certify that the REGULAR MEETING AGENDA for the

LOCAL AGENCY FORMATION COMMISSION

scheduled for April 12, 2018, was posted at the San Benito County Planning Department, 2301 Technology Parkway, Hollister, CA and at County Administration Office, 481 Fourth Street, Hollister, CA on this 5th day of April 2018.

All locations freely accessible to the general public.

Janet Slibsager

Clerk of the Board of Supervisors

CONSENT AGENDA

4. Approval of Minutes from the February 8, 2018 meeting.

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

February 8, 2018

Board of Supervisors Chambers - Hollister, CA

1. Chair Ignacio Velazquez called the meeting to order at 6:02 p.m. Present were Commissioners Chair Velazquez, Vice-Chair Anthony Botelho, and Commissioners Jim West, Richard Bettencourt and Jaime De La Cruz. Staff present included Executive Officer Bill Nicholson and Clerk Janet Slibsager. Alternate Commissioners Dan DeVries, Robert Rivas and Roberta Daniel were not present.
2. Commissioner Botelho led the chamber in The Pledge of Allegiance.
3. Public Comment Period.

This evening, no one chose to speak during the Public Comment period.

BUSINESS ITEMS – NON-HEARING ITEMS

4. Commission direction on granting authority to sign "Agreement to Comply with City of Hollister & County of San Benito Tax Sharing Agreement for Annexations" imposed as a condition of approval on recent annexations to the City of Hollister:

Executive Officer Nicholson summarized the agreement and need to identify the LAFCO Official who would sign the agreement. No public testimony was received.

After discussion, Commissioner Botelho made a motion to designate the Commission Chair as the signing official. Commissioner West seconded the motion.

Ayes:	Botelho, Bettencourt, West, De La Cruz and Velazquez
Noes:	None
Abstain:	None

5. Current status of Municipal Service Reviews and preliminary discussion on upcoming 2018-19 Fiscal Year Budget:

Executive Officer Nicholson summarized the Executive Officer's Report with the dates of initial adoption and updates to the City and Special District Municipal Service Reviews (MSRs) for San Benito County. There were three MSRs that had not been updated: Pacheco Pass Water District, Tres Pinos County Water District, and the San Juan Bautista Cemetery District. The Pacheco Stormwater District is not active.

After discussion about costs and priorities for MSR updates, Commissioner Botelho made a motion to seek estimates from consulting firms to prepare updates to the remaining MSRs, and return to the Commission next month for further direction. Commissioner De La Cruz seconded the motion.

Ayes: Botelho, Bettencourt, West, De La Cruz and Velazquez
Noes: None
Abstain: None

INFORMATIONAL

5. Commissioner announcements and request for future Agenda Items.

Commissioner West stated that the 6:00 p.m. starting time for Commission meeting was difficult for him to attend due to the bad rush hour traffic between San Juan Bautista and Hollister. Commissioner West made a motion to place an item on the March 8th Commission Agenda, to consider moving the starting time for Commission meetings to 3:00 or 3:30 p.m. Commissioner Botelho seconded the motion.

Ayes: Botelho, Bettencourt, West, De La Cruz and Velazquez
Noes: None
Abstain: None

6. Executive Officer's Report on pending proposals:

Executive Officer Nicholson indicated that several projects that will lead to LAFCO applications were in the approval stage by the City of Hollister and County of San Benito, including the Robert's Ranch annexation, the Fairview Corners Subdivision needing City of Hollister sewer, and the "Bluffs" project needing annexation to the Sunnyslope County Water District.

ADJOURNMENT

Upon motion by Commissioner Botelho, with a second by Commissioner West, the meeting adjourned at 6:45 PM, to the next meeting at 6:00 p.m. on March 8, 2018, unless canceled by the Chair or a special meeting is called.

Final Minutes Approved by the Commission
on _____

By _____
Chair

BUSINESS ITEMS-NON HEARING ITEM

**5. LAFCO 523 – City of Hollister
Out of Agency Services extension
(Perry): To provide a City water
connection to one existing
residence at 3510 San Juan Road
located on the south side of San
Juan Bautista Road,
approximately one thousand feet
ease of Union Road in the
Hollister area, and to make an
environmental determination.**

SAN BENITO LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

OUT-OF-AGENCY SERVICE AGREEMENT

April 12, 2018 (Agenda)

LAFCO 518: City of Hollister – Perry Property

LOCATION: 3510 San Juan Road, located on the south side of San Juan Road and one thousand feet east of Union Road; Hollister area

PURPOSE: Allow the City of Hollister to serve water to an existing residence on this property which has been receiving bottled water due to poor water quality

RECOMMENDATION Authorize the City to provide water service to this property in the unincorporated County, which is also outside the City Sphere of Influence

ANALYSIS:

Project Information

1. Land Use, Planning and Zoning – Present and Future

The affected parcels (APN 018-110-012 and 016) contain an existing mobile home used as a residence with the balance of the land in historic and planned agricultural use once an agricultural water supply is established. The land is designated “Agricultural” in the County General Plan, and is zoned “Agricultural Productive.” The property is outside the City General Plan area and their Sphere of Influence.

The City Council has agreed to connect the property to their water supply, and adopted a resolution on August 21, 2017 in support of this water line extension and connection from the existing water main along San Juan Road. All land uses in the vicinity are either in row crops or rural housing, with the exception of the former Whittaker ordinance facility which is the source of the high trichloroethane (TCE) levels in the groundwater.

2. Topography, Natural Features and Drainage Basins:

The site is generally level with hills to the north and east. There are no significant natural boundaries affecting the proposal.

3. Population:

There is only one residence on the property and the City has only committed to provide water service to this unit serving one family.

4. Environmental Impact of the Proposal

The water connection is statutorily exempt from CEQA under Section 15301- "Existing Facilities" because the existing city water facilities are adjacent to the property along San Juan Road. The project has no growth inducing impacts as the connection approved by the City is limited to the existing mobile home.

5: Environmental Justice

The provision of public services will support the continued occupancy of the mobile home and the connection to safe potable water provides a public health benefit to this property and allows discontinuance of the requirement to supply bottled water.

LAFCO Approval Criteria

In addition to regulating changes in local government boundaries LAFCO regulates the extension of local services outside agency boundaries in accordance with Government Code §56133(a) .

Government Code §56133(c) states: "If consistent with adopted policy, the commission may authorize a city or district to provide new or extended services outside of its jurisdictional boundary and outside its sphere of influence to respond to an existing or impending threat to the health or safety of the public or the residents of the affected territory,..."

There are two requirements listed: 1) the Commission has been provided with documentation of the threat to the health and safety of the public or affected residents, and 2) the commission has notified any alternate service provider in the area. The attachments to this Executive Officer's Report include correspondence from the detailing the history of the water contamination in the area, historic supply of bottled water, and the need for a City water connection given the high levels in the water system. In addition, there are no other public or private water districts in the vicinity, and the City is in support of the connection.

The City has reached an agreement with the landowner for their waiver of right to protest annexation if the City desires to annex the property in the future. This would not only require LAFCO approval of an annexation but since the property is outside the sphere of influence, a sphere of influence amendment would also be required.

ALTERNATIVES FOR COMMISSION ACTION

After consideration of this report and any testimony or additional materials that are submitted the Commission should consider taking one of the following options:

Option 1 APPROVE the request to provide water service outside the Hollister City limits and sphere of influence.

- A. Find the approval to be categorically exempt from CEQA under Section 15301.
- B. Adopt this report and approve the proposal, to be known as the City of Hollister Out-of-Agency Service Agreement – Perry Property, allowing the City to provide water service outside of its boundaries to the mobile home at 3510 San Juan Road.

Option 2 DENY the request.

Option 3 CONTINUE the item to obtain additional information.

RECOMMENDED ACTION:

Approve **Option 1**.

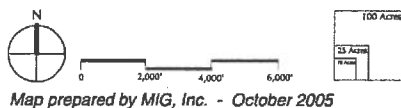


Bill Nicholson
Executive Officer

LOCAL AGENCY FORMATION COMMISSION

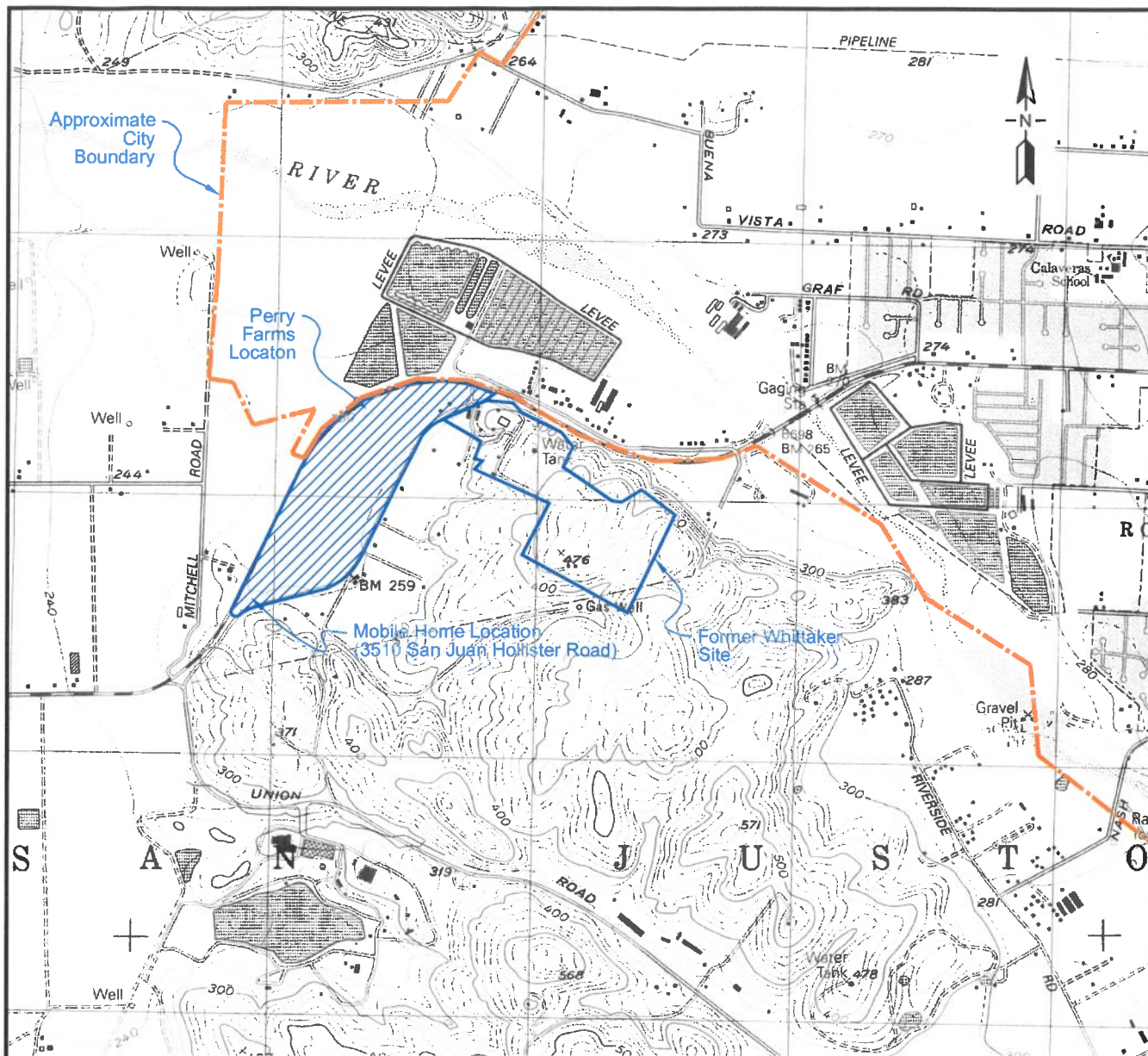
Enclosures:

1. Maps
2. Proposal Justification CQuestionnaire for Out-of-Agency Service Agreements



Map 1
Hollister Planning Area

City of Hollister 2005 General Plan



REF. 101_004\101.010.007 fig1.dwg - 7/11/2017 7:33 PM
Base Map from USGS, Hollister Quad., Revised 1995

PREPARED BY



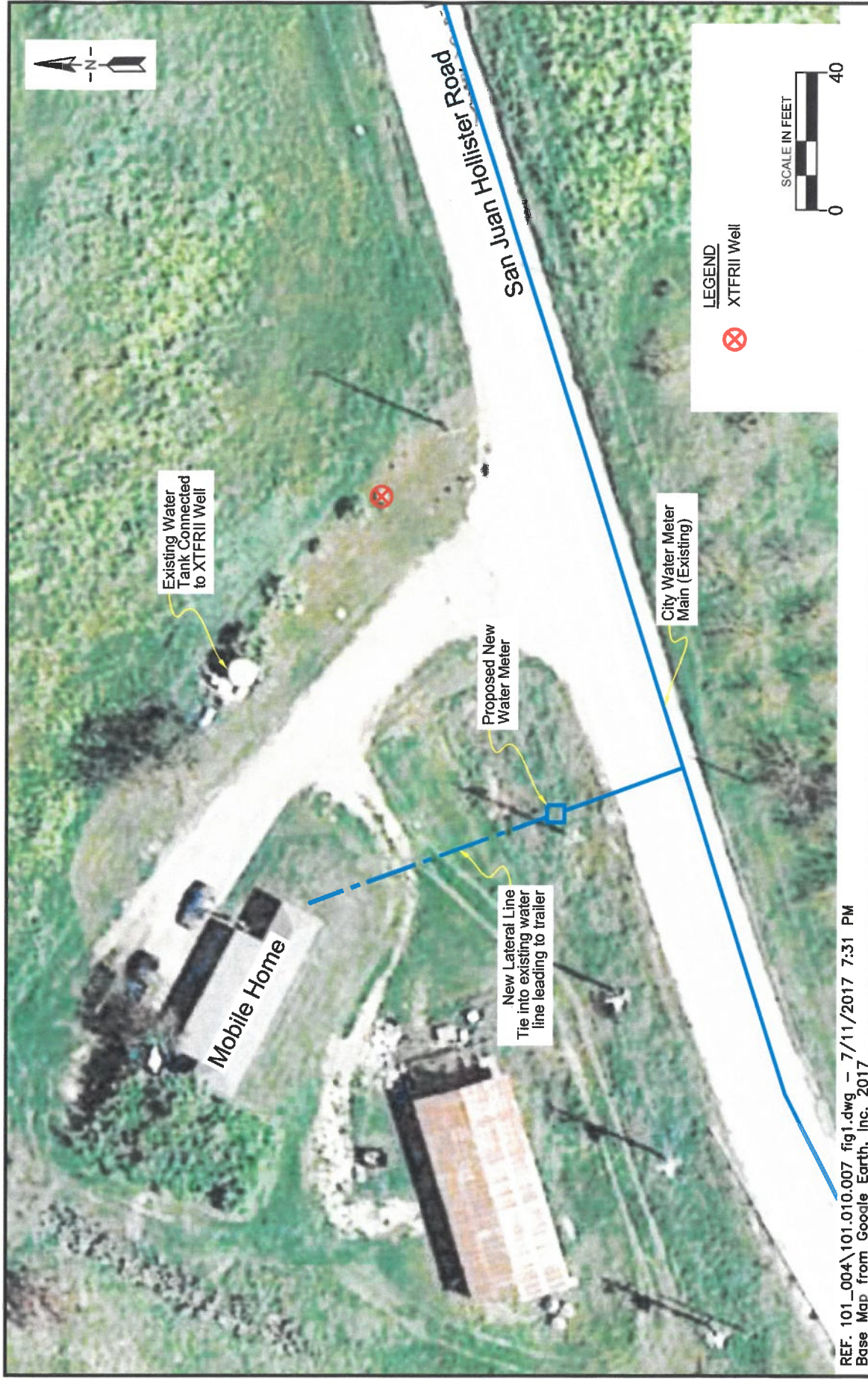
SITE LOCATION MAP

Perry Farms
3510 San Juan Hollister Road
Hollister, California 95023

PROJECT:
101.010.007

FIGURE:

1



REF. 101_004\101.010.007 fig1.dwg - 7/11/2017 7:31 PM
Base Map from Google Earth, Inc. 2017

<p>PREPARED BY</p>  <p>119 Encinal Street Santa Cruz, California 95060 v: 831.426.5600 f: 831.426.5602</p>	<p>EXISTING AND PROPOSED INFRASTRUCTURE</p> <p>Perry Farms 3510 San Juan Hollister Road Hollister, California 95023</p>	
	<p>PROJECT: 101.010.007</p>	<p>FIGURE: 2</p>

SAN BENITO LOCAL AGENCY FORMATION COMMISSION

Proposal Justification Questionnaire for Out-of Agency Service Agreement

(Attach additional sheets as necessary)

1. **Name of City or District** Hollister
2. **Location/Address/size of property:** 3510 San Juan Hollister Road, Hollister, CA95023
3. **Assessor Parcel number:** 018-11-12 & 018-11-16

Complete all relevant questions

4. **Is the property within the agency's sphere of influence?**
Yes ☐ No ☒ (outside of the Hollister Urban Area for water and wastewater)
5. **What are the existing uses of the site?** Agriculture (historical and planned). One mobile home is occupied for residential use.
6. **If a change in use is proposed, provide a description of the change.**
The mobile home will continue to be occupied for residential use. Agricultural activities at the site (known as Perry Farms) will be resumed when an agricultural water supply is established. The agricultural water supply is not part of this out-of-agency service request.
7. **What types of services are to be provided under contract?** City water connection for domestic use
8. **Discuss the justification for the service agreement. Is this an emergency health and safety situation?**

The Perry Farms site is located immediately west-southwest of the former Whittaker ordnance facility. Groundwater in this area has been impacted by trichloroethane (TCE) and/or perchlorate and for this reason, groundwater underlying the Perry Farms site is not suitable for potable uses. Through Whittaker's effort, City water supplies were provided to many residents in the area in the late 1990 and 2009. For over a decade, Whittaker has provided bottled water to the mobile home occupants at the Perry Farms and for this reason, the request for the service agreement is not an emergency health and safety situation. Nonetheless, this request is made to provide a "fail-safe" water

supply to the mobile home. Currently, water from an on-site well, XTFR11, is provided to the mobile home for non-porable purposes.

9. **Why is annexation not possible at this time?** The site is outside of City of Hollister boundaries, and the General Plans for both City of Hollister and County of San Benito do not address annexation of the parcel.
10. **Is annexation of the territory anticipated in the future?** ☐ Yes ☒ No
If yes, when? If no, why not? The site is outside of City of Hollister boundaries, and the General Plans for both City of Hollister and County of San Benito do not address annexation of the parcel.
11. **Describe in detail how services will be extended to the property:**
 - A. **Describe needed improvements including distance for connections.**
The City or a licensed plumber would install a 5/8-inch diameter meter, connected to the nearby water main beneath Old San Juan Road. The water main is approximately 25 feet from the site boundary. Whittaker would install a lateral line to tie in the site water line to the meter. Assuming the meter would be installed at the property boundary, the lateral distance is approximately 125 feet. The installation would include backflow protection.
 - B. **What are the costs of improvements and other start up costs?**
Estimated at \$25,000.
 - C. **How is financing to occur, both capital costs and ongoing operations?** Whittaker Corporation will pay for the connection and construction of the lateral. The occupants will pay the City of Hollister for water use.
12. **What environmental review has been conducted for the project? If exempt, please provide a copy of the agency's Notice of Exemption.** No environmental review has been conducted.
13. **Provide a vicinity map showing the site, city or district boundary and sphere line.**

See attached Figure 1.

- 14. Provide a map showing existing and proposed infrastructure as relevant to this agreement.**

See attached Figure 2.

- 15. Attach a copy of the proposed services agreement and any staff reports or supporting documentation related to this application.**

None attached

- 16. Final Comments**

A. Provide any other comments or justifications regarding the request.

B. Enclose all pertinent staff reports and supporting documentation.

- 17. 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>
A.	Whittaker Corporation Attention: Greer Bosworth Greer.Bosworth@meggitt.com	1955 North Surveyor Ave. Simi Valley, CA 93063-3386
B.	Trinity Source Group, Inc. Attention: David Reinsma dar@tsgcorp.net	119 Encinal Street Santa Cruz, CA 95060
C.	GSI Environmental, Inc. Attention: Timothy Simpson <u>tssimpson@gsi-net.com</u> , and Miae Jeon: <u>mjeon@gsi-net.com</u>	4590 MacArthur Blvd. Suite 285 Newport Beach, CA 92660

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

<u>Name and agency</u>	<u>Address</u>	<u>Email address</u>	<u>Phone</u>
David Reinsma Trinity Source Group, Inc.	119 Encinal St. Santa Cruz, CA 95065	dar@tsgcorp.net	831-426-5600
GSI Environmental, Inc. Attention: Timothy Simpson tssimpson@gsi-net.com , and Miae Jeon: mjeon@gsi-net.com	4590 MacArthur Blvd. Suite 285 Newport Beach, CA 92660		949.679.1070
Abraham Prado, City of Hollister abraham.prado@hollister.ca.gov	375 Fifth Street, Hollister, CA 95023		831-636-4360



July 13, 2017

Signature _____

Date _____

BUSINESS ITEMS-NON HEARING ITEM

6. Update on Legislation proposed by or monitored by the California Association of Local Agency Formation Commissions (CALLAFCO) and approval of Letters of Support for the following Bills: AB 2258 (Caballero) proposing one-time funding for local LAFCO studies on governmental efficiency: AB 3254 (Sponsored by the Assembly Local Government Committee) containing CALAFCO's annual Omnibus Government Code clean-up bill; and AB 2600 (Flora regarding initiating formation of regional park and open space districts by Board of Supervisor or City Council resolution.

LOCAL AGENCY FORMATION COMMISSION

SAN BENITO COUNTY


2301 Technology Parkway

Hollister, CA 95023

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

DATE: April 12, 2018 (Agenda)

TO: Local Agency Formation Commission

FROM:  Bill Nicholson, Executive Officer

RE: California Association of Local Agency Formation Commissions (CALAFCO)
Legislative Committee Update and Approval of Letters of Support
(Agenda Item 6)

Attached is a summary of the current legislation being sponsored or tracked by CALAFCO. As a member on the Legislative Committee, I will be prepared to give a brief summary of key legislation the Legislative Committee has been tracking, and if I receive any direction from the Commission I will be able to report back to the Committee any issues or concerns of the Commission. The next Legislative Committee meeting will be on May 4, 2018.

Also attached are draft letters of support for three Assembly Bills the Commission may wish to take a position on. As a brief summary, the four Bills are:

- AB 2258 (Caballero) proposing one-time funding for local LAFCO studies on governmental efficiency – specifically leading to dissolution or consolidation of districts (described further below);
- AB 3254 (Sponsored by the Assembly Local Government Committee) containing CALAFCO's annual Omnibus Government Code clean-up bill (focused on minor technical and non-controversial changes to LAFCO laws; and
- AB 2600 (Flora) proposing to allow initiation of regional park and open space district formation by Board of Supervisor's resolution rather than only by petition of 5,000 registered voters, which could benefit local park efforts in San Benito County.

More information on the benefits of each bill are provided in the attached draft letters of support, but the details of AB 2258 are provided in more detail as this Bill has been referenced at recent Commission meetings. AB 2258 follows directly from the recommendations of the Little Hoover Commission Report on Special Districts in the last legislative session, which recommended several measures to support LAFCO operations and independent special district efficiencies.

AB 2258 (Caballero) Highlights:

One of the recommendations of the Little Hoover Commission was to obtain State funding to

Commissioners: Richard Bettencourt, Chair ♦ Ignacio Velazquez, Vice Chair ♦ Anthony Botelho ♦ Jaime De La Cruz ♦ Jim West

Alternate Commissioners: Don DeVries ♦ Robert Rivas ♦ Roberta Daniel **Executive Officer:** Bill Nicholson

help LAFCOs complete studies or take actions to either dissolve inactive special districts or to consolidate poorly functioning districts with neighboring cities or successful special districts.

Based on a broad survey of local LAFCO's, one of the primary reasons Commission's hadn't completed dissolutions or consolidations that had been identified in earlier Municipal Service Reviews (MSRs) was the lack of financial resources. As the Commission is aware, the funding for most LAFCOs falls on the County and incorporated Cities, so special districts don't contribute funding for Commission-sponsored efforts that promote good, efficient local governmental agencies. Therefore, CALAFCO has taken the lead role in gaining the support from Assembly Member Caballero (who is our local representative), to support legislation creating a competitive grant program to be operated by the State's Strategic Growth Council. All LAFCOs would be eligible to submit grant proposals for specific projects to study one or more struggling or non-functioning special districts and determine the best path to improve service delivery.

In San Benito LAFCO's region, agencies like the non-operating Pacheco Stormwater District, or the recently reactivated Pacheco Pass Water District could be evaluated with development of a path to replace their functions with another agency or identification of measures to enhance the current district through shared services or other measures. These efforts would be funded by the State rather than by the County and Cities of Hollister and San Juan Bautista. The total amount of funding to be made available has not been set in the Bill, but it is likely going to be a three-year funding period with multiple opportunities to apply for funding.

Action Requested

Receive the update of legislation tracked by CALAFCO, and consider approving letters of support for one or more of the following Assembly Bills: AB 2258 (Caballero) regarding grant funding for LAFCO; AB 3254 (Sponsored by the Assembly Local Government Committee) containing minor technical corrections to LAFCO law; and AB 2600 (Flora) allowing initiation of forming a regional park and open space district by Board of Supervisor's Resolution.

Enclosures:

1. CALAFCO List of Current Bills and Priority as of April 2, 2018
2. Draft Letter of Support, AB 2258 (Caballero)
3. Draft Letter of Support, AB 3254 (Assembly Local Government Committee)
4. Draft Letter of Support, AB 2600 (Flora)

CALAFCO Daily Legislative Report as of Monday, April 02, 2018

1

AB 2050 (Caballero D) Small System Water Authority Act of 2018.

Current Text: Amended: 3/19/2018 [html](#) [pdf](#)

Introduced: 2/6/2018

Last Amended: 3/19/2018

Status: 3/20/2018-Re-referred to Com. on E.S. & T.M.

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

Calendar:

4/10/2018 1:30 p.m. - State Capitol, Room 444 ASSEMBLY ENVIRONMENTAL SAFETY AND TOXIC MATERIALS, QUIRK, Chair

Summary:

Would create the Small System Water Authority Act of 2018 and state legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliant public water systems. The bill, no later than March 1, 2019, would require the state board to provide written notice to cure to all public agencies, private water companies, or mutual water companies that operate a public water system that has either less than 3,000 service connections or that serves less than 10,000 people, and are not in compliance with applicable drinking water standards as of December 31, 2018.

Position: Watch

Subject: LAFCo Administration, Municipal Services, Water

CALAFCO Comments: This bill is sponsored by Eastern Municipal Water District and the CA Municipal Utilities Assoc. The intent is to give the State Water Resources Control Board (SWRCB) authority to mandate the dissolution of existing drinking water systems (public, mutual and private) and authorize the formation of a new public water system. The focus is on non contiguous systems. The SWRCB already has the authority to mandate consolidation of these systems, this will add the authority to mandate dissolution and formation of new public agencies.

CALAFCO met with the sponsors several times and they indicate a desire to work with LAFCos on creating a process that works. However, it is our understanding that LAFCo will lack any discretion in the dissolution of any public water agency mandated by the SWRCB and the formation of a new entity as mandated by the SWRCB. CALAFCO will continue to work with the sponsors and author.

AB 2238 (Aguiar-Curry D) Change of organization or reorganization: local agency formation commission review: hazard mitigation plan: safety element.

Current Text: Introduced: 2/13/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Status: 3/1/2018-Referred to Com. on L. GOV.

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

Calendar:

4/18/2018 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

Summary:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 specifies the factors that a local agency formation commission is required to consider in the review of a proposal for a change of organization or reorganization, including, among other things, the proposal's consistency with city or county general and specific plans. This bill would additionally require

the commission to consider any relevant hazard mitigation plan or safety element of a general plan, and the extent to which the proposal will affect any land identified as a very high fire hazard severity zone or land determined to be in a state responsibility area, as provided.

Position: Watch

Subject: Climate Change, Growth Management

CALAFCO Comments: This bill seeks to add another factor for LAFCo consideration in the review of a proposal. That factor is any relevant hazard mitigation plan or safety element of a general plan, and the extent to which the proposal will affect any land identified as a very high fire hazard severity zone (pursuant to Gov. Code Sc. 51178) or land determined to be in a state responsibility area (pursuant to PRC Sec. 4102).

This bill is in response to the rash of wildfires throughout the state over the past several years and the ongoing threat of same as a result of climate change.

AB 2258 (Caballero D) Local agency formation commissions: grant program.

Current Text: Amended: 3/15/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Last Amended: 3/15/2018

Status: 3/19/2018-Re-referred to Com. on L. GOV.

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

Calendar:

4/18/2018 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

Summary:

Current law establishes the Strategic Growth Council in state government and assigns to the council certain duties, including providing, funding, and distributing data and information to local governments and regional agencies that will assist in the development and planning of sustainable communities. This bill would require the Strategic Growth Council, until January 1, 2024, to establish and administer a local agency formation commissions grant program for the payment of costs associated with initiating and completing the dissolution of inactive districts, the payment of costs associated with a study of the services provided within a county by a public agency, and for other specified purposes, including the initiation of an action, based on determinations found in the study, as approved by the commission.

Attachments:

[CALAFCO Support March 2018](#)

[CALAFCO Support March 2018](#)

Position: Sponsor

Subject: Other

CALAFCO Comments: As introduced this is a spot bill. 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. CALAFCO is working with the Strategic Growth Council in preparing a process and actual language will be coming soon.

AB 2600 (Flora R) Regional park and open space districts.

Current Text: Introduced: 2/15/2018 [html](#) [pdf](#)

Introduced: 2/15/2018

Status: 3/8/2018-Referred to Com. on L. GOV.

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

Calendar:

4/11/2018 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

Summary:

Would authorize the formation of a district by the adoption of a resolution of application by the legislative body of any county or city that contains the territory proposed to be included in the

district. The bill would require the resolution to contain certain information, including the methods by which the district would be financed. The bill would require a public hearing before the adoption of the resolution, as provided.

Attachments:

[CALAFCO Support March 2018](#)

Position: Support

CALAFCO Comments: This bill would expand the process of initiating the formation of a regional pack and open space district by adding that a local governing body may adopt a resolution proposing to form a new district. This would be in lieu of having a 5,000 signature petition. The LAFCo process remains intact.

The intent of this bill is to create an easier way to proposed the formation of these types of districts, thereby removing the need for special legislation to do so. The bill is author-sponsored.

[AB 3254](#) (Committee on Local Government) Local government organization: omnibus.

Current Text: Introduced: 3/14/2018 [html](#) [pdf](#)

Introduced: 3/14/2018

Status: 3/22/2018-Referred to Com. on L. GOV.

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

Summary:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the Act) provides the authority and procedure for the initiation, conduct, and completion of changes of organization, reorganization, and sphere of influence changes for cities and districts, as specified. Current law defines various terms for purposes of that Act, including the terms "affected territory" and "inhabited territory." This bill would revise those definitions to include territory that is to receive extended services from a local agency, and additionally define the term "uninhabited territory" for purposes of the Act.

Attachments:

[CALAFCO Support](#)

Position: Sponsor

CALAFCO Comments: This is the annual Assembly Local Government Committee Omnibus bill, sponsored by CALAFCO.

[SB 1215](#) (Hertzberg D) Drinking water systems and sewer systems: consolidation and extension of service.

Current Text: Introduced: 2/15/2018 [html](#) [pdf](#)

Introduced: 2/15/2018

Status: 3/20/2018-Set for hearing April 4. April 4 set for first hearing canceled at the request of author.

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

Calendar:

4/18/2018 9:30 a.m. - Room 3191 SENATE ENVIRONMENTAL QUALITY, WIECKOWSKI, Chair

Summary:

Current law declares it to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes. This bill would also authorize the state board to set timeline and performance measures to facilitate completion of extension of service of drinking water. This bill contains other related provisions and other current laws.

Position: Watch With Concerns

Subject: Disadvantaged Communities, Water

CALAFCO Comments: This bill would authorize the State Water Resources Control Board (SWRCB) to mandate extension of service or consolidation of wastewater systems - both public and private, under certain circumstances. The process mirrors the process set forth in SB 88

giving the SWRCB authority to mandate the same for drinking water systems.

SB 1496 (Committee on Governance and Finance) Validations.

Current Text: Introduced: 3/1/2018 [html](#) [pdf](#)

Introduced: 3/1/2018

Status: 3/22/2018-Set for hearing April 4.

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

Calendar:

4/4/2018 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, MCGUIRE, Chair

Summary:

Would enact the Second Validating Act of 2018, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill would declare that it is to take effect immediately as an urgency statute.

Attachments:

[CALAFCO Support March 2018](#)

Position: Support

SB 1497 (Committee on Governance and Finance) Validations.

Current Text: Introduced: 3/1/2018 [html](#) [pdf](#)

Introduced: 3/1/2018

Status: 3/22/2018-Set for hearing April 4.

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

Calendar:

4/4/2018 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, MCGUIRE, Chair

Summary:

Would enact the First Validating Act of 2018, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill would declare that it is to take effect immediately as an urgency statute.

Attachments:

[CALAFCO Support March 2018](#)

Position: Support

Subject: LAFCo Administration

SB 1499 (Committee on Governance and Finance) Validations.

Current Text: Introduced: 3/1/2018 [html](#) [pdf](#)

Introduced: 3/1/2018

Status: 3/15/2018-Referred to Com. on GOV. & F.

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

Calendar:

4/4/2018 9:30 a.m. - Room 112 SENATE GOVERNANCE AND FINANCE, MCGUIRE, Chair

Summary:

Would enact the Third Validating Act of 2018, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

Attachments:

[CALAFCO Support March 2018](#)

Position: Support

Subject: LAFCo Administration

AB 2268 (Reyes D) Local government finance: property tax revenue allocations: vehicle license fee adjustments.

Current Text: Introduced: 2/13/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Status: 3/1/2018-Referred to Com. on L. GOV.

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

Calendar:

4/11/2018 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

Summary:

Would, for the 2018–19 fiscal year, instead require the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount in the 2004–05 fiscal year, if a specified provision did not apply, and the product of the amount as so described and the percentage change in gross taxable assessed valuation within the jurisdiction of that entity between the 2004–05 fiscal year to the 2018–19 fiscal year. This bill, for the 2019–20 fiscal year, and for each fiscal year thereafter, would require the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount for the prior fiscal year and the product of the amount as so described and the percentage change from the prior fiscal year in gross taxable assessed valuation within the jurisdiction of the entity.

Position: Support if Amended

Subject: Tax Allocation

CALAFCO Comments: Sponsored by the League, this bill will reinstate ERAF funding for inhabited annexations.

AB 2491 (Cooley D) Local government finance: vehicle license fee adjustment amounts.

Current Text: Introduced: 2/14/2018 [html](#) [pdf](#)

Introduced: 2/14/2018

Status: 3/5/2018-Referred to Com. on L. GOV.

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

Calendar:

4/11/2018 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

Summary:

Would establish a separate vehicle license fee adjustment amount for a city incorporating after January 1, 2012, and for a qualified city, as defined, incorporating after January 1, 2012, would establish an additional separate vehicle license fee adjustment amount. This bill contains other related provisions and other existing laws.

Attachments:

[CALAFCO Support March 2018](#)

Position: Support

Subject: Tax Allocation

CALAFCO Comments: Sponsored by the League, this bill will reinstate ERAF funding for cities incorporating after 2017.

AB 2501 (Chu D) Drinking water: consolidation and extension of service.

Current Text: Introduced: 2/14/2018 [html](#) [pdf](#)

Introduced: 2/14/2018

Status: 3/8/2018-Referred to Com. on E.S. & T.M.

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

Summary:

The California Safe Drinking Water Act authorizes the State Water Resources Control Board to order extension of service to an area within a disadvantaged community that does not have access to an adequate supply of safe drinking water so long as the extension of service is an interim extension of service in preparation of consolidation. The act defines "disadvantaged

community" for these purposes to mean a disadvantaged community that is in an unincorporated area, is in a mobilehome park, or is served by a mutual water company or small public water system. This bill would redefine "small public water system" for these purposes as a system with 200 connections or less.

Position: Watch

Subject: Disadvantaged Communities, Water

AB 3023 (Medina D) California Environmental Quality Act.

Current Text: Amended: 3/19/2018 [html](#) [pdf](#)

Introduced: 2/16/2018

Last Amended: 3/19/2018

Status: 3/20/2018-Re-referred to Com. on NAT. RES.

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

Summary:

Would require lead agencies to post the notices required by CEQA and any environmental review document for a project on their Internet Web sites, if any, or to submit those notices and environmental review documents to the State Clearinghouse for inclusion in the database as specified. Because this bill would impose additional duties on lead agencies, this bill would impose a state-mandated local program.

Position: Watch

Subject: CEQA

3

AB 1889 (Caballero D) Santa Clara Valley Water District.

Current Text: Introduced: 1/18/2018 [html](#) [pdf](#)

Introduced: 1/18/2018

Status: 2/5/2018-Referred to Com. on L. GOV.

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

Calendar:

4/18/2018 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

Summary:

The Santa Clara Valley Water District Act authorizes the district to impose special taxes at minimum rates according to land use category and size. The district act authorizes the district to provide an exemption from these taxes for residential parcels owned and occupied by one or more taxpayers who are at least 65 years of age, or who qualify as totally disabled, if the household income is less than an amount approved by the voters of the district. This bill would authorize the district to require a taxpayer seeking an exemption from these special taxes to verify his or her age, disability status, or household income, as prescribed. The bill would authorize the board of directors of the district to provide the exemption.

Position: Watch

AB 2019 (Aguiar-Curry D) Health care districts.

Current Text: Amended: 3/22/2018 [html](#) [pdf](#)

Introduced: 2/5/2018

Last Amended: 3/22/2018

Status: 3/22/2018-Referred to Com. on L. GOV. From committee chair, with author's amendments: Amend, and re-refer to Com. on L. GOV. Read second time and amended.

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

Calendar:

4/18/2018 1:30 p.m. - State Capitol, Room 127 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-

CURRY, Chair

Summary:

The Local Health Care District Law provides for local health care districts that govern certain health care facilities. The bill would require a district that is authorized and elects to use the design-build process, as specified, for the construction of housing to require that at least 20% of the residential units constructed be subject to a recorded affordability restriction for at least 55 years and be affordable to lower income households, very low income households, extremely low income households, and persons and families of low or moderate income, as defined, unless the city, county, or city and county in which the district is predominantly located has adopted a local ordinance that requires a greater percentage of the units be affordable to those groups. This bill contains other related laws and provisions.

Position: Watch

AB 2179 (Gipson D) Municipal corporations: public utility service: water and sewer service.

Current Text: Introduced: 2/12/2018 [html](#) [pdf](#)

Introduced: 2/12/2018

Status: 3/1/2018-Referred to Com. on L. GOV.

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

Summary:

Would authorize a municipal corporation to utilize the alternative procedures to lease, sell, or transfer that portion of a municipal utility used for furnishing sewer service outside the boundaries of the municipal corporation.

Position: Watch

Subject: Municipal Services

AB 2262 (Wood D) Coast Life Support District Act: urgent medical care services.

Current Text: Introduced: 2/13/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Status: 3/21/2018-From committee: Do pass and re-refer to Com. on L. GOV. (Ayes 14. Noes 0.) (March 20). Re-referred to Com. on L. GOV.

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

Calendar:

4/11/2018 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

Summary:

Current law establishes the Coast Life Support District and specifies the powers of the district. The district is authorized, among other things, to supply the inhabitants of the district emergency medical services, as specified. This bill would additionally authorize the district to provide urgent medical care services. This bill contains other related provisions.

Position: Watch

Subject: LAFCo Administration, Special District Powers

CALAFCO Comments: This is a single district bill in which the district is seeking to activate latent powers (actually to codify powers they have been performing for a number of years) and bypassing LAFCo. CALAFCO and the local LAFCo are working with the author's office to keep this matter local. Will watch the bill.

AB 2339 (Gipson D) Water utility service: sale of water utility property by a city.

Current Text: Introduced: 2/13/2018 [html](#) [pdf](#)

Introduced: 2/13/2018

Status: 3/20/2018-From committee: Do pass and re-refer to Com. on L. GOV. (Ayes 12. Noes 1.) (March 20). Re-referred to Com. on L. GOV.

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

Calendar:

1st House	2nd House	Conc.	Enrolled	Vetoed	Chaptered
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Summary:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides the authority and procedures for the initiation, conduct, and completion of changes of organization and reorganization of cities and districts by local agency formation commissions. Under that act, upon disincorporation of a city, on and after the effective date of that disincorporation, the territory of the disincorporated city, all inhabitants within the territory, and all persons formerly entitled to vote by reason of residing within that territory, are no longer subject to the jurisdiction of the disincorporated city. This bill would make a nonsubstantive change to this provision.

Position: Watch

Subject: Disincorporation/dissolution

CALAFCO Comments: This is a spot bill.

SB 1498 (Committee on Governance and Finance) Local Government Omnibus Act of 2018.

Current Text: Introduced: 3/1/2018 [html](#) [pdf](#)

Introduced: 3/1/2018

Status: 3/22/2018-Set for hearing April 4.

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

Summary:

Current law sets forth various provisions governing cities that reference various officers and employees. This bill would make these references gender neutral.

Position: Watch

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

Total Measures: 25

Total Tracking Forms: 25

4/2/2018 9:50:28 PM

LOCAL AGENCY FORMATION COMMISSION

SAN BENITO COUNTY

2301 Technology Parkway

Hollister, CA 95023

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

April 12, 2018

The Honorable Anna Caballero
California State Assembly
State Capital Room 5158
Sacramento, CA 95814

Subject: Support of AB 2258 (as amended March 15, 2018)

Dear Assemblymember Caballero:

The San Benito Local Agency Formation Commission (LAFCO) is pleased to join the California Association of Local Agency Formation Commissions (CALAFCO) in support for Assembly Bill 2258. Sponsored by CALAFCO, the bill establishes a funding program to provide grants to LAFCOs for conducting in-depth studies and analyses of local government agencies and services for the purposes of creating improved efficiencies in the delivery of local government services and completing the dissolution of inactive special districts. The grant program would be administered by the Strategic Growth Council and sunset on December 31, 2023.

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

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

By establishing this one-time grant funding, AB 2258 provides an additional tool for LAFCOs to conduct detailed studies and implement greater efficiencies in delivering local services based on local circumstances and conditions. For these reasons, San Benito LAFCO is pleased to support AB 2258.

If this funding is made available, San Benito LAFCO anticipates applying for funding to evaluate governmental reorganization or possible dissolution of one or more special districts which are barely operational and investigate other districts who are better equipped to provide their intended services.

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

Commissioners: Ignacio Velazquez, Chair ♦ Anthony Botelho, Vice-Chair ♦ Richard Bettencourt ♦ Jaime De La Cruz ♦ Jim West

Alternate Commissioners: Dan DeVries ♦ Robert Rivas ♦ Roberta Daniel **Executive Officer:** Bill Nicholson

The Honorable Anna Caballero
California State Assembly
AB 2258 Support Letter
April 12, 2018
Page 2

Sincerely yours,

Ignacio Velazquez
Chair

cc: Members, Assembly Local Government Committee
Debbie Michel, Chief Consultant, Assembly Local Government Committee
William Weber, Consultant, Assembly Republican Caucus
Pamela Miller, Executive Director, CALAFCO

LOCAL AGENCY FORMATION COMMISSION

SAN BENITO COUNTY

2301 Technology Parkway

Hollister, CA 95023

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

April 12, 2018

Honorable Cecilia Aguiar-Curry, Chair
Assembly Local Government Committee
California State Assembly
State Capitol, Room 5144
Sacramento, CA 95814

RE: SUPPORT of AB 3254: Local Government Committee Omnibus Bill

Dear Chair Aguiar-Curry:

The San Benito Local Agency Formation Commission (LAFCO) is pleased to support the Assembly Local Government Committee Bill AB 3254 which makes technical, non-substantive changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the Act).

This annual bill includes technical changes to the Act which governs the work of LAFCOs. These changes are necessary as Commissions implement the Act and small inconsistencies are found or clarifications are needed to make the law as unambiguous as possible. AB 3254 currently makes minor technical corrections to language used in the Act.

San Benito LAFCO is grateful to your Committee and staff, and the members of the California Association of Local Agency Formation Commissions (CALAFCO) Legislative Committee, all of whom worked diligently on this language to ensure there are no substantive changes while creating a significant increase in the clarity of the Act for all stakeholders.

This legislation helps insure the Cortese-Knox-Hertzberg Act remains a vital and practical law that is consistently applied around the state. We appreciate your Committee's authorship and your support of the mission of LAFCOs. Please feel free to contact me should you have any questions about our support of AB 3254.

Yours sincerely,

Ignacio Velazquez
Chair

cc: Members, Assembly Local Government Committee
Debbie Michel, Chief Consultant, Assembly Local Government Committee
William Weber, Consultant, Assembly Republican Caucus
Pamela Miller, Executive Director, CALAFCO

Commissioners: Ignacio Velazquez, Chair ♦ Anthony Botelho, Vice-Chair ♦ Richard Bettencourt ♦ Jaime De La Cruz ♦ Jim West

Alternate Commissioners: Dan DeVries ♦ Robert Rivas ♦ Roberta Daniel **Executive Officer:** Bill Nicholson

LOCAL AGENCY FORMATION COMMISSION

SAN BENITO COUNTY

2301 Technology Parkway

Hollister, CA 95023

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

April 12, 2018

Assembly Member Heath Flora
California State Assembly
State Capitol, Room 3098
Sacramento, CA 95814

RE: SUPPORT FOR AB 2600: Regional Park and Open Space Districts

Dear Assembly Member Flora:

The San Benito Local Agency Formation Commission (LAFCO) supports Assembly Bill 2600, which allows the initiation of Regional Park and Open Space Districts to occur by resolution of the City Councils and Board of Supervisors within the proposed district.

Current law only allows the initiation to occur by a petition of 5,000 or more voters. This restrictive initiation requirement is an antiquated feature of the Open Space District law which was passed in 1939 and has not undergone a comprehensive update since. The petition requirement increases the cost and time for proponents to initiate Regional Park and Open Space District formation proposals. The principal acts for a variety of special districts allow initiation by either petition or local agency resolution, including Cemetery Districts, Community Service Districts, Fire Protection Districts, Mosquito and Vector Abatement Districts, and Parks and Recreation Districts.

The proponents of the last eleven proposals for Regional Park and Open Space Districts have sought special enabling acts from the Legislature. A principal act should allow district initiations without the need for special enabling acts.

CALAFCO supports the availability of a more streamlined and less costly initiation process for Regional Park and Open Space Districts. Adding the option for local governments to adopt a resolution of application in lieu of the 5,000 signature petition is a much more streamlined way to initiate the formation process. Further, keeping the LAFCO application process intact also allows for the appropriate detailed review to ensure the efficient and sustainable provision of services.

For these reasons, the San Benito LAFCO is pleased to join the California Association of Local Agency Formation Commissions (CALAFCO) and support AB 2600 and thank you for authoring this important piece of legislation.

Yours sincerely,

Ignacio Velazquez
Chair

cc: Members, Assembly Local Government Committee
Debbie Michel, Chief Consultant, Assembly Local Government Committee
William Weber, Consultant, Assembly Republican Caucus
Pamela Miller, Executive Director, CALAFCO

Commissioners: Ignacio Velazquez, Chair ♦ Anthony Botelho, Vice-Chair ♦ Richard Bettencourt ♦ Jaime De La Cruz ♦ Jim West

Alternate Commissioners: Dan DeVries ♦ Robert Rivas ♦ Roberta Daniel **Executive Officer:** Bill Nicholson

BUSINESS ITEMS – PUBLIC HEARING ITEM

7. Adoption of the Proposed Fiscal Year 2018-19 Budget.

LOCAL AGENCY FORMATION COMMISSION
SAN BENITO COUNTY

2301 Technology Parkway
Hollister, CA 95023
Phone: (831) 637-5313

April 12, 2018 (Agenda)

Local Agency Formation Commission
2301 Technology Parkway
Hollister CA 95023

Proposed LAFCO Budget for FY 2018-19
(Agenda Item 7)

Dear Members of the Commission:

RECOMMENDATION

It is recommended the Commission:

1. Review the Proposed Budget for Fiscal Year 2018-19, accept all public testimony and approve the Proposed Budget with any desired modifications.
2. Direct the staff to distribute the Proposed Budget to cities, special districts and the County as required by Government Code Section 56381.
3. Return to the Commission with a Final Budget for consideration at the May 10, 2018 Public Hearing, scheduled at 3:00 pm.

DISCUSSION

Attached to this Report is a summary of the Proposed Budget for Fiscal Year 2018-2019 "Explanation of Accounts" which also identifies the appropriations and expenditures experienced to date in the current 2017-18 Fiscal Year. As a short summary, as of the end of March, the Commission had expended \$67,560 of the full year's budget of \$130,695 (representing 52%). However, billing for March Executive Officer and Counsel costs are not included. A copy of the "Detail General Ledger Report" for the first three quarters of the Fiscal Year is attached to this Executive Officer's Report which gives the itemized cost billing during the current fiscal year.

There are several recommended changes in the Proposed Budget from the current fiscal year that, in total, would reduce requested appropriations by a total of \$299. The Consultant support costs in Account No. 619.222 would increase in the amount of \$3,500 for professional services by the Executive Officer to prepare an update to the San Benito Cemetery District Municipal Service Review (MSR). At the discussion held by the

Commission at the March 8, 2018 Regular Meeting, a determination was made not to pursue consultant help to prepare multiple MSR updates at this time due to the financial burden on the Cities and County, and instead use existing staff to prepare one MSR update. Other opportunities for funding MSR updates in the future may come out of pending legislation for a competitive grant program administered by the Strategic Growth Council (covered in Agenda Item 6). The cost of CALAFCO dues is also increasing by \$26.

In terms of reductions, less funding is needed for the County Surveyor role as applicants are charged \$500 per application for review of individual boundary change applications. Therefore, the proposed budget amount in this account has been reduced by \$3,825 to a new total of \$4,000.

Another area where the budget may need adjustment is in response to the increase in costs assigned to LAFCO operations by the County under the "Cost Allocation Plan" in Account No. 619.101. The budgeted annual amount is roughly equal to the two quarterly billings received by LAFCO in the current fiscal Year, and Staff will seek an explanation from the County Auditor prior to the public hearing.

The Commission may wish to make further modifications to this Proposed Budget based on a review the attached Proposed Budget "Explanation of Accounts" and comments by the Commission or public at the scheduled public hearing.

Appropriations

The Proposed Budget is \$130,396.00 representing a \$299.00 decrease from the current fiscal year's budget. There may be opportunities to decrease the Budget after further investigation, because some budgeted accounts have much lower annual expenditures, or may no longer be needed. These can be revisited based on year-end accounting adjustments in such categories as: postage, legal notices, and mileage.

Appropriations that are not expended during one fiscal year become part of the Available Fund Balance to finance the following fiscal year budget, and reduce the amount requested to be paid by the County and Cities.

Revenues

Contributions from the County and cities represent the great majority of LAFCO revenue. Last fiscal year the County contributed \$26,581, and the City of Hollister contributed \$25,382, with the balance of \$1,199 due from the City of San Juan Bautista. Application fee revenue amounted to \$8,940 in the last fiscal year, but only \$1,620 has been received

so far in FY 2017-18. There are several pending annexations and a sphere of influence expansion that are expected to boost this revenue by the end of the Fiscal Year in June.

One other means to increase revenue is to revisit the Application Processing Fees charged for various applications. The current fee schedule was adopted by the Commission in 2014, and is current for existing fee categories. However, there is an opportunity to enact fees for applications that previously had no cost, such as the time consuming process to determine whether an extension of City sewer service outside the City limits qualifies for an exemption from Commission review and approval. These applications have taken more time to process than the ones which fit within a category for Commission approval under Government Code sections 56133(b) for extensions within the City SOI, and 56133(c) for extensions outside the SOI for existing or pending health and safety problems. Other opportunities for fees can be discussed during the Proposed Budget hearing, and staff can conduct research into the types of LAFCO applications and review costs that may warrant new fees for consideration at the Final Budget hearing in May.

Summary of the Budget Process

LAFCO is an independent commission established by the legislature to carry out specific duties. It is responsible for adopting its own budget to fulfill the purposes described in the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000. The law does not require approval of the budget by the County, the cities or any other local agencies

Government Code Section 56381(a) governs the preparation of the LAFCO budget. It reads as follows:

The commission shall adopt annually, following noticed public hearings, a proposed budget by May 1 and final budget by June 15.

At a minimum, the proposed and final budget shall be equal to the budget adopted for the previous fiscal year unless the commission finds that reduced staffing or program costs will nevertheless allow the commission to fulfill the purposes and programs of this chapter.

The commission shall transmit its proposed and final budgets to the board of supervisors, to each city, and to each independent special district.

Requested Action

In consideration of this information, it is recommended the Commission adopt the Proposed Budget and direct the Executive Officer to distribute it to local agencies as

Local Agency Formation Commission
Proposed Budget for FY 2018-2019
April 12, 2018 (Agenda)
Page 4

required by Government Code Section 56381(a), incorporating any amendments desired by the Commission. The Commission should also set a public hearing on the Final Budget for the regularly scheduled Commission meeting on May 10, 2018.

Sincerely,



Bill Nicholson
Executive Officer

Enclosures:

1. Proposed Budget for FY 2018-19 "Statement of Accounts"
2. Detail General Ledger Report – Range 07/01/17-02/30/18
3. Receipts by G/L Distribution Report – Detail 07/01/17-03/30/18

SAN BENITO LOCAL AGENCY FORMATION COMMISSION

Proposed Budget for Fiscal Year 2018-19

Explanation of Accounts

Object Code No.	Description	FY 2017-18 Adopted	As of 3/30/18	FY 2018-19 Proposed	Change
619.166	CALAFCO Membership	899	899	925	26
	Membership dues are not increasing this year.				
619.172	Service & Supplies: Postage	1,320	199	1,320	0
	Keeping account the same based on anticipated application activity.				
619.174	Service & Supplies: Office Supplies & Copies	3,200	80	3,200	0
	Keeping account the same based on anticipated application activity.				
619.180	Services & Supplies: Legal Notice	750	89	750	0
	Keeping account the same based on anticipated application activity.				
619.194	Training - Registration	1,000	0	1,000	0
619.196	Travel - Lodging	1,520	0	1,520	0
	Executive Officer and possible Commissioner attendance at CALAFCO Conference – To be held in Yosemite in October 2018 and Southern California in April 2019.				
619.198	Training & Education - Meals	565	0	565	0
	Corresponding meal reimbursement for conference attendance.				
619.200	Travel – Mileage	3,000	0	3,000	0
	For attending conferences and special meetings.				
619.210	Legal Counsel Services	10,000	4,794	10,000	0
	Legal services are provided by County Counsel and Outside Counsel.				
619.222	LAFCO Consultant Services	58,800	49,105	62,300	3,500
	Executive Officer services at 35 hours/mo. approved in FY 2017-18. Propose increase of 25 hours (\$3,500) for completion of MSR for San Juan Bautista Cemetery District.				
619.226	Prof. Services: Public Works (Map/Legal review)	7,825	0	4,000	(3,825)

San Benito Local Agency Formation Commission
Proposed Budget for Fiscal Year 2018-19
Page 2

Object Code No.	Description	FY 2017-18 Adopted	As of 3/30/18	FY 2018-19 Proposed	Change
619.252	County GIS Contribution	9,000	1,652	9,000	0
	The Commission participates in the County GIS Program. The amount is provided by the County as the LAFCO share of annual Basic Maintenance Expense.				
619.101	Cost Allocation Plan	2,816	4,125	2,816	0
	County overhead for Auditor/Administration and related functions.				
645.704	Retire – Medical Insurance	10,000	6,617	10,000	0
	Medical insurance costs for former Executive Officer settlement.				
999.999	Contingency Reserve	20,000	0	20,000	0
	Contingency Reserve – remain at \$20,000 the amount was increased in FY 2016-17 by \$10,000 for emergencies/unanticipated costs. Funds only spent with prior Commission authorization.				
	Totals	130,695	67,560	130,396	(299)

Run by Louise LaCorte on 3/29/2018 11:11:19 AM

Detail General Ledger Report

G/L Date Range 07/01/17 - 03/30/18

Include Sub Ledger Detail

Exclude Accounts with No Activity

G/L Date	Journal Number	Journal Type	Sub Ledger	Description/Project	Source	Reference	Debit Amount	Credit Amount	Actual Balance
G/L Account Number	626.95.7280.1000.619.210			Services and Supplies Legal					
09/30/2017	2018-00002386	JE	GL	1st Qtr 7/1/17-9/30/17			4,794.00	Balance To Date:	\$0.00
									4,794.00
G/L Account Number	626.95.7280.1000.619.222			Services and Supplies Other Consultants					
09/07/2017	2018-00000950	JE	AP	A/P Invoice Entry	Accounts Payable		4,620.00	Balance To Date:	\$0.00
									4,620.00
Invoice Number	Vendor			Description	Invoice Date	Payment Type	Payment Number	Amount	Distribution Amount
2017-17	WILLIAM R. NICHOLSON			LAFCO SERVICES - JULY	08/14/2017	Check	12815	4,620.00	4,620.00
							Total	\$4,620.00	\$4,620.00
09/21/2017	2018-00001163	JE	AP	A/P Invoice Entry	Accounts Payable		7,945.00		12,565.00
Invoice Number	Vendor			Description	Invoice Date	Payment Type	Payment Number	Amount	Distribution Amount
2017-8	WILLIAM R. NICHOLSON			LAFCO SERVICES AUGUST 17	09/10/2017	Check	13329	7,945.00	7,945.00
							Total	\$7,945.00	\$7,945.00
10/18/2017	2018-00001665	JE	AP	A/P Invoice Entry	Accounts Payable		\$12,565.00	\$0.00	\$12,565.00
							5,110.00		17,675.00
Invoice Number	Vendor			Description	Invoice Date	Payment Type	Payment Number	Amount	Distribution Amount
2017-9	WILLIAM R. NICHOLSON			LAFCO SERVICES - 9/17	10/17/2017	Check	14232	5,110.00	5,110.00
							Total	\$5,110.00	\$5,110.00
11/17/2017	2018-00002231	JE	AP	A/P Invoice Entry	Accounts Payable		\$5,110.00	\$0.00	\$17,675.00
							5,110.00		22,785.00
Invoice Number	Vendor			Description	Invoice Date	Payment Type	Payment Number	Amount	Distribution Amount
2017-10	WILLIAM R. NICHOLSON			LAFCO SERVICES NOVEMBER 2017	11/17/2017	Check	15381	5,110.00	5,110.00
							Total	\$5,110.00	\$5,110.00
12/15/2017	2018-00002667	JE	AP	A/P Invoice Entry	Accounts Payable		\$5,110.00	\$0.00	\$22,785.00
							4,095.00		26,880.00
Invoice Number	Vendor			Description	Invoice Date	Payment Type	Payment Number	Amount	Distribution Amount
2017-11	WILLIAM R. NICHOLSON			LAFCO SERVICES 11/17	12/14/2017	Check	16336	4,095.00	4,095.00
							Total	\$4,095.00	\$4,095.00
					Month	December 2017	Totals	\$4,095.00	\$0.00
									\$26,880.00

Detail General Ledger Report

G/L Date Range 07/01/17 - 03/30/18

Include Sub Ledger Detail

Exclude Accounts with No Activity

G/L Date	Journal Number	Journal Type	Sub Ledger	Description/Project	Source	Reference	Debit Amount	Credit Amount	Actual Balance
G/L Account Number 626.95.7280.1000.619.222 Services and Supplies Other Consultants									
01/04/2018	2018-00002888	JE	AP	A/P Invoice Entry	Accounts Payable		2,800.00	Balance To Date:	\$0.00
					Invoice Date 01/04/2018	Payment Type Check			29,680.00
Invoice Number 2017-12	Vendor WILLIAM R. NICHOLSON		Description LAFCO SERVICES DECEMBER 2017			Payment Number 16789		Amount 2,800.00	Distribution Amount 2,800.00
						Total		\$2,800.00	\$2,800.00
02/13/2018 JE 2018-00003625 AP A/P Invoice Entry									
					Month January 2018	Totals	\$2,800.00	\$0.00	\$29,680.00
					Accounts Payable		4,480.00		34,160.00
Invoice Number 2018-1	Vendor WILLIAM R. NICHOLSON		Description JANUARY 2018 LAFCO SERVICES		Invoice Date 02/08/2018	Payment Type Check		Amount 4,480.00	Distribution Amount 4,480.00
						Payment Number 18145			
						Total		\$4,480.00	\$4,480.00
03/16/2018 JE 2018-00004126 AP A/P Invoice Entry									
					Month February 2018	Totals	\$4,480.00	\$0.00	\$34,160.00
					Accounts Payable		4,515.00		38,675.00
Invoice Number 2018-2	Vendor WILLIAM R. NICHOLSON		Description FEBRUARY LAFCO SERVICES		Invoice Date 03/16/2018	Payment Type Check		Amount 4,515.00	Distribution Amount 4,515.00
						Payment Number 19282			
						Total		\$4,515.00	\$4,515.00
G/L Account Number 626.95.7280.1000.619.252 Services and Supplies Special Dept - Materials									
01/25/2018	2018-00003261	JE	GL	LAFCO & GIS	Account Services and Supplies Other Consultants		\$4,515.00	\$0.00	\$38,675.00
					Month March 2018	Totals	\$4,515.00	\$0.00	\$38,675.00
					Accounts Payable		\$38,675.00		\$0.00
								Balance To Date:	1,652.00
									\$1,652.00
G/L Account Number 626.95.7280.1000.645.704 Other Charges Retiree Medical Insurance									
07/15/2017	2018-00000240	JE	AP	A/P Invoice Entry	Account Services and Supplies Special Dept - Materials		\$1,652.00	\$0.00	\$1,652.00
					Month January 2018	Totals	\$1,652.00	\$0.00	\$1,652.00
					Accounts Payable		732.76		\$0.00
								Balance To Date:	732.76
Invoice Number 2018-00000076	Vendor BUSINESSOLVER.COM, INC		Description 2165 - EIA PPO PT*		Invoice Date 07/15/2017	Payment Type		Amount 562,171.00	Distribution Amount 732.76
						Payment Number			
						Total		\$562,171.00	\$732.76
07/15/2017	2018-00000267	JE	AP	A/P Invoice Entry	Accounts Payable		732.76		1,465.52
					Month March 2018	Totals	732.76		1,465.52
					Accounts Payable				
Invoice Number 2018-00000076A	Vendor BUSINESSOLVER.COM, INC		Description 2165-EIA PPO PT		Invoice Date 07/15/2017	Payment Type EFT		Amount 562,171.00	Distribution Amount 732.76
						Payment Number 119			
						Total		\$562,171.00	\$732.76
07/24/2017	2018-00000255	JE	AP	Void Payment Transaction	Void Payment			732.76	732.76
					Month July 2017	Totals	\$1,465.52	\$732.76	
					Accounts Payable				
Invoice Number 2018-00000076	Vendor BUSINESSOLVER.COM, INC		Description 2165 - EIA PPO PT*		Invoice Date 07/15/2017	Payment Type		Amount 562,171.00	Distribution Amount (732.76)
						Payment Number			
						Total		\$562,171.00	(\$732.76)

Detail General Ledger Report

G/L Date Range 07/01/17 - 03/30/18

Include Sub Ledger Detail

Exclude Accounts with No Activity

G/L Date	Journal Number	Journal Type	Sub Ledger	Description/Project	Source	Reference	Debit Amount	Credit Amount	Actual Balance
G/L Account Number	626.95.7280.1000.645.704			Other Charges Retiree Medical Insurance				Balance To Date:	\$0.00
08/12/2017	2018-00000673	JE	AP	A/P Invoice Entry	Accounts Payable		732.76		1,465.52
Invoice Number	2018-00000269	Vendor			Invoice Date	Payment Type	Payment Number	Amount	Distribution Amount
	BUSINESSOLVER.COM, INC		Description		08/12/2017	EFT	239	574,350.00	732.76
							Total	\$574,350.00	\$732.76
09/09/2017	2018-00001127	JE	AP	A/P Invoice Entry	Accounts Payable	Month August 2017 Totals	\$732.76	\$0.00	\$1,465.52
Invoice Number	2018-00000503	Vendor			Invoice Date	Payment Type	Payment Number	Amount	Distribution Amount
	BUSINESSOLVER.COM, INC		Description		09/09/2017	EFT	371	563,856.00	735.00
							Total	\$563,856.00	\$735.00
09/30/2017	2018-00000936	JE	GL	Correct Retiree Medical Amounts Jul - Sept 2017			6.72		2,207.24
10/21/2017	2018-00001871	JE	AP	A/P Invoice Entry	Accounts Payable	Month September 2017 Totals	\$741.72	\$0.00	\$2,207.24
Invoice Number	2018-00000826	Vendor			Invoice Date	Payment Type	Payment Number	Amount	Distribution Amount
	BUSINESSOLVER.COM, INC		Description		10/21/2017	EFT	602	560,488.00	735.00
							Total	\$560,488.00	\$735.00
11/18/2017	2018-00002351	JE	AP	A/P Invoice Entry	Accounts Payable	Month October 2017 Totals	\$735.00	\$0.00	\$2,942.24
Invoice Number	2018-00001058	Vendor			Invoice Date	Payment Type	Payment Number	Amount	Distribution Amount
	BUSINESSOLVER.COM, INC		Description		11/18/2017	EFT	733	569,777.00	735.00
							Total	\$569,777.00	\$735.00
12/16/2017	2018-00002762	JE	AP	A/P Invoice Entry	Accounts Payable	Month November 2017 Totals	\$735.00	\$0.00	\$3,677.24
Invoice Number	2018-00001293	Vendor			Invoice Date	Payment Type	Payment Number	Amount	Distribution Amount
	BUSINESSOLVER.COM, INC		Description		12/16/2017	EFT	743	591,594.00	735.00
							Total	\$591,594.00	\$735.00
01/13/2018	2018-00003150	JE	AP	A/P Invoice Entry	Accounts Payable	Month December 2017 Totals	\$735.00	\$0.00	\$4,412.24
Invoice Number	2018-00001503	Vendor			Invoice Date	Payment Type	Payment Number	Amount	Distribution Amount
	BUSINESSOLVER.COM, INC		Description		01/13/2018	EFT	871	591,013.00	735.00
							Total	\$591,013.00	\$735.00
					Month January 2018 Totals		\$735.00	\$0.00	\$5,147.24

Detail General Ledger Report

G/L Date Range 07/01/17 - 03/30/18
Include Sub Ledger Detail
Exclude Accounts with No Activity

G/L Date	Journal Number	Journal Type	Sub Ledger	Description/Project	Source	Reference	Debit Amount	Credit Amount	Actual Balance
G/L Account Number	626.95.7280.1000.645.704	JE	AP	Other Charges Retiree Medical Insurance	Accounts Payable			Balance To Date:	\$0.00
02/10/2018	2018-00003672			A/P Invoice Entry	Invoice Date 02/10/2018	EFT	735.00		5,882.24
Invoice Number	2018-00001742			BUSINESSOLVER.COM, INC	Description 2165 - EIA PPO PT*			Amount 568,188.00	
							Total	\$568,188.00	\$735.00
03/10/2018	2018-00004154	JE	AP	A/P Invoice Entry	Month February 2018	Totals	\$735.00	\$0.00	\$5,882.24
Invoice Number	2018-00002031			BUSINESSOLVER.COM, INC	Accounts Payable		735.00		6,617.24
					Invoice Date 03/10/2018	EFT		Amount 578,511.00	
					Description 2165 - EIA PPO PT*		Total	\$578,511.00	\$735.00
G/L Account Number	626.95.7280.1000.649.101	JE	GL	Other Charges Cost Plan	Month March 2018	Totals	\$735.00	\$0.00	\$6,617.24
09/30/2017	2018-00001789			Q1 Cost Plan Allocation	Accounts Payable		\$735.00	\$732.76	\$6,617.24
					Invoice Date			Balance To Date:	\$0.00
12/31/2017	2018-00002853	JE	GL	Cost Plan Allocation Q2	Month September 2017	Totals	2,062.25	\$0.00	2,062.25
					Month December 2017	Totals	\$2,062.25	\$0.00	\$2,062.25
					Account Other Charges Cost Plan	Totals	\$4,124.50	\$0.00	\$4,124.50
				Program/Section/Activity	Administration	Totals	\$57,862.15	\$732.76	
				Division	LAFCO	Totals	\$57,862.15	\$732.76	
				Department	Trust and Agency	Totals	\$57,862.15	\$732.76	
				Fund	LAFCo	Totals	\$57,862.15	\$732.76	
				Grand Totals			\$57,862.15	\$732.76	

FY 17-18

San Benito County - Production
Receipts by G/L Distribution Report - Detail
From Date: 07/01/2017 - To Date: 03/30/2018

G/L Account Number	G/L Date	Due To/From Fund	Project	Transactions	Debit Amount	Credit Amount
Fund: 626 - LAFCo						
Department: 95 - Trust and Agency						
Division: 7280 - LAFCo						
Program/Section/Activity: 1000 - Administration						
Account: 523.001 - Licenses, Permits and Franchises Other						
	03/28/2018			1	\$0.00	\$1,620.00
Receipt Number	Receipt Batch Number	Payment Code	Transaction Description	Received From	Debit Amount	Credit Amount
2018-00006249	2018-00003142	BP523001	LAFCo-City of Hollister #523 Receipt No PW001560	Trinity Source Group Inc		1,620.00
Account Total: Licenses, Permits and Franchises Other					1	\$0.00
						\$1,620.00
Program/Section/Activity Total: Administration						\$0.00
Division Total: LAFCo						\$1,620.00
Department Total: Trust and Agency						\$0.00
Fund Total: LAFCo						\$1,620.00
Grand Total:					1	\$0.00
						\$1,620.00

CLOSED SESSION

**8. Closed Session-Conference with
Legal Counsel-Anticipated
Litigation:**

**Significant Exposure to litigation
pursuant to Section 54956.9:**

Number of Cases: (1)

**Closed session is authorized by
Section 54956.9(d)(2), (e)(1)**

Jaime De La Cruz

Would like to issue a check to ARTI-Culture in the amount of 500.00

INFORMATIONAL

9. Commissioner announcements and request for future Agenda Items.

10. Executive Officer oral status report on pending proposals.

11. Adjourn to regular meeting at 3:00 p.m. on May 10, 2018, unless meeting time is changed based on Commission action or cancelled by Chair.
