

SAN BENITO LOCAL AGENCY FORMATION COMMISSION

REGULAR MEETING AGENDA

Thursday, April 8, 2021 – 6:00 P.M.

Board of Supervisors Chambers
481 Fourth Street, Hollister CA

Pursuant to California Governor Gavin Newsom's Executive Order N-29-20 issued on March 17, 2020, relating to the convening of public meetings in response to the COVID-19 pandemic, members of the Commission are allowed to attend the meeting via teleconference and to participate in the meeting to the same extent as if they were present.

THIS MEETING WILL BE CLOSED TO THE PUBLIC and can be accessed by the public in the following methods: Through Zoom (<https://zoom.us/join>) per the instruction stated below, and other methods as described further below with the following ID and Password:

Webinar ID: 990 3080 4344
Webinar Password: 590261

Participating by Zoom:

Three ways to attend Zoom meetings: on a web browser, through the Zoom App, or over the phone. Each webinar will have a webinar ID and password, which is a unique number associated with an instant or scheduled meeting (found at the top of this text). The chat feature is disabled for all participants. Additionally, the video function is not available to the public.

Zoom regularly provides new versions of the Zoom desktop client and Zoom mobile app to release new security features and fix bugs. To ensure you can join the meeting and participate through public comment, please launch the web address to download the Zoom application: <https://zoom.us/support/download>. Furthermore, we recommend upgrading to the latest version of Zoom once it is available. Please visit <https://support.zoom.us/hc/en-us/articles/201362233-Upgrade-update-to-the-latest-version> to ensure you have the newest Zoom update.

Zoom on Web-browser:

- a. If joining through web-browser, launch the address <https://zoom.us/join> or open the direct link listed below: <https://zoom.us> or launch the Zoom app on your Tablet or Smartphone.
- b. Select "JOIN A MEETING"
- c. The participant will be prompted to enter Webinar ID and Password listed above and name to join the meeting. The meeting agenda can be found at <https://www.cosb.us/>
- d. The participant can launch audio through their computer or set it up through the phone.

e. Public Comment: Select the “Participants Tab” and click “Raise hand” icon, and the Zoom facilitator will unmute you when your turn arrives.

Zoom Audio Only (phone):

- a. If you are calling in as audio-only, please dial US: +1 669 900 6833 or +1 408 638 0968
- b. It will ask you to enter the Webinar ID listed above, followed by the “#” key (pound key), then enter Webinar Password listed above at the top page of the agenda. The meeting agenda can be found at <https://www.cosb.us/>
- c. It will then ask for a Participant ID, press the “#” key (pound key) to continue.
- d. Once you enter the Zoom meeting, you will automatically be placed on mute.
- e. Public Comment: If you are using a phone, please press “*9” (star-nine) to raise your hand, and the Zoom facilitator will unmute you when your turn arrives.

Written Comments & Email Public Comment

Members of the public may submit comments via email by 5:00 PM on the Wednesday prior to the meeting to the LAFCO Clerk at Jfrechette@cosb.us.

Public Comment Guidelines

- a. The Commission welcomes your comments.
- b. If participating on Zoom, once you are selected you will hear that you have been unmuted: At this time, please state your first name, last name, and county you reside in for the record.
- c. Each individual speaker will be limited to a presentation total of three (3) minutes, or such other time as may be designed by the Chair.
- d. Please keep your comments, brief, to the point, and do not repeat prior testimony, so that as many people as possible can be heard. Your cooperation is appreciated.

If you have any questions, please contact the LAFCO Clerk at (831) 636-4000, Ext. 13 or email JFrechette@cosb.us

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: March 11, 2021

BUSINESS ITEMS – HEARING ITEMS

6. Approval of the Proposed 2021-22 LAFCO Budget

BUSINESS ITEMS – NON-HEARING ITEMS

7. Consider letter of support for AB 1581 (Commission on Local Government) involving the annual omnibus bill sponsored by the California Association of Local Agency Formation Commissions (CALAFCO) involving technical non-substantive changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

INFORMATIONAL

8. Discussion on role of Alternate Members of the Commission during LAFCO meetings in relation to the adopted Rules and Procedures of the Commission (bylaws) in Chapter 3, Section C.2.
9. Commissioner Announcements and Requests for Future Agenda Items
10. Executive Officer oral status report on pending proposals.
11. Adjourn to next regular meeting on May 13, 2021, unless meeting is cancelled by the 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 Clerk’s Office at least three (3) days prior to the meeting by telephone at 831/636-4000, Ext. 13 or by email at Jfrechette@cosb.us.

*LOCAL AGENCY FORMATION COMMISSION
2301 Technology Parkway
Hollister, CA 95023*



CERTIFICATE OF POSTING

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

**SAN BENITO COUNTY LOCAL AGENCY FORMATION
COMMISSION**

Scheduled for April 8, 2021, was posted at the San Benito County Resource Management Agency, 2301 Technology Parkway, Hollister, CA and at the San Benito County Administration Office, 481 Fourth Street, Hollister, CA on this 2nd day of April 2021.

Jennifer Frechette
Clerk of the Board

CONSENT AGENDA

5. Approval of minutes: March 11, 2021 meeting.



SAN BENITO LOCAL AGENCY FORMATION COMMISSION MINUTES OF MEETING

March 11, 2021

Board of Supervisors Chambers - Hollister, CA

CALL TO ORDER

1. Chair Mark Medina called the meeting to order at 6:00 p.m. Those present were Executive Officer Bill Nicholson and Commissioners: Cesar Flores, Mark Medina, Richard Bettencourt, Bob Tiffany, and Ignacio Velazquez. Also present were Reed Gallogly, LAFCO Counsel, and Jennifer Frechette, Recording Secretary.
2. Commissioner Bettencourt led the Pledge of Allegiance.
3. **APPROVE AFFIDAVIT OF POSTING AGENDA**

Commissioner Bettencourt made a motion to accept the Affidavit of Posting, Commissioner Tiffany seconded. (4/0 vote)

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

PUBLIC COMMENT

4. **Public Comment Period:** Comments were provided by Elia Salinas.

CONSENT AGENDA

5. **Approval of minutes: January 14, 2021**

Commissioner Bettencourt made a motion to approve the minutes of January 14, 2021, Commissioner Tiffany seconded.

*Ayes: Medina, Flores, Bettencourt, Tiffany, Velazquez
Noes: None
Abstain: None
Absent: None*

BUSINESS ITEMS- NON-HEARING ITEMS

6. **Consideration of Exemption from LAFCO Review Under Government Code Section 56133(e)(4) for continuation of sewer service from the City of Hollister to a “HEAP” grant-funded homeless housing project consisting of 5 prefabricated small residences located at the County Migrant Farm Labor Housing project site at 3235 Southside Road (Assessor’s Parcel Number 020-300-030). The project is proposed by the San Benito County Health & Human Services Agency.**

Executive Officer Bill Nicholson provided background information on the current county migrant farm labor housing project, known as HEAP. LAFCO Review is needed for the city to provide sewer connection to a project that extends outside of city limits.

This project is exempt from LAFCO review because sewer service was in existence prior to 2001, and there is no increase in demand for sewer.

Commissioner Velasquez is alright with this. Commissioner Flores and Tiffany had no comments. Commissioner Bettencourt wanted to know if the county can use the vacant RV areas in the future.

Mr. Nicholson responded that for each homeless unit, an RV space will remain vacant.

Public Comment: Comments in support of housing were provided by Elia Salinas.

Commissioner Tiffany made a motion to approve the exemption from LAFCO Review for the 5 prefabricated small residences located at the County Migrant Labor Housing project, seconded by Commissioner Bettencourt.

*Ayes: Medina, Bettencourt, Flores, Tiffany, Velazquez
Noes: None
Abstain: None
Absent: None*

7. First amendment to the Contract for Executive Officer Services adding a cost-of-living adjustment provision.

Executive Officer Bill Nicholson provided background information on an addition of a cost-of-living adjustment for the contract for Executive Officer Services. This item was brought up last year and was continued based on the COVID crises.

The cost-of-living increase would be reviewed each year based on the consumer price index.

Commissioner Tiffany believed it was a reasonable approach.

Commissioner Flores believed it is time.

Commissioner Velasquez believed Mr. Nicholson deserves the increase.

Commissioner Medina concurred with the other commissioners and had no issues with this item.

Public Comment: Elia Salinas summarized past billing and questioned how Executive Officer's time is calculated.

Commissioner Velasquez brought up the role of alternate commissioners speaking or participating during public comment based on past commission action.

Mr. Gallogly provided background information on alternate board members and speaking during public comment.

There was a discussion between the Commissioners on previous discussions regarding alternates and the LAFCO bylaws.

Mr. Nicholson provided background information on bylaws regarding alternates attending meetings and discussing items. Alternates can speak during public comment but not as a commissioner, only as a member of the public.

Commissioner Medina requested that a copy of the bylaws be forwarded to him by Mr. Nicholson.

Mr. Nicholson agreed to forward a copy to Mr. Medina and all the LAFCO Commissioners.

Commissioner Velasquez made a motion to approve the First Amendment to the contract for Executive Officer Services adding a cost-of-living adjustment provision, seconded by Commissioner Bettencourt

Ayes: Medina, Bettencourt, Flores, Tiffany, Velazquez
Noes: None
Abstain: None
Absent: None

8. Discussion of upcoming Budget Process and Work Program for Fiscal Year 2021-22.

Executive Officer Bill Nicholson provided background information on the budget process. The Commission needs to adopt a preliminary budget and provide it to the cities and all special districts because LAFCO is funded 50% by cities and 50% by the county. We will need to bring back the Final Budget to the April meeting after feedback. We then have to adopt budget by June 15th.

Mr. Nicholson mentioned that completion of a Municipal Service Review of the County Service Area (CSAs) was delayed, and he would recommend this continue for next year's work program. Mr. Nicholson also discussed the process for the review of sphere of influence. Would not recommend LAFCO initiate either municipal service review (MSR) or a sphere of influence but let cities propose them first, as they are both working on it now.

Commissioner Bettencourt asked if MSR's are not completed every five years if LAFCO can get fined.

Mr. Nicholson responded that there is not a fine.

Commissioner Bettencourt asked that Hollister paying 93% of the city half portion for LAFCO funding be discussed during the budget discussions.

Commissioner Velasquez agreed it should be discussed during that meeting.

Commissioner Tiffany agreed looking at the CSA's and asked if Sunnyslope Water District MSR should be updated.

Mr. Nicholson responded that it may be premature to update it now without knowing what water services the City of Hollister will be needing based on their pending General Plan update. Sunnyslope could wait until we complete the City's sphere of influence update.

Commissioner Flores had no comments.

Public Comment: David Early, Consultant of the City of Hollister General Plan Update gave a status report. Elia Salinas requested LAFCO investigate forming a sewer district and possibly a water district.

Mr. Nicholson explained that the laws governing LAFCO determine where the funding comes from. San Benito County does not have special districts, so the two cities pay half the funds according to their total revenue and the county pays the other half.

No action taken.

9. Commission direction on whether to initiate a Sphere of Influence Amendment for the City of Hollister in the Southside Road Area (12-month review requested at the February 19, 2020 Commission Meeting).

Executive Officer Bill Nicholson provided background information and an update for several projects being processed by the City of Hollister. Annexation or future annexation needs to be within the City's Sphere of Influence. The City is working on their proposed sphere, but it will be reviewed and ultimately approved by LAFCO. No new applications have been filed in the area, so no rush on moving forward with this amendment.

Commissioner Velasquez explained that the General Plan for Hollister is close to being completed and suggests this be moved to 2022.

Commissioner Tiffany asked Mr. Velasquez when during 2022 he expects the General Plan to come out.

Commissioner Velasquez expressed that he is looking forward to the completion of the General Plan to be in 2022 and Mr. Early could further elaborate on that.

Commissioner Flores had no comment.

Commissioner Bettencourt agreed with Commissioner Tiffany to wait for the General Plan to be completed and asked Mr. Nicholson if there are any concerns if nothing is done until the General Plan is completed.

Mr. Nicholson explained that he would always recommend the commission move the sphere for an urban service extension like sewer service, and for urban development that should be in the sphere of influence of the city.

Public Comment: David Early commented that the General Plan Update is also looking at the sewer service issue for Hollister and the surrounding area.

Direction was to not reinstate a Sphere of Influence Amendment for the City of Hollister in the Southside Road Area and wait for the General Plan to be completed.

INFORMATIONAL

10. Commissioner Announcements and Requests for Future Agenda Items

Commissioner Tiffany, Flores, and Medina had no announcements or requests.

Commissioner Velasquez would like to revisit the alternates participating in the meetings.

Commissioner Bettencourt would like to talk about a sewer district.

Alternates participating in the meetings will be put on the next agenda.

Commissioner Medina requested Commissioner Nicholson provide the LAFCO bylaws and the minutes from the meeting in which alternates participating in the meetings was discussed.

11. Executive Officer oral status report on pending proposals.

Executive Officer Bill Nicholson gave information regarding Annexation of the Rosati property, on the southside of Santa Ana Rd. Will be scheduled for the May 2021 agenda. Also has a draft application request for a water connection from San Juan Bautista regarding the Dassel subdivision in the county.

ADJOURNMENT

13. Upon a motion by Commissioner Bettencourt, and seconded by Commissioner Flores, adjourned meeting at 7:16 p.m.

Final Minutes Approved by the Commission
on _____

By: _____
Mark Medina, Chairman

BUSINESS ITEMS- HEARING ITEMS

6. Approval of the Proposed 2021-22 LAFCO Budget



LOCAL AGENCY FORMATION COMMISSION
SAN BENITO COUNTY

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

April 8, 2021 (Agenda)

Local Agency Formation Commission
2301 Technology Parkway
Hollister CA 95023

Proposed LAFCO Budget for FY 2021-22
(Agenda Item 6)

Dear Members of the Commission:

RECOMMENDATION

It is recommended the Commission:

1. Review the Proposed Budget for Fiscal Year 2021-22, 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 13, 2021 regular Commission meeting, scheduled at 6:00 pm.

DISCUSSION

Attached to this Report is a summary of the Proposed Budget for Fiscal Year 2021-2022 "Explanation of Accounts" which also identifies the appropriations and expenditures experienced through March 31st in the current 2020-21 Fiscal Year. As a short summary, as of the end of March, the Commission had expended \$48,586 of the full year's budget of \$151,518 (representing approximately 32%). The next Fiscal Year budget is proposed to decrease slightly to a total of \$149,579.

As detailed in the Explanation of Accounts attachment, current fiscal year expenditures are well below budgeted amounts in several accounts - notably accounts related to processing of boundary change applications: services and supplies, legal notices, and consultant (Executive Officer) and Clerk service costs. We don't have current year invoices from County Counsel and there were no expenditures for conferences and travel due to the cancelled conferences from the COVID-19 pandemic. A copy of the "Budget Performance Report" for the 7/1/20 to 3/31/21 time period is provided as an attachment which highlights

expenditures and revenues by account number. This report doesn't necessarily show all transactions through March 31st, and in the first attachment: "Explanation of Accounts" bills received by March 31st, but not yet paid are reflected in the individual account totals.

Revenue from application fees totaled \$1,840.00 in the first three quarters (reflecting one annexation and one out of agency boundary service request). However, there is one recent application submitted that is not reflected and two pending in the next month or two which could increase the total revenue to \$5,000 or more. Non-application revenue for LAFCO operations comes from mandatory contributions from the County and the Cities of Hollister and San Juan Bautista, and billing by the County Auditor doesn't typically occur until near the end of the Fiscal Year.

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 beyond the LAFCO Commission itself.

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.

Slight Proposed Budget Decrease

There are several recommended changes in the Proposed Budget from the current fiscal year that, in total, would decrease requested appropriations by a total of \$1,939. This has to do with recalculating the anticipated hours to be spent by the Executive Officer in support of LAFCO functions. Time is typically based on 35 hours allocated per month, and there is a proposed continuation of a special project with the County that got delayed: an update to the County Service Area (CSA) municipal service review estimated at 50 hours.

However, in last year's budget, older projects which had been completed still were included in the time estimate but are no longer necessary. The cost is still lower, even when accounting for an estimated consumer price index (CPI) increase approved by the Commission at the March 11, 2021 meeting, which is estimated at 2.5% (amounting to an additional \$1,645 if all 490 hours are worked in the coming Fiscal Year).

This saving is partially offset by increases in the California Association of Local Agency Formation Commissions (CALAFCO) dues being increased by \$46 based on the County's population increase, an increase in the GIS Service account of \$620, and an increase in advertising costs to be prepared for an anticipated increase in public hearing items next Fiscal Year.

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.

However, the Commission should be aware that appropriations which are not expended during one fiscal year become part of the Available Fund Balance to finance the following fiscal year budget. These "carry over" funds reduce the amount requested to be paid by the County and Cities. The Auditor's Office computes any fund balance at the end of the fiscal year.

Revenues

Contributions from the County and cities represent the great majority of LAFCO revenue. At the Proposed Budget Hearing, the Executive Officer will provide an update as to what these jurisdictions have paid in the prior fiscal year. Application fee revenue amounted to \$1,840.00 in the first three quarters, which is historically very low, although \$1,120 has recently been submitted for the Rosati Annexation to Hollister and two or three other application are anticipated by the end of the Fiscal year which could raise this total to over \$5,000.00. With the City of Hollister General Plan update underway and efforts by the City of San Juan Bautista to identify a preferred sphere of influence, application activity, and corresponding revenue, is expected to increase in the next fiscal year.

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 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 13, 2021.

Local Agency Formation Commission
Proposed Budget for FY 2021-2022
April 8, 2021 (Agenda)
Page 4

Sincerely,



Bill Nicholson
Executive Officer

Enclosures:

1. Proposed Budget for FY 2021-22 "Statement of Accounts"
2. Budget Performance Report – Date Range 07/01/20-03/31/21

**SAN BENITO LOCAL AGENCY FORMATION
COMMISSION**

Proposed Budget for Fiscal Year 2021-22

Explanation of Accounts

Object Code No.	Description	FY 2022-21 Adopted	As of 3/31/21	FY 2021-22 Proposed	Change
619.166	CALAFCO Membership	1,829	1,829	1,875	46
	Membership dues reflect minor increase based on population increase.				
619.172	Service & Supplies: Postage	1,000	78	1,000	0
	Maintain account based on historic application activity.				
619.174	Service & Supplies: Office Supplies & Copies	2,000	44	2,000	0
	Maintain account based on historic application activity & use of County copying rate.				
619.180	Services & Supplies: Legal Notice	750	368	1,000	250
	Increase based on anticipated advertising costs and application activity.				
619.194	Training - Registration	1,500	0	1,500	0
619.196	Travel - Lodging	1,520	0	1,520	0
	Executive Officer and Commissioner attendance at CALAFCO Conference – Assumes Fall Conference in October 2021 and Staff Workshop in Irvine in April 2022.				
619.198	Training & Education - Meals	300	0	300	0
	Corresponding meal reimbursement for conference attendance/travel held stable.				
619.200	Travel – Mileage	1,000	36	1,000	0
	For attending conferences and special meetings, reduced based on historic usage.				
619.210	Legal Counsel Services	10,000	0	10,000	0
	Legal services are provided by County Counsel and Outside Counsel; not billed yet.				
619.222	LAFCO Consultant Services	69,300	27,475	66,445	(2,855)
	Executive Officer services at 35 hours/mo. & 50 hours support for MSR for County Service Areas (CSAs) from the 2020-21 Fiscal Year (with CPI increase est. of 2.5%)				
619.226	Prof. Services: Public Works (Map/Legal review)	2,000	0	2,000	0

San Benito Local Agency Formation Commission
Proposed Budget for Fiscal Year 2021-22
Page 2

Object Code No.	Description	FY 2020-21 Adopted	As of 3/31/21	FY 2021-22 Proposed	Change
619.252	County GIS Contribution	1,796	2,416	2,416	620
	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	21,523	9,175	21,523	0
	County overhead for Auditor/Administration and related functions – increase based on FY 2019-20 expenses.				
TBD	Board Clerk Support	7,000	1,285	7,000	0
	Reimbursement for Board Clerk as LAFCO Clerk – anticipate increase in activity.				
645.704	Retire – Medical Insurance	10,000	5,880	10,000	0
	Medical insurance costs for former Executive Officer – OPEB responsibility.				
999.999	Contingency Reserve	20,000	0	20,000	0
	Contingency Reserve – remain at \$20,000 for emergencies/unanticipated costs. Funds only spent with prior Commission authorization.				
	Totals	151,518	48,586	149,579	(1,939)

Budget Performance Report

Fiscal Year to Date 03/31/21:
Include Rollup Account and Rollup to Base

Account	Account Description	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	Encumbrances	YTD Transactions	YTD Transactions	Budget - YTD Transactions	% Used/Rec'd	Prior Year Total
Fund 626 - LAFCO											
REVENUE											
Department 95 - Trust and Agency											
Division 7280 - LAFCO											
Program/Section/Activity 1000 - Administration											
523 Licenses, Permits and Franchises											
523.001 Licenses, Permits and Franchises Other											
541 523 - Licenses, Permits and Franchises Totals											
541 Use of Money and Property											
541.001 Use of Money and Property Interest											
560 541 - Use of Money and Property Totals											
560 Charges for Services											
560.203 Charges for Services City of Hollister											
560.204 Charges for Services Contribution City of SJB											
560 560 - Charges for Services Totals											
575 Other Financing											
575.001 Other Financing Contribution from General Fund											
575 575 - Other Financing Totals											
1000 - Administration Totals											
Division 7280 - LAFCO Totals											
Department 95 - Trust and Agency Totals											
REVENUE TOTALS											
EXPENSE											
Department 95 - Trust and Agency											
Division 7280 - LAFCO											
Program/Section/Activity 1000 - Administration											
619 Services and Supplies											
619.166 Services and Supplies Membership Dues											
619.172 Services and Supplies Postage and Delivery											
619.174 Services and Supplies Office Supplies											
619.180 Services and Supplies Public and Legal Notices											
619.194 Services and Supplies Training											
619.196 Services and Supplies Lodging											
619.198 Services and Supplies Meals											
619.200 Services and Supplies Transportation											
619.222 Services and Supplies Other Consultants											
619.226 Services and Supplies Administrative Support											
619 619 - Services and Supplies Totals											
645 Other Charges											
645.704 Other Charges Retiree Medical Insurance											
645 645 - Other Charges Totals											

Budget Performance Report
Fiscal Year to Date 03/31/21
Include Rollup Account and Rollup to Base

Account	Account Description	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	Encumbrances	YTD Transactions	YTD Transactions	Budget - YTD Transactions	% Used/Rec'd	Prior Year Total
Fund 626 - LAFCo											
EXPENSE											
Department 95 - Trust and Agency											
Division 7280 - LAFCo											
Program/Section/Activity 1000 - Administration											
Other Charges											
Other Charges Cost Plan											
649											
649.101											
	649 - Other Charges Totals	.00	.00	.00	4,587.75	.00	13,763.25	(13,763.25)	+++		17,190.00
	1000 - Administration Totals	\$0.00	\$0.00	\$0.00	\$4,587.75	\$0.00	\$13,763.25	(\$13,763.25)	+++		\$17,190.00
	Division 7280 - LAFCo Totals	\$0.00	\$0.00	\$0.00	\$4,587.75	\$0.00	\$43,701.30	(\$43,701.30)	+++		\$88,569.99
	Department 95 - Trust and Agency Totals	\$0.00	\$0.00	\$0.00	\$4,587.75	\$0.00	\$43,701.30	(\$43,701.30)	+++		\$88,569.99
	EXPENSE TOTALS	\$0.00	\$0.00	\$0.00	\$4,587.75	\$0.00	\$43,701.30	(\$43,701.30)	+++		\$88,569.99
Fund 626 - LAFCo Totals											
REVENUE TOTALS		.00	.00	.00	.00	.00	1,768.73	(1,768.73)	+++		97,715.92
EXPENSE TOTALS		.00	.00	.00	4,587.75	.00	43,701.30	(43,701.30)	+++		88,569.99
Fund 626 - LAFCo Totals		\$0.00	\$0.00	\$0.00	(\$4,587.75)	\$0.00	(\$41,932.57)	\$41,932.57			\$9,145.93
Grand Totals											
REVENUE TOTALS		.00	.00	.00	.00	.00	1,768.73	(1,768.73)	+++		97,715.92
EXPENSE TOTALS		.00	.00	.00	4,587.75	.00	43,701.30	(43,701.30)	+++		88,569.99
Grand Totals		\$0.00	\$0.00	\$0.00	(\$4,587.75)	\$0.00	(\$41,932.57)	\$41,932.57			\$9,145.93

BUSINESS ITEMS – NON- HEARING ITEMS

7. Consider letter of support for AB 1581 (Commission on Local Government) involving the annual omnibus bill sponsored by the California Association of Local Agency Formation Commissions (CALAFCO) involving technical non-substantive changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.



LOCAL AGENCY FORMATION COMMISSION

SAN BENITO COUNTY

2301 Technology Parkway

Hollister, CA 95023

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

DATE: April 8, 2021 (Agenda)

TO: Local Agency Formation Commission

FROM: ^{BH} Bill Nicholson, Executive Officer

RE: Letter of Support for AB 1581 Local Government Committee Omnibus Bill
(Agenda Item 7)

The California Association of Local Agency Formation Commissions (CALAFCO) has sent out a request to all LAFCOs requesting letters of support for an annual "omnibus bill" which provides minor technical or procedural changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the Act) which governs LAFCO activities. Our professional association, CALAFCO, works closely with the Assembly Local Government Committee to author these omnibus bills, and the proposed technical changes to the Act come from professionals from local LAFCOs – with the requirement they be non-substantive changes and non-controversial.

This year's list involves the following proposed amendments to the Act (and the Bill is attached):

- 1) Clarify that LAFCO is responsible to periodically adopt, amend or "update" spheres of influence of local agencies, and removes the word "revise" as a periodic "update" is how the law is currently worded; and
- 2) Clarify that the LAFCO in the county where a service is going to be extended outside the agency's boundary (city or special district) is responsible to process the extension request rather than the LAFCO in the county where the service comes from; and
- 3) Would exempt dissolved inactive special district from tax sharing negotiations.

It is not likely that most of these provisions will impact San Benito LAFCO except for special districts - including County Service areas (CSAs) – which are dissolved under a streamlined process being exempted from the tax sharing negotiations is a benefit since 11 CSAs were recently dissolved through this process.

Action Requested

Approve a letter of support for Assembly Bill AB 1253 (Rivas) regarding grant funding for local LAFCOs.

Enclosure: Draft Letter of Support for AB 1581

Commissioners: Ignacio Valezquez, Chair ♦ Anthony Botelho, Vice Chair ♦ Richard Bettencourt ♦ Jaime De La Cruz ♦ Cesar Flores

Alternate Commissioners: Don DeVries ♦ Mark Medina ♦ 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 8, 2021

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

RE: SUPPORT of AB 1581: Local Government Committee Omnibus Bill (as amended April 8, 2019)

Dear Chair Aguiar-Curry:

The San Benito Local Agency Formation Commission (LAFCo) is pleased to support the Assembly Local Government Committee Bill AB 1581, sponsored by the California Association of Local Agency Formation Commissions (CALAFCO), 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 1581 currently makes minor technical corrections to language used in the Act. The San Benito LAFCo is grateful to your Committee, staff and CALAFCO, 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 support of this bill, and your support of the mission of LAFCOs.

Yours sincerely,

Mark Medina
LAFCO Chair

cc: Members, Assembly Local Government Committee
Jimmy MacDonald, Consultant, Assembly Local Government Committee
Pamela Miller, Executive Director, CALAFCO

Commissioners: Mark Medina, Chair ♦ Richard Bettencourt, Vice Chair ♦ Ignacio Velazquez ♦ Cesar Flores ♦ Bob Tiffany

Alternate Commissioners: Rolan Resendiz ♦ Elia Salinas ♦ Bea Gonzalez **Executive Officer:** Bill Nicholson

ASSEMBLY BILL

No. 1581

Introduced by Committee on Local Government

March 9, 2021

An act to amend Sections 56133, 56427, and 56879 of, and to amend and renumber Section 56325.1 of, the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 1581, as introduced, Committee on Local Government. Local government: omnibus.

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, 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. Existing law requires a local agency formation 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. Existing 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.

Existing law requires the commission to adopt, amend, or revise spheres of influence after a public hearing called and held for that purpose.

This bill would revise and recast that provision to provide that the commission is required to adopt, amend, or update spheres of influence after a public hearing called and held for that purpose.

Existing law authorizes a commission in the county which an extension of service is proposed to approve (1) a city or district to provide new or extended services by contract or agreement outside its jurisdictional boundary in writing, (2) a city or district to provide new or extended services outside its jurisdictional boundary but within its sphere of influence in anticipation of a later change of organization, and (3) a city or district to provide new or extended services outside 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 if specified conditions are met.

This bill would revise and recast those provisions to remove the general requirement the commission must be in the county which an extension of service is proposed and provide that a city or district may provide new or extended services by contract or agreement outside its jurisdictional boundary only if it first requests and receives written approval from the commission of the county in which the affected territory is located.

Existing law requires the commission to dissolve inactive districts and provides that dissolved districts are not subject to specified provisions.

This bill would add that dissolved districts are not subject to specified taxation provisions related to jurisdictional changes.

This bill would make other nonsubstantive changes.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 56133 of the Government Code is
- 2 amended to read:
- 3 56133. (a) A city or district may provide new or extended
- 4 services by contract or agreement outside its jurisdictional
- 5 boundary only if it first requests and receives written approval
- 6 from the ~~commission~~. *commission of the county in which the*
- 7 *affected territory is located.*
- 8 (b) The commission may authorize a city or district to provide
- 9 new or extended services outside its jurisdictional boundary but
- 10 within its sphere of influence in anticipation of a later change of
- 11 organization.

1 (c) The commission may authorize a city or district to provide
2 new or extended services outside its jurisdictional boundary and
3 outside its sphere of influence to respond to an existing or
4 impending threat to the health or safety of the public or the
5 residents of the affected territory, if both of the following
6 requirements are met:

7 (1) The entity applying for approval has provided the
8 commission with documentation of a threat to the health and safety
9 of the public or the affected residents.

10 (2) The commission has notified any alternate service provider,
11 including any water corporation as defined in Section 241 of the
12 Public Utilities Code, that has filed a map and a statement of its
13 service capabilities with the commission.

14 (d) The executive officer, within 30 days of receipt of a request
15 for approval by a city or district to extend services outside its
16 jurisdictional boundary, shall determine whether the request is
17 complete and acceptable for filing or whether the request is
18 incomplete. If a request is determined not to be complete, the
19 executive officer shall immediately transmit that determination to
20 the requester, specifying those parts of the request that are
21 incomplete and the manner in which they can be made complete.
22 When the request is deemed complete, the executive officer shall
23 place the request on the agenda of the next commission meeting
24 for which adequate notice can be given but not more than 90 days
25 from the date that the request is deemed complete, unless the
26 commission has delegated approval of requests made pursuant to
27 this section to the executive officer. The commission or executive
28 officer shall approve, disapprove, or approve with conditions the
29 extended services. If the new or extended services are disapproved
30 or approved with conditions, the applicant may request
31 reconsideration, citing the reasons for reconsideration.

32 (e) This section does not apply to any of the following:

33 (1) Two or more public agencies where the public service to be
34 provided is an alternative to, or substitute for, public services
35 already being provided by an existing public service provider and
36 where the level of service to be provided is consistent with the
37 level of service contemplated by the existing service provider.

38 (2) The transfer of nonpotable or nontreated water.

39 (3) The provision of surplus water to agricultural lands and
40 facilities, including, but not limited to, incidental residential

1 structures, for projects that serve conservation purposes or that
2 directly support agricultural industries. However, prior to extending
3 surplus water service to any project that will support or induce
4 development, the city or district shall first request and receive
5 written approval from the commission in the affected county.

6 (4) An extended service that a city or district was providing on
7 or before January 1, 2001.

8 (5) A local publicly owned electric utility, as defined by Section
9 9604 of the Public Utilities Code, providing electric services that
10 do not involve the acquisition, construction, or installation of
11 electric distribution facilities by the local publicly owned electric
12 utility, outside of the utility's jurisdictional boundary.

13 (6) A fire protection contract, as defined in subdivision (a) of
14 Section 56134.

15 ~~(f) This section applies only to the commission of the county~~
16 ~~in which the extension of service is proposed.~~

17 SEC. 2. Section 56325.1 of the Government Code is amended
18 and renumbered to read:

19 ~~56325.1.~~

20 ~~56331.4~~ While serving on the commission, all commission
21 members shall exercise their independent judgment on behalf of
22 the interests of residents, property owners, and the public as a
23 whole in furthering the purposes of this division. Any member
24 appointed on behalf of local governments shall represent the
25 interests of the public as a whole and not solely the interests of the
26 appointing authority. This section does not require the abstention
27 of any member on any matter, nor does it create a right of action
28 in any person.

29 SEC. 3. Section 56427 of the Government Code is amended
30 to read:

31 56427. The commission shall adopt, amend, or ~~revise~~ *update*
32 spheres of influence after a public hearing called and held for that
33 purpose. At least 21 days prior to the date of that hearing, the
34 executive officer shall give mailed notice of the hearing to each
35 affected local agency or affected county, and to any interested
36 party who has filed a written request for notice with the executive
37 officer. In addition, at least 21 days prior to the date of that hearing,
38 the executive officer shall cause notice of the hearing to be
39 published in accordance with Section 56153 in a newspaper of
40 general circulation which is circulated within the territory affected

by the sphere of influence proposed to be adopted. The commission may continue from time to time any hearing called pursuant to this section.

At any hearing called and held pursuant to this section, the commission shall hear and consider oral or written testimony presented by any affected local agency or affected county or any interested person who wishes to appear.

This section shall only apply to spheres of influence adopted by the commission after January 1, 1975.

SEC. 4. Section 56879 of the Government Code is amended to read:

56879. (a) On or before November 1, 2018, and every year thereafter, the Controller shall create a list of special districts that are inactive, as defined in Section 56042, based upon the financial reports received by the Controller pursuant to Section 53891. The Controller shall publish the list of inactive districts on the Controller's ~~Internet Web site~~, *internet website*. The Controller shall also notify the commission in the county or counties in which the district is located if the Controller has included the district in this list.

(b) The commission shall initiate dissolution of inactive districts by resolution within 90 days of receiving notification from the Controller pursuant to subdivision (a), unless the commission determines that the district does not meet the criteria set forth in Section 56042. The commission shall notify the Controller if the commission determines that a district does not meet the criteria set forth in Section 56042.

(c) The commission shall dissolve inactive districts. The commission shall hold one public hearing on the dissolution of an inactive district pursuant to this section no more than 90 days following the adoption of the resolution initiating dissolution. The dissolution of an inactive district shall not be subject to any of the following:

(1) Chapter 1 (commencing with Section 57000) to Chapter 7 (commencing with Section 57176), inclusive, of Part 4.

(2) Determinations pursuant to subdivision (b) of Section 56881.

(3) Requirements for commission-initiated changes of organization described in paragraph (3) of subdivision (a) of Section 56375.

- 1 (4) *Sections 99 and 99.01 of the Revenue and Taxation Code.*

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INFORMATIONAL

8. Discussion on role of Alternate Members of the Commission during LAFCO meetings in relation to the adopted Rules and Procedures of the Commission (bylaws) in Chapter 3, Section C.2.

9. Commissioner Announcements and Requests for Future Agenda Items

10. Executive Officer oral status report on pending proposals.

11. Adjourn to next regular meeting on May 13, 2021, unless meeting is cancelled by the Chair.



LOCAL AGENCY FORMATION COMMISSION
SAN BENITO COUNTY

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

DATE: April 8, 2021 (Agenda)
TO: Local Agency Formation Commission
FROM: Bill Nicholson, Executive Officer
RE: Discussion on role of Alternate Members of the Commission during LAFCO meetings in relation to the adopted Rules and Procedures of the Commission (bylaws) in Chapter 3, Section C.2. **(Agenda Item 8)**

At the March 11, 2021 Commission meeting, there was a discussion about the role of alternate members of the Commission during a Commission meeting when the regular voting member is present. The Executive Officer briefly indicated that the "bylaws" (formally contained in the Rules and Procedures in the Commissioner Handbook) were modified several years ago to limit the participation of alternate members during the meeting. As a result, alternates would have the same rights as members of the public and the same opportunities to participate during meetings as provided for during public comment periods.

Chair Medina directed that Staff and Counsel look into this matter and place it on the next agenda for information.

At the June 8, 2017 regular Commission meeting, the Commission took action on a 4-1 vote to modify the Rules and Procedures, in Chapter 3, Section C.2. to read:

"Alternate members may not participate in LAFCO proceedings except in the absence or disqualification of a regular member."

A copy of the Resolution approving this change to the Commission's Rules and Procedures, as contained in the *Commissioner Handbook* is attached along with the page from the June 8, 2017 Meeting Minutes where the action was taken under Agenda Item No. 7.

Requested Action

At the recent March 11th Commission meeting, the Chair directed that this subject be placed on the next Commission agenda, but there was no direction from the Chair or vote by the Commission for any change to the current rules. Therefore, this item is only presented as an informational item, and no action is requested by the Commission. However, if any modifications or amendments are proposed, this issue could be set on a future agenda for a formal amendment.

Enclosures: Resolution on role of alternate and minutes from June, 8, 2017 Commission Meeting

**RESOLUTION OF THE SAN BENITO LOCAL AGENCY FORMATION COMMISSION
MODIFICATION TO COMMISSIONER HANDBOOK REGARDING ROLE OF ALTERNATE
COMMISSIONERS**

WHEREAS, pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56300 et. seq.) the Commission is required to establish written policies and procedures and exercise its powers in compliance with the Government Code and those adopted local policies and procedures; and

WHEREAS, the Commission has adopted rules and procedures which set forth the role of alternate LAFCO Commissioner's during Commission meetings, under Section 3 "Alternate Members" of Chapter 3 "LAFCO Membership;" and

WHEREAS, at the May 25, 2017 regular meeting, the Commission discussed the merits of allowing alternate Commissioners to attend and participate in Commission meetings when the regular members are present and the alternate is not able to vote; and

WHEREAS, in accordance with Chapter 13 of the Commission's Rules and Procedures, as contained in the *Commissioner Handbook*, the Commission may, by majority vote, modify the procedures contained in the Handbook when the situation warrants, and the change is not in conflict with statutes governing LAFCO activities; and

WHEREAS, the Government Code does not specify the role of alternate commissioners at Commission meetings when they are not acting as voting members in place of a regular Commissioner; and

WHEREAS, at the June 8, 2017 regular meeting, the Commission determined that the alternate members should not be encouraged to attend or participate in Commission meetings where the regular member is present and able to vote on the scheduled agenda items.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Commission hereby changes the text in Chapter 3, Section C.2, of the Rules and Procedures to read:

"Alternate members may not participate in LAFCO proceedings except in the absence or disqualification of a regular member."

BE IT FURTHER RESOLVED AND ORDERED that Chapter 3, Section C.3 be deleted from the LAFCO Rules and Procedures.

This resolution was adopted on June 8, 2017, and is effective on the date signed by the Chair.

San Benito LAFCO
Resolution Amending the Rules and Procedures
Section C.2 and 3, of Chapter 3
Page 2 of 2

I, Richard Bettencourt, 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 8th day of June, 2017, by the following vote:

AYES: De La Cruz, Velazquez, West and Rivas

NOES: Bettencourt

ABSTAINS: None

Dated: 6/8/2017

Richard Bettencourt, Chair
San Benito Local Agency Formation Commission

ATTEST

Bill Nicholson, Executive Officer
San Benito Local Agency Formation Commission

BUSINESS ITEMS – CONTINUED PUBLIC-HEARING ITEM

6. Adoption of Final Fiscal Year 2017-2018 Budget (Public Hearing Continued from May 25, 2017 Meeting.)

Executive Officer Nicholson provided testimony as to the budget hours that were originally projected for his position as Executive Officer. Executive Officer Nicholson requested an increase in the budget hours from 30 hours per month to 35 hours per month, with an annual fiscal increase of \$8,400.00.

Vice-Chair Velazquez asked if it would be more beneficial to hold fewer meetings, such as every other month, rather than every month, in terms of demands on Executive Officer Nicholson's time. Executive Officer Nicholson responded that the number of meetings depends on the number of applications submitted and the workload. Meetings can be cancelled if there is no pressing business.

Executive Officer Nicholson advised of one additional budget item, which is the membership dues paid to CALAFCO. The dues were budgeted in at \$898.00 annually, and the invoice came in for \$899.00, so the account needs to be modified to reflect \$899.00.

Commissioner De La Cruz made a motion to approve the recommended budget, with one modification. Commissioner West seconded the motion.

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

BUSINESS ITEMS – NON-HEARING ITEM

7. Adoption of resolution changing Policies and Procedures in the LAFCO Commission Handbook allowing Alternate Commissioner participation at Commission meetings only when a Regular Commissioner is absent or disqualified from voting.

Executive Officer Nicholson provided summary testimony as to whether or not the language in the LAFCO Handbook should be modified to reflect the fact that Alternative Commissioners" may participate as citizens, and exercise normal citizen rights, in any LAFCO Commission meeting, rather than discouraging their rights as citizens.

Commissioner De La Cruz made a motion to approve the adoption of the resolution that was drafted at the last meeting. Commissioner West seconded the motion.

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